

FY25 Adopted Budget Executive Summary



Loudoun County Public Schools 21000 Education Court Ashburn, VA 20148
E-mail: schools@lcps.org Web Site: www.lcps.org
Prepared by Budget and Financial Analytics Division
(571) 252-1250

Loudoun County Public Schools
FY25 Adopted Budget
Executive Summary

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LOUDOUN COUNTY PUBLIC SCHOOLS

21000 Education Court
Ashburn, VA 20148

Dear Parents, Patrons and Citizens of Loudoun County,

The School Board's FY25 Adopted Budget prioritizes investments in three areas – Employee Recruitment and Retention, Expanded Supports for Students, and Expansion of Student-Centered Initiatives. Each of these three areas are discussed in further detail below. The FY25 Adopted Budget for the School Operating Fund is \$1,824,777,892 and includes 13,060 full-time employees. This represents a \$156,432,713 or 9.4% increase. Revenue increases include \$131,000,000 of additional local transfer from Loudoun County and a net increase of \$25,432,713 from the Governor's proposed budget.

The General Assembly may make changes to the state budget which impact LCPS funding and expenditures. At this time, the FY25 Adopted Budget is based solely on the Governor's proposed budget and any state changes will be considered and coordinated with the Board of Supervisors as needed.

A summary of all budget funds is provided below:

| | FY24 Adopted Budget | | FY24 Revised | FY25 Adopted Budget | | FY25 to FY24 Adopted Diff |
|-----------------------------------------|---------------------|----------|--------------|---------------------|----------|------------------------------|
| | Budget | FTE | | Budget | FTE | |
| Operating Fund | 1,668,345,179 | 12,756.0 | 12,775.0 | 1,824,777,892 | 13,060.1 | 9.4% |
| Grant Fund | 30,503,915 | 211.9 | 219.0 | 35,071,743 | 220.7 | 15.0% |
| School Nutrition Fund | 51,663,825 | 437.0 | 437.0 | 48,784,246 | 419.0 | -5.6% |
| Lease Purchase Fund | 10,002,000 | - | - | 10,002,000 | - | 0.0% |
| Self Insurance Fund | 264,592,601 | 8.0 | 8.0 | 279,152,880 | 9.0 | 5.5% |
| Capital Improvement Projects Fund | 122,179,377 | 20.0 | 20.0 | 513,860,000 | 20.0 | 320.6% |
| Capital Asset Preservation Program Fund | 43,216,000 | - | - | 47,790,000 | - | 10.6% |
| | 2,190,502,898 | 13,432.9 | 13,459.0 | 2,759,438,761 | 13,728.8 | |

The School Nutrition Fund reduction reflects cost efficiency measures as well as one-time purchases ending from the multi-year spend down plan. The increase in the Self Insurance funds is driven from the rising cost of employee and retiree healthcare. The increase in the CIP fund includes development of HS-14 in Dulles North, replacement of Park View High School, and renovations for Banneker and Waterford Elementary Schools. Finally, the increase in the CAPP fund is driven by maintenance and replacement of HVAC systems, electrical, and plumbing projects.

It is not lost on the School Board how lucky we are in Loudoun County to have a Board of Supervisors with both the commitment and ability to fund public education at a high level.

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It is important to note that the Board of Supervisors is charged each year with closing the gap in education funding at the local level, and each year they answer that call. That said, they should not have to do this alone. The state has a constitutional requirement to fund public education in the Commonwealth. According to a recent Joint Legislative Audit and Review Commission (JLARC) report, Virginia school divisions receive less K–12 funding per student than the 50-state average, the regional average, and three of Virginia’s five bordering states. School divisions in other states receive 14 percent more per student than school divisions in Virginia, on average, after normalizing for differences in cost of labor among states. This equates to about \$1,900 more per student than Virginia, which equals about a \$160 million loss for Loudoun County Public Schools each year. Virginia was also named as one of the nine states that are poorly funded, inequitable, and with low funding effort in a 2023 report by the Education Law Center.

It is incumbent upon us as a community to advocate at the state level for appropriate education funding. Should the final State budget include some of the JLARC recommendations, it could provide additional funding to LCPS, and would help us to push forward in meeting our One LCPS strategic plan goals of having empowered students, an exemplary staff, an enriched division, and an engaged community.

This school year has been a testament to the hard work, dedication and resilience of our staff, students and families as we continue to navigate the challenges associated with interrupted learning as a result of the COVID-19 pandemic. That said, teacher recruitment and retention, providing much-needed holistic support for students, and continuing to hold high academic standards for students at all levels have risen to the top of our list of priorities. It is important that through this budgeting process we respond to any challenges, while also focusing on innovation and how to ensure students thrive when they leave us. You will see that much of what we have budgeted for is around employee compensation as well as expanding opportunities for our students.

The relationship between school budgets and student enrollment is a common question. As a reminder, about 74% of the increase in expenditures for FY25 are in employee compensation and benefits. For LCPS, providing a basic annual step increase alone costs roughly \$26m. If employees receive compensation increases, and/or if we need to spend more as a school division on employee benefits, our operating budget *will* increase, even with no new positions. In addition, there are typically increases in benefits costs as healthcare becomes more expensive, and there are other fixed costs that grow despite level or declining enrollment—things like fuel and utility costs that we do not control. This concept is important to understand as it directly relates to LCPS for FY25.

In addition to these costs, and despite the relatively flat budgeted enrollment, LCPS will open two new schools that require additional resources. Some teachers will follow the students from other schools that will see a reduction in enrollment, but it is dependent on the distribution of the students. Based on the projected enrollments for next year, there will be a net increase of about 60 positions related to the opening of these two new facilities.

With that context, what follows are highlights of the School Board’s Adopted Budget for the 2024-2025 school year.

Employee recruitment and retention:

Investments in this area provide resources necessary to run the school division every day *and* allows for a competitive employee salary and benefits package. Our ability to offer attractive salaries and benefits packages bolsters our ability to recruit and retain an exemplary workforce. For years the school division has worked little by little at being competitive in the job market, not only for our teachers, but for our support staff. What we hope we have all realized, though, is that in this climate, and with both surrounding school divisions and private industry as competitors, it is going to take more than incremental change to ensure we have an exemplary staff. We are proud that this budget not only includes step increases and top of scale payments, but also a 4% cost of living adjustment for the universal and auxiliary salary scales and an average 4% strategic teacher scale adjustment.

Also included is the Governor's proposed initiative for a one-time 1% bonus payment to all eligible full-time employees. LCPS will also begin a new sign-on bonus program for teachers, with the ability to stack bonuses for hard to staff positions. This budget also continues the work of making substitute teacher rates more competitive.

