

2025 Budget Presentation



Where Excellence and Creativity Merge

Board Meeting
Tom Gray
Chief Financial Officer
May 20, 2024

FY2025 Budget Adoption Overview

- General Fund Budget
 - \$278,058,000
- Debt Service
 - \$6,843,551
- Capital Projects
 - \$60,438,840
- Special Revenue Funds
 - \$20,647,042
- Internal Service Fund (Worker's Compensation)
 - \$1,800,000

FY2025 Proposed Budget	General	Debt Service	Capital Project	Special Revenue	Internal Service
ESTIMATED RECEIPTS	Fund	Fund	Funds	Funds	Fund
Ad Valorem Taxes - Property	\$135,000,000	\$0	\$0	\$0	\$0
Ad Valorem Taxes - Other	11,750,000	0	0	0	0
Other Tax Revenues	2,600,000	0	41,350,000	0	0
Other Local Receipts	900,000	25,000	0	13,619,585	1,800,000
State QBE Funds	130,188,420	0	0	0	0
Other State Funds	1,580,000	0	399,168	2,050,000	0
Federal Funds	0	0	0	13,555,293	0
Transfers From Other Funds	0	6,300,000	1,223,483	776,517	0
TOTAL RECEIPTS	\$282,018,420	\$6,325,000	\$42,972,651	\$30,001,395	\$1,800,000
Fund Balance July 1, 2024	23,800,000	1,200,000	59,846,085	8,868,700	1,200,000
TOTAL REVENUES AND FUND BALANCE	<u>\$305,818,420</u>	<u>\$7,525,000</u>	<u>\$102,818,736</u>	<u>\$38,870,095</u>	<u>\$3,000,000</u>

FY2025 Proposed Budget	General	Debt Service	Capital Project	Special Revenue	Internal Service
ESTIMATED EXPENDITURES	Fund	Fund	Funds	Funds	Fund
Instruction	\$184,624,780	\$0	\$4,388,486	\$10,849,505	\$0
Pupil Services	16,276,520	0	0	2,802,316	0
Improvement of Instruction	7,636,329	0	0	10,403	0
Instructional Staff Training	970,554	0	0	620,331	0
Media Services	4,175,048	0	0	325,000	0
Federal Grant Administration	401,474	0	0	281,052	0
General Administration	1,862,297	0	0	800	1,800,000
School Administration	19,230,970	0	0	1,300,000	0
Business Services	1,708,231	0	0	0	0
Maintenance and Operations	20,293,849	0	0	325,000	0
Student Transportation	10,676,222	0	0	386,760	0
Central Support Services	7,784,823	0	0	0	0
School Nutrition Services	60,000	0	0	9,638,578	0
Community Services	57,187	0	0	3,745,875	0
Facilities Acquisition & Construction	0	0	42,176,629	0	0
Transfers to Other Funds	2,000,000	0	6,300,000	0	0
Other Uses	299,716	6,843,551	7,573,725	0	0
TOTAL EXPENDITURES	\$278,058,000	\$6,843,551	\$60,438,840	\$30,285,620	\$1,800,000
Estimated Fund Balance June 30, 2025	27,760,420	681,449	42,379,896	8,584,475	1,200,000
TOTAL EXPENDITURES AND FUND BALANCE	\$305,818,420	\$7,525,000	\$102,818,736	\$38,870,095	\$3,000,000

Budget Challenges for 2025

- Reduced QBE revenues from lower enrollment/FTE
- Limited increase in local revenues due to “school tax cap”
- Educational alternatives such as charter and private schools
- Competitive salaries
 - Inflationary pressures
 - Nearby counties increasing at faster rate
 - Pool of applicants for teaching profession and other positions
- Employer portion of state health insurance increase
- TRS employer contribution rate increase
- Inflation of operational expenditures (including instructional resources)
- Small school size affects staffing efficiency

General Fund Budget Overview

Fayette County School District GA

FY2025

General Fund Revenues

- Total revenues \$282,018,420
 - Local revenues \$150.3 million
 - State revenues \$131.7 million
- Fund balance available \$23.8 million

