

ARLINGTON, VIRGINIA

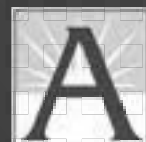


FY 2018



CITIZEN'S GUIDE TO UNDERSTANDING THE BUDGET

ARLINGTON
PUBLIC SCHOOLS
www.apsva.us



ADMINISTRATION

“ We are grateful to the Arlington County Board for providing the additional funds necessary to ensure that APS continues to provide excellent educational opportunities for our students.

Because the County Board voted to increase the real estate tax rate and dedicate a portion of those funds to APS, we have been able to avoid cuts that would have required the School Board to increase class size and eliminate staff positions. ”

–Nancy Van Doren
School Board Chair, FY 2016-17

School Board Members

Dr. Barbara Kanninen
Chair

Reid Goldstein
Vice Chair

James Lander
Member

Tannia Talento
Member

Nancy Van Doren
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 Nattrass
Assistant Superintendent, Teaching and Learning

Leslie Peterson
Assistant Superintendent, Finance and Management Services

Julia Burgos
Chief of Staff

MESSAGE FROM THE SUPERINTENDENT

Dear Arlington Families, Employees, and Citizens:

Each year we put together the *Citizen's Guide to Understanding the Budget*, which explains in simple terms, the complexities of our school system's budget. Understanding our budget is important because it reflects the priorities of our school system and the larger Arlington Community.

The FY 2018 budget was developed in close partnership with our community, including families, citizens, teachers, staff, and students, and it is centered on serving the academic, emotional, physical, and social needs of our students. APS has a strong foundation to ensure success of all students. 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 school system.

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. We are extremely grateful for the difficult decision made by the County to increase the tax rate in order to fund our increasing enrollment. As a result of these additional funds, we were able to develop a balanced budget.

As we continue to 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 know we will face additional challenges in future budgets and difficult choices will have to be made, however, we will continue on the path to success for our students.

I encourage you to read this guide to get a better understanding of our process and the FY 2018 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 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.

I am honored to serve as your Superintendent and I look forward to another outstanding school year.

Sincerely,



Patrick K. Murphy, Ed.D.
Superintendent

September 2017

“ 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

01

CHALLENGING AND ENGAGING INSTRUCTION

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

02

ELIMINATING GAPS

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

03

HIGH QUALITY STAFF

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

04

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

05

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 that represents Arlington's vision for education and plans for monitoring progress on goals as well as focus areas for school system improvement.

THE FY 2018 BUDGET DIRECTION

The following FY 2018 Budget Direction was adopted by the School Board on December 1, 2016.

- Present a budget that is consistent with APS' Mission, Vision, Core Values and Strategic Plan with a continued emphasis on the School Board's priority to support the whole child.
- Include a compensation increase for eligible employees, consistent with the Strategic Plan goal to recruit and retain high quality staff.
- Continue investing in the initiatives begun in the FY 2017 budget to support the whole child and 21st Century learning opportunities.
- Include funding to add necessary instructional and administrative staff to support our growing school system.
- Be a 'needs-based' budget that assumes the County transfer will be equal to the amount required to meet the critical needs of the division.

The School Board further directs the Superintendent to:

- Provide a prioritized list of cost savings categorized by:
 - ✕ How the reduction would affect achievement of 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 2016 closeout for one-time expenses in FY 2018 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 2015-16 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) 2018 budget provides resources for the year beginning July 1, 2017 and ending June 30, 2018.
- 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.

The 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. The School

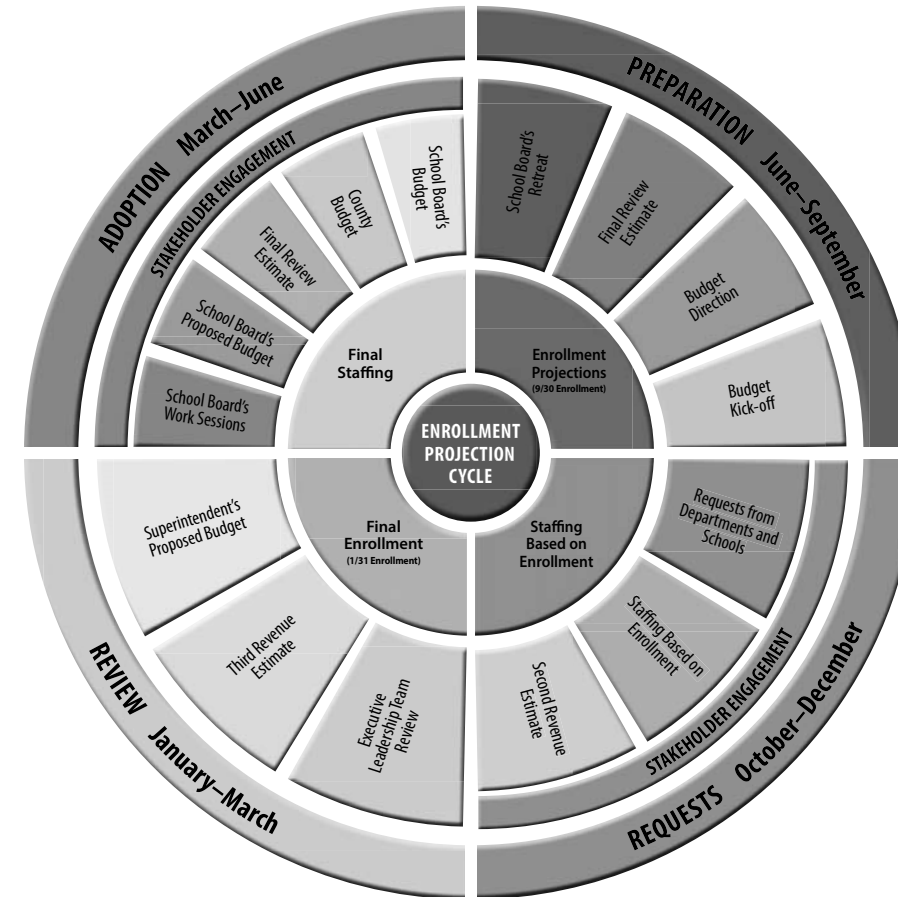
BUDGET DEVELOPMENT PROCESS

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.



