BUDGET COMMISSION

Finance Division
Bryan Stephens, Chief Financial Officer (Interim)
September 16, 2026

One District. One Goal. Every Child.

ATLANTA PUBLIC SCHOOLS

AGENDA

01 FY2027 Revenue and Fund Balance Update

02 FY 28 First Look Funding Priorities

03 Headwinds, Funding Trends, and Long Term Projections

ATLANTA PUBLIC SCHOOLS

FINANCIAL UPDATE:
FY27 REVENUE/EXPENDITURE & FUND BALANCE UPDATES

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INVESTING IN WHAT MATTERS MOST

APS' First Balanced Budget Since FY'23

*with $0 use of Fund Balance

In a lean budget year, we will invested in …

OUR STUDENTS

STRENGTHENING OUR INSTRUCTIONAL CORE

$37M in curriculum, literacy & programs

Accelerated Literacy Model, K-12 curriculum refresh, MS literacy intervention, Exceptional Education, and innovative programming.

$37M+

Curriculum & Programs Five-Year Investments

CARING FOR EVERY CHILD

$10M in Exceptional Education Program

Exceptional Education teachers, paraprofessionals, materials and resources, and direct instruction support.

$10M

Exceptional Children Education Program – New Funding

OUR STAFF

OUR STRENGTH IS OUR TEAM

$19M in New Staff Compensation

Step increases, 1% cost-of-living adjustment, Assistant Principal salary compression relief, and strategic staffing investments.

$19M

New Compensation

OUR COMMUNITY

OUR RESPONSIBILITY IS SHARED

$10M in tax relief for residents

Direct relief to APS families and residents through a millage rate reduction from 20.5 to 20.3 mills.

20.5→20.3

Millage Rate Reduction

FY27 Revenue: Year-to-Date Overview

FY2027 Revenue Report July & August		
	FY 2026	FY 2027
Property Tax	$1,551,589	$20,562,477
PILOTS/TAD	$0	$0
TAVT	$2,294,030	$182,527
Other Local Revenue	$851,210	$1,840,835
State Revenue*	$9,726,893	$11,337,682
Other Revenue	$93,722	$34,865
Grand Total	**$14,517,444**	**$33,958,386**

- Property tax revenue exceeded August receipts from prior years due to earlier than usual dissemination in some jurisdictions.
- The bulk of Property Tax Revenue is received in October and November.
- PILOTS/TAD Revenue is anticipated to start in December. TAD revenue was approximately $39 million in Fiscal Year 2026.
- State Revenue (QBE) is ahead of the receipts of the the last two years (This is based on timing of payments).

* State Revenue reflects an estimated month-end adjustment that will be posted at August close

