

April 9, 2018

The Board of Education of the County of Kanawha met in Special Session on Monday, April 9, 2018, at the Board of Education Building, Charleston, West Virginia. The meeting was called to order by Board President Jim J. Crawford at 3:00 p.m.

PRESENT

Jim J. Crawford, President

Ryan White, President Pro Tem

Becky J. Jordon

Ric Cavender

Betty C. Spencer

Ronald E. Duerring, Secretary

Debra J. Lewis, Recording Secretary

ADMINISTRATIVE STAFF

Tom Williams, Deputy Superintendent

James W. Withrow, General Counsel

Briana Warner, Communications Director

Lisa Wilcox, Treasurer, Budget & Finance

BUDGET WORKSHOP

Lisa Wilcox-There have been a couple changes in the budget but the most significant one was the raise. As you can see, the preliminary budget is at \$232,202,931. That was from a preliminary budget of \$225,303,919. That is an increase of \$3.5 million and that increase includes the recent state pay raise but it also includes a drop in enrollment of 395 students. Unrestricted state aid increased by \$3,619,471. There was a decrease of \$895,473 in the PEIA allocation and an increase of \$240,555 in the retirement allocation. The increase in state aid is due to the combination of the recent state pay raise, a decrease in enrollment and retirements of experienced personnel. Local revenues increased by \$110,000. This is due to an increase of \$110,000 in Medicaid revenues. The regular levy revenues increased by \$520,612. The excess levy revenues decreased slightly by \$13,271, however the cap of \$44,179,000 remained the same.

As far as expenditures, the WV Department of Education is requiring a math textbook adoption to be ordered in FY 18-19 for FY 19-20. Adoptions are unfunded state mandates. The estimated cost is \$2,660,000 and we expect to fund that from carryover funds. The FY 2018-19 expenditure budget increased by \$3,581,894 over FY 2017-18. Personnel wages and fringes increased by \$3,753,468. The increase is due to the combination of the recent state pay raise, a PEIA employer rate increase, and the enrollment decrease. Non-salary budget line items decreased by a net of \$171,574. Expense decreases were due mainly to a \$137,000 increase in insurance expense because of changes in flood plain definitions and a decrease in utilities of \$329,968. There was a \$3.3 million decrease due to the drop in enrollment of 395 students. The state pay raise increased our budget by \$6.8 million so that gives us a net increase of \$3.5 million compared to FY 18.

The Medicaid revenue budget was increased by \$110,000 for FY 2018-19. The increase is due to a leveling out of state and federal cost reimbursement calculations as well as a slight increase in services provided. Unrestricted state aid revenues including allocations for PEIA and retirement increased by \$2,964,553. This is due to the combination of the recent state pay raise, a decrease in enrollment and retirements of more experienced personnel. Personnel expenses increased by \$3,753,468 for FY 2018-19. This includes wages for regular and substitute employees and related fringe benefits. This increase is

BUDGET WORKSHOP (continued)

due to the combination of the recent state pay raise, an increase in employer PEIA rates and a decrease in enrollment and retirements of more experienced personnel. Contracted services decreased by \$23,381 for FY 2018-19. This included a decrease in legal services of \$30,000, a decrease in the credit recovery program of \$50,000 but an increase in the pre-k collaborative program of \$22,169 and the addition of \$8,500 for required fingerprinting of employees providing services to head start students. Repair and Maintenance expense was decreased by \$10,240 for FY 2018-19. A large part of this change was a decrease of \$45,020 for RESA computer/equipment repairs because RESA is being eliminated. There were also increases of \$16,000 for facilities repairs and \$9,700 for commencement rentals.

Insurance expenses increased by \$137,000 for FY 2018-19. The primary reason for the increase was additional required insurance coverage due to changes in flood plain definitions. Supplies increased by \$8,118 for FY 2018-19. This includes increases for the wildly successful robotics program and increases in software license fees. The utility budget for FY 2018-19 was decreased by \$329,968 based on actual expenditures for FY 17 and estimated expenditures for FY 18 including allowances for slight rate increases. We are beginning to see the results of our energy savings program. The tuition expense budget for students attending Mountaineer Challenge Academy increased by \$28,250 for FY 2018-19.

