

MINUTES
BUDGET HEARING
August 26, 2010

The Jefferson County Board of Education met in a work session on Thursday, August 26, 2010, at 4:09 p.m. in the board's office, 2100 18th Street South, Birmingham, Alabama, with the following members present: President Jennifer H. Parsons, Vice-President Ronald A. Rhodes, Ms. Jacqueline A. Smith, and Mrs. Karen Nix Smith, and Mr. Tommy L. Little. Members absent: None. Also present was Superintendent Phil Hammonds.

MEETING CALLED TO ORDER - President Parsons called the meeting to order and stated that the purpose of the meeting was for the presentation of the budget for fiscal year 2011.

PROPOSED BUDGET FOR FISCAL YEAR 2011 PRESENTED - The superintendent explained that this is the first of two required hearings on the fiscal year 2011 budget, October 1, 2010 through September 30, 2011. The superintendent announced that the second budget hearing will be held on Tuesday, September 14, 2010, at 1:00 p.m.

The superintendent introduced Mrs. Sheila Jones, chief financial officer, while commending her for preparing the 2011 budget. He noted that the budget is realistic and the goal during these challenging economic times is to preserve the instructional program. Mrs. Jones announced that copies of the proposed budget for fiscal year 2011 were available for the public and forms providing for written questions were provided in the budget packets and should be returned to the finance department prior to the next budget hearing to be held on Tuesday, September 14, 2010. She noted that responses to the questions will be presented at the second hearing. Mrs. Jones reviewed the budget package including a summary of revenues, expenditures, and reports by cost center, schools and departments. Mrs. Jones stated that the anticipated beginning general fund balance for 2011 is \$56.5 million and the projected ending fund balance is \$53.9 million. With the use of a power point presentation, Mrs. Jones reviewed the categories in expenditures explaining what is included in each. Mrs. Jones reviewed the sources of revenues and the anticipated funding from those sources. She also reviewed the programs under the federal program umbrella as well as the funding sources for each.

In addressing the budgeting of funds from American Reinvestment and Recovery Act (Stimulus Bill), Mrs. Jones explained that the funds will again be utilized during FY 2011 to fund certain positions that would otherwise not receive funding due to the lack of state funding and she noted that the funds will not be available beginning in Fiscal Year 2012. Mrs. Jones also reviewed the budgeting of the projected \$7.1 million from the Jobs Bill that will be used to fund 100 locally funded teacher units.

The superintendent thanked the staff and Ms. Jones for her leadership. He pointed out that a \$53.9 million reserve is over two months operating budget. The superintendent reported that it is unknown if the state will declare proration for FY 2011 and if declared, the board will lose \$1.5 million in state revenue for every one percent of proration. With the exception of personnel costs, the superintendent explained central office departmental budgets remain at the fifty percent reduction.

Mr. Little commended Mrs. Jones and the superintendent for their guidance in maintaining a fund balance and wise budgeting. Upon inquiry by Mr. Little, Mrs. Jones noted that budgeted utility costs were increased by five percent in anticipation of rate increases as well as the addition of new facilities. The superintendent reported that Dr. Morris is visiting vacated facilities to determine if utilities can be turned off.

MEETING ADJOURNED - President Parsons announced once again that comments and questions regarding the proposed budget for fiscal year 2011 are due in the finance office prior to the next budget hearing to be held Tuesday, September 14, 2009, at 1:00 p.m. There being no further business, President Parsons adjourned the

meeting at 4:43 p.m.