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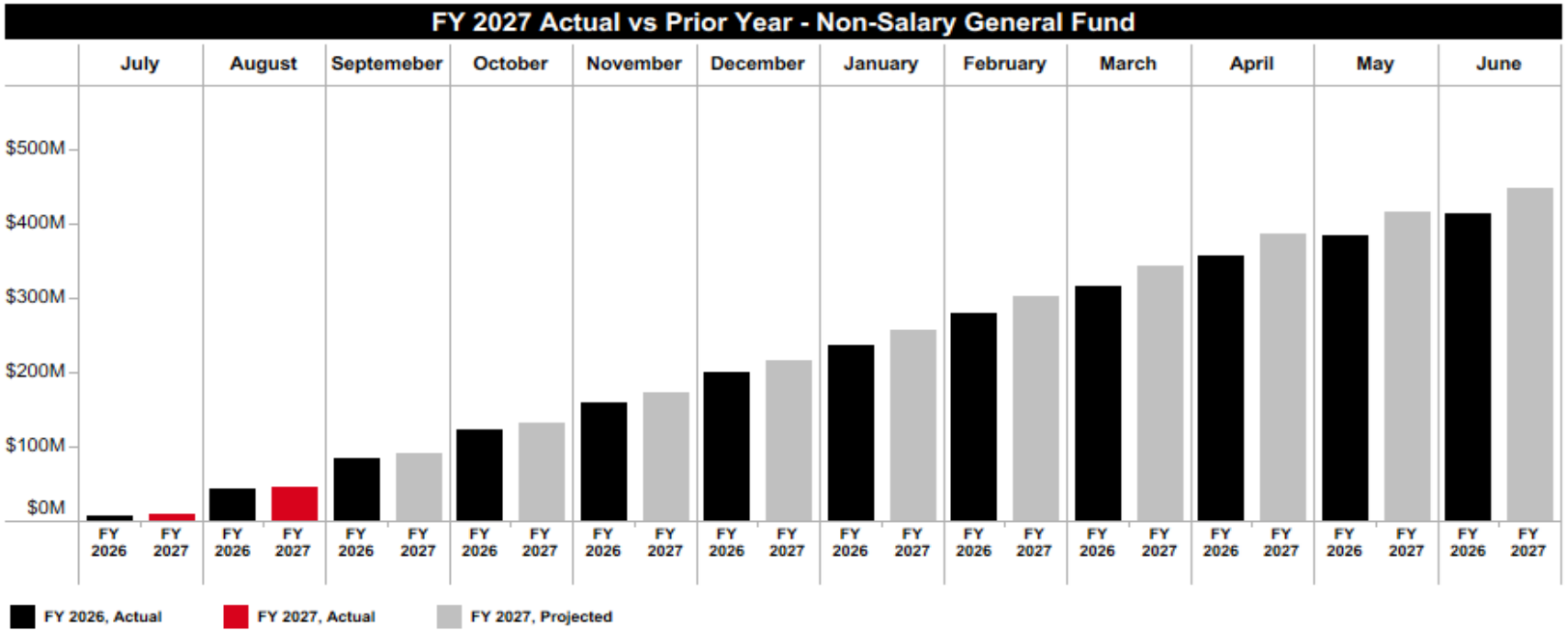
FY27 Expenditures: Year -to-Date Overview

- Non-Salary Expenditures are reflected
- FY2026 Expenditures are still being accrued
- August Payroll Expenditures are outstanding have not been migrated into our system of record from our legacy system.



	Actual $	% of Budget	Obligated Funds	Total Consumption	Consumption %
FY 2027	$46.24M Actual $	10.33% % of Budget	$57.64M Obligated Funds	$103.88M Total Consumption	23.20% Consumption %
FY 2026	$42.35M Actual $	9.23% % of Budget	$46.04M Obligated Funds	$88.39M Total Consumption	19.27% Consumption %

