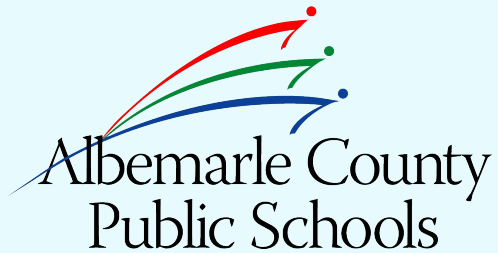




FY 26 Budget Development

12/12/24



Agenda

1 Revenue Drivers

2 Expenditure Drivers

3 Compensation & Benefits

4 Discussion



Strategic Plan: Learning for All

VISION

Our learners are engaged in authentic, challenging, and relevant learning experiences, becoming lifelong contributors and leaders in our dynamic and diverse society.

MISSION

Working together as a team, we will end the predictive value of race, class, gender, and special capacities for our children's success through high-quality teaching and learning for all. We seek to build relationships with families and communities to ensure that every student succeeds.

We will know every student.

VALUES

Equity
Excellence
Family and Community
Wellness

GOALS



Thriving Students



Affirming and Empowering Communities



Equitable, Transformative Resources

Budget Development Goals

1. Plan, Prepare and Implement

a fiscally responsible budget that provides the resources necessary to support the mission:

Working together as a team, we will end the predictive value of race, class, gender, and special capacities for our children's success through high-quality teaching and learning for all. We seek to build relationships with families and communities to ensure that every student succeeds. We will know every student.

2. Engage community members,

including parents, teachers, staff, business leaders, volunteers, civic organizations and the community, in the development of budget priorities.

3. Provide a salary and benefit plan

that supports the Division's competitive position and reflects market adjustments where necessary.

Budget Development Goals

4. Develop and maintain a responsive and systemic approach

to building and grounds maintenance, technology services, transportation operations, and child nutrition services that reflects industry best practices and ensures long-range financial stability.

5. New budget proposals

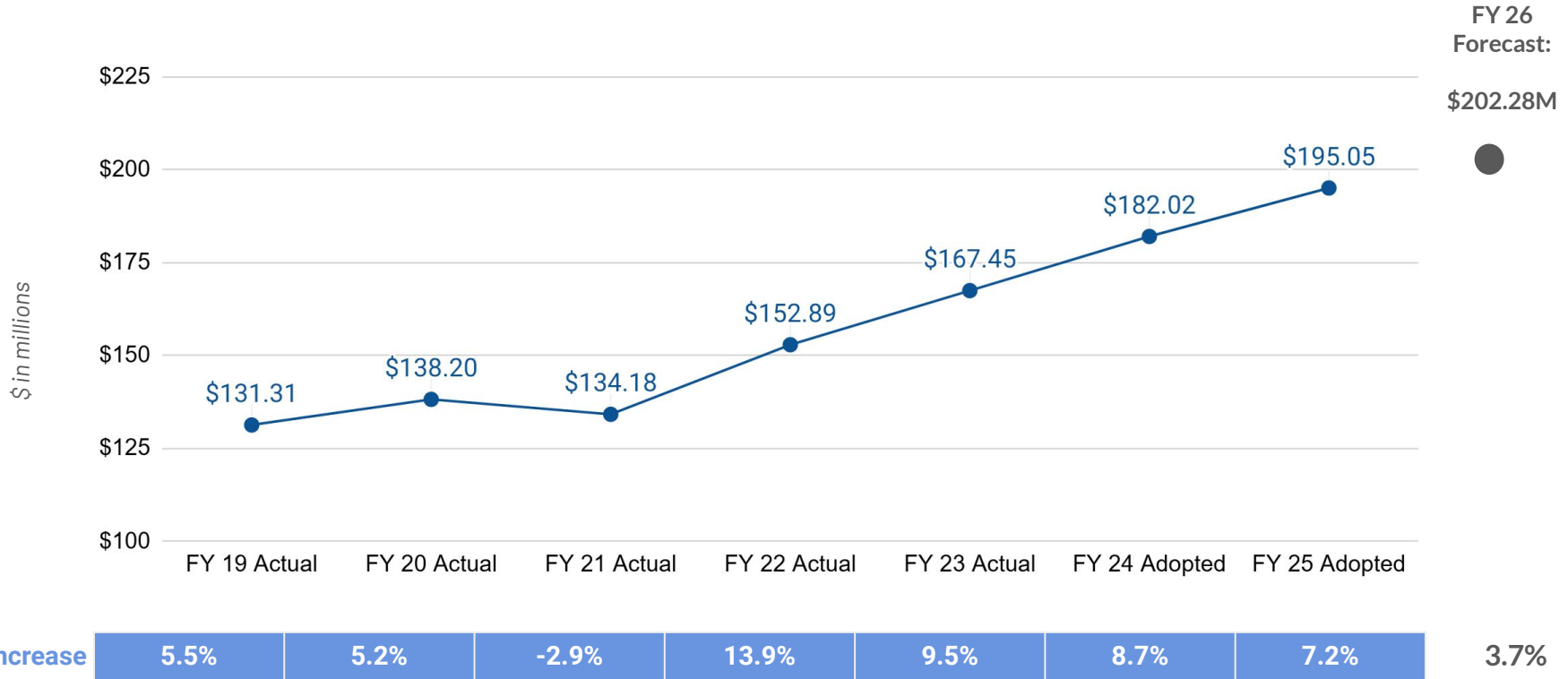
will align with the Strategic Plan and School Board Priorities.

