



County Board and School Board FY 2025 Budget Work Session

March 22, 2024



FY 2025 School Board Budget Direction

The School Board, therefore, directs the Superintendent to prepare a needs-based budget that:

- **Aligns to the 2023-2024 School Board Priorities.**
 - **Priority 1:** Deepen our focus on ensuring student well-being and academic progress for all students.
 - **Priority 2:** Recruit, hire, retain, and invest in a high-quality and diverse workforce to ensure APS is the place where talented individuals choose to work.
 - **Priority 3:** Improve operational efficiency and continue efforts to realign all operational systems and infrastructure with industry best practices.
- **Maintains our commitment to recruit, hire, retain, and invest in a high-quality and diverse workforce** by sustainably funding market-competitive salary scales and benefits and making other investments as needed to provide high-quality service and support to APS staff.
- **Limits new funding requests** to items specifically delineated in the priorities or those that are necessary for operational success. For all new funding requests, provide the following: rationale; specific, anticipated outcomes; how and by whom the outcomes will be measured; and the timeline for evaluation.
- **Begins to implement necessary changes in resource allocation** as outlined in the planning factor study, in particular those that align with our priority of investing with urgency to improve educational outcomes for students with disabilities, English learners, Black and Latino, and economically disadvantaged students.



FY 2025 Superintendent's Proposed Budget



Total FY 2025 budget
\$826.0 million

Budget increases

↑ *1.7% over FY 2024*



BUDGET HIGHLIGHTS





Priority #1: Student Well-Being and Academic Progress

FY 2025 Funding HIGHLIGHTS



Adjust **staffing** at schools
based on enrollment changes
\$4.2M
(+43.65 Full-Time Employees (FTE))

Sustain student
social-emotional supports
\$0.6M
(0.00 FTE)



Maintain supports for
special populations
\$3.7M
(+20.80 FTE)

Continue existing
**instructional resources
and supports**
\$2.8M
(+3.00 FTE)



Total Investment: \$11.3 million



Priority #2: Recruit, Retain and Invest in Staff



Investing in Compensation



Compensation Adjustment for All Employees

- \$11.2M Step Increase for Eligible Employees
- \$5.9M 1% cost of living adjustment



**3.3% average annual
increase**

Total Investment: \$17.1 million

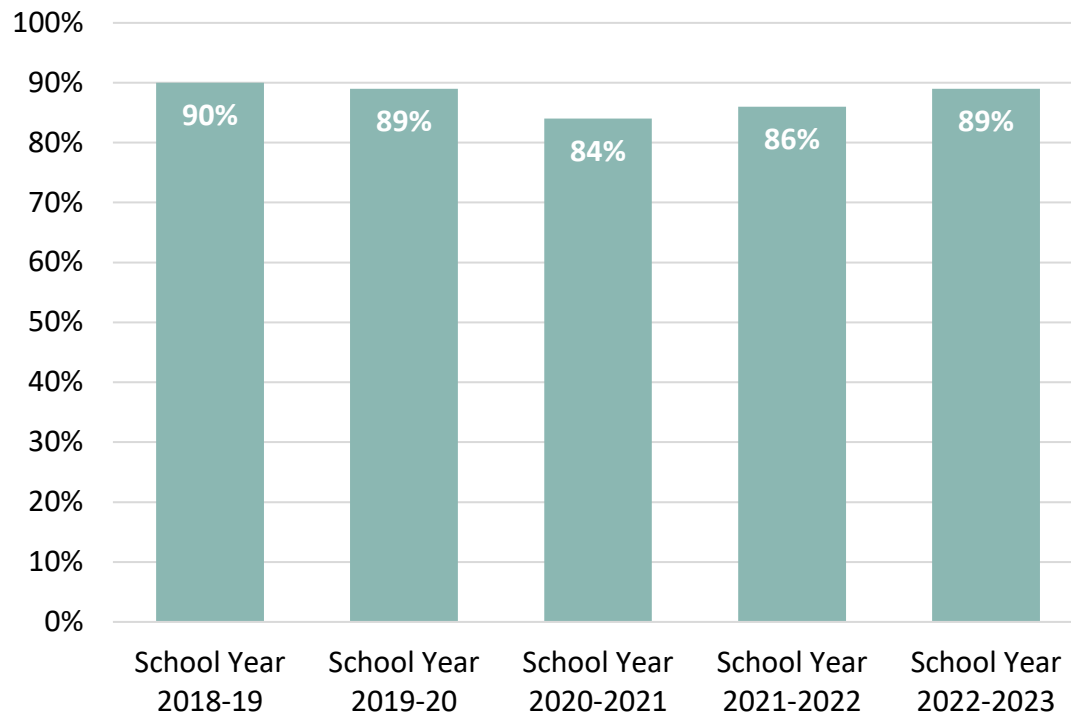
General Assembly adopted budget includes 3% compensation increase which provides approximately \$1.1M.



