



# SAVANNAH-CHATHAM COUNTY PUBLIC SCHOOLS

208 Bull Street / Savannah, Georgia 31401 / 912.201.5600

June 4, 2006

Members of the Chatham County Board of Education and Citizens of Chatham County:

I present to you the FY 2006-2007 Recommended Budget for All Funds for the Savannah-Chatham County Public School System. This year's recommended budget, when adopted, will serve as the key operating plan for the district for the next twelve months as we move our school system closer to being a world-class school system where ALL children are learning at high levels. This budget document was the product of a great deal of planning and effort on the part of both staff members and faculty to meet district and school benchmarks within available resources.

We are proud to provide to the citizens of Chatham County a recommended budget that includes a full roll-back of the Millage rates as per the Property Taxpayers Bill of Rights. The recommended Millage rate for FY 2007 is 15.817 which is a reduction of 1.460 mills. That reduction has a dollar value of \$14.4 Million. We are especially pleased to be able to provide this benefit to the citizens of Chatham County at a time of decreased support from other funding sources of revenue.

## A TIME OF AUSTERITY

The national economic downturn which followed September 11, 2001, was mirrored by a significant revenue loss to the state of Georgia. This revenue loss necessitated massive reductions in state aid for local school systems which began late in FY 2002 and is expected to continue through FY 2007. These cuts have come in the form of both designated (program specific) reductions and undesignated "austerity reductions."

While the revenue picture for the State has improved in the last year, the increase has not been sufficient to fully fund the State K-12 education funding formula. Austerity reductions continue to significantly impact school finances. The cumulative loss in earned funding over the last five fiscal years in this district alone due just to the undesignated "austerity" reductions totals more than \$28 million.

Fiscal Year	Austerity Reduction
2002	-
2003	(3,163,912)
2004	(6,599,832)
2005	(7,739,187)
2006	(7,739,117)
2007	(3,608,139)
<b>Total Reductions</b>	<b>\$ (28,860,187)</b>

*OUR VISION: A school system which enables every student to reach his/her full potential*

While Fiscal Year 2007 saw a decrease in the amount of the austerity reduction, which was used to fund Governor Sonny Perdue's "Truth in Class Size Act", the reduction to earned QBE funds continues to put a significant strain on local revenues.

It is from this austere revenue position that we began our budget process for FY 2007. Our process began with the approval by the Board of ten budget objectives. Each of the approved objectives, along with how it has been incorporated into our financial and operational plans for FY 2007, is discussed below.

## **BUDGET OBJECTIVES**

### **□ Address Various Compensation Issues.**

- Provide meaningful pay increases to all staff without the use of one-time payments.
  - Teachers – 4% State + Step
  - Classified – 4% + Step
  - Assistant Principals – 4% State + Step  
(Also receiving increase to local supplement)
  - Principals – 4% + Step
  - Food Service Managers – 4% + Step
  - Administrators – 4% + Step
- Revise Salary Scale for Assistant Principals to Provide More Competitive Salaries
  - Local Supplement for Assistant Principals was increased by \$3,000
- Revise Salary Scale for Paraprofessionals to Acknowledge "Highly Qualified" requirements under NCLB
  - Paraprofessionals who have acquired "Highly Qualified" status are being placed on Grade 5 of the classified scale where they were previously either grade 3 or grade 4.
- Add Step 16 to Classified Pay Scales (with goal of adding 1 step per year to reach step 20)
  - Grade 16 was added to all Classified Pay Scales. Over 100 current employees benefited from this addition and were moved from step 15 to step 16.
- Phase out 4 hour Food Service Worker positions (Increase to 5 hour)
  - All Food Service employees have been moved to a minimum of 5 hours.

### **□ Provide Funding for additional pay necessary to standardize the workday.**

Funding was placed in the Fiscal Year 2007 budget to move all central support staff to an 8 hour workday. This adjustment facilitates a higher level of support for both our internal and external customers.

**❑ Provide funding for Semi-Monthly Pay for Employees Currently Paid Monthly**

Two new positions in Human Resources and Payroll were funding in preparation for the change from monthly to semi-monthly. Staff has outlined a plan that would tentatively move monthly employees to semi-monthly in early 2007.

**❑ Delay implementation of Year 4 Class Size Reductions (requires legislative action).**

Governor Sonny Perdue introduced the "Truth in Class Size" act (HB1358) in the 2006 legislative session. This legislation implemented Year 4 of the class size reductions first brought about by the A+ Education Reform Act (HB 1187). Due to this legislation, 4<sup>th</sup> grade and 5<sup>th</sup> grade staffing formulas have changed from 1:29 to 1:27.

