

# Albuquerque Public Schools Fiscal Year 2018 Budget

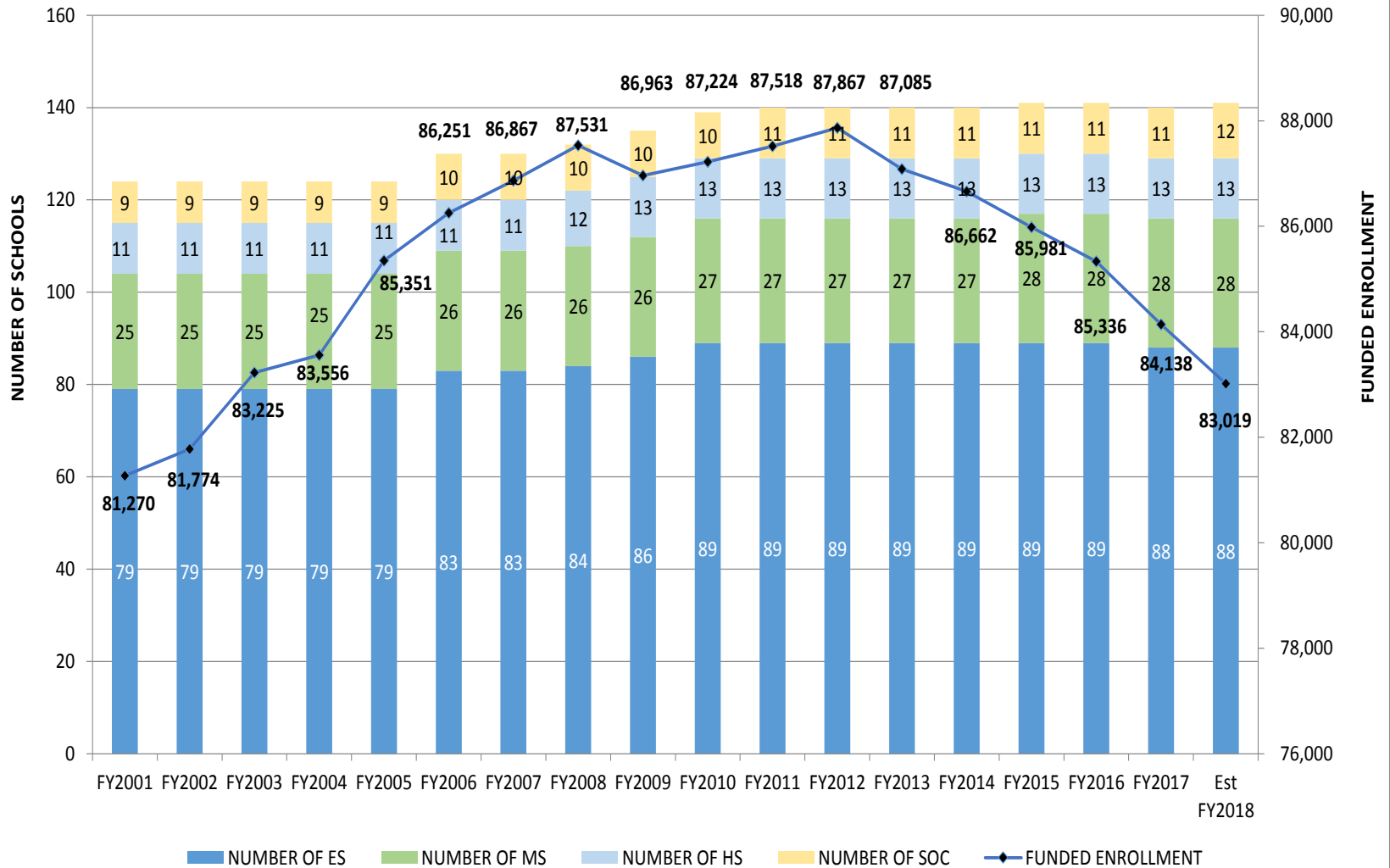
APS & APS Charter Schools

Presented to the Albuquerque Public Schools Board of Education,  
Special Board of Education Meeting – May 22, 2017  
Presenters: Tami Coleman, Chief Financial Officer  
Debora Warren, Executive Director, Budget and Strategic Planning

