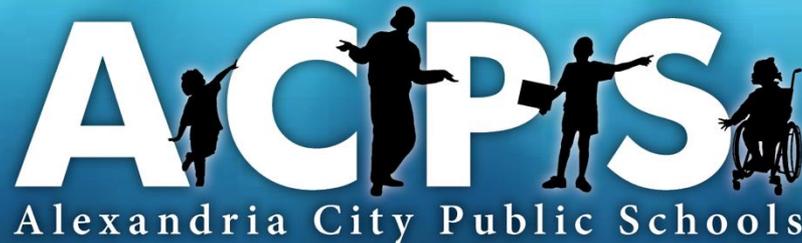


# **FY 2019 Combined-Funds Budget FY 2019 – 2028 CIP Budget**

*School Board Work Session*

May 10, 2018



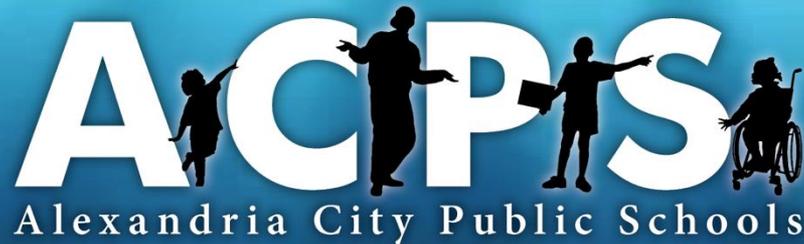
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# Essential Questions

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- How large is the FY 2019 Operating Budget Gap following final City Council appropriations?
- What technical budget adjustments are necessary?
- What fiscal resources are needed to successfully implement the Curriculum & Instruction and Operations reorganizations?
- What are the Superintendent's proposals for closing the remaining Operating budget gap?
- What is the current status of the FY 2019 – 2028 CIP Budget?
- How will the budget process move forward through final adoption?

# **FY 2019 Operating Budget:** *Budget Gap Following City Council Final Appropriation*



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# Current Operating Budget Gap

## Revenue

Revenue Type	Amount
City Council Final Appropriation	(223,829,302)
State Revenue (FY 2019 Proposed)	(45,013,454)
Federal Revenue (FY 2019 Proposed)	(286,713)
Local Revenue (FY 2019 Proposed)	(1,037,747)
<b>FY 2019 Projected Revenue</b>	<b>(270,167,216)</b>

## Budget Gap

Description	Amount
FY 2019 Revenue	(270,167,216)
FY 2019 Expenditures <sup>1</sup>	276,463,766
FY 2019 Allowable Use of Fund Balance	(5,206,249)
<b>FY 2019 Budget Gap as of May 10, 2018</b>	<b>1,090,301</b>

<sup>1</sup> Includes transfer to Grants and Special Projects Fund to subsidize costs of Virginia Preschool Initiative.

<sup>2</sup> Includes Step Increase for eligible employees, salary scale change and 1% bonus for hold-step employees.

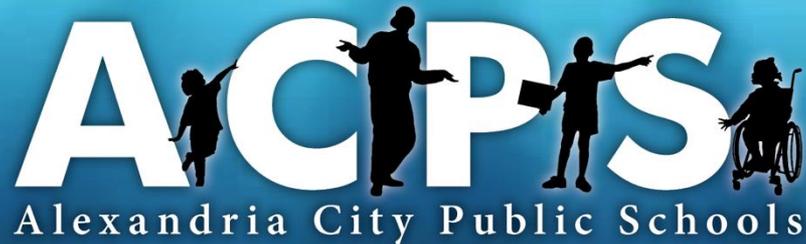
<sup>3</sup> Savings from positions staffed at lower pay than exiting employees.

<sup>4</sup> Salary portion only. Includes new West End Elementary positions.

