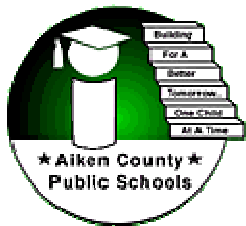


# **Aiken County Public Schools**

## **Budget 101 Workshop**

**November 30, 2010**



# OUTLINE

- Budget Calendar
- Demographics
- Funds and Fund Descriptions
- Budget Types
- Revenues, Expenditures, and Fund Balance
- Tax Anticipation Notes (TANs)
- Student Projections and Staffing Ratios
- Recap of Reductions – Years 2008-09 through 2010-11

# OUTLINE

- Flexibility
- General Fund Details
- Other Funds' Highlights
- 8% Limit
- FY 2012 Budget – Knowns and Unknowns
- What Can We Do?/Options
- District Website/Transparency
- Questions and Comments – Board and Public

# BUDGET CALENDAR

- Board policy – upcoming year’s budget calendar approved by November 1
- Calendar approved in October
  - November 30      Budget 101
  - December      Enrollment projections
  - January 31      Budget input due
  - February      Evaluation of input, allocations, other
  - March 15      Budget workshop

**Slide 4**

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**ACSD57** FUND BALANCE IS THE SAME AS EQUITY

"RAINY DAY FUNDS" - COULD BE USED FOR MID-YEAR BUDGET CUTS AS WE'VE SEEN THE PAST FEW YEARS OR FOR UNFORESEEN EXPENDITURES

IF WE CAN AVOID OR REDUCE TANS, WE WOULD AVOID INTEREST EXPENSE ASSOCIATED WITH THEM

Aiken User, 11/11/2010

# BUDGET CALENDAR

- Calendar approved in October - continued
  - April 12 2<sup>nd</sup> workshop, if needed
  - April 19 Preliminary budget presented
  - May 10 Tentative budget presented
  - May 21 2011-12 budget published
  - June 7 Public hearing on budget  
and on millage rates
  - June 21 2011-12 budget adopted
  - November 2011 Bound copy of budget  
available

**Slide 5**

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**ACSD58** FUND BALANCE IS THE SAME AS EQUITY

"RAINY DAY FUNDS" - COULD BE USED FOR MID-YEAR BUDGET CUTS AS WE'VE SEEN THE PAST FEW YEARS OR FOR UNFORESEEN EXPENDITURES

IF WE CAN AVOID OR REDUCE TANS, WE WOULD AVOID INTEREST EXPENSE ASSOCIATED WITH THEM

Aiken User, 11/11/2010

# DEMOGRAPHICS

- District spans more than 1,178 square miles
- Larger than the State of Rhode Island
- 6<sup>th</sup> largest district in terms of student enrollment
- District is broken down into 5 Areas
  1. Aiken
  2. North Augusta
  3. Graniteville/Clearwater/Gloverville/Warrenville
  4. Wagener/Salley/Ridge Spring/Monetta
  5. New Ellenton/Jackson/Beech Island

# DEMOGRAPHICS

- 40 Schools
  - 18 Elementary
  - 2 Elementary/Middle
  - 9 Middle
  - 7 High Schools
  - Career Center
  - 3 Charter Schools
- Also operate Byrd Learning Center, Pinecrest Center, and Freedman Parenting Center

# DEMOGRAPHICS

- K-12 Enrollment (2010-11 45<sup>th</sup> Day)
  - Area 1 9,307
  - Area 2 5,420
  - Area 3 4,470
  - Area 4 1,879
  - Area 5 2,391
  - Charter Schools 275
  
- Approximately 3,300 employees

**Slide 8**

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**ACSD96** 45th day ADM = 23,743

at last year's 45th day was 23,823

Aiken User, 11/22/2010

# DEMOGRAPHICS

- K-12 Enrollment – Last 10 Years (135<sup>th</sup> Day)

■ 2009-10	23,713
■ 2008-09	23,763
■ 2007-08	23,899
■ 2006-07	24,200
■ 2005-06	24,025
■ 2004-05	23,986
■ 2003-04	23,965
■ 2002-03	23,967
■ 2001-02	23,886
■ 2000-01	23,789

# FUNDS AND FUND DESCRIPTIONS

- What is a fund?
  - A separate set of accounting records.
  - Transactions categorized based on the intended purpose or use for resources.
  - The District utilizes a variety of funds and subfunds.
  - SDE Funding Manual is published annually and serves as a guide for school districts.

# FUNDS AND FUND DESCRIPTIONS

- General (Fund 1)
  - Day-to-day operations
  - Activity not recorded in another fund is here
  - Largest of all funds
  - Major sources of revenues
    - Property taxes, Education Finance Act (EFA) allocation
  - Major expenditures
    - Salaries and fringe benefits, energy
  - No subfunds

# FUNDS AND FUND DESCRIPTIONS

- Special Revenue (Funds 2, 8, 9)
  - Used to account for Federal, State (general fund), and local resources designated for special purposes
  - Subfunds
    - Title I
    - IDEA
    - Federal Stimulus programs
    - Lottery Monies
    - Student Health & Fitness – Nurses/P.E.
    - Others

# FUNDS AND FUND DESCRIPTIONS

- Education Improvement Act (Fund 3)
  - Another special revenue type fund
  - Includes State programs funded through a 1% sales tax
  - Subfunds
    - At-Risk Student Learning
    - Academically/Artistically Advanced
    - Teacher Salary Supplement
    - Teacher Supply Checks
    - Others

# FUNDS AND FUND DESCRIPTIONS

- Debt Service (Fund 4)
  - Used to account of repayment of bond principal, and payment of bond debt and bond issuance fees
  - Property taxes are levied to pay debt
  - No subfunds
  
- School Building (Fund 5)
  - Used to account for capital projects
  - Includes construction, renovations, cyclic maintenance

# FUNDS AND FUND DESCRIPTIONS

- School Building (Fund 5) - continued
  - Financed with proceeds from annual bonds issuances
  - District's Five Year Facilities Plan
  - Subfunds used to account for various projects separately
  
- School Food Service (Fund 6)
  - Used to account for food service operations
  - Operations not subsidized by General Fund

# FUNDS AND FUND DESCRIPTIONS

- School Food Service (Fund 6) - continued
  - Partially self-supporting through meal fees
  - Receive commodities from Federal government
  - No subfunds
  
