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# FY15 Strategic Look Ahead Community Input Meeting

Presented by

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*The Talk*  
*The Truth*  
*The Crucial Conversation*

*The Talk* Public Schools are not closing the achievement gap

*The Truth* Gaps still exist but there is evidence that they are narrowing!!



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*The Talk*  
*The Truth*  
*The Crucial Conversation*

*The Crucial Conversation*

Poverty is the greatest common factor among low-achieving students.

**We have a Poverty GAP!**

How do we negate the ill effects of poverty, dysfunctional families and, unsafe communities to help each and every student achieve their potential?



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*The Talk*  
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*The Talk* ACT/SAT test scores are declining and have been for decades!

*The Truth* Average ACT/SAT scores have declined....but every subgroup of test takers has increased. (*Simpson's Testing Paradox*)



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*The Crucial Conversation*

Average scores on SAT tests will show declines as *more students* take the tests.

“Every child a graduate” will mean lower **average** scores!



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*The Talk*

America's schools are falling behind on International Tests when compared with other countries.



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*The Truth*

America's schools have **never** scored well on  
International Testing!

America's Public Schools educate everyone!



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The USA Consistently Ranks best in the world on Global  
Competitiveness Index.

More Nobel Prize winners and registrants of Copyrights.

Teaching Creativity is Important – this does not mean teaching  
kids to “bubble” better.





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# *The Talk*

## *The Truth*

### *The Crucial Conversation*

*The Talk:* APS has a “bloated” Central Administration” and if they just eliminated a few high paying administrative positions, that money could go back to the classroom.

*The Truth:* In FY14, Central Administration represents 0.7% of the entire APS Operational Budget. Central Services which includes HR, Finance, Communications and IT represents 2.7%. Total Administration is just 3%. For the 5<sup>th</sup> year in a row, APS increased the amount of money going to the classroom with \$0.66 of every dollar going to the classroom.



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*The Talk*  
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***The Crucial Conversation***

It is incumbent upon the Board of Education and the Administration of APS to guarantee a positive return on investment of every dollar it receives and to continue to be good stewards of public funds. APS must continue to be strategic, effective and efficient with its resources and continue to prioritize dollars to Direct Instruction.



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# APS Supports the Potential



APS enrolls about 88,000 students on any one day; last year we served over 99,600 students throughout the year; over 80 students came from charter and home schools to participate in student activities at our high schools.

# Student Success at APS



## NAEP

We're All In!



## *Our Results Represent Every Student!*

APS included more students with disabilities and students who are English language learners than any other district in 4<sup>th</sup> grade reading!

We ranked 5<sup>th</sup> out of 21 districts for inclusion in 8<sup>th</sup> grade math.

# Student Success at APS



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## NAEP Reading



### **APS READS!**

21 Districts are tested in NAEP

APS out-scored 10 other districts in 4<sup>th</sup> grade reading.

And

We scored higher than 12 other districts in 8<sup>th</sup> grade reading.

# Student Success at APS



## NAEP Math

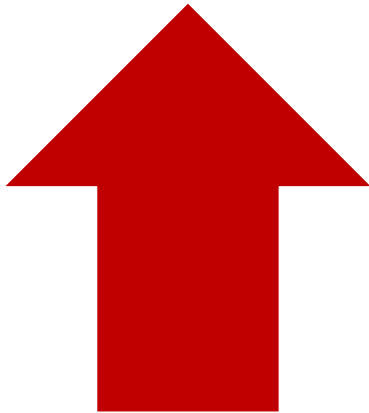


## APS Counts

APS out-scores 13 of the 21 districts in  
4<sup>th</sup> grade math

*and*

APS out-scores 14 of 21 districts in  
8<sup>th</sup> grade math.

