

## MEMORANDUM

Date: June 8, 2005

TO: The Honorable Members of the Alexandria School Board  
Superintendent Perry

From: The Budget Advisory Committee  
Wolfhard Ramm, Chair

Subject: Budget Advisory Committee Annual Report for 2004-2005

This report summarizes the Budget Advisory Committee's (BAC) 2004-2005 activities, findings and recommendations and its 2005-2006 objectives.

The BAC currently has 14 members, 9 representatives of School Board members and 5 appointed at-large (roster is included in the appendix). The BAC also benefited greatly from the guidance and direction provided by Mark Eaton, School Board liaison, and the regular reports on budget developments and support provided by Jay Johnson, Leslie Peterson, and Beth Cooke, staff liaisons.

### **Highlights of 2004-2005 Activities**

Regular Meetings The committee met eight times between October 2004 and May 2005 to discuss Alexandria City Public Schools (ACPS) budget developments, prepare statements and reports for delivery to the School Board and City Council, and plan more in-depth analyses of budget related issues. At our December meeting, we hosted a presentation on the City's economic and budget outlook by Bruce Johnson, Director of the City's Office of Management and Budget.

Statements and Reports The BAC's findings and recommendations were communicated to the School Board and Alexandria community in the following statements and reports:

- Statement on the ACPS capital improvements program. (School Board Public Hearing on the 2006-2011 CIP, December, 2, 2004)
- Reports on selected new and ongoing initiatives in the proposed operating budget (Modified School Calendar, Laptop Computers, Differentiated Resources,

Guidance and Testing). (School Board Work Session on the FY 2005-2006 Proposed Operating Budget, February 10, 2005)

- Statement on the ACPS operating and capital budgets. (City Council Public Hearing on the Alexandria City Operating and Capital Improvements Budgets, April 4, 2005)
- Report to the School Board on revenue sharing options for funding the ACPS. (School Board meeting, April 7, 2005).

A PDF file containing these statements and reports is available. Requests should be addressed to the BAC chairman at [wramm@interserv.com](mailto:wramm@interserv.com).

Working Groups We have established several working groups to facilitate more in-depth study of key budget related issues. These groups have held meetings in addition to the regular BAC meetings and consulted with central office budget staff. The objectives and work plans of these working groups is summarized below:

- The Permanent Space Solutions Group (Arthur Peabody, Chair) is investigating the budget implications of alternative approaches to meeting the future space requirements for the central office staff, the Adult Education program currently housed at the former Stonewall Jackson Elementary School site, the text book and records storage center at John Adams, and programs currently housed at Burke Library. The group has met with central office staff and will prepare a report of its findings in the fall of 2005.
- The Consolidated Services group\_(Chris Marston, Chair) is investigating the potential for operating and capital budget savings from combining or coordinating City and School System purchases and operations. The group has explored various coordination possibilities with central office staff, School Board members and City officials. It expects to forward its report to the School Board later this month.
- The Open Enrollment/School Choice Group (Sheryl Gorsuch-Alpin and Cindy Anderson, Co-Chairs.) is investigating the incremental costs that would be associated with alternative open enrollment or school choice policies. The

changes in transportation costs before and after enrollment policy changes will be the focus. The committee will also research redistricting frequency standards and capacity guidelines used by comparable districts. We hope this information will help the board decide whether more choice will solve the current and projected capacity issues of ACPS.

- The Enrollment Trends Group (Wolf Ramm, Chair) has started to examine the available data on total enrollment as well as data on selected characteristics of the student population—such as special education and English as a second language needs, free or reduced lunch qualification, and mobility—that have a direct bearing on the ACPS budget. The goal will be to gain some additional insight into future enrollment trends, and to see if the uncertainty that is associated with current forecasts might be reduced.
- The Revenue Sharing Group (Wolf Ramm, Chair) has completed a report on the potential advantages and disadvantages that a revenue sharing agreement between the City and the ACPS might bring to the Schools. Potential effects on the level of funding for the ACPS, the stability of that funding, and the efficiency of the budget and planning process were considered.
- The Human Resources Group (Tina Lytle and Arthur Peabody, Co-Chairs) is investigating the budget implications of the demographics of the professional staff, a substantial number of whom are close to retirement age. This has significant implications regarding future salary, recruitment, and retirement benefit costs.

### **Summary of Selected Findings and Recommendations**

We include here a brief summary of our findings and recommendations. They are discussed in greater detail in the statements and reports cited above.

Capital Improvement Program The BAC supported the Superintendent’s proposed CIP, but noted that higher than projected enrollment, unexpected maintenance needs, or potential long-term solutions to the ACPS central office space needs could add substantially to future capital spending needs. We also noted that the City’s borrowing

guidelines and other capital spending priorities have placed tight constraints on future capital spending. It will therefore be important for the School System to keep in close communication with city officials regarding its capital funding priorities and the capacity and willingness of the city to fund those priorities.

