

Hoover City Schools

Fiscal Year 2024 Proposed Budget

Belief Statements

We believe academic excellence is worth the investment and the commitment of financial resources.

We believe in transparency, accountability and fiscal responsibility.

Purpose of Presenting Budget to Public

- Accountability
- Provide a Forum for Community Input
- Foster Community Support for the School System
- Share the District's Strategic/Long-term Plan

Budget Process

- The budgeting process begins in the Spring with school and department staff meetings.
- Each principal meets with a team of district administrators to collaboratively determine staffing for the upcoming school year.
- Staffing is generally completed by late-April, accordingly approximately 85% of the General Fund budget is determined at this time.
- Principals and District Administrators submit a budget for non-payroll expenditures for their respective schools and departments.
- Budgets for Federal Programs are completed late summer as funding information becomes available.

Budget Process

- The budget provides an overall plan for the use of financial resources that will best serve the needs of the current student body.
- The annual budget is determined using an analytical, strategic estimate of projected revenues and expenditures.
- There are many variables that can impact a budget, such as changes in enrollment, staffing, new construction, swings in retail activity and unfunded legislative mandates.
- This budget is a formal statement of today's *estimated* income and expenses based on future plans and objectives.

Facts

- Earned units remained the same
- Classroom Instructional Support Funds increased for student materials
- Fleet Renewal remains underfunded
- Nurses remain underfunded
- Reading Coaches remain unfunded
- Saw an increase in salaries and benefits with a 2% legislative raise and an additional year of experience
- Saw an increase in the cost of retirement
- Saw a decrease in the state unemployment tax
- COVID relief funds will be expended by September 30, 2024
- Debt service payment remained the same

Assumptions

- Anticipate an 8.1% increase in water and 5.3% increase in sewer rates
- Project a 1% increase in county ad valorem property tax receipts
- Project a 20% increase in the cost of food and processing supplies for CNP
- Project an 18% increase in custodial and maintenance supplies
- Project a 13% decrease in the price of diesel
- Project a 10% decline in sales tax revenue
- Anticipate \$5M appropriation from the City of Hoover based on the Mayor's promise to continue his support of the Hoover City School System

Concerns

- Stable student enrollment district-wide
- Special education funding not enough to meet the needs of students with disabilities
- Continued increase in our Maintenance of Effort
- Attracting and retaining highly qualified teachers
- Federal funding decreasing; student needs increasing
- Projected inflation on revenue stream
- Continued residential growth

State Department of Education

Earned Units for FY24

	FY 2023 Earned	Change	FY 2024 Earned	FY 2024 Other State	FY 2024 Federal	FY 2024 Local	FY 2024 Total Units
System ADM	13,299.25	-65.65	13,233.60				
Foundation Program Units:							
Teachers	764.31	-.03	764.28	25.23	15.20	202.53	1007.24
Principals	16.00	0	16.00	0	0	0	16.00
Assistant Principals	14.00	-.50	13.50	0	0	17.50	31.00
Counselors	22.00	-.50	21.50	1	0	10.50	33.00
Librarians	20.00	0	20.00	0	0	1	21.00
Additional Units	4.00	+1.00	5.00	0	0	0	5.00
Career Tech Director	2.00	0	2.00	0	0	0	2.00
Career Tech Counselor	1.00	0	1.00	0	0	0	1.00
Total Units	843.31	-.03	843.28	26.23	15.20	231.53	1116.24

State Department of Education

Local School Earned Units for FY23

	Teachers	Principals	Assistant Principals	Counselors	Librarians	Other	Total
Hoover High School/CRS/RC3	157.70	1.00	2.50	3.00	2.00	5.00	171.20
Spain Park High School	83.42	1.00	2.50	3.00	2.00	.00	91.92
Berry Middle School	55.99	1.00	2.00	2.50	2.00	.00	63.49
Bumpus Middle School	56.68	1.00	2.00	2.50	2.00	.00	64.18
Simmons Middle School	44.38	1.00	1.50	2.00	1.00	.00	49.88

