

Annual Budget Fiscal Year 2021



Presented to the New Mexico Legislative Education Study
Committee Meeting of September 23, 2020

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IN THIS PRESENTATION

1. Unit Value
2. Current Budget Impact
3. Instructional Spending
4. At-Risk Funds
5. Program Participation
6. Instructional Materials

UNIT VALUE

\$4,531.74

There have been questions concerning the actual percentage decrease that was determined from the Special Session in June 2020.

Two amounts have been in discussion

Decrease of 1.56%

Decrease of 4.76%

Both are **TRUE**

The 1.56% decrease is based on the final unit value of FY20

(last school year from July 1, 2019 to June 30, 2020)

$\$4,602.27$ vs $\$4,531.74 = 1.56\%$ change

The 4.76% decrease is based on the original unit value set for FY21

(this school year from July 1, 2020 to June 30, 2021)

$\$4,758.10$ vs $\$4,531.74 = 4.76\%$ change

This is the amount that the FY21 budget was built on and approved by the APS Board of Education on May 18, 2020. The notice of reduction was given after the Special Legislative Session in June 2020.

FINAL NOTICE FROM PED

9/9/2020

Albuquerque Public Schools			
Changes for units and new Unit Value set at \$4,531.74 for FY21			
	As awarded 7/1/2020	PED notice 9/9/2020	
Unit Value	\$4,758.10	\$4,531.74	-4.76%
APS Units	157,951.248	156,826.777	
Total Program Amount	\$751,547,833	\$710,698,178	
Less District Credit (Tax Levy)	(\$4,264,452)	(\$4,264,452)	
Total SEG Award	\$747,283,381	\$706,433,727	
Revised SEG Award		\$706,433,727	
Current SEG Award		\$747,283,382	
Reduction Budget Adjustment Request Amount (B.A.R.)		(\$40,849,656)	
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Savings from removal of 4% increase		\$26,540,376	
Estimated 1% increase for some staff		(\$5,302,445)	
Total Budget Change		(\$19,611,724)	

WHY IS THERE A \$19.6M DEFICIT

- Legislative session took credit for 41% of the CARES Act funding which decreased the SEG statewide.
 - APS CARES Act credit reduced the APS SEG amount by approximately \$10.5M
 - Note: APS allocations from APS CARES award to dependent Charter Schools and Private non-Profit Schools is approximately \$4.5M*
- Other Factors that impacted budget
 - The unfunded 1% increase for certain employees costs approximately \$5M
 - Change in units for participation in Extended Learning and Elementary PE costs approximately \$4M

ENROLLMENT CONSIDERATIONS

APS is looking at a decrease in students of approximately 4,000. This comes from a comparison of the 80 day count from FY20 to the most recent registration count of 9/15/2020.

The decrease of 4,000 students equates to approximately 150 FTE of school level staff and approximately \$36 million in SEG funding.

FY22 is a concern due to forward funding. Assuming many students return in FY22 after the health crisis subsides, the funding based on FY21 student enrollment will not be adequate to cover the returning students.

Request to hold District's harmless and use FY20 data to fund FY22

ADDITIONAL COSTS TO COVER

SEG Deficit	(\$19.612)
Edgenuity	(\$4.300)
eCademy K8	(\$8.000)
PPE	(\$11.535)
Total costs to cover	<u>(\$43.447)</u>

Due to Covid-19, additional costs for on-line curriculum, costs for opening an all on-line K-8, and costs for personal protective equipment, internet, digital devices etc. are necessary.

COVERING THE COST

<u>Plan for 2020-2021 Finances</u>				
(Millions)				
	Operational Costs	Edgenuity Costs	eCademy K-8 Startup Costs	PPE Costs
	(\$19.612)	(\$4.300)	(\$8.000)	(\$11.535)
Operational Fund				\$2.884
CARES Act Fund	\$11.700	\$1.800	\$8.000	*
Title 1 Fund		\$2.500		
FEMA Grant Fund				\$8.651 **
	(\$7.912)	\$0.000	\$0.000	\$0.000

School Level Attrition will need to cover this remaining \$7.9M operational deficit

* \$21.5 after Charters and Privates

**FEMA will reimburse 75% of costs

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**CARES Act funding cannot cover the remaining cost of the 25% from the FEMA funds so Operational must pick up that cost of \$2.9 million.

INSTRUCTIONAL SPENDING (HB 2 LANGUAGE)

- “The public education department shall not approve the operating budget of any school district or charter school with **greater than or equal to fifty thousand students that spends less than eighty percent of general fund appropriations on **instruction, student support services and instructional support services**** unless that school district or charter school demonstrates the budgeted spending level for instruction, student support services and instructional support services is an increase from the prior year and is sufficient to provide a free and appropriate public education to all students.”

