



Albuquerque Public Schools Fiscal Year 2019 Budget

APS & APS Charter Schools

Let Us Show You Where the Money Goes!

Presented to the Albuquerque Public Schools Board of Education,
Special Board of Education Meeting – May 21, 2018
Presenters: Tami J. Coleman, Chief Financial Officer
Teresa Scott, Executive Director, Budget and Strategic Planning

To Be Submitted to the Public Education Department June 4, 2018

FY19 Budget Planning Process & Timeline

- January-June regularly scheduled Budget Steering Committee meetings.
- January 15th Finance Committee Meeting budget planning presentation.
- January 16th through February 15th Legislative Session.
- February Board of Education Meeting update, discussion and recommendations.
- February-May, the district will request stakeholder's input to the budget.
- March Finance Committee Meeting update, discussion and recommendations.
- March 19th through April 13th Budget Call for Schools and Departments.
- April Finance Committee Meeting update, discussion and recommendations.
- May 3rd and 4th Compile Proposed Budget.
- **May 21st Special Board Meeting Budget Presentation/Vote.**
- **June 4th due date to PED.**
- **June 14th PED Technical Review date.**

FY19 Budget Planning Process Recap

- In December, the Budget Steering Committee began to plan for the FY19 budget
- In January, the administration presented to the Board of Education a projection for a flat unit value with a decrease in enrollment for beginning planning of FY19 budget
- In January, PED released a new unit value for the FY18 school year increasing the value by \$30.71
- February-April, the district requested and received stakeholder's input to the budget, including a Public Radio Show, a public on-line survey and several budget presentations
- In February, APS' legislative staff communicated that the district should plan on at least a 2.5% salary increase for teaching staff and 2% for all other staff
- In February, the administration presented to the Board of Education an updated projection which included the new unit value effect as well as the proposed salary increases
- The Public Education Department notified districts in April that the SEG unit value would increase to \$4,159.23 for FY19 budget planning
- In April, the administration updated the Board of Education on the preliminary budget recommendations and sought input for additional considerations or improvements
- Today, the Board of Education will vote on the overall budget pending technical changes after PED final review.

School Budget Process

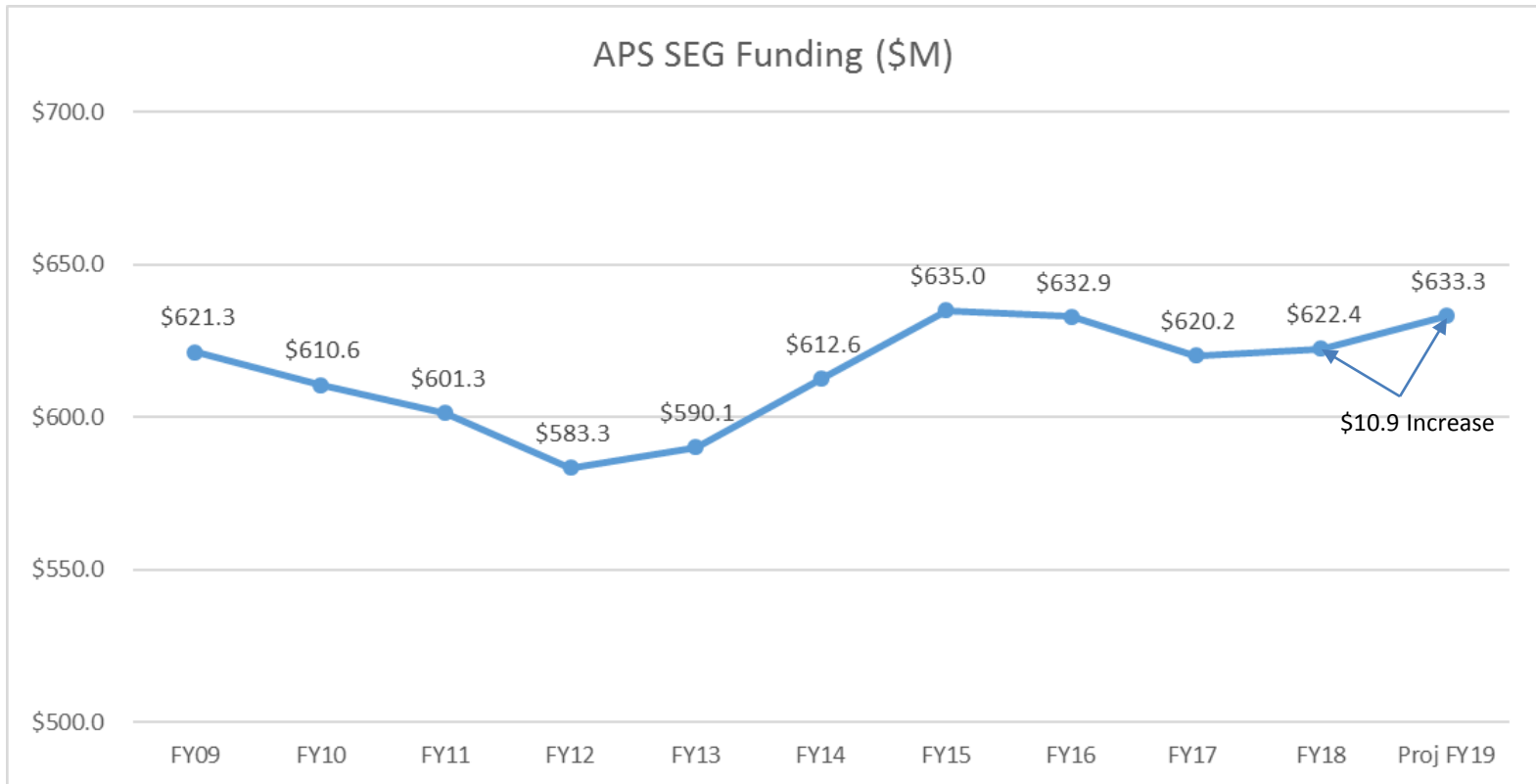
Schools receive funding based primarily upon their student enrollment at the 80th day.

