

Horry County Board of Education



Horry County Schools

Finance Committee Meeting

Monday, April 19, 2021

C – 300

Board Members Present

Janet Graham, Board Member and Finance Committee Chair
Helen Smith, Board Member and Finance Committee Member
Shanda Allen, Board Member
Howard Barnard, Board Member
James Edwards, Board Member
Neil James, Board Member
Sherrie Todd, Board Member
Ray Winters, Board Member

Staff Present

Rick Maxey, Superintendent
Velna Allen, Chief Officer of Student Services
Mary Anderson, Chief Human Resources Officer
Lisa Bourcier, Director-Strategic Communications
Daryl Brown, Chief Officer for Support Services (Virtually)
Joe Burch, Coordinator-Capital Projects & Planning
John Gardner, Chief Financial Officer
Kenneth Generette, Staff Attorney
Leann Hill, Administrative Assistant
Boone Myrick, Chief Academic Officer
Polly Dean, Administrative Assistant

Others Present

Maria DeBone, WBTW
Andrew James, WPDE
Katie Powell, My Horry News
Jennifer Roberts, WMBF
David Weissman, Sun News

As required by SC Law 30-4-80, local news media were informed of the date, time, place, and agenda of this meeting. Copies of the agenda were posted at the District Office and distributed to the schools for posting.

1. WELCOME

Ms. Graham called the meeting to order at 3:00 pm and welcomed those in attendance.

2. INTRODUCTIONS

Ms. Graham asked those in attendance to introduce themselves.

4. REVIEW AND APPROVAL OF AGENDA

Moved by Ms. Smith and seconded by Ms. Graham, the agenda was unanimously approved.

5. REVIEW AND APPROVAL OF COMMITTEE MINUTES

A motion was made by Ms. Smith and seconded by Ms. Graham to approve the October 19, 2020 Finance Committee meeting minutes as presented. The motion carried unanimously.

6. DISCUSSION

a. CARES II Spending Plan

Mr. Gardner explained the handout *Coronavirus Aid, Relief, and Economic Security (CARES) Act* also known as *ESSER II*. The total allocation for the package is \$55.7 million and needs to be spent by September 30, 2023. Below is an outline of the proposed spending plan. The plan can be revised as things change up until September 1, 2023:

Fiscal Year 2020-21

Summer Academic Programs	(1,000,000)
Indirect Costs	(177,000)

Fiscal Year 2021-22

School Level Purchase of Instructional Supplies/Materials and Related PPE	(600,000)
Purchase of Google Suite Enterprise for Education	(115,000)
Purchase of Curriculum from the Florida Virtual School (can be revised based on # of students enrolled)	(1,600,000)
Staffing for HCS Virtual	(920,000)
HCS Virtual Support (for District Office)	(150,000)
SORA - Online Library Platform to Support HCS Virtual (new)	(200,000)
Tutoring for HCS Virtual (for students who are struggling in the Virtual Program)	(100,000)
K-5 After-School Tutorial	(500,000)
6-8 After-School Tutorial	(100,000)
9-12 After-School Tutorial	(50,000)
RBHS and Nursing Services (need to add an additional 3 nurses)	(680,000)
Refresh PDL Devices (for Middle Schools)	(6,000,000)

Student Scheduling	(110,000)
Building Services Staff & Supplies	(730,000)
Air Purification Systems	(7,074,354)
HVAC Upgrades	(5,250,000)
Window/Door Replacements	(250,000)
Roof Replacements	(3,500,000)
Unemployment Compensation Tax	(300,000)
Teaching Planning Period	(100,000)
Charter School Support	(987,132)
Indirect Costs	(1,986,825)
Total	(31,303,311)

Fiscal Year 2022-23

School Level Purchase of Instructional Supplies/Materials and Related PPE	(600,000)
Purchase of Google Suite Enterprise for Education	(115,000)
Purchase of Curriculum from the Florida Virtual School	(1,600,000)
Staffing for HCS Virtual	(920,000)
HCS Virtual Support	(150,000)
SORA – Online Library Platform to Support HCS Virtual	(200,000)
Tutoring for HCS Virtual	(100,000)
K-5 After-School Tutorial	(500,000)
6-8 After-School Tutorial	(100,000)
9-12 After-School Tutorial	(50,000)
RBHS and Nursing Services	(680,000)
Refresh PDL Devices	(6,000,000)
Student Scheduling	(110,000)
Building Services Staff & Supplies	(730,000)
HVAC Upgrades (will not be able to do all of the needed HVAC upgrades)	(5,250,000)
Window/Door Replacements	(250,000)
Roof Replacements	(3,500,000)
Unemployment Compensation Tax	(300,000)
Teaching Planning Period	(100,000)
Indirect Costs	(1,986,825)
Total	(23,241,825)

Any spending must be associated to the effects from the COVID-19 pandemic. Mr. Gardner would like for the Finance Committee’s approval to move forward with the plan.

