

KNOX COUNTY SCHOOLS  
ANDREW JOHNSON BUILDING

*Bob Thomas, Superintendent*



**MEMORANDUM**

To: Chair and Members  
Knox County Board of Education

From: Bob Thomas *Bd.*  
Superintendent

Date: April 4, 2018

Subject: Fiscal Year 2019 Final General Purpose School Fund Budget Recommendation

Attached please find my recommendation for Knox County Schools Fiscal Year 2019 (FY19) General Purpose School Fund Operating Budget, including detailed supporting documents. As we have discussed, this is a \$483.3 million budget, which includes a slight increase of \$300,000 to our earlier BEP revenue projections. This represents an approximately \$12.1 million (2.58%) increase over the current year budget.

My recommendation includes a number of adjustments to the budget information previously sent to the Board on March 23, 2018. Initially, projected expenditures exceeded projected revenue by approximately \$3.2 million. This was reduced to \$2.5 million through our ongoing review of revenue sources and projected expenditures. In order to address the projected shortfall, we have evaluated expenditures to make sure they are aligned to the priorities of the district. As a result, I have had to make some difficult decisions which are reflected in this recommendation.

In a continuous effort to be fiscally responsible, we have worked diligently to evaluate programs within KCS to ensure our resources are being allocated toward those programs that have proven effective. The program evaluations conducted by our Research, Evaluation and Assessment (REA) Department have shown that some elements of our magnet program and Project GRAD are not significantly impacting student achievement. Additionally, some magnet schools have seen limited parent demand.

Based on our program evaluations, I am recommending a reduction in funding for magnet schools. By eliminating the annual allocations to all magnet schools as well as suspending magnet-related activities at Sarah Moore Greene and Green Magnet Academy, an additional \$1

million reduction in expenditures will be realized. Although we are suspending magnet-related activities at two schools, the district will continue to honor all current magnet transfers and provide transportation for those students.

I am also recommending the district reallocate a portion of resources previously provided to Project GRAD. This adjustment will reduce expenditures by more than \$1 million. The REA analysis of Project GRAD showed that attending a Project GRAD school did not correlate with an increase in the school's graduation rate. Additionally, while participation in the Project GRAD Scholar Program showed some evidence that a higher rate of students attended college, it did not result in a higher completion rate. I am recommending that we add five certified positions to schools that are currently being served by Project GRAD to provide additional support to those schools. The focus of these positions will be reading and social-emotional support.

In addition to the two aforementioned recommendations, I will be eliminating several unbudgeted staff positions added to the FY18 budget. These do not include critical need positions such as nurses, ELL teachers, Restorative Interventionists, Special Education teachers and positions critical to our mission of academic support. We are also implementing a new approach to gifted and talented services that will train teachers to provide these supports, thereby allowing us to reallocate several coaching positions. These actions will reduce expenditures for FY19 by approximately \$500,000.

This budget recommendation will allow our system to:

- Extend the teacher contract length for our priority and cusp schools,
- Prioritize and maintain early literacy and behavioral and social-emotional supports,
- Fund startup costs for the new Gibbs and Hardin Valley middle schools,
- Meet our commitment toward increased expenditures for health insurance and a mandatory increase to the employer contribution rate of the Tennessee Consolidated Retirement System Legacy Retirement Plan for certified employees,
- Meet our commitment to provide additional funding for student transportation and increased costs related to the operation of Emerald Charter Academy.

I believe this budget reflects our district priorities within our current budgetary constraints and will enable us to continue to advance our efforts as we focus on increasing student achievement, eliminating disparities in both academic and discipline outcomes and creating a positive culture. Therefore, I respectfully recommend that the Board of Education approve and adopt this FY19 budget at our next meeting on Wednesday, April 11, 2018.