

FY24 BUDGET HEARING

Tuesday, July 18th 2023

Agenda

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- 2023 Trends
- State Funding
- Local Funding
- Projected Expenses & Budget
- Answers to Common Questions

2023 Trends

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- Reassessment of existing properties in Catoosa County increased \$365 million

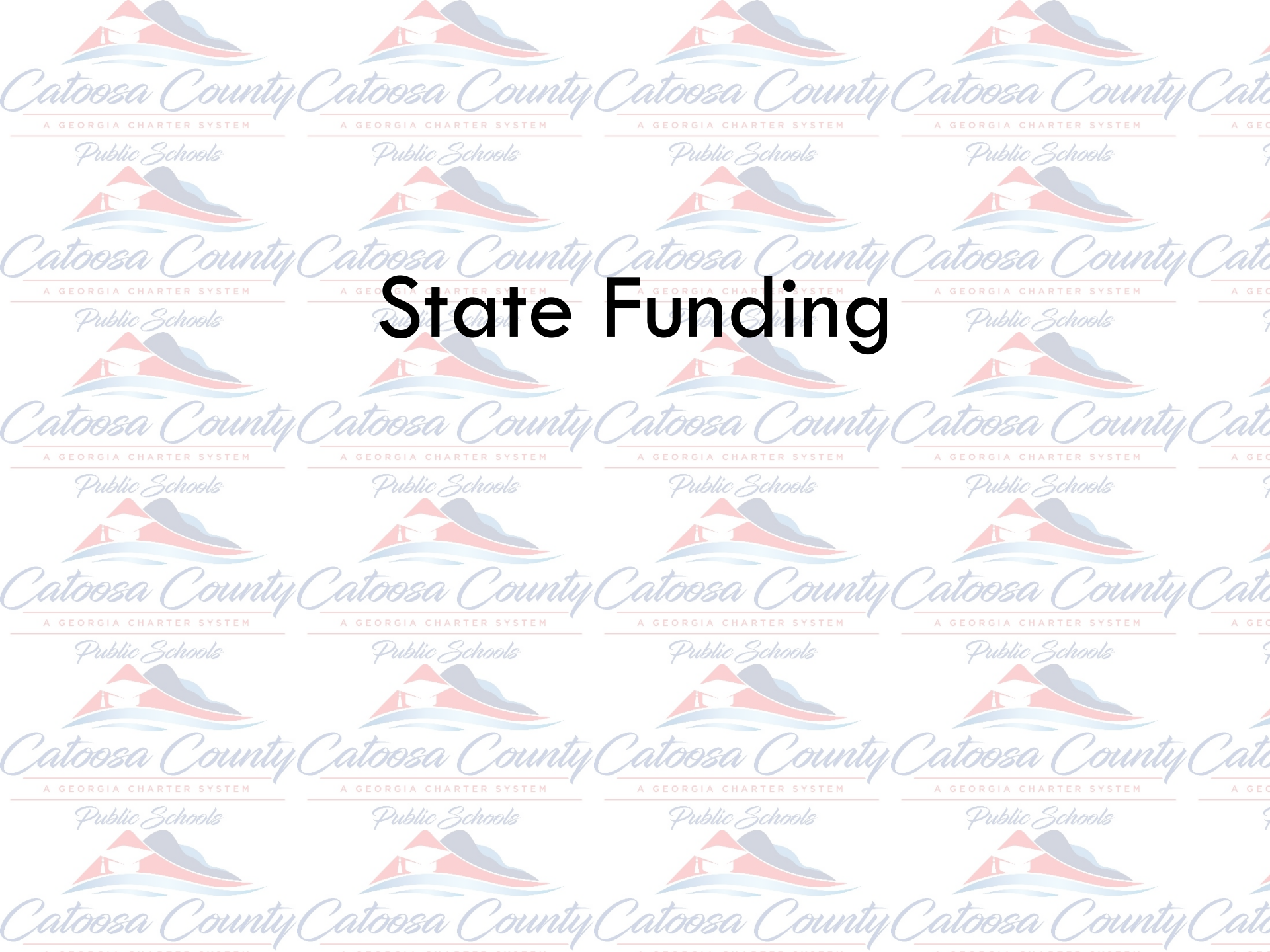
- New and improved property totaled \$71.3 million
 - ▣ New exemptions totaled \$76.1 million
 - Net new and improved property growth (\$4.8) million

