



ATLANTA PUBLIC SCHOOLS BOARD OF EDUCATION BUDGET COMMISSION

November 21, 2024

AGENDA

01 Finalize FY26 Parameters

02 Statewide Homestead
Exemption

03 School Allotments





FY2026 RESOURCE AND EXPENDITURE PARAMETERS

FY2026 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.



FUND BALANCE FACTS & GUIDELINES

Overview

- Fund balance acts as a reserve of money, like a savings account
- Used to cover unexpected expenses, manage cash flow fluctuations throughout the year, and maintain financial stability during economic downturns
- Allows the district to continue operations without major disruptions to classroom instruction, even when facing unexpected costs or revenue shortfalls

Best Practice Recommendation by Government Finance Officers Association (GFOA)

"GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures".

Atlanta Public School Board Policy

"It is the goal of the School District to achieve and maintain an Unassigned Fund Balance in the General Fund at fiscal year-end of not less than 7.5% of budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, net of any committed reserve fund balance for capital expenditures, in compliance with O.C.G.A. 20-02-0167(a)(5)."

State of Georgia Guidelines as per O.C.G.A. 20-02-0167(a)(5)

The total fund balance amount for a school district **shall not exceed 15 percent** of that year's total budget.

FUND BALANCE – PROS AND CONS

Potential Pros & Cons of a High Fund Balance	
PROS	CONS
Financial Stability	Can defer hard decisions
Improved Credit Rating	Perception of poor financial planning
Flexibility in Budgeting	Opportunity cost
Ability to weather unexpected challenges	“This year’s \$ for this year’s student”
Potential Pros & Cons of a Low Fund Balance	
PROS	CONS
Pressure to manage spending efficiently	Vulnerability to economic downturns
Greater focus on immediate needs	Difficulty managing cash flows
Balances tax burden on public	Negative impact on credit rating

FY2026 DRAFT EXPENDITURE PARAMETERS

Expenditure Parameters	2020- 2025 Strategic Plan Alignment
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



FY2026 BUDGET DECISION POINTS

Refining Assumptions

Revenue Decisions

School Allocations

Rightsizing

Central Office Review



Statewide Homestead Exemption

Summary

- New Single Statewide Homestead Exemption
 - ★ Caps increases in the assessed value of homestead property
 - ★ Opt-out provisions
- Revises notice to taxpayer
 - “Estimated” roll-back definition
- New requirements for assessment reduction on appeal
- Special sales and use tax for property tax relief
- Reappraisal requirements
- Cap on local sales and use taxes
- Direct appeal rights for County Board of Assessors

Effective Date?

Signed by Governor Kemp,

BUT is conditioned on

Passage of Constitutional Amendment by Statewide Referendum

- ✓ November 2024: Statewide Referendum
- January 1, 2025: Effective date or repeal date

The Homestead Exemption Today

The State of Georgia offers homestead exemptions to all qualifying homeowners. Homeowners who own and occupy the legal residence as of January 1 can apply for and be granted a homestead exemption.

Standard State exemption: a \$2,000 exemption from county and school taxes (except taxes levied to pay interest on and to retire bonded indebtedness and taxes levied by municipalities for school purposes). A different exemption applies to school taxes levied by municipalities.

The homestead exemption is deducted from the 40% assessed value of the homestead.

APS has a current homestead exemption of \$50,000.

H.B. 581 - Statewide Homestead Exemption

- New single statewide homestead exemption
- Applies to all local taxing jurisdictions unless opt-out
- Sets base year assessed value
 - 2024 assessed value = 2025 base year assessed value for existing homesteads
 - Preceding year for new homesteads
- Caps assessed value increases for M&O at the inflation rate unless substantial property changes have occurred
- Exempts the amount by which the current assessed value exceeds its previous adjusted base year assessed value

Other Exemptions

- Exemptions stack! Keep other non-floating homestead exemptions (senior, veteran, disability, etc.).
- If the local taxing jurisdiction applies a more favorable base year homestead exemption, the homeowner gets the higher exemption.
- Surviving spouse keeps exemption as long as he/she resides in the homestead property.

