



June 25, 2008

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

I present to you the FY 2008-2009 Adopted Budget for All Funds for the Savannah-Chatham County Public School System.

The Savannah-Chatham County Public School System is committed to facing the brutal facts with candor and objectivity while working to eliminate those things that have restrained us from success. Last year, the Superintendent's Council boldly set a BHAG (Big Hairy Audacious Goal) for our district:

Savannah Chatham County Public School System will achieve World-Class status by 2012. We have defined World Class as: (1) Elimination of the achievement gap with all students meeting or exceeding State academic standards; (2) All students being powerfully literate; and (3) All students having multiple options and opportunities to learn.

We are a district in transition as we work tirelessly to put the flywheel in motion. This budget will serve as our key operating plan to meet district and school benchmarks within available resources.

A TIME OF AUSTERITY

In the United States, rising energy costs are weighing on an economy that is struggling with a housing slump and a credit crisis. There is a concern about whether oil supplies can meet global demand. Higher oil prices drive up the costs for businesses that pass those increases on to customers. The United States is deep in its worst housing slump since the Great Depression. Throughout the housing slump, which began in the summer of 2006, experts have expected prices to tumble, but it was not until recently that they dropped substantially. The housing slump will have a substantial impact on the overall economy. The real gross domestic product is expected to drop by 1.5 percentage points in 2008.

Economic forecasts indicate that the slumping economy could be far from turning around. The prognosis for growth in the coming quarters is bleak. There is a projected drop in jobs during 2008, with an increase possible sometime next year. Georgia state revenues could decline 4 percent in the current spending year. A state budget crunch could approach \$2.3 billion. That would make it challenging to balance the budget without finding new money somewhere. The state is working to try to blunt some of the economic downturn being felt across the country. The revenue loss in Georgia has

necessitated massive reductions in state aid for local school systems which began late in FY 2002 and is expected to continue through FY 2009. These cuts have come in the form of both designated (program specific) reductions and undesignated “austerity reductions.”

Although it does not look like Georgia will be coming out of its economic slump in the near future, residents located in ports, like Savannah, might see the upside of the economy sooner. It is projected that Savannah’s growth rate in 2008 will be around 0.8 percent and 0.7 percent in 2009. In addition it is not expected to experience job cuts like the rest of the state. According to the Georgia Port Authority, Georgia’s ports export market is very strong; however, the industries job growth is starting to slow down. The employment rate in Savannah's metro areas was up 0.4 percent in the second quarter of 2008, as compared to a year ago with the greatest increases in transportation, utilities, retail, education, and health. Unfortunately, it is projected that the state will collectively lose 35,300 more jobs by the end of this year and 2,600 more jobs in 2009.

Austerity reductions continue to significantly impact school finances. The cumulative loss in earned funding over the last six fiscal years in this district alone due just to the undesignated “austerity” reductions totals more than \$30 million. See chart below:

Fiscal Year	Austerity Reduction
2004	(6,599,832)
2005	(7,739,187)
2006	(7,739,117)
2007	(3,608,139)
2008	(3,025,385)
2009	(1,940,890)
Total	
Reductions	\$ (30,652,550)

While Fiscal Year 2009 saw a decrease in the amount of the austerity reduction, 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 2009. Our process began with the approval by the Board of twenty-three specific budget objectives. Each of the approved objectives, along with how it has been incorporated into our financial and operational plans for FY 2009, is discussed below.

BUDGET OBJECTIVES

At the January 9, 2008 Informal Session, staff presented the Board with proposed objectives for use in developing the FY 2009 recommended budget that were formally adopted.

Goal # 1. To educate all children in Savannah-Chatham County to be successful citizens.

Budget Objective #1: In order to ensure that we have the right people in the right places at the right time with the right resources, provide a meaningful pay increase for employees, support for employee health benefits and adequate supplements for additional duties.

Budget Objective #2: To continue to provide resources to the appropriate budget lines, while striving to support student needs on an equitable and system-wide basis.

Goal # 2. To provide fiscal accountability to the citizens of Savannah-Chatham County.

