



SYSTEMS AND RESOURCES ...

We will improve efficiency (productivity, cost, etc.) while also making decisions (including resource allocations) that are grounded in a strategic academic direction and data.

Budget Finance and Advisory Committee

February 18, 2016



Agenda

- Meeting Goals
 - 5 minutes
- Calendar and Timeline
 - 5 minutes
- Final Draft of FY2017 Budget Primer
 - 15 minutes
- FY2017 Budget Requests to Fulfill Parameters
 - 15 minutes
- Guiding Principles for Fund Balance and Millage Use
 - 15 minutes
- Wrap-Up
 - 5 minutes



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Meeting Goals



- For this meeting
 - To review the calendar & timeline and Final Draft FY2017 Budget Primer
 - To discuss FY17 budget requests to fulfill parameters
 - To review the guiding principles under which the Board would consider using fund balance or increasing the millage rate
- Going forward
 - Continue developing a comprehensive multi-year plan that balances revenue against expenditures
 - Continue considering the long-term implications for revenue streams
 - Continue identifying the long-term approach for strategic priorities and other large expenditure items
 - Continue identifying decision-packages to allow for transparent and clear priorities for new revenue



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Calendar and Timeline

Budget Calendar (1 of 3)



SYSTEMS AND RESOURCES ...

Atlanta Public Schools		
Fiscal Year 2017 General Fund Budget Development Calendar		
9/4/2015	v10	
Item #	Item Description	Dates
✓ 1	Board/Superintendent workshop - Initial Academic and Operating Goals and Priorities for Budget Parameters	August 27, 2015
✓ 2	Senior Executive Leadership Team review of the Fiscal Year 2017 budget planning framework and timeline	September 1, 2015
✓ 3	Budget parameters identified and finalized by Senior Executive Leadership Team	September 1, 2015
✓ 4	Fiscal Year 2017 Budget Planning Parameters and Timeline presented and approved by the Board	September 8, 2015
✓ 5	Expanded Cabinet discusses budget framework, parameters and timeline	September 17, 2015
✓ 6	Senior executive leadership team discussion of the budget	October 27, 2015
✓ 7	Board reviews/discusses Fiscal Year 2017 budget assumptions, staffing formulas and strategic priorities	November 2, 2015
✓ 8	Departments receive Fiscal Year 2017 Budget templates	November 11, 2015
✓ 9	Board Budget Commission Meeting to Discuss Multi-year Budgeting Strategy	November 12, 2015
✓ 10	Budget and Finance Advisory Committee, initial meeting (CFO only)	November 12, 2015
✓ 11	Expanded Cabinet discusses budget approach, options and provides feedback	November 19, 2015
✓ 12	Board approves Fiscal Year 2017 budget assumptions, staffing formulas and strategic priorities	December 14, 2015
✓ 13	Budget and Finance Advisory Committee, second meeting	December 17, 2015
✓ 14	Fiscal Year 2015 Mid-Year adjustment	January 11, 2016
✓ 15	Departments submit completed budgets	January 14, 2016
✓ 16	Governor's State of the State Address and Education Budget (OMB)	January 14, 2016
✓ 17	Board Budget Commission Meeting to Discuss Multi-year Budgeting Strategy	January 21, 2016
✓ 18	Budget and Finance Advisory Committee, third meeting	January 21, 2016
✓ 19	Budget Office compiles budget	January 29, 2016

Budget Calendar (2 of 3)



