



Budget Prep for CSFOs

Budget Planning & *Revenue Projections*

New CSFO Training
May 2023

What is a Budget?


- A Forecast / A Projection
 - A budget is made to be amended
 - Be Wise – Use Available Data
 - Be Conservative – Be Realistic
- Multi – Year
 - Working on current year amendment while preparing next year's budget
- Involves all parties
 - Requires lots of input

Sources of Information

- Allocation information from ALSDE
- Local Tax Projections / Tax Digest
- Bond Documents
- Superintendent / Board Initiatives
- Personnel – New Hires / Retirements
- Departmental Needs
- Capital Projects (Capital Plan)

Topics for Discussion

- Requirements per Code of Alabama
- Revenue Projections
 - State Revenues
 - Federal Revenues
 - Local Revenues
- Factors Affecting Revenues
- Salary Schedules



School Fiscal Accountability Act: Section 16-13A Code of Alabama

“A local BOE shall develop a plan to establish and maintain a minimum reserve fund equal to one months operating expenses.”

Requirements for Budget Hearings

Section 16-13-140 Code of Alabama

(As amended by Act 97-624)

- ▶ Each board shall –
 - Hold at least two open public hearings
 - Hearing held during a scheduled board meeting
 - At a time and place convenient for the public
 - The board shall publicize the date and time of each hearing in the local media

Requirements for Budget Hearing - Continued

- ▶ Recommend the proposed budget be available 24 to 48 hours prior to meeting
- ▶ Each board shall seek input from the public concerning the budget and allocation of resources
- ▶ After at least two public hearings, the board will develop a final budget and have copies available to the public

Requirements for Public Hearing - Continued

- Notice of each hearing posted at:
 - Local Board Office
 - County Courthouse
 - Main Municipal Building
 - Each Local School
 - Website

Budget Hearings

- Provide your board and public with as much information as possible about the financial condition of your district
- Your community needs to understand the financial picture facing their school district.
- They also need to know the financial consequences in trying to stay solvent .

Budget Hearings

- Communication is the key to good community support
- No surprises
- Transparency and Accountability
- How did we get to where we are?

Alabama Secretary of State Website

<http://www.sos.alabama.gov>



The screenshot shows the Alabama Secretary of State website. The header includes the state seal, the text "Alabama Secretary of State", and navigation links for "SOS Office", "Elections", "Services", "Records", and "Contact". There are also social media icons for Facebook, Twitter, and YouTube. The main content area has a blue banner with the text "Legislative Acts" and a breadcrumb trail: "Home > Government Records > Legislative Acts". Below the banner, there is a section titled "Legislative Acts By Act Number" with a search form. The form has a label "Act:" followed by two input boxes separated by a hyphen, and a "Search" button. Below the search form, there is a section titled "Legislative Acts Search Options" with a list of search criteria: "Act Number", "Bill Number", "Legislative Author", "Description", "Subject", and "Act Year". On the right side of the page, there is a blue sidebar titled "Government Records" with a list of record types: "Code of Alabama Constitution (1901)", "Proposed Constitutional Amendments", "Legislative Acts", "Administrative Code", "Proposed Rules", "Records Disposition Authority", "Campaign Finance Records", "Notary Public Records", "Civil Law Notary Records", "Business Entity Records", "UCC Records", "Land Records", "Trademark Records", "Athlete Agents Search", and "City-County Lookup".

Alabama Secretary of State

SOS Office Elections Services Records Contact

Legislative Acts

Home > Government Records > Legislative Acts

Legislative Acts By Act Number

Please use the options below to search our legislative acts. Records with basic information begin in 1987. Complete copies begin in 1999. All acts from 1819 to 1901 can be found [here](#).

Act: -

Search

Legislative Acts Search Options

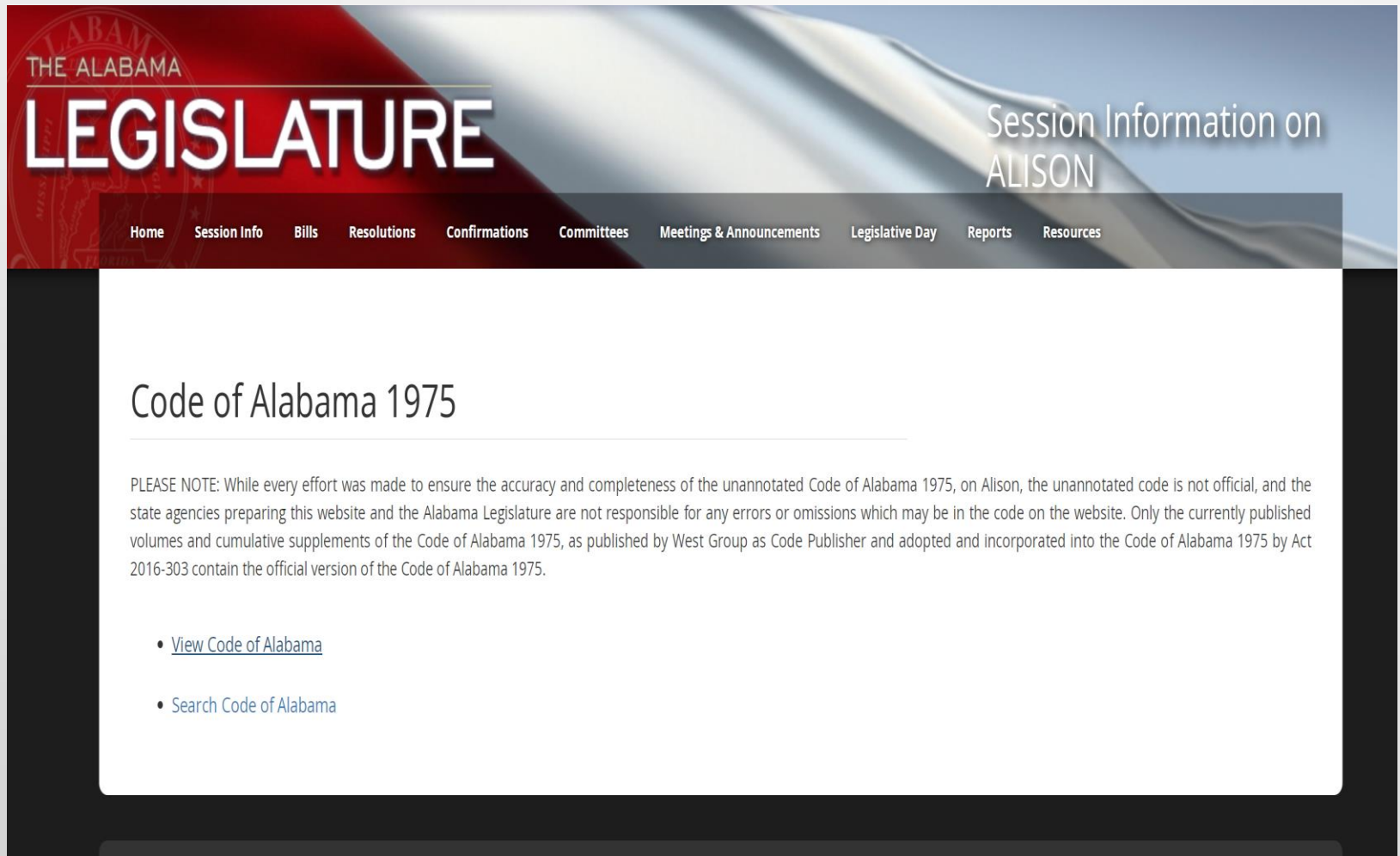
- [Act Number](#)
- [Bill Number](#)
- [Legislative Author](#)
- [Description](#)
- [Subject](#)
- [Act Year](#)

