

# FY 2018 Budget: School Funding

## Key Points of Discussion

February 7, 2017 Board of Commissioners Meeting

# FY 2018 Budget: School Funding

## Key Points of Discussion

It is very early in the budget process

The Budget Task Force held its first meeting this past Friday

Working toward final budget adoption slated for June 6, 2017

Moore County will work with Moore County Schools (MCS) and Local Representatives

Valid questions will be asked along the way

The final adopted funding for MCS will, as in all previous years, satisfy Moore County's statutory obligation for education funding

# FY 2018 Budget: School Funding

## Key Points of Discussion

County appropriations for School funding is part of the General Fund (100) Budget

County funding of MCS has proven to be **steady, reliable, and predictable** throughout the last 11 years which includes the trying times of the economic down-turn the effects of which are still being felt today. In fact, during this time, there was only one year (FY 2010) in which County funding of Current Expense, Capital Outlay and Digital Learning experienced a decrease and that amount was \$200,000 (.7%). However, in that same fiscal year (2010), MCS debt service increased by \$1,120,009 (19%) yielding an overall increase of \$920,000.

# FY 2018 Budget: School Funding

## Key Points of Discussion

### Proposed Gross and Net Budget by Fund FY16/17

Fund	Fund Name	Fund Type	Gross Budget	Less Transfers	Net Budget
100	General	General	\$90,236,676	-\$5,090,707	\$85,145,969
200	Public Safety/Emergency Mgmt	Special Revenue	\$6,623,262	-\$1,742,044	\$4,881,218
210	E911 Telephone	Special Revenue	\$413,395	\$0	\$413,395
215	Fire, Ambulance, Rescue District	Special Revenue	\$3,989,893	\$0	\$3,989,893
220	Soil Water Conservation District	Special Revenue	\$21,271	\$0	\$21,271
230	Transportation Services	Special Revenue	\$1,198,517	-\$524,483	\$674,034
600	Water Pollution Control Plant	Enterprise	\$4,639,254	-\$387,208	\$4,252,046
610	Public Utilities	Enterprise	\$10,138,489	-\$876,279	\$9,262,210
620	East Moore Water District	Enterprise	\$1,662,600	\$0	\$1,662,600
810	Risk Management	Internal Service	<u>\$8,296,542</u>	<u>-\$8,400</u>	<u>\$8,288,142</u>
	Total County Funds		\$127,219,899	-\$8,629,121	\$118,590,778
260	Convention & Visitor's Bureau	Comp Unit/Spec Rev	\$1,540,530	-\$54,030	\$1,486,500
640	Airport Authority	Comp Unit/Enterprise	<u>\$3,011,598</u>	<u>-\$80,400</u>	<u>\$2,931,198</u>
	Total Component Units		\$4,552,128	-\$134,430	\$4,417,698
		Totals	\$131,772,027	-\$8,763,551	\$123,008,476

Steady  
Reliable  
Predictable

# Fiscal Year 2017 Budget

## KEY POINTS REGARDING EACH FUND

### Fund 100: General Fund

Total Moore County Schools Funding								
FY	Student Enrollment	Current Expense	Capital Outlay	Digital Learning	Sub Total: Current, Capital, Digital	Debt Service	Debt Service Reduction	Total Funding
FY06/07	12,190	\$20,807,940	\$1,133,950	\$0	\$21,941,890	\$4,122,904		\$26,064,794
FY07/08	12,294	\$23,694,245	\$1,531,444	\$0	\$25,225,689	\$4,057,211		\$29,282,900
FY08/09	12,190	\$24,935,195	\$933,950	\$0	<b>\$25,869,145</b>	\$5,929,507		<b>\$31,798,652</b>
FY09/10	12,236	\$24,935,195	\$733,950	\$0	<b>\$25,669,145</b>	\$7,049,516		<b>\$32,718,661</b>
FY10/11	12,378	\$25,540,140	\$711,932	\$0	\$26,252,072	\$6,887,644		\$33,139,716
FY11/12	12,371	\$25,540,140	\$711,932	\$0	\$26,252,072	\$5,937,920		\$32,189,992
FY12/13	12,609	\$25,540,140	\$711,932	\$0	\$26,252,072	\$5,807,594		<b>\$35,328,898</b> *
FY13/14	12,812	\$25,165,140	\$711,932	\$750,000	\$26,627,072	<b>\$5,533,171</b>		\$32,160,243
FY14/15	12,825	\$25,315,140	\$1,200,000	\$600,000	\$27,115,140	\$5,393,955	Add to Capital	\$32,509,095
FY15/16	12,838	\$26,265,140	\$750,000	\$750,000	\$27,765,140	\$5,263,064	Add to CE	\$33,028,204
FY16/17	12,849	<b>\$27,029,515</b>	\$750,000	\$750,000	\$28,529,515	<b>\$5,324,881</b>	<b>\$208,290</b>	<b>\$34,062,686</b>

