



BUDGET PRIMER

Fiscal Year 2026

Prepared by Department of Budget Services
Atlanta Public Schools



ATLANTA
PUBLIC
SCHOOLS



Finance
Division

www.atlantapublicschools.us

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MESSAGE FROM SUPERINTENDENT

Dr. Bryan Johnson

Superintendent

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Dear Atlanta Public Schools Stakeholders:

As we enter our annual budget cycle, Atlanta Public Schools (APS) is dedicated to continuing our mission of effectively allocating resources to enhance student achievement and support the fundamental areas necessary for our students to thrive. This approach is designed to meet the needs of our students while ensuring fiscal responsibility and being good stewards of taxpayer dollars. The development process for the FY2026 budget will emphasize critical initiatives to advance student success, primarily focusing on getting “back to basics” and reducing redundancies to address the current financial deficit. Last year, the district made deep commitments to teachers by way of an 11% pay increase. Additionally, there were deep commitments in the areas of literacy and safety. We will sustain these, but not without making internal changes to district operations to identify efficiencies.

In my first budget cycle at APS, our focus is on ensuring our children are poised to thrive in the years that lie ahead. Our budget priorities for FY2026 are closely aligned with our district goals and established guardrails. We are taking a focused and deliberate approach, leaning into what’s working and strategically abandoning what’s not. Since increasing student success remains at the core of our mission, our priorities are designed to maximize resources in ways that propel our students forward.

This budget will allow us to identify and eliminate redundancies in administrative costs and resources, reallocating those resources to support classroom and school budgets down the line. We will also work to identify duplications in resources acquired, whether for classrooms or operationally, that allow us to direct the savings to our core business—teaching and learning. Recognizing that student success is closely tied to teacher preparation, we will maintain our commitment to investing in professional development opportunities in English Language Arts (ELA) and Math. We will also continue to invest in post-secondary preparation and whole-child support. The FY2026 budget is designed to equip APS with the tools and resources to deliver a high-quality education to all students in our district. We appreciate your partnership and support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bryan Johnson". The signature is fluid and cursive, written over a light blue horizontal line.

Dr. Bryan Johnson

ABOUT ATLANTA PUBLIC SCHOOLS

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 49,945 students.

The district is organized into nine K-12 clusters with 59 neighborhood schools, 19 charter schools, 2 citywide single-gender academies, 2 alternative schools, and 5 partner schools. The district includes 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 on July 1, 2016, and this status was 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 85% teacher retention rate and an 86% retention rate for all staff. APS continues to make headway with key yard markers such as Georgia Milestones, CCRPI progression, and our growing graduation rates.

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

Students (Projected)

Total Enrollment:

49,575

Neighborhood,
Partner, Alternative:

39,685

Charter:

9,890

4,263 Total Teachers

3,109 Neighborhood School
Teachers

1,154 Charter (937) +
Partner (217) School
Teachers

Number of Schools

2 Single-Gender
Schools

4
Programs

59
Neighborhood
Schools

5 Partner
Schools

2 Alternative
Schools

19
Charter
Schools

Diversity²

1.1%
Asian

70.7%
Black

8.2%
Hispanic

0.3%
Indian

3.4%
Multi

0.1%
Pacific

16.1%
White

Graduates



2,908 Graduates³

\$228,947,153
in scholarships offered

Bus Routes¹



295 Bus routes

28,750 Students transported

21,215 Miles per day

Free & Reduced Lunch



68.98%

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:



- 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 Therre



- 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.

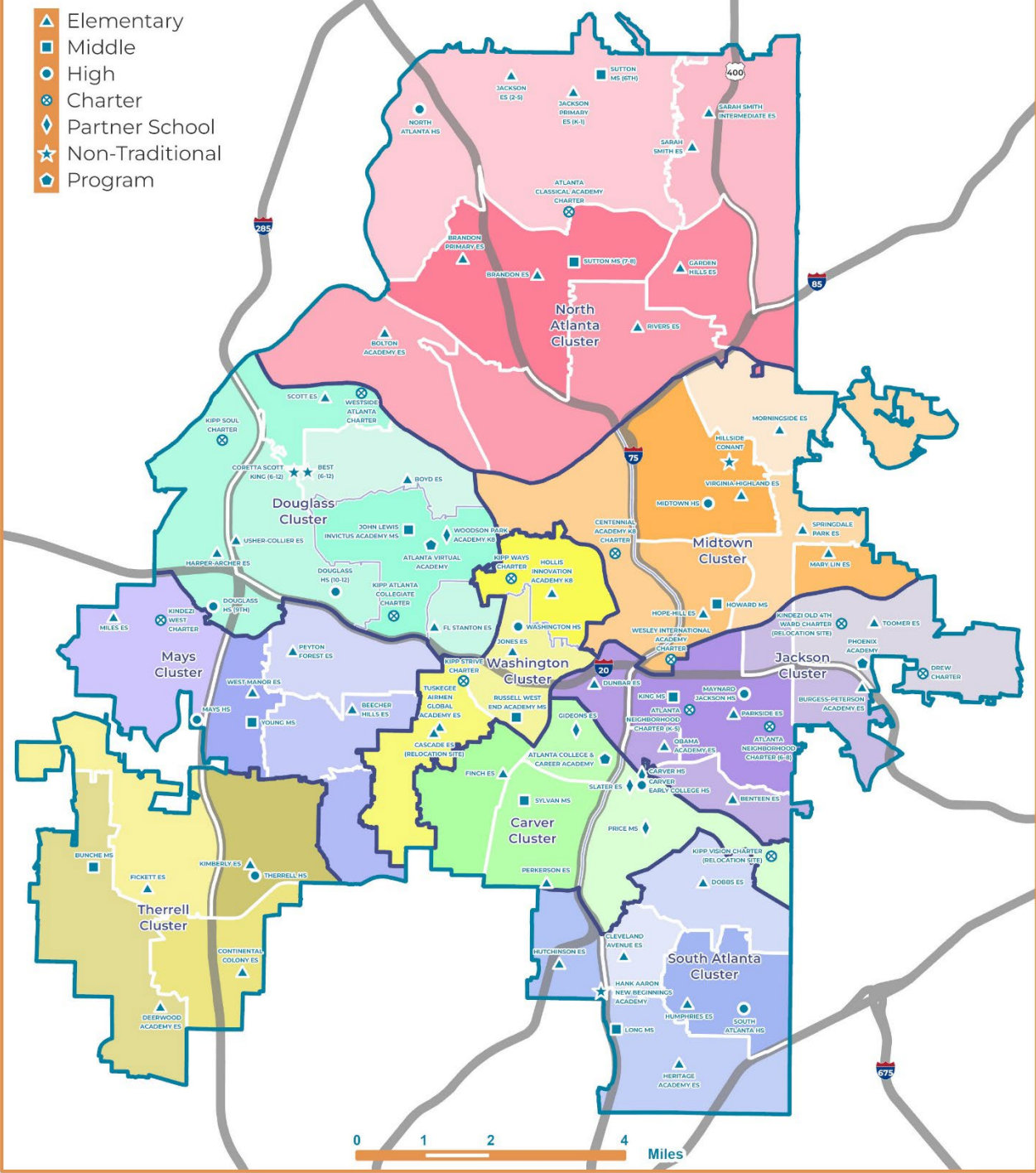
APS Neighborhood Schools Cluster Feeder Patterns

