



COBB COUNTY
SCHOOL DISTRICT

ONE TEAM
ONE GOAL
STUDENT SUCCESS



FY2019 – FY2020 GENERAL FUND BUDGETS



FY2019 GENERAL FUND BUDGET INFORMATION

General Fund Budget	FY2019 Budgeted Revenue	FY2019 Budgeted Expenditures	Fund Balance Usage
(1) Original Budget Approval – May 17, 2018	\$1,069,823,890	\$1,077,623,890	\$7,800,000
(2) Increase Digest Growth (6.00% to 8.21%) Note: Use this additional revenue to increase the employee raise from 1.1% to 2.6%	<u>\$9,000,000</u>	<u>\$9,000,000</u>	
(3) Revised Budget Approval – July 19, 2018	<u>\$1,078,823,890</u>	<u>\$1,086,623,890</u>	<u>\$7,800,000</u>

FY2019 Original Revenue Breakout:

- 50.80% State of GA QBE
- 48.61% Local Property Taxes
- 00.59% Federal
- 100.00% Total Revenue

What is included in the current FY2019 Budget?

- (a) 2.6% for All Permanent Employees
- (b) 1.1% Bonus for All Eligible Non-238 Day Employees
- (c) Decrease Work Year for 238 Day Employees
- (d) Full Step Increase for all Eligible Employees

FY2019 Expenditure Metrics:

- (a) Salaries/Fringe Benefits – 92% of the General Fund Budget
- (b) Instruction – 72.16% of the General Fund Budget
- (c) General Administration – 1.06% of the General Fund Budget

Basic Budget Metrics:

- (a) CCSD cost for a 1% Raise for All Employees - \$9.5 Million
- (b) CCSD cost of a Step for All Eligible Employees - \$12.5 Million
- (c) Cobb Teacher Salary Supplement Range – (20% – 27%)
- (d) CCSD financial impact if estimates are off by 1% - \$23 Million



FY2019 BUDGET INFORMATION (continued)

District Millage Tax Rate

18.900 Mills	General Fund Millage
<u>00.000 Mills</u>	Debt Service Millage
18.900 Mills	Total Millage



(Note: The district is Long-Term Debt-free and has remained debt-free since FY2007)

Cobb County School District Credit Ratings

Aaa Long-Term Rating – Moody's Investors Service
MIG1 Short-Term Rating – Moody's Investors Service

(Note: Both ratings are the highest possible industry ratings)



RECENT BUDGET ACCOMPLISHMENTS SINCE FY2015

Fiscal Year	Budget Item
FY2015	<ul style="list-style-type: none">- Full Salary Step for All Eligible Employees- Added 300 Teachers- 2% Salary Restoration for All Employees- No Furlough Days
FY2016	<ul style="list-style-type: none">- 4% Salary Increase for All Eligible Employees- Full Salary Step for All Eligible Employees- Added 100 Teachers
FY2017	<ul style="list-style-type: none">- 2.5% Salary Increase for All Eligible Employees- Full Salary Step for All Eligible Employees- Added 64 Teachers
FY2018	<ul style="list-style-type: none">- 1.1% Bonus for All Permanent Employees- Full Salary Step for All Eligible Employees
FY2019	<ul style="list-style-type: none">- 2.6% Salary Increase for All Eligible Employees- 1.1% Bonus for All Eligible Non-238 Day Employees- Full Salary Step for All Eligible Employees- Decreased Work year for 238 Day Employees

