

Budget Questions/Comments – Adjustments
May 13, 2020

Budget/CIP/Finance

- 1. Question/Comment:** Could I please get an update to the table that is found on page 30-31 of the Proposed Budget Executive Summary that 1) includes an additional column detailing whether the item is “deferred” and 2) is updated to reflect the line items in our adopted budget from March 18th. Wallingford? (Wall, Jackson)

Response: Please see attached

- 2. Question/Comment:** In summary, I would like a line-item update so that I can see clearly what is still in the budget and what has been deferred. (Wall)

Response: If by “line item budget” you mean something similar to the proposed budget document staff produced in February this is not possible. There simply is not enough time to go through the process of producing line item budgets. What has been provided is the document described in the first question.

- 3. Question/Comment:** Every budget has items that carry over from year to year. Would we be able to find money in places like trash service, testing materials, something under libraries (books, supplies), furniture fund, are we saving any money in overtime expenses (if there is anyone who qualifies), the imaging center, SACC, are there any operational savings from fuel/electricity/water that we can find? (Zargarpur)

Response: Each of these items has been looked at and considered for savings. Please recall that the Division is paying the salaries for all employees and providing hazard pay for those employees potentially in contact with other employees and/or the public. Also recall that all schools and departments have made contributions from each of their budgets to help provide funding for the purchase of computers that will support our Digital Equity program.

- 4. Comment:** Please consider providing changes to the budget in the same format given in the summary statements; please include the previously proposed budget with the cuts and deferments (see email I sent with Ms. Wall’s request for further explanation). (Jackson).

Response: Please refer to response to question 2.

- 5. Question:** How much do we have in reserves...can it be reduced? (Jessie)

Response: The General Reserve balance is currently \$5.9 million, the Holdback Allocation has a balance of \$2.4 million, and slippage is \$13.5 million. While it is possible to make further adjustments to any of these accounts, the level of financial uncertainty and the principle of conservatism would suggest that it would be wise to leave these accounts at current levels.

6. **Question/Comment:** \$4.9 million in “Miscellaneous Projects” from Facilities Services. This line item was at a stable \$100 - \$400 K for years, and then skyrocketed to \$4-\$5 million a year. What are these "projects"? Wouldn't the CIP funding cover a large portion of these? (Wilk)

Response: This is an account that is used to budget funds for major maintenance projects in the Construction Fund. The budget is allocated to department 046. At the time the transfer takes place staff moves the budget to department 038. Department 038 then recognizes the transfer to the Construction Fund.

7. **Question/Comment:** What are the "Other Contracted Services" in line item 3999? There are pages within the budget that specifically outline contract categories ranging from "phone service" to "rental spaced." I counted 66 categories of contracting totaling roughly \$88 million. Why do we need \$50 additional million for "other" service? (Wilk)

Response: Object code 3999, “Other Contracted Services,” comprises a variety of services that may be provided by external parties for which there is no more specific object code.

Economically Disadvantaged Funding

8. **Question/Comment:** We’ve moved our economically disadvantaged funding around a lot. Can I get a simple analysis of what was proposed, what it was determined to be as of March 18th, and what is now proposed, in a simple chart format or other easy-to-compare graphic? (Wall)

Response:

Level	FY 2021 Proposed	Adopted March 18th	FY 2021 Current
Elementary	14,868,360	14,868,360	12,592,216
Middle		2,794,798	1,808,903
High		4,093,606	2,122,238
Middle and High	3,968,403		
Total	18,836,763	21,756,764	16,523,357

9. **Question/Comment:** Please provide the exact amended ratio per grade for the economically disadvantaged fund as it compared to the original proposed budget (2020 Budget vs. Post-COVID

Budget). When are the ratios calculated per school? Will they be reevaluated mid-year? I am concerned about the financial impact of this pandemic and the changing needs of a school's community. This is approximately a 30% increase from FY 2020 (Jackson)

Response: The student teacher ratio does not change unless there is a change in the intended funding for economically disadvantaged students. These ratios are not reviewed mid-year. This year, at the request of the Board, staff split the middle and high ratios. The FY 2021 proposed and prior years budgets had only two ratios; elementary and middle/high.

