

FY2020 Budget Keeps CCSD Competitive for Top Talent

Superintendent of Schools Dr. Brian V. Hightower is recommending an operating/general fund budget of \$481 Million for the 2019-20 school year, with no increase in the overall property tax rate.

The budget (all funds) projects total state funding of \$234.9 Million, local revenue of \$286.9 Million, and federal revenue of \$27.4 Million. Local property tax revenue (\$177.7 Million) is projected to increase 5.3% as the local digest continues to improve. While the budget calls for a half-mill to shift from Maintenance & Operation to Bond/Debt Service, there is no change in the overall tax rate.

Competitive compensation is a key focus of the budget, as attracting and retaining the best teachers and support staff is becoming more challenging.

“We are only as good as the people we hire – and retain,” said Dr. Hightower. “We truly value our employees. We trust them with our community’s most valuable resource: our children.

“We are competing for top talent in the face of a rising

AT A GLANCE

- \$3,000 raise from the Governor will be given to all eligible certified staff
- Longevity Step increases included for all eligible certified employees
- Starting teacher pay will rise to \$46,000
- 2% raise for all eligible classified staff
- Salary Step increases included for all eligible classified employees
- Implementation of some recommendations from HR’s Compensation Study

teacher shortage, so it is essential that Cherokee County be able to compete for the best talent out there, and I believe this budget puts us in a good position to do that.”

Ninety percent of new revenue in the proposed budget is targeted to improving salaries. The proposed budget includes raises for employees as follows:

- Increase the pay for all certified staff (teachers, counselors, social workers, instructional strategists, psychologists, etc.) by \$3,000;
- Starting teacher pay will increase to \$46,000/year (up from \$43,000);
- Provide annual longevity step increases for all eligible employees;
- Provide a 2% cost-of-living raise for all eligible classified employees (paraprofessionals, clerks, school nutrition workers, bus drivers/aides, etc.); and,

LAST 10 YEARS: CCSD TEACHER COMPENSATION			
Year	Furlough Days	Step Increase	Raise
2010-11	4 days	YES	0%
2011-12	4 days	YES	0%
2012-13	8 days	MID-YEAR	0%
2013-14	3 days	YES	0%
2014-15	0 days	YES	1%
2015-16	0 days	YES	0%
2016-17	0 days	YES	1%
2017-18	0 days	YES	2%
2018-19	0 days	YES	1%
2019-20	0 days	YES	+ \$3,000

District Pursues Financial Plan to Reduce Future Borrowing, Pay Down Debt

The proposed CCSD budget for FY2020 will continue a plan to more effectively reduce construction debt while slowly shifting the district to a position of being able to pay some capital expenditures from Ed SPLOST funds without borrowing money up front.

The initiative, outlined by Chief Financial Officer Kenneth Owen at the April School Board meeting, is a plan to “pay as you go” on some capital projects using Education SPLOST (Special Purpose Local Option Sales Tax) revenue instead of bonding. This proposal, which also calls for shifting a half a mill of existing operating property tax to debt service, will allow CCSD to reduce its planned borrowing for construction, technology and other capital expenses from the \$115 Million approved by voters to \$95 Million. The School Board’s initial consideration of a half-mill shift (FY2018 budget) combined with an additional half-mill for FY2020 would make the program possible.

“This is an important step for us,” Dr. Hightower said, noting careful budgeting and planning, improving sales tax revenue and the shift last summer of a half a mill to debt service all have contributed to CCSD’s improving financial state. “To think we will reduce borrowing by \$20 Million within the current bond cycle – to me, that’s a huge reduction.”

Dr. Hightower noted that a decreasing dependence on bonding not only saves CCSD unnecessary interest, it also better positions the District for an improvement in its credit rating. CCSD’s current ratings are:

- Moody’s = AA2 (Stable)
- S&P = AA+ (Stable)

Note: The shift in the millage rate does not change the overall tax rate paid by property owners, so there will not be a tax increase as a result of the change.



Ed SPLOST Update

Cherokee County voters overwhelmingly approved the 2016 Education Special Purpose Local Option Sales Tax (Ed SPLOST) for capital improvement projects across the District.

The tax is approved for five years, and funds are budgeted in 2019-20 to:

- Complete the construction of a new classroom wing at Mill Creek Middle School;
- Begin construction of a classroom addition at Woodstock Middle School;
- Begin construction of an auxiliary gymnasium at Woodstock High School;
- Begin construction of an Agricultural Science building at Creekview High School;
- Renovate bathrooms at Etowah High School stadium;
- Purchase up to 30 school buses to replace the oldest vehicles in the fleet;
- Purchase desktop and laptop computers, printers and file servers; and,
- Upgrade or replace security cameras and alarm systems.

The District also will complete needed major repairs and renovations at existing schools using funds from Ed SPLOST.

CCSD is grateful to Cherokee County voters for their continued support in narrowing the extraordinary funding gap between the School District’s capital outlay needs and revenue through the 2016 Ed SPLOST renewal, which was approved by 73% of voters. That approval enables the School District to continue to support an award-winning instructional program by addressing its construction and technology needs.

