

Fiscal Year 2019 **BUDGET PRIMER**

Prepared by
Department of Budget Services
Atlanta Public Schools



ATLANTA
PUBLIC
SCHOOLS

Table of Contents

ABOUT ATLANTA PUBLIC SCHOOLS 8

 HIGHLIGHTS 9

 INNOVATION IN RESOURCE ALLOCATION.....11

 STRATEGIC PLAN 13

FY2019 BUDGET DRIVERS.....15

 FY2019 GUIDING PRINCIPLES AND BUDGET PARAMETERS 15

 STRATEGIC PRIORITIES AND MANDATORY COST 19

 FY2017 FINANCIAL EFFICIENCY STAR RATING 22

 ECONOMIC CONTEXT 24

BUDGET PROCESS OVERVIEW.....27

 BFAC & BUDGET COMMISSION 27

 BUDGET DEVELOPMENT CALENDAR.....28

 BUDGET OVERVIEW 31

The Board of Education

Atlanta Public Schools



2018-2022

BOARD MEMBERS

Mr. Jason Esteves, Chair

At-Large, Seat 9

Ms. Eshe' P. Collins, Vice Chair

District 6

Ms. Leslie Grant, District 1

Mr. Byron D. Amos, District 2

Ms. Michelle D. Olympiadis, District 3

Mr. Nancy Meister, District 4

Ms. Erika Mitchell, District 5

Ms. Kandis Wood Jackson, At-Large, Seat 7

Ms. Cynthia Briscoe Brown, At-Large, Seat 8

SUPERINTENDENT

Dr. Meria Joel Carstarphen

BUDGET COMMISSION

Ms. Nancy M. Meister, Chair

Ms. Michelle D. Olympiadis

Mr. Byron Amos

Message from Superintendent Dr. Meria J. Carstarphen:



Our district is in the process of developing the FY2019 Budget for Atlanta Public Schools (APS) which will depict our revenue and expenditure plan for the school year 2018-2019. When approved by the Atlanta Board of Education, this budget will continue to position the District on a path that seeks to increase instructional quality, improve operational efficiency, and direct flexible spending closer to the classroom to ensure responsible and effective use of taxpayer dollars. This primer represents the district's continued commitment to a consistent, transparent communications process that informs stakeholders and allows for input through public hearings and budget commission sessions.

This primer also provides a brief context for the FY2019 budget development process including an overview of district highlights, the district's strategic plan, Board budget parameters, national, state, and local context, and a review of the current year budget.

Throughout the budgeting process, APS will work with the goal of improving quality, while increasing efficiency and addressing equity. APS is one of a number of Georgia districts participating in the consolidation of funds. This allows additional flexibility and autonomy with federal title grants by merging these dollars with general funds in what is called Fund 150. We are also continuing our efforts towards a more efficient central office. This is part of the districts on-going commitment to streamline services at the central office and redirect those dollars to schools. Lastly, the district has adopted a new funding strategy to distribute allotments to schools through Student Success Funding, a model based on an equitable and transparent distribution of funds and supports the charter system model to allow additional autonomy, flexibility, and site-based decision making at our schools.

As we develop the FY2019 budget, we will continue to invest in our long-term overarching strategy to improve our lowest performing schools by providing supplemental and critical support and by working with partners to help turnaround programs. We will continue to meet all of our increasing mandatory expenses including unfunded pension, TRS, and health costs, all with the current uncertainty of pending legislation.

In the end, we will strive to build a budget that balances the needs of our students and provides them with a progressive educational program within a fiscally responsible budget and which enables us to provide more educational opportunities for our students to give them the necessary tools to help them become successful contributors in the 21st Century. We will continue to work hard to ensure that all resources – private, local, state and federal dollars – are used to their fullest potential.

I pledge to continue this strong, strategic direction focused on delivering a high quality education to the children of Atlanta that are supported by a responsible, transparent and efficient budget process.

Sincerely,



Meria
Carstarphen



Our Mission

With a caring culture of trust and collaboration, every student will graduate ready for college and career.

Our Vision

A high-performing school district where students love to learn, educators inspire, families engage and the community trusts the system.



APS Cluster Model

Atlanta Public Schools is organized into nine high school clusters that consist of a high school fed by middle and elementary schools. The cluster model ensures continuity for students from kindergarten through grade twelve.

Each cluster is led by a cluster planning team to improve the quality of its neighborhood schools. These teams include teachers, administrators, support staff, students, parents and community members. The cluster model allows APS to provide more support, opportunity and equity, and creates strategies that increase student performance.

Cluster & Academic Leaders

David Jernigan

Deputy Superintendent | 404-802-2875

Dr. Olivine Roberts

Assistant Superintendent of Schools & Academics

404-802-2790

Tammie Workman

Assistant Superintendent of Student Services

404.802.2686

Dr. Danielle S. Battle

Associate Superintendent of Schools (K-8)

Clusters: Mays, South Atlanta

Gayle Burnett

Executive Director of Office of Innovation

All charter schools

Yolonda Brown

Associate Superintendent of Schools (K-8)

Clusters: Carver, Grady, Washington

Dr. Emily Massey

Associate Superintendent of Schools (K-8)

Clusters: Douglass, Jackson

Dr. Dan Sims

Associate Superintendent of Schools

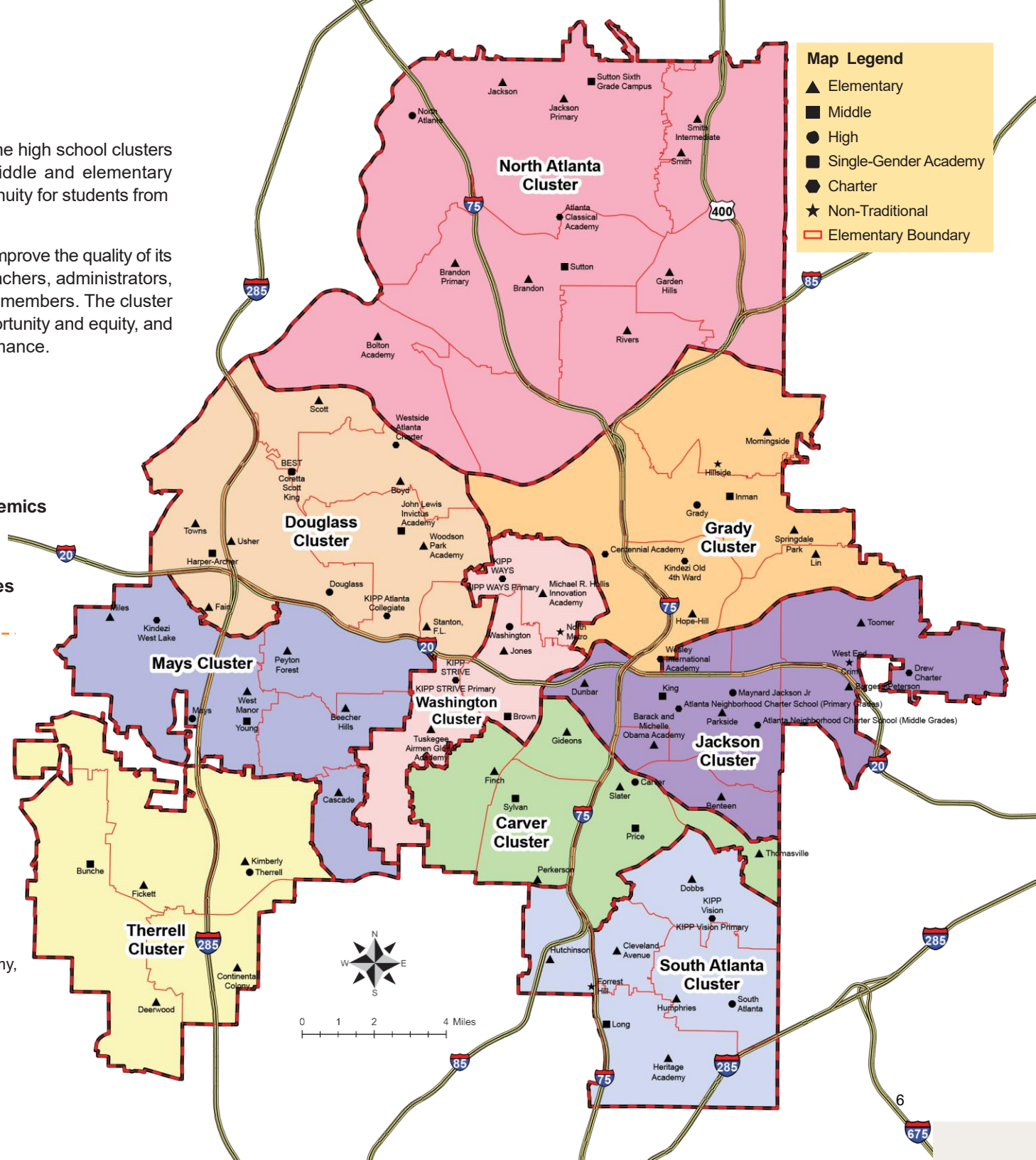
All high schools including B.E.S.T. and CSK

Special programs including Crim, Forrest Hill Academy, West End Academy

Tommy Usher

Associate Superintendent of Schools (K-8)

Clusters: North Atlanta, Therrell



Charter System Operating Model and APS Cluster Planning

As of July 1, 2016, Atlanta Public Schools officially became a Charter System. This new contract, or “charter,” with the state allows more decisions to be made at the school level by principals, educators, parents and community members, all of whom are closer to students and their school needs. This freedom and flexibility from many state education laws and regulations comes with increased accountability for student achievement.

