

Proposed Operating Budget Fiscal Year 2011



**Dr. Craig Witherspoon, Superintendent
Mr. Arthur Watts, Chief Financial Officer**

The Birmingham Board of Education



Mr. W.J. Maye, Jr.
President
District 6



Ms. Virginia S. Volker
Vice President
District 2



Mr. Tyrone Belcher
District 1



Mr. Brian Giattina
District 3



Mr. Edward Maddox
District 4



Mr. Emanuel Ford
District 5



Ms. Alana Edwards
District 7



Mrs. April Williams
District 8

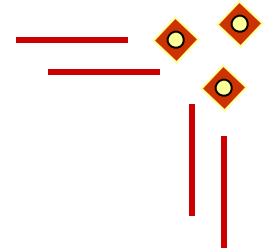


Ms. Phyllis F. Wyne
District 9

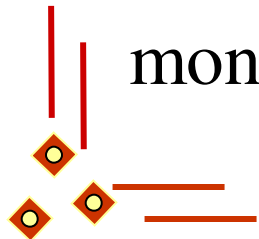


BIRMINGHAM CITY SCHOOLS

Financial Funds

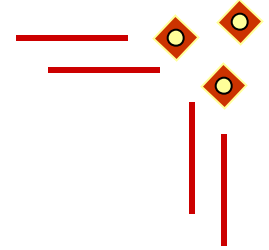


- 💰 General Fund – Accounts for the general operations of the district.
- 💰 Special Revenue Fund – Accounts for federal programs and funds designated for a specific purpose.
- 💰 Capital Projects Fund – Accounts for acquisition or construction of major capital expenditures.
- 💰 Debt Service Fund – Accounts for payments of long-term debt.
- 💰 Fiduciary Fund – Accounts for local school activity monies.



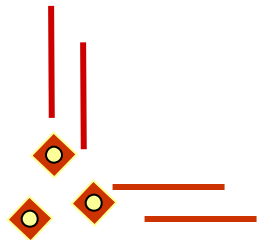
BIRMINGHAM CITY SCHOOLS

Budget Process



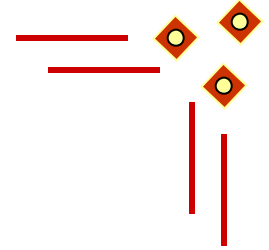
Budget Process is Interactive and Inclusive:

- 💰 Department heads have input and prepare their respective budgets.
- 💰 District is required to hold two public hearings (Thursday, September 9th and Tuesday, September 14th).
- 💰 Board members and employees routinely make suggestions that are considered for implementation.
- 💰 Board members must approve the budget.
- 💰 Budget is due to the SDE by September 15th.



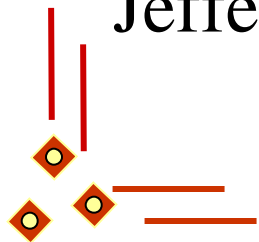
BIRMINGHAM CITY SCHOOLS

Budget Constraints and Guidelines

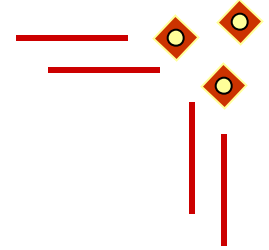


While Preparing the Budget, Consideration Was Given To Accommodate Guidelines Enacted by the Following Agencies:

- 💰 Alabama State Department of Education and State Legislature
- 💰 U.S. Department of Education
- 💰 Southern Association of Colleges and Schools
- 💰 Local Municipalities (City of Birmingham and Jefferson County)



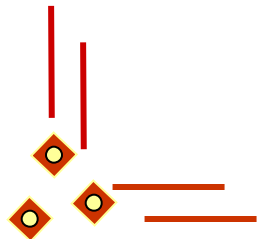
BIRMINGHAM CITY SCHOOLS
Budget Constraints and Guidelines



**Some Funds That Are Available Require Local Matches
In Order To Receive Funds:**

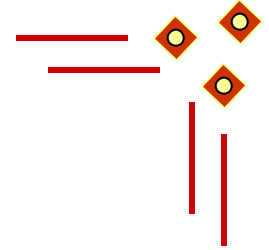
💰 Foundation Program Local Match - \$27,456,470

💰 Capital Purchase Local Match - \$2,587,490



BIRMINGHAM CITY SCHOOLS

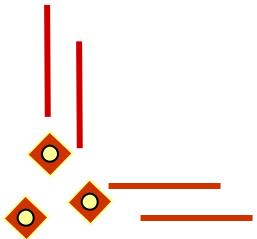
Financial Cycles



The District Simply Has Two Primary Financial Cycles:

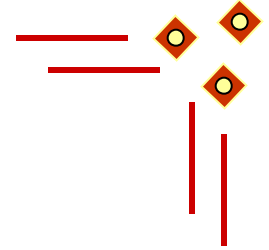
💰 Inflow of Funds – Revenues

💰 Outflow of Funds – Expenditures



BIRMINGHAM CITY SCHOOLS

Sources of Revenues



There are 4 Primary Sources of Revenues:

💰 State Revenues – Foundation, Transportation, School Nurses, Alabama Reading Initiative, Capital Purchase and At-Risk.

💰 Local Revenues – Property Taxes, City Appropriations and Contributions.

💰 Federal Grants – Title I, Child Nutrition, Special Education, American Recovery and Reinvestment Act Funds (ARRA), Career Technical Education, and Title II.

💰 Local Schools – Concessions, Fees, Admissions and Fund Raisers.



