

**BOARD MEMO**

Date: September 17, 2020  
For ACTION \_\_\_\_\_  
For INFORMATION  X   
Board Agenda: Yes  x   
No \_\_\_\_\_

**FROM:** Dominic B. Turner, Chief Financial Officer

**THROUGH:** Gregory C. Hutchings, Jr., Ed.D., Superintendent of Schools

**TO:** The Honorable Cindy Anderson, Chair, and Members of the Alexandria City School Board

**TOPIC:** FY 2021-2026 Fiscal Forecast

**ACPS 2025 STRATEGIC PLAN GOAL:**  
Goal 4: Strategic Resource Allocation

**SY 2020-2021 FOCUS AREA:**  
Focus Area 3: Strategic Plan Implementation

**FY 2021 BUDGET PRIORITY:**  
ALICE Training  
K-2 Literacy Programming  
Specialized Instruction Audit Implementation  
MTSS including Restorative Practices and PBIS  
Chronic Absenteeism among Hispanic Students  
Increased Staff Retention  
Human Resources Audit Implementation  
Facilities Audit Implementation  
Cultural Competence for All Staff  
Outreach to Hispanic Families to Improve Attendance and Graduation  
Outreach to Underserved Communities to Increase Engagement  
Improving Customer Relationship Services and Management

**SUMMARY:**  
The following document will be discussed during the FY 2022 Budget Work Session on September 17, 2020:

**Five-Year Fiscal Forecast:** The FY 2021 – FY 2026 Operating Fund Fiscal Forecast reflects the financial challenges that the Division will face in the coming years. Over the previous decade, student enrollment and expenditures have increased at a far quicker pace than the corresponding revenue has grown. ACPS Staff analysis shows that this trend will continue into

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the future, requiring a combination of revenue enhancements and expenditure reductions to balance sizable projected budget gaps.

For FY 2022, the projected budget deficit is \$11.8 million. Each year, as expenditures outpace revenues, the estimated budget gap will continue to expand. By FY 2026, the annual funding deficit projection grows to \$64.9 million.

This fiscal forecast begins with the FY 2021 Final Operating Fund Budget which was balanced with the use of \$4.8 million in fund balance. In each fiscal year, beginning with FY 2022, adjustments were made to reflect the anticipated revenue and expenditure assumptions. These assumptions (based on historical data and analysis of the operating impacts of the Capital Improvement Program) will be discussed in the work session.

### **BACKGROUND:**

Each September, the School Board begins budget development for the next fiscal year. This budget work session commences public work on the FY 2021-2026 fiscal forecast

***Five-Year Fiscal Forecast:*** In order to facilitate long-term planning and budgeting efforts, ACPS Staff provides the School Board with periodic updates on the long-term fiscal forecast of the Operating Fund.

### **RECOMMENDATION:**

The Superintendent recommends that the School Board review the Five-Year Fiscal Forecast in preparation for the next work session.

### **IMPACT:**

N/A

### **ATTACHMENTS:**

1) FY 2021 – FY 2026 Operating Fund Fiscal Forecast

### **REFERENCES:** N/A

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