

PEARL PUBLIC SCHOOL  
DISTRICT

# PROPOSED BUDGET

FISCAL YEAR  
2022-2023





# ABOUT US

IT'S A GREAT DAY TO BE A PIRATE!



PEARL PUBLIC SCHOOL DISTRICT  
**INSPIRING EXCELLENCE**  
— SINCE 1976 —

The mission of Pearl Public School District is to prepare each student to become a lifelong learner, achieve individual goals, and positively impact a global society.



# What is a school district budget?

A school district budget is a plan for receiving and expending funds. The budget provides information necessary to determine the amount of school taxes that must be levied and how much the district expects to receive from state and federal governments.

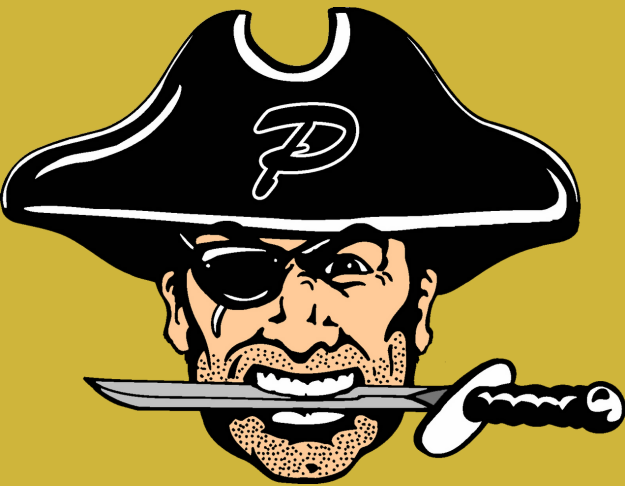
A school district budget is actually many budgets rolled into one (i.e., the budget consists of major funds or accounts specifically defined by how the money is collected, held, and spent). Among them are the following:

- District Maintenance
- Local Special Education
- At-Risk Funds
- Alternative
- Vocational (CTE) Funds
- Federal Funds
- Activity Funds
- Local Building Funds
- Debt Service Funds
- School Food Funds

Pearl Public School District's budget is made up of 47 funds in total.

The single largest fund is District Maintenance (1120). This fund consists of direct costs for instruction, transportation, utilities, and all support services. District Maintenance also supports other operating funds, such as Local Special Education, Alternative, At-Risk, and Vocational (CTE) through transfers.

The administrative team works together to meet students' needs within the available revenues. Every year, the administrative team gathers information from each school and department through budget hearings. Numerous factors are at work throughout this process. In order to meet the needs of the students, several factors are considered including, but not limited, to instructional needs, state funding, local tax collections, debt service needs, state laws, and regulations. New regulations and laws are carefully reviewed to ensure funding is available.





# Timeline

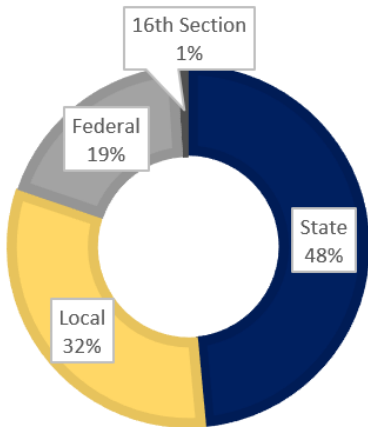
- February 2 - 11 - Conduct Budget Hearings with Superintendent, CFO, and Admin
- February 3 - Conduct Board Budget Worksession
- February 14 - Adopt budget calendar
- April 19 - Conduct Board Budget Worksession
- May 25 & June 1 - Advertise for Public Hearing and Ad Valorem Tax Notice
- June 13 - Hold Public Hearing
- June 27 - Adopt the budget
- August 8 - Adopt the Resolution to Request Ad-Valorem Taxes
- By August 15 - Provide two copies of the budget and resolution to the taxing authority and filed with the State Department of Education

