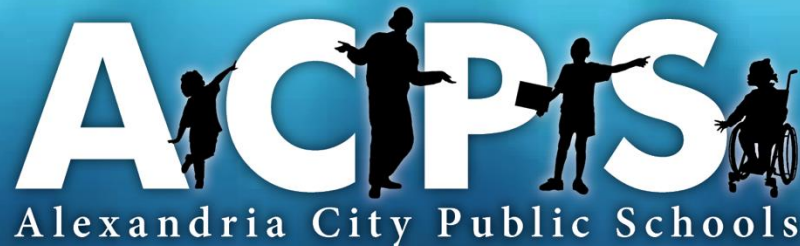


Joint City Council and School Board Budget Work Session

Staying the Course in Our Pursuit of Excellence

Ramee Gentry, Chair
Alexandria City School Board

March 8, 2017



Every Student Succeeds

ACPS 2020 Strategic Plan Goals

- **Goal 1 – Academic Excellence and Educational Equity:** Every student will be academically successful and prepared for life, work, and college.
- **Goal 2 – Family and Community Engagement:** ACPS will partner with families and the community in the education of Alexandria’s youth.
- **Goal 3 – An Exemplary Staff:** ACPS will recruit, develop, support, and retain a staff that meets the needs of every student.
- **Goal 4 – Facilities and the Learning Environment:** ACPS will provide optimal and equitable learning environments.
- **Goal 5 – Health and Wellness:** ACPS will promote efforts to enable students to be healthy and ready to learn.
- **Goal 6 – Effective and Efficient Operations:** ACPS will be efficient, effective, and transparent in its business operations.



School Board Approved and Currently Proposed City Appropriation

ACPS Operating Fund

Budget Year	School Board Approved	City Proposed	Difference
FY 2018	\$216,149,404	\$214,061,472	(\$2,087,932)

ACPS Capital Improvement Program

Project Years	School Board Approved	City Proposed	Difference
FY 2018 Only	\$89,766,272	\$19,000,000	(\$70,766,272)
FY 2018 - 2027	\$611,121,367	\$373,000,000	(\$238,121,367)

Essential Questions for Discussion

1. Given fiscal constraints and the Five-Year Fiscal Forecast, how do we jointly plan for the long-term needs of the City?
2. How do we address funding gaps between the School Board approved budgets and the currently proposed City appropriation?

FY 2018 Budget Development

Areas of Focus

Operating Budget

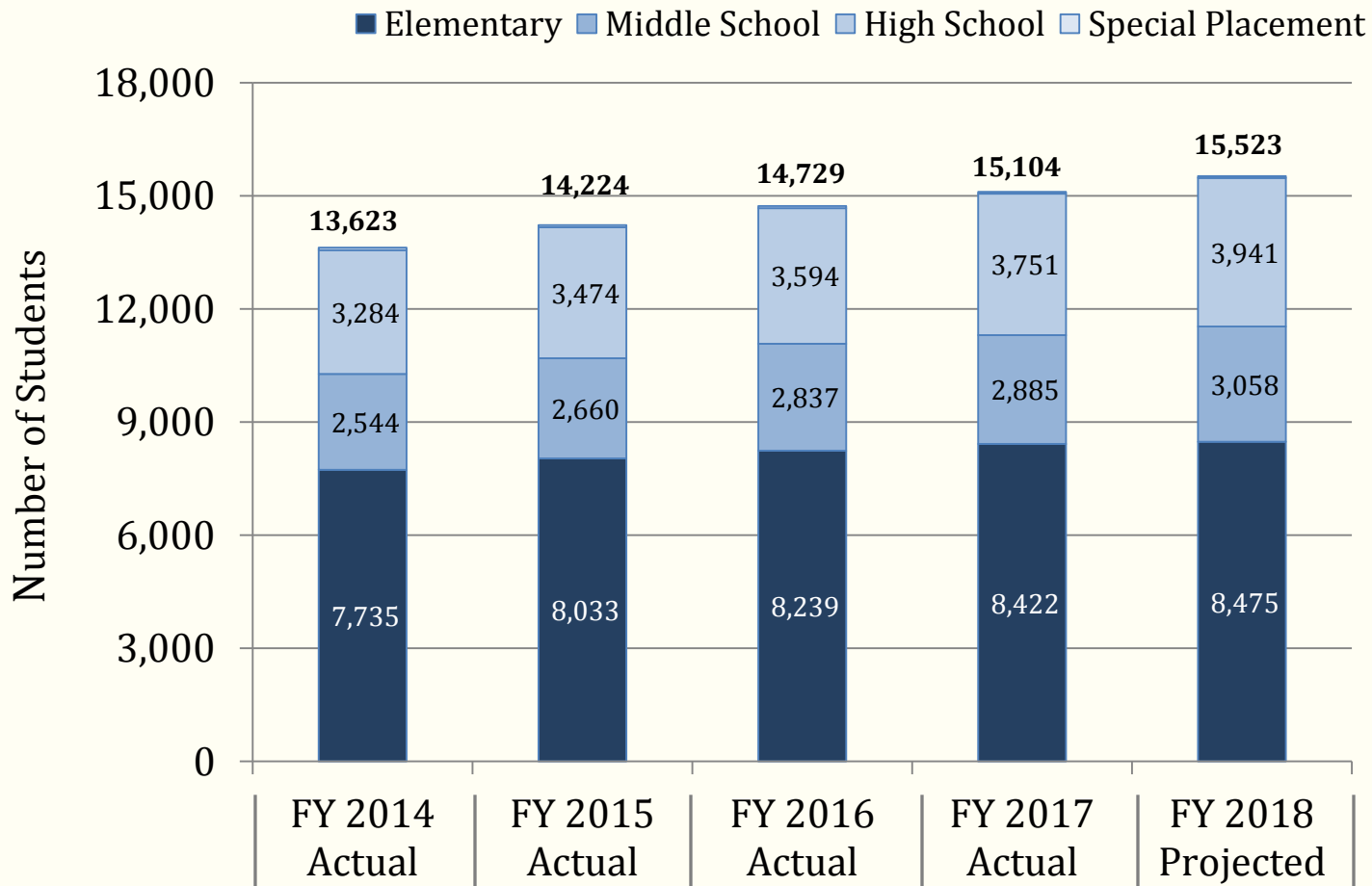
- Address growing enrollment
- Increase student support service: substance abuse counselor, school climate specialist, translation
- Recruit and retain highly qualified staff, and continue to offer competitive salaries and benefits

