

ARLINGTON PUBLIC SCHOOLS BUDGET ADVISORY COUNCIL

END OF YEAR REPORT

June 25, 2020

PURPOSE AND FUNCTIONS

The purpose of the Budget Advisory Council (BAC) is to provide “advice and insight to the School Board to help maintain fiscal integrity, public confidence, and wise stewardship of taxpayer resources by:

1. Making recommendations on policies and practices related to the presentation and preparation of the operating budget and the financial management of the school system;
2. Making recommendations to the School Board on budget priorities before the Board gives its annual budget direction to the Superintendent and at other times as appropriate;
3. Advising on the degree to which the Superintendent’s Proposed Budget supports best fiscal practices and the School Board’s priorities;
4. Assisting in educating the community about the budgeting process and the contents of each year’s budget; and
5. Providing, upon the School Board’s request, study and recommendations on special topics or issues.”

—Arlington Public Schools Policy B-3.6.30 “School Board Advisory Committees,” Revised March 13 and effective March 30, 2020.

This End of Year Report is one of the chief work products of the BAC and it will touch most of the above enumerated functions. We start, however, with a review of the BAC’s activities over the school year which began typically with our preparation to review a “normal” Superintendent’s Proposed Budget, but ended atypically with a hasty review of a substituted Revised Budget as necessitated by the economic crisis caused by the COVID-19 Pandemic.

PRINCIPAL ACTIVITIES AND HIGHLIGHTS

Budget Direction: In September we discussed the School Board’s draft Budget Direction to the Interim Superintendent, and realized that our school-year calendar meeting schedule generally precludes meaningful BAC input to recommend budget priorities and affect the terms of the Budget Direction. (See function 2 above.) We attempted to make one last-minute alteration by

suggesting that the long-term forecast of expenditures and revenues be extended from three years to five years. (See Memorandum attached.) That recommendation was not taken. We repeat this recommendation as generally sound, but we could await full implementation while pandemic economics settle.

We are including our recommendation for the School Board's Budget Direction to the Superintendent as part of our end of year report.

Budget Review Preparations: The BAC spends the first part of its school year preparing to review a budget and the second part in concentrated review of the budget. With five of our fifteen members newly appointed, we organized a careful course for preparation to review the Budget that would come at the end of February. We commenced a tutorial—covering three monthly meetings and conducted by Leslie Peterson (Assistant Superintendent for Finance and Management Services and our Staff Liaison)—on the construction and content of the Superintendent's Proposed Budget document, as well as the relevant resources available online. In retrospect, this mostly prepared us to review budgets like the last several year's. **The BAC now hopes that future budgets will have a different form that will use the BAC's many talents on a more constant and continuous basis.** (More on the different form in Recommendations.)

Meanwhile, we suggest the portrayal of cost per pupil, often showing its growth with a line chart, **also show the cost per pupil as it would be adjusted for inflation.** The BAC believes this would be a valuable perspective and piece of community education that displays the improving value of an APS education but also its associated costs.

BAC Charter: In work that continued from last year (see 2019 End of Year Report), a new School Board Advisory Committees Policy B-3.6.30 (generic for all the advisory committees) and a Policy Implementation Procedure (PIP, specific for the BAC) made progress. The policy was approved by the School Board in March, and the BAC negotiated all but one difference we had with the draft PIP.

Currently, the Arlington Education Association (AEA) has no formal status on the BAC and must attend as a member of the public. On both the Advisory Council for Instruction (ACI) and Advisory Council on School Facilities and Capital Programs (FAC), the AEA is given non-voting liaison status, like other community organizations. (In fact, the ACI gives most of its community organizations full voting status, and AEA is a non-voting liaison.) **The BAC believes the AEA should be given non-voting liaison status** parallel to the status we give the County Council of Parent Teacher Associations (CCPTAs).

Compensation Study: In approving the FY-2020 budget, the School Board specified investment in a compensation study, and the BAC was approached at its November meeting to provide comments to the Statement of Work for that study. Nonetheless, staff did not move aggressively on acquiring the study, and its funding was available for rescission in response to the budget collapse that resulted from the coronavirus pandemic. The BAC is disappointed that the compensation study did not come to fruition in time for the FY2021 budget or at the end of FY2020.

