

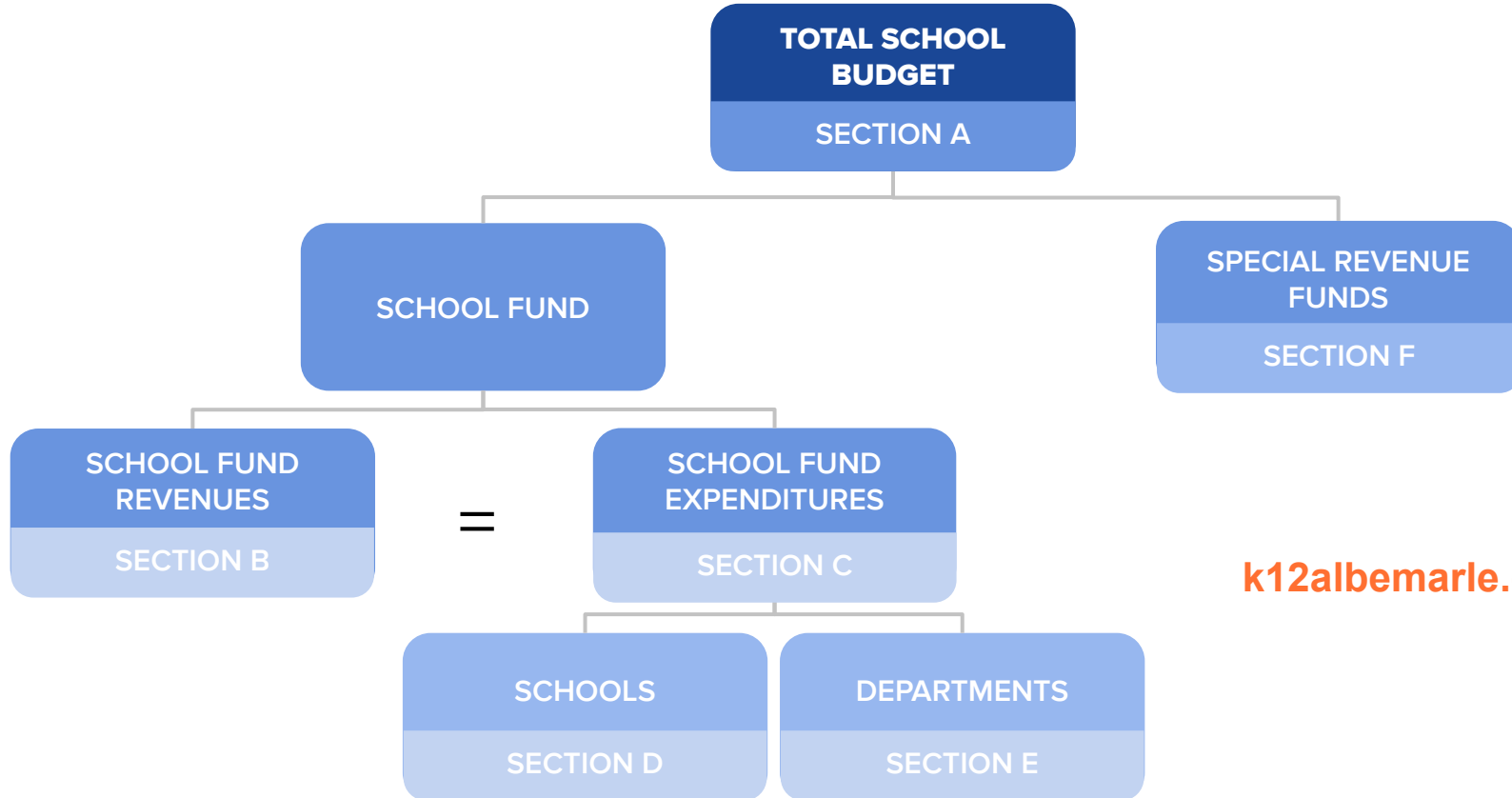
Work Session #1, FY 25



Sustaining Focus on Continuous Improvement

February 29, 2024

Budget Document Overview



k12albemarle.org/budget

Budget Document Contents

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

Agenda

1

**Overview of Technical &
Non-Discretionary Changes**

4

State Revenue Updates

2

**Compensation Market Update
& Proposal**

5

**Operating Principles for Budget
Reductions**

3

**Social Emotional Supports
Overview & Proposal**

Agenda

1

**Overview of Technical &
Non-Discretionary Changes**

4

State Revenue Updates

2

**Compensation Market Update
& Proposal**

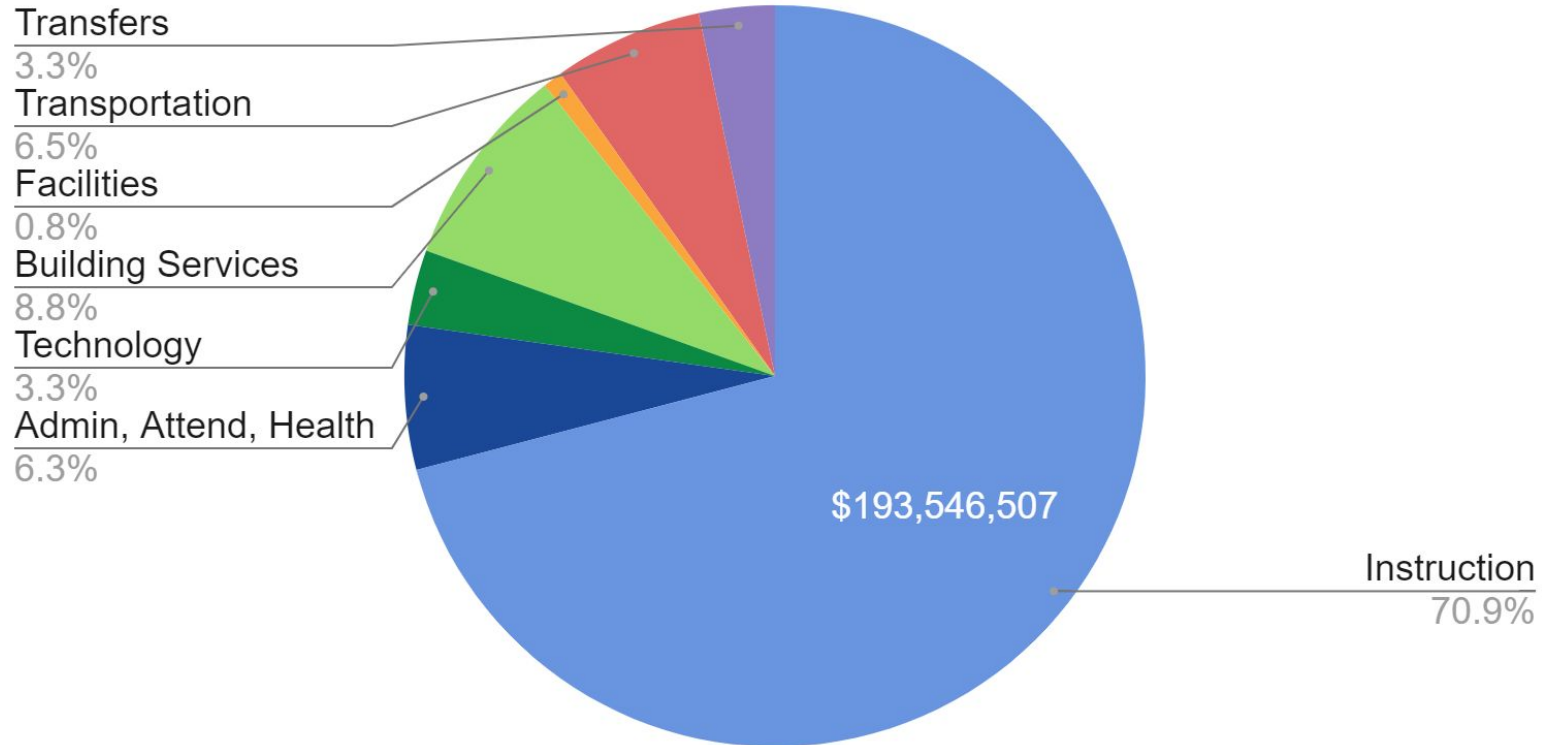
5

**Operating Principles for Budget
Reductions**

3

**Social Emotional Supports
Overview & Proposal**

Expenditure Summary: \$272,900,085



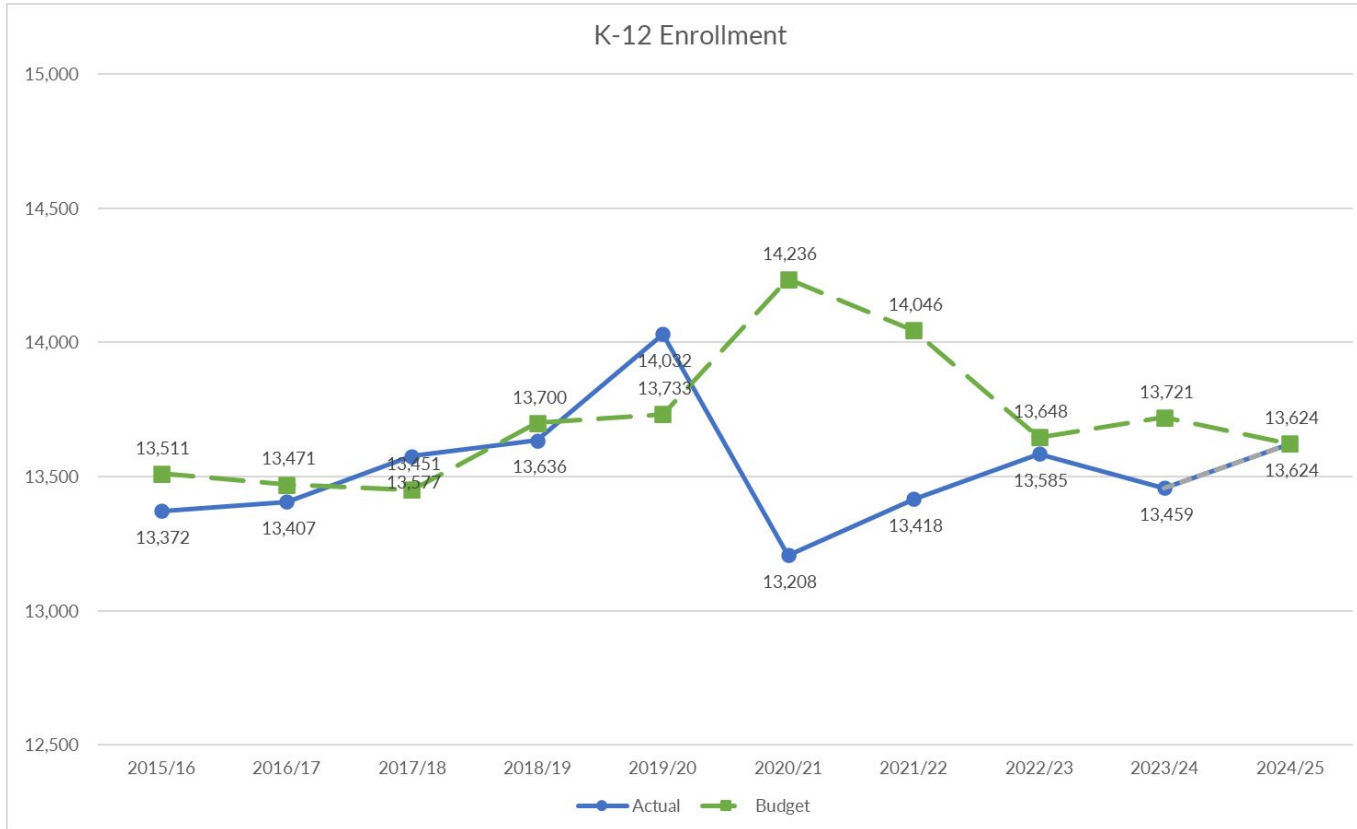
5% Expenditure Increase Over FY 24

Elimination of One-Time FY 24 Expenditures	(\$2,197,500)
Baseline Adjustment (FY 24 Changes)	\$4,287,752
Technical & Non-Discretionary (FY 25 Changes)	\$528,586
Proposals to Maintain Levels of Service	\$10,359,023
<hr/>	
\$12,977,861	

Overview of Technical & Non-Discretionary Changes

Baseline Adjustment (January 25 Budget Work Session)	Baseline and Technical Adjustments	(\$0.1M)
	Mid-Year Compensation Changes	\$4.4M
Technical and Non-Discretionary \$528,586	Inflation	\$1.4M
	Transfer to Technology Replacement	\$0.2M
	Transfer to IDEA	(\$0.6M)
	Budgeted Enrollment Decrease	(\$0.5M)
	Transfer to Bright Stars	\$0.3M
	Contractual	(\$0.2)
	Health Care	\$1.6M
	VRS Retirement	(\$1.7M)

Budgeted Enrollment Decrease (-\$505,622, -6.03 FTE)



