

Annual Budget Fiscal Year 2021



Presented to the Albuquerque Public School Board of Education
Finance Meeting of March 16, 2020

Presenters: Tami J. Coleman, Chief Financial Officer
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In this Presentation

1. FY21 Budget Planning Process & Timelines
2. Non-Traditional School List with At-Risk Factor
3. House Appropriations and Finance Committee Substitute for House Bills 2 & 3 (HAFC 2&3)
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FY21 Budget Planning Process & Timeline

- January 21st through February 20th Legislative Session.
- February-June regularly scheduled Budget Steering Committee meetings.
- February Finance Committee Meeting opening FY21 presentation.
- **February-May, the district will request stakeholder's input to the budget.**
- **March 2nd through March 6th Budget Call for Schools and Departments.**
- **March 16th Finance Committee Meeting update, discussion and recommendations.**
- April 20th Finance Committee Meeting update, discussion and recommendations.
- May 4th and 5th Compile Proposed Budget.
- May 18th Finance Meeting Budget Presentation/Vote.
- May 20th Board of Education Meeting Final Approval
- Budget due to PED in May.
- PED Technical Review date to be determined.

Non-Traditional Schools At-Risk Factor

Presentation 02/18/2020

Non-Traditional Schools

CAREER ENRICHMENT CENTER
 COLLEGE & CAREER HIGH SCHOOL (APS @ CNM)
 COYOTE WILLOW FAMILY SCHOOL
 DESERT WILLOW FAMILY SCHOOL
 EARLY COLLEGE ACADEMY
 eCADEMY
 FREEDOM HIGH SCHOOL
 NEW FUTURES
 nex+gen ACADEMY HIGH SCHOOL
 SCHOOL ON WHEELS
 TRANSITION SERVICES
 VISION QUEST MIDDLE SCHOOL

Presentation 03/16/2020

Factor Non-Traditional Schools

9.26	VISION QUEST MIDDLE SCHOOL
5.39	JUVENILE DETENTION CENTER
1.99	NEW FUTURES
1.87	HIGHEST TRADITIONAL SCHOOL
1.66	FREEDOM HIGH SCHOOL
1.64	eCADEMY
1.61	SCHOOL ON WHEELS
1.05	MEAN WITH NON-TRADITIONAL
1.03	MEAN TRADITIONAL SCHOOL
0.84	TRANSITION SERVICES
0.82	CAREER ENRICH CENTER & EARLY COLLEGE ACAD
0.49	COLLEGE & CAREER HIGH SCHOOL (APS @ CNM)
0.46	nex+gen ACADEMY HIGH SCHOOL
0.31	COYOTE WILLOW FAMILY SCHOOL
0.27	DESERT WILLOW FAMILY SCHOOL
0.18	LOWEST TRADITIONAL SCHOOL

From the list presented in February, the Budget Steering Committee agrees that College & Career HS, Coyote and Desert Willow and Nex-Gen should not be considered at-risk schools.

House Appropriations & Finance Committee

Substitute for House Bill 2 and 3

APS **DRAFT** analysis of HAFC/H2&3 as of February 28, 2020

	Millions General Fund	APS ~% of NM 23.40%
Total Appropriations	\$ 3,237,323.30	\$ 757,533.65

Specific amounts as identified in the bill (All amounts are not additional, some are the same as FY20)

Average 4% salary increase to all licensed teachers whose primary duty is classroom instruction	\$ 59,180.20	\$ 13,848.17
Average 4% salary increase for all school personnel, other than licensed teachers whose primary duty is classroom instruction	\$ 33,447.40	\$ 7,826.69
At-risk factor change from .25 to .30 (contingent on passing legislation)	\$ 50,152.10	\$ 11,735.59
Elementary Physical Education Programs	\$ 6,000.00	\$ 1,404.00
Professional development focused on case management, tutoring, data-guided instruction, coaching or other evidence-based practices	\$ 11,000.00	\$ 2,574.00
Provide evidence-based structured literacy interventions & develop literacy collaborative models for kindergarten through second grade.	\$ 10,000.00	\$ 2,340.00
Extended Learning Time Program (contingent @ districts based on actual participation)	\$ 71,394.10	\$ 16,706.22
Kindergarten Five Plus (K5+) (contingent @ districts based on actual participation)	\$ 119,895.90	\$ 28,055.64
Purchase culturally & linguistically appropriate instructional materials	\$ 30,000.00	\$ 7,020.00