State Department of Education

Local School Earned Units for FY23

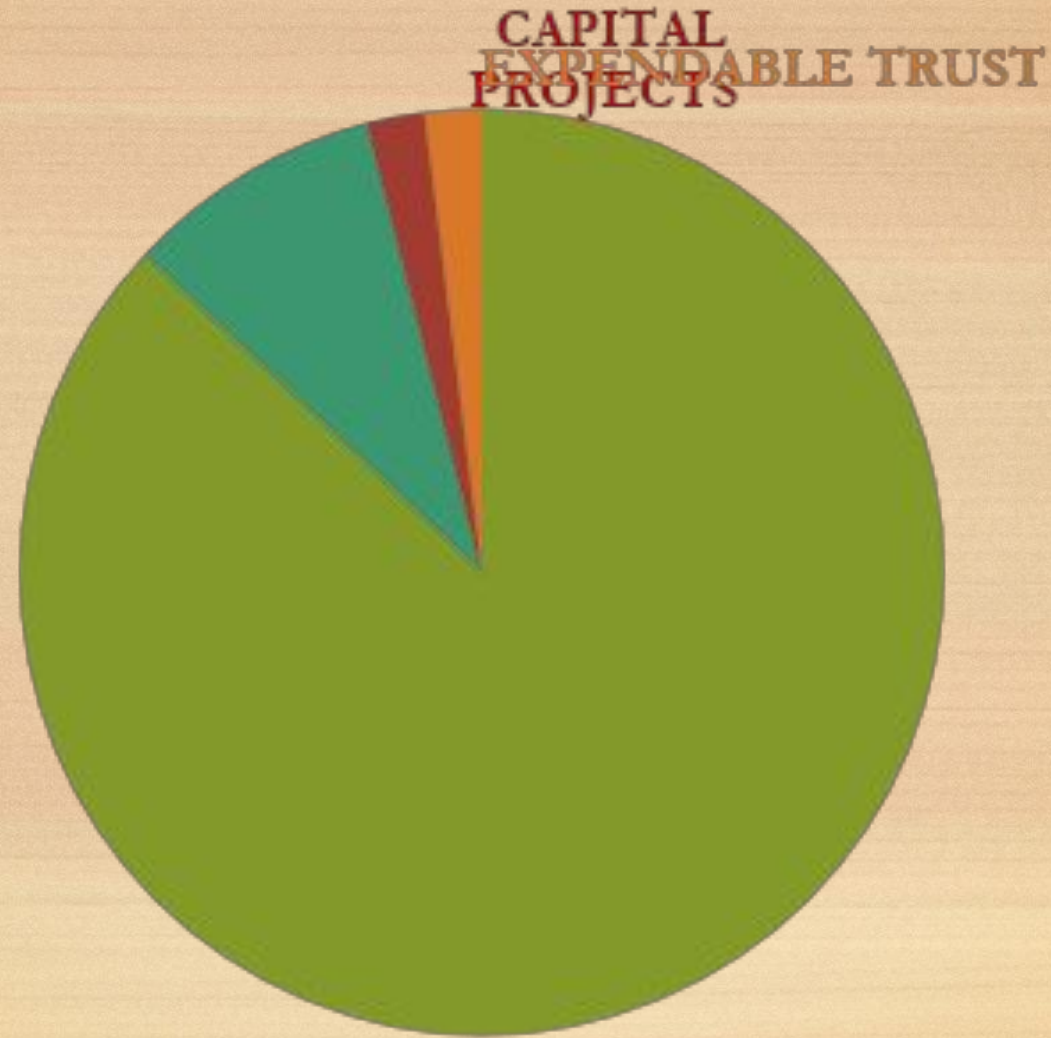
	Teachers	Principals	Assistant Principals	Counselors	Librarians	Total
Bluff Park Elementary	36.53	1.00	.50	1.00	1.00	40.03
Brocks Gap Elementary	27.41	1.00	.00	.50	1.00	29.91
Deer Valley Elementary	45.82	1.00	.50	1.00	1.00	49.32
Green Valley Elementary	28.81	1.00	.00	.50	1.00	31.31
Greystone Elementary	25.43	1.00	.00	.50	1.00	27.93
Gwin Elementary	31.16	1.00	.00	.50	1.00	33.66
Riverchase Elementary	36.67	1.00	.50	1.00	1.00	40.17
Rocky Ridge Elementary	34.38	1.00	.50	1.00	1.00	37.88
Shades Mountain Elementary	20.80	1.00	.00	.50	1.00	23.30
South Shades Crest Elementary	36.41	1.00	.50	1.00	1.00	39.91
Trace Crossings Elementary	42.69	1.00	.50	1.00	1.00	46.19

REVENUES

Total Anticipated Revenues for FY24

General Fund	\$187,917,377
Special Revenue Fund	\$20,178,158
Debt Service Fund	\$0
Capital Projects Fund	\$5,928,142
Fiduciary Expendable Trust Fund	\$2,211,380
Total	\$216,235,057

