

# Proposed Budget

Executive Summary • Fiscal Year 2021



Matilda Verlarde Maynard • 3rd Grade (2018-19)



Teddy Pallan • Kindergarten (2018-19)



Andrea Aguilar • Kindergarten (2018-19)



Suly Ramirez Escobar • 3rd Grade (2018-19)



Jordi Ramos • 1st Grade (2018-19)



Prince William County

PUBLIC SCHOOLS

Providing A World-Class Education

P.O. Box 389, Manassas, VA 20108 • [www.pwcs.edu](http://www.pwcs.edu)

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# Prince William County

PUBLIC SCHOOLS

*Providing A World-Class Education*

Dear Community Members:

I want to thank our teachers, administrators, support staff, parents, community, and School Board for their support and the great successes we have achieved during my 15 years as Superintendent. Together, we have seen significant changes, and achieved major accomplishments, including an on-time graduation rate that has risen for the past decade to the current high of 92.4 percent and achieving 100 percent accreditation for all our schools.

During my tenure, our enrollment has increased from 65,000 to more than 91,500, our English Language Learners have increased from 4,900 to nearly 15,000, and our students who qualify as economically disadvantaged have increased from about 15,000 to more than 37,000. However, despite these dramatic changes our per pupil spending has remained nearly flat when adjusted for inflation, and we remain 2<sup>nd</sup> to last among our peer school divisions in the Washington, D.C. region.

This year I propose a needs-based budget focused on six key areas aligned to our strategic priorities:

1. **Educational equity, and academic achievement for all**, including increased economic disadvantaged funding, digital equity, and the creation of a Chief Equity Officer.
2. **Teachers and staff**, providing a 4.8 percent average salary increase for eligible employees and no health care cost increase.
3. **Pre-kindergarten (Pre-K) access**, a near doubling of Pre-K classrooms in Prince William County Public Schools to 49 classrooms through increased use of state matching funds.
4. **Student mental health and wellness**, sustaining investments in counselors, and hiring social workers and an additional psychologist shared between our Global Welcome Centers.
5. **Career, military, and college readiness**, continuing implementation of our five-year Career and Technical Education (CTE) Plan and providing incentives to teachers to become dual enrollment certified.
6. **Sustainable facilities, school safety, and support infrastructure**, focusing on Capital Improvements Program investments in our oldest schools including natural daylighting (fenestration) projects, security upgrades for older schools, and studying opportunities for sustainability improvements.

I firmly believe we all must be advocates for our children, and now is the time to make the investments critical to ensure they are provided the resources necessary for a true *World-Class Education*.

Sincerely,

Steven L. Walts  
Superintendent of Schools

DR. STEVEN L. WALTS  
*Superintendent of Schools*

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# The School Board



**Babur B. Lateef, M.D.**  
*Chairman At-Large*



**Ms. Loree Y. Williams**  
*Vice Chairwoman  
Woodbridge District*



**Mrs. Adele E. Jackson**  
*Brentsville District*



**Mrs. Lillie G. Jessie**  
*Occoquan District*



**Ms. Diane L. Raulston**  
*Neabsco District*



**Mrs. Jennifer T. Wall**  
*Gainesville District*



**Mr. Justin David Wilk**  
*Potomac District*



**Mrs. Lisa A. Zargarpur**  
*Coles District*



**Tahera Hamidi**  
*Student Representative*



**Benjamin Kim**  
*Student Representative*

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# Prince William County Public Schools Administration



**Steven L. Walts**  
*Superintendent of Schools*



**Keith Imon**  
*Deputy Superintendent of Schools*



**Denise M. Huebner**  
*Associate Superintendent for Special Education and Student Services*



**Rita Everett Goss**  
*Associate Superintendent for Student and Professional Learning*



**Matthew Guilfoyle**  
*Associate Superintendent for Communications and Technology Services*



**Amy A. White**  
*Associate Superintendent for Human Resources*



**Al Ciarochi**  
*Associate Superintendent for Support Services*



**John M. Wallingford**  
*Associate Superintendent for Finance and Risk Management*



**R. Todd Erickson**  
*Associate Superintendent for Central Elementary Schools*



**Nathaniel Provencio**  
*Associate Superintendent for Eastern Elementary Schools*



**Jarcelynn M. Hart**  
*Associate Superintendent for Western Elementary Schools*



**William G. Bixby**  
*Associate Superintendent for Middle Schools*



**Michael A. Mulgrew**  
*Associate Superintendent for High Schools*

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# Report Prepared by:



**Associate Superintendent for  
Finance and Risk Management**  
John Wallingford

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# Organizational Section

## Vision Statement

In Prince William County Public Schools (PWCS), all students will learn to their fullest potential. The education of each student will be individualized and developmentally appropriate. Student learning will be enhanced by national, global, and multicultural perspectives.

Students who graduate from Prince William County Public Schools will possess the basic knowledge and skills that will assure their proficiency in problem solving and the use of technology. Graduates will have a desire to learn and the skills to be life-long learners. They will be responsible citizens. All graduates will be competent to enter the work world and prepared to pursue advanced educational opportunities.

## Mission Statement

### ***Providing A World-Class Education***

*Providing A World-Class Education* means....

- The focus is on all students learning and achieving high standards.
- Instruction is engaging and rigorous.
- Reading and writing literacy is taught in all content areas.
- We support the academic, social, and emotional needs of all students.
- Schools and offices are inviting, welcoming, and customer oriented.
- We will accomplish our Strategic Plan by working together.

## Strategic Plan Goals

**Goal 1:** All students meet high standards of performance.

**Goal 2:** The teaching, learning, and working environment is safe, caring, healthy, and values human diversity.

**Goal 3:** Family, community, and employee engagement create an environment focused on improved student learning and work readiness.

**Goal 4:** Employees are highly qualified (as defined by VDOE), high performing, and diverse.

**Goal 5:** The organizational system is aligned and equitable.

Prince William County Public Schools (PWCS) does not discriminate in employment nor in its educational programs, services and activities on the basis of race, color, religion, national origin, sex, gender identity, sexual orientation, pregnancy, childbirth or related medical conditions, age, marital status, veteran status, disability, genetic information, or any other basis prohibited by law. The following individual will handle inquiries regarding nondiscrimination policies, including Section 504 and Title IX: Associate Superintendent for Human Resources, Prince William County Public Schools, P.O. Box 389, Manassas, VA 20108.

# School and Department Improvement Planning

The PWCS Strategic Plan is a roadmap for the School Division and schools to achieve the vision of *Providing a World-Class Education*. The Strategic Plan for 2016-20 includes five goals, with the primary goal focused on student achievement and the others all supporting this goal. The current Strategic Plan also includes the “20/20 Vision for Graduates,” which is a statement of expectations PWCS has for graduating students. Beyond goal statements, the comprehensive Strategic Plan includes objectives and measures that articulate the ways PWCS measures progress. The Division Strategic Plan is used as the basis for each school's Continuous Improvement Plan. The Office of Accountability produces Balanced Scorecards that show progress toward meeting the objectives of the Strategic Plan. Central office leaders also connect the improvement plans for their offices and staff to the Strategic Plan.

The Supervisor of Strategic Planning and School Improvement provides professional development and support to school leaders in the development of their individual continuous improvement plans. School leaders develop their plans based on an analysis of their data and in collaboration with their School Advisory Councils. Principals and leadership teams conduct root cause analysis and needs assessment and set targets accordingly at the school level. Continuous Improvement Plans are reviewed by the Supervisor of Strategic Planning and School Improvement and monitored by the level associate superintendents. An annual report on the progress made toward the goals of the Strategic Plan is presented to the School Board at a public meeting and then published on the PWCS website. The new PWCS Strategic Plan for 2021-25 is scheduled for presentation to the School Board in spring 2020 for approval.

## Organization

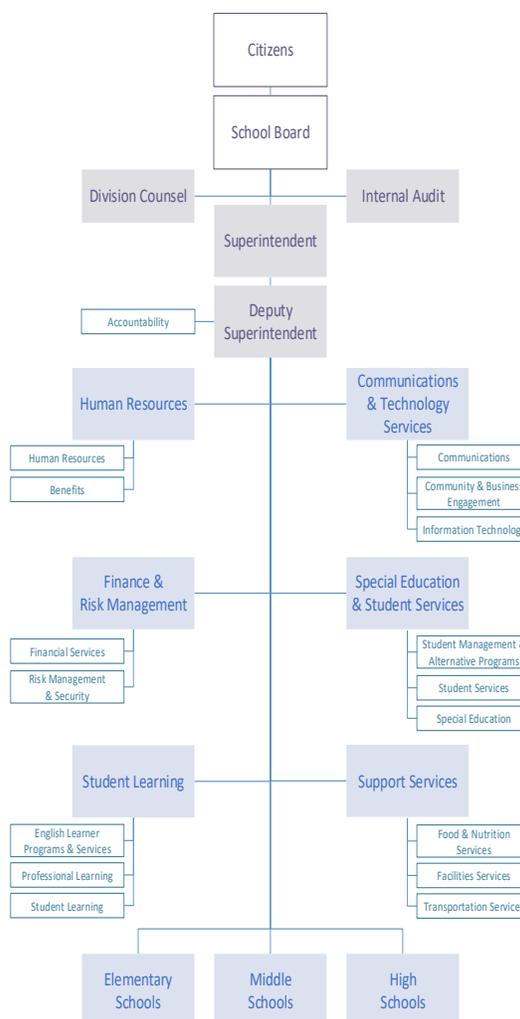
To focus on meeting the needs of its projected 92,048 students, while managing 100 schools and centers, PWCS is an efficient and well-managed organization of more than 11,000 employees.

Eight elected School Board members govern PWCS. Each member serves four-year terms. One member represents each of the county’s seven magisterial districts with the chairman serving at-large. The School Board is charged by Virginia law and the regulations of the Virginia Board of Education to establish guidelines and rules that guide the proper administration of the county’s school programs.

The Superintendent works closely with the Deputy Superintendent and the associate superintendents to oversee the day-to-day operations of the schools and support services. Principals and support department heads report to the associate superintendents. Effective FY 2020, Accountability began reporting directly to the Deputy Superintendent.

The School Division operates under a site-based management philosophy. Schools and departments have significant authority to plan and budget resources to meet the Division’s goals and objectives. Each school and department is accountable for successfully meeting goals and objectives.

This budget includes additional staffing to better focus on the needs of the students of Prince William County. Additional staffing is discussed later in this document.



# Budget Cycle

## State Law

Chapter 25 (§ 15.2-2500 et seq.) of Title 15.2, the governing body of a county and the governing body of a municipality shall each prepare and approve an annual budget for educational purposes by May 15 or within 30 days of the receipt by the county or municipality of the estimates of state funds, whichever shall later occur. Upon approval, each local school division shall publish the approved annual budget in line item form, including the estimated required local match, on the division's website, and the document shall also be made available in hard copy as needed to citizens for inspection.

The Superintendent of Public Instruction shall, no later than the fifteenth day following final adjournment of the Virginia General Assembly in each session, submit estimates to be used for budgetary purposes relative to the Basic School Aid Formula to each school division and to the local governing body of each county, city and town that operates a separate school division. Such estimates shall be for each year of the next biennium or for the then next fiscal year.

### Superintendent's Proposed Budget

The annual budget process commences in the fall of the preceding year with the establishment of a budget calendar that defines timelines including the dates and formats of staff meetings, dates of school and department budget submissions, work sessions, and the public hearings that lead to the final adoption of the proposed budget.

Staff prepares, for the School Board's consideration, a forecast that serves as a guideline for the Superintendent of Schools and the School Board in preparation of a proposed budget. A Joint Resolution between the School Board and the Prince William Board of County Supervisors (BOCS) supports the PWCS budget development process. In the resolution, the BOCS acknowledges the need for adequate local funding to support the operation of PWCS and the need for a commitment from both Boards to develop "five-year budget plans" to address major issues. Working cooperatively, the School Board and the BOCS agreed to develop and implement five-year budget plans. Under this agreement, the School Division receives 57.23 percent of all general revenues available to the county each year. The code of Virginia, section 22.1-92 states: 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. For the coming fiscal year (FY 2021), the School Division will therefore be submitting a budget that no longer adheres to the revenue sharing agreement. The School Division will be requesting the County to provide funds to support the Division that are in excess of the 57.23 percent of County general revenues by \$31.4 million.

The Virginia Department of Education (VDOE) also supports the PWCS budget development process. In December, VDOE provides projected state revenues for the coming year based on projected student enrollment. Historical data and information available at the time of budget development provide support for the estimates of all other revenue.

Funds are then allocated to schools and central departments to support budgets for staffing, benefits, materials, supplies, and equipment. These allocations are based upon the number and type of projected students, and are delivered in the form of fixed and per-pupil allocations, replacement equipment allocations, and supplemental allocations for specific programs. Individual school and department budgets, as well as some central account budgets, comprise the expenditure component of the Superintendent's Proposed Budget.

Capital needs for the coming year are budgeted within the Construction Fund budget. The development of these budgets is supported by an Infrastructure Task Force and Joint County/School Capital Process Team.

Capital needs and the Technology Improvements Plan (TIP) are determined through the development of the Capital Improvements Program (CIP). Annually, the School Board reviews and approves the CIP. Projects required to maintain or to improve instruction are included in the Superintendent's Proposed Budget. PWCS leadership presents the Superintendent's Proposed Budget to the School Board in early February.

