

Fayette County School District

FY2026 Budget - Discussion
January 27, 2025

Thomas J. Gray
Chief Financial Officer
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Before we start.....

- Salary steps for certified and classified employees - \$1.5 million
- Health insurance increases
 - certified employees (teachers) \$1.7 million
 - classified employees (non-certified) - ~~\$1.9~~ 3.4 million
 - increase of ~~\$3400~~ 5970 per employee
 - accelerated to beginning of fiscal year
- TRS employer rate increase from 20.78% to 21.91% - \$1.7 million

General Fund Budget

FY2025 Expenditures %

Non-departmental

0.7%

Non-payroll Operating

9.4%

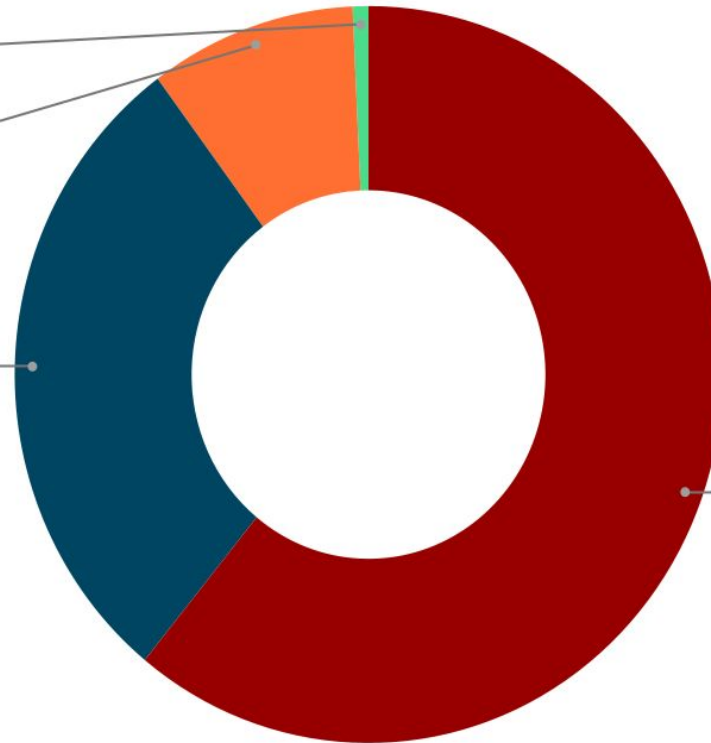
Benefits

28.9%

**Salaries and
benefits
combined are
89.8% of
budgeted
expenditures.**

Salaries

60.9%



Recent COLA and Salary Change History

FY	Certified	T-4 Start	Classified	Administrative
FY2025	\$2,500 flat increase (2% to 4.5%), Step increase	\$51,821	2% COLA, step increase	Prorated \$2,500 flat increase based on work calendar (1.3% to 2.6%), step increase
FY2024	\$2,000 flat increase (2% to 4.5%), Step increase	\$49,321	2% COLA, step increase	Prorated \$2,000 flat increase based on work calendar (1.3% to 2.6%), step increase
FY2023	7.0 % COLA, Step increase	\$47,321	7% COLA, Step increase	7.0 % COLA, Step increase
FY2022	2% COLA, ESSER stipend, Step increase	\$44,225	2% COLA, Step increase, ESSER Stipend	2% COLA, ESSER stipend, conversion
FY2021	ESSER stipend, Step increase	\$43,358	ESSER stipend, Step increase	ESSER stipend, Step increase
FY2020	\$3,000 increase, Step increase	\$43,358	2% COLA, Step increase	\$3,000 increase, Step increase
FY2019	Step increase only	\$40,358	Step increase only	Step increase only

Employee Pay and Benefits

Grade/Level/Step	Salary	Benefits*	Total Compensation
T-4 Starting	\$ 51,821	\$ 35,853	\$ 87,674
T-5 with 15 years #	\$ 77,426	\$ 43,132	\$ 120,558
T-6 with 20 years	\$ 91,246	\$ 47,061	\$138,307
Paraprofessional - 10 years, 185 days	\$ 29,297	\$ 24,979	\$ 54,276
Bus driver - step 10, 180 days	\$ 20,008	\$ 18,181	\$ 38,189

- Equivalent average teacher salary based on 2024 CPI data.