Atlanta Public Schools		
Fiscal Year 2017 General Fund Budget Development Calendar		
9/4/2015 v10		
Item #	Item Description	Dates
✓ 20	Senior Executive Leadership Team budget retreat to complete preliminary budget proposal	February 2, 2016
21	Budget and Finance Advisory Committee, fourth meeting	February 18, 2016 ~~February 11, 2016~~
22	Superintendent presents the Fiscal Year 2017 Budget Primer to the Board Budget Commission meeting (at call of Committee chair)	February 18, 2016
23	Board Budget Commission meeting (at call of Committee chair)	February 29, 2016
24	FC Tax Commissioner and FC Chief Assessor Presentation at Board or Budget Commission Meeting	February 29, 2016 ~~February 1, 2016~~
25	Superintendent presents the Fiscal Year 2017 Budget Primer to the Board	March 7, 2016
26	Conduct regional public meeting for Fiscal Year 2017 General Fund Budget	March 10, 2016
27	Conduct regional public meeting for Fiscal Year 2017 General Fund Budget	March 17, 2016
28	Board Budget Commission meeting (at call of Committee chair)	March 17, 2016
29	Conduct regional public meeting for Fiscal Year 2017 General Fund Budget	March 24, 2016
30	Board Budget Commission meeting (at call of Committee chair)	March 28, 2016
31	Budget and Finance Advisory Committee, fifth meeting	March 28, 2016
32	Conduct regional public meeting for Fiscal Year 2017 General Fund Budget	March 31, 2016
33	Conduct Public Hearing on FY17 Budget	April 11, 2016
34	Superintendent presents the Fiscal Year 2017 Budget to the Board (Tentative adoption)	April 11, 2016
35	First read of the tax Millage rates for Fiscal Year 2017	April 11, 2016
36	Salary Hearing #1 (If necessary)	May 5, 2016
37	Tax assessor provides preliminary appraisal values to District	May 6, 2016
38	Salary Hearing #2 (If necessary)	May 12, 2016

Budget Calendar (3 of 3)



<u>Atlanta Public Schools</u>		
<u>Fiscal Year 2017 General Fund Budget Development Calendar</u>		
9/4/2015	v10	
<u>Item #</u>	<u>Item Description</u>	<u>Dates</u>
39	Superintendent presents the Fiscal Year 2017 Budget to the Board (Final Adoption)	June 6, 2016
40	Final adoption of the tax Millage rates for Fiscal Year 2017 (may require a called Board meeting (public hearings) depending on the county's schedule and millage rollback)	June-16
41	Advertise the tax digest for the five year history Fiscal Years 2011-2016	June-16
42	Advertise and publish notice of tax rate and budget	June-16
43	Advertise the first and second public hearings for the tax Millage rates (If necessary)	June-16
44	Hold the first and second public hearing on the tax Millage rate (If necessary)	June-16
45	Advertise the third public hearings for the tax Millage rates (If necessary)	June-16
46	Hold the third public hearings for the tax Millage rates (If necessary)	June-16
47	Deadline for millage rates to be delivered to Fulton County Tax Commissioner	June-16
48	Tax assessor provides final appraisal values to the District	August 1, 2016