Government Records

- Code of Alabama Constitution (1901)
- Proposed Constitutional Amendments
- Legislative Acts
- Administrative Code
- Proposed Rules
- Records Disposition Authority
- Campaign Finance Records
- Notary Public Records
- Civil Law Notary Records
- Business Entity Records
- UCC Records
- Land Records
- Trademark Records
- Athlete Agents Search
- City-County Lookup

Use to
pull up
copy of
legislative
Act

<http://alisondb.legislature.state.al.us/acas/ACASLoginie.asp>



The screenshot shows the Alabama Legislature website. The header features the text "THE ALABAMA LEGISLATURE" in large white letters on a red background. To the right, it says "Session Information on ALISON". Below this is a navigation bar with links: Home, Session Info, Bills, Resolutions, Confirmations, Committees, Meetings & Announcements, Legislative Day, Reports, and Resources. The main content area has a title "Code of Alabama 1975" followed by a disclaimer. At the bottom, there are two links: "View Code of Alabama" and "Search Code of Alabama".

Code of Alabama 1975

PLEASE NOTE: While every effort was made to ensure the accuracy and completeness of the unannotated Code of Alabama 1975, on Alison, the unannotated code is not official, and the state agencies preparing this website and the Alabama Legislature are not responsible for any errors or omissions which may be in the code on the website. Only the currently published volumes and cumulative supplements of the Code of Alabama 1975, as published by West Group as Code Publisher and adopted and incorporated into the Code of Alabama 1975 by Act 2016-303 contain the official version of the Code of Alabama 1975.

- [View Code of Alabama](#)
- [Search Code of Alabama](#)

Code Of Alabama

Regular Session 2013	History	Sponsors	Fiscal Notes	Amds/Subs	View	Help
----------------------	---------	----------	--------------	-----------	------	------

Session

Code of Ala

Constitution

Search

View

The Code of Alabama 1975

CORPORATIONS.

[Title 12](#) COURTS.

[Title 13A](#) CRIMINAL CODE.

[Title 14](#) CRIMINAL CORRECTIONAL AND DETENTION FACILITIES.

[Title 15](#) CRIMINAL PROCEDURE.

[Title 16](#) EDUCATION.

[Title 17](#) ELECTIONS.

[Title 18](#) EMINENT DOMAIN.

[Title 19](#) FIDUCIARIES AND TRUSTS.

[Title 20](#) FOOD, DRUGS AND COSMETICS.

[Title 21](#) HANDICAPPED PERSONS.

[Title 22](#) HEALTH, MENTAL HEALTH, AND ENVIRONMENTAL

[Chapter 6B](#) EDUCATION ACCOUNTABILITY PLAN.

[Chapter 7](#) ALABAMA EDUCATIONAL TELEVISION COMMISSION.

[Chapter 7A](#) ALABAMA EDUCATIONAL TELEVISION FOUNDATION AUTHORITY.

[Chapter 8](#) COUNTY BOARDS OF EDUCATION.

[Chapter 9](#) COUNTY SUPERINTENDENTS OF EDUCATION.

[Chapter 10](#) BOARDS OF SCHOOL TRUSTEES.

[Chapter 11](#) CITY BOARDS OF EDUCATION.

[Chapter 12](#) CITY SUPERINTENDENTS OF SCHOOLS.

[Chapter 13](#) SCHOOL FINANCES GENERALLY.

[Chapter 13A](#) SCHOOL FISCAL ACCOUNTABILITY.

[Chapter 13B](#) COMPETITIVE BIDDING FOR CERTAIN CONTRACTS OF COUNTY AND CITY BOARDS OF EDUCATION.

Chapter 14 ALABAMA PUBLIC SCHOOL CORPORATION.REPEALED.

[Chapter 15](#) ALABAMA EDUCATION AUTHORITY.

[Chapter 16](#) ALABAMA PUBLIC SCHOOL AND COLLEGE AUTHORITY.

[Chapter 16A](#) BASE REALIGNMENT AND CLOSURE DISTRIBUTIONS.

[Chapter 17](#) EDUCATIONAL BUILDING AUTHORITIES

Internet | Protected Mode: On 100%

State Revenues

What is the Foundation Program?

In the early 1990's, Alabama's previous funding formula (commonly known as the Minimum Program) for public schools was challenged in court in what became known as the "Equity-Funding law suit." In response to this suit the Legislature adopted a new funding formula in 1995 known as the Foundation Program to begin operation in FY 1995-96.

The intent of the Foundation Program was to provide an equitable, basic funding stream for public K-12 schools throughout the state. The equity came through mandated 10-mill equivalence in local property tax which the local school system had to commit to the Foundation Program. In theory, a poorer school system operating only with funds provided through the Foundation Program would have the essential elements to offer a "solid foundational program."

The legislation also established a minimum-program framework for the K-12 funding budget. The Foundation Program provides to each school system the following:

- ✓ A minimum number of teachers (called units)
- ✓ A principal, assistant principals, librarians, and counselors according to school population (called instructional support units)
- ✓ Operations money known as Other Current Expense (OCE)
- ✓ Basic financial support for classrooms: textbooks; technology; professional development; library enhancement; and, classroom materials and supplies

What funds the Education Trust Fund?

