

# SCHOOL BOARD'S PROPOSED BUDGET

**JOINT SCHOOL BOARD /  
COUNTY BOARD  
BUDGET WORK SESSION**

April 12, 2021

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## **Overview**

- Thank You
- Who We Are
- Economic Realities
- Current Budget Challenges
- Budget Highlights
- What We Need



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## **Key Takeaways**

- Effects of the COVID-19 pandemic will be long-lasting – instructionally, social-emotionally, and economically
- This budget focuses on supporting education and equity
- Limited additional resources to provide instructional, social emotional, and operational supports
- Compensation increase provided for all employees
- Quality programs and services preserved
- \$6.9 million in budget reductions already incorporated
- Strong partnership between County and Schools is essential

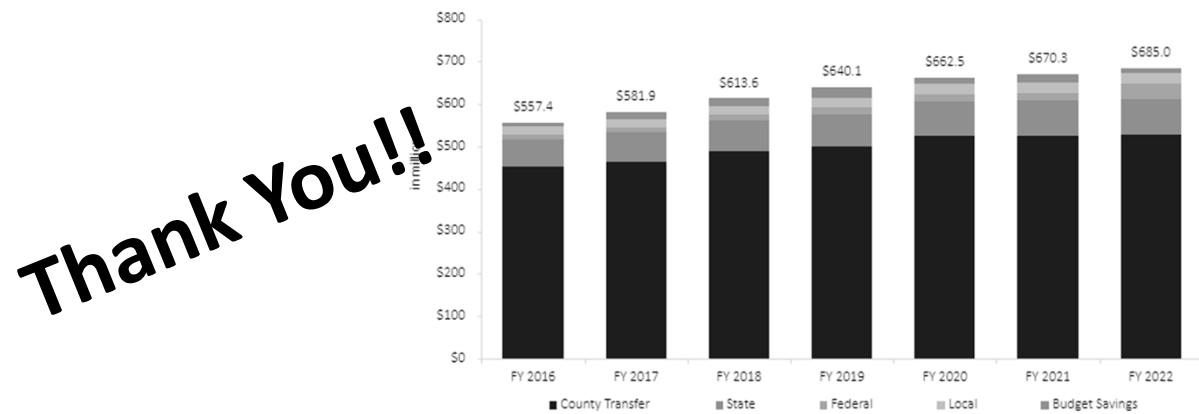
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# **Thank You**

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## Strong Historic Support for Past Budgets



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## FY 2021 Assistance

- \$7M CARES Act funding
- \$0.5M in funding for wireless Internet access for students
- Collaboration on APS wireless access on county property
- Collaboration on feeding families over the past year
- Collaboration on Instructional Learning Support program

