



FY2027 Budget Discussion January 21st, 2025





Governor's Budget

AFY2026 & FY2027

State of the State Address

January 15th, 2026

- Tax rebate \$250 Single to \$500 Married
- 2 basis point reduction to 4.99% income tax rate
- Maintain reserves > 10B (3 months operating)
- \$2K one time supplement for all state employees and educators
- Noted total salary increase since 2019 of \$9,500 or 28% increase
- Maintain investment school safety – close to \$50K per school in FY27
- Dream Scholarship – Hope 2.0 (needs based)



AFY2026 State Budget

<https://opb.georgia.gov/budget-information/budget-documents/governors-budget-reports>

Recommended Change (Exhibit A):

Increase funds to provide a on-time salary supplement of \$2,000 for:

1. Custodians (pg. 177)
2. SFN workers (pg. 178)
3. Bus drivers (pg. 178)
4. Certified educators and administrative staff (pg. 179)
5. School nurses (pg. 179)

FY2027 State Budget

<https://opb.georgia.gov/budget-information/budget-documents/governors-budget-reports>

Noteworthy Recommended Changes:

1. Increase funds for the Teachers Retirement System to reflect an increase in the actuarially determined employer contribution from 21.91% to 22.32%. (pg. 185, \$36,400,437)
2. Increase formula funds to reflect an increase in the health insurance employer contribution per-member-per-month rate for eligible employees from \$1,885 to \$2,028 effective July 1, 2026.

Not in Budget:

1. Salary increases to teachers or any other groups of employees
2. Amendment to the QBE formula for a poverty weight.



House Bill 581

Property Tax Relief and Reform for Georgians

HB 581 (Rep. Shaw Blackmon, 146th) was passed by the Georgia General Assembly on March 28, 2024 and signed by Governor Brian Kemp on April 18, 2024. The bill provides relief and clarity to taxpayers by offering the following: a statewide floating homestead exemption, an optional sales tax to further offset property taxes, and property tax process reforms.

THE ENTIRE BILL REQUIRES THE RATIFICATION OF A CONSTITUTIONAL AMENDMENT TO BE VOTED ON DURING THE GENERAL ELECTION ON NOVEMBER 5, 2024 (HR 1022)

**MARCH 1,
2025**

DATE BY WHICH LOCAL GOVERNMENTS MAY OPT OUT OF PARTICIPATING IN THE FLOATING HOMESTEAD EXEMPTION. TO OPT OUT, A LOCAL GOVERNMENT MUST PASS A RESOLUTION AND HOLD THREE PUBLIC HEARINGS.

STATEWIDE FLOATING HOMESTEAD EXEMPTION

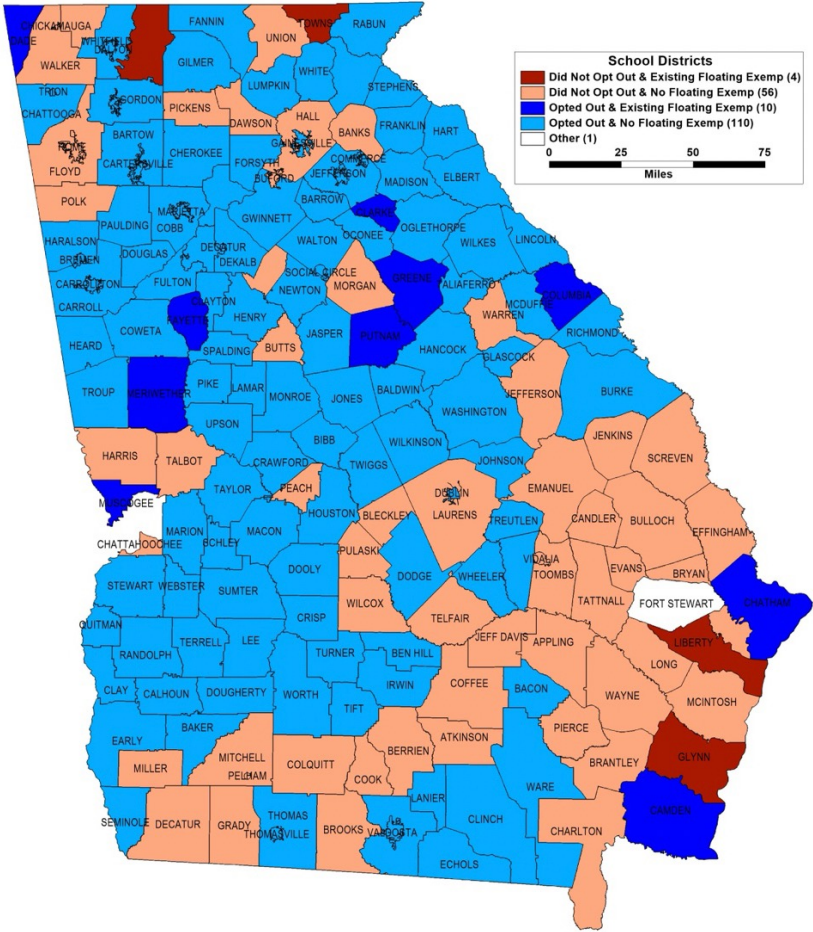
HB 581 provides a **statewide** "floating" homestead exemption that will limit annual assessment increases on a **homesteaded property** to the **rate of inflation**.

