



**MANASSAS CITY**  
**PUBLIC SCHOOLS**

*Where Learning Powers the Future*

***FY2022-2023***  
***Superintendent's Proposed***  
***Budget***

***Dr. Kevin Newman***

***Superintendent***

***February 8, 2022***

# *Duty of the Superintendent*

## *Section 22.1-92 Code of Virginia*

*It shall be the duty of each division superintendent to prepare, with the approval of the school board, and submit to the governing body or bodies appropriating funds for the school division, by the date specified in § [15.2-2503](#), the estimate of the **amount of money deemed to be needed during the next fiscal year** for the support of the public schools of the school division. The estimate shall set up the amount of money deemed to be needed for each major classification prescribed by the Board of Education and such other headings or items as may be necessary.*

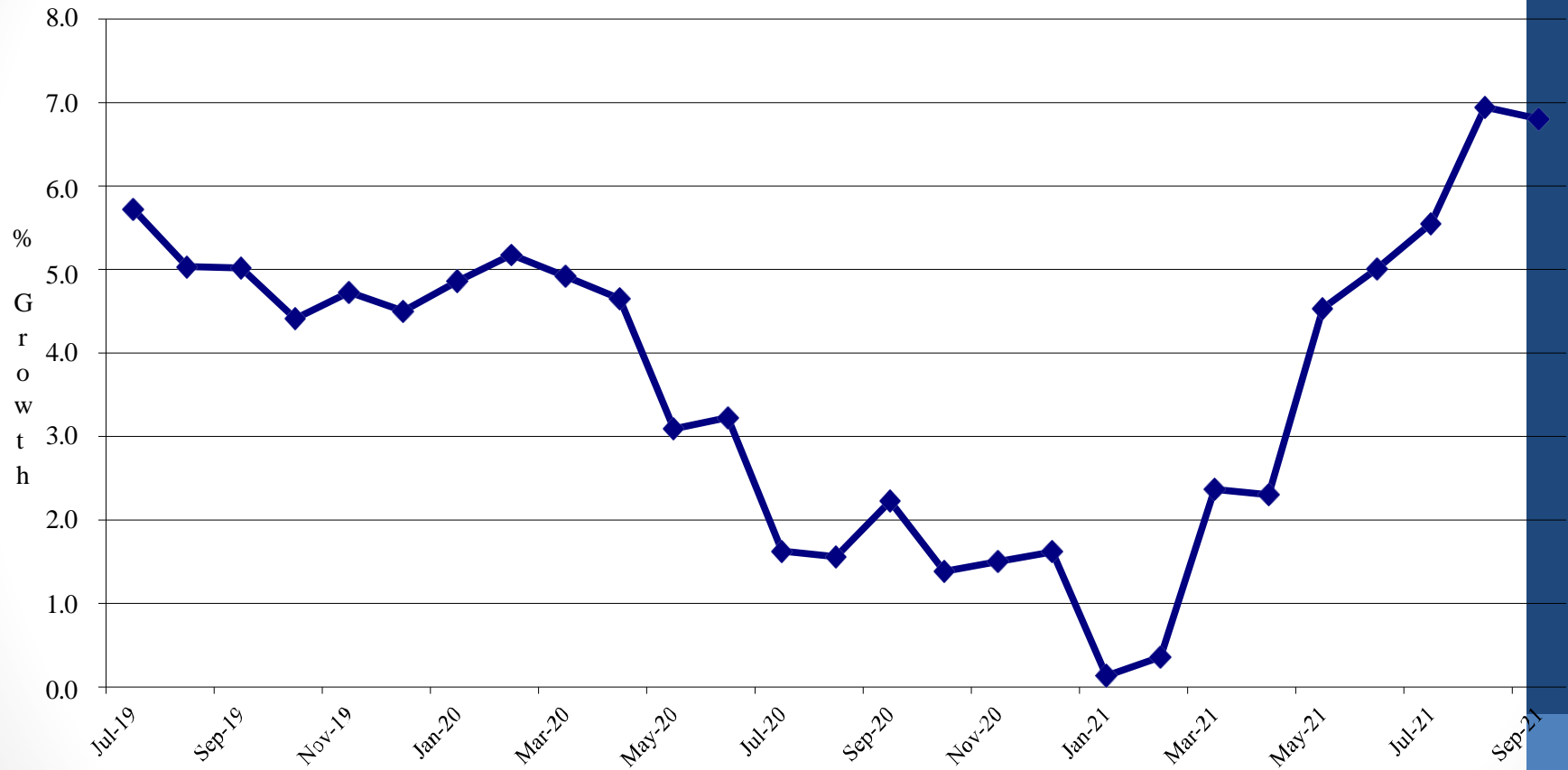
# ***FY 2022-2023 Proposed Budget Presentation Overview***

- Governor's Proposed Budget Update with Historical Funding Trends
- Division Student Enrollment & Demographic Trends
- FY 2022-2023 Proposed Budget
- Upcoming Budget Meetings