Opt-Out

- Can opt-out but must do so by March 1, 2025.
- Can't start the opt-out process until January 1, 2025.
 - Advertise and post on website
 - 3 public hearings
 - Adopt Board Resolution
 - File Resolution with GA Secretary of State



Additional Context

- APS is currently waived from the millage cap of 20 mils.
- Current millage is 20.5
- Recent Georgia School Superintendent survey shows:
 - 27 plan to opt-in
 - 68 plan to opt-out
 - 10 undecided
- 79% of general fund revenue is from local

In thousands	2019	2020	2021	2022	2023	2024
Real and Personal Property	39,029,948	40,909,736	43,879,812	47,538,634	53,472,829	57,166,019
% Change		5%	7%	8%	12%	7%

Pros and Cons to Opting-In

- Pros
 - More targeted relief to homeowners than can be achieved through the millage
 - Provides some level of predictability for both APS and homeowners
 - Expedites annual millage rate adoption process
 - May limit other local legislation towards property taxes
- Cons
 - Opt-in/ out process is one time only, then locked in
 - Severely limits access to local revenue
 - Constrains local government control
 - Impacts Local Fair Share (?)

Next Steps

- Additional Discussion at December Board Meeting
- Final Recommendation at December Budget Commission Meeting
- Referendum at January Board Meeting (if opt out)
- Three Public Hearings and advertisements in January/ February (if opt out)
- Vote on Resolution (may need called meeting in February) (if opt out)
- File Resolution March 1 (if opt out)



SCHOOL ALLOTMENTS

A GOOD ALLOTMENT MODEL SHOULD BE...

STUDENT-FOCUSED

Provides resources based on students, not on buildings, adults, or programs

EQUITABLE

Allocates similar funding levels to students with similar characteristics, regardless of which school they attend

TRANSPARENT

Easily understood by all stakeholders

DIFFERENTIATED

Allocates resources through a comprehensive framework that is based on student needs

PREDICTABLE

School allocation process is predictable and is structured to minimize school-level disruption