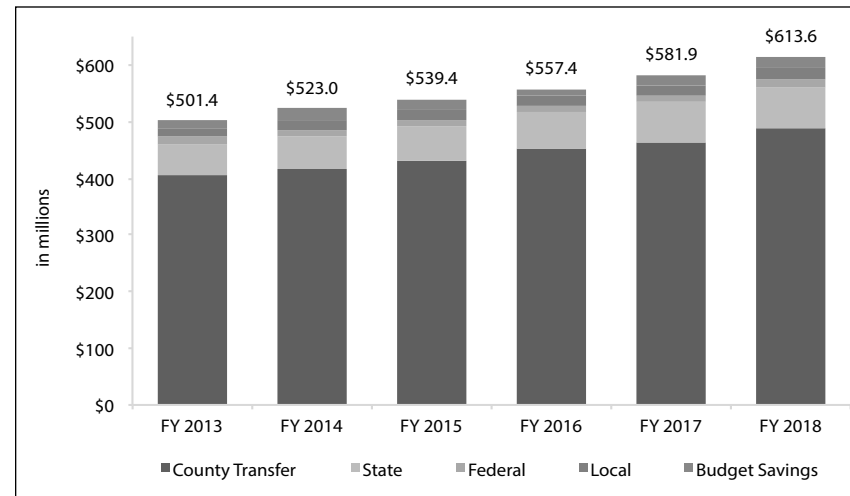
Budget Development is a year-long process that begins as the prior year budget is adopted.

WHERE DOES APS' MONEY COME FROM?

The County has a proven track record showing its commitment to supporting APS. The FY 2018 County Transfer increased by 5.2 percent over the FY 2017 Adopted Budget.

Support for APS Continues

APS funding has increased by 22.4 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

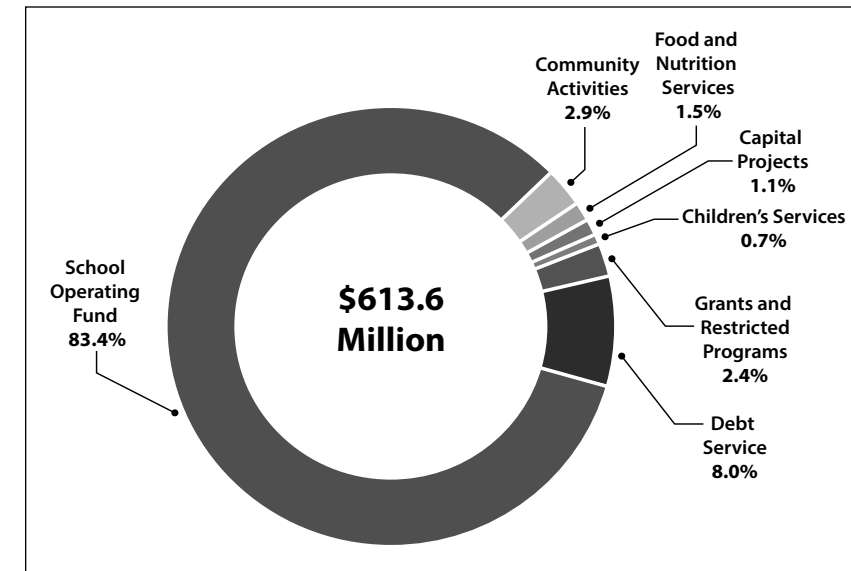
In the FY 2018 Adopted Budget, Arlington County provided 46.6 percent of ongoing locally-generated County tax revenue to the Schools.

- Local Funds—79.7%**
County Transfer: \$484.2 million—The main sources of County revenue are real estate and personal property taxes
County Re-estimate: \$4.6 million—One-time funds resulting from the increase in the tax rate and re-estimated revenue from FY 2017
- State Funds—11.8%**
Sales Tax: \$26.2 million—One and 1/8 cents of the state sales tax are returned to local school divisions for education
Other: \$46.3 million—Primarily Standards of Quality (SOQ) funding
- Federal Funds—2.3%**
Federal Aid: \$14.3 million—Includes Impact Aid, Individuals with Disabilities Education Act (IDEA) and E-Rate funding
- Other Funds—6.2%**
Local Revenue: \$20.7 million—Includes Extended Day, use of school buildings, adult education classes, school breakfasts and lunches, and tuition fees
Budget Savings: \$17.3 million—Comprising expenditure savings from prior years

HOW IS THE MONEY DISTRIBUTED?

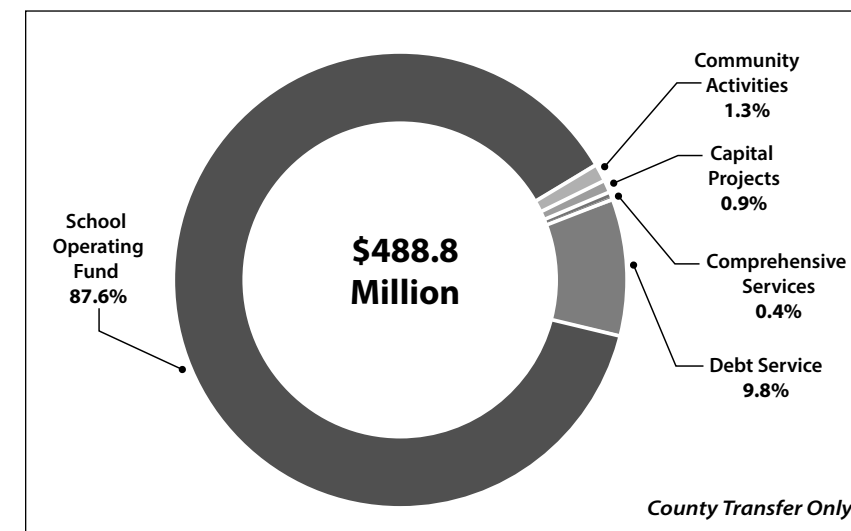
The Largest Portion of Revenue Goes to the School Operating Fund

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 2018 Adopted Budget, County funding provided \$488.8 million in revenue, of this amount \$427.9 million or 87.6 percent went into the School Operating fund. The Debt Service fund also receives a majority of funding from the County Transfer; approximately 9.8 percent or \$47.9 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, Children's 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.

