Our goal is to prepare all students to graduate ready to pursue and succeed on their chosen paths.

**SCHOOL BOARD**
March 21, 2019
FY2020 Budget Markup #1
Presentation

**Agenda**
- Budget Summary by Program
- Pension Fund
- School Nutrition Fund
- Title I Fund
- Title VI-B fund
- Pre-Kindergarten Fund
- Debt Service Fund
- Next Steps
## FY19 vs. FY20 Tentative Budget Summary by Program

<table>
<thead>
<tr>
<th>Grants and Special Revenue Title</th>
<th>Grant Manager</th>
<th>FY20 General Fund Contribution</th>
<th>FY19 Revenues</th>
<th>FY20 Revenues</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Nutrition Program</td>
<td>Alyssia Wright</td>
<td>0</td>
<td>$27,030,087</td>
<td>$26,635,846</td>
<td>($394,241)</td>
</tr>
<tr>
<td>Title I-A, Improving the Academic Achievement of the Disadvantaged</td>
<td>Catherine Harper</td>
<td></td>
<td>21,504,305</td>
<td>20,214,047</td>
<td>(1,290,258)</td>
</tr>
<tr>
<td>School Improvement Federal - G Funds</td>
<td>Duke Bradley III</td>
<td>1,107,570</td>
<td>996,865</td>
<td>52,689</td>
<td>(14,298)</td>
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<tr>
<td>Education for Homeless Children and Youth</td>
<td>Sabrina Callaway</td>
<td>66,987</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Title II-A, Improving Teacher Quality</td>
<td>Alexandra Bates</td>
<td>2,635,599</td>
<td>2,503,819</td>
<td>131,780</td>
<td>(131,780)</td>
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<tr>
<td>Title II-A, Advanced Placement</td>
<td>Alexandra Bates</td>
<td>9,000</td>
<td>15,865</td>
<td>6,865</td>
<td></td>
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<tr>
<td>Title III-A, Language Instruction for English Learners</td>
<td>Barbara Beaverson</td>
<td>790,924</td>
<td>790,924</td>
<td></td>
<td></td>
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<tr>
<td>Title IV, Student Support and Academic Enrichment</td>
<td>Catherine Harper</td>
<td>1,540,048</td>
<td>1,447,645</td>
<td></td>
<td>(92,403)</td>
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<tr>
<td>Special Education - VIB Flow through (includes carryover)</td>
<td>Blake McGaha</td>
<td>125,802,328</td>
<td>17,734,958</td>
<td>18,613,128</td>
<td>878,170</td>
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<tr>
<td>Special Education - Preschool</td>
<td>Blake McGaha</td>
<td>416,632</td>
<td>476,422</td>
<td>59,790</td>
<td></td>
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<tr>
<td>High Cost Fund Pool (*).</td>
<td>Blake McGaha</td>
<td>365,553</td>
<td>473,580</td>
<td>108,027</td>
<td></td>
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<tr>
<td>CTE - Perkins IV Grants - Program Improvement</td>
<td>Yalanda Bell</td>
<td>764,880</td>
<td>764,880</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTAE - Perkins Plus Reserve</td>
<td>Yalanda Bell</td>
<td>25,000</td>
<td>25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total of Federal Grants</strong></td>
<td></td>
<td><strong>$125,802,328</strong></td>
<td><strong>$73,991,543</strong></td>
<td><strong>$73,010,710</strong></td>
<td><strong>($980,833)</strong></td>
</tr>
</tbody>
</table>

**Fiscal Responsibility** - We manage and protect public funds and assets through efficient and effective use of available resources.
## Grants and Special Revenue Title