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



Atlanta Public Schools Attendance Zones: 2024-25

- ▲ Elementary
- Middle
- High
- ⊗ Charter
- ◆ Partner School
- ★ Non-Traditional Program



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 FY2026 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, 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, and general pay increase to salary schedules and step increase for all eligible full-time employees on Instructional Support pay scale.
- Atlanta Public Schools (APS) achieved an 88.4 percent graduation rate for cohort 2024, according to graduation data released by the Georgia Department of Education. By achieving this all-time high graduation rate, APS also exceeded the state graduation rate of 85.4 percent by 3 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

Cyneria Ross, Administrative Assistant II: cyross@apsk12.org

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

FY2026 BUDGET DEVELOPMENT

FY2026 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 aligned with the Mission, Vision, Strategic Plan, Equity Framework, and SOFG.

RESOURCE PARAMETERS

The district will:

- 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.
 - assessing the required millage rate.
- Maintain a fund balance of no less than 12.5% of the total general fund expenditure budget net of any committed, assigned, or reserved fund balance. A multi-year plan should demonstrate the ability to restore fund balance to no less than 15%.
- 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 FY2026 Budget Development Process will:	in alignment with:
Support a compensation strategy for all employees that balances the APS competitive advantage with remaining sustainable in the long-term	3.) We are equipping and empowering leaders and staff 4.) We are creating a system of support for schools
Identify and reduce redundancies and inefficiencies in the administrative overhead of the district	2.) We are building a culture of student support 4.) We are creating a system of support for schools
Review school-based program investments (Signature programs, Turnaround, cluster and flexible funds, Readers are Leaders, etc.) against demonstrated effectiveness and adjust allocations where indicated.	1.) We are fostering academic excellence for all 2.) We are building a culture of student support
Maximize and adjust existing investments in support of all student populations including investments in early intervention, remediation, Gifted, English learners, economically disadvantaged, and Exceptional Education.	1.) We are fostering academic excellence for all 2.) We are building a culture of student support
Align on a "base" school allocation and determine the level of flexibility school leaders and GO Teams will have in budget allocation strategies.	1.) We are fostering academic excellence for all 3.) We are equipping and empowering leaders and staff 4.) We are creating a system of support for schools
Adopt a position on HB581 (homestead exemption) and prepare to either opt-in (and make necessary budget reductions) or opt-out (and prepare for the state-mandated opt-out process).	4.) We are creating a system of support for schools
Align the current and multiyear budget process with the facility master planning process, with a specific focus on rightsizing both school size and staffing allocations.	3.) We are equipping and empowering leaders and staff 4.) We are creating a system of support for schools

TIMELINE OF BUDGET DEVELOPMENT

FY2026 GENERAL FUND BUDGET DEVELOPMENT	
Item Description	Dates
Board Meeting	September 3, 2024
Board Budget Commission Meeting	October 3, 2024 (rescheduled due to Hurricane Helene)
Board Meeting	October 7, 2024
BFAC Meeting	October 24, 2024
Board Budget Commission Meeting	October 30, 2024
GO Team Budget Development Presentation	October 31, 2024
Board Meeting	November 4, 2024
Principal's Meeting- Finance Presentation	November 20, 2024
Board Budget Commission Meeting	November 21, 2024
Board Meeting	December 2, 2024
BFAC Meeting	December 3, 2024
Board Budget Commission Meeting	December 19, 2024
Board Meeting	January 7, 2025
FY2026 Department Budgets Released	January 9, 2025
Budget Kickoff with Departments	January 9 and January 14, 2025
FY2026 School Budgets Released	January 15, 2025
Department Budget Support Sessions (Tuesdays and Thursdays)	January 9 to February 21, 2025
Budget Principal's Training	January 15, 2025
Governor's State of the State Address and Proposed Budget	January 16, 2025
Board Budget Commission Meeting	January 23, 2025
GO Team Initial Budget Presentation	January 15 - Early February, 2025
Board Meeting	February 3, 2025
Board Budget Commission Meeting	February 27, 2025

