



BUDGET PRIMER

Fiscal Year 2025

Prepared by Department of Budget Services
Atlanta Public Schools



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MESSAGE FROM SUPERINTENDENT

Dr. Danielle S. Battle

Interim Superintendent

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Dear Atlanta Public Schools Stakeholders:

As we embark upon our annual budget cycle, Atlanta Public Schools aims to continue our mission of allocating resources to increasing student achievement and to those essential areas that provide a solid foundation for our students to excel. This formula appropriately meets students' and the district's needs while exercising fiscal responsibility as good stewards of taxpayer dollars. The FY2025 budget development process will hone in on critical areas for advancing student success, with our primary target being literacy.

Our budgetary focus for FY2025 will align with our district goals and guardrails. I am proud of what we've accomplished with ESSER (Elementary and Secondary Emergency Relief Funding) funding; however, with the sunset of that revenue source, one of our priorities is to consider which initiatives previously supported by ESSER funds should be incorporated into the general fund budget. We are continuing to implement the recommendations that came out of the Student Success Formula task force convened last year to ensure that the fiscal resources are being allocated equitably to meet the changing needs of our schools.

With the FY2025 budget, our focus is narrow but precise. Because increasing student achievement is always at the heart of what we do, our priorities are set to maximize our resources to move our students forward. With this budget, we will continue to identify redundancies in administrative overhead and reallocate those resources to classroom and school budgets. Student success hinges on teacher preparation, therefore, we will continue to support our investments in English Language Arts (ELA) and Math through professional development opportunities. Providing support for Special and Gifted Education, English Language Learners, our Signature Programs, Fine Arts, and Athletics remain a priority for the next fiscal year and other critical areas.

We know a hungry child cannot learn; therefore, supporting the in-house School Nutrition model and incentives to support the whole child are a focus and priority for this budget. Ensuring our students' safety and security, along with their safe transport to and from school, are also essential for inclusion. We are aware that none of these budgetary items are possible without a strong workforce. For this reason, we are committed to a comprehensive compensation strategy to maintain APS's competitive advantage.

The FY2025 budget will arm APS with the tools and resources necessary for providing a robust, quality education for students in our district. Our strategies for meeting these goals and objectives reflect fiscal responsibility while Leading Forward with C.A.R.E.

Sincerely,
Dr. Danielle S. Battle

EXECUTIVE SUMMARY



As Atlanta Public Schools works to develop the FY2025 budget, we strive to include context and narrative that helps to tell the story of APS through its financial resources. In short, this budget is a result of a close examination of the APS mission, vision, strategic plan, and guiding principles with a goal of addressing equity and enabling all students to graduate ready for college, career, and life.

The FY2025 general fund budget not only delineates APS's revenue and expenditure plan for the school year 2024-2025 but also adheres to a student-focused funding model. This model allocates resources based on student attributes and employs incremental budgeting to empower District departments. This approach facilitates a focus on key priorities, aligning with the APS strategic goals. The Student Success Funding (SSF) and incremental budgeting modules, integral to this process, underscore our commitment to school-based decision-making and ensuring effective resource utilization in line with APS strategic priorities.

Building on the learnings from FY2024, wherein the Student Success Funding formula underwent scrutiny and refinement, we are implementing recommendations in the FY2025 budget cycle to better meet the evolving needs of our schools. This continuous improvement process ensures that APS remains responsive and adaptable to the dynamic educational landscape.

Our budgeting parameters, detailed in the Budget Primer, serve as the foundation for the FY2025 budget, guiding our decision-making and resource allocation. As we progress, we will scrutinize existing funding commitments, reprioritize, and use data to determine if deeper investments are necessary to align with the district's vision.

The FY2025 budget process is geared towards supporting a comprehensive compensation strategy, investing in transportation and security, transitioning school nutrition to an in-house model, enhancing wellness and whole-child support, and reinforcing investments in ELA and Math. We will continue to fund our strategic priorities, including the Turnaround Strategy, Signature Programs and School Flexibility while focusing on identifying redundancies and operational efficiencies to assure successful achievement of the district's vision and mission.

Guided by our ambitious strategic plan (FY 2020 – FY 2025), APS is committed to intentional alignment of resources with district priorities. After adopting a modified zero-based budgeting approach in FY2021, we are transitioning back to incremental budgeting for the FY2025 budget

process. This shift aims to streamline processes, enhance transparency, and foster more in-depth and meaningful conversations to address programmatic needs.

Our change management efforts aim to reduce inefficiencies, increase strategic alignment, promote accountability, and foster cross-departmental collaboration. The anticipated outcome is improving student outcomes and advancing equity by leveraging the budgeting process to support strategic priorities.

Our revenue projections and expenditure budget are impacted each year by the policies and decisions made at the federal and state level with regards to K-12 education. Both the federal and state government are investing more in education to ensure all students have access to high-quality, affordable postsecondary education, while also improving career pathways for students of all ages and levels. Governor Kemp in his recent State of the State address proposed adjusting the state base salary schedule to increase salaries for certified personnel by \$2,500 in FY2025. He also proposed a 4.1% raise for school nurses and a \$1,000 salary supplement for custodians. The Governor's FY 2025 budget also proposes \$250 million for enrollment growth and training and experience, \$204 million for the Pupil Transportation Grant, \$104 million to establish a School Security Grant program, \$6 million to fund two literacy coaches per RESA and provide \$2,000 supplements to Literacy Support Coordinators and Leads at school districts plus \$5 million for a universal reading screener and screener for K-3 students.

Atlanta Public Schools continues to work to build a budget that balances the needs of our students and provides funding for educational programs. The budget allows us to provide educational opportunities for our students to achieve our mission to graduate every student ready for college, career, and life. We will continue to work hard to ensure that all resources – local, state, federal and private dollars – are used to their fullest potential.

Best,

Lisa Bracken

ABOUT ATLANTA PUBLIC SCHOOLS

Celebrating 152 years, established in 1872, Atlanta Public Schools (APS) is one of the oldest and largest school districts in the state of Georgia. APS is home to countless notable alumni, including civil-rights activists, entertainers, national elected officials, professional athletes, renowned scientists, and engineers. APS is the seventh largest school district in the state of Georgia, currently serving 49,675 students.

The district is organized into nine K-12 clusters with 59 neighborhood schools, 19 charter schools, 2 alternative programs, 2 citywide single-gender academies, and 5 partner schools. The district continues Title I schools where students are offered rigorous instructional programs that foster success in school and life. Atlanta Public Schools officially became a Charter System July 1, 2016, and has since been renewed in July 2021. This new commission, or “charter,” with the state allows more decisions to be made at the school level by principals, educators, parents, and community members, all of whom are closer to students and their school needs.

Atlanta Public Schools’ journey of transformation has gained ground with improvements in graduation rates and performance data, yet a significant achievement gap still exists. We are living the mission with students graduating ready for college and career. Despite these challenges, continuous investment in our people practices over the years has led to an 84% teacher retention rate. APS continues to make headway with key yard markers such as Georgia Milestones, CCRPI progression, our growing graduation rates and our new strategic initiative, APS 5.

