



In Pursuit of  
*Exceptional*

TAKING ACTION TO ADVANCE  
**OPPORTUNITIES | ACCESS | OUTCOMES** IN PURSUIT OF  
AMBITIOUS GOALS

# Superintendent's Final Budget Recommendation

Jeff Allie, Interim Chief Financial Officer



## Fund Overview

**Board Policy DC – Annual Operating Budget states:** (1) budgets will be prepared by the Superintendent and adopted annually by the BoE; (2) budgetary control exists at the aggregate fund level. HCS' aggregate fund levels include the:

**General Fund:** Accounts for the daily operations of the district and primarily funded by State Quality Basic Education (QBE) funds and Local property tax funds

- State revenue estimates traditionally available early April, preliminary forecasting completed in consideration of enrollment, current year QBE, new legislation
- Local revenue estimates strengthen in early April and fully materialize in June post settlement of the tax digest

**Special Revenue Fund:** Accounts for awards/grants for designated purposes (e.g., Title or CARES) and enterprise activities of the district (e.g., BASE or SNP)

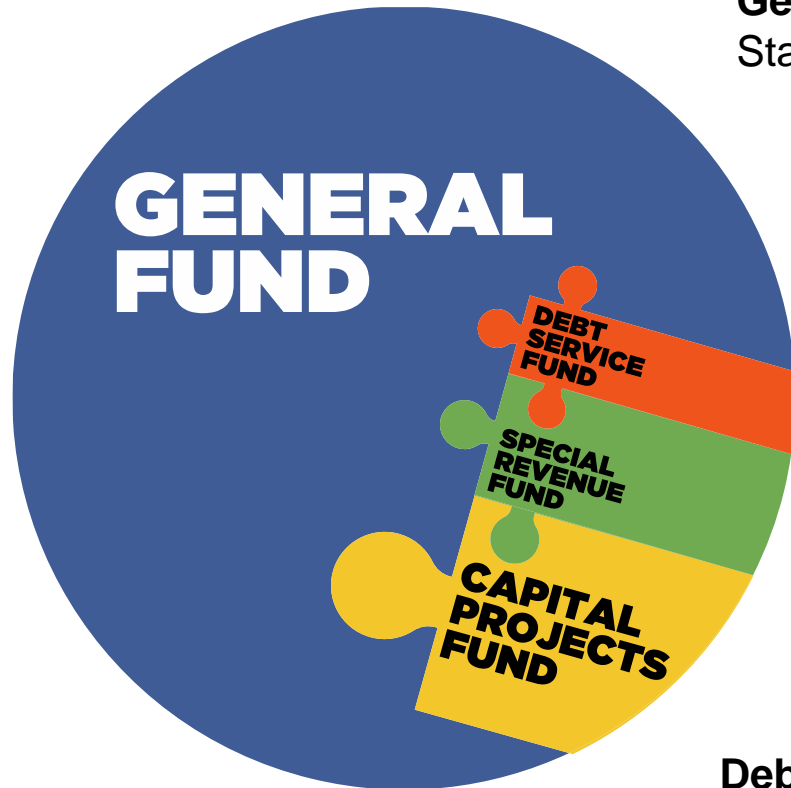
- Traditional federal grant awards generally communicated during July or August; enterprise estimates developed based on history and enrollment forecast

**Capital Projects Fund:** Comprised of the current year anticipated E-SPLOST revenues and expenditures for approved referendums and associated projects