Budget Objective #3: To support the development of integrated data systems that will provide timely, relevant and accurate information.

Budget Objective #4: Minimize the tax impact and balance the community's desires for both affordable taxes and outstanding school programs by critically evaluating current practices, proposed expenses, and revenue sources other than taxes.

Goal # 3. To provide safe, clean and educationally appropriate facilities conducive to learning.

Budget Objective #5: To allocate additional resources to provide a safe, supportive and nurturing learning environment.

Goal # 4. To provide an atmosphere for staff to become innovators and risk takers.

Budget Objective #6: To provide resources to support initiatives designed to increase student achievement.

Goal # 5. To engage in continuing dialogue with all stakeholders in our community.

Budget Objective #7: Continue using multiple approaches to collect input from and involve parents and community members in the budget development process.

At the January 9, 2008 Informal Session, staff presented the Board with seventy three proposed priorities for use in developing the FY 2009 recommended budget. Twenty three were approved by the Board and are included in the FY 2009 adopted budget.

- Provide meaningful pay increases for all staff without use of one-time payments
- Provide additional funding for new textbook adoption. (Science all grades, Math high schools)

- Provide additional funding for Performance Learning Center staff no longer funded by Grant
- Reduce millage rate to rollback rate calculated for the Taxpayer Bill of Rights
- Provide additional funding for Gateway Charter High School
- Provide funding for additional staff at Woodville-Tompkins to accommodate new (Phase II) and expanded programs
- Provide funding for additional staff to implement voter approved ESPLOST program
- School Fund Accounting System
- Provide additional funding for Exceptional Children's program (Move positions from grant to General Fund, increase operating budget)
- Provide funding to continue efforts to standardize work days/hours in key areas at the building level (10 additional workdays for Information Specialists and Administrative Secretaries - high schools only)
- Provide funding for full-time Art and Music teachers at all Elementary Schools. Add 7 additional art teachers and 7 additional music teachers
- Upgrade video/radio systems on buses.
- Provide funding to purchase additional automated external defibrillators (AEDs) for schools
- Provide funding for additional teachers for Early College program expansion
- Add step 18 to classified pay scales (year 3 of 5-year phase-in)
- Provide funding for Campus Monitors. Campus
- Provide funding for campus monitors at secondary schools
- Provide additional funding and staff for Campus Police
- Provide additional contribution to High and Middle Athletic Funds for operating costs (Travel and equipment)
- Coastal Empire Montessori School

BUDGET IN BRIEF

The Adopted Budget for All Funds includes the following highlights:

- ❑ Decrease in Maintenance and Operations millage rate of .379 mills.
- ❑ Anticipated State Austerity reductions to the General Fund of \$1.9 million.
- ❑ General Fund fund balance use of \$9.6 million.
- ❑ No increase in per-pupil allocation per student for site-based instructional costs.
- ❑ Funding for the new science and math textbooks adoption of \$3 million.
- ❑ Funding for anticipated cost increase for fuel of \$1 million.
- ❑ Funding for the new Coastal Empire Montessori Charter School of \$2 million.
- ❑ Pay increases for most staff, to include:
 - Teachers / Counselors / Media Specialists / Psychologists / Social Workers will receive a 2.5% increase on State portion of Salary Schedule effective July 1, 2008. Those who are eligible will receive a Step (longevity) increase effective July 1, 2008.
 - Assistant Principals will receive a 2.5% increase on State portion of Salary Schedule effective July 1, 2008. Those who are eligible will receive a Step (longevity) increase effective July 1, 2008.
 - Principals will receive a 2.5% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2008.
 - Classified staff (including Food Service) will receive a 2.5% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2008.
 - Professional Staff will receive a 2.5% salary schedule increase. Those who are eligible will receive a Step (longevity) increase effective July 1, 2008.
- ❑ Utilization of available fund balance in internal service and special revenue funds to reduce the cost to the General Fund for FY 2009 wherever possible.
- ❑ Funding to cover the increase of employers portion of Teachers Retirement.
- ❑ Board contingency of \$500 thousand.
- ❑ Staffing Reserve for 10th day adjustments of \$750 thousand.
- ❑ Funding to cover the expansion of the Early College Program of \$500 thousand.
- ❑ Funding to cover the new Gateway to College Academy of \$300 thousand.

