

# DEVELOPING/CREATING AN ANNUAL BUDGET BOOK

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Karen Lusk-Smith

Coordinator of Member Services

AASBO

June 19, 2019

# BUDGET

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The process of developing, creating an annual budget book includes planning and preparation in a combined effort of the Board of Education, district administration, school staff and input from the public. A budget book should be used as an operational guide, financial plan and communication device to present the financial roadmap for the district.

# BUDGET

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The goal of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation during the process. The budget book should provide that information in a concise, understandable format for all participants to review in a timely manner.

# BUDGET

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- Section 16-13-140, of the code of Alabama requires that each Board shall hold at least two open public hearings.
- The hearing should be held during a scheduled meeting, at a convenient time and place.
- The hearings should be publicized with date and time in the local media.
- The Board should seek input from the public and provide the proposed budget on SDE forms.

# BUDGET

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The budget is required to provide :

- All available revenue sources and expenditures
- Projected enrollment by school
- Projected staff count at each cost center
- Operating costs by category or function at each school
- Foundation Program revenues earned by school and by category:
  - FTE's, Salaries, Benefits, OCE, and CIS funds

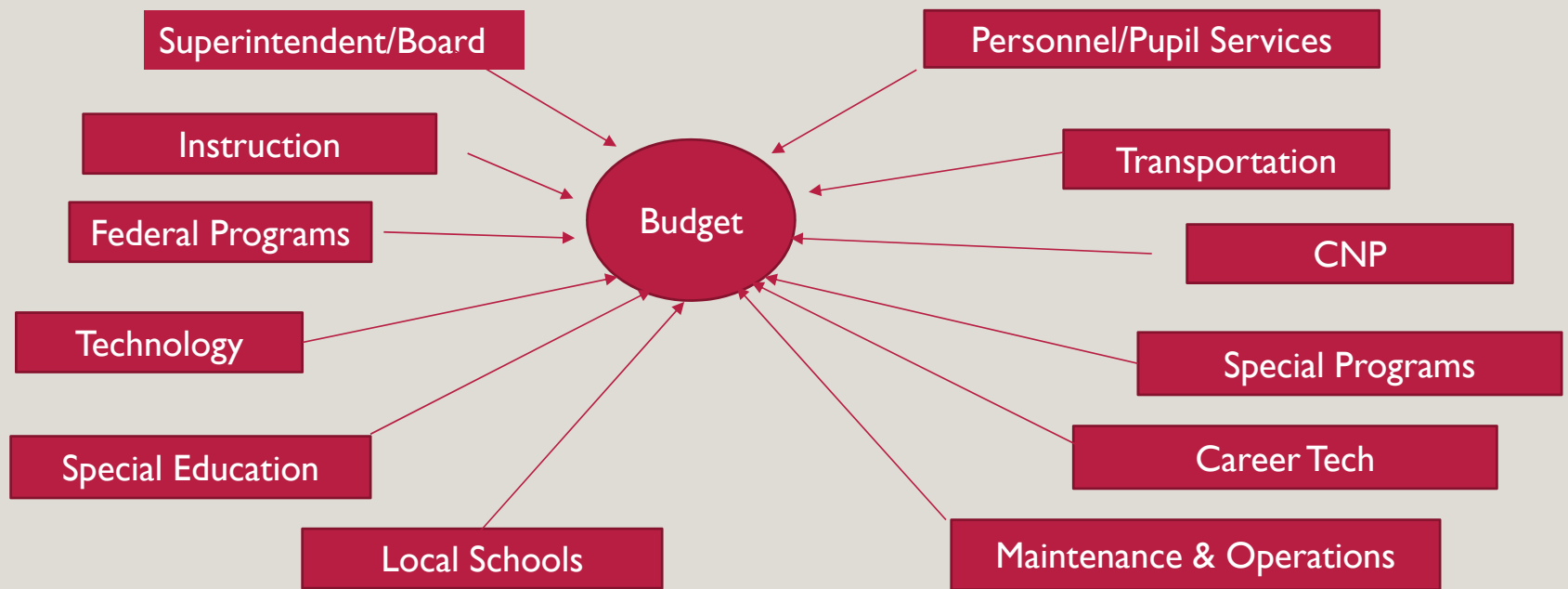
# BUDGET

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- **Communication** is essential to developing an accurate budget. All departments must be involved in the process with justification of the numbers that are developed to reflect the individual needs of those areas. Meetings should be set with each Administrator of the system to discuss any issues or concerns for the upcoming year. It is imperative as the CSFO that you take a pro-active stance in scheduling the discussions. Understanding the needs of each area will enable you to discuss with the Board and Superintendent the needs of the system in an effective and knowledgeable manner.

# ALL DEPARTMENTS AND PROGRAMS MUST BE INVOLVED IN THE INPUT OF BUDGET INFORMATION

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# BUDGET

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The budget will require a comprehensive planning process that is developed over time. A budget calendar will need to be established that will reflect the critical dates for the process to flow efficiently. The dates should include meetings with key administration, enrollment review, non-salary budget requests and dates for public hearings.