6. Schools, departments and strategic proposals will incorporate the use of logic models

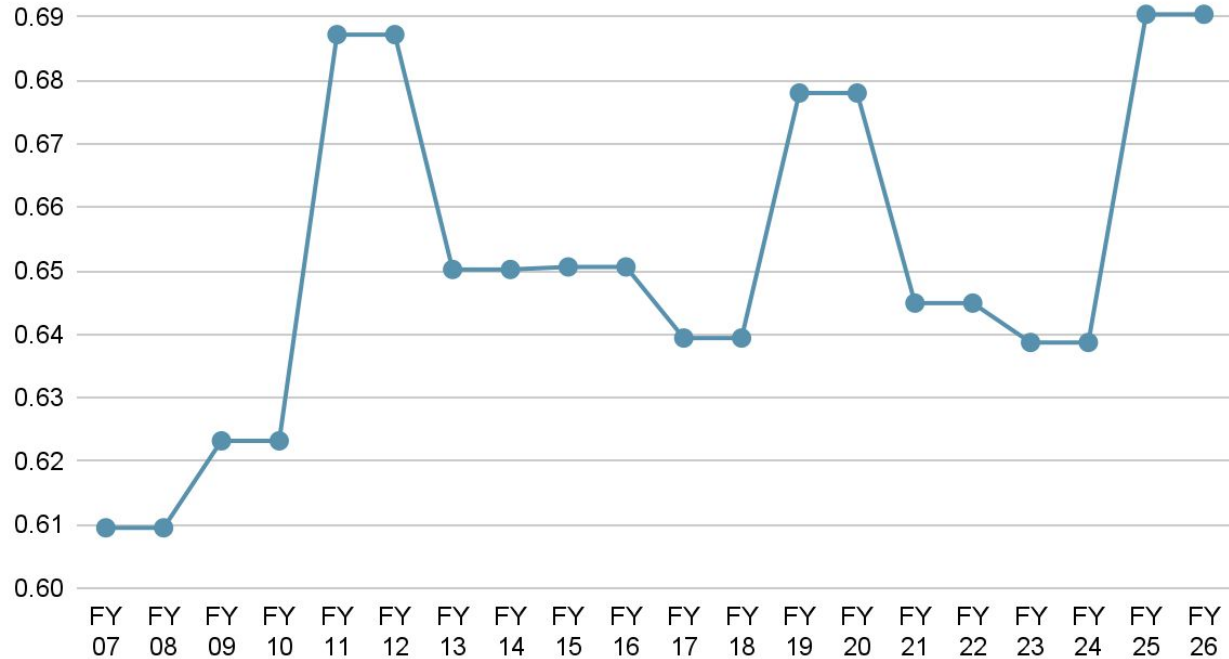
and/or performance measures to assist in making decisions that support budget priorities related to the Division's strategic plan, with the goal of using metrics as a management and decision-making tool during the budget process.

Revenue Drivers

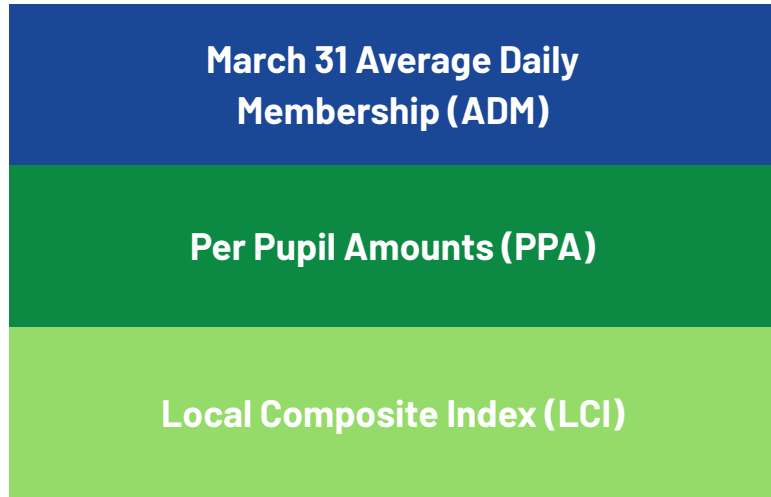
Local Government Transfer Forecast



Local Composite Index for ACPS



State Funding Formula



Enrollment on March 31 of the school year

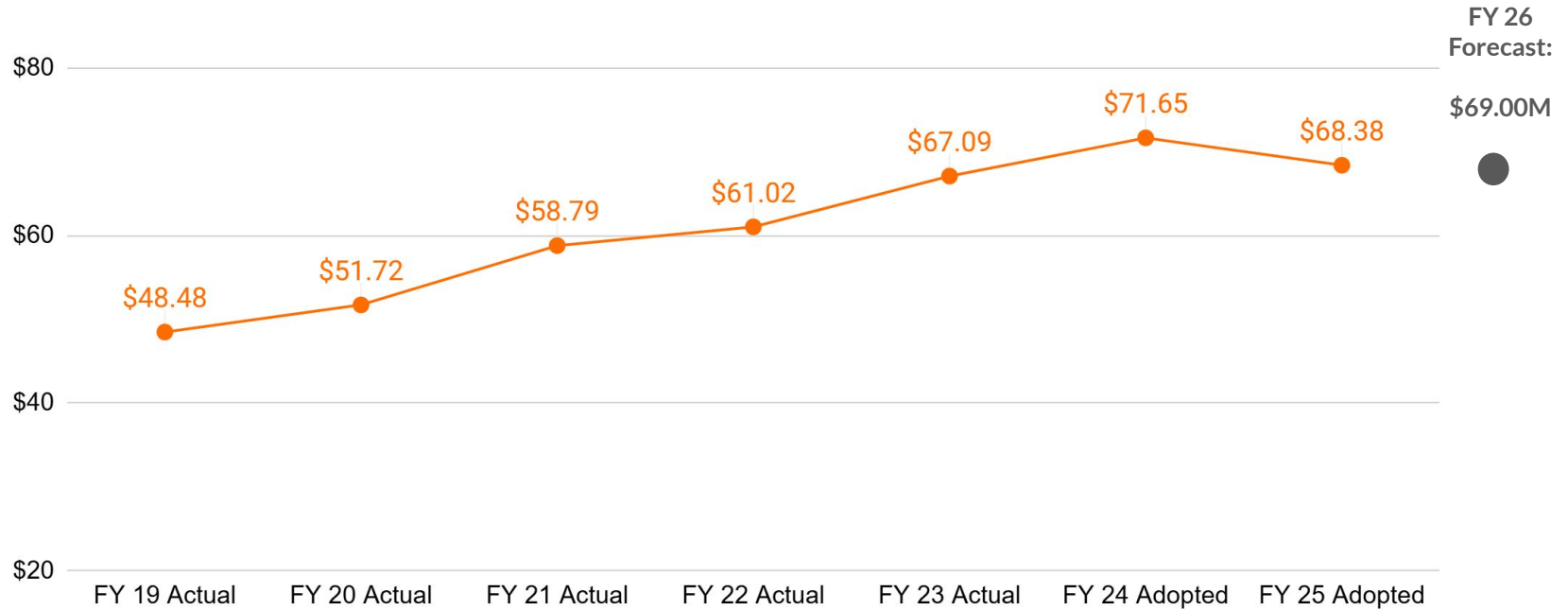
Funding provided for each student

Local ability to pay

(real property values 50%, adjusted gross income 40%, taxable retail sales 10%)