RELATIONSHIP TO PRIOR YEARS BUDGET

Fiscal Year 2009 also marks the ninth 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 2008-2009 school year marks the eighth 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 multiple employee compensation issues 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 years. 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 \$194 million in property values will be exempted from property taxes in calendar year 2008, for an estimated net revenue impact in FY 2009 of \$2.6 million (at 13.404 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, \$1.3 million in property values will be exempted from property taxes in calendar year 2008, for a net revenue impact in FY 2009 of \$17.9 million (at 13.404 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. Kindergarten class size was reduced to 18, or up to 20 with a paraprofessional. Maximum class sizes were also reduced to 21 in grades 1-3 and 28 in grades 4-8.

“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 2009 and FY 2010, costs will continue to increase at a faster rate than available revenue. Additionally, a major facilities

construction effort has begun 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 year 2009, 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. 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 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.

Georgia Special Needs Scholarship Act – Senate Bill 10

SB 10 was signed into law in May of 2007. This legislation provides “scholarships” for qualifying special needs students to attend private schools, other public schools in their districts, or even schools in neighboring districts. The stated purpose of the scholarship program is to meet students specific needs while enabling families to make independent private choices to direct their resources to appropriate schools. We anticipate as many as 40 children with exceptional needs may elect to receive SB 10 scholarships for FY 2009.

ESPLOST

An Education Special Local Option Sales tax was passed by voters in September 2006. The E-SPLOST related projects continue to take shape and in the very near future we will see shovels in the ground, with improvements to existing schools and new schools under construction. New fencing continues to improve the overall security of our schools and as more and more schools receive this new perimeter of safety our students and parents will enjoy a greater piece of mind.

Tax Allocation District

A Tax Allocation District referendum was passed by voters in November 2006 which allowed the City of Savannah to establish tax allocation districts. The City approved its first allocation district for an area of downtown Savannah in September of 2007. Georgia law allows cities or counties to declare an area within a “redevelopment area” to be a Tax Allocation District to assist with funding of redevelopment in the “redevelopment area”. Any property taxes paid to the city (or county) on new development or improvements to properties in the Tax Allocation District would then go into a special fund to be spent on redevelopment (or to pay off bonds which were issued to raise funds for redevelopment). On November 7, 2007, the local board of education gave consent to the inclusion of educational ad valorem property taxes levied by the Board on behalf of the School System in the computation of the tax allocation increment for the City of Savannah Tax Allocation District Number One-East Downtown. The current plan allocates \$10 million to the School District for school improvements within the TAD boundaries. The District’s tax revenue resulting from any new development or improvements within the TAD would be diverted to pay for TAD projects for the life of the Tax Allocation District.

CONCLUSION

Together we have worked to reshape and remold our school system. Our collective work has been exceptional and more lies ahead as we continue to improve the positive outcomes of our students. The 2007-2008 school year was a year of divergent challenges and successes. Together, and I am very glad to say *together*, we worked to improve our student outcomes and bolster our school system's academic rigor.

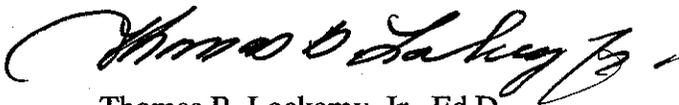
For brevity's sake, allow me to address a number of selected accomplishments from the past year:

- Opening of Woodville-Tompkins Technical & Career Institute
- Opening of Early College and its dual enrollment opportunities
- \$6 million grant to fund the small learning communities
- Three National Merit Scholarship Winners
- BRANCH – the new Parent Notification System
- Vast improvements in the school bus system
- 400+ students receive International Student Media Festival Awards
- School Emergency Plans endorsed by Georgia Emergency Management Agency (GEMA)
- 42 schools making AYP
- 18 Title 1 Schools recognized by Governor Perdue for Academic Excellence
- Continued Odyssey of the Mind World Finals Success
- A growing and expanding Advanced Placement program

As we approach the days of a shrinking economy and its effects on our school system, it is imperative that community engagement be solidified. Together we have reason to be proud and together we will continue to address the challenges of creating a World Class school system. The upcoming school year is filled with hope and excitement. Together we will make it the best school year our community has ever witnessed but it will be a singularly significant reality because each of us worked collaboratively to see every student reach their full potential.