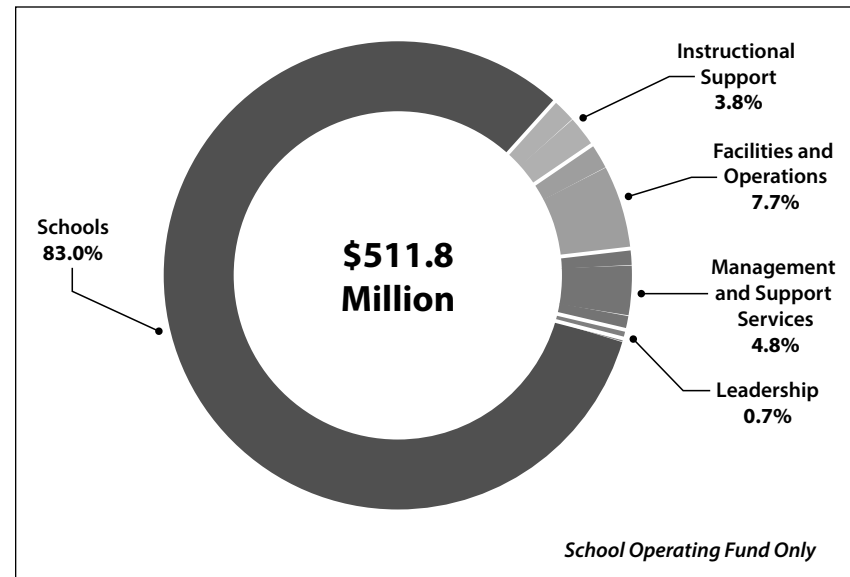
Money can be moved within each of these funds but transfers between the different funds require School Board approval.

HOW DOES APS SPEND ITS MONEY?

Funding instructional programs is APS' highest priority.

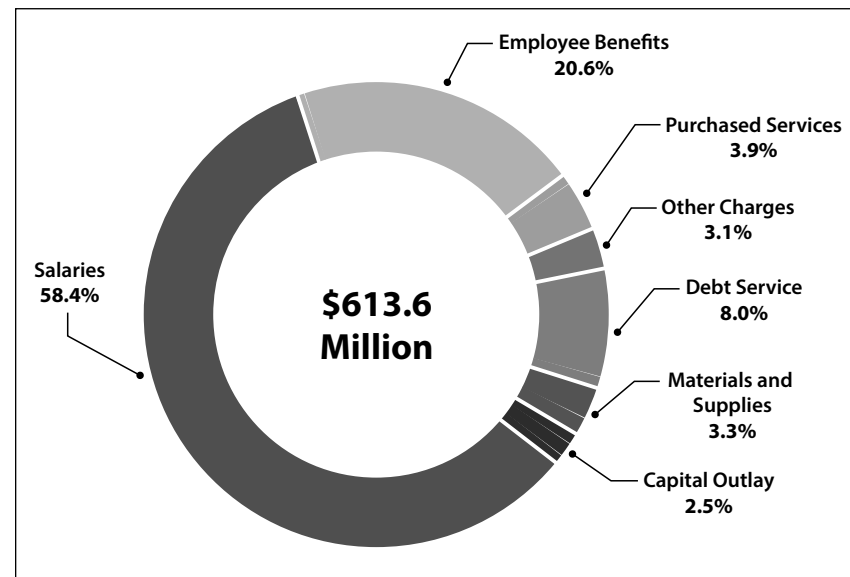
APS Continues to Focus on Instruction

The importance APS places on instructional programs is illustrated by the fact that 86.8 percent of the School Operating Fund budget is allocated to Schools and Instructional Support.



Largest Expenditure is Employee Compensation

The FY 2018 Adopted Budget includes \$485.9 million or 79.2 percent for employee salaries and benefits.



Education continues to be a labor-intensive enterprise and investing in a world class workforce is a major goal of APS.

EXPENDITURE ADJUSTMENTS

FY 2018 Adopted Budget Changes from FY 2017 Adopted Budget

The net increase in funds totals \$31.6 million or 5.4 percent compared to the FY 2017 Adopted Budget. The chart below provides a summary of the changes.

	\$ IN MILLIONS	POSITIONS
FY 2017 Adopted Budget	\$581.9	4,544.85
EXPENDITURE ADJUSTMENTS		
<i>Enrollment and Student Demographics</i>		
Enrollment Growth	\$8.3	47.80
New Capacity Cost	\$0.3	
<i>Compensation</i>		
Step Increase	\$8.7	
Below Market Compensation	\$2.4	
Other Compensation Baseline Increases	\$2.4	
<i>New Initiatives</i>		
Student Services and Instructional Support	\$0.4	4.00
Building Maintenance and Security	\$0.8	3.00
Transportation Needs	\$0.4	11.00
Other Infrastructure Support	\$0.8	6.00
<i>Growth Initiatives</i>		
Arlington Tech	\$1.2	10.00
Central Registration	\$0.1	1.00
Student and Instructional Support	\$3.3	16.50
Safety and Security Needs	\$0.3	
Infrastructure and Support Needs	\$1.1	21.50
<i>Contractual Obligations</i>		
Debt Service	\$2.5	
Other Contractual Obligations	\$0.4	
Services in Other Funds	\$2.8	11.30
Other Baseline Services	\$1.8	(1.00)
Total Expenditure Adjustments	\$37.9	131.10
BUDGET REDUCTIONS		
One-time Costs	(\$6.3)	
Other Baseline Savings	(\$0.1)	(1.50)
Total Budget Reductions	(\$6.3)	(1.50)
FY 2018 ADOPTED BUDGET	\$613.6	4,674.45

Expenditure adjustments included in the FY 2018 Adopted Budget total \$37.9 million and 131.10 positions.

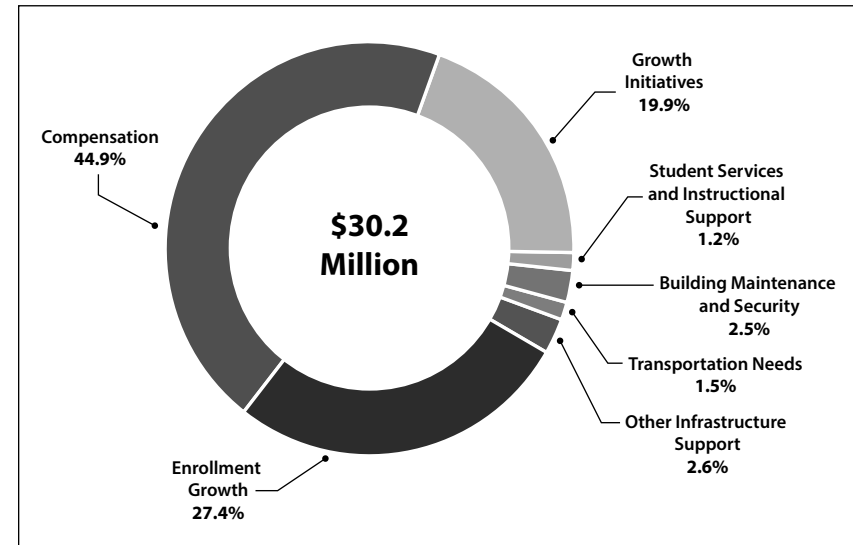
These costs are offset by budget reductions totaling \$6.3 million and 1.5 positions.

