

FY27 Budget Development

Superintendent's Tentative Budget Recommendation



FY27 Budget | Fund Overview

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



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

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

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

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

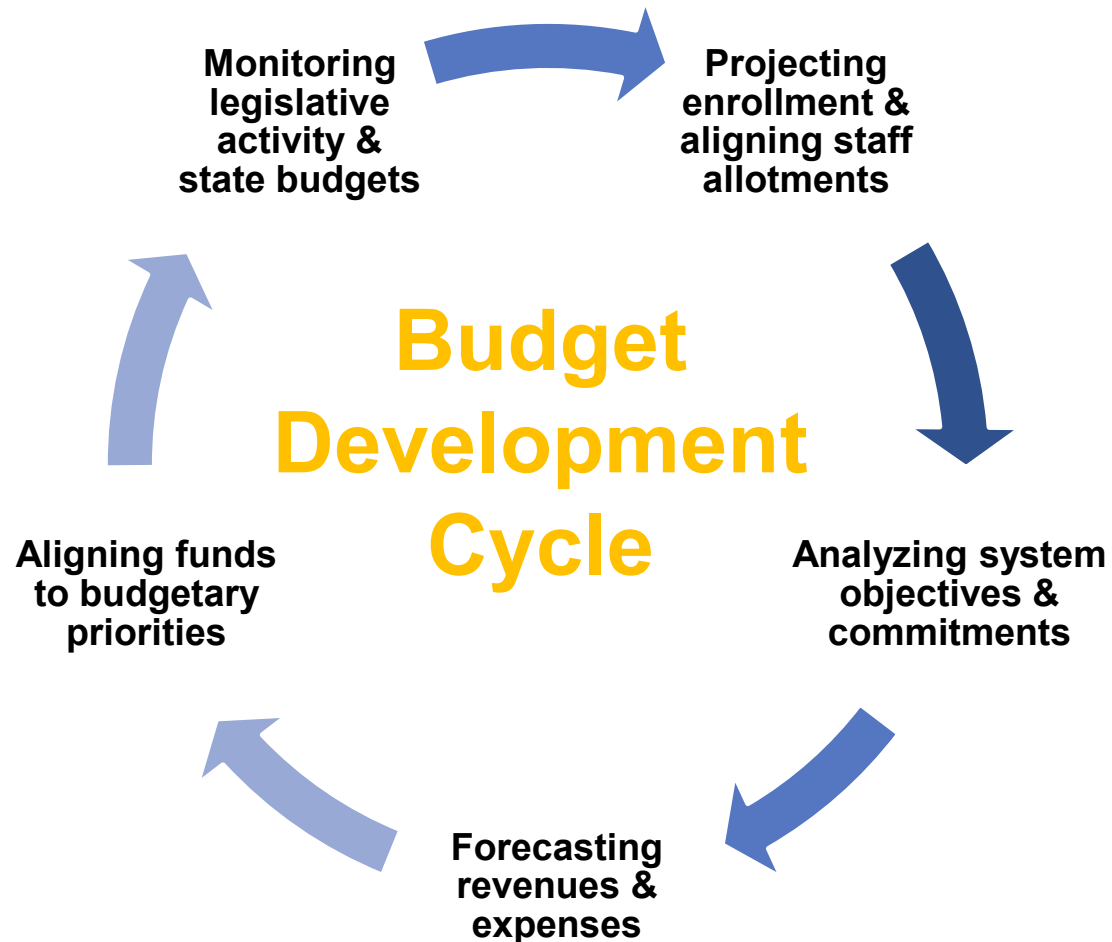
Capital Projects Fund: Comprised of the current year anticipated E-SPLOST revenues and expenditures for approved referendums and associated projects

- Revenues dependent on bond issue or interest earnings

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

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

Budget Development Process Reminders



December

- Preliminary enrollment forecasts established
- Board member priorities collected