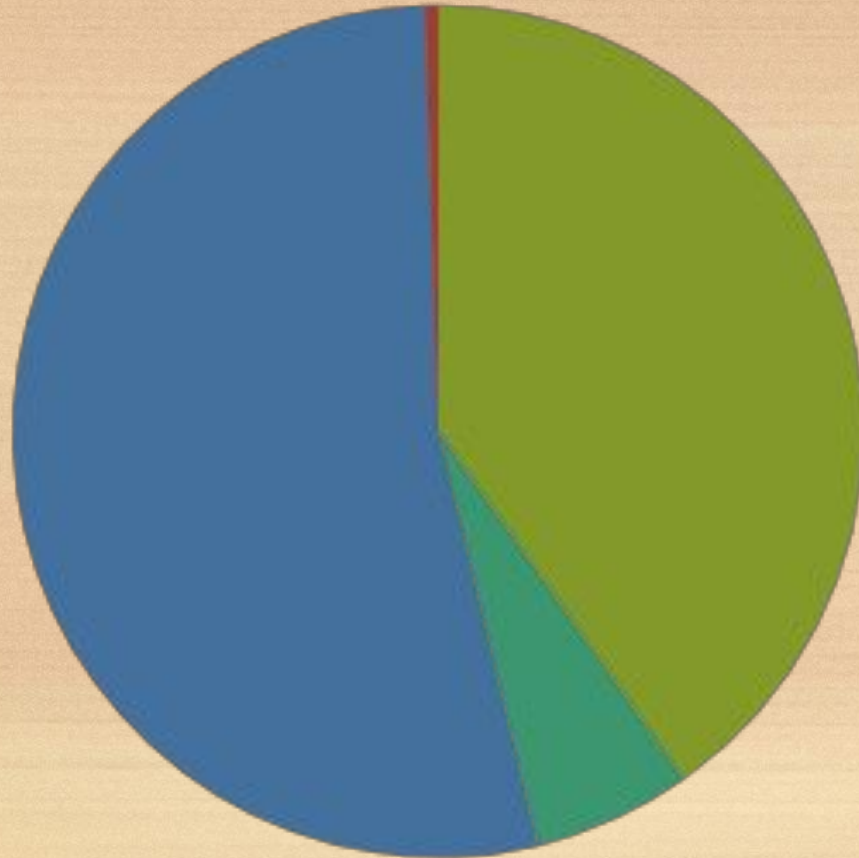
Total Anticipated Revenues for FY24



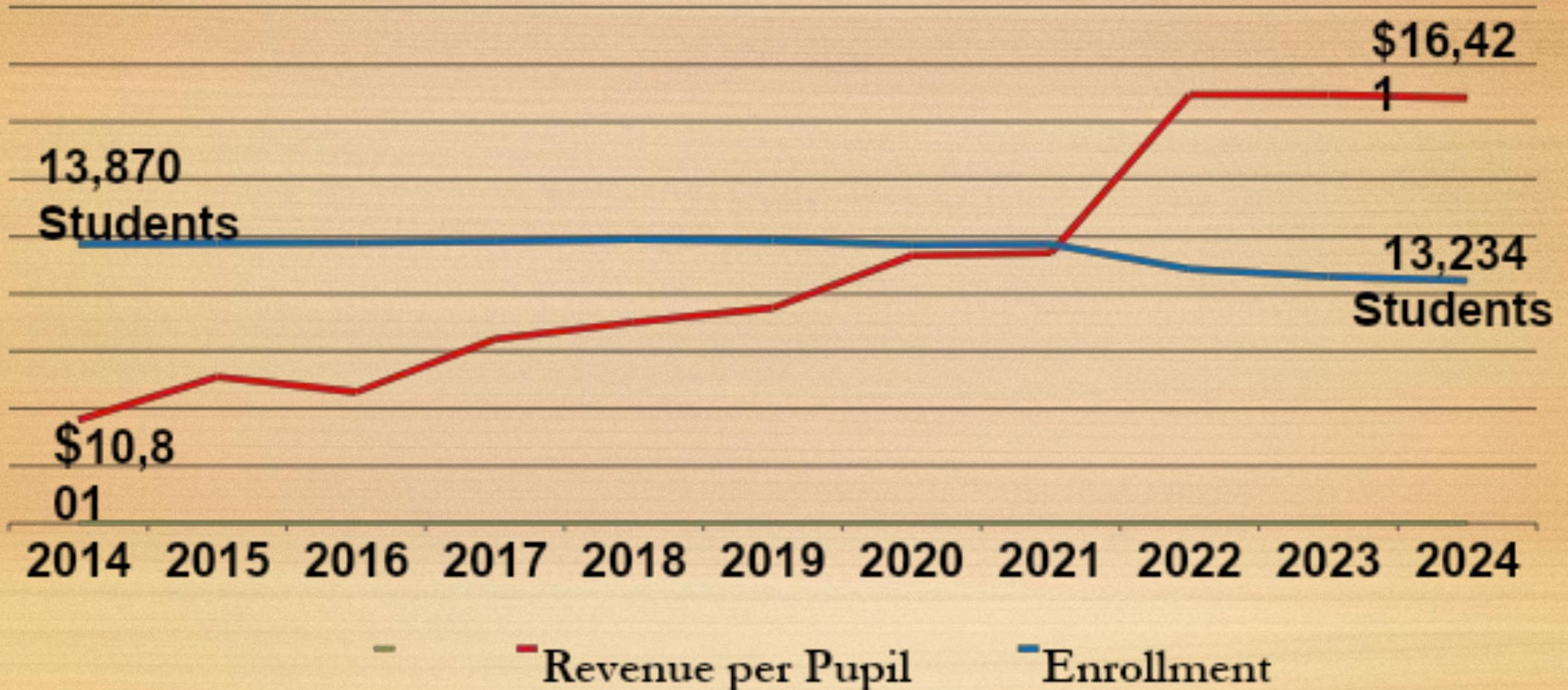
Total Anticipated Revenues for FY24 by Source

State	\$87,528,690
Federal	\$13,050,547
Local	\$115,455,820
Other	\$200,000
Total	\$216,235,057

Total Anticipated Revenues for FY 24 by Source



Historical Revenue/Enrollment



State Department of Education

District Allocation for FY24

Foundation Program (State and Local Funds)	FY 2023	Change	FY 2024
Salaries	\$48,498,786	\$1,591,189	\$50,089,975
Fringe Benefits	18,502,780	315,012	18,817,792
Other Current Expense (\$21,175/unit to \$23,068/unit)	17,857,089	1,595,817	19,452,906
Classroom Instruction Support:			
Student Materials (\$900/unit to \$1,000/unit)	758,979	84,301	843,280
Technology (\$500/unit to \$500/unit)	421,655	-15	421,640
Library Enhancement (\$157.72/unit to \$157.72)	133,009	-6	133,003
Prof. Development (\$100/unit to \$100/unit)	84,331	-3	84,328
Textbooks (\$75/ADM to \$75/ADM)	997,444	-4,922	992,522
Total Foundation Program	\$87,254,073	\$3,581,373	\$90,835,446
Local Funds (10 Mills)	19,472,160	850,130	20,322,290
Total Foundation Funds	\$106,726,233	\$4,431,503	\$111,157,736

State Department of Education Highlights for FY24

Fund Source	FY 2023	Change	FY 2024
School Nurses	\$790,734	\$280,049	\$1,070,783
Technology Coordinator	66,840	1,487	68,327
Transportation Operations	5,855,403	81,332	5,936,735
Fleet Renewal (\$7,581/bus to \$7,581/bus)	659,547	136,458	796,005
Capital Purchase	3,619,028	-38,720	3,580,308
At Risk	229,350	4,913	234,263
Career Tech Operations & Maintenance	102,524	-12,510	90,014
Total State Funds	\$11,323,426	\$453,009	\$11,776,435

General Fund

Major Revenue Sources for FY24

Foundation	\$ 90,835,446
Local	\$85,416,723
Transportation Operations	\$5,936,735
School Safety Grant	\$735,264
Preschool	\$676,065
Office of School Readiness (OSR) Pre-K Program	\$661,167
Alabama Reading Initiative (ARI)	\$479,529

General Fund

Anticipated FY24 Local Revenues

Hoover City Ad Valorem (24 Mills)	\$51,200,000
Jefferson County Ad Valorem (8.2 & 13.9 Mills)	\$13,550,000
Shelby County Ad Valorem (16 & 6 Mills)	\$7,780,000
Hoover City Council Appropriation	\$5,000,000
Interest Income	\$2,200,000
Jefferson County Commission Appropriation	\$1,800,000
Shelby County Sales Tax	\$1,800,000
Medicaid Reimbursement	\$480,000
Rental Income	\$450,000