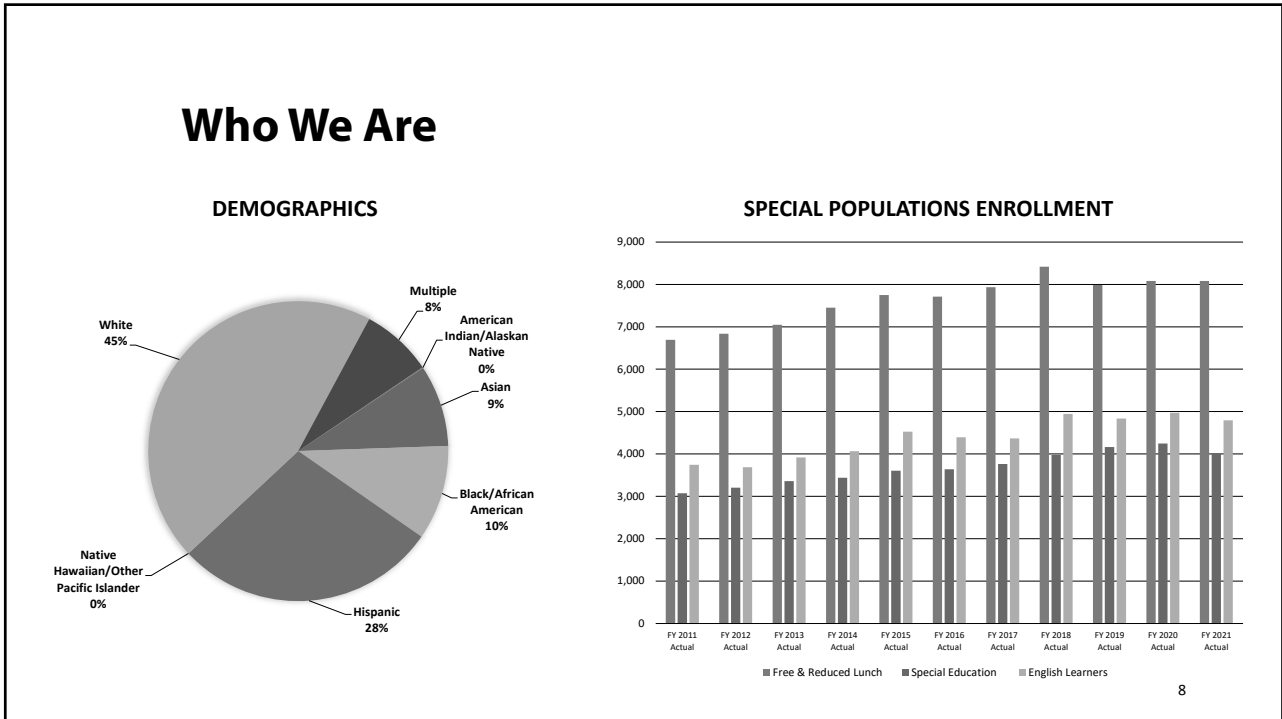
**Thank You!!**

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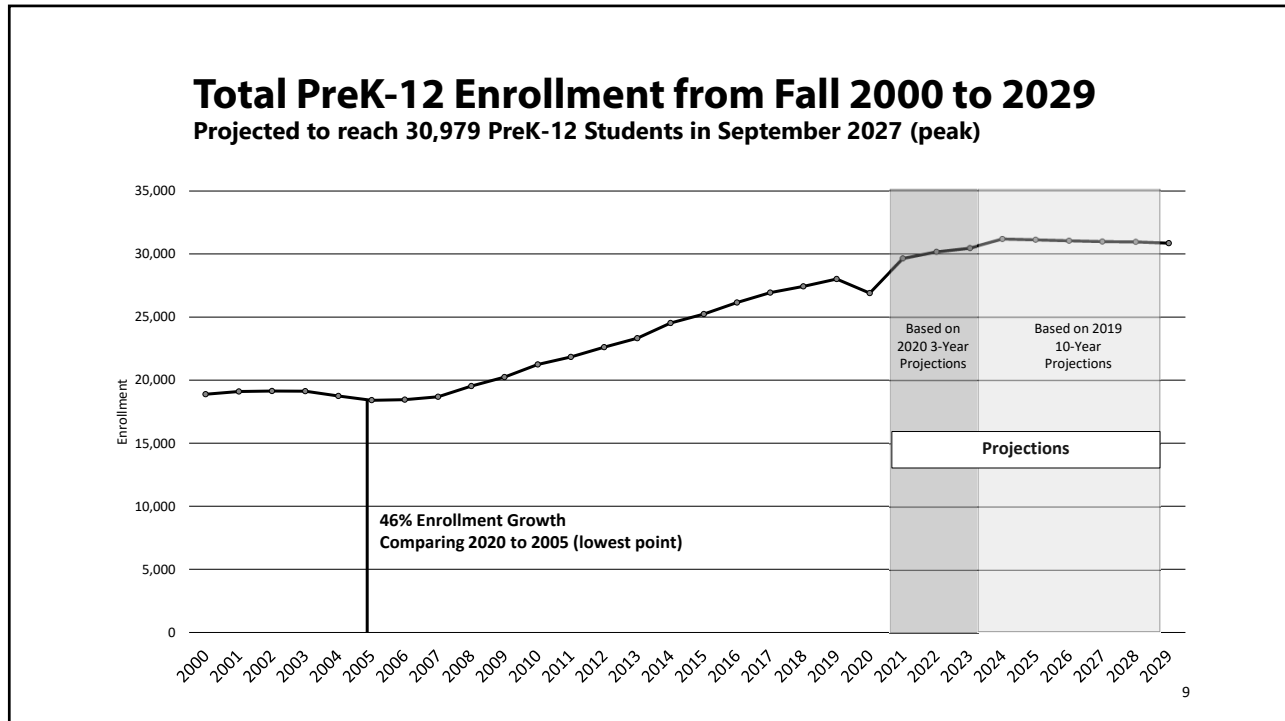
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# Who We Are