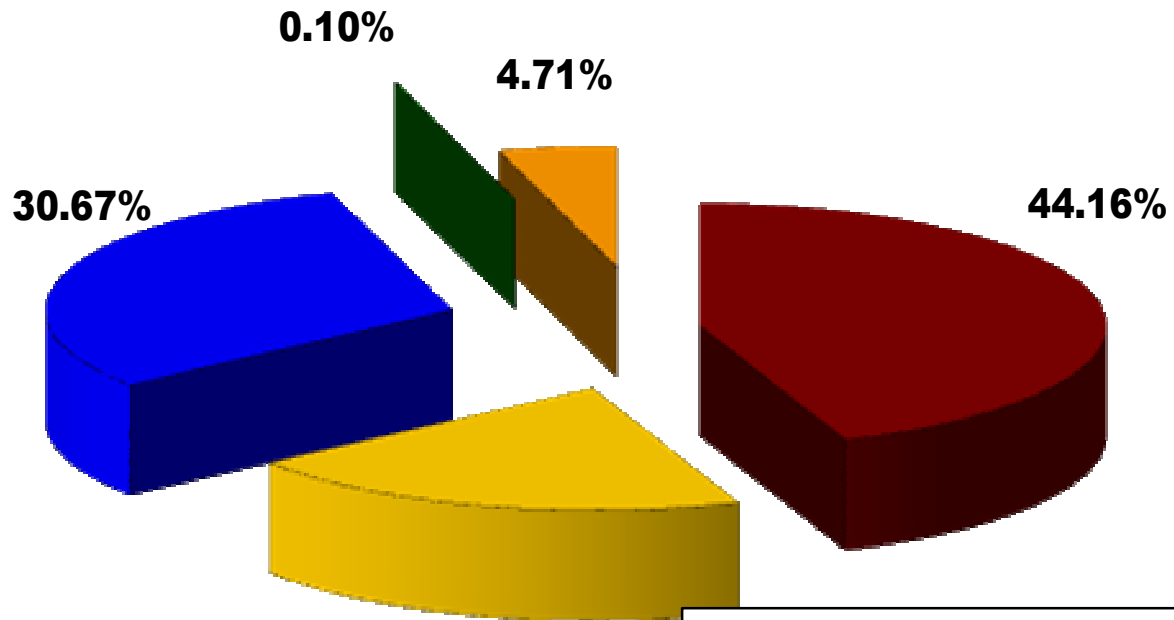
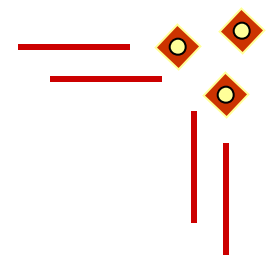
BIRMINGHAM CITY SCHOOLS

Budgeted Revenues

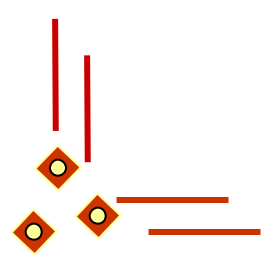
(For the year ending September 30, 2011)

	General Fund	Special Revenue Fund	*Capital Projects Fund	Expendable Trust Fund	Totals
Revenues & Other Fund Sources:					
State Revenues	\$120,930,152	\$0	\$8,471,512	\$0	\$129,401,664
Federal Revenues	712,000	55,021,881	0	0	55,733,881
Local Revenues	79,383,435	3,521,845	3,000,000	1,092,744	86,998,024
Other Revenues	0	279,335	2,587,490	0	2,866,825
Other Fund Sources	5,775,189	7,116,741	0	0	12,891,930
Total Revenues & Other Fund Sources	\$206,800,776	\$65,939,802	\$14,059,002	\$1,092,744	\$287,892,324
*Capital Project Funds are not considered Operating Revenues.					

BIRMINGHAM CITY SCHOOLS
Total Budgeted Operating Revenues
For the year ended September 30, 2011
(\$ In Millions)

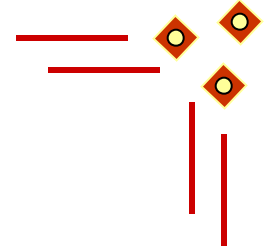


■ State Revenues - \$120.9
■ Federal Revenues - \$55.7
■ Local Revenues - \$84.0
■ Other Revenues - \$0.3
■ Other Fund Sources - \$12.9



BIRMINGHAM CITY SCHOOLS

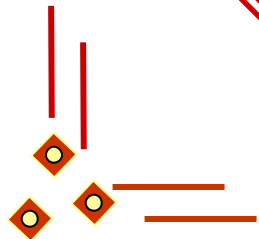
State Funding Process



- 💰 State funds districts based on student enrollment.
 - ◆ Each district receives a proportionate share of State funding based on enrollment.
 - ◆ The difference in the quality of education in terms of funding is then a product of local support.