This statewide exemption can be used in addition to other homestead exemptions that are not base year value exemptions. If another base year exemption exists locally, the exemption of greater benefit to the homeowner shall be provided.

The base year assessed value for a home will be initially set at the 2024 value of a home and resets whenever a home is sold or receives a substantial property change.

A rate of inflation based on the consumer price index shall be set annually by the Georgia Department of Revenue. Home assessment increases will be limited to this rate of inflation, with any excess being offset by the homestead exemption.

Map 2. FHE Opt In/Out by School District



- Along with 65% of school systems throughout Georgia, DCSD held 3 public hearings and adopted a formal resolution to opt out prior to the deadline of March 1st 2025.

2025 HB 92 (2024 HB581 2.0)

New opt-out rules

The updated law in HB 92 introduced a process for governments that opted out of HB 581 to maintain their exclusion from the floating homestead exemption.

- **Annual renewal (2026–2029):** For tax years 2026 through 2029, a local government that wants to continue opting out must renew its opt-out status.
- **Process:** To renew the opt-out, the local government must hold three public hearings and pass a new resolution by March 1st 2027. Recommend to do March/April 2026 while the momentum is on our side AND so that this process does not conflict with SPLOST 7 referendum in November.
- **Automatic opt-in:** If an opting-out government fails to follow this annual renewal process, the statewide floating homestead exemption will automatically take effect in that jurisdiction.
- **Notice on tax bills:** All jurisdictions that have opted out of the floating exemption are required to include a clear notice on each homestead property's ad valorem tax bill.



