

# Budget Commission Meeting

## May 21, 2020

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



Finance Division  
Lisa Bracken, Chief Financial Officer



# Agenda

## Purpose

Provide an update on FY2021 Budget Planning Process

## Roadmap

- Revenue Update
- Gap closure recommendations
- Tentative Recommendation of FY2021 Budget (all funds)

# FY2021 Tentative Budget Recommendation

# Update to Timeline

- Tentative Adoption previously scheduled for May 4<sup>th</sup>
  - Due to the requirement for two Public Hearings and the constraints around public gathering, as well as the lack of solid revenue projections, we recommend postponing the tentative adoption and public hearing #1 to the regularly scheduled June Board Meeting, June 1<sup>st</sup>
- Final Adoption and Public Hearing #2 moved from June 1 to a Special Called meeting at least two weeks later on June 22nd
- Four regional meetings in May condensed to two virtual meetings in June
- Assuming Digest delayed by one month. Millage timeline is still TBD and will likely push into July

# Revised FY2021 Calendar

<b>Original Budget Calendar</b>	
Board Meeting; (Tentative adoption)	Monday, May 4, 2020
First public budget hearing for FY2021 Budget	Monday, May 4, 2020
Conduct regional public meeting for FY2021 Budget	Thursday, May 14, 2020
Budget and Finance Advisory Committee (BFAC)	Thursday, May 14, 2020
Conduct regional public meeting for FY2021 Budget	Monday, May 18, 2020
	May TBD
Conduct regional public meeting for FY2021 Budget	May TBD
Conduct regional public meeting for FY2021 Budget	Thursday, May 28, 2020
Board Meeting; (Final Adoption)	Monday, June 1, 2020
Second public budget hearing for FY2021 Budget	Monday, June 1, 2020
Millage Process (if needed)	TBD July

<b>Amended Budget Calendar</b>	
Board Meeting; Recommendation for Tentative Budget	Monday, May 4, 2020
Board Budget Commission Meeting	Thursday, May 21, 2020
Board Meeting; Tentative Adoption and Public Hearing #1	Monday, June 1, 2020
Conduct virtual public meeting for FY2021 Budget	TBD
Conduct virtual public meeting for FY2021 Budget	TBD
Special Called Meeting: Final Adoption and Public Hearing #2	Monday, June 22, 2020
Millage Process (if needed)	TBD July

# Four Budgets in Thirty Days

- Early-March

Assumes 5.5% growth total in the local budget. Decline in state revenue with a decrease in TRS rates, roll-off of one time safety and security grant, and increase in local fair share partially offset by teacher raises. Transfers In represents initial estimates for Title I.

<u>Revenue</u>	<u>FY2020 Budget</u>	<u>FY2021 Forecast</u>	<u>Change</u>	
Local	\$628.51	\$663.08	\$34.57	5.50%
State	\$209.96	\$201.16	(\$8.80)	-4.19%
Other	\$8.29	\$9.76	\$1.47	17.73%
Transfers In	\$18.32	\$14.86	(\$3.46)	-18.89%
Fund Balance	\$0.45	\$0.00	(\$0.45)	-100.00%
<b>Total Revenue</b>	<b>\$865.53</b>	<b>\$888.86</b>	<b>\$23.33</b>	<b>2.70%</b>

- Mid-April

Adjusts collections assumptions for local revenue down. Assumes no teacher raises in state funding.

<u>Revenue</u>	<u>FY2020 Budget</u>	<u>FY2021 Forecast</u>	<u>Change</u>	
Local	\$629.10	\$656.23	\$27.13	4.31%
State	\$209.96	\$194.55	(\$15.41)	-7.34%
Other	\$8.29	\$9.76	\$1.47	17.73%
Transfer	\$18.32	\$14.86	(\$3.46)	-18.89%
Fund Balance	\$0.45	\$0.00	(\$0.45)	-100.00%
<b>Total Resources</b>	<b>\$866.12</b>	<b>\$875.40</b>	<b>\$9.28</b>	<b>1.07%</b>

# Four Budgets in Thirty Days

## • Late-April

Local assumes decline in values, further decline in collections, and steep decline in TAVT collections. Assumes state receives waiver to reduce QBE allocations.

<u>Revenue</u>	<u>FY2020 Budget</u>	<u>FY2021 Forecast</u>	<u>Change</u>	
Local	\$628.51	\$647.24	\$18.73	2.98%
State	\$209.96	\$155.82	(\$54.14)	-25.78%
Other	\$8.29	\$9.76	\$1.47	17.78%
Transfers In	\$18.32	\$14.86	(\$3.46)	-18.87%
Fund Balance	\$0.45	\$0.00	(\$0.45)	-100.00%
<b>Total Revenue</b>	<b>\$865.53</b>	<b>\$827.69</b>	<b>(\$37.84)</b>	<b>-4.37%</b>

## • May

Confirmed State revenue reduction of 14%

<u>Revenue</u>	<u>FY2020 Budget</u>	<u>FY2021 Forecast</u>	<u>Change</u>	
Local	\$628.51	\$647.24	\$18.73	2.98%
State	\$209.96	\$141.65	(\$68.31)	-32.53%
Other	\$8.29	\$9.76	\$1.47	17.78%
Transfers In	\$18.32	\$14.86	(\$3.46)	-18.87%
Fund Balance	\$0.45	\$0.00	(\$0.45)	-100.00%
<b>Total Revenue</b>	<b>\$865.53</b>	<b>\$813.52</b>	<b>(\$52.01)</b>	<b>-6.01%</b>

# Update on Revenue: For this Presentation

- Economic Crisis: **“IMF calls 'Great Lockdown' worse than 'the worst recession since the Great Depression’**
  - The International Monetary Fund released its 2020 World Economic Outlook on Tuesday, projecting the global economy will contract by 3% as a result of the COVID-19 pandemic, a steeper decline than the 2008-2009 financial crisis.”
- “The state could face at least a \$4 billion shortfall over the next 15 months without more federal aid, likely meaning layoffs and furloughs across the government in the coming year, a new report out Monday says.
  - For fiscal 2021, which begins July 1, the shortfall could top 10% of current state spending, which goes for everything from teacher salaries to prisons, health care to road building”
- Local revenue: Conservative Assumptions
  - Property assessments were mostly finalized in January, some adjustments may be required
  - Preliminary digest assumptions are expected to be delayed
  - Not assuming large changes in our original assumptions around value
  - Increasing our assumptions of the amount uncollected
  - Impact to property values are expected to lag one to two years

