TULSA PUBLIC SCHOOLS

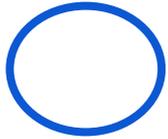# Fiscal update - December month-end

Our goals for today

- Quick updates
- December month-end status

Tulsa Public Schools Board Budget Governance

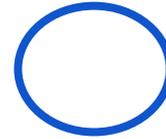**FY 24 Preliminary Budget (approved)**

June 2023

FY23 Year End (update)

September 2023

FY24 Mid-year Amendment (for approval)

March 2024

FY25 Preliminary Budget (for approval)

June 2024

Monthly Budget Reports (for approval or update)

- Monthly budget update to the board (new, 1 per month)
- Expenditure report (new, 1 per month)
- Encumbrance report (for approval, 2 per month) - revised format
- Board agenda items (for approval, 2 per month)
- Monthly Board Finance Committee meetings

The Current Fiscal Year

Executive Summary for December month-end

- **General Fund Revenue:** We expect to collect about $29M more this year vs. last year, driven by state aid increases for certified staff raises
    - Year-to-date, we've collected $4M less in revenue than last year
    - We have collected $~12M more in State aid and experienced delays in federal reimbursements in December. We should receive a $15M stimulus payment on January 31st.
- **General Fund Expense:** We expect to spend about $20M more this year vs. last year based on investments in compensation for teachers and support professionals
    - Year-to-date, we've spent $7.6M more than last year
    - $6M of the December month-end increase is in salaries and benefits ($5M of that amount is in instruction)
    - We have plans for and are on track to spend our full ESSER allocation
    - Our financial planning capabilities are strong - actual December month-end spend is 0.2% off from our projection
- We project we will add $20M to the fund balance at the end of this year. This is in line with our fiscal planning to ensure sustainable funding for the district strategic priorities, as well as for establishing a fiscal runway instead of a fiscal cliff for multi-year planning - particularly as stimulus funds expire.

Quick updates

- **Strengthening controls**
  - Implementation work for our continuous monitoring & auditing platform underway - Thirdline
    - Thirdline is working with our IT team to connect with our financial system
    - We are working to develop the internal practices for teams to use the system
    - We will establish automated fraud monitoring tools in our financial system
  - We are speaking with another vendor that specializes in government procurement processes and procedures
  - Team restructuring
- **Redbud funding** - received $590k this month, should receive another $585k in June; these are Building Fund dollars
  - Legislature increased this fund to $125M this year (up from $43M in FY23)
- We are working to clean up the **commodity codes** that you see on the encumbrance and expenditure reports
- We are aiming to have the **mid-year amendment** in March

FY24 Budget *(a reminder)*

Fund	Preliminary FY24 Revenue	Preliminary FY24 Expenses
General Fund	**$ 427,027,914***	**$ 371,561,278**
Building Fund	25,235,968	22,711,114
Child Nutrition Fund	23,393,944	22,593,944
Capital Improvement Fund (Bond)	106,781,895	106,781,895
Debt Service Fund	170,259,379	170,259,379
Worker's Comp	2,668,003	2,668,003
Total	$755,367,103	$696,575,613

*This includes fund balance amount

We are on track to collect about $29M more this year vs. last year, despite delays in federal reimbursements

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The following graph describes the actual cumulative monthly revenue in FY23-24 versus FY22-23.
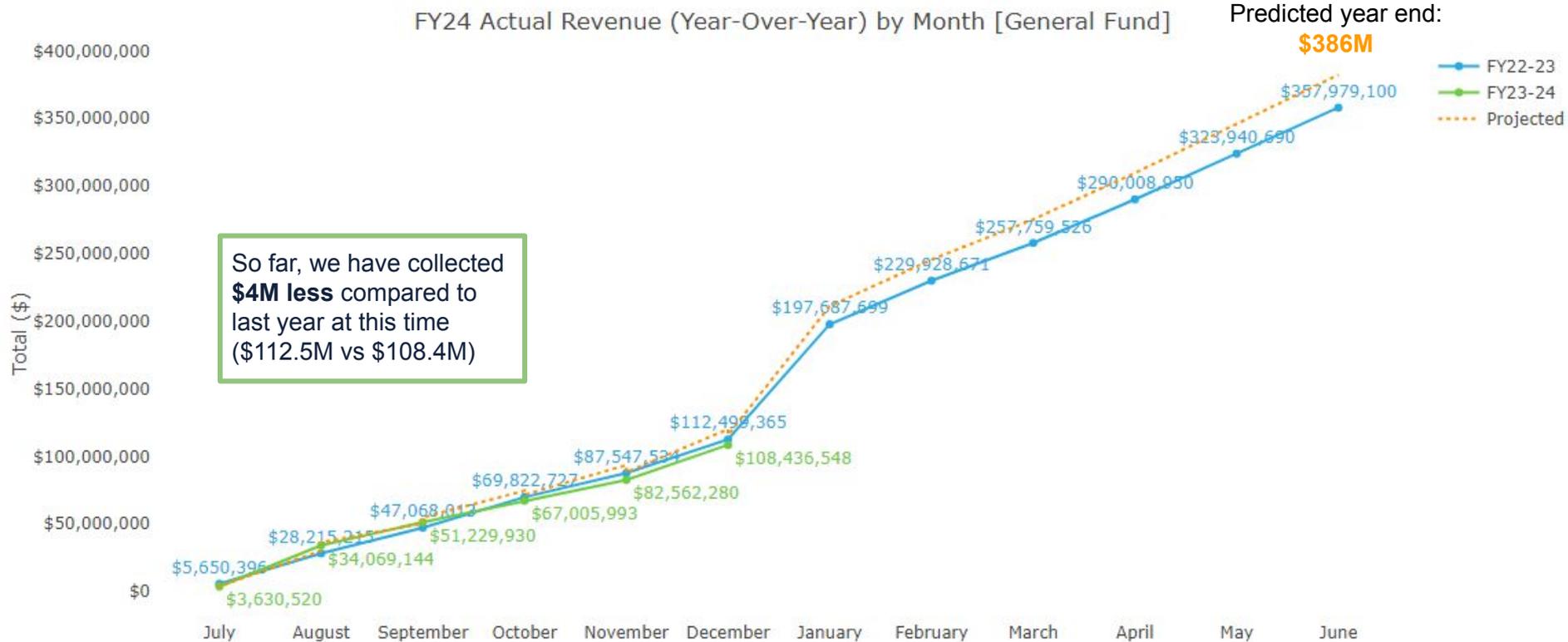
FY24 Actual Revenue (Year-Over-Year) by Month [General Fund]

