

Board Budget Work Session

FY20

Superintendent's Recommended Budget

March 23, 2019



Timeline

- ❖ Budget work session with Board
 - March 23, 2019
 - April 9, 2019 – Central Gwinnett HS (tentative adoption of budget)
- ❖ Advertise Budget & Public Hearings
 - May 9, 2019 – 7:00 p.m.
 - May 16, 2019 – 6:00 p.m.
- ❖ Final Budget adoption / Tentative millage rate adoption
 - May 16, 2019
- ❖ Final Millage Rate Adoption
 - June 2019

Total Expense Budget

Funds	FY2020 (In millions)	FY2019 (In millions)	Dollar Change (In millions)	Percent Change
General Fund	\$1,794.9	\$1,730.7	\$64.2	3.7%
Special Revenue	96.3	101.1	(4.8)	(4.7%)
Capital Projects	141.9	178.0	(36.1)	(20.3%)
Debt Service	177.2	140.1	37.1	26.5%
Enterprise (SNP)	96.6	97.4	(0.8)	(0.8%)
Internal Service	<u>12.2</u>	<u>11.9</u>	<u>0.3</u>	<u>2.5%</u>
TOTAL BUDGET	\$2,319.1	\$2,259.2	\$59.9	2.7%

General Fund Overview

		FY19 Budget as of <u>12/31/19</u>	FY20 Supt. Recommended <u>Budget</u>	Amount of Change
Beginning Balance		\$229.2	\$210.6	
Revenues				
	Local	\$703.3	\$735.2	\$31.9
	State	\$1,019.6	\$1,068.3	\$48.7
	Federal	\$0.5	\$0.7	\$0.2
		\$1,723.4	\$1,804.2	\$80.8
Expenses				
	Salaries	\$1,072.8	\$1,127.1	\$54.3
	Benefits	\$442.9	\$469.8	\$26.9
	Other Operating	\$206.0	\$198.0	(\$8.0)
	Prior Year Encumbrances	\$9.0	\$0.0	(\$9.0)
		\$1,730.7	\$1,794.9	\$64.2
	Transfers to other Funds	\$11.3	\$9.3	(\$2.0)
Ending Balance		\$210.6	\$210.6	
(\$ in millions)				

Revenue - Local

- ❖ Continued growth in tax digest
 - Projected 3.0% growth in real property values = \$21.4 million increase over projected collections for this year.
 - 6th consecutive year of digest growth .. After five years of decline

- ❖ Other Increases = \$10.5 million
 - Title Ad Valorem Taxes
 - Investment Earnings

Revenue - State

- ❖ Additional QBE formula earnings
 - Teacher salary increase - \$41.4 million
 - Student growth = \$7.7 million
 - State-funded portion of teacher salary step (training & experience) and additional certificated employees enrolled in state health benefit plan = \$8.4 million
 - TRS employer contribution = \$1.2 million

- ❖ Local Five-Mill Share = formula deduction increasing by (\$10.8 M)

- ❖ Equalization Funding = increase of \$4.4 M to \$86.4 M
 - State appropriation increased by \$79 million
 - GCPS will rank #85 in property tax “wealth per student”

Expenses - Salaries & Benefits

- ❖ \$2.3 million increase for TRS employer contributions
 - from 20.90% to 21.14%
- ❖ \$0.4 million increase for GRS employer contributions
 - from 5.49% to 5.53%
- ❖ \$8.1 million for new instructional and support positions due to student growth and opening of 1 new school (McClure Health Science HS)

Expenses - Salary Improvements

- ❖ Step Increase for eligible employees
 - \$13.7 million (including benefits)
 - 95% of teachers; 62% of classified employees

- ❖ Teacher Salary Schedule
 - \$44.6 million - \$3,000 teacher increase (including benefits)

- ❖ Other Salary Schedules
 - \$7.0 million – 2% cost-of-living increase for all employees (including benefits)