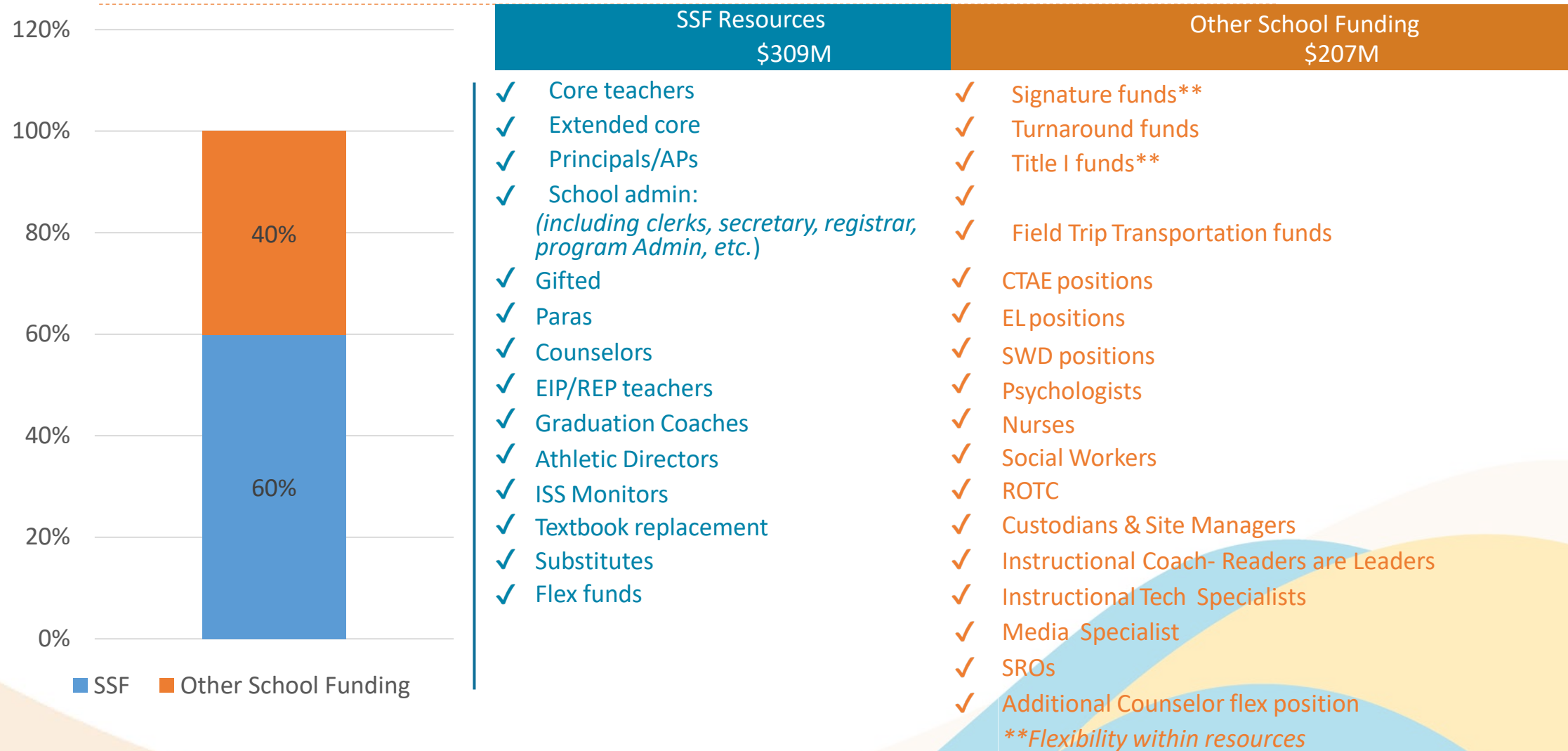
EMPOWERING

Empowers school-based decision-making to effectively use resources

ALIGNED WITH DISTRICT STRATEGY AND STUDENT OUTCOMES FOCUSED GOVERNANCE

Supports the district's multiyear strategic plan, goals, and guardrails

In FY2025, APS UNLOCKED \$309M OF RESOURCES THROUGH SSF and SCHOOLS HAD FLEXIBILITY IN THE USE OF SOME OF THE “LOCKED” RESOURCES



SSF ALLOCATION OVERVIEW

EQUITY	Distribution	Description	FY25
	Student Weights	Funds distributed throughout ten need base weights: <ol style="list-style-type: none"> 1. Base weight 2. Grade level 3. Poverty 4. Gifted 5. Gifted Supplement 6. Incoming Performance 7. English Learners* 8. Special Education* 9. EIP/REP 10. Concentration of Poverty 11. Capacity Weight 	\$187.4M \$20.3M \$43.9M \$14.5M \$1.5M \$2.9M \$1.9M \$1.2M \$26.2M \$1.8M \$.4M
STABILITY	Small School Supplement	Funds distributed through a weight to supplement smaller schools	\$5.4M
	Baseline Supplement	Supplements provided to schools with allocation below threshold of set resources determined for each school	\$1M
	Transition	Funds added to schools with significant enrollment impact due to rezoning, redistricting, new school, etc.	\$1M

* Teaching positions for these programs are allocated to schools outside of the SSF formula

DECISION POINTS

1. What positions, programs, funding categories, etc., should every school have at a minimum?
2. What are the formulas that derive those allocations?
3. For which positions, programs, funding categories, etc. do principals have discretion? Which will we hold:
 1. Tight: Principal must allocate the position as earned or 100% of earned funding must be used to support a specific program.
 2. Flexible: Principal may use some discretion, but certain minimums/ maximums/ funding ratios/ per pupils must be met/ maintained.
 3. Loose: Principal has full autonomy.
4. How much additional discretionary funding should principals be guaranteed, if any?

DRAFT: For Discussion Only

1. What positions, programs, funding categories, etc., should every school have at a minimum?

Direct Instruction

Core Classroom Teachers
Art (ES)
Music (ES)
PE (ES)
World Language (ES)
Connections (MS)
Kindergarten para
Supplies & Non-Personnel
Subs

Administration

Principal
Asst Principal
Program admin
Secretary
Bookkeeper
Registrar
Clerk

Programs

EIP/ REP
Gifted
Athletic Director
CTAE
ESOL
Special Ed Teachers
SELTS
Special Ed Paras
ROTC NCO
SCHOOL MILITARY INSTRUCTOR - JLC
Signature
Field Trip Transportation
District Funded Stipends