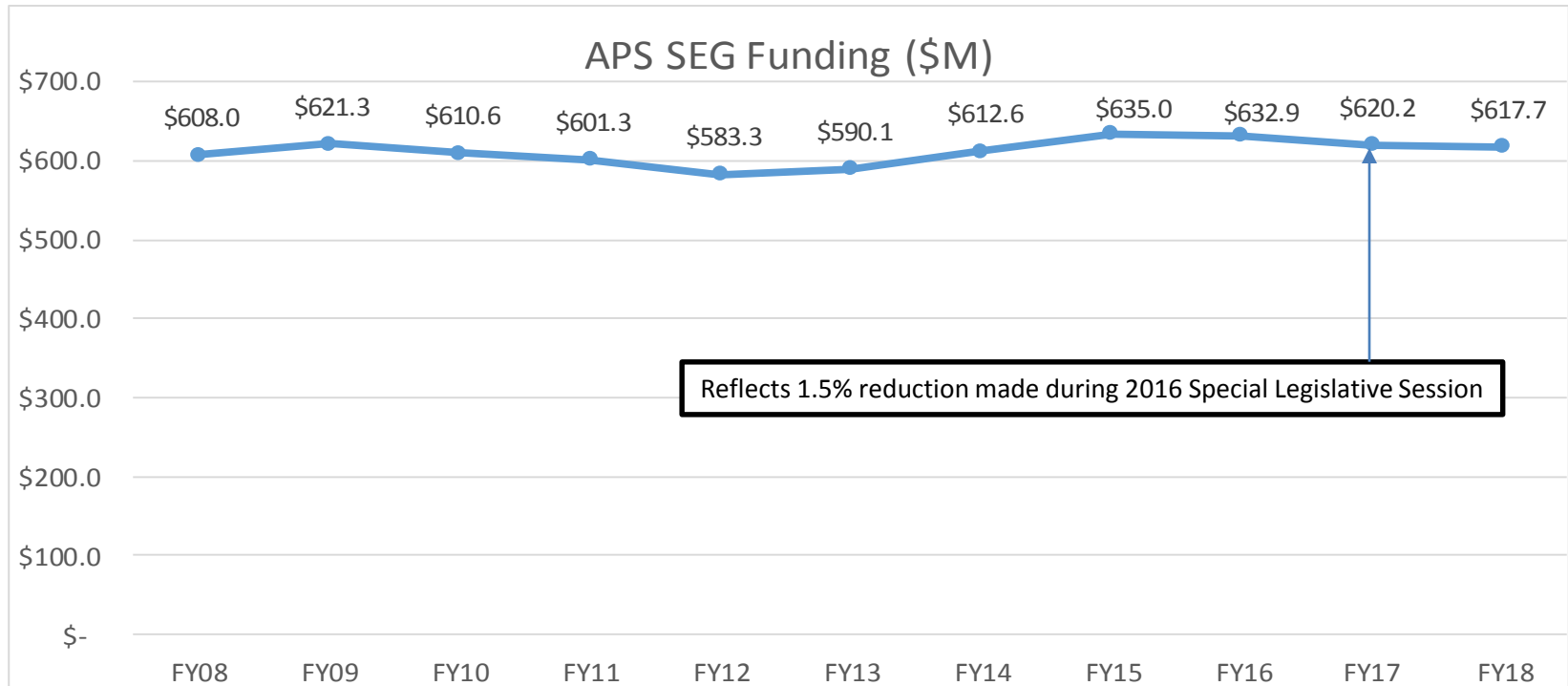
# FY18 Budget Planning Process

- In February, the Budget Steering Committee began to plan for the FY18 budget
- February-May, the district requested and received stakeholder's input to the budget, including a Public Radio Show, many communications to employees, letters from the Superintendent, newsletter and newspaper articles
- In March, APS' legislative staff communicated that the district should plan on at least a 2% state funding reduction
- In April, the administration presented four state funding scenarios (flat, 2%, 3% and 5%) to the Board, with a recommendation for a 2% SEG reduction
- The Board directed the administration to assume the 2% SEG funding cut for budget development purposes
- The Public Education Department notified districts in April that the SEG unit value would increase by 1.8%
- In May, the plan to develop the budget based upon a 2% cut was adjusted to a flat revenue scenario
- A special legislative session will be held in late May to address the state's FY18 budget
- If a state funding reduction is implemented after the special legislative session, the administration has a prioritized plan to adjust the budget accordingly

## NUMBER OF SCHOOLS VS. FUNDED ENROLLMENT BY YEAR



# Albuquerque SEG Funding



Despite a 1.8% increase in the SEG unit value in FY18, funding for APS is relatively flat. The flat SEG is due to both the loss of over 1,000 students and changes to APS demographics.