Academic and Staffing Conferences	Late Feb - Early March
FY2026 School, Special Revenue, and Department Budgets Locked	February 28, 2025
Board Meeting	March 3, 2025
GO Team Budget Feedback	Early Feb - Before Staffing Conference
Board Budget Commission Meeting	March 20, 2025
GO Team Final Budget Approval	After Staffing Conference - March 14, 2025
FY2026 Senior Cabinet Budget Proposal Meetings	March 2025
Board Meeting	April 15, 2025
Board Budget Commission Meeting	April 17, 2025
Board Meeting (Tentative Adoption)	May 5, 2025
First public budget hearing for Fiscal Year 2026 Budget	TBD
Conduct regional public meeting for Fiscal Year 2026 Budget (Virtual)	TBD
Conduct regional public meeting for Fiscal Year 2026 Budget (Virtual)	TBD
Board Budget Commission Meeting	May 15, 2025
Board Meeting (Final Adoption)	June 2, 2025
Board Budget Commission Meeting	June 26, 2025
Second public budget hearing for Fiscal Year 2026 Budget	TBD
Advertise and publish notice of tax rate and budget	TBD
Advertise the first public hearing for the tax Millage rates	TBD
Advertise the tax digest for the five-year history Fiscal Years 2020-25	TBD
Advertise the second and third public hearings for the tax Millage rates (If necessary)	TBD
Final adoption of the tax Millage rates for Fiscal Year 2026 (may require a special called Board meeting (public hearings) depending on the county's schedule and millage rollback)	TBD
Deadline for millage rates to be delivered to Fulton County Tax Commissioner	TBD

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 other stakeholders meet 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, including 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.

BUDGET COMMISSION AND BFAC

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 allocating 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.

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, comprised of parents, teachers, GO Team members, and other community members, was convened for two meetings with the Executive Director of Budget Services and the Chief Financial Officer, to provide feedback on the district's budgeting process.

TIMELINE/CALENDAR

Board Budget Commission Meeting Agenda:	Date:
Level-setting and aligning on budget decision points	Thursday, September 26, 2024
Draft Parameters, school allotment discussion, right size overview	Thursday, October 17, 2024
Finalize Parameters, revenue discussion, HB581 decision	Thursday, November 21, 2024
Finalize school allotment conversations	Thursday, December 19, 2024
Revenue assumptions final, TAD review	Thursday, January 23, 2025
Central Office review and deep dive	Thursday, February 27, 2025
Revenue to expenditures; first review of comprehensive budget	Thursday, March 20, 2025
Special revenue, additional gap closure conversations	Thursday, April 17, 2025
Changes between tentative and final adoption	Thursday, May 15, 2025





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 is coming to the conclusion of the previous 2020-2025 “We Are” strategic plan. This plan reflected our focus on strengths as a district. The strategic plan created a bold direction for our students and families centered on great public schools regardless of the neighborhood, zip code, or area of the city. We are currently in the process of developing our next strategic plan, outlining our work from 2025-2030.

The strategic planning process will ensure all voices are part of creating a “Community of Believers” focused on what’s best for our students. Below you can find the breakdown of our process:

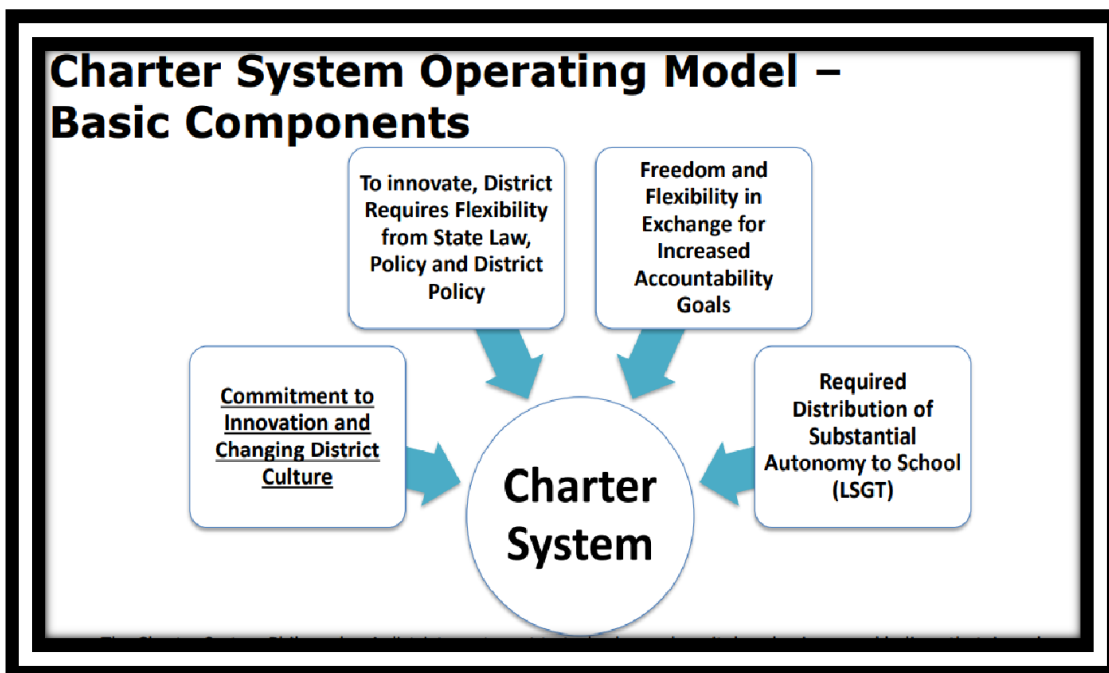
Strategic Planning Process: Phases & Deliverables

