



To: School Board Members
From: Staff
Date: February 25, 2021
Subject: Responses to Questions Regarding the FY 2021/22 Draft Funding Request

The below questions were asked by School Board members before and during the Budget Work Sessions. Staff have provided responses to these questions in this memo.

Revenues

1. Please provide a more detailed description of the Infrastructure and Operations Fund.

The increase in lottery revenues is due to the budget to budget projection for the *Infrastructure & Operations Per Pupil Fund*, formerly called the *Supplemental Lottery Per Pupil*. This makes up the largest portion of lottery revenues or approximately \$1.8M per year. School divisions are permitted to spend these funds in a manner that best supports the needs of the school divisions. This revenue is considered as part of ACPS' overall state revenue and is not budgeted for any specific program.

School divisions are permitted to spend such funds on both recurring (no more than 70% in FY 2021 and no more than 60% in FY 2022) and nonrecurring (at least 30% in FY 2021 and at least 40% in FY 2022) expenses. ACPS has budgeted the non-recurring portion as part of overall recurring revenues, with the understanding that the funds may not be available in future years. If the non-recurring portion is reduced in future years, we would adjust our spending plan accordingly.

The available funds are used to calculate the Infrastructure & Operations Per Pupil Fund, distributed based on the state share of the per pupil amount using the division's ADM and composite index. A minimum floor amount of \$200,000 is provided to school divisions.

2. How would the 2% one-time bonus payment for funded SOQ instructional and support positions in the proposed state budget relate to our one-time payment of \$1,000? I assume they are not related but just want to hear this more clearly articulated. And thank you for already including the cost for extending that to other support staff!

The 2% bonus for funded SOQ positions (state revenues) are not related to our one-time payment of \$1,000. The one-time payment of \$1,000 to employees is funded by the current fund balance in FY 2021. The 2% bonus from the state will help to offset a portion of the costs for the 3% salary increase that is included in the Draft Funding Request for FY 2022.

3. On Page B-12, under State Revenues, it says that sales tax revenue is distributed to school districts based on each locality's number of school-age children. How does that relate to the revenue that is distributed based on the number of children actually attending the division's schools?

Sales tax revenue is distributed based on the number of school-age children in Albemarle County, and does not account for the number enrolled ACPS students. This revenue is an exception to the other SOQ Accounts in the way it is calculated. The formula is:

((School division's Weldon Cooper Census count / Statewide total school age population) x Total state 1-1/8% sales tax estimate) = Local Distribution

Sales Tax revenues are related to Basic Aid funding (which is calculated using ACPS enrollment). If Sales Tax Revenues increase, Basic Aid Funding decreases, as is the case in FY 22.

4. Is our LCI, shown historically on B-9, considered to be wild fluctuation? Can we predict how much it will fluctuate? Or does it generally balance out with the local government transfer, since they have basically the same levers?

Typically, the 3 main data sources for LCI are relatively slow changing. For the most part, population, income, and property values are slightly increasing on a biennial basis. Most changes can be traced to the changes in urbanization, where Albemarle's calculated LCI is affected mostly by relative changes affecting the northern crescent of the Commonwealth, if northern Virginia's property values increase faster than Albemarle's, Albemarle's LCI is likely to decline. If relative increases in property values are stable, then LCI is likely to remain the same, and so on.

The Local Composite Index (LCI) recently had some relatively wild fluctuations. The LCI is a trailing indicator of ability to pay, it is based upon information collected 2 years prior to its publication. In the biennium that had a significant spike in Albemarle's ability to pay, a local business went public with a resulting massive income windfall of over \$1B for a very, very small number of individuals. This single event caused a spike in Albemarle's LCI due to increased income. Since the income impact of such an activity is one-time, the following biennium LCI returned to more historic levels.

5. On B-15, it notes that the projected number of students who will be eligible for early reading intervention is decreasing. Is that because we have fewer younger students? How is that determined?

