



# **ATLANTA PUBLIC SCHOOLS BOARD OF EDUCATION BUDGET COMMISSION**

March 17, 2022

# Agenda

- ☐ Final Compensation Strategy Discussion
- ☐ FY2023 Revenue Update
- ☐ FY2023 Expenditure Update



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# FY23 Preliminary Compensation Strategy Discussion

Office of Human Resources

# Agenda

1. FY22 End-of-year Pay Adjustments
2. FY23 Teacher Compensation Updates
3. FY23 Non-Teacher Compensation Proposals
4. Next Steps

# FY22 Pay Adjustment Proposed

## Legislation proposals for FY22 recommendations:

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Legislature's  
proposal would  
provide \$2,000 one-  
time salary  
supplement to:

Teachers, Media personnel, Paraprofessionals,  
Technology Specialist Counselors, Social Workers,  
Psychologist, Special Education Specialist Assistant  
Principals, Principals, Assistant Superintendents,  
Superintendents

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In addition, the  
proposal would  
provide \$2,000 one-  
time salary  
supplement to:

School Nurses, Bus drivers, Nutrition Workers, Part-  
time staff

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# FY22 Pay Adjustment Proposed

APS would go above and beyond the state by providing:

- \$2,000 one-time payment to all full-time employees (on 5/15 paycheck)
- \$1,000 to all part-time/hourly and substitutes (on 5/15 paycheck)
  - Hourly and substitutes must work a minimum 10 days or equivalent prior to April 1<sup>st</sup> to be eligible
- Estimated cost - \$14m
  - Full-time employees - \$13m
  - Part-Time/substitutes - \$961k

**\*Pending final approval from the state**

# Teacher Compensation

The presented recommendations for teacher compensation are based upon the themes that emerged as the greatest needs:

**1. Increase base pay for all teachers** in alignment with the State's proposal to increase pay by \$2,000

**2. Continue to address retention** issues at high needs schools and certification areas (Math, DLI, Special Ed.)

# Non-teacher Compensation

To address the identified needs while keeping budget constraints in mind, the following are potential non-teacher compensation investments for FY23:

Non-Teacher Scenarios (Each scenario is outlined on the following slides by number)		FY23 Cost (with TRS)
1	General pay increase to salary schedules and step increase for all eligible full-time employees on non-teacher pay grades (~ 5%)	\$7.6m
2	General pay increase to salary schedules and step increase for all eligible full-time employees on Instructional Support pay scale* (~ 3%)	\$2.1m
3	Create a salary schedule for Student Support positions (social workers, psychologist, therapist, etc.)	\$204k
4	Implement Year 3 of three-year plan to convert hourly special education paraprofessionals to full time	\$2.5m
5	Annual position reclassification requests	\$356k
6	Market adjustments for specific employee groups (Metro RESA)	\$622k
7	Engage with an external firm to complete a classification and compensation study	\$300k
<b>Total cost of potential investments for FY23</b>		<b>\$13.7m</b>

\*Instructional support pay scale includes: Instructional Coaches, Counselors, Reading/Math Specialist



# Non-teacher Compensation

1.) Non-Teacher Pay Grades: Adjust salary schedules and provide a step increase for all eligible full-time employees

There are over 2,500 employees on a non-teacher pay grade

Providing a general pay increase of 4% would increase all salary schedules by 4% and cost \$5.8m

Providing a step increase is the equivalent of about 1.3% average increase and costs \$1.8m

# Non-teacher Compensation

## 2.) Instructional support pay scale: Provide \$2,00 increase to salary schedule and provide step increase

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There are about 600 employees on Instructional Support (IS) pay scale, and they work a 202 or 211-day schedule

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Increase IS schedule by \$2,000, at a cost of \$1.5m

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Provide a step increase to all eligible employees, equivalent to about 1.3% average increase, at a cost of \$677k

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**Total = \$2.1m**

# Non-teacher Compensation

## 3.) Create Student Support pay scale: Step increase

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Approximately 200 employees on Instructional Support (IS) pay scale provide direct support to students.

(social workers, psychologist, therapist, etc.)

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Market pay for this group is differentiated from instructional support.

(The IS structure primarily support teachers)

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Creation of new structure would cost \$204K

# Non-teacher Compensation

## 4.) Implement year 3 of three year plan to convert hourly special education paraprofessionals to full time

FY20

- Year 1 of implementation – **\$1m**
- Convert hourly elementary one-to-one paraprofessionals (about 38) to full time status