Level	FY 2021 Proposed	FY 2021 Current
Elementary	118.00	139.22
Middle		452.00
High		452.00
Middle and High	448.00	

Position-Specific Inquiries

10. Question/Comment: I would like to have the additional attorney and the High School Superintendent positions added back into the budget. What would the impact to the budget be if they were added back in? What could be removed or differed if they are added back in? (Williams)

Response: The cost of adding back the high school associate and the attorney with secretarial support would be \$762,070. An offset of equal amount would have to be identified.

11. Question/Comment: We can give the bus drivers the raise (everyone else is getting a raise and the this is a hard-to-keep-people position). It looks like for \$2.5 million we can restore their raise, add the TA's and social workers. Somewhere in the budget of old spending, it is possible to find money we aren't actually spending on right now? Just a thought...(Zargarpur)

Response: The 2% scale adjustment has been deferred for all eligible employees. Bus Drivers will receive the same step (average 2.8%) as all employees who are on the salary scale.

12. Question/Comment: Can you please provide more background about the 2 emergency positions identified in the proposed budget adjustments: Payroll Specialist and Benefits Coordinator? (Wall)

Response:

Payroll Position

The payroll department is severely understaffed compared to other organizations as demonstrated in the Alvarez and Marsal staffing study. We have dedicated employees who are up to 2 a.m. a minimum of once a week and work weekends in order to ensure the payroll deadlines are met. Increased demand on the payroll department during the COVID19 pandemic brought the

situation to a pivotal critical point. If one employee on the payroll team were to get sick with the virus, there are concerns about the ability to meet the payroll deadlines.

Benefits Coordinator Position

There has been a growing demand of accommodations requests. A designated staff member is needed to be the main contact for general employee inquiries, supporting administrators through the ADA process, processing of accommodation requests in a timely fashion in compliance with the law's legal timelines and addressing concerns regarding disability discrimination. The Administrative Coordinator will ensure ADA compliance and will respond to staff inquiries, providing a neutral base for access to information about the Americans with Disabilities Act and the responsibilities to provide a work environment free of discrimination to individuals with disabilities, thereby reducing litigation risk. Furthermore, services provided would include: monitoring the Division's current policies and regulations for implementing ADA, improved efficiency in responding to requests, reviewing and making timely disability determinations in consultation with the Office of Division Counsel, maintaining records of all accommodation requests and its resolution, and providing ongoing training for administrators and staff on ADA to ensure the Division is not vulnerable to claims of discrimination based on disability.

In addition to ensuring compliant, equitable, and consistent administration of our ADA process, the Administrative Coordinator will also ensure the same with our FMLA process and leave practices by providing information and guidance/consultation to PWCS stakeholders concerning policies, process and procedures, and applicable federal and state law and division regulations.

Additionally, the Administrative Coordinator will assist in the application of the new federal legislation, Families First Coronavirus Response Act, Public Law 116–127 (FFCRA) also referred to as the “CARES Act”. This Act is comprised of two separate Acts the Emergency Family and Medical Leave Expansion Act (EFMLEA) and the Emergency Paid Sick Leave Act (EPSLA). The EFMLEA amends the current Family Medical Leave Act (FMLA) on a temporary basis (through Dec. 31, 2020) and provides certain employees with up to 12 weeks of FMLA-protected leave for reasons related to COVID-19. The Administrative Coordinator will assist in ensuring these are synchronized with Family Medical Leave Act (FMLA), the Americans with Disability Act (ADA), Workman’s Compensation and all of Prince William County Schools’ policies and Regulations.