Operations

Custodians
Site Manager/Operations Manager
SROs

Schools Supports

ISS para
Grad Coach
Counselors
Social Worker
Instructional Technology Specialists
School Nurse-RN
School Nurse-LPN
Media Specialist
Instructional Coach / Readers are
Leaders
Psych
Title I & Title IV
Title I School
Improvement
Title IV
Behavior
Turnaround
Family Engagement
Media Funds

DRAFT: For Discussion Only

2. What are the formulas that derive those allocations? Direct Instruction

	ES	MS	HS
KK			
1st- 3rd			
4th- 5th			
6th-8th			
9th-12th			
Art (ES)			
Music (ES)			
PE (ES)			
WL (ES)			
Connections (MS)			
Kindergarten para			
Supplies & Non-Personnel			
Subs			

2. What are the formulas that derive those allocations? Administration

ES	MS	HS
Principal		
Asst Principal		
Program admin		
Secretary		
Bookkeeper		
Registrar		
Clerk		

DRAFT: For Discussion Only



2. What are the formulas that derive those allocations? Programs

	ES	MS	HS
EIP/ REP			
Gifted			
Athletic Director			
CTAE			
ESOL			
Special Ed Teachers			
SELTS			
Special Ed Paras			
ROTC NCO			
SCHOOL MILITARY INSTRUCTOR - JLC			
Signature			
Field Trip			
Transportation			
District Funded Stipends			

DRAFT: For Discussion Only

2. What are the formulas that derive those allocations? Operations

	ES	MS	HS
Custodians			
Site Managers			
Operations Manager			
SROs			

DRAFT: For Discussion Only

2. What are the formulas that derive those allocations? Supports

	ES	MS	HS
ISS para			
Grad Coach			
Counselors			
Social Worker			
Instructional Technology			
Specialsts			
School Nurse-RN			
School Nurse-LPN			
Media Specialist			
Instructional Coach / Readers			
are Leaders			
Psych			
Title I & Title IV			
Title I School			
Improvement			
Title IV			
Behavior			
Turnaround			
Family Engagement			
Media Funds			

3. For which positions, programs, funding categories, etc. do principals have discretion?

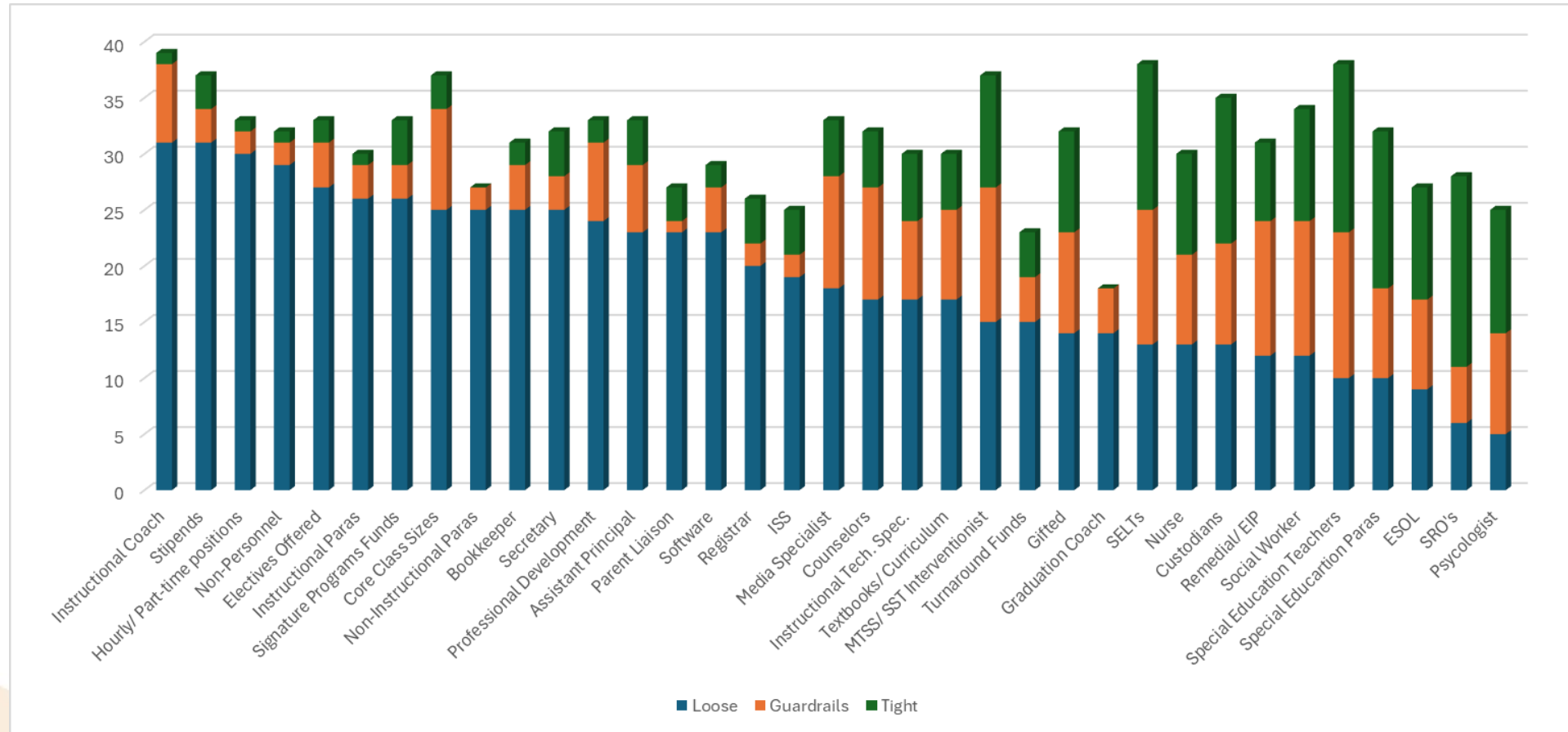
Tight
Athletic Director
Principal
Secretary
Bookkeeper
Registrar
Grad Coach
Custodians
Site Managers
Operations Manager
Social Worker
Instructional Technology Specialists
School Nurse-RN
School Nurse-LPN
CTAE
ESOL
Psych
Special Ed Teachers
SELTS
Special Ed Paras
ROTC NCO
SCHOOL MILITARY INSTRUCTOR - JLC
SROs
Turnaround