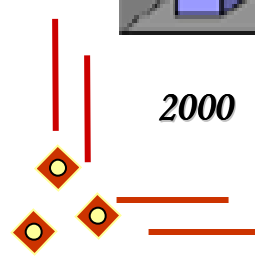
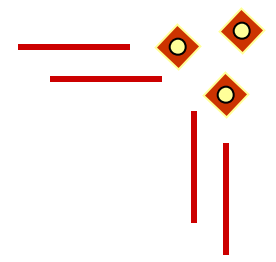
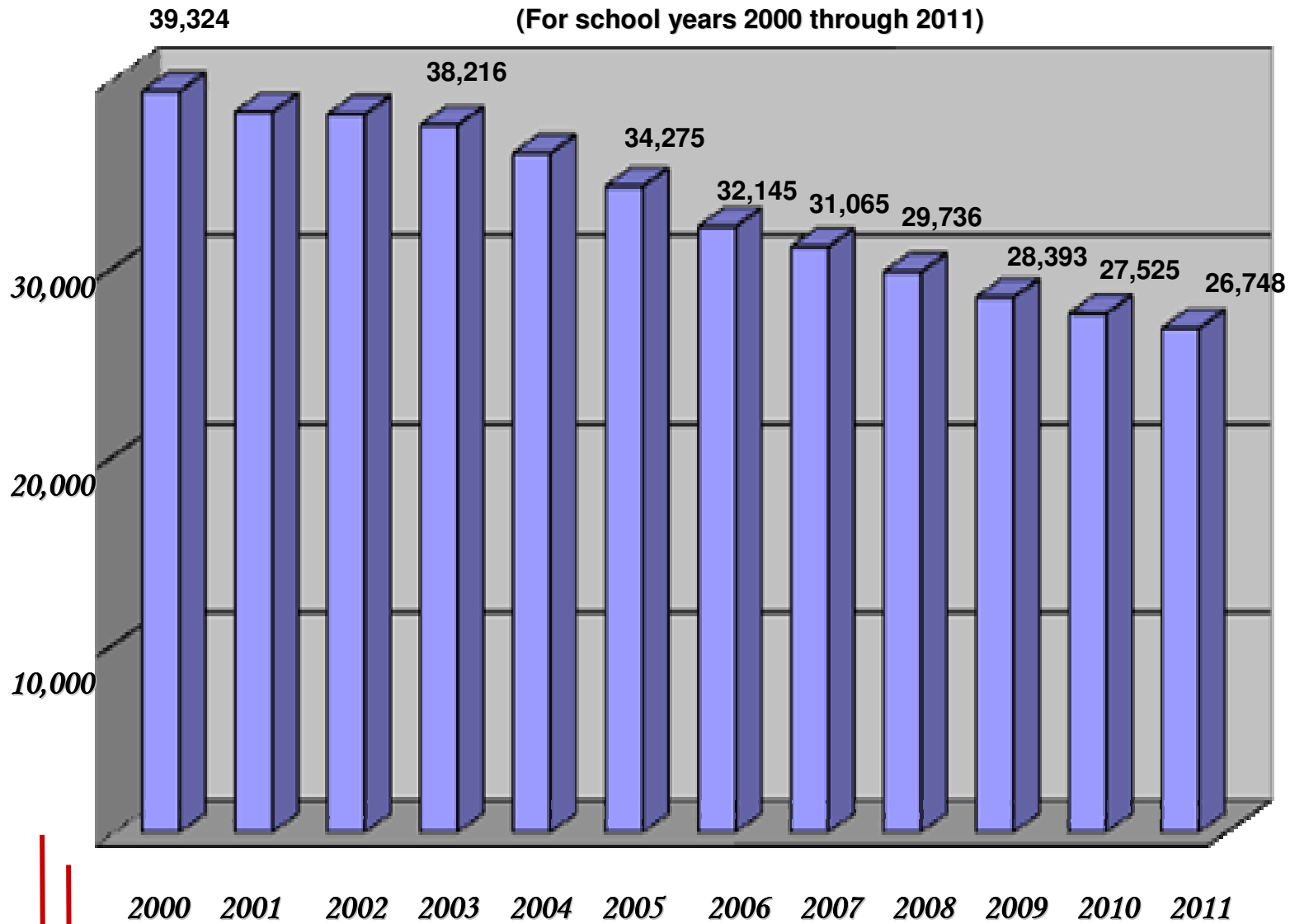
💰 Districts that provide more local support per pupil have the following advantages:

- ◆ Lower student-teacher ratios
- ◆ More quality programs for students
- ◆ Better facilities and extracurricular activities



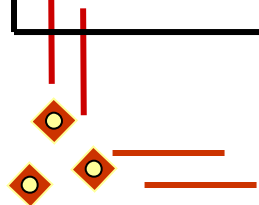
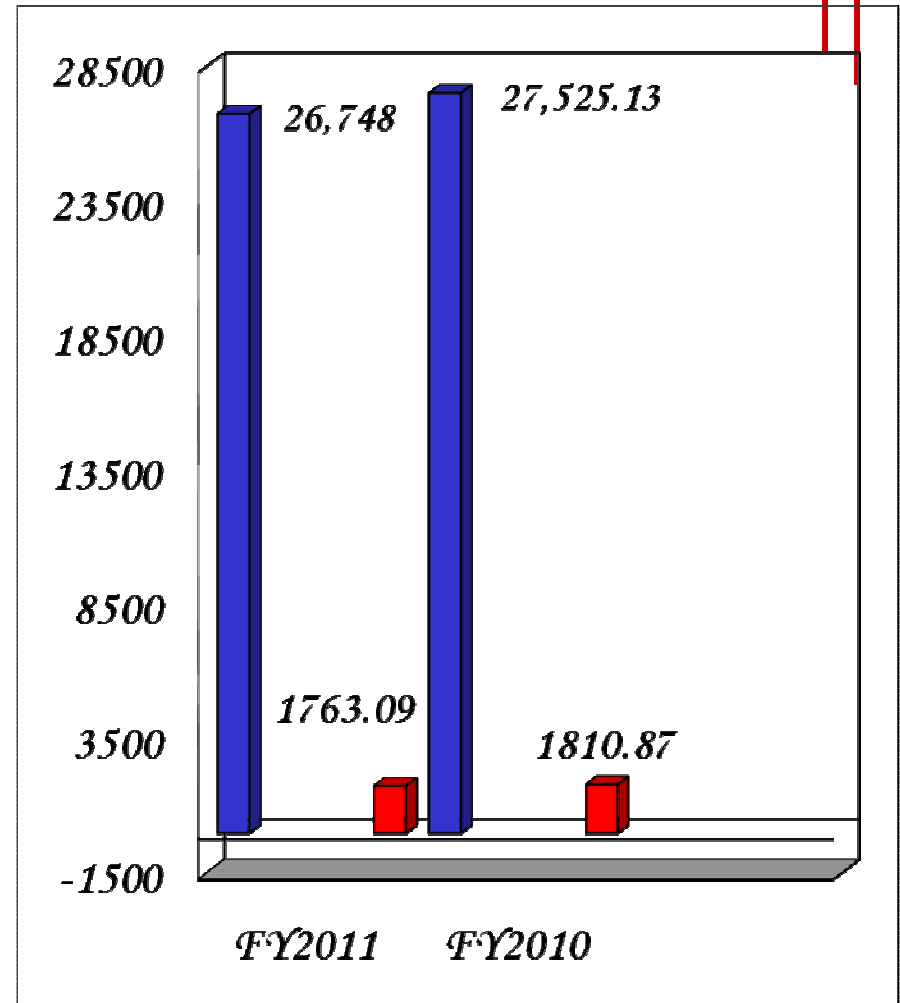
Student Enrollment

