



Muscogee County School District

FY 2020

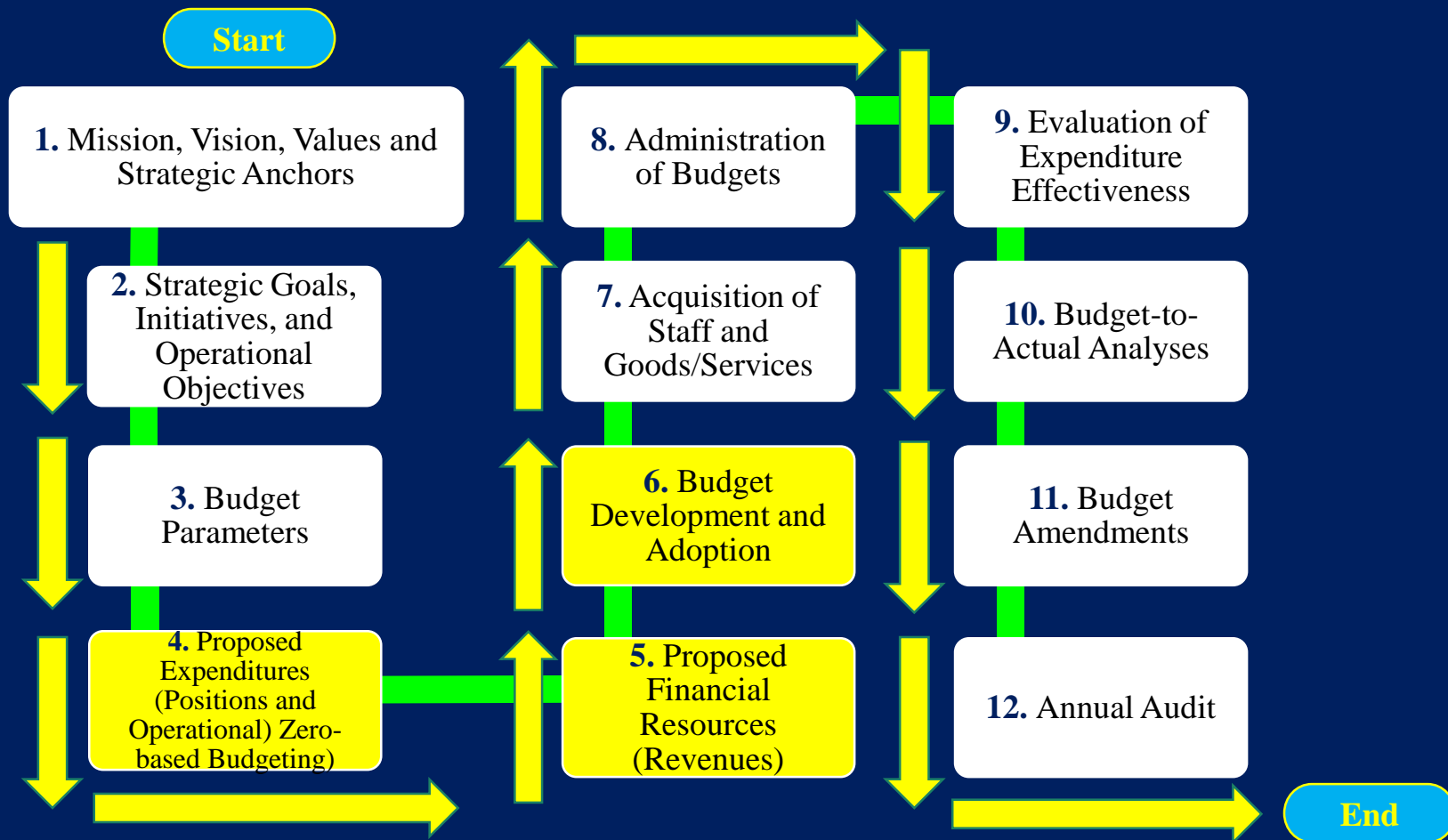
General Fund

Superintendent's Recommended Budget

By Theresa Thornton, MBA, CPA
Chief Financial Officer/Treasurer
June 10, 2019

FY 2020

Budget Development Process



Building the Budget

Expenditure Considerations

- Student Enrollment
- Staffing Requirements
- Staff Salaries and Benefits
- Operational Costs
- Transfers-Out