Capital Improvement Program

- Address growing enrollment
- Support the modernization and maintenance of our facilities to create optimal learning environments
- Aligns capital needs with the School Division's academic vision of being a high-performing School Division

Key Budget Drivers

Historical Enrollment



Growth
2014 - 2017

9-12
14.2%

6-8
13.4%

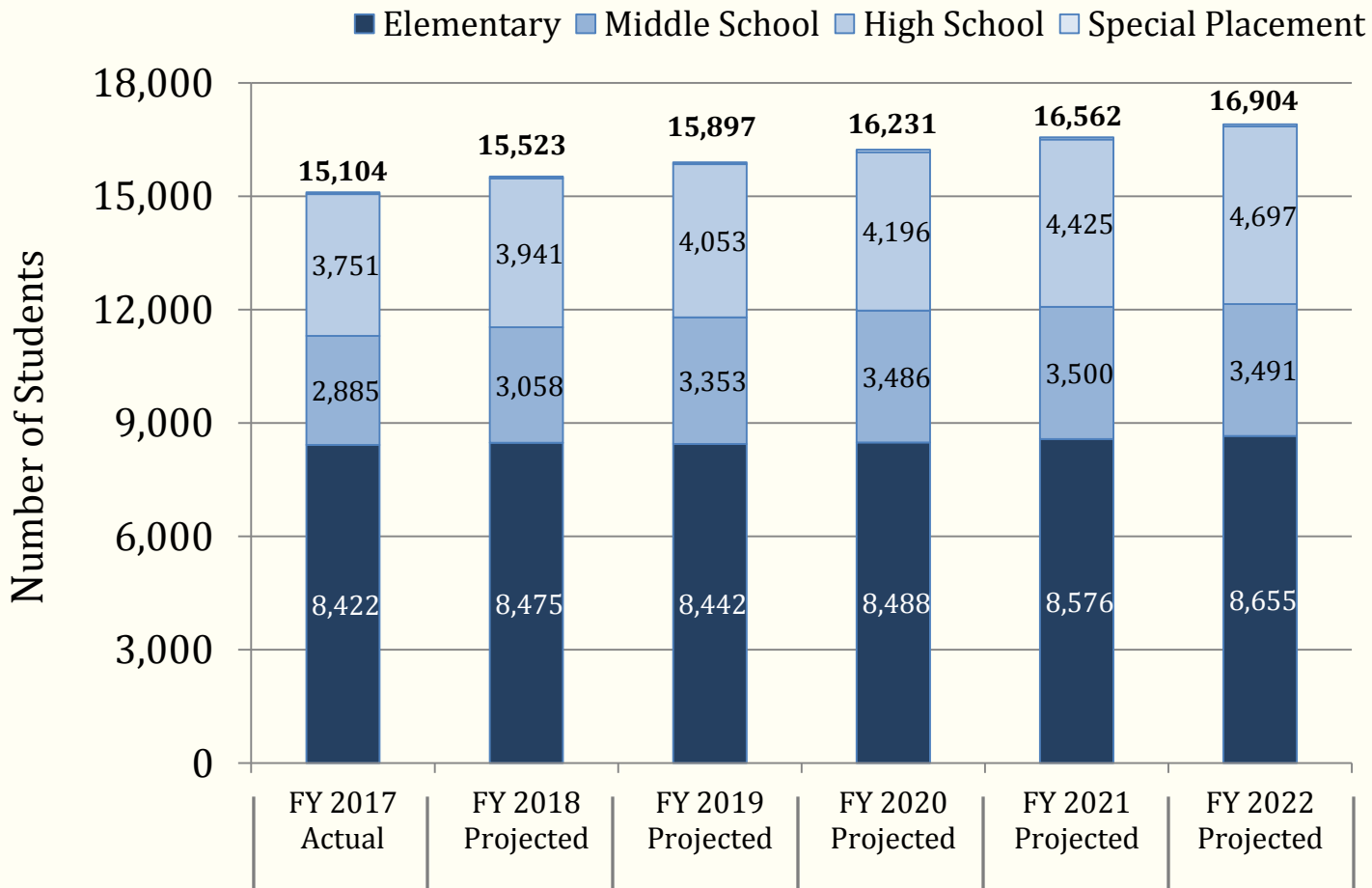
Pre-K-5
8.9%

Total
10.9%

Total Annual Growth	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected
	3.9%	4.4%	3.6%	2.5%	2.8%

