

**Initial Internal Analysis of Potential Budget Reductions and Reallocations  
from APS Leadership and Finance Team  
November 2024**

The information noted below explains the potential budgetary savings for Fiscal Year 2026 from requests/ideas made by School Board members.

[As well as some ideas suggested by APS Leadership in August 2024]

**Revenue Enhancements**

Medicaid Reimbursement – APS is planning to expand the reimbursement claim process for all Medicaid eligible students for services provided by APS. The estimated amount of FY26 revenue enhancement is \$1.0 million. This effort is headed up by the office of the Chief Academic Officer.

Impact Aid – APS is planning for the current year and all future years to receive reimbursement from the Federal government for the impact military institutions have on the school division. The projected revenue enhancement from this effort is estimated to be \$400,000 in FY26 and increase by \$100,000 in FY27. The effort in FY2025 will be our guide as to future revenue enhancement projections. The Office of the Chief of Staff is leading this effort.

OPEB Annual Expense Reimbursements – APS is entitled to be reimbursed from the Other Post Employment Benefits (OPEB) Trust fund for retiree health benefits paid out of the Operating Fund for the prior year. For FY2026 the projection of this cost recovery is \$5.3 million and this amount is projected to increase annually by approximately \$500,000 for the foreseeable future (FY2043). The Office of Finance and Management Services is leading this effort.

Vendor Facility Rental - If the School Board were to privatize/outsource the Extended Day Program, APS would be entitled to charge a facility rental fee to the selected vendor for the use of APS facilities to serve this program. The projected revenue enhancement would total \$1.0 million. The Office of Finance and Management Services is leading this effort.

**Total Proposed FY2026 Revenue Enhancements**

Medicaid	\$1.0
Impact Aid	0.40
OPEB	5.30
Facility Rental	<u>1.0</u>
Total	\$7.70 million

The above revenue enhancements will eliminate 21.4% of the structural deficit at the \$36 million deficit level and 11.7% at the \$66 million deficit level.

***Reserves Identified for FY2024 Close-Out***

Compensation Reserve (Lapse & Turnover)	\$8,970,365
Future Budget Reserve	<b>\$12,784,781</b>
Total	<b>\$21,755,146</b>

***Expenditure Reductions***

During our past conversations, the staff has received from the School Board possible expenditure reductions to be explored [and has suggested some ideas originated by APS Leadership for the board to explore]. They are as follows:

Reduce General Education Instructional Aides – This effort would eliminate a total of 40 FTEs – 35 of which would be Library Instructional Assistants.

	Assistant	Resource Assistants	Total by Type
Library	35.00		35.00
Other			
Academic Academy Program	1.00		1.00
Career Center Program	1.00		1.00
Even Start Family Literacy Program	1.00		1.00
Teenage Parent Program	2.00		2.00
<b>Total Assistants</b>			<b>40.00</b>
			<b>\$2,458,349</b>

This effort would NOT include any Instructional Assistant or Resource Assistant reductions in the following areas:

	Assistant	Resource Assistants	Total by Type
Montessori	24.00		24.00
Kindergarten	91.00		91.00
VPI	33.00		33.00
Special Education	413.00	25.00	438.00
English Learners	45.50	1.00	46.50
Other			
Outdoor Lab	4.00	0.75	4.75
Exemplary Projects	1.00	0.50	1.50
<b>Total Assistants Not Included</b>			<b>638.75</b>
			<b>\$39,256,764</b>

Cost Savings = 3 (some savings)    Level of Effort = 3 (Medium)  
 Level of Pain = 3 (possible)    Strategic Abandonment = 3 (somewhat)

Eliminate Exemplary Projects

This effort would reduce FTEs by 19.45 and reduce expenditures by \$2.8 million. See the following:

Exemplary Project Budget			#			
	\$	%	Teachers	schools	FTEs	\$
Teachers	\$2.0M	73%	ES	16 out of 25	12.75	\$1.2M
Purchased services	\$422k	15%	MS	3 out of 6	4.2	\$420k
Materials & supplies	\$300k	11%	HS	3 out of 3	2.5	\$307k
Capital Outlay	\$27k	1%				
Other services	\$12k	0.4%				
<b>TOTAL</b>	<b>\$2.8M</b>	<b>100%</b>	<b>TOTAL</b>	<b>22</b>	<b>19.45</b>	<b>\$2.0M</b>