- 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. All funding must be distributed equitably so that comparability is maintained amongst schools.
- 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 or other needs during the school year.

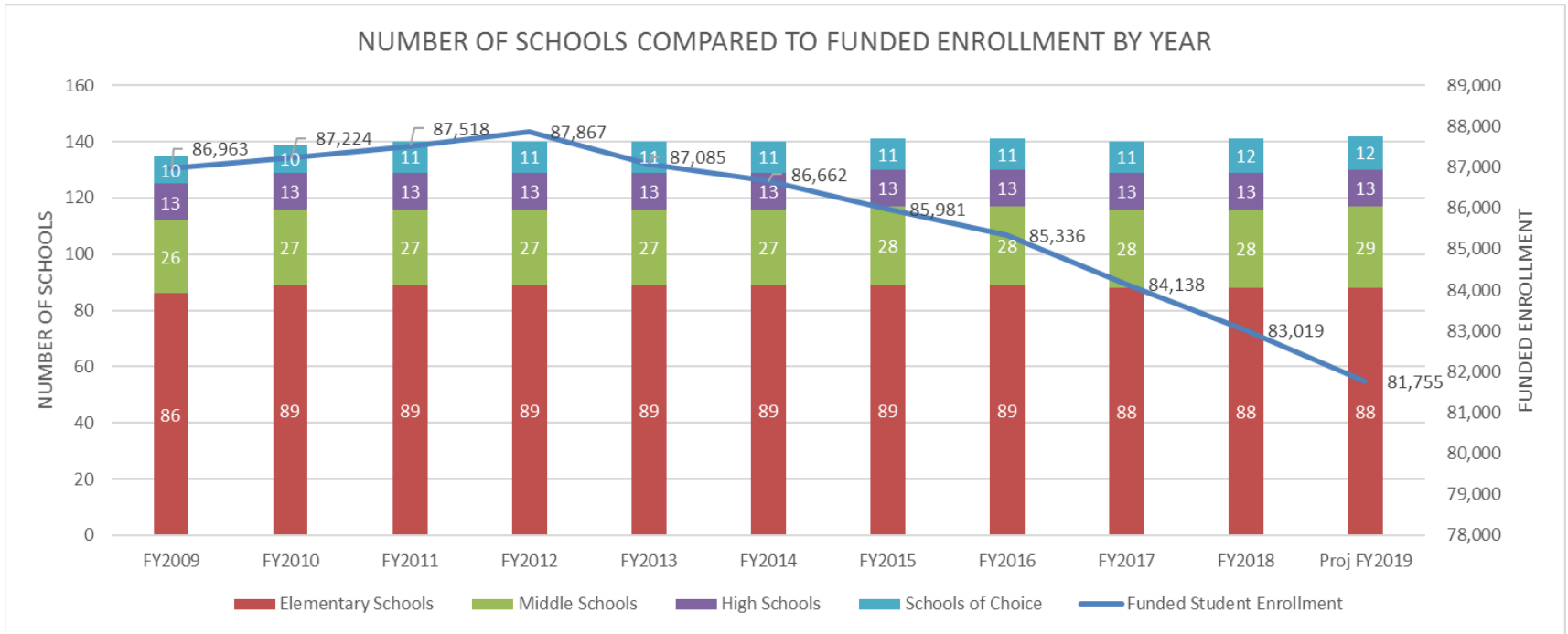
Central Department Budget Process

- Departments are funded on an actual cost method. Each department receives a budget to cover current staff and other necessary costs
- In response to the declining enrollment, department's were asked to reduce budgets at an average of 1%.
- Approximately \$700 thousand was reduced in central department budgets.
- All departments will begin a three year rotation cycle for full review to ensure that student success is the main priority and that all work is necessary, effective and efficient.

Albuquerque SEG* Funding



*SEG: State Equalization Guarantee, Operational Funding



Enrollment has declined over the past 7 years.

Legislative Finance Committee's School Personnel Salary Increase Calculations

APS received a copy of a memorandum from Representative Patricia A. Lundstrom, Chair, LFC addressed to LFC Members through David Abbey, Director, LFC on the subject of how to implement the mandated increases for school personnel. This letter clearly indicated step by step instructions for the calculation as listed below:

"Minimum salary levels are set in statute for FY19 at \$36 thousand for level one teachers, \$44 thousand for level two teachers, and \$54 thousand for level three-A teachers.