# REVENUES

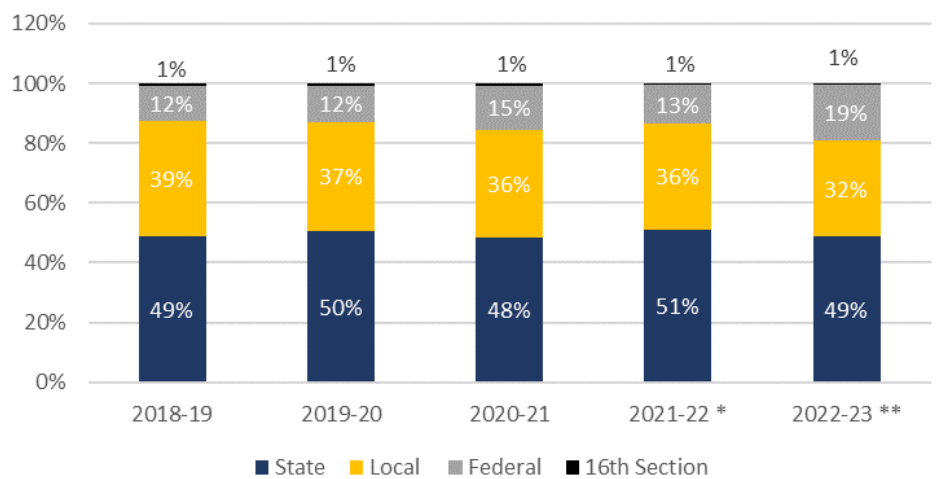
Four major factors determine the amount of money available for the school budget:

- Local Support
- State Appropriation
- Federal Aid
- 16th Section

**SOURCES OF REVENUE**



**Historical Revenues by Sources**



\* Approved budget

\*\* Proposed Budget

All other data is from final approved budget reports.



# State Appropriation

The state funds education through the Mississippi Adequate Education Program (MAEP). Annually, the state determines a base student cost. Districts are then funded based on the average daily attendance (ADA) of the students enrolled in Months 2 and 3. The state provides additional funding (add-on) for transportation, special education, gifted education, vocational education, and alternative education.

MAEP Formula:

$$\begin{aligned} \text{Base Student Costs} \times \text{ADA} &= \text{MAEP} + \text{Add-on Programs} \\ \$6,532.20 \quad \times 3686.77 &= 19,237,639 + 4,686,495 \\ &= \$23,924,134 \end{aligned}$$

Reduced by 10.5% in FY23

Actual FY23 Funding MAEP: \$21,413,125

increase from FY22 allocation: \$94,312

Additional Allocation for MAEP Teacher & Assistant Pay Raises:  
\$2,070,849.00

included in MAEP calculation for FY24





Based on the prior year's assessed valuation, the district requests from the levying authority an amount of money. The levying authority sets the millage required to collect the requested funding. Local funding is based on the total property value or assessed valuation of the district's territory.

Millage is the factor applied to the assessed or taxable valuation of real or personal tangible property to produce tax revenue. For every \$1,000 of property value, a property owner pays \$1.

**How are my taxes calculated?**

Market value of a home:

\$150,000

Appraised % of market value:

10%

Assessed value:

15,000

Taxable property tax rate

assessed:

0.05870

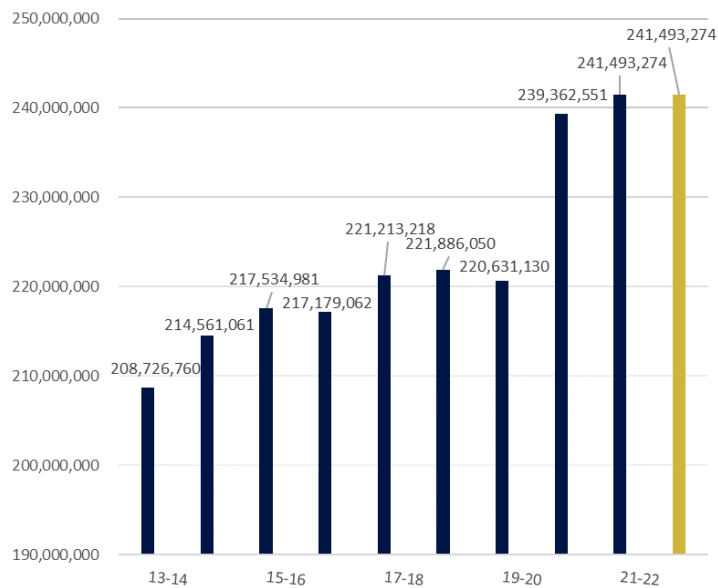
Property tax due: for school

district taxes:

\$880.50

| Assessed Valuation |                 |               |                   |                         |                          |            |                 |
|--------------------|-----------------|---------------|-------------------|-------------------------|--------------------------|------------|-----------------|
| Total Mills        | Assessment Year | Real Property | Personal Property | Public Utility Property | Total Assessed Valuation | Homestead  | Value of a Mill |
| 58.70              | 2022-23 Budget  | 166,298,993   | 64,461,981        | 10,732,300              | 241,493,274              | 14,253,106 | 227,240         |
| 58.70              | 2021-22         | 166,298,993   | 64,461,981        | 10,732,300              | 241,493,274              | 14,253,106 | 227,240         |
| 58.70              | 2020-21         | 163,916,755   | 64,671,558        | 10,774,238              | 239,362,551              | 14,215,732 | 225,147         |
| 60.56              | 2019-20         | 149,271,413   | 61,773,785        | 9,585,932               | 220,631,130              | 12,505,988 | 208,125         |
| 60.40              | 2018-19         | 149,043,622   | 63,798,813        | 9,043,615               | 221,886,050              | 12,222,552 | 209,663         |
| 60.40              | 2017-18         | 146,890,983   | 65,003,372        | 9,318,863               | 221,213,218              | 12,344,671 | 208,869         |
| 60.40              | 2016-17         | 145,186,394   | 63,072,139        | 8,920,529               | 217,179,062              | 12,549,992 | 204,629         |
| 60.40              | 2015-16         | 145,104,141   | 62,876,794        | 9,554,046               | 217,534,981              | 12,253,545 | 205,281         |
| 60.40              | 2014-15         | 143,532,802   | 61,858,174        | 9,170,085               | 214,561,061              | 12,219,070 | 202,342         |
| 60.39              | 2013-14         | 137,589,976   | 62,154,917        | 8,981,867               | 208,726,760              | 11,857,996 | 196,869         |

**FINAL ASSESSED VALUATIONS TRENDS**







# Federal Aid

Federal Aid consists of school lunch and breakfast subsidies, Vocational (CTE), Title Cluster, Individuals with Disabilities Education Act (IDEA), and Preschool Cluster, as well as a few competitive grants.

FY23 will include carryover Cares Act funding for ESSER II and ARP ESSER for approximately \$7M.



# 16th Section

The Pearl Public School Board of Education is responsible for the management and leasing of more than 640 acres of 16th section public school trust lands. Properties are located in Section 16, township 5 N Range 2 E. More than 177 acres are currently leased and generate annual revenues of approximately \$282,560.50. Fund 1840 is the 16th Section interest fund. These funds can be transferred to support annual operations or capital projects.





# Debt Service

Debt service is the cash required to pay back the principal and interest of outstanding debt for a particular period of time.

In FY19, the district issued a promissory note that is paid annually through the Education Enhancement Fund (EEF) allocation. The note was issued to purchase school buses.

In FY16, the district issued a special obligation bond to build Pearl Upper Elementary School.

## **Debt Service Payoff Dates:**

2019 Note - August 2029 (\$900,000)

2016 Special Obligation Bonds - April 2039 (\$21,055,000)

Balances and amounts due in the FY23 budget are below.

| <b>Debt Type</b>         | <b>Principal</b> | <b>Interst</b> | <b>Paying Agent</b>             | <b>Total</b>        |
|--------------------------|------------------|----------------|---------------------------------|---------------------|
| 4091 - 2019 Note         | 104,000.00       | 19,800.00      |                                 | 123,800.00          |
| 4034 - 2016 SO Bonds     | 930,000.00       | 744,387.50     | 2,500.00                        | 1,676,887.50        |
| Less: 2410 - EEF Funding |                  |                |                                 | <u>(123,800.00)</u> |
|                          |                  |                | <i>Total Debt Service Funds</i> | <u>1,676,887.50</u> |

# Expenditures

Seventy-four percent (74%) of the total budget for Pearl Public School District consists of salaries and benefits for employees.

Enrollment is projected, and teacher allocations are considered based on needs.

| School       | Projected Enrollment |
|--------------|----------------------|
| ECEC         | 122                  |
| PLE          | 632                  |
| PNE          | 565                  |
| PUE          | 580                  |
| PJH          | 971                  |
| PHS          | 1269                 |
| DistrictWide | 0                    |
|              | 4139                 |

For FY23, the district plans to hire an additional counselor at PHS for increased support for social-emotional issues, a new part-time Spanish teacher, a business teacher, and an English teacher. The district issued 3% cost of living adjustments for all employees not impacted by Teacher and Assistant pay raises issued through the legislature.

Through ESSER, the district plans to continue utilizing additional interventionists and additional class size reduction teachers to address learning loss. This federal funding will also be utilized for the continued employment of an assistant curriculum coordination/district interventionist and support specialist and one computer technician.

## Operations

**Salaries \$20,103,084.62**

Licensed & Non-Licensed

**Benefits \$6,925,342.58**

Retirement, Social Security, Medical Insurance, etc.