Flexible
Art (ES)
Music (ES)
PE (ES)
WL (ES)
Connections (MS)
EIP/ REP
Gifted
Program admin
ISS para
Counselors
Media Specialist
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Signature
Title I & Title IV
Title I School Improvement
Title IV Behavior
Field Trip Transportation
District Funded Stipends
Family Engagement
Subs
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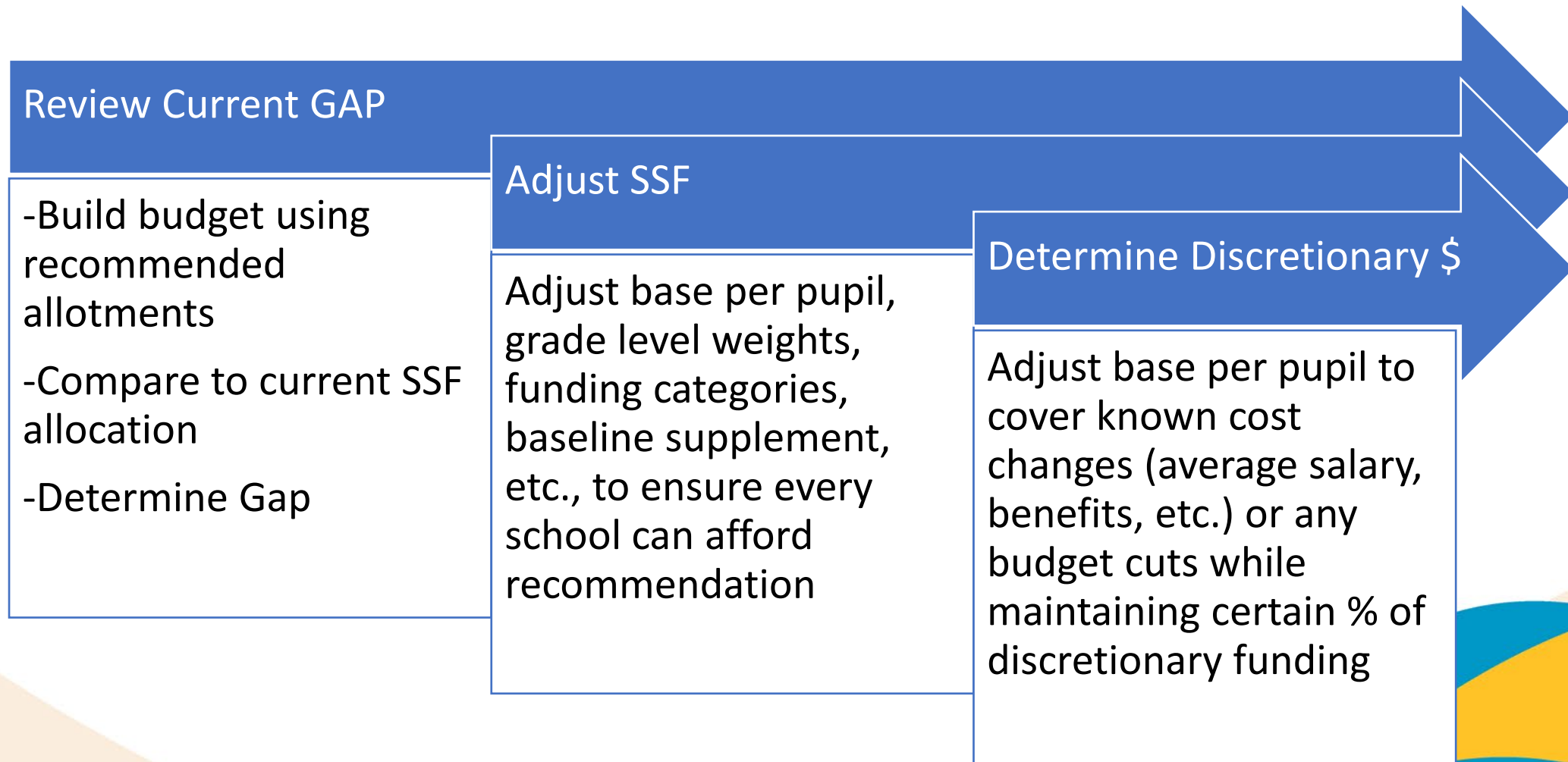
Loose
KK
1st- 3rd
4th- 5th
6th-8th
9th-12th
Kindergarten para
Asst Principal
Clerk
Supplies & Non-Personnel