At our January meeting, the BAC further learned from Leslie Peterson (APS) about the recent history of cost-of-living increases and step increases. We also received the union perspective on the same from Josh Folb from the Arlington Education Association. Compensation represents 78% of the operating budget. The BAC believes the compensation study will provide valuable perspectives and insights to aid decisions on salary adjustments, pay scale reformation, and the competitive condition of APS in the Northern Virginia area. **The BAC encourages the compensation study be done in the next year. One of the BAC functions is to study and recommend on special topics or issues, so if the School Board wishes to request BAC involvement in the compensation study, the BAC would welcome such a request.**

Student Enrollment and Demographics: In December Robert Ruiz presented a briefing based on updated methodology for enrollment projections. The BAC learned that new projections show 3,200 fewer students than previously expected will be enrolled in APS by 2028. This good news will provide considerable relief to the Capital Improvement Plan and bond funding demands in the next several years.

Transportation: For a second consecutive year, the BAC invited Kristen Haldeman to present the status of multi-modal transportation planning and initiatives. Noting that transportation and traffic issues seem to be a “tail that wags the dog” on many projects and issues for the school system, we have been very supportive of her novel strategies to leverage both APS and community resources to solve transportation problems.

Equity Considerations and Policy: The BAC was asked to provide comments on the Proposed Equity Policy, which are exhibited here as another attachment.

Further, we dedicated our February meeting to receiving a presentation from former School Board Member Abby Raphael entitled “Destination 2027: Education’s Contribution” about equitable access to the county’s resources. We also had a discussion with Arron Gregory, the newly arrived APS Chief Diversity, Equity and Inclusion Officer.

For the past several years, increasing issues with equity implications have arisen for the school system to tackle. Drafting an Equity Policy and hiring a Chief Equity Officer are solid actions in that regard, but equity questions arise many times when we deal with budget issues. These are different considerations from the standard budget considerations that lead to a regular cost and revenue accounting or a per pupil cost summary. Some questions that routinely arise are: what are we doing to support better student outcomes; is there a relationship with performance? who receives and benefits from these services? What is appropriate to expect teachers to do and what is not? How are we working with social services resources that are inside and outside the school system? What are the socio-economic costs of inequity in our system?

The BAC increasingly appreciates the impact of these questions on budget issues, so we believe **the school system needs a develop a different set of data interrogatories and perhaps a separate advisory committee to more fully address the complexities of equity issues.** Once developed, data that can illuminate equity issues should be provided as part of the budget

presentation to aid School Board decision-making. There exists already a “Superintendent’s Advisory Committee on Equity and Excellence” upon which a School Board Advisory Committee can be built. If it is not already, this should be a cross-disciplinary, multi sector body, with community, health, education, religious, police and other third-party provider stakeholders. We believe such a broad-based group can help the school system discern a path toward better budget and other program decisions.

Budget Review: The Superintendent’s Proposed Budget was released at the end of February and our March 4 meeting was our only discussion of it before it had to be abandoned. Our meetings of March 18 and April 15 were cancelled in compliance with government orders and quarantine procedure.

A Revised Budget Proposal was issued April 17 and the BAC scrambled to offer comments via a few charts submitted to the School Board during a two-minute public comment period. The comment charts are attached.

RECOMMENDATIONS

1. Reform the Operating Budget Process

Problems Observed: Currently, the annual Superintendent’s Proposed Budget is prepared by, APS staff under strict secrecy and released to the School Board and the Arlington public on a planned date in late February. There is no statute, policy, or implementation procedure that dictates such secrecy. The BAC presumes that this practice is established so the school administration can retain “trade space” on budget issues for itself, and to prevent constituencies interested in budget actions from gathering energy against the action—both reasonable interests for a professional school administration.

We observe that this compresses the consideration of the Budget into a very condensed timeframe, which last year was overburdened by the multitude of considerations that needed to be made, and this year was abruptly changed and magnified by sudden economic changes. The single, FY2021 Proposed Budget had to be abandoned for a Revised Budget. We anticipate that Amended Budgets are in our near future to accommodate further economic adjustments and better accommodate any deceleration and acceleration of the economy that are experienced as the coronavirus pandemic is endured.

