



ALBEMARLEFORWARD:

EQUITY & OPPORTUNITY

Budget Work Session #1: January 23, 2018

BUDGET REVIEW SCHEDULE

Jan. 18 **Special School Board Meeting**
Superintendent's Request Presentation

Jan. 23 **Special Budget Work Session**
Budget Overview
Compensation and Benefits
Growth
SPED
ESOL
Operational Departments
LEAD

Jan. 25 **School Board Work Session**
FY18 Equity & Access Initiative Update
Instructional Departments
"Sustaining" Initiatives
"Advancing" Initiatives

Jan. 30 **School Board Public Hearing/
Special Budget Work Session**
Food Services
EDEP
Remaining Special Revenue Funds
Discussion

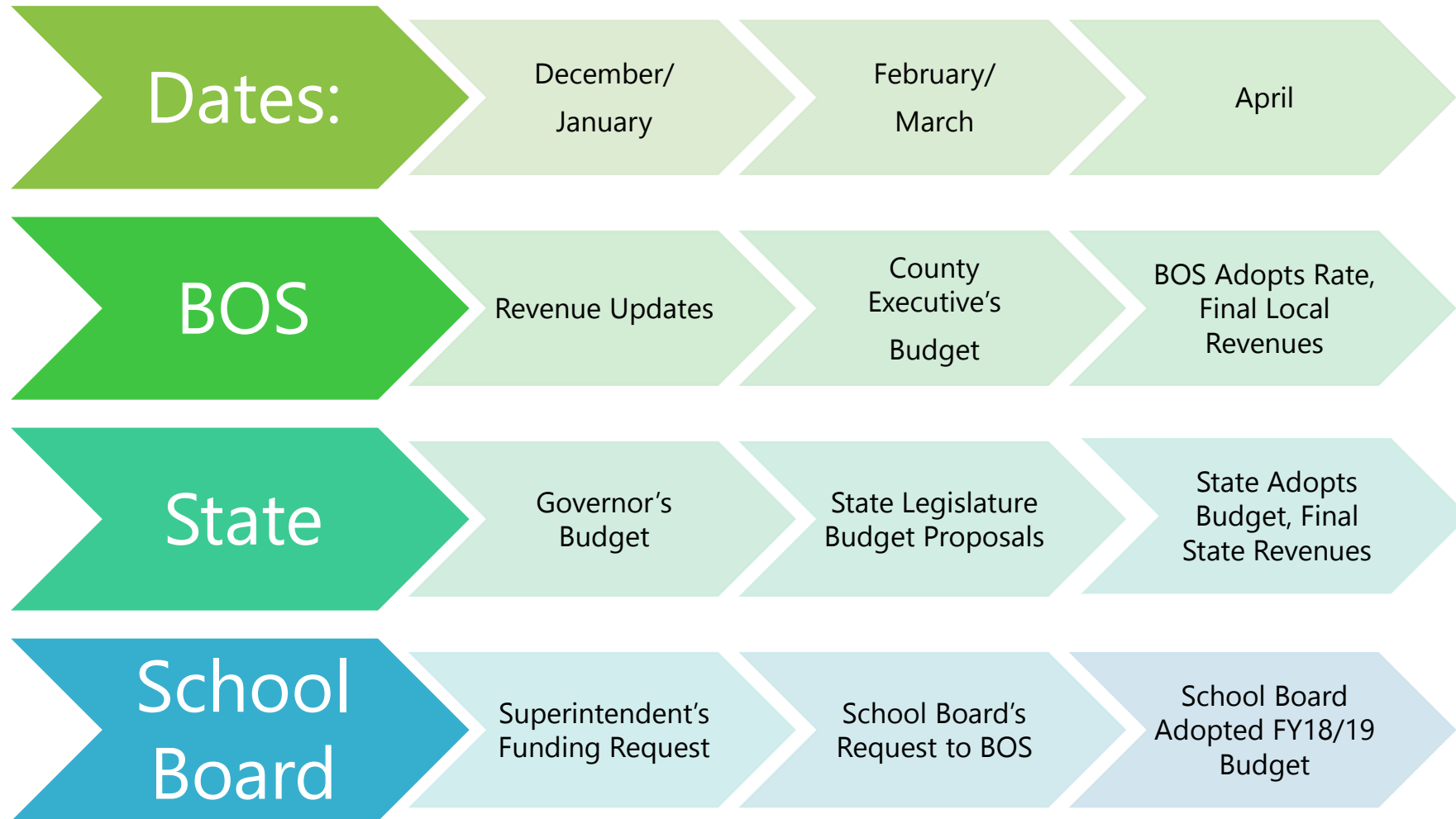
Feb. 6 **Special Budget Work Session
(Tentative)**

Feb. 8 **School Board Business Meeting**
Adopt School Board's Request

Request Overview

Jackson Zimmermann

THE BUDGET TIMELINE



FUNDING REQUEST OVERVIEW

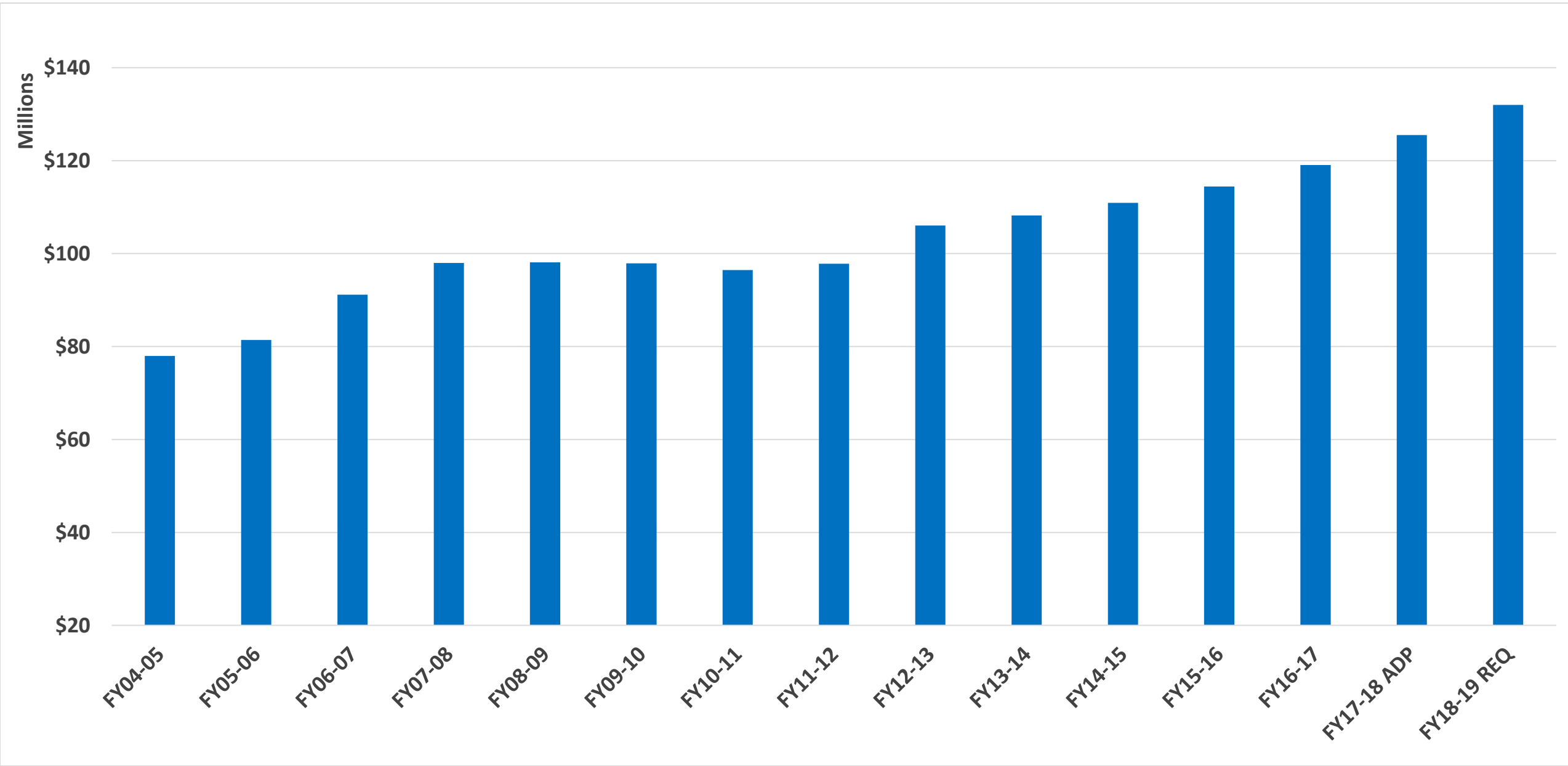
- ▶ Revenues – State & Local
- ▶ Expenses – From a different perspective
- ▶ Lapse/Savings – What is it?