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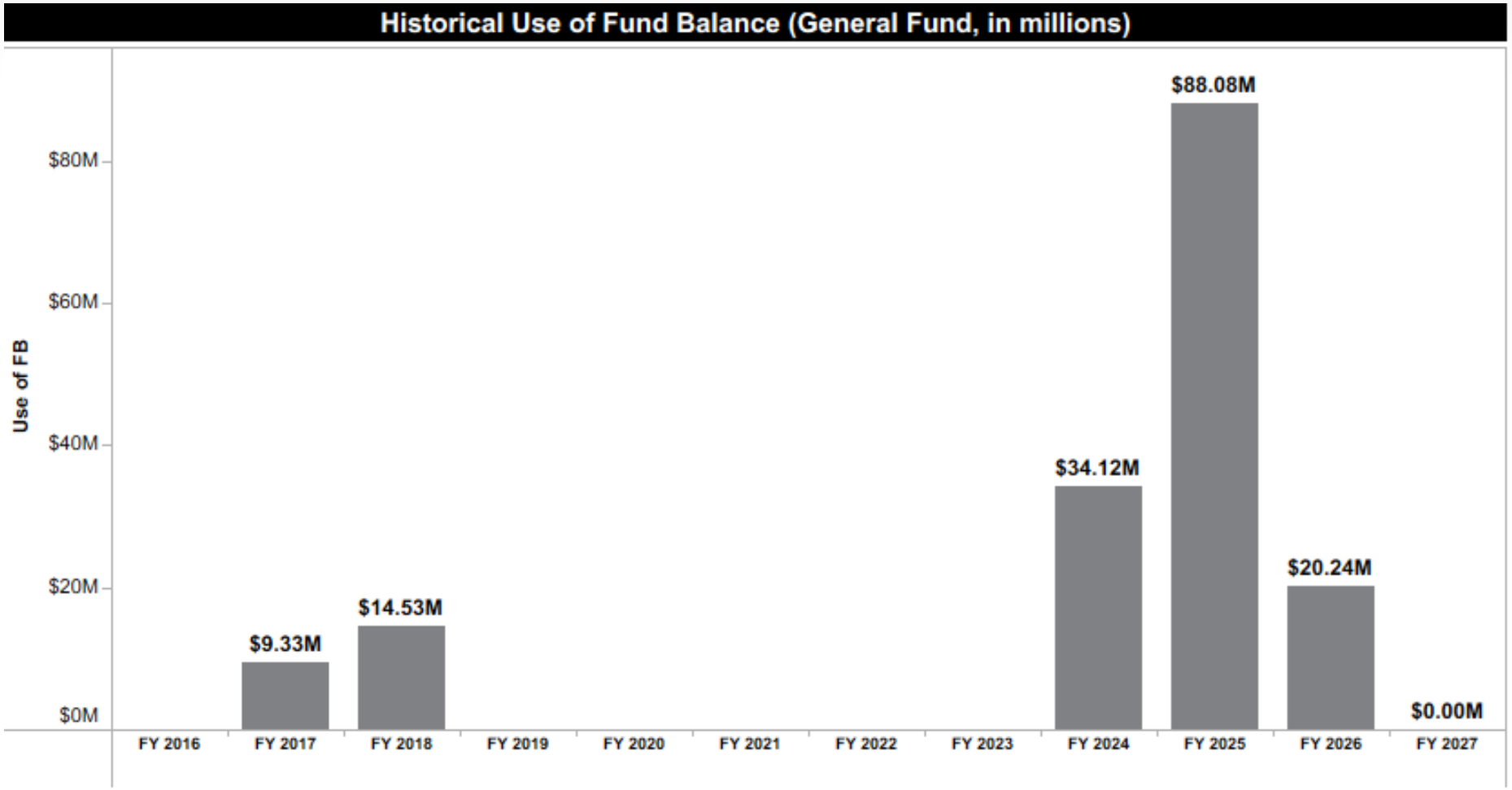
Historical Use of Fund Balance



*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 (i.e. Appreciation stipends).

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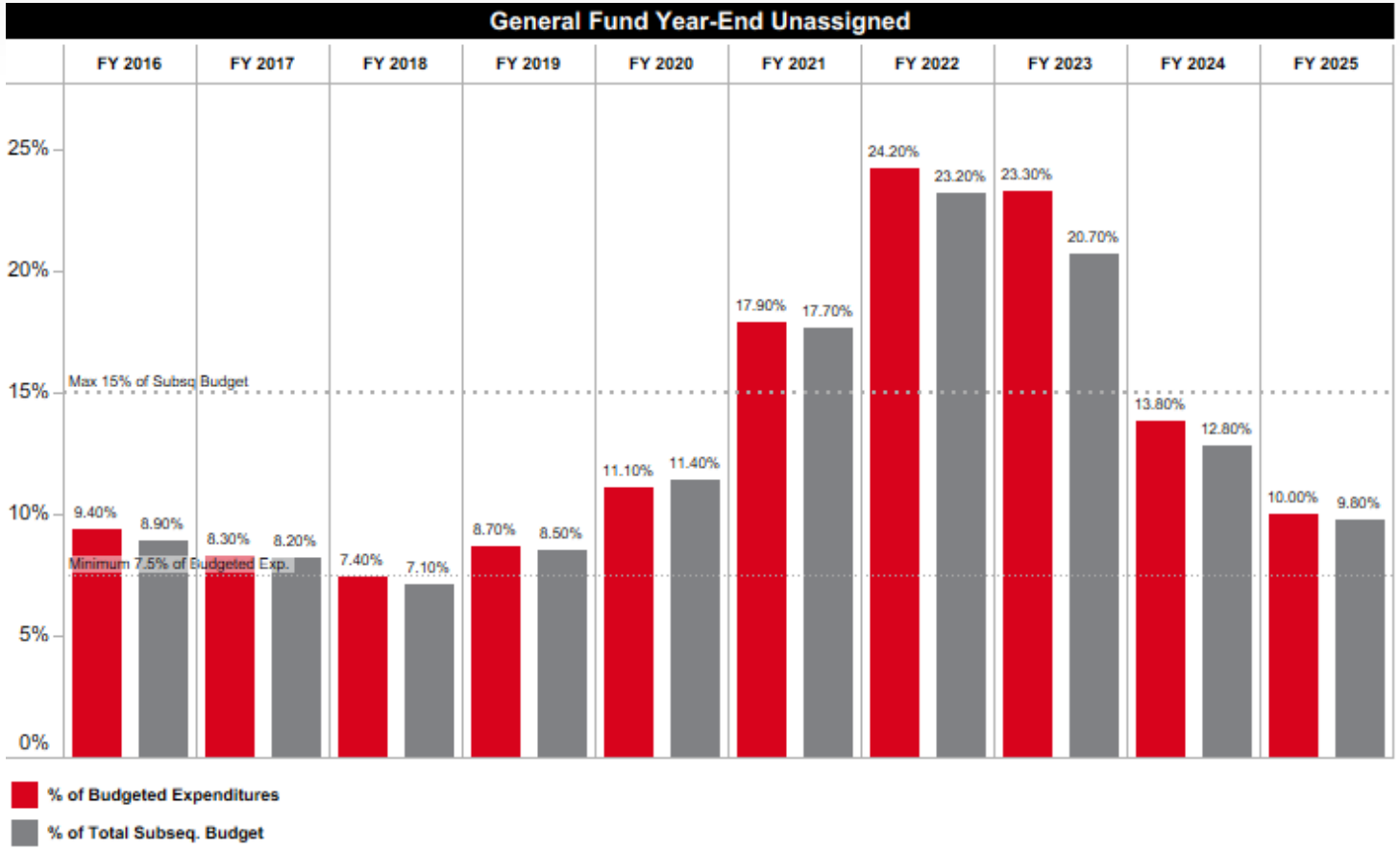
Fund Balance: Historical by Percentage of Expenditures