(For school years 2000 through 2011)



Foundation Program Units

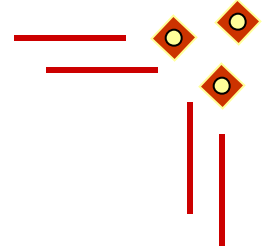
<i>Birmingham City</i>	<i>FY2011</i>	<i>FY2010</i>	<i>Change</i>
<i>System ADM</i>	26,748.00	27,525.15	-777.15
<i>Foundation Program Units</i>			
<i>Teachers</i>	1,562.34	1,605.65	-43.31
<i>Principals</i>	58.00	59.00	-1.00
<i>Assistant Principals</i>	20.50	21.00	-.50
<i>Counselors</i>	55.00	54.50	0.50
<i>Librarians</i>	66.75	70.25	-3.50
<i>Career Technical Directors</i>	0.50	0.47	0.03
Total Units	1,763.09	1,810.87	-47.78



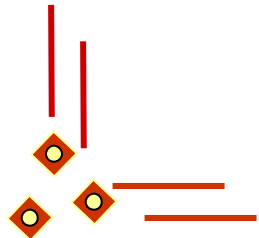
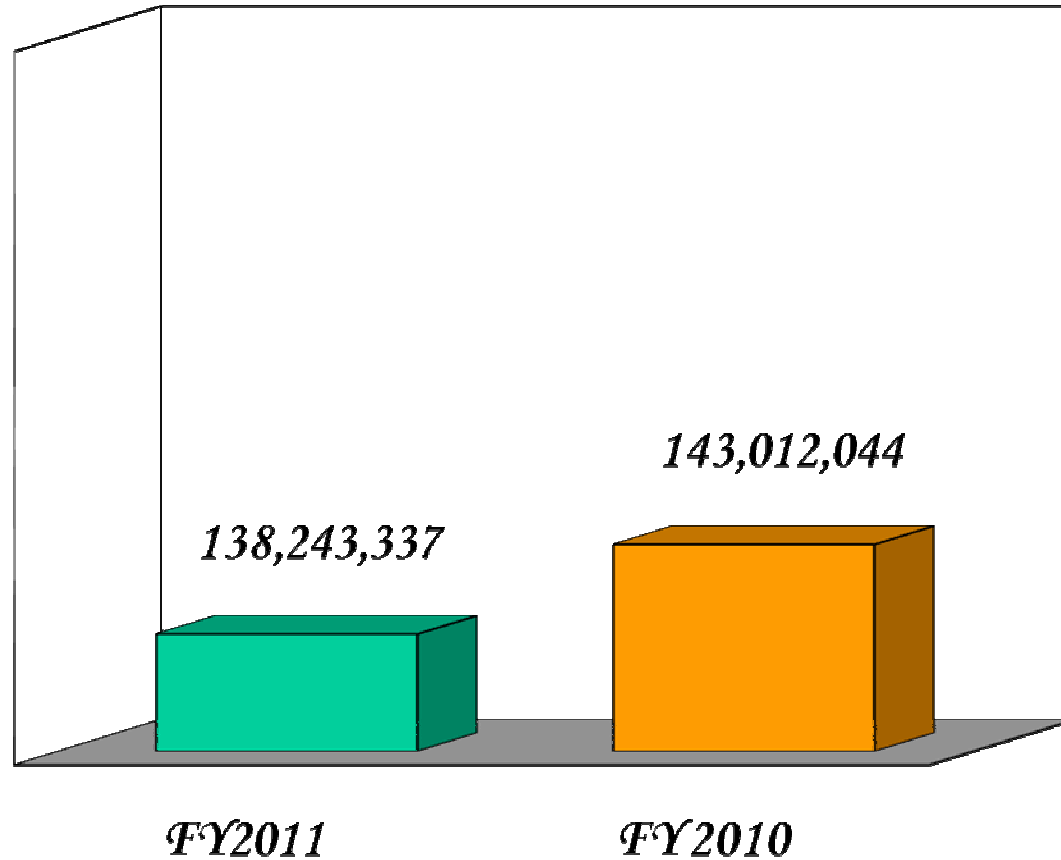
Foundation Program (State and Local Funds)

<i>Foundation Program (State and Local Funds)</i>					
		<i>FY 2011</i>		<i>FY 2010</i>	<i>Change</i>
<i>Salaries</i>		<i>84,156,874</i>		<i>85,763,288</i>	<i>-1,606,414</i>
<i>Fringe Benefits</i>		<i>33,618,900</i>		<i>34,498,938</i>	<i>-880,038</i>
<i>Other Current Expense</i>		<i>20,042,805</i>		<i>22,277,213</i>	<i>-2,234,408</i>
<i>Classroom Instructional Support</i>					
<i>Student Materials</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>0</i>
<i>Technology</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>0</i>
<i>Library Enhancement</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>0</i>
<i>Professional Development</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>0</i>
<i>Common Purchase</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>(\$0/unit)</i>	<i>0</i>	<i>0</i>
<i>Textbooks</i>	<i>(\$15.88/adm)</i>	<i>424,758</i>	<i>(\$17.17adm)</i>	<i>472,605</i>	<i>-47,847</i>
<i>Total Foundation Program</i>		<i>138,243,337</i>		<i>143,012,044</i>	<i>-4,768,707</i>

Foundation Program (State and Local Funds)



