

Board Budget Work Session

FY22 Budget Overview
March 27, 2021



Budget Calendar

- ❖ Budget work session with Board
 - March 27, 2021
 - April 15, 2021 – Tentative adoption of budget
- ❖ Advertise Budget & Hold Two Public Hearings
 - May 20, 2021
 - June 17, 2021
- ❖ Final Budget adoption & Tentative adoption of millage rate
 - June 17, 2021
- ❖ Final Millage Rate Adoption
 - July / August 2021

Budget Assumptions

❖ Enrollment Projection

➤ 179,943 students – increase of 2,542 over prior year

• K-5	984
• 6-8	(106)
• 9-12	<u>1,664</u>
TOTAL	2,542

❖ Tax Millage Rate – No change proposed

19.70 Mills	General Fund Millage
<u>1.90 Mills</u>	Debt Service Millage
21.60 Mills	Total Millage

Total Expense Budget

Funds	FY2022 (In millions)	FY2021 (In millions)	Dollar Change (In millions)	Percent Change
General Fund	\$1,844.9	\$1,805.0	\$39.9	2.2%
Special Revenue	101.3	137.0	(35.7)	(26.1%)
Capital Projects	109.7	147.2	(37.5)	(25.5%)
Debt Service	180.6	169.2	11.4	6.7%
Enterprise (SNP)	100.7	70.5	30.2	42.8%
Internal Service	<u>15.4</u>	<u>15.3</u>	<u>0.1</u>	<u>0.7%</u>
TOTAL BUDGET	\$2,352.6	\$2,344.2	8.4	0.4%

General Fund Overview

			FY21 Budget as of <u>12/31/20</u>	FY22 Supt. Recommended <u>Budget</u>	Amount of Change
Beginning Balance			\$263.7	\$235.8	
Fund Balance Reserve			\$38.1	\$12.9	
			<u>\$301.8</u>	<u>\$248.7</u>	
Revenues					
	Local		\$789.1	\$820.1	\$31.0
	State		\$973.4	\$1,022.3	\$48.9
	Federal		\$1.1	\$1.1	\$0.0
			<u>\$1,763.6</u>	<u>\$1,843.5</u>	<u>\$79.9</u>
Expenses					
	Salaries		\$1,107.9	\$1,152.2	\$44.3
	Benefits		\$450.0	\$479.1	\$29.1
	Other Operating		\$234.9	\$213.7	(\$21.2)
	Prior Year Encumbrances		\$12.1	\$0.0	(\$12.1)
			<u>\$1,804.9</u>	<u>\$1,845.0</u>	<u>\$40.1</u>
	Transfers to other Funds		\$24.7	\$11.4	(\$13.3)
Ending Balance			<u>\$235.8</u>	<u>\$235.8</u>	
(\$ in millions)					

General Fund Revenue - Local

Net growth in local revenue of \$31.0 million

- ❖ Continued growth in local property tax digest
 - 83% of local revenue budget from property tax revenue
 - Projected 2.0% growth in real property values, adding \$19.9 million
 - 8th consecutive year of digest growth . . After five years of decline (FY10-FY14)

- ❖ Other Changes = \$11.1 million
 - Title Ad Valorem Taxes
 - Real Estate Transfer / Intangible Taxes

General Fund Revenue - State

Net growth in state revenue of \$48.9 million

❖ QBE formula earnings

- Student growth = \$12.0 million
- State-funded portion of teacher salary step (training & experience) and additional certificated employees enrolled in state health benefit plan = \$1.4 million
- TRS employer contribution = \$5.8 million

❖ Equalization Funding

- Decrease of (\$6.1) million to \$84.6 million
- State appropriation increased by \$72.9 million to \$799 million

❖ Local Five-Mill Share

- Formula deduction increasing by (\$20.0) million

❖ Austerity Reduction

- \$60.1 million more funding – declined from (\$100.8) to (\$40.7)

❖ Decrease of (\$4.3) million in one-time state grants

Expenses - Salaries & Benefits

❖ Student Growth

- \$15.4 million for new instructional and support positions due to student growth

❖ Benefit Rate Change

- Teacher Retirement System employer contribution rate increasing from 19.06% to 19.81% --- \$7.4 million

❖ Step Increase for eligible employees

- \$18.5 million (including benefits)
- 95% of teachers; 60% of classified employees