Budgeted Enrollment Decrease (97)

Projected Actual Enrollment Decrease 165

Bright Stars Fund

State and locally-funded early intervention and prevention program provided in collaboration with the Albemarle County Department of Social Services

In addition to a high-quality preschool experience, children and their families are provided support and case management from a Family Coordinator through the Department of Social Services

Designed to serve four-year-old children who may be at risk for developmental and/or educational challenges

Each classroom enrolls a maximum of 18 students and is staffed with a full-time highly qualified teacher and teaching assistant

11 Bright Stars Classrooms Across 7 Elementary Schools

Agnor-Hurt
Greer
Mountain View
Red Hill
Scottsville
Stone-Robinson
Woodbrook

FY 25 Bright Stars Budget: +\$296,775

	FY 24 Adopted	FY 25 Draft	Change
Total Classrooms	11	12	1
Staffing	19.5	21.5	2.0
Local Funding (SRF)	\$747,631	\$1,044,406	\$296,775 ▲
Local Funding (School Fund)	\$8,800	\$34,100	\$25,300 ▲
State Funding	\$786,000	\$685,113	(\$100,887) ▼
Total Budget	\$1,542,431	\$1,763,619	\$221,188

Previously state funding was based on a formula that capped the division's LCI. That cap was removed therefore the state funding for the program has decreased. Conversely, the number of slots ACPS was provided has increased.

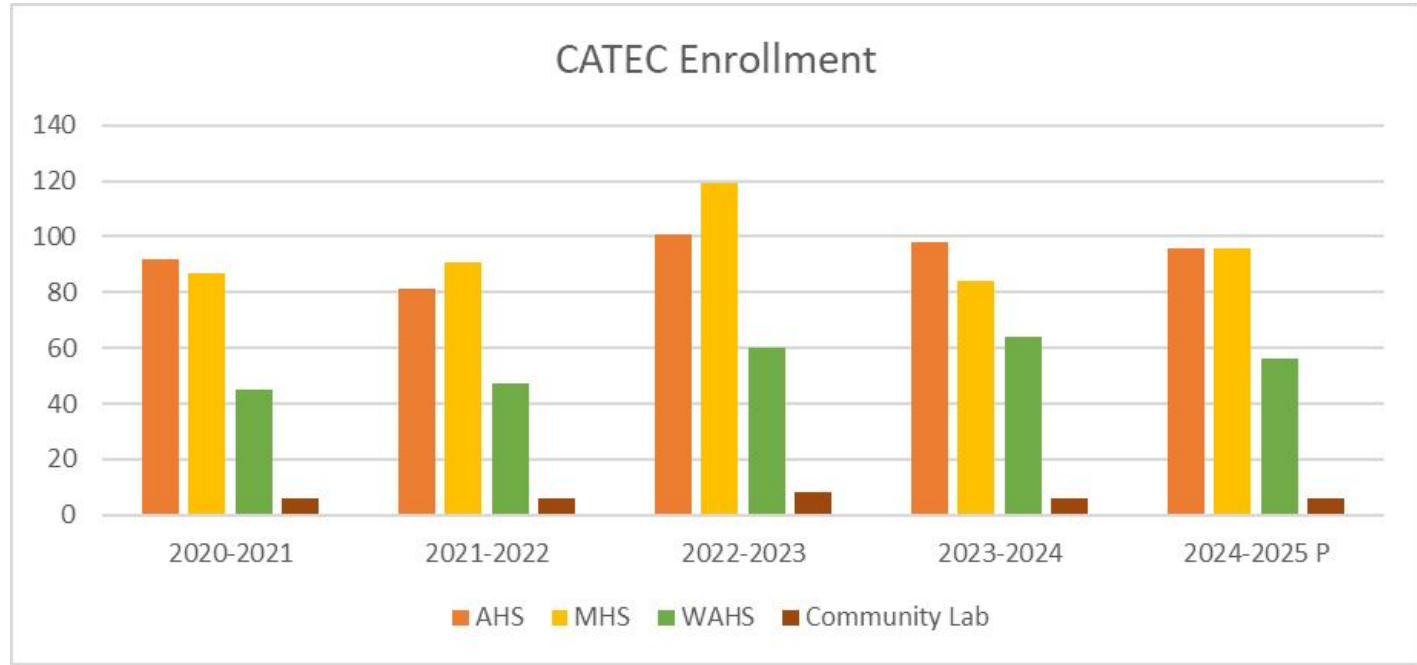
CATEC

Founded in 1973, Charlottesville-Albemarle Technical Education Center (CATEC) is a regional technical education center that helps high school students and adults obtain the jobs they seek. Currently, it is jointly operated by ACPS and Charlottesville City Schools.