- Due to increased property values in recent years we have seen a reduction in State funding over the last two years totaling over \$8 million
 - ▣ \$5 million in FY24

2023 Trends

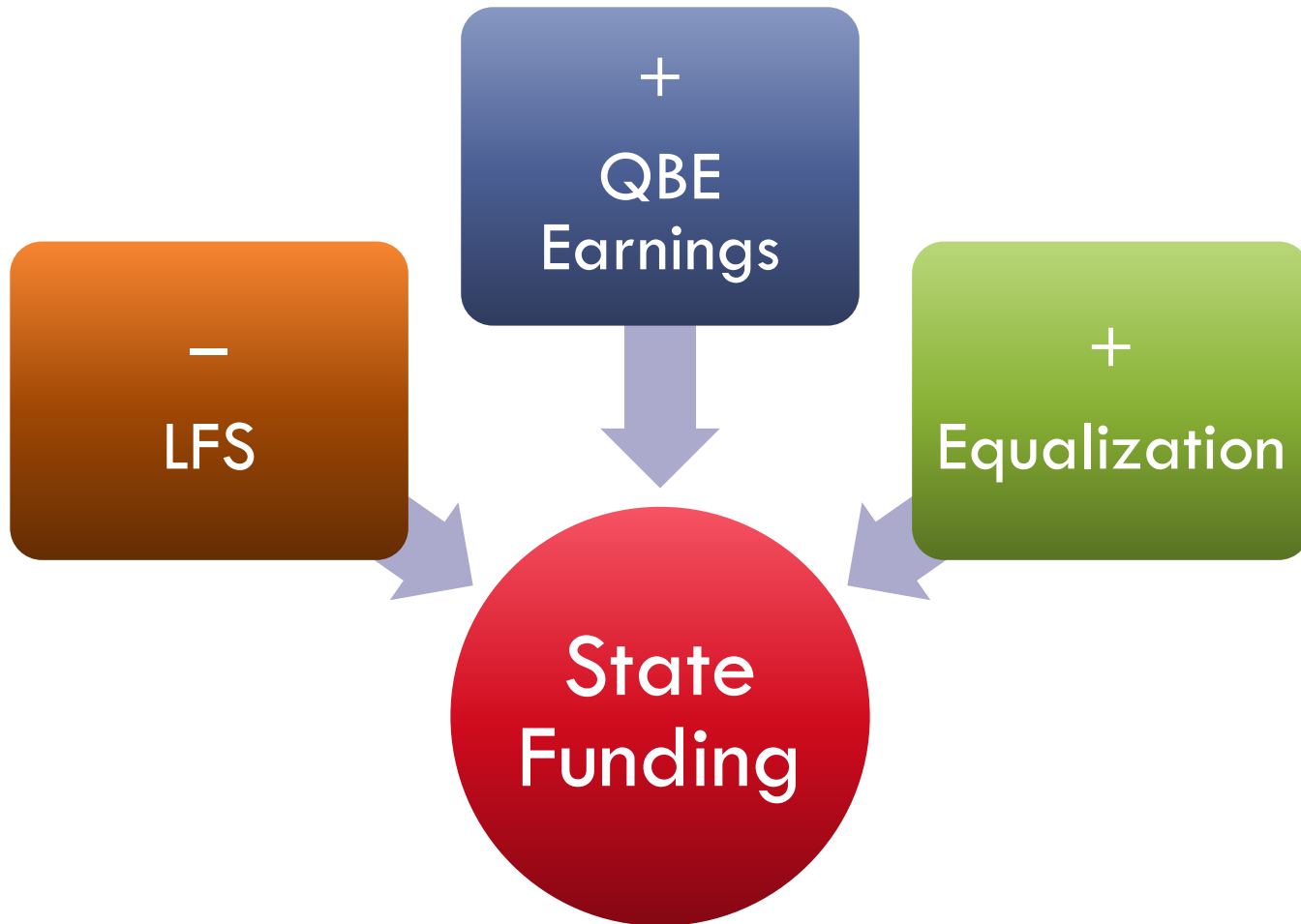
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- State mandated a \$2,000 raise for teachers and other certified staff
- Surprise State mandated health insurance cost increases for all Staff ~ \$6.85 million impact on expenses
- CCPS is projected to use \$6.3 million of reserves in FY23 and have 12.5% of FY24 projected expenditures in it's reserves at the beginning of the year
 - ▣ State recommends between 10% - 15%, this shows a good starting point



State Funding

State Funding



State Funding

How does Georgia fund schools?



