

APRIL 15, 2024

FY 2025 BUDGET RECOMMENDATION

MARVIN DEREEF
CHIEF FINANCIAL OFFICER



*F*ulton
County Schools
Where Students Come First

BUDGET DEVELOPMENT PARAMETERS



Seek alternative funding sources

Continue to maximize revenue from State QBE via improving FTE count coding

Allocate at least 75% of General Fund to schools

Identify opportunities for cost efficiencies

Maintain a competitive compensation structure

To extent possible be revenue neutral as defined by the tax rollback form

Maintain at least two months of fund balance

Continue with a transparent Modified Zero-based budgeting process

Continue to demonstrate sustainability related to budget recommendations

Provide a path to transition to less federal support (ie American Rescue Plan “ARP”)

BUDGET DEVELOPMENT- FUNDS



FUND	REVENUE	EXPENDITURES	BEG. FUND BALANCE
GENERAL FUND	\$1,335,902,064	\$1,418,840,119	\$155,412,263
- RISK MANAGEMENT		\$6,855,472	\$210,692,064
SPECIAL REVENUE	\$88,674,820	\$92,314,586	\$-
SCHOOL NUTRITION	\$50,286,985	\$57,085,647	\$21,718,962
PENSION FUND	\$62,902,076	\$42,099,757	\$485,347,613
CAPITAL PROGRAMS	\$266,363,265	\$660,668,166	\$33,175,615
STUDENT ACTIVITY	\$19,255,290	\$19,255,290	\$-
TOTAL	\$1, 823,384,500	\$2,297,119,037	\$906,346,517

OTHER FUND HIGHLIGHTS



Pre-K

- 7 additional classrooms for a total of 94 classes in 51 schools
- Additional State funding in FY2025

ESSER

- Ends September 30, 2024
- Transition plan that keeps literacy initiative supported

Special Education

- Rely on Grant funds carryover to meet annual needs
- Maintenance of effort almost \$200 million

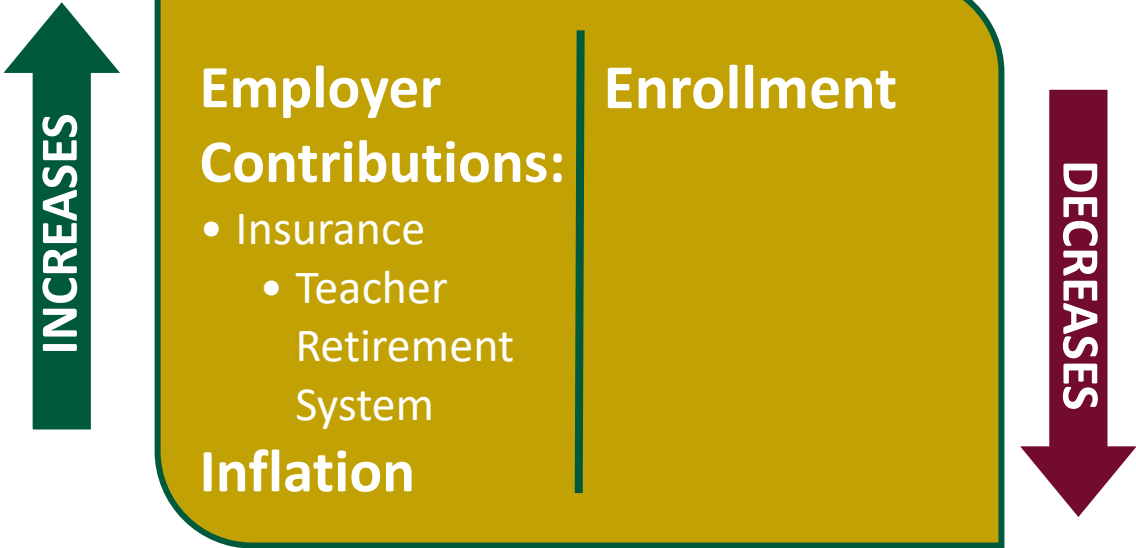
Capital

- SPLOST funding continues to be limited to the referendum maximum
- Inflation has created significant cost escalation

School Nutrition

- Meal price increase
- Continue to execute the farm to school initiatives

FY2025 MAJOR GENERAL FUND HIGHLIGHTS



Compensation
Plan

ESSER
Transition Plan

Strategy

Initiatives

BUDGET DEVELOPMENT- FUNCTION



FY 25 Appropriations			
Function	Amount	Per Pupil	% of Total
Instruction	\$882,751,566	\$10,116	61.92%
Pupil Services	\$96,025,275	\$1,100	6.74%
Improvement of Instructional Services	\$50,316,712	\$577	3.53%
Staff Development – Personnel	\$9,487,911	\$109	0.67%
Educational Media Services	\$20,017,509	\$229	1.40%
General Administration	\$3,161,575	\$36	0.22%
School Administration	\$79,550,519	\$912	5.58%
Support Services – Business	\$23,061,706	\$264	1.62%
Maintenance and Operation	\$134,841,407	\$1,545	9.46%
Student Transportation	\$73,823,140	\$846	5.18%
Support Services – Central	\$48,978,470	\$561	3.44%
Other Support Services	\$40,035	\$0	0.00%
Transfers	\$3,639,766	\$42	0.26%
Total Expenditures	\$1,425,695,591	\$16,338	100.00%