\$170,000,000
\$168,000,000
\$166,000,000
\$164,000,000
\$162,000,000
\$160,000,000
\$158,000,000
\$156,000,000
\$154,000,000
\$152,000,000
\$150,000,000
\$148,000,000
\$146,000,000
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\$138,000,000
\$136,000,000
\$134,000,000
\$132,000,000



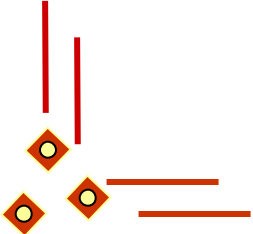
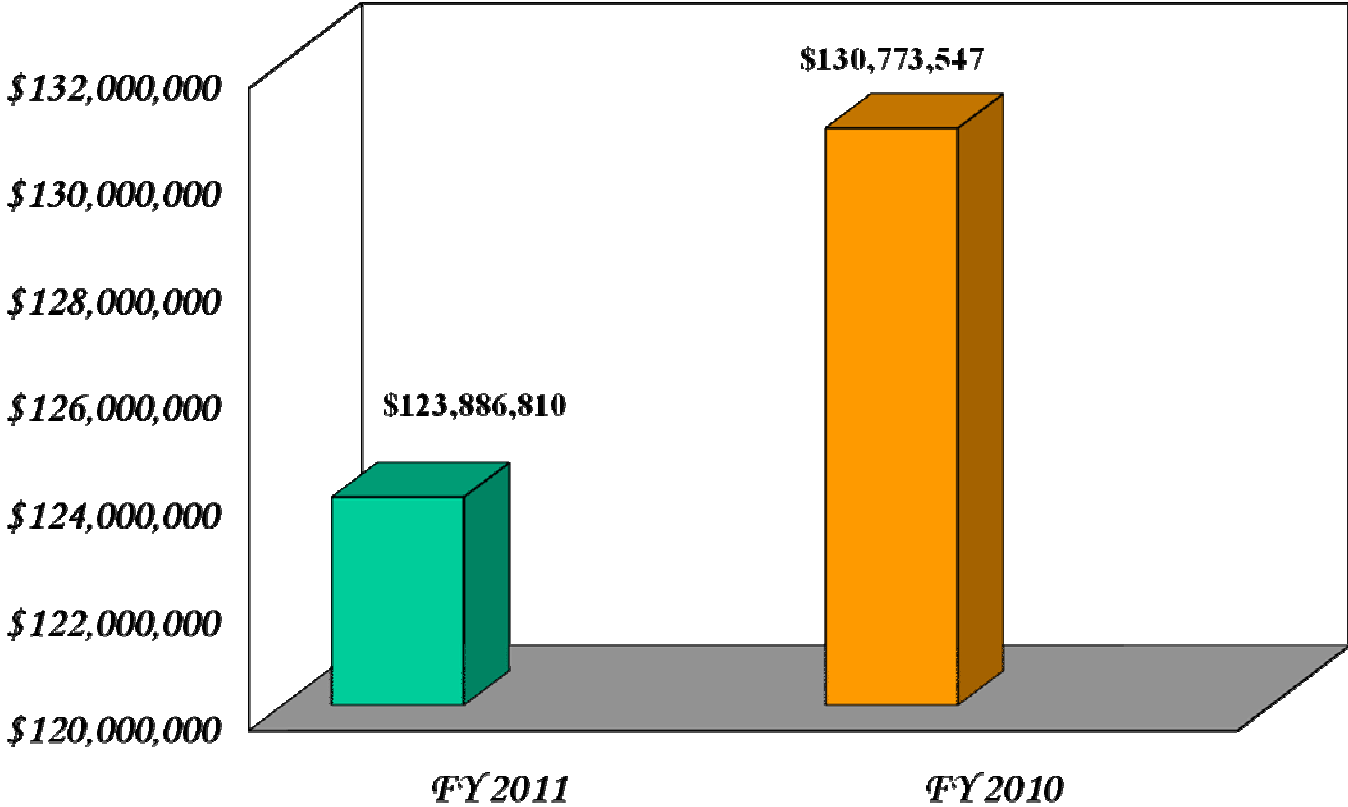
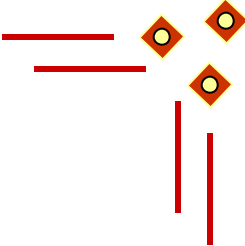
State Funds

<i>State Funds</i>		<i>FY 2011</i>		<i>FY 2010</i>	<i>Change</i>
<i>Foundation Program-ETF</i>		110,786,867		115,589,444	-4,802,577
<i>School Nurses Program</i>		898,020		1,008,999	-110,979
<i>High Hopes</i>		144,009		146,336	-2,327
<i>Salaries-1%per Act97-238</i>		0		0	0
<i>Technology Coordinator</i>		28,061		30,337	-2,276
<i>Transportation</i>					
<i>Operating Allocation</i>		4,913,895		5,775,228	-861,333
<i>Fleet Renewal</i>		418,230		442,112	-23,882
<i>Current Units</i>		*0		*0	0
<i>Capital Purchase</i>		*5,451,313		*6,368,753	-917,440
<i>At Risk</i>		1,202,816		1,377,892	-175,076
<i>Preschool Program</i>		43,599		34,446	9,153
<i>Total State Funds</i>		123,886,810		130,773,547	-6,886,737

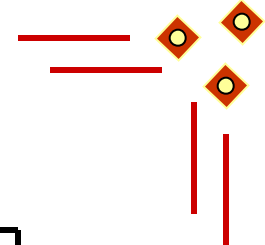
*Not included in monthly allocation of funds



