



ARLINGTON, VIRGINIA

CITIZEN'S GUIDE TO

UNDERSTANDING THE BUDGET

FISCAL YEAR
2020

ARLINGTON
PUBLIC SCHOOLS
www.apsva.us



ADMINISTRATION

“ Although this was a difficult year, the budget process was successful thanks to the efforts of our staff, the committed support of the community and our continued strong partnership with the County Board.

We are grateful for everyone’s contributions to ensure that we continue to respond to the community’s needs and expectations as we work to provide the best learning opportunities for our current and future students and families. ”

–Reid Goldstein
School Board Chair, FY 2018-19

School Board Members

Tannia Talento
Chair

Monique O’Grady
Vice Chair

Reid Goldstein
Member

Dr. Barbara Kanninen
Member

Nancy Van Doren
Member

Executive Leadership Team

Cintia Johnson
Interim Superintendent

Rajesh Adusumilli
Assistant Superintendent, *Information Services*

John Chadwick
Assistant Superintendent, *Facilities and Operations*

Catherine Ashby
Interim Assistant Superintendent, *School and Community Relations*

Dr. Jeannette Allen
Acting Assistant Superintendent, *Administrative Services*

Dan Redding
Interim Assistant Superintendent, *Human Resources*

Vacant
Assistant Superintendent, *Teaching and Learning*

Leslie Peterson
Assistant Superintendent, *Finance and Management Services*

Lisa Stengle
Executive Director, *Planning and Evaluation*

Vacant
Executive Director, *Chief Diversity Officer*

Julia Burgos
Chief of Staff

MESSAGE FROM THE INTERIM SUPERINTENDENT

Dear Arlington Families, Employees, and Citizens:

I am presenting the FY 2020 Citizen's Guide to Understanding the Budget, a document that explains in simple terms the complexities of our school district's budget.

The FY 2020 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. The community and APS continue to place a high value on providing students with a quality public education.

We are grateful for the close collaboration with the County Board. Throughout the process, we met regularly to exchange concerns and provide updates on the status of APS budget. This year began with the largest funding challenge we have ever faced in recent decades. We had to implement budget reductions of \$11.3 million, use APS reserve funds and rely on new local county revenue. Thanks to the additional county revenue from the 1½ cent tax increase and our efforts to identify and implement efficiencies and reductions, we were able to balance this year's budget.

Our priorities this year included funding our growing student population, funding a step increase for eligible employees, fully funding the costs for the opening of five new schools and programs and continuing to support several growth initiatives begun in previous budgets. As we will continue to grow, it is essential that we work together to find long-term solutions to our budget challenges as we must ensure the continued success of our students.

I ask you to read this guide to get a better understanding of our process and the FY 2020 Adopted Budget. This guide is also available in Spanish on our website www.apsva.us/budget-finance/.

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 support and collaboration as we continue to invest in our children and schools.

Sincerely,

Cintia Johnson
Interim Superintendent
September 2019

“ I truly believe that when we are together, side-by-side and heading toward the same goal, there are no limits to what we can achieve for our students. ”

–Cintia Johnson
Interim Superintendent

APS STRATEGIC PLAN 2018–2024



STUDENT SUCCESS: MULTIPLE PATHWAYS TO SUCCESS FOR ALL STUDENTS

Ensure that every student is challenged and engaged while providing multiple pathways for student success by broadening opportunities, building support systems and eliminating barriers. APS will eliminate opportunity gaps so all students achieve excellence.



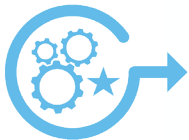
STUDENT WELL-BEING: HEALTHY, SAFE, AND SUPPORTED STUDENTS

Create an environment that fosters the growth of the whole child. APS will nurture all students' intellectual, physical, mental, and social-emotional growth in healthy, safe, and supportive learning environments.



ENGAGED WORKFORCE

Recruit, hire, and invest in a high-quality and diverse workforce to ensure APS is the place where talented individuals choose to work.



OPERATIONAL EXCELLENCE

Strengthen and improve system-wide operations to meet the needs of Arlington's growing and changing community.



STRONG AND MUTUALLY SUPPORTIVE PARTNERSHIPS

Develop and support strong connections among schools, families, and the community to broaden opportunities for student learning, development, and growth.

Mission

To ensure all students learn and thrive in safe, healthy, and supportive learning Environments.

Vision

To be an inclusive community that empowers all students to foster their dreams, explore possibilities, and create their futures.

Core Values

Excellence—Ensure all students receive an exemplary education that is academically challenging and meets their social and emotional needs.

Equity—Eliminate opportunity gaps and achieve excellence by providing access to schools, resources, and learning opportunities according to each student's unique needs.

Inclusivity—Strengthen our community by valuing people for who they are, nurturing our diversity, and embracing the contributions of all students, families, and staff.

Integrity—Build trust by acting honestly, openly, ethically, and respectfully.

Collaboration—Foster partnerships with families, community, and staff to support the success of our students.

Innovation—Engage in forward-thinking to identify bold ideas that enable us to be responsive to the expectations of our organization and community while cultivating creativity, critical thinking, and resourcefulness in our students.

Stewardship—Manage our resources to honor the community's investment in our schools; create safe, healthy, and environmentally sustainable learning environments; support civic and community engagement; and serve current and future generations.

THE FY 2020 BUDGET DIRECTION

The FY 2020 Budget Addresses the School Board's Budget Direction

The following FY 2020 Budget Direction was adopted by the School Board on October 4, 2018.

- ◆ Present a budget that is consistent with APS's Mission, Vision, Core Values and Strategic Plan with a continued emphasis on the School Board's priority to support the whole child.
- ◆ Include a step increase for eligible employees, consistent with School Board policy and the Strategic Plan goal to have an engaged workforce. The budget should also include the final year of the phase-in plan to increase the salaries of positions identified in the compensation study as being under market.
- ◆ Include full funding to support the on-time opening of five new schools/ programs in Fall 2019 and the on-going funding for those five schools.
- ◆ Include funding to support the growth of our 27,500+ student system.
- ◆ Align funding for new initiatives and expenses to the School Board's 2018-2024 Strategic Plan. Possibly,
 - ✦ restore all class sizes that were maintained with one-time funds in FY 2019;
 - ✦ restore other items that were maintained with one-time funds in FY 2019; and
 - ✦ continue the implementation of critical whole-child initiatives begun in the FY 2017 and FY 20018 budgets.

The School Board further directs the Superintendent to:

- ◆ Review all budget categories to identify potential efficiencies and cost savings, including the savings from School Board decisions in the FY 2019 budget.
- ◆ Explore longer-term strategies for efficiencies, such as collaboration with the County on services and service fees.
- ◆ Present a transparent budget that provides details for significant changes in a major expenditure category (salaries, benefits, purchased services, etc.).
- ◆ Consider recommendations from the 2017-18 citizen advisory council reports, program evaluations, internal audits, and other relevant reports.
- ◆ Explore increases in revenue, including a review of all APS fees.
- ◆ Consider reserve funds for one-time costs in FY20 in accordance with School Board practice.
- ◆ Provide three-year forecasts of revenues and expenditures to gauge long-term financial sustainability.
- ◆ Ensure that APS complies with all federal, state and local laws.
- ◆ Include funding for budget studies that analyze and produce recommendations to create efficiencies and reduce per pupil costs.

