

**As Approved by the School Board at 5/9/2016
Board Meeting**



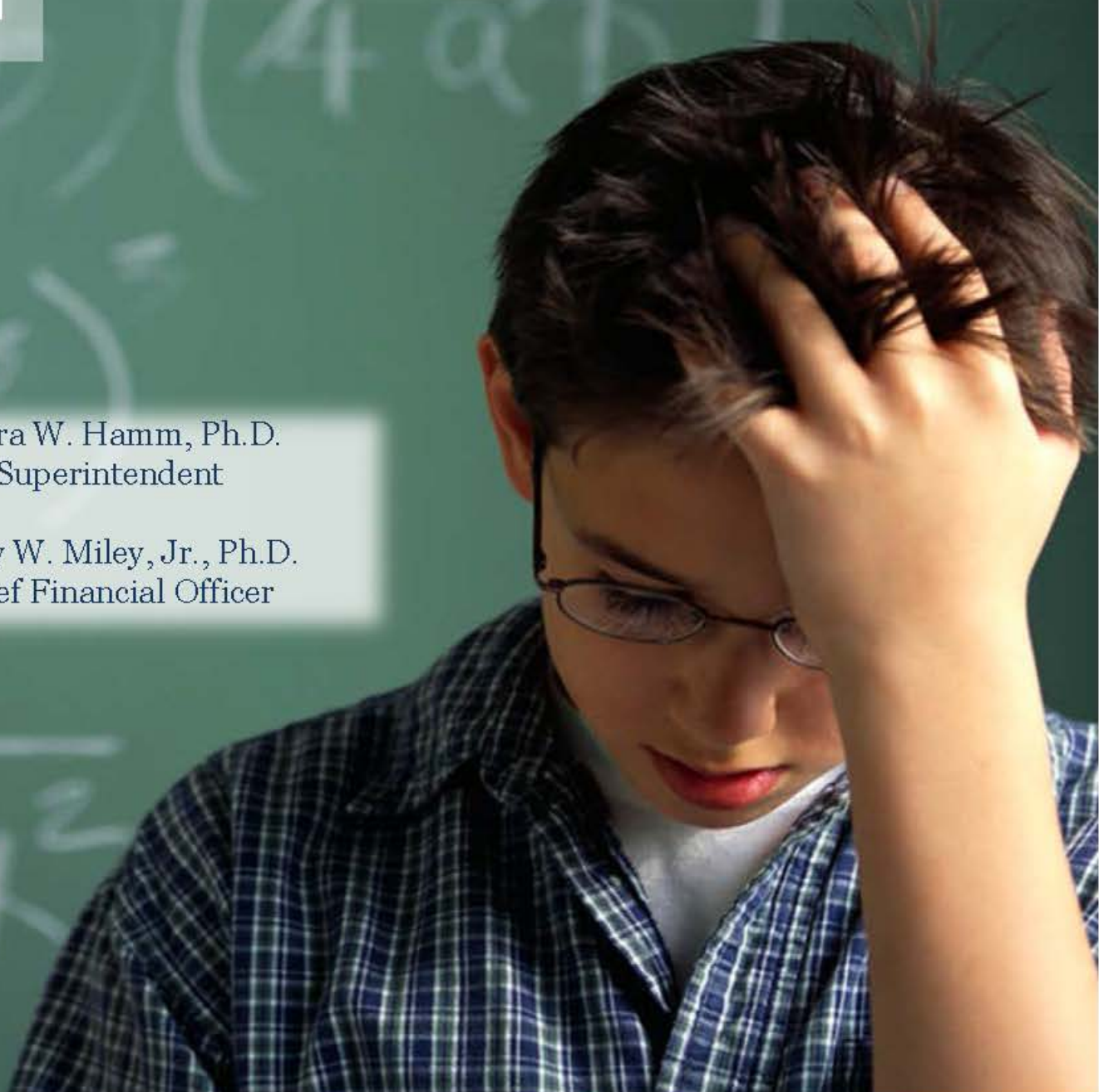
RICHLAND SCHOOL DISTRICT TWO

General Fund Budget

Fiscal Year 2016-2017

Debra W. Hamm, Ph.D.
Superintendent

Harry W. Miley, Jr., Ph.D.
Chief Financial Officer



RICHLAND SCHOOL DISTRICT TWO
PROPOSED GENERAL FUND BUDGET HIGHLIGHTS
FY 2016-2017

Revenue Highlights

The Proposed General Fund Budget includes additional revenues that total \$14,598,562 and include:

- State estimates include EFA funding at a projected base student cost of \$2,350. This budget reflects projections for State EIA teacher salary supplements, projections for State Property Tax Relief, as well as other State revenue projections.
- The local revenue projections are based on a proposed millage rate of 310.5, which includes an estimated 6.5 mill increase. The millage cap is 8.0 mills, based on a prior year population growth percentage of 2.52% and CPI of 0.12%.

