



Gwinnett County Public Schools Superintendent's Recommended FY2014 Budget Development

*March 30, 2013
Board Budget Work Session*

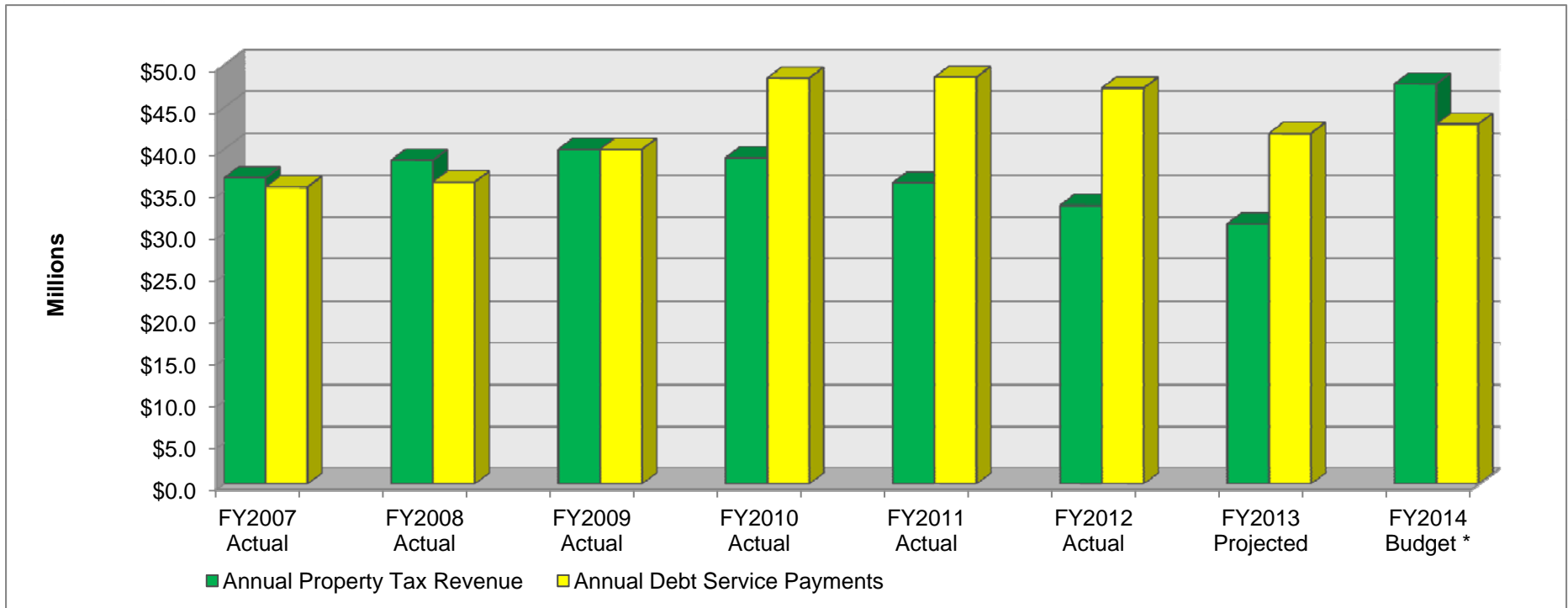


Total Budget

<u>FUNDS</u>	<u>FY2014 (In Millions)</u>	<u>FY2013 (In Millions)</u>	<u>Dollar Change (In Millions)</u>	<u>Percentage of Change</u>
General Fund	\$ 1,258.0	\$ 1,228.3	\$ 29.7	2.4%
Special Revenue Fund	89.4	92.7	(3.3)	(3.6%)
Capital Projects Fund	236.8	183.6	53.2	29.0%
Debt Service Fund	77.9	172.3	(94.4)	(54.8%)
Enterprise Fund	89.9	88.0	1.9	2.2%
Internal Service Fund	<u>10.6</u>	<u>10.5</u>	<u>0.1</u>	0.1%
Total Budget	<u>\$ 1,762.6</u>	<u>\$ 1,735.9</u>	<u>\$ (12.8)</u>	(0.7%)



Debt Service Fund



Property Tax Revenue	\$36.6	\$38.7	\$40.0	\$39.0	\$36.0	\$33.3	\$31.1	\$47.8
Debt Service Payments	\$35.5	\$36.1	\$40.0	\$48.5	\$48.6	\$47.3	\$41.9	\$43.0

*Current projection without refunding.