New Budget Process: To address these problems, the BAC proposes a **more transparent, early preview budget process** whereby:

- **significant items** (e.g. transportation or class size) for consideration in the budget **are revealed earlier in the budget process** so that the community is aware of and can become educated on the major issues for discussion ahead of the short window for formal budget review and approval. Sensitive items (e.g. reductions in force) requiring confidentiality would not be disclosed in this process.

- **ideally, longer-term studies are undertaken in any area identified with potential to have an outsized impact on the budget** (e.g, transportation, energy, planning factors, options programs, etc.), bringing these issues fully into public view, and enabling APS staff, the Board, and community members to engage in robust dialog about what is important to our community and what we can afford before the hard decisions need to be made. This is where the BAC could make a significant contribution.

2. Presentation of Budget Documentation

Problems Observed: The BAC has observed over the years some inconsistency in presentation of budget actions (likely due to its multitude of authors) where a proposed budget cut is sometimes articulated with words of support for the cut and sometimes worded in terms that argue against the cut. In reality, there are usually arguments both for and against such an action, but only one gets put into the document. Both sides of a proposition should be considered before an action is taken, and it will be a service to the School Board to present both sides in budget documentation.

Format for a Budget Action: The BAC therefore recommends a **format for a budget action where the budget change is proposed, category of need is assigned, and arguments both in favor of the action (pros) and against the action (cons) are explained side-by-side in sufficient detail. An additional paragraph should address the applicable data and metrics that has been collected pertinent to the affected activity**, because no budget action should be contemplated without being data-driven and benefitting from a reasonable degree of data analysis. A mockup of this format is attached to give visual substance to this recommendation.

Spectrum-of-Needs-Based Budget:

The BAC continues to endorse the sentiment of recent Budget Directions that instruct the presentation of a “needs-based budget with options for reductions.” The BAC would prefer that this be better articulated as an instruction to **classify costs into a spectrum of (perhaps five) need categories** ranging from “statutory” to “non-essential,” the latter being programs that may enhance the educational experience, but are not vital to the functioning of our school system. The utility of this categorization is to demonstrate the strength of each budget item in its structural place in the budget. We note that some of these categorizations will rely upon subjective judgments as opposed to quantitative metrics, but regardless of the method used to assign a category, a transparent, collaborative method is needed to place values on our priorities and aid the School Board’s decision-making.

3. Long Term Budget Structure

Problems Observed: As already mentioned, each of the last several years’ Proposed Budgets has commenced with structurally significant deficits, and projections are for much worse. Prior to the COVID-19 pandemic, the Superintendent’s Proposed Budget projected a budget deficit in FY2022 of \$53.2 million. This deficit grows to \$71.1 million in the FY2024 budget. Ongoing economic uncertainty in our community will likely lead to continued pressure on revenues that

will exacerbate these projected deficits. In 2019, the Arlington County Board approved a 2-cent tax increase, three quarters of which went to the school budget to fill the then-forecasted deficit of \$8.9 million. It is unlikely that increases in tax rates and assessments will solve the larger deficits ahead – a view shared by the County Manager. The BAC is concerned that needed structural reform in the budget has not taken place and that its current structure is unsustainable given our projected enrollment growth and a natural aversion to facing the increasingly hard facts and difficult decisions that will be involved with deeper cost cutting. It is obligatory for the APS leadership to address the cost side of this structural equation before the revenue cavalry is called again.

Structural Costs: We need APS leadership, first the APS staff and then the School Board, to dig in and accomplish a **systematic and comprehensive review of our cost structures. As a priority, this should start with the personnel and compensation costs** where the greatest impact can be made and the most work has been deferred. While our people are our greatest asset, they are our largest cost. And while we want to pay our people competitive salaries to attract and retain high quality talent to APS, we are concerned about having the highest cost per pupil in the Washington Area Boards of Education (WABE) Guide.

The key to such a systematic and comprehensive review is a public and collaborative review of the planning factors. It may be that we need a slightly smaller workforce so that we can afford competitive salaries and become more consistent on raises.

