



BUDGET PRIMER

Fiscal Year 2024

Prepared by Department of Budget Services
Atlanta Public Schools



**Finance
Division**
www.atlantapublicschools.us

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MESSAGE FROM SUPERINTENDENT

Dear Atlanta Public Schools Stakeholders:

During our annual budget development cycle, Atlanta Public Schools strives to focus District spending on making deeper investments with specific parameters in lieu of attempting to distribute finite funds based on disparate priorities. Our goal annually is to continue to direct equitable and flexible spending closer to the classroom to ensure the responsible and effective use of taxpayer dollars. This budget primer represents the district's continued commitment to a consistent, transparent communications process that informs stakeholders of its plans for the upcoming fiscal year.



I'm proud of the continued work to maintain the Student Success Funding (SSF) formula, which focuses on an equitable and transparent distribution of funds to our schools. This strategy supports the charter system model to allow additional autonomy, flexibility, and site-based decision-making at our schools. I'm excited that the SSF taskforce reconvened this year to revisit the formula and adjust in support of our schools' needs.

As we develop the FY2024 budget, we will continue our work to address ongoing, elevated needs which are in part ripple effects of the pandemic, including ensuring the social, emotional, and mental well-being of our students and staff; ensuring the safety of our students and staff; and addressing learning recovery, consistency, and accelerated growth. We will work to balance and prioritize current needs against stability of funding in future years.

Equity stands at the core of our 2020-2025 strategic plan and continues to guide our budget work. When the Atlanta Board of Education approved a district equity policy, it recognized: "Equity means the quality or ideal of being just and fair, regardless of economic, social, cultural, and human differences among and between persons. We believe that achieving equity requires strategic decision-making to remedy opportunity and learning gaps and create a barrier-free environment, which enables all students to graduate ready for college, career, and life."

Overall, the budget enables us to provide additional and strengthened educational opportunities for our students to achieve our mission to graduate every student ready for college, career, and life. We will continue to work hard to ensure that all resources – local, state, federal, and private dollars – are used to their fullest potential.

Yours in service,

Dr. Lisa Herring

A handwritten signature in black ink, appearing to read 'Lisa Herring', with a stylized flourish at the end.

Dr. Lisa Herring

EXECUTIVE SUMMARY



As Atlanta Public Schools works to develop the FY2024 budget, we strive to include context and narrative that helps to tell the story of APS through its financial resources. In short, this budget is a result of a close examination of the APS mission, vision, strategic plan, and guiding principles with a goal of addressing equity and enabling all students to graduate ready for college, career, and life.

The FY2024 general fund budget will not only outline the APS revenue and expenditure plan for school year 2023-2024 but will also continue to follow a student-focused funding model that provides resources based on student attributes and a central office budget process that promotes focus on key priorities. In preparation for the FY2024 budget, the district has reviewed the current Student Success Funding formula with both internal and external stakeholders and has developed recommendations to better meet the needs of the schools. Some of those recommendations are being implemented this budget cycle and others will be implemented in the future years after further analysis.

Each year the APS Budget is built around certain expenditure parameters, which are listed in detail in the Budget Primer. As we develop the FY2024 budget, we will continue to evaluate and reprioritize existing and previous funding commitments and use data to determine if the district will need to make deeper investments or reprioritize key district priorities. The district will continue to invest in recovery initiatives and student/staff well-being to identify and close gaps caused by the extended impacts of COVID-19 on the system. We will continue to fund our strategic priorities, including the Turnaround Strategy, Signature Programs and School Flexibility while focusing on operational efficiencies to assure successful achievement of the district's vision and mission.

Our revenue projections and expenditure budget are impacted each year by the policies and decisions made at the federal and state level with regards to K-12 education. Both the federal and state government are investing more in education to ensure all students have access to high-quality, affordable postsecondary education, while also improving career pathways for students of all ages and levels. Governor Kemp in his recent State of the State address proposed adjusting the state base salary schedule to increase salaries for certified teachers and assistant teachers by \$2,000. He also proposed fully funding the school counselor ratio for all categories of students. The Governor's FY2024 budget also proposes a massive increase in the employer contribution to the State Health Benefit costs from \$945 to \$1,580 per member per month. This is a 67% increase in employer

contribution rate and will impact our FY2024 budget in a significant way.

Despite this challenge and the ongoing challenges created by COVID-19 and the inflationary pressures, Atlanta Public Schools continues to work to build a budget that balances the needs of our students and provides funding for educational programs. The budget allows us to provide educational opportunities for our students to achieve our mission to graduate every student ready for college, career, and life. We will continue to work hard to ensure that all resources – local, state, federal and private dollars – are used to their fullest potential.

Best,

Lisa Bracken

ABOUT ATLANTA PUBLIC SCHOOLS

Celebrating 151 years, established in 1872, Atlanta Public Schools (APS) is one of the oldest and largest school districts in the state of Georgia. APS is home to countless notable alumni, including civil-rights activists, entertainers, national elected officials, professional athletes, renowned scientists, and engineers. APS is the seventh largest school district in the state of Georgia, currently serving 52,633 students.

The district is organized into nine K-12 clusters with 58 neighborhood schools, 19 charter schools, 2 alternative programs, 2 citywide single-gender academies, 6 partner schools. The district continues Title I schools where students are offered rigorous instructional programs that foster success in school and life. Atlanta Public Schools officially became a Charter System July 1, 2016, and has since been renewed in July 2021. This new commission, or “charter,” with the state allows more decisions to be made at the school level by principals, educators, parents, and community members, all of whom are closer to students and their school needs.

Atlanta Public Schools’ journey of transformation has gained ground with improvements in graduation rates and performance data, yet a significant achievement gap still exists. We are living the mission with students graduating ready for college and career. Despite these challenges, continuous investment in our people practices over the years has led to an 84% teacher retention rate. APS continues to make headway with key yard markers such as Georgia Milestones, CCRPI progression, our growing graduation rates and our new strategic initiative, APS 5.

MEASURABLE OUTCOMES

- The percentage of students in grades 3-8 scoring proficient or above in reading, as measured by the Georgia Milestones, **will increase from 36.9% in August 2019 to 47% in August 2026.**
- The percentage of students in grades 3-8 scoring proficient or above in math, as measured by the Georgia Milestones, **will increase from 35.0% in August 2019 to 45.4% in August 2026.**
- Increase the percentage of high school students who graduate prepared for their next step as demonstrated on a multi-dimensional assessment based on the Profile of a Graduate.
- The percentage of high school students who score at the college and career readiness level on career pathway assessments, IB, AP, Dual Credit, ACT or SAT, work-based learning, or entering TCSG/USG without needing remediation **will increase from 51.52% in October 2019 to 59.3% by October 2026.**





FY2022-2023 Fast Facts

Our student population is:

7.8%- Hispanic	0.2%- Indian
1.1%- Asian	71.9%- Black
0.1%- Pacific	15.9%- White
3.1%- Multi	

Projected K-12 2022 Student Enrollment 52,633

Traditional	39,618
Charter & Partner	13,015

2,691



Class of 2022 Graduates

84% - Teacher Retention Rate

4,243

Total Teachers

Neighborhood & Partner School Teachers 3,052

Charter School Teachers 1,191

APS At A Glance:

58	Neighborhood Schools
19	Charter Schools
6	Partner Schools
5	Alternative Programs
2	Single Gender

Charter System Operating Model and APS Cluster Planning

Aligned with its Charter System operating model, APS engaged the community in a planning process that led to the creation of Cluster Plans that highlight instructional programming across schools within a cluster, Pre-K through high school, and define the future direction for each cluster. This allows our schools and clusters the flexibility and autonomy to use what they know works best for their students while adhering to district and state guidelines.

One focus of the Cluster Plans is the identification and implementation of a signature program. This signature program focuses on the vertical and horizontal alignment of academic programs for schools and neighborhoods. These programs will provide rigor, structure, focus and accountability across the cluster. The programs chosen include:



- IB programs aim to develop inquisitive, knowledgeable, and compassionate young people who help to create a better and more peaceful world through intercultural understanding and respect.
- Participating clusters: Jackson, Mays, North Atlanta and Therrell



- This integrated curriculum coordinates the teaching of Science, Technology, Engineering and Mathematics through problem solving, discovery and exploratory project/problem-based learning.
- Participating clusters and schools: Douglass, South Atlanta, Washington, B.E.S.T. Academy and Coretta Scott King Young Women's Leadership Academy



