Leverage Data to Drive Strategic Financial Investments

Bryan Stephens – Chief Financial Officer (Interim)

ATLANTA PUBLIC SCHOOLS

A COMMUNITY OF BELIEVERS GETTING BACK TO BASICS

Our Strength is Our Team

Atlanta's students will have effective and engaged teachers, leaders, and staff.

- Increase concentration of highly-effective teachers and leaders
- Prioritize engagement and retention for staff
- Grow and promote strong teachers, leaders, and staff

Our Responsibility Is Shared

Atlanta's students will have supportive families, communities, and partners.

- Build meaningful partnerships
- Expand Atlanta Partners for Education (APFE) impact
- Increase access and engagement for families and communities

Our System Is Efficient & Effective

Atlanta's students will have the schools and resources they need to succeed.

- Maximize facility usage for the student and community good
- Leverage data to drive strategic financial investments
- Implement sustainability initiatives

We Are Strengthening Our Instructional Core

Atlanta's students will have high-quality instruction, materials, and targeted support.

- Implement high-quality, relevant, and engaging instructional materials and professional learning in all core content areas
- Target resources towards subgroups (e.g. exceptional education, economically-disadvantaged)
- Accelerate early learning

We Are Caring For Every Child

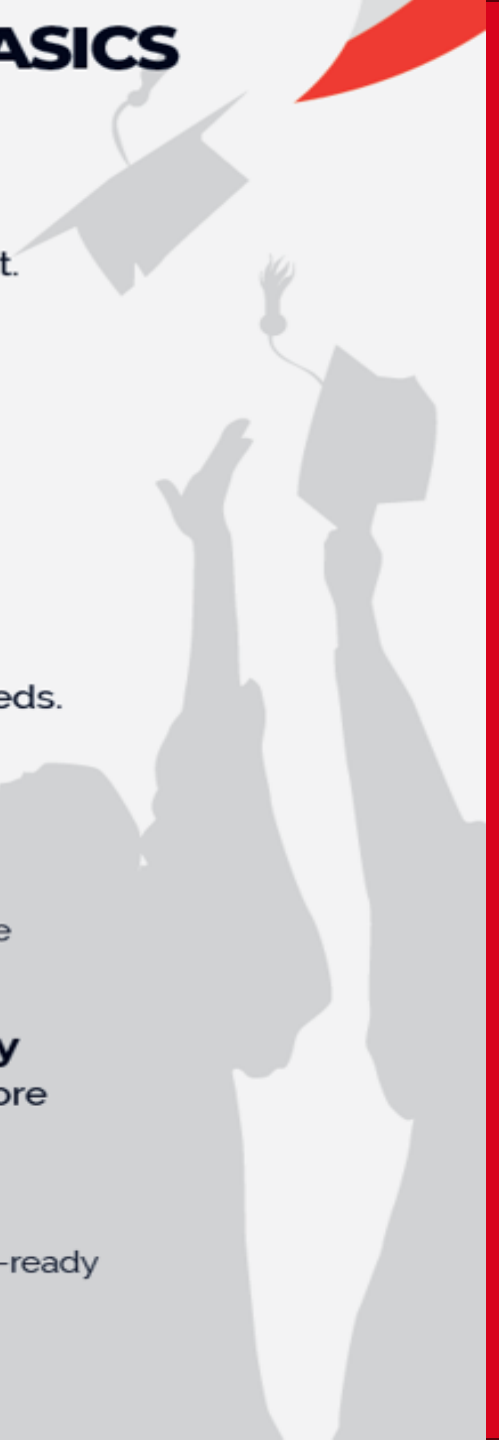
Atlanta's students will have trusted, supportive adults meeting their unique needs.

- Expand strategies that reduce chronic absenteeism and disproportionate discipline
- Implement systematic culture and climate strategies
- Increase student access to trusted and reliable adults (e.g. mentors, coaches, counselors)

We Are Sparking Student Curiosity

Atlanta's students will have access to explore and expand their passions and interests.

