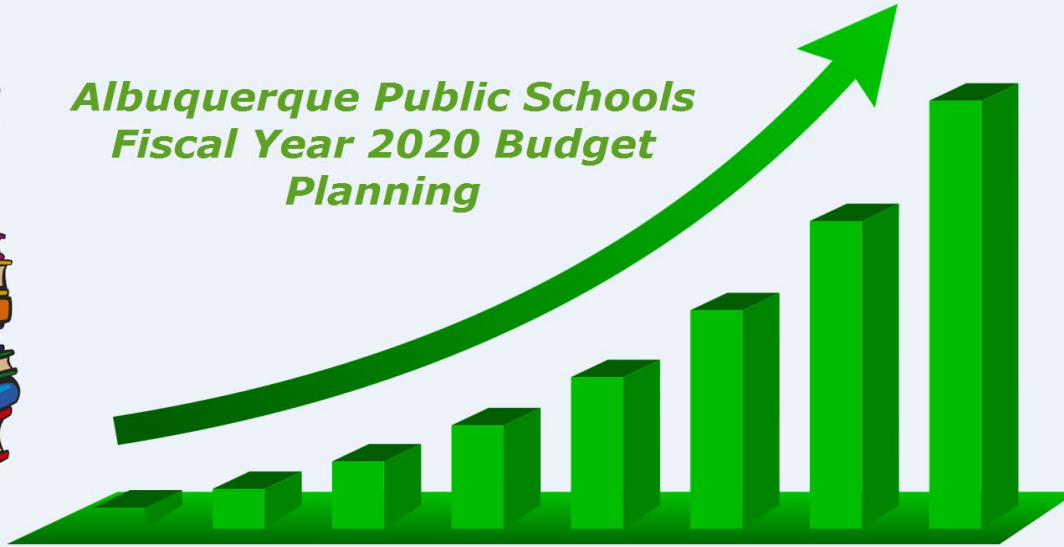




Albuquerque Public Schools Fiscal Year 2020 Budget Planning



Presented to the Albuquerque Public Schools Board of
Education Finance Committee Meeting of April 15, 2019

Presenters: Tami J. Coleman, Chief Financial Officer
Teresa Scott, Executive Director, Budget and Strategic Planning

FY20 Budget Planning Process & Timeline

- January-June regularly scheduled Budget Steering Committee meetings.
- January 15th through March 16th Legislative Session.
- February 25th Special Board Meeting budget planning presentation.
- February-May, the district will request stakeholder's input to the budget.
- **March Special Board Meeting update, discussion and recommendations.**
- March 26th through April 12th Budget Call for Schools and Departments.
- April Finance Committee Meeting update, discussion and recommendations.
- May 2nd and 3rd Compile Proposed Budget.
- May Board Meeting Budget Presentation/Vote.
- May 21st due date to PED.
- June 12th tentative PED Technical Review date.

School's Budget Call Calculations

March 26, 2019 - April 12, 2019

Schools receive funding based primarily upon their student enrollment at the 80th day of the current year.

- Staffing formulas utilizing enrollment are used to provide FTE allocations.
- Schools receive an allocation of discretionary dollars based on the at-risk formula for their school. Schools designated as MRI (more rigorous intervention), CSI (comprehensive support and improvement) or TSI (targeted support and improvement) will receive a slightly higher allocation based on percentages assigned.
- Schools receive an allocation of non-salary dollars based upon a per/student amount by level.
- Schools of Choice receive funds based on their individualized programs.
- Contingency funds are set aside to address compliance adjustments during the school year.

Central Department Budget Call Calculations

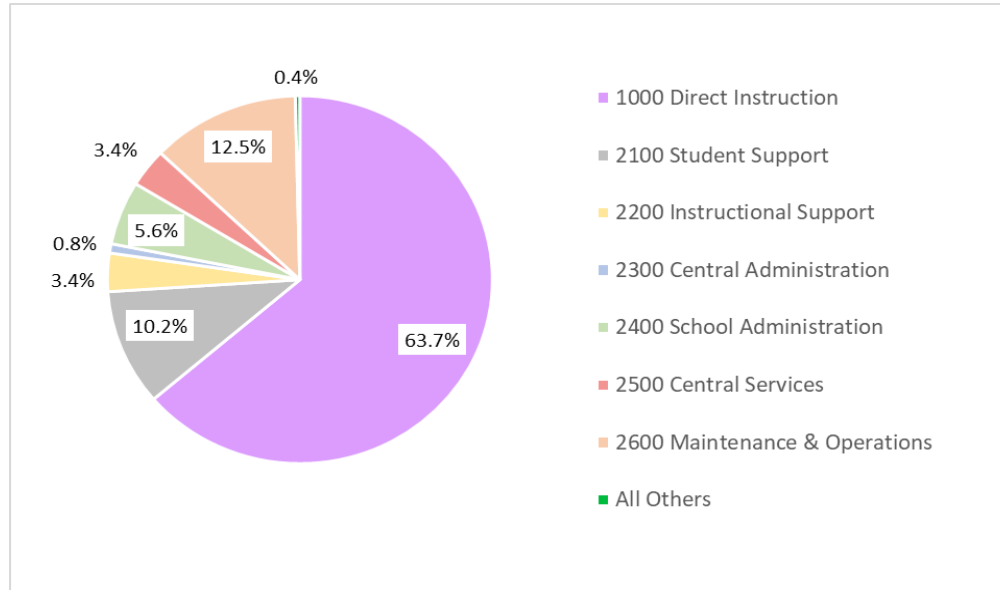
March 26, 2019 – April 12, 2019

- Department staffing is based on actual salaries and benefits.
- Non-salary funds are determined by current budget, anticipated department changes and spending trends.
- Individual requests for variances are accepted in writing and will be reviewed by the budget steering committee.