- Pupil Activity (Fund 7)
  - Used to account for school-generated revenue
  - Transactions are at school level, not District level
  - Not included in the approved budget

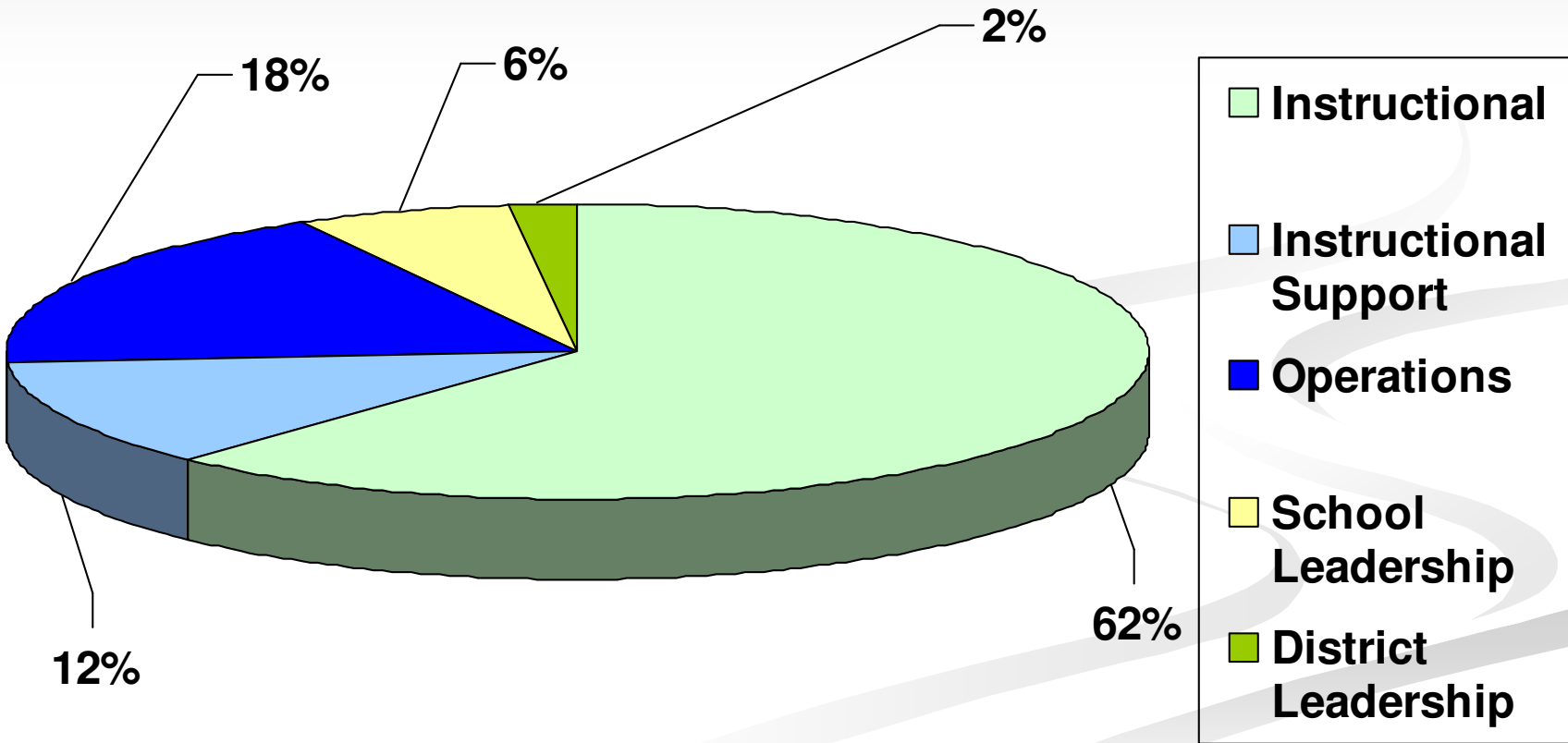
# FUNDS AND FUND DESCRIPTIONS

- Fund can also be identified as operating or non-operating
  
- Operating
  - Those that account for day-to-day operations
  - Funds 1, 2, 3, 6, 8, 9
  
- Non-Operating
  - Those activities with long-term scope
  - Funds 4, 5

# REVENUE, EXPENDITURES, AND FUND BALANCE

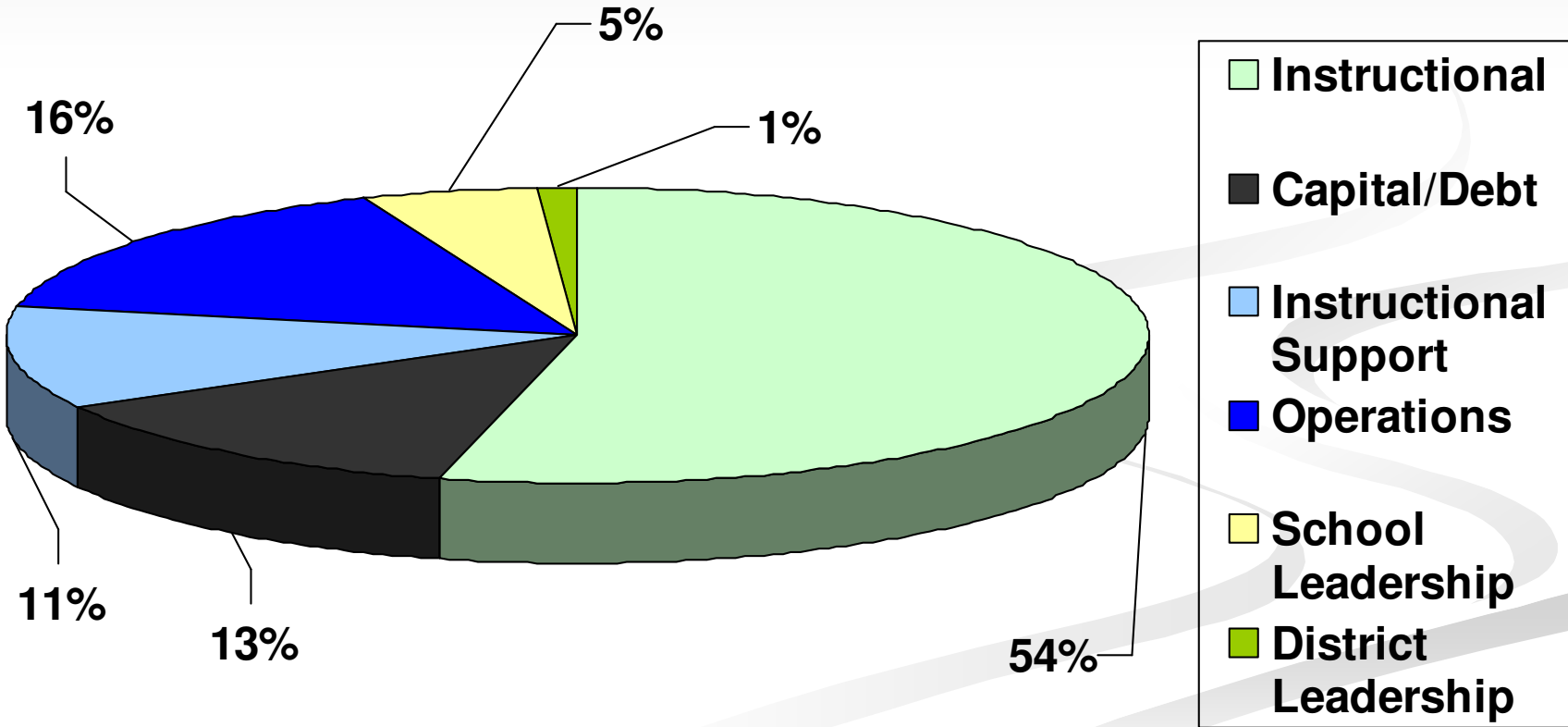
- Three sources of revenue
  - Local
    - 38% of original budget
    - Property taxes, bond proceeds, donations
  - State
    - 48% of original budget
    - EFA allocation, EIA funds, lottery
  - Federal
    - 14% of original budget
    - Title I, IDEA, Federal Stimulus

