

FINANCIAL PLANNING

V.U.C.A. VERSUS STABILITY



PLANNING (???)

- ❖ Volatility
- ❖ Uncertainty
- ❖ Complexity
- ❖ Ambiguity

} **Noise**

OR

- ❖ Stability / Sustainability

PLANNING (MAINTAIN SKEPTICISM)

Trust The Lord AND Keep Your Powder Dry

- ❖ Stock Market Continues to Rebound From Great Recession of 2007; Is The Rebound Real?
- ❖ Federal Reserve Has Eased Off Increasing Rates & Decreasing Balance Sheet
- ❖ Jobless Percentage Still Below 4%
- ❖ Creation of New Jobs Remains Strong
- ❖ Inflation Near Fed Target of 2%

PLANNING (MAINTAIN SKEPTICISM)

- ❖ Alabama's Last Proration Was 2011
- ❖ State BOE Has Proposed an Increase To AL State
- ❖ Legislature Has Provided Steady Budget Increases
- ❖ Legislature Passed S.S.U.T.
- ❖ Have Your Purchasing Habits Changed???

ESSENTIAL QUESTIONS

- ❖ What Is Our Job?
- ❖ See Through The Fog & Around The Corner?
- ❖ Is It Only Balanced budgets, Robust Internal Controls and Compliance?

ESSENTIAL QUESTIONS

- ❖ Has State budgeting been consistent ?
- ❖ What is the major source of ETF funds?
- ❖ Is a School District A For Profit Enterprise?
- ❖ What would you do with a 3% funding increase from the State?

ESSENTIAL QUESTIONS

Answer The Question:

- ❖ Is a School District A For Profit Enterprise?
 - ❖ Of Course We're Not!!!
- ❖ What Does Public Policy Recommend If Taxes Are Collected For a Specific Purpose?
- ❖ ?? This Year's Money For This Year's Students??

ESSENTIAL QUESTIONS

- ❖ What is Our Job?
- ❖ Provide The Maximum Education Possible With The Available Revenue !!!
- ❖ ?? This Year's Money For This Year's Students??
- ❖ If Three Months Reserve is Sitting In The Bank, Did You Spend This Year's Money on This Year's Students?

PLANNING TO EDUCATE THE BOE (... & THE SUPT & CURRICULUM)

- ❖ Longitudinal Data (See Sample Graphs)
 - ❖ State Revenue
 - ❖ Federal Revenue
 - ❖ Local Revenue
 - ❖ Local Expenses
- ❖ Employee Costs Including Benefits

PAST OPERATIONAL COSTS

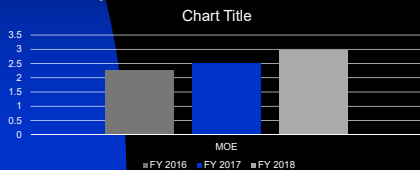
- ❖ Educate BOE & Curriculum & Instruction
 - ❖ What Does a 1% Local Raise Cost?
 - ❖ What do 15 Average Teachers Cost?
 - ❖ If There is No State Raise
- OR
- No Local Raise
- What is Cost of Step Increases ?
- ❖ What does a \$20,000 Aide Really Cost?

LONGITUDINAL DATA

- ❖ Local Sales Tax
- ❖ Local Millage
- ❖ Calculate separate CAGR
- ❖ Calculate combined CAGR
- ❖ Present Monthly to BOE
- ❖ Property Tax Abstract
- ❖ Maintain Annually - Use in MD&A

Moore's Law (not just for Geeks)

- ❖ Doubling Time Easy To Understand The Consequences When The Resulting Change is Small
- ❖ Look at Special Ed M.O.E. Costs



Moore's Law (not just for Geeks)

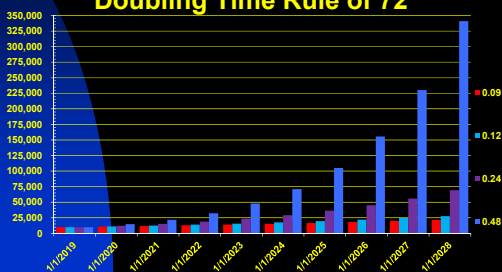
- ❖ Difficult to Grasp Effect When The Numbers Become Large, Seemingly Without Bound
- ❖ Power of Computers
- ❖ Power of AI – Artificial Intelligence – Machine Learning
- ❖ Speech & Language Recognition
- ❖ Robots

Moore's Law (not just for Geeks)

- ❖ What Is The Effect of The Huge Increase In Computer Power AND Software Power on "NORMAL JOBS"
- ❖ How Will Normal Jobs Change??
- ❖ More Creativity
- ❖ Increased Collaboration
- ❖ Less (And Less, And Less,...) Repetitive Manual

Moore's Law (Not Just For Geeks; Exponentials Change The Conversation)

Doubling Time Rule of 72



PROBABLE EMERGING NEEDS

- ❖ Career Technology Education including:
 - ❖ Bio-Tech Rooms
 - ❖ Pre-engineering (robotics) Rooms / Equipment At All Sites
- ❖ Continued Energy Retrofits

POSSIBLE EMERGING NEEDS

- ❖ Add Music & Art
- ❖ Acceleration Program for Elementary Students Who Are In the Middle
- ❖ Acceleration Program for Middle School Students Who Are In the Middle
- ❖ Dual Enrollment
- ❖ Remote Access to College Classes

CONTINUING CYCLICAL COST

- ❖ Technology Upgrades
 - ❖ Individual Devices
 - ❖ Security Cameras
 - ❖ Network Security

CONTINUING CYCLICAL COST

- ❖ Network Upgrades & Maintenance
 - ❖ Servers
 - ❖ Switches
 - ❖ Routers
 - ❖ IP Phones

TUSCALOOSA CITY SCHOOLS