### School Board's Advertised Budget

The School Board meets with the Superintendent and departments during work sessions in February and March. As required by Virginia law, the School Board and Superintendent conduct a public hearing to obtain comments and recommendations from the public prior to April 1. The School Board presents its advertised budget to the BOCS.

### Approved Budget

The BOCS holds budget work sessions and public hearings in conjunction with the School Board and appropriates a budget for the School Division by the end of April. The BOCS and the School Board appropriate the budget either by total amount or by state determined categories. The BOCS has historically appropriated the School Division's budget by total amount. The School Board may make additional adjustments within fund totals until June 30. An approved School Board document for the fiscal year (July 1 – June 30) is then prepared, published, and distributed.

### Budget Implementation

Once the BOCS adopts the budget, it becomes the basis for programs of each school and department during the fiscal year beginning on July 1. Fiscal accountability is at the budget appropriation code level. Budget holders may not expend or encumber more than the approved and appropriated budget authority. Financial and programmatic monitoring of department and school activities occurs throughout the year to ensure compliance. An amendment to the total amount requires approval from the BOCS via a resolution. Budget adjustments within individual funds do not require approval from the BOCS.

## Budget Process

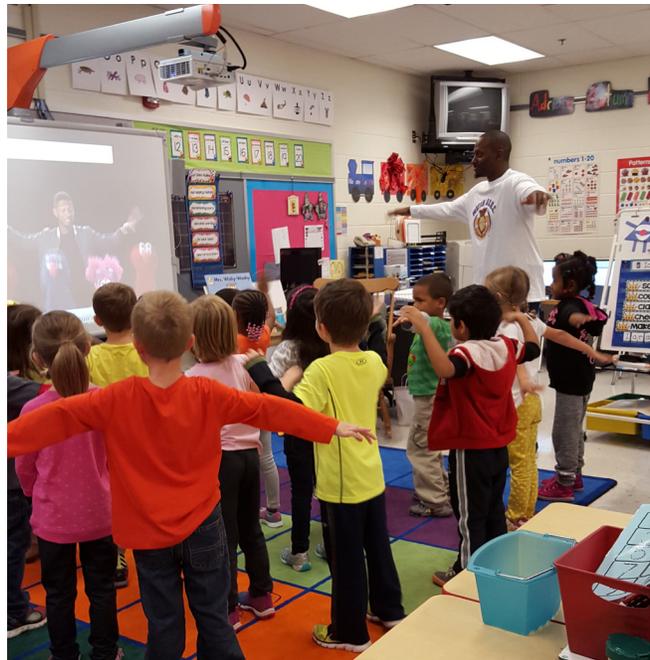
The budget process provides the capability for central office departments and schools to plan future operations in a manner to best serve the instructional and support needs of students. The budget process is a financial translation of the planning process. The budget process includes the following five basic components:

1. The establishment of an overall Division revenue target.
2. The establishment of school allocations based on projected enrollments and resources.
3. The establishment of central office support costs.
4. The development of budgets or expenditure plans for each central office department and school.
5. The assembly of individual budgets or expenditure plans into a comprehensive budget in accordance with anticipated revenues.

An approved chart of accounts supports the development of school budgets. The line item budget proposal includes the anticipated costs for supplies, equipment, services, and salaries. All salaries (except for grants and non operating funds) listed are at the Divisionwide average for each employee classification. In order to develop a school budget, each school is provided with an estimate of the number and types of students to be accommodated, an estimated school resource allocation, a listing of average salaries for each classification of employees, a budget manual, and appropriate budget forms. Within the allocated resources,

schools must plan for providing each student with an appropriate educational opportunity based on the needs of each student. Central office budgets adjust to reflect the changes in roles and responsibilities and the functions assigned to the schools. Additional funding is included in some central office budgets to provide support services for increases in student enrollment.

School and central office budgets are assembled into a comprehensive School Division budget and presented for review and approval. Since allocations are based on projected revenues, some adjustments may be required if these revenues change during the budget process. Budget allocations and school budgets adjust based on the number and types of students enrolled on September 30.



# Budget Calendar

For reference and planning purposes, below is a timeline outlining the budget process:

<b>September–November</b>	Budget holders submit analysis of strategic programs and critical needs
<b>February (First Week)</b>	Superintendent submits proposed budget to the School Board
<b>February (First Week)</b>	Budget holders receive allocations, projected student memberships, and budget materials to complete proposed budget. Budget holders submit proposed budgets
<b>February (Mid-Month)</b>	Public Meeting and Hearing on the proposed budget and Capital Improvements Program (CIP)
<b>February (Last Week)</b>	School Board work session
<b>March (Mid-Month)</b>	Work session/mark-up session on budget. School Board approves budget and submits to the Board of County Supervisors
<b>April (Last Week)</b>	Final date for Board of County Supervisors to approve School Board budget
<b>May (First Week)</b>	Budget holders receive allocations per School Board approved budget in order to complete approved budgets
<b>May (Second Week)</b>	Budget holders submit their approved budgets
<b>July 1</b>	Beginning of Fiscal Year
<b>October</b>	Budget holders receive revised allocation based upon September 30 student membership. Budget Office staff adjusts all budgets according to revised allocations



# Allocation of Human and Financial Resources

In order to allocate sufficient funds to each school and central office department, it is imperative that projections for the *September 30 student membership* are calculated. The forecasting methodology used to predict the number of students who enroll in PWCS is a combination of enrollment forecasting methods and attendance boundary analysis performed by the Office of Planning and Financial Services. PWCS receives funds through a variety of revenues to include federal, state, county, and local sources. In the fall of each year, estimates projecting the amount of expected funds for the next fiscal year occur. From these estimates, the available funding is allocated to each agency (school and central office department), then adjusted accordingly as information is updated at key points during the year.

To achieve *equity*, salaries exhibited are at the Divisionwide average and dealt with in terms of averages at the agency level only. The centrally administered budget demonstrates basic costs not related to a single agency. Although sometimes weighted by instructional need, the assignment of funds to agencies occurs on a per-pupil basis.

Both the State Board of Education and the School Board determine staffing ratios for schools. The Division has established the funding for staff ratios as follows:

- Kindergarten – Grade 3: 24:1
- Grades 4 – 5: 25:1
- Grades 6 – 8: 20.63:1
- Grades 9 – 12: 21.3:1

PWCS recognizes that in some special situations a smaller class size needs consideration.

Divisionwide average salary for each position dictates the allocation of funds to agencies. All agencies (except grants and non operating funds) are required to budget using the Divisionwide *average salary*. By dealing only with average salaries, agencies can achieve synthesized staffing units of equalized value throughout the School Division. This method avoids issues of educational preparation, seniority, and wage levels of staff members assigned to each agency.

The basis of the allocation formula is on “average” program requirements; therefore, the funding received by the agency for a specific program may be slightly more or slightly less than needed; however, the “*law of averages*” states over-funded programs should offset the under-funded programs and the total agency allocation should be sufficient to fund all programs.

“*Weighted-Student*” involves an index which is reviewed and updated as the student body regulates. In short, a factor of 1.00 for a regular elementary school level student establishes a proportional ratio or index for all other student levels.



## Financial Section – Financial Organization

The budgeting and accounting systems of PWCS are organized and operated based on self-balancing accounts, which are comprised of assets, liabilities, fund balances, revenues, and expenditures. The School Division allocates and accounts for resources in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The School Division has three major kinds of funds outlined below:

Fund Classification	Fund Type	Description	School Board Fund
Governmental Funds – account for operating and special activities.	Operating	The School Operating Fund is the primary PWCS fund and accounts for the revenue and expenditures necessary for the day-to-day operation of PWCS. This fund accounts for all allocated financial resources except those accounted for in another fund as required.	001-Operating Fund
	Debt	The Debt Service Fund accounts for the transfers of funds, primarily from the county's general fund, for the payment of general long-term debt principal and interest.	004-Debt Service Fund
	Capital Projects	The Construction Fund accounts for restricted or assigned financial resources used for the acquisition, construction, or repair of PWCS major capital facilities.	007-Construction Fund
	Special Revenue	Special Revenue Funds account for proceeds of specific revenue sources, other than major capital projects, in which expenditures are restricted or committed for a specified purpose.	010-Food Services Fund 018-Administration Building Cafeteria Fund 018-Facilities Use Fund 019-Student Activity Fund
Proprietary Funds – account for business type activities.	Enterprise	Enterprise Funds report any activity for which a fee occurs to an external user for goods or services.	024-School Age Child Care Program Fund 028-Aquatics Center Fund
	Internal Service	Internal Service Funds report any activity that provides goods or services to other funds, departments, or agencies of the primary government, or to other governments on a cost-reimbursement basis.	015-Distribution Center Fund 020-Imaging Center 022-Self-Insurance Fund 023-Health Insurance Fund
Fiduciary Funds – account for resources held for others by PWCS as a custodian or trustee.	Trust/Custodial	Trust Funds are custodial in nature and do not involve measurement of results of operations.	025-Regional School Fund 027-Governor's School @ Innovation Park Fund

## FY 2021 Operating Budget at a Glance

### Revenue Highlights

- Total operating revenue will increase by about \$103.5 million or 9.1 percent.
- County revenue to the Operating Fund will be about \$51.0 million more than FY 2020 for an increase of 10.1 percent.
- State revenue will be about \$42.3 million more than FY 2020 for an increase of 7.6 percent.
- Federal revenues reflect program estimates.
- A increase of the use of beginning balance by \$10.0 million.

### Expenditure Highlights

- 953 additional students over the FY 2020 approved budget at a cost of \$17.6 million. Growth rates over the last several years have slowed from a range of 2.0 to 3.0 percent to approximately 1.0 percent.
- Start up costs for opening of the Thirteenth High School and the Potomac Shores Middle School scheduled to open August 2021.
- Brentsville High School Turf Field and Stadium Enhancements and Hylton High School Turf Field.
- Compensation adjustments:
  - Step increase (2.8 percent cost increase) plus 2 percent COLA.
  - Implementation of Phase I of the Pay Equity Compensation Plan.
  - Health Insurance Rates remain unchanged.
  - The Virginia Retirement System (VRS) and Group Life Insurance (GLI) rate change (0.98 percent).
  - Adjustment for Supplemental Pay Rate of 3 percent.
  - Adjustment for Substitutes/Temporary Pay Rates of 2 percent.

- Continued restoration of economically disadvantaged funding to all grade levels. This restoration adds approximately \$5.5 million back to school budgets to help fund services, that were reduced during the great recession, for economically disadvantaged students.
- Funding to support additional 20 full day preschool classes through the Virginia Preschool Initiative.
- Approximately \$4.3 million in funding to support Digital Equity which ensures all students have equal access to technology and the training necessary to navigate digital tools.
- Funding to support Career Technology Education computer replacements and a culinary program at Gar-Field High School.
- Funding for the continued implementation of the Special Education Audit recommendations.
- Addition of 50.0 FTEs Grade 4 Special Education Teacher Assistants.
- SAT/ACT funding of \$150,000.
- Funding to support middle school schedule restructuring.
- Funding to support Superintendent's Staff: 1.0 FTE Associate Superintendent for Middle Schools, 1.0 FTE Associate Superintendent for High Schools, 1.0 FTE Chief Equity Officer, 2.0 FTEs Executive Secretary II, 1.0 FTE Secretary II.
- Addition of a 1.0 FTE Divison Attorney and 1.0 FTE Legal Assistant.
- Addition of a 1.0 FTE Student Services Coordinator for Title IX.

### Operating Fund at a Glance

	FY 2020	FY 2021	Change	Percent
County	508,129,132	559,178,570	51,049,438	10.1%
State	557,233,652	599,544,056	42,310,404	7.6%
Federal	37,722,864	38,524,921	802,057	2.1%
Other	7,237,617	6,576,323	(661,294)	(9.1)%
Beginning Balance	24,098,187	34,078,380	9,980,193	41.4%
<b>Total</b>	<b>1,134,421,452</b>	<b>1,237,902,250</b>	<b>103,480,798</b>	<b>9.1%</b>

*"This budget includes a 2.8 percent step increase and a cost of living adjustment of 2.0 percent. Overall health insurance rates will remain unchanged."*

# Operating Fund Revenue and Expenditures at a Glance

## Where it Comes From

**County Transfer:** Includes real estate, personal property, BPOL, utility, and local sales taxes.

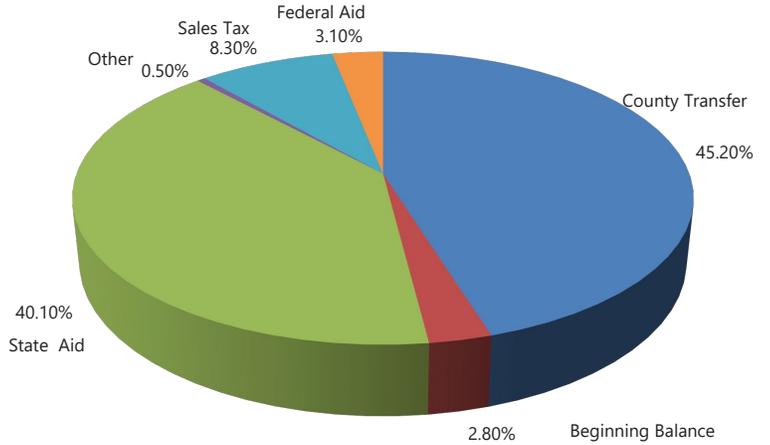
**State Aid:** Primarily includes Standards of Quality funding.