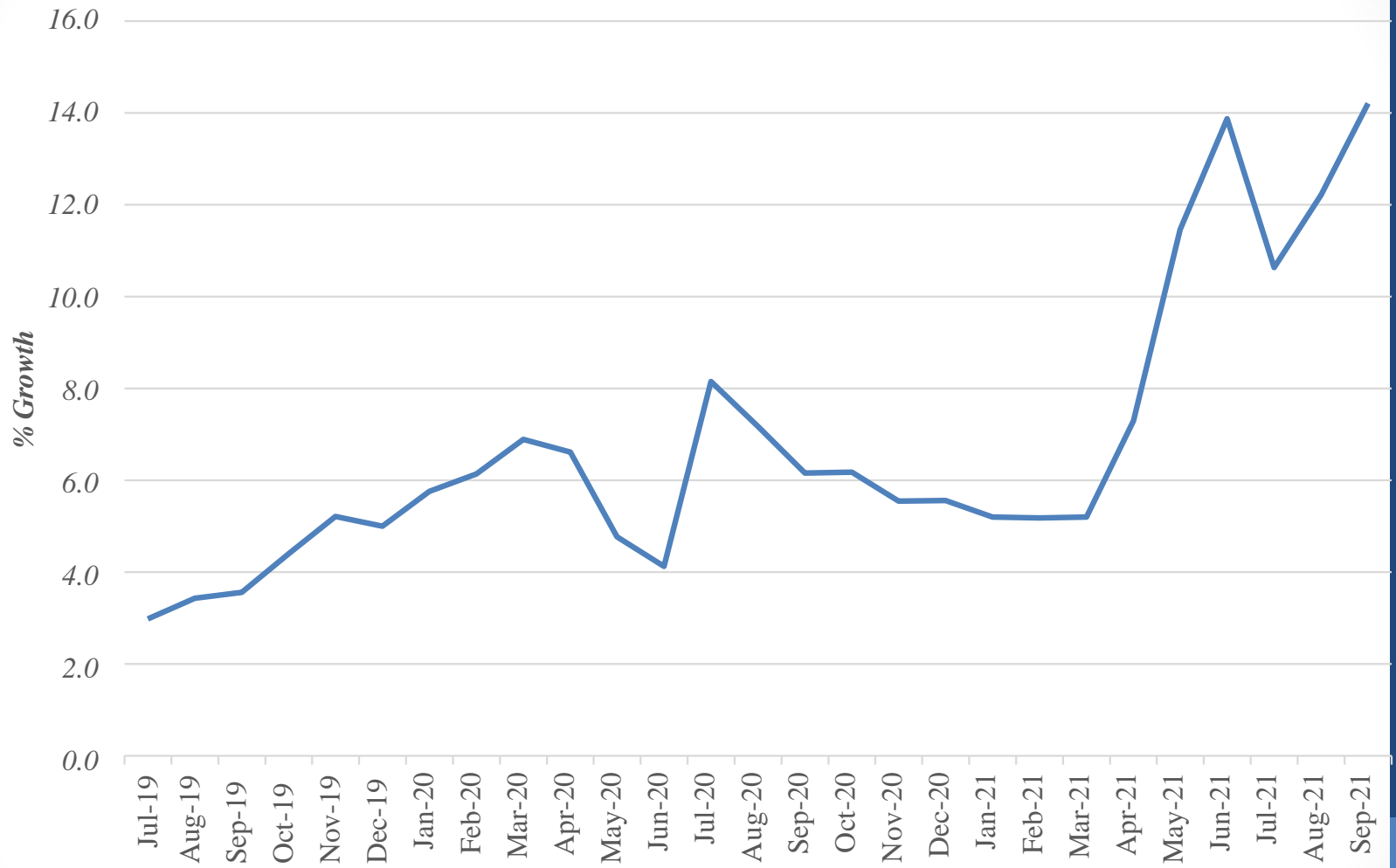
# *State Revenue Forecast*

- **General Fund revenue surplus of \$2.6 billion for FY 2021**, reflecting **growth of 14.5%** over FY 2020 – compared to 2.6% expected in the April adopted budget.
- \$1.245 billion of General Fund surplus due to non-withholding income tax revenues. Withholding, sales, corporate income, and recordation taxes also much stronger than expected.
- Very conservative balance sheet reserves from the FY 2021 surplus will likely provide nearly \$1 billion in available revenues for expenditure in the 2022-24 biennium.

## *12 Mo. Moving Avg Income Tax Withholding Growth Is Above Pre-Pandemic Levels*



## *12 Mo. Moving Avg Sales Tax Growth Remains Elevated*



# *Outlook for 2022-24 Revenue Growth*

- Higher than expected FY2022 revenue base provides structural stability.
- Historic household savings (\$3.5 trillion) insure near-term high levels of consumer spending.
- Low inventories and strong consumer spending will keep the factories and services humming.
- Large numbers of unfilled jobs signify wage increases
- Expect the introduced budget to assume very large available revenues above the base operating budget.

## **Risks to Growth** - Will this growth continue into the next biennium?

- High inflation & monetary tightening/slowing
- Continued supply chain disruptions
- Employers continuing to have difficulty hiring staff
- State tax cuts
- World events - Covid resurgence – disruption of semiconductor chip supply

# *Governor Northam's Proposed Budget*

- Proposes a 5% salary increase for all Standards of Quality (SOQ) funded instructional & support positions.
- Rebenchmarking of all direct aid programs to FY2020 cost trends.
- Recalculation of the Composite Index Formula – MCPS's change was from .3611 to .3562
- Updated all sales tax projections – approximately \$178.5 million higher than FY22
- Updated all Lottery projections – approximately \$73.8 million higher than FY22



# *Governor Northam's Proposed Budget*

- Left unchanged VRS contribution rates at 16.62% instead of following the guidance of the VRS Board of Governor's recommendation to lower the rates to 14.76% reducing MCPS savings by \$1,262,000
- Grocery Tax elimination "Hold Harmless" put in place totaling \$45 million
- ESOL staffing ratio of funded positions changed from 20 per 1,000 students to 22 per 1,000 students
- Created a School Division Construction Grant Program – equates to \$3,484,415 for MCPS

# ***Governor Northam's Budget to MCPS***

## **School Construction Grant**

Eligible expenditures under this program shall be nonrecurring in nature and may include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, school safety equipment or school safety renovations, and debt service payments on school projects completed within the last ten years. Unspent funds awarded to school divisions shall be carried-forward to FY 2024 and FY 2025 and reappropriated to school divisions by the local governing body.