Other areas with structural costs likely to yield lasting savings we can use to close future budget deficits include, **transportation, options programs, energy usage, and collaboration with the county.** These may be underway, in which case there should be more transparency around what is happening so that the community is aware and can provide input, per our recommendation above.

Structural Resources; Revenue: We should all acknowledge that our excellent school system is a major part of the draw to Arlington County that makes it an economic engine contributing to all of Virginia. The population of Arlington County brings APS an increasing enrollment burden, enhanced diversity challenges, equity gaps, and an obligation to implement a consent agreement from the Department of Justice. These need to be factored into ongoing funding expectations.

We are meanwhile very fortunate that the Arlington community appreciates the value of good education for its students, and this appreciation is translated through reliable political support by the Arlington County Board for the APS budget requests. We also should realize that the current revenue sharing agreement with the County is working only because the County Board has been willing to go above and beyond those terms.

The School Board needs to renegotiate the revenue sharing agreement with the County Board to establish a higher share above the current 47% as a “funding floor.” Doing this is merely acknowledging future deficit and political realities and serves mostly to traverse that territory ahead of the budget season instead of during it.

Community Partnerships: We need partners outside of the school system to provide direct services to our students that can address gaps and inequities and stretch our budget resources. Last year, the BAC heard a representative of the National Alliance for Mental Illness (NAMI)

describe how it partners directly with Fairfax County and Loudoun County schools for Family Support Partner Services, providing free access to mental health and wellness services for child, youth, and young adults. The BAC also talked with representatives of Northern Virginia Community College and George Mason University to explore the potential for expanding cooperation beyond the current dual-enrollment program. Similarly, the arrival of Amazon and the Virginia Tech Innovation Campus may offer opportunities to expand partnerships at Arlington Tech/Career Center. **The BAC recommends that the School Board direct the APS staff to pursue discussions with these and other parties that can contribute in a fashion that stretches budget resources.**

4. Role of the BAC

Problems Observed: The BAC is perennially concerned about its effectiveness as an advisor on budget issues and its value to the School Board. At the end of a year of vigorous activity, we reflect and see that we made little difference to any School Board decision, and wonder whether there are better ways to engage the BAC to ensure that it is an effective advisory council. To be fair, APS staff has asked for BAC members to serve as commentators on the Compensation Study Statement of Work, on policies big and small, and issues like the Reopening of Schools during the pandemic, etc. But those activities are ancillary to the chartered functions enumerated at the top of this Report. The School Board also seems to value our existence because it makes a commitment to the BAC organization, participates in its meetings, and ensures BAC inclusion in overall Board affairs.

Budget Transparency Likely Expands BAC Role: Arlington is full of talented and highly educated citizens, and many among them are parents eager to contribute any improvement to their children's education by personal involvement, through a PTA, sports boosters, or a formally chartered advisory committee to the School Board. The advisory committees regularly generate exceedingly valuable and creative advice and recommendations for APS staff consideration and School Board action. Perhaps this Report contains some that will change the way APS prepares and presents its Budget in the future. **The more transparent, early preview budget process we recommend would also alter the preparation and review process of the budget, and could also transform the role of the BAC. We would very likely be more constantly involved with review of individual Budget Actions.**

CLOSING

The Members of the BAC appreciate the opportunity to serve the School Board and the community on school budget issues. The BAC enjoys and benefits from a close working relationship with the School Board, and especially from the attendance and participation at most of our meetings of **Monique O'Grady**, this year's School Board liaison.

We are also very grateful for the support of the APS staff, especially **Leslie Peterson**, Assistant Superintendent for Finance & Management Services, who attended all our meetings, taught us

so much about the budget, and arranged for others in the staff (named herein) to join our meetings and teach us about school division operations.

Finally, we want to thank **Heather Jones** and **Lida Anestidou**, who are departing after six years on the BAC. They have both become exceedingly knowledgeable about the operations of the school district and our budget, and have consistently provided the sound advice and valuable insight. They will be sorely missed.

