



# Where the \$ Comes From; Where the \$ Goes

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# Agenda

- Addressing Concerns
- FY2024 Overview
- FY2024 Budget Development  
Process Debrief
- Prepping for Parameter Development



# Addressing Misconceptions

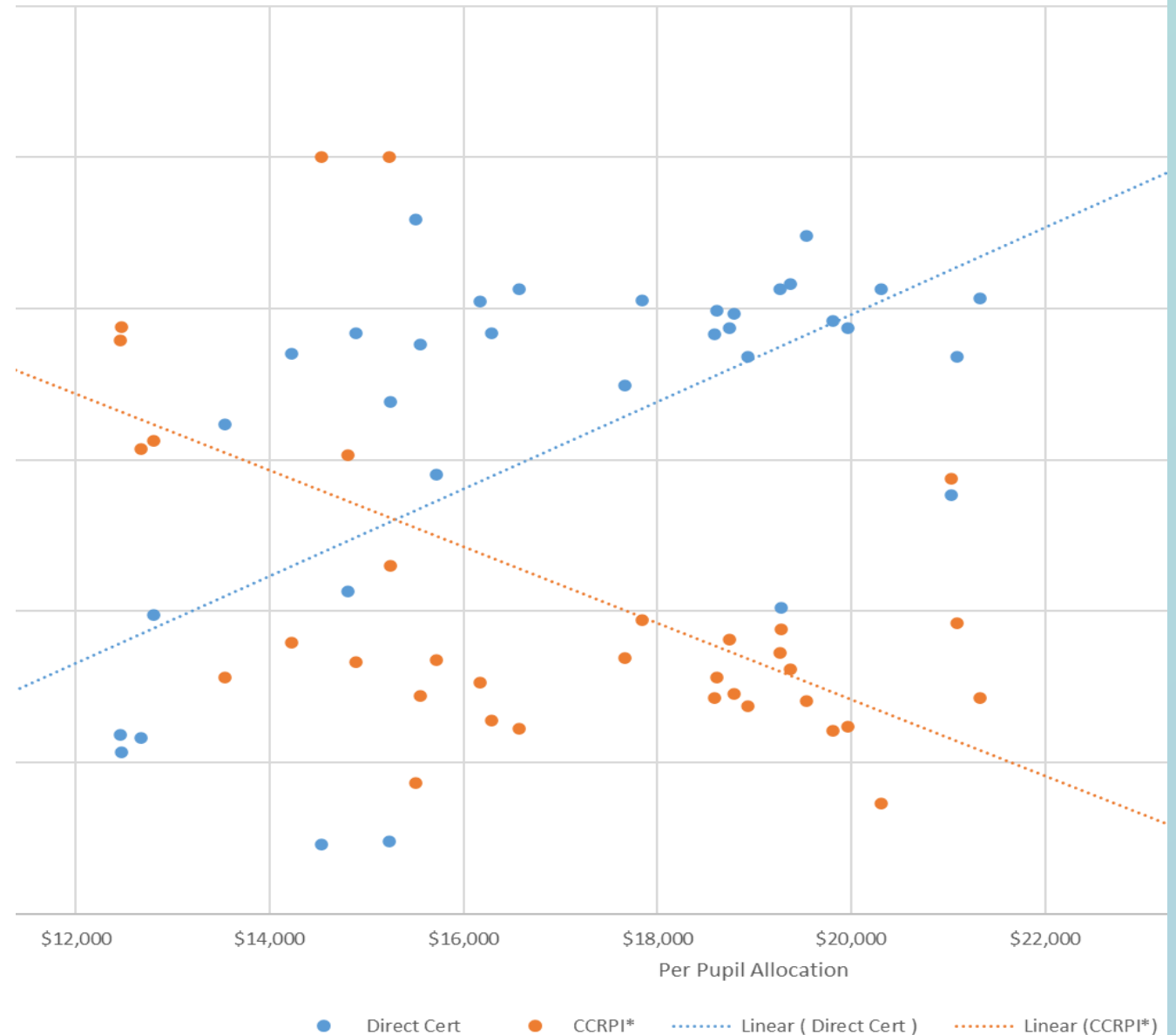
- **Atlanta Public Schools doesn't fund schools first.**
  - Each year the budget process begins with assessing the school funding formula and adjusting it to ensure that schools are funded based on a base line of services. Before any other budget is developed, the school budgets are developed utilizing the funding formula. School budgets are fully developed in December, before departments are even given access to their templates.
- **Traditional schools do not receive enough funding.**
  - The average per pupil allocation to traditional schools is \$13,781 with a range of \$9,514 to \$25,783. The Student Success Funding (SSF) Formula pushes over \$5 million more to schools than the traditional funding formula. The average per pupil for the state, inclusive of all central office overhead, is \$11,707 (as of 2020). The average of unspent non-personnel funds for FY2023 was \$123,898.
- **Small schools do not receive adequate funding/ We aren't aware of the costs of small schools.**
  - The SSF formula includes nearly \$5.8 million in supplements to small schools.

# Addressing Misconceptions, continued

- School funding is not aligned to need.
- The per pupil funding provided through SSF is closely aligned with school direct certification percentages and CCRPI scores.

## Data Sources:

- FY2024 Original Budget Per Pupil
- FY2022 Content Mastery
- FY2023 Direct Cert%



# Things to Consider

- Certain positions and funds should be allocated and mandated centrally.
- Currently counselor, MTSS, and parent liaison positions are at the discretion of the school Principal.

However, at Board meetings and at some individual meetings with school leaders, there seems to be some desire to standardize and require these positions at a set ratio for all schools. This limits school choice but may support the perception of equity. Additionally, there is a debate about whether some funding should be maintained centrally or pushed to schools, and how much flexibility surrounds that funding; for instance, fine arts per pupil spend, instrument repair funds, media center funds, etc.

- The balance of per pupil spend has shifted too far and schools with a low number of students directly certified do not receive sufficient funds to cover basic costs.
- The reallocation of funds brought about through SSF did cause some schools to lose up to 6% of the funding earned through the traditional funding formula. Some communities and principals feel that the shift was too far. The remaining balance of non-personnel funds for FY2023 seems to lend credibility to this assumption. If a needs assessment determines that funds should shift back to schools who initially lost, this would be done through lowering the poverty weight.

# Things to consider, continued

- Central Office is growing faster than schools.
- Over the last 10 years, the growth of schools and departments is comparable at 5.66% and 5.27% respectively. However, whereas school growth has been steady over time, department budgets have experienced years of large decreases and large increases. Charter budgets, calculated based on revenue, outpace all other areas, with the exception of state grants (a smaller number significantly skewed by recent grants for security).

