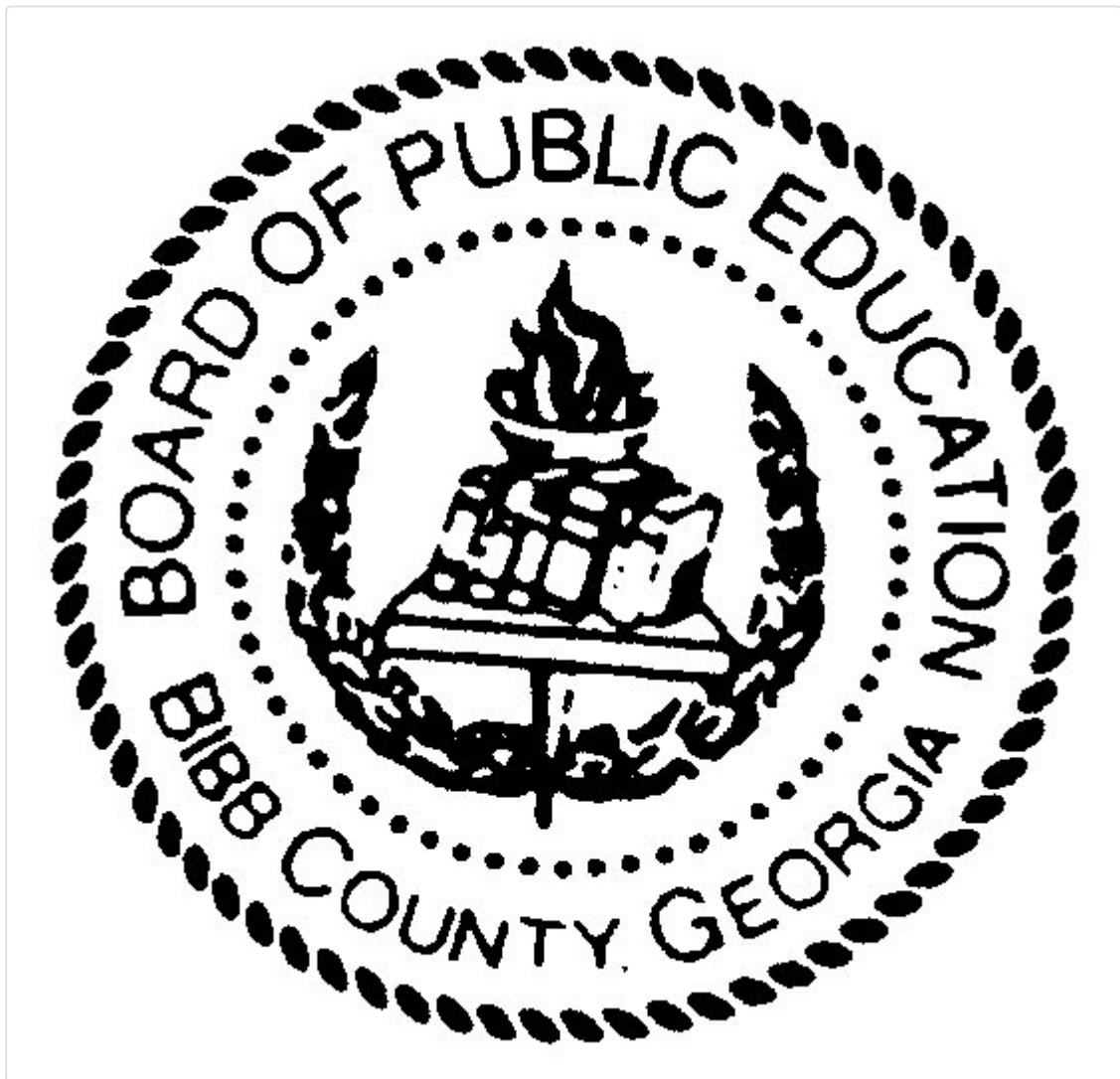


The Board Brief

May 12, 2020



This edition of The Board Brief is a summary of the information presented at the Board of Education's Budget Work Session on May 12, 2020. The work session took place via teleconference due to COVID-19.