Student Enrollment, Full-Time Equivalent (FTE) Year-over-Year

Fiscal Year	K-12 FTE Enrollment	Annual Growth	Percent Variance
FY 2016	31,472		
FY 2017	31,097	-375	-1.19%
FY 2018	30,792	-305	-0.98%
FY 2019	31,055	+263	+0.85%
FY 2020	31,144	+89	+0.29%

Growth in FTE enrollment of 89 students or +.29% over FY 2019 contributed towards the increase of State Quality Basic Education (QBE) Revenues realized of +\$6.3 million.

Mandated Expenditure

Employer Benefits Trends

State Health Benefit Plan (SHBP)

Year	Cost of Expenditure	Dollar Change	Percent Change
2016, Actual	\$24,863,616		
2017, Actual	\$26,326,153	+\$1,462,537	+5.88%
2018, Actual	\$27,987,944	+\$1,661,791	+6.31%
2019, Budget	\$28,320,908	+\$332,964	+1.19%
2020, Budget	\$29,190,339	+\$869,431	+3.07%

Mandated Expenditure

Employer Benefits Trends

Teacher Retirement System (TRS)

Year	Cost of Expenditure	Dollar Change	Percent Change
2016, Actual	\$20,253,398		
2017, Actual	\$20,793,307	+\$539,909	+2.67%
2018, Actual	\$25,548,994	+\$4,755,687	+22.87%
2019, Budget	\$31,595,612	+\$6,046,618	+23.67%
2020, Budget	\$32,048,267	+\$452,655	+1.43%

As reflected, for the last four consecutive years the District has realized year-over-year increases in the TRS Employer Cost. For FY 2019 alone, MCSD is projected to realize an over \$6 million or +23.67% increase.

FY 2020
Total Expenditures and
Transfers-Out

Highlights of items funded in the FY 2020 Budget.....

- For the **fifth consecutive year**, funding dedicated for salary and wage increases for staff district-wide
- \$9.3 million to implement Governor's \$3,000 increase to the state salary schedule for certificated staff, includes payment of step increase and local supplement, effective July 1, 2019
- Governor's recommended increase of 2% for school bus drivers, school nurses, and school nutrition workers
- \$5.9 million to fund the new Behavior Supports Program (BSP) initiative with Chance Light, providing additional resources that would enhance the services currently being performed while addressing the growing needs of this student population