The budget for FY 2018-19 is \$232,202,931. The state school aid program is \$178,588,744. The excess levy contribution is \$44,154,071. The retainage and other revenues are \$9,460,116.

The budget meets the levy requirements. We have budgeted so that we meet or exceed the levy requirements in every category.

There was an increase of \$3,581,894 of last year's budget. The total levy taxes provides about 43.16% of our revenue. Our local revenues provides about 2.14%. The State aid provides about 54.71%. There was an increase in the regular levy of \$520,612. There was an increase of local revenues of \$110,000.

BUDGET WORKSHOP (continued)

As we begin to look at expenditures, supplemental wages have decreased by \$98,000. We've add primary decreases in homebound and teacher extra-duty. Our substitute budget will be \$71,000 more than FY 18. It's entirely possible that we will need to adjust that from the carryover. We won't know for sure until I can look at the total FY 18 expenditures.

Our taxes and benefit budget has decreased by \$205,000. The primary decrease was in our dental expense. That's a combination of things. We aren't paying as many expenses, we have more folks that are on single rather than family plan and we have a few less folks that are insured.

There was a decrease of \$30,000 in vehicle supplies and that's based on the past two years. There was a decrease of \$23,831 in contracted services. There was a decrease in utilities of \$329,000. We've increased our facility repairs by \$16,000 and we've increased our computer equipment lease by \$24,000. We've had an increase of \$137,000 and that is due to flood plain definitions and the increase in the rates. The total percentage of travel in the budget is 0.1258%. The total special revenue fund was \$49,347,710.

Mr. White-Is the reimbursement for FEMA included in this at all? I know they have not been on time for their reimbursements this past year. Lisa Wilcox-The FEMA reimbursements and expenses have not been included in this budget. Most of those are in the Permanent Improvement Budget. We do still have a large receivable for FEMA that we are waiting for. In the future the construction and demolition phase will run through SBA and that will lessen our cash flow risk. Mr. White-What is the average time it's taking to receive reimbursement? Lisa Wilcox-This whole year we have received basically one set of reimbursements. It's slow.

Dr. Duerring-We are on it all the time, we don't let it rest but it is a very slow process. Mr. White-What is the amount right now? Lisa Wilcox-I don't have that number with me right now but I will get that information to you after this meeting.

ESTABLISHMENT OF MEETING DATES

- A. Monday, April 9, 2018, 3:00 p.m.-Special Session (Budget Work Session)
- B. Monday, April 9, 2018, 4:00 p.m.-Special Session
- C. Monday, April 9, 2018, 5:30 p.m.-Special Session (Closure Hearing on Bridge Elementary)
- D. Tuesday, April 17, 2018, 12:00 Noon-Statutory Session (Reconvening of March 13, 2018, Meeting to Enter all Levies)
- E. Thursday, April 19, 2018, 6:00 p.m.-Regular Session
- F. Monday, April 23, 2018, 6:00 p.m.-Statutory Session (Public Hearing on Proposed Budget)
- G. Tuesday, May 1, 2018, 4:00 p.m.-Special Session
- H. Thursday, May 10, 2018, 6:00 p.m.-Regular Session
- I. Monday, June 4, 2018, 4:00 p.m.-Special Session
- J. Thursday, June 21, 2018, 6:00 p.m.-Regular Session

NOTE; The above meetings of the Kanawha County Board of Education, unless otherwise indicated, will be held in the Board of Education Building, 200 Elizabeth Street, Charleston, WV.

ADJOURNMENT

Mr. Ryan White moved: That the Special Session of the Board be adjourned. Motion was seconded by Mrs. Becky J. Jordon and unanimously carried. The Special Session was declared adjourned by Board President Jim J. Crawford at 3:30 p.m.

President

Secretary

djl
4/16/2018