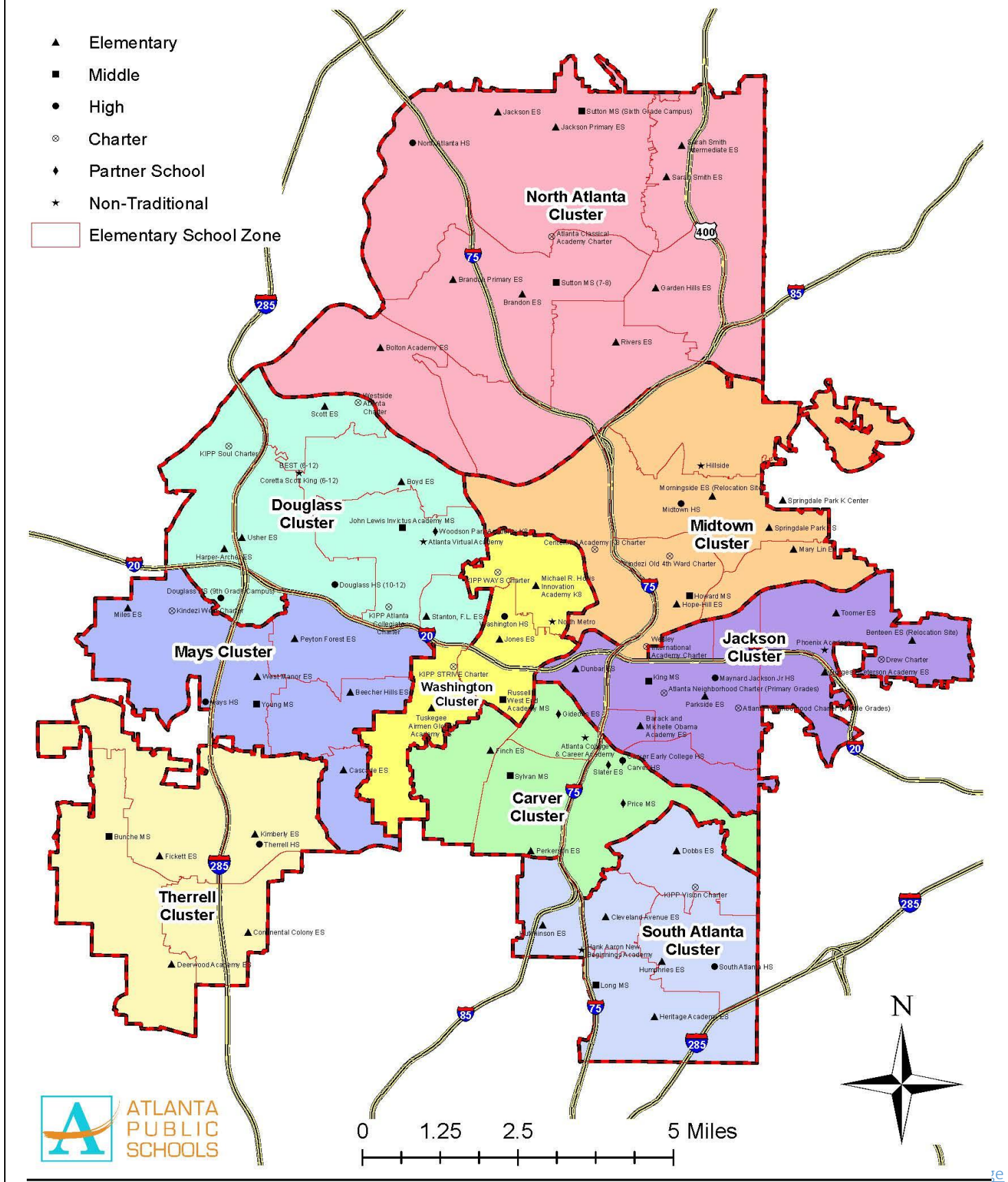
- This College and Career Preparatory curriculum is based on the essential skills, knowledge, and dispositions that children need to succeed as citizens and workers in today's world.
- Participating clusters: Carver and Midtown

The district's new operating model led to the creation of GO Teams-school-based governance bodies comprised of parents, educators, and community members- to assist with decision-making at the school and cluster levels.

APS Neighborhood Schools Cluster Feeder Patterns

HIGH SCHOOLS	MIDDLE SCHOOLS	ELEMENTARY SCHOOLS
CARVER	PRICE	SLATER
	SYLVAN	FINCH GIDEONS PERKERSON
DOUGLASS	JOHN LEWIS ACADEMY	BOYD F.L. STANTON HARPER-ARCHER SCOTT USHER
	WOODSON PARK	WOODSON PARK
MAYNARD JACKSON	M.L. KING	BURGESS-PETERSON TOOMER BENTEEN OBAMA DUNBAR PARKSIDE
	YOUNG	MILES BEECHER HILLS CASCADE PEYTON FOREST WEST MANOR
MIDTOWN	CENTENNIAL PLACE	CENTENNIAL PLACE
	HOWARD	HOPE-HILL MARY LIN MORNINGSIDE SPRINGDALE PARK VIRGINIA HIGHLAND
NORTH ATLANTA	SUTTON	BOLTON ACADEMY BRANDON GARDEN HILLS JACKSON RIVERS SMITH
	LONG	CLEVELAND AVENUE DOBBS HERITAGE ACADEMY HUMPHRIES HUTCHINSON
THERRELL	BUNCHE	CONTINENTAL COLONY DEERWOOD ACADEMY FICKETT KIMBERLY
	HOLLIS INNOV. ACADEMY	HOLLIS INNOV. ACADEMY
WASHINGTON	HERMAN J. RUSSELL	JONES TUSKEGEE AIRMEN

Atlanta Public Schools: 2022-23 SY



HIGHLIGHTS

School district budgets are not just about dollars and cents. They are about how well the district allocates its limited resources to the benefit of student achievement and outcomes. Therefore, a budget cannot just outline revenues and expenditures, it must set out the direction for the district. Here at APS, budgets are about increasing equity, instructional quality and efficiency while assuring the district reaches the mission to graduate every child, so they are prepared for college and career and life.

As the district prepares for FY2024 and beyond, we are positioning to take on challenges we are likely to encounter. Student success is our top priority, and our students and programs are seeing initial movement and are making headlines for improvements. Some of our most notable successes include:

- Aligning with our district's strategic priorities by allocating millions in support of investments in funding for schools to offset the impacts of leveling, hiring additional Instructional Technology Specialists to assist with instructional technology integration, and Student Support Specialists to support whole child and intervention efforts across the district.
- APS compensation and retention efforts: general pay increase to salary schedules and step increase for all eligible full-time employees on non-teacher pay grades, general pay increase to salary schedules and step increase for all eligible full-time employees on Instructional Support pay scale, and ensure all eligible employees on teacher pay scale receive \$2,000 increase (proposed by the State) (average raise 3.1%, \$2,000)
- Atlanta Public Schools (APS) achieved an 84 % graduation rate for cohort 2022, according to graduation data released today by the Georgia Department of Education. By achieving its all-time high graduation rate, APS has narrowed the gap with the state rate of 83.7% by 2.9 percentage points to a difference of 0.6 percentage points.



In times of increasing budget pressure and limited resources, it is important to think creatively about different funding sources. As a result, APS established the Office of Partnerships and Development which works to bridge the gap where funds fall short, with external resources.

The Office of Partnerships and Development was established in 2014 and since then has proactively created and engaged strategic partners to support APS' needs.

This Office serves schools by equitably distributing resources and opportunities to them and acts as thought partners for accessing resources and making connections to further your work and offset general funds.

Since its inception, the Office has either established or re-established more than 350 partnerships and raised more than \$70 million in cash and in-kind donations to offset costs or fund initiatives for the district's mission.

While the Office is not a grant maker itself, the team can act as consultants and collaborators to help maximize your school and department funds and find alternative resources for priorities where there are gaps. Below are just some of the supports the Office of Partnerships and Development provides:

- Connect you with partners and resources
- Help you fundraise for your critical needs; strategize about how to find funding
- Share our templates and toolkits
- Offer training and workshops
- Provide direction and background on partner and philanthropic landscape
- Support grant writing efforts
- Share funding and partner opportunities as well as enrichment opportunities

As a rule, whenever you are thinking about applying for a grant or wanting to approach a new partner, contact the Office of Partnerships and Development; information is below:

Turhonda Faust, Administrative Assistant II turhonda.faust@apsk12.org

Katrina Reed, Partnerships Manager udubose@apsk12.org

Joi Hunter, Executive Director joi.hunter@apsk12.org

FY2024 DEVELOPMENT

FY2024 BUDGET PARAMETERS

Budget parameters are guidelines for budget development, including revenue assumptions, fund balance targets, and expenditure goals. They identify process and presentation recommendations to provide transparency in linking goals, outcomes, and district spending plans. The budget parameters also develop monitoring procedures that hold the district accountable for executing the budget plan.

GUIDING PRINCIPLES FOR RESOURCE PARAMETERS

These are the guiding principles under which the Board will consider using a millage rate increase to advance the organization's mission and vision:

Depth vs. Breadth – Focus on deeper investments in specific parameters instead of distributing funds over too many disparate priorities.

Budget parameters should be in alignment with the Mission, Vision, Strategic Plan, Equity framework, APS 5 and SOFG.

The district will:

Evaluate and reprioritize existing and previous funding commitments (i.e., allocations and spend) at the top of the budget development process including:

- Turnaround strategy
- Cluster and flexibility funds through SSF
- Investments in early learning (including PAACT)
- Investments to advance district equity commitments and priorities.
- Framework for Equipping and Empowering Educators

The Board will consider utilizing the amount of fund balance above 7.5% of prior year's budgeted expenditures under the following conditions:

- To fund one-time expenditures that are nonrecurring in nature, and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.
- To pilot new programs or to fund other short-term priorities of the Board.
- To meet emergencies and unexpected expenses throughout the year.

RESOURCE PARAMETERS

The district will:

1. Alleviate pressure from the general fund and taxpayers while supporting the continued operations of APS by:
 - maximizing all available funding streams including federal grants and other special revenue where appropriate and specific to the purpose of the program
 - continuing to identify grant-generating opportunities
 - seeking additional business, philanthropic and community partnerships in a manner that is data driven and equity guided to ensure we do not perpetuate inequities within and across clusters
 - leveraging the OTIS Indexes, when available, to guide and prioritize partnerships and resource allocation
 - assessing the required millage rate
2. Maintain a fund balance of 15% of the total general fund expenditure budget net of any committed, assigned, or reserved fund balance.
3. Strategically utilize the fund balance to ensure operational integrity of district programs, support expenditure parameters, and offset potential decreases in revenue.



EXPENDITURE PARAMETERS

These budget parameters may represent an additional or recurring cost to the district.

