

Budget Outlook

The American Rescue Plan (ARP) Act of 2021 Elementary and Secondary School Emergency Relief (ESSR) III Funds

MAY 21, 2021

SCHOOL BOARD RETREAT



Our Mission: Every Learner. Every Day. Everyone.

Coronavirus Aid Relief Economic Security (CARES) & Subsequent Funding

| Source Description | Acronyms | Issue Date | Spend Down Deadline | Award Amount |
|---|----------------------------|-------------------|----------------------------|---------------------|
| Coronavirus Aid Relief Economic Security | CARES | 3/27/2020 | 9/30/2022 | 1,187,446 |
| Coronavirus Response and Relief Supplemental Appropriation | CRRSA / "CARES II" | 12/27/2020 | 9/30/2023 | 4,481,993 |
| American Rescue Plan (Act) - Elementary & Secondary School Emergency Relief | ARP ESSR III / "CARES III" | 3/11/2021 | 9/30/2024 | 10,065,919 |
| | Total CARES Funding | | | 15,735,358.17 |

CARES & CRRSA budgeted for Operations in Fiscal Year 2022 - \$4,571,634

Prior to requesting reimbursement for CRRSA funds (CARES II) school divisions must have expended and requested all of CARES I allocation (Superintendents' Memo 090-21, April 9, 2021)

ARP ESSER III Funds

Purpose

- Help schools return safely to in-person instruction, maximize in-person instructional time, sustain the safe operations of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on students. At least 20 percent must be reserved to measure and address the academic impact of lost instructional time on all students. Interventions to address the academic impact of lost instructional time will respond to the academic, social, emotional, and mental health needs of all students

Application Requires 2 Plans:

- **Safe return to in-person instruction and continuity of services**
 - CCS COVID-19 mitigation health plan is posted at: charlottesvilleschools.org/returntolearn
 - The plan will be reviewed and revised at least once every six months in accordance with the ARP ESSER Interim Final Rule and any subsequent state or federal guidance to ensure it remains relevant and meets statutory and regulatory requirements
 - Public comment on the plan will be encouraged at School Board meetings and online
- **Use of the ARPA ESSER funds**
 - The plan will be shared with stakeholders including students, families, and staff for review and comment via Board meeting and online communication channels

ARP ESSER III PLAN

| | |
|--|-------------------|
| ARPA ESSER III (CARES III) - Award Amount | 10,065,919 |
| Support of Existing Academic Learning Loss Personnel (positions that existed pre FY22) | 766,585 |
| Social Workers: PreK - 4 & LMA | 542,399 |
| Structured Teaching Autism Resource (STAR) Buford & Walker | 166,891 |
| Restored 2nd Grade Instructional Assistants | 234,528 |
| Greenbrier Reading Specialist | 83,446 |
| CHS Math Specialist | 83,446 |
| LMA Literacy Specialist | 35,889 |
| Content Squads | 56,000 |
| Math Specialist Add'l 10 contract days | 31,000 |
| Reading Specialist Add'l contract days | 39,544 |
| Technology - Connectivity & Software | 147,872 |
| Technology - Chromebooks (less annual VPSA tech funds) | 40,233 |
| Mitigation equipment, supplies & operations (maintenance & utilities) | 326,404 |
| Transportation - Driver Cost Increase (includes \$660,804 Proposed Increase) | 801,069 |
| AVERAGE ANNUAL ARP ESSER III SPEND DOWN | 3,355,306 |
| SPEND DOWN TIME PERIOD (FY23, FY24 & FY25) | 3 Years |
| | 10,065,919 |

Items in the FY 2022 Adopted Budget and Pending Amendment for Pupil Drivers


Actual Annual Spend Down Will Depend on How State & Local Revenues & Expense Variables Change

