FY22 Budget Update

School Board Meeting
March 23, 2021
State Budget Impact

General Assembly adjourned on March 1, 2021, with the Governor taking final action on the budget by March 31, 2021.

Revenue - $15.3m

The State budget provides additional funding for increases to the cost of competing adjustment for basic aid, sales tax, compensation, lottery allotments, and specialized support positions per the modified Standards of Quality (SOQ).

The FY22 Adopted Budget includes the necessary expenditures to meet the funding requirements for all additional revenue, except for the specialized support positions.

After taking into account additional expenditures for the modified SOQ staffing requirement, the balance of the state revenue will be used to reduce the County transfer.
State Budget Impact

Expenditure - $8.7m

The budget also requires new expenditures to meet the new statutory staffing level of specialized student support positions modified in the Standards of Quality.

The new standard requires at least 3 specialized student support positions, including social workers, school psychologists, school nurses, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions per 1,000 students.

LCPS currently provides approximately 2 specialized student support positions per 1,000 students.

84 additional positions costing $8.7m are needed to meet the requirement. Staff are working on identifying what types of positions to add that would best serve LCPS students.
## State Budget Impact to LCPS FY22 Budget

<table>
<thead>
<tr>
<th></th>
<th>FY22 School Board Adopted Budget</th>
<th>State Budget Impact</th>
<th>FY22 Revised Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$426,680,226</td>
<td>15,278,248</td>
<td>$441,958,474</td>
</tr>
<tr>
<td>County</td>
<td>$1,042,696,771</td>
<td>($6,542,248)</td>
<td>$1,036,154,523</td>
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<tr>
<td>Federal/Charges/Other</td>
<td>$23,347,902</td>
<td>-</td>
<td>$23,347,902</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$1,492,724,899</td>
<td>$8,736,000</td>
<td>$1,501,460,899</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel/Operating</td>
<td>$1,492,724,899</td>
<td>$8,736,000</td>
<td>$1,501,460,899</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td>$1,492,724,899</td>
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County Funding Update

The Board of Supervisors sets the property tax rate each year and appropriates funding to LCPS.

LCPS is to receive \( \frac{2}{3} \) of the tax funding after debt and CIP costs are deducted.

The School Board adopts the LCPS budget based on this funding.
County Funding Update

On March 18, the County Board of Supervisors held a budget work session and discussed the LCPS Budget.

One straw vote was approved reducing the LCPS transfer by $4.2m based on the Virtual Loudoun expansion.

**Can American Relief Act (ARA) funds pay for this?**

No based on our current relief funds’ guidance. Supplanting (replace original funding) is currently not allowed with relief funds. The School Board adopted the FY22 Budget on February 2, 2021, which included expenditures to support the Virtual Loudoun expansion. Any subsequent appropriation action by the County would require the School Board to revise their adopted FY22 Budget. Since the budget adoption occurred before the American Recovery Act was passed on March 11, this would be supplanting. We are awaiting official ARA guidance along with the exact amount LCPS will receive. Without clear guidance at this time, it is prudent to be more cautious when determining funding.
County Funding Update

The final County budget work session will be held on March 24 where additional straw votes will be made.

Board of Supervisor members have already indicated there would be further reductions made to the LCPS budget.

Budget reduction discussions so far have centered around:

- Employee Pay Increases
- Collective Bargaining

The Board of Supervisors will adopt their budget on April 6.
County Funding Update

*Where we started.*

Information based on:
- School Board Adopted County Transfer
- County Administrator’s Proposed FY22 Budget

<table>
<thead>
<tr>
<th>School Board FY22 County Transfer Request</th>
<th>County Administrator Recommended Tax Rate</th>
<th>LCPS ⅔ Share of Tax Revenue</th>
<th>Difference Between Transfer Request and LCPS Share of Tax Revenue</th>
<th>County Administrator Recommended County Transfer</th>
<th>Difference Between Transfer Request and Recommended County Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>$97.0m</td>
<td>$1.005</td>
<td>$97.0m</td>
<td>$0</td>
<td>$97.0m</td>
<td>$0</td>
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County Funding Update

Where we are at now.

Information based on:
- Revised School Board County Transfer resulting from State budget impact
- Board of Supervisors’ Straw Vote actions impacting Tax Rate and County Transfer

<table>
<thead>
<tr>
<th>Revised School Board County Transfer and Board of Supervisor Straw Votes</th>
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<tbody>
<tr>
<td><strong>School Board Revised Transfer Request</strong></td>
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<tr>
<td>$90.5m</td>
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School Board reduced County Transfer request by $6.5m and the Board of Supervisors have further reduced the county transfer by $4.2m.
Budget Reconciliation Meetings

Minimum $4.2m reduction for reconciliation so far.

April 13  Regular School Board meeting

Info Item: Reconciliation Framework documents provided

April 15  Budget work session and Public Hearing

April 20  Budget work session (if needed)

April 22  Special School Board meeting

Action Item: School Board makes motions to reconcile budget and adopt revised FY22 Budget
FY22 Budget Update

School Board Meeting
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