CCSD Ranks at the Top of the Class for Financial Efficiency

The Cherokee County School District earned 4.5 stars on the State’s Financial Efficiency Star Rating system this year, among the best ratings in the State. Only nine school districts, including CCSD, of the 180

districts in Georgia earned a 4.5, and only three earned a perfect 5. The rating earned by CCSD also is tied for the best among metro Atlanta county school districts.

SCHOOL DISTRICT	PER PUPIL SPENDING 2016-2018	STAR EFFICIENCY RATING
CHEROKEE COUNTY	\$8,317	4.5
CLAYTON COUNTY	\$8,426	3
COBB COUNTY	\$8,833	3.5
DEKALB COUNTY	\$9,993	2
DOUGLAS COUNTY	\$8,571	3.5
FAYETTE COUNTY	\$9,565	3
FULTON COUNTY	\$10,255	2
GWINNETT COUNTY	\$8,186	4.5
HENRY COUNTY	\$8,608	3
ROCKDALE COUNTY	\$9,395	2.5

The State’s Financial Efficiency Star Rating system measures a school district’s spending per student in relation to those students’ academic performance according to the College and Career Ready Performance Index. Ratings range from a half a star to five stars, which is the highest possible.

“Strong financial stewardship is a hallmark for our School Board and our School District,” Superintendent of Schools Dr. Brian V. Hightower said. “This overall rating of excellence recognizes our focus on directing funding to the classroom and preparing our community’s emerging generation for future success.”

The State’s rankings also show the CCSD’s average per-pupil spending of \$8,317 (averaged across the three most recent budget years, 2016-2018) places the District in the top 20% statewide for conservative spending.



Atlanta Regional Commission Counties

CCSD Administrative Costs Are Among the Lowest in Georgia

The Cherokee County School District continues to rank among the lowest 10% in the state when it comes to per pupil spending on general administrative costs. CCSD’s rate for FY2018 of \$129 per student is well below the state average of \$215 per student. CCSD also compares well on school-based administrative costs, where it sits in the lowest quartile among Georgia school districts. CCSD’s overall per pupil expenditure for FY2018 was \$8,627, which ranks 150th of 180 school districts in Georgia.

GENERAL ADMIN COSTS PER STUDENT

CHEROKEE COUNTY	\$129
CLAYTON	\$168
COBB COUNTY	\$163
DEKALB COUNTY	\$198
DOUGLAS COUNTY	\$146
FAYETTE COUNTY	\$140
FULTON COUNTY	\$249
GWINNETT COUNTY	\$206
HENRY COUNTY	\$117
ROCKDALE COUNTY	\$241

Source: GOSA

Average Class Size Projected at Its Lowest in Six Years

Class sizes across the Cherokee County School District are expected to be at a six-year low for 2019-20, and the School District does not expect to need the class size waivers granted under its flexibility contract with the State.

Kindergarten classrooms will be at a max of 20 students, with a shared paraprofessional. Grades 1-3 will have an average of 21 students, and grades 4-5 will average 27 students.

Middle and high schools classes will average 25-30 students (but can vary based on class composition and scheduling).

Proposed Budget Puts Resources Toward Helping At-Risk Students

CCSD's FY2020 budget will focus additional funds on assisting the most at-risk students, whether they are struggling academically or emotionally. CCSD began training teachers in the area of Social and Emotional Learning this year and will continue to expand that training under this budget, as well as adding a staffing component.

CCSD will use federal Title IV grant funds to hire two additional mental health counselors to focus on students in crisis who are in immediate need of additional resources and supports. These positions will work with families to stabilize students so they are best prepared to succeed in school.

The budget also will dedicate more resources to students who are struggling academically. This includes students with limited English proficiency, with nine additional ESOL teacher positions allocated in the budget. Ten additional Special Education teachers are also included in new hiring allotments, along with eight additional remedial education teachers.

Note: Detailed information about the CCSD budget and past financial audits can be reviewed on the Open CCSD webpage at <http://cherokeek12.net/open-ccsd/>

CCSD CLASS SIZE AVERAGE			
SCHOOL	KINDER-GARTEN	GRADES 1-3	GRADES 4-5
2019-20	20	21	27
2014-15	23.7	24.8	30.7
STATE MAX	20	21	33
WAIVER MAX	26	28	39

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- Implement recommendations of the Superintendent's Compensation Study to address identified gaps in salary scales for certain clerical staff, school police officers and school nurses, as well as locally funded academic/athletic supplements.

The proposed budget also includes hiring 30 additional teachers to address student population growth and the needs of specific student groups, such as gifted learners, English language learners and student with special needs. The budget calls for 67.3% of funds to be dedicated directly to instruction, while 83.9% of the remainder is allocated to departments that have a direct impact on students. Overall, 94.7% of General Fund expenditures are directly tied to schools and students.

CCSD BY THE NUMBERS

- Cherokee County's largest employer, with 4,851 full-time employees
- 3,255 certified staff
- 1,596 classified staff
- 1,217 substitutes and temporary workers
- Projected enrollment: 42,511 students (increase of 234 students from September 2018)
- 9th largest school district in Georgia