

EXECUTIVE SUMMARY

Superintendent's Recommended
Tentative Budget
Fiscal Year 2015-16



Dr. Frank R. Petruzielo
Superintendent of Schools



Front row, from left, Kyla Cromer (District 1), Chair Janet Read and Patsy Jordan (District 2). Back row, from left, Robert Rechsteiner (District 4), Mike Chapman (District 6), Clark Menard (District 5), John Harmon (District 3) and Superintendent Dr. Frank R. Petruzielo.

The School Board of Cherokee County, Georgia

Janet Read, Chair
Patsy Jordan, Vice Chair
Mike Chapman
Kyla Cromer
John Harmon
Clark Menard
Robert Rechsteiner

Dr. Frank R. Petruzielo
Superintendent of Schools

"The Cherokee County School Board does not discriminate in the educational and employment policies under which it operates and will honor all appropriate laws relating to discrimination. It is the policy of the Cherokee County Board of Education not to discriminate on the basis of sex in its education programs, activities or employment as required by Title IX of the 1972 Education Amendments."

Cherokee County School District

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SCHOOL BOARD CHAIR

PATSY JORDAN
SCHOOL BOARD VICE-CHAIR

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DR. FRANK R. PETRUZIELLO
SUPERINTENDENT OF SCHOOLS

June 11, 2015

Dear School Board Members:

I. INTRODUCTION -- RECOMMENDED 2015-16 TENTATIVE BUDGET

As required by Georgia Statutes and the State Board of Education, the School District's Annual Budget must be prepared by the Superintendent of Schools for presentment to the Board of Education for consideration and adoption. Accordingly, **the proposed 2015-16 Tentative Budget is hereby submitted for your review and consideration. This recommended Budget does not include an increase in the current School District millage rate.** As a reminder, the School Bond Millage rate of .4 mills was eliminated in 2014-15... due to the fact that the General Obligation Bond passed by voters in 1993 has been paid in full and the related debt retired.

The following pages provide a detailed plan for next year's operation of the Cherokee County School District (CCSD), which addresses: the School Board's Mission and long-term Major System Priorities, as outlined in the Five Year Strategic Plan; recommendations of School Board Members; recommendations of this year's Ad Hoc Budget Committee; and the fiscal, programmatic and operational impact of legislation passed in the 2015 session of the Georgia General Assembly and subsequently signed by the Governor.

The 2015-16 Budget continues to build on the annual budgets recommended by the Superintendent and approved by the School Board in previous years and keeps as its primary focus the continual improvement of academic achievement by our students...which has become some of the highest student academic achievement levels in the State of Georgia. Our students continue to exceed State, National and International averages on test scores across-the-board; and our graduating high school students consistently post some of the highest ACT and SAT scores in the State. Cherokee County School District students master material required by the State at the highest levels; and our schools are regularly included on major national school ranking reports, such as the list of "Best High Schools" in the U.S. published by U.S. News & World Report and the "America's Most Challenging High Schools" list, published by the Washington Post. These honors would not be possible without the financial resources and support provided by the citizens of Cherokee County and the policy leadership provided by the School Board.

II. REVENUE FORECAST

A. State Funding

The Governor's Budget includes \$280 Million in increased State spending for K-12 public education for the 2015-16 fiscal year, in the form of reduced "Amended Formula Adjustments" (formerly/also known as "Austerity Budget Reductions") within the State Quality Basic Education (QBE) formula. This results in an additional \$6.5 Million in QBE revenue to CCSD. It is our hope and expectation that the Governor and General Assembly will view this as another step toward ending State "Austerity Budget Reductions"...rather than a declaration that their mission to increase spending on public education has been accomplished, or that they will subsequently demonstrate their commitment to choice and fiscal flexibility through establishment of a new formula that reduces current locally earned QBE State funding levels on a permanent basis. Additionally, Cherokee County School District continues to qualify next year for State Property Tax Equalization funding in the amount of \$2.4 Million (down from \$4.1 Million in the current fiscal year), a direct result of plummeting home values within the County over the course of the recent recession. While this funding is a welcome addition to our 2015-16 Tentative Budget, due to recent increases in property valuations and the formula that drives the allocation process, this should not be considered an annual, recurring funding source for future budgeting purposes. The positive news reflected in State revenue increases is tempered by the fact that CCSD will still not receive \$11.1 Million in earned QBE funding due to unilateral State funding reductions that will continue for the 2015-16 school year. This equates to approximately 180 teachers that could have been employed to work in our classrooms next year... which would have relieved the need for the School Board to once again request a waiver of the State law mandating class size maximums.

B. Local Funding

Local property tax collections continue to rise, reflecting the third consecutive year of modest increases in property valuations after four years of falling assessments...which resulted in a loss of \$31 Million in School District revenue during the recent recession. **This continued improvement in the local economy will result in an estimated total of \$132 Million in local property tax revenue to the School District for the 2015-16 school year, an approximate 6% increase over 2014-15 collections. Again, this must be tempered by the fact that expected property tax collections for 2015-16 will be only slightly higher than they were in 2006... while we are faced with the reality of educating nearly 6,000 additional students who have enrolled since then.**

C. Automobile Title Ad Valorem Tax

The long-term fiscal impact of the annual Automobile Ad Valorem Tax (the "birthday tax") shifting to a one-time Title Ad Valorem Tax (TAVT) structure has not yet been fully felt by the School District. You may recall that, as a consequence of House Bill 386 (2012), the General Assembly previously put in place a plan to phase out the annual collection of ad valorem tax on automobiles and to phase in the one-time payment of the TAVT. An additional component of this legislation is elimination of sales tax when purchasing an automobile... designed to relieve consumers of paying a large tax bill (13%) at the time of vehicle purchase (6% sales tax plus 7% TAVT). Prior to enactment of this legislation, the School District could expect to receive an annual increase in the amount of revenue from ad valorem taxes assessed on automobiles simply because more vehicles were purchased and titled in the County each year. Additionally, sales tax collected from automobile purchases was a significant part of the School District's annual Ed-SPLOST revenue.

However, **provisions in the new law stipulate that counties and school districts will only be guaranteed the same amount of revenue derived from the combined annual ad valorem and TAVT sources as was collected from the annual ad valorem tax in FY 2011-12.** In the event revenue is collected above the FY 2011-12 benchmark, the proceeds will be divided between the State, County and School District equally. Accordingly, as the new TAVT is phased in over the next several years, the amount of annual ad valorem tax revenue will decrease significantly. As such, while overall collections of combined motor vehicle taxes are expected to be higher in 2015-16 than they were in 2014-15, the net increase to the School District will likely remain approximately the same as FY 2011-12.

D. Federal Funding

Federal funding, which makes up only 3% of the School District budget, is expected to remain basically flat for the 2015-16 school year. While this is a relatively small piece of the budget, critically needed federal funds are targeted directly at serving the needs of our most at-risk students, including those from low-income households and those with disabilities, who typically require a much higher level of personnel and resources to address their educational needs. You may recall that in 2013-14 the School District faced across-the-board budget cuts in all federal programs (known as “sequestration”) that resulted in a \$1.1 Million decrease in federal funding (8.2% of the total federal budget). While sequestration of federal education funds has ended for the time being, funding of these crucial programs is not expected to return to pre-sequestration levels in the 2015-16 school year. As such, our program managers have been directed to budget next year at current funding levels.

E. Summary

As a consequence of expected revenues, the proposed 2015-16 Tentative Budget reflects proportional increases in revenue from State QBE allotments, Local ad valorem and other tax collections. This must be tempered by the fact that, **over the past 13 years, CCSD has cumulatively lost over \$201.2 Million in State QBE earnings, which were unilaterally withheld from the School District by the State in the form of Amended Formula Adjustments, or so-called “Austerity Budget Reductions.”** Fortunately, the QBE formula reflects a decrease of \$6.5 Million in formula cuts for 2015-16, as compared to 2014-15 (from \$17.6 Million to \$11.1 Million).

III. EXPENDITURE FORECAST

A. Educational Program Enhancements

As a result of the budget recommended last year by the Superintendent and approved by the School Board for the current (2014-15) fiscal year, a full 180 day school year for students was successfully restored in the current budget and that will continue to be a top priority in the 2015-16 budget. **The following additional educational program enhancements are included in the proposed 2015-16 Tentative Budget:**

- *Continuation of a full 180-day instructional calendar for students.*
- *Restoration of full work calendars (i.e., no furlough days) for all School District employees.*

- *Districtwide reductions in middle and high school class size...through hiring an additional 48 teachers, with a significant focus on reducing the number of classes operating near maximum class sizes in Grades 6-12. Accordingly, average class size will decrease: for Grades 6-8, from 29.7 students to 27.4; and for Grades 9-12, from 33.1 to 31.5;*
- *Annual longevity step increases will be provided for eligible teachers and all other eligible employees;*
- *Three additional Technology Specialists will be hired to provide hardware and software technical assistance to K-12 teachers and support personnel and to bring the total staffing allotment in this regard back to pre-recession levels/standards;*
- *Six additional School Nurses will be employed to expand health-related services to all high schools;*
- *School nurse hours will be restored to six and one-half hours (from 6 hours) per day;*
- *Seven bus drivers will be added to address student population growth, improve efficiency and reduce ride time for students;*
- *A one-half teacher allotment will continue to be allocated at each high school... dedicated to credit recovery/helping students stay on track for graduation;*
- *The school entry door security system that was successfully piloted this year will be expanded; and,*
- *Remaining funds will be utilized to continue restoring Budget Reserves.*

B. State Health Benefit Plan Premium Increase and Looming Fiscal Issues

The 2015-16 Tentative Budget reflects an increase of \$150 per month per participating employee in employer (i.e., School Board) contributions for continued participation of non-certificated employees in the State Health Benefit Plan (SHBP). You may recall that the Governor's initial budget proposal eliminated SHBP coverage for part-time employees (e.g., bus drivers), but did not include a scheduled increase in employer contributions for all non-certificated employees...as previously planned in order to begin addressing the severe shortfalls in SHBP revenues and reserves. However, **the final State Budget approved by the General Assembly and signed by the Governor includes both coverage for part-time employees and an increase in employer contributions (beginning January 2016) for all non-certificated employees. This is good news for those employees; however, it comes with a significant cost to the School Board of over \$1.24 Million in 2015-16... and at least double that cost in 2016-17, even if employer contributions remain the same.**

Going forward, SHBP is faced with potentially massive operating deficits beginning in the 2016-17 plan year; and DCH fund balance reserves are expected to decrease from a \$374 Million surplus in 2014-15 to a deficit of over \$92 Million in 2016-17. This will likely result in extraordinary premium increases for both employees and the School District... beginning as soon as 2016-17. Additionally, as noted in previous budget presentations, the previous annual State contribution for classified/noncertified staff health insurance of several hundred million dollars per year has been completely eliminated by the Governor and General Assembly... which has led to this year's increase of \$150 per noncertified employee per month and other likely increases in subsequent years.

IV. ADDITIONAL BUDGET RESPONSIBILITIES/CHALLENGES

As in each of the past 16 years, an Ad Hoc Committee, comprised of central office Department Heads and Lead Principals in all Innovation Zones, has conducted a “zero sunset review” of all major School District expenditures for the current (2014-15) fiscal year and has assisted in formulation of the proposed 2015-16 Tentative Budget... with the primary goal of allocating the personnel and resources necessary to maintain and enhance student achievement in all subjects and at all grade levels. Budget committee members provided valuable ideas and problem-solving input during this rigorous process.

Clearly, the historical partnership between the State of Georgia and local School Boards in funding public education continues to be eroded from its original (1985) 60% /State - 40% /Local ratio to the point where local taxpayers are now footing nearly 47% of the bill for this critically important function. It is also noteworthy that State revenue for K-12 education currently accounts for only 50% of the School District's total available revenue; and **Cherokee's so-called “Local Fair Share” (five mills of local property taxes required to be assessed by the State annually) has increased from \$7.2 Million in 1993-94 (13% of the State's required formula funding for the School District) to \$36.3 Million in 2015-16 (16.1% of the State's required formula funding for local schools).** Annual “Local Fair Share” funding increases have occurred while the Governor and Legislature have continued to balance the State budget by reducing Quality Basic Education (QBE) formula funding earned by local school districts through annual, so-called “Austerity Budget Reductions.”

V. BOARD MEMBER BUDGET PRIORITIES

The 2015-16 Tentative Budget incorporates specific ideas and suggestions from School Board Members relative to:

- *Maintaining 180 instructional days for students;*
- *Continuing to reduce class size;*
- *Continuing to attract and retain the best teachers, principals and support staff;*
- *Continuing to provide employees with critically needed professional/staff development;*
- *Continuing to fund technology in the classroom; and,*
- *Providing and maintaining adequate budget reserves.*

VI. EMPLOYEE COMPENSATION/BENEFITS

CCSD continues to be the largest employer in Cherokee County...with an expected 2015-16 total of 4,498 full and part-time employees, including 2,904 professionally certified staff members. **Recognizing that the School District and its employees have been through some extremely difficult economic times over the past five years, I am recommending funding State and Local longevity step increases for all eligible employees, beginning July 1, 2015.** Unlike many neighboring school districts that implemented across-the-board pay cuts and provided no step increases for their employees during the recent recession, this School Board granted step increases annually and balanced the budget by utilizing other methods. Thus, when furlough days were eliminated in 2014-15, employee salaries returned to normal levels without the School Board having to call for significant salary increases, as many Metropolitan Atlanta districts are having to do now in order to compete with our salary schedule. As such, in approving this modest increase in compensation for teachers and other eligible staff, the School Board continues to demonstrate its commitment to keeping Cherokee County School District employees ahead of their peers relative to compensation and benefits, thereby continuing to attract and retain the best staff possible.

VII. CONTINUED FOCUS ON TEACHING AND LEARNING

Since the primary mission of the School District is teaching and learning, the vast majority of our fiscal recommendations continue to be directed toward this mission. Of the \$323 Million in General Fund/Operating Budget total revenue anticipated for the 2015-16 school year, \$230.1 Million (66.2%) is appropriated directly to School Instruction. In addition to appropriations made directly to schools, \$70.3 Million (20.2%) is allocated to Other Support Services. Of that amount, 12% is allocated to departments having a direct impact on students, such as Instructional Improvement, School Administration and Pupil Transportation.

VIII. CAPITAL OUTLAY PRIORITIES

Cherokee County continues to experience student population growth...with an additional 1,156 students projected for the 2015-16 school year. Accordingly, continuing to address that growth with new/replacement schools, improving safety/security, providing more school buses to accommodate additional riders, and funding technology enhancements will require utilization of the vast majority of available capital outlay resources.

Construction funds provided by the renewed 2013 Education Special Purpose Local Option Sales Tax (SPLOST) are budgeted in 2015-16 to continue construction of the New/Replacement Dean Rusk Middle School and to begin construction of the New/Replacement Educational Services Facility on the Bluffs Parkway. As a result, the 2015-16 Tentative Budget addresses the School District's immediate and long-term instructional and other support service needs and continues to fund the Board's Five-Year Facility Plan and Three-Year Technology Plan. Clearly, continued efforts must be undertaken to solicit and maximize critically needed additional State funding in this regard.

IX. CONCLUSION/APPRECIATION

I am sure that School Board Members join me in thanking the Governor and General Assembly for recognizing the critical importance of public education in Georgia by increasing K-12 funding for 2015-16. This is a step in the right direction and we are hopeful this represents another move in a phased approach to finally ending “Austerity Budget Reductions”... after 14 long years of negative impact on our educational programs. This action by State leaders, combined with State Equalization Funding and an increase in local property valuations, provide an opportunity for the School Board to continue the School District’s progress in restoring a full framework of critically needed public education programs for our students and the citizens of Cherokee County!

Additionally, we are grateful to Cherokee County voters for their continued support in helping the School District narrow the extraordinary funding gap between the School District’s capital outlay needs and revenue through SPLOST renewal... thereby enabling the School District to continue addressing its most pressing construction and technology needs for the next five years.

Finally, I would like to thank the following members of this year’s Ad Hoc Budget Committee for their assistance and diligence in developing this proposed 2015-16 Tentative Budget for the School Board’s consideration:

Kenneth Owen.....Assistant Superintendent, Financial Management

**Dr. Brian Hightower.....Deputy Superintendent, School Operations,
Programs and Support**

**Bobby Blount.....Assistant Superintendent, Accountability,
Technology and Strategic Planning**

**Susan McCarthy Assistant Superintendent, Educational Programs,
Student Support and Professional
Development**

Trey Olson Assistant Superintendent, Personnel Management

**Bill Sebring.....Assistant Superintendent, Support Services and
Facilities/Construction Management**

Ronald Barnes.....Director, Maintenance

Don Corr.....Director, Staffing

**Tim Feltner Director, Technology Services/Data
Communications**

**Marjorie DeFrank Director, Grants Accounting, Internal Audits and
Budgets**

Charlette Green Director, Special Education

Dr. Nicole Holmes.....Director, School Operations

**Barbara Jacoby.....Director, Public Information, communications and
Partnerships**

**Dr. Pat Kearns Director, Academic Standards, Professional/Staff
Development and Career Pathways**

Julie Little Director, Risk Management/Safety/Benefits

Dr. Gayle McLaurin.....Director, Student Assessment

**Phil Parrott.....Director, Facility Construction and
Planning/Forecasting**

Dr. Keith Bryant.....Supervisor, Special Education

On June 11, 2015, the School Board is requested to table the Tentative 2015-16 Budget. At its July 22, 2015 Called Meeting, after public advertisement and public hearings as required by Georgia Law, the Board will receive final comments on the Tentative Budget, make revisions, as necessary, and adopt a final School District Budget for FY 2015-16.