Expenditure Highlights

The Proposed General Fund Budget also includes expenditures that total \$260,885,235. So that we can strive to accommodate the needs of every child within our District, the budget projections have an emphasis on providing high level academic offerings through teaching and learning and student engagement, effective leadership, and providing effective fiscal management.

During the budget process, Administration identified approximately \$1.2 million in cost containment/strategic abandonment cuts that helped offset some of the costs associated with 2016-2017 budget needs.

The proposed budget strives to meet district priorities by:

- Preserving student/teacher ratios and manage growth by adding 13.0 positions for classroom teachers, 7.0 positions for Special Education teachers and 7.0 positions for teaching assistants to assist in Special Education classrooms.
- Continuing to maintain, recruit and support quality personnel by providing a salary step increase for all eligible employees plus a 2% increase to salary schedules (approx. range of 1-2% step based on current salary schedules), which is inline with the teacher salary schedule increase mandated by the State.
- Honoring the commitment to National Board Certified teachers by maintaining the local supplement.
- Providing equality and assistance to all schools by funding continued support of district-wide magnet programs.
- Providing funding to support R2i2, scheduled to open in the 2016-2017 school year.
- Some of the other items that are included in the proposed budget are:
 - Anticipated State increase for the employer portion of State Retirement
 - Anticipated State increase for the employer portion of State Health Insurance
 - Anticipated increases in utilities
 - Anticipated increases in operating contracts
 - Funding for Elementary 20 Principal and Administrative position for 1/2 year
 - Implement recommended adjustments to salary schedules identified in salary study in order to retain and recruit highly qualified personnel.
 - Addition of a Lead Behavioral Support Specialist
 - Addition of 3.0 FTEs for RTI Specialists at the Elementary level
 - Addition of 2.0 FTEs to Middle schools to work with students below grade level
 - Addition of 2.0 FTEs for Behavioral Support Specialists
 - Addition of 1.0 FTE to expand Health Services Program at Ridgeview High School
 - Addition of 1.0 FTE for Lead Teacher at Richland Northeast's Career-Related IB Programme

RICHLAND SCHOOL DISTRICT TWO

General Fund Operating Budget for the 2016-2017 Fiscal Year

REVENUES

REVENUE SOURCE	2015-16 Budget	2016-2017 Projections	Increase (Decrease) over 2015-16 Budget	% Change*
LOCAL PROPERTY TAXES	\$88,635,038	\$93,365,944	\$4,730,906	5.34%
PROPERTY TAX RELIEF (ACT 388)	48,524,225	48,836,788	\$312,563	0.64%
EDUCATION FINANCE ACT	66,003,210	71,046,458	\$5,043,248	7.64%
FRINGE BENEFITS	32,811,027	35,466,384	\$2,655,357	8.09%
PUPIL TRANSPORTATION	749,149	1,479,743	\$730,594	97.52%
EIA TRANSFER - TSS	5,354,024	6,234,668	\$880,644	16.45%
INTEREST INCOME	300,000	300,000	\$0	0.00%
FEDERAL IMPACT AID	450,000	450,000	\$0	0.00%
INDIRECT COST	850,000	950,000	\$100,000	11.76%
ADMINISTRATIVE FEE-CHARTER SCHOOL	100,000	150,000	\$50,000	50.00%
OTHER REVENUE	2,510,000	2,605,250	\$95,250	3.79%
TOTAL REVENUE - GENERAL FUND	\$246,286,673	\$260,885,235	\$14,598,562	5.93%