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,



Thomas B. Lockamy, Jr., Ed.D.
Superintendent of Schools

Savannah-Chatham County Public Schools
FY 2008-2009 Adopted Budget for All Funds
District Snapshot

Element	FY 2005	FY 2006	FY 2007	FY 2008 Modified Budget	FY 2009 Adopted Budget
	Actual	Actual	Actual		
Revenues					
Local	153,959,862	167,505,505	165,883,617	226,345,275	242,897,686
State	119,840,361	122,888,064	128,257,169	137,133,887	138,699,626
Federal	43,725,669	43,603,694	49,462,560	47,257,148	47,920,657
Total Revenues	317,525,893	333,997,263	343,603,346	410,736,310	429,517,969
Other Sources					
Lease Proceeds	-	-	-	-	-
Bond Proceeds*	48,820,609			-	-
Operating Transfers In	10,073,119	17,099,271	12,671,908	27,730,680	22,319,977
Total Revenues/Other Sources	376,419,621	351,096,534	356,275,254	438,466,990	451,837,946
Expenditures					
Salaries	182,932,038	187,627,482	200,865,722	213,314,265	223,454,888
Benefits	45,190,798	48,498,134	56,586,243	67,719,224	70,745,749
Other Expenditures	132,941,544	93,275,969	101,941,226	145,064,649	146,027,298
Total Expenditures	361,064,380	329,401,586	359,393,190	426,098,138	440,227,935
Other Uses					
Bond Refunding*	-	-		-	-
Operating Transfers Out	10,073,119	11,718,662	12,455,443	26,510,680	22,319,977
Total Expenditures/Other Uses	371,137,499	341,120,247	371,848,633	452,608,818	462,547,912
Staff Positions	4,837.2	4,802.1	4,965.5	5,150.6	5,193.9
Student Enrollment	34,544	33,962	34,121	34,752	34,382
Free/Reduced Lunch Rate	53.59%	55.21%	57.95%	60.10%	59.03%
Schools	48	48	48	47	49
Other Educational Sites	6	6	6	7	7
Combined Tax Millage Rate	17.600	17.277	15.817	13.795	13.404

*Reflects Bond Refinancing in FY 2005

Savannah-Chatham County Public Schools
FY 2008 – 2009 Budget Calendar

- **November 2007**
 - November 1st – Board Legislative Priorities Workshop for 2008 Session
 - November 28th – Legislative Priorities Breakfast with Chatham County Legislative Delegation
- **December 2007**
 - December 3rd – Begin Enrollment Projections (Staff)
- **January 2008**
 - January 7th – Begin Staffing Projections (Staff)
 - January 9th – Board Budget Workshop - Staff Presents Proposed Budget Objectives and Calendar for FY2009
- **February 2008**
 - February 6th – Board Meeting – Board Adopts FY2009 Budget Objectives
- **March 2008**
 - March 19th – Board Budget Workshop
- **April 2008**
 - April 16th – Board Budget Workshop
- **May 2008**
 - May 14th – Board Budget Workshop – Board Members receive Recommended Budget
 - May 15th – Recommended Budget to Live Oak Public Libraries
 - May 15th – Advertise Board Public Hearing on Budget (to be held May 22th)
 - May 22nd – Board Public Hearing on Budget
- **June 2008**
 - June 2nd – Tax Digest and Rollback Millage Rate from Chatham County Board of Tax Assessors (Approximate Date)
 - June 4th – Board Budget Workshop / Regular Board Meeting (Tentative Budget / Millage Rates Adoption)
 - June 6th – Staff Issues Press Release on Tentative Recommended Millage Rate
 - June 10th – Advertise Five Year Tax Digest and Tentative Recommended Millage Levy
 - June 10th – Advertise Tentative Budget Adoption by Board
 - June 12th – Advertise Millage Rate Hearings 1 and 2 (to be held June 18th)
 - June 18th – Board Millage Rate Hearings 1 and 2
 - June 19th – Advertise Millage Rate Hearing 3 (to be held June 25th)
 - June 25th – Board Millage Rate Hearing 3
 - June 25th – Board Meeting (Recommended Millage and Final Budget Adoption)
 - June 30th – Fiscal Year 2008 Ends
- **July 2008**
 - July 1st –Fiscal Year 2009 Begins
 - July 2nd – Staff Transmits Certified Millage Resolution to County Commission
 - July 6th – Advertise Five Year Tax Digest and Recommended Millage Levy
 - July 20th – County Commission (Levying Authority) Adopts Millage Rates
 - July 24th – Assessor Submits Tax Digest and Levy submitted to Georgia Department of Revenue for Approval (Approximate Date)
- **August 2008**
 - August 30th – Staff Submits FY 2009 Budget to Georgia Department of Education
- **September 2008**
 - September 24th – Staff Distributes FY 2009 Adopted Budget Book and submits book to GFOA