January

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

February - March

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

April

- Legislative session ends; State budget for next fiscal year emerges
- GADOE publishes preliminary QBE funding guidance (*Note: the traditional timing is April, but this has not yet occurred this cycle*)

May

- Tax digest nears finalization (subject to appeals); legally required delivery date is July 15th annually



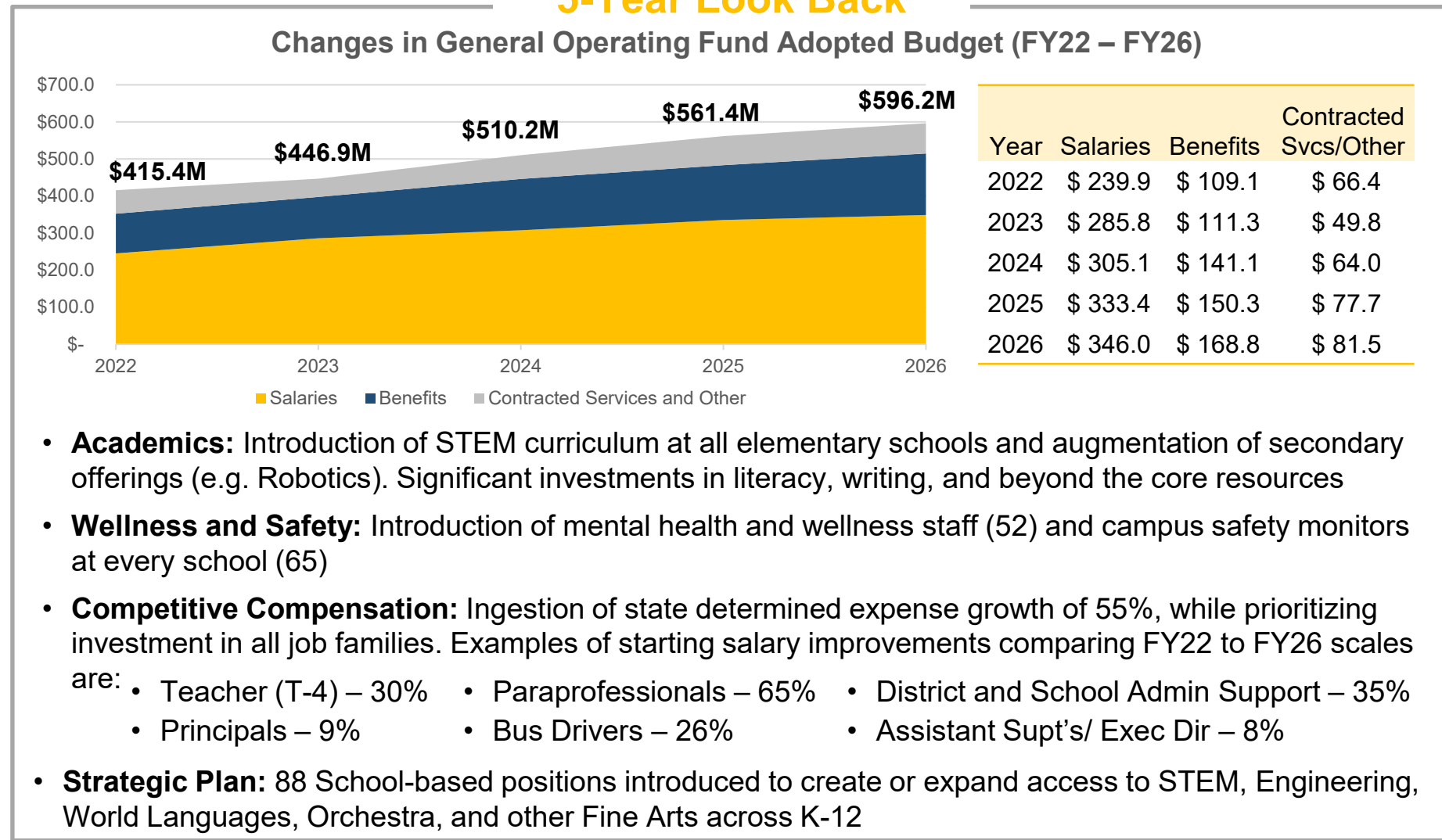
FY27 General Fund Outlook

 **HENRY COUNTY SCHOOLS**

HCBOE Unified Budgetary Priorities

5-Year Look Back

- 1 Sustain prioritized academic, wellness, and safety resources
- 2 Ensure responsible compensation improvements
- 3 Continue implementation of the Community-Inspired Strategic Plan
- 4 Manage strategic fund balance utilization per Policy DCL



FY27 Budget | Revenue Outlook

Revenues		FY26 Adopted*	% of budget	FY27 Projected	% of budget	Year over year
	State	\$272.3M	47.9%	\$281.5M	48.9%	\$ 9.2M
	Local	293.9M	51.7%	292.4M	50.8%	(\$ 1.5M)
	Federal	2.2M	0.4%	1.9M	0.3%	(\$ 0.3M)
		\$568.4M		\$575.8M		\$ 7.4M

*Adopted FY26 revenues shown (versus amended) to eliminate consideration of the one-time supplement receipt in comparison

Forecasted changes in revenue for FY27

State	+ \$9.2M	Local	(\$ 1.5M)
+/-	Net Impact of TRS increase to 22.32%, FTE change, and SHBP Certified increase = \$0.5M	-	Considers contraction in local property digest of up to -1.0% (versus -2.5% previously estimated). Overall, the forecasted performance of the digest is driven by overall lower valuation of existing homes, as well as, reduction in "Other Taxes" receipts in alignment with present pacing. Real residential growth (new inventory), commercial growth, and industrial growth contribute to improved forecast.