The funding is related to projected student enrollment, which is declining from budget to budget. While we do not have the exact assumptions available, VDOE provides the below funding explanation:

Funding is based on a ratio of one teacher per five students in kindergarten through third grade at 100% of the eligible student population for kindergarten and grades 1, 2, and 3. The estimated number of eligible students is based on the percentage of students identified as needing intervention using the PALS diagnostic multiplied by total fall membership in each grade. The 5:1 ratio is applied to the eligible student population and then multiplied by 36 weeks x 2 1/2 hours per week = hours of service x hourly rate) x (1 - SOQ Composite Index) = State Share

Expenditures

6. Please provide Per Pupil Expenditures by School.

The below table summarizes FY 22 budgeted per pupil expenditures based on our current methodology of calculating school-based expenditures. These expenditures do not include department-based costs (e.g., transportation, technology). The adjusted projected enrollment does not include preschool enrollment, which slightly impacts budget levels. In addition, high school enrollment is adjusted for students attending CATEC and Center 1.

	Draft Budget 21-22 ¹	Adj. Proj. Enroll ²	Adj. 21-22 FTE ³	% Econ. Disadv. ⁴	Differen-tiated FTE ⁵	Per Pupil Expenditure ⁶
Elementary Schools						
Agnor-Hurt	\$ 4,749,752	430	55.1	52.0%	6.4	\$ 11,046
Baker-Butler	\$ 6,559,777	686	80.8	25.5%	5.2	\$ 9,562
Broadus Wood	\$ 3,011,892	265	36.0	15.7%	1.2	\$ 11,366
Brownsville	\$ 7,285,969	870	85.4	10.7%	2.9	\$ 8,375
Crozet	\$ 3,411,296	342	41.0	25.5%	2.7	\$ 9,975
Greer	\$ 5,486,815	476	65.9	71.5%	8.8	\$ 11,527
Hollymead	\$ 4,173,196	400	48.9	12.0%	1.4	\$ 10,433
Meriwether Lewis	\$ 3,538,223	372	41.2	9.8%	1.0	\$ 9,511
Mountain View	\$ 7,380,474	704	87.5	42.6%	8.1	\$ 10,484
Murray	\$ 3,026,847	257	34.9	7.0%	0.5	\$ 11,778
Red Hill	\$ 2,195,311	178	26.8	53.8%	3.0	\$ 12,333
Scottsville	\$ 2,381,883	221	29.9	46.0%	3.1	\$ 10,778
Stone-Robinson	\$ 5,098,997	470	60.2	27.4%	3.9	\$ 10,849
Stony Point	\$ 2,398,142	215	28.6	31.5%	2.1	\$ 11,154
Woodbrook	\$ 5,764,469	541	70.5	58.9%	8.4	\$ 10,655
Middle Schools						
Burley	\$ 6,334,497	615	74.9	40.1%	7.0	\$ 10,300
Henley	\$ 7,441,016	906	88.9	12.8%	3.6	\$ 8,213
Jouett	\$ 6,763,096	709	83.8	53.3%	9.4	\$ 9,539
Sutherland	\$ 5,321,634	587	62.3	18.4%	3.3	\$ 9,066
Walton	\$ 4,659,560	334	55.0	38.6%	4.9	\$ 13,951
High Schools						
Albemarle	\$ 17,257,111	1,796	196.6	27.9%	10.9	\$ 9,609
Monticello	\$ 12,206,309	1,135	138.4	30.1%	8.9	\$ 10,754
Western Albemarle	\$ 10,927,526	1,130	122.3	10.5%	3.6	\$ 9,670
Center I	\$ 785,161	100	9.6		0.7	\$ 7,852
Murray High/CPCS	\$ 2,439,513	191	28.5	22.5%		\$ 12,772
Transfer to CATEC	\$ 1,787,629	90				
Post High	\$ 445,664	26	5.0			
Center for Learning & Growth	\$ 387,137		4.3			
Other Multi-School Services	\$ 11,568,747		79.8			
Total	\$ 154,787,643	14,046	1,742.2		111.1	\$11,020

1 School-based budgets only. Amounts do not include department-based costs such as transportation, building services, technology, etc.

2 High school enrollment adjusted for students attending CATEC and Center 1.

3 Teaching Assistants (TAs) are allocated at a 3 TA to 1 Teacher ratio. This adjusted number is the FTE allocation to the school.

4 3-year historical weighted average (FY 18, FY 19, FY 20).

