

ALEXANDRIA CITY PUBLIC SCHOOLS

The entire Alexandria City Public Schools (ACPS) FY 2014 – 2023 Capital Improvement Program (CIP) document can be found on-line at <http://www.acps.k12.va.us/budgets/>.

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Alexandria City Public Schools (ACPS) City Council Approved Capital Improvement Program (CIP)

Overview

On May 6, 2013 City Council approved the FY 2014 – 2023 Capital Improvement Program (CIP), which included funding over ten-years for Alexandria City Public Schools (ACPS). The ten-year plan for ACPS totaled \$227.3 million and included an additional \$10.6 million in funding over the City Manager's Proposed CIP, which totaled \$216.7. The additional funding was part of the 2.0 cents on the base real estate tax rate approved by City Council during the Add-Delete budget process to address present and future capital infrastructure needs for both the City and ACPS. As part of the Approved CIP, City Council fully funded the ACPS request of \$14.1 million in FY 2014.

Subsequent to the approval of the FY 2014 – 2023 CIP by City Council, the ACPS School Board approved their own ten-year CIP on May 23, 2013 which totaled \$356.3 million – a difference of \$128.9 million over the City Council Approved CIP. Other than consensus reached on fully funding FY 2014 capital needs, consensus was not achieved on funding levels or projects in FY 2015 – 2023. As City Council sets budget authority in each year of the ten-year plan, the City Council Approved CIP represents the planned level of capital investments being made in ACPS. The ACPS requested budget for FY 2015 – 2023 is summarized on page 7-5 and is included for informational purposes to demonstrate the differences over the ten-year plan. City Council and the School Board will continue to work through those differences over the coming fiscal years.

City Involvement in ACPS Capital Projects

In the summer of 2012, the City Attorney provided guidance that the CIP budget is similar to the operating budget in that once funding is appropriated to ACPS, ACPS can choose to spend those funds on any capital projects with appropriate School Board approval. Spending does not have to reflect what is included in the City Council Approved CIP as long as it remains within the total budget appropriated by City Council.

Because City Council does not have the ability to require ACPS to complete any specific project once funding has been formally appropriated, it is not feasible for City staff to recommend specific projects for completion. City staff provides guidance on total funding amounts to City Council based on the requests received from ACPS, and calculates an amount recommended to be included in the budget. This calculation involves trying to fund ACPS projects in the context of the City's capital needs.

The analysis that follows will provide details on the School Board Approved CIP as compared to the City Council Approved CIP. The School Board Approved CIP is included for informational purposes only, and represents the requested financial commitment to capital infrastructure over the ten-year plan. The actual financial commitment is represented in the City Council approved totals, which other than FY 2014 do not represent endorsement of specific projects, as projects can be altered by ACPS at their discretion with School Board approval.

FY 2014 Capital Year Budget

Project Category	*City Council Approved CIP FY 2014 Only	School Board Approved CIP FY 2014 Only	Difference: School Board – City Manager
Capacity	\$10,789,918	\$10,789,918	\$0
Non-Capacity	\$3,350,993	\$3,350,993	\$0
Total	\$14,140,911	\$14,140,911	\$0

** For the purposes of this display, the City Manager's CIP is broken out into Capacity and Non-Capacity. Ultimately, ACPS will decide on an annual basis what will be spent on Capacity vs. Non-Capacity.*

In reviewing the FY 2014 Capital Year Budget (the first year of the ten-year plan), City Council fully funded the ACPS request of \$14.1 million. As part of the Add-Delete budget process, City Council added \$4.1 million to the City Manager's Proposed ACPS FY 2014 - 2023 CIP of \$10.0 million. The additional funding in FY 2014 was part of the 2.0 cents on the base real estate tax rate approved by City Council to address present and future capital infrastructure needs for both the City and ACPS.

FY 2014 funding is broken down in capacity versus non-capacity projects since there was consensus between City Council and the School Board on funding levels and projects. It is noted that once funding is appropriated to ACPS, they can choose to spend those funds on any capital projects with appropriate School Board approval. Spending does not have to reflect what is included in the City Council Approved CIP as long as it remains within the total budget appropriated by City Council.

FY 2014 projects – with amount of funding – are included below. Further details on the specific projects being funded can be found in ACPS CIP documents at [http:// www.acps.k12.va.us/budgets/](http://www.acps.k12.va.us/budgets/).