Principal Feedback

- From Principal's Meeting 10/23/2024
- 39 Total Respondents



4. How much additional discretionary funding should principals be guaranteed, if any?



DRAFT: For Discussion Only

WRAP UP & NEXT STEPS

NEXT BUDGET COMMISSION
MEETING:
DECEMBER 19, 2024

Agenda:

Finalize school allotment
conversations





APPENDIX

GUIDING PRINCIPLES FOR REVENUE CONSIDERATION

Guiding Principles under which the Board will consider using a millage rate increase in order to advance the organization's mission and vision:

- If the budget contemplates significant investments in strategic priorities above current operational costs
- If the Board can identify that the District is making continuous improvement toward using all available resources (*including special revenue, partnerships, SPLOST, and general funds*) in a more efficient and effective manner
- If mandatory expenses (pension, MOE, healthcare, etc.) increased to a point where they were significantly impeding on the ability to accomplish the District's mission and vision

If the Board believed that not raising the millage rate would impede the District's ability to deliver on promises to stakeholders (signature programs, turn-around, whole-child development, to address equity)

- If unfunded mandates emerge from the General Assembly
- If there is significant loss of long-standing revenue streams
- If the increase will not inhibit the economic stability of local neighborhoods



Goal 1: Literacy Proficiency

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.**



Goal 2: 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.**

Goal 3: 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.



Goal 4: 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 51.5% in October 2019 to 59.3% by October 2026.**



2020-2026 Board Goals

2020-2026 Board Guardrails



GUARDRAIL 1: EQUITY

The Superintendent will not allow inequitable treatment of students as measured by student academic outcomes, discipline occurrences, and/or resource allocation.