-	Sustainment of security grant funds, non-repeat or reduction non-QBE FY26 grants = (\$0.4M)		
+	Receipt of equalization grant funding = \$8.2M		
+/-	Decrease in local five mil share contribution = \$0.9M		

FY27 Budget | Expenditure Outlook

FY27 New Expenses		
Increased healthcare costs for certified and classified staff (\$50 PMPM ^a) beginning July 1	\$2.9M	Investments driven by State legislation
Increased employer contribution for TRS rate change from 21.91% to 22.32%	\$1.3M	
Provide monetary increase associated with step/experience progress	\$3.5M	Investments aligned to unified BoE priorities
Staffing/resources aligned to Strategic Plan ^{-b} , STEM HS, Wolf Creek, and student support	\$2.6M	
Increased insurance, fuel, utilities, and other ^{-c} district operations/personnel actions	\$4.4M	Investments to sustain academics and operations
Increased carrying cost resulting from IDEA grant reductions and other related services	\$2.5M	
Transition Arts related supplements to general fund for sustainability	\$0.3M	
Total of mandated and prioritized investments		① \$17.5M
FY26 Expenditures (less amended values related to one-time supplement)	② 596.7M	No furlough days No change to school allocation methods
FY27 Academic and Operational Adjustments	③ -14.2M	
FY27 Expense Forecast (① + ② + ③)		\$600.0M
Expenses in Excess of Revenues (i.e., Fund Balance Use)		\$24.2M
Fund Balance % Forecast – FY27 end		18.7%

a) Per member, per month

b) Strategic Plan staff additions include Chief of Police and final HS Orchestra allocation; inclusive of \$1.5M in resources/services for STEM and Wolf Creek start

c) Other pertains to known increases in Legal and Custodial fees; targeted position reclassifications identified

