



No Tax Rate Increase Planned for FY2017 School District Budget

Dr. Brian V. Hightower, Superintendent of Schools, will recommend an operating budget of \$359 Million for the 2016-17 school year, which will include a reduction in class sizes to near pre-recession levels; a salary step increase for all eligible employees; a 1% raise for all eligible employees; the adoption of new math resources for all grade levels; and partial restoration of reserve funds, all without an increase in the School District millage rate.

The School District did not qualify for State Property Tax Equalization funding for the coming year, resulting in a \$2.4 Million loss of State revenue. However, the Governor and Legislature again whittled away at “austerity budget cuts” to school districts in the FY2017 budget, reducing the amount of QBE funds being withheld from CCSD to a shortfall of \$3.9 Million for the coming year. After the offset of equalization funds, the bottom line increase in State funds to CCSD is a net of \$4.7 Million.

Local funds are expected to increase by 5 percent with the ongoing recovery of the local tax digest, and federal funds (3 percent of the budget) are expected to remain flat. CCSD’s total expenditures for FY2017 are \$458 Million when including all funds— debt service, food service (a self-

BUDGET PRIORITIES

- Reducing class size
- Continuing competitive compensation for employees
- Improving instructional resources
- Restoring financial reserves

supporting fund), grant funds, construction projects from bond proceeds and the operating fund.

The School District expects an additional 558 students to enroll for 2016-17, bringing total projected enrollment to 41,727. New students, combined with class size reduction measures, will allow CCSD to add 16 elementary teachers, six additional middle school teachers and 14 new high school teachers, as well as 20 additional Special Education teachers. New teacher hires overall will exceed 150 in order to cover retirements and other attrition.

Lean at the Top: CCSD Ranks 166th of 180 School Districts in Administrative Expenses

FY15 GENERAL ADMIN COSTS PER STUDENT

ATLANTA PUBLIC SCHOOLS	\$1,017
CHEROKEE CHARTER ACADEMY	\$561
FULTON COUNTY	\$523
ROCKDALE COUNTY	\$492
GWINNETT COUNTY	\$472
DEKALB COUNTY	\$401
GEORGIA AVERAGE	\$368
FAYETTE COUNTY	\$314
DOUGLAS COUNTY	\$312
COBB COUNTY	\$288
FORSYTH COUNTY	\$225
CHEROKEE COUNTY	\$220
HENRY COUNTY	\$171

Source: GA DOE

The Cherokee County School District continues to rank among the lowest in the state when it comes to per pupil spending on general administrative costs. CCSD’s rate for FY2015 of \$220 per student is below the state average of \$368 per student and ranks as the second-lowest of surrounding and Metro area school districts. CCSD’s total expenditure per student in FY2015 of \$7,597 ranked in the bottom 10 percent across the state. The Georgia average for total per pupil expenditures in 2015 was \$8,665.

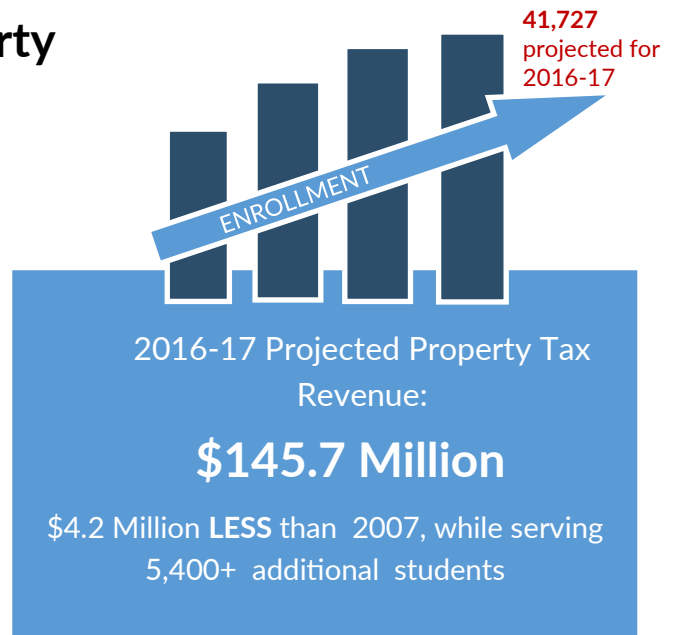
“An investment in knowledge pays the best interest.” — Benjamin Franklin