- Promote robust arts, athletics, world language, and enrichment offerings
- Expand access to high-interest and workforce-ready offerings (e.g. career programs and pathways, advanced coursework)
- Explore specialized and innovative school models (e.g. School of the Arts)



Agenda

Purpose

To provide an update on the district's financial position including FY2026 Year-End Financials, FY2027 Monthly Financials, Proposed FY2027 budget adjustments and economic updates, Dekalb County ESPLOST VI Final Agreement, 2026 Tax Digest Update and Millage adoption.

Roadmap

- FY2026 Year-End General Fund Financials
- Monthly Financial Update
  - Proposed Budget Adjustments
- FY2027 Financial Headwinds
- Dekalb County ESPLOST VI Final Agreement
- 2026 Tax Digest Update and Millage Rate Adoption

Administration's Takeaways

The District remains financially stable, with budget adjustments reflecting updated funding and revenue projections. Early FY2027 results will guide ongoing budget decisions will guide future decisions.



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FISCAL YEAR 2026 YEAR END FINANCIALS AND FUND BALANCE UPDATES

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FY2026 General Fund Revenue and Expense Summary

		2025			2026		
		Budget	Actual	+/-	Budget	Actual	+/-
Revenue	Local	($942.93M)	($944.46M)	100.16%	($988.07M)	($989.32M)	100.13%
	State	($234.92M)	($246.03M)	104.73%	($269.04M)	($270.26M)	100.45%
	Other	($31.01M)	($42.18M)	135.99%	($32.88M)	($24.85M)	75.59%
	Total	($1,208.86M)	($1,232.67M)	101.97%	($1,290.00M)	($1,284.43M)	99.57%
Expenses	Instruction	$818.78M	$852.07M	104.07%	$832.19M	$839.39M	100.86%
	Pupil Services	$77.41M	$80.72M	104.28%	$98.55M	$93.50M	94.87%
	School Administration	$54.89M	$57.47M	104.70%	$59.03M	$60.26M	102.09%
	Staff Services	$74.08M	$78.02M	105.31%	$71.46M	$72.08M	100.87%
	General Admin	$70.98M	$65.49M	92.25%	$69.07M	$64.73M	93.72%
	Maint & Ops	$139.36M	$128.32M	92.08%	$128.53M	$119.43M	92.92%
	Student Trans Service	$45.56M	$50.73M	111.37%	$48.30M	$52.37M	108.42%
	Operating Transfer	$8.31M	$6.69M	80.44%	$3.10M	$2.35M	75.90%
	Total	$1,289.37M	$1,319.50M	102.34%	$1,310.24M	$1,304.12M	99.53%
Fund Balance	Use of Fund Balance (Budget)	($80.51M)	($86.83M)	107.85%	($20.24M)	($19.68M)	97.24%
	Total	($80.51M)	($86.83M)	107.85%	($20.24M)	($19.68M)	97.24%