Expenses - Improvements

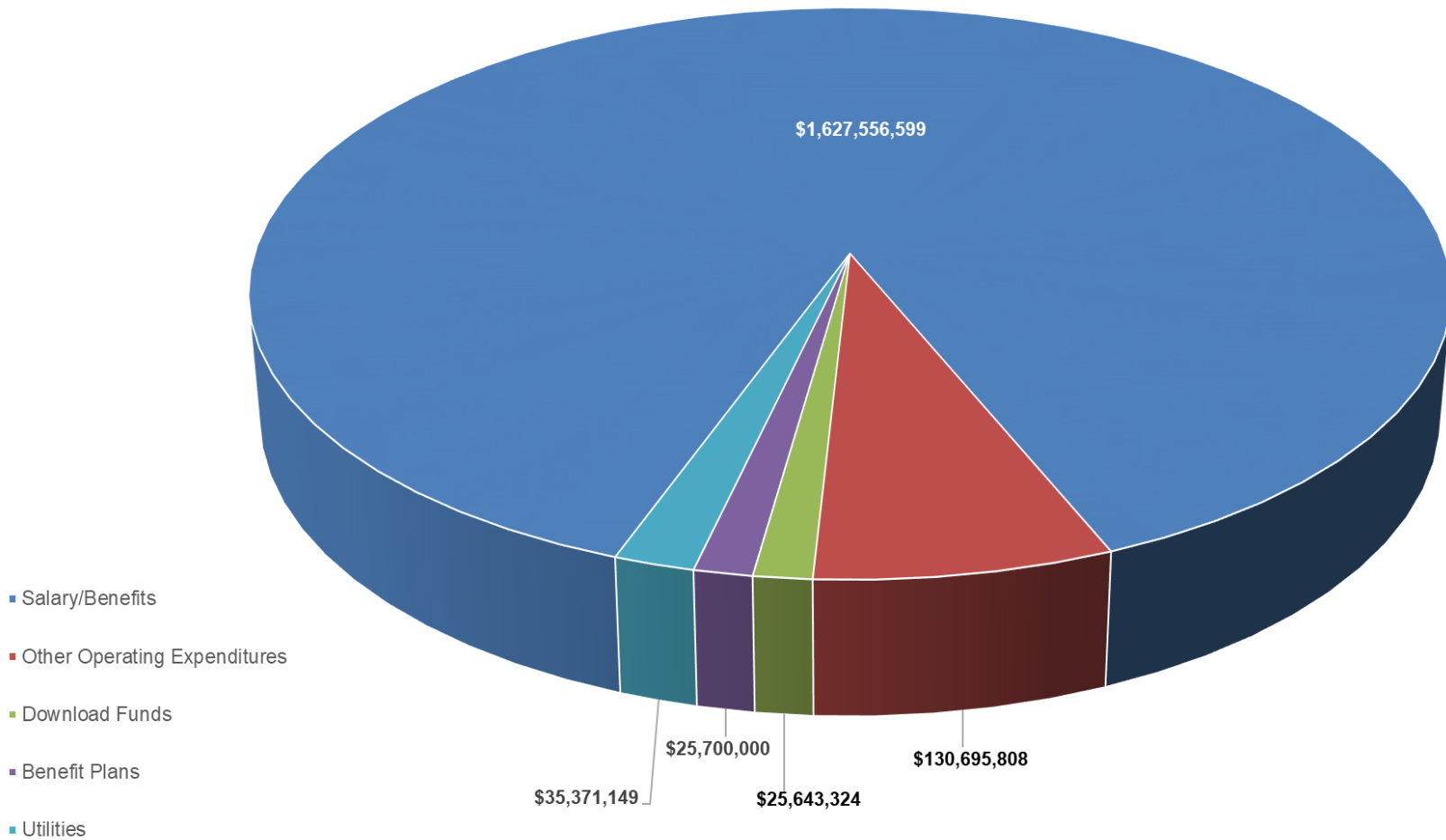
- ❖ \$1,000 cost-of-living increase for all employees paid on the teacher salary schedule -- \$14.6 million
- ❖ 2% cost-of-living increase for all other salary schedules -- \$8.4 million
- ❖ Increase substitute daily rate of pay
- ❖ Funding for 5 additional Social Workers
- ❖ Additional personnel and support to further develop and expand the curriculum for Artificial Intelligence, Computer Science, and Civic Engagement
- ❖ Enhanced operational and maintenance support for buildings/grounds, information management, and information security

FY22 Teacher Salary Schedule (Proposed)