The Education Trust Fund (ETF) is funded through a variety of state taxes. Unfortunately, most of them are very volatile and follow the fluctuations in economic cycles. The ETF was originally referred to as the “Special” Education Trust Fund but in 1995 the Legislature passed a law that removed the word “special” effective for FY97.

Sample ETF Funding



What is Average Daily Membership (ADM)?

ADM is an average of the number of students enrolled in a school or school system for the 20 days following Labor Day. The “count period” has not always been the first 20 days after Labor Day. Prior to ACT 2005-339, it was the first 40 days of school. This legislation changed the count period in order to more accurately reflect regular student enrollment.

Major Sources of Revenue for Education Trust Fund



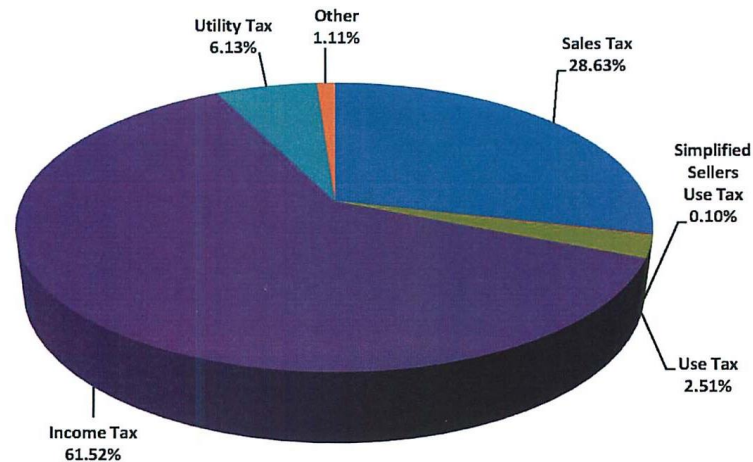
- State income tax
- State sales tax – 4% basic rate



- State utility tax (levied by the State on the gross sales of electricity, water, gas, telegraph and telephone services)
- State use tax – 4% basic rate

ETF allocation is distributed monthly – in 12 equal payments – to local school systems.





Education Trust Fund Receipts by Tax, FY 2017

The Education Trust Fund is the largest operating fund of the State. Revenues credited to the Education Trust Fund are used for the support, maintenance and development of public education and capital improvements relating to education facilities. Moneys on deposit in the fund are appropriated by the Legislature on an annual basis.

A Legislator's Guide to Alabama's Taxes; A Summary of the Major Revenue Sources of the State of Alabama, Legislative Fiscal Office, January 2018.

Allocation Sheet – State Revenues



State Department of Education
FY2023 Foundation Program
FY 2023 State Totals - Final

186 Pike Road City	FY 2023		FY 2022	Change
System ADM	2,592.05		2,407.15	184.90
Foundation Program Units				
Teachers	150.44		139.59	10.85
Principals	4.00		4.00	0.00
Assistant Principals	4.00		3.50	0.50
Counselors	6.00		5.50	0.50
Librarians	4.00		4.00	0.00
Career Tech Directors	0.25		0.25	0.00
Career Tech Counselors	0.00		0.00	0.00
Total Units	168.69		156.84	11.85
Foundation Program (State and Local Funds)				
Salaries	9,423,272		8,211,157	1,212,115
Fringe Benefits	3,626,300		3,223,160	403,140
Other Current Expense (\$21,175 /unit)	3,592,523	(\$20,702 /unit)	3,246,864	345,659
Classroom Instructional Support				
Student Materials (\$900/unit)	151,821	(\$700/unit)	109,788	42,033
Technology (\$500/unit)	84,345	(\$500/unit)	78,420	5,925
Library Enhancement (\$157.72/unit)	26,605	(\$157.72/unit)	24,737	1,868
Professional Development (\$100/unit)	16,869	(\$100/unit)	15,684	1,185
Textbooks (\$75/adm)	194,403	(\$75/adm)	180,536	13,867
Student Growth	1,196,488		0	1,196,488
Total Foundation Program	18,312,626		15,090,346	3,222,280
State Funds				
Foundation Program ETF	16,522,466		13,404,636	3,117,830
School Nurses Program	211,668		171,656	40,012
Salaries - 1% per Act 97-238	0		0	0
Technology Coordinator	66,840		60,966	5,874
Transportation				
Transportation Operations	1,578,030		1,451,741	126,289
Fleet Renewal (\$7,581 /bus)	257,754	(\$7,581 /bus)	235,011	22,743
Current Units	0		0	0
Capital Purchase	810,206		725,078	85,128
At Risk	46,052		29,048	17,004
Career Tech O and M	15,969		19,775	-3,806
Total State Funds	19,508,985		16,097,911	3,411,074
Local Funds				
Foundation Program (10 Mills)	1,790,160	(10 Mills)	1,685,710	104,450
Capital Purchase (0.525333 Mills)	93,957	(0.450926 Mills)	75,981	17,976
Total Local Funds	1,884,117		1,761,691	122,426

Monthly Allocation = (Foundation Program - EFT, School Nurse, High Hopes, 1% Salaries, Tech Coord, Transportation, At-Risk, and Preschool)

11 months 1,556,000 1,270,421 277,420

State Revenues - Variables



State Department of Education
FY2023 Foundation Program
FY 2023 State Totals - Final