<https://abcnews.go.com/Business/coronavirus-economic-updates-imf-predicts-worst-recession-great/story?id=70138583>



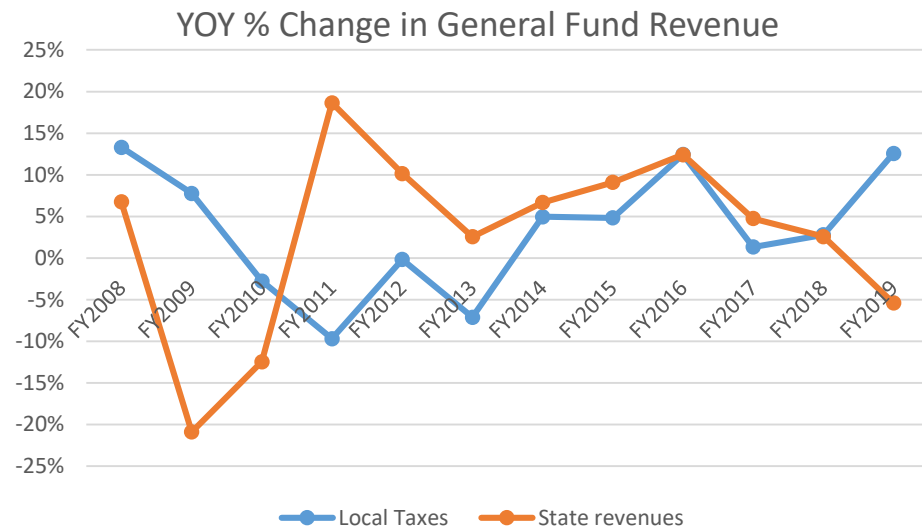
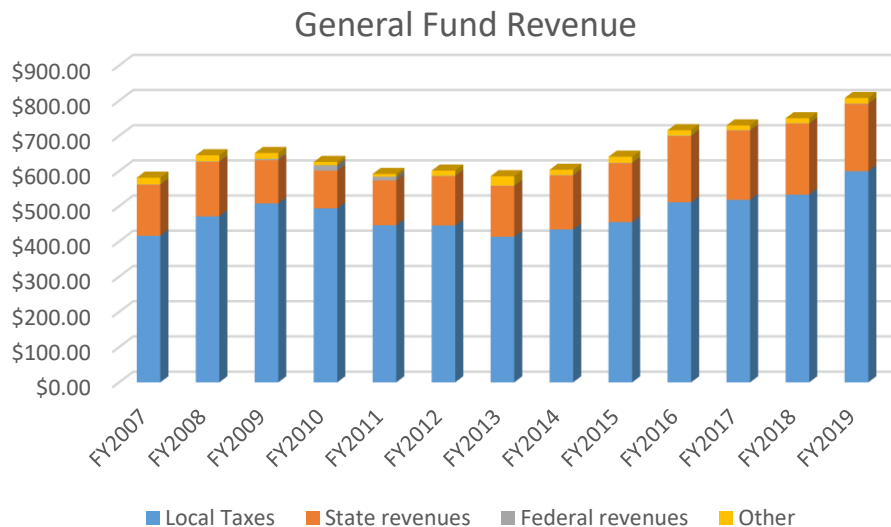
# Update on Revenue: For this Presentation

- State revenue: Legislative Session suspended indefinitely
  - Action was not taken on the FY2021 budget
  - Not anticipating a QBE budget until no sooner than June 11<sup>th</sup>
  - We are assuming no salary increase on the state schedule at this time
  - Assuming 14% reduction in QBE allotments
- Revenue is still very tentative
  - We are building what we believe is a realistically conservative budget based on these revenue assumptions
  - Should revenue come in higher than anticipated, we will use less in fund balance

<https://abcnews.go.com/Business/coronavirus-economic-updates-imf-predicts-worst-recession-great/story?id=70138583>

# History of Revenue

- While we do not anticipate large decreases in general fund revenue for FY2021, we DO anticipate potential large and impactful decreases in future years
- According to the U.S. National Bureau of Economic Research, the last recession began in December 2007 and ended in June 2009, and thus extended over eighteen months
- However, state funding saw the sharpest declines in FY2009 and FY2010. Local revenue was impacted most substantially in FY2010 and remained in a declining state through FY2013
- Therefore, we will be sweeping unspent funds for FY2020 and planning for sharp declines in local funding for FY2022 and FY2023 by growing fund balance wherever possible