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.

THE 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) 2020 budget provides resources for the year beginning July 1, 2019 and ending June 30, 2020.*
- ◆ *APS is fiscally dependent on the 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 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.*



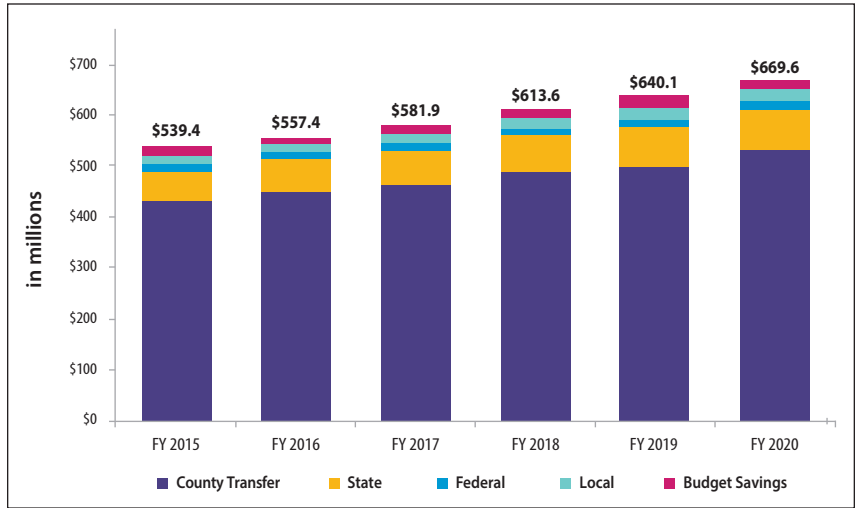
Budget Development is a year-long process that begins as the prior year budget is adopted.

WHERE DOES APS' MONEY COME FROM?

The County continues its commitment of supporting APS. The FY 2020 County Transfer increased by 6.4 percent over the FY 2019 Adopted Budget.

Support for APS Continues

APS funding has increased by 24.1 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's Money Comes from the County Transfer

In the FY 2020 Adopted Budget, Arlington County provided 47 percent of ongoing locally-generated County tax revenue to the Schools.

◆ Local Funds—79.5%

County Transfer: \$532.3 million—The main sources of County revenue are real estate and personal property taxes. This year, the adopted budget includes \$9.9 million in one-time revenue.

◆ State Funds—12.2%

Sales Tax: \$30.1 million—One and 1/8 cents of the state sales tax are returned to local school divisions for education.

Other: \$51.4 million—Primarily Standards of Quality (SOQ) funding.

◆ Federal Funds—2.4%

Federal Aid: \$15.9 million—Includes Impact Aid, Individuals with Disabilities Education Act (IDEA) and E-Rate funding.

◆ Other Funds—5.9%

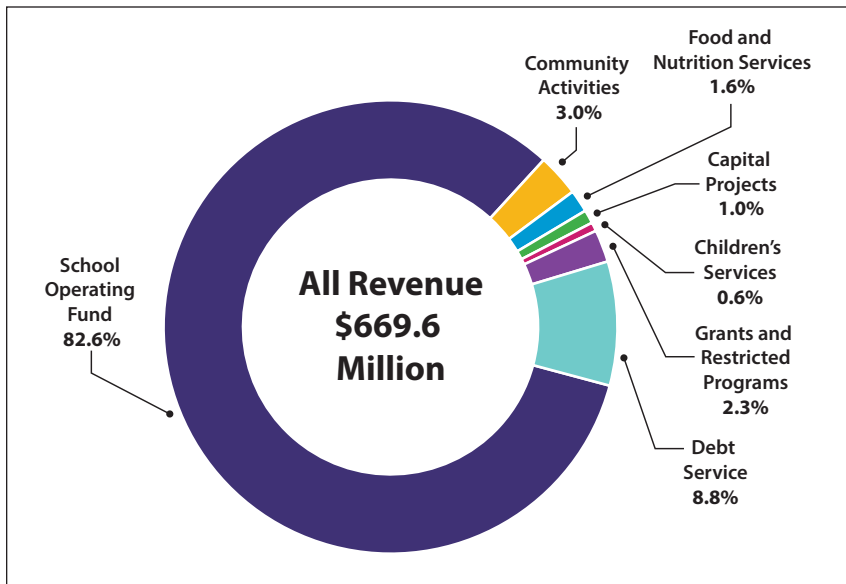
Local Revenue: \$24.5 million—Includes Extended Day, use of school buildings, adult education classes, school breakfasts and lunches, and tuition fees.

Budget Savings: \$15.3 million—Comprising expenditure savings from prior years.

HOW IS THE MONEY DISTRIBUTED?

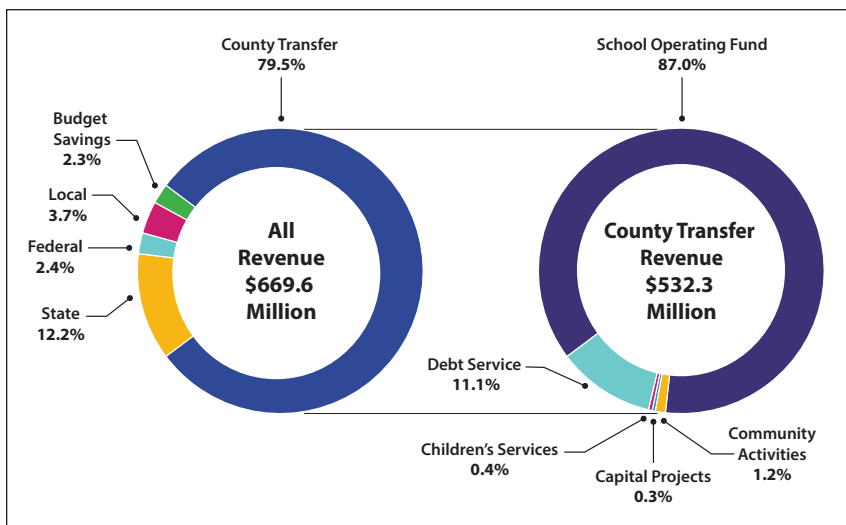
The Largest Portion of Revenue Goes to the School Operating Fund

The School Operating Fund is the largest fund in the school system and it is funded with 82.6 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 2020 Adopted Budget, the County Transfer provided \$532.3 million in revenue, of this amount \$463.3 million or 87 percent went into the School Operating fund. The Debt Service fund also receives a large portion from the County Transfer; approximately 11.1 percent or \$58.9 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.

