

PWCS VISION 2025
LAUNCHING THRIVING FUTURES

Proposed Budget Executive Summary

Fiscal Year 2023



Prince William County
PUBLIC SCHOOLS
Providing A World-Class Education

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Dear PWCS Families, Employees, and Community:

I want to thank our staff, students, families, and community members, as well as our School Board for your support since beginning the journey as your Superintendent on July 1, 2021. Through my interactions with hundreds of stakeholders, it is evident that the support for students and staff is unwavering and the pride in PWCS remains strong.

We began our budget development process this year with a commitment to align our investments with the priorities and outcomes outlined in the PWCS Vision 2025, Launching Thriving Futures Strategic Plan. As a result, I am excited to share that the Fiscal Year 2023 Superintendent's Budget includes significant investments focused on supporting our classrooms and students.

Supporting our students means investing in our staff. One of our strategic priorities is to provide regionally competitive wages, and this budget invests \$61 million to provide teachers and staff a 4.2 percent cost of living adjustment and a step increase, resulting in an average pay increase of 7 percent for most employees.

In advancing our Learning and Achievement for All strategic commitment, the budget also prioritizes the need for more support in the classroom by proposing the hiring of 88 additional full-time kindergarten teaching assistants and 100 teaching assistants for our classrooms serving students with special needs. Furthermore, we are adding assistive technology specialists, school social workers, and instructional support positions.

To support the Strategic Plan goals of our commitment to a Positive Climate and Culture, this budget proposes the addition of school nurses and school-based security assistants. It invests in our security infrastructure through the addition of funding for camera and radio systems. It also funds key investments to support the social-emotional learning and wellness needs of our students and staff.

The involvement of our families is critical to ensuring student success. Our Strategic Plan also commits to bolstering Family and Community Engagement. To help achieve these goals, this budget allocates funding for 35 additional parent liaisons, with the long-term goal of each school having a dedicated parent liaison in the next four years.

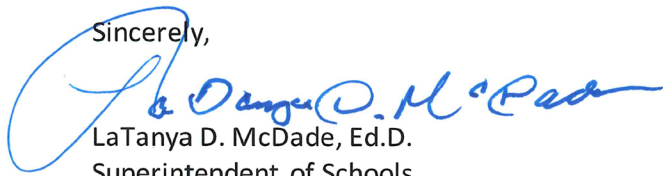
Our budget proposal also includes funding for our Capital Improvements Program (CIP) that focuses on the need for new facilities and additions to address growth. Our CIP also funds multiple renovation projects to ensure our older schools are modernized to the best of our ability. In addition, our CIP aligns to our Strategic Plan and focuses on advancing our sustainability goals.

Lastly, this budget funds the resources needed at the central level to operate more efficiently and effectively, aligned to our fourth strategic commitment, Organizational Coherence.

Recruiting, onboarding, and supporting our employees requires an adequate number of human resources, finance, and support staff to provide timely and systematic support. This budget will provide critical resources to improve operational functions supporting our schools.

I encourage you to review this document for more detailed information on how this budget funds our Strategic Plan and provides critical support for our students and staff. Thank you for your support and partnership.

Sincerely,



LaTanya D. McDade, Ed.D.
Superintendent of Schools

The School Board



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



Mrs. Adele E. Jackson
*Vice Chairwoman
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



Ms. Loree Y. Williams
Woodbridge District



Mrs. Lisa A. Zargarpur
Coles District



Charlotte Flynn
Student Representative



Daania Sharifi
Student Representative

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Prince William County Public Schools Administration



LaTanya D. McDade
Superintendent of Schools



Elisa M. Botello
Chief of Staff



Lucretia N. Brown
Chief Equity Officer



Al Ciarochi
Chief Operating Officer



Donna L. Eagle
Chief Human Resources Officer



Matthew Guilfoyle
Chief Information Officer



John M. Wallingford
Chief Financial Officer



Rita Everett Goss
Associate Superintendent for Teaching and Learning



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



William G. Bixby
Associate Superintendent for High Schools (Interim)



Catherine Porter-Lucas
Associate Superintendent for Middle Schools



R. Todd Erickson
Associate Superintendent for Central Elementary Schools



Jarcelynn M. Hart
Associate Superintendent for Western Elementary Schools

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Achievements 2017–21

- All schools in PWCS earned Virginia accreditation for the 2019-20 school year based on recent performance measures, according to Virginia Department of Education (VDOE). The 100% success rate compares with a statewide accreditation rate of 92%. PWCS is the largest school division in the state with all schools accredited without any conditions. Annual accreditation was waived for all Virginia public schools for the 2020-21 school year due to the cancellation of spring 2020 state assessments.
- 2021 graduates were awarded more than \$63.5 million in scholarships. This is an increase from the over \$54 million awarded in scholarships to the class of 2020.
- The 2020-21 Division-wide on-time graduation rate was 92.8%. This exceeds state and national averages.
- Thirty-one percent of PWCS graduates in 2020-21 earned at least one qualifying score on an Advanced Placement, International Baccalaureate, or Cambridge examination. This exceeds state and national averages.
- In addition, 41% of graduates in 2020-21 earned advanced exam credit or dual enrollment.
- The percentage of students meeting or exceeding SAT college readiness benchmarks in 2020-21 was 52%. This is an increase from 48% in 2019-20.
- PWCS student 2020-21 SAT average score was 1097. PWCS SAT scores continue to exceed national averages.
- PWCS had 1,107 summa cum laude graduates in 2020-21.
- Twenty-seven schools in Prince William County earned 2020 Exemplar Performance School awards from the Virginia Department of Education for high student achievement, continuous improvement, or innovative practices. Only six school divisions statewide were recognized with these awards.
- There were 188 active National Board-Certified Teachers (NBCTs) working in the Division during the 2020-21 school year. PWCS ranks as one of the top five school divisions statewide for total number of NBCTs.
- PWCS School Food and Nutrition Services served 23 million meals during the 2020-21 school year. This is an increase from the 10 million meals served during the 2019-20 school year.
- The Division implemented a one-to-one technology initiative in 2020-21. Approximately 90,000 laptops, as well as thousands of mobile broadband devices, were distributed to provide equitable access to digital devices for students. In addition, PWCS also partnered with Comcast to provide free home broadband to families in need of support.
- In 2020, PWCS deployed a Division-wide Learning Management System to support virtual learning. In addition, PWCS also deployed and built out a virtual environment with Zoom to support virtual learning and collaborative meetings for staff.
- PWCS hired an additional 34 technical support specialists during the 2020-21 school year, enabling each school to have full-time technical support.
- In 2021, Multi Factor Authentication was implemented for all staff and administration.
- New Teacher Awards, 2020-21
- The National Parent Teacher Association School of Excellence, 2021
- Virginia Technology and Engineering Education Association's (VTEEA) Teacher of the Year awards, 2020-21
- Virginia Board of Education Exemplar Performance Awards, 2009, 2011, 2015-21
- American School Counselor Association (ASCA) Recognized ASCA Model Program (RAMP) designation, 2021
- National Association of Music Merchants (NAMM) Best Communities for Music Education, 2020-21
- Advanced Placement (AP®) Computer Science A (CSA) Female Diversity Award, 2021
- U.S. Department of Education's 2021 Green Ribbon (ED-GRS) School District Sustainability Award, 2021
- Meritorious Budget Award, Association of School Business Officials, Fiscal Years 1997-22
- Microsoft Showcase School, 2020-21
- Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, Fiscal Years 2002-20
- Field of Excellence Awards winner, 2020
- Virginia School Boards Association Green Schools Challenge winner, 2020
- International Society for Technology in Education (ISTE) Distinguished District Award, 2020
- Virginia Association of School Librarians (VAASL) Administrator of the Year Award, 2020
- Ranked 11th in Forbes' 2020 list of Best Employers
- Achievement of Excellence in Procurement Award, 2006-20
- National Association of Geoscience Teachers (NAGT) Award, 2020
- National American Civic Education Teacher Awards (ACETA), 2020
- National Association of Secondary Principals (NASSP) Digital Principal of the Year, 2020
- National Distinguished Principal, Virginia Association of Elementary School Principals, 1994, 2017-20
- Virginia Schools to Watch, National Forum to Accelerate Middle Grades Reform, 2004-05, 2007-20
- Food Service Director (FSD) magazine, Food Service Operation of the Year, 2019
- Virginia School Boards Association (VSBA) top honors in the annual Food for Thought competition in the category of Meal Access to Fight Hunger, 2019
- Virginia Society for Technology Coach of the Year Award, 2019
- Virginia Computer Science Teacher of the Year Award, 2019
- International DuFour Award, 2019
- Virginia Association of School Librarians Administrator of the Year, 2019
- Virginia Middle School Association, Master in the Middle Awards Teacher of the Year, 2019
- Award for Excellence in Elementary Science Instruction, Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST), 2019
- National Outstanding Assistant Principal, Virginia Association of Elementary School Principals, 2004, 2015-19
- National School Boards Association Magna Award, 2018
- Washington Post Principal of the Year, 2017-18
- Finalists for Presidential Award of Excellence in Mathematics and Science Teaching, 2016, 2018
- National Title I Distinguished School, Commonwealth of Virginia, 2017
- STEM Excellence Award, National Future of Education Technology Conference, 2017
- School Bell Award, Virginia Association of Elementary School Principals, 2015, 2017
- National Outstanding High School Principal, Virginia Association of Secondary Principals, 2017
- Distinguished Eagle Award, Association of School Business Officials International, 2017

Major Awards 2017-21:

- Sports Turf Managers Association award for Field of the Year, 2021
- George Mason University (GMU) Schar School of Policy and Government's Regional Elected Leaders Initiative (RELI) Northern Virginia Leadership Award, 2021
- Virginia Association of Science Teachers (VAST) Recognition in Science Education (RISE) award, 2021
- Distinguished Purple Star Schools, 2018-21
- Virginia Council on Economic Education (VCEE) Virginia Outstanding Economic Educator of the Year, 2021
- U.S. Department of Education National Blue Ribbon School award, 2021
- American Heart Association (AHA) top fundraiser in Virginia, 2017-21
- Virginia Association for Teachers of Family and Consumer Science (VATFACS) Outstanding Administrator and Outstanding

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Report Prepared by:

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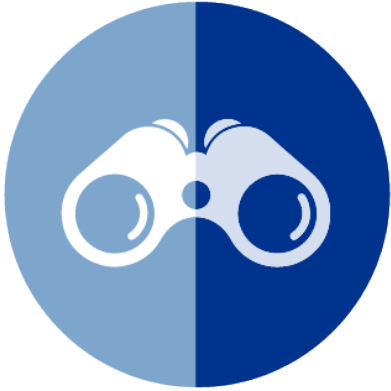
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Organizational Section



Vision

Every student will graduate on-time with the knowledge, skills, and habits of mind necessary to create a thriving future for themselves and their community.



