

## MEMORANDUM

To: Alexandria City Public Schools (ACPS) School Board  
From: Budget Advisory Committee (BAC) through Dominic Turner, CFO  
Re: FY 2020 Budget Advisory Year End Report  
Date: September 15, 2019

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The purpose of the Alexandria City Public Schools (ACPS) Budget Advisory Committee (BAC) is to advise and support the School Board regarding the budget.

While in previous years, BAC provided the School Board with recommendations on the ACPS stand-alone budget and process, for FY 2020 the committee expanded its scope of work to also liaise with Alexandria City's Budget and Fiscal Affairs Advisory Committee (BFAAC) to issue joint reports. BAC work products this year included: 1) Memo on BFAAC & BAC Observations One Year After the Release of the Final Task Force Recommendations in April 2019; 2) An upcoming joint memo with BFAAC on the facilities task force final report; and 3) this final memo on the FY 2020 scope of work.

### **Coordination between ACPS and the City**

One major part of BAC's scope of work this year was to continue to build the dialogue started last year with BFAAC to develop a more integrated BFAAC/BAC and City/ACPS budget process.

Through our individual committee meetings and the joint session held in March 2019, we see continued improvements in the coordination between ACPS and the City in the budget process. It was evident that the Superintendent and City Manager have set expectations that staff from both sides will work together to develop and execute a budget that will serve the best interests of all Alexandria residents. This collaboration is evident in the many projects being worked on by both school and city staff and in the culmination of a Superintendent's budget adopted by the City Manager as proposed. BAC commends the work of ACPS staff to get to this point. In the joint BFAAC/BAC memo, we recommended continuing to make progress to close timing gaps between the ACPS and City budget calendars, recognizing the great improvements already made.

BAC and BFAAC commit to continuing to hold joint meetings and to working together to continue to improve coordination and understanding of the overall budget process.

### **Public Communication and Engagement**

An integral part of BAC's purpose is to investigate actions to make the budget process more user-friendly and transparent to our stakeholders and promote public participation in the ACPS budget process.

In FY 2020, for the first time, two student representatives participated in the committee. Seniors at TC Williams, the student representatives canvassed their fellow students regarding their areas of concerns on investments and process and reported back to the committee. Among the areas of concern were facilities being over-crowded or poorly maintained; the lack of sufficient text books and out of date text books; and making ACPS facilities more sustainable. The student participation opened up a valuable communication mechanism and led to greater overall awareness on both the part of the students and the committee, and so we recommend continuing to recruit students to participate in the committee.

With the ACPS Strategic Plan up for review in FY 2021, BAC also recommends it participate in the effort to develop the next strategic plan. BAC participation will promote the importance of communication with the larger public and community to understand the drivers and importance of understanding the budget. It will also position BAC members to be “ambassadors” to the rest of the parent/public community on ACPS’s sound fiscal management.

### **Budget Priorities**

BAC recommends that the school board refine its process for setting budget priorities in FY 2021 and beyond. The budget priorities as defined in the past several years have been overly broad and all encompassing. Because so many items are included in the priorities, it does not help focus the discussions and decision making process. BAC recommends that at the beginning of the budget process, the board discuss which strategic goals will be focused on more intently for this cycle and use that discussion to set priorities. This would then allow the Superintendent to align the budget to these priorities as it is developed, and help board members as they engage in add/delete process and finalizing budget investments.\*

BAC has participated in discussions with ACPS staff, BFAAC and City Staff on the need to rewrite the ACPS Section D: Operating Fund Balance (DAB) policy which governs the use of fund balances in the ACPS operating budget. BAC supports adjusting the policy to encourage greater fiscal responsibility and discourage regular use of the fund balance for on-going operations. BAC encourages ACPS staff to continue to work with the City Manager and staff on an updated policy that meet the needs of both. \*\*

BAC also supports the ACPS staff initiative of delivering a “Budget 101” class for the board and senior staff to introduce industry best practices and financial management principles. BAC members can be available to help develop the content and for the sessions themselves and will be encouraged to participate.

### **Benchmarking / Best Practices**

The BAC conducted an initial high-level assessment of ACPS Budget Process and activities by comparing ACPS’s process to the School Budgeting best practices developed by the Government Finance Officer’s Association (GFOA).

In summary, the BAC commends ACPS staff on its diligence in planning for, and implementing the budget process. The BAC is pleased to report that ACPS Budget process activities are in alignment with many best practices established by GFOA. A few areas are highlighted below:

**Partnership and Stakeholder Engagement:** ACPS Financial Services Division (FSD) is responsible for steering the budgeting process to ensure it meets key milestones, including establishing key criteria and measures to evaluate the process. During the budget process, ACPS staff work in close partnership with Curriculum and Instructions (C&I) to discuss division-wide academic goals and resource needs to ensure academic success, all in a collaborative process with key stakeholders playing a critical role.

**Budget Priorities, Process and Policies:** ACPS Budget process is based on key principles that underscore transparency, using data to make decisions, and resource allocation mechanism that supports student achievement. Key policies are used to guide the process in the following areas (not exhaustive): general fund reserve (please note our recommendations on operating fund balance policy\*), balanced budget, financial emergency, asset maintenance and replacement and others. As an area of improvement, we recommend a more explicit setting of budget priorities, using narrow well-defined priorities that can help in investment trade-off decisions.

**Instructional Priorities – Resource Allocation and Prioritization:** ACPS has an established process to identify gaps between current and future state using gap analysis. As part of this process, ACPS staff work closely to identify longitudinal as well as emerging achievement gaps in such areas as literacy, mathematics, science, and social studies, all of which are assessed via the Virginia Standards of Learning testing program. Furthermore, the process includes identifying and evaluating options among instructional priorities, and communicating the consequences of choices. This is supported by evaluating and prioritizing the use of resources, and eventually allocating resources to school sites, supported by the Strategic Plan and School and Department improvement plans.

In closing, BAC provides the following questions as consideration to the Board to help it determine how well the Budget process, together with its timelines and deliverables, meets the needs of the Board:

- Would the board like to provide further guidance to BAC about their priorities to better focus the work of the committee this upcoming year?
- Are there particular strategies the board would like BAC to pursue to better educate other parents and the larger community about the ACPS budget?
- Do the budget presentation and related documents adequately meet your needs for information? Are they in a user-friendly format? Do they provide data to make informed decisions? Do they adequately describe the trade-offs for decisions?
- How does the district keep the Board informed about implementation of the strategy? What is the cadence of progress reporting? Does this meet your needs? If not, what areas need to improve?

- Are updates on both the implementation process and performance reported to the board? Are interim results to measure progress? What is the cadence of reporting? Does this meet your needs? If not, what areas need to improve?