## Expenditures

Expenditure Type	Amount
<b>FY 2018 Final Budget <sup>1</sup></b>	<b>261,894,427</b>
<b>Non-Discretionary Changes</b>	<b>15,214,639</b>
Health Care/Benefits Changes	4,682,200
VRS Changes	(235,600)
Employee Salary Changes <sup>2</sup>	4,711,000
Salary Savings <sup>3</sup>	(550,000)
Enrollment-Driven Staffing Changes <sup>4</sup>	3,888,300
Textbook Adoptions (Including TAG)	1,230,400
New Elementary O&M Costs	1,221,600
Other Non-Discretionary Changes	266,739
<b>Discretionary Changes</b>	<b>(645,300)</b>
5% Central Office Non-Pers. Reductions	(535,300)
Targeted Overtime Reduction	(250,000)
Discontinuing PIE Grants	(175,900)
Implement Specialized Instruction Recs	125,000
Other Discretionary Changes	190,900
<b>FY 2019 Projected Expenditures <sup>1</sup></b>	<b>276,463,766</b>

# **FY 2019 Operating Budget:** *Closing the Budget Gap (Overview)*



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# Closing the Budget Gap

## Start: Current Budget Gap

- Budget Gap: \$1,090,301

## Step 1: Apply Technical Adjustments

- Net Impact: ↑ \$153,652
- Budget Gap: \$1,243,953

## Step 2: Fund Implementation of Reorganizations

- Net Impact: ↑ \$170,945
- Budget Gap: \$1,414,897

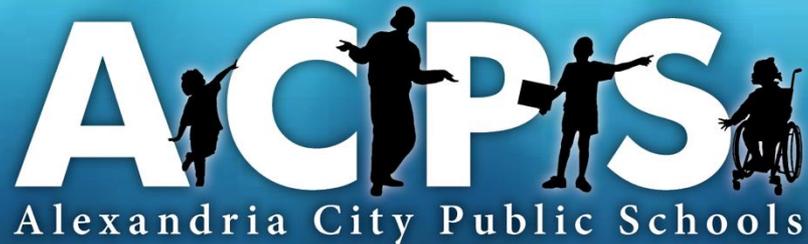
## Step 3: Pre-Purchase K-2 Literacy

- Net Impact: ↓ \$612,000
- Budget Gap: \$802,897

## Step 4: Apply Additional FY 2019 Adjustments

- Net Impact: ↓ \$802,898
- Budget Gap: \$0

# **FY 2019 Operating Budget:** *Technical Adjustments*



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# Technical Adjustments

## Due to Projected Enrollment Changes

Description	Amount
Add One Section 1st Grade at Cora Kelly	102,926
Add One Section 5th Grade at Jefferson-Houston	102,926
Add Various Changes at Patrick Henry (Adjustments for KG, 1st and 6th) <sup>1</sup>	10,381
Add MacArthur Encore Position Adjustment of 0.2 FTE	18,811
Add Jefferson-Houston CTE Position Adjustment of 0.1 FTE (Correction of Error)	9,159
Decrease One Section 5th Grade at Samuel W. Tucker	(102,926)
<b>Total Technical Adjustments Due to Projected Enrollment Changes</b>	<b>141,277</b>

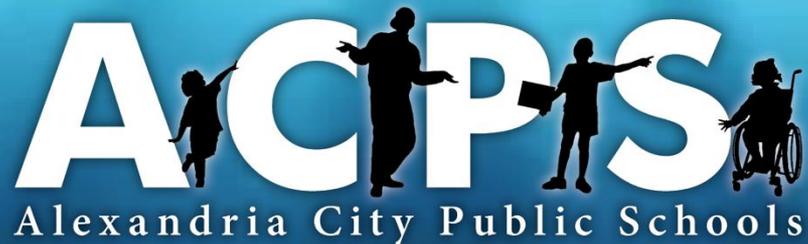
<sup>1</sup> Patrick Henry changes from the Adopted Budget include the addition of 2.0 6th Grade Teacher positions and 0.5 Spanish Teacher position as well as the reduction of one section of Kindergarten (1.0 Teacher and 1.0 Paraprofessional) and one section of first grade (1.0 Teacher).

