

Fiscal Year  
**2017**

*Citizen's Guide to*  
**Understanding  
the Budget**

ARLINGTON  
PUBLIC SCHOOLS  
Arlington, Virginia



# ADMINISTRATION

“ Our budget reflects a close alignment with the School Board’s Strategic Plan and the highest priority of supporting the whole child.

The School Board understands the County Board must balance many priorities in order to meet the needs of all Arlington residents and we are very appreciative of the additional support the County Board provided to APS. We believe the work that has been completed this year will put us on the path to continued success for APS and Arlington County. ”

–Emma Violand-Sanchez

## School Board Members

**Nancy Van Doren**  
Chair

**Dr. Barbara Kanninen**  
Vice Chair

**Reid Goldstein**  
Member

**James Lander**  
Member

**Dr. Emma Violand-Sánchez**  
Member

## Executive Leadership Team

**Dr. Patrick K. Murphy**  
Superintendent

**Rajesh Adusumilli**  
Assistant Superintendent, *Information Services*

**John Chadwick**  
Assistant Superintendent, *Facilities and Operations*

**Linda Erdos**  
Assistant Superintendent, *School and Community Relations*

**Cintia Johnson**  
Assistant Superintendent, *Administrative Services*

**Dr. Kristi Murphy**  
Assistant Superintendent, *Human Resources*

**Dr. Tara Natrass**  
Assistant Superintendent, *Instruction*

**Leslie Peterson**  
Assistant Superintendent, *Finance and Management Services*

**Dr. Brenda L. Wilks**  
Assistant Superintendent, *Student Services and Special Education*

**Julia Burgos**  
Chief of Staff

# MESSAGE FROM THE SUPERINTENDENT

Dear Arlington Families, Employees, and Citizens:

I am honored to serve as your Superintendent and I look forward to another outstanding school year. Since we received wonderful feedback on our *Citizen's Guide to Understanding the Budget*, which explains in simple terms, the complexities of our school system's budget, we have decided to continue with the publication on an annual basis. Understanding our budget is important because it reflects the priorities of our school system and the larger Arlington Community.

The FY 2017 budget was developed in close partnership with our community, including families, citizens, teachers, staff, and students, and it is based on what they value most – the needs of our students. APS has a strong foundation for student success. The community continues to place a high value on providing students with a quality public education and APS has achieved the exceptional results our community expects of its schools.

Equally important was our collaboration with the County Board. Throughout the process, we worked together to update our forecasts, identify multiple efficiencies, and strategically use one-time funding to reduce the budget deficit and as a result, we were able to develop a balanced budget.

As we grow to a school system of 30,000 students, it is essential that we continue to work together to find long-term solutions to our budget challenges. One of our budget realities is that many of the school system's costs are unavoidable including the cost of student enrollment growth and employee compensation. We must ensure the continued success of our students in the future.

I invite you to read this guide to get a better understanding of our process and the FY 2017 Adopted Budget. If you would like to receive information on the budget and other current issues by e-mail, please sign up for APS School Talk by visiting [www.apsva.us/schooltalk](http://www.apsva.us/schooltalk) and following the directions to subscribe.

We are committed to the success of every child in APS. Thank you so much for your continued support as we work together to invest in our students and our schools.

Sincerely,



Patrick K. Murphy, Ed.D.  
Superintendent

October 2016

*“ Our partnership with you is valuable and the key to making sure your child is learning and growing. Thank you for joining in and providing the support to create a promising future for your child and all APS students. ”*

–Dr. Patrick Murphy

# THE APS STRATEGIC PLAN

## STRATEGIC PLAN GOALS

**1**

**CHALLENGING AND ENGAGING INSTRUCTION**

- Present High and Clear Expectations
- Create Engaging and Motivating Program Choices
- Create Challenging, Supporting, and Accepting Learning Environments

**2**

**ELIMINATING GAPS**

- Provide Equitable Educational Opportunities
- Provide Effective and Dynamic Classroom Instruction
- Provide Necessary and Appropriate Student Support
- Provide Culturally Competent Classrooms

**3**

**HIGH QUALITY STAFF**

- Strengthen Recruitment and Retention
- Strengthen Professional Development and Evaluation
- Strengthen Professional Learning Communities

**4**

**OPTIMAL LEARNING ENVIRONMENTS**

- Align Resources to Student Learning Expectations
- Provide Infrastructure for Learning
- Improve Productivity and Manage Costs
- Provide Clean, Safe, Energy Efficient, and Sustainable Learning Environments

**5**

**SUPPORT THE WHOLE CHILD**

- Increase Developmental Assets in Students
- Strengthen Family Involvement
- Strengthen Parent, Student, Staff, and Community Partnerships
- Promote, Support, and Expect Strong Relationships With Students and Parents

## Mission

APS instills a love of learning in its students and prepares them to be responsible and productive global citizens.

## Vision

APS is a diverse and inclusive school community, committed to academic excellence and integrity. We provide instruction in a caring, safe and healthy learning environment, responsive to each student, in collaboration with families and the community.

## Core Values

### Excellence

APS fosters excellence in our students and staff.

### Integrity

We expect our students and staff to act in an honest, ethical and respectful manner.

### Diversity

We value all students, staff and families in our diverse, inclusive school community.

### Collaboration

We support relationships among students, staff, families and the community that ensure effective communication and promote opportunities to benefit our students.

### Accountability

We take responsibility for our progress through transparent evaluation of student success, staff quality and management of the community's resources.

### Sustainability

We practice stewardship of economic and environmental resources, meeting our current needs without compromising the ability of future generations to meet their needs.

*Every six years, under the guidance of the School Board, APS develops a new strategic plan with staff and community involvement.*

# THE FY 2017 BUDGET DIRECTION

The FY 2017 Budget addresses the School Board's budget direction adopted on December 17, 2015.

- Present a budget that is consistent with APS' Mission, Vision, Core Values and Strategic Plan with an emphasis on the School Board priority to support the whole child.
- Include a compensation increase for eligible employees.
- Include start-up funding to launch Arlington Tech at the Career Center.
- Include funding to add necessary administrative and instructional staff to support our 25,000 student system.
- Present a balanced budget, assuming the County transfer will be equal to the amount required to meet the critical needs of the division as outlined in the Revenue Sharing Principles.
- Provide a prioritized list of cost savings divided into ranges to include the following: Each reduction should consider the effect of the reduction in terms of achieving the Strategic Plan goals, whether the program or service is core or non-core, whether the change eliminates a program or service or is a change in the delivery model, and the number of students and/or staff affected.
- Identify cost savings that could be implemented in future years, including a timetable for Board consideration and action.
- Use funding set aside from FY 2015 closeout for one-time expenses in FY 2017 and use existing reserve funds for one-time costs in accordance with School Board practice.
- Consider increases in revenue, including a review of APS fees.
- Ensure that the budget provides for long-term financial sustainability, using the updated three-year forecast of revenues and expenditures. Ensure that APS complies with all federal, state and local laws.
- Ensure that fiscal, human, and physical resources are used effectively, efficiently and responsibly.
- Consider the 2014-15 citizen advisory council reports, program evaluations, and other relevant reports. Funding for any additions to programs or services based on these reports will be offset by reductions.

*Each year the School Board adopts a budget framework that is grounded in the Strategic Plan and focuses on the school system's goals and priorities that are to be considered in budget development for the upcoming fiscal year.*

# BUDGET DEVELOPMENT PROCESS

## Budget Basics

- *There are two primary budgets for Arlington Public Schools (APS). One is the School Board's Adopted Budget which provides for the day-to-day operations and maintenance of our schools, personnel, and programs. The second is the Capital Improvement Plan (CIP) budget, which addresses facility needs.*
- *A fiscal year for APS runs from July 1 to June 30. For example, the Fiscal Year (FY) 2017 budget provides resources for the year beginning July 1, 2016 and ending June 30, 2017.*
- *APS is fiscally dependent on Arlington County government since the school system has no legal authority to raise taxes or issue debt. On the other hand, the County may not direct how the School Board spends its money.*

**T**he budget process for APS spans thirteen months, from process review and policy guidance through distribution of the adopted budget documents. The process and procedures followed during the budget process are briefly described below.

