



Greenville County Schools  
**FY 13 General Fund  
Budget Process**

**First Reading • May 15, 2012**

**GREENVILLE COUNTY SCHOOLS**  
**First Reading of the FY 13 General Fund Budget**  
**Tuesday, May 15, 2012**  
**9:00 AM**

- **Introduction – *Roger Meek***
  
- **Recommended FY 13 General Fund Budget  
– *W. Burke Royster***
  
- **Revenue – *Jeff Knotts***
  
- **Expenditures – *Stephanie Thomas***
  
- **Summary – *W. Burke Royster***
  
- **Board Discussion**

Next Steps:

Tuesday, June 5, 2012  
Public Hearing (6:00 – 6:30) and Second Reading (6:30 – 8:30)

**Greenville County Schools  
2012-2013 General Fund Proposed Budget  
First Reading**

**Projected Revenue Summary**

		<u>Reference Page</u>
Projected Revenue for FY 13		
Local Revenue *	\$ 151,350,000	2
State Revenue	285,022,000	2
Transfers In	<u>10,881,000</u>	2
Total Projected Revenue for FY 13	\$ 447,253,000	
Unassigned Fund Balance/Savings ONE TIME FUNDS	<u>16,975,000</u>	
Required Amount to Equal Proposed Expenditures	<u><u>\$ 464,228,000</u></u>	

**Proposed Expenditures Summary**

		<u>Reference Page</u>
Budgeted Expenditures for FY 12	\$ 442,784,098	
Proposed Expenditures for FY 13		
State Mandated Expenditures	\$ 15,639,000	4
Local Required Expenditures	5,919,902	4
Reduction of Expenditures	<u>(115,000)</u>	4
Subtotal	<u>21,443,902</u>	
Total Proposed Expenditures for FY 13	<u><u>\$ 464,228,000</u></u>	

\* Includes a recommended 7.5 mill increase which generates \$7,875,000

**Greenville County Schools**  
**2012-2013 Projected General Fund Revenue Budget**  
**First Reading**

	State BSC \$1,880 GCS BSC \$1,365	State BSC \$2,012 GCS BSC \$1,461
	FY 12 Revenue Budget	Projected FY 13 Revenue Budget
<b>1 Projected Local Revenue</b>		
2 Property Taxes - Greenville, Laurens, Spartanburg and Fee In Lieu of Taxes	\$ 142,280,000	\$ 142,280,000
<b>3 Act 388 Millage (7.5 mills)</b>		<b>7,875,000</b>
4 Interest on Short Term Investments	400,000	400,000
5 Tuition - Out of District Students	60,000	60,000
6 Lost & Damaged Books	50,000	50,000
7 Drivers Ed Fees	65,000	65,000
8 Proviso for Handicapped Education	240,000	240,000
9 Tuition - Summer School	130,000	130,000
10 Contributions from Private Sources	250,000	250,000
<b>11 Total Projected Local Revenue</b>	<b>\$ 143,475,000</b>	<b>\$ 151,350,000</b>
<b>12 Projected State Revenue</b>		
13 Employer Fringe Benefits	\$ 59,520,000	\$ 63,935,000
14 Education Finance Act (EFA) - BSC	119,431,000	130,489,000
15 Education Finance Act (EFA) - Supplement	4,696,000	0
16 Property Tax Relief (Tier I)	23,410,000	23,410,000
17 Homestead Exemption (Tier II)	5,900,000	5,900,000
18 Homestead Exemption Fund - Base Reimbursement (Tier III)	49,768,000	51,741,000
19 Homestead Exemption Fund - Annual Allocation (Tier III)	1,868,000	2,796,000
20 Special Education Transportation	170,000	170,000
21 Home School Instruction	70,000	70,000
22 School Bus Drivers' Salaries/Work Comp	1,889,000	1,889,000
23 Merchant's Inventory Tax	2,201,000	2,201,000
24 Manufacturers' Depreciation	2,100,000	2,100,000
25 Motor Carriers Tax	321,000	321,000
<b>26 Total Projected State Revenue</b>	<b>\$ 271,344,000</b>	<b>\$ 285,022,000</b>
<b>27 Projected Transfers In</b>		
28 Transfer from EIA - Teacher Salary Supplement	\$ 8,281,000	\$ 7,868,000
29 Transfer from Food Service - Indirect Cost	1,613,000	1,613,000
30 Transfer from Special Revenue - Indirect Cost	1,400,000	1,400,000
<b>31 Total Projected Transfers In</b>	<b>\$ 11,294,000</b>	<b>\$ 10,881,000</b>
<b>32 Unassigned Fund Balance/Savings ONE TIME FUNDS</b>	<b>\$ 16,671,098</b>	<b>\$ 16,975,000</b>
<b>33 Total Projected Revenue Budget</b>	<b>\$ 442,784,098</b>	<b>\$ 464,228,000</b>