- Benefits include employer portions of:
 - FICA 7.65%
 - TRS 20.78%
 - Certified Health Insurance \$21,120
 - Classified Health Insurance \$16,650 for FY2025

Cost of Living – estimates

- Certified employees - each 1% COLA \$1.73 million
- Classified employees - each 1% COLA \$400,000
- Teacher \$2500 flat - \$5.31 million
- Remain ahead of the curve!!
 - Teacher salaries must remain competitive
 - Recruitment and retention
- State COLA - no mention in governor's budget
- Retirement match for non - TRS 3% = \$500,000 estimate

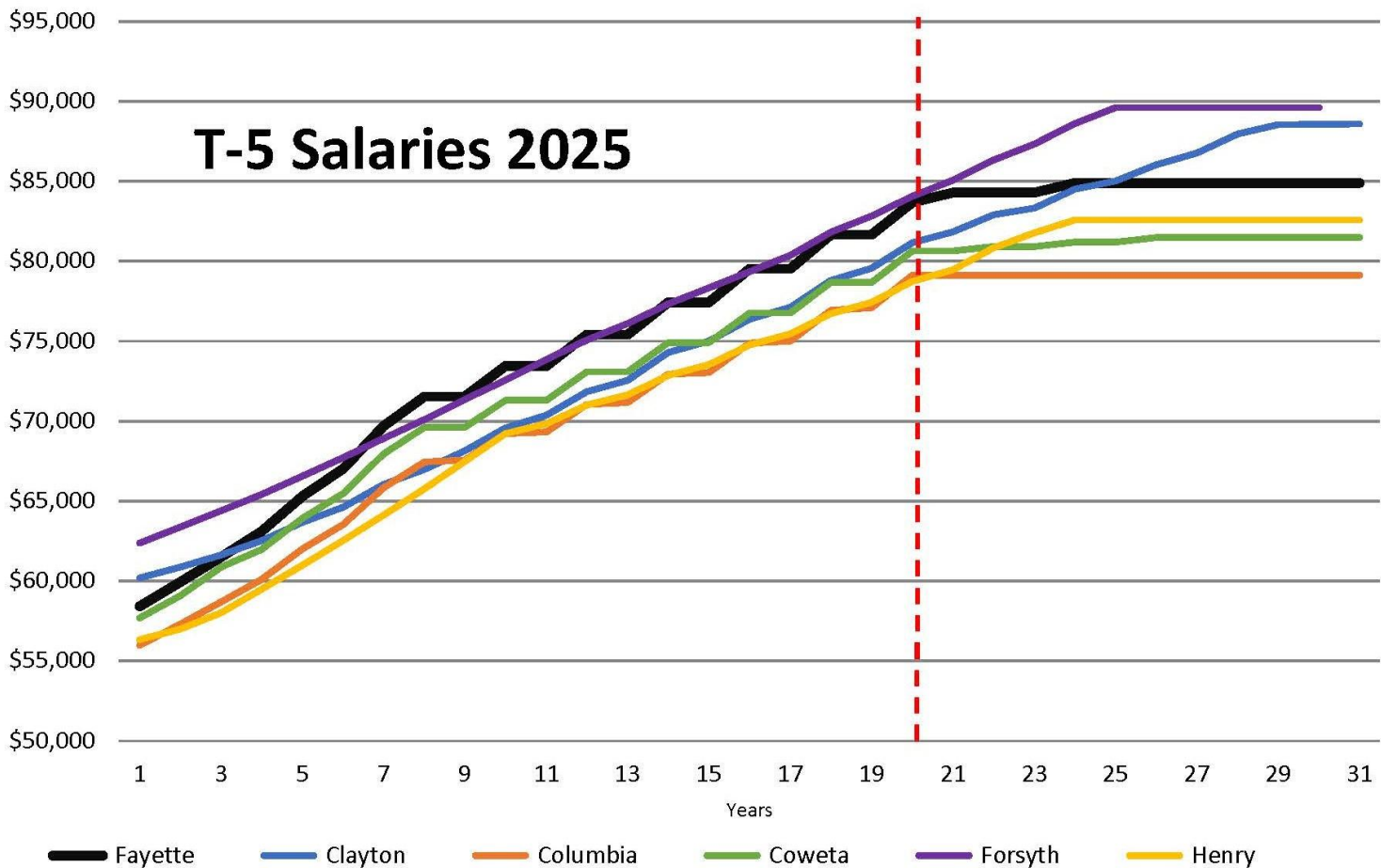
Other things to watch

- Tax digest increase to be determined
- Reduction in FTE means less state revenue
 - Each FTE is \$6550
 - 68 FTE decrease is \$445,000
- LFMS - only \$1.2 million increase (20% state wide cap)
 - Calculation \$48.9 million
 - Capped for 20% rule - \$39.7 million
- QBE net increase \$2.3 million increase
- State health insurance increases
 - Certified increase \$1.7 million
 - Classified increase \$3.4 million
- Safety and security grants
- Increased transportation funding