The calculation of the average 2.5 percent increase should happen after the new minimums are implemented and after licensure advancement occurs. To further elaborate:

- 1. Determine FY18 base salary cost for all teachers.*
- 2. Adjusted Base Salary Cost. Increase base salary amounts for all teachers below new minimums: \$36 thousand, \$44 thousand, and \$54 thousand (and adjust the salaries of any teachers who are advancing their licensure level through the three-tiered system).*
- 3. Total Dollar Amount for 2.5 Percent Average Increase. Multiply adjusted base salary cost by 2.5 percent to determine the total dollar amount associated with the 2.5 percent average increase.*
- 4. Allocate the total dollar amount for 2.5 percent average increase to teachers in any manner. Teachers who received increases due to new minimum salary levels are eligible for the additional 2.5 percent average increase."*

FY19 Budget Changes

GOOD NEWS/(BAD NEWS) to OPERATIONAL BUDGET				
Item #s	ESTIMATED SEG REVENUE CHANGES FY18 to FY19	FY18 changes	FY19 changes	FY19 Impact
1	SEG Unit Value mid year adjustment	\$4.637		\$4.637
2	Enrollment Decrease (~1650 students)		(\$12.781)	(\$12.781)
3	Training & Experience Index Unit-Multiplier Increase		\$0.673	\$0.673
4	At Risk Index Unit-Multiplier Change		\$5.474	\$5.474
5	All Other Unit-Multiplier Changes		\$1.957	\$1.957
6	New revenue for 2.5% increase for classroom teachers		\$7.819	\$7.819
7	Ensuring Tier Levels \$36K/\$44K/\$54K		\$4.250	\$4.250
8	New revenue for 2% increase all other staff		\$3.536	\$3.536
9	Small School Size change		\$0.000	\$0.000
	TOTAL SEG REVENUE CHANGES	\$4.637	\$10.928	\$15.565
	EXPENDITURE CHANGES FY18 to FY19			
10	Fewer Staff Needed-Enrollment Drop			\$5.037
11	Teacher Salary Increase 2.5% average			(\$6.077)
12	New Tier Levels: \$2,000/Tier (\$36/\$44/\$54)			(\$6.747)
13	Non-Teacher Salary Increase 2% average			(\$2.761)
14	Medicaid State 1/2 Match Required			(\$0.051)
15	Employer's Share Benefit changes (Full Year)			(\$1.500)
16	Supplement Transportation (Increase in Funding Formula)			\$0.000
17	Supplement Instructional Materials			\$0.000
18	STEM Magnet @ Mission, Garfield & Valley HS (summer)			(\$0.082)
19	Fixed Cost Increases			(\$1.000)
20	Police Officer Tres Volcanes			(\$0.044)
21	Proposed department reduction of 1%			\$0.700
22	Election Cost			(\$0.750)
23	Salary Interpretation			\$0.000
25	Tres Volcanes additional staff (Princ, Sec, Health EA, Nurse, Custodian, Counselor)			(\$0.350)
26	MRI Assistance			(\$1.190)
27	Westside BlendEd eCademy			(\$0.750)
	TOTAL EXPENDITURE CHANGES FY18 to FY19			(\$15.565)
	TOTAL PROJECTED BUDGET (SHORTFALL)			(\$0.000)
	Commitment to MRI Schools Pending PED Award			(\$1.110)

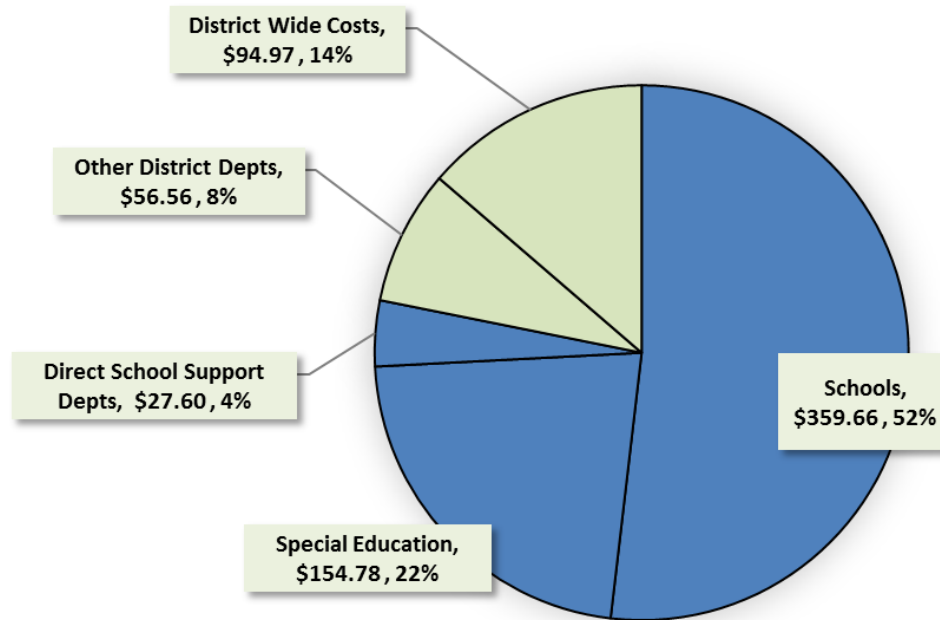
FY19 Long Range Budget Planning

Budget Requests (in Millions)	
Instructional Materials-Declining Funding, Outdated Materials	
3 to 7 year plan (beginning year) \$30 Million needed	(\$9.000)
Expanding National Board Teacher Collaboration 2.4 FTE (A Sched)	(\$0.177)
Art and Music in Every Elementary 3 to 7 year plan (beginning year)	(\$1.200)
Teacher Residency Partnership	(\$0.500)
Class Size Waiver (from 5% to 4%=\$2.735, to 3%=\$4.273)	(\$2.735)
Assistant Principal Allocation Formula Change (approx. 23 FTE)	(\$2.100)
District Wide Custodial Shortage	(\$3.500)
District Wide Police and Campus Security Aid Shortage	(\$0.500)
Engineering the Future @ Valley HS Magnet Program (6 FTE)	(\$0.300)
Advanced Placement Testing Assistance	(\$0.767)
based on half of all 9-12 students (~13K @ \$59 each)	
Athletic Trainers from .4 to 1.0 in all high schools (from 5.2 FTE to 13 FTE)	(\$0.500)
Fine Arts Manager	(\$0.087)
Waste Management shift back to Operational	(\$1.500)
Total Current Requests	(\$24.548)
Temporary Reoccurring Costs	Cost Per Year
ESSA Schools-Additional funding for MRI/CSI/TSI Schools	(\$1.000)

