

ATLANTA PUBLIC SCHOOLS BUDGET AND FINANCE ADVISORY COMMITTEE MINUTES

September 15, 2016

PURPOSE

The Superintendent has established the Budget and Finance Advisory Committee (BFAC) for the purpose of providing guidance and counsel on matters of budget and finance as may be determined by the district administration. The Committee is comprised of representatives from the community, charter schools, principals, and central office.

Agenda

1. Meeting Goals
2. Discussion of BFAC mission and vision
3. FY2017 budget priorities
4. FY2018 budget gap, priorities and options to balance
5. Wrap-Up

Committee Members in Attendance

- **Community** - Tammy Dixon, Felecia Josey, Marshall Norseng
- **Principals** –
- **Central Office** – Tammy Workman, Jennifer Lang, Robert Morales(CFO), Lisa Bracken, Kelly Redman, Eugene Herrington, Evangeline Britt

DISCUSSION

The meeting started with a word of welcome by Lisa Bracken, as host of the meeting. Each member was provided a copy of the presentation to follow along during the meeting. Mrs. Bracken discussed the goals for the meeting and noted that the BFAC meetings are starting sooner this year, because the district is starting the budget process earlier. Robert Morales (CFO) then gave a brief epilogue of the FY2017 budget process. The APS Board of Education approved the FY2017 budget in accordance with the budget calendar and advertised the millage rate. Shortly thereafter, the Fulton County Tax Assessor notified APS of errors in the property tax calculations. The delay in billing caused by the Tax Assessor's office forced APS to advertise the millage rate a second time and issue a tax anticipation note to cover payroll. Having to borrow money in this way is very abnormal for APS.

Lisa Bracken then began a discussion of the mission and vision of the BFAC. She stated that during this budget cycle she would like to see the BFAC focus even more on accomplishing its stated purpose, as committee members have felt that past BFAC meetings were mostly reviews of decisions instead of proactive discussions. Mrs. Bracken noted that acting as a liaison to the community is an important BFAC objective and we could like to have more go-team members join the committee.

Mrs. Bracken asked the committee to discuss how they envision reviewing budget parameters.

Marshall Norseng offered his opinion that the BFAC relies on the expertise of district staff to review revenue and fund balance assumptions. He noted that the focus of BFAC is on how money is spent, particularly on staffing and flex dollars.

Tammy Dixon noted that revenue assumptions are also important, because we are making long term plans. She asserted that it is challenging to create signature programming plans when we are uncertain if revenue will sustain it. She also stated that the district needs to work on the way in which it communicates with the community. Mr. Morales (CFO) responded and reiterated the fact that revenue projections are difficult due to ongoing challenges with predicting tax assessments.

Mrs. Bracken asked the committee to discuss how the BFAC can hold APS accountable for executing the budget plan. She noted that internally, we have implemented additional internal monitoring and will continue to build upon that throughout the year.

Marshall Norseng suggested that APS should be more proactive in publishing staffing by school and leveling results. He noted that the community wants staffing transparency and that this information is typically acquired through open records requests.

Tammy Dixon pointed out that transparency regarding allocation of other resources is also important. She suggested that equity continues to be a problem and resource needs are not “one-size” fits all.

Lisa Bracken then moved on to a review of the priorities for the current FY2017 budget year. Large, new projects were highlighted such as the turnaround strategy. Mrs. Bracken emphasized that APS had to cut and find efficiencies in order to fund these new projects. The necessary budget cuts were exclusively in central office in order to push more money out to schools.

Marshall Norseng noted that charter school allocations are growing faster than revenue, which means that the non-charter schools feel the pinch.

Mrs. Bracken then presented APS’s mandatory expenses, which are growing in FY2018. Mrs. Bracken noted two examples of mandatory expenses, special education maintenance of effort and compensation. Compensation increases are cumulative, because annual raises build upon previous increases.

Tammy Dixon suggested that special needs funding does not follow students when they switch schools. Mrs. Bracken stated that revenue source does not determine allocation. Allocation is based on that APS school allotment formula.

Marshall Norseng noted that pay increases are not mandatory. Mr. Morales responded and stated that if the State of Georgia changes the salary schedule, the increase will be mandatory.

Mrs. Bracken then presented the current “anchor scenario” that APS is using for long term forecasting. Property tax projections are conservative and turnaround funds are projected through 2021. The assumptions in this scenario produce a budget gap in FY2018. The committee members were then presented with three index cards (red, yellow & green) on which they were asked to write programs/projects that APS should stop, slow down or do differently in an effort to close the FY2018 budget gap.

Tammy Dixon asked how APS is measuring the turnaround strategy to see if it is working. Mrs. Bracken stated that monitoring efforts have been discussed in Board meetings and that those notes are on the APS budget website.

Board presentation regarding Turnaround:

[http://www.boarddocs.com/ga/aps/Board.nsf/files/A9JRY5705010/\\$file/Turnaround%20Strategy%20Update%20-%20May%202016.pdf](http://www.boarddocs.com/ga/aps/Board.nsf/files/A9JRY5705010/$file/Turnaround%20Strategy%20Update%20-%20May%202016.pdf)

Board presentation regarding CRCT remediation and enrichment:

[http://www.boarddocs.com/ga/aps/Board.nsf/files/A9GJFM4BC937/\\$file/Board%20Presentation%20May%202016%20-%20Target%202021%20-%20Revised%20\(2\).pdf](http://www.boarddocs.com/ga/aps/Board.nsf/files/A9GJFM4BC937/$file/Board%20Presentation%20May%202016%20-%20Target%202021%20-%20Revised%20(2).pdf)

Stop suggestions:

- Centralize textbook purchase decisions (move to school level decision)
- Delaying decisions about <400 person school

Slow down suggestions:

- Turnaround strategy
- Pay growth

What can we do differently?

- Don't fill vacancies
- Look at under enrolled schools
- Look at all systems of support needed
- Give more information out to the community to improve understanding
- Pool/hold some positions at cluster level
- Consolidate small elementary schools

Mr. Bracken then presented a list of potential budget balancing strategies currently under consideration. She highlighted three items that she would like the BFAC to consider for future discussion: raise class size funding level, reduce school allotment guidelines, and leveling.

Marshall Norseng suggested that APS could improve projections for student enrollment to reduce excess expense when we hold schools harmless. Mrs. Bracken responded and noted that APS strives to be as strategic as possible with leveling decisions.

Conclusion

The BFAC was asked to discuss strategies to close the FY2018 budget gap with their communities and be prepared to have further discussion at the next meeting.

Next Meeting – October 20th, 2016

We look forward to working with you and your support in our efforts to improve community involvement and transparency in the District's budget process. Thank you.