ATTACHMENTS

2019 - 2020 BAC Members and Colleagues

Memorandum October 3, 2019 RE: FY2021 Budget Direction, Five-Year Forecast

Memorandum October 30, 2019 RE: BAC Comments on Proposed Equity Policy

Briefing Charts April 21, 2020, BAC Comments on the Interim Superintendent's Revised Proposed Budget

BAC Draft, School Board's FY2022 Budget Direction

Mockup of Budget Action Presentation

2019 - 2020 Budget Advisory Council

Members and Colleagues

Members

Robert Ramsey, Chair

Melanie Bowen, Vice Chair

Cecilia Ciepiela-Kaelin, Past Chair

Chuck Rush

Cristina Diaz-Torres

Heather Jones, **6-yr Member departing**

Jennifer Wagener, **3-years Secretary!**

Juan Gordon, Sr.

Lida Anestidou, **6-yr Member departing**

Sheila Leonard

Lisa Blackwell

Wei Chen

Katherine Christensen

Dedra Curteman

Erik Sullivan

Liaisons

Monique O'Grady, APS School Board

Kevin Dezfulian, Advisory Council on Instruction

APS Staff Liaison

Lesile Peterson, Assistant Superintendent for Finance and Management Services

MEMORANDUM

DATE: October 3, 2019
TO: APS School Board Members
FROM: Chair of the APS Budget Advisory Council, Robert Ramsey
RE: FY2021 Budget Direction

One purpose for the Budget Advisory Council (BAC) provided by the current APS Policy B-3.6.33 (now being revised) is to “[make] recommendations to the School Board on budget priorities before the Board gives its annual budget direction to the Superintendent and at other times as appropriate.” The BAC is therefore providing the following comment on the draft Budget Direction:

“Provide three-year forecasts of revenues and expenditures to gauge long-term financial sustainability.”

The BAC recommends a five-year forecast. A longer range forecast is warranted for the rapid and expensive growth the school division (and the County) is expecting for the next decade, and to support the Capital Improvement Plans and debt issuance needed to service it. A longer forecast will tend to comfort the parent and taxpayer base with vocal concerns about the division’s ability to adequately plan for the growth and expenses.

We intend to follow this memorandum with further recommendations specific to the style and content of the budget document, which we hope you also will pass to the APS Administration for the improvement of the budget and the process of its consideration.

MEMORANDUM

DATE: October 30, 2019
TO: APS Policy Review Team, Attn.: David J. Webb
FROM: Chair of the APS Budget Advisory Council, Robert Ramsey
RE: Proposed Equity Policy

The Budget Advisory Council (BAC) thanks you for this opportunity to comment on the draft Equity Policy, and applauds the School Board and school district administration for taking this key step to address any opportunity gaps and achieve excellence for our students. This core policy—together with the hiring of a Chief Diversity Officer (whose actions will be guided by this policy)—serves as a critical framework for all future decisions relating to academics, staffing, budgeting, and capital investments.

We appreciate the rigorous process that has led us to this point. In reviewing the proposed policy, the BAC not only considered the draft policy, but also contemplated the forthcoming and complementary Policy Implementation Procedure (PIP) that will contain absolutely necessary details for this important work. With that in mind, the BAC offers the following comments for further consideration and action:

1. Establish measurable target outcomes grounded in student achievement

The draft policy defines equity using the corresponding core value from the 2018-2024 APS Strategic Plan. That definition, however, is grounded in the inputs to the system (schools, resources, and learning opportunities) rather than in critical outcomes (student achievement and experience). This definition lacks the specificity necessary to measure the policy's success or to be a useful tool for the school administration, the School Board, or their Advisory Committees. Specifically, the section on Monitoring does not mention a process for determining said metrics. We encourage the Policy Review Team to clarify—either in the Policy or more likely in the forthcoming PIP—which measurable data points will be used to assess this Policy.

2. Clarify language relating to equity audits and equity assessments

We applaud the addition of equity assessments as standard operating procedures for policy revisions and the inclusion of a definition of an equity audit. These provisions, however, do not outline a process for the assessment, which might leave the Board and the school district open to litigation. Which data will be used? Which stakeholders will be consulted? Which criteria will be used to determine if/when a particular group experiences disparities? These are just some of the questions that might be raised when an equity assessment or audit is launched. We encourage the PRT to either include a procedural outline of the equity assessment process in the Policy or the forthcoming PIP, or designate the task of establishing such procedure as a responsibility of the incoming Chief Diversity Officer.