**Greenville County Schools**  
**2012-2013 Projected General Fund Revenue Budget**  
**First Reading**

**Changes to Projected Revenue**

**Act 388 Millage** *page 2, line 3* **\$ 7,875,000**

Act 388 provides school boards the ability to address population growth and increased costs due to inflation. Act 388 limits districts to maintaining current programs. It does not provide a mechanism to generate funds for innovation in instructional practices or to address cost increases not directly related to population growth or goods and services that exceed the consumer price index (CPI). For example, CPI through March of this year is 2.7% but the current increase in utility rates is above 5% and fuel increases for the same time period equal 9%.

The FY 13 allowable operational millage increase per Act 388 is 5.88 mills. In addition, State law provides school boards the authority to levy millage that was not levied in the preceding three years. This means any operational millage increase allowed for FY 10, FY 11 and FY 12 but not levied may be used in FY 13.

When developing the FY 10 General Fund Budget the District had the ability, as provided for in Act 388, to increase the operational millage by 7.2 mills; however, due to the economic situation at that time no operational millage increase was levied. Final approval of the FY 12 General Fund Budget did include using 1.1 mills from the operational mills not levied for FY 10, leaving a balance of 6.1 mills unlevied. The availability of all 6.1 mills will lapse if not used for FY 13.

The Administration is proposing an operational millage increase of 7.5 mills for FY 13. This increase consists of 6.1 mills from FY 10 millage allowed but not levied and 1.4 mills of the 5.88 mills allowed by Act 388 for FY 13.

Of the 7.5 mills, 1.9 mills are needed to fund the increase in "State Mandated" expenditures that were underfunded by the State and 5.6 mills are needed along with the recommended utilization of generated savings to fund the increase in "Local Required" expenditures. These expenditures reflect the cost of additional school based personnel due to student growth, inflation and employee compensation.

Act 388 Allowable Millage for FY 13

2009 – 2010	6.10 mills
2012 – 2013	<u>5.88 mills</u>
	11.98 mills

Recommended Millage for FY 13

2009 – 2010	6.10 mills
2012 – 2013	<u>1.40 mills</u>
	7.50 mills

**Greenville County Schools  
2012-2013 Proposed General Fund Expenditure Budget  
First Reading**

	Proposed Expenditure Budget	Reference Page
1 <b>Budgeted Expenditures for FY 12</b>	<b>\$ 442,784,098</b>	
2 <b>State Mandated Expenditures for FY 13</b>		
<i><b>Goal 2: Ensure Quality Personnel in All Positions</b></i>		
3 Partial Cost of Living Increase of 2% for School Level Personnel	\$ 7,580,000	5
4 Teacher Certificate Upgrades	800,000	5
5 Employer Retirement Increase (Effective July 1, 2012)	2,808,000	5
6 Employer Health Insurance Increase (Effective Jan. 1, 2012)	490,000	5
7 Employer Health Insurance Increase (Effective Jan. 1, 2013)	1,439,000	6
<i><b>Goal 4: Effectively Manage and Further Develop Financial Resources</b></i>		
8 Payments to Charter Schools	2,522,000	6
9 <b>Total State Mandated Expenditures for FY 13</b>	<b>\$ 15,639,000</b>	
10 <b>Local Required Expenditures for FY 13</b>		
<i><b>Goal 1: Raise the Academic Challenge and Performance of Each Student</b></i>		
11 Personnel for Student Growth	\$ 4,200,000	6
12 Instructional Supplies for Student Growth	34,902	6
<i><b>Goal 2: Ensure Quality Personnel in All Positions</b></i>		
13 Partial Cost of Living Increase of 2% for Non-School Level Personnel	761,000	6
<i><b>Goal 3: Provide a School Environment Supportive of Learning</b></i>		
14 Monarch Elementary School	656,000	7
15 District Property/Liability Insurance Premium Increase	218,000	7
<i><b>Goal 4: Effectively Manage and Further Develop Financial Resources</b></i>		
16 Fuel for District Vehicles	50,000	7
17 <b>Total Local Required Expenditures for FY 13</b>	<b>\$ 5,919,902</b>	
18 <b>Reduction of Expenditures for FY 13</b>		
<i><b>Goal 1: Raise the Academic Challenge and Performance of Each Student</b></i>		
19 Procurement Audit	\$ (15,000)	8
<i><b>Goal 3: Provide a School Environment Supportive of Learning</b></i>		
20 Utilities	(100,000)	8
21 <b>Total Reduction of Expenditures for FY 13</b>	<b>\$ (115,000)</b>	
22 <b>Total Proposed Expenditures for FY 13</b>	<b>\$ 464,228,000</b>	

