

BOARD MEMO

Date: May 6, 2021

For ACTION _____

For INFORMATION x

Board Agenda: Yes x

No _____

FROM: Robert Easley, Director of Budget & Financial Systems

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

TO: The Honorable Meagan Alderton, Chair, and
Members of the Alexandria City School Board

TOPIC: Recommendations for Superintendent’s Adjusted Combined Funds (CF) and
Capital Improvement Program (CIP) Budgets

ACPS 2025 STRATEGIC PLAN GOAL:

All.

SY 2020-2021 FOCUS AREA:

All.

FY 2022 BUDGET PRIORITY:

All.

SUMMARY:

On Thursday, May 6, 2021, the Superintendent will submit his Adjusted Combined Funds and CIP Budgets which must factor in any changes since the School Board approved the budget on February 18, 2021. Revenue and Expenditure adjustments, to the Combined Funds (Operating, Grants & Special Projects, and School Nutrition Services) and adjustments to the CIP, since the budgets were approved are enumerated below:

BOARD MEMO

OPERATING FUND		
Revenue	Dollars	FTE
<ul style="list-style-type: none"> ● State Revenue increase 	\$2,000,386	
Expenditure		
<ul style="list-style-type: none"> ● Health Benefit Savings due to renewal rates ● Eliminate 1% Incentive pay bonus for staff ● Employee Compensation Enhancements - 2.4% MRA ● Employee Benefits due to Compensation Enhancement ● Virtual Learning Opportunity ● Additional FTE- EL Content Teacher F.C.H. ● Additional FTE- EL Content Teacher G.W. ● Additional FTE - HR Data Quality Specialist ● Additional FTE - World Language-Spanish at F.C.H. ● Additional FTE- Instrumental Teacher J.P. ● Additional FTE- AVID J.H. ● Additional FTE- AVID P.H. 	(\$2,080,400) (\$1,786,500) \$3,921,600 \$1,028,000 \$388,186 \$112,000 \$112,000 \$88,500 \$48,350 \$48,350 \$48,350 \$48,350	1.0 1.0 1.0 0.5 0.5 0.5 0.5
Other Uses of Funds		
<ul style="list-style-type: none"> ● Virginia Preschool Initiative due to Compensation Enhancement 	\$23,600	

GRANTS & SPECIAL PROJECTS FUND		
Revenue	Dollars	FTE
<ul style="list-style-type: none"> ● Federal Grant Revenue increase ● Federal Grant Revenue increase 	\$34,792,781 \$15,491,977	
Expenditure		
<ul style="list-style-type: none"> ● Reductions to Non-Personnel grant expenditures ● Health Benefit Savings due to renewal rates ● American Rescue Plan (ARP) ESSER ● Elementary and Secondary School Emergency Relief (ESSER) II ● Employee Compensation Enhancements - 2.4% MRA ● Employee Benefits due to Compensation Enhancement ● Additional FTE* - Mental Health Specialist ● Additional FTE* - School Health Specialist ● Additional FTE* - Attendance Specialist ● Additional FTE* - Work-Based Learning Specialist ● Additional FTE* - Grant Specialist/Coordinator ● Additional FTE* - Out of School Programming Coordinator ● Additional FTE* - Accounting Support Staff ● Additional FTE* - Procurement Support Staff 	(\$117,600) (\$87,000) \$34,792,781 \$15,491,977 \$181,100 \$47,100	2.0 1.0 1.0 1.0 1.0 1.0 0.5 0.5
<small>* Compensation for additional FTEs included in Grant allocation</small>		
Other Sources of Funds		
<ul style="list-style-type: none"> ● Virginia Preschool Initiative 	\$23,600	

BOARD MEMO

SCHOOL NUTRITION SERVICES FUND		
Expenditure	Dollars	FTE
● Health Benefit Savings due to renewal rates	(\$91,800)	
● Decrease in Purchased Services	(\$13,300)	
● Employee Compensation Enhancements - 2.4% MRA	\$83,400	
● Employee Benefits due to Compensation Enhancement	\$21,700	

CAPITAL IMPROVEMENT PROGRAM

The Superintendent’s Adjusted FY 2022 CIP proposes minor changes to reflect the most current project needs including the following:

- Reduce John Adams Stormwater Management project by \$100,000. Much of this work has been completed as part of renovations in FY 2021 to address immediate needs that could not be put off until FY 2022.
- Increase George Washington HVAC Repair/Replace project by \$100,000. This allows for Educational Facilities to achieve more scope and gives more accurate funding for HVAC needs required next year.

