

KNOX COUNTY SCHOOLS

ANDREW JOHNSON BUILDING

Dr. James P. McIntyre Jr., Superintendent



MEMORANDUM

To: Chair and Members
Knox County Board of Education

From: Dr. James P. McIntyre, Jr.
Superintendent

Date: May 30, 2014

Subject: Revised FY15 Budget Recommendation

A handwritten signature in black ink, which appears to read "James P. McIntyre, Jr.", is written over the printed name of the Superintendent.

On May 27th, the Knox County Commission approved a Fiscal Year 2015 (FY15) general fund budget appropriation for the Knox County Schools in the amount of \$424,885,000. Unfortunately, this appropriation is \$7.45 million less than the budget approved by the School Board on April 14th. Therefore, we must revise the Knox County Schools FY15 Budget to address this shortfall in funding.

This has certainly been a challenging budget development process, made even more complicated by the unexpected reduction of nearly \$3 million in Basic Education Program (BEP) funding between the April and May revenue projections from the Tennessee Department of Education.

We have examined a number of strategies to balance the budget at the level of funding appropriated, and none of them are attractive choices. However, at this time, I am recommending a strategy that will protect teacher positions and the educational priorities that we have established. The attached worksheet details adjustments to proposed expenditures that will balance the FY15 budget at the appropriated level of funding.

Because the County Commission did not fully fund the School Board's budget, I believe it will be necessary to eliminate the proposed salary increases for certified and classified personnel. This is particularly disappointing given our interest in moving to a more professional and competitive level of compensation for our educators. Without the financial support from the County Commission, however, the raises proposed by the School Board are simply not feasible. Within the revised budget we should still be able to preserve the salary "step" increases planned on the various salary schedules.

To close the budget gap, I also propose eliminating the four undesignated teaching positions we were holding to address any potential class size issues for the coming year, and cut a vacant Central Office position in our special education department, as well as a vacant instructional coaching position. In addition, I am recommending that we eliminate two school-based clerical positions in schools that already have at least eight such positions. In other personnel actions, we will implement a selective hiring freeze for non-instructional positions, and utilize federal funding to cover the cost of three master teacher positions that otherwise represented a general fund cost.

As you know, we have been planning to transition the successful Summer Bridge program from the Great Schools Partnership to our general fund budget. At this time, we will only partially transition the program. The Great Schools Partnership has agreed to continue to fund \$150,000 of this effective educational program in FY15.

These are generally not actions we would choose if we had any other recourse. However, these recommendations do keep our resources focused on our classrooms and maintain the instructional priorities we have established. Therefore, I respectfully request that the Board of Education approve these recommended adjustments to the Knox County Schools FY15 Budget. Please let me know if you have any questions.

cc: KCS Executive Team, R. McPherson, C. Caldwell