EXPENDITURES

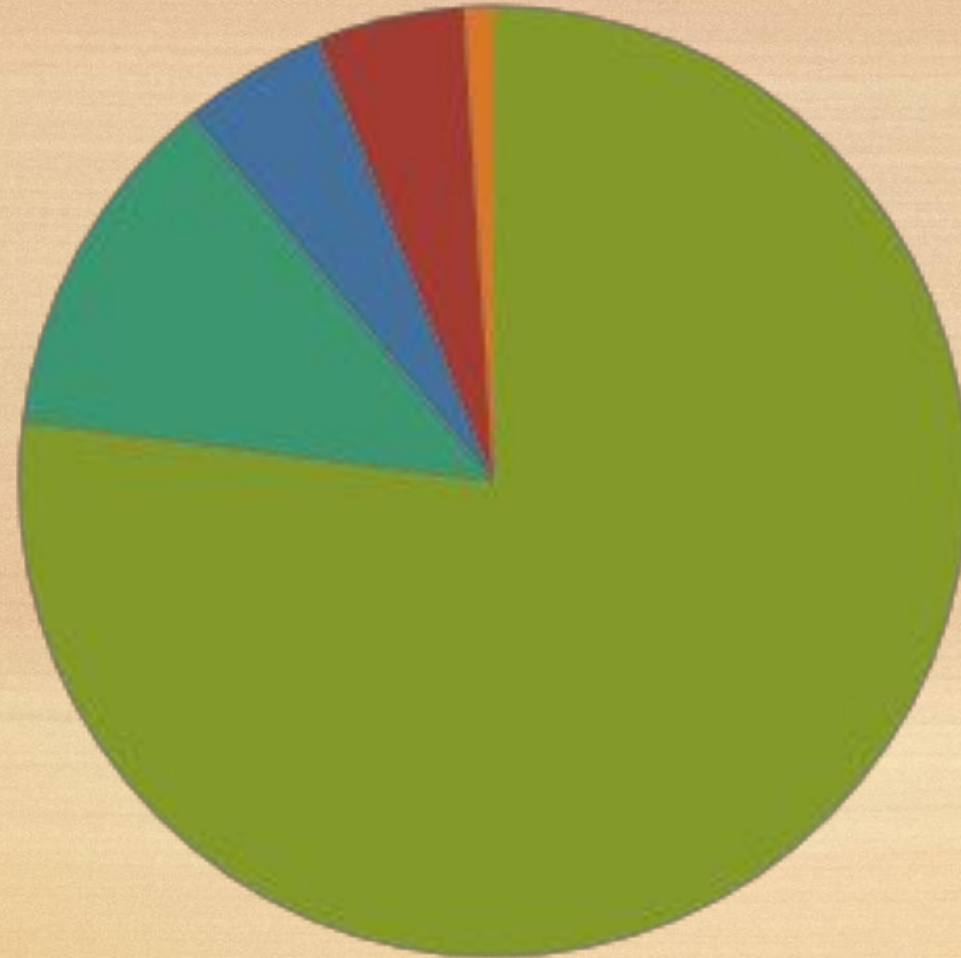
General Fund

Proposed FY24 Expenditures

Instructional & Instructional Support Services	\$133,442,652
Operations & Maintenance Services	\$20,935,232
Auxiliary Services (i.e. Transportation)	\$8,786,841
General Administrative Services	\$6,534,896
Capital Outlay	\$5,935,264
Debt Service	\$0
Other Expenditures	\$1,997,398
Total	\$177,632,283

Salaries & Benefits = 85% of Budgeted Expenditures

General Fund Proposed FY24 Expenditures



General Fund

Instructional & Instructional Support Services

- Total Teacher Units 992.04
- Special Education Units 89.25
- Support Units 247.35

Proposed FY24 Expenditures	
Salaries & Benefits (Includes Supplements)	\$121,113,832
Purchased Services	\$7,656,038
Materials & Supplies	\$4,414,081
Miscellaneous Expenditures	\$258,701
Total	\$133,442,652

General Fund

Operation and Maintenance Services

- Maintenance Employees 42.0
- Custodial Employees 83.0

Proposed FY24 Expenditures	
Salaries & Benefits	\$8,675,094
Utilities	\$6,001,000
Supplies & Equipment	\$2,017,000
Purchased Services	\$4,223,138
Miscellaneous Expenditures	\$19,000
Total	\$20,935,232

General Fund

Auxiliary Services (i.e. Transportation)

- Total Bus Drivers – 115.0
- Special Education Bus Drivers/ Aides – 42.0
- Shop Mechanics/Trainer – 15.0

Proposed FY24 Expenditures	
Salaries & Benefits	\$6,585,827
Fuel/Oil	\$700,000
School Buses	\$1,060,000
Parts, Supplies & Equipment	\$270,000
Purchased Services	\$148,000
Miscellaneous Expenditures	\$23,014
Total	\$8,786,841

General Fund Supplements

Proposed FY24 Expenditures	
Athletic Supplements	\$1,546,802
Other Extra-Curricular Supplements	\$728,912
Total	\$2,275,714

General Fund

General Administrative Services

Proposed FY24 Expenditures

Board of Education Services	
(Attorney Fees, General Board Travel, Association Dues/Fees)	\$349,500
Executive Administrative Services	
(Salaries and Benefits, Professional Development, Association Dues/Fees)	\$1,461,732
Business Support Services	
(Salaries and Benefits, Audit Services, Financial Software, Central Office Supplies, Professional Development, Association Dues/Fees, Insurance)	\$1,858,344
System-Wide Support Services	
(Salaries and Benefits, Professional Development, Association Dues/Fees)	\$2,865,320
Total	\$6,534,896