BUDGET DEVELOPMENT- FUNCTIONS



BUDGET				FY23-24 Current Budget Comparison		FY23-24 Original Budget Comparison	
FUNCTION	FY24-25 BUDGET REQUEST	FY23-24 CURRENT BUDGET	FY23-24 ORIGINAL BUDGET	\$ Change from FY23-24	% Change from FY23-24	\$ Change from FY23-24	% Change from FY23-24
INSTRUCTION	882,751,566	835,139,308	837,591,569	47,612,259	5.70%	45,159,997	5.39%
PUPIL SERVICES	96,025,275	96,649,300	89,403,946	(624,025)	-0.65%	6,621,329	7.41%
IMPROVEMENT OF INSTRUCTIONAL SERVICES	50,316,712	60,352,044	35,945,407	(10,035,332)	-16.63%	14,371,305	39.98%
STAFF DEVELOPMENT - PERSONNEL	9,487,911	9,879,500	8,008,374	(391,589)	-3.96%	1,479,537	18.47%
EDUCATIONAL MEDIA SERVICES	20,017,509	19,008,149	18,764,924	1,009,360	5.31%	1,252,585	6.68%
GENERAL ADMINISTRATION	3,161,575	2,931,510	2,924,406	230,065	7.85%	237,169	8.11%
SCHOOL ADMINISTRATION	79,550,519	78,398,210	74,383,554	1,152,308	1.47%	5,166,965	6.95%
SUPPORT SERVICES - BUSINESS	23,061,706	26,507,886	20,981,828	(3,446,180)	-13.00%	2,079,878	9.91%
MAINTENANCE AND OPERATION	134,841,407	140,453,091	129,075,940	(5,611,684)	-4.00%	5,765,467	4.47%
STUDENT TRANSPORTATION	73,823,140	70,312,461	67,903,000	3,510,678	4.99%	5,920,140	8.72%
SUPPORT SERVICES - CENTRAL	48,978,470	47,253,797	45,708,500	1,724,673	3.65%	3,269,970	7.15%
OTHER SUPPORT SERVICES	40,035	40,035	40,035	-	0.00%	-	0.00%
TRANSFERS	3,639,766	3,195,865	3,195,865	443,901	13.89%	443,901	13.89%
TOTAL	1,425,695,591	1,390,121,157	1,333,927,348	35,574,435	2.56%	91,768,243	6.88%

BUDGET DEVELOPMENT- OBJECT GROUP



83.82%

Personnel Services (58.11%)

- Costs paid to persons who are employed by Fulton County Schools in a permanent, temporary, or part-time position or one who substitutes for those with permanent status.

Employer Benefits (25.7%)

- Costs paid by Fulton County Schools on behalf of employees, in addition to regular salary.

Supplies & Materials (4.28%)

- Costs for supplies and materials which support the day-to-day operations of Fulton County Schools.

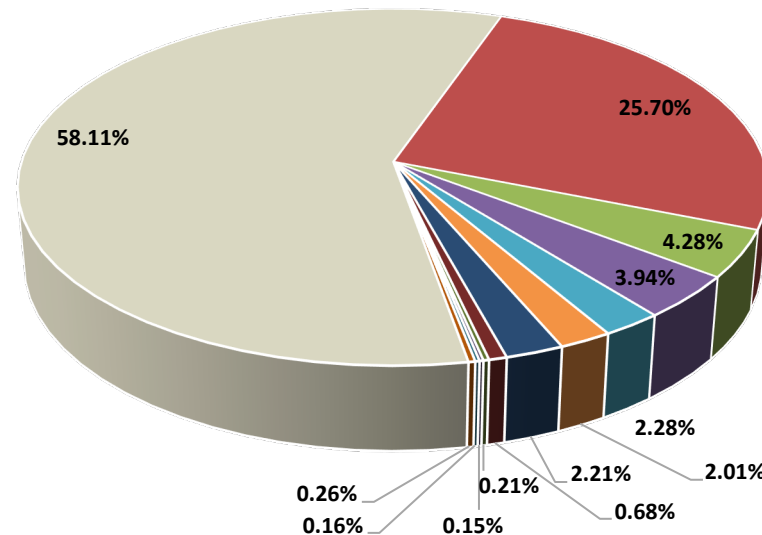
Purchased Services (3.94%)

- Costs paid for contractual services rendered by personnel who are not employed by FCS.

Professional & Technical Services (2.28%)

- Costs related to fees and software systems.

Expenditure by Type
\$1,425,695,591



Utilities (2.01%)

- Costs included for basic services such as electricity, gas, and water.

Property Services (2.21%)

- Costs for grounds, equipment, and vehicle maintenance, uniforms, and other services.

Equipment & Related (.68%)

- Costs for new equipment.

Other Budgeted Items (.78%)

- Costs for Transfers & Other, Field Trips & Travel, and Books & Periodicals (which includes the purchase and repair of textbooks, workbooks, periodicals, and other reference books). Each, of these items, account for less than 1% of the total budget.

