

# Franklin County Schools

Current Incentive Payments

Fiscal Year End Budget Overview 2021-2022

Budget Amendments 2021-2022

Continuation Budget Resolution 2022-2023

Presented to Franklin County Board of Education  
June 30, 2022

# Current Incentives (Full list in your budget binder)

[Did You Know About ALL The Wonderful Things Happening At Franklin County Schools?](#)

Recipient	Incentive	Year Began	Payroll Payment Schedule
<b>Classified</b>	Classified salary table implemented, provides annual 1.5% increase between steps	2019-2020	Yearly salary
	Minimum \$13 per hour	2021-2022	Yearly salary
	Minimum \$15 per hour	2022-2023	Yearly salary
<b>Bus Driver</b>	\$15/HR minimum or primary job rate if higher	2021-2022	Monthly
	\$1,000 supplement to drivers with assigned route	2021-2022	November and June
<b>Teacher</b>	Additional duty pay for giving up planning periods to cover classes. \$25 for 45 minutes/\$50 for an entire secondary block	2021-2022	Monthly paycheck
	Additional duty pay for teaching an additional class. \$150 for one class and an additional \$100 for every additional 30 students.	2021-2022	Monthly paycheck
<b>Substitute Teacher</b>	Premium pay \$20 extra per day and \$101 or \$125 per month	2021-2022	Monthly during 2021-2022

# Request for Motion to Continue Incentives

Most of the Incentives have been formally approved by the Board of Education in previous board meetings or were required from the state level (DPI). There are a few items that were approved for the school year 2021-2022, but will require BOE approval to continue for 2022-2023.

- **Bus Drivers:** \$1,000 supplement to drivers with assigned route
- **Teachers:** Additional duty pay for giving up planning periods to cover classes. \$25 for 45 minutes/\$50 for an entire secondary block
- **Teachers:** Additional duty pay for teaching an additional class. \$150 for one class and an additional \$100 for every additional 30 students.
- **Substitute Teachers:** Premium pay \$20 extra per day and \$101 or \$125 per month (subject to change pending legislative outcomes related to teacher pay)

# Fiscal Year End Close Out Process

## What does it mean to maximize your state allotments during FYE close?

- Staff turnover-transfers within dollar and position based allotments
- Final balances within state prc's refunded back to local for qualifying expenses  
All unused balances revert back to the state after midnight 6/30/2022.
- All transfers and refunds must follow the rules within the state allotment policy manual and chart of accounts.

This is a process that occurs each year. Due to the fluctuation and unpredictability in operational costs, enrollment impacts from charters, etc. we can't guarantee any savings or positive impacts to our fund balance, but we continue to maximize the use of our state funds to reduce the required use of fund balance each year. Documentation regarding this process is included in your binder.

# Financial Stability During Unstable Times:

FUND	FISCAL YEAR END PROCESS (strategies used to maximize funding)	IMPACTS TO FUNDING (pending final audit outcomes in Nov/Dec)
State Public School Funds	Exhausted all possible areas of funding (technology purchases, position based allotments, adjustments to local budget areas)	Provided the ability to reduce projected use of Local Fund Balance <ul style="list-style-type: none"> <li>● Minor amount of State funds will be reverted due to the inability to use for the intended purpose</li> <li>● Example: PRC 085 (\$18,043) and PRC 071(\$33,700)</li> </ul>
Local Current Expense Funds	Identified budgetary needs sorting through items that are eligible for expenditure through pandemic funds. Identified options for reimbursements, financial benefits from position shifts, eligible pandemic(ESSER) funding reimbursements.	Potential <b>\$450,000 - \$550,000</b> use of the \$604,200 assigned fund balance for current year. (the amount was closer to \$1,012,428 before fiscal year end close out transfers)
Federal Grant Funds	Reimbursements to federal from state within areas of allowances so that we could increase the carry-over balances for use in the following year. Federal ESSER I, II & III Funds have supported major “nontraditional” needs for the district as a result of impacts from the pandemic.	Carryover amounts allowed for starting new year (examples below, but binder includes details) <ul style="list-style-type: none"> <li>● Federal EC</li> <li>● Federal Title I</li> <li>● ESSER I (exp.9/30/22)</li> <li>● ESSER II (exp. 2023)</li> <li>● ESSER III (exp. 2024)</li> </ul>
Capital Outlay Funds	Continuation of projects throughout the school year. <ul style="list-style-type: none"> <li>● CCMS Soccer Field project completion, final invoice in July (current expense/payable)</li> <li>● Long Range Plan Study project will be completed this fall (reallocation of \$80,000 FB for 2022-23)</li> </ul>	Will use the fund balance as assigned for 2021-2022, but did receive some revenues due to the transfer of old bank property and some misc project savings. Will return the budget assigned for the TLMS Parking Lot \$175,000.

