



In Pursuit of
Exceptional

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

Superintendent's FY23 Budget Recommendation

May 9, 2022

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., ASEP or SNP)

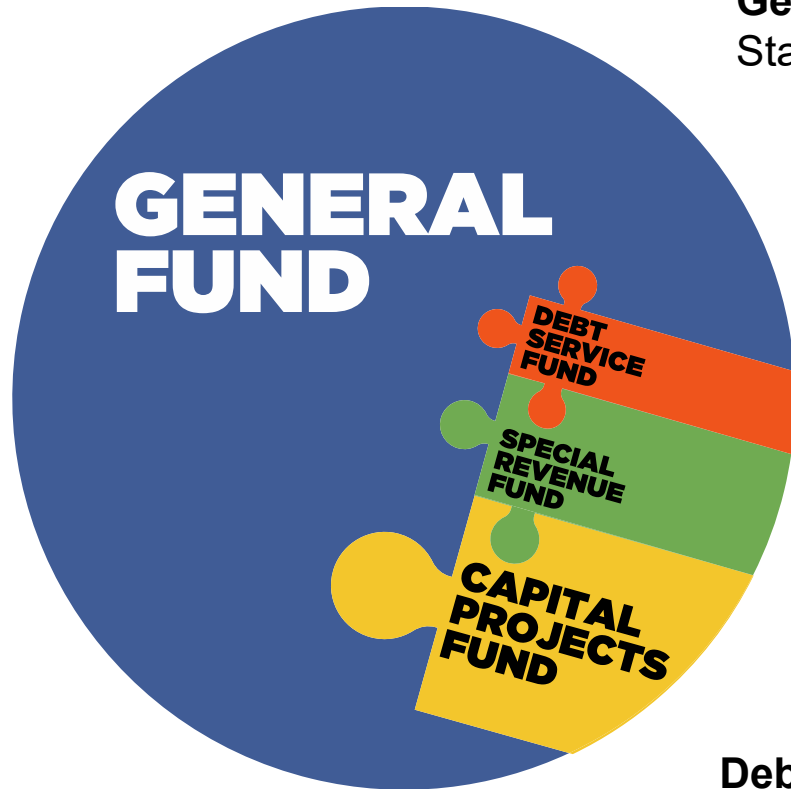
- Traditional federal grant awards generally communicated during July or August; enterprise estimates developed based on history and enrollment forecast

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 SPLOST collection forecast and tax digest



FY23 General Fund Outlook



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FY23 Revenue Outlook: General Fund

| Revenues | | FY21 Adopted | % of budget | FY22 Adopted | % of budget | FY23 Projected | % of budget |
|----------|---------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| | State | \$204.6M | 54.8% | \$231.0M | 56.4% | \$234.4M | 52.6% |
| | Local | 166.9M | 44.7% | 176.4M | 43.1% | 209.0M | 46.9% |
| | Federal | 2.0M | 0.5% | 2.0M | 0.5% | 2.0M | 0.4% |
| | | \$373.5M | | \$409.4M | | \$445.4M | |

Forecasted changes in revenue for FY23

State **+ \$3.4M**

- +** Restoration of held austerity = \$9.4M
- +** Funding for \$2k salary scale increase = \$6.7M
- +** Other increases due to TRS, FTE, state grants = \$1.1M
- Increase in local five mil share contribution = (\$3.1)
- Decrease in equalization grant funding = (\$10.8M)

Local **+ \$32.5M**

- +** Considers growth in local property digest of 15.5% and continued strength in other local tax collections yielding year over year growth of \$32.5M+ compared to FY22 adopted



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| Aligning resources to priorities

Additional revenue growth to support investment priorities \$3.4 million

✓ **Targeted investment for Maintenance staff member to yield minimum of 4%-a)..... \$1.8 million**

✓ **Targeted parity investment for Psychologist, Middle School Graduation Specialist, and job families with classification relationship to Principals \$ 0.4 million**