**Purchased Services \$3,150,978.95**

Property Insurance, Substitute Teachers, Transportation, School Resource Officers, Utilities, etc.

**Supplies & Equipment \$1,094,344.25**

Instructional Resources, Computer Equipment, Maintenance Supplies, etc.

**Capital Projects \$3,075,000.00**

**Other Objects \$2,103,780.01**

Due, Fees Debt Payments, etc.

**Total \$36,452,530.41**

# Capital Projects

The board-approved capital project expenditures for FY23-FY24 are as follows:

- Brickwork at athletic fields and technology buildings
- Multi-purpose building at PJH
- LED lighting upgrades to athletic and school buildings
- PJH renovations
- New track bleachers
- PHS library renovation
- Sound panels in PUE cafe'
- PUE hill-slide project
- New school sign at Hwy 80 PUE.

The goal of our school district budget is to offer a high-quality, well-rounded education for the Pearl Public School District students that supports the district's mission.

Excellence in Education

# Operational Funds

|                                                      | GENERAL<br>DISTRICT M<br>1120 | GENERAL<br>SPECIAL ED<br>1130 | GENERAL<br>ALTERNATIV<br>1140 | GENERAL<br>AT-RISK<br>1145 | SPECIAL<br>REVENUE<br>VOCATIONAL<br>2711 |
|------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|------------------------------------------|
| <b>REVENUES:</b>                                     |                               |                               |                               |                            |                                          |
| LOCAL SOURCES                                        | 12,668,176.33                 | .00                           | .00                           | .00                        | .00                                      |
| INTERMEDIATE                                         | .00                           | .00                           | .00                           | .00                        | .00                                      |
| STATE SOURCES                                        | 23,518,526.54                 | 45,000.00                     | .00                           | .00                        | 338,739.84                               |
| FEDERAL SOURCES                                      | 14,000.00                     | .00                           | .00                           | .00                        | 26,240.00                                |
| 16 SECTION                                           | .00                           | .00                           | .00                           | .00                        | .00                                      |
| <b>TOTAL REVENUES</b>                                | <b>36,200,702.87</b>          | <b>45,000.00</b>              | <b>.00</b>                    | <b>.00</b>                 | <b>364,979.84</b>                        |
| <b>EXPENDITURES:</b>                                 |                               |                               |                               |                            |                                          |
| INSTRUCTION                                          | 18,777,879.00                 | 3,107,518.49                  | 162,183.29                    | 345,969.26                 | 827,680.62                               |
| SUPPORT SERVICES                                     | 11,961,127.86                 | 493,581.67                    | 1,000.00                      | 44,757.78                  | .00                                      |
| NON INSTRUCTIONAL                                    | 206,500.00                    | .00                           | .00                           | .00                        | .00                                      |
| 16TH SECTION                                         | .00                           | .00                           | .00                           | .00                        | .00                                      |
| FACILITIES ACQ./CONSTR                               | .00                           | .00                           | .00                           | .00                        | .00                                      |
| DEBT SERVICE                                         |                               |                               |                               |                            |                                          |
| PRINCIPLE                                            | .00                           | .00                           | .00                           | .00                        | .00                                      |
| INTEREST                                             | .00                           | .00                           | .00                           | .00                        | .00                                      |
| OTHER                                                | .00                           | .00                           | .00                           | .00                        | .00                                      |
| <b>TOTAL EXPENDITURES</b>                            | <b>30,945,506.86</b>          | <b>3,601,100.16</b>           | <b>163,183.29</b>             | <b>390,727.04</b>          | <b>827,680.62</b>                        |
| <b>EXCESS REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>5,255,196.01</b>           | <b>3,556,100.16-</b>          | <b>163,183.29-</b>            | <b>390,727.04-</b>         | <b>462,700.78-</b>                       |
|                                                      | <b>DISTRICT M<br/>1120</b>    | <b>SPECIAL ED<br/>1130</b>    | <b>ALTERNATIV<br/>1140</b>    | <b>AT-RISK<br/>1145</b>    | <b>VOCATIONAL<br/>2711</b>               |
| <b>OTHER FUND SOURCES (USES)</b>                     |                               |                               |                               |                            |                                          |
| PROCEEDS OF GENERAL BONDS                            | .00                           | .00                           | .00                           | .00                        | .00                                      |
| PROCEEDS OF REFUNDING BONDS                          | .00                           | .00                           | .00                           | .00                        | .00                                      |
| PROCEEDS OF LOANS                                    | .00                           | .00                           | .00                           | .00                        | .00                                      |
| INCEPTION OF CAPITAL LEASES                          | .00                           | .00                           | .00                           | .00                        | .00                                      |
