



# FY2016 Budget: Moving Forward in its Quest to Become World-Class

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 this year. Slight growth in the property tax digest 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 FY2016 budget will include funds to address the operational and start-up costs for the four new schools opening in August of 2015. Read on to learn about the FY2016 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 FY2016:

- GCPS will receive an additional **\$28.1 million** compared to FY2015 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 \$864 million over the 14-year period.*
- GCPS also will see additional increases in state revenues of approximately **\$46.4 million** from the following sources:
  - **\$10.3 million** in additional revenue for projected student growth;
  - Additional **\$14.5 million** for the state-funded portion of teacher salary step increases and increases in the state Teacher Retirement System contribution rates; and
  - **\$21.6 million** in additional state earnings through the “Local Five-Mill Share” and “Equalization Grant” formulas.
- The property tax digest is expected to grow by 3%, resulting in an increase of **\$13.3 million** in local property tax revenue.
  - While GCPS currently is collecting approximately \$100 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 FY2016:

For FY2016, GCPS must account for certain state-mandated increases in the area of employee salary and benefits:

- Additional salary and benefit costs of approximately **\$18.9 million** will be incurred to fund the 175 additional teacher/instructional support positions needed to accommodate expected enrollment growth of more than 2,800 students and the staffing of the four new schools opening August 2015.
- An increase in employer benefit costs will add approximately **\$11.4 million** in expenses for the district in FY2016.
  - While the **employer contribution rate for the Teachers Retirement System of Georgia will increase by \$11.5 million**, the employer contribution for the Gwinnett Retirement System will decrease by \$11.3 million.
  - **Increases in the state health insurance premiums for 6,200 non-certificated employees** will cost GCPS an additional \$11.2 million annually.

## Salary improvements for employees in FY2016:

- A **longevity-step salary increase for all eligible employees** will cost approximately \$15.7 million.
- **All full-time employees will see a 2.5% cost-of-living increase** at a cost of \$23.8 million.
- **Nearly all (98%) teachers will get both a salary step increase and the 2.5% cost-of-living increase, with the average teacher receiving a total increase in pay of 4.38%.**
- **Salaries for new teachers and those early in their careers will increase** (at a cost of \$6.6 million) to be more competitive with other metro districts. The new starting salary for a beginning teacher with a bachelor's degree will be \$41,028.
- **Additional salary improvements** include adjustments for bus monitors of \$.84/hour, an increase in the stipend for special education paraprofessionals, a 10% increase in coach and sponsor supplements, and an increase in substitute teacher pay by \$5 a day, at a total cost of \$2.2 million.

## Other improvements:

- **Additional instructional positions** will support Academy programs, STEP Academies, IB Programs, Mathematics, and eCLASS.
- **Fifteen additional bus drivers and five additional bus monitors** will be hired to accommodate growth.

## The following budget-cutting measures from previous years 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.
- Since 2010, GCPS has eliminated 54 central office positions, with **vacant district positions remaining 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](http://www.gwinnett.k12.ga.us).*