✓ **New Positions..... \$2.7 million**

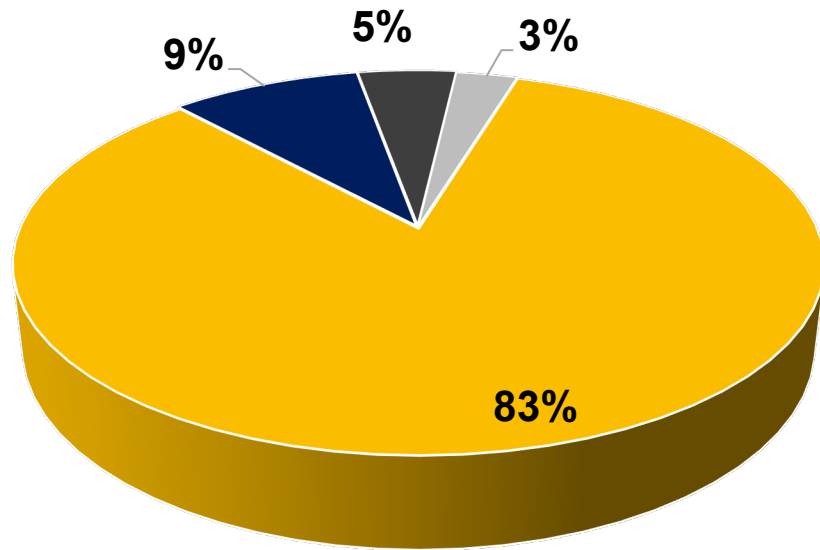
- 15 additional teaching positions to support growth - \$1.4 million
- 1 additional permanent sub allotment to every elementary school for SY 22-23 - \$0.7 million
- 1 school-based monitor position for every middle school - \$0.2 million
- 2 school-based monitor positions for every high school - \$0.4 million

Policy DCL assignment (\$ 1.5 million)

(a – Action prompts additional investment in paraprofessional salaries

FY23 Expense Outlook: General Fund

**\$10,413 expense per student,
an increase of \$627 over prior year**



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

Projected Student Enrollment for FY23 42,920

Forecasted Revenues for FY23 \$445.4M

Forecasted Expenditures for FY23 \$446.9M

Teaching & Learning: salaries, benefits, and resources to support student learning and services..... \$372.4M

Maintenance & Operations: salaries, benefits, materials, and services to maintain learning environments \$40.2M

Student Transportation: salaries, benefits, materials, and services to provide transportation to students..... \$21.0M

Support Services: salaries, benefits, resources, and services to support school sites and central reporting..... \$13.3M

FY23 Other Funds Outlook





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FY23 Budget Development: Special Revenues Outlook

| Revenues | FY21 Adopted | % of budget | FY22 Adopted | % of budget | FY23 Projected | % of budget |
|-----------------------------|----------------|-------------|----------------|-------------|----------------|-------------|
| State | \$ 1.6M | 3.0% | \$ 1.2M | 1.8% | \$ 1.3M | 1.8% |
| Local | 16.0M | 30.1% | 5.7M | 8.1% | 11.4M | 15.7% |
| Federal | 35.6M | 66.9% | 63.6M | 90.1% | 60.0M | 82.5% |
| | \$53.2M | | \$70.5M | | \$72.7M | |
| Expenditures | | | | | | |
| Enterprise activity | \$17.6M | | \$17.2M | | \$21.6M | |
| Grant programs | 35.6M | | 45.7M | | 50.8M | |
| | \$53.2M | | \$62.9M | | \$72.4M | |
| Revenue > Expense | \$ - | | \$ 7.6M | | \$ 0.3M | |

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., CARES/ARPA)



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FY23 Budget Development: 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.

FY23 Revenue

Interest earnings **\$687.4 thousand**

FY23 Expenditures

Continuation of E-SPLOST V projects and E-SPLOST VI projects **\$60.9 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.

FY23 Revenue

Local tax collections **\$89.7 million**

FY23 Expenditures

General Obligation Bond payments **\$45.1 million**



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FY23 Budget – New Investment Highlights

Investments in competitive compensation

- Increase salary scales by 1% for all employees and honor steps (1-3%), with additional targeted investments to:
 - Yield minimum of an 8% increase for teachers* and paraprofessionals, with a scale re-design to extend to 23 max years and ensure monetary increase for future steps
 - Incorporate the \$2,000 state increase into local scales for Provisional Teachers and Principals, which are QBE funded positions and address associated parity
 - Ensure parity through adjustment of Psychologist and MS Graduation Specialist scales
 - Yield minimum of a 7% increase for school office/clerical scales (including extension to 23 max years) and address cascading job families
 - Improve Maintenance and Facilities scales to yield minimum 4% raise
 - Improve the School Nutrition Manager and Assistant scales to yield minimum 4% raise