**Sales Tax:** One and one-eighth cent of the state sales tax designation for education.

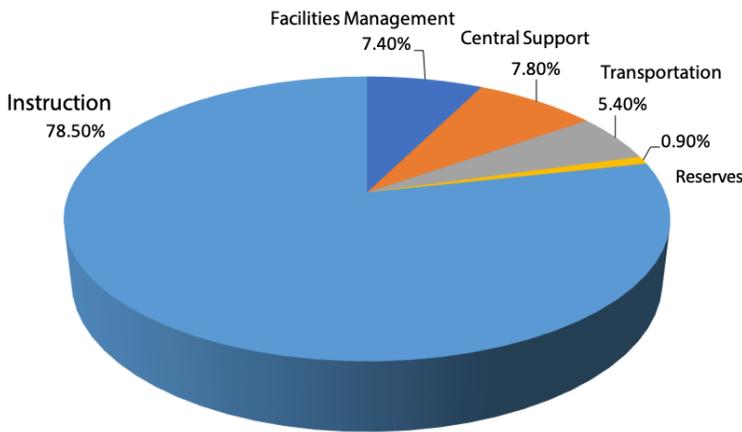
**Federal Aid:** Includes Impact Aid, IDEA, and categorical grants.

**Other:** Includes student fees and out-of-county tuition.

**Beginning Balance:** Includes funds set aside in prior years to support ongoing reserve funds.



## Where it Goes



Source: FY 2020 PWCS Adopted Budget

**Instruction:** Includes costs associated with providing instructional programs.

**Transportation:** Includes bus driver salaries, replacement buses, new buses, bus operations, and maintenance.

**Facilities Services:** Includes costs related to the operation and maintenance of school buildings and equipment.

**Central Support:** Includes costs associated with support services for finance, personnel, information technology, purchasing, and central administration.

**General Reserves:** Includes funds set aside for unanticipated costs.

## Revenue Summary by Fund

The table below shows revenues budgeted by fund with actual values for 2018-19, approved values for 2019-20 and proposed values for 2020-21 for comparison. Revenue by source is shown for the Operating and Debt Service Funds. A discussion of any significant changes in revenues follows this table.

Fund	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed	Increase/Decrease
<b>OPERATING</b>				
County	484,278,194	508,129,132	559,178,570	51,049,438
State	540,205,714	557,233,652	599,544,056	42,310,404
Federal	40,020,352	37,722,864	38,524,921	802,057
Local	8,299,156	4,737,617	4,076,323	(661,294)
Beginning Balance	0	24,098,187	34,078,380	9,980,193
Undistributed	0	2,500,000	2,500,000	0
<b>TOTAL OPERATING</b>	<b>1,072,803,416</b>	<b>1,134,421,452</b>	<b>1,237,902,250</b>	<b>103,480,798</b>
<b>DEBT SERVICE</b>				
County	104,750,397	104,447,888	107,737,539	3,289,651
Other	2,653,516	712,000	700,000	(12,000)
Transfers In	1,000,000	1,000,000	1,000,000	0
<b>TOTAL DEBT SERVICE</b>	<b>108,403,913</b>	<b>106,159,888</b>	<b>109,437,539</b>	<b>3,277,651</b>
Construction	32,250,003	87,039,323	173,894,586	86,855,263
Food Services	50,450,304	51,595,000	50,000,000	(1,595,000)
Distribution Center	4,409,493	5,000,000	5,000,000	0
Facilities Use	1,678,089	1,755,200	1,794,638	39,438
Imaging Center	539,595	635,516	668,041	32,525
Self-Insurance	5,163,520	5,627,478	5,768,836	141,358
Health Insurance	111,265,193	110,153,121	114,846,132	4,693,011
Regional School	25,441,275	46,813,026	26,046,907	(20,766,119)
SACC Program	551,766	550,000	550,000	0
Governor's School	953,108	1,004,340	1,016,199	11,859
Aquatics Center	1,159,407	1,314,906	1,455,297	140,391
Student Activity	0	0	15,200,000	15,200,000
<b>TOTAL ALL FUNDS</b>	<b>1,415,069,082</b>	<b>1,552,069,250</b>	<b>1,743,580,425</b>	<b>191,511,175</b>

# Revenues – Operating/Debt

## Operating Fund & Debt Service Fund

	FY 2020	FY 2021	Change	Percent Change
County	612,577,020	666,916,109	54,339,089	8.9%
State	557,233,652	599,544,056	42,310,404	7.6%
Federal	37,722,864	38,524,921	802,057	2.1%
Other	8,949,617	8,276,323	(673,294)	(7.5)%
Beginning Balance	24,098,187	34,078,380	9,980,193	41.4%
<b>TOTAL</b>	<b>1,240,581,340</b>	<b>1,347,339,789</b>	<b>106,758,449</b>	<b>8.6%</b>

PWCS receives revenue to support the Operating and Debt Service Funds from three primary sources: funds transferred by the BOCS, state aid, and federal aid. Additionally, summer school, adult education, other fees, and nonresident tuition accounts for a small amount of revenue. PWCS does not have taxing authority.

In FY 2021, it is projected PWCS will receive about \$1.35 billion to support the School Division's Operating and Debt Service Funds. This represents an increase of about \$106.8 million or 8.6 percent more than budget estimates for FY 2020.

### County Funds

#### **\$666.9 million; \$54.3 million more (8.9%)**

Real property, personal property, BPOL, utility, and local sales taxes are the primary revenue sources for Prince William County. The BOCS approves a transfer to PWCS to finance much of the Operating Fund and the payment of debt service. Through a joint resolution, the School Board and BOCS agree that the School Division receives 57.23 percent of the general revenues available to the county. The code of Virginia, section 22.1-92 states: 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. For the coming fiscal year (FY 2021), the School Division will therefore, be submitting a budget that no longer adheres to the revenue sharing agreement. The School Division will be requesting the County to provide funds to support the Division that are in excess of the 57.23 percent of County general revenues by \$31.4 million.

The requested county transfer to the School Division will be approximately \$666.9 million with \$559.2 million to support the Operating Fund. The remaining \$107.7 million is for the Debt Service Fund to pay debt service for previous and new school construction and other capital improvements.

### State Aid

#### **\$599.5 million; \$42.3 million more (7.6%)**

State revenue includes two forms of funding: state aid and sales tax. State aid includes funding for basic aid to support the Standards of Quality (SOQ) and categorical aid for special programs and initiatives. Since the state operates under a biennial budget, state aid is generally calculated for a two year period. FY 2021 is the first year of the biennium and therefore, adjustments are made resulting from the re-benchmarking process, as well as for increases in enrollment. In the first year of a biennium, state revenue adjustments include updating SOQ amounts to reflect the prevailing costs for providing these services. State funding usually increases significantly in the first year of the biennium, while second year increases are generally limited to funding additional students.

In the first year of the 2020-2022 Biennial Budget, (FY 2021) PWCS will receive about \$599.5 million in state funding, an increase of \$42.3 million. About \$102.6 million of this amount is the School Division's share of the one and one-eighth percent sales tax collected to support public education. Most state funding for capital projects, used historically by the School Division to fund school renewals and renovations, has been eliminated.

For years, the state has attempted to distribute aid to education equitably by recognizing that some localities are

## Executive Summary

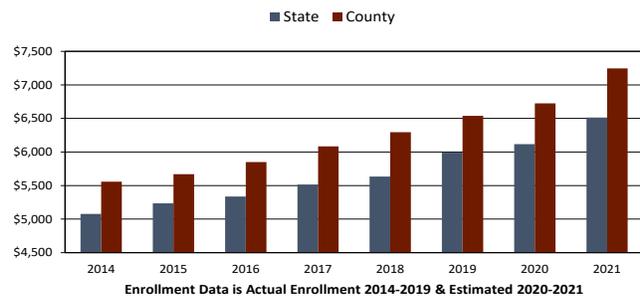
more able to fund education than are others. This approach, known as equalization, applies a factor to adjust a locality's state aid reimbursement to reflect the locality's ability to pay for education. The factor, called the Local Composite Index (LCI), combines three separate measures of local fiscal capacity (assessed value of real property, adjusted gross income, and taxable retail sales) into a single index. Those school divisions with a low LCI receive the greatest amount of state aid per pupil while those with a high index receive less state support. The state minimum LCI is 0.2000 and the maximum is 0.8000. In FY 2021, the LCI for PWCS will be 0.3799. This means that Prince William County is required to pay about 38 percent of the cost of the minimum educational program set by the state SOQ. It is important to note that every school division, even the poorest, significantly exceeds the state minimum SOQ program requirements.

For the 2020-2022 biennium, the LCI for PWCS will increase from .3783 to .3799. This amounts to a relative decrease in funding to PWCS of approximately \$1.06 million. The LCI ties to real estate values and the county has seen dramatic decreases in values in the past relative to the rest of the state. Residential property values in Prince William County have stabilized and have begun to increase. As a result, the LCI for PWCS will most likely increase in the future, resulting in decreased funding in the state formula.

### Northern Virginia Regional Special Education Program (NVRSP)

Over 40 years ago (1977 General Assembly authorization) VDOE implemented regional special education programs. The purpose of these programs was to provide a mechanism to allow school divisions to cooperate and share resources to provide services with low incidence disabilities. The authorized disabilities for state reimbursement include emotional disability, autism, multiple disabilities, hearing impairment, deaf/blindness, and traumatic brain injury. In 2015, the Virginia Department of Education (VDOE) conducted a comprehensive study of Special Education Regional Programs and the funding model used to provide funds to school divisions that provided special education services to students through those programs. After the study was completed, VDOE initiated a project to begin a transition from the existing funding model for these programs to a new funding model that will be implemented to provide for a more equitable distribution of these funds to

State and County Per Pupil Funding by Fiscal Year



all 132 school divisions in Virginia. The Equity Model includes several aspects that differ from the current funding model, as follows:

- The VDOE will distribute funds for Students with Intensive Support Needs, rather than for students in the current “reimbursable disability categories” in “regional programs.”
- The VDOE will use a formula to distribute funds.
- Regional Programs will no longer submit a Rate Package. Rather, individual divisions will submit an Application for Funds for Students with Intensive Support Needs.

As a result, NVRSP has experienced changes to their level of funding and enrollment under the new Equity Model for the past four years. The estimated revised levels of funding to PWCS are as much as \$15 million to \$19 million during the FY 2018-22 time period. The FY 2021 reduction is estimated at \$3 million. This reduction was considered when developing the FY 2021 budget. PWCS and VDOE staff continue to monitor the transition as the enrollment and the revenue in the Regional Special Education program decline.

### Federal Aid

#### **\$38.5 million; \$.8 million more (2.1%)**

Federal aid derives from various entitled federal programs, specific grants, and Impact Aid. With the exception of Impact Aid, federal revenues are generally categorical and expended for specific purposes according to established statutes and regulations. Federal funds supplement the costs of providing instructional services for students in vocational education, adult education, special education, and programs for educationally and/or economically disadvantaged students. In FY 2021, PWCS will receive about \$38.5 million in “traditional” federal funding. This represents an increase of about \$.8 million in federal grants

for specific programs. The basis for an increase in federal funding is from program estimates. The \$.8M increase is primarily due to a funding transfer to Title II, Part A from the Title IV, Part A, Allocations under Provisions of the Elementary and Secondary Education Act of 1964 (ESEA), as amended to provide resources for the continued efforts and program expansion of PWCS professional development to align with PWCS' high quality teaching standards. The additional funding will be designated for projects such as AP Leadership Academy, Teacher Mentors, Area specific conferences, consultants, and train the trainer courses.

### Other Revenue

#### **\$8.3 million; \$.7 million less (-7.5%)**

FY 2021 projects about \$8.3 million in available revenues from various other sources. These sources include fees for student parking, tuition for adult education classes, summer school, investment income, revenue from small grants and awards, savings from the prior year, and some revenues related to debt service.

Because of the time lapse between the sale of construction bonds and the actual expenditure of the proceeds from the sale, investment interest is earned on the bond proceeds and placed in a capital reserve fund. About \$1.0 million in interest from school construction bonds is available to offset the payment of debt service in FY 2021.

The budget also includes \$2.5 million in an undistributed category. This provides budget capacity for revenue from various unbudgeted grants that individual schools or the School Division might receive during the fiscal year.

A beginning balance of \$34.1 million is also budgeted. The Division has saved these funds from prior years. The School Division's Five-Year Plan manages the budget impact of these one-time funds, and their impact on revenues in future budgets. These revenues help support reserves representing about 2.8 percent of the proposed operating budget and are the only funds available to cover student membership increases greater than projected or unexpected revenue shortfalls. This budget has no other increases in general fees and does not add additional fees to support budget reductions.

## Revenues — Other Funds

The Debt Service Fund derives its revenues from several sources. The primary source revenue is from the County transfer. Other county revenue includes revenue credits associated to federally subsidized debt such as Build America Bonds (BABS) and Qualified School Construction Bonds (QSCBS). There is also a \$1.0 million a year transfer in from the capital reserve in the Construction Fund to the Debt Service Fund. Total revenue for FY 2021 is budgeted at \$109.4 up \$3.3 million from FY 2020.