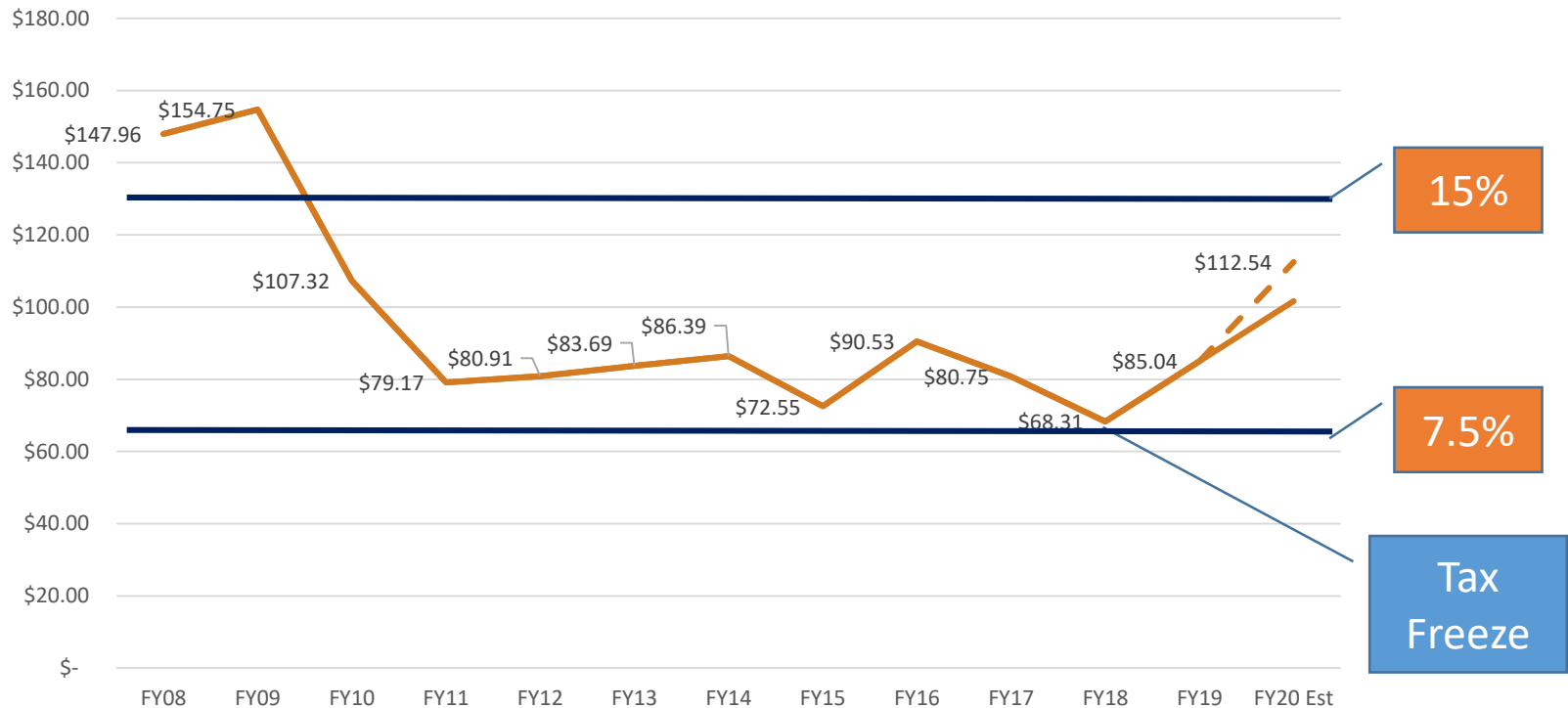


# Other Revenue Impacts

- SPLOST: We would anticipate steep declines in sales tax collections for as long as the economy is frozen
  - TBD how quickly sales will rebound but recoupling lost sales is unlikely
- Special Revenue:
  - The *Coronavirus Aid, Relief, and Economic Security (CARES) Act* was passed by Congress and signed into law by President Trump on March 27, 2020
    - Assumption for APS is approximately \$22.95 million
    - After indirect costs, administrative overhead and share to private schools approximately \$17m will be available to APS
    - This funding is not Title I funding; is very flexible and can support numerous activities such as: at-risk student populations, distance learning, school meals, mental health, supplemental learning, and facilities and equipment. Does not include a 'supplement not supplant' requirement
    - COVID-19-related expenses are retroactive to March 13, 2020, and after
    - Can be used through September 2022
    - Should NOT be used for recurring expenditures
  - Governor's Emergency Education Fund: \$3 billion from the Education Stabilization portion of the CARES Act. Allocation to APS is TBD

# Fund Balance History

## Ending Fund Balances



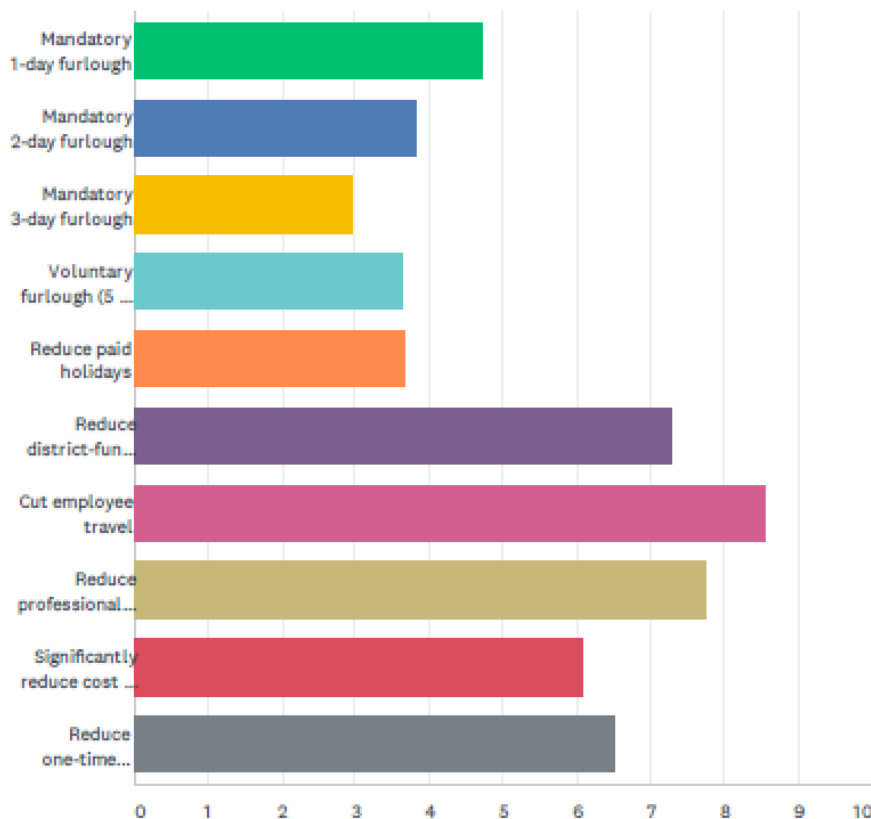
- In FY2009, the General Fund fund balance topped out at \$157.9 million or 24.2% of that year’s budgeted expenditures. In more recent year’s fund balance has hovered between 9-14% of expenditures. For reference, the GFOA recommends as best practice to maintain two months-worth of expenditures within the fund balance, or 16.7%
- APS has a long-standing practice of maintaining a fund balance above 7.5% of revenue, but below the statutorily required cap of 15%
- The Fund Balance is equal to assets less liabilities for the calendar year and does not represent the cash on hand at any given time
- With an approved budget of \$869 million, the reserve range is between \$65 and \$130 million
- If revenue and expenditure trends stay on pace and with the expenditure freeze for the final months of FY2020, we are optimistic we can grow fund balance by \$27.5 million from \$85.04 million to \$112.54 million (dashed line).
- More conservative, we estimate growing fund balance by \$16.6 million to \$102 million (solid line)

# Survey

ANSWER CHOICES	RESPONSES	
Teacher	56.96%	483
School Administrator	6.25%	53
Central Office Administrator	4.25%	36
Other Certified Personnel	9.67%	82
Support Staff	22.88%	194
TOTAL		848

Q3 Please rank the following cost-saving strategies from most preferred (1) to least preferred (10).

Answered: 847 Skipped: 1



Overall we had 848 responses. The vast majority were school based staff and 83 were CLL/other.