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.
2018-2019 Operational Fund Budget



Breakdown of Operational Fund by Function:

| | | |
|-------|--------------|--|
| 63.7% | 1000- | Direct Instruction: Teachers, Educational Assistants, Athletics, Substitutes and all other costs associated with instruction in the classroom including extra-curricular activities |
| 10.2% | 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 |
| 3.4% | 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 |
| 0.8% | 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:

| | | |
|-------|--------------------|---|
| 5.6% | 2400- | School Administration: Principals, Assistant Principals, Clerks, Costs Associated with Administrative Responsibilities in the School, Zone Principal Support, |
| 3.4% | 2500- | Central Service: Computer Technicians, Office of Program Research & Analysis, Technology, Communications, Risk Management, Finance, Human Resources, Materials Management, Graphics, Legislative Affairs, Warehouse Delivery |
| 12.5% | 2600- | Maintenance and Operations: Police, Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment |
| 0.4% | All Others- | All Others: Supplemental Transportation, Supplemental Instructional Materials, Fees, Other Taxes, etc. |

Student Impact

PED defined functions vs impact on students

It is often difficult to explain that function 1000 (as defined by the PED as “direct instruction”) is not the only direct impact on student learning. In an effort to more clearly represent the impact on students, the following few pages will take the information from the PED defined functions as shown on page 5 and organize them into four areas:

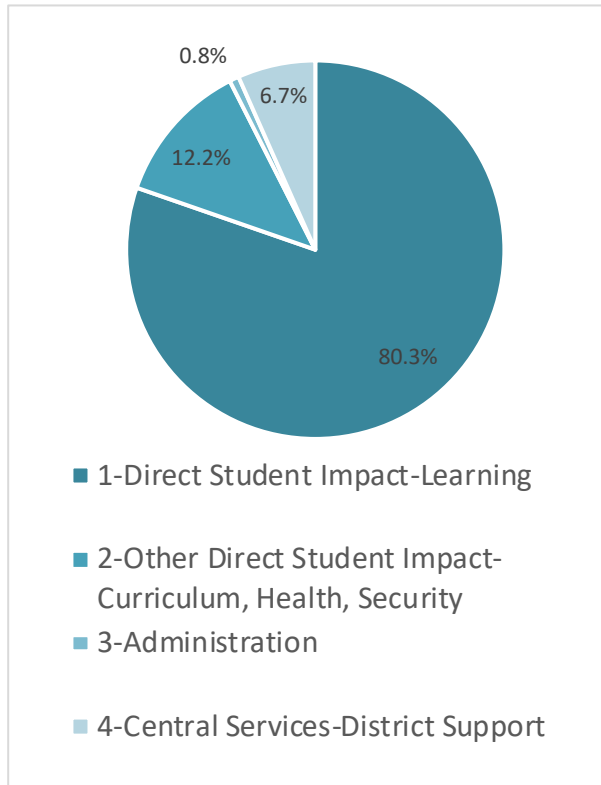
1. **Direct Student Impact-Learning Interaction**: This section will include expenses where there is direct involvement/interaction with a student.
2. **Other Direct Student Impact-Curriculum, health & safety and maintenance of schools**: This section will include those departmental expenses that are critical for the student, utilities, school police, custodians etc.
3. **Indirect Student Impact-Administration**: This section includes primarily the Superintendent, Associate Superintendents, Student, Parent & Family Advocacy, Office of Innovation, APS Foundation, Chief Operations, Board of Education, Bond Elections.
4. **Indirect Student Impact-Central Services**: This section will include the district level administration including the Office of Program Research & Analysis, Technology , Communications, Risk Management, Finance, Human Resources, Materials Management, Graphics, Legislative Affairs, Warehouse Delivery, Maintenance, Utilities

Direct Student Impact

***Over 92% of Funds Directly Impact Students**

Funds Impact on Students

Over 92% of Funds Directly Impact Students



Direct impact totals 92.5%

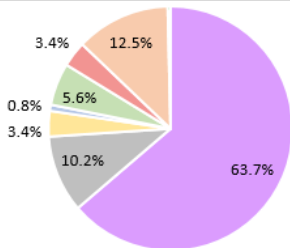
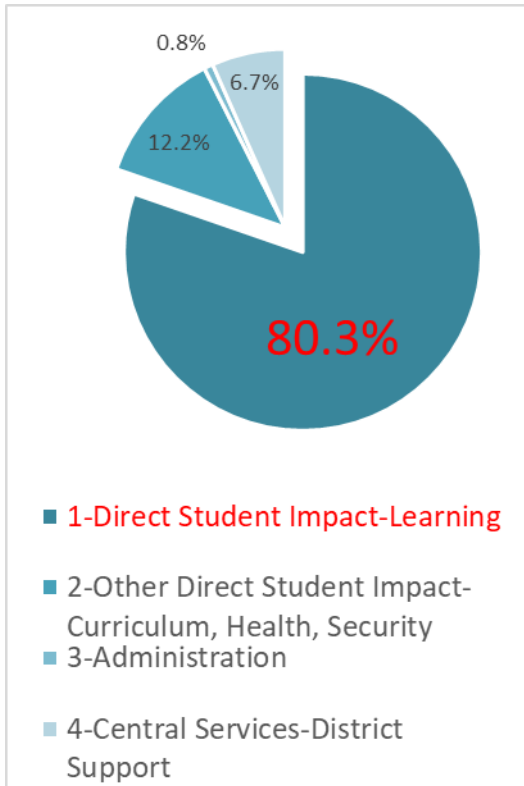
1. Learning (80.3%)
2. Building, Curriculum, Health & Safety (12.2%)

Indirect impact totals 7.5%

3. Administration (0.8%)
4. Central Services (6.7%)

Funds Impact on Students

Direct Student Learning Impact-Expenses that directly involve student interaction.