# FY18 Budget Scenario Planning

<u>Item #s</u>	<u>SEG REVENUE CHANGES FY17 to FY18:</u>	<u>Flat SEG Scenario 1</u>	<u>2% SEG Cut Scenario 1B</u>
1.	SEG Unit Value Change	\$0.0	(\$12.4)
2.	Enrollment Decrease	(\$7.0)	(\$7.0)
3.	Special Ed Ancillary Unit Decrease	(\$3.6)	(\$3.6)
4.	At-Risk Index Drop	(\$1.7)	(\$1.7)
5.	Training & Experience Index Drop	(\$1.2)	(\$1.2)
6.	All Other Unit Changes	<u>(\$0.1)</u>	<u>(\$0.1)</u>
	<b>TOTAL SEG REVENUE CHANGES</b>	<b>(\$13.6)</b>	<b>(\$26.0)</b>
	<b><u>EXPENDITURE CHANGES FY17 to FY18:</u></b>		
7.	Fewer Teachers Needed for 1,100 Enrollment Drop ( ~60 teachers)	\$3.6	\$3.6
8.	Medicaid State Match No Longer Required	\$0.8	\$0.8
9.	Expiration of Additional Compensation for RGHS Staff	\$0.4	\$0.4
10.	Shift Waste Removal Contract to Other Funding Source	\$1.5	\$1.5
11.	Worker's Compensation Premium Increase	(\$0.8)	(\$0.8)
12.	Employer's Share of 5% Increase in Health/Medical (1/2 the Year)	(\$0.6)	(\$0.6)
13.	New Coyote Willow Family School	(\$0.9)	(\$0.9)
14.	Supplement Transportation Operations	(\$0.5)	(\$0.5)
15.	Supplement Instructional Materials	(\$1.5)	(\$1.5)
16.	Utilities	<u>(\$0.3)</u>	<u>(\$0.3)</u>
	<b>TOTAL EXPENDITURE CHANGES FY17 to FY18</b>	<b>\$1.7</b>	<b>\$1.7</b>
	<b>TOTAL PROJECTED BUDGET (SHORTFALL)</b>	<b>(\$11.9)</b>	<b>(\$24.3)</b>

# FY18 Budget Scenario Planning

	<u>Flat SEG Scenario 1</u>	<u>2% SEG Cut Scenario 1B</u>
<b>TOTAL PROJECTED BUDGET (SHORTFALL)</b>	<b>(\$11.9)</b>	<b>(\$24.3)</b>
<b><u>Item #s OPTIONS TO MEET PROJECTED SHORTFALL:</u></b>		
1. City Center Department Reductions	\$4.8	\$4.8
2. *Calendar Reduction for 260-Day Employees (4 days, partial negotiation)	\$1.1	\$1.1
3. Reorg Computer Technician Function at Schools	\$1.0	\$1.0
4. Reorg Gifted Education Program	\$1.0	\$1.0
5. Reorg Teacher Mentor Program (pending approval)		\$1.2
6. Furlough for All 185-259-Day Employees (4 days, partial negotiation)		\$0.8
7. Athletic Program Reorganizations		\$0.6
8. Athletic/Activity Directors - Decrease Allocation (.2 FTE)		\$0.3
9. Reduce School Non-Salary Budgets 20% or ~\$10/student		\$1.0
10. **Reduce Differentials 10%		\$1.3
11. **Increase Class Size Waiver from 5% to 7% (~30 teachers)		\$1.8
12. **Furlough for 184-Day Employees (3 days)		\$4.2
<b>TOTAL REDUCTION OPTIONS</b>	<b>\$7.9</b>	<b>\$19.1</b>
13. USE WORKING CASH	\$5.0	\$5.2
<b>GRAND TOTAL ALL REDUCTIONS</b>	<b>\$12.9</b>	<b>\$24.3</b>
<b>FY18 PROJECTED BUDGET SURPLUS/(SHORTFALL)</b>	<b>\$1.0</b>	<b>\$0.0</b>



Reduction options are listed in priority order

**NOTE:**

Shaded area represents reductions implemented in the FY18 budget plan

\*Full-time employees making \$25K or less held harmless

\*\* Negotiated Items

# APS Working Cash

## Working Cash Balance Position

Estimated Working Cash Balance on June 30,2016	\$ 54.8
Additional Cash Balance	\$ 3.1
Actual/Audited Working Cash Balance on June 30,2016	\$ 57.9
Shore up WC account	\$ (5.0)
Use for Phase 2a	\$ (6.7) 12.5 million Cash Sweep SB114 2017
Use for Phase 2b	\$ - 1% Sanding in June 2017 SB113 2017-vetoed
Estimated Working Cash Balance on June 30,2017	\$ 46.3
Apply to FY 17/18 Budget	\$ (5.0)
<b>Estimated Working Cash Balance on June 30,2018</b>	<b>\$ 41.3</b>