\* FY 2013 original allocation \$32,059,666, series 2003 bond refunding impact \$3,269,232, Total Funding amount of \$35,328,898.

- Schools requested an increase of \$1,254,000 in CE, Cap, DL
- CE, Cap, DL = 40% of budgeted property and sales tax; budget increase of \$764,375
- Debt service reduction is calculated using FY 2014 as the base year
- Overall Total Funding budget increase of \$1,034,482

# FY 2018 Budget: School Funding

## Key Points of Discussion

Considerations for determining County Appropriation are:

- North Carolina General Statutes
- FY 2018 Requests from MCS
- Historic trends of MCS funding from all sources
- Fund Balance activity
- Positions, Programs, Activities currently supported by County \$
- Comparative analysis (with relativity and caution)
- Fiscal Policies

# FY 2018 Budget: School Funding

## Key Points of Discussion

North Carolina General Statutes

Most focused on NCGS 115C-

249

State Constitution and **408**

Supreme Court require Sound **426**

Basic Education in our public 429

schools 521

522

524

525

534

115C-408: State responsible for instructional expense for current operations

Counties responsible for facilities requirements

115C-426: The **Local** Current Expense Fund shall include appropriations sufficient, when added to appropriations from the State Fund, for current operating expense of the public school system in conformity with educational goals and policies of the State and the local BOE, within the financial resources and consistent with the fiscal policies of the BOC

# FY 2018 Budget: School Funding

## Key Points of Discussion

### FY 2018 Requests from MCS

- At January 10, 2017 BOC retreat, Superintendent indicated a need for at least an increase of \$3.5 Million in Current Expense (13% Increase) and \$1.6 Million in Capital (Currently at \$750,000)
- Superintendent indicated development of a Good, Bad, and Ugly budget
- Board will get information regarding MCS prior year expenditure by Purpose and Function at the February 21 meeting
- MCS presents FY 2018 budget request in April, 2017 to BOC



# FY 2018 Budget: School Funding

## Key Points of Discussion

### Historic Trends (Department of Public Instruction)

Moore County Schools									
Current Expense Expenditures by Source of Funding (DPI)									
School Year	Final Average Daily Membership (ADM)	State Expense Expenditures	Federal Expense Expenditures	Local Expense Expenditures	Total Expense All Sources	State per Pupil Cost	Federal per Pupil Exp	Local per Pupil Exp	Total per Pupil Exp
2003-04	11,669	\$ 53,130,498	\$ 7,632,211	\$ 20,971,305	\$ 81,734,014	\$4,553	\$654	\$1,797	\$7,004
2004-05	11,598	\$ 54,908,206	\$ 8,592,896	\$ 22,510,476	\$ 86,011,578	\$4,734	\$741	\$1,941	\$7,416
2005-06	12,004	\$ 58,259,864	\$ 9,253,653	\$ 22,099,115	\$ 89,612,632	\$4,853	\$771	\$1,841	\$7,465
2006-07	12,190	\$ 61,714,556	\$ 8,966,624	\$ 23,393,512	\$ 94,074,692	\$5,063	\$736	\$1,919	\$7,717
2007-08	12,294	\$ 66,564,984	\$ 8,591,010	\$ 25,038,419	\$ 100,194,413	\$5,414	\$699	\$2,037	\$8,150
2008-09	12,190	\$ 67,863,757	\$ 8,291,722	\$ 27,619,251	\$ 103,774,730	\$5,567	\$680	\$2,266	\$8,513
2009-10	12,236	\$ 61,143,941	\$ 13,903,647	\$ 25,632,812	\$ 100,680,400	\$4,997	\$1,136	\$2,095	\$8,228
2010-11	12,378	\$ 60,496,652	\$ 16,774,206	\$ 23,940,865	\$ 101,211,723	\$4,887	\$1,355	\$1,934	\$8,177
2011-12	12,371	\$ 64,737,231	\$ 9,859,237	\$ 24,916,246	\$ 99,512,714	\$5,233	\$797	\$2,014	\$8,044
2012-13	12,609	\$ 65,565,058	\$ 10,914,631	\$ 30,788,095	\$ 107,267,784	\$5,200	\$866	\$2,442	\$8,507
2013-14	12,812	\$ 65,143,658	\$ 10,638,118	\$ 28,567,588	\$ 104,349,364	\$5,085	\$830	\$2,230	\$8,145
2014-15	12,802	\$ 68,515,388	\$ 11,074,410	\$ 28,490,634	\$ 108,080,432	\$5,352	\$865	\$2,225	\$8,442
2015-16	12,769	\$ 69,146,021	\$ 11,994,469	\$ 29,929,142	\$ 111,069,632	\$5,415	\$939	\$2,344	\$8,698

