



Budgeting to meet board, community, and district priorities

February 2018



*Hamilton County
Department of Education
will be the fastest
improving school district
in Tennessee!*

Business Services Goals

- Create a 3 year financial plan to forecast and better support district priorities and programs.
- Implement broader use of electronic purchasing and payment reducing paper forms improving turn around time.
- Create a dashboard-based financial reporting process to make our budget and finance data easier to understand.
- Begin use of a zero-based budget process for FY 19-20 to efficiency and transparency in budget development.
- Increase technology resources available for student instruction.

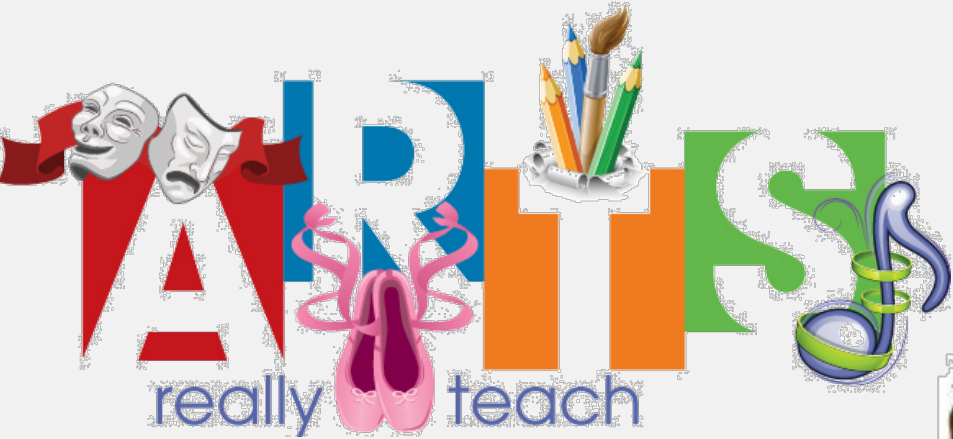


Goals for this budget cycle

What are we focusing on in this budget cycle?

- Align budget to board and community priorities
- Increasing efficiency in using district resources
- Addressing employee compensation

Board and Community Priorities



SOCIAL EMOTIONAL



FY 19 Budget Calendar

Board work session

Purpose

February 15, 2018

General Purpose Budget status update. FY19 Base Budget starting point.

March 8, 2018

Proposed GP Budget discussion & 1st draft of Revenue.
Capital Maintenance Fund budget.

March 22, 2018

Proposed GP Budget discussion. Proposed Child Nutrition
Budget. Proposed Federal & Self-Funded Programs Budgets.

April 12, 2018

Finalize issues regarding the FY2019 Proposed Budget.

April 19, 2018

School Board Vote to approve FY2019 Proposed Budget. work
session prior to regular School Board meeting.)

