

HAMILTON
COUNTY
SCHOOLS

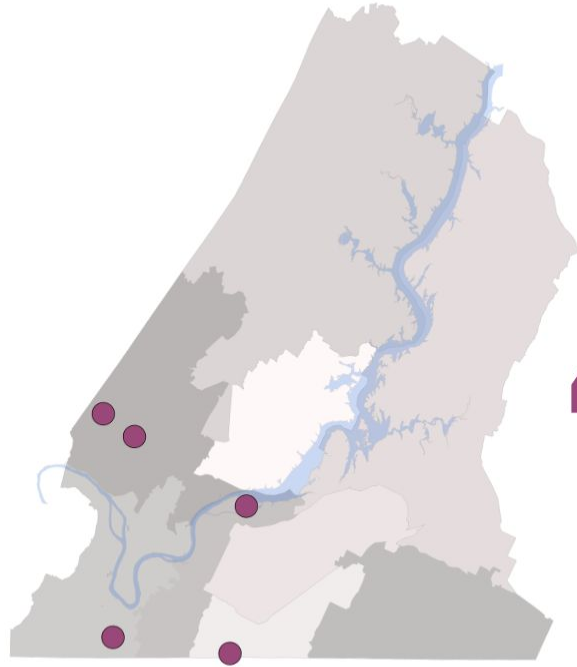
FY 22 Operating Budget

Funding Future Ready 2023



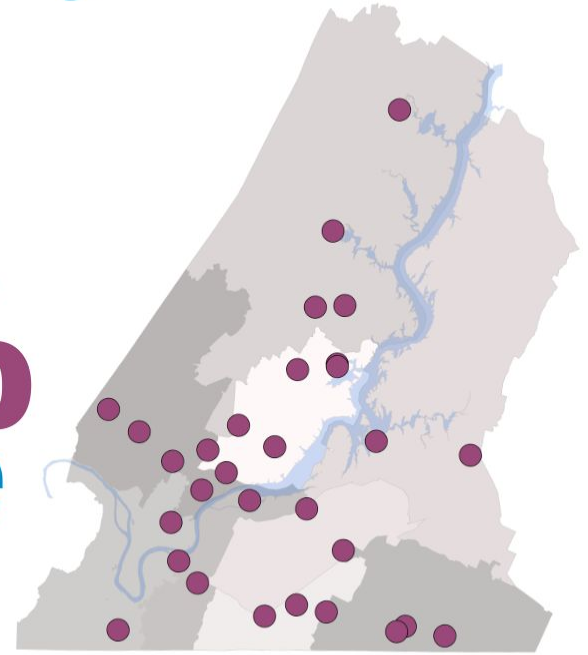
WE ARE HAMILTON

Record Number of Reward Schools in Hamilton County



2016-2017
5 Schools

433%
increase



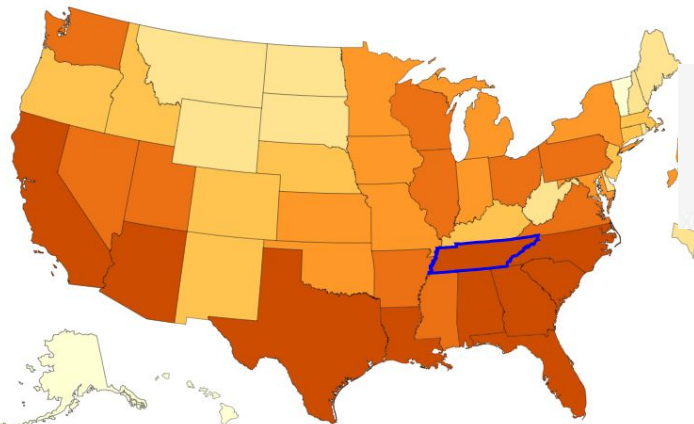
2018-2019
32 Schools

Fastest Improving School District in TN



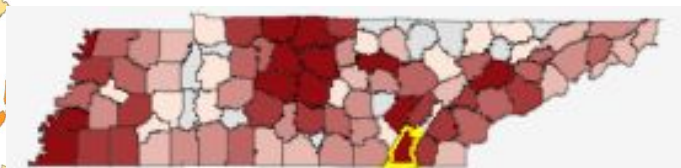
COVID-19: Data as of February 1, 2021

26,034,475



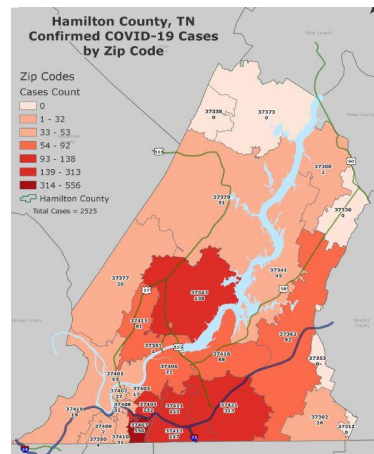
UNITED STATES
26,034,475 TOTAL CASES
439,955 TOTAL DEATHS
43.7 Cases/100K, Last 7 Days

727,861



TENNESSEE
727,861 TOTAL CASES
9,650 TOTAL DEATHS
40.1 Cases/100K, Last 7 Days

37,986



HAMILTON COUNTY
37,986 TOTAL CASES
362 TOTAL DEATHS
45.7 Cases/100K, Last 7 Days

April 2020 Tornado



“The ultimate **measure of a man** is not where he stands in moments of comfort and convenience, but where he stands at times of **challenge and controversy.**”

—Martin Luther King, Jr.

Video: Closing Digital Divide



Future Ready 2023!

**Accelerating
Student
Achievement**



**Future
Ready
Students**



**Great Teachers
& Leaders**



**Engaged
Community**



**Efficient
& Effective
Operations**



Community Priorities

**Accelerating
Student
Achievement**



**Additional Staffing
for Whole Child
Supports**

Summer Learning

**Future
Ready
Students**



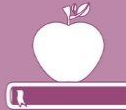
**Expanded Access to
Future Ready
Institutes**

**Expanded College
and Career Prep**

Arts

Technology

**Great Teachers
& Leaders**



**Increased Pay

Increased Diversity**

New Teacher Supports

Grow Your Own

Mental Health Supports

**Professional
Development**

**Engaged
Community**



**Engagement
Opportunities**

**Engagement
Support for Hispanic
Community**

**Parent and Family
Training**

