MONTHLY FINANCIAL UPDATE

FINANCE DIVISION

Lisa Bracken, Chief Financial Officer

January 7, 2025

ATLANTA PUBLIC SCHOOLS

AGENDA

Purpose

To provide an update on district financials and provide an overview of the FY2026 Budget Development Process

Roadmap

- FY2025 Monthly General Fund Financials
- Proposed Budget Adjustments
- FY2026 Development Update

Administration's Takeaways

Information regarding current general fund financials and the FY2026 Budget Development Process

FY 2025 Revenue Activity for Period Ending
Consolidated General Fund
November 30, 2024 - Compared to Budget - Unaudited
($Millions)

	FY25 Budget	FY25 YTD Actual	FY25 YTD Variance	FY25 YTD % of Budget
Local Taxes	$ 939.10	$ 792.07	$ 147.03	84.34%
State	231.99	67.53	164.46	29.11%
Other/Transfers	28.33	9.13	19.20	32.23%
Total Revenue	**$ 1,199.42**	**$ 868.73**	**$ 330.69**	**72.43%**
Use of Fund Balance	77.73	0.00	77.73	N/A
Total Resources	**$1,277.15**	**$ 868.73**	**$ 408.42**	**68.02%**

*Variance is calculated as budget minus actuals, in this case a negative number indicates that MORE revenue was collected than anticipated

FY 2025 Revenue Activity for Period Ending
Consolidated General Fund
November 30, 2024 - Compared to Prior Year - Unaudited
($Millions)

	FY25 YTD Actual	FY25 YTD % of Budget	FY24 YTD Actual	FY24 YTD% of Budget	FY25 VS FY24	FY25 Remainder of Year	FY24 Remainder of Year	FY25 VS FY24
Local Taxes	$ 792.07	84.34%	$ 736.77	83.17%	$55.30	$ 147.03	$ 149.11	(2.08)
State	67.53	29.11%	60.69	27.78%	6.84	164.46	157.74	6.72
Other/ Transfers	9.13	32.23%	9.08	19.22%	0.05	19.20	38.16	(18.96)
Total Revenue	**$ 868.73**	**72.43%**	**$806.54**	**70.04%**	**$62.19**	**$ 330.69**	**$ 345.01**	**($14.32)**
Use of Fund Balance	0.0	0.0%	0.0	0.0%	0.0	77.73	0.00	77.73
Total Resources	**$ 868.73**	**68.02%**	**$806.54**	**70.04%**	**$62.19**	**$ 408.42**	**$ 345.01**	**$63.41**

ATLANTA PUBLIC SCHOOLS

FY 2025 Expenditure Activity for Period Ending Consolidated General Fund November 30, 2024 - Compared to Budget - Unaudited ($Millions)

	FY25 Budget	FY25 YTD Actual	FY25 YTD Variance	FY25 YTD % of Budget
Instruction	$ 794.57	$ 303.53	$ 491.04	38.20%
Pupil Services	76.24	26.89	49.35	35.27%
Staff Services	74.36	28.07	46.29	37.75%
School Administration	55.08	23.32	31.76	42.33%
General Administration	70.39	23.86	46.53	33.89%
Student Transportation	46.63	16.76	29.87	35.95%
Maintenance & Operation	136.69	51.14	85.55	37.42%
Operating Transfer	23.19	0.00	23.19	0.00%
Total Expenditures	**$ 1,277.15**	**$ 473.57**	**$ 803.58**	**37.08%**

FY 2025 Expenditure Activity for Period Ending
Consolidated General Fund
November 30, 2024 - Compared to Prior Year - Unaudited
($Millions)

	FY25 YTD Actual	FY25 YTD % of Budget	FY24 YTD Actual	FY24 YTD % of Budget	FY25 VS FY24	FY25 Remainder of Year	FY24 Remainder of Year	FY25 VS FY24
Instruction	$303.53	38.20%	$ 275.07	36.74%	$28.46	$ 491.04	$ 473.58	$ 17.46
Pupil Services	26.89	35.27%	23.70	35.49%	3.19	49.35	43.08	6.27
Staff Services	28.07	37.75%	23.34	33.49%	4.73	46.29	46.35	(0.06)
School Administration	23.32	42.33%	22.69	40.97%	0.63	31.76	32.68	(0.92)
General Administration	23.86	33.89%	23.63	36.65%	0.23	46.53	40.85	5.68
Student Transportation	16.76	35.95%	16.14	32.59%	0.62	29.87	33.38	(3.51)
Maintenance & Operation	51.14	37.42%	46.73	37.25%	4.41	85.55	78.73	6.82
Operating Transfer	0.00	0.00%	0.00	0.00%	0.00	23.19	6.94	16.25
Total Expenditures	**$ 473.57**	**37.08%**	**$ 431.30**	**36.64%**	**42.27**	**$ 803.58**	**$755.59**	**$ 47.99**