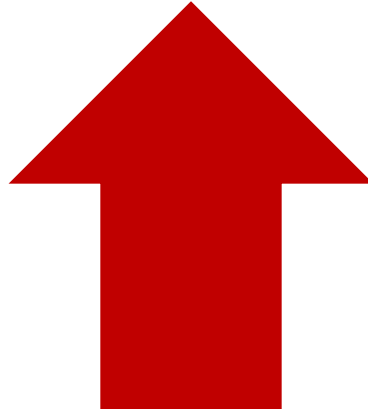




# Student Success at APS



## Graduation



The APS cohort graduation rate for 2013 is 73.13%!

APS has seen a steady rise from 64.7% just four years of to the current rate of over 73%

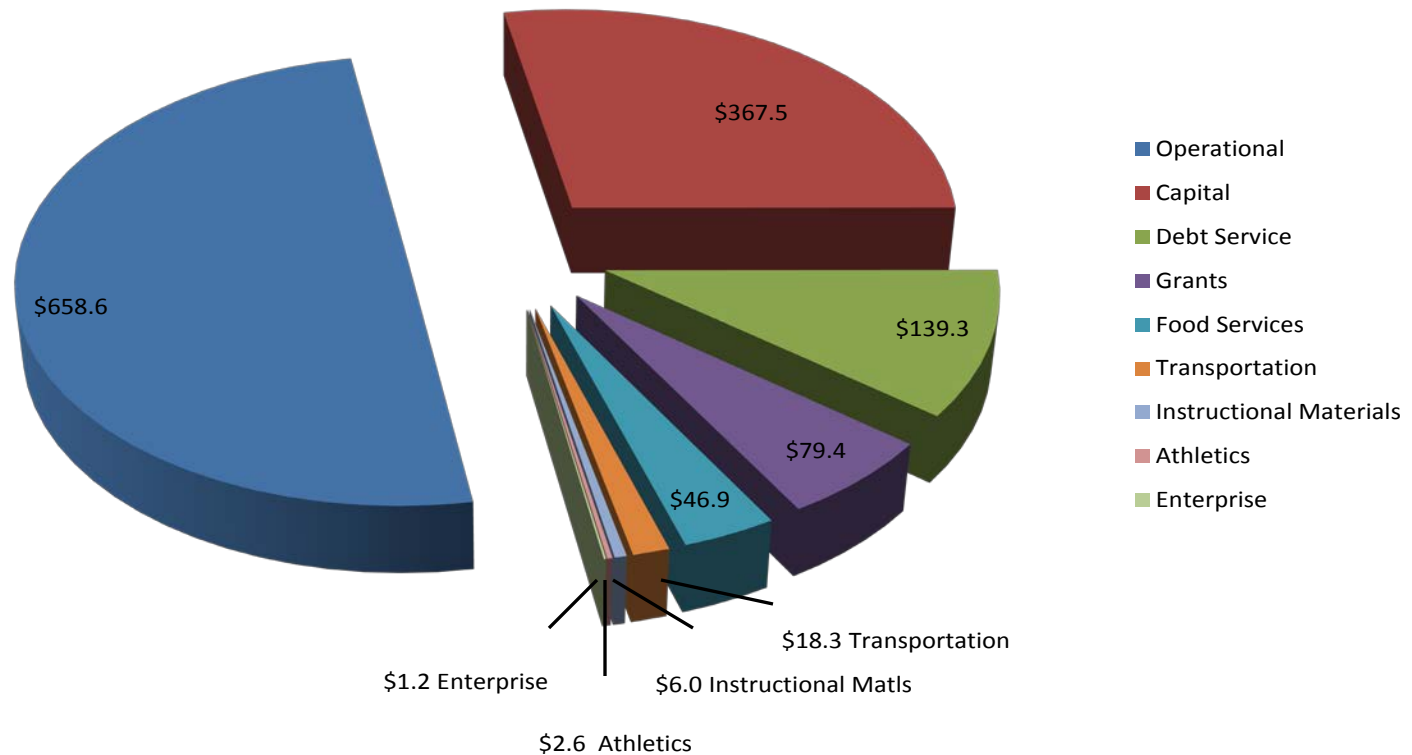
# Student Success at APS



APS students in 2013 out-performed the state on the state standards assessment (SBA).



