Fiscal Year 2026 Budget Development

FY2026 Budget Development
School Board Work Session
December 12, 2024

Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

Table 1

REVENUE: STATE	FY2025	FY2026	DIFFERENCE
QBE	$355,750,576	$360,213,485	$4,462,909
Less local 5 mills	($78,351,453)	($81,427,366)	($3,075,913)
TOTAL	$277,399,123	$278,786,119	**$1,386,996**

Table 2

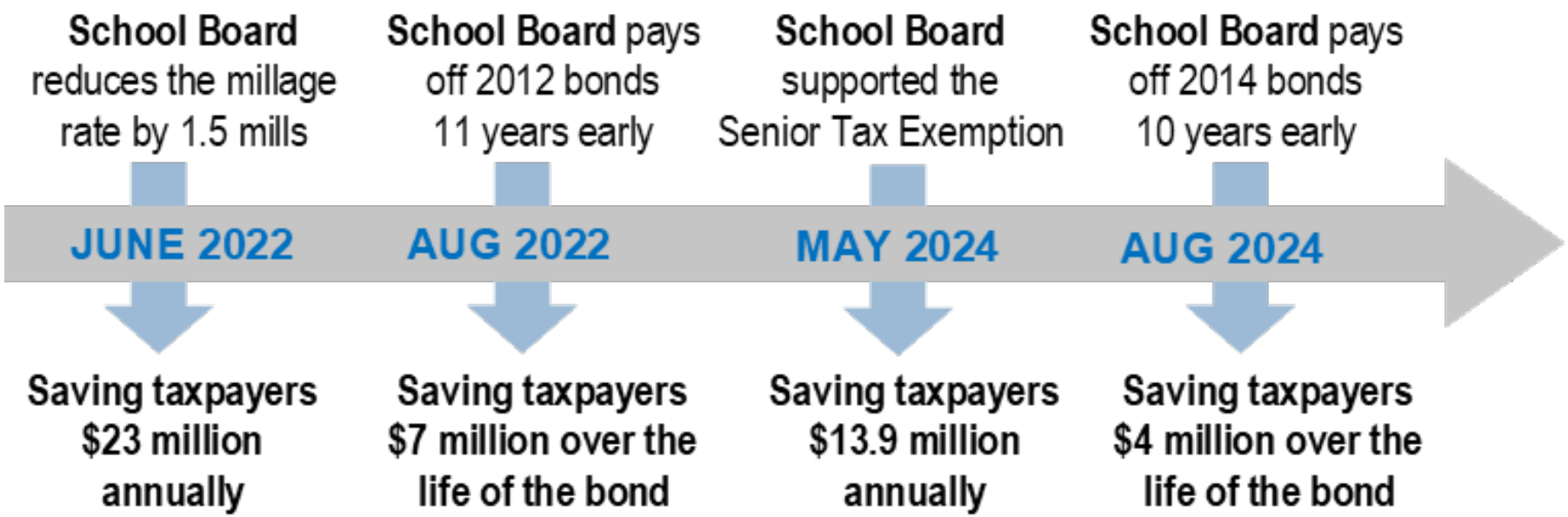
EXPENDITURES: STATE	FY2025	FY2026	DIFFERENCE
State Health Benefit Plan (Increasing)	$57,340,800	$59,608,800	($2,268,000)
Teacher Retirement (Increasing 5.77%)	$67,319,109	$71,203,422	($3,884,313)
TOTAL	$124,659,909	$130,812,222	**($6,152,313)**

Table 3

SUMMARY: STATE	FY2025	FY2026	DIFFERENCE
Revenue	$277,399,123	$278,786,119	$1,386,996
Expenditures	$124,659,909	$130,812,222	($6,152,313)
TOTAL	---	---	**($4,765,317)**

Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts



Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

Table 4

REVENUE: LOCAL	FY 2025	FY2026	DIFFERENCE
Property Tax Digest (5.1%)	$307,374,583	$323,735,498	$16,360,915
Senior Tax Exemption	($34,693,247)	($48,604,385)	($13,911,138)
Other Local Revenue*	$33,493,462	$34,297,392	$803,930
TOTAL	$306,174,798	$309,428,505	**$3,253,707**

*Includes Intangible Tax, Real Estate Transfer Tax, Motor Vehicle, Title Ad Valorem Tax and Mobile Homes

Table 5

EXPENDITURES: LOCAL	FY2025	FY2026	DIFFERENCE
Daily Operations	$57,006,941	$55,296,733	$1,710,208
Honoring Salary Schedule	$352,401,361	$355,927,688	($3,526,226)
TOTAL	$409,408,302	$411,224,421	**($1,816,018)**

