



MONTHLY FINANCIAL UPDATE

[FEBRUARY 2022]

Presented by: Lisa Bracken, Chief Financial Officer

AGENDA

Purpose

- To provide an update on district financials

Roadmap

- FY2022 Monthly General Fund Financials
- Quarterly Student Activity Report
- Proposed Budget Adjustments
- FY2023 Budget Development Update
- Legislative Update presented by Erica Long

Administration's Takeaways

- Information regarding current general fund financials

FY 2022 Consolidated General Fund Revenue Activity for Period Ending December 31, 2021 - Compared to Budget - Unaudited (\$Millions)

| | <u>FY22 Budget</u> | <u>FY22 YTD Actual</u> | <u>FY22 YTD Variance</u> | <u>FY22 YTD % of Budget</u> |
|------------------------|------------------------|------------------------|------------------------------|---------------------------------|
| Local Taxes | \$ 687.96 | \$ 660.28 | \$27.68 | 95.98% |
| State | 180.22 | 64.50 | 115.72 | 35.79% |
| Other/Transfers | <u>30.80</u> | <u>11.63</u> | <u>19.17</u> | 37.76% |
| Total Revenue | \$ 898.98 | \$ 736.41 | \$ 162.57 | 81.92% |
| Use of Fund Balance | <u>14.30</u> | <u>0.00</u> | <u>14.30</u> | N/A |
| Total Resources | <u>\$913.28</u> | <u>\$736.41</u> | <u>\$ 176.87</u> | 80.63% |

FY 2022 Consolidated General Fund Revenue Activity for Period Ending December 31, 2021 - Compared to Prior Year - Unaudited (\$Millions)

| | FY22 YTD <u>Actual</u> | FY22 YTD % of <u>Budget</u> | FY21 YTD <u>Actual</u> | FY21 YTD% of <u>Budget</u> | FY22 VS <u>FY21</u> | FY22 Remainder of Year | FY21 Remainder of Year | FY22 VS <u>FY21</u> |
|----------------------------|------------------------------|-----------------------------------|------------------------------|----------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| Local Taxes | \$ 660.28 | 95.98% | \$ 609.11 | 88.22% | \$51.17 | \$27.68 | \$81.36 | (\$53.68) |
| State | 64.50 | 35.79% | 62.49 | 34.16% | 2.01 | 115.72 | 120.45 | (4.73) |
| Other/Transfers | <u>11.63</u> | <u>37.76%</u> | <u>9.64</u> | <u>105.68%</u> | <u>1.99</u> | <u>19.17</u> | <u>(0.52)</u> | <u>19.69</u> |
| Total Revenue | \$ 736.41 | 81.92% | \$681.24 | 77.19% | \$ 55.17 | \$ 162.57 | \$ 201.29 | (\$38.72) |
| Use of Fund Balance | <u>0.0</u> | 0.0% | <u>0.0</u> | 0.0% | <u>0.0</u> | <u>14.30</u> | <u>0.00</u> | <u>14.30</u> |
| Total Resources | <u>\$ 736.41</u> | 80.63% | <u>\$ 681.24</u> | 77.19% | <u>\$ 55.17</u> | <u>\$ 176.87</u> | <u>\$ 201.29</u> | <u>(\$24.42)</u> |

**FY 2022 Consolidated General Fund Expenditure Activity for Period Ending
December 31, 2021 - Compared to Budget - Unaudited
(\$Millions)**

| | <u>FY22 Budget</u> | <u>FY22 YTD Actual</u> | <u>FY22 YTD Variance</u> | <u>FY22 YTD % of Budget</u> |
|------------------------------|-------------------------|------------------------|--------------------------|---------------------------------|
| Instruction | \$ 597.46 | \$ 273.13 | \$ 324.33 | 45.72% |
| Pupil Services | 36.81 | 16.74 | 20.07 | 45.46% |
| Staff Services | 50.60 | 19.84 | 30.76 | 39.22% |
| School Administration | 44.11 | 21.96 | 22.15 | 49.79% |
| General Administration | 50.98 | 19.00 | 31.98 | 37.27% |
| Student Transportation | 33.92 | 16.22 | 17.70 | 47.82% |
| Maintenance and Operation | 94.09 | 40.12 | 53.97 | 42.64% |
| Operating Transfer | <u>5.31</u> | <u>3.18</u> | <u>2.13</u> | 59.88% |
| Total Expenditures | <u>\$ 913.28</u> | <u>\$410.19</u> | <u>\$ 503.09</u> | 44.91% |