5 Differentiated FTEs are a subgroup within 21-22 Adjusted FTEs (Column 3). The allocation is based on the the % of Econ. Disadv. (Column 4).

6 School-based budgets (Column 1) divided by Adjusted Projected Enrollment (Column 2).

7. Page C-10. There are Capital Outlays of \$3,349,707 in the six Expenditure categories which are obviously not related to CIP. Please provide some broad breakouts of what comprises these outlays.

Leases- Buildings	\$	576,026
Leases- Equipment (copiers generally)	\$	220,131
Leases- Trailers	\$	209,236
Software	\$	251,384
Lighting Upgrades	\$	834,588
Trailer Purchase	\$	250,000
Machinery/Equipment	\$	262,122
Furniture/Fixtures	\$	515,256
Motor Vehicle Replacement (Vans)	\$	60,000
Technology Equipment	\$	116,964
Environmental Services	\$	54,000

8. On C-10, what accounts for the \$3.7M increase in transfers? I see the list on C-8, but I don't have a sense of why YOY it's nearly double. I have to assume it's Summer School but I'd like to have that articulated.

The majority of the increase is due to one-time transfers using projected available fund balance. The changes are detailed below:

Transfer	FY21 Adopted	FY22 Draft	Change
CSA Fund (A-33)	\$2,050,000	\$2,100,000	\$50,000
Learning Resources Fund (A-33)	\$0	\$500,000	\$500,000
Computer Maintenance for HR (A-33)	\$17,475	\$19,175	\$1,700
Training for HR (C-8)	\$22,500	\$22,500	\$0
SRO Transfer (A-40)	\$264,592	\$0	-\$264,592
Licensing Costs (A-33)	\$0	\$127,813	\$127,813
Computer Equipment Replacement <i>Recurring</i> (C-8)	\$1,000,000	\$1,000,000	\$0
Computer Equipment Replacement <i>One-Time</i> (C-8)	\$0	\$500,000	\$500,000 <i>(one-time)</i>
Families in Crisis (C-8)	\$11,000	\$11,000	\$0
English Literacy Civic Ed (C-8)	\$16,500	\$16,500	\$0
P-Card Administration (C-8)	\$40,776	\$40,776	\$0
Vehicle Replacement (C-8)	\$0	\$300,000	\$300,000 <i>(one-time)</i>
Summer School <i>Recurring</i> (C-8)	\$124,621	\$124,621	\$0
Summer School <i>Learning Recovery</i> (C-8)*	\$0	\$2,462,061	\$2,462,061 <i>(one-time)</i>
EDEP (C-8)	\$0	\$58,295	\$58,295 <i>(one-time)</i>
Totals	\$3,547,464	\$7,282,741	\$3,735,277
*The one-time transfer to the Summer School Fund serves as a placeholder, pending on more detailed plans to address Learning Recovery. These funds are to be determined and may be used for purposes other than Summer School.			

Instructional Restoration

9. Please provide a breakdown of where ESOL students are coming from.

Link: **[Albemarle English Learners by Birth Countries as of 02/22/21](#)**

Non-Discretionary Changes

10. Assuming that the division's contribution for health care will increase approximately 10.2 percent, what is the effect on our employees' premiums?

There is no planned change to employee premiums during the next fiscal year.

This will be discussed during Work Session #2.

Compensation

11. I would love a clear delineation of VRS-eligible employees. Are they all FT employees?

Yes, employees paid on the VRS scale are all employees who are full-time employees or employees whose positions are defined as receiving full-time employee benefits.

This will be discussed during Work Session #2.

12. In the presentation about compensation on Thursday, I would like a very clear timeline of when part-time workers would get to \$15.

It will be a priority goal for moving part-time workers to a \$15 minimum pay rate as soon as our financial position allows. This would be next year (FY 23) at the earliest. However, the final budget will be dependent on the projected revenues, which we will not know until January 2022.

This will be discussed during Work Session #2.

Operational Restoration

13. Please share the Learning Resources Fund responsibilities more clearly. While the Textbook Replacement Fund was quite straight-forward, some clarification about LRF's role would be greatly appreciated.