COMPENSATION FY2025

GONZALO LA CAVA Ed. D
CHIEF HUMAN RESOURCES OFFICER



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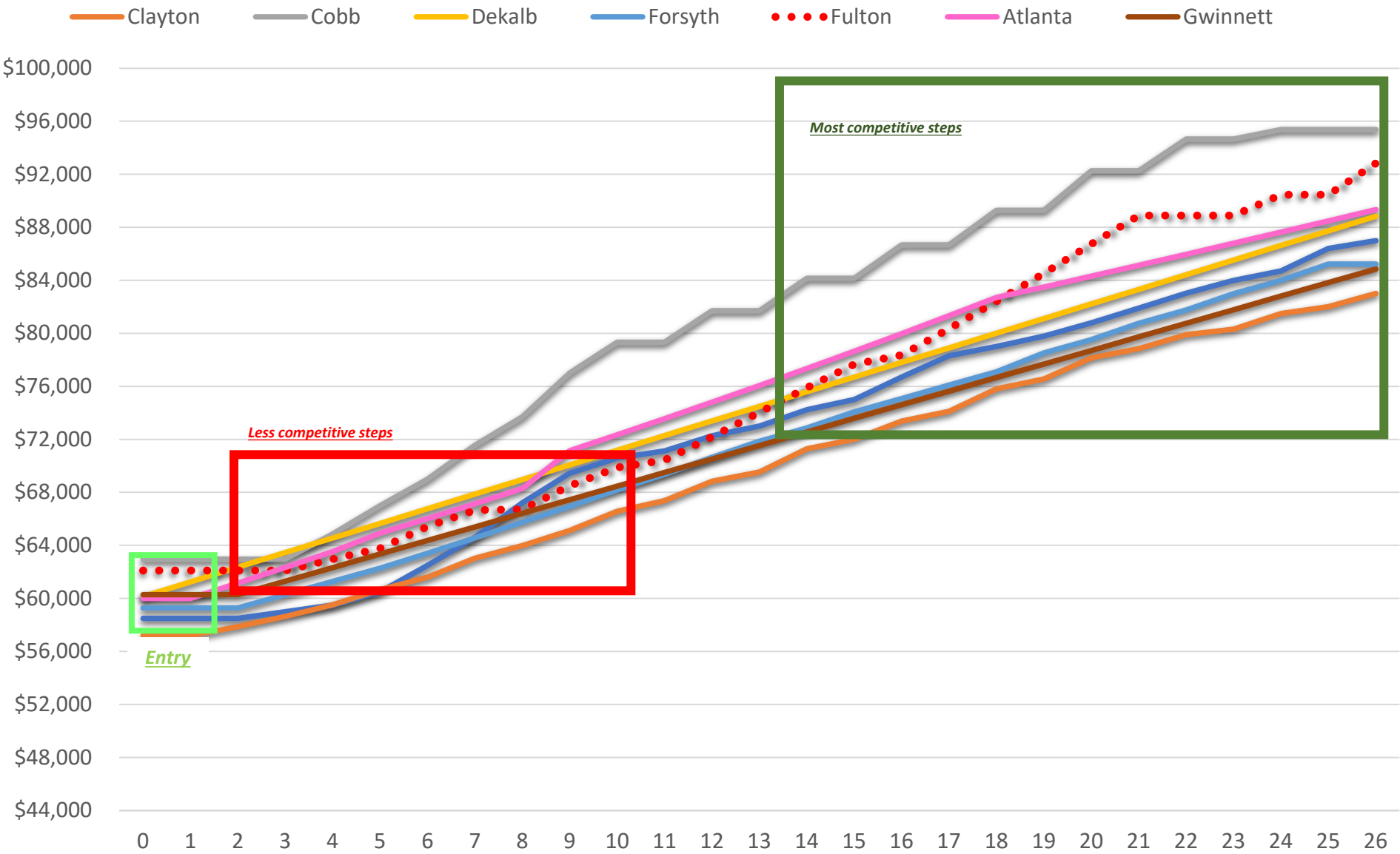
FCS Employee Salary Actions Historical Reference



2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-2024
<u>One-Time Payment</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>		<u>% Increase, Step, and One-time Payment</u>	<u>% Increase</u>	<u>% Increase and a One-time payment</u>
3% for all eligible employees	4% -8% and Step for teachers 3% and Step for non-teaching	5% and Step for teachers 3% and Step for non-teaching	2% and Step for teachers 1% and Step for non-teaching	Step for all eligible employees 2% Midyear increase for teachers on steps (4-14)	\$2775 and mid-year Step for teachers 3% and mid-year Step for other school-base positions 2% and mid-year Step for non school-base positions	No salary change	2% increase to all employee salary schedules \$16 minimum hourly rate \$1200/\$600 One-Time Mid-year Step Increase	3% increase to all employees and \$2,000 for certified school-based employees Midyear step and 2% increase for all eligible employees	5.1% increase to all employees which includes the \$2,000 state increase for eligible positions One-time 2% retention payment to be paid in September

The above illustrates a consistent effort made by the FCBOE and district leadership to competitively and positively impact the earnings of all FCS employees.

FY2024 Metro Area Comparisons T5-Masters Schedule and Salary Steps 0-26+



There are competitive **soft spots** and **strengths** within our salary schedule(s).

The metro comparisons are based on a measure of FCS being in the top 3 most competitive metro districts for K-12 compensation and FY24 salary information for other metro districts – includes information from the following districts:

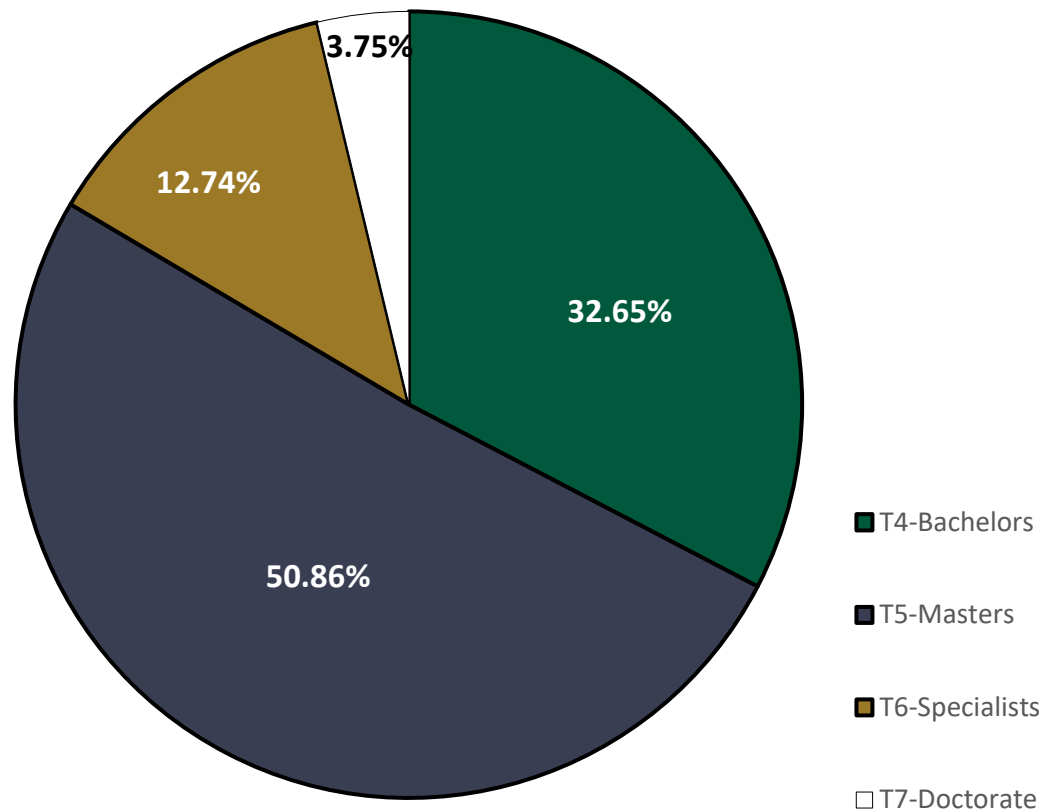
- Cobb provided raises between 7.5-12.1% to all full-time employees plus STEP
- APS increased 6.5% to 8.4% for all employee groups
- Gwinnett provided a \$3500 salary increase for all teaches
- Dekalb provided a 6% COLA and Step
- Forsyth provided \$3,000 increase to teacher salary scale

Teacher Distribution

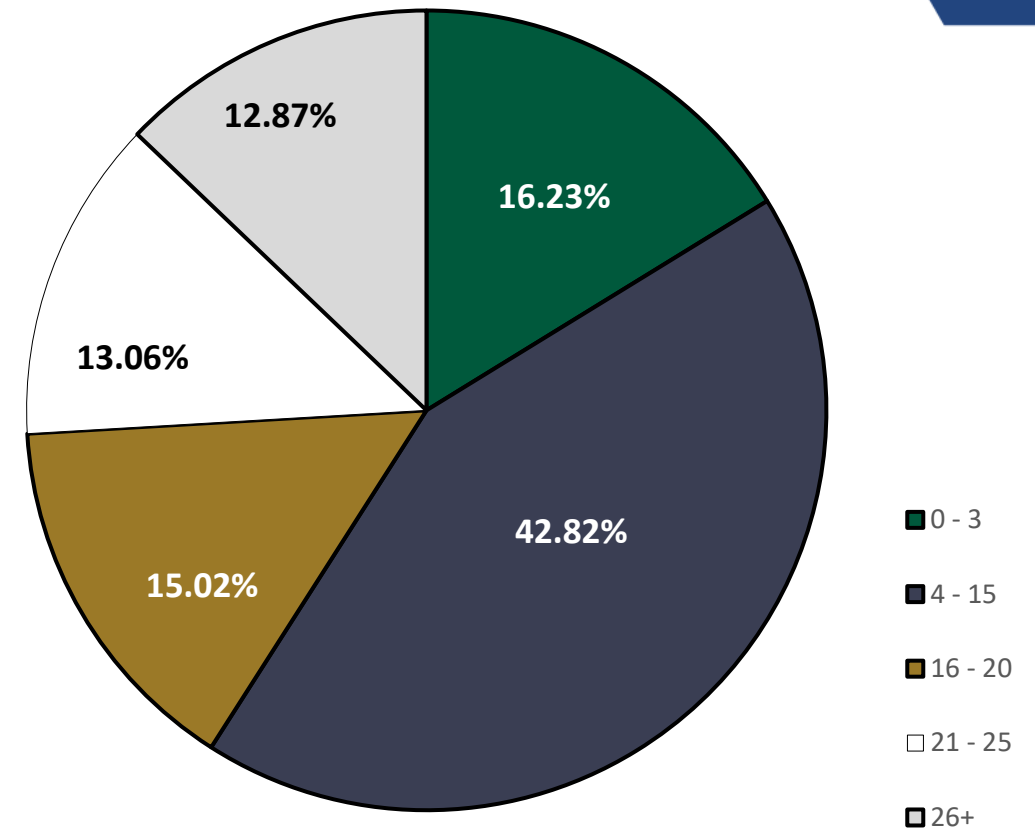
Salary Schedules & Salary Steps



%Teachers on Salary Schedules (T4-T7)



%Teachers on Salary Steps (0-26+)