**School-based
Engagement Staff**

**Efficient
& Effective
Operations**

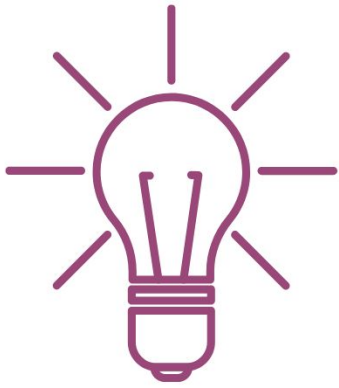


**Facilities
Improvements**

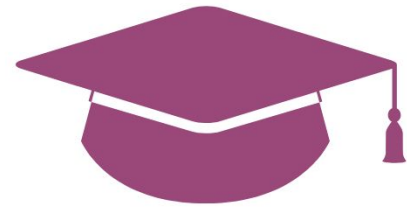
School Safety

**Cleaning and
Sanitation**

Technology



Hamilton County Schools
will create **pathways to
bright futures** for *all*
students in our
community by equipping
them with the **skills,**
knowledge and supports
required to realize their
full potential!



General Purpose Budget



Key Budget Messages

- Fiscal responsibility through balanced budget proposal
- Funding contractual obligations (Buses, Custodial, etc.)
- Investing in Teacher and Staff Compensation
 - Maintained 1% raise and step increase approved in February 2021
 - Increased salaries by 1% and awarded step increase for FY 22
 - Lifting 15-year experience cap for veteran and new teachers
 - Increasing starting teacher pay to \$41,876
 - Raising starting classified pay to \$13 per hour
- Continued commitment to Future Ready 2023 by sustaining prior investments in all five focus areas

Budget Narrative



Proposed Operating Budget

Fiscal Year Ending June 30, 2022

Hamilton County Commission Meeting | May 4, 2021



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Budget Narrative



Proposed Operating Budget

Fiscal Year Ending June 30, 2022

Hamilton County Commission Meeting | May 4, 2021

Budget Documents

1. *Proposed Revenues Summary*
2. *Proposed Revenues Detail*
3. *Budget Reconciliation*
4. *Appropriation by Focus Area Summary*
5. *Appropriation by Function Summary*
6. *Appropriation by Organization Summary*
7. *Appropriation by Object Summary*
8. *Appropriation by Focus Area Detail*
9. *Appropriation by Expenditure Type*
10. *Summary of Positions*
11. *Capital Maintenance*
12. *School Nutrition*
13. *Self-Funded Programs*
14. *Federal Programs*

