



SCHOOL BOARD

March 12, 2019

FY2020 Preliminary revenue and expenditure projections

Agenda

- Revenue Forecast
- Expenditure Projections
- Financial Condition
- Next Steps





FY2020 Revenue Assumptions

FY2020 Projected Tax Digest

	2019	2020
Residential	22,319,217,750	23,435,178,638
Commercial	13,856,345,510	14,549,719,013
Utility, Industrial, Other	1,981,555,439	2,080,735,670
MV	323,567,960	226,497,572
Gross Digest	38,480,686,659	40,292,130,892
% Change (Gross)	15.644%	4.72%
Existing Exemptions	(2,489,848,920)	(2,614,341,366)
Homestead Cap	0	(3,180,178,490)
Net Digest	35,990,837,739	34,497,611,036
% Change (Net)	16.265%	-4.149%

Quality Basic Education (QBE) Funding

- FTE count is expected to have a slight decline
- State Revenue of \$19.4 million due to expected increase in state salary scale
- TRS employer rate increase from 20.90 to 21.14
- Local Fair Share (LFS) is going from \$173 million in FY2019 to \$181 million in FY2020. This is a negative impact of \$8 million
- Expect continuation of the Charter System Grant of \$4 million



General Fund Revenue Forecast Comparison

Revenue	FY2019	FY2020	Dollar change	% change
Local Revenues	659,793,654	637,806,843	(21,986,811)	-3.3%
Interest on Investments	1,990,000	2,690,000	700,000	35.2%
State Sources	377,288,724	389,292,867	12,004,143	3.2%
Federal Sources	685,000	685,000	0	0.0%
Transfers and Other Local Revenue	11,444,635	11,839,956	395,321	3.5%
Total Revenues	1,051,202,013	1,042,314,666	(8,887,347)	-0.8%
Revenue Per Pupil	11,048	11,155	107	1.0%



FY2020 Expenditures Highlights

General Fund Budget

Expenditure Highlights	
Department reductions	(\$9.3 million)
School Allotment change impact	(\$7 million)
Enrollment change impact	(\$4.8 million)
Proposed Salary increases	\$35.5 million

FY2020 Expenditure Projections

General Fund Budget



DIVISION	Total Existing Positions	Total New Position Requests	Total One-time	Total Recurring	Total 2020 Request	Total FY2019 Current	Total FY2019 Original	Change from FY2019 Original to FY2020 Request	Change from FY2019 Current to FY2020 Request
SCHOOLS	9,183.48	(51.55)	0	812,637,667	812,637,667	837,897,709	824,519,427	-1.44%	-3.01%
ADMINISTRATIVE SERVICES	41.49	(4.50)	0	4,761,437	4,761,705	5,467,256	5,299,177	-10.14%	-12.91%
ACADEMICS	160.82	(8.33)	1,558,455	48,029,277	50,087,732	56,449,232	53,036,623	-5.56%	-11.27%
OPERATIONS	1,311.70	(2.00)	793,500	98,980,800	99,774,300	115,004,634	101,876,655	-2.06%	-13.24%
INFORMATION TECHNOLOGY	173.60	0.00	153,285	22,566,654	22,719,939	25,917,318	23,557,422	-3.56%	-12.34%
TALENT	47.00	(1.00)	0	5,222,559	5,222,559	5,471,006	5,188,036	0.67%	-4.54%
FINANCIAL SERVICES	60.75	(0.45)	0	11,041,749	11,041,749	13,432,784	11,337,982	-2.61%	-17.80%
DISTRICT-WIDE	0.00	0.00	0	21,780,054	21,780,054	22,679,557	22,454,557	-3.00%	-3.97%
STATE GRANTS	34.30	(0.94)	0	3,979,371	3,979,371	3,277,485	3,932,132	1.20%	21.42%
GRAND TOTAL	11,013.14	(68.77)	2,505,240	1,028,999,568	1,032,005,076	1,085,596,982	1,051,202,013	-1.83%	-4.94%
Proposed Salary Increases					35,452,481				
Total - FY20 Budget Request					1,067,457,557				





OUR COMPENSATION BELIEF

The Fulton County School System is committed to paying a **competitive salary/wage** to all of its employees, both Teaching and Non-Teaching. We believe that compensation is a **mission critical lever for attracting and retaining the talent needed to effectively administer our education system for Fulton County student and stakeholders**. Our base pay and benefits program approach must address our organization's unique needs. As such it must:

- Support our strategic/organizational goals;
- Be fiscally sustainable;
- Be competitive.....not the highest paying metro district;
- Be aligned with our mission, values and culture;
- Support the development of new and evolving skills and behavioral competencies needed for new roles;
- Accurately measure the relative value of work in terms of both traditional jobs and evolving new roles and positions;
- Have a built-in flexibility to address a wide range of variations within the organization; and
- Support our selection/retention, development, and performance management programs.

