

Board of Education Meeting April 16, 2018



Superintendent's Budget Request
FY 2018-19

Celebrate! Gaston County Schools



Budget Overview

- Budget Calendar
- Operating Request
- Capital Request
- Next Steps



Budget Calendar

- **January 20** – Board retreat
- **January and February** – Met with Cabinet and/or Fund Managers
- **March 5** – Board budget work session
- **March 19** – Budget presentation/discussion
- **April 16** – Present Superintendent's Budget Request to Board of Education
- **May 7** - Board adoption of GCS Budget Request

Budget Calendar

- **May 15** – Deliver Board of Education budget request to County
- **June 12** – County approves local budget
- **June 18** – Board of Education approves balanced interim budget
- **July or August** – General Assembly and the Governor approve State budget
- **August or September** – Board of Education approves final budget resolution

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Operating Request

Ongoing Expenditures

Expenses related to the ongoing operations that will change due to changes in the law, inflation, end of life for technology, etc.

New Initiatives

Expenses related to new programs, projects, initiatives, etc. that are supportive of the GCS's mission and vision or required by law.

Expansion Request

Ongoing Expenditures - \$1,248,500

	Ongoing Expenditures	
1	State Mandated Increase in Employer Paid Benefits	\$ 263,000
2	Replacing End-of-Life Mobile Devices	517,500
3	Charter School Student Enrollment Increase	160,000
4	Replace ERate Reimbursement Reduction for Cellular Service	173,000
5	Replace ERate Reimbursement Reduction for Phone Service	135,000

Ongoing Expenditures

State Mandated Increase in Employer Benefits:

As prescribed in the current biennial budget, next year employer provided benefits will increase as follows:

- Health insurance will increase by 4% from \$5,869 to \$6,104 - **\$46,000**.
- Retirement contribution will increase by 8% from 17.13% to 18.44% - **\$217,000**.

Ongoing Expenditures

Replacing End-of-Life Mobile Devices:

- We have 10,350 mobile devices that were placed in service in FY 2014-15.
- We estimate about 1/3 of these devices (or 3,450) will fail next year.
- The cost of replacement is about \$150 per device, or **\$517,500** for 3,450 devices.

Ongoing Expenditures

Charter School Student Enrollment:

- GCS remits a portion of local funds received to charter schools based on enrollment.
- Based on historical trends, we anticipate a 6% increase in charter school enrollment.
- An increase of 100 students at a local per pupil rate of \$1,600 would result in a **\$160,000** reduction in local funds to GCS.

Ongoing Expenditures

Replace ERate Reimbursement:

- ERate reimbursement cellular and phone service, which has been used to support high-speed broadband, has been phased out over the past five years (20% per year).
- This funding initially amounted to **\$308,000** (cellular = **\$173,000**, phone = **\$135,000**) and is needed to continue to maintain the technology necessary for digital learning.

Expansion Request

New Initiatives - \$3,006,000

	New Initiatives	
1	Enhanced School Security	\$ 576,000
2	Certified Employee Salary Supplement Adjustment	500,000
3	Employee Compensation Adjustment	850,000
4	Expand School Choice Options	100,000
5	Replace End-of-Life Central Office IT Infrastructure	270,000
6	1:1 Student to Mobile Device Ratio	710,000

New Initiatives

Enhanced School Security:

- Provide additional funding to ensure that all schools have a full-time SRO.
- Need to add 16 FTE positions to have full-time SROs at all schools.
- Based on the 180 day school year at a rate of \$25/hour, we would need **\$576,000** to pay for these additional 16 positions.

New Initiatives

Certified Employee Salary Supplement:

- The average GCS teacher salary supplement of \$2,651 (2016-17) still falls below the State average of \$4,194 and our peer group.
- The County has agreed to a series of **\$500,000** increases in the salary supplement to get our teacher supplements more in line with our peer group.

New Initiatives

Employee Compensation Adjustment:

- Salary increases for our non-certified employees have lagged the increases of other government employees.
- Our **\$850,000** request provides for a 3% compensation (salary and benefits) increase for non-certified employees and a market-based adjustment to coaching supplements.

