Strategic Budgeting & Maximizing Funding

AASBO February Conference - 2025

What is Strategic Budgeting?

Creating a financial plan that aligns with district goals, both short-term and long-term. These goals should be included in your district strategic plan.

Budgets should be viewed as a solution and not just a list of expenses.

- **Assessing Current Financial Situation**: Review previous budgets, expenditures, and revenue streams.
- **Setting Clear Priorities**: Align budget goals with educational objectives (e.g., improving literacy rates, technology infrastructure, or teacher retention).
- **Engaging Stakeholders**: Include input from school leaders, staff, and the community for a holistic approach.
- **Resource Allocation**: Allocate funds where they will have the most significant impact
- **Risk Assessment & Contingency Planning**: Prepare for uncertainties (e.g., unexpected costs or revenue shortfalls).

Budgeting & Forecasting

Must start with a 30,000 foot view - Understand the importance of strategic budgeting and how effective financial planning can improve school operations, student success, and long-term sustainability

- Political
- Managerial
- Financial
- Long-range planning perspective
- Using strategy and not just reactionary budgeting

DISCRETIONARY FUNDS	2024-2025	Based on New PHS in 2027
Annual Revenue	$34,498,088	$35,401,702
Annual Cost	$34,418,484	$38,514,667
Deficit/Surplus	$79,604	-$3,112,965
	2024-2025	Model
REVENUE ESTIMATES	Revenue	Revenue
State OCE funds (not earmarked)	$5,535,567	$5,500,000
Local tax revenue	$27,459,889	$28,400,000
State Capital Purchase for facilities	$931,702	$931,702
Interest	$100,000	
After school programs	$145,930	$145,000
Indirect(Feds)	$195,000	$195,000
Other revenue:	$0	$0
	$0	$0
medicaid reimbursement	$130,000	$130,000
CNP reimbursement	$0	$100,000

When capital plan includes new schools, debt issuance, must understand what impact current choices will have on those future goals

Budgeting & Forecasting of Revenue Sources

- Local property taxes - estimates from county tax assessor/extract, base on multi-year trends - important to know that your county assessor is making ANNUAL reappraisals/adjustments due to caps on increases
- Local sales taxes - discussion with local government to determine any known changes, base on multi-year trends and other economic indicators - who are your major taxpayers, what market sensitivity do you have?
- State funding (Foundation, etc) - Use LEAPS and Personnel Coding to Maximize
- Federal funding (Title I, Title II, IDEA funds, etc.) - Not treated as independent sources, but part of the overall strategic budget
- Grants and partnerships - should align with system strategic goals
- Fundraising and local donations

How to Use LEAPS To Maximize Foundation Funds

- Code ONLY state earned **certified** units to foundation (Unearned certified units should be coded to other fund sources)
- Using budget works or salary schedule reports, code highest degree/highest experience teachers to foundation funds
- Lowest degree/experience when possible to federal and local funds
- LEAPS foundation units are pulled by SDE to determine funding for state earned units - system state earned allocations are based on the degree/experience and state salary matrix
- All non-certified (support) personnel (objects 100-179) to foundation - this helps increase your benefits allocation amount as well as used in SDE reports on how many personnel schools employee to operate schools

State of Alabama

Department of Education

State and Local Certified FTE Matrix

Pelham City (177) - System Total

Year: 2024, Month: 10

	Bachelor's		Master's		6 Year		Doctoral		Non Degree	
< 3 Years	**11.00**	4.33%	**12.00**	4.73%	**1.00**	0.39%	**0.00**	0.00%	**3.00**	1.18%
< 6 Years	**12.00**	4.73%	**20.00**	7.88%	**1.00**	0.39%	**0.00**	0.00%	**0.00**	0.00%
< 9 years	**6.00**	2.36%	**22.00**	8.67%	**3.00**	1.18%	**0.00**	0.00%	**0.00**	0.00%
< 12 years	**8.00**	3.15%	**24.00**	9.46%	**3.00**	1.18%	**1.00**	0.39%	**0.00**	0.00%
< 15 years	**3.00**	1.18%	**20.00**	7.88%	**6.00**	2.36%	**3.00**	1.18%	**0.00**	0.00%
< 18 years	**3.00**	1.18%	**8.00**	3.15%	**4.00**	1.58%	**0.00**	0.00%	**0.00**	0.00%
< 21 years	**8.00**	3.15%	**16.00**	6.30%	**3.00**	1.18%	**1.00**	0.39%	**0.00**	0.00%
< 24 years	**2.00**	0.79%	**19.00**	7.49%	**4.00**	1.58%	**0.00**	0.00%	**0.00**	0.00%
< 27 years	**5.00**	1.97%	**6.25**	2.46%	**2.00**	0.79%	**0.00**	0.00%	**0.00**	0.00%
27+ years	**3.00**	1.18%	**9.54**	3.76%	**1.00**	0.39%	**0.00**	0.00%	**0.00**	0.00%

