



ATLANTA PUBLIC SCHOOLS BOARD OF EDUCATION BUDGET COMMISSION

October 17, 2019

AGENDA

- 11:00am- Welcome and FY2021 Budget Commission Purpose
- 11:10am- Defining the FY2021 parameter structure
- 11:30am- FY2021 Draft Resource and Expenditure Parameters
- 11:50am- Rank and prioritize activity
- 12:45pm- Discuss next steps
- 1:00pm- Adjourn

GOALS

- ❑ To align on the FY2021 Budget Commission purpose
- ❑ To determine “the parameters” or structure for the FY2021 Budget Parameters
- ❑ To discuss and align on the full list of potential expenditure and resource parameters
- ❑ To prioritize and finalize the FY2021 Resource and Expenditure Parameters



**FY2021
BUDGET
COMMISSION
PURPOSE**

BUDGET COMMISSION - PURPOSE

The Atlanta Board of Education exercises its governing authority and sets the priorities of the district through the annual budget development process. The Budget Commission is a standing committee of the Board entrusted with working with the Administration to ensure that the development and adoption of the annual budget is aligned with the Board's priorities for the district.

The Commission is composed of at least three Board members appointed by the Board Chair to a two year term. The Chair of the Budget Commission is appointed by the Board Chair.

The Budget Commission works with the Administration to prepare and recommend the following to the full Board:

- Aggregate levels of revenue and spending expected to occur in a given fiscal year;
- Sums sufficient to provide for debt service and any other appropriations required by law; and
- Adjustments to anticipated revenue and expenses in the event the income of the school system is increased or decreased, all in support and promotion of the priorities of the district.



**FY2021 GUIDING
PRINCIPLES FOR
PARAMETERS**

BUDGET PARAMETERS VS. STRATEGIC INITIATIVES ⁷

Budget parameters should be in alignment with the District mission, vision, strategic plan, and with the charter system operating model. Budget parameters guide budget development, including:

- Revenue assumptions
- Fund balance targets
- Expenditure goals
- Process and presentation recommendations
- Monitoring procedures that hold the district accountable for executing the budget plan

Depth vs. Breadth with modest 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.



**DEFINING
THE FY2021
PARAMETER
STRUCTURE**

THE PARAMETERS FOR THE PARAMETERS

S.M.A.R.T. GOAL

- **S-Smart:** Provide a clear description of what needs to be achieved.
- **M-Measurable:** Include a metric with a target that indicates success
- **A-Achievable:** Set a challenging target, but keep it realistic
- **R-Relevant:** Keep your goal consistent with higher-level goals
- **T-Time-bound:** Set a date for when your goal needs to be achieved.

Parameter Example:

The district will increase its early learning enrollment by 3% by providing early access to quality education through a Pre-K program partnership for 3 year olds in FY2021.

THEORY OF ACTION:

FLEXIBILITY & AUTONOMY ARE MEANS TO AN END, NOT ENDS THEMSELVES...

PARAMETER EXAMPLE:

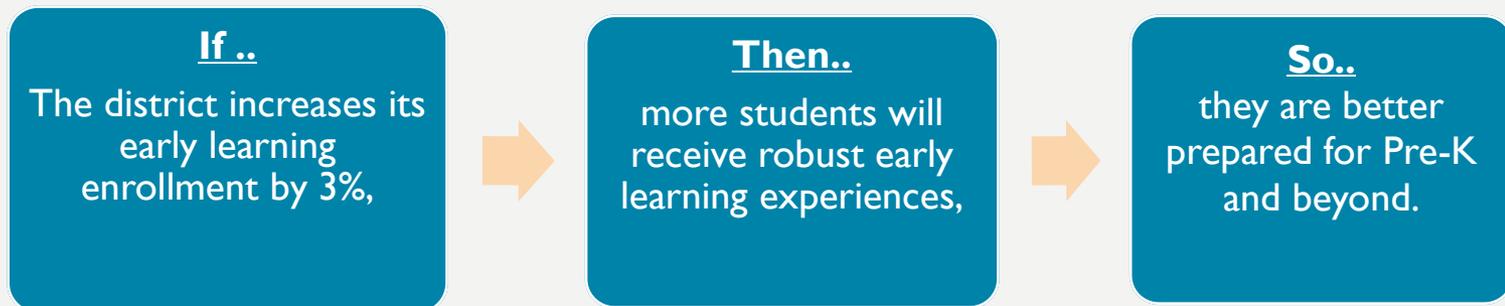


TABLE OF PARAMETERS:

Parameter Example:

Statement:	Target:	Support:
Early learning enrollment should be increased	+3%	https://www.americanprogress.org/issues/early-childhood/reports/2018/09/26/458208/effects-universal-preschool-washington-d-c/ http://nieer.org/wp-content/uploads/2016/08/22.pdf



**FY2021 DRAFT
RESOURCE AND
EXPENDITURE
PARAMETERS**

HISTORICAL PARAMETERS

Resource:

- 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
- 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
- The District will analyze and explore all funding sources including grants and special revenue to maximize resources and supplement the general fund
- The District will **set a specific fund balance target and determine if this target will be reached through a reduction in expenditures or an increase to revenue, or some combination of both.**
- The District, with support and collaboration from other stakeholders, will continue to identify and encourage grant-generating opportunities, especially through our Partnerships Office
- The District will identify and sunset ineffective programs to redirect human resources and funding where possible