FY20 Performance Based Teacher Salary Schedule

Performance	Level 1	Level 2	Level 3	Level 4
Step				
0	46,646	51,776	56,282	61,980
1	47,504	52,800	57,493	63,320
2	48,362	53,824	58,704	64,660
3	49,220	54,848	59,815	66,000
4	50,078	55,872	61,126	67,340
5	50,936	56,896	62,337	68,680
6	51,794	57,920	63,548	70,020
7	52,652	58,944	64,759	71,360
8	53,510	59,968	65,970	72,700
9	54,368	60,992	67,181	74,040
10	55,226	62,016	68,392	75,380
11	56,084	63,040	69,603	76,720
12	56,942	64,064	70,814	78,060
13	57,800	65,088	72,025	79,400
14	58,658	66,112	73,236	80,740
15	59,516	67,136	74,447	82,080
16	60,374	68,160	75,658	83,420
17	61,232	69,184	76,869	84,760
18	62,090	70,208	78,080	86,100
19	62,948	71,232	79,291	87,440
20	63,806	72,256	80,502	88,780
21	64,664	73,280	81,713	90,120
22	65,522	74,304	82,924	91,460
23	66,380	75,328	84,135	92,800
24	67,238	76,352	85,346	94,140
25	68,096	77,376	86,557	95,480
26	68,954	78,400	87,768	96,820
27	69,812	79,424	88,979	98,160
28	70,670	80,448	90,190	99,500
Uniform Amount	858	1,024	1,211	1,340