- Operating Fund increase of \$6,120,330
- Food Service Fund reduction of \$10,083
- Creation of a School Construction Grant of \$3,484,415

# *State Budget – Discretionary Spending*

- One time deposit of \$924 million in the VRS trust fund
- One time super deposit in the Rainy Day Fund of approximately \$564 million – above State Law mandates
- \$222 million to cover possible disallowed ARPA allocations
- \$170 million to continue ARPA initiatives

These four items alone could contribute \$1.880 billion additional dollars to public education.

ARPA = American Rescue Plan Act

# *Enhancements to the SOQ Funding Formula Recommended by the Board of Education*

- Enhanced At-Risk Add-On or At-Risk Add-on combined with Prevention, Intervention, Remediation Program (annual cost = \$74m)
- Teacher Leader/Principal Mentor Programs (annual cost = \$116m)
- Increase staffing ratios for ESL Teachers (annual cost = \$15m)
- Increase Specialized Student Support Personnel (annual cost = \$ 49m)

For more information: <https://www.doe.virginia.gov/boe/quality/index.shtml>

# *Enhancements to the SOQ Funding Formula Recommended by the Board of Education*

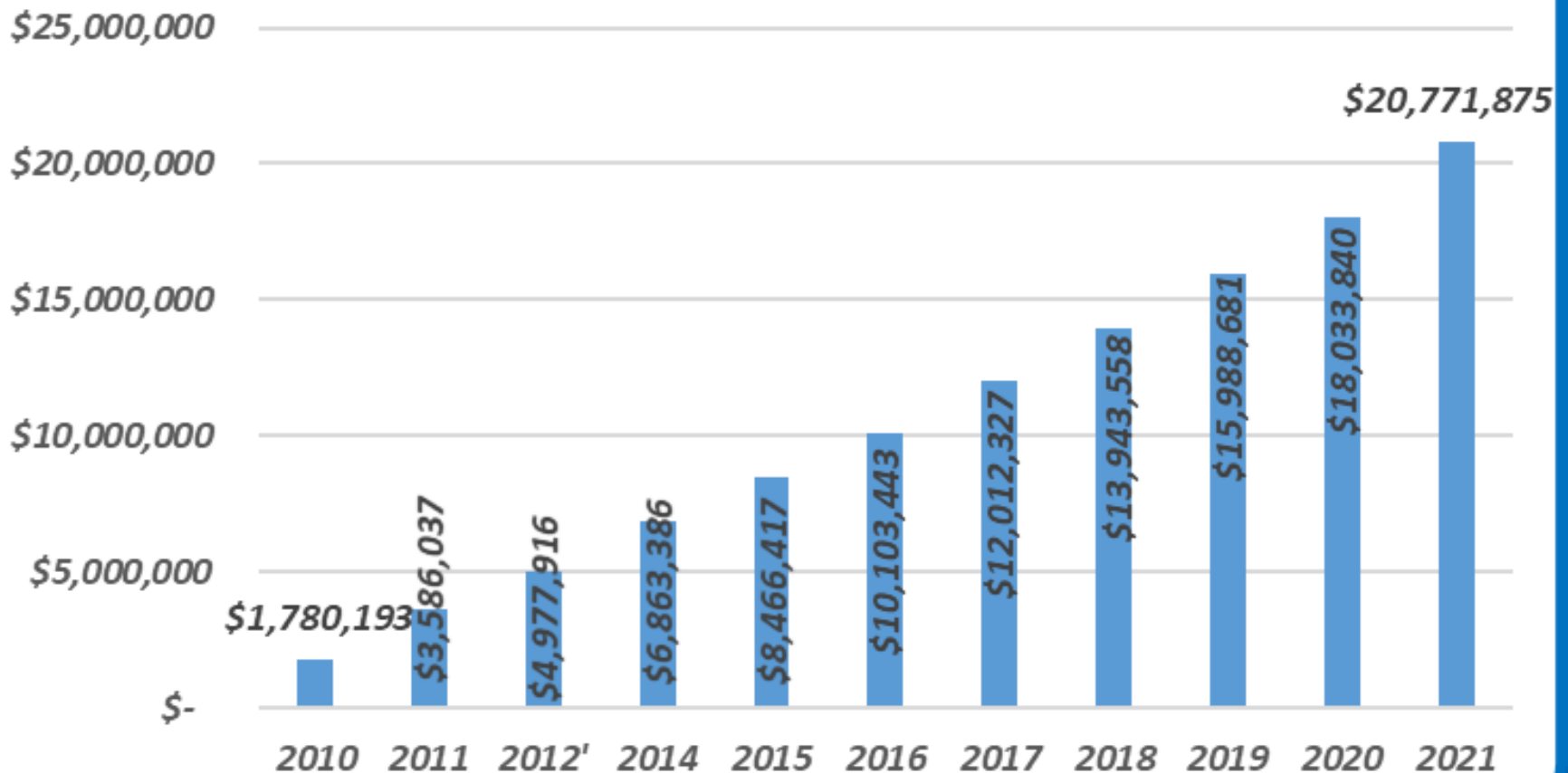
- Increase Reading Specialists (annual cost = \$38m)
- Increase School Counselors staffing standards (annual cost = \$52m)
- Increase Elementary Principal staffing standards (annual cost = \$8m)
- Increase Assistant Principals staffing standards (annual cost = \$77m)
- Work-Based Learning Coordinators (annual cost = \$8 mil.)
- *Board of Education has not formally proposed:*
- ***Eliminating the Recession-Era Support Position Cap (annual cost = \$374m)***

# *Revenue Loss - Support Cap*

Since 2011 (Eleven years) Manassas City Public Schools revenue has been reduced \$20.7 million (\$1.88 million annually) due to the State changing the SOQ funding formula for support positions.