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).

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FY2028 AND BEYOND: FIRST LOOK FUNDING PRIORITIES

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FY 28 Funding Priorities

Competitive Teacher Compensation

Invest in and retain **high-quality teachers** to support student achievement.

- **Teachers over $100K average salary**

Universal Pre- Kindergarten

Expand **high-quality, universal PK3 and PK4** across the district.

- **Early Learning Centers**
- **PK4 Expansion**

Community Hubs

Establish **community hubs** in every cluster to provide integrated academic and support services.

- **Resourcing for Hubs**

Secondary Readiness

Strengthen **secondary readiness** and student support.

- **High School Counseling Support**
- **Additional Advising Supports**
- **CTAE Expansion and Deepening**

Expanded Learning Opportunities

Increase **access** to district wide **student programs**.

- **Atlanta School of the Arts**
- **APS Medical Magnet Academy**
- **Expansion of Accelerated Literacy Model**
- **Enhanced Early College Options**
- **CTAE & Workforce Opportunities**

These FY2028 funding priorities represent at least **$65M+** investment in advancing APS's long-term goals and student outcomes.

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HEADWINDS, FUNDING TRENDS & LONG-TERM PROJECTIONS

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Current Situations to Monitor

Annual Consumer Price Index (CPI)

- CPI as of the end of August is 3.4%. The main driver is gasoline/crude oil prices and these have surged even higher in the first two weeks of September.

Transportation Fuel Cost

- Diesel prices have increased 18% in the last 45 days. In FY26, we purchased diesel at an average cost of $3.35/gallon, and thus far in FY27, our average cost is $5.56/gallon. **If this average continues, the district projects to spend approximately $1 million in additional fuel costs this fiscal year.**

Maintenance Costs

- Inflationary cost pressures related to maintaining our district infrastructure.