FY 2008-2009 Adopted Budget for All Funds

Key Assumptions

Revenues

- ❑ Consolidated School (Maintenance and Operations) Tax digest (net of exemptions) will grow by \$912,434,441 to \$11,969,219,892, a 8.25% increase for calendar year 2008 (fiscal year 2009). 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. The total net assessed value added by reassessments is \$339,636,290.
- ❑ School Bond Tax digest (net of exemptions) will grow by \$988,503,893 to \$12,399,330,399, a 7.29% increase (net of exemptions) for calendar year 2008 (fiscal year 2009). This is inclusive of the recently approved Disabled Homestead exemption and Personal Property exemption increase.
- ❑ Combined millage decrease of .391 mills from FY 2009 (see table below):

Category	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Maintenance and Operations	15.326	15.958	15.878	15.746	14.511	13.795	13.404
General Obligation (GO) Bond	2.224	1.810	1.722	1.531	1.306	0	0
Total	17.550	17.768	17.600	17.277	15.817	13.795	13.404

- ❑ 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 2009. Court System Collection Fee will remain at 1.0% for FY 2009.
- ❑ State funding (QBE) amended formula adjustment will be \$1,940,890.
- ❑ State on-behalf payments will total \$1.2 million in FY 2009.
- ❑ Fund balance use by fund:

- General Fund - \$9,618,341
- Internal Service Funds:
 - Worker’s Compensation Fund - \$100,000
 - Unemployment Fund - \$110,300
 - Self Insured Risk Pool Fund - \$450,000
- Special Revenue Funds:
 - Sick Leave Bank Fund - \$100,000
 - Oatland Island Fund – \$50,000
 - School Food Service - \$907,325

FY 2008-2009 Adopted Budget for All Funds

Key Assumptions

Expenditures

- Pay increases:
 - Teachers / Counselors / Media Specialists / Psychologists / Social Workers will receive a 2.5% increase on State portion of Salary Schedule and no change to Local Supplement Scale effective July 1, 2008. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2008.
 - Assistant Principals will receive a 2.5% increase on State portion of Salary Schedule and no change to Local Supplement Scale effective July 1, 2008. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2008.
 - Principals will receive a 2.5% salary schedule increase. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2008.
 - Classified staff will receive a 2.5% salary schedule increase effective July 1, 2008. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2008.
 - Professional Staff will receive a 2.5% salary schedule increase effective July 1, 2008. Those who are eligible will also receive a Step (longevity) increase effective July 1, 2008.
- Teacher vacancies will be filled at the median grade/step.
- General Fund vacancy factor / position fill variance will be \$7.3 million.
- General Fund Contingency will be \$500,000.
- General Fund Staffing Reserve for 10th day adjustments will be \$750,000.
- 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 routing 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 will not be adjusted mid-year.
- No extraordinary events will occur during the budget year.

