



FY2019 Budget: Delivering on The Promise of Gwinnett

Focusing on Teaching and Learning... Valuing Employees... Managing Resources Responsibly...

Each year, Gwinnett County Public Schools (GCPS) develops and adopts a budget for the next fiscal year beginning on July 1. When it comes to the budget, GCPS lives within its means, presenting a balanced budget and keeping spending within that budget. The district's accurate and conservative approach to budgeting has enabled GCPS to achieve balanced budgets during challenging economic times while also delivering on the promises it has made to its stakeholders. While challenges still remain—growth in student enrollment and increases in employee benefit costs—there is good news. Growth in the property tax digest for the fifth straight year and additional revenue from the state, including the elimination of austerity reductions, means that GCPS will be able to balance its budget, provide raises for its employees, and implement some improvement items. The proposed FY2019 Budget benefits students and employees while also ensuring the district remains a good steward of taxpayers' dollars.

The FY2019 Superintendent's Recommended Budget:

The Recommended Budget calls for a total budget of \$2.193 billion. The proposed General Fund, which represents 77.8% of the total budget and funds the primary day-to-day operations of the school district, accounts for \$1.706 billion of the total. This represents a 5.19% increase in the General Fund that can be attributed to salary improvements, mandated employer benefit increases, and costs associated with an increase in the number of students served.

Revenue sources for FY2019:

GCPS will receive an additional \$54.1 million in state QBE funding due to a number of factors.

- \$9 million for projected growth in student enrollment;
- \$7.8 million for the state-funded portion of teacher salary step increases and the additional certificated employees who will be enrolled in state health insurance plans;
- \$30 million for state-funded increases in the required rate for employer contributions to the Teacher Retirement System;
- GCPS will receive \$82 million in Equalization Grant funding, a decrease of \$790,000 from the previous year; and
- As part of the QBE funding formula, GCPS will lose \$9.3 million as its "Local Fair Share" has grown by this amount due to tax digest growth.
- On March 26, 2018, near the conclusion of the legislative session, the Governor amended his initial budget recommendations by increasing the revenue estimate for the state budget. In conjunction with this increase, he also amended the expense budget recommendation by adding \$167 million statewide to fully fund the QBE formula. This relief to the "austerity reductions"—which have been in place for 16 years—will provide an additional \$17.4 million in funding for GCPS in FY19.

In terms of local funding, the property tax digest is expected to grow by 3.1%, resulting in an increase of \$17 million in local property tax revenue. *The proposed budget does not recommend an increase in the property tax millage.*

Increased costs for FY2019:

For FY2019, GCPS must account for increases in the area of employee salary and benefits:

- Additional salary and benefit costs of approximately \$12.2 million will be incurred to fund the 128 additional

teacher/instructional support positions needed to accommodate expected enrollment growth of 1,054 students and the opening of one new high school.

- Increases in employer benefit costs will add approximately \$52.8 million in expenses for the district.
 - The employer contribution required for the Gwinnett Retirement System (GRS), the district's alternative to Social Security, will increase by \$16 million in FY2019.
 - Increases in the state health insurance premiums for more than 6,200 non-certificated employees will cost GCPS an additional \$3.6 million annually.
 - Funding the rate increase for the employer-paid portion for the Teachers Retirement System will result in an additional cost of \$33.2 million.

Salary improvements for employees in FY2019:

- All full-time employees will receive a 2.25% cost-of-living increase at a cost of \$24.8 million.
- A salary step increase for all eligible employees will cost approximately \$17.4 million. Nearly all (96%) of current teachers are expected to get a salary step increase.

Other improvements:

- Funding for 10 additional School Resource Officers;
- Increase in daily rates of pay for substitute paraprofessionals;
- Additional technology support positions for local schools;
- Funding to establish a Junior Achievement Academy at Parkview High School;

- Additional support for special education, psychological services, and curriculum and instruction.
- Expansion of the Student Mentoring Program to serve Hispanic students;

The following budget-cutting measures will remain in place:

- School staffing allocation formulas are unchanged. Schools will continue to receive positions to accommodate student growth. Average student: teacher ratios will remain consistent with the current school year.
- Central office operating budgets will remain relatively the same and vacant district positions will remain unfilled to the extent possible.



The Promise of GWINNETT

The Superintendent's Recommended Budget document is available on the school district's website at www.gwinnett.k12.ga.us.