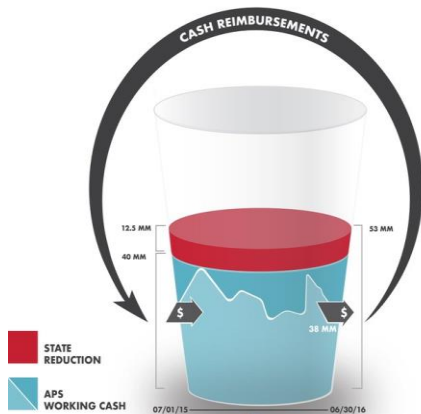
Note 1: Receivables on June 30, 2016 were \$38 million, and vary during the year.

Note 2: One month's of expenses is \$51.6 million (SEG \$620 million).

Note 3: One month's of expenses is \$50.6 million (flat SEG \$608 million).

Note 4: One month's of expenses is \$49 million (-2% SEG \$596 million).

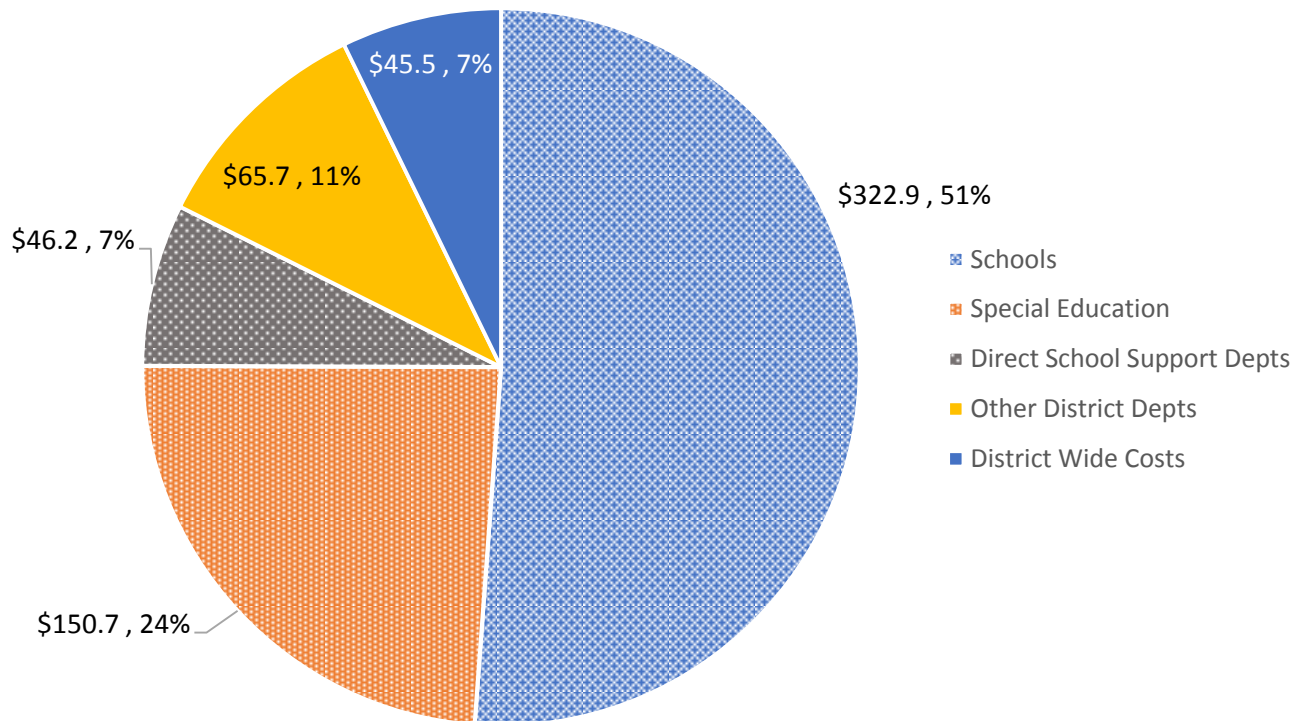
Note 5: Bond Rating is excellent at this time...Moody's confirmed our current rating...no decrease.



Working cash is currently \$57.9 million. The district will use \$5 million of this balance to increase our share of the worker's compensation premium, and another \$6.7 million to cover a portion of the 2017 mid-year cut.

In the 2017-18 fiscal year, we will utilize an additional \$5 million to help offset the anticipated shortfall in the budget.