The district will:

Expenditure Parameters	Goal/Guardrail
APS will commit to the 1-1 device strategy by building in a sustainable repair and replacement program for devices.	All Goals; Guardrail 1 - Equity
APS will commit to supporting our students & families by building a long-term strategy to address the digital connectivity divide at home	All Goals; Guardrails 1 & 4 – Equity & Innovation and Accountability
The CPI increased YOY (FY22 to FY23) by ~8%. Given the current inflationary track that we are experiencing, another large YOY CPI increase from FY23 to FY24 is anticipated. The annual budget process must consider inflationary pressures when necessary to pay for and provide comparable service levels.	
The budget must contemplate any changes to the school nutrition model that will also have an impact on general fund costs and staffing.	Guardrail 1 - Equity
The annual budget process must contemplate federally funded programs and positions, especially those funded through CARES, and begin the process of folding in or rolling off those expenditures as appropriate	All Goals; Guardrails 1 & 2 - Equity & Stakeholder Engagement
The budget must sustain and support changes in school enrollments, new schools, changes in school designs, and shifts in school programs, as recommended, and approved through the facilities master planning process.	Guardrail 4 - Innovation and Accountability
The budget should support a compensation strategy and central office structure that aligns district initiatives with the recommendations from internal and external reviews and audits.	Guardrails 1 & 3 - Equity & Culture and Climate

TIMELINE OF BUDGET DEVELOPMENT

FY2024 GENERAL FUND BUDGET DEVELOPMENT	
Item Description	Dates
Board Meeting	September 6, 2022
SSF Taskforce Meeting (Internal)	September 14, 2022
Board Budget Commission Meeting	September 15, 2022
SSF Taskforce/BFAC Meeting	September 15, 2022
Board Meeting	October 3, 2022
SSF Taskforce Meeting (Internal)	October 19, 2022
Board Budget Commission Meeting	October 20, 2022
SSF Taskforce/BFAC Meeting	October 20, 2022
Board Meeting	November 7, 2022
SSF Taskforce Meeting (Internal)	November 16, 2022
Board Budget Commission Meeting	November 17, 2022
SSF Taskforce/BFAC Meeting	November 17, 2022
Board Meeting	December 5, 2022
SSF Taskforce Meeting (Internal)	December 13, 2022
SSF Taskforce/BFAC Meeting	December 15, 2022
Board Meeting	January 2, 2023
FY2024 School & Department Budgets Released	January 10 th -Depts.
	January 24 th -Schools
Budget Development Training with Principals	January 24, 2023
Governor's State of the State Address and Education Budget	TBD
Board Budget Commission Meeting	January 19, 2023 -Canceled
GO Team Initial Budget Presentation	January 10, 2023 - Early Feb.
Board Meeting	February 6, 2023
Board Budget Commission Meeting	February 17, 2023

Academic and Staffing Conferences	Late Feb.- Early March
FY2024 School and Department Budgets Locked	March 1, 2023
Board Meeting	March 6, 2023
GO Team Final Budget Approval Begins	Early Feb.- Late Feb.
Board Budget Commission Meeting	March 16, 2023
GO Team Final Budget Approval Ends	Late Feb.– Mid March
FY2024 Senior Cabinet Budget Proposal Meeting	March 28, 2023-Tentative
Board Meeting	April 10, 2023
Board Budget Commission Meeting	April 20, 2023
Board Meeting; (Tentative adoption)	May 1, 2023
First public budget hearing for Fiscal Year 2024 Budget	May 1, 2023
Conduct regional public meeting for Fiscal Year 2024 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2024 Budget	TBD May
Conduct regional public meeting for Fiscal Year 2024 Budget	TBD May
Board Budget Commission Meeting	May 18, 2023
Board Meeting; (Final Adoption)	June 5, 2023
Second public budget hearing for Fiscal Year 2024 Budget	June 5, 2023
Advertise and publish notice of tax rate and budget	TBD July
Advertise the first and second public hearings for the tax Millage rates	TBD July
Advertise the tax digest for the five-year history Fiscal Years 2018-23	TBD July
Advertise the third public hearings for the tax Millage rates (If necessary)	TBD July
Deadline for millage rates to be delivered to Fulton County Tax Commissioner	TBD July
Final adoption of the tax Millage rates for Fiscal Year 2024 (may require a called Board meeting (public hearings) depending on the county's schedule and millage rollback)	TBD July
Hold the first and second public hearing on the tax Millage rate	TBD July
Hold the third public hearings for the tax Millage rates (If necessary)	TBD July

ABOUT THE BUDGET PROCESS

Planning

The planning activities include identifying and prioritizing educational needs and forecasting available resources to meet those needs. This process requires intensive involvement of central office, instructional, and operational staff year-round.

Preparation

Tentative budgets from the school level are based on the projected enrollment associated with the full-time enrollment reports submitted to the Georgia Department of Education, instructional plans, estimated resources, contractual requirements, and anticipated inflationary issues. Forecasting available resources and requested appropriations will indicate whether the district's initial budget will suffer a shortfall or pledge undesignated reserves. All organizational units prepare their budgets during the fall and winter months of each year.

- *State Allocations/QBE*- Revenue assumptions are made based on Governor's State of the State Address
- *Preliminary Appraisal*- The tax commissioner provides the preliminary appraisal values
- *Tax Millage Rates*- The first read of millage rates are given and public meetings are held

Analysis and Review

The budget requests for the central departments are developed with the support and analysis provided by the Budget Services Department. The requests are reviewed for completeness, accuracy, and compliance with established budget assumptions. The school budgets are consolidated with the program budgets into one file for reporting purposes. These various reports are then submitted, as the General Fund Draft Budget, to Senior Cabinet for review and revision. The Board Budget Commission and the Budget and Finance Advisory Committee (BFAC) meet regularly throughout the budget development process to gather input and to provide guidance for the budget process.

- *School Allotment Guidelines*- Developed with collaboration of the SSF taskforce and based on Budget Commission discussions
- *Principal Proposal*- Principals align their strategic plans and new year earnings through a collaborative process with GOTeams
- *Department Budgets*- Departments use modified zero-line-item budgeting to support their strategic plans and new and ongoing operations and initiatives

Adoption and Approval

In the latter part of the development process, a District -wide consolidated budget is drafted. This tentative budget reflects the results of an internal review of the budget requests conducted by the Superintendent, Chief Financial Officer, and Budget Executive Director. By law, the Board of Education shall hold at least two public hearings to receive public input on the proposed budget. After the budget hearings, changes can be made that reflect public input. Budget adoption at the next legislative meeting of the School Board is the final step.

- *GoTeam Input & Approval*- GoTeams assist in the decision-making process to maximize the educational opportunities of students and align resources to strategy.
- *Regional Public Meetings*- Regional public meetings are held to discuss the new fiscal year budget for tentative adoption.
- *Public Hearings*- Two public hearings are held in alignment with both Tentative and Final budget adoption so that the Board can receive public input prior to taking action on the proposed budget. Subsequently, the Superintendent presents the recommended budget to the Board, public, and media.
- *Tentative Adoption*- Superintendent presents the new fiscal year budget to the Board of Education. The tentative budget provides a first glance of the investment plan for the upcoming school year. It evolves as the budget process advances and presents opportunities for input from key stakeholders including parents, students, citizens, and staff.
- *Final Adoption*- The budget is presented to the Board of Education for the final adoption. The Board conducts public hearings on the proposed budget and millage rate and then adopts the budget in the month of June. Millage rates have typically been adopted later in the summer.

Implementation

The fiscal year of Atlanta Public Schools begins July 1 and ends on June 30. Atlanta Public Schools has an encumbrance driven accounting system that does not allow overspending of non- salary. The Human Resources Department works closely with the Budget Department in monitoring position control. The Budget Department also does reviews and modifications of individual budgets to ensure that the school district is on target with projected spending.

Review and Assessment

The budget is an important management tool for all stakeholders, to include taxpayers, the School Board, the administration, school level managers and teachers. Monitoring of staffing and expenditures enables Budget Center Managers to keep track of how well their programs are being implemented and the rate at which funds are being expended. The rate of expenditure is important for cash flow purposes to ensure that the district always has available assets to sustain daily operations. The success of the budgeting process depends on many individuals throughout the school system fulfilling their fiduciary duties and responsibilities in a timely and appropriate manner.

Fiscal Responsibility

As custodians of public funds, our purpose and commitment are to manage those funds with honesty and integrity to ensure that the district continues to function smoothly, and to build and maintain public trust. To meet these criteria, budgets have been formulated using clear and precise directions to others in the construction of their budgets.

BFAC AND BUDGET COMMISSION

The Superintendent established the Budget and Finance Advisory Committee (BFAC) to provide guidance and counsel on matters of budget and finance and to increase communication with the public, staff, and School Board, to provide for greater citizen involvement. The BFAC this budget season has met with members of the GOTeam, the Executive Director of Budget Services and/or Chief Financial Officer, to develop tools and methodologies on how to best improve the district's budgeting process. The administration has been responsive to BFAC's recommendations for greater cohesion and clarity.

APS Budget Commission is comprised of the chairperson of the Board, a member of the Board appointed by the Chairperson of the Board to serve as the Chairperson of the Commission and two other members of the Board. Each year, the Chairperson and other members of the Board are nominated by the Board Chairperson and confirmed by the members of the Board. Along with the Board, the Superintendent and the Chief Financial Officer serves as ex-officio members of the Budget Commission.



The responsibilities of the Budget Commission include preparing the anticipated revenues for the school system and to allocate a sum sufficient to provide for debt service, including a sinking fund and interest on bond indebtedness, and any other appropriations required by law. The Commission also adjusts the anticipated revenues in the event the income of the school system is increased or decreased. Prior to the final adoption, Budget Commission meetings are held to gain consensus on revenue assumptions, budget parameters and appropriation levels.