SPECIAL REVENUE

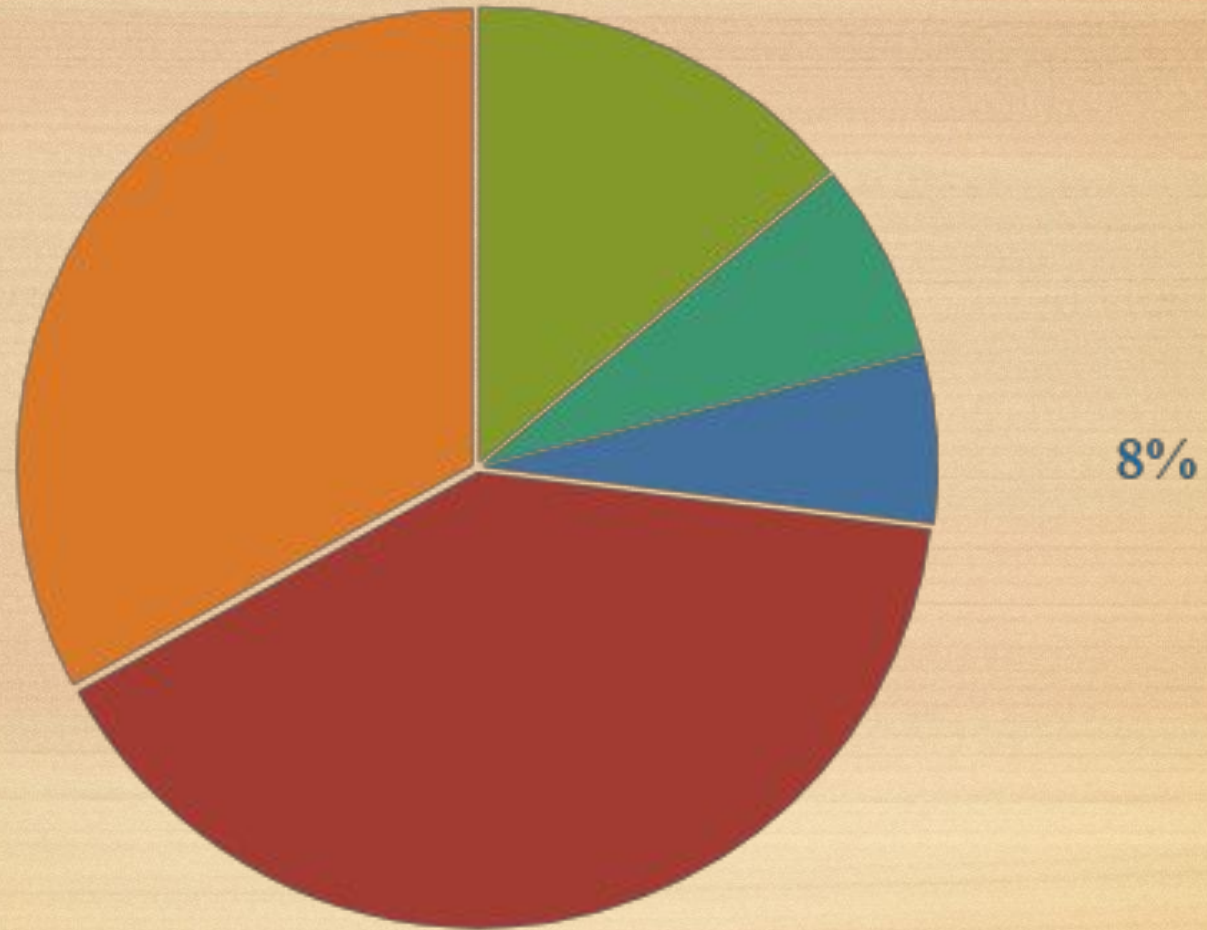
Special Revenue Fund

Major Revenue Sources for FY24

IDEA Special Education	\$2,882,302
Title I	\$1,357,570
ARP ESSER State Reserve	\$1,050,144
ESSER III (CARES Act)	\$2,835,629
Child Nutrition Program	\$8,181,350
Local School (Public Funds)	\$6,861,987

Special Revenue Fund

Major Revenue Sources for FY24



Special Revenue Fund

IDEA, Special Education

Proposed FY24 Expenditures	
Salaries and Benefits	\$1,726,045
Purchased Services	\$1,030,000
Materials & Supplies	\$126,257
Total	\$2,882,302

Special Education Total Program Expenditures

Salaries and Benefits	\$21,219,662
Student Educational Services	\$2,970,000
Testing Services	\$50,000
Health Services	\$780,000
Psychological Services	\$1,350,000
Speech Pathology and Audiology Services	\$143,000
Other Student Support Services	\$500,000
Professional Development	\$144,500
Materials & Supplies	\$292,986
Miscellaneous Expenditures	\$16,100
Total	\$27,466,248

Special Education

504 Plans

2018 -2019	2019 -2020	2020 -2021	2021 -2022	2022 - 2023	2023 -2024
350	454	482	556	591	602

Special Education Maintenance of Effort

Year	Child Count	Per Capita Expenditure	Total
FY14	1079	\$5,674	\$6,122,246
FY15	1102	\$9,667	\$10,653,034
FY16	1160	\$9,528	\$11,052,480
FY17	1213	\$9,338	\$11,326,994
FY18	1291	\$10,186	\$13,150,126
FY19	1316	\$10,955	\$14,416,780
FY20	1333	\$11,585	\$15,442,429
FY21	1309	\$13,326	\$17,443,734
FY22	1353	\$13,022	\$17,618,766
FY23 Projected	1428	\$13,022	\$18,595,416
FY24 Projected	1560	\$13,022	\$20,314,320

Special Revenue Fund Title I

Proposed FY24 Expenditures	
Salaries and Benefits	\$1,355,221
Purchased Services	\$52,000
Materials & Supplies	\$185,693
Total	\$1,592,914

ARP ESSER State Reserve

One-Time Funding Source

Anticipated Carryover to FY24	\$1,050,144
Proposed Expenditures:	
Salaries and Benefits	\$497,020
Materials & Supplies	\$553,124

ESSER III (CARES Act)

