

A woman with glasses and braided hair, wearing a green dress, is speaking in a classroom. The background shows a whiteboard and a desk with a laptop. The image is dimly lit, with a red banner overlaid on the top half.

# Leverage data to drive strategic financial investments

*Lisa Bracken - Chief Financial Officer*

**One District. One Goal. Every Child.**

# A COMMUNITY OF BELIEVERS GETTING BACK TO BASICS

## Our Strength is Our Team

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

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

## Our Responsibility Is Shared

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

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

## Our System Is Efficient & Effective

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

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

## We Are Strengthening Our Instructional Core

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

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

## We Are Caring For Every Child

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

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

## We Are Sparking Student Curiosity

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

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



# MONTHLY FINANCIAL UPDATE

FINANCE DIVISION

Lisa Bracken, Chief Financial Officer

October 6, 2025

**One District. One Goal. Every Child.**

# Agenda

## Purpose

To provide an update on district financials, request budget adjustments and review FY2027 budget planning

## Roadmap

- FY2025 Year-end General Fund Financials
- FY2026 Monthly General Fund Financials
- FY2026 Proposed Budget Adjustments
- FY2027 Budget Planning

## Administration's Takeaways

Information regarding current general fund financials and FY2027 draft budget planning timeline

**FY 2025 Revenue Activity for Period Ending  
Consolidated General Fund  
June 30, 2025 - Compared to Budget - Unaudited  
(\$Millions)**

	<u>FY25 Budget</u>	<u>FY25 YTD Actual</u>	<u>FY25 YTD Variance*</u>	<u>FY25 YTD % of Budget</u>
Local Taxes	\$ 942.93	\$ 944.46	\$ (1.53)	100.16%
State	234.92	246.03	(11.11)	104.73%
Other	<u>31.01</u>	<u>40.93</u>	<u>(9.92)</u>	131.99%
<b>Total Revenue</b>	<b>\$1,208.86</b>	<b>\$ 1,231.42</b>	<b>\$ (22.56)</b>	<b>101.87%</b>
Use of Fund Balance	<u>80.51</u>	<u>88.08</u>	<u>(7.57)</u>	109.40%
<b>Total Resources</b>	<b><u>\$1,289.37</u></b>	<b><u>\$ 1,319.50</u></b>	<b><u>\$ (30.13)</u></b>	<b>102.34%</b>

\*Variance is calculated as budget minus actuals, in this case a negative number indicates that MORE revenue was collected than anticipated



**FY 2025 Revenue Activity for Period Ending  
Consolidated General Fund  
June 30, 2025 - Compared to Prior Year - Unaudited  
(\$Millions)**

	<u>FY25 YTD Actual</u>	<u>FY24 YTD Actual</u>	<u>FY25 VS FY24</u>	Difference As a % of <u>FY24</u>
Local Taxes	\$944.46	\$885.88	\$58.58	6.61%
State	246.03	218.43	27.60	9.69%
Other	<u>40.93</u>	<u>48.56</u>	<u>(7.63)</u>	(29.51%)
<b>Total Revenue</b>	<b>\$1,231.42</b>	<b>\$1,152.87</b>	<b>\$ 78.55</b>	<b>5.67%</b>
Use of Fund Balance	<u>88.08</u>	<u>34.21</u>	<u>53.87</u>	157.47%
<b>Total Resources</b>	<b><u>\$1,319.50</u></b>	<b><u>\$1,187.08</u></b>	<b><u>\$ 132.42</u></b>	<b>11.16%</b>



**FY 2025 Expenditure Activity for Period Ending  
Consolidated General Fund  
June 30, 2025 - Compared to Budget - Unaudited  
(\$Millions)**

	<u>FY25 Budget</u>	<u>FY25 YTD Actual</u>	<u>FY25 YTD Variance</u>	<u>FY25 YTD % of Budget</u>
Instruction	\$ 818.78	\$ 852.07	\$(33.29)	104.07%
Pupil Services	77.41	80.72	(3.31)	104.28%
Staff Services	74.08	78.02	(3.94)	105.31%
School Administration	54.89	57.47	(2.58)	104.70%
General Administration	70.98	65.49	5.49	92.25%
Student Transportation	45.56	50.73	(5.17)	111.37%
Maintenance & Operation	139.36	128.31	11.05	92.08%
Operating Transfer	<u>8.31</u>	<u>6.69</u>	<u>1.62</u>	80.44%
<b>Total Expenditures</b>	<b><u>\$ 1,289.37</u></b>	<b><u>\$1,319.50</u></b>	<b><u>\$(30.13)</u></b>	<b>102.34%</b>



**FY 2025 Expenditure Activity for Period Ending  
Consolidated General Fund  
June 30, 2025 - Compared to Prior Year - Unaudited  
(\$Millions)**

	<u>FY25 YTD Actual</u>	<u>FY24 YTD Actual</u>	<u>FY25 VS FY24</u>	<u>Difference As a % of FY24</u>
Instruction	\$852.07	\$749.18	\$102.89	13.73%
Pupil Services	80.72	66.84	13.88	20.77%
Staff Services	78.02	69.71	8.31	11.92%
School Administration	57.47	55.37	2.1	3.79%
General Administration	65.49	64.47	1.02	2.04%
Student Transportation	50.73	50.01	0.72	1.44%
Maintenance & Operation	128.31	124.56	3.75	3.01%
Operating Transfer	<u>6.69</u>	<u>6.94</u>	<u>(0.25)</u>	<u>(3.60%)</u>
<b>Total Expenditures</b>	<b><u>\$1,319.50</u></b>	<b><u>\$1,187.08</u></b>	<b><u>\$132.42</u></b>	<b><u>11.16%</u></b>



# Spend Details

- Instruction – Overspend on substitutes and stipends. All school positions are budgeted using an average salary based on the previous fiscal year. Raises attracted more veteran teachers, driving up average salary
- Pupil Services – In FY25, we moved certain positions from School Administration (function 2400) to Pupil Services (function 2100) that were APS program 1511. Pupil Services at schools are also budgeted using an average salary based on the previous fiscal year. Behavior Specialists specifically will be reevaluated.
- Staff Services – Other Admin Personnel (Instructional Coaches); Reclass of salary expenses to program 1210 (HS transformation- no longer in use in FY25)
- School Admin –Average Salary under projected
- Transportation – Bus Driver pay and overtime, – Creation of new program for Northwest, trending to overspend all year

Corrective steps for FY2026: Budget dept now sends monthly email communications to schools and department Budget Center Managers to bring awareness of spending trends starting in September and encouraging closer monitoring of costs. There has also been a reduction of districts stipends & vacancy savings. Schools and Departments now have dashboards they can access daily in OpenGov portal. Midyear review of average salaries.