General Fund Revenues

State QBE funding \$130.2 million

- Increase of \$9.7 million over prior year (revised)
- QBE funds increased \$10.0 million (revised)
 - FTE's decreased 151
 - \$2,500 increase in teacher salary
 - \$3.1 million for health insurance
 - TRS rate increase
 - Transportation increase \$2.4 million (revised)
 - Nursing increased slightly
 - LFMS increased \$2.2 million (*capped statewide at 20% of QBE earnings*)

General Fund Revenues

Local Revenues \$150.3 million

- Property ad valorem \$135 million (pending tax digest)
 - Real Property projected to increase over 6%
 - Growth 2.4%, reassessment 3.6%
 - Exemptions projected increase 9%
 - Based on projected net digest increase of 5.5%
- Motor vehicle ad valorem \$0.75 million
- Title Ad Valorem Tax (TAVT) \$11 million
 - Combined automotive taxes are \$11.8 million
- Intangible Taxes \$1.6 million (decrease of \$1.9 million)
- Transfer Tax \$1.0 million
- Other local revenues \$900,000
- No planned use of fund balance

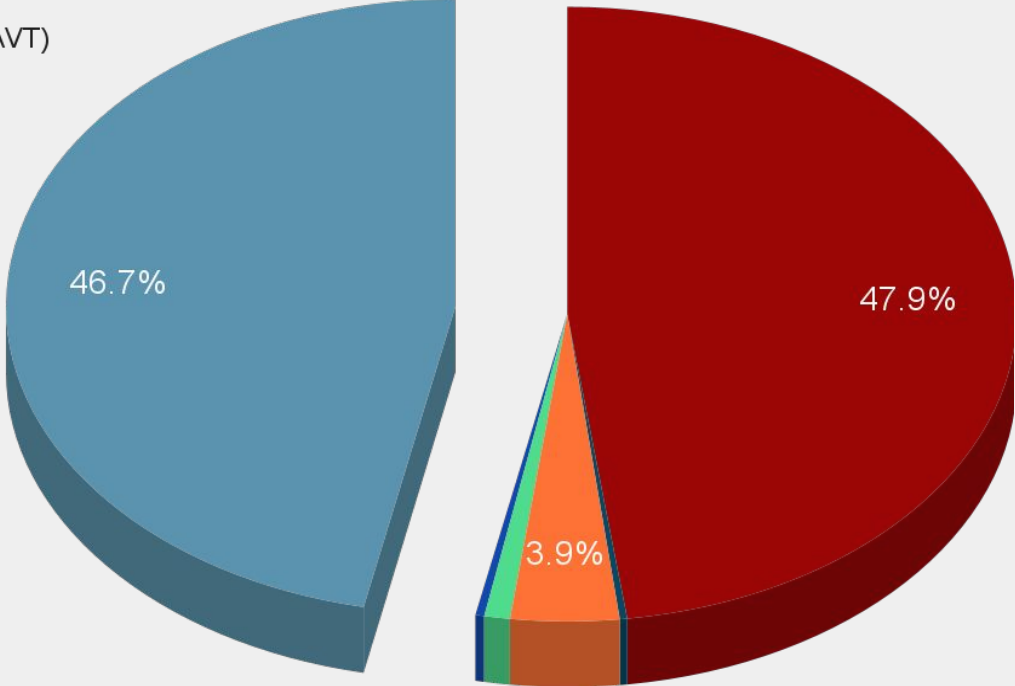
General Fund Revenues

Tax Digest Projections

- School Tax Cap
 - (HB1166) – voter referendum approved November 2020 that created an additional homestead exemption for Fayette County School System property taxes only. (Base year calculation began with 2017)
- Limits the increase in assessed value for homestead properties to the lesser of the CPI index or 3%.
- CPI index for 2024 digest is 3.4% so 3% cap is in effect
- Over 20,000 residential properties qualified last year
- Will not have actual data until end of July