Mission

- ▶ We serve as trusted partners in education with our students, families, and community.
- ▶ We prepare our students to be critical thinkers, responsible digital citizens, innovators and visionaries, resilient individuals, and global collaborators.
- ▶ We commit to inclusive practices and equity with an expectation of excellence from every student and employee every day.

Prince William County Public Schools (PWCS) does not discriminate in employment nor in the provision of 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 including lactation, 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: Chief Equity Officer, Prince William County Public Schools, P.O. Box 389, Manassas, VA 20108.

Core Values



Equity

We strive to provide equitable opportunities and support for all students.



Inclusivity

We celebrate our diversity as a strength and welcome all students.



Innovation

We seek knowledge to create new and unique ideas to reach students.



Integrity

We trust that we do what is best for students through effective interpersonal relationships, dependability, and doing the right thing in all circumstances, even if no one is watching.



Resiliency

We believe in the process of adapting well in the face of adversity, solving problems, and coping with change and challenges.



Well-being

We take responsibility for the well-being of students' physical and mental health, and take measures to help students, families, and employees feel supported and protected, in order to thrive.

Our Commitments

From the beginning, this Strategic Plan was built around key themes, which have been refined into the commitments PWCS is making to all students, families, and the community.

1 Learning and Achievement for All is our most critical commitment—it represents our promise to provide academic excellence for all.

- ▶ PWCS will provide equitable opportunities for all students to achieve at high levels.
- ▶ PWCS will prepare all students for post-secondary education and the workforce.
- ▶ PWCS will prepare all staff members to support and challenge all students.

2 Positive Climate and Culture is our promise to provide a welcoming, supportive, and safe environment for teaching and learning; this environment will facilitate the academic journey for students.

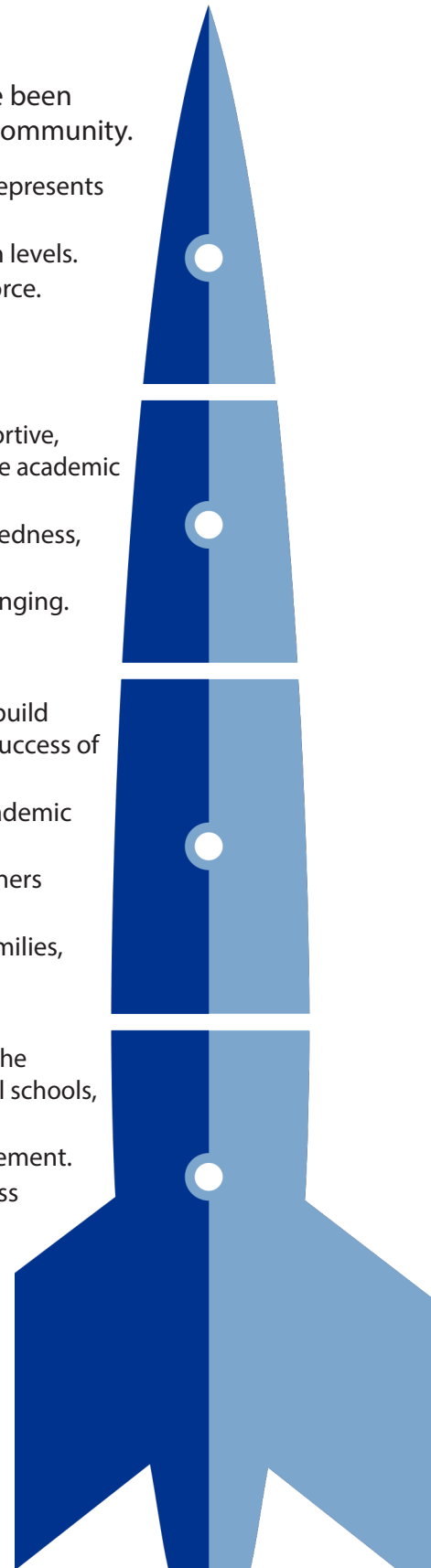
- ▶ PWCS will provide a learning environment which fosters inclusivity, connectedness, and encourages social and emotional wellness for all.
- ▶ PWCS students and staff will feel supported and have a strong sense of belonging.
- ▶ PWCS facilities will be welcoming, safe, and sustainable.

3 Family and Community Engagement represents the commitment to build collaborative, meaningful partnerships and trusting relationships to foster the success of all students.

- ▶ PWCS will engage families as authentic partners in education to support academic progress.
- ▶ PWCS will work collaboratively with community agencies and business partners to support strategic initiatives.
- ▶ PWCS will ensure honest, transparent, and two-way communication with families, schools, and the community to foster trusting relationships.

4 Organizational Coherence represents the conscious commitment to align the entire School Division as one team, united in a singular commitment to support all schools, students, and families.

- ▶ PWCS will create systemic structures for strong cycles of continuous improvement.
- ▶ PWCS will remove barriers to communication to facilitate collaboration across offices, schools, and families in the spirit of customer service.
- ▶ PWCS will ensure that our strategic priorities are driving our investments.
- ▶ PWCS will work toward convergence, operating as a unified school system with shared accountability for school and Division goals.



School and Department Improvement Planning

PWCS last established a new Strategic Plan in 2015, to cover the 2016-2020 school years. This plan, described as a “20/20 Vision for a World-Class Education,” included five main goals and a vision for our graduates. Work on the development of the new Strategic Plan began in 2019.

Principals reflected in spring 2019 upon the existing strategic plan goals, identified new directions, and pinpointed key outcomes. Input was gathered in multiple ways from groups including school-based staff, central office staff, parents, business and community members, and students, with the intent of identifying shared values and key commitments.

All stakeholder groups identified wanting equitable opportunities for all students, at all schools. Teachers identified a focus on equity as a core value. They want interdisciplinary approaches to obtain shared accountability and consistent communication. Teachers believe in a commitment to Family and Community Engagement, leading to learning and achievement for all students.

Parents and school-based leaders equally expressed a desire for a commitment to customer service, transparent communication, and an academic focus on integrity and safety. Principals suggested clearly defining equity while increasing emphasis on personal responsibility.

The community declared a desire for a commitment to integrity and safety. The community also stressed interest in further investment and support for building zero-energy facilities with sustainable energy practices.

The input was developed into a new plan concept which was shared with Board members in December 2019 and broad public input was gathered through an online public comment site. In February 2020, PWCS leadership reviewed the results of the public comment site and stakeholder input, specifically focusing on the vision, mission, prioritized values, and key outcomes.

However, on March 13, 2020, school buildings in Virginia were closed due to the COVID-19 pandemic, and per the Governor’s Order, remained closed for the duration of the 2019-20 school year. The Division had to pivot in many ways including implementing a newly defined focus on safety and mitigation so students could return to school buildings in the spring and creating a plan to return to learning. As a result, the School Board voted to delay the adoption of a new Strategic Plan. School Board members provided individual input in early 2021 on the commitments and key indicators of success.

The School Board communicated a desire for additional support to meet the needs of all learners, while promoting a culture of inclusivity. They wish to create more opportunities for EL family involvement in decisions and planning. The Board articulated a need to marshal additional resources and create a tracking system for graduates to identify post-graduation successes. Also important is an expansion and support of pre-school programs, in addition to partnerships with community businesses and county services. The Board is steadfast in their commitment to recruit and retain high-quality staff in PWCS schools and offices.

The vision, mission, values, and commitments included in the draft Strategic Plan, *PWCS Vision 2025*, reflect a collective vision for the future of PWCS. The Profile of a Graduate provides a picture of the qualities each graduate should possess based on the knowledge and skill developed through the PWCS experience. The goals and strategies in the draft Strategic Plan provide the targets and roadmap for achieving this mission. The Strategic Plan is available at pwcs.edu for public comment and is scheduled for adoption by the School Board on February 2, 2022.

Organization

To focus on meeting the needs of its projected 89,837 students, while managing 100 schools and centers, PWCS is an efficient and well-managed organization of more than 12,000 employees.

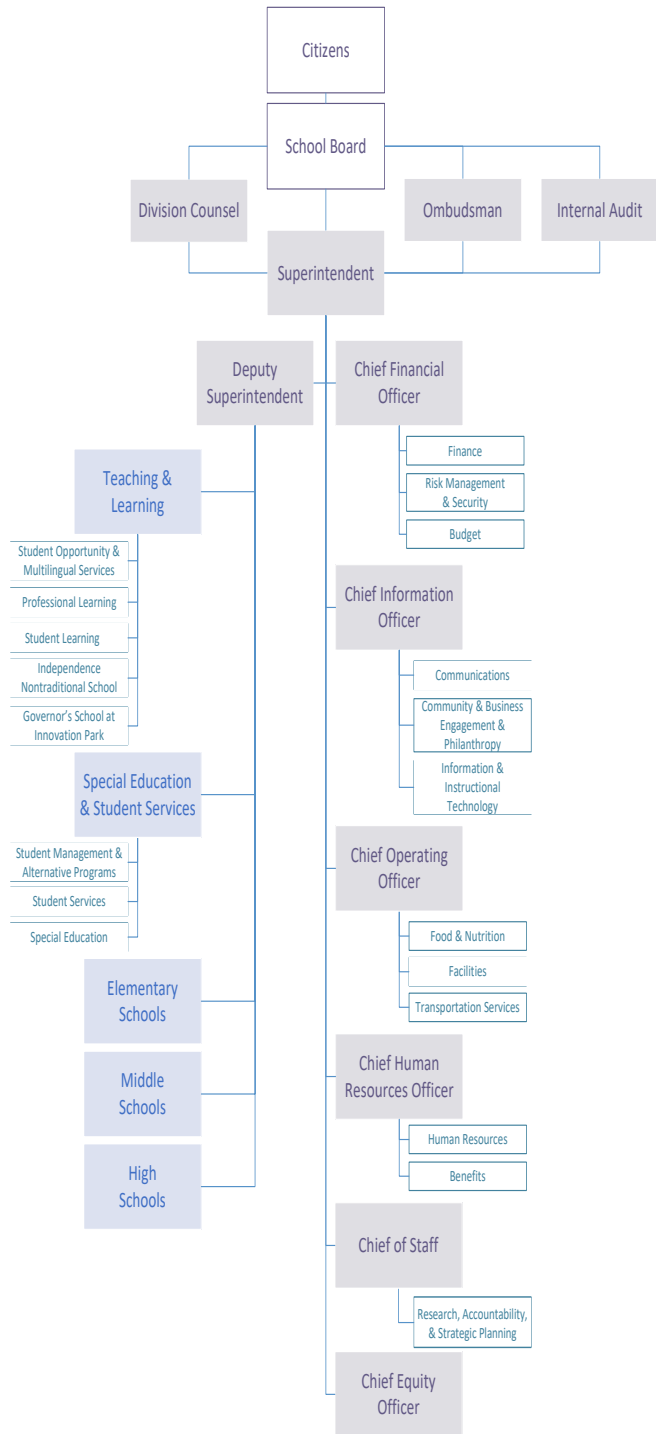
The authority of the Prince William County School Board derives from the statutes of Virginia, and the regulations of the Virginia Board of Education with providing and operating Prince William County schools. The School Board's function is to set general school policy and, within the framework of State Board regulations, to ensure the proper administration of the county's school program. The School Division encourages residents to attend School Board meetings and public hearings.