TIMELINE/CALENDERS

Budget Finance Advisory Committee/SSF Taskforce Meeting Dates:
October, 20,2022
November 17, 2022
December 15, 2022
January 12, 2023

Board Budget Commission Meeting Agenda:	Date:
Align on budget development timeline, SSF Taskforce outline, overview of FY2023 resource and expenditure parameters, economic forecast/potential challenges for FY2024	September 15, 2022
Finalize FY2024 parameters, Update on SSF Taskforce	October 20, 2022
Student Success Formula Review, FY2024 Expenditure Parameters	November 17, 2022
Deep dive on revenue assumptions, budget process update and Draft Budget Primer	February 16, 2023
Local revenue, legislative update, compensation strategy, revenue vs expenditure analysis, preliminary gap conversation	March 16, 2023
Non-general fund budget presentations, recommendation for tentative budget	April 20, 2023

STRATEGIC PLAN

STRATEGIC PLANNING

The vision of Atlanta Public Schools is to be a high performing school district where students love to learn, educators inspire, families engage, and the community trusts the system. The district has built on the previous strategic plan and laid the foundation for this vision with the development of the 2020-2025 “We Are” strategic plan. This plan reflects our focus on strengths as a district. The strategic plan is a roadmap for APS. The 2020-2025 strategic plan creates a bold direction for our students and families centered on great public schools regardless of the neighborhood, zip code, or area of the city. This plan is ambitious because it places equity at the forefront of our work. We want it to serve as an important anchor of our work, as it focuses on increasing educational equity for all our students. Outlined in this plan are a set of equity commitments that provide a framework for staff to address educational equity in specific and impactful ways. This work will guide how we, as a school system, define and measure student success, support and elevate teachers, provide schools the resources they need to support every child, and create conditions that help students thrive regardless of which school they attend in APS.

Alongside the 2020-2025 “We Are” strategic plan, we have developed the APS 5. The APS 5 gives us where we will focus our driving forces for our strategic plan. The five areas include: data, curriculum and instruction, whole child intervention, personalized learning, and signature programming. Data will be utilized to drive all instructional decisions and ensure equitable outcomes for all students is achieved. Implementing rigorous and culturally relevant curriculum with fidelity in all core content areas and instructional best practices will fuel the districts area of curriculum and instruction. With the whole child and intervention concept, students will receive the support needed to thrive in all areas of development and learning. Personalized learning environments students can move at pace comfortable to them to maximize understanding and retention. Lastly with signature programs, students experience rigorous and quality education programs such as STE(A)M.

The strategic planning process involved the Atlanta Board of Education, district and school staff, students, and community stakeholders. Feedback was gathered from across the district through town halls and neighborhood meetings, parent advocacy groups, small focus group discussions, school site visits, surveys and principal and administrative meetings.



WHERE WE WILL FOCUS

DATA

Utilize data to drive all instructional decisions and ensure equitable outcomes for all students

CURRICULUM + INSTRUCTION

Implement rigorous and culturally relevant curriculum with fidelity in all core content areas and instructional best practices in Tier 1 instruction

WHOLE CHILD + INTERVENTION

Implement a Whole-Child system of supports that integrates social-emotional learning, behavior, wellness, and comprehensive academic intervention plans

PERSONALIZED LEARNING

Utilize flexible learning tools, technology integration, and targeted instruction to personalize learning for all students

SIGNATURE PROGRAMMING

Strengthen the implementation of signature programming across all schools

ENABLING SYSTEMS: HOW WE'LL SUPPORT



Refine and utilize an equity-centered, content-specific, vision for teacher excellence



Implement APS' Academic System framework to build teacher capacity to fully support marginalized students



Execute a system of support for schools that builds leader capacity



Implement profile of a graduate to create a holistic learning experience



Recruit, retain, and engage excellent staff



Ensure the equitable, efficient, and effective allocation of resources



Empower and build trust with families and communities

APS Strategic Plan (2020-2025)

Strategic Priorities

Equity Commitments

Strategic Initiatives

- Fostering Academic Excellence for All
- Building a Culture of Student Support
- Equipping & Empowering Leaders & Staff
- Creating a System of Support for Schools

- ★ Improving Access to High-Quality Instructional Programming & Materials
- ★ Leveraging School Improvement to Advance Equity
- ★ Integrating Social, Emotional, & Academic Practices
- ★ Ensuring Equitable Learning Environments
- ★ Increasing Access to Effective Leaders & Teachers
- ★ Ensuring Equitable Funding
- ★ Partnering with Families & Communities

- Data Curriculum & Instruction Signature Programming
- Whole Child & Intervention Personalized Learning
- Strategic Staff Support Equitable Resource Allocation
- Collective Action, Engagement & Empowerment

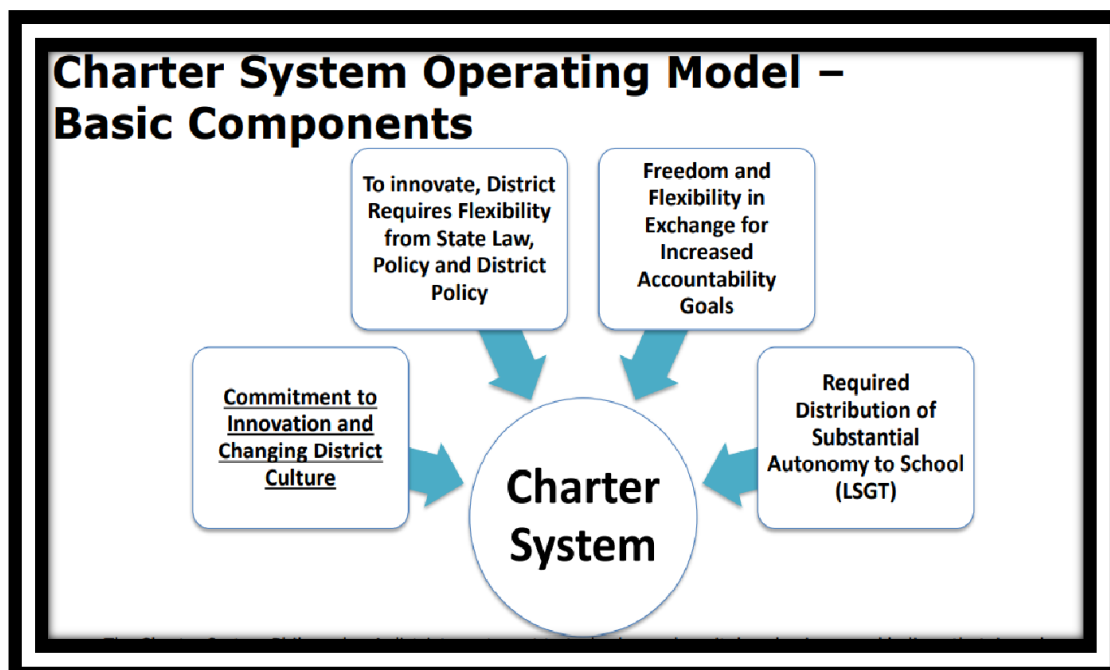
APS Five

Essential Supports

OPERATING MODEL

The district complied with State of Georgia law that requires a school system to select an operating model June 2015. After completing vision, mission and strategic planning while also exploring the merits of the available state operating models, the Atlanta Board of Education determined that the Charter System model was the best fit for APS. The Charter System model provides opportunities for flexibility as well as shared governance and best aligns with the needs of all students across our diverse school system. Our plans for innovation, accountability and distributed leadership are a strong match with the Charter System model. The renewal of our charter system was approved in July 2021; greater flexibility in serving the students, more flexibility in using local and state resources, and greater accountability by the school system to the community were all reasons for the APS charter system renewal. The school system will use the strategic and cluster plans along with community input to tailor our operating model design and application.

The Charter System Philosophy: A district must want to truly change how it does business and believe that, to increase student achievement, schools must be operated in a different way, with greater parent and community buy-in at every single school. Schools are empowered to develop solutions free from the established educational bureaucracy of legislature-driven education mandates, State Board rules, and even the district's own policies and practices. With this freedom from the law, the district and its schools in turn agree to be held accountable for significant increases in student achievement. Under the Charter System, Atlanta Public Schools gains freedom and flexibility from many state education laws and regulations in exchange for increased accountability for student achievement. A key element to charter system is moving decision making closer to where learning takes place. That means leaving decisions to the school system and to the schools within the system.



NEXT STEPS

All these plans will be considered in our budget process through outlining the key budget priorities and financial needs. This will ensure that the objectives of the strategic plan are prevalent in the upcoming fiscal years. We will communicate and share the high-level plan across the organization with our stakeholders with the intent of ensuring alignment to the district's strategy.

STRATEGIC PRIORITIES

We will continue to fund our strategic priorities, including the Turnaround Strategy, Signature Programs and School and Cluster Flexibility while focusing on operational efficiencies to assure successful achievement of the district's vision and mission.

TURNAROUND STRATEGY

The APS School Turnaround strategy was developed in 2014 to provide the additional critical support our lowest performing schools need and deserve. To meet these needs, Atlanta Public Schools has developed a strategy of support across key priority areas which includes a two-year phase out for schools that have transitioned from Intensive to Targeted Tier.

School Name	Turnaround Designation
Boyd ES	CSI
Continental Colony ES	CSI
Dobbs ES	CSI
Dunbar ES	CSI
F.L. Stanton ES	CSI
Harper Archer ES	CSI
Kimberly ES	CSI
Michael Hollis Academy	CSI
Miles ES	CSI
Peyton Forest ES	CSI
Scott ES	CSI
Tuskegee Airmen Global	CSI
John Lewis Invictus Academy	CSI
Douglass HS	CSI
Hank Aaron New Beginnings	CSI
Washington HS	Promise
Deerwood ES	TSI
Toomer ES	TSI
Finch ES	Year 1 off CSI
Young MS	Year 1 off CSI

SIGNATURE PROGRAMS

Signature programming is a core component of our charter system strategy and funds are allocated based on grade span and phase of implementation. Cluster planning was set in place to provide flexibility and autonomy at the cluster level for schools to invest resources in alignment with the district’s academic standards of service.