The 2024/25 School Year will be the first year that CATEC is solely operated by the City.

ACPS students will continue to attend. The budget is based on the tuition rates in the new MOU.

FY 25 CATEC Budget: (-\$290,518)



Total ACPS Students	230	225	288	252	254 (Projected)
Payment to CATEC	\$1,758,721	\$2,006,557	\$2,132,451	\$2,257,240	\$1,966,722
State Flow-through	\$14,454	\$13,805	\$23,504	\$19,173	\$0

Virginia Retirement System (VRS) Plans

Plan 1

Hired before
July 1, 2010
& vested before
December 31, 2013

Pension

Plan 2

Hired between
July 1, 2010 and
December 31, 2013
Or not vested by
December 31, 2013

Pension

Hybrid

Hired after
January 1, 2014
Or opted in

Pension &
401a & 457

1,084 Members (43%)

984 Professional
100 Nonprofessional

1,391 Members (57%)

1,158 Professional
233 Nonprofessional

Virginia Retirement System (VRS) Plans

The unreduced Basic Benefit is calculated using the following formula:

AVERAGE FINAL COMPENSATION

X RETIREMENT MULTIPLIER

X TOTAL YEARS OF SERVICE CREDIT AT RETIREMENT

ANNUAL BENEFIT AMOUNT

÷ 12 MONTHS

MONTHLY BENEFIT AMOUNT BEFORE TAXES/OTHER DEDUCTIONS

Plan 1

3 yr AFC
Multiplier 1.7
\$2,125

Plan 2

5 yr AFC
Multiplier 1.65
\$2,063

Hybrid

5 yr AFC
Multiplier 1.0
\$1,250

Virginia Retirement System (VRS) Plans

Plan 1

Employee contributes
5% Defined
Benefit/Pension

Plan 2

Employee contributes
5% Defined
Benefit/Pension

Hybrid

Employee contributes
5% (4% Defined
Benefit/Pension
1% 401a)

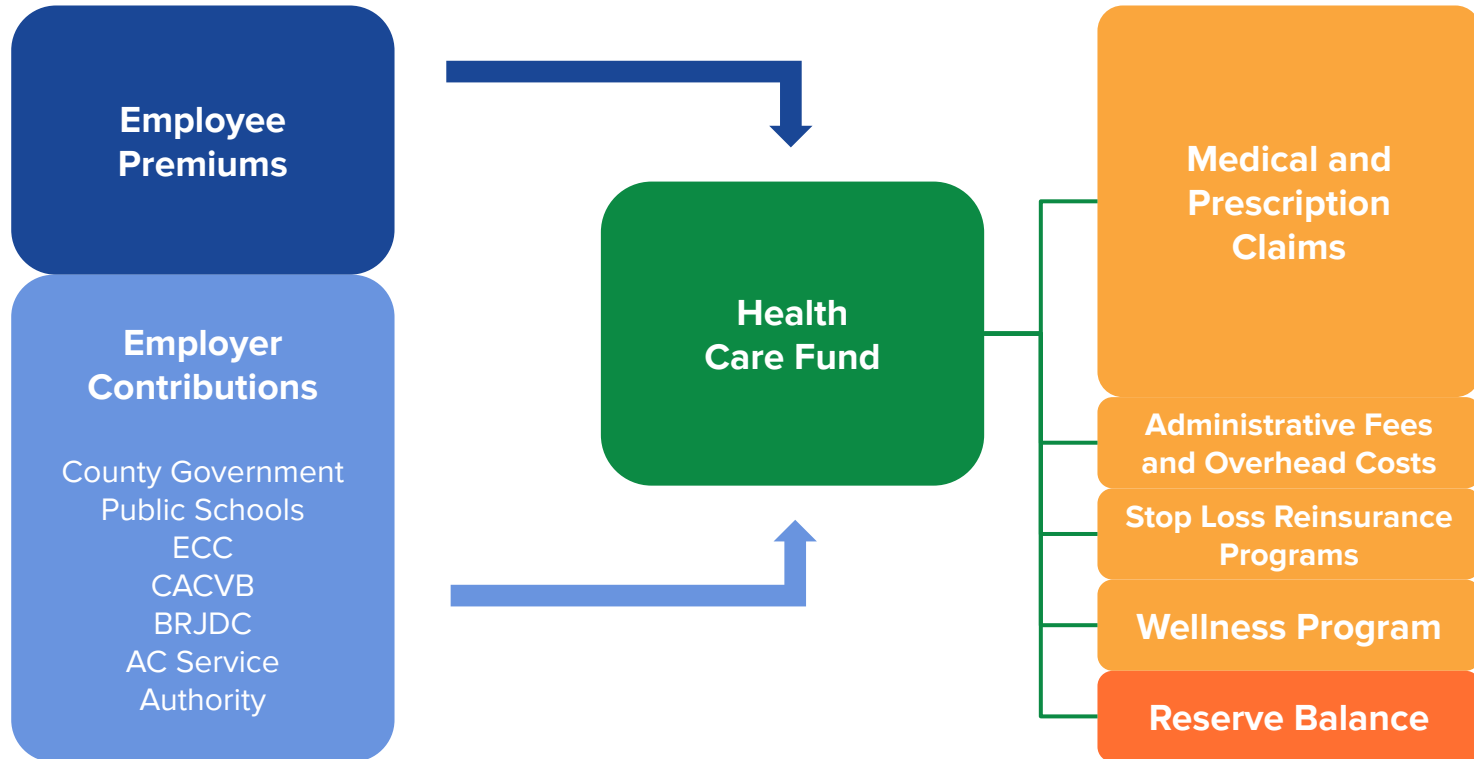
0.5% - 4% to Voluntary
457

FY 25 VRS Budget: (-\$1,727,313)