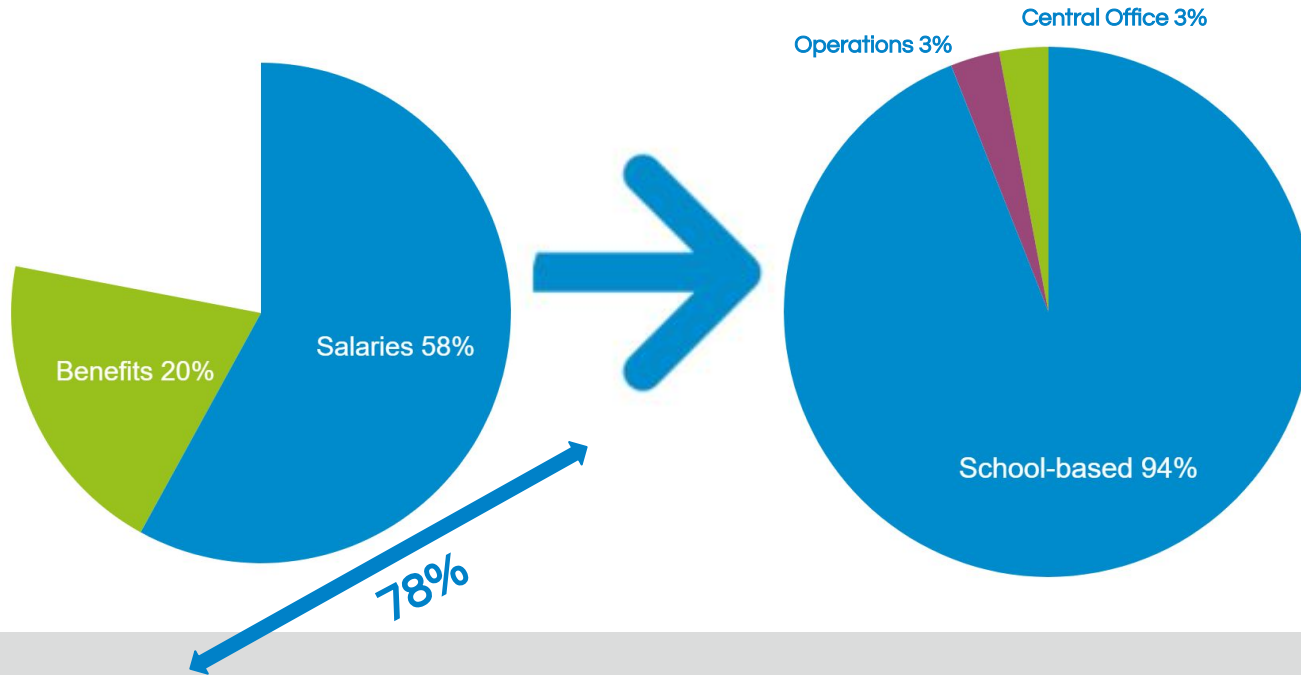
Revenue

Proposed Revenues Summary - FY 22

Revenue Source	<u>Actual FY 2018</u>	<u>Actual FY 2019</u>	<u>Actual FY 2020</u>	<u>Budget FY 21</u>	<u>Amended Budget FY 21</u>	<u>Proposed FY 2022</u>	<u>Prop FY 22 vs Amend FY 21</u>	<u>Prop FY 22 vs Amend FY 21</u>
Local Taxes	\$ 221,007,686	\$ 227,934,822	\$ 230,585,652	\$ 233,600,000	\$ 241,600,000	\$ 245,400,000	\$ 3,800,000	1.57%
Licenses & Permits	\$ 12,274	\$ 11,847	\$ 11,357	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	0.00%
Charges for Current Services	\$ 546,247	\$ 659,967	\$ 440,268	\$ 543,000	\$ 543,000	\$ 522,500	\$ (20,500)	-3.78%
Other Local Revenues	\$ 8,085,434	\$ 4,970,090	\$ 3,909,247	\$ 3,000,000	\$ 300,000	\$ 300,000	\$ -	0.00%
State Education Funds	\$ 160,213,101	\$ 166,926,902	\$ 174,748,091	\$ 179,310,000	\$ 184,153,206	\$ 183,366,878	\$ (786,328)	-0.43%
Federal Funds Received Through State	\$ 90,442	\$ 88,049	\$ 65,089	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.00%
Direct Federal Revenues	\$ 953,054	\$ 964,539	\$ 971,080	\$ 950,000	\$ 950,000	\$ 950,000	\$ -	0.00%
Other Sources	\$ 1,410,203	\$ 1,391,024	\$ 1,573,678	\$ 1,285,000	\$ 1,285,000	\$ 3,685,000	\$ 2,400,000	186.77%
Total Revenues & Other Sources	\$ 392,318,441	\$ 402,947,240	\$ 412,304,463	\$ 418,800,000	\$ 428,943,206	\$ 434,336,378	\$ 5,393,172	1.26%
Use of Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 5,091,682	\$ -	\$ (5,091,682)	-100.00%
Total Available Funds	\$ 392,318,441	\$ 402,947,240	\$ 412,304,463	\$ 418,800,000	\$ 434,034,888	\$ 434,336,378	\$ 301,490	0.07%