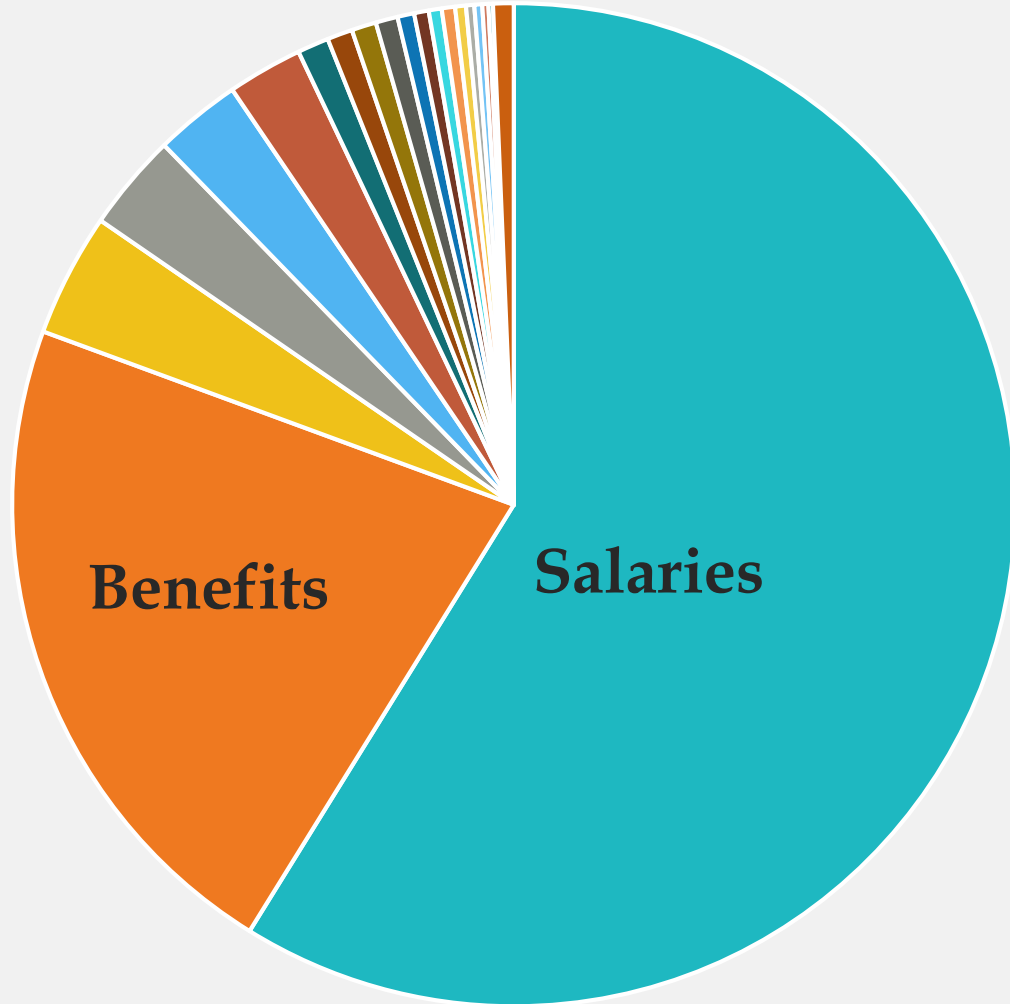
May, 2018

Presentation to County Commission. (usually 1st week)

Base Budget Summary

FY18 ADOPTED GENERAL PURPOSE BUDGET	\$ 372,667,242
• SALARY STEP INCREASE FROM FY18 TO FY19	2,657,979
• FY19 STATE RETIREMENT RATE INCREASE	1,900,000
FY19 BASE BUDGET STARTING POINT	\$ 377,225,221
<p>The Base Budget starting point represents the cost beginning 7-1-18 with current existing personnel step increases, if applicable.</p>	