Expanded supports for students

Our student body also continues to change with students requiring more resources continuing to outpace division growth. The English Learner population is projected to increase by 6.4%, the special education population by 4.1%, and economically disadvantaged students by 1.8%. As a result, 116.3 additional teachers and teacher assistants are included and represent 41% of the total new positions added.

The FY25 Adopted Budget keeps additional staffing resources focused on students. Of the total increase of FTEs, 91.2% are school-based. To summarize, 60 positions are added to staff the new elementary and middle school in the fall. Over 100 positions are added to directly support our students that require additional resources, and 82.8 positions are added that will be school-based to support new initiatives.

Expansion of student-centered initiatives

A few examples of ongoing or expanded initiatives include the next phase of the dual language immersion program and expansion of middle school intramural sports to all middle schools.

The FY25 Adopted Budget also includes resources to launch the Health and Medical Science Academy. This Academy is designed to expand learning opportunities for students in health science literacy through a curriculum centered on deeper learning that develops critical skills and competencies geared toward the healthcare field. This specialized curriculum paired with industry credentials and work-based learning experiences prepares students for in-demand highly skilled healthcare workforce careers.

Also included in this budget is the introduction of a new alternative program at the North Star School for required student placements, alternative disciplinary student placements, and with the potential to provide intensive support programs for students with autism spectrum disorders and emotional disabilities.

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There are other needs addressed in this proposed budget as well. These can be found throughout this budget. Some highlights include the full expansion of the STEP program to full day in FY25, digital security enhancements, allotments for staffing flexibility and a new school activity allotment to provide funding support for student clubs and extracurricular activities. This new allotment supports the Board of Supervisors' and prior School Board's priority of reducing and/or eliminating student fees.

Despite the funding obstacles outlined earlier, LCPS continues to thrive.

Here are just a few of many LCPS accomplishments over the last year:

- LCPS achieved an Overall Graduation Rate for All Students of 97%. Seventeen LCPS high schools had a graduation rate at or above the state average of 91.9%.
- All 16 eligible Loudoun County Public Schools high schools are ranked in the annual U.S. News Best High Schools report. Schools were ranked on the following six factors: College Readiness, State Assessment Proficiency, State Assessment Performance, Underserved Student Performance, College Curriculum Breadth and Graduation Rate.
- LCPS earned the 2023 ENERGY STAR Partner of the Year Award for Sustained Excellence from the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy for the 12th year. LCPS is one of 74 organizations to receive this award for energy management and the only school system with 12 years as a Sustained Excellence Partner.
- All 17 LCPS middle schools have received the Schools to Watch designation from the National Forum to Accelerate Middle School Reform.
- The new Dual Language Immersion program launched, serving kindergartners at Sanders Corner and Potowmack Elementary Schools in a 50/50 model with Spanish as the partner language.
- Heritage and Loudoun Valley High schools are now authorized International Baccalaureate (IB) World Schools.

EXECUTIVE SUMMARY

Thank you for taking the time to read and support the School Board's FY25 Adopted Budget. As you can see, we are committed to providing the best possible educational experience to meet the needs of our LCPS community. We are grateful to the Board of Supervisors, the staff, our parents and the citizens of Loudoun County for their ongoing support of these efforts.

Sincerely,

Melinda Mansfield

Chair
Dulles District

Arben Istrefi

Vice Chair
Sterling District

Anne Donohue

At-Large Member

April Chandler

Algonkian District

Deana Griffiths

Ashburn District

Dr. Linda Deans

Broad Run District

Dr. Kari LaBell

Catoctin District

Lauren Shernoff

Leesburg District

Dr. Sumera Rashid

Little River District



Melinda Mansfield
Chair
Dulles District

School Board



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Deana Griffiths
Ashburn District