3. Simplify the language to focus on the most essential information for stakeholders

We recognize that the Equity Policy is written to be implemented by education professionals, but are concerned that the language used may present obstacles for many in the community who are most interested and impacted by equity issues. Therefore, we encourage the PRT to revise the policy before publication to minimize jargon and improve its accessibility to more readers, perhaps prioritizing meanwhile its most essential information.

Again, we applaud the effort and coordination that went into developing this draft and believe that the School Board and district will be well served by this new core policy. More importantly, we recognize that the greater impact of this Policy will be determined through its implementation—in particular through the corresponding PIP. We hope that our comments are useful toward some improvement of this draft Equity Policy, and otherwise the writing of a PIP. And finally, we will welcome any additional engagement addressing the comments above, on a further revised draft Policy, or on a draft PIP.

Budget Advisory Council Comments on the Interim Superintendent's Revised Proposed Budget April 21, 2020

Bob Ramsey, Chair

Melanie Bowen, Vice-Chair

Lida Anestidou, 6-yr Term

Lisa Blackwell

Wei Chen

Katherine Christensen

Dedra Curteman

Christina Diaz Torres

Cecilia Ciepiela-Kaelin, Past Chair

Heather Jones, 6-yr Term

Juan Gordon

Sheila Leonard

Chuck Rush

Erik Sullivan

Jennifer Wagener, 3-term Secretary!

Leslie Peterson, Staff Liaison

Monique O'Grady, School Board Liaison

Support Balanced Scenario 3 (No Compensation with Expenditure and Revenue Closures) But Negotiate "Accelerator Pedal" to get to Compensation Scenarios 2 and 1

- Scenario 3 is well-crafted budget, responsive to current "brakes applied" circumstances; some comments in later charts
- Conceivable that economy will not remain in current condition and an "accelerator pedal" should accompany budget plans to enjoy expansion
- Shouldn't have to live with the worst of circumstances through whole year; County Council could agree to series of economic indicators that would trigger release of additional funds to APS
- Features of the budget that were jettisoned for "brakes applied" survival could be restored in priority order as the economy is restored
- Compensation is the primary beneficiary as economic acceleration is experienced, but other tiered benefits can be peppered among these as warranted

Negotiate Accelerator Pedal to get Compensation Scenarios 2 and 1

NOTIONAL SPEED CHART; FEATURES ADDED BACK

\$M (amnts may diminish as time passes) 0	→ Improving Economy →					
	10 MPH	20 MPH	30 MPH	40 MPH	50 MPH	60 MPH
Balanced Budget; No Compensation (Scenario 3)						
Cancel 1 Day Furlough	2.3					
Resume Compensation/Budget Studies; Tier 10 Features	0.3 XX					
Provide 1% COLA (Scenario 2)		4.7-				
Restore Operating Reserves			14.0			
Provide Step Increase (Scenario 1)				10.6-		
Tier 50 Features					XX	
Tier 60 Features						XX

Revised Budget Proposal¹ Draws Too Heavily from Reserves

NON-CAPITAL² RESERVE SPENDING

	PAST	CURRENT	PROPOSED	FUTURE
\$M	2018-19	2019-20	2020-21	2021-22
Start Balance	42.2	29.0	25.1	6.9 8.6
Spending	21.8	11.7*	18.2* 16.5	

* Does not include County one-time funding of \$9.9M and \$3.7M in FY20 and FY21, respectively

- Potential for county revenue issues may continue
 - Restaurant/hotel taxes may not resume within single budget cycle
 - Second wave white collar layoffs may constrain property tax increases
- State revenues may be redirected to address new circumstances, such as CV-19 testing and contact tracing
- Need one-time funds in 2021-22 to open new school projects
- Increased health care costs incurred from CV-19 or other delayed health care

¹ Same was to be said of original Proposed Budget

² This chart ignores the Capital Reserves, which cannot be spent on Operating Budget