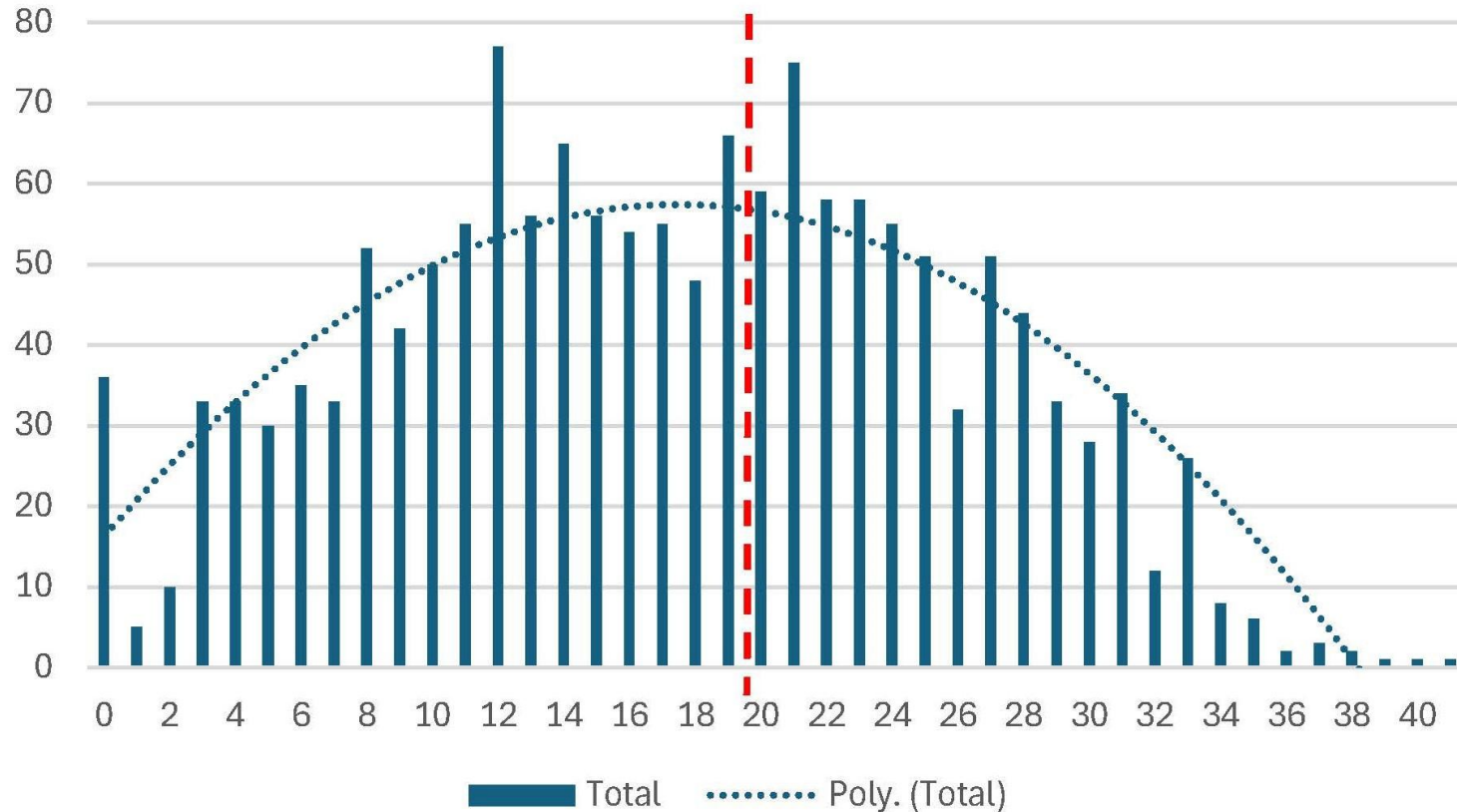
Other things to consider

- Competitive salary schedule
- Maintain budget reserve at 10%
- Last year's budget included \$4.4 million increase in reserves to get back to the 10% threshold
 - Revenue \$282 million
 - Expenditures \$278 million
- State teacher salary no increase from the state
- 40% of certified 190 staff is at 20 years or more

T-5 Salaries 2025



Certified 190-day Employees by Salary Step



Other Budget Concerns

- Local revenue could slow down from increase exemptions
- Expecting increase in commercial property from recent large developments
- ECS federal funds not going as far due to increase in health insurance employer premium increases
- Seems to be an increase in the need for ECS services that require more staff and increased cost
- Enrollment is flat or slightly declining, potential need to reduce in some schools or areas
- Recruitment of new teachers
 - Special Ed (teachers and paras)
 - Science and math
- Potential legislative changes
- Capital Improvements - operational costs

Questions

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