$$\text{PPA} \times \text{ADM} \times [1 - \text{LCI}]$$

State Revenue Forecast



% Increase

-1.8%

6.7%

13.7%

3.8%

9.9%

6.8%

-4.6%

0.9%

Other Revenues

	FY 25 Adopted	FY 26 Forecast
Revenue Contingency Reserve	\$955,469	\$0
Recurring Use of Fund Balance	\$800,000	\$0
One-Time Use of Fund Balance	\$1,000,000	\$0
Federal Revenues	\$618,000	\$460,000

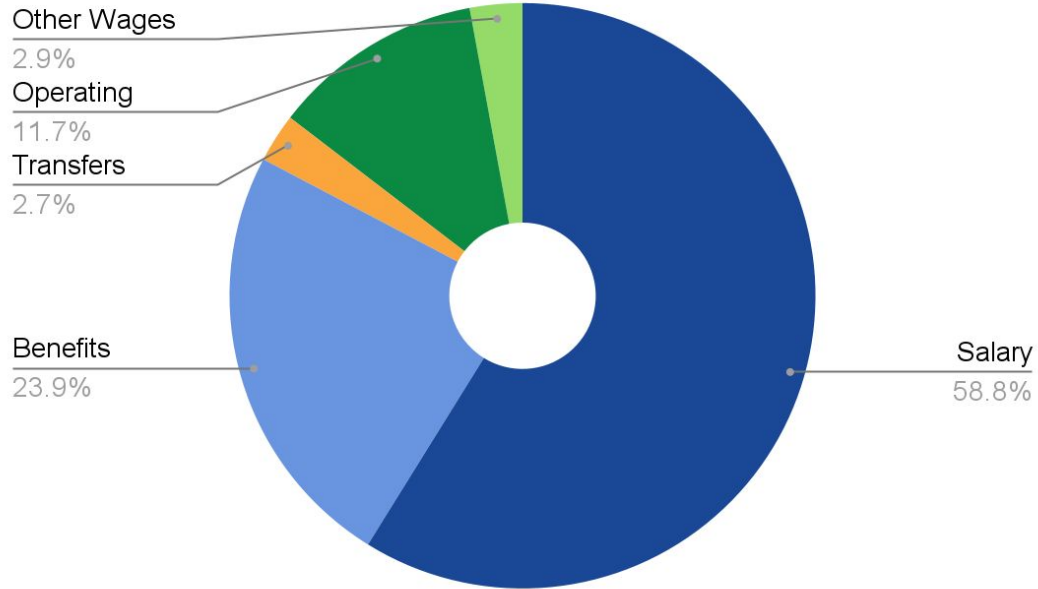
FY 26 Revenue Forecast

	Change
Local Government Transfer	\$7.2M
State Revenue	\$0.6M
Other Revenues	(\$3.0M)
Forecasted Total Revenue Change	\$4.8M

Expenditure Drivers

Expenditure Drivers

FY 25 School Fund Expenditures





Expenditure Drivers - Maintain Service Levels

- Health care costs
 - Correction to FY 25 baseline rates
 - 26% increase in PY 2025
 - TBD increase in PY 2026
- Inflation & Non-discretionary Increases
- Enrollment Growth
- English Learner (EL) Growth
- Special Education Growth
- Market-based compensation increase

Expenditure Drivers - Strategic Priorities

- Intensive Support Center (Ivy Creek)
- Scholars Program
- Bellwether Implementation
- Math Curriculum



Logic Model Review Process

Budget Goal #6

Schools, departments and strategic proposals will incorporate the use of logic models and/or performance measures to assist in making decisions that support budget priorities related to the Division's strategic [lan, with the goal of using metrics as a management and decision-making tool during the budget process.

Questions

- Are the program's original goals and metrics still relevant, and have any adjustments been made to reflect changes in context or needs?
- What measurable activities and outputs have been achieved, and how do they compare to the initial plan?
- What data or evidence do you have to show the program's impact on key outcomes, such as student achievement, engagement, or well-being?
- What challenges have been encountered, and how have they been addressed?
- Does this program still align with ACPS's strategic priorities, and is it contributing to the division's mission?
- What adjustments could be made to improve the program's effectiveness or cost-efficiency moving forward?

