

BOARD BRIEF

Date: May 27, 2021

BOARD INFORMATION: X

MEETING PREPARATION:

FROM: Dominic B. Turner, Chief Financial Officer

THROUGH: Gregory C. Hutchings, Jr., Ed.D., Superintendent of Schools

TO: The Honorable Meagan Alderton, Chair, and
Members of the Alexandria City School Board

TOPIC: Staff Response to BAC Report

ACPS 2025 STRATEGIC PLAN GOAL:

Goal 4: Strategic Resource Allocation

SY 2020-2021 FOCUS AREA:

N/A

FY 2021 BUDGET PRIORITY:

All

BACKGROUND:

The School Board, on January 19, 2021 tasked the Budget Advisory Committee (BAC) with:

- Providing an overview of the ACPS budget calendar process and the identification of any and all sequencing concerns with the City budget calendar;
- Identification and exploration of the most significant impediments to aligning the School Board and City budget calendars;
- Comparisons from other neighboring or comparable jurisdictions;
- consideration of potential adjustments that could be made to align the sequencing, with an exploration of the pros and cons of each adjustment; and
- exploration of the efficacy of other budget-related events (e.g., Community Budget Forum) (as time allows).

On May 20, 2021 the BAC submitted their annual report to the School Board which included a list of ten (10) recommendations for the School Board to consider. In response to the report and recommendations that came from it, here are staff's comments.

SUMMARY:

ACPS staff would like to thank the BAC for their efforts in providing recommendations to the

BOARD BRIEF

School Board for how to alter the Budget Calendar. We appreciate the opportunity and the inclusion of some of staff's comments and concerns in their report, and consideration in their recommendations. Their recommendations will be used by staff to create multiple options for the School Board to consider prior to the adoption date in September 2021. We believe these options will provide the School Board with a calendar that will continue to provide for a robust public budget process.

Our response is to provide a correction to a few points within the body of the report, provide additional information where we believe it's needed, and state where we can pursue the same end-goal of the recommendation from a different perspective. As is customary for financial reviews (Annual Operating Fund audit, School Activity Fund Audit, etc.) staff submits the following management response.

Report

1. The report states that ACPS's Budget Book is longer than surrounding jurisdictions' School Division and Municipality's books combined. Our surrounding school divisions' books, in some cases dwarf ACPS (450 pages).
 - a. FCPS (1000+)
 - b. APS (roughly 600)
 - c. PGCPs (500+ combined operating and CIP)
 - d. PWCS (500+)
 - e. MCPS (450+ combined operating and CIP)
 - f. FCCPS (300+)

In addition, ACPS participates in both the Association of School Business Officials (ASBO) and the Government Finance Officers' Association (GFOA) programs for excellence in financial documents. These programs define what should be included for an accurate and accessible budget that provides transparency for the public.

2. The report reviewed the budget approval (by school boards) and proposal (by City Manager or County Executive) sequencing of four (4) other jurisdictions. Our review of the data provided in the report shows there is not one clear preferred sequence. The report itself states that two (2) school boards approve prior to their jurisdictions proposal and one (1) with the same sequencing of ACPS. The fourth jurisdiction reviewed was not included (Newport News City), in which their school board approves and the manager recommends on the same day. Therefore out of the five (5) jurisdictions, two (2) sequence prior, two (2) sequence after, and one (1) same day. Therefore, of the five jurisdictions researched, Alexandria is currently one of the three that approves the budget on the same day or after.

Recommendations

1. Recommendation 3 states- "**ACPS should consider preparing a list of "reach" items beyond the Superintendent's Proposed Budget that could be pursued with additional funding.**" Within this recommendation it is stated, "While this ensures a narrowly tailored..." and mentions that a "reach" budget "may better reflect the true budget

BOARD BRIEF

needs ACPS has assessed in order to maintain the type of school system it believes is in the best interest of the community.”

We would like to ensure the School Board, and the community that when the Superintendent proposes a budget it does indeed reflect the true needs of the school division. Working with our City counterparts to understand the fiscal constraints of the body that provides 82% of our funding, does not mean proposing a budget that doesn't address our true needs. In fact, the process that the current financial team has implemented has helped grow ACPS's share of the City's General Fund by more than 2% over the past few budget cycles, to support our students. In addition, this collaboration has led to introducing “outside the box” funding strategies to secure textbook funding, technology infrastructure improvements for our facilities, and funding to grow our human capital to support our growing CIP. This removes these items from having to compete with other priorities in the Operating Budget.

If the School Board has a desire to increase the requested City Appropriation (for any reason), we have a process for doing so included in the “Budget Rules of Engagement” and “Budget Process Resolution”. If the desire is to have a list of items/programs that would be “wish-list” items, but not needed items, in the event additional funding is received this can be provided. Our recommendation to do this would be to provide it during the first work session. This will provide a framework for potential add/delete requests School Board members could propose, and seek additional funding for, or alter the Proposed Budget to include.

2. Recommendation 9 states- **“In consultation with the Board, ACPS budget staff should examine developing a streamlined and simplified version of the Budget book without losing the necessary information and analysis to make informed decisions.** The development of the budget book requires significant staff time. Further, at nearly 500 pages, the budget book is challenging for the public (and presumably Board members) to digest. Streamlining this document should have the additional benefit of freeing up budget staff to work on the development of the Combined Funds budget.

While we appreciate the desire to reduce the size of the Budget Book to free up staff time, our book includes the items needed to be recognized as an excellent budget document by both ASBO and GFOA. Our staff continues to seek ways to improve the efficiency of publishing the document, but want to maintain an accurate and accessible budget document that provides transparency to the public. To assist with the understanding of the budget, our team has implemented the “Bite, Snack, Meal” approach that was presented as an effective strategy as a part of the ACPS communications audit. Our “Where the Money Goes” document is the “bite”, “Budget in Brief” the “snack”, and our Budget Book is the “meal” for those individuals that want

BOARD BRIEF

a deep dive into the information. We will continue to refine how we present information as we stay on our journey of continuous improvement.

Again we want to thank the BAC for the time and effort spent in developing this report. Their recommendations will be used in developing our next Budget Calendar and for process improvement.

RECOMMENDATION: The Superintendent recommends that the School Board review this information.

IMPACT:

ATTACHMENTS:

CONTACT:

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