FY22

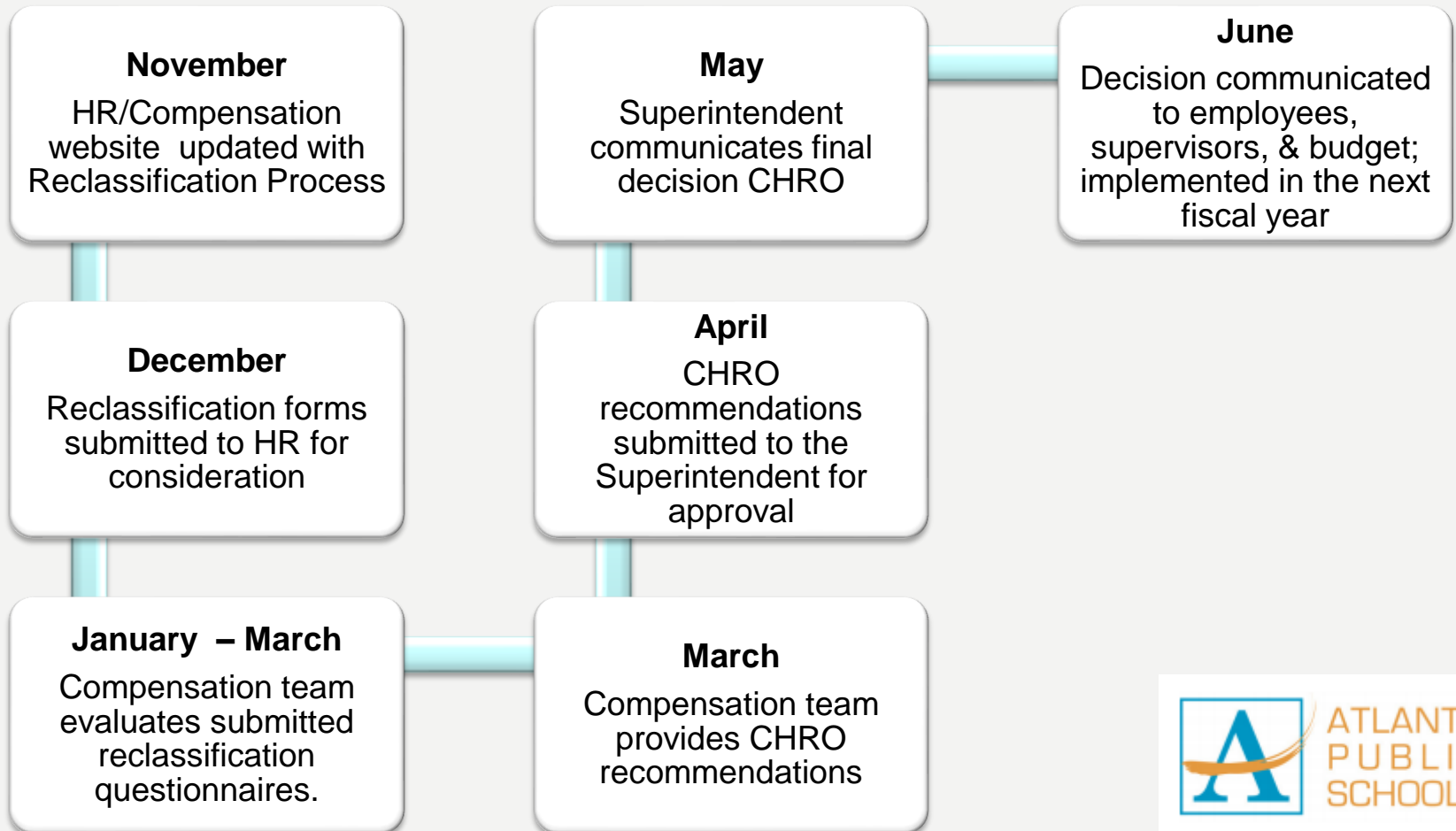
- Year 2 of implementation - **\$1.9m**
- Convert hourly middle school & high school one-to-one paraprofessionals (about 60) to full time status

FY23

- Year 3 of implementation – **\$2.5m**
- Convert all remaining special education paraprofessionals (about 60) to full time (interrelated)

# Non-teacher Compensation

## 5.) Annual position reclassification requests



# Non-teacher Compensation

## 6.) Market adjustments for specific employee groups (Metro RESA, Council of Great City Schools)

- Bus drivers— estimated cost \$500k
  - Increase starting rate from \$18.36 to \$20.00
  - Currently ranked 3<sup>rd</sup> in Metro Area, behind Clayton and Fulton County.
- Mechanics— estimated cost \$122k
  - Change pay grade from 121 to 122
- Parent Liaisons – estimated cost \$35k
  - Change pay grade from 114 to 115