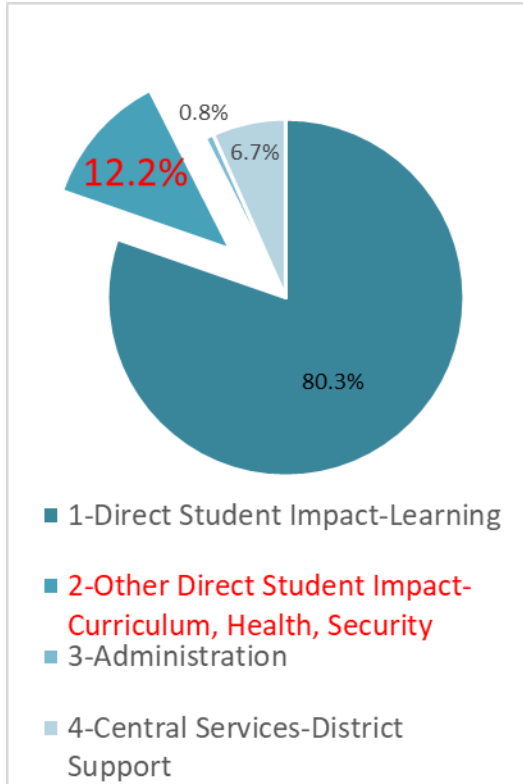


From page 5

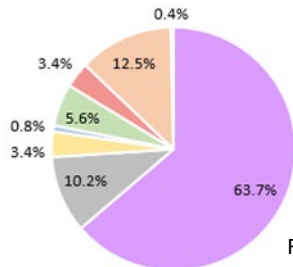
| <i>Direct Student Learning Impact-Expenses that directly involve student interaction.</i> | | |
|---|--------------------|--|
| 100% of 63.7% = 63.7% | 1000- | Direct Instruction: Teachers, Educational Assistants, Athletics, Substitutes and all other costs associated with instruction in the classroom including extra-curricular activities |
| 79% of 10.2% = 8.1% | 2100- | Student Support: Athletics, Audiologists, Counselors, Diagnosticians, Fine Arts, Interpreters, Nurses, Occupational Therapists, Physical Therapists, Psychologists, ROTC Program, Speech Therapists |
| 100% of 3.4% = 3.4% | 2200- | Instructional Support: Librarians, Media Specialists, Library/Media Assistants, School Secretaries, Testing |
| 87% of 5.6% = 4.9% | 2400- | School Administration: Principals, Assistant Principals, Clerks, Costs Associated with Administrative Responsibilities in the School |
| 48% of 0.4% = 0.2% | All Others- | All Others: Supplemental Transportation, Supplemental Instructional Materials |
| Total | 80.3% | |

Funds Impact on Students

Other Direct Student Impact-Expenses that maintain school locations, curriculum, health and safety.



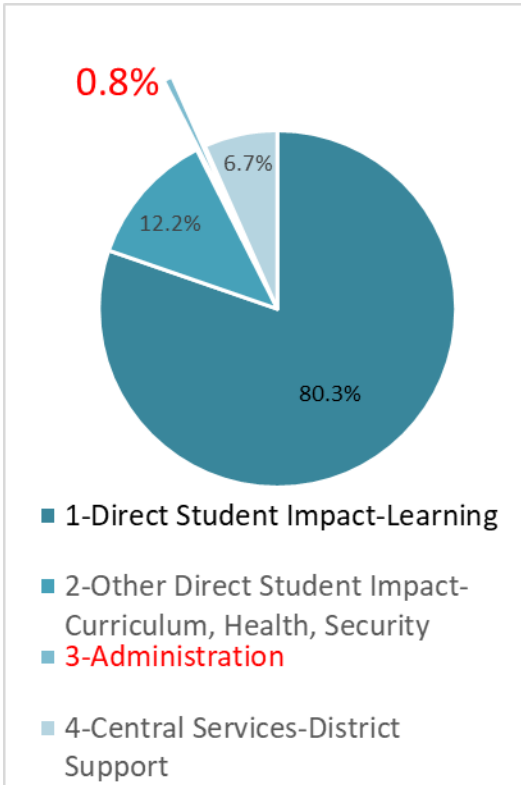
| Other Direct Student Impact-Expenses that maintain school locations, curriculum, | | |
|---|--------------|---|
| 21% of 10.2% = 2.1% | 2100- | Student Support: Special Education, Student-Family and Community Support |
| 13% of 5.6% = 0.7% | 2400- | School Administration: Zone Principal Support |
| 75% of 12.5% = 9.4% | 2600- | Maintenance and Operations: Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment |
| Total | 12.2% | |



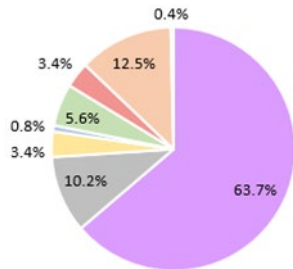
From page 5

Funds Impact on Students

Indirect Student Impact-Expenses that include administration.



