

BUDGET 2014 HIGHLIGHTS



Special points to discuss:

- > Enrollment trends
- > Funding formula overview
- > Revenues/Expenditures
- > Personnel

New Keyser Primary School

The New Keyser Primary School is nearing completion. The West Virginia School Building Authority awarded an \$8.8 million Needs grant for the construction. In addition, Mineral County Board of Education entered into a \$3.5 million QZAB and pledged \$1.2 million of local funds to the project.

The building was designed by Blackwood and Associates Architects, and MSES Engineers, both are WV firms. Harbel, Inc. of Cumberland,

MD is the General Trades Contractor and W. H. Miller of Martinsburg, WV is the Site Contractor. S & S Electric of Ridgeley, WV is the Electrical Contractor, R. H. Lapp of Cumberland, MD is the Plumbing and HVAC Contractor. Brewer & Company of Charleston is the Sprinkler System Contractor and M. S. Johnston Company of Hagerstown, MD is the Food Service Equipment Contractor. Bernard Communications of Ridgeley, WV is the Telephone Contractor, and

Pomeroy of Charleston, WV is the Technology Contractor. As you can see, the majority of the contractors are local or specialists in their field and located within West Virginia.



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School Building Authority Needs Project Needed for KMS Renovations

The New Keyser Primary School is nearing completion and hopefully will be ready for the 2013–2014 school term. This will complete the first phase of re-structuring schools in the Keyser District. The next phase is to upgrade the existing KPMS as a Middle School facility.

This project will require a Needs Project request from the School Building Authority in order to re-configure many of the classroom and instructional spaces that have been so “chopped up” over the years to accommodate the large student body. Additionally, the primary wing

of the building needs renovated to be used by middle school age children and to create and appropriate space for the Alternative School—creating a school within a school. Bathrooms, ceiling tile and lighting also desperately need attention.

Headcount Enrollment Continues to Decline for the 2013 Year

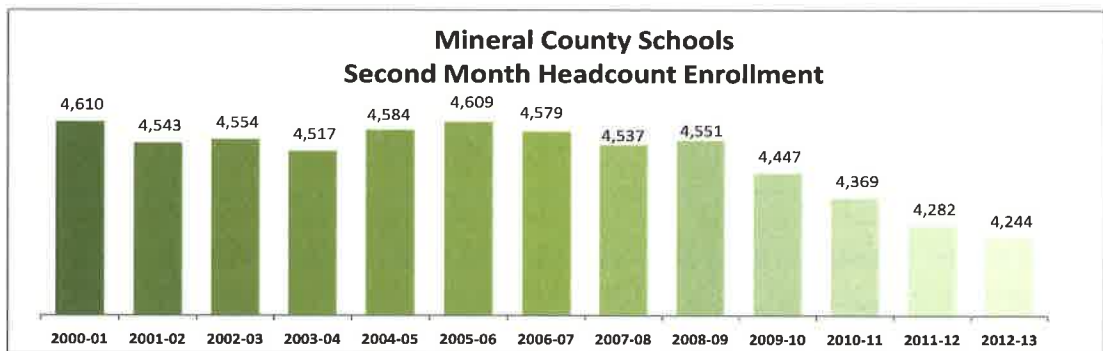
Did you know that for every 13.8 FTE increase in enrollment that 1 professional educator position is funded and an increase of 22.3 FTE in enrollment will fund another service position?

Overall State Enrollment:

Year	Enrollment	Increase/(Decrease) Over Prev. Year	Percentage Change
2000-01	285,785		
2001-02	282,232	(3,553)	-1.24%
2002-03	281,591	(641)	-0.23%
2003-04	280,561	(1,030)	-0.37%
2004-05	279,457	(1,104)	-0.39%
2005-06	279,788	331	0.12%
2006-07	281,298	1,510	0.54%
2007-08	281,756	458	0.16%
2008-09	281,908	152	0.05%
2009-10	280,051	(1,857)	-0.66%
2010-11	280,508	457	0.16%
2011-12	282,088	1,580	0.56%
2012-13	282,309	221	0.08%

Mineral County Schools Enrollment:

Year	Enrollment	Increase/(Decrease) Over Prev. Year	Percentage Change
2000-01	4,610		
2001-02	4,543	(67)	-1.45%
2002-03	4,554	11	0.24%
2003-04	4,517	(37)	-0.81%
2004-05	4,584	67	1.48%
2005-06	4,609	25	0.55%
2006-07	4,579	(30)	-0.65%
2007-08	4,537	(42)	-0.92%
2008-09	4,551	14	0.31%
2009-10	4,447	(104)	-2.29%
2010-11	4,369	(78)	-1.71%
2011-12	4,282	(87)	-1.96%
2012-13	4,244	(38)	-0.87%



Did you know that the funding formula provides no funding for athletics?

Funding Formula Overview

The funding formula for Mineral County for 2014 consists of the following allowances. Steps 1 through 7 are the amounts the State believes needed for Mineral County to live within the State Aid Formula.