Priority #2: Recruit, Retain and Invest in Staff

Retention Rate

Our employee retention rate is 89% for 2022-23, a 5 percent increase compared to 2020-21, returning to pre-pandemic levels





Compensation History

Compensation History

In the last 4 years, average employee compensation has **increased by 21.5%**.
APS must invest annually towards the goal of APS being in the **top three** among neighboring jurisdictions.

Fiscal Year	Step Increase	COLA	Other Changes	Average Increase for All Staff
2024 - 2025	Yes	1%		3.3%
2023 - 2024	Yes	3%	• Additional 2% COLA effective January 1, 2024	6.3%
2022 - 2023	Yes	0%	• Up to \$500 bonus (November 2022) • New salary scales implemented based on compensation study • One to four additional steps depending on the number of steps missed over the past ten years	8.7%
2021 - 2022	Yes, mid-year	2%	• Up to \$2,000 bonus (December 2021, April 2022) • Additional steps for support scales	3.2%
2020-2021	No	0%		0%
2019-2020	Yes	0%	• Salary scale adjustments for positions identified in the compensation study as being under market.	2.6%
2018-2019	Yes	0%	• Salary scale adjustments for positions identified in the compensation study as being under market.	2.6%



Compensation Regional Analysis – FY 2024

School Division	Step 1 +		Step 5 +		Step 10 +		Step 15 +	
	Masters Degree	Rank	Masters Degree	Rank	Masters Degree	Rank	Masters Degree	Rank
Alexandria City	\$ 64,026	2	\$ 73,644	1	\$ 88,735	1	\$ 103,373	1
Arlington County	\$ 64,087	1	\$ 72,130	2	\$ 83,619	2	\$ 96,937	2
Fairfax County	\$ 61,612	6	\$ 69,304	5	\$ 82,710	4	\$ 93,091	4
Falls Church City	\$ 62,620	4	\$ 70,480	4	\$ 82,901	3	\$ 95,275	3
Loudoun County	\$ 62,892	3	\$ 71,571	3	\$ 82,541	5	\$ 92,219	5
Prince William County	\$ 61,976	5	\$ 67,723	6	\$ 78,510	6	\$ 83,291	6



Compensation Regional Analysis – FY 2025 Proposed

School Division	Step 1 +		Step 5 +		Step 10 +		Step 15 +	
	Masters Degree	Rank	Masters Degree	Rank	Masters Degree	Rank	Masters Degree	Rank
Alexandria City (2%)	\$ 65,307	3	\$ 75,117	2	\$ 90,510	1	\$ 103,373	1
Arlington County (1%)	\$ 64,728	6	\$ 72,851	6	\$ 84,455	6	\$ 96,937	3
Fairfax County (6%)	\$ 65,309	2	\$ 73,462	3	\$ 87,673	2	\$ 98,676	2
Falls Church City (3.5%)	\$ 64,812	5	\$ 72,947	5	\$ 85,803	4	\$ 95,275	4
Loudoun County (4%)	\$ 65,408	1	\$ 74,434	4	\$ 85,843	3	\$ 92,219	6
Prince William County (5%)	\$ 65,075	4	\$ 75,440	1	\$ 84,908	5	\$ 93,745	5



Priority #3: Operational Efficiency

Sustain operational efficiency and excellence



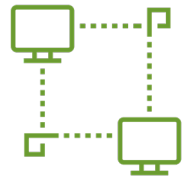
\$0.1M Maintain existing Title IX Coordinator (1.00 FTE)