Some Comments

- Compensation and Budget Studies were the subject of specific 2020 Budget line item attention and should not be cut
 - (frankly, should have received more aggressive staff action during the past year)
- Partnership Coordinator position was also given specific 2020 Budget attention
 - Too much potential to reap greater bang for the buck from working with community
 - Vision is for partnerships with NVCC and GMU, leveraging both their and APS facilities
- Seek delay and/or stretch implementation of the DoJ Settlement
 - Seems to be both expensive to the school division and of debatable efficiency
 - Changes to similar mandates are made, e.g.: School Counselor ratio change was delayed
- Further increase class size, preferentially in high schools and possibly middle schools
- Would prefer to see budget page addressing contingency plan if not a “return to normal” in the fall
 - Continued or resumed (second wave) distance learning for K-12
 - Provision of devices and online access
 - Schools meeting in shifts to accommodate physical distance.

BAC DRAFT

School Board's FY 2022 Budget Direction

Arlington Public Schools is an excellent school system and the School Board is committed to continuing to provide a high-quality education to our students and an educated workforce to the community. We are grateful for Arlington County's commitment to public education and anticipate this support will continue as Arlington Public Schools faces continuing cost pressures due to ongoing student enrollment growth, increasing debt service, and staff compensation requirements. The School Board especially appreciates our extraordinary revenue constraints caused by the COVID-19 pandemic, and pledges to address school cost infrastructures so to not unfairly burden those resources.

The School Board directs the Superintendent to prepare an FY 2022 budget that maintains our almost 29,000-student school system, focuses on supporting our staff, and emphasizes the School Board's three top priorities:

- x
- we expect the School Board will name three new priorities for insertion here.
- x

The School Board is also focused on the need to ensure long-term efficiency and sustainability. The School Board therefore also directs the Superintendent to:

- Present a budget that is consistent with APS's Mission, Vision, Core Values and Strategic Plan
- Review all budget categories to identify potential efficiencies and cost savings. Conduct a systematic and comprehensive review of our cost structures. As a priority, this should start with the personnel and compensation costs where the greatest impact can be made and the most work may have been deferred.
- Present a spectrum-of-needs-based budget with options for reductions
- Develop and conduct a transparent, early preview budget process that increases collaboration with key stakeholders and generates budget actions that presents details for discussion and data for analysis.
- Proceed with the compensation study with the understanding that the School Board's goal is to provide a compensation increase to all employees. In order to provide maximum flexibility to both the Superintendent and the School Board in providing a compensation increase to all employees, the School Board waives the policy requirement for the Superintendent to include a step increase in the budget (see Policy G-3.2.1 Salary) with the caveat that the amount of funding for a compensation increase should be at least that which would have been provided under policy.
- If possible,
 - o fund new initiatives and expenditures aligned to the School Board's 2018-2024 Strategic Plan

- o implement the Department of Justice Settlement Agreement, including but not limited to phasing in over three to five years those recommendations with budget implications.
- Explore long-term collaboration with the County for cost efficiencies on facilities, services, and service fees.
- Explore partnerships with community organizations, such as Northern Virginia area educational institutions, for cost efficiencies, such as collaboration with facilities, and services.
- Explore increases in revenue, including a review of all APS fees.
- Consider recommendations from previous citizen advisory committee reports, program evaluations, internal audits, and other relevant reports.
- Consider reserve funds for one-time costs in FY2022 in accordance with School Board practice.
- Provide five-year forecasts of revenues and expenditures to gauge long-term financial sustainability.
- Ensure that APS complies with all federal, state and local laws.

Mockup of Budget Action Format

Budget Action: Add \$0.16M and 1.00 FTE for an Employee Assistance Professional

Description: Increases existing pool of Y Employee Assistance Professionals who provide mental health support and ongoing training on stress and change management for school-based staff so they can address the needs of students

Need Spectrum (add to 100): statutory 0; essential 0; **efficient 20; desired 80;** Arlingtongesque 0

Arguments in Favor

- A
- B
- C

Arguments Against

- D
- E
- F

Available Data and Analysis of Outcomes: 1

2

3