



## **FY 2027 Budget Review**

### **Enrollment**

We have projected enrollment for 2026-2027 at 20,546 which includes our Pre-K enrollment of 782. This is a decline from the prior year estimate of 21,436, a decrease of 890 students from prior year projected figures. As of early March, we had 20,793 enrolled including Pre-K.

The Georgia Promise Act will have a long-term impact on the district as well. Approximately 600 students in Bibb accepted this scholarship. With state funding of approximately \$4,000/student, this will have an impact of approximately \$2,400,000 to \$3,000,000 and may continue to rise as the program is expanded.

### **School Staffing Allocations**

For the 2026-2027 school year, the district has evaluated the prior staffing allocation formulas and has determined that revision was needed to properly reflect the needs of the district. The changes made were to set maximum class size in line with the Georgia Department of Education (GA Doe) maximums. While Bibb County School District does have a waiver of classroom size, our previous allocations were over the maximum class size in GA Doe's max in grades it decreased class size in primary grades K-3.

The other changes included a change to the EIP allocation; all others stayed the same.

An extensive review of special education services has also been carried out to ensure all students are served and staffing is appropriately allocated.

Overall school staff will see a decrease in allocations moving into the 2026-2027 school year, totaling a reduction of 43 instructional positions. Please note that many of these positions are currently vacant and the reduction will be accomplished through natural attrition of staff.

Looking to the administrative page of the staffing allocation on slide 20, please note that we have split the "Paraprofessional, Special Education" categories into two. This is important to illustrate that we have funded paraprofessionals serving our students with special needs in multiple funds including general funds, the IDEA grant. The total Special Education Paraprofessional's needed to serve the district equal 164 currently, and we have added 77 back to the General Fund in the FY 2027 budget. This decision was made to properly balance the funds awarded within the IDEA grant. The funding of

these positions is subject to change as grant award notices are received which normally occurs between July – September.

### **Operational Expenditures**

Each year, meetings are held to develop and review operational expenses and the needs of each department. We required department directors to continuously monitor and evaluate and plan for purchases needed during the next fiscal year.

In this presentation we are showing total operational expenses by functional codes.

Highlights of the FY 2027 operational budget include the following additions:

1. Instruction – Increase of \$5,850,273, of which are plans for the English Language Arts book adoption of \$6,000,000. The four core classes are each on a five-year renewal period for book and software updates. FY 2026 served as an off year and did not have a need for an adoption; therefore, we are adding it back for FY 2027.
2. Student Services and Improvement of Instruction have increases of \$527,000. Our nursing contract increased by \$368,000 and \$205,000 for web-based subscription services.
3. Facility Maintenance & Operations – Increase of \$991,236. This category includes an increase of \$1,450,000, to account for rising utility costs, including electricity, natural gas, water, and garage services, all which continue to have price increase attributed to inflation.

All other categories have experienced decreases in operational cost including:

1. Safety and Security – The budget line was not reduced but is pending award by GA Doe. If awarded, we will budget equal revenue and expenses for these funds. While it shows a negative now, if awarded, it would have a neutral effect on the budget.
2. Central Support Services – Decrease of \$2,943,181 attributable to the removal of the Chromebook annual payment which was included in the FY 26 budget.
3. Transfers to Other Funds – Transfers to other funds are necessary to account for funds that may not have enough revenue to operate within that fund. For example, our Pre-K programs are funded by the state but require matching funds to operate. In the past, other funds where transfers may be needed

- were included but were not limited to our GNETs program, 484 Mulberry Building, Wish Printing, our warehouse fund, among others.
4. In 2026, transfers were increased to cover excess expenses in our GNET's and IDEA grants. The excess cost has been evaluated and will be minimal in FY 2027.

### **Salary and Benefits**

Our salaries and benefits make up approximately 85% of our General Fund expenditures. While we must remain competitive regarding salaries and benefits within our district and have made great efforts in this space, we continue to face increasing cost from our State Health Benefit Plan (SHBP) and the Teacher Retirement System (TRS) of Georgia employer contribution rates.