# Technical Adjustments

## Due to Rate Changes

Description	Amount
State Changes to VRS Non-Professional Rates on March 27, 2018	(70,544)
Central Office Parking Reversion to Current Year	(108,000)
Additional Health Care Cost Projection	45,680
City of Alexandria Living-Wage Adjustment (Including Substitute Teachers)	104,510
Recommended Position Reclassifications	40,729
<b>Total Technical Adjustments Due to Rate Changes</b>	<b>12,375</b>
<b>Total of All Technical Adjustments</b>	<b>153,652</b>
<b>FY 2019 Budget Gap, Following Technical Adjustments</b>	<b>1,243,953</b>

# **FY 2019 Operating Budget:** *Department Reorganizations*



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# Reorganization Implementation

## Operations Department

Description	Amount
New Executive Coordinating Director Position	167,185
New Energy Manager Position	137,265
Upgrade of Assistant Director II - Health, Safety & Risk to Director II - Health, Safety & Risk	7,609
Upgrade of Facilities Planner to Senior Planner	6,010
Upgrade of Transportation Coordinator to Assistant Director - Transportation	5,713
Upgrade of Administrative Assistant I to O&M Work-Order Controller	1,926
Lateral Change of Shop Supervisor to Fleet Manager	0
<b>Total Operations Department Reorganization</b>	<b>325,709</b>

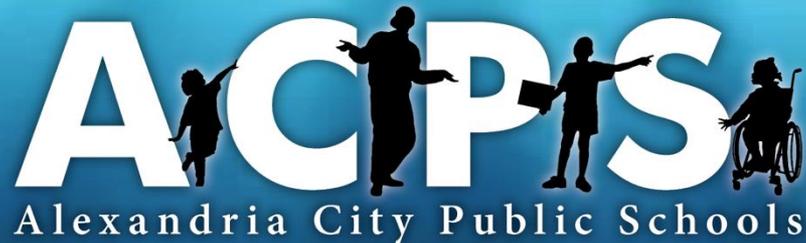
# Reorganization Implementation

## Curriculum & Instruction Department

Description	Amount
Elimination of Director of Curriculum Design and Instruction Position	(192,764)
Upgrade of Positions to Team Leader/Coordinator for Humanities, Literacy and STEM	18,000
Additional Administrative Support through Temporary Employees and Contractual Services	20,000
<b>Total Curriculum &amp; Instruction Department Reorganization</b>	<b>(154,764)</b>
<b>Total Operations and C&amp;I Reorganizations</b>	<b>170,945</b>
<b>FY 2019 Budget Gap, Following Technical Adjustments and Reorganizations</b>	<b>1,414,897</b>

# **FY 2019 Operating Budget:**

## *FY 2018 Pre-Purchase of Elementary Literacy Textbooks and Materials*



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# FY 2018 Pre-Purchase of Textbooks

## Contributions to Support Elementary Literacy

### Textbook Purchase Plan

#### K-2 Literacy Textbooks and Materials

- Estimated Cost: \$612,000
- Purchase in FY 2018 utilizing funding contributed by schools and central office departments

#### 3-5 Literacy Textbooks and Materials

- Estimated Cost \$612,000
- Purchase in FY 2019 after reducing expenditure budget

#### Other Details

- Total Estimated Cost: \$1,224,000
- Process includes Teacher Committee, Public Viewings/Feedback, Board Approval
- Proposed contracts brought to Board for approval on June 21, 2018

Description	Amount
Human Resources Contribution	(50,000)
Financial Services Contribution	(35,000)
Curriculum & Instruction Contribution	(20,000)
Transportation Contribution	(20,000)
Superintendent's Office Contribution	(11,000)
Accountability Contribution	(10,000)
School Non-Personnel Contributions	(343,389)
Additional Reduction of Fund Balance as of June 30, 2018	(122,611)
<b>Total FY 2018 Expenditure Reductions in Support of Elementary Literacy</b>	<b>(612,000)</b>
<b>FY 2019 Budget Gap, Following Technical Adjustments, Reorganizations and FY 2018 Elementary Literacy Pre-Purchases</b>	<b>802,898</b>

# **FY 2019 Operating Budget:**

*Additional Proposed*

*FY 2019 Changes*



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# Additional FY 2019 Adjustments

## Additional Revenue and Expenditures

### Additional Revenue

Description	Amount
Additional Medicaid Revenue Projection	(50,000)
<b>Total Additional Revenue</b>	<b>(50,000)</b>

