



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.

FY2018 Budget Development

BFAC

September 15, 2016

Goals



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- For this meeting
 - 1) Discuss mission and vision of the BFAC
 - 2) To review priorities for current school year within FY2017 Budget
 - 3) To discuss and advise on FY2018 Budget (gap, priorities, options to balance)



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Mission and Vision of the BFAC

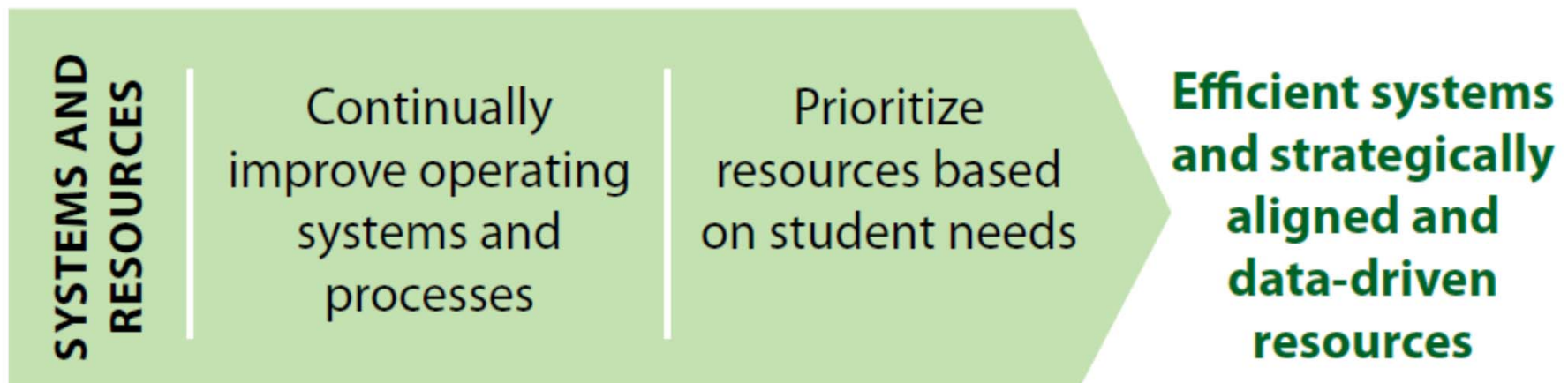
Purpose



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- **Purpose of the Budget & Finance Advisory Committee**

- Review the parameters that guide budget development, including revenue assumptions, fund balance targets, and expenditure goals
- Identify process and presentation recommendations that provide transparency in linking goals, outcomes and district spending plans
- Develop monitoring procedures that hold the district accountable for executing the budget plan



Introductions



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Expectations



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How does the BFAC contribute to the development of the FY18 budget?

- How do we act as liaisons to our community?
- How do we review the parameters that guide budget development, including revenue assumptions, fund balance targets, and expenditure goals?
- How do we identify processes and presentation recommendations that provide transparency in linking goals, outcomes and district spending plans?
- How do we develop monitoring procedures that hold the district accountable for executing the budget plan?

School Turnaround Strategy



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School Turnaround

Atlanta Public Schools is implementing a bold strategy to increase student achievement dramatically and to transform its lowest-performing schools through comprehensive direct services to students, recruitment and development of top turnaround leaders and teachers, school operations changes and education partnership opportunities.