	PHASE	DELIVERABLES	DESCRIPTION
1 	Assess & Understand	Process, Timeline, and Engagement Plan	Provides a roadmap for how we will develop a strategic plan, with transparency around timelines and ways to engage
		Needs Assessment	Describes the current state of APS by outlining data, successes & challenges, needs & expectations, and uniqueness of the district
		100-Day Plan	Provides an overview of tasks and reviews completed during the first 100 days of Dr. Johnson’s tenure
2 	Strategic Direction	Mission & Vision	Develop a shared agreement on our vision (future state) and mission (purpose)
		Core Values & Profile of a Graduate	Agree on our fundamental behaviors and expectations for staff and students
		Overarching Goals & Guardrails	Develop long-range, measurable goals with targets
3 	Strategy Development	Theory of Action & Key Drivers/Priorities	Outline key paths and drivers to achieve our goals
		High-level Strategies & Initiatives	Identify and build out the high impact activities and the support processes needed to achieve them
		FY26 Budget Request	Identify funding for the strategies and initiatives
		Implement Annual Facilities Review	Identify any changes to school zones
4 	Implementation & Monitoring	Change Management Plan	Develop a plan to ensure all stakeholders understand their role in achieving our strategy
		Detailed Initiative Action Plans	Complete detailed action plans outlining owners, budgets, timelines, and action steps
		Monitoring & Reporting Plan	Outline the monitoring and reporting cadence for the strategic plan

OPERATING MODEL

The district complied with State of Georgia law that requires a school system to select an operating model in 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 continue in 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 Georgia Department of Education identifies schools for additional support and designates them as Comprehensive Support & Improvement (CSI), Targeted Support & Improvement (TSI), or Additional Targeted Support & Improvement (ATSI). APS School Turnaround strategy was developed in 2014 to provide the additional critical support our lowest-performing traditional 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.

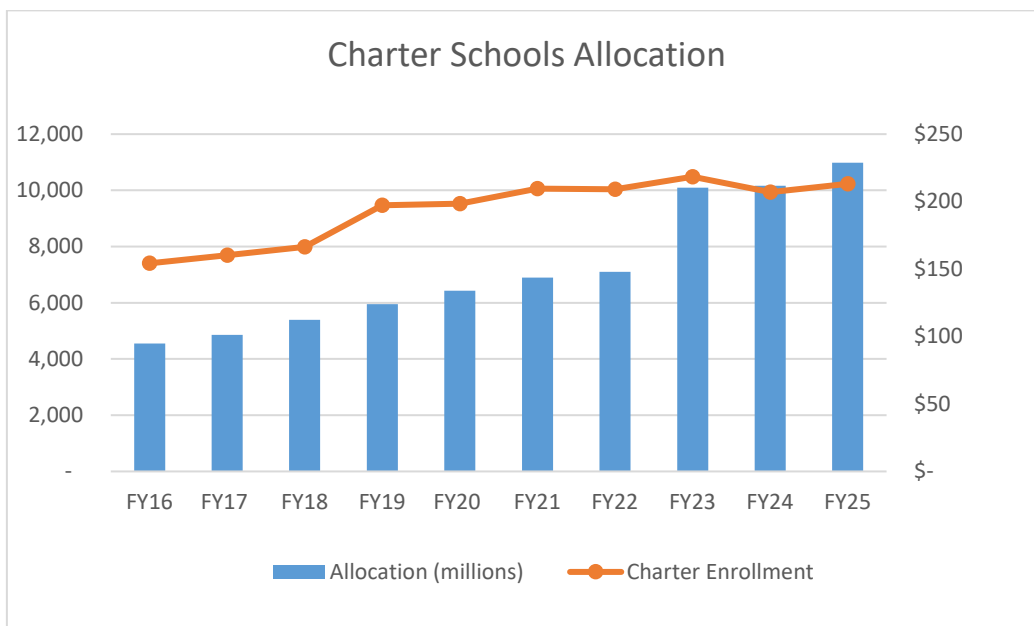
School Name	Turnaround Designation
Continental Colony ES	CSI
Dunbar ES	CSI
Hank Aaron Academy	CSI
Harper-Archer ES	CSI
Hollis (K-5)	CSI
Boyd ES	TSI
Heritage Academy	TSI
Hope-Hill ES	TSI
Hutchinson ES	TSI
Jones ES	TSI
Miles ES	TSI
Perkerson ES	ATSI
King MS	ATSI
Russell West End Academy MS	ATSI
Mays HS	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 the program’s implementation requirements and a per pupil allocation for the number of students served. Since signature programming inception in 2015, it has aligned to the APS strategic plan, supported authorization/certification requirements from agencies and focuses energy on progressing toward and achieving certification/authorization.

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
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	22%
FY24	9,936	20%	\$211.70	19%
FY25	10,228	21%	\$228.72	18%

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 eighth school-based budget using SSF for FY2026. 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 FY2026 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 teacher 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 poverty.