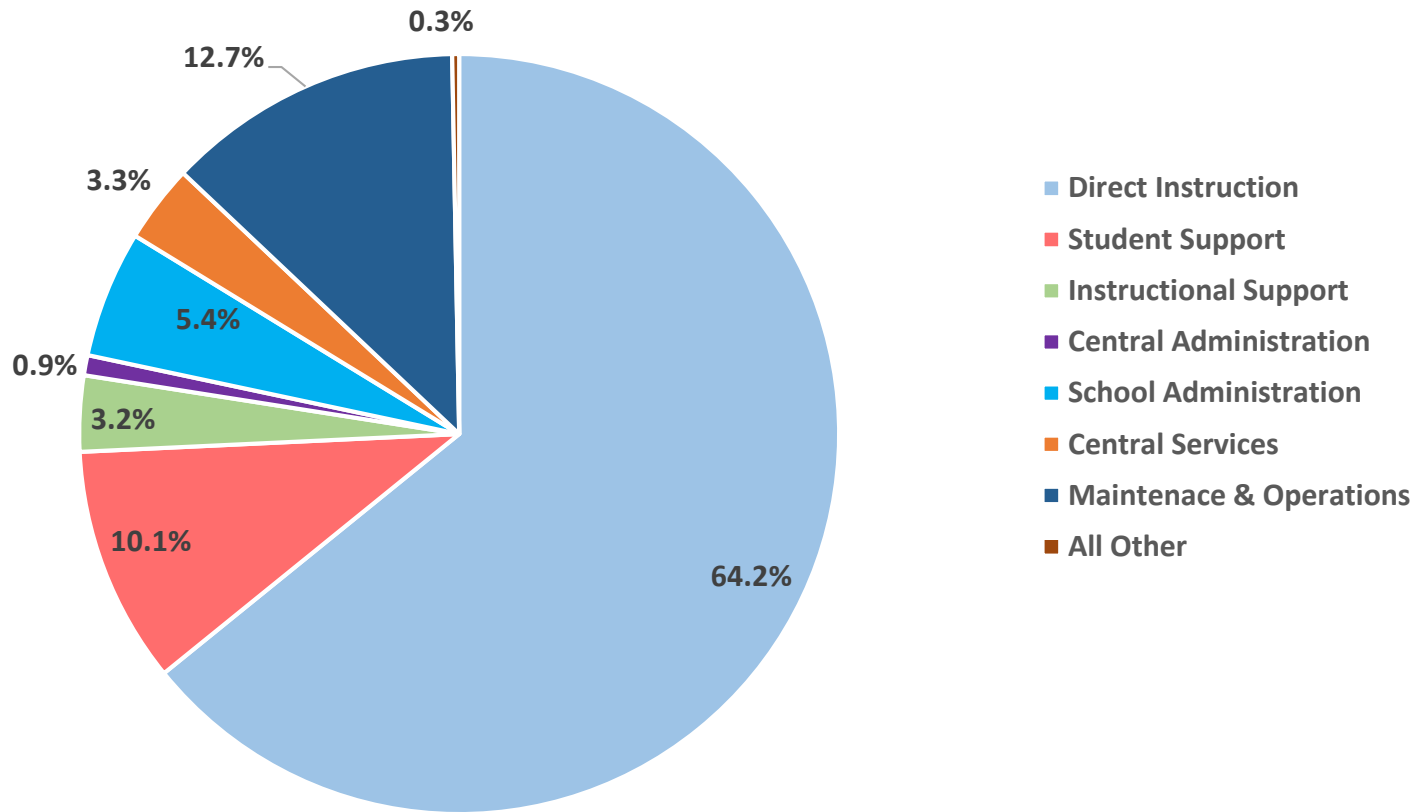
## FY18 Operational Fund Budget by Organization (\$Millions)



- **Schools** include 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 (\$150.7 million)
- **Direct School Support Departments** include fine arts, ROTC and driver's education teachers, counselors, nurses and health assistants, school campus assistants and police officers all working in the schools (\$46.2 million)
- **Other District Departments** include Administration, Human Resources, Finance, Maintenance & Operations, Technology, Risk Management and Operations
- **District Wide Costs** include utilities, substitutes and certain differentials paid to teachers



