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FY23 BUDGET OUTLOOK

Shanika Clay, Chief Financial Officer





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FY22 MID-TERM ASSESSMENT

CURRENT FISCAL YEAR, ENDING JUNE 30, 2022





BUDGET

| FY22 Mid-term Assessment

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Proposed FY22 State Budget Amendment

- Mid-year restoration of State austerity, reduced by increase of local five mil share (LFMS) contribution;
- \$2,000 one-time pay supplement for full-time, state-funded instructional staff, school support staff, and school administration; and
- \$1,000 one-time supplement for school bus drivers, nurses, nutrition workers, custodians, and part-time employees.



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HCS FY22 Budget Projections

In millions	<u>Adopted</u>	<u>Amendment</u>	<u>Pacing</u>	
Revenues	\$ 409.4	\$ 7.0 ^{a)}	\$ 6.4	\$ 422.8
Expenses	\$ 415.4	\$ 2.0 ^{b)}		\$ 417.4
(Use)/Invest of funds or reserve	(\$ 6.0)			\$ 5.4
Fund Balance	\$ 60.5	\$ 65.5	\$ 71.9	
Fund Balance %	15%	16%	17%	POLICY DCL LIMIT OF 15%

(a – Estimate of austerity restoration in State amendment, net of LFMS contribution
 (b – FY22 amendment by HCBOE for critical infrastructure investments in response to COVID-19)

Potential impact to Henry County Schools FY22 Budget

- Assessment underway of BOE expense to extend Governor's proposal beyond outlined job families
- Timing of HCS recommendation dependent on State Legislature adopting amended FY22 budget



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FY23 ASSESSMENTS

UPCOMING FISCAL YEAR, ENDING JUNE 30, 2023



FY23 Outlook – State Revenue Indicators

- + Georgia's economic forecast trending positive; 5% growth to GADOE's funding proposed for FY23
- + Elimination of State austerity anticipated
- +/- Increase in TRS^{-a)} from 19.81% to 19.98%
- +/- Proposed \$2k increase to State teacher salary schedule; local supplement to extend proposal
- Decrease in Equalization grant anticipated
- Increase in local five mill share contribution for QBE^{-b)}



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FY23 Outlook – State Revenue Indicators

What is the Equalization grant?



The amount districts can raise through property taxes varies significantly depending on the value of property. Equalization grants are Georgia’s constitutional mechanism to provide financial assistance to districts who have lower tax digest to “equalize” funding in support of comparative education opportunities in Georgia regardless of property wealth.

What is the Local Five Mill Share?

Constitutional requirement that each school system contributes at least 5 mills of local taxes (which is \$5 for every \$1,000 of property value). The State deducts the local five mill share to determine the amount of funds a district will receive.

Take-away

As property values rise (reflected in the local tax digest), financial assistance through Equalization will decrease and the local five mill share will increase.

Fiscal Year	Equalization Grant	Local Five Mill Share (LFMS)	Digest Year	Digest Change ^{-a)}
2013	\$23,129,850	(\$31,676,372)	2010	
2014	\$18,862,432	(\$31,672,359)	2011	-6%
2015	\$21,698,599	(\$29,221,428)	2012	-7%
2016	\$22,908,226	(\$28,866,049)	2013	-1%
2017	\$18,576,312	(\$31,419,368)	2014	9%
2018	\$19,858,289	(\$33,250,513)	2015	6%
2019	\$14,904,937	(\$36,460,227)	2016	10%
2020	\$13,623,098	(\$39,056,640)	2017	7%
2021	\$1,294,984	(\$46,763,726)	2018	19%
2022	\$14,331,680	(\$43,183,118)	2019	-2%
2023 ^{-b)}			2020	8%

(a – Measures % change in Gross Digest at Assessed Value

(b – Projected

Budget Priorities: FY22 and FY23 Competitive Compensation Investments

FY 22 Compensation Investments

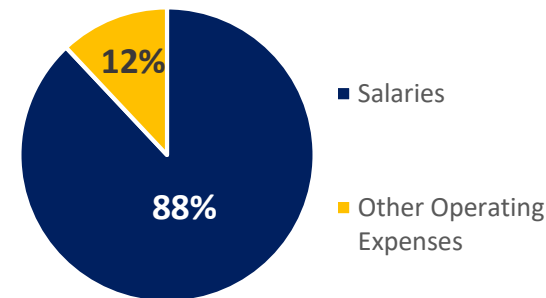
- Increased all salary scales by at least 1%
- Honored steps in salary schedule ... 1-3% increase for eligible employees
- Enhanced salary schedules with starting salary below \$15/hour with \$1/hour raise
- Implemented additional salary actions to support recruitment:
 - \$3/hour rate increase for Clinic Aides
 - \$3/hour rate increase for Bus Monitors, \$2/hour rate increase for Bus Drivers, and \$1,000 signing/retention incentives
 - \$2/hour rate increase for Food Nutrition staff

\$11.4 million allocated in FY22 Budget to support BOE's Commitment to recruit and retain highly effective staff

FY23 Compensation Planning

Compensation & Classification Study: strategic assessment that promotes identification, prioritization, and multi-year implementation of a competitive investment plan. The study:

- Includes external market assessment of compensation for all job families and position supplements
- Enables review and design of growth career paths within and across job family classes



FY22 insight

Investment of \$8,562 per student to staff and operate the school system



BUDGET

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FY23 Budget Calendar

Henry County Schools
FY2023 Budget Calendar

The following proposed schedule of activities will guide budget development in the Henry County School System for the school year 2022-2023.

Activity	Responsibility	Date
Present FY2023 Budget Development Calendar	Superintendent/CFO	Monday, December 13, 2021
Present FY2023 Outlook	Superintendent/CFO	Monday, February 14, 2022 Study Session
Present FY2023 Budget Overview	Superintendent/CFO	Monday, March 14, 2022 Study Session
Post FY2023 Budget Overview on Henry County Schools Website	Financial Services	Wednesday, March 16, 2022
Provide FY2023 Budget Notebook to Board of Education	Financial Services	Thursday, March 24, 2022
Conduct Budget Workshop	Board of Education/Superintendent	Saturday, March 26, 2022
Present FY2023 Tentative Budget	Superintendent/CFO	Monday, April 18, 2022 Study Session
Host Budget Hearing (1 of 2)	Board of Education/Superintendent	Monday, April 18, 2022 6:30 p.m.
Adopt FY2023 Tentative Budget	Board of Education	Monday, April 18, 2022 Business Session
Post FY2023 Tentative Budget on Henry County Schools Website	Financial Services	Wednesday, April 20, 2022
Publish FY2023 Tentative Budget advertisements in newspapers	Financial Services	Following adoption of tentative budget
Present FY2023 Final Budget	Superintendent/CFO	Monday, May 9, 2022 Study Session
Host Budget Hearing (2 of 2)	Board of Education/Superintendent	Monday, May 9, 2022 6:30 p.m.
Adopt FY2023 Final Budget	Board of Education	Monday, May 9, 2022 Business Session
Post FY2023 Final Budget on Henry County Schools Website	Financial Services	Wednesday, May 11, 2022
Advertise and hold Public Meetings for Tax Payer Bill of Rights (*)	Board of Education/Superintendent	July 2022
Final adoption of millage rate (*)	Board of Education	July / August 2022

(*) 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.

- Mar 14th | FY23 Budget Overview
- Mar 26th | Budget Workshop
- Apr 18th | FY23 Budget Hearing #1
Tentative Budget Adoption
- May 9th | FY23 Budget Hearing #2
Final Budget Adoption