Looking Ahead - Key Points

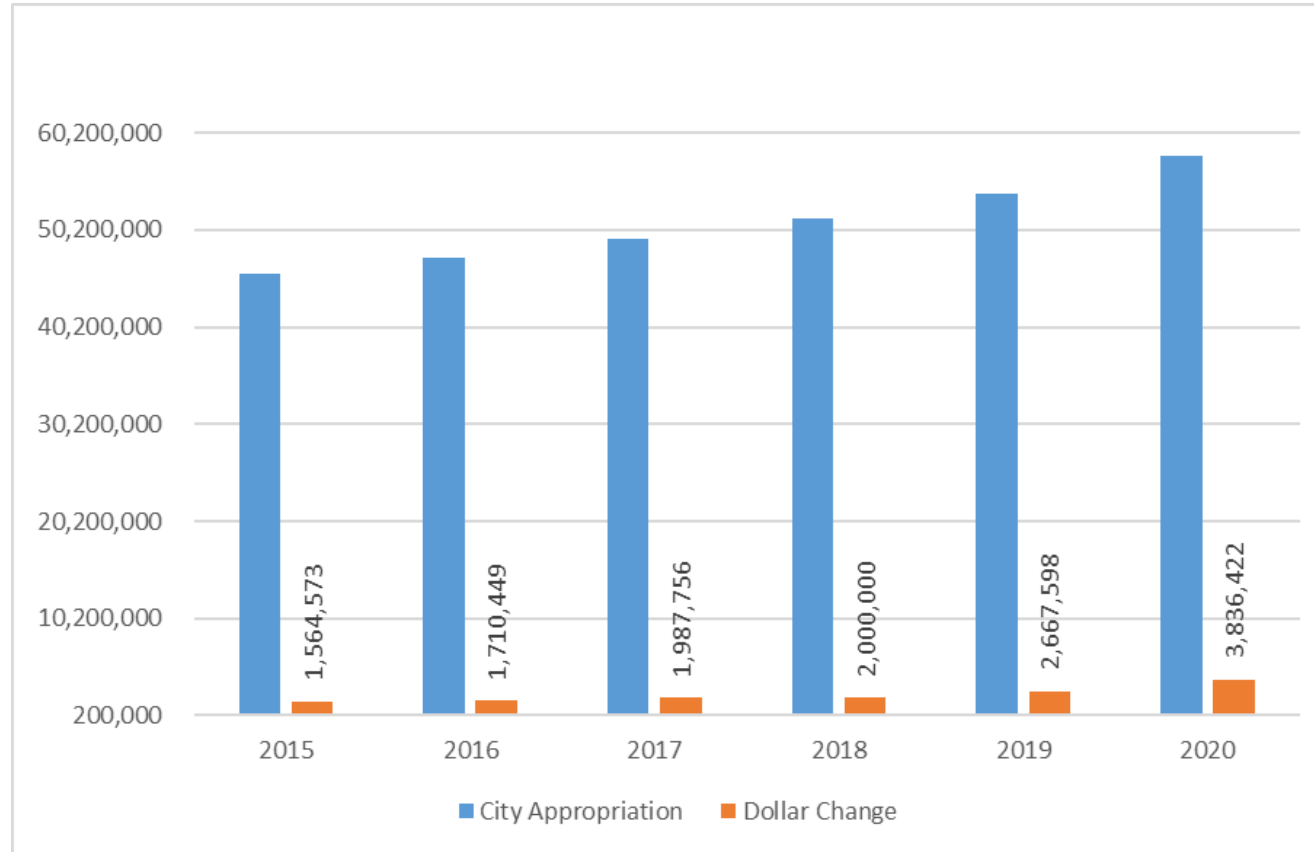
GOOD NEWS: Decisions made in the FY 2022 budget process are already aligned with the guidance and expectations for the ARP ESSER III (CARES III) funds.