FRP

cc: School Board Attorney
Agenda Preparation Group
Principals
Assistant Principals
PTA Presidents
Cherokee County Legislative Delegation

**CHEROKEE COUNTY SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT**

May 21, 2015

TO: School Board Members

FROM: Dr. Frank R. Petruzielo
Superintendent of Schools

**SUBJECT: STATUS REPORT – SUPERINTENDENT’S RECOMMENDED
2015-16 TENTATIVE BUDGET**

As has been our established practice for the past 16 years, I appointed an Annual Budget Committee (including administrative staff at all levels and Lead Principals) to assist me and Mr. Kenneth Owen, Assistant Superintendent for Financial Management, in: conducting a zero-based budgeting/sunset review of all current, major School District expenditures; reviewing projections for next year’s Federal, State and Local revenue; and determining programmatic and operational funding priorities in development and preparation of my Recommended 2015-16 Tentative Budget.

Since the 2015-16 Tentative Budget, which will be presented for consideration to the School Board at its next (June 11, 2015) meeting, will include important data and information for the Board, staff, students, parents and the community, this is to advise you in a timely manner of major highlights in that regard.

Due to another reduction for the next fiscal year in State “austerity budget cuts,” anticipated modest growth in the Local property tax digest and continuation of fiscally conservative School District policies, practices and programs, I am able to make the following recommendations for 2015-16, which fulfill the School Board’s top Budget goals:

- *Continuation of a full 180-day instructional calendar for students.*
- *Restoration of full work calendars (i.e., no furlough days) for all School District employees.*
- *Districtwide reductions in middle and high school class size...through hiring an additional 48 teachers, with a significant focus on reducing the number of classes operating near maximum class sizes in Grades 6-12. Accordingly, average class size will decrease: for Grades 6-8, from 29.7 students to 27.4; and for Grades 9-12, from 33.1 to 31.5;*

- *Annual longevity step increases will be provided for eligible teachers and all other eligible employees;*
- *Three additional Technology Specialists will be hired to provide hardware and software technical assistance to K-12 teachers and support personnel and to bring the total staffing allotment in this regard back to pre-recession levels/standards;*
- *Six additional School Nurses will be employed to expand health-related services to all high schools;*
- *School nurse hours will be restored to six and one-half hours (from 6 hours) per day;*
- *Seven bus drivers will be added to address student population growth, improve efficiency and reduce ride time for students;*
- *A one-half teacher allotment will continue to be allocated at each high school... dedicated to credit recovery/helping students stay on track for graduation;*
- *The school entry door security system that was successfully piloted this year will be expanded;*
- *Remaining funds will be utilized to continue restoring Budget Reserves; and,*
- *No increase in the School District's current millage rate will be recommended.*

It is also timely and important to note that all of the annual budgets approved by the School Board during the multi-year economic downturn have, unlike other metropolitan Atlanta school systems, refrained from freezing employee salaries or using State funds allotted for longevity step increases for other budget-balancing purposes; and those decisions have kept salaries of School District employees at competitive levels. This is particularly important now that significant student population growth appears to be returning and we are, once again, competing with other metropolitan Atlanta districts in attracting and retaining the best possible teachers, administrators and support staff. Clearly, our efforts to maintain competitive salaries and benefits has been appreciated and students throughout the School District have been rewarded by outstanding teacher, administrator and support employee performance; that will continue to pay teaching and learning dividends for years to come.

In addition to sharing these highlights, **I would also like to express my appreciation to the Governor and State Legislature for their efforts this year and next year to restore earned QBE State funding for CCSD. While it is still too early to declare "Mission Accomplished!" (as indicated by the \$11.1 Million still withheld from CCSD for 2015-**

16), every reduction in State “austerity budget cuts” truly makes a difference in the lives of our community’s children.

I would also like to thank all of our employees for their extraordinary dedication and unprecedented enthusiasm for teaching and learning during the recent recession and its resulting impacts of larger class size and pay cuts in the form of furlough days. Thank you also to central office staff and Lead Principals who served on the Annual Budget Committee, which worked diligently to analyze the data which supports these and other forthcoming 2015-16 Budget recommendations.



FRP

Attachment

cc: School Board Attorney
Agenda Preparation Group
Principals
Assistant Principals
Cherokee County Legislative Delegation

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Decision-Making Guidelines

- ⇒ **School Board's Accountability Policy and Major System Priorities**
- ⇒ **School Board Member 2015-16 Budget Priorities**
- ⇒ **State Funding Cuts /“Austerity Budget Cuts” Reduced for 2015-16**
- ⇒ **Increased Property Digest Valuation**
- ⇒ **Operational Needs (Reflecting Student Population Growth)**
 - ♦ **Staffing (Teachers/Support Staff)**
 - ♦ **Transportation (Buses/Bus Drivers)**
 - ♦ **Market Cost Increases (e.g., Fuel, Utilities, Insurance)**
- ⇒ **Competitive Employee Salary, Benefits and Working Conditions (e.g., class size)**
- ⇒ **Capital Outlay Needs**
 - ♦ **New/Replacement Schools/Classrooms**
 - ♦ **Technology**
 - ♦ **Sites for Future School Construction**
 - ♦ **Other Educational Services (e.g., transportation, safety/security)**

Major System Priorities

1. Establishing internationally competitive standards for student performance and an accountability system and policy framework designed to insure that all students are challenged individually and collectively to meet more rigorous standards.
2. In collaboration with technical colleges, other institutions of higher learning and the local business community, insuring that vocational/technical education programs prepare students for a diverse and technologically rich society.
3. Insuring that all students and staff have a safe secure environment for teaching and learning.
4. Attracting, retaining and training the best teachers, principals and support staff.
5. Utilizing technology both to improve student achievement and to increase the School District's productivity and efficiency as a major business enterprise.
6. Increasing parental and community involvement through public engagement policies and practices that treat parents, businesses, community-based organizations and agencies, local institutions of high learning and other public entities as true partners in the educational process.
7. Addressing exploding student population growth, recognizing that there is a large gap between the School District's facilities and technology needs and available capital outlay revenue.
8. Reviewing the potential for utilizing the School District's existing public education facilities to establish self-supporting community school evening/weekend education programs for interested Cherokee County adults.



2015-16 FUNDING PRIORITIES – PART I GENERAL FUND

The Superintendent's Recommended FY 2015-16 Tentative Budget provides funding for implementation of the following General Fund Priorities:

- I. Continuing to attract, retain and train the best teachers, principals, and support staff by ensuring competitive employee compensation and benefits.
 - Provides districtwide reductions in class size through hiring an additional 48 classroom teachers...with the greatest focus on reducing the number of classes operating near the maximum class sizes in Grades 6-12 **\$3,216,000**
 - Provides annual salary schedule longevity steps for all eligible certified and support staff **3,027,460**
 - Provides funding to continue competitive employee fringe benefits and to address extraordinary cost increases in Health Insurance and Teacher Retirement **6,560,082**
- TOTAL - I** **\$12,803,542**

2015-16 FUNDING PRIORITIES – PART I GENERAL FUND

- II. Establishing internationally competitive standards for student performance and an accountability system and policy framework designed to ensure that all students are challenged individually and collectively to meet more rigorous standards.**

INSTRUCTIONAL SUPPORT / INITIATIVES

- | | |
|---|--------------------|
| ■ Continues to provide support for programs and resources for the four STEM and two Fine Arts Elementary School Academies | \$60,000 |
| ■ Provides support for continued growth in the Area of Career, Technical and Agricultural Education Pathways | \$80,000 |
| ■ Provides academic resources (consumable workbooks, replacement texts and material for new courses) to support content standards | \$1,084,000 |
| ■ Continues to provide support for academic competition and scholar recognition programs for students (i.e., Governor's Honors, Social Studies and Science Fairs, Reading Bowl, Key Scholars) | \$53,000 |
| ■ Provides support for the planning and execution of the 2016-17SY AdvancED/SACS-CASI District Accreditation | \$50,000 |

TOTAL – II **\$1,327,000**

2015-16 FUNDING PRIORITIES – PART I GENERAL FUND

III. Addressing student population growth, recognizing there is a significant gap between the school district's facilities and technology needs and available capital outlay revenue.

■ Hire 35 classroom teachers, 2 Assistant Principals, 1 Counselor to address student population growth	\$2,547,000
■ Restores the hours school nurses are available to students from five and one-half hours to a full six hours each school day	\$33,300
■ Restores staffing for other Instructional and Support Services:	
6 Nurses at High Schools	174,000
3 Instructional Technology Specialists	177,000
7 Bus Drivers for Transportation	<u>120,000</u>
	<u>471,000</u>

TOTAL – III	<u>\$3,051,300</u>
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**2015-16 FUNDING PRIORITIES – PART I
GENERAL FUND**

GENERAL FUND SUMMARY

I.	Attract, Retain and Train Teachers	\$12,803,542
II.	Standards and Accountability	1,327,000
III.	Growth	<u>3,051,300</u>
		<u>\$17,181,842</u>

2015-16 FUNDING PRIORITIES – PART II

CAPITAL OUTLAY FUNDS

2015-16 SPLOST CONSTRUCTION PROJECTS

On November 8, 2011, the citizens of Cherokee County were asked to support the Local School District through approval of continuation of the 1% Special Purpose Local Option Sales Tax. The referendum was again supported by the citizens and approved for the continuation of the 1% SPLOST for the years 2013 through 2017. Capital Outlay highlights for the fourth year of the 2013-2017 SPLOST construction program are as follows:

I. Addressing student population growth, recognizing that there is a large gap between the school district's facilities and technology needs and available capital outlay revenue.

Project	2015-16 Expenditures Only
■ Provides funding for Phase 3 construction of Dean Rusk Middle School Replacement	\$18,500,000
■ Provides funding for Phase 1 construction of New/Replacement Educational Services Facility	7,000,000
TOTAL	<u>\$25,500,000</u>

2015-16 FUNDING PRIORITIES – PART II

CAPITAL OUTLAY FUNDS

- Continues to fund program work for system-wide maintenance and renovation needs identified, using the following criteria: Five Year Facilities Plan, Facility Budget Request Forms submitted by School Principals, Maintenance Department Repair Records, Equipment Life Expectancy, Energy Costs and Ad Hoc Budget Committee Findings and Recommendations.

o Carpentry	\$370,000	
o Electrical Upgrades	439,000	
o Flooring	551,100	
o Grounds Repairs	426,000	
o HVAC/EMS Upgrades	750,000	
o Painting	570,000	
o Paving and Signage	461,500	
o Plumbing	420,000	
o Roofing	1,089,000	
o Safety and Security	505,000	
o Sidewalks/Walkway Canopies	140,000	
o Miscellaneous System-wide Repairs	774,000	
		\$6,495,600

- Reimburses General Fund for Building Repair/Renovation **\$2,000,000**

- Provides funding for 15 new school buses to replace those in the fleet that are 10 years or older. **\$1,351,201**

II. Utilizing technology both to improve student achievement and to increase the School District's productivity and efficiency as a major business enterprise.

- Provides funding to continue implementing the School District's Three-Year Technology Plan:

o Data Network Services and Equipment	\$3,563,943
Addresses expenses to maintain the District's Wide Area Network. Includes the continued expansion of wireless access throughout the District, cabling materials, upgraded electronics and additional equipment to ensure a balanced distribution of data flow.	

2015-16 FUNDING PRIORITIES – PART II

CAPITAL OUTLAY FUNDS

o Maintenance and Replacement Equipment Facilitates the continued replacement and repair costs of legacy computers and laptops, printers, peripherals and fileservers.	1,515,000
o Career Technology Pathways Provides funding for the acquisition and upgrade of technologies currently used in our District's Career Pathways programs in our Middle and High Schools.	64,000
o Assistive Technology and Special Education Provides for the acquisition and implementation of hardware and software designed specifically to address the needs of children with special and/or unique needs.	123,288
o School Technology Hardware Provides funding for the purchase of new hardware (desktops, laptops, interactive white boards, student response devices, and other peripheral devices). Addresses hardware needs for student population growth.	92,699
o District Software (Purchases, Renewals and Support Agreements) Comprises costs for all major District software licenses and renewable support agreements inclusive of productivity, data management, administrative and curricular applications.	1,747,620
o On Line Services Consists of subscription costs for all major District WEB-based curriculum software and data management resources and services.	278,950
o Purchased Professional Services Incorporates purchased services from Business Partners and vendors to provide efficient implementations of select programs, consultation, project management and installation services.	<u>114,500</u>
Total	<u>\$7,500,000</u>

TOTAL – 2015-16 SPLOST Construction Program **\$42,846,801**

ALL FUNDS



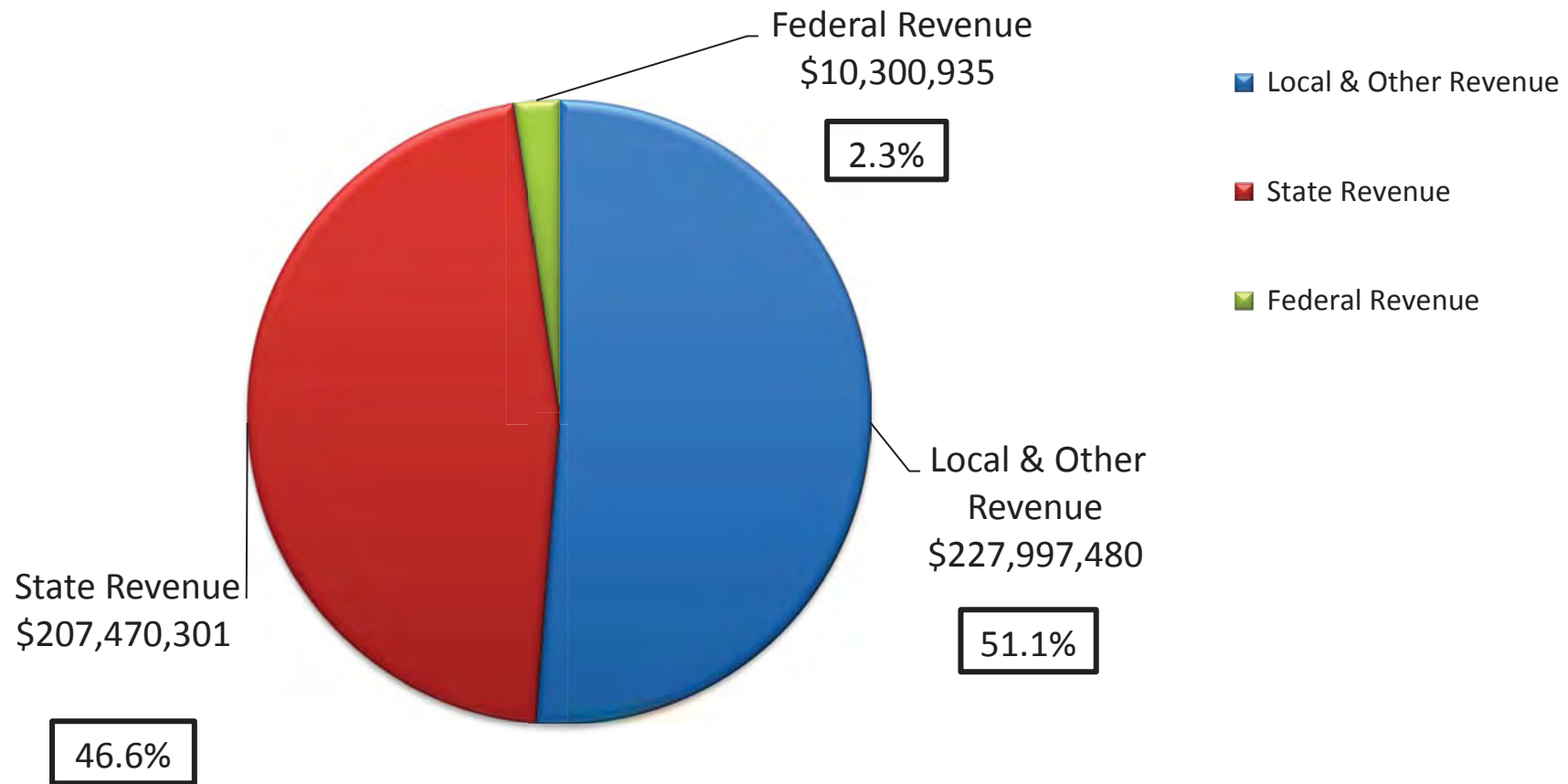
**CHEROKEE COUNTY BOARD OF EDUCATION
PROPOSED BUDGET FOR ALL FUNDS
JULY 1, 2015 - JUNE 30, 2016**