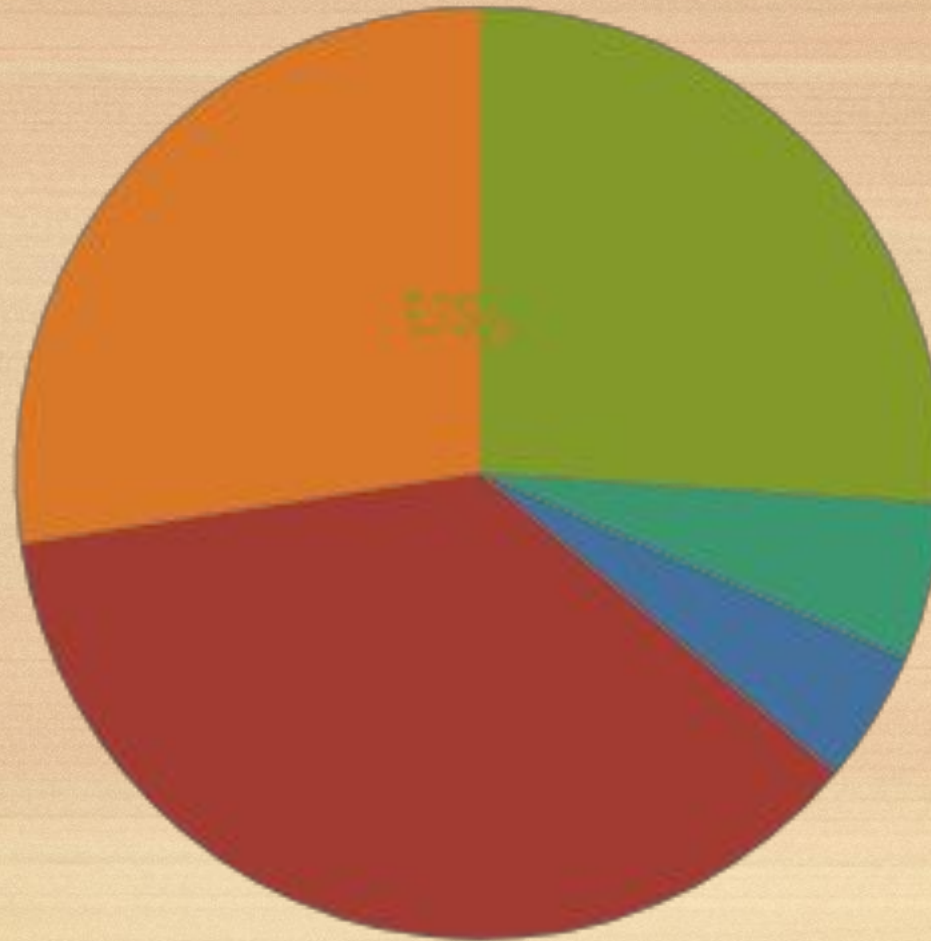
One-Time Funding Source

Anticipated Carryover to FY24	\$2,835,629
Proposed Expenditures:	
Salaries and Benefits	\$1,146,325
Purchased Services	\$56,630
Materials & Supplies	\$80,845
Building Improvements	\$1,551,829

Special Revenue Fund Child Nutrition Program

Anticipated FY24 Revenues	
USDA Programs	
Lunch	\$2,785,873
Breakfast	\$589,993
Commodities	\$491,768
Food Service Income (Sales)	\$3,906,890
Other CNP Revenue Sources	\$406,827
Transfers	\$3,319,150
Total	\$11,500,499

Special Revenue Fund CNP Anticipated Revenues for FY24

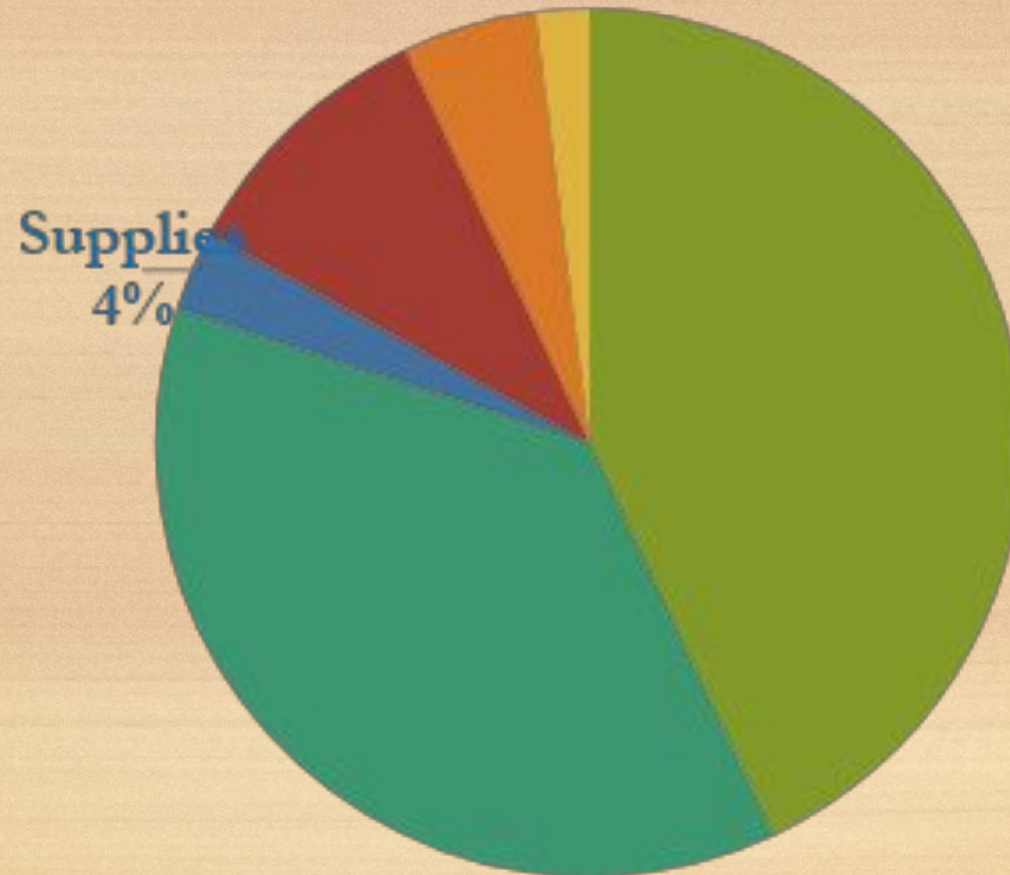


**USDA
Breakfast, 6%**

Special Revenue Fund Child Nutrition Program

Proposed FY24 Expenditures	
Salaries & Benefits	\$5,322,541
Food & USDA Commodities	\$4,570,142
Supplies	\$408,138
Purchased Services	\$223,665
Capitalized Equipment	\$1,203,850
Indirect Cost	\$667,485
Total	\$12,395,821

Special Revenue Fund CNP Proposed Expenditures for FY24



Child Nutrition Program

Free and Reduced Lunch Participation

FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
3,883	3,470	3,472	3,645	3,626	3,639	3,335	3,301	3,050	3,558