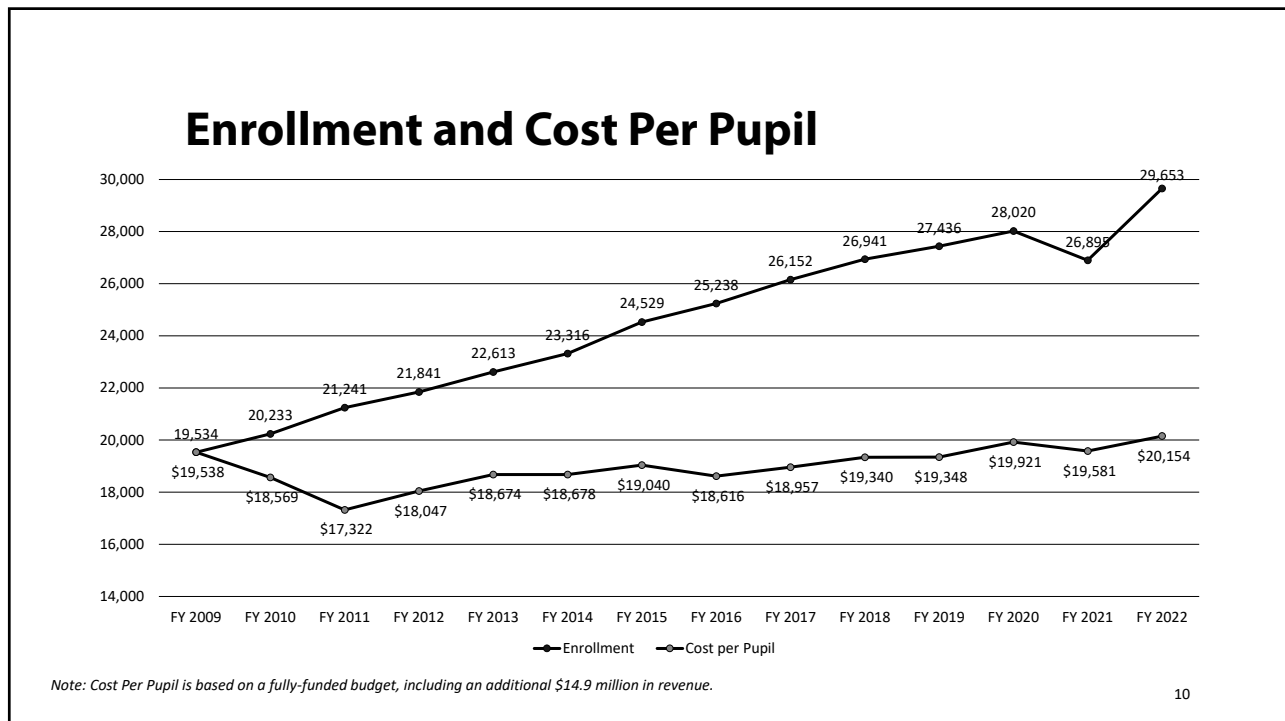
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# Economic Realities

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## Economic Impact of COVID-19

- County revenue essentially flat (0.5% increase)
  - Average increase over three years prior to FY21 = \$19.3M or 4%
  - Down \$16.8M based on average increase
- State revenue increases \$2.2M
  - Average increase over three years prior to FY21 = \$4.3M or 6%
  - Down \$2.1M based on average increase
- American Rescue Plan funding for APS is \$18.9M based on preliminary estimate



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## External Budget Factors

### State

- State-mandated student to school counselor ratios
- Virginia Retirement System rate increases
- Competitive teacher salary scales in Northern Virginia

### County

- County Manager's budget proposes a flat tax rate

### APS

- K-12 Enrollment projected to increase to pre-pandemic levels
- Operating costs rising for:
  - Student supports to mitigate learning loss
  - New buildings and school moves
  - Students with disabilities
  - ADA accommodations for staff
  - Substitutes
  - Health insurance



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## Tightening the Belt

- Reductions Past Several Years
  - FY 2021 = \$16.6M
  - FY 2020 = \$11.3M
  - FY 2019 = \$15.6M
- Examples:
  - Increased class size
  - Eliminated the Foreign Language in Elementary School (FLES) program
  - Increased user fees
  - Changed planning factors
  - Partially postponed growth initiatives
  - Eliminated benefits
  - Reduced central office
  - Drastically cut MC/MM or funded with one-time funds

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## Current Budget Challenges

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### Current Budget Challenges

- Summer School
  - Full in person and full distance learning programs
  - Larger than normal number of students
  - Incentives for teachers and assistants to teach in person
- Fall Return to School
  - Full in person and full distance learning programs
  - Distance Learning Program will require additional administrator as well as materials and software for students and teachers
  - Additional social-emotional supports needed

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## Current Budget Challenges

- Equity
  - Began with hiring Chief Diversity, Equity and Inclusion Officer
  - Funding needed for Equity Audit
  - Other needs include:
    - Professional development funding
    - Stipends for Equity Teams in schools
    - Stipends for Family and Community Engagement Action Teams in schools
    - Funding for budget study on equitable allocation of resources

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## Current Budget Challenges

- Enrollment Growth
  - Enrollment grew 46% from FY 2005 to FY 2020
  - FY 2021 was an anomaly caused by the pandemic
  - Projections indicate we will continue to grow in the future
  - Funding also needed for budget study to review planning factors
- School Openings and Moves
  - New Cardinal Elementary School opening
  - Moves of 3 schools to new buildings
  - Funding for Education Center furniture and technology

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## Current Budget Challenges