Academics

- Provide all APS students with access to consistent, high-quality instruction delivered by teachers with knowledge of both the content and the standards
- Supplement instruction with intensive direct-to-student support targeted at expediting progress in literacy and math

Initiatives

- Accelerated Roll-out of Social Emotional Learning
- High-impact Tutoring
- Reading & Math Specialists



Talent

- Attract, develop, support, and retain high quality teachers across the district
- Differentially staff high-quality teachers in high-need schools
- Increase coaching and support to school leaders to develop their skills as turnaround leaders
- Recruit and place strong, turnaround-experienced leaders

Initiatives

- Targeted Professional Development for Teachers
- Prioritized Placements of Teachers with Incentives
- Targeted Leadership Development



Culture

- Deliver targeted support to address non-academic needs (e.g. social/emotional, health, nutrition) enabling children to be more ready to learn

Initiatives

- Additional Staffing for Non-academic Needs
- Wrap-around Service Providers



Resources

- In collaboration with communities, pursue operating model changes where turnaround requires more significant change than the district can address using programmatic approaches

Initiatives

- Extended Student Learning Time
- Mergers & Consolidations
- Turnaround Partners



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**Priorities for Current School Year
within FY2017 Budget**

FY17 Budget Highlights



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<u>Turnaround Strategy</u> 1. Up from \$5 million in FY16, to invest in a multi-year turnaround strategy that provides additional support and interventions for schools at risk of state take-over	\$23.6M
<u>Charter System Operating Model</u> School Flex- Created in FY16, this initiative will allow resources for principals to really be able to move their school in a new and unique direction, in alignment with our charter system status (\$9 million) 2. <u>Signature Programming</u>- Up from \$1 million in FY16, to support the ongoing implementation of signature programming across all clusters and in support of the cluster model (\$7 million) <u>Cluster Funds</u>- Allow cluster-based planning, problem solving, and targeting efforts and resources to cluster-specific challenges and strengths (\$2.5 million)	\$18.6M
<u>Pay Parity</u> 3. Includes \$4 million to address pay parity for the continued implementation of compensation study; also includes a step increase, a 2% COLA for all teachers, and 1% COLA for all non-teaching employees	\$15.2M
<u>Safety & Security</u> 4. Toward the safety, security, and well-being of students and staff— including the implementation of our new, in-house safety/security model (the restructuring of this area represents a cost savings of \$200,000 from FY2016)	\$10.1M
<u>Textbook/Resource Adoption</u> 5. Improvement in student achievement in math, science, and literacy, including a comprehensive materials of instruction strategy (inclusive of textbook adoption and online resources)	\$5.4M
<u>CRCT Remediation</u> 6. Ongoing implementation of districts CRCT remediation and enrichment efforts	\$4M
<u>Early Childhood Education</u> 7. Investment to move our Pre-K teachers to the same salary schedule as all other teachers	\$1M

FY2017 Found Efficiencies and Redundancies



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The administration identified more than \$15 million in additional reductions to the FY2017 request since the February Commission meetings. The CLL department budgets were cut by more \$7.3 million from FY2016 to FY2017. Nearly \$21 million was identified for redistribution to Strategic Priorities including turnaround, compensation, and school flexibility.

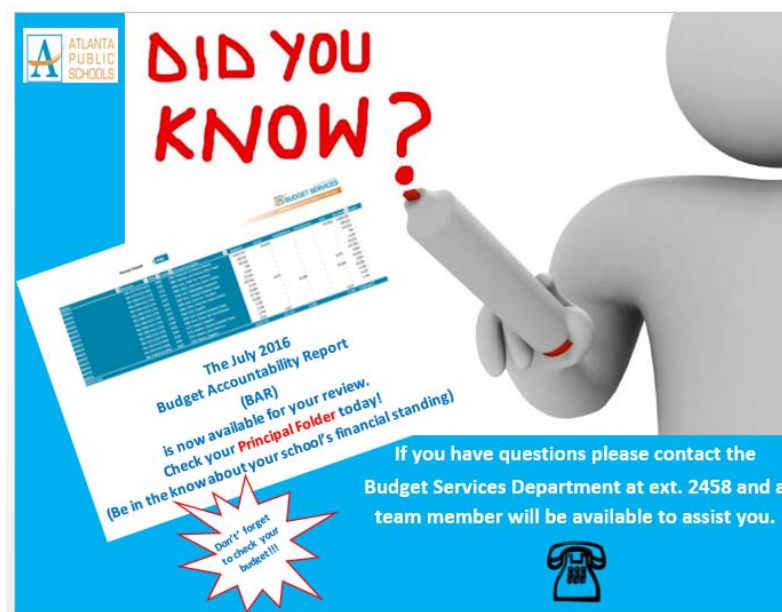
Reduction in One-Time Expenditures	\$ (635,000)
Utilities and Fuel	\$ (900,000)
Operations and HR Contingencies	\$ (2,200,000)
Other Reductions to CLL Requests	\$ (11,300,000)
Total Cuts	\$ (15,035,000)
Vacancy Management 1% of salary budgets decreased as each vacancy takes at a minimum of 30 days to fill	\$ (3,300,000)
Targeted Budgeting for Benefit Costs	\$ (2,580,000)
Total Refined Budget Strategy	\$ (5,880,000)
Total Reduction from Base Budget	\$ (20,915,000)