General Fund Revenues

- AD VALOREM TAXES-Property
- AD VALOREM TAXES- Auto
- TITLE AD VALOREM TAX (TAVT)
- OTHER TAXES (Transfer)
- OTHER LOCAL REVENUES
- STATE QBE/GRANTS



Local revenue accounts for 53.2% of budgeted revenues

General Fund Expenditures

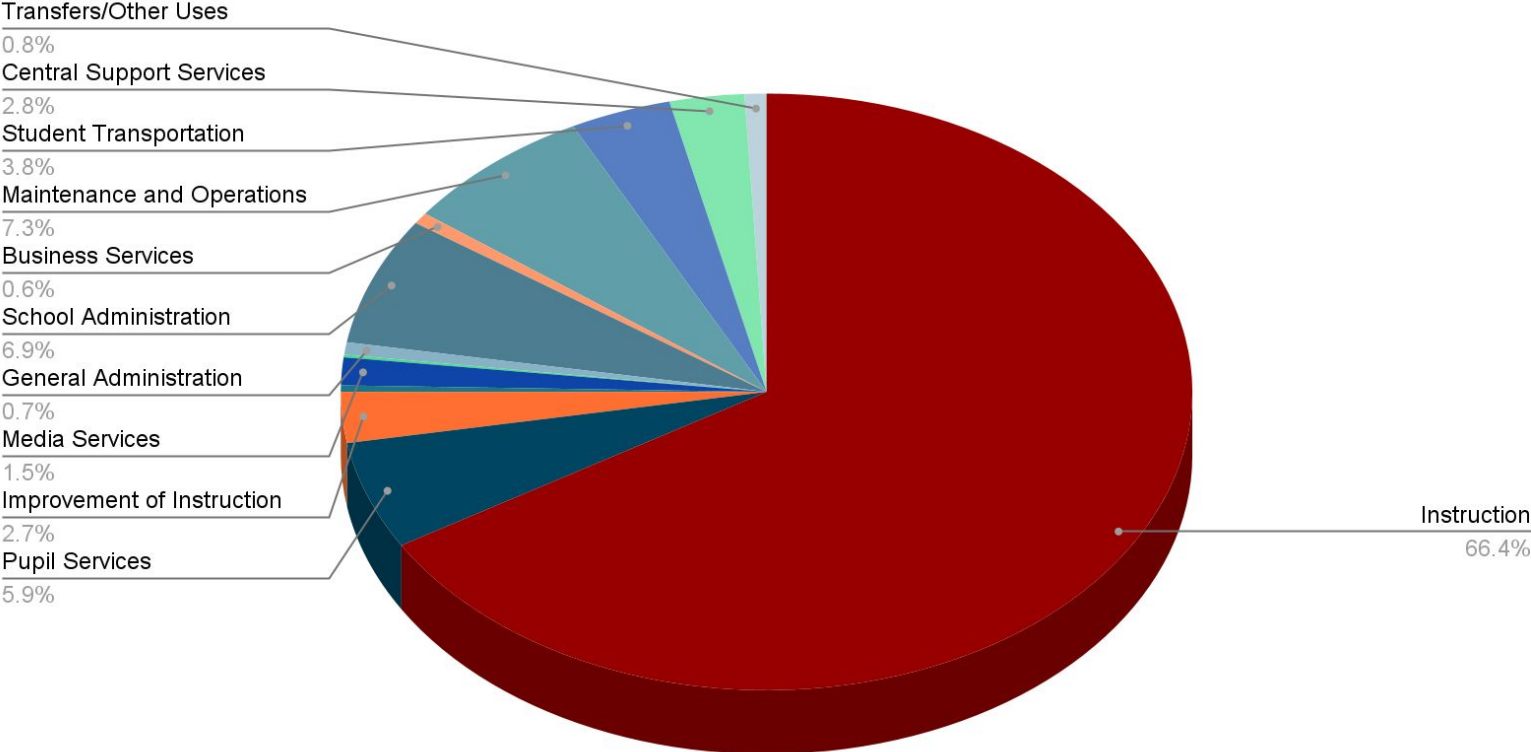
Expenditures total

\$278,058,000

- Increase of \$9.83 million over 2024 original budget
- Direct Instruction is 66.4% of total expenditures
- Projected Fund Balance
 - Total projected \$28.2 million
 - Equals 9.98% of projected revenues
 - Target per Board policy is 10%