The Learning Resources Fund (formerly Textbook Replacement Fund) provides instructional staff with necessary and contemporary learning resources that support implementation of curriculum framework, planning, instruction and assessment systems that promote student learning and close the achievement gap as well as prepare all students to be college and workforce ready when they graduate.

Some examples of recent purchases include:

- Pearson Math Investigations Grade K-5 \$163,000
- Newsela Middle School Databases \$30,400
- Don Johnson Snap & Read \$33,500
- This is Language \$12,800
- Fact Cite Database \$10,600

This will be discussed during Work Session #2.

14. Please breakout the salary, benefits and operating expenses for the School Bookkeeper and Reclassification of 1 FTE @ \$183,269.

Between the Draft Funding Request and the first work session, we refined the estimate for this proposal to \$250,986. The proposal includes a division-wide OA who will serve as a "floating bookkeeper" to provide training to new OAs, fill in for OAs as needed (for expected and unexpected absences), and as a resource for OAs division-wide. The salary for this OA IV is estimated to be \$40,437 with benefit costs of \$19,478.

The remaining cost of the proposal consists of reclassification funds of \$191,071 to increase the OA staffing at Elementary schools. The current staffing standard provides for a 12-mo OA IV/Bookkeeper, plus additional full-time or part-time 10-mo OA III staffing based on enrollment. The proposed staffing standard is for a 12-mo OA IV/Bookkeeper, a 12-mo OA IV, then additional 10-mo OA III staffing based on enrollment. The \$191,071 would cover the costs of increasing an OA III to an OA IV (2 pay grade increase) and the additional 2 months of work, across all Elementary schools.

This will be discussed during Work Session #2.

Special Revenue Funds

15. Please explain for Board members and members of the public what is included in Special Revenue Funds as well as why they are broken out & not included in the Operating Budget. (The last point has been questioned a couple of times by Board members in the last two years when the Special Revenue Funds are broken out when approving the budget, despite their inclusion in the Budget Request binder.)

Special Revenue Funds contain programs that typically require separate accounting and reporting of revenues and expenses. Many of these programs are funded by federal and state governments, local organizations, and fees. Although the accounting for these programs is maintained separately, the provision of services to students is integrated with the overall operations of the School Division.

The School Board approves both School Fund Revenues/Expenditures as well as Special Revenue Funds Revenues/Expenditures during the budget process. The Work Sessions primarily focus on the School Fund because this fund represents the general operations of the School Division.

This will be discussed during Work Session #2.

16. Page E-10, regarding Federal programs-- ACPS did not apply for the three-year "English Literacy and Civics Education Grant" in FY20 and is not eligible to apply again until FY23. I don't object to giving that Adult Ed ESOL department \$16,500 to do their work, but it shouldn't be considered as the required match that it used to be since they didn't apply for the grant.

The transfer of \$16,500 is no longer a match for the grant, but the continuation of local funding in support of our local adult English literacy program.

Proposals

17. Page A-43, 7th bullet point. "Successful candidates will be promoted." Does this refer to teachers, administrators, staff who successfully complete CRT or to the three new hires?

We celebrate the achievement of all staff who complete the rigor of the micro-credential and certification process by promoting their successes as part of our annual diversity conference and through news releases.

This will be discussed during Work Session #3.

General Questions

18. Is the budget request based on the assumption that we will be in Stage 5 throughout the 21-22 SY? I assume that this is the case, but have learned the hard way about “assuming”.

There remains uncertainty about what next year would like. The budget is based on a typical year, but we will remain agile with our resources to support whatever stage we are in as we have done this school year.

19. Please provide a current breakout of how many trailers/mobile units are at each school and the lease/maintenance/other ongoing expenses involved.

Link: https://drive.google.com/file/d/10uCmBc-VvS_08Az6101GU6dNKC4Yj8N-/view?usp=sharing

20. Given that there is no funding in this budget for Center 2, is there any planning for a comprehensive high school or other ways to alleviate overcrowding?

The Long-Range Planning Advisory Committee and staff are developing updated recommendations for alleviating capacity conflicts at the high schools. This will be presented to the School Board during Summer 2021 and considered as part of the FY 2023 CIP process.