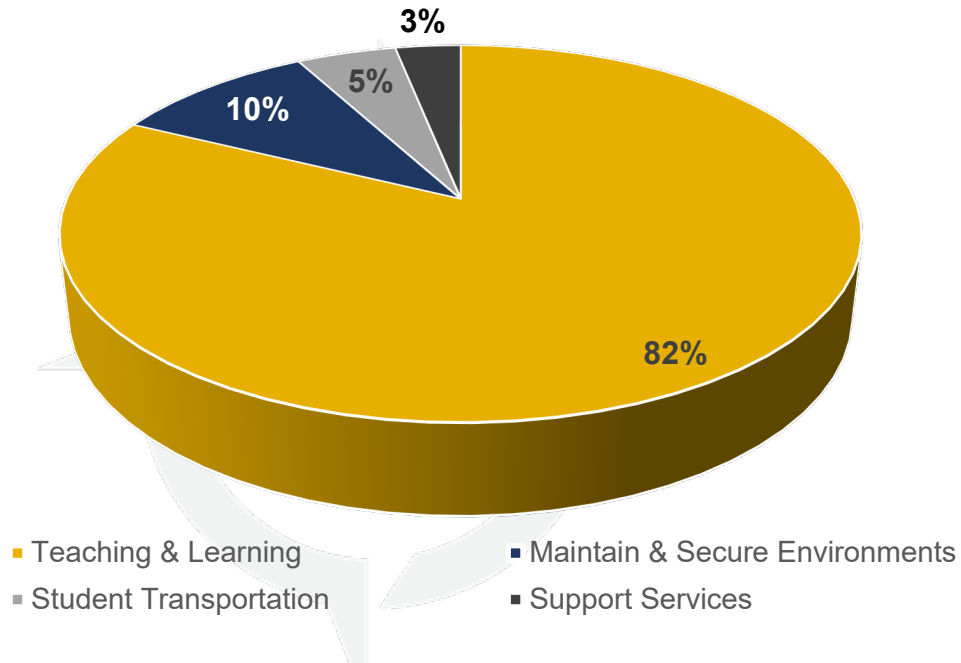
School budgets maintained

District budgets reduced

Select District vacancies frozen

FY27 General Fund Functional Summary

\$14,486 per pupil expenditure anticipated
\$107 increase over prior year



Forecasted Expenditures for FY27 \$600.0M

Teaching & Learning: salaries, benefits, and resources to support student learning and services..... \$493.4M

Maintain & Secure Learning Environments: salaries, benefits, materials, and services to secure and maintain learning environments \$58.8M

Student Transportation: salaries, benefits, materials, and services to provide transportation to students..... \$28.7M

Support Services: salaries, benefits, resources, and services to support school sites and central reporting..... \$19.1M

Student-Centered Budgetary Framework... continuing practice of allocating 97% of funds to the functions that enable student learning in supportive and secure learning environments

FY27 General Fund Sources & Uses Analysis

HENRY COUNTY BOARD OF EDUCATION BUDGET JULY 1, 2026 - JUNE 30, 2027				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund
Estimated Revenues:				
Local Taxes	288,824,834.00	-	-	-
Other Local	3,600,000.00	17,826,363.00	-	24,539,188.00
SPLOST	-	-	4,400,000.00	4,000,000.00
State	281,461,987.00	3,371,200.00	-	60,411,000.00
Federal	1,000,000.00	38,139,423.00	-	-
Total Revenues	\$ 575,886,821.00	\$ 59,425,886.00	\$ 4,400,000.00	\$ 88,950,188.00
Estimated Expenditures:				
Instruction	864,937,274.00	20,116,768.00	2,360,750.00	-
Pupil Services	54,823,075.00	2,551,261.00	-	-
Improvement of Instruction	18,953,533.00	3,884,240.00	-	-
Instructional Staff Training	342,000.00	1,732,181.00	-	-
Educational Media	8,958,874.00	-	-	-
General Administration	6,625,378.00	2,762,324.00	-	-
School Administration	49,824,174.00	7,700.00	-	-
Business Services	3,326,793.00	-	-	-
Maintenance and Operation	5,949,374.00	-	-	-
Safety & Security	7,753,059.00	-	4,022,402.00	-
Student Transportation	28,754,453.00	22,386.00	-	-
Central Support Services	7,048,908.00	127,825.00	-	-
School Nutrition	-	24,944,000.00	-	-
Community Service	-	3,905,000.00	-	-
Facilities	-	-	59,291,002.00	-
Other Support Services	1,917,000.00	-	4,927,043.00	41,748,150.00
Debt Service	-	-	-	-
Total Expenditures	\$ 1,000,039,046.00	\$ 62,562,273.00	\$ 106,296,995.00	\$ 41,748,150.00
Excess of Revenues Over (Under) Expenditures	\$ (424,152,225.00)	\$ (3,136,487.00)	\$ (101,896,995.00)	\$ 47,202,038.00
Transfers	(200,000,000.00)	200,000,000.00	60,411,000.00	(60,411,000.00)
Estimated Fund Balance, July 1, 2026	138,872,185.00	19,048,182.00	95,522,400.00	71,254,400.00
Estimated Fund Balance, June 30, 2027	\$ 113,479,940.00	\$ 18,111,761.00	\$ 49,222,587.00	\$ 59,995,688.00