## APS FY13-14 Original Budget by Fund Type (\$M)



- Proposed Budget as of 5-07-13
- Operational Funding is largest funding component
- Total budget is \$1,319.8M

## Public School Support and Related Appropriations for FY15 (\$000's)

			<u>FY15 SEG</u> <u>(No Increase to APS)</u>	<u>FY15 SEG</u> <u>(Increase to APS)</u>	
	<u>ITEMS</u>	<u>FY14 SEG</u>			<u>FY15 Total</u>
1	Enrollment Growth		\$11,155		
2	Micro-District Size Adjustment		\$5,762		
3	3% Average Compensation Increase for all employees			\$56,043	
4	Increase All Tier Level Minimum Compensation by \$2K			\$10,000	
5	EA Additional 3% Increase			\$2,651	
6	ERB 0.75% Increase			\$11,555	
7	At Risk Unit Increase			\$15,222	
8	Class Size Maximum Re-established w phase out			\$6,000	
9	Insurance			\$13,500	
10	Fixed Costs			\$5,828	
11	H4 Science Retest			\$264	
12	Statewide Formative Assessments			\$1,000	
13	Teacher Mentorship (Beginning Teachers)			\$1,500	
14	<b>SUBTOTAL PROGRAM COST BEFORE SANDING AND CREDITS</b>		\$16,917	\$123,563	\$140,480
15	<b>NET CHANGE IN CREDITS</b>		\$120	\$880	\$1,000
16	<b>SANDING (0.00275 of Program Cost)</b>		(\$850)	(\$6,209)	(\$7,059)
17	<b>SUBTOTAL PROGRAM COST</b>	\$2,361,896	\$16,187	\$118,234	\$134,421
18	% Increase		0.7%	5.0%	5.7%
19	<b>FY15 Revenue Increase to APS at 26% of State Total</b>			\$30,741	

## Estimated Operational Budget Changes from FY14 to FY15

				<b>FY15 \$M</b>
<b>1</b>	<b>REVENUE INCREASE</b>			<b>\$30.7</b>
<b><u>EXPENDITURE INCREASE</u></b>				<b><u>FY15 \$M</u></b>
<b>2</b>	3% Compensation Increase (\$5.3M per 1%)		\$15.9	<b><u>FY15 \$M</u></b>
<b>3</b>	EA additional 3% Increase		\$1.0	
<b>4</b>	\$2K Increase at All Tier Levels		\$2.6	
<b>5</b>	Classroom Size Phase In (Hire ~80 Teachers)		\$4.0	
<b>6</b>	0.75% ERB Contribution Increase		\$3.1	
<b>7</b>	Medical Insurance (6 month impact - 10% premium increase)		\$3.4	
<b>8</b>	Utilities Increase (Elect., Telecom, Water/Sewage)		\$1.0	
<b>9</b>	Contingency/ Allowance for Unknown		\$2.0	
	<b>Subtotal Known Increases</b>			<b>\$33.0</b>
<b><u>NET REVENUE IMPACT DUE TO DECREASE IN UNITS</u></b>				
<b>10</b>	Enrollment Decrease 700 Students		(\$4.0)	
<b>11</b>	Enrollment Drop ~35 fewer teachers		\$2.2	
<b>12</b>	T&E Factor Decrease		(\$5.4)	
<b>13</b>	Projected Decline in Salaries/Benefits due to Less Experienced Teachers		\$5.0	
<b>14</b>	Special Ed Decrease (Related Services/Enrollment )		(\$2.8)	
<b>15</b>	<b>Subtotal Known Net Revenue Losses</b>			<b>(\$5.0)</b>
<b>16</b>	<b>GRAND TOTAL ADDITIONAL DOLLARS NEEDED TO OPEN DOORS</b>			<b>\$38.0</b>
<b>17</b>	<b>PROJECTED SURPLUS/(SHORTFALL)</b>			<b>(\$7.3)</b>
<b>Assumptions: \$2.4M nurses paid by Medicaid Grant again in FY15.</b>				