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Fund Balance Update

FY2026

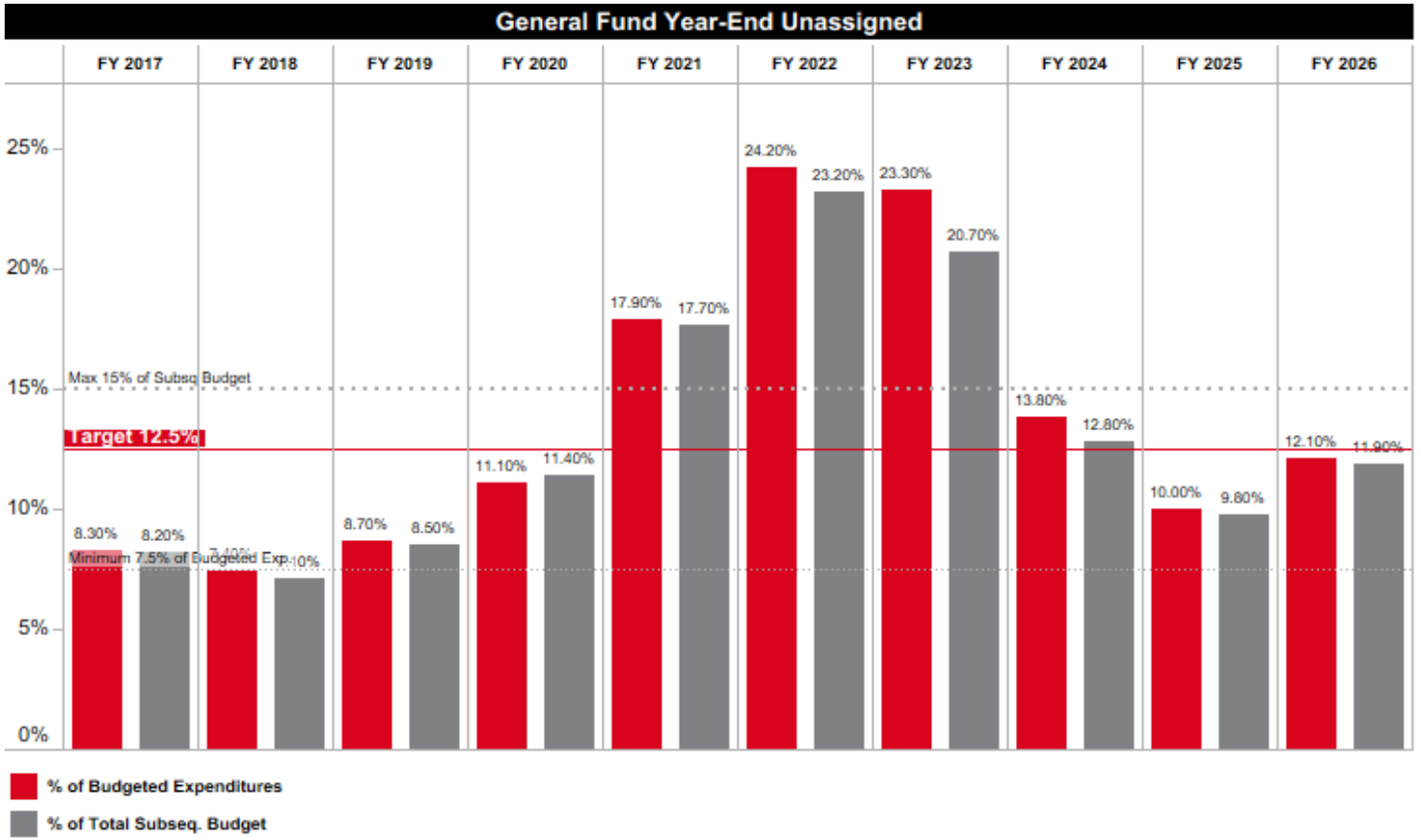
FY2026 Beginning Fund Balance	**$175.37M**
Anticipated Use of Fund Balance *	-$19.68M
Ending Fund Balance (Estimated)	**$155.69M**
FY2026 Expenditures	$1,284.43M
% of Expenditures	**12.12%**

FY2027

FY2026 Beginning Fund Balance	**$155.69M**
Anticipated Use of Fund Balance *	$0.00
Ending Fund Balance (Estimated)	**$155.69M**
FY2026 Expenditures	$1,303.43M
% of Expenditures	**11.94%**

Represents ~1.5 months of operating expenses; best practices recommend a minimum of 2 months of cash reserves (~17%) and State law allows reserves up to 25%

Historical by Percentage of Expenditures



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).