Budget development for the next budget cycle begins with a debriefing in June on the most recently completed budget process. Staff evaluates the budget process and makes recommendations to improve the process/procedures for the next year. The Budget Advisory Council provides a written report to the School Board that may raise issues and concerns about the budget and/or budget process as well.

The Superintendent and Executive Leadership Team meet with the School Board later in June, and receive policy direction from the Board on a number of areas including initial school system priorities for the upcoming year and budget policy guidance to meet the priorities.

Once budget policy guidance, budget strategy and budget development process changes are incorporated into the budget work plan and calendar for the coming year, staff then begin development of the baseline budget.

After the Superintendent's Proposed Budget is presented to the School Board and the public, the School Board holds a number of work sessions to review the budget as well as a public hearing to provide an opportunity for public comment. The Budget Advisory Council advises the School Board on the degree to which the Superintendent's Proposed Budget supports best fiscal practices and the School Board's priorities and assists in educating the community about the content of the budget and the budget process.

In mid-February, spring enrollment projections are released and school staffing is recalculated. The revised projections are the basis of the School Board's Proposed Budget. State funding estimates are updated in March based on the actions of the General Assembly, and incorporated into the School Board's Proposed Budget. Upon adoption, the School Board's Proposed Budget is forwarded to the County Board for its review and consideration.

# BUDGET DEVELOPMENT PROCESS

The School Board meets with the County Board to present the School Board's Proposed Budget, and to address any questions raised by the County Board. The County Board advertises the tax rate soon after the School Board adopts its Proposed Budget and sets the tax rate when the County adopts its final budget (generally in mid-April).

After the County Board adoption, including the General Fund appropriation to the Schools, the School Board makes final adjustments and adopts the School Board's Adopted Budget generally at the end of April/beginning of May. Budget staff then prepares and distributes the adopted budget document.

## The APS budget is a:

- *Policy document reflecting policy decisions and priorities through the allocation of funds to specific services and programs.*
- *Communications device for sharing these decisions with the community.*
- *Spending guide that reflects the school system's priorities.*
- *Financial expression of the Strategic Plan by explicitly tying resource allocations to the achievement of the plan goals.*



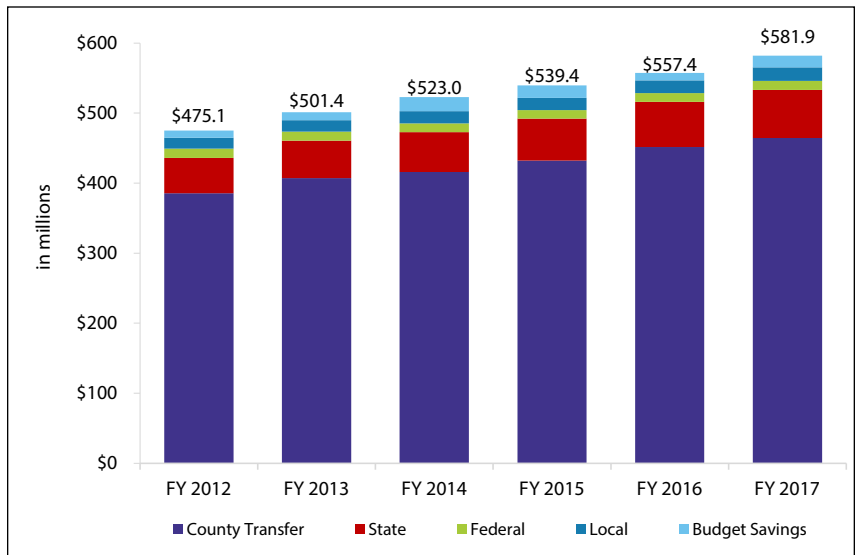
*Budget Development is a year-long process that begins as soon as the prior year budget is adopted.*

# WHERE DOES APS' MONEY COME FROM?

*The County has a proven track record showing its commitment to supporting APS. The FY 2017 County Transfer increased by 2.9 percent over the FY 2016 Adopted Budget.*

## Support for APS Continues

APS funding has increased by 22.5 percent over the last six years allowing us to continue to provide a quality education to all of our students and maintain the excellence our community expects from us.



## Majority of APS' Money Comes from the County Transfer

In the FY 2017 Adopted Budget, Arlington County provided 46.6 percent of ongoing locally-generated County tax revenue to the Schools, an increase of 0.9 percent over the FY 2016 Adopted Budget.

### Local Funds—79.8%

**County Transfer: \$464.5 million**—The main sources of County revenue are real estate and personal property taxes

### State Funds—11.8%

**Sales Tax: \$24.9 million**—One and 1/8 cents of the state sales tax are returned to local school divisions for education

**Other: \$43.8 million**—Primarily Standards of Quality (SOQ) funding

### Federal Funds—2.2%

**Federal Aid: 12.8 million**—Includes Title funding, Individuals with Disabilities Education Act (IDEA) and E-Rate funding

### Other Funds

**Local Revenue: \$19.2 million**—Includes Extended Day, use of school buildings, adult education classes, school breakfasts and lunches, and tuition fees

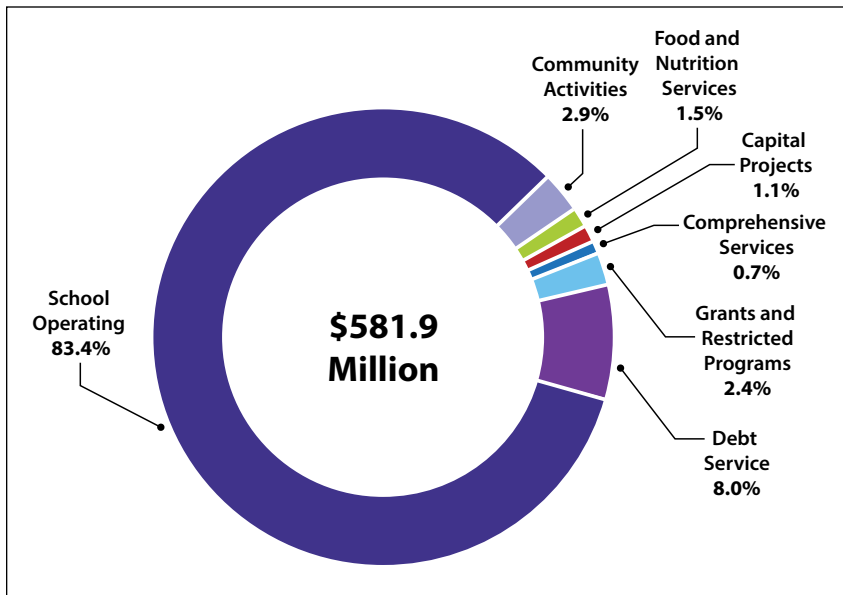
**Budget Savings: \$16.7 million**—Comprising expenditure savings from prior years



