

ALEXANDRIA CITY PUBLIC SCHOOLS (ACPS)

The entire ACPS Capital Improvement Program can be found on-line at:
<https://www.acps.k12.va.us/departments/financial-services/budget>

Alexandria City Public Schools (ACPS) City Manager's Proposed FY 2024 – FY 2033 Capital Improvement Program (CIP)

Overview

The City Manager's Proposed FY 2024 – FY 2033 Capital Improvement Program (CIP) includes funding totaling \$367.2 million over the 10-year plan for school capital projects, which represents a \$130.6 million or a 26% decrease in City funding over the prior City Adopted CIP for ACPS. This decrease is predominantly reflective of the significant investment (\$157.4 million) in the Schools' high school campus project, which was appropriated in FY 2023 and is not included in the FY 2024 – FY 2033 planning window. The Proposed CIP funds 80% of the ACPS School Board Approved capital funding request, which was adopted by the School Board on December 15, 2022.

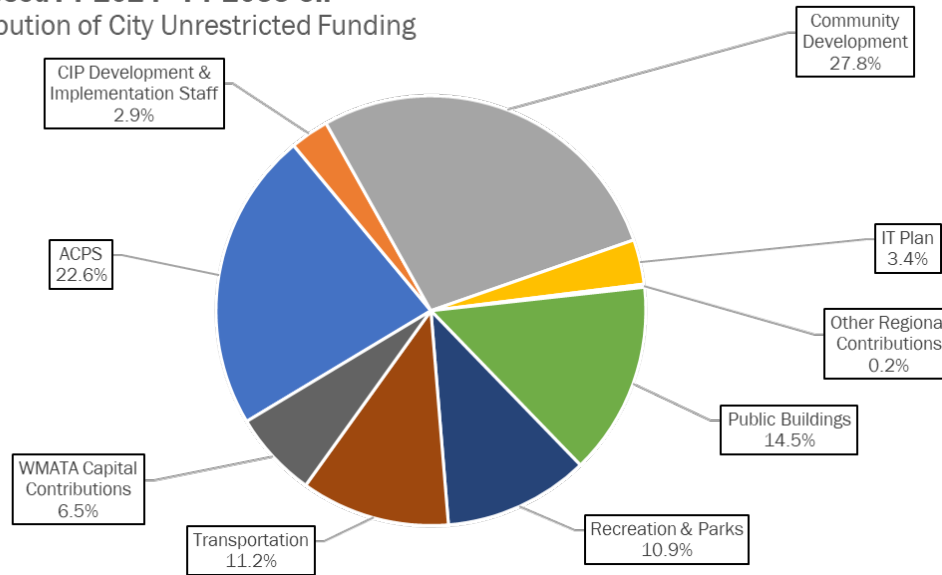
The School Board's FY 2024 – FY 2033 capital funding request included significant increases over the funding plan contemplated as part of the City Council Approved FY 2023 – FY 2032 CIP. When comparing the overlapping portions of the capital funding plans (FY 2024 – FY 2032), the School Board Approved FY 2024 – FY 2033 capital funding request represents a \$133.4 million, or 46% increase, over funding levels included in the City Council Approved FY 2023 – FY 2032 CIP. Additionally, of this increased funding request, \$24.0 million occurred in FY 2024.

In light of the City's various priorities and the cost pressures associated with them, the City Manager's Proposed FY 2024 – FY 2033 CIP was not able to fully fund the increase requested by the School Board. In review of materials and information provided by Schools' staff, targeted increases were included to support projects currently underway by the Schools division, along with increases in the estimated cost of the George Mason elementary school project contemplated in FY 2024 – FY 2025.

As the City sets budget authority and timing in each year of the ten-year ACPS plan, the Proposed CIP represents the planned dollar level of capital investments for ACPS facilities. The School Board selects which projects will be undertaken and when they will be undertaken but is required to stay within the total CIP dollar amount appropriated by City Council. As the City begins to develop the FY 2025 – FY 2034 capital improvement program this spring and summer, City and School's staff will continue to coordinate on capital programs, including discussions of affordability of their respective capital programs.