2018-19 REVENUES: \$186.8M

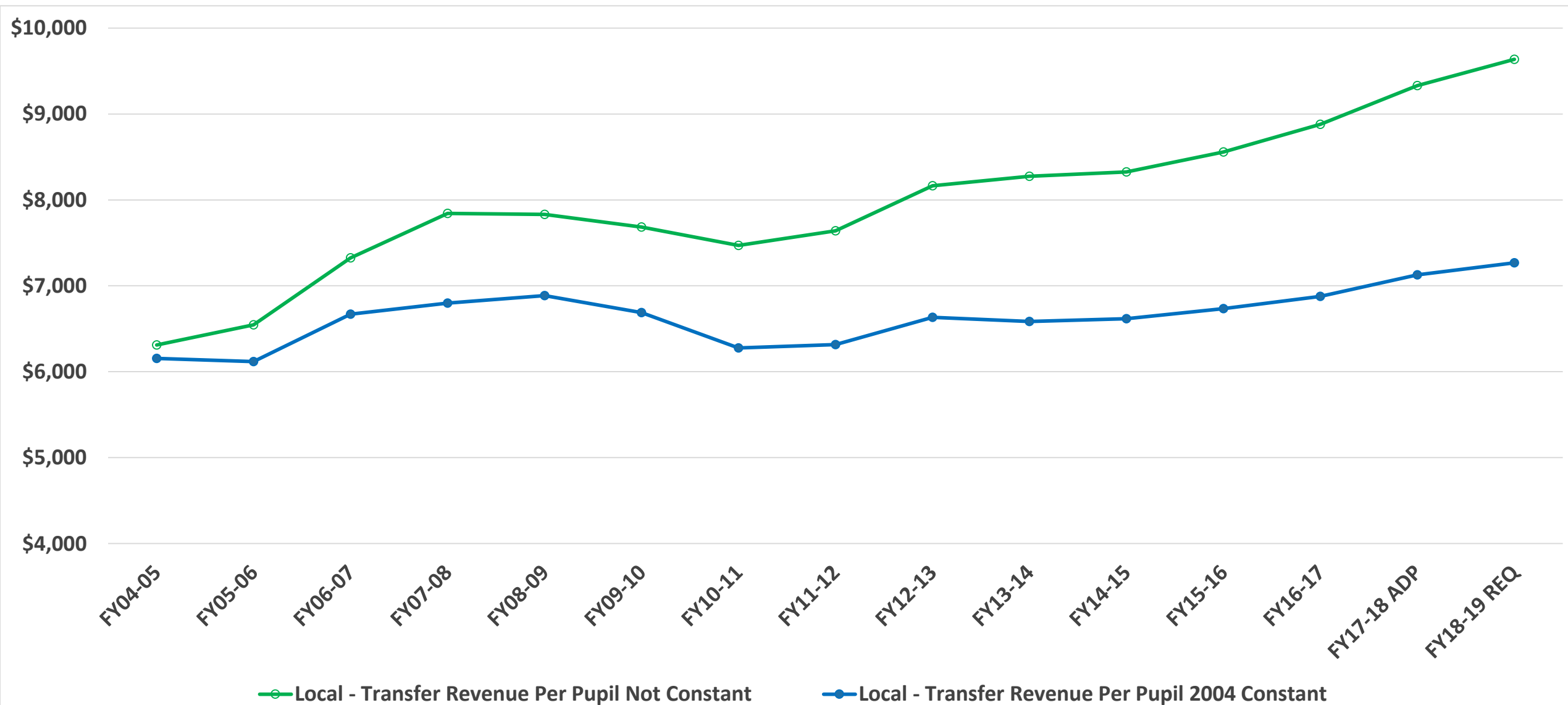
PAGES B1-B8

	Adopted 2017-18	Proposed 2018-19	\$ Change	% Change
Local	\$127,821,506 (70.8%)	\$134,585,527 (72.0%)	\$6,764,021	▲ 5.29%
State	\$49,666,936 (27.5%)	\$49,227,012 (26.4%)	(\$439,924)	▼ 0.89%
Federal	\$2,998,498 (1.7%)	\$2,997,473 (1.6%)	(\$1,025)	▼ 0.03%
TOTAL	\$180,486,940	\$186,810,012	\$6,323,072	▲ 3.50%

LOCAL TRANSFER REVENUES FY 2005-19



LOCAL TRANSFER PER-PUPIL FY 2005-19



COMPOSITE INDEX OF LOCAL ABILITY-TO-PAY

Formula = $[(.6667 \times \text{ADM Component}) + (.333 \times \text{Population Component})] \times 0.45$

Average Daily Membership (ADM) Component

$$.5 \left[\frac{\text{Local True Values Division ADM}}{\text{State True Values State ADM}} \right] + .4 \left[\frac{\text{Local Adjusted Gross Income Division ADM}}{\text{State Adjusted Gross Income State ADM}} \right] + .1 \left[\frac{\text{Local Taxable Retail Sales Division ADM}}{\text{State Taxable Retail Sales State ADM}} \right]$$

Population Component

$$.5 \left[\frac{\text{Local True Values Local Population}}{\text{State True Values State Population}} \right] + .4 \left[\frac{\text{Local Adjusted Gross Income Local Population}}{\text{State Adjusted Gross Income State Population}} \right] + .1 \left[\frac{\text{Local Taxable Retail Sales Local Population}}{\text{State Taxable Retail Sales State Population}} \right]$$

COMPOSITE INDEX

1. Significance

State revenues are driven by a calculation called Composite Index, which uses 3 factors to determine each locality's ability to pay education costs:

1. True value of real property (50%);
2. Adjusted gross income (40%); and
3. Taxable retail sales (10%).

2. Consequence

Based on a recalculation of the index, the state determined that Albemarle County has an increased ability to pay and less state funding for education is necessary. Consequently, our anticipated **state revenues decreased by more than \$2 million.**

3. Reprieve

To offset this decrease, the Governor has proposed **\$1.9 million in additional funding for ACPS**, but only for the first year of the biennial budget. This helps compensate for the decrease in 2018-19, but does nothing to assist us with the same issue in the following year.


4. Recommendation

In order to ensure that we do not begin the 2019-20 budget cycle with a significant revenue shortfall, ACPS **staff recommend using only half of the \$1.9 million in 2018-19** and setting aside the remainder for use in 2019-20.

TREND ANALYSIS: Change from 2016-18 to 2018-20

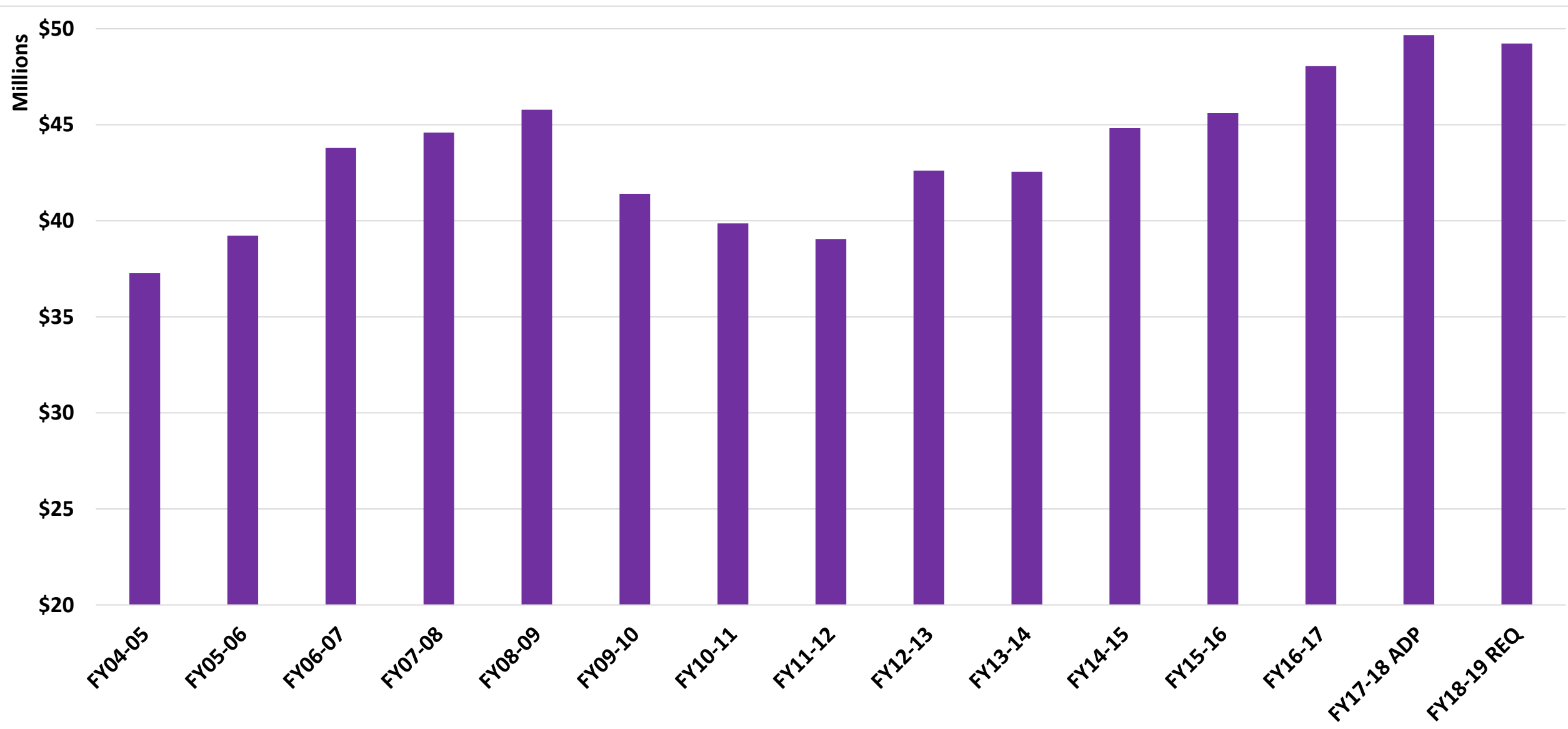
LCI Factor	Division	Absolute % Change	Division vs. State Average Change
Average Daily Membership*	Albemarle	2.04%	266
	State Average	0.85%	77
Population	Albemarle	2.26%	2320
	State Average	1.48%	908

Final Index Comparison		
Division	2016-18	2018-20
Albemarle	0.6394	0.6780

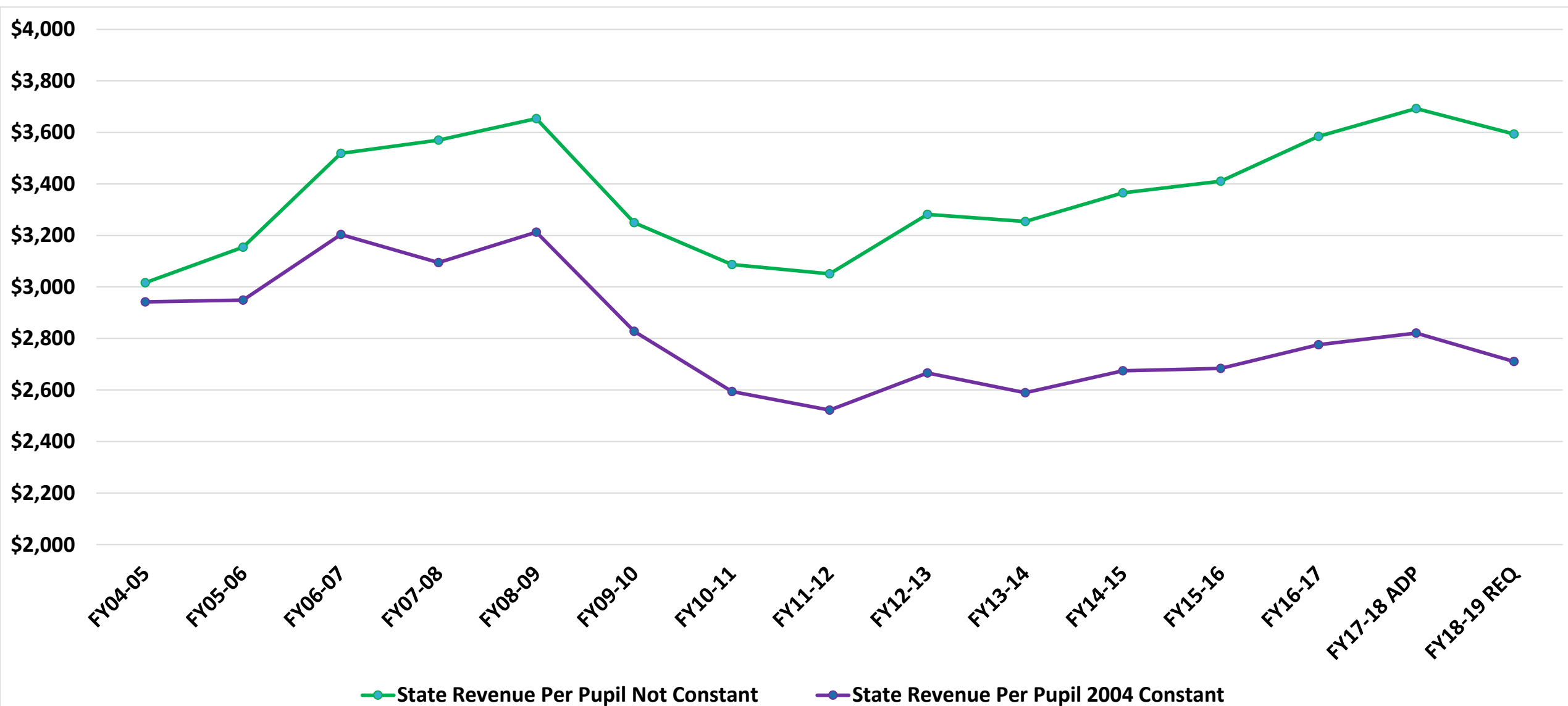
LCI Factor	Division	Absolute % Change	Per ADM % Change	Per Capita % Change
True Value of Property	Albemarle	5.55%	3.44%	3.22%
	State Average	3.82%	2.95%	2.30%
 Adjusted Gross Income	Albemarle	27.86%	25.30%	25.04%
	State Average	10.78%	9.84%	9.16%
Taxable Retail Sales	Albemarle	6.66%	4.53%	4.31%
	State Average	5.95%	5.06%	4.40%