Full Operational Budget

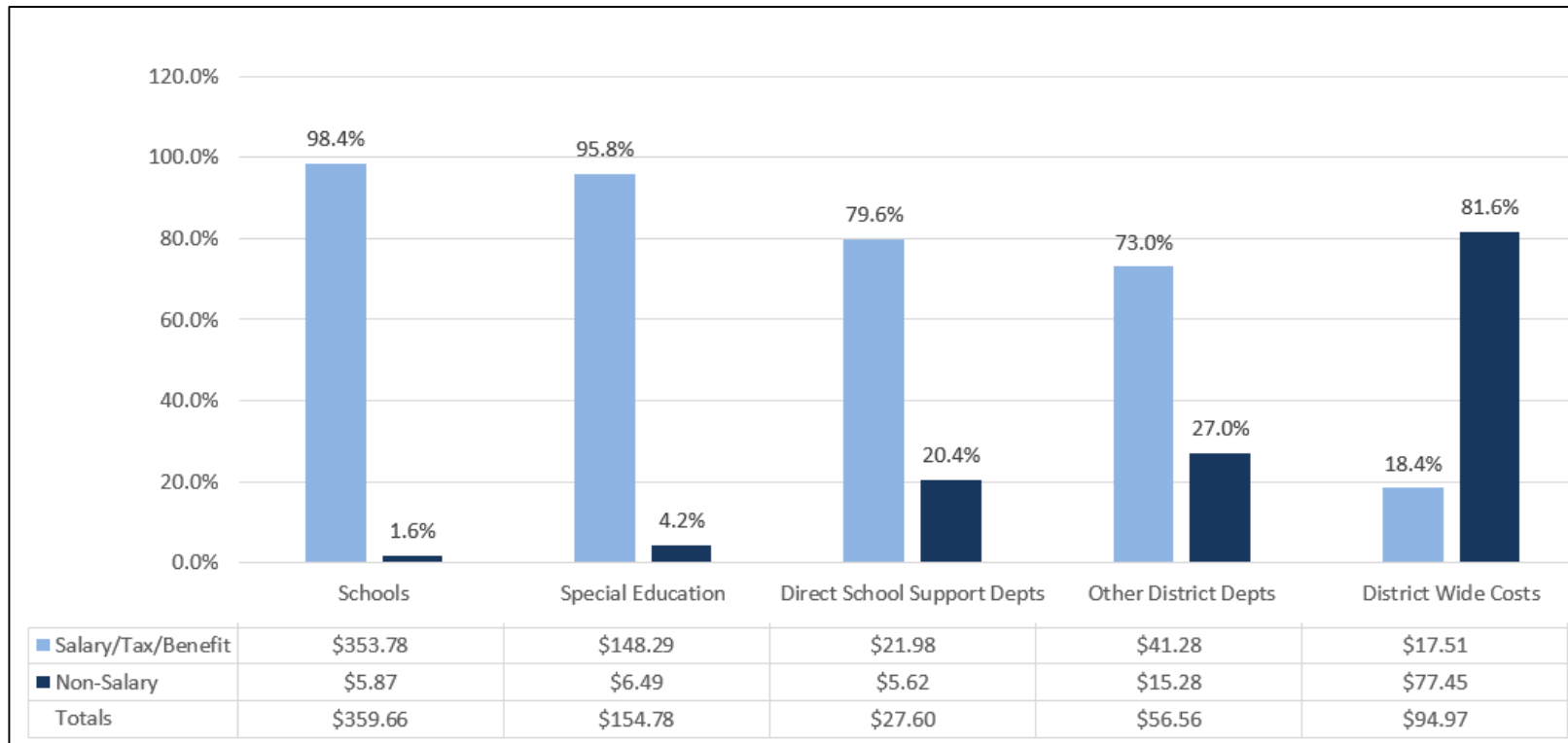
OPERATIONAL BUDGET		
RESOURCES		FY19
SEG		\$633,332,415
Access Board (e-Rate)		\$3,365,385
Ad Valorem Taxes School District		\$5,262,612
Charter School RESOURCES		\$1,454,472
Contributions/Donations/Fees		\$1,564,351
Indirect Costs		\$2,510,000
Investment Income		\$835,000
Other Income		\$240,098
Cash Reserve		\$45,000,000
TOTAL RESOURCES		\$693,564,333
Expenditures		
Schools		(\$359,658,533)
<i>Salaries</i>	<i>(\$260,188,278)</i>	
<i>Taxes/Benefits</i>	<i>(\$93,596,432)</i>	
<i>Non-Salary</i>	<i>(\$5,873,823)</i>	
Special Education		(\$154,776,680)
<i>Salaries</i>	<i>(\$108,837,917)</i>	
<i>Taxes/Benefits</i>	<i>(\$39,448,117)</i>	
<i>Non-Salary</i>	<i>(\$6,490,646)</i>	
District Wide & Departments		(\$179,129,120)
<i>Salaries</i>	<i>(\$61,445,399)</i>	
<i>Taxes/Benefits</i>	<i>(\$19,330,122)</i>	
<i>Non-Salary</i>	<i>(\$53,353,599)</i>	
<i>Cash Reserve</i>	<i>(\$45,000,000)</i>	
TOTAL EXPENSES		(\$693,564,333)
TOTAL PROJECTED BUDGET (SHORTFALL)		\$0
Commitment to MRI Schools Pending PED Award		(\$1,100,000)