- Compensation
  - Need to recognize ALL our employees for their work over the past year and show we value them
  - General Assembly approved a 2-5% raise in state budget
  - Prior to FY 2010, step increase and cost of living adjustment provided every year
  - Since FY 2010
    - No step increase four years
    - Step increase midway through the year once
    - Cost of living adjustment provided once
  - Surrounding jurisdictions have caught up to and surpassed APS
  - Compensation study must also be funded to provide salary scales that are competitive and fiscally sustainable
  - Need to prepare for collective bargaining

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## Budget Highlights

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## FY 2022 Budget Highlights

- Enrollment Growth
  - Includes increasing needs of English Learners and students with disabilities
- Instructional and Mental Health Supports
- Funding for Diversity, Equity, and Inclusion Office
- New Buildings and School Moves
- Investments to Support Growth
- Safety, Security, Risk and Emergency Management Needs
- Network Infrastructure and Technology Supports
- Funding to Support Operational Infrastructure

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## Our Needs-Based FY 2022 Budget



	<u>Amount</u> (\$ in millions)
Total Expenditure Needs	\$699.9
Total Revenue	<u>\$685.0</u>
<b>Additional Revenue Needed</b>	<b>(\$14.9)</b>

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## FY 2022 Expenditures

	<u>Amount</u> (\$ in millions)	<u>Positions</u>
Enrollment Growth	\$5.66	61.40
<i>Special Education</i>	1.98	25.00
<i>School Counselors per new SOQ</i>	1.11	11.60
<i>Other</i>	2.57	24.80
Compensation	9.80	
Phase-in of Initiatives from Prior Budgets	2.25	4.00
New Investments	7.33	44.90
Reinstatement of FY21 Reductions	<u>9.59</u>	
Total	\$34.63	110.63

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## School Board's Reductions to Close Gap

	<u>Amount</u> (\$ in millions)	<u>Positions</u>
Reductions of New Investments	(\$1.36)	(20.50)
Department Reductions	(2.88)	
Reduction of MC/MM	(1.50)	
Schools Reductions	<u>(1.06)</u>	<u>(14.50)</u>
Total	(\$6.80)	(35.00)

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## Strategic Use of Reserves

RESERVE Balance @ 1/21/2021	Bond funds	Current Revenues (no non-bond funds)	Total Funds	Used in FY22 Supt's Proposed Budget	Balance after FY22 Supt's Proposed Budget	Available for Use in FY22 Budget (non-bond funds)
Capital	\$24,047,583	\$9,392,372	\$33,439,955		\$33,439,955	\$9,392,372
VRS	\$0	\$1,412,239	\$1,412,239	(\$365,000)	\$1,047,239	\$1,047,239
Debt Service	\$0	\$414,474	\$414,474	(\$414,474)	\$0	\$0
Future Budget Years	\$0	\$11,974,566	\$11,974,566	(\$4,168,798)	\$7,805,768	\$7,805,768
Compensation	\$0	\$3,579,114	\$3,579,114	(\$3,579,114)	\$0	\$0
Separation Pay	\$0	\$2,000,000	\$2,000,000		\$2,000,000	\$2,000,000
Health Care	\$0	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000
Total	\$24,047,583	\$29,772,765	\$53,820,348	(\$8,527,386)	\$45,292,962	\$21,245,379

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## School Board Proposed FY 2022 Budget

	SCHOOL BOARD'S PROPOSED	
	\$ in millions	
	Funds	FTE
<b>TOTAL REVENUES - SUPT'S REVISED PROPOSED</b>	<b>\$685,641,188</b>	
Loss of State Revenue	(\$657,783)	
<b>REVISED REVENUES - SCHOOL BOARD PROPOSED</b>	<b>\$684,983,405</b>	
<b>TOTAL EXPENDITURES - SUPT'S REVISED PROPOSED</b>	<b>\$706,117,521</b>	<b>5,125.50</b>
School Board's Proposed Changes - Attachment A	(\$6,796,056)	(35.00)
Additional Cost for Compensation Option 1 - Attachment B	\$598,340	
<b>REVISED EXPENDITURES - SCHOOL BOARD PROPOSED</b>	<b>\$699,919,805</b>	<b>5,090.50</b>
<b>Remaining Surplus/(Shortfall)</b>	<b>(\$14,936,400)</b>	

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## What We Need

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## Additional Request to County

<b>ADDITIONAL REQUEST TO COUNTY</b>	<u>Funds</u>	<u>FTE</u>
Summer school incentive payments (one-time costs)	\$605,000	
One-time costs to open new Cardinal ES	\$882,940	
One-time costs to open Education Center	\$750,000	
Distance Learning Program for fall (one-time costs)	\$580,000	
<b>TOTAL ADDITIONAL REQUEST FROM COUNTY</b>	<b>\$2,817,940</b>	<b>0.00</b>
<b>Remaining Surplus/(Shortfall)</b>	<b>(\$12,118,460)</b>	

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