For question #3 (the ranking question), SurveyMonkey automatically calculates a weighted average using reverse scoring, so “Cut employee travel” was the most popular option, with a score of ~8.5 and 47% of people putting it as their first choice. Any reduction in pay through mandatory/voluntary furloughs or reduced paid days were the least popular.

# We also asked...

- Please list any computer software / subscriptions that you feel overlap and could be streamlined / reduced:
  - Because of site-based autonomy, these responses were very school specific. Very little overlap. May support eventually re-centralizing software
- Please list any district programs or services that you suggest cutting or reducing for one year or more:
  - Most responses aligned to those programs outside the traditional school day; after school, summer programming, etc. Also, SEL, Professional development, employee travel, and district-funded field trips. Emphasis on protecting jobs and salaries.
- Please provide any additional comments or suggestions regarding budget reduction strategies for the 2020-2021 school year:
  - These responses were most varied, over 400 individual comments. Because of our autonomy and flexibility... there was very little cohesion around any specific categories. This supports our decision to push out a percentage reduction and allow schools and departments to make cuts based on their specific needs and priorities. However, the feedback will certainly help guide budget conversations for next year. There were MANY great suggestions that we will continue to look into

# Closing the budget gap

- Reduction in QBE funding of 14% from the current year. This created a \$60 million funding gap from the previous proposed budget and an overall reduction of about 6% from the current year budget.
- Recommendations to close the gap include:
- **Increase Available resources by:**
  - Carryover from current year spending freeze
- **Decrease Proposed Expenditures by:**
  - Postponing the current textbook adoption
  - Sweep school based reserves
  - True-up State Health
  - Reductions to Central Office non-personnel
  - Lapsed Salary Assumptions
  - Reclassification of eligible expenses to the CARES act funds
  - Other
- These recommendations are being made in order to preserve jobs and employee salaries (i.e. try to minimize the need for future furloughs). Schools still have a Title I holdback that may be released and carryover for Title I may be greater than in past years because of the spending freeze

# Closing the budget gap

- Through the targeted strategies previously discussed we were able to reduce the expenditure budget by \$31 million
- We are still reviewing additional shifts we may be able to make to CAREs act and are reviewing other reduction strategies
- However, with our assumptions for growing fund balance from the current year, even with a \$30 million usage of fund balance, our fund balance will be between 8.5-10% of expecting expenditures
- We will continue to work through final adoption to alleviate additional pressure from the fund balance

Revenue	FY2020 Budget	FY2021 Forecast	Change	
Local	\$629.10	\$647.24	\$18.14	2.88%
State	\$209.96	\$141.65	(\$68.31)	-32.53%
Other	\$8.29	\$9.76	\$1.47	17.78%
Transfers In	\$18.32	\$14.86	(\$3.46)	-18.87%
Fund Balance	\$0.45	(\$0.45)	(\$0.45)	-100.00%
<b>Total Revenue</b>	<b>\$866.12</b>	<b>\$813.52</b>	<b>(\$52.60)</b>	<b>-6.07%</b>
<b>Expenditures</b>	<b>\$866.12</b>	<b>\$874.30</b>	<b>\$8.18</b>	<b>0.94%</b>
<b>Gap</b>		<b>(\$60.78)</b>		
<b>Adjustments</b>				
<b>Resources</b>				
Fund balance			\$29.69	
<b>Expenditures</b>				
Postponing the current textbook adoption			-\$5.80	
Sweep school based reserves			-\$5.60	
1.8% Reduction to SSF			-\$5.00	
True-up State Health			-\$3.00	
Reductions to Central Office non-personnel			-\$8.69	
Lapsed Salary Assumptions			-\$2.00	
Reclass of eligible expenses to CARES Act			TBD	
Charter and Partner revenue true-up			-\$1.00	
Other			TBD	
<b>Total</b>			<b>-\$31.09</b>	
<b>Revised Revenue</b>	<b>\$866.12</b>	<b>\$843.21</b>	<b>(\$22.91)</b>	<b>-2.65%</b>
<b>Revised Expenditures</b>	<b>\$866.12</b>	<b>\$843.21</b>	<b>(\$22.91)</b>	<b>-2.65%</b>
<b>Final Gap</b>	<b>\$0.00</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>	



# Tentative FY2021 Budget Proposal

## Consolidated General Fund- As of Mid April

Revenue	FY2020 Amended	FY2021 Forecast	Change	% Change
Local	\$629.10	\$647.24	\$18.14	2.88%
State	\$209.96	\$141.65	(\$68.31)	-32.53%
Other	\$8.29	\$9.76	\$1.47	17.73%
Transfer	\$18.32	\$14.86	(\$3.46)	-18.89%
Fund Balance	\$0.45	\$29.70	\$29.25	6500.00%
<b>Total Resources</b>	<b>\$866.12</b>	<b>\$843.21</b>	<b>(\$22.91)</b>	<b>-2.65%</b>
Expenditures	FY20 Amended	FY21 Proposed	Change	% Change
Instruction	\$563.83	\$554.95	(\$8.88)	-1.58%
Pupil Services	\$49.45	\$49.31	(\$0.14)	-0.28%
Staff Services	\$48.15	\$42.15	(\$6.00)	-12.45%
Federal Grant Admin	\$0.00	\$0.00	\$0.00	0.00%
School Admin	\$42.70	\$41.70	(\$1.00)	-2.34%
General Admin	\$38.87	\$37.24	(\$1.63)	-4.20%
Maintenance And Operations	\$84.41	\$79.87	(\$4.54)	-5.37%
Transportation	\$32.97	\$32.24	(\$0.73)	-2.23%
School Nutrition Program	\$0.38	\$0.38	(\$0.00)	-0.24%
Other Outlay	\$4.19	\$4.44	\$0.25	5.86%
Debt	\$1.17	\$0.93	(\$0.24)	-20.51%
<b>Total</b>	<b>\$866.12</b>	<b>\$843.21</b>	<b>(\$22.91)</b>	<b>-2.65%</b>
<b>Gap</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0%</b>