# BUDGET CALENDAR

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- Feb-April Meeting with Principals on enrollment
- May 5<sup>th</sup> Meeting with Central Office Administrators on budget request
- May 31<sup>th</sup> Budget information turned in to CSFO
- July 8<sup>th</sup> Review preliminary budget – CSFO and Superintendent
- July 12,th Return budgets to administrative personnel for review if changes needed.
- August 2<sup>nd</sup> Discuss any budget issues at administrative meeting.
- August 11<sup>th</sup> Distribute budget to board members for review.
- August 15 Budget work session with board members.
- August 29<sup>th</sup> Local School Improvement Plan due to Superintendent.
- September 11<sup>th</sup> Approve budget at board meeting.
- September 15<sup>th</sup> Budget due to the SDE

## KEY FACTORS AFFECTING THE BUDGET:

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- Enrollment Growth/Decline
- Pupil/Teacher Ratios
- Salaries and Benefits Expense
- State Funding and Related Mandates
- Local Revenue Projections
- Federal Budget Constraints
- Facilities Capacity
- Facility Plan

# JTL CITY SCHOOLS

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## BUDGET INFORMATION

2019-2020

# MISSION STATEMENT

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The purpose of JTL Schools  
is to provide each and every student with the knowledge  
and experience they need to be prepared for future challenges and enable our  
children to become productive, responsible citizens.

# GENERAL FUND

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## THE 2019-2020 JTL CITY SCHOOLS BUDGET PROVIDES FOR THE FOLLOWING:

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- Personnel needs:
  - Step increase
  - 4% pay raise for all employees
  - Increased cost of retirement –
    - Tier I (12.41% to 12.43%)
    - Tier II (11.35% to 11.34%)
  - Staffing to maintain current instructional programs and desirable class sizes
  - Additional special ed staff to meet student needs
    - (2 teachers and 3 aides)

## CONTINUING SUPPORT FOR PROFESSIONAL DEVELOPMENT

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- Professional development to support continued implementation of English Language Arts(ELA), math, and science curriculum framework
- Training of mentors for teachers new to JTL Schools
- Ongoing professional development for integration of technology into all content areas
- Ongoing professional development experiences which focus on developing engaging work for students and increasing student voice and ownership of their educational experiences
- Ongoing professional development in the areas of Professional Learning Communities and developing standards-based assessments

## IMPROVEMENTS IN CURRICULUM AND INSTRUCTION:

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- Professional development for the implementation of the world languages and the arts frameworks
- Professional development for the implementation of the science framework



## IMPROVEMENTS IN INSTRUCTIONAL MATERIALS:

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- Funding of materials to support curricula, AIMS web, Spire Canvas, and other intervention tools

## “MAINTENANCE AND SUPPORT” OF INSTRUCTIONAL USES OF TECHNOLOGY

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- Four Year Leases from 2016-2017 continued into 19-20
- Three and Four Year Leases from 2017-2018 continued into 19-20
- 175 Computer Towers, 52 Laptops, 1445 Chromebooks, 62 iPad Minis, and 30 iMacs to refresh instructional equipment for 19-20
- Support of Classroom Technologies, Teaching, and Learning
- Support of Operations and Infrastructure

## IMPROVEMENTS IN FACILITIES:

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- Ongoing maintenance and replacement needs from the capital projects fund
- Completion of major construction projects
  - JTL Elementary School
  - JTL Junior High School
  - JTL High School

## INCREASE IN THE SCHOOL SYSTEM'S FUND BALANCE:

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- Increase of \$2,486,469.00 which will result in a projected year-end balance of \$13,018,360.00

# BUDGET CATEGORIES

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## General Fund Budget

- **Revenues:**
  - state appropriations
  - local revenues
  - MBCS Foundation
  - other
- **Expenditures:**
  - salaries and benefits
  - textbooks and other instructional materials and equipment
  - maintenance costs
  - utilities
  - debt service
  - professional development
  - other costs

# ANALYSIS OF LOCAL FUNDS WITHIN FOUNDATION PROGRAM

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<u>Funds</u>	<u>FY 19</u>	<u>FY 20</u>
Foundation	\$23,934,287	\$ 24,596,392
State	\$18,387,337	\$ 18,942,782
Local – 10 Mills	\$5,546,950	\$ 5,653,610

# PROPOSED GENERAL FUND BUDGET FY 2019-2020

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## REVENUES

- STATE \$19,725,165
- LOCAL \$31,073,163
- CITY FOUNDATION \$ 389,873
- TRANSFER IN/OTHER \$ 1,700,859

# MAJOR STATE FUNDING PROGRAMS WITHIN GENERAL FUND

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State Foundation	\$18,942,782.00
Technology Coordinator	\$35,411.00
At-Risk	\$17,082.00
ARI (Alabama Reading Initiative)	\$203,400.00
State Preschool	\$10,859.00
State School Nurse Program	\$195,880.00
English as a Second Language	\$780.00
National Board for Professional Teaching	\$290,000.00
Career Tech O & M	\$14,401.00
Gifted	\$14,570.00