**❑ Provide necessary funding for Year 3 of the Business Systems Replacement project.**

No new money was requested for Year 3 of the Business Systems Replacement project. Staff has refocused resources on ensuring current system infrastructure remains adequate and that capabilities of the current system are being maximized.

**❑ Do not increase millage rate.**

This budget reduces the current Maintenance and Operations millage rate by 1.235 mills to 14.511 mills, while reducing the Bond millage rate by 0.225 mills to 1.306 mills. These rates are based on the tax digest for calendar year 2006 which was received by staff in May 2006. The amounts reduced meet the requirements of the Property Taxpayers Bill of Rights and constitute a full rollback. The dollar value of the reduction to the Millage rates is \$14.4 Million.

**❑ Relocate the Riley Program / Sell existing building**

This budget includes the moving of the Riley Program to the Scott facility as they have combined to form the Alternative Learning Center. This budget also includes anticipated revenue from the sale of the Riley facility.

**❑ Provide limited contribution to Capital Projects.**

Annual proceeds from the sale of the Wilder facility (\$510,000) have been budgeted for use in the Capital Projects funds. These funds, when combined with available fund balances in the Capital Projects funds, will provide limited capability to sustain our buildings for the next 12 months.

**❑ Include strategy to curtail rising energy costs.**

Despite substantial increases to the fuel cost recovery allowance and pending increases to both the base facilities charge and base rates by our energy provider, we have been aggressively pursuing our energy conservation program and have curtailed the rate of increase in our budgeted utilities costs.

**❑ Review transportation system to standardize routes and reduce costs.**

The district will commence Fiscal Year 2007 with a new transportation provider. The new provider will continue to work with staff to review routes and cost in an effort to reduce the impact of transportation costs to the operating budget.

- ❑ **Provide requisite funding for non-bonded long term debt (capital leases and contractual obligations).**

The general fund contribution to the debt service fund has been increased from \$8.3 million in FY 2006 to \$8.7 million in FY 2007 to fully fund the amortization of our non-bonded long term debt.

## **BUDGET IN BRIEF**

The Recommended Budget for All Funds includes the following highlights:

- ❑ Decrease in the combined (Maintenance and Operations and Bond) millage rate of 1.460 mills.
- ❑ Anticipated State Austerity reductions to the General Fund of \$3.6 million.
- ❑ General Fund fund balance use of \$5.9 million.
- ❑ Implementation of the Truth in Class Size act. Decrease in staffing class size in 4<sup>th</sup> and 5<sup>th</sup> Grades from 17 to 19.
- ❑ Local funding of \$161 thousand and 2.5 positions for continuation of the America's Choice Program.
- ❑ No increase in per-pupil allocation per student for site-based instructional costs.
- ❑ Funding for a four-day CRCT Camp for at-risk students in grades 3, 5 and 8.
- ❑ Funding for anticipated cost increase for fuel of \$800 thousand.
- ❑ Continued local funding for Learning for Life Program with Boy Scouts of America
- ❑ Fully fund the requested increase for Oglethorpe Charter Middle School.
- ❑ Pay increases for most staff, to include:
  - Teachers / Counselors / Media Specialists / Psychologists / Social Workers will receive a 4.0% increase on State portion of Salary Schedule and no change to Local Supplement Scale effective July 1, 2006. Those who are eligible will receive a Step (longevity) increase effective July 1, 2006.
  - Assistant Principals will receive a 4.0% increase on State portion of Salary Schedule and an increase of \$3,000 to Local Supplement Scale effective July 1, 2006. Those who are eligible will receive a Step (longevity) increase effective July 1, 2006.
  - Principals will receive a 4.0% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2006.
  - Classified staff (including Food Service) will receive a 4.0% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2006.
  - Professional Staff will receive a 4.0% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2006.
- ❑ Full funding for employer cost increase for State merit health insurance (\$3.5 Million)
- ❑ Utilization of available fund balance in internal service and special revenue funds to reduce the cost to the General Fund for FY 2006 wherever possible.
- ❑ Replacement vehicle purchases for both the Maintenance and Campus Police Departments (\$300 thousand).
- ❑ Funding to cover the increase of employers portion of Teachers Retirement (\$67 Thousand).
- ❑ Board contingency of \$500 thousand.
- ❑ Staffing Reserve for 20<sup>th</sup> day adjustments of \$1.0 million.
- ❑ Provide International Baccalaureate program funding for Coastal Middle (\$69 thousand).