FY19 Operational Fund Budget by Organization (\$693.6 Million)

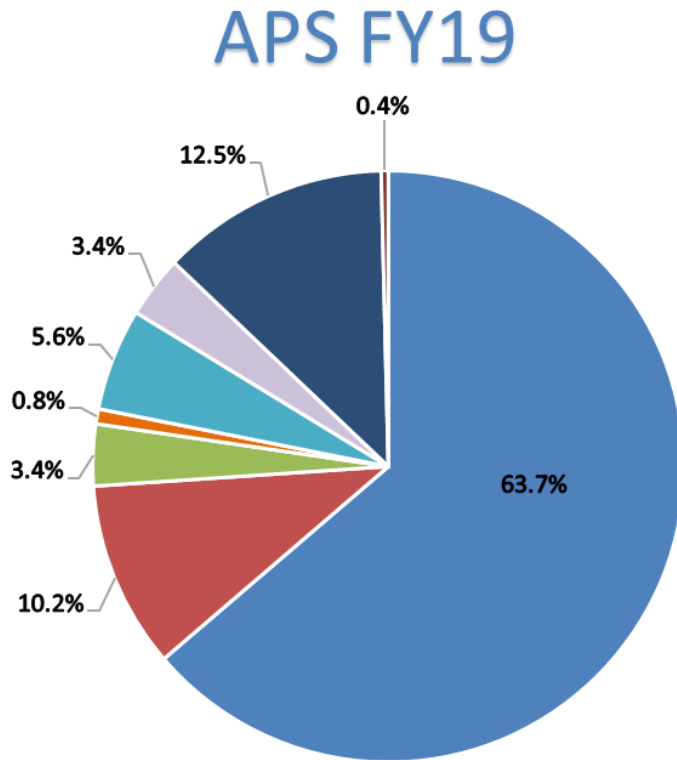


	• Schools includes teachers, educational assistants, principals, librarians, secretaries, custodians and all other costs associated with instruction and administration of the school
	• Special Education includes special education teachers, educational assistants, social workers and therapists working in the schools
	• Direct School Support Departments includes fine arts, ROTC and driver’s education teachers, counselors, nurses and health assistants, school campus assistants and police officers all working in the schools
	• Other District Departments includes Administration, Human Resources, Finance, Maintenance & Operations, Technology, Risk Management and Operations
	• District Wide Costs includes utilities, substitutes and certain differentials paid to teachers

FY19 Salary Percentages by Organization Total (\$693.6 Million)



APS Compared to State Average of Direct Instruction Percentage of Total Expenditures by PED Function



*NM Avg %	APS %	
60.4%	63.7%	■ 1000 Direct Instruction
9.8%	10.2%	■ 2100 Student Support
2.7%	3.4%	■ 2200 Instructional Support
2.0%	0.8%	■ 2300 Central Administration
6.0%	5.6%	■ 2400 School Administration
3.4%	3.4%	■ 2500 Central Services
13.3%	12.5%	■ 2600 Maintenance & Operations
2.4%	0.4%	■ All Others

*New Mexico Average 17-18 (NMCEL-NM Coalition of Educational Leaders)

Direct Instruction as a Percentage of Total Expenditures by Student Impact

Services Included in Student Impact

Direct Student Learning Impact-Expenses that directly involve student interaction

Teachers, Educational Assistants, Athletics, Substitutes and all other costs associated with instruction in the classroom including extra-curricular activities, Audiologists, Counselors, Diagnosticians, Interpreters, Occupational Therapists, Physical Therapists, Psychologists, Nurses, Speech Therapists, Librarians, Media Specialists, Library/Media Assistants, School Secretaries, Testing, Principals, Assistant Principals, Clerks, Costs Associated with Administrative Responsibilities in the School, Supplemental Transportation and Supplemental Instructional Materials.

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

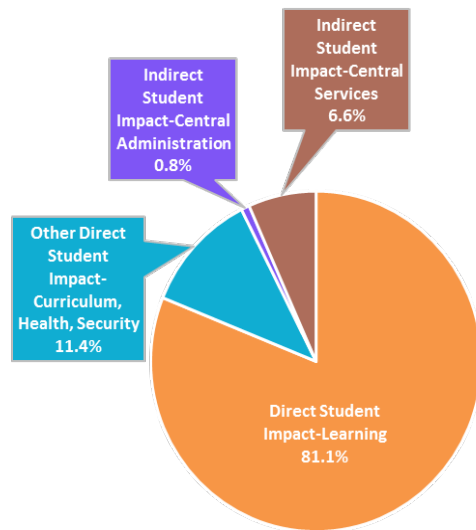
Athletics , Fine Arts , ROTC Program, Special Education , Student-Family and Community Support, Career Technical , Curriculum & Instruction , Early Childhood, Indian Education, Language and Cultural Equity, Library Media Services, Summer Learning, Zone Principal Support, Computer Technicians, Police, Custodians, Building Utilities, Maintenance on Buildings, Grounds & Equipment.

