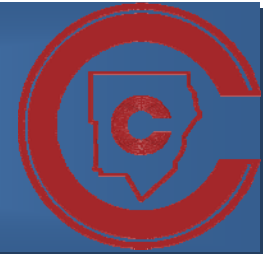


BUDGET UPDATE



February 2011
Volume 2, Issue 3

*Cobb County School District, Financial Services Division
Mike Addison - Chief Financial Officer
<http://www.cobbk12.org/centraloffice/finance/budget.htm>*

Governor's FY2012 Proposed Budget Impact on K-12 Education

Governor Deal released his budget early in January. The budget proposes spending \$6.99 billion in state funding for the education of an anticipated 1.66 million K-12 students. With little increase in State funding and the lack of American Recovery and Reinvestment Act funds included in the budget, spending per pupil in the State of Georgia will fall to the lowest level in over a decade. The Governor's proposed budget includes an increase of \$91.3 million for enrollment growth and training and experience salary increases. The budget also includes a \$60.8 million cut to the QBE formula for additional austerity cuts; in addition the budget does not replace the nearly \$141 million in Recovery Act funds that had been part of the budget FY2011. With these additional changes to the budget, school systems across the State will receive \$790 million less in QBE funding than allotted in FY2009.

The Governor assumes that districts, like Cobb, have saved a portion of the Education Jobs Act funds to be used during the FY2012 budget. In the Governor's State of the State address, he stated that his budget would end

UPCOMING DATES

February 2011	Track changes to the Governor's proposed Budget Review Legislative topics that impact Education Present purchases pre-approved by the Board Conduct Budget Training with Central Office Department Heads
March 2011	Track changes to the Governor's proposed Budget Review Legislative topics that impact Education

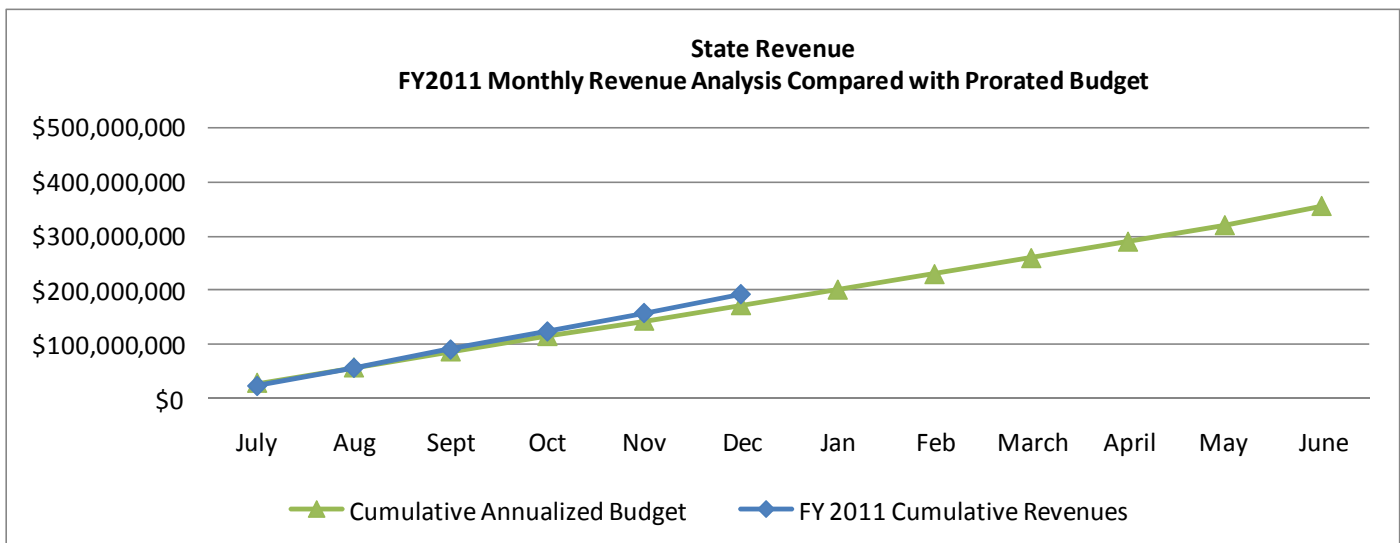
teacher furlough days and keep students in school for the entire year (180 days). However, funds have not been restored to the budget to account for this. According to the Georgia Budget and Policy Institute, "the proposed budget for FY2012 establishes a lower funding base relative to the FY2009 budget and funds only 152 days for FY2012."