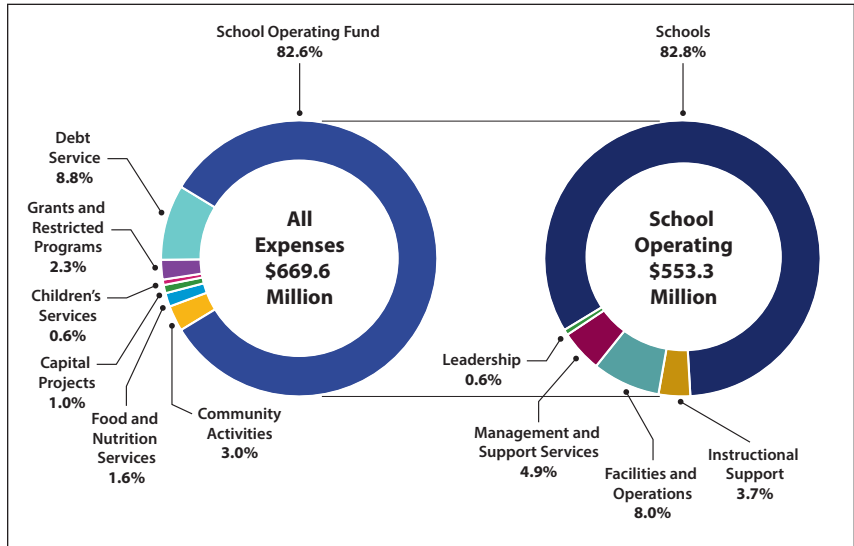
Money can be moved within each of the funds, except the Bond Fund, but it is more difficult to transfer money between different funds.

HOW DOES APS SPEND ITS MONEY?

Funding instructional programs in order to contribute to the success of all students is APS's highest priority.

APS Continues to Focus on Student Success and Student Well-Being

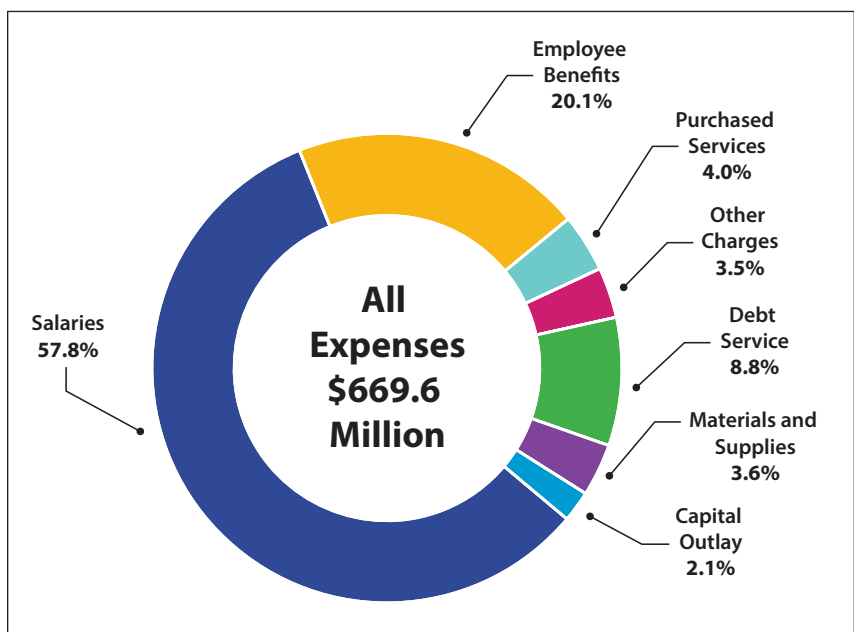
The importance APS places on instructional programs is illustrated by the fact that 86.5 percent of the School Operating Fund budget is allocated to Schools and Instructional Support.



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

Largest Expenditure is Employee Compensation

The FY 2020 Adopted Budget includes \$522.2 million or 78 percent for employee salaries and benefits.



BUDGET ADJUSTMENTS

FY 2020 Adopted Budget Changes From FY 2019 Adopted Budget

The net increase in funds totals \$29.4 million or 4.6 percent compared to the FY 2019 Adopted Budget. The chart below provides a summary of the changes.

	\$ IN MILLIONS
FY 2019 Adopted Revenue	\$640.1
REVENUE ADJUSTMENTS	
County Transfer	\$31.8
Federal	\$0.9
State	\$5.3
Local	\$1.4
Carry forward from Prior Year	\$0.2
Net Reserves Used	(\$10.2)
Total Revenue Adjustments	\$29.4
FY 2020 ADOPTED REVENUE	\$669.6

	\$ IN MILLIONS	POSITIONS
FY 2019 Adopted Expenditures	\$640.1	4,737.74
EXPENDITURE ADJUSTMENTS		
<i>Enrollment and Student Demographics</i>		
Enrollment Growth	\$7.0	68.00
<i>New Capacity</i>		
New Schools and Programs - Ongoing Expenditures	\$6.5	72.40
New Schools and Programs - One-time Expenditures	\$3.9	
<i>Compensation</i>		
Step Increase	\$10.7	
Additional compensation - below market positions	\$2.2	
<i>Growth Initiatives</i>		
Arlington Tech	\$1.1	11.40
Student and Instructional Support	\$2.4	9.25
Safety and Security Needs	\$0.3	
Infrastructure and Support Needs	\$0.3	7.00
<i>Investments to Support Growth</i>		
New Investments	\$1.7	12.00
<i>Contractual Obligations</i>		
Debt Service	\$0.6	
Other Contractual Obligations	\$1.1	
Services in Other Funds	\$3.1	13.82
Other baseline services	\$3.3	2.70
Total Expenditure Adjustments	\$44.2	196.57
BUDGET REDUCTIONS		
One-time costs in FY 2019 budget	(\$6.2)	(5.25)
Baseline adjustments	(\$2.6)	
Reductions and Changes in Service Delivery*	(\$6.0)	(31.70)
Total Budget Reductions	(\$14.7)	(36.95)
FY 2020 ADOPTED EXPENDITURES	\$669.6	4,897.36

*Details on reductions and change in service delivery can be found in the FY 2020 School Board's Adopted Budget on pages 60-76.

Note: May not total due to rounding.

Revenue adjustments included in the FY 2020 Adopted Budget totaling \$29.4 million.

Expenditure adjustments total \$44.2 million and 196.57 positions.

These costs are offset by reducing baseline and one-time costs by \$8.7 million and 5.25 positions.