Every year, Budget Services recalculates the total amount that will be pushed out through SSF, then weights are adjusted accordingly. For FY2025 the total preliminary amount pushed out through SSF was \$309 million however, this upcoming year (FY2026) it is \$370 million, a change of \$60 million.

CONSOLIDATION OF FEDERAL FUNDS

As a charter district, Atlanta Public Schools has chosen to participate in the Georgia Department of Education's consolidation of federal funds. The purpose of consolidating federal funds with general funds is to help Title I, Part A schoolwide program schools effectively design and implement an improvement plan based on needs identified through a comprehensive assessment. Once consolidated, the federal funds lose their identity and are no longer subject to the federal requirements for individual programs. Federal, state, and local funds in specific Title I schools operating schoolwide programs are fully combined.

Benefits of Consolidation

- **Flexibility:** Once funds are consolidated, federal funds lose their identity and are no longer bound by federal requirements, providing greater flexibility in how the funds are used.
- **Allowability:** Schools consolidating federal funds are not required to meet most statutory or regulatory requirements but must still ensure the funds serve the intended beneficiaries and align with the purpose of the schoolwide program.

- **Time and Effort:** Schools that consolidate federal, state, and local funds are not required to maintain time and effort documentation for employees paid from these consolidated funds, unless required by the state or 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. In FY2025, we shifted 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 FY2026, we are again using Zero-Based budgeting and strategically reviewing our budgeting decisions to discuss how to best track our spending on the district’s strategic plan and other district priorities in a more robust and responsible way.

DEPARTMENT BUDGET DEVELOPMENT TIMELINE

FY26 Department Budget Development Timeline	Dates
Budget Kickoff Meeting(s): January 8th, 2025 @9:00am (CLL Auditorium) January 14, 2025 @2:00 pm (Zoom)	Wednesday, Jan. 8 th (In-person) Tuesday, Jan. 14 th (Virtual)
Release budget templates	Thursday Jan. 9 th
FY26 Budget Workshop Training Session for Departments at 9am (OpenGov) In-Person (CLL Auditorium)	Tuesday Feb. 4 th
Budget support sessions (Tuesdays and Thursdays)	Jan. 8 th - Feb. 21 st
Mid-point Check-in	Week of Feb. 3rd
Deadline: BUDGETS CLOSE 5PM	Friday, Feb. 28 th
Chief Budget Review	Mar. 3 rd – Mar. 7 th
Senior Cabinet Review	Mar. 18 th
Senior Cabinet deliberation and decision-making to determine what to include in the final request to present at regional meetings, public hearings, and tentative adoption	Mar. 19-21 st

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. Zero-Based budgeting will allow us to continue to have deeper conversations on what priorities are funded.

The Zero-Based 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 requests. 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 FY2025 current budget.

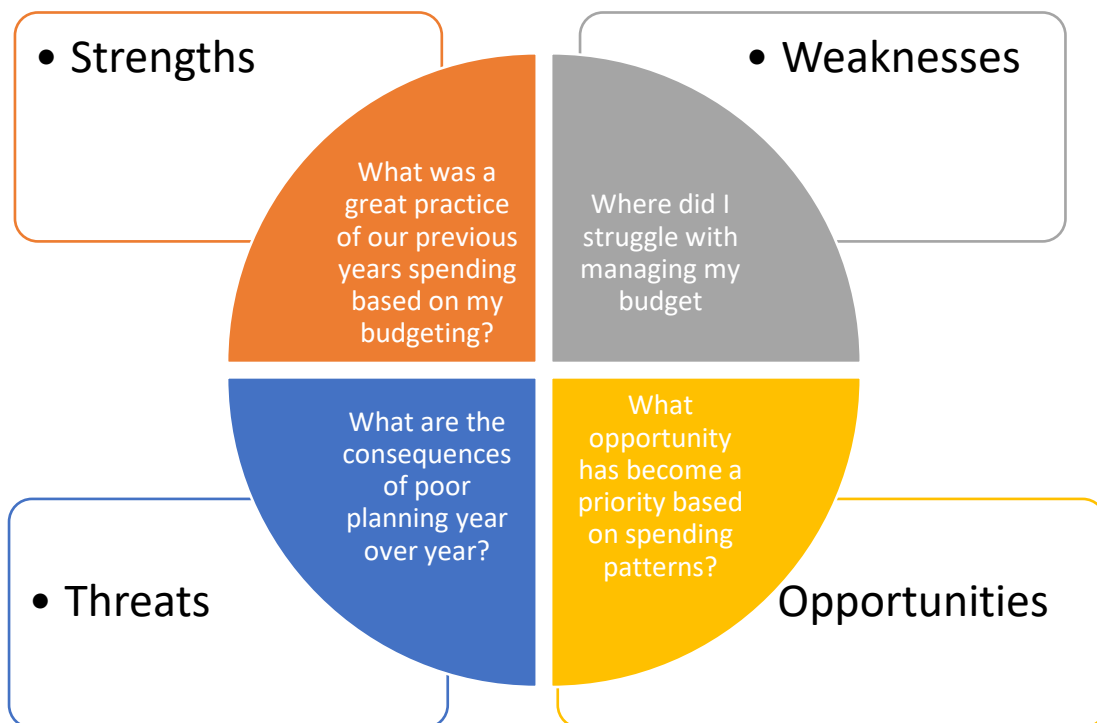
- a. Review what was approved for the current year and use that as a guide to answer the following questions:
 - i. What initiatives did you continue, advance, or begin in the current year?
 - ii. How did those initiatives work out?
 - iii. Are any initiatives ending or do we plan to end any for the 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. Clear out those initiatives that do not advance the District's/Boards Goals and Guardrails.
- b. Develop costing models for each initiative.
 - i. Do not forget to include costs for staff, technology, travel, and training.