# Non-teacher Compensation

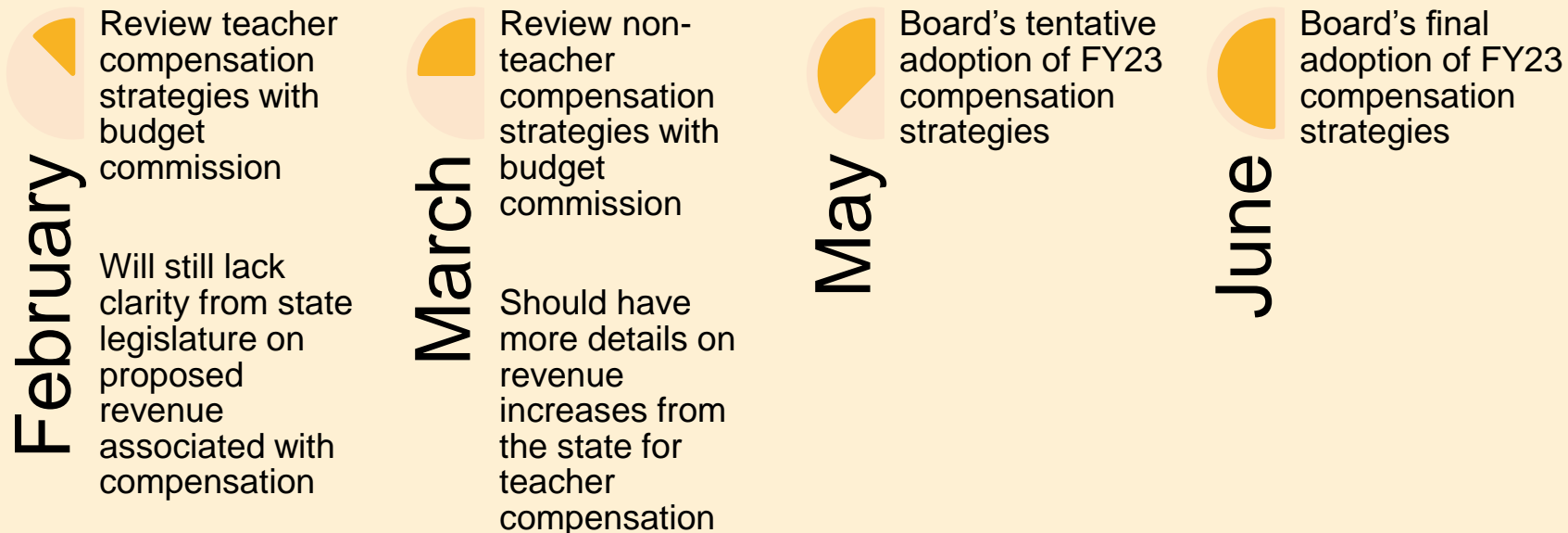
## 7) Need for compensation and classification study - \$300K

- Seven (7) years since the last compensation study.
- Establish a clear compensation and total rewards philosophy tied to APS' Strategic Plan – Equipping and Empowering Staff.
- Create competitive and equitable pay structures for all roles.
- Address issues related to attracting and retaining talent.
- Impact of the “Great Resignation” at APS
- New total rewards considerations

# Next Steps

1. Adjust compensation scenarios based upon today's feedback and changing revenue estimates
2. Prepare final compensation scenarios for May tentative adoption

**The timeline for approval of the FY23 compensation strategy is as follows:**





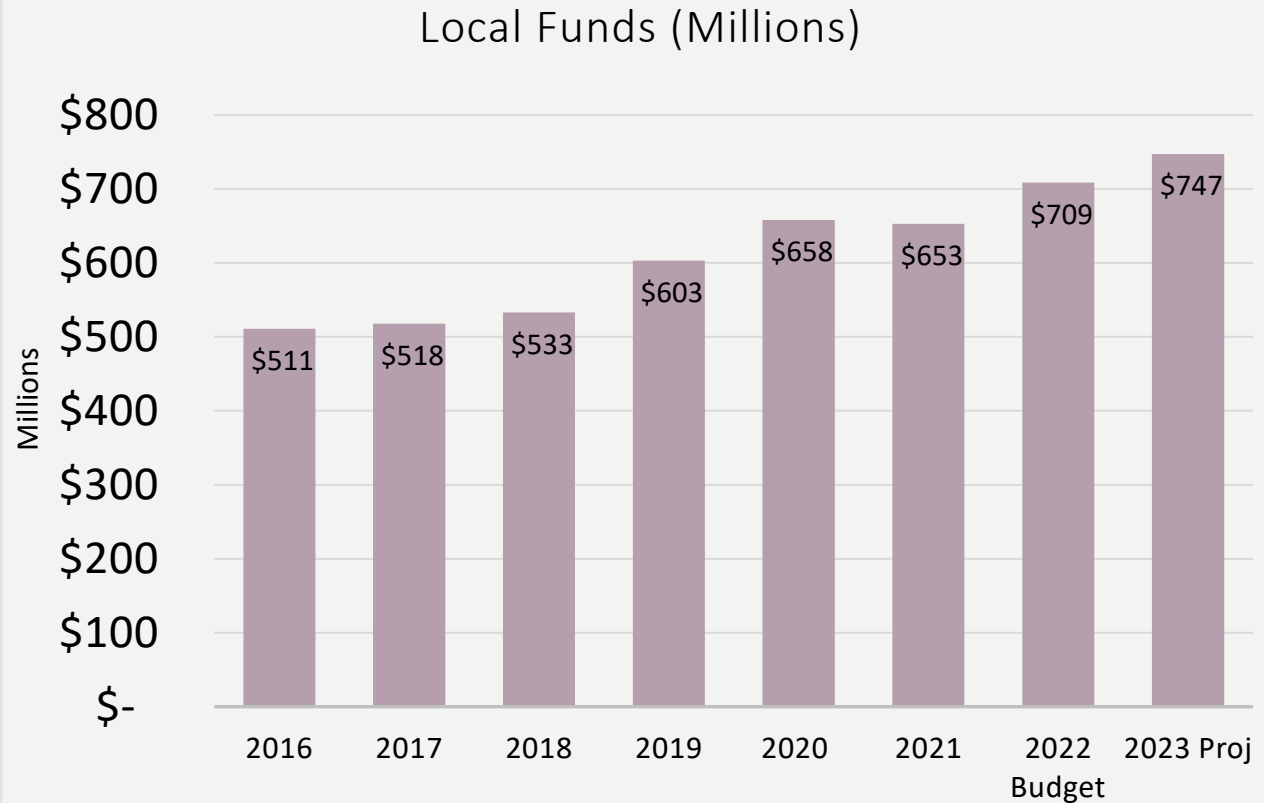


# **FY2023 Budget Update**

# Considerations for Discussion

## Local

- ▶ Conservative revenue collections assumed for FY2022; trued up for FY2023 forecast
- ▶ Some growth assumed on both Fulton and DeKalb digest

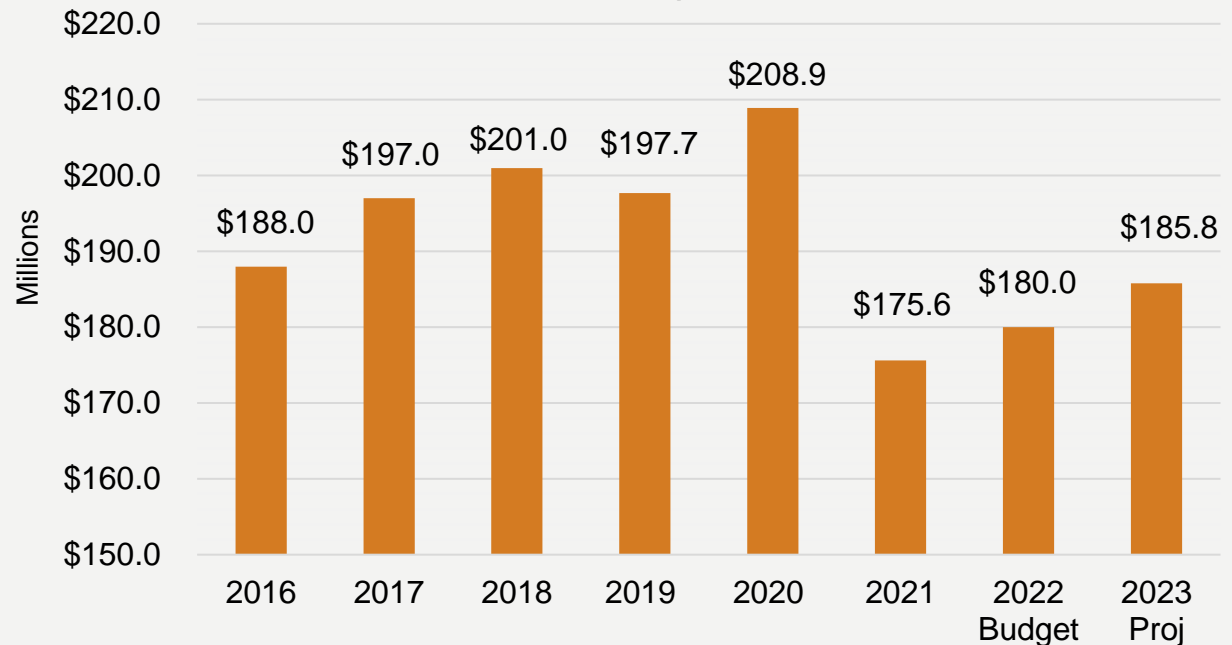


# Considerations for Discussion

## State

- ▶ Increase for employees eligible for TRS reimbursement from the State-rate from 19.81% to 19.98%
- ▶ Assumes state grants will remain the same from FY2022 to FY2023
- ▶ Assumes adoption of the Governor's proposal