The Construction Fund can have large swings in revenues (and expenditures) that are a result of timing of projects and the sale of debt. There are two primary sources of revenue to this fund, bond proceeds from the sale of debt and transfers in from the Operating Fund (cash to capital). During FY 2021 construction revenues will be increased and as a result the Construction Fund will experience a revenue increase of \$86.9 million from FY 2020.

Food Services Fund revenue comes from federal and state government subsidies as well as cafeteria food sales. In FY 2021, the revenue budget is \$50.0 million, a \$1.6 million decrease from FY 2020.

Revenues to the Distribution Center come from sales to internal users (schools and departments) and to a much

smaller extent, external parties. The revenue budget remains unchanged at \$5.0 million.

Facilities Use Fund revenues come from the rental of school facilities to external parties. This may include cafeterias, gymnasiums, auditoriums, and fields. The revenue budget for FY 2021 is \$1.8 million up \$39 thousand from FY 2020.

The Imaging Center was split off as a separate fund in FY 2019 for the first time. Revenues to this fund come from charges to internal and external users and is self supporting. In FY 2021, the revenue budget for the Imaging Center Fund is \$668 thousand up \$33 thousand from FY 2020.

The Self Insurance Fund revenues consist of charges for services to other funds and a small amount from insurance claims and recoveries. FY 2021 budget will be \$5.8 million, a \$141 thousand increase from FY 2020.

Health Insurance Fund revenue sources are payroll withholdings from employee pay and employer contributions for employee coverages. In FY 2021, the total revenue budget for the Health Insurance Fund is \$114.8 million, a \$4.7 million increase from FY 2020.

Prince William County is the fiscal agent for the Northern Virginia Regional Special Education Program (Regional

## Executive Summary

School). Revenues to this fund come from tuition payments made by Prince William County Schools, Manassas City Public Schools, Manassas Park City Public Schools, and Other localities. This revenue amount is decreasing as a result of changes being made at the state level to the laws guiding these regional programs. In FY 2021, the revenue budget is \$26 million, down almost \$21 million from FY 2020.

The School Age Child Care (SACC) Fund accounts for a before and after school program administered by a third party. This third party pays Prince William County Schools an administrative fee that the Division then uses to staff a small office that acts as a liaison between the Division and the third party. FY 2021 budget is unchanged at \$550 thousand.

The Governor's School at Innovation Park is a STEM school with enrollment of approximately 118 students from Manassas City Public Schools, Manassas Park City Public Schools, and Prince William County Public Schools. The fund receives its revenue support from the state and from

local tuition payments. The FY 2021 revenue budget is \$1.0 million, up \$12 thousand from FY 2020.

The Aquatics Center is a facility that is on the campus of Colgan High School. This facility provides services to the School Division and to the community at large. Revenues come from an Operating Fund transfer to the Aquatics Center Fund and from sale of merchandise concessions, swim lessons, parties, and memberships. FY 2021 revenue budget is \$1.5 million, a \$140 thousand increase from FY 2020.

Finally, the Student Activity Fund accounts for monies received from school events such as field trips, fundraisers, and community use of facilities. In FY 2021, the revenue budget is \$15,200,000.



# Operating Fund and Debt Service Fund

## Adjustment Changes from Approved FY 20 to Proposed FY 21

<b>FY 2020 Approved Expenditures for Operating and Debt Service Funds</b>		<b>\$1,240,581,340</b>
<b>Expenditure Changes for FY 2021</b>		
<b>Baseline Adjustments</b>		<b>-\$4,383,015</b>
Baseline Adjustments, Elimination of One-Time Costs	-\$1,675,990	
Restore General Reserve	\$46,070	
Inflation (2.0%) on Supplies, Materials, Equipment	\$1,411,939	
State Reduction for Regional Special Education Program	-\$3,000,000	
Adjustments in Grants & Self-Supporting Programs	-\$1,165,034	
<b>Compensation</b>		<b>\$32,146,201</b>
Step Increase (2.8% Cost Increase) plus 2% COLA	\$38,341,331	
Slippage in Compensation (Salary Vacancy Factor Plus Impact of Turnover)	-\$12,780,444	
Virginia Retirement System (VRS) & Group Life Insurance (GLI) Rate Change (0.98%)	\$6,221,562	
Adjustment to Supplemental Pay Rates (3%)	\$212,192	
Adjustment for Substitutes/Temporary Pay Rates (2%)	\$151,560	
<b>New Students &amp; Schools</b>		<b>\$23,650,692</b>
Funding for New Students (953)	\$17,631,041	
Startup Costs for New School - "Thirteenth" High School (HS)	\$1,966,000	
Startup Costs for New School - "Potomac Shores" Middle School (MS)	\$776,000	
Debt Service Net Increase	\$3,277,651	
<b>School Repairs &amp; Renewals</b>		<b>\$500,000</b>
CIP – Increase Technology Improvement Projects (TIP) Funding	\$500,000	
<b>New Resources</b>		<b>\$54,844,571</b>
Maintain PWCS Regional Special Education Programs	\$3,000,000	
Transportation Services Dispatchers 4.0 FTEs 250 Day Gr 6	\$259,697	
Bookkeeper I Change from 223 to 250 Day	\$436,280	
Administrative Coordinator Risk Mgmt 1.0 FTE 250 day Gr 15	\$155,088	
Facilities Services Senior GIS Analyst 1.0 FTE 250 day Gr 14	\$137,590	
Facilities Services Permit Coordinator 1.0 FTE 250 day Gr 13	\$132,348	
Special Education Coordinator 1.0 FTE 223 day Gr 16	\$152,448	
Info Technology Supv Gr 16 Reclassified to Gr 18	\$34,379	
Student Services Guidance Counselor Coordinator 1.0 FTE 250 day Gr 13	\$140,756	
Virtual High School	\$1,250,000	
Increased School Funding for Textbooks	\$496,545	
Administrative Association Fees 10% Increase	\$7,347	
Improve Economically Disadvantaged Ratio (6-12) Reduce ratio from 645:1 to 448:1	\$1,249,084	
Improve Economically Disadvantaged Ratio (K-5) Reduce ratio from 163:1 to 118:1	\$4,240,824	
One-Time Funding: Brentsville HS Turf Field and Stadium Enhancements	\$4,116,000	
One-Time Funding: Hylton HS Turf Field	\$1,646,000	
Virginia Preschool Initiative (VPI) Increase	\$4,916,158	
One-Time Funding: VPI Classroom Startup	\$144,000	
Increase support for the Aquatics Center	\$450,000	
Increase in Innovation Governor's School Seats (9) from MCPS and MPCPS	\$114,215	
Increase in Local Share of E-Rate Expense for Eligible Projects	\$394,000	
One-Time Funding: Middle School Conference	\$9,325	

## Executive Summary

### Operating Fund and Debt Service Fund

(continued)

One-Time Funding: Feasibility Study - Green Schools	\$25,000	
One-Time Funding: Feasibility Study - Transportation	\$25,000	
One-Time Funding: Consultant for Fin/HR systems	\$500,000	
One-Time Funding: Robotics + \$30,000 current year funding	\$100,000	
One-Time Funding: Youth Mental Health First Aid Training	\$48,000	
One-Time Funding: K-2 Survey on Homework, Standards Based Grading, Testing, and Assignments over Breaks	\$250,000	
One-Time Funding: Destination Dance	\$185,000	
One-Time Funding: CTE - Culinary - Gar-Field	\$1,476,865	
One-Time Funding: CTE - Computers	\$1,000,000	
One-Time Funding: Digital Equity	\$4,251,601	
One-Time Funding: PK Transportation (restraints)	\$33,000	
One-Time Funding: Transportation 4G Compatible Tablets for Buses (859)	\$886,902	
Add Bel Air ES - Dual Language Program	\$77,000	
Increase Tuition Reimbursement	\$149,742	
Specialty Program Funding for High Schools (12)	\$120,000	
Social Worker 11.0 FTEs 195 Day Gr 12	\$1,062,771	
Distance Learning Network	\$50,000	
Supplement for Administrators for 30+ Hours over Master's and for Doctorate (\$3,000 each)	\$142,500	
Ongoing Expense and Possible Expansion of Funding for Club Sports	\$75,000	
Increase in SAT/ACT Funding	\$150,000	
Global Welcome Center Psychologist 1.0 FTE 195 Day Gr 12	\$96,607	
Superintendent's Staff - Assoc Supts for Middle & High Schools - 2.0 FTEs 250 Day Gr 22	\$661,800	
Superintendent's Staff - Executive Secretary II - 2.0 FTEs 250 Day Gr 9	\$194,262	
Funding for Additional Transportation Support for High School Summer School	\$53,091	
Revise Gifted START Funding Allocation (Adds 1.0 FTE)	\$100,730	
Dual Enrollment Stipend for Teachers	\$85,000	
Additional Nurse to Serve as Floating Substitute 1.0 FTE 195 Day Gr 12	\$95,753	
Adjust Elementary Strings Funding Ratio to Provide Teachers 2.0 FTEs 195 Day Gr 12	\$193,493	
Add Additional Division Attorney 1.0 FTE 250 Day Gr 21	\$238,089	
Add Legal Assistant 1.0 FTE 250 Day Gr 6	\$65,622	
Student Services Coordinator for Title IX 1.0 FTE 250 Day Gr 15	\$155,183	
Special Education Teacher Assistant - Contracted Positions 50.0 FTEs 188 Day Gr 4	\$2,032,286	
One-Time Funding: Technology Improvements Program (TIP) Learning Management System	\$336,000	
Superintendent's Staff - Chief Equity Officer 1.0 FTE 250 Day Gr 19	\$194,093	
Superintendent's Staff - Secretary II - 1.0 FTE 250 Day Gr 6	\$65,622	
Finance - Additional Bookkeeper to Serve as Floating Substitute 1.0 FTE 250 Day Gr 9	\$96,702	
Human Resources - Dedicated IT Systems II Analyst 1.0 FTE 250 Day Gr 15	\$155,183	
Accountability - Additional Data Quality Assurance Coordinator 1.0 FTE 250 Day Gr 13	\$144,074	
Professional Learning - Additional Funding for Division Learning Plan	\$50,526	
Facilities Services - Irrigation Technician (FW II) 1.0 FTE 250 Day Gr 7	\$71,104	
One-Time Funding: Facilities Services - Irrigation Technician Start-Up Funds	\$47,500	
Transportation Scheduling Technicians 4.0 FTEs 250 Day Gr 7	\$313,041	
Transportation Customer Service Advocate 1.0 FTE 250 Day Gr 14	\$149,644	

## Executive Summary

### Operating Fund and Debt Service Fund

*(continued)*

Student Services - Coordinator of Student Internships 1.0 FTE 250 Day Gr 14	\$149,644	
Special Education Audit Recommendations	\$665,580	
Innovative Programs	\$500,000	
Pay Equity-Compensation Plan (Phase I)	\$10,286,300	
Bus Driver Pay Increases	\$1,375,000	
Fund Additional 3.0 FTEs Gr 12 195 Day Guidance Counselor/Director at Nokesville/ Pennington/Porter	\$280,833	
FY21 Funding Middle School Schedule Restructuring	\$1,746,160	
Advanced Program Coordinator (AP, IB, Cambridge, and Dual Enrollment)	\$155,184	
<b>FY 2021 Projected Expenditures</b>	<b>\$106,758,449</b>	<b>\$1,347,339,789</b>
<b>FY 2021 Projected Revenues (Operating &amp; Debt Service)</b>	<b>\$106,758,449</b>	<b>\$1,347,339,789</b>
<b>Estimated FY 2021 Surplus/(Deficit)</b>		<b>\$0</b>
<b>Debt Service Fund</b>		<b>\$109,437,539</b>
<b>Operating Fund</b>		<b>\$1,237,902,250</b>

### Baseline Adjustments

#### \$-4.4 million

Baseline adjustments represent the costs of personnel, materials, equipment, and services to continue current programs and services in FY 2021. This normally includes increases in selected accounts for inflation, adjustments in other accounts to reflect the cost of doing business, and the elimination of nonrecurring costs budgeted in previous years.

Baseline adjustments include such items as updating schools for replacement equipment funding based upon the passage of another year, adjusting the K-3 class-size costs because of the change in the LCI, and school level staffing to remain in compliance with state staffing standards for Instructional Technology Coaches (ITC).

#### Inflation, Adjustments, and Replacements

This year there was an increase to school and departments budgets for inflation related to supplies, materials, and equipment. Funding has been provided to adjust for programmatic changes in replacement equipment and vehicles based on a 14-year schedule. This budget supports the replacement of 58 buses, 17 trucks, and three cars.

#### Grants and Self-Supporting Programs

Grants and self-supporting programs are required to operate within the revenues available for these programs. Adjustments for revenues for these federal, state and locally funded programs will decrease overall by about \$1.2 million in FY 2021. This is primarily due to decreased funding for summer school as a result of reductions in student participation, and adjustments for changes to funding sources for Preschool Programs. Expansion of the Virginia Preschool Initiative (VPI), and the related expense is identified separately within the New Resources category of this budget. Overall, this budget includes about \$57.6 million in revenues and expenditures for grants and self-supporting programs (including the net changes to VPI.)