State and Legislative

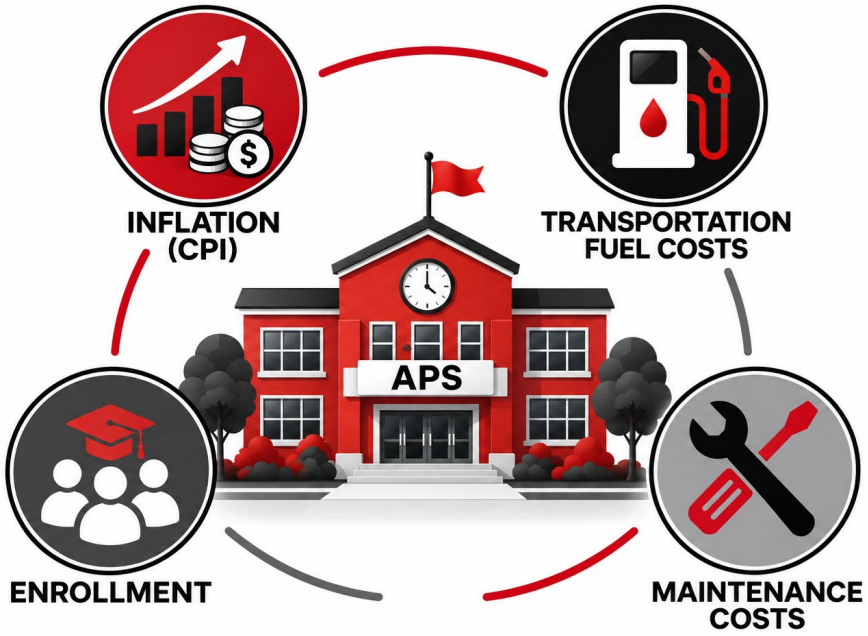
- Revenue Constraints- There is current legislation that property values and millage rates cannot increase by more than the rate of inflation.

Additional Pressures

- Staff Expenses for areas such as Exceptional Ed: Increased expenditure from $79 million (FY23) to $126 million (FY27). State funding only covers about **30%** of the total expenditure for Exceptional Ed.
- Classified employee health expenses have risen by 114% of the last 10 years.

Enrollment

- Enrollment remains a challenge, as we currently down about 700 students compared with school year 2025-2026.



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Employer Health Insurance and Labor Cost Increases

State Health Benefit Cost

- FY18 - $11,340 per employee
- FY27 - $24,336 per employee
- **Increase of $12,996….114% per employee**
- Classified increased from $2,616 annually in 2011 to $24,336 in 2027, Increase is over 830%!

Labor Cost

- FY18 – Starting teacher salary - $53,658
- FY27 – Starting teacher salary - $75,571
- **Increase of $21,913 ….. 30% per teacher**

Combined

- Salary and Health Insurance FY18- $64,998
- Salary and Health Insurance FY27- $99,907
- **Increase of $34,909 …..54% per teacher**
- **Total combined Salary and Health Insurance increase from FY18 to FY26 $119,549,669**