The citizens of Prince William County elect eight School Board members for four-year terms; one member represents each of the county's seven magisterial districts, with a chairperson serving at large. The School Division pays School Board members a salary of \$26,540, with an additional \$2,000 for the chairperson. The term for existing members expires December 31, 2023. The Student Advisory Council selects a student representative(s) for a one-year term, who sits with the Board at all public meetings and participates in discussions, but does not vote.

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.

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.

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

Upon preparing 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, each division superintendent shall also prepare and distribute, within a reasonable time as prescribed by the Board of Education, notification of the estimated average per pupil cost for public education in the school division for the coming school year in accordance with the budget estimates provided to the local governing body or bodies. Such notification shall also include actual per pupil state and local education expenditures for the previous school year. The notice may also include federal funds expended for public education in the school division.

The notice shall be made available in a form provided by the Department of Education and shall be published on the school division's website or in hard copy upon request. To promote uniformity and allow for comparisons, the Department of Education shall develop a form for this notice and distribute such form to the school divisions for publication.

Before any school board gives final approval to its budget for submission to the governing body, the school board shall hold at least one public hearing to receive the views of citizens within the school division. A school board shall cause public notice to be given at least 10 days prior to any hearing by publication in a newspaper having a general circulation within the school division. The passage of the budget by the local government shall be conclusive evidence of compliance with the requirements of this section.

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 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 allocated to schools and central departments to support budgets for staffing, benefits, materials, supplies, and equipment. The number and type of projected students are the basis for these allocations and 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.

The Construction Fund contains the budget for capital needs for the coming year. Capital needs and the Technology

Executive Summary

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 Planning

Budget planning consists of two main components: Central Department Budget Planning and School Budget Planning.

Central Department Budget Planning

Shared resources, include the people, equipment, grants, and services housed and supervised by the central departments and used to directly service and benefit students and schools by central office staff. Examples of shared resources include itinerant art and music teachers, centrally run gifted programs, professional development, psychologists, and curriculum services.

Resources for the Division's operations and leadership, in contrast to shared division resources, do not include services for specific schools or students. The Division's leadership and operation costs are composed entirely of indirect support services that are not used at the school level, e.g., the office of the superintendent, office of Finance and Risk Management, and capital.

The FY 2023 Central department budgets were developed through rigorous engagement between PWCS senior leadership and department leadership. FY 2023 department strategic investment requests prioritize critical initiatives,

as identified by senior leadership and the Board, with the primary focus to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of aligning with the Division's four main commitments outlined in the draft Strategic Plan: Learning and Achievement for All, Positive Climate and Culture, Family and Community Engagement and Organizational Coherence.

School Budget Planning

Schools receive funding allocations in February for the upcoming school year. To develop a school budget, the Budget Department provides each school 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 in conjunction with the school advisory committee, must plan for providing each student with an appropriate educational opportunity based on the needs of each student.

How Resources are Allocated to Schools

① Enrollment - PWCS allocates funding for staff based on enrollment. For instance, every school is funded a principal and an assistant principal. Schools that have 500 or more students receive additional per pupil funding for assistant principals. Staffing for teachers is based on guideline for class sizes established by Division:

- Kindergarten – Grade 3: 24:1
- Grades 4 – 5: 25:1
- Grades 6 – 8: 21:1
- Grades 9 – 12: 21.3:1

② Need - Next we differentiate allocations based on the needs of the students the school serves. Schools that have more students who are economically disadvantaged receive additional funding to lower class sizes and provide additional support and interventions. If a school has a higher population of English language learners, the school will receive additional funding to provide ESOL services. However, the process provides flexibility to principals to allow them to address the specific needs of their school community.

③ Programs - PWCS also allocated funding for staff and resources based on programs. If a school has a special education center, additional resources are provided. It is important to note that special education staffing is allocated differently and is based on the needs outlined in each student's Individualized Education Program (IEP).

The Budget Department assembles school and central office budgets into a comprehensive School Division budget to be presented for review and approval. Since allocations are based on projected revenues, if these revenues change during the budget process, necessary adjustments will occur.



Budget Calendar

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

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



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.	027-Governor's School @ Innovation Park Fund

FY 2023 Operating Budget at a Glance

Revenue Highlights

- Total operating revenue will increase by about \$173.1 million or 14.1 percent.
- County revenue to the Operating Fund will be about \$50.6 million more than FY 2022 for an increase of 9.2 percent.
- State revenue will be about \$121.6 million more than FY 2022 for an increase of 19.9 percent.
- Federal revenues reflect program estimates.
- A decrease in the use of beginning balance by \$1.1 million.

Expenditure Highlights

- 154 less students as compared to the FY 2022 approved budget.
- Start up costs for opening of “Rosemount Lewis” Elementary School scheduled to open August 2023.
- Compensation adjustments:
 - Step increase (2.8 percent cost increase) plus 4.2 percent COLA.
 - Health Insurance Plan increase of 2 percent.
 - The Virginia Retirement System (VRS) rate change for the trades groups increased by .62 percent.
 - Adjustment for Supplemental Pay rate of 7.0 percent.
 - Adjustment for Substitutes/Temporary Pay rates of 7.0 percent.
- Inflation of 7% on supplies, materials, and equipment.

New Resources

Commitment 1: Learning and Achievement for All

- 100.0 FTE teacher assistants, special education.
- \$3.0 million for student learning and safety software.
- 1.0 FTE teacher assistant per 24 kindergartners (88.10 total FTEs).
- 21.0 FTE gifted education teachers.
- 15.0 FTE Career Counselors.
- \$1.6 million to fund elementary small school supplements providing a 1.0 FTE teacher at 16 Schools with less than 500 regular students.
- \$0.8 million to fund middle small school supplements providing 2.0 FTE teachers at four schools with less than 1,000 regular students.
- 13.0 FTE Assistive Technology Specialists.
- \$0.9 million to fund student devices/peripheral replacement.
- 7.0 FTE Instructional Technology Coaches.

Commitment 2: Positive Climate and Culture

- \$2.4 million for expansion of Participate program (formerly VIF).
- \$6.7 million to fund CCTV, radio systems, and a 1.0 FTE.
- 14.2 FTE Nurses.
- 30.0 FTE Security Assistants at middle and high schools.

Commitment 3: Family and Community Engagement

- 35.0 FTE Parent Liaisons.
- 4.0 FTE Transportation Liaisons.

Commitment 4: Organizational Coherence

- \$4.3 million to change K-12 AP funding ratio from 600:1 to 500:1.

Operating Fund at a Glance

	FY 2022	FY 2023	Change	Percent
County	548,549,671	599,188,444	50,638,773	9.2%
State	610,110,231	731,661,781	121,551,550	19.9%
Federal	40,494,166	42,287,547	1,793,381	4.4%
Other	8,118,016	8,355,088	237,072	2.9%
Beginning Balance	24,034,948	22,946,546	(1,088,402)	(4.5)%
Total	1,231,307,032	1,404,439,406	173,132,374	14.1%

“This budget includes a 2.8 percent step increase and a cost of living adjustment of 4.2 percent.”

Operating Fund Revenue and Expenditures at a Glance

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

State Aid: Primarily includes Standards of Quality funding.

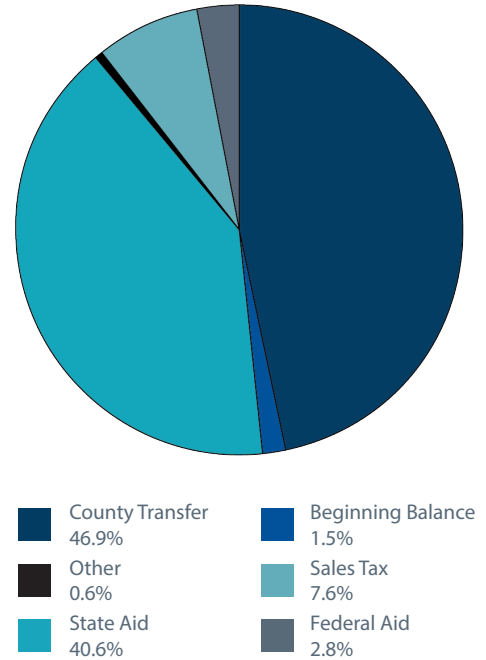
Sales Tax: One and one-eighth cent of the state sales tax designation for education.

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

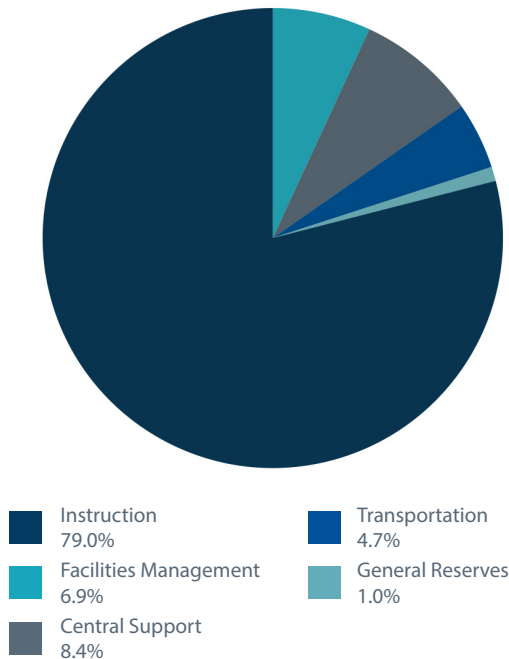
Other: Includes student fees and out-of-county tuition.

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

Where it Comes From



Where it Goes



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.

Source: FY 2022 PWCS Adopted Budget

Revenues – Operating/Debt

Operating Fund & Debt Service Fund

	FY 2022	FY 2023	Change	Percent Change
County	659,861,805	709,160,744	49,298,939	7.5%
State	610,110,231	731,661,781	121,551,550	19.9%
Federal	40,494,166	42,287,547	1,793,381	4.4%
Other	10,651,886	10,659,781	7,895	0.1%
Beginning Balance	24,034,948	22,946,546	(1,088,402)	(4.5)%
TOTAL	1,345,153,036	1,516,716,399	171,563,363	12.8%

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, adult education, other fees, and nonresident tuition accounts for a small amount of revenue. PWCS does not have taxing authority.

In FY 2023, PWCS projects to receive approximately \$1.5 billion to support the School Division's Operating and Debt Service Funds. This represents an increase of about \$171.6 million or 12.8 percent more than budget estimates for FY 2022.

County Funds

\$709.2 million; \$49.3 million more (7.5%)

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. The requested county transfer to the School Division will be approximately \$709.2 million with \$599.2 million to support the Operating Fund. The remaining \$110.0 million is for the Debt Service Fund to pay debt service for previous and new school construction and other capital improvements.