Ms. Smith made a motion for Ms. Graham to present the information to the full Board in order to place the item on the agenda May 3rd. Ms. Graham seconded the motion. The motion carried unanimously.

b. Analysis of Football & Basketball Gates

Mr. Gardner provided a handout on the *Analysis of Football and Basketball Gate receipts*. Overall, for the 2020-21 seasons, HCS high school football and basketball programs show a combined \$277,000 loss in revenue. To determine each individual high school's shortfall as a result of the pandemic, a five-year average of gross receipts was calculated for each high school, using the gate collections for the two primary revenue sports of football and basketball. Below is a summary by school of the total losses for Football and Basketball:

AHS	(\$25,963.92)
CFHS	(\$21,991.68)
CHS	(\$51,294.22)
GSFH	(\$16,996.37)
LHS	(\$42,057.80)
MBHS	(\$27,221.37)
NMBHS	(\$55,335.47)
SJHS	(\$10,745.03)
SHS	(\$18,452.97)

It is the recommendation to make a possible one-time distribution of funds (from summary listed above) to all high schools' athletic budgets to off-set the losses due to the COVID-19 pandemic. According to Mr. Gardner, this is a one-time expenditure and will not be a continuing proposal. He stated that none of the CARES money can go towards athletics. The funds will be placed in a general athletic account to be used for all sports.

Ms. Smith made a motion for the Board to appropriate \$450,000 out of the General Fund to provide \$50,00 to each high school to support athletics due to the gate losses during the COVID-19 pandemic. The motion failed. Ms. Graham asked to have the item to be placed on the agenda for Discussion at the May 3rd Board meeting.

c. Education Capital Improvement Sales and Use Tax Update

Mr. Gardner provided an update regarding the *Education Capital Sales Tax Analysis* handout. Prior to the pandemic, Mr. Brian Nurick, the District's Financial Advisor, originally estimated that revenue would be approximately \$70.3 million for 2020-21. Due to the potential impact of the pandemic, HCS budgeted a 15% reduction in sales tax collections for 2020-21 which estimated total receipts of \$59.8 million. Mr. Gardner shared the updated collections through February 2021 and stated that the District has received more revenue than budgeted for 2020-21. It is projected that if we continue at this rate, HCS will have received approximately \$66-\$67 million by the fiscal year's end.

d. Model Procurement Code

Mr. Gardner provided an update on some significant changes that will be taking place at the state level regarding the Model Procurement Code. The District anticipates that the amounts required for solicitations will be increasing and consequently HCS will have more tools to work with going forward. Mr. Gardner will bring this item back to the Board at a later date.

e. Auditing Services

Ms. Graham reported on Auditing Services. The committee met twice last month with Procurement to evaluate the RFP's. A thorough evaluation was completed on the proposals submitted by Elliott & Davis and Mauldin & Jenkins, LLC. The committee chose Mauldin & Jenkins, LLC based on the quality of their proposal and the detail of their services they will be providing, the level of partner interaction with the school district, the time they estimated to complete the audit and the additional services they will be providing to the District at no extra cost like professional development and cyber security. After the committee chose the firm, it was discovered the District will save \$163,000. Information will be sent to the full Board for final approval.

f. Next Meeting

Mr. Gardner informed Ms. Graham and committee members he would be in touch with them to schedule the next meeting sometime after the Board Work Session meeting May 3rd.

7. ADJOURNMENT

A motion was made by Ms. Smith and seconded by Ms. Graham to adjourn the meeting. The motion carried and Ms. Graham adjourned the meeting at 4:02 pm.

Respectfully Submitted,

Polly Dean
Administrative Assistant, Fiscal Services

Approved:
