



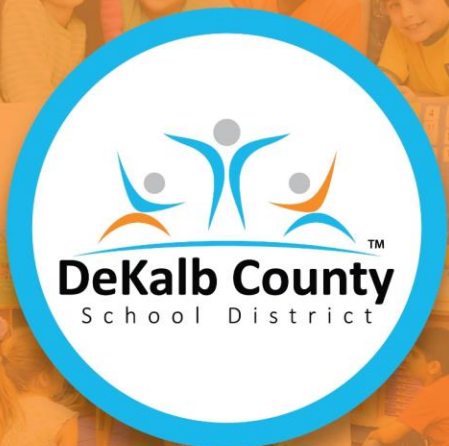
**DeKalb County**  
School District

# FY2027 Budget Discussion

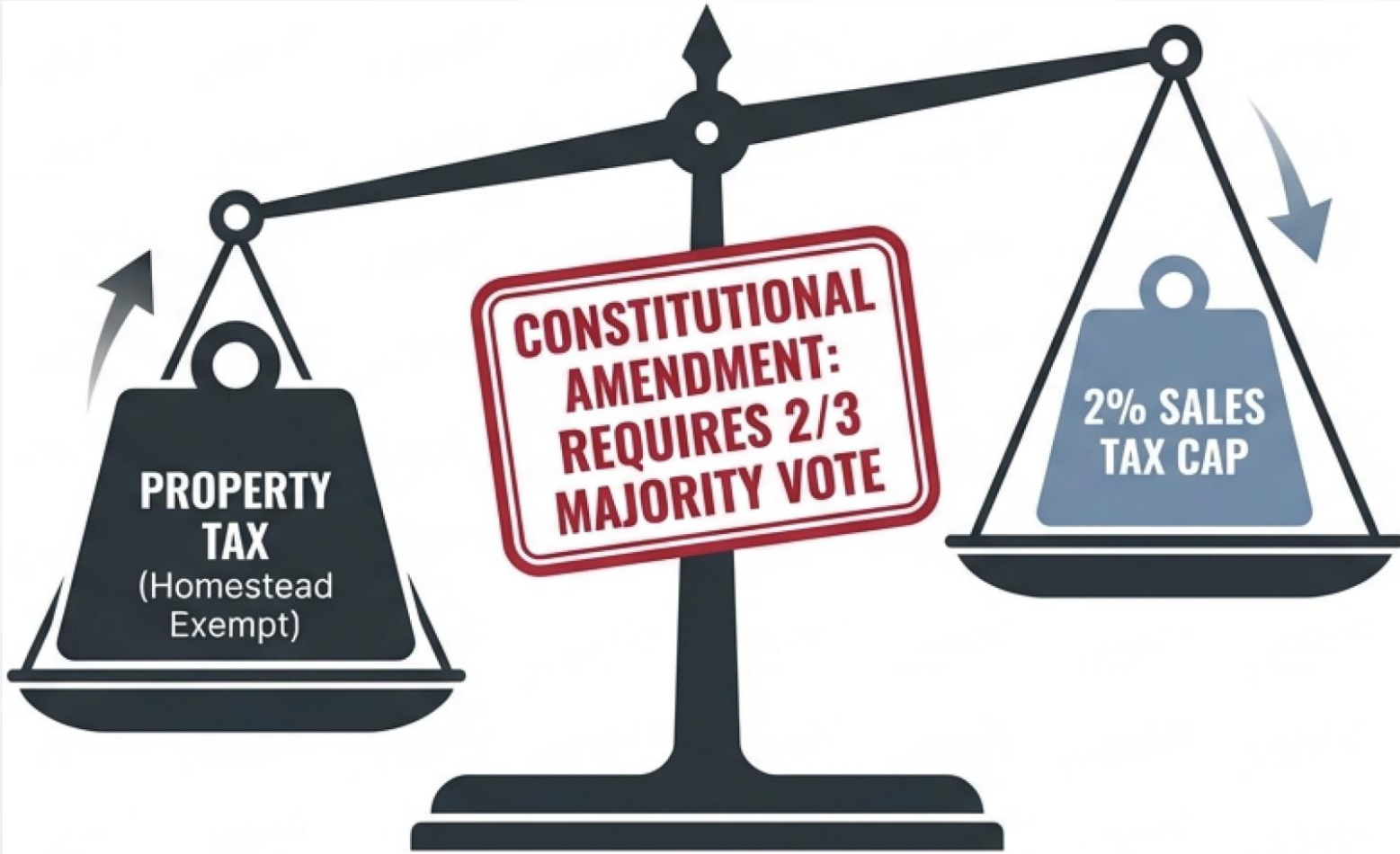
2.24.2026

# Legislative Updates

2.24.2026

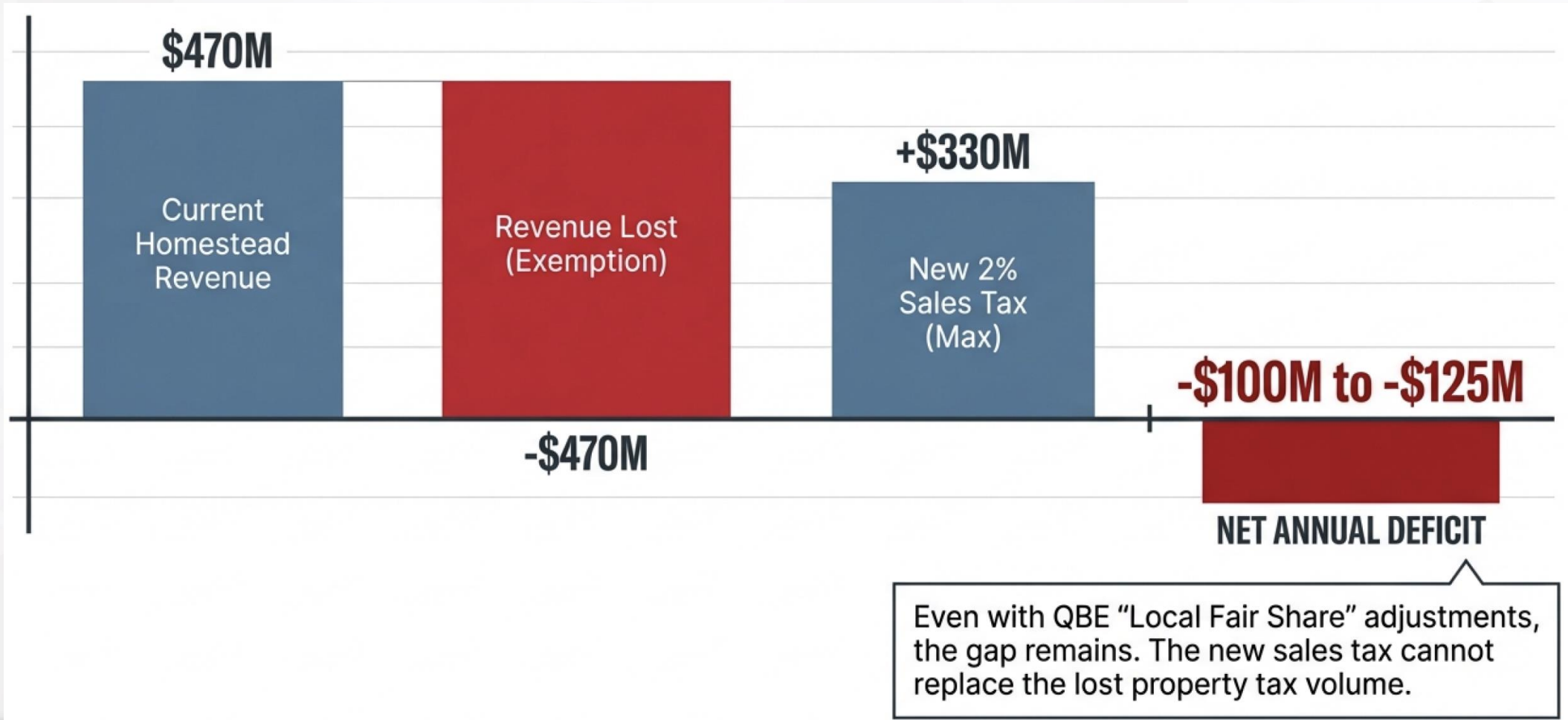


# HR1114 & HB1116: “HOME Act”



- **HR 1114:** Removes cap on homeowner benefits (**Constitutional Amendment**).
- **HB 1116:** Establishes Homestead Option Sales Tax (HOST).
- Result: **Elimination of school property tax** for homesteads.

# HR1114 & HB1116: “HOME Act”



# HR1114 & HB1116: “HOME Act”



## PERSONNEL

Substantial Reduction in Force (RIF). Outsourcing classified staff to contractors.



## CONSOLIDATION

Piggy back on SAP and accelerate school closures and consolidations.



