

No Tax Hike as School Security, Staffing Top 2018-19 Budget

Dr. Brian V. Hightower, Superintendent of Schools, is recommending an operating/general fund budget of \$406.5 Million for the 2018-19 school year, with no increase in the overall property tax rate.

The total millage rate, which determines the property tax for homeowners, will remain unchanged at 19.45 mills. The proposed budget projects that local funds will increase by 6.7 percent with the continued economic recovery of the local tax digest and federal funds are expected to remain flat. State funds are increasing due to rising student enrollment, along with elimination of “austerity reductions” to public education after 15 years of reduced funding.

CCSD’s total expenditures for FY2019 are **\$497.1** Million when including all funds— debt service, food service (a self-supporting fund), grant funds, construction projects from bond proceeds and the operating fund.

The School District expects an additional 746 students to enroll for 2018-19, bringing total projected enrollment

to 42,894. New students, combined with class size reduction measures, will allow CCSD to hire 55 additional teachers. The budget also plans for two additional school bus drivers and bus aides to accommodate student growth and increased ridership, as well as the purchase of 30 new buses to replace aging vehicles in the fleet.

A review of school safety and security by a committee of law enforcement, parents and community members yielded a set of recommendations for enhanced student and staff safety that will be implemented over the next few years. As part of these recommendations, the proposed budget includes adding three more police officers to enhance middle and high school security, as well as continuing the security foyer installation program (for a total of 31 schools completed by next year). Other safety enhancements include increased teacher and student training, as well as regular drills and mock scenarios with local law enforcement.

Class Size Continues to Shrink as More Teachers Hired

Class sizes across the Cherokee County School District are expected to be at a five-year low for 2018-19, and the School District does not expect to need the class size waivers granted under its flexibility contract with the State.

Kindergarten classrooms will be at a max of 20 students, with a paraprofessional shared between every two teachers. Grades 1-3 will have an average of 20.5 students, and grades 4-5 will average 26.3 students. Class sizes in the middle grades are estimated at 25 students per teacher, and high school classes will average 27.

“Getting class size back to pre-recession levels has long been a priority of this School Board, and I am happy to announce that we are within those parameters with this budget,” said Dr. Brian V. Hightower, Superintendent of Schools.

CCSD CLASS SIZE			
SCHOOL YEAR	KINDER-GARTEN	GRADES 1-3	GRADES 4-5
2014-15	23.7	24.8	30.7
2015-16	21.2	22.4	27.5
2016-17	20.6	21.3	27.4
2017-18	20.7	21.0	26.5
2018-19	20	20.5	26.3
STATE MAX	20	21	28
WAIVER MAX	26	28	35

Proposed Budget Includes 1% Raise + Step Increases for Employees

CCSD will continue to offer one of the most competitive compensation packages among Georgia school districts for FY2019. In addition to increasing the starting teacher salary to \$43,000 (up from \$42,500), a longevity step increase and a 1% cost of living raise will be implemented for all eligible employees— both certified and classified.

As projected shortages in the teaching profession become reality for many school districts, the competition for quality teachers will continue to escalate, especially in the Metro Atlanta area. Attracting and retaining the best employees is a top priority for the Cherokee County Board of Education.

“Our school district is only as good as its employees, and I believe that investing in our people will pay dividends, with the ultimate outcome of student success and achievement,” said Dr. Brian V. Hightower, Superintendent of Schools. “We’re competing with other metro counties for the best talent out there, so we are focused on keeping salaries and benefits in line with the region so we can continue to attract and retain the best teachers and support staff.”

The proposed FY2019 budget will mark the 10th consecutive year that CCSD has implemented step increases and/or raises for all eligible employees.

10-YEAR HISTORY: CCSD COMPENSATION			
Year	Furlough Days	Step Raise	Raise
2009-10	5 days	yes	0%
2010-11	4 days	yes	0%
2011-12	4 days	yes	0%
2012-13	8 days	Mid-Year	0%
2013-14	3 days	yes	0%
2014-15	0 days	yes	1%
2015-16	0 days	yes	0%
2016-17	0 days	yes	1%
2017-18	0 days	yes	2%
2018-19	0 days	yes	1%

The Governor and State Legislature did not fund a raise for teachers this year, nor were any changes made to the State salary schedule, so these increases will come from local revenues only.

Close to Perfection: School District Credit Rating Improves Again

The Cherokee County School District’s School credit ratings of positive Aa2 and Aa- levels, as rated by Moody’s and Standard & Poor’s financial service companies, were upgraded in April to Aa2 Stable and Aa... the latter putting the organization closer to achieving the top AAA rating.

“We continue to make steady progress toward a perfect rating, and, along the way, the improvements are benefitting our community, as an improved credit rating lowers costs for insurance and borrowing,” Superintendent of Schools Dr. Brian V. Hightower said. “Continuous improvements by our Office of Financial Management led by Chief Financial Officer Kenneth Owen are contributing to our success, as are our improving local and State economy.”

Standard & Poor upgraded its rating to Aa, with a Stable outlook, from Aa- to reflect its positive “view of the District’s improved financial performance and strengthened reserve position since fiscal 2014, a stable and strengthening economy that has produced significant tax digest growth in recent years” and CCSD’s enhanced financial management practices.

Moody’s, which increased its rating to Aa2 from Aa3 last year, has added a Stable outlook to its opinion, and foresees a rating upgrade should CCSD continue its balanced budgets, sound reserve levels and further reduction of long-term liabilities.