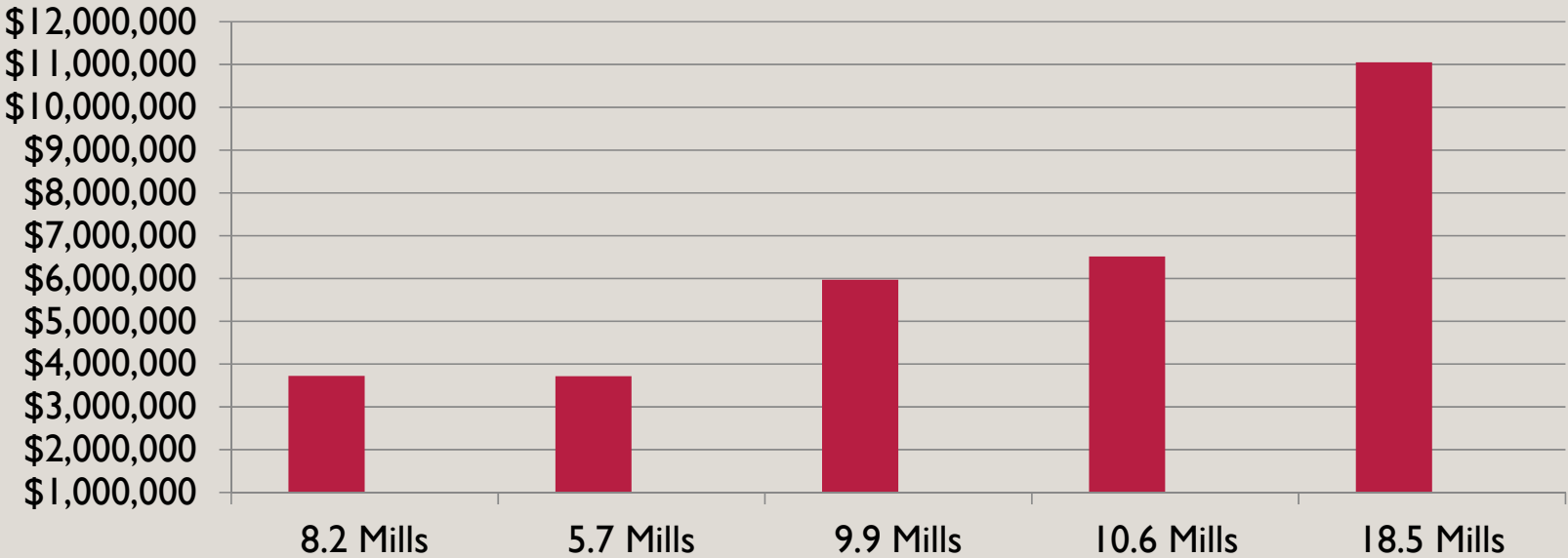


# GENERAL FUND LOCAL REVENUES

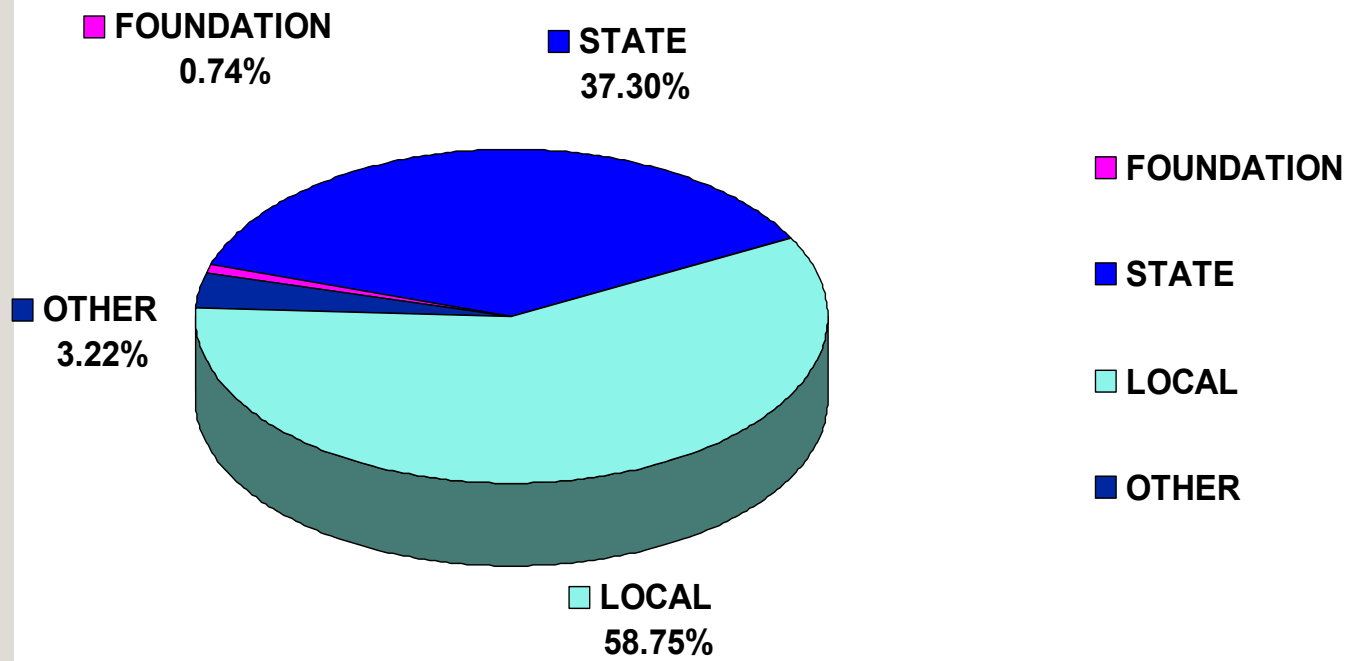
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County Regular Ad Valorem 8.2 Mills	\$3,722,462.00
District Regular Ad Valorem 5.7 Mills	\$3,713,456.00
District Regular Ad Valorem 9.9 Mills	\$5,968,575.00
District Regular Ad Valorem 10.6 Mills	\$6,513,936.00
District Regular Ad Valorem 18.5 Mills	\$11,051,232.00
Helping School Tags - Vehicle Tags	\$1,264.00
Other - Interest, Tuition, Contributions	\$1,700,851.00