- 13. Question/Comment:** I feel strongly that we must avoid cutting the TA positions and consider the financial implications of no increase in salary. I am concerned, because, many Teacher Assistants work more than one job to meet the financial needs of their families and it is difficult (if not impossible or unsafe) for one to currently work more than one job. I am also concerned because many of these employees already work for the county but do not earn benefits due to their employment status. During this global health crisis, the need for health insurance has become more evident. Moreover, it is difficult for temporary employees to call out of work when they are ill

which impacts the health of a school community as a whole. How much would it cost to avoid eliminating these positions? (Jackson)

Response: The cost to add back the special education TAs is \$2,006,892.

14. Question/Comment: I am re-asking this question from a previous email to consolidate multiple emails. Of the 26 new KLC positions how many are still included in the budget? Of these positions how many were deferred? I believe addressing question #1 will make it easier to compare the proposed budget with the amended budget as relates to these positions. (Jackson)

Response: There were originally 26 central office positions added in the proposed budget. Of these 26 positions, 16 were reduced leaving 10 additional central office positions. As a result of the COVID-19 pandemic, one position was added to payroll and one position was added to benefits.

15. Comment: Please note I have received many emails from PWCS teachers regarding COLA including the impact to their retirement system. I am still reviewing these emails but wanted to bring this to your attention prior to the budget meeting on Wednesday. (Jackson)

Slippage

16. Question/Comment: What is our current slippage estimate, and how is this number different from what it was projected to be in March? (Wall) (Jessie)

Response: The current slippage amount is \$13.5 million. Slippage in the proposed budget was \$12.8 million.

17. Question/Comment: I know we are discussing budget this week- do you see any way we can most the field work into the same time frame of the renovations? We talk about slippage in school budgets. Is there slippage elsewhere? (Zargarpur)

Response: Several factors contribute to a “slippage” in the costs for providing step and salary scale adjustments each year. Slippage is the difference between the calculated cost of compensation and the actual cost. The Retirement Opportunity Program, salary placement policies, and the length of time positions are vacant all contribute to the actual cost for compensation being less than the calculated cost. Historically, the actual slippage in compensation has averaged about three percent of total compensation. The amount of slippage is also a function of the pay increases from the prior year. Typically, the amount of slippage realized decreases as pay raises decrease. The slippage from FY 2021 projects to be less than the historic norm. This is due to a higher retention rate of employees and a decrease in the rate of retirements. Therefore, the estimated slippage for next year has been budgeted at about 1.5 percent of estimated compensation. This means that \$13.5 million may reduce the effective cost for the pay raise. The slippage discussed in this answer is the slippage

for the General Fund only. There may be slippage in other funds but those monies are not available to support the General Fund.

Technology

18. Question/Comment: Can we get an update on our technology purchasing efforts and where we stand on numbers of equipment purchased, still needed, distribution, etc. What are our expected technology costs and does this budget meet those needs? (Wall)

Response:

PWCS has purchased approximately 15,500 devices that are anticipated to arrive later this month. Based on a telephone survey of every family in PWCS approximately 30,000 students did not have a device at home. Schools currently have provided devices to approximately 9,000 students who came to pick one up during this optional learning period, Schools continue to provide devices if a student needs one. It is anticipated that demand will increase, should virtual learning become required this fall. PWCS has made the first \$6.5 million investment toward the approximately \$28 million total needed to implement the digital equity plan. Another similar investment based on funding in the FY2021 budget will allow achievement of digital equity for the approximately 27,500 high school students. PWCS also plans the purchase of the Canvas Learning Management System (LMS) using funds in the FY2021 budget. Additional costs may include support to assist families with access to the internet.

19. Question/Comment: What do we anticipate for our Virtual Prince William costs? Do we anticipate greater costs than we have budgeted here, or is there confidence that we have adequately funded this program, given the demands of Covid-19? (Wall)

Response: The Virtual Prince William budget included in the FY2021 School Board Adopted Budget is adequate to sustain the current service levels of the program, schools may utilize their school-based funds to add additional seats for their students if necessary.

The comments below have been received by staff and are provided for your information.