| INSURANCE LOSS RECOVERIES                            | .00                           | .00                           | .00                           | .00                        | .00                                      |
| SALE OF TRANSPORTATION EQUIP                         | .00                           | .00                           | .00                           | .00                        | .00                                      |
| SALE OF LAND                                         | .00                           | .00                           | .00                           | .00                        | .00                                      |
| SALE OF OTHER PROPERTY                               | .00                           | .00                           | .00                           | .00                        | .00                                      |
| INDIRECT COSTS                                       | 329,099.91                    | .00                           | .00                           | .00                        | .00                                      |
| OTHER TRANSFERS IN                                   | 24,109.26                     | 3,556,100.16                  | 163,183.29                    | 390,727.04                 | 462,700.78                               |
| PAYMENTS TO ESCROW AGENTS                            | .00                           | .00                           | .00                           | .00                        | .00                                      |
| MISCELLANEOUS OTSOURCES                              | .00                           | .00                           | .00                           | .00                        | .00                                      |
| INDIRECT COSTS TRANSFERS OUT                         | .00                           | .00                           | .00                           | .00                        | .00                                      |
| OTHER TRANSFERS OUT                                  | 6,434,483.99-                 | .00                           | .00                           | .00                        | .00                                      |
| PAYMENTS BOND ESCROW AGENT                           | .00                           | .00                           | .00                           | .00                        | .00                                      |
| PAYMENTS DEBT ESCROW AGENT                           | .00                           | .00                           | .00                           | .00                        | .00                                      |
| MISCELLANEOUS OTHER USES                             | .00                           | .00                           | .00                           | .00                        | .00                                      |
| SPECIAL ITEMS                                        | .00                           | .00                           | .00                           | .00                        | .00                                      |
| EXTRAORDINARY ITEMS                                  | .00                           | .00                           | .00                           | .00                        | .00                                      |
| <b>TOTAL OTHER FUND SOURCES (USES)</b>               | <b>6,081,274.82-</b>          | <b>3,556,100.16</b>           | <b>163,183.29</b>             | <b>390,727.04</b>          | <b>462,700.78</b>                        |
| <b>NET CHANGE IN FUND BALANCE</b>                    | <b>826,078.81-</b>            | <b>.00</b>                    | <b>.00</b>                    | <b>.00</b>                 | <b>.00</b>                               |
|                                                      | <b>DISTRICT M<br/>1120</b>    | <b>SPECIAL ED<br/>1130</b>    | <b>ALTERNATIV<br/>1140</b>    | <b>AT-RISK<br/>1145</b>    | <b>VOCATIONAL<br/>2711</b>               |
| <b>FUND BALANCE/RETAINED EARNINGS</b>                |                               |                               |                               |                            |                                          |
| JULY 1, 2022                                         | 8,720,318.88                  | .00                           | .00                           | .00                        | .00                                      |
| PRIOR PERIOD ADJ                                     | .00                           | .00                           | .00                           | .00                        | .00                                      |
| RECLASSIFY FUND EQUITY                               | .00                           | .00                           | .00                           | .00                        | .00                                      |
| UNRECORDED FUND EQUITY                               |                               |                               |                               |                            | .00                                      |
| RECLASSIFY FUND TYPES                                |                               |                               |                               |                            | .00                                      |
| JULY 1, 2022 AS RESTATED                             | 8,720,318.88                  | .00                           | .00                           | .00                        | .00                                      |
| INCREASE/DECREASE IN RESERVE FOR INVENTORY           | .00                           | .00                           | .00                           | .00                        | .00                                      |
| JUNE 30, 2023                                        | 7,894,240.07                  | .00                           | .00                           | .00                        | .00                                      |

# Looking Forward

The district is currently at 29.4% of annual operating revenues in the district maintenance fund balance. The fund balance has increased over the last four years.

Funding challenges for FY24 include a potential reduction in MAEP due to an upcoming fiscal cliff. Free lunches were available to all students in the At-risk component multiplier for FY22 and FY23 MAEP calculations. The district experienced additional funding of over \$600k. As a result, FY24 funding is expected to experience a significant decrease based on the actual free lunch numbers.

Anticipated new developments in the assessed valuation area of the district include residential developments. The district administrative team will continue to monitor enrollment projections and trends to determine the need for additional classrooms.

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