Key Budget Drivers

Future Enrollment



Projected Growth
2017 - 2022

9-12
25.2%

6-8
21.0%

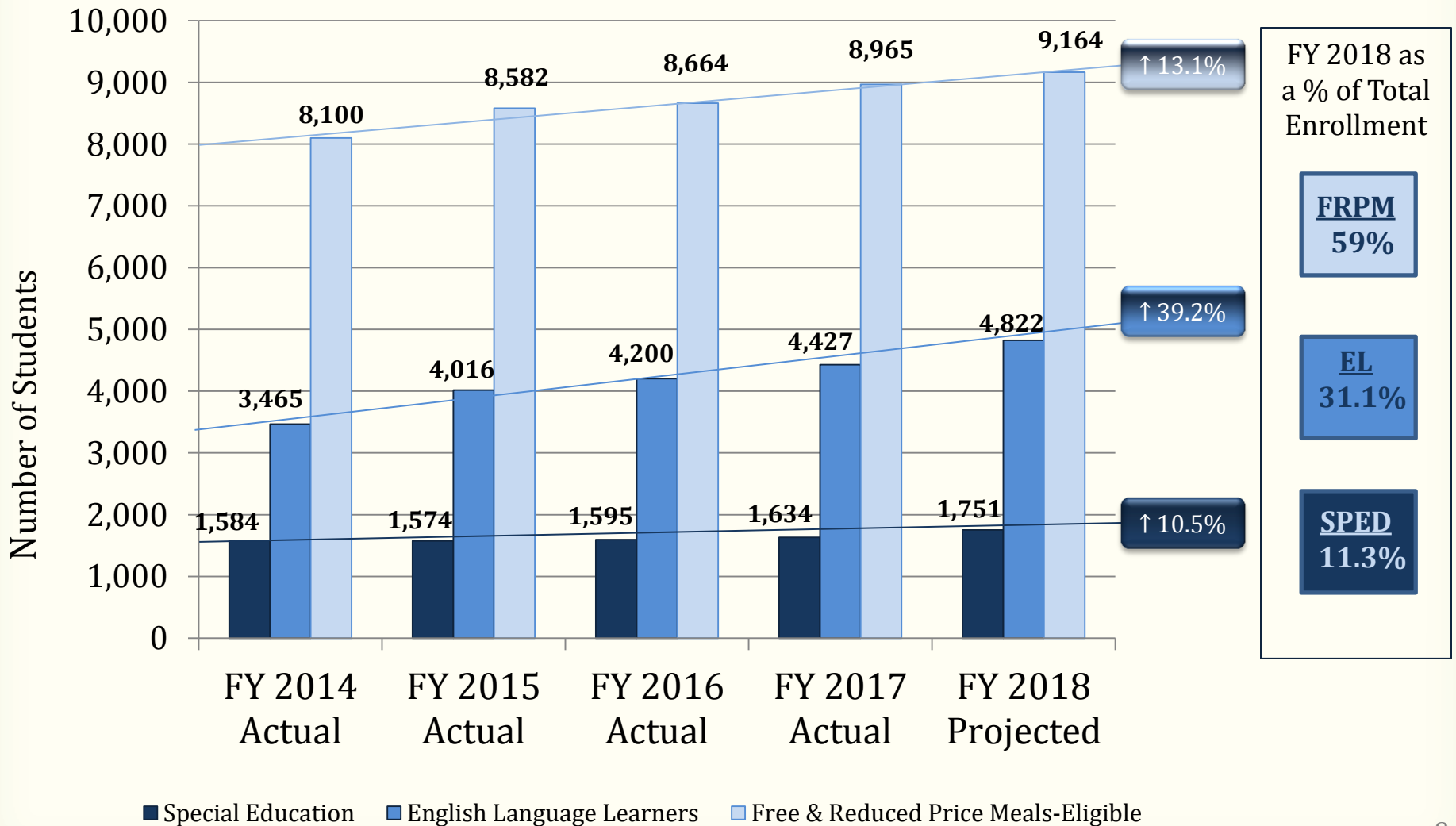
K-5
2.8%

Total
11.9%

Total Annual Growth	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
	2.5%	2.8%	2.4%	2.1%	2.0%	2.1%

Key Budget Drivers

Enrollment: Students with Additional Needs



Market Competitiveness – Teacher Compensation (Current Year)