All of the above traits aligns to and/or impacts the domains outlined in the FCS Strategic Plan 2022



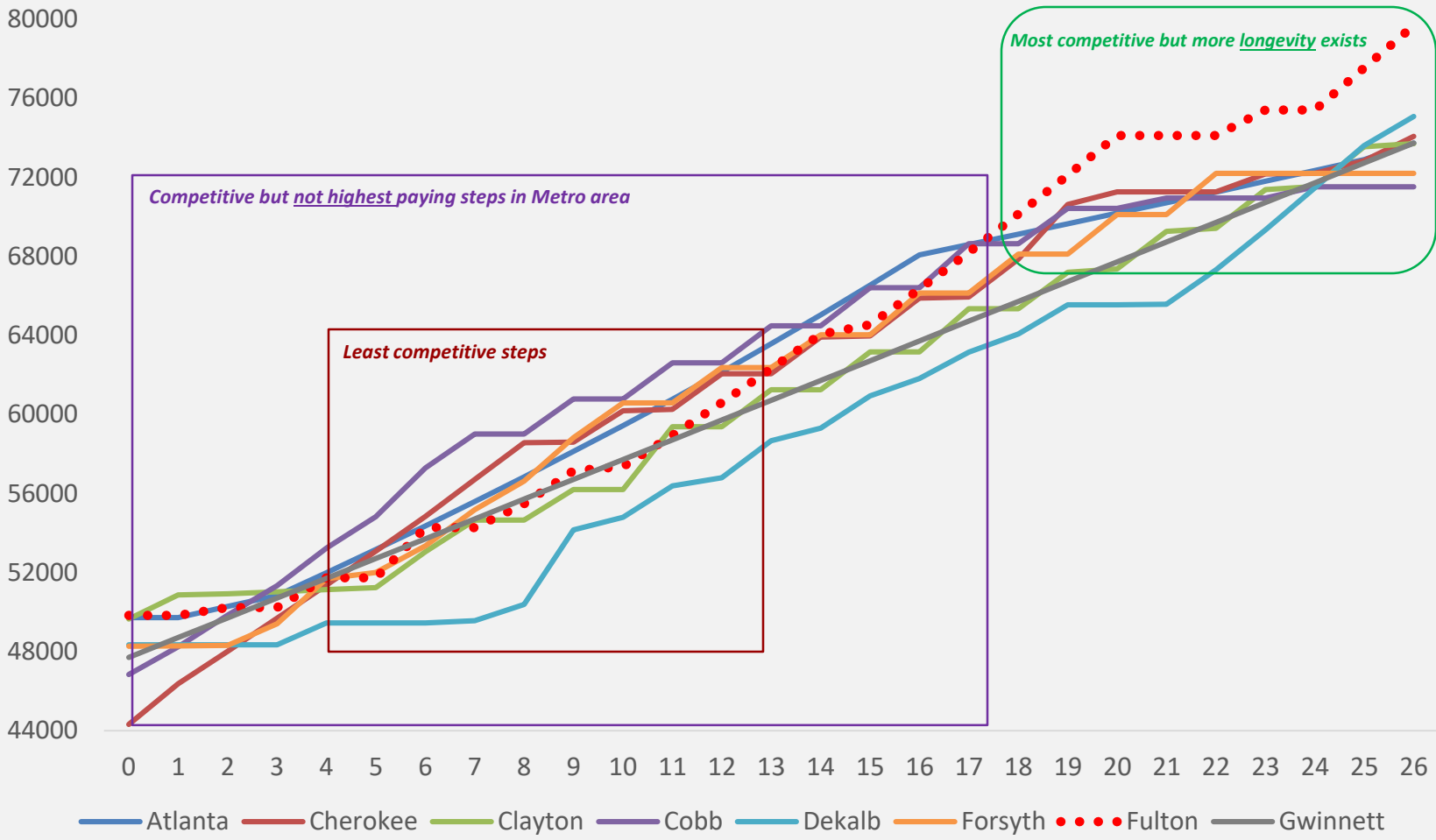


FY2020 Employee Compensation Recommendation

FY20 Salary Increase Recommendations	Employees Impact (Full Time)	Other Details	Estimated Cost
\$2775 Salary Increase plus a Mid-Year Step	Teachers <i>(All positions paid from the Teacher Salary Schedules)</i> , Principals, Assistant Principals, Counselors, Media Specialists, School Social Workers, School Psychologists, Pre-K Teachers	There will be No STEP increase @ longevity steps on the schedules or for staff with unsatisfactory performance. Applications of the Mid-Year Step will be in the January 2020 payroll for all eligible employees	\$35.5M
3% Salary Increase plus a Mid-Year Step	Paraprofessionals, Parent Liaisons, Clinic Aides, Bus Drivers, Transportation Assistants, Food Service Workers, Custodians		
2% Salary Increase plus a Mid-Year Step	All other district positions		