Dr. Linda Deans
Broad Run District



Dr. Kari LaBell
Catocin District



Lauren Shernoff
Leesburg District



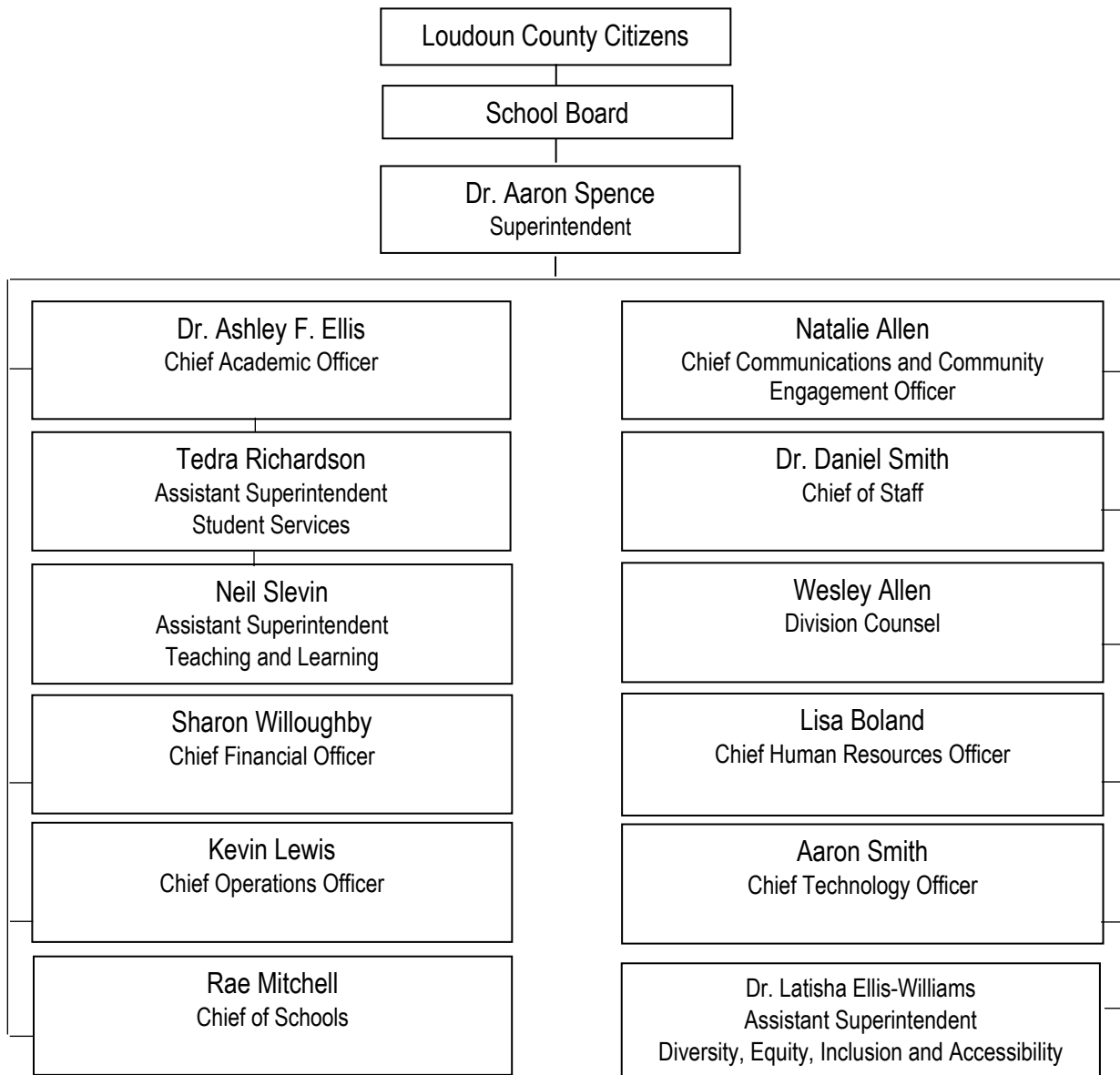
Dr. Sumera Rashid
Little River District

Loudoun County Public Schools Organization

Loudoun County Public Schools (LCPS) is organized to focus on empowering all 83,038 students to make meaningful contributions to the world, while managing 100 schools and nine educational support buildings. It is a rapidly growing, dynamic, well managed and efficient organization.

Nine elected School Board members govern LCPS. The members are elected to four-year terms. One member represents each of the County's eight magisterial districts and there is one at-large member. The School Board is charged by Virginia law and the regulations of the Virginia Board of Education to establish policies, guidelines, and rules that will ensure the proper administration of the County's school programs.

The Superintendent works closely with twelve members of Cabinet to oversee the day-to-day operations of the schools and support services.



Loudoun County Public School Budget Awards



This Meritorious Budget Award is presented to:

**LOUDOUN COUNTY
PUBLIC SCHOOLS**

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2023–2024.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.




John W. Hutchison
President


Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

The Association of School Business Officials International Meritorious Budget Award program is designed to enable school business administration to achieve excellence in budget presentation. LCPS received the above award for the FY24 budget. LCPS has received the Meritorious Budget Award for excellence in the preparation and issuance of its budget for twenty-four consecutive years.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Loudoun County Public Schools
Virginia**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morill

Executive Director

EXECUTIVE SUMMARY

The Government Finance Officers Association established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. LCPS had received this award for eighteen years. During the 2018 Budget process the award qualifications for this specific award no longer pertained to school districts. For the 2021 Budget process schools were able to qualify for this award again.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Loudoun County Public Schools, Virginia, for its FY24 Annual Budget. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The strategic framework displayed below is set forth in School Board Policy 1020.

LCPS Strategic Plan 2022 – 2027 | At A Glance



Our Vision: Every student will reach their full potential and achieve their dreams.

Our Mission: Empowering all students to make meaningful contributions to the world.

Strategic Goals



Students will be at the center of our work – valuing all students' hopes and dreams and preparing them to make meaningful contributions to the world.

GOAL 1: Prepare students to be knowledgeable critical thinkers, communicators, collaborators, creators, and contributors.



LCPS teachers, administrators, and staff are the most important factor in helping our students after their parents; seeing that staff are esteemed, exemplary, supported, and accountable is vital to student success.

GOAL 2: Cultivate high-performing teams of professionals committed to realizing our mission and goals.



LCPS must be aligned around our core educational mission for students and strengthen trust, listen humbly, value differences, and remain steadfast in ensuring every student is prepared to make meaningful contributions to the world.

GOAL 3: Maintain an inclusive, safe, caring, and rigorous learning environment as the foundation for student growth.



Parents, families, and our community must be a support, guide, ally, and partner; there is no one more deeply invested in the success of students than their families.

GOAL 4: Enhance educational excellence through building meaningful relationships with families and the community.

Core Values



HOLISTIC SUPPORT

Every student should have the support to feel safe, happy, and cared for in school.



EQUITY AND OPPORTUNITY

All students and staff should have access to resources, programs, and support that enable a successful future.



TRUST THROUGH LISTENING

All students, staff, and community members should have regular opportunities to be heard in two-way conversations across the division.

RIGOROUS TEACHING AND LEARNING

All students should be challenged to reach their full potential in the classroom as part of a system that aspires to become the best performing district in the nation.



INDIVIDUALIZED SUCCESS

All unique strengths, skills, and passions should be celebrated, encouraging diverse pathways that support readiness after graduation.



CONTINUOUS IMPROVEMENT

A culture of continuous improvement should drive the fulfillment of our mission.



Overview and LCPS Accomplishments

ACADEMIC ACHIEVEMENT

Loudoun County Public Schools (LCPS) fulfills its mission of engaging, empowering and enriching its students by offering unique educational opportunities, demonstrating instructional leadership across the Commonwealth and the nation.

2023 SAT scores for LCPS remained well above state and national averages. The average overall score for LCPS students was 1173. The LCPS total average exceeded the state average by 60 points and the global average by 145 points. A total of 82 students were named National Merit Scholarship Semifinalists, up from 54 in 2022.

Two high schools, Heritage and Loudoun Valley, became International Baccalaureate (IB) World Schools.

The new Dual Language Immersion program launched, serving kindergartners at Sanders Corner and Potowmack elementary schools in a 50/50 model with Spanish as the partner language.

The U.S. News Best High Schools report included all 16 eligible LCPS high schools in their annual ranking.

U.S. News and World Report placed 30 LCPS schools in their top 100 among Virginia elementary, middle and high schools.

All 17 LCPS middle schools have received the Schools to Watch designation from the National Forum to Accelerate Middle School Reform.

Five LCPS middle schools – Belmont Ridge, Brambleton, Farmwell Station, River Bend and Smart's Mill – have been honored by the Association for Middle Level Education (AMLE) as Schools of Distinction. AMLE's Schools of Distinction Program was established in 2022 to celebrate and acknowledge schools that go above and beyond in creating an environment that nurtures middle school students.

Niche ranked Waxpool Elementary School first among Virginia's 1,124 elementary schools and Goshen Post as the third-best elementary schools in the Commonwealth. Founded in 2002, Niche provides in-depth profiles on every school and college in America based on more than 140 million reviews and ratings provided by students and families. A dozen other Loudoun County Public Schools (LCPS) elementary schools placed in the top 100 statewide. These schools include Madison's Trust (47); Rosa Lee Carter (52); Lowes Island (53); Legacy (54); Mill Run (59); Aldie (64); Moorefield Station (77); Creighton's Corner (78); Liberty (86); John W. Tolbert, Jr. (87); Lincoln (97); and Cedar Lane (99). Newton-Lee (109); Emerick (111); Little River (113); Ashburn (118); Pinebrook (126); Cardinal Ridge (136); and Discovery (141) fall into the top 150 schools.