Workload

- Pre-Kindergarten through Grade 12 enrollment will increase by 237 students from 10th day FY 2009 (from 34,145 to 34,382 inclusive of Oglethorpe Academy and Coastal Empire Montessori enrollment).
- Actual enrollment will occur by site by grade as forecasted.

**Savannah - Chatham County Public Schools
FY 2008 - 2009 Adopted Budget for All Funds
Summary by Fund Type**

	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Funds</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>	<u>Totals</u>
Revenues						
Local sources	\$ 167,803,690	\$ 2,000	\$ 69,908,211	\$ 3,391,126	\$ 1,792,659	\$ 242,897,686
State sources	127,859,523	-	-	10,840,103	-	138,699,626
Federal sources	1,001,685	-	-	46,918,972	-	47,920,657
Total Revenues	\$ 296,664,898	\$ 2,000	\$ 69,908,211	\$ 61,150,201	\$ 1,792,659	\$ 429,517,969
Other Sources						
Capital Lease Proceeds	-	-	-	-	-	-
Operating transfers in	-	18,717,955	-	1,602,022	2,000,000	22,319,977
TOTAL REVENUES & OTHER SOURCES	\$ 296,664,898	\$ 18,719,955	\$ 69,908,211	\$ 62,752,223	\$ 3,792,659	\$ 451,837,946

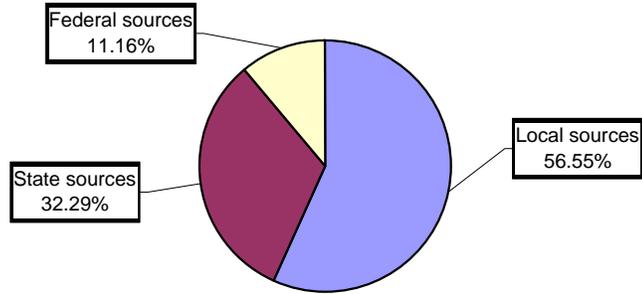
Expenditures						
Instruction	\$ 197,222,545	\$ -	\$ -	\$ 31,385,377	\$ -	\$ 228,607,922
Pupil services	\$ 9,666,924	-	-	3,514,791	-	13,181,715
Improvement of instruction	\$ 4,706,539	-	-	10,078,795	-	14,785,334
Educational media services	\$ 5,764,664	-	-	-	-	5,764,664
General administration	\$ 5,365,761	-	-	1,393,455	-	6,759,216
Business administration	\$ 18,956,436	-	-	240,894	-	19,197,330
School administration	\$ 5,840,298	-	-	206,717	4,452,959	10,499,974
Pupil transportation	\$ 26,881,099	-	-	375,666	-	27,256,765
Maintenance and operations	\$ 18,285,160	-	-	529,588	-	18,814,748
Central support services	\$ 4,471,540	-	-	-	-	4,471,540
Other support services	\$ 472,640	-	-	1,072,370	-	1,545,010
Food service operations	\$ -	-	-	14,369,395	-	14,369,395
Other operations	\$ 292,766	-	-	-	-	292,766
Capital outlay	\$ 75,000	-	55,370,101	16,500	-	55,461,601
Debt Service	\$ -	18,719,955	-	-	-	18,719,955
Board Contingency	\$ 500,000	-	-	-	-	500,000
Total expenditures	\$ 298,501,372	\$ 18,719,955	\$ 55,370,101	\$ 63,183,548	\$ 4,452,959	\$ 440,227,935

Other Uses						
Operating transfers out	7,781,867	-	14,538,110	-	-	22,319,977
TOTAL EXPENDITURES & OTHER USES	\$306,283,239	\$18,719,955	\$69,908,211	\$63,183,548	\$4,452,959	\$462,547,912

