

ATLANTA PUBLIC SCHOOLS BUDGET AND FINANCE ADVISORY COMMITTEE MINUTES

December 11, 2014

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, at-large, and central office.

Agenda

1. Opening Remarks
2. Strategic Plan
3. Fund Balance
4. Title 50 Waiver Board Presentation
5. Class Size Board Presentation
6. QBE
7. Questions and Discussion

Committee Members in Attendance

- **Community** - Youlanda Carr, Tammy Dixon, Clay Elrod, Felecia Josey, Mark Rebillot, Robert Stockwell, Toni Terry, Cynthia Dumas
- **Charter Schools** -
- **At-Large** - Marshall Norseng
- **Principals** - Tony Burks II, Clara Taylor, Buck Greene, Joseph Salley
- **Central Office** - Linda Anderson, Chuck Burbridge (CFO), Tye Hayes

Committee Members Absent

- Nicole Lawson, Cynthia Mickelbury, Chandra Selles, JaTawn Robinson

DISCUSSION

After greetings Chuck Burbridge asked for committee members to email him recommendations for items to discuss for the agendas. He then identified member Mark Rebillot to give an overview of an email he sent outlining some of his ideas regarding the work of the committee. Mark Rebillot addressed the committee and stated he had two major thoughts regarding the budgeting process or things that the committee could work on:

- 1) To drive the budget down to the school or cluster level and look at how the school budget could tie to the fiscal year budget. Review controllable costs at the school, examples were Principals and school administration. Recommends the committee to break up in work groups to review these items and offer suggestions.
- 2) Focus on class size and develop sensitivity analysis. Look at the real dollars associated with schools.

Chuck Burbridge stated that he would be sending out the email from Mr. Rebillot to the committee members.

There was a question regarding if the district had utility numbers by school. Mr. Burbridge indicated that he could get that information from utility services.

There was a request to get out school based budgets for the next meeting. Mr. Burbridge stated he could have school budgets to the committee members by next meeting.

Ms. Carr asked if the purpose of the committee was to provide recommendations or to actually work on building the budgets for the schools. She wanted the committee to be clear on their roles. Mr. Burbridge responded by stating that he sees the committee making recommendations to the Board, not being a sub-board.

There was a question asked if the utility usage could be broken out by school. Mr. Burbridge responded that it depends on how it is approached. There needs to be an equitable way to achieve that. There may need to be a reporting tool update to drill down to that level.

Mr. Burbridge committed to bringing in additional information at the school level to the Board beginning in January at the next APS Board meeting.

Robert Stockwell stated he would like to get a base line budget for education. Says the current data is not complete. He would like information on what is allocated at schools and what is not.

Terry Dukes was charged with sending an email to all committee members of the link to the budget book on the APS website.

Buck Greene asked if the administration wanted input on every funding formula. Asked if this will be considered in the budget process. How will schools earn each line item? Is there a better way to allocate resources to schools?

Marshall Norseng suggested creating a Primer based QBE. Creating a students need formula or cluster needs formula was also suggested by the committee. How will that be determined? Mr. Burbridge stated that will be developed during the budget process possibly for FY 17.

Clara Taylor asked how will the budget look and be aligned. She stated the community is very interested in that. Mr. Burbridge indicated that the current budget will be a basis for aligning the FY 16 budget, but that the FY 17 budget will possibly look different and be aligned more strategically.

It was asked if the committee could meet independently of the formal meetings to discuss issues and what items they would like to discuss at subsequent meetings. Mr. Burbridge indicated that members could always contact the Finance office staff for any data items they would like to review.

It was suggested that a committee Drop Box or SharePoint site be established for the committee to review items or submit items for committee members to see outside of meetings. Tye Hayes committed to helping to work on establishing that.

The meeting continued with a distribution of the updated APS Strategic Plan. Mr. Burbridge indicated that it is a good document that shows what the district is trying to do and how the district will achieve those goals. He indicated that there is work aligning funds with strategic initiatives.

There was then a discussion in the presentation about the district Fund Balance. Mr. Burbridge showed committee members Fund Balance information and how the numbers are determined. This presentation included a target for the FY 16 budget. He indicated that a fund balance of \$61M was not enough to get the district through the summer. He stated that the district may have to issue TAN (Tax Anticipation Note). Mr. Burbridge stated that at the next meeting he will supply a cash flow analysis for the committee members to review. He also clarified that the district bond rating typically follows that of the city or tax district they receive funds from. He stated that it is rare for a district to be rated higher than the tax source. Mr. Burbridge also

indicated that it is not his intention to take down the Fund Balance. He stated that would not be beneficial to the district.

There was discussion regarding the Title 50 Waiver. Mr. Burbridge gave a brief summary of what the waiver is for and how it came about. He indicated that it is not a high district priority to meet the state requirement. The district has met the requirement before, but the state did not take action on the waiver.

The class size waiver that was presented to the Board was presented to the committee. Mr. Burbridge indicated that although the district is not over maximum enrollment the waiver allows for flexibility at the school level for the principals. Mark Rebillot wanted to know what was the actual expense for a teacher. Mr. Burbridge reviewed the QBE formula and discussed how the district supplements those allocated dollars. Mr. Burbridge stated that many districts use waivers throughout the state. He indicated that the district will use the +5 waiver for FY 16.

There was then discussion on the Quality Basic Education (QBE) funding formula. Mr. Burbridge explained how the state formula works. He also stated that the formula included traditional and charter school information. He explained the various categories on the QBE sheet. Robert Stockwell asked if the categories are fair on the QBE sheet. Mr. Burbridge stated that the funding on the QBE sheet does not reflect the reality. He indicated that it is hard to run a high school based on the QBE allocation because the weight for a high school is so much lower than for an elementary or middle school. Mark Rebillot asked for headcount information. Mr. Burbridge stated that that information is from the CPI report and he could get IT to generate a report on headcount. He also indicated that the district allocates resources to the QBE categories.

Conclusion

The committee was very interested in looking at moving to a school based model. They would like to share their ideas with the administration through communication with the Finance office. The committee would like to be very clear on their roles and responsibilities so as not to create duplicative duties that could conflict with the current Board. The committee would also like the district to look at investing in a tool that would make the dissemination of budget information more accurate than the current tool.

Next Steps

Terry Dukes will email the link to the district budget book
Finance will supply utility information from Utility Services regarding school usage and costs
The Finance Department will begin to submit school based budget information to the Board at the next Board meeting
Chuck Burbridge along with Tye Hayes committed to working on establishing a Drop Box or SharePoint site for committee information sharing

Next Meeting – January 15, 2014

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.