The Class of 2023

The Class of 2023 graduated 6,356 seniors.

More than 2,000 graduates accepted almost \$33 million in scholarships.

70% reported that they will be attending a four-year college while 17% will attend a two-year school.

A record 54 graduates received an Advanced Placement (AP) Capstone Diploma from the College Board in 2023

LCPS achieved an Overall Graduation Rate for All Students of 97%.

Seventeen LCPS high schools had a graduation rate at or above the state average of 91.9 %.

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Loudoun Valley High School was chosen as one of 16 high schools across the nation to receive the prestigious First Amendment Press Freedom Award for 2023. This marked the second year in a row that Loudoun Valley was recognized.

Rock Ridge High School received the designation of Premier Community for Theatre Education by the Educational Theatre Association (EdTA). Rock Ridge was one of 25 schools nationwide to receive this designation and the only school in Virginia.

For the second year in a row, the Lightridge High School Academic Team has earned the VHSL State Scholastic Bowl Class 4 Champion title.

The College Achievement and Multicultural Program for Unique Students (CAMPUS), an LCPS academic and college-preparatory program that is designed to remove barriers to higher education, particularly for students who will be the first in their families to attend college, celebrated its 20th anniversary.

The Virginia Association of Marketing Educators (VAME) 2023 Teacher of the Year went to Ben Stodola, the chair of Rock Ridge High School's Career and Technical Education Department.

Jordan Markwood, the Fine Arts department chair and choral director at Rock Ridge High School, was named the 2023 Region 4 Teacher of the Year.

COMMUNITY INVOLVEMENT

New LCPS Superintendent Dr. Aaron Spence scheduled Community Listening Sessions between September 2023 and April 2024 at each of the school division's 17 high schools. These sessions were designed to help facilitate a successful transition with the new Superintendent in three key areas: developing relationships with the community, accelerating the Superintendent's learning about LCPS and building on success while making meaningful changes.

LCPS earned the 2023 ENERGY STAR Partner of the Year Award for Sustained Excellence from the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy for the 12th straight year. LCPS is one of 74 organizations to receive this award for energy management and the only school system with a dozen years as a Sustained Excellence Partner.

The renovated and restored Douglass High School was rededicated as the Historic Douglass High School Education and Development Campus in May 2023. The restored 1941 portion of the building houses community partner offices and features a rotating collection of historic photographs, memorabilia, and other exhibits honoring the rich legacy of past and present generations who helped ensure African American children in Loudoun County could receive an accredited secondary education.

As part of a re-branding initiative, LCPS launched a new logo during the September 26, 2023 School Board meeting. The logo features the LCPS commitment to "Engage. Empower. Enrich." and puts the school division's initials front and center. LCPS received 115 student logo design submissions from every grade level. Student submissions informed the development of the new division logo.

FY25 Budget Preparation Process

The Code of Virginia requires that the Division Superintendent submit to the governing body, with the approval of the School Board, an estimate of the funds needed during the next fiscal year for support of the public schools. In Virginia, School Divisions are fiscally dependent on the local governing body which for Loudoun is the County Board of Supervisors.

The following calendar of events more fully explains the activities that contributed to the budget development and approval process this year:

May – June

- LCPS staff request the funding for programs, maintaining facilities and major building improvements.

August – September

- Preliminary budget forecast prepared and presented to the School Board.
- Budget instructions are distributed by the Budget and Financial Analytics Division to the Departments and Divisions to provide guidance for the development of future year budget requests.
- Preliminary staffing standard reviews are held with departments.
- Host budget exercises to solicit input for FY25 initiatives and priorities.

October – December

- Revised revenue update provided to the School Board.
- Budget requests are received by the Budget Division for review and analysis.
- The staffing as of September 30 is analyzed and current year costs for salaries and benefits are used for estimating the future year compensation costs. Salary and benefits represent approximately 90% of the operating budget.
- Staffing standard meetings with departments to finalize staffing for the upcoming year.
- Estimated federal, state and local revenue is developed.
- The Superintendent meets with department and division budget holders to review and modify budget requests.
- The results of these meetings are analyzed and compiled by the Budget and Financial Analytics Division and a draft budget document is prepared for review by the Superintendent and Cabinet.
- Conduct two budget work sessions with the School Board to identify priorities and receive early budget guidance.
- The Virginia Governor released proposed budget amendments to the state's FY25 budget.
- Based on the Superintendent and Cabinet review, the Budget and Financial Analytics Division prepares the SEON, which is the Superintendent's Estimate of Needs to the School Board, for the future budget year.

January

- The Superintendent presents the recommended budgets to the School Board at a public meeting.
- The School Board holds numerous work sessions to review the Estimate of Needs budget.
- A public hearing is held to receive citizens' input.

FY25 Budget Preparation Process (cont.)

February – April

- The School Board deliberates, modifies or approves the Superintendent's recommended budgets by majority vote and adopts its budget.
- The Budget and Financial Analytics Division makes the School Board's revisions to the recommended budget and prepares a School Board's adopted budget.
- The School Board's adopted budget is forwarded to the county staff for inclusion in the County Administrator's advertised fiscal plan.
- The School Board presents its adopted budget to the County Board of Supervisors.
- The County Board of Supervisors reviews the School Board adopted budget as a part of the County Budget review, holds a public hearing to receive citizens' input, sets the tax rate, and appropriates the budgets for the school system and the County.

May – July

- The School Board reconciles their adopted budget based on the level of funding provided to Loudoun County Public Schools in the appropriations resolution approved by the Board of Supervisors.

FY25 Budget Overview

Loudoun County Public Schools budgets its operations in three categories of funds: general, special revenue and internal service funds. Funds are established following Governmental Accounting Standards Board rules to separately record and report its financial transactions. Each fund is a self-balancing set of accounts used to track financial activity of a specific revenue or series of revenues.

The chart to the right identifies the relationship between funds and departments.

Departments and certain programs are listed on the left with funds along the top. This cross reference identifies the funds Departments expend from. A department may have financial activity in multiple funds.