FY 2017 State allotment estimated \$69,336,139 to \$70,438,230

# FY 2018 Budget: School Funding

Steady  
Reliable  
Predictable

## Key Points of Discussion

Historic Trends: Moore County Appropriation

Total Moore County Schools Funding

FY	Final ADM	Current Expense	Capital Outlay	Digital Learning	Sub Total: Current, Capital, Digital	Debt Service	Debt Service Reduction	Total Funding
FY06/07	12,190	\$20,807,940	\$1,133,950	\$0	\$21,941,890	\$4,122,904		\$26,064,794
FY07/08	12,294	\$23,694,245	\$1,531,444	\$0	\$25,225,689	\$4,057,211		\$29,282,900
FY08/09	12,190	\$24,935,195	\$933,950	\$0	\$25,869,145	\$5,929,507		\$31,798,652
FY09/10	12,236	\$24,935,195	\$733,950	\$0	\$25,669,145	\$7,049,516		\$32,718,661
FY10/11	12,378	\$25,540,140	\$711,932	\$0	\$26,252,072	\$6,887,644		\$33,139,716
FY11/12	12,371	\$25,540,140	\$711,932	\$0	\$26,252,072	\$5,937,920		\$32,189,992
FY12/13	12,609	\$25,540,140	\$711,932	\$0	\$26,252,072	\$5,807,594		<b>\$35,328,898</b>
FY13/14	12,812	\$25,165,140	\$711,932	\$750,000	\$26,627,072	<b>\$5,533,171</b>		\$32,160,243
FY14/15	12,802	\$25,315,140	\$1,200,000	\$600,000	\$27,115,140	\$5,393,955	Add to Capital	\$32,509,095
FY15/16	12,769	\$26,265,140	\$750,000	\$750,000	\$27,765,140	\$5,263,064	Add to CE	\$33,028,204
FY16/17	12,849	\$27,029,515	\$750,000	\$750,000	\$28,529,515	<b>\$5,324,881</b>	<b>\$208,290</b>	\$34,062,686

Current Expense can be directed to Purpose and/or Function level, does allow for flexibility

Capital Outlay can be allocated across 3 categories, Category I is most specific/restrictive

# FY 2018 Budget: School Funding

## Key Points of Discussion

Historic Trends: Moore County appropriation

Steady  
Reliable  
Predictable

Moore County Allocation excluding Debt Service and Charter Schools ADM						
School Year	Final Average Daily Membership (ADM)	Current Expense	Capital Outlay	Digital Learning	Total Local Funding (excluding Debt Service)	Per Pupil Allocation (CE, CO, DL)
2006-07	12,190	\$20,807,940	\$1,133,950	\$0	\$21,941,890	\$1,800
2007-08	12,294	\$23,694,245	\$1,531,444	\$0	\$25,225,689	\$2,052
2008-09	12,190	\$24,935,195	\$933,950	\$0	\$25,869,145	\$2,122
2009-10	12,236	\$24,935,195	\$733,950	\$0	\$25,669,145	\$2,098
2010-11	12,378	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,121
2011-12	12,371	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,122
2012-13	12,609	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,082
2013-14	12,812	\$25,165,140	\$711,932	\$750,000	\$26,627,072	\$2,078
2014-15	12,802	\$25,315,140	\$1,200,000	\$600,000	\$27,115,140	\$2,118
2015-16	12,769	\$26,265,140	\$750,000	\$750,000	\$27,765,140	\$2,174
2016-17	12,849	\$27,029,515	\$750,000	\$750,000	\$28,529,515	\$2,220
2017-18*	12,869	\$27,501,495	\$750,000	\$750,000	\$29,001,495	\$2,254

