

# EDENTON-CHOWAN SCHOOLS

## 2012-2013 LOCAL CURRENT EXPENSE BUDGET REQUEST

APRIL 2, 2012

# **EDENTON-CHOWAN SCHOOLS**

## **2012-2013 CURRENT EXPENSE BUDGET REQUEST**

The Edenton-Chowan Board of Education has recognized and planned for the 2012-2013 fiscal year to be one of the more difficult fiscal years since the local financial crisis of 2008 and the ensuing economic recession. Unless there is a significant and unexpected increase in school funding from the General Assembly the budget crisis will only deepen. Since 2007-2008 the loss of state, federal, and local revenue is approximately two million dollars; \$643,731 of that loss was due to reductions of the local current expense appropriation. Adding to these major losses is the expiration of the last of the federal stimulus dollars. The federal Education JOBS funds (\$550,249) will not be available in 2012-2013. Compounding the serious impact of these revenue reductions is the 2012-2013 state “Discretionary Reduction” of \$788,065, an additional loss of \$116,041 over the previous year, not to include significant reductions in several other state allocations. Combined, the loss of state and federal funds will be approximately \$900,000. The magnitude of the budget reductions are illustrated by the charts “Major Revenue Sources by Year” on page 3 and the 2012-2013 State Planning Allotment on page 4.

Because the Board of Education has anticipated 2012-2013 as potentially the most challenging funding year thus far, we have made every attempt to be proactive in preparing for this eventuality. Since 2008-2009 numerous cost reduction measures have been enforced including the reductions of salaries/teaching supplements and the implementation of the school system’s reduction in force policy. Employees’ compensation remains 1% below the 2009 level. Since 2008, forty-eight (48) positions (20 licensed and 28 classified) have been eliminated. While some of the positions were absorbed through the normal attrition of resignations and retirements, many employees were notified their positions were no longer available. The result of which has been larger class sizes, elimination of important programs, and limited flexibility in meeting even small fluctuations in student enrollment.

The Board also realizes that the financial picture for the next two to three years will continue to be extremely difficult. The school system cannot weather the fiscal storm solely by budget cuts and the depletion of school personnel. Fiscal reserves have been and must continue to be managed in a sensible manner to provide enough funds to see the school system through these next few years. The Board has committed to appropriate an additional \$500,000 to meet the anticipated shortfall in the 2012-2013 school operating budget, thus further eroding the fiscal reserves and the Board of Education’s ability to respond to unforeseen events and emergencies. While using the fund balance during this time has been necessary and appropriate, the continued expenditure of dollars exceeding revenue will result in dire consequences. This is particularly true since a significant portion of the fund balance will be used in 2012-2013 for recurring personnel costs.

**SMALL COUNTY AND LOW WEALTH SUPPLEMENTAL FUNDS NON-**

**SUPPLANTING REQUIREMENT:** Late last May the school system was informed that the non-supplanting standards to receive state Small County or Low Wealth Supplemental Funds were not met. Reduced local funding related to the financial crisis resulted in the failure to meet the non-supplanting requirement. Because of the cooperative efforts between the Board of Education and County Commission we were able to resolve the matter so that the school system would continue to receive these state funds totaling \$1.8 million and the County would not lose any funds in the process. A correction of \$274,164 was issued to the school system by the County prior to June 30, 2011. The Board of Education reserved the payment, applied the funds to this year's budget, and returned the correction to the County by reducing the 2011-2012 local current expense appropriation by the same amount. This resulted in a zero net loss/gain to the school system and the County.

**2012-2013 LOCAL CURRENT EXPENSE BUDGET REQUEST:** The Board of Education is requesting a modest increase to meet the most pronounced needs. Paramount is maintaining core classroom sizes within acceptable levels. Based on current and projected enrollments, additional classroom teachers will be required at the second and sixth grade levels. An elementary teacher position can be transferred to meet some of the needs but at least one additional teacher position will be required for 2012-2013. Mandated increases in the retirement and health insurance contributions will create additional cost for employees paid from local funds. Finally, funds are requested to help create an off-campus alternative program at the Edenton-Chowan Boys and Girls Club. The Board of Education is requesting the local current expense appropriation be increased to \$3,651,029 to meet these identified needs. Many more personnel and instructional needs exist but have not been included in the 2012-2013 request. Of these the most prominent are the continued salary reductions school system employees have endured since a 2% salary reduction was implemented in 2009. Last year 1% was restored and it was hoped that the remaining 1% could have been reinstated in 2012-2013, bringing income back to the 2008-2009 level. Unfortunately this does not appear possible and the restoration of employees' salaries remains a critical need. Hopefully the salary reductions can be reinstated in the near future.