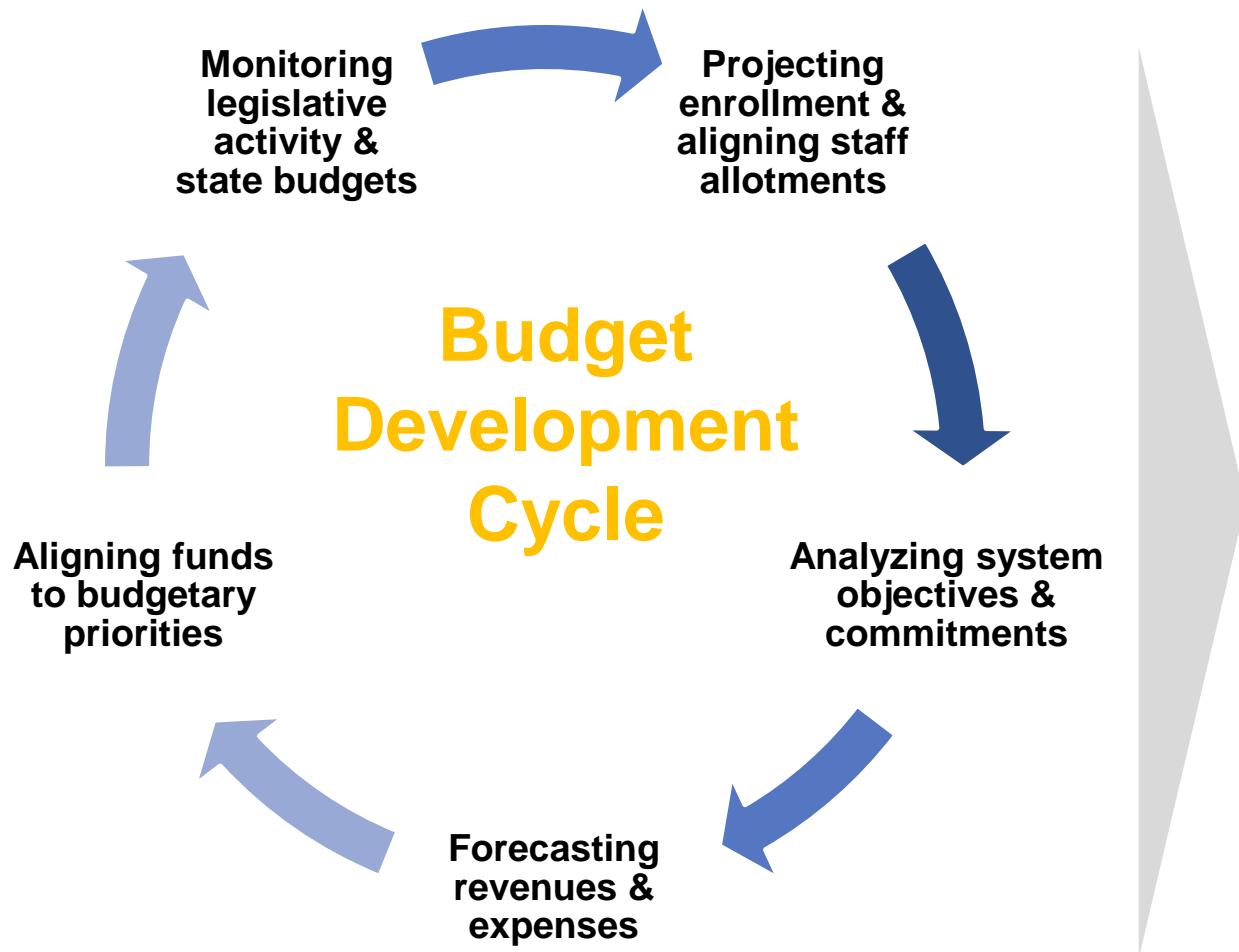
- Revenues dependent on bond issue or interest earnings

**Debt Service Fund:** Developed in consideration of obligations due per schedule

- Revenues dependent on local E-SPLOST collection forecast and tax digest



## Budget Development Cycle & Timing of Key Input Drivers



### December

- Preliminary enrollment forecasts
- Board member priorities

### January

- Tax digest valuation date (Jan 1)
- Legislative cycle opens
- Enrollment forecasts finalized

### February - March

- Legislation monitoring including mid-year budget amendments
- Touchpoints with local tax assessor

### April

- Tax digest finalized (subject to appeals)
- Legislative session ends; state budget for next fiscal year emerges
- GADOE publishes preliminary QBE funding guidance

**HCS adopted tentative in April and targets final adoption in May**



# BUDGET

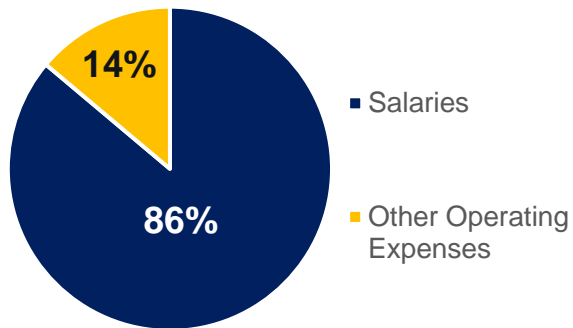
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## Tentative to Final Budget Changes – General Fund

<b>FY25 Tentative Budget Revenues</b>	<b>\$539.2M</b>	<b>FY25 Tentative Budget Expenditures</b>	<b>\$560.5M</b>
Increase State QBE Allotment	13.7M	Increase SHBP Classified Insurance	0.9M
<b>FY25 Final Budget Revenues</b>	<b>\$552.9M</b>	<b>FY25 Final Budget Expenditures</b>	<b>\$561.4M</b>