# FY 2018 Budget: School Funding

## Key Points of Discussion

Historic Trends: Moore County appropriation with charter school impact

Moore County Allocation excluding Debt Service, including Charter School ADM								
School Year	Final Average Daily Membership (ADM)	Total Charter ADM	Grand Total ADM All Sources	Current Expense	Capital Outlay	Digital Learning	Total Local Funding (excluding Debt Service)	Per Pupil Allocation including Charter Schools (CE, CO, DL)
2006-07	12,190	352	12,542	\$20,807,940	\$1,133,950	\$0	\$21,941,890	\$1,749
2007-08	12,294	419	12,713	\$23,694,245	\$1,531,444	\$0	\$25,225,689	\$1,984
2008-09	12,190	413	12,603	\$24,935,195	\$933,950	\$0	\$25,869,145	\$2,053
2009-10	12,236	448	12,684	\$24,935,195	\$733,950	\$0	\$25,669,145	\$2,024
2010-11	12,378	464	12,842	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,044
2011-12	12,371	455	12,826	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,047
2012-13	12,609	471	13,080	\$25,540,140	\$711,932	\$0	\$26,252,072	\$2,007
2013-14	12,812	512	13,324	\$25,165,140	\$711,932	\$750,000	\$26,627,072	\$1,998
2014-15	12,802	577	13,379	\$25,315,140	\$1,200,000	\$600,000	\$27,115,140	\$2,027
2015-16*	12,769	521	13,290	\$26,265,140	\$750,000	\$750,000	\$27,765,140	\$2,089
2016-17*	12,849	602	13,451	\$27,029,515	\$750,000	\$750,000	\$28,529,515	\$2,121
2017-18*	12,869	0	12,869	\$27,501,495	\$750,000	\$750,000	\$29,001,495	\$2,254