General Fund (Operations) Budget



The path to a balanced FY2014 Budget



The major challenges...

- **\$10.3 million** in additional lost local revenue
 - Decline in 2013 digest value of 2.5% from 2012
 - Decline in digest value since 2008 = 26% or **\$143 million in annual local revenue**
- **\$11 million** for increased employer health insurance premiums for non-certificated (classified) employees
- **\$3.6 million** for increased employer health insurance premiums for certificated employees
- **\$7.5 million** for increased employer contributions to the Gwinnett Retirement System
 - Returning to normal annual contribution rate
- **\$6.2 million** for 85 new teachers due to projected student growth



Meeting the challenges...

- Additional State revenue from student growth – **\$9.0 million**
- Additional State “Equalization Grant” revenue – **\$21.8 million**
 - Getting poorer compared to the Statewide average – Rank #100
 - Formula being fully funded
- Additional State funding for teacher “Training & Experience” – **\$1.8 million**
- Additional “temporary” M&O Title Fee Tax revenue - **\$7.8 million**
 - Lose approx. \$10 million in SPLOST revenue on vehicle sales
- Unfilled vacant district-level positions – **\$2.0 million**



While continuing measures used to balance the budget in prior years...

- Continuation of district-level operating budget cuts realized over the past 4 years
 - 20% or \$23 million in annual savings
- 54 central office positions that were eliminated from the FY2013 budget have not been restored
- Nearly 2000 teaching positions left vacant through attrition over the past 4 years have not been restored
- District-level positions that become vacant will continue to be left unfilled to the extent possible
 - Currently 42 positions



Two Recommended Improvements

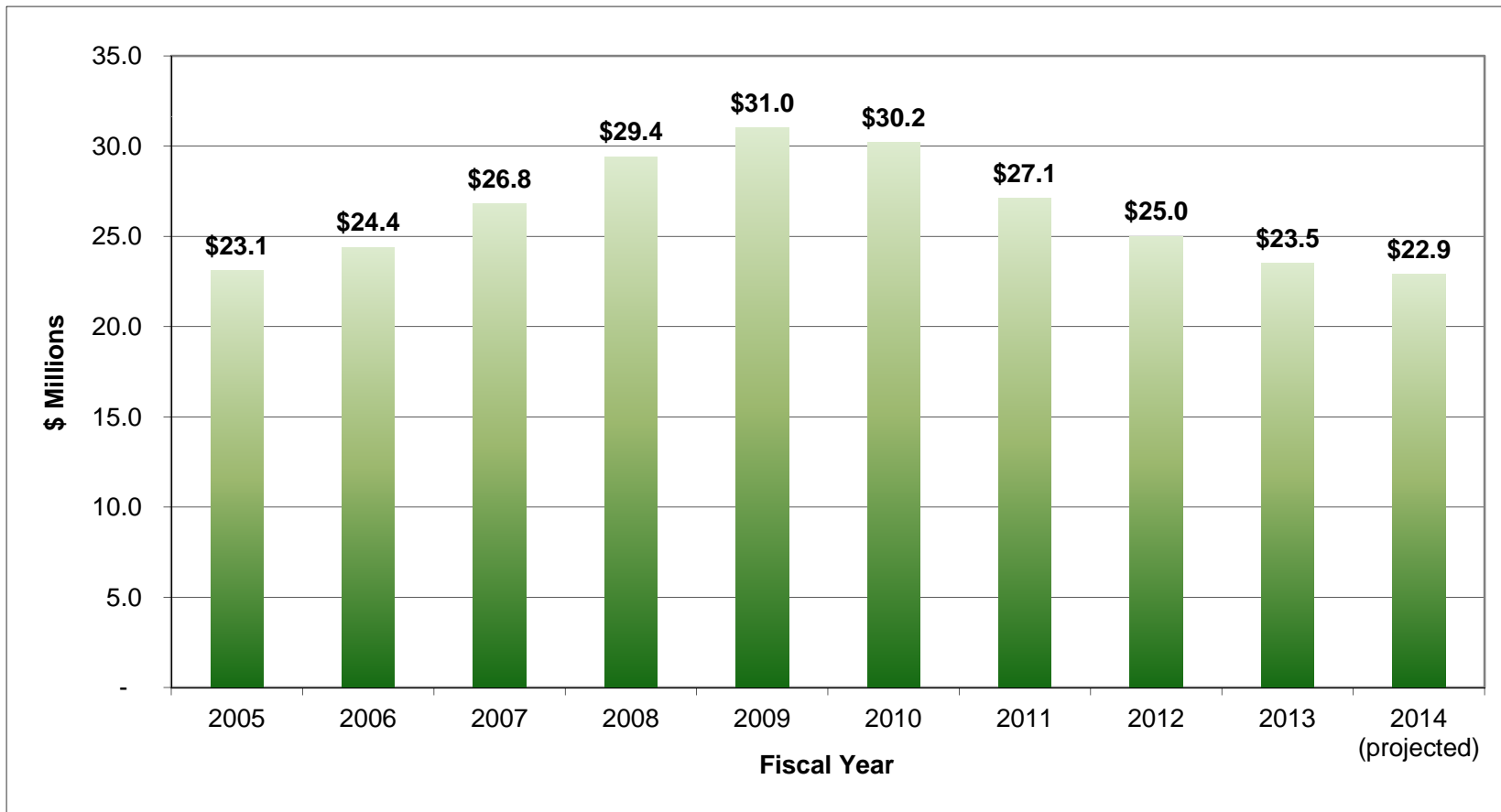
- Elimination of two “furlough” days for all employees
 - No COLA since FY2009 and no Step Increases since FY2010
 - Furlough days – 3 in FY2011, 2 in FY2012 and 2 in FY2013
 - Cost of \$8.6 million
- School safety – add 1 additional School Resource Officer (SRO) for each cluster
 - 18 additional SROs
 - Nearly double current officer presence
 - Cost of \$1.7 million



