



**Greenville County Schools**  
**FY 14 General Fund**  
**First Reading**

**May 13, 2013**

**Greenville County Schools  
2013-2014 General Fund Proposed Budget  
First Reading**

**Projected Revenue Summary**

		<u>Reference Page</u>
Projected Revenue for FY 14		
Local Revenue *	\$ 152,945,000	2
State Revenue	304,016,000	2
Transfers In	<u>15,524,000</u>	2
Total Projected Revenue for FY 14	\$ 472,485,000	
Unassigned Fund Balance/Savings ONE TIME FUNDS	<u>10,743,000</u>	
Required Amount to Equal Proposed Expenditures	<u><u>\$ 483,228,000</u></u>	

**Proposed Expenditures Summary**

		<u>Reference Page</u>
Budgeted Expenditures for FY 13	\$ 468,231,000	
Proposed Expenditures for FY 14		
Federal Mandated Expenditures	\$ 185,000	5
State Mandated Expenditures	6,169,000	5
Local Required Expenditures	9,010,000	5
Reduction of Expenditures	<u>(367,000)</u>	5
Subtotal	<u>14,997,000</u>	
Total Proposed Expenditures for FY 14	<u><u>\$ 483,228,000</u></u>	

\* Includes a recommended 3-mill local property tax increase which generates \$3,150,000

**Greenville County Schools  
2013-2014 Projected General Fund Revenue Budget  
First Reading**

	State BSC \$2,009.86 GCS BSC \$1,461	State BSC \$2,101 GCS BSC \$1,534
	FY 13 Revenue Budget	Projections FY 14 Revenue Budget
<b>1 Projected Local Revenue</b>		
2 Property Taxes - Greenville, Laurens, Spartanburg and Fee In Lieu of Taxes	\$ 148,685,000	\$ 148,685,000
3 Act 388 Millage (3 mills)		3,150,000
4 Interest on Short Term Investments	400,000	315,000
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>\$ 149,880,000</b>	<b>\$ 152,945,000</b>
<b>12 Projected State Revenue</b>		
13 Employer Fringe Benefits	\$ 66,915,000	\$ 70,527,000
14 Education Finance Act (EFA) - BSC	130,489,000	140,365,000
15 Property Tax Relief (Tier I)	23,410,000	23,410,000
16 Homestead Exemption (Tier II)	5,900,000	5,900,000
17 Homestead Exemption Fund - Base Reimbursement (Tier III)	51,741,000	54,538,000
18 Homestead Exemption Fund - Annual Allocation (Tier III)	2,796,000	2,109,000
19 Special Education Transportation	170,000	170,000
20 Home School Instruction	70,000	70,000
21 School Bus Drivers Salaries/Work Comp	1,889,000	2,305,000
22 Merchants Inventory Tax	2,201,000	2,201,000
23 Manufacturers Depreciation	2,100,000	2,100,000
24 Motor Carriers Tax	321,000	321,000
<b>25 Total Projected State Revenue</b>	<b>\$ 288,002,000</b>	<b>\$ 304,016,000</b>
<b>26 Projected Transfers In</b>		
27 Transfer from EIA - Teacher Salary Supplement	\$ 12,511,000	\$ 12,511,000
28 Transfer from Food Service - Indirect Cost	1,613,000	1,613,000
29 Transfer from Special Revenue - Indirect Cost	1,400,000	1,400,000
<b>30 Total Projected Transfers In</b>	<b>\$ 15,524,000</b>	<b>\$ 15,524,000</b>
<b>31 Unassigned Fund Balance/Savings ONE TIME FUNDS</b>	<b>\$ 14,825,000</b>	<b>\$ 10,743,000</b>
<b>32 Total Projected Revenue Budget</b>	<b>\$ 468,231,000</b>	<b>\$ 483,228,000</b>

**Greenville County Schools**  
**2013-2014 Projected General Fund Revenue Budget**  
**First Reading**

**Changes to Projected Revenue**

The Senate Finance Committee has approved the FY 14 Education Finance Act Base Student Cost allocation at the House level of \$2,101. We do not expect any material change in State revenue allocations between the House and Senate budgets for the District's FY 14 General Fund budget.

The FY 14 General Fund Revenue and Expenditure Budgets have been balanced by using a combination of a millage increase, as specified by Act 388, and a portion of the General Fund unassigned fund balance.

**Act 388 Millage**    *pg 2, line 3*    **\$ 3,150,000**

The annual millage rate increase allowed by Act 388 is based on the average of the twelve monthly consumer price indices for the last calendar year and the population growth of Greenville County for the same period.

The FY 14 allowable operational millage increase per Act 388 is 4.98 mills. In addition, State law provides school boards the authority to levy millage not used in the three preceding years. This means any operational millage increase allowed for FY 11, FY 12, and FY 13 that were not levied may be used in FY 14. The total millage available is 10.86 (5.88 from FY 13 and 4.98 for FY 14).