### Additional Expenditures

Description	Amount
Violent Intruder (ALICE) Training for Non-Exempt Staff	37,000
Shift of Current T.C Williams Administrative Position to Support International Academy	23,066
<b>Total Additional Expenditures</b>	<b>60,066</b>

# Additional FY 2019 Adjustments

## Central Office Department – Additional Reductions<sup>1</sup>

Description	Amount
Curriculum & Instruction Non-Personnel Reductions	(204,167)
Technology Services Non-Personnel Reductions	(50,000)
Human Resources Non-Personnel Reductions	(13,000)
Financial Services Non-Personnel Reductions	(11,600)
Talent Development Non-Personnel Reductions	(10,000)
Communications Non-Personnel Reductions	(10,000)
Specialized Instruction – Pre-Funding of Potential Audit Recommendations <sup>2</sup>	(50,000)
<b>Total Budgetary Reductions</b>	<b>(348,767)</b>

<sup>1</sup> Prior to the presentation of the FY 2019 Superintendent's Proposed Operating Budget, all Central Office departments (excluding Operations due to additional needs associated with opening new schools) reduced their non-personnel budget by at least 5%.

<sup>2</sup> \$125,000 was included in the School Board Approved Budget. This recommendation would reduce the amount to \$75,000.

# Additional FY 2019 Adjustments

## Budgetary Reductions Through Trend Analysis

Description	Amount
Division-Wide Human Resources Budgetary Reduction	(113,600)
K-Prep Budgetary Reduction	(25,000)
T.C. Williams Satellite Campus Non-Personnel Budgetary Reduction	(40,000)
Long-Term Vacant T.C Williams EL Core Content Position Budgetary Reduction	(257,361)
Division-Wide Finance Reserve Budgetary Reductions	(28,236)
<b>Total Budgetary Reductions</b>	<b>(464,197)</b>
<b>Total Additional FY 2019 Adjustments</b>	<b>(802,898)</b>
<b>FY 2019 Budget Gap, Following Technical Adjustments, Reorganizations, FY 2018 Elementary Literacy Pre-Purchases and FY 2019 Adjustments</b>	<b>\$0</b>

# FY 2019 – 2028 Capital Improvement Program



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# FY 2019 – 2028 CIP

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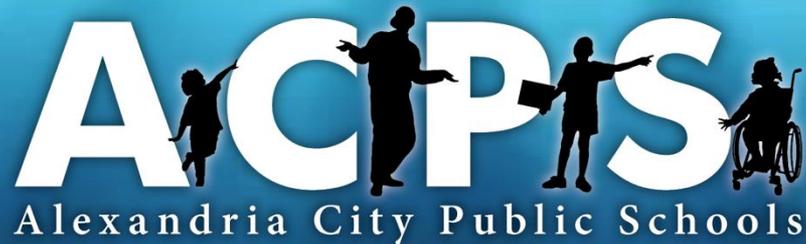
City Council fully funded FY 2019 - 2028 CIP, **\$474.7M**, including **\$68.3M** in FY 2019 with **\$33.1M** in direct funding.

**\$67.7M** in reserve for:

- High School Planning (FY 2019, \$5.2M)
- Property Acquisition (FY 2019, \$30M)
- Transportation Facility (FY 2023, \$6.7M)
- Project contingency (FY 2020-2027, \$25.2M)

One change requested by ACPS staff to advance Mount Vernon roof replacement project from FY 2021 to FY 2020.

# **FY 2019 Combined-Funds:** *Budget Process through Final School Board Adoption*



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# Remaining Budget Timeline

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Date	Event
<b>May 10, 2018</b>	<b>School Board Budget Work Session Public Hearing</b>
May 14, 2018 (by Noon)	School Board Deadline to Submit Add/Deletes
May 15, 2018	Staff Deadline to Compile, Review and Return Add/Deletes
May 18, 2018	School Board Deadline to Submit Co-Sponsorships
May 21, 2018	Staff Deadline to Compile and Post Co-Sponsorships and Updated Superintendent's Recommendations
May 24, 2018	Add/Delete Work Session #1
May 31, 2018	Add/Delete Work Session #2 (If Necessary)
June 7, 2018	School Board Budget Adoption

Note: All events above refer to both the Combined-Funds and CIP budgets.

# Questions/Comments

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