State Aid

\$731.7 million; \$121.6 million more (19.9%)

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 2023 is the first year of the biennium and therefore, adjustments are made resulting from the re-benchmarking process, as well as for changes 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 2022-2024 Biennial Budget, (FY 2023) PWCS will receive about \$731.7 million in state funding, an increase of \$121.6 million. About \$115.8 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 attempted to distribute aid to education equitably by recognizing that some localities are 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), is calculated using three indicators of a locality's ability-to-pay: (1) true values of real estate and public

Executive Summary

service corporations as reported by the State Department of Taxation for the calendar year of 2017 (50%), (2) adjusted gross income for the calendar year 2017 as reported by the State Department of Taxation (40%); and (3) the sales for the calendar year 2017 which are subject to the state general sales and use tax, as reported by the State Department of Taxation (10 percent). Each constituent index element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM, or per capita, for the same element. 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. It is important to note that every school division, even the poorest, significantly exceeds the state minimum SOQ program requirements. PWCS ability to pay education costs fundamental to the Commonwealth's Standards of Quality was decreased from .3799 to .3739 for the 2022-2024 biennium. This means Prince William County must pay about 37 percent of the cost of the minimum educational program set by the state SOQ. This change in LCI translates to an increase in funding to PWCS of approximately \$4.2 million.

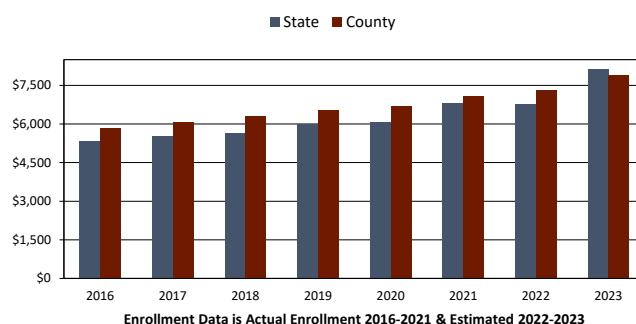
Federal Aid

\$42.3 million; \$1.8 million more (4.4%)

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 2023, PWCS will receive about \$42.3 million in “traditional” federal funding. This represents an increase of about \$1.8 million in federal grants for specific programs. The basis for an increase in federal funding is from program estimates. The \$1.8 million increase is primarily due to a \$.7 million increase in Title I grant funding, a \$.4 million increase in Title VI-B grant funding, a \$.2 million increase in Title III grant funding, and a \$.3 million increase in 21st Century Grants.

PWCS received over \$200 million in COVID-19 Relief Funding from the CARES Act, CRRSA, and ARPA. This funding supports human and material resources to address unfinished learning (during the school day, before and after school, and summer), professional learning for professional educators and instructional leaders, social-emotional supports, and mental health healing professionals and

State and County Per Pupil Funding by Fiscal Year



resources, resources for Center for Disease Control (CDC) and Virginia Department of Health (VDH) recommended ongoing health mitigation measures, and student transportation (social-distancing) measures, all related to COVID-19. These funds were budgeted and appropriated in FY 2022. Unobligated balances will carry over into FY 2023 through a separate resolution.

Other Revenue

\$10.7 million; \$8 thousand less (0.1%)

FY 2023 projects about \$10.7 million in available revenues from various other sources. These sources include fees for student parking, tuition for adult education classes, 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 2023.

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.

There is a budgeted beginning balance of \$22.9 million. The Division 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 1.5 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.

Revenue Summary by Fund

The table below shows revenues budgeted by fund with actual values for 2020-21, approved values for 2021-22 and proposed values for 2022-23 for comparison. Revenue by source is shown for the Operating and Debt Service Funds.

Fund	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	Increase/Decrease
OPERATING				
County	526,015,366	548,549,671	599,188,444	50,638,773
State	608,481,652	610,110,231	731,661,781	121,551,550
Federal	88,109,762	40,494,166	42,287,547	1,793,381
Local	7,923,020	5,618,016	5,855,088	237,072
Beginning Balance	0	24,034,948	22,946,546	(1,088,402)
Undistributed	0	2,500,000	2,500,000	0
TOTAL OPERATING	1,230,529,800	1,231,307,032	1,404,439,406	173,132,374
DEBT SERVICE				
County	106,239,859	111,312,134	109,972,300	(1,339,834)
Other	1,330,835	1,533,870	1,304,693	(229,177)
Transfers In	1,495,162	1,000,000	1,000,000	0
TOTAL DEBT SERVICE	109,065,856	113,846,004	112,276,993	(1,569,011)
Construction	153,396,255	120,745,065	129,099,104	8,354,039
Food Services	70,104,938	50,000,000	50,000,000	0
Distribution Center	4,592,302	5,000,000	5,000,000	0
Facilities Use	31,252	1,824,640	1,724,816	(99,824)
Imaging Center	417,183	508,508	532,946	24,438
Self-Insurance	4,748,436	6,394,395	6,431,527	37,132
Health Insurance	114,086,167	107,490,970	124,472,710	16,981,740
Regional School	53,169	0	0	0
SACC Program	503,287	550,000	550,000	0
Governor's School	980,972	1,436,236	1,500,037	63,801
Aquatics Center	584,335	1,401,806	1,593,520	191,714
Student Activity	2,021,175	15,656,000	15,656,000	0
TOTAL ALL FUNDS	1,691,115,127	1,656,160,656	1,853,277,059	197,116,403

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 budget for FY 2023 is \$112.3 million, a \$1.6 million decrease from FY 2022.

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 2023 construction revenues will increase and as a result, the Construction Fund will experience a revenue increase of \$8.4 million over FY 2022.

Food Services Fund revenue comes from federal and state government subsidies as well as cafeteria food sales. In FY 2023, the revenue budget is \$50.0 million, unchanged from FY 2022.

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 2023 is \$1.7 million, a decrease of \$100 thousand from FY 2022.

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 2023, the revenue budget for the Imaging Center Fund is \$533 thousand, a decrease of \$24 thousand from FY 2022.

The Self-Insurance Fund revenues consist of charges for services to other funds and a small amount from insurance claims and recoveries. FY 2023 budget will be \$6.4 million, a \$37 thousand increase over FY 2022.

Health Insurance Fund revenue sources are payroll withholdings from employee pay and employer contributions for employee coverages. In FY 2023, the total revenue budget for the Health Insurance Fund is \$124.5 million, a \$17.0 million increase over FY 2022.

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 2023 budget is unchanged at \$550 thousand.

The Governor's School @ Innovation Park is a STEM school with enrollment of approximately 166 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 2023 revenue budget is \$1.5 million, up \$64 thousand from FY 2022.

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 the sale of merchandise concessions, swim lessons, parties, and memberships. FY 2023 revenue budget is \$1.6 million, a \$192 thousand increase over FY 2022.

Finally, the Student Activity Fund accounts for monies received from school events such as field trips, fundraisers, and community use of facilities. In FY 2023, the revenue budget is unchanged at \$15,656,000.

Operating Fund and Debt Service Fund

Adjustment Changes from Approved FY 22 to Proposed FY 23

FY 2022 Approved Expenditures for Operating and Debt Service Funds		\$1,345,153,036
Expenditure Changes for FY 2023		
Baseline Adjustments		\$16,641,605
Baseline Adjustments, Elimination of One-Time Costs	(\$5,278,502)	
Readjust Holdback Allocation Reserve	\$7,916,199	
Inflation (7.0%) on Supplies, Materials, Equipment	\$7,605,212	
Adjustments in Grants & Self-Supporting Programs	\$6,398,696	
Compensation		\$59,961,606
Pay Raise 7.0% (Step 2.8%, COLA 4.2%)	\$61,114,062	
Slippage in Compensation (Salary Vacancy Factor Plus Impact of Turnover)	(\$20,371,354)	
Funding to Increase Compensation Competitiveness	\$20,000,000	
Virginia Retirement System (VRS) Rate Change Trades Group Only (0.62% Increase)	\$419,871	
Group Life Insurance (GLI) Rate Change (0.15% Decrease)	(\$1,044,795)	
Adjustment to Supplemental Pay Rates (7.0%)	\$550,328	
Adjustment for Substitutes/Temporary Pay Rates (7.0%)	\$460,436	
Reclassifications	\$121,302	
Health Insurance Rate Adjustment	(\$1,288,244)	
New Students & Schools		\$5,642,006
Funding for Change in Students	\$5,331,516	
Thomas Jefferson HS Increase in Students	\$1,783,922	
Governor's School @ Innovation - Increased Costs and Students (108 to 128)	\$95,579	
Debt Service Net Change	(\$1,569,011)	
School Repairs & Renewals		\$29,556,261
TIP - Increase Technology Improvement Projects (TIP) Funding Annual Increase	\$500,000	
TIP - Increase Technology Improvement Projects (TIP) Funding	\$22,581,016	
CIP - Increase Capital Improvement Projects (CIP) Funding	\$6,475,245	
New Resources		\$59,761,885
Commitment 1: Learning and Achievement for All	\$30,622,219	
Commitment 2: Positive Climate and Culture	\$16,822,640	
Commitment 3: Family and Community Engagement	\$3,061,208	
Commitment 4: Organizational Coherence	\$9,255,818	
Net Change	\$171,563,363	
FY 2023 Projected Expenditures		\$1,516,716,399
FY 2023 Projected Revenues (Operating & Debt Service)		\$1,516,716,399
Estimated FY 2023 Surplus/(Deficit)		\$0
Debt Service Fund		\$112,276,993
Operating Fund		\$1,404,439,406

Baseline Adjustments

\$16.2 million

Baseline adjustments represent the costs of personnel, materials, equipment, and services to continue current programs and services in FY 2023. 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 of seven percent to school and departments budgets for inflation related to supplies, materials, and equipment. Funding is allocated to adjust for programmatic changes in replacement equipment and vehicles based on a 14-year schedule. This budget supports the replacement of 42 buses and four 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 increase overall by about \$6.4 million in FY 2023. This is primarily due to increases in the Virginia Preschool Initiative (VPI) and Title I grants and Reading Intervention funding. Overall, this budget includes about \$64.6 million in revenues and expenditures for grants and self-supporting programs.