New Initiatives

Expand School Choice Options:

- Providing parents and students with more choice options was one of the top funding options selected by our stakeholders.
- Next year, we plan to open a STEAM academy at the new Stanley Middle School at a projected cost of **\$100,000**.
- This will be our first middle school choice program.

New Initiatives

Replace End-of-Life Central Office IT Infrastructure:

- We have updated many of the network switches and access points in our schools.
- We have not had funding to update these systems in our Central Offices.
- We are requesting **\$270,000** to update all Central Office locations with new switches, access points and cabling.

New Initiatives

1:1 Student to Mobile Device Ratio:

- GCS has been working toward achieving a 1:1 student to device ratio.
- We need an additional 2,935 devices to achieve a 1:1 student to device ratio.
- It would cost us approximately **\$710,000** to purchase the additional devices, carts and software.

State Mandated Changes

K-3 Class Size Reductions:

- Will be phased-in over four years.
- No K-3 class size changes for next year.
- Will require a one student reduction in K-3 class sizes for the next two years which would require seven additional teachers and two additional mobile classrooms.

Expansion Request

State Mandated Changes - \$0

State-Mandated Changes		
1	K-3 Class Size Reductions	\$ -

K-3 Class Size Reductions:

Expenditure	FY 2018-19 Request	FY 2019-20 Planning	FY 2020-21 Planning	Total Cost Three Years
Salaries and Benefits	\$ -	\$ 406,000	\$ 406,000	812,000
Materials and Supplies	-	4,200	4,200	8,400
Contracted Services	-	20,000	20,000	40,000
Other Operating Expenses	-	-	-	-
Total	\$ -	\$ 430,200	\$ 430,200	\$ 860,400

Operating Request Summary

County Request	Amount	
	2017-18	2018-19
Prior Year County Appropriation	\$45,351,704	\$47,751,704
Ongoing Expenditures	\$471,000	\$1,248,500
New Initiatives	\$4,010,200	\$3,006,000
Total County Request	\$49,832,904	\$52,006,204

Received a \$2.4 million increase in local funding last year.

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Capital Request

Capital Outlay is used for the following purposes:

- Roofing
- HVAC
- Vehicles
- Plumbing
- Electrical
- Technology
- Furniture
- Life Safety Devices
- Other Building Costs