It specifically addresses each cluster’s academic programming needs and support for signature programming. These programs work to ensure college and workplace readiness for all students thus complementing the district’s mission statement. Since signature programming inception in 2015, it has aligned to the APS strategic plan, supported authorization/certification requirements from agencies, focused on three phases of progression based on level of implementation (1-Beginning, 2--Intermediate and 3--Advanced), and paid close attention to phase 3 which focuses on schools that are progressing toward and/or have achieved certification/authorization.

In 2022 signature programming implemented an additional phase (phase 4) and a new funding formula. This new concept added the additional phase and reassigned schools based on level of implementation (1--Beginning, 2--Intermediate, 3--Advanced and 4—Post Authorization/Certification), it assesses implementation every year using the new phasing rubric and adjusts the school phase designation based on progression and observation.

The breakdown below shows the current funding formula for signature programs.



Base Allocation by Phase	
Phase 1	\$50,000
Phase 2	\$100,000
Phase 3	\$150,000
Phase 4	\$200,000

Per Student Allocation	
Phase 1	\$25
Phase 2	\$50
Phase 3	\$75
Phase 4	\$100

This change to the funding formula and new phase, allow for students served and number of teachers to have a greater impact on Signature Program budgets than grade-band and per pupil allocation. It will address the resource gap that schools serving more students have experienced.

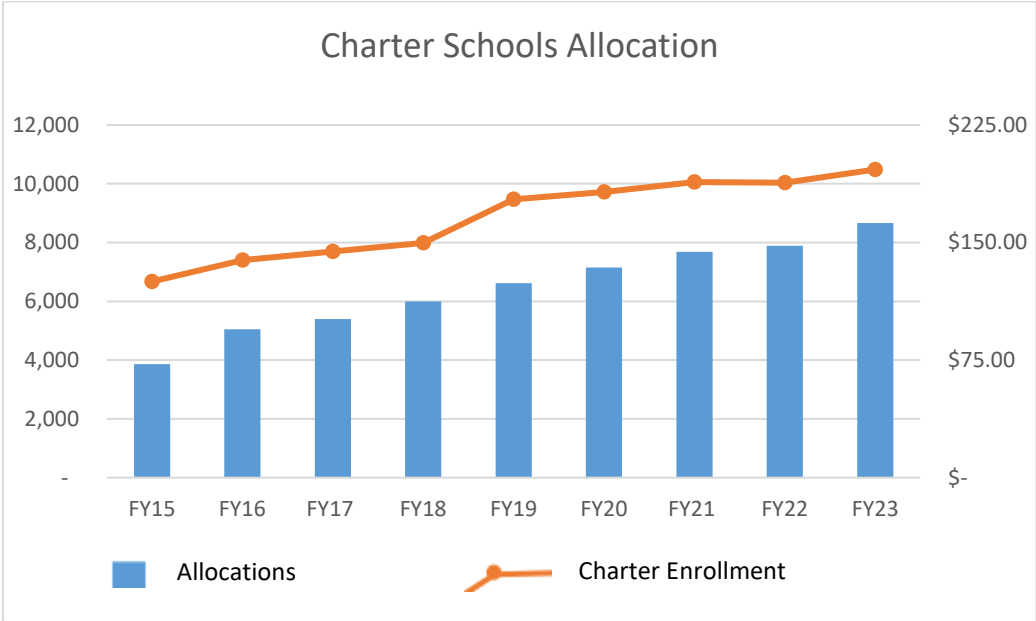
The College and Career Readiness signature program has emphasis on critical thinking, communication, collaboration, creativity, and citizenship. Students will have multiple opportunities to engage in accelerated learning via the Early College Initiative (Carver cluster) and the Advanced Placement curriculum (Midtown cluster). Students may earn college credit during high school and graduate with distinction as advanced academic pathway completers. STE(A)M education is implemented at all grade levels and is based on a rigorous curriculum that integrates subjects (e.g., math and science) as opposed to teaching them in isolation. STEM teachers plan and work collaboratively as a team to deliver instruction that is driven by innovation, real-world problem solving, exploratory, and student-centered development of creative ideas and solutions. STEM education is not a prescribed curriculum, but a combination of several research-based best practices proven to improve student achievement: Inter disciplinary instruction, standards-based, problem and project-based learning, inquiry-based learning, collaborative learning, laboratory investigations, and research projects.

The International Baccalaureate (IB) Program offers a K-12 continuum of international education that emphasizes and prepares students for 21st century careers; and focuses on preparing students for success in higher education and to be active participants in a global society. Students begin learning a second language at age 7. IB offers four programs including the Primary Years Program (K-5), Middle Years Program (6-10), Diploma Program (11-12) and Career-Related Program (11-12).



CHARTER SCHOOL SCALING

As the local tax digest grows and as existing charter schools complete their grade-level build out, expenditures related to charter school scaling will continue to grow. Charters also receive a portion of local revenue and fund balance. As the amount for local revenue and fund balance increases, the allocation to charter and partner schools also increases irrespective of the enrollment. The information below gives a closer look at our charter enrollment, allocated dollar amounts and percentage of charter enrollment compared to our district’s total enrollment.



Fiscal Year	Enrollment	% of total Enrollment	Allocation (millions)	% of total Budget
FY15	7,927	13%	\$72.50	12%
FY16	8,154	14%	\$94.70	13%
FY17	8,455	15%	\$101.30	14%
FY18	9,139	15%	\$104.40	13%
FY19	9,353	18%	\$118.00	15%
FY20	9,529	18%	\$134.00	16%
FY21	10,060	19%	\$143.60	17%
FY22	10,040	20%	\$148.03	16%
FY23	10,485	20%	\$162.50	18%

INNOVATIONS AND STRATEGY

STUDENT SUCCESS FUNDING MODEL (SSF)

School district leaders face several challenges when determining how to allocate limited resources. Shifting demographics, complex student needs, and uncertain tax base growth require school districts to think of innovative approaches to allocate resources.

In this context, APS worked to develop a school funding formula that will maximize transparency, provide autonomy & flexibility to schools, and increase equity for all students; Student Success Funding (SSF). APS is building its seventh school-based budget using SSF for FY2024. While we continue to strive for a balanced approach to adjusting the allotment model, each year we strive to tilt the scales more towards equity while striving to maintain as much stability as possible for all schools in the district. We maintain stability by committing sufficient funding for a baseline of services and review certain transition limits when significant changes to the formula are considered.

A good school allotment formula allows a school district to allocate funds in a way that better meets the specific needs of students, allows for principal and GoTeam innovation, and can be easily understood by stakeholders. With the release of the FY2024 school-based budgets, we continue to make efforts towards equitable funding. These include continuing investments in school-based funding as highlighted in the budget parameters. We are also continuing to use two average salary bands (instead of one district-wide average salary) to budget resources in alignment with the actual costs of positions in certain high-need, high-poverty schools. To make the most significant impact for poverty through SSF for the upcoming year, we've continued to have a weight for concentration of poverty.

Every year, Budget Services recalculates the total amount that will be pushed out through SSF, then weights are adjusted accordingly. Last year for FY2023 the total amount pushed out through SSF was \$267,302,625 however, this year (FY2024) it is \$273,723,112 a change of \$6.4 million.

CONSOLIDATION OF FUNDS

As a charter district, Atlanta Public Schools has opted to participate in the Georgia Department of Education Consolidation of Funds Pilot. The purpose of consolidating funds is to help a Schoolwide (SW) program school effectively design and implement a comprehensive plan. The plan will upgrade the entire educational program in the school based on the school's needs identified through its comprehensive needs assessment. Once these funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of those funds are no longer limited to the federal requirements for individual programs. Federal, state, and local funds in specific Title I schools that operate school wide programs are fully consolidated.

Benefits of Consolidation

Flexibility - Once funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of those funds are no longer limited to the federal requirements for the individual programs.

Allowability - A school wide program that consolidates federal program funds is not required to meet most statutory or regulatory requirements of the program applicable at the school level but must meet the intent and purposes of that program to ensure that the needs of the intended beneficiaries are met.

Time and Effort - A school wide school that consolidates federal, state, and local funds is not required to keep any time and effort documentation on employees paid out of the consolidated pool of funds, unless otherwise required by the state and local district.

DEPARTMENTAL BUDGETING

While APS continues to make gains across the district, many more of our students, must be proficient learners before we can say they are college and career ready. APS developed an ambitious strategic plan that will guide our work for the next 5 years. To realize the goals set forth, it is imperative that we intentionally align resources with district priorities.

We started this work in FY2021 when the district began to shift from traditional incremental budgeting to a modified zero-based budgeting (modified ZBB) approach. This method created more transparency and encouraged more in-depth and meaningful conversations about leveraging the budgeting process to create to understand programmatic needs and request for allocations. In FY2022, we moved on to phase II of the modified ZBB called Budgeting for Priorities to start tracking our spending on the strategic plan and other district priorities in a more robust way. FY2024, we will continue to use strategic budgeting to further track our spending keeping in mind the district's strategic plan.

DEPARTMENT BUDGET DEVELOPMENT TIMELINE

FY23 Department Budget Development Timeline	Dates
Release budget templates	Jan. 10th
Budget Kickoff Meetings	Jan. 10 th (In person) Jan 12 th (Virtual)
FY24 Budget Training Sessions for Departments	Jan. 18 th & Feb. 1 st
Budget support sessions (Tues., Wed., Thurs.)	Jan. 17 th - Feb.17th
Mid-point Check-in	Week of February 6 th

Deadline: BUDGETS CLOSE 5PM	March 1 st
Chief Budget Review	Mar. 2nd – Mar. 10th
BCMs may use this week to prepare budget proposals for Senior Cabinet review	Week of Mar. 13th
Senior Cabinet will retreat for deliberation and decision-making to determine what to include in the final request to present at regional meetings, public hearings, and tentative adoption	Mar. 28th

DEPARTMENTAL BUDGETING

Budgeting for Student Outcome is planning with the end goal in mind, creating a plan and aligning those resources to achieve the student outcomes that align with the Board’s goals. Last year we aligned our expenditures with district priorities and strategies and this year we are continuing that process with the Modified Zero-based budgeting (MZBB). MZBB will allow us to continue to have deeper conversations on what priorities are funded.