Label	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Avg
Sch	5.85%	3.91%	3.54%	7.68%	5.30%	3.50%	-0.59%	5.55%	4.79%	17.10%	5.66%
Charters	48.33%	30.59%	4.70%	7.50%	13.13%	13.49%	4.41%	5.82%	9.75%	16.46%	15.42%
Partners	0.00%	0.00%	0.00%	0.00%	47.87%	22.77%	-1.03%	1.35%	3.50%	2.24%	7.67%
Dept	11.60%	-2.47%	22.45%	-13.30%	-6.86%	-4.78%	-3.43%	17.50%	13.46%	18.55%	5.27%
State Grants	-21.98%	-36.56%	-9.08%	68.31%	-36.78%	209.86%	-29.70%	-12.09%	-43.82%	390.29%	47.84%
Districtwide	8.25%	-3.42%	6.35%	-4.12%	14.49%	5.30%	-10.36%	7.02%	13.42%	2.27%	3.92%
Utilities	-7.75%	2.58%	9.53%	15.41%	-0.12%	-5.56%	-0.24%	-8.43%	-0.16%	5.56%	1.08%
Grand Total	10.50%	4.26%	8.72%	4.30%	5.28%	4.37%	-1.32%	7.32%	7.69%	15.82%	6.69%

- Central Office as a percentage of the overall budget has increased from a low of 18% in FY2021 but has not rebounded to a high of 28% in FY17. Central office includes many school flowthrough allocations like sub costs, transportation, infrastructure, etc.

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Schools/ Charters/Partners	61%	62%	64%	61%	66%	69%	70%	72%	70%	69%	69%
Central Office	26%	26%	25%	28%	23%	21%	19%	18%	20%	21%	22%
Other	13%	12%	11%	11%	10%	11%	11%	10%	10%	10%	9%



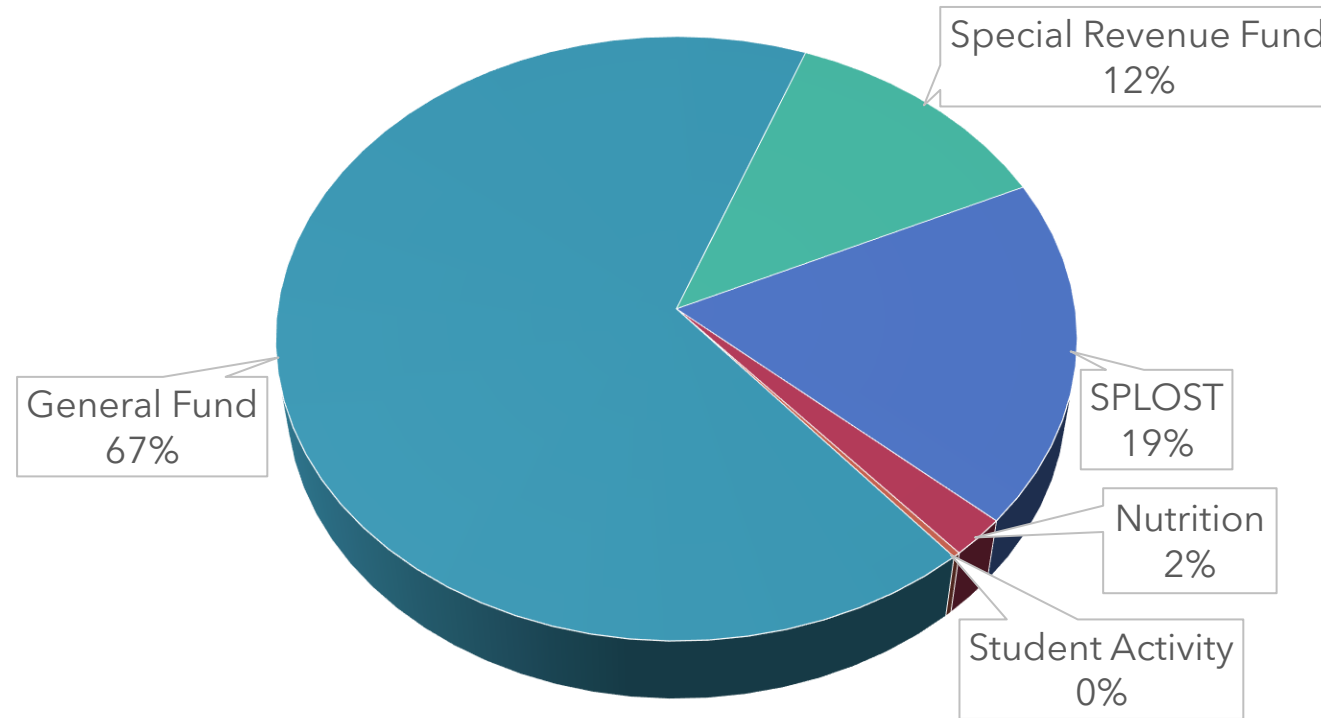
# Where the \$ Comes From

Revenue Overview

# Funds

Fund - Governmental accounting systems are organized and operated on a fund basis. All the individual funds are first classified by category and then by generic fund type within each category.

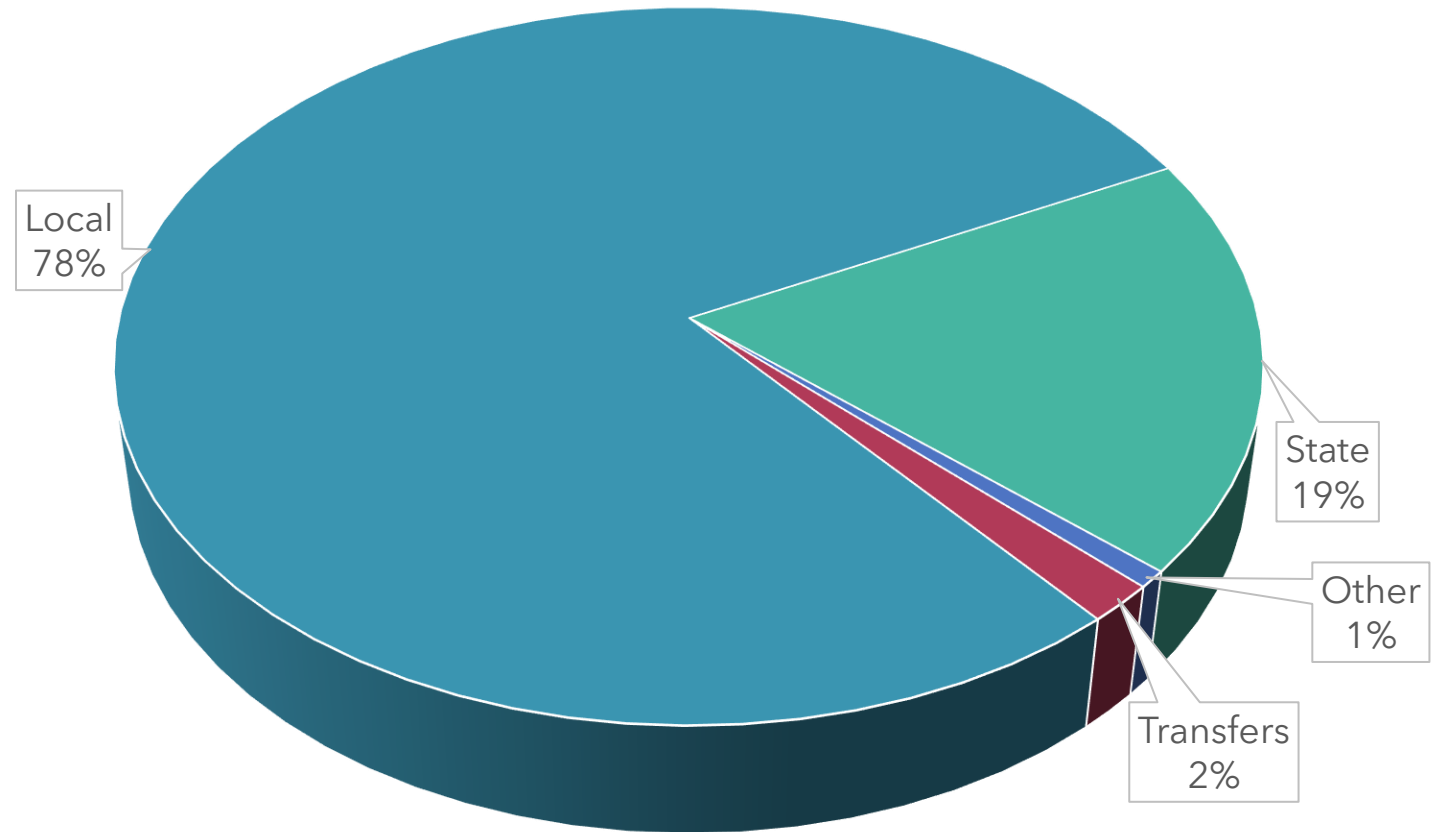
## FY2024 Approved Budget



# General Fund

The General Fund is generally referred to as the operating budget and represents the primary functions of the district.

Revenue sources include local, state, and other funding.



# Local Revenue

- Property Taxes!
  - Commercial, Residential, Public Utility Motor Vehicle, etc.
- Millage- the tax rate applied to the value of a property

▪ So:	Home value	\$350,000
	Assessed Value	
	40%	\$140,000
	Millage Rate	20.500
	Taxes	\$2,870

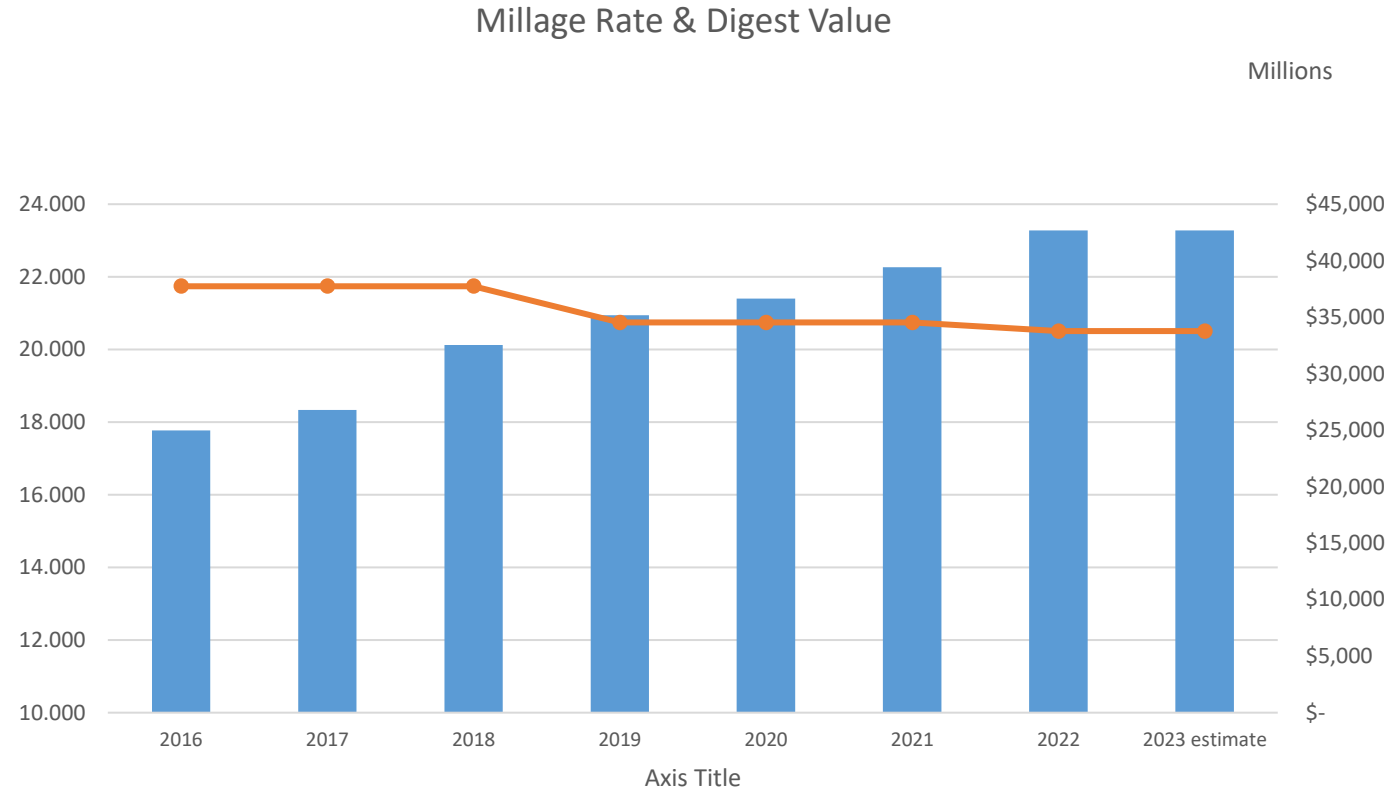
## Local Revenue 2.0

- TADS
- Exemptions
- Collection Rates

# Millage Rate

## LOCAL

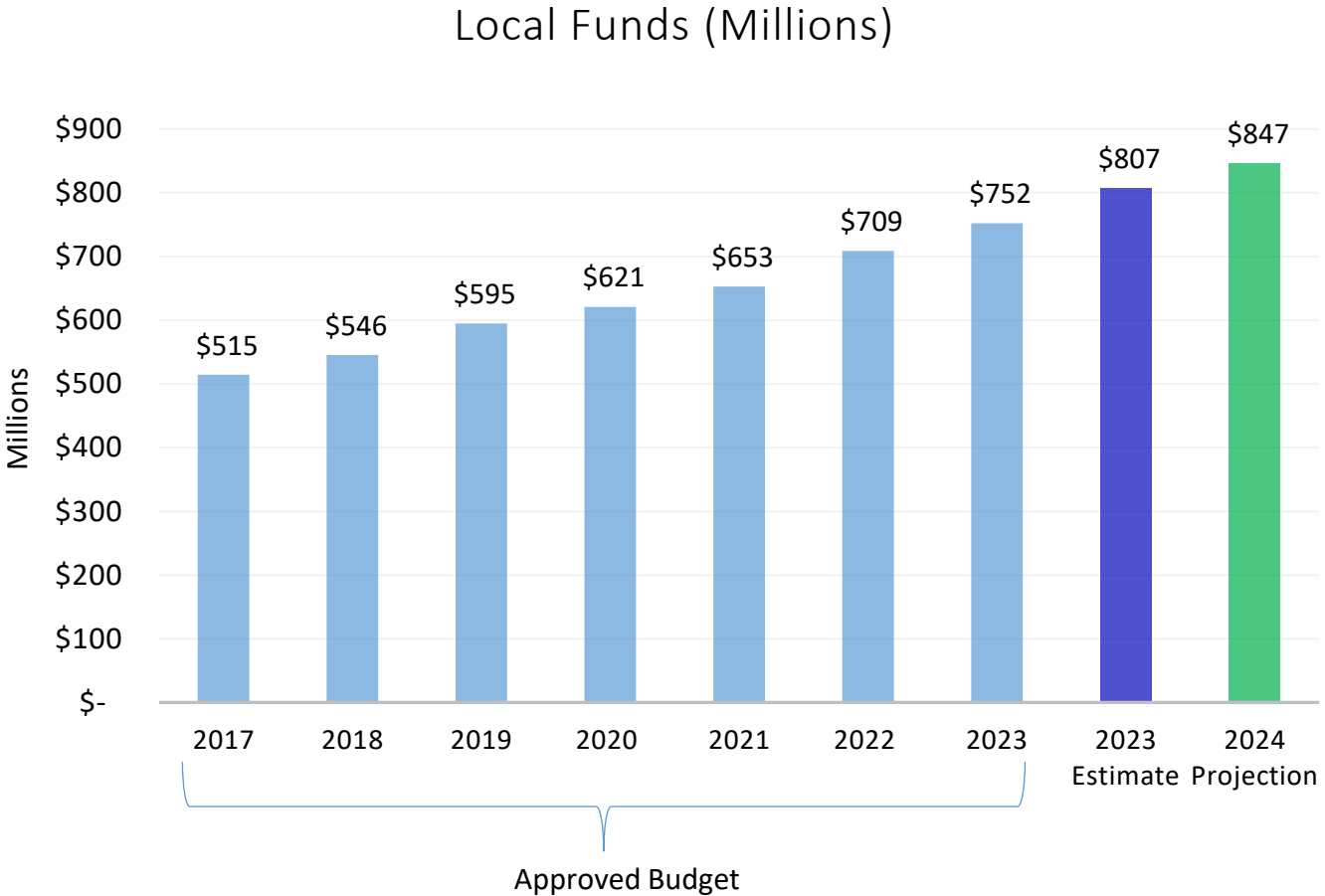
- A mill of tax is equal to \$1 per \$1,000 of assessed valuation
- Total millage decreased by one mill to 20.740 in 2019
- It is at the lowest rate since the Great Recession. With the current rate of 20.50 mill.



# Local Revenue Trend

## Local

- Revenue collections for FY 2023 are higher than anticipated
- Property tax and TAVT revenues are higher than anticipated
- Revenues for FY 2024 have been projected based on the estimated collections for the current fiscal year



# State QBE

- The Quality Basic Education Act was enacted into law by the **1985** session of the Georgia General Assembly to set out the provisions for educational funding for grades Kindergarten through twelve.
- Funding is based on three parts
  - Full Time Equivalent Students (FTEs) (October and March counts)
  - Training and Experience of Certified Staff
  - Health Insurance eligibility of Certified Staff Full Time Equivalent Students

In QBE, eighteen instructional programs are identified: Kindergarten, Kindergarten EIP, Primary Grades 1-3, Primary Grades 1-3 EIP, Upper Elementary Grades, Upper Elementary Grades 4-5 EIP, Middle School, Grade 9-12, CTAE, Special Education Category I, II, III, IV, V, Gifted, Remedial Education, Alternative Education, ESOL

## What's not listed here?

# State QBE

Total QBE Earnings:  
\$394,384,679

Total Local 5 Mills:  
\$199,607,245

We collect only  
about 49% of what  
we earn in state  
QBE!

