

School Board's FY 2017 Budget Direction

The School Board directs the Superintendent to prepare an FY 2017 budget that reflects current economic conditions and the needs of our 25,000 student school system, while honoring the vision and legacy of Arlington Public Schools (APS) and Arlington County in providing a high quality education for each student. This continued commitment to public education has benefitted not only Arlington students and their families, but also all Arlington residents. The excellence of our schools is a hallmark of Arlington County, which continues to attract citizens and business, thus contributing to the economic vitality of this community.

Based on current estimates that will be refined during the budget development process, APS again anticipates that FY 2017 enrollment growth will represent the single largest increase to our operating costs at approximately \$10.9 million. We will also begin three new capital projects that will add to the cost of debt service.

On November 19, 2015, the County Board adopted its budget direction to the County Manager for the FY 2017 budget. In keeping with the County and Schools Revenue Sharing Principles, the County Board's budget direction includes an initial minimum transfer increase to APS of \$8.2 million which is based on APS' percent of revenue shared in FY 2016. Also in keeping with the agreed-upon Revenue Sharing Principles, APS recognizes that as budget deliberations continue, additional ongoing funding for critical needs identified by APS, including enrollment growth will be a top funding priority. Based on current information, the initial County transfer increase will not cover APS' critical needs.

Therefore, in developing the FY 2017 APS budget, the Superintendent is directed to:

- Present a budget that is consistent with APS' Mission, Vision, Core Values and Strategic Plan with an emphasis on the School Board priority to support the whole child.
- Include a compensation increase for eligible employees, consistent with the Strategic Plan goal to recruit and retain high quality staff.
- Include start-up funding to launch Arlington Tech at the Career Center.
- Include funding to add necessary administrative and instructional staff to support our 25,000 student system.
- Present a balanced budget, assuming the County transfer will be equal to the amount required to meet the critical needs of the division as outlined in the Revenue Sharing Principles.

The Superintendent is further directed to:

- Provide a prioritized list of cost savings divided into ranges to include the following:
 - Each reduction should consider the effect of the reduction in terms of achieving the Strategic Plan goals, whether the program or service is core or non-core, whether the change eliminates a program or service or is a change in the delivery model, and the number of students and/or staff affected.
 - Identify cost savings that could be implemented in future years, including a timetable for Board consideration and action.
- Use funding set aside from FY 2015 closeout for one-time expenses in FY 2017 and use existing reserve funds for one-time costs in accordance with School Board practice.
- Consider increases in revenue, including a review of APS fees.
- Ensure that the budget provides for long-term financial sustainability, using the updated three-year forecast of revenues and expenditures.
- Ensure that APS complies with all federal, state and local laws.
- Ensure that fiscal, human, and physical resources are used effectively, efficiently and responsibly.
- Consider the 2014-15 citizen advisory council reports, program evaluations, and other relevant reports. Funding for any additions to programs or services based on these reports will be offset by reductions.