# HOW IS THE MONEY DISTRIBUTED?

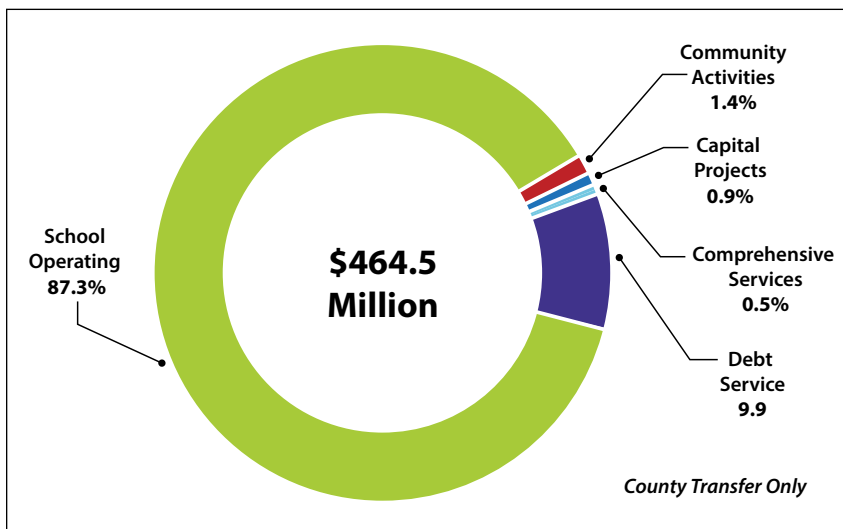
## The Largest Portion of Revenue Goes to the School Operating Fund

The School Operating Fund is the largest fund in the school system and it is funded with 83.4 percent of all revenue. This fund accounts for the day to day operations of APS and includes the funding for all of the schools and departments.



## Most of the County Transfer Goes to the School Operating Fund

In the FY 2017 Adopted Budget, the County Transfer provided \$464.5 million in revenue; of this amount \$405.7 million or 87.3 percent went into the School Operating fund. The Debt Service fund also receives a majority of funding from the County Transfer; approximately 9.9 percent or \$46.1 million.



*APS' budget includes eight different funds: the School Operating Fund, Community Activities Fund, Capital Projects Fund, Debt Service Fund, Food and Nutrition Services Fund, Comprehensive Services Act Fund, and Grants and Restricted Programs Fund; which are appropriated annually by the County Board.*

*The Bond Fund is accounted for separately and the County appropriates the funds only when the bonds are sold.*

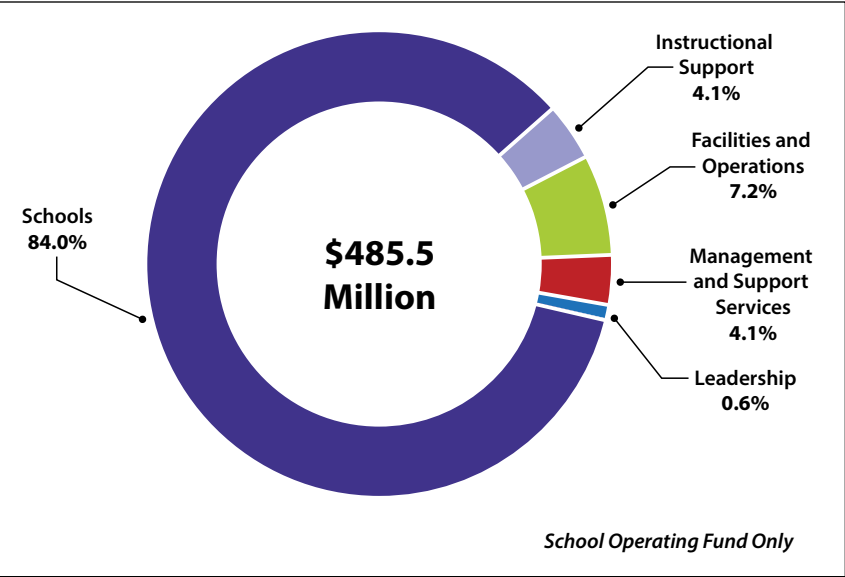
*Money can be moved within each of these funds, but transfers between the different funds require School Board approval.*

# HOW DOES APS SPEND ITS MONEY?

*Funding instructional programs is APS' highest priority.*

## APS Continues to Focus on Instruction

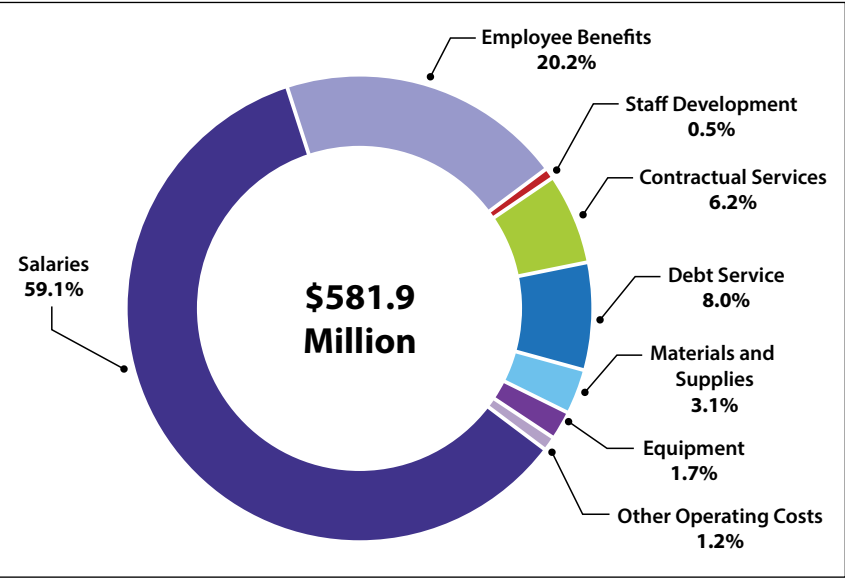
The importance APS places on instructional programs is illustrated by the fact that 88.1 percent of the School Operating Fund budget is allocated to Schools and Instructional Support.



*Education continues to be a labor-intensive enterprise.*

## Largest Expenditure is Employee Compensation

The FY 2017 Adopted Budget includes \$461.2 million or 79.3 percent for employee salaries and benefits.



# EXPENDITURE ADJUSTMENTS

## FY 2017 Adopted Budget Changes from FY 2016 Adopted Budget

The net increase in funds totals \$24.5 million or 4.4 percent compared to the FY 2016 Adopted Budget. The chart below provides a summary of the changes.

	\$ IN MILLIONS	POSITIONS
<b>FY 2016 Adopted Budget</b>	<b>\$557.4</b>	<b>4,371.72</b>
<b>EXPENDITURE ADJUSTMENTS</b>		
<i>Enrollment and Student Demographics</i>		
Enrollment Growth	\$10.9	93.10
<i>Compensation</i>		
Step Increase	\$7.6	
Other Compensation Increases	\$2.6	
<i>Program Operations and Infrastructure</i>		
Arlington Tech	\$0.8	4.30
Central Registration	\$0.1	1.00
Student and Instructional Support	\$4.9	34.50
Safety and Security Needs	\$0.4	2.00
Professional Development	\$0.2	
Infrastructure and Support Needs	\$3.3	36.00
New Capacity Costs	\$0.4	1.00
<i>Contractual Obligations</i>		
Debt Service	\$1.3	
Other Contractual Obligations	(\$0.3)	
Services in Other Funds	\$0.8	7.63
Other Baseline Services	\$3.1	10.90
<b>Total Expenditure Adjustments</b>	<b>\$36.2</b>	<b>190.43</b>
<b>BUDGET REDUCTIONS</b>		
Salaries and Benefits Efficiencies	(\$5.2)	
One-time Costs	(\$5.6)	(12.20)
Other Baseline Savings	(\$0.9)	(5.10)
<b>Total Budget Reductions</b>	<b>(\$11.7)</b>	<b>(17.30)</b>
<b>FY 2017 ADOPTED BUDGET</b>	<b>\$581.9</b>	<b>4,544.85</b>

