

Superintendent's Revised Budget Following the COVID-19 Pandemic

Revised Combined Funds and CIP
Budget

May 8, 2020



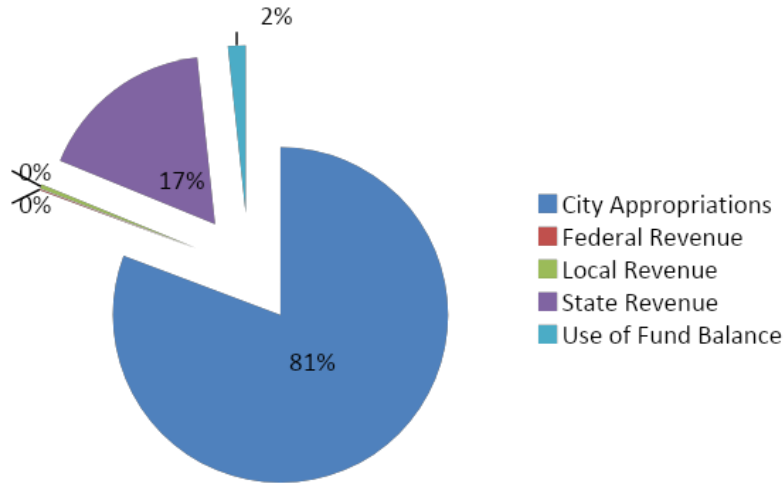
EVERY STUDENT SUCCEEDS

School Board Combined Funds Budget Priorities for FY 2020-21

Goal 1: Academic Excellence and Educational Equity	Goal 2: Family and Community Engagement	Goal 3: An Exemplary Staff	Goal 4: Facilities and the Learning Environment	Goal 5: Health and Wellness	Goal 6: Effective and Efficient Operations
<ul style="list-style-type: none"> • K-2 Literacy Programming • Implementation of SPED Audit 	<ul style="list-style-type: none"> • Outreach to Hispanic Families to Improve Graduation and Chronic Absenteeism • Outreach to Underserved Communities to Increase Engagement 	<ul style="list-style-type: none"> • Increased Staff Retention • Implementation of Human Resources Audit 	<ul style="list-style-type: none"> • ALICE Training • Cultural Competency for all Staff 	<ul style="list-style-type: none"> • Multi-Tiered System of Support (MTSS) Including Restorative Practices and Positive Behavioral Interventions and Supports (PBIS) • Chronic Absenteeism Among Hispanic Students at the Secondary Level 	<ul style="list-style-type: none"> • Improving Customer Relationship Services and Management • Implementation of Facilities Audit

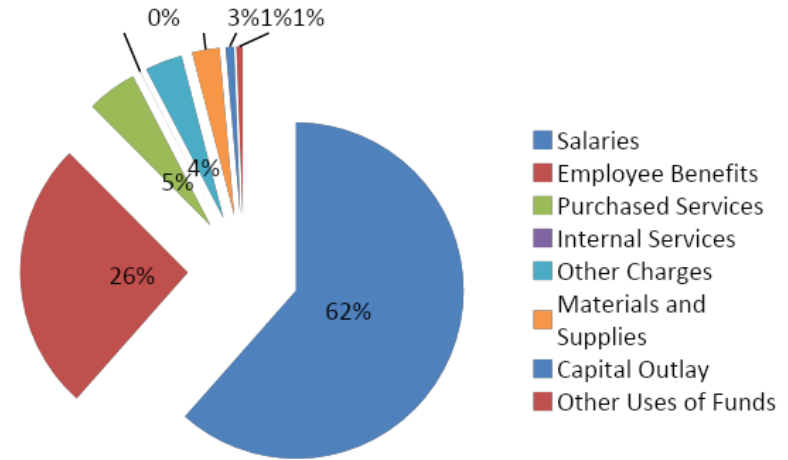
Approved FY 2021 Operating Budget as of February 20, 2020

Revenues



\$299,078,230

Expenditures



\$299,078,230

Includes transfer for VPI

Governor's and City Manager's Recommendations

Governor Ralph Northam

- Proposes to delay the funding to increase the number of school counselors funded in the Standards of Quality
- This will reduce state general fund expenditures by \$21.7M in fiscal year 2021 and \$28.4M in fiscal year 2022 and reduce the funding localities are required to provide.

City Manager Mark Jinks

- Recommending significant budget changes to continue the City's record of prudent fiscal management
- Relieving some of the burden on taxpayers
- Focusing on delivering core services to the community

Economic Reality of COVID-19

City Manager Mark Jinks

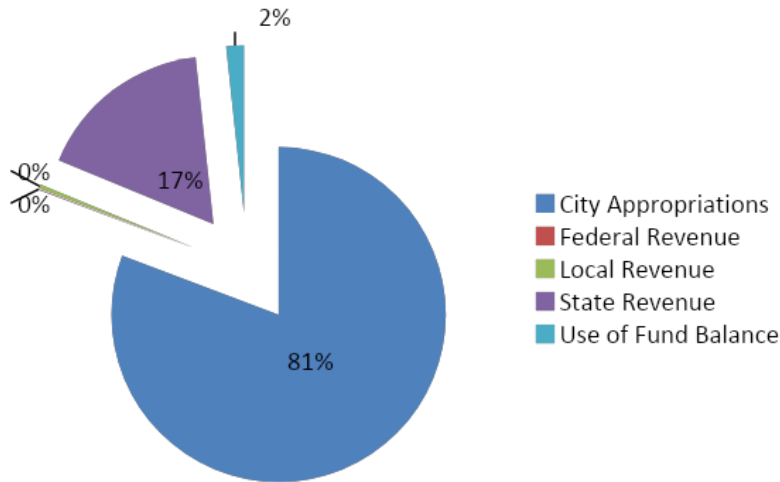
- Large uncertainty remains as to whether the City's revenue projections are too high and further reductions will be needed in FY 2021.
- If economic recovery is slower than projected, further reductions may also be needed for FY 2022.
- City staff will undertake a deep review of programs and priorities starting this summer to be ready to take action to reduce spending during FY 2021 or FY 2022 if needed.

