

Superintendent's Tentative Budget Recommendation

Shanika Clay, Chief Financial Officer



Fund Overview

Board Policy DC – Annual Operating Budget states: (1) budgets will be prepared by the Superintendent and adopted annually by the BoE; (2) budgetary control exists at the aggregate fund level. HCS' aggregate fund levels include the:

General Fund: Accounts for the daily operations of the district and primarily funded by State Quality Basic Education (QBE) funds and Local property tax funds

- State revenue estimates traditionally available early April, preliminary forecasting completed in consideration of enrollment, current year QBE, new legislation
- Local revenue estimates strengthen in early April and fully materialize in June post settlement of the tax digest

Special Revenue Fund: Accounts for awards/grants for designated purposes (e.g., Title or CARES) and enterprise activities of the district (e.g., BASE or SNP)

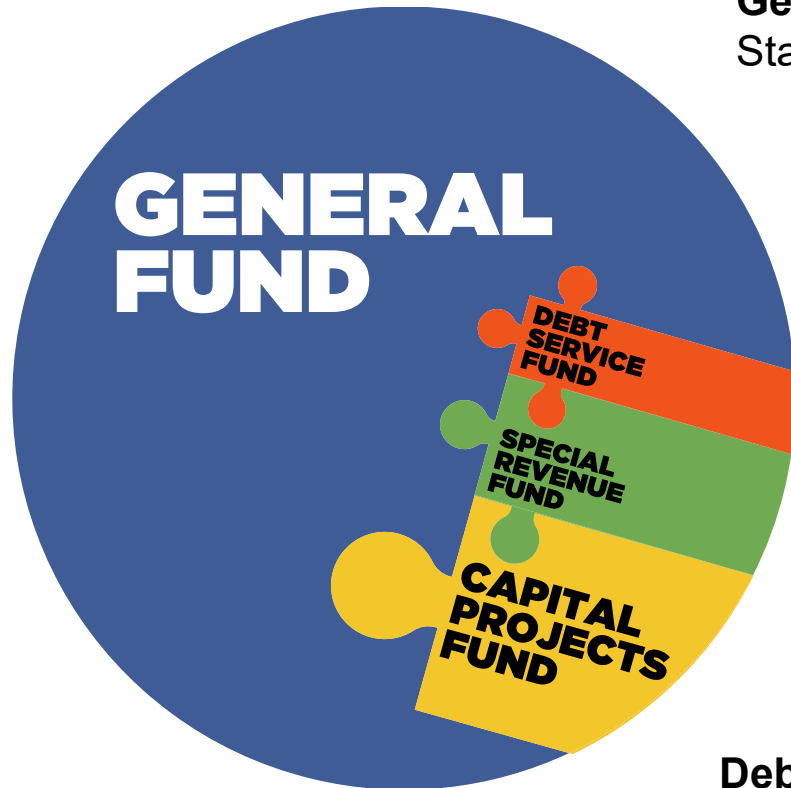
- Traditional federal grant awards generally communicated during July or August; enterprise estimates developed based on history and enrollment forecast

Capital Projects Fund: Comprised of the current year anticipated E-SPLOST revenues and expenditures for approved referendums and associated projects