** Includes recent usage of fund balance for one-time stipends. | All figures in millions USD.*

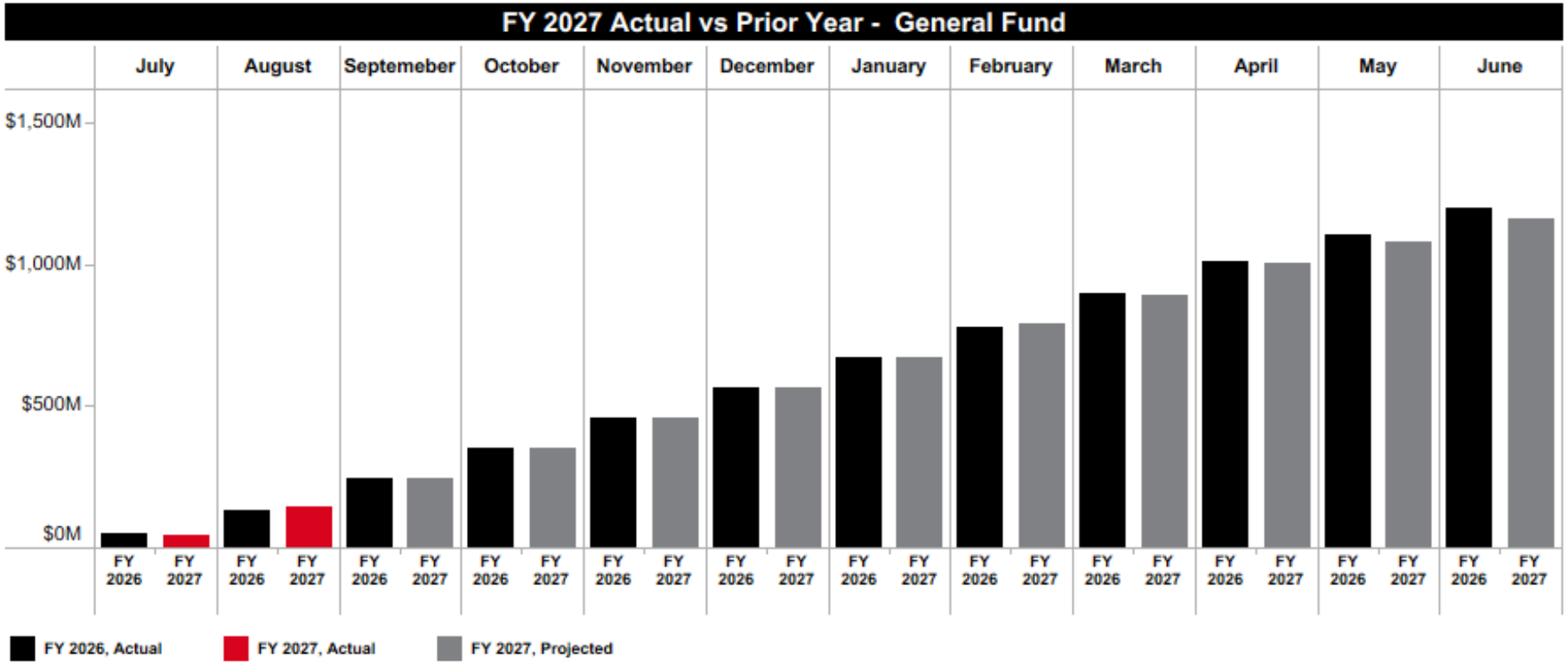


FINANCIAL UPDATE:
FY27 BUDGET ADJUSTMENTS AND MONTHLY REVENUE/EXPENDITURE UPDATES

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FY 2027 YTD Expenditures



	Actual $	% of Budget	Obligated Funds	Total Consumption	Consumption %
FY 2027	$142.91M Actual $	11.10% % of Budget	$57.27M Obligated Funds	$200.18M Total Consumption	15.55% Consumption %
FY 2026	$133.36M Actual $	10.48% % of Budget	$46.07M Obligated Funds	$179.43M Total Consumption	14.10% Consumption %

