

Rutherford County Schools
Joint Meeting with Health & Ed and Commission Budget Committee
Agenda Items – May 27, 2014

1. BEP-generated Positions

Rutherford County Schools place their employees in the schools to educate our students, not in the Central Office. The BEP formula generates 107.4 certified supervisory or system wide positions. We have 50.6 in our budget and that number includes 7 classified supervisors.

Our 2014/15 BEP allocation generates approximately 2,514 certified positions. We currently have 2,951.4 certified positions. (The BEP allocation never includes growth positions.) These are the positions we use to meet BEP class size mandates, cover the other mandated programs we have to meet, and to offer a high-quality instructional program.

2. Unfunded and Under-funded State Mandates

- a. State Growth BEP Funds – The State Budget cut state-wide Growth BEP Funds from \$27M in 2013/14 to \$15M for 2014/15. Since \$5M of the 2014/15 funds are non-recurring, the 2015/16 will probably drop to \$10M. If our projected growth were funded as it has been in the past we would have budgeted \$3.2M or more instead of \$1.6M.

This \$1.6M will only generate between 32% and 40% of the State portion of the BEP. So we'll be short between 60% and 68% of the State portion for our growth students and still have to cover the local portion.

- b. RTI² - We're expected to cover it with our classroom BEP-generated teaching positions. The state is also requiring that we purchase a nationally-normed universal screener at between \$4.50 and \$6 per student for RTI².
- c. Spectrum – our gifted program. We no longer get state BEP special ed funds for this program. We're expected to cover it with our regular classroom BEP-generated teaching positions.
- d. Nurses – The BEP formulas generates 13.5 nurses for our system. We'll have 48 next year handling our special ed and regular ed program students with medical conditions.

- e. Special Ed Pre-K – state and federal - \$69,378 in Federal funds for 2013/14. \$0 BEP funding. In GP we have 11 teachers and 17 EA's handling this required program
- f. No BEP funding for 2 months of medical insurance - \$2.7M for 2014/15 budget. This shortfall has existed in the BEP formula since the beginning.

3. 2014/15 General Purpose School Budget – Fund 141

This version of the 2014/15 GPS Budget has \$306,688,721 in expenditures and \$293,859,003 in revenues. This leaves a budget shortfall of \$12,829,718 which is \$3,557,122 less than the previous version.

Mrs. Nolen and Mr. Sandvig will be amending 2013/14 revenues in June and finalizing 2014/15 revenues. We would like our targeted shortfall between revenues and expenditures to be \$11,600,000 or lower.

Recommended motion – to approve the 2014/15 General Purpose School Fund Budget in the amount of \$306,688,721 as presented.

4. 2014/15 Cafeteria Fund Budget – 143

The first version of the 2014/15 Centralized Cafeteria Fund Budget has \$17,630,000 in revenues and \$18,333,292 in expenditures. The \$703,292 deficit will be taken from fund balance. This budget will be finalized in May after the April financial figures are available.

Recommended motion – to approve the 2014/15 Centralized Cafeteria Fund Budget has \$17,630,000 in revenues and \$18,333,292 in expenditures.

5. 2014/15 Capital Projects Fund – 177

The estimated property tax revenue for this fund is \$2,366,877. This revenue and \$33,548 from fund balance will cover \$2,350,000 in items from Mr. Clardy's project list and the Trustee's Commission for fiscal 2014/15.

Recommended motion – to approve the 2014/15 Capital Projects Budget, Fund 177, as presented.

6. Proposed Capital Projects for 2014/15

The roof replacements and/or repairs at Smyrna Primary, Thurman Francis, Oakland High, Blackman High, and Buchanan and the HVAC Integrated Control system for Blackman Middle Schools are the highest priority projects on Mr. Clardy's proposed capital project list for 2014/15. Should additional funding become available the other \$512,500 in projects are shown in priority order and would be added to the budget.

Recommended motion – to approve the 2014/15 Capital Projects List, Fund 177, as presented.

7. Resolution to Fund Capital Projects, Fund 177, with Five Cents of the Property Tax Rate

Rutherford Schools received a large increase in state funding for 2007/08 with the State's BEP 2 Funds. The Rutherford County Commission was able to move five cents in property tax revenues to Fund 177, Major Capital Projects for Schools from the General Purpose School Budget. The Commission's goal was to use current property tax funds for reroofing, HVAC systems, paving, and other repairs that were being funded with borrowed funds. The School Board totally supported this program.

In 2007/08 this five cents covered \$1,913,042 in expenditures for major capital repairs and the schools built in the 1990's only had \$140,000 budgeted for repairs. Six years later, the five cents has dropped to 4.51 cents and the budgeted property taxes for 2013/14 are \$2,401,660. The schools built in the 1990's and the early years of the twenty-first century are now requiring some major repairs. We are falling behind in these needed repairs and restoration of that 0.49 cents on the property tax would help us fund these needed repairs from current revenues and avoid a need to use borrowed funds for these projects.

8. Land for Whitworth-Buchanan Middle School Sixth-Grade Annex

The Maples Family Partnership is willing to sell the County 5.5 acres adjoining Whitworth-Buchanan Oakland Middle School for a sixth-grade annex at \$70,000 per acre. The Board would pay the estimated \$2,500 in surveying costs. Easements are described in the proposal.

Recommended motion – to request that Rutherford County Commission fund the purchase of the 5.5 acres adjoining Whitworth-Buchanan Middle School for a sixth-grade

annex from the Maples Family Partnership at \$70,000 per acre and up to \$2,500 in surveying costs as presented.