#### **Benefits – Net Increase of \$4.45 million**

This year TRS contribution rate increased from 21.91% to 22.32%, a 1.87% increase. Since 2022, the TRS contribution rate has increased from 19.81% to 22.32%, and contributions from the general fund have increased by \$14,000,000 per year, from \$22,000,000 to \$37,000,000 in FY 2027.

SHBP rates increased from \$22,620 per employee to \$23,220 per employee, a \$600 increase, a 2.65% increase. We continue to remind the board and the public that SHBP has now increased from \$11,340 per employee to \$23,220 per employee since 2022. This is 104% and has resulted in \$11,000,000 of additional cost to the district's general fund each year.

To add context to slide 26, we see a SHBP cost increase of \$2.7 million, and TRS increase of \$1.3 million. The state reimburses the district for much of this cost. For SHBP, the reimbursement for FY 2027 is \$32 million. The TRS reimbursement is based on the State Teacher Salary schedule, not what Bibb County pays. That amount will be added to this overview later.

#### **Salaries – Net Increase of \$6.1 million**

In this presentation, we have calculated approximately \$2,000,000 for step increases which honor both the state salary schedules and local salary schedules. All employees will not receive increases as this is determined by the step and grade each employee is currently placed.

In FY 2026, we increased teacher salaries by 3% and implemented the classified employee salary study, continuing our retention and recruitment efforts to attract and retain highly qualified staff.

Slide 38 and 39 show recent salary comparison of surrounding districts. Slide 38 shows average salary for teachers holding a bachelor's degree and slide 39 show average school administration salaries. Our teachers are competitive in our region, slightly under one of our neighboring districts, while our School Administration salaries remain lower than size districts.

We did not budget for attrition in FY 2027. Historically, we have budgeted approximately \$2,500,000 to account for staff retirement and other turnover in the district which often results in staff entering the district on a lower grade and step. As the budget season progresses, we will review current budgeted staff as we receive resignations and know which salary and step new hires will be placed on.

It was mentioned earlier that we are reducing instructional staff allotments by 43, while adding back the 77 special education para pros, and 6 kindergarten para pros.

We attribute the cost of these two changes as follows:

1. Avg. teacher Salary and Benefits =  $\$99,000 \times 43 = \$4,257,000$  reduction.
2. Avg. paraprofessional Salary and Benefits =  $\$46,500 \times 77 = \$ 3,580,500$  addition

The net of these two events results in a reduction in the expense of \$677,000.

### **Revenues**

Preliminary revenues are projected prior to receiving preliminary revenue information from GaDOE or the Tax Commissioner's Office. These revenues are compared to projected expenditures to determine the net surplus or deficit for the year. Adjustments are made as more information is received.

Fund balance may be used to balance a budget, or expenditures must be cut if fund balance is not available to cover the entire deficit.

Looking at Slide 28, we are projecting State Revenues which include QBE Revenue and Other State and Federal Grant revenue which flows through the State to Bibb County. We anticipate slight increases in revenue due to our continued effort to code student segments accurately, which maximizes funding for the district. We will also see increases in SHBP, TRS, and Training and Experience pay as teachers gain years of service and advanced degrees.

The Equalization grant is volatile and unpredictable, and we have not budgeted for a change for FY27. Please refer to the chart on slide 31 for equalization history.

We anticipate the FY 2027 state funding estimates from GA Doe in late March to Mid-April and will update revenue projections at that time.

In the “Other Grants” Section, the \$1,829,950 represents additional funding the state awarded Bibb via two separate grants. One of the grants was allocated to support students experiencing poverty, and the other to support Mental Health in our schools. We have not budgeted this for FY 2027 and will add those funds if notified of future awards.

Slide 29 reports Local Revenue, including property taxes. We have budgeted minimal increases in property taxes and other taxes.

Other Local Revenue reports items such as indirect cost revenue from federal grants, investment income, which we have lowered due to lower cash reserves and lower interest rates. The remaining Other Local Revenue items show minimal changes in revenue.