# Preliminary FY2021 Budget by Function Group

## As of Mid May

	FY2020 as of January 2020			FY2021 Preliminary			
*Budget in millions	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil	Change*
Instruction <sup>1</sup>	\$563.83	65.10%	\$11,056	\$554.95	65.81%	\$10,641	(\$8.88)
Pupil Services <sup>2</sup>	\$49.45	5.71%	\$970	\$49.31	5.85%	\$946	(\$0.14)
Staff Services <sup>3</sup>	\$48.15	5.56%	\$944	\$42.15	5.00%	\$808	(\$6.00)
Federal Grant Admin <sup>4</sup>	\$0.00	0.00%	\$0	\$0.00	0.00%	\$0	\$0.00
School Admin <sup>5</sup>	\$42.70	4.93%	\$837	\$41.70	4.95%	\$800	(\$1.00)
General Admin <sup>6</sup>	\$38.87	4.49%	\$762	\$37.24	4.42%	\$714	(\$1.63)
Maintenance & Ops <sup>7</sup>	\$84.41	9.75%	\$1,655	\$79.87	9.47%	\$1,532	(\$4.54)
Transportation <sup>8</sup>	\$32.97	3.81%	\$647	\$32.24	3.82%	\$618	(\$0.73)
School Nutrition <sup>9</sup>	\$0.38	0.04%	\$7	\$0.38	0.04%	\$7	(\$0.00)
Other Outlay <sup>10</sup>	\$4.19	0.48%	\$82	\$4.44	0.53%	\$85	\$0.25
Debt <sup>11</sup>	\$1.17	0.13%	\$23	\$0.93	0.11%	\$18	(\$0.24)
<b>Total</b>	<b>\$866.12</b>	<b>100.00%</b>	<b>\$16,983</b>	<b>\$843.21</b>	<b>100.00%</b>	<b>\$16,169</b>	<b>(\$22.91)</b>

1. Delay of textbook adoption, reduction in state health
2. Minimal changes from current year
3. Annual scaling down of CRCT Remediation, reduced number of Instructional Coaches and reduction in state health
4. Minimal changes from current year
5. State health true up
6. Reductions in contracted services, travel, and materials at central office
7. Reductions in state grants, Operations and IT
8. Minimal changes from current year
9. Minimal changes from current year
10. Increase to GF supplement for Pre-K teacher salaries
11. Reduction to district leases

# Preliminary FY2021 Budget by Object Group

## As of Mid May

	FY2020 as of January 2020			FY2021 Preliminary			
*Budget in millions	Budget*	% of Exp	Per Pupil	Budget*	% of Exp	Per Pupil	Change*
Salaries <sup>1</sup>	\$353.86	40.86%	\$6,939	\$354.00	41.98%	\$6,788	\$0.14
Other Compensation <sup>2</sup>	\$18.50	2.14%	\$363	\$15.96	1.89%	\$306	(\$2.54)
Employee Benefits <sup>3</sup>	\$193.86	22.38%	\$3,801	\$186.65	22.14%	\$3,579	(\$7.21)
Professional Services <sup>4</sup>	\$67.58	7.80%	\$1,325	\$67.58	8.01%	\$1,296	(\$0.00)
Purchased Property Services <sup>5</sup>	\$18.95	2.19%	\$372	\$22.06	2.62%	\$423	\$3.11
Other Purchased Services <sup>6</sup>	\$151.09	17.44%	\$2,963	\$153.26	18.18%	\$2,939	\$2.17
Supplies <sup>7</sup>	\$54.48	6.29%	\$1,068	\$35.78	4.24%	\$686	(\$18.70)
Property <sup>8</sup>	\$0.77	0.09%	\$15	\$0.70	0.08%	\$13	(\$0.07)
Operating Transfer <sup>9</sup>	\$4.19	0.48%	\$82	\$4.44	0.53%	\$85	\$0.25
Other Objects <sup>10</sup>	\$2.84	0.33%	\$56	\$2.79	0.33%	\$53	(\$0.05)
<b>Total</b>	<b>\$866.12</b>	<b>100.00%</b>	<b>\$16,983</b>	<b>\$843.21</b>	<b>100.00%</b>	<b>\$16,169</b>	<b>(\$22.91)</b>

1. Increase to Special Education positions
2. Reductions in hourly teachers, paraprofessionals, stipends, substitutes
3. TRS rate decrease of 1.85% and State Health True Up
4. Minimal changes from current year
5. Reallocation of funds in IT
6. Increase to Charters
7. Reductions in state grants, delay of textbook adoption, reductions in supplies across the board
8. Minimal changes from current year
9. Increase to GF supplement for Pre-K teacher salaries, admin fee for charters
10. Reduction to district leases

# FY2021 EXPENDITURE PARAMETERS

Expenditure Parameters:	Comments:
1. The District will continue investing in previous initiatives to include:	
- the Turnaround strategy,	Nearly <b>\$7.5m</b> will be invested in the Turnaround Strategy (excluding partner schools) for the FY2021 school year.
- the charter system operating model and core components of signature programming, cluster and flexibility funds (through SSF) ,	Schools earned both cluster ( <b>\$3m</b> ) and flexibility funds ( <b>\$9m</b> ) through the Student Success Funding (SSF) model for FY2021.
- the Atlanta College and Career Academy,	About <b>\$2.4m</b> will be directly invested to ensure the success of this program in its inaugural year. This does not include investments for facility improvements and other operational costs.
- Continue and increase investment in early learning (including PAACT)	An additional <b>\$184K</b> will be invested in the FY2021 budget in support of ensuring all APS Pre-K teachers are continued to be paid on the APS teacher salary scale.
- 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 <b>\$1.3m</b> investment in fully developing the leadership development initiative; Budget supports refined leadership development strategy including Relay partnership; development of Teacher Leaders, Aspiring AP, and Aspiring Principal programs; training for new School Business Managers; and leadership development of existing principals and assistant principals.
- a multi-year compensation strategy that positions APS competitively in the market and supports the retention of high quality employees	While initial budget discussions included a robust and detailed compensation strategy developed by HR, the current budget includes no new compensation pending the final state budget and local revenue information.
- the General Employee pension	The district will continue to fund the annual 3% increase of pension obligations in FY2021, adding an additional <b>\$1.7m</b> and totaling over <b>\$58.4m</b> .
2. 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	For the FY2021 budget, APS continued allocations through Student Success Funding (SSF) and added a new weight for concentration of poverty. Approximately <b>\$280m</b> will be distributed to schools through this model, representing about 70% of all traditional school funding. In another major step towards equity, schools are divided into two bands (those with direct certification of 70% and above and those below) and assigned an average salary based on the teachers in that band.