9. 2013/14 Amendments

Final 2013/14 amendments will be brought to the June Health and Education Committee Meeting

Rutherford County Schools		4/23/14
School Nutrition		
		2014/15
Func_obj	Description	Budget
43521	Lunch payments-children	5,100,000
43522	Lunch payments-adults	295,000
43523	Breakfast pmts - children	805,000
43525	A la carte sales	600,000
44110	Investment income	5,000
44170	Misc. refunds (rebates)	
44530	Sale of Equipment	
46520	State school food service	175,000
46990	Other state revenues	
47111	USDA reimb. - lunch	7,500,000
47112	USDA - commodities	900,000
47113	USDA reimb. - breakfast	2,250,000
	Revenue	17,630,000
73100-105	Supervisor/Director	1,820,000
73100-119	Bookkeepers	86,000
73100-165	Cafeteria Personnel	4,400,000
73100-189	Other Salaries & Wages	36,000
	Labor	6,342,000
73100-201	Social Security	390,033
73100-204	State Retirement	375,000
73100-206	Life Insurance	7,500
73100-207	Medical Insurance	1,100,000
73100-210	Unemployment Comp	25,000
73100-212	Employer Medicare	91,959
73100-299	Long Term Disability	6,500
72310-513	Workers' Comp Insur	54,300
	Benefits	2,050,292
73100-307	Communication	-
73100-336	Maint. & repair serv. - equip.	75,000
99100-590	Maint. thru BOE (transfers)	56,000
73100-348	Postage	-
73100-354	Transport.-commodity delivery	95,000
73100-355	Travel	12,000
73100-399	Other Contracted Services	300,000
73100-421	Food Preparation Supplies	800,000
73100-422	Food Supplies	7,000,000
73100-435	Office Supplies	24,000
73100-451	Uniforms	12,000
73100-469	USDA - commodities	900,000
73100-499	Other Supplies & Materials	275,000
73100-524	In-service/Staff Devel	30,000
73100-599	Other charges	
72310-305	Audit Services	12,000
	Operating Expenses	9,591,000
73100-710	Equipment	350,000
	Total Expenses	18,333,292
	Net Income	(703,292)

Rutherford County Schools				5/12/14
2013/14 Fund 177 Budget				
Major Capital Projects				
		2013/14	2013/14	2014/15
		Opening Budget	Amended Budget	Opening Budget
34685	Comm for Capital Proj.	1,663,150	1,663,150	1,140,723
	To Fund Current Budget	(64,723)	(522,427)	14,582
34685	Comm for Capital Proj.	1,598,427	1,140,723	1,155,305
Revenues:				
40110	Current Property Tax	2,267,649	2,267,649	2,315,779
40120	Trustee's Collect. - Prior Year	35,280	35,280	3,000
40130	Clerk & Master Collections	29,790	29,790	24,000
40140	Interest & Penalty	7,840	7,840	7,500
40150	Pick-Up Taxes	2,350	2,350	4,500
40161	Pay in Lieu of Taxes - TVA	237	237	228
40162	Pay in Lieu of Taxes - Local Utilities			
Total County Property Taxes		2,343,146	2,343,146	2,355,007
40270	Business Tax	58,514	58,514	60,000
Total Local Taxes		2,401,660	2,401,660	2,415,007
Total Revenue & Operating Transfers		2,401,660	2,401,660	2,415,007
72310-510	Trustee's Commission:			
	Property Tax	50,425	50,425	50,425
	Other Local			
		50,425	50,425	50,425
91300	Education Capital Projects			
304	Architects	-	1,155	-
321	Engineering Services	15,000	15,000	-
335	Maint. & Repair Serv. - Bldgs.	2,400,958	2,857,507	2,350,000
399	Other Contracted Services	-	-	-
711	Furniture & Fixtures	-	-	-
722	Regular Instruction Equipment	-	-	-
91300	Education Capital Projects	2,415,958	2,873,662	2,350,000
Total Expenditures		2,466,383	2,924,087	2,400,425

Capital Projects, Fund 177 for 2014-2015

Roof Replacement/Repairs

Smyrna Primary School	\$ 420,000.00
Thurman Francis Arts Academy	\$ 682,000.00
Oakland High School L and O Annex	\$ 130,000.00
Blackman High School (remaining balance excluding G wing)	\$ 720,000.00
Buchanan Elementary School	\$ 308,000.00
Total	\$ 2,260,000.00

HVAC Integrated Control System

Blackman Middle School	\$ 90,000.00
Total	\$ 90,000.00

Items in 2014/15 Capital Projects Budget	\$ 2,350,000.00
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Bleacher Replacement/Repairs

Smyrna Elementary School	\$ 85,000.00
Total	\$ 85,000.00

Window Replacement

Buchanan Elementary School	\$ 140,000.00
Total	\$ 140,000.00

Paving, Seal Coating, Striping

Stewartsboro Elementary School	\$ 23,500.00
Christiana Middle School	\$ 32,000.00
Lascassas Elementary School	\$ 40,000.00
Eagleville School (North West Entrance)	\$ 12,000.00
Total	\$ 107,500.00

High School Track Maintenance/Repair

Riverdale High School	\$	32,000.00
LaVergne High School	\$	31,000.00
Smyrna High School	\$	32,000.00
Total	\$	95,000.00

Foundation Repair

Smyrna High School	\$	45,000.00
Total	\$	45,000.00

Floor Tile Replacement

Smyrna West Alternative	\$	40,000.00
Total	\$	40,000.00

Total	\$	2,862,500.00
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