



APS Budget Meeting: Fiscal Year 2016 April 15, 2015

Scheduled start: 4 pm

Actual Start: 4:15pm

Scheduled end: 6 pm

Actual end: after 7:30 pm

Room: Packed, extra chairs brought in

Documents: should be able to be found in Board Docs on the website.

Opening: Matt Westmoreland & Meria Carstarphen

Content and PowerPoint overview: Nadir Sohrab & Meria Carstarphen

- Slide 2: Baseline budget scenarios of \$682 M, \$695 M, or \$700.8M
- Slide 4 – 8 give details on scenarios
- Dog-ear: 33 and 34 sample cluster planning; 40 and 41; 42 and 43; 44 and 45; 51
- Slide 31: What are we willing to do to support charter cluster in terms of programming in an equitable way?
- Slide 40: If you're going to have a base expectation, at every level, a "standard of service" that every school is expected to do to ensure a solid foundation across APS, is not funded completely by this budget. Fund the base first to get all kids at a baseline, and then fund the above and beyond programming (IB, fine arts, etc.)
- Schools have the opportunity to come up with their own ideas but if they can't then they get set to the default APS setting.
- Remedies: Some schools will be affected by the cheating scandal and they need IDPs (Individual Development Plans) to achieve mission/vision of district. To get them to the SOS (Standard of Service) the gap plan is an IDP (most of them are 9th/10th grade).
- A district-wide lift for IB is \$17 million.
- It makes more sense to first bring EVERYONE up to the floor, and THEN move the entire group on to the next SOS.
- Example: world language program: 2nd-5th grade (not the most we could do) it costs \$396M and 153 teachers. We could do more starting in kindergarten and taking kids through fluency. If we picked a program design beyond the SOS, there is an additional cost and is it possible to create for every child in APS?



- We have not added special needs or ESOL (English for Speaker of Other Languages) to our SOS. It's been done for world language and for fine arts, but we need a clean-up on athletics.
- Vision: what does "high-performing district" mean to you?
- We originally struggled with career but are getting some traction (thanks to Atlanta Tech and Angela Smith's charge).

- Slide 51: Fulton County has been getting their \$27M, Beltline had been getting \$651M
- APS Receivables: \$14M

- Bridge work is necessary because of demographics and learning levels (e.g. summer reading program)

- Slide 4: \$1M for recalibrating teachers

- Public has spoken out about inequity.
- Budgets need to show everything.
- It is tough to reprioritize because lots of things got put into special revenue and big things like HVAC got put in SPLOST leaving minimal wiggle room. HVAC is critically important.

- Original priorities were operating model shift, now everything is accelerating and is super intense.

- This isn't sexy education stuff, we're managing rodents. When A/C was out, students had to do testing outside. Bills need to get paid. Things need to get back on track and then we can take care of programs of service so that you can have a high-quality design.

Discussion among group:

Cynthia: I did not see a reference to the POB.

Response: POB is not in budget to do this programming. Money won't be in until January at the earliest (assuming it passes). We can't recognize revenue according to GAAP (Generally Accepted Accounting Principles) that we can't count on coming in. The IGA (Intergovernmental Agreement) is an existing legal contract.

Courtney: On Slide 8, "enhancing education environments" has to do with appropriation expenditure requests.

Response: There is a litany of higher-quality custodial services and contract renewals or updates. Schools are unhappy with current SOS, but can't afford to bring back in house. Safety will be moved in house and given PBIS training. How the city uses our stuff has been pretty damaging.

Courtney: In scenario 3, the millage rate, can it go to adding more to the quality?

Meria: I personally walked the buildings and you will not believe how filthy some of these schools are. For food, they are still serving low-quality government food.

Courtney: Even with the OSD (Opportunity School Districts) and cheating scandal out of the picture, everyone is unhappy/frustrated with our services. I'm willing to make a trade-off between cleanliness and quality teachers. I don't mind explaining that.



Meria: The environment that people teach and learn in matters. (Huge spiders, urine on the walls, etc.) I am putting parameters down hard and clear and you cannot pass go on certain things until we find a better model. This is only allocation.

Cynthia: Instead of asking “What do you want?”, can we ask “Would you rather have X over Y?”

Meria: My point is, we have to say “You chose this over this”.

Nancy: In the SPLOST budget, does mulch fall under that?

Response: It has to fall under a certain price per unit. As much of general funds that could be moved were.

Leslie: Here is \$700M, this is everything we want to do this year.

Byron: We have different scenarios in front of us that are tied to different pots of money. Are we going to do a millage increase? Are we going to do a budget on the wish of IGA. Let’s stop talking about the what and bypassing the how.

Response: That conversation happened at the retreat in February. In slides 33 and 34, in the equitable budget, most people wrote about standards of service. Why would we hold anyone back if they can go above and beyond?