## BENEFITS

Elimination / reduction of non-mandated benefits (e.g., TRS 401k match).



## SERVICES

Review of non-mandated services such as of Athletics, Pre-K 3 etc...

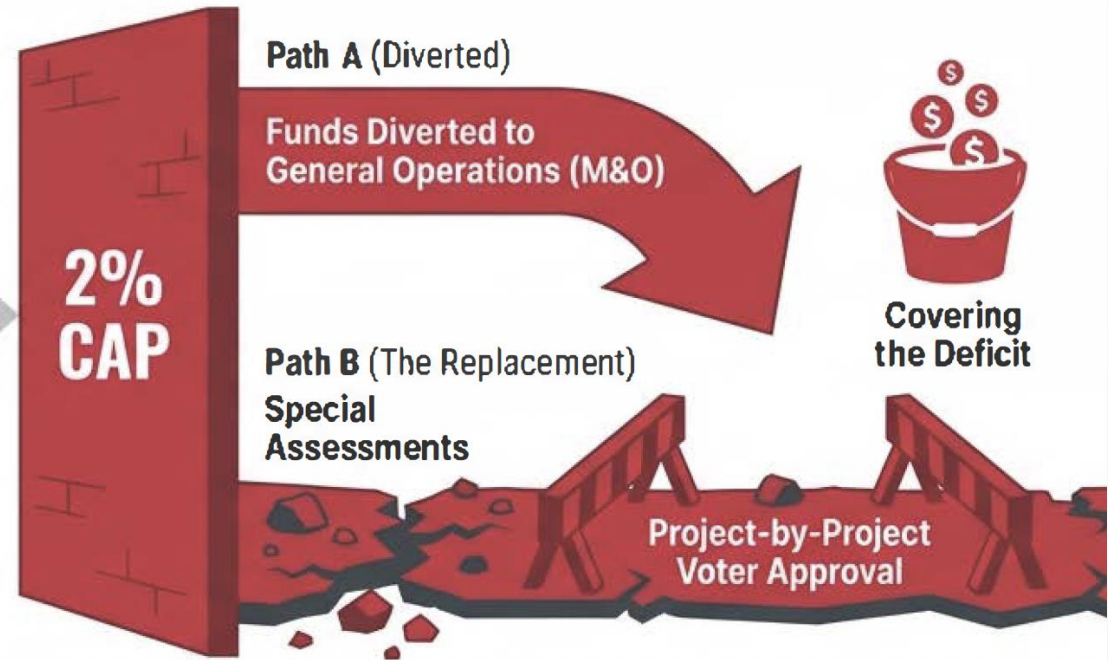
# HR1114 & HB1116: “HOME Act”

CURRENT STATE

**1% ESPLOST**  
(**\$900M / 5 Years**)



PROPOSED LEGISLATION



**Key Consequence: The 2% cap converts funds for capital projects (ESPLOST) to M&O use. Funding capital projects with “Special Financing Assessments” requires impractical individual ballots for every single repair project.**

# SB382: Property Tax Relief

---

- Unlike previous legislation (2024 HB 581 & 2025 HB 92) which allowed local governments to opt-out, 2026 SB 382 requires all counties and school systems to apply the homestead exemption caps.
- Passed the Senate and in the House, likely considered a fallback position if HR1114 & HB1116 do not gain the necessary support.

# HB1105 - Statewide Senior Exemption

## LEGISLATIVE PROVISIONS OF HB 1105



### 100% School Tax Exemption for Seniors (65+)

Eliminates all ad valorem taxes for education purposes for homestead owners aged 65+.



### Effective Date: January 1, 2027

Pending approval by a statewide voter referendum scheduled for the November 2026 general election.



### Single-Filing Application Process

Residents must file an initial affidavit; the exemption then remains valid until eligibility changes.

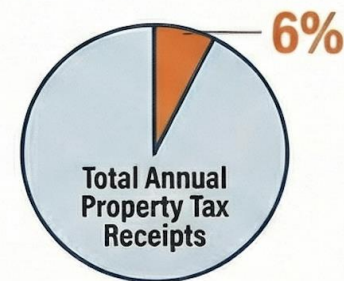
## FINANCIAL IMPACT ON DEKALB COUNTY SCHOOLS



# \$52 MILLION

### Projected Revenue Loss

Initial analysis indicates the district stands to lose over \$52 million in funding.



### 6% Reduction in Tax Receipts

The loss represents approximately 6% of the district's total annual property tax receipts.