FY2025 Compensation Recommendations



Recommendation 1: Employee Salary and Step Increase

Salary and Step Increase	Employees Impacted	Other Details	Estimated Cost
4.5% increase to all employee salary schedules	All eligible FCS employees	☐ 4.5% increase to all employee salary schedules	\$56,000,000 <i>General Funds</i>

Recommendation 2: Develop a Police Salary Schedule

Competitive Salaries	Employees Impacted	Other Details	Estimated Cost
Develop a salary schedule for police that increases the base by \$5,000	All eligible police officers	☐ Salary schedule is increased by \$5,000 ☐ Improve recruitment and retention of FCS school police	\$500,000 <i>General Funds</i>

FY2025 Compensation Recommendations



Recommendation 3: Pre K Salary Placement

Competitive Salary	Employees Impacted	Other Details	Estimated Cost
Include certified Pre-K teachers and paraprofessionals to the Regular Teacher Scale	All eligible and certified Pre-K teachers and paraprofessionals	☐ To remain competitive in Metro Atlanta and increase retention rates for all Certified Pre-K teachers and paraprofessionals ☐ 2-year plan for full inclusion into FCS Regular Teacher Pay	\$320,000 <i>General Funds</i>

Recommendation 4: Increase the Number of Days for all Assistant Principals

Increased Days	Employees Impacted	Other Details	Estimated Cost
220/225 to 235	All Assistant principals	☐ All Assistant Principal will increase number of days to 235 ☐ Provide additional operational school support	\$1,600,000 <i>General Funds</i>

FY2025 Compensation Recommendations



Recommendation 5 : Increase the Number of Days for all Athletic Directors

Increase Days	Employees Impacted	Other Details	Estimated Cost
210 to 235	All Athletic directors	☐ To remain competitive in Metro Atlanta and increase retention rates all Athletic Directors will increase the number of workdays	\$ 195,000 <i>General Funds</i>

Recommendation 6: Hiring Incentives for Priority Schools

Hiring Incentive	Employees Impacted	Other Details	Estimated Cost
\$5,000	Recruitment incentive for new teachers for priority schools	☐ Continue to offer supplements to schools on the Priority School list ☐ Priority School Supplements are paid over 24 installments ☐ Banneker HS, Tri-Cities HS, Bear Creek MS, McNair MS, PD West MS, Woodland MS, Brookview E, College Park E, Conley Hills E, Hamilton Holmes E, Love T. Nolan E, Seaborn Lee E	\$800,000 <i>General Funds</i>

FY2025 Compensation Recommendations



Recommendation 7: Referral Incentive

Hiring Incentives	Employees Impacted	Other Details	Estimated Cost
\$250	Recruitment incentive for referral of new teachers for priority schools	☐ Any staff that refers a teacher to a Priority Schools ☐ One-time	\$50,000 <i>General Funds</i>

FY2025 Compensation Recommendations



FY2025 Compensation Recommendation Totals				
		FUNDING	FREQUENCY	COST
1	Salary increase & State portion	General/State Funds	Ongoing	4.5% increase to all employee salary schedules \$56,000,000
2	Police Salary Schedule	General Funds	Ongoing	\$500,000
3	Pre-K Salary Statement (Teachers & Paras)	General Funds	Ongoing	\$320,000
4	Increase number of days for Assistant Principals to 235	General Funds	Ongoing	\$1,600,000
5	Increase number of days for Athletic Directors to 235	General Funds	Ongoing	\$195,000
6	Hiring Incentive Priority Schools	General Funds	Yearly	\$800,000
7	Referral Incentive	General Funds	Yearly	\$50,000
	Sub Total			\$59,465,000

QUESTIONS & ANSWERS



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BUDGET DEVELOPMENT- DIVISIONS



CATEGORY	FY24 EXISTING POSITIONS	FY25 POSITION REQUESTS	TOTAL ONETIME	TOTAL RECURRING	TOTAL FY2025 BUDGET	FY2024 ORIGINAL	FY2024 CURRENT	FY2024 ORIGINAL VS FY2025 REQUEST	FY2024 CURRENT VS FY2025 REQUEST
Schools	9,163.11	9,247.36	-	1,052,701,169	1,052,701,169	993,539,131	1,005,203,877	5.95%	4.73%
District Charters	409.59	411.19	-	51,574,714	51,574,714	48,401,843	48,454,219	6.56%	6.44%
General Services Administration	114.99	117.99	360,000	22,219,721	22,579,721	10,533,804	27,094,471	114.35%	-16.66%
Communications	13.00	13.00	-	2,249,711	2,249,711	2,137,669	2,143,603	5.24%	4.95%
Academics	108.45	114.45	100,000	61,760,204	61,860,204	52,321,714	81,376,340	18.23%	-23.98%
Financial Services	67.80	69.80	-	15,755,463	15,755,463	14,389,345	19,517,407	9.49%	-19.27%
Information Technology	181.00	181.00	-	31,231,239	31,231,239	30,446,883	31,152,076	2.58%	0.25%
Operations	1,234.70	1,226.70	107,300	146,142,830	146,250,130	132,002,655	138,976,625	10.79%	5.23%
Human Resources	60.18	61.18	-	13,459,323	13,459,323	9,820,700	10,154,184	37.05%	32.55%
Districtwide	-	-	-	28,033,918	28,033,918	29,550,803	22,852,489	-5.13%	22.67%
GRAND TOTAL	11,353	11,443	567,300	1,425,128,291	1,425,695,591	1,323,144,547	1,386,925,292	7.75%	2.80%

