



# Henry County Schools Press Release

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## **FY21 Tentative Budget Approved by Board of Education** Board set to approve final budget during August 24 special called meeting

HENRY COUNTY, GA – During its regularly scheduled August board meetings, the Henry County Board of Education passed a tentative budget for the 2021 fiscal year. The tentative budget was unanimously approved and moves the process one step closer to adopting a final operating budget later this month.

Chief Financial Officer Christy Willis presented information before board members during the August Study Session and repeated the same presentation for a special called budget hearing the same day. Both sessions were available for viewing by Henry County residents through the district's website.

As previously shared, the budget did see a reduction compared to the FY20 budget due in large part to budget cuts approved by the state legislature. In FY20, the budget approved at \$407 million was the largest in school district history. The FY21 Tentative Budget stands at \$373.5 million. The financial impact of COVID-19 on state revenues is the main driver of this reduction. School districts all across Georgia saw a minimum of a 10 percent cut to funding.

District officials were already planning for decreases in state funding found through the local 5 mill share and equalization grant dollars the district typically receives. The reduction in this funding is attributable to a strong local economy. The total loss from these two state revenue streams was just over \$18 million. The biggest decrease in revenue was from the newest austerity reductions approved by the legislature as a result of a state tax revenue decline. This budget adjustment resulted in a total reduction of \$22.8 million in full-time equivalency funds the district receives for students. Altogether, the district had to work around \$41 million in reduced funding.

In Henry County Schools, strong fiscal management over the years has set the district up to be able to manage the reduction in state funding, the largest source for district operations. The annual budget has been routinely comprised of 60 percent of funding from the state, 39 percent from local funds, and one percent from the federal government.

Of note for this year's budget is that the district was able to construct a balanced budget without the need for furlough days. During austerity reductions from the state in the years of the economic recession, furlough days were common for school districts. The local board of education's fiscal management has ensured a student-centered budget year after year that is balanced and includes opportunities to add to the savings account, or fund balance.

Other features of this school year's budget include:

- Salary scales and steps for years of service honored
- School-level personnel support
- School budgets maintained

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- Budget cuts to district divisional budgets
- Hiring freeze on various positions

In order to address the shortfall in this year's budget compared to last year, district officials looked at various areas of savings to maintain a solid operational budget. Since the pandemic's impact on school operations, district officials noted a reduction in expenditures which helped the district realize roughly \$2.5 million in savings with the FY20 budget. An essential spending resolution, funding from the federal CARES Act, and use of the fund balance helped provide the funds necessary to balance the new budget. All combined, these efforts and components helped to mitigate the state revenue declines.

"Thanks to the outstanding work of our Financial Services division and support from our Board of Education to provide a budget reflective of their core beliefs and commitments, our district has a solid financial footing heading into the new school year," said Superintendent Mary Elizabeth Davis. "With this budget, our board has set us up to be able to carry on with our ambitious pursuit of becoming the fastest-improving and highest-achieving district in the Metro Atlanta region."

Board members were pleased to be able to show employees how much they truly appreciate them through maintaining salaries and how much they value the community and their support of the operating budget.

"I am so thankful to our taxpayers for trusting us and supporting us," said District 4 Board Member Sophe Pope. "I am so thankful that we are not looking at furlough days, when I look at any way possible to honor our employees. It's so important we are honoring all of our positions right now in anticipation of returning face-to-face, and showing all of them that we value them through this budget."

District officials have one more hearing slated for Monday, August 24 before they will adopt a final budget on the same day.

For more information on Henry County Schools and the budget, visit

[www.henry.k12.ga.us](http://www.henry.k12.ga.us). ###

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