# Financial Stability During Unstable Times:

FUND	FISCAL YEAR END PROCESS (strategies used to maximize funding)	IMPACTS TO FUNDING (projections pending final audit)
Child Nutrition Funds	The pandemic impeded CN's ability to produce revenues via supplemental sales, but every child fed under federal reimbursements allowances through the "Universal Summer Feeding Plan."	Potential net increase <b>\$350,000-\$500,000</b> pending final audit results.
Before and After Care Funds	Closure of schools impeded B&A Care's ability to produce revenues. Increased salaries/benefits further impacted this area. However, this year has proven that we are back on track.	Self sustaining program for two years prior to pandemic. The program produced a \$35,000+/- net profit for 2021-22 pending final audit results.
Special Grants Reserved Funds	Miscellaneous revenues such as some sales tax refunds, indirect cost revenues, etc. help maintain financial stability for district initiatives such as 1:1 Technology, NC PreK, Nurse grant shortfall, etc as examples. Some programs may experience financial uncertainty as we transition from ESSER funding in the next couple of years. Other revenues such as the Medicaid reimbursements and specific granted funds are strictly prohibited for use outside of its intended purpose.	Potential net increase \$600,000 to support mainly EC Legal Fees and Provider Service Contracts.  Technology Sustainability for 1:1 profits \$70,000  All pending final audit results and FYE closeout for payables.

# Current Expense Fund Balance Overview

- Adjustments to allotments and changes in environment/cost may cause you to end up in a worse place than you originally planned so **it's important to have the flexibility within fund balance.**
- **Maximization of state allotted funds** through position based allotment transfers is where we are able to defer some of the locally budgeted expenditures versus fund balance. We are able to do this only after all the final June expenditures and outstanding payables have been posted during the fiscal year end close out process.
- **We are transparent with +/- to fund balance and do not use this account as an area for gaining surplus.** We try to meet a balance each year by **not allowing recurring expenditures within fund balance, keeping operations consistent regardless of the level of funding or resources for funding.**

\$6,913,193	June 30, 2021 (Final Audited Fund Balance)
(\$604,200)	Minus Assigned Fund Balance FYE June 30, 2022
<b>\$6,308,993</b>	<b>Projected balance June 30, 2022 pending final audit in September 2022</b>
<b>completion)</b>	<b>(Final Audit results will be presented to the BOE upon</b>

# Local Current Expense Budget-Revenue Resources

(Preliminary projections for continuation resolution only. Final Budget Resolution pending)

Revenue Description	2021-2022 (current year)	Increase/Decrease	2022-2023 Proposed Budget (TBD once state budget passed)
<b>County Appropriation</b>	\$21,221,872	+\$689,106	\$21,910,978
<b>Includes transfers to charters</b>	\$4,181,681	*\$689,106 to charters	*\$4,870,787 to charters Actual projection is more, but will have to use Fund Balance if that's the case
<b>Fines and Forfeitures</b>	\$220,000	+\$100,000	\$320,000
<b>Miscellaneous Revenues</b>	\$408,228*	\$0	\$408,228*
<b>Fund Balance Appropriated</b>	\$604,200	\$0	\$604,200
<b>Total Revenue Resources</b>	\$22,454,300	\$789,106	\$23,243,406