DCSD Budget Calendar

FY2027

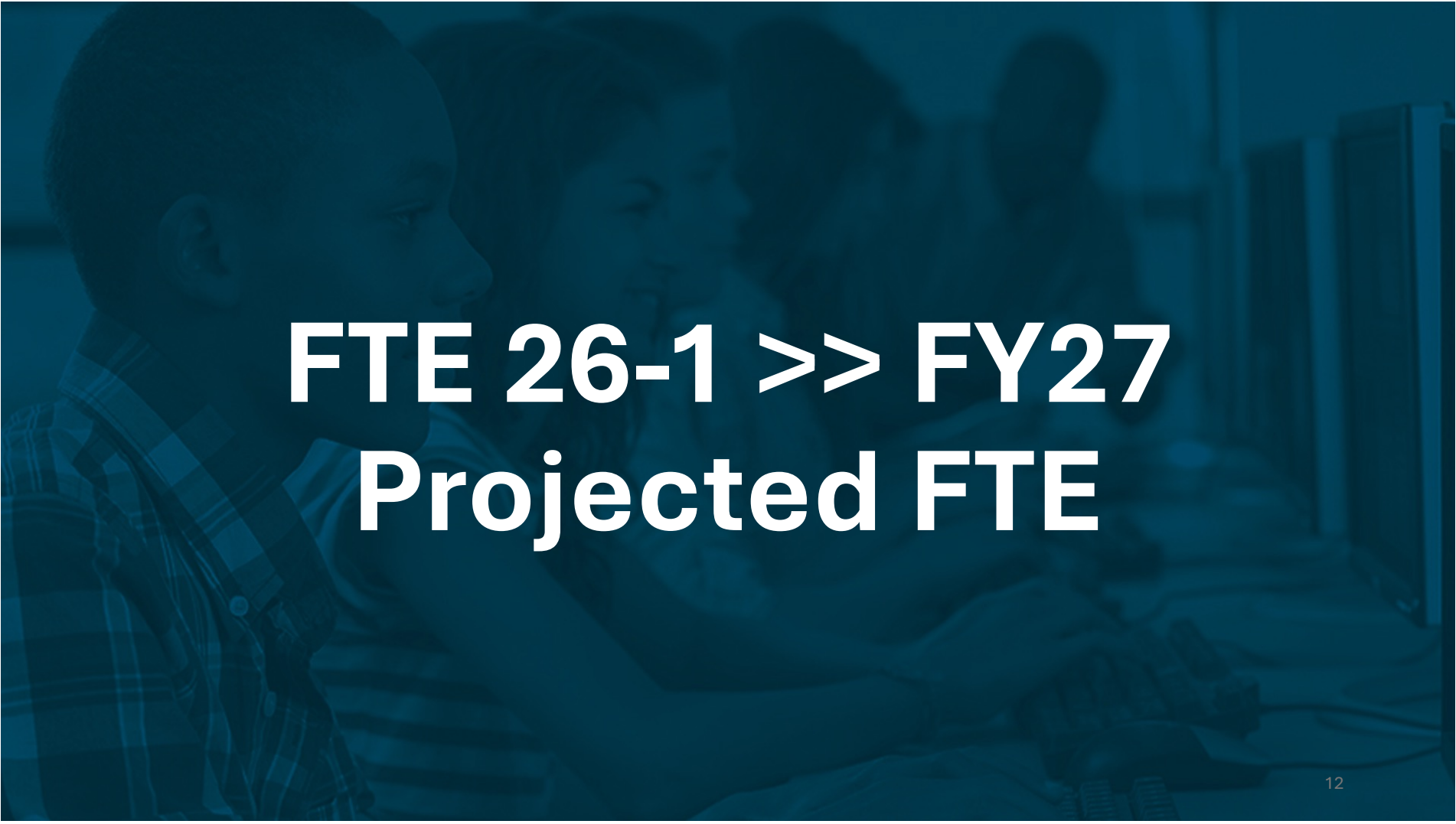
FY27 Budget Timeline

ACTIVITY	CONCENTRATION	DATE
FY2027 budget development calendar drafted	District	May 1, 2025
Board adopts FY2027 budget development calendar	District	June 9, 2025
Establish & Train on Munis / Touchpoint Budget Platform	District	July - September 2025
Biweekly budget development meetings commence for FY2027 Budget	District	October 8, 2025
Student count date for FTE funding	District	October 8, 2025
Distribute budget development instructions to divisions & schedule budget work sessions	District	October 8 - January 16, 2026
FY2027 school-based funding allotment drafts are prepared	Allotments	November 1, 2025 - December 19, 2025
Superintendent Report -shares preliminary initiatives for FY2027 budget with Finance and portential areas to scale back.	District	November 10, 2025
Community and stakeholder surveys are released for input on FY2027 budget development	District	No later than November 30, 2025
FTE forecast is presented to the Board	District	No later than November 30, 2025
Pre Allotment Meetings with Principals - Initial	Allotments	December 2025
Deadline for divisions to submit budgets within budget development software.	District	December 2025
Advertise "Intent to Opt Out of the Homestead Exemption" and hold three public hearings	District	December 2025 - January 2026
Finance and Division leaders meet to discuss division FY2027 Budget requests	District	January 2026
Community and stakeholder survey results collected for input on FY2027 budget priorities	District	February 2026
Adopt resolution to opt out of the homestead exemption	District	February 2026