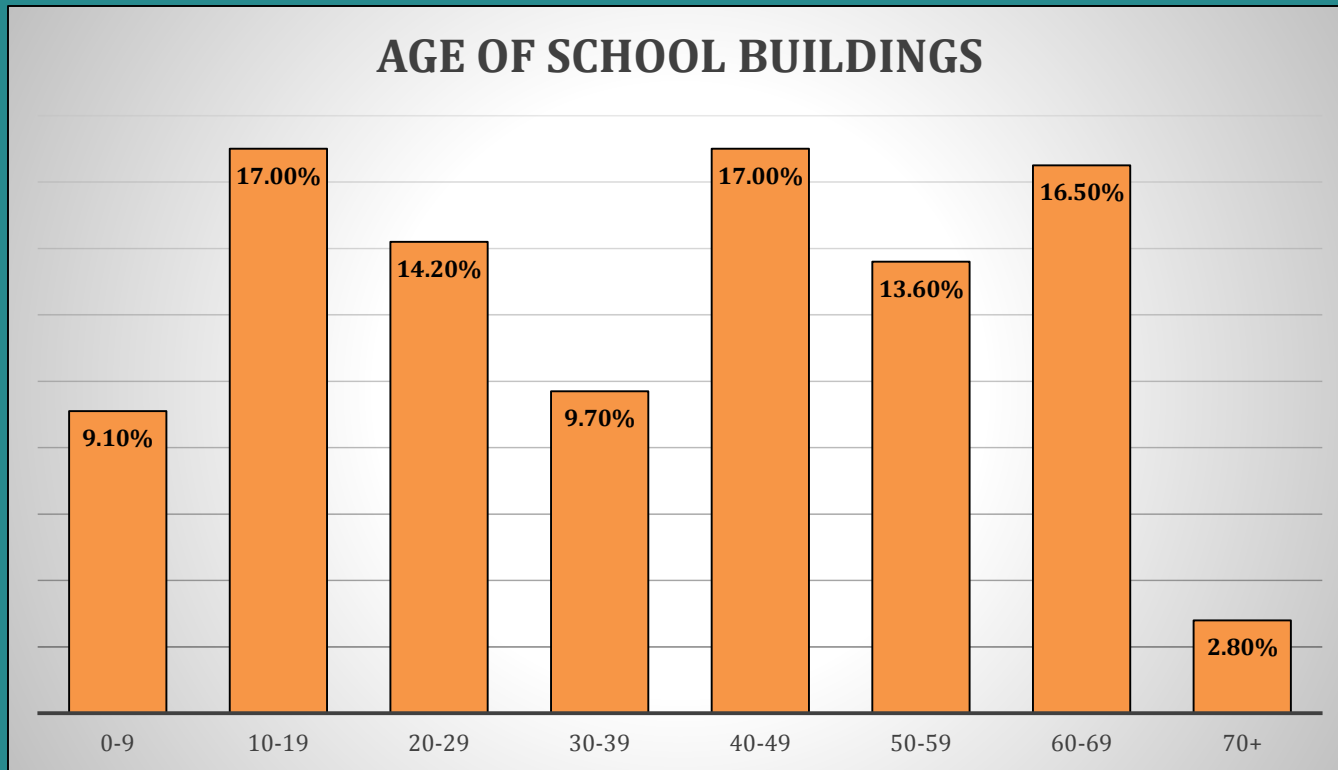


Capital Request

Routine Maintenance costs are affected by:

- Age of the buildings
- Quality and experience of custodial staff
- Training of custodial staff
- Deferred maintenance backlog