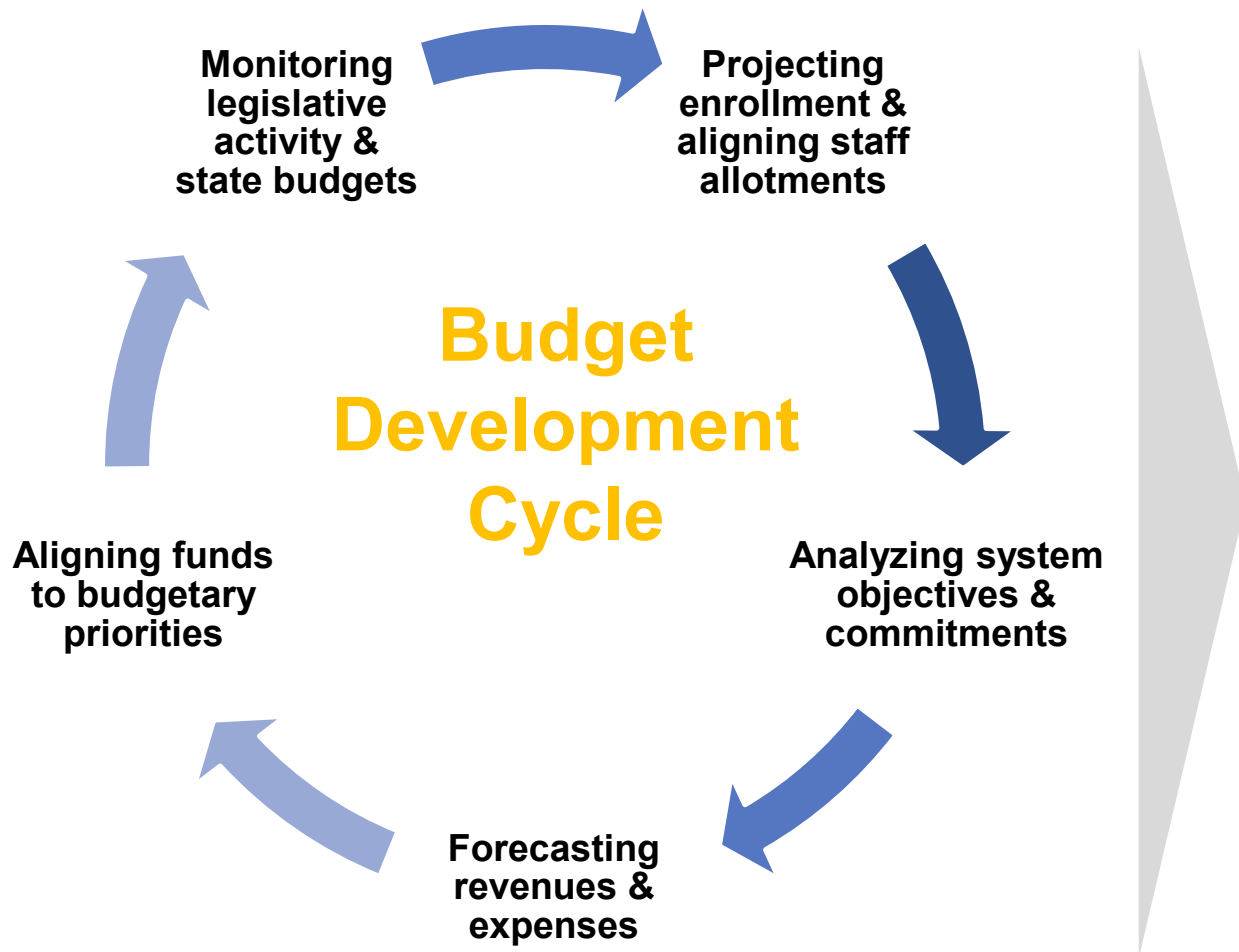
- Revenues dependent on bond issue or interest earnings

Debt Service Fund: Developed in consideration of obligations due per schedule

- Revenues dependent on local E-SPLOST collection forecast and tax digest



Budget Development Cycle & Timing of Key Input Drivers



December

- Preliminary enrollment forecasts
- Board member priorities

January

- Tax digest valuation date (Jan 1)
- Legislative session opens
- Enrollment forecasts finalized

February - March

- Legislation monitoring including mid-year budget amendments
- Touchpoints with local tax assessor

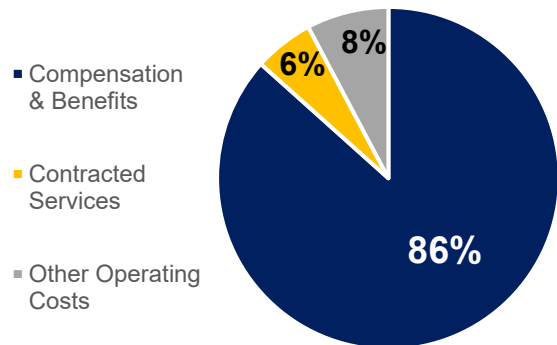
April

- Tax digest finalized (subject to appeals)
- Legislative session ends; state budget for next fiscal year emerges
- GADOE publishes preliminary QBE funding guidance

HCS targets tentative adoption in April and final adoption in May

FY26 Tentative Budget: Improvement Highlights – all funds

	<u>Forecast</u>
Enrollment	42,997
Total GF Revenues	\$567.8M
Total GF Expenses	\$597.3M
<i>Compensation & Benefits</i>	<i>\$517.4M</i>
<i>Contracted Services</i>	<i>\$33.6M</i>



Other Funds Expenses **\$160.9M**

Investments in competitive compensation

- Embed mid-year improvement into the salary scales and target additional improvement to result in:
 - \$3,000 increase for Teaching^{a)} staff compared to the FY25 adopted scales
 - 3% increase for Classified and Professional staff compared to the FY25 adopted scales, and
 - \$1,300 increase for Administrative scales compared to the FY25 adopted scales
- Advance employee step as eligible