# REVENUE, EXPENDITURES, AND FUND BALANCE



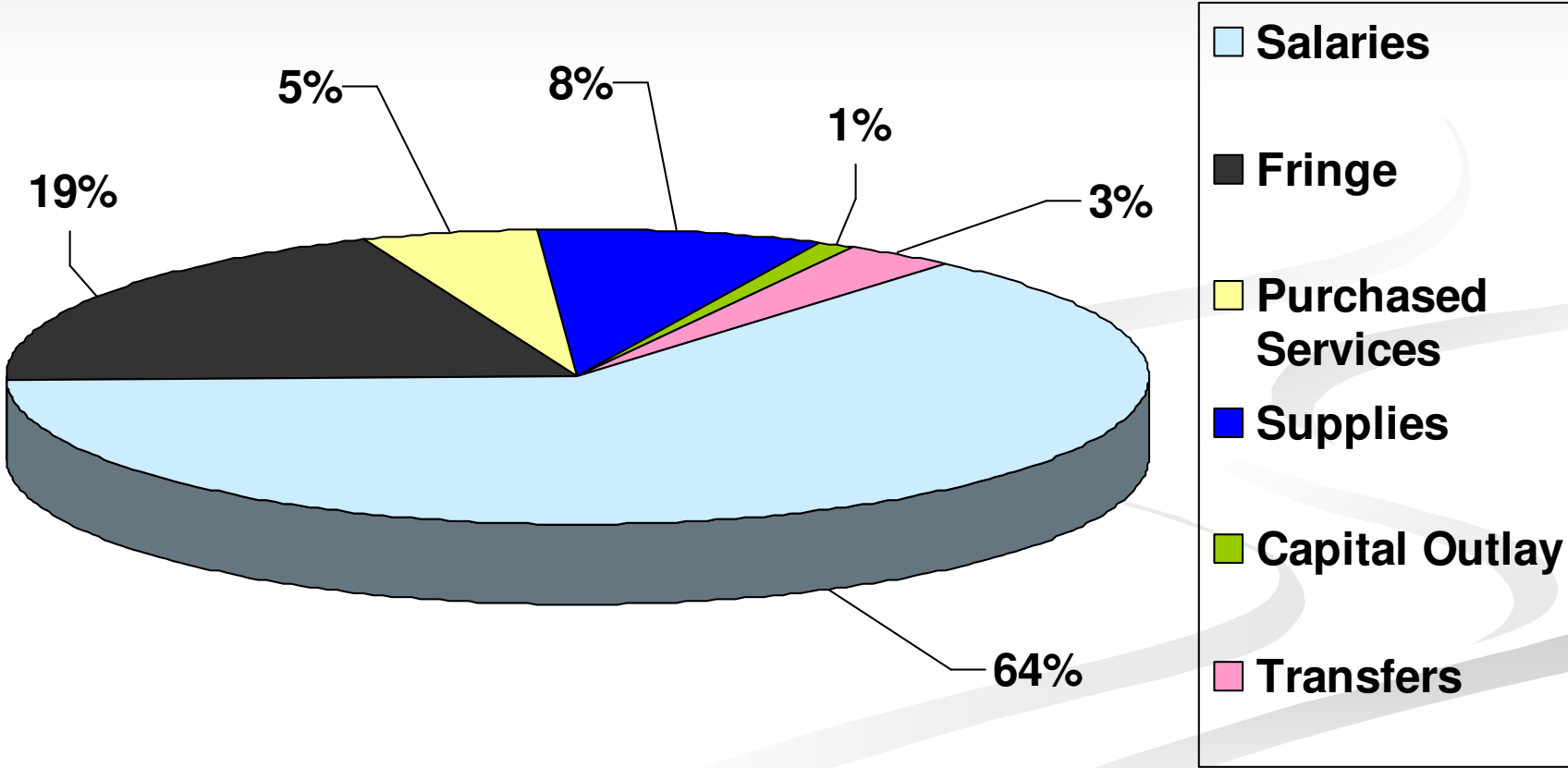
*Operating Expenditures By Function*

# REVENUE, EXPENDITURES, AND FUND BALANCE



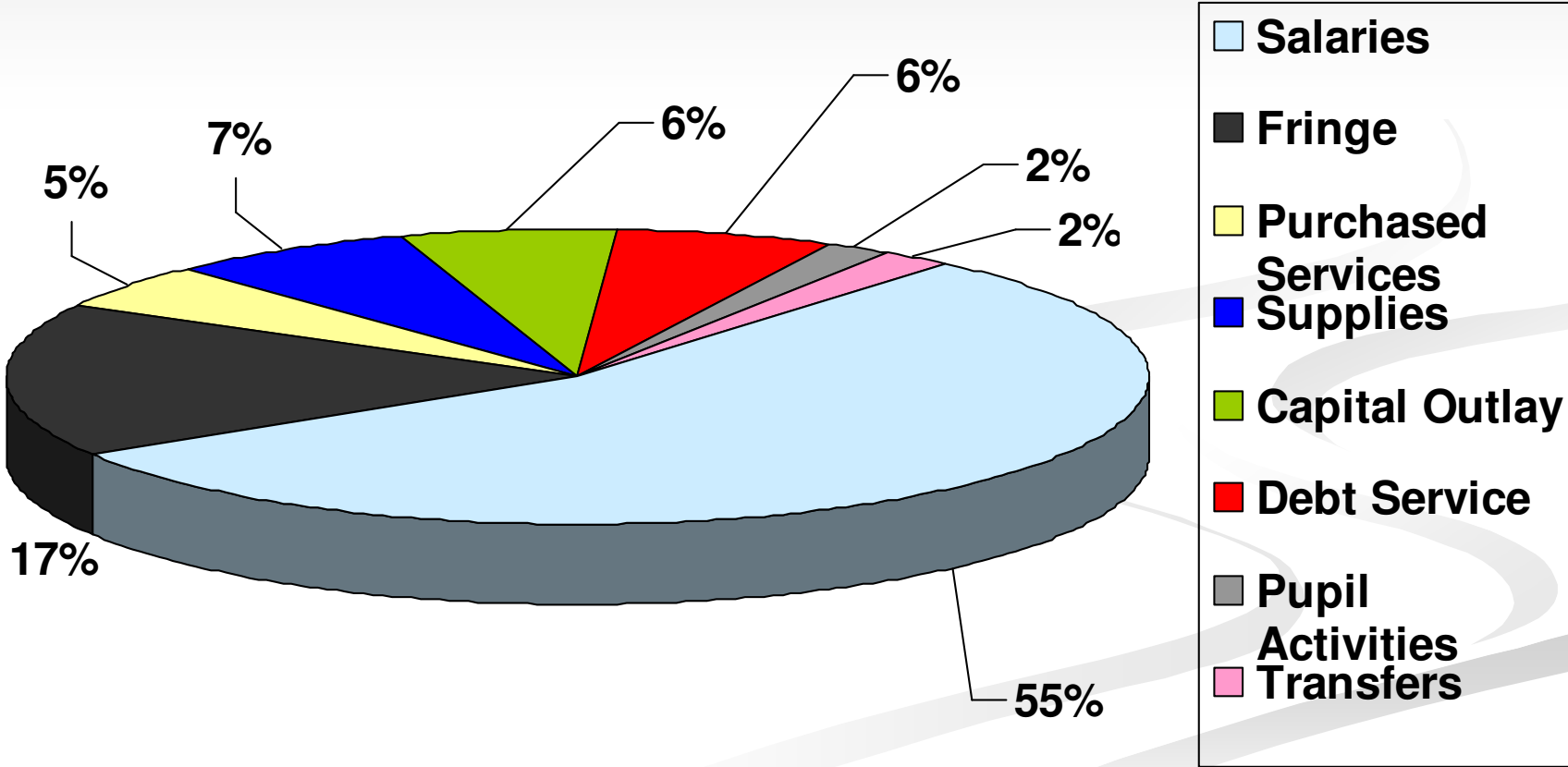
**Total Expenditures By Function**

# REVENUE, EXPENDITURES, AND FUND BALANCE



*Operating Expenditures By Object*

# REVENUE, EXPENDITURES, AND FUND BALANCE



Total Expenditures By Object

# REVENUE, EXPENDITURES, AND FUND BALANCE

- In\$ite is a program allows for an apples-to-apples comparison of school districts
- In\$ite – instruction and instructional support
  - Aiken – 74%
  - State average – 71%
- In\$ite – per pupil expenditures
  - Aiken – \$7,935/\$8,969
  - State average – \$9,286/\$12,207

# REVENUE, EXPENDITURES, AND FUND BALANCE

- What is fund balance?
  - Assets minus liabilities
  - Net inflows less outflows over time
  - Is not cash balance
  
- Why is fund balance important?
  - “Rainy day” funds
  - Demonstrates financial stability, enhances bond ratings
  - Avoid excessive short-term borrowing (TANs)

**Slide 24**

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**ACSD49** FUND BALANCE IS THE SAME AS EQUITY

"RAINY DAY FUNDS" - COULD BE USED FOR MID-YEAR BUDGET CUTS AS WE'VE SEEN THE PAST FEW YEARS OR FOR UNFORESEEN EXPENDITURES

IF WE CAN AVOID OR REDUCE TANS, WE WOULD AVOID INTEREST EXPENSE ASSOCIATED WITH THEM

Aiken User, 11/11/2010

# REVENUE, EXPENDITURES, AND FUND BALANCE

- Gradual decrease in fund balance through 2008-09
- Used nearly \$2 million in 2008-09 to absorb cuts
- Recommended fund balance at 11.66% of General Fund budget
- Would cover nearly 6 weeks' operations
- Increased fund balance during 2009-10 due as result of savings measures
- Importance of not using fund balance to cover recurring costs