Aligned with its Charter System operating model, APS engaged the community in a planning process that led to the creation of Cluster Plans that highlight instructional programming across schools within a cluster, Pre-K through high school, and define the future direction for each cluster. This allows our schools and

clusters the flexibility and autonomy to use what they know works best for their students while adhering to district and state guidelines.

One focus of the Cluster Plans is the identification and implementation of a signature program. This signature program focuses on the vertical and horizontal alignment of academic programs for schools and neighborhoods. These programs will provide rigor, structure, focus and

accountability across the cluster. The programs chosen include:

International Baccalaureate (IB)

- IB programs aim to develop inquiring, knowledgeable and caring young people who help to create a better and more peaceful world through intercultural understanding and respect.
- *Participating clusters:* Jackson, Mays, North Atlanta and Therrell.

STEM

- This integrated curriculum coordinates the teaching of Science, Technology, Engineering and Mathematics through problem solving, discovery and exploratory project/problem-based learning.
- *Participating clusters:* Douglass, South Atlanta, Washington and B.E.S.T. Academy and Coretta Scott King YWLA.

College and Career Prep

- This College and Career Preparatory curriculum is based on the essential skills, knowledge and dispositions that children need to succeed as citizens and workers in today's world.
- *Participating clusters:* Carver and Grady.

The district's new operating model led to the creation of GO Teams – school-based governance bodies comprised of parents, educators and community members – to assist with decision-making at the school and cluster levels.

APS Traditional School Cluster Feeder Patterns

High	Middle	Elementary
Carver, Carver Early College	Price Sylvan Hills	Gideons Finch Perkerson Slater Thomasville Heights
Douglass	Harper-Archer John Lewis Invictus Academy	Boyd Fain Scott F.L. Stanton Towns Usher-Collier Heights Woodson Park
Grady	Inman	Hope-Hill Mary Lin Morningside Springdale Park
Jackson	King	Benteen Burgess-Peterson Academy Dunbar Barack & Michelle Obama Academy Parkside F.A. Toomer
Mays	Young	Beecher Hills Cascade Miles Peyton Forest West Manor
N. Atlanta	Sutton	Bolton Academy Brandon/Brandon Primary Garden Hills Jackson/Jackson Primary E. Rivers Smith/Smith Primary
S. Atlanta	Long	Cleveland Avenue Dobbs Heritage Academy Humphries Hutchinson
Therrell	Bunche	Continental Colony Deerwood Academy Fickett Kimberly
Washington	Brown	Hollis Innovation Academy M. Agnes Jones Tuskegee Airmen Global Academy



Parkside Elementary School



Young Middle School



Mary Lin Elementary School

APS continues transformation

Atlanta Public Schools' journey of transformation is gaining ground with improvements in graduation rates and performance data, yet a significant achievement gap still exists. We are living the mission with students graduating ready for college and career. APS has seen progress with key yard markers such as Georgia Milestones (where 57 schools achieved gains when averaged across all subject areas), CCRPI (52 schools "beat the odds" by scoring better than statistically expected) and our growing graduation rates (currently 77%, a new high for the district).

Established in 1872, Atlanta Public Schools (APS) is one of the oldest and largest school districts in the state of Georgia. APS is home to countless notable alumni, including civil-rights activists, entertainers, national elected officials, professional athletes, renowned scientists and engineers.

APS is the sixth largest school district in the state of Georgia, serving approximately 52,147 students. The district is organized into nine K-12 clusters with 87 schools, 17 charter schools and two citywide single-gender academies, where students are offered rigorous instructional programs that foster success in school and life. There are 98 learning sites and programs.

As of July 1, 2016, Atlanta Public Schools officially became a Charter System. This new contract, or "charter," with the state allows more decisions to be made at the school level by principals, educators, parents and community members, all of whom are closer to students and their school needs. This freedom and flexibility from many state education laws and regulations comes with increased accountability for student achievement.

MEASUREABLE OUTCOMES

- Graduation rates—the number of students in a 9th grade cohort who graduate within four years of their enrollment in 9th grade.
- College readiness—the number of graduates who meet or exceed a combination of exit level exams, SAT, and ACT criteria.
- Postsecondary enrollment—the number of seniors who enrolled in a four-year or two-year college or university or in a technical school within the first year after graduating.
- Enrollment in Advanced Placement (AP) courses—the number of students enrolled in AP courses and completing dual enrollment courses.
- Performance in AP courses—the number of students with AP test scores of 3, 4, or 5.
- District and campus accountability ratings—based on the district rating (i.e., Acceptable), the number of schools achieving Adequate Yearly Progress (AYP), and the number of Acceptable, Recognized, and Exemplary schools.



HIGHLIGHTS

School district budgets are not just about dollars and cents. They are about how well the district allocates its limited resources to the benefit of student achievement and outcomes. Therefore, a budget cannot just outline revenues and expenditures, it has to set out the direction for the district. In the case of APS, budgets are about increasing instructional quality and efficiency while assuring the district reaches the mission to graduate every child so they are prepared for college and career.



The fiscal year 2019 general fund budget will not only outline the APS revenue and expenditure plan for school year 2018-2019, but also create a student-focused funding model that provides resources based on student attributes. This new model called Student Success Funding (SSF) empowers school-based decision-making to effectively use resources that align with the Charter System Strategy.

Since its inception in November 2015, the APS Office of Partnerships and Development has brought in more than \$40 million in cash, in-kind donations and grants. The office has also established over 275 new partnerships that include meaningful relationships with almost two dozen Fortune 500 companies headquartered right here in Atlanta.

As the District continues operating under the charter system, APS remains committed to the multi-year budget strategy that features the following:

- ✓ Continue to deepen the content knowledge of teachers and administrators
- ✓ Reducing general administration and central administration costs to redirect resources to schools and to support strategic priorities.
- ✓ Leveraging all new revenue options
- ✓ Providing flexibility and autonomy at the school level for principals to develop staffing plans and invest resources in alignment with the District's academic standards of service

Due to the increases in mandatory costs, we anticipate the budget will continue to grow.

We will continue to fund our strategic priorities, including the Turnaround Strategy, Signature Programs and School Flexibility while focusing on operational efficiencies to assure successful achievement of the District's vision and mission.

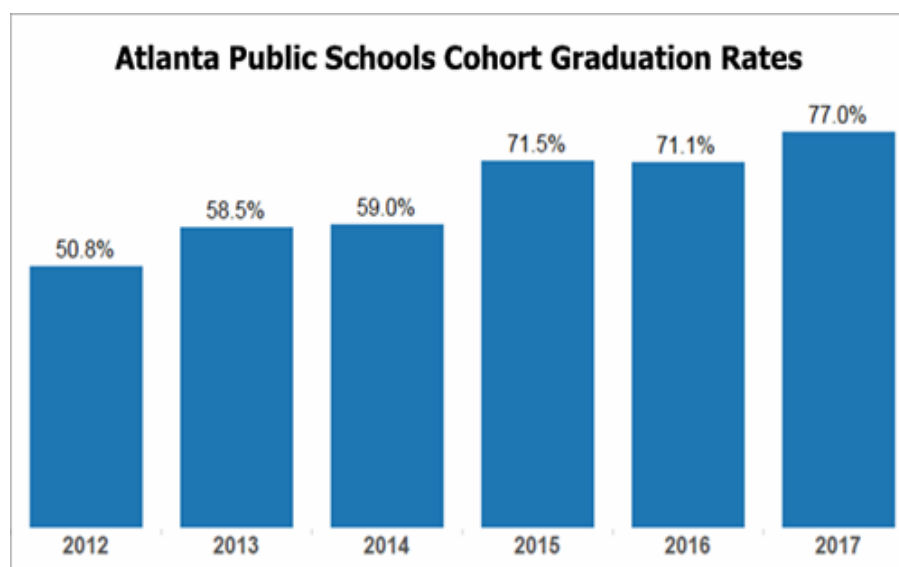
As the district prepares for FY2019 and looks to FY2020 and beyond, we are positioning to take on challenges we are likely to encounter. Student success is our top priority, and our students and programs are seeing initial movement and are making headlines for improvements. Some of our most recent successes include:

- ✓ Opening Hollis Care Center and establishing a Whiteford, Inc. satellite health clinic at Toomer
- ✓ Continuing to partner with Rensselaerville Institute to provide leadership coaching to schools
- ✓ Launching Parent Insight tool to provide parents with more access to data
- ✓ Supporting transition of Gideons, Price and Slater Elementary to Purpose Built Schools' partnership
- ✓ Implementing programs like the new Junior Achievement Academy at Douglass High School and an innovative partnership with Lab Atlanta, an immersive semester school where APS students will experience the city as their classroom
- ✓ Working with Achieve Atlanta to help increase the percentage of seniors completing entrance applications; increase registrations for the SAT, ACT or ACCUPLACER; and report that 60% of APS students achieved high enough scores to be deemed "college ready" in "evidence-based" reading and writing.



Crim HS 2017 Graduation

- ✓ Achieving a new district high, according to official graduation data released by the Georgia Department of Education (GaDOE) with a 77% percent graduation rate. Additionally, the Cohort of 2017 reported the largest number of APS graduates in recent years with 2,356 students – an increase of 89 students from the year before – earning their high school diplomas last year.
- ✓ According to data released by the Governor's Office of Student Achievement (GOSA) seven schools in APS are recognized statewide for achieving the highest performance or the greatest gains on the College and Career Ready Performance Index (CCRPI).