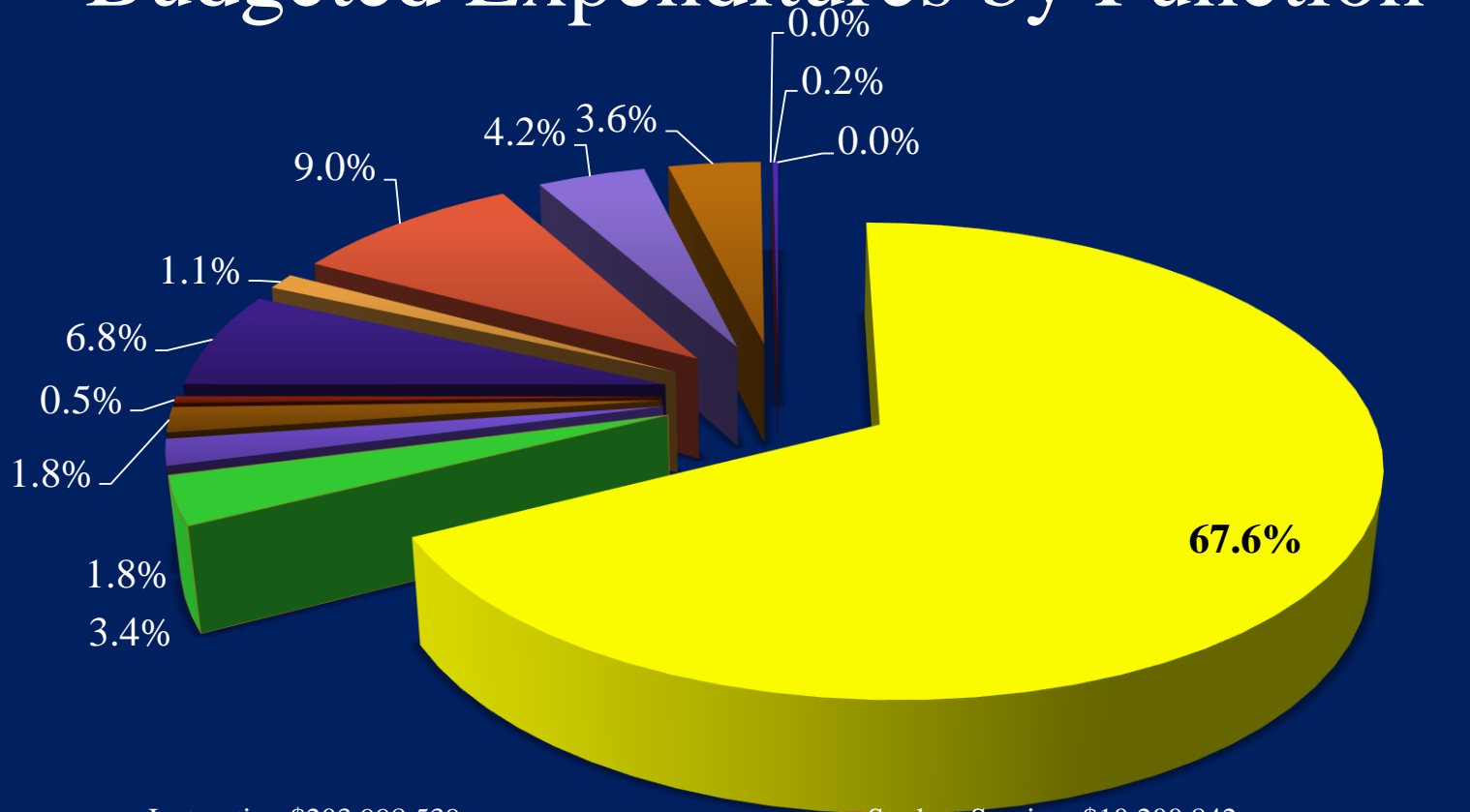
Highlights of items funded in the FY 2020 Budget.....

- \$2.4 million for additional school instructional and support staff (17 teacher allocations, 8 Special Ed teachers, 3 English to Speakers of Other Languages (ESOL), and 2 Positive Behavioral Interventions & Supports (PBIS) support units)
- \$1.2 million for salary and wage increases for non-certificated staff, which includes increases for part-time staff
- \$452,655 for mandated increase to Teacher Retirement System (TRS) employer rate, increasing to 21.14% from 20.90%, up .24% effective July 1, 2019
- Phase III staffing for the Rainey-McCullers School of the Arts to include grade 12

Highlights of items funded in the FY 2020 Budget.....

- Elimination of \$500,000 Transfer-Out to Local Capital Projects Fund to address projected severe funding shortfall
- Overall, increase of \$9.2 million or 3.65% in Salaries and Fringe Benefits
- Overall, decrease of \$3.0 million or 7.41% in Operational Expenditures
- Total Expenditures of \$301.8 million, an increase of \$6.2 million or 2.11% over FY 2019
- Total Transfers-Out of \$6.5 million, a reduction of \$500,000 or 7.05% from FY 2019

FY 2020 Budgeted Expenditures by Function



■ Instruction \$203,998,539	■ Student Services \$10,200,842
■ Improvement of Instruction \$5,500,869	■ Educational Media Services \$5,302,241
■ General Administration \$1,481,225	■ School Administration \$20,418,995
■ Business Services \$3,440,099	■ Facility Maintenance & Operations \$27,173,533
■ Student Transportation \$12,784,377	■ Central Support Services \$10,964,101
■ Other Support Services \$25,000	■ Community Services Operations \$598,537
■ Other Outlays \$0	