Predicted year end: **$386M**

FY22-23
FY23-24
Projected

So far, we have collected **$4M less** compared to last year at this time ($112.5M vs $108.4M)

$400,000,000
$350,000,000 — $357,979,100
$323,940,690
$300,000,000 — $290,008,950
$257,759,526
$250,000,000 — $229,928,671
$197,687,699
$200,000,000
Total ($)
$150,000,000
$112,499,365
$100,000,000 — $108,436,548
$87,547,531 — $82,562,280
$69,822,727 — $67,005,993
$50,000,000 — $47,068,017 — $51,229,930
$28,215,215 — $34,069,144
$5,650,396
$0 — $3,630,520

July   August   September   October   November   December   January   February   March   April   May   June

We expect to spend about $20M more this year vs. last year based on our investments in increased teacher and hourly support professional compensation

The following graph describes the actual cumulative monthly expenditure in FY23-24 versus FY22-23. [Draft Projection Line]

FY24 Actual Expenditure (Year-Over-Year) by Month [General Fund]

Projected year end: **$365M**

So far, we have spent **$7.6M more** compared to last year at this time ($143.4M vs. $135.8M)

Legend:
- FY23-22
- FY24-23
- Projected

Data labels (FY23-22, blue): $4,542,007 · $25,067,905 · $51,965,305 · $83,896,057 · $108,245,727 · $135,826,797 · $165,138,503 · $191,329,476 · $218,625,863 · $248,561,719 · $279,558,412 · $344,960,163

Data labels (FY24-23, green): $11,068,837 · $23,413,013 · $56,376,069 · $86,266,602 · $115,152,055 · $143,385,585

Y-axis (Total $): $0 · $50,000,000 · $100,000,000 · $150,000,000 · $200,000,000 · $250,000,000 · $300,000,000 · $350,000,000

X-axis: July · August · September · October · November · December · January · February · March · April · May · June

Our financial planning capabilities are strong - actual December month-end spend is 0.2% off from our projection