# AD VALOREM MILLAGE



# GENERAL FUND TOTAL REVENUE SOURCES



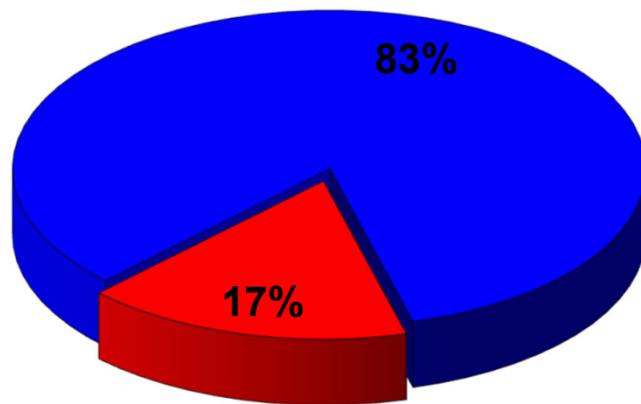
## PROPOSED EXPENDITURES FOR 2019-2020

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Instruction/Instructional Support	\$42,534,641.00
Operations/Maintenance/Capital	\$5,311,342.00
Transportation	\$235,706.00
Debt Service/Transfers	\$1,149,668.00
Administrative	\$2,292,524.00
Transfers to Other Programs	\$1,081,208.00
Preschool and Extended Day Program	\$989,784.00

# GENERAL FUND (PROPOSED EXPENDITURES)

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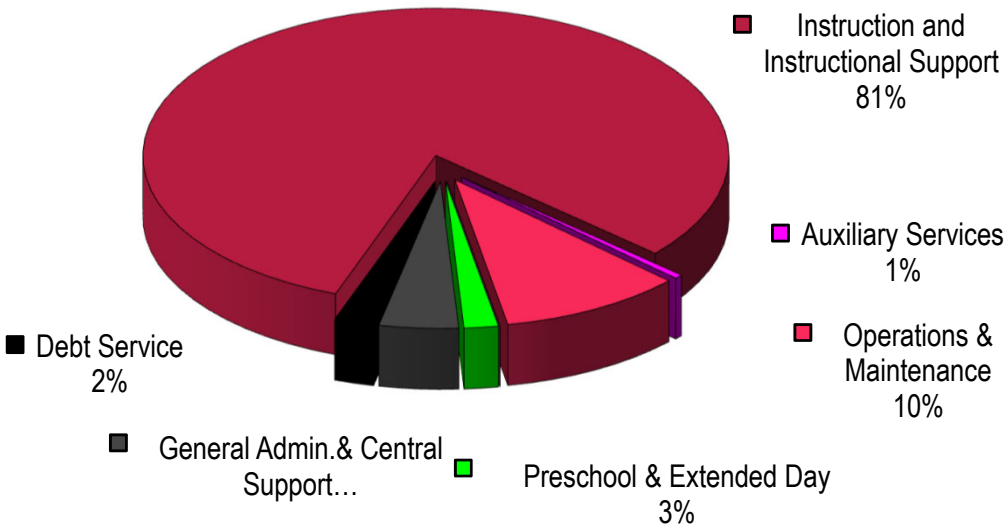