Functional Category	Forecast of Expenses	Estimate of State ^{a)} Revenue Contribution	Estimate of Local ^{b)} Revenue Contribution	Estimate of Federal Revenue Contribution
Instruction	\$ 367.0	\$ 240.6	\$ 125.4	\$ 1.0
Pupil Services	54.8	4.2	49.7	0.9
Improvement of Instruction	18.9	4.1	14.8	-
Instructional Staff Training	0.1	0.0	0.1	-
Educational Media	9.0	3.6	5.4	-
School Administrative	43.6	7.3	36.3	-
Teaching & Learning	\$ 493.4	\$ 259.8	\$ 231.7	\$ 1.9
Maintenance & Operation	51.0	10.3	40.7	-
Safety & Security	7.8	5.1	2.7	-
Maintain & Secure	\$ 58.8	\$ 15.4	\$ 43.4	\$ -
Student Transportation	\$ 28.7	\$ 5.8	\$ 22.9	\$ -

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Central Support Services	7,048,908.00	17,825.00	-	-
School Nutrition	-	24,944,000.00	-	-
Community Service	-	3,905,000.00	-	-
Facilities	-	-	59,296,112.00	-
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Debt Service	-	-	-	-
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a) – Considers QBE and State Grants; functionally aligned in consideration of formula funding categories

b) – Considers Local Revenue and Fund Balance Utilization

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This budget will be presented for fiscal adoption by the Henry County Board of Education on June 8, 2026 at 7:00 p.m. The meeting will be held at 33 North Oak Street Parkway, McDonough, GA.



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a) – Considers QBE and State Grants; functionally aligned in consideration of formula funding categories

b) – Considers Local Revenue and Fund Balance Utilization

Consistency in practice...

Framework of Expenditures	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Projection	FY27 Proposed
Total Expenditures	\$443.3M	\$502.2M	\$555.5M	\$596.7M	\$600.0M
Teaching & Learning	83%	82%	82%	82%	82%
Maintenance & Safety of Facilities	9%	10%	10%	10%	10%
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%



Efficiency in the Use of Available Finances

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School System	FY25 Enrollment	FY25 G&A Expenditures	G&A % of Total FY25 Expenses	FY25 Per Pupil Expenditure	FY25 Financial Efficiency Star Rating
Gwinnett County	180,677	\$148.3M	6%	\$ 13,701.16	4.0 stars
Cobb County	104,730	\$76.7M	4%	\$ 15,641.25	3.0 stars
DeKalb County	88,633	\$143.2M	8%	\$ 19,110.89	2.0 stars
Fulton County	84,869	\$83.6M	6%	\$ 16,811.08	2.5 stars
Forsyth County	54,453	\$24.4M	3%	\$ 12,601.81	4.5 stars
Clayton County	49,783	\$41.0M	5%	\$ 15,091.12	2.0 stars
Atlanta Public Schools	48,530	\$82.2M	6%	\$ 26,570.21	2.0 stars
Henry County	42,608	\$16.9M	3%	\$ 13,159.39	4.0 stars
Cherokee County	41,436	\$14.4M	2%	\$ 13,631.22	4.0 stars
Savannah-Chatham County	34,155	\$38.5M	6%	\$ 17,534.81	2.0 stars