# Teacher FTE Losses FY09 to FY15

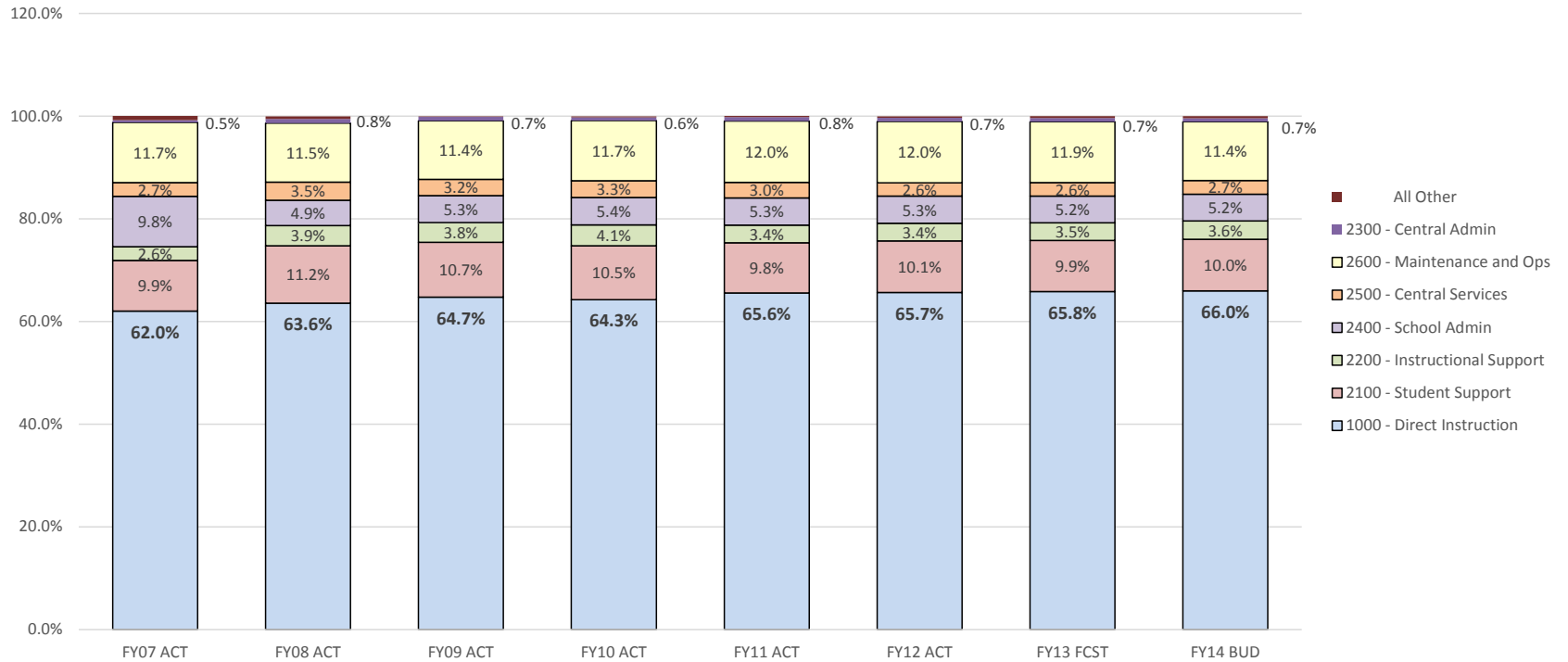
<b>Teacher FTE Losses Due to Funding Reductions (Adjusted for Enrollment)</b>			
FY09 Teachers Allocated	86,593		6,120
FY09 Teachers Allocated Adjusted for FY15 Enrollment	85,962		6,075
FY15 Teachers (Based on Current Staffing Formula)	85,962		5,655
Loss of Teachers Allocated in FY15 Due to Funding Losses			420
PTR Compliance Hiring Increase Planned for FY15			80