# REVENUE, EXPENDITURES, AND FUND BALANCE

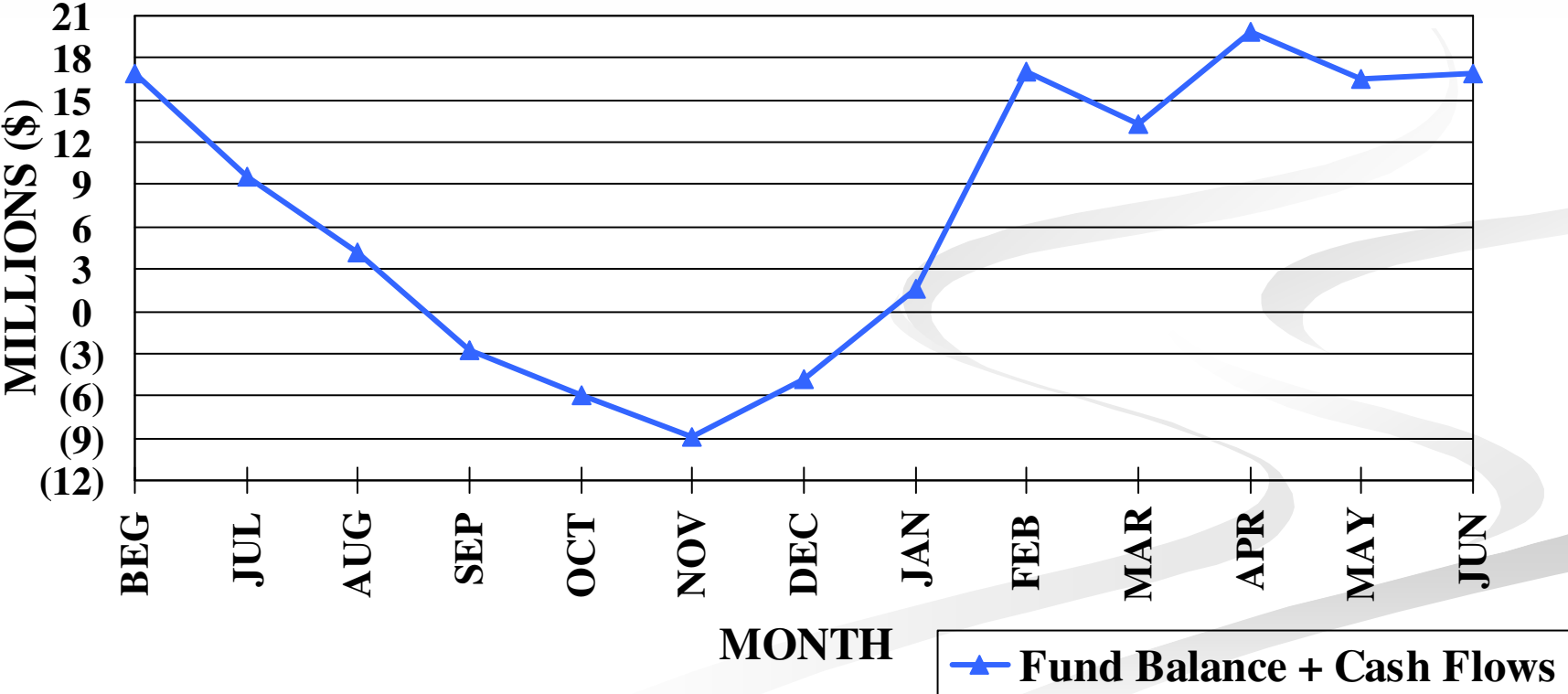
Year	Original Budget	Beginning Fund Balance	%
2005-06	\$134,443,772	\$13,008,813	9.6%
2006-07	\$141,961,336	\$14,142,142	9.9%
2007-08	\$150,425,718	\$11,238,028	7.4%
2008-09	\$154,521,878	\$11,618,666	7.5%
2009-10	\$145,569,179	\$9,731,777	6.7%
2010-11	\$144,546,215	\$16,879,736	11.7%

# TAX ANTICIPATION NOTES (TANs)

- What is a TAN?
  - Basically a short term loan
  - Bridges the gap until property tax revenues are received
  - Repaid before fiscal year end
- Why does Aiken issue TANs?
  - Cash outflows exceed cash inflows during the first four or five months of the year
  - Fund balance is not sufficient to cover shortfall

# TAX ANTICIPATION NOTES (TANs)

Why does Aiken issue TANs?



# STUDENT PROJECTIONS AND STAFFING RATIOS

- Student enrollment projections – first task on budget calendar
- Based on 45<sup>th</sup> day counts
- Not a straight roll-up
- Use historical data, birth rates
- Consideration of significant spikes/dips
- Review for reasonableness
- Share with principals
- Importance of being conservative

**Slide 29**

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**ACSD51** THIS IS BASICALLY THE FOUNDATION FOR THE BUDGET.

KINDERGARTEN AND FIRST GRADE ARE TOUGHEST.

ALSO DIFFICULT WHEN FEEDER SCHOOLS SPLIT BETWEEN SCHOOLS AT THE NEXT LEVEL

SOMETIMES TOUGH TO EXPLAIN INCREASES

DIFFICULT TO PROJECT NEW SCHOOLS - BYRD IS AN EXAMPLE

Aiken User, 11/17/2010

# STUDENT PROJECTIONS AND STAFFING RATIOS

Paul Knox Middle					
	Grade				
<u>Fiscal Year</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>Total</u>
FY 10/11		195	203	184	582
<b><u>Actual 45-day ADM</u></b>					
FY 09/10	207.42	201.24	194.18	199.36	594.78
FY 08/09	202.46	200.80	198.98	196.58	596.36
FY 07/08	214.21	205.73	223.76	183.44	612.93
FY 06/07	219.23	215.20	213.13	198.96	627.29
FY 05/06	239.71	201.31	190.51	245.73	637.55
<b><u>Student Advancement Ratios</u></b>					
FY 09/10		0.99	0.97	1.00	
FY 08/09		0.94	0.97	0.88	
FY 07/08		0.94	1.04	0.86	
FY 06/07		0.90	1.06	1.04	
FY 05/06		0.96	0.97	0.96	
Five Year Avg		0.94	1.01	0.95	

**Slide 30**

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**ACSD52**

**AT THE 45TH DAY, PKMS HAD 584**

Aiken User, 11/13/2010

# STUDENT PROJECTIONS AND STAFFING RATIOS

- Unfortunately, no exact science to projections
- Review class-by-class counts for days 3 and 11
- Projected K-12 enrollment at 23,439
- K-12 ADM at 23,468 at 45<sup>th</sup> day (without charters)
- ADM decreased average of .53% from the 45<sup>th</sup> day to the 135<sup>th</sup> day over past two years
- If holds true, project 135<sup>th</sup> day ADM at 23,347
- Significance of 135<sup>th</sup> day ADM – Education Finance Act (EFA) allocation

**Slide 31**

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**ACSD53** Do not project charter schools - generally not a significant fluctation one way or the other

Do not project 4K...based on a number of slots.