FY2020 BUDGET CALENDAR

PROCESS ELEMENTS	TIMEFRAME	PROCESS DESCRIPTIONS
Prepare Budget Analysis & Gather Budget-Related Information	July – March	<p>Prepare Budget Calendar & Budget Procedures Prepare Preliminary Budget Forecast Gather Budget Balancing Information (Schools/Departments) Prepare School District Personnel Allotment Projections Prepare Operational Department Projections Prepare Revenue Projections Prepare Revenue/Expenditure Estimates for Other Funds</p> <p>Note: Per State of GA Law, it is the Superintendent's responsibility to prepare a balanced budget first and then submit it to the CCSD Board for review/input/approval</p>
Track Activities That Could Impact Budget Development	July - June	Administration Tracks and Reports on Legislative Activities
Budget Board meetings and Tentative Board Budget Approval	April – May	<p>Board of Education/Administration Review of Proposed Budget Board of Education Adopts a Tentative Budget</p> <p>Note: Revenue data estimates and final State of Georgia legislative budget data is usually not available until mid-spring</p>
Budget Input From Cobb County Citizens	May	Board of Education Gathers Budget Input From Citizens – Budget Public Hearings
Final Budget Approval By The Cobb County Board of Education	May	Board of Education Approves the Final Budget



GENERAL FUND REVENUE STREAMS

The District has two major General Fund Revenue Streams

State Revenue – 51%

Local Revenue – 49%



GENERAL FUND STATE OF GA QBE REVENUE

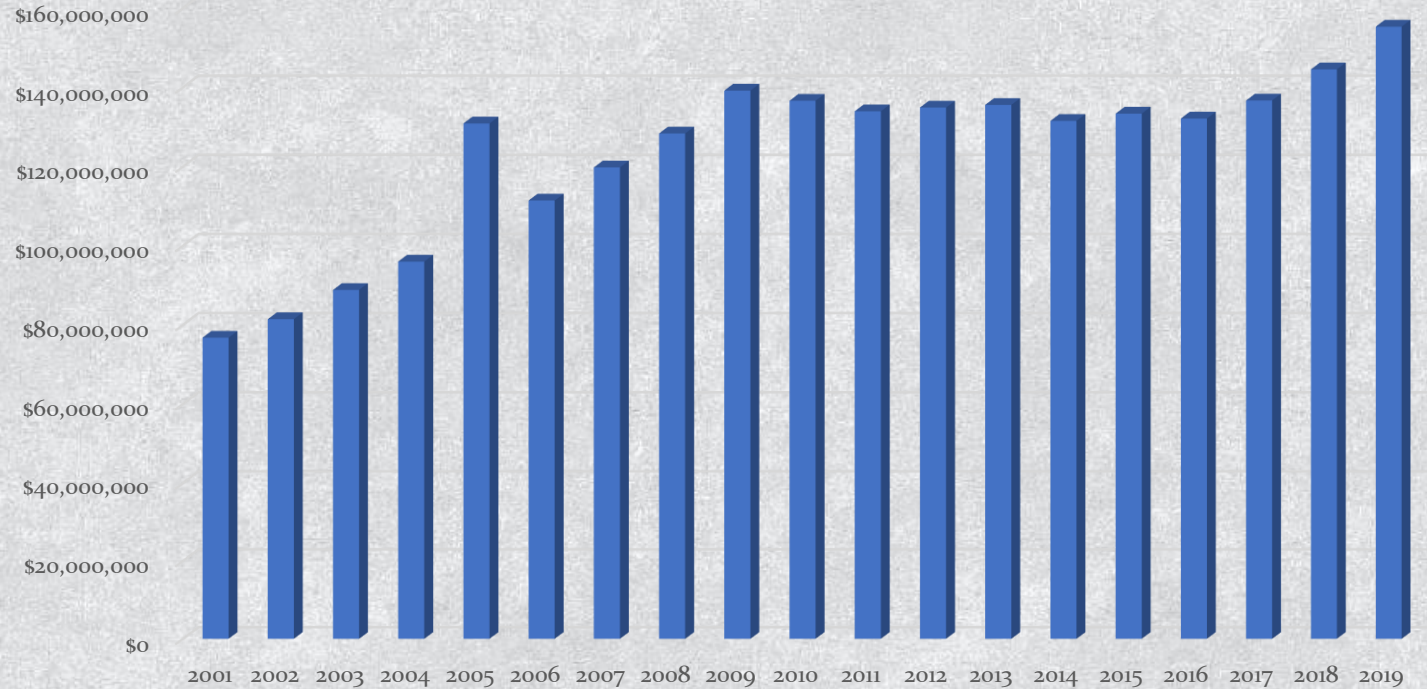
The State of Georgia contributes approximately 51% of the Cobb County School System's Revenue. The State of Georgia uses a funding formula called the:

Quality Basic Education (QBE) Act Basic Formula

- (1) FTE Student Count (Average of Oct & March Counts) **X**
- (2) Program Weight (Kindergarten, Grades 1-3, Etc.) **X**
- (3) QBE Base Amount **X**
- (4) Training & Experience Factor
- (5) **Minus** Local Five Mill Share

GENERAL FUND STATE OF GEORGIA QBE REVENUE LOCAL FAIR SHARE

Year	Local Fair Share	Year to Year Change
2001	\$76,766,302	
2002	\$81,438,049	(\$4,671,747)
2003	\$88,827,699	(\$7,389,650)
2004	\$95,996,050	(\$7,168,351)
2005	\$130,896,069	(\$34,900,019)
2006	\$111,425,229	\$19,470,840
2007	\$119,785,031	(\$8,359,802)
2008	\$128,360,314	(\$8,575,283)
2009	\$139,200,389	(\$10,840,075)
2010	\$136,638,547	\$2,561,842
2011	\$133,973,704	\$2,664,843
2012	\$134,918,836	(\$945,132)
2013	\$135,582,243	(\$663,407)
2014	\$131,545,629	\$4,036,614
2015	\$133,378,963	(\$1,833,334)
2016	\$132,140,110	\$1,238,853
2017	\$136,707,956	(\$4,567,846)
2018	\$144,570,519	(\$7,862,563)
2019	\$155,355,360	(\$10,784,841)