■ PERSONNEL COSTS

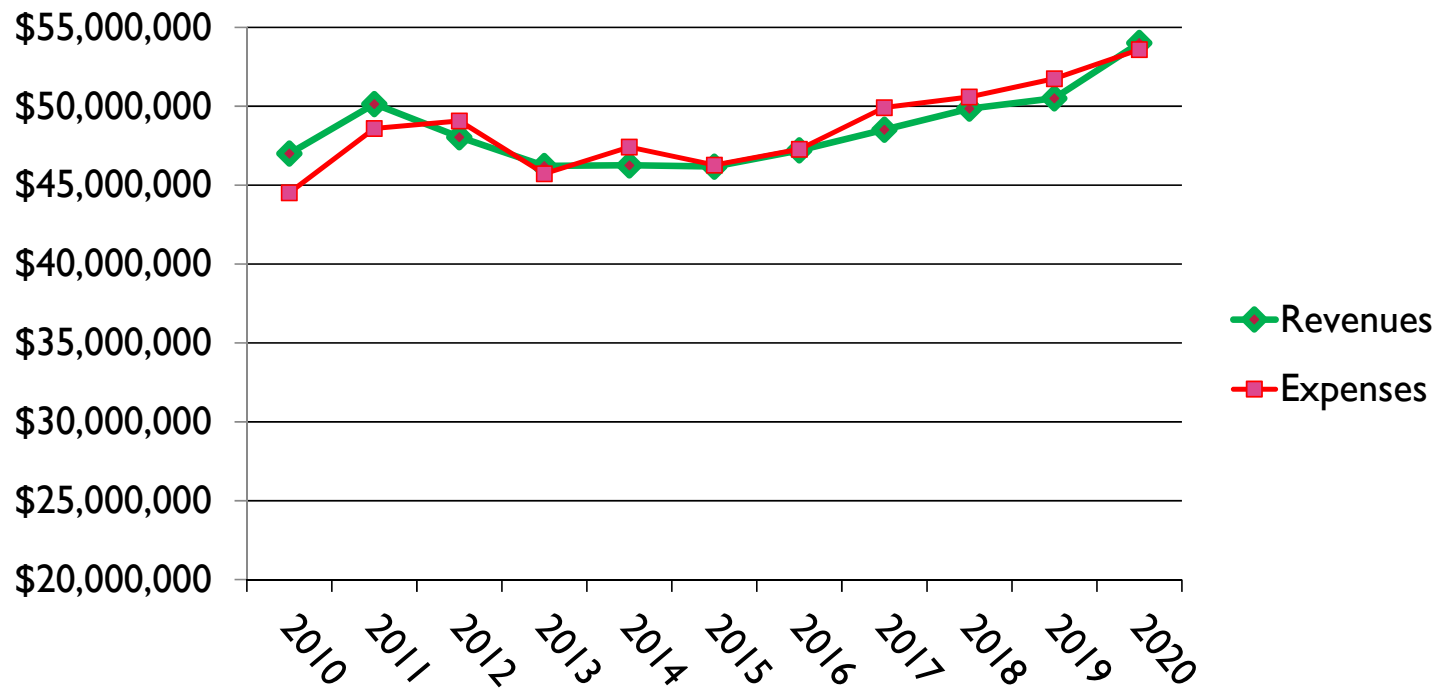
■ OTHER OPERATING COSTS

# GENERAL FUND (PROPOSED EXPENDITURES)

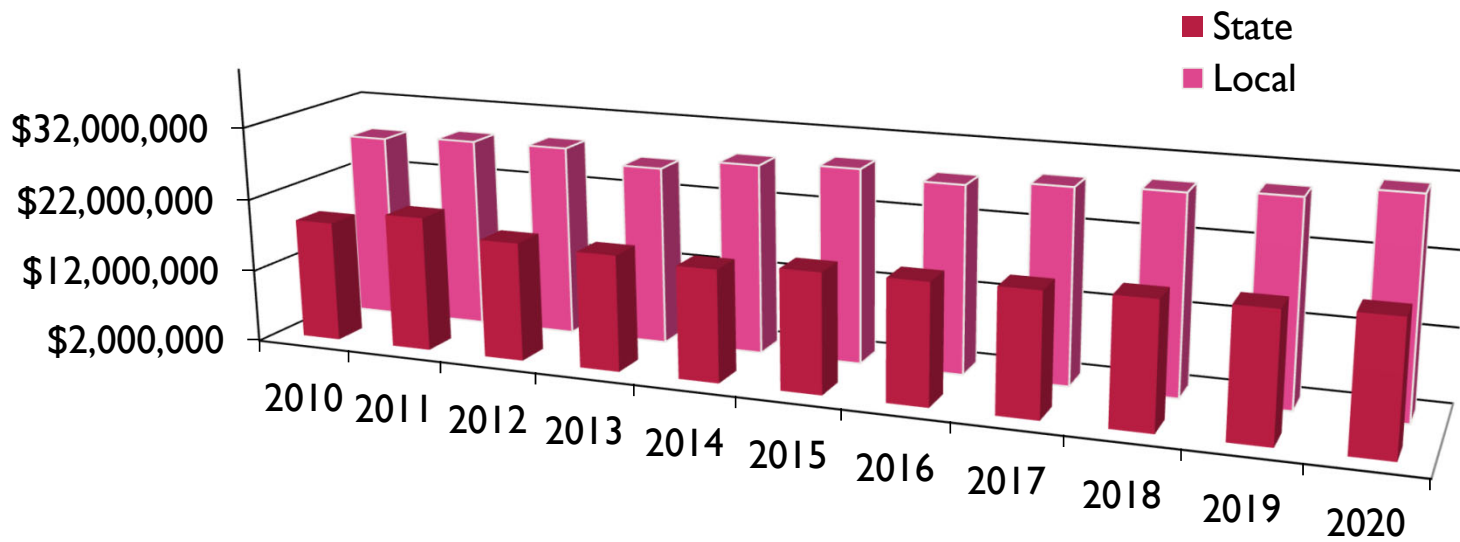
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# GENERAL FUND 2010-2020