Total Matrix FTE: 253.79

LEAPS Should Reflect Units Above Earned in Federal or Local

State of Alabama

Department of Education

Certified FTE by Funding Source for 10/2024

System	School	State Source FTE	State Source Salary	Federal Source FTE	Federal Source Salary	Local Source FTE	Local Source Salary	Total FTE	Total Salary
177	**Pelham City**								
0000	Pelham City	0.95	$117,799.20	2.80	$261,299.10	6.25	$864,935.00	10.00	$1,244,033.30
0001	Pelham City Board of Education	2.00	$163,653.25	0.75	$65,937.75	2.25	$196,733.00	5.00	$426,324.00
0085	Pelham High School	70.22	$5,219,051.64	0.00	$0.00	14.31	$999,950.08	84.53	$6,219,001.72
0087	Pelham Park Middle School	47.41	$3,250,074.71	1.00	$62,558.00	5.39	$339,594.09	53.80	$3,652,226.80
0150	Pelham Ridge	56.33	$3,747,937.99	2.50	$157,093.50	1.67	$111,373.51	60.50	$4,016,405.00
0155	Pelham Oaks	52.12	$3,322,165.22	3.29	$211,677.95	2.09	$169,507.43	57.50	$3,703,350.60
	System Totals	**229.03**	**$15,820,682.01**	**10.34**	**$758,566.30**	**31.96**	**$2,682,093.11**	**271.33**	**$19,261,341.42**

Budgeting & Forecasting - Debt

- Using the long-term debt schedules - establish your needed funds for debt payments
  - Use PSF Allocation first, then local
  - In establishing long-range budgets and plans, I use the highest amount in the succeeding 5 years
- The remainder is what is left for other initiatives and establishing personnel funding models

Plan of Excellence		2024-2025	Based on New PHS in 2027	
Facilities / Debt / Projects		$14,297,911	$16,400,000	$2,102,089
10 Mill match deducting state funds		$5,794,790	$5,800,000	$5,210
District tax payment to Shelby Co		$0	$0	$0
Annual projects / build reserves		$3,500,000	$500,000	-$3,000,000
Leveraged debt inherited from Shelby		$23,718		-$23,718
Leverage Debt Insurance Payment	14-5-8100-395-9200-8411-0-9200-0000	$13,935		
Debt inherited from Shelby		$649,383		-$649,383
Central Office Debt to City for library		$120,000		-$120,000
2017 BOE Issue (PNC)		$748,609		-$748,609
City Issued Debt Payments		$3,447,475		-$3,447,475
Total debt $5,003,121		*	$10,100,000	
Debt for future construction				
Capital purchase state match				

Budgeting & Forecasting - Staffing

- State Earned Units
- Other State Units (Reading Coach, Interventionist Grant, Career Coach, etc)
- Current staffing levels
- Federal Units/Allocations
- Local Unit Commitments - based on long-range plan (CSFO must understand how many overall local units the system could carry)
- Employer paid costs (PEEHIP rates, TRS rates, new SUI rate)
- Staffing costs are done through Budget Works then imported into the budget
- Staffing commitments for certified units are typically done in February

Budgeting & Forecasting - Staffing

- Start with current personnel in each school
- Compare to earned units for the next budget year - Perform this estimate after the 20 Day Report is final
- Before meeting with principals, matriculate students up to show actual students in the building for the following year that will need to be served - along with Special Populations
- Develop a long-range goal of how your district will fund local units
  - Must factor in how much each state-earned unit costs your district
- Fill-in with federal funds as needed
- Develop support staff budgets by area - Custodians, nurses, office staff, etc

Budgeting & Forecasting - Staffing

Understanding your system's local costs of state earned units - The amount below will come from the OCE allocation to fully fund the state earned teacher units

Salaries vs Earned Funds Analysis:		
Cost of 219.45 Units		$ 19,833,321.26
State Allocation for Salary and Benefits		$ 19,127,910.00
Difference:		$ 705,411.26

This lowers the amount remaining for use in support staff salaries and benefits

Understanding Your System's Long-range staffing Plan and Capabilities

					Long-range reduction
Model with New Debt:		31	Current	38.9	-7.9
CO	10		12.5		-2.5
PRES	3		2		1
POES	3		2		1
PPMS	5		4.11		0.89
PHS	11		17.96		-6.96

