
Consideration of Approval of Allocation Formulae

Policy Reference: OE-5, Financial Planning: *The superintendent shall develop and maintain a multi-year financial plan that is related directly to the Board's **Results** priorities and **Operational Expectations** goals, and avoids long-term fiscal jeopardy to the district. Furthermore, the superintendent shall develop a budget that establishes personnel positions in the budget, including those created within the amount designated for personnel contingencies.*

Background Information: On June 24, 2013, the Board of Education approved the 2013-14 Comprehensive Budget with the inclusion of the Personal Digital Learning Initiative (PDL). The motion included the stipulation that the average class size would increase by two additional students after implementation of the PDL initiative at each specific grade level.

The PDL initiative is scheduled for a three year phase-in for grades 3-12. The 2013-14 budget includes \$2.2 million for professional development and digital content for the first year. The next two subsequent years are expected to increase by \$1.6 million annually to a full implementation cost of \$5.4 million.

The following table shows the impact of increasing class size at the middle school level:

| | 2013-14 Original Allocation | +2 increase | +1 increase |
|------------------------------------|--------------------------------------------|--------------------|--------------------|
| Aynor Middle | 29.5 | 27.0 | 28.5 |
| Black Water Middle | 34.0 | 31.0 | 32.5 |
| Conway Middle | 31.0 | 28.5 | 29.5 |
| Forestbrook Middle | 51.0 | 47.0 | 49.0 |
| Green Sea Floyds High (grades 6-8) | 17.5 | 16.0 | 17.0 |
| Loris Middle | 35.0 | 32.5 | 34.0 |
| Myrtle Beach Middle | 51.0 | 47.5 | 49.5 |
| North Myrtle Beach Middle | 52.0 | 48.5 | 50.0 |
| Ocean Bays Middle | 57.0 | 52.5 | 54.5 |
| St. James Middle | 57.5 | 53.0 | 55.0 |
| Whittemore Park Middle | 30.0 | 28.0 | 29.0 |
| Total Regular Teaching Positions | 445.5 | 411.5 | 428.5 |

The increase of 2 additional students would result in a loss of 34 teaching positions. Although this would result in savings of over \$2.2 million, the administration believes that the increase in class size would impact the strong academic progress the District has experienced in recent years.

For the past several years, the District has increased fund balance. Although additional revenues play a part of the increase, the District has incurred savings from vacant positions. In 2012-13 the District averaged a 2% vacancy rate. The net impact of the vacancies (after payment of substitutes) was approximately \$3.6 million.

Purpose: To define the personnel allocation formulae on which the 2014-15 Superintendent's Comprehensive Budget will be developed.

For additional information: Please contact John Gardner at 488-6896 or by e-mail at jgardner@horrycountyschools.net

Recommended Action: Move to approve utilizing the net funds saved from vacant positions as a potential source of funds for maintaining the **allocation formulae (without the class size increase)**. This amount would be a utilization of fund balance.

Estimated Project Cost:

Recurring X Non-recurring
Funding Sources: General Fund