	TOTAL ALL FUNDS	GENERAL FUND	BUILDING FUND	DEBT SERVICE 1% BOND FUND	FED./STATE/COMP. GRANTS	SCHOOL FOOD SERVICE	OTHER FUNDS
REVENUE							
Local & Other Revenue	\$ 227,997,480	\$ 158,355,031	\$ 31,100,309	\$ 31,380,475	\$ -	\$ 7,152,335	\$ 9,330
State Revenue	207,470,301	187,243,981	6,018,000	-	13,763,752	444,568	-
Federal Revenue	10,300,935	102,500	-	-	525,960	9,672,475	-
TOTAL REVENUE	\$ 445,768,716	\$ 345,701,512	\$ 37,118,309	\$ 31,380,475	\$ 14,289,712	\$ 17,269,378	\$ 9,330
INCOMING TRANSFERS	3,804,314	-	-	980,124	-	-	2,824,190
BEGINNING BALANCES	103,635,503	17,000,486	53,855,065	27,386,893	-	4,057,275	1,335,784
TOTAL	\$ 553,208,533	\$ 362,701,998	\$ 90,973,374	\$ 59,747,492	\$ 14,289,712	\$ 21,326,653	\$ 4,169,304
EXPENDITURES							
Instruction	\$ 237,239,687	\$ 229,280,820	-	-	\$ 7,958,867	-	-
Pupil Services	14,002,436	10,583,030	-	-	3,419,406	-	-
Inst. Improvement	8,345,299	6,224,822	-	-	2,120,477	-	-
Media Services	4,527,564	4,527,564	-	-	-	-	-
General Admin	2,960,498	2,781,913	-	-	178,585	-	-
School Admin	21,267,041	21,267,041	-	-	-	-	-
Business Services	2,349,845	2,349,845	-	-	-	-	-
Maint & Operation	22,807,017	22,807,017	-	-	-	-	-
Transportation	17,361,513	17,059,850	-	-	301,663	-	-
Central Support Serv.	3,612,469	3,612,469	-	-	-	-	-
Other Support Serv.	1,247,714	-	-	-	310,714	0	\$ 937,000
School Food Services	18,656,057	-	-	-	-	\$ 18,656,057	-
Building Const.	43,016,484	169,683	\$ 42,846,801	-	-	-	-
Debt Service	53,509,435	20,048,033	0	\$ 33,461,402	-	-	-
TOTAL EXPENDITURES	\$ 450,903,059	\$ 340,712,087	\$ 42,846,801	\$ 33,461,402	\$ 14,289,712	\$ 18,656,057	\$ 937,000
OUTGOING TRANSFERS	3,804,314	2,824,190	-	980,124	-	-	-
ENDING BALANCES	99,361,456	19,165,721	48,126,573	28,053,452	-	2,670,596	1,345,114
TOTAL	\$ 554,068,829	\$ 362,701,998	\$ 90,973,374	\$ 62,494,978	\$ 14,289,712	\$ 21,326,653	\$ 2,282,114

Fiscal Year 2015-16

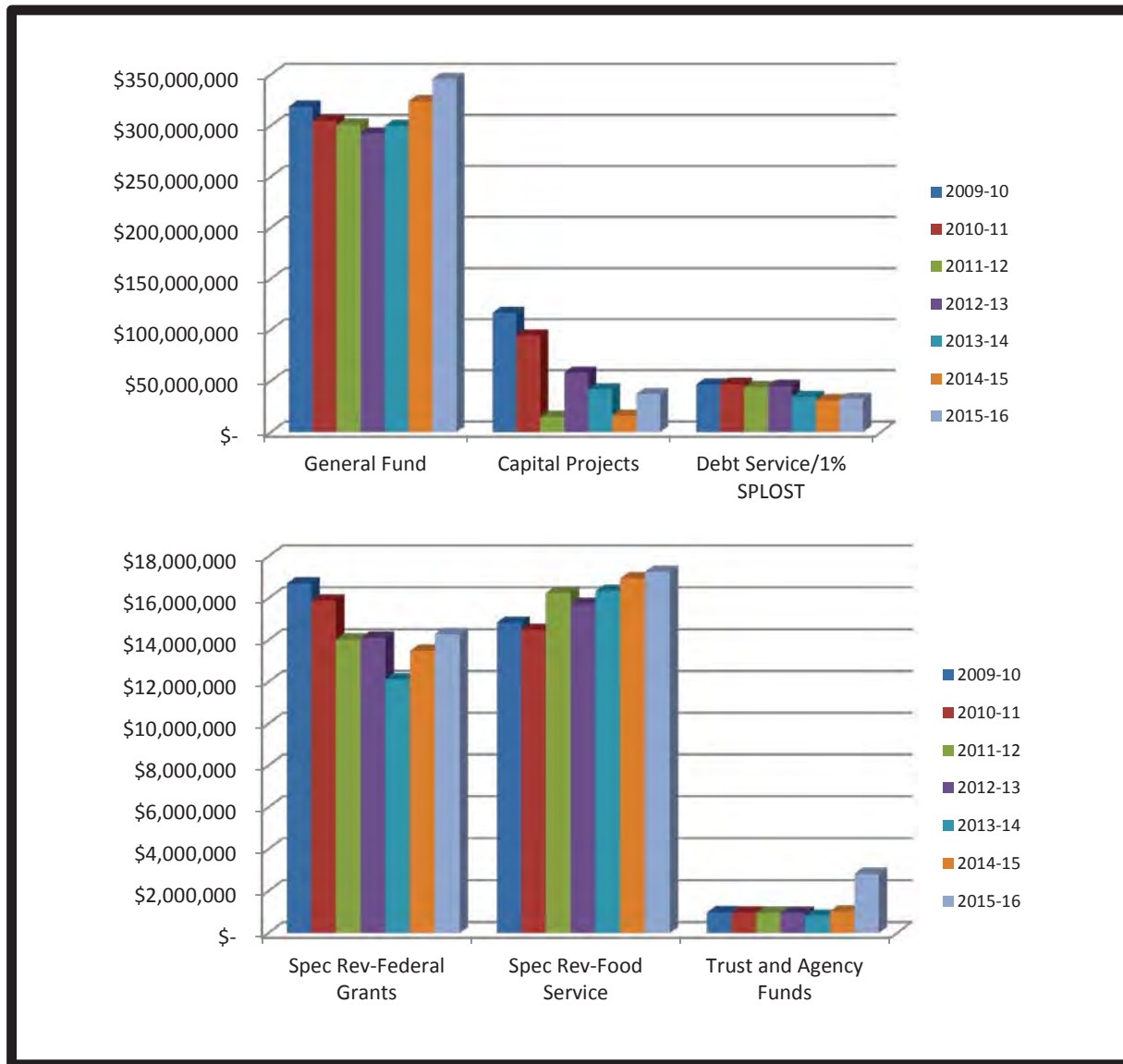
Total Budgeted Revenues

All Funds: \$445,768,716



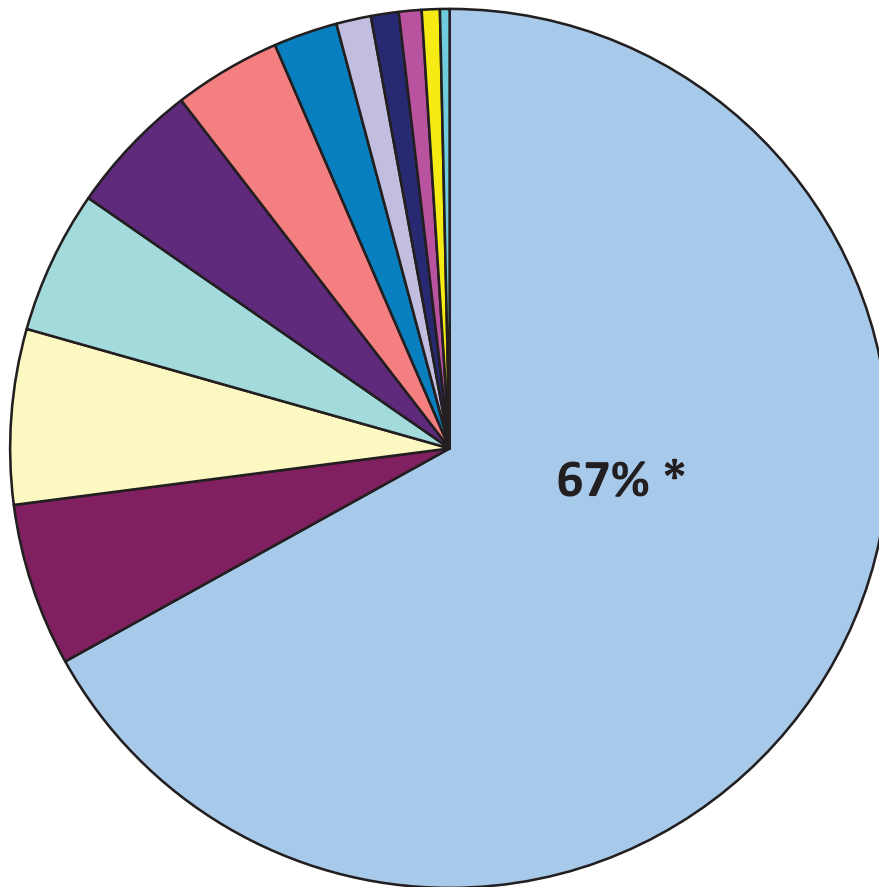
DISTRICT BUDGET All Revenue Sources

The 2015-16 district budget for all revenue sources is \$449.5 Million, an increase of \$46.7 Million over the prior year. The funding increase is largely attributable to the sale of General Obligation Bonds of \$76.3 Million in fiscal year 2014-15 for Capital Outlay purposes in fiscal years 2015-16 and 2016-17.



Fund Titles	Tentative 2015-16 Budget	\$ Increase/ (Decrease)	% Increase/ (Decrease)
General Fund	\$ 345,701,512	\$ 21,770,786	6.7%
Capital Projects	37,118,309	20,933,723	129.3%
Debt Service/1% SPLOST	32,360,599	1,154,091	3.7%
Special Revenue-Federal Grants	14,289,712	797,440	5.9%
Special Revenue-Food Service	17,269,378	308,628	1.8%
Trust and Agency Funds	2,833,520	1,793,294	172.4%
Sub-Total	\$ 449,573,030	\$ 46,757,962	11.7%
Less Transfers:	3,804,314	2,515,758	195.2%
TOTAL ALL FUNDS	\$ 445,768,716	\$ 42,415,097	10.5%

Fiscal Year 2015-16 Budgeted Expenditures All Funds



■ Instruction (67.0%)	\$237,239,687
■ School Admin (6.0%)	21,267,041
■ Maint & Ops (6.4%)	22,807,017
■ School Food Serv. (5.3%)	18,656,057
■ Transportation (4.9%)	17,361,513
■ Pupil Services (4.0%)	14,002,436
■ Inst. Improvement (2.4%)	8,345,299
■ Media Services (1.2%)	4,527,564
■ Central Supp. Serv. (1.0%)	3,612,469
■ General Admin (0.8%)	2,960,498
■ Business Services (0.7%)	2,349,845
■ Other Support Serv. (0.4%)	1,247,714

TOTAL (State, Federal, Local)	\$354,377,140
Building Const. (1% SPLOST)	43,016,484
Debt Service (Local Millage)	53,509,435
TOTAL	\$450,903,059

***School District's Continued Compliance with the State of Georgia's Former 65% Instructional (Classroom) Spending Regulation**

MILLAGE RATES

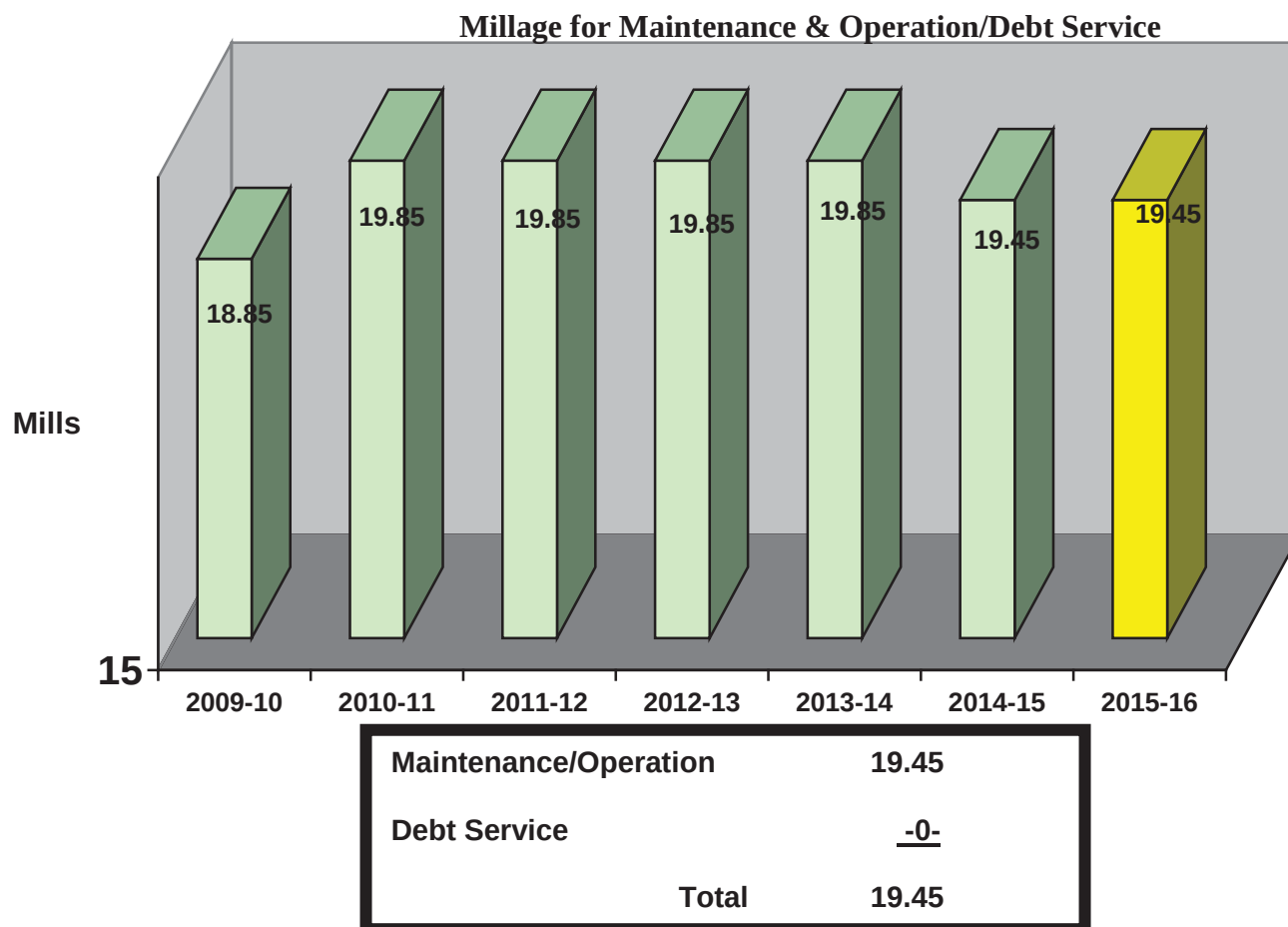


COMPARISON OF 2014-15 TO TENTATIVE 2015-16 MILLAGE RATES

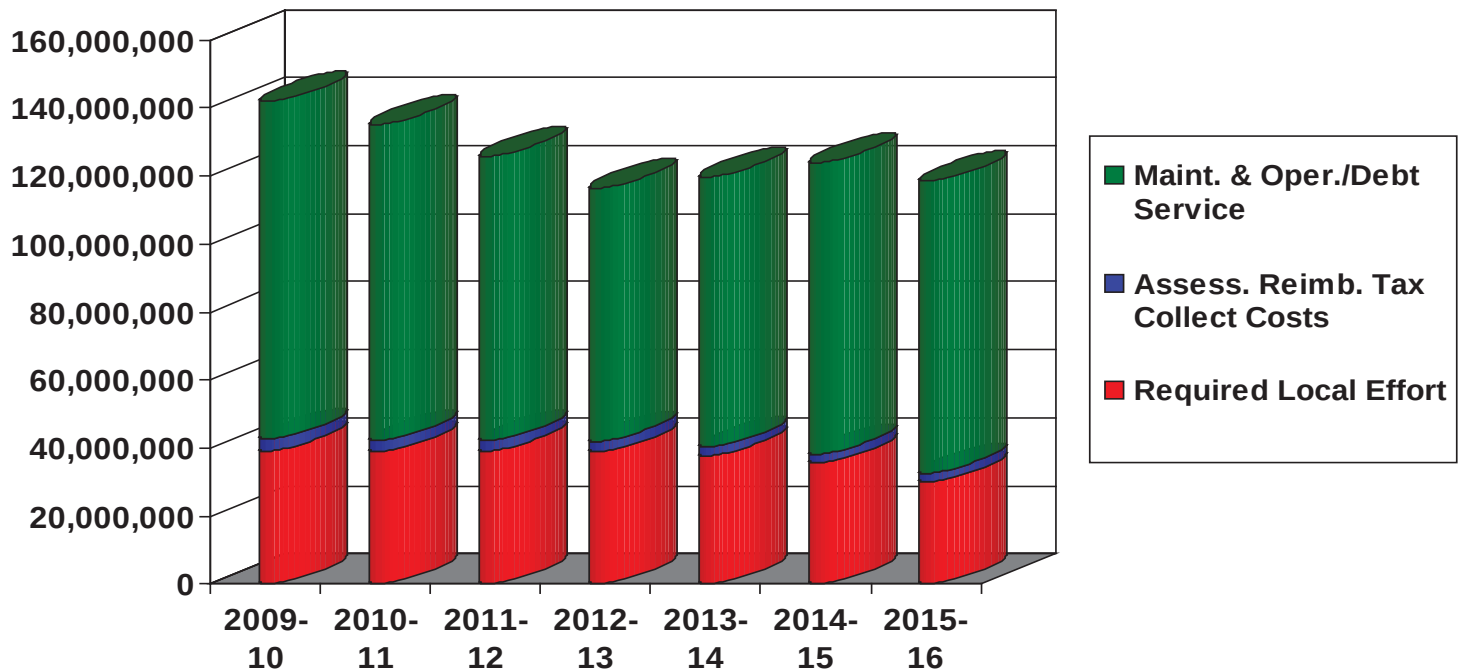
The School District is obligated to contribute a "required local effort" amount determined by the State to be equal to a 5 mill levy on the equalized, adjusted Cherokee County Property Tax Digest to participate in the State's Quality Basic Education (QBE) Program. This required local effort will be \$36,258,206 in 2015-16. Cherokee County Government also assesses taxpayers 2.10% or 0.4 mills annually (\$2,601,995) to collect local taxes, which is also included in the public schools Maintenance and Operation millage rate.