# Revenue Loss - Support Cap

SOQ Support Cap Revenue Loss



# *Governor Youngkin's– Projected Amendments*

- Direct rebates to all Virginia taxpayers
- Doubling of Standard Deduction – all tax returns for 2022
- Grocery Tax Elimination
- Increased cash payments for higher education capital projects
- Increased funding for mental health programs
- Increased funding for police recruitment & - compensation



## 2021 Introduced Budget State Per Pupil K-12 Direct Aid Funding Nominal and Inflation-Adjusted (CPI \$2005)

*FY 22 Real per Pupil Appropriations Reach FY 09 Levels Due to ADM Losses*



Source: [https://www.doe.virginia.gov/school\\_finance/budget/calc\\_tools/index.shtml](https://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml)

# Statewide Budget Trend

*Despite Local Fiscal Issues, the Burden of the State-Local Fiscal Partnership is on Localities*

	<u>2018 JLARC</u> <u>Ranking</u>	<u>2021 JLARC</u> <u>Ranking</u>
<i>Per capita personal income</i>	12	12
<i>Per capita state taxes</i>	34	41
<i>Per capita local taxes</i>	16	25
<i>State Per Pupil Funding</i>	40	40
<i>State and Local Per Pupil Funding</i>	24	27
<i>Average Salary of Public School Teachers</i>	29	32

# *City Education Funding*

City Council has not informed MCPS of any increase in funding for the FY2023 school budget. For planning purposes only a 3% increase was used. The estimate would be as follows:

FY2022 City Appropriation	\$61,361,610
FY2023 City Appropriation	<u>\$63,202,458</u>
Difference	\$1,840,848

Operating Fund	\$1,680,448
Debt Fund	<u>\$ 120,400</u>
Total	\$1,840,848

# *City of Manassas Community Survey – Findings Report*

## **Budget Issues**

Respondents were asked to indicate their support for changing the service levels for services that are provided using general tax revenues. Education and police were the two services that received the highest number of responses indicating support for an increase.

# MCPS Per Student Funding

<i>School Year</i>	<i>City</i>	<i>State</i>	<i>Sales Tax</i>	<i>Federal</i>	<i>Total</i>
<i>Ending June</i>	<i>Per Pupil</i>	<i>Per Pupil</i>	<i>Per Pupil</i>	<i>Per Pupil</i>	<i>Per Pupil</i>
2006	\$ 6,265	\$ 3,556	\$ 989	\$ 491	\$ 11,301
2007	\$ 6,870	\$ 4,171	\$ 1,064	\$ 531	\$ 12,636
2008	\$ 7,893	\$ 3,243	\$ 1,072	\$ 541	\$ 12,749
2009	\$ 7,080	\$ 4,321	\$ 961	\$ 679	\$ 13,041
2010	\$ 6,232	\$ 3,770	\$ 831	\$ 1,137	\$ 11,970
2011	\$ 5,885	\$ 4,037	\$ 851	\$ 933	\$ 11,706
2012	\$ 5,936	\$ 4,234	\$ 860	\$ 942	\$ 11,972
2013	\$ 5,977	\$ 4,850	\$ 940	\$ 752	\$ 12,519
2014	\$ 6,139	\$ 4,910	\$ 961	\$ 719	\$ 12,729
2015	\$ 6,384	\$ 5,178	\$ 988	\$ 751	\$ 13,301
2016	\$ 6,125	\$ 5,188	\$ 988	\$ 735	\$ 13,036
2017	\$ 6,048	\$ 5,316	\$ 986	\$ 804	\$ 13,154
2018	\$ 5,930	\$ 5,498	\$ 937	\$ 761	\$ 13,126
2019	\$ 6,203	\$ 5,625	\$ 1,034	\$ 821	\$ 13,683
2020	\$ 5,874	\$ 5,813	\$ 1,096	\$ 804	\$ 13,587
2021	\$ 6,139	\$ 6,539	\$ 1,276	\$ 1,252	\$ 15,206
2022*	\$ 6,237	\$ 7,059	\$ 1,184	\$ 942	\$ 15,422
<b>Percent Difference</b>					
<b>FY06 to FY22</b>	<b>-0.45%</b>	<b>98.52%</b>	<b>19.71%</b>	<b>91.77%</b>	<b>36.46%</b>

