Overview

- Thank You
- Collaboration
- Current Budget Challenges
- Building the Budget
- Maintain Our Tradition of Excellence
Thank You
Applaud County’s Focus on Economic Development
Strong Historic Support for Past Budgets

Thank You!!
Niche: Best Place to Live in America

1. Arlington, Virginia

A photo of Freedom Park in Rosslyn, a city in Arlington County. Jon Bilous/Shutterstock

Thank You!!
Collaboration
APS/Arlington County Collaboration

**Working Collaboration**
- ART Bus Pilot
- Fenwick Building
- Fields and Recreation Spaces
- Crossing Guards
- Joint Work Sessions
- Buck property
- School Nurses
- School Resource Officers (SROs)
- Joint Leadership Meetings
- Joint Retreats

**Advisory Groups**
- Joint Aquatics Committee
- Joint Facilities Advisory Committee (JFAC)
- Arlington Partnership for Children, Youth and Families (APCYF)
- Career Center Working Group (CCWG)
- Advisory/Joint Committee on Transportation Choices (ACTC/JCTC)

**BLPC/PFRCs**
- Reed
- Hamm
- Heights
- Fleet
- Ed Center

And, of course, The Budget!!
Results of Our Joint Successes

**Arlington County**
- Close-in, good transportation options, strong job mkt, well-managed gov’t, variety of attractive neighborhoods, diverse housing options, commercial and retail variety, low tax rate, affluent community, low crime rate

**Arlington Public Schools**
- Great schools: low class sizes, high instructional quality → high success metrics, options, opportunities, high per-child spending, strong community support for school funding (only 20% have school-age children)
Current Budget Challenges
Recipe for Student Success

Our high-quality, top-ranked, desirable school system is a function of:

- Low class sizes
- High-quality, dedicated instructional staff
- Robust student supports such as
  - Math and Reading coaches
  - Gifted and special education services
  - Mental health services
  - Choices and Opportunities
Total Enrollment from Fall 2000 to 2028
Projected to reach 34,201 PreK-12 Students in September 2028

2017 broke record for most APS students ever!

47% enrollment growth in 11 years

83% enrollment growth in 21 years
Enrollment and Cost Per Pupil

Note: Cost Per Pupil is based on a fully-funded budget, including an additional $6.8 million in revenue.
Tightened the Belt Last Year

- Reductions or Fee Increases of $11.4 million
  - Increased user fees
  - Changes in Planning Factors
  - Partially postponed growth initiatives
  - Eliminated benefits
  - Central Office reductions
  - Funded MC/MM with one-time funds
Budget Journey

- Started planning this budget last spring
- Initial deficit was $42.8 million
- Team of senior leaders and principals worked side by side to find reductions
- Significant balancing act
  - Relied on Strategic Plan to guide decisions
  - Needed reductions but did not want to undercut instruction
  - Looked for items beyond SOQ’s
- Superintendent’s Proposed Budget reflected this work
  - Shortfall pared down to $19.0 million before reductions
Result: Budget Reduced $11.3 million

- Started with $42.8 million deficit
  - Diligently worked to scrub the numbers
- Shortfall reduced to $19.0 million
- Superintendent’s Proposed included $10.1 million in cuts
  - Resulted in gap of $8.9 million
- Spring revenue and enrollment update resulted in saving of $1.6 million
  - New gap of $7.3 million
- School Board Proposed budget includes additional reductions $1.2 million

**New Gap in School Board Proposed Budget:  $6.8 million**
Fully-Funded Budget

<table>
<thead>
<tr>
<th>Amount ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures</td>
</tr>
<tr>
<td>Total Revenue *</td>
</tr>
<tr>
<td>Additional Revenue Needed</td>
</tr>
</tbody>
</table>

*Based on County Manager’s proposed budget*
Building the Budget
## FY 2020 Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($ in millions)</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening of New Schools/Programs</td>
<td>$10.33</td>
<td>72.40</td>
</tr>
<tr>
<td>Enrollment Growth</td>
<td>$7.05</td>
<td>68.00</td>
</tr>
<tr>
<td>Compensation</td>
<td>$12.90</td>
<td></td>
</tr>
<tr>
<td>Continuing Growth Initiatives*</td>
<td>$4.06</td>
<td>27.65</td>
</tr>
<tr>
<td>Investments to Support Growth</td>
<td>$0.83</td>
<td>7.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$35.17</strong></td>
<td><strong>175.05</strong></td>
</tr>
</tbody>
</table>