<u>FY 2014 Project</u>	<u>Amount</u>
Charles Barrett Capacity	\$ 2,198,943
Douglas MacArthur Capacity	\$ 1,639,637
George Mason Capacity	\$ 2,295,929
Maury Capacity	\$ 412,024
Patrick Henry Capacity	\$ 1,500,000
Polk Modular Capacity	\$ 1,977,385
ACPS Capacity Planning	\$ 300,000
¹ Adams Traffic Control	\$ 110,000
ACPS System Wide Security	\$ 520,000
Douglas MacArthur Renovations	\$ 10,000
Francis C. Hammond HVAC	\$ 273,522
Furniture Fixtures and Equipment	\$ 400,000
George Washington Elevator	\$ 500,685
Lyles Crouch Elevator	\$ 80,000
Mt Vernon Exterior Playgrounds/Sports Area	\$ 10,000
Ramsay HVAC	\$ 94,786
² School Bus Replacement	\$ 1,068,000
Systemwide Renovations	\$ 250,000
Transportation Facility Upgrade	\$ 200,000
<u>Tucker Exterior Playgrounds/Sports Area</u>	<u>\$ 300,000</u>
Grand Total	\$ 14,140,911
¹ ACPS classifies Adams Traffic Control as a capacity-related project.	
² ACPS classifies one school bus purchase as capacity-related.	

FY 2014 – 2023 City Council Approved CIP Compared to the School Board Approved CIP

Capital Improvement Program	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
City Council Approved FY 2014 - 2023 CIP	\$ 14,140,911	\$ 45,006,824	\$ 4,808,000	\$ 36,514,610	\$ 67,862,441
School Board Approved FY 2014 - 2023 CIP	\$ 14,140,911	\$ 19,056,391	\$ 48,474,320	\$ 56,671,201	\$ 73,501,818
Difference: City Council - School Board	\$ -	\$ 25,950,433	\$ (43,666,320)	\$ (20,156,591)	\$ (5,639,377)
Capital Improvement Program	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
City Council Approved FY 2014 - 2023 CIP	\$ 17,648,000	\$ 10,360,000	\$ 7,049,000	\$ 14,133,000	\$ 9,812,000
School Board Approved FY 2014 - 2023 CIP	\$ 49,774,841	\$ 49,851,236	\$ 11,869,673	\$ 19,344,555	\$ 13,582,237
Difference: City Council - School Board	\$ (32,126,841)	\$ (39,491,236)	\$ (4,820,673)	\$ (5,211,555)	\$ (3,770,237)
City Council Approved Total FY 2014 - 2023 CIP	\$ 227,334,786				
School Board Approved Total FY 2014 - 2023 CIP	\$ 356,267,183				
Difference	\$ (128,932,397)				

Note: Because there is a lack of consensus on funding levels or projects after FY 2014, funding is not broken out between capacity and non-capacity projects.

As discussed in the Overview section, the City Council Approved FY 2014 – 2023 CIP totaled \$227.3 million, while the School Board approved a ten-year plan with requests totaling \$356.3 million. As directed by City Council in the budget guidance, the Approved CIP includes funding to address capacity issues system-wide including a capacity project at Patrick Henry in FY 2014 – 2015, a new school at a site to be determined in FY 2017 – 2018, and modular classroom additions in FY 2014. Additionally, funding is provided for increased capacity needs related to cafeteria space, traffic controls and parking, and school buses.

Funding for non-capacity (capital infrastructure maintenance) is also included in the \$227.3 million total for existing ACPS facilities which will address capital needs including but not limited to HVAC and roof replacements, school buses, and elevator replacement. Ultimately, the School Board will decide on the appropriate distribution between capacity and non-capacity projects based on the funding levels set by City Council.

The City Council Approved CIP is largely based on the Superintendent's Proposed CIP and the timing of the projects in that plan. Additionally, funding levels were based on the City's long-term debt capacity which will support capacity related projects. The long-term ACPS needs were balanced with the long-term City capital infrastructure needs in developing annual funding levels.

In February and March 2013, the School Board made substantial changes to the Superintendent's Proposed CIP, primarily in the timing of capacity projects. For example, the City Council Approved CIP assumed funding for Patrick Henry capacity in FY 2014 – 2015, while the School Board assumed funding in FY 2014 – 2016 (thus the large difference in funding in FY 2015). The timing of all projects and the level of capital investment on annual basis based on the changes made by the School Board will be considered and reconciled during the FY 2015 – 2024 CIP development process. To achieve consensus on funding levels, both the City and ACPS must agree on what projects are priorities and will be fully funded in future fiscal years. Details on the full \$356.3 million ACPS request which will help shape next year's CIP development process can be found on-line at <http://www.acps.k12.va.us/budgets/>.

Due to the significant differences in City Council approved funding versus the capital needs identified by ACPS, City staff continues to discuss capital needs with ACPS staff to determine the appropriate level of capital investments over the ten-year plan, including a joint City – ACPS work group looking at long range enrollment projection.

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