## **RELATIONSHIP TO PRIOR YEARS BUDGET**

The national economic downturn which followed September 11, 2001, was mirrored by a significant revenue loss to the state of Georgia. This revenue loss necessitated massive reductions in state aid for local school systems which began late in FY 2002 and are expected to continue through FY 2007. These cuts have come in the form of both designated reductions and undesignated "Austerity reductions" and were highlighted earlier in this letter.

Fiscal Year 2007 also marks the seventh year of the requirements of SB 177, the Taxpayers' Bill of Rights. The key component of this legislation for the school district is the downward pressure it creates on setting property tax millage rates. The requirements of this legislation are discussed in detail later in this letter.

The 2006-2007 school year marks the sixth year of a now nine-year phase-in of Georgia's sweeping educational reform effort codified in House Bill 1187. To a large degree, HB 1187 eliminated local flexibility and discretion in the use of state funds and mandated the phase in of lower class sizes. In 2006, the Truth in Class Size Act continued where House Bill 1187 left off by further reducing class sizes in grades K-8.

In addition to these legislative actions, local costs continue to increase. Fuel, energy, property insurance, and health benefits costs are just a few examples where we must pay substantially more for the same level of services. We have also had to address the entire employee compensation system for the district to create and maintain both internal equity and external competitiveness.

## **PRIORITIES AND ISSUES FOR THE NEW BUDGET YEAR**

### **Federal No Child Left Behind Act of 2001 (NCLB)**

Passed by an overwhelming majority in Congress in 2001 and signed into law by President Bush on January 8, 2002, the No Child Left Behind Act represents the most sweeping change to the Elementary & Secondary Education Act (ESEA) since it was enacted in 1965. The primary goal of the NCLB Act is to achieve a quality education for all students by the 2013-2014 school year. To meet the 100% proficiency goal, each state must define Adequate Yearly Progress (AYP), a set of performance goals that establish the minimum levels of improvement on state standardized tests. NCLB requires one accountability system for all schools.

Under NCLB, school districts and Title I schools that do not meet AYP for two consecutive years will be subject to various forms of assistance, intervention, and other actions, with consequences increasing each year the school or school district fails to meet AYP as outlined below (non-Title I schools are not subject to statutory consequences, but are included on State Accountability reporting):

- ❑ **1st Year Not Meeting AYP = No Consequences**  
No Consequences under NCLB, but schools and LEAs should use this information to identify areas that need attention and make necessary adjustments.
- ❑ **2 Years Not Meeting AYP = Needs Improvement Year 1**  
**Public School Choice:** Parents will have option to transfer child to a higher performing public school in the LEA. Parents must be notified of this option. Priority for transportation cost must be given to the lowest-achieving, low-income students in that school.  
**School Improvement Plan:** Schools and LEAs must identify the specific areas that need improvement and work with parents, teachers, and outside experts to develop a plan to raise student achievement. Schools must receive technical assistance from the LEA to help it improve.
- ❑ **3 Years Not Meeting AYP = Needs Improvement Year 2**  
**Supplemental Services:** Parents of students in Title I schools have option of requesting tutoring and other supplemental educational services either from their school or from a state-approved outside group. Title I funds are used to pay for supplemental educational services.  
Technical assistance and public school choice consequences continue.
- ❑ **4 Years Not Meeting AYP = Needs Improvement Year 3**  
Technical assistance, public school choice, and supplemental education services continue.  
School is identified for corrective action and must thus change its staffing or make another fundamental change (including instituting a new curriculum, appointing an outside expert to advise the school, or extending the school year or school day for the school).
- ❑ **5 Years Not Meeting AYP = Needs Improvement Year 4**  
**Plan for Restructuring:** School must develop (not implement) an "alternate governance" plan that includes converting it to a charter school, replacing all or most of the staff, turning the school over to a private management company, or having the State take it over.
- ❑ **6 Years Not Meeting AYP = Needs Improvement Year 5**  
**Restructuring:** School must implement the alternate governance plan that was developed the previous year.

#### **Disabled Homestead Exemption (GA House Bill 1731)**

Enacted during the 2002 legislative session and affirmed by local referendum in November 2002, HB 1731 provides a local homestead exemption from school district ad valorem taxes for educational purposes for the full value of the homestead for certain residents of the school district who meet the qualifications of disabled as defined in the law. This local exemption applies to both school taxes for maintenance and operations and for bonded indebtedness. An estimated \$149 million in property values will be exempted from property taxes in calendar year 2005 (LA exemption), for an estimated net revenue impact in FY 2007 of \$2.4 million (at 15.817 combined mills).