## OFFICIAL

## Georgia State Department Of Education Earnings Sheet for FY 2024

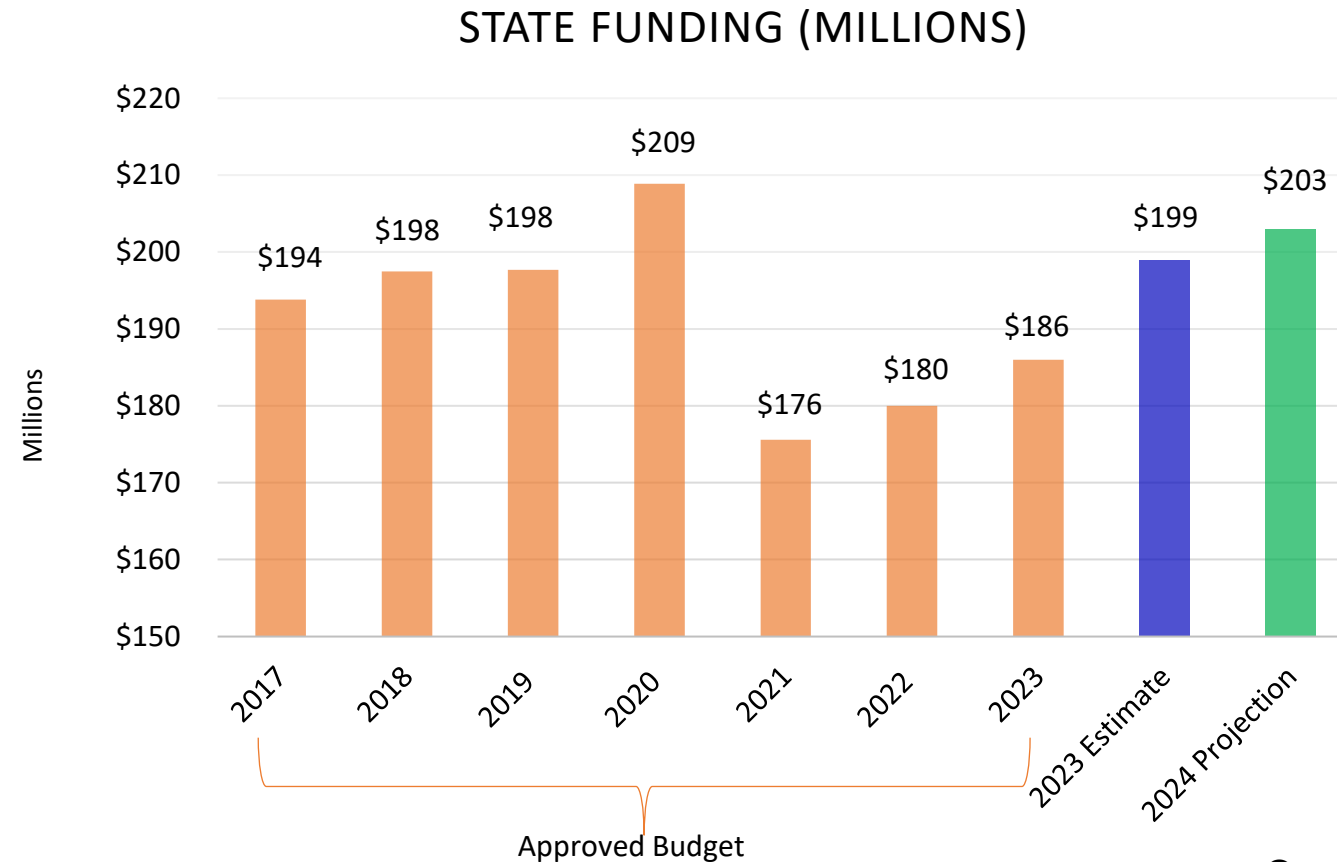
7/7/2023

School System: 761 - Atlanta Public Schools						FY24 Initial (Amendment #1)					THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$3,022.45									
Earnings (\$)						Earnings Positions Grades K-12														
DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	QBE EARNINGS	LESS LOCAL \$ MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec										
Kindergarten Pgm	3,589	27,256,596	280,488	27,537,084	14,098,019	13,439,065	239.27		7.98	3.26										
Kindergarten Early Intr Pgm	164	1,625,770	12,817	1,638,587	838,899	799,688	14.91		0.36	0.15										
Primary Grade(1-3) Pgm	9,882	61,290,239	848,878	62,139,117	31,813,043	30,326,074	581.29	28.64	21.96	8.98										
Primary Grd Early Intrv(1-3) Pgm	1,243	11,524,037	106,776	11,630,813	5,954,567	5,676,246	113.00	3.60	2.76	1.13										
Upper Elementary Grd(4-5) Pgm	5,826	27,582,926	410,265	27,993,191	14,331,529	13,661,662	253.30	16.89	12.95	5.30										
UppElem Grd Early Intrv(4-5)	1,092	10,124,094	76,896	10,200,990	5,222,548	4,978,442	99.27	3.17	2.43	0.99										
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00										
Middle School(6-8) Pgm	9,222	49,413,768	649,411	50,063,179	25,630,587	24,432,592	461.10	26.73	20.49	8.38										
High School Gen Educ(9-12)	9,533	42,490,656	1,082,937	43,573,593	22,308,147	21,265,446	414.48		21.18	8.67										
CTAE(9-12) PGM	1,582	8,038,162	519,211	8,557,373	4,381,074	4,176,299	79.10		3.52	1.44										
Students with Disab Cat I	895	10,967,934	222,822	11,190,756	5,729,274	5,461,482	111.88		1.99	0.81										
Students with Disab Cat II	374	5,615,146	49,126	5,664,272	2,899,908	2,764,364	57.54		0.83	0.34										
Students with Disab Cat III	1,537	29,861,326	313,855	30,175,181	15,448,631	14,726,550	307.40		3.42	1.40										
Students with Disab Cat IV	226	7,273,013	95,467	7,368,480	3,772,403	3,596,077	75.33		0.50	0.21										
Students with Disab Cat V	201	2,463,190	84,906	2,548,096	1,304,536	1,243,560	25.13		0.45	0.18										
Gifted Student Category VI	2,388	19,747,116	240,950	19,988,066	10,233,187	9,754,879	199.00		5.31	2.17										
Remedial Education Pgm	870	5,807,391	49,973	5,857,364	2,998,764	2,858,600	58.00		1.93	0.79										
Alternate Education Pgm	510	3,404,333	35,914	3,440,247	1,761,285	1,678,962	34.00		1.13	0.46										
Eng.Spkr.s of Other Lang (ESOL)	413	5,766,585	23,722	5,790,307	2,964,434	2,825,873	59.00		0.92	0.38										
Spec Ed. Itinerant				0	0	0														
Spec Ed. Supplemental Speech				44,472	22,768	21,704														
TOTAL DIRECT INSTRUC.	49,547	330,252,282	5,104,414	335,401,168	171,713,603	163,687,565	3,183.00	79.03	110.11	45.04										
INDIRECT COST																				
Cent. Admin		7,342,886	0	7,342,886	3,759,299	3,583,587														
School Admin		18,952,334	347,479	19,299,813	9,880,826	9,418,987														
Facility M & O			14,765,010	14,765,010	7,559,166	7,205,844														
Sub Total (INDIRECT COST)		26,295,220	15,112,489	41,407,709	21,199,291	20,208,418														
MEDIA CENTER PGM.		8,253,645	695,307	8,948,952	4,581,549	4,367,403														
20 DAYS ADDITIONAL INSTRUCTION		2,757,407		2,757,407	1,411,695	1,345,712														
STAFF & PROFESSIONAL DEV				1,337,896	684,956	652,940														
PRINCIPAL STAFF & PROF. DEV				31,547	16,151	15,396														
MIDTERM HOLD HARMLESS																				
Health Insurance Incr.(6 MO New Rate).						0														
Charter System Adjustment				4,300,000		4,500,000														
QBE FORMULA EARNINGS		367,558,554	20,912,210	394,384,679	199,607,245	194,777,434	3,183.00	79.03	110.11	45.04	1.00	6.00	86.00	78.08	99.00	1.00	20.02	20.02	28.11	86.55
CATEGORICAL GRANTS							NOTES													
Pupil Transportation Pgm (Includes 200 Drivers and bus replacement funds of 0)				3,335,473		3,335,473	1. Expenditure controls as set forth in O.C.G.A. Section 20-2-167 are reinstated. subject to each district's approved flexibility contract.													
Sparsity - Regular				0		0	2. Health Insurance for Certificated Personnel is funded on a per member per month amount(PM/PM) of \$1580.00 for an annual funding amount of \$18,960 in QBE under appropriation in FY24(HB 19).													
Nursing Services				1,185,455		1,185,455	3. Teacher Retirement is funded at 19.98% in QBE in FY 2024 (HB 19).													
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				398,905,607		199,298,362														
Education Equalization Funding Grant				0		0														
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				398,905,607		199,298,362														
Charter Commission /GADOE Admin - State						0														
Military Counselors						0														
Local Charter Supplement						1,172,635														
State Commission Charter Supplement				0		0														
TOTAL FUNDING ON THIS ALLOTMENT SHEET				398,905,607		200,470,997														
							Total T&E	174,308,031	includes T&E		96,628,911	and HII		77,679,120						

# State Revenue Trend

## STATE

- TRS reimbursement from the State-rate will remain at 19.98%
- FY24 Projection includes the \$2,000 increase to the state teacher salary pay scale
- The FY23 Estimate and FY24 Projection include the state health costs for certified employees to be covered by the State



State Revenue 2.0

- Austerity
- T&E

# Other Revenue

- Fund 150- Title Transfer-in
- PILOT payments
- Tuition, interest, fees, other miscellaneous

# Where the \$ Goes

Expenditures



# Account Code Overview

- Function- The function describes the activity for which a service or material is acquired. The functions are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction, and Other Outlays.
- Location- a code used to identify an open building or school within a school system. All facilities and schools are required to be registered with the GaDOE Facility Department.
- Program- Program codes are used to define the individual departments within the central office or to specify areas of reporting within the schools.
- Object- Object codes are used to describe the service or commodity obtained as the result of a specific expenditure, such as State Health Insurance for employees, Teachers Retirement System, and supplies. Object codes are the most distinct level of identification of expenditures. Categories include salaries, employee benefits, supplies, purchased services, etc.

