FY 24 Budget Work Session #1

We Will Know Every Student

February 16, 2023
## FY 24 Budget Work Sessions

<table>
<thead>
<tr>
<th>Work Session #1 Today</th>
<th>Work Session #2 Feb 23</th>
<th>Work Session #3 Mar 2 Public Hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Overview</strong></td>
<td><strong>Enrollment &amp; Demographics</strong></td>
<td><strong>Health &amp; Safety Proposals</strong></td>
</tr>
<tr>
<td>Revenues and Expenditures</td>
<td>Regular Growth</td>
<td>Filter Replacement</td>
</tr>
<tr>
<td></td>
<td>Differentiated Restructure</td>
<td>Mental Health Services</td>
</tr>
<tr>
<td></td>
<td>ESOL Growth</td>
<td>Security Assistants &amp; SRO</td>
</tr>
<tr>
<td></td>
<td>Special Education</td>
<td></td>
</tr>
<tr>
<td><strong>Technical and</strong></td>
<td><strong>Organizational Development</strong></td>
<td><strong>Other Proposals</strong></td>
</tr>
<tr>
<td><strong>Non-Discretionary Changes</strong></td>
<td>Compensation</td>
<td>Requests for Information</td>
</tr>
<tr>
<td></td>
<td>Health Care</td>
<td>Adult Education</td>
</tr>
<tr>
<td></td>
<td>Substitute Program Improvements</td>
<td></td>
</tr>
</tbody>
</table>
Strategic Plan: Learning for All

VISION

Our learners are engaged in authentic, challenging, and relevant learning experiences, becoming lifelong contributors and leaders in our dynamic and diverse society.

MISSION

Working together as a team, we will end the predictive value of race, class, gender, and special capacities for our children’s success through high-quality teaching and learning for all. We seek to build relationships with families and communities to ensure that every student succeeds.

We will know every student.

VALUES

Equity    |    Excellence    |    Family and Community    |    Wellness

GOALS

Graduation Rate

Affirming and Empowering Communities

Equitable, Transformative Resources
### Balanced Funding Request of $257.3 Million

#### ANTICIPATED REVENUES

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$185,036,687</td>
<td>71.9%</td>
</tr>
<tr>
<td>State</td>
<td>$71,692,155</td>
<td>27.9%</td>
</tr>
<tr>
<td>Federal</td>
<td>$618,000</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

**Total:** $257,346,842

#### PROPOSED EXPENDITURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$184,160,819</td>
<td>71.6%</td>
</tr>
<tr>
<td>Admin/Attend &amp; Health</td>
<td>$14,848,983</td>
<td>5.8%</td>
</tr>
<tr>
<td>Technology</td>
<td>$8,112,238</td>
<td>3.2%</td>
</tr>
<tr>
<td>Building Services</td>
<td>$22,551,347</td>
<td>8.8%</td>
</tr>
<tr>
<td>Facilities</td>
<td>$2,251,471</td>
<td>0.9%</td>
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<tr>
<td>Transportation</td>
<td>$16,805,304</td>
<td>6.5%</td>
</tr>
<tr>
<td>Transfers</td>
<td>$8,616,680</td>
<td>3.3%</td>
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</table>

**Total:** $257,346,842
Budget Document Sections

Section A: Overview
Message from the Superintendent
General School Division Information
Budget Introduction, Goals, Guidelines, and Policies
Budget Development Process
School Fund Budget Summary
School Fund Revenue and Expenditure Changes

Section B: School Fund Revenues
School Fund Revenue Overview
Revenue Analysis
Combined Revenue Detail

Section C: Expenditure Overview
Budget Code Structure
Expenditure Summaries
Compensation Assumptions

Section D: School Expenditures
School Fund Expenditures by Schools

Section E: Department Expenditures
School Fund Expenditures by Departments

Section F: Special Revenue Funds
Other Funds not part of the School Fund

Section G: Supplemental Materials
Enrollment Projections and Average Daily Membership
Staffing Standards and Allocations
School-Based Budget Allocations
LCI Calculation
Acronyms/Glossary
School Fund Revenues
School Fund Revenues: $257.3M