3. Think about how you would fund those initiatives only using your FY2025 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 to support your work? Is there a less expensive vendor or product you can use?
4. Open POs that will not be received by June 30th.
 - a. It should be budgeted for again in FY26.

SWOT ANALYSIS



The following outcomes will determine success for our FY2026 efforts:

1. All central office budget center managers will list at least one goal for FY2026 and tie their budget proposal(s) to the district's strategies.
2. Zero based budgeting will encourage BCMs 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.

OPENGOV

For the FY2026 budget building season we are continuing to use OpenGov to build department budgets.

OpenGov allows us to:

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

This software allows budget center managers to view account balances and track spending in real time. With transaction monitoring and custom reporting, users can 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 helps us serve our students and community by increasing transparency and by enhancing our reporting capabilities. The primary goal is to have 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.

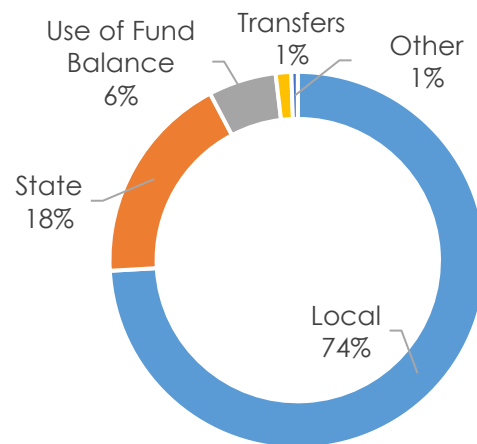
Most importantly, this software provides a more user-friendly experience for our users. This will allow them to strategically build their budgets and easily manage their allocations while remaining focused on putting students and schools first and staying committed to our core values.

FY2025 CURRENT BUDGET RECAP

The district’s FY2025 consolidated General Fund Budget, as adopted by the Atlanta Board of Education, is \$1.27 billion. The district’s FY2025 budget also includes \$102 million for special revenue, \$372 million for SPLOST funds, \$43 million for school nutrition and \$4.5 million for student activities.

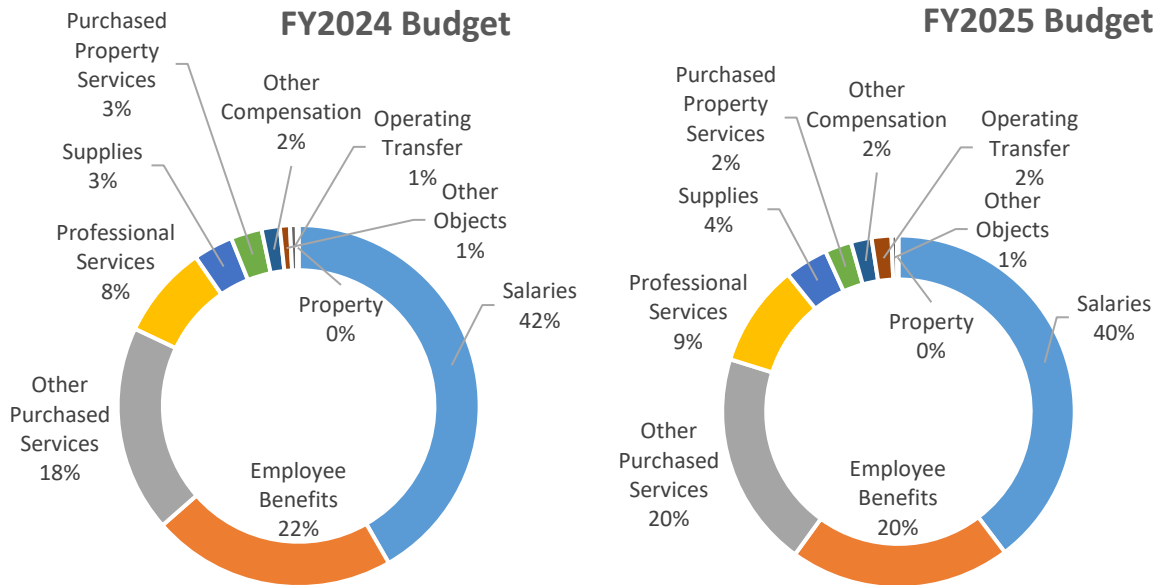
FY2025 BUDGET HIGHLIGHTS

Resources	FY2025 Budget
Local	\$943,849,607
State	\$231,705,655
Other	\$6,958,373
Transfer	\$17,043,957
Fund Balance	\$74,247,863
Total Available Resources:	\$1,273,805,454