\*FY21 & FY22 data is projected

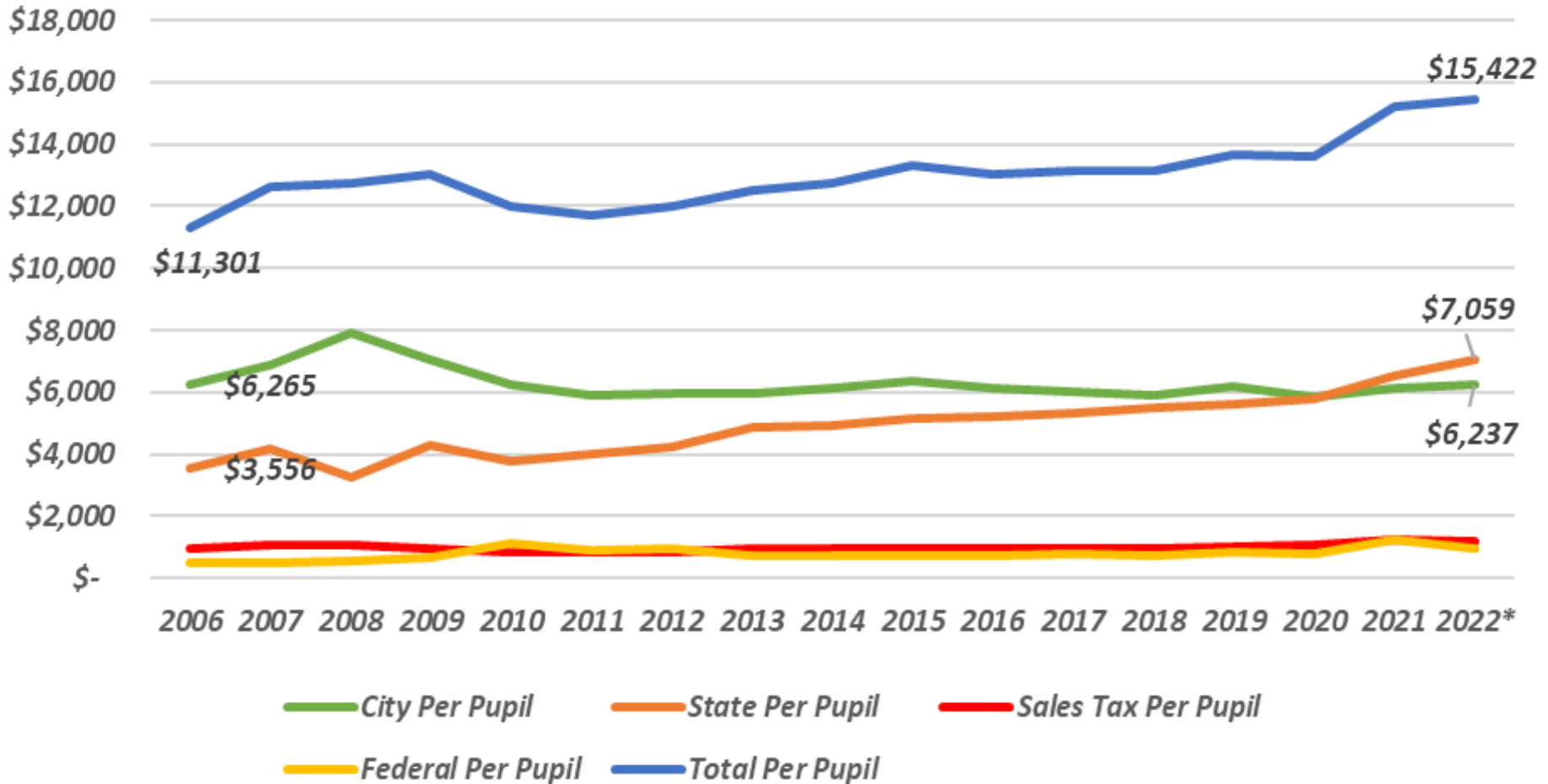
Source: VDOE Annual School Reports

# History of City Allocations

<b><i>Fiscal</i></b> <b><i>Year</i></b>	<b><i>City</i></b> <b><i>Allocation</i></b>	<b><i>Prior Year</i></b> <b><i>City Allocation</i></b>	<b><i>Change</i></b> <b><i>From Prior</i></b> <b><i>Year</i></b>	<b><i>Percent</i></b> <b><i>Change</i></b>
FY22	\$ 61,361,610	\$ 58,850,210	\$ 2,511,400	4.27%
FY21	\$ 58,850,210	\$ 58,789,475	\$ 60,735	0.10%
FY20	\$ 58,789,475	\$ 57,077,160	\$ 1,712,315	3.00%
FY19	\$ 57,077,160	\$ 55,617,210	\$ 1,459,950	2.625%
FY18	\$ 55,617,210	\$ 54,194,600	\$ 1,422,610	2.625%
FY17	\$ 54,194,600	\$ 52,808,380	\$ 1,386,220	2.625%
FY16	\$ 52,808,380	\$ 51,407,350	\$ 1,401,030	2.73%
FY15	\$ 51,407,350	\$ 50,670,974	\$ 736,376	1.45%
FY14	\$ 50,670,974	\$ 47,284,440	\$ 3,386,534	7.16%
FY13	\$ 47,284,440	\$ 47,837,139	\$ (552,699)	-1.16%
FY12	\$ 47,837,139	\$ 46,958,400	\$ 878,739	1.87%
FY11	\$ 46,958,400			
	Average Annual Allocation		\$ 1,309,383	2.48%