#### Regional Special Education Program

As mentioned under State Aid, PWCS is estimating a reduction of \$3 million over the FY 2020 Approved Budget in state funds for the Regional Special Education Program due to the Virginia Department of Education's statewide restructuring of the program.

### New Students and Schools

#### \$23.6 million

The FY 2021 budget includes about \$17.6 million for per pupil allocations to schools and central support services to maintain

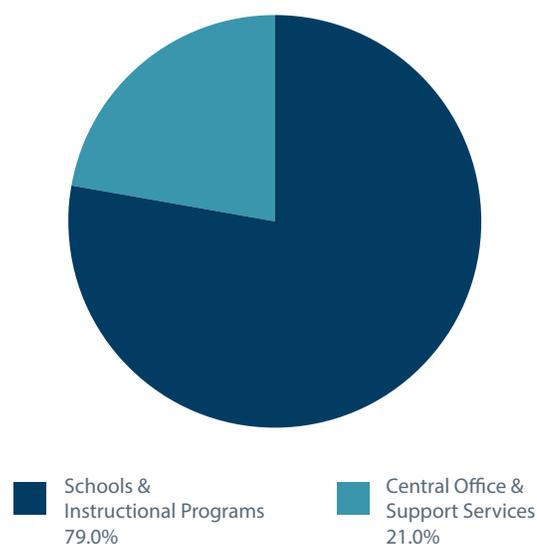
current programs and services for the 953 new students projected in enrollment since the FY 2020 Approved Budget.

In August 2021, the School Division will open two new schools; a middle school at Potomac Shores and a 13th High School. The Construction Fund Budget provides funds for outfitting this facility and addresses the capital needs of the new school. The School Division provides initial operating funds for basic start-up costs such as staff (principal, bookkeeper) to facilitate the opening of the school and assist with the purchase of textbooks, library books, and other consumable supplies.

The Debt Service Fund expenditures will increase by \$3.3 million over the FY 2020 Approved Budget. The increase is the difference between the debt service on bonds for new schools and the interest and principal retired on previous construction bonds.

Funding is included to support the costs associated with the construction of secure vestibules at Woodbridge Middle and Graham Park Middle; funding for tennis court lighting at two high schools; renewals at Beville Middle, Mountain View Elementary, and Penn Elementary; and school repair and maintenance projects.

#### Expenditures Instruction vs. Support



Source: FY 2020 PWCS Adopted Budget

### Compensation

#### **\$32.1 million Salaries**

Historically, salary increases occur in order to remain competitive in the Northern Virginia job market. This includes adjustments to the salary scale in the form of cost-of-living increases and salary-step increases. The current average step increase for eligible employees is about 2.8 percent each year it occurs until the employee reaches the top of the salary scale. Only about one percent of employees are currently at the top of their pay scales.

This budget supports a step increase for eligible employees and a 2.0 percent cost of living adjustment totaling an average increase of 4.8 percent. Each one percent of salary and benefits costs about \$8.2 million.

Several factors contribute to a “slippage” in the costs for providing step and salary scale adjustments each year. Slippage is the difference between the calculated cost of compensation and the actual cost. The Retirement Opportunity Program, salary placement policies, and the length of time positions are vacant all contribute to the actual cost for compensation being less than the calculated cost. Historically, the actual slippage in compensation has averaged about three percent of total compensation. The amount of slippage is also a function of the pay increases from the prior year. Typically, the amount of slippage realized decreases as pay raises decrease. The slippage from FY 2021 projects to be less than the historic norm. This is due to a higher retention rate of employees and a decrease in the rate of retirements. Therefore, the estimated slippage for next year has been budgeted at about 1.5 percent of estimated compensation. This means that \$12.8 million may reduce the effective cost for the pay raise.

#### **Benefit Programs**

In FY 2021, the average cost of benefits for a typical employee will be about 39.80 percent of salary. VRS rates have increased. The VRS retirement rate is 16.63 percent, increased from the FY 2020 Approved rate of 15.68 percent. The FY 2021 state group life insurance (GLI) rate is 1.34 percent, increased from 1.31 percent in FY 2020. The health care credit rate is 1.20 percent, unchanged from last year.

Health insurance premiums are projected to remain the same as in FY 2020. The PWCS average increase for the past five years has been less than the national average; increases in utilization are still the primary issue driving the cost changes.

### School Repairs & Renewals

#### **\$0.5 million CIP Technology Improvement Projects (TIP)**

This marks the tenth year that there has not been sufficient budget to fund identified technology projects in the CIP. Additional information regarding technology projects is available within the CIP. Currently, our limited access to high-quality, authentic resources is negatively impacting our students, hindering their opportunities to develop and apply twenty-first century skills, including communication, collaboration, critical thinking, and creativity. To ensure all PWCS students have equitable access to quality, authentic resources at home and school, implementing a four-year digital equity initiative would positively impact and prepare our students for their futures. The digital equity initiative goal is to move toward one-to-one learning devices in grades 3-12, and one learning device to three students in grades K-2. Funding is also needed to support projects such as continued implementation of LAN and WLAN upgrades; data center and school upgrades and replacements (e.g., servers, back-up systems, storage, disaster recovery); and network infrastructure and bandwidth upgrades and replacements.

For the last several years, available end-of-year funds helped to address technology needs partially, including the purchase of additional interactive whiteboards for every classroom in the Division.

## Executive Summary

### New Resources

#### \$54.8 million

This budget identifies \$54.8 million for new resources and allocations to existing programs and services. The items associated with this funding are listed below in accordance with six keys areas aligned to the Division's strategic priorities.

1. Educational Equity, and Academic Achievement for All		\$22,880,488
Accountability - Additional Data Quality Assurance Coordinator 1.0 FTE 250 Day Gr 13	\$144,074	
Distance Learning Network	\$50,000	
FY21 Funding Middle School Schedule Restructuring	\$1,746,160	
Improve Economically Disadvantaged Ratio (6-12) Reduce ratio from 645:1 to 448:1	\$1,249,084	
Improve Economically Disadvantaged Ratio (K-5) Reduce ratio from 163:1 to 118:1	\$4,240,824	
Increase in Innovation Governor's School Seats (9) from MCPS and MPCPS	\$114,215	
Increase in Local Share of E-Rate Expense for Eligible Projects	\$394,000	
Increased School Funding for Textbooks	\$496,545	
Maintain PWCS Regional Special Education Programs	\$3,000,000	
One-Time Funding: Technology Improvements Program (TIP) Learning Management System	\$336,000	
One-Time Funding: Digital Equity	\$4,251,601	
One-Time Funding: K-2 Survey on Homework, Standards Based Grading, Testing, and Assignments over Breaks	\$250,000	
One-Time Funding: Middle School Conference	\$9,325	
One-Time Funding: PK Transportation (restraints)	\$33,000	
One-Time Funding: Transportation 4G Compatible Tablets for Buses (859)	\$886,902	
Special Education Audit Recommendations	\$665,580	
Special Education Coordinator 1.0 FTE 223 day Gr 16	\$152,448	
Special Education Teacher Assistant - Contracted Positions 50.0 FTEs 188 Day Gr 4	\$2,032,286	
Superintendent's Staff - Assoc Supts for Middle & High Schools - 2.0 FTEs 250 Day Gr 22	\$661,800	
Superintendent's Staff - Executive Secretary II - 2.0 FTEs 250 Day Gr 9	\$194,262	
Transportation Customer Service Advocate 1.0 FTE 250 Day Gr 14	\$149,644	
Transportation Scheduling Technicians 4.0 FTEs 250 Day Gr 7	\$313,041	
Transportation Services Dispatchers 4.0 FTEs 250 Day Gr 6	\$259,697	
Virtual High School	\$1,250,000	
2. Teachers and Staff		\$12,592,074
Administrative Association Fees 10% Increase	\$7,347	
Bookkeeper I Change from 223 to 250 Day	\$436,280	
Bus Driver Pay Increases	\$1,375,000	
Dual Enrollment Stipend for Teachers	\$85,000	
Increase Tuition Reimbursement	\$149,742	
Info Technology Supv Gr 16 Reclassified to Gr 18	\$34,379	
One-Time Funding: Feasibility Study - Transportation	\$25,000	
Pay Equity-Compensation Plan (Phase I)	\$10,286,300	
Professional Learning - Additional Funding for Division Learning Plan	\$50,526	
Supplement for Administrators for 30+ Hours over Master's and for Doctorate (\$3,000 each)	\$142,500	

## Executive Summary

### New Resources

(continued)

<b>3. Prekindergarten (PreK) Access</b>		<b>\$5,060,158</b>
One-Time Funding: VPI Classroom Startup	\$144,000	
Virginia Preschool Initiative (VPI) Increase	\$4,916,158	
<b>4. Student Mental Health and Wellness</b>		<b>\$2,139,618</b>
Additional Nurse to Serve as Floating Substitute 1.0 FTE 195 Day Gr 12	\$95,753	
Fund Additional 3.0 FTEs Gr 12 195 Day Guidance Counselor/Director at Nokesville/ Pennington/Porter	\$280,833	
Global Welcome Center Psychologist 1.0 FTE 195 Day Gr 12	\$96,607	
One-Time Funding: Youth Mental Health First Aid Training	\$48,000	
Social Worker 11.0 FTEs 195 Day Gr 12	\$1,062,771	
Student Services Coordinator for Title IX 1.0 FTE 250 Day Gr 15	\$155,183	
Student Services Guidance Counselor Coordinator 1.0 FTE 250 day Gr 13	\$140,756	
Superintendent's Staff - Chief Equity Officer 1.0 FTE 250 Day Gr 19	\$194,093	
Superintendent's Staff - Secretary II - 1.0 FTE 250 Day Gr 6	\$65,622	
<b>5. Career, Military, and College Readiness</b>		<b>\$4,786,007</b>
Add Bel Air ES - Dual Language Program	\$77,000	
Adjust Elementary Strings Funding Ratio to Provide Teachers 2.0 FTEs 195 Day Gr 12	\$193,493	
Advanced Program Coordinator (AP, IB, Cambridge, and Dual Enrollment)	\$155,184	
Funding for Additional Transportation Support for High School Summer School	\$53,091	
Increase in SAT/ACT Funding	\$150,000	
Increase support for the Aquatics Center	\$450,000	
Innovative Programs	\$500,000	
One-Time Funding: CTE - Computers	\$1,000,000	
One-Time Funding: CTE - Culinary - Gar-Field	\$1,476,865	
One-Time Funding: Destination Dance	\$185,000	
One-Time Funding: Robotics + \$30,000 current year funding	\$100,000	
Ongoing Expense and Possible Expansion of Funding for Club Sports	\$75,000	
Revise Gifted START Funding Allocation (Adds 1.0 FTE)	\$100,730	
Specialty Program Funding for High Schools (12)	\$120,000	
Student Services - Coordinator of Student Internships 1.0 FTE 250 Day Gr 14	\$149,644	
<b>6. Sustainable Facilities, School Safety, and Support Infrastructure</b>		<b>\$7,386,226</b>
Add Additional Division Attorney 1.0 FTE 250 Day Gr 21	\$238,089	
Add Legal Assistant 1.0 FTE 250 Day Gr 6	\$65,622	
Administrative Coordinator Risk Mgmt 1.0 FTE 250 day Gr 15	\$155,088	
Facilities Services - Irrigation Technician (FW II) 1.0 FTE 250 Day Gr 7	\$71,104	
Facilities Services Permit Coordinator 1.0 FTE 250 day Gr 13	\$132,348	
Facilities Services Senior GIS Analyst 1.0 FTE 250 day Gr 14	\$137,590	
Finance - Additional Bookkeeper to Serve as Floating Substitute 1.0 FTE 250 Day Gr 9	\$96,702	
Human Resources - Dedicated IT Systems II Analyst 1.0 FTE 250 Day Gr 15	\$155,183	
One-Time Funding: Brentsville HS Turf Field and Stadium Enhancements	\$4,116,000	
One-Time Funding: Hylton HS Turf Field	\$1,646,000	
One-Time Funding: Facilities Services - Irrigation Technician Start-Up Funds	\$47,500	
One-Time Funding: Consultant for Fin/HR systems	\$500,000	
One-Time Funding: Feasibility Study - Green Schools	\$25,000	
<b>Total New Resources</b>		<b>\$54,844,571</b>

## Executive Summary

### 800 MHz Radio Sinking Fund

The proposed sinking fund to save \$333,000 a year for the next ten years in order to purchase the next generation of 800 MHz radios is not included in this budget. This will be a priority for funding if additional one-time funding becomes available at the end of the fiscal year.