Step	Level 1	Level 2	Level 3	Level 4
0	\$ 47,646	\$52,776	\$57,282	\$ 62,980
1	\$ 48,504	\$53,800	\$58,493	\$ 64,320
2	\$ 49,362	\$54,824	\$59,704	\$ 65,660
3	\$ 50,220	\$55,848	\$60,915	\$ 67,000
4	\$ 51,078	\$56,872	\$62,126	\$ 68,340
5	\$ 51,936	\$57,896	\$63,337	\$ 69,680
6	\$ 52,794	\$58,920	\$64,548	\$ 71,020
7	\$ 53,652	\$59,944	\$65,759	\$ 72,360
8	\$ 54,510	\$60,968	\$66,970	\$ 73,700
9	\$ 55,368	\$61,992	\$68,181	\$ 75,040
10	\$ 56,226	\$63,016	\$69,392	\$ 76,380
11	\$ 57,084	\$64,040	\$70,603	\$ 77,720
12	\$ 57,942	\$65,064	\$71,814	\$ 79,060
13	\$ 58,800	\$66,088	\$73,025	\$ 80,400
14	\$ 59,658	\$67,112	\$74,236	\$ 81,740
15	\$ 60,516	\$68,136	\$75,447	\$ 83,080
16	\$ 61,374	\$69,160	\$76,658	\$ 84,420
17	\$ 62,232	\$70,184	\$77,869	\$ 85,760
18	\$ 63,090	\$71,208	\$79,080	\$ 87,100
19	\$ 63,948	\$72,232	\$80,291	\$ 88,440
20	\$ 64,806	\$73,256	\$81,502	\$ 89,780
21	\$ 65,664	\$74,280	\$82,713	\$ 91,120
22	\$ 66,522	\$75,304	\$83,924	\$ 92,460
23	\$ 67,380	\$76,328	\$85,135	\$ 93,800
24	\$ 68,238	\$77,352	\$86,346	\$ 95,140
25	\$ 69,096	\$78,376	\$87,557	\$ 96,480
26	\$ 69,954	\$79,400	\$88,768	\$ 97,820
27	\$ 70,812	\$80,424	\$89,979	\$ 99,160
28	\$ 71,670	\$81,448	\$91,190	\$100,500
Uniform Amount	\$858	\$1,024	\$1,211	\$1,340

Expense Summary – General Fund

FY2022 General Fund Expenditures
\$1,844,966,880



Revenue – Other Sources

❖ Fund Balance Reserve

- Use of \$12.9 million to balance General Fund budget

❖ One-time Federal Funding

➤ CARES Act I

- \$32.3 million for GCPS (funds available through 9/30/22)

➤ CARES Act II

- \$125.7 million for GCPS (funds available through 9/30/23)

➤ CARES Act III

- \$282.4 million for GCPS (funds available through 9/30/24)
- 20% must be used for learning loss

School Food Nutrition

❖ No change in meal prices

➤ Lunch Prices

- \$2.25 for Elementary schools
- \$2.50 for Middle and High Schools

➤ Breakfast Prices

- \$1.50 for all levels

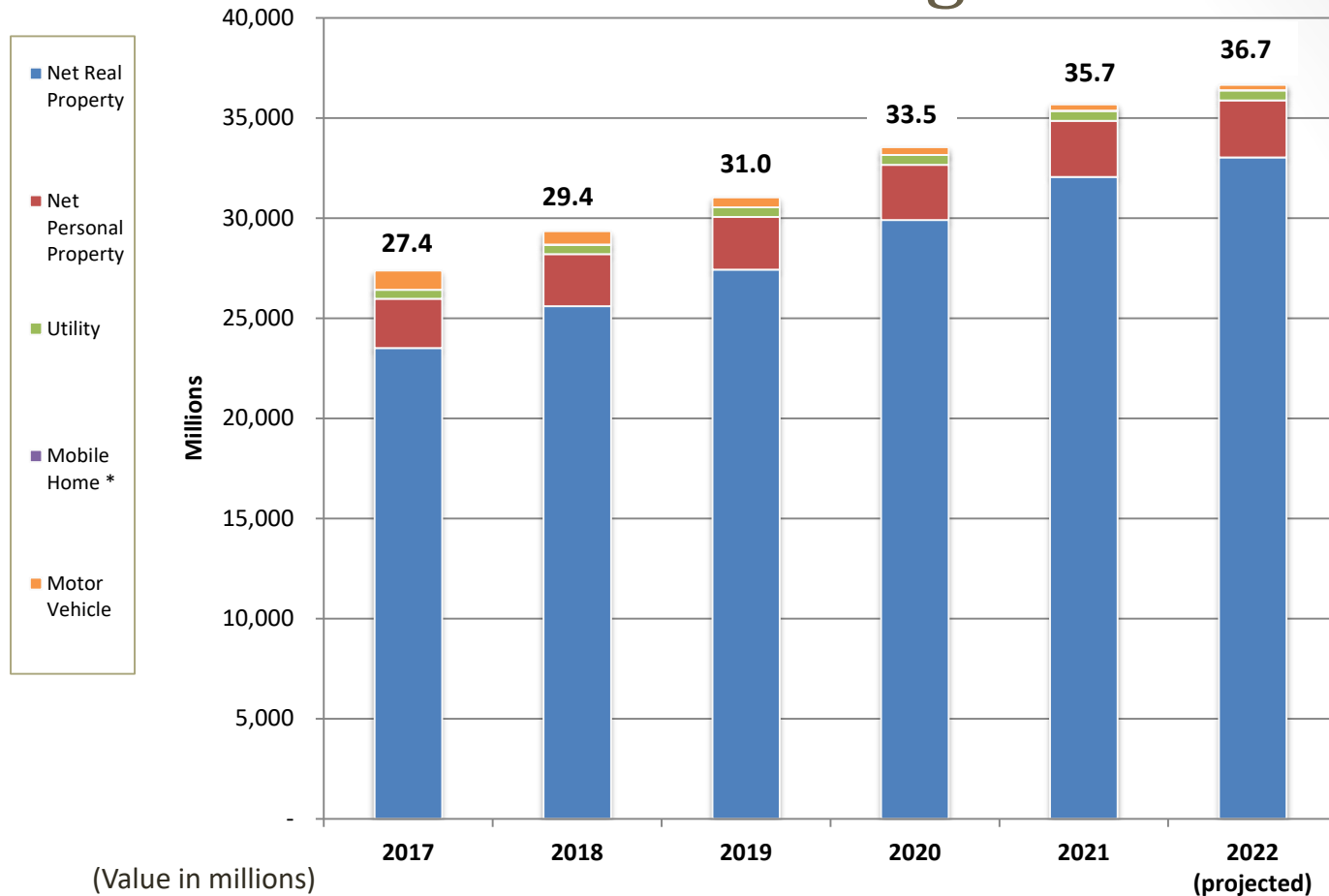
❖ Expand Universal Breakfast Program to all Title I Elementary Schools (42 schools)