HOW DOES GEORGIA FUND SCHOOLS?

State Funding

What is equalization funding?



State Funding – QBE Earnings

	FY 23 Midterm	FY 24 Initial
FTE's	10,143	10,143
QBE Earnings	\$76,410,926	\$79,321,930
Local Fair Share	\$(9,710,176)	\$(11,906,559)
Equalization	\$7,016,086	\$4,153,606
Health Ins Increase	\$2,928,630	\$5,857,260
Transportation	\$966,596	\$966,596
Nurses	\$230,224	\$230,992
Total Earnings	\$77,842,286	\$78,623,825

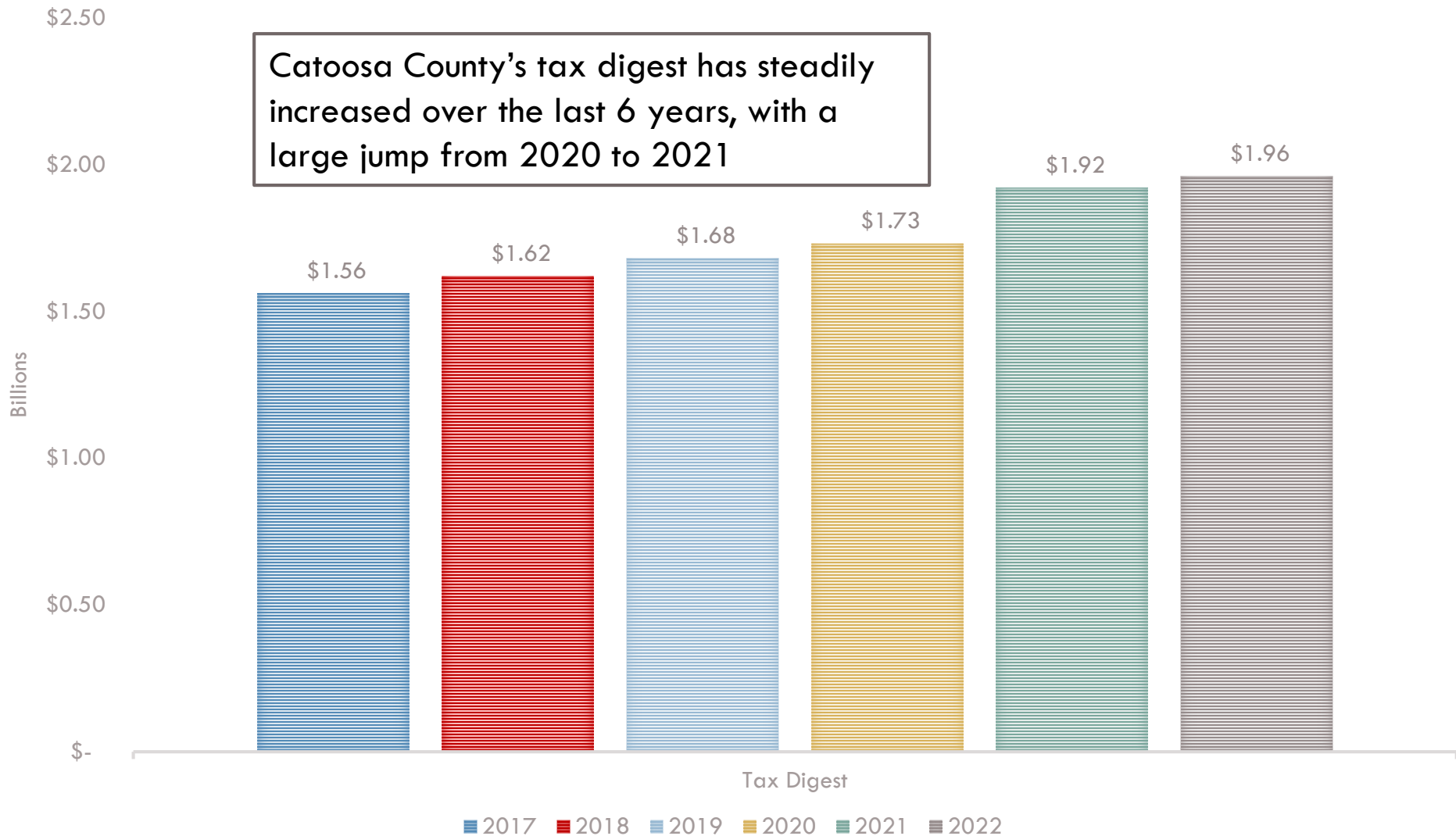
Excluding additional funding for Certified employee
healthcare cost increases