#### **"Stephens-Day" Bill (GA House Bill 1024)**

Passed during the 1999 legislative session, HB 1024 provided a homestead exemption that, in effect, freezes the assessed value of each owner-occupied residential property for as long as that owner continues to own and live in the home. Each new year, the homeowner pays taxes based

on the assessed value of the home as it was listed at the time the homeowner filed for a homestead exemption, regardless of subsequent increases in the fair market value of the property. This tax relief for Chatham County homeowners takes the form of a homestead exemption that continues to change as the home increases in value. No state dollars are provided to offset the lost revenue. This bill was affirmed by a local referendum in the fall of 2000. As a result of this local legislation, \$999 million in property values will be exempted from property taxes in calendar year 2006 (L9 exemption), for a net revenue impact in FY 2007 of \$14.5 million (at 14.511 mills for Maintenance and Operations). This exemption does not apply to the School Bond digest.

#### **A Plus Education Reform Act of 2000 (GA House Bill 1187)**

Enacted during the 2000 legislative session, this legislation provided for sweeping changes to the delivery of education services at the pre-kindergarten, elementary, secondary, and post-secondary levels. House Bill 1187, in its final form, contained 179 pages with 98 sections. All aspects of education services were impacted, including such substantial areas as reduced class sizes, modifications to funding allocation formulas, more extensive expenditure controls, programmatic additions/deletions/modifications, and new requirements for teacher employment, staff development and certification.

#### **Education Reform Act of 2000 – Amended Provisions (GA House Bill 656)**

During the 2001 legislative session, the Georgia General Assembly enacted legislation that further modified, clarified, or added to the sweeping educational reforms adopted the year before (see the A Plus Education Reform Act of 2000 above). New programs (such as the early intervention program for the upper elementary grades) were added, while others (such as remedial education, middle school, kindergarten early intervention, and capital outlay) were modified. A social promotion component was also added to law.

#### **“Truth in Class Size Act” (GA House Bill 1258)**

During the 2006 legislative session, the Georgia General Assembly enacted legislation that continued the shrinking of class sizes started by the A+ Education Reform Act of 2000. Beginning in the fall of 2006, parents and teachers will see no more than 18 students in a kindergarten class, down from a maximum of 20 in the past. For grades 1-3, classes will be reduced to 21 students in a class, down from 23. In grades 4-8, class sizes will be reduced from 32 students to a maximum class size of 28 students.

#### **“Property Taxpayers’ Bill of Rights” (GA Senate Bill 177)**

Passed during the 1999 legislative session, Senate Bill 177, commonly known as the “Property Taxpayers’ Bill of Rights,” shifts the burden of proof from homeowners to tax assessors when assessments are increased, and provides procedures to enable taxpayers to obtain information used in the assessment process. Taxpayers’ appeal rights are also strengthened. The essential feature of SB 177, however, is the reinstatement of a “rollback millage rate.” This rate represents the tax millage that would be necessary to raise the same amount of revenue after reassessments as the prior year’s millage rate was able to raise before the reassessments. The legislature passed such a bill in 1992, only to repeal it the following year. The new law, which became effective January 1, 2000, is more rigorous. It mandates that if a local school board opts to set a millage rate higher than the roll-back rate (even if the proposed rate is lower than the prior year’s millage), then three public hearings must be advertised and held prior to final adoption of the new

rate. If a local board of education finds it necessary to set a millage rate that is higher than the roll-back rate, it must advertise in the local media using wording prescribed in SB 177. The notice must include the heading "notice of property tax increase," even if the increase would not apply to any properties that had not been reassessed, and even if the increase is entirely attributable to the increase in the five-mill local fair share (which is not "rolled back").

## **FUTURE OUTLOOK**

Based on what we already know about FY 2008 and FY 2009, costs will continue to increase at a faster rate than available revenue. Additionally, a major facilities construction effort must begin to remediate substandard learning environments. School improvement efforts must also continue as we raise the bar on academic achievement.

External forces are expected to continue their domination of our planning processes for years to come. Most of these take the form of legislation already enacted which is summarized below:

### **Federal No Child Left Behind Act of 2001 (NCLB)**

Title I schools which fail to make adequate yearly progress are subject to the consequences outlined above.

### **"Property Taxpayers' Bill of Rights" - GA Senate Bill 177**

The legal requirements for the Property Taxpayers' Bill of Rights will remain in full force and effect for future budget years. For fiscal years 2001, 2002, and 2003, the Savannah-Chatham County Board of Education was able to roll back the millage to the roll-back rate or lower for both the maintenance and operations tax jurisdiction and the bond tax jurisdiction. The recommended budget for fiscal year 2007 includes a roll-back for the bond tax jurisdiction and a full roll-back for maintenance and operations. Downward pressures on millage rates to the "roll-back rate" are expected to continue in the future.