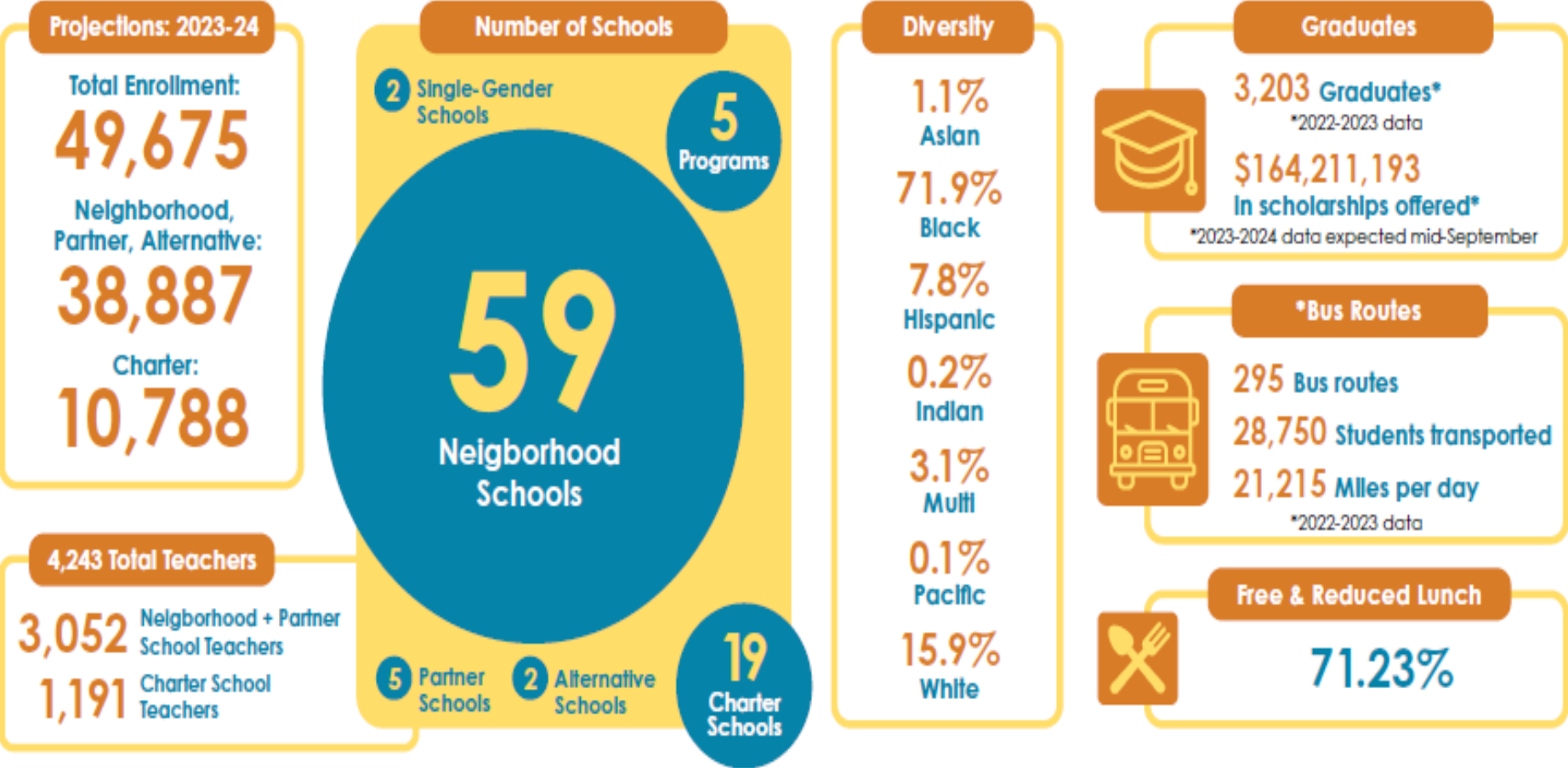
MEASURABLE OUTCOMES

- **Literacy Goal:** The percentage of students in grades 3-8 scoring proficient or above in reading, as measured by the Georgia Milestones, **will increase from 36.9% in August 2019 to 47% in August 2026.**
- **Numeracy Proficiency:** The percentage of students in grades 3-8 scoring proficient or above in math, as measured by the Georgia Milestones, **will increase from 35.0% in August 2019 to 45.4% in August 2026.**
- **Post-Graduation Preparedness:** Increase the percentage of high school students who graduate prepared for their next step as demonstrated on a multi-dimensional assessment based on the Profile of a Graduate.
- **College and Career Readiness:** The percentage of high school students who score at the college and career readiness level on career pathway assessments, IB, AP, Dual Credit, ACT or SAT, work-based learning, or entering TCSG/USG without needing remediation **will increase from 51.52% in October 2019 to 59.3% by October 2026.**



APS BY THE NUMBERS

2023-2024



Charter System Operating Model and APS Cluster Planning

Aligned with its Charter System operating model, APS engaged the community in a planning process that led to the creation of Cluster Plans that highlight instructional programming across schools within a cluster, Pre-K through high school, and define the future direction for each cluster. This allows our schools and clusters the flexibility and autonomy to use what they know works best for their students while adhering to district and state guidelines.

One focus of the Cluster Plans is the identification and implementation of a signature program. This signature program focuses on the vertical and horizontal alignment of academic programs for schools and neighborhoods. These programs will provide rigor, structure, focus and accountability across the cluster. The programs chosen include:



- This integrated curriculum coordinates the teaching of Science, Technology, Engineering and Mathematics through problem solving, discovery and exploratory project/problem-based learning.
- Participating clusters and schools: Douglass, South Atlanta, Washington, B.E.S.T. Academy and Coretta Scott King Young Women's Leadership Academy

The district's new operating model led to the creation of GO Teams-school-based governance bodies comprised of parents, educators, and community members- to assist with decision-making at the school and cluster levels.



- IB programs aim to develop inquisitive, knowledgeable, and compassionate young people who help to create a better and more peaceful world through intercultural understanding and respect.
- Participating clusters: Jackson, Mays, North Atlanta and Therrell

APS Neighborhood Schools Cluster Feeder Patterns

HIGH SCHOOLS	MIDDLE SCHOOLS	ELEMENTARY SCHOOLS
CARVER	PRICE	SLATER
	SYLVAN	FINCH GIDEONS PERKERSON
DOUGLASS	JOHN LEWIS ACADEMY	BOYD F.L. STANTON HARPER-ARCHER SCOTT USHER
	WOODSON PARK	WOODSON PARK
MAYNARD JACKSON	M.L. KING	BURGESS-PETERSON TOOMER BENTEEN OBAMA DUNBAR PARKSIDE
MAYS	YOUNG	MILES BEECHER HILLS CASCADE PEYTON FOREST WEST MANOR
MIDTOWN	CENTENNIAL PLACE	CENTENNIAL PLACE
	HOWARD	HOPE-HILL MARY LIN MORNINGSIDE SPRINGDALE PARK VIRGINIA HIGHLAND
NORTH ATLANTA	SUTTON	BOLTON ACADEMY BRANDON GARDEN HILLS JACKSON RIVERS SMITH
SOUTH ATLANTA	LONG	CLEVELAND AVENUE DOBBS HERITAGE ACADEMY HUMPHRIES HUTCHINSON
THERRELL	BUNCHE	CONTINENTAL COLONY DEERWOOD ACADEMY FICKETT KIMBERLY
WASHINGTON	HOLLIS INNOV. ACADEMY	HOLLIS INNOV. ACADEMY
	HERMAN J. RUSSELL	JONES TUSKEGEE AIRMEN



HIGHLIGHTS

School district budgets are not just about dollars and cents. They are about how well the district allocates its limited resources to the benefit of student achievement and outcomes. Therefore, a budget cannot just outline revenues and expenditures, it must set out the direction for the district. Here at APS, budgets are about increasing equity, instructional quality and efficiency while assuring the district reaches the mission to graduate every child, so they are prepared for college and career and life.

As the district prepares for FY2025 and beyond, we are positioned to take on challenges we are likely to encounter. Student success is our top priority, and our students and programs are seeing initial movement and are making headlines for improvements. Some of our most notable successes include:

- Aligning with our district's strategic priorities by allocating millions in support of investments in funding for schools to offset the impacts of leveling, moving staff into the general fund budget as CARES funding goes away and to support the now in-house School Nutrition program needs.
- APS compensation and retention efforts: general pay increase to salary schedules and step increase for all eligible full-time employees on non-teacher pay grades, general pay increase to salary schedules and step increase for all eligible full-time employees on Instructional Support pay scale, and ensure all eligible employees on teacher pay scale receive \$2,000 increase (proposed by the State)
- Atlanta Public Schools (APS) achieved an 86.6 percent graduation rate for cohort 2023, according to graduation data released by the Georgia Department of Education. By achieving its all-time high graduation rate, APS also exceeded the state graduation rate of 84.4 percent by 2.2 percentage points.



In times of increasing budget pressure and limited resources, it is important to think creatively about different funding sources. As a result, APS established the Office of Partnerships and Development which works to bridge the gap where funds fall short, with external resources.

The Office of Partnerships and Development was established in 2014 and since then has proactively created and engaged strategic partners to support APS' needs.

This Office serves schools by equitably distributing resources and opportunities to them and acts as thought partners for accessing resources and making connections to further your work and offset general funds.

Since its inception, the Office has either established or re-established more than 350 partnerships and raised more than \$70 million in cash and in-kind donations to offset costs or fund initiatives for the district's mission.

While the Office is not a grant maker itself, the team can act as consultants and collaborators to help maximize your school and department funds and find alternative resources for priorities where there are gaps. Below are just some of the supports the Office of Partnerships and Development provides:

- Connect you with partners and resources.
- Help you fundraise for your critical needs; strategize about how to find funding.
- Share our templates and toolkits.
- Offer training and workshops.
- Provide direction and background on partner and philanthropic landscape.
- Support grant writing efforts.
- Share funding and partner opportunities as well as enrichment opportunities.

As a rule, whenever you are thinking about applying for a grant or wanting to approach a new partner, contact the Office of Partnerships and Development; information is below:

Joi Hunter, Executive Director: joi.hunter@apsk12.org

Turhonda Faust, Administrative Assistant II: turhonda.faust@apsk12.org

Katrina Ford, Partnerships Manager: Katrina.ford@apsk12.org

Daphney Jeune, Development Manager: Daphney.Jeune@aspk12.org

FY2025 BUDGET DEVELOPMENT

FY2025 BUDGET PARAMETERS

Budget parameters are guidelines for budget development, including revenue assumptions, fund balance targets, and expenditure goals. They identify process and presentation recommendations to provide transparency in linking goals, outcomes, and district spending plans. The budget parameters also develop monitoring procedures that hold the district accountable for executing the budget plan.

GUIDING PRINCIPLES FOR RESOURCE PARAMETERS

These are the guiding principles under which the Board will consider using a millage rate increase to advance the organization's mission and vision:

Depth vs. Breadth – Focus on deeper investments in specific parameters instead of distributing funds over too many disparate priorities.

Budget parameters should be in alignment with the Mission, Vision, Strategic Plan, Equity framework, and SOFG.

The district will:

Evaluate and reprioritize existing and previous funding commitments (i.e., allocations and spend) at the top of the budget development process including:

- Turnaround strategy
- Cluster and flexibility funds through SSF
- Investments in early learning (including PAACT)
- Investments to advance district equity commitments and priorities.
- Framework for Equipping and Empowering Educators

The Board will consider utilizing the amount of fund balance above 7.5% of prior year's budgeted expenditures under the following conditions:

- To fund one-time expenditures that are nonrecurring in nature, and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.
- To pilot new programs or to fund other short-term priorities of the Board.
- To meet emergencies and unexpected expenses throughout the year.

RESOURCE PARAMETERS

The district will:

1. Alleviate pressure from the general fund and taxpayers while supporting the continued operations of APS by:
 - maximizing all available funding streams including federal grants and other special revenue where appropriate and specific to the purpose of the program
 - continuing to identify grant-generating opportunities.
 - seeking additional business, philanthropic and community partnerships in a manner that is data driven and equity guided to ensure we do not perpetuate inequities within and across clusters.
 - leveraging the OTIS Indexes, when available, to guide and prioritize partnerships and resource allocation.
 - assessing the required millage rate
2. Maintain a fund balance of 15% of the total general fund expenditure budget net of any committed, assigned, or reserved fund balance.
3. Strategically utilize the fund balance to ensure operational integrity of district programs, support expenditure parameters, and offset potential decreases in revenue.



EXPENDITURE PARAMETERS

These budget parameters may represent an additional or recurring cost to the district.