FY 2022 Consolidated General Fund Expenditure Activity for Period Ending December 31, 2021 - Compared to Prior Year - Audited (\$Millions)

| | FY22 YTD <u>Actual</u> | FY22 YTD % of <u>Budget</u> | FY21 YTD <u>Actual</u> | FY21 YTD % of <u>Budget</u> | FY22 VS <u>FY21</u> | FY22 Remainder of <u>Year</u> | FY21 Remainder of <u>Year</u> | FY22 VS <u>FY21</u> |
|------------------------------|------------------------------|-----------------------------------|---------------------------|--------------------------------|---------------------------|-------------------------------------|-------------------------------------|---------------------------|
| Instruction | \$273.13 | 45.72% | \$ 246.74 | 44.00% | \$26.39 | \$ 324.33 | \$ 313.99 | \$10.34 |
| Pupil Services | 16.74 | 45.46% | 20.21 | 43.00% | (3.47) | 20.07 | 26.79 | (6.72) |
| Staff Services | 19.84 | 39.22% | 17.32 | 46.07% | 2.52 | 30.76 | 20.27 | 10.49 |
| School Administration | 21.96 | 49.79% | 20.62 | 52.39% | 1.34 | 22.15 | 18.73 | 3.42 |
| General Administration | 19.00 | 37.27% | 17.83 | 47.67% | 1.17 | 31.98 | 19.57 | 12.41 |
| Student Transportation | 16.22 | 47.82% | 12.70 | 42.90% | 3.52 | 17.70 | 16.91 | 0.79 |
| Maintenance and Operation | 40.12 | 42.64% | 32.09 | 41.44% | 8.03 | 53.97 | 45.36 | 8.61 |
| Operating Transfer | <u>3.18</u> | 59.89% | <u>0.00</u> | 0.00% | <u>3.18</u> | <u>2.13</u> | <u>4.45</u> | <u>(2.32)</u> |
| Total Expenditures | <u>\$ 410.19</u> | 44.91% | <u>\$ 367.51</u> | 44.09% | <u>\$42.68</u> | <u>\$503.09</u> | <u>\$ 466.07</u> | <u>\$37.02</u> |

FY2022 2nd Quarter Student Activity Funds Report

- FY2022 as of December 31, 2021
 - Total annual revenue for all schools of \$1.66 million
 - Total annual expenditures for all schools of \$1.24 million
- 2nd Quarter 2022 Year-to-Date revenue breakdown
 - \$0.41 million for elementary schools
 - \$0.24 million for middle schools
 - \$1.01 million for high schools
 - \$0.00 million for gifted
- 2nd Quarter 2022 Year-to-Date expenditure breakdown
 - \$0.36 million for elementary schools
 - \$0.16 million for middle schools
 - \$0.72 million for high schools
 - \$0.00 million for gifted

Budget Adjustments

Discussion and Action

- Special Revenue
 - Emergency Connectivity Fund
 - \$4,848,000 Increase to revenue and expenditures for the Emergency Connectivity Fund

Information

- FY2022 January Special Revenue Report



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

January 20, 2022

AGENDA

- ☐ Governor's State of the State
- ☐ FY2023 Preliminary Revenue Assumption
- ☐ Current Budget Development Process Update



GOVERNOR'S STATE OF THE STATE

Governor's Proposed Budget Highlights:

MIDYEAR

- The FY2022 amended budget includes \$346,202,968 to provide a one-time salary supplement of \$2,000 to full-time employees/\$1,000 to part-time employees. This will cover QBE-funded instructional staff, school support staff, school administration, and central administration. [Impact to APS, TBD](#)
- FY2022 midterm overview includes a \$93,054,433 adjustment in the Quality Basic Education (QBE) program. [Impact to APS, TBD](#)
- Gov. Kemp's current proposal for midterm FY2022 includes \$382,696,501 to restore austerity to the Quality Basic Education (QBE) program and \$5,576,587 to restore austerity to other programs directly supporting K-12 instruction. This will carry over into FY2023 budget as well. [Impact to APS, TBD](#)
- Overall, Governor Kemp is recommending \$1.4 billion dollars to be placed back into public education between the midterm amended budget and the FY2023 Budget. [Impact to APS, TBD](#)