# Capital Outlay Fund Balance Overview

FISCAL PERIOD	BEGINNING Fund Balance	Increase/Decrease Audited Results	ENDING Fund
7/1/15 - 6/30/16	\$896,136	\$76,643	\$972,779
7/1/16 - 6/30/17	\$972,779	\$392,197	\$1,364,976
7/1/17 - 6/30/18	\$1,364,976	\$38,060	\$1,403,036
7/1/18 - 6/30/19	\$1,403,036	\$587,578	\$1,990,614
7/1/19 - 6/30/20	\$1,990,614	\$308,541	\$2,299,155
7/1/20 - 6/30/21	\$2,299,155	-\$555,545	\$1,743,610
7/1/21 - 6/30/22	\$1,743,610	*-\$436,153	*\$1,307,457
7/1/22 - 6/30/23	(see details below)		

\$1,743,610

-\$436,153

\$1,307,457

-\$380,000

**\$927,457**

June 30, 2021 (Audited Fund Balance)

(Assigned FB w/credits for TLMS project cancelled for 21/22)

Fund Balance pending audit FYE 6/30/22

Fund Balance Assigned for 2 projects in 22/23

**Projected balance June 30, 2023**

**(Final Audit results will be presented to the BOE upon**

**completion)**

# Capital Outlay Budget-Revenue Resources

(Preliminary projections for the Continuation Resolution only. Incoming quotes may change projections ahead of pending Final Budget Resolution.)

<b>Revenue Description</b>	<b>2021-2022 (current year)</b>	<b>Increase/Decrease</b>	<b>2022-2023 Proposed Budget</b>
<b>County Appropriation</b>	\$1,500,000	+\$0	\$1,500,000
<b>Fund Balance Appropriated</b>	\$531,153	-\$151,153	\$380,000
<b>Total Revenue Resources</b>	\$2,031,153	-\$151,153	\$1,880,000

# COUNTY COMMISSIONERS APPROVED PARTIAL FUNDING FOR REQUESTS

\$21,221,872 (County Appropriation- Current Funding Level)

\$1,500,000 (County Appropriation- Capital Outlay Budget)

\$0 Additional Capital Outlay Funding Needs

\$0 Additional Local Current Expense Operational Needs

\$689,106 Additional local funding for charter school impact (pass-through)

**Total additional request for charter school projections = \$689,106**

**Total County Appropriation Budget Approved: \$23,410,978**

- **\$18,481,477 for district use (ADM projection 8,010 + 144 PreK = 8,154)**
- **\$4,929,501 to charter schools (pass-through) (ADM projection = 2,367)**

**Total combined ADM 10,521**

# Impacts Pending “Unknown”

1. The use of fund balance this year versus our abilities for the past two fiscal years to increase fund balance is a clear indication of what’s to come. We must continue to monitor operational costs, human capital costs, impacts from charter schools, reductions in funding and changes within state allotment policies or funding formulas.
2. Legislative developments include increases and bonuses for all categories of school staff, but nothing confirmed. Funds were secured within current level of funding to cover the 1.5% increase built within the classified pay tables. Matching benefit rates continue to increase so this will impact local funding current year. County/Local funding will be needed to support the future of the classified pay tables.
3. ESSER funds will supplement district needs for the next 2 fiscal years. (Supplement, not Supplant)

**More details will be forthcoming during the finalization of the Budget Resolution for 2022-2023**

# Budget Amendment(s)

**Now let's review the amendment documents for BOE approval**

1. State Allotment Revisions
2. Local transfers to maximize state expiring funds and cover major purpose areas
3. Federal Allotment Revisions
4. Capital Outlay-Leased Bus Purchases for balance sheet reporting
5. Before and After Care-Budget revenues to cover expenses
6. Special Reserved Funds-Revenues budgeted to cover EC, PreK and Driver's Ed expenses

Request for approval of  
amended budgets if there  
are no questions....

# Continuation Budget Resolution for 2022-2023

1. Amounts were updated to reflect current year 2021-2022 amended details.
1. Request for Board of Education to approve the 2022-2023 Continuation Budget Resolution within the same level of spending as the finalized 2021-2022 budget pending final legislative approval of state budget.
1. I will return mid November-December with finalized details for approval of the Final Budget Resolution for 2022-2023.

THE END...

ANY QUESTIONS?