### Cost per Pupil

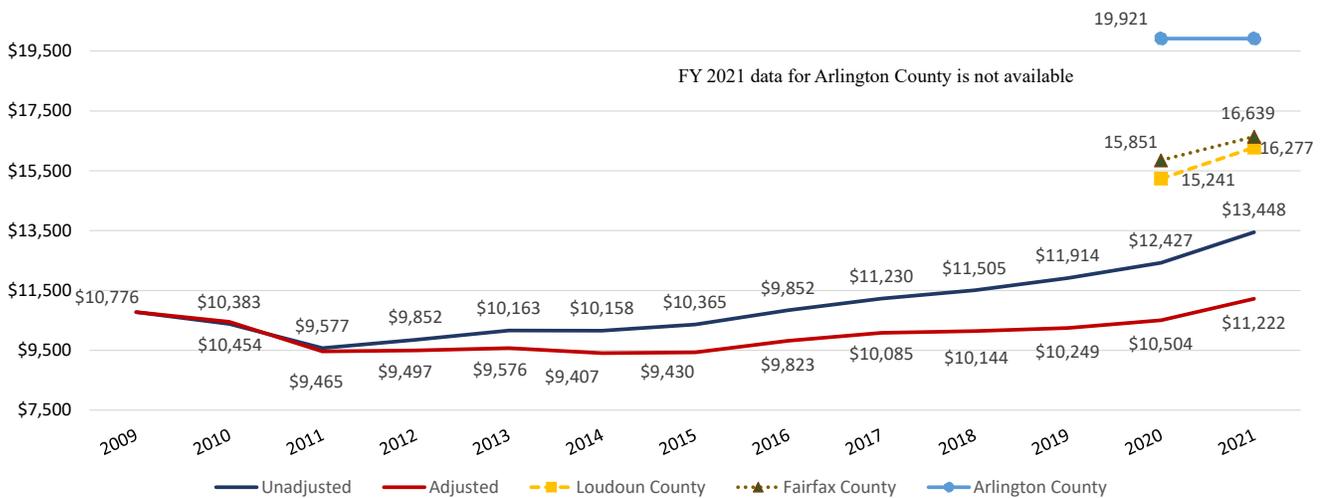
The chart below shows both the change in PWCS' unadjusted cost per pupil and the inflation adjusted cost per pupil over the period 2009 to 2021. It also shows the cost per pupil amounts for Fairfax County and Loudoun County, from their FY 2021 proposed budget. The chart highlights two issues.

The first is the comparative cost per pupil between the counties to the north and PWCS' cost per pupil. PWCS compares itself to other localities in the Washington Area Boards of Education (WABE) group for all kinds of metrics, including financial. The funding levels provided to these county school divisions are substantially higher than Prince William. If the Division does not begin to see funding levels move towards other WABE localities, the PWCS administration may want to consider other divisions to compare financial, operational, and instructional outcomes.

The levels on the chart include an additional \$31.4 million in excess of the revenue share of 57.23 percent. If the Board of County Supervisors excludes this amount, PWCS will experience the funding disparity increase that already exists. Loudoun County Public Schools, for example, is requesting an increase of \$113.6 million while they have approximately 7,000 fewer students than PWCS.

The second is the change in costs per pupil over the FY 2009 to FY 2021 period. With the revenue in excess of the share, the Division is just a little higher in adjusted dollars than the Division was in FY 2009. During that period, the Division has experienced substantial increases in populations that require far more support than the general education population. Three examples of these populations are economically disadvantaged students, students with special needs, and English language learners students. These students require more support which requires higher levels of funding. The note on the Cost per Pupil chart identifies the additional amounts PWCS would receive if funded at the same per pupil levels as Loudoun County and Fairfax County.

### Cost per Pupil Change Over Time (Unadjusted and Adjusted for Inflation)



If funded at the same rate as Loudoun:  $\$2,829 \times 92,048 = \$260,403,792$

If funded at the same rate as Fairfax:  $\$3,191 \times 92,048 = \$293,725,168$

If funded at the same rate as Arlington:  $\$6,473 \times 92,048 = \$595,826,704$

## Fiscal Year Budget Comparison for All Funds

The table below includes the total budget by fund showing actual expenditure values for 2016-17, 2017-18, and 2018-19, approved expenditure values for 2019-20 and proposed expenditure values for 2020-21 for comparison.

Fund	Actual 2016-17	Actual 2017-18	Actual 2018-19	Approved 2019-20	Proposed 2020-21
Operating	981,419,451	1,008,873,566	1,046,802,588	1,134,421,452	1,237,902,250
Debt Service	89,713,615	101,582,250	105,491,378	106,159,888	109,437,539
Construction	157,703,561	97,981,897	147,363,672	87,039,323	173,894,586
Food Services	46,571,434	45,900,157	45,271,884	51,595,000	50,000,000
Imaging Center	0	0	588,394	635,516	668,041
Facilities Use	1,440,894	1,513,883	1,464,941	1,755,200	1,794,638
School Age Child Care Program	632,706	618,993	576,079	550,000	550,000
Distribution Center	4,983,943	4,809,337	4,185,215	5,000,000	5,000,000
Self-Insurance	3,392,836	5,177,683	4,001,040	5,627,478	5,768,836
Health Insurance	94,000,275	96,253,147	98,338,406	110,153,121	114,846,132
Governor's School @ Innovation Park	841,786	901,411	974,090	1,004,340	1,016,199
Regional School	47,530,503	38,203,258	25,385,602	46,813,026	26,046,907
Aquatics Center	751,000	1,055,628	1,191,386	1,314,906	1,455,297
Student Activity	0	0	0	0	15,200,000
<b>Grand Total</b>	<b>1,428,982,004</b>	<b>1,402,871,210</b>	<b>1,481,634,675</b>	<b>1,552,069,250</b>	<b>1,743,580,425</b>



## School Board Funds

Other than the Operating Fund, the budget includes funds for the management of special activities and functions. The FY 2021 budget consists of the fourteen funds under the control of the School Board.

### Operating Fund

**\$1,237,902,250; 11,658.0 positions**

This fund provides for the day-to-day operations and maintenance of the schools and is funded primarily by county, state, and federal funds.

### Construction Fund

**\$173,894,586; 7.0 positions**

This fund provides for all new facilities and most facility renovations and expansions. Funds are primarily from the sale of bonds.

### Debt Service Fund

**\$109,437,539; 0.0 positions**

This fund pays principal and interest on bonds and loans sold to finance capital projects in the Construction Fund. County funds almost entirely support this fund.

### Food Services Fund

**\$50,000,000; 659.86 positions**

This fund provides for all Food Services' operating and administrative costs. Food sales and federal/state subsidies primarily support this fund.

### Health Insurance Fund

**\$114,846,132; 6.0 positions**

This fund pays claims and related expenses for the health care program. The primary sources of revenue are employer contributions paid by the other funds and employee contributions deducted from employee pay on a semi-monthly basis.

### Administration Building Cafeteria Fund

**\$555,200; 5.0 positions**

This fund provides for the operating costs of the cafeteria in the Edward L. Kelly Leadership Center. The sale of food in the cafeteria and catering primarily support this fund.

### Aquatics Center Fund

**\$1,455,297; 6.0 positions**

The Aquatics Center Fund tracks costs associated to the operation of the aquatics center located on the same site as Colgan High School.

### Facilities Use Fund

**\$1,239,438; 1.0 position**

This fund accounts for revenues and expenditures collected from the use of schools by non-school organizations. Building rental fees support this fund. Revenue funds the position for managing the program and playground improvements at elementary schools.

### Regional School Fund

**\$26,046,907; 4.5 positions**

This fund provides for the operation of the Northern Virginia Regional Program jointly operated by PWCS, Manassas City Schools, and Manassas Park City Schools. Tuition from the three school divisions supports the program that provides certain special education services.

### Governor's School @ Innovation Park

**\$1,016,199; 9.0 positions**

This fund provides for the operation of the Governor's School jointly operated by PWCS, Manassas City Schools, Manassas Park City Schools, and George Mason University. The school offers selected juniors and seniors an advanced and intensive program in science, technology, engineering, and mathematics (STEM). Tuition from the three school divisions and state funds support the school.

### School Age Child Care Program Fund

**\$550,000; 2.8 positions**

This program provides adult supervised, high quality, affordable, before and after school care by private child-care providers. A flat-fee charged to the providers funds the program oversight.

### Self-Insurance Fund

**\$5,768,836; 5.0 positions**

This fund pays claims and related expenses for workers' compensation and self-insured losses. Transfers from the Operating Fund supports the fund.

### Distribution Center Fund

**\$5,000,000; 0.0 positions**

This fund tracks the purchase of warehouse stock items from vendors and the sale of items issued to schools and departments. Revenues and expenses are predominately a result of operations of the warehouse function.

### Imaging Center Fund

**\$668,041; 4.0 positions**

This fund tracks the sale, primarily to internal customers, of printed materials and printing services.

### Student Activity Fund

**\$15,200,000; 0.0 positions**

This fund accounts for monies received from school events such as fundraisers, field trips, and community use of facilities.

## Five-Year Budget Plan

Since it is difficult, if not impossible, to address all county and School Division needs in a single year, a long-term approach to balance expenditures with anticipated revenues must occur. In past years, the School Board and the BOCS developed and implemented a five-year budget plan. Under the agreement, the School Division projections were limited to the 57.23 percent of all general revenues available to the county. The FY 2021-25 five-year plan no longer adheres to the revenue sharing agreement. The School Division is requesting funds from the County in excess of the revenue sharing agreement to balance a budget which provides the funds deemed necessary to support the Division in the next five years.

In developing criteria for expenditure projections, service level standards were determined for support and instructional programs. Staffing ratios, current costs, and student membership growth were the basis for service levels. The service level standards break down expenditures into three basic categories: fixed costs not driven by the number of students; per pupil costs for programs directly related to the number of students; and capital projects. Service level standards adjust each year to reflect inflation, compensation changes, and the change in student membership.

The five-year cost of maintaining these service levels for programs, providing for new students and schools, and maintaining competitive salaries and benefits are calculated using assumptions for inflation and growth. Five-year projections are also determined for revenues. The five-year budget plan incorporates these expenditures and revenues to show whether there is a balanced financial plan or not.

### What Is Included in the Five-Year Plan?

#### Current Programs and Services

- Annual adjustments for new students.
- A step or salary scale adjustment for employees in each year as funding permits.
- Funding for the 3,549 new students expected during the next five years.

#### Repairs & Renewals

- \$179.0 million in funding for repairs and renewals of older facilities.
- Funding for the infrastructure needed for technology improvements (Voice over IP phones, interactive whiteboards, radio upgrades) is inadequate.
- Reduced funding for the three-year renewal cycle of essential technology equipment used for instructional and support programs.

#### New Schools

Funding for debt service on \$572.0 million in construction bonds for new schools and renewals. Also included are start-up costs, and operating costs for new schools and additions:

- Three elementary schools, one middle school, and one high school.
- Additions/expansions at four current schools.

### Operating Fund and Debt Service Fund Expenditure-Revenue Projections FY 2021 – FY 2025 (\$ in millions)

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Expenditures</b>					
Current Programs	1,296.0	1,320.0	1,347.4	1,391.6	1,436.4
New Students	10.2	19.8	27.5	34.7	38.4
Repairs & Renewals	34.2	34.8	35.8	36.8	37.8
New Schools	7.0	9.4	16.5	5.7	13.7
Total Expenditures	1,347.4	1,384.0	1,427.2	1,468.8	1,526.3
<b>Revenues</b>					
State/Federal/Other	680.4	693.0	714.0	731.9	764.9
County Transfer	667.0	691.0	713.2	736.9	761.4
Total Revenue	1,347.4	1,384.0	1,427.2	1,468.8	1,526.3
<b>Surplus/(Deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

While the School Division is committed to maintaining a balanced budget, this does not mean that all of the needs of our students are fully met.

# Informational Section – FY 2021 Trends and Forecasts

## Student Enrollment

PWCS is the second largest of 132 school divisions in Virginia and the 36<sup>th</sup> largest school division in the country. The School Division provides services to over seven percent of the state’s student enrollment.

### Historical Enrollment Growth

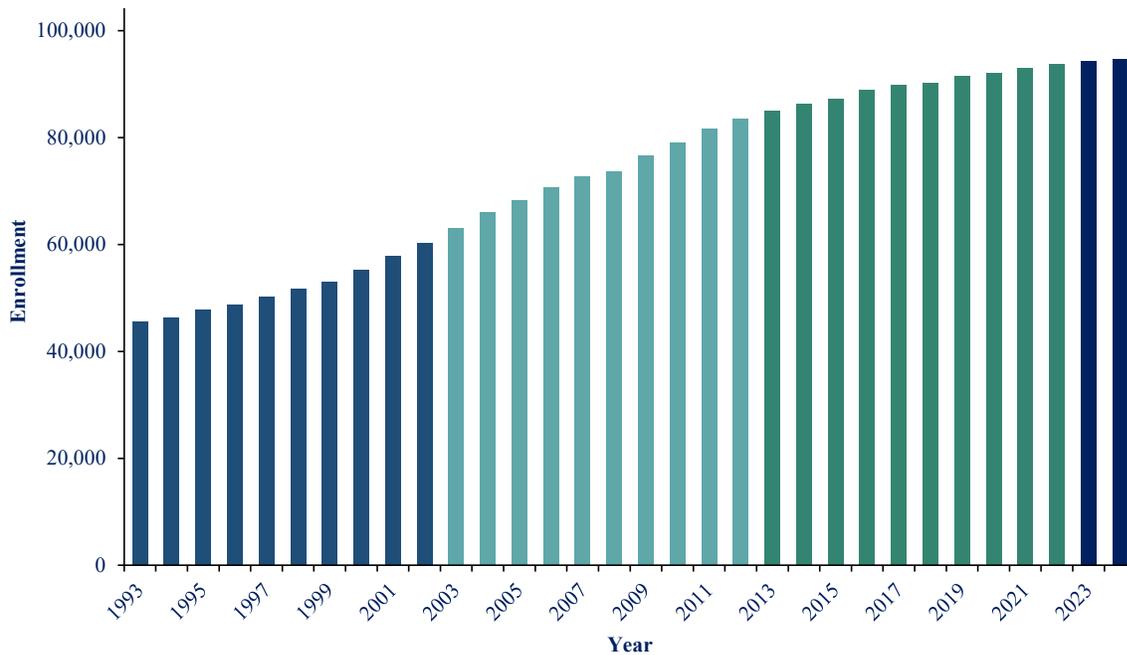
The graph below depicts the 32-year enrollment history and five projected years of PWCS. The School Division has seen steady growth over the last 10 years, at a rate of about 1.9 percent annually. The calendar year 2019 (FY 2020) enrollment for the School Division was 91,524, a year-over-year growth rate of 1.5 percent.