Governor's Proposed Budget Highlights:

FY2023

- FY2023 proposed budget will include \$13 million to reflect a change in the Teachers' Retirement System actuarially determined contribution from 19.81% to 19.98% [Impact to APS, TBD](#)
- \$287,136,600 to adjust the state base salary schedule to increase salaries for certified teachers and certified employees by \$2,000 effective September 1, 2022 [Impact to APS, TBD](#)
- The Governor also proposed \$43 million for enrollment growth and training and experience in the FY 2023 budget. [Impact to APS, TBD](#)
- The Governor's budget is just a proposal. The State legislature will ultimately have the final say in allocating new funds for schools through the remainder of this year and then passing a 2023 budget this summer.

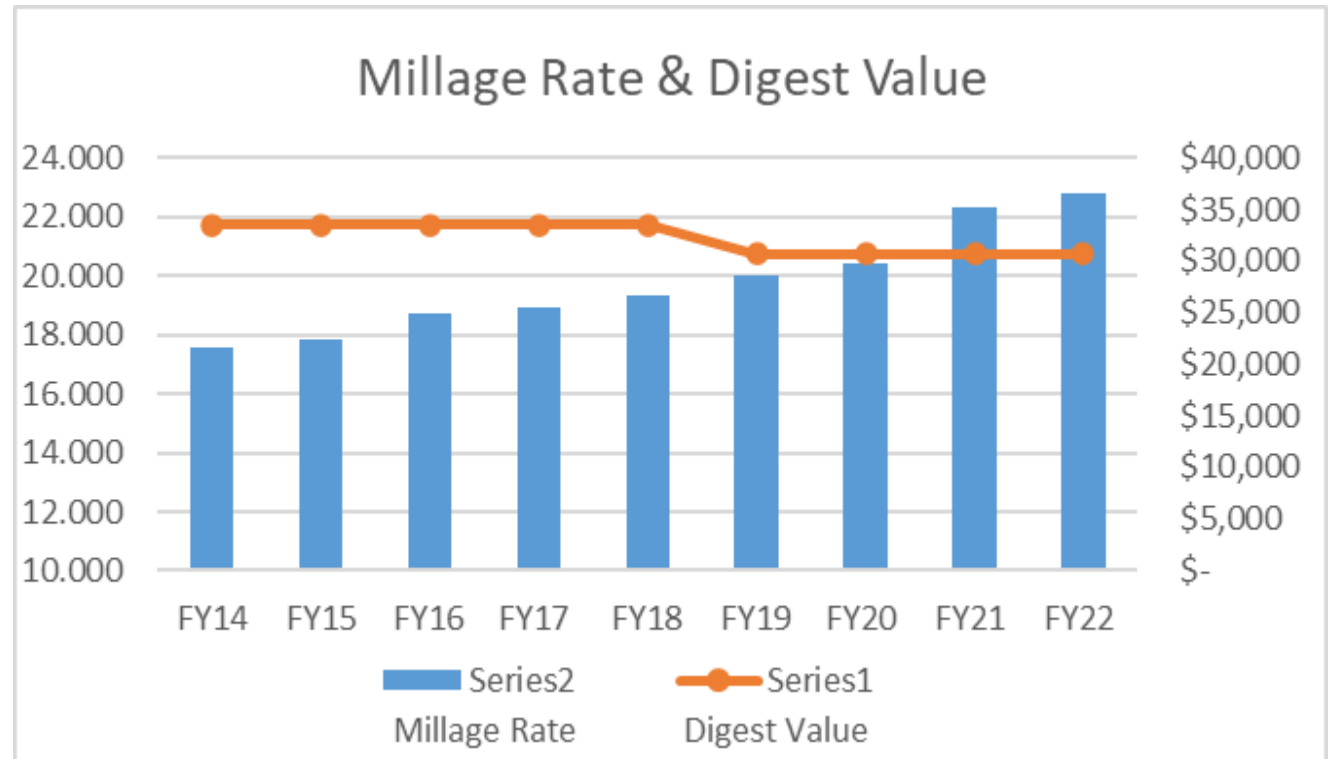


REVENUE ASSUMPTIONS

Considerations for Discussion / Millage Rate

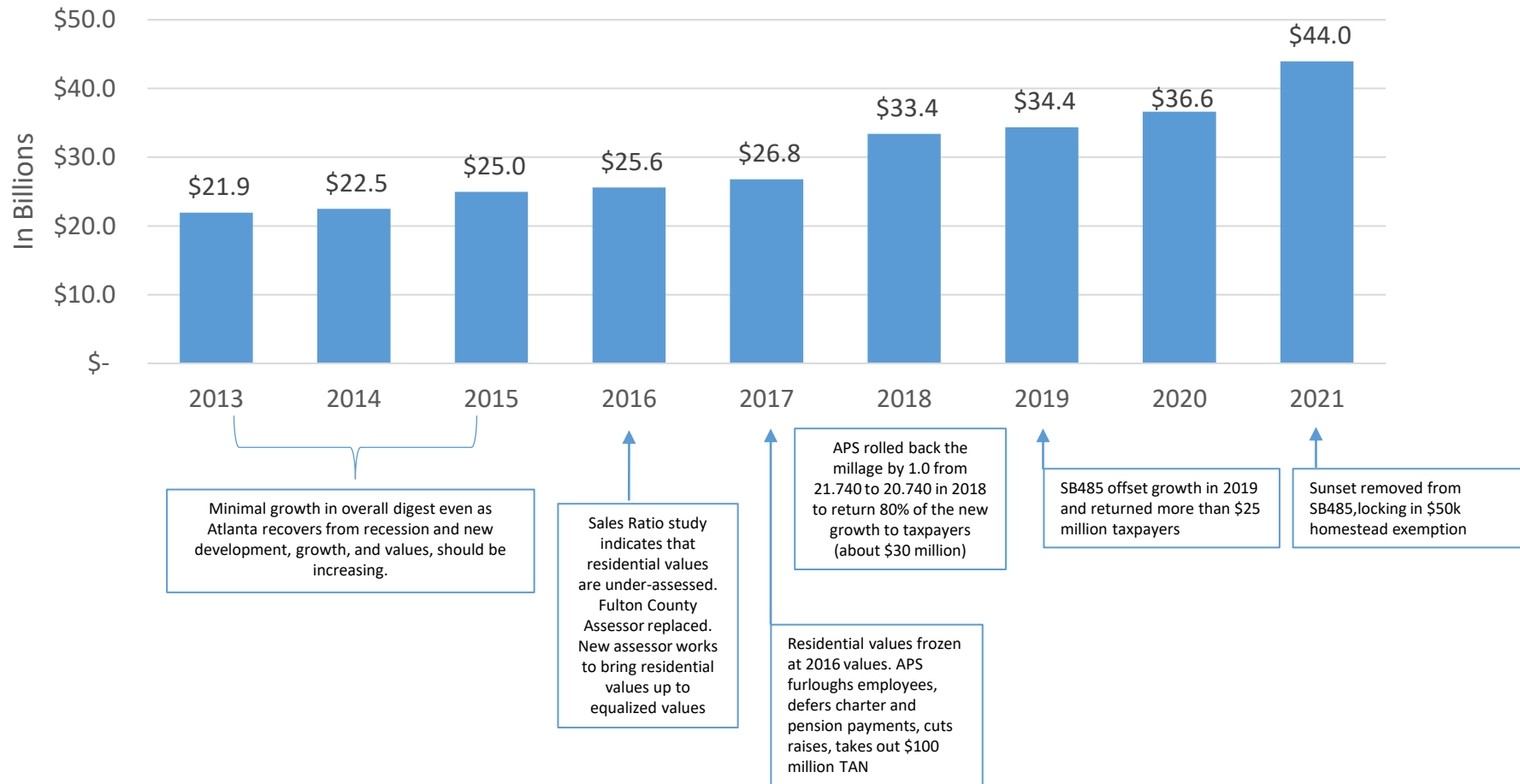
LOCAL

- A mill of tax is equal to \$1 per \$1,000 of assessed valuation
- Total millage decreased by one mill to 20.740 in FY2019
- It is at the lowest rate since the Great Recession
- The current rate of 20.740 mill has remained the same since FY2019 while the Digest value increases.



