



**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**OFFICE OF THE SUPERINTENDENT**

21000 Education Court  
Ashburn, Virginia 20148  
Telephone: 571-252-1020

Eric Williams, Ed. D.  
Superintendent

September 8, 2020

Mr. Tim Hemstreet, County Administrator  
County of Loudoun  
1 Harrison Street  
Leesburg, VA 20175

Dear Mr. Hemstreet:

As the COVID-19 pandemic continues, Loudoun County Public Schools (LCPS) faces significant financial challenges for FY21 involving revenue shortfalls and unbudgeted expenditures. An allotment from the County's CARES Act funds is requested to provide necessary funding to address these financial demands.

Revenue Outlook:

While CARES Act funds cannot be used to replace reduced revenues, a decrease in anticipated revenue of \$14.3m is important as it relates to the overall financial outlook for LCPS.

(\$7.0m) State Basic Aid for education is primarily driven by the September 30 enrollment count. LCPS estimates that actual state revenue will be approximately \$7.0m lower as a result of enrollment reductions associated with increased attendance exemptions.

(\$7.3m) The Virginia General Assembly reconvened in August to review revised revenue projections and its impact on the FY21 budget. The sales tax reprojected results in a reduction of \$7.3m for LCPS from projected revenue.

LCPS has enacted hiring freezes for certain positions and a controlled spending plan to manage this situation. Savings from hiring freezes and the controlled spending plan during FY21 will offset revenue shortfalls.

COVID-19 Expenditures:

LCPS has identified over \$20m in unbudgeted expenditures related to COVID-19 that are necessary to operate schools in a safe manner. LCPS is making expenditures in order to prepare for full implementation of the hybrid model. CARES Act funds are for costs incurred between July 1, 2020, and December 31, 2020, and LCPS' projected CARES Act-eligible expenditures for this time period is \$12.6m.

\$ 5.3m	Personnel costs
<u>\$ 7.3m</u>	Operation & maintenance costs
\$12.6m	Total projected costs from 7/1/20 - 12/31/20

School facilities have been open since July 1 for summer school instruction, facility rentals, and other activities. School begins September 8 with 100% Distance Learning with limited exceptions. All schools are open for administrative staff and for teachers who wish to teach from their classrooms. Approximately 900 Academics of Loudoun students in the Monroe Advanced Technical Academy are receiving instruction in the hybrid model beginning today. Approximately 847 pre-kindergarten students and a subset of Special Education students are scheduled to begin their hybrid instruction with in-person learning by October 13. By October 27, a subset of English Learner students and pre-school and pre-kindergarten totaling approximately 1,870 are anticipated to begin their hybrid instruction with in-person learning. By the end of October, 83 schools are anticipated to have students onsite receiving instruction. We are planning towards implementing additional stages of the hybrid model with in-person learning this fall. If we are able to fully implement the hybrid model, approximately 37,900 students would receive some instruction in-person.

Personnel:

Custodians will work overtime to provide the additional, necessary cleaning at the schools. Schools will also be equipped with 2 Care Rooms requiring the support of additional health care workers. It is also expected that there will be a higher need for substitute teachers and other part-time support to assist with various activities, such as testing and manning telephone hotlines.

Operations and Maintenance:

LCPS is providing various PPE for staff, face coverings for students who need them, and disposable masks for visitors. To support physical distancing, desks have been removed from classrooms across 95 schools and placed into storage, and signage has been installed throughout the district. Technology, including internet hotspots and staff softphones, has been acquired to support students' distance learning and staff telework. Cleaning supplies, 1,000+ thermometers, hand sanitizer, 375 room air purification machines and special air filters are a few other examples of items purchased to support LCPS' health mitigation efforts.

The attached slides from a School Board presentation provide additional details.

In summary, LCPS requests \$12m in CARES Act funding to provide the necessary funding for the unbudgeted expenditures outlined above. Any savings from the current FY21 budget are earmarked to offset the projected \$14.3m revenue shortfall. FY21 continues to be a year of uncertainty, but with a CARES Act allotment the financial uncertainty becomes more manageable.

Please let us know if there are any additional questions.

Sincerely,



Eric Williams, Ed.D.  
Superintendent

cc: Loudoun County School Board  
Sharon Willoughby, Assistant Superintendent of Business & Finance

Attachment

# State Revenue Update

Projected \$14.3m revenue shortfall in FY21

(\$7.0m) State Basic Aid for education is primarily driven by the September 30 enrollment count. Based on an expected increase in the number of exemptions, LCPS estimates a \$7.0m reduction.

