

BOARD MEMO

Date: June 5, 2020

For ACTION

For INFORMATION

Board Agenda: Yes

No

FROM: Robert Easley, Director of Budget and Financial Systems

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

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

TOPIC: Motion to Adopt the FY 2021 Final Combined Funds Budget

ACPS 2020 STRATEGIC PLAN GOAL: ALL

SY 2020-2021 FOCUS AREA: ALL

FY 2021 BUDGET PRIORITY: ALL

SUMMARY: The attached motion to adopt the FY 2021 Final Combined Funds Budget reflects all School Board and Superintendent recommended budget adjustments since the FY 2021 Combined Funds Budget adoption on February 20, 2020.

The FY 2021 Final Combined Funds Budget includes the following:

- Total budgeted revenues and other financing sources of \$314,937,042.
- The City Appropriation to schools for FY 2021 totals \$234,037,296.
- Total budgeted expenditures of \$319,775,862.
- A planned use of fund balance totaling \$4,839,337 from the Operating Fund.
- FTEs for FY 2021 total 2,648.84, an increase of 41.77 FTE or 1.60% over FY 2020, including an increase of 14.00 FTE in the School Nutrition Fund.

BACKGROUND: The Alexandria City School Board and ACPS Staff began work on the FY 2021 Combined-Funds Budget during the summer of 2019. On Thursday, January 09, 2020, the Superintendent presented the FY 2021 Combined Funds Budget (Proposed Budget) for School Board consideration. The adoption of the Combined Funds Budget is an annual commitment to programs and activities for Alexandria City Public Schools. ACPS is moving forward in our efforts to realize the mission and vision established in ACPS 2020 strategic plan, and to prepare every student to have the skills necessary to be successful in the 21st century. We were guided by that commitment to achieving academic excellence, where every school is high performing and every student succeeds.

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Between the Proposed Budget projections and the School Board's adoption of the combined-funds budget on February 20, 2020, every effort was made to thoughtfully fund School Board priorities 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.

Throughout the following months, ACPS' budgeted plans would face significant revisions and updated plans. The plans, which began with the Alexandria City Manager proposing to fully fund the ACPS School Board City Appropriation request of \$241.44 million, changed to forcing the School administration to revise those plans to account for significant revenue reductions. In Mid-March, ACPS' plans, as well as the City of Alexandria funding plans, were greatly impacted by the nation's reaction to the COVID-19 pandemic which forced the closure all schools and has forced student instruction as well as most administrative functions to be performed from home.

To account for the nationwide, statewide, and more importantly, the local fiscal impact of the pandemic, the City of Alexandria City Council revised the FY 2021 City's appropriation to \$234.04 million. During School Board Budget Work Session in May 2020, the Superintendent proposed recommendations for closing a \$11.7 million Operating Fund gap. The funding gap was generated by the reduced funding from City Appropriation, a projected decrease in State funding of \$4.0 million, and a decrease in Local Revenue of \$0.3 million. School Board Members further formalized their positions through their Work sessions and submission of Add/Deletes and Co-Sponsorships of Add-Deletes on May 22 and 29, 2020.

During the May 29, 2020, School Board Add-Delete Work Session, the Board indicated consensus agreement with the proposed Operating Fund changes, as well as newly incorporated changes to the Grant and Special Projects Fund. All of these modifications have been incorporated in the FY 2021 Final Combined Funds Budget for final School Board consideration and approval.

RECOMMENDATION:

The Superintendent recommends that the School Board adopt the FY 2021 Final Combined Funds Budget as attached.

IMPACT:

ATTACHMENTS:

1. Motion to Adopt the FY 2021 Final Combined Funds Budget
2. FY 2021 Final Combined Funds Statement
3. FY 2021 Final Operating Fund Statement
4. FY 2021 Final Grants and Special Projects Fund Statement
5. FY 2021 Final Grants and Special Projects Fund Adjustments

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6. FY 2021 Final School Nutrition Fund Statement
7. FY 2021 Final Health Benefits Fund Statement
8. FY 2021 Final Supplemental Retirement Plan Fund Statement
9. FY 2021 Final OPEB Trust Fund Statement
10. FY 2021 Final School Activity Fund Statement
11. FY 2021 Final Community Use Fees Schedule
12. FY 2021 Final Tuition, Course and Fees Schedule

REFERENCES:

CONTACT:

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