### Enrollment and Future Projections by Grade Level

Predicting future student enrollment is important for long-range planning, budgeting, staffing, and predicting future building and capital needs for housing PWCS students. The forecasting methodology used to predict the number of students who will be enrolling in PWCS for the next 10 years is a combination of cohort progression method and student generation factors method, along with judgmental adjustment to fine-tune the forecasts. This combination of methods provides for very accurate forecasts and at the same time is relatively inexpensive to produce.

The table on the following page utilizes the enrollment projection tools to estimate the 2020-21 school enrollments for each grade level in the School Division.

## Enrollment History and Projections



## Executive Summary

### Enrollment and Future Projections by Grade Level

Grade Span	Grade	Actual 2018-19	Actual 2019-20	Projected 2020-21	Change 2020-21
<b>Elementary School</b>		<b>40,110</b>	<b>40,422</b>	<b>40,513</b>	<b>91</b>
	K	6,254	6,303	6,315	12
	1	6,691	6,639	6,662	23
	2	6,623	6,806	6,749	(57)
	3	6,701	6,745	6,914	169
	4	6,913	6,854	6,879	25
	5	6,928	7,075	6,994	(81)
<b>Middle School</b>		<b>20,997</b>	<b>21,357</b>	<b>21,372</b>	<b>15</b>
	6	7,112	6,960	7,109	149
	7	7,147	7,172	7,026	(146)
	8	6,738	7,225	7,237	12
<b>High School</b>		<b>27,610</b>	<b>28,058</b>	<b>28,562</b>	<b>504</b>
	9	7,392	7,495	7,979	483
	10	6,981	7,213	7,312	98
	11	6,789	6,507	6,728	221
	12	6,448	6,841	6,543	(298)
<b>Special Schools</b>		<b>1,486</b>	<b>1,687</b>	<b>1,600</b>	<b>(87)</b>
<b>Total</b>		<b>90,203</b>	<b>91,524</b>	<b>92,048</b>	<b>524</b>

To estimate the state revenues and to calculate the school and central office allocations for the FY 2020-21 budget, PWCS used the enrollment of 92,048 students.

Grade Span	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Elementary	40,513	40,703	40,933	41,034	41,265
Middle	21,372	21,292	21,383	21,485	21,610
High	28,562	29,356	29,731	30,169	30,078
Special Schools	1,600	1,639	1,663	1,672	1,690
Total	92,048	92,989	93,709	94,360	94,644
<b>Annual Change</b>	<b>0.6%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.3%</b>

Note: Totals may not add due to rounding.

### Five-Year Enrollment Projections

Using enrollment projections models, the School Division projects a growth pattern over the next five years, at approximately 0.7 percent annually. The table above projects enrollment for the next five years by grade span.

Projected enrollments beyond 2020-21 allow for long-range capital planning, such as planning for construction of additional schools, or additions to existing schools.

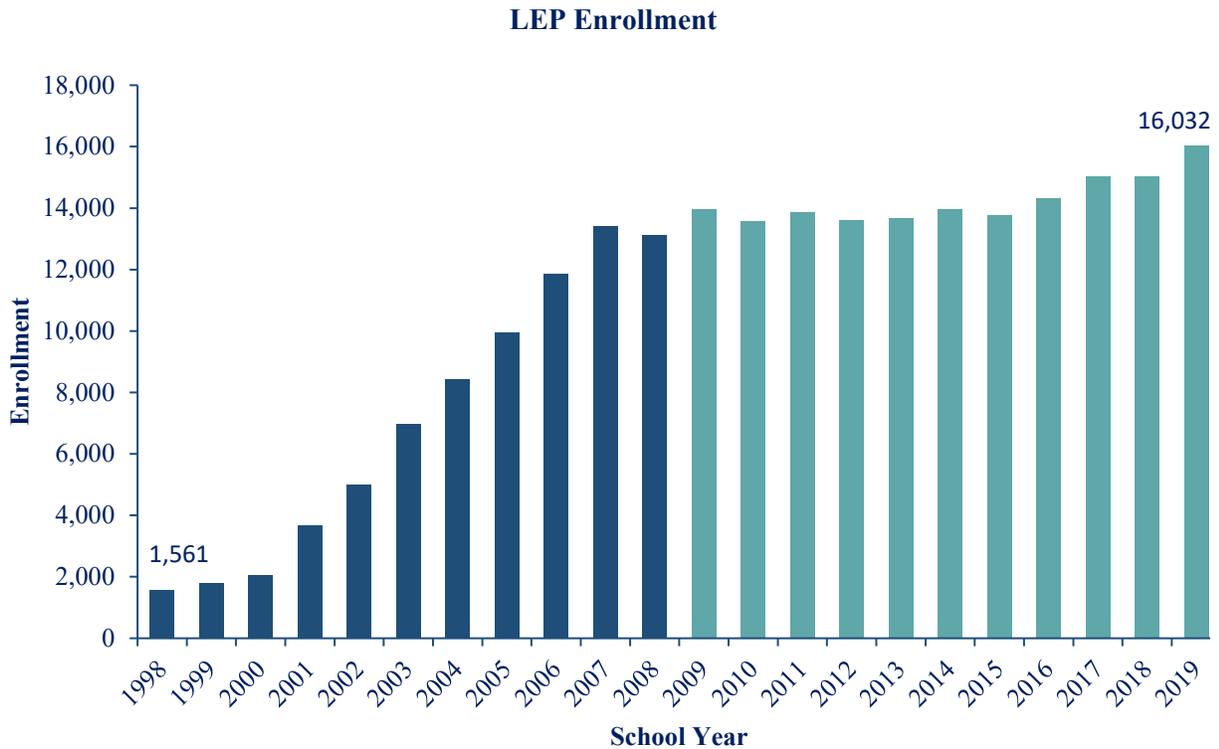
## Demographic Changes

In addition to the increased number of students, the composition of membership growth has added to the operating costs. In the past five years, increases in special education, and non-English speaking programs generally require specialized instruction and smaller class sizes.

## Limited English Proficient (LEP) Students

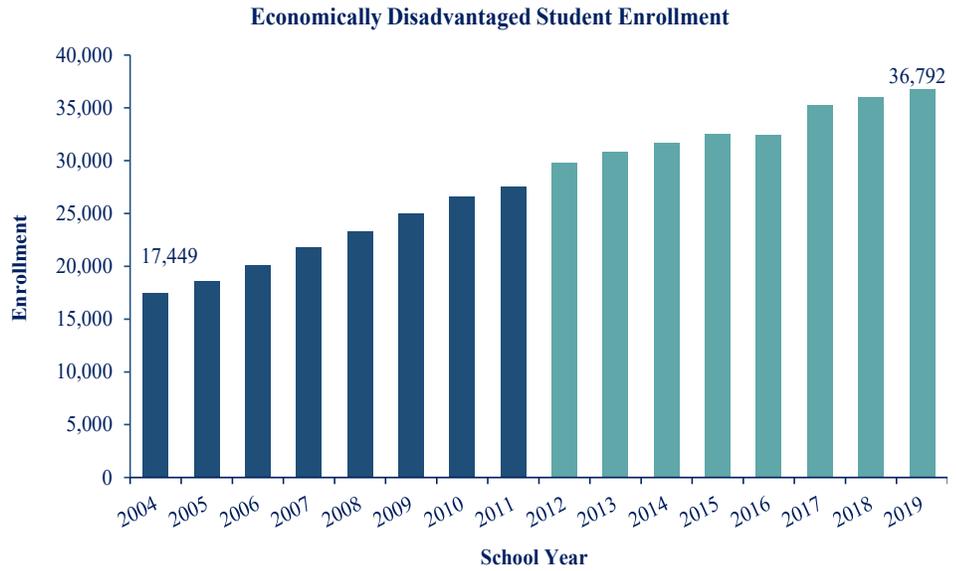
During the past five years, the rate of growth for students receiving English Learner (EL) services has increased by 2.9 percent annually.

The graph below depicts LEP enrollments over the 1998 to 2019 calendar year period.



**Economically Disadvantaged Students**

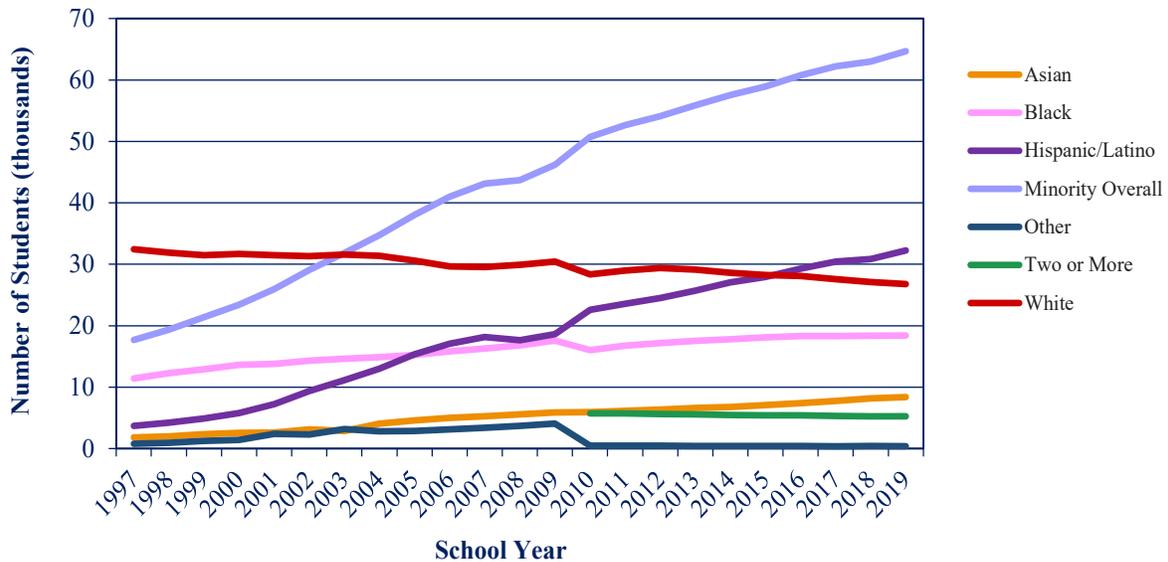
Students eligible for free or reduced lunch programs have increased by about 3.2 percent annually during the past five years. In FY 2021, PWCS expects 36,987 students or 40.2 percent to be eligible for free or reduced lunches. This means that more than one out of every two and one-half students will participate in the free and reduced program. The graph to the right depicts the changes in the free and reduced lunch population over the last 16 calendar years.



**Student Diversity**

The School Division has undergone significant demographic changes over the last decade that includes the diversity of the student population. The chart below depicts the changes in diversity of the district enrollment over the last 23 calendar years.

**Student Enrollment by Race/Ethnicity**  
1997 - 2019



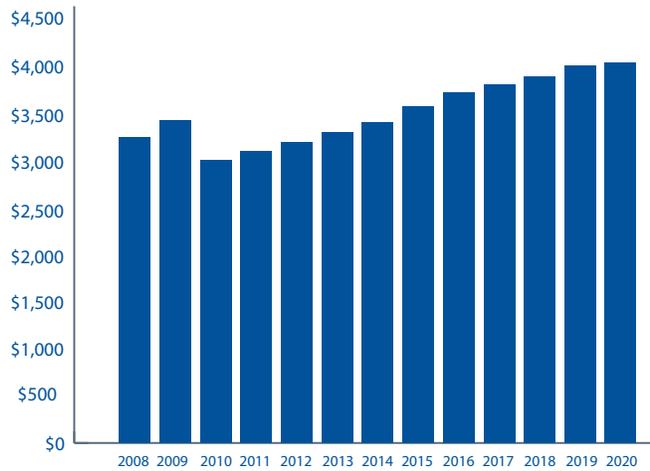
# Local Taxes

In Virginia, school boards do not have taxing authority and are fiscally dependent on the local government. Prince William County Government collects tax revenue from local sources (i.e., property taxes, personal property taxes, local sales taxes, etc.) and then transfers a percentage of the revenue to PWCS. Working cooperatively, the School Division and the BOCS created a revenue sharing agreement. Under this agreement, the School Division receives 57.23 percent of the county’s general revenues in Fiscal Year 2021.