Cost Savings = 3 (some savings)    Level of Effort = 3 (Medium)  
 Level of Pain = 3 (possible)    Strategic Abandonment = 5 (strategic)

Privatize/Outsource the Extended Day Program

APS has received a proposal from a vendor (AlphaBest which is a national firm that serves more than 25,000 students at more than 600 schools and employs more than 1,850 staff nationwide at 81 school districts). This program would create a rich immersive learning experiences in a variety of educational areas, including coding & robotics, digital animation, engineering, maker spaces, world language & culture, dramatic & visual arts, and fitness & wellness. This effort would also strive to eliminate the more than 500 families on the current Extended Day waitlist. If this program is privatized the expenditure savings to APS would be approximately \$2.0 million with comparable tuition to the current Extended Day Program. This program is currently in place at Prince William County Schools, Manassas City Public Schools, Suffolk Public Schools and Portsmouth Public Schools. This vendor is also currently in use by Arlington County to provide summer enrichment programs to the children of this community.

Cost Savings = 3 (some savings)    Level of Effort = 3 (Medium)  
 Level of Pain = 3 (possible)    Strategic Abandonment = 5 (strategic)

### Reduce Bus Driver Contracts from 11 month to 10 months and reduce ITC Contracts from 12 months to 10 months

It is estimated that the bus driver contract reduction would reduce APS' expenditures by \$600,000 and the reduction in ITC contracts would reduce expenditures by \$800,000 for a total of \$1.4 million. It is projected that this action would have a limited impact on the operations of the division, but could diminish recruitment & retention efforts.

Cost Savings = 3 (some savings)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

### Postpone Parental Leave Increase

Currently APS has 2 weeks of paid parental leave included in the FY25 Adopted Budget. The budget forecast includes an additional 4 weeks of parental leave with a projected cost of approximately \$1.4 million. This effort could be postponed until a future budget year.

Cost Savings = 3 (some savings)      Level of Effort = 1 (Minimal)  
Level of Pain = 5 (least possible)      Strategic Abandonment = 1 (less strategic)

### Reduce OPEB Trust Fund Contributions

Currently the Other Post Employment Benefits (OPEB) annual contribution is \$2.6 million. This annual contribution could be reduced to \$1.0 million for the next 10 years without a significant detrimental effect on the OPEB Trust long-term. This expenditure reduction would equate to \$1.6 million with no student or staff impact.

Cost Savings = 3 (some savings)      Level of Effort = 1 (Minimal)  
Level of Pain = 5 (Least Possible)      Strategic Abandonment = 3 (somewhat strategic)

### Privatize School Custodial Services

APS has received proposals from 3 firms each estimating that APS could reduce its custodial expenditures by 25% (\$5.0 million) annually. Each of these firms are currently providing custodial services to school divisions in Virginia and nationally. These firms would hire all of APS' current custodians and provide an enhanced training & safety program, market wage, health insurance, paid leave, and a 401k plan.

Cost Savings = 5 (significant)      Level of Effort = 1 (High)  
Level of Pain = 1 (significant)      Strategic Abandonment = 5 (strategic)

### Eliminate Integration Station

This effort would move the 54 Pre-K Special Education students back to their neighborhood schools. The total budget for this program is currently \$3.5 million with 29.2 FTEs. The elimination of this program is estimated to reduce APS expenditures by approximately \$1.0 million.

Cost Savings = 3 (some savings)      Level of Effort = 3 (Medium)  
 Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

Increase the Student/Teacher Ratio

Currently APS has the lowest student/teacher ratio (see [FY 2024 Washington Boards of Education \(WABE\) Guide \(apsva.us\)](https://www.apsva.us)) at 21.4 at the elementary level, 19.2 at the middle school level, and 19.7 at the high school level.

School Division	Students per Classroom Teacher <sup>2</sup>		
	Elementary	Middle / Intermediate	Secondary / High
Alexandria City <sup>4</sup>	15.7	20.8	25.7
Arlington County	21.4	19.2	19.7
Fairfax County <sup>5</sup>	21.1	24.7	25.3
Falls Church City	21.4	21.4	23.7
Loudoun County	21.4	21.6	24.1
Manassas City	21.4	23.2	25.4
Manassas Park City	22.0	21.5	27.7
Prince William County	20.3	25.5	26.8

For each student increase in the ratio APS’ expenditure reduction would equal approximately \$3.6 million.

