

FY27 Budget Outlook

Shanika Clay, Chief Financial Officer



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



General Fund: Accounts for the daily operations of the district. Key inputs considered in design of revenues and expenditures include:

- New legislative activity & state budget;
- Enrollment & revenue projections;
- Personnel allotments;
- Strategic Action Plan and Priorities;
- Community inputs; and
- Department/school budget recommendations and operational growth

Special Revenue Fund: Accounts for awards/grants for designated purposes (e.g., Title or CARES) and enterprise activities of the district (e.g., ASEP or SNP). Historical experience utilized for budget development of awards/grants; student enrollment/participation data factored in to enterprise estimates.

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

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



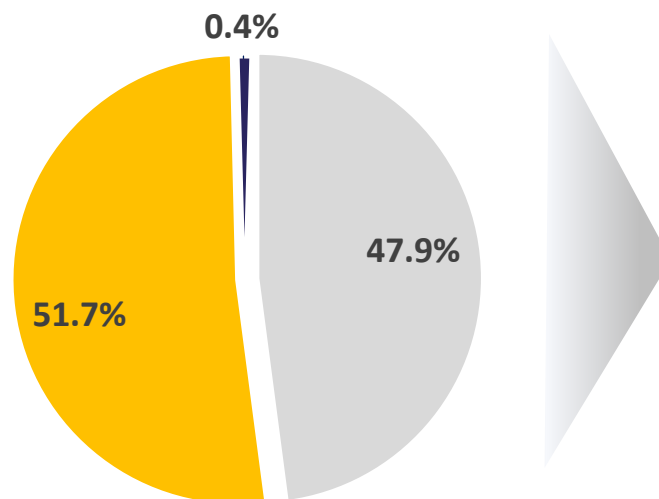
BUDGET

A Historical Review – General Fund Sources and Uses



FY26 Sources of Funding - budget

- Local** – raised through the millage levied
- State** – earned based on formula of students served
- Federal** – granted to achieve targeted outcomes

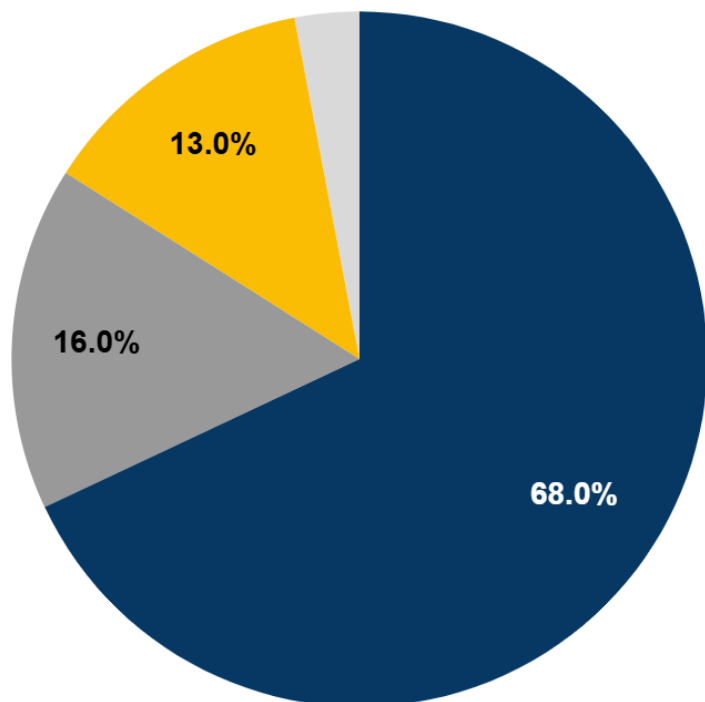


Past 5 years' composition trend - actuals

Fiscal Year	Local	State	Federal
FY25	50.0%	49.7%	0.3%
FY24	50.5%	49.2%	0.3%
FY23	48.1%	51.0%	0.9%
FY22	43.6%	55.7%	0.7%
FY21	44.9%	54.6%	0.5%

Framework of Expenditures	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Adopted
Total Expenditures	\$421.0M	\$443.3M	\$502.2M	\$555.5M	\$596.7M
Teaching & Learning	83%	83%	82%	82%	83%
Maintenance & Safety of Facilities	9%	9%	10%	10%	9%
Transportation of Students	5%	5%	5%	5%	5%
Central Support Services to Schools	3%	3%	3%	3%	3%
% of expenditures dedicated to staff and contractor total compensation	92%	92%	92%	92%	92%

Digest Composition



● Residential ● Industrial ● Commercial
● Other (Agriculture/Utility/Misc)

- Continued legislative discussions and proposals regarding residential property tax reform limiting the capacity of local governments and Boards of Education to levy funding (HB 1114, HB 1116, and SB 382)
- + / — Strong residential development in County promoting “real” growth, but declines in sale prices of existing homes from prior year may put downward pressure on value-driven growth



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FY27 Outlook – State Indicators



- +/- Proposed increase for Teacher Retirement employer contribution rate

Estimate \$1.3M cost increase with rate change from 21.91% to 22.32%, with \$0.8M in additional QBE earnings estimated