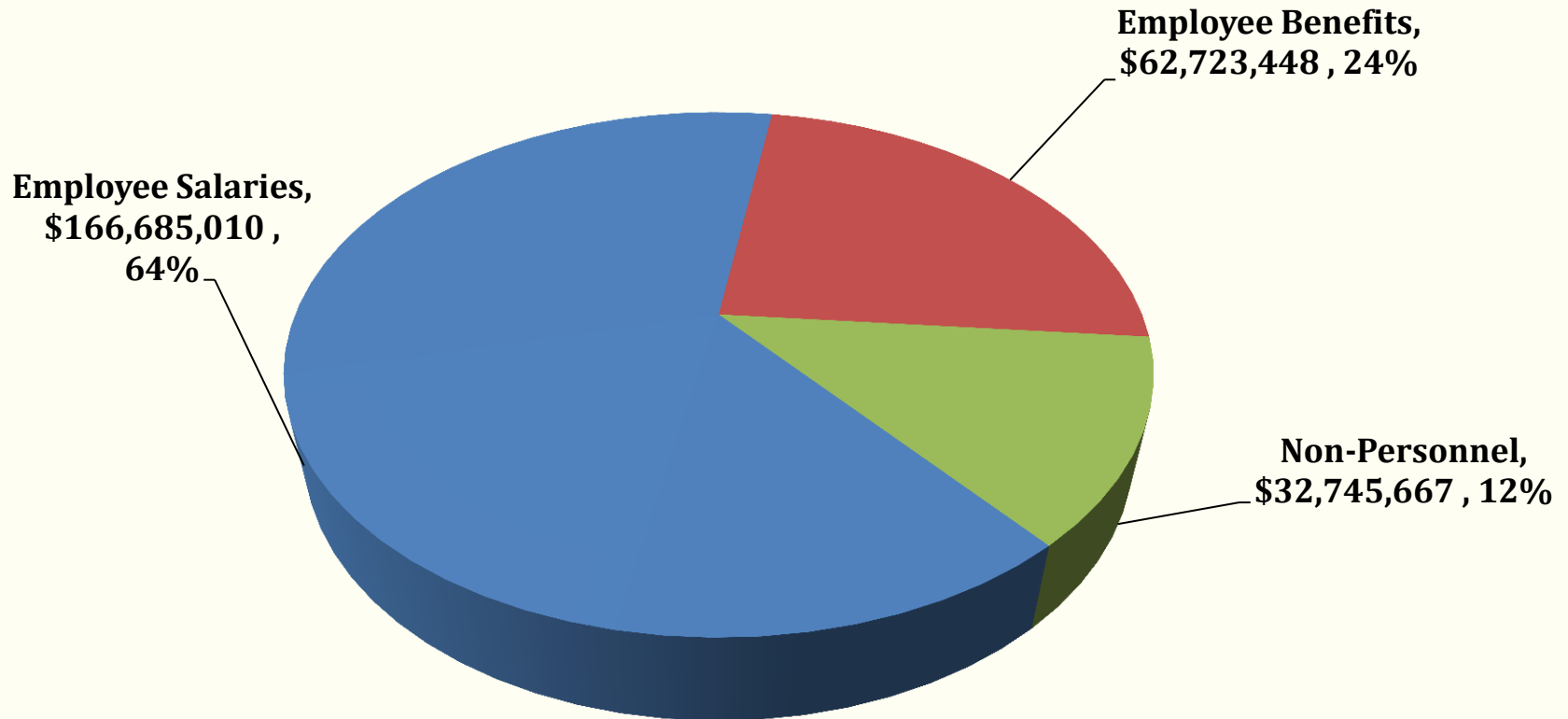
Division	Beginning Teacher, Bachelors Degree, Step 1
Falls Church City	\$ 49,600
Loudoun County	\$ 49,182
Montgomery County	\$ 48,528
Arlington County	\$ 48,228
Fairfax County	\$ 47,516
Alexandria City	\$ 47,242
Prince William County	\$ 46,923
Manassas City	\$ 46,078
Manassas Park City	\$ 46,000

Division	Maximum Salaries
Prince William County	\$ 115,066
Arlington County	\$ 113,207
Manassas Park City	\$ 112,033
Montgomery County	\$ 108,365
Falls Church City	\$ 108,020
Alexandria City	\$ 107,259
Loudoun County	\$ 106,197
Fairfax County	\$ 103,854
Manassas City	\$ 103,497