Investments in high-quality instruction and support services

- Onboard positions to support BoE Strategic Plan and district operational growth to include addition of:
 - Teachers (32), MTSS^{b)} Interventionist (6) Paraprofessionals (5), and Assistant Principals (4) allotments in response to growth;
 - Teacher allocations (9) in response to strategic plan priorities for world language and orchestra;
 - Expand ESE support capacity: Psychologist (2), Instructional Coaches (4), Behavior Intervention Coaches (3);
 - Personnel for operational growth and risk management: Maintenance (1), Transportation (5), Student Services (1), Human Resources (2), Legal (1), and Administrative Support (2)
 - Continuation of select academic summer programming and planning; provide 2nd year of Literacy professional development stipends
 - Provide strategic funding and supports to strategic response schools

a) Includes all staff paid from the Master HCS Teacher Scale

b) Multi-tiered Support System

FY26 General Fund Outlook

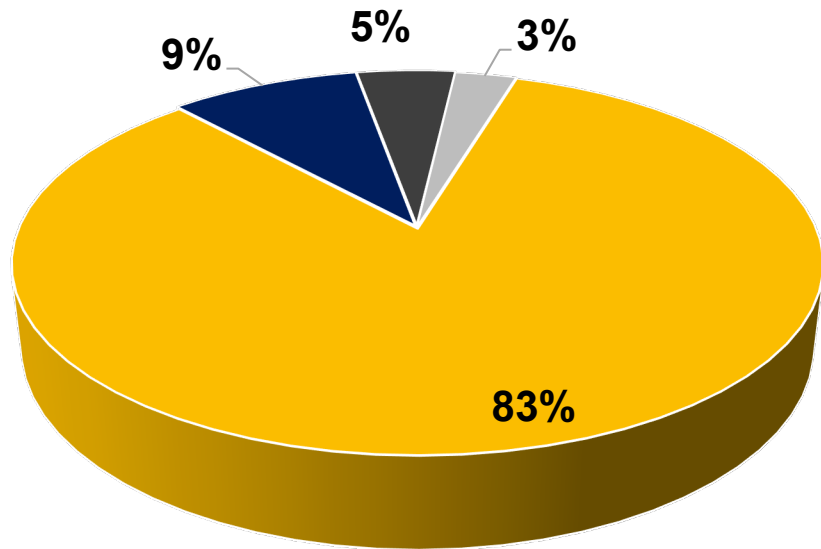
FY26 Budget Development – Funding Outlook: General Fund

Revenue and Expense Profile Changes	
FY25 Adopted Revenues	\$552.9M
FY26 Estimated Revenues	\$568.9M
Year over year change – revenues	\$16.0M
<i>State</i>	(\$1.0M)
<i>Local / Federal</i>	\$17.0M
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FY25 Amended Expenditures	(\$573.0M)
FY26 Estimated Expenditures	(\$597.3M)
Year over year change – expenses	(\$24.3M)
<i>Required FY26 expenses per State legislative mandates</i>	(\$14.4M)
<i>Required FY26 expenses for instruction and operations</i>	(\$ 9.9M)
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Additional reserve utilization (1 + 2)	(\$8.3M)

- Changes relating to state activity (\$15.4M)** ¹
- State funding contribution to TRS of QBE supported staff = \$2.2M
 - Local expense of TRS rate change to 21.91% for all eligible staff = (\$3.4M)
 - State funding for SHBP increase for QBE supported staff = \$5.6M
 - Local expense to pay new employer share of SHBP contribution for certified and classified staff = (\$11.0M)
 - Elimination of QBE equalization grant earnings = (\$7.8M)
 - State funding decrease for local five mil share contribution = (\$3.7M)
 - Net increase of changes in student counts, teacher experience, and improvements in other state funding (e.g., security) = \$2.7M
- Changes relating to local activity \$7.1M** ²
- Tax digest growth of 9.0% and interest/other earnings growth = \$17.0M
 - Local compensation and staffing enhancements, net of pacing = (\$9.2M)
 - Operational inflation and instructional/scope enhancements = (\$0.7M)

FY26 Budget Recommendation: General Fund

**\$13,892 expense per student,
an increase of \$517/student over prior year**



- Teaching & Learning
- Student Transportation
- Maintenance and Operation
- Support Services

Projected Student Enrollment for FY26	42,997
Forecasted Revenues for FY26	\$568.9M
Forecasted Expenditures for FY26	\$597.3M
<u>Teaching & Learning:</u> salaries, benefits, and resources to support student learning and services.....	\$493.4M
<u>Maintenance & Operations:</u> salaries, benefits, materials, and services to maintain learning environments	\$56.4M
<u>Student Transportation:</u> salaries, benefits, materials, and services to provide transportation to students.....	\$28.7M
<u>Support Services:</u> salaries, benefits, resources, and services to support school sites and central reporting.....	\$18.8M