Student Success Funding Model (SSF)

School district leaders face a number of challenges when determining how to allocate limited resources. Shifting demographics, complex student needs, and uncertain tax base growth require school districts to think of innovative approaches to allocate resources. In this context, APS worked to develop a school funding formula that will maximize transparency, provide autonomy & flexibility to schools and ensure equity for all students; Student Success Funding (SSF).

Goals of a good school allotment formula

A good school allotment formula allows APS to allocate funds in a way that better meets the specific needs of students, allows for principal and GoTeam innovation, and can be easily understood by stakeholders.

- *Equity* - The previous APS funding model poses equity challenges in a few different ways.
 - Similar sized schools get very different allocations due to enrollment thresholds.
 - Very differently sized schools get identical allocations in some cases.
 - Different populations with different needs receive similar allotments. For example, a school with high mobility may need more clerks than a similarly sized school without that issue.
 - Student Success Funding (SSF) will smoothly scale with student enrollment and allocate similar resources to students with similar characteristics, regardless of which school they attend.
- *Autonomy & Flexibility* - The previous APS funding formula limited the perception of school autonomy by distributing resources to schools in the form of staff and dollars designated for specific purposes. As a charter system, APS is in an excellent position to provide autonomy & flexibility to schools through our school allotment formula. Ideally, leaders in each school should have the opportunity to manage resources as they best see fit in order to drive student achievement. The establishment of GoTeams and strengthened school governance provides the foundation upon which principals can leverage flexibility & autonomy to meet the unique needs of their school.
- *Transparency* - APS is dedicated to providing transparency to the community and engaging stakeholders at every step of the budget process. We have done this through our current school allotment guidelines and our Budget and Financial Advisory Committee (BFAC). However, Student Success Funding will provide additional clarity and better understanding for how and why dollars are allocated.

Comparing Funding Models

- Transitioning to a new model will put APS's school allotment formula in alignment with our strategic objectives, expand school autonomy & flexibility, and alleviate enrollment pressure points in the previous formula. As part of the current strategic plan, we are committed to improving efficiency and resource allocation in a manner grounded in strategic academic direction and data. A revised funding model will help APS prioritize resources based on student needs, meeting one of our key strategic objectives.

Consolidation of Funds

As a charter district, Atlanta Public Schools has opted to participate in the GaDOE Consolidation of Funds Pilot. The purpose of consolidating funds is to help a Schoolwide program school effectively design and implement a comprehensive plan to upgrade the entire educational program in the school based on the school's needs identified through its comprehensive needs assessment. Consolidation of funds means that Schoolwide School treats the funds it is consolidating as a single "pool" of funds and funds from the contributing programs lose their identity –but not all the benefits and the school uses funds from this consolidated schoolwide (SW) pool to support any activity of the SW Plan.

Federal, state, and local funds in specific Title I schools that operate school wide programs are fully consolidated.

Benefits of Consolidation

Flexibility - Once funds are consolidated, the federal funds lose their identity as federal funds, and expenditures of those funds are no longer limited to the federal requirements for the individual programs.

Allow ability - A school wide program that consolidates federal program funds is not required to meet most statutory or regulatory requirements of the program applicable at the school level, but must meet the intent and purposes of that program to ensure that the needs of the intended beneficiaries are met.

Time and Effort - A school wide school that consolidates federal, state, and local funds is not required to keep any time and effort documentation on employees paid out of the consolidated pool of funds, unless otherwise required by the state and local district.



The district planning process includes strategic planning and detailed cluster planning to drive the implementation of an operating model to support the future direction of our school system.

Strategic Planning

The vision of Atlanta Public Schools is to be a high performing school district where students love to learn, educators inspire, families engage and the community trusts the system. The district has built on the previous strategic plan and laid the foundation for this vision with the development of the 2015-2020 “Strong Students, Strong Schools, Strong Staff, Strong System” strategic plan. This plan reflects our focus on strengths as a district. The strategic planning process involved the Atlanta Board of Education, district and school staff, students and community stakeholders. Feedback was gathered from across the district through town halls and neighborhood meetings, parent advocacy groups, small focus group discussions, school site visits, surveys and principal and administrative meetings.

Operating Model

The district complied with State of Georgia law that requires a school system to select an operating model by June 2015. After completing vision, mission and strategic planning while also exploring the merits of the available state operating models, the Atlanta Board of Education determined that the Charter System model was the best fit for APS. The Charter System model provides opportunities for flexibility as well as shared governance and best aligns with the needs of all students across our diverse school system.

Our plans for innovation, accountability and distributed leadership are a strong match with the Charter System model. The school system will use the strategic and cluster plans along with community input to tailor our operating model design and application.



District Spelling Bee at Inman MS

Next Steps

All of these plans will be considered in our budget process, by outlining key budget priorities and financial needs to ensure that the implementation of these plans are possible in the upcoming fiscal years. We will communicate and share the high-level plan across the organization with our stakeholders with the intent of ensuring alignment to the district’s strategy.

Strategic Goals

2015-2020

The strategic goals provide guidance for APS leadership in the development of policies and regulations, objectives, strategies and initiatives to achieve the vision.

The following pages communicate APS' five year strategy and translate the strategy map into action. Each page highlights the strategic goals, objectives and initiatives we will pursue to close the gap between current and desired performance. All components work together to achieve our strategic vision.



ACADEMIC PROGRAM ...

Our students will be well-rounded individuals who possess the necessary academic skills and knowledge and are excited about learning.



TALENT MANAGEMENT ...

We will retain an energized and inspired team of employees who are capable of advancing ever-increasing levels of achievement for students of all backgrounds.



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.



CULTURE ...

We will build trust with the community, and we will have engaged stakeholders (*employees, students, parents, community members, partners, etc.*) who are invested in the mission and vision and who support the creation of student-centered learning communities.

FY2019 BUDGET DRIVERS

FY2019 GUIDING PRINCIPLES AND BUDGET PARAMETERS

Budget parameters guide budget development, including revenue assumptions, fund balance targets, and expenditure goals; identifies process and presentation recommendations that provide transparency in linking goals, outcomes and district spending plans; and develops monitoring procedures that hold the district accountable for executing the budget plan.

Guiding Principles for Revenue Consideration

Guiding Principles under which the Board will consider using a millage rate increase in order to advance the organization's mission and vision:

1. If the budget contemplates significant investments in strategic priorities above current operational costs.
2. If the Board can identify that the district is making continuous improvement toward using all available resources (including special revenue, partnerships, SPLOST, and general funds) in a more efficient and effective manner.
3. If the budget proposals support the district's transformational strategy.
4. 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.
5. 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).
6. If unfunded mandates emerge from the General Assembly.
7. If there is significant loss of long-standing revenue streams.
8. If the increase will not inhibit the economic stability of local neighborhoods

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

Resource Parameters

1. The District will implement the expenditure parameters using the current millage rate or the Board's Guiding Principles for Revenue Consideration to support the mission and vision.
2. The District will continue to identify grant generating opportunities, assess the required millage rate, and/or seek additional business, philanthropic and community partnerships in an effort to support the ongoing transformation of APS.
3. The District will maintain a fund balance between 7.5% and the statutory limit of 15% projected expenditures.
4. The District will analyze and explore all funding sources including grants and special revenue to maximize resources and supplement the general fund.
5. The District, with support and collaboration from other stakeholders, will continue to identify and encourage grant generating opportunities, especially through our Partnerships Office.
6. The District will identify and sunset ineffective programs to redirect human resources and funding where possible.

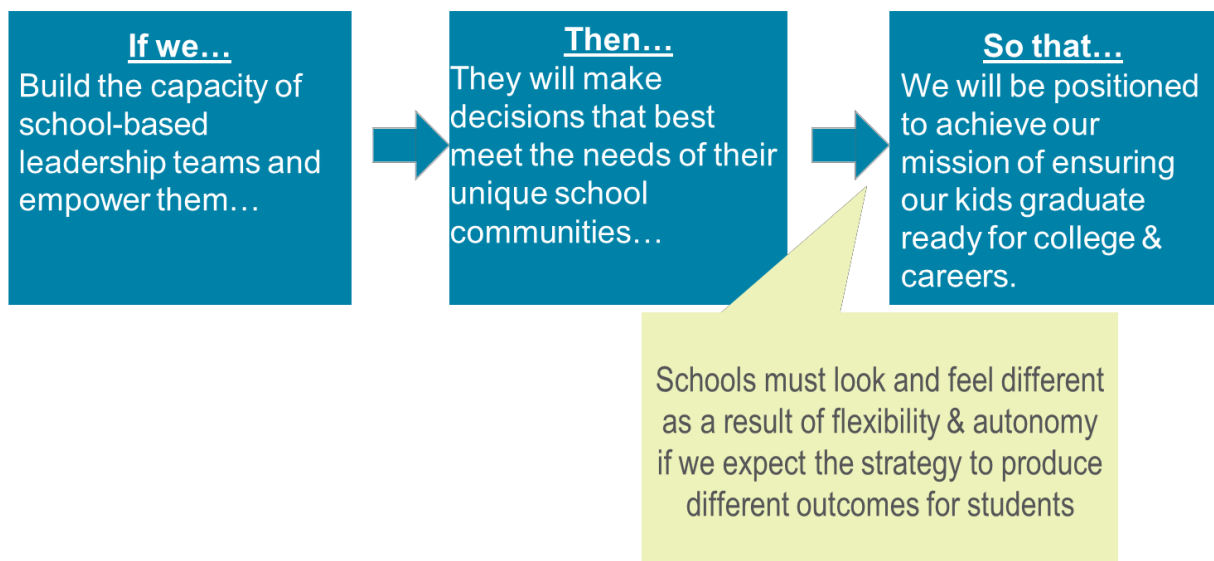


Guiding Principles for Expenditure Parameters

- Depth vs. Breadth: with unfavorable revenue projections and increasing mandatory costs, a focus should be on making deeper investments in specific parameters instead of distributing funds over too many disparate priorities
- Budget parameters should be in alignment with the District mission, vision, strategic plan, and with the charter system operating model

Our Theory of Change

Flexibility & autonomy are means to an end, not ends themselves...