- Presently offered at all Title I middle and high schools

❖ Current Federal waiver for meal service extended through September 30, 2021

Significant Trends and Indicators

Historical Tax Digest



	2017	2018	2019	2020	2021	2022 (projected)
Real Property	23,511.96	25,564.33	27,418.66	29,900.49	32,050.20	33,028.81
Personal Property*	2,458.52	2,602.81	2,639.56	2,762.29	2,809.71	2,845.00
Utility	444.69	496.80	475.24	487.26	494.74	499.50
Mobile Home	8.30	8.64	8.28	9.19	10.25	10.35
Digest (Excl MV)	26,424.47	28,672.58	30,541.74	33,159.23	35,364.90	36,383.66
Motor Vehicle	949.55	679.28	493.49	386.74	305.35	275.00
Net M & O	27,374.02	29,351.86	31,035.23	33,545.97	35,670.25	36,658.66

Tax Digest - Homestead Exemption Trend

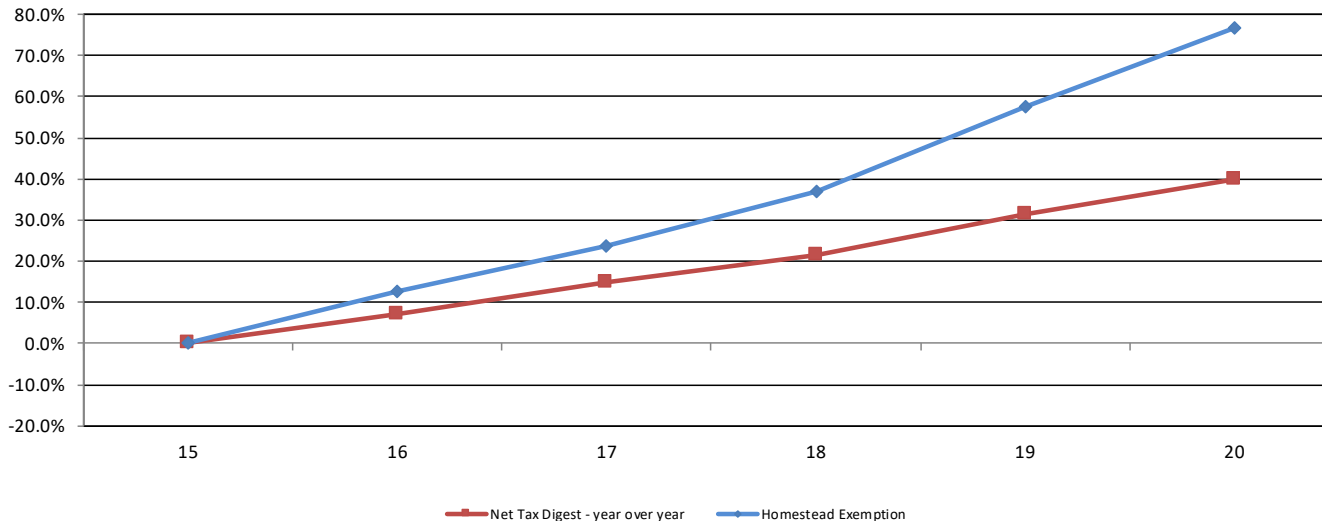
Gwinnett County Public Schools

Homestead Exemption Trend

M&O Amount by Year

Type	Homestead Exemptions	2020	2019	2018	2017	2016	2015
L1	Disability Exemption	300,000	328,000	352,000	404,000	412,000	496,000
L3	Seniors Exemption	20,000	77,480	77,480	210,440	182,760	220,440
L5	Senior School Exemption	3,944,961,279	3,472,806,154	2,952,221,907	2,618,298,057	2,349,750,742	2,017,995,996
S1	Homestead Exemption	502,296,000	505,313,200	513,468,120	518,724,000	523,375,560	534,502,000
S3	Regular School Exemption	8,450,000	9,600,000	10,480,000	9,080,000	7,240,000	6,880,000
S5	Disabled Veteran Exemption	130,603,446	102,250,440	79,055,510	62,132,105	45,714,444	34,817,000
Total Homestead		4,586,630,725	4,090,375,274	3,555,655,017	3,208,848,602	2,926,675,506	2,594,911,436
Change from 2015 to 2020		76.8%	57.6%	37.0%	23.7%	12.8%	0.0%