- Step 1-Professional Salary Allowance: \$13,778,650
- Step 2-Service Personnel: \$4,556,202
- Step 3-Fixed Charges (Soc. Sec): \$1,656,743
- Step 4-Transportation:\$1,716,067
- Step 5-Counselors/Nurses:\$730,087
- Step 6-Other Current Exp/Subs: \$2,342,406
- Step 7-Instructional Programs: \$882,446

- Step 8-TOTAL ALLOWANCE: \$25,662,601
- Step 9-Local share:\$4,308,675
- Step 10-State aid:\$21,353,926

Step 9 represents 90% of the amount of the regular local tax levy, and is subtracted from Step 8, the sum of Steps 1 through 7. Therefore, the Basic State Aid to Mineral County for Fiscal 2014 will be \$21,353,926. Additionally we will receive a PEIA allocation of \$3,215,822, and a Retirement Allocation of \$1,976,162. Step 10 of the State Aid Formula plus the PEIA and Retirement Allocations are only for employees eligible for State Aid Funding. All others must be funded locally or by a grant.

Sequestration Replaces ARRA and Ed Jobs Funding

The FY14 budget year is faced with a revenue stream loss due to the conclusion the ARRA and ED Jobs programs. These programs provided approximately \$3 million dollars of short funding, then came the cliff. The Federal Stimulus funding was replaced by something called Sequestration...Budget

Cuts! This has had a broad impact on Mineral County Schools. Title I, Head Start, and Special Education all have experienced an approximate 5% cut in funding compared to the previous year. For Head Start, that amounts to a loss of \$55,594.

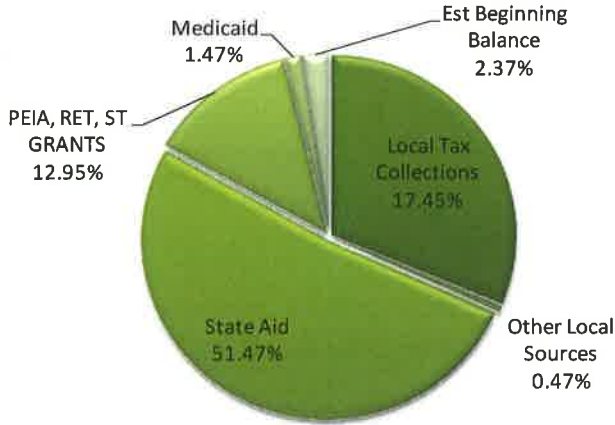
The State kept 93%, or \$105,618 to pay for out-of-state placement of Mineral County Special Ed Students.

The QZAB Bond for the New KPS was to be interest free to MCBCE, but now is only 93% interest free costing the county approximately \$15,000 per year in interest.



Revenues Decrease

**GENERAL FUND
PROPOSED REVENUES
for 2013-2014 YEAR**



State aid continues to be the primary source of funding for the school system comprising 65% of all revenues received. Local tax collections is the second major source of revenue comprising 17% of all revenues. Fortunately, the school levy collections benefit the system 100% and are not considered as part of Local Share and not subtracted from the amount of state aid. However, 90% of the regular tax levy is captured by the state as part of the State Aid Formula.

School levy collections fund salary supplements, substitute salaries including athletics, band and vocational agriculture, textbooks, technology, health department, Highland Arts, Camp Minco, libraries, 4-H extension service, extracurricular salaries, dental/vision plan, and maintenance. The Levy also allows payment of the KHS Facility and QZAB for the New KPS. The school levy expires June 30, 2016.

Personnel Overages

Currently, we employ 691 regular employees with an FTE of 598.58. The State Aid Formula provides funding for 513.08 FTE leaving the remaining 76.5 FTE to be funded by grants or local funds.

The funding formula funds service personnel contracts over 200 days, as a result, a 261 day contract is counted as 1.305 personnel on a full-time equivalent

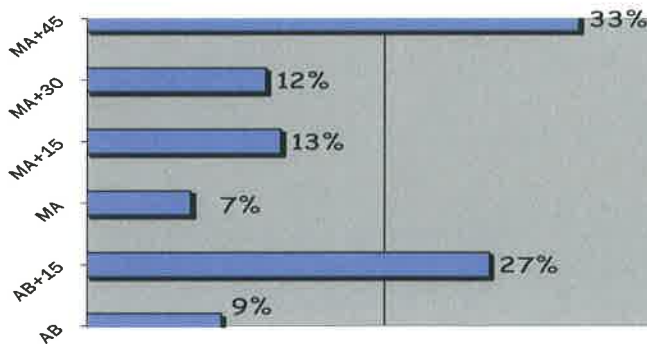
(FTE) basis. On an FTE basis, the county employs 224.12 personnel. Federal projects fund approximately 24 service positions, Step-7 4.75 Medicaid 11.50, Food Service 39.50, with the remainder funded by the General Budget.

The funding formula allows for 323.25 professional positions and 189.83 service positions.