Budget Recommendations-Mark Up 2020

Lillie Jessie

- All central office additions should be removed. Especially the Associate Superintendent's position, corresponding secretary and new attorney: This has been a consistent theme. Adding at this time would not be in our best interest.
- Teachers should get a step increase minimally.
- Remove supplement for administrator with 30+ or doctorate
- Security vestibules at Graham Park and Woodbridge high should remain: Security should not be optional
- Substitute adjustments should remain at 4.8% - We may need to anticipate several illnesses next school year
- Maintain economic disadvantage funding at the elementary level
- Add at least 5 social workers because of the impact of the COVID-19
- Remove customer service for transportation
- Maintain bus driver pay increases
- You may need more buses as we enter a new way of opening schools. Purchase at least 20 of the 29 buses
- Remove pay roll specialist
- Remove benefits coordinator
- *Add an additional nurse for High (1), Middle (1) and Elementary (2) to support schools during this pandemic. There has to be some oversight.
- ADD-*Technology support in the form of training, bandwidth, distant learning equipment for teachers and students needs to be considered. T-specs need to be increased to support teachers, parents and student.
- *Staff for summer/night/weekend learning may need to be considered as a result of this pandemic

*This budget needs to reflect a possible change in how and when we bring students back to schools. We may not be able to staff the way we have done in the past. Social workers will be in need for students experiencing loss of family, financial support, and medical support. Food services may even take on a new look.

The comments below have been received by staff and are provided for your information.

Budget Questions/Comments (Wilk)

Good evening. I would like to propose several priorities that should be addressed in addition to the Superintendent's modified budget proposal. After meeting with members of my Potomac Budget Committee, and talking to numerous educators throughout our county, I believe that certain changes should be addressed to support our students and employees.

In our deliberations, please consider the following three priorities, in order:

1. Partial or full COLA. Each percentage of a COLA is \$5.5 million. When the economy is in free-fall, the cost of daily expenses is bound to skyrocket. This is exactly what a Cost-Of-Living-Increase is for. By supporting the employees and their families, we are directly impacting the health of our local economy. We're also catching up with surrounding jurisdictions.
2. Pay increase for Subs and TA's. This will cost an additional \$145 K, and will impact many hundreds of our most needed employees – employees that we currently have a shortage in.
3. Bus driver's pay increase for \$1.1 million. Every employee is going to get a raise except for our bus drivers.

How do I propose we balance this? With the exception of bus purchases being pushed into the future, all of the Superintendent's proposed delays and cuts come from the additional adjustments found in the Executive Summary – in short, these are cuts from new funding, not old. While it is prudent to cut additional funding in times like these, it is equally prudent to examine past expenditures.

To fully implement all of the proposed priorities listed above, we would need a total adding up to roughly 1% of the overall budget.

To do this, I have identified several places to look. They are the following:

1. Tuition assistance solely for Energy Conservation (\$200,000). No other department enjoys such dedicated funding.
2. Armored Car service visiting every school three times a week for \$255,000.
3. I believe it would be possible to eliminate nearly \$3.1 million in textbooks, some of which do not offer electronic copies. What proportion of that \$3.1 million expenditure is for written textbooks? If schools do not open as planned, hardback textbooks would not be needed immediately in the upcoming school year.
4. \$4.9 million in "Miscellaneous Projects" from Facilities Services. This line item was at a stable \$100 - \$400 K for years, and then skyrocketed to \$4-\$5 million a year. What are these "projects"? Wouldn't the CIP funding cover a large portion of these?
5. What are the "Other Contracted Services" in line item 3999? There are pages within the budget that specifically outline contract categories ranging from "phone service" to "rental spaced." I

counted 66 categories of contracting totaling roughly \$88 million. Why do we need \$50 additional million for "other" service.

6. By delaying certain CIP projects, we can reduce the debt service payments. For example, there currently is \$16 million allocated for two auxiliary gyms next year.

I believe these are but a few areas where we as a division can reduce existing costs to pay for the items mentioned above. As a board, I hope we can work collectively to prioritize our spending our one of our most valuable resources - our teachers.

Thank you for considering these priorities. I look forward to a spirited discussion on Wednesday evening.