Indirect Student Impact-Expenses that include district level administration (PED Function 2300 only)

Superintendent, Assistant Superintendents, Student, Parent and Employee Advocacy, Office of Innovation, APS Foundation, Chief Operations, Board of Education, Bond Elections.

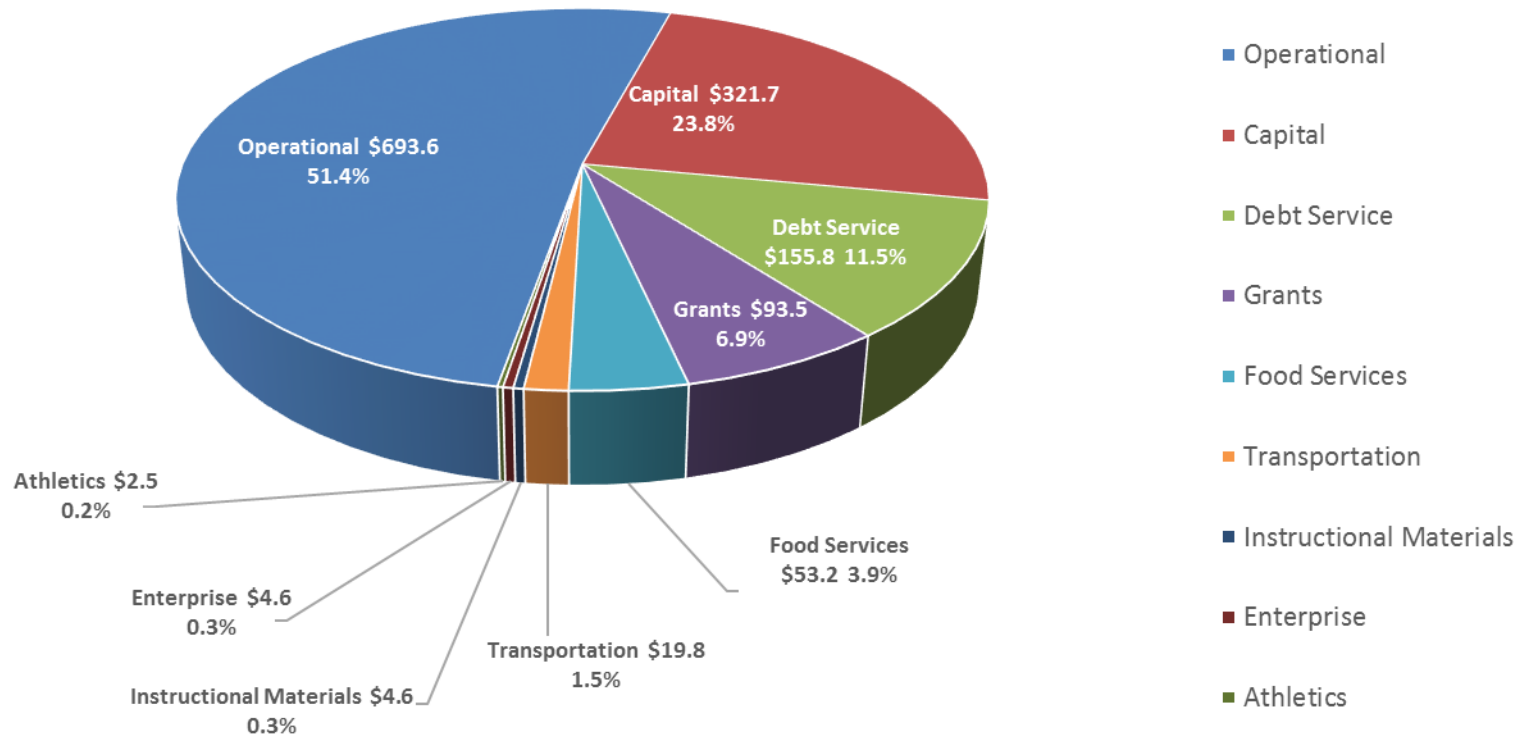
Indirect Student Impact-All other District Level Support

Office of Accountability, Office of Equity and Engagement, Student Information Systems, Office of Program Research & Analysis, Technology , Communications, Risk Management, Finance, Accounts Payable, Procurement, General Ledger, Budget, Capital, Business Systems, Accounts Receivable, Grant Management, Charter School Office, Activities Office, Human Resources, Materials Management, Special Education, Graphics, Legislative Affairs, Warehouse Delivery, Police, Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment, Fees, Other Taxes, etc.



Direct Impact	92.5%
Indirect Impact	7.5%

APS FY18-19 \$1.35 Billion Original Budget by Fund Type (\$M)



The Total Albuquerque Public Schools Fiscal Year 2019 Budget is \$1.35 Billion, including Enterprise Funds.