The zero-based budgeting approach is designed to get the budget center managers (BCMs) thinking about prioritizing resources for those initiatives that are working and eliminating resources to those initiatives that are not. This method will require BCMs to justify non-personnel line items and identify **2-3 SMART goals** that align to the goals and guardrails, districtwide operational needs, budget parameters or other existing priorities.

BCMs will present their budget proposal to senior cabinet. Senior cabinet will use a transparent criteria-based decision-making matrix to determine allocations for final request. The overarching goal is to align resources with district priorities and align with GFOA’s best practices in school-based budgeting to create a more effective and efficient central office (CLL) to ultimately make deeper investments in specific priorities instead of distributing funds over too many initiatives.

BUILDING YOUR BUDGET BEST PRACTICES

As you are building your budget for this year, look at your full budget from last year or year over year perspective (expenditures and encumbrances) and look at your timeline of when your dollars are being spent. Consider reviewing the following process first:

1. Review your FY2023 current budget.

- a. Review what was approved for the current year and use that as a guide to answer the following questions:
 - i. What initiatives did you continue, advance, or begin in the current year?
 - ii. How did those initiatives work out?
 - iii. Are any initiatives ending or do we plan to end any for the upcoming year?
 - iv. If an initiative did not yield the progress you had projected during planning, it may be a good idea to reevaluate that initiative. Using the SWOT analysis on the next page is a good way to start.
- b. Have we spent at least 55% of our current budget? Why or why not?

2. Discuss with your team, old and new initiatives.

- a. Weed out those initiatives that do not advance the District's/Boards Goals and Guardrails.
- b. Develop costing models for each initiative.
 - i. Don't forget to include costs for staff, technology, travel and training.

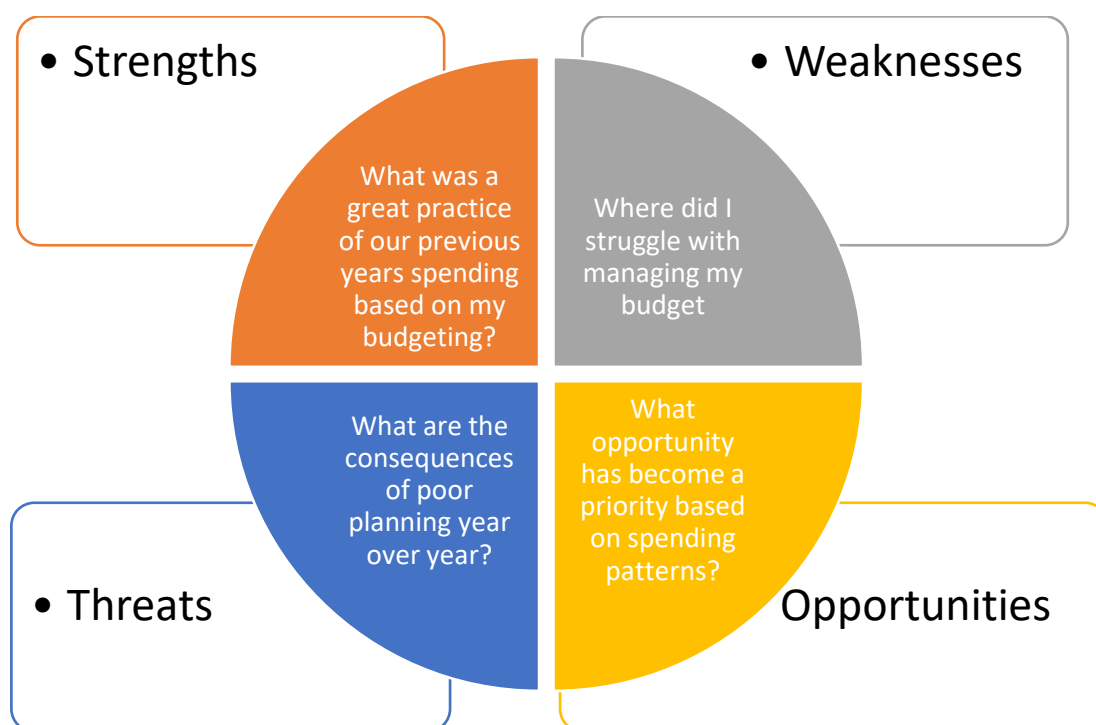
3. Think about how you would fund those initiatives only using your FY 2023 budget (assuming no increase in funding will be given).

- a. What would suffer? What could be cut? How does that impact the children, your department and/or the district?
- b. Can you continue your work for the children without additional funding?
- c. Could you combine a position? Can you work with another department to split cost? Can you receive funding from Federal programs (NOT CARES)? Is there a less expensive vendor or product you can use?

4. Open POs that will not be received by June 30th

- a. Should be budgeted for again in FY24.

SWOT ANALYSIS



The following outcomes will determine success for our FY2024 efforts:

1. All central office budget center managers will list at least one goal for fiscal year 2024 and tie their budget proposal(s) to the district's strategies.
2. Modified Zero-based budgeting will encourage budget center managers to think about how they are allocating funds year over year.
3. All central office budget proposals will be presented to senior cabinet to increase awareness of programmatic needs and transparency.
4. Senior Cabinet will review all budget proposals, challenge assumptions as necessary and make recommendations for tentative budget adoption based on key discussions and a priority-based decision-making matrix.

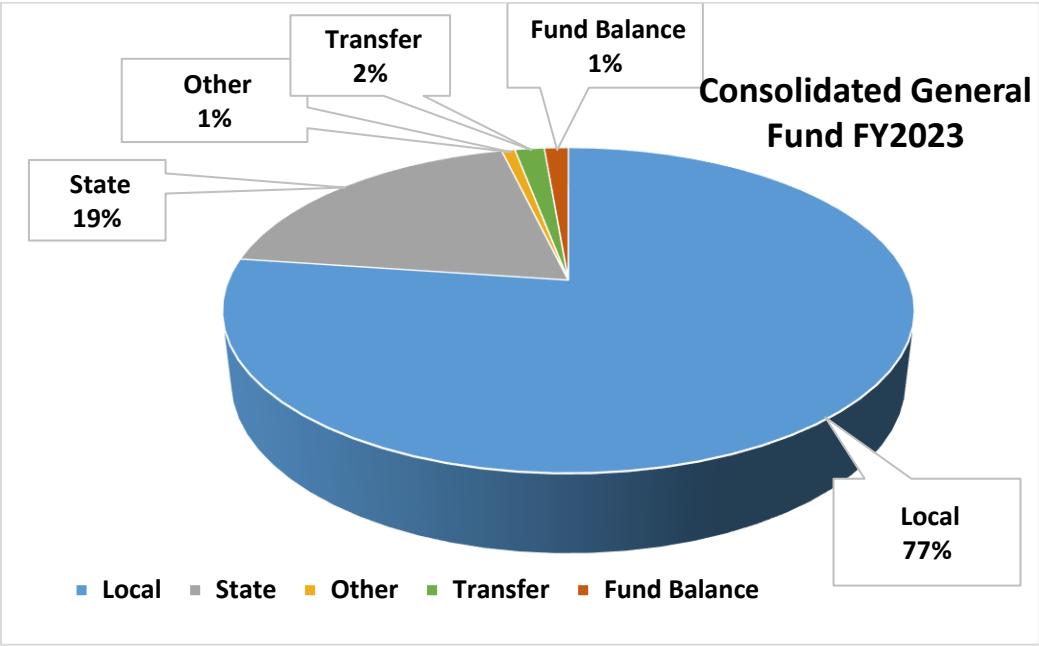
By continuing these change management efforts, our hope is to reduce inefficiencies, increase strategic alignment, accountability, and cross-departmental collaboration to improve outcomes. Ultimately, we anticipate these efforts will position us to begin tracking academic return on investment (AROI). Ideally, this will improve student outcomes and increase equity by intentionally leveraging the budgeting process to advance the strategic priorities (i.e., Increase proficiency and close the gap in ELA, Math, ACT/SAT, and Graduation, and execute our Equity plan) and prove to be effective and efficient in their delivery of services to schools.

FY2023 CURRENT BUDGET RECAP

The district’s FY2023 consolidated General Fund Budget, as adopted by the Atlanta Board of Education is \$904 million, which is about \$62 million more than FY2021. The district’s FY2022 budget also includes \$363 million for special revenue, \$94 million for SPLOST funds, and \$33 million for school nutrition and \$4.5 million for student activities.