# FY2021 EXPENDITURE PARAMETERS continued

Expenditure Parameters:	Comments:
3. The District will develop a multi-year resource plan to accompany the five year strategic plan to ensure overall sustainability of the initiatives	This work will continue through the summer and into the fall as the initiatives and objectives within the strategic plan are finalized.
4. The District will establish an evaluation strategy including the structures and mechanisms by which programs or processes will be measured for effectiveness to inform resource investment decisions	\$548K is proposed to support of the evaluation strategy in the FY2021 tentative budget
5. The District will evaluate and address inefficiencies within central office through an ongoing process improvement initiative (will be shown as a reduction of expenditures)	The initial budget for FY2021 included a Continuous Improvement program model at \$451K. Due to recent budget reductions, this program will not be established in FY2021. The district will need to identify other means to support this parameter.
6. The District will develop a detailed line item budget for the central office departments to support the long-term goal of creating a more effective and efficient central office and in alignment with GFOA's best practices in school-based budgeting	In FY2020 the district implemented a zero line-item budgeting process for non-personnel expenditure requests. Budget center managers in central office built their FY2021 budget requests using this methodology. For FY2021, we've allocated \$221k for a budget software that will increase transparency with stakeholders and the streamline the overall budget development process.
7. The District will work through the budget development process to identify, where possible, current spend tied to those priorities that surface through the strategic planning processes to establish a baseline so that informed decisions can be made in the multi-year resource plan and adjust funding as appropriate	A list of planned initiatives for FY2021 are included in the appendix of this presentation. Due to recent budget reductions, the district will not launch these initiatives in FY2021.
8. The District will invest in the first year initiatives as identified in the 2020-2025 Strategic Plan	This work will continue through the summer and into the fall as the initiatives and objectives within the strategic plan are finalized.
9. 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)	Due to recent budget reductions, expenditure requests to support facility upgrades, expansion and improvements will be reduced by \$702K for FY2021.

# 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 69 schools operating under Title I programming.

Looking ahead:

- For FY 2021, APS continues to 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.
- The projected Title I FY 2021 award is \$27 million. The district will consolidate approximately \$16.7 million to allow our schools more flexibility. Another \$3.7 million will be allocated to non traditional schools. Approximately \$7 million will remain in fund 402. These funds are allocated to our required set asides, and district initiatives. Family Engagement set aside is around \$1.1 million. Official preliminary notification from the State of Georgia is expected later this Spring. As a precaution 15% of projected allocation has been held back. Any additional funding will be allocated to the schools.

# 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:

- The Title II FY 2021 award is estimated to remain around \$2.57 million. Congress approved the overall funding for Title II heading into FY 2020 at the FY 2019 level. We will continue to monitor updates coming out of Washington, DC.

# Title IV-A Student Support and Academic Enrichment

Title IV part A (SSAE) is a federal grant that is intended to improve students' academic achievement by increasing the capacity of States, LEAs, schools, and local communities to: provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievement and digital literacy of all students. (ESEA section 4101).

## Looking Ahead:

- The Title IV (SSAE) FY 2021 award is estimated to remain around \$2.0 million. We are expecting carryover from this grant because it contained some of our summer programs that have been canceled. We will continue to monitor updates coming out of Washington, DC.



# Cares Act

The CARES Act provides education funding to state education agencies and local education agencies to support schools as they are dealing with the effects of the COVID-19 Pandemic. Funding has not yet been distributed to state education agencies, but GaDOE is proactively planning to structure the CARES Act stimulus funding to districts to specifically address:

- **School Meals:** Offset costs due to serving school meals (not covered through USDA reimbursements). Cover additional personnel ('hazard pay', hours, etc.) or logistical costs (transportation, etc.)  
**Distance/Remote Learning:** Cover costs of devices, connectivity (hot spots, wireless, internet service, etc.), printing/preparing learning packets, instructional resources/tools, and other technology costs (hardware, software, assistive technology, outfitting buildings/buses with WiFi, online learning platforms, subscriptions, etc.)
- **Facilities/Equipment:** Cover costs of sanitizing/disinfecting buildings, additional personnel costs ('hazard pay', hours, etc.), and equipment (gloves, masks, PPE, cleaning supplies, etc.).

# Cares Act

- **Mental health:** Cover the costs of counseling, telehealth, and therapeutic services and supports (contracted hours, professional learning, programs, etc.)
- **Supplemental Learning:** Cover costs of extended learning, remediation, and/or enrichment opportunities for students (summer learning, afterschool programs, additional pay for teachers and staff, extended schedules, etc.)
- **Professional Development:** Cover costs of additional professional development for school leaders, teachers, and staff (trainings, extended professional development days, consultants, programs, etc.).
- **At-risk Student Populations:** Cover costs of specific activities, services, supports, programs, and/or targeted interventions directly addressing the needs of low-income students, students with disabilities, English Learners, migrant students, students experiencing homelessness, and children in foster care.

Private schools are eligible to receive equitable services under the CARES act. Funding for the new Education Stabilization Fund will be available for obligation at the Federal level through September 30, 2021.