Expenditure Parameters

1. The District will allocate resources pursuant to the District's definition of equity.
2. The District will continue investing in the Turnaround Strategy, providing additional support and interventions for schools that have been chronically struggling on the state accountability metric (in support of the District's mission that every student will graduate ready for college and career, and the vision of being a high-performing school District).
3. The District will recruit, develop, retain, and promote high-quality staff by investing in a robust talent strategy that includes a multi-year compensation model, pipeline development work, professional development, and coaching and career pathways (in support of the Talent component in the District's Strategic Plan).
4. The District will continue implementing its charter system operating model and core components of signature programming, cluster and flexibility funds, investments in a

College and Career Academy, and a community engagement strategy (in support of the District's mission that every student will graduate ready for college and career, and the vision of engaged families).

5. The District will fund pension obligations in accordance with State statute and actuarial standards.
6. In support of the charter system model, the District will modify the current school allotment plan to increase transparency, equity, innovation, and autonomy with accountability so that Principals and local GoTeams can make decisions aligned with their specific needs with a focus on:
 - a. Investments in Pre-K through 3rd grade to ensure all students are reading by the end of 3rd grade.
 - b. Whole-child development, including positive behavior supports, arts and athletics.
 - c. Leadership development.
 - d. Access to quality Early Childhood Education.



Turnaround Strategy

APS must demonstrate its commitment and capability to turnaround our lowest performing schools over the next 12-18 months, not only to maintain local control of our schools but most importantly to provide the high quality education all kids in Atlanta deserve. APS, with the support of the Boston Consulting Group, used community and educator input and external research to develop an aggressive, targeted, research-based strategy for turning around APS's lowest performing schools. The Turnaround Strategy is made up for 16 initiatives targeting high-quality instruction, additional time for student learning, building teacher and leader capacity, additional wrap-around support and potential school structure and operating changes. Support will be provided in tiers (Targeted, Intervention and Foundational) with the targeted group of schools receiving the most supports. The targeted group of schools are the Carver and Douglass elementary schools and additional elementary schools as needed.

Turnaround Strategy for FY2018 was approximately \$37 million. We will also be transitioning Carver Comprehensive High School to one of our partners which will be represented in the FY2019 turnaround budget. APS will continue to support the turnaround and positive results in the districts lowest performing schools.



Georgia Milestones Testing

Signature Programs

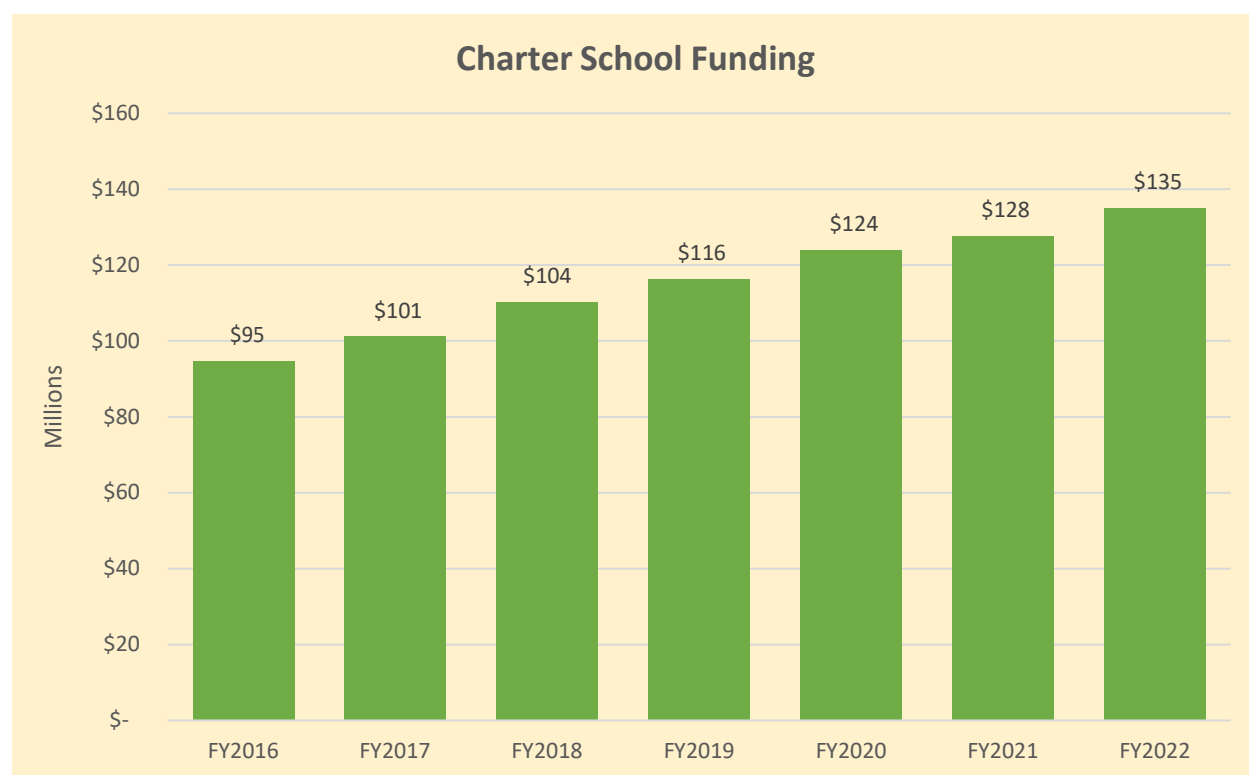
Signature programming is a core component of our charter system strategy and funds are allocated based on grade span and phase of implementation. Cluster planning was set in place to provide flexibility and autonomy at the cluster level for schools to invest resources in alignment with the District's academic standards of service. It specifically addresses each clusters academic programming needs and support for signature programming. These programs work to ensure college and workplace readiness for all students thus complementing the district's mission statement.

The College and Career Readiness signature program has emphasis on critical thinking, communication, collaboration, creativity and citizenship. Students will have multiple opportunities to engage in accelerated learning via the Early College Initiative (Carver cluster) and the Advanced Placement curriculum (Grady cluster). Students may earn college credit during high school and graduate with distinction as advanced academic pathway completers. STE(A)M education is defined as an integrated curriculum (as opposed to science, technology, engineering, and mathematics taught in isolation) that is driven by problem solving, discovery, exploratory project/problem-based learning, and student-centered development of ideas and solutions. The

International Baccalaureate (IB) Program offers a K-12 continuum of international education that emphasizes and prepares students for 21st century careers; and focuses on preparing students for success in higher education and to be active participants in a global society. Students begin learning a second language at age 7. IB offers four programs including the Primary Years Program (K-5), Middle Years Program (6-10), Diploma Program (11-12) and Career-Related Program (11-12). Signature Programs and Cluster Funds for FY18 are approximately \$13 million.

Charter School Scaling

As the local tax digest grows and as existing charter schools complete their grade-level build out, expenditures related to charter school scaling will continue to grow. Charters also receive a portion of local revenue and fund balance.