In Fiscal Year 2014-15, the School Board fulfilled its promise to Cherokee County Citizens to lower taxes as debt was retired for Capital Outlay Purposes. In FY 2014-15, 4/10's of a mill was removed, bringing the total millage rate from 19.85 mills to 19.45 mills, a savings of over \$2.5 Million annually to taxpayers. For Fiscal Year 2015-16, the millage rate will remain 19.45 mills.

	2014-15 Millage Rates	2015-16 Millage Rates	Increase/ (Decrease)
• Maintenance & Operation Millage State of Georgia Required Local Effort Quality Basic Education	5.47	5.27	(0.20)
• Assessment by County Government for Reimbursement of Tax Collection Costs (2.30% to 2.10%)	0.40	0.40	(0.00)
• Maint. & Operation	<u>13.58</u>	<u>13.78</u>	<u>0.20</u>
TOTAL MILLAGE	<u>19.45</u>	<u>19.45</u>	<u>(0.0)</u>



COMPARISON OF 2014-15 TO PROJECTED 2015-16 MILLAGE DOLLARS



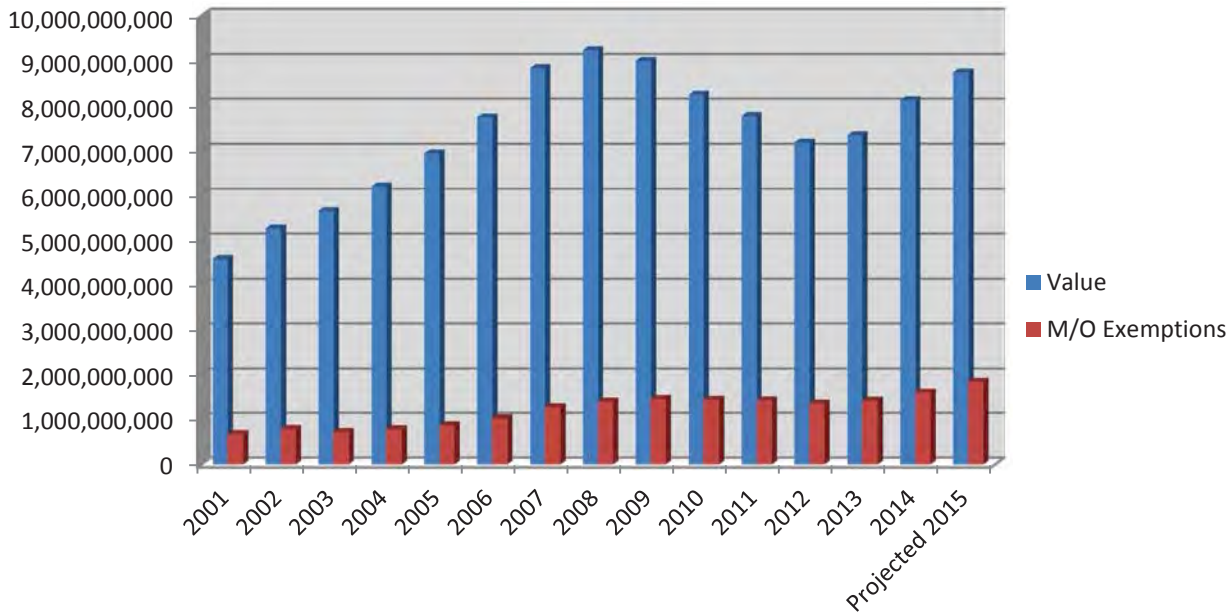
	19.45Mills 2014-15	19.45 Mills 2015-16	Increase/ (Decrease)
State of Georgia Required Local Effort - Quality Basic Education	\$35,604,671	\$36,258,206	\$653,535
Assessment for Reimbursement of County for Tax Collection Costs (2.30% to 2.10%)	2,601,995	2,676,161	74,166
Maint. & Oper./Debt Service	85,697,855	95,114,162	7,641,112
TOTAL ESTIMATED TAX MILLAGE COLLECTIONS	\$123,904,521 *	\$134,048,529 *	6,913,411
*Projected at 100% Tax Collection Rate.			

Tentative 2015-16 Use of Taxes



2015 COMPARISON OF CHEROKEE COUNTY GROSS TAXABLE VALUE

Tax Digest Value/M&O Exemptions



Digest Year	40% Value	M/O Exemptions	Taxable Value**	%Increase/ (Decrease)**
2001	4,588,094,545	(683,642,173)	3,904,452,372	11.60
2002	5,265,433,460	(795,243,475)	4,470,189,985	14.70
2003	5,656,795,930	(732,347,900)	4,924,448,030	7.40
2004	6,205,449,256	(792,582,693)	5,412,866,563	9.60
2005	6,944,043,799	(879,069,800)	6,064,973,999	11.90
2006	7,741,323,239	(1,033,767,372)	6,707,555,867	10.60
2007	8,833,091,808	(1,290,095,321)	7,542,996,487	12.00
2008	9,237,603,402	(1,412,568,090)	7,825,035,212	3.70
2009	9,001,790,326	(1,469,174,114)	7,532,616,212	(3.80)
2010	8,251,778,992	(1,449,488,717)	6,802,290,275	(10.70)
2011	7,774,299,307	(1,438,332,946)	6,335,966,361	(7.36)
2012	7,195,760,040	(1,369,158,690)	5,826,601,350	(9.02)
2013	7,342,185,046	(1,431,338,403)	5,910,846,643	1.44
2014	8,117,003,864	(1,607,613,814)	6,509,390,050	10.12
Projected 2015	8,736,109,830	1,856,518,615	6,879,591,215 *	5.69

*Gross Taxable Value does not reflect deduction of collection fees charged by County Tax Commissioner.

** Taxable Value and % Increase/Decrease are preliminary and prior to appeals and adjustments.

GENERAL FUND



CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND BUDGET (OPERATIONS)
FY 2015-16

FUNDS AVAILABLE

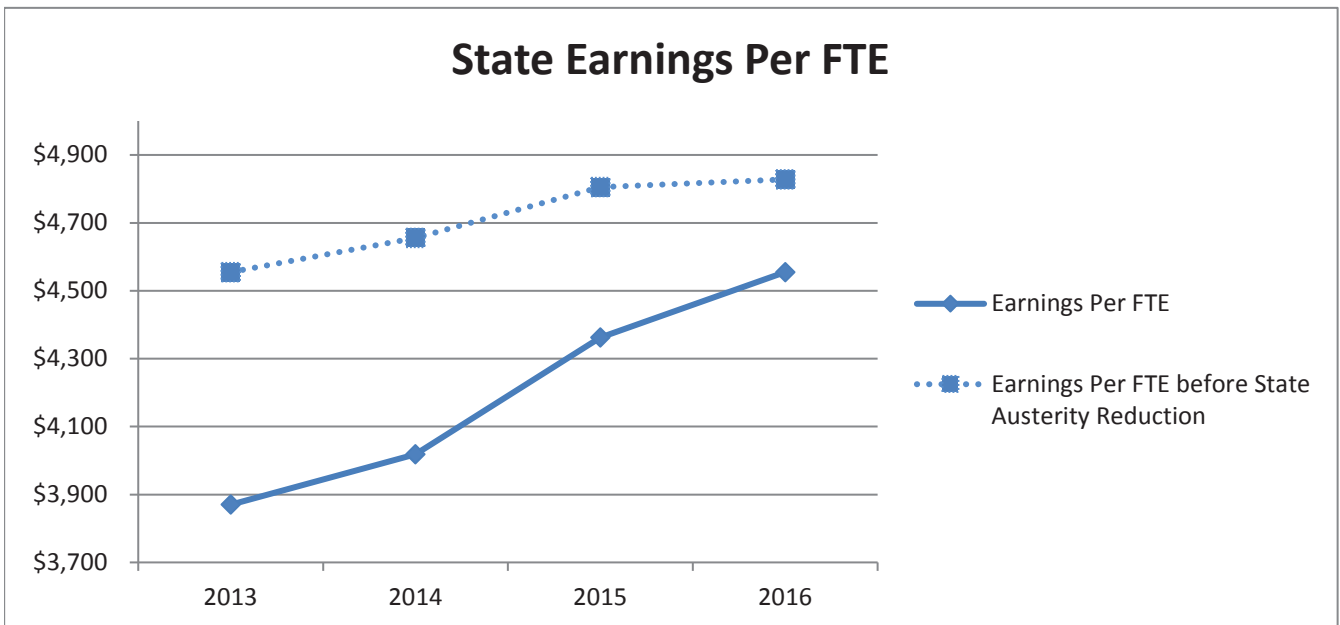
State	\$ 187,243,981
Federal	102,500
Local	<u>158,355,031</u>
Total Revenue	\$ 345,701,512
Beginning Fund Balance 7/1/2015	<u>17,000,486</u>
Total Funds Available	<u><u>\$ 362,701,998</u></u>

EXPENDITURES BY FUNCTION

Instructional (Classroom)	\$ 229,280,820
Pupil Services	10,583,030
Improvement of Instructional Services	6,224,822
Educational Media Services (Library)	4,527,564
General Administration	2,781,913
School Administration	21,264,041
Business Services	2,349,845
Operation and Maintenance of Plant	22,807,017
Transportation	17,059,850
Central Support	2,612,469
Facilities	169,683
Transfer Out	2,824,190
Debt Service (Short Term Borrowing)	<u>20,048,033</u>
Total Disbursements	\$ 342,533,277
Ending Fund Balance 6/30/2016	<u>20,168,721</u>
Total	<u><u>\$ 362,701,998</u></u>

CHEROKEE COUNTY SCHOOL DISTRICT
GEORGIA STATE DEPARTMENT OF EDUCATION
EARNINGS COMPARISON FOR FY 2012-13, 2013-14, 2014-15, 2015-16

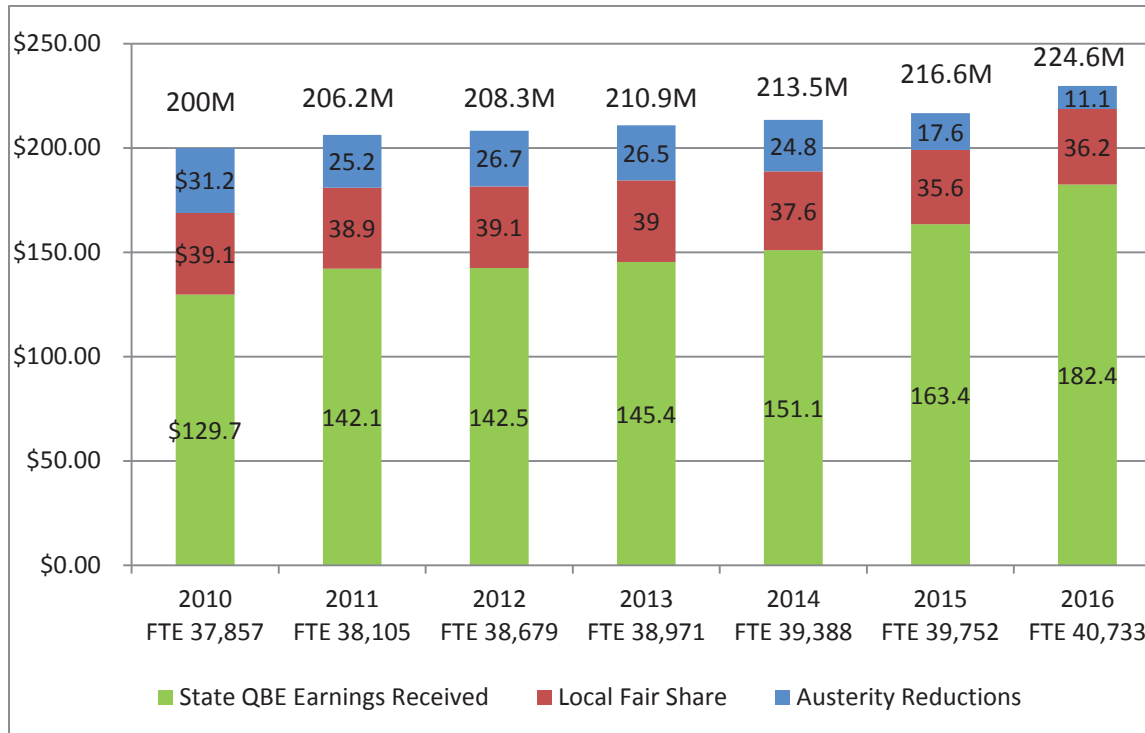
	State Earnings FY 2012-13	State Earnings FY 2013-14	State Earnings FY 2014-15	Tentative State Earnings FY 2015-16
Total Earnings for Quality Basic Education	\$ 210,667,297	\$ 213,179,550	\$ 216,674,641	\$224,609,450
State Equalization Funding Grant	-	-	4,180,813	\$ 2,409,509
Nursing Services	649,612	757,491	748,236	\$ 768,528
Midterm Adjustment for Growth	1,600,611	3,139,827	3,029,399	\$ 3,090,010
Local Fair Share Reduction (5 Mills)	(39,029,593)	(37,690,088)	(35,604,671)	\$ (36,258,206)
Austerity Reduction	(26,505,886)	(24,846,679)	(17,629,020)	\$ (11,105,012)
Pupil Transportation	1,998,437	2,040,947	2,032,695	\$ 2,023,404
STATE FUNDING FOR EDUCATION	\$ 149,380,478	\$ 156,581,048	\$ 173,432,093	\$ 185,537,683
TOTAL FTE	38,634	39,194	39,752	40,733
EARNINGS PER FTE	\$ 3,867	\$ 3,995	\$ 4,363	\$ 4,555



<u>Reduction in</u>	<u>2014-15 FY</u>	<u>2015-16 FY</u>
Local Fair Share	\$2,085,417	(\$653,535)
Austerity Reduction	\$7,217,659	\$6,524,008

STATE QBE EARNINGS IN COMPARISON TO LOCAL FIVE MILLS AND AUSTERITY REDUCTIONS

Millions



State QBE Earnings
Increase for
FY 2015-16
\$12 Million

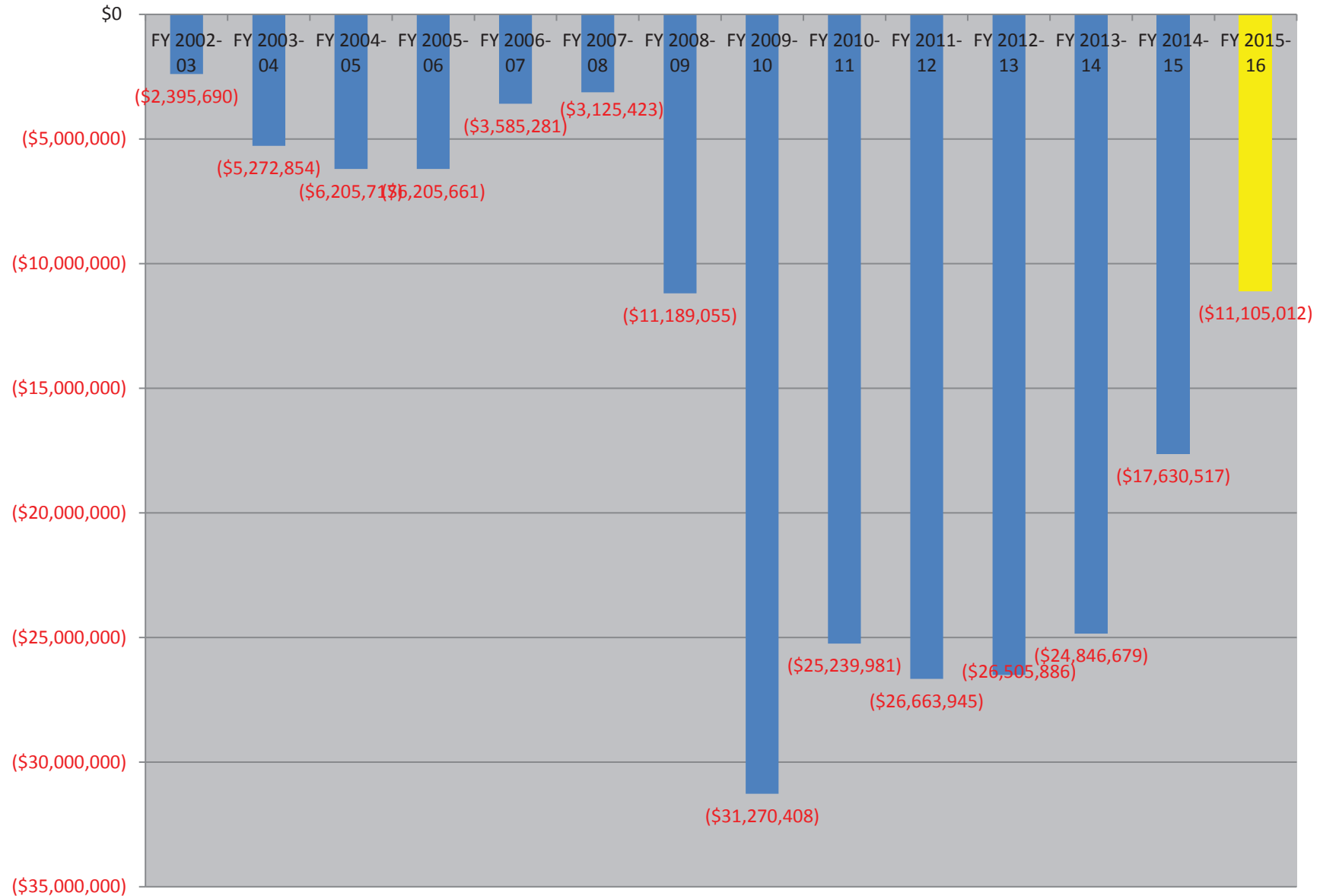
Local Fair Share
Increase for
FY 2015-16
\$653,535

Fourteen Year State
"Local Fair Share" Reduction
Total: (\$460.7 Million)

Fourteen Year State "Austerity"
Reduction
Total: (\$201.2 Million)

In 2015-16 under Quality Basic Education, the School District will earn \$229.8 Million based on the projected number of students, 40,733, but will actually only receive \$182.4 Million in funding for education due to Local Fair Share and Austerity State Reductions.