# MCPS Per Pupil Funding By Source

Per Pupil Contribution



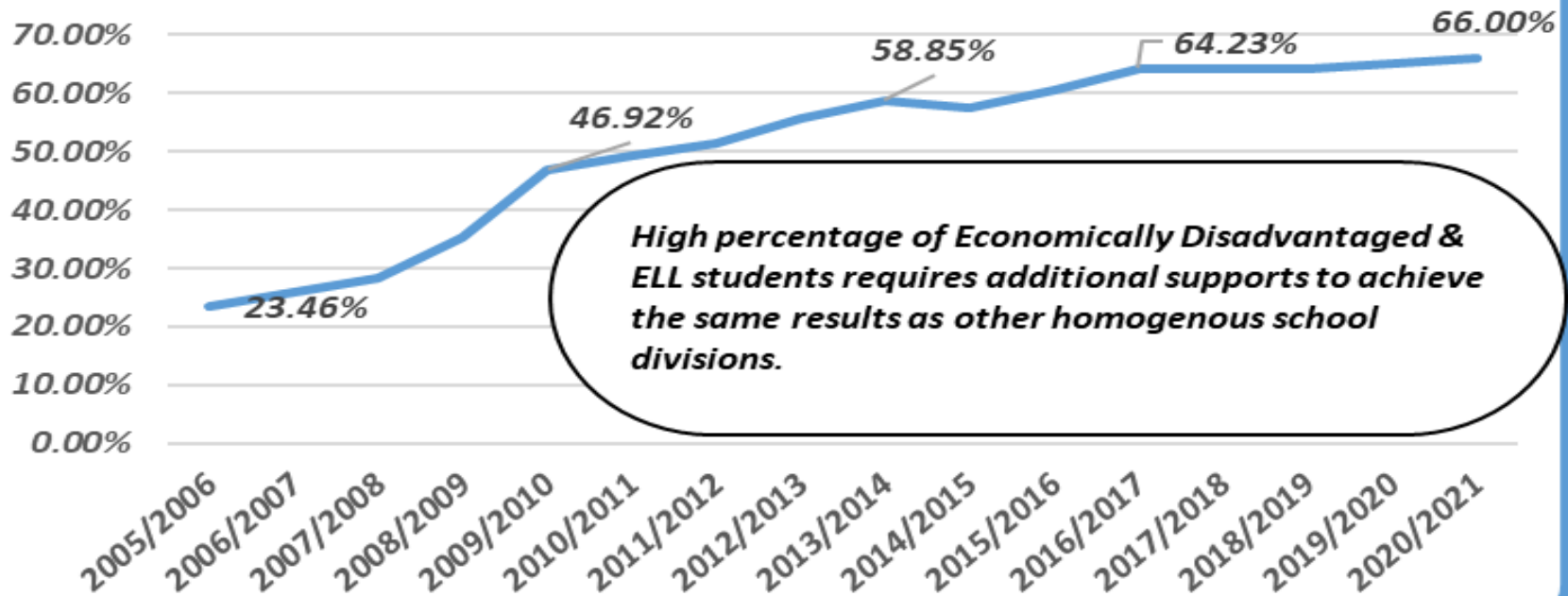
# MCPS Enrollment Trend

<u>September 30</u>	<u>Elementary</u>	<u>Intermediate</u>	<u>Middle</u>	<u>High</u>	<u>Division</u>
2006	2,731	987	954	1,903	6,575
2007	2,653	922	949	1,950	6,474
2008	2,679	984	986	1,917	6,566
2009	2,783	1,057	992	2,032	6,864
2010	2,913	1,011	1,010	2,002	6,936
2011	3,022	1,015	1,032	2,035	7,104
2012	3,057	1,058	999	2,106	7,220
2013	2,976	1,040	991	2,069	7,076
2014	3,072	1,056	1,014	2,173	7,315
2015	3,284	1,110	1,022	2,159	7,575
2016	3,258	1,176	1,052	2,192	7,678
2017	3,262	1,212	1,096	2,201	7,771
2018	3,177	1,190	1,142	2,186	7,695
2019	3,188	1,189	1,196	2,205	7,778
2020	3,055	1,146	1,183	2,203	7,587
2021	3,103	1,076	1,108	2,261	7,548
<b>% Change</b>					
<b>2006 - 2021</b>	<b>13.62%</b>	<b>9.02%</b>	<b>16.14%</b>	<b>18.81%</b>	<b>14.80%</b>