SCHOOLS & DISTRICT CHARTERS - TRANSPORTATION - SCHOOL TECHNOLOGY SUPPORT
83.17%

**DEPARTMENT
SUPPORT 16.83%**

U.S.A. GRAPHITE PENCIL 1234-5/GP **SOFT**

GENERAL FUND SUMMARY



REVENUE			
SOURCE	AMOUNT	PER PUPIL	% OF TOTAL
State Revenue	\$450,824,743	\$5,166	33.75%
Local Revenue	\$884,077,321	\$10,131	66.18%
Federal Revenue	\$1,000,000	\$11	.07%
Total Revenue	\$1,335,902,064	\$15,309	100.00%

FY25 APPROPRIATIONS			
Function	Amount	Per Pupil	% of Total
Instruction	\$882,751,566	\$10,116	61.92%
Pupil Services	\$96,025,275	\$1,100	6.74%
Improvement of Instructional Services	\$50,316,712	\$578	3.53%
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Support Services – Central	\$48,978,470	\$561	3.44%
Other Support Services	\$40,035	\$0	0.00%
Transfers	\$3,639,766	\$42	0.26%
Total Expenditures	\$1,425,695,591	\$16,338	100.00%

FUND BALANCE		% OF EXPENDITURES
Beginning Fund Balance	\$366,104,328	25.68%
Net Change in Fund Balance	\$47,022,660	3.30%
Ending Fund Balance	\$319,081,668	22.38%

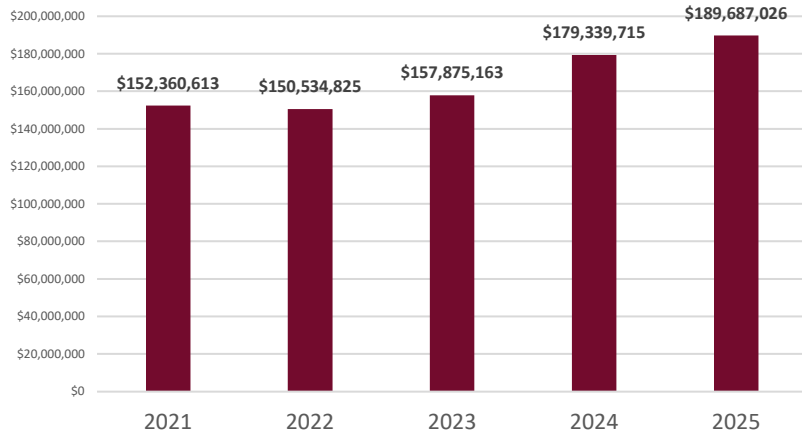
FY2025 FUND BALANCE BREAKOUT		\$
Working Capital Reserve*		\$70,230,688
Catastrophic Event Reserve*		\$70,230,688
Revenue Stabilization Reserve*		\$70,230,688
Textbook Adoption		\$24,600,000
Risk Management		\$5,000,000
Unassigned		\$125,812,263

*Committed per Board Policy DIBA

IMPACTFUL TREND DATA

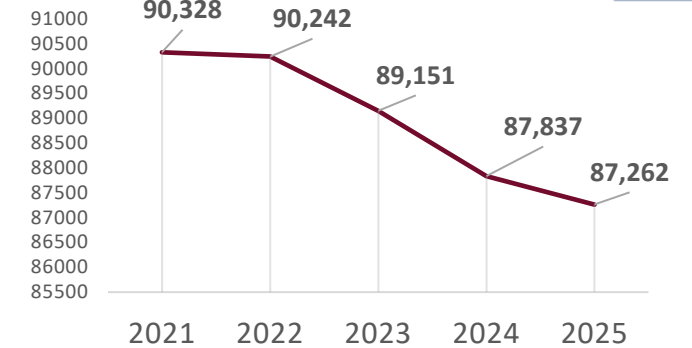


Special Education



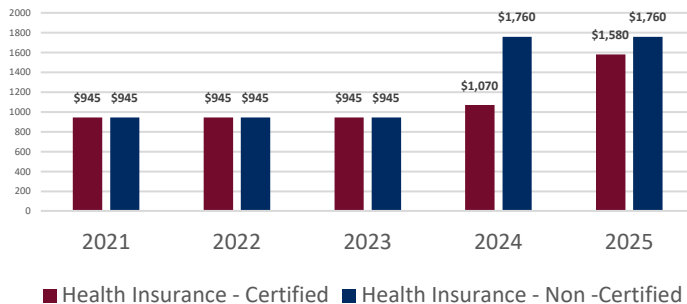
Special
Education

Enrollment



Enrollment

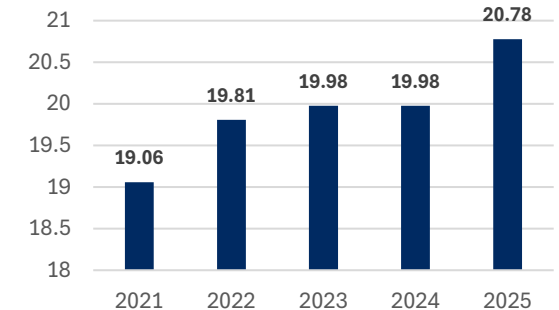
Health Insurance Rates
(Each Employee/Each Month)