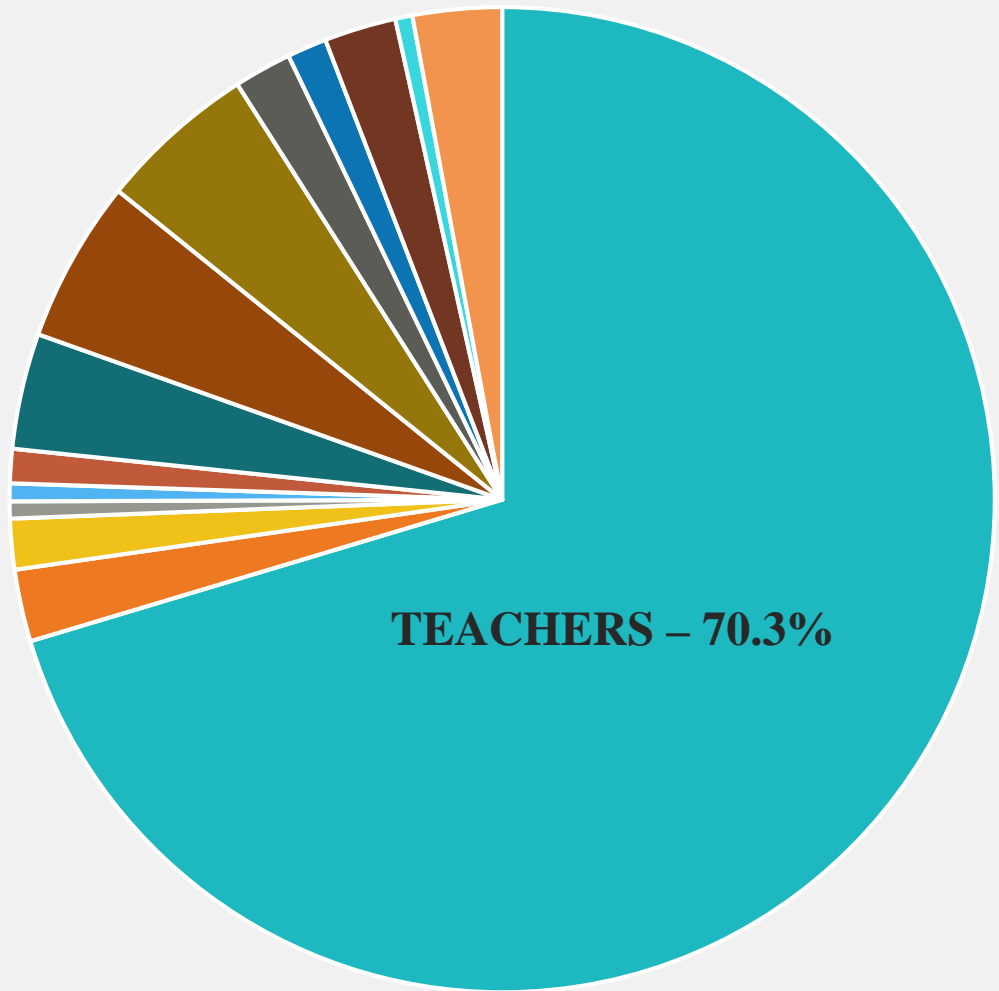
HCDE FY19 BASE GENERAL OPERATING BUDGET - EXPENDITURES



81%

SALARIES	\$ 221,925,650
BENEFITS	82,173,994
TRANSPORTATION	15,003,021
UTILITIES	11,808,932
CUSTODIAL CONTRACTS	10,536,065
CHARTER SCHOOLS	9,146,888
TRUSTEE COMMISSIONS	3,815,663
EXCEPTIONAL ED. CONTRACTS	3,085,472
CAPITAL MAINTENANCE TRANSFERS	3,000,000
LIABILITY INSURANCE	2,680,590
TECHNOLOGY LICENSES	2,026,941
INSTURCTIONAL SUPPLIES	1,779,392
TEXTBOOKS	1,569,023
BUILDING & MAINTENANCE REPAIRS	1,620,697
INTERNET & TELEPHONE	1,310,582
TRANSFERS TO COUNTY GOVN	1,000,000
CONTRACT SERVICES	955,606
EQUIPMENT	743,187
DISPOSAL FEES	546,550
EXPENDITURES UNDER \$500K*	2,496,968
*gasoline, legal services, equipment repairs, professional development, testing)	
GRAND TOTAL	\$ 377,225,221

