



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

April 20, 2017



Agenda

- FY2018 Budget Development Update (15 minutes)
- Glows & Grows (15 minutes)
- FY2017 Accomplishments (15 minutes)
- What's Next (15 minutes)

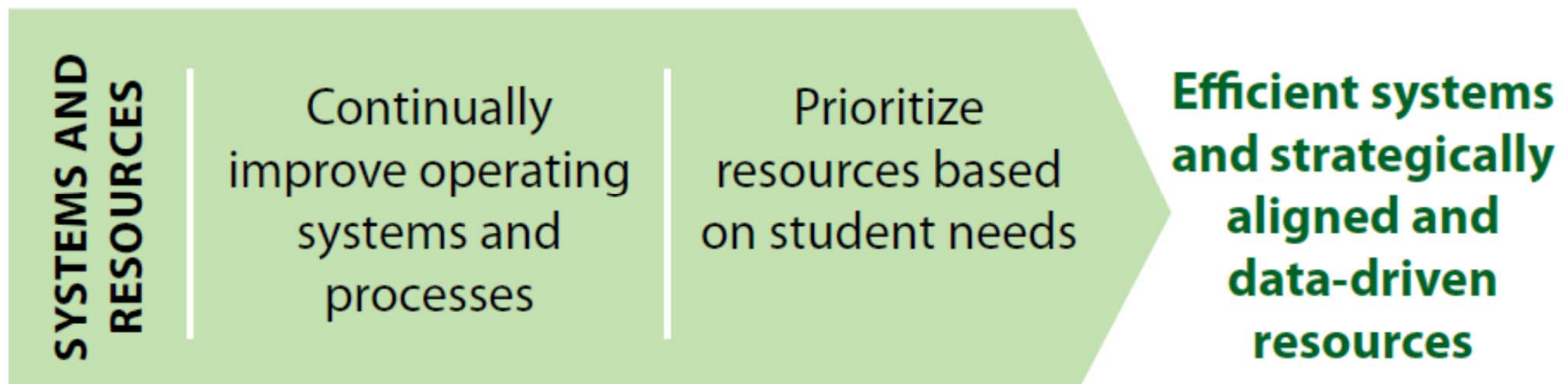
Purpose



SYSTEMS AND RESOURCES ...

- **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





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 Update

FY2018 Summary of Special Revenue



SYSTEMS AND RESOURCES ...

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted or committed for specific purposes.

The School System's Special Revenue Funds have been established primarily on the basis of program purpose and are broken out into four major categories: Federal Title, Direct Federal, State, and Other Special Revenue programs. **\$64.5 million**

Some of the major and primary projected funding sources for FY2018 are:

Title I-A Improving the Academic Achievement: Provide remedial education in the areas of reading and mathematics **\$24.3 million**

Title II: Improving teacher quality and increasing the number of highly qualified teachers, paraprofessionals, and principals **\$2.4 million**

Title VI-B: Provide special education programs for children in PreK-12th grade **\$10.4 million**

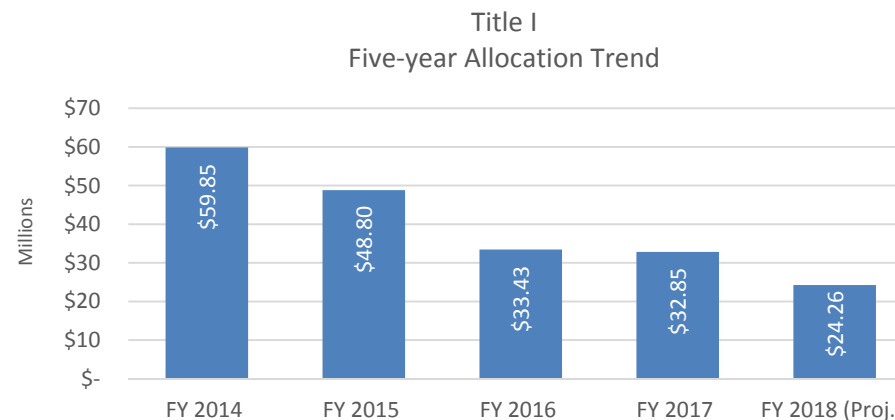


Title I-A Improving the Academic Achievement

Title I, Part A (Title I) of the Every Student Succeeds Act (ESSA), provides financial assistance to local educational agencies (LEAs) and schools with high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. APS currently has 73 schools operating under Title I programming.

Looking ahead:

- For FY2018, APS is participating in the Consolidated Funds Pilot with the state of Georgia. This allows for certain federal and state funds to be consolidated with local funds in a school wide program. Once these funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of these funds are no longer limited to the federal requirements for the individual programs.
- While the projection for Title I FY2018 award is \$24.3 million, only \$11.9 million will remain in fund 402 and the remainder will be consolidated and distributed to all Title I schools as a part of their school allocation.



