Overview

- Thank You
- Who We Are
- Economic Realities
- Current Budget Challenges
- Budget Highlights
- What We Need
Key Takeaways

- Effects of the COVID-19 pandemic will be long-lasting – instructionally, social-emotionally, and economically
- This budget focuses on supporting education and equity
- Limited additional resources to provide instructional, social emotional, and operational supports
- Compensation increase provided for all employees
- Quality programs and services preserved
- $6.9 million in budget reductions already incorporated
- Strong partnership between County and Schools is essential

Thank You
Strong Historic Support for Past Budgets

FY 2021 Assistance

- $7M CARES Act funding
- $0.5M in funding for wireless Internet access for students
- Collaboration on APS wireless access on county property
- Collaboration on feeding families over the past year
- Collaboration on Instructional Learning Support program

Thank You!!
Who We Are

DEMographics

- White: 41%
- Hispanic: 28%
- Black/African American: 10%
- Asian: 9%
- Native American/Alaskan Native: 0%
- Native Hawaiian/Other Pacific Islander: 0%
- Multiple: 6%

Special Populations Enrollment

- Free & Reduced Lunch
- Special Education
- English Learners

Chart showing enrollment data from FY 2011 to FY 2021.
Total PreK-12 Enrollment from Fall 2000 to 2029
Projected to reach 30,979 PreK-12 Students in September 2027 (peak)

46% Enrollment Growth
Comparing 2020 to 2005 (lowest point)

Enrollment and Cost Per Pupil

Note: Cost Per Pupil is based on a fully-funded budget, including an additional $14.9 million in revenue.
Economic Realities

Economic Impact of COVID-19

• County revenue essentially flat (0.5% increase)
  • Average increase over three years prior to FY21 = $19.3M or 4%
  • Down $16.8M based on average increase

• State revenue increases $2.2M
  • Average increase over three years prior to FY21 = $4.3M or 6%
  • Down $2.1M based on average increase

• American Rescue Plan funding for APS is $18.9M based on preliminary estimate
External Budget Factors

State
• State-mandated student to school counselor ratios
• Virginia Retirement System rate increases
• Competitive teacher salary scales in Northern Virginia

County
• County Manager’s budget proposes a flat tax rate

APS
• K-12 Enrollment projected to increase to pre-pandemic levels
• Operating costs rising for:
  • Student supports to mitigate learning loss
  • New buildings and school moves
  • Students with disabilities
  • ADA accommodations for staff
  • Substitutes
  • Health insurance

Tightening the Belt

• Reductions Past Several Years
  • FY 2021 = $16.6M
  • FY 2020 = $11.3M
  • FY 2019 = $15.6M

• Examples:
  • Increased class size
  • Eliminated the Foreign Language in Elementary School (FLES) program
  • Increased user fees
  • Changed planning factors
  • Partially postponed growth initiatives
  • Eliminated benefits
  • Reduced central office
  • Drastically cut MC/MM or funded with one-time funds
Current Budget Challenges

• Summer School
  • Full in person and full distance learning programs
  • Larger than normal number of students
  • Incentives for teachers and assistants to teach in person

• Fall Return to School
  • Full in person and full distance learning programs
  • Distance Learning Program will require additional administrator as well as materials and software for students and teachers
  • Additional social-emotional supports needed
Current Budget Challenges

• Equity
  • Began with hiring Chief Diversity, Equity and Inclusion Officer
  • Funding needed for Equity Audit
  • Other needs include:
    • Professional development funding
    • Stipends for Equity Teams in schools
    • Stipends for Family and Community Engagement Action Teams in schools
    • Funding for budget study on equitable allocation of resources

• Enrollment Growth
  • Enrollment grew 46% from FY 2005 to FY 2020
  • FY 2021 was an anomaly caused by the pandemic
  • Projections indicate we will continue to grow in the future
  • Funding also needed for budget study to review planning factors

• School Openings and Moves
  • New Cardinal Elementary School opening
  • Moves of 3 schools to new buildings
  • Funding for Education Center furniture and technology
Current Budget Challenges

• Compensation
  • Need to recognize ALL our employees for their work over the past year and show we value them
  • General Assembly approved a 2-5% raise in state budget
  • Prior to FY 2010, step increase and cost of living adjustment provided every year
  • Since FY 2010
    • No step increase four years
    • Step increase midway through the year once
    • Cost of living adjustment provided once
  • Surrounding jurisdictions have caught up to and surpassed APS
  • Compensation study must also be funded to provide salary scales that are competitive and fiscally sustainable
  • Need to prepare for collective bargaining
**FY 2022 Budget Highlights**

- Enrollment Growth
  - Includes increasing needs of English Learners and students with disabilities
- Instructional and Mental Health Supports
- Funding for Diversity, Equity, and Inclusion Office
- New Buildings and School Moves
- Investments to Support Growth
- Safety, Security, Risk and Emergency Management Needs
- Network Infrastructure and Technology Supports
- Funding to Support Operational Infrastructure