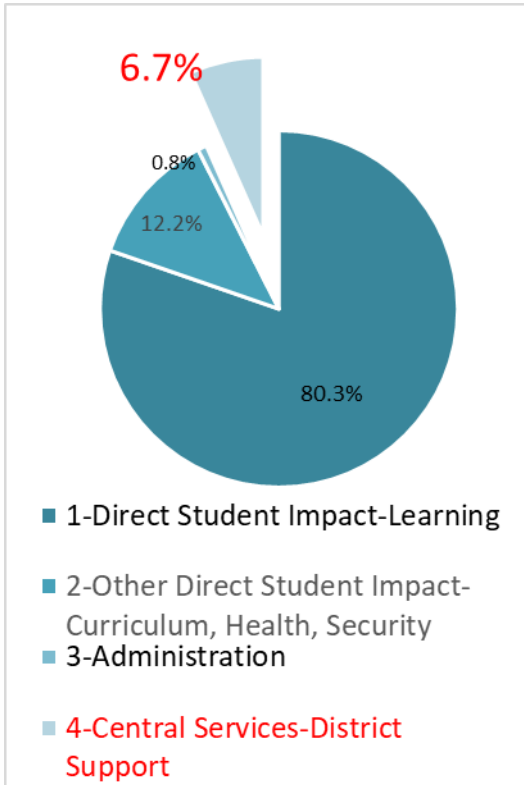
| <u>Indirect Student Impact-Expenses that include administration</u> (PED Function 2300 only) | | |
|--|-------------|---|
| 100% of 0.8% = 0.8% | 2300- | Central Administration: Superintendent, Assistant Superintendents, Student, Parent and Employee Advocacy, Office of Innovation, APS Foundation, Chief Operations, Board of Education, Bond Elections |
| Total | 0.8% | |



From page 5

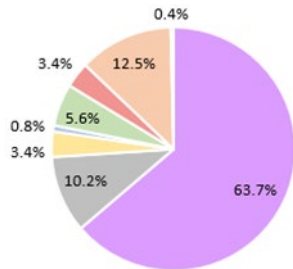
Funds Impact on Students

Indirect Student Impact-Expenses that include district level central services.



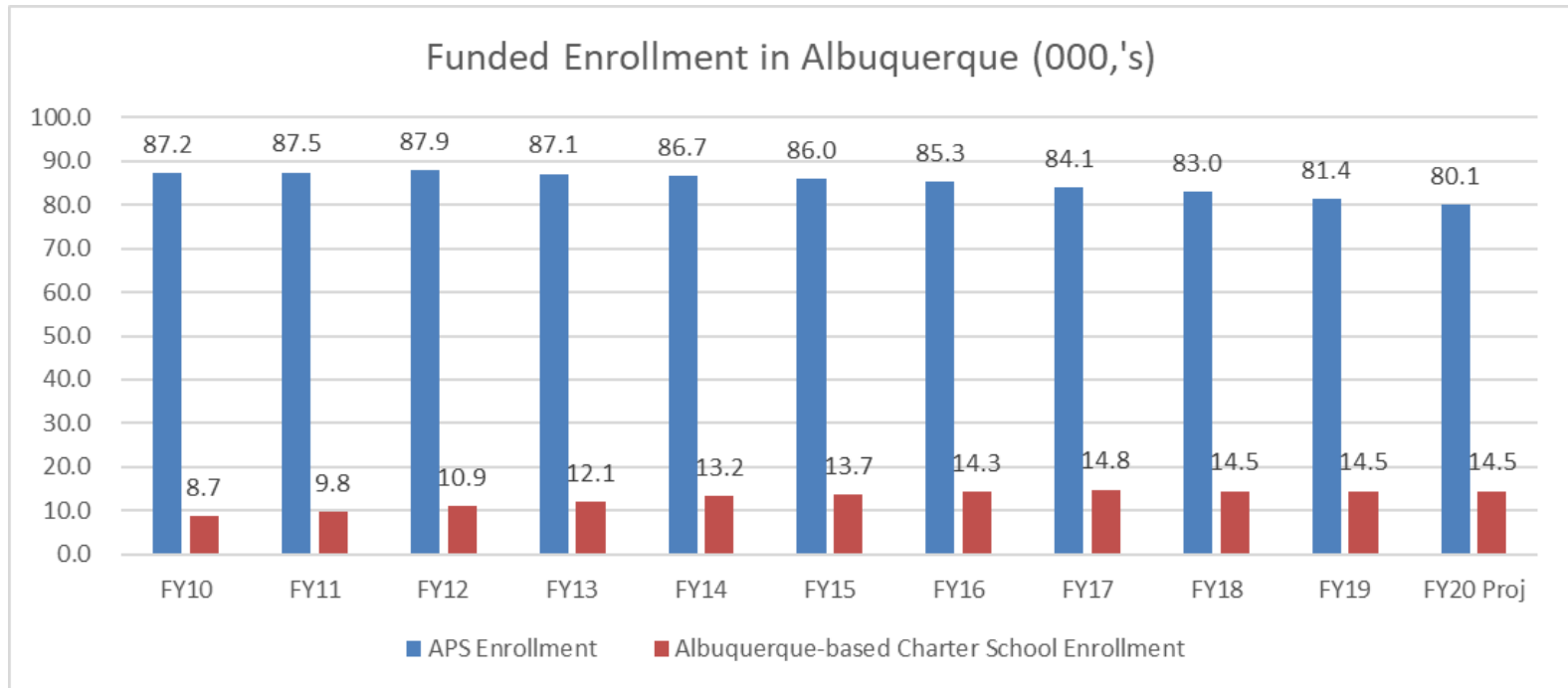
Indirect Student Impact-Expenses that include district level support.