- **$185.0M LOCAL**
  - $15.0M Increase (8.8%)
- **$71.7M STATE**
  - $4.6M Increase (6.9%)
- **$0.6M FEDERAL**
  - (no change)
- **$0M ONE-TIME**
  - ($8.7M) Decrease (-100.0%)

Budget-to-Budget Increase (4.4%)
## School Fund Revenue Change

<table>
<thead>
<tr>
<th></th>
<th>FY 2022/23 Adopted</th>
<th>FY 2023/24 Draft</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$170,033,718</td>
<td>$185,036,687</td>
<td>$15,002,969</td>
<td>8.8%</td>
</tr>
<tr>
<td>State</td>
<td>$67,085,366</td>
<td>$71,692,155</td>
<td>$4,606,789</td>
<td>6.9%</td>
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<tr>
<td>Federal</td>
<td>$618,000</td>
<td>$618,000</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Recurring</strong></td>
<td><strong>$237,737,084</strong></td>
<td><strong>$257,346,842</strong></td>
<td><strong>$19,609,758</strong></td>
<td><strong>8.2%</strong></td>
</tr>
<tr>
<td>One-Time</td>
<td>$8,720,950</td>
<td>$0</td>
<td>($8,720,950)</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$246,458,034</strong></td>
<td><strong>$257,346,842</strong></td>
<td><strong>$10,888,808</strong></td>
<td><strong>4.4%</strong></td>
</tr>
</tbody>
</table>
One Time Revenue

❖ During FY 20 and FY 21, we realized significant savings due to pandemic related revenue swings and operational shifts.

❖ During FY 22, local revenues notably exceeded budgeted amounts and the local transfer was adjusted mid-year which was atypical. Some of this money was expended in FY 22, but the adjustment also contributed to fund balance.

❖ The FY 22 and FY 23 adopted budgets include one-time uses of the fund balance that was built up since FY 20.

❖ Currently there is not budgeted one-time monies FY 24, but this may change before adoption depending on the how FY 23 performs.
Increase in Local Shared Revenues

After *adjustments* are made from local shared revenues, the remainder of the increase is split between **ACPS (60%)** and **Albemarle County (40%).**
Local Government Transfer (in millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (in millions)</th>
<th>Annual Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Actual</td>
<td>$131.31</td>
<td></td>
</tr>
<tr>
<td>FY 20 Actual</td>
<td>$138.20</td>
<td>5.2%</td>
</tr>
<tr>
<td>FY 21 Actual</td>
<td>$134.18</td>
<td>-2.9%</td>
</tr>
<tr>
<td>FY 22 Actual</td>
<td>$152.89</td>
<td>13.9%</td>
</tr>
<tr>
<td>FY 23 Adopted</td>
<td>$167.45</td>
<td>9.5%</td>
</tr>
<tr>
<td>FY 24 Draft</td>
<td>$182.02</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Page References: B-4
Primary Revenue Drivers (State)

- **March 31 Average Daily Membership (ADM)**
  - Increased projected enrollment

- **Per Pupil Amounts (PPA)**
  - Increased Per Pupil Amounts

- **Sales Tax Projections**
  - Increased Projections for Sales Tax Revenues

- **Grocery Tax Hold Harmless**
  - Hold Harmless measures

- **Compensation Supplement**
  - 5% salary increase for SOQ positions
State Revenues (in millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Actual</td>
<td>-1.8%</td>
</tr>
<tr>
<td>FY 20 Actual</td>
<td>6.7%</td>
</tr>
<tr>
<td>FY 21 Actual</td>
<td>13.7%</td>
</tr>
<tr>
<td>FY 22 Actual</td>
<td>3.8%</td>
</tr>
<tr>
<td>FY 23 Adopted</td>
<td>9.9%</td>
</tr>
<tr>
<td>FY 24 Draft</td>
<td>6.9%</td>
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</table>