FY2020 Salary Considerations of other Metro School Districts

School Districts	Unofficial Response
Atlanta, Cherokee, Clayton, Cobb, DeKalb, Forsyth, Gwinnett	We have no official confirmation, but the metro districts with whom FCS competes for personnel have indicated or are expected to pass on those salary increases articulated by the Governor and expected to be included in the State's FY2020 budget.



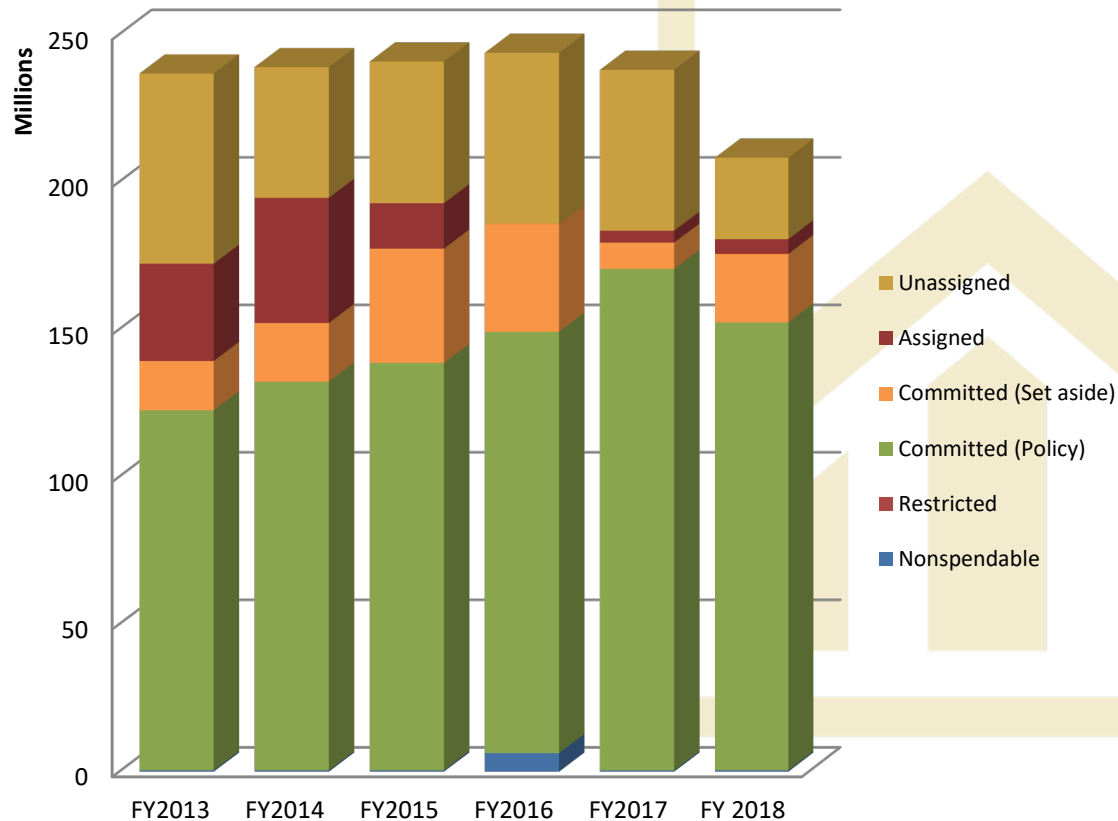
There are competitive **weaknesses** and competitive **strengths** within our teacher salary schedules



2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<u>One-Time Payment</u>	<u>% Increase</u>	<u>One-Time Payment</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>	<u>% Increase & Step</u>
\$1000 Teachers	3% for all eligible employees	3% for all eligible employees	4% -8% and Step for teachers	5% and Step for teachers	2% and Step for teachers	Step for all eligible employees
\$500 Non Teaching			3% and Step for non- teaching	3% and Step for non- teaching	1% and Step for non- teaching	2% Midyear increase for teachers on steps (4-14)

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

Financial Condition



Financial Advisor's Analysis

-At FCS' lowest projected fund balance levels, you are still in line with other Aaa rated peers in the state of GA that are also fairly large in size

-Despite declining fund balance levels, FCS continues to be strong with very low debt levels, very strong full value levels and strong income levels

-Showing that there is a plan to reduce reliance and even add to fund balance levels is important to long term rating.