% change over prior year		12.1%	15.0%	10.8%	9.6%	12.8%	0.0%
Net Tax Digest		35,670,253,627	33,545,973,472	31,035,231,040	29,351,858,018	27,374,021,284	25,524,665,412
Change from 2015 to 2020		39.7%	31.4%	21.6%	15.0%	7.2%	0.0%
% change over prior year		6.3%	8.1%	5.7%	7.2%	7.2%	0.0%

Source: Consolidated Tax Digest from County



QBE Funding Summary

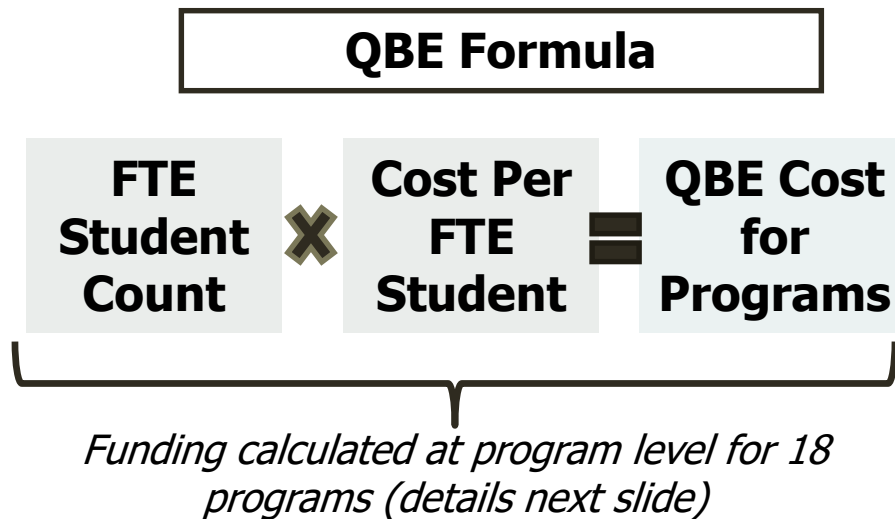
FY22 Budget

Description	Amount
FTE Formula Earnings	\$770,338,876
Training & Experience	\$266,450,359
Health Insurance	<u>\$117,607,160</u>
Subtotal	\$1,154,396,395
Local Five Mills	<u>(\$191,805,464)</u>
QBE Formula Earnings	\$962,590,931
Equalization Funding	\$84,642,553
Pupil Transportation	\$5,675,539
Nursing Services	\$3,753,878
AUSTERITY REDUCTION	<u>(\$40,736,566)</u>
TOTAL STATE QBE FUNDING	\$1,015,926,335

FTE Formula Earnings

❖ QBE = Quality Basic Education Act

- State pays each system an amount of money for each student based on QBE “foundation formula”



FTE Formula Earnings - Funding Weights

QBE funding weights for FY22 (projected)

Program	Weight	Program	Weight
Kindergarten	\$4,663.85	Spec Ed – Cat 1	\$6,726.08
K – EIP	\$5,765.95	Spec Ed – Cat 2	\$7,919.86
Grades 1-3	\$3,611.11	Spec Ed – Cat 3	\$10,090.94
Grades 1-3 EIP	\$5,069.77	Spec Ed – Cat 4	\$16,370.71
Grades 4-5	\$2,898.02	Spec Ed – Cat 5	\$6,899.54
Grades 4-5 EIP	\$5,054.29	Gifted	\$4,683.79
Grades 6-8	\$3,173.90	Remedial	\$3,786.10
Grades 9-12	\$2,789.47	Alternative Ed	\$4,150.25
CTAE	\$3,300.56	ESOL	\$7,219.76

Training & Experience / Health Ins.