# FY2025 Final FUND BALANCE

FY2024 Beginning Fund Balance	\$293,346,307
FY2024 Anticipated Use of Fund Balance	-\$34,206,157
FY2024 Ending Fund Balance	\$259,140,150
FY2024 Expenditures	\$1,187,075,670
% of Expenditures	21.83%
FY2025 Beginning Fund Balance	\$259,140,150
FY2025 Anticipated Use of Fund Balance	(\$88,075,666)
FY2025 Ending Fund Balance	\$171,064,484
FY2025 Expenditures	\$1,319,500,675
% of Expenditures	12.96%



**FY 2026 Revenue Activity for Period Ending  
Consolidated General Fund  
August 31, 2025 - Compared to Budget - Unaudited  
(\$Millions)**

	<u>FY26 Budget</u>	<u>FY26 YTD Actual</u>	<u>FY26 YTD Variance</u>	<u>FY26 YTD % of Budget</u>
Local Taxes	\$ 988.10	\$ 4.51	\$ 983.59	0.46%
State	257.11	9.79	247.32	3.81%
Other/Transfers	<u>26.96</u>	<u>0.81</u>	<u>26.15</u>	3.00%
<b>Total Revenue</b>	<b>\$ 1,272.17</b>	<b>\$ 15.11</b>	<b>\$ 1,257.06</b>	<b>1.19%</b>
Use of Fund Balance	<u>13.00</u>	<u>0.00</u>	<u>13.00</u>	N/A
<b>Total Resources</b>	<b><u>\$1,285.17</u></b>	<b><u>\$ 15.11</u></b>	<b><u>\$ 1,270.06</u></b>	<b>1.18%</b>



**FY 2026 Revenue Activity for Period Ending  
Consolidated General Fund  
August 31, 2025 - Compared to Prior Year - Unaudited  
(\$Millions)**

	<u>FY26 YTD Actual</u>	<u>FY26 YTD % of Budget</u>	<u>FY25 YTD Actual</u>	<u>FY25 YTD% of Budget</u>	<u>FY26 VS FY25</u>	<u>FY26 Remainder of Year</u>	<u>FY25 Remainder of Year</u>	<u>FY26 VS FY25</u>
Local Taxes	\$ 4.51	0.46%	\$ 3.27	0.35%	\$1.24	\$ 983.59	\$ 941.19	\$42.40
State	9.79	3.81%	10.18	4.25%	(0.39)	247.32	235.85	11.47
Other/ Transfers	<u>0.81</u>	<u>3.00%</u>	<u>0.33</u>	<u>0.97%</u>	<u>0.48</u>	<u>26.15</u>	<u>40.60</u>	<u>(14.45)</u>
<b>Total Revenue</b>	<b>\$ 15.11</b>	<b>1.19%</b>	<b>\$13.78</b>	<b>1.13%</b>	<b>\$1.33</b>	<b>\$ 1,257.06</b>	<b>\$ 1,217.64</b>	<b>\$39.42</b>
Use of Fund Balance	<u>0.0</u>	0.0%	<u>0.0</u>	0.0%	<u>0.0</u>	<u>13.00</u>	<u>80.51</u>	<u>(67.51)</u>
<b>Total Resources</b>	<b><u>\$ 15.11</u></b>	<b>1.18%</b>	<b><u>\$13.78</u></b>	<b>1.13%</b>	<b><u>\$1.33</u></b>	<b><u>\$ 1,270.06</u></b>	<b><u>\$ 1,298.15</u></b>	<b><u>(\$28.09)</u></b>



**FY 2026 Expenditure Activity for Period Ending  
Consolidated General Fund  
August 31, 2025 - Compared to Budget - Unaudited  
(\$Millions)**

	<u>FY26 Budget</u>	<u>FY26 YTD Actual</u>	<u>FY26 YTD Variance</u>	<u>FY26 YTD % of Budget</u>
Instruction	\$ 859.70	\$ 80.94	\$ 778.76	9.41%
Pupil Services	79.10	6.94	72.16	8.78%
Staff Services	70.91	7.49	63.42	10.56%
School Administration	57.01	9.32	47.69	16.34%
General Administration	43.86	8.72	35.14	19.89%
Student Transportation	45.61	4.70	40.91	10.32%
Maintenance & Operation	125.88	18.15	107.73	14.42%
Operating Transfer	<u>3.10</u>	<u>0.00</u>	<u>3.10</u>	0.00%
<b>Total Expenditures</b>	<b><u>\$ 1,285.17</u></b>	<b><u>\$ 136.26</u></b>	<b><u>\$ 1,148.91</u></b>	<b>10.60%</b>



**FY 2026 Expenditure Activity for Period Ending  
Consolidated General Fund  
August 31, 2025 - Compared to Prior Year - Unaudited  
(\$Millions)**