## FY25 Final Budget: Improvement Highlights – all funds

	<u>Forecast</u>
<b>Enrollment</b>	<b>43,395</b>
<b>Total GF Revenues</b>	<b>\$552.9M</b>
<b>Total GF Expenses</b>	<b>\$561.4M</b>
<i>Compensation &amp; Benefits</i>	<i><b>\$483.7M</b></i>



**Other Funds Expenses**      **\$146.4M**

a) Includes all staff paid from the Master HCS Teacher Scale  
 b) Other job families connected with the identified scales will also be adjusted  
 c) Introduction of mid-level classification for exempted employees  
 d) Subject to verification processes to be conducted by Human Resources

### Investments in competitive compensation

- Honor steps in salary scales updated to reflect \$2,500 increase for certified<sup>-a)</sup>, 2% increase for classified, and 2% increase for administrative staff.
- Targeted investments beyond 2% to yield minimum of \$1/hour increase for the following classified job families: Bus drivers, Paraprofessionals<sup>-b)</sup>, Clinic aides, Elementary and Data clerks<sup>-b)</sup>, School Secretaries, District Secretaries Level 1 and 2, Maintenance Personnel Level 1<sup>-b)</sup> and 2, Transportation Route Planners
- Re-design select salary scales, including extension of teacher scale to Step 25 and implementation of “Professional”<sup>-c)</sup> scales
- Introduction of new guidelines for Classified to allow recognition of up to 8 credible years<sup>-d)</sup> of relevant, non-school system experience and new experience guidelines for Professional scales

### Investments in high-quality instruction and support services

- Onboard positions to support BoE Strategic Plan and district operational growth to include addition of:
  - Teachers (17), Paraprofessionals (15), and a Psychologist (1) allotments in response to growth;
  - Teacher allocations (24) in response to strategic plan priorities for world language, orchestra, and computer science/engineering;
  - Birch Creek Elementary classified staff (12) and ES Monitors (29);
  - Personnel for operational growth and risk management: Maintenance (2), Transportation (0.5), Information Technology (2), Human Resources (1), and School Nutrition Enterprise (2)
- Continuation of select academic summer programming and planning; provide Literacy PD stipends



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## FY25 Final Budget: Strategic Plan Investments – all funds

Investments required for planned tactics

Estimated investment

<p><b>STRATEGIC ACTION</b></p> <p><b>1</b> Advance Learning Opportunities &amp; Experiences for All Students</p>	<ul style="list-style-type: none"> <li>Design and commence building of a premiere STEM high school site</li> <li>Expand access to early learning, foreign language, and career pathways</li> <li>Invest in academics (e.g., literacy) and arts (e.g., theater, orchestra)</li> </ul>	<p><b>\$27.5 M</b> &lt; <b>\$24.9M</b> non-personnel  <b>\$2.6M</b> personnel</p>
<p><b>STRATEGIC ACTION</b></p> <p><b>2</b> Advance Effective School Leadership &amp; Classroom Instruction</p>	<ul style="list-style-type: none"> <li>Support design and implementation of professional development for the highly effective classroom and leader, as well as, aspiring teachers and leaders</li> <li>Build out data accountability systems for student priority outcome monitoring</li> </ul>	<p><b>\$ 0.6 M</b> Non-personnel</p>
<p><b>STRATEGIC ACTION</b></p> <p><b>3</b> Advance Connectivity to Value &amp; Engage all Students, Employees, Families, &amp; Partners in Our Growing Community</p>	<ul style="list-style-type: none"> <li>Implement structures to support comprehensive Henry Partners strategy to support volunteerism, mentorships, etc.</li> </ul>	<p><b>\$ 0.3 M</b> Non-personnel</p>
<p><b>STRATEGIC ACTION</b></p> <p><b>4</b> Advance Student &amp; Employee Health, Wellness, &amp; Support Structures</p>	<ul style="list-style-type: none"> <li>Ingest personnel cost related to Mental Health and Wellness Facilitator workforce into general operations and supporting infrastructure</li> <li>Continue therapeutic support offering for elementary school students</li> </ul>	<p><b>\$ 7.6 M</b> &lt; <b>\$1.7M</b> non-personnel  <b>\$5.9M</b> personnel</p>
<p><b>STRATEGIC ACTION</b></p> <p><b>5</b> Advance a High-Performing Culture</p>	<ul style="list-style-type: none"> <li>Continue implementation of furniture and fixture replacement for classrooms, common spaces, and front offices</li> <li>Complete investments in ERP system to enhance business and HR practices</li> </ul>	<p><b>\$ 8.7 M</b> Non-personnel</p>