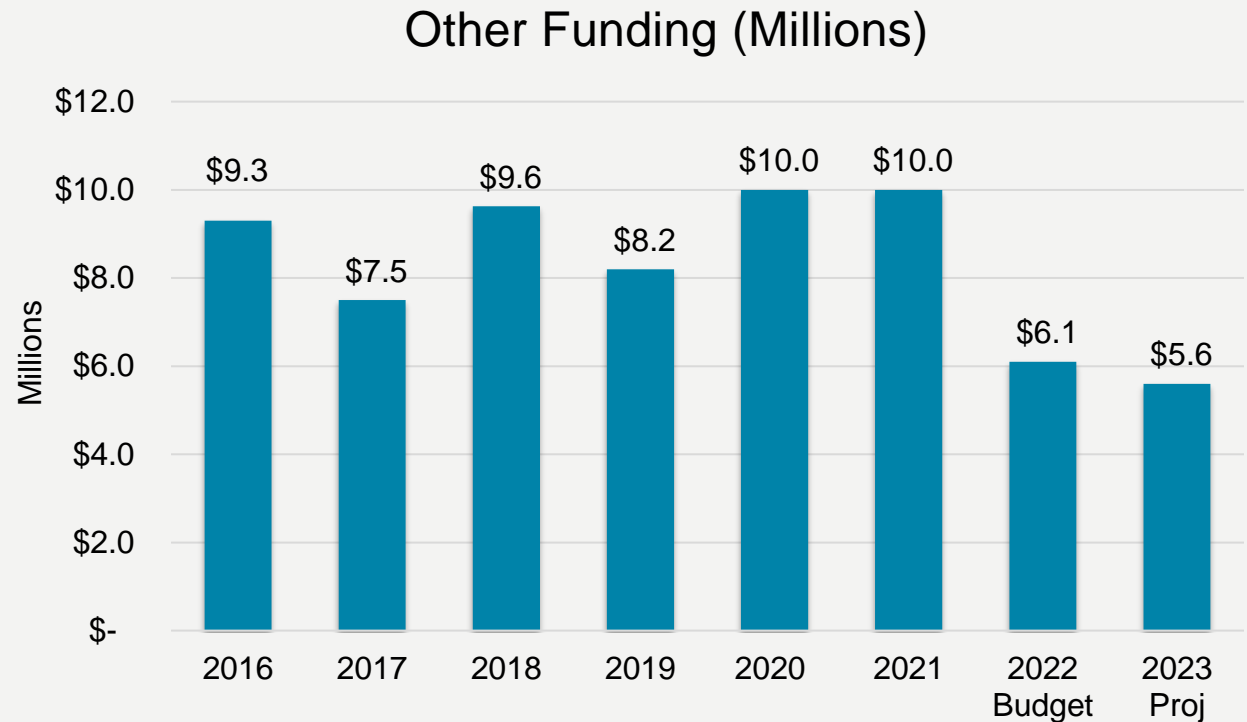
State Funding (Millions)



# Considerations for Discussion

## Other

- ▶ Includes tuition, investment interest, rental of facilities, sale of assets, damages for reimbursements, charter buy-back, field trips, and other sources
- ▶ We assume this revenue source will decrease slightly



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# Impact to Fund Balance

## Fund Balance Analysis Assuming 100% Collections and 100% Spend\*

FY2022	Current Adopted*	Projected
Beginning Fund Balance	\$182,709,214	\$182,709,214
Change to Fund Balance	-\$14,302,414	\$0
Ending Fund Balance	\$168,406,800	\$182,709,214
Expenditures	\$933,276,583	\$933,276,583
% of Expenditures**	18.04%	19.58%

FY2023	Current Adopted*	Projected
Beginning Fund Balance	\$168,406,800	\$182,709,214
Change to Fund Balance	\$0	\$0
Ending Fund Balance	\$168,406,800	\$182,709,214
Expenditures	\$1,000,304,418	\$1,000,304,418
% of Expenditures**	16.84%	18.27%

\*Trend in current year financials indicate that fund balance may not be used for the current fiscal year.

\*\* Fund balance in excess of 15% of current year expenditures is earmarked to maintain continuity of programming when CARES funds are no longer available to the district



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# **FY2023 Expenditure Update**

# Expenditure Walk-through

SUPER preliminary analysis. Known issues within the department requests that must still be addressed include; duplication of CARES request and general fund and large placeholder in districtwide for compensation scenarios. State grants are not fully allocated in either revenue or expenditures yet.

Revenue	FY2022 Budget	FY2023 Projection	Change	% Change	Notes
Local	\$708,878,713	\$747,454,812	\$38,576,099	5.44%	Includes growth assumptions for FY23
State	\$180,217,783	\$185,881,087	\$5,663,304	3.14%	Preliminary estimates pending state approval
Other	\$6,122,560	\$5,682,216	(\$440,344)	-7.19%	Preliminary estimated decline in e-rate
Transfer	\$23,755,113	\$15,988,581	(\$7,766,532)	-32.69%	Assumes Title I holdback, will increase
Fund Balance	\$14,302,414	\$0	(\$14,302,414)	-100.00%	Assumes no use of fund balance
<b>Total</b>	<b>\$933,276,583</b>	<b>\$955,006,696</b>	<b>\$21,730,113</b>	<b>2.33%</b>	
Expenditures	FY2022 Budget (As of March 3 <sup>rd</sup> )	FY2023 Projection (As of March 9 <sup>th</sup> )	Change	% Change	
School Allotments	\$457,289,227	\$452,399,099	(\$4,890,128)	-1.07%	Enrollment is down 6% from projections FY2022
Departments	\$189,522,106	\$224,477,031	\$34,954,925	18.44%	Need to identify shifts to CARES, redundancies, and CUTS
District Wide	\$69,247,374	\$95,894,960	\$26,647,586	38.48%	Placeholder for compensation and includes the pension increase
Charter/Partner	\$200,938,718	\$211,199,450	\$10,260,732	5.11%	Enrollment and in alignment with local revenue
Utilities	\$16,279,205	\$16,333,879	\$54,674	0.34%	Preliminary assumptions
<b>Total</b>	<b>\$933,276,630</b>	<b>\$1,000,304,419</b>	<b>\$67,027,789</b>	<b>7.18%</b>	
<b>Gap</b>		<b>(\$45,297,723)</b>			

# Preliminary FY23 Budget by Object

The figures below are preliminary. We are still combing through the budget requests. There will likely be many changes made to align dollars to their appropriate object codes within the next month.

