

## 2023-24 BUDGET ADVISORY COUNCIL

Wednesday, February 14, 2024

Syphax Center, Room 258

7:00 PM - 9:00 PM

The meeting started at 7:05m.

1. 7 members were present: Erik Sullivan (Chair), Chuck Rush, Katherine Christensen, Nellie Carr, Chris Cummings, Peter Strack & Jonathan Hui
  - School Board Liaison Dave Priddy was not able to make it
2. Approval of December 2023 BAC meeting minutes
  - Approved by all members present
3. Public comment
  - Jennifer Wheeland
    - Going to setup a cross council / committee meeting to discuss common areas of interest. Will include Erik to provide a view of budget challenges coming over the next several years so the other committees have a better understanding of APS's fiscal situation.
  - Josh Folb, AEA
    - Discussed budget is supposed to be a budget of 'needs' and the fact that current budgets don't meet this requirement given (1) includes budget items that aren't actually needs, e.g., option programs and (2) don't validate by qualify/quantifying need.
    - Revenue share – discussed merits, rationalization and implications.
    - Reviewed Teacher's salary scale link that provides view relative to neighboring districts: [Master's Salary Distribution - Google Sheets](#)
    - Discussed declining attrition rates and limited visibility to departure reasons. See the following" [TeacherAttrition.xlsx - Google Sheets](#)
    - Erik will also recirculate the FTE by scale and step .xls that was sent out earlier this year.
4. School Board/Finance updates
  - School board update from David via email:
    - We will have a shortfall this year – not sure to what extent, but we will need to make hard decisions pending release of proposed budget and additional discussions with the county.
    - No new initiatives are being started except if there is anything in our priorities that needed to be addressed. The BAC noted that:
      - it is important that we continue to press that all future initiatives/ investments require metrics for measuring cost and value.
      - And further build on progress to push for getting the same done for existing expenditures.
    - \$\$ from the state will not be known until later this spring/summer (possibly June),

but the Superintendent needs to enter the number that is in the proposed budget, and we will work from that.

- Finance update from Tameka via email:
  - We have a new Assistant Superintendent now as of Feb-1 --- Andy Hawkins --- and he will be our APS liaison.
  - The Governor's Proposed budget reduces revenue by \$5.7 million. Given we had lower than projected close out at about \$20M and an increase in FY24 budget of several million \$ in the fall, we are facing a substantial deficit for FY25 and structurally more in FY26.
  - We don't have a plan, as of yet, to address the deficit. However, the Superintendent's Proposed budget will include a number of reductions.
  - The FY24 mid year information was presented to the School Board on Feb 8th and the presentation is posted on BoardDocs. It included:
    - Budget status As of end of Dec: \$14M projected close-out from operations based on Dec YTD financials (\$2.9M) less in Rev but 20.5M in underspend. \$3.5M of balance to be used in FY24 and rest projected close out. (vs \$20.3M from FY23 into FY24). Recommended to put \$14.1M back to replenish Reserves. Next update in June
    - Capital Construction as of 11/30 – 5 projects finished. All under budget. Surplus to be put in Capital Reserve fund.
- County preparing for lower Revenue and a deficit. Looking at ~10% cuts across all departments in their current planning

#### 5. BAC membership

- We have a new member --- Jonathan Hui
- We need to identify a vice chair, or co-vice chairs so that we're positioned for BAC leadership for next year.
- Peter Strack volunteered. Erik will reach out to others individually to identify an additional volunteer and then we'll figure out the best way to

#### 6. BAC meeting schedule adjustment. The BAC approved a change to the March schedule: change the March 13 meeting to a live meeting and the March 20 meeting to a virtual meeting.

#### 7. Proposed structure / schedule for FY25 proposed budget review

- Last year: Proposed budget came out Feb 23 at which time they kicked off their 5 work sessions with session #1. BAC draft input to SB on Mar 24 (so 1 month later) in advance of SB's proposed FY24 budget on Mar 30. Provided final input on April 11 and presented on April 18... so approx. 8 weeks total review/input time.
- This year we have a much shorter window given:
  - Superintendent proposed budget comes out Feb 29... Budget Work Sessions all on one day... March 19 (Tues)... Will need to likely provide draft or outline on Fri Mar 15... Essentially 2 weeks.
  - School board will release proposed budget on Apr 11 (Thu)...Means we will need to provide our final input/recs on Apr 4 (thu) at the latest --- need to confirm

## DRAFT PROPOSED APPROACH

-

-

-

-

○

■

■

■

○

■

●

●

●

-

-

○

■

■

■

■

○

■

■

-

-