Note: GADOE FY25 data collection is the latest available information



FY27 Other Fund Outlook

 **HENRY COUNTY SCHOOLS**

FY27 Budget Recommendation: Special Revenues

Revenues	FY25 Adopted	% of budget	FY26 Adopted	% of budget	FY27 Projected	% of budget
State	\$ 1.4M	1.6%	\$ 2.8M	4.9%	\$ 3.4M	5.7%
Local	17.2M	20.9%	18.9M	32.9%	17.9M	30.1%
Federal	45.0M	77.5%	35.8M	62.3%	38.1M	64.1%
	\$63.6M		\$57.5M		\$59.4M	
Expenditures						
Assigned: Arts 4 Arts	\$ 0.5M		\$ 0.5M		\$ -	
Enterprise activity	23.5M		29.1M		30.9M	
Grant programs	39.9M		26.6M		31.7M	
	\$ 63.9M		\$ 56.2M		\$ 62.6M	
Revenue Above (Under) Expenses	(\$ 0.3M)		(\$ 1.3M)		(\$ 3.2M)	

Notes:

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

FY27 Budget Recommendation: Other Funds

Capital Projects Fund

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

FY27 Revenue

Interest earnings on bond proceeds**\$1.4 million**

FY27 Expenditures

Continuation E-SPLOST VI projects..... **\$105.2 million**

Debt Service Fund

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

FY27 Revenue

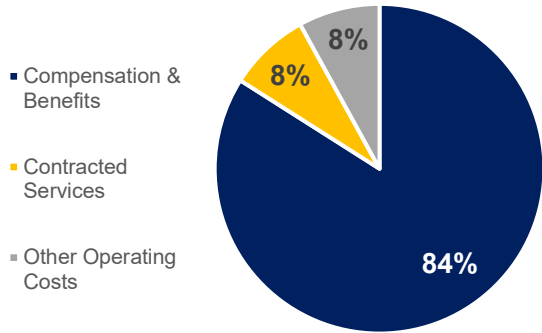
Local tax collections **\$90.9 million**

FY27 Expenditures & Transfers

General Obligation Bond payments **\$41.7 million**
Transfer to Capital Projects for E-SPLOST VI **\$60.4 million**

FY27 Budget Recommendation: Highlights

	<u>Forecast</u>
Enrollment	41,423
Total GF Revenues	\$575.8M
Total GF Expenses	\$600.0M
<i>Compensation & Benefits</i>	<i>\$506.2M</i>
<i>Contracted Services</i>	<i>\$42.8M</i>



Other Funds Expenses **\$160.9M**

Investments in competitive compensation

- Ingest state mandated employer contribution increases, supporting employee's health and retirement benefits
- Continue adopted salary schedules and advance employee step as eligible, sustaining past compensation improvements
- Monitor final digest and State funding outcomes, consider mid-year salary adjustments

Investments in high-quality instruction and support services

- Allocate funding to onboard positions aligned to BoE Strategic Plan, instructional, and operational needs as follows:
 - Orchestra teacher (1), Clinic Aide (1)
 - Initial staffing for Henry County STEM High School and Wolf Creek Elementary (6)
 - Safety Personnel (1)
- Provide start-up resource allocations for Henry County STEM High School and Wolf Creek Elementary
- Support sustainment of priority services despite reduction in federal funding (e.g., Title I, IDEA)

FY27 Budget: Next Steps



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May 11th

FY27 Tentative Budget
Budget Hearing #1
Tentative Budget Adoption

June 8th

FY27 Final Budget
Budget Hearing #2
Final Budget Adoption