	FY2022 Approved			FY2023 Preliminary			
	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil	Change*
*Budget in millions							
Salaries <sup>1</sup>	\$374.79	41.43%	\$7,360	\$420.98	42.09%	\$8,598	\$46.19
Other Compensation <sup>2</sup>	\$18.77	2.08%	\$369	\$17.83	1.78%	\$364	(\$0.94)
Employee Benefits <sup>3</sup>	\$193.70	21.41%	\$3,804	\$205.11	20.50%	\$4,189	\$11.41
Professional Services <sup>4</sup>	\$74.55	8.24%	\$1,464	\$86.42	8.64%	\$1,765	\$11.87
Purchased Property Services <sup>5</sup>	\$22.30	2.46%	\$438	\$28.44	2.84%	\$581	\$6.14
Other Purchased Services <sup>6</sup>	\$162.42	17.96%	\$3,190	\$180.80	18.07%	\$3,693	\$18.38
Supplies <sup>7</sup>	\$43.07	4.76%	\$846	\$44.78	4.48%	\$915	\$1.71
Property <sup>8</sup>	\$1.25	0.14%	\$25	\$0.77	0.08%	\$16	(\$0.49)
Operating Transfer <sup>9</sup>	\$5.31	0.59%	\$104	\$5.80	0.58%	\$118	\$0.49
Other Objects <sup>10</sup>	\$8.44	0.93%	\$166	\$9.38	0.94%	\$192	\$0.94
<b>Total</b>	<b>\$904.60</b>	<b>100.00%</b>	<b>\$17,765</b>	<b>\$1,000.30</b>	<b>100.00%</b>	<b>\$20,430</b>	<b>\$95.71</b>

1. Psychologist, Social Workers, Nurse positions moved from CARES to General Fund, placeholder for compensation proposal
2. Special Education hourly paraprofessionals converted to full-time
3. TRS rate increase, increase to pension, along with salary increase
4. Increase in transportation contracts. Planned Lawson upgrade. New weapons security screening. Increase for Charter/Partner schools. Equity consultants.
5. Increase in custodial services contract and pest control services. HVAC repairs and Elevator electrical program upgrade. Increase in cost for Lawson tech support and Microsoft FTE service platform.
6. Increase to charter and partner school allocations
7. Districtwide math textbooks that reflect the new GA State standards
8. Budget for State Grants not projected yet
9. Minimal changes from current year
10. Additional funds for ACT/SAT prep



# Preliminary FY23 Budget by Function

The figures below are preliminary. We are still combing through the budget requests. There will likely be many changes made to align dollars to their appropriate function codes within the next month.

	FY2022 Approved			FY2023 Preliminary			
	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil	Change*
*Budget in millions							
Instruction <sup>1</sup>	\$593.94	65.66%	\$11,664	\$630.97	63.08%	\$12,887	\$37.04
Pupil Services <sup>2</sup>	\$37.90	4.19%	\$744	\$60.96	6.09%	\$1,245	\$23.06
Staff Services <sup>3</sup>	\$51.53	5.70%	\$1,012	\$63.34	6.33%	\$1,294	\$11.81
Federal Grant Admin <sup>4</sup>	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00
School Admin <sup>5</sup>	\$43.34	4.79%	\$851	\$42.61	4.26%	\$870	(\$0.73)
General Admin <sup>6</sup>	\$44.43	4.91%	\$872	\$49.40	4.94%	\$1,009	\$4.97
Maintenance & Ops <sup>7</sup>	\$92.48	10.22%	\$1,816	\$106.00	10.60%	\$2,165	\$13.52
Transportation <sup>8</sup>	\$33.86	3.74%	\$665	\$39.83	3.98%	\$814	\$5.97
School Nutrition <sup>9</sup>	\$0.38	0.04%	\$7	\$0.38	0.04%	\$8	\$0.00
Other Outlay <sup>10</sup>	\$5.31	0.59%	\$104	\$5.58	0.56%	\$114	\$0.27
Debt <sup>11</sup>	\$1.44	0.16%	\$28	\$1.22	0.12%	\$25	(\$0.21)
<b>Total</b>	<b>\$904.60</b>	<b>100.00%</b>	<b>\$17,765</b>	<b>\$1,000.30</b>	<b>100.00%</b>	<b>\$20,430</b>	<b>\$95.71</b>

1. Increase to Districtwide, Charters & Partners, Academics-(SPED and Textbooks)
2. Psychologist, Social Workers, Nurse positions moved from CARES to General Fund
3. Academics, School Allotment and Schools all increased FTE
4. No change from current year
5. Decreased staffing at the school admin level.
6. Lawson upgrade planned for FY '23. HR - positions and recruitment app. Equity consultants, Otis Index, positions and other costs.
7. Increase in custodial contract; increase in pest control contract; HVAC Repairs, Moved elevators to electrical program; increase in insurance premium; Weapons security screening; Security monitoring system, CAD/RMS training.
8. Additional staff and contracts.
9. No change.
10. Minimal changes from current year
11. Expiration of lease.