*2014 – 2016 difference; other factors are 2013-15 differences

STATE REVENUES FY 2005-19

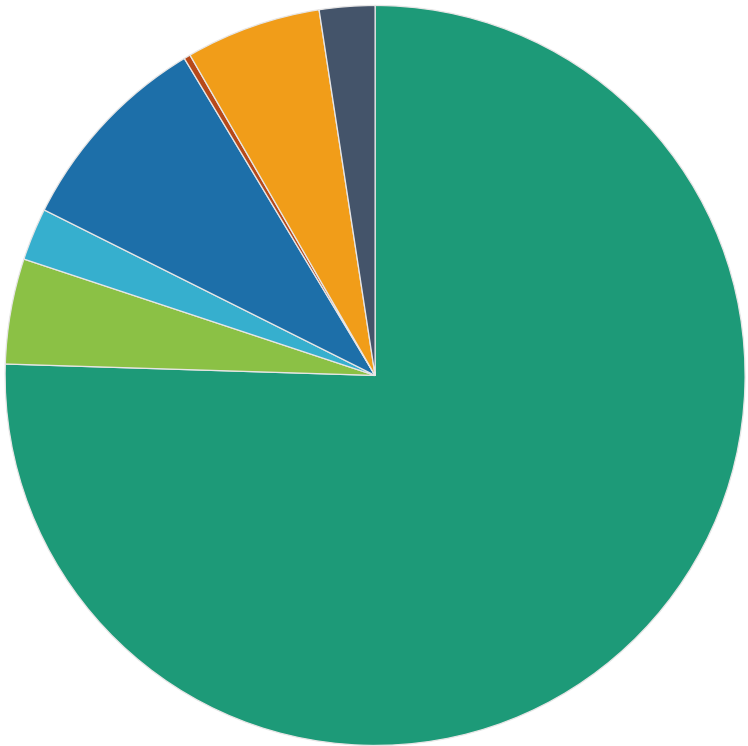


STATE PER-PUPIL REVENUES FY 2005-19



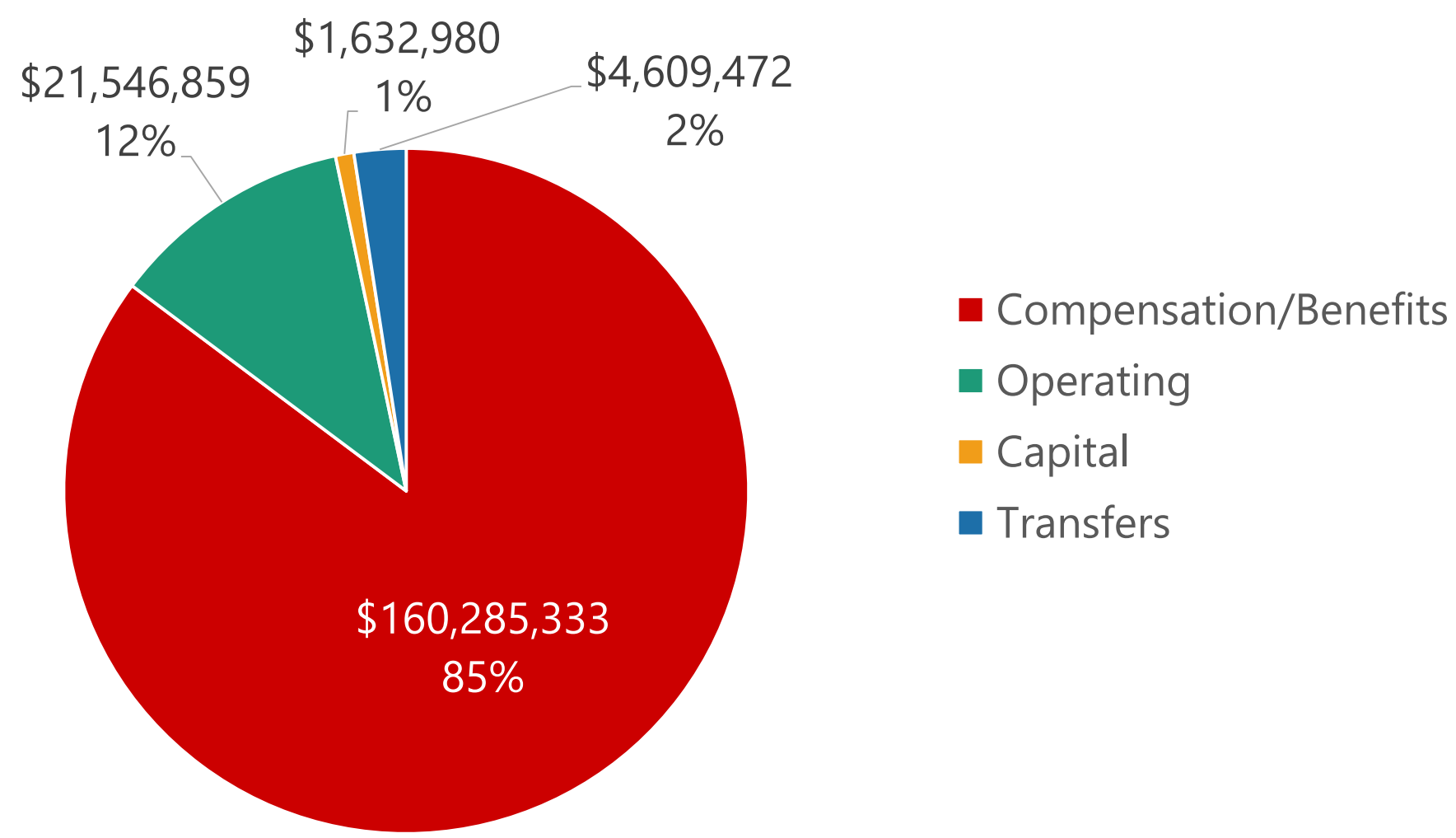
2018-19 FUNDING REQUEST: \$188.07M

Adopted 2017-18	Proposed 2018-19	\$ Change	% Change
\$180,486,940	\$188,074,644	\$7,587,704	▲ 4.2%



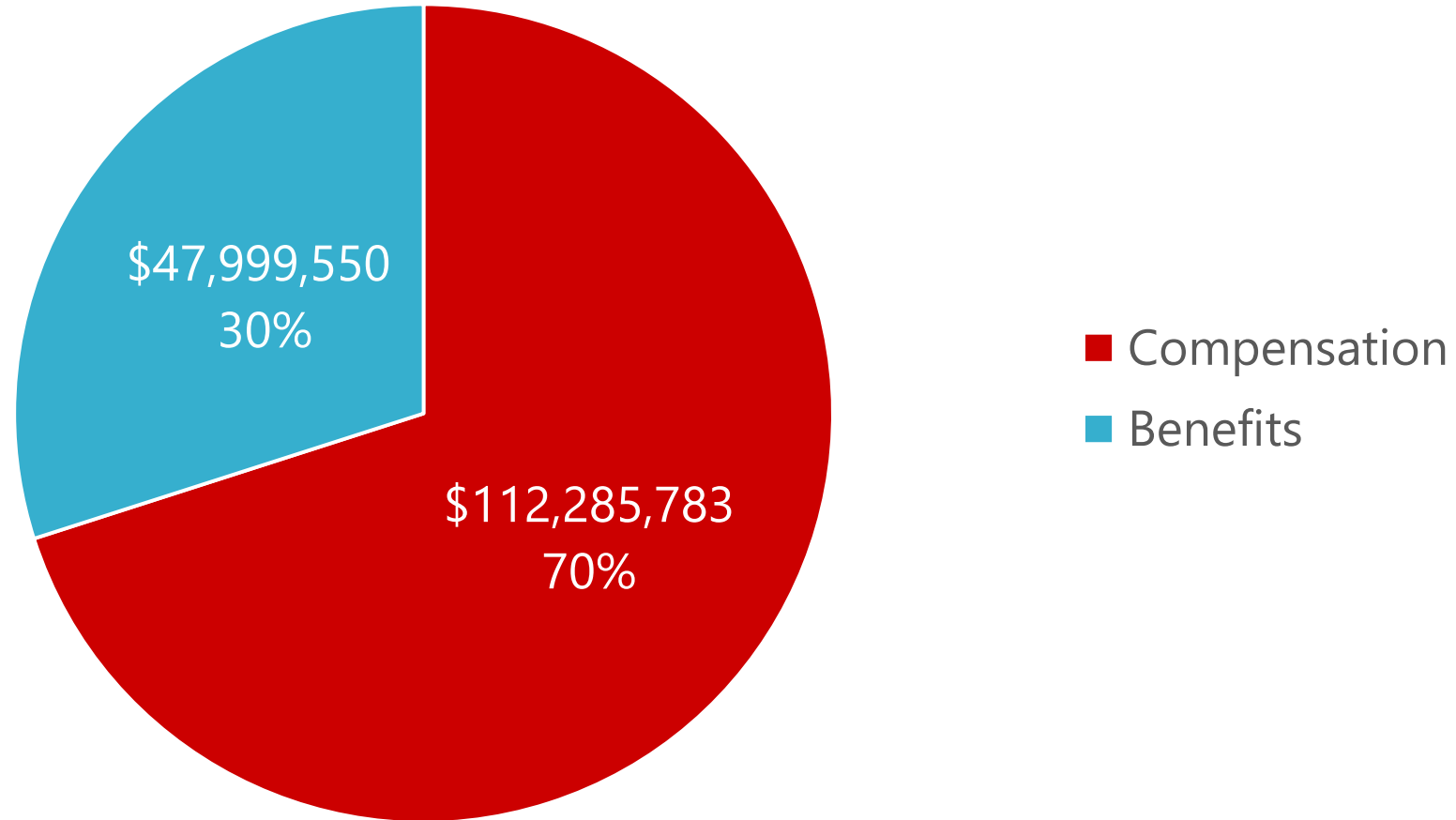
- Instruction: \$141,983,611 (75.5%)
- Admin, Attend & Health: \$8,649,068 (4.6%)
- Technology: \$4,307,185 (2.3%)
- Building Services: \$16,919,641 (9.0%)
- Facilities: \$532,043 (0.3%)
- Transportation: \$11,131,486 (5.9%)
- Transfers: \$4,551,610 (2.4%)