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146,079,887

143,717,409

143,385,585

135,826,797

	FY22-23
	FY23-24
	Projected
	Preliminary

November   December   January

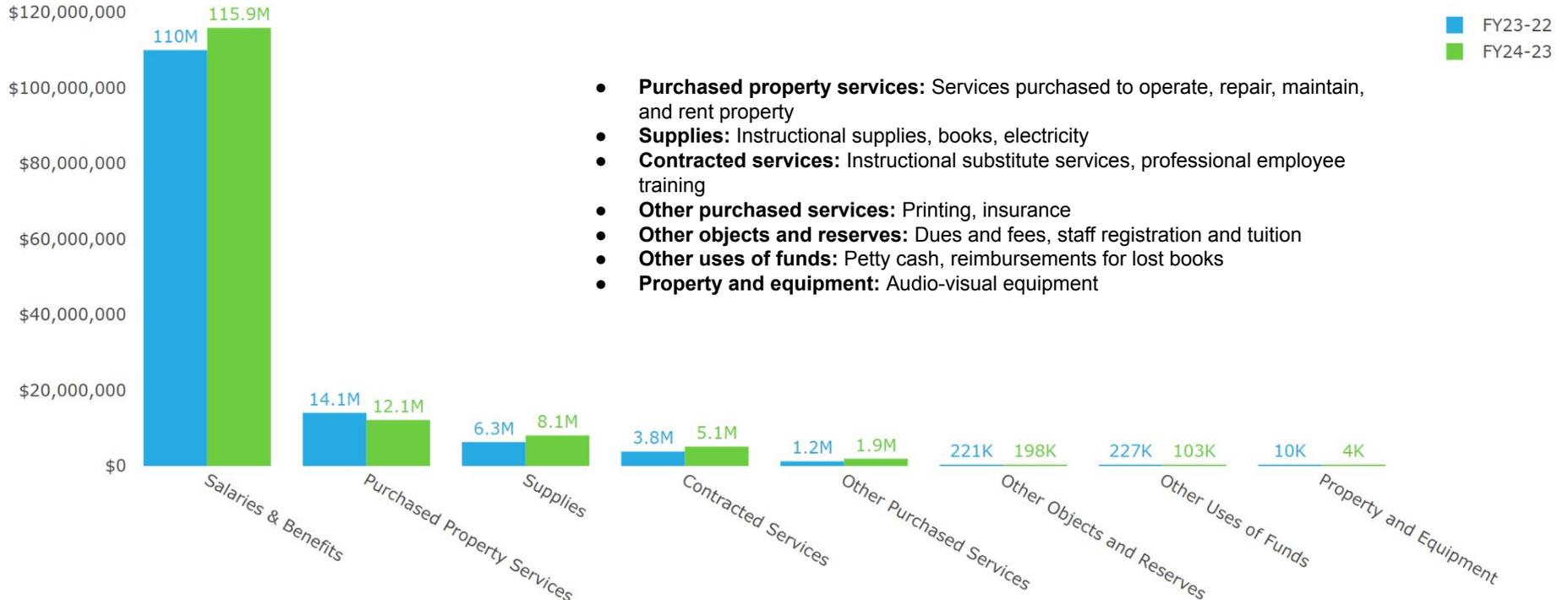**$6M of the December month-end increase is in salaries and benefits, which we would expect based on our investment in increased teacher and hourly support professional compensation**

FY24 Actual Expenditure (Year-Over-Year) by Object Type [General Fund]

Legend:
- FY23-22 (blue)
- FY24-23 (green)

Object Type	FY23-22	FY24-23
Salaries & Benefits	110M	115.9M
Purchased Property Services	14.1M	12.1M
Supplies	6.3M	8.1M
Contracted Services	3.8M	5.1M
Other Purchased Services	1.2M	1.9M
Other Objects and Reserves	221K	198K
Other Uses of Funds	227K	103K
Property and Equipment	10K	4K

- **Purchased property services:** Services purchased to operate, repair, maintain, and rent property
- **Supplies:** Instructional supplies, books, electricity
- **Contracted services:** Instructional substitute services, professional employee training
- **Other purchased services:** Printing, insurance
- **Other objects and reserves:** Dues and fees, staff registration and tuition
- **Other uses of funds:** Petty cash, reimbursements for lost books
- **Property and equipment:** Audio-visual equipment

We are spending $5M more on instruction this year than last year at this time

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FY24 Actual Expenditure (Year-Over-Year) by Function Type [General Fund]

Legend: ■ FY23-22 ■ FY24-23

- **Instruction:** dealing directly with the interaction between teachers and students
- **Facilities Acquisition and Construction Services:** acquisition, remodeling, and construction of land and buildings
- **Support Service - Students:** assess and improve the well-being of students
- **Operation and Maintenance of Plant Services:** keeping grounds, buildings, and equipment in an effective working condition
- **Support Services - School Administration:** overall administrative responsibility for schools
- **Support Services - Instruction Staff:** assisting the instructional staff with providing learning experiences for students

Chart values:
- Instruction: 59.6M / 64.7M
- Support Service/ Students: 13.1M / 14.6M
- Operation and Maintenance of Plant Services: 11.4M / 12.6M
- Support Services/ School Administration: 11.8M / 11.8M
- Facilities Acquisition and Construction Services: 12.2M / 10.7M
- Support Serivces/ Instruction Staff: 10.8M / 10M
- Central Services: 8M / 8.9M
- Student Transportation: 5M / 5.5M
- Support Services/ General Administration: 2.5M / 3.1M
- Child Nutrition Program Operations: 377K / 425K
- Other Uses and Repayments: 256K / 388K

ESSER Overview

FY24 - as of December 31, 2023	
Total allocated FY24	$42,957,518
Spent	$19,755,614
Encumbered	$12,889,984
Remaining	$10,311,920

- Total allocated FY24 reflects what we expect to spend for the year

- As of 12/31/23, we have spent ~$20M, ~$13M is encumbered, remaining balance of ~$10M. All funds are spoken for.

- FY24 remaining balance - $10.3M
    - $ 3.4M | HVAC projects
    - $ 3.1M | Ready Set Summer
    - $ 1.5M | Stipends & COLA
    - $ 1.8M | Indirect Costs