

Date: May 25, 2017

For ACTION X

For INFORMATION

Board Agenda: Yes X
No

FROM: Richard Jackson, Director of Educational Facilities
Elijah Gross, Director of Planning, Design and Construction

THROUGH: Alvin L. Crawley, Ed.D., Superintendent
Michael Herbstman, Chief Financial Officer
Clarence Stukes, Chief Operations Officer

TO: The Honorable Ramee Gentry, Chair, and Members of the Alexandria City School Board

TOPIC: **Motion to Adopt the Final FY 2018-2027 Capital Improvement Program (CIP) Budget**

BACKGROUND: The School Board is scheduled to approve the FY 2018-2027 final CIP budget on May 25, 2017. The School Board's FY 2018-2027 CIP budget, as approved on December 15, 2016, totals \$611,021,367, including \$89,666,372 in FY 2018.

The City Council adopted their CIP budget on May 4, 2017, which included \$19,000,000 for ACPS in FY 2018 presenting a budget deficit of \$70,666,372 from the original School Board Approved FY 2018 CIP. The City's ten-year CIP budget for ACPS was approved as \$373,000,000 presenting a ten-year budget deficit of \$238,021,367.

The Superintendent recommended several adjustments to decrease the budget gap. The following recommended adjustments were presented to the School Board at its preliminary work session on May 11, 2017:

- Adjust relocatable funding in FY 2018 to provide funds to help mitigate the budget gap
- Add remaining \$88,358 to system-wide project planning funds to assist with the increasing demand for more upfront planning of projects
- Move and adjust swing space budget request to FY 2019 for \$22 million, which assumes use of the Lee Center
- Move the Douglas MacArthur and George Mason projects out 1 year to begin design in FY 2020 and FY 2022, respectively, due to the need for swing space and adjust the budgets for inflation
- Move the Cora Kelly project out 2 years to begin design in FY 2024 to provide flexibility in using the swing space and adjust the budget for inflation
- Add \$1 million to system-wide emergency repair funding in FY 2022 to help alleviate issues with schools being modernized later than recommended
- Adjust the new middle school project to be a 600 student new build school with design in FY 2022 and construction in FY 2023 at a site to be determined

- Move the Matthew Maury and new elementary school projects out with design funds for each now requested in FY 2027 and adjust the budgets for inflation

The above adjustments resulted in a ten-year CIP totaling \$459,394,127 with a total budget gap of \$86,394,127, with no budget gap in FY 2018. The Superintendent also acknowledged that, given the land needed to support CIP projects and the difficulty ACPS has experienced in finding available land, ACPS should be considered for \$8 million of the \$10.9 million which will be available in January 2018 following the completion of the work of the Ad-Hoc Joint Facilities Investment Task Force (Task Force).

After the School Board went through its final add-delete process, it was determined that no changes should be made from the Superintendent's recommended adjustments. The School Board advocated for being considered by the Task Force for all revenues generated by the City from the approved tax increase following the completion of the Task Force's work in January 2018. It was also determined by the School Board that the title of the line item representing the funds from the tax increase be adjusted to not limit these funds to land acquisition but rather capacity expenses as needed. The Final CIP Budget Summary chart (Attachment 2) was adjusted to reflect the School Board's requests.

RECOMMENDATION: The Superintendent recommends that the School Board adopt the final FY 2018-2027 CIP budget as shown in the attached schedules.

CONTACT PERSON: Richard Jackson, 703-619-8038

ATTACHMENTS: 1. Motion
2. FY 2018-2027 Final CIP Budget Summary
3. FY 2018-2027 Final CIP Budget Details

Attachment 1

Motion to Adopt the FY 2018 - 2027 Capital Improvement Program Budget

Madam Chair, I move that the Alexandria City School Board approve the FY 2018 - 2027 Capital Improvement Program Budget in the total amount of \$459,394,127, including \$19,000,000 in FY 2018 with the amendments as discussed by the School Board during the add/delete work session.

The approved CIP expenditures for FY 2018 -2027 are shown in Attachments 2 and 3. These attachments incorporate all of the projects from the approved FY 2018-2027 CIP budget.

The Superintendent is granted the authority to make the necessary minor changes to comply with the intent of the School Board.