FY2014-2017 awards include carryover from prior year

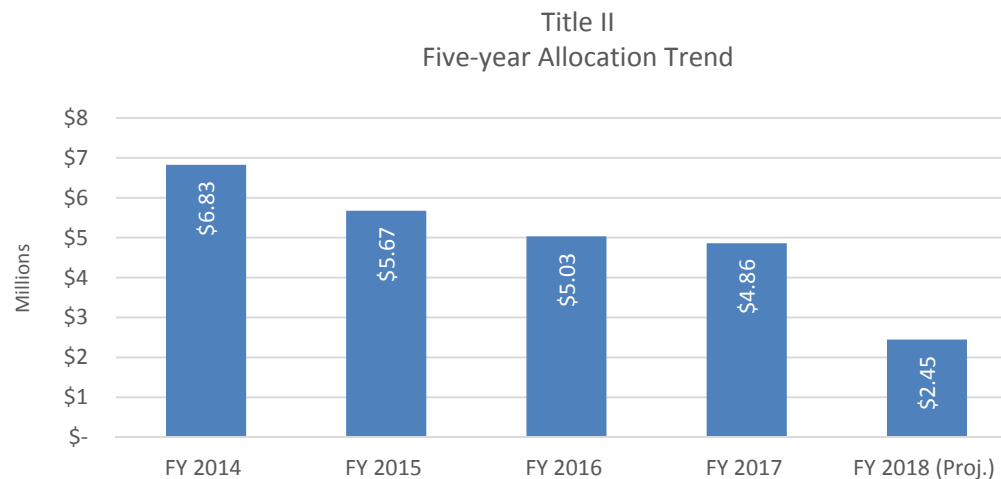


Title II-A Improving Teacher Quality

Title II is a federal grant that provides technical assistance, resources and program monitoring of school districts to ensure all teachers and paraprofessionals improve equity for low-income and minority students, in addition to improving teacher and leader effectiveness and retention. All school districts must have equitable distribution of highly experienced, highly qualified, and highly effective teachers and leaders.

Looking Ahead:

- While the Title II FY2018 award is estimated to be \$2.4 million, only \$2.3 million will remain in fund 414 and the remainder will be consolidated as \$1,000 will be distributed to all schools as a part of their school allocation.
- FY2018 projections have also been drastically reduced from FY2017 due to new ESSA rules and the removal of Hold Harmless.



FY2014-2017 awards include carryover from prior year



Title VI-B IDEA Special Ed

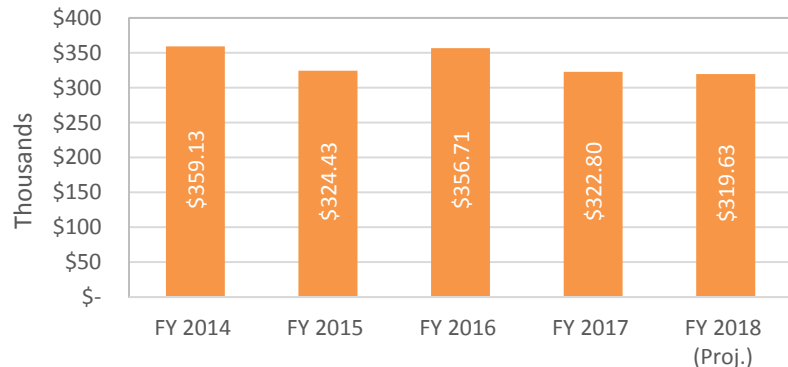
Title VI-B of the Individuals with Disabilities Education Act is a federal program that provides funding for districts to supplement the level of special education and relation services to students with disabilities. It covers ages 3-21.

The Federal Preschool budget supports the Special Education Preschool department in the following areas: daily operations, preschool staff, maintenance repairs for audio logical equipment and instructional materials for preschool students. The Federal Preschool Disproportionality funds support: Salaries for Engagement Specialists, office materials/supplies and social emotional learning assessments for identified students.

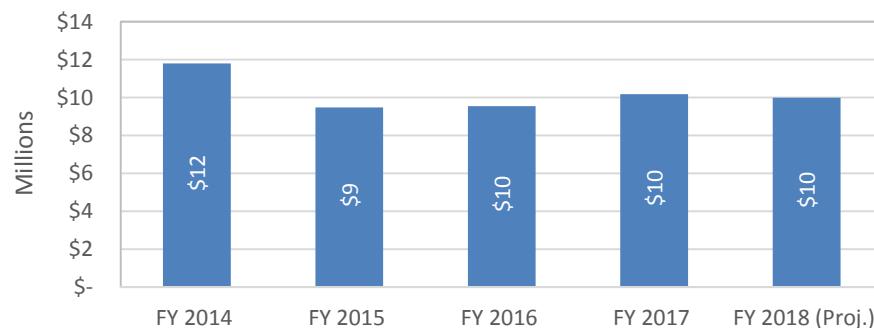
Looking ahead:

- **Personnel:** The majority of the Title VI-B funds are used for personnel cost and there will not be any substantial changes to the current positions based at the Central Office. For school-based personnel, the district is continuing to expand regional programming options available in each School Cluster. Plans include new staff person for MOID, SID/PID and Autism classrooms in the Douglass and North Atlanta Clusters.
- **Instructional Programming:** APS opened our first Grady Health Transition class in January 2016. This program prepares students with disabilities for work. Students have teacher and paraprofessional support for jobs on site at Grady. The supportive employment agency (Briggs and Associates) follows these students throughout their adult careers. In FY18, the Department of Special Education will be expanding Transition Programming throughout the district through school based enterprises such as coffee shops and print shops in high schools. Instructional supplies have been included to address these initiatives in the Title VI-B budget as well.
- **Coordinated Early Intervention Services:** For FY17, APS has been given a designation of disproportionality in the over-suspension of SWD based on discipline records from 2015-16. While we remain disproportionate in the areas of duration and type; as well as, events per student ratio for African American SWD -- we are trending in the right direction from 3.51 to 3.02 and 3.138 to 3.08, respectively. As a part of our required CEIS plan, 15% of Title VI-B funds are budgeted for Coordinated Early Intervention Services for FY18. These funds are utilized to provide staff and professional development in the areas of school discipline, climate, disproportionality and targeted behavior interventions.

Title VI-B Federal Preschool
5 Year Allocation Trend



Title VI-B IDEA
5 Year Allocation Trend



FY2014-2017 awards include carryover from prior year

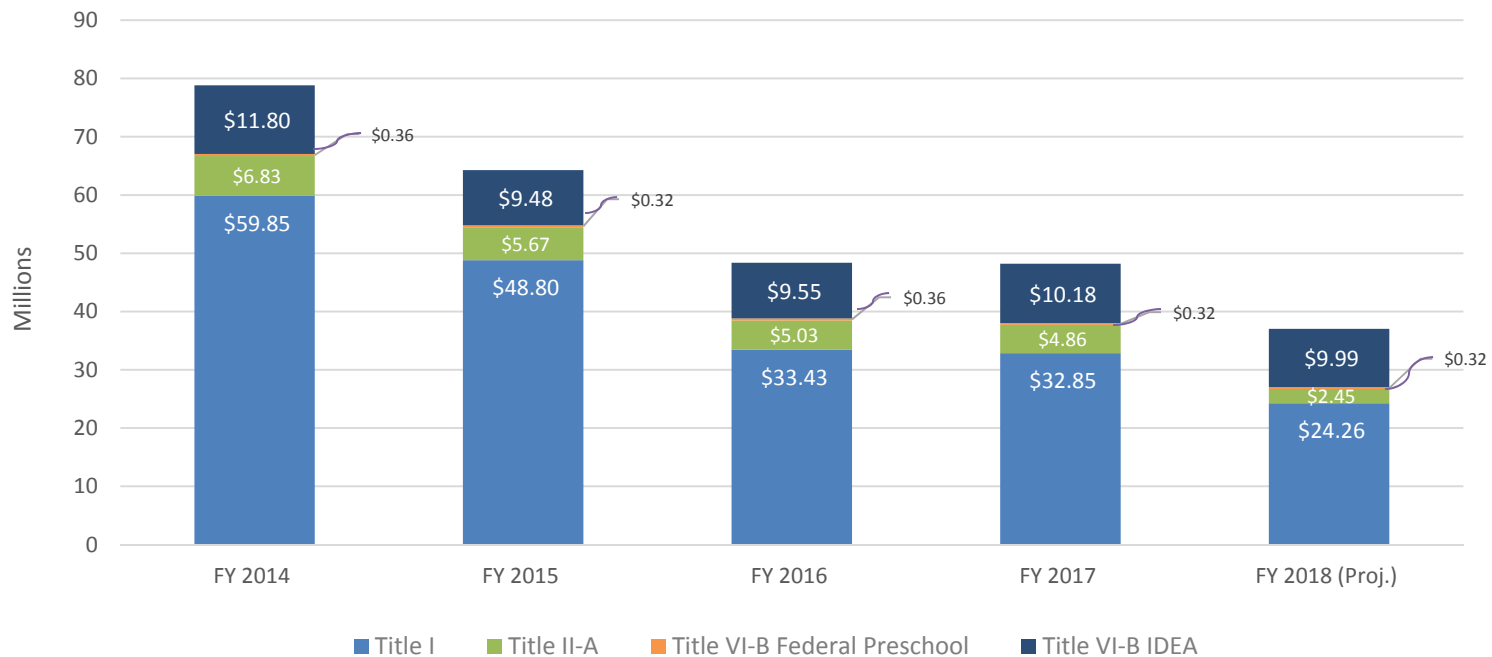


Top Federal Funds Five-year Trend

Federal funds have been declining over the past five years due to cuts from the Federal government. The proposed budget from the Federal Government plans to decrease or eliminate funding for teacher training, summer and after school programs, and other ineffective programs. While Title VI-B shouldn't be impacted as much, Title I and Title II will continue to have declining revenue.