### **"Stephens-Day Bill" - GA House Bill 1024**

HB 1024 (Stephens-Day Bill), provided a homestead exemption that, in effect, freezes the assessed value of each owner-occupied residential property for as long as that owner continues to own and live in the home. No state dollars are provided to offset the lost revenue to the School System, substantially curtailing growth in local tax revenues. This exemption also impacts the roll-back rate calculation required in the Taxpayers' Bill of Rights, making these values difficult to estimate in advance of the final tax digest (received in late June each year). Additionally, this exemption is not included in the State's equalized tax digest used to calculate the district's "Local Five Mills" (only statewide exemptions are included).

### **Disabled Homestead Exemption - GA House Bill 1731**

HB 1731 (Disabled Homestead Exemption) allows disabled taxpayers to exempt their homesteads from all school taxes in Chatham County. As with HB 1024, no state dollars are provided to offset the lost revenue to the School System, and this local exemption is not included in the State's equalized tax digest used to calculate the district's "Local Five Mills." As the population



ages, the tax digest grows, and taxpayers become familiar with the application process, the value of lost revenue from this exemption is expected to grow.

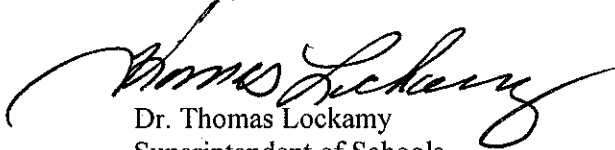
### **Statewide Personal Property Exemption - Senate Bill 150**

SB 150 (Statewide Personal Property Exemption) increases the exemption on tangible personal property. This exemption is one more example of the trend toward limiting local revenue growth, although its dollar value is expected to be much less than that of either the Stephens-Day exemption or the Disabled Homestead exemption.

### **CONCLUSION**

I want to thank this community for its interest in, and commitment to, public education. I hope you find this document comprehensive and useful in understanding our financial plan for the coming year. We welcome your input as we move the Savannah-Chatham County School System to a system where ALL students are learning at high levels.

Sincerely,



Dr. Thomas Lockamy  
Superintendent of Schools

**Savannah-Chatham County Public Schools**  
**FY 2006-2007 Adopted Budget for All Funds**  
**District Snapshot**

Element	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Actual*	Actual	Actual	Modified	Adopted	Budget
<b>Revenues</b>					
Local	127,022,624	144,959,565	151,245,393	156,112,967	163,172,963
State	127,976,586	123,250,358	119,840,361	120,762,279	127,821,786
Federal	30,776,237	35,676,140	43,725,669	51,083,830	43,112,478
<b>Total Revenues</b>	<b>285,775,447</b>	<b>303,886,063</b>	<b>314,811,424</b>	<b>327,959,076</b>	<b>334,107,227</b>
<b>Other Sources</b>					
Lease Proceeds	-	4,108,324	2,714,469	2,460,324	2,933,330
Bond Proceeds*	54,304,558	-	48,820,609	-	-
Operating Transfers In	5,772,312	10,511,729	10,073,119	16,389,560	12,139,022
<b>Total Revenues/Other Sources</b>	<b>345,852,317</b>	<b>318,506,116</b>	<b>376,419,621</b>	<b>346,808,960</b>	<b>349,179,579</b>
<b>Expenditures</b>					
Salaries	173,193,155	175,565,692	182,932,038	190,220,875	200,195,634
Benefits	43,058,622	45,009,276	45,190,798	53,164,390	60,159,368
Other Expenditures	83,483,968	83,478,434	83,784,284	94,055,510	89,720,161
<b>Total Expenditures</b>	<b>299,735,745</b>	<b>304,053,402</b>	<b>311,907,120</b>	<b>337,440,775</b>	<b>350,075,163</b>
<b>Other Uses</b>					
Bond Refunding*	54,304,558	-	-	-	-
Operating Transfers Out	5,772,312	10,511,729	10,409,770	16,904,747	12,139,022
<b>Total Expenditures/Other Uses</b>	<b>359,812,615</b>	<b>314,565,131</b>	<b>322,316,890</b>	<b>354,345,522</b>	<b>362,214,185</b>
<b>Staff Positions</b>	4,831.2	4,780.5	4,837.2	4,802.1	4,852.3
<b>Student Enrollment</b>	34,730	34,507	34,544	33,962	34,121
<b>Free/Reduced Lunch Rate</b>	52.73%	53.59%	55.21%	57.95%	57.95%
<b>Schools</b>	49	48	48	48	48
<b>Other Educational Sites</b>	7	6	6	6	5
<b>Combined Tax Millage Rate</b>	17.550	17.768	17.600	17.277	15.817