(\$7.3m) The Virginia General Assembly reconvened in August to review revised revenue projections and its impact on the FY21 budget. The sales tax reprojection results in a reduction of \$7.3m for LCPS.

LCPS has enacted hiring freezes for certain positions and a controlled spending plan to manage this situation. *Savings from hiring freezes and the controlled spending plan during FY21 will offset revenue shortfalls.*



This slide was added on September 8, 2020

# County of Loudoun CARES Funding

- Loudoun County has received \$72.2m in CARES Act funding.
  - \$36.1m each on May 12 and July 28
- At the Sept. 1 Board of Supervisors meeting, County staff recommended the appropriation of \$12m to LCPS for COVID-19 related expenses.
- Expenses must occur between July 1, 2020 and December 31, 2020.
- CARES funding cannot replace reduced revenue.
- Savings from hiring freezes and the controlled spending plan during FY21 will offset revenue shortfalls.



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# County of Loudoun CARES Funding

- The Board of Supervisors did not take final action and instead set aside \$12m upon the receipt of additional information from LCPS.
- On September 8, additional information as presented this evening was sent to the County.
- The Board of Supervisors is expected to take action at their next meeting on Sept. 15.



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# COVID-19 Estimated Expenses

- At the July 21 School Board meeting, an estimated \$18.8m of COVID-19 related expenses was presented for the entire school year.
- Revised costs have been tabulated for the entire school year and for the time period of July 1 through December 31.
  - Sept. 8                      MATA students return
  - by Oct. 13                Pre-K students and Subsets of Special Education students return
  - by Oct. 27                Subsets of Special Education and English Learner students return
  - TBD                        Next phase towards Hybrid Learning
- It is difficult to calculate personnel costs as we continue to phase in Hybrid Learning this fall, so a conservative approach is used.
- Since July, other expenses have been identified and more is expected during the phasing in of the Hybrid Learning model.



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## COVID-19 Estimated Costs Summary

CATEGORY	FY21 ESTIMATE as of 7/21/20	FY21 REVISED ESTIMATE as of 9/8/20
Personnel	\$12,823,337	\$12,813,593
Operations & Maintenance	\$5,977,054	\$7,335,369
Total	\$18,800,391	\$20,148,962

CATEGORY	ESTIMATE for CARES Funding 07/1/20 - 12/31/20
Personnel	\$5,292,171
Operations & Maintenance	\$7,335,369
Total	\$12,627,540



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*Projected costs continue to evolve and significant changes are anticipated.*

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## COVID-19 Estimated Personnel Costs

CATEGORY	FY21 ESTIMATE as of 7/21/20	FY21 REVISED ESTIMATE as of 9/8/20	ESTIMATE for CARES Funding 07/1/20 - 12/31/20
Custodial Overtime	\$2,417,500	\$2,060,595	\$674,033
Substitute Teachers	\$7,313,267	\$5,449,595	\$2,430,235
Part-Time Health Care Assistants/Nursing Services	\$3,092,570	\$4,564,083	\$1,448,583
Unemployment Costs	-	\$639,320	\$639,320
Other Part-Time: Tech. Support, PSAT/SAT Testing, etc	-	\$100,000	\$100,000
Total	\$12,823,337	\$12,813,593	\$5,292,171



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*Projected costs continue to evolve and significant changes are anticipated.*

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## COVID-19 Estimated Operations & Maintenance Costs

CATEGORY	FY21 ESTIMATE as of 7/21/20	FY21 REVISED ESTIMATE/ Estimate for CARES Funding
PPE & Face Coverings for LCPS Staff	\$2,119,203	\$2,320,793
Student Face Coverings	\$1,251,880	\$497,525
Thermometers/Hand Sanitizer/Masks for Visitors	\$910,546	\$968,836
Spray Bottles/Cleaning Chemicals	\$108,500	\$208,800
Purifiers/Air Filters	\$561,000	\$567,125
Furniture Removal/Storage/Signage	\$1,025,925	\$584,409
Hotspots, Softphones, Health Assessment software, N95 Fit Testing services, misc.	-	\$2,187,881
Total	\$5,977,054	\$7,335,369



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*Projected costs continue to evolve and significant changes are anticipated.*