FY 2026 Unit Planning

PPMS - 0087

FY 2025 Units Placed:	**53.8**		**FY 2026 Planning**	**52.8**		
How These Are Funded:			How These Are Funded:			
State Earned	47.16		State Earned	47.44		
IDEA	1		IDEA	1		
State ESL	0.25		State ESL	0.25		
Local	5.39		Local	4.11		
Unfunded	**0**		**Unfunded**	**0.00**		
			Updated from AIM on 1/28/2025			
Students By Grade:			ESTIMATED Students By Grade:		Variance	
6th	243.8		6th	238	-5.8	
7th	262.55		7th	243	-19.55	Loss of 1
8th	324.2		8th	264	-60.2	Loss of 3
Total To Serve	830.55		Total To Serve	745	-85.55	
FY 2025 Earned	47.16					
FY 2026 Earned	47.44	0.28	Increase			
FY 2027 Est Earned	43.10	-4.34	Decrease			
FY 2028 Est Earned	44.52	1.42	Increase			

Having growth and decline projections help in staffing meetings to prepare for future swings and not over-staff before upcoming cuts

108/740 = 14.6% - This is high numbers for special ed (18 going to PPMS, K at 16, loss of 2 if new K is level)

Current EL - 147 - 16 leaving from 5th Grade, K is 17, estimate the number to stay the same or close

Estimates only, Federal allocations, Set asides, etc all impact Title I funding

	ADM	Pov %	S # Pov	X PPA	Estimated $
AIM	740	54.59	420	372.	$156,513
				Estimated $	156,511.92

Additional Notes to consider:		
State Earned Special Ed Units =	5.82	
Placed Special Ed Units =	7.5	
Using 1.68 additional units in special ed to reduce case loads = increase class size for general ed		
Asst Principal Earned =	0.5	
Asst Principal Placed =	2	
Using 1.5 additional unit for AP = equals increase class size		
Music - 1 ; Art - 1 ; STEM - 1		
These are not state earned in the formula - using units to cover = increased class size as well		
Extra Units in special ed	1.68	
Units from Teachers to Cover AP	1.5	
Total Units moved out of general ed classroom	**3.18**	PRINCIPAL DECISION

** I understand that as principal, the use of units is at my discretion. I have chosed to use additional units in intervention, an additional 1.68 above the state recommendation in Special Ed, Music, Art, STEM and 1.5 in Assistant Principal in lieu of the general ed classroom.

This is where we discuss with Directors and Principals the importance of stacking our federal funds to achieve our system goals related to staffing, class-size and achievement

Costs of Mandates that May not be fully funded - These 2 equate to 1 less unit funded locally

FY 25 Nursing Budget	
1 Lead and 4 School Nurses	$ 449,357.62
Additional Pay - Extracurricular	$ 18,193.50
Extracurricular Contract	$ 15,000.00
FT Subs	$ 10,000.00
PHS Subs	$ 2,000.00
PPMS Subs	$ 2,000.00
PRES Subs	$ 2,000.00
POES Subs	$ 2,000.00
PHS Supplies	$ 1,500.00
PPMS Supplies	$ 1,500.00
PRES Supplies	$ 1,500.00
POES Supplies	$ 1,500.00
District Supplies (Lead Nurse)	$ 1,500.00
Travel/Training	$ 3,000.00
Total Costs	$ 511,051.12
State Nurse Allocation	$ 443,887.00
Funds Available	$ 443,887.00
Overage Covered By Local	**$ 67,164.12**

Reading Coach Funding to Actual Cost

Allocation = $170,000

	Funded	Actual	Cost to BOE	Reading Coach Allocation
[redacted]	$85,000.00	$89,860.55	$4,860.55	$85,000.00
717				
[redacted]	$85,000.00	$92,884.60	$7,884.60	$85,000.00
577				
	$170,000.00	**$182,745.15**	**$12,745.15**	**$170,000.00**

Budgeting & Forecasting - Staffing

Using Foundation Allocation:

- Deduct full costs of state earned teacher units first
- Remainder is left for all support staffing (other than what is funded by other state allocations or federal allocations)
- Remember - utilize as much as possible on support staff so that they are coded to fund source 1110 on LEAPS
- I use budget works for personnel - using the budgeted fixed charge by GL (BFCG if you need to search NextGen) report, I can see total salaries and benefits that will import to the budget and make sure this does not exceed available foundation funds prior to importing the salaries and benefits to my live budget