Variables			
Grade Divisors		Instructional Support	
Gr K	14.25	Teacher Materials	\$900.00
Gr 1	14.25	Technology	\$500.00
Gr 2	14.25	Library Enhancements	
Gr 3	14.25	Professional Development	\$100.00
Gr 4	20.43	Textbooks	\$75.00
Gr 5	20.43	Common Purchase	\$0.00
Gr 6	20.43	Transportation	
Gr 7	19.70	Fleet Renewal	\$7,581
Gr 8	19.70	Trans Leave Rate	\$50
Gr 9	17.95	Trans Adjustment1	
Gr 10	17.95	Trans Adjustment2	-\$2,755,581
Gr 11	17.95	Trans Adjustment3	\$14,460,945
Gr 12	17.95	Local Match	
Fringe Benefits		Foundation Program	10.00
Peehip	\$800	PSF	\$215,000,000
TRS Tier 1	12.59%	PSF Adjustment	\$0
TRS Tier 2	11.44%		
FICA	6.20%	Extension Increase	
Medicare	1.45%	Elementary Principal	.31
Unemployment Comp	0.1250%	Middle Principal	.35
Sick Days	5	Secondary Principal	.45
Personal Days	2	Unit Principal	.45
Amended Leave Rate		Elementary Asst Principal	.10
Certified Leave Rate	\$120	Middle Asst Principal	.10
OCE		Secondary Asst Principal	.10
OCE TRS Rate	12.18%	Unit Asst Principal	0.1
Oce Adjustment1		Elementary Counselor	.10
Oce Adjustment2	\$15	Middle Counselor	.00
Other		Secondary Counselor	.03
Contract Days FP	187	Unit Counselor	.03
Contract Days Support	182	Career Tech Counselor	.03
Contract Days Transportation	182	Career Tech Director	.45
Pay Raise % Support	0.04		
Pay Raise % Transportation	0.04		
(Foundation) <3	0		
<6	0		
<9	0		
<12	0		
<15	0		
<18	0		
<21	0		
<24	0		

Foundation – Unit Breakdown



Alabama Department of Education

FY2023 LEA Unit Breakdown

FY 2023 Foundation Program Final

Pike Road City

186

School Name	Type	ADM	Teacher Units	Principal Units	Assistant Principal Units	Counselor Units	Library/ Media Units	Additional Units (see note)	Career Tech Director	Career Tech Counselor	Total Units
Pike Road City Board of Education		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.25
Pike Road Elementary School		833.35	58.48	1.00	1.00	1.50	1.00	0.00	0.00	0.00	62.98
Pike Road Intermediate School		602.55	29.49	1.00	1.00	1.50	1.00	0.00	0.00	0.00	33.99
Pike Road High School		538.80	30.02	1.00	1.00	1.50	1.00	0.00	0.00	0.00	34.52
Pike Road Jr High School		617.35	32.45	1.00	1.00	1.50	1.00	0.00	0.00	0.00	36.95
Totals:		2,592.05	150.44	4.00	4.00	6.00	4.00	0.00	0.25	0.00	168.69

Flexibility of State Funds

School District _____

ALABAMA DEPARTMENT OF EDUCATION
NOTIFICATION OF INTENT TO EXERCISE FLEXIBILITY
FY 2022

Source of Funds to Utilize Flexibility	Allocation Amount	Intended Flexibility Amount

Fleet Renewal (Fund Source 1320) requires a letter of explanation signed by Superintendent and CSFO.

Flexibility shall **not** be exercised on funds allocated for the following:

- ☐ Salaries and Fringe Benefits
- ☐ PSF Capital Outlay dedicated to a specific capital outlay project or debt service
- ☐ Fleet Renewal Allocations –Fund Sources 2255, 2256
- ☐ State funds allocated for the following programs:
 - HIPPY
 - Career Tech Extended Contracts
 - Advanced Placement
 - Career Tech O & M
 - Alabama Reading Initiative (Separate Approval required by State Superintendent)
 - National Board Certification of Teachers
 - Library Enhancement – Fund Source 1223

Superintendent

Chief School Financial Officer

Flexibility of State Funds

Alabama Department of Education
Office of Financial Management

IV. Special Items

A. Flexibility

Flexibility among line items may be exercised on any state funds allocated by formula. Flexibility should not create a reduction of earned units and/or local board of education personnel.

Flexibility should not be exercised on any funds allocated for the following:

Salaries and Fringe Benefits

PSF Capital Outlay dedicated to a specific capital outlay project or debt service

Fleet Renewal Allocations –Fund Sources 1320, 2255,2256

State funds allocated for the following programs:

- HIPPY (Fund Source 1277)
- Advanced Placement (Fund Source 1285)
- Career Tech Extended Contracts
- Career Tech O&M (Fund Source 1222)
- Alabama Reading Initiative (Fund Source 1230) (Separate Approval Required by State Superintendent)

Please complete the Notification of Intent to Exercise Flexibility form if flexibility will be exercised.

Automated edits on the budget file will continue to be run when the file is submitted.



Exceptions to the edits regarding funds that will exercise flexibility will be made manually using the form referenced above as documentation.

A copy of the LEA Unit Breakdown Report issued by the Alabama Department of Education must be attached.

Federal Revenues

- Allocations received at different times
 - Make sure you are using the most current
- Understand what drives the amount of allocation
 - Special Education – Students Identified
 - Title Programs & USDA – Free/Reduced numbers (20 day report)
- Understand the TIMING of revenues
 - ESSER and ARP funds have multi-year spending timelines
 - Deadline quickly approaching 9-30-2024
- Indirect Cost – Revenue source for General Fund

Advancement & Technology Fund

	<p>STATE OF ALABAMA DEPARTMENT OF EDUCATION</p>	
		<p>Eric G. Mackey, Ed.D. State Superintendent of Education</p>
<p>Alabama State Board of Education</p>	<p>May 14, 2021</p>	
<p>Governor Kay Ivey President</p>	<p>MEMORANDUM</p>	
<p>Jackie Zeigler District I Vice President</p>	<p>TO: City and County Superintendents of Education</p>	
<p>Tracie West District II</p>	<p>FROM: Eric G. Mackey <i>EGM</i> State Superintendent of Education</p>	
<p>Stephanie Bell District III</p>	<p>RE: FY2021 Supplemental Appropriation</p>	
<p>Yvette M. Richardson, Ed.D. District IV President Pro Tem</p>	<p>Governor Kay Ivey has signed Act No: 2021-420 (the Act), which makes a Supplemental Appropriation from the ETF Advancement & Technology Fund. The Act provides for the allocation of funds to LEAs through the Alabama State Department of Education. The amount allocated to each LEA is attached to this memorandum. Allowable uses for these funds are set out in Section 29-9-4, the <i>Code of Alabama, 1975</i> and include the following:</p>	
<p>Tonya S. Chestnut, Ed.D. District V</p>	<ol style="list-style-type: none">1. Repairs or deferred maintenance of facilities for public education purposes.2. Classroom instructional support pursuant to <i>Code of Alabama</i>, Sections 16-13-231(b) (2) c and 16-13-231.3.3. Insuring facilities.4. Transportation pursuant to <i>Code of Alabama</i>, Section 16-13-233.5. Purchase of education technology and equipment, or both.6. School security measures as a component of a systemwide security plan.	
	<p>The Act also includes the requirement that funds shall not be expended without prior approval</p>	