SIGNIFICANT COST DRIVERS

New investments in the FY 2018 Adopted Budget total \$30.2 million.

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

A majority of new investments, 72.3 percent or \$21.8 million went towards enrollment growth and compensation. Another 21.1 percent went towards continuing growth initiatives, student services and instructional support.



Enrollment Growth

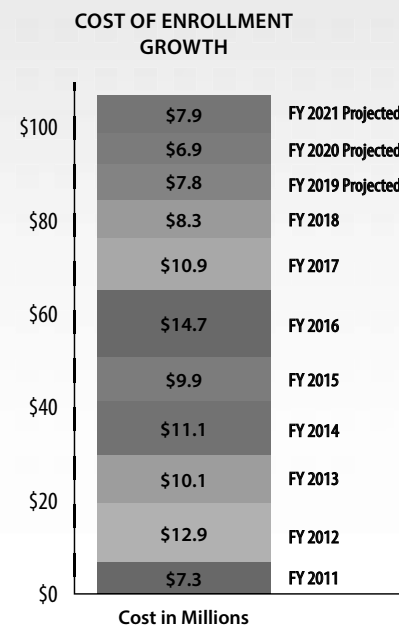
FY 2018 represents the twelfth consecutive year of student enrollment growth in APS. Over the last twelve years, the number of students attending APS has increased by more than 8,825 students or 47.8 percent. The actual enrollment on September 30, 2016 was 26,152 and the projected enrollment for September 30, 2017 is 27,276 students or an increase of 1,124, representing a one-year increase of 4.3 percent.

To accommodate enrollment growth, funding of \$8.3 million is required for positions, relocatable classrooms, materials, technology, furniture and equipment.

Over the last eight years, enrollment growth costs total \$85.2 million and the costs are projected to continue to increase in the upcoming years.

Compensation and Benefits Adjustments

Because teacher and staff quality are fundamental to student achievement and student success, funds are provided for a step increase for all eligible employees at a cost of \$8.7 million. This increase supports the School Board's goal to ensure that APS attracts and retains a high quality work force. In addition, \$2.4 million is included to begin the first year of a three-year phase in plan to increase the salaries of the positions identified in the compensation study as being under market.



SIGNIFICANT COST DRIVERS

Additional New Investments

Student Services and Instructional Support are costs associated with increasing paraprofessional support for elementary interlude classrooms, Medicaid billing software, and an increase in the number of technicians. Any one-time costs are funded with one-time funds and eliminated in the following year.

Building Maintenance and Security includes costs for HVAC maintenance technicians and a preventative maintenance contract as well as consulting fees for a Safety Coordinator.

Transportation Needs includes funding for full-time positions for additional bus drivers and bus attendants. Any known out-years costs are included in fiscal years 2019 through 2021.

Other Infrastructure Support includes funding to provide additional central office support for our growing school division such as additional AETV Producer for increased AETV programming, a Planner to support the Joint Facilities Advisory Commission, an Integrated Project Planning Team, and a Transportation Planner.

Continuing Growth Initiatives

Arlington Tech includes the costs of continue the program in FY 2018 and expanding it in fiscal years 2019 through 2020. Any one-time costs are funded with one-time funds and eliminated in the following year.

Central Registration includes the second-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 2019 through 2021 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 2019 through 2021 and any one-time costs are funded with one-time funds and eliminated in the following year.

Infrastructure and Support Needs includes funding to provide additional central supports 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 2019 through 2021 and any one-time costs are funded with one-time funds and eliminated in the following year.

FY 2018 Teacher Salaries

STARTING, BACHELORS DEGREE	
Loudoun County	\$49,674
Falls Church City	\$49,600
Montgomery County, MD	\$49,013
Arlington County	\$48,228
Fairfax County	\$48,012
Prince George's County, MD	\$47,781
Prince William County	\$47,724
Alexandria City	\$47,242
Manassas Park City	\$46,470
Manassas City	\$46,078

STEP 9, MASTERS DEGREE	
Arlington County	\$77,093
Falls Church City	\$73,810
Montgomery County, MD	\$71,523
Alexandria City	\$71,516
Prince George's County, MD	\$68,735
Fairfax County	\$66,498
Loudoun County	\$65,237
Manassas City	\$61,642
Manassas Park City	\$60,255
Prince William County	\$58,328

MAXIMUM	
Prince William County	\$118,420
Arlington County	\$113,207
Manassas Park City	\$112,030
Montgomery County, MD	\$109,449
Falls Church City	\$108,020
Alexandria City	\$107,259
Loudoun County	\$106,197
Fairfax County	\$103,937
Prince George's County, MD	\$103,819
Manassas City	\$103,497

Source: 2018 Washington Area Board's of Education (WABE) Guide

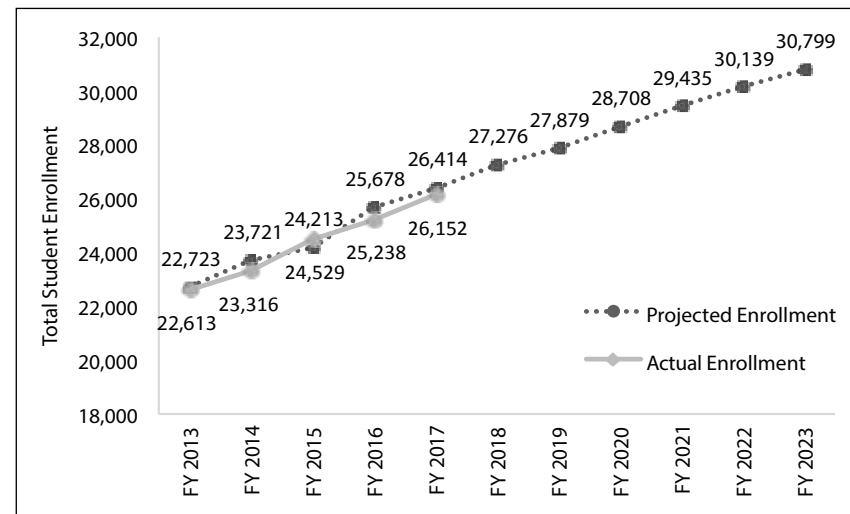
HOW MANY STUDENTS ATTEND APS?

The FY 2018 projected enrollment is 27,276 students which represents an increase of 1,124 from the FY 2017 actual enrollment.