EXPENDITURES

PROJECTED EXPENDITURES	2015-16 Budget	2016-2017 Projections	Increase (Decrease) over 2015-16 Budget	% Change*
SALARIES	\$159,092,910	\$168,322,809	\$9,229,899	5.80%
BENEFITS	55,436,052	60,075,621	4,639,569	8.37%
UTILITIES (GAS, ELECTRIC, WATER, SEWER)	9,394,899	10,111,395	716,496	7.63%
PROPERTY CONTRACTS	6,172,542	6,354,909	182,367	2.95%
REPAIRS AND MAINTENANCE	1,984,764	1,984,764	-	0.00%
TELEPHONE	484,293	484,293	-	0.00%
PURCHASED SERVICES	5,307,139	5,379,408	72,269	1.36%
SUPPLIES AND EQUIPMENT	6,144,750	5,887,712	(257,038)	-4.18%
OTHER	2,269,324	2,284,324	15,000	0.66%
TOTAL REVENUE - GENERAL FUND	\$246,286,673	\$260,885,235	\$14,598,562	5.93%

*Percent change is the percentage increase from 2015-2016 to 2016-2017 for each category. In the case of salaries it does not reflect individual salary increase, but the overall increase in salaries due to step increase and added positions.

RICHLAND SCHOOL DISTRICT TWO
General Fund Budget Projected Increases for the 2016-2017 Fiscal Year

Description	Estimated Increase	Remaining
Estimated Total Revenue Increase over Prior Year Budget	\$ 14,598,562	
Federal Funds granted to offset costs associated with Westwood's ROTC program	(50,000)	\$ 14,648,562
Costs associated with Formative Assessments offset with State EIA funds	(80,000)	\$ 14,728,562
Reduction of Operation and District-wide Maintenance Contracts (i.e., landscaping services, etc.)	(76,000)	\$ 14,804,562
Elimination of District Level Position through Attrition	(75,000)	\$ 14,879,562
Costs savings associated with the Consolidation of Programs	(529,189)	\$ 15,408,751
Reduce allocation of Professional Voucher Days by 50%	(86,650)	\$ 15,495,401
Reduce School Discretionary Budget through elimination of 10% carryover provision	(273,811)	\$ 15,769,212
Costs associated with Technology Integration Specialist offset with State Technology PD Funds	(89,900)	\$ 15,859,112
Elimination of Little Red School House staff costs	(16,000)	\$ 15,875,112
Estimated Increase in Employer's Share of Health Insurance	171,772	\$ 15,703,340
Estimated Increase in Employer's Share of State Retirement	1,968,934	\$ 13,734,406
Certified Salary Step Increase (for eligible employees) plus 2% schedule increase (Includes related benefits)	5,750,000	\$ 7,984,406
Classified Salary Step Increase (for eligible employees) plus 2% schedule increase (Includes related benefits)	2,750,000	\$ 5,234,406
Estimated Increase in Utilities	363,180	\$ 4,871,226
Increase in other operating contracts (includes custodial, grounds, trash/recycling, etc.)	75,000	\$ 4,796,226
R2i2 Operational Expenses (Utilities, Custodial Services, Grounds, Water, Sewer, etc.)	590,200	\$ 4,206,026
R2i2 Instructional Program Allocation	91,295	\$ 4,114,731
R2i2 Security Staffing (1.0 FTE and 2 part-time positions)	92,650	\$ 4,022,081
R2i2 AV Technician (1.0 FTE)	53,300	\$ 3,968,781
R2i2 Teaching Assistant (1.0 FTE)	35,736	\$ 3,933,045
Increase in cost associated with background checks	3,000	\$ 3,930,045
Cost of Additional National Board Certification teacher supplements (including related benefits)	49,816	\$ 3,880,229
Classroom Teachers for growth & maintaining staffing standards (includes related benefits) - (13.0 FTEs)	962,585	\$ 2,917,644
Special Education Teachers - 2 High, 2 Middle, 2 Elementary and 1 Speech - (7.0 FTEs)	518,315	\$ 2,399,329
Special Education Teaching Assistants increase due to 1:1 - (7.0 FTEs)	250,152	\$ 2,149,177
Elementary #20 Principal (0.5 FTE) and Administrative Assistant (0.5 FTE)	104,743	\$ 2,044,434
Phase II - 5% Pay Increase for Bus Drivers for employee retention	179,400	\$ 1,865,034
Shuttle Service from home high school to R2i2 & from R2i2 back to home high school (2.0 FTEs)	84,000	\$ 1,781,034
Implement recommended Teacher Salary Schedule alignment based on Salary Study	106,900	\$ 1,674,134
Implement recommended Classified Schedules alignment based on Salary Study	506,926	\$ 1,167,208
Lead Teacher - Leadership Academy at Mueller (0.5 FTE)	42,100	\$ 1,125,108
Allocation for staffing costs related to Extended Tuesdays & Ext Year at Leadership Academy at Mueller	20,250	\$ 1,104,858
Lead Teacher - eLc magnet program at Forest Lake (0.5 FTE)	42,100	\$ 1,062,758
Lead Teacher - Zoobot Magnet Program at Longleaf (1.0 FTE)	74,045	\$ 988,713
District-wide Magnet Program Allocation for costs associated with materials, subs, national certification, etc.)	60,000	\$ 928,713
Elementary School level RTI (Response to Intervention) Specialist (Phase in 3.0 Additional FTEs)	222,135	\$ 706,578
Middle School Math & ELA Interventionist (Phase in 2.0 FTEs)	148,090	\$ 558,488
Behavioral Support Specialists (2.0 FTE), professional development, travel, misc.	164,694	\$ 393,794
Marketing (school assistance, district branding, graduation/summer billboard)	20,000	\$ 373,794
Expansion Health Services Magnet at RVHS - Medical Professions Teacher (1.0 FTE)	81,900	\$ 291,894
Lead Teacher - Career-Related IB Programme at RNE (1.0 FTE), program costs, professional dev & materials	101,800	\$ 190,094
Additional funding for recruiting costs (includes travel, virtual career fairs, advertising, district tours, etc.)	15,000	\$ 175,094
Adjust Athletic Coaching Supplements to align with neighboring districts	128,667	\$ 46,427
Increase contract days of District Lead Nurse position by 10 days (from 200 days to 210 days)	4,167	\$ 42,260
Convert a Psychologist 0.6 FTE to a 1.0 FTE for 210 days	32,260	\$ 10,000
Learning Support Services - increase in allocation for local mileage to reimburse additional staff	10,000	\$ -
Estimated Total Expenditures Increase Over Prior Year Budget	\$ 14,598,562	
Estimated Excess Revenues over Expenditures	\$ -	