New Students and Schools

\$5.6 million

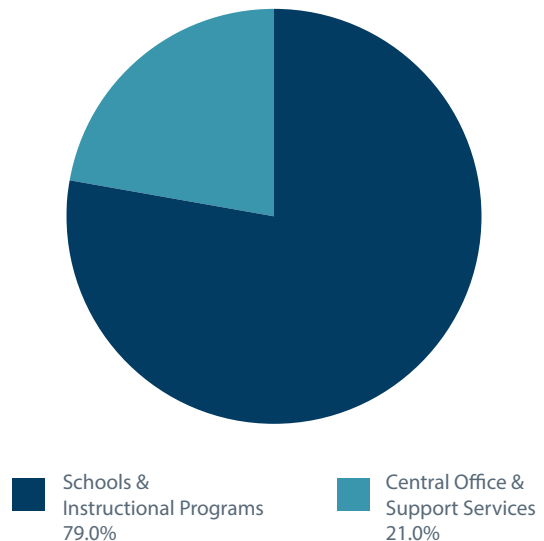
The FY 2023 budget includes a \$5.3 million increase in per pupil allocations to schools and central support services used to maintain current programs and services. The FY 2023 budget includes funding of \$1.9 million for projected enrollment increases at Thomas Jefferson High School and The Governor’s School @ Innovation Park.

In August 2023, the School Division will open "Rosemount Lewis" Elementary 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 decrease by \$1.6 million from the FY 2022 Approved Budget. The decrease is the difference between the debt service on bonds for new schools and renovations and the interest and principal retired on previous construction bonds and/or refunding of bonds.

Funding is included to support renovations at: Bennett, Bristow Run, Signal Hill, and Cedar Point Elementary Schools, and Parkside Middle School; roof replacements at: Rippon Middle School and Battlefield, Forest Park, and Osbourn Park High Schools; HVAC enhancements at: Bel Air and Enterprise Elementary Schools, Graham Park Middle School, Woodbridge High School, and Division-wide (building automation system upgrades); fenestration improvements at: Woodbridge High School; and asphalt at Benton, Bull Run, and Fred Lynn Middle Schools, Forest Park and Potomac High Schools and LED lighting upgrades at five schools.

Expenditures
Instruction vs. Support



Source: FY 2022 PWCS Adopted Budget

Compensation

\$60.0 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. Less than one percent of employees are currently at the top of their pay scales.

This budget supports a step increase for eligible employees and a 4.2 percent cost of living adjustment. Each one percent of salary and benefits costs about \$9.0 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. The estimated slippage budget for FY 2023 is about one percent of estimated compensation. This means that \$20.4 million may reduce the effective cost for the pay raise.

Benefit Programs

In FY 2023, the average cost of benefits for a typical employee is about 39.42 percent of salary. Benefit rates at 16.62 percent for VRS and 1.21 percent for the health care credit rate are unchanged from last year. The VRS rate for the trades group increased by .62 percent to 6.90 percent and group life insurance (GLI) decreased by 0.15 percent to 1.19 percent in FY 2023.

PWCS has two health insurance plans: Anthem and Kaiser. PWCS employees have not experienced any increases in the past three years because PWCS has absorbed the increases for both plans. Anthem’s self-insured health insurance costs are projected to increase by 6.9 percent with a 2 percent increase funded by employees. The balance of the increase will be funded by positive experience from previous years. Kaiser’s fully insured plan rate will increase by 14 percent for PWCS and employees. It is important to note that Kaiser premiums will still be less than Anthem premiums. For example, the Kaiser family HMO premium will be \$517.52 per month and the Anthem HMO will be \$532.46 per month.

School Repairs & Renewals

\$29.5 million CIP Technology Improvement Projects (TIP)

Implementation of the PWCS Technology Improvement Plan allows for the Division to maintain a learning management system, digital equity, close the homework gap, and support a robust infrastructure for managing and optimizing safe and effective use of technology so students have opportunities to be active learners, creating and sharing content, not just consuming it.

Prior to the Spring of 2020, PWCS was working to implement a five-year digital equity plan to ensure all PWCS students had equitable access to quality, authentic resources at home and school, preparing our students for their futures. In the Spring of 2020, PWCS closed schools due to the world-wide COVID-19 Pandemic. At that time, all learning became virtual for the remainder of the school year. Schools that were able to, provided portable devices to students for continued learning from home. The start of the 2020-21 school year remained closed due to the lingering COVID-19 Pandemic with the majority of students learning virtually and a small population of students attending in person. Utilizing VPSA funding, PWCS budget and CARES funding, the Information and Instructional Technology department purchased laptops to support virtual learning from home. With 76,894 new laptops purchased, and approximately 15,106 laptops three years of age or less in the Division, PWCS was able to fully implement Digital Equity for K-12 students by January 2021. Implementing digital equity Division-wide will also assist with eliminating the traditional computer labs for schools. The exception to this would be specialized computer labs for courses (e.g. CTE, graphic arts). To sustain PWCS Digital Equity, a three-year refresh plan will be implemented.

With PWCS reaching digital equity by January 2021 for all students, it will be essential to continue providing Wi-Fi access at home for students beyond the Pandemic. Providing continued internet access will allow us to close the homework gap for our ESOL students and low-income families in the Division. Students will have access to 24/7 learning anytime, anywhere.

Division-wide there is a combination of approximately 12,000 laptops, and desktops utilized by teachers, support staff, central office staff, and administrators. Best practice indicates devices should be refreshed every three years.

The TIP provides funding for the human resource management, financial, operational, technical, and functional support for Division-wide IT applications and hardware. And, funding for information security, management, and operational support for the PWCS I-Net wide area network, technical, and functional support of the Enterprise Data Centers that are critical to delivering support to students, teachers, parents and staff.

Executive Summary

New Resources

\$59.8 million

This budget identifies \$59.8 million for new resources and allocations to existing programs and services. The items associated with this funding are listed below in accordance with the Division’s four main commitments outlined in the Strategic Plan.

Commitment 1: Learning and Achievement for All	333.7 FTE	\$30,622,219
Special Education Teacher Assistant 188 Day Grade 4	100.0	\$3,633,200
Schools Increase Teacher Assistant 188 Day Grade 4 to Provide Funding for One Per KG Class	88.1	\$3,391,652
FY23 Maintenance Service Contract		\$3,032,297
Small School Supplement - ES and MS	24.0	\$2,369,928
Gifted K-3 (START) Teacher 195 Day Grade 12	21.0	\$2,218,398
Student Services Career Counselor 200 Day Grade 12	15.0	\$1,590,081
Special Education Assistive Technology Specialist 195 Day Grade 12	13.0	\$1,343,618
Special Education Behavior Specialists Teacher 195 Day Grade 12	9.0	\$930,197
K-3 Class Size Reduction Program Adjusted for Revised Costs and Qualifying Schools		\$918,379
Schools Funding for Student Devices/Peripheral Replacement		\$880,944
Schools 200 Day Grade 12; adjust funding to provide 1.0 IST for every School; Impacts 14 Schools	7.0	\$811,392
Social Services School Social Workers 195 Day Grade 12	5.0	\$516,776
Special Education Admin Coordinator ESY 223 Day Grade 16	2.0	\$332,390
Schools IBPYP Teacher 195 Day Increase .25 FTE at Five Schools (Antietam, Buckland Mills, Ellis, Mullen, Parks) for 1.0 FTE Per School	1.3	\$124,615
Schools Foreign Language Teacher 195 Day Increase 0.4 FTE at Four Schools (Enterprise, River Oaks, Signal Hill, Tyler) for 1.0 FTE Per School	1.6	\$159,508
MS Geometry Teachers (11 Sections) 195 Day Grade 12	2.2	\$220,051
Adapted PE Teacher 195 Day Grade 12	2.0	\$215,706
Special Education Supervisor MTSS 250 Day Grade 18	1.0	\$214,731
Student Services Supervisor College & Career Services 250 Day Grade 18	1.0	\$214,731
Student Services Supervisor Social & Emotional Learning 250 Day Grade 18	1.0	\$214,731
Special Education Behavior Analysts 195 Day Grade 12	2.0	\$206,710
Hearing Program Cued Language Transliterators (CLT) 195 Day Grade 11	2.0	\$172,984
Social Services Admin Coordinator Drop Out Prevention & Truancy Intervention 250 Day Grade 15	1.0	\$169,391
Special Education Admin Coordinator 223 Day Grade 16	1.0	\$166,195
Student Services Substance Abuse Specialist 223 Day Grade 12	1.0	\$118,196
Hearing Services Audiologist 223 Day Grade 12	1.0	\$112,972
Special Education Teacher Vocational Assessment 200 Day Grade 12	1.0	\$106,006
Psychology Services Diagnostician 195 Day Grade 12	1.0	\$103,355
Special Education Transition Employment Specialist 195 Day Grade 12	1.0	\$103,355
Hearing Program Sign Language Interpreter 195 Day Grade 11	1.0	\$86,492
One-Time: Learning and Achievement Central_School Based set-up		\$16,000
Reduce Social Services Lead Attendance Officer 250 Day Grade 10	(1.0)	(\$102,303)
Professional Learning Admin Coordinator 223 Day Grade 15	1.0	\$151,663
One-Time: Learning and Achievement Central_School Based set-up		\$278,877
Student Opportunity Supervisor 250 Day Grade 18	3.0	\$644,194
Student Opportunity Admin Coordinator 250 Day Grade 14	3.0	\$463,501
Student Learning College and University Readiness and IB Expansion		\$415,052

Executive Summary

New Resources

(continued)

Student Learning Admin Coordinator, Language Arts 250 Day Grade 15	2.0	\$338,782
Student Learning Instructional Coach 214 Day Grade 12	2.0	\$226,852
Student Learning "Access to the Arts" Performance Enhancement Program		\$180,486
Student Opportunity Coordinator, World Languages 250 Day Grade 15	1.0	\$169,391
Student Learning Admin Coordinator Access to the Arts 250 Day Grade 15	1.0	\$169,390
Student Learning Admin Coordinator, Math 250 Day Grade 15	1.0	\$169,390
Psychology School Interns		\$165,841
Special Education Teachtown Curriculum		\$150,602
Student Learning Admin Coordinator College Readiness & IB Expansion 250 Day Grade 13	1.0	\$145,794
Speech Program Enhancement		\$133,755
Special Education Evaluation and Eligibility Protocols		\$125,316
Student Opportunity ESOL Dual Assessment Specialist 223 Day Grade 12	1.0	\$118,195
Student Learning Civics Coach 195 Day Grade 12	1.0	\$103,356
Student STEM Teacher 195 Day Grade 12	1.0	\$103,355
Increase Tuition Reimbursement		\$100,401
Preschool Translator 223 Day Grade 11	1.0	\$98,911
Student Learning CTE Expansion		\$76,197
Licensed Practical Nurse (LPN) Program Expansion		\$59,000
Visual Program Teacher Orientation & Mobility 195 Day Grade 12	0.5	\$51,678
Special Education Annual Differentiated Instructional Practices Conference		\$50,200
Student Services Guided Insight Access Program		\$45,718
Psychology Services National Certified School Psychologist Stipend		\$38,547
Student Opportunity World Language Credits by Exam		\$36,754
Psychology Services Supervision of Psychology Interns Stipend		\$16,136
Special Education Mileage for ESY Staff		\$7,172
Cabinet Associate Superintendent Special Education 250 Day Grade 22	1.0	\$369,378
IPO Preschool Teacher Special Assignment 195 Day Grade 12	3.0	\$310,065
Cabinet Executive Admin Assistant II 250 Day Grade 9	2.0	\$201,104
Student Opportunity Data Analyst 250 Day Grade 11	1.0	\$110,887
Professional Learning Assistant, Operations 250 Day Grade 9	1.0	\$100,552
Professional Learning Admin Assistant II 250 Day Grade 6	1.0	\$73,049
One-Time: Central Org Coherence start-up funds		\$30,000
Commitment 2: Positive Climate and Culture	65.2 FTE	\$16,822,640
Schools 1.0 additional Security Assistant for 17 Middle and 13 High Schools	30.0	\$1,576,590
Nurses Program Nurse 195 Day Grade 12	14.2	\$1,260,669
Student Management & Alternative Programs Supervisor, 250 Day Grade 18	1.0	\$214,731
One-Time Closed Circuit TV (CCTV) Upgrades		\$6,750,534
VIF Participate Increase in Fees to Support Hiring of 193 Teachers		\$2,433,470
Human Resources Teacher Assistants to Teachers Program		\$486,767
Risk Management Senior School Security Officer 250 Day Grade 14	3.0	\$463,501
Social Services "No Place For Hate" Implementation Support		\$400,709