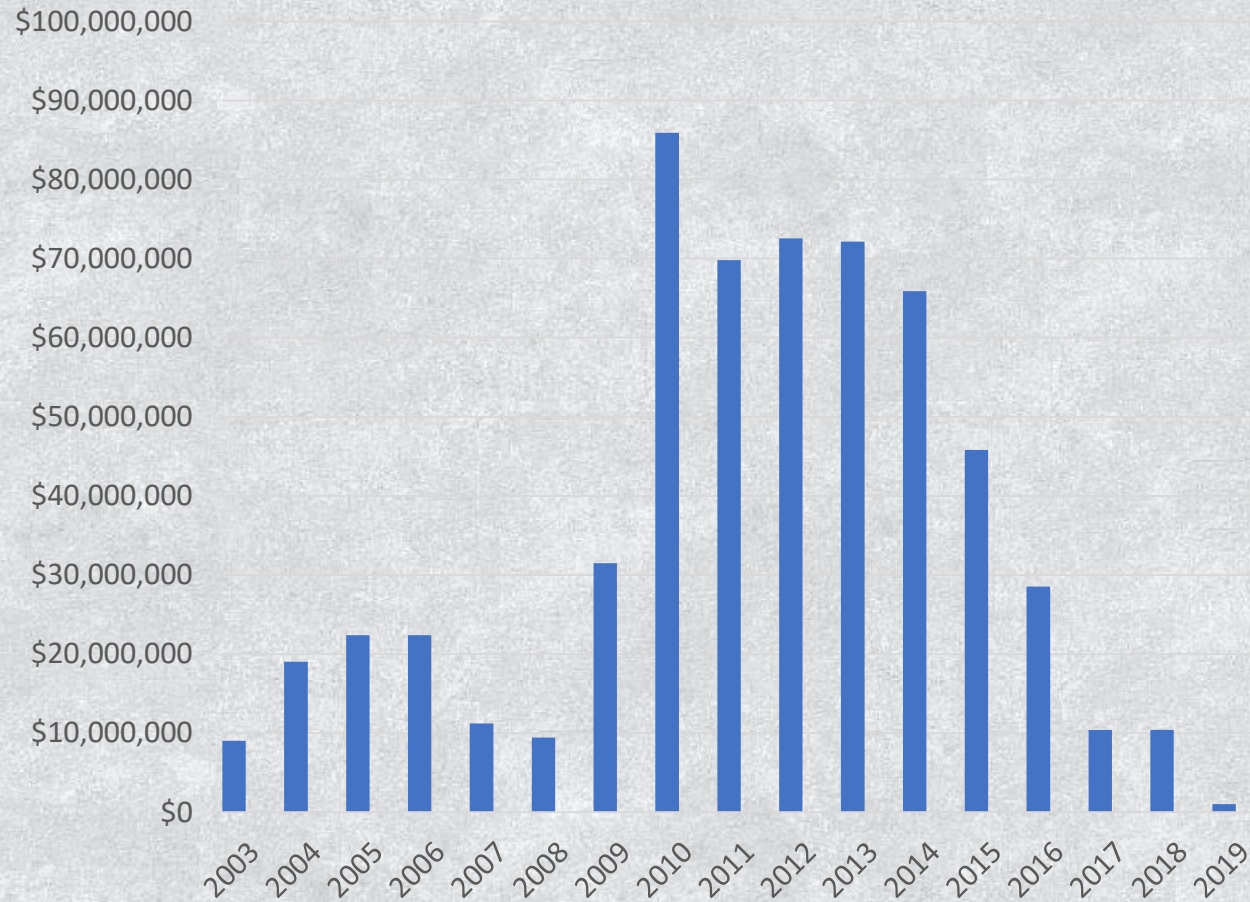


Local Fair Share/Local Five Mill Share (LSF) - The Local Share for each school system is an amount of money equal to the amount that can be raised by levying five (5) mills on the forty (40) percent equalized property tax digest. Each local system will receive an amount of State funds that is the QBE program cost for the system MINUS the Local Share Amount. Cobb County's Local Share contributions have risen sharply over the last decade. The graph above represents the funding deducted from the State revenue earned by the CCSD.

The State's calculation of LFS only deducts State exemptions. The State does not consider Local exemptions, such as the age 62 or over exemptions.

When taking Local exemptions into account, the deduction for 5 mills actually equates to a 6.4 Mill Reduction.

GENERAL FUND STATE OF GEORGIA AUSTERITY REDUCTIONS



History of Austerity Cuts		
Year	Total	Cumulative
FY03	\$ 9,018,265	\$ 9,018,265
FY04	\$ 19,035,896	\$ 28,054,161
FY05	\$ 22,370,784	\$ 50,424,945
FY06	\$ 22,370,583	\$ 72,795,528
FY07	\$ 11,211,055	\$ 84,006,583
FY08	\$ 9,442,954	\$ 93,449,537
FY09	\$ 31,495,340	\$ 124,944,877
FY10	\$ 85,929,510	\$ 210,874,387
FY11	\$ 69,797,086	\$ 280,671,473
FY12	\$ 72,553,160	\$ 353,224,633
FY13	\$ 72,141,399	\$ 425,366,032
FY14	\$ 65,900,761	\$ 491,266,793
FY15	\$ 45,821,472	\$ 537,088,265
FY16	\$ 28,518,269	\$ 565,606,534
FY17	\$ 10,388,743	\$ 575,995,277
FY18	\$ 10,388,627	\$ 586,383,904
FY19	\$ 0	\$ 586,383,904

Cumulative austerity reductions since 2003 are \$586,383,904.

Austerity Reductions were eliminated for FY2019.