Title Funding

5 Year Allocation Trend



FY2018 Summary of Funds



SYSTEMS AND RESOURCES ...

This section provides an overview of additional budgeted funds for the upcoming year. These include SPLOST, School Nutrition, Debt Service and Student Activity Funds to total **\$163.7 million**

SPLOST (Fund 354 and 355)- A special-purpose local-option sales tax (**SPLOST**) is a financing method for funding capital outlay projects in the U.S. state of Georgia. It is an optional 1% sales tax levied by any county for the purpose of funding the building of parks, schools, roads, and other public facilities. **\$125.9 million**

School Nutrition (Fund 600) - (The National School Lunch Program) is a federally assisted meal program operating in over 100,000 public and non-profit private schools and residential child care institutions. The Food and Nutrition Service administers the program at the Federal level. At the State level, the National School Lunch Program is usually administered by State education agencies, which operate the program through agreements with school food authorities. **\$31.9 million**

Debt Services (Fund 200) - Used to finance and account for payment of principal and interest on all long-term general obligation debts. Debt service funds are used to accumulate resources over the outstanding life of the bond issue in an amount equal to the maturity value. Cash of the debt service may be invested in income producing securities that are converted back into cash at the maturity date for use in retiring bonds. **\$330,542**

Student Activity Funds - Activity funds are established to direct and account for monies used to support co-curricular and extracurricular student activities. As a general rule, co-curricular activities are any kinds of school-related activities outside the regular classroom that directly add value to the formal or stated curriculum. Two classifications are commonly recognized: student activity funds, which belong to the students and are used to support student organizations and clubs; and district activity funds, which belong to the school district and are used to support district programs **\$5.5 million**

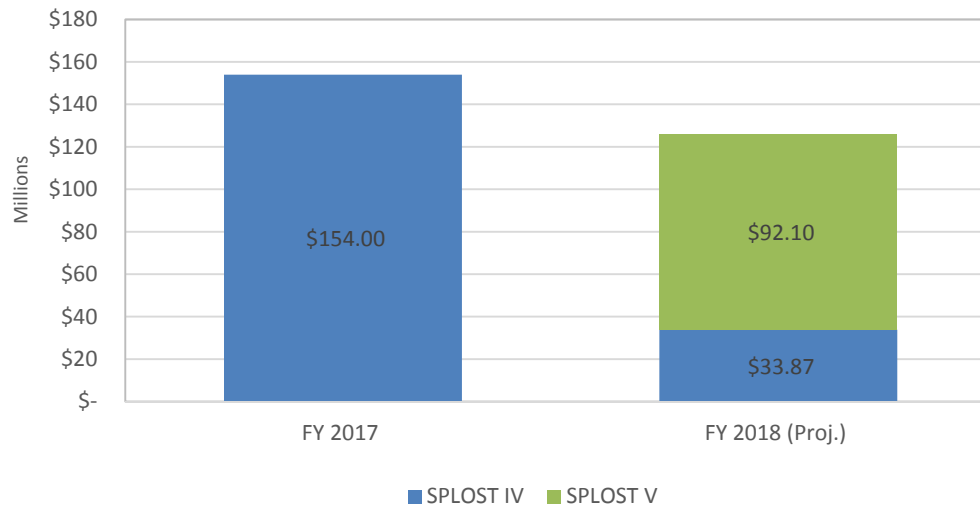


SPLOST

SPLOST 2017 supports the district's ongoing efforts to enhance educational opportunities for students. SPLOST provides the resources to upgrade school campuses through:

- Addition and renovation construction projects
- Complete major building systems and component replacements, including critical HVAC replacements
- Safety and security enhancements
- Upgrades to athletic fields and playgrounds
- Upgrades to technology infrastructure and equipment
- Replacement of school buses
- Retirement of COPS debt service

We will monitor incoming revenues carefully and transition from the SPLOST IV program in accordance with completed and planned projects as we begin "SPLOST 2017". **\$125.9 million**