Avg decrease in enrollment over the past four years is .70% of enrollment. That would be a drop of about 166 students. Better over the past two years at only .53%.

Aiken User, 11/13/2010

# STUDENT PROJECTIONS AND STAFFING RATIOS

- Schools are staffed based on enrollment projections
- Pupil-teacher ratios shown below

Grade (enrollment)	2009-10	2010-11	State Maximum
K	25	25	30
1	15	16	30
2 – 3 (> 400)	23	23	30
2 – 3 (< 400)	21	21	
4 – 5	26.5	25.5	30 ELA/Math 35 Other

# STUDENT PROJECTIONS AND STAFFING RATIOS

Grade (enrollment)	2009-10	2010-11	State Maximum
6 (> 500)	28.5	28.5	30 ELA/Math
6 (300-500)	27.5	27.5	35 Other
6 (< 300)	24.5	24.5	150 per day
7 (> 500)	27.5	27.5	35
7 (300-500)	26.5	26.5	
7 (< 300)	23.5	23.5	150 per day

# STUDENT PROJECTIONS AND STAFFING RATIOS

Grade (enrollment)	2009-10	2009-10	State Maximum
8 (> 500)	29.5	29.5	35
8 (300-500)	28.5	28.5	
8 (< 300)	24.5	24.5	150 per day
9 – 12 (> 800)	31.5	31.5	35
9 – 12 (600 – 800)	30.0	30.0	
9 – 12 (< 600)	28.5	28.5	150 per day

# STUDENT PROJECTIONS AND STAFFING RATIOS

- Enrollment projections used to staff schools
  - Assistant principals
  - Guidance
  - Clerical staff
  - Media specialists
  - Media aides
- Each school has a principal and one secretarial allocation regardless of size
- Custodial allocation based on square footage

# RECAP OF REDUCTIONS – YEARS 08-09 THROUGH 10-11

- 2008 - 2009
  - Reduced vehicle replacement budget
  - No step increase for non-teachers
  - Fund 1 no longer allocated to parenting program
  - Eliminated two coordinator positions at Brookhaven
  - Phased out CAI lab aide positions
  - Phased out some Special Ed aide positions
  - No longer contributed to Camp Long project
  - Cut supplies budgets and travel mid-year
  - Shifted expenditures
  - Avoided furloughs

# RECAP OF REDUCTIONS – YEARS 08-09 THROUGH 10-11

- 2009 - 2010
  - No salary or step increase for non-teachers
  - Increased pupil-teacher ratios
  - Eliminated signing bonuses for teachers
  - Eliminated athletic playoff supplements
  - Reduced overtime budget
  - Eliminated 17 positions at Brookhaven
  - Reduced travel budgets by 50%
  - Reduced band matching fees by 50%
  - Started phase-out of International Baccalaureate program

# RECAP OF REDUCTIONS – YEARS 08-09 THROUGH 10-11

- 2009 - 2010
  - Reduced drivers education to one period per day
  - Modified alternative program
  - Eliminated intramural supplement
  - Eliminated full-time nurse positions and middle and high schools
  - Mid-year cuts resulted in furloughs
    - 5 days for teachers
    - 10 days for non-teachers
  - Cut \$100,000 each from technology and facilities maintenance

# RECAP OF REDUCTIONS – YEARS 08-09 THROUGH 10-11

- 2010 - 2011
  - No salary or step increases for any employees
  - No longer paying half for PSAT
  - Increased 1<sup>st</sup> grade pupil teacher ratio by 1
  - Suspended drivers education program
  
- Good news for 2010-11
  - No furloughs as part of original budget
  - Decreased pupil-teacher ratios by 1 in 4<sup>th</sup> and 5<sup>th</sup> grades
  - Provided full-time registrars for all high schools

# FLEXIBILITY

- Legislation provides a means to cope with budget reductions
  - Can transfer many State allocations as needed
  - Can suspend professional staffing ratios
  - Can delay teacher contracts to May 15
  - Can negotiate salaries with retirees
  - Can furlough instructional personnel
  - Step increase for teachers not required (2010-11)
  - Can withhold teacher supplies (2010-11)

**Slide 40**

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**ACSD65** MAKE NOTE THAT CHARTER SCHOOLS GET THEIR CUT BEFORE ANY MONIES ARE FLEXED/TRANSFERRED.

PREVIOUSLY COULD NOT FURLOUGH INSTRUCTIONAL OR INSTRUCTIONAL SUPPORT

EXPERIENCE LEVEL NOT AFFECTED BY NOT GIVING A STEP INCREASE

FLEXIBILITY GOES TO THE BOARD ON QUARTERLY BASIS, REPORTED TO SDE, POSTED ON WEBSITE

Aiken User, 11/22/2010

# FLEXIBILITY

- 65% rule for 2009 – 2010
  - Instruction
  - Instructional support
- 70% rule for 2010 – 2011
  - Non-instructional pupil services
    - Transportation
    - Food Service
    - Safety
  - Principal salaries

**Slide 41**

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**ACSD67** WE ARE IN THE 74% RANGE FOR INSTRUCTION AND INSTRUCTIONAL SUPPORT

WE ARE IN THE 85% RANGE FOR INSTRUCTION, INSTRUCTIONAL SUPPORT, NON-INSTRUCTIONAL PUPIL SERVICES AND PRINCIPALS

Aiken User, 11/16/2010

# FLEXIBILITY

- Per recent SDE update
  - Districts providing teacher supply 56
  - Districts not providing teacher supply 30
  - Districts providing step increase 29
  - Districts not providing step increase 57
  - Districts providing either teacher supply or step – not both 39
  - Districts providing neither 24

**Slide 42**

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**ACSD63** LOOKS LIKE THERE WOULD BE 23 DISTRICTS THAT ARE PROVIDING STEP AND TEACHER SUPPLY - ABOUT 27%.

WHAT YOU DON'T KNOW IF WHAT STEPS WERE TAKEN TO MAKE THAT HAPPEN...OTHER SIGNIFICANT CUTS/FURLOUGHS/CUT CONTRACTS...WOULD BE INTERESTING TO KNOW IF THEY HAD SUFFICIENT FUND BALANCE TO COPE WITH

Aiken User, 11/17/2010

# GENERAL FUND DETAILS

- Largest of all funds
  - Original budget \$144,546,215
  - 65% of total original budget
- Limited ability to generate revenue
- Most Fund 1 funding comes from State
- State allocations have decreased
  - Approximately \$106 million in 2007-08
  - Approximately \$92 million for 2010-11

**Slide 43**

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**ACSD81** CAN ALMOST THINK OF THE GENERAL FUND AS THE "LAST LINE OF DEFENSE."