GENERAL FUND LOCAL REVENUE

School District	Homestead Exemption	Total Millage Rate	Taxes on a \$300,000 Home
Atlanta	\$30,000	21.740	\$1,956
Cobb	\$10,000	18.900	\$2,079
Fulton	\$2,000	18.546	\$1,669
DeKalb	\$12,500	23.380	\$2,572
Gwinnett	\$4,000	19.800	\$2,297

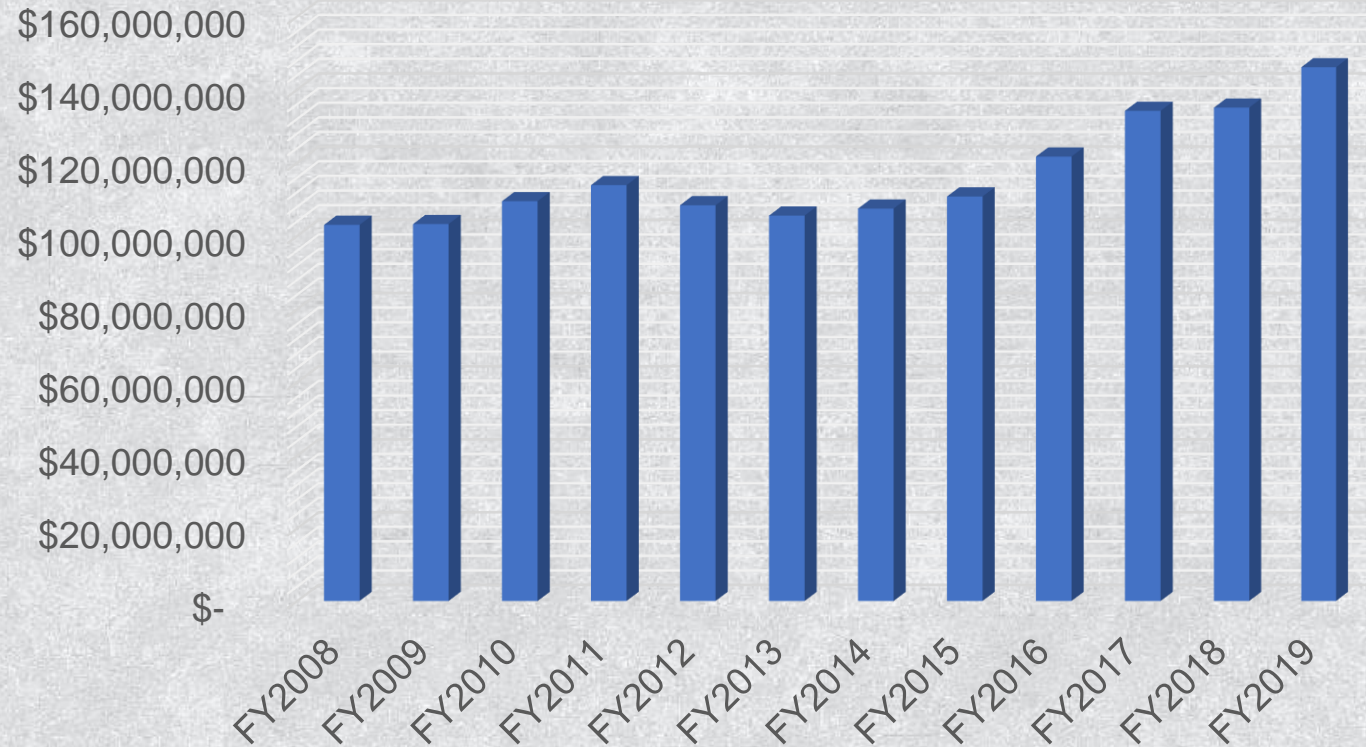
HOW YOUR SCHOOL TAXES ARE CALCULATED (Median Priced Home in Cobb)

<u>General Fund Millage</u>	<u>Item</u>
\$300,000	House assessed at Fair Market Value (Average)
X .40	40% Assessment Rate
\$120,000	Assessed Value for Tax Purposes
<u>(\$ 10,000)</u>	Cobb County Homestead Exemption
\$ 110,000	Tax Base for School Property Taxes
X 18.90	Millage Rate (18.90 Mills)
<u>\$ 2,079</u>	General Fund School Taxes