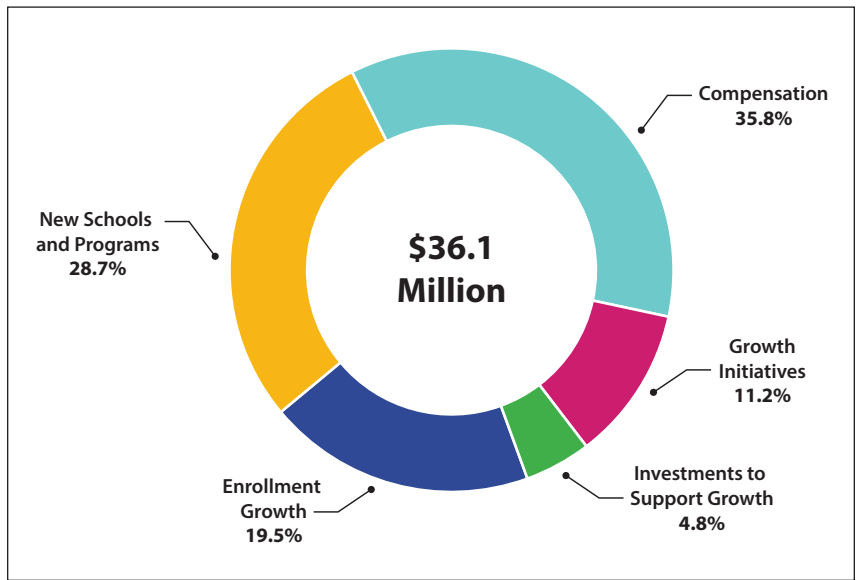
The FY 2020 Adopted Budget was balanced by implementing reductions and changes in service delivery totaling \$6.0 million and 31.70 positions.

SIGNIFICANT COST DRIVERS

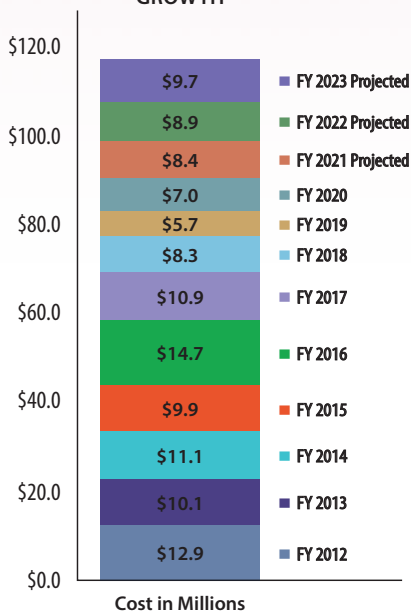
New investments in the FY 2020 Adopted Budget total \$36.1 million.

New Investments Align to the Budget Direction

A majority of new investments, 83.9 percent or \$30.3 million went towards enrollment growth, new schools and programs, and compensation. Another 16.1 percent went towards continuing the growth initiatives begun in 2017 and 2018 and to additional investments to support our growing student population.



COST OF ENROLLMENT GROWTH



Enrollment Growth

FY 2020 represents the fourteenth consecutive year of student enrollment growth in APS. Over the last fourteen years, the number of students attending APS has increased by 10,099 students or 54.8 percent. The actual enrollment on September 30, 2018 was 27,436 and the projected enrollment for September 30, 2019 is 28,510 students or a projected increase of 1,074 students, representing a one-year increase of 3.9 percent.

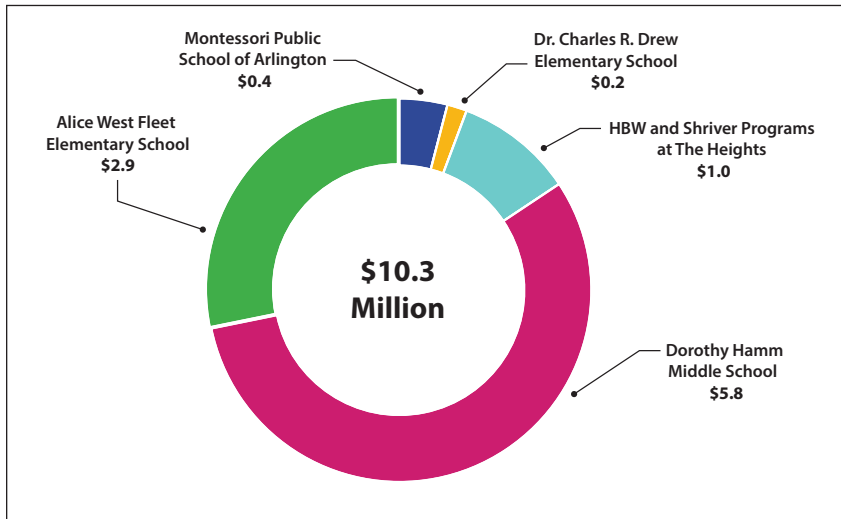
To accommodate enrollment growth, funding of \$7 million is required for positions, relocatable classrooms, materials, technology, furniture and equipment.

Over the last ten years, enrollment growth costs total \$98 million and costs are projected to continue to increase in the upcoming years.

SIGNIFICANT COST DRIVERS

New Schools and Programs

Five new schools and programs opened in September 2019. It required \$3.9 million in start-up costs and \$6.4 million in ongoing costs. The start-up costs will be removed from the FY 2021 budget and the ongoing costs will be included in the baseline going forward.



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 \$10.7 million. This increase supports the School Board's goal to ensure that APS recruit, hire, and invest in a high-quality and diverse workforce. In addition, \$2.2 million is included for the last year of a three-year phase in plan to increase the salaries of the positions identified in the compensation study as being under market.

Continuing Growth Initiatives

Arlington Tech includes the costs to expand the program in FY 2020 by 150 students and to continue expanding it in fiscal year 2021 to accommodate an additional 150 students.

Student and Instructional Support includes costs for initiatives to provide specific, targeted assistance to students and staff in support of the School Board's priority around the whole child.

Safety and Security Needs includes initiatives to increase the safety of students and staff and the security of school buildings.

Infrastructure and Support Needs includes funding to provide additional central office supports for students and staff in preparation for becoming a 30,000-student school division in 2022.

Investments to Support Growth

The FY 2020 budget funding is provided for targeted support to students and families and additional central office assistance as the school division continues to grow. One-time costs and some ongoing costs are funded with one-time funds which are eliminated in the following year.

FY 2020 Teacher Salaries

STARTING, BACHELORS DEGREE—FY 2020	
Loudoun County	\$53,730
Falls Church City	\$51,599
Montgomery County, MD	\$50,503
Fairfax County	\$50,000
Prince William County	\$49,496
Alexandria City	\$49,382
Prince George's County, MD	\$49,050
Arlington County	\$48,228
Manassas City	\$47,724

MIDDLE MASTERS DEGREE—FY 2020	
Arlington County	\$95,346
Falls Church City	\$93,107
Alexandria City	\$83,778
Montgomery County, MD	\$81,407
Fairfax County	\$80,680
Loudoun County	\$80,500
Manassas City	\$73,889
Prince William County	\$61,276
Manassas Park City	n/a

MAXIMUM—FY 2020	
Prince William County	\$127,945
Manassas City	\$113,813
Arlington County	\$113,207
Falls Church City	\$112,373
Manassas Park City	\$112,030
Montgomery County, MD	\$111,043
Alexandria City	\$110,497
Loudoun County	\$107,190
Fairfax County	\$104,269