IF THERE ARE BUDGET CUTS AND NO WHERE ELSE TO ABSORB THEM AND NO WAY TO FLEX, FALLS ON FUND ONE.

APPROX 64% OF FUND 1 BUDGET IS FROM STATE (WHEN INCLUDE TRANSFER OF EIA MONIES TO THE FUND)

Aiken User, 11/17/2010

# GENERAL FUND DETAILS

Revenue	Original 2010 – 2011
Local	
Property taxes - operations	\$ 43,787,452
Delinquent taxes	2,400,000
Payments in lieu of tax	5,500,000
Out-of-district/out-of-state tuition	12,000
Interest earnings	50,000
Miscellaneous	50,000
Total local	51,799,452

# GENERAL FUND DETAILS

- Limited ability to generate revenue
  - Property tax increase is only option
  - No tax increase for 2010 – 2011
  - Any increase in operating millage is capped
  - Any increase limited to change in CPI plus change in population for the District
  - Cap varies by district
  - No effect on primary residences
  - Fees in lieu of tax are negotiated by County
  - Other local relatively unchanged

**Slide 45**

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**ACSD82** "CAP VARIES BY DISTRICT" - SAME CHANGE IN CPI, BUT THE POPULATION INCREASE VARIES.

ALSO, EVEN IF PERCENTAGES WERE THE SAME WOULD VARY WITH DIFFERENCES IN THE PRIOR YEAR'S OPERATING MILLAGE

Aiken User, 11/17/2010

# GENERAL FUND DETAILS

Revenue	Original 2010 – 2011
State	
Education Finance Act allocation	38,057,631
Fringe benefits allocation	21,565,966
Property tax relief - Tier 1	8,147,500
Property tax relief - Tier 2	2,659,778
Property tax relief - Tier 3A	14,870,483
Property tax relief - Tier 3B	180,000
School bus drivers allocation	1,209,654
Other state funds	56,000
Total state	86,747,012 <sub>46</sub>

# GENERAL FUND DETAILS

Revenue	Original 2010 – 2011
Federal	
Impact aid	90,000
Transfers	
Transfers from Fund #3	5,309,751
Indirect costs – Fund #2 and Fund #6	600,000
Total transfers	5,909,751
Total revenue	\$ 144,546,215

# GENERAL FUND DETAILS

- Education Finance Act (EFA)
  - Largest allocation from the State
  - Decline continues
- Components of EFA
  - Base student cost
  - Index for taxpayer ability
  - Weighted pupil units (WPUUs)
- Tiers 1 and 2 are fixed
- Tier 3A slight annual increase

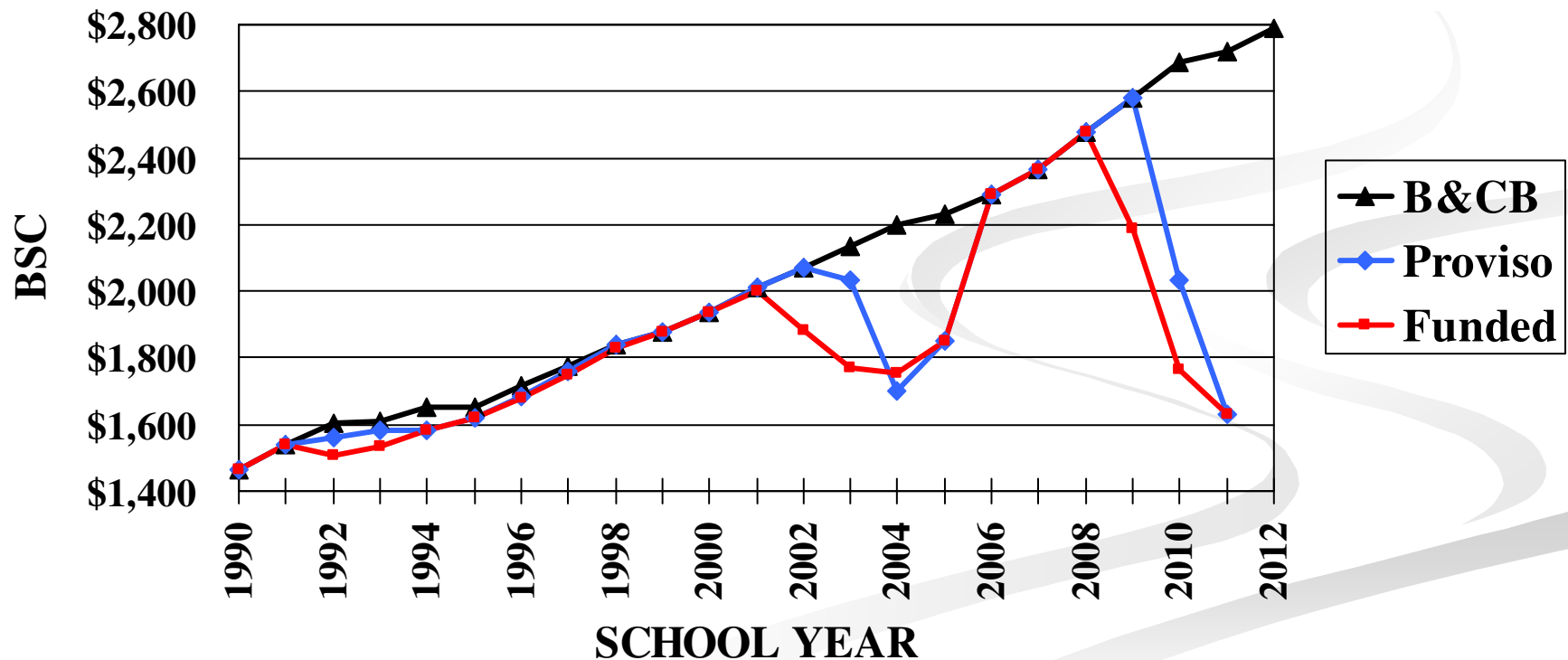
**Slide 48**

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**ACSD85** ITA MEASURES RELATIVE WEALTH OF THE DISTRICT  
Aiken User, 11/17/2010