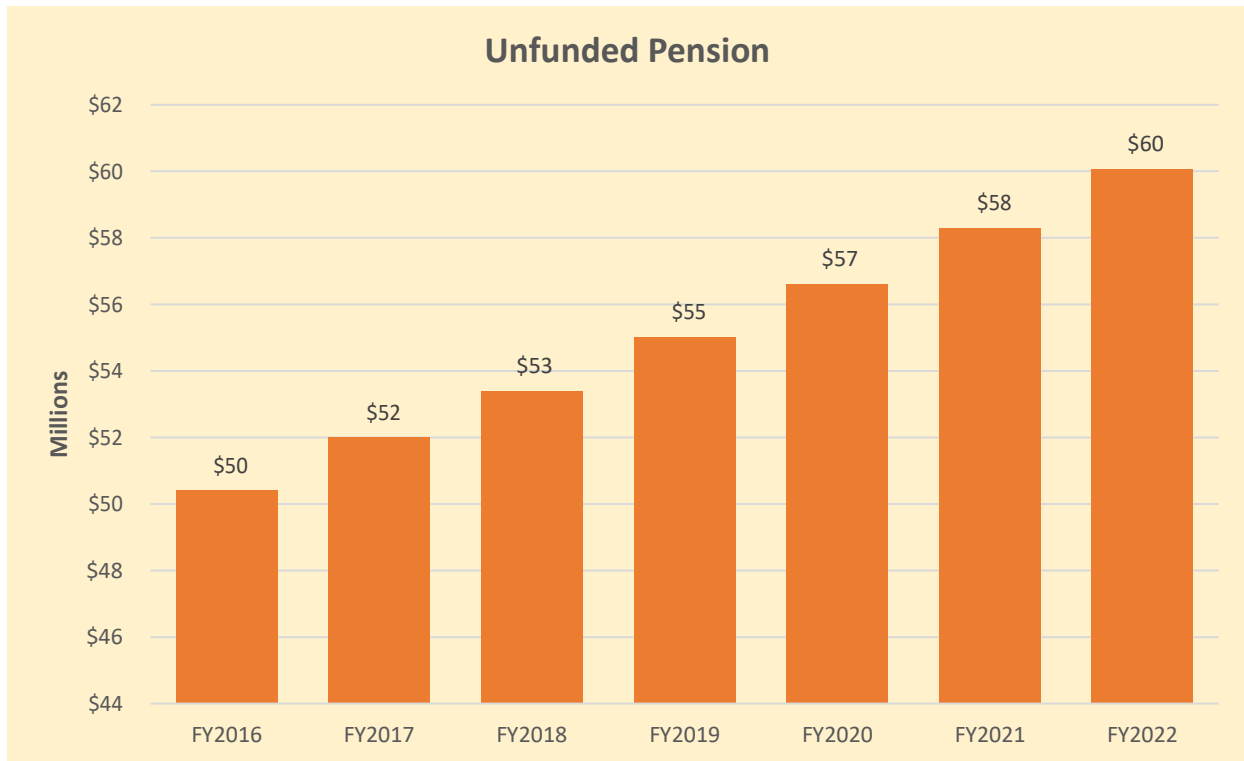


Unfunded Pension

In the 1970's, significant underfunding occurred when the teachers in City Plan moved to the Teacher Retirement System (TRS). TRS required that the transfer of the teachers to their system be "fully funded". As a result, a substantial amount of the pension assets were transferred to TRS and, at that point, APS's share of the City Pension Plan was woefully underfunded. Since at least 2002, APS has made payments ranging from \$39-\$55 million on an annual basis and the annual required payments will escalate significantly over the next several years, topping out at \$77 million in the year 2030.

The pension liability payments for fiscal year 2018 are currently coming out of the General Fund and the annual payment represents 7% of total general fund spending. The current annual payments are approximately \$1,033 per student and the payment amounts could go as high as approximately \$1,400 per student in future years. As such, these amounts cannot be spent

for educational purposes. This is a tough issue and impacts the core mission of APS as it reduces the amount of funds available to educate students.



Benefits

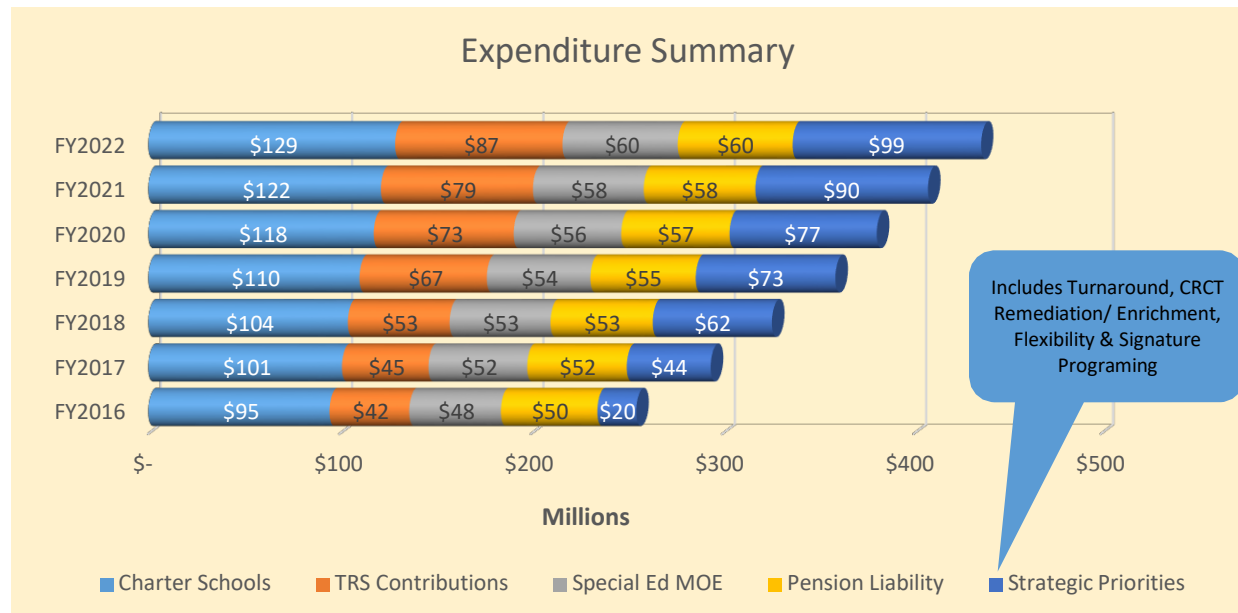
The Teacher Retirement System's board recently voted to increase the "employer," or government, contribution rate to the fund by almost 25 percent. In FY2011, the government paid 9.74 percent of payroll into the TRS. That rate will be 20.9 percent in FY2019, which begins July 1, 2018. State officials are estimating the bump could require an additional \$375 million to \$400 million contribution. APS anticipates an approximate increase of \$16 million. APS Compensation and Benefits are approximately 65.7% of General Fund total expenses and we begin each budget projection with a 2% salary equivalent compensation package built in to the assumptions (approximately \$8 million). The district's contribution to TRS has been steadily increasing:

- FY16 14.3%
- FY17 14.3%
- FY18 16.8%
- FY19 20.9%

Increase in the enrollment (staff increase) or an increase in salaries will increase TRS and Health Benefit Expenditures.

Expenditure Summary

As identified in the chart below, the District projects significant growth in mandatory expenditures for charter schools, pension funding, teacher retirement contributions, and strategic priorities.



FY2017 FINANCIAL EFFICIENCY STAR RATING

**APS is
committed**

to providing its students with a quality education that will prepare them for college and career opportunities. At the same time, the district is mindful of its fiduciary responsibility to the tax payers of Atlanta and the state of Georgia.

The Georgia Department of Education released the 2017 Financial Efficiency Star Ratings (FESR) for schools and school districts in Georgia. The goal of the FESR is to provide a comparison of district spending per student with overall academic performance, specifically the College and Career Ready Performance Index (CCRPI). Atlanta Public Schools FESR for FY2017 is 1.5 stars on a scale of 5 stars.

While APS respects the attempt to measure the district's proficiency in educating students in as cost-effective a manner as possible, a number of unique factors and challenges must be taken into consideration:

- ✓ A large proportion of our students are in high-need and high-cost categories, including special education, ESOL and high poverty. APS is committed to providing additional services to meet the needs of these students.
- ✓ APS maintains low-population neighborhood schools, due to urban traffic constraints and community needs. Low-population schools may yield greater per pupil expenditures as they are unable to take advantage of economies of scale.
- ✓ APS has a large unfunded pension liability, with an annually increasing obligation until 2030. The severity of this financial strain is unique to APS.
- ✓ Atlanta has one of the highest costs of living in the state of Georgia, which impacts salary requirements needed to attract and retain quality employees.

Per pupil expenditures in APS have been and will continue to be driven by efforts to increase student achievement, and the results of the most recent CCRPI – which continue to improve with two-thirds (56) of schools, 23 more than 2016, showing gains on the 2017 CCRPI – indicate that while the district still has a long way to go, it continues to move in the right direction.

As such, the district expects to continue making significant investments to improve student achievement. For the FY2018 school year, the district is investing \$37 million in its turnaround strategy for low-performing schools. APS will remain committed to providing our students with a high-quality educational experience, while implementing a fiscally responsible approach that minimizes the impact on tax payers and makes efficient use of public dollars.



National

President Trump's proposed FY2018 budget incorporates billions of dollars in spending cuts to most government agencies to pay for large increases in military and homeland security spending, resulting in a 1.2 percent cut in discretionary spending over all. These reductions impact Education as the proposed budget reduces spending by \$9.2 billion or 13.5% to the Department of Education. While many of the main programs in federal education funding may remain stable under Trump's budget, a number of deep cuts in K-12 have been proposed.

President's Budget proposes \$63.2 billion in discretionary funding, a 5% decrease below the 2017 enacted level. Very similar in their FY2018 request, the Administration's FY2019 budget proposes the elimination of the Title II the main program for teacher quality (\$2.3 billion program for teacher training and class-size reduction), 21st Century Afterschool Programs (\$1.2 billion program, which serves nearly 2 million children, many of them poor), and Title IV grant (\$1.6 billion program, which provides students with programs in health/safety, technology and college and career counseling). Also, there is a \$190 million literacy program that would be cut. Although there are some deep cuts in the proposed FY2018 budget, President Trump has proposed a new program under Title I, Furthering Options for Children to Unlock Success (FOCUS), with a proposed budget of \$1 billion. FOCUS funds would not be distributed using the standard Title I formula. For this reason, even though the FOCUS program would be funded with \$1 billion, that's not equivalent to a straightforward increase in traditional Title I program funds.