Source: WABE Guide FY 2020

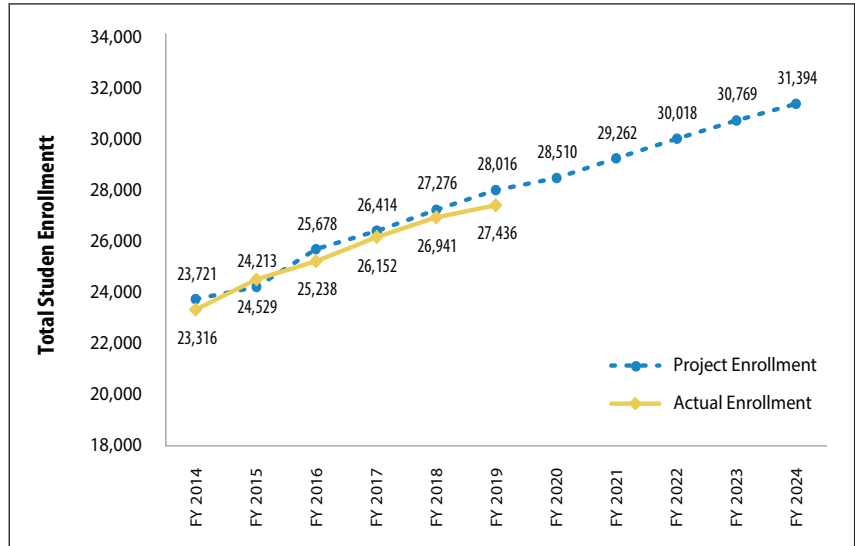
HOW MANY STUDENTS DOES APS HAVE?

The FY 2020 projected enrollment is 28,510 students which represents an increase of 1,074 from the FY 2019 actual enrollment.

STUDENT ENROLLMENT BY GRADE	
Pre-K	1,348
Kindergarten	2,279
Grade 1	2,334
Grade 2	2,276
Grade 3	2,159
Grade 4	2,187
Grade 5	2,196
Grade 6	2,190
Grade 7	2,131
Grade 8	1,883
Grade 9	2,068
Grade 10	1,921
Grade 11	1,791
Grade 12	1,747
TOTAL	28,510

APS Student Enrollment Increases Every School Year

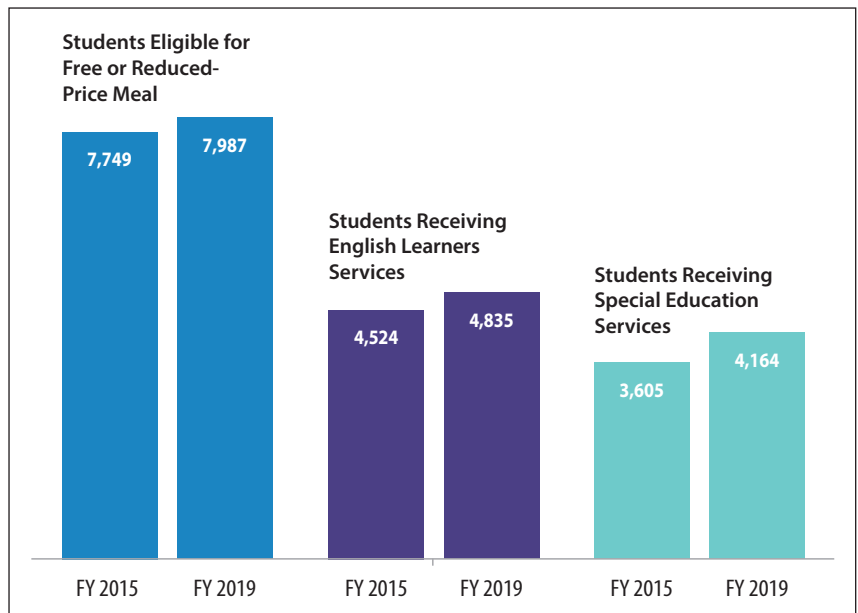
Enrollment has grown from 23,316 in FY 2014 to a projected 28,510 in FY 2020, representing a 22.3 percent increase over that period. The average annual increase over the past 5 years is approximately 3.3 percent.



Enrollment figures are from the spring update.

APS Provides a Number of Services for Our Diverse Enrollment

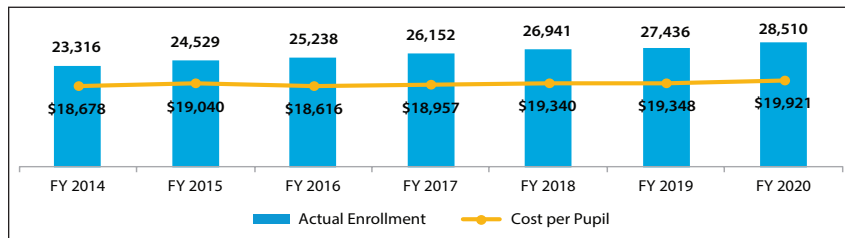
APS represents one of the Nation's most diverse and sophisticated student populations. Our students come from 116 nations and speak 105 languages.



WHAT IS APS' COST PER PUPIL?

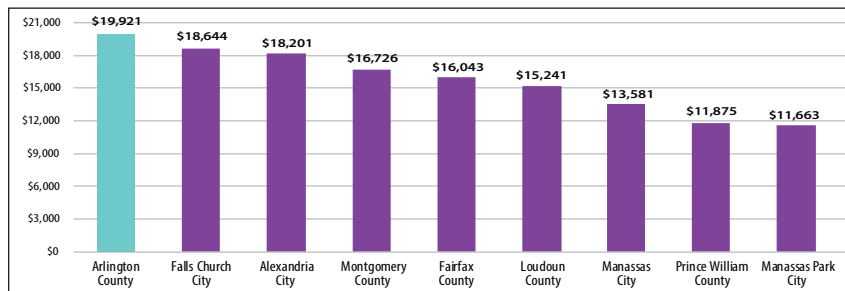
APS' Cost Per Pupil has Remained Stable

In the FY 2020 Adopted Budget, our cost per pupil, based on the formula developed by Washington Area Boards of Education (WABE), increased to \$19,921.



Compared to Other School Systems

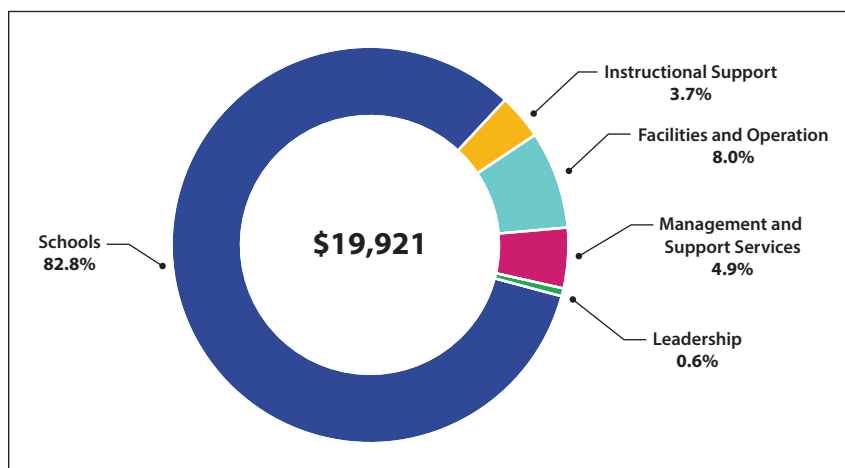
The gap between the highest (APS) and the second highest school system's cost per pupil is \$1,277 or 6.8 percent as a result of adding new schools and programs and preparing APS for 30,000 students.