Other Guidance	APS for FY20
change from 75% to 80% of funds for a district with greater than 50,000 students must be budgeted in functions 1000, 2100 and 2200.	78.26%

New Appropriation

Increase Appropriation

Re-appropriated

HAFC 2&3 Language Change

House Appropriations and Finance Committee Substitute for House Bills 2 and 3 printed on February 18, 2020 states on page 175:

“The public education department shall not approve the operating budget of any school district or charter school with greater than or equal to fifty thousand students that spends less than eighty percent of general fund appropriations on instruction, student support services and instructional support services unless that school district or charter school demonstrates the budgeted spending level for instruction, student support services and instructional support services is an increase from the prior year and is sufficient to provide a free and appropriate public education to all students.”

underline emphasis added

Disclaimer: Bill has not been signed at the time of this print

HAFC 2&3 Language Change

How this new section of the law affects New Mexico

How many districts in NM have greater than or equal to 50,000 students?

Answer: 1 (APS) with approximately 78,000 students

What is the next highest enrollment in NM?

Answer: Las Cruces with approximately 22,000 students

What does it mean by “instruction, student support services and instructional support services”

Answer: The budget allocated to functions 1000, 2100 and 2200 of the uniform chart of accounts (***This does not include school level administration such as principals, assistant principals and secretaries***).

What does APS currently budget in these sections?

Answer: for the current year 2019-2020 it is 78.26% (had we been able to add school administration (mainly principals-function 2400), the percentage would be 83.82%

HAFC 2&3 Language Change

How this new section of the law affect New Mexico

What do other districts in NM currently allocate in these areas?

Answer: The last public study conducted on a statewide basis was done by the New Mexico Coalition of Educational Leaders (NMCEL) on the fiscal year 2017-2018. The amounts range from 48% to 85%.

How does APS rank among the 89 districts state wide?

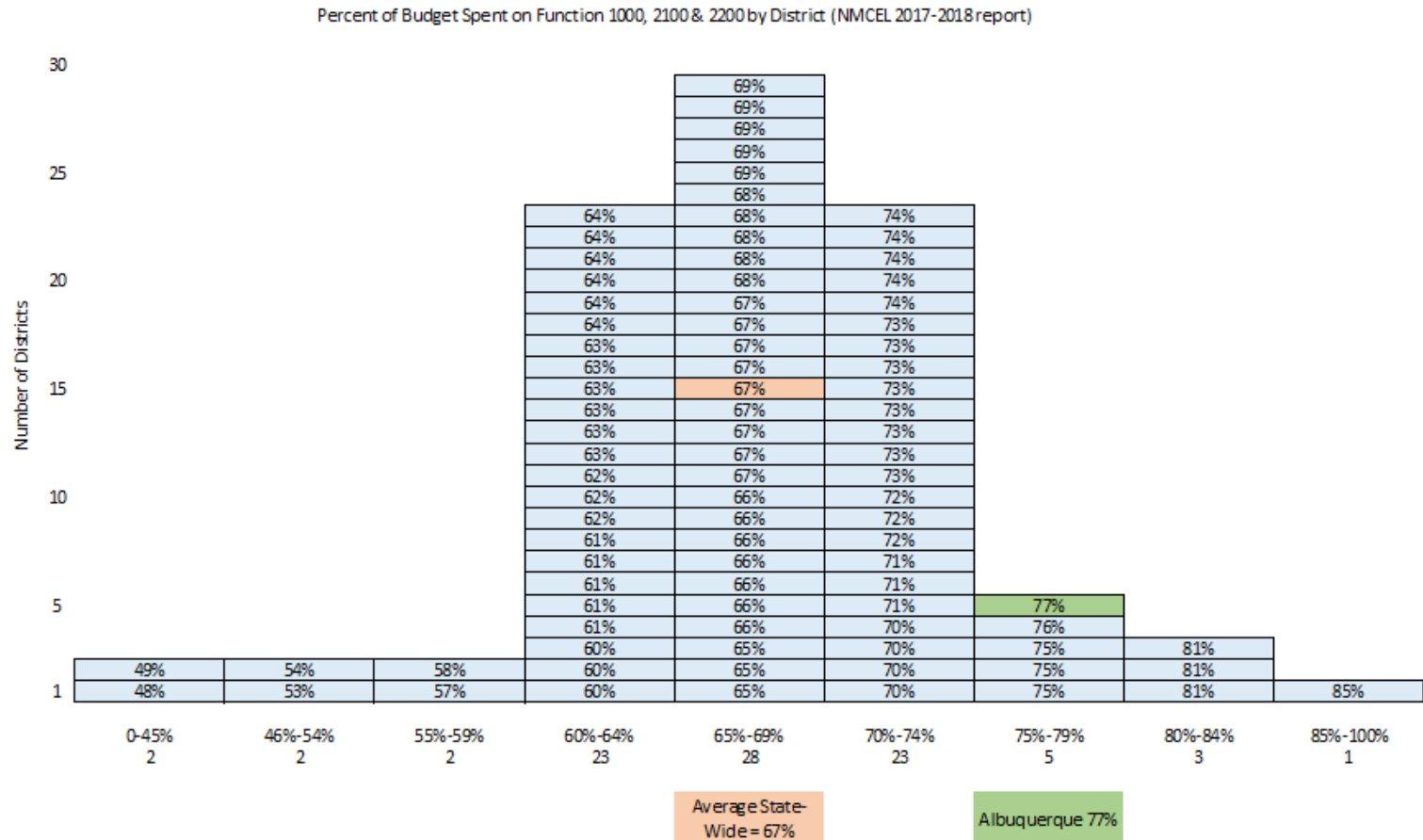
Answer: 5th from the top in the study of FY17-18 at 77%