Source: Washington Area Boards of Education (WABE) – FY 2017 Guide

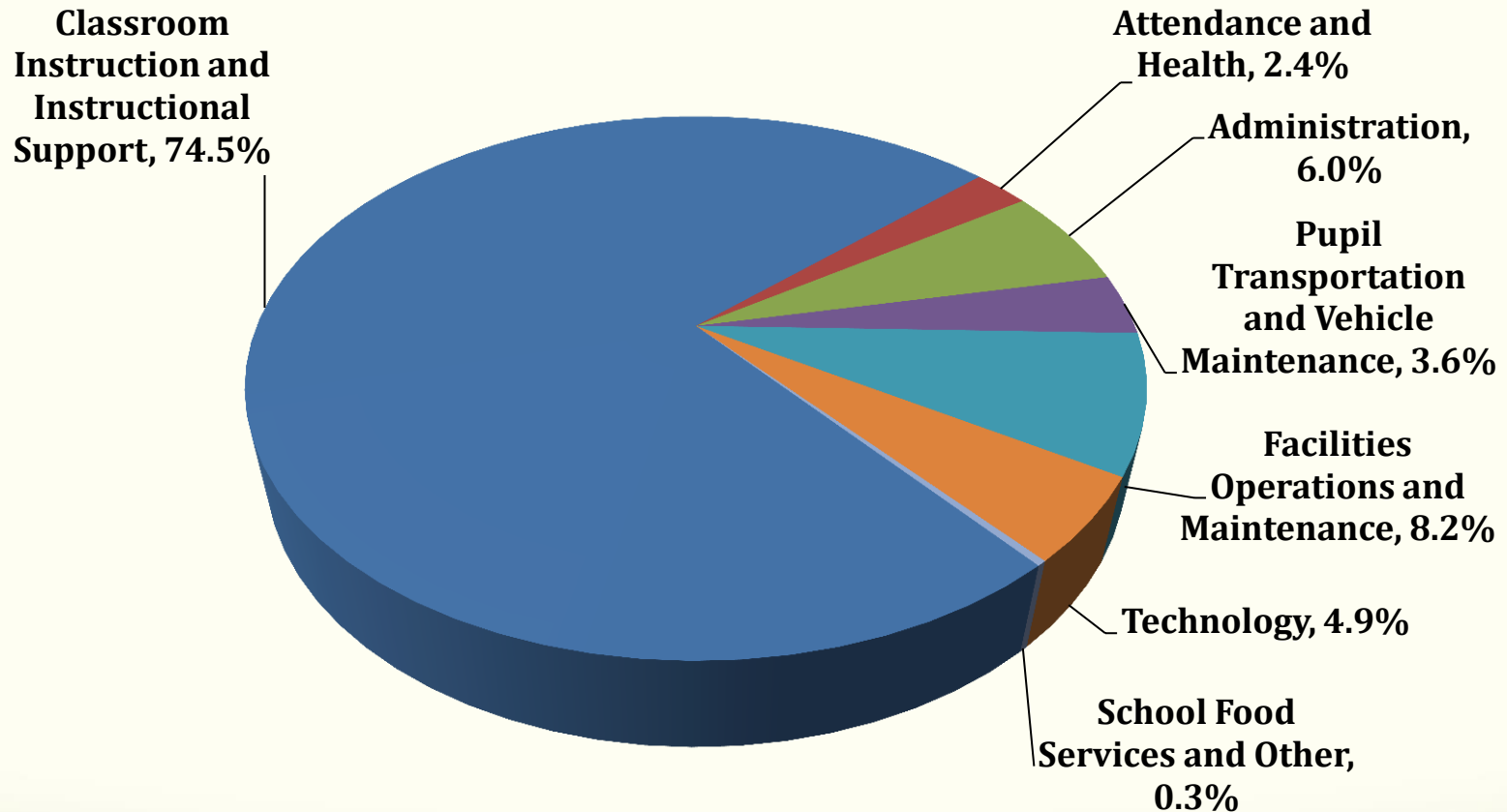
FY 2018 Classification of Operating Expenditures

Total Expenditures = \$262.2 Million



FY 2018 Classification of Operating Expenditures

Total Expenditures = \$262.2 Million



FY 2018 Operating Funds Budget

Revenue

Revenue Type	Percent	Amount
City Appropriations – FY 2017 Level	83%	(206,561,472)
State Revenue	17%	(41,718,000)
Federal and Local Revenue	<1%	(835,763)
Transfer to Grants		<u>1,581,974</u>
Total Revenue		(247,533,261)

Expenditures

Expenditure Type	Amount
FY 2017 Final Budget	253,400,479
Changes to Baseline FY 2018	<u>(3,338,039)</u>
FY 2018 Baseline	250,062,440
Enrollment-Driven Staffing Increases	1,490,247
Salary Increases*	4,999,615
VRS Mandated Increases: 14.66% to 16.32%	2,730,473
Health Care Increases	2,490,271
Priority Additions**	<u>1,973,512</u>
FY 2018 Preliminary Expenditures	263,746,558

Closing the Budget Gap

Revenue Type	Amount
Preliminary Funding Gap	16,213,297
Use of Fund Balance	(5,032,932)
Central Department Reductions	<u>(1,592,433)</u>
Funding Gap	9,587,932
City's Proposed Additional Funding	<u>(7,500,000)</u>
Remaining Funding Gap	2,087,932

*Salary Increases:

- Full step for eligible employees: \$4.8 M
- One-time payment of 1% of salary to employees not eligible for step: \$0.2 M