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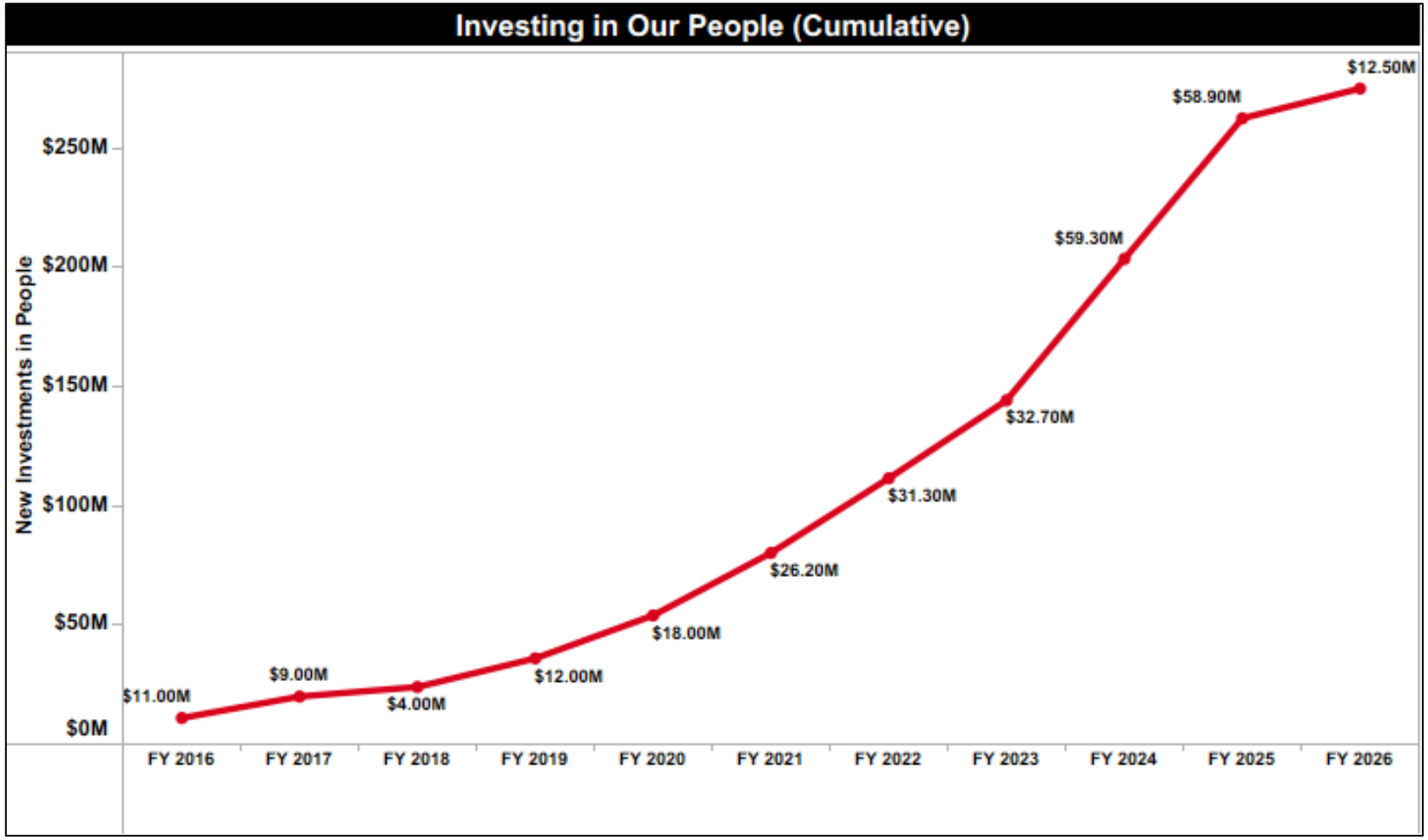
$275 Million Invested in Our People

Annual New Investment	
FY 2016	$11.00M
FY 2017	$9.00M
FY 2018	$4.00M
FY 2019	$12.00M
FY 2020	$18.00M
FY 2021	$26.20M
FY 2022	$31.30M
FY 2023	$32.70M
FY 2024	$59.30M
FY 2025	$58.90M
FY 2026	$12.50M
Total Investment	$274.90M



ATLANTA PUBLIC SCHOOLS

The Balancing Act of Sustainability

Five-Year Average | 2021 - 2025

Atlanta Public Schools invests more per FTE than metro area districts across key function areas, demonstrating our commitment to students and high-quality schools.

Per FTE Instruction

$13,445
APS

$8,363
Metro Average

+$5,082
above metro average

Per FTE Pupil Services

$1,742
APS

$673
Metro Average

+$1,069
above metro average

Per FTE Transportation

$1,001
APS

$655
Metro Average

+$346
above metro average

APS vs Metro Districts Per Pupil Spending (5 Year Avg 2021-2025)

System Name (Exp)	Avg. FTE Reported on QBE Allotment	Per FTE Instruction	Per FTE Pupil Services	Per FTE Transportation
Atlanta Public Schools	49,416	*Rank 1* $13,445	*Rank 1* $1,742	*Rank 1* $1,001
Clayton County	52,308	*Rank 8* $7,690	*Rank 4* $884	*Rank 4* $707
Cobb County	109,298	*Rank 2* $9,550	*Rank 8* $391	*Rank 6* $637
DeKalb County	93,956	*Rank 3* $9,115	*Rank 2* $1,121	*Rank 3* $749
Douglas County	26,080	*Rank 7* $7,847	*Rank 6* $450	*Rank 7* $590
Forsyth County	53,960	*Rank 6* $8,131	*Rank 9* $337	*Rank 8* $572
Fulton County	88,522	*Rank 4* $8,863	*Rank 3* $1,074	*Rank 5* $695
Gwinnett County	189,142	*Rank 5* $8,176	*Rank 7* $422	*Rank 2* $760
Henry County	43,107	*Rank 9* $7,534	*Rank 5* $704	*Rank 9* $529

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Multi -Year Projection (2027 -2031)