*Expenditure adjustments included in the FY 2017 Adopted Budget total \$36.2 million and 190.43 positions.*

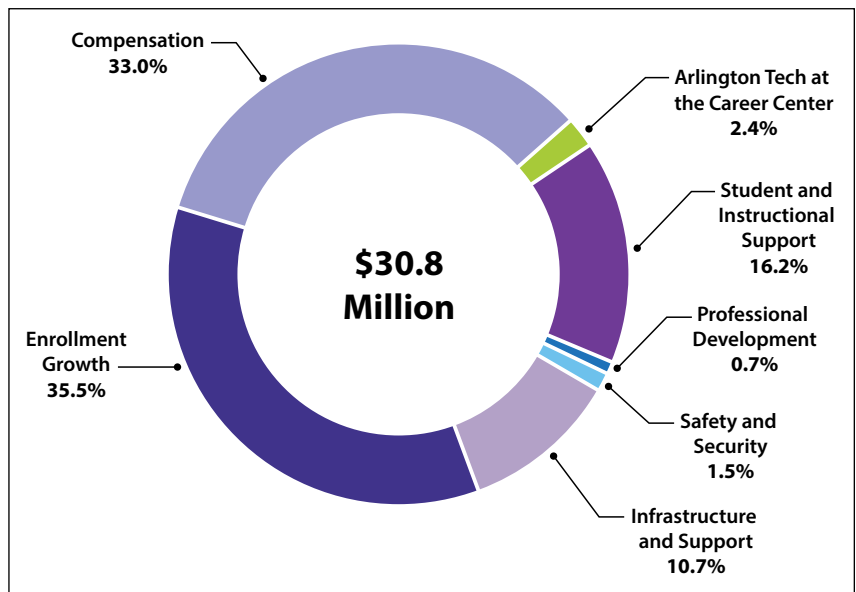
*These costs are partially offset by budget reductions totaling \$11.7 million and 17.3 positions.*

# SIGNIFICANT COST DRIVERS

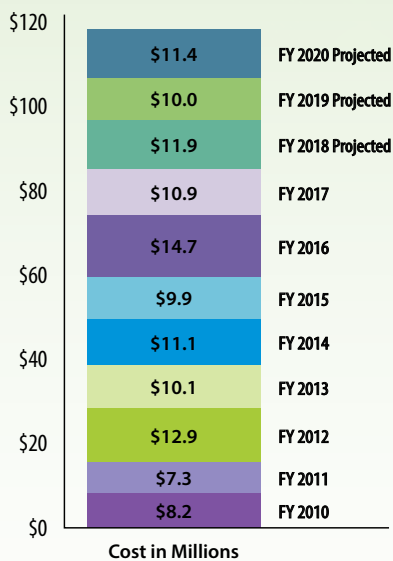
*New investments in the FY 2017 Adopted Budget total \$30.8 million.*

## New Investments Align to the Strategic Plan and APS' Highest Priorities

A majority of new investments, 68.5 percent or \$21.1 million, went towards enrollment growth and compensation. Another 18.6 percent went towards instructional programs and support.



**COST OF ENROLLMENT GROWTH**



## Enrollment Growth

FY 2017 represents the eleventh consecutive year of student enrollment growth in APS. Over the last eleven years, the number of students attending APS has increased by more than 7,963 students or 43.2 percent. The actual enrollment on September 30, 2015 was 25,238 and the projected enrollment for September 30, 2016 is 26,414 students or an increase of 1,176, representing a one-year increase of 4.7 percent.

To accommodate enrollment growth in FY 2017, funding of \$10.9 million is required for positions, relocatable classrooms, materials, technology, furniture and equipment.

Over the last eight years, enrollment growth costs total \$85.1 million and the costs are projected to increase in the upcoming years.

# SIGNIFICANT COST DRIVERS

## Compensation and Benefits Adjustments

Because teacher and staff quality are fundamental to student achievement and student success, funds of \$7.6 million were added for a step increase for all eligible employees. In addition, a 1.75% increase was provided for all eligible employees who are either on a longevity step or at the top of the scale who would not receive a compensation increase, and an increase in the minimum wage to \$14.50 per hour for all eligible, regularly-scheduled employees was included at a cost of \$2.0 million.

Benefit changes include a new two-week parental leave benefit and an increase in the Live Where You Work program funding at a cost of \$0.6 million.

## Additional New Investments

**Arlington Tech** includes the costs of starting the program in FY 2017 and expanding the program in fiscal years 2018 through 2020. Any one-time costs are funded with one-time funds and eliminated in the following year.

**Central Registration** includes the first-year cost of implementation of this initiative; out-year costs are still to be determined.

**Student and Instructional Support** includes costs for new initiatives to provide specific, targeted assistance to students and staff in support of the School Board's priority around the whole child. Any known out-years costs are included in fiscal years 2018 through 2020 and any one-time costs are funded with one-time funds and eliminated in the following year.

**Safety and Security Needs** includes initiatives to increase the safety of students and staff and the security of school buildings. Any known out-years costs are included in fiscal years 2018 through 2020 and any one-time costs are funded with one-time funds and eliminated in the following year.

**Professional Development** includes funding for additional professional development for staff.

**Infrastructure and Support Needs** includes funding to provide additional central support for students and staff in preparation for becoming a 30,000-student school division in 2021. Any known out-years costs are included in fiscal years 2018 through 2020 and any one-time costs are funded with one-time funds and eliminated in the following year.

## FY 2017 Teacher Salaries

STARTING, BACHELORS DEGREE	
Falls Church City	\$49,600
Loudoun County	\$49,182
Montgomery County, MD	\$48,528
Arlington County	\$48,228
Fairfax County	\$47,516
Alexandria City	\$47,242
Prince William County	\$46,923
Prince George's County, MD	\$46,844
Manassas City	\$46,078
Manassas Park City	\$46,000

BEGINNING 10TH YEAR, MASTERS DEGREE	
Arlington County	\$77,093
Alexandria City	\$74,376
Falls Church City	\$73,810
Montgomery County, MD	\$70,815
Prince George's County, MD	\$65,424
Fairfax County	\$64,664
Loudoun County	\$62,404
Manassas City	\$61,642
Manassas Park City	\$60,488
Prince William County	\$58,328

MAXIMUM	
Prince William County	\$115,066
Arlington County	\$113,207
Manassas Park City	\$112,033
Montgomery County, MD	\$108,365
Falls Church City	\$108,020
Alexandria City	\$107,259
Loudoun County	\$106,197
Fairfax County	\$103,854
Manassas City	\$103,497
Prince George's County, MD	\$101,783

Source: 2017 Washington Area Board's of Education (WABE) Guide

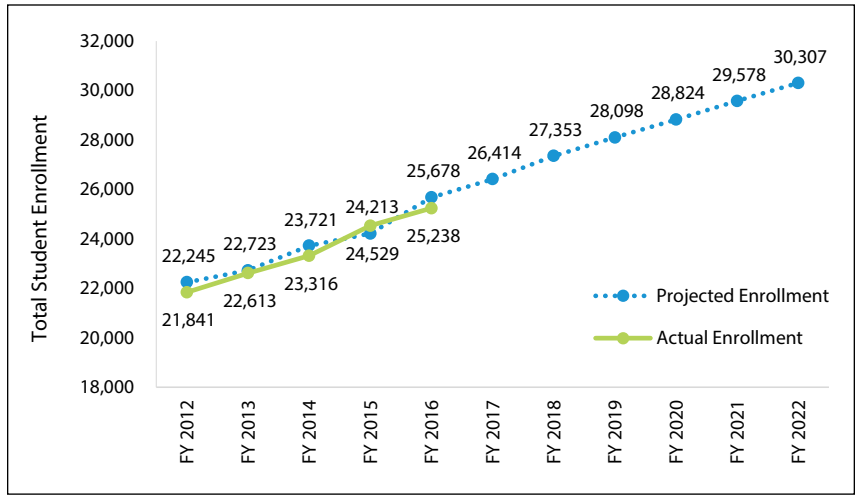
# HOW MANY STUDENTS ATTEND APS?