\*Reflects Bond Refinancing in FY 2003 and FY 2005

**Savannah-Chatham County Public Schools  
FY 2006 – 2007 Budget Calendar**

- **March 2006**
  - March 1st – Board Budget Workshop (Informal Session)
- **April 2006**
  - April 5<sup>th</sup> – Board Budget Workshop (Informal Session)
- **May 2006**
  - **May 3rd - Board Meeting – Board Members receive Recommended Budget**
  - May 4<sup>th</sup> – Recommended Budget to Live Oak Public Libraries
  - **May 10<sup>th</sup> – Board Budget Workshop**
  - May 17<sup>th</sup> – Advertise Board Public Hearing on Budget (to be held May 25<sup>th</sup>)
  - **May 25<sup>th</sup> – Board Public Hearing on Budget**
- **June 2006**
  - June 2<sup>nd</sup> –Tax Digest and Rollback Millage Rate from Chatham County Board of Tax Assessors (Approximate Date)
  - **June 7<sup>th</sup> – Board Budget Workshop / Regular Board Meeting (Tentative Budget / Millage Rates Adoption)**
  - June 8<sup>th</sup> – Staff Issues Press Release on Tentative Recommended Millage Rate
  - June 12<sup>th</sup> – Advertise Five Year Tax Digest and Tentative Recommended Millage Levy
  - June 13<sup>th</sup> – Advertise Tentative Budget Adoption by Board
  - June 14<sup>th</sup> – Advertise Millage Rate Hearings 1 and 2 (to be held June 21<sup>st</sup>)
  - **June 21<sup>st</sup> – Board Millage Rate Hearings 1 and 2**
  - June 21<sup>st</sup> – Advertise Millage Rate Hearing 3 (to be held June 28<sup>th</sup>)
  - **June 28<sup>th</sup> – Board Millage Rate Hearing 3**
  - **June 28<sup>th</sup> – Board Meeting (Recommended Millage and Final Budget Adoption)**
  - June 30<sup>th</sup> – Fiscal Year 2006 Ends
- **July 2006**
  - July 1<sup>st</sup> –Fiscal Year 2007 Begins
  - July 1<sup>st</sup> – Staff Transmits Certified Millage Resolution to County Commission
  - July 6<sup>th</sup> – Advertise Five Year Tax Digest and Recommended Millage Levy
  - July 21<sup>st</sup> – County Commission (Levying Authority) Adopts Millage Rates
  - July 24<sup>th</sup> – Assessor Submits Tax Digest and Levy submitted to Georgia Department of Revenue for Approval (Approximate Date)
- **August 2006**
  - August 30<sup>th</sup> – Staff Submits FY 2006 Budget to Georgia Department of Education
- **September 2006**
  - September 26<sup>th</sup> – Staff Distributes FY 2006 Adopted Budget Book and submits book to GFOA

FY 2006-2007 Adopted Budget for All Funds  
**Key Assumptions**

Revenues

- ❑ Consolidated School (Maintenance and Operations) Tax digest (net of exemptions) will grow by \$1,239,947,376 to \$9,727,610,336, a 14.61% increase for calendar year 2006 (fiscal year 2007). This is inclusive of the Stephens-Day Homestead exemption as well as the recently approved Local Disabled Homestead exemption and Statewide Personal Property exemption increase.
- ❑ School Bond Tax digest (net of exemptions) will grow by \$1,561,071,322 to \$10,801,286,572, a 16.89% increase (net of exemptions) for calendar year 2006 (fiscal year 2007). This is inclusive of the recently approved Disabled Homestead exemption and Personal Property exemption increase.
- ❑ Combined millage decrease of 1.460 mills from FY 2006 (see table below):

Category	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Maintenance and Operations	16.380	16.179	15.326	15.958	15.878	15.746	14.511
General Obligation (GO) Bond	2.460	2.397	2.224	1.810	1.722	1.531	1.306
Total	18.840	18.576	17.550	17.768	17.600	17.277	15.817

