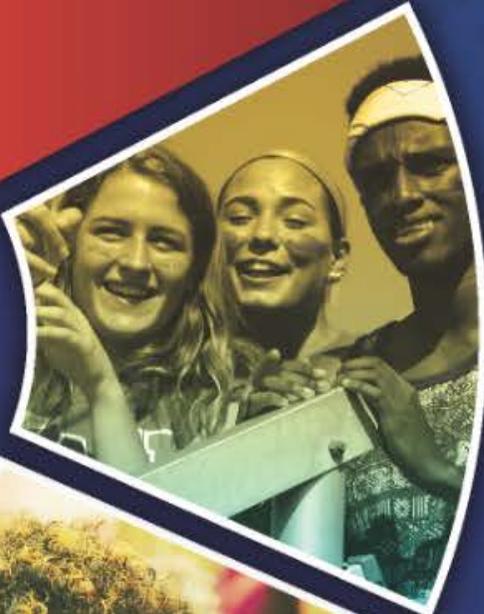


FISCAL YEAR
2021

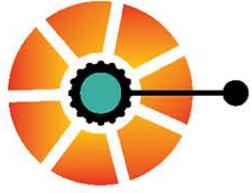


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SCHOOL BOARD'S PROPOSED BUDGET

BUDGET WORK SESSION

MAY 5, 2020

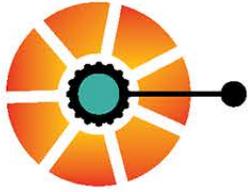


Agenda

- FY 2020 Budget Update
- FY 2021 Budget Update
 - Revenue Update
 - Current Status
- School Board Discussion



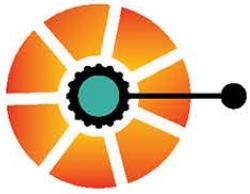
FY 2020 BUDGET UPDATE



FY 2020 Adopted Budget: Revenue

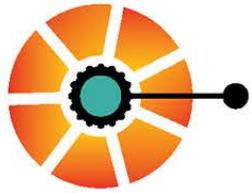
<i>(\$ in millions)</i>	<u>Amount</u>
Revenue in FY 2020 Adopted Budget	\$669.6
Decrease in Extended Day revenue	(\$3.2)
Decrease in Aquatics revenue	(\$0.4)
Decrease in building rental revenue	(\$0.1)
Decrease in State revenue – State Sales Tax (\$30.4M budgeted)	TBD
Decrease in State revenue – Other	TBD
Decrease in County Transfer	TBD
Revised Revenue for FY 2020	\$TBD

Note: Revenue changes are based on the best information available at this time.



FY 2020 Adopted Budget: Expenditures

<i>(\$ in millions)</i>	<u>Amount</u>	<u>Positions</u>
Expenditures in FY 2020 Adopted Budget	\$669.6	4,897.36
Additional Expenditures:		
Technology access for students and staff	\$0.3	
Hazard pay for employees through March 31	\$0.2	
Translation and interpretation services	\$0.1	
Printing of instructional packets	\$0.1	
Other costs from school closure	TBD	
Possible Savings:		
Substitutes	(\$0.3)	
Utilities	(\$0.5)	
Other savings from school closure	TBD	
Revised Expenditures for FY 2020	\$TBD	4,897.36

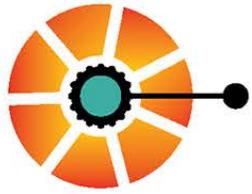


What are the Unknowns?

- Potential revenue reductions from State
 - VDOE is anticipating a significant decline in sales tax revenue for May and June 2020
- County revenue projections could shift
- Unknowns we are unaware of at this point

A photograph of four young women in a forest, all wearing climbing harnesses. They are smiling and looking towards the camera. The woman in the back center has her arms around the two women in front of her. The woman on the far left is wearing a light blue hoodie, the woman in the center is wearing a grey tank top, the woman in the front center is wearing a grey hoodie, and the woman on the far right is wearing a light blue t-shirt. The background is a dense forest with green foliage and tree trunks.