School Fund Revenues
Section B

Page References: B-4
## FY 24 State Budget Update

<table>
<thead>
<tr>
<th></th>
<th>Governor’s Introduced(^1)</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PreK-12 Direct Aid (FY 23 &amp; FY 24)</strong></td>
<td>$321.1M</td>
<td>$382.8M</td>
<td>$1.02B</td>
</tr>
<tr>
<td>Compensation Supplement</td>
<td>5% salary inc.</td>
<td>7% salary increase</td>
<td>7% salary increase</td>
</tr>
<tr>
<td>Instructional Assistants</td>
<td>-</td>
<td>$3.0M</td>
<td>$38.6M</td>
</tr>
<tr>
<td>Reading Specialists</td>
<td>K-5 $16.9M</td>
<td>K-8 $30.8M</td>
<td>K-8 $51.1M</td>
</tr>
<tr>
<td>Support Cap</td>
<td>-</td>
<td>-</td>
<td>+$271M</td>
</tr>
<tr>
<td>Safety &amp; Secur. Grants</td>
<td>-</td>
<td>$13.5M</td>
<td>$50M</td>
</tr>
</tbody>
</table>


1 The Governor’s Introduced Budget is used for the purposes of the Draft Funding Request. The sales tax hold harmless calculation error has been accounted for in the FY 24 revenue projections.
Expenditures
School Fund Expenditures: Section C
School Fund: $257.3M

Special Revenues Funds: $29.1M

Section E

Section D

Section F

- School-based budgets
- Department-based budgets

- Special Revenue Funds
School Fund Expenditures: $257.3M

Expense Types

- Salary: 58.4%
- Benefits: 24.1%
- Transfers: 3.3%
- Operating: 11.4%
- Other Wages: 2.8%
## School Fund Transfers

(assets are rounded)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 23 Adopted</th>
<th>FY 24 Draft</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Replacement (Special Revenue Fund)</td>
<td>$4.3M</td>
<td>$3.3M</td>
<td>($1.0M)</td>
</tr>
<tr>
<td>Bright Stars (SRF)</td>
<td>$750,000</td>
<td>$750,000</td>
<td>$0</td>
</tr>
<tr>
<td>Learning Resources Replacement (SRF)</td>
<td>$600,000</td>
<td>$600,000</td>
<td>$0</td>
</tr>
<tr>
<td>Special Education IDEA (SRF)</td>
<td>$0</td>
<td>$330,000</td>
<td>$330,000</td>
</tr>
<tr>
<td>Vehicle Replacement (SRF)</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$0</td>
</tr>
<tr>
<td>Children’s Services Act (Albemarle County)</td>
<td>$2.4M</td>
<td>$2.9M</td>
<td>$0.5M</td>
</tr>
<tr>
<td>Capital Improvement Program (Albemarle County)</td>
<td>$5.0M</td>
<td>$0.0M</td>
<td>($5.0M)</td>
</tr>
<tr>
<td>Licensing Costs (Albemarle County)</td>
<td>$125,000</td>
<td>$340,000</td>
<td>$215,000</td>
</tr>
<tr>
<td>Other</td>
<td>$225,000</td>
<td>$180,000</td>
<td>($45,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13.6M</strong></td>
<td><strong>$8.6M</strong></td>
<td><strong>($5.0M)</strong></td>
</tr>
</tbody>
</table>
School - Based Expenditures: Section D

TOTAL SCHOOL BUDGET
SECTION A

SCHOOL FUND
SECTION B
SCHOOL FUND REVENUES

SCHOOL FUND EXPENDITURES
SECTION C

SCHOOLS
SECTION D

DEPARTMENTS
SECTION E

SPECIAL REVENUE FUNDS
SECTION F
School Budgets

- Elementary schools
- Middle schools
- High schools
- Center I
- Community Lab School
- CATEC
- Post High
- Center for Learning & Growth
- Multi-School Services

School FTE Budgets (93%)

Division Allocations (3%)

School Operations (4%)
School FTE Budgets: $173.9M

Enrollment Projections (G-2) + Staffing Standards (G-4 to G-17) = Staffing Allocations (G-18 to G-19)
Example: K-5 Base Teachers at Agnor-Hurt

Add K-3 enrollment = 255
Add 4-5 enrollment = 138

\[
\frac{255}{19.55 \text{ students}} = 13.04 \\
\frac{138}{21.75 \text{ students}} = 6.34
\]

Base Teacher Allocation for Agnor-Hurt: 19.39 FTE
School Operations: $7.4M

Highest budget drivers for school operations:
- Supplies and materials
- Intervention wages
- Contract services
- Copiers
Division Allocations: $5.8M