While the scale of the proposed cuts is dramatic and perhaps surprising—a 13.5 percent reduction in funding overall—the budget reflects many of the priorities Betsy DeVos, U.S. Secretary of Education, has articulated from early on in her tenure. In particular, a consistent theme is her emphasis on state flexibility. During her confirmation and in House and Senate committee hearings on the budget, DeVos frequently described a desire to grant states increased flexibility as the motivation for her department's policy positions and budget proposals.¹

State

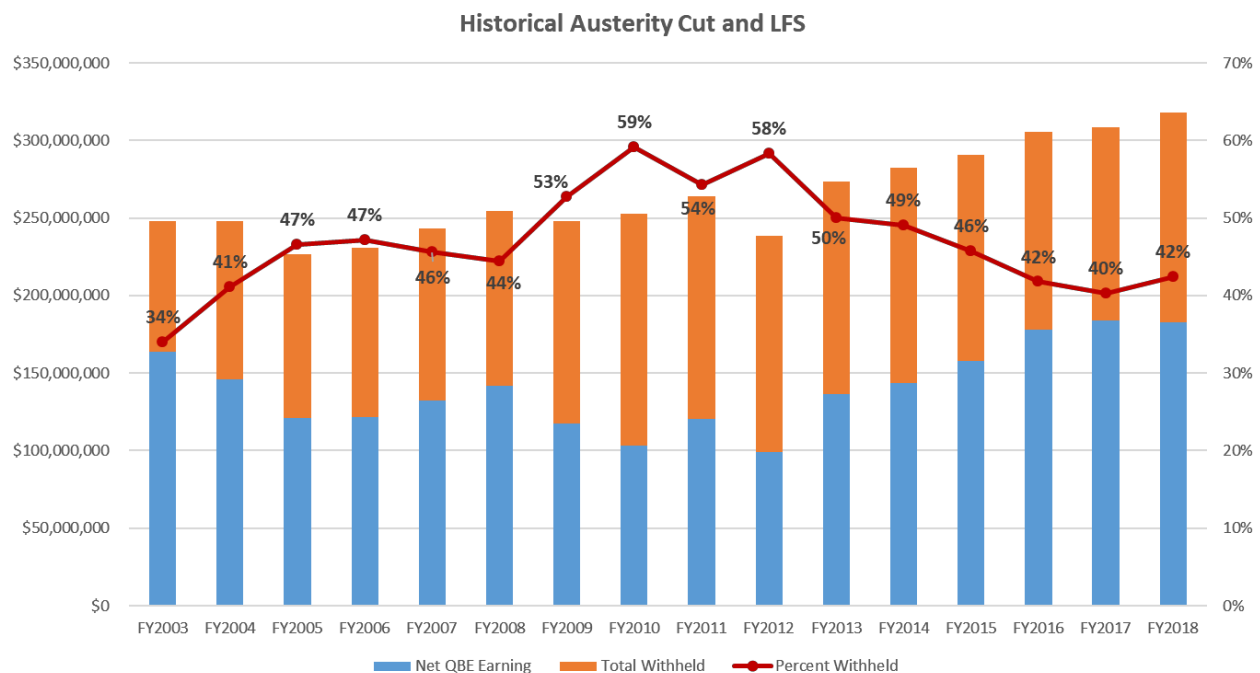
Over the last seven years under Nathan Deal's leadership, education spending has increased over \$3.6 billion. This brings the total expenditure for education to roughly \$14 billion during his time as governor. The state budget funds growth in K-12 by providing \$120 million to cover student enrollment growth and routine adjustments in teachers' salaries through the Quality Basic Education formula, the state's formula for funding K-12 schools. The FY2019 proposed budget also includes \$361.7 million for the Teachers Retirement System. Deal entered office with over \$1 billion in austerity cuts to K-12 education. However, Deal's budget does not completely bail out K-12 austerity cuts – K-12 schools are \$166.7 million short fall under the state funding formula.²

¹ <https://www.nytimes.com/interactive/2017/03/15/us/politics/trump-budget-proposal.html>
<https://www.npr.org/sections/ed/2017/05/22/529534031/president-trumps-budget-proposal-calls-for-deep-cuts-to-education>
<https://www.brookings.edu/blog/brown-center-chalkboard/2017/06/07/3-observations-on-trumps-education-budget/>

² <https://gbpi.org/2018/overview-georgias-2019-fiscal-year-budget/>

Governor Nathan Deal asked lawmakers to approve a \$26 billion state budget that includes no pay raise for state employees and public school teachers. The projected State revenue growth is 3.7% over the FY2018 budget. The austerity cut to the QBE funding formula is approximately impact APS \$3.8 million.

Over the past 15 years APS has had nearly 50% of earned state allocations withheld between the austerity reductions and the local fair share (LFS). QBE defines the LFS as the amount of money that can be raised by levying five mills on the school system's "equalized adjusted school property tax digest" assessed at 40 percent. The LFS is NOT what the school system actually collects from a five mill property tax it assumes property is properly assessed at 40 percent and includes local exemptions.



Notable 2019 changes to the State of Georgia Education Budget

- ✓ Funding in the proposed 2019 budget for the Georgia Department of Education will increase about \$353 million, or 3.7 percent, from the current amount.
- ✓ Most of the increase, \$293 million, is directed to the Teacher Retirement System to maintain fiscal soundness.
- ✓ A proposed boost of about \$120 million covers student enrollment growth and routine adjustments in teachers' salaries through the Quality Basic Education (QBE) formula, the state's method for calculating K-12 funding.
- ✓ Funding reductions are proposed for new math and science teachers \$1.2 million, and \$580,542 for school nurses.
- ✓ The State Commission Charter School supplement is set to go up almost \$9.9 million.

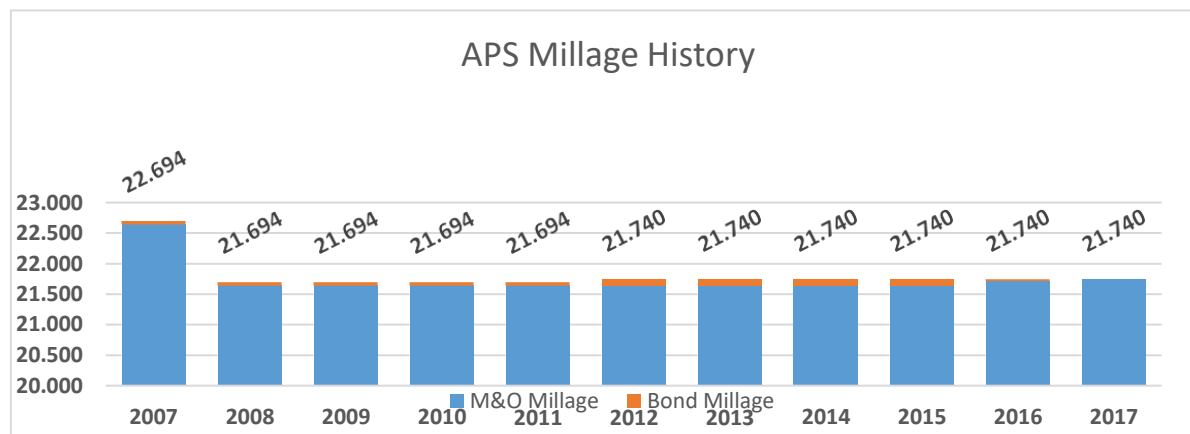
Local

Property tax is a critical funding source for Atlanta Public Schools as it represents over 62% of the total funding for the District. In June 2017, Fulton County commissioners voted to freeze residential assessments at 2016 levels. APS was counting on a 6 percent assessment increase for 2017. The freeze to the 2016 assessed levels caused the Georgia Department of Revenue to reject the Fulton County 2017 tax digest. The rejection of the tax digest forced Fulton County to ask a judge for an order to allow the county to collect its property taxes. The temporary collection order was issued in October and the tax bills were mailed. The delay in property tax collections caused APS to adjust its spending through December 2017 as well as requiring a \$100 million tax anticipation note to cover operating expenses. Currently, Fulton County is defending their decision in court regarding the assessment freeze leaving uncertainty for the upcoming 2018 property tax year.

The state has refused to approve tax digests before, it is rare — the last time was in Wayne County, in 2014. This is the first time a county has had to go to court to get approval for its tax digest. At the heart of the situation is the fact that Fulton County has failed to keep up with rising values. In 2017, half of the county's nearly 320,000 parcels gained at least 20 percent in value, and nearly 25 percent had value increases of 50 percent or more.³

Exacerbating the property tax assessment uncertainty is pending legislation that could cap the percentage growth. Pending legislation highlights:

- Provides an exemption from ad valorem taxes in an amount by which the current year assessed value exceeds the adjusted year assessed value by a capped percentages
- Base year assessed value adjusted annually by the lesser of 3 percent or the percentage increase, if any, in the CPI for all urban consumers, U.S. City Average, all items 1967-100 – (2017 average through November is 2.12%)
- Base year is the 2016 taxable year
- Effective with the 2019 taxable year



³ <http://www.myajc.com/news/local-govt--politics/fulton-county-files-petition-get-tax-digest-approved-court/4As0ml6KuFY3AhxnPCTUbL/>

BUDGET PROCESS OVERVIEW

BFAC & BUDGET COMMISSION

The Superintendent established the Budget and Finance Advisory Committee (BFAC) to provide guidance and counsel on matters of budget and finance and to increase communication with the public, staff, and School Board, to provide for greater citizen involvement. The BFAC meets monthly with the Chief Financial Officer, working alongside staff and others to develop tools and methodologies on how to best improve the district's budgeting process. The administration has been responsive to BFAC's recommendations for greater cohesion and clarity. The district's budget development has become an integrated process that aligns resource allocation with goals and priorities established through the development of a well-defined curriculum, and a well-conceived and executed strategic planning process.

APS also has a Budget Commission comprised of the chairperson of the Board, a member of the Board appointed by the Chairperson of the Board to serve as the Chairperson of the Commission and two other members of the Board. Each year, the Chairperson and other members of the Board are nominated by the Board Chairperson and confirmed by the members of the Board. Along with the Board, the Superintendent and the Chief Financial Officer serves as ex-officio members of the Budget Commission.