The Schools section of the Proposed CIP represents a significant investment in City resources. Of the City unrestricted funding sources in the CIP (general fund cash capital and general obligation bonds), the Schools Capital Program will use 22.6% of identified sources. Additionally, the City Manager's Proposed CIP contemplates the use of \$5.74 million in ACPS Operating Fund Balance to support school capital projects. This use of fund balance is comprised of \$3.7 million in fund balance identified and approved in last year's CIP (but planned/programmed for FY 2024), along with an additional \$1.97 million in Schools fund balance identified as of year-end FY 2022. Both of these identified fund balance amounts represent funds held in excess of the 5% cap on fund balance, which is part of the agreed upon ACPS Fund Balance policy. This allocation of fund balance to support the Schools' capital program will help to mitigate increases in debt service costs related to Schools' projects.

Proposed FY 2024 - FY 2033 CIP
Distribution of City Unrestricted Funding



FY 2024 Proposed Capital Budget

The Proposed FY 2024 capital year budget reflects funding totaling \$51.3 million for the Schools’ capital program. This represents a \$16.5 million, or 47.5%, increase in funding over what was contemplated in the City Council Approved FY 2023 – FY 2032 CIP for FY 2024. This proposed funding amount included the funding level contemplated in the previously approved CIP (\$34.7 million), funding to support already underway capital project that experienced funding escalations (\$15.1 million), and funding to support the estimated increase in design and other soft costs for the George Mason Elementary School project (\$1.4 million).

Schools’ Capital Program Impact on City’s General Fund Operating Budget

Due to the nature (cost and asset lifespan) of school capital projects, general obligation borrowing represents a significant portion of the funding strategy to meeting the needs of the Schools’ capital program. To service debt incurred on the behalf of school capital projects for previously approved/appropriated projects and planned projects, the Proposed FY 2024 Operating Budget includes an estimated \$32.2 million in principal and interest payments.

Substantial increases in school-attributable debt service are projected over the next few fiscal years, as significant bond proceeds will need to be raised to support school capital projects, like Douglas MacArthur Elementary School, the High School campus project, and George Mason Elementary School. Between FY 2024 and FY 2025 alone, school attributable debt service is anticipated to increase by \$12.1 million, predominantly related to the impact of borrowing the final proceeds necessary in CY 2023 – CY 2024 to complete the MacArthur Elementary School and High School projects. Over the 10-year planning window of the Proposed FY 2024 – FY 2033 CIP, school attributable debt service is forecasted to increase from \$32.2 million in FY 2024 to \$62.0 million in FY 2033.

In addition to the debt service, the City’s general fund also supports the Schools’ operating budget. The FY 2024 City General Fund proposed transfer to the Schools for operating purposes is \$258.7 million, which represents a \$9.9 million or 4.0% increase from FY 2023. The increase in Schools attributable debt service, along with the operating transfer, totals \$10.2 million, utilizing approximately 24.4% of all City general fund revenue growth for FY 2024.