❖ T & E

- QBE Formula Initially assumes all teachers are beginning teachers
- Actual teacher salary varies based on years of experience and degree
- Adjustments to reflect actual state salary
- \$266.4 M for GCPS

❖ Health Insurance

- State funds Health Insurance for certificated employees who have elected coverage
- \$117.6 M for GCPS

❖ Funding for each determined based on October FTE count

State Teacher Salary Schedule

Salary Scale for FY22										
	B4	B5	B6	B7	T1	T2	T4	T5	T6	T7
E,0,1,2	\$35,217	\$39,308	\$44,754	\$50,183	\$35,217	\$36,154	\$37,092	\$42,206	\$47,303	\$52,176
3	\$35,217	\$40,397	\$46,007	\$51,598	\$36,184	\$37,149	\$38,115	\$43,382	\$48,632	\$53,651
4	\$35,217	\$41,519	\$47,297	\$53,056	\$37,180	\$38,173	\$39,168	\$44,593	\$50,001	\$55,171
5	\$35,217	\$42,675	\$48,626	\$54,558	\$38,205	\$39,228	\$40,253	\$45,841	\$51,411	\$56,736
6	\$35,217	\$44,262	\$50,451	\$56,620	\$39,261	\$40,315	\$41,743	\$47,555	\$53,347	\$58,885
7	\$35,217	\$45,500	\$51,875	\$58,229	\$40,349	\$41,434	\$42,905	\$48,892	\$54,857	\$60,562
8	\$35,217	\$47,413	\$54,074	\$60,714	\$41,469	\$42,587	\$44,701	\$50,957	\$57,191	\$63,152
9,10	\$35,217	\$48,745	\$55,606	\$62,445	\$42,623	\$43,775	\$45,952	\$52,396	\$58,817	\$64,957
11,12	\$35,217	\$50,117	\$57,184	\$64,228	\$43,812	\$44,998	\$47,241	\$53,878	\$60,492	\$66,816
13,14	\$35,217	\$51,531	\$58,810	\$66,065	\$45,036	\$46,258	\$48,568	\$55,404	\$62,217	\$68,730
15,16	\$35,217	\$52,987	\$60,484	\$67,957	\$46,297	\$47,556	\$49,935	\$56,976	\$63,994	\$70,702
17,18	\$35,217	\$54,487	\$62,209	\$69,906	\$47,596	\$48,893	\$51,343	\$58,595	\$65,824	\$72,733
19,20	\$35,217	\$56,032	\$63,985	\$71,913	\$48,934	\$50,270	\$52,793	\$60,263	\$67,709	\$74,825
21+	\$35,217	\$57,623	\$65,815	\$73,980	\$50,312	\$51,688	\$54,287	\$61,981	\$69,650	\$76,980

Teachers (from CP003B)										
	B4	B5	B6	B7	T1	T2	4	T5	T6	T7
E,0,1,2	115.50	44.30	4.00	1.00	-	-	11	100.37	15.00	4.00
3	150.50	44.99	6.00	3.00	0.50	0.50	96	325.62	5.00	2.00
4	14.63	4.00	-	-	-	1.99	67	190.27	11.00	5.80
5	9.50	3.00	-	1.00	-	-	35	80.50	9.49	1.00
6	12.22	2.50	-	-	1.00	1.00	42	327.25	29.50	7.00
7	6.50	2.50	-	-	0.50	1.00	32	274.50	35.60	4.00
8	4.00	-	-	-	-	-	40	315.77	48.00	4.00
9,10	-	3.00	2.00	-	-	1.00	37	503.60	100.00	15.50
11,12	-	1.50	-	-	-	1.00	82	442.78	123.50	21.49
13,14	2.00	1.00	-	-	-	-	13	446.49	186.58	27.50
15,16	1.00	2.00	-	-	1.00	0.50	00	486.52	298.50	42.00
17,18	1.00	1.00	-	-	-	-	25	413.90	298.43	62.75
19,20	-	0.49	-	-	-	-	98	367.68	288.48	68.00
21+	2.50	0.95	1.00	-	0.50	1.00	31	1,233.29	1,251.98	309.40
Totals	319.35	111.23	13.00	5.00	3.50	7.99	048.09	5,508.54	2,701.06	574.44

Local 5 Mill-Share

❖ Local 5 Mill-Share

- Subtracted from a school district's earnings is the requirement of a "Local Five-Mill Share" – or cost of participating in the State QBE funding formula
- Five mills of tax on the "Equalized Adjusted Property Tax Digest"

Fiscal Year	Local Five Mill Buy-In
FY22 (Projected)	(\$191,805,464)
FY21	(\$178,432,183)
FY20	(\$166,762,120)
FY19	(\$156,020,901)
FY18	(\$146,506,338)
FY17	(\$141,858,523)
FY16	(\$129,713,970)