Revenues are primarily categorized as either originating from other governmental sources, such as state, federal, local, and charges and/or fees.

| Department | General Fund | Special Revenue Funds | | | | | Internal Service Funds |
|-----------------------------------------|--------------|-----------------------|------------------|-------|-----|------|------------------------|
| | Operating | Grant | School Nutrition | Lease | CIP | CAPP | Self Insurance |
| Academics | x | x | | | | | |
| Business & Financial Services | x | | x | x | | | x |
| Capital Projects | | | | | x | x | |
| Charter School | x | | | | | | |
| Communications and Community Engagement | x | | | | | | |
| Digital Innovation | x | x | | x | | | |
| Human Resources & Talent Dev. | x | x | | | | | x |
| Non-Departmental | x | x | | | | | |
| School Board | x | | | | | | |
| School Leadership | x | | | | | | |
| Student Services | x | x | | | | | |
| Superintendent | x | x | | | | | |
| Support Services | x | | | x | | | |
| Teaching and Learning | x | x | | | | | |

Expenditures are grouped into 4 main categories throughout the budget book—Personnel, Operations and Maintenance, Capital Outlay and Transfers Out. Further subcategories and definitions are provided below.

PERSONNEL:

Personnel & Fringe Costs: Salaries (both full-time equivalent employees and part time such as substitutes), social security, retirement, group life insurance and health insurance are the major expenditures in this portion of the budget.

For FY25, the Virginia Retirement System (VRS) rates are expected to change as a result of the Governor's proposed budget and will be finalized and adopted by the Virginia General Assembly. The rates included in the FY25 Adopted Budget reflect the employer contributions as provided by VDOE and cover all Plan 1, Plan 2, and Hybrid employees.

For FY25, all employee, employer, and retiree premiums for Health Insurance will increase by 8%. The Dental and Vision Plan rates will remain flat.

OPERATIONS AND MAINTENANCE:

Contractual Services: The contractual services budget is used to pay outside contractors and other public entities or other school systems for services provided to LCPS. An example is the tuition paid to Fairfax County Public Schools for LCPS students to attend Thomas Jefferson High School for Science and Technology.

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Internal Services: The Self Insurance Fund accounts for transactions associated with the comprehensive health benefits program, worker's compensation insurance program, and the disability programs.

Utilities & Communication: The utility and communication budget provides for the heating fuel, electricity, water, sewer and telephone services for the 100 schools and nine educational support buildings.

Insurance: Insurance expenditures are for the property, casualty, liability, and fleet insurance carried by the school system.

Materials, Supplies & Equipment: These expenditures include instructional supply allotments to each school, textbooks and minor instructional equipment such as computers, calculators, globes, maps, etc.

Mileage Reimbursement: Mileage for itinerant teachers and other staff who travel on behalf of LCPS.

Training & Continuing Education: Includes expenditures for training, workshops and conferences.

Leases & Rentals: Lease or rental of heavy equipment needed for maintenance repairs.

CAPITAL OUTLAY:

Capital Outlay: The purchase of major items of equipment that cost in excess of \$5,000; leases for buildings and land, and certain subscription-based information technology assets.

TRANSFERS OUT:

Transfers out: Transfers from the LCPS funds to the Loudoun County government funds.

While the expenditures have categories for grouping that appear on the reports, request categories are used to categorize changes that appear in the budget. Following is a listing of these categories and a short description.

| Category | Sub-category | Description |
|---------------------|--------------------------|---------------------------------------------------------|
| Growth | <i>Staffing Standard</i> | staffing standard driven growth |
| | <i>New School</i> | growth related to new school |
| | <i>Other</i> | non-staffing standard, but related to enrollment growth |
| | <i>O&M</i> | non-salary increase related to enrollment growth |
| Enhancement | <i>Staffing Standard</i> | change or enhancement to existing staffing standard |
| | <i>Other</i> | non-staffing standard related change or enhancement |
| | <i>O&M</i> | non-salary increase related to an enhancement |
| Restoration | <i>Cut</i> | FTE(s) cut made in prior year(s) |
| | <i>O&M</i> | non-salary cut made in prior year(s) |
| Reallocation | <i>Reallocation</i> | FTE(s) reallocated to other FTE use |
| | <i>O&M</i> | non-salary reallocated to other operating use |
| Other | <i>O&M</i> | non-salary change that doesn't fit any other category |
| Compensation | Salaries | step increases, scale adjustment, etc. |
| | Benefits | health rate changes, VRS changes, etc. |

EXECUTIVE SUMMARY

FY25 Budget

A summary of the FY25 budget by fund is provided below. Revenues are categorized by source and expenditures by department.

Budget Summary

| FY25 | General Fund | Special Revenue Funds | | | Internal Service Fund | | | |
|---------------------------------------|----------------------|-----------------------|-------------------|-------------------|-----------------------|--------------------|-------------------|----------------------|
| | Operating | Grant | School Nutrition | Lease Purchase | Self Insurance | CIP | CAPP | TOTAL |
| Revenues | | | | | | | | |
| State | 511,811,614 | 6,917,347 | 1,082,469 | - | - | - | - | 519,811,430 |
| Federal | 2,962,436 | 27,154,396 | 19,788,353 | - | - | - | - | 49,905,185 |
| Local | - | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Charges for Services | 10,876,466 | - | 21,766,833 | - | 278,278,561 | - | - | 310,921,860 |
| Transfers In | 1,287,127,376 | - | - | - | - | - | - | 1,287,127,376 |
| Debt Proceeds | - | - | - | 10,002,000 | - | 513,860,000 | 47,790,000 | 571,652,000 |
| Carry Over | 12,000,000 | - | - | - | - | - | - | 12,000,000 |
| Total Revenues | 1,824,777,892 | 35,071,743 | 42,637,655 | 10,002,000 | 278,278,561 | 513,860,000 | 47,790,000 | 2,752,417,851 |
| Expenditures: | | | | | | | | |
| Academics | 8,605,300 | 3,006,851 | - | - | - | - | - | 11,612,151 |
| Business & Financial Services | 12,470,654 | 3,698,184 | 48,784,246 | 2,000 | - | - | - | 64,955,084 |
| Capital Projects | - | - | - | - | - | 513,860,000 | 47,790,000 | 561,650,000 |
| Charter School | 6,277,683 | - | - | - | - | - | - | 6,277,683 |
| Communications & Community Engagement | 3,266,580 | - | - | - | - | - | - | 3,266,580 |
| Digital Innovation | 65,183,055 | 2,546,000 | - | 7,200,000 | - | - | - | 74,929,055 |
| Human Resources & Talent Dev. | 16,973,234 | - | - | - | 279,152,880 | - | - | 296,126,114 |
| Non-Departmental | 167,990,385 | - | - | - | - | - | - | 167,990,385 |
| School Leadership | 757,009,962 | - | - | - | - | - | - | 757,009,962 |
| School Board | 1,614,882 | - | - | - | - | - | - | 1,614,882 |
| Student Services | 345,621,226 | 17,579,426 | - | - | - | - | - | 363,200,652 |
| Superintendent | 22,245,392 | 89,951 | - | - | - | - | - | 22,335,343 |
| Support Services | 237,466,228 | - | - | 2,800,000 | - | - | - | 240,266,228 |
| Teaching and Learning | 180,053,311 | 8,151,331 | - | - | - | - | - | 188,204,642 |
| *Total Expenditures | 1,824,777,892 | 35,071,743 | 48,784,246 | 10,002,000 | 279,152,880 | 513,860,000 | 47,790,000 | 2,759,438,761 |
| FTE | 13,060.1 | 220.7 | 419.0 | - | 9.0 | 20.0 | - | 13,728.8 |