FY2027 Budget Development

1. 2026-1 October FTE Count >> FY2027 FTE Predictions (refer to Exhibit B)
2. School funding allotments (refer to Exhibit B)
3. Community stakeholder survey is live, will close February 14th.
4. Pre-allotments (refer to Exhibit C) and pre-allotment meetings
5. Initial revenue projection (refer to Exhibit D)
6. Divisional Operational Budgets (refer to Exhibit E)
7. CPI-U as of December 2025 – 2.7%





FTE 26-1 >> FY27
Projected FTE

October 2025 FTE Summary

FTE Category	Oct-25	Mar-25	Oct-24										
	2026-1	2025-3	2025-1										
					(2025-3) & (2026-1)	(2025-1) to (2026-1)	(26-3) Prediction	FY27 Base					
Kindergarten	5,925	5,964	6,028	-1.7%	5944.5	6.49%	-103	-1.71%	5791.48	5880.49	93.46	\$	549,590.82
Kindergarten EIP	275	249	274	0.4%	262	0.29%	1	0.36%	255.26	268.42	93.46	\$	25,086.40
Grades 1 to 3	16,369	17,070	17,342	-5.6%	16719.5	18.26%	-973	-5.61%	16289.11	16342.37	101.21	\$	1,654,011.21
Primary Grades 1-3 EIP	953	975	1,054	-9.6%	964	1.05%	-101	-9.58%	939.18	948.39	101.21	\$	95,987.05
Grades 4 to 5	10,277	10,537	10,691	-3.9%	10407	11.37%	-414	-3.87%	10139.10	10231.03	85.73	\$	877,106.60
Grades 4-5 EIP	644	603	674	-4.5%	623.5	0.68%	-30	-4.45%	607.45	631.82	85.73	\$	54,165.64
Middle School 6 to 8	15,463	16,075	16,223	-4.7%	15769	17.22%	-760	-4.68%	15363.08	15429.69	83.45	\$	1,287,607.79
Grades 9 to 12	18,171	18,317	18,659	-2.6%	18244	19.93%	-488	-2.62%	17774.36	18038.79	126.63	\$	2,284,251.75
Special Education Level 1	2,739	2,760	2,211	23.9%	2749.5	3.00%	528	23.88%	2678.72	2718.91	261.99	\$	712,326.59
Special Education Level 2	1,154	1,043	1,079	7.0%	1098.5	1.20%	75	6.95%	1070.22	1126.07	144.38	\$	162,582.59
Special Education Level 3	3,033	2,943	3,173	-4.4%	2988	3.26%	-140	-4.41%	2911.08	2992.36	217.23	\$	650,030.59
Special Education Level 4	246	256	260	-5.4%	251	0.27%	-14	-5.38%	244.54	245.51	435.45	\$	106,908.60
Special Education Level 5	139	167	162	-14.2%	153	0.17%	-23	-14.20%	149.06	142.35	435.45	\$	61,987.97
GNETS Program	44	45	43	2.3%	44.5	0.05%	1	2.33%	43.35	43.78	83.45	\$	3,653.84
Gifted	6,253	5,914	5,236	19.4%	6083.5	6.64%	1,017	19.42%	5926.90	6144.30	113.93	\$	700,020.06
Remedial Education	613	761	805	-23.9%	687	0.75%	-192	-23.85%	669.32	631.77	70.47	\$	44,520.96
Vocational High School Lab	3,786	3,877	3,958	-4.3%	3831.5	4.18%	-172	-4.35%	3732.87	3768.29	341.23	\$	1,285,853.58
Dual Enrollment - General Education	722	596	594	21.5%	659	0.72%	128	21.55%	642.04	695.35		\$	-
Dual Enrollment - Vocational	38	50	37	2.7%	44	0.05%	1	2.70%	42.87	39.62		\$	-
Study Hall	0	0	0		0	0.00%	0	#DIV/0!	0.00	0.00		\$	-
Other (Non-State Funded)	176	135	71	147.9%	155.5	0.17%	105	147.89%	151.50	167.83		\$	-
ESOL	3,900	3,859	4,098	-4.8%	3879.5	4.24%	-198	-4.83%	3779.63	3859.88	70.47	\$	272,005.61
System Total for DeKalb County	90,920	92,196	92,672	-1.9%	91558	100.00%	-1,752	-1.89%	89201.12	90347.04			\$ 10,827,697.66
									89,201				
											Class Wallet		\$ 3,000,000.00
													\$ 13,827,697.66



