

Date: June 21, 2018

For ACTION _____

For INFORMATION X

Board Agenda: Yes X
No _____

FROM: Michael R. Herbstman, Chief Financial Officer
Dominic B. Turner, Director of Budget and Financial Systems

THROUGH: Lois F. Berlin, Ed.D., Interim Superintendent of Schools

TO: The Honorable Ramee A. Gentry, Chair, and Members of the Alexandria City School Board

TOPIC: **Budget Advisory Committee (BAC) Report on the FY 2019 Combined-Funds Budget and Staff Response**

BACKGROUND: The Budget Advisory Committee (BAC) advises the Alexandria City School Board on the annual ACPS Combined-Funds Budget and the 10-year Capital Improvement Program. The Committee recommends approaches, and serves as a source of information for interested parents, students, and community organizations to foster deeper understanding, promote public participation and ensure transparency in the budget process.

In previous years, the BAC has provided the School Board and Staff one annual report. This year, the Committee undertook additional work aligned with important ACPS budget items. The BAC has already submitted the following items to the School Board this fiscal year:

- September 21, 2017: School Board Budget Priorities Assessment
- October 4, 2017: Memorandum on the Budget Process and Further City/Schools Collaboration jointly written with the City's Budget and Fiscal Affairs Advisory Committee (BFAAC)
- October 26, 2017: FY 2018 BAC Scope of Work
- January 11, 2018: Feedback on Ad-Hoc Joint City-Schools Facilities Investment Task Force Memo and FY 2019 CIP Proposal
- May 10, 2018: Memorandum on the Task Force Final Report jointly written with BFAAC

In addition to the FY 2019 Combined-Funds Budget Report attached to this memo, the BAC has also worked extensively on a Risk Assessment that will be delivered to the Board in the next regular School Board meeting in September.

SUMMARY: ACPS Staff greatly appreciates the work of the BAC and values the

Contributions that the Committee made to the FY 2019 budget development process. Staff is grateful that the Committee has accepted an expanded role this year and has provided the School Board with invaluable analysis throughout the budget cycle.

The attached report on the FY 2019 Combined-Funds process includes insightful strategies moving into FY 2020 budget development. Overall, ACPS Staff agrees with all of the recommendations. The staff responses are further broken down below by report section.

Staff Responses to the Report

- Section #1: Coordination between ACPS and the City (Including BFAAC)
 - Staff Response: City and Schools staff have developed closer working relationships over the past year and have coordinated in a variety of new ways throughout the recent budget development process. ACPS Staff greatly appreciates the support of both the BAC and BFAAC in helping to align this work.
- Section #2: Combined Funds Budget Process and Presentation
 - Staff Response: ACPS Staff concurs with all recommendations in this section including those regarding reporting on enrollment metrics, working towards new revenue streams and further studying compensation in critical programmatic areas.
- Section #3: Public Community and Engagement
 - Staff Response: Financial Services and Communications Staff will continue to work together next year to promote community engagement in the Combined-Funds process.
- Section #4: Risk Assessment
 - Staff Response: Staff looks forward to the Final Risk Assessment Report on the recent budget cycle. Financial Services is eager to work with BAC next year to further integrate report findings and overall risk processes into the next budget development cycle.

RECOMMENDATION: The Superintendent recommends that the School Board accept the BAC Report on the FY 2019 Combined Funds Budget.

CONTACT PERSON: Michael Herbstman, Chief Financial Officer, 703-619-8098

ATTACHMENTS:

1. BAC FY 2019 Combined-Funds Budget Report