Building the Budget


Revenue Considerations

- State Revenue
- Local Property Tax Revenue
- Federal Revenue
- Other Local Revenue

State Quality Basic Education (QBE) Formula Earnings Year-over-Year

Fiscal Year		Dollar Change	Percent Change
FY 2019, Initial	\$167,779,567		
FY 2020, Initial	\$174,133,650	+\$6,354,083	+3.79%

Local Property Taxes Year-over-Year



Fiscal Year		Dollar Change	Percent Change
FY 2019, Adopted	\$109,988,718		
FY 2020, <i>Projected</i>	\$111,832,809	+1,844,091	+1.68%

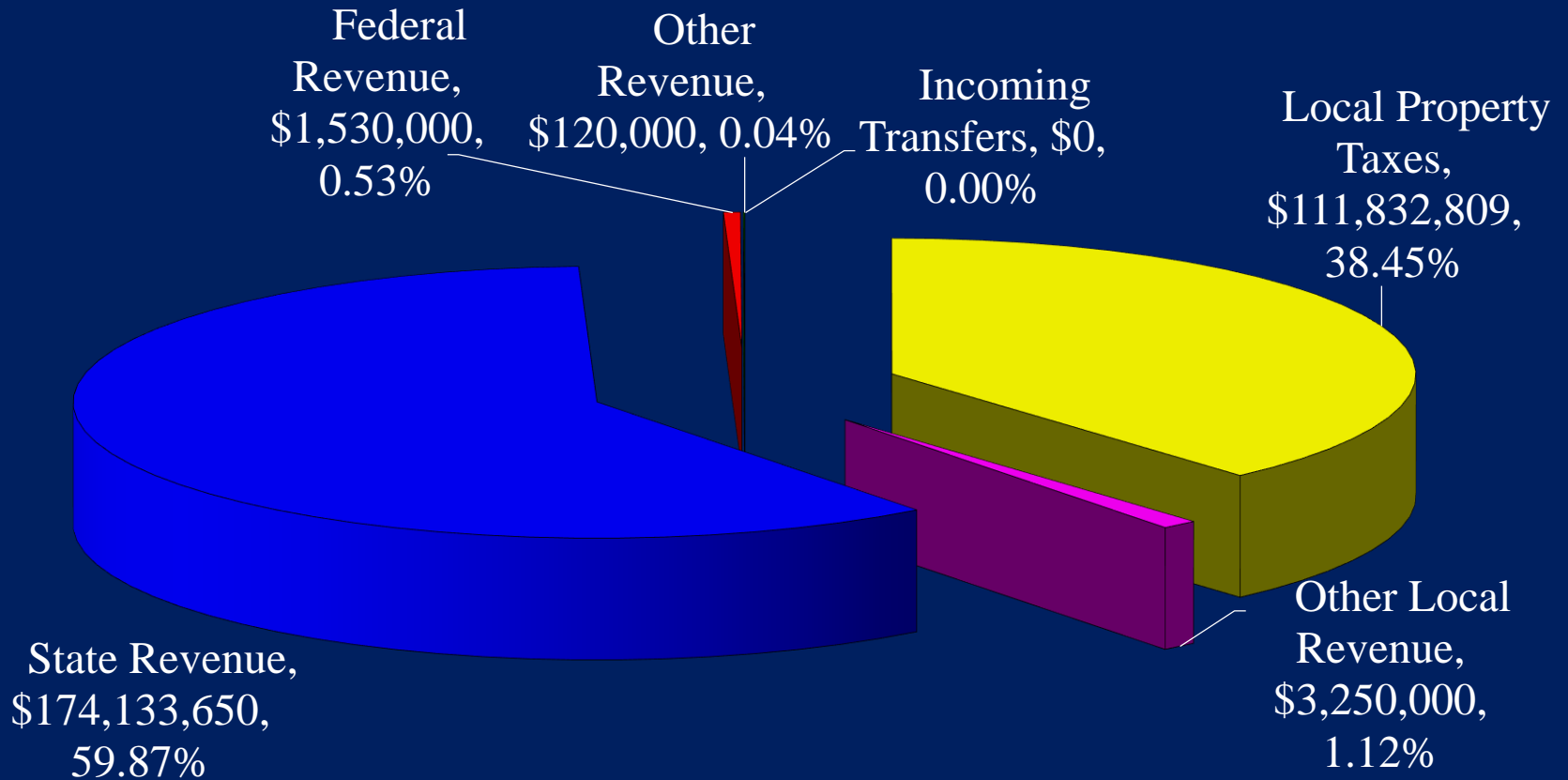
Preliminary Local Property Tax Digest received reflects 1.99% growth in digest.
Final digest anticipated to be received during August 2019.