FY 23 Midterm to FY 24 Initial

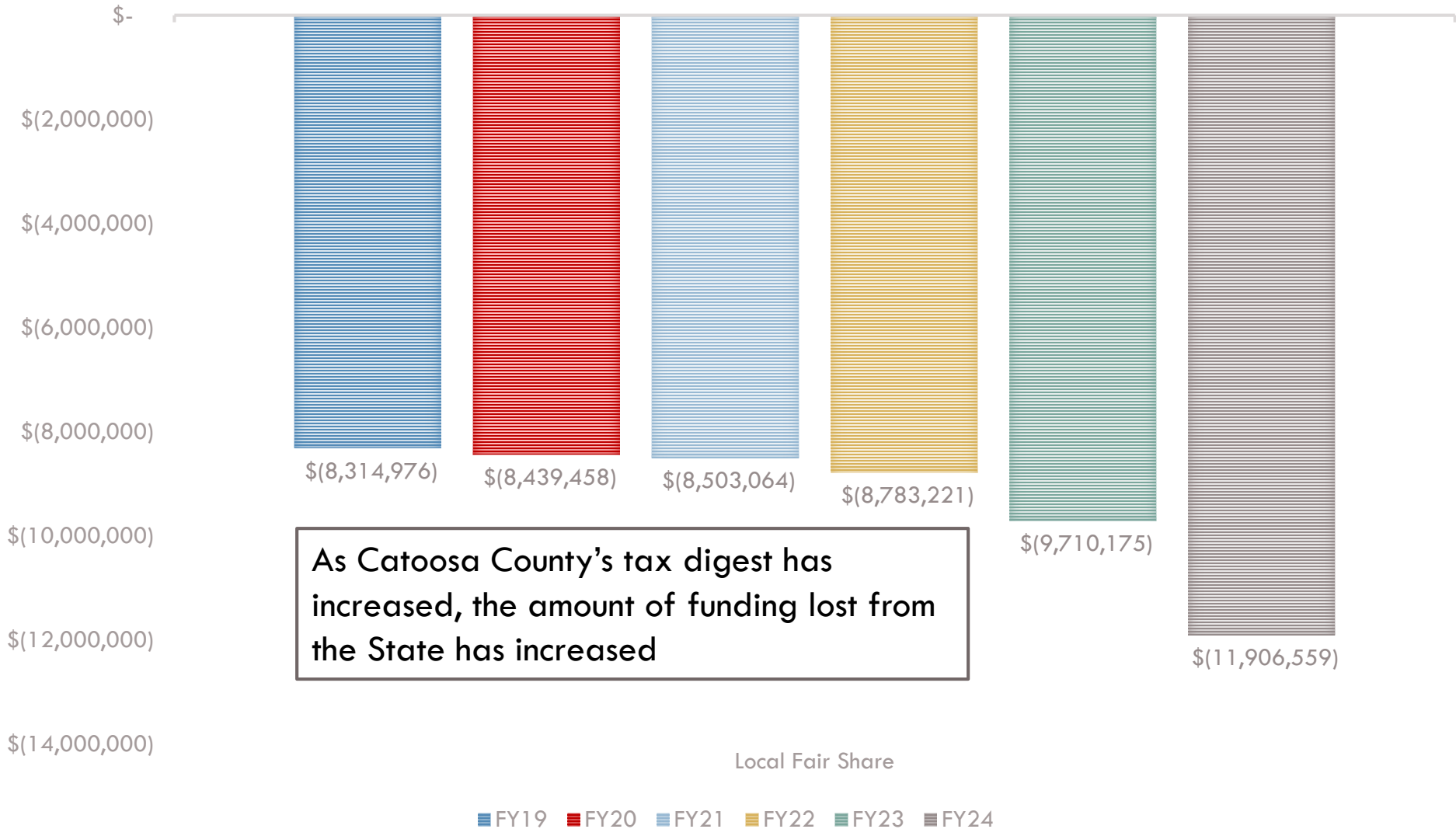
- \$5,075,721

Tax Digest Trend