<table>
<thead>
<tr>
<th>Grants and Special Revenue Title</th>
<th>Grant Manager</th>
<th>FY20 General Fund Contribution</th>
<th>FY19 Revenues</th>
<th>FY20 Revenues</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preschool Disability Services</td>
<td>Blake McGaha</td>
<td>$0</td>
<td>$2,170,084</td>
<td>$2,259,613</td>
<td>$89,529</td>
</tr>
<tr>
<td>Tuition for Multiple Disabilities (*)</td>
<td>Blake McGaha</td>
<td>400,330</td>
<td>308,946</td>
<td>(91,384)</td>
<td></td>
</tr>
<tr>
<td>Residential Treatment Centers Grant</td>
<td>Blake McGaha</td>
<td>354,689</td>
<td>348,275</td>
<td>(6,414)</td>
<td></td>
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<tr>
<td>CTAE - Ag Extended Day/Year</td>
<td>Yalanda Bell</td>
<td>52,286</td>
<td>52,286</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Career, Technical, and Agriculture - CTE Apprenticeship</td>
<td>Yalanda Bell</td>
<td>38,173</td>
<td>38,393</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>CTAE - CTE Extended Day</td>
<td>Yalanda Bell</td>
<td>491,433</td>
<td>491,433</td>
<td>-</td>
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<tr>
<td>CTAE - Supervision</td>
<td>Yalanda Bell</td>
<td>77,157</td>
<td>103,269</td>
<td>46,077</td>
<td></td>
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<tr>
<td>Charter Schools - Facilities</td>
<td>Andrea Cooper-Gatewood</td>
<td>299,521</td>
<td>300,000</td>
<td>479</td>
<td></td>
</tr>
<tr>
<td><strong>Total of Fund 100 State Grants</strong></td>
<td></td>
<td>$77,157</td>
<td>$3,863,708</td>
<td>$3,902,214</td>
<td>$38,506</td>
</tr>
<tr>
<td>Pre-Kindergarten Program</td>
<td>Montreal Bell</td>
<td>$902,600</td>
<td>$7,262,103</td>
<td>$7,255,590</td>
<td>($6,513)</td>
</tr>
<tr>
<td><strong>Total of Other State Grant</strong></td>
<td></td>
<td>$902,600</td>
<td>$7,262,103</td>
<td>$7,255,590</td>
<td>($6,513)</td>
</tr>
<tr>
<td>Metro Atlanta Policy Lab for Education</td>
<td>James Yerich</td>
<td>$0</td>
<td>$100,322</td>
<td>$100,322</td>
<td>-</td>
</tr>
<tr>
<td>Verizon Foundation Grant</td>
<td>John T. Madden</td>
<td>$25,000</td>
<td>$25,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total of Miscellaneous Grants and Donations</strong></td>
<td></td>
<td>$0</td>
<td>$125,322</td>
<td>$125,322</td>
<td>0</td>
</tr>
<tr>
<td><strong>SPECIAL REVENUE TOTAL</strong></td>
<td></td>
<td>$126,782,085</td>
<td>$85,242,676</td>
<td>$84,293,836</td>
<td>($948,840)</td>
</tr>
</tbody>
</table>

Note: All state grants are required to be recorded in the school system’s General Fund. All other grant programs are recorded in the Special Revenue Fund 40. This includes the general fund contribution.

The FY19 grants with an (*) are preliminary budgets only, not actual awards.

## SUMMARY OF FY20 REVENUE SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$73,010,710</td>
<td>34.6%</td>
</tr>
<tr>
<td>State DOE Fund 100 Grants</td>
<td>$3,902,214</td>
<td>1.8%</td>
</tr>
<tr>
<td>Other State Grant</td>
<td>$7,255,590</td>
<td>3.4%</td>
</tr>
<tr>
<td>Misc. Grants &amp; Donations</td>
<td>$125,322</td>
<td>0.1%</td>
</tr>
<tr>
<td>General Fund Contribution</td>
<td>$126,782,085</td>
<td>60.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$211,075,921</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Fiscal Responsibility - We manage and protect public funds and assets through efficient and effective use of available resources.
# Budget FY20:

<table>
<thead>
<tr>
<th>Annual Budget</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contributions</td>
<td>$23,060,000</td>
</tr>
<tr>
<td>Employee Contributions</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$30,450,000</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$56,010,000</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>$35,649,600</td>
</tr>
<tr>
<td>Investment Expenses</td>
<td>$957,000</td>
</tr>
<tr>
<td>Salary and Benefits</td>
<td>$443,252</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>$453,000</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$37,502,852</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Fund Balance</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Beginning Fund Balance</td>
<td>$435,000,000</td>
</tr>
<tr>
<td>Excess of Revenues Over Expenditures</td>
<td>$18,507,148</td>
</tr>
<tr>
<td>Estimated Ending Fund Balance</td>
<td>$453,507,148</td>
</tr>
</tbody>
</table>

**Fiscal Responsibility** - We manage and protect public funds and assets through efficient and effective use of available resources.
Positive:

- Improved Funding Ratio
- Projected Full Funding By 2025!

- Declining Expense Ratio
- BOE gained legislative control in FY 19.
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Looking Ahead:

- Monitor Investment Performance
- Implementation New Actuary
- Review Plan Assumptions
- Keep Expense Ratios Low
FY2020 Annual Planning Presentation

School Nutrition Program
Alyssia Wright, Executive Director

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Budget FY20: SCHOOL NUTRITION

Forecasted Revenue - $42,043,127
- ADULT: 64%
- STATE: 25%
- USDA FOODS: 1%
- STUDENT: 2%
- CONTRACTED SNACKS: 2%
- OTHER: 6%

Forecasted Expenditures - $41,982,069
- FOOD: 42%
- LABOR: 28%
- BENEFITS: 12%
- INDIRECT COST: 3%
- OTHER: 15%

* No Meal Price Increase 19-20 *
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Positive: SCHOOL NUTRITION

WE PASSED!
Challenge(s): SCHOOL NUTRITION

What are we Doing?

