

Date: June 6, 2019

For ACTION       X      

For INFORMATION           

Board Agenda: Yes       X        
No           

**FROM:** Robert Easley, Acting Director of Budget and Financial Systems

**THROUGH:** Gregory C. Hutchings, Jr., Ed.D., Superintendent of Schools  
Dominic Turner, Chief Financial Officer

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

**TOPIC:** Motion to Adopt the FY 2020 Final Combined Funds Budget

**BACKGROUND:** The Alexandria City School Board and ACPS Staff began work on the FY 2020 Combined-Funds Budget during the summer of 2018. By October 2018, initial revenue and expenditure projections were complete and indicated a preliminary budget gap of \$17.8 million in the operating fund.

Between the initial projections and the School Board's adoption of the combined-funds budget on February 21, 2019, every effort was made to thoughtfully reduce the funding shortfall while keeping reductions away from classrooms and maintaining competitive employee compensation. Fund balance was utilized to the maximum level allowable by ACPS Fund Balance Policy DAB, jointly written by ACPS and City of Alexandria staff.

On May 1, 2019, the Alexandria City Council adopted their FY 2020 General Fund Operating Budget including an operating transfer to ACPS of \$231.67million. This was \$0.6 million short of the amount requested in the School Board Approved Budget. This reduction is due primarily to the transfer of new textbook funding to the Capital Improvement Program (CIP) budget in FY 2020.

During a School Board Budget Work Session on May 9, 2019, the Superintendent proposed recommendations for closing a \$0.8 million Operating Fund gap. The funding gap was generated by the reduced funding from City Appropriation and a projected decrease in State funding of \$0.2 million. School Board Members further formalized their positions through their submission of Add/Deletes and Co-Sponsorships of Add-Deletes on May 17, 2019.

During the May 23, 2019, School Board Add-Delete Work Session, the Board indicated consensus agreement with the proposed Operating Fund changes detailed on May 9, 2019 as well as newly incorporated changes to the Grant and Special Projects Fund and the School Nutrition Fund. All of these modifications have been incorporated in the FY 2020 Final Combined Funds Budget for final School Board consideration and approval.

**Summary:** The attached motion to adopt the FY 2020 Final Combined Funds Budget reflects all School Board and Superintendent recommended budget adjustments since the FY 2020 Combined Funds Budget adoption on February 21, 2019.

The FY 2020 Final Combined Funds Budget includes the following:

- Total budgeted revenues and other financing sources of \$304,548,789.
- The City Appropriation to schools for FY 2020 totals \$231,669,496.
- Total budgeted expenditures of \$310,599,358.
- A planned use of fund balance totaling \$6,050,569 including \$5,724,224 from the Operating Fund and \$326,345 from the School Nutrition Fund.
- FTEs for FY 2020 total 2,607.06, an increase of 22.02 FTE or 0.85% over FY 2019.

**RECOMMENDATION:** The Superintendent recommends that the School Board adopt the FY 2020 Final Combined Funds Budget as attached.

**ATTACHMENTS:**

1. Motion to Adopt the FY 2020 Final Combined Funds Budget
2. FY 2020 Final Combined Funds Statement
3. FY 2020 Final Operating Fund Statement
4. FY 2020 Final Adjustments to the Approved Operating Budget
5. FY 2020 Final Grants and Special Projects Fund Statement
6. FY 2020 Final Adjustments to the Approved Grants and Special Projects Budget
7. FY 2020 Final School Nutrition Fund Statement
8. FY 2020 Final Adjustments to the School Nutrition Fund Budget
9. FY 2020 Final Health Benefits Fund Statement
10. FY 2020 Final Supplemental Retirement Plan Fund Statement
11. FY 2020 Final OPEB Trust Fund Statement
12. FY 2020 Final School Activity Fund Statement
13. FY 2020 Final Community Use Fees Schedule
14. FY 2020 Final Tuition, Course and Fees Schedule

**Motion to Adopt the FY 2020 Final Combined Funds Budget**

Madam Chair, I move that the Alexandria City School Board approve the FY 2020 Combined Funds Budget as follows:

- The FY 2020 Operating budget in the amount of \$286,415,016 for both revenues and expenditures. This includes other financing sources and uses, as well as a planned use of general fund balance in the amount of \$5,724,224 and a transfer of \$1,613,613 to the Grants and Special Projects Fund. The Operating budget includes 2,403.71 FTEs and a total City appropriation of \$231,669,496.
- The FY 2020 Grants and Special Projects budget in the amount of \$14,966,478 for revenues and expenditures. This includes a transfer of \$1,613,613 from the Operating Fund. This budget includes a total of 92.35 FTEs.
- The FY 2020 School Nutrition Services budget totals \$10,831,477 for both revenues and expenditures. This includes a \$326,345 planned use of School Nutrition fund balance. This budget includes a total of 111.00 FTEs.

The Superintendent is granted the authority to make the necessary minor changes to comply with the intent of the School Board. Additionally, the School Board authorizes the encumbrances remaining as of June 30, 2019 to carry forward from FY 2019 to FY 2020 as an adjustment to the final budget.