

# City of Alexandria, Virginia

## MEMORANDUM

DATE: MARCH 9, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 10: CITY SHARE OF ALEXANDRIA CITY PUBLIC SCHOOLS OPERATING BUDGET

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The following information highlights increases in the Schools' budget request for FY 2007. Attached are two memoranda previously sent to you that summarize the Superintendent's Proposed Budget, and the School Board's Approved Budget.

		<u>% Increase</u>
FY 2006 Approved City transfer to Schools (2% COLA)	\$138.8 M	6.6%
City Manager's FY 2007 Proposed Budget (with 3% COLA of \$3.9 M)	\$150.4 M	8.4%
City Manager's FY 2007 Alternative Target Budget (with 2.5% COLA of \$3.3 M)	\$149.3 M	7.6%

The City Manager's proposed transfer to the Schools differs from the School Board's request in that it does not include an increase of \$1.8 million for health insurance premium costs. Rather, the City Manager's Proposed Budget sets aside \$1.8 million in designated fund balance if needed to cover health cost increases. This designation is eliminated as part of the alternative target budget for the Schools. The Schools proposed budget funding level recommended by the City Manager provides sufficient funds for step increases for eligible employees (\$3.5 M), for VRS retirement cost increases (\$3.6 M), and for 22 reserve teacher positions (\$1.3 M).

Included in both the Schools' request and the City Manager's proposed budget are the following programmatic increases from FY 2006 to FY 2007:

### Personnel Compensation:

- **\$2.0 M** to increase Bachelor degree teacher salary scales
- **\$4.8 M** to increase Masters degree teacher salary scales

**\$6.8 M** Subtotal for Compensation

**New Positions:**

There is a net decrease of 14.5 positions in the FY 2007 budget, primarily attributable to a decrease of 22.0 elementary school teachers, due to declining enrollment. However, there are 11.0 new positions, including:

• 1.0 technology integration administrator	\$101,967
• 2.0 science teachers (1.0 @ Jefferson Houston, 1.0 secondary)	138,988
• 4.0 bus drivers	149,012
• 2.0 bus monitors	58,048
• 1.0 career education coordinator	53,479
• 0.5 school psychologist	39,348
• <u>0.5 substitute dispatcher</u>	<u>25,272</u>

Total: **11.0 FTEs**

Subtotal for New Positions: **\$566,114**

**Other Program Improvements:**

- **\$388,272** to improve the High School Technology Integration Project, including annual license and server fees for BlackBoard technology (\$236,000)
- **\$61,586** for an outside evaluation of the High School Technology Integration Project
- **\$72,950** to improve student performance and achieve accreditation at Jefferson Houston School for Arts and Academics, including equipment and materials for a science lab

**\$522,808** Subtotal for Program Improvements

**Board Member Stipends:**

- **\$68,400** for increased Board Member Stipends

**Miscellaneous Additions:**

- **\$50,000** for outreach and publicity
- **\$20,000** for AP tutoring stipends

**\$70,000** Subtotal for Miscellaneous Additions

**State Aid and VRS Costs:**

It should be noted that the Schools operating budget includes \$27,149,125 in State aid, which is the amount in Governor Warner's proposed budget. This amount is subject to change. Also, there is a possibility that the cost proposed by VRS for retirement benefits may change as well.

**Enrollment:**

The FY 2007 Schools budget is constructed on a projected enrollment of 10,134. This is 150 lower than the actual enrollment for FY 2006 (10,284 as of September 30, 2005), and is 456 lower than the FY 2006 budgeted enrollment figure of 10,590.

Attachments

cc: Rebecca Perry, Superintendent, ACPS