• Utilizing Social Media
• Announcements in School Newsletters
• Yard Signs and Flyers posted at Schools
• Job Fairs
Student Focused Innovations:

- Gourmet Coffee
- Mobile Ordering
- Expansion of Mobile Foodservice
FY2020 Annual Planning Presentation

Title I Department
Catherine Harper, Director
Budget FY20:

Total FY2020 Estimated: $20,214,047 (94% of FY19)

Direct School Allocation: $15,585,793

Instructional Staff Training: $2,043,788

Set Asides: $1,565,849
(admin, family engagement, homeless, foster, N&D, summer camp)

Indirect Costs: $953,401

Private School Portion: $65,216
Positive:

- 4 Title I Reward Schools:
  - Amana Academy
  - Hillside ES
  - River Eves ES
  - Woodland ES

- Academic Summer Camp served more than 200 students

- Streamlined Title I Planning Process for schools – to align with school strategic plans and goals

- Participated in Streamlined CLIP – which aligns federal programs plan and goals with Strategic Plan 2020

- 5 Consolidated Schools – excellent mid-year review by GaDOE
  - Lake Forest
  - Esther Jackson
  - Elkins Pointe
  - Woodland MS
  - Banneker
Challenges:

- Federal Title I Plan requirements continues to produce extra strategic planning steps for schools (two plans)
- Federal (ESSA) evidence-based documentation requirements attempt to assure schools are expending Title I Funds on proven programs but the process is cumbersome and proven program list is too limited at the current time
Looking Ahead:

- 59 Title I schools
- 9 private schools
- 6 facilities that serve neglected children
- 15 schools participating in the Consolidation of Funds initiative

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FY2020 Annual Planning Presentation

Services for Exceptional Children
Blake McGaha, Executive Director
Fiscal Responsibility - We manage and protect public funds and assets through efficient and effective use of available resources

Budget FY20:

TITLE VIB FY20 FISCAL FORECAST:

$18,613,128

- 96% of Federal Funds go straight to personnel resources that support students in our schools
- The other 4% of Federal Funds are used to support

- Fund Special Ed Teachers, Special Ed Admin Staff, Bilingual School Psychologist, Occupational Therapists
- Fund CBI Transportation, Indirect Costs, Assistive Technology, SNPK Supplemental Materials
Positive:

- Implemented an improved FTE count process which is expected to produce a significant increase in future FTE earnings.
- Increased supports for new SEC staff in an effort to improve retention rates and employee satisfaction: **New IST Academy & Go Tip for SEC teachers.**
- Implemented a series of face-to-face cohorts to support the instructional skills of SEC teachers: **Literacy Cohorts & Math Cohorts.**
- Restructured SEC Department to align to an instructional focus, one that supports teaching and learning for all Students with Disabilities (SWD).
- SEC **continues** to have **no** determination of significant disproportionality.
Challenge(s):

• FCS is only funded 12.58% in FY19 versus the promised 40% when IDEA was written in 1975.

• High Cost explanation: FCS identifies students in which the cost to instruct these students is at least 3 times that of the average pupil (must exceed $27,000 per student). $1,424,792

• Residential explanation: FCS identifies students who require extensive, around the clock services that can only be provided through a residential setting. $670,036
Looking Ahead:

• Continued increases in FTE funding due to improved business practices.
• Remapped transition support structure for MS and HS students to better support aimed at monitoring attendance, discipline, and credits to improve graduation rates.
• SEC has developed a 3-year scope & sequence for professional learning for all special education staff that focuses on Specially Designed Instruction (SDI) for Students with Disabilities.
• Thank you to the Board for the compensation enhancements that will help with recruiting of special education teachers and paraprofessionals.
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FY2020 Annual Planning Presentation

Prekindergarten Programs

Montreal Bell, Coordinator, Early Childhood Programs
Budget FY20: Pre-K Program
85 Classes in 45 Schools

Proposed Budget: $8.16M
- Local supplements for teachers and paraprofessionals
- Subs for Professional Development (state required training)
- Materials and supplies for Pre-K classrooms (allocated in school budgets)
- Meals for Category One students
- Central Office Support for instruction, behavior, families and community