**SB175 allows using
FY 2022 ETF funds
for Capital Outlay**

Local Revenue Sources

- Local revenue is used to supplement the Foundation Program funding
 - Additional teaching units
 - Enhance curriculum programs (Devices, Textbooks)
 - Capital improvements
 - Operations/Maintenance
 - Administrative Cost

Local Revenues

- It is essential that each Chief School Financial Officer know and understand the constitutional authority, rate and duration of all local revenues levied for the benefit of the school district
- For every source of local revenue you receive you should know:
 - the constitutional authority for levying;
 - who levies the tax
 - If there are any restrictions on the use of the tax proceeds
 - what indebtedness might be payable from the tax
 - the duration (unless tax is levied without limit as to time)

Local Revenues – Tax Study



PARCA

Public Affairs Research Council of Alabama

**School Millage Rate Study Report
February 20, 2007**

County: Jefferson
City: Bessemer
Mills Counted: 28

Breakdown:	Description	Authority	Last Voted	Last Levy	Last Collection
2.10	County	Sec. 269, CA 111, CA 325, CA 373	8/27/1991	10/1/2020	10/1/2021
5.40	County	CA 3, Section 1; CA 325, CA 373	8/27/1991	10/1/2020	10/1/2021
0.70	County	Act 1891 - 203, CA 325, CA 373	2/7/1891	Does not expire	
5.40	District 52	CA 3, Section 2; CA 325, CA 373	4/28/1992	10/1/2020	10/1/2021
3.00	District 52	CA 382	4/25/2000	10/1/2029	10/1/2030
2.00	District 52	CA 175	4/25/2000	10/1/2029	10/1/2030
4.70	City	CA 8 & CA 373	5/25/1982	10/1/2011	10/1/2011
4.70	City	CA 8 & CA 373	4/25/2000	10/1/2029	10/1/2029
28.00	Total				

Local Revenue Sources

- Property Taxes (ad valorem)
 - County-Wide
 - District
- Sales Tax
 - County-Wide
 - District
- City/County Appropriation

Local Revenues

- **Levied**
 - **County-wide taxes** are allocated on the Foundation Program basis
 - **District taxes** are allocated within the district where they are levied and collected
 - Other- Statutory

Allocation of Local Revenues



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Ed Richardson
Interim State Superintendent of Education

October 2, 2017

Mr. Barry Willingham
Revenue Commissioner
P. O. Box 2220
Cullman, AL 35056

Dear Mr. Willingham:

The Code of Alabama, 1975, § 16-13-31, provides that receipts from countywide taxes collected for the purpose of participating in the Foundation Program shall be distributed to local boards of education within the county based on their total Foundation Program calculated costs. Unless I have approved an alternative distribution plan, the percentages given for each school system identified below should be used in distributing receipts from countywide taxes for the fiscal year October 1, 2017, through September 30, 2018.

**FY 2017-2018 Percentage Distribution
of Countywide School Taxes**

<u>System</u>	<u>System Name</u>	<u>Percentage</u>
022	Cullman County	0.7495591
106	Arab City	0.0231101
125	Cullman City	0.2273308
Total		1.0000000

If additional information or assistance is needed, please contact Mr. Jerry Lassiter at telephone number (334) 242-9730.

Sincerely,

Ed Richardson
Interim State Superintendent of Education

ER/JAL

cc: Selected Public Officials

Alabama
State Board
of Education

Governor Kay Ivey
President

Jackie Zeigler
District I

Betty Peters
District II

Stephanie Bell
District III
Vice President

Yvette M. Richardson, Ed.D.
District IV

Ella B. Bell
District V

Cynthia McCarty, Ph.D.
District VI
President Pro Tem

Jeff Newman
District VII

Mary Scott Hunter, J.D.
District VIII

Ed Richardson
Interim Secretary and
Executive Officer

Local Revenue – Millage Rates

- Property Taxes- ad valorem taxes
 - Property-real and personal including motor vehicles
 - **Millage Rates**-A mill is equal to $\frac{1}{10}$ of one cent; one mill is equal to ten cents on each \$100 of assessed value of taxable property or \$1 for every \$1000 of assessed value

*** Local Revenues ***

Ad Valorem Taxes

ad valorem – Latin, according to the value of







A term used to describe (or measure) a tax levied on the value of property; a "mill" is equal to 1/10 of one cent; one mill is equal to ten cents on each \$100 of assessed value of taxable property. A single-family owner-occupied home with a fair market value of \$100,000 has an assessed value of \$10,000 and, per mill, will produce \$10 of tax revenue per year.

1/10 of



Four Classes of Property

As set out in the Constitution of Alabama in 1901

Class	Type of Property	Assessment Ratio (in terms of fair Market value)
Class I	Utilities 	30 %
Class II	“All property not otherwise classified.” Generally: business, commercial 	20%
Class III 	Agricultural, forest and single-family owner-occupied residential property	10%
Class IV	Private motor vehicles 	15%

Property Taxes

- Example—If your district has 27 mills of ad valorem taxes for schools, a **single family home** (Class III) with a FMV of \$100,000 would generate \$270 per year in property taxes for schools
 - Example—
 - $100,000 \text{ FMV} = \$10,000 \text{ AV}$
 - $\$10,000 \times .027 = \270
- Same property (Class II) commercial would generate \$540
 - $\$100,000 \text{ FMV @ } 20\% = 20,000$
 - $\$20,000 \times .027 = \540

Local Revenue – Sales Tax

- Sales Tax- based on gross sales or receipt of businesses
 - A “one cent sales tax” means one cent per \$ of gross sales
 - 40-12-4 of Code of Alabama authorizes County Commissions to levy sales tax for public school purpose
 - Allocated on basis of Foundation Program
 - Local law/agreement may also authorize levy with a different distribution formula
- Sales Tax-District
 - Levied by municipality- can be levied at discretion of City Council
 - Local Act- Taxing District

Other Local Taxes/Revenues

- Established by Local Act
 - Business/Occupational Tax
 - Gasoline Tax
 - Alcoholic Beverage Tax
 - Tobacco Tax
 - Amusement Tax
- TVA in Lieu Taxes
- County Commission/City Council Appropriations
 - Restricted/Unrestricted