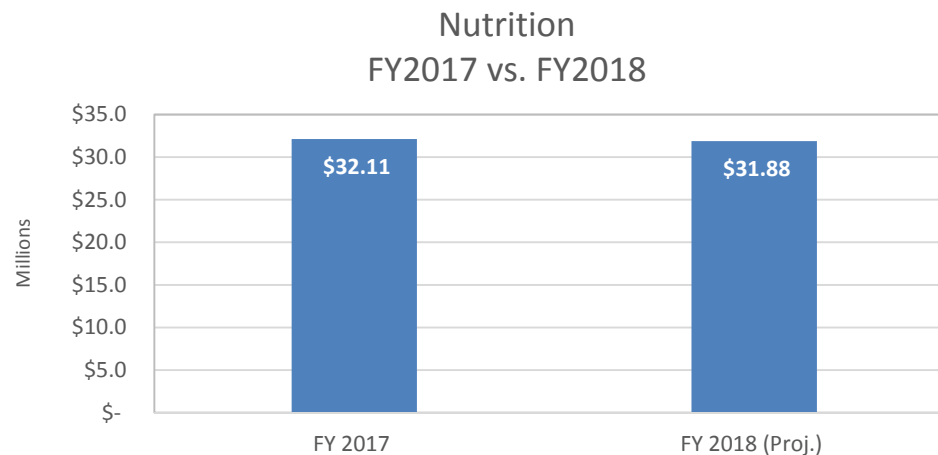


FY2018 School Nutrition Program

The Atlanta Public Schools Nutrition Department provides all students healthy school meals that meet their daily nutritional needs and support optimal academic performance at school for student success. The National School Lunch and Breakfast programs are federally funded meal programs that provide well balanced meals at free, reduced and paid meal eligibility statuses to children each school day. Atlanta Public Schools also participates in the Fresh Fruit and Vegetable Program, which promotes the consumption of fresh fruits and vegetables by elementary students during the school day.

Looking Ahead:

- National School Lunch Program
 - o Reduction of \$500K for salaries due to decreased FY2017 expenditures
 - o Increase of \$265K for health insurance
- Fresh Fruit and Vegetable Program
 - o Increasing the Fresh Fruit and Vegetable award totaling an estimated \$900K





Debt Service Fund

The City of Atlanta has issued various general obligation bonds and general obligation refunding bonds on behalf of the Atlanta Independent School System. The debt service for these bonds has been funded through the school system's bonded debt portion of the annual tax levy. The bonded debt portion of property taxes collected by the City of Atlanta on behalf of Atlanta Independent School System is retained by the City and used to pay the annual debt service on outstanding bonds. In consultation with our financial advisor, APS is working with the City to validate the remaining balance. At this time, we are still calculating what the outstanding balance for debt is and the appropriate allocation for FY2018.

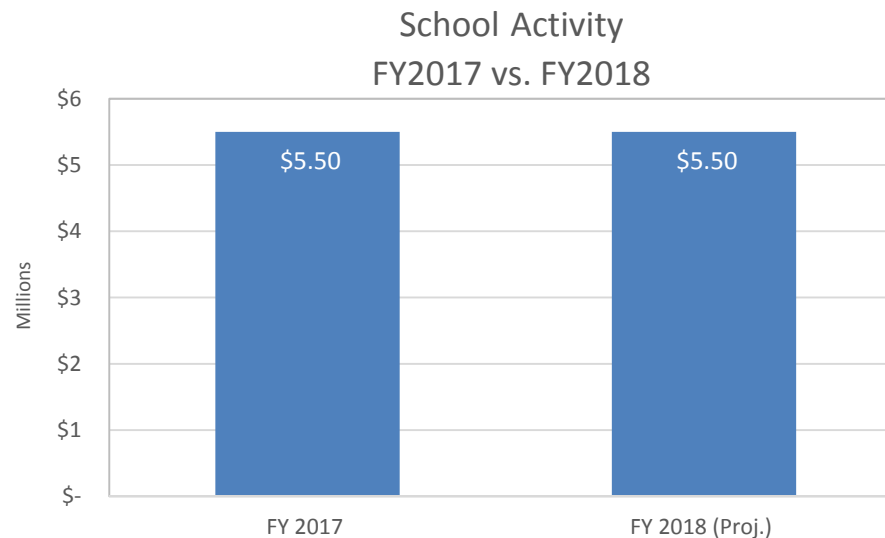
- Millage Rate
 - The FY2017 millage is set at 0.025 mills



School Activity Funds

School Activity Funds are bank accounts at individual schools under the control of school principals or club advisors. These funds are a combination of sums of money, that flow through in the form of school board funds, student-generated funds, receipts and disbursements related to athletics, and the myriad co-curricular and extracurricular events sponsored by school districts. **\$5.5 million**

- School Activity Accounts are required to be reported within the District's financial statements
- FY2018 projected appropriations are provided for Board approval





Changes since March 16, 2017

- Revenue
 - State revenue for other grants increased to match the proposed expenditures: **\$385,000**
 - Fulton County Digest within the local revenue increased from 5% to 6%: **\$4 million**
 - Transfer in for Fund 150 consolidation increased: **\$89,000**
- Expenditures
 - Push out of austerity funds to school allocations: **\$3.9 million**
 - State grant expenditures aligned to revenue: **\$1.6 million**
 - Increase to cost of Partnership schools: **\$390,000**
 - Adjustment to Turnaround: **\$140,000**

Preliminary FY2018 Budget by Function



SYSTEMS AND RESOURCES ...