Great Teachers and Leaders

- **Over 78%** of our budget is people (salaries and benefits)
- Nearly **94%** of the **78%** is school-based personnel



FY 22 Balanced Budget Reconciliation

Hamilton County Schools General Purpose Budget Reconciliation Fiscal Year 2022		
	<u>Positions</u>	<u>Budget</u>
FY 21 Adopted General Purpose Budget	4,590.00	\$418,800,000
FY 21 Approved Use of Fund Balance		\$ 5,091,682
FY 21 State Program Amendments		\$ 2,959,206
ESSER Reimbursement for One-time Custodial		\$ (1,632,032)
FY 21 Salary Step Increases (effective July 2020)		\$ 3,710,965
FY 21 Salary Increase 1% (effective January 2021)		\$ 1,480,791
FY 21 Charter Schools Increase		\$ 522,929
FY 21 Additional Transfer to Unassigned Fund Balance		\$ 3,101,347
FY 21 Amended General Purpose Budget	4,590.00	\$434,034,888
Salary Increase January 2021 (Additional Cost to Annualize)	-	\$ 1,480,791

Remove Budgeted Transfer to Fund Balance	-	\$ (5,901,347)
Remove Use of Fund Balance and ESSER Reimb Expenses	-	\$ (3,459,650)
Adjust State Grants to Expected FY 22	-	\$ (2,794,840)
FY 22 Step Increase	-	\$ 3,748,075
FY 22 1% Salary Increase	-	\$ 2,961,582
Charter Schools Increase	-	\$ 2,560,865
Transportation Contract Increase	-	\$ 722,757
8 High School Teachers Based on Staffing Model	8.00	\$ 605,000
Trustee Fee Increase	-	\$ 456,767
Other Contractual Increases	-	\$ 300,000
Move Starting Classified to \$13	-	\$ 358,950
Fund Removal of 15 Year Cap on Experience	-	\$ 299,225
One-time Federal Money/Additional Administrative Support	-	\$ 200,000
First Year Fleet Cost	-	\$ 208,315
Textbooks and Technology Braiding with ESSER	-	\$ (1,445,000)
FY 22 Proposed General Purpose Budget	4,598.00	\$434,336,378

Balanced Budget by Strategic Focus Area

Focus Area	FY 21 Amended Positions	FY 21 Amended Budget	FY 21 Amended Budget	FY 22 Proposed Positions	FY 22 Proposed Budget	FY 22 Proposed Budget
Accelerating Student Achievement	4,159.00	\$ 233,428,980	53.79%	4,170.00	\$ 236,838,027	54.54%
Efficient & Effective Operations	213.00	\$ 75,128,941	17.31%	212.00	\$ 68,276,105	15.72%
Engaged Community	14.00	\$ 996,386	0.23%	13.00	\$ 1,020,178	0.23%
Future Ready Students	147.00	\$ 12,647,389	2.91%	145.50	\$ 10,182,074	2.34%
Great Teachers & Leaders	57.00	\$ 92,207,570	21.24%	57.50	\$ 95,376,740	21.96%
Mandated	-	\$ 19,625,622	4.52%	-	\$ 22,643,254	5.21%
Grand Total	4,590.00	\$ 434,034,888	100.00%	4,598.00	\$ 434,336,378	100.00%

Unfunded Priority-Based Budget Requests

<i>Focus Area</i>	Estimated Cost
Accelerating Student Achievement	\$9,394,749
Future Ready Students	\$1,391,872
Great Teachers & Leaders	\$2,088,097
Engaged Community	\$50,000
Efficient & Effective Operations	\$20,977,181
Grand Total	\$33,901,899

Due to budget constraints, **\$34 million** in priority-based budget requests were **cut from the FY 22 proposed operating budget** to achieve a **balanced budget** that meets our contractual obligations and compensation commitments.