The district will:

The FY2025 Budget Development Process will:	in alignment with:
Support a compensation strategy that maintains the APS competitive advantage while remaining sustainable in the long-term	Goals 1-2; Guardrail 3
Support the shift in the School Nutrition model to in-house	Goals 1-2; Guardrail 1, 3 & 4
Support the ongoing operational needs of the district, especially Transportation and Safety and Security and the modernization of the district ERP (Enterprise Resource Planning) system	Guardrail 1 & 3
Identify redundancies and efficiencies in the administrative overhead of the district to reallocate to core classroom and school budgets	Goals 1-2
Consider the ESSER funded initiatives that should be incorporated in the ongoing general fund budget, or will effectively communicate the transition away from some initiatives	Goals 1-4; Guardrail 2 & 3
Support additional flexible school funds, especially for wellness and whole-child support	Goals 3-4; Guardrail 1
Support ELA and Math investments, especially through investments in professional development	Goals 1-2
Support College and Career Readiness initiatives that increase equity in access for students, awareness to all stakeholders, and strengthen the professional development of teachers and administrators.	Goal 4; Guardrail 2
Support investments in Signature Programs, Fine Arts and Athletics that standardizes investments across schools and shifts burden of costs off school budgets	Guardrails 1 and 3
Support of all student populations including investments in intervention, Gifted, EL, and Special Education	Guardrail 1

TIMELINE OF BUDGET DEVELOPMENT

FY2025 GENERAL FUND BUDGET DEVELOPMENT	
Item Description	Dates
Board Meeting	September 5, 2023
Board Budget Commission Meeting	September 28, 2023
Board Meeting	October 2, 2023
Governance-Budget-CIP Planning	October 10, 2023
Board Budget Commission Meeting	October 19, 2023
GO Team Budget Development Presentation	November 2, 2023
Board Meeting	November 6, 2023
CIP Collaboration Sub-Committee Meeting	November 11, 2023
Principal's Meeting- Finance Presentation	November 15, 2023
CIP Planning	November 15, 2023
Board Budget Commission Meeting	November 16, 2023
New Leader Induction Meeting	November 29, 2023
Board Meeting	December 4, 2023
Governance-Budget-CIP Meeting	December 7, 2023
Governance-Budget-CIP Meeting	December 11, 2023
Board Budget Commission Meeting	December 14, 2023
Board Meeting	January 8, 2024
FY2025 School & Department Budgets Released	January 8, 2024
Budget Kickoff with Departments	January 10 and 18, 2024
Governor's State of the State Address and Education Budget	January 11, 2024
Budget Principal's Training	January 17, 2024
Board Budget Commission Meeting	January 18, 2024 – canceled
District Executive Committee Meeting	January 23, 2024
GO Team Initial Budget Presentation	January 8, 2024 - Early February
Board Meeting	February 5, 2024
Board Budget Commission Meeting	February 15, 2024

Academic and Staffing Conferences	Late Feb.- Early March
FY2025 School and Department Budgets Locked	March 4, 2024
Board Meeting	March 4, 2024
GO Team Final Budget Approval Begins	Early Feb.- Late Feb.
Board Budget Commission Meeting	March 21, 2024
GO Team Final Budget Approval Ends	Late February – Mid March
FY2025 Senior Cabinet Budget Proposal Meeting	TBD
Board Meeting	April 8, 2024
Board Budget Commission Meeting	April 18, 2024
Board Meeting; (Tentative adoption)	May 6, 2024
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Board Budget Commission Meeting	May 16, 2024
Board Meeting; (Final Adoption)	June 3, 2024
Second public budget hearing for Fiscal Year 2025 Budget	June 3, 2024
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2025 Budget	TBD May
Board Budget Commission Meeting	May 16, 2024
Board Meeting; (Final Adoption)	June 3, 2024
Second public budget hearing for Fiscal Year 2025 Budget	June 3, 2024
Advertise and publish notice of tax rate and budget	TBD July
Advertise the first and second public hearings for the tax Millage rates	TBD July
Advertise the tax digest for the five-year history Fiscal Years 2019-24	TBD July
Advertise the third public hearings for the tax Millage rates (If necessary)	TBD July
Deadline for millage rates to be delivered to Fulton County Tax Commissioner	TBD July
Final adoption of the tax Millage rates for Fiscal Year 2025 (may require a called Board meeting (public hearings) depending on the county's schedule and millage rollback)	TBD July

Hold the first and second public hearing on the tax Millage rate	TBD July
Hold the third public hearings for the tax Millage rates (If necessary)	TBD July

ABOUT THE BUDGET PROCESS

Planning

The planning activities include identifying and prioritizing educational needs and forecasting available resources to meet those needs. This process requires intensive involvement of central office, instructional, and operational staff year-round.

Preparation

Tentative budgets from the school level are based on the projected enrollment associated with the full-time enrollment reports submitted to the Georgia Department of Education, instructional plans, estimated resources, contractual requirements, and anticipated inflationary issues. Forecasting available resources and requested appropriations will indicate whether the district's initial budget will suffer a shortfall or pledge undesignated reserves. All organizational units prepare their budgets during the fall and winter months of each year.

- *State Allocations/QBE*- Revenue assumptions are made based on Governor's State of the State Address
- *Preliminary Appraisal*- The tax commissioner provides the preliminary appraisal values
- *Tax Millage Rates*- The first read of millage rates are given and public meetings are held

Analysis and Review

The budget requests for the central departments are developed with the support and analysis provided by the Budget Services Department. The requests are reviewed for completeness, accuracy, and compliance with established budget assumptions. The school budgets are consolidated with the program budgets into one file for reporting purposes. These various reports are then submitted, as the General Fund Draft Budget, to Senior Cabinet for review and revision. The Board Budget Commission and the Budget and Finance Advisory Committee (BFAC) meet regularly throughout the budget development process to gather input and to provide guidance for the budget process.

- *School Allotment Guidelines*- Developed with collaboration of the SSF taskforce and based on Budget Commission discussions.
- *Principal Proposal*- Principals align their strategic plans and new year earnings through a collaborative process with GOTeams.
- *Department Budgets*- Departments use modified zero-line-item budgeting to support their strategic plans and new and ongoing operations and initiatives.

Adoption and Approval

In the latter part of the development process, a District -wide consolidated budget is drafted. This tentative budget reflects the results of an internal review of the budget requests conducted by the Superintendent, Chief Financial Officer, and Budget Executive Director. By law, the Board of Education shall hold at least two public hearings to receive public input on the proposed budget. After the budget hearings, changes can be made that reflect public input. Budget adoption at the next legislative meeting of the School Board is the final step.

- *GoTeam Input & Approval*- GoTeams assist in the decision-making process to maximize the educational opportunities of students and align resources to strategy.
- *Regional Public Meetings*- Regional public meetings are held to discuss the new fiscal year budget for tentative adoption.
- *Public Hearings*- Two public hearings are held in alignment with both Tentative and Final budget adoption so that the Board can receive public input prior to taking action on the proposed budget. Subsequently, the Superintendent presents the recommended budget to the Board, public, and media.
- *Tentative Adoption*- Superintendent presents the new fiscal year budget to the Board of Education. The tentative budget provides a first glance of the investment plan for the upcoming school year. It evolves as the budget process advances and presents opportunities for input from key stakeholders including parents, students, citizens, and staff.
- *Final Adoption*- The budget is presented to the Board of Education for the final adoption. The Board conducts public hearings on the proposed budget and millage rate and then adopts the budget in the month of June. Millage rates have typically been adopted later in the summer.

Implementation

The fiscal year of Atlanta Public Schools begins July 1 and ends on June 30. Atlanta Public Schools has an encumbrance driven accounting system that does not allow overspending of non- salary. The Human Resources Department works closely with the Budget Department in monitoring position control. The Budget Department also does reviews and modifications of individual budgets to ensure that the school district is on target with projected spending.

Review and Assessment

The budget is an important management tool for all stakeholders, to include taxpayers, the School Board, the administration, school level managers and teachers. Monitoring of staffing and expenditures enables Budget Center Managers to keep track of how well their programs are being implemented and the rate at which funds are being expended. The rate of expenditure is important for cash flow purposes to ensure that the district always has available assets to sustain daily operations. The success of the budgeting process depends on many individuals throughout the school system fulfilling their fiduciary duties and responsibilities in a timely and appropriate manner.

Fiscal Responsibility

As custodians of public funds, our purpose and commitment are to manage those funds with honesty and integrity to ensure that the district continues to function smoothly, and to build and maintain public trust. To meet these criteria, budgets have been formulated using clear and precise directions from others in the construction of their budgets.

BFAC AND BUDGET COMMISSION

The Superintendent established the Budget and Finance Advisory Committee (BFAC) to provide guidance and counsel on matters of budget and finance and to increase communication with the public, staff, and School Board, to provide for greater citizen involvement. The BFAC this budget season has met with members of the GOTeam, the Executive Director of Budget Services and/or Chief Financial Officer, to develop tools and methodologies on how to best improve the district's budgeting process. The administration has been responsive to BFAC's recommendations for greater cohesion and clarity.

The APS Budget Commission is comprised of the chairperson of the Board, a member of the Board appointed by the Chairperson of the Board to serve as the Chairperson of the Commission and two other members of the Board. Each year, the Chairperson and other members of the Board



are nominated by the Board Chairperson and confirmed by the members of the Board. Along with the Board, the Superintendent and the Chief Financial Officer serve as ex-officio members of the Budget Commission.

The responsibilities of the Budget Commission include preparing the anticipated revenues for the school system and to allocate a sum sufficient to provide for debt service, including a sinking fund and interest on bond indebtedness, and any other appropriations required by law. The Commission also adjusts the anticipated revenues in the event the income of the school system is increased or decreased. Prior to the final adoption, Budget Commission meetings are held to gain consensus on revenue assumptions, budget parameters and appropriation levels.