General Fund  
\$11.5 M

Special Revenue Funds  
\$2.4 M

Capital Project Funds  
\$30.8 M

**\$ 44.7 M**

# FY25 General Fund Outlook

## FY25 Budget Development – Funding Outlook: General Fund

Revenues	FY24 Adopted	% of budget	FY25 Projected	% of budget	Year over year
	State	\$264.4M	51.0%	\$274.4M	49.7%
Local	251.6M	48.6%	276.7M	50.0%	25.1M
Federal	2.0M	0.4%	1.8M	0.3%	(0.2M)
	<b>\$518.0M</b>		<b>\$552.9M</b>		<b>\$ 34.9M</b>

### Forecasted changes in revenue for FY25

**State ..... + \$10M**

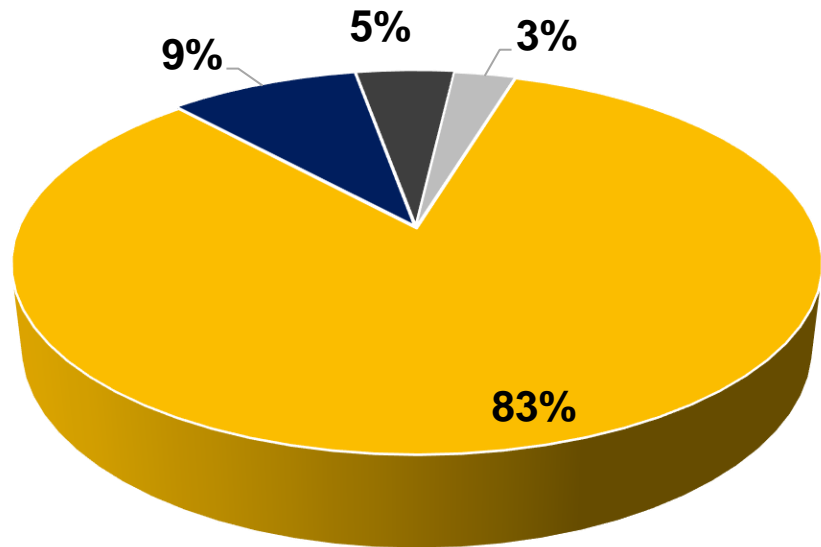
- Funding for \$2.5k teacher salary scale increase = \$7.8M
- Funding for SHBP increase for QBE certified = \$5.4M
- Net Impact of FTE increase, TRS increase to 20.78% less forecasted change in training/experience earnings = \$0.6M
- Net increase of categorical grants (↑ transportation, security, and nursing; ↓ equalization) = \$5.1M
- Increase in local five mil share contribution = (\$8.9M)

**Local ..... + \$25.1M**

- Considers growth in local property digest of 4.75%, continued strength in other local tax collections, and increased interest earnings yielding year over year growth of \$23.8M+ compared to FY24 adopted

## FY25 Budget Recommendation: General Fund

**\$12,937 expense per student,  
an increase of \$1,057 over prior year**



- Teaching & Learning
- Maintenance and Operation
- Student Transportation
- Support Services

**Projected Student Enrollment for FY25 ..... 43,395**

**Forecasted Revenues for FY25 ..... \$552.9M**

**Forecasted Expenditures for FY25 ..... \$561.4M**

Teaching & Learning: salaries, benefits, and resources to support student learning and services..... \$464.9M

Maintenance & Operations: salaries, benefits, materials, and services to maintain learning environments ..... \$51.4M

Student Transportation: salaries, benefits, materials, and services to provide transportation to students..... \$26.0M

Support Services: salaries, benefits, resources, and services to support school sites and central reporting..... \$19.1M

# FY25 Other Fund Outlook



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## FY25 Budget Recommendation: Special Revenues

Revenues	FY23 Adopted	% of budget	FY24 Projected	% of budget	FY25 Projected	% of budget
State	\$ 1.3M	1.8%	\$ 1.2M	1.6%	\$ 1.4M	2.2%
Local	11.4M	15.7%	15.5M	20.9%	17.2M	27.0%
Federal	60.0M	82.5%	57.6M	77.5%	45.0M	70.8%
	<b>\$72.7M</b>		<b>\$74.3M</b>		<b>\$63.6M</b>	
<b>Expenditures</b>						
Assigned: Arts 4 Arts			\$ 0.4M		\$ 0.5M	
Enterprise activity	\$21.6M		24.3M		23.5M	
Grant programs	50.8M		52.2M		39.9M	
	<b>\$72.4M</b>		<b>\$ 76.9M</b>		<b>\$ 63.9M</b>	
<b>Revenue Above (Under) Expenses</b>	<b>\$ 0.3M</b>		<b>(\$ 2.6M)</b>		<b>(\$ 0.3M)</b>	