The State House and Senate are currently in the process of reviewing the Governor's proposed budget and will introduce their changes in the coming months. Cobb is continuously monitoring all the developments in the Legislative session to see how it will impact our District.



Our Numbers

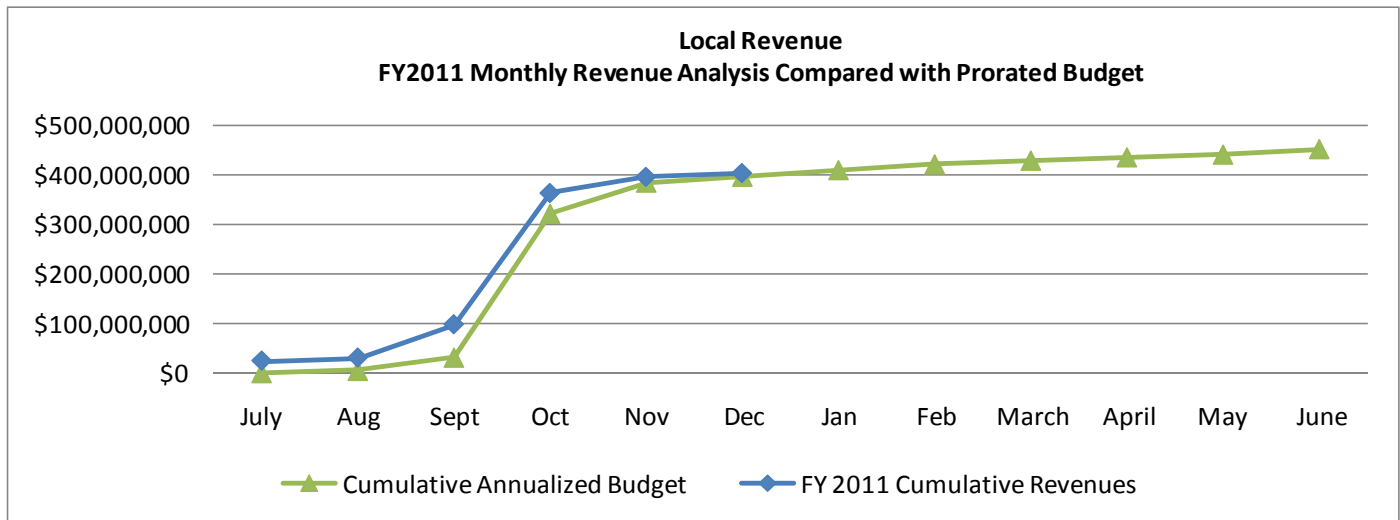
As part of the monthly Budget Update Report, Financial Services presents graphs of the revenues collected year-to-date for State, Local, and Federal Revenue sources. The graphs seen on this page and the next page have a **green line** which represents the cumulative annualized budget. *The green line represents revenue estimates which already include a decrease from previous years.* This line is the FY2011 current budget. The FY2011 current budget line is projected based on historical monthly collections. The **blue line** represents the FY2011 actual cumulative, or year-to-date, collections for the respective revenue sources. The comparison of the two lines shows if the current year budget and actual collections are following the monthly historical trends. By reviewing the monthly data, Financial Services is able to analyze if the monthly collections will reach the FY2011 total budgeted revenue or the **green triangle** for the month of June.