Strategic Financial Plan



Strategic Financial Plan Purpose

- Ensure that we are **maximizing taxpayer** dollars to fund priorities **aligned with the Future Ready 2023 strategic plan**
- Maintaining **fiscal responsibility** and **financial stability**
- Basis for planning the **use of resources in a strategic manner** over multiple years, allowing for a **phased approach** to implementing priorities

Strategic Financial Plan Purpose

- The strategic financial plan does not replace the annual budget but **serves as the starting point for the budgeting process** each year.
- The **annual budget will include single-year actions** to implement priorities and resource alignment strategies described in the strategic financial plan.
- The strategic financial plan must be **responsive** to changing circumstances and is **not intended to be static**.

Projections

- Projections are a **critical component** of the financial review and planning process.
- Underlying set of **assumptions** must be developed and applied for each year projected.
- Assumptions **will not be 100% accurate** for the term of the projections.
- **Adjusted annually** - or at such time new information indicates a required change in assumptions.

Projections

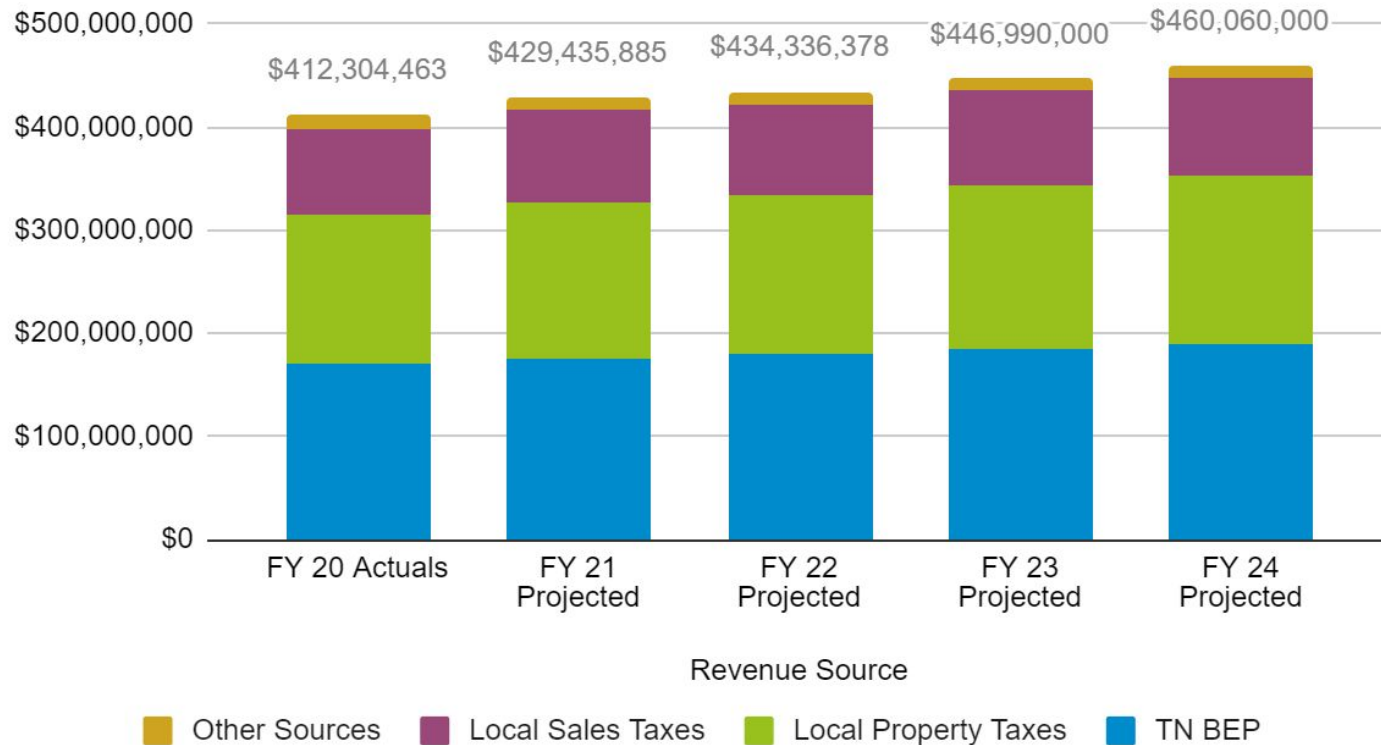
- Projections utilize **historical, current, and future** data
- Evaluation of **economic conditions** that impact collection of local taxes and/or state funding
- Evaluation of **legislation** that impacts education funding and/or creates mandate spending
- Enrollment projections assume increase by **250 students per year**
- **Charter schools enrollment** assumes increase by 200 students per year in 2023 and 2024 - two new schools and class additions