**2012-2013 CAPITAL OUTLAY BUDGET REPORT:** While the collection of Land Transfer Taxes will not be complete until the end of June, it appears revenue may be slightly more than projections. This combined with some carryover funds will allow for \$324,970 to be budgeted for capital outlay projects. While there are many more needs than available resources, the Board of Education has prioritized the projects. A listing of the capital outlay priorities may be found on page 7.

Thank you for your consideration of this year's current expense request. Every attempt has been made to minimize the amount of the request during these difficult economic times. Your continued support of the Board's efforts to serve the youth of Chowan County is greatly appreciated. If you have any questions do not hesitate to contact Dr. Smith.

# EDENTON-CHOWAN SCHOOLS

## MAJOR REVENUE SOURCES by YEARS

|                        | STATE REVENUE | LOCAL CURRENT<br>EXPENSE<br>APPROPRIATION | OTHER LOCAL<br>REVENUE | FEDERAL     | TOTAL        |
|------------------------|---------------|---|------------------------|-------------|--------------|
| 2012-2013 (Projected)  | \$14,474,513  | TBD                                       | \$185,000              | \$2,572,838 | -\$901,817   |
| 2011-2012 (as of 2/12) | \$14,816,081  | \$3,421,929                               | \$195,000              | \$3,123,087 | \$21,556,097 |
| 2010-2011 (Final)      | \$14,684,452  | \$3,335,660                               | \$245,000              | \$3,726,171 | \$21,991,283 |
| 2009-2010 (Final)      | \$14,813,646  | \$3,115,660                               | \$195,000              | \$3,553,009 | \$21,677,315 |
| 2008-2009 (Final)      | \$16,642,838  | \$3,552,660                               | \$235,000              | \$2,008,139 | \$22,438,637 |
| 2008-2009 (Original)   |               | \$4,065,660                               |                        |             | \$22,951,637 |
| 2007-2008 (Final)      | \$17,291,021  | \$3,953,068                               | \$235,000              | \$1,655,026 | \$23,134,115 |

**2012-2013 NOTE:** The total projected loss of \$901,817 represents the combined reductions of state, other local revenue, and federal funds.

**2011-2012 NOTE:** Local Current Expense Appropriation of record was \$3,147,765. The difference of \$274,164 was replaced with funds provided by the County Commission in 2010-2011 to meet non-supplanting requirements of state funds.

**2008-2009 NOTE:** Original Local Current Expense Appropriation was \$4,065,660 but was reduced by \$513,000 in March of 2009 by the County Commission due to insufficient County funds.

**FEDERAL STIMULUS FUNDS:**

2011-2012 Budgeted Federal ARRA Funds:           \$550,249  
 2010-2011 Budgeted Federal ARRA Funds:       \$1,359,424  
 2009-2010 Budgeted Federal ARRA Funds:       \$1,463,703

# 2012-2013 STATE PLANNING ALLOTMENT

| PRC          | STATE PRC NAME                       | 2011-2012     | 2012-2013    | DIFFERENCE   | DIFFERENCE IN<br>\$\$\$\$ |
|--------------|--------------------------------------|---------------|--------------|--------------|---------------------------|
| 000          | Textbooks                            | \$ 26,375.00  | \$ 39,222.00 | \$ 12,847.00 | \$ 12,847                 |
| 001          | Classroom Teachers                   | 110           | 110          | 0.00         | \$0.00                    |
| 002          | Central Office                       | \$ 613,832    | \$ 623,255   | \$ 9,423     | \$ 9,423                  |
| 003          | Non-Instructional Support            | \$ 527,041    | \$ 528,785   | \$ 1,744     | \$ 1,744                  |
| 005          | School Building Administration (MOE) | \$ 72         | 71           | (1.00)       | \$ (6,977)                |
| 007          | Instructional support                | 11            | 11           | 0.00         | \$0.00                    |
| 012          | Driver Training                      | \$ 44,797     | \$ 45,197    | \$ 400       | \$ 400                    |
| 013          | Voc Ed (MOE)                         | 153           | 148          | (5.00)       | \$ (29,175)               |
| 014          | Voc Ed Program Support               | \$ 41,408     | \$ 39,847    | \$ (1,561)   | \$ (1,561)                |
| 015          | School Technology                    | No allocation |              |              |                           |
| 019          | Small County Supplemental            | \$ 1,486,234  | \$ 1,466,059 | \$ (20,175)  | \$ (20,175)               |
| 022          | Mentor Pay                           | No allocation |              |              |                           |
| 024          | DSSF                                 | \$ 141,049    | \$ 137,856   | \$ (3,193)   | \$ (3,193)                |
| 027          | Teacher Assistants                   | \$ 807,701    | \$ 807,262   | \$ (439)     | \$ (439)                  |
| 028          | Staff Development                    | No allocation |              |              |                           |
| 031          | Low Wealth Supplemental              | \$ 408,900    | \$ 324,802   | \$ (84,098)  | \$ (84,098)               |
| 032          | Children With Disabilities           | \$ 1,157,447  | \$ 1,137,054 | \$ (20,393)  | \$ (20,393)               |
| 034          | Academically Gifted                  | \$ 112,668    | \$ 111,377   | \$ (1,291)   | \$ (1,291)                |
| 054          | Limited English                      | \$ 46,613     | \$ 50,090    | \$ 3,477     | \$ 3,477                  |
| 061          | Classroom Materials                  | \$ 85,297     | \$ 76,745    | \$ (8,552)   | \$ (8,552)                |
| 069          | At Risk Student Services             | \$ 549,332    | \$ 471,758   | \$ (77,574)  | \$ (77,574)               |
| 072          | Improving Student Accountability     | No allocation |              |              |                           |
|              | Discretionary Reduction              | \$ 672,024    | \$ 788,065   | \$ (116,041) | \$ (116,041)              |
| <b>TOTAL</b> |                                      |               |              |              | <b>\$ (341,578)</b>       |