# Budget Pressures

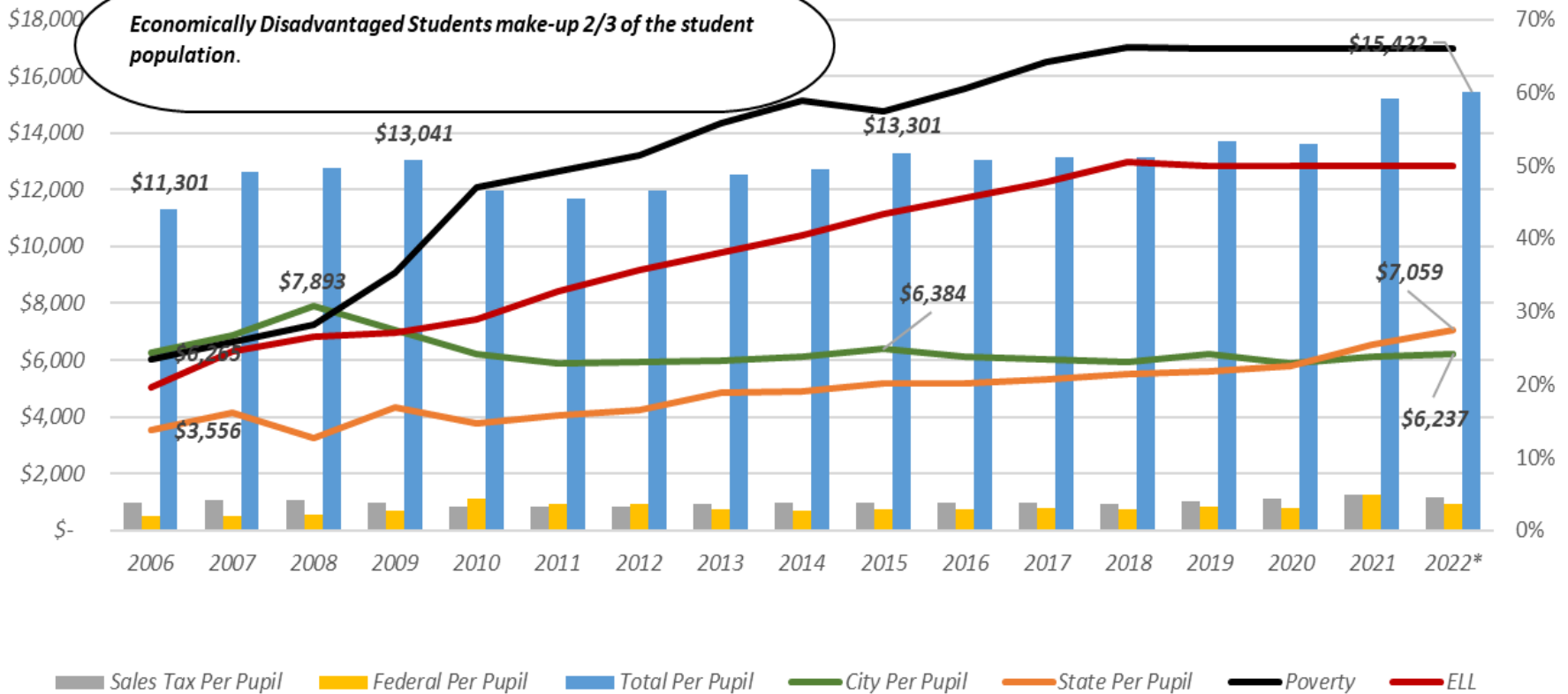
## Free & Reduced Lunch Percentage



<i>Economically Disadvantaged</i>	66%
<i>Special Education</i>	12%
<i>English Language Learners (ELL)</i>	50%

# Summary – Per Pupil Funding

Per Pupil Funding By Source



# ***FY 2022-2023 Proposed Budget***

<i><b>Description</b></i>	<i><b>Explanation</b></i>	<i><b>School Operating Fund Amount</b></i>
<b>School / Dept Request</b>	Requests are submitted by departments/schools.	<b>\$125,475,494</b>
<b>Superintendent/Executive Team Determination of Need</b>	Requests were reviewed with Principals, Executive Team and Superintendent to determine the true needs of the division.	<b>\$121,499,438</b>
<b>Superintendent Request Based on Projected Funding</b>	Superintendent & Executive Team review all requests and determine program priority within projected funding.	<b>\$121,499,438</b>
<b>School Board Approved/Adopted</b>	Based on School Board approved adjustment & final approved funding.	<b>TBD</b>

# ***FY2022-2023 Budget Proposal***

## ***Strategic Plan Goal #1: Optimize academic performance and student success***

- Honors approximately 95% of all requests from school division Principals/Directors for materials/supplies, purchased services & professional development to meet the needs of students.*
- Balances teacher allocations in each school to coincide with enrollment and student instructional needs.*
- Adds 2 Elementary Gifted Resource Teachers – Dean and Round Elementary Schools*
- Adds additional teachers to support new/additional instructional programs reviewed by the Academic Committee of the School Board.*
- Evening School Program for OHS students struggling to reach on-time graduation due to family, academic & financial hardships.*

# ***FY2022-2023 Budget Proposal***

## ***Strategic Plan Goal #1: Optimize academic performance and student success***

- Adds 7 Math Resource Teachers (Elementary & Intermediate)*
- Repurposed 10 positions to provide Reading Resource Teachers at all elementary schools. (Title 1 funding)*
- Adding 6 Reading Resource Teachers through ARPA funding at intermediate, middle, & the high school levels.*
- Counselor position at Metz*

# ***FY2022-2023 Budget Proposal***

***Strategic Plan Goal #2: Cultivate a culture of excellence and service.***

- Provides a COLA & step increase for staff totaling 5%.*
- Two Professional Growth Specialists*

# ***FY2022-2023 Budget Proposal***

***Strategic Plan Goal #3: Forge relationships to support and maximize success.***

- *Family Liaisons to all schools.*
- *Workforce Development Specialist & CTE Specialist*
- *Pre-K Specialist*
- *Social Worker*
- *Attendance Officer*
- *Special Education Coordinator of Transition*

# ***FY2022-2023 Budget Proposal***

## ***Strategic Plan Goal #4: Operate effectively and efficiently.***

- English/Language Arts Coordinator & Math Coordinator*
- ESOL Specialist – Grades 7 through 12*
- Adds 2 Information Technology Support Specialists & 1 Application Support Engineer*
- Adds 1 Procurement Buyer*