Pre-Allotments

Allotments Summary - Changes for FY27

	FY26	FY27	Change
Teachers (incl. Core, EIP, ESOL, etc)	4,092.75	4,072.00	-20.75
DCSD Instructional (Art, PE, Music, etc.)	897.75	892.25	-5.50
Special Education	2,029.25	2,102.75	+73.50
Support Staff (AP, Counselor, LTSE, etc.)*	1,241.10	1,361.10	+120.00
Clerical	426.00	420.00	-6.00
Custodial	785.00	778.00	-7.00
Total	9,471.85	9,626.10	+154.25

*FY27 includes allocation for MTSS (+123) which was not included in FY26 General Ed allotments



General Education Teacher Allotments - Changes for FY27

	Count	Change
Schools Gaining	44.00	+76.50
Schools Losing	43.00	-97.25
Schools with No Change	42.00	

By Type	FY25	FY26	Change
Elementary Total	2,158.50	2,184.50	+26.00
Middle School Total	808.50	807.00	-1.50
High School Total	1,042.50	1,020.00	-22.50
Centers Total	83.25	60.50	-22.75

By Area	FY25	FY26	Change
ES Area 1	540.00	552.00	+12.00
ES Area 2	466.50	478.50	+12.00
ES Area 3	260.00	264.00	+4.00
MS Area	709.00	708.50	-0.50
HS Area	724.00	714.00	-10.00
Horizon Area	1,130.25	1,124.50	-5.75
Spec Area	263.00	230.50	-32.50
Total	0.00	0.00	0.00

A group of people in a meeting, overlaid with a dark blue filter. The text "Initial Revenue Projection" is centered in white.

Initial Revenue Projection

FY2027 Initial Revenue Projection

Revenues	FY2026	FY2027	Change
Property Taxes	\$ 1,001,496,971.00	\$ 1,035,658,864.87	\$ 34,161,893.87
Sales Taxes	\$ 6,000,000.00	\$ 7,500,000.00	\$ 1,500,000.00
State Funds	\$ 590,784,324.00	\$ 590,460,425.45	\$ (323,898.55)
Federal Funds	\$ -	\$ -	\$ -
Charges for Services	\$ 1,000,000.00	\$ 1,000,000.00	\$ -
Investment Earnings	\$ 17,500,000.00	\$ 20,000,000.00	\$ 2,500,000.00
Miscellaneous	\$ 2,730,000.00	\$ 3,300,000.00	\$ 570,000.00
Total Revenues	\$ 1,619,511,295.00	\$ 1,657,919,290.32	\$ 38,407,995.32