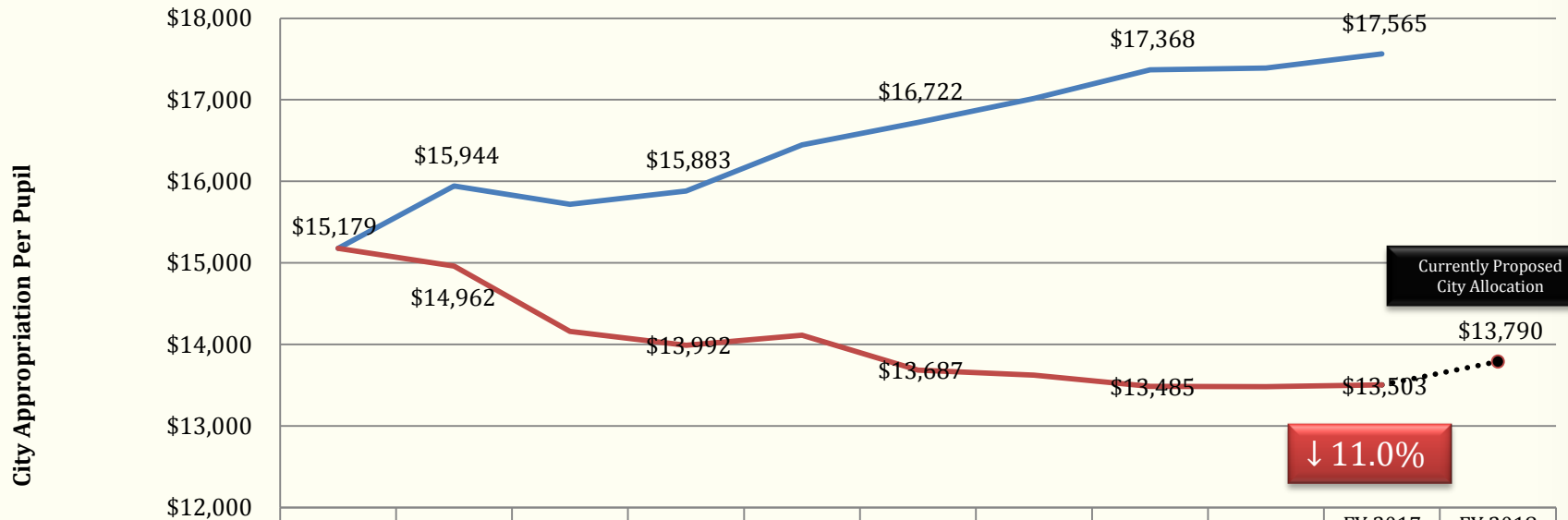
**Priority Additions:

- Textbook Adoptions
- Student Support Services – Substance Abuse Counselor, School Climate Specialist, Translation, training and counseling support
- Communications Outreach Specialist
- Curriculum Management System, Science Specialist
- Educational Facilities contractual increases and maintenance support
- Technology contractual increases

City Appropriation

City Appropriation Per Pupil over Time

↑ 15.7%



Currently Proposed City Allocation

↓ 11.0%

	FY 2008 (Base)	FY 2009 (Actual)	FY 2010 (Actual)	FY 2011 (Actual)	FY 2012 (Actual)	FY 2013 (Actual)	FY 2014 (Actual)	FY 2015 (Actual)	FY 2016 (Actual)	FY 2017 (Budget)*	FY 2018 (Proposed)
Per Pupil Tracking Inflation*	\$15,179	\$15,944	\$15,718	\$15,883	\$16,449	\$16,722	\$17,016	\$17,368	\$17,390	\$17,565	
Per Pupil Actual City Appropriation	\$15,179	\$14,962	\$14,161	\$13,992	\$14,115	\$13,687	\$13,625	\$13,485	\$13,483	\$13,503	\$13,790

*Proxy for Inflation Rates: CPI-U monthly data from U.S. Department of Labor Bureau of Labor Statistic as of January 10, 2017

** FY 2017 projection based on average month July 2016 to November 2016. November 2016 is last month where data is available from U.S. Department of Labor Bureau of Labor Statistic as of January 10, 2017.

***FY 2018 (Proposed) represents Currently Proposed City Allocation

Key Takeaways – Operating

- Enrollment continues to increase at 2-3% each year, requiring differentiated supports and services and increased staffing.
- Responded to the fiscal climate through greater efficiencies, school and central office cuts and redirection of resources.
- Requested an increase of \$9.6 million from the City to address enrollment-driven increases, student instructional needs, and employee compensation.
- Need to sustain and build our instructional focus on becoming a high-performing school division.

Preparing for Execution of Our CIP: ACPS

Staff

- **Facilities:** Added two full time project managers within the last year which will allow some project managers to be exclusively assigned to large scale CIP construction projects
- **Finance:** Added a full time Capital Program Analyst position to the Budget office to allow for a budget staff member to be exclusively assigned to capital expenditures to ensure project budgets are managed

Preparing for Execution of Our CIP: ACPS

Vendor Relations

- Commitment to engaging in contracts and construction delivery methods that promote on time and on budget projects with Guaranteed Maximum Price (GMP) verified in finalizing of construction documents
- Weekly meetings between our Facilities and Procurement departments to coordinate processes and project timelines
- Recent selection of four on-call construction cost estimators to validate costs ranging from CIP budget development to small change orders

Preparing for Execution of Our CIP: ACPS

Enhanced Accountability

ACPS has instituted several measures to enhance accountability for facilities projects:

- Quarterly CIP Report
- Performance Alignment with Strategic Plan Goals for Optimal Learning Environments
- Weekly Capital Coordinating Committee Meetings

Preparing for Execution of Our CIP: ACPS

Communication Planning and Outreach

Added a full time Outreach Specialist position specific to Facilities projects to participate in project planning and manage all appropriate outreach of modernization projects

Preparing for Execution of Our CIP: City and ACPS

Collaboration between City departments and ACPS is essential for the success of this CIP, specifically in the following ways:

- Long Range Educational Facilities Plan
 - Working collaboratively to find the best solutions to capacity needs throughout the City
- Enrollment Projections
 - Working collaboratively to continue the accuracy of enrollment projections
- Coordination Meetings
 - Maintaining schedule of bi-weekly meetings between Operations and Planning & Zoning staff for project updates
 - Maintaining schedule of monthly meetings between Operations and RPCA staff for project updates
 - Maintaining monthly senior-level meetings with City Manager and Superintendent to assess the status of major capital projects and other joint initiatives
- Process Mapping
 - Establishing procedures between the City and ACPS outlining standards and processes for successful execution of capital projects

CIP: School Board Adopted vs. Currently Proposed City Allocation

FY 2018 – 2027 CIP Budget Comparison (\$ in Millions)

Budget	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Total
School Board Adopted	89.8	55.2	52.7	112.8	59.3	101.3	37.8	46.4	13.1	42.8	611.1
City's Proposed	19.0	51.0	10.0	106.0	21.0	72.0	15.0	23.0	13.0	43.0	373.0
Funding Shortfall	(70.8)	(4.2)	(42.7)	(6.8)	(38.3)	(29.3)	(22.8)	(23.4)	(0.1)	0.2	(238.1)

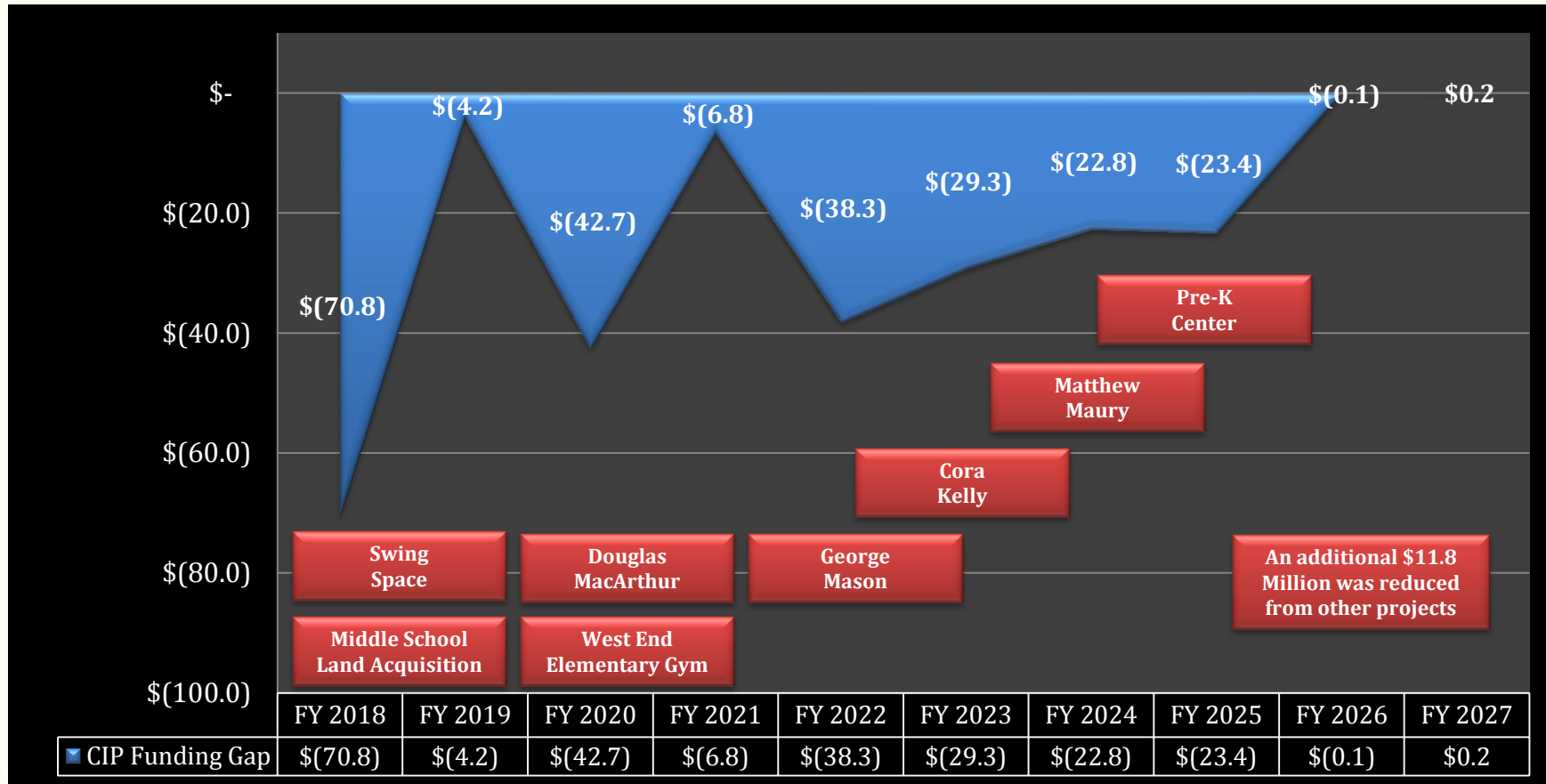
Included

- High School Capacity
- New Middle School (without land)
- Maintenance and Other Non-Capacity Projects (except those four schools identified for modernization)