## Direct Instruction as a % of Total Expenditures



# FY18 Operational Fund Budget Summary

FY18

## Operational Budget (\$M)

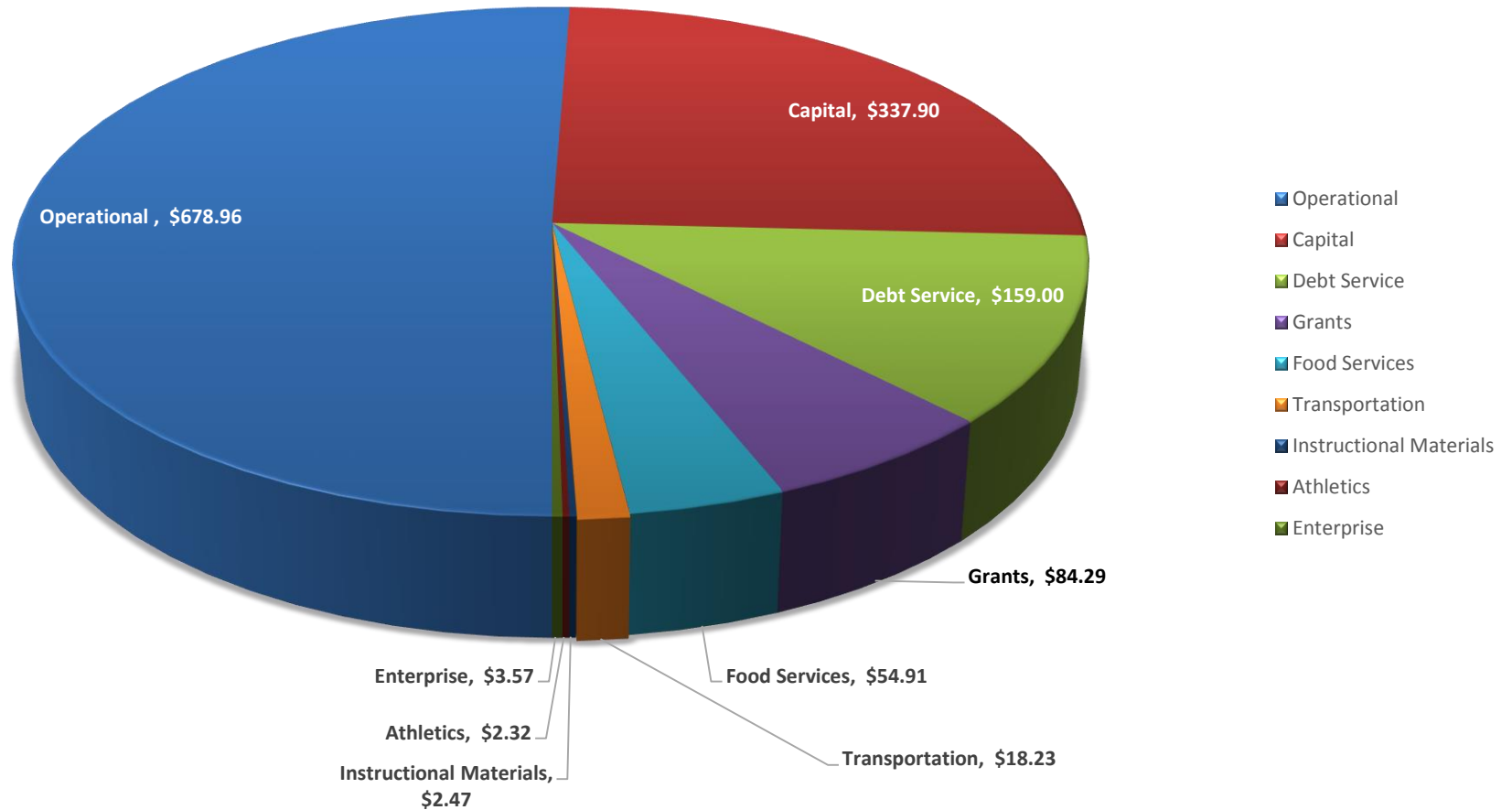
### Resources:

FY18 Beginning Working Cash (estimated carryover from FY17)	\$46.3
State Equalization Guarantee Revenue (includes 1.8% unit value increase)	\$617.7
Other Revenue	<u>\$14.9</u>
<b>Total Resources Available to Budget</b>	<b>\$678.9</b>

### Expenditures: (reference page 8 for additional details)

Schools	\$322.9
Special Education Department	\$150.7
Direct School Support Departments	\$46.2
Other District Departments	\$65.7
District Wide Costs (utilities, substitutes, differentials)	<u>\$45.5</u>
	\$631.0
Working Cash Budget (use of \$5 million in budget)	<u>\$41.3</u>
	\$672.3
Set Aside for Potential Special Session Adjustments	<u>\$6.6</u>
<b>Total Expenditure Budget</b>	<b>\$678.9</b>

## APS FY17-18 Original Budget by Fund Type (\$M)



The Total Albuquerque Public Schools Fiscal Year 2018 Budget is \$1.34 Billion, including Enterprise Funds.