*Totals may be off due to rounding

EXECUTIVE SUMMARY

The table below shows three years of actual revenue and expenditure activity for all funds. The FY24 Adopted Budget and the FY25 Adopted Budget are shown along with the change between years.

| | FY21 Actual | FY22 Actual | FY23 Actual | FY24 Budget | FY25 Budget | Budget Change FY24 to FY25 | Percent Change FY24 to FY25 |
|--------------------------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------|-----------------------------------|
| OPERATING FUND | | | | | | | |
| Beginning Balance | 36,216,772 | 65,003,741 | 41,909,678 | 37,712,149 | 25,712,149 | (12,000,000) | -31.82% |
| Fund Balance Carryover | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | - | 0.00% |
| Revenue | 1,346,167,040 | 1,455,178,106 | 1,556,633,419 | 1,656,345,179 | 1,812,777,892 | 156,432,713 | 9.44% |
| Expenditures | 1,317,380,071 | 1,478,272,169 | 1,560,830,948 | 1,668,345,179 | 1,824,777,892 | 156,432,713 | 9.38% |
| Ending Fund Balance | 77,003,741 | 53,909,678 | 49,712,149 | 37,712,149 | 25,712,149 | (12,000,001) | |
| GRANT FUND | | | | | | | |
| Beginning Balance | 2,374,235 | 1,833,007 | (684,103) | 801,052 | 3,318,162 | 2,517,110 | 314.23% |
| Revenue | 26,827,614 | 29,064,405 | 50,917,312 | 30,503,915 | 35,071,743 | 4,567,828 | 14.97% |
| Expenditures | 27,368,842 | 31,581,513 | 49,432,157 | 30,503,915 | 35,071,743 | 4,567,828 | 14.97% |
| Ending Fund Balance | 1,833,007 | (684,101) | 801,052 | 801,052 | 3,318,162 | 2,517,110 | |
| SCHOOL NUTRITION FUND | | | | | | | |
| Beginning Balance | 13,017,197 | 23,502,755 | 37,705,812 | 32,269,895 | 28,247,601 | (4,022,294) | -12.46% |
| Revenue | 38,114,553 | 55,150,618 | 40,290,499 | 47,641,531 | 42,637,655 | (5,003,876) | -10.50% |
| Expenditures | 27,628,996 | 40,947,560 | 45,726,417 | 51,663,825 | 48,784,246 | (2,879,580) | -5.57% |
| Ending Fund Balance | 23,502,755 | 37,705,812 | 32,269,895 | 28,247,601 | 22,101,010 | (6,146,591) | |
| LEASE PURCHASE FUND | | | | | | | |
| Beginning Balance | 1,505,333 | 1,498,149 | 2,551,422 | 3,582,744 | 3,582,744 | - | 0.00% |
| Revenue | 10,000,439 | 10,001,412 | 10,174,541 | 10,002,000 | 10,002,000 | - | 0.00% |
| Expenditures | 10,007,622 | 8,948,140 | 9,143,219 | 10,002,000 | 10,002,000 | - | 0.00% |
| Ending Fund Balance | 1,498,149 | 2,551,422 | 3,582,744 | 3,582,744 | 3,582,744 | - | |
| SELF INSURANCE FUND | | | | | | | |
| Beginning Balance | 53,644,904 | 52,270,483 | 40,422,648 | 36,780,952 | 39,918,505 | 3,137,554 | 8.53% |
| Revenue | 206,830,381 | 228,753,728 | 248,444,002 | 267,730,155 | 278,278,561 | 10,548,406 | 3.94% |
| Expenditures | 208,204,802 | 240,601,563 | 252,085,698 | 264,592,601 | 279,152,880 | 14,560,279 | 5.50% |
| Ending Fund Balance | 52,270,483 | 40,422,648 | 36,780,952 | 39,918,505 | 39,044,186 | (874,319) | |
| CAPITAL PROJECTS FUND | | | | | | | |
| Beginning Balance | 90,861,944 | 96,528,323 | 122,087,297 | 144,385,275 | 144,385,275 | - | 0.00% |
| Revenue | 158,909,821 | 147,256,983 | 172,807,429 | 122,179,377 | 513,860,000 | 391,680,623 | 320.58% |
| Expenditures | 153,243,442 | 121,698,009 | 150,509,450 | 122,179,377 | 513,860,000 | 391,680,623 | 320.58% |
| Ending Fund Balance | 96,528,323 | 122,087,297 | 144,385,275 | 144,385,275 | 144,385,275 | - | |
| CAPITAL ASSET PRESERVATION PROGRAM FUND | | | | | | | |
| Beginning Balance | 8,125,279 | 18,549,100 | 28,750,475 | 30,172,976 | 30,172,976 | - | 0.00% |
| Revenue | 24,261,000 | 24,543,000 | 27,979,300 | 43,216,000 | 47,790,000 | 4,574,000 | 10.58% |
| Expenditures | 13,837,179 | 14,341,625 | 26,556,799 | 43,216,000 | 47,790,000 | 4,574,000 | 10.58% |
| Ending Fund Balance | 18,549,100 | 28,750,475 | 30,172,976 | 30,172,976 | 30,172,976 | - | |

EXECUTIVE SUMMARY

Operating Fund

The Operating Fund will increase by \$156.4, or 9.4% above the FY24 Adopted Budget. Those changes are categorized as follows and are shown in millions of dollars:

| | | |
|---------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Students at the Center | \$24.80 | Changes include staffing changes due to enrollment, the opening of two new schools (Henrietta Lacks Elementary and Watson Mountain Middle) and staffing standard enhancements. Changes also include Student Support Specialist and increases for TJ Tuition and Advanced Placement fees. |
| Recruitment and Retention | \$118.20 | Initiatives include a step increase for employees on scales A (Teachers), B (Universal) and C (Auxiliary); a strategic scale adjustment for employees on Scale A (Teachers); a cost-of-living adjustment for employees on Scales B (Universal) and C (Auxiliary); the next phase of the classification review process; and an 8% increase to health benefit premiums. Also, reflected is an increase in the stipend for Deans, and a sign-on bonus for new licensed/teacher hires. |
| Reallocations for New & Ongoing Initiatives | \$13.40 | Initiatives include moving the Starting Toward Excellence in Pre-School (STEP) program to full day, expansion of the dual language immersion, expansion of middle school intramural sports. A new program for Health and Medical Sciences. Various FTE and operation reallocations to increase LCPS efficiency and effectiveness. Division-wide operating and maintenance costs. |
| Total | \$156.40 | |

EXECUTIVE SUMMARY

Grant Fund

The Grant Fund increases result from a combination of expected increases in state and federal grant awards.