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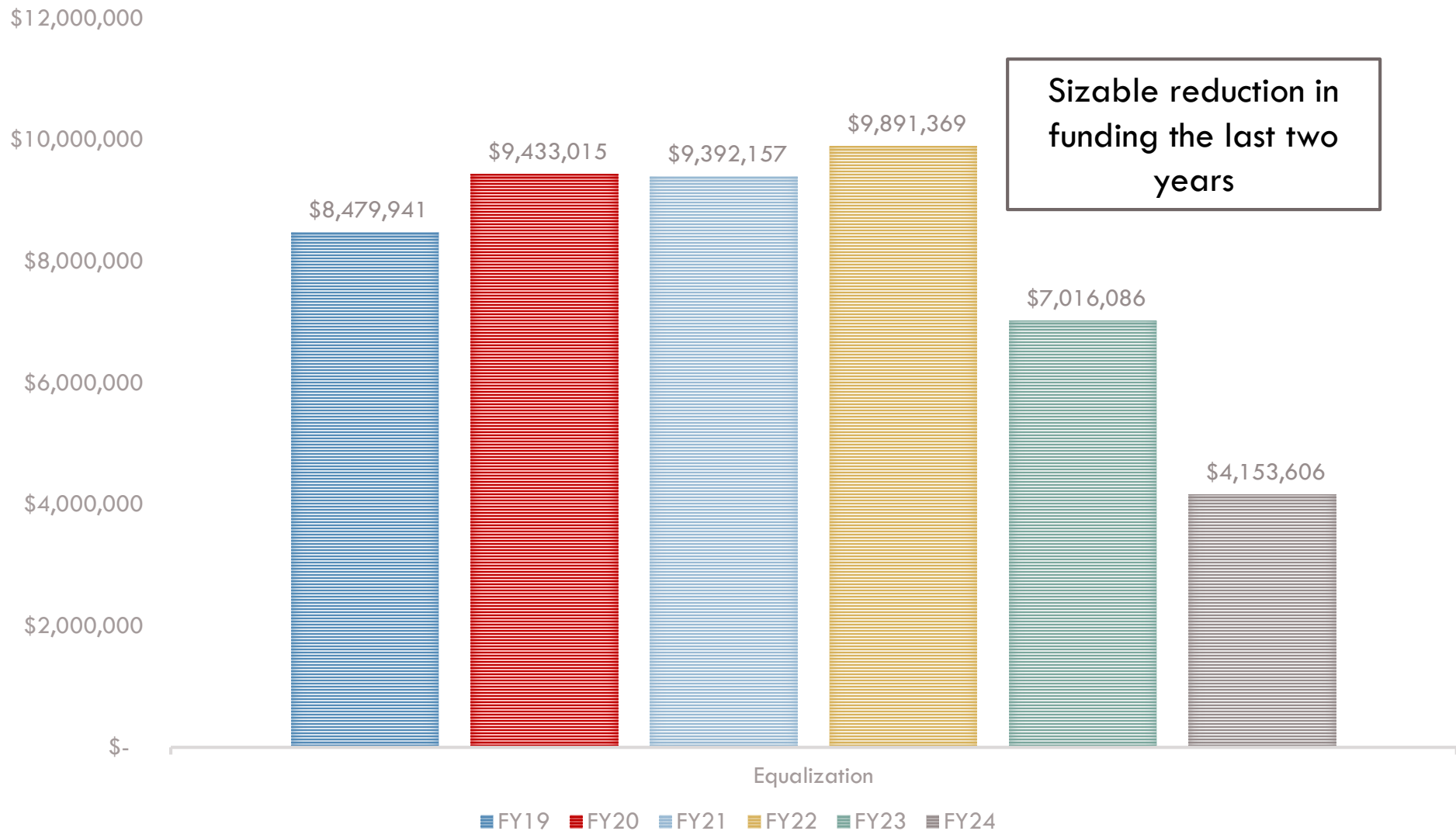