The Superintendent is proposing adjustments to meet this change. The total budget information is provided in the following table.

Superintendent’s Adjusted FY 2022 CIP	\$55.2M
City’s Adjusted FY 2022 CIP	\$55.2M
Superintendent’s Adjusted FY 2022-2031 CIP	\$ 551.5M
City’s Adjusted FY 2022-2031 CIP	\$ 551.5M
Gap in FY 2022-2031 CIP	\$ 0M

BACKGROUND:

The City of Alexandria, which is the largest revenue source to ACPS, has thus far maintained the ACPS requested City appropriation at approximately \$239 million. The City appropriation is scheduled to be adopted by the City Council on May 5, 2021.

Due to changes in the Governor of Virginia’s budget, ACPS will see an increase in State revenue above the level that was Approved in February. Projected increases in Statewide Sales Tax, coupled with the Commonwealth’s plan to increase funding to school districts for Compensation Supplements as well as increased funding for At-Risk students, will result in an additional \$2.0 million to ACPS.

To present a balanced budget to the School Board, the Superintendent, in collaboration with the Senior Leadership Team and Principals, proposes additional expenditure adjustments. The primary adjustment, which will affect all Combined Funds comes in the form of a salary enhancement for all eligible employees. The Superintendent proposes to convert the current 1.0% bonus included in the Approved Budget to a 2.4% Market Rate Adjustment (MRA) to maximize the Commonwealth of Virginia additional revenue allocation dedicated for

BOARD MEMO

Compensation Supplements. The adjusted budget also reflects a reduction in Employee Benefits due to lower than expected renewal rates from ACPS's primary health care providers. An additional 1.0 full-time equivalent (FTE) position is proposed in Human Resources to account for the FY 2021 approved Data Quality Specialist. Additional FTEs proposed as adjustments include:

● Additional FTE- EL Content Teacher F.C.H.	\$112,000	1.0
● Additional FTE- EL Content Teacher G.W.	\$112,000	1.0
● Additional FTE - World Language-Spanish at F.C.H.	\$48,350	0.5
● Additional FTE- Instrumental Teacher J.P.	\$48,350	0.5
● Additional FTE- AVID J.H.	\$48,350	0.5
● Additional FTE- AVID P.H.	\$48,350	0.5

These positions are for the expansion of priority programs across the division.

Adjustments to the Grants & Special Projects Fund are a result of Elementary and Secondary School Emergency Relief (ESSER) II funding as well as the American Rescue Plan (ARP) ESSER funding to ACPS. The estimated \$15.5 and \$34.8 million, respectively, in aid will be established in the fund for specific eligible expenses to aid in recovering from learning loss, facility and operational adjustments made necessary due to the pandemic and are primarily one-time in nature. The fund will also experience adjustments due to the proposed Salary enhancement measures and Employee Benefit savings affecting all ACPS employees. Offsetting expenditure reductions will result in reduced operational accounts. Additional full-time equivalent (FTE) positions are also proposed to be added to the fund. An additional 8.0 are expected due to the efforts associated with the ESSER II and ARP ESSER funding, which has an eligible spending period through FY 2024. These grant-funded positions include:

● Mental Health Specialist	2.0
● School Health Specialist	1.0
● Attendance Specialist	1.0
● Work-Based Learning Specialist	1.0
● Grant Specialist/Coordinator	1.0
● Out of School Programming Coordinator	1.0
● Accounting Support Staff	0.5
● Procurement Support Staff	0.5

Adjustments to the School Nutrition Services Fund are a result of proposed additional Salary enhancements, as well as the Employee Benefit savings affecting all ACPS employees. The resulting additional expenditures will be offset by reductions in other operational accounts to maintain a balanced fund.

FY 2022-2031 Capital Improvement Program

The Superintendent's Proposed Adjustments account for more up-to-date priority, scope and cost estimate information, especially in FY 2022, to ensure adequate funding and the highest

BOARD MEMO

priority projects are being pursued. Below are the only proposed adjustments.

Superintendent's Proposed Adjustments for FY 2022:

- Reduce John Adams Stormwater Management project by \$100,000.
- Increase George Washington HVAC Repair/Replace project by \$100,000.

RECOMMENDATION:

The Superintendent recommends that the School Board approve the Superintendent's adjustments to the Alexandria City Public Schools Combined Funds Budget and Capital Improvement Program Budget, as submitted.

IMPACT:

ATTACHMENTS:

1. VDOE ESSER II memo
2. VDOE ARP ESSER (ESSER III) memo
3. School Board Approved FY22-31 CIP Budget Details

REFERENCES:

CONTACT:

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