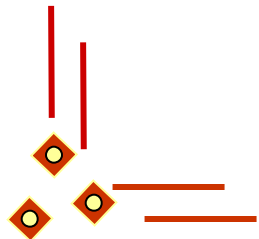
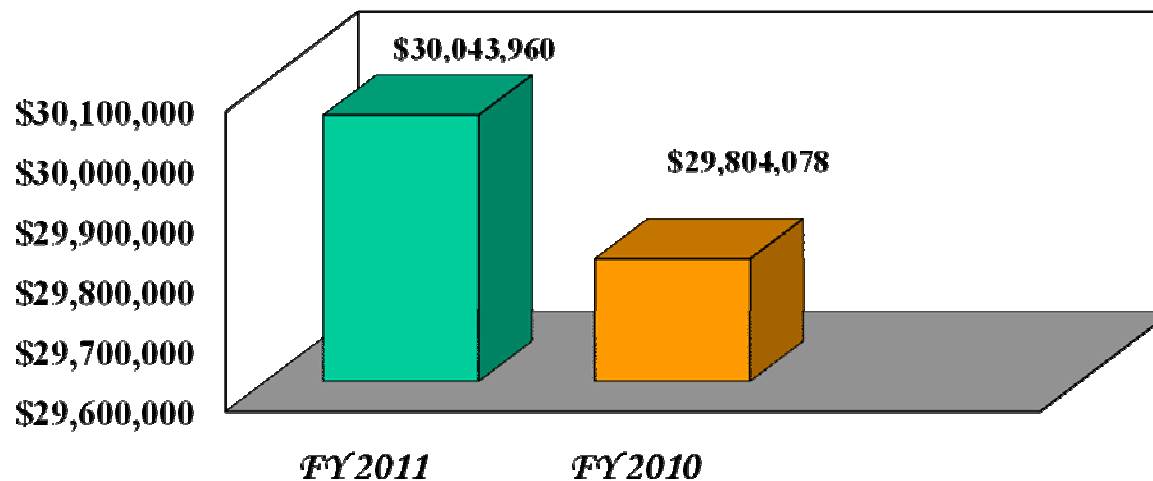
Total State Funds



Local Funds



<i>Local Funds</i>		<i>FY 2011</i>		<i>FY 2010</i>	
<i>Foundation Program</i>	<i>(10.00 Mills)</i>	27,456,470	<i>(10.00 Mills)</i>	27,422,600	33,870
<i>Capital Purchase</i>	<i>(.865321 Mills)</i>	2,587,490	<i>(.884 Mills)</i>	2,381,478	206,012
<i>Total Local Funds</i>		30,043,960		29,804,078	239,882



BIRMINGHAM CITY SCHOOLS

Budgeted Revenues

(For the year ending September 30, 2011)

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Revenues & Other Fund Sources:					
State Revenues	\$120,930,152	\$0	\$8,471,512	\$0	\$129,401,664
Federal Revenues	712,000	55,021,881	0	0	55,733,881
Local Revenues	79,383,435	3,521,845	3,000,000	1,092,744	86,998,024
Other Revenues	0	279,335	2,587,490	0	2,866,825
Other Fund Sources	5,775,189	7,116,741	0	0	12,891,930
Total Revenues & Other Fund Sources	\$206,800,776	\$65,939,802	\$14,059,002	\$1,092,744	\$287,892,324
*Capital Project Funds are not considered Operating Revenues.					

BIRMINGHAM CITY SCHOOLS

Schedule of Local Revenues/Other Revenues/Other Fund Sources

For the year ending September 30, 2011

Property Taxes	\$ 74,361,470
*Interest - County Commission 1% Sales Tax	3,000,000
City Council Appropriations	1,894,971
CNP - Local Sales	1,603,520
Local School Public Funds	1,133,355
Local School Non-Public Funds	1,056,950
Other (Indirect Cost, Transfers-In, etc.)	19,706,513
Total Local/Other Revenue/Other Sources	\$ 102,756,779

***These amounts should not be considered as Operating Revenues.**

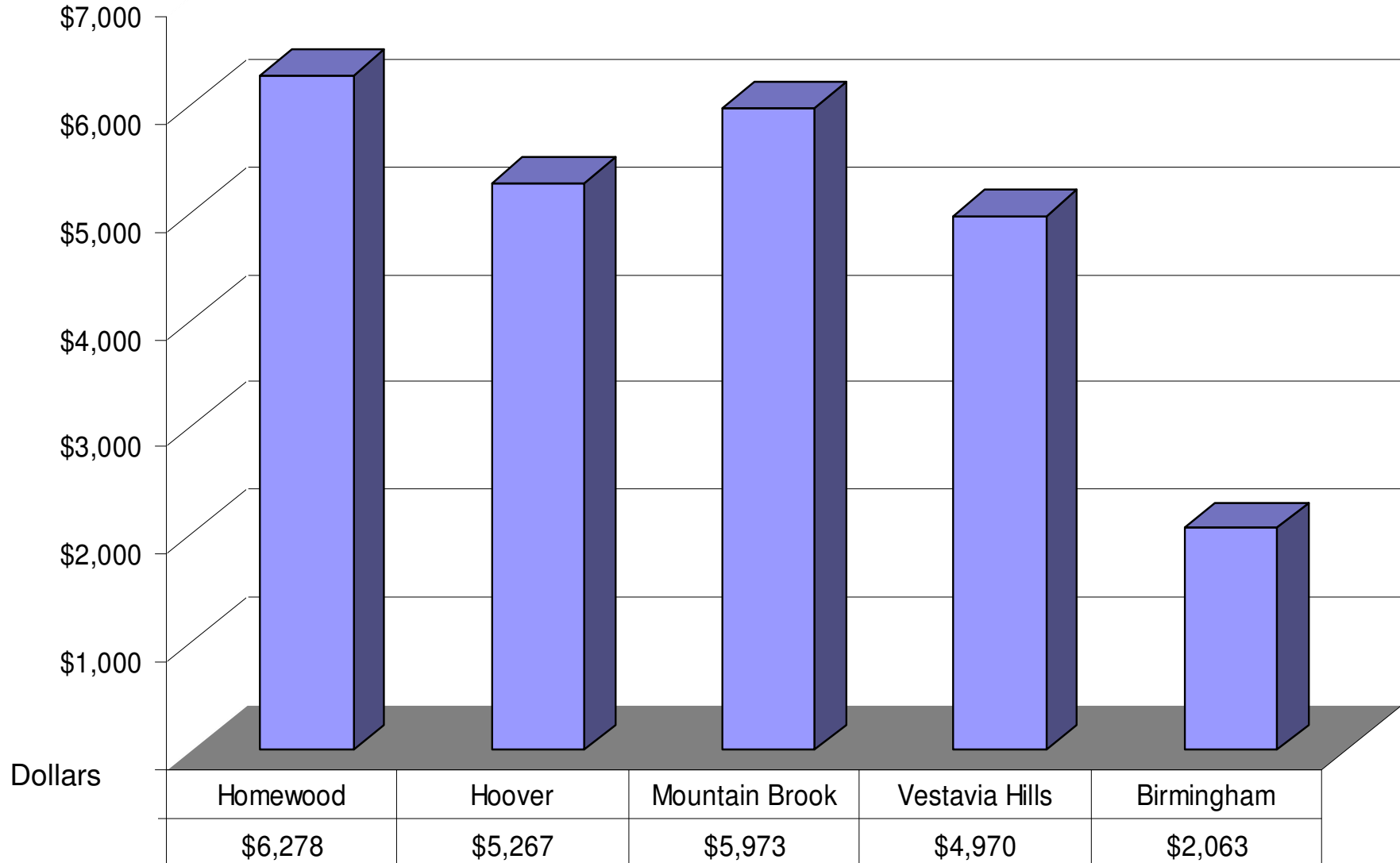
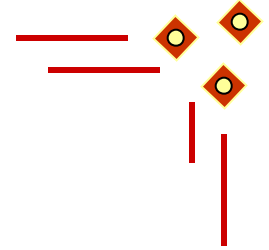
***It can only be expended for Capital Outlay and Renovation.**