- ❑ Real and personal property tax collection rate will be 99.8% of levy (current & delinquent). This is due to split digest (calendar year versus fiscal year), late payments, appeals, penalties, and interest charges.
- ❑ Tax Commissioner Collection Fee will remain at 1.75% for FY 2007. Court System Collection Fee will remain at 1.0% for FY 2007.
- ❑ State funding (QBE) salary accrual will be -\$511 thousand.
- ❑ A State mid-term adjustment is expected for the Middle School REP program.
- ❑ State Austerity Reduction for FY 2006 will be \$3.6 million and will not change mid-year.
- ❑ State on-behalf payments will total \$1.28 million in FY 2007.
- ❑ Fund balance use by fund:

- General Fund - \$5,969,725
- Debt Service Fund - \$0
- Capital Projects Funds- \$6,008,467
- Internal Service Funds:
  - Worker’s Compensation Fund - \$549,794
  - Unemployment Fund - \$110,300
- Self Insured Risk Pool Fund - \$210,000
- Special Revenue Funds:
  - Sick Leave Bank Fund - \$25,000
  - V. Jenkins Trust - \$138,312
  - Technical Education Fund - \$7,999
  - Massie Center Fund - \$15,000
  - Teen-Aged Parenting Fund - \$75,000

## FY 2006-2007 Adopted Budget for All Funds

# Key Assumptions

### Expenditures

- Pay increases:
  - Teachers / Counselors / Media Specialists / Psychologists / Social Workers will receive a 4.0% increase on State portion of Salary Schedule and no change to Local Supplement Scale effective July 1, 2006. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2006.
  - Assistant Principals will receive a 4.0% increase on State portion of Salary Schedule and a \$3,000 increase to Local Supplement Scale effective July 1, 2006. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2006.
  - Principals will receive a 4.0% salary schedule increase. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2006.
  - Classified staff will receive a 4.0% salary schedule increase effective July 1, 2006. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2006.
  - Professional Staff will receive a 4.0% salary schedule increase. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2006.
  
- District will not implement Year 4 State Class Size Reductions in grades 4-5 and 9-12. Staffing class size in Kindergarten will be increased from 1:17 to 1:19.
- Teacher vacancies will be filled at the median grade/step.
- General Fund vacancy factor / position fill variance will be \$7.0 million.
- General Fund Contingency will be \$500,000.
- General Fund Staffing Reserve for 20<sup>th</sup> day adjustments will be \$1,000,000.
- All State required expenditure and staffing tests will be met (funds will not need to be returned to the State Treasury due to failure to meet tests).
- Cost savings from changes to transportation and energy conservation efforts will occur as planned.
- Fuel and utilities costs do not continue to escalate beyond amounts budgeted.
- State Merit Health Insurance employer rates are not adjusted mid-year.

### Workload

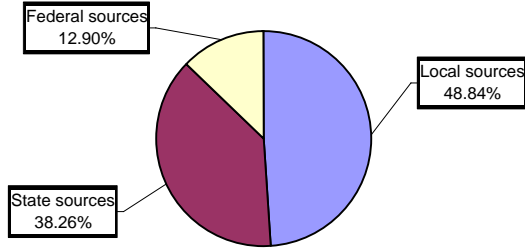
- Pre-Kindergarten through Grade 12 enrollment will increase by 159 students from 20<sup>th</sup> day FY 2006 (from 33,962 to 34,121 inclusive of Oglethorpe Academy enrollment).
- Actual enrollment will occur by site by grade as forecasted.