Projected Schools' Capital Program Attributable Debt Service

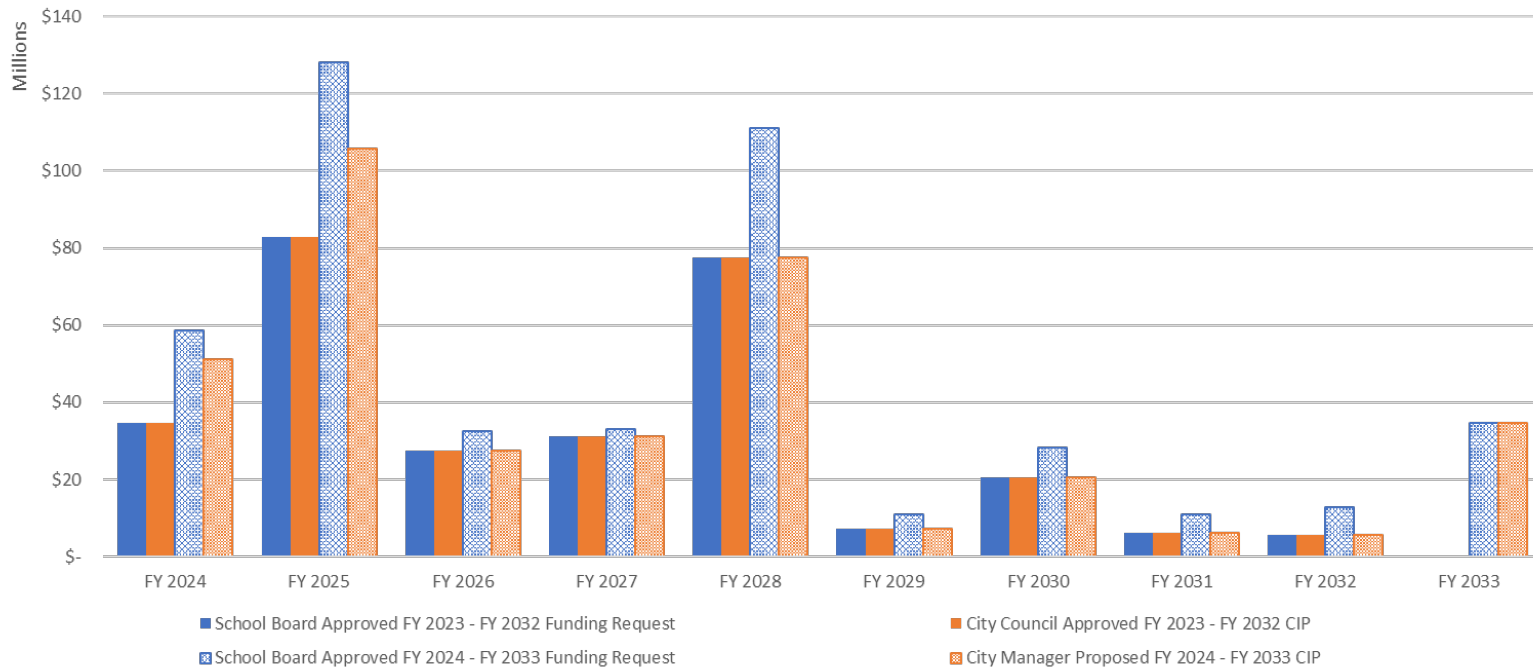
	Debt Issuance Contemplated	Projected Debt Service	Year-Over-Year Change (\$)	Year-Over-Year Change (%)
Proposed FY 2024 Budget <u>Planned</u>	\$ 38,633,777	\$ 32,220,940	-	-
FY 2025	\$ 105,747,200	\$ 44,303,585	\$ 12,082,645	37.5%
FY 2026	\$ 27,430,800	\$ 47,947,591	\$ 3,644,006	8.2%
FY 2027	\$ 31,083,000	\$ 53,505,214	\$ 5,557,623	11.6%
FY 2028	\$ 77,542,600	\$ 57,500,813	\$ 3,995,599	7.5%
FY 2029	\$ 7,162,900	\$ 63,276,110	\$ 5,775,297	10.0%
FY 2030	\$ 20,578,000	\$ 63,155,544	\$ (120,567)	-0.2%
FY 2031	\$ 6,151,000	\$ 63,579,653	\$ 424,109	0.7%
FY 2032	\$ 5,662,800	\$ 63,153,177	\$ (426,476)	-0.7%
FY 2033	\$ 34,549,100	\$ 62,041,487	\$ (1,111,690)	-1.8%
FY 2024 - FY 2033 Total	\$ 354,541,177	\$ 550,684,114		

FY 2024 – 2033 City Manager Proposed CIP Compared to the School Board Approved Capital Funding Request