Compensation & Benefits Update

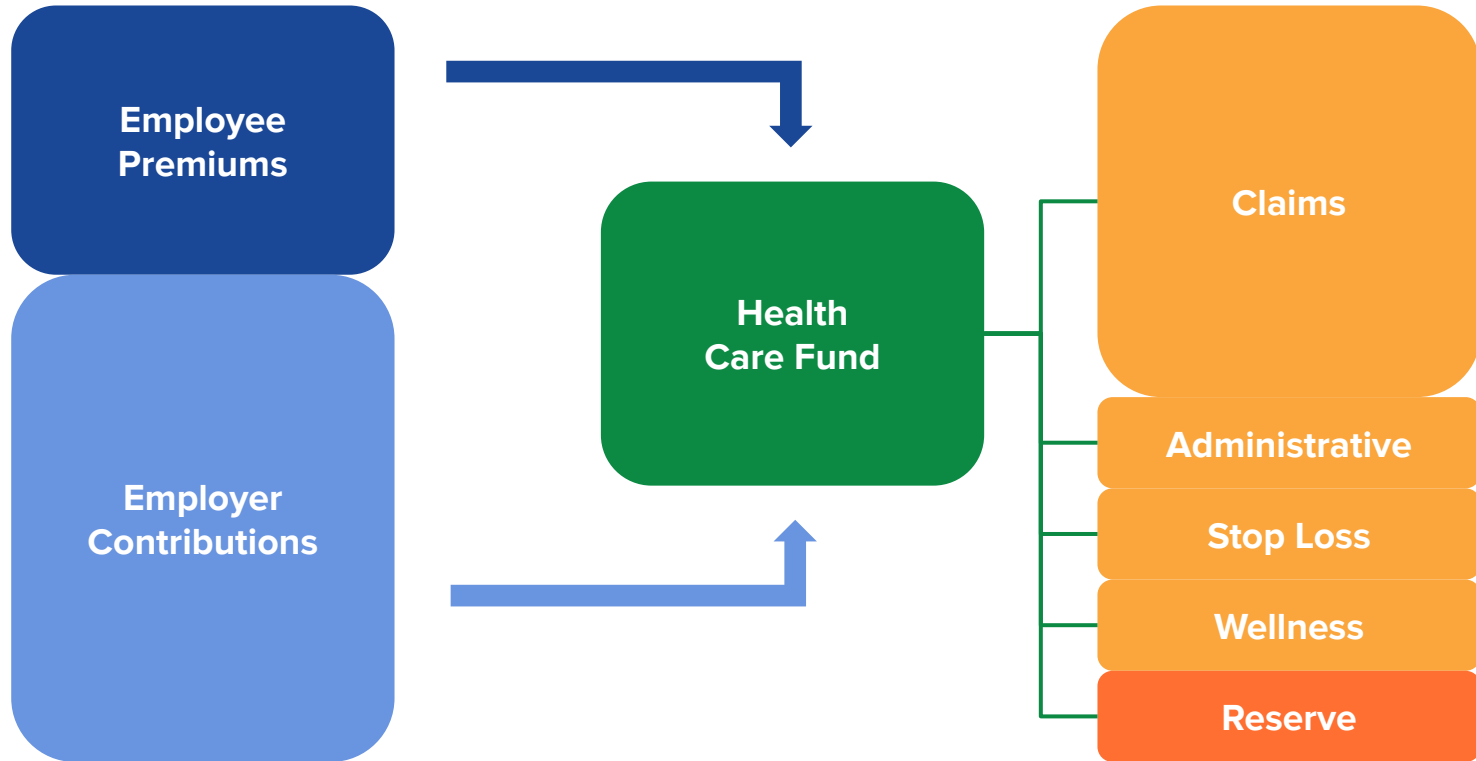
Compensation and Benefits Update

- ACPS HR Competitive Market Survey Review
 - Competitive Market Information Regarding Benefits
 - ACPS Plan Year 2025 Changes
 - Competitive Market Information Regarding FY25 General Wage Increase (GWI)
 - External General Wage Increase Guidance
 - Bureau of Labor Statistics' "Employment Cost Index"