Overall, we have budgeted \$1.6 million dollars in additional revenue.

### **General Fund Preliminary Budget and Revenue/Cost-Savings Ideas**

Slide 32 reports the preliminary budget projections for FY 2027. Currently we know and understand staffing and operational needs of the district, and can project expenditures at \$307 million, a \$9.7 million increase, our revenue projections have minimal changes and will be adjusted as we receive the most accurate information.

Continuing to run a deficit is not sustainable. As we progress and receive final revenue State revenue funding amounts, the district and the board will need to evaluate and respond to the deficit in a more aggressive manner.

The following items are tools we must begin reducing our budget deficit and setting the district up for long-term stability.

1. Evaluate and raise the millage rate to respond to increased costs including health, retirement, salaries, and inflationary operational costs.

A mill in 2025 is worth \$6.184 million. A preliminary recommendation with current revenue estimates would be a 2.0 to 3.0 mill increase, resulting in = \$12 to \$18.5 million increase in revenue.

Without this scenario, our fund balance falls below the state minimum expenditure to fund balance ratio of 8.0%. Being a district with semi-monthly payroll, a minimum fund balance ratio of 15% or higher is strongly recommended to ensure adequate cash flow throughout the year.

## 2. Consolidate Schools

We continue to operate the same number of schools while experiencing decrease in student enrollment. To be as efficient as possible while providing the best programming for students, we need to consider consolidation.

Base cost to run schools equals approximately - \$ 1.1 million/year, which includes salary and benefits for administrative staff as well as utilities, supplies, and maintenance cost. Additionally, long-term investments in buildings for repair and maintenance, safety and security, updating technology systems such as classroom panels, safety and security systems, add long term cost to the overall cost of school facilities.

See annual cost savings below.

Elementary	FTE	Average Salary & Benefit per Position	Total Estimated Savings	Operations	Total Potential Savings
<b><u>Salary and Benefits</u></b>					
Principal	1	172,500.00	172,500.00		
Assistant Principal	1	131,500.00	131,500.00		
Counselor	1	130,000.00	130,000.00		
Media Specialist	1	129,500.00	129,500.00		
Media Clerk	0.5	39,500.00	19,750.00		
Secretary	1	73,000.00	73,000.00		
Office Clerk	1	59,000.00	59,000.00		
Registrar	1	70,500.00	70,500.00		
Head Custodian	1	62,300.00	62,300.00		
Custodians	2.5	38,750.00	96,875.00		
<b>Total General Fund Positions</b>	<b>11</b>		<b>944,925.00</b>		<b>944,925.00</b>
<b><u>Operational Cost</u></b>					
Electricity				85,000.00	
Water				8,000.00	
Natural Gas				5,500.00	
Phone & Internet				7,000.00	
Garbage & Pest Control				8,000.00	
Repair and Maintenance-Avg				10,000.00	
Office Supplies				3,000.00	
Custodial Supplies				5,000.00	
<b>Total Operational Savings</b>				<b>131,500.00</b>	<b>131,500.00</b>
Total Potential General Fund Savings					<b>1,076,425.00</b>
<b><u>School Nutrition Services</u></b>					
School Nutrition Manager	1	63,000.00	63,000.00		
SNS Assistants	4	35,000.00	140,000.00		
	<b>5</b>		<b>203,000.00</b>		

3. Freezing the local salary schedules
4. Reduce contract days for employees
5. Furlough Staff
6. Further Staff Reductions
7. Reduce programs offered to students in the district
8. Contract out services

### **Next Steps**

We will continue exploration on the impact of cost-saving and revenue-generating efforts with the goals of the Strategic Plan and the needs of our students at the forefront of our decision-making. This will include staff input in these areas and an analysis of both short and long-term implications behind any recommendations to the Board in the future. Additionally, the Finance department will continue to refine projections and related budget data as new information is received leading up to the tentative adoption of the FY 2027 budget.