Executive Summary

New Resources

(continued)

Risk Management CCTV and Radio Systems Support Specialist 250 Day Grade 10	1.0	\$102,303
Social Services Signs of Suicide Annual Subscription MS & HS		\$18,825
One-Time: Positive Climate and Culture set-up programs		\$17,000
Nurses Program Albuterol Supply for Each School		\$5,379
One-Time: Positive Climate and Culture set-up programs		\$476,000
Recruitment and Retention Coordinator 250 Day Grade 13	2.0	\$291,588
Equity Department Title IX Investigators 250 Day Grade 14	2.0	\$274,483
Human Resources "Growing Our Own (GOO)" Expansion to all 13 High Schools		\$226,799
Human Resources Supervisor of Admin Recruitment & Retention 250 Day Grade 17	1.0	\$191,300
Student Management & Alternative Programs Hearing Officer, 250 Day Grade 16	1.0	\$185,682
Human Resources Admin. Coord. of Certificated Recruitment & Retention 250 Day Grade 15	1.0	\$169,391
Human Resources Certificated Recruitment & Retention Program		\$164,945
Energy Management Coordinator Sustainability 250 Day Grade 14	1.0	\$154,500
Transportation Services Customer Service Coordinator 250 Day Grade 14	1.0	\$152,353
Energy Management Program Analyst Energy and Sustainability 250 Day Grade 13	1.0	\$145,795
Human Resources Data Analyst 250 Day Grade 13	1.0	\$145,794
Coordinator Benefits and Retirement 250 Day Grade 13	1.0	\$145,794
Human Resources Benefits Specialist 250 Day Grade 9	1.0	\$100,552
Transportation Dispatch Manager 250 Day Grade 8	1.0	\$85,892
Student Services Admin Assistant II 250 Day Grade 6	1.0	\$73,049
Human Resources Benefits Specialist 250 Day Grade 6	1.0	\$72,118
Human Resources Admin Recruitment & Retention Program		\$30,479
One-Time: Central School Based start-up funds		\$5,648
Commitment 3: Family and Community Engagement	45.2 FTE	\$3,061,208
Elementary School Parent Liaison 200 Day Grade 7	35.0	\$1,927,819
Student Opportunity Supervisor 250 Day Grade 18	1.0	\$214,732
Translators 223 Day Grade 11	2.0	\$197,822
One-Time: Central School Based start-up funds		\$31,852
English Language Learners Translation Coordinator 223 Day Grade 14	0.2	\$26,287
Supervisor Equity 250 Day Grade 18	1.0	\$243,860
Transportation Liaison 200 Day Grade 7	4.0	\$227,591
Military Connection Specialist grade 12 223 Day	1.0	\$118,196
Student Opportunity Admin Assistant II 250 Day Grade 6	1.0	\$73,049
Commitment 4: Organizational Coherence	56.3 FTE	\$9,255,818
Assistant Principals from 600:1 to 500:1	26.8	\$4,260,041
Increased E-Rate Funding Local Match for Technology Improvements Program		\$1,259,000
One-Time: Central Org Coherence start-up funds		\$271,909
Cabinet Chief of Staff 250 Day Grade 21	1.0	\$261,593
Information Technology Supervisor of Workstation 250 Day Grade 18	1.0	\$212,385
Finance Assistant Director 250 Day Grade 19	1.0	\$203,344

Executive Summary

New Resources

(continued)

Human Resources Assistant Director of Human Resources 250 Day Grade 19	1.0	202,498
Information Technology Security Engineer 250 Day Grade 16	1.0	183,138
Finance Payroll KRONOS Supervisor 250 Day Grade 15	1.0	169,391
Admin Coordinator for Research grade 14 250 day	1.0	154,501
Finance Procurement Coordinator 250 Day Grade 14	1.0	154,500
Student Opportunity Admin Assistant II 250 Day Grade 6	2.0	146,098
Professional Learning Admin Coordinator 250 Day Grade 13	1.0	145,794
Human Resources Coordinator of Classification and Compensation 250 Day Grade 13	1.0	145,794
Communication Services Specialist 250 Day Grade 13	1.0	143,816
Legal Services FOIA Officer 250 Day Grade 13	1.0	143,816
Financial Services Payroll Administrative Coordinator 250 Day Grade 13	1.0	143,816
Budget Services Senior Budget Analyst 250 Day Grade 13	1.0	132,933
Human Resources Specialist Classified Employment 250 Day Grade 9	1.0	124,756
Facilities Services Project Manager for School-based Projects 250 Day Grade 11	1.0	110,887
Information Technology Technical Support Specialist 250 Day Grade 11	1.0	109,474
Finance PCard Accounts Payable 250 Day Grade 7	1.5	106,684
Finance Training Specialist 250 Day Grade 9	1.0	100,553
Human Resources Specialist Compliance and Certification 250 Day Grade 9	1.0	100,553
Finance PCard Specialist 250 Day Grade 9	1.0	100,552
Assessment Support Specialist grade 9 250 day	1.0	100,552
Executive Administrative Assistant II to School Board 250 Day Grade 9	1.0	99,271
Financial Services Special Projects 250 Day Grade 16	0.5	91,569
Equity Admin Assistant II 250 Day Grade 6	1.0	89,039
Budget Executive Administrative Assistant I 250 Day Grade 8	1.0	89,039
Professional Learning Admin Assistant II 250 Day Grade 6	1.0	73,049
Finance PCard Accountant 250 Day Grade 13	0.5	72,897
ELL Adjust Finance Specialist Grade 8 Contract from 223 to 250		7,584
Finance Grants Accountant 250 Day Grade 13 (funded By Grants)	2.0	0
Finance Revenue/Grants Supervisor 250 Day Grade 15 (funded By Grants)	1.0	0
Reduce School Board Administrative Assistant I 250 Day Grade 5	(0.5)	(25,941)
Reduce Financial Services Payroll Specialist 250 Day Grade 7	(0.5)	(35,108)
Reduce Information Technology Technical Specialist 250 Day Grade 16	(1.0)	(183,138)
Reduce Principal on Special Assignment 250 Day Grade 20	(1.0)	(210,821)
Total New Resources	500.4	\$59,761,885

800 MHz Radio Sinking Fund

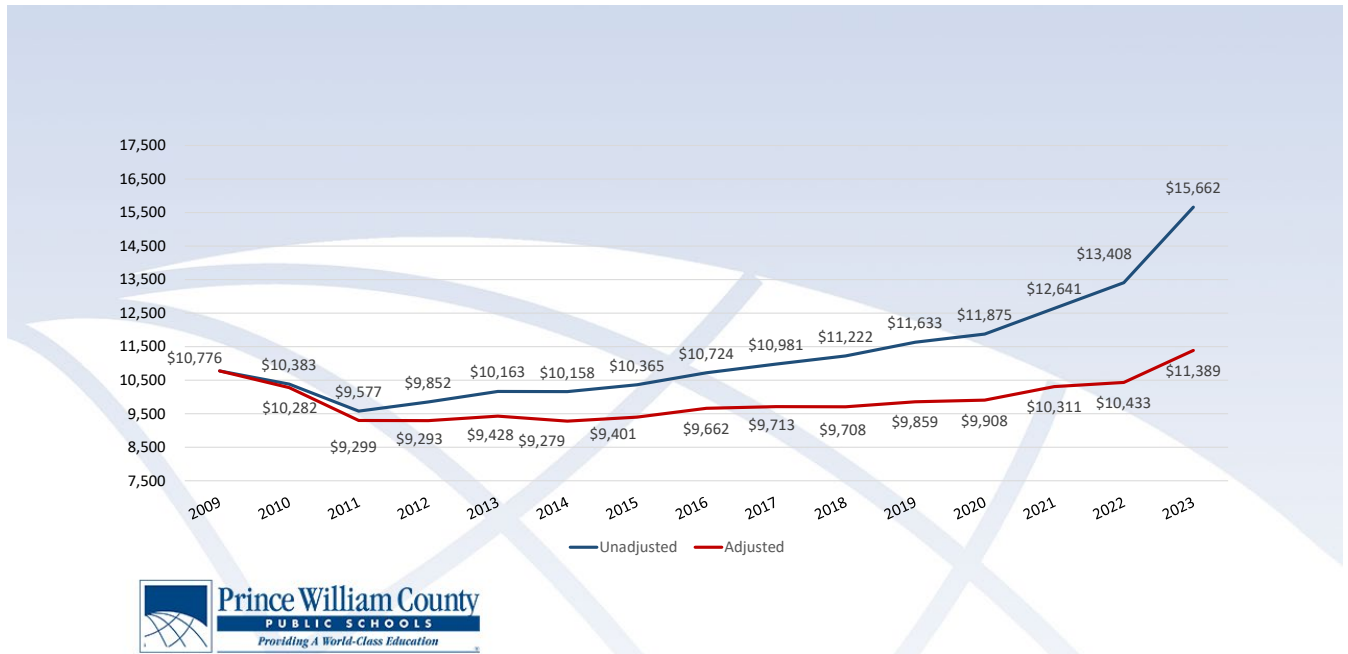
The proposed sinking fund to save \$333,000 a year for the next ten years in order to purchase the next generation of 800 MHz radios is not included in this budget. This will be a priority for funding if additional one-time funding becomes available at the end of the fiscal year.

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 learner students. These students require more support which requires higher levels of funding.

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 2023.

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



Fiscal Year Budget Comparison for All Funds

The table below includes the total budget by fund showing actual expenditure values for 2018-19, 2019-20, and 2020-21, approved expenditure values for 2021-22, and proposed expenditure values for 2022-23 for comparison.