What was the statewide average?

Answer: For FY17-18 it was 67% (see districts results for FY17-18 on next slide)

Albuquerque Public Schools State Ranking

as shown from a 2017-2018 study conducted by the New Mexico Coalition of Educational Leaders (NMCEL)



Won't the mandated 4% raise cover it?

No, the overall budget will increase so the amounts will be larger, but still relatively proportionate as the 4% increase is across all functions.

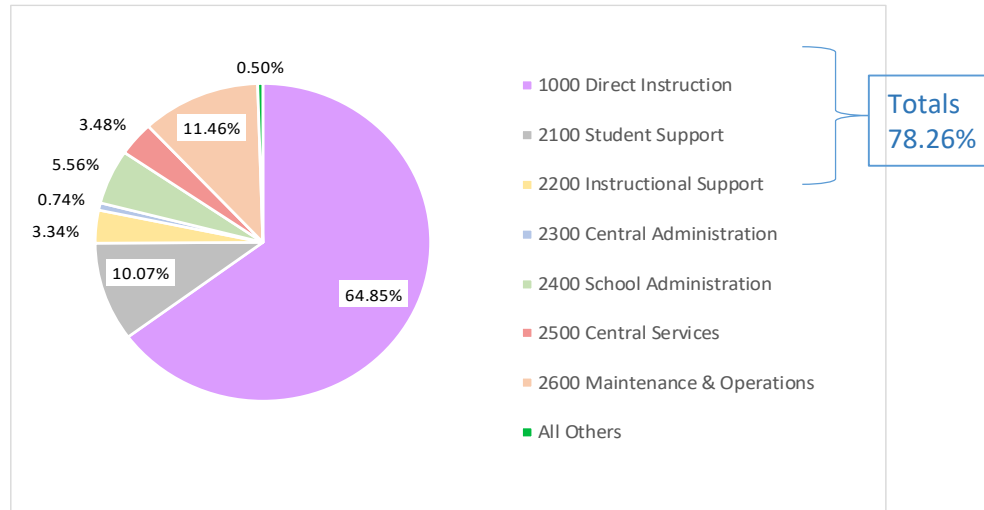
	FY15	FY16	FY17	FY18	FY19	FY20
Final Budget Amount	\$ 690,311,611	\$ 697,616,328	\$ 679,581,952	\$ 684,562,878	\$ 707,186,522	\$ 786,799,065
1000 Instruction	64.83%	64.07%	64.05%	64.28%	63.45%	64.85%
2100 Support Services Students	9.98%	10.00%	10.23%	9.98%	10.22%	10.07%
2200 Support Services Instruction	3.64%	3.64%	3.41%	3.25%	3.40%	3.34%
Subtotal for HB2/3	78.44%	77.70%	77.70%	77.52%	77.08%	78.26%
2300 Support Services General Administration	0.80%	0.91%	0.97%	0.86%	0.81%	0.74%
*2400 Support Services School Administration	5.40%	5.41%	5.46%	5.43%	5.59%	5.56%
2500 Central Services	2.98%	3.20%	3.15%	3.39%	3.70%	3.48%
2600 Operation & Maintenance of Plant	11.84%	12.34%	12.32%	12.38%	12.35%	11.46%
2700 Student Transportation	0.11%	0.06%	0.10%	0.22%	0.29%	0.32%
2900 Other Support Services	0.24%	0.25%	0.29%	0.18%	0.15%	0.15%
3100 Food Services	0.13%	0.10%	0.00%	0.00%	0.00%	0.00%
3300 Community Services	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
4000 Capital Outlay	0.05%	0.02%	0.02%	0.03%	0.02%	0.03%
5000 Debt Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal for HB2/3	21.56%	22.30%	22.30%	22.48%	22.92%	21.74%
Total allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