Budget Trends...Past, Present, Future???



Value of One Mill on M&O Tax Digest





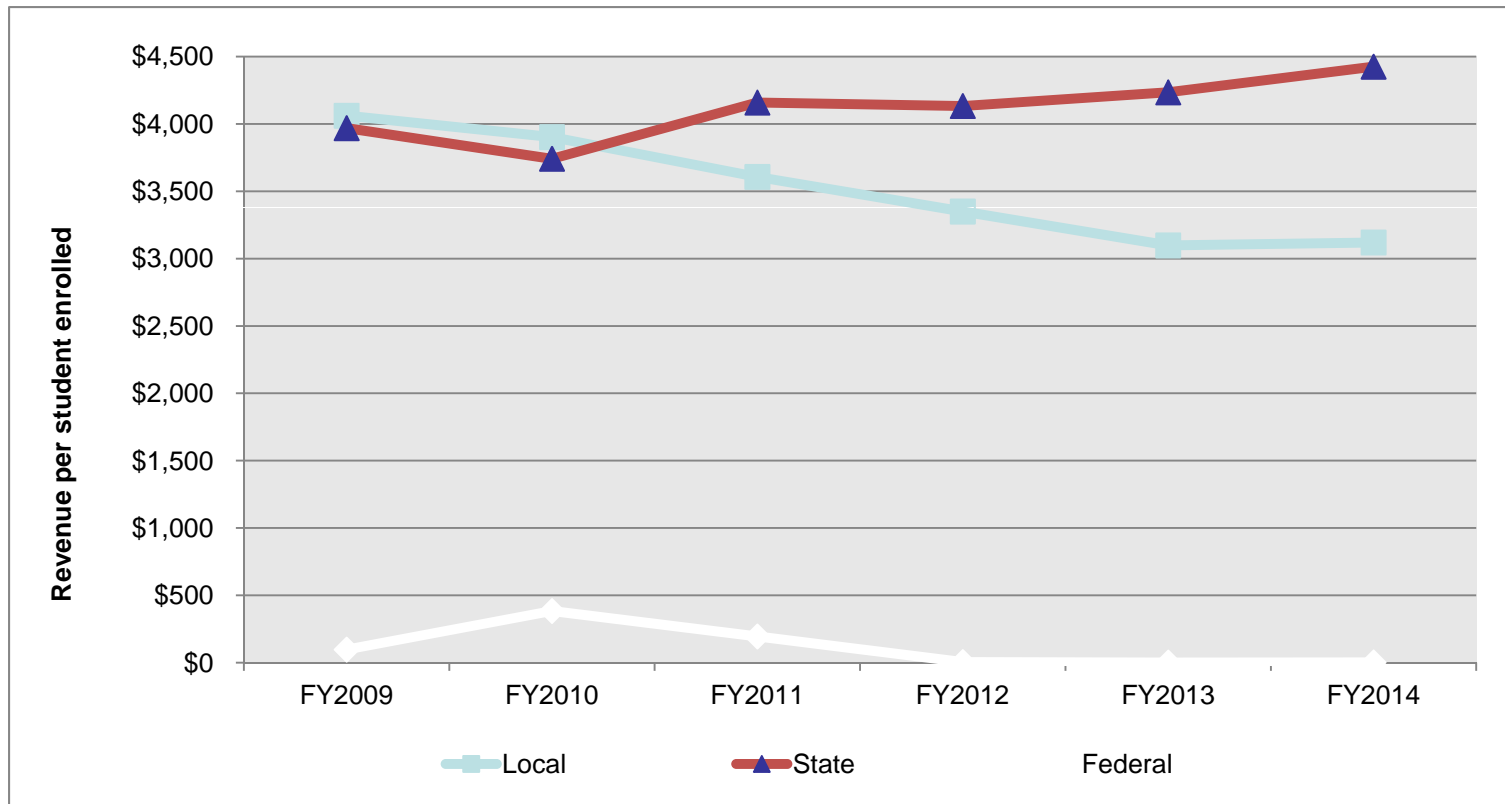
State QBE Earnings

Fiscal Year	FTE	QBE Formula Earnings			QBE Reduction		Net QBE Earnings Per FTE
		LFS	Subtotal	Reduction	% Reduction		
2003	124,962	518,618,686	(98,295,593)	420,323,093	(10,723,143)	-2.07%	\$3,278
2004	131,586	552,642,472	(107,858,680)	444,783,792	(22,932,987)	-4.15%	\$3,206
2005	138,275	589,544,071	(115,057,096)	474,486,975	(27,016,132)	-4.58%	\$3,236
2006	146,466	644,888,786	(121,637,965)	523,250,821	(27,015,889)	-4.19%	\$3,388
2007	155,812	723,935,044	(130,615,083)	593,319,961	(15,468,491)	-2.14%	\$3,709
2008	158,726	777,643,375	(139,010,886)	638,632,489	(13,419,782)	-1.73%	\$3,939
2009	160,036	780,471,412	(150,912,107)	629,559,305	(47,374,439)	-6.07%	\$3,638
2010	161,593	829,658,981	(153,034,811)	676,624,170	(132,737,643)	-16.00%	\$3,366
2011	162,928	858,396,793	(148,588,170)	709,808,623	(107,906,576)	-12.57%	\$3,694
2012	164,455	874,847,353	(147,523,283)	727,324,070	(113,869,944)	-13.02%	\$3,730
2013	167,815	897,446,827	(141,625,789)	755,821,038	(113,251,797)	-12.62%	\$3,829
2014	169,505	902,518,863	(137,000,000)	765,518,863	(104,157,183)	-11.54%	\$3,902
					(735,874,006)		