Matt: Since our conversation about \$682 M, we’ve been talking a lot tonight about \$5 M in flex dollars, does this become our next priority?

Response: How do you tell people to fight off the rats but then implement IB for kids who can’t read at their own grade level?

Byron: We need to agree on the number we’re going to use.

Jason: Sustainability, we can’t adjust revenue every year. This year, we will have potential IGA or reserve revenue, possible POB revenue, and a tax increase. The only remaining revenue is the millage rate. How do we sustain momentum of these programs/initiatives given a significant cut in revenue next year? We cut resources of \$15M and then there are rising costs. Will we be here next year looking for dollars and not finding them?

Meria: We can’t fix all of it. It will cost this community for some time to get this all figured out. Or we have to say, we can only afford to do this many schools and programs and it stops. We as a community have to be certain that we want to fix and serve the communities that we have. Fix them and help them grow. We can be a district that says we can’t offer certain things (like signature programming), you must find that through special revenue, not board funds. We have seen some districts hand over their system to the state, because they could not afford it.

Jason: I’m all for giving our kids everything they need. I know we all want to be on a positive trajectory. Are our current investments set up for something that is unsustainable because of future revenue issues? Maybe it is prudent to look at a multi-year budget under this scenario, looking into millage increases because of today’s momentum.

Leslie: If we’re considering raising our millage rate, it’s because people are paying us. The public needs to understand that we’re not operating in a vacuum. I think IB is worth it. More kids bring more money to



the system. It's worth it to keep them interested/enrolled. What is Atlanta? We're a global city of the world with a third-world education system. We need to build it now and ask who is going to help us.

Meria: We're not like a charter system where they actually get money.

Nadir: 80% of funding is coming from property taxes (QB dollars), it's a very incremental increase with enrollment.

Courtney: I share in the concerns around the City and BeltLine but I want to push against people being afraid of constituents when it comes to taxes. I think everyone around the table has faith in the Superintendent. The ability to tax is in the power of the Board, not the Superintendent. I want to caution against certain rhetoric and remind us of our board norms. Everyone here wants to do what is right for kids and want to get there faster. I'm willing to support the millage increase.

Nancy: If you look at the \$450M we spent before mandatory expenses (Slide 20), now we have \$3.9 M less.

Meria: At this point in the budget phase, you can't re-rip through an entire organization. We should be looking at FY17 right now: multi-year budgeting, building up the balance, getting better deals on bonds/interest rates, etc. Currently we have 7 schools with less than 300 students. Closing a school includes a lot of pain without a lot of comeback unless you get dollars for the building itself.

Nancy: The Maintenance/Operation budget (slide 19) went up \$15M, what is that?

Response: It goes up by \$6M because of bus and custodial.

Matt: This is listed on the "Enhancing Education Environment" page/insert

Steven: The budget should be based on projected revenue that you have to spend. If we have money that we know (\$682M), let's budget against that and build additional things when we receive additional funds. If we don't do that we are setting a precedent that later on we won't be able to continue that funding. Our answer is to keep raising taxes but I know people are taxed out. In my District (5), we can't charge our people for our lack of money management. I can't say to my constituents that we're increasing our taxes when we haven't demonstrated that we are good stewards of the money we have.

Cynthia: I am normally very fiscally responsible. We have a responsibility for 50,000 kids. If we continue to wait, we are doing them a disservice. We aren't doing what we can. I love the IB default and the provision of a baseline standard regardless of clusters. This can eliminate tensions among communities that are further along than others. Every community has kids that we have to serve right now. This addresses my questions and alleviates my concerns. I am comfortable going to the tax-payers and saying help make it this good, everywhere, in every school. I feel like I have more ability to go to people who will push back and say OK, would you rather have IB or mulch? Would you rather have etc. etc. I would rather muster an army of parents to clean the bathrooms and have a great education.

Jason: That's not the choice we're giving families. This is \$5M, not an increase in over \$30M. We're not giving them options among mulch and landscaping and transformational change. We're saying let's do all of it. It becomes \$5M now to \$20M next year. Rats and landscaping will stick around. What will happen in



the future? As a governmental body, we only get one opportunity to raise taxes. Are we raising it at the right time when we could maximize impact for this? Is this year the best year? We need to understand our limitations. Will we tell families that we will do big things and hold off on other stuff so that next year we can plan for our outlook? I'm afraid of doing this this year, and fall short next year in our capacity.

Cynthia: As far as cluster planning goes, that train has left the station. If we don't do this now, then we have not served the kids, we have lost the chance for having an impact on making that cluster planning meaningful, rich, and transformational, and ensuring that kids don't get lost. I think Meria said that given another year she could find funds that we could redirect with another scrub. (every year until we get settled on charter system and how much is actually needed essentially). I'm trying to say less about how much we spend and what we spend it on.