Local Revenue

- Verify that the distribution of local taxes is according to their authorization
 - City/County/State/Private
 - County Revenue Department
 - Investigate variances
 - Calculate per mill equivalent on c/w and districts taxes

Local Revenue Projections

- Be conservative in estimations
- Have a basis for projections
 - Tax Assessor/Revenue Commissioner for property taxes
 - Copy of abstract
 - Know the assessed valuation for your district
 - Largest taxpayers

Local Revenue Projections

- Sales Tax
 - Monitor current collections & amend when necessary
 - Historical averages
- Contact local officials
 - Talk with other governmental entities in your county/city
- Stay on top of economic conditions that impact your district
 - SDE, SSA, AASB, Legislative Fiscal Office and local agencies
 - Federal Changes

Program Changes Affecting Revenues

4240 LOMAC STREET | MONTGOMERY, AL 36106 | 334/277-9700 | 800/562-0601



MEMORANDUM

TO: SUPERINTENDENTS

FROM: SALLY SMITH, J.D.
EXECUTIVE DIRECTOR 

DATE: APRIL 25, 2017

SUBJECT: MAC PROGRAM MEDICAID ELIGIBILITY RATE

This memo is intended to provide an update regarding your school system's Medicaid Administrative Claim (MAC) Program reimbursements. Based on recent discussions with Alabama Medicaid, we anticipate that MAC claims will be reduced effective with the October-December 2016 quarter, and we wanted to ensure this information was shared for your planning purposes.

A statewide Medicaid Eligibility Rate (MER) is one of the factors used to calculate each school system's MAC claim. The MER identifies the percentage of school-aged children that are enrolled in the Medicaid program. Based on a change in methodology, Alabama Medicaid has determined that these Medicaid counts will be decreasing. As an example, the MER decreased approximately 18%, from 80% in the July-September 2016 quarter to 66% in the October-December 2016 quarter. A reduction to the MER typically correlates to a similar reduction in MAC claim amounts, assuming all other factors remain unchanged. Therefore, we are anticipating that most school systems will realize a similar reduction to their MAC claims going forward. Although the reduction may vary by quarter, we anticipate a 12-18% reduction is likely. However, because the MER is only one component of the quarterly claim calculation, this may or may not result in a reduction to your total October-December 2016 claim payment. The other components that affect your claim amount include: ensuring all eligible staff are included in the MAC program, reporting staff and related financial expenditures, the system's indirect cost rate (IDCR) and the statewide time study results.

Given the reduction to the MER and its impact to claims, we will be doing a thorough review of each system's MAC participation to identify any potential areas of opportunity and work with the school systems to improve claim amounts where opportunities exist.

Finally, the Medicaid Eligibility Rate reduction will have no impact on your Cost Report quarterly payment. Since the MER is not utilized as part of the Cost Report calculation, we do not anticipate any impact to those funds.

If you have any questions or would like to discuss these programs, please feel free to call Fairbanks at 888-321-1225.

Thank you for your continued participation and support of these programs.

c: Board Presidents
CSFOs

ALABAMASCHOOLBOARDS.ORG



Salary Schedules

- Having salary schedules set up in Nextgen are a necessity in order to properly utilize budget works.
 - Recommended even if not using budget works
- Extremely beneficial with step raises, pay raises, etc.
- Increases reporting capabilities

Salary Schedules

PR/PDC3: Payroll Code Maintenance III (v3.02)

9. Day Type	10. Sub Category	11. Sick Bank Trans	12. 3rd-Party Types
5. Job Type Codes	6. Group Term Life	7. Benefit Code	8. Fund Code
1. Schedule Type	2. Salary Sched Codes	3. Salary Sched Rank	4. Retire Class

Schedule Type

Schedule Type Description

☒ Annual ☐ Percent
☐ Daily ☐ Hourly

Inquire Mode: Enter the Key Word for the Desired Record

Salary Schedules

PR/PDC3: Payroll Code Maintenance III (v3.02)

9. Day Type	10. Sub Category	11. Sick Bank Trans	12. 3rd-Party Types
5. Job Type Codes	6. Group Term Life	7. Benefit Code	8. Fund Code
1. Schedule Type	2. Salary Sched Codes	3. Salary Sched Rank	4. Retire Class

Salary Schedule Code: j19

Salary Schedule Code Description: TEACHER - 188 DAYS

Salary Schedule Type: A Annual

☐ Range Salary Schedule Code

☒ Base Pay Schedule

Inquire Mode: Enter the Key Word for the Desired Record

Salary Schedules

PR/PDC3: Payroll Code Maintenance III (v3.02)