STUDENT ENROLLMENT BY GRADE	
Pre-K	1,296
Kindergarten	2,223
Grade 1	2,150
Grade 2	2,214
Grade 3	2,168
Grade 4	2,182
Grade 5	2,168
Grade 6	1,912
Grade 7	1,978
Grade 8	1,859
Grade 9	1,827
Grade 10	1,869
Grade 11	1,764
Grade 12	1,666
TOTAL	27,276

APS Student Enrollment Increases Every School Year

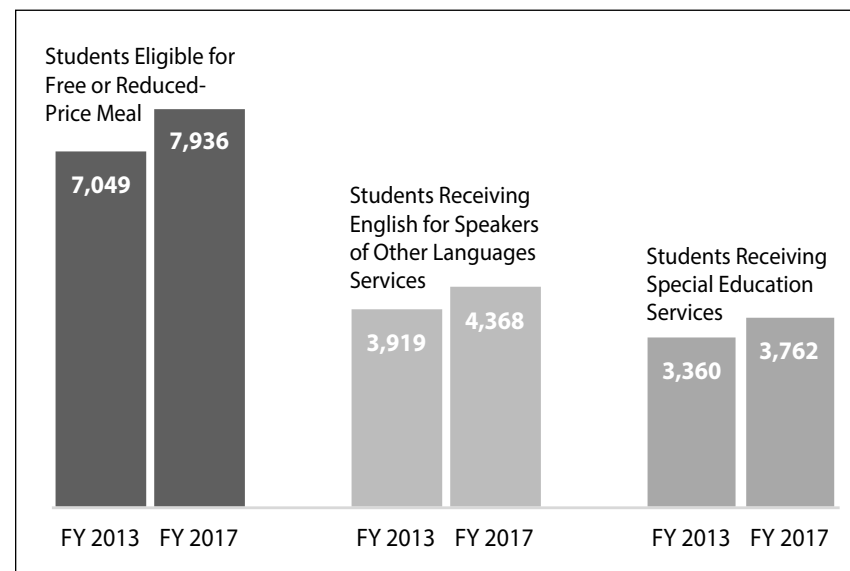
Enrollment has grown from 22,613 in FY 2013 to a projected 27,276 in FY 2018, representing a 20.6 percent increase over that period. The average annual increase over the past ten years is approximately 3.85 percent. The FY 2018 projection is an increase of 1,124 students over FY 2017.



Enrollment figures are from the Spring update.

APS Provides a Number of Services for Our Diverse Enrollment

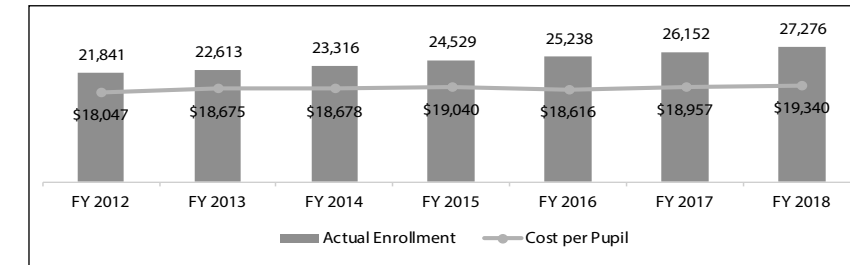
APS represents one of the Nation's most diverse and sophisticated student populations. Our students come from 116 nations and speak more than 104 languages.



WHAT IS APS' COST PER PUPIL?

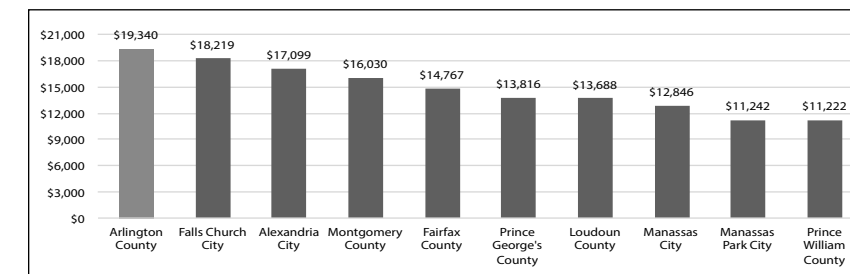
APS' Cost Per Pupil has Remained Stable

In the FY 2018 Adopted Budget, our cost per pupil, based on the formula developed by Washington Area Boards of Education (WABE), increased by \$383 to \$19,340 over the FY 2017 cost.



Compared to Other School Systems

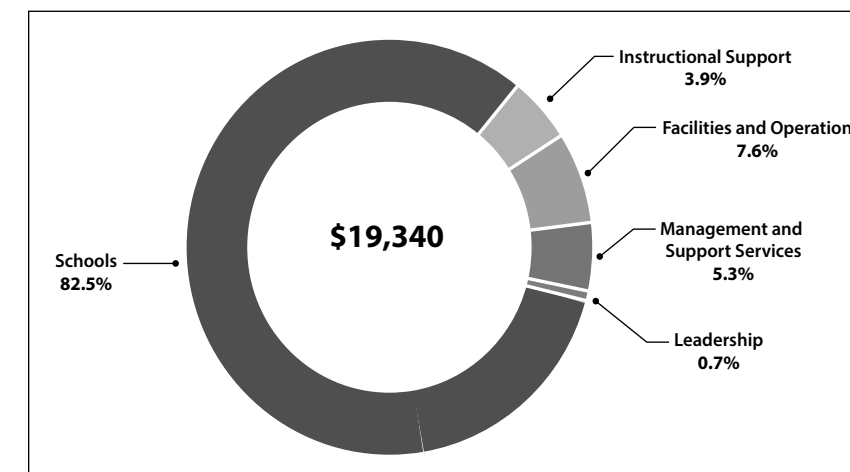
The gap between the highest (APS) and the second highest school system's cost per pupil is \$1,121 or 6.2 percent as a result of increases to prepare APS for 30,000 students.



Source: 2018 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 86.4 percent or \$16,701 of the per student cost.