	<u>FY26 YTD Actual</u>	<u>FY26 YTD % of Budget</u>	<u>FY25 YTD Actual</u>	<u>FY25 YTD % of Budget</u>	<u>FY26 VS FY25</u>	<u>FY26 Remainder of Year</u>	<u>FY25 Remainder of Year</u>	<u>FY26 VS FY25</u>
Instruction	\$80.94	9.41%	\$ 78.97	9.27%	\$1.97	\$ 778.76	\$ 773.10	\$ 5.66
Pupil Services	6.94	9.78%	6.91	8.57%	0.03	72.16	73.81	(1.65)
Staff Services	7.49	10.56%	9.74	12.49%	(2.25)	63.42	68.28	(4.86)
School Administration	9.32	16.34%	8.93	15.54%	0.39	47.69	48.54	(0.85)
General Admin	8.72	19.89%	9.45	14.43%	(0.73)	35.14	56.04	(20.90)
Student Transportation	4.70	10.32%	5.03	9.92%	(0.33)	40.91	45.70	(4.79)
Maintenance & Operation	18.15	14.42%	19.08	14.87%	(0.93)	107.73	109.24	(1.51)
Operating Transfer	<u>0.00</u>	0.00%	<u>0.00</u>	0.00%	<u>0.00</u>	<u>3.10</u>	<u>6.69</u>	<u>(3.59)</u>
<b>Total Expenditures</b>	<b><u>\$ 136.26</u></b>	<b>10.60%</b>	<b><u>\$ 138.11</u></b>	<b>10.47%</b>	<b><u>\$(1.85)</u></b>	<b><u>\$ 1,148.91</u></b>	<b><u>\$1,181.40</u></b>	<b><u>\$ (32.49)</u></b>



# FY2026 FUND BALANCE

	Current Budget	No Usage
FY2025 Beginning Fund Balance	\$259,140,150	
FY2025 Anticipated Use of Fund Balance	(\$88,075,666)	
FY2025 Ending Fund Balance	\$171,064,484	
FY2025 Expenditures	\$1,319,500,675	
% of Expenditures	12.96%	
FY2026 Beginning Fund Balance*	\$171,064,484	\$171,064,484
FY2026 Anticipated Use of Fund Balance	(\$13,000,284)	\$0
FY2026 Ending Fund Balance	\$158,064,200	\$171,064,484
FY2026 Expenditures	\$1,285,171,518	\$1,285,171,518
% of Expenditures	12.30%	13.31%

Fund Balance Analysis Assuming 100% Collections and 100% Spend\*



# BUDGET ADJUSTMENTS

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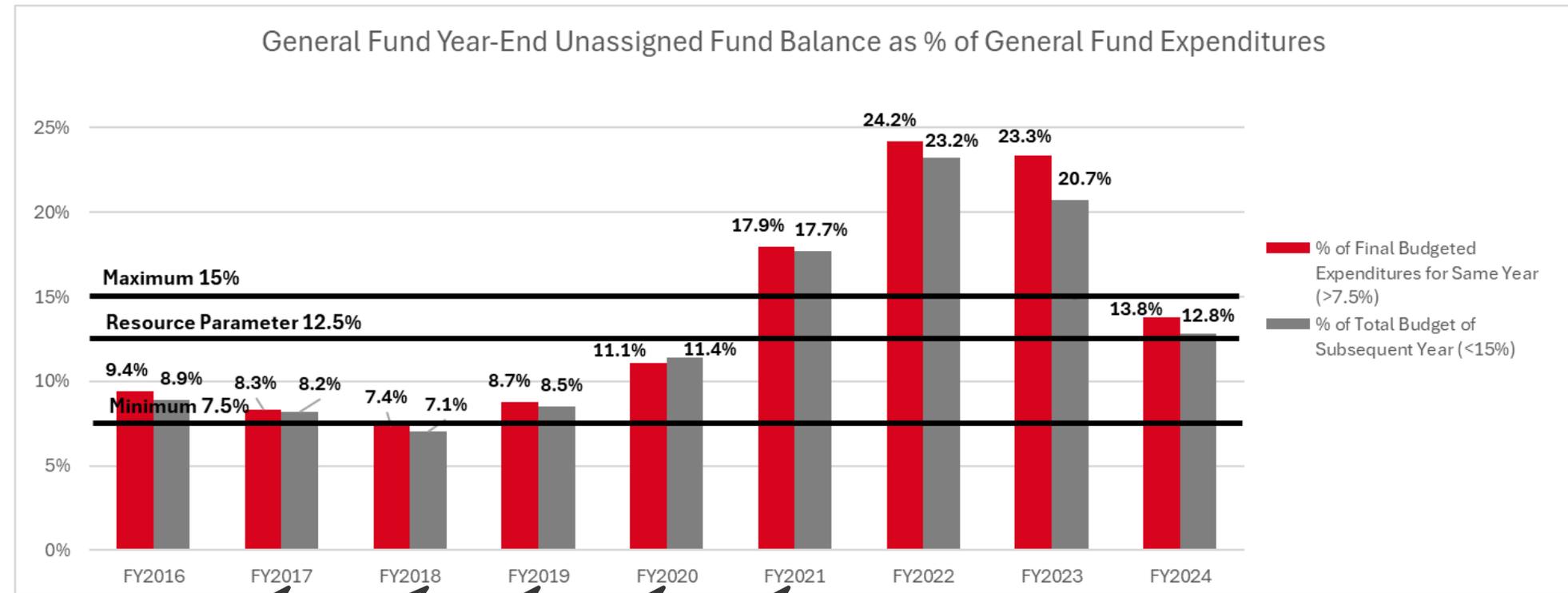
- **General Fund**
  - **Paraprofessional to Teacher Grant**
    - \$25,000 increase to revenue and expenditures from state grant
  - **FY26 Custodian Supplement**
    - \$212,000 increase to revenue and expenditures from state grant
  - **Title IV, Part B - Usher-Collier**
    - \$259,340 increase to revenue and expenditures from federal grant
- **Information**
  - FY 2026 October Special Revenue Report



# Develop and Maintain Sustainable Funding Models

## Fund Balance: Historical by Percentage of Expenditures

It is the goal of the School District to achieve and maintain an **Unassigned Fund Balance in the General Fund at fiscal year-end of not less than 7.5% of budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year**, net of any committed reserve fund balance for capital expenditures, in compliance with O.C.G.A. 20-02-0167(a)(5).