### Notes:

- State revenue relates to grants for designated purposes (e.g., Pre-K Lottery and grants for nutrition services)
- Local revenue accounts for school based activity and fees collected for enterprise activity of Afterschool and the School Nutrition
- Federal revenue sources include **(1)** funds traditionally received for recurring programming such as Title and School Nutrition and **(2)** one-time Elementary and Secondary School Emergency Relief (ESSER) funds to respond to the COVID-19 pandemic (e.g., ARPA)

## | FY25 Budget Recommendation: Special Revenues Highlights

### ARPA (ESSER 3)

- Complete planned investments in Learning Environments
  - Accelerate CTAE growth & replacement to support enriched student experiences and access
- Complete investments in Learning Recovery and Acceleration
  - Fund Summer 2024 learning initiatives, including Early Kindergarten
- Enhance and continue investments in Highly Effective Instruction
  - Procure Literacy professional development aligned to “Science of Reading” research
  - Provide TAPP scholarship program to support teacher certification
  - Continue to support teachers and principals with coaching mentors

### Arts for the Arts

- Invest in next phase of band uniform growth and replacements (2 schools)
- Fund stipends associated with Arts programming (e.g., chorus, theater, band, etc.)



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## FY25 Budget Recommendation: Capital Projects & Debt Outlook

### Capital Projects Fund

The Capital Projects Fund is comprised of bond proceeds and expenses associated with the education special purpose local option sales tax (E-SPLOST) projects approved by Henry County voters.

#### FY25 Revenue

Interest earnings on bond proceeds ..... **\$5.5 million**

#### FY25 Expenditures

Continuation E-SPLOST VI projects..... **\$55.0 million**

### Debt Service Fund

The Debt Service Fund revenue is comprised of tax proceeds dedicated to the retirement of debt, including E-SPLOST VI collections. Expenditures are prescribed per a debt repayment schedule.

#### FY25 Revenue

Local tax collections ..... **\$89.9 million**

#### FY25 Expenditures & Transfers

General Obligation Bond payments ..... **\$27.4 million**

Transfer to Capital Projects for E-SPLOST VI ..... **\$40.0 million**



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## FY25 Budget Development: Next Steps

Henry County Schools  
FY25 Budget Calendar

The following proposed schedule of activities will guide budget development in the Henry County School System for the school year 2024-2025.

Activity	Responsibility	Date
Present FY25 Budget Calendar	Superintendent/CFO	Monday, December 11, 2023 Study Session
Present FY25 Budgetary Priorities	Superintendent/CFO	Monday, January 8, 2024 Study Session
Present FY25 Outlook	Superintendent/CFO	Monday, February 12, 2024 Study Session
Present FY25 Budget Overview	Superintendent/CFO	Monday, March 11, 2024 Study Session
Post FY25 Budget Overview on Henry County Schools Website	Financial Services	Friday, March 15, 2024
Provide FY25 Budget Notebook to Board of Education	Financial Services	Friday, March 22, 2024
Present FY25 Tentative Budget	Superintendent/CFO	Monday, April 15, 2024 Study Session
Host Budget Hearing (1 of 2)	Board of Education/Superintendent	Monday, April 15, 2024 6:30 p.m.
Adopt FY25 Tentative Budget	Board of Education	Monday, April 15, 2024 Business Session
Post FY25 Tentative Budget on Henry County Schools Website	Financial Services	Friday, April 19, 2024
Present FY25 Final Budget	Superintendent/CFO	Monday, May 13, 2024 Study Session
Host Budget Hearing (2 of 2)	Board of Education/Superintendent	Monday, May 13, 2024 6:30 p.m.
Adopt FY25 Final Budget	Board of Education	Monday, May 13, 2024 Business Session
Post FY25 Final Budget on Henry County Schools Website	Financial Services	Friday, May 17, 2024
Advertise and hold Public Meetings for Tax Payer Bill of Rights (**)	Board of Education/Superintendent	July 2024
Final adoption of millage rate (**)	Board of Education	July / August 2024

May 13th | FY25 Budget Hearing #2  
Final Budget Adoption

(\*) Board Working Session to be scheduled

(\*\*) Scheduled dates for public hearings and adoption of millage rate are contingent on availability of tax digest information from tax officials.

Budget adoption should occur before July 1 and contain at least the same amount of budget information as included in the legal advertisement.