TIMELINE/CALENDAR

Board Budget Commission Meeting Agenda:	Date:
Align on budget development timeline; Debrief previous year process; Overview of FY2024 budget; Preparation for resource and expenditure parameters for FY2025	September 28, 2023
Develop FY2025 parameters; School Budget Allocation overview	October 19, 2023
Finalize FY2025 Expenditure Parameters; Student Success Funding (SSF) Review; Economic Forecast	November 16, 2023
Deep Dive on Student Success Funding (SSF) Model	December 14, 2023
Governor's Recommended Budget	January 18, 2024-canceled
Deep dive on revenue assumptions; Budget process update; Draft Budget Primer	February 15, 2024
Compensation Strategy Recommendations; Preliminary Gap Conversation	March 15, 2024
Non-general fund budget presentations; Recommendation for Tentative Budget	April 19, 2024
Overview of changes between Tentative and Final Adoption	May 16, 2024

STRATEGIC PLAN

STRATEGIC PLANNING

The vision of Atlanta Public Schools is to be a high performing school district where students love to learn, educators inspire, families engage, and the community trusts the system. The district has built on the previous strategic plan and laid the foundation for this vision with the development of the 2020-2025 “We Are” strategic plan. This plan reflects our focus on strengths as a district. The strategic plan is a roadmap for APS. The 2020-2025 strategic plan creates a bold direction for our students and families centered on great public schools regardless of the neighborhood, zip code, or area of the city. This plan is ambitious because it places equity at the forefront of our work. We want it to serve as an important anchor of our work, as it focuses on increasing educational equity for all our students. Outlined in this plan are a set of equity commitments that provide a framework for staff to address educational equity in specific and impactful ways. This work will guide how we, as a school system, define and measure student success, support and elevate teachers, provide schools the resources they need to support every child, and create conditions that help students thrive regardless of which school they attend in APS.

Alongside the 2020-2025 “We Are” strategic plan, we have developed the APS 5. The APS 5 gives us where we will focus our driving forces for our strategic plan. The five areas include: data, curriculum and instruction, whole child intervention, personalized learning, and signature programming. Data will be utilized to drive all instructional decisions and ensure equitable outcomes for all students are achieved. Implementing rigorous and culturally relevant curriculum with fidelity in all core content areas and instructional best practices will fuel the districts area of curriculum and instruction. With the whole child and intervention concept, students will receive the support needed to thrive in all areas of development and learning. Personalized learning environments students can move at pace comfortable to them to maximize understanding and retention. Lastly with signature programs, students experience rigorous and quality education programs such as STE(A)M.

The strategic planning process involved the Atlanta Board of Education, district and school staff, students, and community stakeholders. Feedback was gathered from across the district through town halls and neighborhood meetings, parent advocacy groups, small focus group discussions, school site visits, surveys and principal and administrative meetings.



WHERE WE WILL FOCUS

DATA

Utilize data to drive all instructional decisions and ensure equitable outcomes for all students

CURRICULUM + INSTRUCTION

Implement rigorous and culturally relevant curriculum with fidelity in all core content areas and instructional best practices in Tier 1 instruction

WHOLE CHILD + INTERVENTION

Implement a Whole-Child system of supports that integrates social-emotional learning, behavior, wellness, and comprehensive academic intervention plans

PERSONALIZED LEARNING

Utilize flexible learning tools, technology integration, and targeted instruction to personalize learning for all students

SIGNATURE PROGRAMMING

Strengthen the implementation of signature programming across all schools

ENABLING SYSTEMS: HOW WE'LL SUPPORT



Refine and utilize an equity-centered, content-specific, vision for teacher excellence



Implement APS' Academic System framework to build teacher capacity to fully support marginalized students



Execute a system of support for schools that builds leader capacity



Implement profile of a graduate to create a holistic learning experience



Recruit, retain, and engage excellent staff



Ensure the equitable, efficient, and effective allocation of resources



Empower and build trust with families and communities

APS Strategic Plan (2020-2025)

Strategic Priorities

Fostering
Academic
Excellence for
All

Building a
Culture of
Student
Support

Equipping &
Empowering
Leaders & Staff

Creating a
System of
Support for
Schools

Equity Commitments

- ★ Improving Access to High-Quality Instructional Programming & Materials
- ★ Leveraging School Improvement to Advance Equity

- ★ Integrating Social, Emotional, & Academic Practices
- ★ Ensuring Equitable Learning Environments

- ★ Increasing Access to Effective Leaders & Teachers
- ★ Ensuring Equitable Funding

- ★ Partnering with Families & Communities

Strategic Initiatives

Data
Curriculum & Instruction
Signature Programming

Whole Child & Intervention
Personalized Learning

Strategic Staff Support
Equitable Resource Allocation

Collective Action, Engagement
& Empowerment

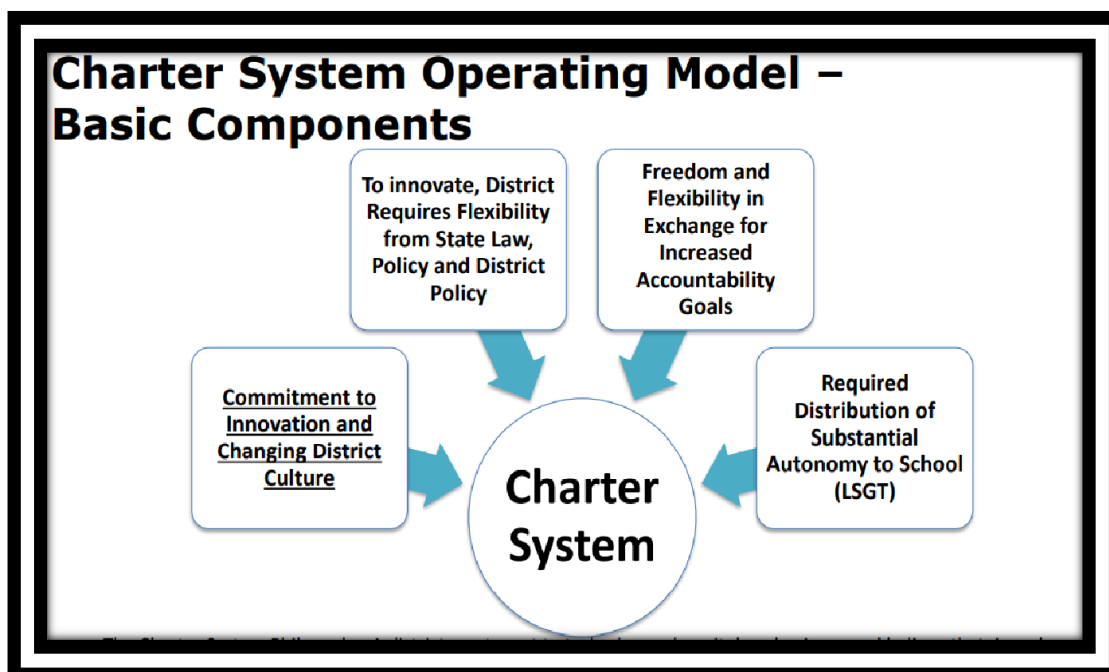
APS Five

Essential Supports

OPERATING MODEL

The district complied with State of Georgia law that requires a school system to select an operating model June 2015. After completing vision, mission and strategic planning while also exploring the merits of the available state operating models, the Atlanta Board of Education determined that the Charter System model was the best fit for APS. The Charter System model provides opportunities for flexibility as well as shared governance and best aligns with the needs of all students across our diverse school system. Our plans for innovation, accountability and distributed leadership are a strong match with the Charter System model. The renewal of our charter system was approved in July 2021; greater flexibility in serving the students, more flexibility in using local and state resources, and greater accountability by the school system to the community were all reasons for the APS charter system renewal. The school system will use strategic and cluster plans along with community input to tailor our operating model design and application.

The Charter System Philosophy: A district must want to change how it does business and believe that, to increase student achievement, schools must be operated in a different way, with greater parental and community buy-in at every single school. Schools are empowered to develop solutions free from the established educational bureaucracy of legislature-driven education mandates, State Board rules, and even the district's own policies and practices. With this freedom from the law, the district and its schools in turn agree to be held accountable for significant increases in student achievement. Under the Charter System, Atlanta Public Schools gains freedom and flexibility from many state education laws and regulations in exchange for increased accountability for student achievement. A key element to a charter system is moving decision making closer to where learning takes place. That means leaving decisions to the school system and to the schools within the system.



NEXT STEPS

All these plans will be considered in our budget process through outlining the key budget priorities and financial needs. This will ensure that the objectives of the strategic plan are prevalent in the upcoming fiscal years. We will communicate and share the high-level plan across the organization with our stakeholders with the intent of ensuring alignment to the district's strategy.

STRATEGIC PRIORITIES

We will continue to fund our strategic priorities, including the Turnaround Strategy, Signature Programs and School and Cluster Flexibility while focusing on operational efficiencies to assure successful achievement of the district's vision and mission.

TURNAROUND STRATEGY

The APS School Turnaround strategy was developed in 2014 to provide the additional critical support our lowest performing schools need and deserve. To meet these needs, Atlanta Public Schools has developed a strategy of support across key priority areas which includes a two-year phase out for schools that have transitioned from Intensive to Targeted Tier.

School Name	Turnaround Designation
Continental Colony	CSI
Dunbar	CSI
Harper Archer ES	CSI
Hollis (K-5)	CSI
Hank Aaron	CSI
Carver HS EC	TSI
Perkerson	ATSI
TAG	ATSI
King MS	ATSI
Russell MS	ATSI
Douglass HS	ATSI
Mays HS	ATSI
Therrell HS	ATSI
Washington HS	ATSI

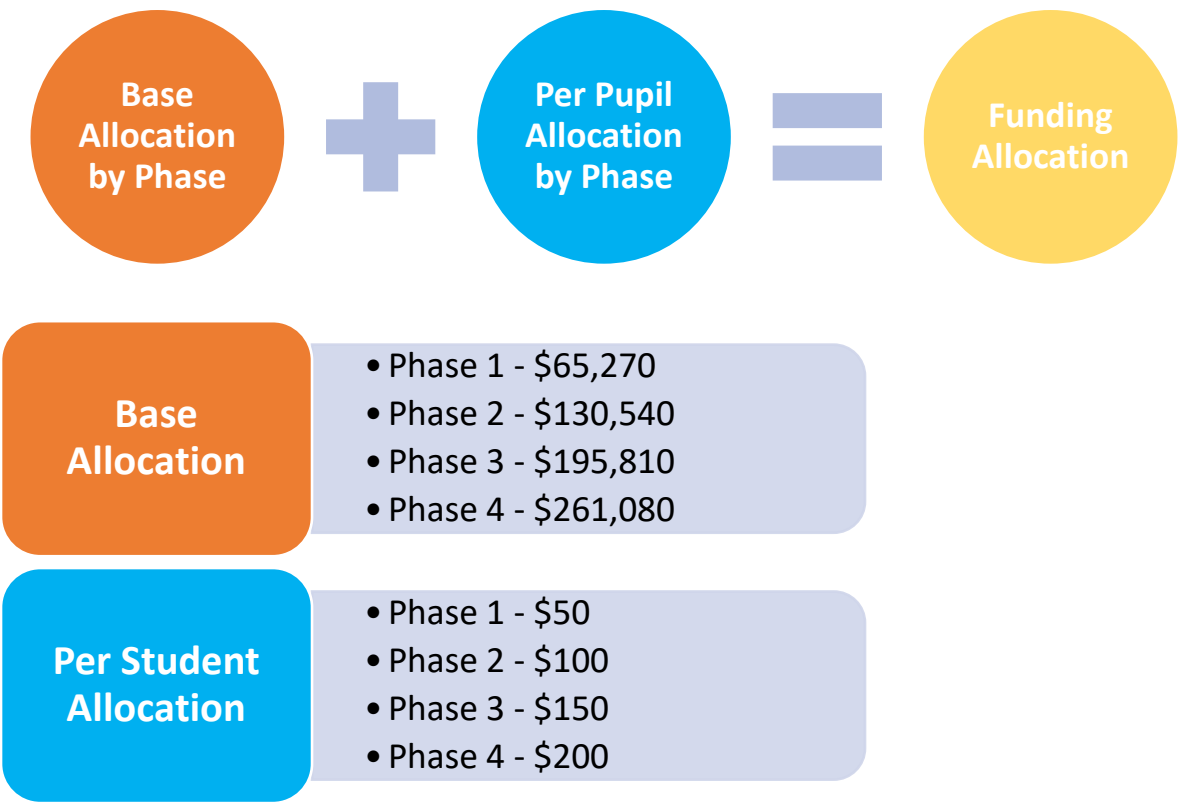
SIGNATURE PROGRAMS

Signature programming is a core component of our charter system strategy and funds are allocated based on grade span and phase of implementation. Cluster planning was set in place to provide flexibility and autonomy at the cluster level for schools to invest resources in alignment with the district’s academic standards of service.

It specifically addresses each cluster’s academic programming needs and support for signature programming. These programs work to ensure college and workplace readiness for all students thus complementing the district’s mission statement. Since signature programming inception in 2015, it has aligned to the APS strategic plan, supported authorization/certification requirements from agencies, focused on three phases of progression based on level of implementation (1-Beginning, 2--Intermediate and 3--Advanced), and paid close attention to phase 3 which focuses on schools that are progressing toward and/or have achieved certification/authorization.

In FY2024 signature programming implemented an additional phase (phase 4) and a new funding formula. This new concept will add the additional phase and reassign schools based on level of implementation (1--Beginning, 2--Intermediate, 3--Advanced and 4—Post Authorization/Certification), it assesses implementation every year using the new phasing rubric and it will adjust the school phase designation based on progression and observation.

The breakdown below shows the current funding formula for signature programs.

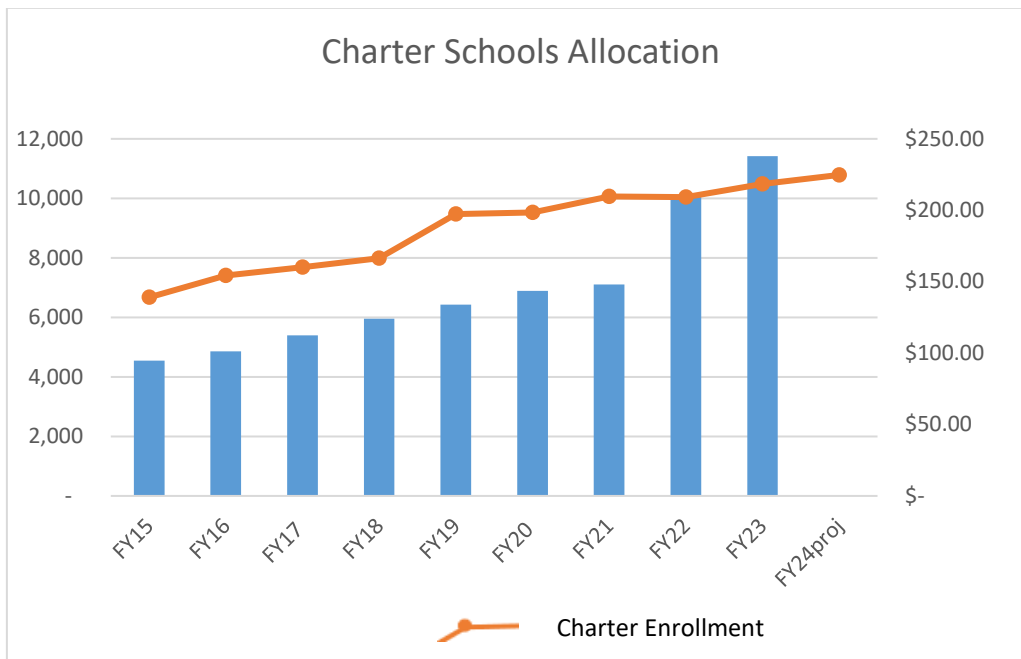


Allocation Notes

- Base Allocation equates to the salary of an Instructional Coach; P1= 1 Part Time Coach, P2=1 Full Time Coach, P3=1 Full +1 Part Time Coach; P4= 2 Full Time Coaches
- Per Student Allocation equates to a percentage of the APS Base Rate per Pupil of \$5,000; P1=1%, P2=2%, P3=3%, P4=4%

CHARTER SCHOOL SCALING

As the local tax digest grows and as existing charter schools complete their grade-level build out, expenditures related to charter school scaling will continue to grow. Charters also receive a portion of local revenue and fund balance. As the amount for local revenue and fund balance increases, the allocation to charter and partner schools also increases irrespective of the enrollment. The information below gives a closer look at our charter enrollment, allocated dollar amounts, and percentage of charter enrollment compared to our district's total enrollment.



Fiscal Year	Enrollment	% of total Enrollment	Allocation (millions)	% of total Budget
FY16	8,154	14%	\$94.70	13%
FY17	8,455	15%	\$101.30	14%
FY18	9,139	15%	\$104.40	13%
FY19	9,353	18%	\$118.00	15%
FY20	9,529	18%	\$134.00	16%
FY21	10,060	19%	\$143.60	17%
FY22	10,040	20%	\$148.03	16%
FY23	10,485	22%	\$210.40	12%
FY24proj	10,788	22%	\$237.90	21%

INNOVATIONS AND STRATEGY

STUDENT SUCCESS FUNDING MODEL (SSF)

School district leaders face several challenges when determining how to allocate limited resources. Shifting demographics, complex student needs, and uncertain tax base growth require school districts to think of innovative approaches to allocate resources.

In this context, APS worked to develop a school funding formula that will maximize transparency, provide autonomy & flexibility to schools, and increase equity for all students; Student Success Funding (SSF). APS is building its seventh school-based budget using SSF for FY2025. While we continue to strive for a balanced approach to adjusting the allotment model, each year we strive to tilt the scales more towards equity while striving to maintain as much stability as possible for all schools in the district. We maintain stability by committing sufficient funding for a baseline of services and reviewing certain transition limits when significant changes to the formula are considered.

A good school allotment formula allows a school district to allocate funds in a way that better meets the specific needs of students, allows for principal and GoTeam innovation, and can be easily understood by stakeholders. With the release of the FY2025 school-based budgets, we continue to make efforts towards equitable funding. These include continuing investments in school-based funding as highlighted in the budget parameters. We are also continuing to use two average salary bands (instead of one district-wide average salary) to budget resources in alignment with the actual costs of positions in certain high-need, high-poverty schools. To make the most significant impact for poverty through SSF for the upcoming year, we've continued to have a weight for concentration of poverty.

Every year, Budget Services recalculates the total amount that will be pushed out through SSF, then weights are adjusted accordingly. For FY2024 the total preliminary amount pushed out through SSF was \$273,723,112 however, this upcoming year (FY2025) it is \$309,752,031 a change of \$36 million.

CONSOLIDATION OF FUNDS

As a charter district, Atlanta Public Schools has opted to participate in the Georgia Department of Education Consolidation of Funds Pilot. The purpose of consolidating funds is to help a Schoolwide (SW) program school effectively design and implement a comprehensive plan. The plan will upgrade the entire educational program in the school based on the school's needs identified through its comprehensive needs assessment. Once these funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of those funds are no longer limited to the federal requirements for individual programs. Federal, state, and local funds in specific Title I schools that operate school wide programs are fully consolidated.

Benefits of Consolidation

Flexibility - Once funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of those funds are no longer limited to the federal requirements for the individual programs.

Allowability - A school wide program that consolidates federal program funds is not required to meet most statutory or regulatory requirements of the program applicable at the school level but must meet the intent and purposes of that program to ensure that the needs of the intended beneficiaries are met.

Time and Effort - A school wide school that consolidates federal, state, and local funds is not required to keep any time and effort documentation on employees paid out of the consolidated pool of funds, unless otherwise required by the state and local district.

DEPARTMENTAL BUDGETING

While APS has made gains across the district over the past years, many more of our students must be proficient learners before we can say they are college and career ready. APS developed an ambitious strategic plan that will guide our work through 2026. To realize the goals set forth, it is imperative that we intentionally align resources with district priorities.