FY 2025 Expenditure Activity of Federal Programs for Period Ending November 30, 2024 - Compared to Budget – Unaudited

ATLANTA PUBLIC SCHOOLS

Funding Source*	FY25 Budget	FY25 YTD Actual	FY25 YTD Variance	FY25 YTD % of Budget
Title I, Part A	$28,169,380	$5,963,721	$22,205,659	21.17%
SI 1003(a)	$1,008,650	$217,219	$791,431	21.54%
Title II, Part A	$2,914,507	$615,609	$2,298,898	21.12%
Title IV, Part A	$2,244,248	$263,924	$1,980,324	11.76%
Title IV, Part B	$671,026	$120,715	$550,331	17.99%

**The period of availability for the federal funds listed above is 15 months (July 1st – September 30th)*

FY 2025 Expenditure Activity of Federal Programs for Period Ending November 30, 2024 - Compared to Prior Year – Unaudited

ATLANTA PUBLIC SCHOOLS

Funding Source	FY25 YTD Actual	FY25 YTD % of Budget	FY24 YTD Actual	FY24 YTD % of Budget	FY25 VS FY24	FY25 Remainder of Year	FY24 Remainder of Year	FY25 VS FY24
Title I, Part A	$5,963,721	21.17%	$4,253,280	14.19%	$1,710,441	$22,205,659	$25,730,955	($3,525,295)
Title II, Part A	$615,609	21.12%	$496,347	15.55%	$119,262	$2,298,898	$2,695,381	($396,483)
Title IV, Part A	$263,924	11.76%	$189,033	8.07%	$74,891	$1,980,324	$2,154,164	($173,840)
Title IV, Part B	$120,715	17.99%	$237,161	22.53%	($116,445)	$550,311	$815,657	($265,347)

FY2025 FUND BALANCE

Assuming 100% Collections and 100% Spend	**Maximum Use**
FY2024 Beginning Fund Balance	$293,348,242
FY2024 Use of Fund Balance	($38,025,466)
FY2024 Ending Fund Balance	$255,322,781
FY2024 Expenditures	$1,181,743,250
% of Expenditures	21.61%
FY2025 Beginning Fund Balance	$255,322,781
FY2025 Budgeted Use of Fund Balance	($74,247,863)
FY2025 Estimated Ending Fund Balance	$181,074,918
FY2025 Budgeted Expenditures	$1,273,805,454
% of Expenditures	14.22%

FY2026 RESOURCE PARAMETERS

ATLANTA PUBLIC SCHOOLS

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.