TAN \$60m

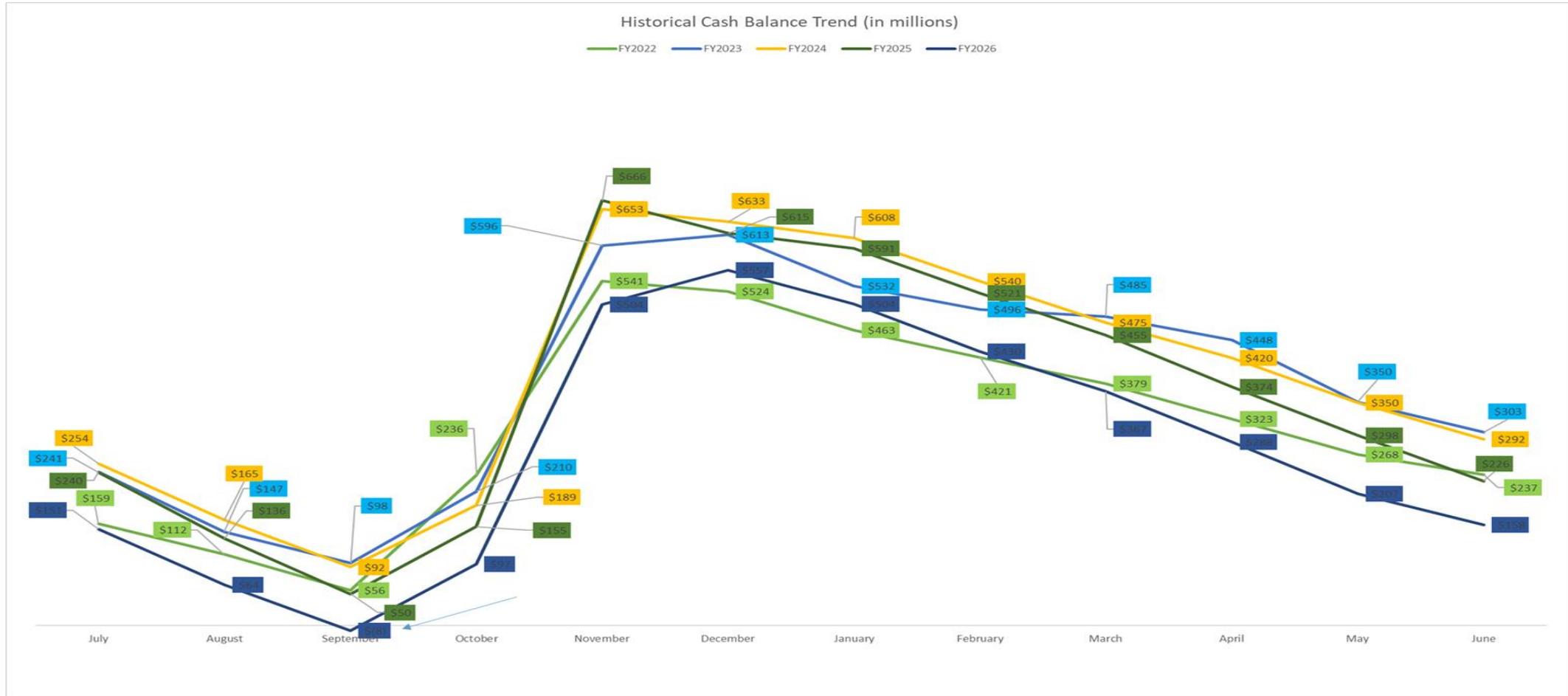
TAN \$100m

TAN \$60m

TAN \$25m

TAN \$50m

# Timing of Cash on Hand vs Budgeted Expenses



# Cost and Timeline of TAN

Amount of TAN- \$30M

Timeline:

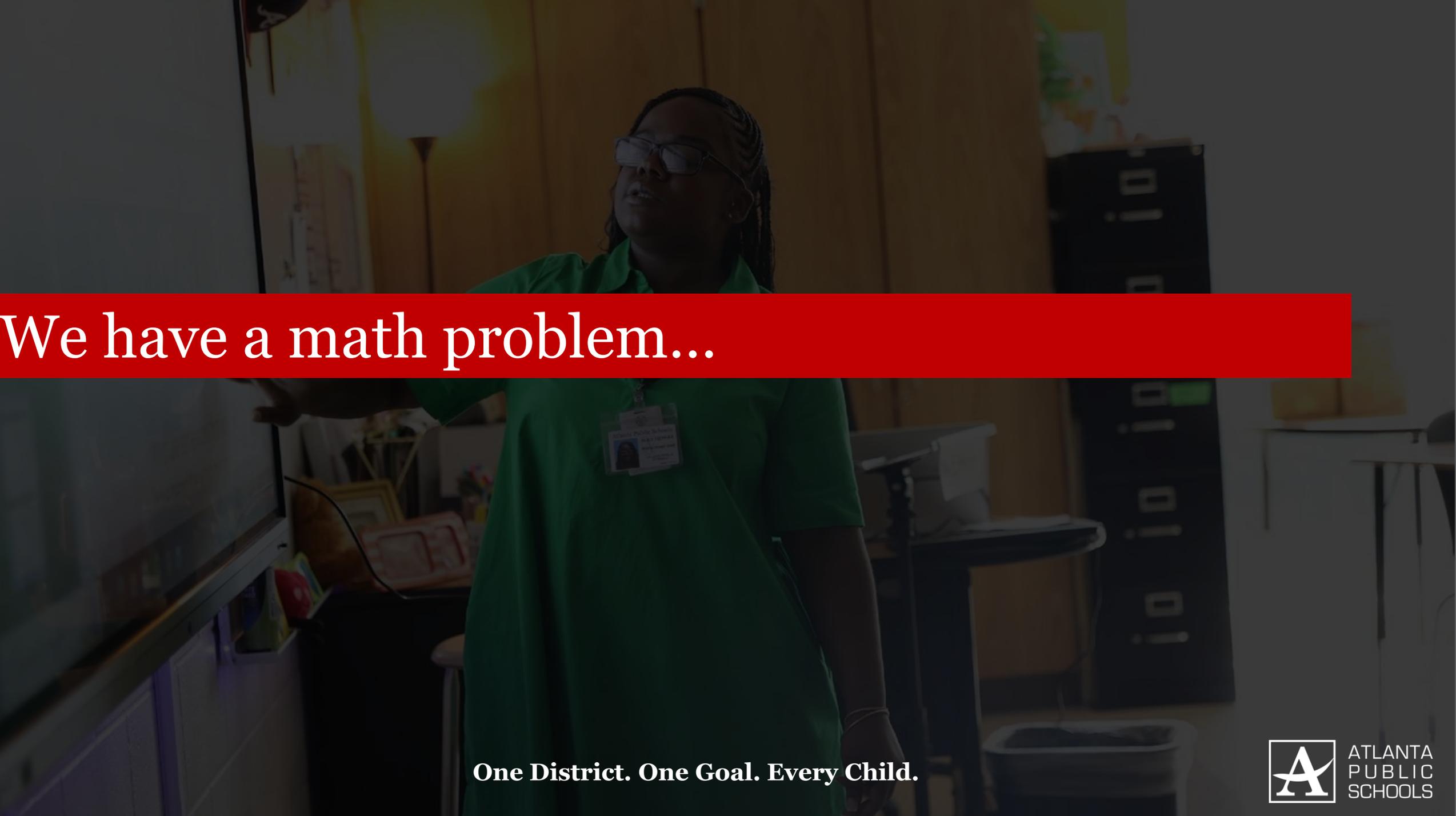
- Secure bidders and select winning bid by 9/24/25
- Work to finalize documents 9/30-10/3
- Approve Note resolution at Board Mtg 10/6/25
- Close: 10/9/25