<b>FY14 Operational Fund</b>					
<b>FTE by Function: 5 Year Comparison</b>					
				<b>5 Year Change</b>	
	<b>FY09 BUD</b>	<b>FY13 BUD</b>	<b>FY14 BUD</b>	<b>(DECREASE) FY09 to FY14</b>	<b>(% DECREASE) FY09 to FY14</b>
<b>1000 - INSTRUCTION</b>					
<b>SUBTOTAL TEACHERS</b>	6,120	5,735	5,701	(419)	-6.8%
<b>SUBTOTAL EDUCATIONAL ASSISTANTS</b>	1,642	1,521	1,536	(106)	-6.4%
<b>SUBTOTAL ACTIVITY DIRECTORS/ATH TRAINERS</b>	23	25	25	2	8.7%
<b>SUBTOTAL INSTRUCTION</b>	7,785	7,256	7,262	(523)	-6.7%

**FY14 Operational Fund  
FTE by Function: 5 Year Comparison**

	<u>FY09 BUD</u>	<u>FY14 BUD</u>	<u>5 Year Change</u>	
			<u>(DECREASE) FY09 to FY14</u>	<u>(% DECREASE) FY09 to FY14</u>
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<b>2100 - STUDENT SUPPORT</b>	1,207	1,013	(194)	-16.1%
<b>2200 - INSTRUCTION SUPPORT</b>	363	313	(50)	-13.7%
<b>2300 - CENTRAL ADMIN</b>	39	28	(11)	-27.5%
<b>2400 - SCHOOL ADMIN</b>	668	607	(61)	-9.2%
<b>2500 - CENTRAL SERVICES</b>	308	259	(49)	-15.9%
<b>2600 - MAINTENANCE &amp; OPERATIONS</b>	1,044	993	(51)	-4.9%
<b>2700 - STUDENT TRANSPORTATION</b>	4	3	(1)	-25.0%
<b>3100 - FOOD SERVICES</b>	16	7	(9)	-57.3%
<b>SUBTOTAL NON-INSTRUCTION</b>	3,650	3,223	(427)	-11.7%
<b>GRAND TOTAL FTE</b>	11,435	10,460	(950)	-8.3%

## Direct Instruction As a % of Total Expenditures





# Opportunities and Risks

## Opportunities:

- FY14 Estimated Ending Cash Reserves = \$39M- \$42M. Draw down cash reserves to fund the shortfall.
- Property and Liability \$1.0M
- Special Education Maintenance of Effort \$0.8M
- SPED IDEA-B pays for Early Intervention \$1.8M
- Summer School ES/MS Elimination \$1.5M
- Below the Line programs as a funding source \$ TBD

