

Budget Advisory Council Comments on the Interim Superintendent's Revised Proposed Budget April 21, 2020

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Support Balanced Scenario 3

(No Compensation with Expenditure and Revenue Closures)

But Negotiate “Accelerator Pedal” to get to Compensation Scenarios 2 and 1

- Scenario 3 is well-crafted budget, responsive to current “brakes applied” circumstances; some comments in later charts
- Conceivable that economy will not remain in current condition and an “accelerator pedal” should accompany budget plans to enjoy expansion
- Shouldn’t have to live with the worst of circumstances through whole year; County Council could agree to series of economic indicators that would trigger release of additional funds to APS
- Features of the budget that were jettisoned for “brakes applied” survival could be restored in priority order as the economy is restored
- Compensation is the primary beneficiary as economic acceleration is experienced, but other tiered benefits can be peppered among these as warranted

Negotiate Accelerator Pedal to get Compensation Scenarios 2 and 1

NOTIONAL SPEED CHART; FEATURES ADDED BACK

	→ Improving Economy →					
\$M (amnts may diminish as time passes) 0	10 MPH	20 MPH	30 MPH	40 MPH	50 MPH	60 MPH
Balanced Budget; No Compensation (Scenario 3)						
Cancel 1 Day Furlough	2.3					
Resume Compensation/Budget Studies; Tier 10 Features	0.3 XX					
Provide 1% COLA (Scenario 2)		4.7-				
Restore Operating Reserves			14.0			
Provide Step Increase (Scenario 1)				10.6-		
Tier 50 Features					XX	
Tier 60 Features						XX

Revised Budget Proposal¹ Draws Too Heavily from Reserves

NON-CAPITAL² RESERVE SPENDING

	PAST	CURRENT	PROPOSED	FUTURE
\$M	2018-19	2019-20	2020-21	2021-22
Start Balance	42.2	29.0	25.1	6.9 8.6
Spending	21.8	11.7*	18.2* 16.5	

* Does not include County one-time funding of \$9.9M and \$3.7M in FY20 and FY21, respectively

- Potential for county revenue issues may continue
 - Restaurant/hotel taxes may not resume within single budget cycle
 - Second wave white collar layoffs may constrain property tax increases
- State revenues may be redirected to address new circumstances, such as CV-19 testing and contact tracing
- Need one-time funds in 2021-22 to open new school projects
- Increased health care costs incurred from CV-19 or other delayed health care

¹ Same was to be said of original Proposed Budget

² This chart ignores the Capital Reserves, which cannot be spent on Operating Budget

Some Comments

- Compensation and Budget Studies were the subject of specific 2020 Budget line item attention and should not be cut
 - (frankly, should have received more aggressive staff action during the past year)
- Partnership Coordinator position was also given specific 2020 Budget attention
 - Too much potential to reap greater bang for the buck from working with community
 - Vision is for partnerships with NVCC and GMU, leveraging both their and APS facilities
- Seek delay and/or stretch implementation of the DoJ Settlement
 - Seems to be both expensive to the school division and of debatable efficiency
 - Changes to similar mandates are made, e.g.: School Counselor ratio change was delayed
- Further increase class size, preferentially in high schools and possibly middle schools
- Would prefer to see budget page addressing contingency plan if not a “return to normal” in the fall
 - Continued or resumed (second wave) distance learning for K-12
 - Provision of devices and online access
 - Schools meeting in shifts to accommodate physical distance.