GUARDRAIL 2: STAKEHOLDER ENGAGEMENT

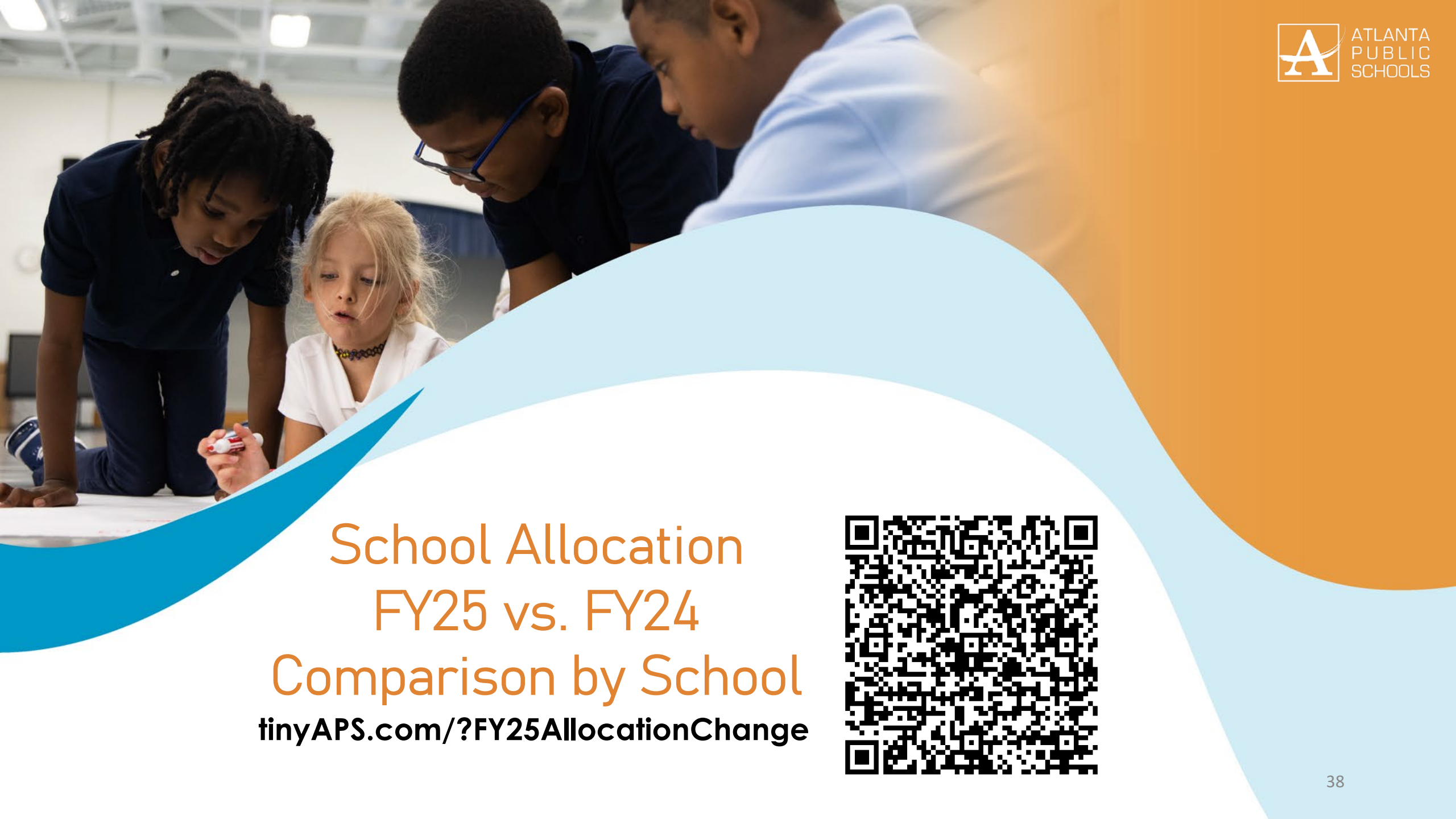
The Superintendent will not make major decisions or bring major recommendations to the Board without first implementing a stakeholder engagement strategy, including students, parents, teachers, staff, governance teams, and community members.

GUARDRAIL 3: CULTURE AND CLIMATE

The Superintendent will not foster or allow a culture of fear, intimidation, or retaliation, or an unwelcoming environment.

GUARDRAIL 4: INNOVATION AND ACCOUNTABILITY

The Superintendent will not allow struggling schools to be without: a comprehensive needs assessment; supports aligned to that assessment; and, if the struggle persists for up to three years, a high impact intervention.



School Allocation
FY25 vs. FY24
Comparison by School
tinyAPS.com/?FY25AllocationChange