The Local Angle: How County Property Values Affect Classroom Spending

Much of the flexibility in a school district budget comes in the form of local revenues, namely property tax funds. The School Board sets a millage rate annually that determines how much property tax is collected based upon property valuations conducted by the county government. The local funding piece determines how the community chooses to invest in its school system in order to ensure good quality of life and an educated workforce, which equals strong property values for everyone.

State and federal revenues are highly structured in terms of how those funds are earned — and spent. School Districts rely on local revenues to pay competitive salary supplements to teachers (above and beyond the State salary schedule), enhance existing services and offer special programs such as band, chorus, art, STEM and Fine Arts Academies, high school electives, graduation coaches and more. Local funds also fill gaps in State funding for programs like transportation and school nurses, where only partial funding is provided.

School Districts with an abundance of local revenue tend to have a diversified tax base that balances commercial with residential— whereas Cherokee County is largely residential and agricultural. The chart at right shows the amount of local revenue generated by area school districts on a per pupil basis, with Cherokee near the bottom. Gwinnett, which does have a diversified tax base, also has the largest student population across which to share those resources: 177,000 students, more than four times the size of CCSD. Those districts higher on the chart have more discretionary revenues; and, therefore, more freedom to enhance salaries, add personnel and expand programs. While the Cherokee digest is slowly recovering from the recession, other counties are recovering faster— but we are moving in the right direction!



SCHOOL DISTRICT (ranked by local revenue)	FY15 LOCAL REVENUE PER STUDENT
ATLANTA PUBLIC SCHOOLS	\$ 9,220
DECATUR CITY	\$ 7,061
FULTON COUNTY	\$ 5,693
MARIETTA CITY	\$ 5,023
DEKALB COUNTY	\$ 4,550
FAYETTE COUNTY	\$ 4,326
COBB COUNTY	\$ 3,856
FORSYTH COUNTY	\$ 3,377
CHEROKEE COUNTY	\$ 3,265
GWINNETT COUNTY	\$ 3,125

Source: DOE Revenue Reports FY15

“If you think education is expensive, try estimating the cost of ignorance.”

— Howard Gardner

Proposed Budget Includes 1% Raise + Step Increases for Eligible Employees

CCSD will continue to offer one of the most competitive compensation packages among Georgia's school districts for 2016-17. Starting teacher salary is projected to be \$42,250; a longevity step increase and a 1% raise will be implemented for all eligible employees.

CCSD is one of the few school districts in the state to have maintained longevity step increases throughout the recession, as well as awarding a 1% salary raise in 2014-15. While some districts are making headlines for larger salary increases this year, those districts did not provide step increases each year and, in some cases, implemented across the board salary cuts during the recession. Fulton County, in particular, is making an effort to catch up with Cherokee County salary ranges after repeatedly losing good employees to its neighboring district (AJC: April 14, 2015).

In addition, the budget is providing increased support for teachers in the form of academic coaches, Response to Intervention (RTI) facilitators, additional ESOL allotments, more Special Education teachers and further reductions of class size — for the third consecutive year.

Education is a
people-intensive enterprise.
83.7% of CCSD's operating
budget is directed to salaries
and benefits.