- Due to a delay in the issuance of Fulton County property tax bills, we are recommending the issuance of a Tax Anticipation Note (TAN) in the amount of \$30 million to ensure adequate cash flow during the first week of October.
- Tax bills were originally scheduled for release on September 1, 2025, but an administrative error affecting homestead exemptions and longer-than-usual debate over the millage rate in Fulton County have pushed the release date to September 15, 2025. This two-week delay shifts the timing of collections and creates a gap between our scheduled expenditures—particularly payroll (\$38 million), charter school payments (\$30 million) and other recurring obligations—and the receipt of anticipated property tax revenues.
- Anticipated Cost: 60-day TAN: approximately \$180,000 in interest, plus issuance fees (Based on current market conditions and an estimated 3.6% annual rate)



# FY2027 BUDGET DEVELOPMENT

**One District. One Goal. Every Child.**

A teacher with glasses and braided hair, wearing a green polo shirt and a name tag, stands in a classroom pointing at a whiteboard. The background shows a typical classroom setting with desks and a blackboard.

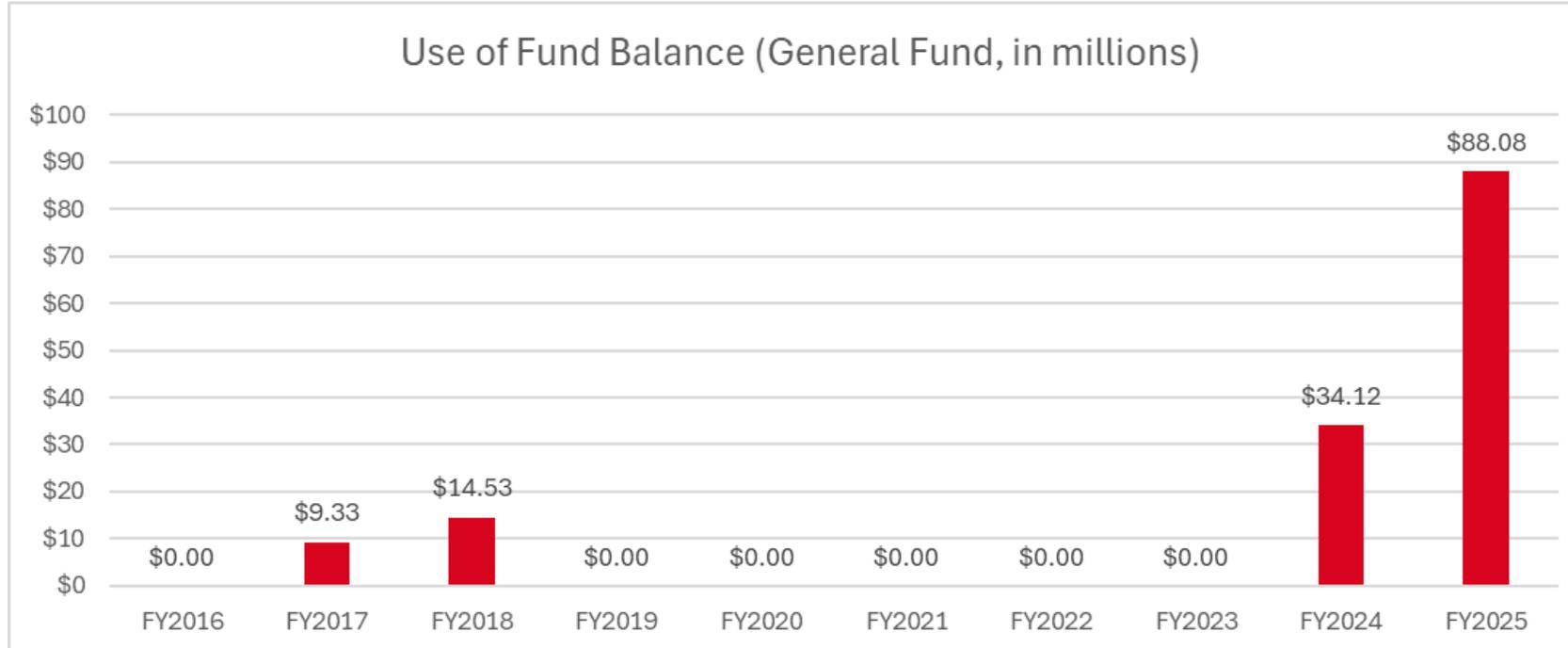
We have a math problem...

**One District. One Goal. Every Child.**

# Develop and Maintain Sustainable Funding Models

## Fund Balance: Use of Fund Balance

Fund balance has been used for district initiatives such as piloting new programs (Readers are Leaders), one-time or short-term initiatives (ERP), and potentially non-recurring costs (stipends, Nutrition, etc.).