**RICHLAND SCHOOL DISTRICT TWO
FY 2016 - 2017**

Calculation of Mill Cap

Population Growth		2.52%
CPI		0.12%
Percent Millage can increase		2.64%
FY 2016 - 2017		
Current Millage Rate		304.00
Plus: Millage Cap Increase		8.0
Total Allowable Mills based on Cap for FY 16-17		312.00

Calculation Based on a Cap Millage increase of 8.0 Mills
Estimated for 2016-2017

Estimated value of 1 mill - non-owner occupied (includes estimated growth for FY 16-17)		\$290,500
Cap Mill Increase		312.00
Estimated Local revenue from millage		\$90,636,000
Estimated Collection Rate <i>(County Auditor factors in collection rate to the value of a mill base)</i>		100.00%
Sub-Total		\$90,636,000
Estimated Fee in Lieu and Other State Taxes		3,165,694
Estimated Local Tax Revenue		\$93,801,694
State Property Tax Relief Funds		\$48,524,225
Incremental growth in State Tax Relief		312,563
Estimated Revenue from State Tax Relief		48,836,788
Estimated Local Revenue + State Tax Relief 2016-17		\$142,638,482

Calculation Based on a 6.5 Mill Increase
Estimated for 2016-2017

Estimated value of 1 mill - non-owner occupied (includes estimated growth for FY 16-17)		\$290,500
6.5 Mill Increase		310.50
Estimated Local revenue from millage		\$90,200,250
Estimated Collection Rate <i>(County Auditor factors in collection rate to the value of a mill base)</i>		100.00%
Sub-Total		\$90,200,250
Estimated Fee in Lieu and Other State Taxes		3,165,694
Estimated Local Tax Revenue		\$93,365,944
State Property Tax Relief Funds		\$48,524,225
Incremental growth in State Tax Relief		312,563
Estimated Revenue from State Tax Relief		48,836,788
Estimated Local Revenue + State Tax Relief 2016-17		\$142,202,732

RICHLAND SCHOOL DISTRICT TWO FY 2016-17 Education Finance Act Formula	
Projected Base Student Cost	\$2,350
Estimated District Weighted Units	36,283
BSC X DISTRICT_WPU	\$85,265,050
Projected Base Student Cost	\$2,350
Projected Statewide Weighted Units	975,724
Local %	30%
Estimated Index of Tax Paying Ability	0.02067
Subtotal	14,218,592
Projected 2015-16 EFA Funds	\$71,046,458

Note: Based on estimated Senate Finance version of the budget.