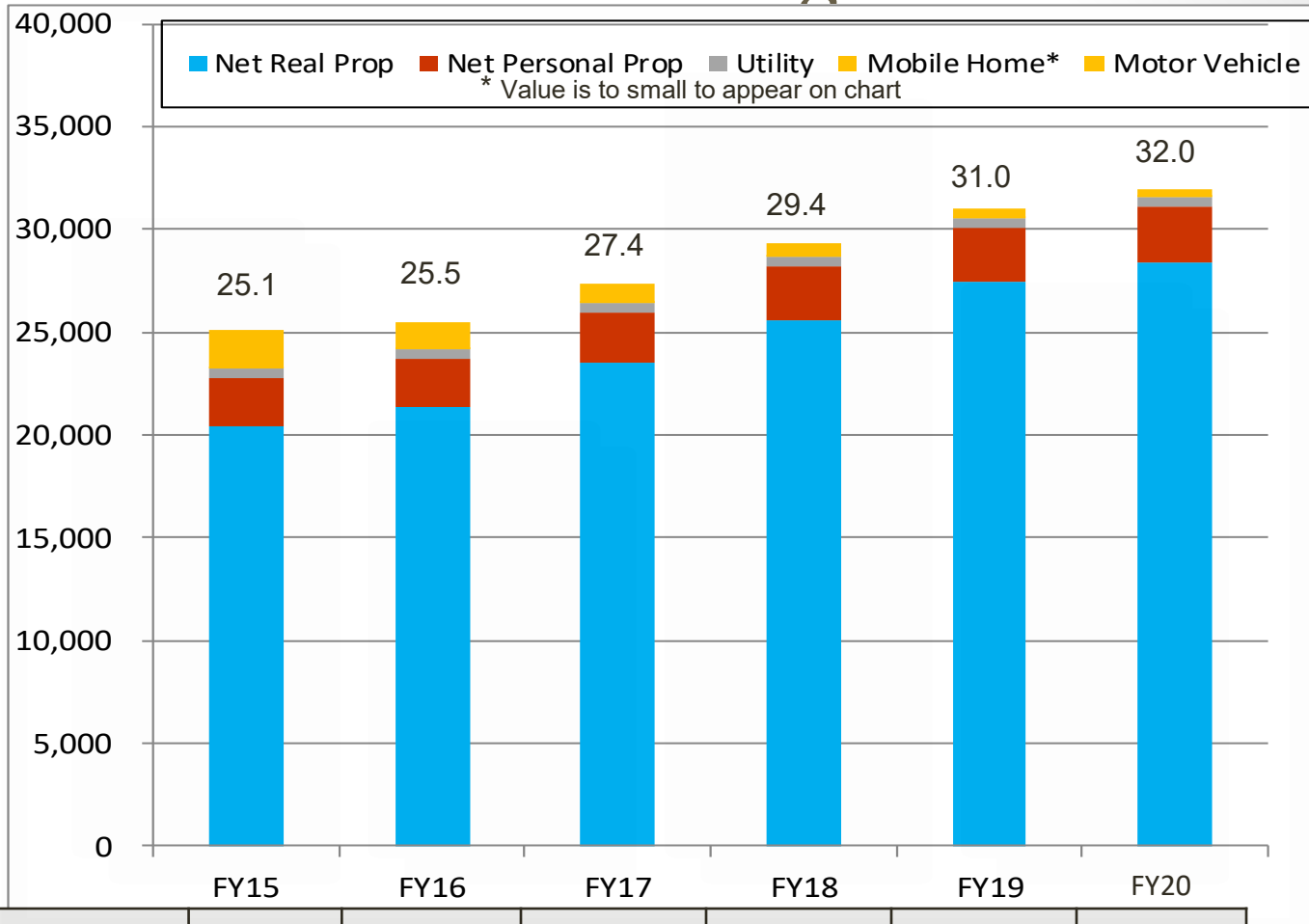
Expenses – Program Improvements

❖ \$6.0 million

- Six additional school resource officer positions
- Five additional school psychologists, five behavior support specialists, instructional coach for fine arts program and teacher position to establish Dual Language Immersion program (Parsons ES – Korean)
- Additional per-pupil funding “downloaded” for each local school
- Additional support for buildings & grounds
- Additional support for information management and information technology security

Significant Trends and Indicators

Historical Tax Digest



Real Property	20,418.94	21,341.63	23,511.96	25,564.33	27,418.66	28,440.94
Personal Property	2,370.28	2,409.43	2,458.52	2,602.81	2,639.56	2,676.83
Utility	446.10	446.12	444.69	496.80	475.24	482.06
Mobile Home	13.66	13.70	8.30	8.64	8.28	7.94
Digest (Excl MV)	23,248.98	24,210.88	26,424.47	28,672.58	30,541.74	31,607.77
Motor Vehicle	1,900.10	1,313.79	949.55	679.28	493.49	358.52
Net M & O	25,149.08	25,524.67	27,374.02	29,351.86	31,035.23	31,966.29

State QBE Earnings

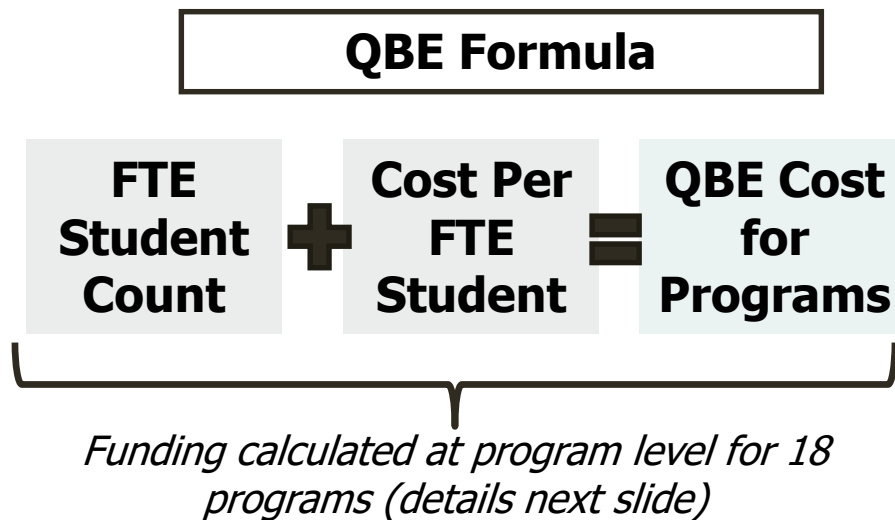
	Fiscal Year	FTE	Formula Earnings	5 Mill Share	QBE Reduction	Subtotal
1	2003	124,962	\$ 518,618,686	\$ (98,295,593)	\$ (10,723,143)	\$ 409,599,950
2	2004	131,586	\$ 552,642,472	\$ (107,858,680)	\$ (22,932,987)	\$ 421,850,805
3	2005	138,275	\$ 589,544,071	\$ (115,057,096)	\$ (27,016,132)	\$ 447,470,843
4	2006	146,466	\$ 644,888,786	\$ (121,637,965)	\$ (27,015,889)	\$ 496,234,932
5	2007	155,812	\$ 723,935,044	\$ (130,615,083)	\$ (15,468,491)	\$ 577,851,470
6	2008	158,726	\$ 777,643,375	\$ (139,010,886)	\$ (13,419,782)	\$ 625,212,707
7	2009	160,036	\$ 780,471,412	\$ (150,912,107)	\$ (47,374,439)	\$ 582,184,866
8	2010	161,593	\$ 829,658,981	\$ (153,034,811)	\$ (132,737,643)	\$ 543,886,527
9	2011	162,928	\$ 858,396,793	\$ (148,588,170)	\$ (107,906,576)	\$ 601,902,047
10	2012	164,455	\$ 874,847,353	\$ (147,523,285)	\$ (113,869,944)	\$ 613,454,124
11	2013	167,815	\$ 902,759,545	\$ (141,819,246)	\$ (113,310,104)	\$ 647,630,195
12	2014	172,693	\$ 913,801,468	\$ (136,610,990)	\$ (107,045,954)	\$ 670,144,524
13	2015	177,219	\$ 941,640,451	\$ (135,101,766)	\$ (76,823,626)	\$ 729,715,059
14	2016	180,235	\$ 968,458,661	\$ (129,713,970)	\$ (48,658,493)	\$ 790,086,198
15	2017	182,548	\$ 986,335,171	\$ (141,858,523)	\$ (17,479,851)	\$ 826,996,797
16	2018	184,343	\$ 1,036,532,871	\$ (146,506,338)	\$ (17,522,030)	\$ 872,504,503
17	2019	185,414	\$ 1,080,007,455	\$ (156,020,901)	\$ 0	\$ 923,986,554
18	2020 (est)	186,017	\$ 1,135,747,418	\$ (166,783,490)	\$ 0	\$ 968,963,928