Cost Savings = 5 (significant)      Level of Effort = 3 (Medium)  
 Level of Pain = 1 (significant)      Strategic Abandonment = 5 (strategic)

Reduce Staffing/Layers in the Office of Academics

APS’ current structure of leadership aligns with other similarly sized school districts. Where APS differs from other districts is in the number of specialists and administrative assistants within the offices. For example, outside of the four core areas, EL, SPED, and AATD APS could have a supervisor of the content area and not a specialist and administrative assistant. The potential cost savings could be 10 FTEs (\$1.0 million).

Cost Savings = 3 (some savings)      Level of Effort = 3 (Medium)  
 Level of Pain = 5 (least possible)      Strategic Abandonment = 5 (strategic)

Run AP courses with larger, college-like "lecture" class sizes and either a stipend or aide to acknowledge the extra workload.

In the CBA: The secondary classroom teacher's standard load shall be based on teaching no more than the instructional day minus one planning period per day or the equivalent with no more than 150 students or 25 class periods per week. If a secondary school classroom teacher teaches more than 150 students or 25 class periods per week, an appropriate contractual arrangement and compensation shall be provided.

We would not suggest making this change. Having large lecture style classes for AP does not support best instructional practices. In addition, it would serve as a barrier to the success of non-traditional AP students.

Cost Savings = 1 (minimal)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

Reduce the number of Software/apps we license for instructional use

We are working on the cost per use on the annual digital subscriptions as part of the budget process.

Cost Savings = unknown      Level of Effort = unknown  
Level of Pain = 3 (possible)      Strategic Abandonment = 3 (somewhat strategic)

Limit /cap payment of AP testing fees

APS currently covers the cost of all AP exam fees for students enrolled in AP courses, with the Office of Assessment centrally paying for AP exams and AP/IB proctors. APS AP expenditures have been increasing over the years, with AP exam fees rising from \$581,303 in SY 2021-2022 to \$707,373 in SY 2023-2024, and proctor costs also fluctuating. The possible saving would be dependent upon the cap and how we determine when we could begin charging students.

Comparables: Loudoun County Public Schools (LCPS) pays for the first four AP tests, while Fairfax County Public Schools (FCPS) pays for the first six tests.

Using the FCPS model, based on FY24 enrollment, we would save

This proposed change could result in operational budget savings. APS could still help support students with the costs of some AP exams without bearing the entire expense.

Cost Savings = 3 (some savings)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

Discontinue the EverDriven contract; explore safe and less costly alternatives

During the 2023-2024 school year, APS spent \$894,625.50 on EverDriven which included the cost for 2 full time monitors at a rate of \$100 per day.

APS employed 9 attendants at a pay rate of \$16 an hour. The total cost for the attendants was \$158,976.

The total cost for EverDriven and the attendants during the 2023-2024 school year was \$1,053,601.50.

In 2022-2023, APS spent \$641,292.12 on Red Top and Blue Top Cab Services, APS employed 11 attendants at a pay rate of \$ 15 an hour. The total cost for the attendants was \$182,160.

The total cost for the cab services and the attendants during the 2022-2023 school year was \$823,452.12. APS spent \$230,149.38 more on EverDriven than Red Top and Blue Top.

Cost Savings = 3 (some savings)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 3 (somewhat strategic)

Eliminate all summer school except for HS credit recovery and ESY; provide remediation to other students via other means and at other times.

Salaries: \$1,647,133.21 (missing recess/lunch attendants and Admin assistants)

Contractors: \$63,088.21

Materials: \$88,309.24

Professional in-services: \$9,310.00

Total: \$1,807,840.66

Edmentum for credit recovery: 175,000

Funds for tutoring services: 250,000

The amount of cost savings through the elimination of summer school is deemed to be minimal (at best) since remediation is required whether it's done in the summer or during the year.

Cost Savings = 1 (minimal)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

Reduce school testing coordinators

Currently APS has 24.3 FTEs with \$2.6 million budgeted for School Testing Coordinators. If this were implemented, the role should be assigned to a T- or P-scale individual. Previously, this role was held by Assistant Principals at the elementary level and by Assistant Principals or Directors of Counseling at the middle school level. Assigning it to Assistant Principals limits their availability for instructional leadership, as testing coordination reduces time spent with students and staff in CLTs. Similarly, assigning it to Directors of Counseling would reduce their capacity to meet with students.