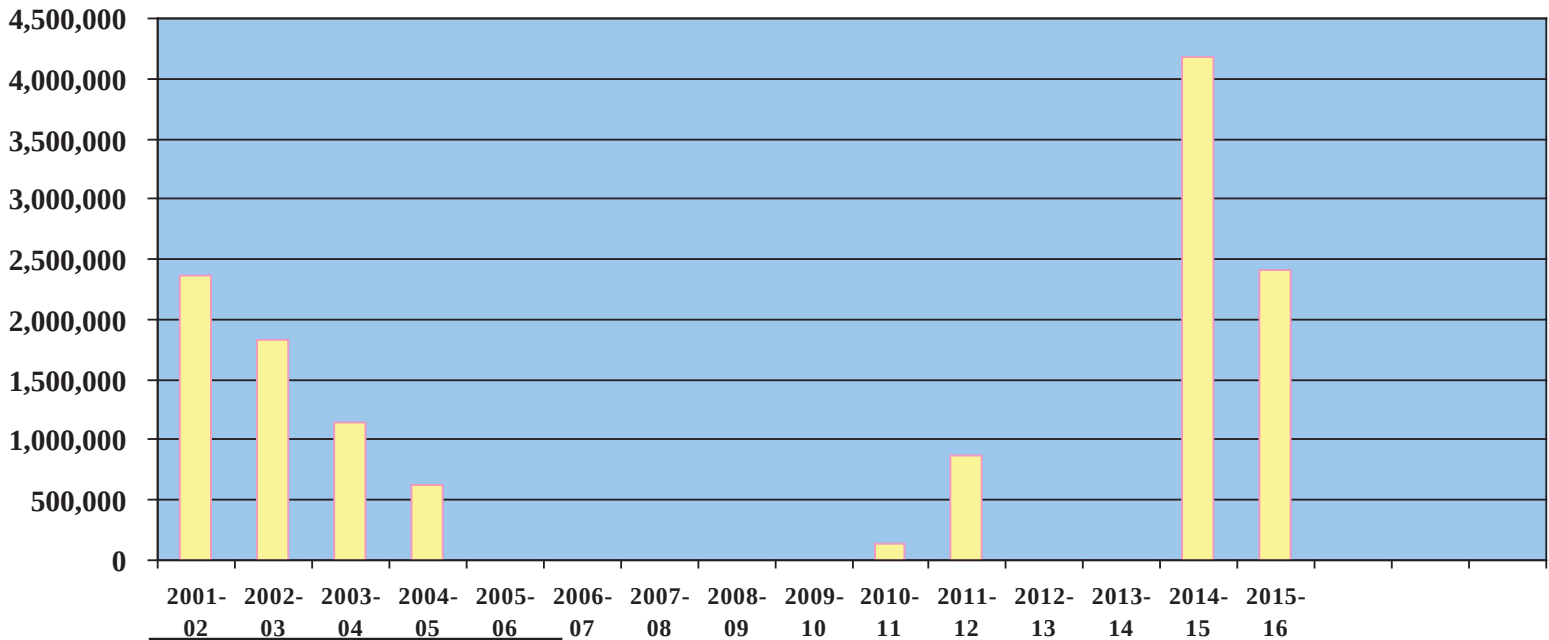
AUSTERITY REDUCTIONS (State Amended Formula Adjustment) IN STATE FUNDING FOR EDUCATION



The fourteen year cumulative total of "Austerity Reductions" is \$201 Million. The loss of \$11.1 Million in FY 2015-16 could have funded 168 teaching positions...almost the same number of teachers needed in order to meet State-mandated class sizes.

STATE EQUALIZATION FUNDING

2001-02 to 2015-16



2001-02 -	\$2,367,894
2002-03 -	\$1,835,635
2003-04 -	\$1,143,401
2004-05 -	\$ 628,152
2005-06 -	\$ -0-
2006-07 -	\$ -0-
2007-08 -	\$ -0-
2008-09 -	\$ -0-
2009-10	\$ -0-
2010-11	\$ 132,230
2011-12	\$ 875,920
2012-13	\$ -0-
2013-14	\$ -0
2014-15	\$4,180,813
2015-16	\$2,409,509

In FY 2004-05 under House Bill 1187, State Equalization Funding was phased out over a six fiscal year period for counties above the State average in wealth, which included Cherokee County until fiscal year 2010-11 when the School District again qualified for funding for two years. In fiscal year 2013-14, again the State Legislature cut out funding to counties considered more wealthy than others, which included Cherokee County. In fiscal year 2014-15 the School District again qualified for funding due to declining property values in previous years. For fiscal year 2015-16, Cherokee County qualifies for \$2.4 Million, a 41% reduction from 2014-15.

Due to the nature of State Equalization Funding, it should not be considered an annual, recurring funding source.

State Equalization Funding

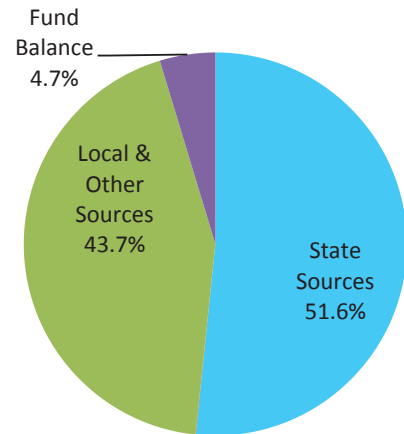
(Equalizes Property Value Between Counties State-Wide)

GENERAL FUND BUDGET

TENTATIVE 2015-16 REVENUE / APPROPRIATIONS

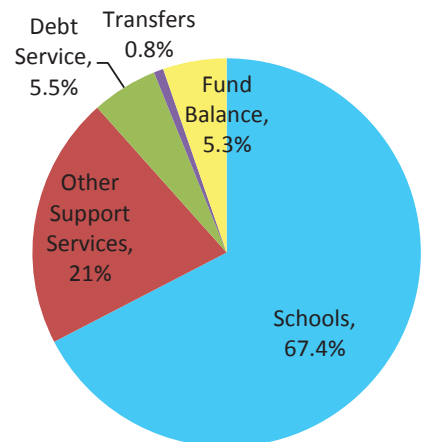
REVENUE

	2015-16 Tentative Budget	Inc/(Dec) Over 2014-15
State Sources	\$ 187,243,981	\$ 12,061,115
Federal Sources	102,500	(49,500)
Local & Other Sources	158,355,031	9,759,171
Beginning Fund Balance	17,000,486	(6,776,270)
TOTAL REVENUE	\$ 362,701,998	\$ 14,994,516

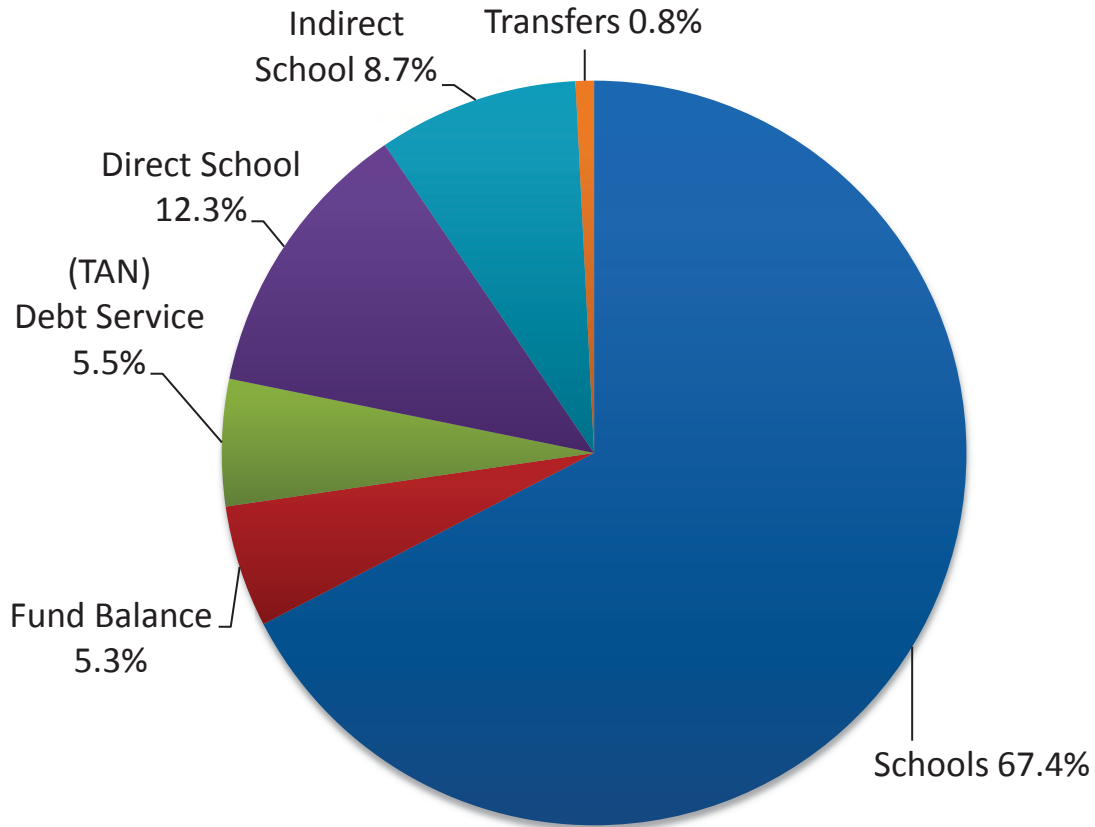


APPROPRIATIONS

	2015-16 Tentative Budget	Inc/(Dec) Over 2014-15
Schools	\$ 244,391,414	\$ 14,195,240
Other Support Services	76,272,640	5,964,706
Debt Service (TAN)	20,048,033	1,980,533
Transfers	2,824,190	1,797,190
Ending Fund Balance	19,165,721	2,165,235
TOTAL BUDGET	\$ 362,701,998	\$ 26,102,904



**2015-16 BUDGET BREAKDOWN OF GENERAL FUND'S
OTHER SCHOOL SUPPORT SERVICES
BUDGET APPROPRIATIONS**



Direct School Support	Budget	Dept. Appr.
Instructional Improvement	\$ 6,224,822	8.2%
School Administration	21,267,041	27.9%
Transportation	17,059,850	22.4%
Total Direct School Support	\$ 44,551,713	58.4%
Indirect School Support	Tentative Budget	Percent of Dept. Appr.
General Administration	\$ 2,781,913	3.6%
Business Services	2,349,845	3.1%
Maintenance & Operation	22,807,017	29.9%
Central Support Services	3,612,469	4.7%
Other Support Services	-	0.0%
Building Construction	169,683	0.2%
Total Indirect School Support	\$ 31,720,927	41.6%
TOTAL SCHOOL SUPPORT	\$ 76,272,640	100%

GENERAL FUND REVENUE COMPARISON OF 2014-15 TO TENTATIVE 2015-16

	FTE	2015-16 Tentative Budget	Inc/(Dec) Over 2014-15
STATE REVENUE			
QBE Formula Earnings	40,733	\$ 224,609,450	\$ 7,702,355
Categorical Grants			
Pupil Transportation Program		2,023,404	(9,291)
Nursing		768,528	20,292
Education Equalization Funding		2,409,509	(1,771,304)
Total Earnings for Quality Basic Education		\$ 229,810,891	\$ 5,942,052
Less: Current Year Local Fair Share		(36,258,206)	(653,535)
Austerity Reduction		(11,105,012)	6,524,008
State Earnings for Quality Basic Education		\$ 182,447,673	\$ 11,812,525
State QBE Mid-Term Allocation Adjustment	940	3,709,010	679,611
Other State Funds		1,087,298	(431,021)
TOTAL STATE FUNDING	41,673	\$ 187,243,981	\$ 12,061,115
FEDERAL FUNDS			
Grants		\$ 102,500	\$ (49,500)
Federal Stimulus Funds (ARRA)		-	-
TOTAL FEDERAL FUNDS		\$ 102,500	\$ (49,500)
LOCAL REVENUE			
School Tax		\$ 134,048,529	\$ 7,954,485
Tuition/Testing		231,547	15,347
Earnings on Investments		250	(14,750)
Rental of Property		256,800	(18,200)
Indirect Cost Recoveries		78,000	(97,000)
Surplus Property		154,900	(145,100)
Tax Anticipation Note		20,000,000	1,970,000
Other (e.g., School Reimbursements)		3,585,005	94,389
TOTAL LOCAL REVENUE		\$ 158,355,031	\$9,759,171
BEGINNING FUND BALANCE			
Including Reserves for Encumbrances, and Inventories			
Carried Forward		17,000,486	(6,779,270)
TOTAL ESTIMATED REVENUE AND FUND BALANCE	40,366	\$ 362,701,998	\$ 14,991,516

GENERAL FUND APPROPRIATIONS COMPARISON OF 2014-15 TO TENTATIVE 2015-16

	2015-16 Tentative Budget	Inc/(Dec) Over 2014-15
APPROPRIATIONS		
Instruction	\$ 229,280,820	\$ 13,819,123
Pupil Services	10,583,030	434,790
Instructional Improvement	6,224,822	363,919
Media Services	4,527,564	(58,673)
General Administration	2,781,913	113,208
School Administration	21,267,041	660,090
Business Services	2,349,845	265,697
Maintenance and Operation	22,807,017	2,754,473
Transportation	17,059,850	1,772,513
Central Support Services	3,612,469	273,123
Other Support Services	-	-
Building Construction	169,683	(238,317)
Debt Service (TAN)	20,048,033	1,980,533
TOTAL BUDGET EXPENSE BY FUNCTION	\$ 340,712,087	\$ 22,140,479

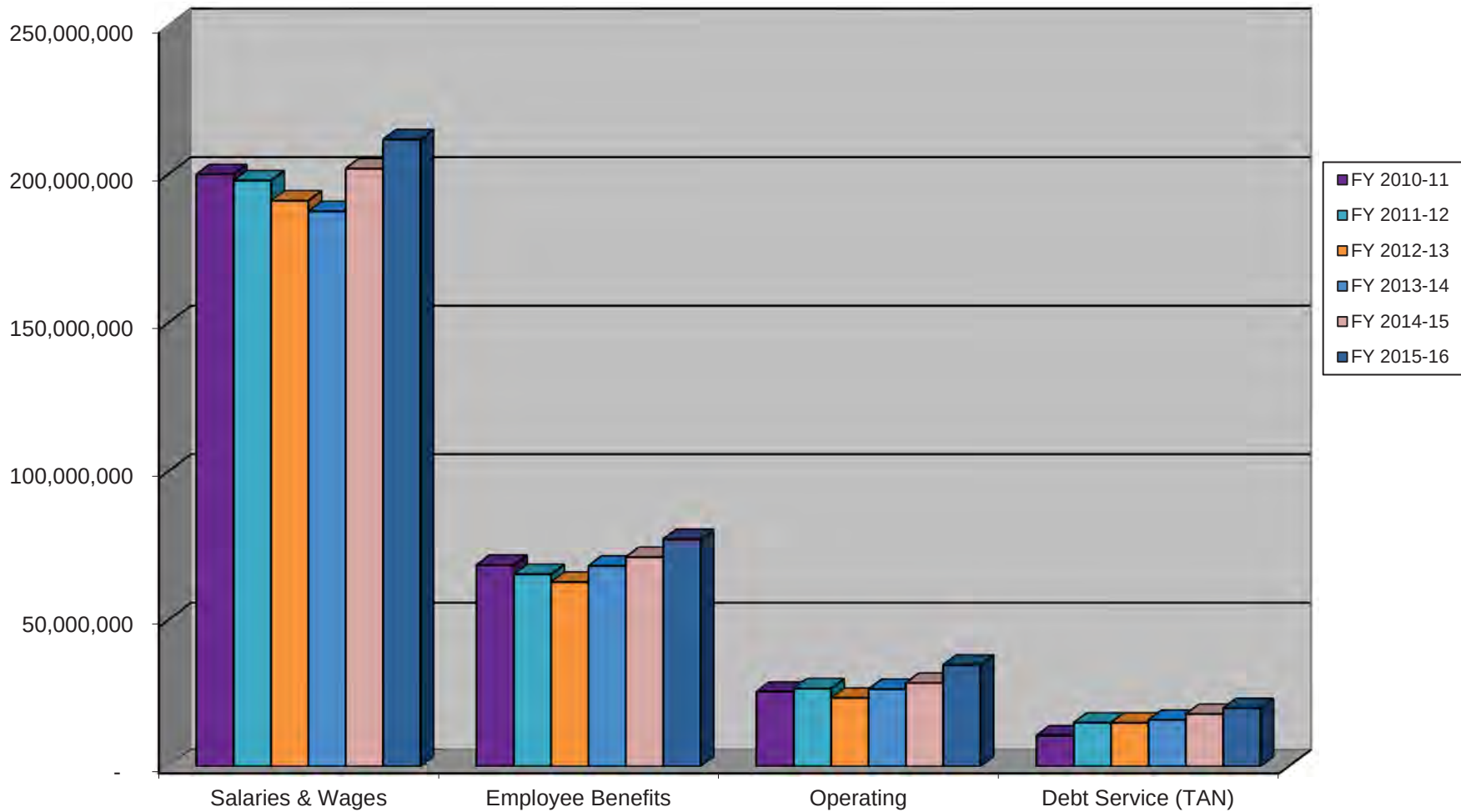
TRANSFERS		
To Other Funds	\$ 2,824,190	\$ 1,797,190

