

**BOARD MEMO**

Date: May 29, 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:** School Board Add-Delete Work Session: FY 2021 Combined-Funds Budget and FY  
2021 – 2030 Capital Improvement Program Budget

**ACPS 2020 STRATEGIC PLAN GOAL: ALL**

**SY 2020-2021 FOCUS AREA: ALL**

**FY 2021 BUDGET PRIORITY: ALL**

**SUMMARY:** The School Board deadline for submitting Add/Delete Proposals was May 18, 2020. For the Operating Fund Budget and the Grants & Special Projects Fund, several proposals were submitted as outlined on Attachment 1-Combined Funds Budget Cosponsors. Recommended changes to the FY 2021-2030 CIP Budget were presented as well the Operating, School Nutrition Services Funds and the Grants & Special Projects Fund. These proposed changes were presented to the School Board during the May 8, 2020 School Board Work Session. See Attachment 2 for reference memo.

There were no Add/Delete Proposals related to the 10-Year CIP. See the attached Summary of FY 2021-2030 CIP Budget – Attachment 3

On May 22, 2020 the first Add/Delete Work Session was held where each School Board members' requests were reviewed. At the conclusion of the meeting it was asked of staff to provide options to the School Board for providing teachers with a modest one-time payment.

**BACKGROUND:**

**FY 2021 Operating Fund Budget**

On Friday, May 8, 2020, the Superintendent submitted an Adjusted Operating Fund Budget which factored in any changes since the School Board approved the budget on February 20, 2020. Revenue and Expenditure adjustments, to the Operating Fund, since the budget was approved are enumerated below:

**Revenue:**

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Description	Amount
Less: City Operating Appropriation to ACPS, Per City-Council-Adopted Budget	(\$7,400,000)
Less: State Revenue	(\$4,000,000)
Less: Local Revenue	(\$309,700)
Add: Transfer In from CIP	\$1,210,440
<b>ACPS Operating Fund Revenue Changes as of May 22, 2020</b>	<b>(\$10,499,260)</b>

In addition to the revenue revisions from the May 8, 2020 meeting, the Operating Fund Budget is also being updated to reflect a Revenue-Transfer In from the Capital Improvement Program (CIP) budget to reflect needed FTE positions in the Operating Fund. Approximately, \$1.2 million in approved CIP funding will provide needed support to the Capital Programs, Planning, Design and Educational Facilities Departments. Funding from the projects within the CIP of approximately \$1.21 million will be transferred to the Operating Fund. See below, **FY 2021 – 2030 Capital Improvement Program Budget** for position titles.

**Expenditure:**

Description	Amount
Less: Health Benefit Savings	(\$720,500)
Less: Eliminate Employer Contribution to Supplemental Retirement	(\$866,400)
Less: Eliminate 2% One-time Bonus	(\$557,500)
Less: Eliminate Employee Step Increase	(\$5,524,000)
Less: Reduce New Positions	(\$1,514,200)
Less: 5% Reduction to Non-personnel costs	(\$1,777,100)
Less: Institute Hiring Freeze for Non-classroom positions	(\$750,000)
Add: FTE positions funded from CIP	\$1,210,440
<b>ACPS Operating Fund Expenditure Changes as of May 22, 2020</b>	<b>(\$10,499,260)</b>

At the conclusion of the first Add/Delete Work Session on May 22, 2020 School Board members asked staff to provide options for providing teachers with a modest one-time payment. Below are these options:

**Option 1.)** Eliminate both teacher Professional Development days and provide a \$250 one-time payment to all teachers (\$386,000)

**Option 2.)** Eliminate both teacher Professional Development days and provide a \$150 one-time payment to all employees (\$382,200)

**FY 2021 School Nutrition Services Fund Budget**

The School Nutrition Services Fund is currently reflecting the School Board Approved Budget. As relative updates and revisions become necessary to the fund, the School Board will be notified of the appropriate adjustments necessary.

**FY 2021 Grants & Special Projects Fund Budget**

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Adjustments to the Grants & Special Projects Fund, as a result of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to ACPS. The estimated \$3.6 million in aid will be established in the fund for specific eligible expenses and primarily one-time in nature. ACPS is targeting four areas for use of CARES Act funding:

- Meal Distribution
- Instruction
- Technology Services
- Educational Facilities

Recent preliminary allocations and/or funding awards have changed our projected grant revenues for several programs. While some programs have been finalized, some have not yet finalized the applications and budgets, inclusive of the preliminary allocations, and therefore the Superintendent is recommending amending the revenue and expenditure funding based on the CARES Act funding only. As finalized applications and budgets occur, the appropriate revisions and updates will likewise be reflected in upcoming fiscal year.

### **FY 2021 – 2030 Capital Improvement Program Budget**

The CIP allocation from the City Council approved CIP includes \$95.1 million for FY 2021. The following technical adjustments provide clarity and address staffing needs in FY 2021:

#### **Technical Adjustment:**

The FY 2021 CIP includes funding for eight (8) FTE positions. These positions include:

- Project Director
- Project Manager
- Construction Engineer
- Architect
- Communications Specialist
- Procurement Specialist
- Project Managers

These positions will provide needed support to the Capital Programs, Planning, Design and Educational Facilities Departments. Funding from the projects within the CIP of approximately \$1.21 million will be transferred to the Operating Fund. These funds have already been approved, and this adjustment is recognizing the transfer in to the Operating Budget to allow ACPS to hire versus using contractors.

#### **RECOMMENDATION:**

The Superintendent recommends that the School Board:

1. Provides “Yes/No Feedback” on the recommended FY 2021 – 2030 CIP Budget changes presented during the May 8, 2020 School Board Work Session;
2. Provides “Yes/No Feedback” on the recommended FY 2021 Operating Fund Budget

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- changes presented during the May 8, 2020 School Board Work Session;
3. Provides "Yes/No Feedback" on the recommended FY 2021 Grants & Special Projects Fund Budget changes presented during the May 8, 2020 School Board Work Session;
  4. Provides staff with decisions on School Board members proposed Add/Deletes that have been consolidated and co-sponsored on May 18, 2020.
  5. Provide "Yes/No Feedback" on one-time payment options

### IMPACT:

### ATTACHMENTS:

1. Combined Funds Budget Cosponsors
2. 200508 Board Memo – Recommendations for Superintendent's Adjusted Combined Funds and CIP Budgets
3. 200522\_CIP\_FY21\_30\_Summary\_v1

### REFERENCES:

### CONTACT:

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