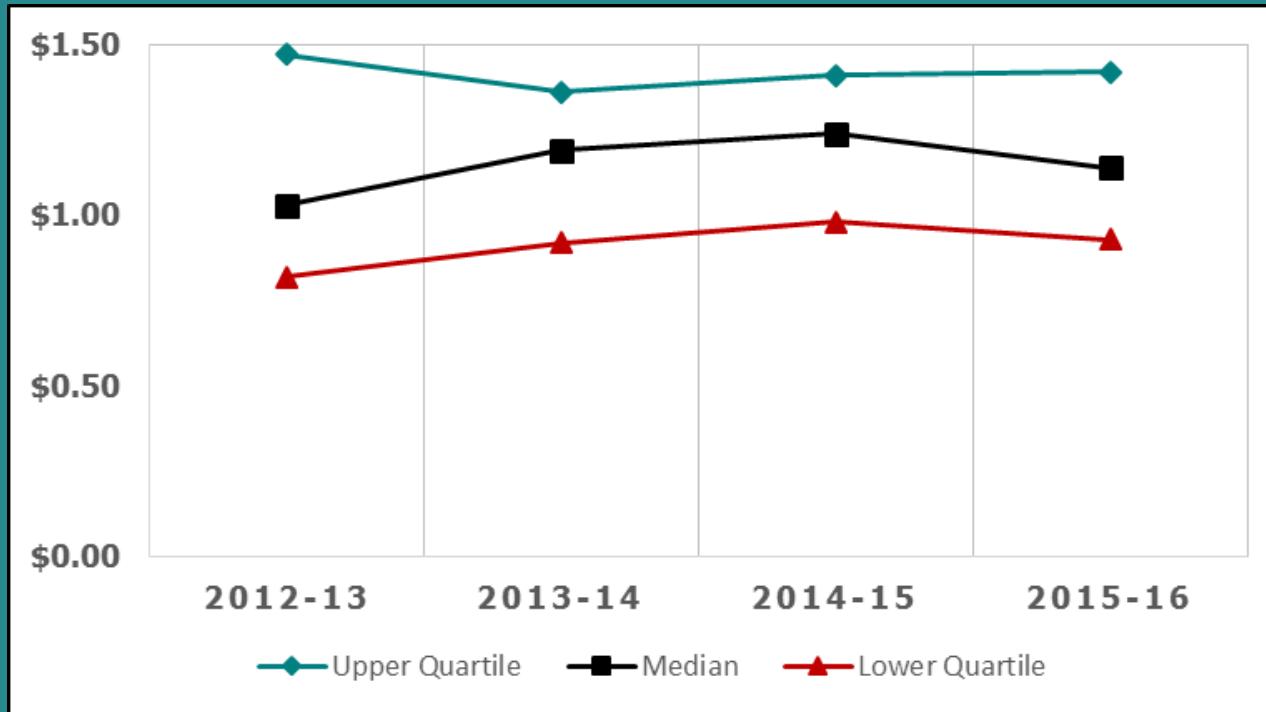
Age of Buildings



Capital Request

- According to the 2017 publication *Managing for Results in America's Great City Schools* from the Council of the Great City Schools – routine maintenance costs per square foot for 2015-16 ranged from:
 - \$1.42 for the upper quartile
 - \$1.14 for the median
 - \$0.93 for the lower quartile

Capital Request



	2012-13	2013-14	2014-15	2015-16
Upper Quartile	\$ 1.47	\$ 1.36	\$ 1.41	\$ 1.42
Median	1.03	1.19	1.24	1.14
Lower Quartile	0.82	0.92	0.98	0.93

Capital Request

- GCS schools and central office buildings amount to approximately 5.2 million square feet.
- Last year we received \$1.2 million in capital outlay, or about \$0.24 per square foot.
- We are requesting \$5.9 million in capital outlay for FY 2018-19. This request equates to about \$1.14 per square foot.

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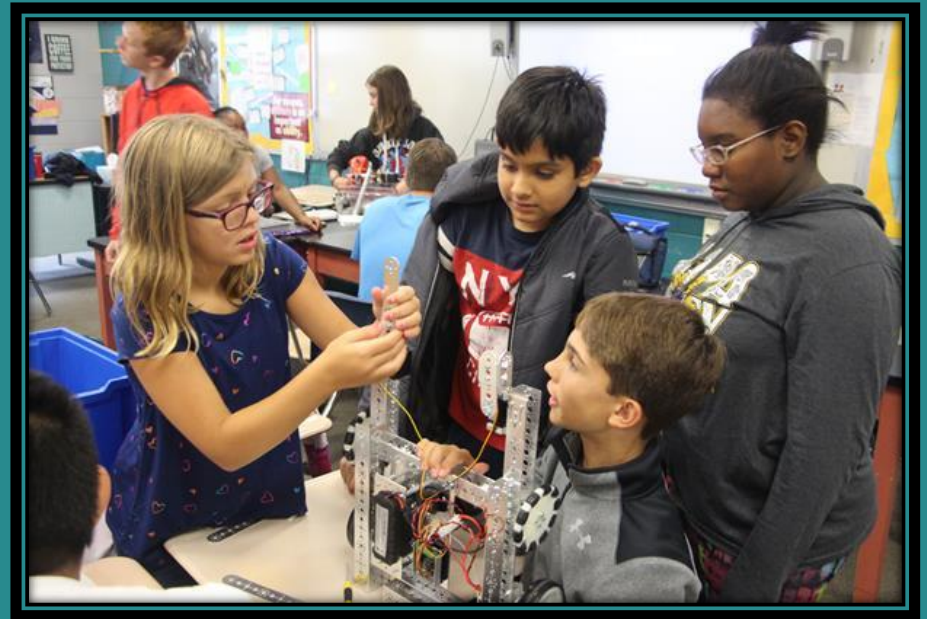


Next Steps

- Approve the 2018-19 GCS Budget Request at the Board Meeting on **May 7th**.
- Present the 2018-19 GCS Budget Request to the County by **May 15th**.
- Approve a balanced Interim Budget prior to **June 30th**.

In Conclusion

The Superintendent's Budget Request supports the GCS Vision to **“inspire success and a lifetime of learning”** for all of our students.



Discussion



Celebrate! Gaston County Schools