	FY2017 Current			FY2018 Preliminary			
	Budget	% of Exp	Per Pupil	Budget	% of Exp	Per Pupil	Change
Instruction	\$475,758,051	62.49%	\$9,254	\$482,750,800	62.15%	\$9,284	\$6,992,749
Pupil Services	\$43,946,783	5.77%	\$855	\$43,219,572	5.56%	\$831	-\$727,211
Staff Services*	\$43,400,793	5.70%	\$844	\$59,591,099	7.67%	\$1,146	\$16,190,306
Federal Grant Admin	\$2,888	0.00%	\$0	\$2,870	0.00%	\$0	-\$18
School Admin	\$45,267,371	5.95%	\$880	\$39,789,298	5.12%	\$765	-\$5,478,072
General Admin	\$38,800,899	5.10%	\$755	\$35,218,508	4.53%	\$677	-\$3,582,391
Maintenance And Operations	\$80,480,776	10.57%	\$1,565	\$81,324,451	10.47%	\$1,564	\$843,674
Transportation	\$29,992,884	3.94%	\$583	\$31,960,561	4.11%	\$615	\$1,967,677
School Nutrition	\$376,521	0.05%	\$7	\$376,521	0.05%	\$7	\$0
Other Outlay	\$2,451,123	0.32%	\$48	\$1,760,948	0.23%	\$34	-\$690,175
Debt	\$800,000	0.11%	\$16	\$800,000	0.10%	\$15	\$0
Total	\$761,278,088	100.00%	\$14,807	\$776,794,628	100.00%	\$14,938	\$15,516,539

*The large increase in staff services from FY2017 to FY2018 can be explained almost entirely by the consolidation of Title I and General Fund dollars. Title I has supported much more of the wrap-around services and instructional coaches which now will reflect as a part of the General Fund and Fund 150. The balance can mostly be explained by the creation of a new Early Learning program in the School and Academics Division.

Preliminary FY2018 Budget by Object Grouping



SYSTEMS AND RESOURCES ...

	FY2017 Current			FY2018 Preliminary			Change
	Budget	% of Exp	Per Pupil	Budget	% of Exp	Per Pupil	
Salaries	\$345,181,139	45.34%	\$6,714	\$341,981,745	44.02%	\$6,577	-\$3,199,394
Other Salaries	\$19,394,869	2.55%	\$377	\$18,766,436	2.42%	\$361	-\$628,433
Employee Benefits	\$157,440,637	20.68%	\$3,062	\$170,643,679	21.97%	\$3,282	\$13,203,041
Operating Transfer to Non-General Fund	\$2,451,123	0.32%	\$48	\$2,710,948	0.35%	\$52	\$259,825
Other Purchased Services	\$118,554,775	15.57%	\$2,306	\$118,320,445	15.23%	\$2,275	-\$234,330
Supplies	\$51,725,766	6.79%	\$1,006	\$51,502,690	6.63%	\$990	-\$223,076
Purchased Pro and Tech Services*	\$40,414,867	5.31%	\$786	\$49,534,664	6.38%	\$953	\$9,119,797
Purchased Property Services	\$21,317,641	2.80%	\$415	\$19,595,254	2.52%	\$377	-\$1,722,387
Other Objects**	\$4,016,447	0.53%	\$78	\$3,125,593	0.40%	\$60	-\$890,854
Property	\$780,824	0.10%	\$15	\$613,173	0.08%	\$12	-\$167,651
Total	\$761,278,088	100.00%	\$14,807	\$776,794,628	100.00%	\$14,938	\$15,516,539

*The large shift from Salaries, Other Salaries, and Supplies to Purchased Professional and Technical Services is due to the Partnerships for Gideons, Price, and Slater. Instead of allotting personnel and materials for these three sites, the full cost of these sites will reflect as the contracted amount.

**Dues, Fees, Registration, Interest, Redemption of Principal

FY2018 Budget Proposal



SYSTEMS AND RESOURCES ...