General Fund Budget

FY2025 Expenditures as a % of Total



Personnel Expenses FY 2025

- \$2,500 flat increase in the teacher salary schedule \$ 5.4 million
- 2% cost of living adjustment (COLA) for classified employees \$ 657,000
- Employer rate for health insurance is increasing drastically
 - Certified - \$18,960 to \$21,120 for the year \$ 2.9 million
 - Classified - \$12,840 to \$16,650 for the year \$ 2.5 million
- TRS employer rate from 19.98% to 20.78% \$ 1.2 million
- Step increase on salary schedules \$ 2.1 million

Total increases as a starting point from current year \$14.8 million

Recent COLA and Salary Change History

FY	Certified	T-4 Start	Classified	Administrative
FY2025 Proposed	\$2,500 flat increase (2% to 4.5%), Step increase	\$51,821	2% COLA, step increase	Prorated \$2,500 flat increase based on work calendar (1.3% to 2.6%), step increase
FY2024	\$2,000 flat increase (2% to 4.5%), Step increase	\$49,321	2% COLA, step increase	Prorated \$2,000 flat increase based on work calendar (1.3% to 2.6%), step increase
FY2023	7.0 % COLA, Step increase	\$47,321	7% COLA, Step increase	7.0 % COLA, Step increase
FY2022	2% COLA, ESSER stipend, Step increase	\$44,225	2% COLA, Step increase, ESSER Stipend	2% COLA, ESSER stipend, conversion
FY2021	ESSER stipend, Step increase	\$43,358	ESSER stipend, Step increase	ESSER stipend, Step increase
FY2020	\$3,000 increase, Step increase	\$43,358	2% COLA, Step increase	\$3,000 increase, Step increase
FY2019	Step increase only	\$40,358	Step increase only	Step increase only

Annual Employer Health Insurance

Fiscal Year	Certified Per Employee	Classified Per Employee	District Total
FY2025 Proposed	\$21,120	\$16,650	\$35,815,530 <i>Projected</i>
FY2024	\$18,960	\$12,840	\$31,727,283 <i>Projected</i>
FY2023	\$11,340	\$11,340	\$21,381,360
FY2022	\$11,340	\$11,340	\$20,418,979

Employee Pay and Benefits

Grade/Level/Step	Salary	Benefits*	Total Compensation
T-4 Starting	\$ 51,821	\$ 35,853	\$ 87,674
T-5 with 15 years #	\$ 77,426	\$ 43,132	\$ 120,558
T-6 with 20 years	\$ 91,246	\$ 47,061	\$138,307
Paraprofessional - 10 years, 185 days	\$ 29,297	\$ 24,979	\$ 54,276
Bus driver - step 10, 180 days	\$ 20,008	\$ 18,181	\$ 38,189

- Equivalent average teacher salary based on 2024 CPI data.

- Benefits include employer portions of:
 - FICA 7.65%
 - TRS 20.78%
 - Certified Health Insurance \$21,120
 - Classified Health Insurance \$16,650 for FY2025