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Draft FY2017 Budget Primer

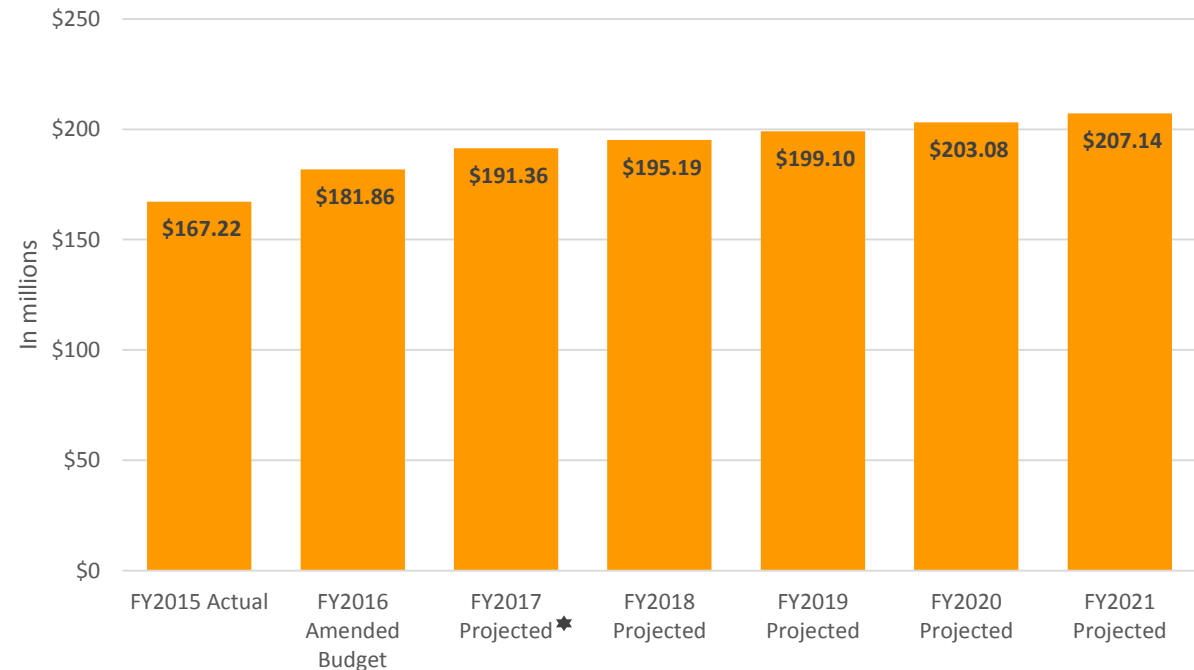
Considerations for Discussion



State

- Roughly 26 percent of general fund revenue comes from the State.
- Starting in FY17, APS will receive \$4.5 million more annually as a result of becoming a charter system.
- Assumption of \$5.0 million increase in QBE for FY2017.
- General Assembly is considering significant changes to its funding formula which makes FY18-FY21 difficult to forecast (2% growth assumed in these years).

State



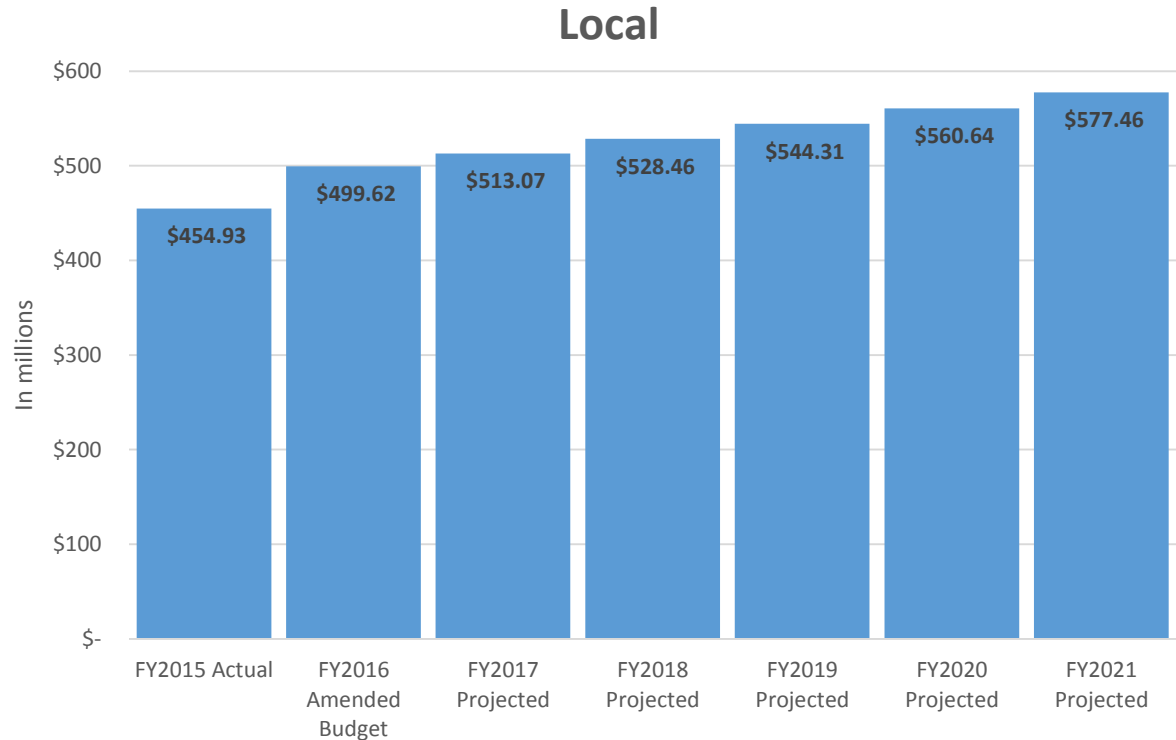
*Note: Increase in local 5 mil share and decrease in healthcare revenue has resulted in approximately \$3M decrease in FY17 projected state revenue since January 21, 2016 Budget Commission Meeting

Considerations for Discussion



Local

- Roughly 70 percent of general fund revenue comes from local property taxes.
- We anticipate steady growth of the tax digest will continue over the next several years.
- The projections assume a 3% increase for FY2017* and a continued annual 3% growth rate in out years.