State Revenue

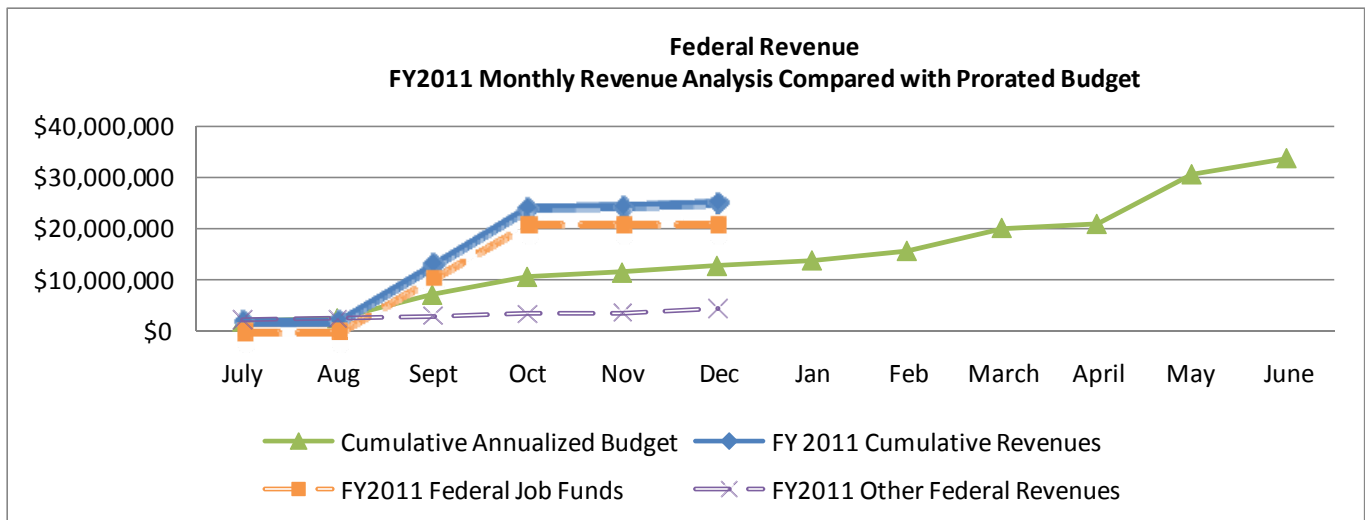
Cobb's prorated budget relative to the actual collections of State Revenue is on track. The cumulative annualized budget should remain constant for the remainder of the year. Again, the State funding through Quality Basic Education (QBE) is distributed evenly throughout the year resulting in a smooth trend in State Revenues.

Our Numbers (continued)



Local Revenue

Cobb’s prorated budget relative to the actual collections of Local Revenue is on track when compared to the cumulative annualized budget. The cumulative revenues for FY2011 were stable during the month of December and should remain steady for the rest of the fiscal year.