Revenue	FY2017	FY2018	FY2018 vs FY2017
Local	\$514,761,145	\$544,895,423	\$30,134,278
State	\$193,807,265	\$197,539,352	\$3,732,087
Other	\$24,796,192	\$13,493,197	(\$11,302,995)
Fund 150	\$0	\$12,340,424	\$12,340,424
Fund Balance*	\$27,913,487	\$8,526,231	(\$19,387,256)
Total Resources	\$761,278,088	\$776,794,627	\$15,516,539

Expenditures	FY2017	FY2018	FY2018 vs FY2017
Instruction	\$475,758,051	\$482,750,800	\$6,992,749
Pupil Services	\$43,946,783	\$43,219,572	(\$727,211)
Staff Services	\$43,400,793	\$59,591,099	\$16,190,306
Federal Grant Admin	\$2,888	\$2,870	(\$18)
School Admin	\$45,267,371	\$39,789,298	(\$5,478,072)
General Admin	\$38,800,899	\$35,218,508	(\$3,582,391)
Maintenance And Operations	\$80,480,776	\$81,324,451	\$843,674
Transportation	\$29,992,884	\$31,960,561	\$1,967,677
SNP	\$376,521	\$376,521	\$0
Other Outlay	\$2,451,123	\$1,760,948	(\$690,175)
Debt	\$800,000	\$800,000	\$0
Total	\$761,278,088	\$776,794,628	\$15,516,539

Funding Gap	\$0	\$0
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*Actual use of fund balance is 14% greater than listed here as a share will go to the charter schools.

Total use: \$9,719,903



SYSTEMS AND RESOURCES ...

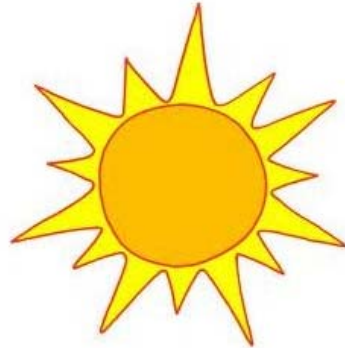
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Glow & Grow

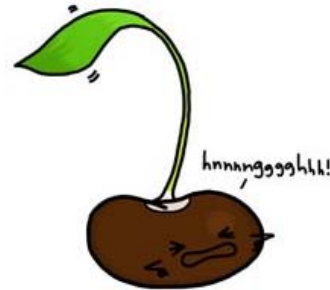


Glows & Grows

- BFAC led discussion



What Glowed?



Where to Grow?



What to Throw?



Now We Know



SYSTEMS AND RESOURCES ...

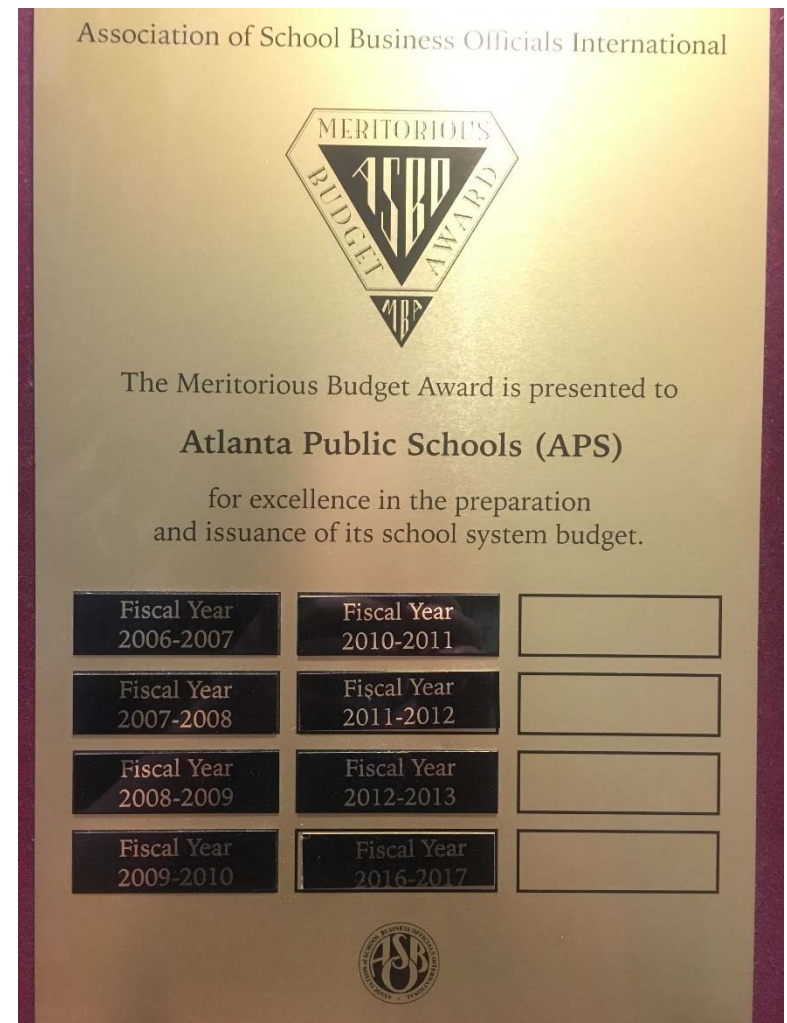
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FY2017 Accomplishments



