



FY2017 Budget: Supporting Schools and Providing for

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 always has lived within its means, presenting a balanced budget and keeping spending within that budget. Since 2008, the district's accurate and conservative approach to budgeting has enabled GCPS to achieve balanced budgets during extremely challenging economic times.

While challenges still remain— growth in student enrollment and increases in employee benefit costs— there is some good news. Growth in the property tax digest for the third straight year and additional revenue from the state means that GCPS will be able to balance its budget and also provide well-deserved raises for its employees. In addition, the FY2017 budget will include funds to address the operational and start-up costs for two new schools. Read on to learn about the FY2017 Budget and how it will benefit students and employees while also ensuring the district remains a good steward of taxpayers' dollars.



Additional revenue sources for FY2017:

GCPS will “net” an additional \$20.8 million in state revenue due to two primary factors.

- GCPS will receive an additional **\$30.8 million** compared to FY2016 revenue due to a reduction in the amount of state cuts made to the Quality Basic Education (QBE) funding formula— cuts that began in FY2003. *The cumulative effect of these reductions on the school district is the loss of approximately \$882 million over the 15-year period. However, this increase in revenue will be offset by a \$29.8 million decrease in revenue* due to changes in the “equalization grant funding” and a higher “Local Five-Mill Share.” **This means that the district will see a net result of only \$1 million.**
- GCPS also will see additional increases in state revenues of approximately **\$19.8 million** from the following sources:
 - An additional **\$12.6 million** for projected student growth; and
 - **\$7.2 million** more for the state-funded portion of teacher salary step increases and additional employees enrolled in the State Health Benefit Plan.

The property tax digest is expected to grow by 5%, resulting in an increase of **\$23.3 million** in local property tax revenue

- While GCPS currently is collecting approximately \$51 million less in local property tax compared to the FY2009 collections, *the proposed budget does not recommend an increase in the property tax millage.*

Increased costs mandated by the state for FY2017:

For FY2017, GCPS must account for certain state-mandated increases in the area of employee salary and benefits:

- Additional salary and benefit costs of approximately **\$10.6 million** will be incurred to fund the 159 additional teacher/instructional support positions needed to accommodate expected enrollment growth of more than 1,791 students and the staffing of the two new schools opening August 2016.
- Increases in employer benefit costs will add approximately **\$10 million** in expenses for the district in FY2017.
 - The **employer contribution required for the Gwinnett Retirement System (GRS), the district's alternative to Social Security, will increase by \$1 million in FY2017.**

- **Increases in the state health insurance premiums for 6,200 non-certificated employees** will cost GCPS an additional \$9 million annually.

Salary improvements for employees in FY2017:

- A **longevity-step salary increase for all eligible employees** will cost approximately \$15.8 million. **Nearly all (95%) of current teachers will get a salary step increase.**
- **All full-time employees will see the equivalent of a 3% pay increase** at a cost of \$30.9 million.
 - Employees will receive a 1% lump sum, one-time payment adjustment in FY2016.
 - Employees will receive a 2% cost-of-living salary increase in FY2017.
- **Additional salary improvements** include adjustments for substitute teachers.

Other improvements:

- **Additional technology support positions for the local schools and additional operational and maintenance support for transportation, fleet maintenance, and buildings/grounds maintenance.**

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. However, changes to the staffing formulas required to balance budgets in prior years have resulted in approximately 1,900 fewer teaching positions allotted since the 2009–10 school year.
- **Central office operating budgets will remain relatively the same as this year.** Since 2010, budgets have been reduced by 20%, saving \$23 million annually.
- **Vacant district positions will remain unfilled to the extent possible.**

The Superintendent's recommended budget document is available for public review on the school district's website at www.gwinnett.k12.ga.us.