\*Charter School ADM not available on DPI, taken from MCS 1 10 17 information

# FY 2018 Budget: School Funding

## Key Points of Discussion

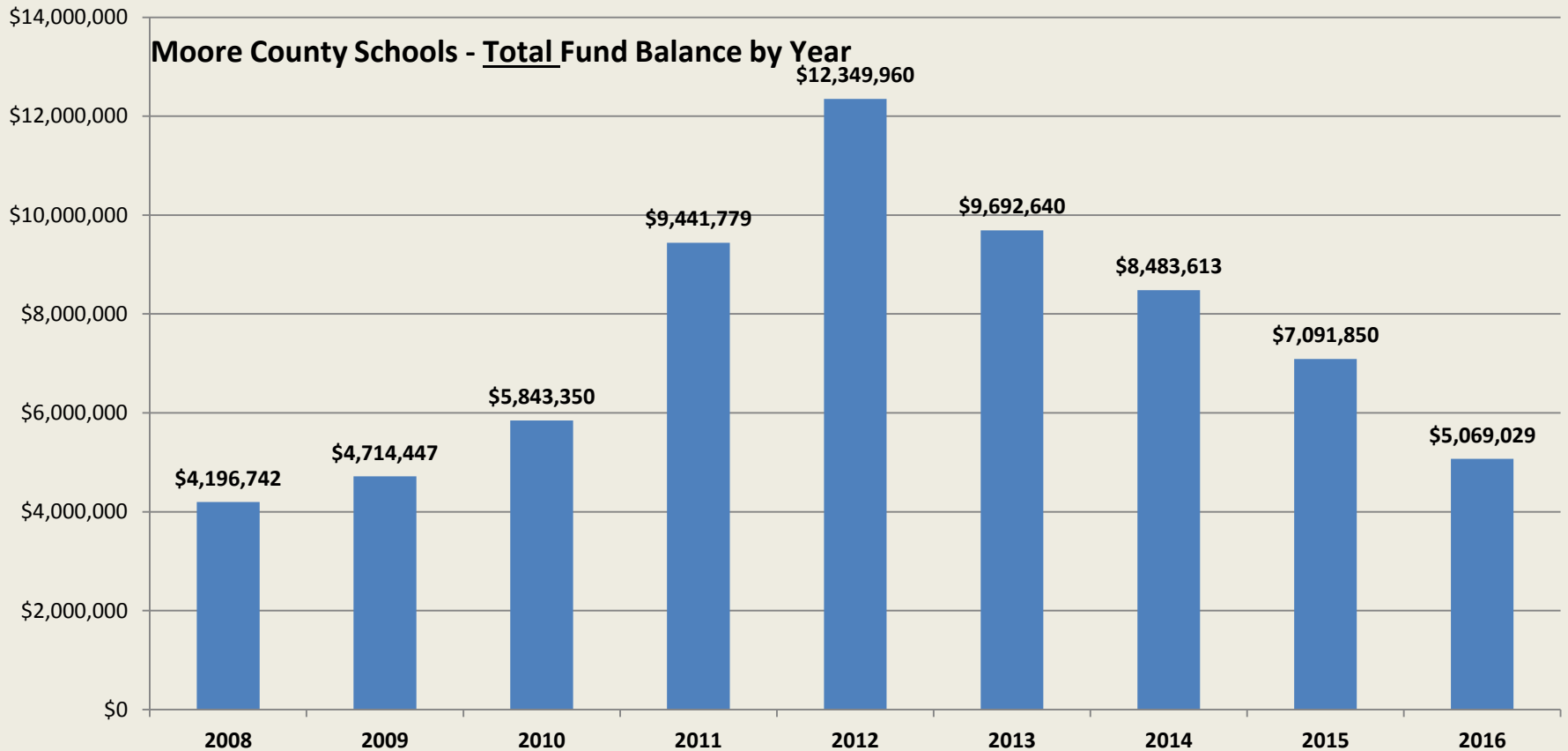
### Historic Trends

- Since 2010, MCS expenditures have increased by 10.3% while ADM has increased by 4.4% (4.7% including charter schools)
- Over the same time period, General Fund expenditures have increased 6% while County population has increased 8.2%
- State Expenditures, County Appropriations, Total Expenditures, and Per Pupil funding are at highest levels and continue to show trended increases