Source: 2020 Washington Area Boards of Education (WABE) Guide (Preliminary Data)

Our Investment in Schools Shows in the Cost Per Pupil Spending

Funding for Schools and Instructional Support account for 86.5 percent or \$17,225 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.

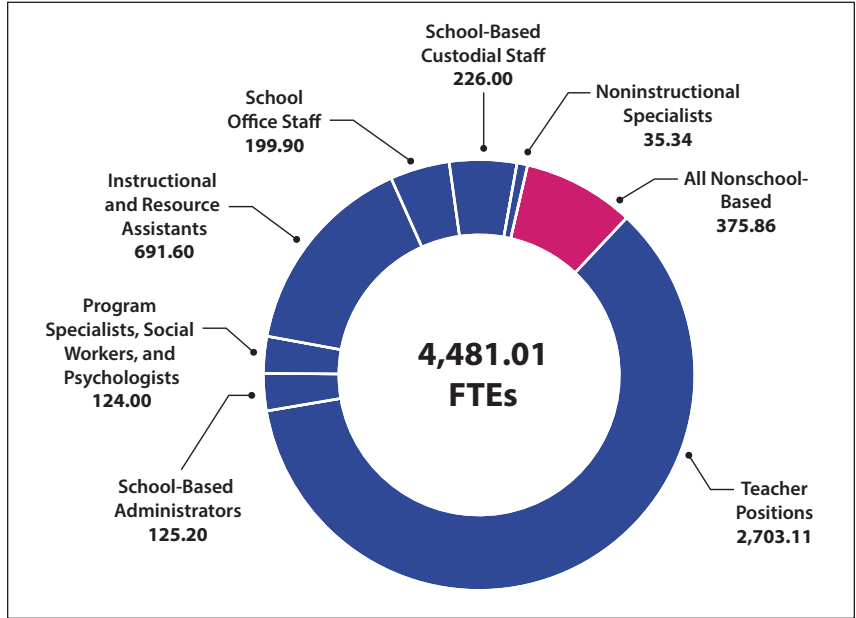
Even with increasing enrollment, our average class size is one of the lowest when compared with area school divisions.

FY 2020 AVERAGE CLASS SIZE	
Elementary School	21.5
Middle School	21.0
High School	19.7

WHO WORKS IN APS?

Majority of Employees are School-Based

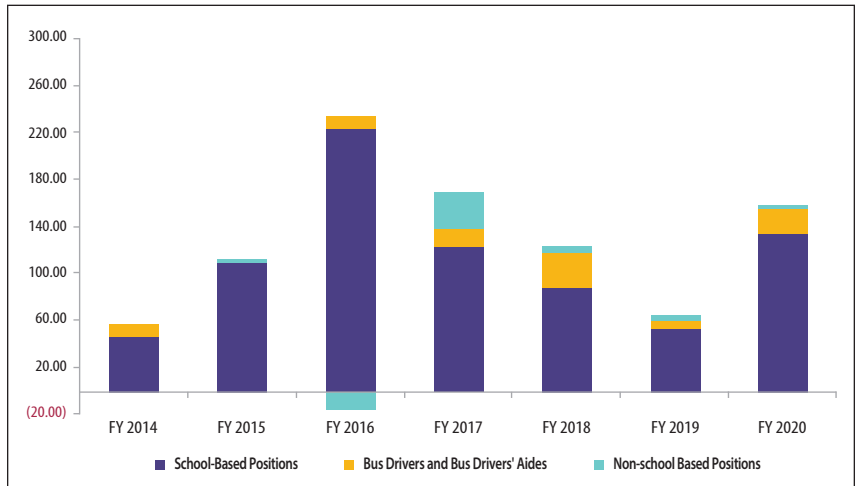
A total of 4,481.01 full-time equivalent (FTE) positions are funded in the FY 2020 Operating Budget as defined by WABE. Of these positions, more than 91 percent are in the classrooms and school buildings directly serving the needs of students.



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

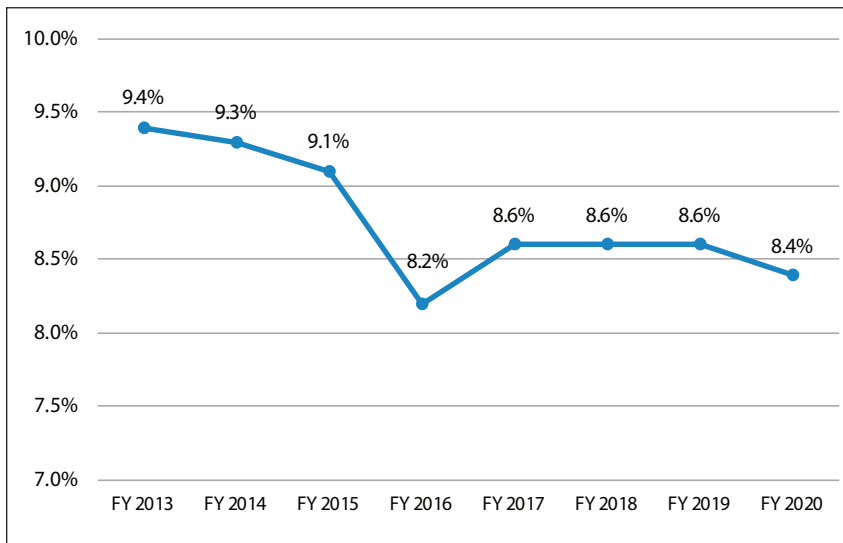
In FY 2020, the adopted budget added 133.6 school-based and 22 bus drivers and bus drivers' aides FTE positions.



HOW EFFICIENT IS THE CENTRAL OFFICE?