*Initiatives begun in the FY17 and FY18 budgets.*

**Expecting 1,000 Additional Students in September 2019**
Compensation Increase

- **Strategic Plan Goal: Engaged Workforce**
  - Want to retain our high-quality staff
- **National teacher shortage**
  - Insulated at first, but now affecting APS
- **Surrounding jurisdictions have caught up to and surpassed APS**
**Strategic Use of Reserves**

<table>
<thead>
<tr>
<th>Reserve</th>
<th>Current Balance</th>
<th>Earmarked in FY19-28 CIP</th>
<th>Used in Supt's Proposed Budget</th>
<th>Projected Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$22.0</td>
<td>($34.8)</td>
<td></td>
<td>($12.9)</td>
</tr>
<tr>
<td>VRS</td>
<td>$2.5</td>
<td></td>
<td></td>
<td>$2.5</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1.0</td>
<td></td>
<td>($0.3)</td>
<td>$0.7</td>
</tr>
<tr>
<td>Future Budget Years</td>
<td>$16.1</td>
<td></td>
<td>($4.6)</td>
<td>$11.5</td>
</tr>
<tr>
<td>Compensation</td>
<td>$6.5</td>
<td></td>
<td>($6.5)</td>
<td>$0.0</td>
</tr>
<tr>
<td>Separation Pay</td>
<td>$2.0</td>
<td></td>
<td></td>
<td>$2.0</td>
</tr>
<tr>
<td>Health Care</td>
<td>$1.0</td>
<td></td>
<td></td>
<td>$1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51.0</strong></td>
<td><strong>($34.8)</strong></td>
<td><strong>($11.4)</strong></td>
<td><strong>$4.8</strong></td>
</tr>
</tbody>
</table>

*Reserves are one-time funds.*
## Reductions to Close Gap

### Reductions included in Supt’s Proposed

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($ in millions)</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase class size <em>(postponed for one year in FY 2019)</em></td>
<td>($2.10)</td>
<td>(22.20)</td>
</tr>
<tr>
<td>Use one-time funds for Minor Construction/Major Maintenance (MC/MM)</td>
<td>(5.28)</td>
<td></td>
</tr>
<tr>
<td>Benefits changes</td>
<td>(0.56)</td>
<td></td>
</tr>
<tr>
<td>Technology lease payments savings</td>
<td>(1.50)</td>
<td></td>
</tr>
<tr>
<td>Alignment of Library media assistants contracts (Year 2 of 2)</td>
<td>(0.12)</td>
<td></td>
</tr>
<tr>
<td>Department of Teaching and Learning efficiencies</td>
<td>(0.57)</td>
<td>(1.00)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($10.12)</strong></td>
<td><strong>(23.20)</strong></td>
</tr>
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*May not total due to rounding*
### Reductions to Close Gap

<table>
<thead>
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<th>Amount ($ in millions)</th>
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<td>($1.18)</td>
<td>(8.50)</td>
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**Additional Reductions in SB Proposed**

**Central office reductions**
- Evaluation staff/funds;
- Transportation staff;
- Training staff;
- Service awards;
- HR staff;
- Substitutes

**Schools reductions**
- FLES;
- MS Pathways Program;
- Parking fees
Investments in APS’s Future

Investments directly aligned with Strategic Plan

- **Core Values: Equity and Inclusivity**
  - Accelerating diversity efforts

- **Strategic Plan Goal: Strong, Mutually Supportive Partnerships**
  - Advancing the growth of strategic partnerships and expand internship and externship opportunities for students

- **Strategic Plan Goal: Operational Excellence**
  - Investing in ways to become more efficient
### School Board Proposed Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in $M</th>
<th>Gap in $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent’s Proposed Budget</td>
<td>$671.6</td>
<td>$8.9</td>
</tr>
<tr>
<td>Spring Update – revenue &amp; enrollment</td>
<td>($1.8)</td>
<td></td>
</tr>
<tr>
<td>Updated Superintendent’s Proposed Budget</td>
<td>$669.8</td>
<td>$7.3</td>
</tr>
<tr>
<td>School Board Reductions</td>
<td>($1.2)</td>
<td></td>
</tr>
<tr>
<td>School Board Additions</td>
<td>$0.7</td>
<td></td>
</tr>
<tr>
<td>School Board Proposed Budget</td>
<td>$669.3</td>
<td>$6.8</td>
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Maintain Our Tradition of Excellence
## Fully-Funded Budget

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<td>$662.5</td>
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<td>($6.8)</td>
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*Based on County Manager’s proposed budget*
Key Takeaways

- $11.3 million in budget reductions already incorporated
- Preserve excellent programs and services
- Invest in quality employees
- Strong partnership between County and Schools is essential
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A photo of Freedom Park in Rosslyn, a city in Arlington County. Jon Bilous/Shutterstock

Thank You!!