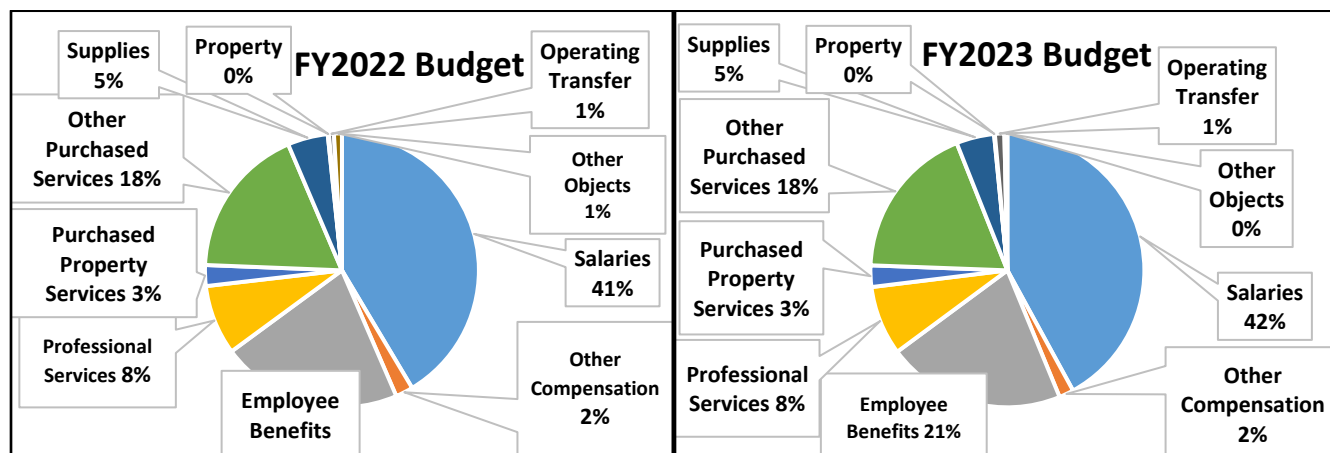
FY2023 BUDGET HIGHLIGHTS

Resources	FY2022 Budget
Local	\$752,050,536
State	\$185,881,087
Other	\$7,222,216
Transfer	\$15,988,581
Fund Balance	\$13,051,123.37
Total Available Resources:	\$974,193,544



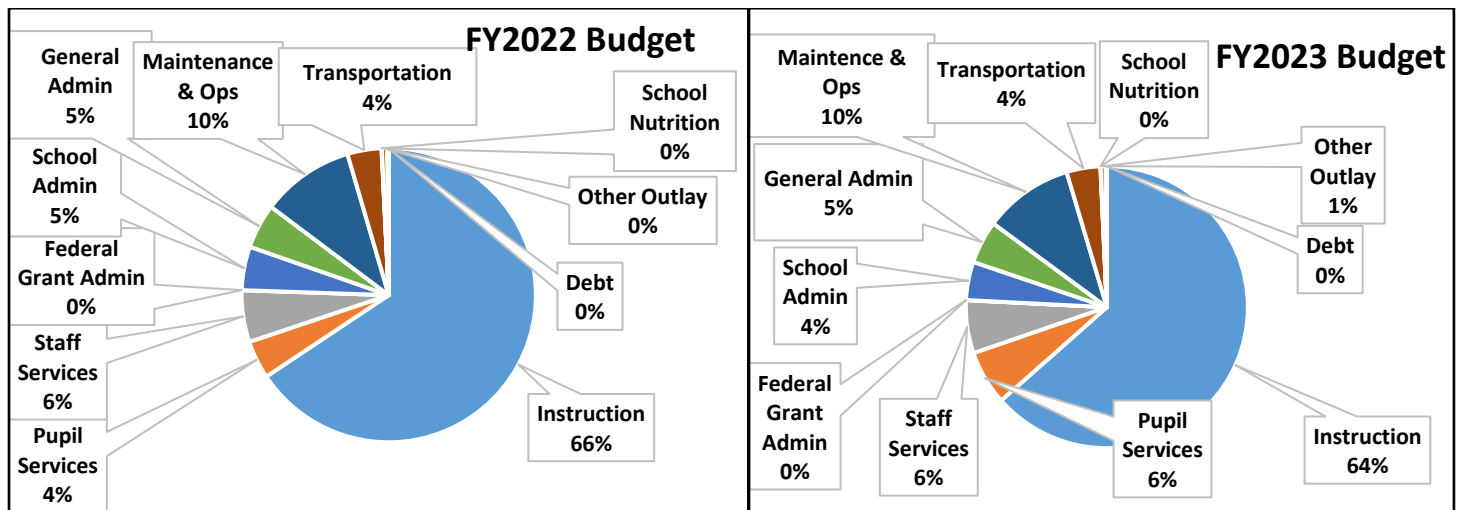
FY2023 CONSOLIDATED GENERAL FUND BUDGET BY OBJECT GROUP

	FY2022 Approved			FY2023 Approved		
Budget in millions	Budget	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
Salaries	\$374.79	41.43%	\$7,360	\$409.59	42.04%	\$8,396
Other Compensation	\$18.77	2.08%	\$369	\$16.92	1.74%	\$347
Employee Benefits	\$193.70	21.41%	\$3,804	\$205.47	21.09%	\$4,212
Professional Services	\$74.55	8.24%	\$1,464	\$79.68	8.18%	\$1,633
Purchased Property Services	\$22.30	2.46%	\$438	\$24.73	2.54%	\$507
Other Purchased Services	\$162.42	17.96%	\$3,190	\$179.06	18.38%	\$3,671
Supplies	\$43.07	4.76%	\$846	\$43.56	4.47%	\$893
Property	\$1.25	0.14%	\$25	\$0.92	0.09%	\$19
Operating Transfer	\$5.31	0.59%	\$104	\$10.86	1.11%	\$223
Other Objects	\$8.44	0.93%	\$166	\$3.41	0.35%	\$70
Total	\$904.60	100.00%	\$17,765	\$974.19	100.00%	\$19,970



FY2023 CONSOLIDATED GENERAL FUND BUDGET BY FUNCTION GROUP

	FY2022 Approved			FY2023 Approved		
Budget in millions	Budget	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil
Instruction	\$593.94	65.66%	\$11,664	\$618.45	63.48%	\$12,678
Pupil Services	\$37.90	4.19%	\$744	\$60.72	6.23%	\$1,245
Staff Services	\$51.53	5.70%	\$1,012	\$59.33	6.09%	\$1,216
Federal Grant Admin	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0
School Admin	\$43.34	4.79%	\$851	\$42.76	4.39%	\$877
General Admin	\$44.43	4.91%	\$872	\$47.88	4.92%	\$982
Maintenance & Ops	\$92.48	10.22%	\$1,816	\$100.20	10.28%	\$2,054
Transportation	\$33.86	3.74%	\$665	\$37.69	3.87%	\$773
School Nutrition	\$0.38	0.04%	\$7	\$0.38	0.04%	\$8
Other Outlay	\$5.31	0.59%	\$104	\$5.56	0.57%	\$114
Debt	\$1.44	0.16%	\$28	\$1.22	0.13%	\$25
Total	\$904.60	100.00%	\$17,765	\$974.19	100.00%	\$19,970



FY2023 EXPENDITURES

At APS we adopt and manage our general fund budget by function. This is in alignment with state reporting of school budgets and allows for comparison among school districts. A function is a broad category that attempts to categorize expenditures that are directly related to student instruction, general administration, transportation, etc. A detailed explanation of each function can be found below.

Instruction – Instruction includes activities dealing with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Pupil Services – Activities designed to assess and improve the well-being of students and to supplement the teaching process. Activities include guidance, counseling, testing, attendance, social work, health services, etc. Also include supplemental payments for additional duties such as coaching or supervising extracurricular activities.

Staff Services – Activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, staff training and professional development. Activities concerned with directing, managing, and operating educational media centers. Included are school libraries, audio-visual services, and educational television.



School Administrative Services – Activities concerned with overall administrative responsibility for school operations. Included are activities of principals, assistant principals, full time department chairpersons and clerical staff.

Maintenance and Operations – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Property insurance expenditures are recorded in this function. General Administrative Services – Activities concerned with establishing and administering policy for operating the Local Units of Authority (LUA). These include the activities of the members of the Board of Education. Local activities in interpretation of the laws and statutes and general liability situations are charged here, as are the activities of external auditors. Also recorded here are activities performed by the superintendent, administrative support personnel and deputy, associate, or assistant superintendent having overall administrative responsibility. Activities concerned with

the fiscal operation of the LUA, including budgeting, financial and property accounting, payroll, inventory control, internal auditing and managing funds. Also included are purchasing, warehouse and distribution operations, and printing, publishing, and duplicating operations. Central Office activities other than general administration and business services. Included are personnel services, data processing services, strategic planning including research, development and evaluation on a system-wide basis and public relations activities, such as writing, editing and other preparation necessary to disseminate information to students, staff, and the public. All other support services not properly classified elsewhere in the 2000 series.

Transportation Services – Activities concerned with the conveyance of students to and from school and trips to school activities. These activities include supervision of student transportation, vehicle operation, servicing and maintenance, bus monitoring and traffic direction. Transportation insurance expenditures are charged to this function.

FUND BALANCE UPDATE

- APS has a long-standing practice of maintaining a fund balance above 7.5% of revenue, but below the statutorily required cap of 15%. In more recent years fund balance has hovered between 9-18% of expenditures. For reference, the GFOA recommends as best practice to maintain two months-worth of expenditures within the fund balance, or 16.7%.
- APS will use the excess fund balance to bridge the gap in 2024 when CARES funding begins to deplete to 2027 when our pension funds are paid off.
- The Fund Balance is equal to assets less liabilities for the calendar year and does not represent the cash on hand at any given time.
- With an approved budget of \$974 million for FY2023, this year's beginning fund balance



totaled \$186,186,107. For FY2023 the anticipated change to the fund balance will be a result of commitments of any remaining funds as of the closing of fiscal year 2022 earmarked for General Fund Capital Improvement – Program 6721 (approximately \$300,000), furniture orders for schools (approximately \$2,700,000), renovations at HJ Russell (approximately \$20,000) and renovations at Long Middle school (approximately \$20,000).

