

FCSS

# FULTON COUNTY SCHOOLS

## MIDYEAR BUDGET ANALYSIS AND PROPOSED ADJUSTMENTS

Prepared by: Budget Services Department



2018



## FULTON COUNTY SCHOOLS MIDYEAR BUDGET ANALYSIS AND PROPOSED ADJUSTMENTS

### GENERAL FUND ANALYSIS – EXECUTIVE SUMMARY

After a review of the projected General Fund revenues through the remainder of the FY2018 and to complete the adjustments recommended to the Board during its August retreat related to the tax digest freeze of residential property to 2016 levels, it is proposed that there be a revenue adjustment based on the expected decrease to local revenue. There is also an adjustment stemming from an increase to local revenue for indirect cost reimbursement, local revenue from the East Point TAD Pilot, and other revenue from interest earned on investments.

	FY18 Current Budget	FY18 Revenue Per Pupil	Adjustments	FY18 Proposed Budget	FY18 Proposed Revenue Per Pupil	Difference	% Change
Local Revenues	626,537,879	6,458	(13,589,145)	612,948,734	6,318	(13,589,145)	-2.22%
State Sources	371,148,193	3,826	0	371,148,193	3,826	0	0.00%
Federal Sources	685,000	7	0	685,000	7	0	0.00%
Other	12,287,269	127	540,000	12,827,269	132	540,000	4.21%
<b>Total Revenues</b>	<b>1,010,658,341</b>	<b>10,418</b>	<b>(13,049,145)</b>	<b>997,609,196</b>	<b>10,283</b>	<b>(13,049,145)</b>	<b>-1.31%</b>

**State Revenue:** No adjustment.

**Local Revenue:** Increase revenue by \$900,000 for indirect cost reimbursement.

**Local Revenue:** Increase revenue by \$648,000 for the East Point TAD Pilot.

**Local Revenue:** Decrease revenue by -\$15,137,145 related to tax digest freeze.

**Other Revenue:** Increase revenue by \$540,000 for the interest earned on investments.

**Total expenditure adjustments: -\$13,049,145**

We are also recommending expenditure adjustments to meet the goals and objectives of Fulton County Schools for the remainder of FY2018.

**Microsoft's Phish Hunter License & Annual Subscription:** expenditure increase of \$178,020. Microsoft's "Phish Hunter" actively monitors the district's email environment to identify and mitigate spear phishing attacks by utilizing Microsoft's anomaly detection engines (ASM, ATP & AADP) to build a score based on several threat detection factors. When the threat is identified, policies can be configured in Phish hunter to take action, e.g.

- Terminate all sessions the account currently has connections to (this prevents any further damage via the user's account).
- Disable the account (This might be done if we feel the account has been compromised).
- Monitors unusual login attempts such as, brute force login attempts and impossible traveled logins within a given time frame.
- Move the account to a conditional access group requiring Multi-factor access, (once MFA is implemented).

Phish Hunter license requirements will be included with the district's annual Microsoft annual subscription which is up for renewal in June 2018 and covered by SPLOST. The annual Phish

Hunter managed services will be an additional General funds line item in the FY19 IT Security Budget.

The updated cost to fully implement Microsoft's Phish Hunter" is as follows:

MS EES o365 EXCH ATP, ASM & AADP2A License (Mar-May 2018): \$106,020

Phish Hunter Managed Services Annual Subscription: \$ 72,000

**Total Mid-year Request: \$178,020**

**Reducing the budget to reflect actual contract for alternative school, -\$1,000,000.**

**Reducing the budget to reflect expenditures for utilities, -\$1,000,000.**

**Reducing the budget to reflect expenditures for transportation, -\$100,000.**

**Total expenditure adjustments: -\$1,921,980**

	FY18 Current Fund Balance as of 01.23.18	FY18 Budget Per Pupil	Adjustments	FY18 Proposed Fund Balance	FY18 Proposed Budget Per Pupil	Difference	% Change
Projected Beginning FB	237,945,899	2,453	0	237,945,899	2,453	0	0.00%
Revenue	1,010,658,341	10,418	(13,049,145)	997,609,196	10,283	(13,049,145)	-1.31%
Expenditures	1,038,879,294	10,709	(1,921,980)	1,036,957,314	10,689	(1,921,980)	-0.19%
Projected Ending FB	209,724,946	2,162	(11,127,165)	198,597,780	2,047	(11,127,165)	-5.60%

**Fund Balance:** The FY2018 projected ending fund balance will equal approximately 2.3 months of operating expenditures and is approximately 19.15% of the proposed expenditure budget.