Locally funded
\$0.5 million

- +/- Proposed increase for employer share of health insurance cost for certified employees (full year)

Increase of \$143 per employee, per month proposed; estimate \$3.8M in additional QBE funds to offset \$4.8M cost increase

Locally funded
\$1.0 million

- Proposed increase for employer share of health insurance cost for classified employees (full year)

Increase of \$143 per employee, per month (\$1,716 annual increase) proposed with no state funding support

Locally funded
\$2.0 million

- + Expansion of Security categorical grant and enhancement of funds of the Transportation grant

- +/- Shifts in local five mill share contribution for QBE^{a)} and possibility of equalization funding



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State Controlled Expenditure Outlays

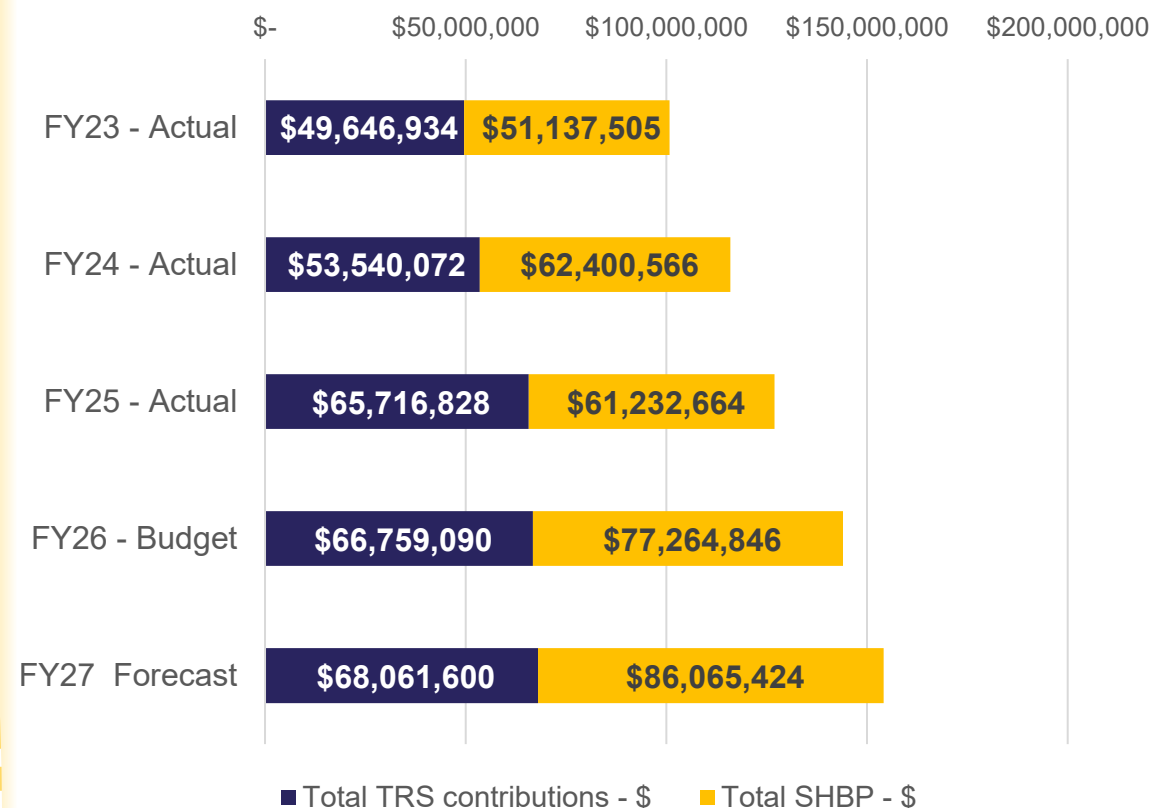


Year	TRS contribution rate	Annual SHBP Employer Cost per Enrollee
FY16	14.27%	\$8,952
FY17	14.27%	\$10,152
FY18	16.81%	\$11,340
FY19	20.90%	\$11,340
FY20	21.14%	\$11,340
FY21	19.06%	\$11,340
FY22	19.81%	\$11,340
FY23	19.98%	\$13,245*
FY24	19.98%	\$15,900*
FY25	20.78%	\$18,345*
FY26	21.91%	\$22,620
FY27	22.32%	\$24,336

* Blended rate of certified staff and classified staff

**No State Funding provided for Classified Employees;
flowthrough funding support given for QBE earned certified
positions**