Represent budget figures
 Source: QBE Earnings Sheets from GADOE



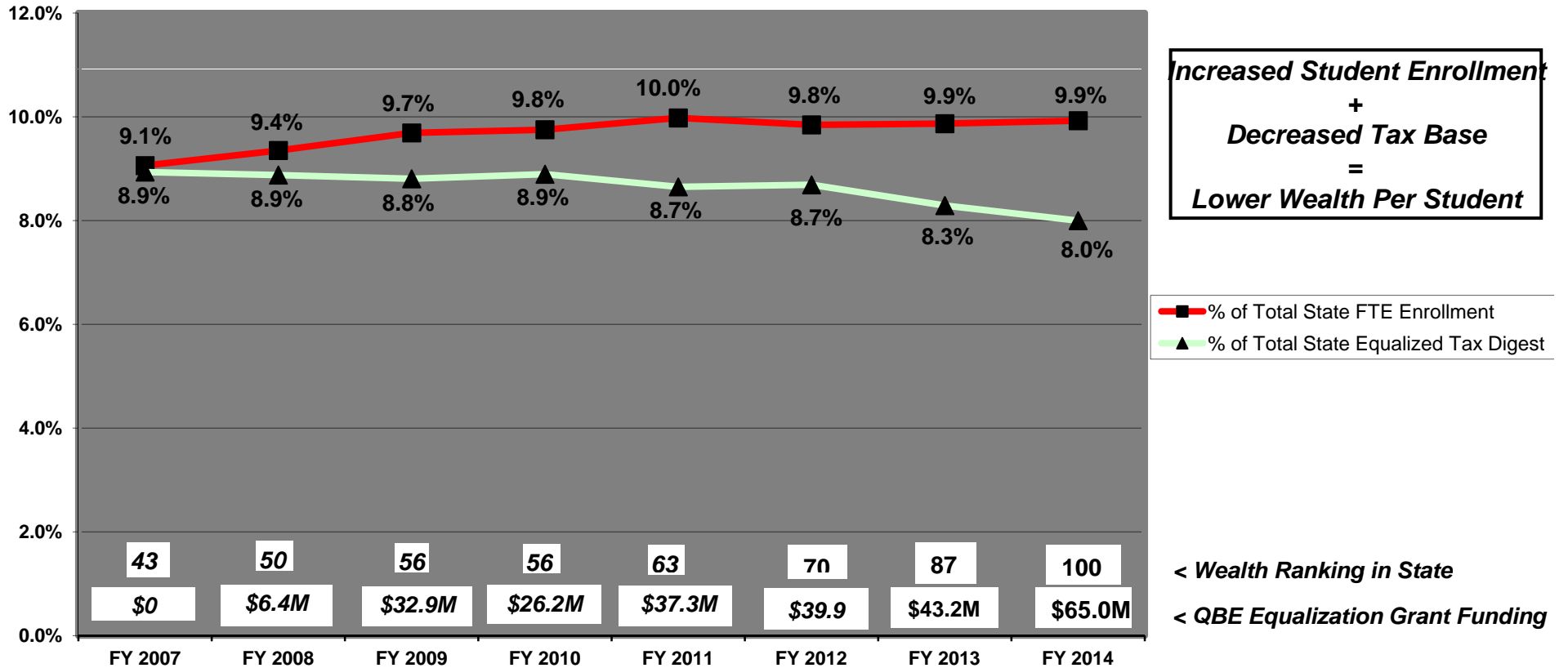
General Operations Revenue Per Student



	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Local	\$4,061	\$3,902	\$3,607	\$3,350	\$3,098	\$3,120
State	\$3,969	\$3,741	\$4,159	\$4,133	\$4,235	\$4,425
Federal	<u>\$98</u>	<u>\$384</u>	<u>\$195</u>	<u>\$5</u>	<u>\$2</u>	<u>\$3</u>
Total	\$8,128	\$8,027	\$7,961	\$7,488	\$7,335	\$7,548



Trends result in declining wealth per student





Back to the Future... FY2014 Compared to FY2007 ?



	<u>FY2014</u>	<u>FY2007</u>
Total Budget	\$1.736B	\$1.417B
General Fund Budget	\$1.258B	\$1.101B
Value of One Mill	\$22.9M	\$26.6M
Expenditure/Student	\$7,548	\$7,250
Enrollment	166,667	152,043
# of Schools/Centers	132	106
Facilities Square Footage	24,356,687	17,907,040
% Instructional Services	71.0%	74.0%
% Gen. Adm./Business/Central	6.3%	6.4%



Challenges Continue...but there is hope

- Local tax digest continues to decline...but slower
 - Projected decline for FY2014 no more than 2.5%
 - Total of a 26% decline in the digest over the past 5 years = \$143M in annual lost revenue