FY20 Estimated CARES Act Allocation \$ \$22,948,079

<https://www.georgiainsights.com/cares-act.html>

**Atlanta Public Schools Board of Education**  
Fiscal Year 2020-2021 Tentative Budgets (in \$)

	General Fund (Consolidated)	Special Revenue	SPLOST	Nutrition	Student Activity	Total All Funds
<b>Est. Beginning Fund Balances, July 1, 2020</b>	<b>\$112,540,000</b>	<b>\$5,204,000</b>	<b>\$79,691,335</b>	<b>\$14,119,867</b>	<b>\$0</b>	<b>\$211,555,202</b>
<b>Revenues:</b>						
Local Revenues	\$647,240,000	\$1,216,261	\$69,879,773			\$718,336,034
State Revenues	\$141,650,000	\$6,533,449				\$148,183,449
Federal Revenues		\$78,805,149	\$7,323,939	\$36,223,977		\$122,353,065
Other Revenues	\$9,760,000	\$12,060,684	\$5,859,151		\$4,500,000	\$32,179,835
Transfers	\$14,860,000	\$6,238,328				\$21,098,328
<b>Total Revenues</b>	<b>\$813,510,000</b>	<b>\$104,853,871</b>	<b>\$83,062,863</b>	<b>\$36,223,977</b>	<b>\$4,500,000</b>	<b>\$1,042,150,711</b>
<b>Total Available Resources</b>	<b>\$926,050,000</b>	<b>\$110,057,871</b>	<b>\$162,754,198</b>	<b>\$50,343,844</b>	<b>\$4,500,000</b>	<b>\$1,253,705,913</b>
<b>Appropriations:</b>						
Instruction	\$554,945,752	\$48,166,654			\$4,500,000	\$607,612,406
Pupil Services	\$49,312,926	\$15,882,025				\$65,194,951
Improvement of Instructional Services	\$533,948	\$5,518,591				\$6,052,539
Instructional Staff Training	\$35,679,925	\$1,694,100				\$37,374,025
Educational Media Services	\$5,939,250	\$488,352				\$6,427,603
Federal Administration	\$2,870	\$3,637,900				\$3,640,770
General Administration	\$7,726,192	\$940,120				\$8,666,312
School Administration	\$41,702,010	\$2,578,276				\$44,280,286
Support Services - Business	\$8,688,464	\$36,000				\$8,724,464
Maintenance and Operation	\$79,874,940	\$8,923,147	\$30,500,000			\$119,298,087
Student Transportation	\$32,236,061	\$2,571,728	\$6,000,000			\$40,807,789
Support Services - Central	\$20,139,086	\$1,319,541				\$21,458,627
Other Support Services	\$682,815	\$287,730				\$970,545
School Nutrition Program	\$379,092	\$840,000		\$36,223,977		\$37,443,069
Construction & Capital Expenditures			\$105,951,000			\$105,951,000
Operating Transfers						\$0
Transfer to Capital Projects						\$0
Other Outlays	\$4,435,723	\$484				\$4,436,207
Debt Services	\$930,000		\$11,000,000			\$11,930,000
<b>Total Appropriations</b>	<b>\$843,209,053</b>	<b>\$92,884,648</b>	<b>\$153,451,000</b>	<b>\$36,223,977</b>	<b>\$4,500,000</b>	<b>\$1,130,268,679</b>
<b>Est. Ending Fund Balance, June 30, 2021</b>	<b>\$82,840,947</b>	<b>\$17,173,222</b>	<b>\$9,303,198</b>	<b>\$14,119,867</b>	<b>\$0</b>	<b>\$123,437,234</b>
<b>Total Appropriations &amp; Ending Fund Balan</b>	<b>\$926,050,000</b>	<b>\$110,057,871</b>	<b>\$162,754,198</b>	<b>\$50,343,844</b>	<b>\$4,500,000</b>	<b>\$1,253,705,913</b>



# Appendix

# Expenditure Walk-through

Preliminary known budget drivers. This list represents requests made by budget center managers in alignment with the Board Budget Parameters, District Initiatives, and the new Strategic Plan. These requests should be prioritized and will be funded pending changes in revenue assumptions.

Department New Initiatives	
	FY2021
Dept. Reductions	-
Lawson ERP	\$2,604,200
Learning Technologies	\$2,800,000
Other IT	\$814,988
Internal Audit	\$212,004
Website Redesign; Engagement and Equity FTE	\$151,001
Supplier Diversity	\$405,163
Continuous Improvement	\$451,384
Safety	\$1,000,000
Operations Contingency	\$1,125,000
Transportation	\$1,200,000
Fleet Maintenance	\$529,062
Custodial Support	\$171,052
Grounds and Pest Control	\$979,401
PAACT	\$1,179,585
Compensation	\$25,300,000
<b>FY2021 Budget Requests</b>	<b>\$38,922,840</b>

# Lawson ERP

Initiative:	Establish a New Program: Lawson Phase 4 (FIN/HR)
Dollar Amount:	\$2,604,200
Tied to a Budget Parameter or Strategic Priority?	Yes - Evaluate and address inefficiencies
Request:	<ul style="list-style-type: none"><li>• Contracted Services to improve HR &amp; Finance processes</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• Replace manual processes to reduce errors</li><li>• Clean up HR data</li><li>• Position control</li><li>• Automate HR recruitment and retention process</li><li>• Enhance procurement processes</li><li>• Streamline processes, reduce man-hours with accounts payable, updated pricing /quotes automatically</li></ul>

# Learning Technologies

Initiative:	Distribute 1:1 Devices
Dollar Amount:	\$2,800,000
Tied to a Budget Parameter or Strategic Priority?	Yes - Evaluate and address inefficiencies
Request:	<ul style="list-style-type: none"><li>• 1:1 devices for HS students</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• Complete 1:1 devices for one grade level at the High School (will become an annual spend to ensure that all High School students will be outfitted with a 1:1 device within 4 years)</li><li>• Insurance for device repair services and warranty</li></ul>



# Other IT

	Other IT
Dollar Amount:	\$814,988
Tied to a Budget Parameter or Strategic Priority?	Initiative:
Request:	<ul style="list-style-type: none"> <li>• Contracted Services</li> <li>• Technology Repairs and Maintenance</li> <li>• Communication</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• Increase bandwidth for elementary/middle/high schools (\$1.3M will be refunded to APS via Erate)</li> <li>• 2 full-time contractors to manage Lawson application for 6 months</li> <li>• Increase in Xerox costs due to increase in printers + new copier contract</li> <li>• Purchase parts required to support technology in schools</li> <li>• Increase annual IT Security assessments and testing</li> <li>• Add server capacity for Tableau Dashboard infrastructure</li> </ul> <p><i>*Anticipated increases in spending due to 22,000+ student devices on the network in FY20, and 9,000+ more in FY21</i></p>

# Internal Audit

Initiative:	Internal Audits
Dollar Amount:	\$212,004
Tied to a Budget Parameter or Strategic Priority?	Yes - Evaluate and address inefficiencies
Request:	<ul style="list-style-type: none"><li>• Contracted services</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• Provide more risk-based audit coverage for the District; reduce the need for more FTEs by using consultants with specialized skill sets when needed</li><li>• Conduct more internal audit work and provide assurance to the board as to the districts compliance for policies and procedures</li></ul>

# Engagement

Initiative:	Redesign Website, Upgrade Broadcast 22, & Hire Equity Staff
Dollar Amount:	\$151,001
Tied to a Budget Parameter or Strategic Priority?	Yes - First year initiatives as identified in the 2020-2025 Strategic Plan
Request:	<ul style="list-style-type: none"> <li>• Equity training</li> <li>• Personnel – One additional FTE to support Equity work</li> <li>• Contractor for web design</li> <li>• Server upgrade</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• Development of equity training, implementation, and monitoring plan</li> <li>• Implementation dollars following the Web Strategy Project to address public concerns regarding user experience, broken links, out-of-date content, etc.</li> <li>• Upgrade the District's server to provide stability and reliability to Channel 22, allowing for online streaming of district information, the ability for the District to broadcast live during emergencies and other important districtwide events, and the fast tracking and scheduling of District programs</li> </ul>