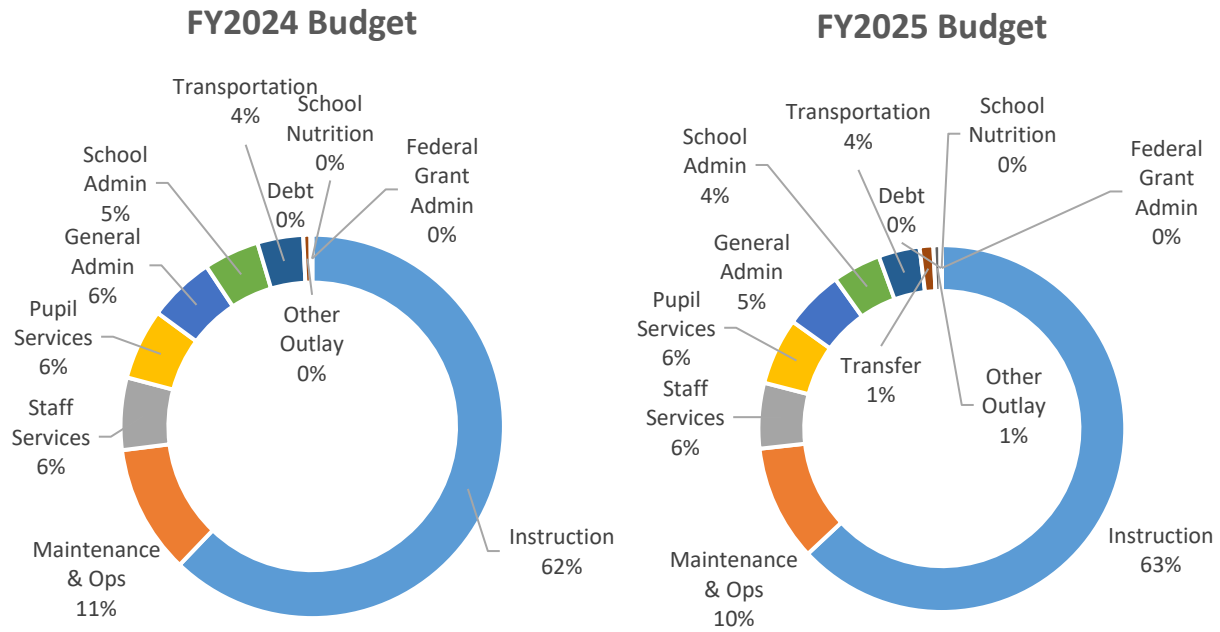
FY2025 CONSOLIDATED GENERAL FUND BUDGET BY OBJECT GROUP

	FY2024 Approved			FY2025 Approved		
	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
*Budget in millions						
Salaries	\$470.56	41.70%	\$9,579	\$505.57	39.69%	\$10,122
Other Compensation	\$18.30	1.62%	\$373	\$24.17	1.90%	\$484
Employee Benefits	\$246.47	21.84%	\$5,017	\$258.49	20.29%	\$5,176
Professional Services	\$94.29	8.36%	\$1,920	\$119.69	9.40%	\$2,396
Purchased Property Services	\$31.44	2.79%	\$640	\$31.20	2.45%	\$625
Other Purchased Services	\$208.41	18.47%	\$4,243	\$252.52	19.82%	\$5,056
Supplies	\$40.02	3.55%	\$815	\$50.94	4.00%	\$1,020
Property	\$1.79	0.16%	\$37	\$1.71	0.13%	\$34
Operating Transfer	\$6.84	0.61%	\$139	\$23.19	1.82%	\$464
Other Objects	\$10.21	0.91%	\$208	\$6.32	0.50%	\$127
Total	\$1,128.35	100.00%	\$22,970	\$1,273.81	100.00%	\$25,504



FY2025 CONSOLIDATED GENERAL FUND BUDGET BY FUNCTION GROUP

	FY2024 Approved			FY2025 Approved		
	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
*Budget in millions						
Instruction	\$701.32	62.15%	\$14,277	\$802.92	63.03%	\$16,076
Pupil Services	\$67.29	5.96%	\$1,370	\$74.92	5.88%	\$1,500
Staff Services	\$68.84	6.10%	\$1,401	\$73.61	5.78%	\$1,474
Federal Grant Admin	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0
School Admin	\$52.88	4.69%	\$1,076	\$54.43	4.27%	\$1,090
General Admin	\$63.43	5.62%	\$1,291	\$66.76	5.24%	\$1,337
Maintenance & Ops	\$122.56	10.86%	\$2,495	\$130.08	10.21%	\$2,604
Transportation	\$43.59	3.86%	\$887	\$46.28	3.63%	\$927
School Nutrition	\$0.38	0.03%	\$8	\$0.38	0.03%	\$8
Other Outlay	\$6.85	0.61%	\$139	\$7.76	0.61%	\$155
Debt	\$1.23	0.11%	\$25	\$1.23	0.10%	\$25
Transfer				\$15.43	1.21%	\$309
Total	\$1,128.35	100.00%	\$22,970	\$1,273.81	100.00%	\$25,504



FY2025 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 is using excess fund balance to bridge the gap following the depletion of CARES funds until 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 \$1.273 billion for FY2025, this year's beginning fund balance totaled \$255,322,781. For FY2025 the anticipated change to the fund balance will be a result of maintaining continuity of programming following CARES fund depletion.