Budget Adjustments

General Fund: $3,625,754

Description	Funding Source	Amount
Title I, Part A Family Engagement Consolidated	Federal Grant	$20,617
Title I, Part A-Consolidated	Federal Grant	$654,860
School Security Grant	State Grant	**$2,950,277**



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Budget Adjustments

Special Revenue: ($1,937,748)

Description	Funding Source	Amount
Title I, Part A	Federal Grant	-$1,937,748

Information

- FY2027 September Special Revenue Report



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FY27 FINANCIAL HEADWINDS AND FY28 FUNDING PRIORITIES

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INVESTING IN WHAT MATTERS MOST

APS' First Balanced Budget Since FY'23

*with $0 use of Fund Balance

In a lean budget year, we will invested in …

OUR STUDENTS



STRENGTHENING OUR INSTRUCTIONAL CORE

$37M in curriculum, literacy & programs

Accelerated Literacy Model, K-12 curriculum refresh, MS literacy intervention, Exceptional Education, and innovative programming.

$37M+

Curriculum & Programs Five-Year Investments



CARING FOR EVER A CHILD

$10M in Exceptional Education Program

Exceptional Education teachers, paraprofessionals, materials and resources, and direct instruction support.

$10M

Exceptional Children Education Program – New Funding

OUR STAFF



OUR STRENGTH IS OUR TEAM

$19M in New Staff Compensation

Step increases, 1% cost-of-living adjustment, Assistant Principal salary compression relief, and strategic staffing investments.

$19M

New Compensation

OUR COMMUNITY



OUR RESPONSIBILITY IS SHARED

$10M in tax relief for residents

Direct relief to APS families and residents through a millage rate reduction from 20.5 to 20.3 mills.

20.5→20.3

Millage Rate Reduction

Current Situations to Monitor

Annual Consumer Price Index (CPI)

- CPI as of the end of August is 3.4%. The main driver is gasoline/crude oil prices and these have surged even higher in the first two weeks of September.

Transportation Fuel Cost

- Diesel prices have increased 18% in the last 45 days. In FY26, we purchased diesel at an average cost of $3.35/gallon, and thus far in FY27, our average cost is $5.56/gallon. **If this average continues, the district projects to spend approximately $1 million in additional fuel costs this fiscal year.**

Maintenance Costs

- Inflationary cost pressures related to maintaining our district infrastructure.

State and Legislative

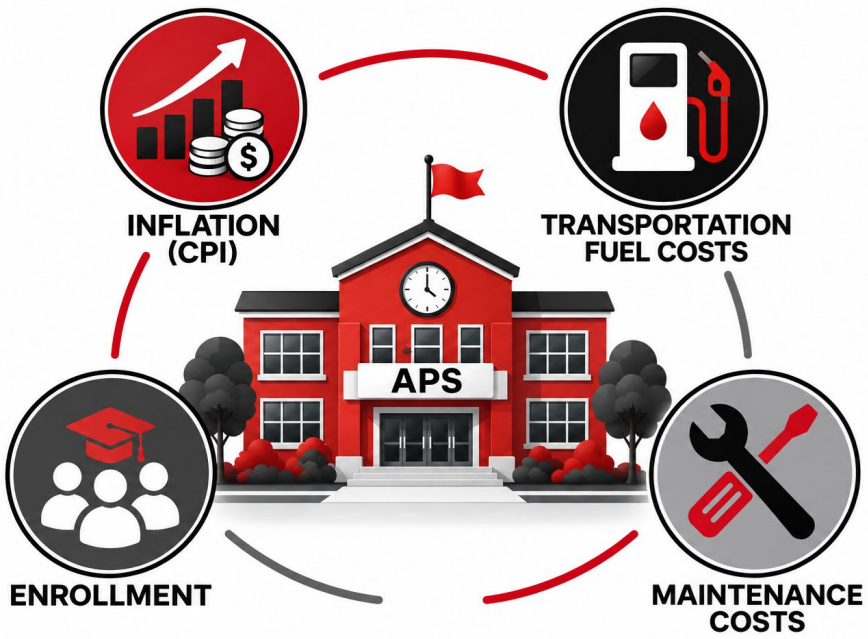
- Revenue Constraints- There is current legislation that property values and millage rates cannot increase by more than the rate of inflation.