The FY 2017 projected enrollment is 26,414 students which represents an increase of 1,176 from the FY 2016 actual enrollment.

STUDENT ENROLLMENT BY GRADE	
Pre-K	1,272
Kindergarten	2,248
Grade 1	2,170
Grade 2	2,217
Grade 3	2,166
Grade 4	2,172
Grade 5	1,880
Grade 6	1,960
Grade 7	1,840
Grade 8	1,720
Grade 9	1,773
Grade 10	1,812
Grade 11	1,630
Grade 12	1,554
<b>TOTAL</b>	<b>26,414</b>

## APS Student Enrollment Increases Every School Year

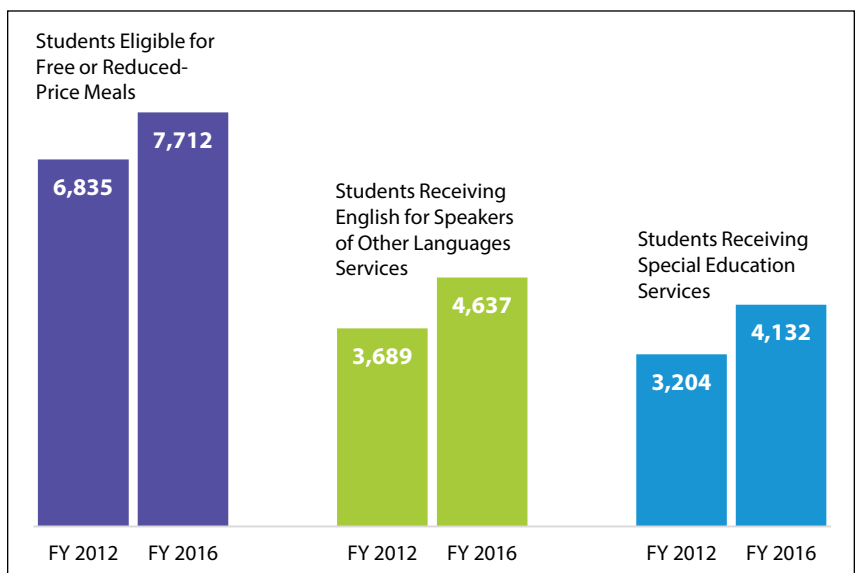
Enrollment has grown from 21,841 in FY 2012 to a projected 26,414 in FY 2017, representing a 20.9 percent increase over that period. The average annual increase over the past ten years is approximately 3.65 percent.



Enrollment figures are from the Spring update.

## APS Provides a Number of Services for Our Diverse Enrollment

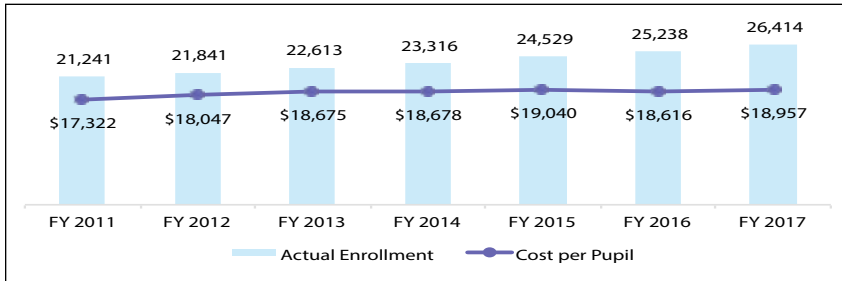
APS represents one of the nation's most diverse and sophisticated student populations. Our students come from 116 nations and speak more than 104 languages.



# WHAT IS APS' COST PER PUPIL?

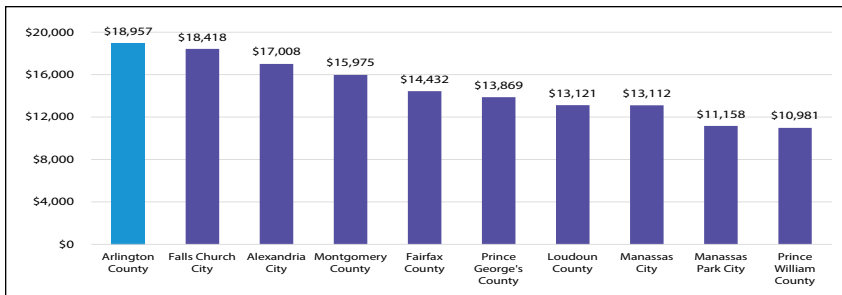
## APS Cost Per Pupil Remains Stable as Enrollment Grows

In the FY 2017 Adopted Budget, our cost per pupil, based on the formula developed by the Washington Area Boards of Education (WABE), increased by \$341 to \$18,957 over the FY 2016 cost.



## Compared to Other School Systems

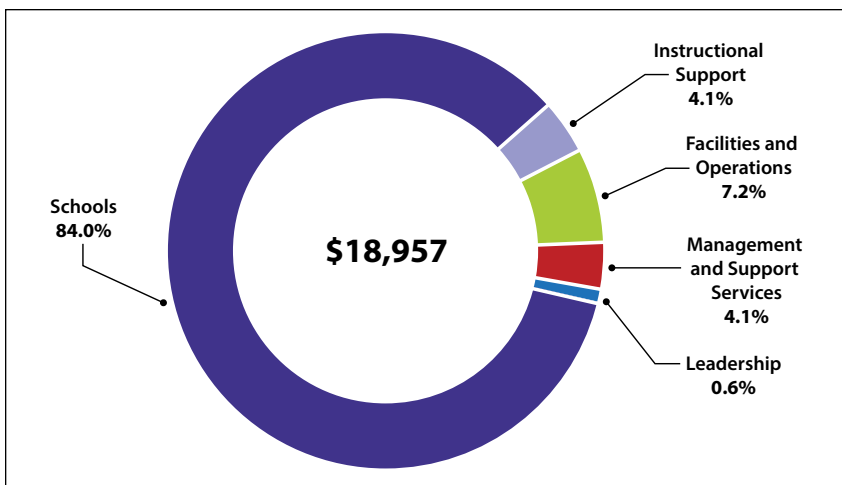
The gap between the highest (APS) and the second highest school system's cost per pupil is \$529 or 2.9 percent. Last year the difference was \$589.



Source: 2017 Washington Area Board's of Education (WABE) Guide

## Our Investment in Schools Shows in the Cost Per Pupil Spending

Funding for Schools and Instructional Support account for 88.1 percent or \$16,694 of the per student cost.



