

**ADOPTION OF
THE SCHOOL BOARD'S
FY 2022 BUDGET**

SCHOOL BOARD MEETING

May 6, 2021

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Enrollment Projections

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Consult with Dr. Grip

May 5, 2021

Continues to recommend that APS use the Spring 2021 Update to Projections in the FY22 Budget due to the following:

- The unprecedented nature of the pandemic - 2020 enrollment is an anomaly
- projections consider other variables including birth rates and new housing construction
- 2021 kindergarten enrollment is informed by births 5 years prior in 2016; births in 2016 are the highest since 2010

In response to the School Board's request to lower the projections, he suggests adjusting the cohort transition rate (CTR), equally weighting all three years, 2018, 2019 and 2020. This results in a reduction of 525 students across Kindergarten through Grade 12.

- For a larger reduction, the CTR would need to give a higher weight to 2020
- This type of adjustment will have long term impacts on projections and capacity planning
- Cautions that weighting the pandemic enrollment into future planning is not realistic

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APS Projections and May 6 Adjustments

Projections use 3-Year Cohort Transition Rate (CTR) using Sept. 30 enrollment

- In typical years, enrollment for each cohort by year is weighted equally (33.3%)
- Enrollment for 2020 was impacted by the COVID-19 pandemic and CTR weights were used to lessen the impact of enrollment trends between 2019 and 2020

CTR used in budget	APS projections (Fall 2020)	May 6 Adjustments for SB
2018 to 2019	42.5%	33.3%
2019 to 2020	42.5%	33.3%
2020 to 2021	15%	33.3%

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Comparison of Adjusted Projections and Spring Update to Projections

Adjusting 2021-22 enrollment projections with 3-year average cohort transition rates (no weights) reduces PreK-12 enrollment by 525 students.

2021-22	PreK	K	1	2	3	4	5	
Updated Proj.	1,258	2,232	2,232	2,281	2,309	2,238	2,153	
Spring Update	1,258	2,303	2,243	2,343	2,379	2,288	2,179	
Diff.	0	(71)	(11)	(62)	(70)	(50)	(26)	

2021-22	6	7	8	9	10	11	12	Total PreK-12
Updated Proj.	2,086	2,088	2,102	2,134	2,012	2,068	1,915	29,108
Spring Update	2,169	2,166	2,134	2,138	2,057	2,078	1,898	29,633
Diff.	(83)	(78)	(32)	(4)	(45)	(10)	17	(525)

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Concerns Regarding Adjusting Projections

- If enrollment projections are adjusted downward by 525 students, every school will surplus additional teachers
 - If enrollment comes in above projections over the summer and into the fall:
 - we will be restoring staffing through a limited contingency fund
 - principals will be required to hire teachers in August, September, and beyond when the pool of teachers is diminished
 - Surplusing additional teachers at this point in the recruitment cycle means we continue to delay the timeline for advertising vacancies and hiring teachers from other jurisdictions as all surplused staff must be placed first

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Recommendation

The Superintendent recommends the budget continue to use the Spring Update to Projections as the basis for the FY22 Budget.

If the School Board does not support the Superintendent's recommendation above, then he requests the School Board use the adjusted enrollment projections provided by staff and Dr. Grip.

- The adjusted enrollment projections will impact schools as follows:
 - Middle and high schools will need to rebuild their Master Schedules; will likely result in higher class sizes
 - Reduces the number of high school electives available
 - Middle school model will not work with allocated staffing
 - If enrollment comes in higher, then needed additional staffing will be hired in August and later when the pool of teachers is diminished

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Recommendation (cont'd)

- If the adjusted enrollment figure is used (reduction of 525 students), the table below provides the savings that would result. The Superintendent recommends that a portion of this savings be set aside in the staffing contingency.