We started this work in FY2021 when the district began to shift from traditional budgeting to a modified zero-based budgeting (modified ZBB) approach. This year, we will shift to incremental budgeting. The incremental method takes the current year's budget, considering pace of spending, and uses those amounts as a base for the new budget. Incremental budgeting creates an opportunity for each department to review current budget and spending and have more in-depth and meaningful conversations about leveraging the budgeting process to create to understand programmatic needs and request for allocations. For FY2025, we will begin our Incremental Budgeting (IB) and use strategic budgeting to discuss how to best track our spending on the district's strategic plan and other district priorities in a more robust way.

DEPARTMENT BUDGET DEVELOPMENT TIMELINE

FY25 Department Budget Development Timeline	Dates
Release budget templates	Jan. 10th
Budget Kickoff Meetings	Jan. 10 th (In person) Jan 18 th (Virtual)
FY25 Budget Training Sessions for OPENGOV	Jan. 22nd & Feb. 7th
Budget support sessions	Ongoing
Mid-point Check-in	Week of February 5 th
Deadline: BUDGETS CLOSE 5PM	March 1 st

Chief Budget Review	Mar. 4th – Mar. 8th
Senior Cabinet Review	Mar. 19 th -Tentative
Senior Cabinet will retreat for deliberation and decision-making to determine what to include in the final request to present at regional meetings, public hearings, and tentative adoption	Mar. 20th-22 nd - Tentative

DEPARTMENTAL BUDGETING

Student-Focused Budgeting is planning with the student in mind. Creating a plan and aligning those resources to achieve the most optimal student outcome that will align with the Board’s goals/guardrails. Last year we aligned our expenditures with district priorities and strategies and this year we are continuing that process with incremental budgeting. Incremental budgeting will allow us to continue to have deeper conversations on what priorities are funded.

The incremental budgeting approach is designed to get the budget center managers (BCMs) thinking about prioritizing resources for those initiatives that are working and eliminating resources of those initiatives that are not. This method will require BCMs to justify non-personnel line items and identify those expenditures that align to the goals and guardrails, districtwide operational needs, budget parameters or other existing priorities.

BCMs will discuss their budget proposal with their chief. Senior cabinet will use a transparent criteria-based decision-making matrix to determine allocations for final request. The overarching goal is to align resources with district priorities and align with GFOA’s best practices in school-based budgeting to create a more effective and efficient central office (CLL) to ultimately make deeper investments in specific priorities instead of distributing funds over too many initiatives.

BUILDING YOUR BUDGET BEST PRACTICES

As you are building your budget for this year, look at your full budget from last year or year over year perspective (expenditures and encumbrances) and look at your timeline of when your dollars are being spent. Consider reviewing the following process first:

1. Review your FY2024 current budget.

- a. Review what was approved for the current year and use that as a guide to answer the following questions:
 - i. What initiatives did you continue, advance, or begin in the current year?
 - ii. How did those initiatives work out?
 - iii. Are any initiatives ending or do we plan to end any for the upcoming year?
 - iv. If an initiative did not yield the progress you had projected during planning, it may be a good idea to reevaluate that initiative. Using the SWOT analysis on the next page is a good way to start.
- b. Have we spent at least 55% of our current budget? Why or why not?

2. Discuss with your team, old and new initiatives.

- a. Weed out those initiatives that do not advance the District's/Boards Goals and Guardrails.
- b. Develop costing models for each initiative.
 - i. Don't forget to include costs for staff, technology, travel, and training.

3. Think about how you would fund those initiatives only using your FY 2024 budget (assuming no increase in funding will be given).

- a. What would suffer? What could be cut? How does that impact the children, your department and/or the district?
- b. Can you continue your work for the children without additional funding?
- c. Could you combine a position? Can you work with another department to split the cost? Can you receive funding from Federal programs (NOT CARES)? Is there a less expensive vendor or product you can use?

4. Open POs that will not be received by June 30th.

- a. Should be budgeted for again in FY25.

SWOT ANALYSIS



The following outcomes will determine success for our FY2025 efforts:

1. All central office budget center managers will list at least one goal for FY2025 and tie their budget proposal(s) to the district's strategies.
2. Incremental budgeting will encourage budget center managers to think about how they are allocating funds year over year.
3. All central office budget proposals will be reviewed by senior cabinet.
4. The Senior Cabinet will review the consolidated budget, discuss assumptions as necessary and make recommendations for tentative budget adoption based on key discussions and a priority-based decision-making matrix.

By continuing these change management efforts, our hope is to reduce inefficiencies, increase strategic alignment, accountability, and cross-departmental collaboration to improve outcomes. Ultimately, we anticipate these efforts will position us to begin tracking academic return on investment (AROI). Ideally, this will improve student outcomes and increase equity by intentionally leveraging the budgeting process to advance the strategic priorities (i.e., Increase proficiency and close the gap in ELA, Math, ACT/SAT, and Graduation, and execute our Equity plan) and prove to be effective and efficient in their delivery of services to schools.

OPEN GOV

For the FY 2025 budget building season we are using OpenGov to build department budgets. The last two years, we have used Allovue and found that the need for a more robust software was needed to gather more analytical reports. OpenGov will allow us in:

1. Creating a more effective and efficient central office budgeting process and our move forward in alignment with GFOA's best practices in school-based budgeting, or
2. Making deeper investments in specific parameters instead of distributing funds over too many disparate priorities.

This software will allow budget center managers to view account balances and track spending in real time. With transaction monitoring and custom reporting, users will be able to easily search and track purchases by vendor, description or other transaction-level information and generate and share reports with other members of their teams. The following are benefits to using this software to manage and build budgets:

1. OpenGov will help us better serve our students and community by increasing transparency and by enhancing our reporting capabilities. The primary goal is to implement an integrated enterprise budget software to develop and manage budgets and to track spend at Atlanta Public Schools.
2. Align resources with strategic initiatives.
3. Enhance user experience.
4. Utilize software to determine how to make deeper investment in district priorities.

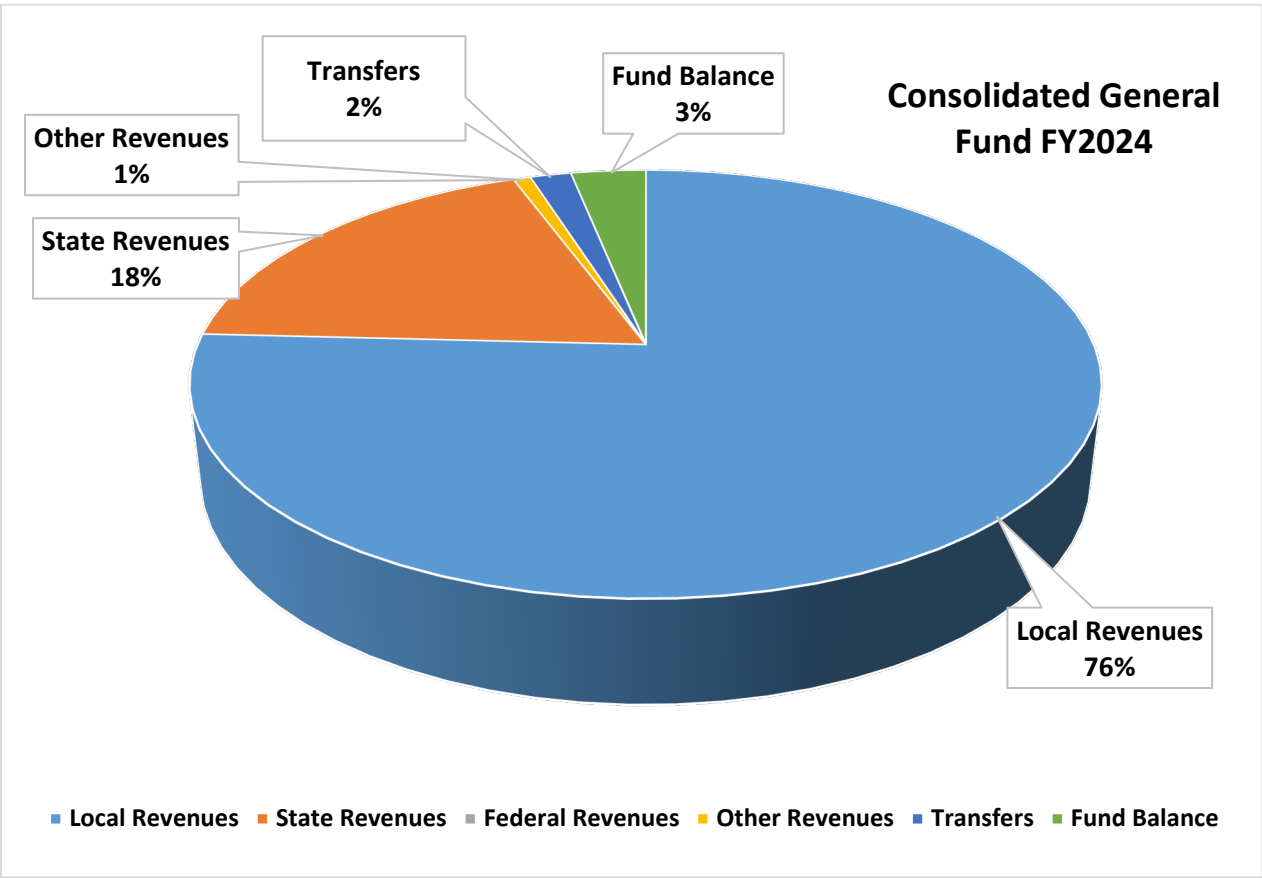
Most importantly, this software provides a more user-friendly experience for our users. This will allow them to strategically build their budgets and easily manage their allocations while remaining focused on putting students and schools first and staying committed to our core values.

FY2024 CURRENT BUDGET RECAP

The district’s FY2024 consolidated General Fund Budget, as adopted by the Atlanta Board of Education is \$1.12 billion. The district’s FY2024 budget also includes \$212 million for special revenue, \$311 million for SPLOST funds, \$35 million for school nutrition and \$4.5 million for student activities.