FY19 BUDGET HIGHLIGHTS

- Increase A Schedule Staff to new minimum salary of
 - Level 1 = \$36,000
 - Level 2 = \$44,000
 - Level 3 = \$54,000
- Increase of at least 2.5% average for all A Schedule Staff
- Increase of at least 2% average for all other APS Staff
- Funding for New Tres Volcanes K-8 School
- Funding for Westside BlendEd eCademy
- Funding for MRI Schools Restructuring Plans
- Started a Long Range Plan of District Financial Goals

New Mexico State Statute 22-8-6.1 Charter School Budget Submission

B. Each locally chartered charter school shall submit to the local school board a school-based budget. For the first year of operation, the budget of every locally chartered charter school shall be based on the projected number of program units generated by the charter school and its students, using the at-risk index and the instructional staff training and experience index of the school district in which it is geographically located. For second and subsequent fiscal years of operation, the budgets of locally chartered charter schools shall be based on the number of program units generated using the average of the MEM on the second and third reporting dates of the prior year and its own instructional staff training and experience index and the at-risk index of the school district in which the locally chartered charter school is geographically located. The budget shall be submitted to the local school board for approval or amendment. The approval or amendment authority of the local school board relative to the charter school budget is limited to ensuring that sound fiscal practices are followed in the development of the budget and that the charter school budget is within the allotted resources. The local school board shall have no veto authority over individual line items within the charter school's proposed budget, but shall approve or disapprove the budget in its entirety. Upon final approval of the local budget by the local school board, the individual charter school budget shall be included separately in the budget submission to the department required pursuant to the Public School Finance Act and the Charter Schools Act.

APS Charter Schools
Charter School Enrollment Comparison
Fiscal Year 2018-2019

CHARTER SCHOOL NAME	FY 2017-2018	FY 2018-2019	PROPOSED
	STUDENT MEMBERSHIP BUDGET	STUDENT MEMBERSHIP BUDGET	GROWTH (LOSS) IN STUDENTS
21st Century Charter School	240.0	275.0	35.00
ABQ Charter Academy	286.0	300.0	14.00
ACE Leadership High School*	362.0	362.0	0.00
Albuquerque Talent Development	172.0	164.5	(7.50)
Alice King Community School	449.0	475.0	26.00
Christine Duncan's Heritage Academy	331.0	325.5	(5.50)
Cien Aguas International School	420.0	418.0	(2.00)
Corrales International School	260.0	244.0	(16.00)
Cottonwood Classical Preparatory School*	735.0	726.0	(9.00)
Digital Arts & Technology Academy	310.0	289.0	(21.00)
East Mountain High School	375.0	365.5	(9.50)
El Camino Real Academy	294.0	294.0	0.00
Gordon Bernell Charter School	425.0	434.5	9.50
Health Leadership High School*	180.0	200.0	20.00
International School at Mesa Del Sol	319.0	330.0	11.00
La Academia de Esperanza	314.0	330.5	16.50
La Resolana Leadership Academy	82.0	71.5	(10.50)
Los Puentes Charter School	172.0	189.0	17.00
Montessori of the Rio Grande	215.5	217.5	2.00
Mountain Mahogany Community School	188.0	188.0	0.00
Native American Community Academy	432.0	450.0	18.00
New Mexico International School	228.0	225.0	(3.00)
Nuestros Valores Charter School	160.0	163.0	3.00
Public Academy for Performing Arts	381.0	380.0	(1.00)
Robert F. Kennedy High School	314.0	347.0	33.00
Siembra Leadership High School	83.0	83.0	0.00
South Valley Academy	622.0	616.5	(5.50)
Technology Leadership High School*	178.0	200.0	22.00
William W. and Josephine Dorn Comm.	55.0	67.0	12.00
TOTALS	8,582.50	8,731.00	148.50

*New to Albuquerque Public Schools

Charter School Name	FY 2017-2018 Operational SEG Revenue	FY 2018-2019 Operational SEG Revenue	Increase (Decrease)	%	Explanation for Major Fluctuation
21st Century Charter School	1,829,461	2,181,589	352,128	19.25%	66 Growth Units (35 Students)
ABQ Charter Academy	2,522,547	2,620,746	98,199	3.89%	
ACE Leadership High School	3,108,728	2,934,928	(173,800)	-5.59%	Decrease in T&E Index
Albuquerque Talent Development	1,654,841	1,721,799	66,958	4.05%	
Alice King Community School	3,043,006	3,461,137	418,131	13.74%	45 Growth Units (26 students) & increase of 50 SPED Units
Christine Duncan's Heritage Academy	2,653,315	2,720,129	66,814	2.52%	
Cien Aguas International School	3,000,758	3,378,952	378,194	12.60%	Increase in T&E Index
Corrales International School	2,455,267	2,384,042	(71,225)	-2.90%	Decrease of 16 students
Cottonwood Classical Preparatory School	4,654,734	4,693,974	39,240	0.84%	Decrease of 9 students & T&E Index
Digital Arts & Technology Academy	2,563,297	2,455,703	(107,594)	-4.20%	Decrease of 21 students
East Mountain High School	2,929,909	2,893,927	(35,982)	-1.23%	Decrease of 9.5 students & SPED Units
El Camino Real Academy	2,501,837	2,591,020	89,183	3.56%	
Health Leadership High School	2,050,883	2,010,901	(39,982)	-1.95%	Decrease in T&E Index
Gordon Bernell Charter School	3,148,305	2,962,845	(185,460)	-5.89%	Decrease in T&E Index
International School at Mesa Del Sol	2,585,091	2,609,631	24,540	0.95%	Decrease in T&E Index
La Academia de Esperanza	4,018,477	3,951,208	(67,269)	-1.67%	Decrease of SPED Units & T&E Index
La Resolana Leadership Academy	836,286	807,473	(28,813)	-3.45%	Decrease of 10 students
Los Puentes Charter School	2,071,100	2,053,773	(17,327)	-0.84%	Decrease in T&E Index plus 31 Growth Units
Montessori of the Rio Grande	1,410,707	1,504,407	93,700	6.64%	Increase in T&E Index
Mountain Mahogany Community School	1,604,741	1,517,243	(87,498)	-5.45%	Decrease in SPED Units
Native American Community Academy	3,122,297	3,248,624	126,327	4.05%	
New Mexico International School	1,517,748	1,571,743	53,995	3.56%	
Nuestros Valores Charter School	1,685,408	1,731,549	46,141	2.74%	
Public Academy for Performing Arts	2,704,852	2,794,606	89,754	3.32%	
Robert F Kennedy High School	3,070,463	3,348,439	277,976	9.05%	61 Growth Units (33 students)
Siembra High School	1,035,322	950,318	(85,004)	-8.21%	Decrease in T&E Index
South Valley Academy	4,686,583	4,893,953	207,370	4.42%	
Technology Leadership High School	1,852,560	2,078,889	226,329	12.22%	41 Growth Units (22 students)
William W. and Josephine Dorn Comm.	562,418	650,048	87,630	15.58%	23 Growth Units (12 students)
Totals	\$70,880,941	\$72,723,596	\$ 1,842,655		