ECONOMIC CONTEXT

FEDERAL

The FY2023 President's budget request reflects the Biden-Harris Administration's deep belief in the importance of education and the success and wellbeing of our nation's students. The budget request calls for continued investments that help our schools hire and support more teachers, school counselors, and other personnel who can nurture the social, emotional, and academic development and mental well-being of our children and youth in this critical time and beyond. The FY2023 budget focuses efforts on recovery. That means ensuring all students—especially those from underserved communities and those most impacted by the pandemic—receive the resources they need to thrive. Importantly, this budget also invests in access to affordable higher education and the creation of stronger pathways that meet the demands of our workforce and connect students to well-paying jobs and fulfilling careers. The FY2023 President's Budget for the Department of Education would make historic investments in the Nation's future prosperity including by increasing aid for schools with high-poverty rates; helping meet the needs of students with disabilities; and expanding access to higher education and increasing college completion. Overall, the FY2023 budget requests \$88.3 billion in discretionary funding for the Department of Education, a \$15.3 billion or 20.9 percent increase from the 2021 enacted level (less rescissions). [1]



President Biden's budget request for FY2023:

- Builds on historic FY22 investment by proposing \$88.3 billion in new discretionary Budget Authority, a \$15.3 billion or 21 percent increase above the fiscal year 2021 appropriation. No programs were eliminated or consolidated.
- Makes significant new investments to support the whole child – meeting the social, emotional, mental health, and academic needs of millions of students in schools and colleges across America, especially for students of color and students from low-income backgrounds.
- Increases support for children with disabilities and multilingual learners, including investments to help children and youth with disabilities thrive in school and to improve teaching and learning for multilingual learners.
- Invests in educator recruitment, retention, and professional learning, improving resources and support for America's teachers and school leaders to expand their impact within and beyond their classrooms.

- Reimagines the High School to Postsecondary transition, improving integration and alignment of the last two years of high school and the first two years of postsecondary education to improve postsecondary and career outcomes for all students. \$15.5 billion for Individuals with Disabilities Education Act grants to states, a \$2.56 billion increase over FY 2021. [1]

STATE

The proposed state budget for K-12 public schools is \$1.1 billion higher in FY2024 as compared to FY2023, fully funding the Quality Basic Education program that supports our local schools and educators. This additional funding includes \$303 million to adjust the state base salary schedule to increase salaries for certified personnel by \$2,000 in FY2024. FY2024 will also increase funding for school counselors by \$26.9 million to help address our students' emotional and mental well-being in school.

Some amendments Georgia's current FY2023 budget include:

- \$423,280,205 to fully fund local education authorities for the employer share of increasing the per-member, per-month rate for certified school employees to \$1,580 effective January 1, 2023.
- \$155,700,000 in one-time grant funding for K-12 education: \$115,700,000 to fund school security grants in the amount of \$50,000 per school, \$25,000,000 to support learning loss grants, and \$15,000,000 to support paraprofessionals with bachelor's degrees seeking teaching certificates.
- \$128,239,861 for a midterm adjustment in the Quality Basic Education (QBE) program.
- \$26,411,756 for the State Commission Charter Schools supplement for an increased per pupil cost and 0.7 percent decrease in enrollment at state charter schools. [2]

During Governor Kemp's State of the State address, he proposed a few budget adjustments and proposals for FY2023 and FY2024. The budget not only includes an additional \$745 million in Amended FY2023 but also more than \$1.1 billion in FY2024 for K-12 education. Some quick facts to highlight from Georgia's proposed FY2024 budget include:

- \$846,122,505 to fund the state share of employer increases on certified educators who participate in SHBP.
- \$303,242,508 for the Department of Education to adjust the state base salary schedule to increase salaries for certified personnel by \$2,000.
- \$127,180,022 for enrollment growth and training and experience to recognize a 0.4 percent increase in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY 2024 to 1.74 million students and over 136,000 teachers and administrators.
- \$26,933,036 to fully fund school counselor ratio for all categories of students pursuant to HB 283 (2013 Session).
- \$20,673,182 for the State Commission Charter Schools supplement to recognize an increased per pupil cost and 0.7 percent decrease in enrollment at state charter schools.
- \$226,985,000 in bonds for construction and renovation projects for local school systems.
\$22,820,000 in bonds to replace 259 school buses. [2]

LOCAL

APS is composed of local revenue which is the primary funding for our district (77%). Each year, the board of tax assessors is required to review the assessed value of taxable property in the county, for property tax purposes. When the trend of prices on properties that have recently sold in the county indicates there has been an increase in the fair market value of any specific property, the board of tax assessors is required by law to re-determine the value of such property and adjust the assessment. This is called a reassessment.

Georgia law requires that a rollback millage rate be computed to produce the same total revenue on the current year's digest that last year's millage rate would have produced had no reassessments occurred. The district currently maintains a millage rate of 20.500.

ESSER FUNDING

In response to the economic outcome of the COVID-19 pandemic in the United States, Congress passed three bills that provided immediate and direct economic assistance to local educational agencies through the Elementary and Secondary School Emergency Relief funds. The ESSER funds were provided to school district's that had the greatest impact due to COVID-19 and to support local school district's efforts to safely reopen schools. The funds allow us here at APS to address significant gaps in learning and support measures that will continue to reduce the effects of COVID-19 on students and families.

Under CARES and CRRSA, Georgia received \$2.3B in Elementary and Secondary School Emergency Response (ESSER) funds and allocated \$112M to Atlanta Public Schools to be used by September 30, 2022, and September 30, 2023, respectively. Under the American Rescue Plan (ARP), Georgia received \$4.2B in ESSER funds and APS received \$201M to be spent by September 30, 2023, with a carryover period through September 30, 2024. APS received a total of \$314M to be used towards pandemic related expenses. To date, APS has spent approximately \$127M, with several one-time expenditures and multi-year initiatives.

At APS, CARES funding will continue to be used for the following:

- allocate for computers, software, and connectivity for students and staff,
- compensatory services for students with disabilities,
- academic recovery, universal screeners, and a robust multi-year intervention program,
- COVID-19 surveillance testing,
- mental health supports for students and staff,
- long-term recruitment of teachers,
- nutrition costs,
- facilities including improvements to HVAC systems,
- summer learning and summer enrichment,
- psychologists, social workers, and nurses,
- and additional allocations under consideration

[1] U.S. Department of Education. (2022). President's FY2023 Budget Request for the U.S. Department of Education. Retrieved from <https://www2.ed.gov/about/overview/budget/budget23/summary/23summary.pdf>

[2] Georgia.Gov (2023). *Governor's Budget Reports*. Retrieved from [Governor's Budget Reports | Governor's Office of Planning and Budget \(georgia.gov\)](https://www.governor.ga.gov/budget-reports)

EXPENDITURE ASSUMPTIONS

STATE HEALTH BENEFITS

The FY2023 recommendation increases the State Health Benefit Plan Employer Contribution Rate for certified personnel to \$1580 per member per month, effective January 1, 2023. There is a corresponding budget recommendation in the Department of Education's QBE funding for \$420,250,950 to fund this increase. This recommendation is repeated in the FY2024 budget, with \$840,105,000 suggested in the QBE funding. Additionally, in FY2024, there is a recommendation to increase the Employer Contribution Rate for non-certified personnel to the same \$1580 rate. As you know, these costs are generally funded by local school systems which will have a strong impact to our budget here at APS. These recommendations were made in order to sustain the State Health Benefit Program and to cover rising costs in health care expenses.

CITY OF ATLANTA GENERAL EMPLOYEES PENSION PLAN

In the 1970's, significant underfunding occurred when the teachers in City Plan moved to the Teacher Retirement System of Georgia (TRS). TRS required that the transfer of the teachers to their system be "fully funded". As a result, a substantial amount of the pension assets was transferred to TRS and, at that point, APS's share of the City Pension Plan was woefully underfunded. Since at least 2002, APS has made payments ranging from \$39-\$62 million on an annual basis and the annual required payments will escalate by 3% annually over the next several years, topping out at \$69.9million in 2026 then dropping off to \$2.7million in 2027.

The pension liability payments for FY2023 are coming out of the General Fund and the district will continue to fund the annual 3% increase of pension obligations. The contribution to the city pension plan will continue to increase by the standard 3% from \$60.2 million to \$62.0 million for FY2023, a cost of \$1.8 million. If the fund earns the assumed 7.25% annual investment return and increases the contribution 3.0% annually, it will be fully amortized in around 7.6 years.

TEACHERS RETIREMENT SYSTEM OF GEORGIA

The Teacher Retirement System's board voted to increase the "employer," or government, contribution rate for FY2024 is as follows: employee rate - 6.00% and employer rate - 19.98%.

APS Compensation and Benefits are approximately 65% of General Fund total expenses. The table below shows the employer contribution rates in TRS from FY2019 to present:

Fiscal Year	Employer Rate
2024	19.98%
2023	19.98%
2022	19.81%
2021	19.06%
2020	21.14%
2019	20.90%

COMPENSATION

Compensation is a core component of the district's talent management strategy. As part of the budget planning process, the Office of Human Resources provides recommendations for investments in compensation strategies that support the recruitment, development, and retention of a highly talented workforce. Compensation recommendations are made based upon market competitiveness, inflation and living wage; strategies to improve identified recruitment and retention issues; legislative and external factors; position reclassification adjustments; and annual review of specific employee groups on a rotating schedule. This year, the district has continued to remedy pay parity and to show appreciation to employees and help offset their personal costs. APS implemented a historic minimum wage hike for full time workers last fiscal year and are moving in a positive direction for historic moves in FY2023. Here are some of the highlights of FY2023:

- Eligible Ensure all eligible employees on teacher pay scale receive \$2,000 increase (proposed by the State) (average raise 3.1%, \$2,000)
- Give all eligible employees on teacher pay scale a step increase (increases average raise to 4.6%, \$2,962 per teacher)
- Invest in teacher retention for high needs subject areas, continue with math and dual language immersion (DLI)
- General pay increase to salary schedules and step increase for all eligible full-time employees on non-teacher pay grades (~ 5%)
- General pay increase to salary schedules and step increase for all eligible full-time employees on Instructional Support pay scale* (~ 3%)

- Create a salary schedule for Student Support positions (social workers, psychologist, therapist, etc.)
- Implement Year 3 of three-year plan to convert hourly special education paraprofessionals to full time.
- Market adjustments for specific employee groups (Metro RESA)
- Engage with an external firm to complete a classification and compensation study.