Table 6

SUMMARY: LOCAL	FY2025	FY2026	DIFFERENCE
Revenue	$306,174,798	$309,428,505	$3,253,708
Expenditures	$409,408,302	$411,224,421	($1,816,018)
TOTAL	---	---	**$1,437,690**

Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

Table 4

REVENUE: LOCAL	FY 2025	FY2026	DIFFERENCE
Property Tax Digest (5.1%)	$307,374,583	$323,735,498	$16,360,915
Senior Tax Exemption	($34,693,247)	($48,604,385)	($13,911,137)
Other Local Revenue*	$33,493,462	$34,297,392	$803,930
TOTAL	$375,561,292	$404,637,275	**$3,253,708**

*Includes Intangible Tax, Real Estate Transfer Tax, Motor Vehicle, Title Ad Valorem Tax and Mobile Homes

Table 5

EXPENDITURES: LOCAL	FY2025	FY2026	DIFFERENCE
Daily Operations	$57,006,941	$55,296,733	$1,710,208
Honoring Salary Schedule	$352,401,361	$355,927,688	($3,526,226)
TOTAL	$409,408,302	$411,224,421	**($1,816,018)**

Table 6

SUMMARY: LOCAL	FY2025	FY2026	DIFFERENCE
Revenue	$306,174,798	$309,428,505	$3,253,708
Expenditures	$409,408,302	$411,224,421	($1,816,018)
TOTAL	---	---	**$1,437,690**

Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

Table 4

REVENUE: LOCAL	FY 2025	FY2026	DIFFERENCE
Property Tax Digest (5.1%)	$307,374,583	$323,735,498	$16,360,915
Senior Tax Exemption	($34,693,247)	($48,604,385)	($13,911,138)
Other Local Revenue*	$33,493,462	$34,297,392	$803,930
TOTAL	$306,174,798	$309,428,505	**$3,253,707**

*Includes Intangible Tax, Real Estate Transfer Tax, Motor Vehicle, Title Ad Valorem Tax and Mobile Homes

Table 5

EXPENDITURES: LOCAL	FY2025	FY2026	DIFFERENCE
Daily Operations	$57,006,941	$55,296,733	$1,710,208
Honoring Salary Schedule	$352,401,361	$355,927,688	($3,526,226)
TOTAL	$409,408,302	$411,224,421	**($1,816,018)**

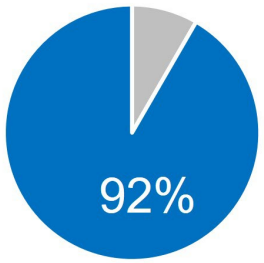
Table 6

SUMMARY: LOCAL	FY2025	FY2026	DIFFERENCE
Revenue	$306,174,798	$309,428,505	$3,253,708
Expenditures	$409,408,302	$411,224,421	($1,816,018)
TOTAL	---	---	**$1,437,690**

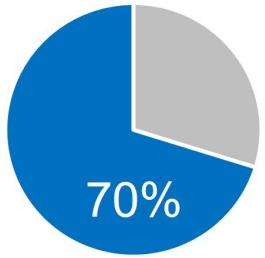
Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

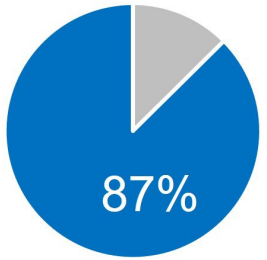
STATE AND LOCAL EXPENDITURES



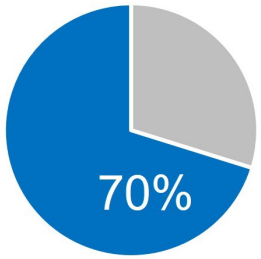
Transportation
$29.2M



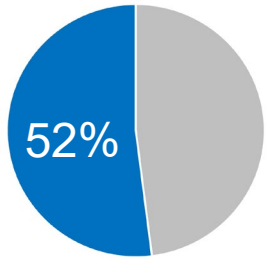
Safety & Security
$6.4M



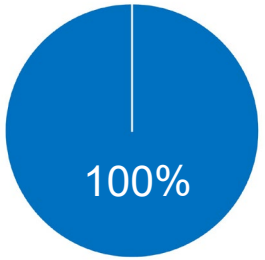
Technology
$17.2M



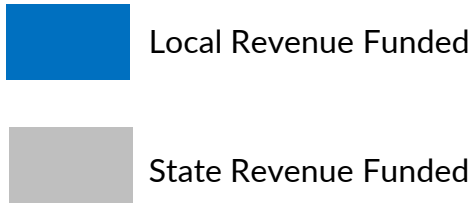
Nurses
$3.2M



Employee
Compensation
$352.4M



Custodians
$13.9M



Cherokee County School District

STEP ONE: Identify Revenue and Expenditure Impacts

SUMMARY: STATE	FY 2025	FY 2026	DIFFERENCE
Revenue	$277,399,123	$278,786,119	$1,386,996
Expenditures	$124,659,909	$130,812,222	($6,152,313)
TOTAL	---	---	**($4,765,317)**