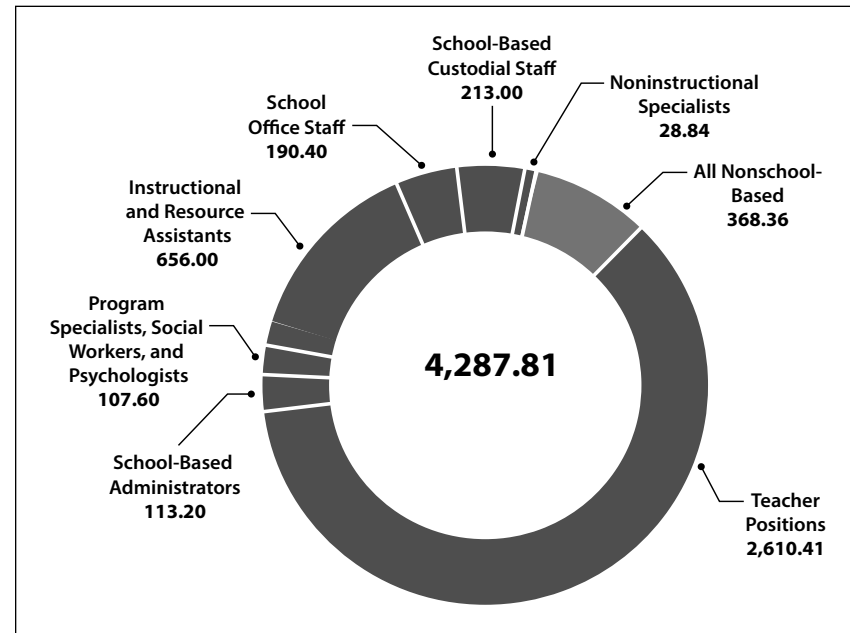
Cost per pupil information provides a measure of resource allocation based on student population. It is a useful tool for analyzing our expenditures over time and for comparing our expenditures to those of other school systems.

WHO WORKS IN APS?

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

Majority of Employees are School-Based

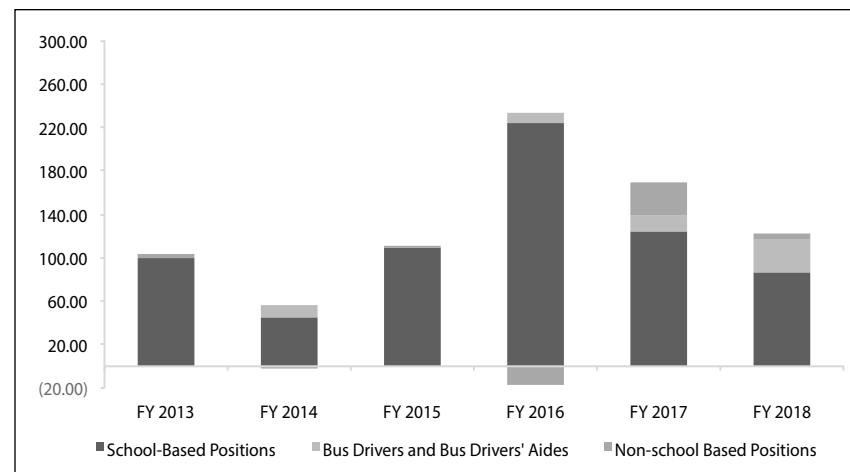
A total of 4,287.81 full-time equivalent (FTE) positions are funded in the FY 2018 Operating Budget as defined by WABE. Of these positions, more than 91 percent are in the classrooms and school buildings directly serving the needs of students.



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

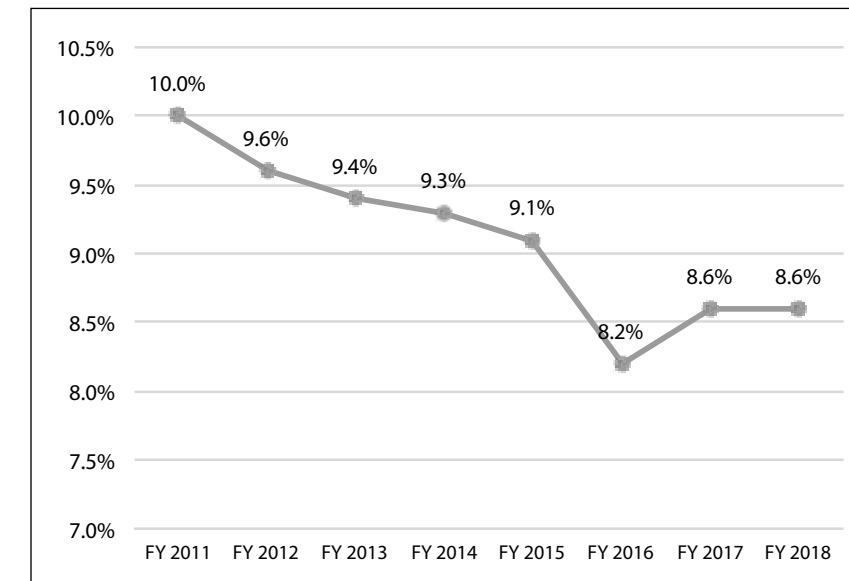
In FY 2018, the adopted budget added 87.20 school-based and 30 bus drivers and bus drivers' aides FTE positions.



HOW EFFICIENT IS THE CENTRAL OFFICE?

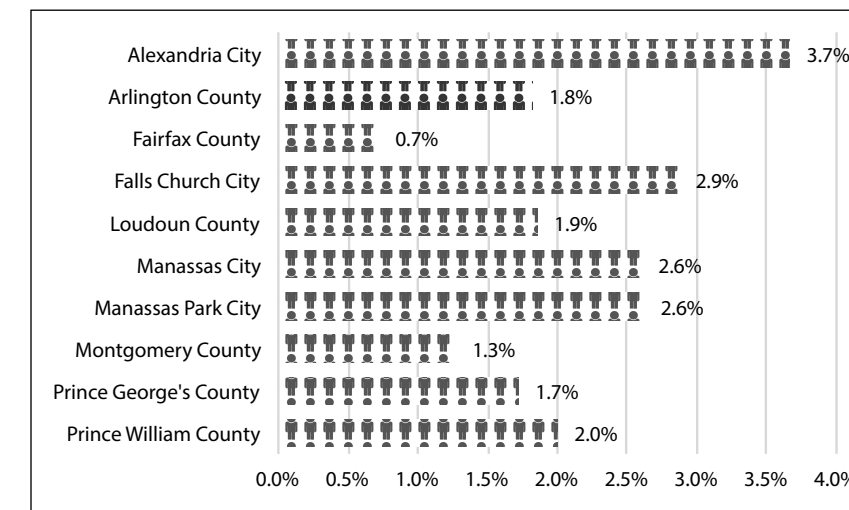
Non-School Based Positions Increased Slightly

Non-school based support increased by 5.6 FTE positions in the FY 2018 budget. After several years of significant reduction to central office support, non-school based FTE positions have increased a total of 36.6 over the last two years. This increase is required in order to prepare for projected increases in enrollment.