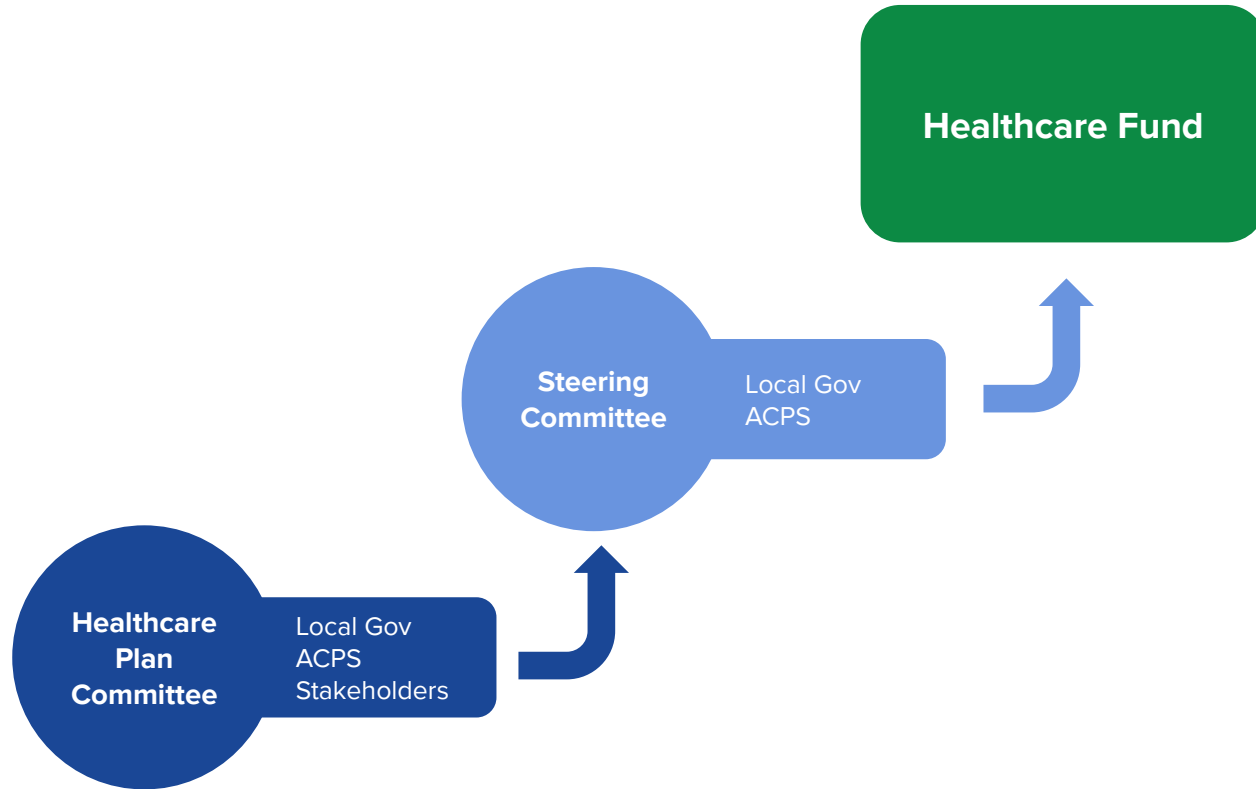
Health Fund Overview

Self-Funded Plan Structure

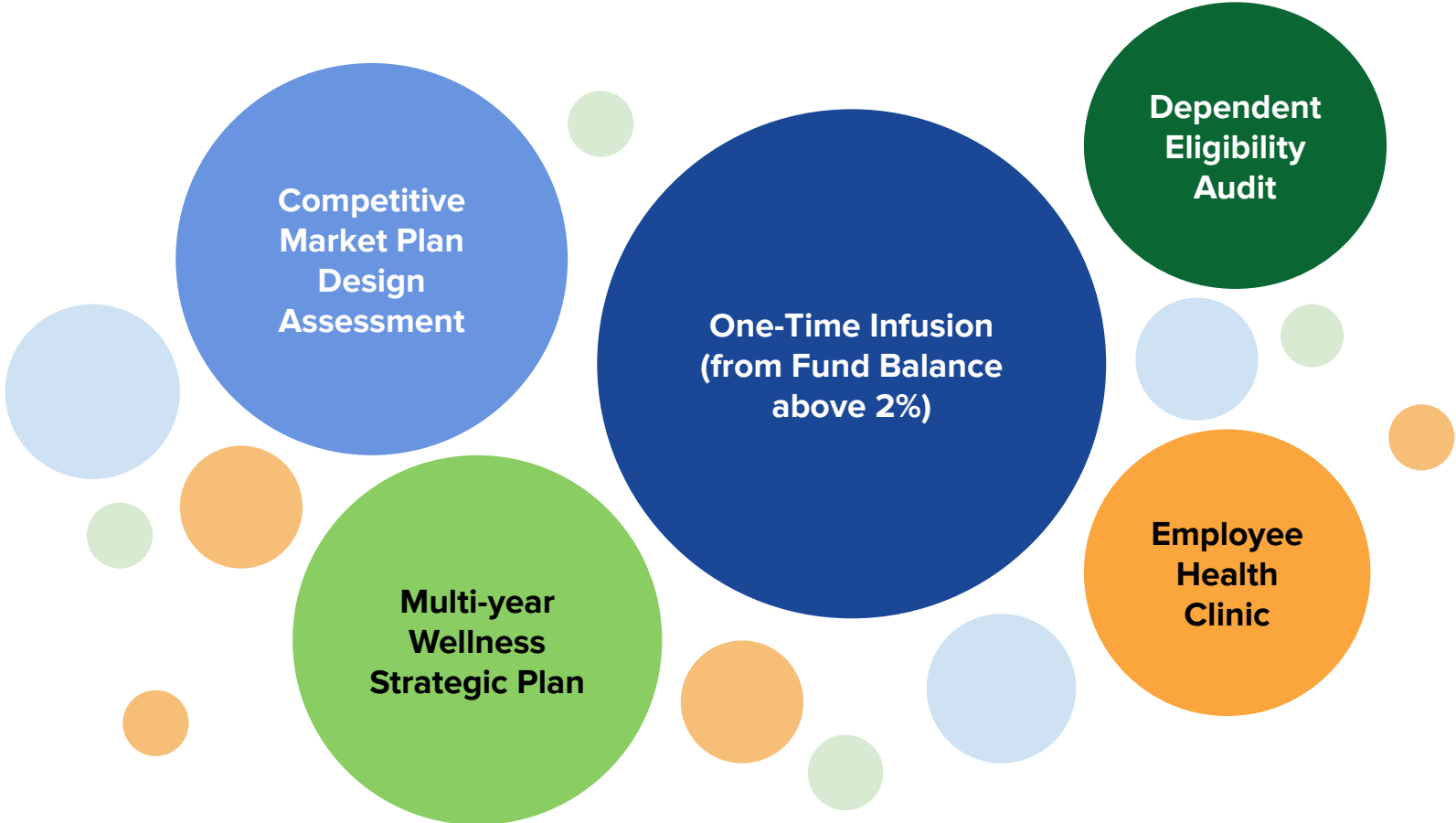


Health Fund Overview

Healthcare Fund Benefits Decision Process



Strategies to Support Health Care Fund Reserve



Historical Health Insurance Premiums

Plan Year	Employee	Increase	Employer	Increase
2020	\$1,032*	0%*	\$4,920	**
2021	\$1,032	0%	\$5,244	7%
2022	\$1,032	0%	\$5,616	7%
2023	\$1,104	7%	\$6,396	14%
2024	\$1,219	10%	\$7,151	11%
2025	\$1,438	18%	\$9,006	26%

Table shows rates for PPO, Individual Tier

*Rate unchanged since October 2018

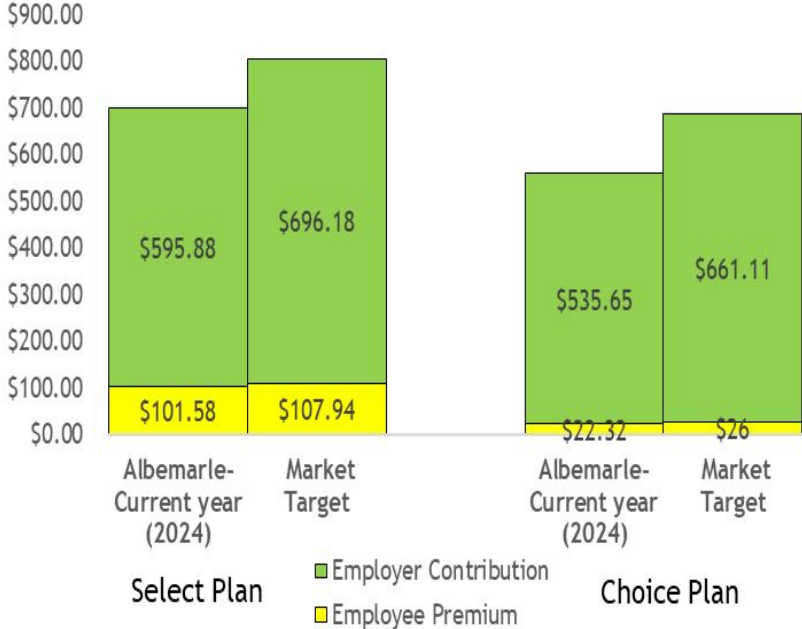
**Employer Contribution rate structure changed to tiered