Division Operational Budgets

FY2027 Division Operational Budgets

Segment 2	Values					
	CY Revised Budget	CY Actual	LY Actual	Level 01	Level 02	Level 03
010 - SUPERINTENDENT'S OFFICE	12,978,710.79	3,286,431.12	7,915,503.77	8,322,836.48	8,490,278.48	8,590,278.48
015 - SCHOOL BOARD	291,586.41	108,718.23	218,202.44	314,936.00	289,276.00	289,276.00
020 - SCHOOL LEADERSHIP	3,484,899.51	1,002,444.43	2,468,880.33	2,227,829.50	3,175,882.17	3,175,882.17
026 - COMM ENGAG, INNOVATIVE, PARTNE	1,972,299.29	239,354.44	1,189,208.82	1,337,749.62	1,337,749.62	1,337,749.62
030 - ACCOUNTAB & CONTINUOUS IMPROV	4,653,594.95	3,085,911.21	3,423,260.38	3,075,761.00	4,721,575.00	4,721,575.00
035 - CURRICULUM AND INSTRUCTION	19,590,189.20	11,184,274.10	13,898,259.84	16,916,022.02	47,597,736.93	47,597,736.93
040 - OPERATION & FACILITIES	169,679,185.02	71,126,752.48	122,568,812.73	177,238,396.44	180,671,087.58	180,671,087.58
050 - FINANCE	8,578,504.97	1,146,286.75	3,596,706.43	9,316,329.13	9,192,000.00	10,692,000.00
060 - HUMAN RESOURCES	2,019,857.73	754,514.97	2,068,454.29	2,210,516.73	2,198,516.73	2,198,516.73
070 - INFORMATION & INSTR. TECH	22,939,356.80	11,538,314.95	19,599,997.70	19,152,836.52	22,622,799.00	22,622,799.00
080 - LEGAL SERVICES	11,236,687.78	5,496,405.32	32,356,369.45	11,343,089.97	9,947,242.00	9,866,053.00
090 - STUD SUPPORT & INTERVENTION	3,978,319.41	1,287,241.27	1,767,105.58	3,657,287.88	4,212,201.02	4,212,201.02
092 - DIV OF ACCESS AND OPPORTUNITY	3,489,993.73	1,640,910.41	3,577,114.26	3,467,148.36	6,265,601.07	6,265,601.07
094 - STUDENT SERVICES	9,893,024.74	3,846,579.37	6,430,340.96	8,701,091.82	10,101,754.36	10,101,754.36
110 - CHARTER SCHOOLS	62,146,761.02	37,581,873.99	68,876,534.91	62,146,761.02	62,146,761.02	62,146,761.02
115 - SYSTEMWIDE	8,100,000.00	3,268,099.22	63,949,419.69	8,100,000.00	8,100,000.00	8,100,000.00
	345,032,971.35	156,594,112.26	353,904,171.58	337,528,592.49	381,070,460.98	382,589,271.98

A photograph of a group of people, including a young boy in the foreground, looking at a computer screen. The image is overlaid with a dark blue semi-transparent filter. The text 'CPI-U December 2025' is centered in white.

CPI-U December 2025

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Dec. 2025
	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	
All items.....	0.3	0.2	0.4	0.3	-	-	0.3	2.7
Food.....	0.3	0.0	0.5	0.2	-	-	0.7	3.1
Food at home.....	0.3	-0.1	0.6	0.3	-	-	0.7	2.4
Food away from home ¹	0.4	0.3	0.3	0.1	-	-	0.7	4.1
Energy.....	0.9	-1.1	0.7	1.5	-	-	0.3	2.3
Energy commodities.....	1.0	-1.9	1.7	3.8	-	-	-0.4	-3.0
Gasoline (all types).....	1.0	-2.2	1.9	4.1	-2.1	3.0	-0.5	-3.4
Fuel oil.....	1.3	1.8	-0.3	0.6	-	-	-1.5	7.4
Energy services.....	0.9	-0.3	-0.2	-0.7	-	-	1.0	7.7
Electricity.....	1.0	-0.1	0.2	-0.5	-	-	-0.1	6.7
Utility (piped) gas service.....	0.5	-0.9	-1.6	-1.2	-	-	4.4	10.8
All items less food and energy.....	0.2	0.3	0.3	0.2	-	-	0.2	2.6
Commodities less food and energy commodities.....	0.2	0.2	0.3	0.2	-	-	0.0	1.4
New vehicles.....	-0.3	0.0	0.3	0.2	0.1	0.2	0.0	0.3
Used cars and trucks.....	-0.7	0.5	1.0	-0.4	0.7	0.3	-1.1	1.6
Apparel.....	0.4	0.1	0.5	0.7	-	-	0.6	0.6
Medical care commodities ¹	0.1	0.1	-0.3	-0.1	-	-	0.3	1.5
Services less energy services.....	0.3	0.4	0.3	0.2	-	-	0.3	3.0
Shelter.....	0.2	0.2	0.4	0.2	-	-	0.4	3.2
Transportation services.....	0.2	0.8	1.0	0.3	-	-	0.5	1.5
Medical care services.....	0.6	0.8	-0.1	0.3	-	-	0.4	3.5

