

**FRANKLIN COUNTY SCHOOL BOARD
SUMMARY OF THE PROPOSED 2006-07 SCHOOL BUDGET
PUBLIC HEARING TUESDAY, MARCH 7, 2006**

INTRODUCTION - The Franklin County School Board has the responsibility to inform the residents of the County and the members of the Franklin County Board of Supervisors about all of the educational needs of the Franklin County Public Schools. Copies of detailed school budgets will be available to the public in the County Library and in all school libraries by Friday, March 17, 2006. The Franklin County Board of Supervisors has the responsibility of making a decision on the projected financial needs of the school division prior to May 1, 2006.

Virginia state law requires that a public school budget be developed with details on seven expenditure categories covering (1) Instruction; (2) Administration, Attendance & Health; (3) Pupil Transportation; (4) Operation & Maintenance; (5) School Food Services; (6) Facilities and (7) Debt Service.

This proposed budget which totals \$76,449,640 includes a total proposed increase of \$11,189,342. This proposed budget has already been reduced during the period from November 2005 to March 2006 as the School Board and School Administration and Staff have worked to develop it. These reductions have been made with consideration to the current State and County revenue situations.

The proposed 2006-07 budget includes a requested net increase in County funds of \$6,323,001 as detailed in the following schedule:

Proposed Revenue Budget for 2006-07 – County Funds for Education

County Funds Total for 2005-06	\$24,109,941
Additional County Funds for Operations	1,508,565
Additional County Funds for Facilities	4,814,436
Additional County Funds for Debt Service	_____ 0
County Funds Total Requested for 2006-07	<u>\$30,432,942</u>

The School Board respectfully requests that this budget be considered for funding in its entirety.

Major Budget Issues: The major components of the proposed increase in the overall 2006-07 school budget relate to the following items:

State-Mandated Expenditure Increases – The state is mandating the following expenditure increases: Retirement rate increase on existing payroll of \$913,959; group life insurance rate increase on existing payroll of \$451,995; additional instructional positions costing \$414,268; and a 4% minimum salary increase for teachers.

Other Major Budget Increases: Other major increases included in the budget are as follows: Increase in employee group health insurance premiums paid by the School Board from \$2,800 per year to \$3,600 per year for a total cost of \$640,000; salary increase option for teachers projected to cost an additional \$1,424,399; a 5% minimum salary increase for other employees at \$1,008,372; increase in substitute teacher pay of \$119,931; English as a second language increase at \$68,661; program for expelled students to cost \$50,000; retiree health care credit increase of \$24,452; increase in electricity costs of \$67,311; increase in gasoline, diesel fuel and fuel oil costs of \$347,092; increase in textbook costs of \$86,675; increase in regional special education tuition of \$207,486; and school facility projects totaling \$4,814,436 as listed in the attached handout.

The following is a brief summary of each budget category:

1.0 INSTRUCTION - This category reflects a proposed minimum salary increase of 4% for teachers and a 5% minimum for all other Division employees. This category also includes funding for several of the items listed above under Major Budget Issues. Other major increases in this section include additional funding for adult education totaling \$57,131.

The overall net increase in the instructional category of the budget is \$4,491,207 from an expenditure of \$47,252,136 in 2005-06 to a proposed expenditure of \$51,743,343 in 2006-07.

2.0 ADMINISTRATION, ATTENDANCE & HEALTH - This category reflects a proposed minimum salary increase of 5% for administrators, secretaries, school nurses and psychologists who are included as a mandated part of this section of the budget.

The budgeting of School Board members salaries, attorney fees, state and local audits, required legal advertising, health insurance, consultant fees, association dues, retirement, social security, division medical supplies, school census, travel and supplies are also in this part of the budget.

For 2006-07 an overall increase of \$170,248 is proposed going from a total expenditure of \$1,772,942 in 2005-06 to a proposed expenditure of \$1,943,190 in 2006-07.

3.0 PUPIL TRANSPORTATION - The School Board has proposed a minimum salary increase of 5% for 146 bus drivers, 7 mechanics, 4 part-time garage employees, 2 secretaries, 1 driver trainer and the 3.5 supervisory personnel in this category.