ECONOMIC CONTEXT

FEDERAL

The FY2025 President’s budget continues to make investments to meet the needs of students, families, and communities. The fiscal year 2025 budget request includes new funding for postsecondary mental health supports and increased aid for schools in high-poverty areas. The Biden budget request also increases support for students with disabilities and multilingual learners, while investing in educators through a focus on recruitment, retention, professional learning, and improved resources and support. Overall, the FY2025 budget requests \$82.4 billion in discretionary funding for the Department of Education.[1]

President Biden’s budget request for FY2025:

- Continues to invest in students, families, and communities by proposing \$82.4 billion in discretionary Budget Authority, a \$3.1 billion or 4.0 percent increase from the fiscal year 2024 annualized Continuing Resolution (CR) level. 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 multilingual learners, including investments to help children and youth with disabilities thrive in school, improve teaching and learning for English Learners, and address educator shortages.
- 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 supports.[2]



STATE

The state budget for K-12 public schools continues to put education at the forefront. Enrollment has increased, driving an increase in QBE funds, and the state continues to prioritize school safety and security. With this being the case, the FY2025 budget included the establishment of a Safety & Security Grant as well as the following amendments to Georgia's current FY2025 budget:

- \$114,935,908 increase in Quality Basic Education (QBE) formula funds for a midterm adjustment based on enrollment growth.
- \$12,440,382 increase in funds to reflect growth in the Special Needs Scholarship.
- \$267,110 increase in formula funds for a midterm adjustment to the charter system grant
- \$835,166 increase in funds to reflect a data correction for two locally-approved charter schools (Drew Charter School and The Kindezi School) in Atlanta Public Schools.
- \$150,725 increase in formula funds for a midterm adjustment to the local charter school grant.
- \$50,000,000 to provide one-time funds for security grants in the amount of \$21,635 per school allowing local school systems to enhance security system-wide.[3]

As outlined during Governor Kemp's State of the State address, these amendments and the FY 2026 budget invest more than \$1 billion in new funding for every stage of Georgia's educational system to fully fund enrollment growth, improve classroom performance, and support teachers and school system employees. Some quick facts to highlight from Georgia's proposed FY2026 budget include:

- \$173.8 million to fund the state share of employer increases on certified educators who participate in the State Health Benefit Plan (SHBP).
- \$305.9 million for enrollment growth and training and experience to recognize a 0.07 percent increase in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY26 to 1.74 million students and over 148,000 teachers and administrators.
- \$10.3 million for the Pupil Transportation Grant to reflect updated bus count and operating expense.
- \$543,000 to increase funds for custodian supplement grants.
- \$3 million to fund 400 Mbps of internet connectivity for all schools statewide.
- \$1.25 million to establish a High Demand Equipment Grant to support K-12 vocational classrooms in high needs areas statewide.
- \$178.5 million for construction and renovation projects for local school systems.
- \$20 million to replace 227 school buses.
- \$21.4 million in additional funds for Dual Enrollment to meet the projected need.
- \$141 million to establish the Promise Scholarship Program (SB 233) for eligible K-12 students
- \$872,000 to fully fund the school psychologist ratio at 1:2,420 pursuant to HB 283.
- \$200,000 removal of one-time funds used to upgrade the Capital Outlay Program Software (COPS) to integrate public Pre-K classrooms from SB 233 (2024 Session).
- \$339,799 to increase funds to sustain supplements for school literacy leads at all 1,343 K-3 schools.
- \$7.3 million Purchase vocational and agriculture education equipment, statewide.[3]

LOCAL

APS is composed of local revenue which is the primary funding for our district (74%). 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.

[1] U.S. Department of Education. (2024). President's FY2025 Budget Request for the U.S. Department of Education. Retrieved from <https://www.ed.gov/sites/ed/files/about/overview/budget/budget25/summary/25summary.pdf>

[2] U.S. Department of Education. (2024). President's FY2025 Budget Request for the U.S. Department of Education. Retrieved from <https://www.ed.gov/sites/ed/files/about/overview/budget/budget25/budget-highlights.pdf>

[3] Georgia.Gov (2025). *Governor's Budget Reports*. Retrieved from <https://opb.georgia.gov/budget-information/budget-documents/governors-budget-reports>

EXPENDITURE ASSUMPTIONS

STATE HEALTH BENEFITS

The FY2025 recommendation increases the State Health Benefit Plan Employer Contribution Rate for certified personnel to \$1,885 per member per month, effective July 1, 2025. There is a corresponding budget recommendation in the Department of Education’s QBE funding for \$173.8 million to fund this increase. Additionally, there is a recommendation to increase the Employer Contribution Rate for non-certified personnel to the same \$1,885 rate effect July 1, 2025. These costs are generally funded by local school systems, which will have a strong impact on the APS budget. 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 1970s, 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 \$69.9 million in 2026 then dropping off to \$2.7 million in 2027.

The pension liability payments for FY2025 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 \$64 million to \$65.7 million for FY2025. 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 FY2026 is as follows: employee rate - 6.00% and employer rate – 21.91%.

APS Compensation and Benefits are approximately 62% of General Fund total expenses. The table below shows the employer contribution rates in TRS from FY2021 to present:

Fiscal Year	Employer Rate
2026	21.91%
2025	20.78%
2024	19.98%
2023	19.98%
2022	19.81%
2021	19.06%

COMPENSATION

Compensation is a core component of the district's talent management strategy. As part of the budget planning process, the Human Resources Division 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 its robust compensation strategy, investing \$58.9 million in teacher salary increases, retention stipends, and non-teacher cost of living adjustments, as well as \$1.5 million in leadership, teacher, and career development programs.

Here are some of the highlights of FY2025:

- Market salary scale Increase and step increment for APS teachers, with an average base pay increase of 11% (the largest pay increase for teachers since 2009)
- Cost-of-living increases for all non-teacher employee groups, along with step increments for eligible employees, ranging from 3% to 5%
- \$3,000 one-time payment for employees not eligible for step increments
- Establishment of the Nutrition Salary Schedule to support Nutrition Services
- \$500 - \$3,000 targeted, strategic recruitment stipends
- \$3,000 retention stipends for high-needs areas
- \$3,000-\$5,000 retention stipends for Turnaround Schools
- Funding to sponsor teacher recruits seeking H1-B VISA sponsorship