<u>Act 388 Millage</u>	<u>Available</u>	<u>Used</u>	<u>Remaining</u>
FY 10	7.20 mills	0.0 mills	7.20
FY 11	2.20 mills	2.2 mills	7.20 (from FY 10)
FY 12	3.60 mills	4.7 mills	6.10 (from FY 10)
FY 13	5.88 mills	6.1 mills	5.88 (from FY 13)
FY 14	4.98 mills		

The Act 388 millage formula allowed a millage increase of 5.88 mills for FY 13, but these mills were not used in the levy for FY 13. The availability of these 5.88 mills will lapse if not used by FY 16. The Board has for FY 14 the authority, as allowed by State law, to levy a total of 10.86 mills.

The Administration is proposing an operational millage increase of 3.0 mills for FY 14. This increase will use 3.0 mills from FY 13 millage that was not levied. This recommendation is consistent with the District's strategy of reducing, over a period of time, usage of the fund balance to fund recurring expenditures. Continued application of this strategy will provide stable funding for recurring expenditures and have a positive influence on the District's bond ratings.

**Greenville County Schools**  
**2013-2014 Projected General Fund Revenue Budget**  
**First Reading**

General Fund – Fund Balance *pg 2, line 31*

**\$10,743,000**

At the end of FY 12, \$24.1 million or 30% of the General Fund fund balance was unassigned. The Administration is recommending assigning \$10,743,000 of this amount as a funding source for the FY 14 General Fund. This recommendation adheres to the District's strategy of protecting the instructional process from the effects of the recent economic recession and reducing, over a period of time, usage of the fund balance to fund recurring expenditures.

This recommended assignment of \$10.7 million will reduce the use of the General Fund fund balance when compared to FY 12 (\$16.8 million) and FY 13 (\$14.8 million). The FY 14 assignment will reflect a reduction in fund balance assignment of \$6.1 million since FY 12. This will leave approximately \$14 million of the unassigned balance available to use in the next four years as we move to eliminate our dependence on non-recurring revenue to fund recurring expenditures.

**Greenville County Schools  
2013-2014 Proposed General Fund Expenditure Budget  
First Reading**

	<u>FY 14</u> <u>Proposed</u> <u>Expenditure</u> <u>Budget</u>	<u>Reference</u> <u>Page</u>
1 <b>Budgeted Expenditures for FY 13</b>	<b>\$ 468,231,000</b>	
2 <b>Federal Mandated Expenditures for FY 14</b>		
<i><b>Goal 2: Ensure Quality Personnel in All Positions</b></i>		
3 Affordable Care Act (Health Care Reform)	\$ 185,000	6
4 <b>Total Federal Mandated Expenditures for FY 14</b>	<b>\$ 185,000</b>	
5 <b>State Mandated Expenditures for FY 14</b>		
<i><b>Goal 2: Ensure Quality Personnel in All Positions</b></i>		
6 Teacher Step/Salary Increases	\$ 3,857,000	6
7 Teacher Certificate Upgrades	800,000	6
8 State Health Employer Portion Insurance Increase (Effective Jan. 1, 2013)	1,512,000	7
9 <b>Total State Mandated Expenditures for FY 14</b>	<b>\$ 6,169,000</b>	
10 <b>Local Required Expenditures for FY 14</b>		
<i><b>Goal 1: Raise the Academic Challenge and Performance of Each Student</b></i>		
11 Increases Associated with Student Growth	\$ 3,850,000	7
12 Increase of School and Department Copier Costs	382,000	7
<i><b>Goal 2: Ensure Quality Personnel in All Positions</b></i>		
13 Increase in Local Portion of the Teacher Salary Schedule	1,446,000	7
14 2% Cost of Living Increase for Support Salary Schedules	2,169,000	8
15 Classroom Promethean Support Technician	61,000	8
16 School Wireless Support Specialist	61,000	8
<i><b>Goal 3: Provide a School Environment Supportive of Learning</b></i>		
17 Dr. Phinnize J. Fisher Middle School	291,000	8
18 Security Enhancement	750,000	9
19 <b>Total Local Required Expenditures for FY 14</b>	<b>\$ 9,010,000</b>	
20 <b>Reduction of Expenditures for FY 14</b>		
<i><b>Goal 4: Effectively Manage and Further Develop Financial Resources</b></i>		
21 Workers' Compensation Budget	\$ (367,000)	9
22 <b>Total Reduction of Expenditures for FY 14</b>	<b>\$ (367,000)</b>	
23 <b>Total Proposed New Expenditures for FY 14</b>	<b>\$ 14,997,000</b>	
24 <b>Total Proposed Budgeted Expenditures for FY 14</b>	<b>\$ 483,228,000</b>	

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**Federal Mandated, State Mandated and Local Required Expenditures**

**Federal and State mandates** are: 1.) Legal requirements resulting from legislative acts that impose an enforceable duty, 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.