Cost Savings = 3 (Some Savings)    Level of Effort = 1 (High)  
Level of Pain = 1 (Significant)    Strategic Abandonment = 5 (strategic)

#### Eliminate the free period for department chairs or the stipend

Stipends for Dept Chair vary depending on the size of the department at each school.

Dept Chair for 13+ FTE = \$1,458  
Dept. Chair for 9 - 12.9 FTE = \$1,248  
Dept Chair for 5 - 8.9 FTE = \$1,040  
Dept. Chair for 3 - 4.9 FTE = \$832  
Dept. Chair for 1 - 2.9 FTE = \$416

These positions are part of the school-based budgets and so would not reduce the Office of Academics Budget. Schools would need to be asked about this as they control the department chair position and the work that is taken on by this role is delineated by the school administration. We currently have content lead teachers whose work is directed by the Office of Academics and is a separate stipend.

In enforcing this guidance, staff would need to be prepared to advise students to take other courses. This could potentially be received poorly by students and parents as it may limit choice that they are accustomed to.

Cost Savings = 1 (minimal)    Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)    Strategic Abandonment = 5 (strategic)

#### Reduce/streamline the number of stipends

The total amount of stipends in the Office of Academics budget is \$903,909. Cost savings would be dependent upon the stipends proposed for reduction. Schools also have a stipend line items for positions that could be reduced/streamlined.

If stipends were reduced, we would need to review the roles and responsibilities tied to each position and identify existing staff positions (non-classroom based roles) to take on the required work. Clarifying amended roles and responsibilities with clear justification would be necessary. Some would be dependent upon changes proposed for planning factors. This change would likely result in minimal cost efficiencies because many of the stipends are needed to pay staff for required work outside of contract hours.



Propose freezing the current amounts based on the pay plan (Ex: ILTs receive 8.4% of BA Step A (\$4,523); Option 1: Keep the stipend amounts at this current level and consider adjusting them every 3 years. Option 2: Set the stipends to be a flat rate that is not tied to BA.

Cost Savings = 1 (minimal)      Level of Effort = 3 (Medium)  
Level of Pain = 3 (Possible)      Strategic Abandonment = 5 (strategic)

#### Establish class size minimums for low-enrollment offerings

The minimum is 15 students to run a class. We are conducting analysis now to see where APS is for each class. The current guidance suggests a minimum of 15 students for a class to run. In some cases, classes run with fewer than 15 if students need the course to fulfill a graduation requirement or it is the next course in their course of study and there are no other options. If it is not a graduation requirement and students could be directed to choose another offering, it would result in cost savings. Teachers would be scheduled for 5 periods and the need for .17 requests would likely be reduced.

In enforcing this guidance, staff would need to be prepared to advise students to take other courses. This could potentially be received poorly by students and parents as it may limit choice that they are accustomed to.

Cost Savings = Unknown      Level of Effort = 3 (Medium)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

#### Realize operational energy cost savings by replacing current building systems

Systems in the building would have to be replaced and the building envelope improved along with drilling a geothermal well field and making the roof solar ready / adding solar. Based on the comparison of Discovery vs. the average elementary school cost savings could be 90% of the utility costs. This change is in alignment with our strategic plan, sustainability. In addition to saving energy costs this work will improve the air quality and learning environment in the buildings where this work is done. APS is limited by the amount of work we can do in a calendar year and bond funds that are available.

Cost Savings = 5 (significant)      Level of Effort = 1 (High)  
Level of Pain = 3 (possible)      Strategic Abandonment = 5 (strategic)

#### Consolidate the number of elementary schools, factoring in the program capacity study and most current enrollment projections.

Building cost savings per year are projected to be zero unless the building is decommissioned and sold. Staff cost savings per year are projected to minimal since staff would follow the students (unless staff is eliminated with the consolidation of schools).

Cost Savings = 1 (minimal)    Level of Effort = 1 (High)  
Level of Pain = 1 (Significant)    Strategic Abandonment = 5 (strategic)

Reduce the amount of leased space required by APS (excluding Syphax).

The leases APS will have in FY2027 and beyond (excluding Syphax) are listed below. Most end by FY2028. Early termination of these leases may have added costs to APS.