As discussed in the Overview section, the City Manager Proposed CIP provides \$367.2 million within the overall 10-Year CIP for school capital projects, which funds 80% of the School Board Approved FY 2024 – FY 2033 capital funding request.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
City Manager Proposed FY 2024 - FY 2033 CIP	\$ 51,255,900	\$ 105,747,200	\$ 27,430,800	\$ 31,083,000	\$ 77,542,600	\$ 7,162,900
School Board Approved FY 2024 - FY 2033 Funding Request	\$ 58,707,600	\$ 128,132,400	\$ 32,593,000	\$ 32,950,800	\$ 111,103,800	\$ 11,035,900
Difference: City Manager Proposed - School Board Request	\$ (7,451,700)	\$ (22,385,200)	\$ (5,162,200)	\$ (1,867,800)	\$ (33,561,200)	\$ (3,873,000)
	FY 2030	FY 2031	FY 2032	FY 2033	FY 24 - FY 33	
City Manager Proposed FY 2024 - FY 2033 CIP	\$ 20,578,000	\$ 6,151,000	\$ 5,662,800	\$ 34,549,100	\$ 367,163,300	
School Board Approved FY 2024 - FY 2033 Funding Request	\$ 28,192,800	\$ 10,963,100	\$ 12,836,700	\$ 34,549,100	\$ 461,065,200	
Difference: City Manager Proposed - School Board Request	\$ (7,614,800)	\$ (4,812,100)	\$ (7,173,900)	\$ -	\$ (93,901,900)	

Schools Capital Funding Comparison



Alexandria City Public Schools (ACPS) School Board Approved FY 2024 – 2033 Capital Funding Request

Site	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 24 - FY 33
1703 N. BeauregardSchool Renovation											
Construction of Renovation & Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,357,300	\$ -	\$ -	\$ -	\$ 16,357,300
1703 N. BeauregardSchool Renovation Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,357,300	\$ -	\$ -	\$ -	\$ 16,357,300
Cora Kelly											
Construction of Renovation & Capacity	\$ -	\$ -	\$ -	\$ -	\$ 99,811,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,811,900
Design, Project Management & Other Soft Costs	\$ -	\$ -	\$ -	\$ 16,635,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,635,300
Cora Kelly Total	\$ -	\$ -	\$ -	\$ 16,635,300	\$ 99,811,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,447,200
Future ES Modernization											
Design, Project Management & Other Soft Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,209,000	\$ 22,209,000
Future ES Modernization Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,209,000	\$ 22,209,000
George Mason											
Construction of Renovation & Capacity	\$ -	\$ 87,028,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,028,900
Design, Project Management & Other Soft Costs	\$ 17,405,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,405,800
George Mason Total	\$ 17,405,800	\$ 87,028,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,434,700
Leased Space Renovation											
Construction of Renovation & Capacity	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Design, Project Management & Other Soft Costs	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Leased Space Renovation Total	\$ 2,000,000	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000
Swing Space Renovation											
Construction of Renovation & Capacity	\$ 5,084,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,084,400
Swing Space Renovation Total	\$ 5,084,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,084,400
Transportation Services											
Transportation Facility Modernization	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Transportation Services Total	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Capacity Total	\$ 24,490,200	\$ 97,028,900	\$ 10,000,000	\$ 16,635,300	\$ 99,811,900	\$ -	\$ 16,357,300	\$ -	\$ -	\$ 22,209,000	\$ 286,532,600
Non-Capacity	\$ 34,217,400	\$ 31,103,500	\$ 22,593,000	\$ 16,315,500	\$ 11,291,900	\$ 11,035,900	\$ 11,835,500	\$ 10,963,100	\$ 12,836,700	\$ 12,340,100	\$ 174,532,600
Grand Total	\$ 58,707,600	\$ 128,132,400	\$ 32,593,000	\$ 32,950,800	\$ 111,103,800	\$ 11,035,900	\$ 28,192,800	\$ 10,963,100	\$ 12,836,700	\$ 34,549,100	\$ 461,065,200