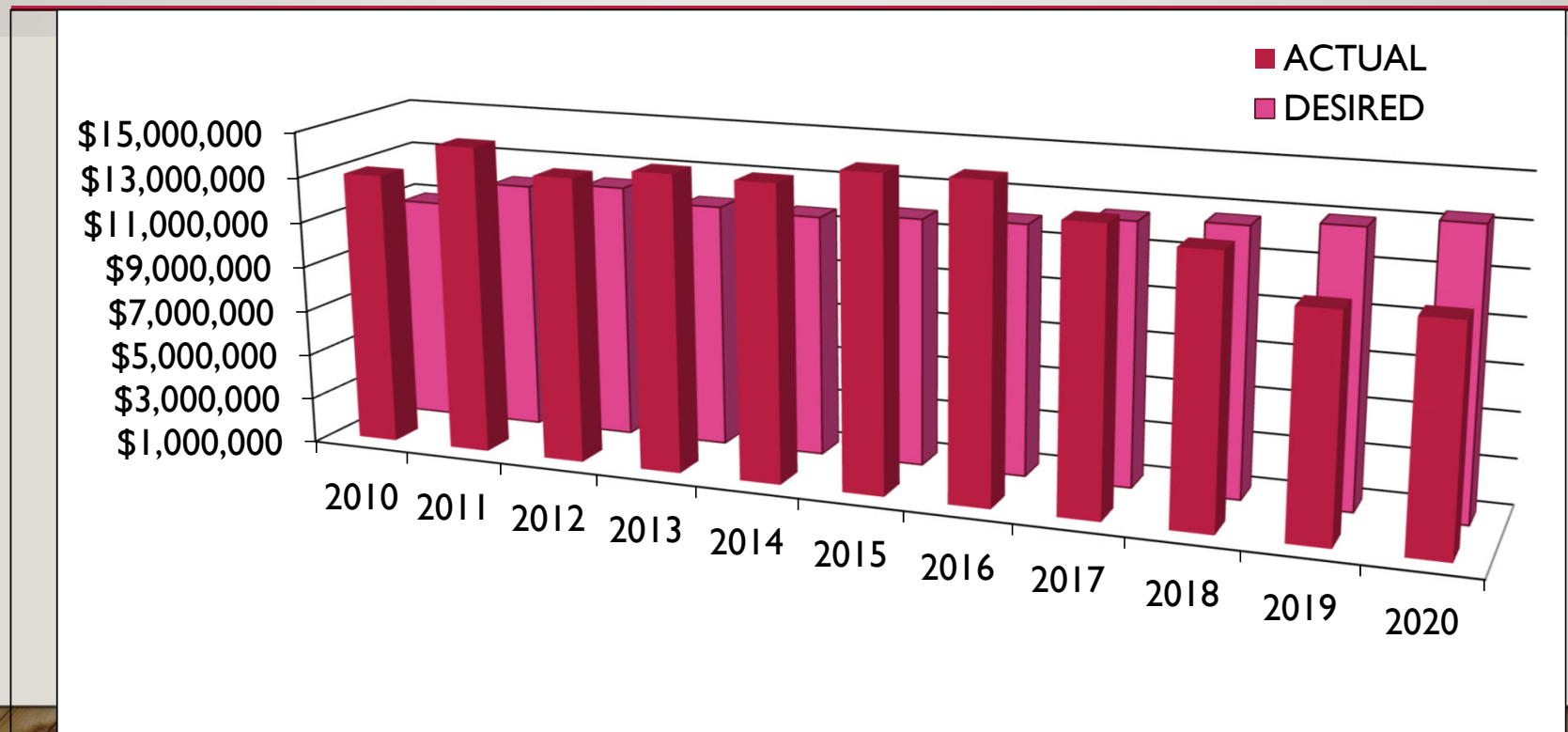


# GENERAL FUND REVENUES 2010-2020

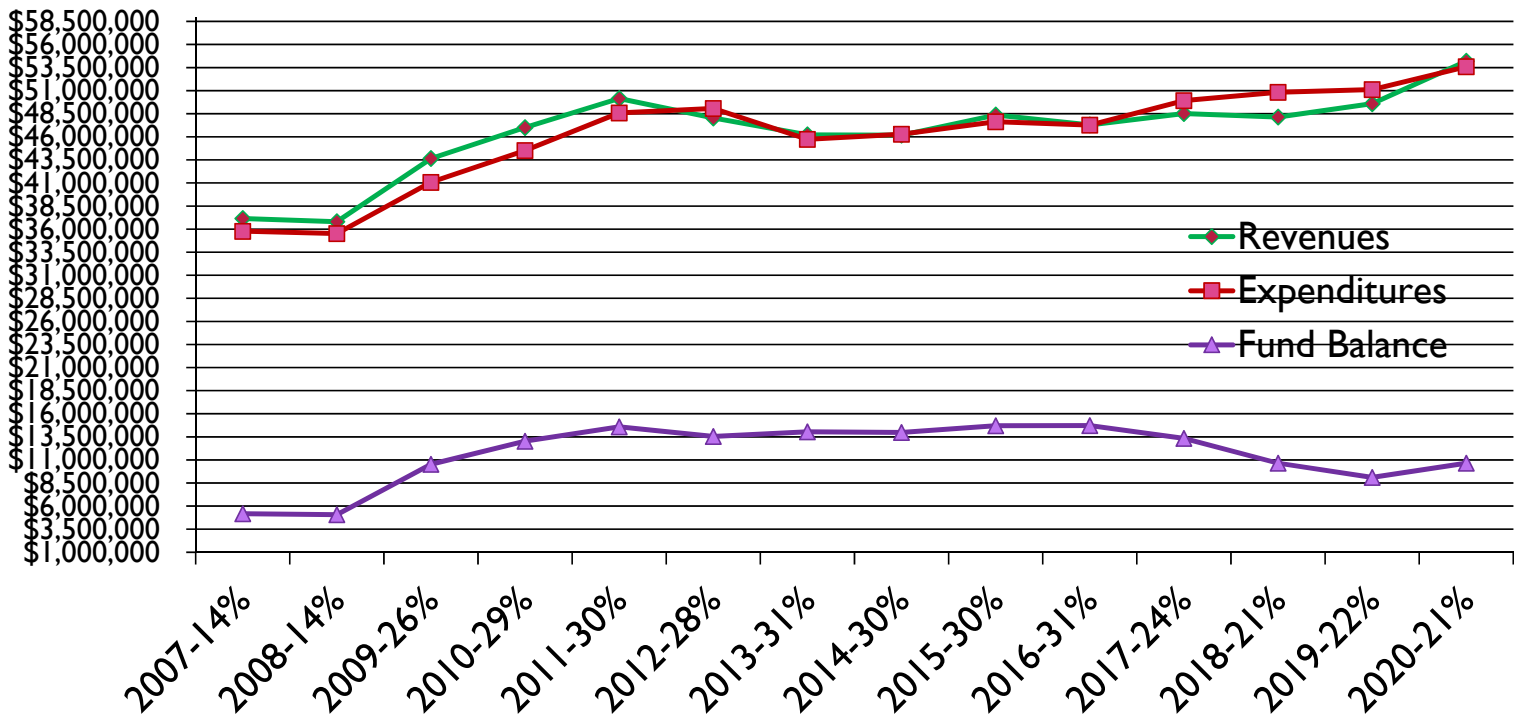




# FUND BALANCE 2009-2020



# FUND BALANCE AS A PERCENTAGE OF EXPENDITURES



# FORECASTING/PROJECTIONS

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**JTL BOARD OF EDUCATION  
GENERAL FUND FY 2018 - 2020  
PROJECTIONS  
Assumptions**