Plan Year 2025 Employee Annual Premiums

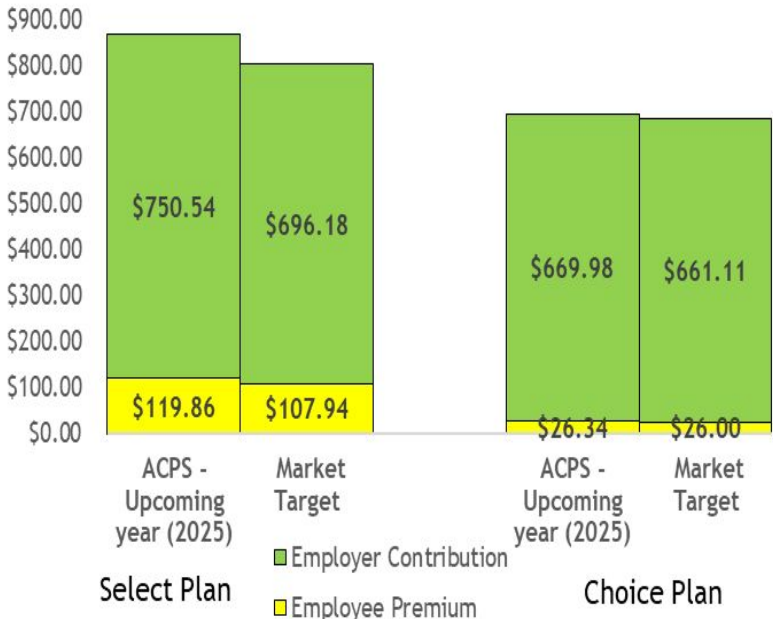
<i>Example Plans</i>	PY 21 <i>(Jan- Dec 2021)</i>	PY22 <i>(Jan - Dec 2022)</i>	PY 23 <i>(Jan - Dec 2023)</i>	PY 24 <i>(Jan - Dec 2024)</i>	PY25 <i>(Jan - Dec 2025)</i>	PY 24 to PY 25 Change	PY21 to PY25 Change
Select							
FT Employee Only	\$1,032	\$1,032	\$1,104	\$1,219	\$1,438	+\$219	+\$406
FT Employee & Family	\$3,960	\$3,960	\$4,152	\$4,638	\$5,473	+\$835	+\$1,513
Choice							
FT Employee Only	\$180	\$180	\$240	\$268	\$316	+\$48	+\$136
FT Employee & Family	\$2,148	\$2,148	\$2,256	\$2,516	\$2,969	+\$453	+\$821

Individual Medical Plan Market Comparison

Individual Medical Benefit Comparison
(ACPS 2024 VS Adopted Market - Monthly)

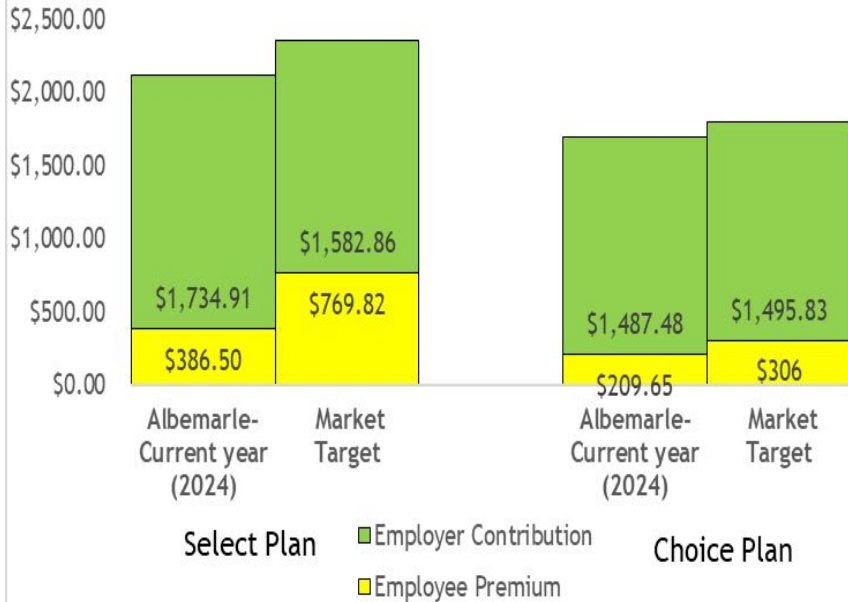


Individual Medical Benefit Comparison
(ACPS 2025 VS Adopted Market - Monthly)



Family Medical Benefit Information

Family Medical Benefit Comparison
(ACPS 2024 VS Market Target - Monthly)



Family Medical Benefit Comparison
(ACPS 2025 VS Market Target - Monthly)



Framing Compensation Practices

Market Competitiveness

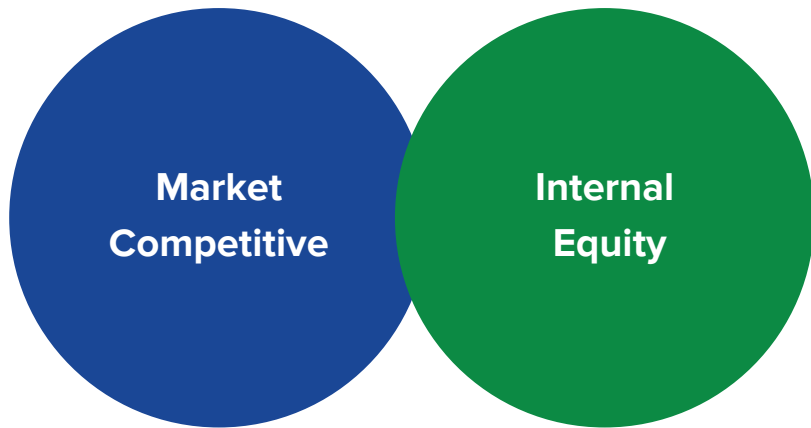
- Consistently Benchmarked
- Public and Private Sectors

Internal Equity

- Equitable Pay grade Assignment
- Equitable Individual Placement

Compensation Best Practice

- Focus on the midpoint
- Start of Scale - Recruitment
- Top of Scale - Retention



ACPS Compensation Program Benchmarking

Adopted Competitive Market, including 15 strategically selected school divisions (page C-12)

Strategic Benchmarking, targeting the 60th percentile (“beating” the market by 10%)

Compensation Update

- Competitive Market
 - Competitive Market (approved Fall, 2022)
 - Fifteen Strategically Identified School Divisions
- Adopted Market Strategy
 - Market Strategy (approved Winter, 2023)
 - Targets the 60th-percentile of the market midpoint
 - Aligns Classified and Licenced staff strategies



Historical Increases

	Classified	Teachers
2019-20	2.3% increase + merit and bus driver reclassification	3.0% increase
2020-21	no salary increase	No salary increase
2021-22	4.0% increase and minimum pay rate	5.2% increase
2022-23	10.2% increase (includes 4.0% 21/22 mid-year increase and 6.0% 22/23 increase)	
2023-24	5.0% increase	5.7% average increase (includes increase in step differentials)
2024-25	5.0% increase (includes 2.0% 23/24 mid-year increase and 3.0% 24/25 increase)	

Example:
Employee A earns \$50,000/year in FY 20.