2018-19 FUNDING REQUEST: \$188.07M

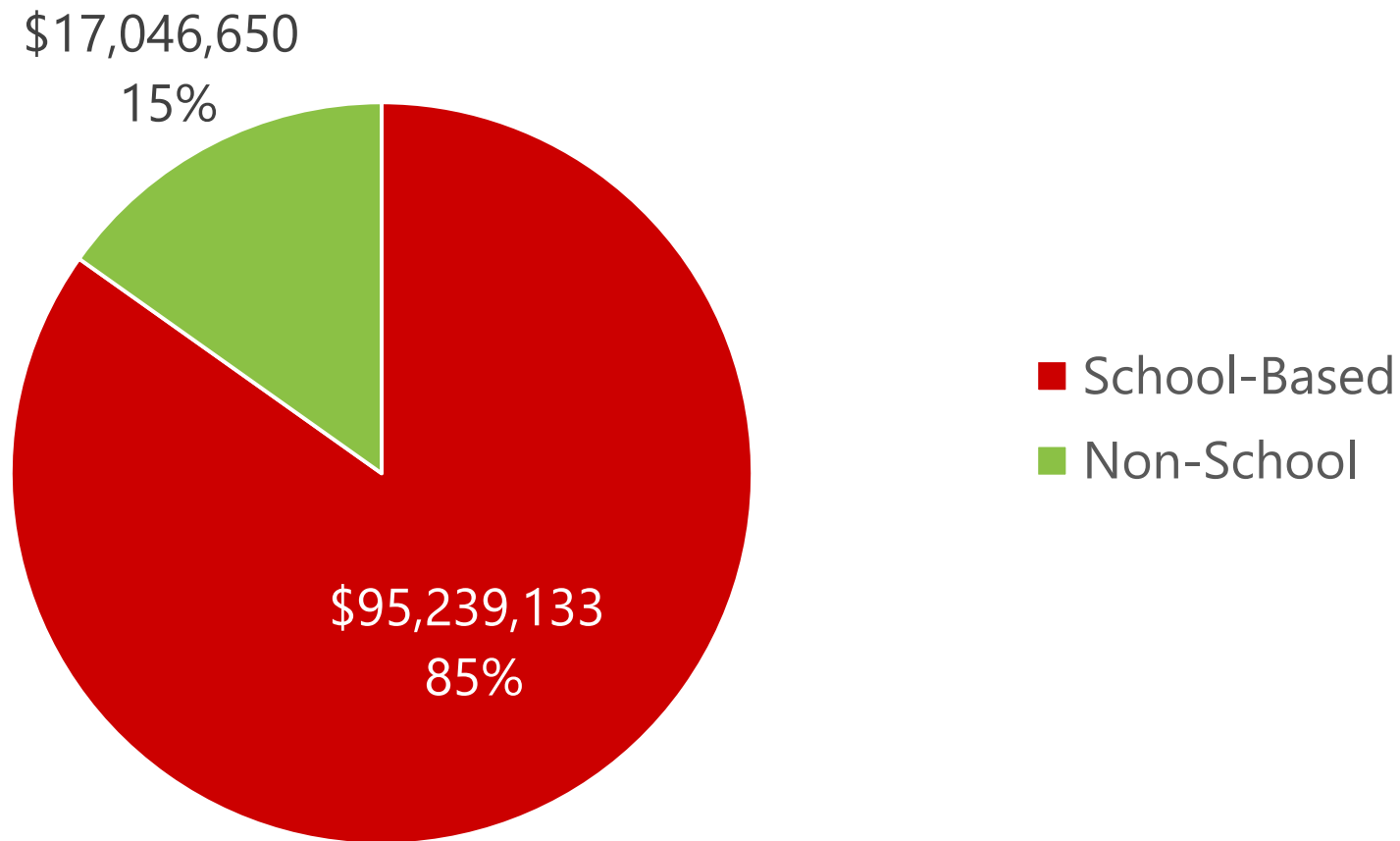


FY 2018-19 SCHOOL FUND – PERSONNEL:

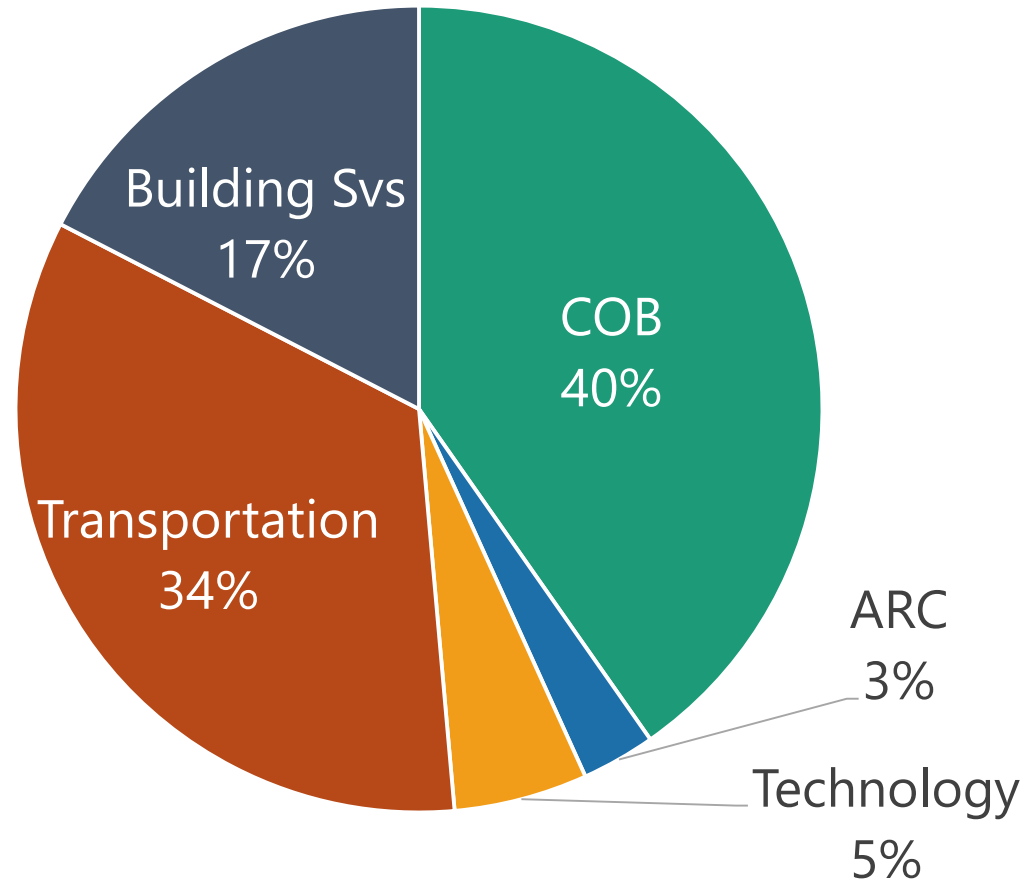
\$160,285,333



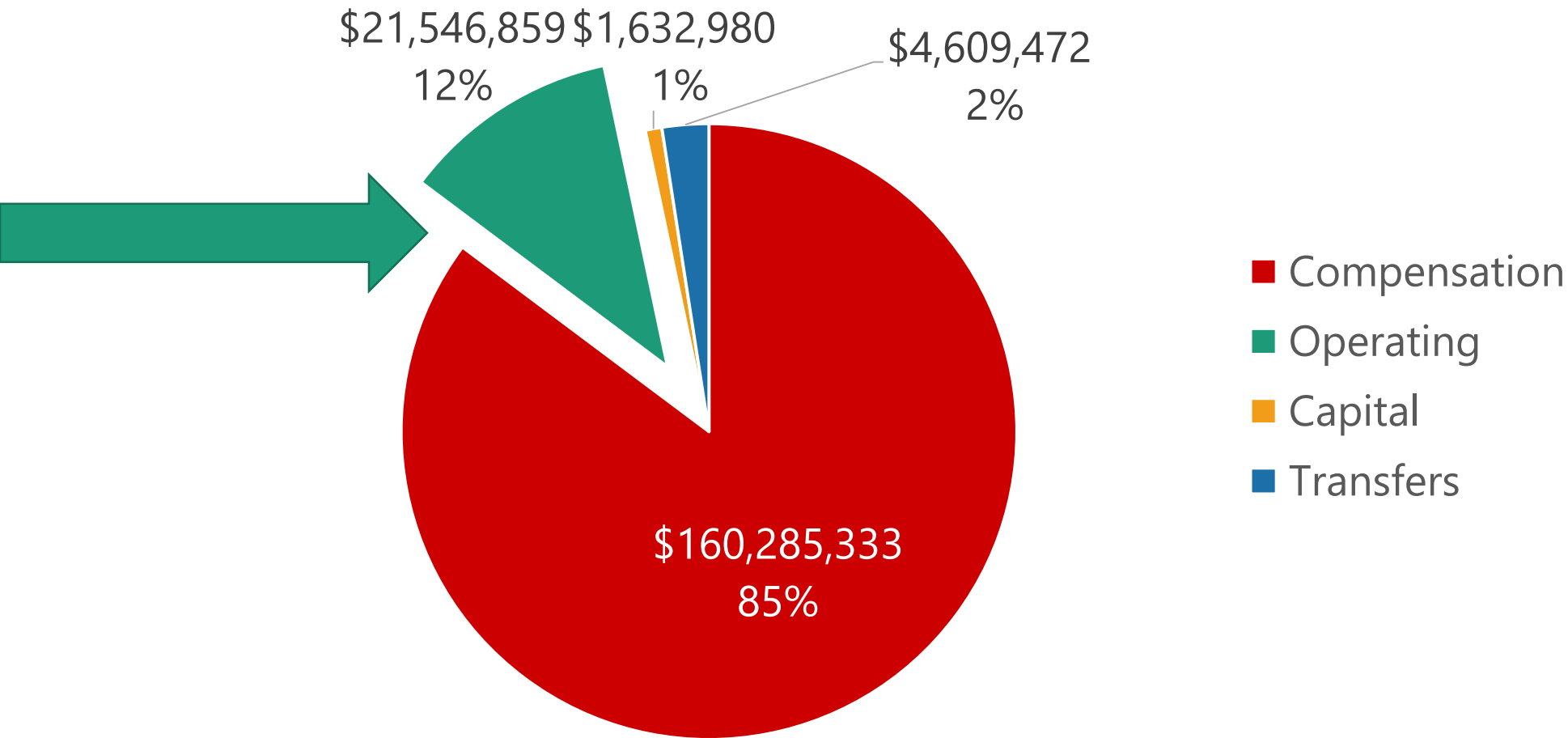
FY 2018-19 COMPENSATION: \$112,285,783



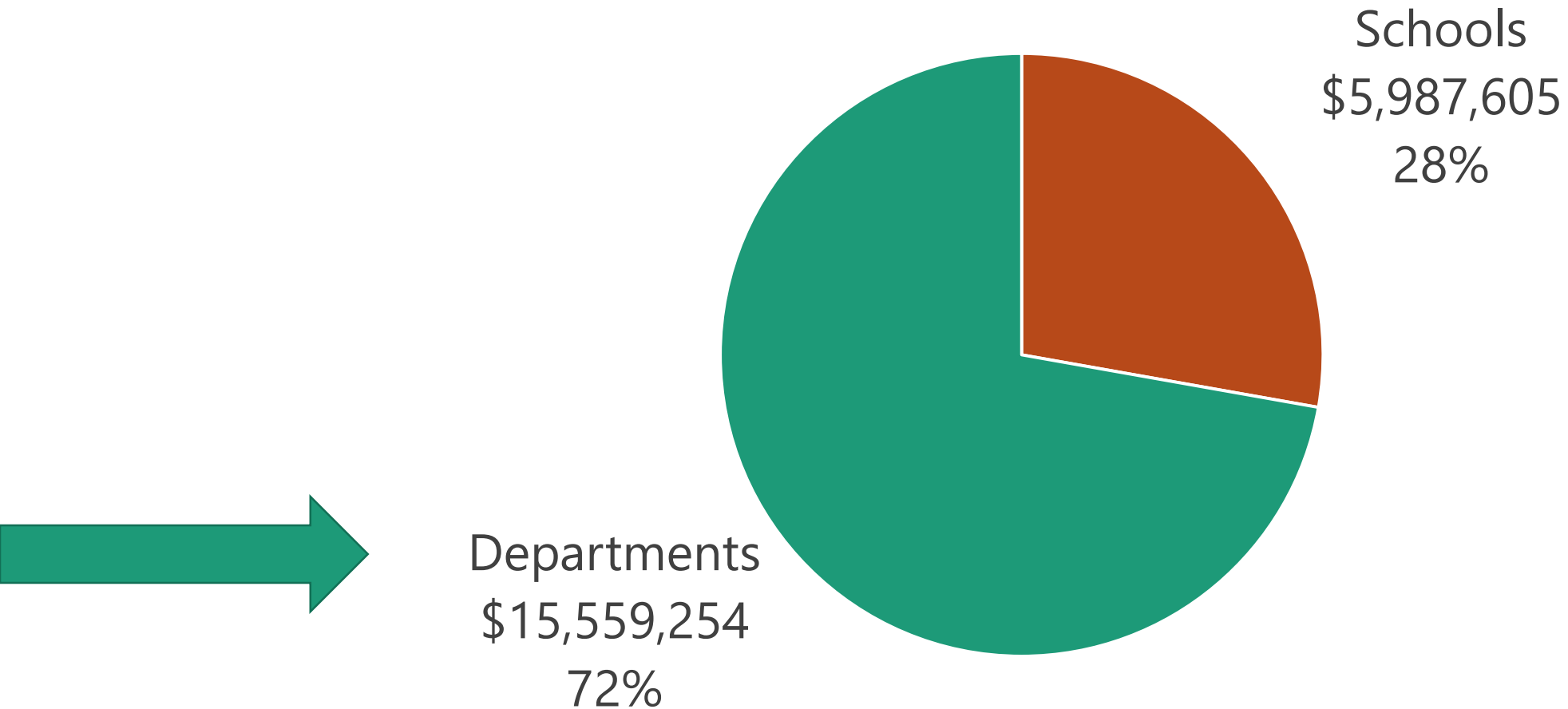
FY 2018-19 NON-SCHOOL BASED COMP: \$17,046,650



2018-19 REQUEST: A CLOSER LOOK AT OPERATIONS



FY 2018-19 OPERATING COSTS: \$21,546,859



DEPARTMENT OPERATIONS: TOP 10

▶ VEHICLE & EQP. – FUEL	\$1,734,536	▶ STAFF DEVELOPMENT	\$1,081,657
▶ ELECTRICAL SERVICES	\$1,700,000	▶ PREP-ED PROGRAM	\$703,945
▶ CONTRACT SERVICES	\$1,368,208	▶ VEHICLE – SUPPLIES	\$610,948
▶ IVY CREEK TUITION	\$1,331,430	▶ REPAIR/MAINT SUPS	\$506,550
▶ PREP-CBIP PROGRAM	\$1,200,897	▶ MAINT CTRT – SOFT	\$401,024

Top 10 expenses represent more than **68%** of department operational costs

Top 20 expenses represent more than **90%** of department operational costs

OTHER EXPENSES

Capital Items: ~\$1.6M

Mostly replacement equipment, furniture, and computer equipment in both schools and across the division.

Transfers: ~\$4.6M

- ▶ CSA: \$2.2M
- ▶ Computer Equipment Replacement Fund: \$1M
- ▶ Textbook and Learning Resource Replacement Fund: \$500K
- ▶ Federal Revenue Reserve Fund: ~\$476K
- ▶ School Resource Officers: ~\$187K
- ▶ Summer School Fund: ~\$122K
- ▶ Other Small Transfers

STAFF TURNOVER SAVINGS

PAGE A-17

What is it?

Documented savings due to turnover from budget to budget

LAPSE FACTOR

PAGE C-134

What is it?

Anticipated savings due to lag time between the opening of a position and the start date of a new hire & potential savings associated with the hiring of less experienced staff due to turnover and retirements

FUNDING GAP: \$1.26M

Total Revenue Increase		\$6,323,072
Expenses	Growth	\$2,846,357
	Directed/Mandated	\$1,684,348
	Advancing Strategic Priorities	\$2,031,670
	Sustained Commitment to Quality Education	\$1,025,329
Total Funding Gap		(\$1,264,632)

Compensation/Benefits

Lorna Gerome

SALARY INCREASES

Classified Staff

- ▶ 2% Market Increase
- ▶ Fund Pay for Performance
- ▶ 1% Pay Scale Adjustment*

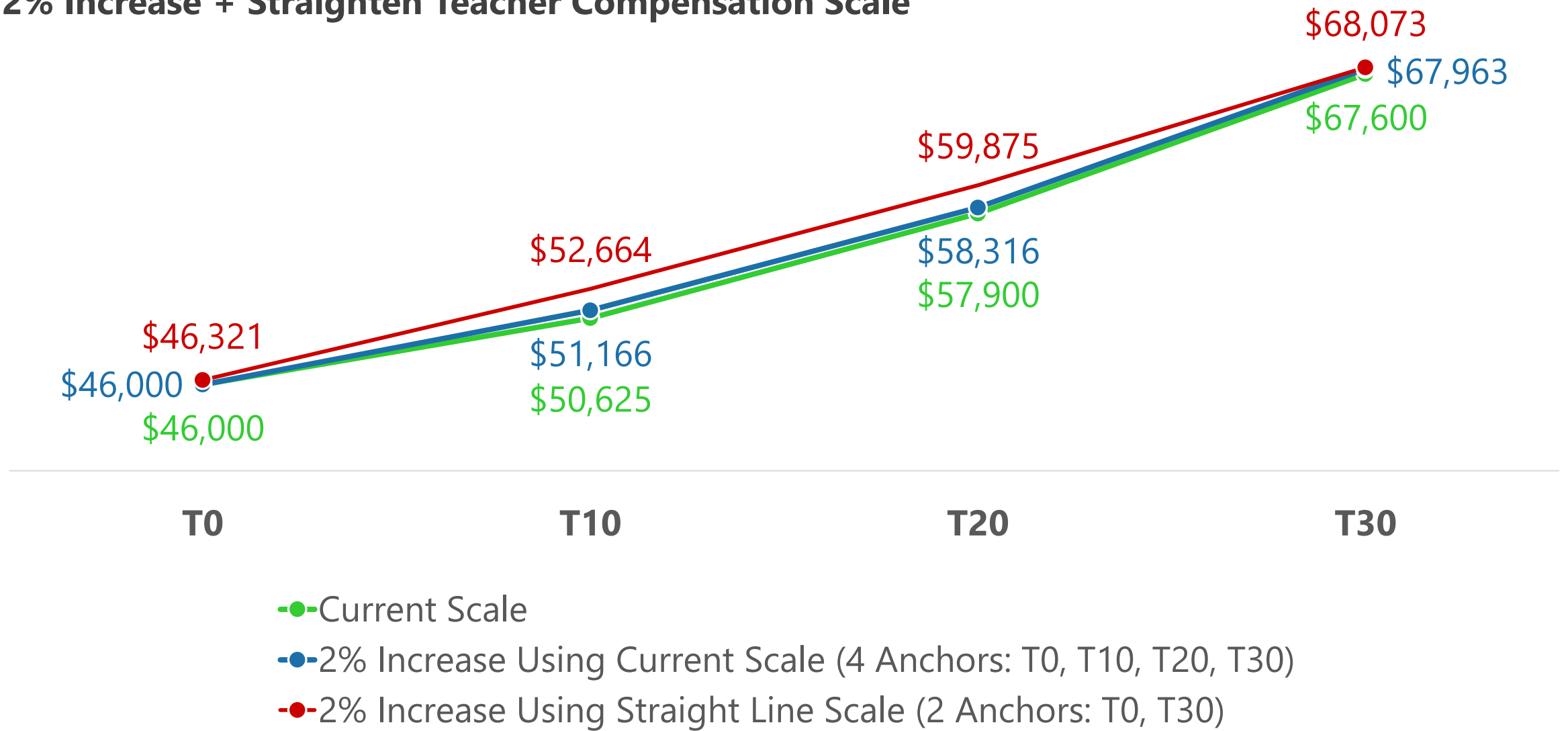
Teachers

- ▶ 2% Increase
- ▶ Straighten Pay Scale:
Adjust from 4 Anchor Points
(at 0, 10, 20 and 30 years of
experience) to 2 Anchor Points
(at 0 and 30 years of experience)

**Scale adjustment impacts only employees below the minimum and at the maximum of the paygrades.*

TEACHER SALARY INCREASE

2% Increase + Straigten Teacher Compensation Scale



BENEFITS

- Health Insurance
 - Rate Decline from Budget to Budget
 - Part-Time Employee Health Insurance Initiative [Page A-21](#)
- Dental Insurance
- Virginia Retirement System (VRS)
- Voluntary Early Retirement Incentive Program (VERIP) [Page A-17](#)

PART-TIME EMPLOYEES

How do we meet ACA affordability standards as well as provide additional incentives for the hiring and retention of high-turnover staff?