## 2012-2013 CURRENT EXPENSE REQUEST

### PRIORITY ONE

| ITEM   | EST. COST        | BUDGET REQUEST   |
|--|------------------|------------------|
| 2nd grade teacher to meet class size limits (fill need by transfer)  | \$55,000         | \$0              |
| 6th grade teacher to meet class size limits  | \$55,000         | \$55,000         |
| Mandated retirement contribution increase (13.12% to 14.31%)   | \$159,000        | \$17,300         |
| Mandated medical insurance increase (\$4,931 to \$5,192)   | \$88,000         | \$6,800          |
| Alternative school personnel (lead teacher & part-time instructor)   | \$75,000         | \$75,000         |
| Alternative school (equipment, materials, supplies, facilities)  | \$75,000         | \$75,000         |
| Restore salary reductions of 1% due to budget cuts <b>(remains as a top priority but unfilled due to budget constraints)</b> | \$167,025        | \$0              |
| <b>TOTAL PRIORITY ONE</b>  | <b>\$674,025</b> | <b>\$229,100</b> |

### PRIORITY TWO

| ITEM  | EST. COST   |
|---|-------------|
| Technology facilitators at White Oak and John A. Holmes                                   | \$130,000   |
| Replace intervention teacher at White Oak due to budget cuts                              | \$55,000    |
| Replace curriculum coach at White Oak due to budget cuts                                  | \$65,000    |
| Replace teacher assistants at White Oak and Chowan Middle                                 | \$35,000    |
| Replace health/PE teacher at Chowan Middle due to budget cuts                             | \$55,000    |
| Replace Academic/Workforce Development Coordinator at Chowan Middle due to budget cuts    | \$65,000    |
| Increase extended employment at Chowan Middle and John A. Holmes                          | \$17,500    |
| Replace receptionist at John A. Holmes due to budget cuts                                 | \$32,000    |
| Distance learning coordinator at John A. Holmes   | \$65,000    |
| Replace social studies teacher at John A. Holmes due to budget cuts                       | \$55,000    |
| Literacy intervention kits at White Oak   | \$1,554     |
| Expand library book collection at D. F. Walker  | \$5,000     |
| TI Nspire calculators for grades 7 & 8 (\$40,000 paid from grant)                         | \$30,000    |
| Piano for music class at Chowan Middle (School to contribute \$900)                       | \$1,500     |
| Texts/resources to support common core at D. F. Walker, Chowan Middle, and John A. Holmes | \$92,071    |
| Technology enhancements at John A. Holmes   | \$1,350,305 |
| Additional instructional budget allocation for John A. Holmes                             | \$43,576    |
| Additional bulk purchase allocation for John A. Holmes                                    | \$6,735     |
| Distance Learning (online courses @ \$247 per course)                                     | \$38,038    |
| Textbooks for all schools   | \$68,001    |

