

ARLINGTON PUBLIC SCHOOLS
Budget Work Session #3
March 15, 2017

Item C-1-b

The Arlington School Board convened on Wednesday, March 15, 2017, at 5:04 PM at 1426 North Quincy Street, Arlington, Virginia.¹

Present were:

Nancy Van Doren, Chair
Barbara Kanninen, Vice Chair
Reid Goldstein, Member
James Lander, Member
Tannia Talento, Member
Melanie Elliott, Clerk

Also present were:

Dr. Patrick K. Murphy, Superintendent
Raj Adusumilli, Assistant Superintendent, Information Services
John Chadwick, Assistant Superintendent, Facilities and Operations
Linda Erdos, Assistant Superintendent, School and Community Relations
Dr. Tara Natrass, Assistant Superintendent, Instruction
Leslie Peterson, Assistant Superintendent, Finance and Management Services
Paul Jamelske, Director, Special Education
Erin Wales-Smith, Director, Talent Acquisition and Management

Ms. Van Doren called the meeting to order and participants were introduced.

- Three Year Forecast

Ms. Peterson reviewed the three-year budget forecast summary. She explained how revenue figures are calculated, noting that the projections are incorporated in the calculations. She also reviewed the Reserve funds. She noted that the forecast does not include any compensation reserve in the out years. Responding to questions, Ms. Peterson described how the debt reserve funds are managed. Expenditure projections were then reviewed. Ms. Peterson explained what is included under contractual services and noted that baseline services listed under other funds (such as Food and Nutrition Services) are generally self-supporting. She also explained that the additional operating costs in this forecast relate to new seats being brought on line.

Under new investments, Ms. Peterson reviewed projections for enrollment growth, compensation, new initiatives and growth initiatives. She pointed out that some of the costs for new initiatives are one-time purchases, so the projections go down in 2019. Staff agreed to provide data to the Board on the average percentage growth for new budgets correlated with enrollment growth, and also the cost per student.

- Compensation

Staff provided the Board with information on compensation, including a chart showing compensation adjustments since FY 2009, the cost of a step increase, and the cost of a 1% cost of living increase. Ms. Peterson confirmed that the cost of the first year of a three-year plan to increase salaries for positions which are under market would be \$2.4 million. Data was also presented on the number and percentage of employees at the top of the pay scale at each level.

- Budget Investments

- Continuing initiatives

Continuing growth initiatives include Arlington Tech, central registration, student and instructional support, safety and security, and infrastructure/support needs. The Board asked if moving to central registration will reduce school-based staffing, but Ms. Peterson explained that the registrars handle additional responsibilities so this shift will likely not impact staffing. Additional staff is included in the budget for student and instructional support, and the Board asked for updates on services these staff provide. Also briefly discussed were safety and security costs, most of which are one-time expenses. Ms. Peterson confirmed that ongoing costs will result from additional staff for transportation and HVAC needs.

Responding to questions on technology funding in the budget, Mr. Adusumilli explained that these funds are for equipment for students and staff. The group discussed the status of the 1:1 technology initiative and how it has been funded to date. Mr. Adusumilli described state guidelines on technology, the technology replacement cycle, and what is done with computers no longer used in the classroom. He confirmed that some computers and WIFI are provided to families who cannot afford to purchase their own. Dr. Kanninen noted the increase in per pupil cost related to technology, and shared that the Budget Advisory Council is concerned that the 1:1 initiative has not been evaluated. The Board looked forward to further discussion of this initiative at the upcoming work session.

- New investments

Ms. Peterson reviewed new budget investments for student services and instructional support and agreed to provide information on the Medicaid position. Building maintenance and security costs include increases in transportation costs to accommodate enrollment growth and to ensure a strong pool of drivers. Mr. Chadwick explained that additional staff is also needed to support and maintain facilities. Infrastructure support includes central positions at AETV. Ms. Erdos explained the additional staff is needed to maintain current services and to provide support for community meetings, video production and other new projects. Funding for the integrated project planning team will support new initiatives under the 3 to 5 year plan. The group also discussed where the new positions will be housed within APS, and how support can be provided to the Joint Facilities Advisory Commission (JFAC).

- Tiered Reductions

Three tiers of reductions were prepared at Board direction, and Ms. Peterson reviewed the items in the tiers. For tier one, most of the staff reductions are central office positions, and Dr. Murphy confirmed that the goal is to eliminate vacant positions rather than to reduce current staff. The group discussed reductions to technology support, STEM specialists and online facilitators. ELT members confirmed that they will look to accommodate reductions in staff by revising models used and shifting functions. Mr. Chadwick spoke to transportation reductions, confirming that staff will look to improve current routes and to find efficiencies. He also described efforts that will be implemented to reduce utilities costs. Ms. Wales-Smith shared information on the Live Where You Work benefit, and agreed to bring back additional data on staff participation in the program.

Tier two includes class size changes, reduction in technology provided to staff, and reduced professional development. The group briefly discussed the technology currently provided to administrators and ways to increase efficiency. Responding to a question, staff shared the rationale for the proposed class size reductions.

Tier three includes postponing the step increase until mid-way through the year. Ms. Peterson noted that while this would result in savings in FY 2018, the savings would not continue if a full step is provided in FY 2019. The group also discussed the importance of compensation in terms of recruitment, and recognized that many factors influence recruitment, such as the quality and quantity of candidates as well as support offered to new staff. Board members stressed the importance of ensuring equity if class sizes are increased, and there was some concern about the impact of reducing custodial support.

In closing, Ms. Van Doren asked Board members to provide input on changes to the proposed budget by March 20. She then reviewed the timeline for upcoming budget discussion, including presentation of the School Board's proposed budget to the County Board on April 7.

ADJOURNMENT:

The meeting adjourned at 6:42 PM.

ATTEST:

Melanie Elliott Clerk
Arlington School Board

Nancy Van Doren, Chair
Arlington School Board