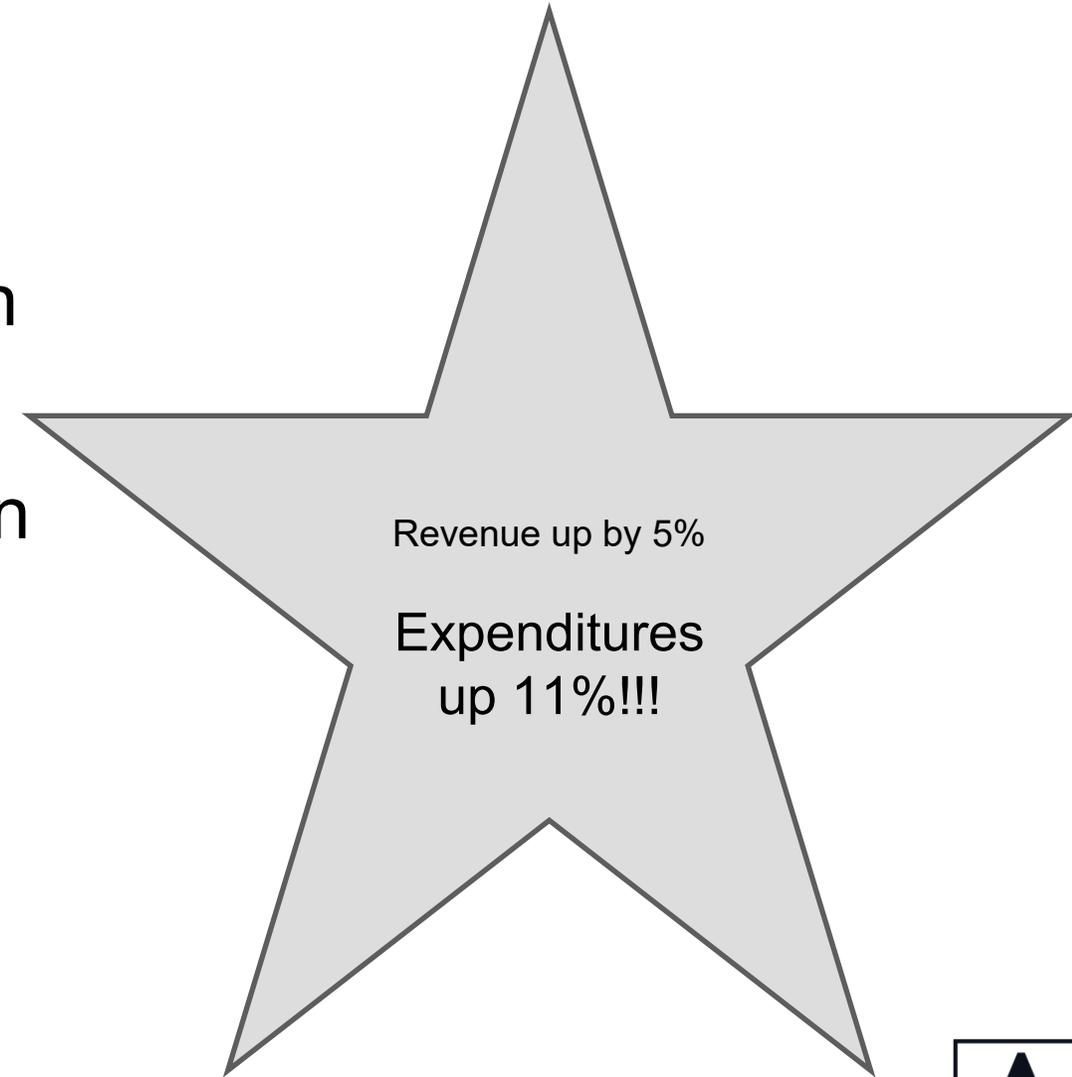


\* This funding shows actuals or the most current projections, in comparison to the adopted funding levels on Slide 11.



# FY2025 Big Spend

- Teacher (and other) raises- \$68 million
- Readers are Leaders- \$12 million
- Stipends and Supplements- \$20 million
- ERP- \$12 million
- Whole-child position- \$7 million
- Nutrition in house- TBD



# Getting back on track

## Current Actions

### FY26 Budget: Sustainability through Discipline

- Cut Central Office positions and non-personnel spending
- Constrained growth in utilities budgets
- Completed zero-based budget for Signature Programs and Turnaround
- Amended pension payment schedule
- Reduced duplicated funding for APS programs (AVA, Phoenix)
- Eliminated general fund transfer to School Nutrition Program
- Reduced dependence on fund balance by 84%
- Kicked-off a facility master planning process

Revenue	FY2025	FY2026	Diff	% Change
Fund Balance	\$80.51	\$13.00	-\$67.51	-84%



# Department and Central Office Budget Reduction Summary

- Even with the reduction of a net 146 positions for over \$40.6M (gross dollars), increased costs to State Health Insurance rates, and TRS benefit percentages negate many of the reductions made at central office.
- FY25 State Health Insurance Budget - \$88M
- FY26 State Health Insurance Budget - \$102M
- **\$14M Net Increase**
- FY25 TRS Budget - \$95M
- FY26 TRS Budget - \$106M
- **\$11M Net Increase**

Category	Amount Reduced
Personnel (Gross Dollars since December 2024)	\$40.6M
Non-Personnel (Central Office Departments)	\$24.4M
Savings via Hiring Freeze	\$5.4M
<b>Total Savings and/or Reductions</b>	<b>\$70.4M</b>