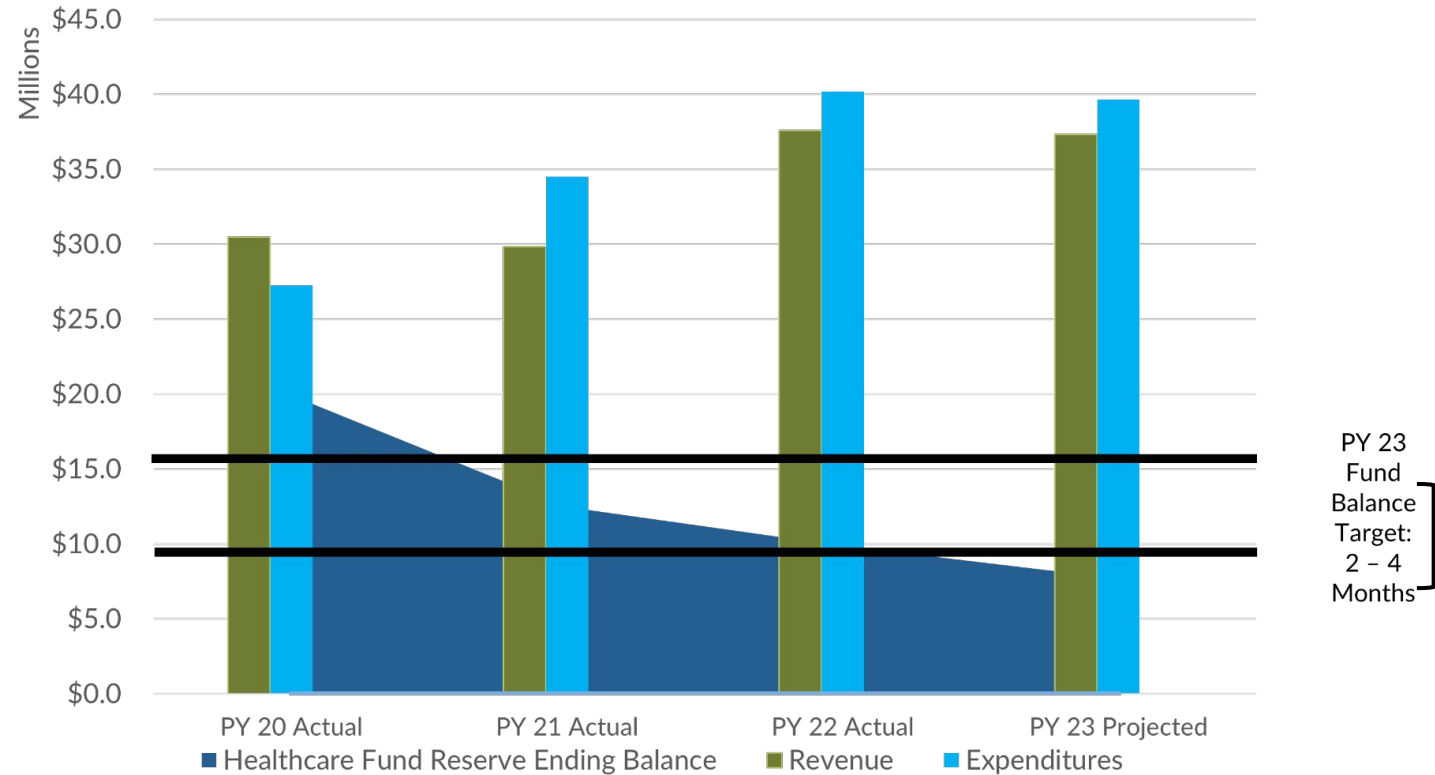
	FY 24	FY 25	
Professional VRS	17.83%	Plan 1/2	15.42% Defined Benefit
		Hybrid Plan	15.42% Defined Benefit
			2.41% Defined Contribution (projected matching funds for 401a)
Non-Professional VRS	6.52%	Plan 1/2	4.59% Defined Benefit
		Hybrid Plan	4.59% Defined Benefit
			2.25% Defined Contribution (projected matching funds for 401a)