FY16-FY21 figures from QBE midterm Earnings Sheet

Equalization

❖ Equalization Earnings

- Additional state funds earned by schools districts above the core QBE formula earnings
- Intended to narrow gap between school systems in terms of property tax “wealth per student”
- Funding to districts which are below state-wide average

Fiscal Year	State Amount	GCPS Amount	GCPS Rank
FY22 (proj)	\$799 M	\$84 M	74
FY21	\$725 M	\$91 M	80
FY20	\$693 M	\$86 M	85
FY19	\$615 M	\$82 M	90
FY18	\$584 M	\$83 M	92
FY17	\$498 M	\$69 M	95
FY16	\$507 M	\$89 M	113

Austerity Reduction

- ❖ Reduction from State QBE formula earnings
 - Began in 2003
 - In place during 18 of past 20 years
 - GCPS austerity for 18 years = \$983 M

Fiscal Year	State Amount	GCPS Amount
FY22 (projected)	(\$383) M	(\$41) M
FY21	(\$952) M; (\$383) M	(\$101) M; (\$41) M
FY20	\$0	\$0
FY19	\$0	\$0
FY18	(\$167) M	(\$18) M
FY17	(\$167) M	(\$17) M
FY16	(\$467) M	(\$49) M

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QBE Funding Summary

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TRS – Employer Contributions

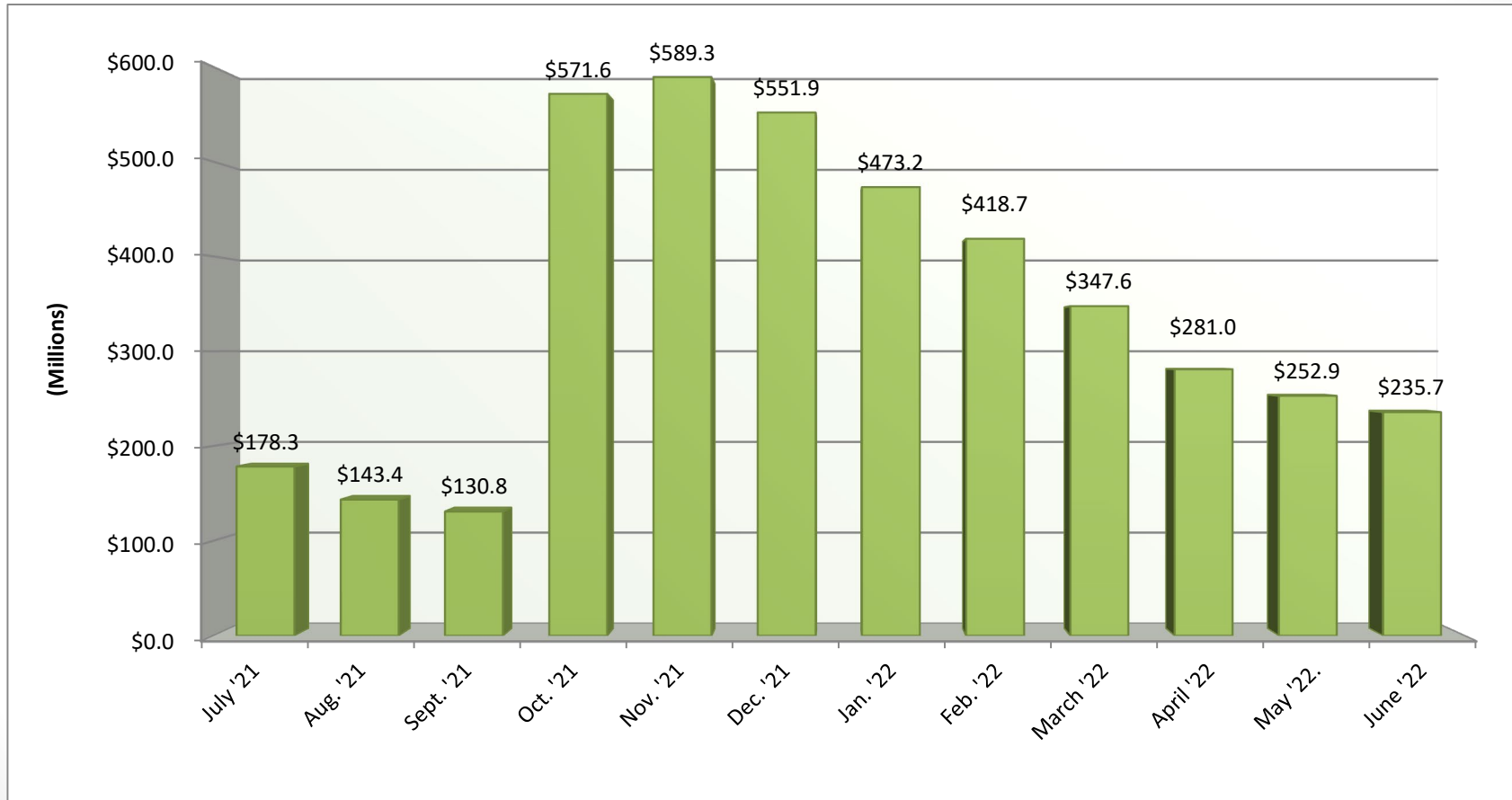
Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY11	10.28%	6.00%
FY12	10.28%	6.00%
FY13	11.41%	6.00%
FY14	12.28%	6.00%
FY15	13.15%	6.00%
FY16	14.27%	6.00%
FY17	14.27%	6.00%
FY18	16.81%	6.00%
FY19	20.90%	6.00%
FY20	21.14%	6.00%
FY21	19.06%	6.00%
FY22	19.81%	6.00%