FY26 Other Fund Outlook



BUDGET

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FY26 Budget Recommendation: Special Revenues

Revenues	FY24 Adopted	% of budget	FY25 Adopted	% of budget	FY26 Projected	% of budget
State	\$ 1.2M	1.6%	\$ 1.4M	1.6%	\$ 2.8M	4.9%
Local	15.5M	20.9%	17.2M	20.9%	18.9M	32.9%
Federal	57.6M	77.5%	45.0M	77.5%	35.8M	62.3%
	\$74.3M		\$63.6M		\$57.5M	
Expenditures						
Assigned: Arts 4 Arts	\$ 0.4M		\$ 0.5M		\$ 0.5M	
Enterprise activity	24.3M		23.5M		29.1M	
Grant programs	52.2M		39.9M		26.6M	
	\$ 76.9M		\$ 63.9M		\$ 56.2M	
Revenue Above (Under) Expenses	(\$ 2.6M)		(\$ 0.3M)		\$ 1.3M	

Notes:

- State revenue relates to grants for designated purposes (e.g., Pre-K Lottery and grants for nutrition services)
- Local revenue accounts for school based activity and fees collected for enterprise activity of Afterschool and the School Nutrition
- Federal revenue sources include funds traditionally received for recurring programming such as Title, IDEA, and School Nutrition flow through grants



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FY26 Budget Recommendation: Capital Projects & Debt Outlook

Capital Projects Fund

The Capital Projects Fund is comprised of bond proceeds and expenses associated with the education special purpose local option sales tax (E-SPLOST) projects approved by Henry County voters.

FY26 Revenue

Interest earnings on bond proceeds **\$4.4 million**

FY26 Expenditures

Continuation E-SPLOST VI projects..... **\$62.3 million**

Debt Service Fund

The Debt Service Fund revenue is comprised of tax proceeds dedicated to the retirement of debt, including E-SPLOST VI collections. Expenditures are prescribed per a debt repayment schedule.

FY26 Revenue

Local tax collections **\$94.6 million**

FY26 Expenditures & Transfers

General Obligation Bond payments **\$42.4 million**

Transfer to Capital Projects for E-SPLOST VI **\$43.8 million**



BUDGET

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FY26 Budget Development: Next Steps

Henry County Schools
FY26 Budget Calendar

The following proposed schedule of activities will guide budget development in the Henry County School System for the school year 2025-2026.

Activity	Responsibility	Date
Present FY26 Budget Development Calendar	Superintendent/CFO	Monday, December 9, 2024 Study Session
Advertise and hold Public Meetings for House Resolution 1022 (*)	Board of Education/Superintendent	January 2025
Present FY26 Budgetary Priorities	Superintendent/CFO	Monday, January 13, 2025 Study Session
Present FY26 Outlook	Superintendent/CFO	Monday, February 10, 2025 Study Session
Present FY26 Budget Overview	Superintendent/CFO	Monday, March 10, 2025 Study Session
Post FY26 Budget Overview on Henry County Schools Website	Financial Services	Friday, March 14, 2025
Provide FY26 Budget Notebook to Board of Education	Financial Services	Monday, March 24, 2025
Present FY26 Tentative Budget	Superintendent/CFO	Monday, April 14, 2025 Study Session
Host Budget Hearing (1 of 2)	Board of Education/Superintendent	Monday, April 14, 2025 6:30 p.m.
Adopt FY26 Tentative Budget	Board of Education	Monday, April 14, 2025 Business Session
Post FY26 Tentative Budget on Henry County Schools Website	Financial Services	Friday, April 18, 2025
Present FY26 Final Budget	Superintendent/CFO	Monday, May 12, 2025 Study Session
Host Budget Hearing (2 of 2)	Board of Education/Superintendent	Monday, May 12, 2025 6:30 p.m.
Adopt FY26 Final Budget	Board of Education	Monday, May 12, 2025 Business Session
Post FY26 Final Budget on Henry County Schools Website	Financial Services	Friday, May 16, 2025
Advertise and hold Public Meetings for Tax Payer Bill of Rights (**)	Board of Education/Superintendent	July 2025
Final adoption of millage rate (**)	Board of Education	July / August 2025

Apr 14th | FY26 Budget Hearing #1
Tentative Budget Adoption

May 12th | FY26 Budget Hearing #2
Final Budget Adoption

(*) Scheduled dates for 3 public hearings pending; advertisement will occur via the legal organ and district website.

(**) Scheduled dates for 3 public hearings and adoption of millage rate are contingent on availability of tax digest information; advertisement will occur via the legal organ and district website.