



# Craven County Board of Education

2016-2017 Local Current Expense and Capital Request



# Factors Impacting our Local Current Expense Budget

- ▶ Decreasing ADM – impacts our dollars available to cover fixed costs
- ▶ Approximately 81% of our costs in Local Current Expense Fund are personnel and benefit costs
- ▶ Reductions from state for lower ADM occur mid year once classrooms have already been staffed according to expected student numbers
- ▶ Lower military connected population is affecting dollars received from Impact Aid
- ▶ Slower receipt of Federal Funding in general
- ▶ Retirement rate and Health costs continue to increase – and have nearly doubled since 2008



# Continued need for Revenue Adjustments

- We have discussed in years past the need to adjust revenues down to meet actual historical collections and we have adjusted several revenue sources again this year.
- We have adjusted Impact Aid receipts down to \$1.6M from \$2.4 as that figure more closely matches amounts received the last several years.
- We have adjusted Sales Tax Revenue down to \$80,000 as we received less this year than in the past due to less overall spending district wide.
- We adjusted Interest Revenues from \$47,946 to \$30,000 as we are still not earning at the level we had been earning prior to the recession.
- We have moved some revenues to Fund 8 that were better accounted for in that fund, as they are reimbursements and grant type funds that are not shared with the Charter schools, since they are for specific purposes and do not affect funds available to balance the Local Current Expense Budget.

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## Budget Adjustments we have made in response to these concerns

- ▶ Evaluate each position that becomes vacant to determine the need to fill the position.
- ▶ Review staffing levels at each school in May of each year with anticipated numbers of students to determine if there are any vacancies that come up at year end that can remain unfilled and still provide adequate level of service to students.
- ▶ Reduce instructional software used, reduce travel unless necessary, reduce contract costs where possible, seek out grants to help with professional development and specific projects, look for ways to reduce spending.



# Reductions made in our Budget to help offset anticipated shortfall for 2016/2017

- ▶ We have reduced our budget by 15 Local Teaching positions. This reduction means that we will look for vacancies within all grade levels that we can leave unfilled at year end.
- ▶ We have reduced our budget by 3 local nursing positions. The remaining 21 nurses will be shared between all 25 school locations based on specific needs of the student population at each school.
- ▶ We have reduced central office staff by 3.5 positions and have reorganized school clerical staff in order to save months of employment and standardize assignments.
- ▶ We have made reductions in the Athletic supplies budget and the Athletic supplement schedule.



## Reductions (continued)

- ▶ We have reduced Travel allotments for our Board members and the number of support and professional memberships for the school district to minimize costs.
- ▶ We have reduced the Facilities Maintenance budget by \$100,000 for next fiscal year.
- ▶ We have employed a firm, School Efficiency Consultants to review our budget documents and determine if there are ways to utilize current state and federal dollars in a more economical way that we currently use them. There is no cost to us for this study unless they find areas we can save.
- ▶ We have also entered into a contract with Cenergistic – an Energy Conservation company to assist us with further analyzing ways we can save on our utility bills. Again, there is no cost to us unless we see significant improvement in our utility costs.



# Our Request – Local Current Expense

- ▶ Since our Fund Balance is very low, we will not be able to allocate the \$1.5M we had used in the past to balance the budget.
- ▶ We are asking the County Commissioners to provide an additional \$1.5M to support the Local Current Expense Fund budget for FY 2016-2017.
- ▶ This increase from last year will prevent us from having to make any further reductions in staff at this time pending no further changes at the state or federal level.
- ▶ We will continue to evaluate positions as they become vacant for opportunities to reduce costs and reorganize staff.
- ▶ We will also continue to look for other areas where we can reduce costs and save money with as little direct impact to students as possible.

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# Our Request - Technology

- ▶ We made great strides this past year with the additional funds we received from the County last year for Technology. To date, we have been able to purchase about 1,450 Chromebooks and 52 charging carts. We have one additional order pending currently of an additional 240 Chromebooks and 8 more charging carts. These additional funds made a huge impact towards getting our classrooms updated this year with new technology. Thank you!!!
- ▶ For next year, we would like to request an additional \$541,725 in Technology funding to bring us to a total of \$1,254,975 specifically for technology repairs, upgrades and equipment. This amount of total funding from the County on an annual basis would allow us to achieve a 5 year replacement cycle for computers within our school system.



