




FISCAL YEAR  
**2020**

MAY 2, 2019

**SUPERINTENDENT'S PROPOSED BUDGET  
BUDGET WORK SESSION # 7**



ARLINGTON  
PUBLIC SCHOOLS  
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## Agenda

7:00 p.m. – 7:05 p.m.	Introductions and Comments
7:05 p.m. – 7:15 p.m.	Discussion of Additional Funding in County Board Adopted Budget
7:15 p.m. – 7:50 p.m.	Discussion of Compensation Options
7:50 p.m. – 8:00 p.m.	Closing Remarks and Adjournment

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## Additional Funding in County Board Adopted Budget



### Additional County Transfer

- County Board adopted its budget on April 23
- Provided an additional \$6,735,337 to Schools
  - Additional 1/2 cent tax increase over 1 cent in County Manager's Proposed budget
  - Combination of ongoing and one-time funds
  - "Closed the funding gap" per County news release

Description	Ongoing	One-Time	Total
Additional 1/2 cent Tax Increase	\$3,892,764	\$1,946,382	\$5,839,145
3 <sup>rd</sup> Quarter Re-estimate	\$349,500		\$349,500
Additional Lump Sum from County		\$574,622	\$574,622
<b>Total</b>	<b>\$4,221,850</b>	<b>\$2,513,487</b>	<b>\$6,735,337</b>

## Effect of Additional County Transfer on School Board's Proposed Budget

Description	Amount
Gap in School Board's Proposed Budget	(\$6,775,145)
Additional County Transfer	
Additional Ongoing Funding	\$4,221,850
Additional One-time Funding	\$2,513,487
New Gap	(\$39,808)
Proposed Additional Funding from Reserves	\$39,808
<b>Final Gap</b>	<b>\$0</b>

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## Compensation Options

## Compensation

- Funding of \$10.7M for compensation increase included in School Board's Proposed budget
- Final Year of 3-Year Phase-in for Under Market Positions also in School Board's Proposed Budget
  - Cost = \$2.2M

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## Compensation Options

Scale	Step Increase Only	2.4% COLA Only	Step ½ way through the year + AEA COLA Proposal**	Step ½ way through the year + 1.0% COLA	Total FTE	Total FTEs Receiving No \$ Increase with Step Inc Only	
A	\$842,428	\$827,619	\$421,214	\$766,055	683.23	197.65	29%
C	\$36,920	\$50,733	\$48,055	\$39,599	81.00	49.00	60%
D	\$269,204	\$225,595	\$134,602	\$228,600	231.00	46.00	20%
E	\$504,859	\$650,054	\$442,029	\$523,286	215.35	61.50	29%
G	\$329,690	\$451,113	\$427,994	\$352,809	269.00	127.50	47%
M	\$332,752	\$430,237	\$417,348	\$345,641	313.50	140.00	45%
P	\$576,598	\$624,182	\$470,352	\$548,375	156.50	48.00	31%
T	\$7,730,433	\$6,891,498	\$5,875,237	\$6,736,674	2,795.99	477.57	17%
X	\$76,961	\$75,407	\$82,468	\$69,900	62.00	16.00	26%
Hourly	\$0	\$576,155	\$672,181	\$240,065	2,271.00		
Total	\$10,699,845	\$10,802,595	\$8,991,479	\$9,851,003	7,078.57	1,163.22	24%
(Savings) / Additional Cost	\$0	\$102,750	(\$1,708,367)	(\$848,843)			
Less: Reduction / (Addition) of Reserves	\$0	\$0	\$854,183	\$424,421			
Net Change in Budget	\$0	\$102,750	(\$854,183)	(\$424,421)			
Loss of Revenue*	\$0	\$0	\$398,202	\$413,517			
(Savings)/ Addition to Budget	\$0	\$102,750	(\$455,981)	(\$10,904)			

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## Compensation Options Considerations

- There are two options that provide a step increase halfway through the year
- These options also have an additional impact on the FY 2021 budget
  - The second half of the step increase must be added to baseline salaries prior to starting budget development
  - This would increase the projected shortfall for FY 2021 by approximately \$5.4 million

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## Hypothetical Option 1 (presented at BWS #3)

Scale	Total FTE	Total FTEs Receiving No \$ Inc with Step	Hypothetical Compensation Adjustment	Total Cost	Increase %	
A	683.23	197.65	29%	Market Adjustment + Add Step at TOS Only w/ Fix	\$160,801	5.87% - 7.12%
C	81	49	60%	Step + Add Step at TOS w/ Fix	\$50,777	1.25% - 3%
D	231	46	20%	Market Adjustment + Add Step at TOS Only w/ Fix	\$32,597	4.06% - 5.31%
E	215.35	61.5	29%	2% COLA	\$541,712	2.00%
G	269	127.5	47%	Step + Add Step at TOS w/ Fix	\$454,805	1.25% - 3%
M	313.5	140	45%	Step + Add Step at TOS w/ Fix	\$442,628	1.25% - 3%
P	156.5	48	31%	2% COLA	\$520,152	2.00%
T	2,795.99	477.57	17%	2.7% COLA	\$7,752,934	2.70%
X	62	16	26%	2.7% COLA	\$84,831	2.70%
Hourly	2,271			2.7% COLA	\$648,176	2.70%
<b>Grand Total</b>	<b>7,078.57</b>	<b>1,163.22</b>	<b>24%/16%</b>		<b>\$10,689,413</b>	
				Compensation budget for FY 2020	<b>\$10,700,000</b>	
				(Over)/Under budget	<b>\$10,587</b>	