# MULTIYEAR (in millions)

DRAFT

Revenue	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Assumptions
Local	\$993.09	\$1,012.77	\$1,032.84	\$1,053.32	\$1,074.21	\$1,095.51	2% increase annually
State	\$257.08	\$266.52	\$276.29	\$286.38	\$296.82	\$307.61	Assumes some increase in overall QBE but offset by local fair share
Other	\$6.96	\$7.08	\$7.20	\$7.32	\$7.45	\$7.58	Erate, tuition, interest, etc.
Title Transfer	\$15.37	\$15.37	\$15.37	\$15.37	\$15.37	\$15.37	Held flat
Fund Balance	\$13.00	TBD	TBD	TBD	TBD	TBD	Restore fund balance
<b>Grand Total</b>	<b>\$1,285.48</b>	<b>\$1,301.73</b>	<b>\$1,331.70</b>	<b>\$1,362.39</b>	<b>\$1,393.84</b>	<b>\$1,426.06</b>	
		1.26%	2.30%	2.31%	2.31%	2.31%	
Expenditure	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	
Schools	\$640.27	\$674.75	\$711.12	\$749.47	\$789.93	\$830.80	Salaries and Benefits up 5%, supplies up 4%, contracts up 6%
Charters	\$246.31	\$256.20	\$266.49	\$277.19	\$288.32	\$302.91	Assumes annual 4% increase based on revenue and trend
Partners	\$58.13	\$60.47	\$62.90	\$65.43	\$68.06	\$70.80	Assumes annual 4% increase based on revenue and trend
Central Office	\$241.57	\$264.37	\$276.55	\$279.86	\$283.67	\$297.53	Salaries and Benefits up 5%, supplies up 4%, contracts up 6%, ERP completed by FY2028
Districtwide	\$66.54	\$67.70	\$68.92	\$70.21	\$71.55	\$35.96	6% increase in districtwide benefit rates, pension funded in FY2030
State Grants	\$10.10	\$10.66	\$11.27	\$11.91	\$12.59	\$13.33	Assumes gradual 3-5% increase
Utilities	\$22.57	\$22.57	\$22.57	\$22.57	\$22.57	\$22.57	Assumed held flat
<b>Grand Total</b>	<b>\$1,285.48</b>	<b>\$1,356.72</b>	<b>\$1,419.81</b>	<b>\$1,476.64</b>	<b>\$1,536.70</b>	<b>\$1,573.89</b>	
		5.54%	4.65%	4.00%	4.07%	2.42%	
<b>Gap</b>	<b>\$0.00</b>	<b>-\$54.99</b>	<b>-\$88.12</b>	<b>-\$114.24</b>	<b>-\$142.86</b>	<b>-\$147.82</b>	Initial gap for FY2026 was over \$100 million!



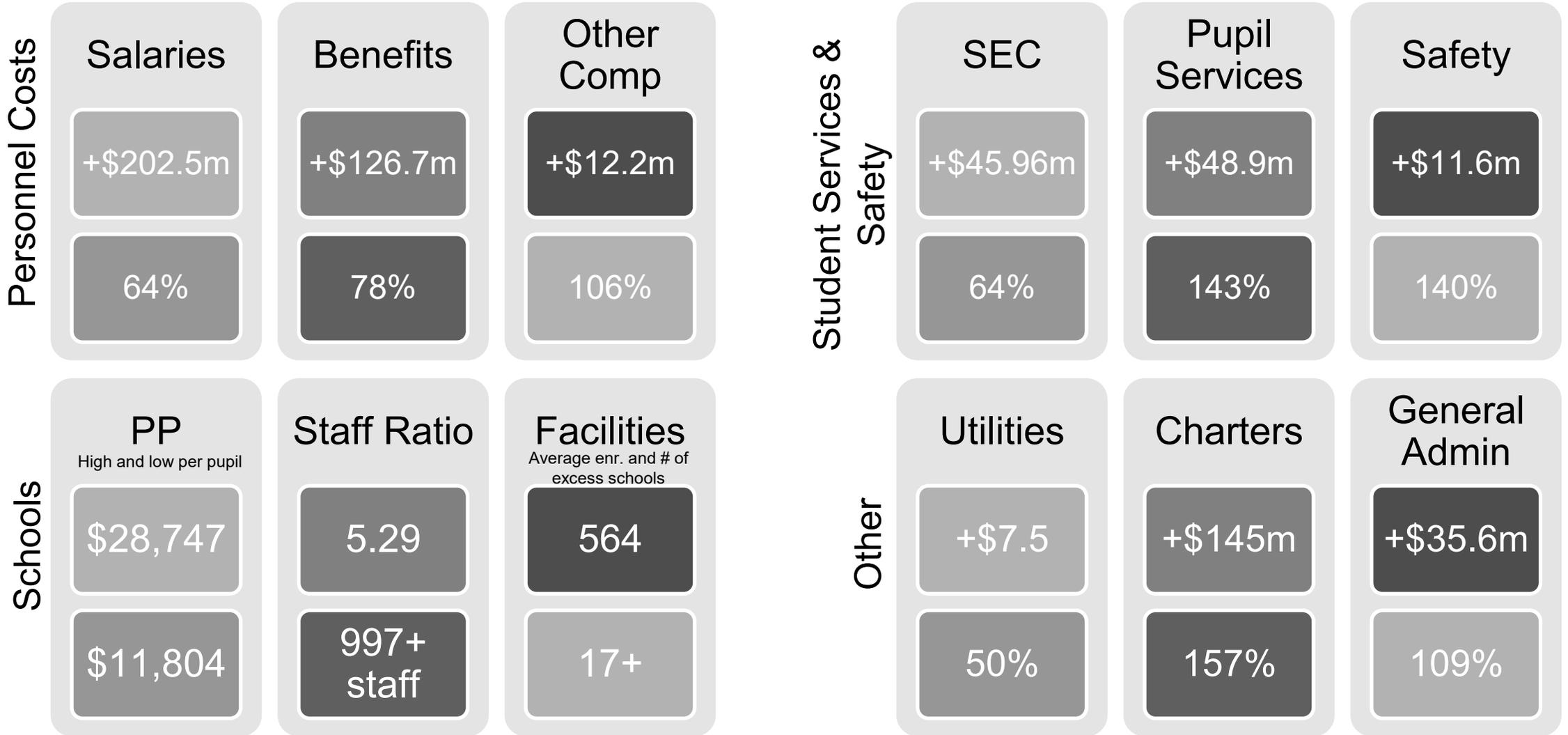
# WE HAVE A MATH PROBLEM

$$\text{EXTERNAL FACTORS} + \text{INCREASED SPENDING} + \text{REVENUE CONSTRAINTS} =$$

**IMMEDIATE NEED FOR  
EFFICIENCY &  
SUSTAINABILITY**



# Increased Spending



# Revenue Constraints

- ESSER Funding Cliff **\$ 314 million**
- TADs **\$ 1.2 billion**
- Commercial Values\* **(\$ 89.3 million)**  
Decrease from FY25 original to FY26 original
- Exemptions\* **\$ 68.1 million**  
Increase from FY25 original to FY26 original, driven by increases in basic homestead and 65+ exemptions