Resolution



Choice Plan

**$\geq .7$ FTE charge FT
employee premium**

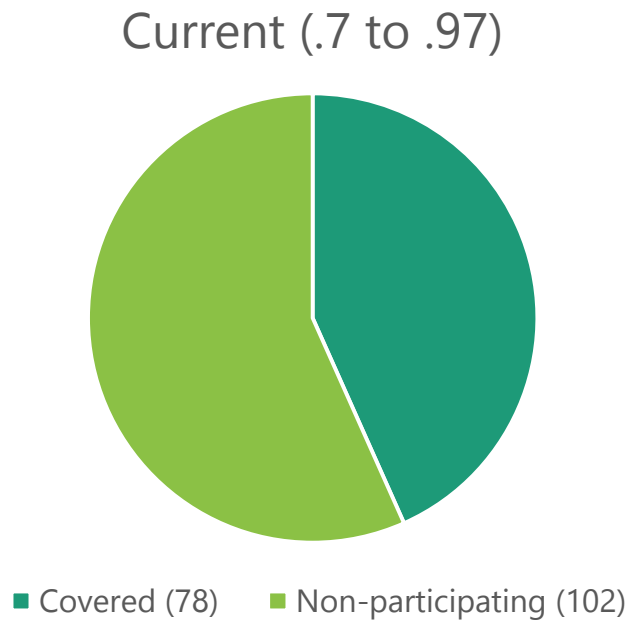
**$< .7$ FTE current
calculation method
using aggregate
contribution figure**

Select Plan

**current calculation
method using aggregate
contribution figure**

PART-TIME EMPLOYEES

Potential Impacts



*Operating Fund Employees only. Child Nutrition & EDEP Employees will be eligible as well.

Impact examples (.7 FTE):

Choice Plan - individual coverage:

- Current monthly premium: \$235
- *Proposed monthly: \$16*

Choice Plan - family coverage:

- Current monthly premium: \$407
- *Proposed monthly: \$188*

COMPENSATION/BENEFITS SUMMARY

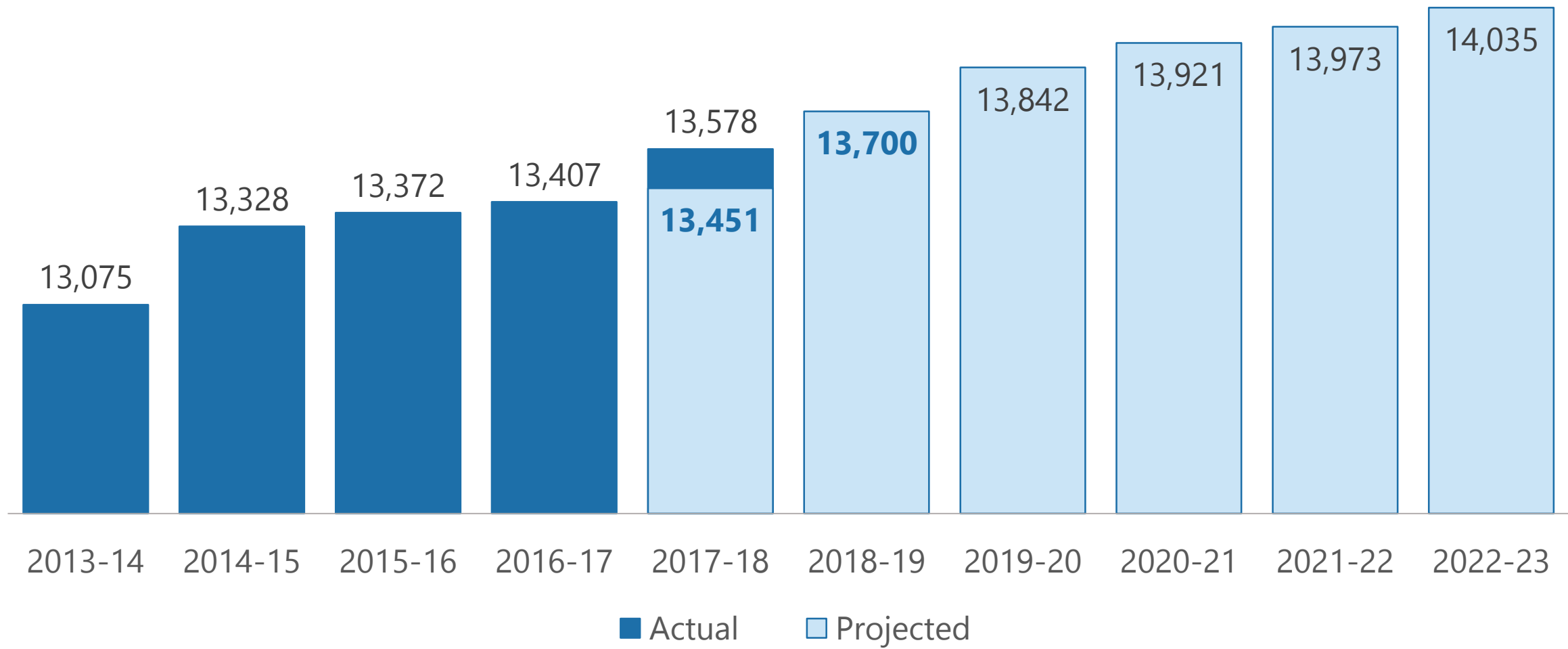
Directed/Mandated (Compensation and Benefits)	Straighten Teacher Scale	\$1,531,992
	Teacher Salary Increase	\$1,531,848
	Classified Salary Increase	\$1,123,687
	Virginia Early Retirement Incentive Program (VERIP)	\$57,997
	Dental Insurance Increase	\$25,661
	Virginia Retirement System (VRS) Decrease	(\$588,234)
	Health Insurance Decrease	(\$1,057,679)
	Lapse Factor Incremental Savings	(\$217,276)
	Salary Savings Due to Staff Turnover	(\$856,981)
Sustained Commitment to Quality Education (Investment in Employees)	PT-Employee Health Insurance	\$350,000

Enrollment Growth

Rosalyn Schmitt

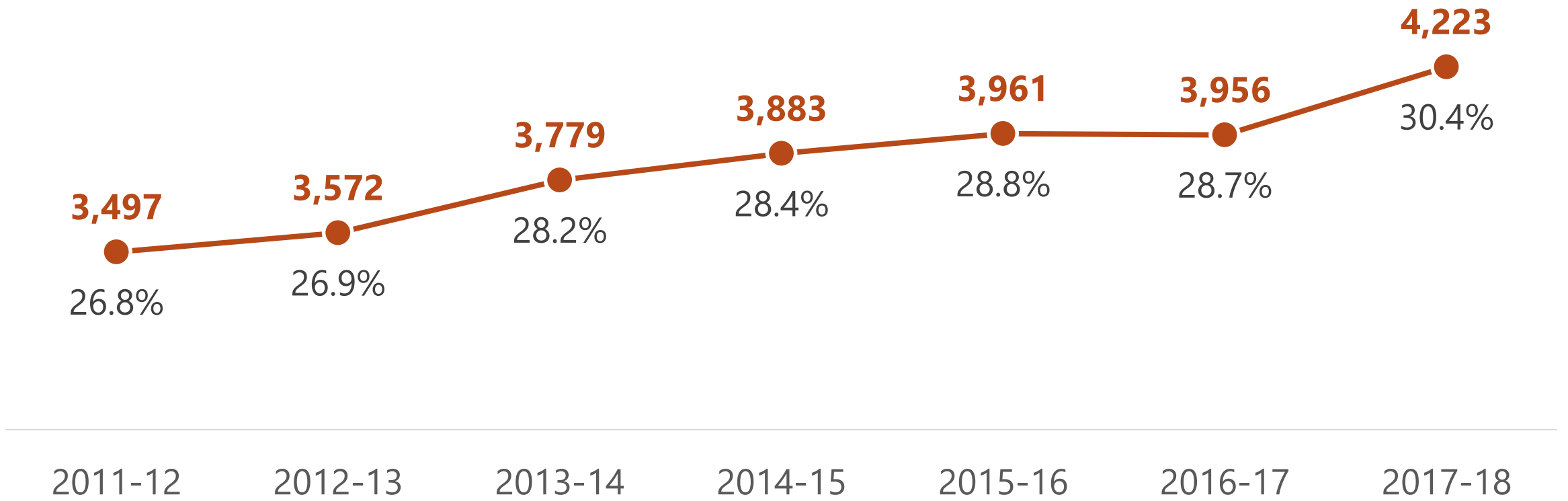
STUDENT ENROLLMENT, K-12

Budget to Budget (2017-18 to 2018-19), we're facing an increase of **249 students** (13,451 to 13,700).



ECONOMICALLY DISADVANTAGED STUDENTS, PK-12

▲ 20.8% (+726 students) since 2011-12 (compared to Total Student Enrollment, which is ▲ 6.5%)



Source: ACPS September 30th Enrollment

GROWTH

Staffing Increases Due to Enrollment Growth (16.34 FTE)	\$1,306,219
Special Education Staffing Growth (11.00 FTE)	\$828,886
Early Childhood Special Education Staffing Growth (2.00 FTE)	\$150,706
English for Speakers of Other Languages (ESOL) Growth (4.39 FTE)	\$330,801
Custodial and Maintenance Services for the Woodbrook Addition (3.00 FTE)	\$229,745