| | | |
|---------------------|--------------------|--|
| 100% of 3.4% = 3.4% | 2500- | Central Service: Office of Program Research & Analysis, Technology , Communications, Risk Management, Finance, Human Resources, Materials Management, Graphics, Legislative Affairs, Warehouse Delivery |
| 25% of 12.5% = 3.1% | 2600- | Maintenance and Operations: Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment |
| 39% of 0.4% = 0.2% | All Others- | All Others: Fees, Other Taxes, etc. |
| Total | 6.7% | |



From page 5

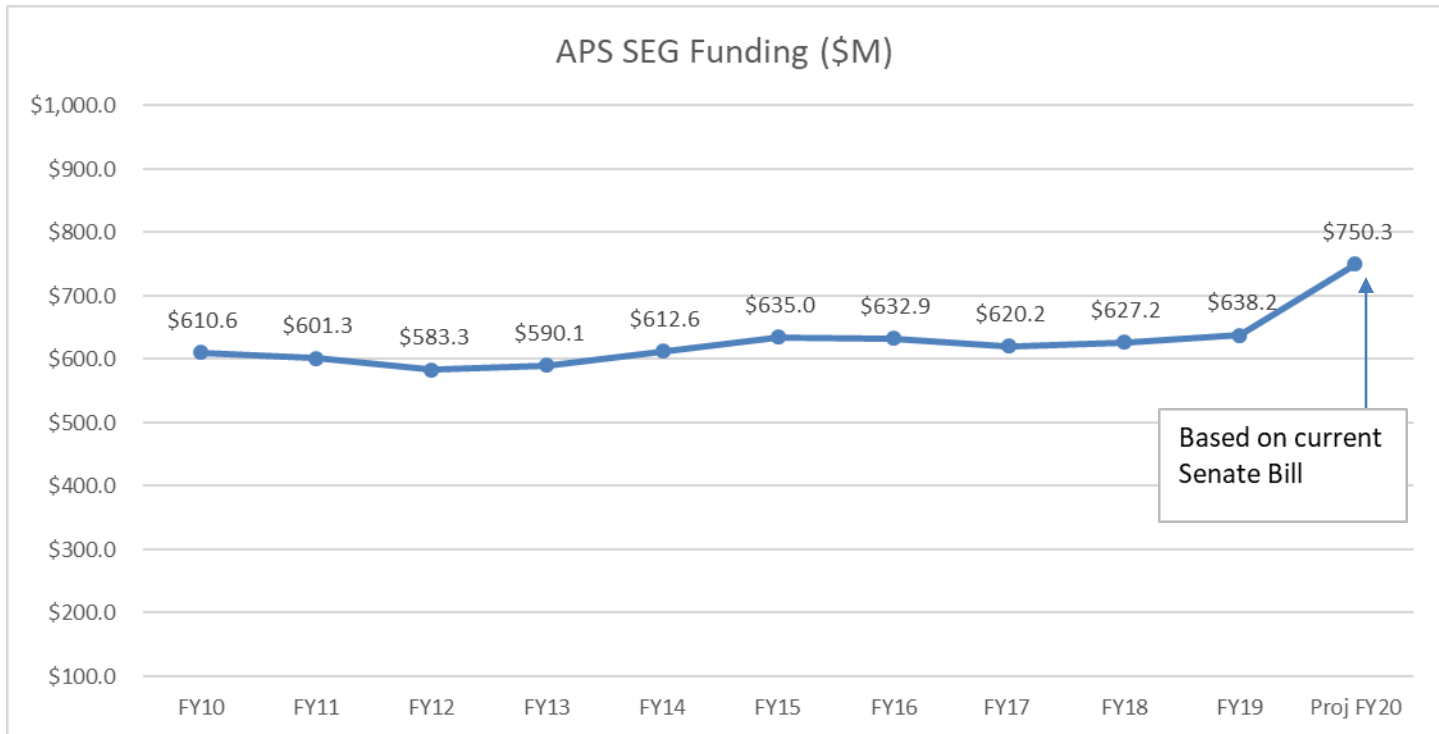
Operational Funded Enrollment



Funded Enrollment declined over 1,600 students in FY19 and is expected to decline an additional 1,300 students in FY20.

State Equalization Guarantee

Projected Funding at this time.



FY20 Budgeting Considerations

- Decline in enrollment of approximately 1300 students
- Fiber Optics installation savings
- Teacher Residency Program
- Increase school discretionary funds
- Art & Music in every Elementary-phase 2
- Addition of 9th grade to College & Career High School
- Class Size Waiver expiring
- Teacher Training Index (T&E) Change to Teacher Cost Index (TCI)
- Possible Legislative changes:
 - At-Risk Index change
 - Bilingual & Multicultural Factor change
 - Extended Learning time
 - K-5 Plus Formula Factor
 - Employer Contribution changes to E.R.B.
 - Minimum wage change
 - Teacher salary changes including Tier Migration
 - Principal salary changes
 - Other compensation changes
 - Insurance changes
 - Small School Size Factor change

FY20 OPERATIONAL FUND BUDGET PLANNING

Anticipated changes without Legislative considerations

| | Approximate Cost (Millions) |
|--|-----------------------------|
| •Decline in enrollment of approximately 1300 students | (\$4.428) |
| •Fiber Optics installation savings | \$3.500 |
| •Teacher Residency Program | (\$0.500) |
| •Art & Music in every Elementary-phase 2 | (\$1.413) |
| •Addition of 9 th grade to College & Career High School | (\$0.518) |
| •Class Size Waiver expiring (~152 FTE) | (\$13.400) |
| <i>Anticipated changes without Legislative considerations</i> | (\$16.759) |

Research & Polling Inc.