Health Insurance Costs - Employer

- Classified employees – per member, per month

Fiscal Year	Employer Monthly Cost	Employer Annual Cost	Annualized Increase	% Increase
2010	\$ 162.72	\$ 1,952.64		
2011 (effective 12/2010)	\$ 218.20	\$ 2,618.40	\$ 665.76	34.10%
2012 (effective 9/2011)	\$ 296.20	\$ 3,554.40	\$ 936.00	35.75%
2013	\$ 446.20	\$ 5,354.40	\$ 1,800.00	50.65%
2014	\$ 596.20	\$ 7,154.40	\$ 1,800.00	33.62%
2015	No change			
2016 (effective 1/2016)	\$ 746.20	\$ 8,954.40	\$ 1,800.00	25.16%
2017 (effective 1/ 2017)	\$ 846.20	\$ 10,154.40	\$ 1,200.00	13.41%
2018 (effective 1/2018)	\$945.00	\$11,340.00	\$1,185.60	11.68%
2019/2020/2021/2022	No change			

Projected Ending Unassigned Fund Balance



Gwinnett County Public Schools
Expenditure Per Pupil
Georgia's Ten Largest Public School Systems

Rank for FY19 (1)	Rank for FY20 (1)	System	FY2020 Actual FTE (2)	FY2020 Expenditures per FTE (2)	FY2020 Avg. SAT* Score (3)	% Free & Reduced Lunch (4)
1	1	Atlanta Public Schools	51,620	16,828.80	934	68.78
4	2	DeKalb County School System	100,017	12,189.84	990	68.56
3	3	Savannah-Chatham County Public Schools	36,073	11,891.41	998	59.66
2	4	Fulton County Schools	93,567	11,827.03	1,078	42.17
		State Total	1,754,930	10,758.69	1,043	
5	5	Cobb County School District	114,185	10,569.58	1,107	39.14
7	6	Cherokee County School District (GA)	43,284	9,932.17	1,100	27.58
6	7	Gwinnett County Public Schools	187,095	9,748.12 (5)	1,097	50.30
8	8	Henry County Schools	43,182	9,667.33	1,010	44.68
9	9	Forsyth County Schools	50,784	9,607.29	1,161	13.68
10	10	Clayton County Public Schools	54,720	9,372.96	943	92.55

Notes:

- (1) Ranking based on Expenditures per FTE
- (2) Source: GADOE Expenditure Report (Includes General Fund and Special Revenue Fund)
- (3) Source: GADOE - SAT Scores by District 2020
- (4) Source: GADOE Free & Reduced Price Lunch Eligibility
- (5) Excludes self-funded employee benefit plan expenses

**Gwinnett County Public Schools
Salary & Benefits Summary - FY2022**

Job					Total		Salary
<u>Description</u>	<u>Grade</u>	<u>Step</u>	<u>Salary</u>	<u>Benefits</u>	<u>Compensation</u>	<u>WorkDays</u>	<u>Daily Rate</u>
Teacher	L1	0	\$47,646	\$24,998	\$72,644	190	\$251
Teacher	L2	13	\$66,088	\$30,193	\$96,281	190	\$348
Teacher	L4	28	\$100,500	\$39,887	\$140,387	190	\$529
Bookkeeper (ES , MS)	7	28	\$30,332	\$20,121	\$50,453	210	\$144
School Clerk IV	6	26	\$28,430	\$19,585	\$48,015	220	\$129
Custodian	5	32	\$34,260	\$21,227	\$55,487	246	\$139
Bus Driver	-	12	\$31,243	\$14,188	\$45,431	185	\$169
* Per Capita Income 2019							
			<u>* Location</u>		<u>Amount</u>		
			Gwinnett		\$42,902		
			Georgia		\$48,236		
			United States		\$56,490		
* Source: Bureau of Economic Analysis BEA.Gov							

Board Budget Work Session

FY22 Budget Overview

March 27, 2021