CHALLENGE: More one-time (non-recurring) funds are coming in over the next several years at the same time that we must decrease dependency on one-time funds in the FY 2022 budget for recurring operating expenses

| | |
|--|------------------|
| FY 2022 Adopted Budget Increase (as of 5/6/2021) | 4,963,116 |
| State Revenue Increase | (391,482) |
| Non-Recurring Revenues in FY22 Budget | 4,571,634 |
| Allowance for Pending Budget Amendment to Increase Pupil Driver Compensation | 660,804 |
| | 5,232,438 |

 One-Time/Non-Recurring Funds in FY22

CCS Budget & City Appropriations



The Average Annual Increase in City Appropriation for Schools was \$2.3 Million from 2015 to 2020

Transition from Federal Awards to City Appropriations – One Scenario

Notes:

- This is “one scenario” because we cannot know how exactly how expenses and revenues will change moving forward
- What we do know is:
 - Salary actions will be needed to remain competitive.
 - There will be non-discretionary cost increases to address as part of the work to develop a needs-based budget each year.
 - Staff will need to evaluate and present cost reduction options.
 - State revenues and other federal/grant revenue sources will change (increase and/or decrease)

Non-Recurring Funds in FY 22 Budget (5,232,438)

| Fiscal Year | CARES (I) | CRRSA (II) | ARP ESSER (III) | City Appropriation Increase Examples | Cummulative City Appropriation Increase | Example Non-Recurring Fund "Balances" |
|---------------|--------------------|--------------------|---------------------|--------------------------------------|---|---------------------------------------|
| Awards | (1,187,446) | (4,481,993) | (10,065,919) | | | |
| 2021 | 289,114 | | | | | |
| 2022 | 898,332 | 4,334,106 | | | | |
| 2023 | | 147,887 | 5,000,000 | 2,000,000 | 2,000,000 | 1,915,449 |
| 2024 | | | 3,000,000 | 2,000,000 | 4,000,000 | 1,767,562 |
| 2025 | | | <u>2,065,919</u> | 1,232,438 | 5,232,438 | 2,065,919 |
| | \$0 | \$0 | \$0 | | | |

Key Decisions will center around what to do with the remaining “Balances” of Non-Recurring Funds in FY23, FY24 & FY25 to effectively balance addressing operational needs with reducing on-going operational dependence on non-recurring revenues.

Key Points & Summary

Some options for using non-recurring funds for non-recurring expenditures:

- Address one-time capital expenditures for schools:
 - Facilities Health & Safety Improvements (non-recurring, such as master rekey)
 - Technology
- Fund the City Schools Priority Improvement Projects (\$1,250,000)
 - Doesn't address school operating budget increases
 - Does allow these funds to be moved over to reconfiguration within the City's bondable projects budget

Communication, Coordination & Cooperation between City and Schools will be critical to navigate the transition from operations funded with non-recurring revenues to operations that can be funded from recurring revenue sources.



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APPENDIX

Transportation

- Pupil Driver availability continues to be a serious concern.
- Current starting rate for City Pupil Drivers is \$16.51/hr. (based on Technical Band, Zone 3, Level 1)
- We lost 2 drivers already this year to ACPS – both were offered higher wages, and better benefits have been reported as a recruiting & retention issue for our pupil drivers long before the driver shortage escalated with the pandemic.
- The City is aware of and considering action to address this situation

Recommended Next Step:

Letter of Concern & Support for Action to the City Manager

Albemarle County schools plan to increase raise for classified staff

Example Pay Increases for Classified Staff



| | Current Hourly Wage | Min. Pay Rate Impact | +4.0% Increase | Total Increase in FY 22 |
|----------------------------|---------------------|----------------------|----------------|-------------------------|
| Part-time TA | \$13.50 | \$15.99 | \$16.63 | 23.2% |
| Full-time Custodian | \$14.00 | \$16.86 | \$17.53 | 25.2% |
| Full-time Office Associate | \$15.00 | \$17.36 | \$18.05 | 20.4% |
| Full-time Driver | \$17.00 | \$18.16 | \$18.89 | 11.1% |
| Management Analyst | \$25.00 | \$25.00 | \$26.00 | 4.0% |
| Assistant Principal | \$42.00 | \$42.00 | \$43.68 | 4.0% |

Albemarle County school division staff presented details about a 4% raise for classified... ▲

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