Results from FY19-20 survey

Audience:

Parents

Community

Employees

Type of Survey:

Phone

Email

Website

Questions:

What is most important from the list

What is the priority of that importance

Research & Polling Inc.

Results from FY19-20 survey

Topics:

1. More Teachers and School Based Staff
2. Improve Safety for Students & Staff
3. Improve College & Career Readiness for Students
4. Updated, Engaging Curriculum & Instructional Material Options for Students
5. Additional Professional Development for Teachers
6. Increase Student/Family Support Services for At-Risk Students
7. More Elementary School Art & Music Classes
8. Increase Access to Student Extracurricular Activities
9. Increase Health Resources for Students and Families
10. Improve/Increase Transportation Services for Students

Research & Polling Inc.

EXECUTIVE SUMMARY

This research study was commissioned by Albuquerque Public Schools (APS) in order to determine, among parents of APS students, employees of APS, and adult residents in the APS District, what they believe should be the biggest priorities for APS when planning for the 2020 budget.

Overall, results are similar among the three population groups surveyed, as four budget categories out of ten tested, were consistently rated as high priorities by each group. Interestingly, APS employees are consistently more likely to say more teachers and school-based staff should be the highest priority, while parents and community members are somewhat more likely than employees to say safety, college and career readiness for students, and an updated, engaging curriculum and instructional materials should be the highest priorities.

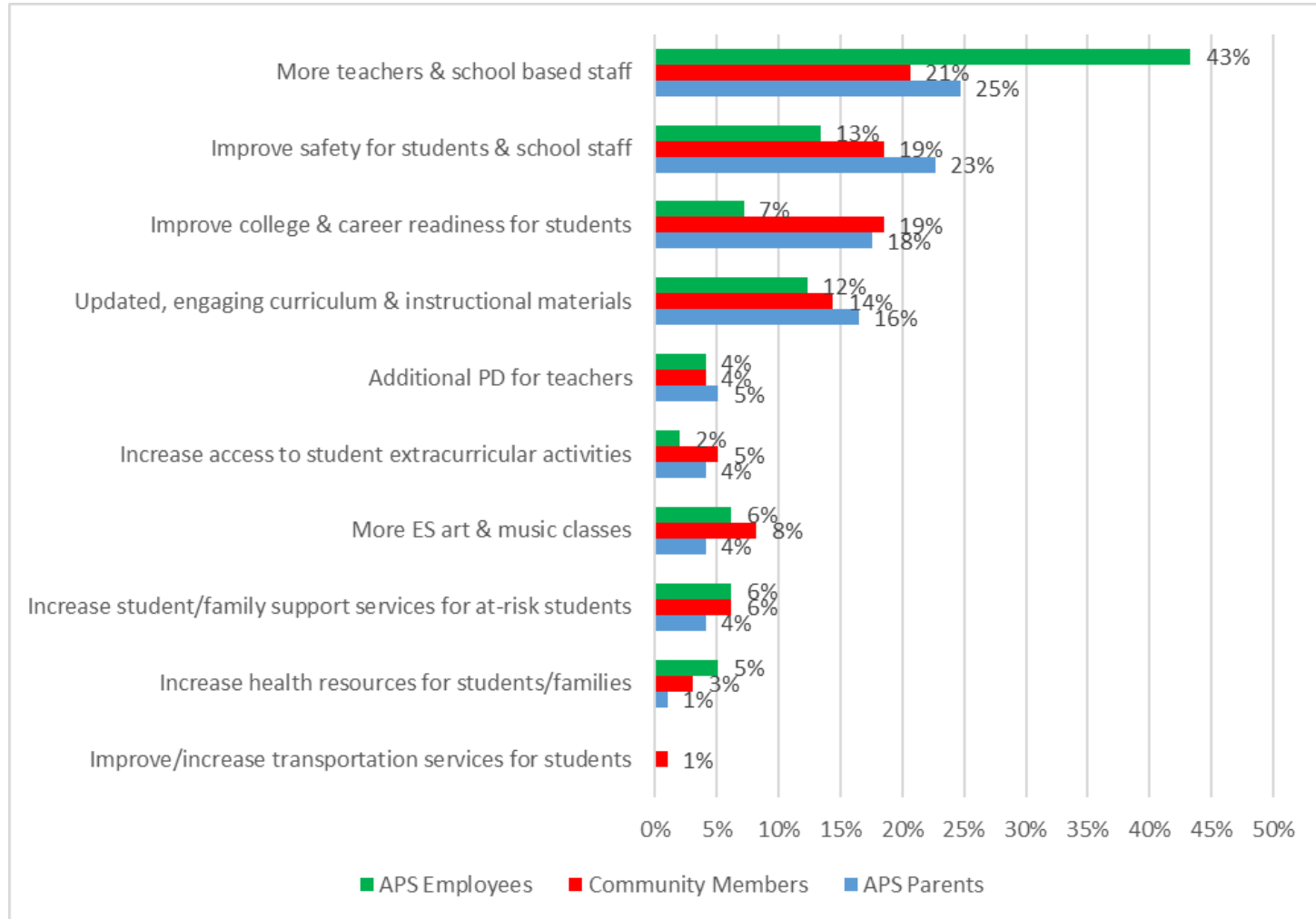
| | 1 st PRIORITY** | | |
|---|----------------------------|-------------------|---------------|
| | APS PARENTS | COMMUNITY MEMBERS | APS EMPLOYEES |
| MORE TEACHERS AND SCHOOL-BASED STAFF | 24% | 20% | 42% |
| IMPROVE SAFETY FOR STUDENTS AND SCHOOL STAFF | 22% | 18% | 13% |
| IMPROVE COLLEGE AND CAREER READINESS FOR STUDENTS | 17% | 18% | 7% |
| UPDATED, ENGAGING CURRICULUM AND INSTRUCTIONAL MATERIAL OPTIONS FOR STUDENTS | 16% | 14% | 12% |
| ADDITIONAL PROFESSIONAL DEVELOPMENT FOR TEACHERS | 5% | 4% | 4% |
| INCREASE STUDENT/FAMILY SUPPORT SERVICES FOR AT-RISK STUDENTS | 4% | 6% | 6% |
| MORE ELEMENTARY SCHOOL ART AND MUSIC CLASSES | 4% | 8% | 6% |
| INCREASE ACCESS TO STUDENT EXTRACURRICULAR ACTIVITIES | 4% | 5% | 2% |
| INCREASE HEALTH RESOURCES FOR STUDENTS AND THEIR FAMILIES | 1% | 3% | 5% |
| IMPROVE/INCREASE TRANSPORTATION SERVICES FOR STUDENTS | * | 1% | * |