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**REVENUES**

1. Increase of 4% in state revenues in FY 20, uncertain in future years.
2. 3% increase in local tax revenues annually.

**EXPENDITURES**

1. Mandated pay raises for FY 20 of 4%.
2. Salary step increases included for each year.
3. 3% increase in non-personnel expenses for each year
4. Capital improvements for aging equipment and classroom refurbishing provided annually (\$60,000).
5. Annual technology replacement costs included for FY 18 – FY 22.
6. Hospital and medical insurance \$800.00 month for FY 20 and beyond.
7. Teacher Retirement rate at 12.43% for FY 2020 and beyond.
8. Facility Replacement/Maintenance Fund per year for FY 18 and FY 19 to properly maintain facilities over time maintain facilities over time.
9. Desired fund balance equal to three months' operating expenses (25% of total expenditures excluding transfer to Facility Maintenance/Replacement Fund).

**Cautionary Notes:**

**No teacher units for growth in student enrollment are included beyond FY 20.  
Actual costs for salaries, health insurance, and retirement are beyond the control of the local board and may vary from the estimates used in these projections.**

# FORECASTING

	AUDITED	BUDGETED	PROPOSED	PROPOSED	PROPOSED
	2018	2019	2020	2021	2022
<b>REVENUES</b>					
State of Alabama	\$15,342,734	\$16,712,257	\$18,570,070	\$20,505,338	\$21,325,552
Local Revenues	\$23,332,488	\$25,297,714	\$27,587,149	\$28,576,494	\$29,433,789
Other Revenues	\$656,436	\$786,618	\$844,274	\$1,062,748	\$1,094,630
City Contribution	\$850,000	\$850,000	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$40,181,658</b>	<b>\$43,646,589</b>	<b>\$47,001,493</b>	<b>\$50,144,580</b>	<b>\$51,853,971</b>
<b>EXPENDITURES</b>					
Instruction Services	\$22,376,021	\$24,495,675	\$28,697,572	\$30,144,392	\$31,500,890
Instructional Support	\$5,359,758	\$6,088,873	\$6,804,734	\$7,723,106	\$7,723,106
Operation and Maintenance	\$3,434,145	\$3,851,223	\$4,379,067	\$4,912,637	\$5,060,016
Auxiliary Services	\$101,937	\$104,849	\$155,313	\$187,685	\$187,685
General Administrative	\$1,683,871	\$1,838,315	\$2,258,516	\$2,177,629	\$2,177,629
Capital Outlay	\$289,501	\$6,183	\$7,200	\$3,101	\$3,101
Other Expenditures	\$129,937	\$200,635	\$234,140	\$421,612	\$421,612
Operating Transfer Out	\$3,935,892	\$4,486,690	\$1,978,482	\$3,022,410	\$3,022,410
<b>Total Expenditures</b>	<b>\$37,311,062</b>	<b>\$41,072,443</b>	<b>\$44,515,024</b>	<b>\$48,592,572</b>	<b>\$50,096,449</b>
Excess of Revenues and Other Financing Sources					
Over (Under) Expenditures	\$2,870,596	\$2,574,146	\$2,486,469	\$1,552,008	\$1,757,522
Fund Balances at Beginning of Year	\$5,075,634	\$7,957,745	\$10,531,891	\$13,018,360	\$14,570,368
Adjustment to beginning Fund Balance	\$11,515				
<b>Fund Balances at End of Year</b>	<b>\$7,957,745</b>	<b>\$10,531,891</b>	<b>\$13,018,360</b>	<b>\$14,570,368</b>	<b>\$16,327,890</b>
Desirable Fund Balance	\$9,327,766	\$10,268,111	\$11,128,756	\$12,148,143	\$12,524,112
Desirable vs. Actual Fund Balance	-\$1,370,021	\$263,780	\$1,889,604	\$2,422,225	\$3,803,778

# CAPITAL BUDGET

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# CAPITAL BUDGET

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- **Revenues:**

- state funding of capital projects
- transfer from General Fund

- **Expenditures:**

- major construction projects
- renovations of buildings
- purchases of major equipment
- scheduled ongoing maintenance and replacements

## ONGOING RENOVATIONS AND MAINTENANCE AT THE FOLLOWING SCHOOLS:

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- JTL Elementary - \$89,000
- JTL Junior High School - \$165,000
- JTL High School - \$945,000



# DEBT SERVICE

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# DEBT SERVICE

**\$1,972,875**

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- This fund reflects the annual debt payment (principal and interest) of the JTL City Board of Education on its outstanding debt as of October 1, 2020.