Health Fund Overview

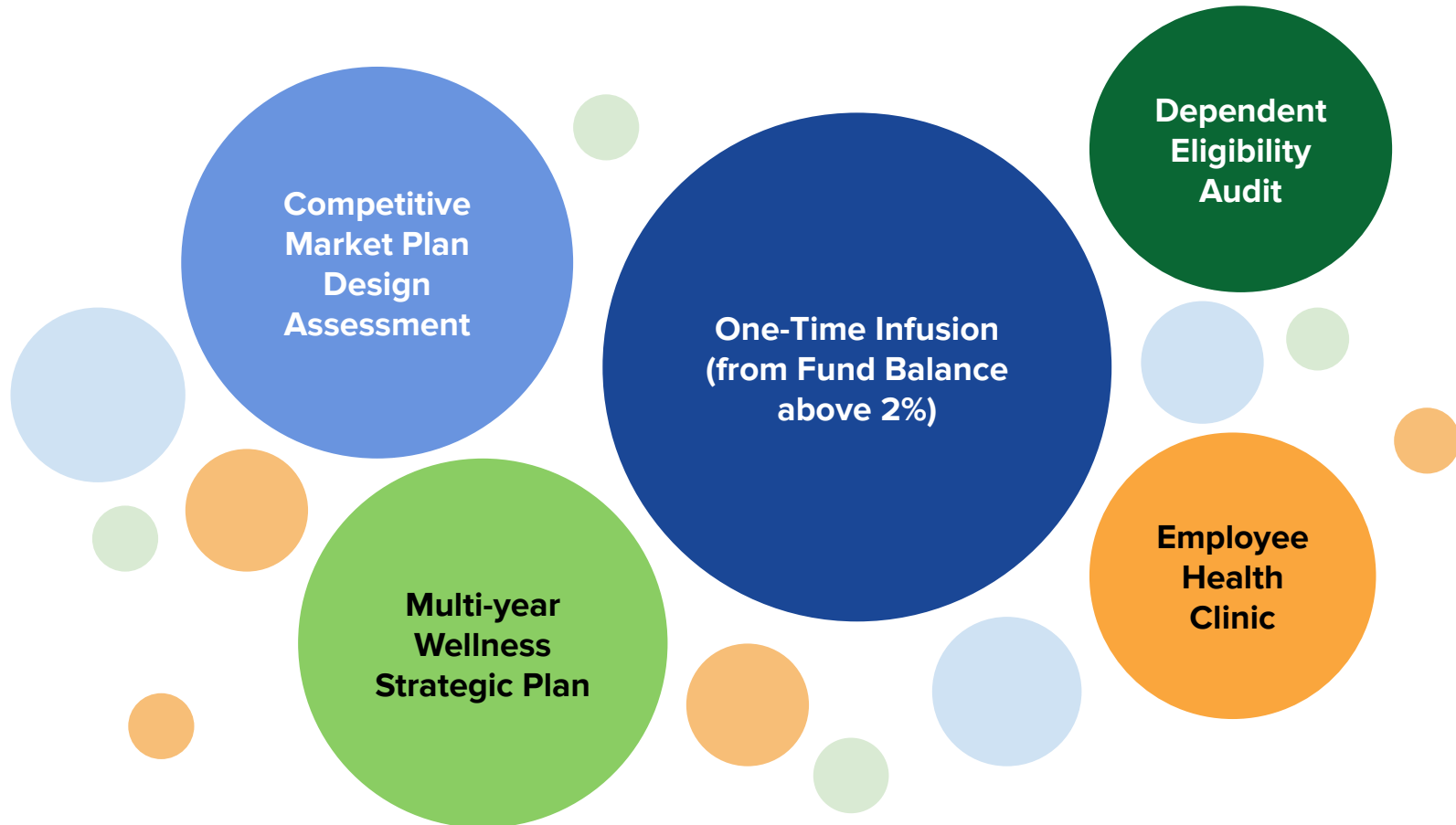
Self-Insurance Medical Plan Components



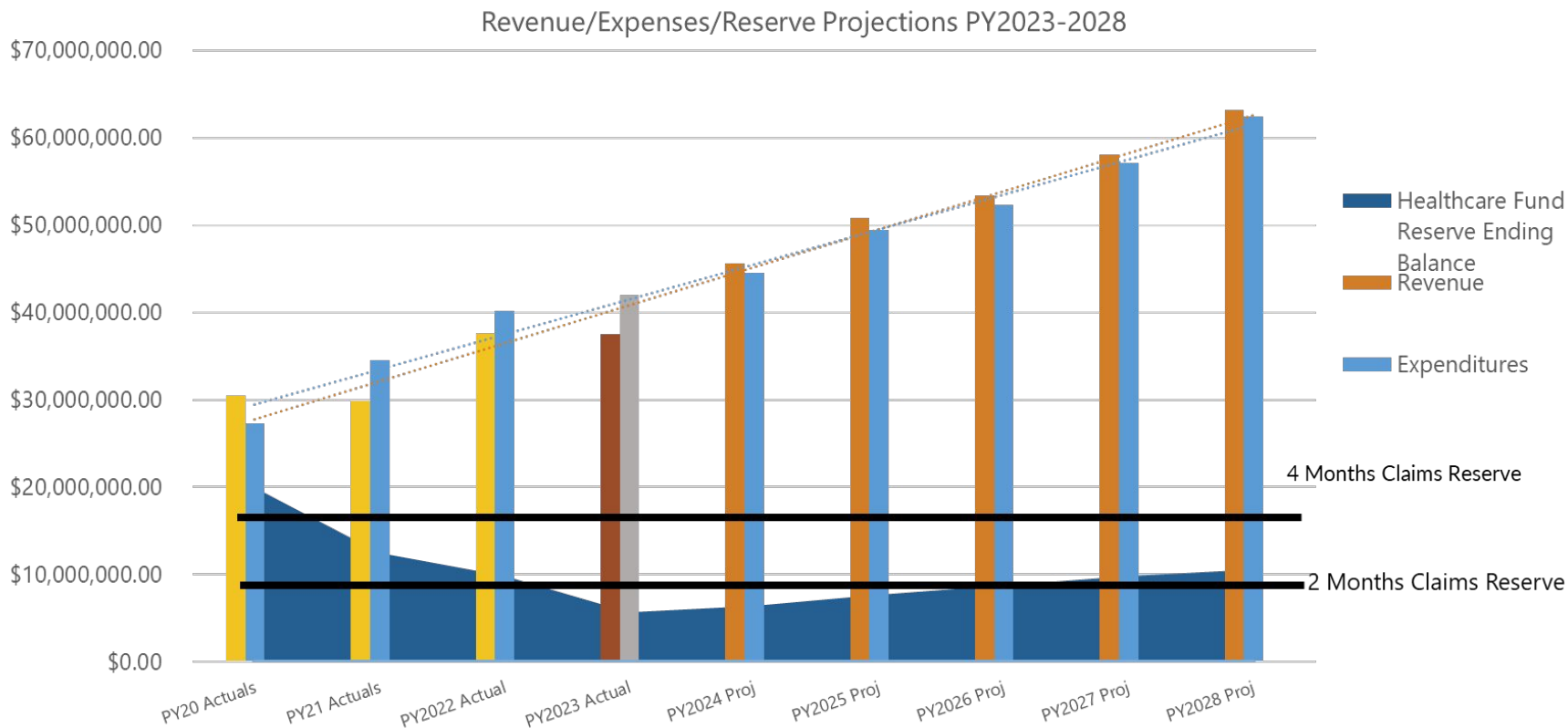
Health Care Fund Status



Strategies to Support Health Care Fund Reserve



Health Care Fund Projections



FY 25 Health Care Budget: +\$1,610,874

		PY 2023	PY 2024	PY 2023	PY 2024	PY 2024	PY 2025	
Example Plans		FY 24 Adopted		FY 24 Revised		FY 25 Budget		% Change
Select	Employee Only	\$6,620		\$6,773		\$7,794		15%
	Family	\$19,326		\$19,745		\$22,693		15%
Choice (includes HSA contribution)	Employee Only	\$7,066		\$7,282		\$8,278		14%
	Family	\$17,660		\$18,591		\$21,688		17%

Budget change is captured in Baseline Adjustment

Budget change is captured in “FY 25 Change”

Agenda

1

Overview of Technical &
Non-Discretionary Changes

4

State Revenue Updates

2

Compensation Market Update
& Proposal

5

Operating Principles for Budget
Reductions

3

Social Emotional Supports
Overview & Proposal

Market-Driven Compensation & Benefits

SUSTAINABLE WAGES

76%

That's how many of our 2,792 employees live in Albemarle County or Charlottesville City.

In terms of housing, food, childcare, transportation, healthcare, taxes, and other necessities, Albemarle is one of the **most expensive counties in Virginia**.

COMPETITIVE PAY

60th Percentile

The market rate of pay is considered to be the 50th percentile. Our goal is to offer wages in the 60th percentile in a market that includes Prince William County, Alexandria City, and Henrico County.

To attract and retain high-quality employees, our wages must be **more than sustainable**; they must be competitive.

STANDARDIZED INCREASES

Investing in Our Workforce

Four years ago, the school board adopted the practice of applying pay increases **across all job categories**.

When we've surveyed the community, compensation for employees has always been a top priority.

Framing Compensation Practices

Market Competitiveness

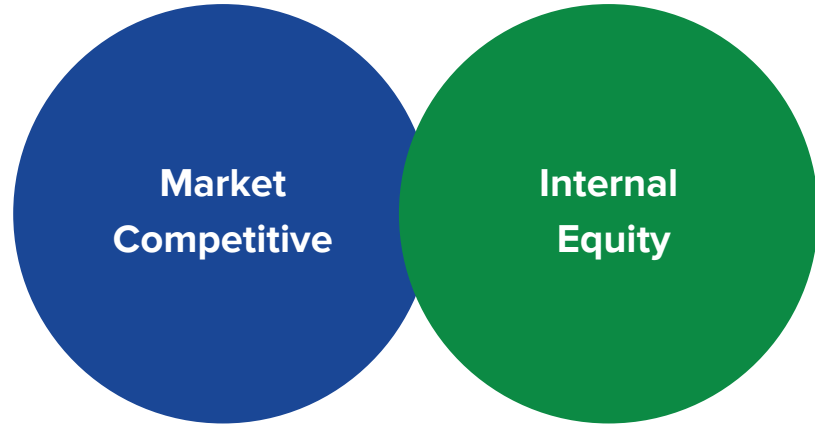
- Consistently Benchmarked
- Public and Private Sectors

Internal Equity

- Equitable Pay grade Assignment
- Equitable Individual Placement

Compensation Best Practice

- Focus on the midpoint
- Start of Scale - Recruitment
- Top of Scale - Retention



ACPS Compensation Program Benchmarking

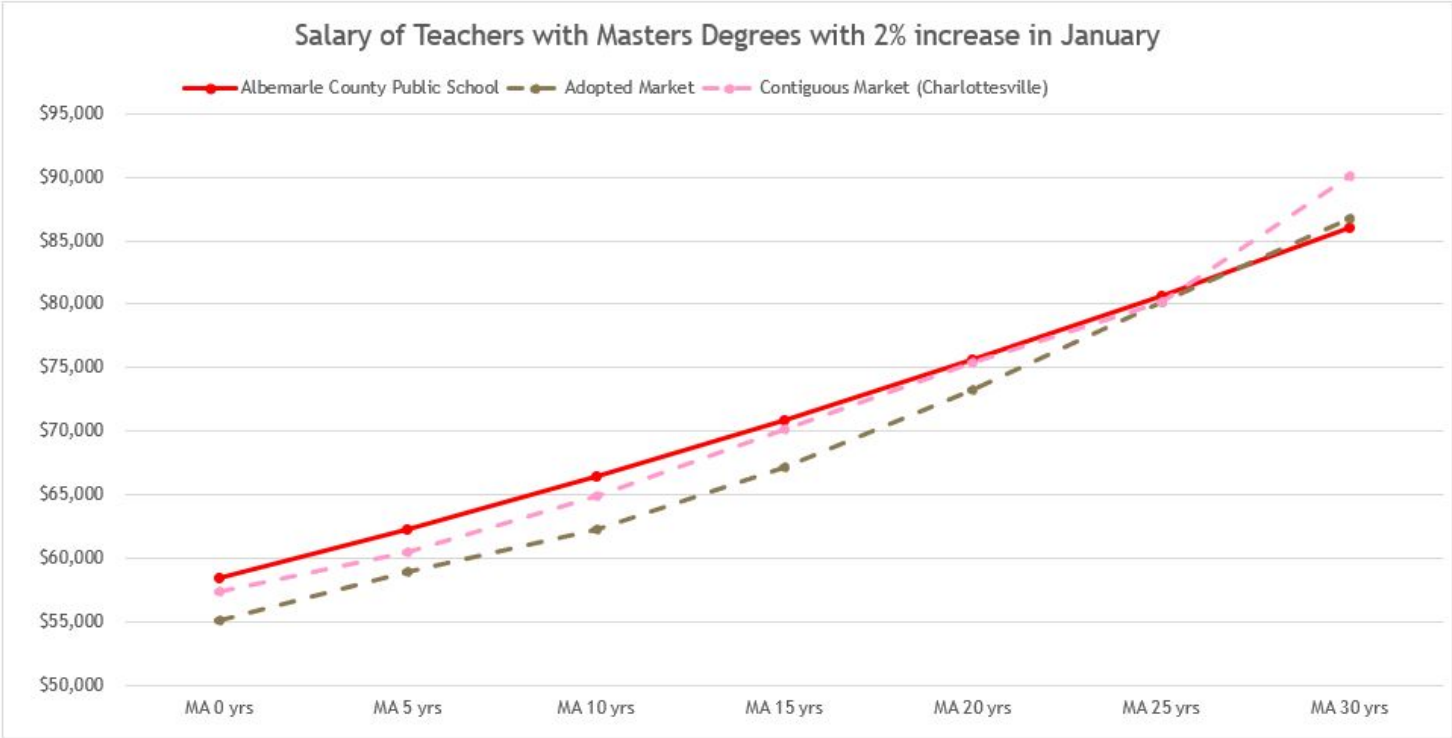
Adopted Competitive Market, including 15 strategically selected school divisions (page C-12)

Strategic Benchmarking, targeting the 60th percentile ("beating" the market by 10%)