# GENERAL FUND DETAILS

## BSC - IDEAL VS. PROVISO VS. FUNDED



**Slide 49**

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**ACSD86** FOR 2011, IDEAL = 2720

ACTUAL 2011 = 1630

THIS IS 1994-95 LEVELS

FOR 2012, IDEAL = 2790

IF WE WERE FUNDED AT THE IDEAL IN 2011, OUR ALLOCATION WOULD BE ABOUT \$63 MILLION

INSTEAD WE ARE AT \$38 MILLION

RECEIVED \$56 MILLION IN 07-08 AND HAVE DEALT WITH GRADUAL DECREASE EVER SINCE

Aiken User, 11/17/2010

# GENERAL FUND DETAILS

Expenditures	Original 2010 – 2011
Regular salaries	\$ 100,977,252
Temporary salaries	1,000,000
Overtime salaries	385,000
Payroll taxes, insurance, retirement	31,500,583
Unemployment compensation	225,000
Workers comp insurance	955,218
Water, sewer, and garbage	640,000
Maintenance services	550,698
Property/liability insurance	783,137
Purchased services	2,073,192

# GENERAL FUND DETAILS

Expenditures	Original 2010 – 2011
Rentals and property services	17,880
Telephone	435,000
Supplies – instructional, office, etc	2,152,162
Energy	4,700,000
Equipment repairs	178,814
Student transportation	45,000
Advertising	9,270
Travel	123,574
Printing and binding	5,865
Legal and audit fees	150,000

# GENERAL FUND DETAILS

Expenditures	Original 2010 – 2011
Equipment lease	442,763
Equipment	25,110
Technology/software	47,468
Vehicles	125,000
Due and fees	36,630
Interest	75,000
Transfers to other funds	507,000
Payments to other governments	110,000
Payments to charter schools	1,650,000
Less expenditures covered by Stabilization	(5,380,401)
Total expenditures	\$ 144,546,215 <sub>52</sub>

# GENERAL FUND DETAILS

- Fund 1 budget is approximately \$10 million less than 2 years ago
- Approximately 93% of original budget in salaries and fringe
- Items paid by Stabilization during 2010 – 2011
  - Energy
  - Telephone
  - Property/liability insurance
  - Charters schools' Stabilization allocation

# OTHER FUNDS' HIGHLIGHTS

- Special Revenue (Funds 2, 8, 9)
  - Stimulus monies available for 2009 – 2010 and 2010 – 2011 only
    - \$24 million gone – Title I, IDEA, Stabilization
  
- Education Improvement Act (Fund 3)
  - Most can be flexed
  - Two year carryover for most
  - Consolidated allocations

**Slide 54**

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**ACSD88** SPECIAL REVENUE - 88 SUBFUNDS  
STIMULUS - "AVOID FUNDING CLIFF"

EIA - THERE WERE ABOUT 30 SUBFUNDS UNTIL TWO YEARS AGO WHEN THE STATE STARTED CONSOLIDATED

APPROXIMATELY 20 SUBFUNDS NOW

Aiken User, 11/18/2010

# OTHER FUNDS' HIGHLIGHTS

- Debt Service (Fund 4)
  - Debt service millage at 23.5
    - Growth in tax base
    - Lower interest rates
    - Little change in bond issuances
  
- School Building (Fund 5)
  - Five Year Facilities Plan
  - Approximately \$14 million per year

**Slide 55**

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**ACSD91**

GRADUAL DECREASE TO 23.5. WAS 29 MILLS A COUPLE OF YEARS AGO

Aiken User, 11/18/2010

# 8% LIMIT

- General obligation debt limited to 8% of tax base

Assessed value of property in district	\$ 550,000,000
8% of assessed value of property in district	44,000,000
2006 bonds – unpaid principal	(3,000,000)
2007 bonds – unpaid principal	(5,000,000)
2008 bonds – unpaid principal	(9,000,000)
2009 bonds – unpaid principal	<u>(11,000,000)</u>
Amount can borrow within 8% limit (“bond capacity”)	\$ 16,000,000

- Increase bond capacity – growth
- Increase bond capacity – pay off quicker

**Slide 56**

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**ACSD95**    ROUNDED THE NUMBERS ON THIS SLIDE FOR EASE

TO EXCEED THE 8% LIMIT, WOULD NEED A BOND REFERENDUM

1% SALES TAX NOT AN OPTION FOR SCHOOL DISTRICTS WITH CERTAIN EXCEPTIONS

Aiken User, 11/18/2010

# FY 2012 BUDGET – KNOWNNS AND UNKNOWNNS

- Still early
- Knownns seem to outnumber the unknownns
  - 2011 – 2012 will be difficult
  - Stimulus will be gone
  - State facing reported \$1 billion shortfall
  - Slow recovery
  - District has “tightened belt”
  - Board and administration want to minimize effect on classroom

# FY 2012 BUDGET – KNOWNNS AND UNKNOWNNS

- Unknownns
  - What will be the base student cost?
  - What will happen with the index for taxpayer ability?
  - Will additional EIA and other State allocations be consolidated?
  - Will allocations be cut?
  - Will SC receive EduJobs money?
  - Will districts have the same flexibility as 2010 – 2011?

# FY 2012 BUDGET – KNOWNNS AND UNKNOWNNS

- Unknownns - continued
  - Will teacher salary and step increases be required?
    - Will it be dependent on fund balance levels?
  - What will be the cap on operating millage?
  - Will health insurance premiums increase?
  - Will there be changes in charter/virtual school funding?
  - Will there be other funding changes?
  - Others?

# WHAT CAN WE DO? / OPTIONS

- Start budget process early
- Scrutinize budgets, look for new cuts and savings measures
- Receive input/suggestions
- Maintain cuts from 2010 – 2011
- Use carryovers
- Flex State allocations
- Avoid using fund balance to balance the budget

# DISTRICT WEBSITE / TRANSPARENCY

- [www.aiken.k12.sc.us](http://www.aiken.k12.sc.us)
- “Financial information” link on website
  - General financial information
    - Powerpoint
    - Narrative
  - Audits
  - Budget presentations
  - Transparency
    - Disbursements (excluding payroll info)
    - Credit card statements

# QUESTIONS AND COMMENTS

- Board members
- Public