1. ACHS at 4420 N. Fairfax Drive. FY2027 cost: \$237,532. Lease runs through 9/30/2026.
2. Abingdon Parking Lease with Fairlington Villages per use permit condition. This lease is required per our use permit. The annual lease is \$7,200.
3. Career Center Parking Lease with Highland Holdings Inc., (ECDC). Supports staff parking at Career Center and MPSA while parking garage for Career Center campus is under construction.  
FY2027 cost: \$136,500.  
FY2028 cost: \$21,000.

Cost Savings = 1 (minimal)    Level of Effort = 1 (High)  
Level of Pain = 1 (Significant)    Strategic Abandonment = 5 (strategic)

Eliminate buses for general education high school students.

Based on the data provided, there are no initial cost savings for transportation. Based on our current bell times, general education high schools are the middle tier. Eliminating buses will still require employees to be available for both the first and third bells. Possibly moving the third bell times, to second bell times. This move would shorten the workday for transportation employees.

Cost Savings = 1 (minimal)    Level of Effort = 3 (Medium)  
Level of Pain = 3 (Possible)    Strategic Abandonment = 5 (strategic)

Reduce Assistant Principals Contract Lengths to 11 months

Cost savings for Assistant Principals to move to an 11-month (220 day) contract would be \$1,780,000.

Cost Savings = 3 (some savings)    Level of Effort = 5 (Low)  
Level of Pain = 3 (Possible)    Strategic Abandonment = 5 (strategic)

Reduce the number of consulting contracts in the central office.

Cost savings to eliminate consulting contracts in the central office would be \$1.0 million.

Cost Savings = 3 (some savings)    Level of Effort = 5 (Low)

Level of Pain = 3 (Possible)

Strategic Abandonment = 5 (strategic)

Discontinue or modify the Hazel Health contract (if there is a way to change the payment terms) and/or share the cost with the County.

Cost savings to discontinue the Hazel Health contract would be \$300,000.

Cost Savings = 1 (Minimal)

Level of Effort = 5 (Low)

Level of Pain = 3 (Possible)

Strategic Abandonment = 1 (less strategic)

Move from Apple to Chromebooks

There would be no savings initially (FY26 – FY28) due to current device lease commitments. Long-term there may be some savings, but this projected savings would need to be viewed in accordance with the change in instructional software needs and teaching methods.

Cost Savings = 1 (Minimal)

Level of Effort = 5 (Low)

Level of Pain = 3 (Possible)

Strategic Abandonment = 3 (somewhat strategic)

Eliminate 1:1 devices for grades PreK-2; utilize class sets instead

Eliminating the 1:1 devices for grades PreK-2 would save the division \$321,000.

Cost Savings = 1 (Minimal)

Level of Effort = 3 (Medium)

Level of Pain = 3 (Possible)

Strategic Abandonment = 3 (somewhat strategic)

Cap the number of TJHSST spots funded by APS and/or fund the tuition on a sliding scale.

For FY2026 APS will be capping the number paid slots for TJHSST at 105 which costs approximately \$2.0 million. In FY2025, APS has 120 students enrolled at TJHSST.

Cost Savings = 1 (Minimal)

Level of Effort = 5 (Low)

Level of Pain = 3 (Possible)

Strategic Abandonment = 3 (somewhat strategic)

Reduce the number of residency confirmation staff.

Included in the FY2025 Adopted Budget, APS has 2.0 FTEs dedicated to residency confirmation staff costing \$253,000.

Cost Savings = 1 (Minimal)

Level of Effort = 5 (Low)

Level of Pain = 3 (Possible)

Strategic Abandonment = 3 (somewhat strategic)

Eliminate Instructional Coaches

Currently APS has 107.5 FTEs. The breakdown of these 107.5 FTEs are as follows:

Math	46 (includes 10 math interventionists)
Reading	<u>61.50</u>
Total	107.5 FTEs

Total budgeted amount for these positions equals \$11,884,985

Cost Savings = 5 (Significant)	Level of Effort = 1 (High)
Level of Pain = 1 (Significant)	Strategic Abandonment = 5 (strategic)

Eliminate "E" Days

Currently APS has a total of 1,308.5 "E" days budgeted for a total of \$700,000

Cost Savings = 1 (Minimal)	Level of Effort = 5 (Low)
Level of Pain = 3 (Possible)	Strategic Abandonment = 5 (strategic)