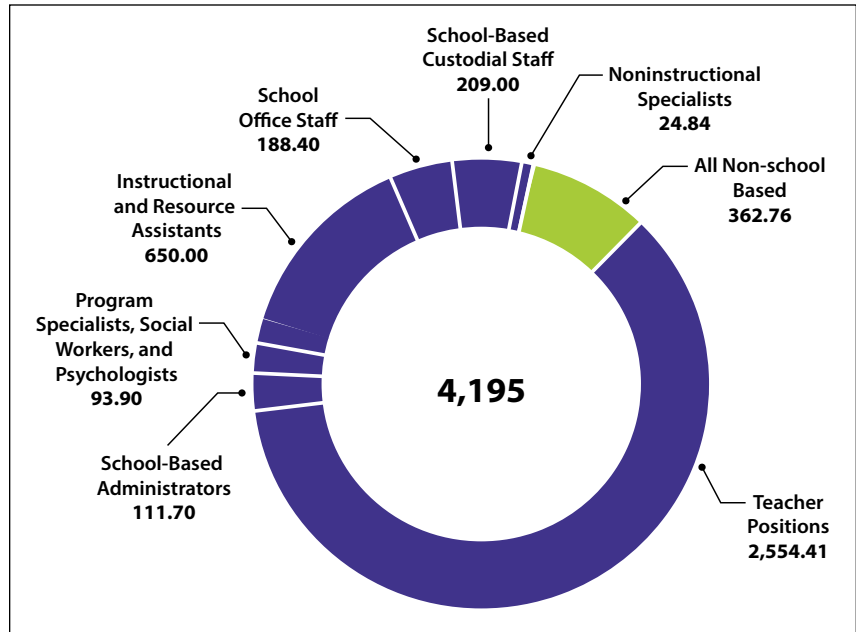
*Cost per pupil information provides a measure of resource allocation based on student population. It is a useful tool for analyzing our expenditures over time and for comparing our expenditures to those of other school systems.*

APS' high percentage of school-based staff reflects the division's commitment to Strategic Plan Goal 4.

# WHO WORKS IN APS?

## Majority of Employees are School-Based

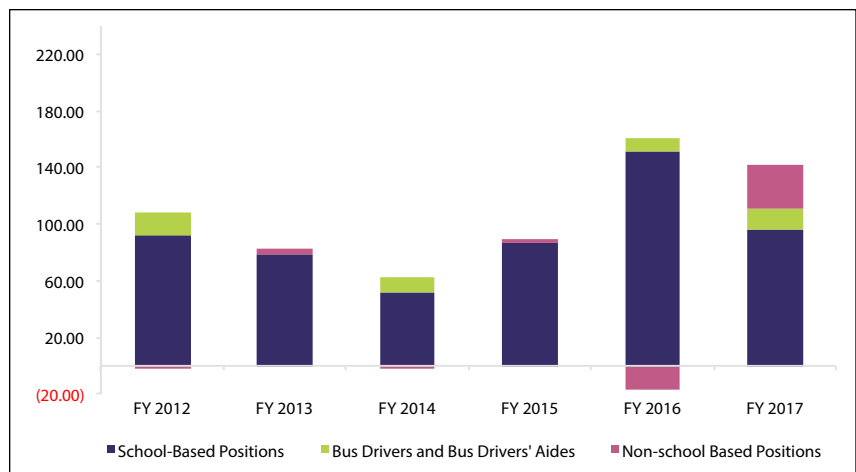
A total of 4,195 full-time equivalent (FTE) positions are funded in the FY 2017 Operating Budget as defined by WABE. Of these positions, more than 91 percent are in the classrooms and school buildings directly serving the needs of students.



Entitlement grant positions are included here although these positions are not part of the School Operating Fund. Bus drivers and bus drivers aides are not included.

## School-Based Positions are Added Every Year

In FY 2017, the adopted budget added 123.32 school-based, 15 bus driver, and 31 non-school based FTE positions.

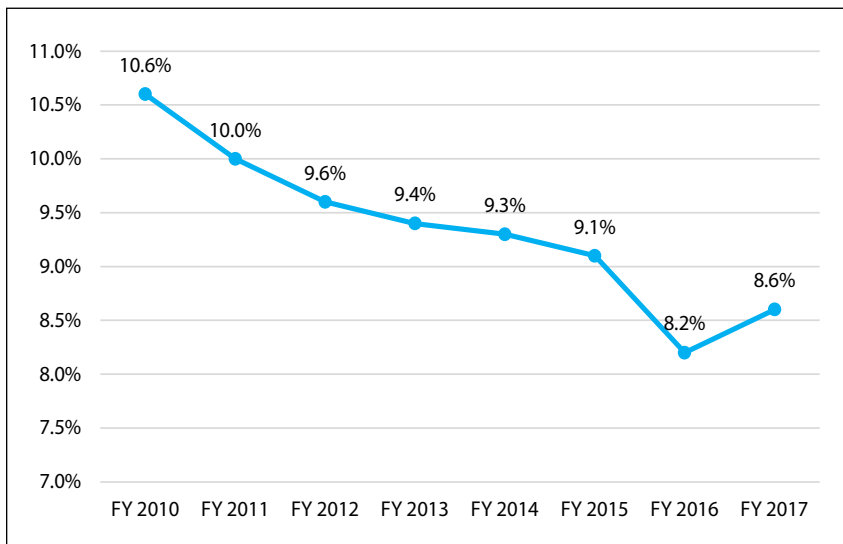




# HOW EFFICIENT IS THE CENTRAL OFFICE?

## Non-School Based Positions Increased for the First Time in Seven Years

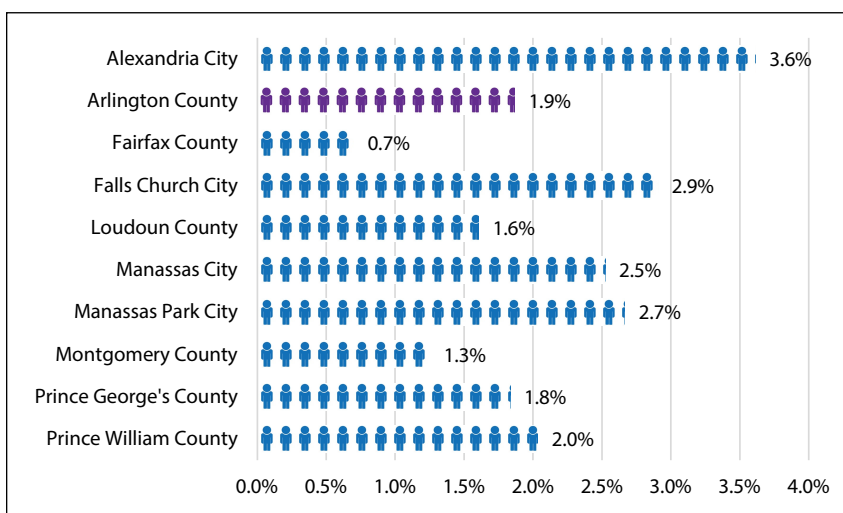
Past significant reductions to non-school based support have resulted in a 19 percent decline in the number of non-school based positions over the last seven years. However, in order to prepare for projected increases in enrollment and the resulting support services needs, the FY 2017 budget adds 31 non-school based FTE positions.



*The FY 2017 Adopted Budget increases the number of central office positions in order to prepare for our student enrollment to reach 30,000 students by the 2022 school year.*

## Management Ratio

APS falls in the middle when comparing the percent of leadership team and non-school based management positions to other local school districts.



Source: 2017 Washington Area Board's of Education (WABE) Guide

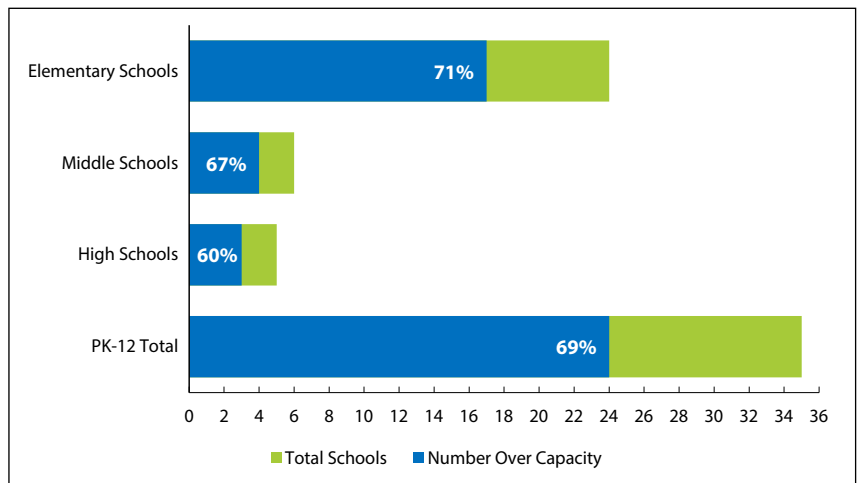
# WHAT IS THE STATE OF APS FACILITIES?