Fund	Actual 2018-19	Actual 2019-20	Actual 2020-21	Approved 2021-22	Proposed 2022-23
Operating	1,046,834,154	1,108,472,392	1,160,947,146	1,231,307,032	1,404,439,406
Debt Service	105,491,378	104,996,412	108,665,492	113,846,004	112,276,993
Construction	147,363,672	172,402,458	119,429,347	120,745,065	129,099,104
Food Services	45,271,884	40,913,399	39,589,481	50,000,000	50,000,000
Imaging Center	588,394	609,700	470,305	508,508	532,946
Facilities Use	1,464,941	957,281	246,273	1,824,640	1,724,816
School Age Child Care Program	576,079	518,243	431,491	550,000	550,000
Distribution Center	4,185,215	3,915,582	4,779,755	5,000,000	5,000,000
Self-Insurance	4,001,040	5,305,296	7,019,096	6,394,395	6,431,527
Health Insurance	98,338,406	103,343,837	110,664,839	107,490,970	124,472,710
Governor's School @ Innovation Park	974,090	912,588	1,087,492	1,436,236	1,500,037
Regional School	25,385,602	13,332,843	537,228	0	0
Aquatics Center	1,191,386	1,058,057	1,018,623	1,401,806	1,593,520
Student Activity	0	0	2,754,117	15,656,000	15,656,000
Grand Total	1,481,666,241	1,556,738,088	1,557,640,685	1,656,160,656	1,853,277,059



School Board Funds

Other than the Operating Fund, the budget includes funds for the management of special activities and functions. The FY 2023 budget consists of thirteen funds under the control of the School Board.

Operating Fund

\$1,404,439,406; 11,958.0 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

\$129,099,104; 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

\$112,276,993; 0.0 positions

This fund pays principal and interest on bonds and loans sold to finance capital projects in the Construction Fund. The County transfer primarily supports this fund.

Food Services Fund

\$50,000,000; 666.86 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

\$124,472,710; 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. This fund is part of the Facilities Use Fund, however, it is presented separately in this document.

Aquatics Center Fund

\$1,593,520; 7.0 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

\$1,169,616; 1.5 position

This fund accounts for revenues and expenditures collected from the use of schools by non-school organizations. Building rental fees support this fund.

Governor's School @ Innovation Park

\$1,500,037; 11.0 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; 2.0 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 provider funds the program oversight.

Self-Insurance Fund

\$6,431,527; 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

\$532,946; 3.0 positions

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

Student Activity Fund

\$15,656,000; 0.0 positions

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

Informational Section – FY 2023 Trends and Forecasts

Student Enrollment

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

Historical Enrollment Growth

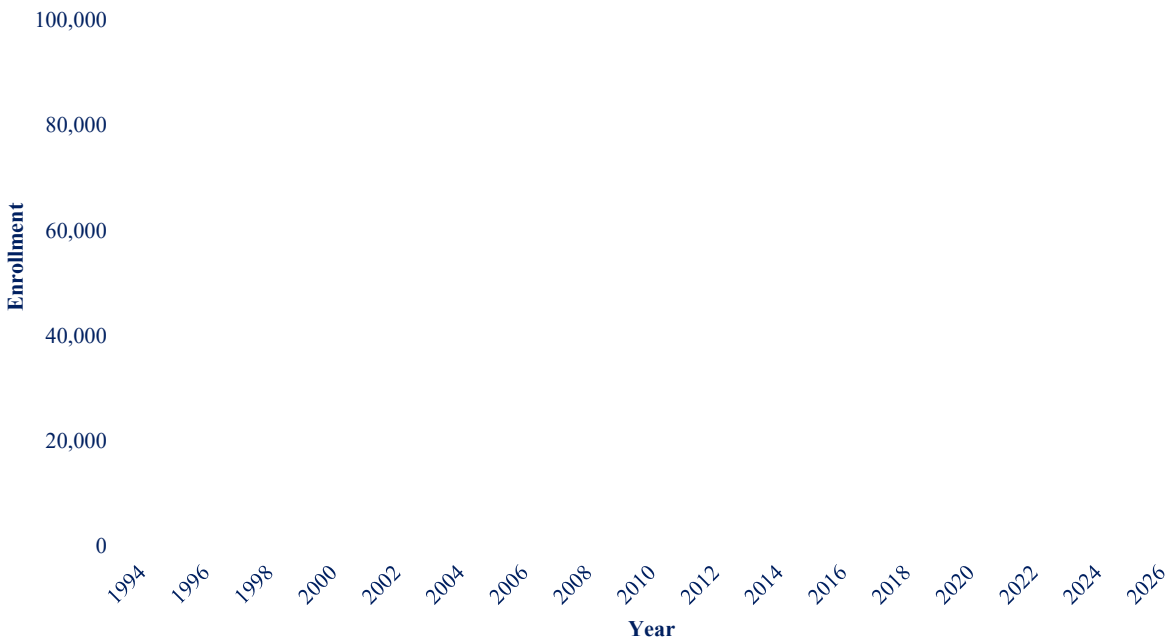
The graph below depicts the 28-year enrollment history and five projected years of PWCS. The School Division has seen steady growth over the last five years, at a rate of less than 1.0 percent annually. The calendar year 2021 (FY 2022) enrollment for the School Division was 89,468, a year-over-year increase of 392 from calendar year 2020 (FY 2021) enrollment of 89,076. In FY 2023, the enrollment projection is 89,837, a decrease from FY 2022 by 154 students.

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 the Housing Unit method and Grade Progression method, along with judgmental adjustments to fine-tune the forecasts. The model produced by this combination of methods is supported by industry best practices and scholarly literature and is relatively inexpensive to produce.

The table on the following page utilizes the enrollment projection tools to estimate the 2022-23 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 2020-21	Actual 2021-22	Projected 2022-23	Change 2022-23
Elementary School		38,390	38,734	38,994	260
	K	5,592	6,138	6,077	(61)
	1	6,312	6,231	6,694	463
	2	6,521	6,411	6,316	(95)
	3	6,601	6,614	6,474	(140)
	4	6,629	6,702	6,706	4
	5	6,735	6,638	6,727	89
Middle School		20,978	20,625	20,438	(187)
	6	6,955	6,730	6,646	(84)
	7	6,894	6,971	6,767	(204)
	8	7,128	6,923	7,025	102
High School		28,343	28,772	28,887	115
	9	7,532	8,027	7,702	(325)
	10	7,257	7,247	7,781	534
	11	6,899	6,621	6,727	106
	12	6,656	6,878	6,677	(201)
Special Schools		1,365	1,337	1,518	181
Total		89,076	89,468	89,837	369

To estimate the state revenues and to calculate the school and central office allocations for the FY 2022-23 budget, PWCS used the enrollment of 89,837 students.

Grade Span	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27
Elementary	38,994	39,366	39,657	40,342	40,645
Middle	20,438	20,375	20,522	20,864	20,754
High	28,888	29,489	29,778	29,820	29,918
Special Schools	1,518	1,514	1,539	1,550	1,563
Total	89,837	90,745	91,495	92,576	92,880
Annual Change	0.4%	1.0%	0.8%	1.2%	0.3%

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 0.8 percent annually. The table above projects enrollment for the next five years by grade span.

Projected enrollments beyond 2022-23 allow for long-range capital planning, such as planning for construction of additional schools, or additions to existing schools.

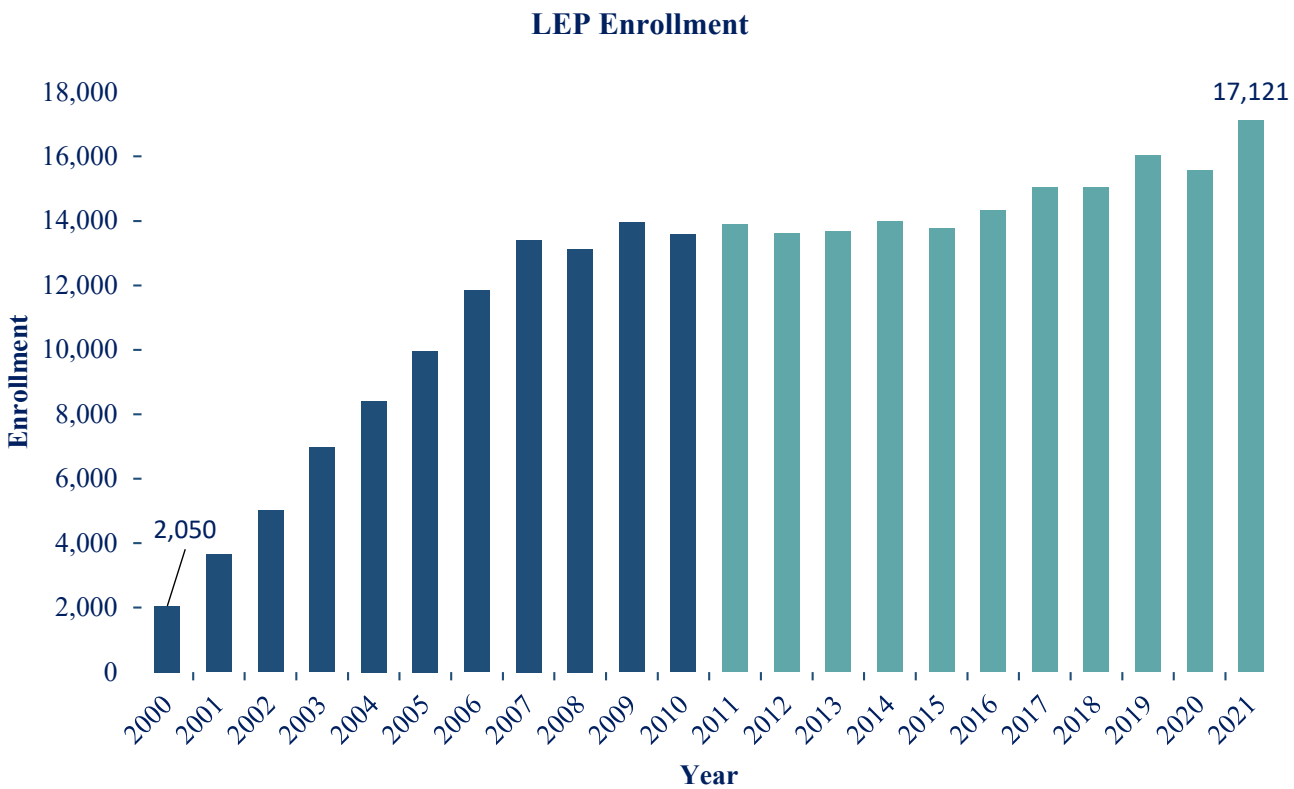
Demographic Changes

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

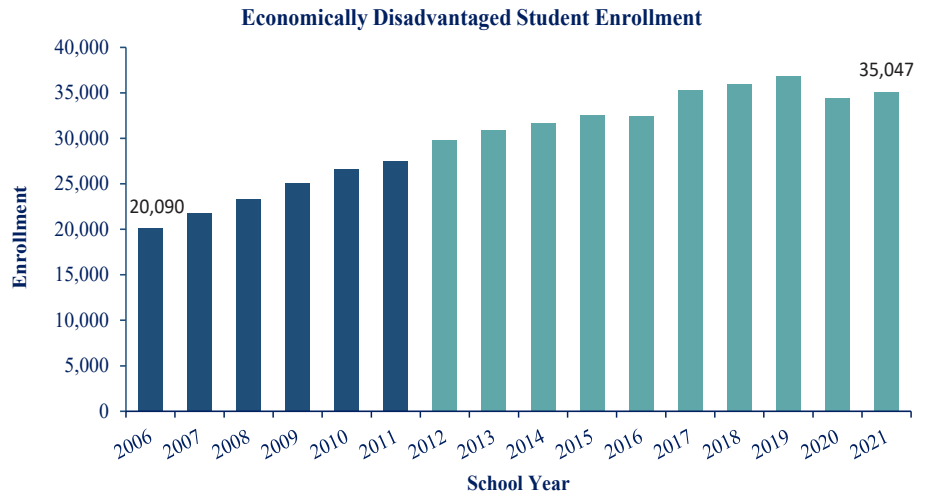
During the past five years, the rate of growth for students receiving English Learner (EL) services increased by 3.6 percent annually.