TRS and SHBP Cost Trends



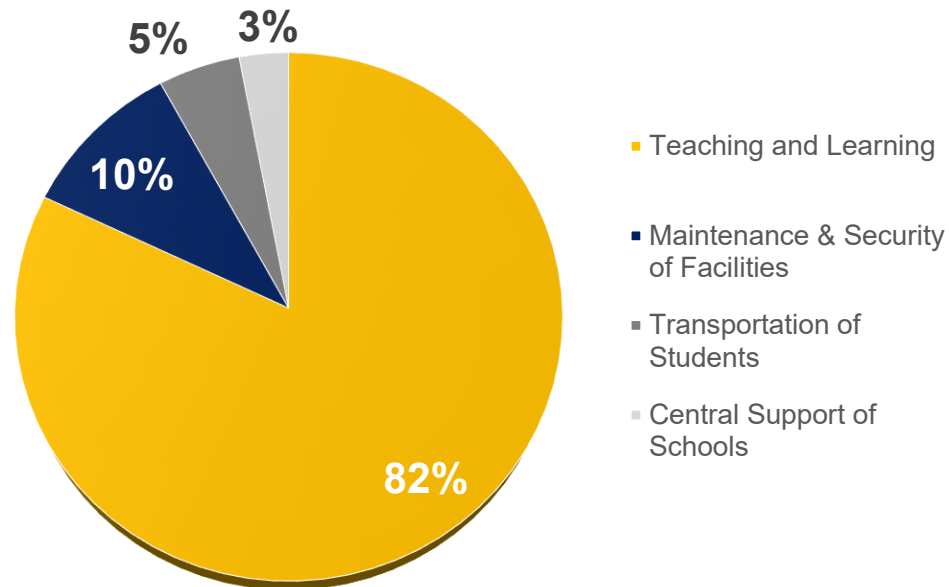


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A Student-Centered Budgetary Framework

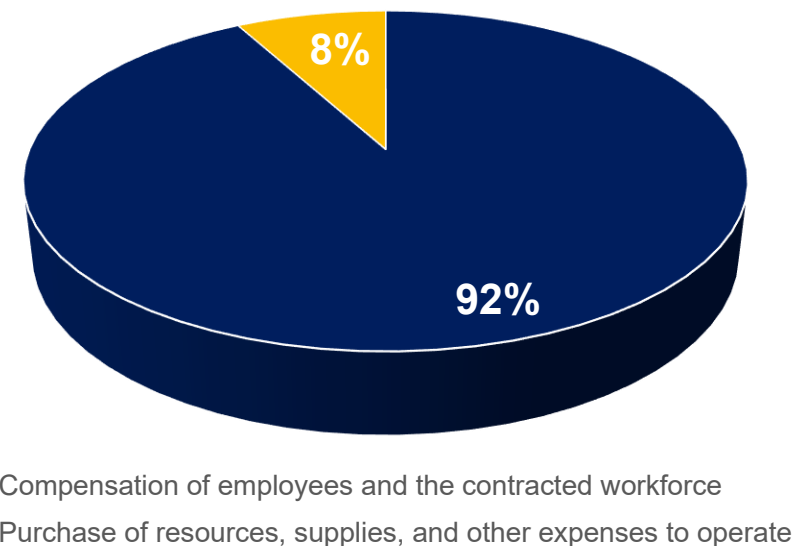


Functional Summary of Fund Use



We will continue our practice to ensure 97% of HCS funds aligned to the functions that enable student learning in supportive and secure learning environments

Expenditure Summary by Type



Delivery of education and related services is a people-centered effort; accordingly, our expenditure outlay by core type will be maintained

FY27 Budget Development Calendar

Henry County Schools
FY27 Budget Calendar



The following proposed schedule of activities will guide budget development for the 2026-2027 school year.

Activity	Responsibility	Date
Present FY27 Budget Development Calendar	Superintendent/CFO	Monday, December 8, 2025 Study Session
Present FY27 Budgetary Priorities	Superintendent/CFO	Monday, January 12, 2026 Study Session
Present FY27 Outlook	Superintendent/CFO	Monday, February 9, 2026 Study Session
Present FY27 Budget Overview	Superintendent/CFO	Monday, March 9, 2026 Study Session
Post FY27 Budget Overview on Henry County Schools Website	Financial Services	Friday, March 13, 2026
Provide FY27 Budget Notebook to Board of Education	Financial Services	Monday, March 23, 2026
Present FY27 Tentative Budget	Superintendent/CFO	Monday, April 20, 2026 Study Session
Host Budget Hearing (1 of 2)	Board of Education/Superintendent	Monday, April 20, 2026 6:30 p.m.
Adopt FY27 Tentative Budget	Board of Education	Monday, April 20, 2026 Business Session
Post FY27 Tentative Budget on Henry County Schools Website	Financial Services	Tuesday, April 21, 2026
Present FY27 Final Budget	Superintendent/CFO	Monday, May 11, 2026 Study Session
Host Budget Hearing (2 of 2)	Board of Education/Superintendent	Monday, May 11, 2026 6:30 p.m.
Adopt FY27 Final Budget	Board of Education	Monday, May 11, 2026 Business Session
Post FY27 Final Budget on Henry County Schools Website	Financial Services	Friday, May 15, 2026
Advertise and hold Public Meetings for Tax Payer Bill of Rights (*)	Board of Education/Superintendent	July 2026
Final adoption of millage rate (**)	Board of Education	July / August 2026

March

FY27 Budget Overview

April

FY27 Tentative Budget
Budget Hearing #1
Tentative Budget Adoption

May

FY27 Final Budget
Budget Hearing #2
Final Budget Adoption

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

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