School Nutrition Fund

School Nutrition Services is a special revenue fund and should retain no more than 3 months expenditures in reserve. A price increase of \$0.20 is proposed for all student meals; the breakfast price for all students will increase from \$2.10 to \$2.30; the elementary student lunch price will increase from \$3.05 to \$3.25; and the secondary student lunch price will increase from \$3.15 to \$3.35.

Lease Purchase Fund

The Lease Purchase Fund remains at a flat \$10m per year funding for capital technology and fleet purchases. For FY25, \$7.2m is designated for technology and \$2.8m for fleet vehicles and equipment.

Self Insurance Fund

The FY25 budget is predominantly comprised of claim expenditures that are projected to increase. Revenues from health insurance premiums will increase due to an 8% rate increase for calendar year 2025.

Capital Improvement Projects (CIP) Fund

The Capital Improvement Projects Fund has funding for construction of HS-14, Park View replacement, school renovations, school bus replacement and acquisition, and other capital renewals and alterations.

Capital Asset Preservation Program (CAPP) Fund

The Capital Asset Preservation Program Fund will increase by \$4.6m for capital maintenance repairs and replacements.

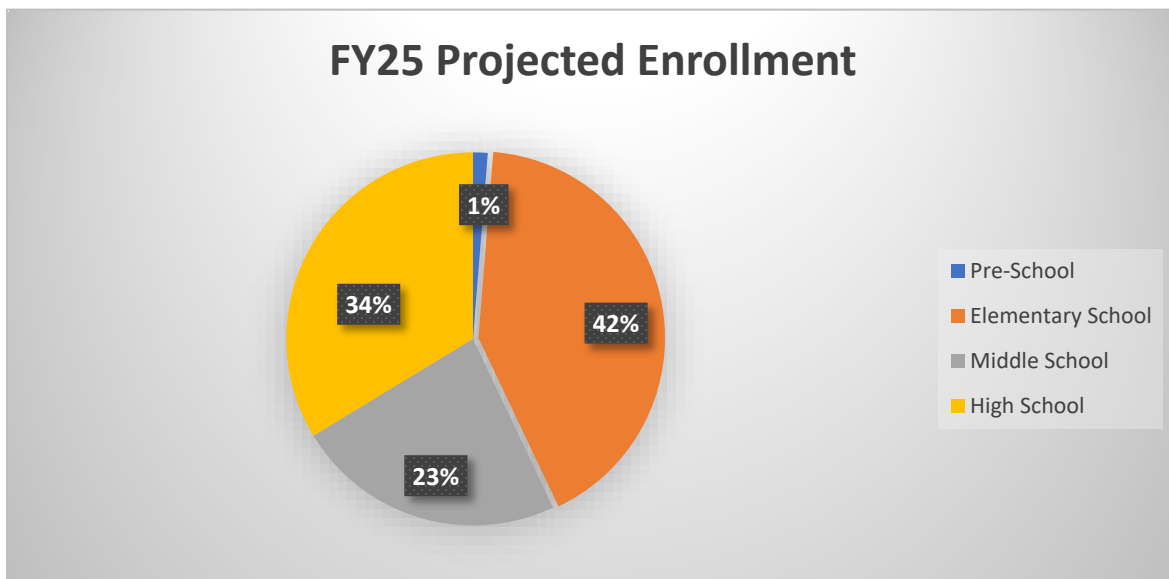
Note: Loudoun County Public Schools is not permitted to incur long-term debt which includes debt incurred for School Division purposes. The County Government is responsible for the issuance and maintenance of debt for the School Division. Debt obligations are expected to increase as the school division continues to grow and more facilities are needed.

FY25 Enrollment Growth

Loudoun County Public Schools is the third largest of 133 school divisions in Virginia. From FY24 Adopted to FY25 Adopted, student membership is expected to decline by 23 students. However, compared to FY24 actual, the increase is 913 students or 1.1% growth. In FY25, it will cost an average of \$21,793 for personnel, employee benefits, and materials to provide school-level instructional and support services for each student.

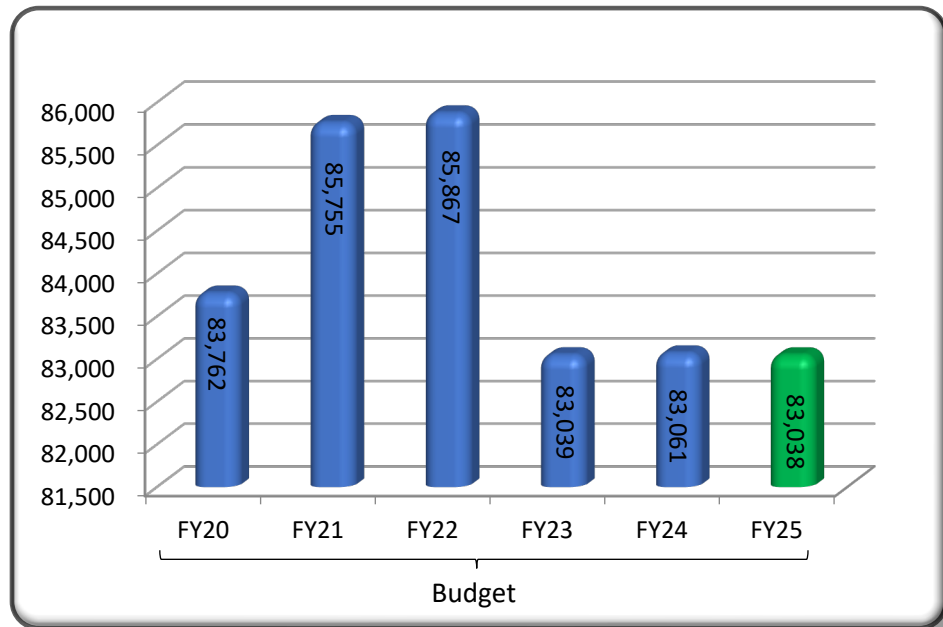
Student Membership

| | FY24 Adopted | FY24 Actual | FY25 Adopted | FY24 Actual to FY25 | | FY24 Budget to FY25 | |
|-------------------|-----------------|----------------|-----------------|---------------------|-------------|---------------------|-------------|
| | | | | Change | Percent | Change | Percent |
| Pre-School | 1,064 | 993 | 1,053 | 60 | 6.0% | (11) | -1.0% |
| Elementary School | 34,381 | 34,206 | 34,605 | 399 | 1.2% | 224 | 0.7% |
| Middle School | 19,437 | 19,171 | 19,412 | 241 | 1.3% | (25) | -0.1% |
| High School | 28,179 | 27,755 | 27,968 | 213 | 0.8% | (211) | -0.7% |
| Total | 83,061 | 82,125 | 83,038 | 913 | 1.1% | (23) | 0.0% |