# ***FY2022-2023 Budget Proposal***

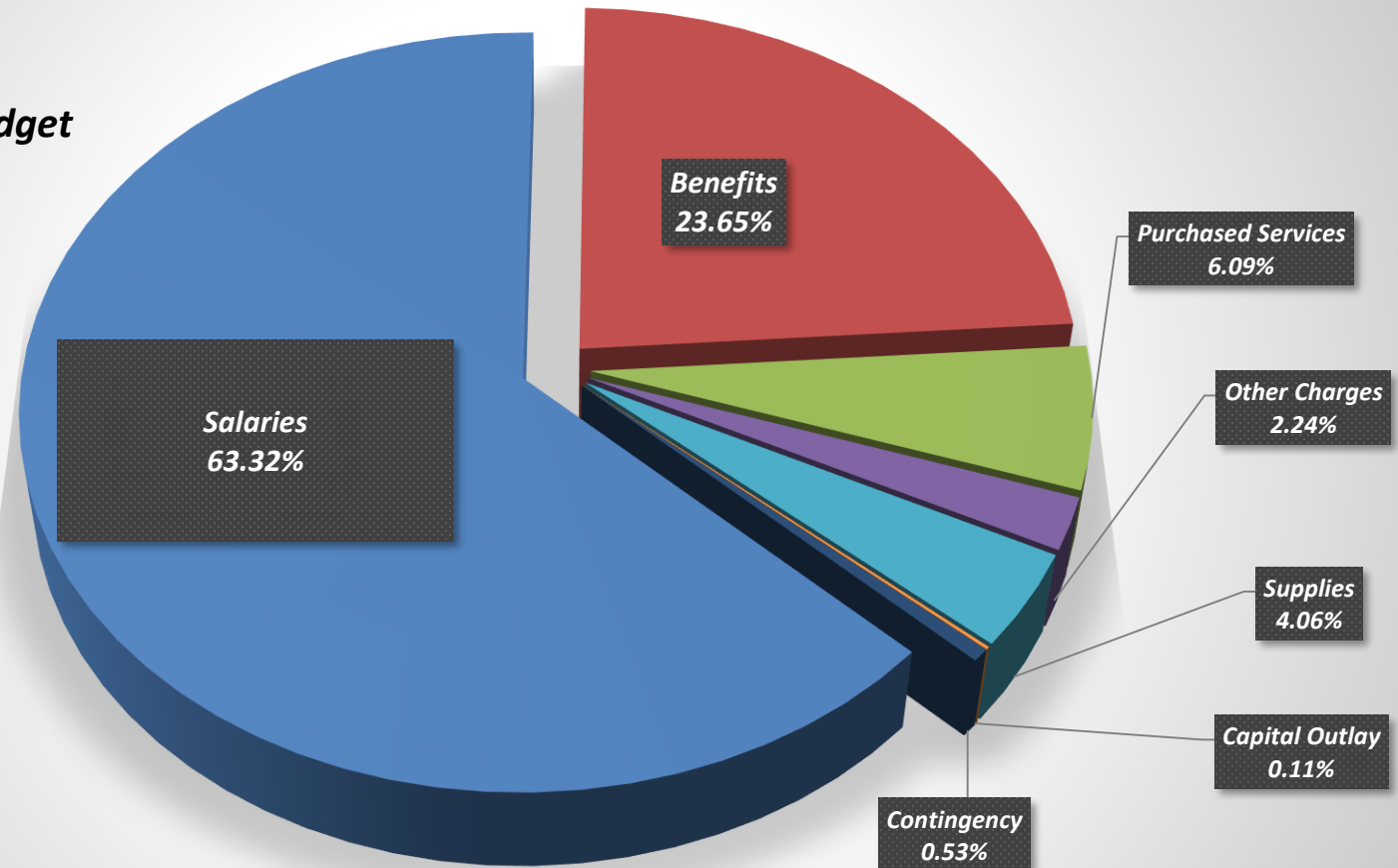
## ***Unfunded Needs***

- Full VPI funding to continue program as developed by a VDOE Pilot program which documented significant positive results.*
- Reduce 5 tier bus routing system to 4 tiers*
- ARPA Federal Grant funding of initiatives/supports that will be discontinued when grant expires.*

# Operating Fund Expenditures

## Operating Fund Expenditures

2022-23  
Operating Fund Budget  
\$121,499,438



**86.97% Personnel & Benefits**

# ***FY 2022-2023 School Operating Fund Summary by Location***

<u><i><b>SUMMARY BY LOCATION</b></i></u>	<u><i><b>AMOUNT</b></i></u>	<u><i><b>PCT.</b></i></u>
School Base Costs	95,616,202	78.7%
Information Technology Services	5,149,218	4.2%
Student Achievement	6,465,498	5.3%
Transportation	4,959,938	4.1%
Facilities and Maintenance	2,705,056	2.2%
Health & Student Services	1,980,528	1.6%
Human Resources	1,798,654	1.5%
Financial & Purchasing Services	1,779,537	1.5%
Board & Superintendent Services	1,485,760	1.2%
Communications & Public Relations	409,046	0.3%
Non-Department	-849,999	-0.7%
<b><i>TOTAL</i></b>	<b>121,499,438</b>	<b>100.0%</b>

# ***Public Budget Meetings After Superintendent Proposed Budget***

## **School Board Budget Work Sessions:**

### **Date**

### **Location**

▪ February 15	Budget Work Session, 5:30PM	Central Office Board Room
▪ March 1	Budget Work Session, 5:30PM	Central Office Board Room
▪ March 15	Budget Work Session, 5:30PM	Central Office Board Room
▪ March 17	Budget Work Session, 5:30PM	Central Office Board Room

## **Public Hearing on the Proposed Budget**

March 8, 2022 – 6 p.m., City Hall

## **School Board Approves Budget**

March 22, 2022 – 6 p.m., City Hall

## **School Board Presents Approved Budget to Manassas City Council**

March 30, 2022/Time TBD, Public Works Conference Room



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