**Federal Mandates**

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

**Affordable Care Act (Health Care Reform) *page 5, line 3* \$ 185,000**

This is the projected budget to comply with the Affordable Care Act. Final regulations are scheduled for release later in May, but certain aspects of this new Federal law are known. Beginning January 1, 2014, the District must meet the requirements of the Act which include fees and offering health insurance to defined, temporary hourly employees who average working 30 or more hours per week. The employee groups affected by this act are temporary employees and consist of these substitute groups: teachers, bus drivers, aides, clerical, custodial, and nurses.

**State Mandates**

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

**Teacher Step/Salary Increases *page 5, line 6* \$ 3,857,000**

This is the State mandated increase. Implementing a teacher salary step for FY 14 allows Greenville County Schools to remain competitive in recruitment and retention of quality teachers.

**Teacher Certificate Upgrades *page 5, line 7* \$ 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.

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**State Health (Employer Portion) Insurance Increase *page 5, line 8* \$ 1,512,000**

Based on a recent ruling by the SC Supreme Court, this budget reflects a revised 6.37% increase in the employer contribution to provide health coverage to employees insured by the State Health Plan. This is the original rate from the 2012-2013 Appropriations Act; however the Budget and Control Board revised the rate to a 4.6% employee/employer share. The issue was resolved by the SC Supreme Court for the original Appropriations Act rate of 6.37% (employer only) on April 24, 2013. This budget will fund the second half of the calendar year increase (July through December) that falls in FY 14. This is \$419,000 more than the amount presented at the Budget Work Session.

**Local Requirements**

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

**Increases Associated with Student Growth *page 5, line 11* \$ 3,850,000**

This budget will fund additional teachers, school support staff, and other budgetary needs associated with these additional students. Planning and Demographics currently projects an increase of 1,290 students for FY 14.

**Increase of School and Department Copier Costs *page 5, line 12* \$ 382,000**

The District's copier contract, which expires on March 30, 2014, has a per copy cost of \$.013. The State's contract rate is \$.0385. The District has been advised that any new District copier contract, effective in April 2014, may reflect a per copy cost similar to the State's contract. The District has calculated the projected increase in copier usage cost for April through June, 2014, by using the State's rate of \$.0385 per copy, and historical copy usage for April through June. The projected cost increase is \$382,000.

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

**Increase in Local Portion of the Teacher Salary Schedule \$ 1,446,000**

***page 5, line 13***

This budgeted amount ensures all steps equal at least a 2% increase. This increase will help retain teachers and compete with surrounding school districts by ensuring that our teacher salaries remain in the top 25 for school districts in the State. This also creates a new step 25 on the teacher salary schedule to ensure teachers at the top of the salary schedule receive a 2% increase.



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**2% Cost of Living Increase for Support Salary Schedules \$ 2,169,000**

***page 5, line 14***

This line reflects a 2% increase in pay for all support personnel. Schedules will be increased 2%, but employees will remain on their current step. This continues the District's goal of ensuring quality personnel in all positions and reaffirms throughout all levels of the organization the importance of all employees to the instructional program.

**Classroom Promethean Support Technician *page 5, line 15* \$ 61,000**

**(District Support Staff - ETS)**

Promethean Support Technicians are responsible for repairing and maintaining classroom Promethean boards. We are not able to provide timely repair services with the one current position. The current average repair time is three weeks. Adding an additional Promethean Support Technician will reduce repair time.

**School Wireless Support Specialist *page 5, line 16* \$ 61,000**

**(District Support Staff - ETS)**

The District is increasing the number of wireless hot spots from 3,000 units to 10,500 during the next three years. A support specialist is needed to handle this volume and manage the over 60,000 devices that will connect to these hot spots. This is a very specialized position and will require an individual certified in Wi-Fi technology and design. This position will support the technology infrastructure program and will be filled when this program is funded.

**Goal 3: Provide a School Environment Supportive of Learning**

**Dr. Phinnize J. Fisher Middle School *page 5, line 17* \$291,000**

Dr. Phinnize J. Fisher Middle School is scheduled to open in August 2014. During the 2013-2014 school year, positions such as the principal, program director, secretary, media specialist, plant engineer, etc. will be filled, as needed, to prepare the school to open in August 2014.

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**Security Enhancement** *page 5, line 18* **\$750,000**

The new security patrols are part of the school district's comprehensive approach to school safety that includes ongoing security evaluations of each school, enhancements to building security based on those evaluations, regular lockdown and other safety drills, required visitor sign-in, secure school entries, video monitoring, telephones in classrooms, and other measures to enhance school safety and security. In addition to the funding of school patrols, this line item provides resources for additional training of school staff to enhance and increase security.

**Reduction of Expenditure Budget**

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

**Workers' Compensation Budget** *page 5, line 21* **(\$ 367,000)**

This reduces the Workers' Compensation budget for potential Food Service claims. Expenditures from these potential claims will be funded by Food Service.