### Impact on Senior-Owned Homesteads

The loss is driven by the high volume of properties owned by residents 65+.

STRATEGIC BRIEFING

# SB209 Strategic Impact Analysis

Legislative expansion of TRS eligibility to Public School Employees Retirement (PSER) members.

---

Prepared for the DeKalb County Board of Education  
Data Basis: FY2025 Payroll Baseline



# SB 209: A Structural Shift in Employee Benefits

Modernizing retirement pathways for Transportation, Nutrition, Maintenance, and Custodial staff.

## PATH A: CURRENT STATE

PSERS (Public School Employees Retirement System)

## PATH B: NEW OPTION

TRS (Teachers Retirement System)

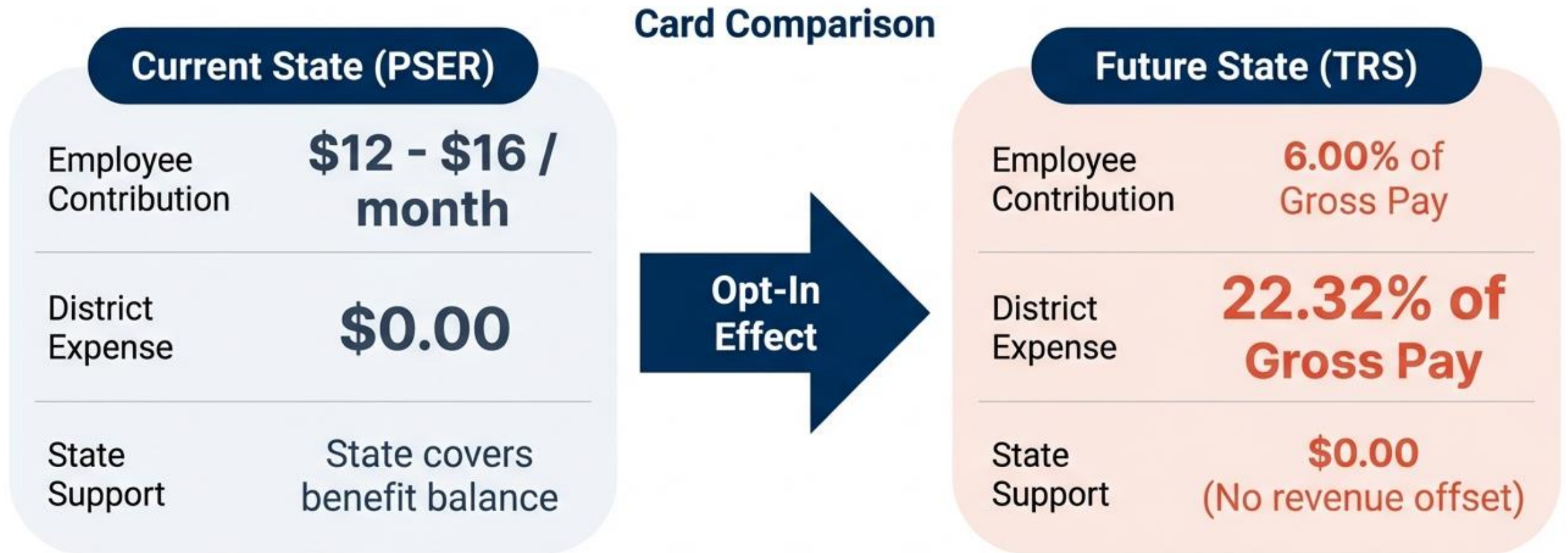


## The Mechanism

- Eligibility: Permanent staff working >50% time.
- New Hires (Post-Sept 2026): Must choose within 10 days of hire.
- Current Staff: One-time option to switch effective Sept 1, 2026.

# The Unfunded Mandate: Shifting Liability to the District

Transitioning employees to TRS removes State financial support, transferring the full funding burden to the District.



**KEY TAKEAWAY:** For every employee who opts in, the District moves from \$0 liability to funding **nearly a quarter** of that employee's salary from local funds.