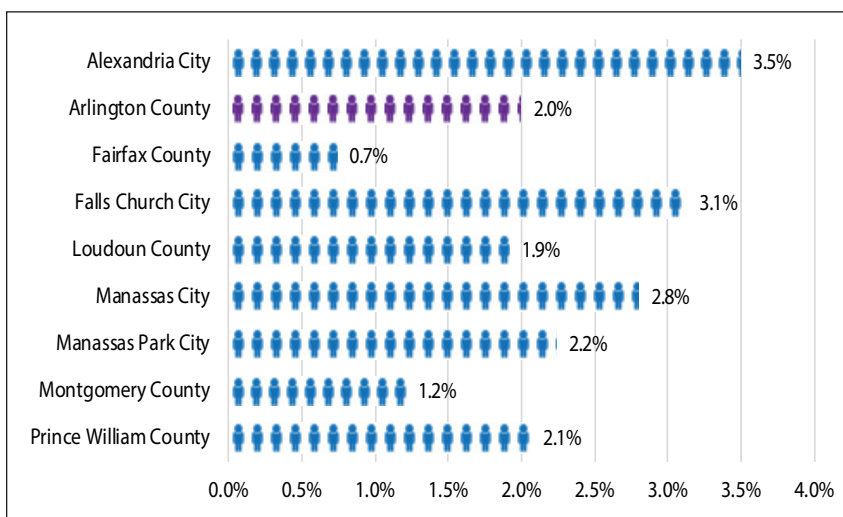
Non-School Based Positions Changed Slightly

Non-school based support increased by 2.2 positions in the FY 2020 budget, in order to prepare for projected increases in enrollment and school-based staff. Although non-school based positions were added, the percentage of non-school based positions, when compared to the total number of operating positions, decreased overall.



Management Ratio

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



Source: 2020 Washington Area Board's of Education (WABE) Guide

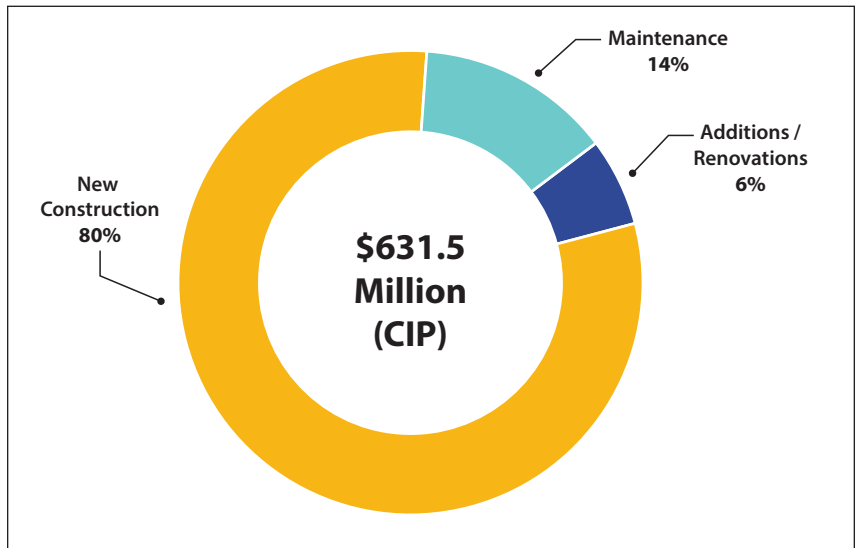
FY 2019–2028 CAPITAL IMPROVEMENT PLAN

Every two years, the School Board adopts a CIP that addresses APS’s capital needs—investments needed to improve or enhance the infrastructure of our schools—over the next ten years.

Over the next ten years, APS plans to invest 86 percent of capital improvement funding in new construction and renovations to existing schools in order to address increasing enrollment.

The Adopted FY 2019–2028 Capital Improvement Plan (CIP)

On June 21, 2018, the School Board adopted a new ten-year CIP with a total projects cost of \$631.5 million which requires \$411.6 million in bond financing. The CIP includes major capital projects, such as new schools and school additions, as well as major maintenance and minor construction projects.



Seats Provided in the Adopted CIP

- ◆ Adds 3,127 seat
 - ✦ Elementary School: 1,477
 - ✦ High School: 1,650
- ◆ Includes additional funds for seats beyond the 10-year CIP horizon
 - ✦ Elementary School: 725-750
 - ✦ Middle School: 300
- ◆ Necessitates finding an existing building and/or site for a new elementary school

The new CIP will be re-evaluated in 2020. The Career Center planning and design process will help define the funds needed in the 2020 bond referendum.

Capital Projects Funded by the Upcoming Bond Referendum

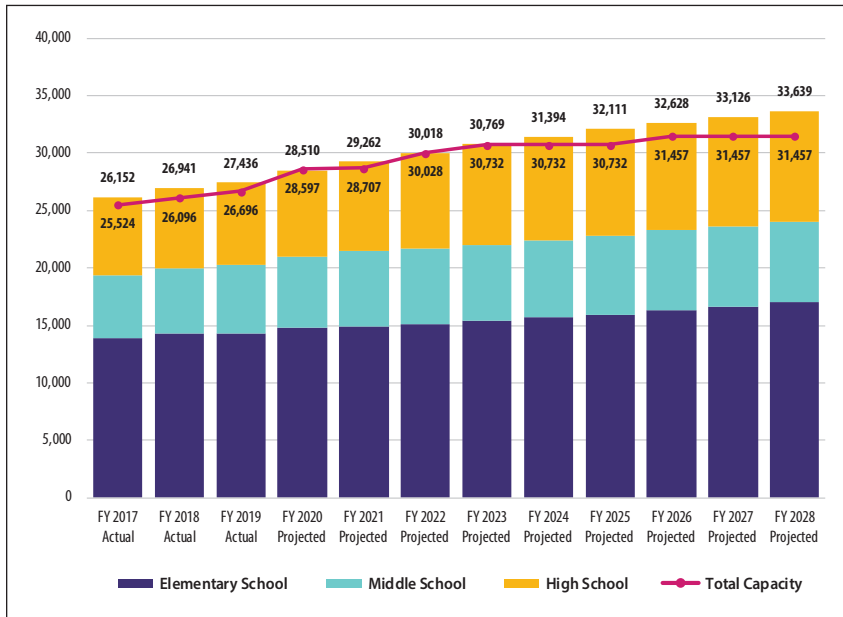
The list below identifies projects included in the November 2018 bond referendum.

◆ New Elementary School at the Reed Building	\$44.2
◆ Career Center/Arlington Tech Internal Renovation	\$6.0
◆ Career Center Project Planning and Design Funds	\$5.9
◆ Education Center Renovation for High School Seats	\$32.3
◆ Major Infrastructure Projects	\$14.6
Total	\$103.0

FY 2019–2028 CAPITAL IMPROVEMENT PLAN

Planned Capacity Improvements Will Meet Most of Our Seat Needs

With the projected enrollment increases and the FY 2019 - 2028 CIP projects, APS will meet nearly 100 percent of its school seat needs for FY 2023.