=====

Information

Board Receives Update on FY21 General Fund Budget

On Tuesday, May 12, Chief Financial Officer Ron Collier presented Board members with an updated preview of the FY 2021 Budget and sought feedback about a plan to balance the budget.

On Friday, May 1, State School Superintendent Richard Woods received a memorandum from the House of Representatives Appropriations Chair, the Senate Appropriations Chair, and the Office of Planning and Budget Director concerning the FY 2021 Budget. This memo directed every state agency to prepare an FY 2021 budget that includes a 14 percent reduction from their FY 2020 original base budget. This includes formula funding for local school systems, which includes state grants and QBE. This 14 percent reduction for Bibb County School District would be about \$18.5 million for FY 2021.

The District will receive CARES Act allocation funding in the amount of \$10.6 million to help offset the costs of COVID-19, but some of that funding must be directed to equitable services (private schools) and other District COVID-19 expenses. Even if 100 percent of the \$10.6 million to be received from the CARES Act allocation were to be used to offset the budget reduction of \$18.5 million, the District would still see a \$7.9 million loss in state funding. This loss, along with other changes, would result in a projected \$10.1 million deficit for the 2021 fiscal year. This would bring the District's fund balance to a dangerously low \$19.5 million or 9.06 percent.

Mr. Collier also went through a line-item explanation of the allotments earned by QBE – this is the number of employees and the amount of funding the District earns based on student enrollment.

Board members were asked to provide feedback and guidance regarding possible options to consider as the District works to reduce expenditures to match revenues.

Items presented for consideration for FY 2021:

- Furloughs: one day of furlough could reduce expenditures by \$808,815. With 239-day employees being furloughed 12 days, 225-day employees 11 days, 190- to 215-day employees 10 days, and 180- to 182-day employees 8 days, the District could reduce expenditures by \$8,188,721.
- Use of Fund Balance Reserves (\$4 million)
- Millage rate increase (\$4 million)
- Shorten the school year
- Reduction of Central Office and school-level positions (*In progress*)
- Freezing step increases on the salary scale (\$1.7 million)
- Freezing of position vacancies
- Reduction of operations by 5% (additional \$0.6 million)
- Eliminate consultants (\$0.09 million)
- Eliminate service agreements (\$0.6 million)
- Eliminate summer school (\$0.7 million)
- Reduce the allotment formula for assistant principals and clerical staff at schools
- Consolidation of schools and possible rezoning
- Delay of 1-to-1 Initiative until new ESPLOST revenues are received

- Moratorium on all travel
- Utilize a four-day work week
- Modifications or elimination of programs
 1. IB Program (\$0.1 million)
 2. Advanced Placement Program (nominal)
 3. SAM Program (\$0.4 million)
 4. Leader in Me
 5. School City (\$0.2 million)
 6. College and Career Academy (reduction in a minimum of one teacher at each high school \$0.5 million; other potential reductions at CCA to be determined)
 7. WiSH Printing
 8. Athletics costs
 9. Grants that are not 100% grant funded (added costs such as personnel, travel, etc. funded by General Fund)
- Various combinations of the above

State legislators have yet to approve a state budget for FY 2021, therefore the estimated impact to the District remains uncertain. Legislators are set to return to session June 11. Because of this, Mr. Collier discussed a plan for the Board to pass a spending resolution by July 1, 2020. This would allow the District to continue operations in the next fiscal year (beginning July 1, 2020) while assessing actual numbers from the state.

After hearing from Board members, Superintendent Dr. Curtis Jones advised the District would plan for a budget that would include a reduction of system positions, a reduction of operations, and a plan to use fund balance. Additionally, the District will not plan for a textbook adoption for FY 2021.

The spending resolution will be presented to the Board for action in June.

To review the full presentation, [click here](#).