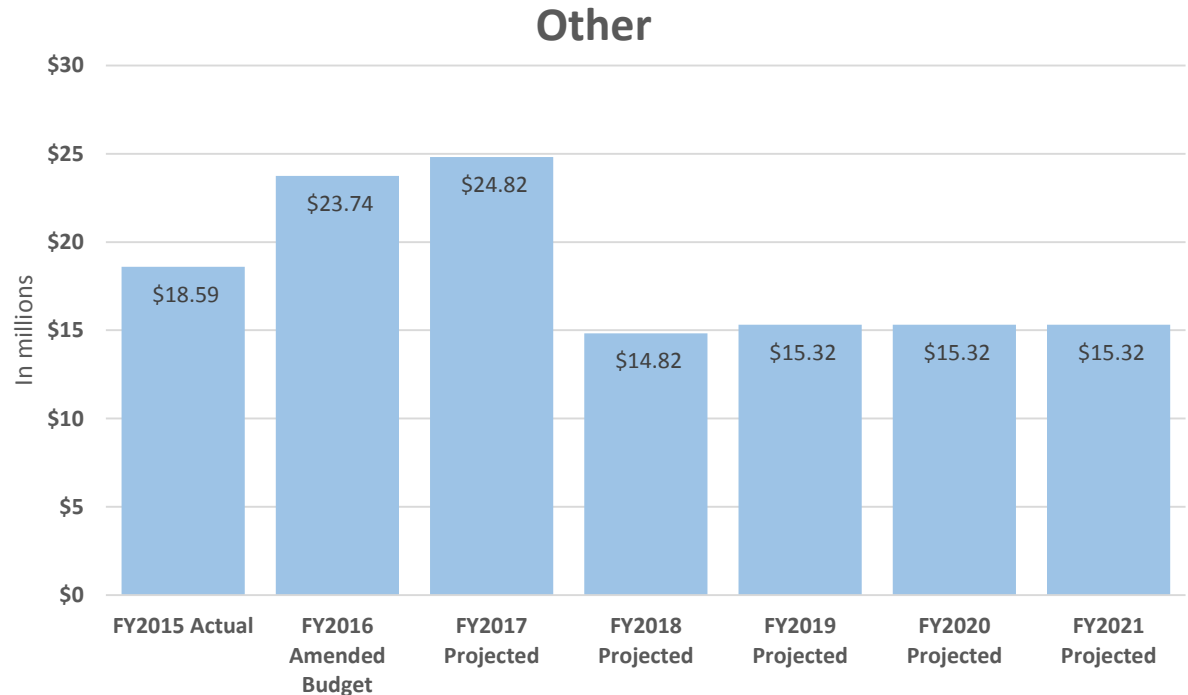
*Revised projected local revenue assumptions; 5% growth presented to Board on December 14th resulting in projected local revenue decreasing from \$523M to \$513M.

Considerations for Discussion



Other

- Includes Payments in Lieu of Taxes, tuition, investment interest, rental of facilities, sale of assets, lost and damaged reimbursements, charter buy-back, field trips, and other sources.
- FY2016 includes back-payment of IGA
- FY2017 assumes one time \$10 million IGA payment