Revenue Projections

- **Tennessee Basic Education Program (BEP)** funds will increase 3% per year
- **Local property tax** collections will increase 3% per year
- Local property tax levy **allocated for education will not change**
- **Local option sales tax** collections will increase 3% per year
- Projections will be evaluated and adjusted annually

Revenue Projections

Revenue Projections By Year



Expenditure Projections

- **Accelerating Student Achievement**
 - Invest in **literacy instructional materials**, **intervention**, and **professional development**
- **Future Ready Students**
 - Expand **MicroColleges** and access to EPSOs through **advanced coursework** and **Future Ready Institutes**
 - Refresh **student technology** in grades 3-12 for one-to-one device program

Expenditure Projections

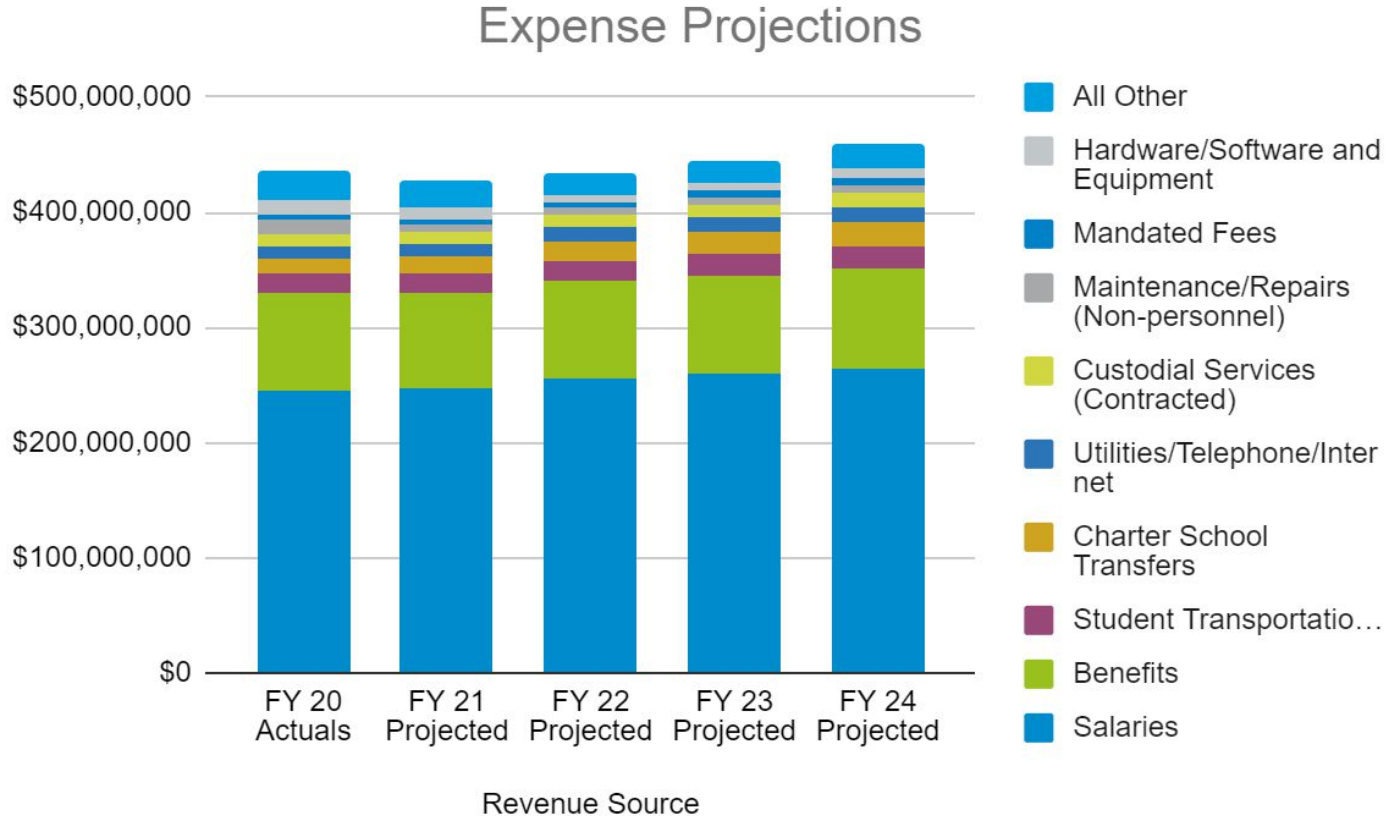
- **Great Teachers and Leaders**

- Fund **step increases** each year at a cost equivalent to a 1.3% increase in salaries
- Sustain **Grow Your Own** pipeline development for hard to staff positions
- Increase minimum pay for **classified staff** to **\$14/hour in 2023 and \$15/hour in 2024** and incorporate increases in **school nurse** hourly pay rates
- Maintain **employees benefits with no changes in cost sharing** between employer and employee

Expenditure Projections

- **Effective and Efficient Operations**
 - Escalate contracted **transportation costs** 3% per year
 - Absorb increased **custodial contract costs** in general fund budget starting in 2024 (initially funded through ESSER)
 - Transfer **\$800K staff salaries** from capital maintenance fund to general fund budget in 2023
 - Increase **charter school transfers** by **\$2.35 million** in 2023 and 2024 to accommodate new schools and additional grade levels