The real property tax is the single largest revenue source for Prince William County contributing approximately 65.1 percent of general revenues (FY 2018 actual). It is levied on all land, improvements and leasehold interest on land, or improvements (collectively called “real property”) except that which has been legally exempted from taxation by the Prince William County Code and the "Code of Virginia".

The table and chart on this page illustrate the real estate tax bill upon the average assessed value of a single residence in Prince William County. In FY 2020, the tax rate was held flat at \$1.125. As the chart shows, there will be a slight increase in the average tax bill.

Average Tax Bill



Tax Year	Fiscal Year	Average Tax Bill	Real Estate Tax Rate	Average Assessed Value of a Residence	Percentage increase or decrease for		
					Tax Bill	Tax Rate	Assessed Value
2007	2008	\$3,257	\$0.787	\$413,898	0.00%	3.83%	-3.69%
2008	2009	\$3,437	\$0.970	\$354,333	5.53%	23.25%	-14.39%
2009	2010	\$3,017	\$1.212	\$248,946	-12.22%	24.95%	-29.74%
2010	2011	\$3,110	\$1.236	\$251,241	3.08%	1.98%	0.92%
2011	2012	\$3,201	\$1.204	\$265,841	2.93%	-2.59%	5.81%
2012	2013	\$3,316	\$1.209	\$274,283	3.59%	0.42%	3.18%
2013	2014	\$3,414	\$1.181	\$289,095	2.96%	-2.32%	5.40%
2014	2015	\$3,583	\$1.148	\$312,105	4.95%	-2.79%	7.96%
2015	2016	\$3,732	\$1.122	\$332,600	4.16%	-2.26%	6.57%
2016	2017	\$3,817	\$1.122	\$340,200	2.28%	0.00%	2.29%
2017	2018	\$3,900	\$1.125	\$346,700	2.17%	0.27%	1.91%
2018	2019	\$4,040	\$1.125	\$359,100	3.59%	0.00%	3.58%
2019	2020	\$4,177	\$1.125	\$371,309	3.39%	0.00%	3.40%

# Changes in Debt

## Debt

Debt provides the current resources to build new schools, additions, and renovations, and repayment (with interest) must occur in the future. This debt (borrowing) commits future Operating Fund budget transfers to the Debt Service Fund (to pay the principal and interest). Long-term borrowing is appropriately issued for long-life capital facilities since student enrollment growth requires expanded public-capital infrastructure (schools), often well before an associated expansion of revenues (tax collection).

## Planning and Accounting

The School Division's CIP is the management tool used for planning the capital improvements projects needed to house students adequately. The School Division's Construction Fund accounts for the resources used for the acquisition and construction of major capital facilities. The sale of bonds primarily funds the Construction Fund.

## Changes in Debt Service

The structure of most debt service payments made by the School Division is over 20 years with level principal payments, thereby reducing the debt service for existing bonds annually. The sale of new bonds that require additional principal and interest payments and/or by the retirement (pay-off) of any existing bonds drives significant changes in debt service for any given fiscal year. To increase debt spending, the School Division needs the approval of BOCS. The BOCS also sets the debt capacity that limits the amount of funding available to the School Division for new schools and construction each fiscal year.

## Debt Management Policy

Proper debt management provides a locality and its citizens with fiscal advantages. The state does not impose a debt limitation on the county. However, the BOCS adopted a debt policy to ensure that no undue burden is placed on the

county and its taxpayers. To manage the debt properly, the policy states in part, that the county will maintain a high credit rating in the financial community and will not use debt financing to fund current operations. These two policy statements are to assure the county taxpayers that the County government is well managed and financially sound, and to obtain the lowest possible borrowing costs (interest rates).

## Existing Debt

Total existing debt prior to FY 2021 was \$840.7 million.

## Future Debt

Bond sales not to exceed \$122 million to finance new and renovated facilities to provide capacity needed to meet increased demands due to student population growth and trailer elimination will be sold in FY 2021.

## Trends

According to the Five-Year Plan, the School Division anticipates the bond sales at \$546.3 million between FY 2021-25 to finance new schools, additions, replacements and renewal and repair projects. Prince William County and the School Division are constrained to limiting tax supported debt service expenditures for all debt at 10 percent of annual revenues. If current trends hold true, PWCS will not reach its county mandated debt service limit of 10 percent in the Five-Year Plan period. Management will maintain a close eye on rates and market conditions to ensure this debt limit is not exceeded.

Three issues are impacting the current and future debt needs of Prince William County Schools. This first is the fact that there is an uncertain rate of enrollment growth, for which to project the Division's debt needs. The other two issues, increasing the Division's debt needs, are trailer reduction and an increasing reliance on debt to fund repair and renovations.

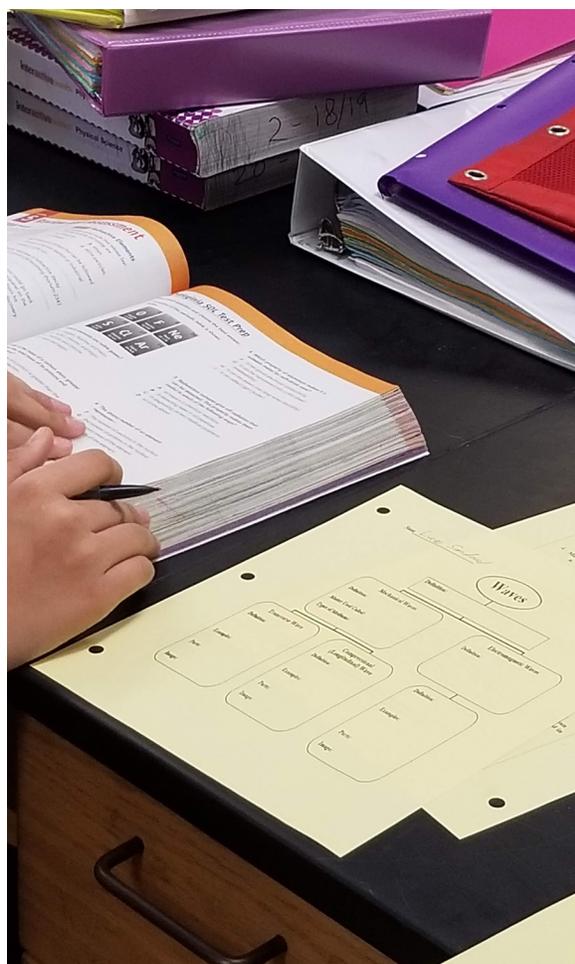
# Benchmark Data

## Cost-Per-Pupil

Cost-per-pupil calculations provide an overall view of the cost of programs used to compare how school divisions spend their funds. The division of the total operating budget by the number of students computes a Divisionwide cost-per-pupil, which includes both general and special education. For FY 2021, the average cost-per-pupil for PWCS will be about \$13,448.

Per-pupil cost figures provide a good perspective of the cost of instructional programs as well as a measure of comparison to previous years, state and federal averages, and surrounding jurisdictions. Uniform formulas to develop a cost per pupil were developed by the Washington Area Boards of Education (WABE) committee for consistency. These numbers are comparable; however, the cost per pupil reported in the WABE data may differ from that reported in the division’s budget documents or other reports. PWCS has traditionally maintained a cost-per-pupil lower than many other school divisions participating in the WABE surveys. In FY 2020, the PWCS cost-per-pupil ranked eighth among the nine reporting school divisions in the WABE.

The cost-per-pupil also compares the costs in PWCS to similar school divisions across the United States. The Educational Research Service (ERS) compiles a comparison of per-pupil costs for PWCS with similar reporting school divisions in the nation. The most recent comparison showed that PWCS commits more of its financial resources to instructional services and less of its resources to support operations than most school divisions.



Cost-Per-Pupil Comparison FY 2020	
Arlington	\$19,921
Falls Church City	\$18,644
Alexandria City	\$18,136
Montgomery (MD)	\$16,726
Fairfax County	\$16,043
Loudoun County	\$15,241
Manassas City	\$13,581
<b>Prince William County</b>	<b>\$11,875</b>
Manassas Park City	\$11,663
Prince George's (MD) <sup>1</sup>	not available

<sup>1</sup> Data not available at time of compilation.

Source: WABE Guide, FY 2020

## Teacher Cost Comparison

The chart below compares the salary and benefits costs of a teacher position with a hypothetical salary of \$65,000 plus benefits and the cost of a teacher using the actual average teacher salary plus benefits for PWCS and surrounding school divisions. Source: WABE Guide, FY 2020.

### Cost Comparison Average salary vs. \$65,000 salary

School Division	FY 2020 Annual Employer Cost for Hypothetical Teacher Salary of \$65,000 plus district's benefits	FY 2020 Annual Employer Cost for Average Teacher Salary plus district's benefits plan
Falls Church City	\$100,309	\$122,353
Montgomery County, MD	\$98,322	\$121,657
Alexandria City	\$101,727	\$121,347
Fairfax County	\$100,195	\$118,974
Arlington County	\$96,200	\$118,159
Loudoun County	\$102,932	\$110,373
Manassas City	\$98,176	\$104,374
<b>Prince William County</b>	<b>\$98,547</b>	<b>\$103,129</b>
Manassas Park City	\$93,868	\$91,768
Prince George's County, MD <sup>1</sup>		

<sup>1</sup> Data not available at time of compilation.



## Executive Summary

### Average Class Size

This chart compares the average class size for students per classroom teacher and students per teacher-scale position for PWCS and surrounding divisions.

#### Average Class Size Students per teacher

School Division	Students per Classroom Teacher <sup>1</sup>			Students per Teacher-Scale Position <sup>2</sup>		
	Elementary	Middle	High	Elementary	Middle	High
Alexandria City <sup>3</sup>	16.6	26.6	21.0	10.2	16.5	11.7
Arlington County	21.5	21.0	19.7	10.3	16.4	16.9
Fairfax County <sup>4</sup>	21.7	24.9	25.9	15.0	20.7	21.4
Falls Church City	22.0	23.0	22.8	11.4	16.7	14.0
Loudoun County	21.8	22.1	23.5	13.6	18.4	19.9
Manassas City	21.3	24.3	25.4	10.9	16.6	17.8
Manassas Park City	20.9	25.6	26.6	10.9	18.6	19.5
Montgomery County	18.5	25.1	26.5	13.3	21.8	23.5
Prince George's County <sup>5</sup>						
<b>Prince William County</b>	<b>22.0</b>	<b>28.2</b>	<b>29.3</b>	<b>14.1</b>	<b>20.1</b>	<b>21.5</b>

Note: Chart excludes teachers and students in Pre-K, kindergarten, alternative schools, and self-contained special education.

Source: WABE Guide, FY 2020

<sup>1</sup> Classroom teachers are positions used to determine class size.

<sup>2</sup> Students per teacher-scale positions include classroom teachers and other teachers such as ESOL/ESL, librarians, reading coaches, mentors, music, art, physical education, etc.

<sup>3</sup> Alexandria City Public Schools district's special placement, Pre-K, and kindergarten student enrollments are not included. Elementary classroom teacher count includes "flex" positions which are categorized as student improvement FTEs.

<sup>4</sup> Fairfax County Public Schools district allocates teacher positions from the staffing reserve to help eliminate class size of 30 and above in elementary schools.

<sup>5</sup> Data not available at time of compilation.

## Student-Teacher Ratio

This chart compares the Approved FY 2020 Budgeted Ratios of Students Per Teacher for PWCS and surrounding school divisions. Source: WABE Guide, FY 2020

School Division	Kindergarten	Elementary	Middle	High
Alexandria City <sup>1</sup>	22.0	Grades 1-2: 24.0 Grades 3-5: 26.0	n/a	n/a
Arlington County	23.0	Grade 1: 20.0 Grades 2-3: 22.0 Grades 4-5: 24.0	24.2	25.9
Fairfax County <sup>2</sup>	25.0	<sup>3</sup>	27.9	31.0
Falls Church City	22.0	Grades 1-2: 22.0 Grades 3-5: 24.0	24.0	24.0
Loudoun County	23.0	22.0	23.8	23.7
Manassas City	23.0	Grades 1-3: 23.0 Grades 4-5: 28.0	28.0	28.0
Manassas Park City	19.0	Grades 1-3: 19.0 Grades 4-5: 24.0	24.0	24.0
Montgomery County <sup>3</sup>	n/a	n/a	n/a	n/a
Prince George's County <sup>5</sup>				
<b>Prince William County</b>	<b>24.0</b>	<b>Grades 1-3: 24.0</b> <b>Grades 4-5: 25.0</b>	<b>21.0</b>	<b>21.3</b>

<sup>1</sup> Alexandria City Public Schools district does not allocate positions based on staffing ratios for middle and high school classrooms. Staffing is determined by course enrollment.

<sup>2</sup> Fairfax County Public Schools district's staffing ratios also take into account the number of students eligible for free and reduced priced meals and ESOL services. Additional teacher positions are allocated from the staffing reserve to help eliminate class size of 30 and above in elementary schools. For a complete listing of staffing formulas, see the appendix of the FY 2020 Approved Budget.

<sup>3</sup> Fairfax County Public Schools elementary ratio is 24, 25, or 26 based on enrollment in grades 1-6.

<sup>4</sup> Montgomery County Public Schools district's numbers are maximum class size guidelines and not ratios or targets for class sizes. With guidelines for maximums, the actual numbers end up being less than the guideline.

<sup>5</sup> Data not available at time of completion.