# FY 2018 Budget: School Funding

## Key Points of Discussion

Historic Trends: School Fund Balance Activity: Total

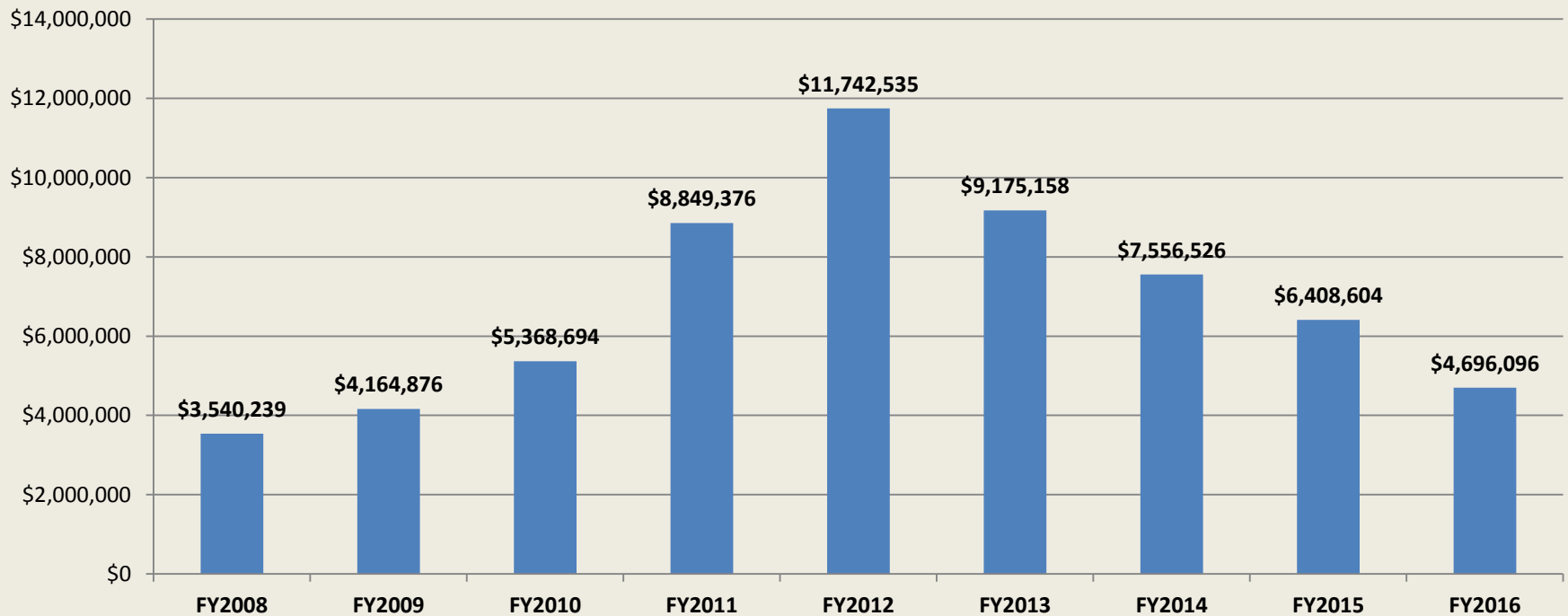


# FY 2018 Budget: School Funding

## Key Points of Discussion

Historic Trends: School Fund Balance Activity: Available

Schools -Available Fund Balance



# FY 2018 Budget: School Funding

## Key Points of Discussion

### School Fund Balance Activity

What FB was appropriated in the budget each year and what was actually used:										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	
FB Appropriated - Budget	\$235,605	\$522,985	\$1,819,805	\$0	\$4,666,743	\$4,000,000	\$4,000,000	\$2,800,000	\$3,500,000	
FB Actually Used	\$0	\$0	\$0	\$584,204	\$779,262	\$0	\$1,209,027	\$1,391,763	\$2,022,821	
				(due to transfer)	(due to transfer)	(due to transfer)				
Overall FB Increased (- decreased) by:	\$1,798,628	\$517,705	\$1,128,903	-\$584,204	-\$779,262	\$5,212,756	-\$1,209,027	-\$1,391,763	-\$2,022,821	

A valid question may be why FB was needed in FY 2015 when the increase in State and County funding increased by \$3,859,798 or 3X the FY 2014 needed FB



# FY 2018 Budget: School Funding

## Key Points of Discussion

Positions, Programs, Activities Currently Supported by County Funding

- More details and discussion through upcoming MCS presentations
- A look at position data

# FY 2018 Budget: School Funding

Key Points of Discussion

Year	Position	Assignment/Classification	State Funded	Federal Funded	Local Funded	Total Fund	Difference
2005	Total All	Total All	1196	112	256	1564	
2006			1195	143	225	1563	-1
2007			1135	102	337	1574	11
2008			1276	79	243	1598	24
2009			1289	74	257	1620	22
2010			1273	84	233	1590	-30
2011			1151	200	287	1638	48
2012			1173	90	267	1530	-108
2013			1227	96	301	1624	94
2014			1169	87	342	1598	-26
2015			1169	91	307	1567	-31
2016			1165	80	311	1556	-11

2016 Information	State Funded	Federal Funded	Local Funded	Total Fund
Official Adm Mgrs	8	0	1	9
Principals	23	0	0	23
Ast Principals, Non-Teaching	12	0	16	28
Elementary Teachers	451	41	103	595
Secondary Teachers	83	0	30	113
Other Teachers	96	8	10	114
Guidance	21	0	13	34
Psychological	8	1	0	9
Librarian, Audiovisual	18	0	2	20
Consultant, Supervisor	6	0	5	11
Other Professional	55	9	8	72
Teacher Assistants	169	20	9	198
Technicians	3	0	14	17
Clerical, Secretarial	82	0	3	85
Service Workers	103	0	62	165
Skilled Crafts	27	1	35	63
Total For 2016	1165	80	311	1556

Information from DPI

# Budget Impact of Potential Salary Increases on Local Funds

Presented to Moore County Commissioners, April, 2014

Positions (includes benefits)	2%	3% *	5% *	7% *
Local Certified Staff – based on certified scale (*)	131,446	197,169	328,615	460,061
Local Supplement (8%)	12,934	19,402	32,336	45,270
Local Supplement - State Paid Positions (8%)	76,171	114,256	190,427	266,598
Sub-Total for Certified	220,551	330,827	<b>551,378</b>	771,929