Local Fair Share Trend



Equalization Funding Trend

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State Funding

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- Takeaways
 - As the tax digest increases, Catoosa County is deemed wealthier by the State, therefore CCPS receives less State funding
 - Trends in our Local Fair Share funding withheld from the State and the continued reduction in Equalization funding is likely to continue
 - Calculations based on two years in arrears
 - FY26 State funding will be impacted greatly
 - Chattanooga metro area is the 9th fastest growing in the United States per Realtor.com



Local Funding

Local Funding

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- Preliminary Tax Digest
 - ▣ 2022 Net Digest = \$1,962,127,425
 - ▣ 2023 Net Digest = \$2,322,331,399
 - YTY Increase = \$360,203,974 or 18.36%

 - ▣ Increase breakdown
 - Inflationary growth = \$364,998,911
 - New growth = \$71,349,597
 - ▣ New school digest exemptions = (\$76,144,534)
 - New growth net effect = (\$4,794,937)

 - ▣ For comparison, the County had \$28.8 million in new exemptions and new net growth of \$42.5 million
 - Total County exemptions = \$244.7 million

Local Funding

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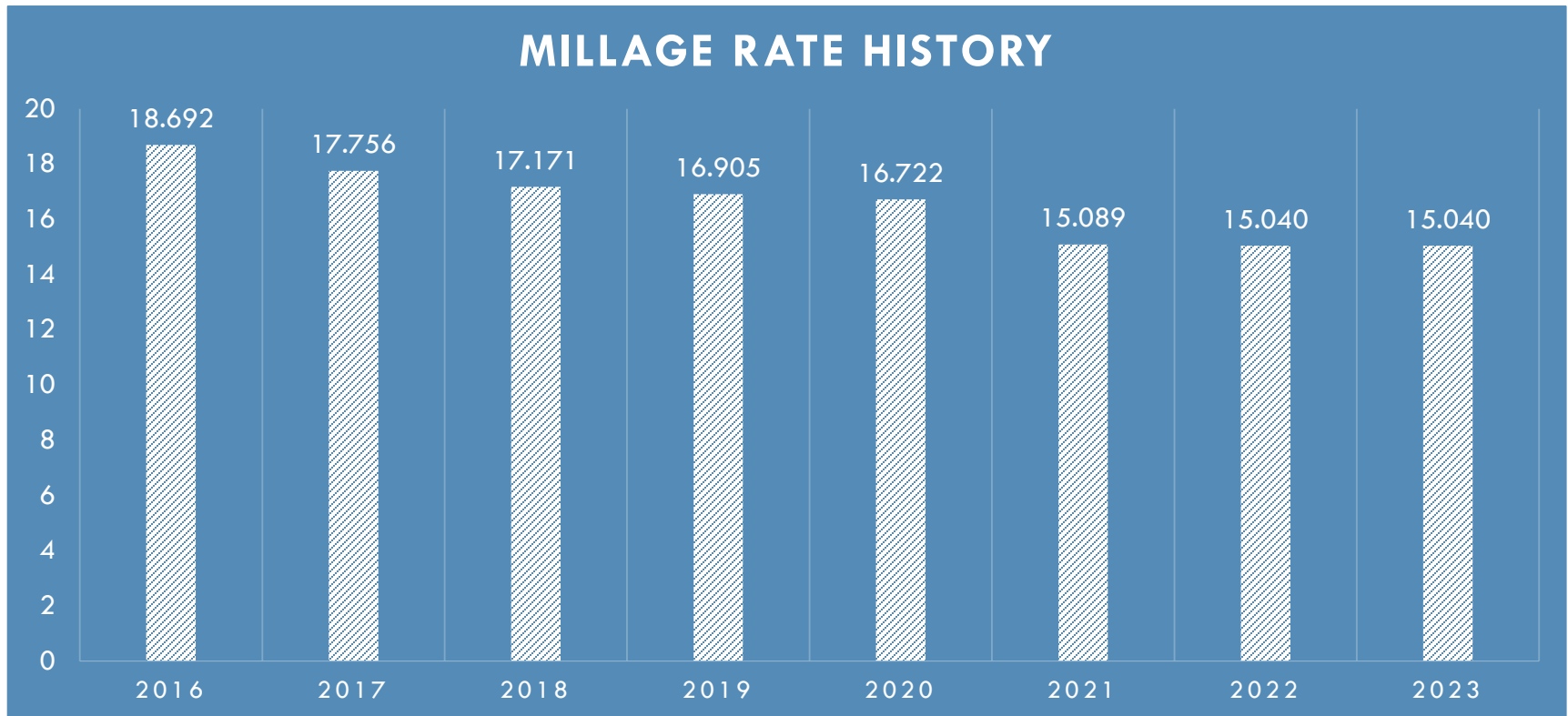
- Preliminary Tax Digest
 - Total school exemptions for 2023 = \$449,884,785
 - Increase of 20.37%
 - Equates to \$6,766,267 of potential revenue returned to taxpayers that qualify for exemptions
 - Causes for the increase:
 - Exempt property reassessment for inflation
 - New exemptions approved for taxpayers