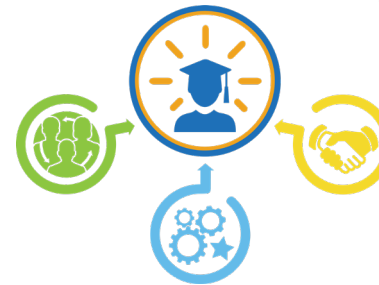
\$1.2M Continue with school bus replacement



\$0.8M Replace synthetic turf fields at Thomas Jefferson Park Lower Field



\$0.6M Continue replacement cycle of network infrastructure



\$0.3M Continue funding for consultants supporting the Strategic Plan development



\$0.1M Invest in new Custodial staffing support and cleaning supplies (0.50 FTE)



\$0.6M Sustain facilities maintenance and insurance costs

\$0.4M Increase contractual obligations, utilities and building leases

Total Investment: \$4.1 million



SUMMARY OF REDUCTIONS

Total Reductions: \$21.1 million

Total Central Office Reductions: **-\$18.8M** **-23.0 out of 419.25 NSB* FTE** **↓ 5%**

**Total Central Office with Additional
Reductions to Close the Gap:** **-\$23.7M**

Total School Reductions: **-\$ 2.3M** **-19.8 out of 3,834.65 FTE** **↓ 0.5%**



*NSB = non-school based



Central Office Expenditure Reductions



\$15.7M Total Central Office Expenditure Reductions **\$20.6M** with Additional Reductions to Close the Gap

- **\$8.9M** Reduce all central office discretionary accounts by 12%
 - **To close the gap: \$3.4M** Reduce all central office discretionary accounts an additional 5%
- **\$3.6M** Reduce remaining FY 2024 budgets by 20%
- **\$1.5M** Reduce the Minor Construction/Major Maintenance (MC/MM) budget for one year
 - **To close the gap: Reduce MC/MM an additional \$1.5M**
- **\$0.9M** Reduce the staff contingency account, part of the Central Office budget, to offset the additional assistant principals at the middle schools and additional teachers at Langston and Shriver
- **\$0.7M** Reduce funding allocated to extra days by 50%
- **\$0.1M** Eliminate the Volunteer and Partner liaison stipends



Central Office Organizational Changes and Reductions



\$3.1M (5%) 23 Central Office Full Time Employee (FTE) Positions Unfunded

-21.00 FTE positions reduced

-2.00 FTE positions delayed for one year

↓ 5% out of 419.4 non-school based positions

- **\$1.0M** Eliminate the Planning and Evaluation Office; duties reassigned to various departments (-6.00 FTE)
- **\$0.8M** Eliminate five Office of Academics positions; duties reassigned to other offices (-5.00 FTE)
- **\$0.2M** Eliminate two Facilities and Operations positions; duties reassigned within the office (-2.00 FTE)
- **\$0.1M** Eliminate one Office of School Support position; duties reassigned within the office (-1.00 FTE)
- **\$0.4M** Fund the STEM K-12 specialist, Special Education analyst and EL resource specialist with grants (-3.00 FTE)
- **\$0.2M** Delay hiring a network analyst and a DEI teacher (-2.00 FTE)
- **\$0.4M** Eliminate vacant positions:
 - ATSS specialist in Academics (-1.00 FTE)
 - Assistant director of budget (-1.00 FTE)
 - Classification and Position Management coordinator (-1.00 FTE)
 - Clerical assistant in the Welcome Center (-1.00 FTE)