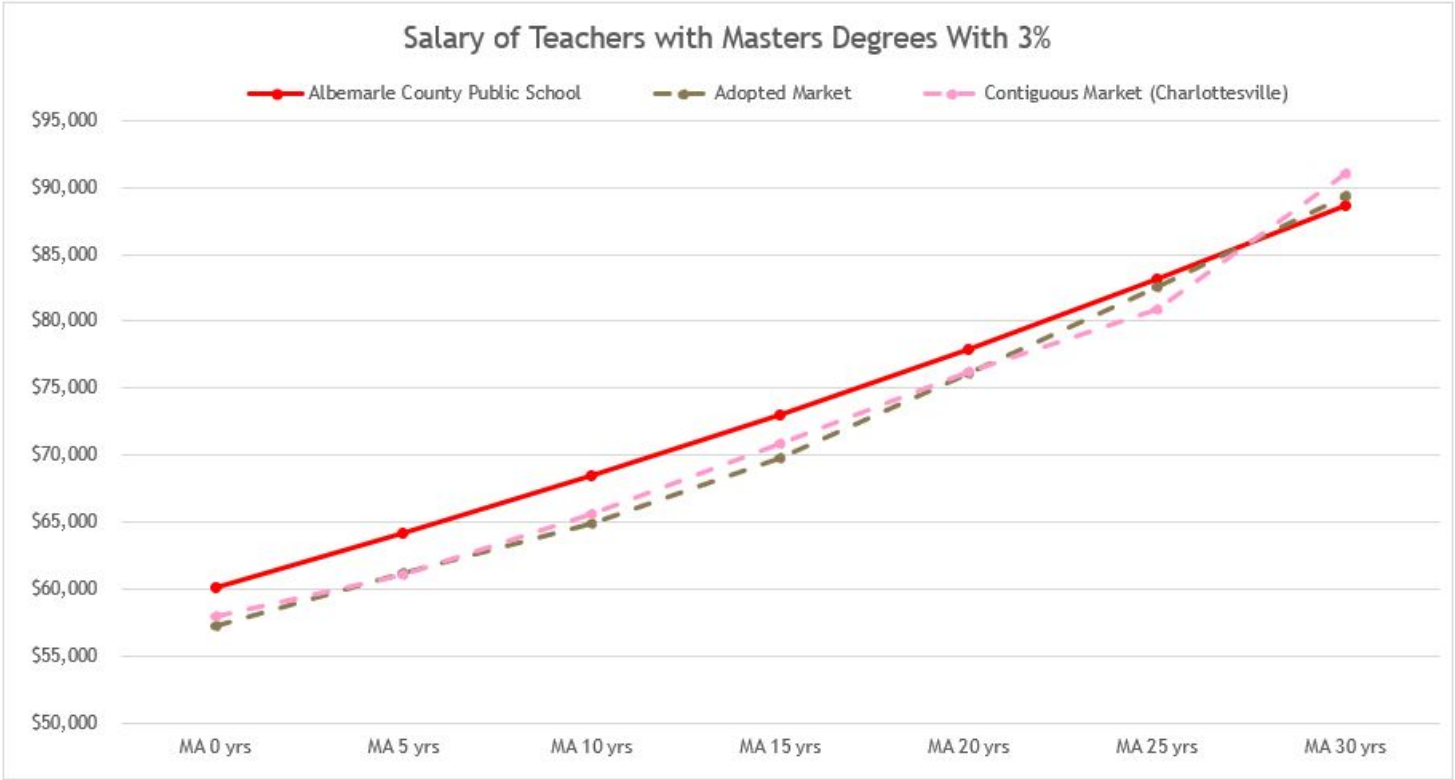
FY 25 General Wage Increase Information

	Alexandria	Augusta	Charlottesville	Chesterfield	Fauquier	Hanover	Henrico	Montgomery	Prince William	Rockingham	Spotsylvania	Stafford	Virginia Beach	Williamsburg	York	Albemarle	Top 50th Percentile of Adopted Market	Top 60th Percentile of Adopted Market
2023-24 GWI (%)	6%	13%	5%	7%	5%	5%	8%	7%	5.5%	5%	5%	5%	5%	7%	10%	5%	5.5	6.2
2023-24 Mid Year Increase (percent)	2%	0%	2%	0%	0%	0%	2%	2%	2%	2%	2%	2%	2%	0%	2%	2%		
2024-25 GWI (%)	3%	4%	1.5%	4%	3%	4%	3.2%	5%	3%	0%	5%	3%		3%	3%		3.00	3.06

FY 25 General Wage Increase Information



FY 25 General Wage Increase Information



Compensation Market Update - Areas of Need

ACADEMIC LEADERSHIP COMPENSATION PROGRAM (ALCP)

Compensates teachers for extra duties such as, Department Chair, etc.

Market data indicates that the school division is **significantly below market.**

CLASSIFIED SCALE PAYGRADE COMPRESSION

Following the changes to meet the \$15/hour minimum compensation rate, many of the division's lower paygrades are compressed.

Paygrade compression does not allow for meaningful differentiation between many roles, **making market-based adjustments difficult.**

SICK LEAVE PAYOUT

The school division currently does not pay an employee for any unused sick leave.

The school division is below market in this practice, as most of the market does pay for unused sick leave upon separation.

Agenda

1

Overview of Technical &
Non-Discretionary Changes

4

State Revenue Updates

2

Compensation Market Update
& Proposal

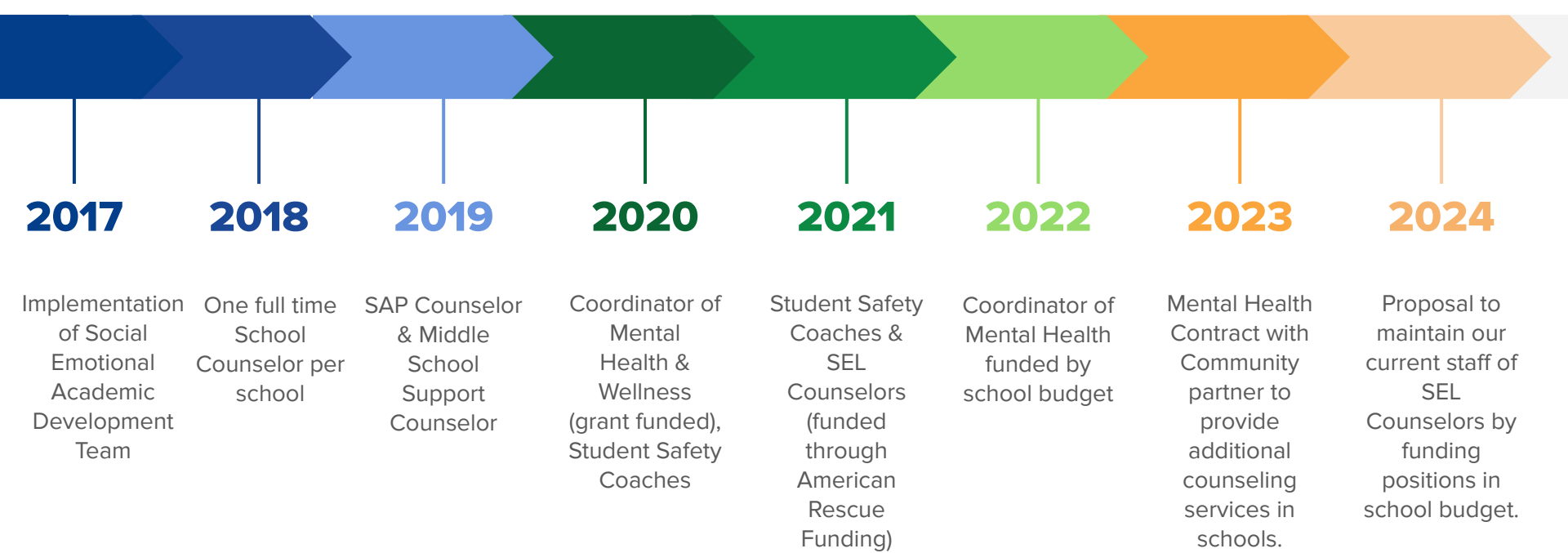
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Operating Principles for Budget
Reductions