GENERAL FUND LOCAL REVENUE

Fiscal Year	Total Exempt Revenue Loss
FY2008	\$ 103,022,491
FY2009	\$ 103,239,838
FY2010	\$ 109,478,575
FY2011	\$ 113,874,207
FY2012	\$ 108,376,691
FY2013	\$ 105,546,658
FY2014	\$ 107,456,527
FY2015	\$ 110,771,055
FY2016	\$ 121,682,719
FY2017	\$ 134,168,811
FY2018	\$ 135,059,577
FY2019	\$ 146,091,416

Total Exempt Revenue Loss



Note: This chart represents all exemptions. \$111.9 Million of the \$146 Million Total Exemption is the result of the age 62 and older exemption.

GENERAL FUND PER STUDENT FTE EXPENDITURE COMPARISON

Category	Atlanta	Cobb	DeKalb	Fulton	Gwinnett
Instructional	\$9,180	\$6,206	\$6,172	\$6,679	\$5,161
Media	\$161	\$136	\$124	\$155	\$109
Instructional Support	\$864	\$255	\$356	\$653	\$497
Pupil Services	\$788	\$221	\$528	\$358	\$254
General Administration	\$329	\$156	\$219	\$220	\$195
School Administration	\$819	\$620	\$613	\$581	\$684
Transportation	\$605	\$417	\$547	\$533	\$571
Maintenance/Operations	\$1,583	\$583	\$1,034	\$891	\$606
Debt Service	<u>\$40</u>	<u>\$0</u>	<u>\$7</u>	<u>\$0</u>	<u>\$0</u>
Total	\$11,697	\$8,594	\$9,600	\$10,070	\$8,077

Note 1 - Data is based on State of Georgia Report Card information (latest available).

Note 2 - Cobb's General Administration costs (\$156 per student FTE) are significantly lower than most other districts.

Note 3 - Cobb has continued to focus budgeted funds towards instruction (\$6,206 per student FTE) while at the same time making instructional support functions as efficient as possible.



CLASSIFIED HEALTH INSURANCE INCREASES

Fiscal Year	Increase
FY2014	\$5,400,000
FY2015	\$5,400,000
FY2016	\$5,115,870
FY2017	\$3,503,414
FY2018	\$3,600,000
FY2019	\$0
Total	\$23,019,284

Note: Cumulative increase of **\$23,019,284** since FY2014.



STATE OF GA TEACHERS RETIREMENT SYSTEM (TRS)

The Teacher's Retirement System (TRS) increased employer share costs:

Fiscal Year	Employer Share Cost
FY2017	14.27%
FY2018	16.81%
FY2019	20.90%
FY2020	21.14%

TRS Pension Funding Level – Plan Fiduciary Net Position / Total Pension Liability (Thousands):

	FY2018	FY2017	FY2016	FY2015	FY2014
Total Pension Liability	\$94,095,067	\$89,926,280	\$86,183,526	\$82,023,118	\$79,099,772
Plan Fiduciary Net Position	\$75,532,925	\$71,340,972	\$65,552,411	\$66,799,111	\$64,466,091
Plan Fiduciary Net Position as a % of Total Pension Liability	80.27%	79.33%	76.06%	81.44%	84.03%

STATE OF GEORGIA GOVERNOR'S FY2020 BUDGET PROPOSAL

Governor's FY2020 Budget Proposal Highlights

State of GA funding to provide a \$3,000 raise for Teachers on the State Salary Schedule

Note: This raise was adjusted in the State of GA Legislature to \$2,775 to give the state raise to not only Teachers, but also Psychologists, Counselors, Media Specialists, Social Workers, Speech Pathologists and Instructional Technologists.

State of GA funding to provide a 2% Raise for School Bus Drivers, School Nurses and School Nutrition Workers

\$92.1 Million Statewide funding to provide Midterm adjustments to cover increased enrollment in Public K-12 and State Charter Schools

\$68.8 Million Statewide funding to provide a one time \$30,000 school security grant to each public school in Georgia



QUESTIONS & ANSWERS





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