# Supplier Diversity

Initiative:	Establish a New Program: Supplier Diversity
Dollar Amount:	\$405,163
Tied to a Budget Parameter or Strategic Priority?	Yes – Equity
Request:	<ul style="list-style-type: none"> <li>• Diversity Management Software</li> <li>• Resources to support an outreach and education program</li> <li>• Personnel – 2.0 FTE</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• Provides the District with accurate reports of spend with Minority and Women Owned Business Enterprises (M/WBEs) regardless of their status as a Prime or Subcontractor</li> <li>• Facilitates bidder registration, prequalification, EEO/affirmative action plan submission, and other similar processes</li> <li>• Promote the growth and expansion of minority and women owned businesses in the in the District's procurement and contract practices</li> </ul>

# Continuous Improvement

Initiative:	Establish a New Program: Continuous Improvement
Dollar Amount:	\$451,384
Tied to a Budget Parameter or Strategic Priority?	Yes – Evaluation Strategy
Request:	<ul style="list-style-type: none"><li>• Project Management Software</li><li>• Training and Conferences</li><li>• Personnel – 4.0 FTE</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• Establish oversight and governance structure for identifying, evaluating, and addressing inefficiencies within central office through an ongoing process improvement office</li></ul>

# Safety

Initiative:	Increase Safety Measures
Dollar Amount:	\$1,000,000
Tied to a Budget Parameter or Strategic Priority?	Yes – Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"> <li>• Re-alignment: \$696,695 accounts for the transfer of 11 positions (salaries and benefits) from Security's budget; 9 Dispatchers, 1 Dispatcher Manager, and 1 Security Support Clerk</li> <li>• Personnel – 4.0 SROs (add an additional SRO to middle schools with over 1000 FTEs), 2.0 Sergeants, 2.0 Investigators, 1.0 Emergency Management Compliance Manager,</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• Increase visibility, strategic assignment and focused efficiency in safety to promote the physical, mental, and emotional wellbeing of APS campus communities</li> </ul>

# Operations Contingency

Initiative:	School House Replacement Furniture & K-annex (SPARK)
Dollar Amount:	\$1,125,000
Tied to a Budget Parameter or Strategic Priority?	Yes – Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"><li>• Contingency funding- Prepare K-annex (SPARK)</li><li>• School House Replacement Furniture</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• Provide needed classroom capacity for SPARK for SY20-21 and SY21-22</li><li>• Will provide funding to begin replacing/refreshing outdated and unsafe school house furniture across the district.</li></ul>

# Transportation

Initiative:	Repairs & Maintenance
Dollar Amount:	\$1,200,000
Tied to a Budget Parameter or Strategic Priority?	Yes - Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"> <li>• 10 new school buses</li> <li>• Overtime</li> <li>• Insurance liability policy on all school buses and white fleet vehicles</li> <li>• Personnel – 1.0 Fleet Foreman, 3.0 Fleet Mechanics, 10.0 School Bus Operators, 1.0 Database Analyst</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• To cover unexpected costs related to body repair, paint and other damage sustained for accidents and crashes</li> <li>• Support the 2:30 p.m. release of the new ACCA</li> <li>• Prepare for 33% increase on insurance</li> </ul>



# Fleet Maintenance

Initiative:	Repairs & Maintenance
Dollar Amount:	\$529,062
Tied to a Budget Parameter or Strategic Priority?	Yes - Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"> <li>• White fleet annual expected costs for monthly parts, batteries and tires</li> <li>• Overtime</li> <li>• Contingency fund for white and green fleet</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• To ensure repair and service on all vehicles</li> <li>• To cover unexpected costs related to body repair, paint and other damage sustained for accidents and crashes</li> </ul>

# Custodial Support

Initiative:	Personnel
Dollar Amount:	\$171,052
Tied to a Budget Parameter or Strategic Priority?	Yes -Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"><li>• Water &amp; Sewer</li><li>• Personnel – 1.0 Maintenance Supervisor</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• More closely reflect the actual historical cost of the annual custodial contract for the district</li></ul>

# Grounds & Pest Control

Initiative:	Lawn & Pest Services
Dollar Amount:	\$979,401
Tied to a Budget Parameter or Strategic Priority?	Yes -Adequately maintain the ongoing operational costs
Request:	<ul style="list-style-type: none"><li>• Contracted Lawn Services Pest Control Services</li></ul>
What it will do for the district:	<ul style="list-style-type: none"><li>• More accurately reflect the historical actual cost of the annual lawn care services contract for the district</li><li>• Prepare for potential termites and bed bugs infestation</li></ul>

# PAACT

Initiative:	Scholarships & Pay Parity
Dollar Amount:	\$1,179,585
Tied to a Budget Parameter or Strategic Priority?	Yes - Continue and increase investment in early learning (including PAACT)
Request:	<ul style="list-style-type: none"> <li>• Early learning scholarships for APS staff and teen parents</li> <li>• Pre-K Teacher &amp; Assistant Pay Parity</li> </ul>
What it will do for the district:	<ul style="list-style-type: none"> <li>• Support scholarships to allow APS employees (residing in the City of Atlanta and below 100% AMI) to access high-quality early learning</li> <li>• 'Close the gap' to ensure those employees are not spending more than 10% of total income on childcare</li> <li>• Ensure that low income families have access to high quality programs</li> <li>• Continue to support the pay parity granted by the board to Pre-K teachers and paraprofessionals</li> <li>• Retain staff</li> </ul>

# Compensation

For discussion of priorities:

Scenarios	Cost
1. Teacher compensation package (lower-cost version)	\$11.1m
2. 3% across-the-board pay raise for non-teacher pay grades	\$6m
3. \$15.00 minimum wage for all full time employees (5% increase to pay grades 111-115)	\$1.7m
4. Instructional support pay scale* increase 3% and increase steps to 28	\$1.5m
5. Implement year 2 of three year plan to convert hourly special education paraprofessionals to full time	\$2.5m
6. Annual position reclassification requests	\$160k
7. Market adjustments for specific employee groups (Metro RESA, Council of Great City Schools, Newport Compensation Study)	\$1.2m
8. Hourly employee pay increases	\$880k
9. Substitute employee pay increases	\$257k
<b>Total cost of potential investments for FY21</b>	<b>\$25.3m</b>