## Risks:

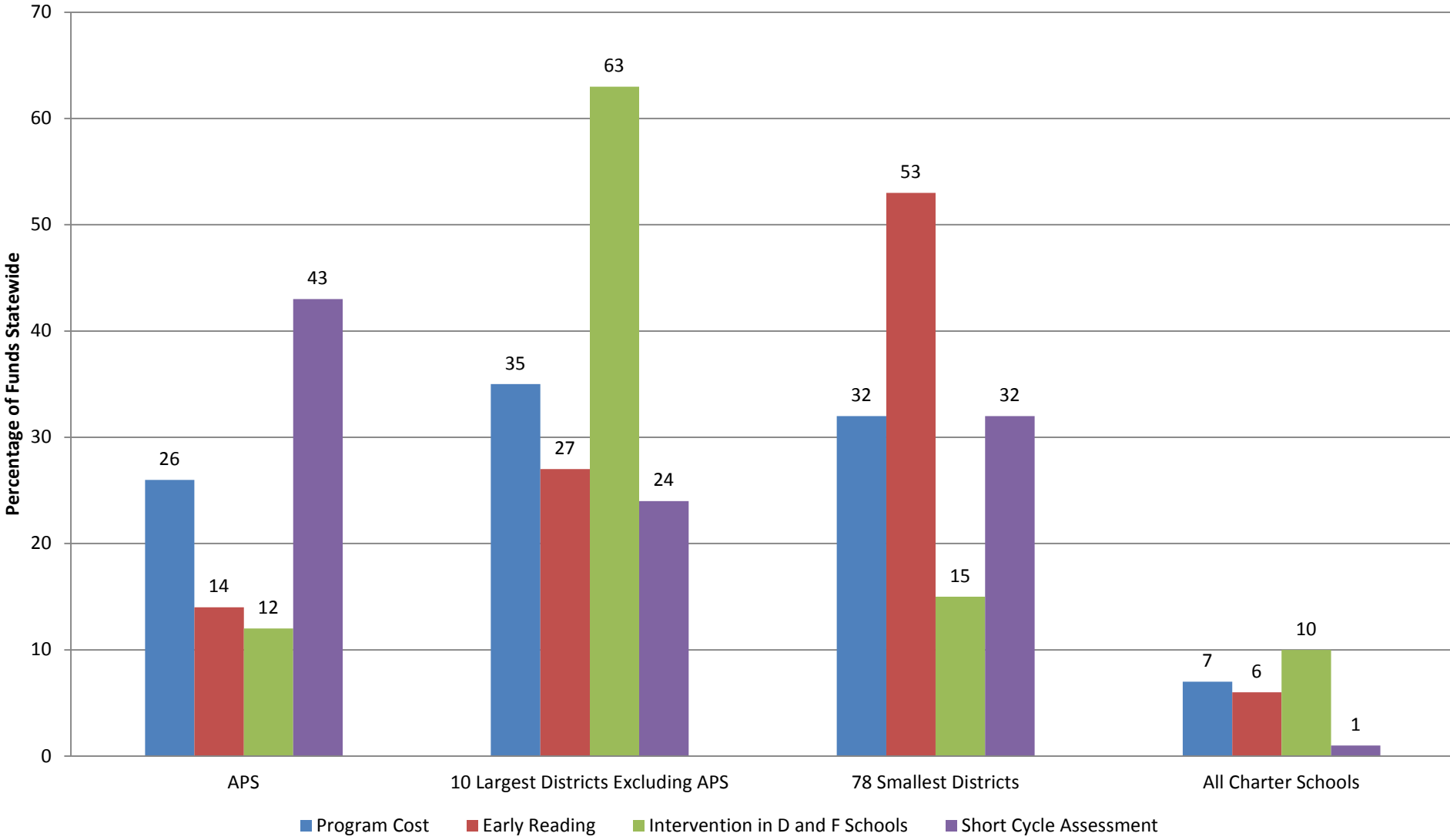
- E-rate Audit – Delayed Reimbursement of Telecom Costs : \$2.0M
- Formative Assessment and H4 Science Retest NMSBA: \$0.3M
- Schools request testing coordinators: \$1.6M
- Schools request increased computer technical support \$ TBD
- Schools request administrators for teacher evaluation support: \$1.3M
- Schools of Choice requires seed funding: \$TBD