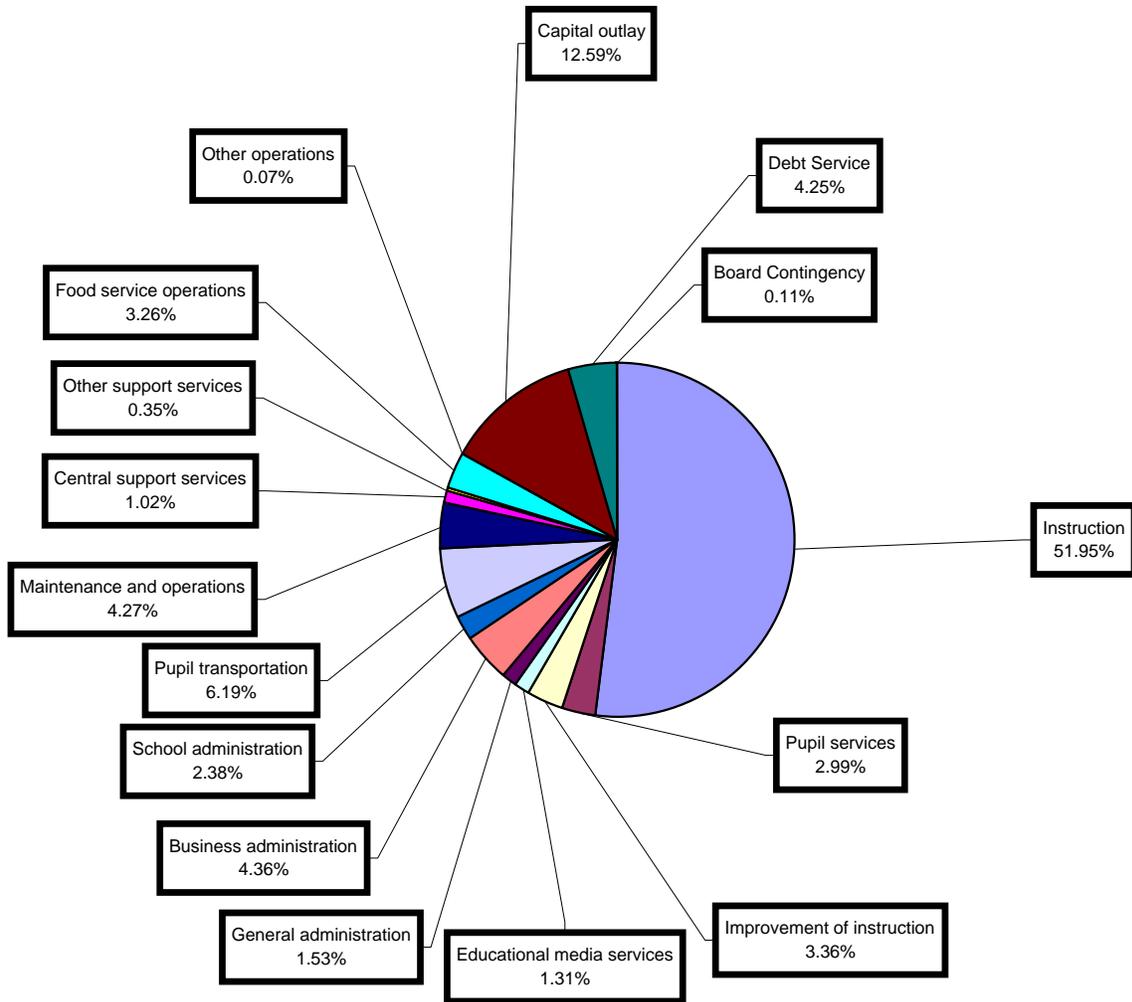
Projected Beginning Fund Balance (7/1/2008)	33,649,722	1,367,960	87,149,107	6,231,469	2,092,415	130,490,672
Fund Balances, End of Year (6/30/2009)	24,031,381	1,367,960	87,149,107	5,800,144	1,432,115	119,780,706

Savannah-Chatham County Public Schools
 FY 2008-2009
Adopted Budget for All Funds

FY 2009 Revenues by Source



FY 2009 Expenditures by Function





Mission:

Igniting a passion for learning and teaching at high levels



**Savannah - Chatham County Public School System
Savannah, Georgia**