| HENRY COUNTY BOARD OF EDUCATION TENTATIVE BUDGET JULY 1, 2022 - JUNE 30, 2023 | | | | |
|---|--------------------------|-------------------------|-------------------------|-------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund |
| Estimated Revenues: | | | | |
| Local Taxes | \$ 207,595,509.00 | | | \$ 32,358,764.00 |
| Other Local | 1,440,650.00 | \$ 11,394,826.00 | \$ 687,355.00 | 650,000.00 |
| SPOST | | | | 54,366,735.00 |
| State | 234,436,000.00 | 1,317,480.00 | | |
| Federal | 1,960,000.00 | 59,999,375.00 | | |
| Total Revenues | \$ 445,432,159.00 | \$ 72,711,681.00 | \$ 687,355.00 | \$ 87,375,499.00 |
| Estimated Expenditures: | | | | |
| Instruction | \$ 296,785,514.51 | \$ 23,769,801.00 | \$ 23,879,500.00 | |
| Pupil Services | 20,259,513.00 | 11,630,565.00 | | |
| Improvement of Instruction | 13,975,099.00 | 1,264,534.00 | | |
| Instructional Staff Training | 800,257.00 | 4,520,588.43 | | |
| Educational Media | 6,907,571.00 | | | |
| General Administration | 4,441,596.00 | 3,779,123.00 | | |
| School Administration | 33,661,912.00 | | | |
| Business Services | 2,163,175.00 | | | |
| Maintenance and Operation | 40,198,756.00 | 4,971,470.00 | | |
| Student Transportation | 21,025,356.00 | 741,805.00 | | |
| Central Support Services | 4,077,821.00 | 88,761.00 | | |
| School Nutrition | | 17,981,258.00 | | |
| Community Service | | 3,614,524.00 | | |
| Facilities | | | 29,835,402.00 | |
| Other Support Services | 2,642,461.00 | | | |
| Debt Service | | | 7,195,975.00 | \$ 45,074,688.00 |
| Total Expenditures | \$ 446,939,031.51 | \$ 72,362,429.43 | \$ 60,910,877.00 | \$ 45,074,688.00 |
| Excess of Revenue Over (Under) Expenditures | \$ (1,506,872.51) | \$ 349,251.57 | \$ (60,223,522.00) | \$ 42,300,811.00 |
| Transfers | | | | |
| Estimated Fund Balance, July 1, 2022 | 74,227,050.00 | 6,935,264.00 | 219,534,988.00 | 85,781,809.00 |
| Estimated Fund Balance, June 30, 2023 | \$ 72,720,177.49 | \$ 7,284,515.57 | \$ 159,311,466.00 | \$ 128,082,620.00 |

The budget will be considered for final adoption by the Henry County Board of Education on May 9, 2022 at 7:00 p.m. The meeting will be held at 33 North Zack Hinton Parkway, McDonough, GA.

Improved revenue outlooks have allowed acceleration of Compensation & Classification study recommendations ... in total ~\$20 million of new investments in competitive compensation

* Includes all staff paid from the Master HCS Teacher Scale



BUDGET

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FY23 Budget – New Investment Highlights

Investments in high-quality instruction and support services

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| Instructional Staff Training | 800,257.00 | 4,520,588.43 | | |
| Educational Media | 6,907,571.00 | | | |
| General Administration | 4,441,596.00 | 3,779,123.00 | | |
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- Onboard 146 positions to support BoE Strategic Plan, intensifying student needs, and district operational growth to include:
 - Elementary STEM Teachers and MS/HS Fine Arts Teacher Allotments (49)
 - Elementary Permanent Substitute Allotment for SY 22-23 (28)
 - MS/HS Campus Monitors (34)
 - Teacher allotments to respond to identified school needs (13)
 - ESOL Teachers and Career Transition Facilitator (3)
 - Language Access Facilitator, Psychologists and 504 Support (6)
 - Facilities, Transportation, and Information Technology Staff (7)
 - Business Enterprise, Legal, and Foundation Staff (6)
- One-time allocation of \$600 per school to support STEM and Fine Arts programming
- Support early learning access and school-based learning acceleration or interventions strategies

Investments support BoE commitment to high-quality and safe educational experiences

* Includes all staff paid from the Master HCS Teacher Scale



BUDGET

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FY23 Superintendent's Budget Recommendation

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May 9th

FY23 Budget Hearing #2
Final Budget Adoption

July/Aug

Tax Hearings