Source: QBE "Midterm" Earnings Sheets from GADOE

State QBE Funding

❖ QBE = Quality Basic Education Act

- State pays each system an amount of money for each student based on QBE “foundation formula”



QBE Funding Weights

Estimated QBE funding weights for FY20

Program	Weight	Program	Weight
Kindergarten	\$4,627.21	Spec Ed – Cat 1	\$6,675.05
K – EIP	\$5,720.17	Spec Ed – Cat 2	\$7,857.97
Grades 1-3	\$3,582.80	Spec Ed – Cat 3	\$10,011.67
Grades 1-3 EIP	\$5,029.37	Spec Ed – Cat 4	\$16,241.23
Grades 4-5	\$2,875.47	Spec Ed – Cat 5	\$6,848.51
Grades 4-5 EIP	\$5,013.89	Gifted	\$4,648.43
Grades 6-8	\$3,149.04	Remedial	\$3,756.13
Grades 9-12	\$2,768.16	Alternative Ed	\$4,119.05
CTAE	\$3,276.79	ESOL	\$7,163.11

Training & Experience & Health Ins.

❖ T & E

- QBE Formula Initially assumes all teachers are beginning teachers
- Actual teacher salary varies based on years of experience and degree
- Adjustments to reflect actual state salary
- \$265.2 M for GCPS

❖ Health Insurance

- State funds Health Insurance for certificated employees who have elected coverage
- \$115.9 M for GCPS

❖ Funding for each determined based on October FTE count

Local 5 Mill-Share & Equalization

❖ Local 5 Mill-Share

- Required local effort – considered “buy-in” for participating in state funding formula
- Five mills of tax on the “Equalized Adjusted Property Tax Digest”

❖ Equalization Earnings

- Program to narrow gap (per pupil) between school systems
- Based on taxable property “wealth per student”
- Ranking of systems
- Fund at state-wide average

QBE Funding Summary

FY20 Superintendent's Recommended Budget

Description	Amount
FTE Formula Earnings	\$754,640,126
Training & Experience	\$265,223,832
Health Insurance	<u>\$115,883,460</u>
Subtotal	\$1,135,747,418
Local Five Mills	<u>(\$166,783,490)</u>
QBE Formula Earnings	\$968,963,928
Equalization Funding	\$86,376,604
Pupil Transportation	\$5,431,074
Nursing Services	<u>\$3,732,816</u>
TOTAL STATE FUNDING	\$1,064,504,422