All funding sources for Operational including SEG, Indirect Cost, Tax Receipts, etc.

*** 2400 Support Services School Administration includes Principals, Assistant Principals, Secretaries, Clerks and costs associated with administrative responsibilities in the school**

Percentage of Budget by PED Defined Cost Codes

Almost two-thirds of the APS budget goes directly to the classroom, paying for teacher and educational assistant salaries.
2019-2020 Operational Fund Budget



Function 1000, 2100 & 2200 Total 78.2%

Breakdown of Operational Fund by Function:

64.85%	1000-	Direct Instruction: Teachers, Educational Assistants, Athletics, Substitutes and all other costs associated with instruction in the classroom including extra-curricular activities
10.07%	2100-	Student Support: Audiologists, Counselors, Diagnosticians, Interpreters, Occupational Therapists, Physical Therapists, Psychologists, Nurses, Speech Therapists, Athletics, Fine Arts, ROTC Program, Special Education, Student-Family and Community Support
3.34%	2200-	Instructional Support: Librarians, Media Specialists, Library/Media Assistants, School Secretaries, Testing, Career Technical, Curriculum & Instruction, Early Childhood, Indian Education, Language and Cultural Equity, Library Media Services, Summer Learning, Office of Accountability, Office of Equity and Engagement, Student Information Systems
0.74%	2300-	Central Administration: Superintendent, Assistant Superintendents, Student, Parent and Employee Advocacy, Office of Innovation, APS Foundation, Chief Operations, Board of Education, Bond Elections

Breakdown of Operational Fund by Function:

5.56%	2400-	School Administration: <i>Principals</i> , Assistant Principals, Clerks, Costs Associated with Administrative Responsibilities in the School, Zone Principal Support,
3.48%	2500-	Central Service: Computer Technicians, Office of Program Research & Analysis, Technology, Communications, Risk Management, Finance, Human Resources, Materials Management, Graphics, Legislative Affairs, Warehouse Delivery
11.46%	2600-	Maintenance and Operations: Police, Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment
0.50%	All Others-	All Others: Supplemental Transportation, Supplemental Instructional Materials, Fees, Other Taxes, etc.

The BIG picture about Education Budgets

- The public and legislators want transparency and accountability
- Current initiatives like Per Pupil Expenditure and targeted at-risk funding demonstrate a change in focus and process
- APS supports a system that provides transparency and accountability
 - APS effectively targets funds on instruction and student services at 78.26% of the budget (11% higher than the state average in FY18)
 - The remaining 21.74% of funding to other areas is also critical to pay Principals and other school administrative costs, utilities, maintenance of school buildings & grounds, finance, human resources, technology, police, custodians etc.
- The future is strategic and collaborative—Bring schools, districts, and local communities into collaboration by:
 - Identifying factors like school site leadership (principals) that need to be defined as part of the 80% for student instruction and support.
 - Legislative targeting of funds in areas like at-risk which assist districts in allocating more money directly to the student
 - Understanding the work schools do with public dollars to improve the lives of our students

So what does it mean for the Budget for FY20-21?

Even though there will be an increase in funding, it may be necessary to cut other district wide costs by 8%. This is actually a re-allocation from the other functions to functions 1000, 2100 & 2200.

This could include cuts to many departments, district level expenses like utilities, building & ground maintenance, human resources, finance technology and possibly school level administration.