*Even with increasing enrollment, our average class size remains low.*

FY 2017 AVERAGE CLASS SIZE	
Elementary School	21.0
Middle School	20.2
High School	19.4

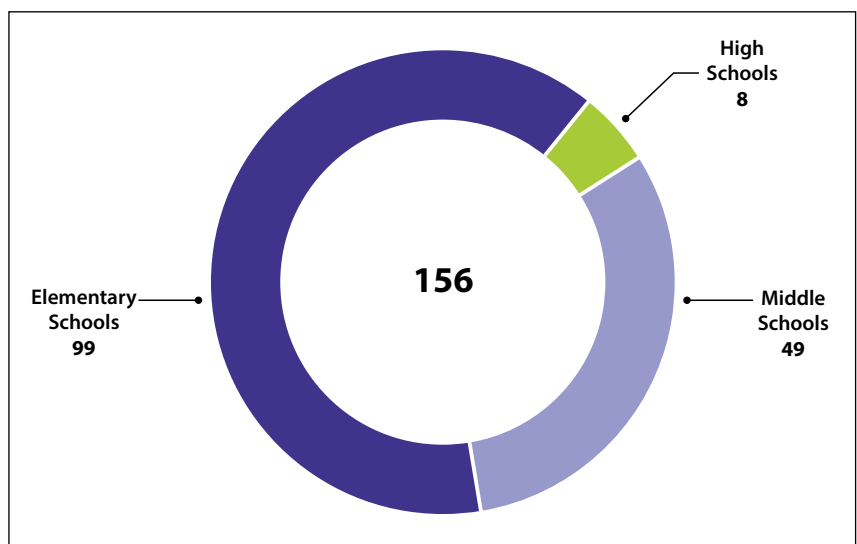
## Majority of Schools are Approaching or Exceeding Capacity

This year, more than 69 percent of our schools are over capacity.



## Relocatables Used to Balance Capacity Development

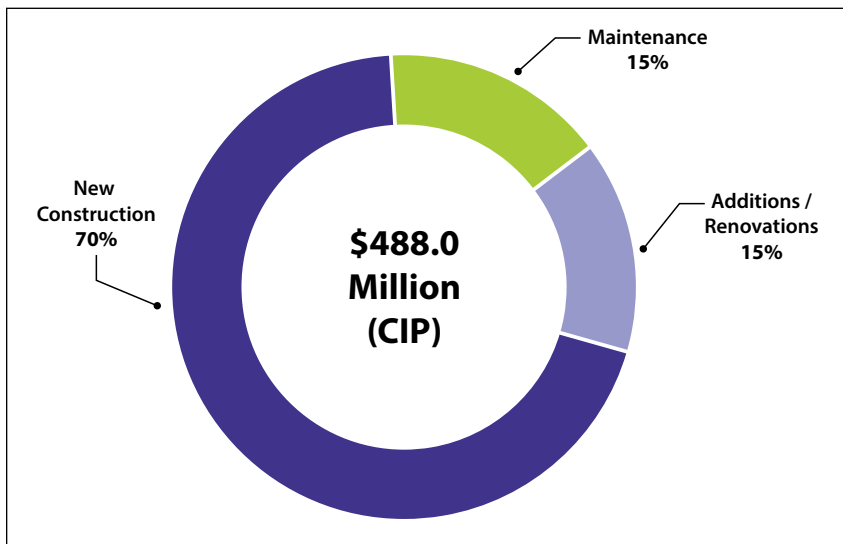
In FY 2017, 74 percent of our schools have relocatable classrooms. They are vital to capacity development and a hedge against constructing too many seats should enrollment decline in the future. This year more relocatables were required due to capacity-increasing construction projects at Abingdon, Swanson, and Williamsburg.



# HOW DOES APS PLAN TO INCREASE CAPACITY?

## Increasing Capacity at the Elementary and High School Levels is the Key Focus of the FY 2017–2026 CIP

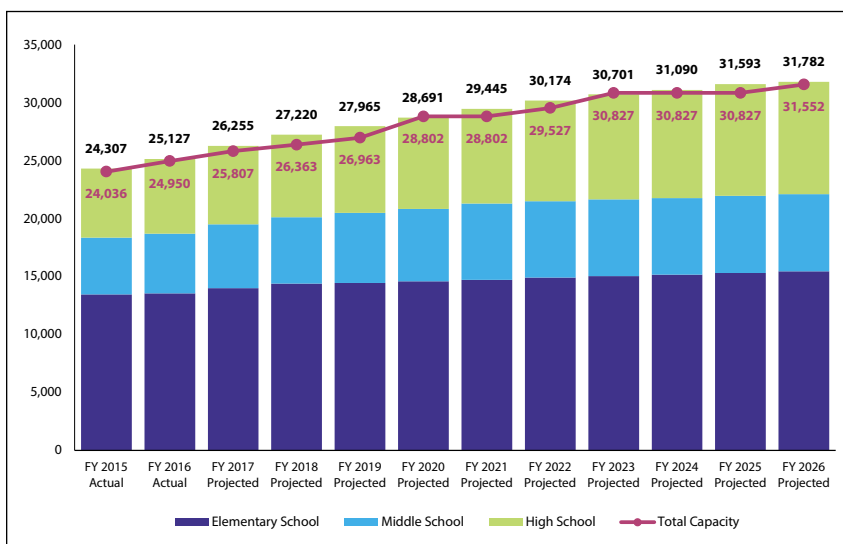
Every two years, the School Board adopts a Capital Improvement Plan (CIP), planning for capital needs for the next ten years. The focus of the FY 2017–2026 CIP was on capacity development at the elementary and high school levels.



*Over the next ten years, APS plans to invest 85 percent of capital improvement funding in new construction and renovations to existing schools in order to address increasing enrollment.*

## Planned Capacity Improvements Will Meet Most of Our Seat Needs

With enrollment expected to exceed 30,000 students by FY 2022, the FY 2017–2026 CIP projects will meet over 100% of our elementary and high school capacity needs and 97% of our middle school seat needs by 2026.



Enrollment figures taken from the FY 2017 – 2026 Capital Improvement Plan.

# QUESTIONS AND ANSWERS

*APS received the Meritorious Budget Award from the Association of School Business Officials International (ASBO) and the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the FY 2016 School Board Adopted budget.*

*These awards are given to school districts whose budget documents meet or exceed each program's nationally recognized stringent criteria for effective budget presentation.*

*APS has received an award from ASBO for seven consecutive years and from GFOA for thirteen consecutive years.*

## **Q: Does APS end each year with money that is unspent?**

**A:** Yes, each year state and local governments typically end the year with an available ending balance to ensure that they meet revenue projections and do not exceed expenditure appropriations. APS has historically ended every fiscal year with an available ending balance. This is a responsible budgeting practice since APS is required by law to have a balanced budget.

## **Q: What is Lapse and Turnover?**

**A:** Lapse and turnover, including benefits, is savings resulting from position turnover and from positions being held vacant for a period of time during the fiscal year. APS budgets for lapse, and any savings above the budgeted amounts are included in the available ending balance. Lapse and turnover savings are reviewed regularly and steps are taken to adjust the salary level used to budget vacant positions. As nearly 79 percent of the budget is compensation, the majority of the available ending balance is derived from the compensation accounts. Regardless of the amount budgeted, all savings at year-end are reflected in the available ending balance.