**Savannah - Chatham County Public Schools  
FY 2006 - 2007 Adopted Budget for All Funds  
Summary by Fund Type**

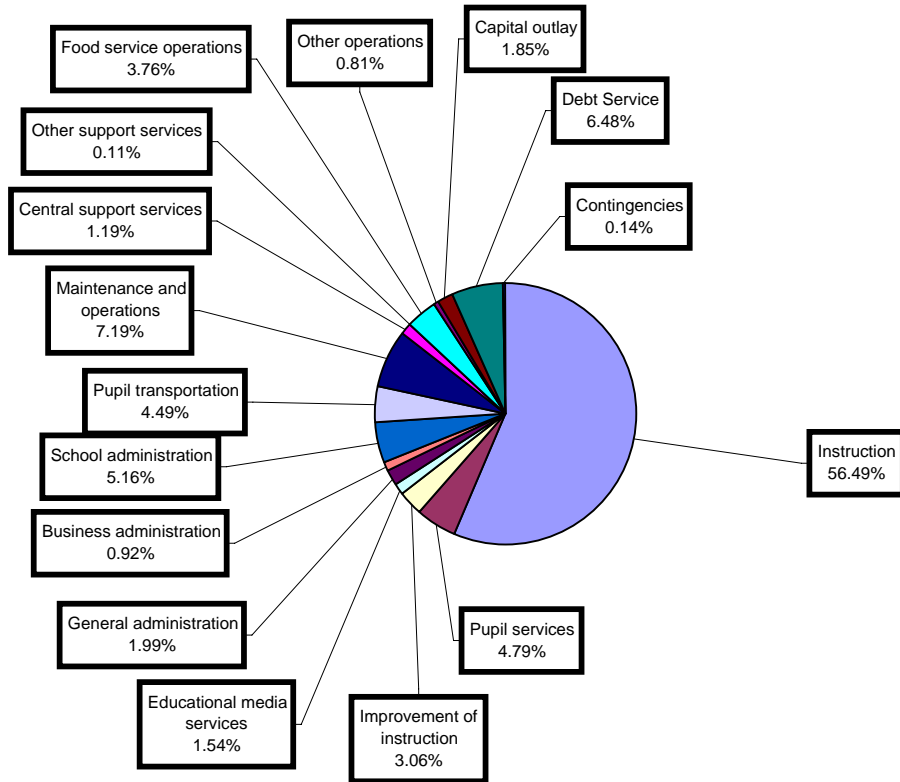
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>	<b>Special Revenue Funds</b>	<b>Internal Service Funds</b>	<b>Totals</b>
<b>Revenues</b>						
Local sources	143,633,707	\$13,953,341	\$510,000	\$4,465,915	\$610,000	\$163,172,963
State sources	118,941,651	-	-	8,880,135	-	127,821,786
Federal sources	600,460	-	-	42,512,018	-	43,112,478
<b>Total Revenues</b>	<b>\$263,175,818</b>	<b>\$13,953,341</b>	<b>\$510,000</b>	<b>\$55,858,068</b>	<b>\$610,000</b>	<b>\$334,107,227</b>
<b>Other Sources</b>						
Capital Lease Proceeds	2,933,330	-	-	-	-	2,933,330
Operating transfers in		8,748,897	-	2,025,125	1,365,000	12,139,022
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$266,109,148</b>	<b>\$22,702,238</b>	<b>\$510,000</b>	<b>\$57,883,193</b>	<b>\$1,975,000</b>	<b>\$349,179,579</b>
<b>Expenditures</b>						
Instruction	\$165,871,499	-	-	\$31,883,429	-	\$197,754,928
Pupil services	14,123,293	-	-	2,649,189	-	16,772,482
Improvement of instruction	3,917,962	-	-	6,783,788	-	10,701,750
Educational media services	5,387,192	-	-	20,459	-	5,407,651
General administration	4,541,392	-	-	2,426,334	-	6,967,726
Business administration	3,191,691	-	39,352	-	-	3,231,043
School administration	17,889,695	-	-	182,821	-	18,072,516
Pupil transportation	17,351,243	-	-	254,010	-	17,605,253
Maintenance and operations	24,986,150	-	-	196,823	-	25,182,973
Central support services	4,075,025	-	-	102,460	-	4,177,485
Other support services	-	-	-	390,506	-	390,506
Food service operations	-	-	-	13,179,685	-	13,179,685
Other operations	50	-	-		2,845,094	2,845,144
Capital outlay	-	-	6,479,124	-	-	6,479,124
Debt Service:	-	22,702,238	-	-	-	22,702,238
Board Contingency	500,000	-	-	-	-	500,000
<b>Total expenditures</b>	<b>\$261,835,192</b>	<b>\$22,702,238</b>	<b>\$6,518,476</b>	<b>\$58,069,504</b>	<b>\$2,845,094</b>	<b>\$351,970,504</b>
<b>Other Uses</b>						
Operating transfers out	12,139,022	-	-		-	12,139,022
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$273,974,214</b>	<b>\$22,702,238</b>	<b>\$6,518,476</b>	<b>\$58,069,504</b>	<b>\$2,845,094</b>	<b>\$364,109,526</b>
<b>Use of Fund Balance</b>	<b>(7,865,066)</b>	<b>-</b>	<b>(6,008,476)</b>	<b>(186,311)</b>	<b>(870,094)</b>	<b>(14,929,947)</b>

Savannah-Chatham County Public Schools  
 FY 2006-2007  
**Adopted Budget for All Funds**

**FY 2007 Revenues by Source**



**FY 2007 Expenditures by Function**





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From school to the world: **All** students prepared for  
productive futures

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**\*\* The Fiscal Year 2006 Modified Budget is as of June 4, 2006 \*\***