FY2027 Budget Development

Remaining Items

1. HB92 Affirmation of HB581 Opt Out
 1. **Hearing 1** - Monday, March 30th, @ 6:00 p.m. – Board Room
 2. **Hearing 2** - Monday, April 13th, @ 10:00 a.m. – Board Room
 3. **Hearing 3** - Monday, April 20th, @ 10:00 a.m. – Board Room
 4. **Formal Adoption of Resolution** – Monday, April 20th @ 11:30 a.m. – During Board Meeting
2. Final Revenue Projection
 1. QBE – Mid April
 2. Property Tax Digest – Early May (**refer to Exhibit F**)
3. Salary and Benefit Projections
 1. Schools – Based on RAMP
 2. Divisions – Flat / subject to Central Office Operational Assessment
4. Survey – by February 14th
5. Finalize Initiatives



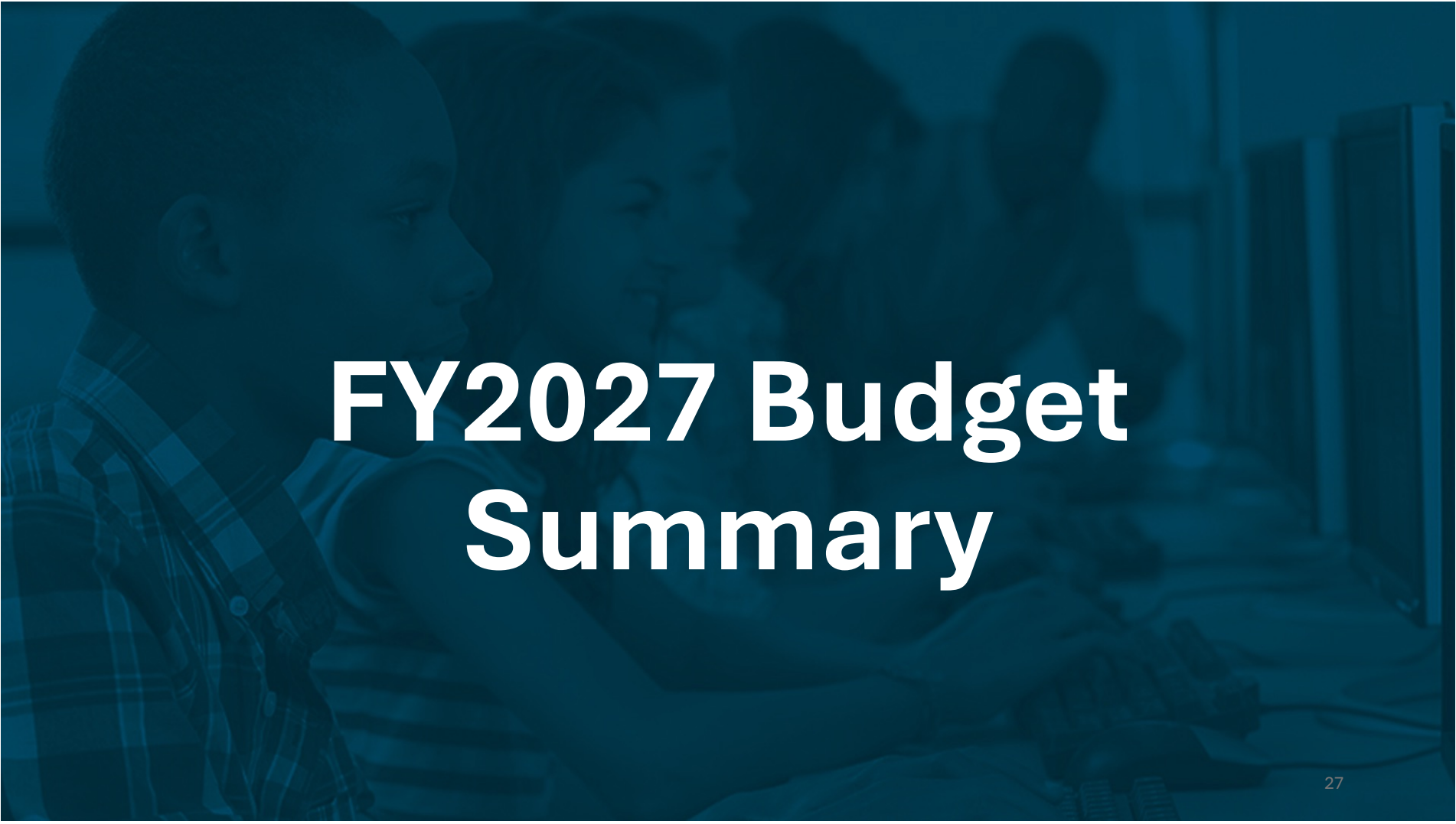
FY27 Possible Initiatives

FY2027 Potential Initiatives

- Budget neutral - Horizon area support (strongly encouraged)– utilize existing budget to offer:
 - Continued ongoing support, plus
 - Investigate adding a kindergarten para using funds
 - Investigate providing transfer incentive
- \$2.4m Kindergarten paraprofessionals (as funding allows)
- Salary Increases
 - \$5.0m Step increases (strongly encouraged)
 - \$12.0m for 1% COLA (as funding allows)
- Benefit Increases
 - \$3.5m TRS increase (mandatory)
 - \$18.5m SHBP increase (mandatory)
 - 403b vesting / matching contributions (as funding allows)
- Curriculum adoption
 - \$14.5m - Social Studies (strongly encouraged)
 - \$14.5m - Science (strongly encouraged)
- Investment in facilities (as funding allows)
- Continue to reduce millage rate (as funding allows)

FY2027 Potential Initiatives

		Mandatory	Strongly Encouraged	As Funding Allows
Ongoing	Horizon Support			
	Kindergarten Paraprofessionals			\$ 2,400,000.00
	Step Increase		\$ 5,000,000.00	
	1% COLA			\$ 11,500,000.00
	TRS Increase	\$ 3,500,000.00		