CCSD Earns High Marks for Finances in State Efficiency Rating

The Cherokee County School District earned 4.5 stars on the State's Financial Efficiency Star Rating system this year, which is not only an increase from 2017's rating of 4 stars, but also is among the best ratings in the State. Only nine school districts, including CCSD, of the 180 districts in Georgia earned a 4.5, and only three earned a perfect 5. The rating

earned by CCSD also is tied for the best among metro Atlanta county school districts.

The State's Financial Efficiency Star Rating system measures school district's spending per student in relation to those students' academic performance according to the College and Career Ready Performance Index. Ratings range from a half a star to five stars, which is the highest possible.

"Our School Board is known for its strong financial stewardship, our educators are known for their determination to help every student succeed, and these ratings back up that well-deserved reputation," Superintendent of Schools Dr. Brian V. Hightower said. "Despite the financial challenges of continued State austerity budget cuts and rising healthcare and benefits costs, we remain committed to keeping our focus on the classroom and using our taxpayers' investment in our community's future wisely."

The State's new rankings also show the CCSD's average per-pupil spending of \$7,949 (averaged across the three most recent budget years, 2015-2017) is among the lowest in Georgia. Of the 180 school districts in the State, only 21 spent less... putting CCSD in the top 15% for conservative spending.

SCHOOL DISTRICT	PER PUPIL SPENDING	EFFICIENCY RATING
CHEROKEE COUNTY	\$7,949	★★★★★
CLAYTON COUNTY	\$7,986	★★★★
COBB COUNTY	\$8,477	★★★★
DEKALB COUNTY	\$9,273	★★★
DOUGLAS COUNTY	\$8,164	★★★★
FAYETTE COUNTY	\$9,188	★★★
FULTON COUNTY	\$9,611	★★
GWINNETT COUNTY	\$7,849	★★★★★
HENRY COUNTY	\$8,175	★★★★
ROCKDALE COUNTY	\$8,893	★★★

Atlanta Regional Commission Counties

Lean at the Top: CCSD Keeps Administration Costs in Check

The Cherokee County School District continues to rank among the lowest 10% in the state when it comes to per pupil spending on general administrative costs. CCSD's rate for FY2017 of \$225 per student is well below the state average of \$414 per student and ranks as the lowest of surrounding and Metro area school districts. CCSD's total expenditure per student in FY2017 of \$8,704 ranked in the bottom 15% across the state. The Georgia average for total per pupil expenditures in 2017 was \$9,417.

FY17 GENERAL ADMIN COSTS PER STUDENT

ATLANTA PUBLIC SCHOOLS	\$950
ROCKDALE COUNTY	\$550
FULTON COUNTY	\$549
GWINNETT COUNTY	\$522
DEKALB COUNTY	\$438
GEORGIA AVERAGE	\$414
FAYETTE COUNTY	\$386
CHEROKEE CHARTER ACADEMY	\$328
COBB COUNTY	\$326
FORSYTH COUNTY	\$255
HENRY COUNTY	\$230
CHEROKEE COUNTY	\$225

Source: GA DOE

School District Again Facing Hikes in Benefit Costs

CCSD is the largest employer in Cherokee County . . . with an expected 2018-19 school year total of approximately 4,865 full-time employees, including 2,750 certified classroom teachers; more than 700 certified instructional support staff (counselors, media specialists, special education facilitators, instructional lead strategists, paraprofessionals, etc.); and over 1,200 non-instructional support staff (bus drivers, school maintenance, technology specialists, school nutrition workers, psychologists, speech pathologists and more).

Quality public schools are a people-intensive enterprise, and it is no surprise that salary and benefits account for 87% of the CCSD operating budget. In recent years, school districts in Georgia have seen significant increases in costs for benefits for employees, and 2018-19 is no different.

Mandatory CCSD payments to the Teacher Retirement System (TRS) will be hit with another double-digit increase this year. The required contribution rate jumped from 14.27% to 16.81% (of employee compensation) last year and will rise to **20.90%** in 2018-19. Georgia school districts now contribute more than double the rate they did in 2009 (9.28%). Employees also contribute to TRS at a rate of 6% of their salary, as set by state statute.

Costs associated with the State Health Benefit Plan, the state health insurance program for Georgia public school employees, have risen for both employers and employees in recent years. In 2018-19, CCSD must cover an increase of \$1,188 per participating employee in SHBP over the course of the year (\$99 per month, per employee).

In looking at total compensation, benefits costs now account for 35-45% of the overall cost of employment, depending on the position and experience level.

Note: Detailed information about the CCSD budget and past financial audits can be reviewed on the Open CCSD webpage at <http://cherokee12.net/open-ccsd/>



Ed SPLOST Update

Cherokee County voters overwhelmingly approved the 2016 Education Special Purpose Local Option Sales Tax (Ed SPLOST) for capital improvement projects across the district.

The tax is approved for five years, and funds are budgeted next year to:

- begin the construction of a new classroom wing at Mill Creek Middle School;
- install additional security foyers at elementary and middle schools;
- install synthetic turf at all high school stadiums;
- renovate the restrooms at Etowah HS stadium; and
- purchase up to 30 new school buses to account for student population growth and replace the oldest buses in the fleet.

Other projects will continue in successive budget years. CCSD is grateful to Cherokee County voters for their continued support in narrowing the extraordinary funding gap between the School District's capital outlay needs and revenue through the 2016 Ed SPLOST renewal, which was approved by 73% of voters. That approval enables the School District to continue to support an award-winning instructional program by addressing its construction and technology needs.

Recruiting the Best

The 2018-19 CCSD budget will set the starting salary for a first-year teacher with a bachelor's degree at \$43,000.