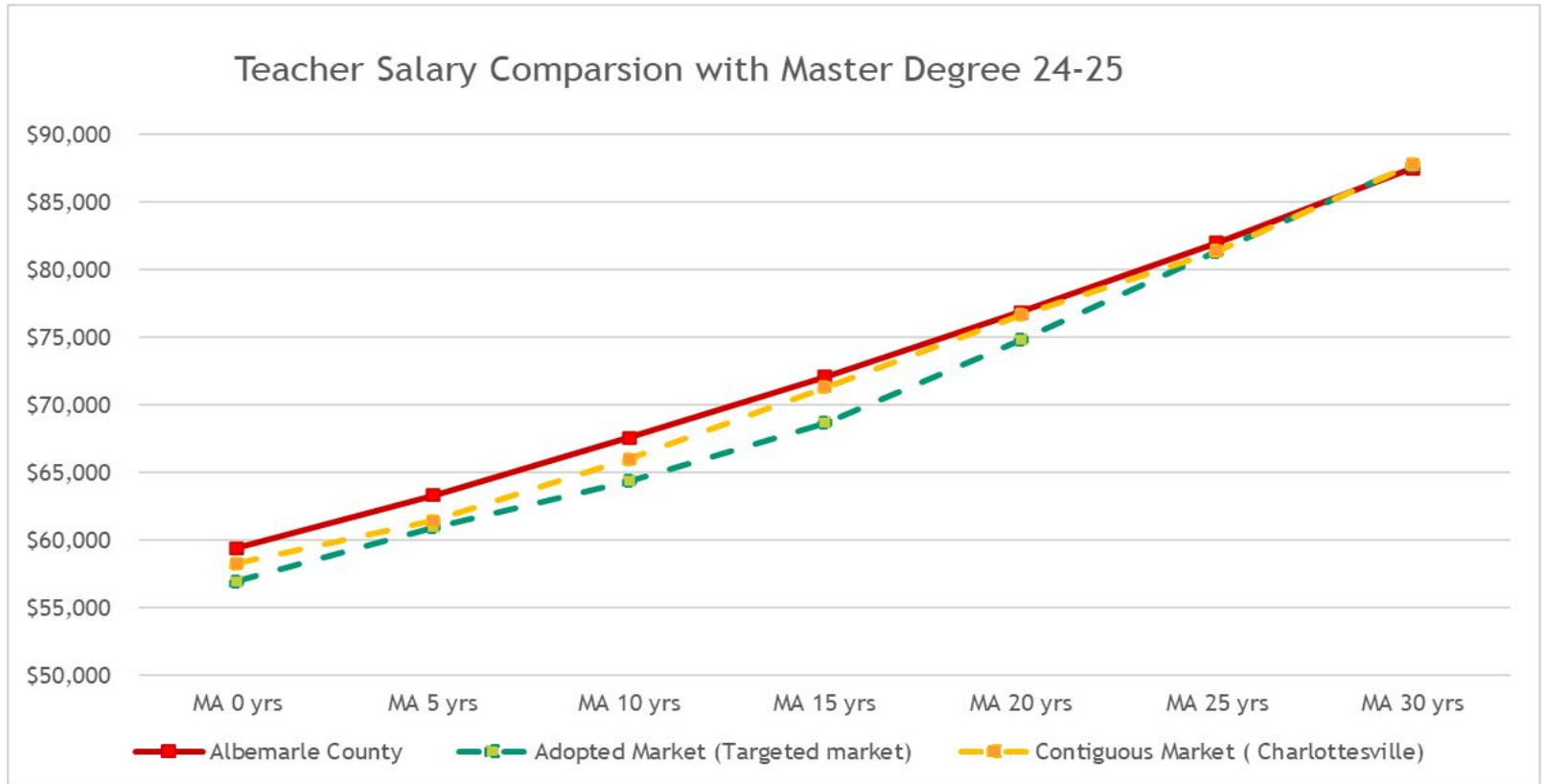
As of July, 2024
Employee A earns \$64,691/year.