## 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 2017 - 2018**

CHARTER SCHOOL NAME	FY 2016-2017	FY 2017-2018	PROPOSED
	STUDENT MEMBERSHIP BUDGET	STUDENT MEMBERSHIP BUDGET	GROWTH (LOSS) IN STUDENTS
21st Century Charter School	251.0	248.5	(2.50)
ABQ Charter Academy	297.0	286.0	(11.00)
Albuquerque Talent Development	180.5	172.0	(8.50)
Alice King Community School	361.5	435.0	73.50
Christine Duncan's Heritage Academy	228.5	297.0	68.50
Cien Aguas International School*	373.0	418.0	45.00
Corrales International School	239.5	260.0	20.50
Digital Arts & Technology Academy	299.0	310.0	11.00
East Mountain High School	357.5	362.0	4.50
El Camino Real Academy	303.0	295.5	(7.50)
Gordon Bernell Charter School	390.0	425.0	35.00
International School at Mesa Del Sol*	296.5	329.0	32.50
La Academia de Esperanza	371.5	361.0	(10.50)
La Resolana Leadership Academy*	74.0	62.0	(12.00)
Los Puentes Charter School	200.0	200.0	0.00
Montessori of the Rio Grande	217.5	215.5	(2.00)
Mountain Mahogany Community School	200.0	202.5	2.50
Native American Community Academy	422.5	398.5	(24.00)
New Mexico International School*	208.5	220.5	12.00
Nuestros Valores Charter School	132.0	141.0	9.00
Public Academy for Performing Arts	380.0	380.5	0.50
Robert F. Kennedy High School	305.0	320.0	15.00
Siembra Leadership High School*	43.5	80.0	36.50
South Valley Academy	608.0	620.0	12.00
William W. and Josephine Dorn Comm. *	47.0	60.0	13.00
<b>TOTALS</b>	<b>6,786.50</b>	<b>7,099.50</b>	<b>313.00</b>

\*New to Albuquerque Public Schools

	FY 2016-2017	FY 2017-2018			
Charter School Name	Operational	Operational	Increase	%	Explanation for Major Fluctuation
	SEG Revenue	SEG Revenue	(Decrease)		
21st Century Charter School	1,647,720	1,815,709	167,989	10.20%	Increase in SPED Units & T&E Index
ABQ Charter Academy	2,673,201	2,503,579	(169,622)	-6.35%	Decrease of 11 students & Growth Units
Albuquerque Talent Development	1,728,974	1,642,398	(86,577)	-5.01%	Decrease of 8.5 students & Decrease in T&E Index
Alice King Community School	3,040,894	2,903,775	(137,119)	-4.51%	Decrease of Growth Units (128 vs 43)
Christine Duncan's Heritage Academy	2,328,255	2,359,589	31,334	1.35%	
Cien Aguas International School	2,751,852	3,071,282	319,430	11.61%	Increase of 45 students, Growth Units 7.65 & T&E Index
Corrales International School	2,244,827	2,442,765	197,938	8.82%	Increase of 20.5 students & Increase in T&E Index
Digital Arts & Technology Academy	2,447,710	2,544,023	96,313	3.93%	Increase of 11 students & Increase in T&E Index
East Mountain High School	2,624,999	2,826,939	201,940	7.69%	Increase of 4.5 students, SPED Units & Increase of T&E Index
El Camino Real Academy	2,424,504	2,483,026	58,522	2.41%	Increase of T&E Index
Gordon Bernell Charter School	2,902,205	2,887,953	(14,253)	-0.49%	
International School at Mesa Del Sol	2,191,238	2,644,511	453,273	20.69%	Increase of 33 students, Growth Units 28.82 & T&E Index
La Academia de Esperanza	4,014,157	3,972,916	(41,241)	-1.03%	
La Resolana Leadership Academy	734,740	640,300	(94,440)	-12.85%	Decrease of 12 students
Los Puentes Charter School	2,206,280	2,071,183	(135,097)	-6.12%	Decrease of SPED Units & Increase of T&E Index
Montessori of the Rio Grande	1,326,071	1,400,100	74,029	5.58%	Increase in T&E Index
Mountain Mahogany Community School	1,417,254	1,592,674	175,420	12.38%	Increase in SPED students
Native American Community Academy	2,817,884	2,939,638	121,754	4.32%	Increase in T&E Index & School Size Adjustment
New Mexico International School	1,533,436	1,488,146	(45,290)	-2.95%	Loss of Growth Units
Nuestros Valores Charter School	1,466,552	1,507,480	40,929	2.79%	Increase of 9 students & Decrease of T&E Index
Public Academy for Performing Arts	2,701,193	2,678,555	(22,638)	-0.84%	
Robert F Kennedy High School	3,148,515	3,091,868	(56,647)	-1.80%	Decrease in T&E Index
Siembra High School	362,551	967,565	605,013	166.88%	Increase of 36.5 students, SPED Units & T&E Index
South Valley Academy	4,570,829	4,660,441	89,612	1.96%	Increase of 12 students
William W. and Josephine Dorn Comm.	444,435	564,342	119,907	26.98%	Increase of 13 students & Growth Units
Totals	\$ 55,750,278	\$ 57,700,758	\$ 1,950,480		