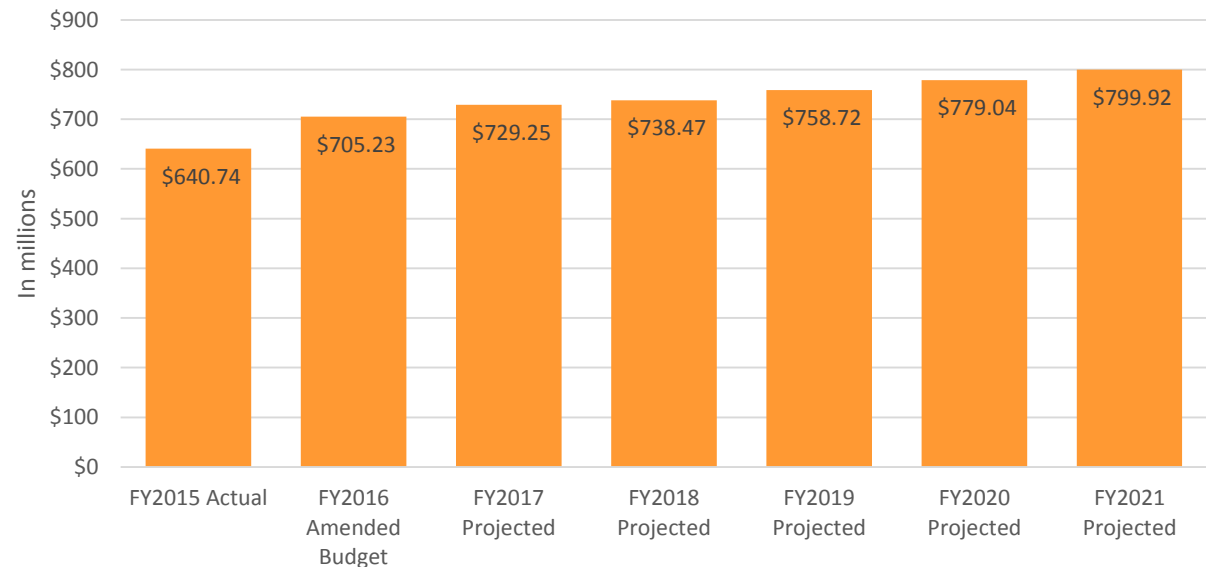
Considerations for Discussion



Total

- APS is projected to see steady revenue growth in FY2017 through FY2021.