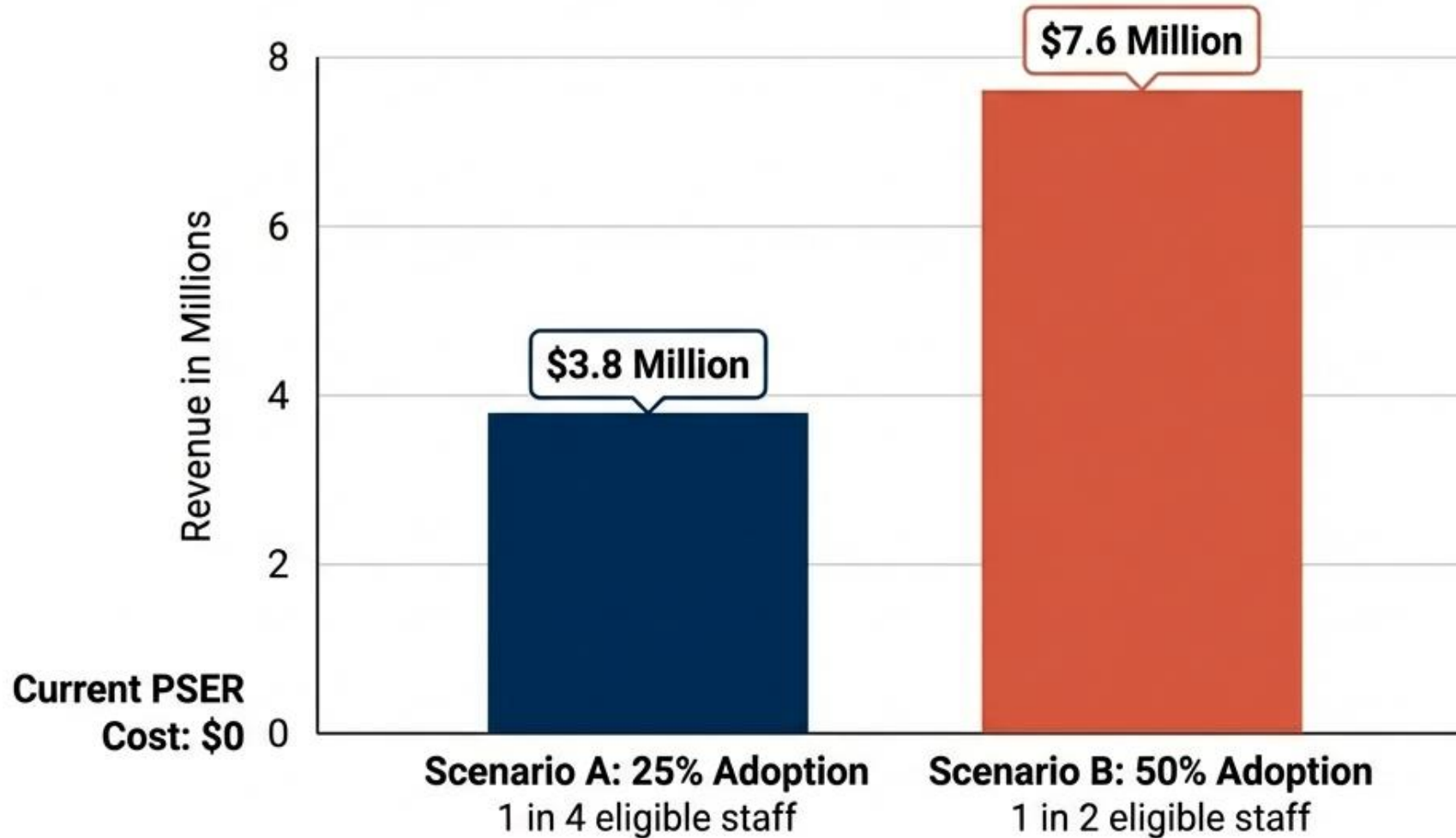
# Forecasted Financial Exposure (FY2025 Basis)

With no corresponding QBE revenue increase, the District faces a multimillion-dollar unfunded liability.

## DATA BASELINE

Total TRS Covered Payroll: **\$66.8 Million**

Employer Contribution Rate: **22.32%**

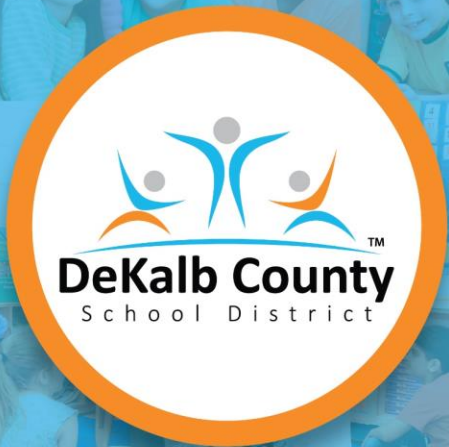


## STRATEGIC IMPLICATION

- Expense acts as an automatic salary increase on the district's ledger without State support.
- Requires immediate forecast adjustment for FY2026/27 budget cycles to accommodate potential \$7.6M exposure.