SUMMARY: LOCAL	FY2025	FY2026	DIFFERENCE
Revenue	$306,174,798	$309,428,505	$3,253,708
Expenditures	$409,408,302	$417,044,837	($1,816,018)
TOTAL			**$1,437,690**

FY2026 Revenue and Expenditure Outlook

($4,765,317) + $1,437,690 = **($3,327,627)**

Cherokee County School District

Fiscal Year 2026 Budget Development

Step Two: Decrease Expenditures to Mitigate the Difference

- Reducing Division Budgets by at Least 3% Would Provide a Savings of at Least $1.3M
- Shedding Redundancies in Instructional Resources Uncovered by Audit Will Save an Estimated $1.2M
- Growth in Title Ad Valorem Tax on Sales of New Vehicles Will Provide an Estimated $814,774

Cherokee County School District

STEP TWO: Decrease Expenditures to Mitigate the Difference

Total Difference Between Revenues and Expenses	($3,327,627)
Reduce Division Budgets by 3%	$1,311,412
Reduce Redundancies	$1,263,892
Increase TAVT	$ 814,774
DIFFERENCE	$ 62,451

Assuming Senior Tax Exemption, we are prepared for a balanced budget, honoring the salary schedule and sustaining current operations.

Cherokee County School District

STEP THREE: Evaluate Impact of Floating Homestead Exemption Created by HB581

REVENUE: LOCAL	FY 2026 Based on Actual Growth of 5.1%	FY2026 Based on CPI of 2.4%	DIFFERENCE
Property Tax Digest	$315,251,573	$307,374,583	**($7,876,990)**

Impact Over Time

FY26	($7,876,990)
FY27	($16,307,223)
FY28	($25,552,622)
TOTAL	($49,736,835)

The total reflects the compounding effect of the Floating Homestead Exemption.

Cherokee County School District

Passage of the statewide referendum amending the Georgia Constitution and placing a floating homestead exemption on all eligible residential properties significantly changes the Constitutional authority of School Boards, City Councils and Boards of Commissioners, beginning with the 2025-26 fiscal year.

Now a selection from these 3 options must be made:

1

Utilize the one-time Opt-Out mechanism allowed by the Amendment

OR

2

Permanent reduction or elimination of services and/or supports by $50 Million over the next 3 years

AND/ OR

3

Replace the revenue lost by the homestead exemption by increasing the Maintenance and Operations millage rate.

Cherokee County School District

1

Utilize the one-time Opt-Out mechanism allowed by the Amendment

OR

2

Permanent reduction or elimination of services and/or supports by $50 Million over the next 3 years

AND/ OR

3

Replace the revenue lost by the homestead exemption by increasing the Maintenance and Operations millage rate

FY2026

- Exploring Improved Compensation
- Adopting Literacy, ELA & Math Core Resources
- Improving Staffing Ratios in Identified Areas
- Maintaining Current Operations

FY2026

(Cut $7.8 M)

- Evaluate Class Size Adjustments
- Evaluate Instructional Calendar
- Set Stage for Future Reductions in Operations (School Police, Transportation, School Nurses, etc.)

To Be Determined

Cherokee County School District

STEP FOUR: Updated Budget Development Calendar

Thursday, November 21, 2024: 5:15 PM School Board Work Session

- Action:
  - Board Report: Revenue Constraints and Budget Development Calendar
  - Board Report: Recent School Board Priorities
  - Solicit School Board Member Budget Priorities – Due December 12, 2024

Thursday, December 12, 2024: 5:15 PM School Board Work Session

- Action:
  - Board Report: Revenue and Expense Forecast
  - School Board Submission and Discussion of FY2025-26 Budget Priorities

Thursday, January 16, 2025 @ 5:15 PM – School Board Work Session

- Action:
  - Board Report: Budget Development Status Report

Thursday, February 13, 2025 @ 5:15 PM – School Board Work Session and Meeting

- Action:
  - Board Report: Budget Development Status Report
  - School Board Business Item: School Board Consideration of Resolution to Opt Out of Floating Homestead Exemption

Recommended Public Hearing Dates

- **Wednesday, February 5, 2025 @ 11:30 AM – Public Hearing #1 RE:** Opt Out of State Floating Homestead Exemption
- **Thursday, February 13, 2025 @ 11:30 AM – Public Hearing #2 RE:** Opt Out of State Floating Homestead Exemption
- **Thursday, February 13, 2025 @ 6:30 PM – Public Hearing #3 RE:** Opt Out of State Floating Homestead Exemption

Cherokee County School District