Analysis of Local Per Pupil Expenditures

Local Expenditure Per Student

(As provided by the State Department of Education FY 2008)



BIRMINGHAM CITY SCHOOLS

Budgeted Revenues

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BIRMINGHAM CITY SCHOOLS
Schedule of Federal Revenues
For the year ending September 30, 2011

Title I - Part A	\$ 15,238,707
Title II - Professional Development	3,082,575
Title II - Technology	55,448
Title IV - Safe & Drug Free Career and Technical Education	-
Basic Grant-\$667,864; Tech Prep-\$65,270	733,134
IDEA Part B (Special Education)	7,073,253
IDEA Pre-School	120,843
ARRA Title I, Part A (estimated carryover)	4,518,802
ARRA IDEA, Part B (estimated carryover)	5,898,286
ARRA IDEA, Part B Preschool (estimated carryover)	200,000
ARRA Fiscal Stabilization	6,513,603
ROTC	700,000
Other (Child Nutrition Program, etc.)	11,599,230
Total Federal Revenue	\$ 55,733,881



BIRMINGHAM CITY SCHOOLS

Functional Expenditure Areas

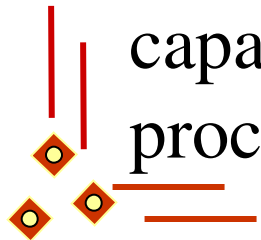
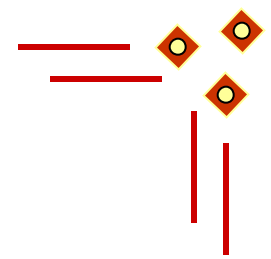
There are 8 Functional Areas of Expenditures:

💰 Instructional Services – activities directly with the interaction between teachers and students.

💰 Instructional Support Services – activities providing supervision and/or support to facilitate instruction.

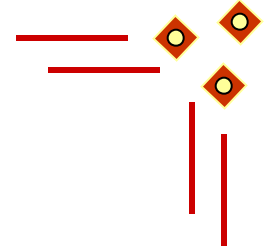
💰 Operation & Maintenance – activities concerned with keeping the physical plant open, comfortable and safe, and maintaining the grounds, buildings and major equipment.

💰 Auxiliary Services – activities of a subsidiary capacity and lending assistance to the educational process.



BIRMINGHAM CITY SCHOOLS

Functional Expenditure Areas



8 Functional Areas of Expenditures (Cont'd):

💰 General Administrative Services – activities concerned with establishing and administering policy for operations.

💰 Capital Outlay – activities of acquiring land, buildings, improvements, construction, architecture and engineering.

💰 Debt Services – activities involved in servicing the long term debt(s) of the school system.

💰 Other Expenditures – activities of programs other than those normally considered “day school”.