# 2012-2013 TECHNOLOGY BUDGET

| PRODUCT                      | DESCRIPTION   | AMOUNT           | NOTES   |
|------------------------------|---|------------------|---|
| Networking                   | Yearly Support  | \$1,500.00       | Network Engineering time  |
| Trend Software               | Yearly Support  | \$4,905.95       | Antivirus software  |
| School Fusion                | Web page subscription                                   | \$3,269.00       | \$7,000 before erate was applied  |
| Gaggle.net                   | Student email   | \$874.00         | \$4,860 before erate was applied  |
| Barracuda Achiever           | Email Archiver  | \$4,500.00       |   |
| Barracuda Spam Filter        | Service Agreement                                       | \$1,961.00       |   |
| Novell                       | Renewal 3,000@\$2.00 each                               | \$6,000.00       |   |
| MS Office                    | yearly fee  | \$30,000.00      |   |
| Smartnet                     | Core Switches/Fiber                                     | \$10,670.00      | Firewall, switches, wireless controllers                                      |
| Zoomerang                    | Yearly Renewal  | \$350.00         | Survey instrument   |
| Omnicast                     | Warranty on the Security cameras                        | \$4,100.00       | Security camera software  |
| Omnicast                     | Security cameras  | \$10,000.00      | Cost for additional cameras   |
| Server Warranties            | Various servers   | \$5,000.00       |   |
| Track it                     | Renewal   | \$587.50         | Maintenance work order system   |
| Networking                   | Backup Exec. Support                                    | \$588.80         |   |
| 8e6                          | Required filtering system                               | \$20,000.00      | State may pick up cost but required to receive erate                          |
| Domain name                  | Early College web page                                  | \$40.25          |   |
| AS400 (bookkeeping hardware) | Maintenance Contract for AS400                          | \$7,705.00       | Hope to convert to the state  |
| Fizz                         | Subscription for each school                            | \$1,200.00       | Video production software   |
| Movie Licensing              | Renewal   | \$1,440.00       | Copyright costs   |
| Learning. Com                | For K-8 Computer Skills test                            | \$14,000.00      |   |
| Cisco                        | Upgrade of wireless routers                             | \$80,000.00      | Put in for erate funding for upgrade at JAHHS and CMS for a 1 to 1 project    |
| I-Safe                       | K-12 Internet safety curriculum                         | \$15,000.00      | Required (as of July 1, 2012--must have a curriculum and new policy in place) |
| Mobile computing or desktops | Replacement/lease of computing hardware and peripherals | \$180,000.00     |   |
| <b>TOTAL COST</b>            |   | <b>\$403,692</b> |   |

**NOTE:** Non-shaded items required to maintain IT system.

# 2012-2013 CAPITAL OUTLAY BUDGET

## FUNDED PROJECTS

| SCHOOL                       | ITEM  | Est. Cost        |
|------------------------------|---|------------------|
| White Oak/D.F. Walker/Chowan | Furniture replacement (\$2,000 per school)                  | \$6,000          |
| White Oak                    | Carpet replacement for 6 classrooms and administrative area | \$22,000         |
| White Oak/D.F. Walker        | Replace damaged floor tile                                  | \$3,000          |
| Chowan                       | Replace carpet in media center                              | \$4,000          |
| Chowan                       | Paint media center  | \$4,000          |
| J. A. Holmes                 | Renovate administration area and nurse's station            | \$123,000        |
| J. A. Holmes                 | Exterior doors upgrade (30)                                 | \$18,000         |
| J. A. Holmes                 | Enhance paved walkways to huts                              | \$2,000          |
| J. A. Holmes                 | Replace cafeteria tables with attached seats                | \$21,988         |
| J. A. Holmes                 | Replace media center chairs                                 | \$34,787         |
| J. A. Holmes                 | Replace media center shelving                               | \$43,648         |
| J. A. Holmes                 | Replace media center tables                                 | \$13,547         |
| J. A. Holmes                 | Resurface tennis courts (share cost with Rec. Depart.)      | \$23,000         |
| J. A. Holmes                 | Replace washing machine in fieldhouse                       | \$6,000          |
| <b>TOTAL</b>                 |   | <b>\$324,970</b> |