## Fiscal Year 2017-2018

CHARTER SCHOOL NAME	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018	Status of
	SEG Fund 11000 PED 910B5	Operational SEG Revenue	2% of SEG	Checklist of Budget Documents	GC Approval (2 Originals) PED 910BCS-10	Budget Documents
21st Century Charter School	X	1,815,709	37,055	X	X	Complete
ABQ Charter Academy	X	2,503,579	51,093	X	X	Complete
Albuquerque Talent Development	X	1,642,398	33,518	X	X	Complete
Alice King Community School	X	2,903,775	59,261	X	X	Complete
Cien Aguas International School	X	3,071,282	62,679	X	X	Complete
Christine Duncan's Heritage Academy	X	2,359,589	48,155	X	X	Complete
Corrales International School	X	2,442,765	49,852	X	X	Complete
Digital Arts & Technology Academy	X	2,544,023	51,919	X	X	Complete
East Mountain High School	X	2,826,939	57,693	X	X	Complete
El Camino Real Academy	X	2,483,026	50,674	X	X	Complete
Gordon Bernell Charter School	X	2,887,953	58,938	X	X	Complete
International School at Mesa Del Sol	X	2,644,511	53,970	X	X	Complete
La Academia de Esperanza	X	3,972,916	81,080	X	X	Complete
La Resolana Leadership Academy	X	640,300	13,067	X	X	Complete
Los Puentes Charter School	X	2,071,183	42,269	X	X	Complete
Montessori of the Rio Grande	X	1,400,100	28,573	X	X	Complete
Mountain Mahogany Community School	X	1,592,674	32,504	X	X	Complete
Native American Community Academy	X	2,939,638	59,993	X	X	Complete
New Mexico International School	X	1,488,146	30,370	X	X	Complete
Nuestros Valores Charter School	X	1,507,480	30,765	X	X	Complete
Public Academy for Performing Arts	X	2,678,555	54,664	X	X	Complete
Robert F Kennedy High School	X	3,091,868	63,099	X	X	Complete
Siembra Leadership High School	X	967,565	19,746	X	X	Complete
South Valley Academy	X	4,660,441	95,111	X	X	Complete
William W. and Josephine Dorn Comm.	X	564,342	11,517	X	X	Complete
Totals		\$ 57,700,758	\$ 1,177,566			

## 2017-2018 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, 2017, and ending June 30, 2018.

<b>FUND</b>	<b>AMOUNT</b>
Operational	\$ 678,958,035
Pupil Transportation	\$ 18,226,421
Instructional Materials	\$ 2,466,536
Food Services	\$ 54,908,654
Athletics	\$ 2,320,252
Federal Grants	\$ 76,610,263
State and Local Grants	\$ 7,677,998
General Obligation Bonds	\$ 82,818,402
Special Capital Outlay-Local	\$ 17,566,394
Special Capital Outlay-State	\$ 1,126,022
Special Capital Outlay-Federal	\$ 2,458,658
House Bill 33	\$ 138,327,404
Senate Bill 9	\$ 80,195,522
Educational Technology Equipment	\$ 15,404,049
GO Bond Debt Service	\$ 144,970,106
Educational Technology Debt Service	\$ 14,032,435
<b>Sub-Total PED Approved Funds</b>	<b>\$ 1,338,067,151</b>
Enterprise Fund-KANW Radio Station	\$ 679,085
Enterprise Fund-Graphics Enterprise Services	\$ 434,927
Enterprise Fund- Charter School Business Services	\$ 181,461
Enterprise Fund- Transportation Enterprise Fund	\$ 2,271,947
<b>Total All Funds</b>	<b>\$ 1,341,634,571</b>