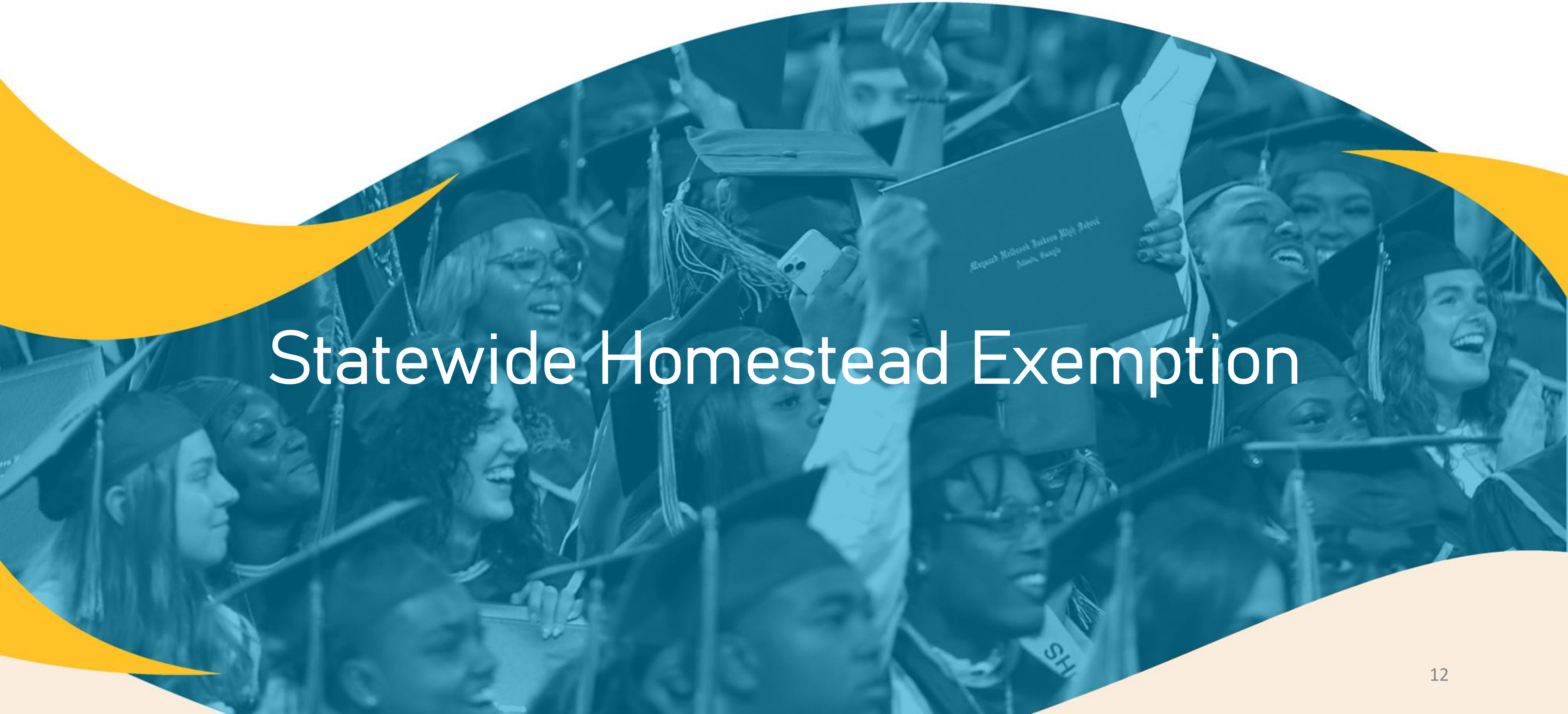
BUDGET ADJUSTMENTS

Discussion and Action

- General Fund and Consolidated Fund 150
  - $28 Decrease to revenue and expenditures for the Family Engagement Title I, Part A
  - $13,534 Increase to revenue and expenditures for the GOLD Grant

- Special Revenue
  - $2,062,619 Increase to revenue and expenditures for Title II Part A grant because of the carryover from prior year

- Information
  - FY2025 December Special Revenue Report



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.

Additional Context

- APS is currently waived from the millage cap of 20 mils.
- Current millage is 20.5
- Recent Georgia School Superintendent survey shows:
  - 21 plan to opt-in
  - 76 plan to opt-out
  - 22 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 (?)

PUBLIC HEARING PROCESS AND TIMELINE

January – February 2025

- Schedule 3 public hearings with at least one of the three scheduled between the hours of 6-7 pm on weekdays.
- Must advertise in the local newspaper and post on the website for each hearing.
- Advertise 1 week prior to each hearing – not less than 30 sq. inches on the website.
- May include the reasons for the intent to OPT-OUT of Homestead Exemption.

March 1, 2025

- A copy of the local board of education approved Resolution to OPT-OUT must be filed with the Secretary of State by March 1, 2025.

PUBLIC HEARING & ADVERTISEMENT CALENDAR (TENTATIVE)

- February 3, 2025 - First Hearing 10:00 am (Advertise in local newspaper and on our website on January 27, 2025)
- February 3, 2025 - Second Hearing 6:00 pm (Advertise in local newspaper and on our website on January 27, 2025)
- February 10, 2025 - Third Hearing 6:00 pm (Advertise in local newspaper and on our website by February 3, 2025)

FY26 BUDGET DEVELOPMENT UPDATE

We ARE APS
And We Are
BUDGETING for Student Outcomes

Status Update (12/4/24):

- Department templates will be available on January 9, 2025.
- School templates will be available on January 15th.
- Department training January 8, 2025, and January 14, 2025.
- GO Team Budget Training – January 11th
- Principal training January 15th.
- Departments will complete their budget requests in OpenGov.com.
- Budget workshop for Opengov.com training will be on January 21, 2025, and February 4, 2025.
- Staffing Conferences with HR and Budget Services Mid-Late Feb.

ATLANTA PUBLIC SCHOOLS

Timeline & Activities

January:

- Open FY26 budgets for Schools and Departments
- Facilitate training sessions

February:

- Continue training sessions
- Staffing Conference- Depts. and Schools

March:

- Sr. Cabinet retreat- Budget Discussion
- Deadline for Final Proposals
- Chief budget review

BCMs may schedule budget support sessions as needed throughout this process


Q&A