Additional Pressures

- Staff Expenses for areas such as Exceptional Ed: Increased expenditure from $79 million (FY23) to $126 million (FY27). State funding only covers about **30%** of the total expenditure for Exceptional Ed.
- Classified employee health expenses have risen by 114% of the last 10 years.

Enrollment

- Enrollment remains a challenge, as we currently down about 700 students compared with school year 2025-2026.



FY 28 Funding Priorities

Competitive Teacher Compensation ($20,000,000)



Invest in and retain **high-quality teachers** to support student achievement.

- **Teachers over $100K average salary**

Universal Pre- Kindergarten ($5,000,000)



Expand **high-quality, universal PK3 and PK4** across the district.

- **Early Learning Centers**
- **PK4 Expansion**

Community Hubs ($7,000,000)



Establish **community hubs** in every cluster to provide integrated academic and support services.

- **Resourcing for Hubs**

Secondary Readiness ($3,500,000)



Strengthen **secondary readiness** and student support.

- **High School Counseling Support**
- **Additional Advising Supports**
- **CTAE Expansion and Deepening**

Expanded Learning Opportunities ($26,000,000)



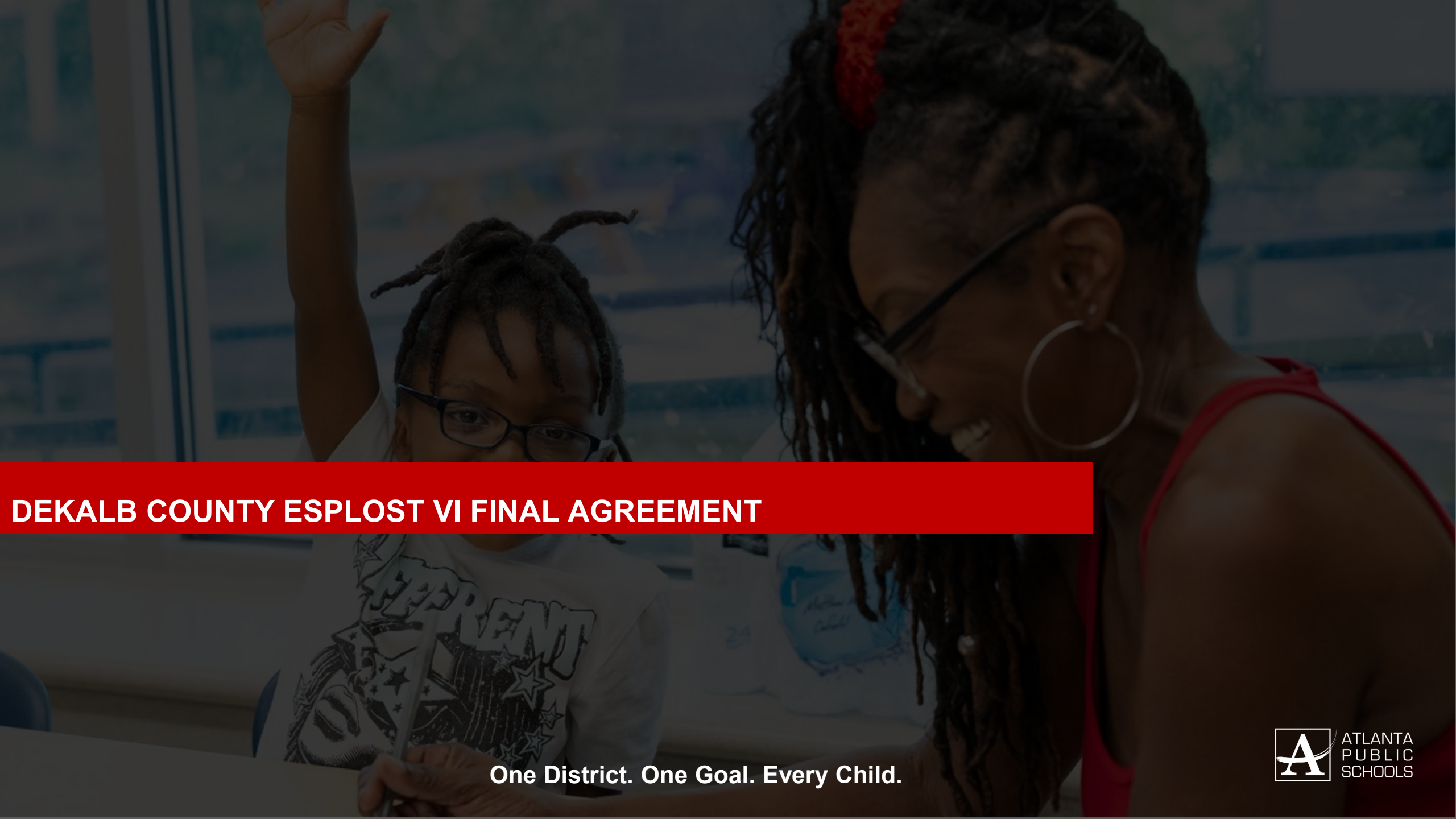
Increase **access** to district wide **student programs**.