General Fund Budget

FY2025 Expenditures %

Non-departmental

0.7%

Non-payroll Operating

9.4%

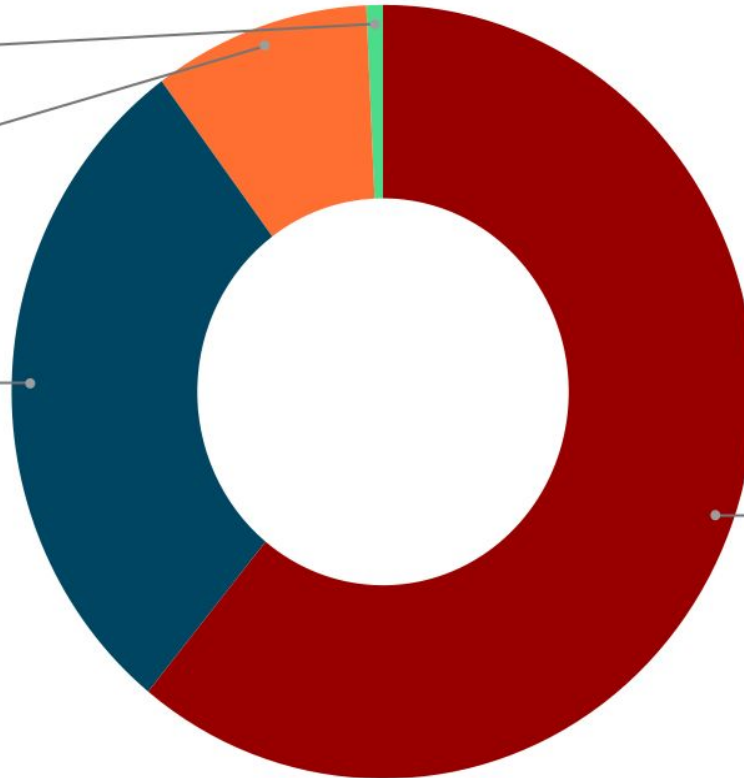
Benefits

28.9%

Salaries

60.9%

**Salaries and
benefits
combined are
89.8% of
budgeted
expenditures.**



General Fund Expenditures

Increases/decreases by Object Class

- Salaries increased \$2.75 million net
 - Certified and administrators - \$2,500 adjusted for work calendar
 - Classified employees 2% cost of living increase
 - Adjusted for staffing reductions
- Benefits increased \$7.78 million -
 - Health insurance employer rates (see previous slide)
 - Teachers Retirement System employer rate 19.98% to 20.78%
 - Worker's Compensation
- Professional Services increase \$439,000
 - \$475,000 for SRO increase and expansion

General Fund Expenditures

Increases/decreases by Object Class

- Property Services decreased \$113,000
 - Reclass copier leases \$273,832
 - Net of increases in facilities, transportation
- Other Purchased Services decreased \$812,000 net
 - Insurance increased 15% estimated
 - Communications decrease \$108,000
 - **Web-based Subscriptions decreased \$983,000**
 - Travel decreased \$40,000
- Supplies and Expendable Equipment decreased \$88,000

General Fund Expenditures

Increases/decreases by Object Class

- Property and Equipment decreased \$340,000
 - Furniture and other equipment from SPLOST
- Other Expenditures increased \$212,000 net
 - Reclass copier lease payments \$300,000
 - Reductions in associations, conferences, etc. \$86,000
- Other Uses no net change
 - Transfers for Pre-K and JROTC programs increasing
 - Transfer to local capital project reduced

Personnel Allotment Changes - Summary

Elementary Schools

- Decrease of 26 regular education teacher positions
- Increase of 4.5 special education teacher positions
- Decrease of 20 regular education paraprofessional positions
- Decrease of 5 special education paraprofessional positions

TOTAL ELEMENTARY REDUCTIONS: 46.5 positions

Personnel Allotment Changes - Summary

Middle Schools

- Decrease in 0.5 counselors
- Decrease of 12 regular education teacher positions
- Increase of 0.5 special education teacher positions
- Decrease of 2 regular education paraprofessional positions
- Increase of 3 special education paraprofessional positions

TOTAL MIDDLE SCHOOL REDUCTIONS: 11 positions

Personnel Allotment Changes - Summary

High Schools

- Decrease of 1 administrator position
- Decrease of 8 regular education teacher positions
- Increase of 1.5 special education teacher positions
- Decrease of 1 clerical position
- Decrease of 4 regular education paraprofessional positions