Excluded

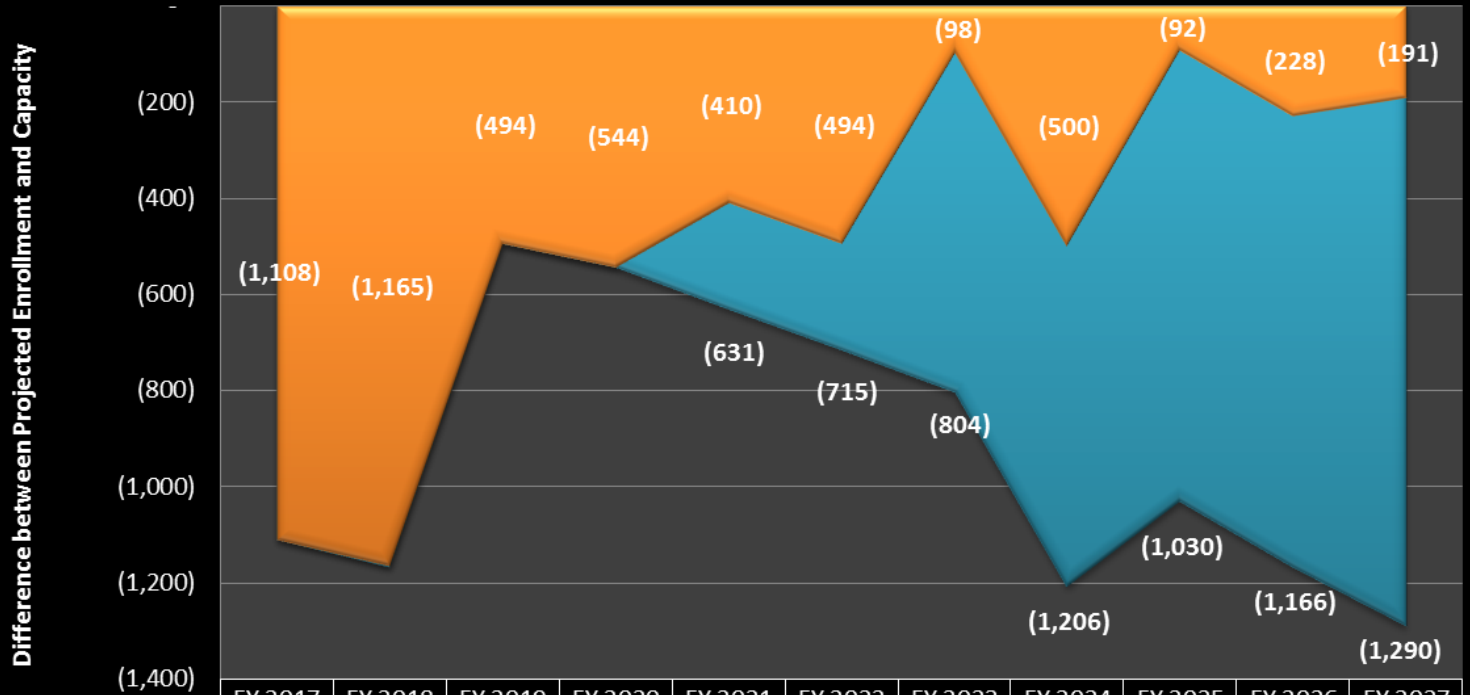
- Elementary Swing Space
- All Elementary Modernization and Capacity Projects (Except new elementary scheduled to open in 2028)
- Pre-K Center
- Land acquisition for Middle School
- Additional \$11.8 Million in Cuts

CIP Funding Gap and Eliminated Projects



Elementary Seating Deficits

Projected Elementary School Seating Deficits



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
With School Board Adopted Projects	(1,108)	(1,165)	(494)	(544)	(410)	(494)	(98)	(500)	(92)	(228)	(191)
With Currently Proposed City Allocation	(1,108)	(1,165)	(494)	(544)	(631)	(715)	(804)	(1,206)	(1,030)	(1,166)	(1,290)

Key Takeaways – CIP

1. Proposed CIP funds Secondary Capacity Projects
2. Proposed funding addresses non-capacity projects except those four schools identified for modernization
3. Identification and funding of swing space and modernization of elementary schools not included in the CIP, impacting student enrollment capacity and condition of learning environments for students
4. Proposed CIP does not fund land acquisition critical to building a new middle school
5. Second Pre-K Center not funded in Proposed CIP, impacting elementary capacity and ability to provide Pre-K educational opportunities
6. Any deferrals or elimination of projects will increase the volatility in the overall CIP

Suggested Strategies to Close CIP Funding Gap

- Use of Lee Center to reduce requested FY 2018 funding for Swing Space (Savings Estimate: \$40 - \$46 million)
- Collaborate with the City to institute a funding strategy to implement the 10-year CIP
- Collaborate with the City to assess opportunities for land acquisition and properties that can meet educational facilities needs
- Collaborate with the City to pursue opportunities for joint use of facilities

Champion for Students

“Every child deserves a champion – an adult who will never give up on them, who understands the power of connection and insists that they become the best that they can possibly be.”

– Dr. Rita Pierson