Estimated State Revenue: $7.2M
- Teacher credentials and experience
- Full classrooms (operating costs)
- Benefits are based on teacher credential levels (Bachelors degree, T4, T5)
- Additional transportation revenue generated when Category One students ride the school bus
- Additional revenue would include the proposed pay raises for teachers ($2775) and paraprofessionals (2%)

Possible Increases & Impacts
- **FULTON’s proposed pay raise for teachers of $2775 and paraprofessionals of 3% will increase the proposed budget**
- TRS is expected to increase by 1.15%. Increases in salaries could also increase contributions and other benefits
- Flat rate for Health Insurance could increase budget by more than $268K
- State proposed funding for supplies could be added to Operational Funds

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Positives: PRE-K PROGRAM

- Continued focus on Strategic Plan 2022 with the Pre-K Standards Mastery Framework aligned to Kindergarten prioritized standards.
- Prioritized Georgia Early Learning and Development Standards resources aligned lesson plans and assessments (in process).
- Early identification and intervention to determine student learning needs.
- Expansion of inclusion program and services for students with IEPs.
- Continuation of Summer Transition Programs at Lake Forest and Mimosa.
- Improvements in FY19 waiting list data.
- Training access to teachers and paraprofessionals on Request for Flexibility days and Teacher Workdays.
Challenges: Pre-K Program

- K-5 Attrition
- Increased costs in health insurance, TRS and other benefits
- Competition for local dollars
- Training of new and existing staff

**Teacher and Paraprofessional Retention Data**

- Teachers: 34%, 31%, 60%, 48%
- Paraprofessionals: 66%, 49%, 48%

**READY on Day 1**

- Teachers: 100%, 93%, 96%, 93%, 94%
- Paraprofessionals: 72%

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Fiscal Responsibility - We manage and protect public funds and assets through efficient and effective use of available resources.

Looking Ahead: Pre-K Program

- Build early literacy and numeracy skills of students.
- Increase Kindergarten Readiness.

- Develop Teacher Leaders to assist with Standards Mastery implementation.
- Continue to support staff on Professional Development days to assist with Instructional, Behavioral and Collaboration.

- Partner with Community agencies that provide services to children and families.
- Continue to attend community collaborative meetings and provide resources available to families that need assistance.
- Collaborate with private prekindergarten providers to ensure a reciprocal support system.

- Continue communication with state to help close funding gaps.
- Monitor changes in TRS and other legislation regarding health insurance and benefits for state employees.
FY2020 Annual Planning Presentation

Debt Service Fund
Marvin Dereef, Deputy Chief Financial Officer
## Budget FY2020:

<table>
<thead>
<tr>
<th>Debt Service</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$5,651,146</td>
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<tr>
<td><strong>Revenues</strong></td>
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</tr>
<tr>
<td>Local Revenues</td>
<td>1,600</td>
</tr>
<tr>
<td>SPLOST Transfers</td>
<td>6,415,930</td>
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<tr>
<td>Interest</td>
<td>54,000</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<tr>
<td>Principal Payments</td>
<td>10,890,000</td>
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<tr>
<td>Interest Payments and Fees</td>
<td>1,232,676</td>
</tr>
<tr>
<td><strong>Revenues Less Expenditures</strong></td>
<td>(5,651,146)</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$0</td>
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## Positive:

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2018</th>
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<tbody>
<tr>
<td>Assessed Value</td>
<td>$36,112,540,909</td>
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<tr>
<td>Debt Limit - 10% of Assessed Value</td>
<td>3,611,254,091</td>
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<tr>
<td>Debt applicable to Limit:</td>
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<tr>
<td>General Obligation Bonds</td>
<td>32,715,000</td>
</tr>
<tr>
<td>Less: Amount reserved for repayment of General Obligation Debt</td>
<td>5,611,047</td>
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<tr>
<td>Total Debt applicable to Limit</td>
<td>27,103,953</td>
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<tr>
<td>Legal Debt Margin</td>
<td>$3,584,150,138</td>
</tr>
<tr>
<td>Total Net Debt applicable to the limit as a % of the Debt Limit</td>
<td>0.74%</td>
</tr>
</tbody>
</table>
Looking Ahead:

- General Obligation Bond Series 1998
  - Total Payments $247.6 million/Final Payment 1-1-2021
  - Total Principal Outstanding FY 2020 $22.4 million

- Qualified School Construction Bond Series 2011
  - Total Payments $61.6 million/ Final Payment 1-1-2027
  - Total Principal Outstanding FY 2020 $19.0 million
Next Step

FY2020 Board Budget Calendar

March 21

Recommend budget calendar revisions