Context and Considerations

- HB 2 from 2019 session established 75%
- School site administration excluded from “instructional expenses”
- Maintenance, operations, utilities excluded from “instructional expenses”
- This language of HB 2 applies only to Albuquerque Public Schools

Emphasis in HB2 language added

WHAT IS: INSTRUCTION, STUDENT SUPPORT SERVICES AND INSTRUCTIONAL SUPPORT SERVICES

Included in 80%

Function 1000: Direct Instruction: Teachers, Educational Assistants, Athletics, Substitutes and all other costs associated with instruction in the classroom including extra-curricular activities

Function 2100: Student Support: Athletics, audiologists, Counselors, Diagnosticians, Fine Arts, Interpreters, Nurses, Occupational Therapists, Physical Therapists, Psychologists, ROTC Program, Speech Therapists

Function 2200: Instructional Support: Librarians, Media Specialists, Library/Media Assistants, School Secretaries, Testing

Included in the 20% but is instruction/support (student driven)

Function 2400: School Administration: Principals, Assistant Principals, Clerks, Costs Associated with Administrative Responsibilities in the School

Function: 2700, 2900, 3100, 3300: All Others: Supplemental Transportation, Other Support Services, Food Service, Community Service

A proportionate share of:

Function 2600: Maintenance and Operations: Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment

Included in the 20%

Function 2300: Central Administration: Superintendent, Assistant Superintendents, Student, Parent and Employee Advocacy, Office of Innovation, APS Foundation, Chief Operations, Board of Education, Bond Elections

Function 2500: Central Service: Office of Program Research & Analysis, Technology, Communications, Risk Management, Finance, Human Resources, Materials Management, Graphics, Legislative Affairs, Warehouse Delivery

Function 2600: Maintenance and Operations: Custodians, Utilities, Maintenance on Buildings, Grounds & Equipment

Information from the Universal Chart of Accounts-PSAB 3

FINANCIAL IMPACT OF 80/20 REQUIREMENT

ORIGINAL APPROVED BUDGET FY21

		<u>Original Approved</u>	
		<u>Budget as of</u>	
		<u>7/1/2020</u>	
		(Using Unit Value \$4,758.10)	
<u>ESTIMATED SEG REVENUE FY20 to FY21</u>			
	Base SEG	\$741.311	
	K-5 Plus	\$2.410	
	Extended Learning Time	\$3.563	
	SEG ONLY	\$747.283	
	Other Operational Revenue	\$16.666	
	TOTAL Estimated SEG REVENUE CHANGES	\$763.950	
		Projected	
		<u>As of 04/20/2020</u>	
Function	Expense by Function		FY21
1000	Direct Student Instruction		(\$506.333)
2100	Student Support		(\$76.761)
2200	Instructional Support		(\$24.275)
	Student Related minimum 80% for FY21		(\$607.369) 80%
2300	Administration		(\$4.551)
	2400 School Administration (Principals/Asst Princ)		(\$45.332)
2500	Central Services		(\$24.858)
2600	Maintenance & Operations		(\$80.096)
2700	Transportation Support		(\$1.434)
2900	Other Support Services		(\$0.094)
3100	Food Services		\$0.000
3300	Community Services		\$0.000
4000	Capital Outlay		(\$0.216)
	Administration not to exceed 20% for FY21		(\$156.581) 20%
	Total		(\$763.950)
BALANCED BUDGET			\$0.000

Area for minimum of 80%

Area for maximum of 20%

Function 2400 moving to the top would add an additional 6% to the 80% area

AT-RISK FUNDS

- District generated \$73.9M for FY21 based on unit value of \$4,531.74
- Each school in the district has a unique at-risk index
- School principals provide narrative justification for use of at-risk funds
- \$14 million directly distributed to school sites for local decisions on at-risk funding
- District-wide: \$59.9 million in at-risk dollars funds:
 - Nursing
 - Social workers
 - Refugee services
 - Community programs
 - Tutoring
 - Social Emotional Support
 - Genius Hour
 - Counselors
 - School Based Health Centers
 - Community Schools
 - Parent Centers
 - Before/After School Programs
 - Reading Interventions

PROGRAM PARTICIPATION

- K5 Plus- 2 schools for 2020-2021
(and 3 charter schools)
- ELTP
 - 11 schools for 2020-2021
 - Includes former MRI schools and “genius hour”
- Elementary PE
 - All Elementary Schools Participate
- Community Schools
 - Added 7 community schools through grant funded programs last two years
 - 37 community schools in district

INSTRUCTIONAL MATERIALS

- ▶ **SEG** “includes \$30 million statewide for school districts and charters to purchase culturally and linguistically appropriate instructional materials”
- ▶ APS Portion approximately \$7.3 million.
 - Dual instructional materials funding cut for FY21 (**\$275K**)
 - Adoption/core textbook purchases: Social Studies, Science
 - Culturally responsive classroom libraries
 - eBooks to support online/remote instruction

Estimated cost to maintain up to date adoptions and materials for all students:

Approximately \$13.1 million annually

Approximately \$170 per pupil



THANK YOU