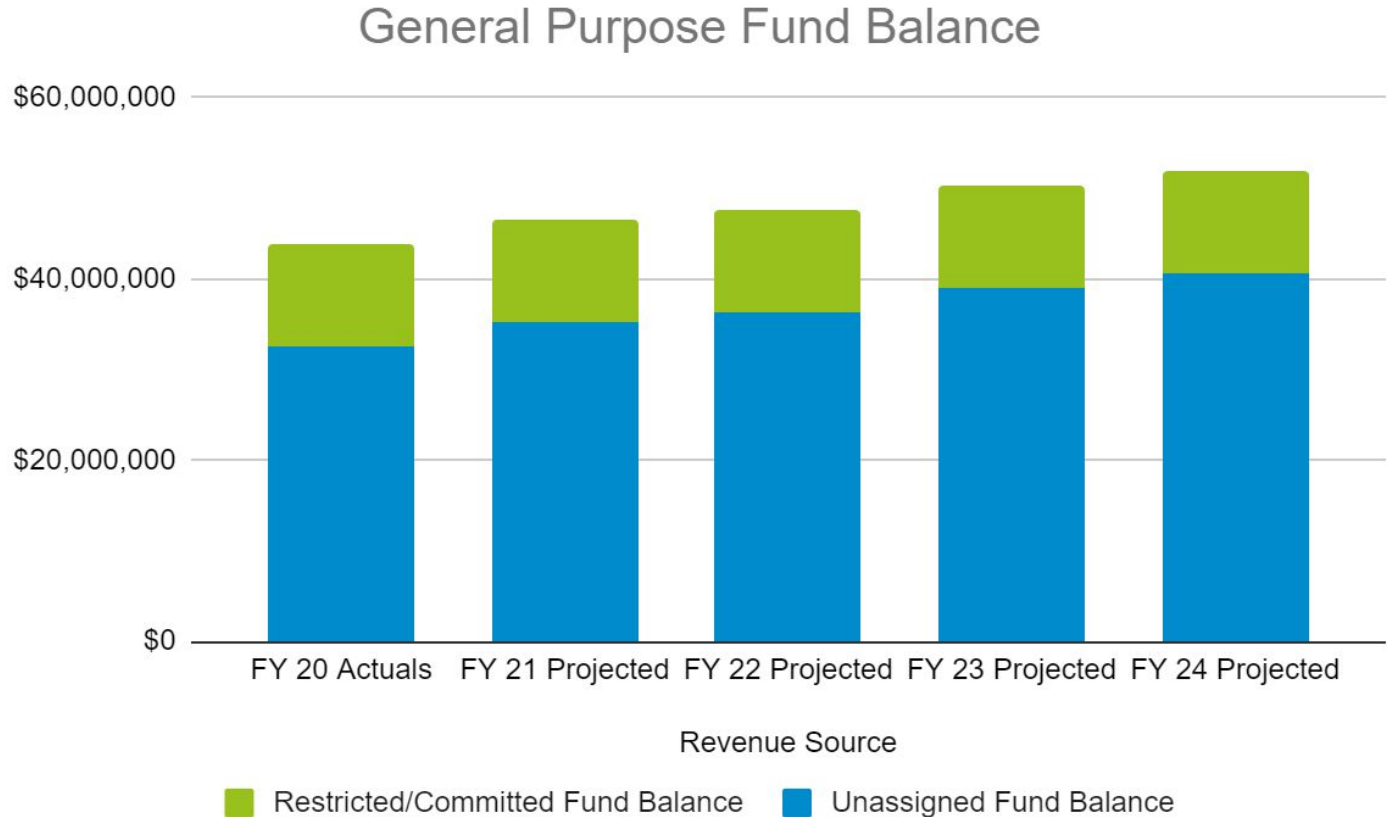
Expenditure Projections



Fund Balance Projections

- Appropriate caution is necessary to ensure that a **fiscally responsible financial position** is maintained.
- Unassigned fund balance will **increase to \$35 million** and total fund balance will be at **\$46.5 million** at June 30, 2021.
 - This is equivalent to **one month of cash flow** and more than \$22 million above State mandated minimum.
- Any **surpluses** will be **unassigned** and Board may use for future allocations to technology, textbooks or capital maintenance.

Fund Balance Projections



Capital Projects



Facilities Operating Principles

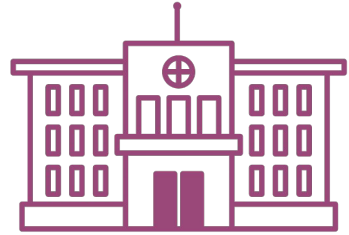
1. Efficiency with Excellence
2. Equitable Consolidation and Rezoning
3. Intentional Planning
4. Courageous Decision-Making
5. Defined, Transparent Process
6. Innovative Approaches