# Accounts in Practice



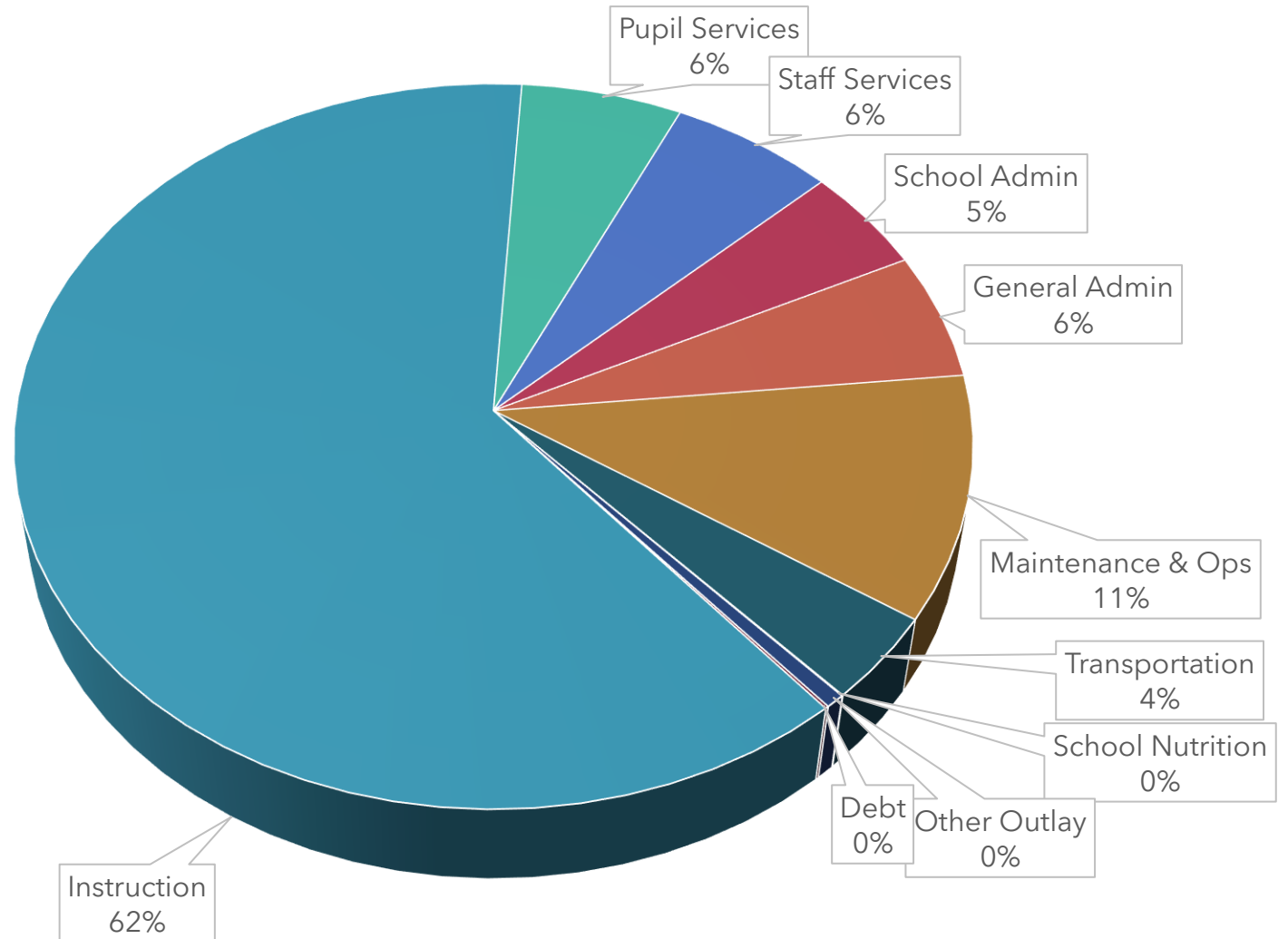
Atlanta Public Schools	District Code	761
Consolidated Title I	Fund	150
Early Intervention Program	APS Program	1084
Kimberly Elementary	Location	1064
Grades 1-3	State Program	1071
Direct Instruction	Function	1000
Regular Teacher Salary	Object	1100

Our FY2024 budget has nearly 25,000 unique line items!

# FY24 Budget by Function

Direct classroom instruction represents the largest investment by function at 62%.