In the event the Board receives more money, income or revenue from any extraordinary source, either by sale of real property, gift, grant, or otherwise, which has not been considered in the preparation of the anticipated revenues or other normal revenue in excess of appropriations, the

Board may immediately allocate such increased revenue for lawful purposes. However, during the preparation of the budget for the next year, no such extraordinary revenue shall be considered as part of the normal revenue of the Board.

Prior to the final adoption, Budget Commission meetings are held to gain consensus on revenue assumptions, budget parameters and appropriation levels.

In May, the Superintendent presents the tentative budget to the Board, the public and the media. The tentative budget provides a first glance of the investment plan for the upcoming school year. It evolves as the budget process advances and presents opportunities for input from key stakeholders including parents, students, citizens and staff. Also in May, the district holds interactive meetings with the community and staff regarding the tentative budget to receive additional input to be incorporated before the numbers are finalized. Subsequently, the Superintendent presents the recommended budget to the Board, public, and media. Traditionally, the Board conducts multiple public hearing on the proposed budget and millage rate and then adopts the budget and tax rate in the month of June.



FISCAL YEAR 2019 GENERAL FUND BUDGET DEVELOPMENT CALENDAR

BOARD COMMISSION	DATE	BFAC MEETING	DATE
Board/Superintendent workshop - Initial Academic and Operating Goals and Priorities for Budget Parameters	9.21.2017	Budget and Finance Advisory Committee	10.19.2017
Board Budget Commission Meeting	10.19.2017	Budget and Finance Advisory Committee, second meeting	11.16.2017
Board Budget Commission Meeting	11.16.2017	Budget and Finance Advisory Committee, third meeting – CANCELLED DUE TO WEATHER	1.18.2018
Superintendent presents the Fiscal Year 2017 Budget Primer to the Board Budget Commission meeting (at call of Committee chair)– CANCELLED DUE TO WEATHER	1.18.2018	Budget and Finance Advisory Committee, fourth meeting	2.15.2018
Board Budget Commission meeting (at call of Committee chair)	2.15.2018	Budget and Finance Advisory Committee, fifth meeting	3.15.2018
Board Budget Commission meeting (at call of Committee chair)	3.15.2018	Budget and Finance Advisory Committee, sixth meeting	4.19.2018
Board Budget Commission meeting (at call of Committee chair)	4.19.2018	Budget and Finance Advisory Committee, seventh meeting	5.17.2018
Board Budget Commission meeting (at call of Committee chair)	5.17.2018		



ATLANTA PUBLIC SCHOOLS

FISCAL YEAR 2019 GENERAL FUND BUDGET DEVELOPMENT CALENDAR

Item #	Item Description	Dates
1	Board Meeting	September 5, 2017
2	Board Budget Commission Meeting	September 21, 2017
3	Board Meeting; Draft Fiscal Year 2019 Budget Parameters and Timeline presented in Finance update at work session	October 9, 2017
4	Board Budget Commission Meeting	October 19, 2017
5	Budget and Finance Advisory Committee (BFAC)	October 19, 2017
6	Board Meeting; Board approves calendar and parameters	November 13, 2017
7	Board Budget Commission Meeting	November 16, 2017
8	Budget and Finance Advisory Committee (BFAC)	November 16, 2017
9	Board Meeting; Board reviews/discusses Fiscal Year 2019 budget assumptions, staffing formulas, and strategic priorities	December 4, 2017
10	Board Meeting – CANCELLED DUE TO WEATHER	January 8, 2018
11	Governor's State of the State Address and Education Budget (OMB)	January 15, 2018 (est.)
12	Board Budget Commission Meeting – CANCELLED DUE TO WEATHER	January 18, 2018
13	Budget and Finance Advisory Committee (BFAC) – CANCELLED DUE TO WEATHER	January 18, 2018
14	Board Meeting	February 5, 2018
15	Board Budget Commission Meeting; FY2019 Budget Primer	February 15, 2018
16	Budget and Finance Advisory Committee (BFAC)	February 15, 2018
17	Board Meeting Fiscal Year 2018 Mid-Year adjustment	March 5, 2018
18	Board Budget Commission Meeting; FC Tax Commissioner and FC Chief Assessor Board Presentation	March 15, 2018
19	Budget and Finance Advisory Committee (BFAC)	March 15, 2018
20	Board Meeting	April 9, 2018
21	Board Budget Commission Meeting; Special Revenue, SPLOST, School Nutrition, Debt	April 19, 2018
22	Budget and Finance Advisory Committee (BFAC)	April 19, 2018
23	Board Meeting; Superintendent presents the Fiscal Year 2019 Budget to the Board (Tentative adoption)	May 7, 2018
24	First public budget hearing for Fiscal Year 2019 General Fund Budget	TBD
25	Conduct regional public meeting for Fiscal Year 2019 General Fund Budget	TBD
26	Conduct regional public meeting for Fiscal Year 2019 General Fund Budget	TBD
27	Board Budget Commission Meeting	May 17, 2018
28	Conduct regional public meeting for Fiscal Year 2019 General Fund Budget	TBD
29	Conduct regional public meeting for Fiscal Year 2019 General Fund Budget	TBD

30	Board Meeting; Superintendent presents the Fiscal Year 2019 Budget to the Board (Final Adoption)	June 4, 2018
31	Second public budget hearing for Fiscal Year 2018 General Fund Budget	June 4, 2018
32	Advertise and publish notice of tax rate and budget	TBD July
33	Advertise the first and second public hearings for the tax Millage rates	TBD July
34	Advertise the tax digest for the five year history Fiscal Years 2013-2018	TBD July
35	Advertise the third public hearings for the tax Millage rates (If necessary)	TBD July
36	Deadline for millage rates to be delivered to Fulton County Tax Commissioner	TBD July
37	Final adoption of the tax Millage rates for Fiscal Year 2019 (may require a called Board meeting (public hearings) depending on the county's schedule and millage rollback)	TBD July
38	Hold the first and second public hearing on the tax Millage rate	TBD July
39	Hold the third public hearings for the tax Millage rates (If necessary)	TBD July
40	Tax assessor provides final appraisal values to the District	TBD July



Swearing in of newly elected Board of Education at the January 8, 2018 Meeting

APS's budget is organized in the following fund categories:

- General Fund - The fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.
- Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.
- Debt Services - 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.
- Proprietary Fund – Proprietary funds employ the economic resources measurement focus and are accounted for on the accrual basis. Proprietary funds are used to account for activities that are financed and operated like private business enterprises. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations.
- Capital Projects - Used to account for all resources used for acquiring capital sites, buildings, and equipment as specified by the related bond issue. Capital project funds are designated to account for acquisition or construction of capital outlay assets that are not acquired directly by the general fund, special revenue funds, or enterprise funds. Capital project funds have been developed to account for the proceeds of a specific bond issue and revenue from other possible sources which is designated for capital outlay, i.e., for land, buildings, and equipment.
- Student Activity Funds - Funds which are owned, operated and managed by organizations, clubs or groups within the student body under the guidance and direction of faculty or staff members for educational, social or cultural purposes.

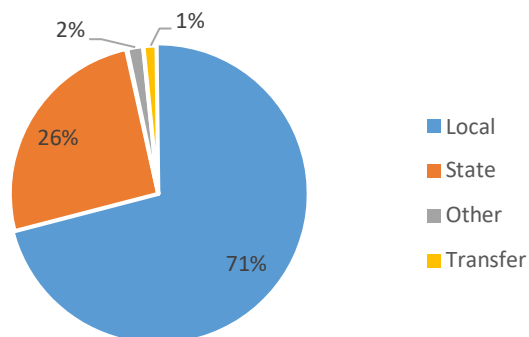
FY2018 Budget History

Fund	FY2016 Amended	FY2017 Amended	FY2018 Approved
General Fund	706,278,492	763,435,310	777,367,495
Special Revenue Fund	93,303,109	86,222,113	59,251,342
Proprietary Fund	32,354,627	32,550,370	31,878,511
Capital Projects/SPLOST	146,512,799	184,239,968	125,965,698
Debt Service Fund	2,006,359	500,000	-
Fiduciary Funds	946,702	1,376,769	-
Total Government Funds	\$1,067,387,809	\$1,068,324,530	\$994,463,046

GENERAL FUNDS

Atlanta Public School largest resource is the general fund. The state specifies that general funds may only be spent on educational purposes. These are broadly considered to be anything that is used to benefit the education of our students. There are specific prohibitions on the use of general revenue, such as; they cannot be used to buy food for staff meetings or to pay for certain memberships. The General Fund is the largest fund and reports accounting information related to the general operation of the district. It has four major sources of revenue, including: Local taxes, state grants, federal reimbursements, and miscellaneous sources. The pie chart shows the amount collected from each source.

FY2018 General Fund Revenues



GENERAL FUND REVENUES

- ❖ Local tax revenue is primarily determined by the assessed value of property in the district as reported by the Fulton County Assessor and the tax rate that is adopted by the school board. The current tax rate for the general fund is 21.74 mills.
- ❖ State Revenue consists primarily of the Quality Basic Education (QBE) grant established by the state. The amount of the grant is based on the number of students in the districts, weighted by type of student, the per student amount approved by the state and the tenure and experience of the teachers in the district.
- ❖ Federal Sources consist primarily of contributions toward the cost of JROTC instructors, e-rate eligible technology purchases, and indirect costs incurred when administering federal grants.
- ❖ Other local revenue includes items such as: interest earnings, lease payments, and out of district tuition.