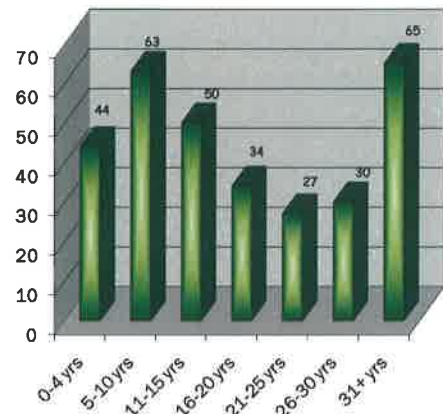
Therefore, the Professional and Service positions not funded by State Aid, State or Federal Grants, must be funded from Local Funds. Again, as enrollment decreases, State Aid funding also decreases, plus the continued cuts in Federal funding sources, requires evaluation of each personnel positions.

Did you know that Mineral County Schools provides regular and substitute employment to 1,000 individuals?

**EDUCATIONAL DEGREE LEVELS
State Aid Eligible Professional**



**YEARS OF EXPERIENCE LEVELS
State Aid Eligible Professional Positions**

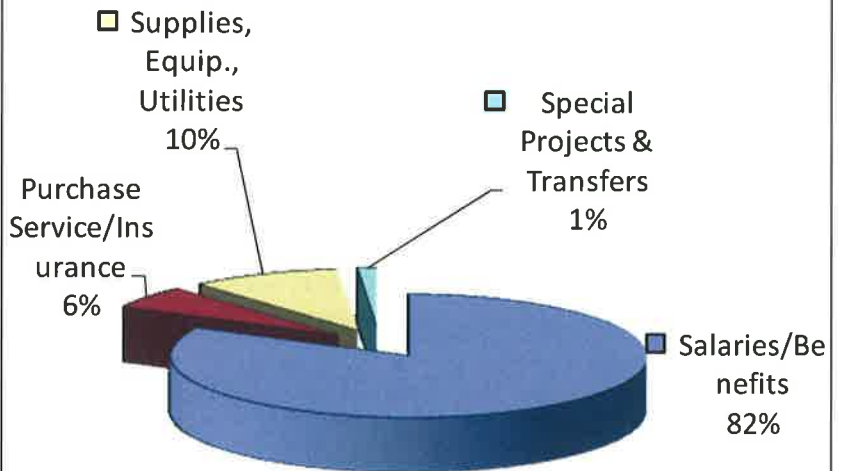


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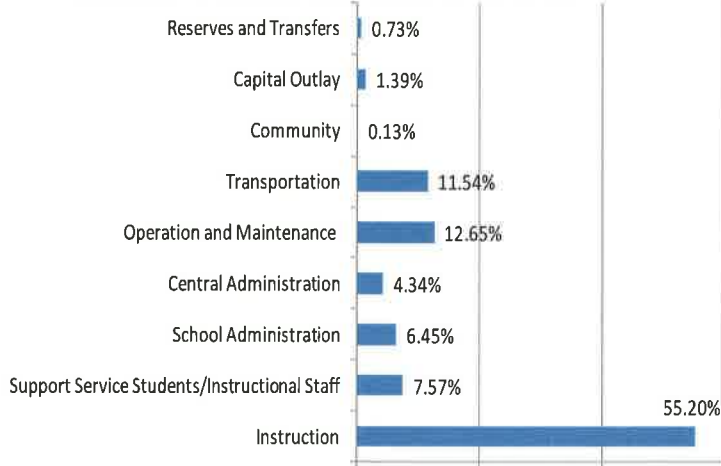
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**PROPOSED
 GENERAL FUND
 BUDGETED EXPENDITURES
 2013 - 2014**



GENERAL FUNDS EXPENDITURES BY FUNCTION



Preliminary General Budget Over 88% Salaries/Benefits

from 15% to 7.5% of salary, The board's share of PEIA insurance premium (\$10,000 for family coverage/employee), Social Security/Medicare at 7.65% of salary and Workers Compensation premium of .47% of salary. With substitute costs of \$1 Million and supplemental salaries such as extracurricular and overtime fluctuating from year to year, this area may require additional resources depending on absences.

Instruction and Student Support Service related expenditures comprise almost 63% of the budget followed by Operation and Maintenance of Facilities at 13%, Transportation at

12%, Central Administration at 4%, and School Administration at 6%. State Aid for salaries and fixed Charges decreased by \$158,359 due to the loss in enrollment. Some areas of State Aid increased yielding a net loss in State Aid of \$68,962.

Again, if enrollment continues to decline, further reductions in State Aid will occur. Additionally, the annual payment for the KHS stadium remains at \$279,758, and the QZAB annual payment will be approximately \$266,666 for the new KPS.

As noted above, Salary expenses are more than 80%, requiring serious evaluation of every position.

The General Fund Budget for 2014 is comprised of 82% of the monies funding salaries and related benefits such as employer match of retirement ranging