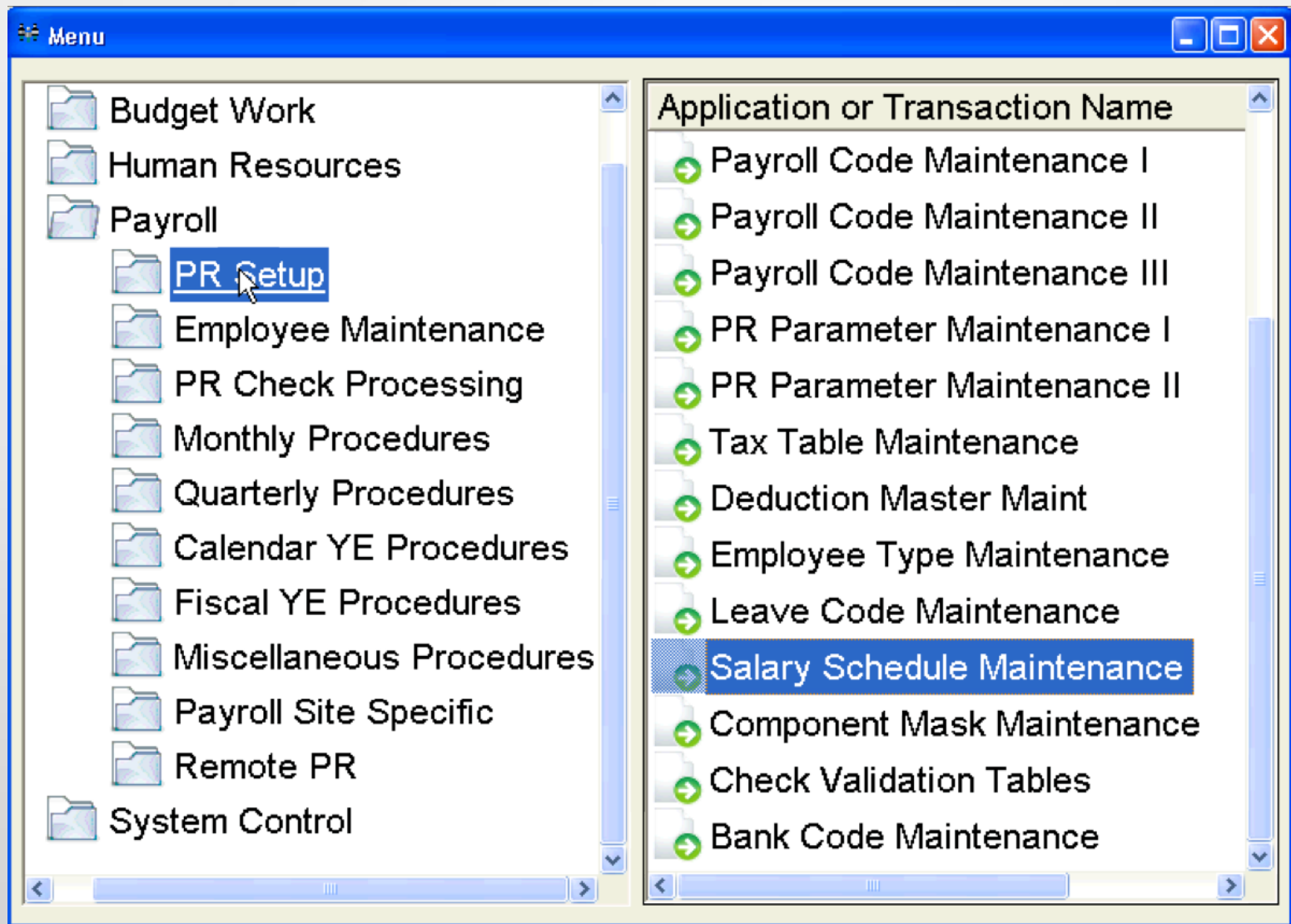
9. Day Type	10. Sub Category	11. Sick Bank Trans	12. 3rd-Party Types
5. Job Type Codes	6. Group Term Life	7. Benefit Code	8. Fund Code
1. Schedule Type	2. Salary Sched Codes	3. Salary Sched Rank	4. Retire Class

Salary Schedule Rank Code: A

Salary Schedule Rank Description: Master

Inquire Mode: Enter the Key Word for the Desired Record

Salary Schedules



Salary Schedules

This is where you enter the salary schedule amounts or make adjustments to individual cells within a salary schedule

PR/SASM: Salary Schedule Maintenance (v3.07)

1. Maintenance 2. Functions 3. Mass Change

Salary Schedule Code TEACHER - 188 DAYS

Salary Schedule Rank Master

Salary Schedule Step Schedule Type Annual

Thru Years Contract Days

State Based Salary Default Supplement Amount

Other Salary Default Supplement Percent

☐ Prorate State Based ☐ Prorate Other

Inquire Mode: Enter the Key Word for the Desired Record

Salary Schedules

PR/SASM: Salary Schedule Maintenance (v3.07)

1. Maintenance 2. Functions 3. Mass Change

Salary Schedule Code **LH** Lane Hill Contract

Salary Schedule Rank **AA** Six Year

Salary Schedule Step **19** Schedule Type Annual

Thru Years Contract Days

State Based Salary Default Supplement Amount

Other Salary Default Supplement Percent

☐ Prorate State Based ☐ Prorate Other

Inquire Mode: Enter the Key Word for the Desired Record

I set up individual salary schedules for principals on contract

Salary Schedules

The functions in the salary schedule allow you to make mass changes when raises are given or when other adjustments are needed.

PR/SASM: Salary Schedule Maintenance (v3.07)

1. Maintenance **2. Functions** 3. Mass Change

Increase ReCalculate Copy Delete

Increase

Percent	Amount	Percent With Round
State Based	Other Salary	Both

Salary Schedule Code

Code	Description
<input type="checkbox"/> A2	ASST SUPT/24..
<input type="checkbox"/> A3	VOC ED/MAIN ..
<input type="checkbox"/> AD	Administrative ..
<input type="checkbox"/> AE	ELEMENTARY ..
<input type="checkbox"/> AF	Maintenance - ..