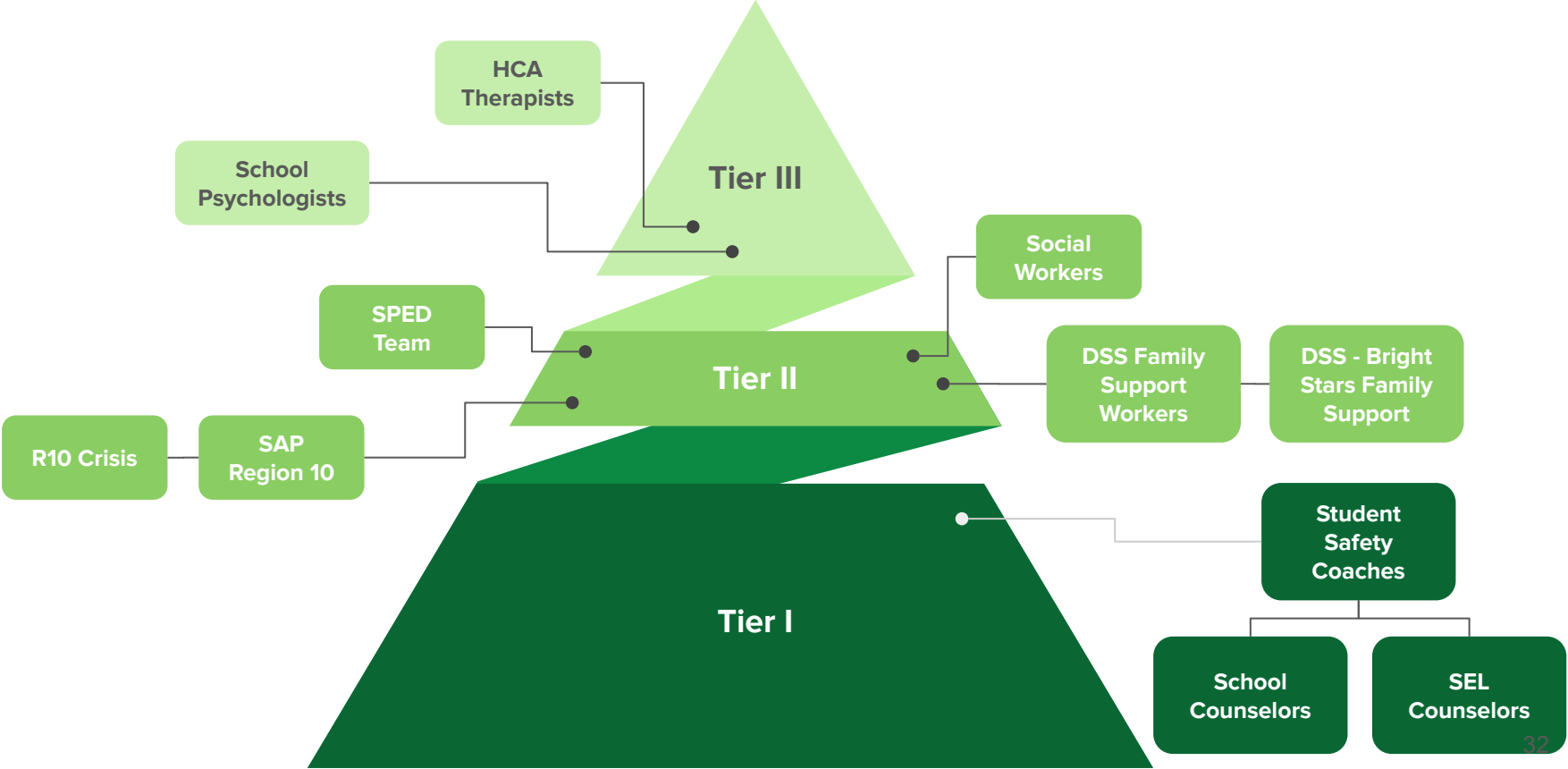
3

Social Emotional Supports
Overview & Proposal

School Board Mental Health and Student Services Support in ACPS



Continuum of Mental Health and SEL Services



SEL Counselors

Primary Responsibilities

Supporting student self regulation by establishing a relationship in order to teach the skills to help empower students to return to class to access academic content.

Being a warm demander and holding students to high expectations.



A Range of Professionals

Social Workers
QMHP-C
School Counselors



Context of Services

Individual sessions with students, work with families, facilitate groups and support students “in the moment” as a crisis based interventionist.

SEL Counselors work individually and within teams, as needed.

The “Why”

POST-PANDEMIC NEED REMAINS

DESSA, Panorama, Discipline,
Truancy, Mental Health Needs, etc.

*“Things are a bit the better, but still
intense.”*

STANDARDIZED MODEL OF PRACTICE

VALUE ADDED

Utilization of evidence based practices

Licensure and Experience w/
Expectations and Responsibilities

Even more focused support (Professional
development, etc.)

Staffing Ratios

Proposed Staffing Ratio

Proposed Standard:

1.00 SEL counselor per
750 students
(1.00 per school at a
minimum)

2 additional FTEs based
on variable need

Explanation of the ratio and staffing:

UTILIZED OTHER “HELPER” RATIOS TO CALIBRATE OURSELVES

Nurses: 750:1 in General Population (NASN)

Psychologists: 500-700:1, but no more than 1,000 (NASP)

School Counselors: 325:1 (VADOE)

VARIABLES CONSIDERED IN RATIOS (2.0 FTE)

Enrollment (1/24) ▪ DESSA Data ▪ Panorama Survey Data
Discipline ▪ Chronic Absenteeism

Proposed Staffing Ratio: Variables

School	Enrollment (as of 1/19/4)	DESSA	Panorama	Discipline	Chronic Absenteeism	Total Combined Need
Agnor-Hurt	496	6.97%	33%	5.65%	3.83%	49.44%
Baker-Butler	732	12.32%	32%	5.33%	1.64%	51.29%
Broadus Wood	279	3.56%	36%	4.30%	2.51%	46.37%
Brownsville	576	8.15%	25%	2.26%	2.26%	37.66%
Crozet	569	4.55%	29%	4.22%	0.53%	38.29%
Greer	525	9.80%	35%	6.48%	5.14%	56.42%
Hollymead	389	4.36%	28%	2.57%	2.57%	37.50%
Ivy Elementary	355	2.17%	24%	4.23%	1.13%	31.53%
Mountain View	758	12.45%	30%	4.35%	2.90%	49.71%
Murray	280	1.90%	14%	10.71%	0.36%	26.97%
Red Hill	196	4.11%	40%	11.73%	3.06%	58.90%
Scottsville	214	2.37%	35%	14.95%	1.87%	54.19%
Stone-Robinson	499	6.36%	33%	2.00%	1.60%	42.99%
Stony Point	194	1.65%	32%	13.92%	1.03%	48.59%
Woodbrook	534	11.31%	44%	7.87%	5.06%	68.23%
Burley	554	35.78%	57%	72.92%	5.23%	170.94%
Henley	807	15.17%	54%	31.60%	3.10%	103.87%
Journey	599	21.76%	65%	245.08%	4.34%	336.18%
Lakeside	529	13.14%	56%	69.75%	2.46%	141.35%
Walton	332	11.22%	53%	44.88%	2.71%	111.81%
Albemarle	1,996	24.63%	67%	77.51%	7.67%	176.80%
Monticello	1,190	15.95%	68%	81.43%	5.71%	171.09%
Western Albe.	1,167	29.26%	59%	27.51%	3.17%	118.94%
Community Lab	178	7.03%	43%	0.00%	1.69%	57.72%

Proposed Staffing Ratio

School	Count (as of 1/19/24)	750 to 1.00/ Base 1.00 Variables
Agnor-Hurt	496	1.00
Baker-Butler	732	1.00
Broadus Wood	279	1.00
Brownsville	576	1.00
Crozet	569	1.00
Greer	525	1.00
Hollymead	389	1.00
Ivy Elementary	355	1.00
Mountain View	758	1.00
Murray	280	1.00
Red Hill	196	1.00
Scottsville	214	1.00
Stone-Robinson	499	1.00
Stony Point	194	1.00
Woodbrook	534	2.00
Subtotal		16.00

School	Count (as of 1/19/24)	750 to 1.00/ Base 1.00 Variables
Burley	554	1.00
Henley	807	1.00
Journey	599	2.00
Lakeside	529	1.00
Walton	332	1.00
Subtotal		6.00
Albemarle	1,996	3.00
Monticello	1,190	2.00
Western Albe.	1,167	2.00
Community Lab	178	1.00
Subtotal		8.00
TOTAL		30.00

Social Emotional Supports (27.0 FTE)

Social Emotional Learning (SEL) Coaches help students with their feelings and relationships. They teach skills like empathy and self-control, and they support students when they're struggling emotionally. They make sure everyone feels safe and respected at school.