The graph below depicts LEP enrollments over the 2000 to 2021 calendar year period.



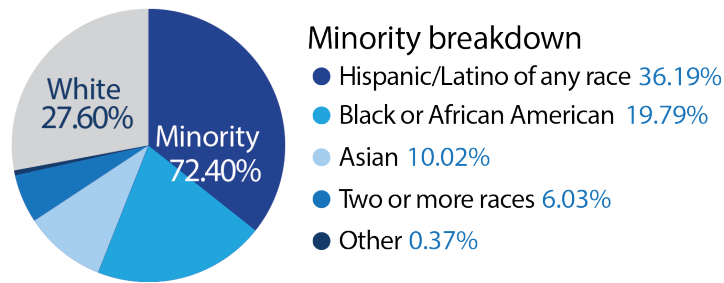
Economically Disadvantaged Students

Students eligible for free or reduced lunch programs have increased by about 1.5 percent annually during the past five years. In FY 2022, PWCS reported 35,047 students or 39.0 percent to be eligible for free or reduced lunches. The graph to the right depicts the changes in the free and reduced lunch population over the last 16 calendar years.

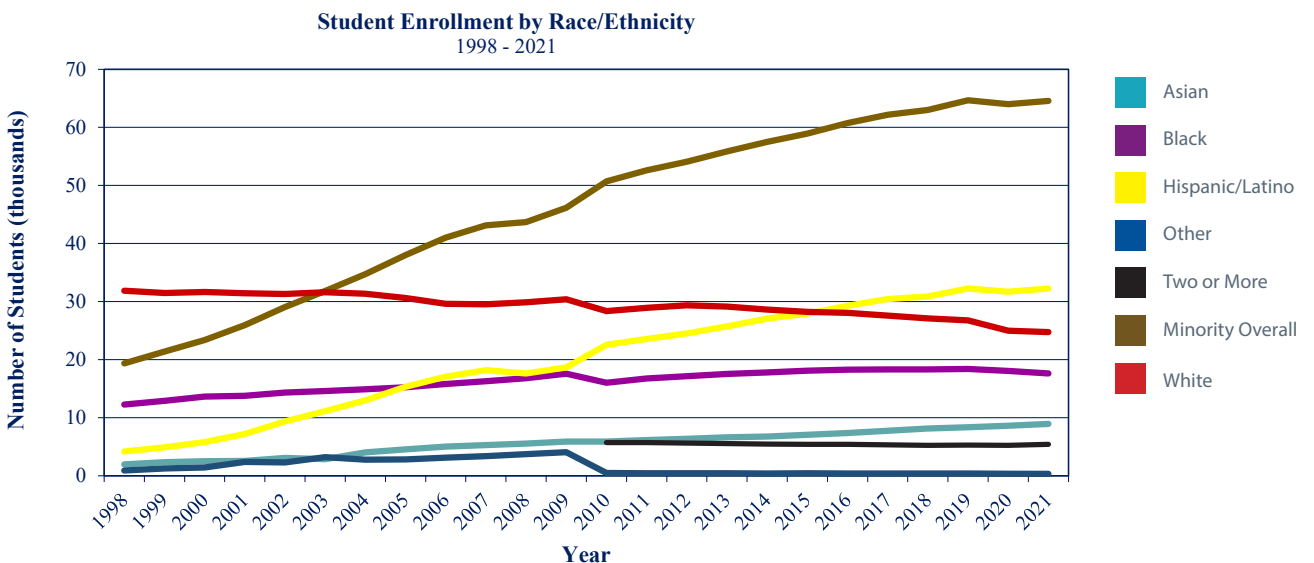


Student Diversity

The School Division has undergone significant demographic changes over the last decade that includes the diversity of the student population. According to the 2020 United States Census, Prince William County is the most diverse county in Virginia and the tenth most diverse county in the nation.



The chart below depicts the changes in diversity of the district enrollment over the last 24 calendar years.



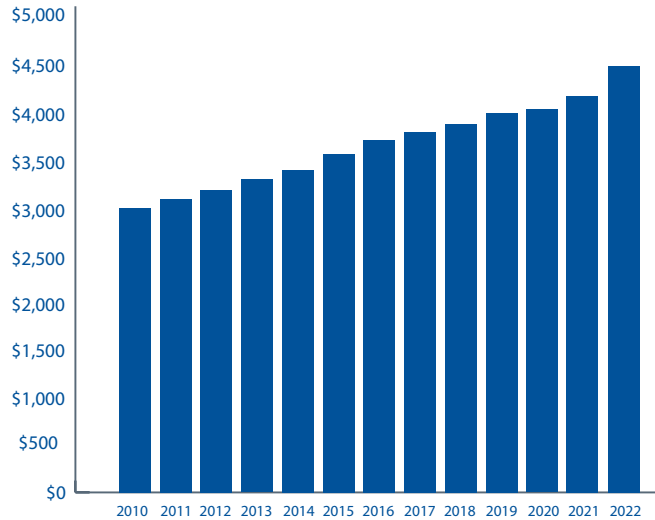
Local Taxes

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 (e.g., 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 will receive 57.23 percent of the county’s general revenues in Fiscal Year 2022.

The real property tax is the single largest revenue source for Prince William County contributing approximately 66.6 percent of general revenues (FY 2022 forecast). 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 2022, the tax rate decreased to \$1.115. 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
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	\$4,190	\$1.125	\$372,400	3.71%	0.00%	3.70%
2020	2021	\$4,370	\$1.125	\$388,400	4.30%	0.00%	4.30%
2021	2022	\$4,634	\$1.115	\$ 415,588	6.04%	-0.89%	7.00%

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 2023 was \$862.6 million.

Future Debt

Bond sales not to exceed \$74.4 million will be sold in FY 2023 to finance new and renovated facilities to provide capacity needed to meet increased demands due to student population growth and trailer elimination.

Trends

According to the Five-Year Plan, the School Division anticipates the bond sales at \$579.6 million between FY 2023-27 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

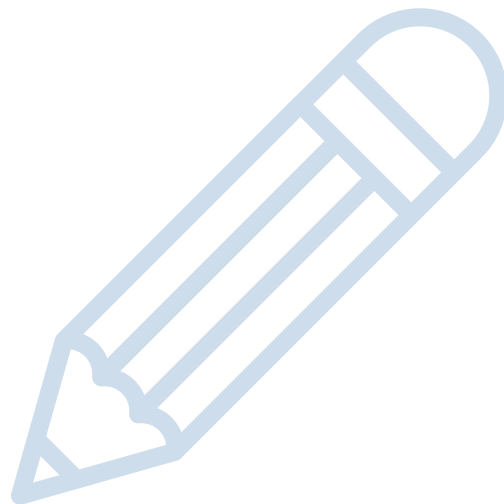
Cost-per-pupil calculations provide an overall view of the cost of programs used to compare how school divisions spend their funds. The division of the total operating budget by the number of students computes a Divisionwide cost-per-pupil, which includes both general and special education. For FY 2023, the average cost-per-pupil for PWCS will be about \$15,662.

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 2022, the PWCS cost-per-pupil ranked last among the eight 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 2022	
Falls Church City	\$20,515
Arlington	\$20,000
Alexandria City	\$18,921
Montgomery (MD)	\$17,266
Loudoun County	\$17,120
Fairfax County	\$16,674
Manassas City	\$14,899
Prince William County	\$13,408



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 2022.

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

School Division	FY 2022 Annual Employer Cost for Hypothetical Teacher Salary of \$65,000 plus district s benefits	FY 2022 Annual Employer Cost for Average Teacher Salary plus district s benefits plan
Falls Church City	\$100,001	\$130,814
Montgomery County, MD	\$92,444	\$116,057
Alexandria City	\$104,084	\$126,764
Fairfax County	\$101,914	\$120,709
Arlington County	\$99,140	\$114,969
Loudoun County	\$102,551	\$116,549
Manassas City	\$99,605	\$112,512
Prince William County	\$99,184	\$105,117



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 ¹			Students per Teacher-Scale Position ²		
	Elementary	Middle	High	Elementary	Middle	High
Alexandria City ³	16.4	22.8	25.6	9.8	15.4	18.3
Arlington County	22.9	21.8	20.4	10.5	17.0	17.3
Fairfax County ⁴	21.2	24.8	25.7	13.8	20.4	21.2
Falls Church City	20.5	22.1	24.4	11.2	15.1	16.9
Loudoun County	21.3	22.1	24.2	13.0	18.1	20.0
Manassas City	20.8	22.4	25.3	10.4	15.2	17.2
Montgomery County	18.1	23.8	25.7	13.0	21.4	23.3
Prince William County	21.8	27.1	28.9	13.3	18.7	20.3

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

Source: WABE Guide, FY 2022

¹ Classroom teachers are positions used to determine class size.

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

³ 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.

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



Student-Teacher Ratio

This chart compares the Approved FY 2022 Budgeted Ratios of Students Per Teacher for PWCS and surrounding school divisions. Source: WABE Guide, FY 2022

School Division	Kindergarten	Elementary	Middle	High
Alexandria City ¹	22.0	Grades 1-2: 24.0 Grades 3-5: 26.0	n/a	n/a
Arlington County	25.0	Grade 1: 22.0 Grades 2-3: 24.0 Grades 4-5: 26.0	25.2	26.9
Fairfax County ²	25.0	³	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	23.7	23.7
Manassas City	22.0	Grades 1-3: 22.0 Grades 4-5: 28.0	28.0	28.0
Montgomery County ⁴	n/a	n/a	n/a	n/a
Prince William County	24.0	Grades 1-3: 24.0 Grades 4-5: 25.0	21.0	21.3

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

² Fairfax County Public Schools 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 2022 Approved Budget.

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

⁴ Montgomery County Public Schools 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.