ENDING FUND BALANCE		
Including Reserves for Encumbrances and Inventories Carried Forward	<u>\$ 19,165,721</u>	<u>\$ 2,165,235</u>
TOTAL APPROPRIATIONS, TRANSFERS AND FUND BALANCE	<u><u>\$ 362,701,998</u></u>	<u><u>\$ 26,102,904</u></u>

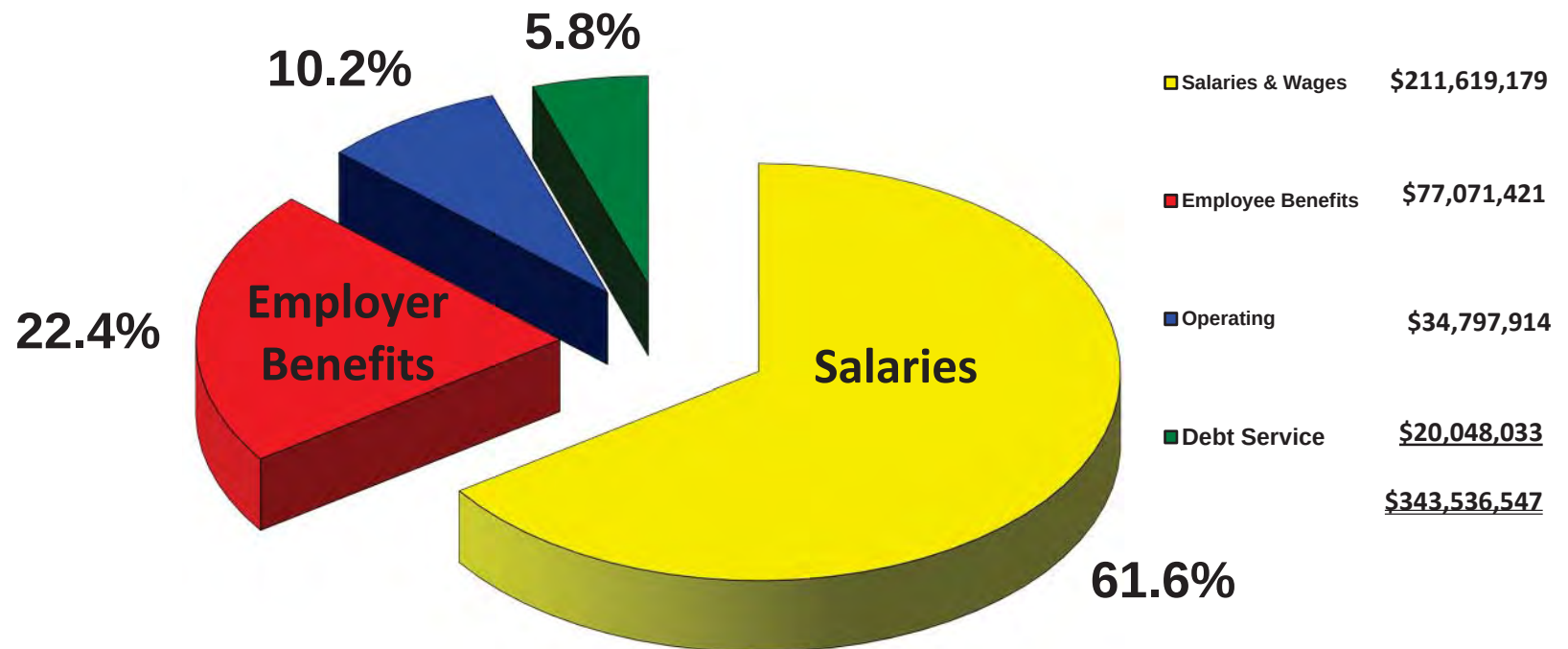
**GENERAL FUND
TOTAL EXPENSE BY FUNCTION/OBJECT
2015-16 BUDGET**

				IMPROVE									
			PUPIL	INSTRUCTION.	EDUCATION	GENERAL	SCHOOL	BUSINESS	OPERATIONS		CENTRAL	OTHER	CAP. OUTLAY
		INSTRUCTION	SERVICES	SVCS	MEDIA	ADMIN	ADM	SERVICES	& MAINTEN	TRANSPORT	SUPPORT	SUPPORT	TRANS. OUT
	TOTAL	1000	2100	2210	2220	2300	2400	2500	2600	2700	2800	2900	DEBT SERV.
Salaries & Wages	\$ 211,619,179	\$ 163,674,327	\$ 7,037,267	\$ 4,269,822	\$ 2,978,068	\$ 1,620,191	\$ 15,523,413	\$ 1,696,911	\$ 3,503,150	\$ 9,773,949	\$ 1,317,081	\$ -	\$ -
Employee Benefits	77,071,421	60,498,718	2,282,298	1,293,072	1,010,029	472,654	5,442,128	532,034	1,185,417	3,984,933	444,138	-	-
SUB - TOTAL	\$ 288,690,600	\$ 224,173,045	\$ 9,319,565	\$ 5,562,894	\$ 3,988,097	\$ 2,092,845	\$ 20,965,541	\$ 2,228,945	\$ 4,688,567	\$ 13,758,882	\$ 1,761,219	\$ -	\$ -
Purchased Svcs.	\$ 9,628,544	\$ 34,876	\$ 1,183,500	\$ 165,000	\$ -	\$ 500,575	\$ -	\$ 65,000	\$ 5,709,000	\$ 172,560	\$ 1,750,000	\$ -	\$ 48,033
Parts & Supplies	792,350	-	-	-	-	-	-	-	-	792,350	-	-	\$ -
Water & Sewer	1,150,650	-	-	-	-	-	-	-	1,150,650	-	-	-	-
Per Diem of Board Members	50,400	-	-	-	-	50,400	-	-	-	-	-	-	-
Repairs & Maintenance	4,134,623	13,123	-	-	-	-	11,000	1,500	4,108,500	-	500	-	-
Rental of Bldgs and Equip.	54,000	-	-	-	-	-	-	-	-	54,000	-	-	-
Insurance	4,195	-	-	-	-	4,195	-	-	-	-	-	-	-
Communications	424,258	-	4,225	19,250	-	17,968	216,000	3,500	65,000	95,665	2,650	-	-
Travel	159,089	59,935	26,240	34,384	\$ 1,500	7,900	1,500	4,500	15,000	5,130	3,000	-	-
Other Purchase Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	3,268,073	2,724,540	48,250	299,250	90,000	14,700	66,000	32,000	26,300	16,283	30,750	-	-
Computer Software	206,260	169,585	-	-	2,530	-	-	-	25,000	4,645	4,500	-	-
Equipment under \$1,000	1,065,807	746,527	1,250	16,532	6,000	1,000	7,000	6,750	38,500	19,335	52,050	-	168,863
Fuel & Lubricants	2,108,000	-	-	-	-	-	-	-	-	2,108,000	-	-	-
Utilities & Tanked Fuel	6,485,000	-	-	-	-	-	-	-	6,485,000	-	-	-	-
Textbooks	1,084,000	1,084,000	-	-	-	-	-	-	-	-	-	-	-
Books & Periodicals	380,720	15,368	-	575	429,437	4,000	-	150	-	500	3,600	-	-
Equipment over \$1,000	554,851	79,351	-	-	10,000	2,000	-	5,000	435,000	22,500	-	-	1,000
Computers	3,720	3,720	-	-	-	-	-	-	-	-	-	-	-
Dues & Fees	467,217	176,750	-	126,937	-	86,330	-	2,500	60,500	10,000	4,200	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Other Funds	2,824,190	-	-	-	-	-	-	-	-	-	-	-	2,824,190
Debt Service	20,000,000	-	-	-	-	-	-	-	-	-	-	-	20,000,000
SUB - TOTAL	\$ 54,845,947	\$ 5,107,775	\$ 1,263,465	\$ 661,928	\$ 539,467	\$ 689,068	\$ 301,500	\$ 120,900	\$ 18,118,450	\$ 3,300,968	\$ 1,851,250	\$ -	\$ 23,042,086
TOTALS	\$ 343,536,547	\$ 229,280,820	\$ 10,583,030	\$ 6,224,822	\$ 4,527,564	\$ 2,781,913	\$ 21,267,041	\$ 2,349,845	\$ 22,807,017	\$ 17,059,850	\$ 3,612,469	\$ -	\$ 23,042,086

Comparison by Fiscal Year General Fund Major Expenses

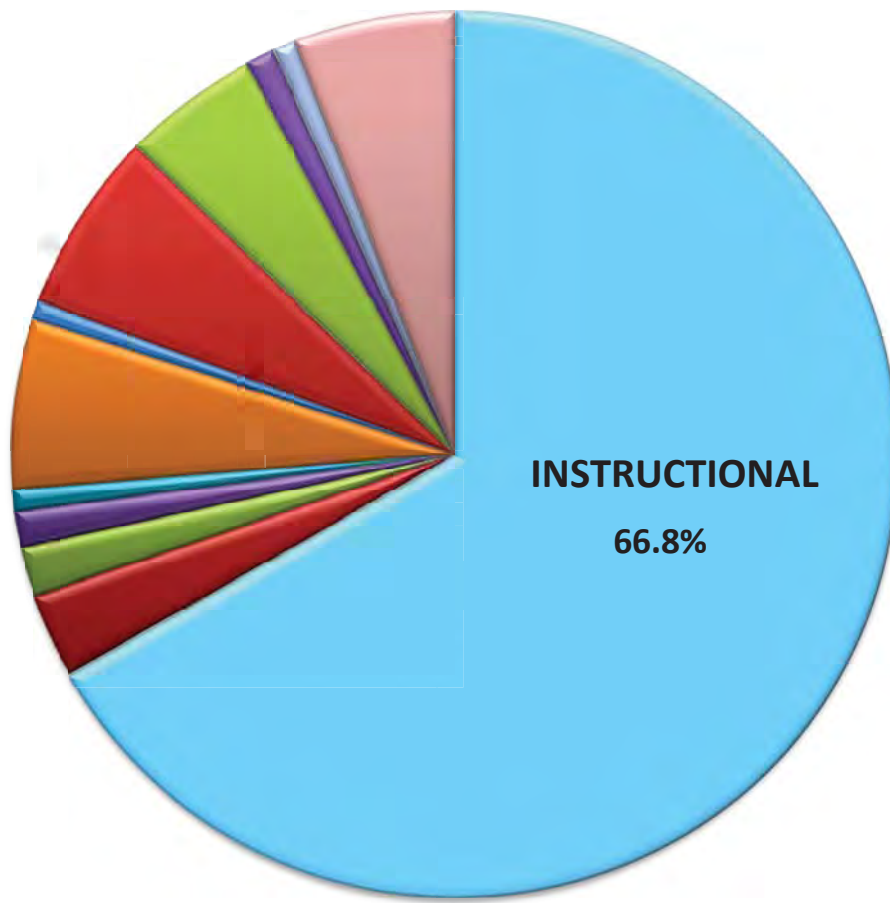


GENERAL FUND TOTAL EXPENSES FY 2015-16



Salaries and Employer Benefits are 84% of Total Operational Expenses

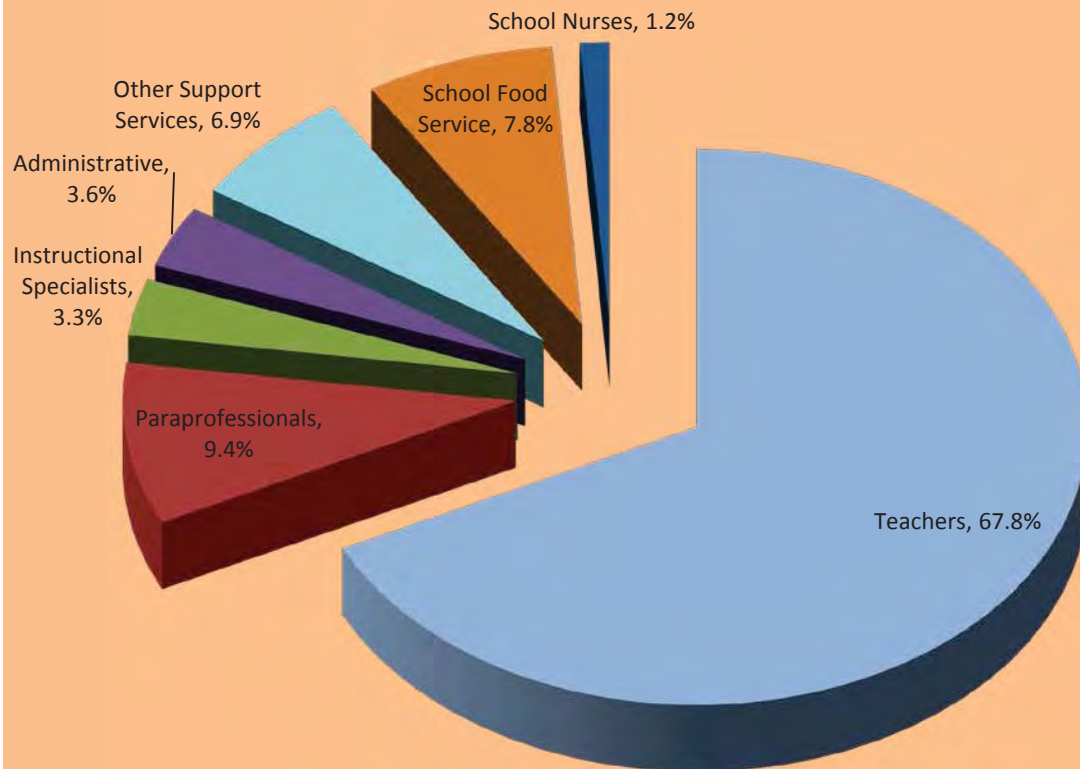
General Fund (Operating Account) Total Expense by Function FY 2015-16 Budget



Instruction 66.74%	\$229,280,820
Pupil Services 3.08%	10,583,030
Inst. Improvement 1.81%	6,224,822
Media Services 1.32%	4,527,564
General Admin. 0.81%	2,781,913
School Admin. 6.19%	21,267,041
Business Services 0.68%	2,349,845
Maint & Operation 6.64%	22,807,017
Transportation 4.97%	17,059,850
Central Support Serv. 1.05%	3,612,469
Other Support Serv. 0%	0
Capital Improvements 0.05%	169,863
Transfers 0.82%	2,824,190
Debt Service (TAN) 5.84%	20,048,033
	\$343,536,547

66.82% of The School District's Operational Budget will be spent in the classroom.

SCHOOL STAFF 2015-16



CAPITAL OUTLAY



**CHEROKEE COUNTY SCHOOL DISTRICT
SPLOST 2013 - 2017
CAPITAL OUTLAY FUND
FY 2015-16**

Revenue

State Funding (GSFIC)		
Dean Rusk Middle School	6,018,000	\$ 6,018,000
Local Funding		
Interest	\$ 538,551	
Proceeds from Sale of Bonds	30,561,758	31,100,309
Total Revenue		\$ 37,118,309
<u>Beginning Fund Balance</u>		<u>53,855,065</u>
<u>Total Funds Available</u>		<u>\$ 90,973,374</u>

Expenditures

Construction		
Dean Rusk Middle School Replacement Phase 3	18,500,000	
Educational Services Facility Phase 1	7,000,000	\$ 25,500,000
Miscellaneous Renovations		6,495,600
General Fund Reimbursement for Building Repair/Renovations		2,000,000
Transportation (15 Buses and Radios)		1,351,201
Technology		7,500,000
Total Expenditures		\$ 42,846,801
<u>Ending Fund Balance</u>		<u>48,126,573</u>
<u>Total Expenditures and Ending Fund Balance</u>		<u>\$ 90,973,374</u>



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Aerial Photography, Inc. 954-568-0484

*Dean Rusk Middle School
Replacement*

Womack Lewis & Smith Inc

FACILITY MAINTENANCE PROPOSED FY2015-16 BUDGET

An annual budget is developed by evaluating Maintenance and Capital Outlay Projects for the upcoming fiscal year.