CURRENT MODEL



PROPOSED MODEL

1 Social Emotional Learning (SEL) Coach at each school

1 SEL Coach at each school + additional staffing for higher enrollment and at-risk variables*

24 FTE Total

30 FTE Total = **24 FTE funded by School Fund** + 4 SEAD FTE (existing positions) + 2.0 FTE new positions

Funded by one-time federal ARP funds

Added Cost to School Fund: \$2,656,206

**Based on DESSA and Panorama Survey results, mental health referrals, threat assessments, chronic absenteeism rates, and free and reduced lunch numbers*

Agenda

1

Overview of Technical &
Non-Discretionary Changes

4

State Revenue Updates

2

Compensation Market Update
& Proposal

5

Operating Principles for Budget
Reductions

3

Social Emotional Supports
Overview & Proposal

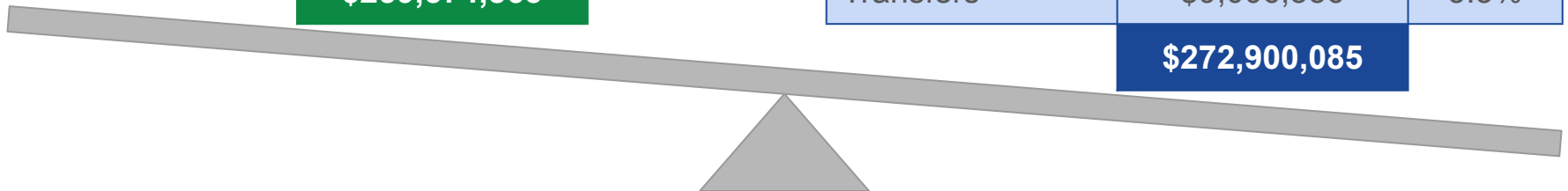
Funding Gap of \$13.3 Million

ANTICIPATED REVENUES

Local	\$195,387,845	71.9%
State	\$63,569,018	27.9%
Federal	\$618,000	0.2%
\$259,574,863		

PROPOSED EXPENDITURES

Instruction	\$193,546,507	70.9%
Admin/Attend & Health	\$17,163,290	6.3%
Technology	\$8,949,935	3.3%
Building Services	\$24,107,332	8.8%
Facilities	\$2,314,947	0.8%
Transportation	\$17,811,538	6.5%
Transfers	\$9,006,536	3.3%
\$272,900,085		



Addressing Our Funding Gap: Some Options

The possibilities of working through the process...

PLAN FOR HIGHER REVENUES

We'll talk more about how state revenues may change in

Work Session #1.

MAKE REDUCTIONS

We'll also talk about *how* we are exploring budget reductions in

Work Session #1.

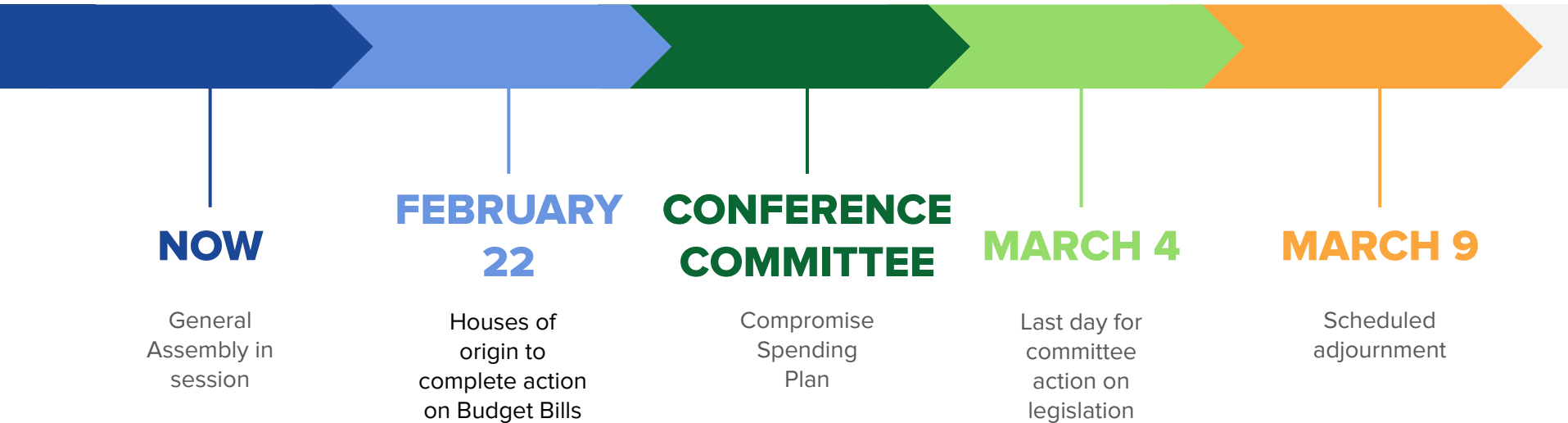
If reductions are needed to balance the budget, we will discuss specifics in **April**.

REDUCE PROPOSALS

This is less likely, but an option that will be considered.

We're not there yet!

State Revenue Update



State Revenue Update

	HOUSE	SENATE
Compensation	3.375%, +\$0.9M	3%, +\$0.8M
Grocery Tax Hold Harmless		+\$2.3M
Support Cap		+\$1.1M
At-Risk		+\$0.6M
EL	+\$0.4M	+\$0.1M
VPI (Bright Stars)	+\$0.4M	+\$0.4M
Sales Tax		+\$0.7M
Total Increase to ACPS	+\$1.7M	+\$6.0M

Agenda

1

Overview of Technical &
Non-Discretionary Changes

4

State Revenue Updates

2

Compensation Market Update
& Proposal

5

**Operating Principles for Budget
Reductions**

3

Social Emotional Supports
Overview & Proposal

Review of Annual RIF Process (Reduction in Force)

School Board Policy GCPA - Reduction in Licensed Staff and
School Board Policy GCPAA - Classified Employee Reduction in Force guide selection for reductions of staff.

The 2023-24 RIF process is the same as what we do annually.

Trends show that we are typically able to hire back most of our full-time employees.

Reductions may occur due to the following reasons:

Enrollment and demographic changes
("Budgeted Enrollment Decrease")

One-time allocations are eliminated

Changes in the staffing standards

As positions become available, staff may be recalled to positions in their school and across ACPS.

Per policy, reduced full-time licensed employees have priority for recall over reduced one-year hires, reduced part-time employees and external employment candidates.

Planned Approach for Closing Funding Gap

REVENUES

- Update State Revenues
- Consider One-Time Funding where appropriate
- Present Funding Request to Board of Supervisors

EXPENDITURES

The steps on the following slides are currently under consideration. All may not be necessary depending on the size of the gap in April when the budget needs to be balanced.

Planned Approach for Closing Funding Gap

EXPENDITURES

1. **Plan operating budget (non-personnel) reductions first**

Examples: deferring planned replacement cycles for furniture, technology, equipment, etc. where no significant adverse effect is anticipated

2. **Analyze historical spending and adjust for underspent areas**

3. **Review organizational structures and programs for effectiveness, efficiency and streamlining**

Planned Approach for Closing Funding Gap

EXPENDITURES

4. Reduce number of budgeted positions *(Goal: central office/departments-based reductions will match or exceed the percentage reductions in school-based reductions)*

- ❖ Approach for Department Positions: Implement a cross-departmental vacancy freezing protocol
Example: Reduce ~\$1.0M/10 FTE in department-based positions (2.6% reduction)
- ❖ Approach for School Positions: Increase class size ratio to adjust school allocations
Example: Increase class size ratio by +1 for ~\$3.3M/33 FTE (1.8% reduction)

5. Proposals will be prioritized to be funded but may need to be modified

Example: Adjust timing or amount of compensation %, reduce number of FTEs in proposal without eliminating it all together

Next Steps

March 7 – Work Session #2 & Public Hearing

- Tiered Interventions Overview & Proposal
- SPED Overview & Proposal
- World Languages/Immersion/EL Overview & Proposal
- Other School Board Requests

March 11 – Board of Supervisors Work Session

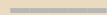
- Chair & Vice Chair present Funding Request

March 14 – School Board Meeting

- Funding Request Approval

STAY UP TO DATE:

k12albemarle.org/budget



CONTACT US:

budget@k12albemarle.org