Eshe: We're in agreement on raising the bar on SOS. It's hard for me to decipher and choose because everything here impacts every school in my district. As a taxpayer and former educator, where we are and where we need to be, the decision has been made that world language and fine arts are cut. We all have our wish-lists, lets prioritize critical needs and be keen on what we can strategize in a multi-year budget. We need to focus on priorities in Scenario 2. If we can't do all, what can we do? I question some of the educational environment cuts over the years and consider our options.

- BATHROOM BREAK AND TEAMS LOOK FURTHER INTO BUDGET -

Matt: Most of today has been talking about Slides 33 and 34. Budget updates include no preventive maintenance for buses (as an example).

Meria: The \$5M (slide 8), the Mays \$585,000 allocation, the high school is taking \$390,000 out of it. When you cross-walk it with the IB slide and get into cost of programming, there is a lot around world language/fine arts. When I look at it this way (world language), the 41 additional teachers, would that be covered in this leftover chunk of money for elementary schools? There are 6 elementary schools in Mays.

Jessica Booth: We don't have a lot of equity and we need to replace 48 positions to be at the current staff levels in terms of the arts. There is no alignment in the district (ex. A high school with an interest in STEAM is dropping 2 music teachers and an elementary orchestra but the cluster's MS and HS do not have one).

Meria: All this problem-solving isn't addressing fine arts. We did get adopted by the Kennedy Center to get the guidance for resources for programming. PBIS/SEL. How do we make sure we don't completely gut fine arts?

Jessica: We are the highest at quantity than any other metro district here, but we're at the lowest quality.

Meria: Don't kill the better programs that are moving.

Jessica: BEST and CSK currently have no art teacher. With current numbers we can't start music until middle school. In terms of succeeding arts-rich schools: Jackson HS, Sutton MS, Morningside ES. There is no one cluster that does it all well.



Courtney: I hear the ultimate vision. Where are arts reflected anywhere in the budget?

Meria: It's being squeezed in the \$5M or rebuilding college readiness. And \$5M is not enough. \$118 per student was the incremental increase to get the \$18M, to fill the gap.

Courtney: In terms of spending authority, more can be granted as additional revenue comes in. I recommend we stay here at \$685M and if we get BeltLine and POB, we can have a different conversation.

Meria: We have to resolve the BeltLine money. We are using FUN balance to get here.

Jason: BeltLine money should be used to drive student achievement. \$16.4M is in reserves. We're using the reserves to get to the \$685M. Additional spending authority will be given for programming, not backfilling reserves. Even though the Superintendent has focused on the importance of building reserves, as of July 1, there are no reserves left.

Matt: On Monday, we vote on 2 things, what we're allowed to spend and what we're allowed to withdraw.

Nadir: If we spend \$682M as revenue it will be reduced by \$14M and the use of FUN balance will go to \$16.4M (Slide 18) we are no longer budgeting for IGA.

Courtney: We are owed \$14 M from city, we are not letting it slide. Stephen's point is we KNOW we have XX amount of dollars.

Nancy: Count on getting it, if we don't get it as of July 1, we will amend it later and pull from FUN budget.

Meria: It looks like we're band-aid and bubble-gumming our HVAC units for about \$2.2M at the schools that did not get the lift with the SPLOST. Arts are \$ 3.9M which could be offset by reducing instrumental music at the elementary level. I am happy with \$3M since we don't need to do everything straight out of the gate. The arts have been in the flexibility money so far. I have heartburn over this heating/air thing. APS needs to unpack how bad some of our schools really are. When are we addressing 11th graders reading at 2nd grade levels? This is where the hits are getting most intense. When we hear feedback from the community: they want high quality world language programming and how do we not lose basic arts?

Byron: If we talk about the lift that this budget gets us, what is it? Do we get an actual lift? We have built a budget to see what helps kids the most. Now it seems like we're not giving you what you need to do the best for our kids.

Response: Therell's and Washington's numbers are XXX. We did not close the equity gap but we addressed it some. The budget is based on enrollment and that is it.

Nancy: We could give some IGA money to these schools that are in more need.

Nadir: If we are using \$2.4M in additional revenues there could be incremental increase in the \$685.2 because of the charter schools. (\$300,000)

- Matt Westmoreland closes meeting -



8 Board members agreed on the budget. Byron did not.

Voting meeting is going to take place at 6pm on Monday (April 20th).

APS Board Members present:

- District 1, Leslie Grant
- District 2, Byron Amos
- District 3, Matt Westmoreland
- District 4, Nancy M. Meister
- District 5, Steven Lee
- District 6, Eshe Collins
- At-Large Seat 7, Courtney English
- At-Large Seat 8, Cynthia Briscoe Brown
- At-Large Seat 9, Jason Esteves

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