# Next Steps

<u>Item Description</u>	<u>Date</u>
<b>Cabinet review of department budget requests</b>	Monday, March 29-30,2022
<b>Cabinet decision day for FY23 department budget requests</b>	Friday, April 1, 2022
<b>BFAC &amp; Budget Commission Meeting</b>	Thursday, April 21, 2022
<b>Board Meeting</b> (Tentative Adoption)	Monday, May 2, 2022
<b>Regional Meetings</b>	Throughout May (TBD)
<b>Budget Commission:</b> Changes between Tentative and Final Budget	Thursday, May 19, 2022
<b>Board Meeting</b> (Final Adoption)	Monday, June 6, 2022
<b>Millage Process</b>	TBD June – July



# WRAP UP

Next Commission Meeting:  
April 21, 2022

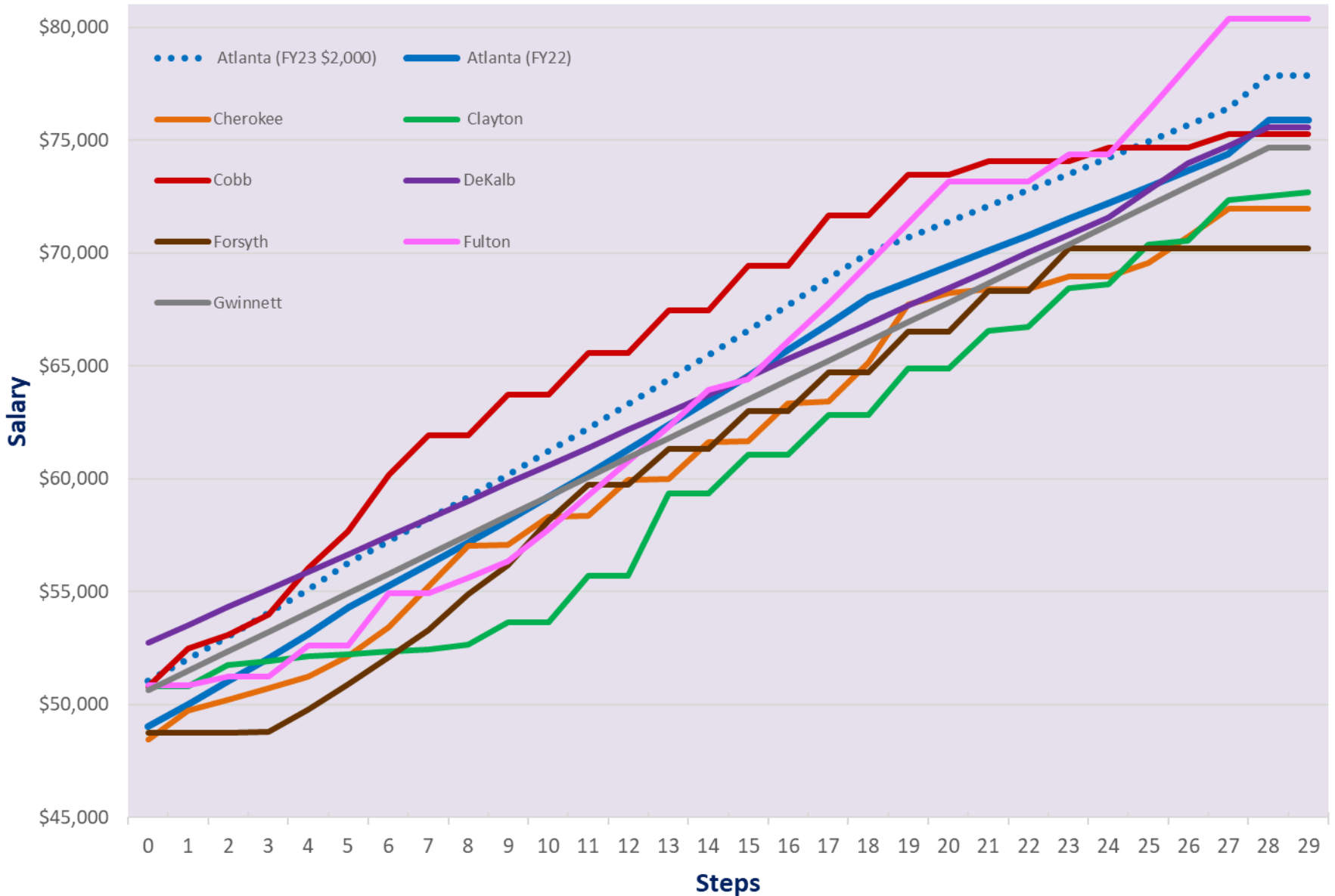
Agenda:

- FY2023 Special Revenue (including CARES), SPLOST, & School Nutrition Review
- Discussion of Decision Packages

# Appendix

# FY23 Proposed Teacher Pay Raises Compared to Metro Area

*FY23 Metro Atlanta Teacher Salaries -- Bachelor's Degree*



Metro area comparisons are estimated using a \$2,000 increase per step

# High Needs Subject Areas Strategy Details

- In December 2019, Teacher Advisory Council (TAC) expressed the most alignment for providing extra pay for special education teachers.
- 56% rated special education (SPED) as their top priority #1.
- Feedback regarding other subject areas was mixed.

Raw Data	Options for Definition of "High Needs Subject"						
Rank Order (1 Being Highest Preference)	SPED Specializ ed	SPED Interrelat ed	Math	Science	ESOL	CTAE	World Language
1	31%	25%	17%	0%	0%	11%	3%
2	28%	19%	6%	17%	11%	3%	0%
3	6%	17%	22%	11%	8%	8%	6%
4	6%	9%	11%	20%	17%	9%	6%
5	6%	3%	6%	15%	32%	6%	12%
6	3%	6%	9%	12%	9%	21%	15%
7	0%	3%	6%	6%	9%	22%	31%

# High Needs Subject Areas Strategy Details

However, Teacher Advisory Council (TAC) pointed out several pros and cons to the strategy (listed below).

Options in Rank Order (1 Being Highest Preference)	PROS	CONS
<b>Special Ed. Specialized (EBD, MOID, Autism, etc.) PK-12</b>	<ul style="list-style-type: none"> <li>• We need to keep great teachers when we have them.</li> <li>• Attract passionate talent</li> <li>• Keeps teachers in place</li> <li>• Increased student support</li> <li>• Must provide consistency</li> <li>• Physically/emotionally demanding. Extremely hard work to attract quality workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Resentment between teachers</li> <li>• Teachers vs teachers</li> <li>• Not always right people in the position</li> <li>• Teacher burnout</li> <li>• Student testing and standards not as rigorous, so teachers may not be as motivated.</li> </ul>
<b>Special Ed. Interrelated K-12</b>	<ul style="list-style-type: none"> <li>• Keeps teachers in place</li> <li>• SPED self-contained only</li> <li>• Support in high needs area</li> <li>• More specialists</li> <li>• Need consistent support</li> <li>• Improve teacher morale</li> </ul>	<ul style="list-style-type: none"> <li>• Just like we have master teachers, we need master special ed teachers</li> <li>• Special ed. Teachers need more money, but they need higher accountability</li> <li>• Resentment between teachers</li> <li>• Not always right people in the position</li> <li>• Teacher burnout</li> <li>• Accountability how to measure effectiveness</li> <li>• How do we hold teachers to the teacher standards and not a push-in para?</li> </ul>

# Step Increases Detail

## Teacher pay scale - step increases

- A step increase is the equivalent to about 1.6% pay raise
- The combined effect of the 2% pay scale raise and a step increase is an overall average pay raise of about 3.6%
- Providing steps avoids the process of having to “freeze” teachers on their current step, which requires “rolling” all the steps back a year
- APS provides a step for each year of service, which is more than the state pay scale and some surrounding districts, which keep teachers on a step for more than one year in a row
- The number of APS teachers who are off-step has been reduced from 881 in 2015 to zero (0)
- Total cost of a step increase for all **eligible employees paid on the teacher pay scale** is \$3.7m

\*Teacher pay scale includes: Teachers, Media Specialists, IB Specialists, Signature Program Specialists



# Additional Context

## Teacher step increases

If each teacher received exactly \$2,000:

- Average raise = 3.7 %
- Minimum raise = 2.1%
- Maximum raise = 4.1%

By customizing the increases to the needs of our unique pay structure:

- Average raise = 4.6%
- Minimum raise = 2.1%
- Maximum raise = 6.3%
- Minimum amount = \$2,000
- Maximum amount = \$4,302
- Average amount = \$2,962
- # below \$2,000 = none
- # at \$2,000 = 192
- # above \$2,000 = 2,922

# Links

- [Atlanta Public Schools Compensation Web Site](#)
- [Employee Compensation Presentation to APS Board of Education Budget Commission, March 2021](#)
- [Talent Strategy Update to APS Board of Education, May 2019](#)
- [Teacher Compensation Presentation to APS Board of Education Budget Commission, February 2019](#)
- [Employee Compensation Presentation to APS Board of Education Budget Commission, March 2019](#)
- [Employee Compensation Presentation to APS Board of Education Budget Commission, March 2018](#)
- [Compensation Study and Pay Parity Recommendations to APS Board of Education, August 2015](#)