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: 2018 Washington Area Board's of Education (WABE) Guide

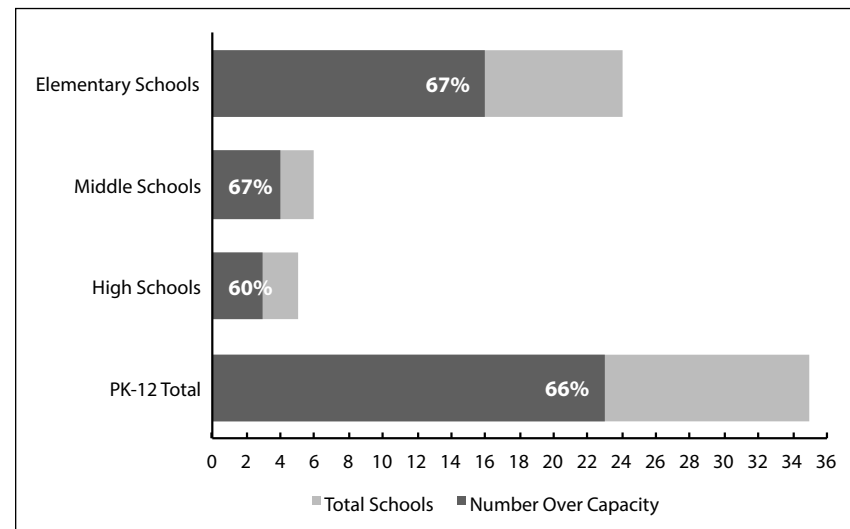
WHAT IS THE STATE OF APS FACILITIES?

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

FY 2018 AVERAGE CLASS SIZE	
Elementary School	21.2
Middle School	22.1
High School	19.6

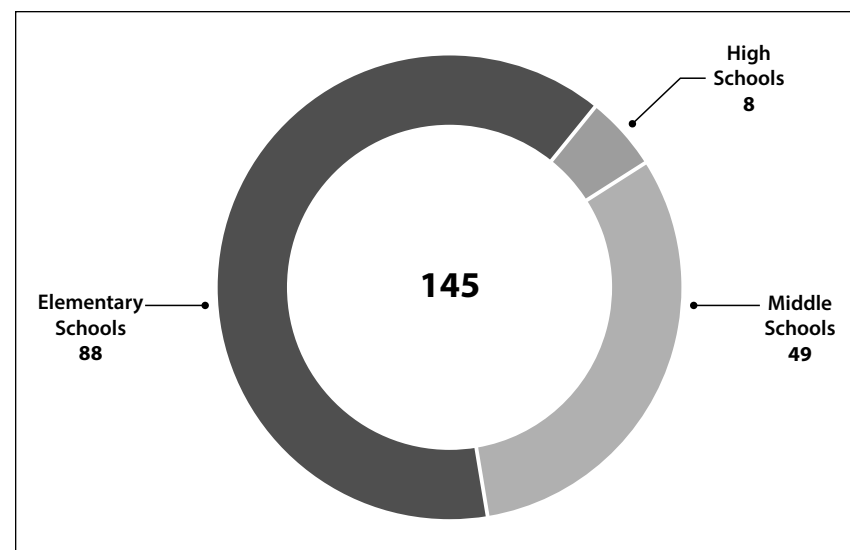
Majority of Schools are Approaching or Exceeding Capacity

This year, 66 percent of our schools are over capacity.



Relocatables Used to Balance Capacity Development

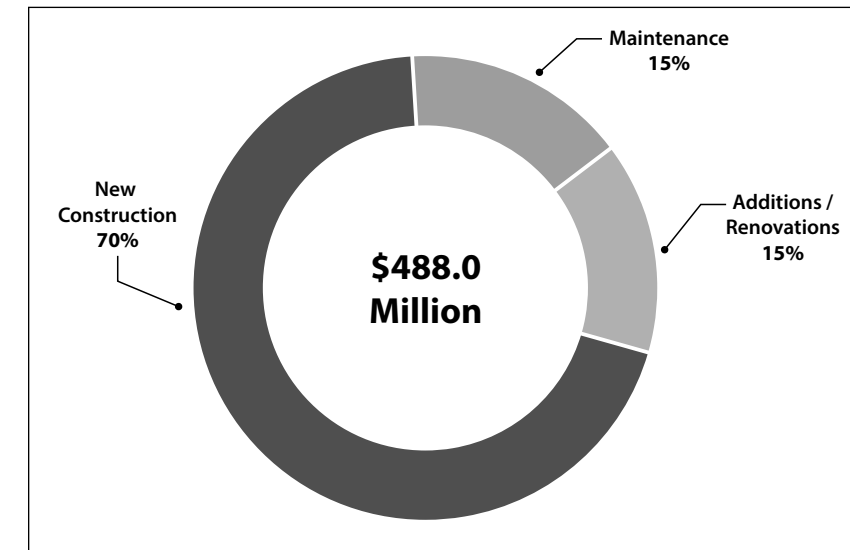
In FY 2017, 71 percent of our schools have relocatable classrooms. They are vital to capacity development and a hedge against constructing too many seats should enrollment decline in the future. This year more relocatables were required at Henry and Oakridge elementary schools due to increased enrollment.



WHAT IS THE STATE OF APS FACILITIES?

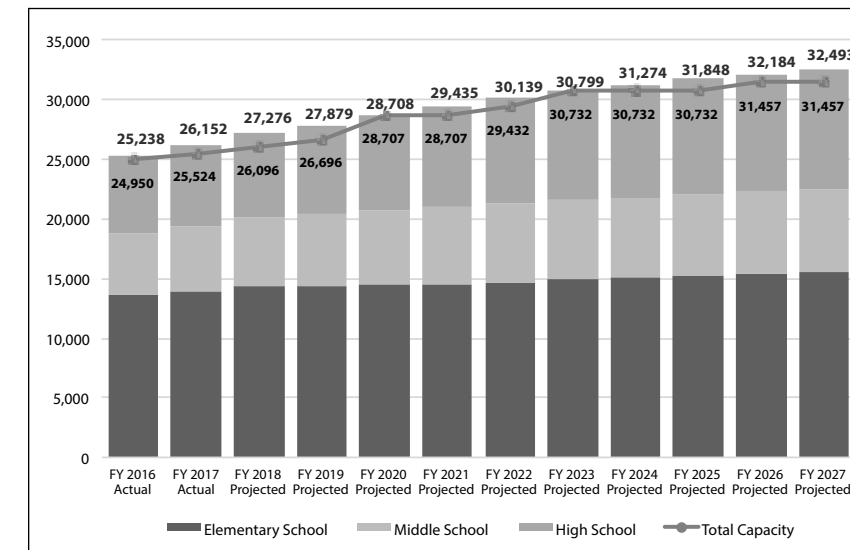
Increasing Capacity at the Elementary and High School Levels is the Key Focus of the FY 2017–2026 CIP

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.