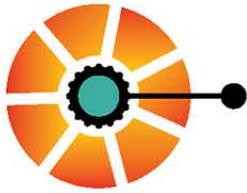
FY 2021 BUDGET UPDATE



Interim Superintendent's Revised Proposed FY 2021 Budget: Revenue

<i>(\$ in millions)</i>	<u>Amount</u>
Revenue in Original Proposed Budget Document	\$698.4
Decrease in County Transfer – ongoing	(\$21.6)
Decrease in County Transfer – one-time	(\$3.7)
Decrease in federal revenue (Medicaid)	(\$0.2)
Reduce Future Budget Years Reserve used in Tiers 1, 2 & 3 and Textbooks	(\$4.5)
Reduce Compensation Reserve used	(\$7.8)
Reduce Reserves for One-time Costs Eliminated	
Reduce Future Budget Years Reserve used	(\$3.1)
Reduce Debt Service Reserve used	(\$0.4)
Use additional reserves to close gap	14.0
Revised Revenue	\$671.1

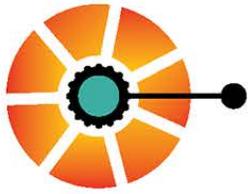
Note: Revenue changes are based on the best information available at this time.



Interim Superintendent's Revised Proposed FY 2021 Budget: Expenditures

<i>(\$ in millions)</i>	<u>Amount</u>	<u>Positions</u>
Expenditures in Original Proposed Budget Document	\$725.8	5,161.66
Spring Enrollment Update	(\$0.8)	(2.30)
All Additions Cut	(\$31.1)	(116.40)
Required Items:		
EL, Special Ed, Transportation, & Other Needs	\$2.9	33.80
Contingency against further revenue loss	\$5.0	
Reductions: SP Goal 1 – Student Success*	(\$8.9)	(88.10)
Reductions: SP Goal 3 – Engaged Workforce	(\$3.0)	
Reductions: SP Goal 4 – Operational Excellence	(\$18.9)	(1.00)
Revised Expenditures	\$671.1	4,987.66

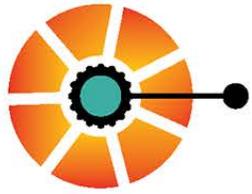
**The ITC contract change from 12 to 11 months was eliminated in an update to the Interim Superintendent's Revised Proposed Budget and is no longer under consideration.*



School Board's Proposed FY 2021 Budget: Revenue

<i>(\$ in millions)</i>	<u>Amount</u>
Revenue in Interim Superintendent's Revised Proposed Budget	\$671.1
NO CHANGES IN REVENUE	
Revenue in School Board's Proposed Budget	\$671.1

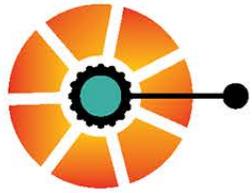
Note: Revenue changes are based on the best information available at this time.



School Board's Proposed FY 2021 Budget: Expenditures

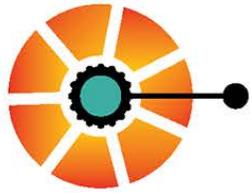
<i>(\$ in millions)</i>	<u>Amount</u>	<u>Positions</u>
Expenditures in Interim Superintendent's Revised Proposed Budget	\$671.1	4,987.66
Eliminate furlough day	\$2.3	
Restore crew and band transportation	\$0.8	
Restore Adobe Creative Suite license renewal	\$0.1	
Restore Humanities Project funding	\$0.1	
Restore half of the Communities in Schools contract funding	\$0.1	
Restore Attendance Specialists	\$0.3	3.4
Restore Admin Asst for Chief Diversity, Equity, & Inclusion Office	\$0.7	1.0
Reduce \$5M Contingency Funding	(\$3.0)	
Revised Expenditures	\$671.1	4,992.06*

**This is a correction of the FTE displayed in the School Board's Proposed Budget presentation of April 23, 2020.*



FY 2021 Revenue Update

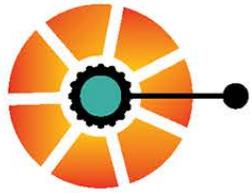
- State Revenue Changes from April 22 Veto Session
 - School Operating Fund: (\$480,886)
 - Food & Nutrition Services Fund: (\$150,459)
 - Grants & Restricted Programs Fund: (\$154,136)
- Further State Revenue Changes to Come
 - VDOE is anticipating a significant decline in sales tax revenue going into FY 2021



Budget Update: Revised Revenue

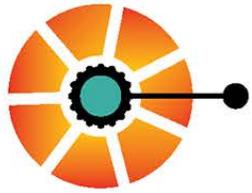
<i>(\$ in millions)</i>	<u>Amount</u>
Revenue in School Board's Proposed Budget	\$671.1
Decrease in state revenue – School Operating Fund	(\$0.5)
Decrease in state revenue – Food & Nutrition Services Fund	(\$0.2)
Decrease in state revenue – Grants & Restricted Programs Fund	(\$0.2)
Revised Revenue	\$670.3

Note: Revenue changes are based on the best information available at this time.