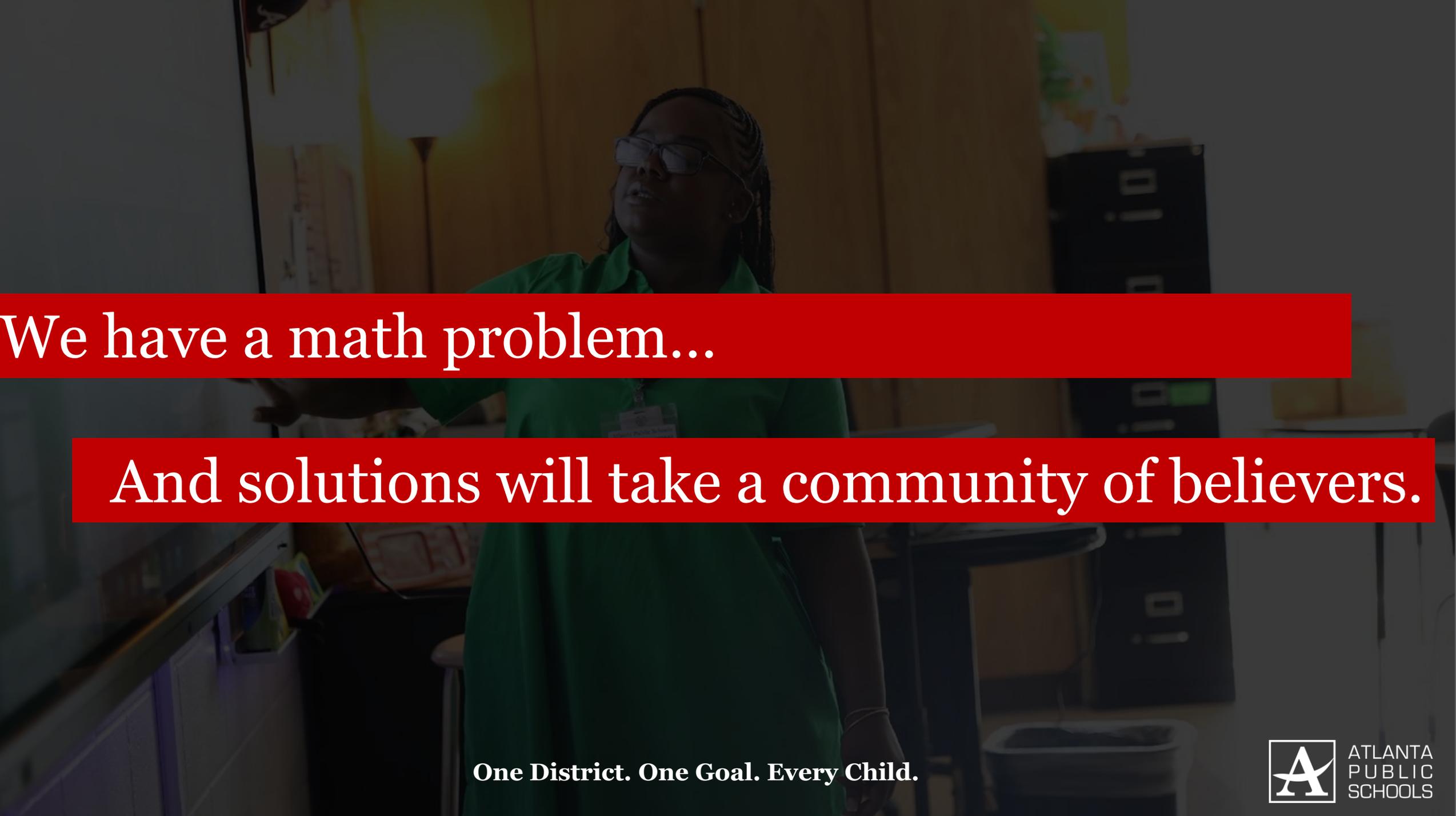
\*Fulton County only. Corrected from 9/30/25 Budget Commission presentation.



# IMMEDIATE NEED FOR EFFICIENCY & SUSTAINABILITY

- Facility Master Planning
  - Efficiency in staffing, operations, programming, administrative overhead, etc.
  - Revenue opportunities for lease/ sale of buildings
- School Allotments
  - Small-school supplement sunset
  - Baseline of services review
- Compensation
  - Differentiated? Moderated? Review of work-days, etc.
- Programmatic ROI Review



A teacher with glasses and braided hair, wearing a green shirt, stands in a classroom pointing at a whiteboard. The background shows a typical classroom setting with desks and a whiteboard.

We have a math problem...

And solutions will take a community of believers.

**One District. One Goal. Every Child.**

# BUDGET COMMISSION & BUDGET ADOPTION SCHEDULE

[TENTATIVE FY2027]

Date	Topics
Thursday, October 23, 2025	Level-setting and aligning on decision points, draft parameters, school allotment discussion
Thursday, November 20, 2025	Finalize parameters, revenue discussion
Thursday, January 15, 2026	Finalize school allotment conversations, preliminary revenue projections, TAD review, alignment with facilities plan
Thursday, February 26, 2026	Compensation proposal, Central Office review and deep dive
Thursday, April 16, 2026	Revenue to expenditures; first review of comprehensive budget; special revenue, additional gap closure conversations
Monday, May 4, 2026	Public Hearing #1, Tentative Adoption
Monday, June 1, 2026	Public Hearing #2; Final Adoption



# Thank You!

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