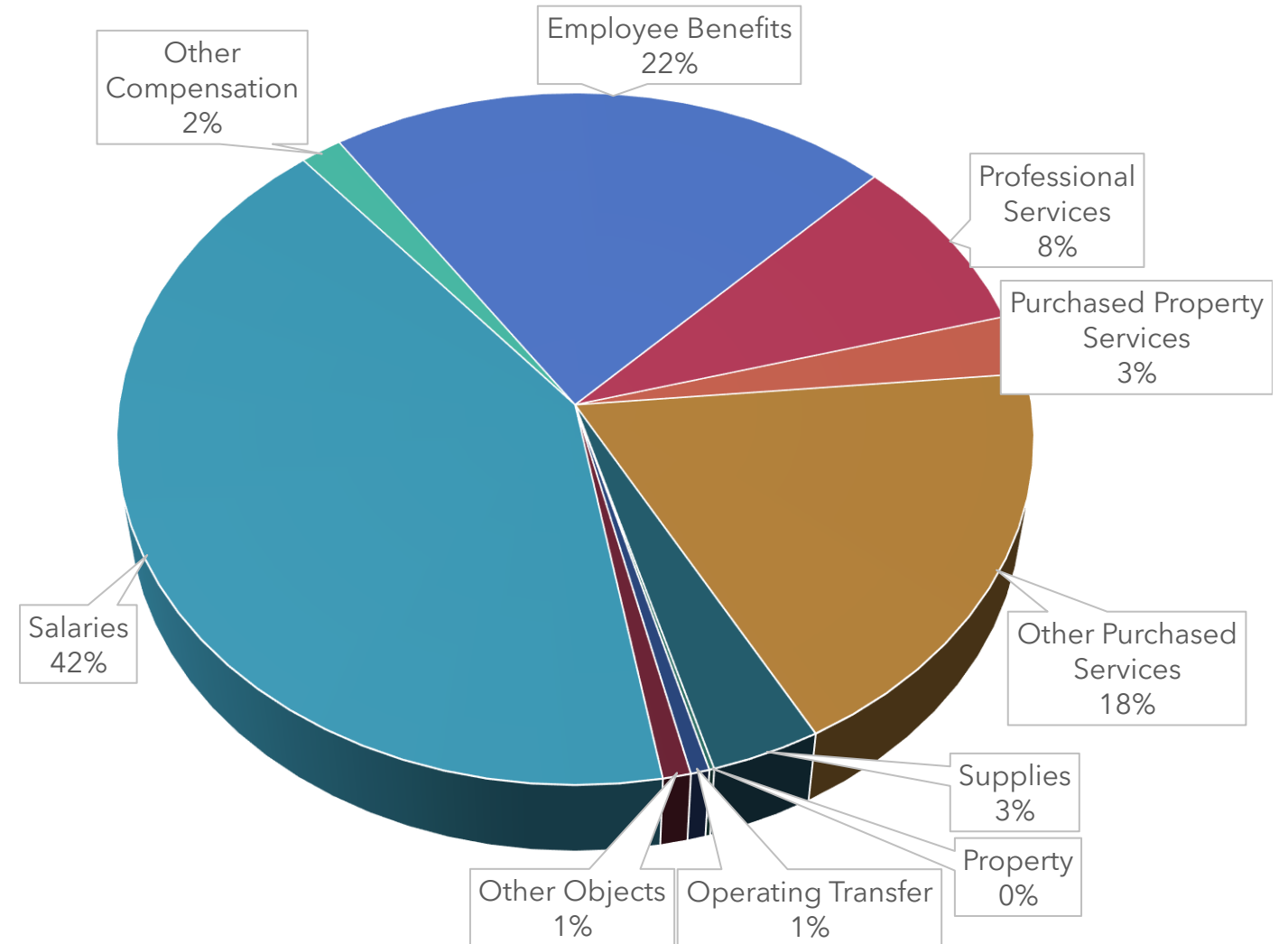
While this percentage was closer to 65% in past years, a focus on wrap-around student supports has shifted a greater percentage of the overall budget to Pupil Services.



# FY2024 Budget by Object

School district personnel make up the highest investment of the budget, at over 66%.

Charter school budgets are reflected in their entirety in Other Purchased Services.

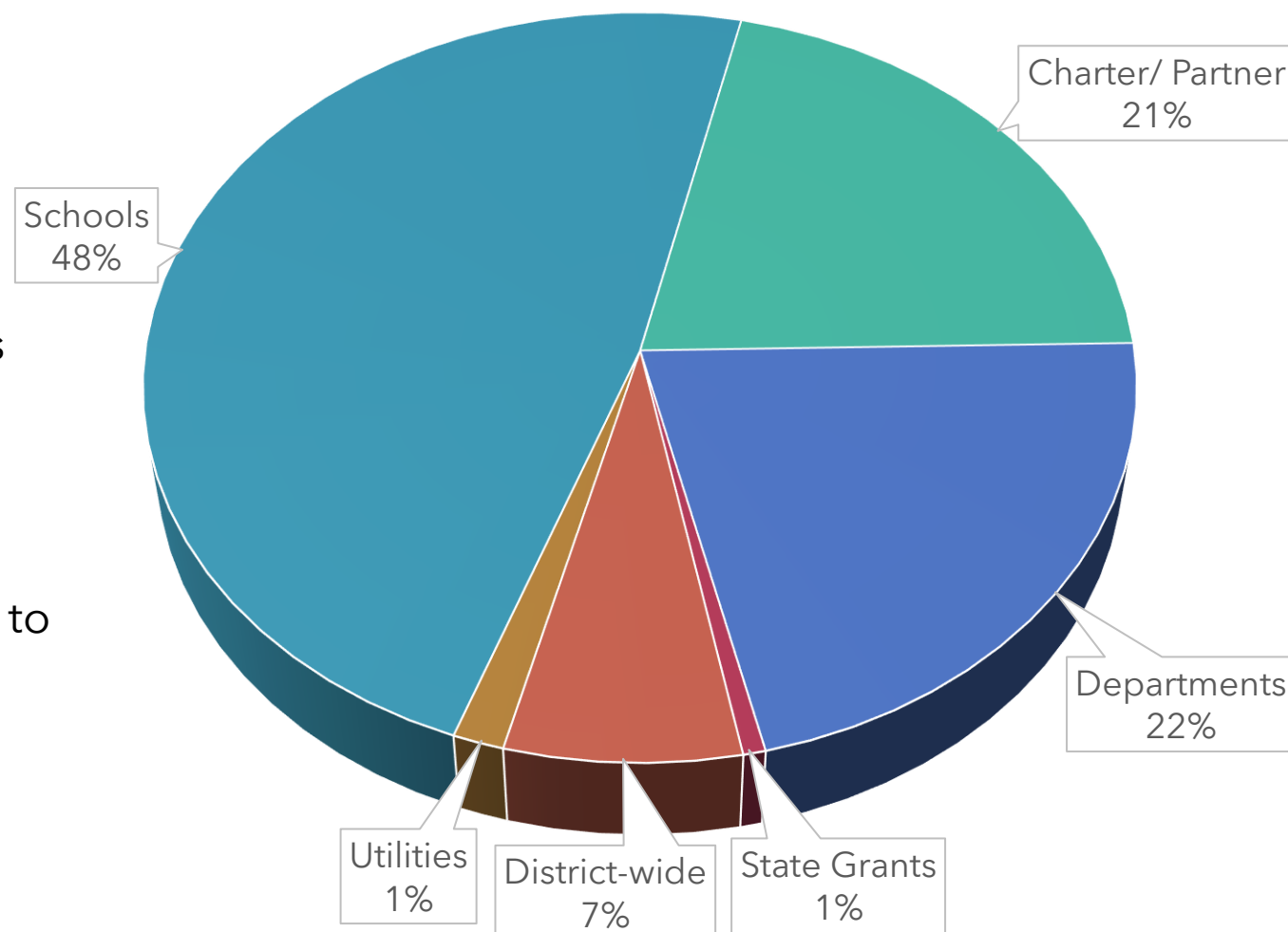


# EXPENDITURE OVERVIEW

Nearly 70% of the entire budget sits in schools, charters, and partners.