School-Based Supplemental Pay Allocations:
Centrally managed funds

FY 24 Change: Substitute Program Improvements (Phase II)

Highest budget drivers for division allocation:
Substitute budgets, ALCP stipends, VERIP

Page References: G-25 to G-26
School Budgets Reported 3 Ways
Example Budget: Agnor-Hurt, $5.6M

**In Detail**

- $119K School Operations
- $116K Division Allocation
- $5.3M FTEs

**Summarized by Expense Type or State Category**

<table>
<thead>
<tr>
<th>Expense</th>
<th>21-22 Actuals</th>
<th>22-23 Adopted</th>
<th>23-24 Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$3,451,451</td>
<td>$3,590,164</td>
<td>$3,834,910</td>
</tr>
<tr>
<td>Other Wages</td>
<td>$201,070</td>
<td>$74,122</td>
<td>$101,101</td>
</tr>
<tr>
<td>Benefits</td>
<td>$1,300,673</td>
<td>$1,356,642</td>
<td>$1,552,039</td>
</tr>
<tr>
<td>Operations</td>
<td>$105,418</td>
<td>$76,401</td>
<td>$81,721</td>
</tr>
<tr>
<td>Total</td>
<td>$5,058,613</td>
<td>$5,097,329</td>
<td>$5,569,771</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Category Report</th>
<th>21-22 Actuals</th>
<th>22-23 Adopted</th>
<th>23-24 Request</th>
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</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$4,712,547</td>
<td>$4,687,063</td>
<td>$5,151,939</td>
</tr>
<tr>
<td>Admin/Attend &amp; Health</td>
<td>$78,032</td>
<td>$70,552</td>
<td>$82,376</td>
</tr>
<tr>
<td>Technology</td>
<td>$78,277</td>
<td>$82,025</td>
<td>$99,252</td>
</tr>
<tr>
<td>Building Services</td>
<td>$189,758</td>
<td>$257,689</td>
<td>$236,204</td>
</tr>
<tr>
<td>Total</td>
<td>$5,058,613</td>
<td>$5,097,329</td>
<td>$5,569,771</td>
</tr>
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</table>
School-Based Budgets

Per Pupil Expenditures

The chart illustrates the per pupil expenditures for various schools. The expenditures range from $0 to $20,000 per pupil. Schools such as Agnor-Hunt, Baker-Butler, and Broadus Wood show expenditures closer to $15,000 per pupil, while schools like Albermarle, Monticello, and W. Albermarle have expenditures above $15,000 per pupil. Comm. Lab School has the highest per pupil expenditure at over $20,000.
Department Budgets

- **Staffing (FTEs):** Kept flat from one year to the next
- **Department Allocations:** Kept flat from one year to the next
- Changes are justified in detail on department pages and summarized in Section A
Example: Building Services $16.0M

FTE Examples
- Maintenance Mechanic
- HVAC Mechanic
- Maintenance Worker
- Electrician
- Carpenter
- Office Associate

Department-Based Expenditures, Section E
Department-Based Budgets: $70.2M

- Executive Services
- Instruction
- Org. Development
- Community Engagement
- Strategic Planning
- Operations
- Technology

- Office of the Superintendent
- Office of the School Board
- Instruction
- Vocational Education
- Federal Programs
- Learning Resources
- Special Education
- Student Services
- ESOL
- Human Resources
- Professional Development
- Community Engagement
- Strategic Planning
- Fiscal Services
- Transportation Services
- Building Services
- Technology

Chart does not include Lapse Factor and Non-Departmental

Page References: E-3
Special Revenue Funds: Section F

TOTAL SCHOOL BUDGET

SCHOOL FUND

SCHOOL FUND REVENUES

SCHOOL FUND EXPENDITURES

DEPARTMENTS

SCHOOLS

SPECIAL REVENUE FUNDS

SECTION A

SECTION B

SECTION C

SECTION D

SECTION E

SECTION F
Special Revenue Funds

FEE-BASED SERVICES
- Child Nutrition
- Extended Day Enrichment Programs
- Community Education
- Drivers Safety
- Vehicle Maintenance

GRANT PROGRAMS
- Federal Programs
- State Programs
- Local and Other Programs
- One-Time Federal Pandemic Relief Programs