Reduction of Projections	Projection	FTE	Funds
Kindergarten	-71	(2.00)	\$ (151,043)
Grades 1-5	-219	(14.80)	\$ (1,422,000)
Middle	-193	(14.90)	\$ (1,449,000)
High	-42	(3.40)	\$ (301,000)
Reduction Total	-525	(35.10)	\$ (3,323,043)
Adjustments to Previous			
		FTE	Funds
IB Moves Adj		1.40	\$ 101,000
Counselors Adj		(1.20)	\$ (114,584)
Inc K by 1 Adj		(4.00)	\$ (302,086)
Inc 1-5 by 1 Adj		2.00	\$ 190,974
Adj Total		(1.80)	\$ (124,696)
Total All		(36.90)	\$ (3,447,739)

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Updates to School Board's Proposed FY 2022 Budget

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Budget Summary – SB Proposed

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

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FY 2022 Budget Updates

Budget Item	Amount	FTE
REVENUE		
Additional one-time funding from County	\$2,817,940	
Total	\$2,817,940	

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FY 2022 Budget Updates from Superintendent

Budget Item	Amount	FTE
EXPENDITURES		
<i>New Items</i>		
Reduce amount for add'l IB students at W-L based on actual enrollment	(19,100)	(0.20)
EL SIOP training for secondary teachers per DOJ settlement agreement	100,000	
Distance Learning (DL) program admin asst and librarian	120,592	1.50
<i>Items on School Board's Reduction List to Reconsider</i>		
Adobe Creative Suite	91,000	
Grandfathering of reading specialist (Tuckahoe, Long Branch)	95,487	1.00
Technicians – change reduction to 1 rather than 2	91,937	1.00
Reinstate route planners in Transportation (part of open positions freeze)	190,974	
<i>Correction</i>		
Cost of 3% COLA midway through the year in Compensation Option 1	(488,270)	
Total	\$182,620	3.30

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New Updates from School Board

Additional School Board Reductions	<u>Funds</u>	<u>FTE</u>
Replacement musical instruments	(\$15,000)	
Remove one copier per building	(\$85,000)	
Professional learning for National Board Certification	(\$20,000)	
Reduce aides hourly and transportation in Student Services	(\$78,625)	
Class size - increase ES planning factor and recommended max by 1 in grades 1-5	(\$1,222,234)	(12.80)
Additions to Budget		
Add 0.8 FTE for Kenmore exemplary project	\$76,390	0.80
Net Reductions to the Budget	(\$1,344,469)	(12.00)

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Budget Summary – SB Proposed with Updates from Superintendent and School Board

SB'S PROPOSED WITH SUPT'S UPDATES & SB UPDATES		
	<i>\$ in millions</i>	
	<u>Funds</u>	<u>FTE</u>
TOTAL REVENUES - SUPT'S REVISED PROPOSED	\$685,641,188	
Correction of revenue total	\$1	
Loss of State Revenue for Compensation	(\$657,783)	
Additional County Revenue	\$2,817,940	
REVENUES - SCHOOL BOARD PROPOSED UPDATED	\$687,801,346	
TOTAL EXPENDITURES - SUPT'S REVISED PROPOSED	\$706,117,521	5,125.50
School Board's Proposed Changes	(\$6,796,056)	(35.00)
Additional Cost for Compensation Option 1	\$598,340	
Updates from Superintendent		
New Items	\$201,492	1.30
Reductions for Reconsideration	\$469,398	2.00
Correction to Cost of Compensation Option 1	(\$488,270)	
Additional Items from School Board		
Additional Reductions	(\$1,344,469)	(12.00)
Addition	\$76,390	0.80
EXPENDITURES - SCHOOL BOARD PROPOSED UPDATED	\$698,834,346	5,082.60
Remaining Surplus/(Shortfall)	(\$11,033,000)	

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Adoption of the School Board's FY 2022 Budget

I move that the Arlington School Board adopt its Fiscal Year 2022 School Board Budget totaling **\$698,834,346**. The School Board's FY 2022 budget requires an on-going County Transfer of **\$527,096,321**, a one-time County Transfer of **\$2,817,940**, a Beginning Balance or Carry Forward of **\$3,500,000**, and funding from Reserves of **\$19,560,386**, broken into the following:

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Adoption of the School Board's FY 2022 Budget

1. The School Operating Fund at a total of \$582,626,307, requiring an ongoing County transfer of \$455,090,420, a one-time County transfer of \$2,817,940, a beginning balance or carry forward of \$3,500,000, and funding from reserves of \$19,145,912.
2. The Community Activities Fund at a total of \$20,481,578, requiring a County transfer of \$6,031,919.
3. The Debt Service Fund at a total of \$58,367,805, requiring a County transfer of \$57,953,331 and funding from reserves of \$414,474.