*Evens out the step increase percentage across scales A, C, D, G, and M. Currently the step increase percentage is 3% across the scale except at the top where step N is 4.78% higher than step M. This option would change the increase between step M and step N to 3% and add a new step O. Step O would be 1.22% higher than the current step N but 3% higher than the new step N.*

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## Hypothetical Option 2 (Same as Hypothetical Option 1 but No "Fix")

Scale	Total FTE	Total FTEs Receiving		Hypothetical Compensation Adjustment	Total Cost	Increase %
		No \$ Inc with Step				
A	683.23	197.65	29%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$383,895	5.87% - 10.65%
C	81	49	60%	Step + Add 3% Step at TOS	\$70,177	3% - 4.78%
D	231	46	20%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$77,940	4.06% - 8.84%
E	215.35	61.5	29%	2% COLA	\$541,712	2.00%
G	269	127.5	47%	Step + Add 3% Step at TOS	\$629,967	3% - 4.78%
M	313.5	140	45%	Step + Add 3% Step at TOS	\$596,455	3% - 4.78%
P	156.5	48	31%	2% COLA	\$520,152	2.00%
T	2,795.99	477.57	17%	2.5% COLA	\$7,178,643	2.50%
X	62	16	26%	2.5% COLA	\$78,548	2.50%
Hourly	2,271			2.5% COLA	\$600,163	2.50%
<b>Grand Total</b>	<b>7,078.57</b>	<b>1,163.22</b>	<b>24%/16%</b>		<b>\$10,677,651</b>	
				Compensation budget for FY 2020	<b>\$10,700,000</b>	
				(Over)/Under budget	<b>\$22,350</b>	

Leaves salary scales A, C, D, G, and M as is. Currently the step increase percentage is 3% across the scale except at the top where the current step N is 4.78% higher than step M. This option would add a new step O which would be 3% higher than the current step N. <sup>11</sup>

## Hypothetical Option 3 COLA % changes across E, P, T, X and Hourly; No Fix

Scale	Total FTE	Total FTEs Receiving		Hypothetical Compensation Adjustment	Total Cost	Increase %
		No \$ Inc with Step				
A	683.23	197.65	29%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$383,895	5.87% - 10.65%
C	81	49	60%	Step + Add 3% Step at TOS	\$70,177	3% - 4.78%
D	231	46	20%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$77,940	4.06% - 8.84%
E	215.35	61.5	29%	2.2% COLA	\$595,883	2.20%
G	269	127.5	47%	Step + Add 3% Step at TOS	\$629,967	3% - 4.78%
M	313.5	140	45%	Step + Add 3% Step at TOS	\$596,455	3% - 4.78%
P	156.5	48	31%	2.2% COLA	\$572,167	2.20%
T	2,795.99	477.57	17%	2.5% COLA	\$7,178,643	2.50%
X	62	16	26%	2.2% COLA	\$69,122	2.20%
Hourly	2,271			2.2% COLA	\$528,143	2.20%
<b>Grand Total</b>	<b>7,078.57</b>	<b>1,163.22</b>	<b>24%/16%</b>		<b>\$10,702,392</b>	
				Compensation budget for FY 2020	<b>\$10,700,000</b>	
				(Over)/Under budget	<b>(\$2,392)</b>	

For salary scales A, C, D, G, and M, a new step O would be added at the top of the scale which would be 3% higher than the current step N. <sup>12</sup>

## Hypothetical Option 4

### Step for T Scale; COLA % changes for E, P, X & Hourly; No Fix

Scale	Total	Total FTEs Receiving		Hypothetical Compensation Adjustment	Total Cost	Increase %
	FTE	No \$ Inc with Step				
A	683.23	197.65	29%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$383,895	5.87% - 10.65%
C	81	49	60%	Step + Add 3% Step at TOS	\$70,177	3% - 4.78%
D	231	46	20%	Market Adjustment + Step for TOS Only (Add 3% Step at TOS)	\$77,940	4.06% - 8.84%
E	215.35	61.5	29%	1.5% COLA	\$406,284	1.50%
G	269	127.5	47%	Step + Add 3% Step at TOS	\$629,967	3% - 4.78%
M	313.5	140	45%	Step + Add 3% Step at TOS	\$596,455	3% - 4.78%
P	156.5	48	31%	1.5% COLA	\$390,114	1.50%
T	2,795.99	477.57	17%	Step Increase Only	\$7,730,433	0.0% - 6.78%
X	62	16	26%	1.5% COLA	\$47,129	1.50%
Hourly	2,271			1.5% COLA	\$360,098	1.50%
<b>Grand Total</b>	<b>7,078.57</b>	<b>1,163.22</b>	<b>24%/16%</b>		<b>\$10,692,491</b>	
				Compensation budget for FY 2020	<b>\$10,700,000</b>	
				(Over)/Under budget	<b>\$7,509</b>	

For salary scales A, C, D, G, and M, a new step O would be added at the top of the scale which would be 3% higher than the current step N.

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## Compensation Options Summary

Option	Everyone Gets a Compensation Increase (\$\$)	APS Receives 100% of State Revenue for Compensation	Increases Salary Scale for Teachers	Within Current Budget	Doesn't Impact the FY 2021 Budget
Step Increase Only		X		X	X
2.4% COLA Only	X	X	X		X
Step Halfway Thru Year + AEA COLA Proposal	X		X	X	
Step Halfway Thru Year + 1% COLA	X		X	X	
Hypothetical (Hybrid) Option 1	X	X	X	X	X
Hypothetical (Hybrid) Option 2	X	X	X	X	X
Hypothetical (Hybrid) Option 3	X	X	X	X	X
Hypothetical (Hybrid) Option 4	X	X		X	X

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