There are 70 school buses in the fleet which are twelve years in age or older and 57 have been driven more than 140,000 miles. This is a zero to five percent improvement compared to a year ago. Capital outlay-replacement includes \$797,605 to purchase 13 replacement buses. Insurance on the bus fleet will increase by \$8,237; parts, tires, etc. will increase by \$43,610; and fuel is estimated to increase by at least \$178,817 for the 2006-07 budget year.

The overall increase in the pupil transportation category for 2006-07 is \$611,081 from an expenditure of \$4,922,492 in 2005-06 to a proposed expenditure of \$5,533,573 in 2006-07. The projected per pupil daily cost of bus transportation is \$4.28 per child (based upon a 180-day year and 7,183 in ADM).

4.0 OPERATION & MAINTENANCE - This budget category includes funding for 16 maintenance staff, 49 full-time and 33 part-time custodians, 8 computer systems repair technicians, 2.5 supervisors and 1 secretary. The School Board has budgeted a 5% minimum salary increase.

Computer maintenance, maintenance contracts, security, electricity, heating fuel, communications including telephone, postage and shipping, water services, sewage disposal, insurance for liability, fire, flood, etc., building materials and supplies for the entire school division are also included in this category. Other expenditures in this category are maintenance contracts for boiler inspections, HVAC units, fire alarm and elevator systems.

Other major increases in this section include an additional \$67,311 for electrical, \$168,275 for heating fuel, \$9,929 for insurance, and \$5,709 for equipment maintenance.

The total expenditure increase for Operation & Maintenance for 2006-07 is \$580,309. This budget section has increased from an expenditure of \$6,074,033 in 2005-06 to a projected expenditure of \$6,654,342 for 2006-07.

5.0 SCHOOL FOOD SERVICES - This budget category is self-supporting (expenditures equal revenues) and is not directly funded by County tax dollars for operations. The School Food Services program has 72 full-time and 15 part-time employees. The School Board has budgeted a proposed 5% minimum raise for 2006-07. Expenditures for food and supplies have increased by \$258,181 due to increased student participation and increased delivery costs.

Replacement equipment is planned for FCHS, Boones Mill, Burnt Chimney, Callaway, Dudley, Ferrum, Glade Hill, Henry, Lee M. Waid, Rocky Mount and Snow Creek at a total cost of \$135,333.

The overall increase in the School Food Services budget for 2006-07 is \$522,061. This section of the budget will increase from a total expenditure of \$2,751,411 in 2005-06 to a proposed expenditure of \$3,273,472 for 2006-07.

6.0 FACILITIES - This budget category includes architectural services, site improvements and building improvements. Also included is a proposed five-year School Capital Projects Plan that identifies specific school division needs.

School facility projects totaling \$4,814,436 are listed in the attached handout.

Note: For 2005-06 this section of the School Budget was reduced to \$0 and \$1,000,000 was placed in the County Budget as a School Capital Projects Reserve. If similar methodology was followed for 2006-07 then at least \$1,248,876 would be included in such a Reserve and net reductions of \$3,565,560 would have to be made to this proposed list of projects. Net additional funding of \$3,565,560 will be needed in order to fully fund the items listed above if the County Budget is prepared using the methodology indicated above.

The overall increase in this budget category is \$4,814,436 from an expenditure of \$0 in 2005-06 to a proposed expenditure of \$4,814,436 for 2006-07.

7.0 DEBT SERVICE - This budget category includes all school building mortgages resulting from building programs over the past 15 years. Included are principal and interest payments to the Virginia Public School Authority (VPSA), payments due on Literary Fund loans and payment of general obligation bonds as well as bond agent fees and bond counsel fees.

This category is projected not to increase during 2006-07.

Overall the debt service budget will remain at a total expenditure of \$2,487,284 in 2006-07 as it was in 2005-06.

A.O SUPPLEMENTAL BUDGET – CANNERIES – This supplemental budget is funded by the amounts charged to Patrons (\$14,352) and an appropriation from the Franklin County Board of Supervisors (\$29,696). The two canneries are located at Callaway and Glade Hill Elementary Schools and are administered by the School Division. Overall, this budget item will increase by \$148 from \$43,900 in 2005-06 to \$44,048 for 2006-07.