TRS – Employer Contributions

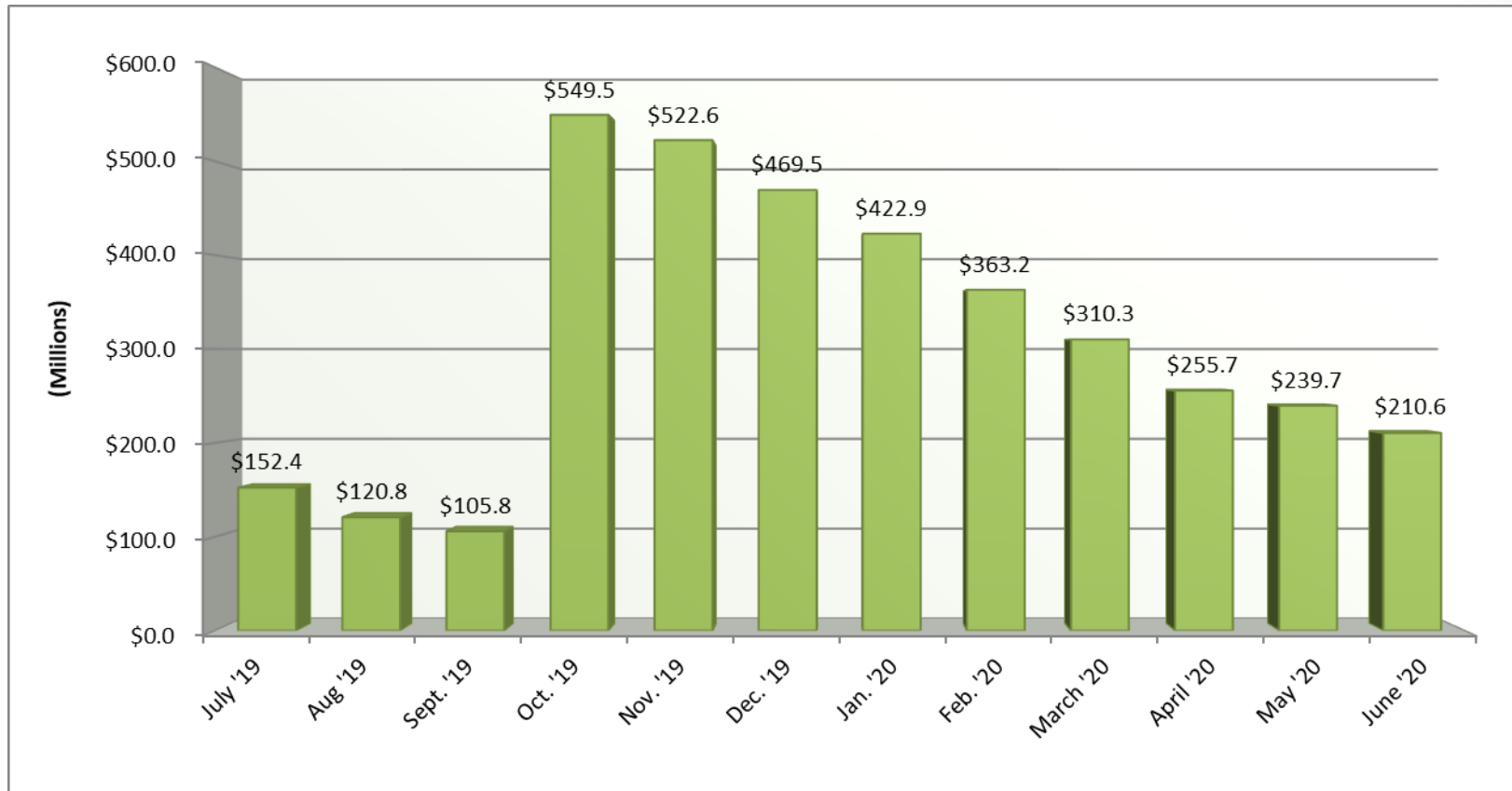
Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY09	9.28%	6.00%
FY10	9.74%	6.00%
FY11	10.28%	6.00%
FY12	10.28%	6.00%
FY13	11.41%	6.00%
FY14	12.28%	6.00%
FY15	13.15%	6.00%
FY16	14.27%	6.00%
FY17	14.27%	6.00%
FY18	16.81%	6.00%
FY19	20.90%	6.00%
FY20	21.14%	6.00%

Health Insurance Costs - Employer

- Classified employees – per member, per month

Fiscal Year	Employer Monthly Cost	Employer Annual Cost	Annualized Increase	% Increase
2010	\$ 162.72	\$ 1,952.64		
2011 (effective 12/2010)	\$ 218.20	\$ 2,618.40	\$ 665.76	34.10%
2012 (effective 9/2011)	\$ 296.20	\$ 3,554.40	\$ 936.00	35.75%
2013	\$ 446.20	\$ 5,354.40	\$ 1,800.00	50.65%
2014	\$ 596.20	\$ 7,154.40	\$ 1,800.00	33.62%
2015	No change			
2016 (effective 1/2016)	\$ 746.20	\$ 8,954.40	\$ 1,800.00	25.16%
2017 (effective 1/ 2017)	\$ 846.20	\$ 10,154.40	\$ 1,200.00	13.41%
2018 (effective 1/2018)	\$945.00	\$11,340.00	\$1,185.60	11.68%
2019 / 2020	No change			

Projected Ending Unassigned Fund Balance



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