

BOARD MEMO

Date: September 22, 2022
For ACTION _____
For INFORMATION X
Board Agenda: Yes x
No _____

FROM: Robert Easley, Director, Budget & Financial Systems & Reporting

THROUGH: Dominic B. Turner, Chief Financial Officer
Dr. Melanie Kay-Wyatt, Interim Superintendent of Schools

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

TOPIC: Fiscal Forecast

ACPS 2025 STRATEGIC PLAN GOAL:
Goal 4: Strategic Resource Allocation

SY 2022-2023 FOCUS AREA:
Strategic Plan Implementation

FY 2023 BUDGET PRIORITY:
N/A

SUMMARY:
The following document will be discussed during the FY 2024 Budget Work Session on September 22, 2022:

Five-Year Fiscal Forecast: The FY 2023 – FY 2028 Operating Fund Fiscal Forecast reflects the financial challenges that the Division will face in the coming years. Over the previous decade, student enrollment and expenditures have increased at a far quicker pace than the corresponding revenue has grown. ACPS Staff analysis shows that this trend will continue into the future, requiring a combination of revenue enhancements and expenditure reductions to balance a projected budget gap.

For FY 2024, the projected budget deficit is \$12.05 million. Each year, as expenditures outpace revenues, the estimated budget gap will continue to expand. By FY 2028, the annual funding deficit projection grows to \$37.83 million.

This fiscal forecast begins with the FY 2023 Final Operating Fund Budget which was balanced with the use of \$9.32 million in fund balance (\$3.77M transfer to support CIP). In each fiscal year, beginning with FY 2024, adjustments were made to reflect the anticipated revenue and expenditure assumptions. These assumptions (based on historical data and analysis of the operating impacts of the Capital Improvement Program) will be discussed in the work session.

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BACKGROUND:

Each September, the School Board begins budget development for the next fiscal year. This budget work session commences public work on the FY 2023-2028 fiscal forecast

Five-Year Fiscal Forecast: In order to facilitate long-term planning and budgeting efforts, ACPS Staff provides the School Board with periodic updates on the long-term fiscal forecast of the Operating Fund.

RECOMMENDATION:

The Interim Superintendent recommends that the School Board review the Five-Year Fiscal Forecast in preparation for the next work session.

IMPACT:

N/A

ATTACHMENTS:

1. FY 2023 – FY 2028 Operating Fund Fiscal Forecast

REFERENCES: N/A

CONTACT: Dominic B. Turner, dominic.turner@acps.k12.va.us