Reductions: Schools



\$2.3M SCHOOL reductions

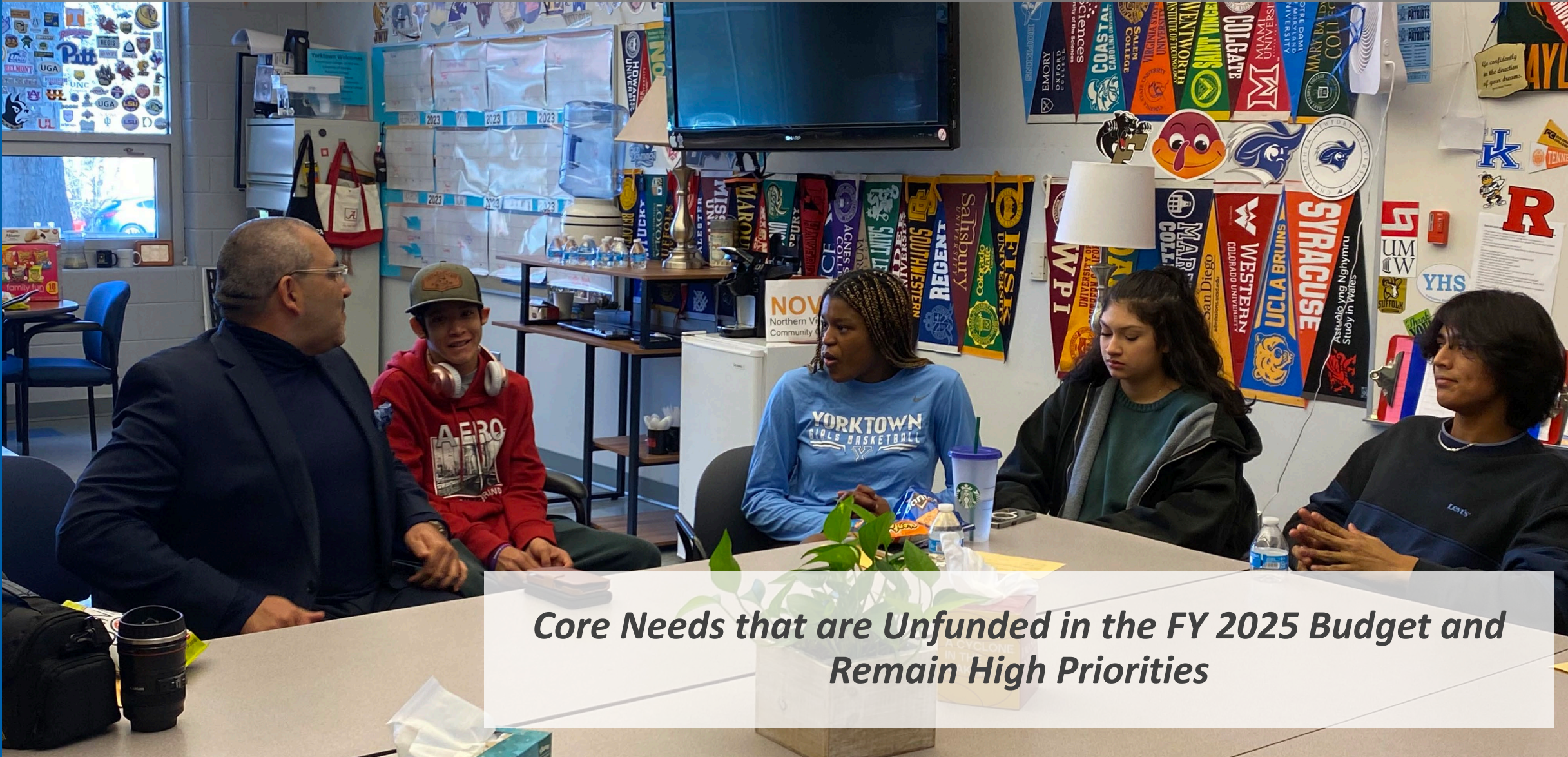
-19.80 Full Time Employees (FTE) reduction in school positions

↓ 0.5% out of 3,834.65 positions

- **\$0.1M** Reduce the schools' discretionary accounts by 2%
- **\$2.2M** Adjust art, music and PE planning factor, without increasing class sizes, based on initial feedback from our ongoing planning factor study (**-19.80 FTE**)
 - *This is an adjustment to the planning factor and does not increase class sizes or impact classroom instruction for art, music or PE.*
 - *It is a correction of outdated planning factors that will not reduce staffing for these programs.*



UNFUNDED NEEDS



Core Needs that are Unfunded in the FY 2025 Budget and Remain High Priorities



Core Unfunded Needs

Total Core Unfunded Needs = **\$26.6 million**

Priority #1: Student Well-Being and Academic Progress

- **\$8.7M** Reduce class size by 2 (83.10 FTE)
- **\$1.0M** Hire K-5 Math interventionists (9.0 FTE)
- **\$0.5M** Invest in High School Literacy Coaches (5.0 FTE)
- **\$0.1M** Add EL Assessment Specialist (1.0 FTE)
- **\$0.7M** Provide deans at remaining secondary schools (6.0 FTE)
- **\$0.4M** Inflation-based adjustment to student instructional materials and supplemental supplies for teachers
- **Increase staffing** for special populations and student well-being, based on **planning factor recommendations**:
 - Special Education
 - English Learners
 - Counselors, Psychologists and Social Workers