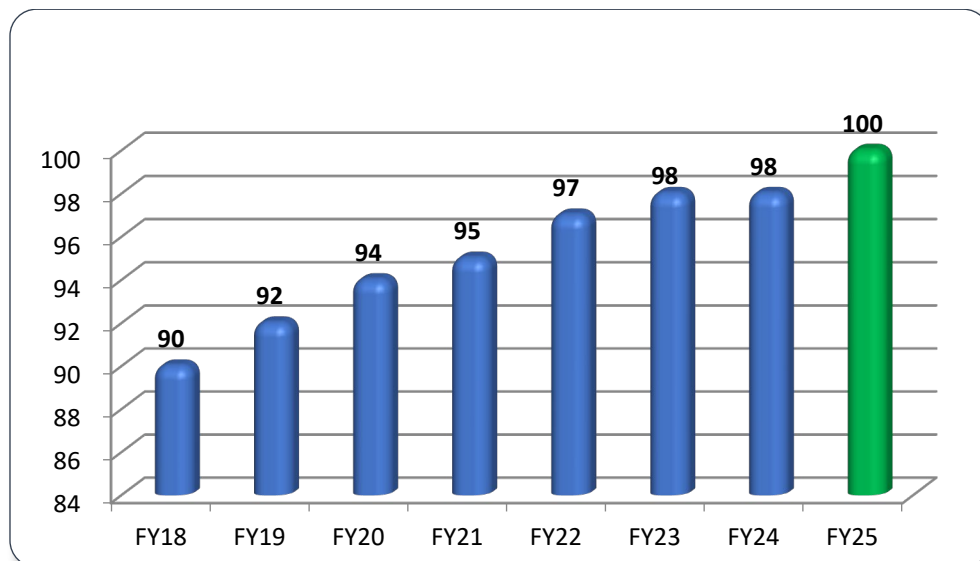


EXECUTIVE SUMMARY

Historical student enrollment is displayed showing the enrollment as leveling out over the last few years.



In FY25, LCPS will open Henrietta Lacks Elementary (ES-32) and Watson Mountain Middle (MS-14) in the fall of 2024. The FY25 Adopted budget includes staffing for these new schools.



Staffing (Operating and Grant Funds)

Changes in enrollment directly impact staffing. Staffing at LCPS is categorized as either school-based or non-school based. The following table shows the adopted staffing and the prior two years staffing for Operating Fund and Grant Fund positions only. LCPS maintains one of the highest percentages of school-based staffing in the region.

| Position | FY23 | FY24 | FY25 |
|------------------------------------|-----------------|-----------------|-----------------|
| School Based | | | |
| Instruction | 7,385.8 | 7,470.4 | 7,578.7 |
| Bus Drivers & Attendants | 779.5 | 787.5 | 793.0 |
| Teacher Assistants | 1,590.1 | 1,585.6 | 1,661.6 |
| Custodians | 642.0 | 642.0 | 658.0 |
| Other School Support | 610.0 | 626.5 | 663.5 |
| Administration | 413.5 | 415.5 | 425.0 |
| Instructional Support | 307.0 | 310.6 | 327.0 |
| Nurses & Health Clinic Specialists | 121.6 | 122.6 | 128.5 |
| Total School Based FTEs | 11,849.5 | 11,960.7 | 12,235.3 |
| Non-School Based | | | |
| Secretarial/Clerical | 137.8 | 136.8 | 140.5 |
| Other Support Staff | 510.0 | 538.0 | 553.0 |
| Administration | 307.0 | 332.5 | 352.0 |
| Total Non-School Based FTEs | 954.8 | 1,007.2 | 1,045.5 |
| Total FTEs | 12,804.3 | 12,967.9 | 13,280.8 |
| Total Student Enrollment | 83,039 | 83,061 | 83,038 |

**LCPS FY25
Adopted staffing is
92.1% School
Based**

| FY24 Surrounding School Division Comparison* | | |
|----------------------------------------------|-----------------------------------|---------------------------------------|
| School Division | Percentage School Based Employees | Percentage Non-School Based Employees |
| Fairfax | 92.4% | 7.6% |
| Loudoun | 91.7% | 8.3% |
| Arlington | 90.8% | 9.2% |
| Prince William | 90.3% | 9.7% |
| Alexandria | 89.3% | 10.7% |

Source: FY2024 Washington Area Boards of Education (WABE) Guide

*WABE Guide excludes bus drivers and bus attendants for calculation of the school based/non-school based percentages and may not match prior year.

Cost Per Pupil

The per pupil expenditure is calculated annually using the total General fund and Grant fund budget less adult education, self-funded summer school, and health services. The total amount is divided by the student enrollment as of September 30 to determine an average per pupil cost for the current fiscal year and adopted enrollment for the next fiscal year.

The calculated per pupil cost for FY25 is shown below.

| <i>FY25 Budgeted Cost Per Pupil</i> | |
|--------------------------------------------|------------------------|
| State Category | Amount |
| Instruction | \$17,142 |
| Operation & Maintenance | 1,857 |
| Pupil Transportation | 1,026 |
| Administration, Attendance, & Health | 894 |
| Technology | 778 |
| Facilities | 96 |
| FY25 Cost Per Pupil | <u>\$21,793</u> |

The table below shows the previous two years per pupil expenditures for Northern Virginia school divisions.

| <i>FY23 & FY24 Per Pupil Expenditure Comparison</i> | | |
|----------------------------------------------------------------|-----------------|-----------------|
| | FY23 | FY24 |
| Arlington | \$23,521 | \$24,612 |
| Alexandria | \$20,777 | \$20,511 |
| Fairfax | \$18,772 | \$19,795 |
| Loudoun | \$18,719 | \$19,905 |
| Prince William | \$15,406 | \$16,390 |

Source: FY 2024 Washington Area Boards of Education (WABE) Guide

The chart below shows the change in cost per pupil since FY20. For FY25, the cost per pupil increases 9.5% to \$21,793.