There are several criteria utilized in budget development:

- ❖ Major System Priorities and Superintendent's Ad Hoc Budget Committee Support/Recommendations
- ❖ Five-Year Facility Plan – Architectural facility reviews showing all necessary modifications and renovations, which are submitted to the State Department of Education for approval (and included in the Five-year Strategic Plan).
- ❖ Facility Budget Requests Submitted by Each School
- ❖ Maintenance Department Service and Repair Requests
- ❖ Equipment Life Expectancy
- ❖ Energy Management Systems and Control



FACILITY MAINTENANCE PROPOSED FY2015-16 BUDGET

Major Maintenance Projects:

- Driveway Repairs:
 - Freedom MS
 - Liberty ES
- Roofing Projects
 - Free Home ES
 - Johnston ES
 - Oak Grove ES
 - Cherokee HS Auditorium
 - Creekview HS
 - Sequoyah HS
 - Building C
 - Building F
- Fire Alarm System Replacement
 - Cherokee HS
 - Sixes ES
 - Etowah East
- Connect Sixes ES to Sanitary Sewer
- Woodstock Middle School Playfield Installation
- HVAC System Upgrades
 - Sequoyah HS Boilers & ERUs



FACILITY MAINTENANCE PROPOSED FY2015-16 BUDGET

Major categories evaluated during budget preparation:

- Carpentry
- Electrical
- Flooring
- Landscaping/Grounds Repair
- HVAC/Energy Management
- Painting
- Paving & Signage
- Plumbing
- Roofing
- Safety & Security
- Sidewalks/Canopies
- System-Wide Maintenance/Contingency

Items assessed annually for Code Compliance:

- Bleacher Repair/Replacement
- Stadium Seating Repair/Replacement
- Stormwater Pond Maintenance
- Fire Alarm/Fire Extinguisher testing and replacement



FACILITY MAINTENANCE PROPOSED FY2015-16 BUDGET

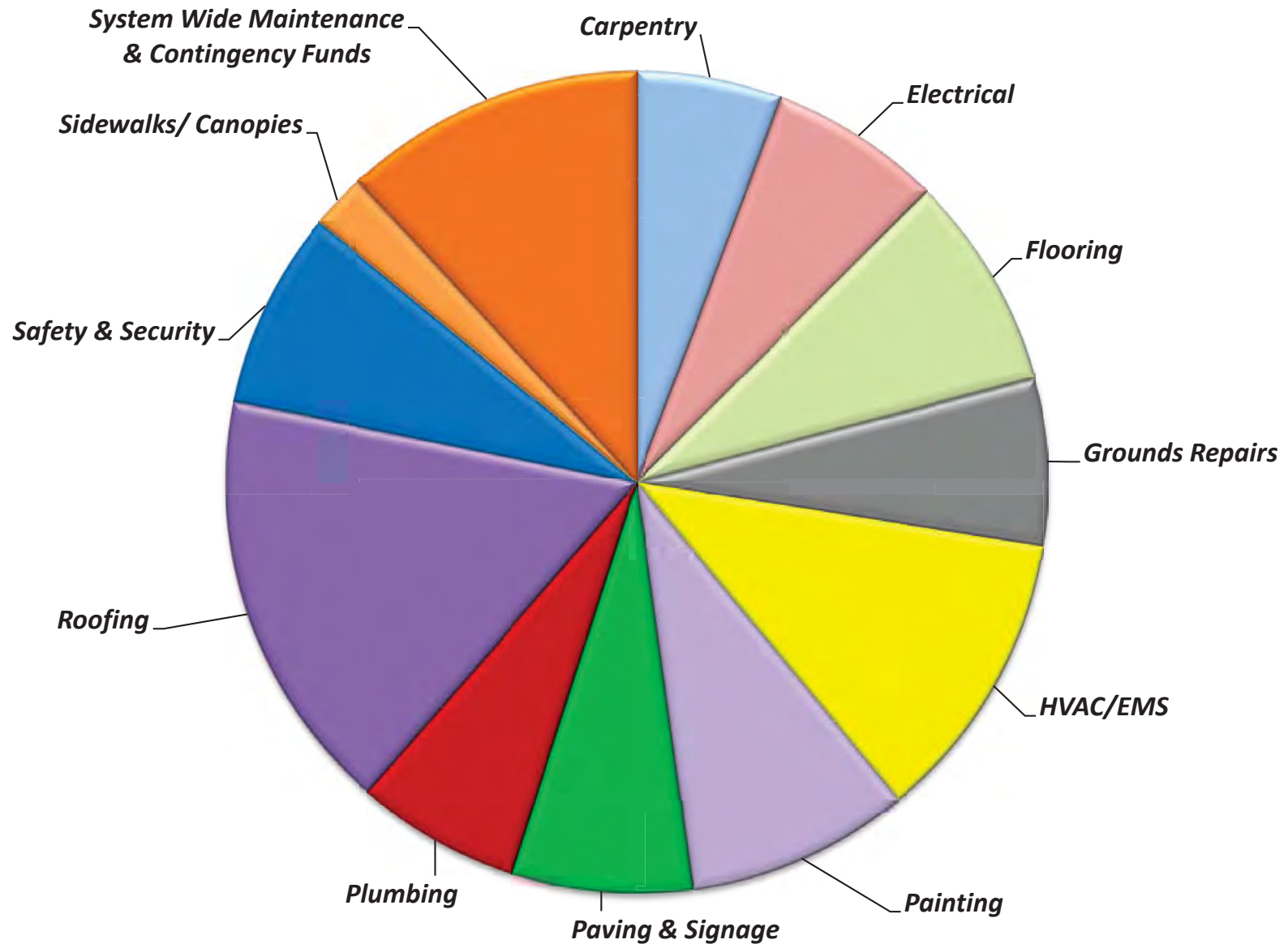
Projected Budget Totals by Category:

▪ Carpentry	▪ \$370,000
▪ Electrical	▪ \$439,000
▪ Flooring	▪ \$551,100
▪ Grounds Repairs	▪ \$426,000
▪ HVAC/Energy Management	▪ \$750,000
▪ Painting	▪ \$570,000
▪ Paving & Signage	▪ \$461,500
▪ Plumbing	▪ \$420,000
▪ Roofing	▪ \$1,089,000
▪ Safety & Security	▪ \$505,000
▪ Sidewalks/Canopies	▪ \$140,000
▪ System-Wide Maintenance/Contingency	▪ \$774,000

TOTAL BUDGET:	\$6,495,600
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FACILITY MAINTENANCE PROPOSED FY2015-16 BUDGET



Cherokee County School District
Support Services/Facilities
2015-16 Budget

Facility	Opening Date	Carpentry	Electrical	Flooring	Grounds Repairs	HVAC/EMS	Painting	Paving & Signage	Plumbing	Roofing	Safety & Security	Sidewalks/ Canopies	Miscellaneous Items	Facility Total
Arnold Mill ES	1996	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Avery ES	2007	\$0	\$0	\$0	\$0	\$0	\$30,000	\$3,500	\$0	\$0	\$0	\$0	\$0	\$33,500
Ball Ground ES	2012®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bascomb ES	1995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Boston ES	1989/1992	\$0	\$0	\$1,100	\$15,000	\$0	\$53,000	\$0	\$0	\$0	\$0	\$0	\$0	\$69,100
Canton ES	2008 ®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carmel ES	2000	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Clark Creek ES	2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clayton ES	1997	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Free Home ES	1945/1956/ 1975	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$70,000
Hasty ES	2005	\$0	\$0	\$0	\$0	\$0	\$63,000	\$0	\$0	\$0	\$0	\$0	\$0	\$63,000
Hickory Flat ES	1949/1956/ 1966/1996/ 2002	\$0	\$0	\$0	\$0	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
Holly Springs ES	1999 ®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indian Knoll ES	2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Johnston ES	1981/1987	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$161,000	\$0	\$60,000	\$0	\$221,000
Knox ES	2008	\$0	\$0	\$0	\$0	\$0	\$28,000	\$0	\$0	\$0	\$0	\$0	\$0	\$28,000
Liberty ES	2002	\$0	\$0	\$0	\$0	\$0	\$40,000	\$50,000	\$0	\$0	\$0	\$25,000	\$0	\$115,000
Little River ES	2008 ®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Macedonia ES	1956/1975/ 1997/2009	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Mountain Road ES	1989/2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oak Grove ES	1956/1970/ 1974/1978/ 1990/1993	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$155,000	\$0	\$0	\$0	\$156,000
R.M. Moore ES	1997/2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sixes ES	1992	\$0	\$0	\$0	\$0	\$0	\$5,000	\$3,500	\$300,000	\$0	\$35,000	\$0	\$0	\$343,500
Woodstock ES	2004 ®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Creekland MS	2004	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Dean Rusk MS	1985/1990	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E.T. Booth MS	2013 ®	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Freedom MS	2005	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Mill Creek MS	2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Teasley MS	1986/1994	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Woodstock MS	1996	\$0	\$0	\$0	\$175,000	\$0	\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$199,000

Cherokee County School District
Support Services/Facilities
2015-16 Budget

Facility	Opening Date	Carpentry	Electrical	Flooring	Grounds Repairs	HVAC/EMS	Painting	Paving & Signage	Plumbing	Roofing	Safety & Security	Sidewalks/ Canopies	Miscellaneous Items	Facility Total
Cherokee HS	1956/1958/ 1959/1964/ 1967/1968/ 1973/1975/ 1982/1987/ 1999/2002	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	\$0	\$40,000	\$100,000	\$0	\$320,000	\$463,500
Creekview HS	2006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$232,000	\$0	\$0	\$0	\$232,000
Etowah HS	1977/1980/ 1990/1995/ 1995/2002/ 2009	\$110,000	\$209,000	\$0	\$15,000	\$50,000	\$0	\$0	\$0	\$0	\$30,000	\$30,000	\$0	\$444,000
River Ridge HS	2010	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Sequoyah HS	1990/2002	\$0	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$310,000	\$0	\$0	\$110,000	\$720,000
Woodstock HS	1996	\$100,000	\$30,000	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$430,000
ACE Academy	1956/1975	\$0	\$0	\$0	\$40,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$41,000
L.R. Tippens Center	1945/1966/ 1975	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ralph Bunche Center	1956/1964	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building C Central Office	1920/1930/ 2004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,000	\$0	\$0	\$39,000	\$73,000
Buffington ESC - Central Office	1940/1956	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bus Shop #1	1990/2003	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$80,000
Bus Shop #2	1996	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$15,000
Transportation Facility	2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services	2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Central Warehouse	2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Food Service	2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,000	\$0	\$0	\$0	\$27,000
Technology Center (ESA)	2009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facility SubTotal		\$270,000	\$239,000	\$1,100	\$246,000	\$650,000	\$440,000	\$336,500	\$300,000	\$1,029,000	\$165,000	\$115,000	\$514,000	\$4,305,600
System Wide		\$0	\$150,000	\$450,000	\$100,000	\$100,000	\$0	\$0	\$20,000	\$0	\$340,000	\$0	\$110,000	\$1,270,000
Contingency Funds		\$100,000	\$50,000	\$100,000	\$80,000	\$0	\$130,000	\$125,000	\$100,000	\$60,000	\$0	\$25,000	\$150,000	\$920,000
Category Totals		\$370,000	\$439,000	\$551,100	\$426,000	\$750,000	\$570,000	\$461,500	\$420,000	\$1,089,000	\$505,000	\$140,000	\$774,000	\$6,495,600

® = Replacement Facility

	Cherokee County School District Five-Year Facility Plan New/Replacement Schools, Additions and Renovations	Estimated Construction Start Dates	Estimated Occupancy Dates
1	Middle School “F” (Dean Rusk MS Replacement)	February-14	August-16
2	Relocation of L.R. Tippens Education Center to original Holly Springs ES	January-15	August-15
3	Educational Services Facility (ESF) at Bluffs Parkway	December-15	May-17
4	New Parent Entrance-Boston ES	TBA	TBA

Note: This schedule of projects and related timelines are dependent upon various economic and other conditions (e.g., SPLOST revenue levels, continuation of current state funding, construction costs and savings on current projects, as well as developer donations).

REVISED: 5-7-15

DEBT SERVICE



TOTAL DEBT SERVICE BUDGET FY 2015-16

Revenue

Local Sources		
1% SPLOST Collections	\$	31,380,475
Other Sources		
Interest Earned		313,805
Transfers		
Bond Fund		980,124
TOTAL REVENUE	\$	32,674,404

Beginning Fund Balance

27,386,893

TOTAL REVENUE AND BEGINNING FUND BALANCE

\$ 60,061,297

Expenditures

Bond Principal Payable	\$	17,635,000	
Bond Interest Payable		17,336,006	
Paying Agents Fees		24,283	
	\$	34,995,289	
Transfers			
SPLOST Bond Fund		980,124	
TOTAL EXPENSE	\$	35,975,413	

Ending Fund Balance

24,085,884

TOTAL EXPENDITURES AND ENDING FUND BALANCE

\$ 60,061,297

**TOTAL DEBT SERVICE / 1% SPLOST-BOND FUND
BY FUND
BUDGET FY 2015-16**

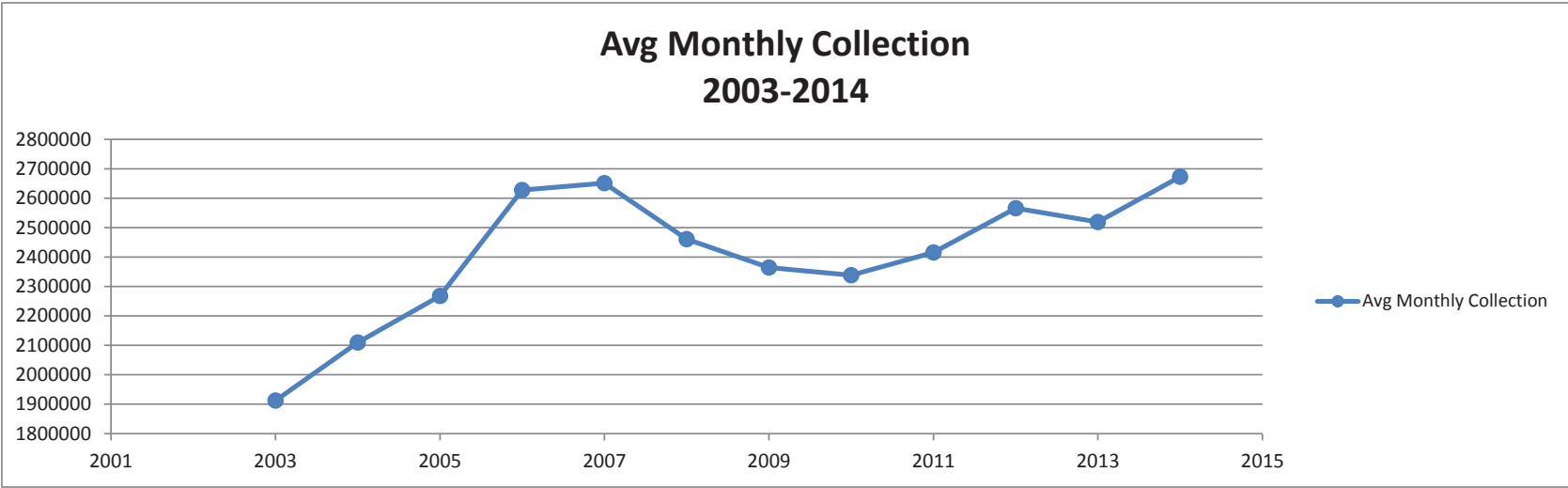
	<u>1% SPLOST Bond Fund</u>	<u>Regular Debt Service</u>	<u>Total</u>
<u>Revenue</u>			
Local Sources			
1% SPLOST Collections	\$ 31,380,475	\$ -	31,380,475
Other Sources			
Interest Earned	313,805	-	313,805
Transfers In			
Bond Fund	<u>980,124</u>	<u>-</u>	<u>980,124</u>
Total Revenue	\$ 32,674,404	\$ -	\$ 32,674,404
<u>Beginning Fund Balance</u>	<u>27,386,893</u>	<u>236,204</u>	<u>27,623,097</u>
TOTAL REVENUE AND BEGINNING FUND BALANCE	<u><u>\$ 60,061,297</u></u>	<u><u>\$ 236,204</u></u>	<u><u>\$ 60,297,501</u></u>
<u>Expenditures</u>			
Bond Principal Payable	\$ 17,635,000	\$ -	\$ 17,635,000
Bond Interest Payable	17,336,006	-	17,336,006
Paying Agents Fees	24,283	-	24,283
			-
Transfers			-
SPLOST Bond Fund	<u>980,124</u>	<u>236,204</u>	<u>1,216,328</u>
Total Expense	\$ 35,975,413	\$ 236,204	\$ 36,211,617
<u>Ending Fund Balance</u>	<u>24,085,884</u>	<u>-</u>	<u>24,085,884</u>
TOTAL EXPENDITURES AND ENDING BALANCE	<u><u>\$ 60,061,297</u></u>	<u><u>\$ 236,204</u></u>	<u><u>\$ 60,297,501</u></u>

CHEROKEE COUNTY SCHOOL DISTRICT
1% SALES TAX FOR 2013-2017
PROJECTED COLLECTIONS
June 21, 2012

	<u>2013</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017</u>
July	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
August	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
September	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
October	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
November	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
December	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
January	\$ -	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045
February	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045	\$ -
March	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045	\$ -
April	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045	\$ -
May	\$ 2,488,563	\$ 2,532,113	\$ 2,582,755	\$ 2,660,238	\$ 2,740,045	\$ -
June	<u>\$ 2,488,563</u>	<u>\$ 2,532,113</u>	<u>\$ 2,582,755</u>	<u>\$ 2,660,238</u>	<u>\$ 2,740,045</u>	<u>\$ -</u>
Total by Fiscal Year	<u>\$ 12,442,815</u>	<u>\$ 30,080,506</u>	<u>\$ 30,638,566</u>	<u>\$ 31,380,475</u>	<u>\$ 32,321,891</u>	<u>\$ 19,180,315</u>
Total Projected Collections						<u><u>\$ 156,044,568</u></u>