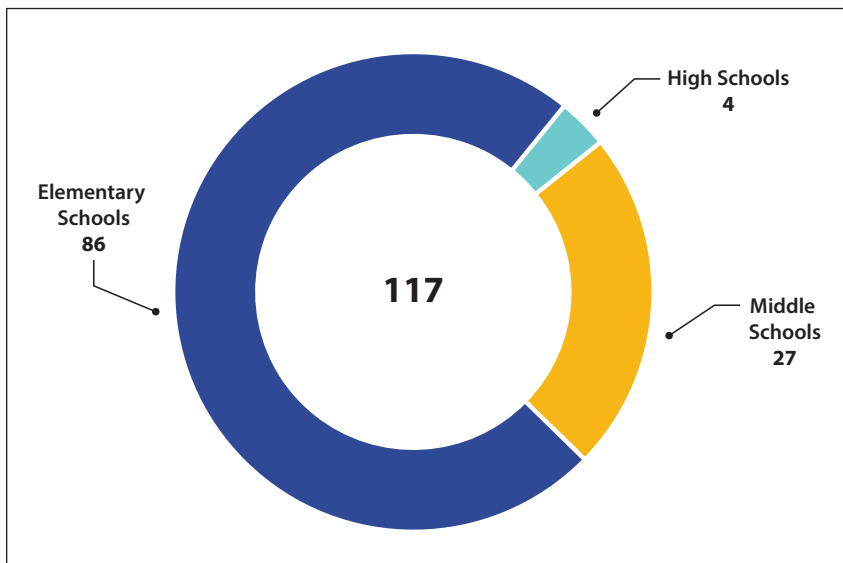


Additional information on the Adopted FY 2019 – 2028 Capital Improvement Plan can be found at <https://www.apsva.us/budget-finance/cip>.

The School Board will adopt a new ten-year CIP in June 2020. Important dates and the status of the development of the new CIP budget will be available on the Engage website, www.apsva.us/engage.

Relocatable Classrooms Will Assist with Capacity

In FY 2020, 64 percent of our schools will have relocatable classrooms. These classrooms are a vital resource to capacity and capacity development.



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.

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 77.9 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: 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 (79.5 percent) comes from Arlington County, which is derived from real estate and personal property taxes. The Commonwealth provides another 12.2 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: How does the capital improvement plan affect the budget?

A: As more bonds are sold to finance construction and major renovations of schools and buildings, APS's debt service also increases. As a result, the Debt Service Fund's budget must be increased to cover the principal and interest payments coming due during the fiscal year.

QUESTIONS AND ANSWERS

Q: What is bond financing?

A: Funds generated through the sale of general obligation bonds by Arlington County as authorized by County voters through bond referenda. On November 2018, Arlington voters approved \$103 million in school bonds to address growing capacity needs throughout the school division.

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

A: The School Board has created reserves over the past five years as a way to help offset the increasing costs of capital, 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 2020 budget to partially offset any projected increase in debt service as well to offset any one-time costs for enrollment adjustments, new initiatives, and other ongoing costs in the overall budget.

In the FY 2020 Adopted Budget, the School Board elected to use \$11.6 million in reserve funding in order to balance the budget.

RESERVES BALANCE (\$ IN MILLIONS)			
Reserves	Beginning Reserve Balance	Used in FY 2020	Ending Reserve Balance
Capital	\$32.6		\$32.6
VRS	\$2.5		\$2.5
Future Debt Reserve	\$1.0	(\$0.3)	\$0.7
Future Budget Years	\$16.1	(\$4.9)	\$11.2
Compensation	\$6.5	(\$6.5)	\$0.0
Separation Pay	\$2.0		\$2.0
Health Care	\$1.0		\$1.0
TOTAL RESERVES BALANCE	\$61.6	(\$11.6)	\$49.9

As of May 9, 2019

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 engage@apsva.us or complete the online form through the Engage with APS website at www.apsva.us/engage/engage-aps-online-feedback.

APS HIGHLIGHTS

APS received the Meritorious Budget Award from the Association of School Business Officials International (ASBO) for the FY 2020 School Board Adopted budget.

This award is given to school districts whose budget documents meet or exceed each program’s nationally recognized stringent criteria for effective budget presentation.

- ◆ All APS schools are fully accredited by the Virginia Department of Education for the 2019-2020 school year 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.
- ◆ APS students consistently scored above state average levels on SOL tests, reflect by the passing rate data summary below for the school year 2018-2019.

2018-2019 SOL TEST RESULTS			
Subject Area	Pass Rates		
	Arlington	Virginia	Full Accreditation
English: Reading	83%	78%	75% or higher
English: Writing	86%	76%	75% or higher
History and Social Sciences	80%	80%	70% or higher
Mathematics	87%	82%	70% or higher
Science	86%	81%	70% or higher

- ◆ Niche.com 2020 ranked Arlington Public Schools as the top school division in the Commonwealth of Virginia for the fifth consecutive year.
- ◆ The percentage of graduating seniors completing at least one AP or IB course increased by 7.8 percentage points from 71.1% in 2012 to 78.6% in 2018. In addition, 66.2% earned an advanced diploma, up from 63.9% in 2012.
- ◆ The dropout rate declined by 46% since 2012, from 9.3% to 5% in 2018.
- ◆ In 2018, 92.2% of all students graduated on time compare to 85.2% in 2010. For those students who started as freshmen in the fall of 2014 at one of the comprehensive high schools, 95% graduated on time.
- ◆ Students consistently score above state and national averages on the SAT. The average combined score on the SAT was 1191 for Arlington graduates, 81 points higher than the average score of 1110 for Virginia students and 142 points higher than the national SAT average of 1049.
- ◆ Arlington’s average ACT composite score was 26.6, compared to 23.8 for VA graduates and a national composite of 20.4.
- ◆ In 2018, 98% of APS’s teaching staff is highly qualified as defined by the U.S. Department of Education. The remaining 2% includes teachers with provisional certificates or in the process of getting teacher certification.
- ◆ Eighty-four percent of APS teachers have earned a master’s or doctoral degree in 2018, 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/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 2019–2028 Capital

Improvement Plan (CIP)

www.apsva.us/budget-finance/cip

FY 2018–2024 Strategic Plan

www.apsva.us/strategic-plan

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 (Annual Reports, Briefing Reports, APS News, APS Handbook)

www.apsva.us/publications

Key Dates for the FY 2021 Budget Development

- ◆ **Feb 27, 2020:**
Interim Superintendent's Proposed FY 2021 Budget
- ◆ **March 25, 2020:** *Public Hearing on the Interim Superintendent's Proposed FY 2021 Budget*
- ◆ **April 2, 2020:**
School Board's Proposed FY 2021 Budget
- ◆ **April 30, 2020:**
Public Hearing on the School Board's Proposed FY 2021 Budget
- ◆ **May 7, 2020:**
School Board's Adopted FY 2021 Budget
- ◆ **May 7, 2020:**
Interim Superintendent's Proposed FY 2021-30 Capital Improvement Plan
- ◆ **June 4, 2020:**
Public Hearing on the Interim Superintendent's Proposed FY 2021-30 Capital Improvement Plan
- ◆ **June 25, 2020:**
School Board's Adopted FY 2021-30 Capital Improvement Plan

ARLINGTON PUBLIC SCHOOLS

Syphax Education Center | 2110 Washington Blvd | Arlington, VA 22204

703-228-6000