37.5% of Our Increase: \$2,846,357

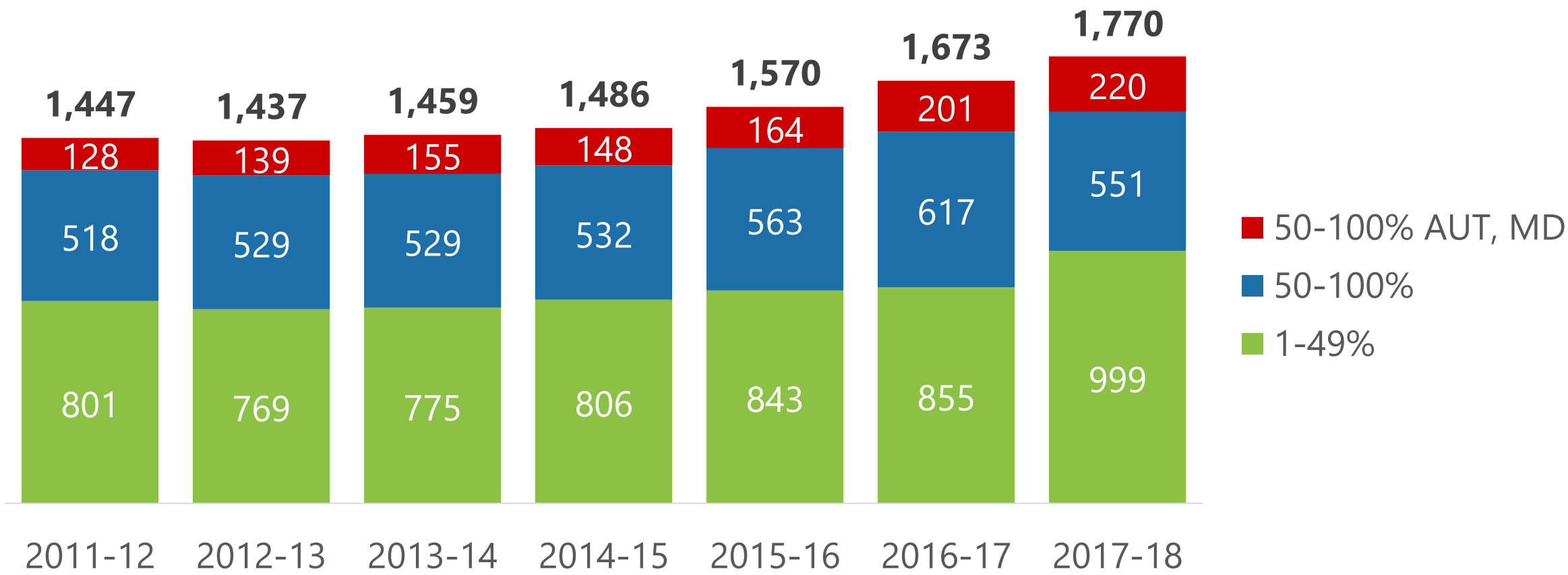
SPED

Kevin Kirst

SPED STUDENTS BY SERVICE LEVEL

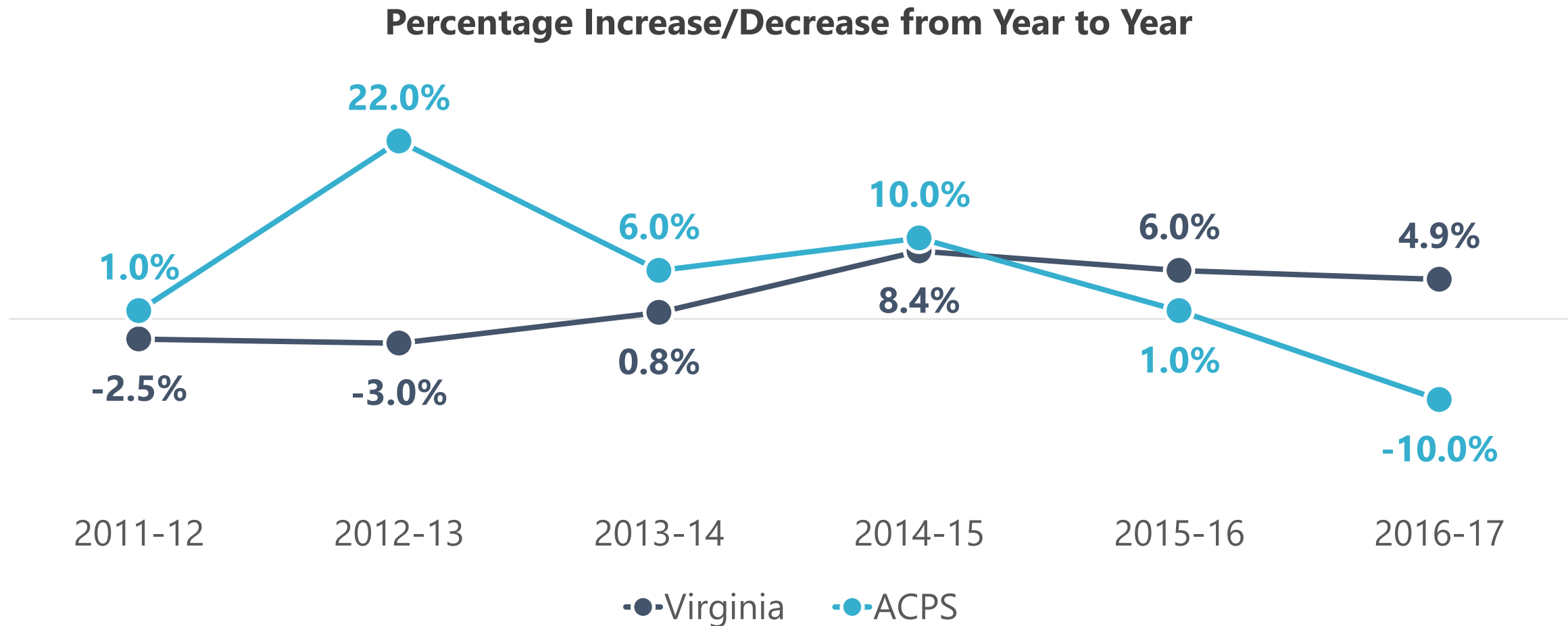
Total Students Served by Special Education ▲ 22.3% (+323 students) since 2011-12

Students Served at 1-49% ▲ 24.7% | 50-100% ▲ 6.4% | 50-100% AUT, MD ▲ 71.9%

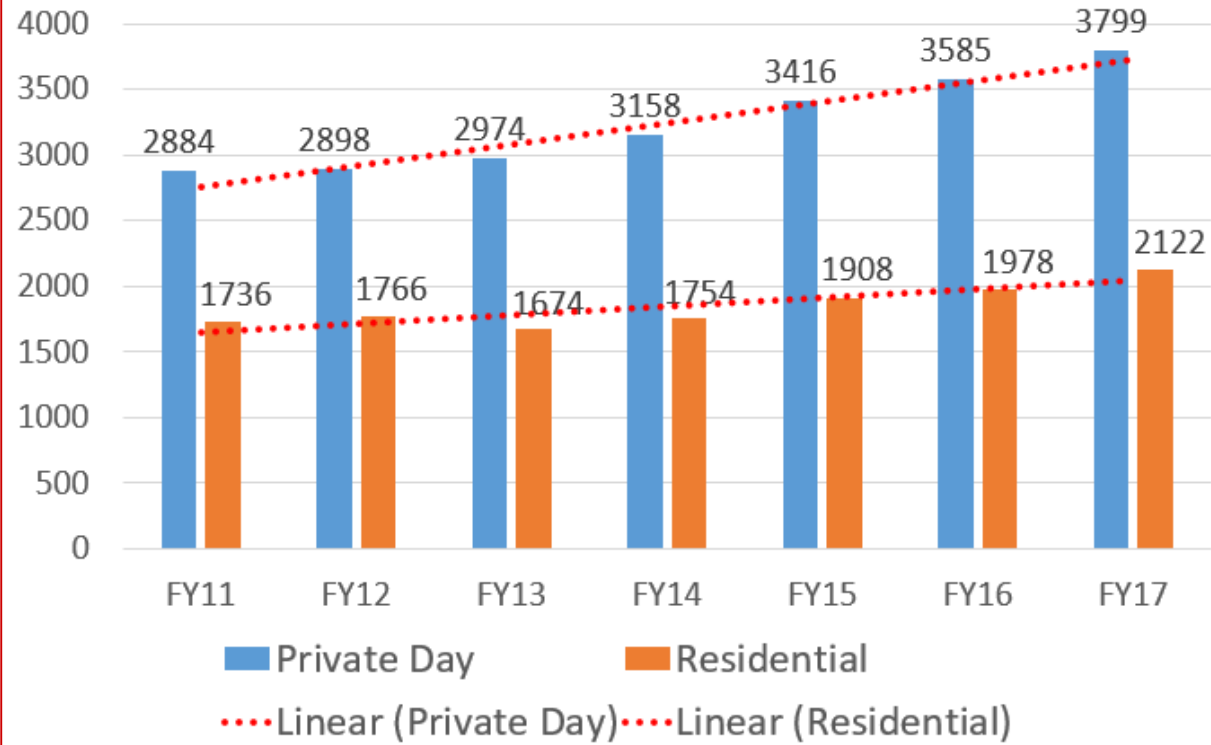


AUT, MD represents services provided to students with Autism or Multiple Disabilities.

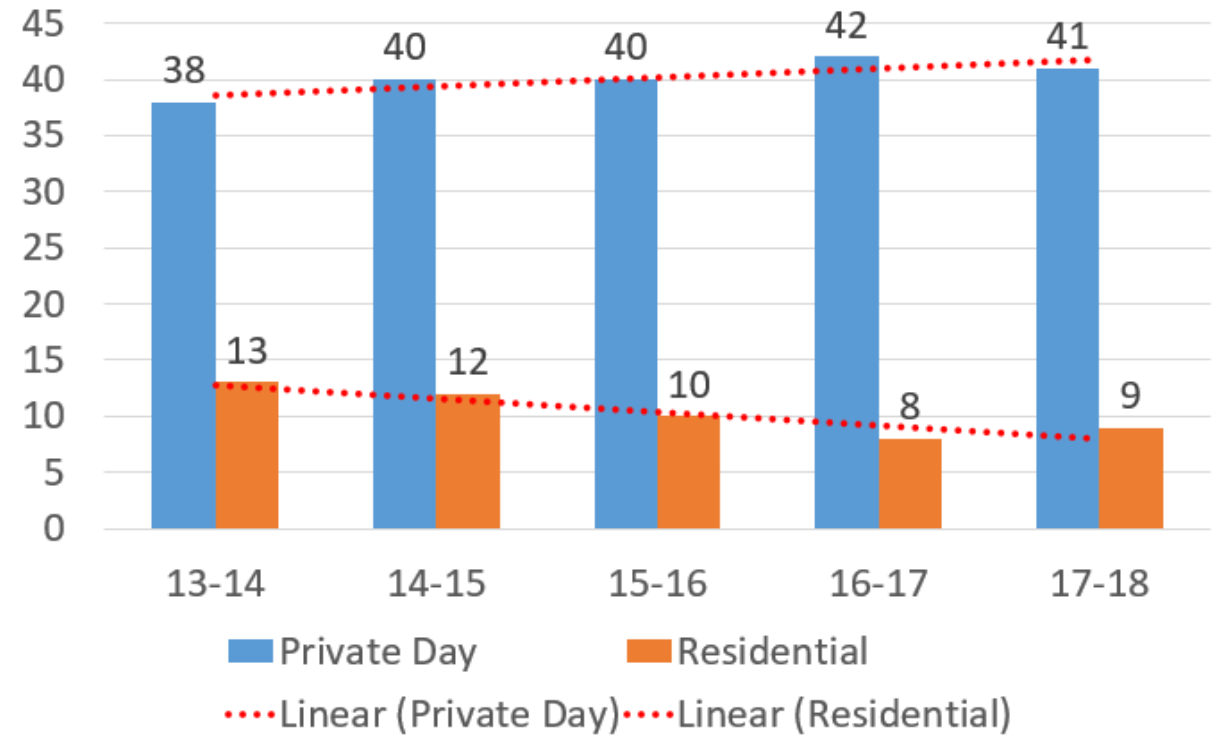
CSA SPECIAL EDUCATION PRIVATE DAY COSTS: A COMPARISON



Virginia Students Receiving Special Education in Private Day and Residential Placements