Accomplishments

Since we last met:

- Enhanced finance department website
 - Budget Website: <http://www.atlantapublicschools.us/Page/33266>
- FY2017 millage rate adopted
- FY2017 budget book completed
 - Link to budget book: <http://www.atlantapublicschools.us/Page/51078>
- “Did You Know” rollout
- Budget Accountability Report





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Discuss and Advise on FY18 Budget

Mandatory Expenses



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■ Charters

■ Special Ed MOE

■ Compensation

■ Unfunded Pension

Anchor Scenario Assumptions



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- Revenue Assumptions

- State increase by 5% FY2018, 4% FY2019, 3% in FY2020, 2% in FY2021

- (Takes into account potential additional revenue from QBE revision— roughly \$3m/annually)

- Local increase by 3% FY2018, 5% FY2019, 5% in FY2020, 5% in FY2021

- (Includes millage shift from debt service and future IGA payments)

- \$10 million one-time IGA payment for FY2017 rolls off for FY2018. Flattening in “Other” from FY2019 through FY2021.

- Expenditure Assumptions

- Charter Schools: Growth in charter schools through share of new revenue and scaling of existing charters plus one new charter school in FY2019 and in FY2021

- Unfunded Pension: Continued growth according to actuarial chart

- Short-term strategic investments

- * CRCT Remediation: Decline in expense as students graduate

- * Turnaround Strategy: Continued five-year investment through FY2021

- School Allotment Plan

- * Special Education: Moderate growth related to special education and MOE

- * Signature Programming: Increase as programming expands in clusters

- * Charter System flexibility funds: Moderate increase over time

- Compensation Strategy: Cost equivalent of 3% COLA for all employees

- General Administration Budgets: Flattening in all department budgets



The Budget Gap

- What's in the budget gap?
 - \$12.5 million additional compensation
 - \$7.7 million additional signature programs
 - \$7.9 million additional for charters



Closing the Gap



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1. What can we stop?



2. What should we slow down?



3. What can we do differently (more cost effectively)?



Potential Budget Balancing Strategies

A.	School Consolidation
B.	Raise Class Size Funding Level
C.	Delay Textbook Adoption
D.	Reduce Flex Funds
E.	Reduce Cluster Funds
F.	Revisit Turnaround
G.	Reduce School Allotment Guidelines (extended core, support staff, per pupil, etc.)
H.	Sun-setting Ineffective Programs (plus identify ineffective programs!)
I.	Spending Freezes and Mid-year Sweeps
J.	Vacancy Management
K.	Cut Contract Days for 240 and 242 Employees
L.	Review Service Models (push central office functions to schools)
M.	Substitute Management
N.	Contract Renegotiation / Cancellation
O.	No COLA/ No Step
P.	No Growth in Signature Programs
Q.	Leveling



Next Steps

- Recruit BFAC members
- Board Meeting
 - October 10th
- Budget Commission
 - October 13th
- BFAC: Next Meeting
 - October 20th