# Budget Survey Results

FY2027



# Budget Survey Results

---

- FY27 Budget Survey - Responses & Analysis
  - 2,518 took survey
  - Quantifiable results in graph form
  - Open ended questions dropped into copilot to bring out themes, insightful responses and key takeaways.
- FY27 Budget Priorities
  - Salary & Benefits / Instruction & School Leadership / District Operations
  - Mandatory / Strongly encouraged / As funding allows

# FY27 Community Mandate: Alignment & Focus

## Executive Synthesis of Budget Survey Results

The challenge facing DCSD is not ambition, but alignment. Stakeholders are not asking the district to do less—they are asking the district to do less ‘far away’ and more where learning happens.



### Spend Closest to Students

Prioritize classrooms, early intervention, and special education over district infrastructure.



### Workforce Stability

Competitive compensation is viewed as a student outcome issue, not just a workforce concern.



### Early & Equitable

Invest in K-3 reduction and paraprofessionals; prevention is cheaper than remediation.



### Whole Child Safety

Mental health supports are prerequisites to learning; prioritize people over ‘security theater’.

# Guiding Principles for Decision Making

## Translating Community Feedback into Fiscal Action

### 1 Start Farthest from the Student

Target central office overhead, duplicative administration, and low-impact software first.

### 2 People Over Platforms

Invest in staffing (counselors, paras, teachers) before renewing hardware or consultant contracts.

### 3 Early is Cheaper than Late

Protect K-3 investments (Class size, Paras) to reduce long-term special education remediation costs.

### 4 Autonomy with Guardrails

Shift toward weighted, needs-based funding models.

*“Communities are not asking the district to do less for students—they are asking the district to do less far away from them and more where learning actually happens.”*

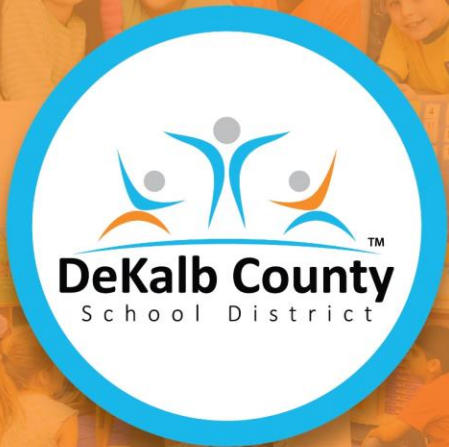
# Strategic Alignment: Restoring Trust

## A Budget that Listens

COMMUNITY VOICE	FY27 BUDGET ACTION
Prioritize Retention	✓ <b>Funded Steps + \$18.5M SHBP Absorption</b>
Invest Early (K-3)	✓ <b>Focus on Addition of Paraprofessionals in Kindergarten</b>
Enhance 403b Contributions	✓ <b>Enhanced 403b Contributions + 2-Year Match Availability for All Employees</b>
Fiscal Discipline	✓ <b>Maintain or Reduce Millage Rate + Targeted Cuts Away from Students</b>

**This budget focuses resources where they matter most: Closest to the student.**

# Local Senior Exemption



# Local Senior Exemption

---

## **Age 62:**

- H3 – Full school exemption ( $\leq$  \$10k GA Net Income)
- H7 – \$22,500 school AV reduction ( $\leq$  \$40k gross)

## **Age 65:**

- H4 – Full school exemption ( $\leq$  \$10k GA Net Income)
- H6 – \$16,500 school AV reduction ( $\leq$  \$37,500 GA Net)
- H8 – \$22,500 school AV reduction ( $\leq$  \$40k gross)

## **Age 70:**

- H9 – Full school exemption ( $\leq$  indexed Federal AGI cap  $\sim$  \$107k+)

# Local Senior Exemption

---

- **Option A – Age 65+ with Lower AV Reduction**
  - \$3,000 AV reduction
  - Similar total cost, broader participation
- **Option B – Senior Value Freeze (Growth Only)**
  - Freeze taxable value for DCSD M&O at base-year value
  - Shields seniors from future appreciation increases
  - Minimal immediate revenue impact
  - Long-term cost grows gradually
- **Option C – Expand H9 Income Cap Slightly**
  - Maintain age 70 full exemption
  - Increase indexed income threshold modestly
  - Would require actuarial modeling before adoption