* LESS THAN 1% REPORTED.

** FOR ADDITIONAL INFORMATION GIVEN TO RESPONDENTS FOR EACH BUDGET CATEGORY, SEE PAGE 18.

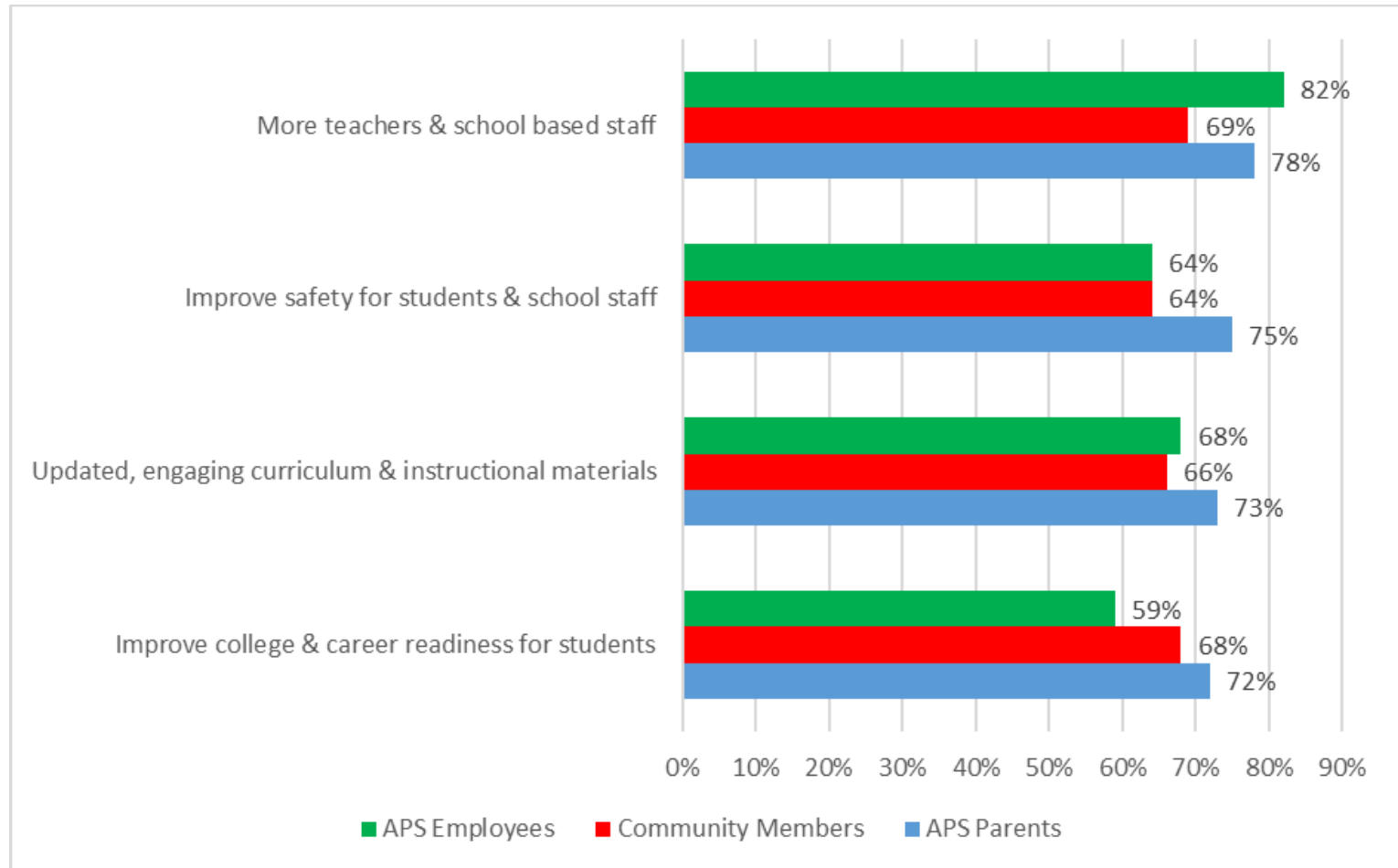
Research & Polling Inc.