DEBT SERVICE

Debt Service Fund

Principal & Interest Payments for FY24

Debt	Principal	Interest	Total Payments FY24	Remaining Balance 9-30-2024	Matures
Series 2017 (Refunded 2005)	45,000	337,433	382,433	14,585,000	February 2027
Series 2019 (Refunded 2010)	245,000	4,046,525	4,291,525	106,365,000	February 2040
Series 2021 (Refunded 2012)	7,910,000	100,507	8,010,507	7,974,278	February 2025
TOTAL	\$8,190,000	\$4,529,270	\$12,719,270	\$128,924,278	

Debt Service Requirements					
		Series XXXX			
	Outstanding Parity				Total Outstanding and
Fiscal Year Ending September 30	Warrants	Principal	Interest	Total	Proposed Warrants
2024	\$ 137,085,000	\$ 8,200,000	\$ 4,484,465	\$ 12,684,465	\$ 128,885,000
2025	\$ 128,885,000	\$ 8,240,000	\$ 4,412,639	\$ 12,652,639	\$ 120,645,000
2026	\$ 120,645,000	\$ 9,040,000	\$ 4,261,552	\$ 13,301,552	\$ 111,605,000
2027	\$ 111,605,000	\$ 6,035,000	\$ 4,083,413	\$ 10,118,413	\$ 105,570,000
2028	\$ 105,570,000	\$ 6,515,000	\$ 3,887,875	\$ 10,402,875	\$ 99,055,000
2029	\$ 99,055,000	\$ 6,640,000	\$ 3,637,930	\$ 10,277,930	\$ 92,415,000
2030	\$ 92,415,000	\$ 6,900,000	\$ 3,380,670	\$ 10,280,670	\$ 85,515,000
2031	\$ 85,515,000	\$ 7,165,000	\$ 3,113,435	\$ 10,278,435	\$ 78,350,000
2032	\$ 78,350,000	\$ 7,440,000	\$ 2,835,940	\$ 10,275,940	\$ 70,910,000
2033	\$ 70,910,000	\$ 7,730,000	\$ 2,547,710	\$ 10,277,710	\$ 63,180,000
2034	\$ 63,180,000	\$ 8,030,000	\$ 2,248,270	\$ 10,278,270	\$ 55,150,000
2035	\$ 55,150,000	\$ 8,345,000	\$ 1,937,145	\$ 10,282,145	\$ 46,805,000
2036	\$ 46,805,000	\$ 8,665,000	\$ 1,613,955	\$ 10,278,955	\$ 38,140,000
2037	\$ 38,140,000	\$ 9,000,000	\$ 1,278,320	\$ 10,278,320	\$ 29,140,000
2038	\$ 29,140,000	\$ 9,345,000	\$ 929,765	\$ 10,274,765	\$ 19,795,000
2039	\$ 19,795,000	\$ 9,710,000	\$ 567,720	\$ 10,277,720	\$ 10,085,000
2040	\$ 10,085,000	\$ 10,085,000	\$ 191,615	\$ 10,276,615	\$ ⁴⁷ -
		\$ 137,085,000	\$ 45,412,419	\$ 182,497,419	

CAPITAL PROJECTS

Capital Projects Fund

Anticipated FY24 Revenue	
Fleet Renewal	\$796,005
Public School Fund Capital Outlay	\$3,580,308
ESSER III	\$1,551,829
Total	\$5,928,142

Capital Projects Fund

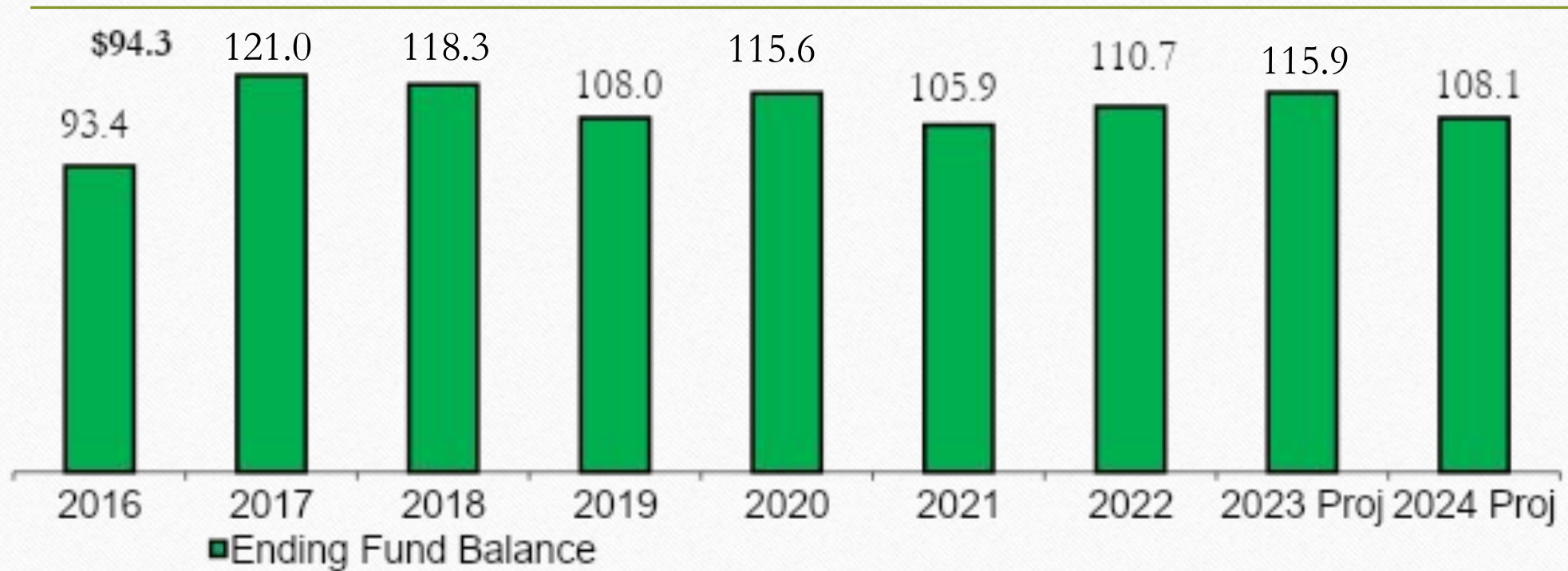
FY24 Capital Outlay	
Maintenance and Repairs	
Flooring Project (60 classrooms HHS, hallways GVES & library BMS)	\$ 200,000
Furniture Replacement (HHS teacher chairs, GVES student chairs)	\$ 200,000
Painting Project (annually) ²	\$ 200,000
Paving Project plus Seal Coating (annually) ³	\$ 200,000
Lighting Projects (annually) ⁴	\$ 200,000
Pressure Washing	\$ 50,000
Window Washing	\$ 100,000
Walk-Off Replacements	\$ 100,000
Bathroom Upgrades (mirrors, sinks and petitions)	\$ 125,000
Upgrade School Clocks	\$ 25,000
Painting (stairwells, doors, baseboards)	\$ 150,000
New Construction/Renovation	
New Playground (SMES, DVES & BGIS K-2)	\$ 750,000
Locker Upgrade (SMS)	\$ 200,000
Theater Upgrade (SPHS)	\$ 1,500,000
R22 HVAC Conversion (GVES, RRES & CO)	\$ 1,328,158
Building Addition (Transportation) ⁵	\$ 1,600,000
Storefront (HHS Multipurpose)	\$ 50,000
Remove & Regrade Hill (HHS Baseball)	\$ 1,200,000
Additional Parking (HHS)	\$ 1,500,000
HVAC Projects (RES)	\$ 700,000
Roofing Project (RRES, SPHS & SMS Phase II)	\$ 1,400,000
Athletic Field Upgrade (RFBMS(Completed Summer 2024)	\$ 1,200,000
Fleet Renewal	\$ 1,500,000
Total Projected FY24 Capital Outlay Expenditures	\$ 14,478,158