Local Funding

□ Preliminary Tax Digest

<u>PT-32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2023</u>				
COUNTY: Catoosa		TAXING JURISDICTION: School Preliminary		
ENTER VALUES AND MILLAGE RATES FOR THE APPLICABLE TAX YEARS IN YELLOW HIGHLIGHTED BOXES BELOW				
DESCRIPTION	2022 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2023 DIGEST
REAL	2,071,498,703	364,998,911	44,568,645	2,481,066,259
PERSONAL	228,123,740		26,761,436	254,885,176
MOTOR VEHICLES	20,680,970		(159,930)	20,521,040
MOBILE HOMES	11,715,892		926,576	12,642,468
TIMBER -100%	281,728		8,819	290,547
HEAVY DUTY EQUIP	3,566,643		(755,949)	2,810,694
GROSS DIGEST	2,335,867,676	364,998,911	71,349,597	2,772,216,184
EXEMPTIONS	373,740,251		76,144,534	449,884,785
NET DIGEST	1,962,127,425	364,998,911	(4,794,937)	2,322,331,399
	(PYD)	(RVA)	(NAG)	(CYD)
2022 MILLAGE RATE:	15.040		2023 MILLAGE RATE:	

Local Funding



- ❑ The current millage rate of 15.040 is the lowest it has been since 2001.
- ❑ Taken the rollback every year since 2016.
- ❑ Surrounding Counties: 16.404-18.756

Tax Digest History

Year	Adjusted Net M & O Digest	Millage Rate	Revenue (includes 2.5% collection fee)
2019 (2019-2020)	\$1,676,276,550	16.905	\$28,337,455
2020 (2020-2021)	\$1,726,491,499	16.722	\$28,870,391
2021 (2021-2022)	\$1,918,938,388	15.089	\$28,954,861
2022 (2022-2023)	\$1,962,127,425	15.040	\$29,510,397
2023 (2023-2024)	\$2,322,331,399	15.040*	\$34,927,864

*Proposed

The background of the slide is a repeating pattern of the Catoosa County Public Schools logo. Each logo consists of a stylized mountain range in shades of blue and red, with a white house silhouette in the center. Below the mountains, the text "Catoosa County" is written in a blue script font, and "Public Schools" is written in a smaller, grey script font. Underneath that, the phrase "A GEORGIA CHARTER SYSTEM" is printed in a small, red, sans-serif font.

