

ACPS School Board Budget Advisory Committee

November 12, 2019 7PM
George Washington Middle School Room 201

MINUTES

The meeting was called to order at 7:05 p.m.

Present:

Budget Advisory Committee Members: Erin Dahlin (Chair); Nancy Drane (Secretary); Sean McEnearney; and Sukumar Rao.

ACPS Staff Liaison: Dominic Turner (CFO)

The Chair, Ms. Dahlin, welcomed the BAC members and ACPS staff liaison listed above to the meeting. Ms. Dahlin noted that BAC members Lillian Vagnoni and Erin Brock; ACPS Budget Director Robert Easley; and ACPS School Board Ramee Gentry were unable to attend.

➤ Minutes Approval

- A motion was made by Mr. McEnearney, seconded by Mr. Rao, to approve the September 10, 2019 BAC minutes as drafted. All members present voted in approval.

➤ Staff Report

- Mr. Turner provided the ACPS Staff Report.
- ACPS is in the midst of budget season. This year, the Budget Office worked to formalize and communicate internally a four-step process to develop the ACPS Operating Budget. Mr. Turner reviewed a flow chart outlining these steps.
- Step 1: Senior Leadership Team (SLT) Meeting. In this step, the SLT discussed fixed, non-discretionary costs (e.g., health care, Virginia Retirement System). Last year, ACPS shifted some health care costs to employees, freeing up funds to support a staff step-increase. This year, they obviously cannot do that so need to identify funds to meet any cost increases. They are seeing increases in health care costs (approximately 11%); dental (approximately 8%); and with the Virginia Retirement System (approximately a full percentage point, up to 16.2%, or the equivalent of \$1.7 million). They are also planning on a step-increase and 1% MRA increase. Finally, it was recommended that they include a 0.5% increase to the Supplemental Retirement Fund (in addition to the 1.5% employee contribution) to keep the fund healthy. Also informing their decision-making is an ongoing compensation study for specific staff sub-groups that have been identified as falling short of local industry standards (e.g., bus drivers). All told, this amounts to about \$10 million.
- Step 2: Budget Office Internal Meetings. With this information in hand, the Budget Office then took a look at remaining budget items and the School Board's pre-established Budget Priorities in order to set some general budget parameters that could be shared with Departmental/School leads for other budget planning (beyond those non-discretionary costs). The Budget Office feels that having the School Board set specific Budget Priorities

this year (e.g., look at K-2 literacy as opposed to a broader goal like Reading) has helped them in setting the stage for developing the budget and guiding staff choices. (The hope is that it will be equally useful during the add/delete process with the School Board.)

- Step 3: Department/School Budget Meetings with Budget Office. The Budget Office then set up a series of meetings with Departmental/School leads to discuss budget planning. They shared the budget parameters they'd established and discussed budget priorities, with the goal of walking away with a balanced budget. The Budget Office is encouraging Departmental/School leads to own their budget by the time it is complete, making decisions about how to prioritize in order to reach that balanced budget. They will present those recommendations to the SLT meeting.
 - Step 4: SLT Meeting to Finalize Superintendent's Proposed Operating Budget. Departmental/School leads will then discuss budget recommendations with the Superintendent and SLT. These recommendations will be cross-checked against enrollment data which will come in on November 22 (and shared with Principals). The draft will be finalized in mid-December, with the Superintendent releasing to the School Board on January 9.
 - Other discussion:
 - The budget guidance provided by the City is that overall, revenue will grow 2.5% (equivalent of \$18 million). Note: These funds would be used City-wide, not just for schools.
 - There was a question about whether there has been any community feedback on the School Board budget priorities. Mr. Turner shared that they were reviewed during the Community Budget Forum in October, and that they will be reinforced during future meetings. There was a suggestion that the School Board budget priorities be presented at a PTAC meeting so that they can be cascaded down to parents and community members.
 - Mr. Turner reminded BAC members that the ACPS budget has a very high percentage (approximately 90%) going towards compensation when the industry standard is 75-80%. This limits discretionary budget spending.
 - The Budget Office is engaged in a longer-term effort to catalog academic programs and desired outcomes in order to evaluate return-on-investment to set budget priorities.
- **BFAAC and BAC Joint Meeting**
- There was a quick review of the Joint BAC-BFAAC meeting. ACPS staff reviewed CIP data, including the targeted facilities assessments and the High School Project. BFAAC members were able to ask questions and learn more about the collaboration between City and ACPS staff around capital planning.
 - BAC and BFAAC members also discussed talking points to be included in the joint BFAAC-BAC memo that was eventually submitted.
- **Joint School Board-City Council Retreat**
- Mr. Turner reported out on the Joint School Board-City Council CIP Retreat. Shared use of capital investments was highlighted by several City Council members as an areas in need of additional and increased focus. ACPS staff highlighted the collaborative spirit that has driven City-ACPS communications around capital planning.

- **City Council-Budget Retreat**
 - At the gathering, ACPS focused on its operating budget. The meeting set the stage for the ACPS operating budget request (and previewed an anticipated increase) and allowed ACPS the opportunity to explain how it is using the processes described above to guide operating budget decision-making.
- **Benchmarking Project Update**
 - No update from the last meeting.
- **Next Meeting**
 - Dr. Hutchings would like ACPS staff to use the next BAC meeting on December 10 to review the Superintendent's proposed budget and identify any gaps or questions, in anticipation of our support at the reveal at the January 9 School Board meeting.
 - BAC members appreciated the presentation by ACPS staff and the availability of robust budget information online, including the detailed budget calendar.
- **Walk on topics**
 - BAC members agreed that BAC would benefit from more guidance from the School Board and ACPS staff on how it can maximize its effectiveness and be a true value-add. BAC could play a role in many different areas: communications; budget analysis; etc. It would be useful to know where it can be most impactful. In the past, BAC has taken some initiative to establish priorities (e.g., risk assessment project) but wants to be sure whatever it is doing is helpful to the School Board and/or ACPS staff. Ms. Dahlin will follow up with Ms. Gentry to ask her (and her colleagues) to discuss and provide feedback on how BAC can support them.
 - BAC also discussed the relative size of BFAAC and how we are only working with a group of 6 volunteer members. We may need School Board input on adding additional members.
 - BAC also encouraged ACPS staff to discuss ways BAC can be most supportive of its work and provide that feedback.

The meeting was adjourned at 8:20 p.m.