FUND TYPES DESCRIPTION	GENERAL	GOVERNMENTAL RESTRICTED			FIDUCIARY	TOTAL (Memo Only)
		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	
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REVENUES						
STATE REVENUES	89,412,290.78	0.00	0.00	4,376,313.00	0.00	93,788,603.78
FEDERAL REVENUES	0.00	11,498,717.83	0.00	1,551,829.00	0.00	13,050,546.83
LOCAL REVENUES	104,565,000.00	8,679,439.95	0.00	0.00	2,211,380.00	115,455,819.95
OTHER REVENUES	200,000.00	0.00	0.00	0.00	0.00	200,000.00
TOTAL REVENUES	194,177,290.78	20,178,157.78	0.00	5,928,142.00	2,211,380.00	222,494,970.56
EXPENDITURES:						
INSTRUCTIONAL SERVICES	100,067,358.51	7,829,179.28	0.00	230,308.00	507,577.00	108,634,422.79
INSTRUCTIONAL SUPPORT SERVICES	33,375,293.78	2,925,791.17	0.00	0.00	648,360.00	36,949,444.95
OPERATIONS & MAINTENANCE	20,935,232.00	95,392.50	0.00	100,000.00	0.00	21,130,624.50
AUXILIARY SERVICES	8,786,841.00	13,299,202.62	0.00	796,005.00	36,800.00	22,918,848.62
GENERAL ADMINISTRATIVE SERVICES	6,534,896.00	120,559.15	0.00	0.00	0.00	6,655,455.15
CAPITAL OUTLAY	5,935,264.00	0.00	0.00	12,501,829.00	0.00	18,437,093.00
DEBT SERVICES	0.00	0.00	12,686,465.00	0.00	0.00	12,686,465.00
OTHER EXPENDITURES	1,997,398.00	1,315,465.74	0.00	0.00	610,734.00	3,923,597.74
TOTAL EXPENDITURES	177,632,283.29	25,585,590.46	12,686,465.00	13,628,142.00	1,803,471.00	231,335,951.75
OTHER FUND SOURCES (USES):						
OTHER FUND SOURCES	1,054,013.14	5,348,575.55	12,686,465.00	7,700,000.00	52,350.00	26,841,403.69
OTHER FUND USES	25,375,646.55	687,572.09	0.00	0.00	110,650.00	26,173,868.64
TOTAL OTHER FUND SOURCES (USES)	(24,321,633.41)	4,661,003.46	12,686,465.00	7,700,000.00	(58,300.00)	667,535.05
EXCESS REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER FUND USES	(7,776,625.92)	(746,429.22)	0.00	0.00	349,609.00	(8,173,446.14)
BEGINNING FUND BALANCE - OCT 1	115,886,500.00	6,507,000.00	0.00	0.00	1,665,000.00	124,058,500.00
ENDING FUND BALANCE - OCT 31	108,109,874.08	5,760,570.78	0.00	0.00	2,014,609.00	115,885,053.86

Fund Balance

(\$ in Millions)

Ending Fund Balance – September 30



HOW DID WE GET HERE?

General Funds Set Aside for Capital Projects in FY23 (incomplete at yearend; funds carried forward in savings)	(\$4,400,000)
General Fund Savings to Supplement New Projects for FY24	(\$3,300,000)
Excess Revenues & Sources Over (Under) Expenditures	(\$7,700,000)

Key Notes to Remember

- The timing of revenues and expenditures has a huge impact on how the financial statement looks from one year to the next
- The economy drives our revenue stream
- Salaries and benefits are a reflection of the degrees held and years of experience employee's bring to Hoover City Schools
- We have not expensed more than we are taking in
- We are using our savings (rainy day fund) for major capital projects
- The district has not incurred additional debt since 2007

Looking Ahead...

- Discourage unfunded & partially funded mandates during legislative sessions
- Share with legislative leaders the importance of keeping public funds in public schools
- Share with legislative and SDE leaders the increasing costs associated with mental health and special education programs
- Share with legislative and SDE leaders the difficulty recruiting and retaining highly qualified employees in their professions
- Encourage allocations for nurses based on enrollment and custodians based on size of facility
- Encourage legislative leaders to fund an Assistant Principal in every school
- Continue discussions regarding the Lid Bill
- Encourage submission of the free and reduced lunch application for all eligible students
- Seek grant opportunities when appropriate
- Review sustainable staffing model

Questions?

Please email mmccay@hoover.k12.al.us or
call Michele McCay at 205-439-1012