		FY20	
		Final Budget Amount	\$ 786,799,065
1000	Instruction		64.85%
2100	Support Services Students		10.07%
2200	Support Services Instruction		3.34%
		Subtotal for HB2/3	78.26%
2300	Support Services General Administration		0.74%
*2400	Support Services School Administration		5.56%
2500	Central Services		3.48%
2600	Operation & Maintenance of Plant		11.46%
2700	Student Transportation		0.32%
2900	Other Support Services		0.15%
3100	Food Services		0.00%
3300	Community Services		0.00%
4000	Capital Outlay		0.03%
5000	Debt Service		0.00%
		Subtotal for HB2/3	21.74%
		Total allocation	100.00%

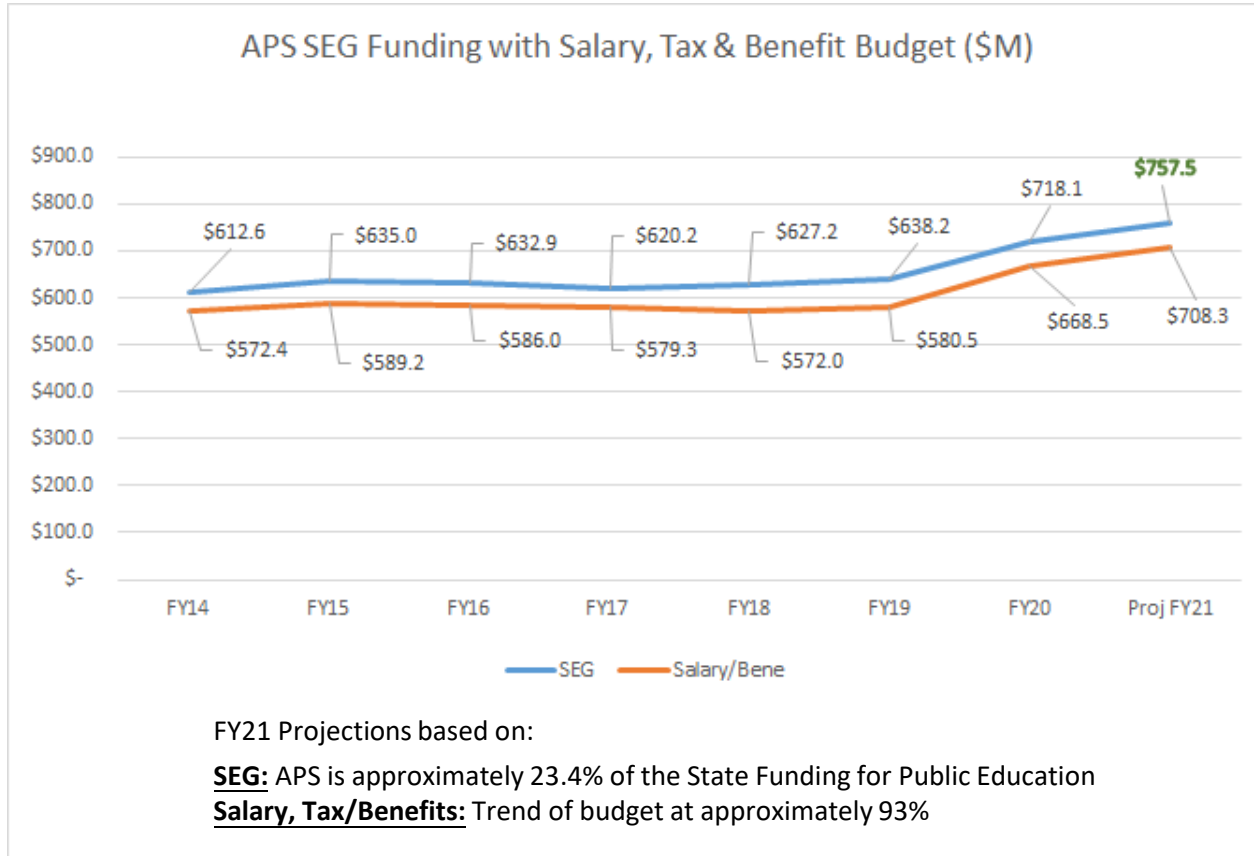
1.74% transfer from this area to the area above results in an 8% reduction or \$13.6 million.