- **Atlanta School of the Arts**
- **APS Medical Magnet Academy**
- **Expansion of Accelerated Literacy Model**
- **Enhanced Early College Options**
- **CTAE & Workforce Opportunities**



These FY2028 funding priorities represent at least **$65M+** investment in advancing APS's long-term goals and student outcomes.

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DEKALB COUNTY ESPLOST VI FINAL AGREEMENT

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Dekalb County
ESPLOST VI



Final Agreement (2021 - 2026 reconciliation)

AGREEMENT

The DeKalb County School District (DCSD) and Atlanta Public Schools (APS) have agreed on a final resolution for overpayment of E-SPLOST VI funds to DCSD that were due to APS. The final agreement is being presented for approval.

TOTAL AMOUNT

$2,925,252.77

INCLUDES

The total includes principal and interest earned by DCSD through **August 31, 2026**.

PAYMENT TERMS

This amount is due within **10 days** from the date of approval of this agreement.



2026 TAX DIGEST AND MILLAGE RATE ADOPTION

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Tax Digest Analysis

- Overall Fulton County tax digest value up by 6.5%
  - Residential digest up 2.9%
  - Commercial digest up 9.7%
- Exemptions also increased by 8.5% (costing district $8m in revenue). We expect this to increase next year with the new floating homestead exemption which could cost the district an additional $10M.
- Fair Market Value of data centers increased $1.1B in assessed value which could result in over $21M in new revenue for the district. (8 of 16 data centers appealed their property tax valuation).

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2026 Millage Adoption

- For the **2026** APS tax digest, the roll-back rate of **20.610** is higher than the proposed millage rate of **20.300**.
- Because the proposed millage rate is below the rollback rate, the three millage rate hearings are not required.
- However, a resolution to adopt the current millage rate of **20.300** still needs to be approved by the Board as it provides authority to the City of Atlanta and the Fulton County Tax Commissioner's office to collect the tax.
- **This millage rate reduction provides $10 million of tax relief to property owners.**

Note: The **rollback rate** is the effective property tax rate that would bring in the **same amount of revenue as last year**, using this year's property values. In other words, it's the rate that would keep your total taxes the same, even if property values have gone up.

The **millage rate** is the amount of tax per $1,000 of assessed property value that the taxing authority levies.

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Thank You!

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