# Our Request – Capital Fund

- ▶ We are asking to keep our Capital funding amount the same as what was received last year. With this \$1,118,375 we plan to do the following:
  - ▶ Pave a new road for buses at AW Edwards Elementary \$40,000
  - ▶ Recover the roof at Vanceboro Farm Life \$250,000 and replace Media Center carpet with tile to keep floors and high traffic areas cleaner \$15,000
  - ▶ Replace the boiler, condensate pump and lines at Graham A Barden Elementary \$20,000
  - ▶ Replace old doors and windows at HJ MacDonald Middle \$100,000 and replace ceiling tiles and light fixtures \$50,000
  - ▶ Replace ceiling tiles and light fixtures at Havelock High School \$50,000
  - ▶ HVAC Unit replacement at JW Smith Elementary \$50,000



# Capital Budget (continued)

- ▶ Replacement of old windows at WJ Gurganus Elementary \$50,000
- ▶ Furniture replacement in classrooms and libraries \$30,000
- ▶ Replace two activity buses for Transportation \$182,000
- ▶ Purchase a mobile lift for Transportation to work on buses at garage \$35,000
- ▶ Purchase a wrecker boom body for Transportation. The state will supply the wrecker for us, but we have to purchase the boom body. It is needed because the newer yellow buses are heavier and our current wrecker is not weighted high enough on braking standards. \$90,000
- ▶ Replace four gas powered air compressors on work trucks for Transportation \$18,000
- ▶ Replace a Utility van \$25,000, a service truck \$25,000 and a regular cab truck \$20,000 for Maintenance



# Capital (continued)



- ▶ We need to replace one zero turn mower for Maintenance \$9,000
- ▶ Establish an HVAC Contingency fund with the remaining \$9,375. We always have several HVAC systems that fail at the beginning of a new heating or cooling system, and end up having to put off planned projects to replace HVAC units. This allocation would allow us to have a little additional funding earmarked for this routine cost.
- ▶ In summary, our capital request remains the same as last year at \$1,118,375. However, the listing of Priority Projects for our school buildings was much longer than what we have listed as Category I type projects in the budget request book. I have included the additional projects that were considered priority for your review. These are items that will need to be addressed in the near term.



## Additional Capital Needs that will need to be addressed –

<b>SCHOOL</b>	<b>PROJECT DESCRIPTION</b>	<b>COSTS</b>
BRINSON	HVAC CONTROLS	100000.00
GROVER C. FIELDS	GUTTER-FACIA WOOD	80000.00
GRAHAM A. BARDEN	BATHROOM ADDITION	250000.00
HAVELOCK HS	SOFTBALL FIELD LIGHTS	250000.00
WEST CRAVEN HS	PAVING	150000.00
WEST CRAVEN MS	ROOFING	240000.00
		<b>\$1,070,000.00</b>

# Pictures of VFL roof that needs to be recovered - #1



## Pictures of VFL roof that needs to be recovered - #2



Pictures of VFL roof that needs to be recovered - #3



# Pictures of VFL roof that needs to be recovered - #4



# New Road Paved for Buses at AWE – Current bus location too crowded



Proposed new paved area for buses would provide more room for turnaround and larger number of buses to serve increased population



# Current Projections for Fund Balance for June 30, 2016

	<u>Designated for Subsequent Year's Budget/Enc/State Statute</u>	<u>Undesignated/Amount for Encumbrances</u>	<u>Total Equity</u>
June 30, 15 Fund Balance	2,135,362	456,181	2,591,543
Appropriated after July 1 2015 – Amendment # 1,2,3 & 4 details below*		(762,970)	
Remaining Balance of Undesignated Fund Balance		(306,789)	
Projected Portion of FBal Alloc not used to balance 2016 Budget		851,771	
Estimated Remaining Undesignated Fund Balance		\$544,982	
FY 2014	1,474,289	1,019,239	3,935,412
FY 2013	1,474,289	2,677,644	5,139,729
FY 2012	1,474,289	6,847,833	8,912,100
FY 2011	1,474,289	5,580,977	7,055,266

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- ▶ In Closing, thank you for your support of Craven County Schools. It has been a difficult budget year and we appreciate your financial commitment to our school system.