		2027	2028	2029	2030	2031
Revenue	Property Taxes	($935.18M)	($949.66M)	($964.15M)	($978.64M)	($993.13M)
	PILOTS	($46.58M)	($48.91M)	($51.23M)	($53.56M)	($55.89M)
	Other Local	($24.68M)	($24.93M)	($25.18M)	($25.42M)	($25.67M)
	State	($270.64M)	($276.12M)	($281.60M)	($287.09M)	($292.57M)
	Federal	($21.03M)	($21.24M)	($21.45M)	($21.66M)	($21.87M)
	Total	**($1,298.10M)**	**($1,320.86M)**	**($1,343.62M)**	**($1,366.38M)**	**($1,389.13M)**
Expenditures	Salaries	$534.67M	$554.65M	$574.63M	$594.61M	$614.60M
	Other Compensation	$28.08M	$29.03M	$29.98M	$30.92M	$31.87M
	Benefits	$293.47M	$305.32M	$317.18M	$329.03M	$340.88M
	Professional Services	$93.23M	$95.12M	$97.01M	$98.90M	$100.79M
	Purchased Property Services	$28.45M	$28.74M	$29.02M	$29.31M	$29.59M
	Other Purchased Services	$254.07M	$265.39M	$276.72M	$288.04M	$299.37M
	Supplies and Materials	$48.85M	$51.03M	$53.21M	$55.38M	$57.56M
	Property	$1.97M	$1.99M	$2.01M	$2.03M	$2.05M
	Other Objects	$9.58M	$9.67M	$9.77M	$9.87M	$9.96M
	Total	**$1,292.37M**	**$1,340.94M**	**$1,389.52M**	**$1,438.09M**	**$1,486.67M**
Grand Total		**($5.74M)**	**$20.08M**	**$45.90M**	**$71.71M**	**$97.53M**
Adjustments			($21,000,000)	($21,000,000)	($21,000,000)	($64,000,000)
Expenditures..		($5.74M)	$1,319.94M	$1,368.52M	$1,417.09M	$1,422.67M
Surplus/Deficit		**($5.74M)**	**($0.92M)**	**$24.90M**	**$50.71M**	**$33.53M**

Revenue Assumptions

Property Taxes assume a modest YOY increase of **1.5%**.

PILOTS/TAD revenue assumes a steady increase of about **5%** YOY.
In a status quo scenario, PILOTS can return this 5% from continued revenue from the Beltline, Westside, Eastside, and Corridor TADs.

State Revenue including QBE and grants assume a modest overall YOY increase of **2.0%.**

Expenditure Assumptions

Salaries asumme a YOY increase of 4%.
Other Compensations (OT, PT, Supplements) assume a YOY increase of 3%.
Benefits assume a YOY increase of 4.0%.

Professional Services, Other Purchased Services, and Supplies & Materials assume +/- of **2.0%, 4.5%**, and **4.5%**, respectively.

2028-2030 Adjustments include **($21,000,000)** of Net Adjustments. These are for: $21M in anticipated savings from School Consolidations/Closures

2031 Adjustments include **($64,000,000)** of net adjustments. This includes $21M in anticipated savings from School Consolidations/Closures and $43M in Pension sunsetting.

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ATLANTA PUBLIC SCHOOLS

What We Have Done, What's Next

Accomplishments

Investing in Our Students

- Funding smaller schools
- Increased programming and supports

Investing in Our People

- Better Pay and Benefits
- Higher Retention

Where We Are Going Next

Greater Efficiency

- Exploration of shifting from funding model to staffing model for schools
- Task force for modeling future budget allocation models which include flexible and non-flexible positions for FY 28 Budget
- FY 28 Budget (hybrid) implementation of new school funding model
- APS Forward 2040: Forward by Design

Budget Commission & Budget Adoption Schedule

[2027 Dates Tentative]

Date	
October 21, 2026	Budget Commission Meeting
November 18, 2026	Budget Commission Meeting
December 16, 2026	Budget Commission Meeting
January 20, 2027	Budget Commission Meeting
February 17, 2027	Budget Commission Meeting
March 17, 2027	Budget Commission Meeting
April 21, 2027	Budget Commission Meeting
May 3, 2027	Public Hearing #1; FY28 Budget Tentative Adoption
June 7, 2027	Public Hearing #2; FY28 Budget Final Adoption

Thank You!

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