Review of Historical SPLOST Receipts

Historical Education SPLOST Collections													
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	1,861,626	1,846,501	2,018,474	2,227,395	2,367,577	2,296,911	2,180,504	2,442,747	2,769,175	3,046,673	3,063,568	3,175,864	3,574,420
February	2,037,485	2,054,203	2,274,791	2,638,846	2,800,280	2,846,163	2,729,722	2,351,940	2,151,326	2,361,497	2,269,305	2,322,123	2,582,194
March	1,645,081	2,098,242	2,022,690	2,428,963	2,608,279	1,960,064	2,196,992	2,112,848	2,238,054	2,351,696	2,563,313	2,351,488	2,529,255
April	1,700,681	1,813,003	2,043,951	2,439,420	2,369,407	2,408,444	1,711,344	2,481,825	2,374,900	2,577,290	2,428,310	2,627,301	
May	1,767,097	2,160,954	2,271,327	2,550,253	2,534,007	2,699,122	3,163,000	2,335,399	2,342,849	2,287,593	2,381,702	2,602,365	
June	1,913,712	2,284,814	2,387,245	2,733,425	2,996,063	2,391,211	2,216,734	2,504,521	2,387,487	2,818,714	2,454,181	2,699,208	
July	1,966,884	2,306,355	2,284,445	2,593,436	2,816,001	2,580,678	2,176,212	2,336,803	2,481,425	2,622,220	2,427,504	2,721,371	
August	1,954,906	2,135,552	2,346,742	2,883,991	2,325,093	2,695,598	2,355,890	2,369,606	2,598,259	2,615,861	2,510,633	2,782,520	
September	1,950,025	2,137,650	2,362,715	2,971,066	3,060,093	2,476,473	2,550,181	2,473,608	2,526,744	2,566,788	2,605,298	2,684,587	
October	1,991,231	2,287,771	2,651,612	2,956,752	2,516,538	2,385,210	2,097,627	2,245,568	2,473,973	2,511,420	2,493,932	2,706,244	
November	2,246,032	2,245,924	2,274,697	3,301,228	2,800,299	2,681,097	2,441,606	2,216,851	2,329,529	2,480,590	2,428,645	2,574,209	
December	1,910,788	1,950,999	2,279,752	1,805,266	2,617,693	2,107,192	2,349,124	2,183,962	2,312,919	2,567,922	2,602,645	2,828,394	
Total	\$22,945,548	\$25,321,969	\$27,218,440	\$31,530,041	\$31,811,330	\$29,528,163	\$28,168,935	\$28,055,678	\$28,986,639	\$30,808,264	\$30,229,035	\$32,075,673	\$8,685,869
Avg Collection/Month	\$1,912,129	\$2,110,164	\$2,268,203	\$2,627,503	\$2,650,944	\$2,460,680	\$2,364,509	\$2,337,973	\$2,415,553	\$2,567,355	\$2,519,086	\$2,672,973	\$2,895,290
Annual Growth Rate	--	10.36%	7.49%	15.84%	0.89%	-7.18%	-3.91%	-1.12%	3.32%	6.28%	-1.88%	6.11%	8.32%



Cherokee County School System (GA) Outstanding Debt Service By Series - 6/30 Fiscal Year

60,000,000

50,000,000

40,000,000

30,000,000

20,000,000

10,000,000

0

FY2016

FY2017

FY2018

FY2019

FY2020

FY2021

FY2022

FY2023

FY2024

FY2025

FY2026

FY2027

FY2028

FY2029

FY2030

FY2031

FY2032

FY2033

FY2034

Series 2006

Series 2007A

Series 2007B

Series 2009A

Series 2009B

Series 2010A

Series 2010B

Series 2012

Sereis 2014A

Series 2014B

Series 2015

Interest on the Series 2009B "BABs" and Series 2010B "QSCBs" reflects a 7.2% Sequestration reduction in the federal subsidy.

**DEBT SERVICE
BOND ISSUES
INTEREST AND PRINCIPAL PAYMENTS
FY 2015-16**

	<u>Payment Date</u> <u>8/1/2015</u>	<u>Payment Date</u> <u>2/1/2016</u>
BANK OF NEW YORK		
2006 Interest	263,063	186,763
Principal	3,815,000	-
2007A Interest	194,475	134,475
Principal	3,000,000	-
2007B Interest	859,500	627,500
Principal	9,280,000	-
2009A Interest	1,282,850	1,282,850
Principal	-	-
2009B Interest	958,653	958,653
Principal	-	-
2010A Interest	30,800	-
Principal	1,540,000	-
2010B Interest	269,678	269,678
Principal	-	-
2012 Interest	879,450	879,450
Principal	-	-
2014A Interest	1,126,838	1,126,838
Principal	-	-
2014B Interest	860,750	860,750
Principal	-	-
2015A Interest	-	-
Principal	-	-
2015B Interest	1,351,138	1,422,250
Principal	-	-
TOTAL PAYMENT	\$ 25,712,195	\$ 7,749,207

BOND DEBT SERVICE

The following chart shows the debt service payments scheduled, compared to the SPLOST income projected (at 3% growth), and the fund balance that would grow as a result. This assumes debt service payments as currently scheduled; higher payments would eliminate more principal and reduce interest payments accordingly.

FISCAL YEAR	DEBT OUTSTANDING (PRINCIPAL + INTEREST)	PROJECTED SPLOST COLLECTIONS AT 3% GROWTH	ACCUMULATED FUND BALANCE
Beginning Fund Balance			
SPLOST Fund 7/1/2014			\$ 28,588,490
2015-16	\$ (33,305,181)	\$ 31,380,475	\$ 26,673,784
2016-17	(35,411,414)	32,321,891	23,584,260
2017-18	(38,090,427)	33,291,547	18,785,380
2018-19	(26,482,752)	34,290,293	26,592,922
2019-20	(32,525,952)	35,319,002	29,385,972
2020-21	(37,308,677)	36,378,572	28,455,867
2021-22	(40,035,677)	37,469,929	25,890,119
2022-23	(40,756,677)	38,594,027	23,727,469
2023-24	(41,579,552)	39,751,847	21,899,764
2024-25	(42,544,254)	40,944,403	20,299,913
2025-26	(49,111,875)	42,172,735	13,360,773
2026-27	(38,770,439)	43,437,917	18,028,251
2027-28	(38,173,836)	44,741,054	24,595,469
2028-29	(14,286,136)	46,083,256	56,392,589
2029-30	(12,098,925)	47,465,785	91,759,449
2030-31	(12,103,425)	48,889,758	128,545,782
2031-32	(12,119,238)	50,356,451	166,782,996
2032-33	(12,118,250)	51,867,144	206,531,890
2033-34	(5,648,600)	53,423,158	254,306,448
TOTAL	\$ (562,471,286)	\$ 788,179,244	\$ 254,110,968

ADDENDA



AGENDA REQUEST FORM
Cherokee County Board of Education

Meeting Date <u>June 11, 2015</u>	Agenda Item Number <u>I-1</u>
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TITLE:	Superintendent's Recommended FY 2015-16 Tentative Budget <u>and</u> Proposed Spending Resolution						
REQUESTED ACTION:	Board Tabling of Superintendent's Recommended FY 2015-16 Tentative Budget <u>and</u> Approval of Spending Resolution						
SUMMARY EXPLANATION AND BACKGROUND:	The review and approval process for the FY 2015-16 Budget began with the School Board and Superintendent Strategic Work Session on May 21, 2015...wherein the Board's priorities and preliminary consideration of relevant revenue and expenditure data and information regarding major responsibilities and challenges to be addressed in next year's Budget were presented and discussed. Since January 2015, the Superintendent's Ad Hoc Budget Committee has conducted its annual "zero sunset review" of all major current expenditures...in light of the Board's Major System Priorities. At its June 11, 2015 Board Meeting, the Board will be requested to table the Superintendent's Recommended 2015-16 Tentative Budget to receive public input and advertise, as required by Georgia Statutes. At this meeting, the Board will also be asked to approve a Spending Resolution for the time period from July 1 through July 31, 2015. At its July 22, 2015 Called Board Meeting, after public advertisement and three public hearings (July 9, 2015 at 11:30 a.m.; July 9, 2015 at 6:30 p.m.; and July 23, 2014 at 6:30 p.m.), the Board will receive final comments on the Tentative Budget, make revisions, as necessary, and adopt a School District Budget for FY 2015-16. The Executive Summary of the proposed Tentative 2015-16 Budget, which includes a summary of revenue and major expenditures, is attached. The Tentative Budget, by function and line item, will be available beginning June 19, 2015.						
MAJOR SYSTEM PRIORITY:	Increasing Accountability						
FINANCIAL IMPACT:	The financial impact is a total budget of \$530,030,892 Million for FY 2015-16.						
EXHIBITS: (List)	Executive Summary of the Superintendent's Recommended Tentative 2015-16 Budget and Proposed Spending Resolution						
BOARD ACTION:	SOURCE OF ADDITIONAL INFORMATION:						
(For Official School Board Records Only)	<table style="width: 100%;"><tr><td style="width: 50%;">Dr. Frank R. Petruzielo</td><td style="width: 50%;"></td></tr><tr><td>Kenneth Owen</td><td>(770)704-4244</td></tr><tr><td style="border-top: 1px solid black; text-align: center;">Name</td><td style="border-top: 1px solid black; text-align: center;">Phone</td></tr></table>	Dr. Frank R. Petruzielo		Kenneth Owen	(770)704-4244	Name	Phone
Dr. Frank R. Petruzielo							
Kenneth Owen	(770)704-4244						
Name	Phone						

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

Approved in Open Board Meeting on:

_____ Date

By:

_____ School Board Chairman

Initialized: 3/3/99
Revised: 1/10/03

RESOLUTION OF THE CHEROKEE COUNTY SCHOOL BOARD
A SPENDING RESOLUTION

WHEREAS, the Cherokee County School District operates on a fiscal year beginning July 1st of each year extending through June 30th of the following year; and

WHEREAS, the budgetary approval process for the 2015-16 fiscal year has been delayed as a result of Cherokee County Government's delay in receiving final digest approval; and

WHEREAS, the Board of Education for the Cherokee County School District wishes to extend the 2014-15 budget, pending approval of the 2015-16 budget.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Education of the Cherokee County School District hereby authorizes the expenditure of funds equal to one-twelfth (1/12) of the 2014-15 budget for a period beginning July 1st through July 31, 2015.

RESOLVED, this _____ day of _____, 2015.

Chair, Janet Read
Cherokee County Board of Education
June 11, 2015

Tammie Hunter

Subject: FW: 2015 Preliminary Digest Info-----School M & O-----Bond

From: John Adams [<mailto:jadams@cherokeega.com>]

Sent: Wednesday, May 06, 2015 9:38 AM

To: Ken Owen

Subject: 2015 Preliminary Digest Info-----School M & O-----Bond

May 6, 2015,

Ken,

Here are the preliminary digest figures. The assessment notices will be mailed on Monday May 11th and, the appeal period won't end until Thursday June 25th so, these numbers will change as we go along. We will give you updates as they become available.

Gross Digest :	Real Property	\$ 7,949,871,716
	Personal Property	\$ 378,261,679
	Motor Vehicles	\$ 393,947,430
	Mobile Homes	\$ 13,362,134
	Timber	\$ 666,871

Total M & O Exempt \$ 1,856,518,615

Total Bond Exempt \$ 1,796,701,735

Gross Inflation Added : \$ 458,514,609

M & O Exemptions : \$ 150,924,827

Bond Exemptions : \$ 149,854,462

If I can be of further assistance let me know.

John

PT32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2015

COUNTY **Cherokee** TAXING JURISDICTION **Cherokee County School Board M/O**

INFORMATION FOR THE SHADED PORTIONS OF THIS SECTION MUST BE ENTERED

This information will be the actual values and millage rates certified to the Department of Revenue for the applicable tax years.

DESCRIPTION	2014 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2015 DIGEST
REAL	7,207,313,837	458,514,609	284,043,270	7,949,871,716
PERSONAL	354,408,237		23,853,442	378,261,679
MOTOR VEHICLES	530,574,960		-136,627,530	393,947,430
MOBILE HOMES	13,488,200		-126,066	13,362,134
TIMBER -100%	1,527,766		-860,895	666,871
HEAVY DUTY EQUIP			0	
GROSS DIGEST	8,107,313,000	458,514,609	170,282,221	8,736,109,830
EXEMPTIONS	1,623,304,228	150,924,827	82,289,560	1,856,518,615
NET DIGEST	6,484,008,772	307,589,782	87,992,661	6,879,591,215
FLPA Reimbursement Value	0		0	0
Adjusted NET DIGEST	6,484,008,772	307,589,782	87,992,661	6,879,591,215
	(PYD)	(RVA)	(NAG)	(CYD)
2013 MILLAGE RATE >>>	19.450	2015 PROPOSED MILLAGE RATE >>>		19.450

THIS SECTION WILL CALCULATE AUTOMATICALLY UPON ENTRY OF INFORMATION ABOVE

DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA
2014 Net Digest	PYD	6,484,008,772	
Net Value Added-Reassessment of Existing Real Property	RVA	307,589,782	
Other Net Changes to Taxable Digest	NAG	87,992,661	
2015 Net Digest	CYD	6,879,591,215	(PYD+RVA+NAG)
2014 Millage Rate	PYM	19.450	
Millage Equivalent of Reassessed Value Added	ME	0.870	(RVA/CYD) * PYM
Rollback Millage Rate for 2015	RR	18.580	PYM - ME

COMPUTATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

If the 2015 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. Section 48-5-32.1(c) (2)	Rollback Millage Rate	18.580
	2015 Millage Rate	19.450
	Percentage Increase	4.68%

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

Chairman, Board of Tax Assessors

Date

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

Tax Collector or Tax Commissioner

Date

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. Section 48-5-32.1 for the taxing jurisdiction for tax year 2015 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2015 is _____

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

____ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2015 exceeds the rollback rate, I further certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. Sections 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published five year history and current digest advertisement, the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

____ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2015 does not exceed the rollback rate, I further certify that the required five year history and current digest advertisement have been published in accordance with O.C.G.A. Section 48-5-32 as evidenced by the attached copy of such advertised report.

Signature of Responsible Party

Title

Date

CHEROKEE COUNTY BOARD OF EDUCATION: PUBLIC NOTICE

The Cherokee County Board of Education does hereby announce that the millage rate will be established at a called meeting to be held at Historic Canton High School/School Board Auditorium, Canton, GA on July 22, 2015 at seven o'clock p.m., and pursuant to the requirements of O.C.G.A. 48-5-32, does hereby publish the following presentation of the current year's tax digest and levy along with the history of the tax digest and levy for the past five years.

CURRENT 2014 TAX DIGEST AND 5-YEAR HISTORY OF LEVY

Yearly Tax Digest	2010	2011	2012	2013	2014	Preliminary 2015
Real & Personal	7,670,258,256	7,195,356,313	6,570,278,294	6,686,039,112	7,561,722,074	8,328,133,395
Motor Vehicles	565,223,170	563,264,880	610,288,270	641,593,210	530,574,960	393,947,430
Mobile Homes	15,584,560	15,192,914	14,909,320	13,681,200	13,488,200	13,362,134
Timber-100%	713,006	485,200	284,156	871,524	1,527,766	666,871
Gross Digest	8,251,778,992	7,774,299,307	7,195,760,040	7,342,185,046	8,107,313,000	8,736,109,830
Less M&O Exempts	(1,449,488,717)	(1,438,332,946)	(1,369,158,690)	(1,431,338,403)	(1,623,304,228)	(1,856,518,615)
Net M&O Digest	6,802,290,275	6,335,966,381	5,826,601,350	5,910,846,643	6,484,008,772	6,879,591,215
Gross M&O Millage	19.45	19.45	19.45	19.45	19.45	19.45
Less Rollbacks	-	-	-	-	-	-
Net M&O Millage	19.45	19.45	19.45	19.45	19.45	19.45
Net Taxes Levied	132,304,540	123,234,539	113,327,396	114,965,955	126,113,971	133,808,049
Net Tax \$ Increase/(Decrease)	(6,672,225)	(9,070,001)	(9,907,143)	1,638,559	11,148,016	7,694,079
Net Tax % Increase/(Decrease)	(5.0%)	(7.36%)	(9.02%)	1.4%	9.7%	6.3%
Bond Millage	0.40	0.40	0.40	0.40	-	-
Less Roll Back/Reduction					(0.40)	(0.40)
Net Bond Digest	0.40	0.40	0.40	0.40	-	-
Total Bond & M/O Millage	19.85	19.85	19.85	19.85	19.45	19.45

**CHEROKEE COUNTY SCHOOL DISTRICT
DR. FRANK PETRUZIELO
SUPERINTENDENT OF SCHOOLS**

SCHOOL BOARD MEMBERS

Janet Read, School Board Chair

Patsy Jordan, School Board Vice-Chair

Mike Chapman

Kyla Cromer

John Harmon

Clark Menard

Robert Rechsteiner