Priority #2: Recruit, Retain, Invest in Staff

- **\$11.8M** Additional 2% cost of living increase for staff to provide a **5.3% average** compensation increase, which would advance our goal of being in the top three local school divisions for compensation

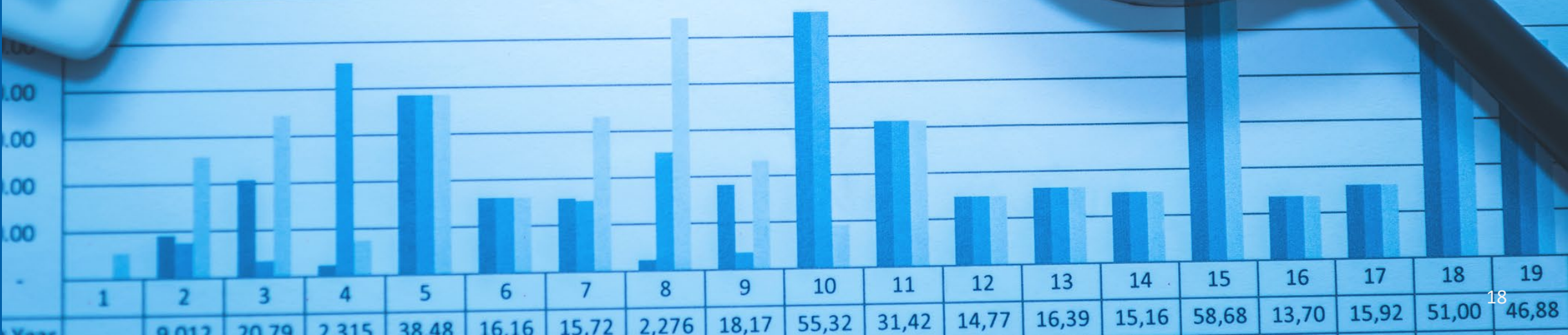
Priority #3: Operational Excellence

- **\$0.4M** Additional technicians to support the schools (4.0 FTE)
- **\$3.0M** Restore funding for Major Construction/Minor Maintenance (MC/MM)



FY 2025 Budget by the Numbers

2,315.00	45,534.00	7,566.00	42,234.00	234,234.00	5,534.00	46,456.00	1,036.00
15,726.00	15,256.00	33,243.00	3,423.00	34,423.00	42,234.00	34,233.00	178.00
2,276.00	25,412.00	54,322.00	2,342.00			564,523.00	1,339.00
18,174.00	3,654.00	23,312.00	3,423.00	23,423.00	34,534.00	246,723.00	353.00
55,320.00	55,320.00	9,220.00	234,423.00	234,233.00	45,344.00	24,423.00	653.00
31,428.00	31,428.00	31,428.00	31,428.00	31,428.00	534,457.00	45,573.00	442,344.00
14,772.00	14,772.00	14,772.00	14,772.00	14,772.00	14,772.00	14,772.00	40,334.00
16,392.00	16,392.00	16,392.00	16,392.00	16,392.00	16,392.00	16,392.00	4,744.00
15,168.00	15,168.00	15,168.00	15,168.00	15,168.00	15,168.00	15,168.00	1,096.00
58,680.00	58,680.00	58,680.00	58,680.00	58,680.00	58,680.00	58,680.00	4,100.00
13,704.00	13,704.00	13,704.00	13,704.00	13,704.00	13,704.00	13,704.00	1,562.00
15,924.00	15,924.00	15,924.00	15,924.00	15,924.00	15,924.00	15,924.00	3,465.00
51,000.00	51,000.00	51,000.00	51,000.00	51,000.00	51,000.00	51,000.00	1,700.00
46,884.00	46,884.00	46,884.00	46,884.00	46,884.00	46,884.00	46,884.00	1,448.00
37,872.00	37,872.00	37,872.00	37,872.00	37,872.00	37,872.00	37,872.00	1,318.00
480,091.00	512,603.00	550,009.00	3,955,000.00	2,580,255.00	1,835,094.00	88,520.00	22,840.00