CCSD COMPENSATION HISTORY			
Year	Furlough Days	Step Increase	Raise
2009-10	5 days	yes	0%
2010-11	4 days	yes	0%
2011-12	4 days	yes	0%
2012-13	8 days	1/2 step	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%

Employee Benefit Costs Continue to Escalate as SHBP Faces Deficit



The State is continuing to pass along rising healthcare costs associated with the State Health Benefit Plan (SHBP), with CCSD facing an increase of \$720,000 in employee premiums for non-certified staff in 2016-17 (the second half of a \$1.44 Million increase for calendar year 2016). The forecast for the SHBP is not promising, as the fund balance reserves are expected to be in a deficit posture in 2017-18. The proposed FY2017 budget includes \$27 Million for insurance premiums for certified employees and \$11.7 Million to cover non-certified employees. These amounts are in addition to the substantial premiums that employees pay out of pocket as their share of the SHBP.

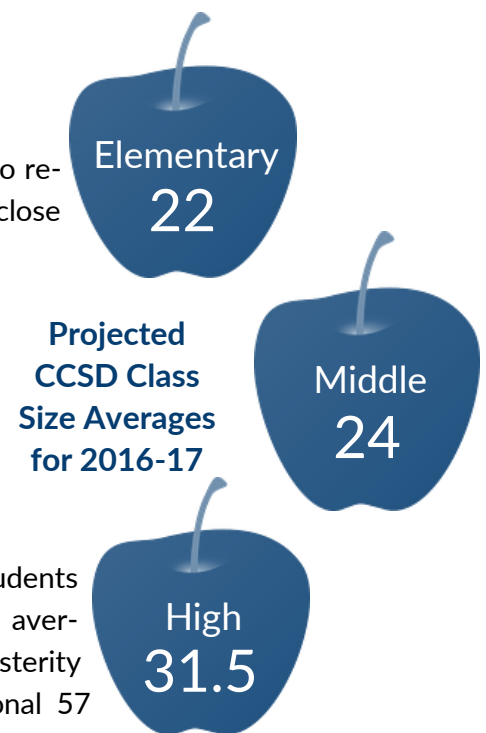
“No other investment yields as great a return as the investment in education. An educated workforce is the foundation of every community and the future of every economy.” — Brad Henry

Class Size Averages Dropping Again

One of the School Board's budget priorities for 2016-17 is to continue to reduce class size across all grade levels, and this year CCSD expects to get close to its pre-recession class size averages.

"I feel the strongest about class size," Dr. Hightower said recently at a School Board work session, noting that he wants to maintain CCSD's emphasis on using increasing revenue due to the declining State's "austerity budget cuts" for this purpose. "I have said that it would take us 10 years to get back to where we were before the Recession as it relates to class size, but for us to be this close this quickly, is impressive."

CCSD class size averages for elementary grades are expected to be 22 students per class; middle school average, 24 students per class; and high school average, 31.5 students per class. If the State eliminated the remaining "Austerity Budget Reductions" to schools, CCSD could afford to hire an additional 57 teachers to further reduce class size.



Budget Increases Security at Schools, Relieves Crowded Buses

CCSD will continue to focus on student security and well-being through expansion of building security measures, relieving overcrowded buses and adding a school nurse at its alternative school, ACE Academy.

ACE is an alternative program that serves 250 students in grades 6-12. School nurses were added to the traditional high schools in the current budget, along with restored nurse hours at elementary and middle schools.

Buzzer front-door lock systems were installed in all CCSD elementary and middle schools last year and will be expanded to include card-swipe access for employees at key areas near playgrounds and mobile classroom entryways. CCSD will also construct front hall-

way security foyers in eight pilot elementary schools to enhance control at the school entryway.

Fourteen new bus drivers and two bus attendants will be added to relieve bus overcrowding and reduce ride time for students. The three-tiered system that was piloted in the Etowah Zone this year will be expanded to three additional zones— Woodstock, Sequoyah and River Ridge. The three-tiered system puts middle school and high school students on separate buses in areas of dense population and allows drivers to run multiple routes in shorter periods of time, while realizing a cost savings to the District. Without the tiered system, the District would need an additional 26 drivers next year (as opposed to 14).

"If teachers could bill their hours like lawyers do, then we'd know the true cost of an education in today's society."

— Janice Love