Next 4 slides taken from Dr. Grimesey's 1/10/2017 Presentation



# Budget Impact of Potential Salary Increases on Local Funds

Presented to Moore County Commissioners, April, 2016

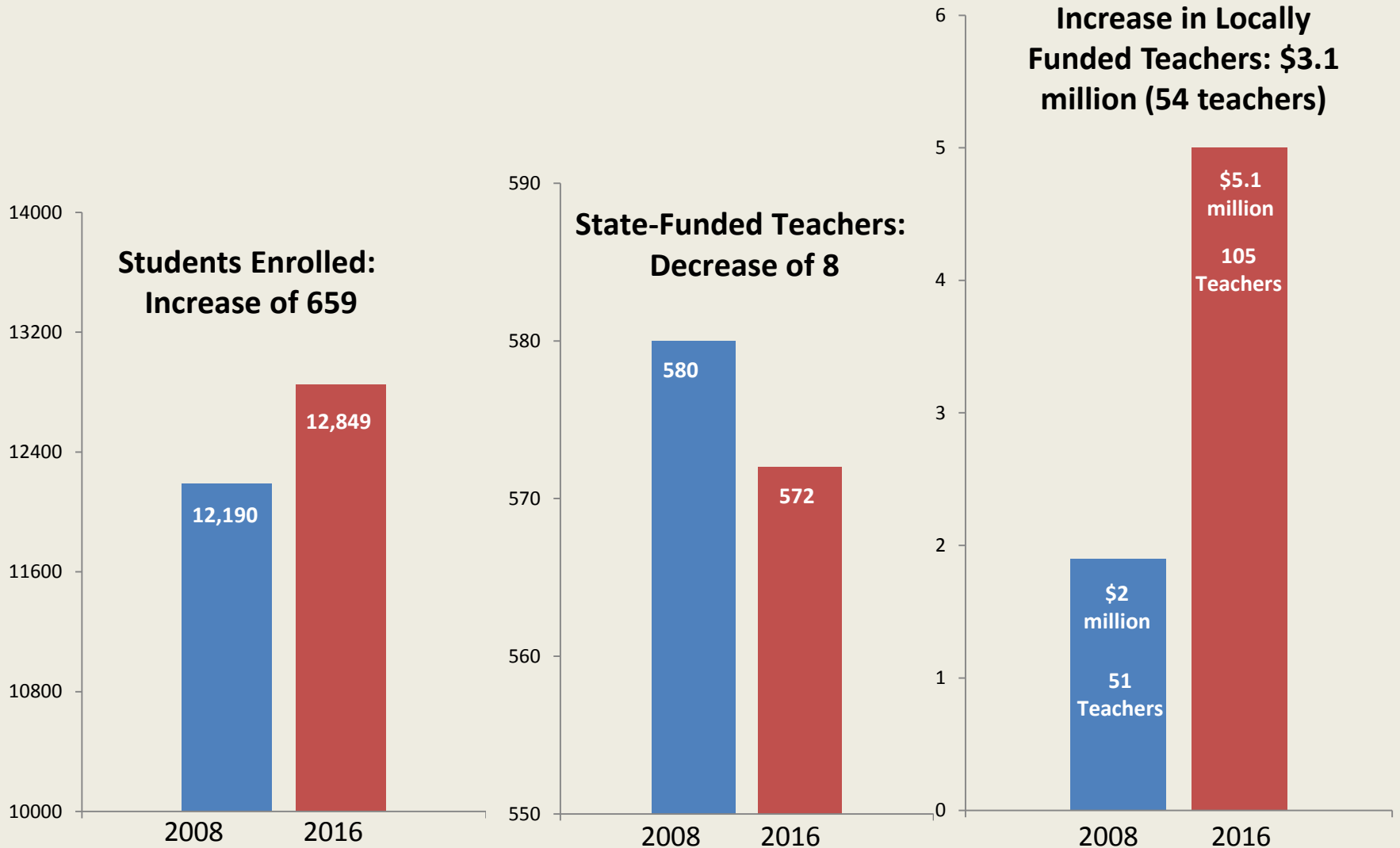
Positions (includes benefits)	2%	3% *	5% *	7% *
Classified Staff – 2%	118,976	178,464	297,440	416,416
Administrators – 2%	15,300	22,950	38,250	53,550
Sub-Total for Classified & Administrators	134,276	201,414	335,690	469,966
Sub-Total for Certified	220,551	330,827	551,378	771,929
Total	354,827	532,241	887,068	1,241,895