Health
Insurance
Rates

Teacher
Retirement
System
Rates

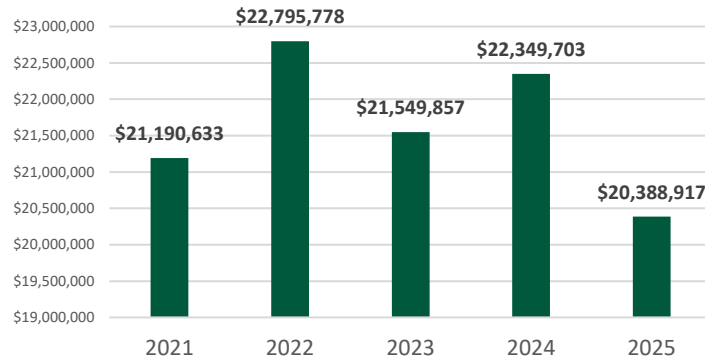
Teachers Retirement System
(TRS)



IMPACTFUL TREND DATA



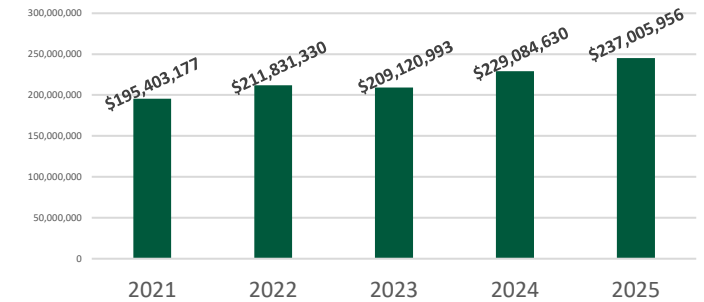
Local Pension Employer Contribution



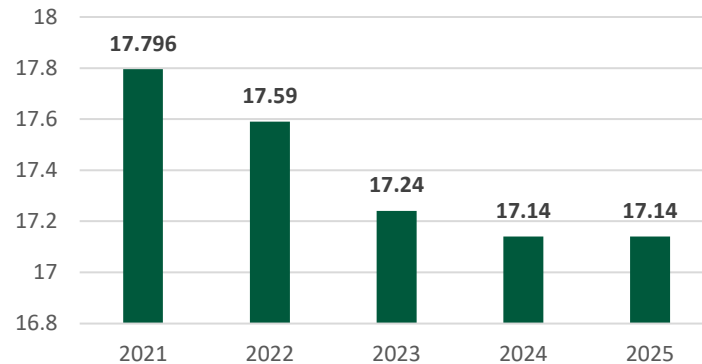
Local
Pension

Local Fair
Share

Local Fair Share



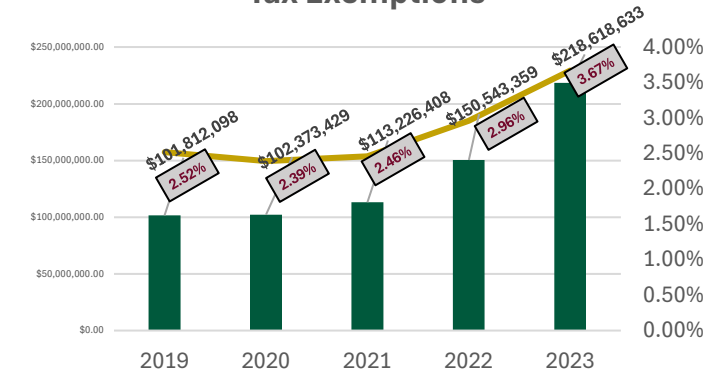
Millage Rate



Millage
Rates

Tax
Exemptions

Tax Exemptions



NEXT STEPS



G

GROWTH ANALYSIS

- Enrollment Trends
- Demographic Shifts
- Economic Indicators

L

LEAN OPERATIONS

- Effective Programs
- Streamlined Processes
- Shared Resources

I

INVESTMENT IN INNOVATION

- Facilities
- Partnerships
- Resource allocation model

D

DIVERSIFICATION OF REVENUE STREAMS

- Alternative Funding Streams
- Facilities Rental
- Maximize funding

E

EFFICIENCY ENHANCEMENT

- Evaluate Staffing Models
- Invest in Professional Development
- Flexible Staffing

GENERAL FUND LONG-TERM FORECAST



GENERAL FUND	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balance	\$366,104,328	\$319,081,668	\$268,617,701	\$226,014,827	\$187,940,293
Resources	\$1,335,902,064	\$1,325,795,837	\$1,339,092,252	\$1,351,758,623	\$1,371,952,549
Appropriations *	\$1,382,924,723	\$1,376,259,804	\$1,381,695,396	\$1,389,833,157	\$1,400,957,385
G.L.I.D.E		\$100,000,000	\$150,000,000	\$150,000,000	\$150,000,000
Ending Fund Balance	\$319,081,668	\$268,617,701	\$226,014,827	\$187,940,293	\$158,935,457
% of Expenditures	23.13%	19.63%	16.45%	13.60%	11.41%
Change in Fund Balance	(\$47,022,659)	(\$50,463,967)	(\$42,602,874)	(\$38,074,534)	(\$29,004,836)

* Appropriations are based on 97% expenditure rate.