HISTORY OF LOCAL REVENUE

APS Combined Net Digest*
Calendar Year Basis

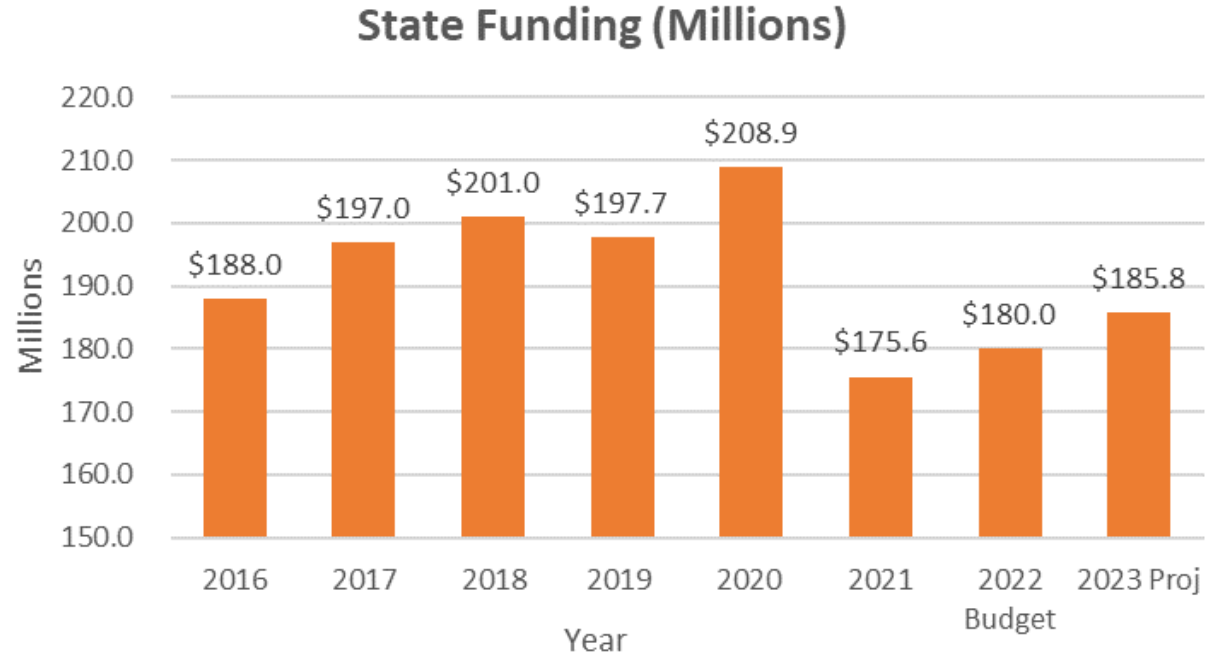


*Figures represent the total combined DeKalb and Fulton available net digest before applying the APS millage rate.