State Revenue Update

The Virginia General Assembly adjourned on Saturday, March 9. We currently do not have APS specific funding information; the following are the major components of the FY 2025-26 General Assembly Adopted Biennial Budget:

1. 3% increase for all SOQ funded positions = \$1.1 million
2. Restored Grocery Tax Hold Harmless = \$4.7 million
3. Restore VPI Funding = \$0.6 million
4. Expanded Sales Tax Allocation \$0.9 million
5. Enhanced At-Risk Funding = \$0.6 million
6. EL staffing standard revision = \$0.5 million

Potential effect on the Operating Fund = +\$7.0 million.

[Distribution Summary HB 30 HB 29.pdf \(virginia.gov\)](#)



SOQ Funding Formula

JLARC Report: "Virginia school divisions receive less K–12 funding per student than the 50-state average, the regional average, and three of Virginia's five bordering states. School divisions in other states receive 14 percent more per student than school divisions in Virginia, on average, after normalizing for differences in cost of labor among states. This equates to about \$1,900 more per student than Virginia." [Summary \(virginia.gov\)](#)

The Standards of Quality (SOQ) funding formula needs revision/updating. There are approximately 130 school divisions in the Commonwealth, and none operate within the SOQ funding formula. **JLARC estimates that Arlington Public School is underfunded from the State by approximately \$50 million.**

Example: Current FY2025 General Assembly adopted budget mandates a 3% increase for all SOQ-funded positions.

APS Cost	\$17,140,000
State Funding	<u>\$1,100,000</u>
Unfunded Mandate	\$16,040,000

[JLARC | Pandemic Impact on K-12 Public Education \(virginia.gov\)](#)

JLARC = Joint Legislative Audit & Review Committee



County Revenue Update

	<u>Ongoing</u>	<u>One-Time</u>	<u>Total</u>
Original School Tax Revenue Projection	\$613,563,831	\$ 1,061,986	\$ 614,625,817
Late Tax Revenue Adjustments	\$ 1,149,619	\$ 1,170,000	\$ 2,319,619
	\$614,713,450	\$ 2,231,986	\$ 616,945,436
Revenue from Tax Rate Proposed	\$ 6,408,277	\$ 3,173,554	\$ 9,581,831
	\$621,121,727	\$ 5,405,540	\$ 626,527,267
		Total Tax Transfer	\$ 626,527,267

Based on County Manager's proposed tax increase of 1.5 cents



FY 2025 Projected Reserves

RESERVES AVAILABLE

RESERVE	CURRENT BALANCE	USED IN FY 2025 PROPOSED BUDGET	NEW BALANCE
Capital	\$19.0		\$19.0
VRS	\$1.0		\$1.0
Debt Service	\$3.4	(\$1.2)	\$2.2
Future Budget Years	\$18.1	(\$18.1)	\$0.0
Compensation	\$1.6	(\$1.6)	\$0.0
Separation Pay	\$2.0		\$2.0
Health Care	\$1.0		\$1.0
TOTAL	\$46.1	(\$20.9)	\$25.3



Use of One-Time Funding FY 2017 - 2025

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
External One-time Funds									
County Transfer - One-time		\$4,583,507	\$2,923,240	\$9,902,338		\$2,817,940	\$20,484,857	\$13,998,982	\$2,231,986
ARPA Funds - One-time						\$18,855,118			
Subtotal External One-time Funds		\$4,583,507	\$2,923,240	\$9,902,338		\$21,673,058	\$20,484,857	\$13,998,982	\$2,231,986
Reserves Except Compensation									
Capital Reserve						\$5,326,779			
VRS Reserve	\$1,000,000	\$2,125,000			\$1,100,000	\$365,000			
Debt Service Reserve	\$650,000	\$1,300,000	\$4,666,379	\$303,088	\$270,000	\$414,474	\$744,510	\$2,512,330	\$1,205,385
Future Budget Years Reserve	\$7,739,537	\$4,842,655	\$11,203,194	\$4,896,170	\$11,165,389	\$11,974,566	\$3,613,121	\$18,010,421	\$18,054,667
Subtotal Reserves Except Compensation	\$9,389,537	\$8,267,655	\$15,869,573	\$5,199,258	\$12,535,389	\$18,080,819	\$4,357,631	\$20,522,751	\$19,260,052
Compensation Reserve	\$3,800,000	\$5,550,000	\$5,950,000	\$6,450,000	\$3,938,698	\$3,579,114	\$16,727,000	\$21,123,000	\$1,600,000
Total One-time Funding in Budget	\$13,189,537	\$18,401,162	\$24,742,813	\$21,551,596	\$16,474,087	\$43,332,991	\$41,569,488	\$55,644,733	\$23,092,038
Total Budget	\$581,941,859	\$613,554,404	\$640,131,423	\$669,554,705	\$670,274,629	\$701,591,676	\$749,727,021	\$803,260,729	\$825,979,458
% of Total Budget	2.3%	3.0%	3.9%	3.2%	2.5%	6.2%	5.5%	6.9%	2.8%