LONG-TERM ASSUMPTIONS

Millage Rates

Enrollment
Declines

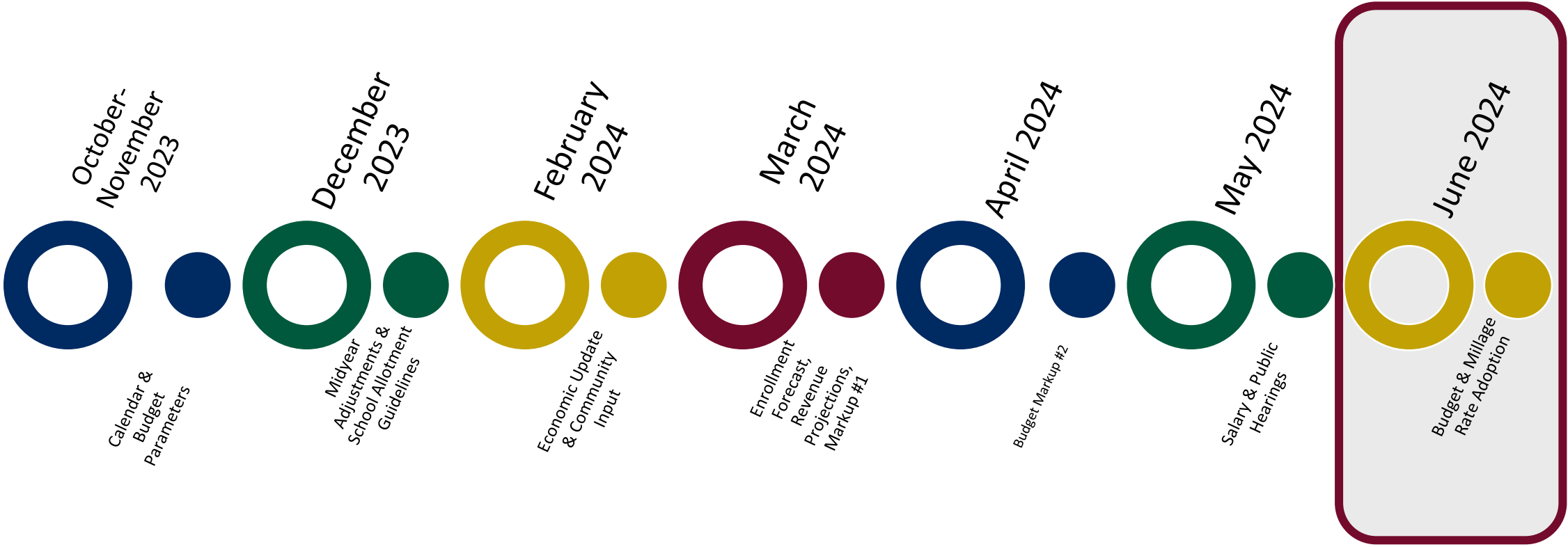
TRS
Contributions

Health
Insurance

Increased
Efficiency

Compensation
Package

NEXT STEPS: BUDGET TIMELINE



APPENDIX



FY2025 School Allotment Additional Recommendations



BUDGET DEVELOPMENT- SCHOOLS



LEVEL	FY2024 PROJECTED	FY2025 PROPOSED	INCREASE / (DECREASE)
ELEMENTARY	\$464,465,570	\$446,665,972	2.34%
MIDDLE	\$213,197,480	\$216,241,540	1.43%
HIGH SCHOOLS	\$346,135,460	\$379,874,511	9.75%
NON-TRADITIONAL	\$9,381,854	\$10,049,816	7.12%
START-UP CHARTERS	\$48,477,732	\$51,574,714	6.39%

BUDGET DEVELOPMENT - SCHOOLS



FY2025 School Allotment Additional Recommendations

ALLOCATION	CURRENT	PROPOSED	Page in SAG
BUDGET BASICS			
Personnel Staffing	Teaching positions are non-flexible and cannot be converted for non-instructional purposes. Allowable purchases are: Administrative Assistant, Instructional Paraprofessional, Instructional Coach, and a Response to Intervention (RTI) position.	Teaching positions are non-flexible and cannot be converted for non-instructional purposes (may be permitted with approval by the Superintendent or designee). Allowable purchases are: Administrative Assistant, Instructional Paraprofessional, Instructional Coach, and a Response to Intervention (RTI) position.	9
Skyview Charter School	The per-pupil allocation shall be at \$8,500	The per-pupil allocation shall be at \$9,095	10
Copier Related Budget/Expenditures	Funds are set aside centrally to aid schools in the procurement process for all copier related expenditures. Funds will be transferred in/out of each school's budget to match actual expenditures at year end.	Remove Language	11

BUDGET DEVELOPMENT - SCHOOLS



FY2025 School Allotment Additional Recommendations

ALLOCATION	CURRENT	PROPOSED	Page in SAG
FEE FOR SERVICES			
Fulton Virtual Program	High schools whose usage exceeds the funded enrollments in a semester will be charged an average per student capped at one teacher allocation per school.	High schools whose usage exceeds the funded enrollments in a semester will be charged (please refer to page 27 for details on allotment charges).	12
SUPPORT STAFF			
Custodian		Language Added: Conversion is only allowed for custodial contracting (may be permitted after approval from the COO). For MS/HS if allocation falls under 5.00, keep a minimum of 2.00	15

BUDGET DEVELOPMENT - SCHOOLS



FY2025 School Allotment Additional Recommendations

ALLOCATION	CURRENT	PROPOSED	Page in SAG
SPECIAL PROGRAMS - NON-PERSONNEL			
Safety Personnel Overtime (MS/HS)	Amount listed \$55	Remove Amount	25
ADDITIONAL PROGRAMS			
In School Academies (ISA)	Students are supported by two content teachers and a .50 RTI/504 Support Specialist.	Students are supported by two content teachers and a .50 RTI/504 Support Specialist (conversion may be permitted after approval from the Superintendent or designee).	29
UNIQUE LEARNING			
Middle College	Detailed allocations	Align allocations	34