**NOTE:** Projects may be added or deleted depending on amount of Land Transfer Tax revenue received by June 30, 2012.

## PRIORITY TWO PROJECTS

| SCHOOL                | ITEM  | Est. Cost |
|-----------------------|---|-----------|
| White Oak/D.F. Walker | Seal underneath patio roofs   | \$70,000  |
| Chowan                | Replace cafeteria tables with attached seats  | \$30,108  |
| Chowan                | Replace chairs for media center   | \$12,000  |
| Chowan                | Air condition gym   | \$60,000  |
| Chowan                | Install canopy for bus walkway  | \$85,000  |
| Chowan                | Upgrade bathrooms with water saving devices   | \$8,500   |
| Chowan                | Install covered walkway to huts   | \$28,000  |
| J. A. Holmes          | Furniture replacement   | \$8,000   |
| J. A. Holmes          | Media center check-out facility   | \$12,202  |
| J. A. Holmes          | Armory tables, chairs w/cart (to be used at prom, graduation, etc.)   | \$11,790  |
| J. A. Holmes          | Refinish gym floor  | \$12,500  |
| J. A. Holmes          | Air condition gym   | \$60,000  |
| J. A. Holmes          | Improvements to football field (aerate and top dress football field (\$14,000); erect a covered entrance to football stadium (\$20,000); and expand concession stand (\$20,000) | \$54,000  |
| J. A. Holmes          | Multipurpose athletic floor for Armory  | \$75,000  |
| System                | Activity bus  | \$90,000  |
| System                | Replace maintenance vehicle   | \$18,000  |



# 2012-2013 CAPITAL OUTLAY BUDGET

## LONG TERM PROJECTS

| SCHOOL              | ITEM  | LONG TERM                              |
|---------------------|---|--|
| J. A. Holmes        | Renovate restrooms in humanities building                                     | LONG TERM                              |
| J. A. Holmes        | Repave drive around school (from bus loading zone to entrance at Woodard St.) | Contingent on paving of Woodard Street |
| J. A. Holmes        | Install angle parking on Woodard Street                                       |  |
| J. A. Holmes        | Handicapped entrance to front of main building (curb and building access)     |  |
| J. A. Holmes        | Renovate gym locker rooms   | LONG TERM                              |
| Chowan/J. A. Holmes | Replace all huts and modular buildings  | LONG TERM                              |
| J. A. Holmes        | Renovate/replace auditorium   | LONG TERM                              |

# EDENTON-CHOWAN SCHOOLS

## 2012-2013 LOCAL BUDGET

### CURRENT EXPENSE REQUEST

| CURRENT EXPENSE REQUEST                                     | 2011-2012<br>BUDGET         | 2012-2013<br>REQUEST        | DIFFERENCE        |
|---|-----------------------------|-----------------------------|-------------------|
| County Appropriations-Current Expense                       | \$3,147,765                 | \$3,651,029                 |                   |
| Supplanting Correction                                      | \$274,164                   | \$0                         |                   |
| <b>SUBTOTAL</b>   | <b>\$3,421,929</b>          | <b>\$3,651,029</b>          | <b>\$229,100</b>  |
| <b>PROJECTED OTHER LOCAL REVENUE</b>                        | <b>2011-2012<br/>BUDGET</b> | <b>2012-2013<br/>BUDGET</b> | <b>DIFFERENCE</b> |
| Fines and Forfeitures                                       | \$90,000                    | \$90,000                    | \$0               |
| Interest Earned   | \$5,000                     | \$5,000                     | \$0               |
| Indirect Cost Payments<br>(Federal Programs & Food Service) | \$70,000                    | \$60,000                    | -\$10,000         |
| Sales Tax Refund  | \$30,000                    | \$30,000                    | \$0               |
| <b>SUBTOTAL</b>   | <b>\$195,000</b>            | <b>\$185,000</b>            | <b>-\$10,000</b>  |
| <b>FUND BALANCE APPROPRIATION</b>                           | <b>2011-2012<br/>BUDGET</b> | <b>2012-2013<br/>BUDGET</b> | <b>DIFFERENCE</b> |
| Contingency   | \$250,000                   | \$250,000                   | \$0               |
| To Balance the Budget                                       | \$500,000                   | \$500,000                   | \$0               |
| <b>SUBTOTAL</b>   | <b>\$750,000</b>            | <b>\$750,000</b>            | <b>\$0</b>        |
| <b>TOTAL LOCAL CURRENT<br/>EXPENSE BUDGET</b>               | <b>\$4,366,929</b>          | <b>\$4,586,029</b>          | <b>\$219,100</b>  |

### CAPITAL OUTLAY BUDGET

|  | 2011-2012<br>BUDGET | 2012-2013<br>BUDGET | DIFFERENCE       |
|--|---------------------|---------------------|------------------|
| Land Transfer Tax Revenue              | \$183,500           | \$205,000           | \$21,500         |
| Carryover                              | \$0                 | \$119,970           | \$119,970        |
| <b>TOTAL CAPITAL OUTLAY<br/>BUDGET</b> | <b>\$183,500</b>    | <b>\$324,970</b>    | <b>\$141,470</b> |