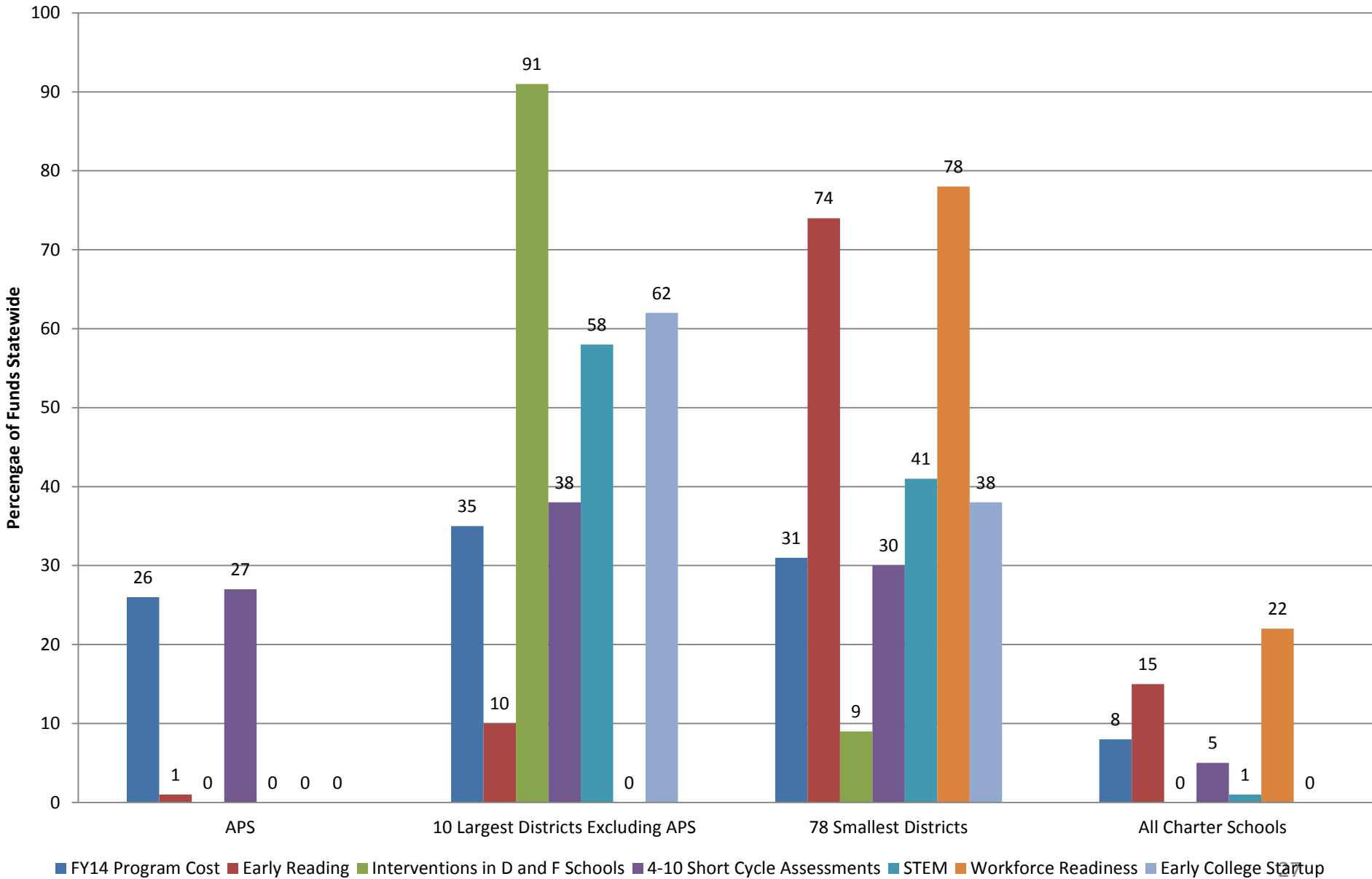
# Context Above vs. Below the line

- Below the Line: FY11 \$31M; FY15 \$106M
- Below the Line Growth FY11 to FY15 = \$75M
- APS' Share is 26% of \$75M = ~ \$20M