Revised City Budget, Approved April 29, 2020

Source	Assumption	FY 2020	FY 2021
ACPS Operating	Salary Enhancements		(7,400,000)
ACPS CIP	High School Project		(103,700,000)

- Elimination of salary enhancements
- Elimination of Employer contribution to supplemental retirement
- Deferred High School Project funding

Additional Revenue Adjustments



City Appropriation: Transfer to ACPS Operating Budget (-\$7.4M Reduction)

State Revenue: Sources from the Commonwealth (-\$4.0M Reduction)

- Governor's Amendments submitted to General Assembly, Projected State Sales Tax and Lottery funding

Local Revenue: Includes building rentals, tuition, fees, etc. (-\$300K Reduction)

- Revenue affected due to closure of school buildings

Federal Revenue: Sources from the federal government (\$3.6M Additional)

- CARES Act Funding (Grant and Special Projects Fund)
 - One-time funding

Superintendent's FY 2021 Recommended Reductions

Budget Reduction Items	Superintendent's Proposed Reductions	Notes
Health Benefits Savings	\$ (720,500)	Health Benefits Savings. Health and Dental plans came in under projected amount.
0.5% Employer Contribution to Supplemental Retirement	\$ (866,400)	Elimination of Employer contribution of 0.5% to supplemental retirement will likely result in employee contribution needing to be increased in future
2% One-Time Bonus	\$ (557,500)	Eliminate one-time bonus for employees on hold step or top of scale.
Step Increase	\$ (5,524,000)	Eliminate annual step increase
Reduce New Positions	\$ (1,514,200)	Reduce newly added Operating Budget FTES from 29.8 to 13.7
5.0% Non-Personnel Reduction	\$ (1,777,100)	5% reduction of non-personnel expenditures across ALL of ACPS
Hiring Freeze for CO and non-classroom positions in FY 2021	\$ (750,000)	This amount would be additional Vacancy Savings. Freeze all CO and non-classroom positions in FY 2021. Vital positions would go thru a review and approval before being advertised. No position would be advertised before the position is vacant.
Total Expenditure Reduction	\$ (11,709,700)	
<i>Estimated Potential CARES Act Funding</i>	\$ 3,631,200	<i>Can be used for specific items. One-time in nature. Added to Grant and Special Projects Fund</i>
<i>Note: Numbers rounded to nearest hundred</i>		

Impact on Teacher "Take-Home" Pay

	Teacher			
	196 days, Master's			
	2018	2019	2020	2021
Fiscal Year	2018	2019	2020	2021
Gross Salary	\$71,516	\$74,376	\$77,749	\$77,749
VRS Retirement	\$3,576	\$3,719	\$3,888	\$3,888
ACPS Supplemental Retirement	\$1,073	\$1,116	\$1,167	\$1,167
Life Insurance	\$565	\$588	\$615	\$615
Health Insurance	\$1,894	\$2,127	\$2,504	\$2,717
Net Pay	\$64,408	\$66,826	\$69,576	\$69,363
\$ Change		\$2,410	\$2,750	(\$213)
% Change		3.7%	4.1%	-0.3%

Note: Assumes individual dental, vision, and UHC health. Does not consider individual's tax information.

The example makes certain assumptions for Healthcare choices. Should an employee have different selections the impact will be different. Does not consider tax implications

FY 2021 Non-Personnel Reductions

Department Group	\$	%
Schools	\$ (164,500.00)	9.26%
Instructional Support	\$ (308,600.00)	17.36%
Student Support	\$ (289,900.00)	16.31%
Operational Support	\$ (1,014,200.00)	57.07%
Total	\$ (1,777,200.00)	100.00%

Note: Numbers rounded to nearest hundred.

- 5% Non-personnel expenditure reduction
- Principals and Chiefs had autonomy to make reductions
- Reductions were to have the least impact on Budget Priorities

CIP Adjustments

- Minor adjustments in projects to account for more recent cost estimates and scopes
- High School Project Deferred Funding:
 - Maintains September 2024 Building Open Date
 - Staggers funding based on when work will be conducted, \$30M in FY22 and \$128M in FY23
 - Requires phased procurement approach

Timeline and Next Steps

May 8, 2020

Superintendent presents Adjusted Proposed Budget for the Operating Budget and Capital Improvement Program (CIP) Budget

May 9 - 13, 2020

The School Board submits questions that are answered by staff. These are posted to the ACPS website

May 14, 2020

School Board deadline to Submit Combined Funds and CIP Add/Delete Requests

May 20, 2020

Superintendent's recommendations regarding add/deletes made public

May 22/May 29, 2020

School Board Combined Funds and CIP Add/Delete Work Session #1 and #2 (if needed)

June 05

Adoption of the Final FY 2021 Combined Funds and FY 2021-2030 CIP Budgets

Questions?

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