 - Signs indicate next year's digest MAY be flat or slight growth
- Teachers have not had a COLA or salary step increase since FY2010...but Superintendent's recommended budget would eliminate 2 furlough days
- No end in sight to State "austerity" cuts...but no increase in the austerity amount in the past 3 years
 - State-wide austerity reduction is over \$1 billion annually
 - GCPS' share since 2003 estimated to be \$736 million
- Enrollment growth will continue...but Superintendent's recommended budget keeps class size allotment ratios at same level as last year.



Total Budget

<u>FUNDS</u>	<u>FY2014 (In Millions)</u>	<u>FY2013 (In Millions)</u>	<u>Dollar Change (In Millions)</u>	<u>Percentage of Change</u>
General Fund	\$ 1,258.0	\$ 1,228.3	\$ 29.7	2.4%
Special Revenue Fund	89.4	92.7	(3.3)	(3.6%)
Capital Projects Fund	236.8	183.6	53.2	29.0%
Debt Service Fund	77.9	172.3	(94.4)	(54.8%)
Enterprise Fund	89.9	88.0	1.9	2.2%
Internal Service Fund	<u>10.6</u>	<u>10.5</u>	<u>0.1</u>	0.1%
Total Budget	<u>\$ 1,762.6</u>	<u>\$ 1,735.9</u>	<u>\$ (12.8)</u>	(0.7%)