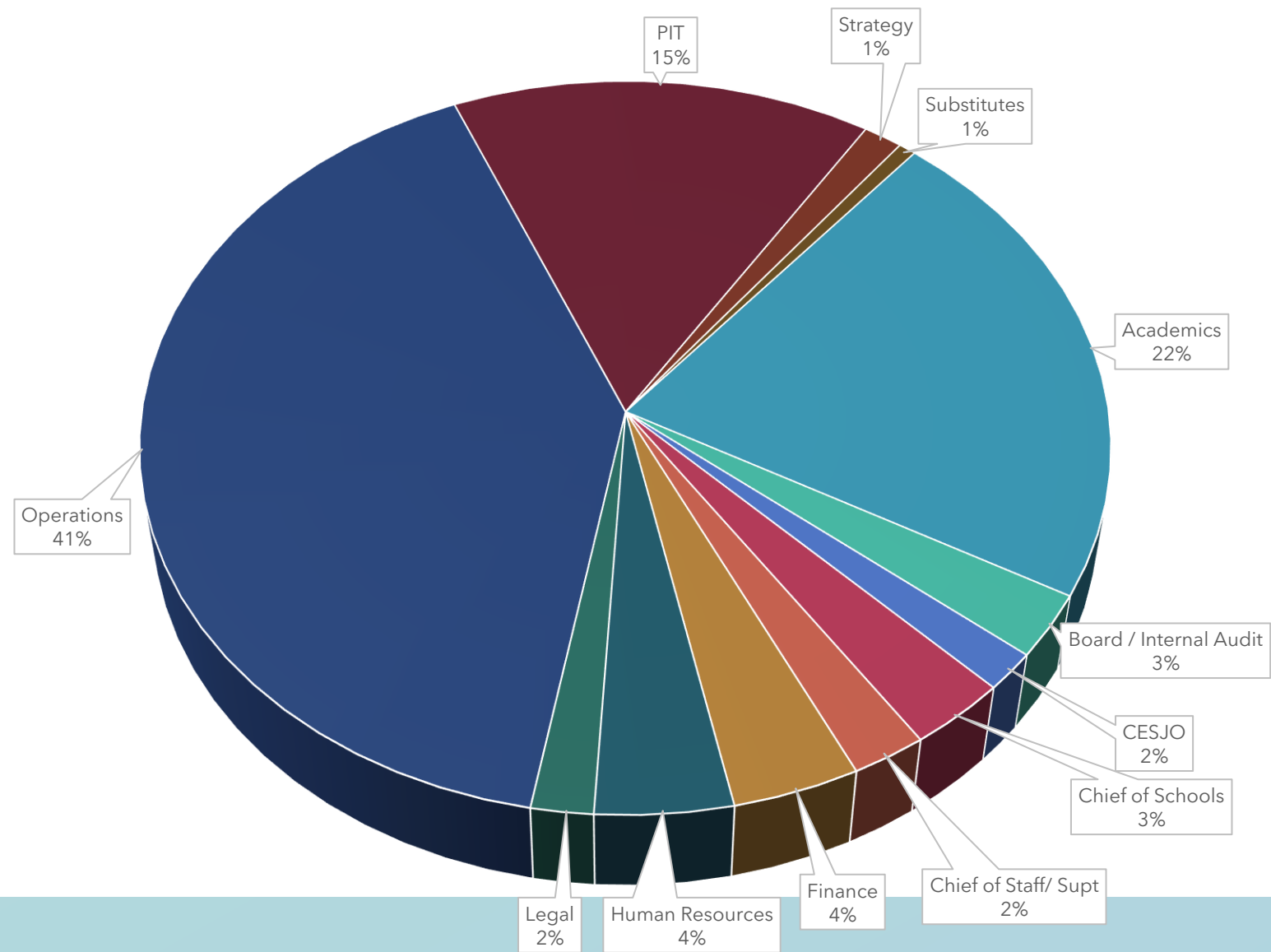
22% of the budget is in the department location code, however, many of these costs directly support schools. Examples include special education contracted services, IT infrastructure, transportation, insurance costs, etc.

The districtwide includes the obligations to the pension fund.



# DEPARTMENT OVERVIEW

(% of dept budgets)



# FY2024 OFFICIAL BUDGET

FISCAL YEAR 2024 - SCHOOL YEAR 2023-2024

## OpenGov Demo



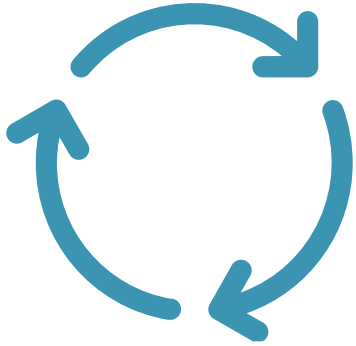
# Process Debrief



# Timeline

Date	Budget Commission Meeting Agenda
Thursday, September 28, 2023	Align on Budget Development Timeline; Debrief previous year process; overview of current year budget; Preparation for Budget Parameters Development Process
Thursday, October 19, 2023	Develop FY2025 Budget Parameters; School Budget Allocation Overview
Thursday, November 16, 2023	School Budget Discussions; Economic Forecast
Thursday, January 18, 2024	Governor's Recommended Budget
Thursday, February 15, 2024	Deep-Dive Revenue Sources; Budget Primer
Sunday, March 24, 2024	Compensation Recommendation; Gap Closure Conversations
Thursday, April 18, 2024	Non-General Fund Budgets; Recommendation for Tentative Budget
Thursday, May 16, 2024	Overview of changes between Tentative and Final Adoption

What works well?  
What can we improve?



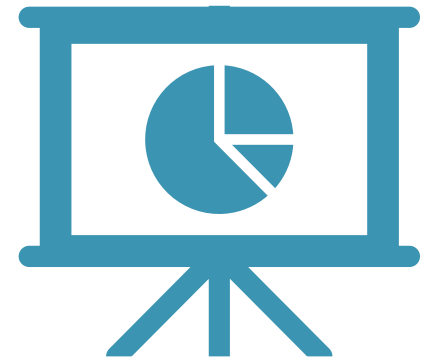
Process



Timeline



Engagement



Data

# Prepping for Parameters



# 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.

# Resource Parameters

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

# Expenditure Parameters

Expenditure Parameters	Goal/Guardrail
APS will commit to the 1-1 device strategy by building in a sustainable repair and replacement program for devices.	All Goals; Guardrail 1 - Equity
APS will commit to supporting our students & families by building a long-term strategy to address the digital connectivity divide at home	All Goals; Guardrails 1 & 4 – Equity & Innovation and Accountability
The CPI increased YOY (FY22 to FY23) by ~8%. Given the current inflationary track that we are experiencing, another large YOY CPI increase from FY23 to FY24 is anticipated. The annual budget process must consider inflationary pressures when necessary to pay for and provide comparable service levels.	
The budget must contemplate any changes to the school nutrition model that will also have an impact on general fund costs and staffing.	Guardrail 1 - Equity
The annual budget process must contemplate federally funded programs and positions, especially those funded through CARES, and begin the process of folding in or rolling off those expenditures as appropriate	All Goals; Guardrails 1 & 2 - Equity & Stakeholder Engagement
The budget must sustain and support changes in school enrollments, new schools, changes in school designs, and shifts in school programs, as recommended, and approved through the facilities master planning process.	Guardrail 4 - Innovation and Accountability
The budget should support a compensation strategy and central office structure that aligns district initiatives with the recommendations from internal and external reviews and audits.	Guardrails 1 & 3 - Equity & Culture and Climate

# What's Next

- October 19<sup>th</sup> Tentative
- Draft Agenda
  - Draft Budget Parameters
  - School Budget Allocation Review

# Thank you!

Questions?