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Adoption of the School Board's FY 2022 Budget

4. The Food and Nutrition Services Fund at a total of \$10,212,942, requiring a County transfer of \$0.
5. The Capital Projects Fund at a total of \$5,688,901, requiring a County transfer of \$5,688,901.
6. The Children's Services Act Fund at a total of \$4,375,000, requiring a County transfer of \$2,331,750.
7. The Grants and Restricted Programs Fund at a total of \$17,081,813, requiring a County transfer of \$0.

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Adoption of the School Board's FY 2022 Budget

I further move that the Arlington School Board authorize the advance placement of purchase orders for kitchen expansion project, concrete replacement project, installation of playgrounds, indoor air quality project, installation of new synthetic fields, HVAC replacement/rebuilds, gym floor refinishing, safety project, software licenses, and replacement of IT devices and device cases that are funded in the adopted FY 2022 budget. These orders will be placed only after the Finance Office verifies that the funds have been designated in the School Board's adopted FY 2022 budget. These items should be neither received nor invoiced until on, or after, July 1, 2021.

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Amendment to the Main Motion

- I move to amend the main motion by implementing the revised enrollment projections provided by staff that reduces enrollment by 525 students resulting in a savings of \$3,447,739 and 36.90 FTEs. I further move that \$500,000 of this savings be added to the staffing contingency, thereby providing a net savings of \$2,947,739 and decreasing the amount from reserves by the same amount.

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Amendment to the Main Motion

- I move to amend the main motion by adding \$4,953,748 to implement Compensation Option 4 instead of Compensation Option 1 and funding it by increasing the amount used from reserves by \$4,953,748.

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Compensation Option 4

COMPENSATION OPTION 4 Provides 2% COLA for All at Start of Year; State Revenue Received								
Scale	Total FTE	FTEs Receiving No \$ Increase with Step	Step Increase Midway thru Year	Additional Step at Top of Scale Midway thru Year	2% COLA at Start of Year	Total Cost by Scale		
A	Instructional Assistants, Resource & Occupational/Physical Therapy Assistants	727.43	208.55	29%	\$458,801	\$758,000	\$1,216,801	
C	Food and Nutrition Services Workers	74	43	58%	\$20,705	\$20,065	\$81,782	
D	Transportation – Bus Drivers and Bus Attendants	243	48	20%	\$145,136	\$205,176	\$350,312	
E	Exempt – Directors, Assistant Directors, Supervisors, Managers, Coordinators, Specialists, Analysts, etc	220.35	105.85	48%	\$242,094	\$9,737	\$775,247	
G	Clerical	267.9	129.5	48%	\$149,415	\$204,571	\$736,634	
M	Custodial and Maintenance	324.5	122	38%	\$196,471	\$152,472	\$732,543	
P	Principal and Administrative	162.5	60	37%	\$297,025	\$4,731	\$839,086	
T	Teachers	2,857.56	990.51	35%	\$3,749,619	\$37,413	\$5,664,845	
X	Extended Day	54	14	26%	\$31,699	\$54,596	\$86,295	
Hourly		1,863.00	1,863.00	100%	\$0	\$651,026	\$651,026	
Grand Total		6,794.24	3,584.41	53%	\$5,290,965	\$428,988	\$9,201,649	\$14,921,602
NOTES:		Cost over Compensation Option 1 Revised (takes into account additional state revenue for compensation)					\$4,953,748	

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Amendment to the Main Motion

- I move to amend the main motion by adding \$8,538 to implement a \$10 per visual arts student planning factor at the middle school and funding it by increasing the amount from reserves by \$8,538.

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Adoption of Main Motion as Amended

- I move to adopt the School Board's FY 2022 budget as amended in the amount of \$700,848,893.

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