HISTORICAL PARAMETERS

Resource:

- The District will pursue oversight and input on all extended or new Tax Allocation Districts (TADs) and will work to maximize the benefit to the district of all current TADs
- The District will advocate for all proposed abatements to present publicly a cost analysis, not just for the project as a whole, but also for each governmental body that is affected by the abatement
- The District will support that the City and the District will continue to have coterminous boundaries

Expenditure:

- In support of the Facilities Master Planning process, the District will realize the impact of facility upgrades, expansions, and improvements on the General Fund and will support the necessary allocation of funds that adequately maintain the ongoing operational costs (i.e. custodial services and preventative maintenance)
- The District will recognize the value of citizen input and communications by investing in an adaptable communication and engagement system

HISTORICAL PARAMETERS

Expenditure:

- The District will continue investing in previous initiatives to include:
 - the Turnaround strategy,
 - the charter system operating model and core components of signature programming, cluster and flexibility funds (through SSF) ,
 - the College and Career Academy,
 - the talent strategy to include recruiting, developing, retaining, and promoting high-quality staff through pipeline development work, professional development, and coaching and career pathways including leadership development,
 - a multi-year compensation strategy **that positions APS competitively in the market and supports the retention of high quality employees.**
- The District will fund pension obligations in accordance with State statute and actuarial standards.

EQUITY PARAMETERS

Expenditure:

- The District will allocate resources pursuant to the District's definition of equity and in support of the charter system model through the Student Success Formula (SSF) to increase transparency, and to drive innovation and autonomy with accountability so that Principals and local Go Teams can make decisions aligned with their specific needs with a focus on:
 - investments in Pre-K through 3rd grade to ensure all students are reading by the end of 3rd grade,
 - positive behavior supports,
 - arts and athletics,
 - access to quality Early Childhood Education (<https://www.wabe.org/dekalb-leads-the-way-on-early-learning-in-georgia/> Pre-K for 3 year olds?)
- The district will make investments and implement strategies specifically to target and eliminate concentrated poverty. <https://www.wsj.com/articles/to-shrink-achievement-gap-integrate-school-districts-11570186801>
- The district will make investments to eliminate the racial achievement gap.
- The district will make investments to eliminate the achievement gap between SWD and non-SWD students.
- The district will make investments based on geography (cluster, north/south, etc.)
- The district will make higher/ differentiated investments in teacher (or all staff) compensation at high needs schools (can be defined by concentration of poverty, student achievement outcomes, high turnover, or mobility rate, etc.)

OTHER TOPIC PARAMETERS

Expenditure:

- The district will set a specific target for per pupil expenditures that is more comparable to other local districts/ other large urban districts/ other districts with our operating model, etc.
- The district will set a specific target for charter school allocations and amend policies as needed to support this parameter (understanding that allocations are dictated by law and options to meet some specific targets are limited).
- The district will set a specific target for partner school allocations (understanding that options to meet some specific targets are limited).

OTHER TOPIC PARAMETERS

Expenditure:

- The district will set a specific target to provide guidance on central office and general administration expenditures that balances with a school's capacity to take on additional responsibility (i.e. shift of funds and responsibility from CLL to schools or scale back of services?).
- The district will set a specific target for the state's financial efficiency star rating (understanding that this metric is based on a three year moving target and only one factor can be controlled through the budgetary process).
- The district will set a specific target for maximizing our collectible tax digest through TADs and abatements (understanding the many constraints to addressing this long-standing issue).
- Other big ideas for consideration
 - Childcare for teachers <https://www.ajc.com/news/local/marietta-school-system-first-offer-free-childcare-teachers/puDtaolaTRPLdQ2Nnojhl/>
 - Specific investments to ensure every child is reading on grade level by the end of third grade
 - Mental health and well-being services for employees
 - What else?

ACTIVITY: REVIEW & PRIORITIZE

Purpose: this activity will allow us to define values, discuss conflicting points of view, and build consensus on the FY21 budget parameters.

Instructions: (25 mins)

1. Review the cards on your table
2. Discuss the impact of each parameter with your group
3. Rank: place the parameter cards in vertical order of their importance, with the most important at the top and the least important at the bottom

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WRAP UP AND NEXT STEPS

Next Commission Meeting:
November 21, 2019

Agenda:

- Finalize Resource and Expenditure Parameters
- SSF Review/Align Recommendations
- Review of mandatory costs
- Review of revenue & expenditure assumptions



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APPENDIX

GUIDING PRINCIPLES

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:

- If the budget contemplates significant investments in strategic priorities above current operational costs
- 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
- If the budget proposals support the District's transformational strategy
- If mandatory expenses (pension, MOE, healthcare, maintenance of efforts, and TRS contributions) increased to a point where they were significantly impeding on the ability to accomplish the District's mission and vision
- 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)
- If unfunded mandates emerge from the General Assembly
- If there is significant loss of long-standing revenue streams
- If the increase will not inhibit the economic stability of local neighborhoods

Guiding Principles under which 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