Planned Capacity Improvements Will Meet Most of Our Seat Needs

With enrollment expected to exceed 30,000 students in FY 2022, the FY 2017 - 2026 CIP projects will meet over 97% of our school seat needs by 2026.



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

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.

The School Board will adopt a new ten-year CIP in June 2018. Important dates and the status of the development of the new CIP budget will be available on the Budget and Finance CIP website, www.apsva.us/budget-finance/cip.

QUESTIONS AND ANSWERS

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.
- 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.
- Sign up to speak at a School Board meeting, www.apsva.us/school-board-meetings/sign-up-to-speak, or share your comments with the Board by emailing school.board@apsva.us or by calling 703-228-6015.

Q: Where can I find an electronic copy of the adopted budget?

A: Copies of the adopted budget along with other budget information and previous adopted budgets can be found on the Budget website, www.apsva.us/budget-finance.

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 and not to overspend that 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 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 or complete the online form through the Engage with APS website at www.apsva.us/engage/engage-aps-online-feedback.

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 five fiscal years to create reserves to help defray one-time costs in the next fiscal year budget. Reserves are used in the FY 2018 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?

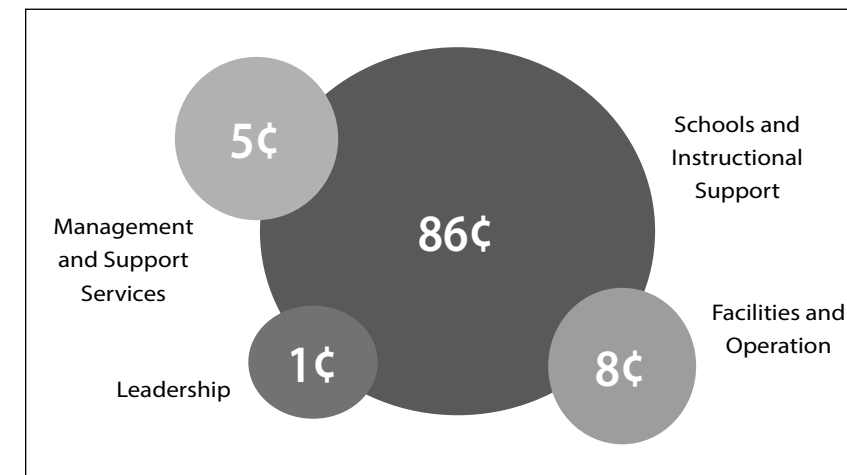
A: APS does not have the authority to impose taxes. APS does evaluate opportunities to generate revenue by charging fees, but may only do so where the Commonwealth of Virginia has granted the specific authority. The majority of our revenue (79.7 percent) comes from Arlington County, which is derived 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.

Q: Where does my tax dollar go?

A: Of each budget dollar, 86 cents is allocated directly to fund schools and instructional support, 8 cents for facilities and operations. Central office management, support services and leadership accounts for just 6 cents per budget dollar.

RESERVE BALANCE	
Reserve	\$ in Millions
Capital	\$31.9
VRS	\$2.5
Future Debt Service	\$3.3
Future Budget Years Compensation	\$20.7
Separation Pay	\$4.7
Health Care	\$2.0
Undesignated	\$1.0
	\$2.0

As of June 30, 2017



APS HIGHLIGHTS

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 2017 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 eight consecutive years and from GFOA for fourteen consecutive years.

- All APS schools are fully accredited by the Virginia Department of Education (VDOE) based on last year's Standards of Learning (SOL) test results. School accreditation ratings reflect student achievement on SOL assessments and other tests in English, history/social science, mathematics and science.
- The Washington Post "Challenge Index" 2017 ranking of U.S. high schools ranked all four Arlington high schools in the top 100 among the region's high schools and in the top 3 percent in the U.S.
- APS was named the top school division in Virginia for two consecutive years and number 59 nationally by Niche.com's 2017 rankings of best schools and school divisions. Twelve APS elementary schools topped the list of the best public elementary schools in Virginia. Williamsburg was named the top Virginia middle school, with Swanson and Jefferson landing 2-6 and Kenmore at 27. Washington-Lee and Yorktown were ranked 2 and 3 respectively, and Wakefield was ranked 8.
- Spanish immersion programs are offered at two elementary, one middle, and one high school.
- The percentage of graduating seniors completing at least one AP or IB course increased by 7.6 percentage points from 71.1 percent in 2012 to 78.7 percent in 2016. In addition, 68 percent earned an advanced diploma, up from 63.9 percent in 2012.
- The dropout rate declined by 29 percent since 2012, from 9.3 percent to 6.6 percent in 2017.
- In 2017, 90.8% of all students graduated on time compare to 85.2% in 2010. For those students who started as freshmen in the fall of 2013 at one of the comprehensive high schools, 96% 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". Parents also have positive views about their child school, 94 percent of parents graded their child's school "A" or "B".
- 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

School Board

www.apsva.us/about-the-school-board

Superintendent's Office

www.apsva.us/superintendents-office

Schools and Centers

www.apsva.us/school-locations

Department of Teaching and Learning

www.apsva.us/department-of-instruction

Budget and Finance Office

www.apsva.us/budget-finance

Budget Documents, including links to historical documents

www.apsva.us/budget-finance

Washington Area Boards of Education (WABE) Guide

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

FY 2011–2017 Strategic Plan

www.apsva.us/strategic-plan-overview

SOL Results

www.apsva.us/planning-and-evaluation/assessment

Community Satisfaction Survey Results

www.apsva.us/planning-and-evaluation/evaluation/surveys/community-satisfaction-survey

Statistics

www.apsva.us/statistics

Publications

www.apsva.us/publications

Key Dates for the FY 2019 Budget Development

- **Feb 22, 2018:**
Superintendent's Proposed FY 2019 Budget
- **March 22, 2018:**
Public Hearing on the Superintendent's Proposed FY 2019 Budget
- **April 5, 2018:**
School Board's Proposed FY 2019 Budget
- **April 19, 2018:**
Public Hearing on the School Board's Proposed FY 2019 Budget
- **May 3, 2018:**
School Board's Adopted FY 2019 Budget
- **May 3, 2018:**
Superintendent's Proposed FY 2019-28 Proposed Capital Improvement Plan
- **May 17, 2018:**
Public Hearing on the Superintendent's Proposed FY 2019-28 Proposed Capital Improvement Plan
- **June 21, 2018:**
School Board's Adopted FY 2019-28 Proposed Capital Improvement Plan



**ARLINGTON
PUBLIC SCHOOLS**

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Arlington, VA 22207

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