PELHAM CITY SCHOOL SYSTEM

DATA SOURCE TABLE NAME: FY25 BUDGET YEAR: 2025

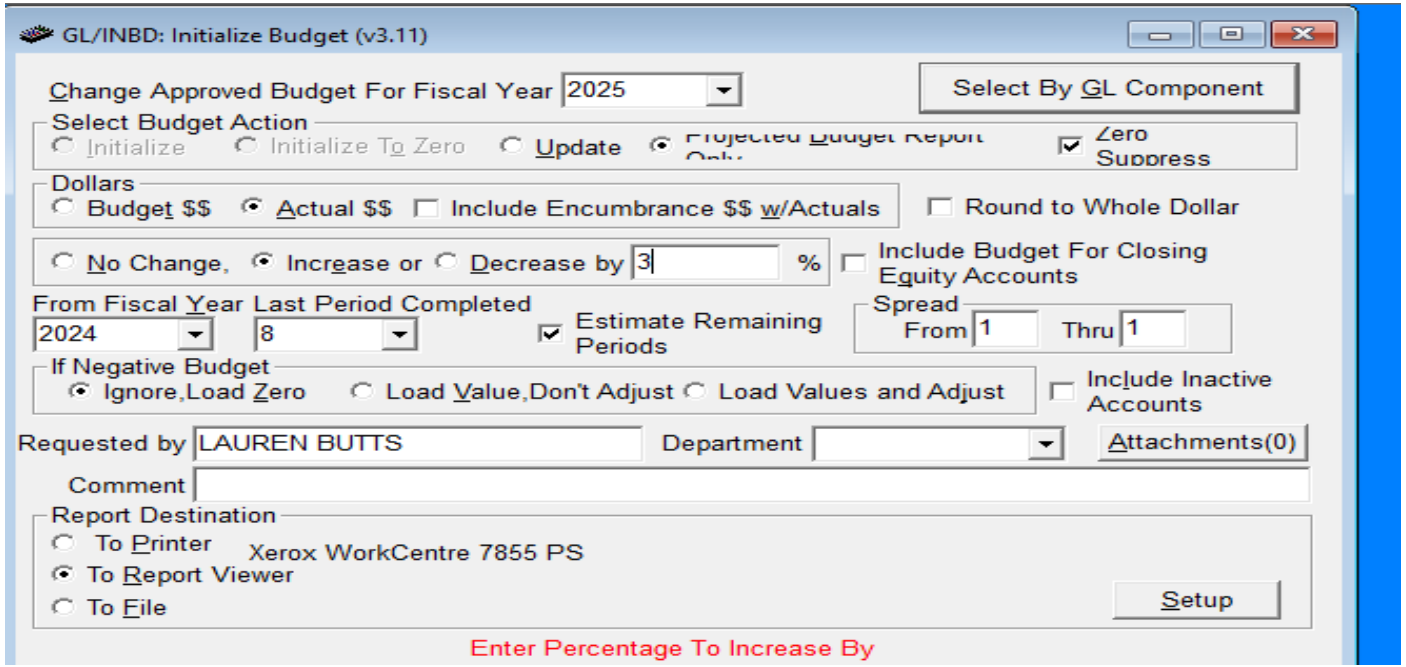
EMPL # NAME	SALARY	PEEHIP	RETIREMENT	SOC SEC W H	MCARE W H	SUI	TOTAL	CNT
SELECTED COMPONENT NAME(S) VALUE								
ACCOUNT TOTAL =====>	156,060.00	9,600.00	21,177.00	9,474.00	2,216.00		198,527.00	1
Fd-C-Func-Obj-CCtr-SFnd-Y-Prog-Spec								
11-5-6310-123-8610-1110-0-8600-0000								
[redacted]	60,003.00	9,600.00	8,142.00	3,417.00	799.00		81,961.00	
ACCOUNT TOTAL =====>	60,003.00	9,600.00	8,142.00	3,417.00	799.00		81,961.00	1
Fd-C-Func-Obj-CCtr-SFnd-Y-Prog-Spec								
11-5-6310-133-8610-1110-0-8600-0000								
[redacted]	35,502.40	7,680.00	4,818.00	2,201.00	515.00		50,716.40	
[redacted]	66,601.00	9,600.00	9,038.00	3,985.00	932.00		90,156.00	
ACCOUNT TOTAL =====>	102,103.40	17,280.00	13,856.00	6,186.00	1,447.00		140,872.40	2
Fd-C-Func-Obj-CCtr-SFnd-Y-Prog-Spec								
11-5-6410-097-8610-1110-0-8600-0000								
[redacted]	68,984.30	5,280.00	9,361.00	4,224.00	988.00		88,837.30	
ACCOUNT TOTAL =====>	68,984.30	5,280.00	9,361.00	4,224.00	988.00		88,837.30	1
Fd-C-Func-Obj-CCtr-SFnd-Y-Prog-Spec								
11-5-6520-117-8610-1110-0-8600-0000								
[redacted]	105,467.00	9,600.00	14,312.00	6,265.00	1,465.00		137,109.00	
ACCOUNT TOTAL =====>	105,467.00	9,600.00	14,312.00	6,265.00	1,465.00		137,109.00	1
1110 TOTAL =====>	16,873,997.96	2,527,254.00	2,277,300.00	1,006,091.00	235,294.00		22,919,936.96	275
GRAND TOTAL =====>	16,873,997.96	2,527,254.00	2,277,300.00	1,006,091.00	235,294.00		22,919,936.96	275