<table>
<thead>
<tr>
<th>Amount ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditure Needs</strong></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
</tr>
<tr>
<td><strong>Additional Revenue Needed</strong></td>
</tr>
</tbody>
</table>
### FY 2022 Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($ in millions)</th>
<th>Positions</th>
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</thead>
<tbody>
<tr>
<td>Enrollment Growth</td>
<td>$5.66</td>
<td>61.40</td>
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<tr>
<td>Special Education</td>
<td>1.98</td>
<td>25.00</td>
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<tr>
<td>School Counselors per new SOQ</td>
<td>1.11</td>
<td>11.60</td>
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<tr>
<td>Other</td>
<td>2.57</td>
<td>24.80</td>
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<tr>
<td>Compensation</td>
<td>9.80</td>
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<tr>
<td>Phase-in of Initiatives from Prior Budgets</td>
<td>2.25</td>
<td>4.00</td>
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<tr>
<td>New Investments</td>
<td>7.33</td>
<td>44.90</td>
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<tr>
<td>Reinstatement of FY21 Reductions</td>
<td>9.59</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$34.63</strong></td>
<td><strong>110.63</strong></td>
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</table>

### School Board’s Reductions to Close Gap

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($ in millions)</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reductions of New Investments</td>
<td>($1.36)</td>
<td>(20.50)</td>
</tr>
<tr>
<td>Department Reductions</td>
<td>(2.88)</td>
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<tr>
<td>Reduction of MC/MM</td>
<td>(1.50)</td>
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<tr>
<td>Schools Reductions</td>
<td>(1.06)</td>
<td>(14.50)</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>($6.80)</strong></td>
<td><strong>35.00</strong></td>
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</table>
Strategic Use of Reserves

<table>
<thead>
<tr>
<th>RESERVE Balance @ 1/21/2021</th>
<th>Bond funds</th>
<th>Current Revenues (non-bond funds)</th>
<th>Total Funds</th>
<th>Used in FY22 Supt's Proposed Budget</th>
<th>Balance after FY22 Supt's Proposed Budget</th>
<th>Available for Use in FY22 Budget (non-bond funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$24,047,583</td>
<td>$9,392,372</td>
<td>$33,439,955</td>
<td>$33,439,955</td>
<td>$9,392,372</td>
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<tr>
<td>VRS</td>
<td>$0</td>
<td>$1,412,239</td>
<td>$1,412,239</td>
<td>($365,000)</td>
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<tr>
<td>Debt Service</td>
<td>$0</td>
<td>$414,474</td>
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<td>$0</td>
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<tr>
<td>Future Budget Years</td>
<td>$0</td>
<td>$11,974,566</td>
<td>$11,974,566</td>
<td>($4,168,798)</td>
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<tr>
<td>Compensation</td>
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<td>Separation Pay</td>
<td>$0</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
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<td>$2,000,000</td>
<td>$2,000,000</td>
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<td>Health Care</td>
<td>$0</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
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<tr>
<td>Total</td>
<td>$24,047,583</td>
<td>$29,772,765</td>
<td>$53,820,348</td>
<td>($8,527,386)</td>
<td>$45,292,962</td>
<td>$21,245,379</td>
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</table>

School Board Proposed FY 2022 Budget

<table>
<thead>
<tr>
<th>SCHOOL BOARD’S PROPOSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in millions</td>
</tr>
<tr>
<td>Funds</td>
</tr>
<tr>
<td>FTE</td>
</tr>
</tbody>
</table>

TOTAL REVENUES - SUPT’S REVISED PROPOSED $685,641,188
Loss of State Revenue ($657,783)
REVISED REVENUES - SCHOOL BOARD PROPOSED $684,983,405

TOTAL EXPENDITURES - SUPT’S REVISED PROPOSED $706,117,521 5,125.50
School Board’s Proposed Changes - Attachment A ($6,796,056) (35.00)
Additional Cost for Compensation Option 1 - Attachment B $598,340
REVISED EXPENDITURES - SCHOOL BOARD PROPOSED $699,919,805 5,090.50

Remaining Surplus/(Shortfall) ($14,936,400)
## What We Need

### ADDITIONAL REQUEST TO COUNTY

<table>
<thead>
<tr>
<th>Description</th>
<th>Funds</th>
<th>FTE</th>
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</thead>
<tbody>
<tr>
<td>Summer school incentive payments (one-time costs)</td>
<td>$605,000</td>
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<tr>
<td>One-time costs to open new Cardinal ES</td>
<td>$882,940</td>
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</tr>
<tr>
<td>One-time costs to open Education Center</td>
<td>$750,000</td>
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<tr>
<td>Distance Learning Program for fall (one-time costs)</td>
<td>$580,000</td>
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<tr>
<td><strong>TOTAL ADDITIONAL REQUEST FROM COUNTY</strong></td>
<td><strong>$2,817,940</strong></td>
<td><strong>0.00</strong></td>
</tr>
<tr>
<td>Remaining Surplus/(Shortfall)</td>
<td><strong>($12,118,460)</strong></td>
<td></td>
</tr>
</tbody>
</table>
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