**APS Charter Schools
Operational Budget Documents
Fiscal Year 2018-2019**

CHARTER SCHOOL NAME	FY 2018-2019 SEG Fund 11000 PED 910B5	FY 2018-2019 Operational SEG Revenue	FY 2018-2019 2% of SEG	FY 2018-2019 Checklist of Budget Documents	FY 2018-2019 GC Approval (2 Originals) PED 910BCS-10	Status of Budget Documents
21st Century Charter School	X	2,181,589	44,522	X	X	Complete
ABQ Charter Academy	X	2,620,746	53,485	X	X	Complete
ACE Leadership High School	X	2,934,928	59,896	X	X	Complete
Albuquerque Talent Development	X	1,721,799	35,139	X	X	Complete
Alice King Community School	X	3,461,137	70,635	X	X	Complete
Cien Aguas International School	X	3,378,952	68,958	X	X	Complete
Christine Duncan's Heritage Academy	X	2,720,129	55,513	X	X	Complete
Corrales International School	X	2,384,042	48,654	X	X	Complete
Cottonwood Classical Preparatory School	X	4,693,974	95,795	X	X	Complete
Digital Arts & Technology Academy	X	2,455,703	50,116	X	X	Complete
East Mountain High School	X	2,893,927	59,060	X	X	Complete
El Camino Real Academy	X	2,591,020	52,878	X	X	Complete
Gordon Bernell Charter School	X	2,962,845	60,466	X	X	Complete
Health Leadership High School	X	2,010,901	41,039	X	X	Complete
International School at Mesa Del Sol	X	2,609,631	53,258	X	X	Complete
La Academia de Esperanza	X	3,951,208	80,637	X	X	Complete
La Resolana Leadership Academy	X	807,473	16,479	X	X	Complete
Los Puentes Charter School	X	2,053,773	41,914	X	X	Complete
Montessori of the Rio Grande	X	1,504,407	30,702	X	X	Complete
Mountain Mahogany Community School	X	1,517,243	30,964	X	X	Complete
Native American Community Academy	X	3,248,624	66,298	X	X	Complete
New Mexico International School	X	1,571,743	32,076	X	X	Complete
Nuestros Valores Charter School	X	1,731,549	35,338	X	X	Complete
Public Academy for Performing Arts	X	2,794,606	57,033	X	X	Complete
Robert F Kennedy High School	X	3,348,439	68,335	X	X	Complete
Siembra Leadership High School	X	950,318	19,394	X	X	Complete
South Valley Academy	X	4,893,953	99,877	X	X	Complete
Technology Leadership High School	X	2,078,889	42,426	X	X	Complete
William W. and Josephine Dorn Comm.	X	650,048	13,266	X	X	Complete
Totals		\$ 72,723,596	\$ 1,484,153			

2018-2019 Budget Resolution

BE IT RESOLVED by the Board of Education of Albuquerque Public Schools, subject to any technical adjustments by APS and the Public Education Department and approval by the Public Education Department of the State of New Mexico, that the amounts shown in the following schedule be appropriated to each fund as specified for the ensuing fiscal year beginning July 1, 2018, and ending June 30, 2019.

FUND	AMOUNT
Operational	\$ 693,564,333
Pupil Transportation	\$ 19,793,229
Instructional Materials	\$ 4,606,167
Food Services	\$ 53,182,937
Athletics	\$ 2,483,662
Federal Grants	\$ 90,839,017
State and Local Grants	\$ 2,613,289
General Obligation Bonds	\$ 99,431,234
Special Capital Outlay-Local	\$ 18,647,094
Special Capital Outlay-State	\$ 5,961,679
Special Capital Outlay-Federal	\$ 537,334
House Bill 33	\$ 111,425,599
Senate Bill 9	\$ 75,892,916
Educational Technology Equipment	\$ 9,798,774
GO Bond Debt Service	\$ 143,323,096
Educational Technology Debt Service	\$ 12,454,564
Sub-Total PED Approved Funds	\$ 1,344,554,924
Enterprise Fund-KANW Radio Station	\$ 721,318
Enterprise Fund-Graphics Enterprise Services	\$ 434,927
Enterprise Fund- Charter School Business Services	\$ 96,450
Enterprise Fund- Transportation Enterprise Fund	\$ 2,761,645
Enterprise Fund- Facilities Enterprise Fund	\$ 589,098
Total All Funds	\$ 1,349,158,362