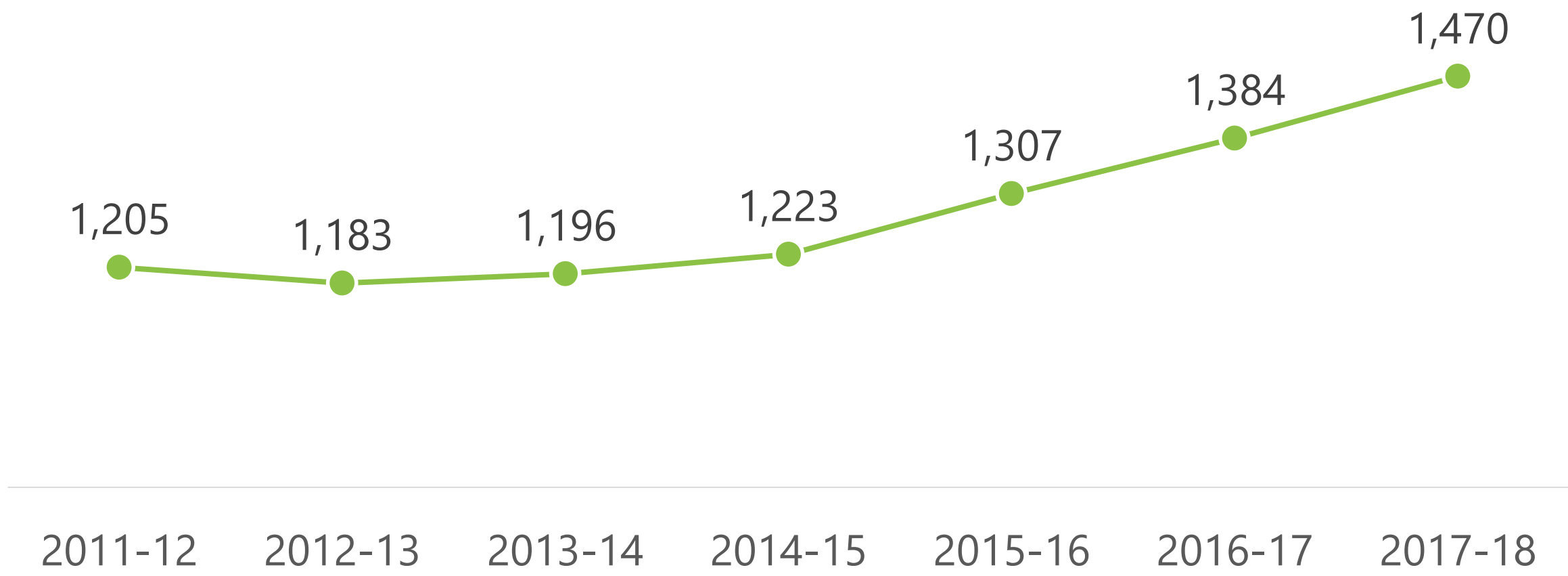


CSA - Students in Private Day and Residential Placements



SPED STUDENTS SERVED IN THE PUBLIC SCHOOL SETTING

▲ 22.0% (+265 students) since 2011-12



SPED PROPOSED CHANGES SUMMARY

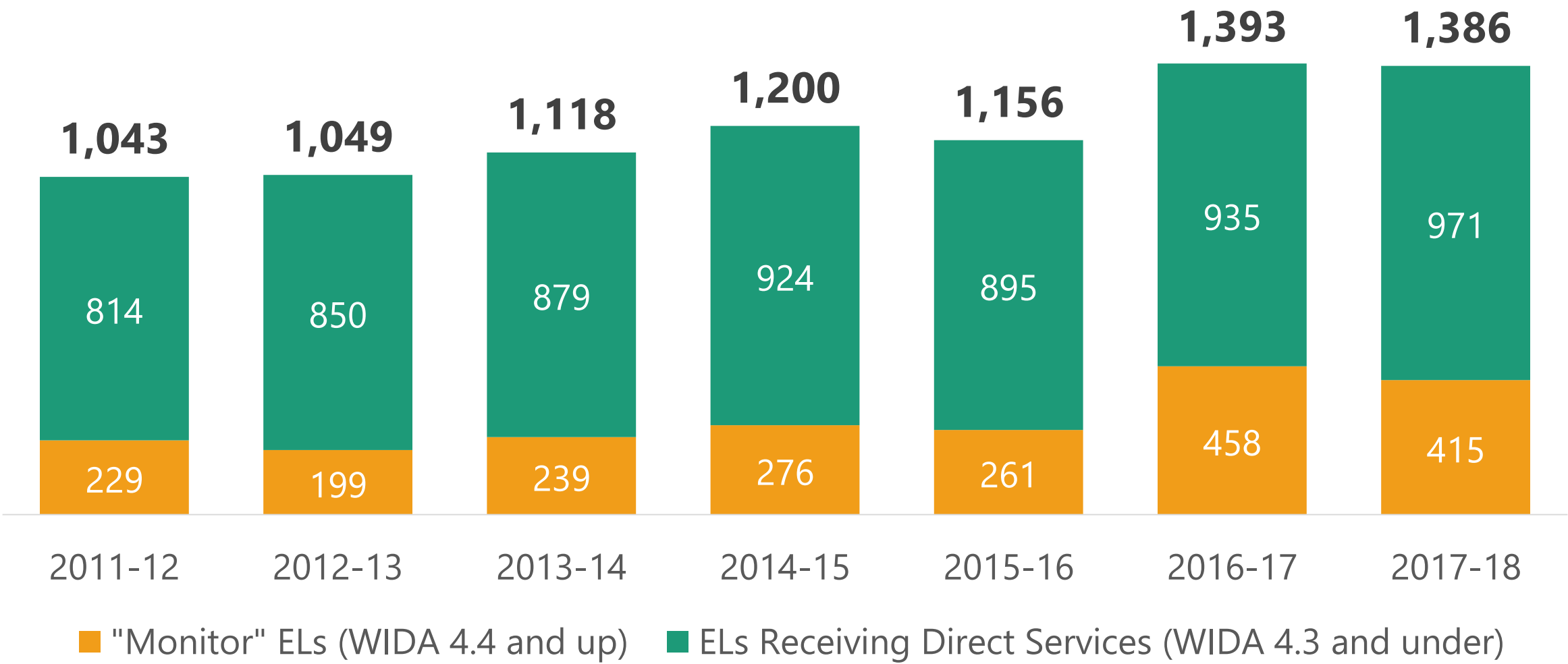
Directed/Mandated (Joint Programs)	Transfer to Children's Services Act (CSA)	\$200,000
	Piedmont Regional Education Program (PREP)	\$168,980
Growth	Special Education Staffing Growth (11.0 FTE)	\$828,886
	Early Childhood Special Education Staffing Growth (2.00 FTE)	\$150,706
Sustained Commitment to Quality Education (Continuation of Prior Initiatives)	Student Achievement Management System	\$23,000

ESOL

Cyndi Wells

ENGLISH LEARNERS (ELs) SERVED BY ACPS

▲ 32.9% (+343 students) since 2011-12



ELs RECEIVING DIRECT SERVICES

ELs Receiving Direct Services	2011-12	2017-18	Additional Students	% Change
Elementary	568	640	+ 72	▲ 12.7%
Secondary	246	331	+ 85	▲ 34.6%
TOTAL	814	971	+ 157	▲ 19.3%

ENGLISH LEARNERS: NEWCOMERS

Newcomers

- ▶ Do not yet speak English.
- ▶ Have been in the U.S. for less than 12 months.
- ▶ May have low literacy in their native language due to limited or interrupted formal schooling.
- ▶ Have unique and complex social, emotional and instructional needs.

In the last 12 months, ACPS has received 216 Newcomers.

70% (152)

are in the urban ring schools.

52% (113)

are Kindergarten students.

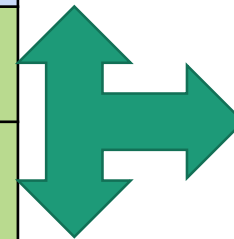
21% (45)

are Secondary students.

IMMERSION: MOVING TO MIDDLE SCHOOL

The first cohort of immersion/FLES* students will be moving from Cale Elementary to **two** middle schools. Typically immersion doesn't require additional staffing, but the next two years are an exception.

<u>Immersion/FLES</u>	Students to Burley	Students to Walton
Current 5th graders	28 Immersion /35 FLES	8 Immersion /28 FLES
Current 4th graders	27 Immersion /39 FLES	9 Immersion /23 FLES
Current 3rd graders	46 Immersion /29 FLES	18 Immersion /28 FLES



.33 FTE for 2 years will allow us to run classes until we have a larger rising cohort

We will know by mid-March if any interested FLES students would be able to join the immersion cohort

* Foreign Language in the Elementary School

ESOL PROPOSED CHANGES SUMMARY

Growth	English for Speakers of Other Languages (ESOL) Growth (4.39 FTE)	\$330,801
Sustained Commitment to Quality Education (Continuation of Prior Initiatives)	World Language Expansion (0.33 FTE)	\$24,867

Operational Departments

OPERATIONAL DEPARTMENTS AVAILABLE TONIGHT

- 62410 – Executive Services (C-112 to C-114)
 - 62420 – Human Resources (C-118 to C-120) *Kronos Coordinator*
 - 62430 – Division Support Planning Services (C-122 to C-124)
 - 62431 – Fiscal Services (C-126 to C-127) *Insurance Premium Increases*
 - 62432 – Transportation Services (C-128 to C-129) *Academy Transportation*
 - 62433 – Building Services (C-130 to C-131) *Custodial and Maintenance Services for Woodbrook Addition*
-
- Learning, Engineering, Access, and Design (LEAD)
Learning Technology Integrators (LTI), LTE Wireless Network-Urban Ring

LEARNING TECHNOLOGY INTEGRATORS (LTIs)

- The Virginia Standards of Quality for instructional support personnel call for 1 instructional technology support position per 1,000 students.
- Currently our LTIs cover an average of 1,340 students, their teachers, administrators, and parents. Most work in 2 or more schools.
- All LTIs support Division initiatives, including creating the Digital Curriculum to connect students with Technology and Digital Citizenship SOLs, Student Engineering Projects, the current Monument Project, Virtual Reality, and Immersive Learning.
- LTIs also collaborate with administration on building-based instructional technology goals.
- This school year LTIs have facilitated over 1,000 support instances around the instructional use of contemporary learning tools to educators across the division.

LINK|ACPS Our Wireless Student Access Network

- Thousands of our students lack home broadband internet due to Albemarle County's difficult terrain, family poverty, and/or a lack of commercial access.
- We know from research that that lack of home internet access creates significant opportunity and equity gaps, leaving disadvantaged children behind.
- **LINK|ACPS** is a structural system of fiber optic cable, shared tower access, and home reception devices that will create both student internet access and enable improved cellular service in our county's rural areas.
- The dedicated funding in this budget, along with the Board's tower initiatives and Federal E-rate funds, is designed to start fulfilling this plan as well as begin putting **LINK|ACPS** on a self-sustaining path.

LEAD PROPOSED CHANGES SUMMARY

Directed Mandated	Learning Technology Integrators (4.00 FTE)	\$301,413
Remove Practices that Perpetuate Achievement Gaps	(3.0FTE)	\$240,000

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(Tentative)**

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Adopt School Board's Request

QUESTIONS & COMMENTS

For quick answers on format, where to find content, etc., or for more in-depth questions that will result in a formal written response and sharing with board members, please contact:

Rosalyn Schmitt

Director of Planning and Budget

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rschmitt@k12albemarle.org