Principal	\$1,630,000
Interest	\$337,375
Debt Service fees	\$5,500
<b>TOTAL</b>	<b>\$1,972,875</b>

# DEBT SERVICE

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## Funding Sources

- PSF \$841,527
- Transfer General Fund \$1,169,084

## SERIES OF BOND ISSUES

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	PRINCIPAL	INTEREST	TOTAL
2012	\$8,025,000.00	\$2,077,575.00	\$10,102,575.00
2015	\$4,590,000.00	\$331,650.00	\$4,921,650.00
	<b>\$12,615,000.00</b>	<b>\$2,409,225.00</b>	<b>\$15,024,225.00</b>

# SPECIAL REVENUE FUND

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# OTHER BUDGET CATEGORIES

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- **There are 10 other budget categories which are essentially “stand-alone” budgets; i.e. the revenue in these budgets are categorical in nature and can only be spent for certain purposes.**
- **Some of these budgets are created by federal grants (e.g. special education, career and technical education, title II).**
- **If expenditures in these budgets exceed the revenues, the difference becomes an expenditure in the general fund budget.**

# MAJOR SPECIAL FUNDING PROGRAMS

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◆ Title II- Part A	\$53,241
◆ IDEA-B Special Education	\$749,882
◆ Child Nutrition Program	\$2,713,180
◆ Vocational –Basic Grant	\$28,326
◆ Preschool	\$14,205
◆ Community Ed	\$424,881
◆ Local Schools	\$848,949

# APPENDICES

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# APPENDICES

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- Summary of Net Positions
- Salary Schedules
- Description of Tax Revenues
- SDE – Supplemental Reports

# SUMMARY OF NET POSITIONS

Additional Position	JTL	JTL	JTL	Central Office	NET CHANGE
	Elementary	JH	HS		
2019-2020					
Regular Classroom Teachers	+2	-1	-1	0	0
Regular Classroom Aides	0	0	0	0	0
Special Education Teachers	+1	+1	0	0	+2
Special Ed Aides	+1	+2	0	0	+3
Administrators	0	0	0	0	0
Support Staff	0	0	0	0	0

Exp	Step	BS	BS + 12 hrs.	BS + 24 hrs.	MA	MA + 12 hrs.	MA + 24 hrs.	AA	Doctorate
0	1	38,752.00	38,854.00	39,190.00	44,566.00	44,721.00	44,879.00	48,051.00	51,539.00
1	2	38,977.00	39,123.00	39,668	44,716.00	44,870.00	44,936.00	48,649.00	52,138.00
2	3	39,208.00	39,755.00	40,352.00	44,846.00	45,246.00	45,648.00	49,248.00	52,737.00
3	4	43,658.00	44,235.00	44,815.00	49,930.00	50,320.00	50,709.00	53,425.00	56,690.00
4	5	44,070.00	44,646.00	45,226.00	50,341.00	50,727.00	51,125.00	53,836.00	56,950.00
5	6	44,477.00	45,055.00	45,644.00	50,759.00	51,143.00	51,534.00	54,243.00	57,208.00
6	7	46,645.00	47,241.00	47,839.00	53,101.00	53,503.00	53,903.00	56,700.00	59,174.00
7	8	47,490.00	48,088.00	48,682.00	53,948.00	54,346.00	54,747.00	57,543.00	59,714.00
8	9	48,334.00	48,932.00	49,525.00	54,797.00	55,197.00	55,590.00	58,397.00	60,257.00
9	10	49,181.00	49,779.00	50,371.00	55,639.00	56,041.00	56,435.00	59,238.00	60,799.00
10	11	50,025.00	50,622.00	51,221.00	56,488.00	56,880.00	57,281.00	60,075.00	61,636.00
11	12	50,865.00	51,462.00	52,068.00	57,331.00	57,725.00	58,127.00	60,920.00	62,478.00
12	13	51,959.00	52,557.00	53,163.00	58,449.00	58,856.00	59,251.00	62,062.00	63,628.00
13	14	52,812.00	53,409.00	54,008.00	59,300.00	59,707.00	60,106.00	62,917.00	64,483.00
14	15	53,654.00	54,257.00	54,852.00	60,146.00	60,551.00	60,950.00	63,762.00	65,330.00
15	16	55,026.00	55,639.00	56,242.00	61,587.00	61,992.00	62,393.00	65,232.00	66,814.00
16-22	17 - 23	55,879.00	56,493.00	57,100.00	62,440.00	62,848.00	63,252.00	66,083.00	67,669.00
23-25	24 - 26	56,446.00	57,061.00	57,667.00	63,007.00	63,416.00	63,819.00	66,650.00	68,236.00
26+	27 +	57,014.00	57,628.00	58,235.00	63,575.00	63,983.00	64,386.00	67,217.00	68,803.00
Salary Schedule is based on a nine month (189 day) contract. All 10 month employees –202 days, 11 month employees – 222 days.									
All 12 month employees – 240 days.									

# DESCRIPTION OF TAX REVENUE

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## **9.9 Mill District Tax**

The 9.9 mill school district ad valorem tax is authorized to be levied for each consecutive tax year until and including the tax year that ends September 30, 2039 (for which tax year the tax will become due and payable on October 1, 2039). The tax provided \$5,713,174 or approximately 11% of the Board's total revenue for the fiscal year that ended September 30, 2018; it is expected to produce \$5,968,575 or approximately 11% of the Board's total revenue for the current fiscal period. In the fiscal year 2019-2020, it is expected to produce \$6,087,947 or approximately 11% of the Board's total revenue. The 9.9 mill tax is pledged as security for the Board's Capital Outlay Warrants, Series 2012.

# BOARD QUESTIONS

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- What is the unreserved fund balance and how does it compare to last year?
- What percentage of the budget have we spent YTD?
- How are our local revenue collections compared to budget?
- What is the net operations of our general fund and CNP fund and how does that compare to last year?
- How much is the unfunded amount of the state mandated raise?
- What are our projections for year end?

# BUDGETS

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Questions??

[karen@asbo.com](mailto:karen@asbo.com)

# BUDGET

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## Sources:

“Budget Presentation 2017-2018”, Mountain Brook City Schools, 2017

“Financial Planning I”, David Smith, AASBO, February, 2019