FY2017 Accomplishments

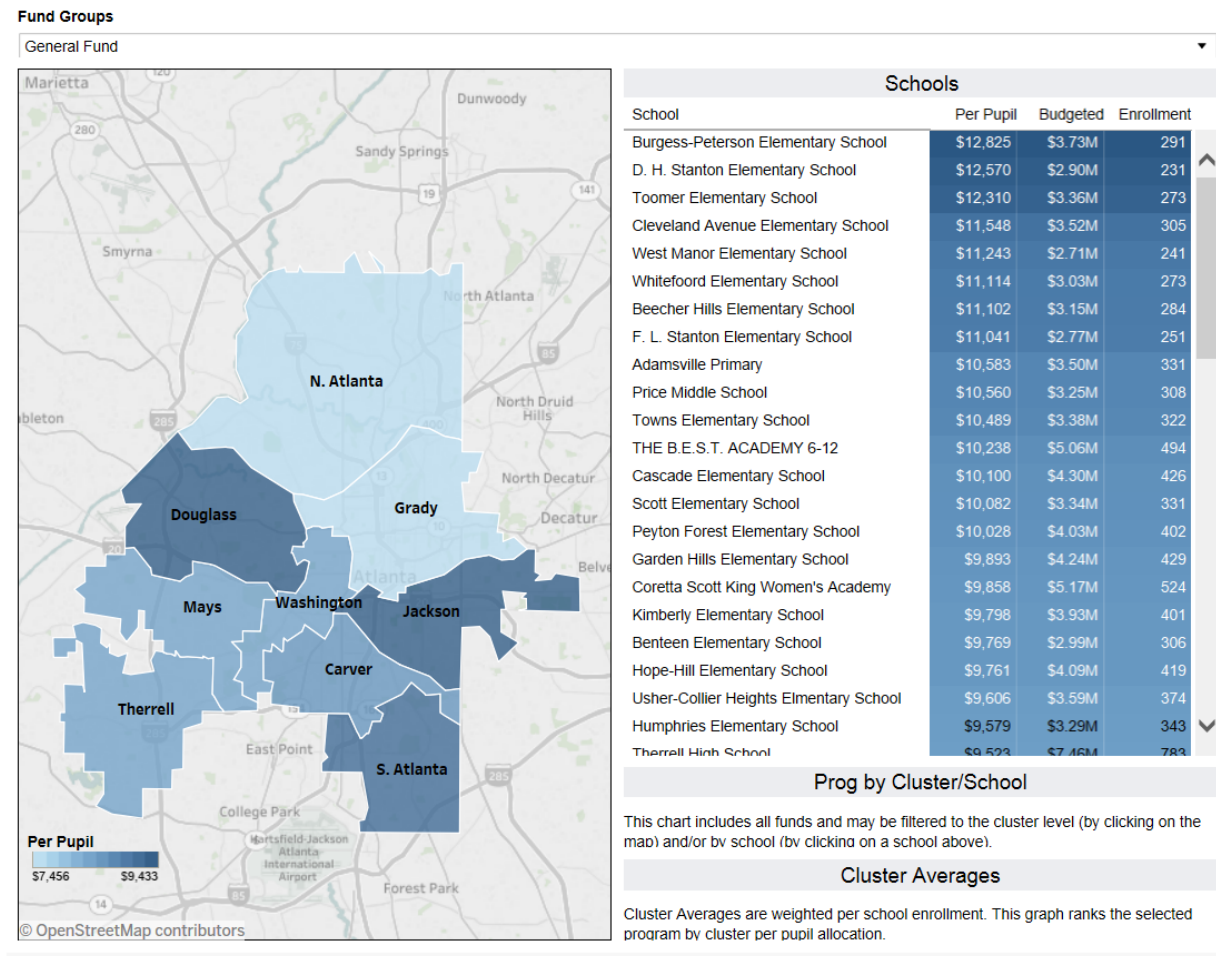
- Budget book awards





FY2017 Accomplishments

- Multi-year planning
- GoTeams
- Dashboards
- Website





SYSTEMS AND RESOURCES ...

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What's Next?



FY2018 Initiatives

- Funding formula recalibration



Next Steps

Remaining Commission Meetings

- ~~Thursday, May 18, 2017~~ — **NEW DATE TBD** Board Budget Commission Meeting
 - Consolidated budget update (changes between tentative and final adoption), Millage process update
- Thursday, June 8, 2017- Board Budget Commission Meeting
 - Multi-Year Revised



Next Steps

- Monday, May 1, 2017- First public budget hearing for Fiscal Year 2018 General Fund Budget and Tentative Adoption
- Conduct Regional Public Meetings on FY2018 Budget
 - April 27, 2017
 - May 2, 2017
 - May 11, 2017
 - May 18, 2017
- Monday, June 5, 2017- Second public budget hearing for Fiscal Year 2018 General Fund Budget and Final Adoption