Federal Revenues and Other Local Revenue Year-over-Year

Fiscal Year		Dollar Change	Percent Change
Federal Revenues, FY 2019, Adopted	\$1,630,000		
Federal Revenues, FY 2020, <i>Projected</i>	\$1,530,000	-100,000	-6.13%

Other Local Revenues, FY 2019, Adopted	\$3,220,000		
Other Local Revenues, FY 2020, <i>Projected</i>	\$3,370,000	+150,000	+4.66%

FY 2020 Budgeted Revenues



Fund Balance

Fiscal Year	Fund Balance, Unassigned	Dollar Change	Percent Change	Local Property Tax Revenues	Fund Balance, Unassigned Days of Operational Expenditures + Transfers Out (Future Year)
FY 2017, Actual	\$40,193,786	(\$8,640,950)	-17.69%	\$107,241,615	50.80 days
FY 2018, Actual	\$32,462,389	(\$7,731,397)	-19.24%	\$110,725,553	39.14 days

FY 2019, Projected	\$31,141,921	(\$1,320,468)	-4.07%	\$109,988,718	36.85 days
FY 2020, Projected	\$24,474,043	(\$6,667,878)	-21.41%	\$111,832,809	28.96 days

Factors Contributing to Fund Balance Usage of \$17.6 million

- Continued funding shortfalls resulting from unfunded mandates, particularly for state initiated salary increases
- State revenue gains not keeping pace with expenditure requirements necessary to meet growth and programmatic needs of student population
- Year-over-year increases in employer benefits costs. From FY 2016 through FY 2020, the District is projected to realize \$4.3 million increase in the State Health Benefits cost and an \$11.7 million increase in Teacher Retirement System (TRS) cost
- Initiation of School District Police Department
- Modest increase in local property taxes. Year-over-year increase in collections averaged 1% to 1.50%.

FY 2020 General Fund Budget

Description	FY 2019 Adopted	FY 2020 Proposed	Dollar Change	Percent Change
Beginning Fund Equity	\$56,025,413	\$52,088,983	-\$3,936,430	-7.03%
Revenues				
State Revenue	167,779,567	174,133,650	+6,354,083	+3.79%
Local Property Taxes	109,988,718	111,832,809	+1,844,091	+1.68%
Other Local Revenue	3,100,000	3,250,000	+150,000	+4.84%
Federal Revenue	1,630,000	1,530,000	-100,000	-6.13%
Other Revenue	120,000	120,000	-0-	0.00%
Total Revenues	282,618,285	290,866,459	+8,248,174	+2.92%
Expenditures				
Salaries & Benefits	254,485,736	263,766,696	+9,280,960	+3.65%
Operational Expenditures	41,173,394	38,121,662	-3,051,732	-7.41%
Total Expenditures	295,659,130	301,888,358	+6,229,228	+2.11%
Transfers to Other funds	7,093,041	6,593,041	-500,000	-7.05%
Total Ending Fund Equity	\$52,088,983	\$34,474,043	-\$17,614,940	-33.82%

Recommended Steps for Restoring Fund Balance

- Continued right-sizing District begun this year
- Continued energy efficiency measures and further exploration of other cost-savings
- Further program evaluations for effectiveness
- Reduce overtime expenditures
- Continuation of zero-based budgeting model, remaining strategic for all purchases

Questions.....