# Local Budget Impact for FY 2016-2017

Reconciliation to Fiscal Year 2016-2017	Amounts
Original projected fund balance appropriation included in FY 2016-2017 budget approved by County Commissioners in May, 2016	\$ 1,800,000
Local obligation associated with raises and benefits included in final FY 2016-2017 state budget in late July, 2016	\$ 1,200,000
Miscellaneous obligations associated with final FY 2016-2017 state budget in late July, 2016	\$ 400,000
Charter school funding increase	\$ <u>100,000</u>
Final actual local fund balance appropriation for FY 2016-2017	\$ 3,500,000

# Classroom Teacher Summary

## 2008 - 2016



# FY 2018 Budget: School Funding

## Key Points of Discussion

Comparative Analysis (Relativity and Caution), Ranking and Trends

- Population: 95,327
  - ADM: 12,849
  - Tax Base: \$12,006,812,423
  - Property Tax Revenue: \$54,850,789
  - Prop/Sales Tax Rev: \$71,154,620
  - Property Tax Per Capita: \$575.40
  - Per Capita Funding CE, CO, DL: \$299
  - CE, CO, DL Funding Per ADM: \$2,220
- 
- The 40% allocation of Property and Sales Tax Revenue ranks Moore Co 8<sup>th</sup> highest of all Counties (3 higher Counties have article 46)
  - Of the 7 counties with most similar population Moore ranks highest in 40% allocation, Per ADM funding, Per Capita funding, and Property Tax Per Capita
  - Of the 13 counties with most similar ADM, Moore ranks highest in 40% allocation and Per Capita funding; and second only to Brunswick Co in Per ADM funding. Moore ranks 3<sup>rd</sup> in property and sales tax revenue

# FY 2018 Budget: School Funding

## Key Points of Discussion

Comparative Analysis (Relativity and Caution), Ranking and Trends

- Of the 9 counties with most similar property tax base, Moore has 3<sup>rd</sup> highest property tax base, ranks 2<sup>nd</sup> highest in 40% and 3<sup>rd</sup> in Property Tax Per Capita , Per ADM funding, Per Capita Funding
- Of the 9 counties with most similar property and sales tax revenue, Moore has 5<sup>th</sup> highest P & S revenue; ranked 2<sup>nd</sup> highest with 40%, and 3<sup>rd</sup> highest in Per ADM and Per Capita funding
- Including debt service, 37.8% (\$37.80 out of every \$100) of General Fund expenditures are for MCS



# FY 2018 Budget: School Funding

## Key Points of Discussion

Comparative Analysis (Relativity and Caution), Ranking and Trends

Moore County Per Pupil Expenditure Ranking Compared to 115 LEA

- State Per Pupil Expenditure Ranking: 105 at \$5,415.15
- Federal Per Pupil Expenditure Ranking: 63 at \$673.76
- County Per Pupil Expenditure Ranking: 30 at \$2,231.89
- Total Per Pupil Expenditure Ranking: 78 at \$8,320.80
- County PPE as percentage of State PPE: 21 at 41.22%

# FY 2018 Budget: School Funding

## Key Points of Discussion

Fiscal Policy: Capital Reserve

Capital Reserve Fund as of 6/30/2016 was \$22,186,278

Projected transfer into CRF is \$3,665,412

Total CRF after transfer will be \$25,851,690

# FY 2018 Budget: School Funding

## Key Points of Discussion: Summary

County appropriations for School funding is part of the General Fund (100) Budget

The General Fund budget demonstrates the top priority the Commissioners place on education with 44.47% of General Fund Expenditures appropriated to education; 40% of Property and Sales Tax revenue appropriated for Moore County Schools Current Expense, Capital Outlay, and Digital Learning; and \$37.80 of every \$100 in the General Fund appropriated to Moore County Schools

County funding of MCS has proven to be **steady, reliable, and predictable**

In developing the FY 2018 budget, Moore County will work with Moore County Schools (MCS) and Local Representatives

The final adopted funding for Moore County Schools will, as in all previous years, satisfy Moore County's statutory obligation for education funding

# FY 2018 Budget: School Funding

Key Points of Discussion

Questions