Differentiated Resources The BAC has been a strong supporter of this program from its inception, and continues to believe that it is a highly effective way of addressing the unique needs that exist at individual schools and of tapping the special insights and skills held by the school based administrators. We recommend more information reporting and sharing, to ensure that information about the innovative ways in which discretionary resources are being used in individual schools becomes known throughout the school system.

Testing and Guidance Initiative The BAC supported the Superintendent's testing and guidance initiative. We noted that counseling and testing activities, outreach through Parent and Family Involvement, and the School Support Team initiatives are integrally related to each other. In the budget execution process, we recommend that the Superintendent and Board consider ways in which these initiatives interact and can enhance one another. Thought should be given to managing these programs together, rather than as separate programs. We also recommended that consideration be given to making foreign-language fluency, particularly in Spanish, a factor in hiring for vacancies in counseling and school support positions.

Laptop Initiative and Technology Plan This initiative has become a focus of some critics of ACPS spending levels. We therefore place special emphasis on our recommendation that implementation of computer and technology plans should be inclusive and as transparent as possible. It should involve all stakeholders including parents and the Alexandria community at large. The benefits of these initiatives should be clearly communicated to the public. We also would like to see the goals of the initiative more clearly defined. That is, is the goal only to provide in-school connectivity? Or is bridging the "digital divide" by providing at-home connectivity also a goal? We also have concerns about the adequacy of funding for the necessary infrastructure, i.e. support personnel, training, curriculum planning and software resources.

Modified School Calendar The BAC examined and compared the modified school calendar programs in Arlington County, Fairfax County, and at the Samuel Tucker School. Based on these comparisons we recommended that ways to implement and fund the program with less of a financial commitment be examined, e.g. differentiated resources, reallocated summer school funds, Title I funding, etc. We also recommended that modified school calendar decisions should be considered in the context of a broader strategy for utilizing facilities more effectively, i.e. as an incentive for balancing attendance among schools.

Revenue Sharing The BAC examined the potential benefits of using a revenue sharing rule, which would fund the School System with a fixed percentage of local revenues. We considered the level of funding for the ACPS, the stability of that funding, and the efficiency of the budgeting and planning process. Based in part on an examination of past funding trends in Alexandria and the funding experience of comparable Virginia jurisdictions (some of which use revenue sharing rules) we find that a revenue sharing rule would not offer compelling advantages over existing funding arrangements. We also note that the final assessment of how a revenue sharing agreement will affect the overall efficiency and stability of the school funding process will involve political judgments about how voters and City Council would likely respond to a revenue sharing framework. We believe that the elected School Board is better positioned to make these judgments than the BAC .

Operating Budget Presentation More generally, we strongly supported the full funding of the ACPS Board approved budget by the City, and were disappointed by the cut in operating funds. As a small step toward improved communication with the community about the school systems needs and the level of funding available to meet those needs, we recommend that the operating budget include more comparative information (relative to other Washington metro area jurisdictions) on the characteristics of our student population, the level of resources being spent per student and the burden these expenditures place on the typical homeowner and citizen.

**BAC Objectives for the 2005-2006 School Year**

- In the coming year, the primary focus of the BAC will be to continue to provide the School Board and Superintendent with analyses of key operating and capital budget issues and to help inform the Alexandria community about the ACPS' budget needs.
- We expect the coming budget cycle to be administratively difficult owing to the accelerated schedule that the City has proposed. The BAC will, accordingly, work to provide its analyses on a correspondingly accelerated schedule.
- We also expect that the heightened level of scrutiny that Alexandria citizens have applied to the City's and School System's budgets in response to rapidly growing real estate tax burdens will continue to be an issue. Therefore, in order to help build community support for the School System, the BAC will place a high priority on the development and dissemination of information resources that document and support the ACPS budgetary needs.
- The BAC's working groups will continue with the projects described above. New working groups will be organized as warranted by developments.

## Appendix

### **Budget Advisory Committee Members**

- Wolfhard Ramm, Committee Chairman (Sally Ann Baynard Representative)
- John D. Johnson, Staff Liaison
- Leslie Peterson, Staff Liaison
- Beth Cooke, Staff Liaison
- Mark Eaton, School Board Liaison
- Cindy Anderson (Mark Wilkoff Representative)
- Ronnie Campbell (Gwendolyn Lewis Representative)
- Patrick Devereux (Kenneth Foran Representative)
- Karen Helbrecht (Arthur Schmalz Representative)
- Sheryl Gorsuch Aplin (Melissa Luby Representative)
- Christina Lytle (Mollie Danforth Representative)
- Arthur Peabody (Mark Eaton Representative)
- Elizabeth Shelby (Charles Wilson Representative)
- Stephen Clark Mercer
- Timothy Graf
- Freddie Johnson, III
- Chris Marston
- Jennifer Murphy