## **Q: What is a "structurally balanced budget?"**

**A:** A structurally balanced budget occurs when recurring revenues are equal to recurring expenditures in the adopted budget.

## **Q: How can I provide feedback on the budget?**

**A:** APS values your input. That's why the school system has a strong network of more than 30 volunteer advisory committees, each one focusing on a specific subject or topic area from instruction to construction. Advisory committees and advisory groups vary in formality and time commitment. Some report to the School Board on an annual basis, while others work directly with the Superintendent and APS staff members on a particular project or subject. In addition, ad hoc groups may be formed for limited terms to focus on projects and issues of immediate concern. If you are interested in finding out more about a particular advisory group or committee, attend a committee meeting. All meetings are open to the public, and all citizens are welcome to attend regardless of whether they have children enrolled in APS. You can also send an email to [budget.feedback@apsva.us](mailto:budget.feedback@apsva.us) at any time during the year.

# QUESTIONS AND ANSWERS

**Q: What reserves does APS have in its operating fund?**

**A:** The School Board has created a number of reserves over the past five years as a way to help offset the increasing costs of capital, VRS, debt service, and other unfunded liabilities in the out-years. In addition, the School Board has allocated funds from closeout of the past four fiscal years to create reserves to help defray one-time costs in the next fiscal year budget. Reserves are used in the FY 2017 budget to partially offset any projected increase in the VRS Group Life Insurance rate as well as to offset any one-time costs for enrollment adjustments, new initiatives, and other ongoing costs in the overall budget.

**Q: I've heard about school districts in other parts of the country that creatively generate revenue to increase their budgets. Has APS considered this as a way to get more money into its budget?**

**A:** APS does not have the authority to impose taxes. APS does evaluate opportunities to generate revenue by charging fees, but may only do so where the Commonwealth of Virginia has granted the specific authority. Examples of revenue generated by APS are Extended Day, Swim fees, Summer School and Adult Education. The majority of our revenue (79.8 percent) comes from Arlington County, which is derived from real estate and personal property taxes. The Commonwealth provides another 11.8 percent through state aid and sales tax revenues. The remaining revenues come from a variety of sources, including federal aid, tuition, school breakfasts and lunches, and adult education classes.

RESERVE BALANCE	
Reserve	\$ in Millions
Capital	\$13.1
VRS	\$4.6
Future Debt Service	\$4.6
Future Budget Years	\$24.0
Compensation	\$4.2
Separation Pay	\$2.0
Health Care	\$1.0
Undesignated	\$2.0

*As of May 7, 2016*

*The community continues to place a high value on providing students with a quality public education and APS has achieved the exceptional results our community expects of its schools.*

# APS HIGHLIGHTS

*Ten APS schools have earned the 2015 Virginia Index of Performance (VIP) awards. These awards were created by the Board of Education to promote advanced learning and achievement.*

- All 31 schools are accredited by the Virginia Department of Education according to state accreditation ratings and federal accountability ratings.
- The 2016 Washington Post Challenge Index listed all APS high schools in the top 3 percent in the U.S. This is the eighth year in a row all APS high schools made the list.
- APS was named the top school division in Virginia and number 44 nationally by Niche.com's 2016 rankings of top schools and school divisions. Sixteen APS elementary schools topped the list of the best public elementary schools in Virginia. Williamsburg was named the top Virginia middle school, with Swanson, Gunston and Jefferson landing 2-4 and Kenmore at 7. Washington-Lee and Yorktown were ranked 2 and 3 respectively, and Wakefield was ranked 17.
- Spanish immersion programs are offered at two elementary, one middle, and one high school.
- More than 95 percent of APS students earn one or more high school credits during middle school.
- The percentage of graduating seniors completing at least one AP or IB course increased by seven percentage points from 71.1 percent in 2012 to 78.8 percent in 2015.
- In addition, 68 percent of graduating seniors earned an advanced studies diploma, up from 63.9 percent in 2012.
- The dropout rate declined by 40 percent, decreasing from 7.7 percent in 2012 to 5.5 percent in 2016.
- On-time graduation increased by more than six percentage points from 85 percent in 2009 to 91.1 percent in 2016. For those APS students who started as freshmen in the fall of 2012 at one of the comprehensive high schools, 97 percent graduated on time.
- The 2016 Community Satisfaction Survey found that 93 percent of APS parents, 86 percent of staff members, and 80 percent of community members graded the school division as an "A" or "B." These percentages increased slightly from the 2012 Community Satisfaction Survey which found 92 percent of APS parents, 85 percent of staff, and 79 percent of community members awarded APS with an "A" or "B."
- In 2016, 94 percent of parents gave their child's school an "A" or "B." This number has remained steady since the 2009 Community Satisfaction Survey.
- Eighty-one percent of APS teachers have earned a master's or a doctoral degree in 2016, up from 71 percent in 2012.

# ADDITIONAL RESOURCES

The APS website provides detailed information about our schools, students, programs, and operations:

**APS Website**

[www.apsva.us](http://www.apsva.us)

**School Board**

[www.apsva.us/about-the-school-board](http://www.apsva.us/about-the-school-board)

**Superintendent's Office**

[www.apsva.us/superintendents-office](http://www.apsva.us/superintendents-office)

**Schools and Centers**

[www.apsva.us/school-locations](http://www.apsva.us/school-locations)

**Department of Instruction**

[www.apsva.us/department-of-instruction](http://www.apsva.us/department-of-instruction)

**Budget and Finance Office**

[www.apsva.us/budget-finance](http://www.apsva.us/budget-finance)

**Budget Documents, including links to historical documents**

[www.apsva.us/budget-finance](http://www.apsva.us/budget-finance)

**Washington Area Boards of Education (WABE) Guide**

[www.apsva.us/budget-finance/wabe-guide](http://www.apsva.us/budget-finance/wabe-guide)

**FY 2017–2026 Capital****Improvement Plan (CIP)**

[www.apsva.us/more-seats-for-more-students/more-seats-resources-2015-16](http://www.apsva.us/more-seats-for-more-students/more-seats-resources-2015-16)

**FY 2011–2017 Strategic Plan**

[www.apsva.us/strategic-plan-overview](http://www.apsva.us/strategic-plan-overview)

**SOL Results**

[www.apsva.us/planning-and-evaluation/assessment](http://www.apsva.us/planning-and-evaluation/assessment)

**Community Satisfaction****Survey Results**

[www.apsva.us/planning-and-evaluation/evaluation/surveys/community-satisfaction-survey](http://www.apsva.us/planning-and-evaluation/evaluation/surveys/community-satisfaction-survey)

**Statistics**

[www.apsva.us/statistics](http://www.apsva.us/statistics)

**Publications**

[www.apsva.us/publications](http://www.apsva.us/publications)

**Citizen Participation**

*We encourage the community to get involved in the budget development process.*

- *Join an advisory group or committee, [www.apsva.us/citizen-advisory-groups](http://www.apsva.us/citizen-advisory-groups).*
- *Attend School Board meetings, watch meetings streamed live via the APS website or view archived videos of past meetings, [www.apsva.us/school-board-meetings/watch-school-board-meetings](http://www.apsva.us/school-board-meetings/watch-school-board-meetings).*
- *Sign up to speak at a School Board meeting, [www.apsva.us/school-board-meetings/sign-up-to-speak](http://www.apsva.us/school-board-meetings/sign-up-to-speak), or share your comments with the Board by emailing [school.board@apsva.us](mailto:school.board@apsva.us) or by calling 703-228-6015.*



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