Federal Revenue

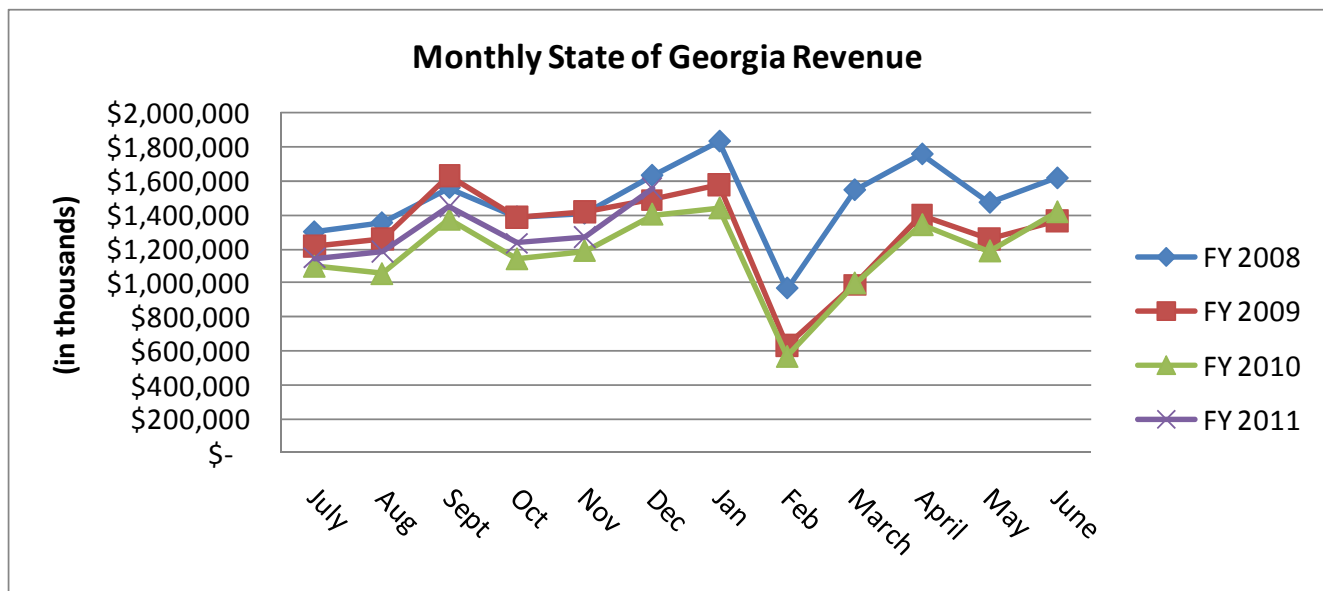
The Federal Revenue graph has been updated to include an orange dotted line which represents the Federal Jobs money received in the months of September and October. This line will remain constant for the remainder of the year since all Federal Jobs funds have been distributed. The purple dotted line represents all Other Federal Revenue sources. The Other Federal revenue sources will increase slightly for the remainder of the year as funds are received. The orange and purple dotted lines combined are represented by the blue line or the FY2011 Cumulative Revenues. The cumulative revenues are tracking higher than the cumulative annualized budget (green line) due to the Federal Jobs funds being received during the months of September and October. We anticipate the total Federal revenues (blue line) to remain steady and meet the cumulative annualized budget projection.

What's Next?

Future Challenges and Economic Outlook

State Economy

Governor Sonny Purdue announced that the net revenue collections for the month of December 2010 (FY11) totaled \$1,555,058,000 compared to \$1,402,181,000 for December 2009 (FY10), an increase of \$158,877,000 or 10.9 percent. The percentage increase year-to-date for FY11 compared to FY10 is 8.1 percent.



Governor's FY2011 Amended Budget

Governor Deal released an amended FY2011 budget in January. The amended budget includes decreased funding for transportation and nursing State grants. It appears that CCSD will lose approximately \$450,000 in this FY2011 mid-term adjustment due to the cuts to transportation and nursing. We anticipated this mid-year austerity cut as well as possible additional cuts and budgeted for it as part of the FY2011 budget. We will continue to monitor changes to the amended FY2011 budget in the General Assembly to determine if additional cuts will be made to K-12 education.



Purchases Specifically Pre-Approved by the Board

Per Board Policy SD-5, "Each February, as part of the budget adoption process, the Superintendent will present to the Board of Education and make public those budget items pre-approved by the Board from specific approval in the spending authority of the Superintendent. " As per Board Policy SD-6, "specific Board approval shall be required for all, whether or not included in the Board-adopted budget, purchased/expenditures when the annual aggregate becomes greater than \$200,000 except for those purchases/expenditures specifically pre-approved by the Board. The Board may change its list of items pre-approved by the Board at any time and shall review the list each February as part of the annual budget adoption process. The following pages present the list of purchases specifically pre-approved by the Board:

Primary Agency Utilizing	Charge Code/ Account Description	Type of Expenditures Include But Are Not Limited To:
Maintenance Items		
Maintenance	0100-234-2620-6609-3001-XXXX	HVAC air filters
Maintenance	0100-234-XXXX-XXXX-XXXX-0803	Building materials
Various	XXXX-XXX-XXXX-XXXX-6151-XXXX, Furniture & Equipment <\$5000 XXXX-XXX-XXXX-XXXX-7301-XXXX, Furniture & Equipment >\$5000	Custodial equipment
Various	XXXX-XXX-2620-6603-6101-XXXX, Custodial Supplies	Custodial supplies & liquids
Maintenance & Operations	0100-234-2620-6601-3001-XXXX, Contract Services	Environmental services such as asbestos abatement, sewage retention, grease trap cleaning, indoor environmental quality surveys, etc
Maintenance & Operations	0100-234-2620-6602-4111-XXXX, Water & Sewer	Water & sewer
Maintenance & Operations	0100-234-2620-6602-6211-XXXX, Natural Gas	Natural gas
Maintenance & Operations	0100-234-2620-6602-6221-XXXX, Electricity	Electricity
Maintenance & Operations	0100-234-2620-6603-3001-XXXX, Contract Services	Substitute/supplemental custodial services
Maintenance & Operations	0100-234-2620-6603-5951-XXXX, Other Purchased Services	Sanitation services
Maintenance & Operations	0100-234-2620-6612-4301-XXXX, Repair and Maintenance	Building materials, intercom repairs, light bulbs, hand tools, consumable supplies, paint, floor covering, glass and acrylics, electrical supplies, plumbing supplies, etc.
Maintenance & Operations	0100-234-2620-6645-3001-XXXX, Contract Services	Pest control
Maintenance & Operations	0100-234-2620-6650-3001-XXXX, Repair and Maintenance	Elevator inspections, fire alarm inspections, fire extinguisher/sprinkler inspections, fire hydrant inspections, kitchen vent hood clearing svc, etc.
Maintenance & Operations	0100-234-2640-6612-4301-XXXX, Repair and Maintenance	Outside repair of: instructional equip, 2-way radio equip, instructional furniture, audiometer/test score equip, grounds & shop equip, kitchen equip parts & repairs, custodial equip parts & repairs, electrical T&M, painting services, portable relocation and maintenance, maint vehicle gas & oil, etc.