TOTAL HIGH SCHOOL REDUCTIONS: 12.5 positions

Personnel Allotment Changes - Summary

District-wide Programs at Fayette LIFE Academy

- Decrease of 1 counselor position
- Decrease of 5 regular education teacher positions
- Increase of 1.5 special education teacher positions
- Decrease in 1 clerical position
- Decrease in 1 special education paraprofessional position

TOTAL PROGRAMS REDUCTION 6.5 positions

Personnel Allotment Changes - Summary

District Office

4 part-time support staff

4 full-time position

TOTAL DEPARTMENTS REDUCTION: 6 positions

Personnel Allotment Changes - Summary

Funded with ESSER (CARES) Act Funds in FY2024

- Instructional Coaches - reduced 2, others to General Fund
- ~~Psychologist~~
- Behavior Support Teacher - General Fund
- Exceptional Children's Services Coordinator - General Fund
- Mentor Program Leader - Funded with Title IV
- ESOL Teacher - General Fund
- ~~Additional Math and Science teachers at HS level~~

Fund Balance Policy Considerations

[Policy DCL](#)

Fund Balance - Reserve Funds - Contingency

- The Board of Education is committed to maintaining the financial integrity of the School System by establishing a target reserve of 10% for the general operating fund. It is the intent of the Board of Education to budget annually in the general fund a reserve account (budgetary reserve of fund balance) equal to no less than 5% nor more than 15% of projected revenues (state and local) for the fiscal year.
- Committed, assigned, and unassigned fund balance for the general fund budget at fiscal year-end should equal at least 10% but not exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia Annotated Section [20-2-167\(a\)5](#). If the combined fund balances at fiscal year-end fall below the 10%, the School System shall develop a maintenance and restoration plan to achieve and maintain a 10% fund balance.

Other Funds Budget Overview

FAYETTE COUNTY SCHOOL SYSTEM

FY2025

Debt Service Fund Budget

Debt Service Fund

- Series 2013 principle \$7.25 million (through 2026)
 - Transfer from ESPLOST \$6.3 million
 - Ad valorem taxes from real and personal property on hand
 - Debt service of \$6.78 million
 - Interest \$0.35 million
 - Principle \$6.43 million
 - Agent fees
- Series 2018 principle \$7.38 million (ESPLOST through 2025)
 - Debt Service paid from ESPLOST - \$7.6 million

Capital Project Funds FY2025

Capital Project Funds Budget

Revenues \$43 million

- ESPLOST revenues \$39.9 million
- East Fayette ES sale second installment \$1.5 million
- State capital outlay \$400,000 from current projects

Expenditures

- Current and anticipated project \$46.6 million
- ESPLOST III debt service on 2018 bonds - \$7.6 million
- ESPLOST III debt service on 2013 bonds - \$6.3 million (eliminate millage rate)
- Project length budgets approved when projects are initiated

Fund Balance Reserved

- Local Capital Project Fund - \$3.13 million for turf field replacements
 - Schedule to be determined based on field conditions
 - Originally scheduled to start summer of 2026

Special Revenue Funds Budget

Special revenue funds total budget of \$30.3 million

- Includes:
 - School Nutrition Program
 - After School Program
 - Community Schools
 - Federal grants – CARES, IDEA, CTE, Title programs, JROTC
 - Lottery Pre-K
 - Other grants
 - School principal accounts
 - Auditorium rentals
 - Donations

Worker's Compensation Fund Budget

Projected \$1.8 million
for FY2025

Claims after October 1, 2017 cover
through GSBA WC fund

Training and review with GSBA

- Reduce number of claims
- Reduce costs of claims
- Increase training of employees
- Improve claims management and review

Budget Process Overview

Administration budget development	January to May
Budget updates to Board on progress	April
Administration recommends budget	April
Public comment session #1	5/6/2024
Adopt tentative budget	5/6/2024
Advertise tentative budget prior to final adoption	
Public comment session #2	5/20/2024
Final budget adoption	5/20/2024
Millage Adoption	July to September

Questions

FY2025 Budget Presentation

May 20, 2024