BIRMINGHAM CITY SCHOOLS

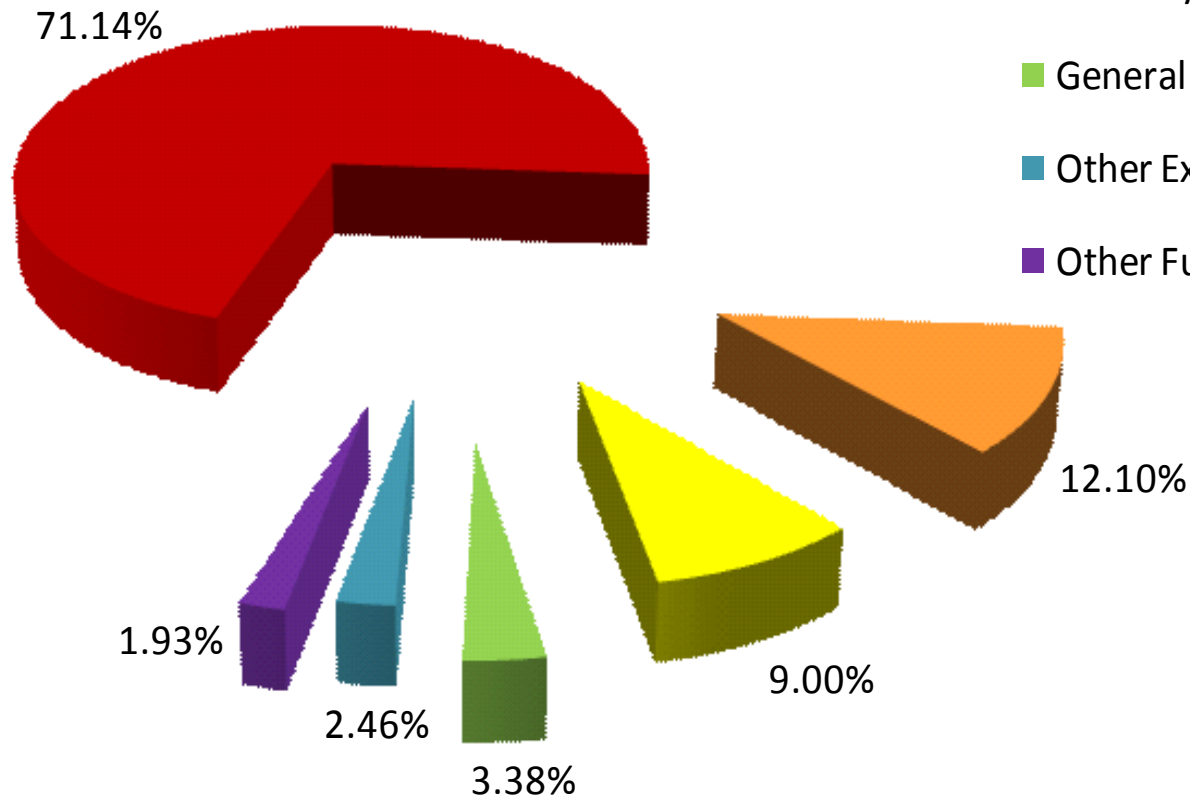
Budgeted Expenditures

(For the year ending September 30, 2011)

	General	Special	*Capital	Expendable	
	Fund	Revenue	Projects	Trust	
	Fund	Fund	Fund	Fund	Totals
Expenditures & Other Fund Uses:					
Instructional Services	\$119,506,531	\$18,690,659	\$5,714,319	\$768,255	\$144,679,764
Instructional Support Services	41,109,782	16,511,227	559,013	24,280	58,204,302
Operations and Maintenance	26,853,183	6,593,888	622,365	0	34,069,436
Auxiliary Services	7,857,219	16,953,436	418,230	59,615	25,288,500
General Administrative Services	8,099,889	1,229,131	0	0	9,329,020
Capital Outlay	0	0	94,232,585	0	94,232,585
Debt Services	0	0	5,549,567	0	5,549,567
Other Expenditures	1,287,569	5,330,136	0	170,919	6,788,624
Other Fund Uses	5,320,613	0	3,500,000	0	8,820,613
Total Expenditures & Other Fund Uses	\$210,034,786	\$65,308,477	\$110,596,079	\$1,023,069	\$386,962,411

BIRMINGHAM CITY SCHOOLS
Total Budgeted Operating Expenditures
For the year ended September 30, 2011
(\$ IN Millions)

- Instructional \$196.6
- Operations and Maintenance \$33.4
- Auxiliary Services \$24.9
- General Administrative Services \$9.3
- Other Expenditures \$6.8
- Other Fund Uses \$5.3



Budgeted Revenues and Expenditures

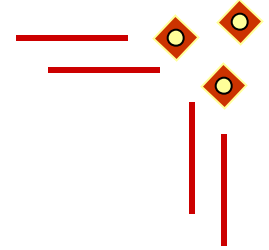
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Expenditures & Other Fund Uses:					
Instructional Services	\$119,506,531	\$18,690,659	\$5,714,319	\$768,255	\$144,679,764
Instructional Support Services	41,109,782	16,511,227	559,013	24,280	\$58,204,302
Operations and Maintenance	26,853,183	6,593,888	622,365	0	\$34,069,436
Auxiliary Services	7,857,219	16,953,436	418,230	59,615	\$25,288,500
General Administrative Services	8,099,889	1,229,131	-	0	\$9,329,020
Capital Outlay	0	0	94,232,585	0	\$94,232,585
Debt Services	0	0	5,549,567	0	\$5,549,567
Other Expenditures	1,287,569	5,330,136	0	170,919	\$6,788,624
Other Fund Uses	5,320,613	0	3,500,000	0	\$8,820,613
Total Expenditures & Other Fund Uses	\$210,034,786	\$65,308,477	\$110,596,079	\$1,023,069	\$386,962,411
Excess of Revenues Over (Under) Expenditures	(3,234,010)	631,325	(96,537,077)	69,675	(99,070,087)
Fund Balance Beginning of the Year	0	3,725,000	205,500,000	0	209,225,000
Fund Balance End of the Year	(\$3,234,010)	\$4,356,325	\$108,962,923	\$69,675	\$110,154,913

*Capital Project Funds are not considered Operating Revenues.

BIRMINGHAM CITY SCHOOLS

Upcoming Budget Challenges

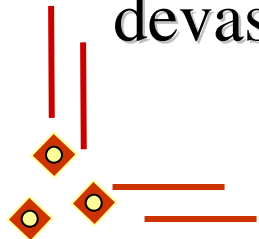


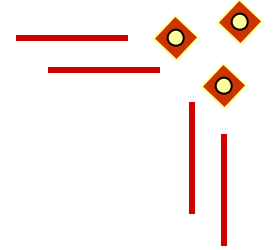
💰 The cost of employees' salaries and benefits are continuing to increase at alarming rates. This obligates the Board to pay for such increases beyond State allocations.

💰 The cost of goods and services are continuing to increase while we are still losing State dollars. This also supports our need for additional local support.

💰 Demands for additional resources to address various operational needs. Therefore, local support is needed to address these needs.

💰 A continuous loss of student enrollment is having a devastating effect on the financial stability of the District.





Questions & Answers