Purchases Specifically Pre-Approved by the Board

Primary Agency Utilizing	Charge Code/ Account Description	Type of Expenditures Include But Are Not Limited To:
Supply Items		
Various	XXXX-XXX-XXXX-XXXX-6101-XXXX, Supplies XXXX-XXX-XXXX-XXXX-6151-XXXX, Equip <\$5000	Office supplies, copy paper
Various	XXXX-XXX-XXXX-XXXX-6111-XXXX, Computer related supplies	Printer cartridges
Various	XXXX-XXX-XXXX-XXXX-6101-XXXX, Supplies	Copier & duplicator supplies
Food and Nutrition		
Food and Nutrition	0600-223-3100-6652-6301-0XXX, FNS Food	Food Bids including canned foods, dry goods, frozen food items, produce, eggs, milk and juices, bread, ice cream & frozen desserts, beef, pork, & chicken processing, cheese
Food and Nutrition	0600-223-3100-6652-7301-0601, FNS Equipment >\$5000	Large kitchen equipment
Food and Nutrition	0600-223-3100-6652-6116-0804, FNS support items	Food & Nutrition paper products and garbage can liners
Food and Nutrition	0600-223-3100-6652-6101-XXXX, FNS, Supplies	School cafeteria uniforms
Food and Nutrition	0600-223-3100-6652-3001-0998, FNS	Sanitation and waste hauling
C&I Items		
Various	XXXX-XXX-1104-XXXX-6101-XXXX, Choral Supplies XXXX-XXX-1104-XXXX-6151-XXXX, Choral Equipment <\$5000 XXXX-XXX-1104-XXXX-7301-XXXX, Choral Equipment >\$5000	Choral music equipment and supplies
Various	XXXX-XXX-XXXX-XXXX-6101-0XXX, Supplies XXXX-XXX-XXXX-XXXX-6151-0XXX, Furniture and Equipment <\$5000 XXXX-XXX-XXXX-XXXX-7301-0XXX, Furniture and Equipment >\$5000	Band and orchestra instruments, supplies and equipment
Various	XXXX-XXX-XXXX-XXXX-6101-XXXX, Instructional Supplies XXXX-XXX-XXXX-XXXX-6111-XXXX, Inst. Computer-related supplies XXXX-XXX-XXXX-XXXX-6121-XXXX, Inst. Software XXXX-XXX-XXXX-XXXX-6151-XXXX, Inst. Equip.<\$5000 XXXX-XXX-XXXX-XXXX-6161-XXXX, Inst. Computer-related Equip..<\$1000 XXXX-XXX-XXXX-XXXX-7301-XXXX, Inst. Equip.. >\$5000 XXXX-XXX-XXXX-XXXX-7342-XXXX, Inst. Computer-related Equip.>\$5000	Science and other instructional supplies & equipment including microscopes, balances, specimens, theater equipment, calculators, PE & HS Sport Equipment, etc.
Various	XXXX-XXX-XXXX-XXXX-6101-XXXX, Supplies XXXX-XXX-XXXX-XXXX-6151-XXXX, Equip. < \$5000	Art supplies
Various	0100-XXX-2221-1310-6421-XXXX, Media books and magazines	Library books & magazine subscriptions
Various	XXXX-416-1123-3532-6151-XXXX, State Capital Equipment Grant XXXX-416-1123-3532-6151-XXXX, Perkins funds	Vocational labs for middle & high schools

Purchases Specifically Pre-Approved by the Board

Primary Agency Utilizing	Charge Code/ Account Description	Type of Expenditures Include But Are Not Limited To:
Office of Accountability Items		
Office of Accountability	0100-412-2160-7011-5951-XXXX, Other Purchased Services	Materials for state and system testing programs
Technology Items		
Various	XXXX-XXX-XXXX-XXXX-6101-0XXX, Supplies XXXX-XXX-XXXX-XXXX-6111-0XXX, Computer Related Supplies XXXX-XXX-XXXX-XXXX-6151-0XXX, Equipment <\$5000 XXXX-XXX-XXXX-XXXX-6161-0XXX, Computer Related Equipment <\$1000 XXXX-XXX-XXXX-XXXX-6165, Exp Computer \$1000 And \$4999 XXXX-XXX-XXXX-XXXX-7301-0XXX, Equipment >\$5000 XXXX-XXX-XXXX-XXXX-7342-0XXX, Computer Related Equipment >\$5000	Technology and audiovisual equipment items such as computers, printers, TVs, DVDs, camcorders, audio cassette recorders/players, projectors, interactive devices, copiers, microphones, projection screens, etc.
Various	0100-XXX-XXXX-XXXX-6122-XXXX, Recurring Software License Fees	Recurring software license fees such as SchoolMax, Remedy, Veritas, Blackboard, etc.
Technology	0100-251-2550-6301-3001-XXXX, Contract Services 0100-251-2550-6301-4301-XXXX, Repairs and Maintenance	Copier repairs
Technology	0100-251-2620-6602-5301-XXXX, Telephone Expenses	Recurring monthly telephone bills Includes local, long distance, pagers, blackberries, and cell phone bills
Technology	0100-251-2840-6501-3001-XXXX, Contract Services	Technology contract services items such as eRate audit, tech consultations, HW/SW support calls outside of general maint contracts
Technology	0100-251-2840-6502-4321-XXXX, Repair & Maintenance Services - Technology Related	Technology repair and maintenance items such as: replacement parts and/or repairs for out of warranty phones, computers and printers, recurring hardware support and service contracts such as phone PBX system, Athena support, maint contracts for data center equip, maint contracts for network monitoring and mgmt tools, batteries for UPS, server closet (liebert cabinets) maint and repairs, AV equipment, etc.
Technology	0100-251-2840-6502-5301-XXXX, Telephone Expense	Recurring Network services-NIMLI/WAN/Metro, Internet Service
Fleet Maintenance Items		
Fleet Maintenance	0100-224-2740-1320-6261-XXXX, Gasoline & Diesel Fuel	Gasoline & diesel fuel, oil and fluids for buses and support vehicles
Fleet Maintenance	0100-224-2740-1320-4301-XXXX, Repair & Maintenance	Repair & maintenance items such as bus repair parts, fluids & other repair items, repairs on 2-way radios, outside repair work, paint & general maintenance, maintenance on automated fuel system
Fleet Maintenance	0100-224-2740-1320-4301-0805, Repair & Maintenance	Contractor operated parts store
Fleet Maintenance	0100-224-2740-1320-6117-0805, Tires	Tires
Other Operational Items		
Various	XXXX-XXX-XXXX-XXXX-6151-XXXX, Furniture less than \$5000 XXXX-XXX-XXXX-XXXX-7301-XXXX, Furniture, \$5000 or greater	School furniture includes classroom and administrative furniture & equipment for growth and replacement as well as new schools/additions