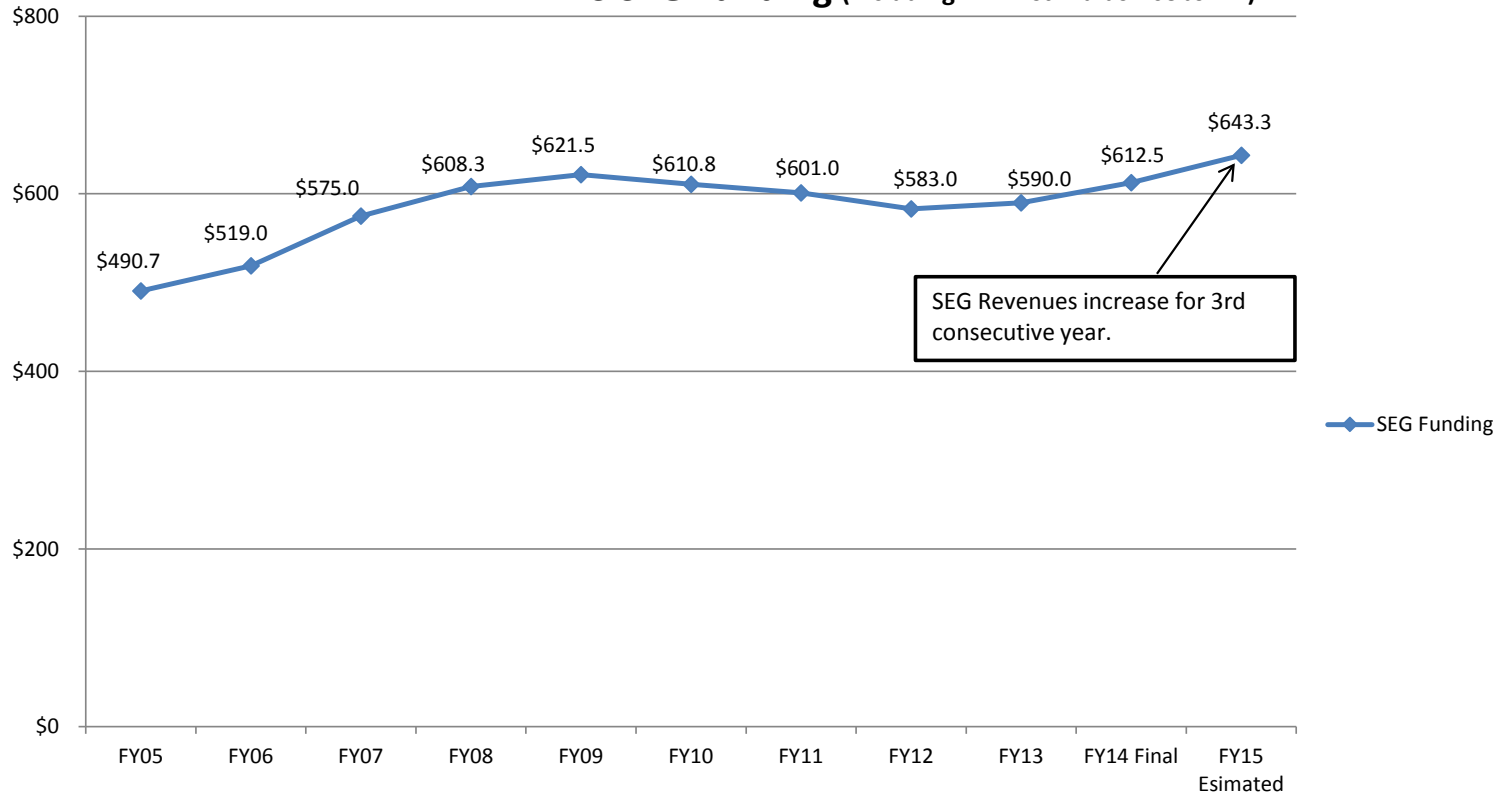
## Share of Selected FY13 Related Appropriations (Below-the-Line) Compared with Share of FY13 Formula Funding



# Share of Select FY14 Related Appropriations (Below-the-Line) Compared with Share of FY14 Formula Funding



### APS SEG Funding (including ARRA stimulus + Jobs Bill)





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*Your Opinion Matters!*

*Please share your ideas.*

*We want to know what you are thinking.*