Budget Update: Revised Expenditures

<i>(\$ in millions)</i>	<u>Amount</u>	<u>Positions</u>
Expenditures in School Board's Proposed Budget	\$671.1	4,992.06
School Operating Fund - Reduce Contingency Fund (currently \$2.0M) to reflect revenue loss	(\$0.5)	
Food & Nutrition Services Fund – reduce expenditures to match revenue	(\$0.2)	
Grants & Restricted Programs Fund – reduce expenditures to match revenue	(\$0.2)	
Revised Expenditures	\$670.3	4,992.06

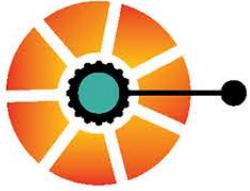


Use of Reserves*



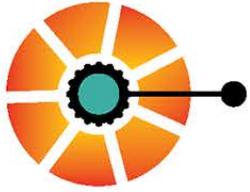
Reserve	Current Balance	Earmarked in FY19-28 CIP	Used in Supt's Proposed Budget	Projected Balance	Added Back from Reductions in Revised Proposed Budget	Projected Balance	Used in School Board's Proposed Budget	Projected Balance
Capital*	\$36.4	(\$33.0)		\$3.4		\$3.4		\$3.4
VRS	\$2.5		(\$1.1)	\$1.4		\$1.4		\$1.4
Debt Service	\$0.7		(\$0.7)	\$0.0	\$0.4	\$0.4		\$0.4
Future Budget Years	\$11.2		(\$8.7)	\$2.5	\$7.6	\$10.1	(\$10.1)	\$0.0
Compensation	\$7.8		(\$7.8)	\$0.0	\$7.8	\$7.8	(\$3.9)	\$3.8
Separation Pay	\$2.0			\$2.0		\$2.0		\$2.0
Health Care	\$1.0			\$1.0		\$1.0		\$1.0
Total	\$61.5	(\$33.0)	(\$18.2)	\$10.3	\$15.8	\$26.1	(\$14.0)	\$12.1

*Reserves are one-time funds



What are the Unknowns?

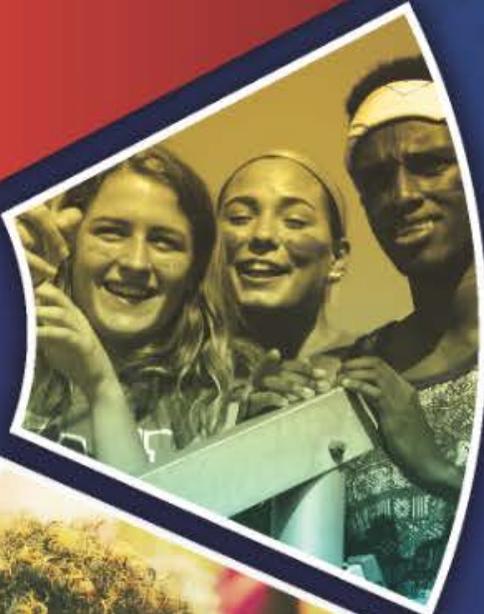
- Potential funding from the CARES Act H.R. 748
 - Allocation provided by VDOE: \$2.1M
 - May be reduced by “Equitable Services” provision
 - Funding provided to non-public schools in Arlington County
 - Similar to current Title I provision
- Potential revenue reductions from State
 - VDOE is anticipating a significant decline in sales tax revenue going into FY 2021
- County revenue projections could shift
- Unknowns we are unaware of at this point
- ***School Board will likely need to revise budget during the year***



FY 2021 Revised Budget Calendar

- ~~April 16:~~ ~~Interim Superintendents Revised 2021 Proposed Budget~~
- ~~Apr 21:~~ ~~School Board Budget Work Session~~
~~Public Hearing: Interim Superintendent's Revised Proposed FY 2021 Budget~~
- ~~Apr 23:~~ ~~School Board Proposed FY 2021 Budget~~
- ~~Apr 30:~~ ~~County Board Adopted FY 2021 Budget~~
- May 5:** School Board Budget Work Session
Public Hearing: School Board's Proposed FY 2021 Budget
- May 7:** School Board's Adopted FY 2021 Budget

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SCHOOL BOARD'S PROPOSED BUDGET

BUDGET WORK SESSION

MAY 5, 2020