1.74% / 21.74% = 8%

Operation & Maintenance of Plant includes utilities, police, school building and grounds maintenance, custodians and other school level related services

State Equalization Guarantee

Projected Funding as of February 28, 2020 based on HAFB Substitute HB2&3



FY21 projection change from 2/18/2020 presentation of \$761.9 million to \$757.5 million due to changes in HB2/3 appropriations

FY21 Budgeting Considerations

- Decline in enrollment estimated at 1300 students
- Mandated compensation changes (average 4% all staff)
- Increase at-risk (~~discretionary~~) fund allocations to schools
- New Non-Traditional Tech Middle School
- Art & Music in every Elementary-phase 3
- Extended Learning Programs-15 schools approximately 4986 students
- Kindergarten 5 Plus Programs-6 schools approximately 1050 students
- 80% rule in legislation to budget in specific functions
- Increased administrative burdens in tracking SEG costs
- Increased cost to administration to follow employee movement between 5 school calendars (28 work day calendars)
- MRI schools grant closed due to re-categorization to CSI

FY21 Budgeting Considerations

Program Modification Requests

Department	Title of Request	Remaining Request	Legal/ BOE	Martinez /Yazzie Definition of AT-Risk?	
OEIS	Newcomer Program Expansion existing schools	\$ 81,868.00	0	Yes	Phases
C&I	AP Instructional Materials	\$ 450,000.00	0	?	Phases
Fine Arts	Art & Music in Every Elementary	\$ 4,763,886.00	0	?	Phases
M&O	Custodian shortage	\$ 5,600,000.00	0	No	Phases
Library Services	Instructional Materials	\$ 23,613,360.00	0	No	Phases
Records	Records Compliance Specialist	\$ 49,248.00	Legal	No	
Finance	Support Staff for 5th School Calendar	\$ 400,000.00	BOE	No	
Risk	Ergonomic Assessments	\$ 15,000.00	Legal	No	
C&I	Structured Literacy Training	\$ 2,340,000.00	Legal	Yes	
SFCS	APS Community Clothing Bank	\$ 40,000.00	0	Yes	
SFCS	Attendance (Truancy) Social Workers	\$ 204,390.00	0	Yes	
C&I	Behavioral Specialists	\$ 80,000.00	0	Yes	
SFCS	Zone Clinical Social Worker Supervisors	\$ 273,346.00	0	Yes	
SFCS	Counseling Increase FTE	\$ 287,013.00	0	Yes	
SFCS	Nurses Increase FTE	\$ 205,009.00	0	Yes	
CTE	Business Community Liaison with CTE	\$ 33,034.00	0	Yes	
Police	Restorative Justice calendar change	\$ 14,205.00	0	Yes	
Innovation	BlendED Program Expansion	\$ 475,000.00	0	?	
Zone Superintendents	SQT Pilot at Ernie Pyle and Van Buren Middle School	\$ 600,000.00	0	?	
Indian Ed	Indian Education Program Expansion 5 schools	\$ 217,000.00	0	Yes	
M&O	Pest Control	\$ 80,000.00	0	No	
SIS	Data Integration-Subs Staff	\$ 65,183.00	0	No	
ROTC	Middle School Leadership	\$ 205,554.00	0	?	
Indian Ed	Gradpoint Credit Recovery	\$ 88,693.00	0	Yes	
Office of Innovation	Any Given Child-Elevated Arts Seed	\$ 121,000.00	0	?	
Library Services	Library Materials Fund increase at each school	\$ 840,000.00	0	?	
Indian Ed	Instructional Manager	\$ 87,196.00	0	Yes	
Athletics	Increase Budget to meet new travel/official fees	\$ 150,000.00	0	?	
Library Services	Librarian staffing increase	\$ 2,800,000.00	0	No	
SFCS	PD & Computer Refresh	\$ 53,000.00	0	No	
Athletics	Return Supply Budget	\$ 145,000.00	0	No	
Charter School Office	Coordinator, PD, Computers, etc.	\$ 112,758.00	0	No	
Office of Innovation	New Magnet Middle School	\$ 1,113,490.00	0	?	
		\$ 45,604,233.00			

Next Steps

Signature from Governor on HB2

Community input

Involvement in School Budget Planning

Public Forum during Board Meetings

Comment link for budget topics:

<https://www.aps.edu/finance/budget-strategic-planning>

Receipt of 910B-5 for allocation amount

Salary Negotiation Meetings

Board input and direction

Priority list

Board of Education Priorities