Most Important



Research & Polling Inc.

Highest Priority



Legislative Changes

Compensation

- 6% increase for licensed Teachers ensuring a minimum salary of \$41,000 for Level 1, \$50,000 for Level 2 and \$60,000 for Level 3
- 6% increase for licensed Principals ensuring a minimum salary of \$60,000 multiplied by the responsibility factor of:
 - 1.2 Elementary Principal (\$72,000)
 - 1.4 Middle School Principal (\$84,000)
 - 1.6 High School Principal (\$96,000)
 - 1.1 Elementary Assistant Principal (\$66,000)
 - 1.15 Middle School Assistant Principal (\$69,000)
 - 1.25 High School Assistant Principal (\$75,000)
- 6% increase for all instructional staff and other licensed & unlicensed staff
- Minimum Wage is \$9.00 per hour

Legislative Changes

Retirement Changes

- Educational Retirement Board employer portion increasing to 14.15%
- Educational Retirement Board employee portion no increase
- Educational Retirement Board threshold change from \$20,000 to \$24,000
- Retiree Health Care employer increase to 2.5%
- Retiree Health Care employee portion no increase

Legislative Changes

Program Changes

- Kindergarten 3 Plus
 - Changed to Kindergarten 5 Plus (K5+)
 - Moved above the line in the SEG formula
 - Specific amount designated for the program for the state
 - Funds not used for this program must be returned
 - Must offer at least one class for each grade in the school K through 5
 - Must keep the students with the same teacher and cohort of students throughout the program and the school year
 - Minimum of 25 days
 - Additional pay

Legislative Changes

New Program

- Extended Learning Program
 - Specific amount designated for the program for the state
 - Funds not used for this program must be returned
 - All schools are eligible to apply
 - Priority will be given to schools serving high percentages of students who qualify for free or reduced lunch as well as schools designated as Targeted Support and Improvement (TSI) or Comprehensive Support and Improvement (CSI), and other criteria established by the PED based on the availability of funds.
 - An additional 10 instructional days in SY 2019-20 as compared to SY 2018-19, and;
 - A total of 80 hours of professional development in SY 2019-20, and;
 - Includes language about offering after-school programs
 - Additional pay

FY20 OPERATIONAL FUND BUDGET PLANNING

| Albuquerque Public Schools | | | | |
|----------------------------|---|-----------------------------------|---------------------------------|---|
| HB 2 Analysis-2019 Session | | | | |
| | | 3/25/2019 | 3/25/2019 | 4/10/2019 |
| REVENUE | | <u>H AFC-Estimated Impact</u> | <u>SFC-Estimated Impact</u> | <u>Signed Legislation Estimates</u> |
| | HB Total Education Allocation | \$3,071,053,400 | \$3,068,803,400 | |
| | APS Approximate % of State Ed* | 24.39% | 24.39% | |
| | Estimated Base SEG | \$704,544,198 | \$703,995,423 | \$705,560,008 |
| | Estimated K5 | \$29,242,610 | \$29,242,610 | \$9,740,759 |
| | Estimated Extended Learning | \$15,243,116 | \$15,243,116 | \$15,243,116 |
| | Estimated Total SEG FY20 | \$749,029,924 | \$748,481,149 | \$730,543,883 |
| | Current SEG FY19 | \$638,177,942 | \$638,177,942 | \$638,177,942 |
| | <i>Estimated SEG Increase</i> | \$110,851,982 | \$110,303,207 | \$92,365,941 |
| EXPENSES | | | | |
| | Cost of K-5 Programs** | (\$4,476,866) | (\$4,476,866) | (\$9,740,759) |
| | T&E to TCI Change | (\$6,864,612) | (\$6,864,612) | (\$6,864,612) |
| | Extended Day | (\$43,545,567) | (\$43,545,567) | (\$18,654,754) |
| | 6% Increase-Teachers | (\$17,779,164) | (\$17,779,164) | (\$17,779,164) |
| | 6% Increase-Principal | (\$1,093,581) | (\$1,093,581) | (\$1,476,285) |
| | 6% Increase-Other Staff | (\$5,448,781) | (\$5,448,781) | (\$5,448,781) |
| | Teacher Tier Minimum (41/50/60) | (\$11,342,897) | (\$11,342,897) | (\$11,342,897) |
| | Principal Tier Minimum (60 * Factor) | | | (\$624,345) |
| | Other Tax/Benefit Changes | (\$13,465,304) | (\$13,465,304) | (\$13,465,304) |
| | Instructional Materials | (\$7,234,545) | (\$7,234,545) | (\$7,234,545) |
| | <i>Estimated Proposed Expenses</i> | (\$111,251,317) | (\$111,251,317) | (\$92,631,447) |
| | | | | |
| | Final Net SEG Increase (Shortfall) | (\$399,335) | (\$948,110) | (\$265,506) |
| | | | | |
| | <i>*APS Percent of State based on FY19 Actuals</i> | | | |
| | <i>**Avg Current Cost estimated lower, however, any remainder of revenue must be returned</i> | | | |
| | <i>Extended Day estimated on 30,000 students</i> | | | |
| | Expense amounts do not include increased staff due to class-size waiver sunset | | | |