FY2018 Central Supports Impacts

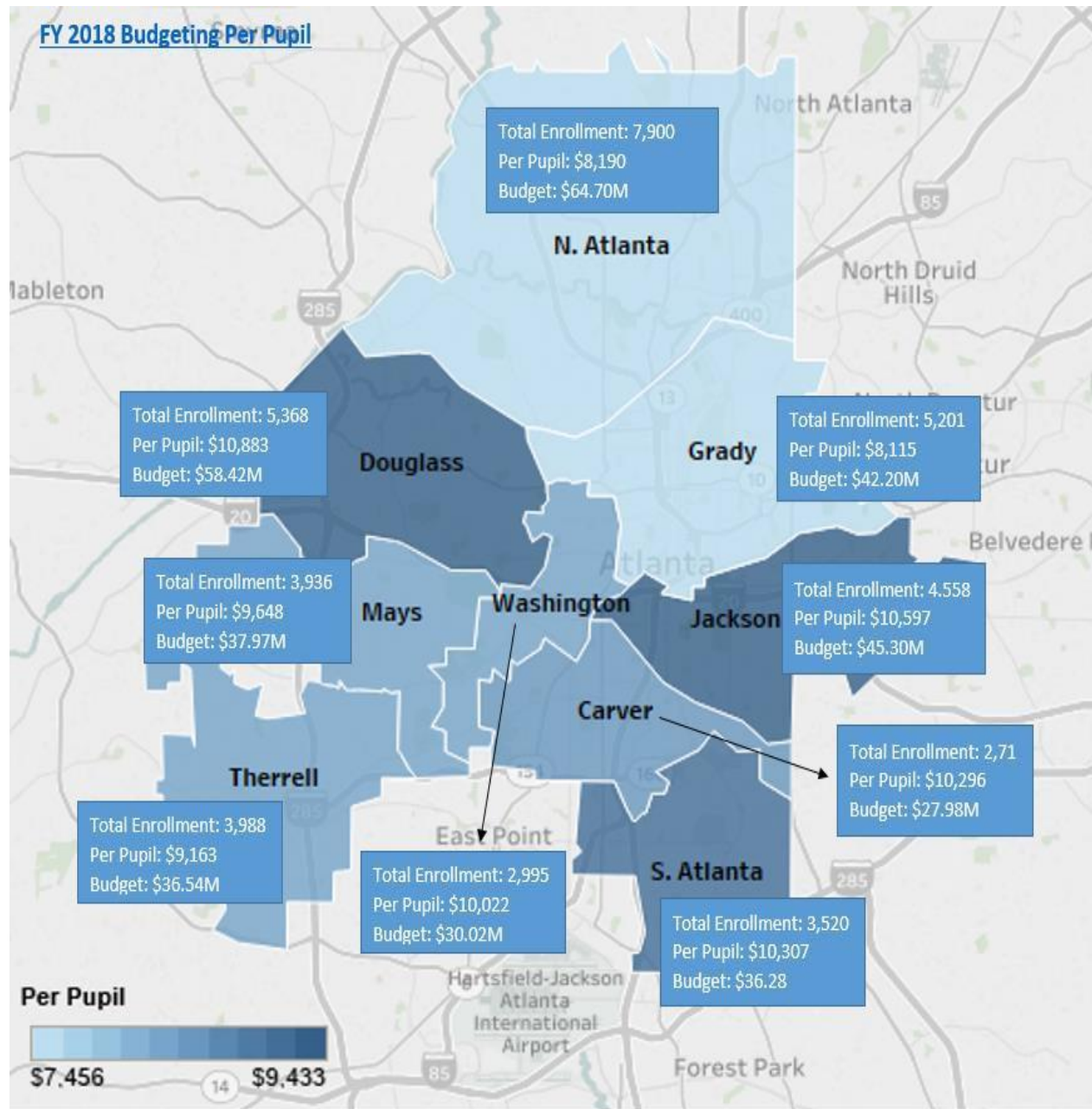
Since FY2015, APS has made a concerted effort to cut redundancies within the budget, especially the centralized supports. We have done this by identifying reductions in department budgets and position FTE's, (more than 120) and consolidating programs.

Central Supports FTE				
Division	FY2015	FY2016	FY2017	FY2018
Accountability and Info Systems	131	114	113	108
Chief Schools and Academics	191	187	155.7	151.7
Finance	87	77	63	60
Human Resources	63	54	49	49
Operations**	255.6	268.8	245.6	246.6
General Administration*	61	50	42	48
Grand Total	788.6	750.8	668.3	663.3
Year over Year Cuts		-37.8	-82.5	-5

*Board, Internal Audit, Superintendent's Office, Legal, Engagement

**Excludes Bus Drivers, Custodians, and SRO's





This map represents ONLY FY2018 general fund original budget by school location. Expenditures coded to the central office, charter schools, special revenue, or SPLOST are not included. Per pupil calculations are based on approved total funds selected divided by approved projected enrollment. All number and calculations are based on approved/adopted budget.

FY2018 Expenditures

At APS we adopt and manage our general fund budget by function. This is in alignment with state reporting of school budgets and allows for comparison among school districts. A function is a broad category that attempts to categorize expenditures that are directly related to student instruction, general administration, transportation, etc. A detailed explanation of each function can be found below.

Function Descriptions

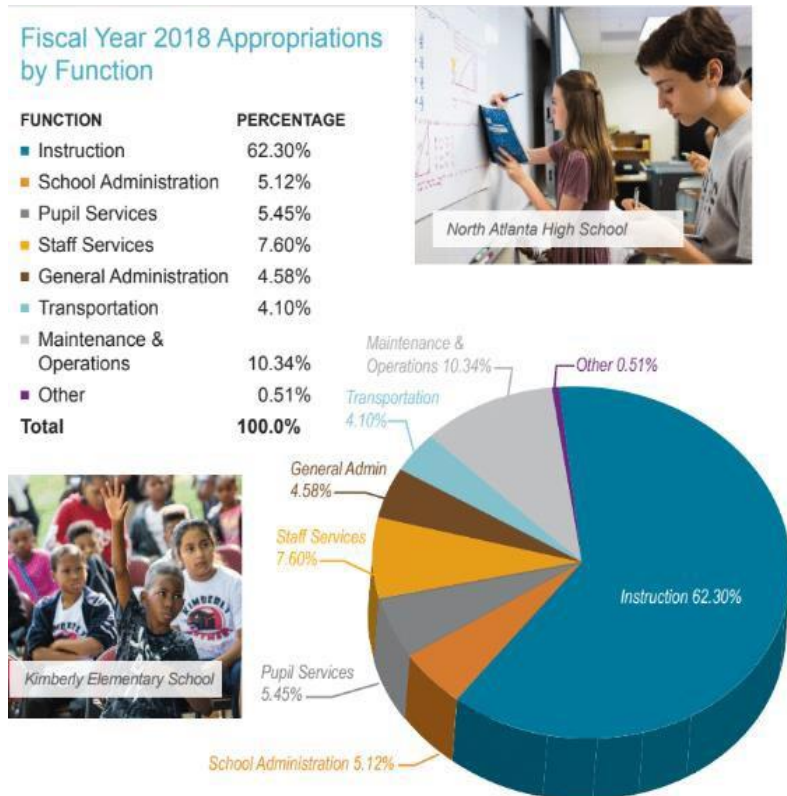
Instruction – Instruction includes activities dealing with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Pupil Services – Activities designed to assess and improve the well-being of students and to supplement the teaching process. Activities include guidance, counseling, testing, attendance, social work, health services, etc. Also include supplemental payments for additional duties such as coaching or supervising extracurricular activities.

Staff Services – Activities which are designed primarily for assisting instructional staff in planning, developing and evaluating the process of providing challenging learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, staff training and professional development. Activities concerned with directing, managing and operating educational media centers. Included are school libraries, audio-visual services and educational television.

School Administrative Services – Activities concerned with overall administrative responsibility for school operations. Included are activities of principals, assistant principals, full time department chairpersons and clerical staff.

Maintenance and Operations – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Property insurance expenditures are recorded in this function.



General Administrative Services – Activities concerned with establishing and administering policy for operating the Local Units of Authority (LUA). These include the activities of the members of the Board of Education. Local activities in interpretation of the laws and statutes and general liability situations are charged here, as are the activities of external auditors. Also recorded here are activities performed by the superintendent, administrative support personnel and deputy, associate, or assistant superintendent having overall administrative responsibility. Activities concerned with the fiscal operation of the LUA, including budgeting, financial and property accounting, payroll, inventory control, internal auditing and managing funds. Also included are purchasing, warehouse and distribution operations, and printing, publishing and duplicating operations. Central Office activities other than general administration and business services. Included are personnel services, data processing services, strategic planning including research, development and evaluation on a system-wide bases and public relations activities, such as writing, editing and other preparation necessary to disseminate information to students, staff and the general public. All other support services not properly classified elsewhere in the 2000 series.

Transportation Services – Activities concerned with the conveyance of students to and from school and trips to school activities. These activities include supervision of student transportation, vehicle operation, servicing and maintenance, bus monitoring and traffic direction. Transportation insurance expenditures are charged to this function.

FY2018 General Fund Balance

- For the most part, APS does spend all of the revenue received each fiscal year. However, the district is allowed to place some general fund revenue into a savings account for future use (General Fund Balance). The state limits the max size of the savings account to 15% of annual revenue. APS parameters maintain a fund balance of at least 7.5%. With an approved FY2018 budget of \$777.4 million, the acceptable fund balance range is between \$58.7 million and \$117.5 million