*** END OF REPORT ***

If this total exceeds the allocation - I can change an employee GL and recompute

Budgeting & Forecasting - Utilities

- Use a 3-5 year average or use Budget Initialization in NextGen



Budgeting & Forecasting - Program/Department Budgets

- Meet with each area separately
- Collaborative budget meeting with all departments together
- Utilize google sheets to collaborate all along prior to each meeting
- Having all areas together in the same room helps each one understand the full picture while providing the opportunity for outside the box solutions for multiple areas.
- Use a budget import for each department/area

Total Compensation/Benefits Budgeted	**$405,985.38**			
		State	**IDEA PreK**	**IDEA**
Health Services	$ 80,500.00	$ 2,073.00		$ 78,427.00
Health Services - Travel	$ 2,500.00			$ 2,500.00
Software	$ 2,500.00			$ 2,500.00
Subs - Instructional	$ 12,000.00	$ 800.00		$ 11,200.00
Subs-Professional Development	$ 2,200.00			$ 2,200.00
Professional Development-Travel	$ 2,000.00	$ 1,000.00		$ 1,000.00
Field Trip Mileage	$ 500.00			$ 500.00
Other Instructional Services	$ 66,500.00	$ 2,000.00	$ 936.00	$ 63,564.00
Instructional Materials and Supplies	$ 10,000.00	$ 2,000.00	$ 3,000.00	$ 5,000.00
Testing Supplies	$ 10,000.00	$ 1,000.00	$ 1,000.00	$ 8,000.00
Other Non-instructional Supplies	$ 1,000.00			$ 1,000.00
Instructional Equipment	$ 1,000.00			$ 1,000.00
Computer Hardware	$ 5,000.00			$ 5,000.00
Professional Development Registration	$ 3,000.00	$ 500.00		$ 2,500.00
Indirect Cost	$ 9,880.88			$ 9,880.88
Professional Development Speakers	$ 3,000.00			$ 3,000.00
Contracted Speech Teachers	$ 41,000.00			$ 41,000.00
Private Agencies (Behavior One)	$ 20,000.00			$ 20,000.00
Furniture	$ 3,000.00			$ 3,000.00
AIDE	$24,488.47			$24,488.47
Total Budget	**$706,054.73**	**$ 9,373.00**	**$ 4,936.00**	**$ 285,760.35**
Total Allocation (IDEA Part B)	**$685,526.00**			
Total Allocation (IDEA Part B - PreK)	**$ 8,196.00**			
Total Allocation (State PreK funds)	**$ 11,740.00**			
Total Allocations	**$705,462.00**	$ 316,476.62		
Difference	**$ 592.73**			

Strand #4 Technology		**$1,178,148**	**$1,175,300**	-$2,848
Technology Budget		$975,000	$975,000	$0
1. Technology / device integration				
2. Software and PD to support				
3. Infrastrucutre				
4. Operations - management				
Library -Destiny and Overdrive	11-5-2220-333-8200-6001-0-8220-1108	$15,000	$28,300	$13,300
PowerSchool Online Registration	11-5-2190-333-8200-6001-0-8210-1108	$50,000	$50,000	$0
Schooldude	11-5-3200-333-8610-6001-0-8300-1108	$9,000	$10,000	$1,000
Timeclock	11-5-6510-333-8610-6001-0-8600-1108	$18,048	$20,000	$1,952
NextGen plus Forms	11-5-6310-333-8610-6001-0-8600-1108	$105,000	$85,000	-$20,000
5. Hardware				$0
6. Technology to communicate	11-5-2190-333-8200-6001-0-8210-1108	$6,100	$7,000	$900

Budgeting & Forecasting - The Bottom Line

- Once every area has made requests - where is the bottom line?
- Here is where the strategic plan and prioritization comes in
  - When funds remaining - what from the strategic plan or capital plan can be added?
  - When funds are in a deficit, what lower priorities are removed?

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Annual Revenue	$34,498,088	$35,401,702
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Questions?

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