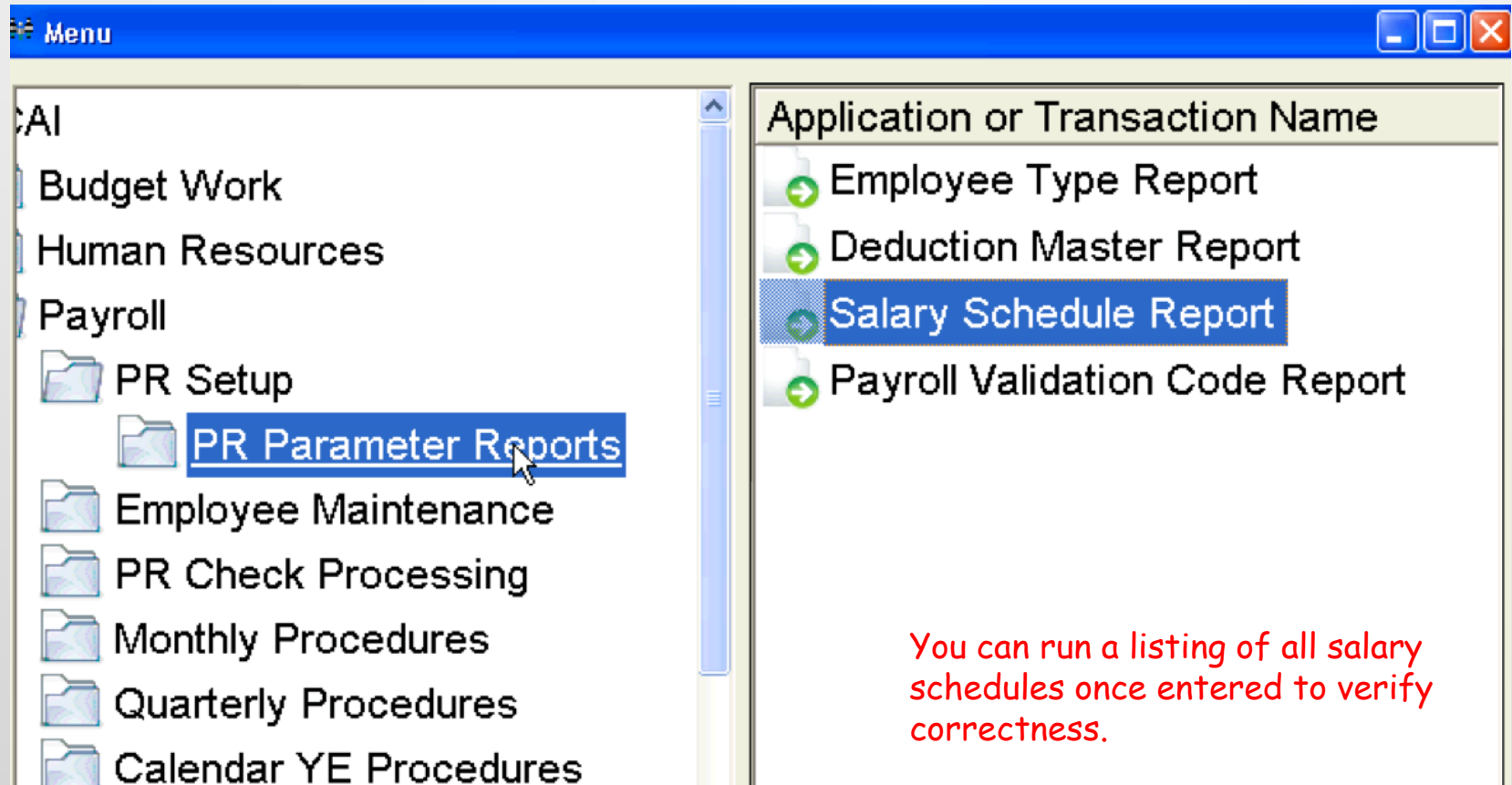
Salary Schedule Rank

Code	Description
<input type="checkbox"/> 00	Default
<input type="checkbox"/> 01	Technician I
<input type="checkbox"/> 02	Technician II
<input type="checkbox"/> 10	10 Month
<input type="checkbox"/> 12	12 Month

Salary Schedule Step Thru %

Enter Selection Criteria and Click Enter to Verify Salary Schedules to Adjust
-or- Click Save to Adjust Salary Schedules for New Contract Days

Salary Schedules



Salary Schedules

Employee #	Name (Last, First M)	SSN	Person Id	Current Form	Document
6442	RANEY, RUSSELL WILSON		1482	Salary Schedules	

Code	Rank	Step	Related Salary Sch	Code	Rank	Step	Supp. Amount	Supp. Percent

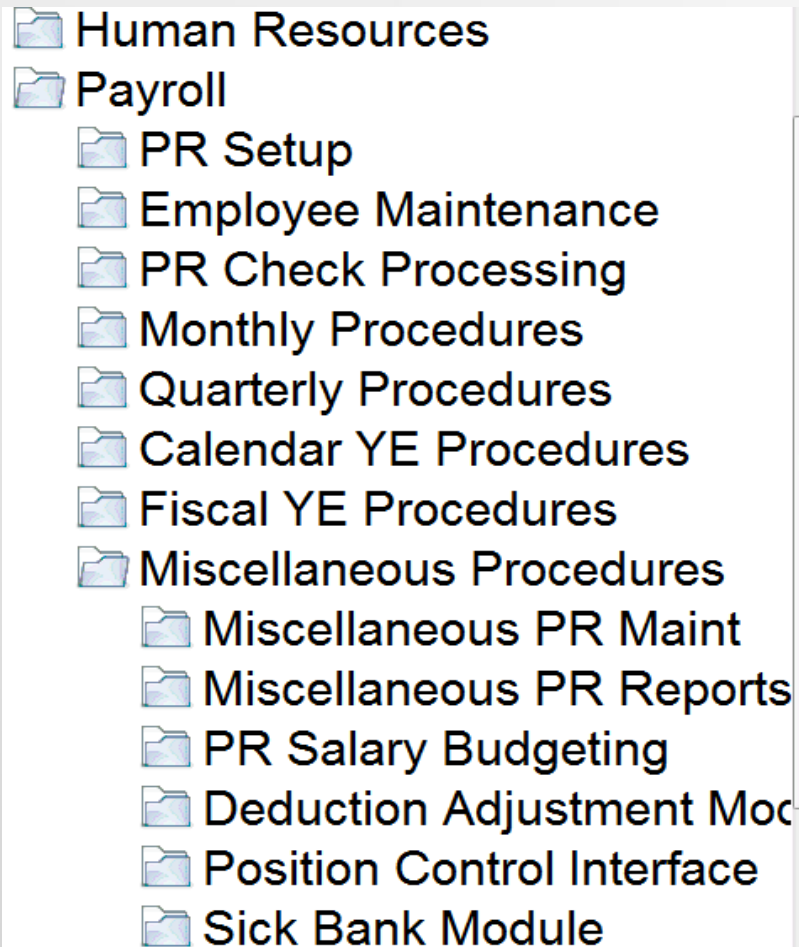
☒ Add 1 to Step at Year End

Add/Update Item

Code	Description	Rank	Step	Add 1	% Code	% Rank	%
CP	CPA Certificate	CP	25	Yes			
DF	Director of Finance	A	25	Yes			

- Once you have a salary schedule setup, you must then assign the salary schedule to the appropriate employees

Salary Schedules - Reports



Application or Transaction Name	
➤ Salary Schedule Maintenance	B
➤ Salary Schedule Report	B
➤ Salary Schedule Maintenance	H
➤ Salary Schedule Maintenance	F
➤ Salary Schedule Report	F
➤ Add 1 to/Inc Salary Sch Years	F
➤ Employee Salary Schedule Rpt	F
➤ Employee Salary Sch Comparison	F
➤ Salary Schedule Distrib Report	F
➤ Salary Schedules Without Jobs	F
➤ Sal Sch Range Comparison Rpt	F
➤ Faculty with Schedule Report	H
➤ Faculty by School Report	H
➤ Salary Sch Range Comparison	H
➤ Salary Schedule Maintenance	H
➤ Add 1 to/Inc Salary Sch Years	H

There are several useful reports in the payroll module that can be run once salary schedules are entered and setup.

Also, need salary schedules to completely utilize Budget Works



Questions?

Russell W. Raney
Chief Financial Officer
New Schools for Alabama
russell@newschoolsforalabama.org
256-297-0477