Considerations for Discussion

STATE

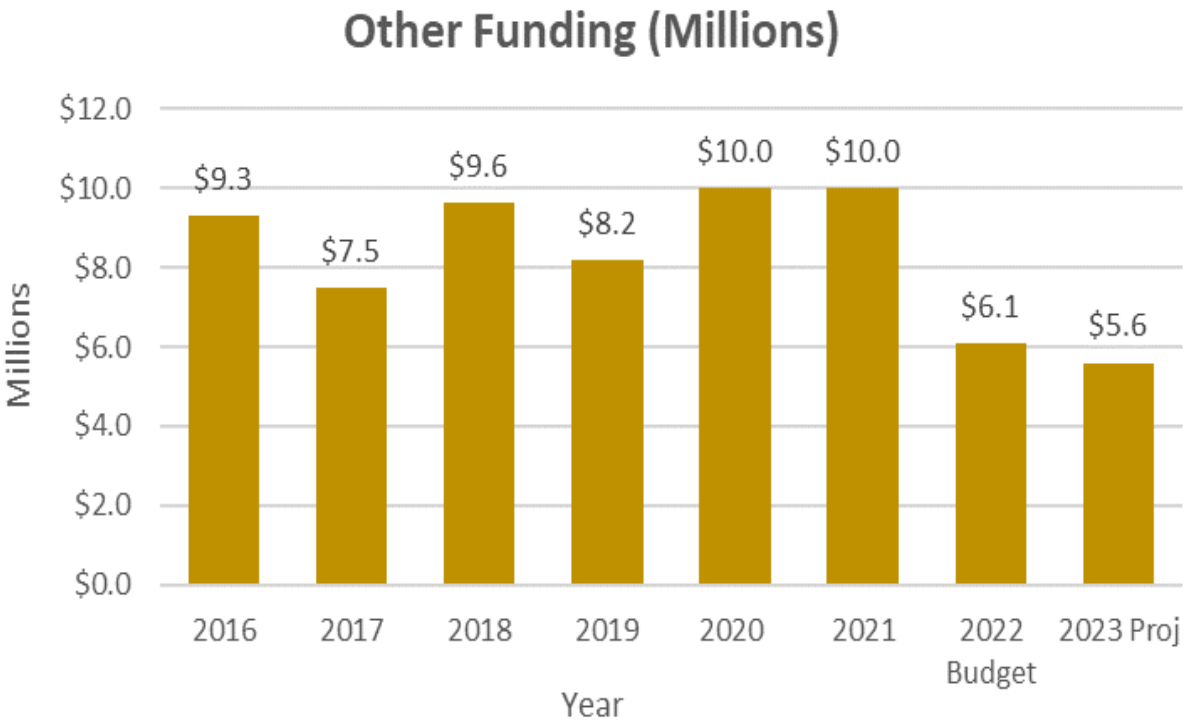
- Increase for employees eligible for TRS reimbursement from the State-rate from 19.81% to 19.98%
- Assumes State grants will remain the same from FY2022 to FY2023
- Assumes adoption of the Governor's proposal



Considerations for Discussion

OTHER

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



Impact to Fund Balance

Fund Balance Analysis Assuming 100% Collections and 100% Spend

| | Maximum Use |
|---|---------------|
| FY2021 Beginning Fund Balance | \$133,752,655 |
| FY2021 Anticipated Change to Fund Balance | \$48,956,559 |
| FY2021 Ending Fund Balance | \$182,709,214 |
| FY2021 Expenditures | \$833,581,033 |
| % of Expenditures | 21.92 |
| | |
| FY2022 Beginning Fund Balance | \$182,709,214 |
| FY2022 Anticipated Change to Fund Balance | \$14,302,414 |
| FY2022 Ending Fund Balance | \$168,406,800 |
| FY2022 Expenditures | \$913,276,583 |
| % of Expenditures | 18.44 |



BUDGET PROCESS REVIEW

STRATEGIC BUDGETING

Timeline & Activities

| FY23 BUDGET DEVELOPMENT TIMELINE AND ACTIVITIES | Dates |
|---|------------------------------|
| Department Budget Kickoff Training for FY2023 | ✓ Jan. 11 & Jan. 19 |
| Release School and Department budget templates | ✓ Jan. 11 |
| Principal's Budget Training for FY2023 | ✓ Jan. 12 |
| Budget Support Sessions for Schools | ✓ Ongoing |
| FY23 Budget Training Sessions for Departments - Virtual (Allovue) | ✓ Jan. 18, Jan 27 & Feb. 2 |
| <u>Budget Support Sessions</u> for Departments (Tues., Wed & Thurs.) 1PM-4PM | Jan. 20 – Feb. 10 |
| Mid-point Check-in | Week of Feb. 15 |
| FY2023 Proposed Staffing Conferences | Feb. 22 – Feb. 25 |
| Make-up day for Staffing Conferences | Mar. 1 |
| DEADLINE: BUDGETS CLOSE for Schools and Departments – 5PM | Mar. 1 |
| Chiefs/BCMs present Department budget proposals to Senior Cabinet | Mar. 29-30 (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. 30 – Apr. 1 (Tentative) |



WRAP UP and NEXT STEPS

Next Commission Meeting:
February 17, 2022

AGENDA:

- Legislative Update
- Compensation Strategy
- Budget Primer



LEGISLATIVE UPDATE

presented by: Erica Long



Legislative Updates

Placeholder for Erica Long

