

MEMORANDUM

To: Bibb County Board of Education

From: Dr. Dan A. Sims, Superintendent

Date: December 19, 2025

Subject: Detailed Explanation and Next Steps Regarding Budget Discrepancy

Executive Summary

The BCSD Finance Department regularly reviews the District's funds in an effort to maintain accuracy of internal data as funds are expended and received on a regular basis. This iterative process is a part of the District's best practices, as it provides the Finance Department with regular and timely information that is used to reconcile differences in an efficient manner. This process also allows the department to quickly identify issues and address them in a timely manner.

During our regular processes, we identified calculation discrepancies in budgeted salaries and benefits, unaccounted for in the already approved in the FY 2026 budget. This discrepancy involves unbudgeted costs including five staff members at the innovation center, additional transportation duties, and additional duties required to support our athletic events.

The impact of these discrepancies totals \$5,500,000, (\$2,435,000 in transportation, \$577,000 for our new Innovation and Technology Academy, \$458,000 for campus police additional duties related to covering athletic events, and \$2,030,000 across the other 37 schools and departments).

In addition, estimated expenses previously brought to the board's attention, related to GNETS and our IDEA grant have been reduced slightly through invoicing participating counties for services, but will still result in a need for the general fund to cover these essential services, which are now estimated at \$1,700,000, down \$550,000 from the original estimate of \$2,250,000.

Multiple steps are being taken to ensure this does not occur again, including a more accurate review of anticipated actual salaries, confirmation of allocated positions with all departments during the budget season, and more accurate calculations of additional duties of operations personnel based on current trends and District needs.

While this is the main issue the Finance team needs to bring to the immediate attention the Board, the team has also identified dollars that will return to the general fund, with additional revenue totaling over \$4,571,649, as well as identified reductions totaling over \$3,201,000.

The District will bring a budget amendment before the Board during the regular January 2026 meeting which will include dollar amounts associated with the combination of revenue and expenses identified above. The current estimated impact of Budget amendment number #1 will be an increase to ending fund balance of \$1,121,000, leaving the district with a fund balance of \$48,145,000, and a fund balance to expense ratio of 16.31%.

Description of Areas of Discrepancies and Impact Cost

- **Additional Duties of Transportation Personnel:** The District accounted for the normal base pay of five hours per day each bus driver is scheduled for as part of their regular duties. We did not accurately account for the total sum of additional duties, including inspections, fueling, and transportation to and from athletic events and field trips. These items were budgeted for in previous years and were omitted by error in the FY 2026 budget.
 - **Total cost impact: \$2,435,000**
- **Unaccounted-For Positions:** Four positions detailed below were not included in the budget although approved or related to approved areas of operation:
 - Director of Partnerships, Projects, and Engagement (this position was previously budgeted and filled)
 - Artificial Intelligence Teacher (Innovation and Technology Academy)
 - Electronic Vehicle Teacher (Innovation and Technology Academy)
 - Receptionist (Innovation and Technology Academy)
 - **Total cost impact (salaries + benefits): \$577,000**
- **Additional Duties to Support Athletics Events including Campus Police:** Athletic event personnel service agreements and Campus Police additional duties are higher than past trends due to more personnel assuming tasks to support our events. In past years, coverage has not been adequate to ensure safety of our students and patrons. As we increase these efforts of security, costs have increased as well.
 - **Total cost impact: \$458,000**
- **Differences in Budgeted vs. Actual Salary Calculations for all other Positions:** Actual school-based and system-level salary calculations did not match the amount budgeted for attrition due to retention efforts resulting in employees remaining with higher earnings.
- This caused a ripple effect of increased salary amounts resulting in increased benefits amounts.
 - **Total cost impact: \$2,030,000**

Total combined cost of all areas: \$5,500,000

Steps to Ensure Increased Accuracy In the Future

Moving forward, the finance and budget team has been tasked with creating a robust check and balance measure to ensure each area of the budget is reviewed for accuracy and all scenarios are projected with a high degree of certainty.

For our transportation budget we specifically aim to study and review the actual hours needed to transport students, prioritizing the need for normal transportation to and from school, but fully understanding and projecting additional duties necessary to support field trips, athletic events, and additional duties our drivers are responsible for to ensure safety of our students and staff. School-based and System Level staff are reviewed on an ongoing basis within the district. We project not only staffing allocations, but salaries and benefits associated with our staffing needs.

We begin our planning and calculations in January – March of each year, using the actual wages of current staff. However, as a normal budget practice, we account for the natural attrition of people retiring or leaving the district, which will change the amount of salary paid for a position. History has shown that a 1.0 to 1.5% attrition factor has been successful in the past when estimating salaries. We believe the rises in certified staff salaries as well as the implementation of the classified salary study this year have had a direct impact on recruitment and retention, which will allow us to reduce the attrition factor used to develop salaries.

An additional area of focus will be athletic events and fields trips, which will be scheduled out, staffing needs addressed, and estimated costs developed to more accurately budget funds needed to support our events. Since we use current staff to support our events, it is important to note that the additional hours create overtime for these staff, increasing overall cost. We will focus on providing a more accurate measure of these costs as we prepare for the FY 2027 budget.

Finally, the finance and budget teams work diligently every day, to ensure that the controls in place are implemented, monitored, and enforced; this is non-negotiable. To ensure we move forward and estimate appropriately, our team will continue to focus on best practices when developing the budget, including implementing additional review processes within our budget committee, and continuing to monitor and provide updates to the board.

Next Steps for the District/Finance Team

Step 1: Pause non-essential spending and all hiring until further notice

As the District prepares for the 2026-27 budget season, the Finance team will need adequate time to review the 2025-2026 budget to actual results, as well as develop next year's budget with the highest degree of fidelity. We will also continue the process of identifying cost-savings opportunities for the 2026-27 school year.

Step 2: Complete recommendation for budget amendment – January 2025

We have identified funds that will return to the 2026 budget, including the following:

- \$1,715,163 – Increase estimated beginning Fund Balance to audited balance
- \$3,853,858 – Tax revenue earned based on maintaining the millage rate
- \$303,000 – PILOT program payments in excess of budget
- \$415,000 – Funding received from Macon-Bibb for Truancy Intervention Specialist and Crossing Guards
- \$1,256,000 – Decrease planned expenditure for Chromebook purchase
- \$1,275,000 – Other identified cost reductions across various programs and departments

TOTAL - \$8,818,021

We originally budgeted \$3,000,000 for the FY 2026 Chromebook expenditure. Due to the timing of the purchase, the planned FY 2025 expense had to be moved to July 2026. The decrease in expense for FY 2025 is reflected in the return of Fund Balance of \$1,744,000. To properly move this expense for FY 2026, we must reduce the amount returning to \$1,256,000 (\$3,000,000 - \$1,744,000).

Additionally, \$1,700,000 continues to be needed to support our programming for students with disabilities, including GNETS and PEC (Program for Exceptional Children). Efforts to review staffing allocations continue to be made to minimize the impact in FY 2027, while ensuring our students are properly served.