Purchases Specifically Pre-Approved by the Board

Primary Agency Utilizing	Charge Code/ Account Description	Type of Expenditures Include But Are Not Limited To:
Financial Services		
Financial Services	0100-XXX-1101-1041-6101-XXXX, Supplies	Supplies - Grades 9-12 instructional allotment, Must meet state required expenditure test
Financial Services	0100-XXX-1101-1051-6101-XXXX, Supplies	Supplies - Grades 4-5 instructional allotment, Must meet state required expenditure test
Financial Services	0100-XXX-1101-1071-6101-XXXX, Supplies	Supplies - Grades 1-3 EIP supplies, Must meet state required expenditure test
Financial Services	0100-604-1123-6268-5951-XXXX, Other Purchased Svcs	Other Purchased Svcs - Holding acct for cell towers revenue - once received a budget adj is processed to move the expenditure budget to the appropriate school
Financial Services	0100-604-2210-9990-5941-XXXX, Services Purchased from Charter Schools	Services purchased from charter schools
Accounting/Transfer		
Accounting/Transfers	0100-626-5000-0554-9301-XXXX, Transfers to Other Funds	Transfers to Other Funds -Transfer to Public Safety Fund
Accounting/Transfers	0100-626-5000-0556-9301-XXXX, Transfers to Other Funds	Transfers to Other Funds - Transfer to Adult High School Fund
Accounting/Transfers	0100-626-5000-0692-9301-XXXX, Transfers to Other Funds	Transfers to Other Funds - Transfer to Self Insurance Fund
Accounting/Transfers	0100-626-5000-0696-9301-XXXX, Transfers to Other Funds	Transfers to Other Funds - Transfer to Purchasing/Whse Fund
Media & Distance Learning		
Media & Distance	0100-492-1101-1000-6411-XXXX, Textbooks-New	Textbooks - New
Media & Distance	0100-492-1101-1000-6412-XXXX, Textbooks-Replacement	Textbooks-Replacement
District Wide		
Various	XXXX-XXX-XXXX-XXXX-XXXX-XXXX, Salary and Benefits	Salary and Benefits
Superintendent	XXXX-XXX-XXXX-XXXX-3002-XXXX, Legal Fees XXXX-XXX-XXXX-XXXX-3003-XXXX, Base Legal Fees 0692-341-2590-6401-8903-XXXX, Self Insurance Litigation	Legal fees