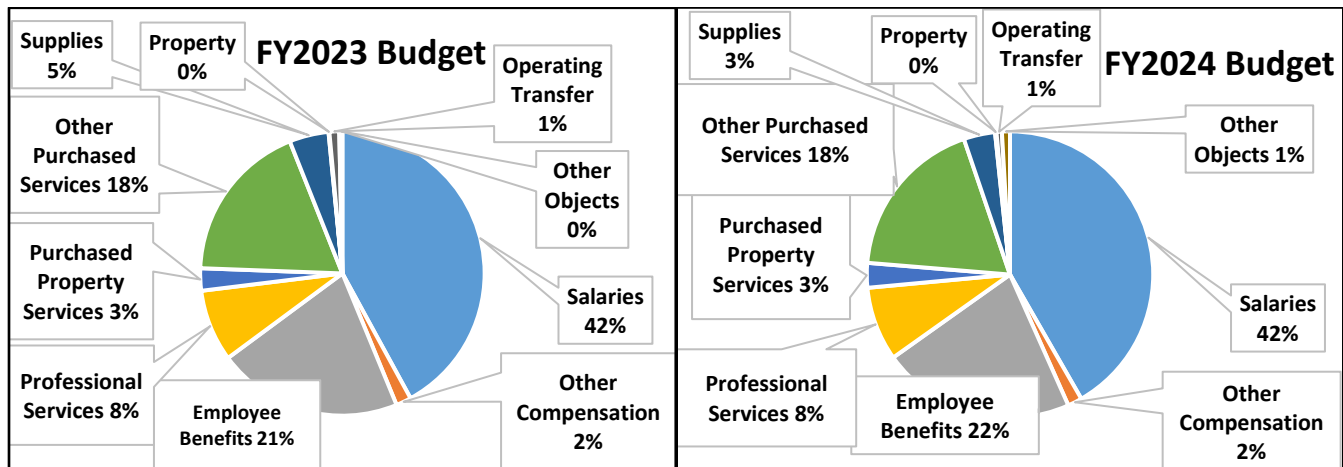
FY2024 BUDGET HIGHLIGHTS

Resources	FY2024 Budget
Local	\$855,447,512
State	\$209,262,743
Other	\$8,299,391
Transfer	\$19,543,957
Fund Balance	\$35,801,147
Total Available Resources:	\$1,128,354,750



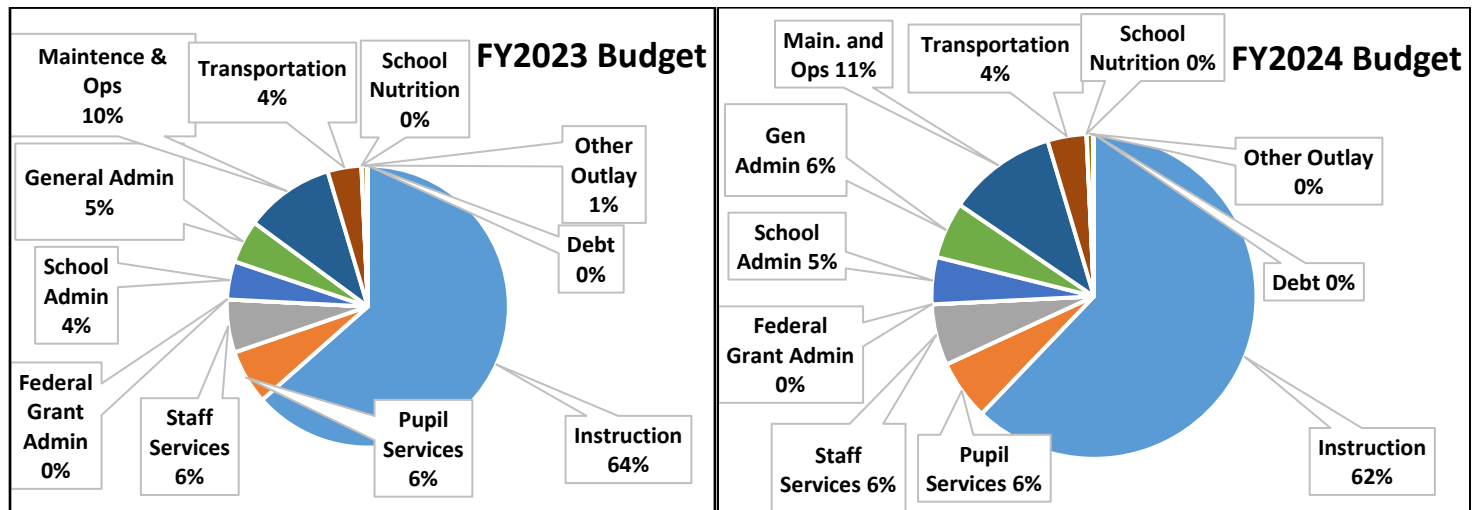
FY2024 CONSOLIDATED GENERAL FUND BUDGET BY OBJECT GROUP

	FY2023 Approved			FY2024 Approved		
	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
*Budget in millions						
Salaries ¹	\$409.59	42.04%	\$7,854	\$470.56	41.70%	\$9,579
Other Compensation ²	\$16.70	1.71%	\$320	\$18.30	1.62%	\$373
Employee Benefits ³	\$205.46	21.09%	\$3,940	\$246.47	21.84%	\$5,017
Professional Services ⁴	\$79.56	8.17%	\$1,526	\$94.29	8.36%	\$1,920
Purchased Property Services ⁵	\$24.44	2.51%	\$469	\$31.44	2.79%	\$640
Other Purchased Services ⁶	\$178.14	18.29%	\$3,416	\$208.41	18.47%	\$4,243
Supplies ⁷	\$44.82	4.60%	\$859	\$40.02	3.55%	\$815
Property ⁸	\$0.92	0.09%	\$18	\$1.79	0.16%	\$37
Operating Transfer ⁹	\$5.56	0.57%	\$107	\$6.84	0.61%	\$139
Other Objects ¹⁰	\$9.00	0.92%	\$173	\$10.21	0.91%	\$208
Total	\$974.19	100.00%	\$18,680	\$1,128.35	100.00%	\$22,970



FY2024 CONSOLIDATED GENERAL FUND BUDGET BY FUNCTION GROUP

	FY2023 Approved			FY2024 Approved		
Budget in millions	Budget	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
Instruction ¹	\$618.45	63.48%	\$11,859	\$701.32	62.15%	\$14,277
Pupil Services ²	\$60.72	6.23%	\$1,164	\$67.29	5.96%	\$1,370
Staff Services ³	\$59.33	6.09%	\$1,138	\$68.84	6.10%	\$1,401
Federal Grant Admin ⁴	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0
School Admin ⁵	\$42.76	4.39%	\$820	\$52.88	4.69%	\$1,076
General Admin ⁶	\$47.88	4.92%	\$918	\$63.43	5.62%	\$1,291
Maintenance & Ops ⁷	\$100.20	10.28%	\$1,921	\$122.56	10.86%	\$2,495
Transportation ⁸	\$37.69	3.87%	\$723	\$43.59	3.86%	\$887
School Nutrition ⁹	\$0.38	0.04%	\$7	\$0.38	0.03%	\$8
Other Outlay ¹⁰	\$5.56	0.57%	\$107	\$6.85	0.61%	\$139
Debt ¹¹	\$1.22	0.13%	\$23	\$1.23	0.11%	\$25
Total	\$974.19	100.00%	\$18,680	\$1,128.35	100.00%	\$22,970



FY2024 EXPENDITURES

At APS we adopt and manage our general fund budget by function. This is in alignment with state reporting of school budgets and allows for comparison among school districts. A function is a broad category that attempts to categorize expenditures that are directly related to student instruction, general administration, transportation, etc. A detailed explanation of each function can be found below.

Instruction – Instruction includes activities dealing with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Pupil Services – Activities designed to assess and improve the well-being of students and to supplement the teaching process. Activities include guidance, counseling, testing, attendance, social work, health services, etc. Also include supplemental payments for additional duties such as coaching or supervising extracurricular activities.

Staff Services – Activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, staff training and professional development. Activities concerned with directing, managing, and operating educational media centers. Included are school libraries, audio-visual services, and educational television.



School Administrative Services – Activities concerned with overall administrative responsibility for school operations. Included are activities of principals, assistant principals, full time department chairpersons and clerical staff.

Maintenance and Operations – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Property insurance expenditures are recorded in this function. General Administrative Services – Activities concerned with establishing and administering policy for operating the Local Units of Authority (LUA). These include the activities of the members of the Board of Education. Local activities in interpretation of the laws and statutes and general liability situations are charged here, as are the activities of external auditors. Also recorded here are activities performed by the superintendent, administrative support personnel and deputy, associate, or assistant superintendents having overall administrative responsibility. Activities concerned with

the fiscal operation of the LUA, including budgeting, financial and property accounting, payroll, inventory control, internal auditing and managing funds. Also included are purchasing, warehouse and distribution operations, printing, publishing, and duplicating operations. Central Office activities other than general administration and business services. Included are personnel services, data processing services, strategic planning including research, development and evaluation on a system-wide basis and public relations activities, such as writing, editing and other preparation necessary to disseminate information to students, staff, and the public. All other support services not properly classified elsewhere in the 2000 series.

Transportation Services – Activities concerned with the conveyance of students to and from school and trips to school activities. These activities include supervision of student transportation, vehicle operation, servicing and maintenance, bus monitoring and traffic direction. Transportation insurance expenditures are charged to this function.

FUND BALANCE UPDATE

- APS has a long-standing practice of maintaining a fund balance above 7.5% of revenue, but below the statutorily required cap of 15%. In more recent years the fund balance has hovered between 9-18% of expenditures. For reference, the GFOA recommends as best practice to maintain two months-worth of expenditures within the fund balance, or 16.7%.
- APS will use the excess fund balance to bridge the gap in 2024 when CARES funding begins to deplete to 2027 when our pension funds are paid off.
- The Fund Balance is equal to assets less liabilities for the calendar year and does not represent the cash on hand at any given time.
- With an approved budget of \$1.128 billion for FY2024, this year's beginning fund balance

totaled \$217,911,112. For FY2024 the anticipated change to the fund balance will be a result of maintaining continuity of programming when CARES funds are no longer available to the district.