HCDE FY19 BASE GENERAL OPERATING BUDGET - PERSONNEL

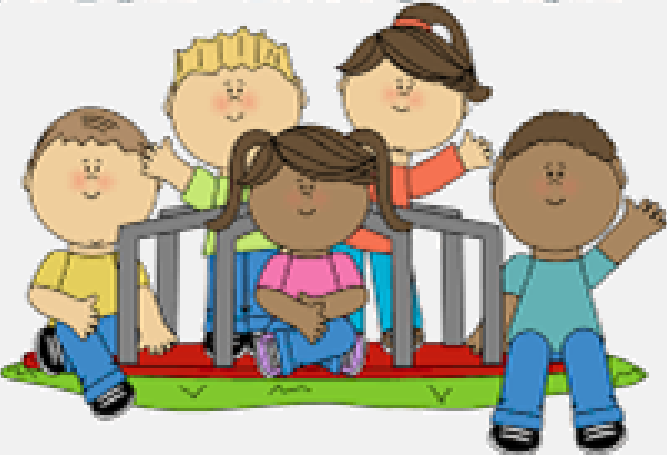


93%	TEACHERS	3,010.71
	GUIDANCE COUNSELORS	101.20
	LIBRARIAN	71.00
	SOCIAL WORKER	24.00
	PSYCHOLOGICAL PERSONNEL	25.00
	PRE K PERSONNEL	48.00
	PRINCIPALS, ASST. PRINCIPALS	162.50
	EDUCATIONAL ASSISTANTS	228.00
	SCHOOL CLERICAL STAFF	222.00
	HEALTH SERVICES	81.00
	TOTAL SCHOOL BASED PERSONNEL	3,973.41
3.5%	TRANSPORTATION	55.50
	OPERATIONS & MAINTENANCE	101.00
3.5%	SUPERINTENDENT, CHIEFS, DIRECTORS	24.00
	SUPPORT STAFF	125.00
	TOTAL NON-SCHOOL BASED PERSONNEL	305.50
	FY19 BASE GENERAL OPERATING BUDGET PERSONNEL	4,278.91

Board and Community Priorities



SOCIAL EMOTIONAL



A large logo for 'Community Schools' with a focus on STEM. At the top is a blue silhouette of a school building. Below it, the word 'COMMUNITY' is written in white on an orange banner. Underneath, the word 'Schools' is written in large green letters. Below that, the letters 'S', 'T', 'E', and 'M' are each in a separate colored square (green, blue, red, purple). Underneath these letters is the text 'Science • Technology • Engineering • Math'. At the bottom are four teal squares containing icons: a DNA helix, a circuit board, a bridge, and mathematical symbols (pi, sigma, infinity, f).

Investing in board and community priorities

Example

	YEAR 1	YEAR 2	YEAR 3
Art Teachers - 20 to be added over 2 years (10 positions year 1 and 10 positions year 2)	\$ 600,000	\$ 1,200,000	\$ 1,200,000
Counselors/Social Workers - 20 to be added over 2 years (10 positions year 1 and 10 positions year 2)	\$ 600,000	\$ 1,200,000	\$ 1,200,000
ESL teachers - 20 to be added over 2 years (10 year 1 and 10 year 2) for compliance	\$ 600,000	\$ 1,200,000	\$ 1,200,000
Community Schools	\$ 300,000	\$ 300,000	\$ 300,000
Individualized Instruction (Technology/ Academic Materials/ STEM)	\$ 3,500,000	\$ 2,500,000	\$ 2,500,000
Safety – School Door Security, Visitor Management System	\$ 860,000	\$ 45,000	\$ 45,000
TOTAL	\$ 6,460,000	\$ 6,445,000	\$ 6,445,000

How do we get there?

As outlined in the previous slide, the example of the priority expenditures would cost approximately **\$6,460,000** in FY 18-19.

So, how do we fund these priorities as a *budget neutral* investment?





Retirement Incentive Tiers

Years of Service Completed

One-Time Incentive

25 years of service and above

25% of annual salary

20-24 years of service

20% of annual salary

10+ years and Age 65 and above

15% of annual salary

Retirement Incentive Tiers

Retirement Incentive savings and repurposed positions savings

Total Projected Annual Savings **\$ 6,504,500 ***

*** These are estimates based on current available data. This data is subject to change as the budgeting process moves forward.**

Next Steps

- February 1 Extended Retirement Notification to HR
- February 15 Board Vote on Retirement Incentive
- February 16 If approved by Board, notification and program details sent to all staff
- March 15 New deadline for Retirement Notification