How Did We Get Here?

40 years The average age of a school building in Hamilton County.

7.5 million square feet of facilities in Hamilton County Schools



51% SCHOOL BUILDINGS RATED FAIR-UNSATISFACTORY

Facility Disparities

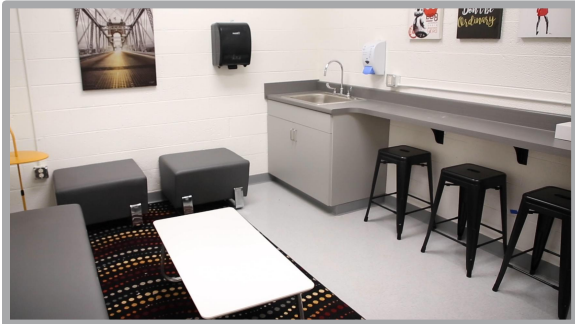


Blueprint 2030: Phase 0 Complete



Reimagined Older Facilities

Howard Connect Academy



CSLA Rendering

Facilities Actions Steps

What We're Doing:

- Following recently adopted board **Operating Principles**
- Board **engaging in discussions** about Phase 1
- Identifying a **recurring revenue** stream to continue addressing facility needs across our district

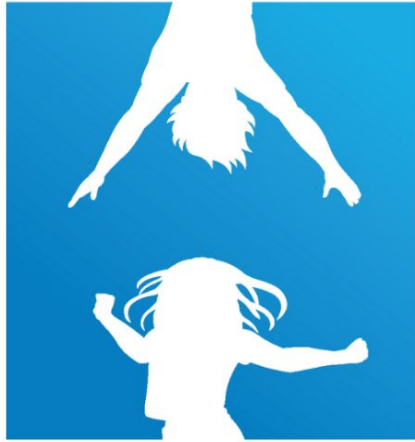


Facilities Tour

Arranging dates in
June for **HCS**
facilities visits with
County Commission
and School Board.



Our Just Cause



All children *thrive*
and experience a
future without limits.

Our Just Cause