CAPITAL REPLACEMENT FUNDS
- Learning Resources
- Computer Equipment
- Vehicle Replacement
Federal Pandemic Relief Funds / Learning Recovery

<table>
<thead>
<tr>
<th>Fund</th>
<th>Revenue Source</th>
<th>Estimated Balance</th>
<th>Planned Uses</th>
<th>Spending Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARP (3166)</td>
<td>Federal</td>
<td>$2.0M</td>
<td>SEL Coaches</td>
<td>Sep 2024</td>
</tr>
<tr>
<td>ARP Set Aside Unfinished Learning (3169)</td>
<td>Federal</td>
<td>$600,000</td>
<td>Instructional Materials</td>
<td>Sep 2024</td>
</tr>
<tr>
<td>ARP - Homeless (3168)</td>
<td>Federal</td>
<td>$200,000</td>
<td>Services for homeless students</td>
<td>Sep 2024</td>
</tr>
<tr>
<td>Learning Recovery (3310)</td>
<td>Local</td>
<td>$1.9M</td>
<td>Schools Intervention Instruction Audit Summer School</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Section A: Overview (Expenditure Changes)
## Total Expenditure Changes by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Adjustment</td>
<td>$(10,021,814)</td>
</tr>
<tr>
<td>Technical and Non-Discretionary</td>
<td>$4,040,746</td>
</tr>
<tr>
<td>Compensation</td>
<td>$9,454,592</td>
</tr>
<tr>
<td>Enrollment and Demographics</td>
<td>$4,277,633</td>
</tr>
<tr>
<td>Transitioning from One-Time Funding</td>
<td>$683,779</td>
</tr>
<tr>
<td>New Proposals</td>
<td>$2,453,872</td>
</tr>
</tbody>
</table>

**Total Expenditure Changes:** $10,888,808
FY 24 Baseline Adjustment

Baseline Adjustment

- Position changes, employee turnover and benefit plan changes: $(10,021,814)
- One-time costs budgeted in the previous budget: $(2,157,199)
- Increase in projected vacancy savings (Lapse factor): $(10,803,375)
- Addition of approved mid-year changes (Compensation study): $(372,025)
- Other mid-year changes, restoration, and technical corrections: $3,069,764
- Other mid-year changes, restoration, and technical corrections: $241,021
# Inflation: $1,872,275

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Technology</td>
<td>$490,500</td>
</tr>
<tr>
<td>Electrical</td>
<td>$400,000</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>$295,775</td>
</tr>
<tr>
<td>Heating</td>
<td>$230,000</td>
</tr>
<tr>
<td>Vehicle Repair &amp; Maintenance</td>
<td>$173,500</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>$92,000</td>
</tr>
<tr>
<td>Refuse</td>
<td>$75,000</td>
</tr>
<tr>
<td>Tire contract</td>
<td>$73,000</td>
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<tr>
<td>Building Maintenance</td>
<td>$42,500</td>
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</tbody>
</table>

**Total:** $1,872,275
## FY 24 Non-Discretionary Changes

### Other Technical and Non-Discretionary Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Health Care</td>
<td>$1,378,980</td>
</tr>
<tr>
<td>Transfer to CSA</td>
<td>$500,000</td>
</tr>
<tr>
<td>CATEC</td>
<td>$133,833</td>
</tr>
<tr>
<td>Building Services Operating Impacts</td>
<td>($57,649)</td>
</tr>
<tr>
<td>Licensing Costs</td>
<td>$213,257</td>
</tr>
</tbody>
</table>
Next Steps

**TONIGHT**  Special Budget Work Session #1

**FEB. 23**  School Board Work Session: Budget Work Session #2

**MARCH 2**  Public Hearing & Special Budget Work Session #3

**MARCH 9**  School Board Meeting: Approve Funding

**MARCH 14**  Board of Sup. Work Session: SB’s Funding Request

**APRIL 13**  Budget Updates

**APRIL 27**  School Board Meeting: Adopt FY 24 Budget

*Budget book overview
Revenues, Expenditures

*Enrollment & Demographics,
Organizational Development

*Other Proposals,
Requests for Information*
Questions and Requests for Information

budget@k12albemarle.org
k12albemarle.org/budget-23-24
FY 24 Budget Work Session #1

We Will Know Every Student

February 16, 2023