Revenue Total

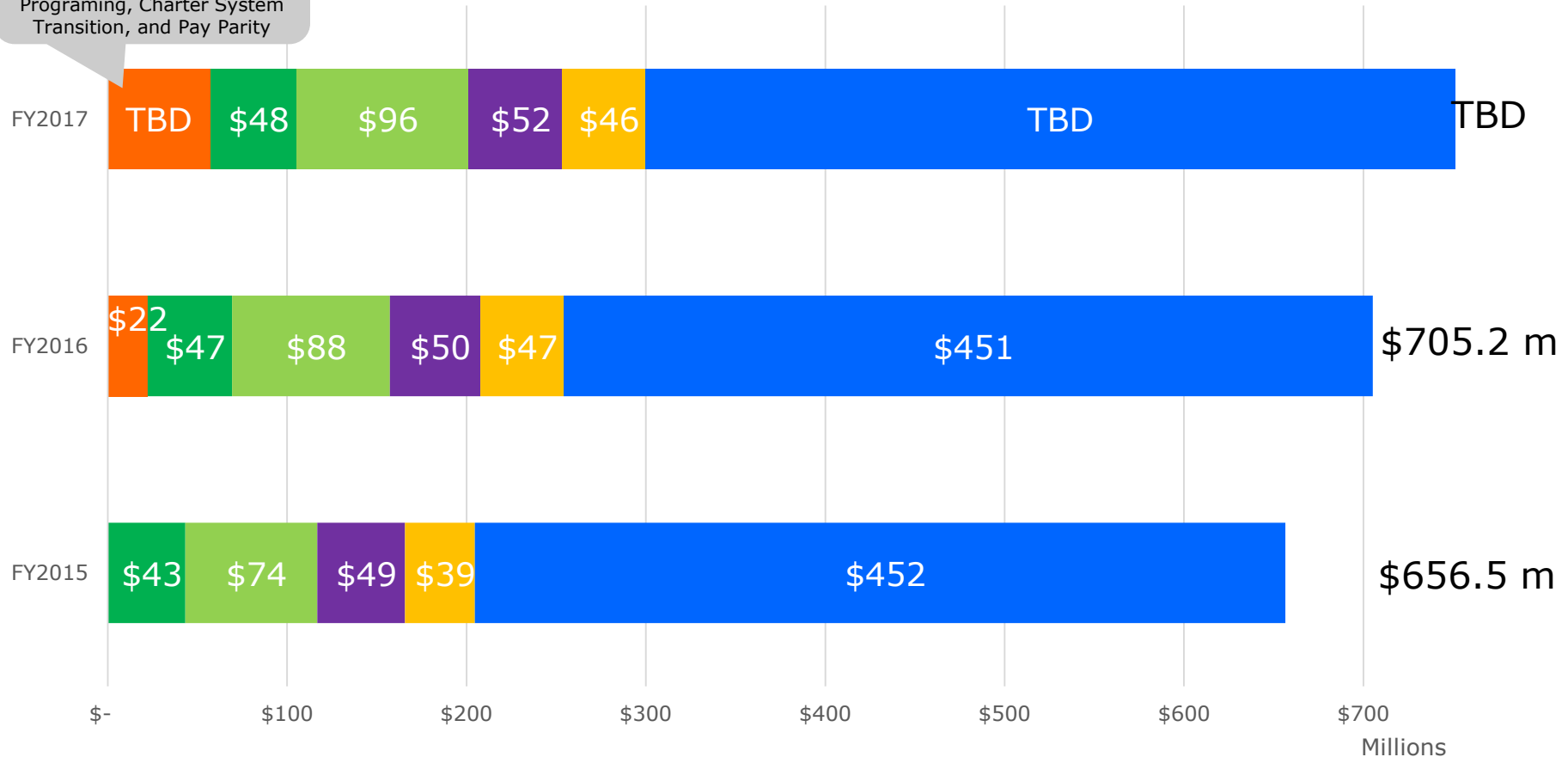


Looking Ahead to FY17



SYSTEMS AND RESOURCES ...

Includes Turnaround, CRCT Remediation/ Enrichment, Flexibility & Signature Programing, Charter System Transition, and Pay Parity



- Strategic Priorities
- Charter Schools
- TRS Contributions

- Special Ed. MOE
- Pension liability
- Other District Schools, Programs, and Operations



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FY2017 Budget Requests to Fulfill Parameters



Budget Parameters

1.Allocation decisions will be made to prioritize achieving a more equitable distribution of resources pursuant the district's equity audit.	\$0
2.The district will allocate resources to implement effectively the system's move to a "charter system" operating model.	\$60,500
3.The district will fund pension obligations in accordance with State statute and actuarial standards.	\$1,600,000
4.The district will invest in a multi-year school turn-around strategy that provides additional support and interventions for schools at risk of state take-over.	\$23,549,070
5.The district will make investments in early childhood education based on findings from research study.	\$950,000
6.Ongoing implementation of district's CRCT remediation & enrichment efforts	(\$984,289)
7.Improvement in student achievement in math, science, and literacy, including a comprehensive materials of instruction strategy (inclusive of textbook adoption and online student and teacher resources)	\$2,459,074
8.Ongoing implementation of signature programming across clusters	\$5,422,157
9.Ongoing implementation of positive behavior supports programming	\$0
10. Strategies to recruit, professionally develop, and retain high-quality staff	\$0
11. Continued implementation of multi-year compensation study recommendations to address pay parity	\$13,000,000
12. The safety, security, and well-being of students and staff (including the implementation of a new safety/security model)	\$0
13. Preventative maintenance of support infrastructure (including buildings, buses, and technology)	\$760,000
14. Continued implementation of cultural transformation strategy, including strengths-based programming	\$0
15. Implementation of District's external communications strategy	\$0
Total	\$46,816,514
New Revenue	\$ 24,020,156



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Guiding Principles for Fund Balance and Millage Use



Guiding Principles – DRAFT FOR DISCUSSION

Guiding Principles under which the Board will consider using a millage rate increase.

In order to advance the organization's mission and vision under the following conditions:

- If the budget contemplates significant investments in strategic priorities above current operational costs
- If the Board believes that all current available resources are being maximized
 - Current Budget to Actual variance
 - Benchmarks and Best Practices analysis
- If the budget proposals support the district's transformational strategy
 - Wraparound
 - Whole-child support
- If mandatory expenses (pension, MOE, healthcare, etc.) increased to a point where they were significantly impeding on the ability to accomplish the district's mission and vision
- If the Board believed that not raising the millage rate would impede the district's ability to deliver on promises to stakeholders (signature programs, turn-around, whole-child development, to address equity)
- If unfunded mandates emerge from the General Assembly
- If there is significant loss of long-standing revenue streams
- If the Board believes an increase can be sustained for future financial obligations or if the increase will not inhibit the economic stability of local neighborhoods



Guiding Principles – DRAFT FOR DISCUSSION

The Board will consider utilizing the amount of fund balance above 7.5% of prior years budgeted expenditures under the following conditions:

- To fund one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures
- To pilot new programs or to fund other short-term priorities of the Board
- To meet emergencies and unexpected expenses throughout the year



- Next Meeting- Monday, February 29th