ECONOMIC CONTEXT

FEDERAL

The FY2024 President's budget continues to make investments to address longstanding inequities that students and educators face every day in under-resourced schools across the Nation, particularly in our communities with concentrated poverty and predominantly serving students of color. The fiscal year 2024 budget request reflects the long-term investments needed to meet the academic, mental health, and other needs of our students across schools including new funding for postsecondary mental health collaborations. The Biden budget request continues to make historic investments in future prosperity that include increasing aid for schools in high-poverty communities, helping meet the needs of students with disabilities, and expanding access to preschool. Overall, the FY2024 budget requests \$90.0 billion in discretionary funding for the Department of Education, a \$10.8 billion or 13.6 percent increase from the 2023 enacted level (less rescissions). [1]



President Biden's budget request for FY2024:

- Continues to make significant investments to raise the bar in public education, working to address longstanding inequities that students and educators confront every day in under-resourced schools and institutions of higher education by proposing \$90.0 billion in new discretionary Budget Authority, a \$10.8 billion or 13.6 percent increase from the fiscal year 2023 enacted level (less rescissions). No programs were eliminated or consolidated.
- Makes significant new investments to meet the academic, mental health, and other needs of our students across schools and institutions, including critical new funding for postsecondary mental health supports and increasing aid for schools in high-poverty communities.
- Increases support for children with disabilities and English Learners, including investments to help children and youth with disabilities thrive in school and to improve teaching and learning for English Learners, and to address educator shortages particularly impacting these students.
- Invests in educator recruitment, retention, and professional learning, improving resources and support for America's teachers and school leaders to expand their impact within and beyond their classrooms.
- Invests in postsecondary success for all students, improving affordability, retention, and completion, including through free community college and increased student support. [2]

STATE

The state budget for K-12 public schools continues to put education at the forefront. The state acknowledges that it must continue to offer salaries that remain competitive in a tight labor market. With this being the case, the FY2024 budget included a \$1,000 pay supplement for all K-12 teachers as well as the following amendments to Georgia's current FY2024 budget:

- \$102,542,821 for a midterm adjustment in the Quality Basic Education Program.
- \$28,513,994 for the State Commission Charter Schools supplement to recognize a 5.24 percent increase in enrollment at state charter schools. [3]

During Governor Kemp's State of the State address, he proposed the FY 2025 budget will provide our schools with more than \$1.4 billion in additional funding to meet growth needs, improve teacher pay, maintain quality health and retirement benefits, secure our schools, and ensure the state is doing its part in meeting the educational needs of each student. Some quick facts to highlight from Georgia's proposed FY2025 budget include:

- \$249,580,641 for enrollment growth and training and experience to recognize a 0.05 percent increase in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY 2024 to 1.74 million students and over 138,000 teachers and administrators.
- \$244,147,056 to fund the state share of employer increases on certified educators who participate in SHBP.
- \$382,105,577 to adjust the state base salary schedule to increase salaries for certified personnel by \$2,500.
- \$49,497,547 for the State Commission Charter Schools supplement and 5.24 percent increase in enrollment at state charter schools.
- \$204,794,070 for the Pupil Transportation Grant to provide additional state support to local school districts statewide.
- \$103,995,000 to establish a School Security Grant program.
- \$236,650,000 for construction and renovation projects for local school systems.
- \$11,326,590 for literacy initiatives, including regional literacy coaches and screeners for K-3 students.
- \$20,000,000 to replace 227 school buses. [3]

LOCAL

APS is composed of local revenue which is the primary funding for our district (76%). Each year, the board of tax assessors is required to review the assessed value of taxable property in the county, for property tax purposes. When the trend of prices on properties that have recently sold in the county indicates there has been an increase in the fair market value of any specific property, the board of tax assessors is required by law to re-determine the value of such property and adjust the assessment. This is called a reassessment.

Georgia law requires that a rollback millage rate be computed to produce the same total revenue on the current year's digest that last year's millage rate would have produced had no reassessments occurred. The district currently maintains a millage rate of 20.500.

ESSER FUNDING

In response to the economic impact of the COVID-19 pandemic in the United States, Congress passed three bills providing immediate and direct financial assistance to local educational agencies through the Elementary and Secondary School Emergency Relief (ESSER) funds. The ESSER funds were allocated to school districts most affected by COVID-19 and to support local school district's efforts to reopen schools safely. These funds enable us at APS to address significant learning gaps and implement measures that will continue to minimize the effects of COVID-19 on our students and families.

Georgia received a total of \$6.5B in Elementary and Secondary School Emergency Response (ESSER) funds under the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP). Out of this, Atlanta Public Schools (APS) received \$112M from the CARES and CRRSA Acts and \$201M from the ARP, totaling \$314M for pandemic-related expenses.

The \$112M from the CARES and CRRSA Acts was to be used by APS by September 30, 2022, and September 30, 2023, respectively. The \$201M from the ARP is to be spent by APS by September 30, 2023, with a carryover period through September 30, 2024.

Currently, APS has spent approximately \$254M on several one-time expenditures and multi-year initiatives, leaving a balance of around \$60M to be spent by the deadline.

At APS, ESSER funding will continue to be used for the following:

- allocate for computers, software, and connectivity for students and staff,
- stipends for staff
- academic recovery, universal screeners, and a robust multi-year intervention program,
- mental health support for students and staff,
- long-term recruitment of teachers,
- nutrition costs,
- facilities, including improvements to HVAC systems,
- afterschool programs for intervention and enrichment
- and additional allocations under consideration

[1] U.S. Department of Education. (2023). President's FY2024 Budget Request for the U.S. Department of Education. Retrieved from <https://www2.ed.gov/about/overview/budget/budget24/summary/24summary.pdf>

[2] U.S. Department of Education. (2023). President's FY2024 Budget Request for the U.S. Department of Education. Retrieved from <https://www2.ed.gov/about/overview/budget/budget24/budget-highlights.pdf>

[3] Georgia.Gov (2024). *Governor's Budget Reports*. Retrieved from [Governor's Budget Reports | Governor's Office of Planning and Budget \(georgia.gov\)](https://www.governor.ga.gov/budget-reports)

EXPENDITURE ASSUMPTIONS

STATE HEALTH BENEFITS

The FY2024 recommendation increases the State Health Benefit Plan Employer Contribution Rate for certified personnel to \$1760 per member per month, effective July 1, 2024. There is a corresponding budget recommendation in the Department of Education's QBE funding for \$242,421,120 to fund this increase. Additionally, in FY2024, there is a recommendation to increase the Employer Contribution Rate for non-certified personnel to the same \$1760 rate effect January 1, 2027. As you know, these costs are generally funded by local school systems, which will have a strong impact on our budget here at APS. These recommendations were made to sustain the State Health Benefit Program and to cover rising costs in health care expenses.

CITY OF ATLANTA GENERAL EMPLOYEES PENSION PLAN

In the 1970's, significant underfunding occurred when the teachers in City Plan moved to the Teacher Retirement System of Georgia (TRS). TRS required that the transfer of the teachers to their system be "fully funded". As a result, a substantial amount of the pension assets was transferred to TRS and, at that point, APS's share of the City Pension Plan was woefully underfunded. Since at least 2002, APS has made payments ranging from \$39-\$62 million on an annual basis and the annual required payments will escalate by 3% annually over the next several years, topping out at \$69.9million in 2026 then dropping off to \$2.7million in 2027.

The pension liability payments for FY2024 are coming out of the General Fund and the district will continue to fund the annual 3% increase of pension obligations. The contribution to the city pension plan will continue to increase by the standard 3% from \$62.0 million to \$64 million for FY2024. If the fund earns the assumed 7.25% annual investment return and increases the contribution 3.0% annually, it will be fully amortized in around 7.6 years.

TEACHERS RETIREMENT SYSTEM OF GEORGIA

The Teacher Retirement System's board voted to increase the "employer," or government, contribution rate for FY2025 is as follows: employee rate - 6.00% and employer rate – 20.78%.

APS Compensation and Benefits are approximately 66% of General Fund total expenses. The table below shows the employer contribution rates in TRS from FY2020 to present:

Fiscal Year	Employer Rate
2025	20.78%
2024	19.98%
2023	19.98%
2022	19.81%
2021	19.06%
2020	21.14%

COMPENSATION

Compensation is a core component of the district's talent management strategy. As part of the budget planning process, the Office of Human Resources provides recommendations for investments in compensation strategies that support the recruitment, development, and retention of a highly talented workforce. Compensation recommendations are made based upon market competitiveness, inflation and living wage; strategies to improve identified recruitment and retention issues; legislative and external factors; position reclassification adjustments; and annual review of specific employee groups on a rotating schedule. This year, the district has continued to remedy pay parity and to show appreciation to employees and help offset their personal costs. Approximately \$59.3 million dollars in employee compensation and total rewards, recognizing that employees are the most valuable resource, maintaining a compelling employee compensation structure is priority for our district.

Here are some of the highlights of FY2024:

- New Base Salary pay structure for all employee groups incorporating 2023 Compensation Study findings and State-of-Georgia budget adjustments including the proposed \$2000 increase to the State's salary scale for Teachers
- Market Salary Scale increases for all employee groups and step increments for all eligible employees on a pay grade/step (ranges from 6.5% to 8.4%)
- \$3,000 one-time payment for employees not eligible for step increments
- Reinstate the doctorate degree band for the instructional support pay grade
- \$3,000 retention stipends for special education, mathematics, dual language immersion, ESOL teachers
- \$500 - \$2,000 retention stipends for all staff in high-poverty schools (with >65% direct certification)
- \$3,000 strategic early hiring incentives for Special Education, World Language, Dual Language Immersion, Art, and CTAE Teachers
- \$3,000 retention stipend for Turnaround School Teachers
- \$5,000 retention stipend for Turnaround School Principals; and
- Funding to sponsor teacher recruits seeking H1-B VISA sponsorship