Aggregate GWI - 26.3%
Compounded GWI - 29.38%

FY 25 General Wage Increase Information

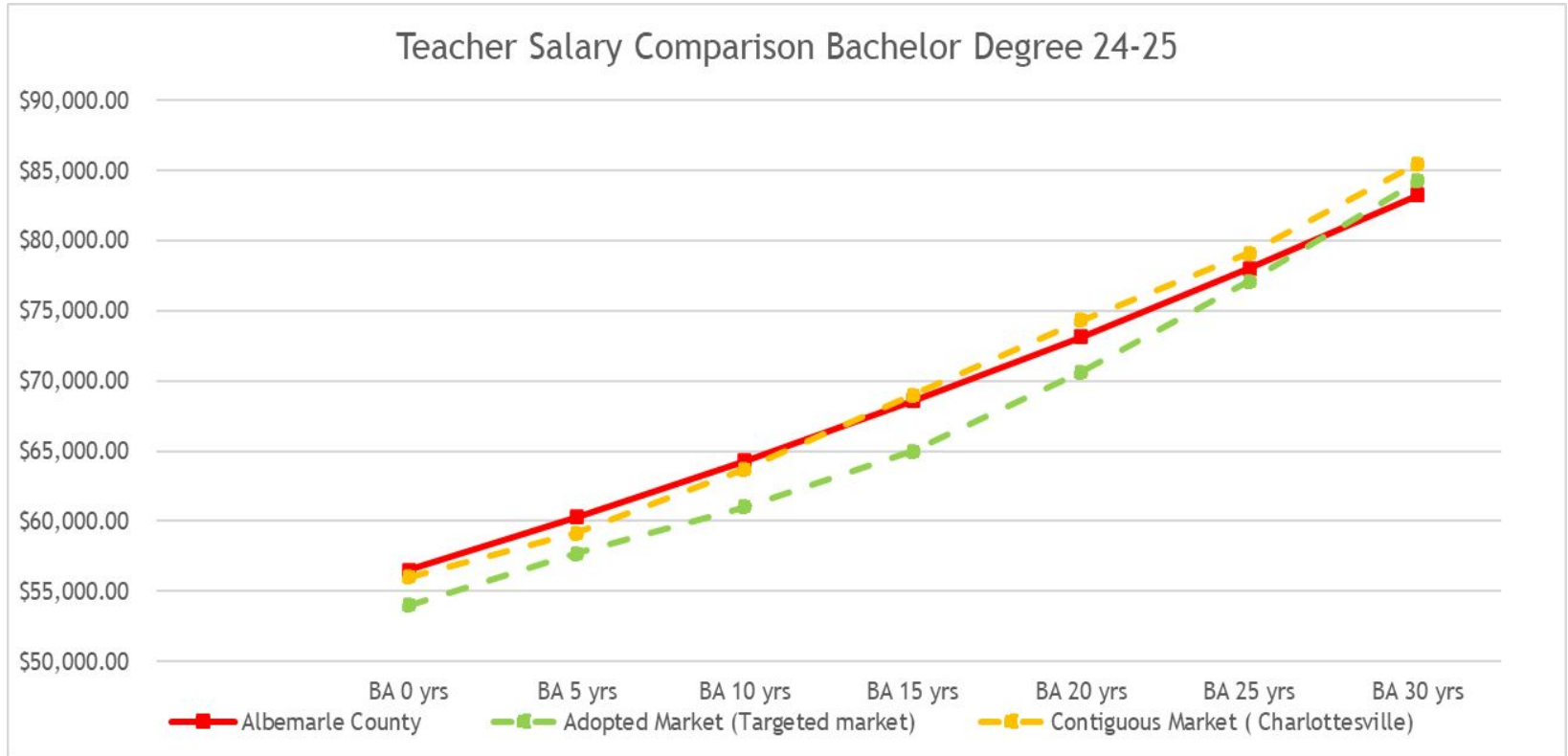
	Alexandria	Augusta	Charlottesville	Chesterfield	Fauquier	Hanover	Henrico	Montgomery	Prince William	Rockingham	Spotsylvania	Stafford	Virginia Beach	Williamsburg	York	Albemarle	Top 60th Percentile of Adopted Market
2023-24 GWI (%)	6%	13%	5%	7%	5%	5%	8%	7%	5.5%	5%	5%	5%	5%	7%	10%	5%	6.2%
2023-24 Mid Year Increase (percent)	2%	0%	2%	0%	0%	0%	2%	2%	2%	2%	2%	2%	2%	0%	2%	2%	
2023-24 total GWI(%)	8%	13%	7%	7%	5%	5%	10%	9%	8%	7%	7%	7%	7%	7%	12%	7%	8.2%
2024-25 GWI (%)	1.5%	4%	3%	4%	4%	4%	4.8%	5%	6%	2%	2%	5%	1.5%	4.5%	5.5%	3%	4.2%

FY 25 General Wage Increase Information



66% of ACPS teachers have a Masters degree or higher.

FY 25 General Wage Increase Information



31% of ACPS teachers have a Bachelors degree

Compensation Market Study - Teachers

	MA 0 yrs	MA 5 yrs	MA 10 yrs	MA 15 yrs	MA 20 yrs	MA 25 yrs	MA 30 yrs
Albemarle County	\$59,421	\$63,365	\$67,614	\$72,123	\$76,923	\$82,056	\$87,537
Adopted Market (Targeted market)	\$56,965	\$60,997	\$64,390	\$68,681	\$74,820	\$81,376	\$87,786
ACPS compared to Top 60th Percentile	4.31%	3.88%	5.01%	5.01%	2.81%	0.84%	-0.28%
Difference from Top 60th Percentile	\$2,456	\$2,368	\$3,224	\$3,442	\$2,102	\$680	\$(249)
Contiguous Market (Charlottesville)	\$58,308	\$61,457	\$66,007	\$71,335	\$76,664	\$81,427	\$87,824
ACPS Compared to Contiguous Market (Charlottesville)	1.91%	3.10%	2.43%	1.10%	0.34%	0.77%	-0.33%
Difference from Contiguous Market (Charlottesville)	\$1,113	\$1,908	\$1,607	\$788	\$259	\$629	\$(288)

Compensation Market Study - Teachers

	BA 0 yrs	BA 5 yrs	BA 10 yrs	BA 15 yrs	BA 20 yrs	BA 25 yrs	BA 30 yrs
Albemarle County	\$56,507	\$60,277	\$64,293	\$68,585	\$73,167	\$78,039	\$83,245
Adopted Market (Targeted market)	\$54,026	\$57,700	\$61,047	\$64,991	\$70,648	\$77,129	\$84,280
ACPS compared to Top 60th Percentile	4.59%	4.46%	5.32%	5.53%	3.57%	1.18%	-1.23%
Difference from Top 60th Percentile	\$2,481	\$2,576	\$3,246	\$3,594	\$2,519	\$910	(\$1,036)
Contiguous Market (Charlottesville)	\$55,992	\$59,141	\$63,691	\$69,019	\$74,348	\$79,111	\$85,508
ACPS Compared to Contiguous Market (Charlottesville)	0.92%	1.92%	0.95%	-0.63%	-1.59%	-1.36%	-2.65%
Difference from Contiguous Market (Charlottesville)	\$515	\$1,136	\$602	(\$434)	(\$1,181)	(\$1,072)	(\$2,264)

General Wage Increase Summary

- FY 25 Market: 4%
- FY 26 State: 3% (General Assembly adopted 2024-26 budget)
- Last 12-months Bureau of Labor Statistics (BLS): 4.3%

Next Steps:

- Staff will monitor the adopted market for any updates regarding the FY26 general wage increase



Questions/Discussion

1. Knowing that revenues may be limited, what are your top one or two expenditure priorities?
2. What areas would you like staff to review for financial efficiencies?
3. What else would you like more information about?