Revised Superintendent's Proposed Budget

REVENUE

Superintendent's Proposed	\$795,257,705
County Revenue	\$2,319,619
Superintendent's Revised Revenue	\$797,577,324

EXPENDITURES

		FTE
Superintendent's Proposed	\$824,744,546	5,244.55
Spring Update	\$1,482,436	22.90
Additional reductions from Planning and Evaluation	(\$247,525)	(2.00)
Superintendent's Revised Expenditures	\$825,979,457	5,265.45
Revised Gap	(\$28,402,133)	



Potential Reductions to Close the Gap

	<i>At Tax Increase Levels of</i>			<i>In Millions</i>
	High 2.5 Cents	Mid 2.0 Cents	Low 1.5 cents	
Proposed Deficit/Gap	(\$ 28.4)	(\$ 28.4)	(\$ 28.4)	
Additional Revenue				
State (estimated per General Assembly action)	\$ 7.0	\$ 7.0	\$ 7.0	
County (Proposed additional allocation)	\$ 16.0	\$ 12.8	\$ 9.6	
Remaining Balance	(\$ 5.4)	(\$ 8.6)	(\$ 11.8)	
Central Office Proposed Additional Reductions				
5% reduction in Central Office Discretionary Accounts	\$ 3.4	\$ 3.4	\$ 3.4	
Additional One-Year Reduction in MC/MM	\$ 1.5	\$ 1.5	\$ 1.5	
Charge Food Services Overhead/Indirect Cost	\$ 0.5	\$ 0.5	\$ 0.5	
Remaining Balance	\$ 0.0	(\$ 3.2)	(\$ 6.4)	
Schools Proposed Additional Reductions				
Elementary	\$ 0.0	(\$ 1.6)	(\$ 3.2)	
Middle	\$ 0.0	(\$ 0.6)	(\$ 1.3)	
High	\$ 0.0	(\$ 0.7)	(\$ 1.4)	
Other	\$ 0.0	(\$ 0.3)	(\$ 0.6)	
Remaining Balance	\$ 0.0	\$ 0.0	\$ 0.0	



Potential Reductions to Close the Gap

	<i>At Tax Increase Levels of</i>			<i>In Millions</i>
	High 2.5 Cents	Mid 2.0 Cents	Low 1.5 cents	
Schools Proposed Additional Reductions				
Elementary	\$ 0.0	(\$ 1.6)	(\$ 3.2)	
Middle	\$ 0.0	(\$ 0.6)	(\$ 1.3)	
High	\$ 0.0	(\$ 0.7)	(\$ 1.4)	
Other	\$ 0.0	(\$ 0.3)	(\$ 0.6)	
Remaining Balance	\$ 0.0	\$ 0.0	\$ 0.0	
Schools Proposed Additional Reductions Range				
Elementary	\$ 0.0	(\$ 0.03 - \$0.08)	(\$ 0.06 - \$ 0.17)	
Middle	\$ 0.0	(\$ 0.08 - \$ 0.12)	(\$ 0.17 – \$ 0.26)	
High	\$ 0.0	(\$ 0.21 - \$ 0.25)	(\$ 0.41 - \$ 0.50)	
Other	\$ 0.0	(\$ 0.01 – \$ 0.13)	(\$ 0.01 - \$ 0.26)	



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March 22, 2024