**Greenville County Schools  
2012-2013 Proposed General Fund Expenditure Budget  
First Reading**

**State Mandated and Local Required Expenditures for 2012-2013**

**State mandates** are: 1.) Legal requirements resulting from legislative acts which impose a new program or demand an increased level of service in an existing program or 2.) Mandates from the State Department of Education.

**Local requirements** refer to the services and support that facilitate the attainment and sustainability of our Education Plan goals.

**State Mandates**

**Goal 2: Ensure Quality Personnel in All Positions**

**Partial Cost of Living Increase for School Level Personnel** **\$ 7,580,000**  
*page 4, line 3*

This line reflects a 2% increase in pay for all school level personnel. This is only a partial cost of living increase when compared to current inflation factors. The current southeast consumer price index (a measure of the average change over time in the cost of certain consumer goods) is 2.7%. This category of employee includes all teachers, school level staff and administrators.

**Teacher Certificate Upgrades** *page 4, line 4* **\$ 800,000**

This budget reflects pay increases for teachers upgrading current certificates to reflect higher education levels. Teachers are both required and encouraged to pursue additional training. When that training results in the attainment of an additional degree or certificate upgrade, a commensurate pay increase is mandated.

**State Retirement (Employer Portion) Increase** *page 4, line 5* **\$ 2,808,000**

This budget reflects an increase in the South Carolina Retirement System employer contribution rate from 9.385% to 10.45%. This equates to an 11.34% rate increase and will be effective July 1, 2012.

**State Health (Employer Portion) Insurance Increase** *page 4, line 6* **\$ 490,000**

This budget reflects the increase in the employer contribution rate to cover additional costs of providing health coverage to employees insured by the State Health Plan for the last six months of 2012. This increase ranged from 1.033% to 7.22% and went into effect January 1, 2012.

**Greenville County Schools  
2012-2013 Proposed General Fund Expenditure Budget  
First Reading**

**State Health (Employer Portion) Insurance Increase *page 4, line 7* \$ 1,439,000**

This budget reflects a 4.6% estimated increase in the employer contribution rate to cover additional costs of providing health coverage to employees insured by the State Health Plan. This increase will be effective January 1, 2013.

**Goal 4: Effectively Manage and Further Develop Financial Resources**

**Payments to Charter Schools *page 4, line 8* \$ 2,522,000**

The General Fund allocation to charter schools is determined per the formula as specified in State Law Section 59-40-140. The application of this formula combined with the projected increase in charter school students requires an increase of \$2,522,000 in the charter school allocation budget.

**Local Requirements**

**Goal 1: Raise the Academic Challenge and Performance of Each Student**

**Personnel for Student Growth *page 4, line 11* \$ 4,200,000**

This budget will fund the additional teachers and school support staff (i.e. guidance counselors, nurses, media specialists, assistant principals, etc...) necessary to serve additional students. These positions are assigned in response to growth as it occurs from the time projections are done in the spring through the opening of school. Planning and Demographics currently projects an increase of 800 students for FY 13.

**Instructional Supplies for Student Growth *page 4, line 12* \$ 34,902**

This budget will fund the additional cost for supplies and materials necessary to serve projected new students for the FY 13 school year.

**Goal 2: Ensure Quality Personnel in All Positions**

**Partial Cost of Living Increase for Non-School Level Personnel \$761,000  
*page 4, line 13***

This line reflects a 2% increase in pay for all district level personnel. This is only a partial cost of living increase when compared to current inflation factors. The current southeast consumer price index (a measure of the average change over time in the cost on certain consumer goods) is 2.7%. This category of employee includes all personnel not based at a school. These employees have received one pay increase, of 1.64% over the last three budgets (FY 10, FY 11, and FY 12).