Projected Expenses & Budget

FY24 Cost Challenges

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- Inflation, State Health Insurance Increase, and Needed Classified Staff Wage Increases
 - ▣ Inflation – Fuel, utilities, supplies, etc.
 - Diesel – peaked at an increase of 43%
 - Utilities – YTY increase of 10%
 - Custodial Supplies – YTY increase of 31%
 - ▣ Needed classified staff wage increases to stay competitive

FY24 Cost Challenges

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- State health insurance cost increase - \$945 to \$1,580
 - No warning from the State
 - Unable to adequately plan for
 - Notified in January 2023
 - Certified – effective January 2023
 - Classified – incremental increase starting 01/01/24
 - \$250/\$250/\$135 per year
 - Projected \$6.85 million increase in expenses in FY24

FY24 Cost Challenges

□ State Health Benefit Changes

▣ Classified:

- FY21 - \$945.00
- FY22 - \$945.00
- FY23 - \$945.00
- FY24 - \$1,195.00

Certified:

- FY21 - \$945.00
- FY22 - \$945.00
- FY23 - \$945.00
- FY24 - \$1,580.00

□ Teachers Retirement System

- ▣ TRS stays at 19.98%, will increase in FY25

□ Increase in Insurance Package

- FY24 – Anticipate increase of approximately \$25,000 (5%)

FY24 Projected Budget

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□ Details

- Based on enrollment of 10,134 students
- Based on 175 instructional days
- Includes 856.50 teaching positions (certified) & 205 paraprofessionals (classified)
- Includes Charter System Funds of \$1,160,357 passed directly to schools

FY24 Projected Budget

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- Revenues
 - ▣ Assumes the current millage rate of 15.040
 - ▣ State sources include CTAE grant funds

	FY 2024
Property Taxes*	\$33,906,110
Title Ad Valorem Taxes*	\$3,900,000
Sales Taxes*	\$1,000,000
In Lieu of Taxes*	\$775,000
Earnings on Investments	\$250,000
State Sources	\$80,788,347
Federal Sources	\$3,000,000
Other Local Sources	\$740,000
Total GF Revenue	\$124,359,457

*local tax categories

FY24 Projected Budget

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□ Expenditures

	FY 2024	Change
INSTRUCTION		
Regular Programs	\$57,471,610	+ \$5,221,685
Special Education	\$25,236,797	+ \$2,909,823
Specific Programs	\$5,644,218	- \$385,679
CTAE Programs	\$5,163,761	+ \$1,297,350
PUPIL SERVICES	\$5,277,529	+ \$314,217
IMPROVEMENT OF INSTRUCTION	\$2,542,495	- \$6,922
MEDIA SERVICES	\$1,747,940	+ \$131,058
GENERAL ADMINISTRATION	\$1,369,952	+ \$101,775

FY24 Projected Budget

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□ Expenditures

	FY 2024	Change
SCHOOL ADMINISTRATION	\$9,086,186	+ \$648,022
BUSINESS SERVICES	\$1,054,344	+ \$84,651
MAINTENANCE & OPERATIONS	\$10,078,556	+\$519,219
TRANSPORTATION SERVICES	\$6,232,838	+ \$257,846
CENTRAL SUPPORT SERVICES	\$1,035,339	- \$90,314
OTHER SUPPORT SERVICES	\$336,155	+ \$15,124
COMMUNITY SERVICES	\$370,000	+ \$10,000
TOTAL GF EXPENDITURES	\$132,647,719	+ \$10,926,058

FY24 Projected Budget

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- Expense Impacts
 - State mandated \$2,000 salary raise for all Certified personnel – approx. \$1.95 million increase
 - State mandated healthcare costs for all Certified and Classified personnel – approx. \$6.85 million increase
 - Salary step increases for experience and/or education
 - Net 2 new teaching positions & 11.5 new paraprofessionals – CCA & SPED needs
 - \$3.7 million of local funds required for SPED program in FY22
 - Inflationary costs

FY24 Projected Budget

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□ Overview

	FY 2024
Local Revenue	\$40,571,110
State/Federal Revenue	\$83,788,347
Total Revenue	\$124,359,457
Total Expenses	\$132,647,719
Surplus (Deficit)	(\$8,288,262)
Proj. Beginning FY24 Fund Balance	\$16,228,853
Proj. Ending FY24 Fund Balance	\$8,106,213