	SHBP	\$ 18,500,000.00		
One Time	403b matching			\$ 2,800,000.00
	Social Studies Adoption		\$ 14,500,000.00	
	Science Adoption		\$ 14,500,000.00	
	Facility Investment			\$ 15,000,000.00
		\$ 22,000,000.00	\$ 34,000,000.00	\$ 31,700,000.00
Additional Anticipated Funding		\$ 38,400,000.00		



FY2027 Budget Summary

FY27 Budget – Allocation

FY2026		Divisions	Schools			
S&B		19.90%	58.16%			
Operational		21.05%	0.89%			
			100.00%			
Budget Breakdown by %				Budget Breakdown by \$		
FY2027		Divisions	Schools	FY2027	Divisions	Schools
S&B		19.84%	58.50%	S&B	\$ 224,142,270.08	\$ 985,248,151.51
Operational		20.79%	0.87%	Operational	\$ 350,142,035.38	\$ 14,652,408.41
		38.25%	61.75%		\$ 684,284,314.46	\$ 999,900,559.92
						\$ 1,684,184,874.38



Key Takeaways

Key Takeaways

1. Georgia Income Tax Reduction / Elimination
2. AFY2026 governor recommended budget provides \$2,000 one-time payment before June 30th
3. FY2027 governor recommended budget includes funds for increase in TRS, SHBP, but no salary increase.
4. 2026 legislative session includes bills that would make participation in a floating homestead exemption mandatory or impact local property taxes in other ways.
5. Property tax digest unknown at this time, however the plan is to cap the tax increase to no more than 2.7% as defined by CPI-U. Goal is to further reduce the millage rate if possible.
6. Significant shift in recent years, costs increasing without corresponding revenue increases and a high focus on limiting property taxes. Emphasizes the need to focus on efficiency with resources provided. Any new initiatives and expenses offset by reductions elsewhere in the budget.
7. Will continue to evaluate budget initiatives and priorities as the remaining pieces of the puzzle come together.



Questions?
