

ALEXANDRIA CITY PUBLIC SCHOOLS (ACPS)

The entire ACPS Capital Improvement Program can be found on-line at:

<https://www.acps.k12.va.us/departments/financial-services/budget>

Alexandria City Public Schools (ACPS) City Council Approved FY 2026 – FY 2035 Capital Improvement Program (CIP)

Overview

The City Council Approved FY 2026 – FY 2035 Capital Improvement Program (CIP) includes funding totaling \$289.2 million over the 10-year plan for school capital projects, which represents a \$89.8 million or a 23.7% decrease in City funding over the prior City Adopted CIP for ACPS. This decrease is largely attributable to the \$87.0 million for the George Mason Elementary School project that was appropriated in FY 2025 and therefore no longer in the FY 2026 - FY 2035 capital planning window.

Capital Program Development

In light of the City's various priorities, the cost pressures associated with them, and the City's limited ability to increase the use of borrowing or pay-as-you-go cash capital, the development of the City Manager's Proposed FY 2026 – FY 2035 CIP included general guidance to both City departments and to ACPS staff on the amount of- and timing of capital funding that could likely be supported by the City's general fund.

On September 25, 2024, the City Manager provided guidance to the ACPS Superintendent on what was likely feasible to fund in the Proposed FY 2026 operating budget and Proposed FY 2026 – FY CIP. This guidance outlined the need to stay within the funding levels planned for FY 2026 – FY 2034 in the previously approved CIP. In total, the guidance provided by the City Manager recommended a 10-year capital funding request of \$289.2 million. Subsequently, this guidance was reaffirmed by City Council and incorporated into their budget guidance resolution to the City Manager, approved at the November 26, 2024 legislative meeting.

At the November 7, 2024 meeting of the ACPS School Board, the Superintendent proposed the School's FY 2026 – FY 2035 capital funding request which totaled \$341.0 million. The funding request proposed by the Superintendent exceeded the funding guidance provided by the City Manager by \$51.8 million over the 10-year plan.

At the December 19, 2024 meeting of the ACPS School Board, the board approved its FY 2026 – FY 2035 capital funding request, which totaled \$346.0 million, an amount that also exceeded the funding guidance provided by the City Manager, and the budget guidance resolution approved by City Council by \$56.8 million over the 10-year plan.

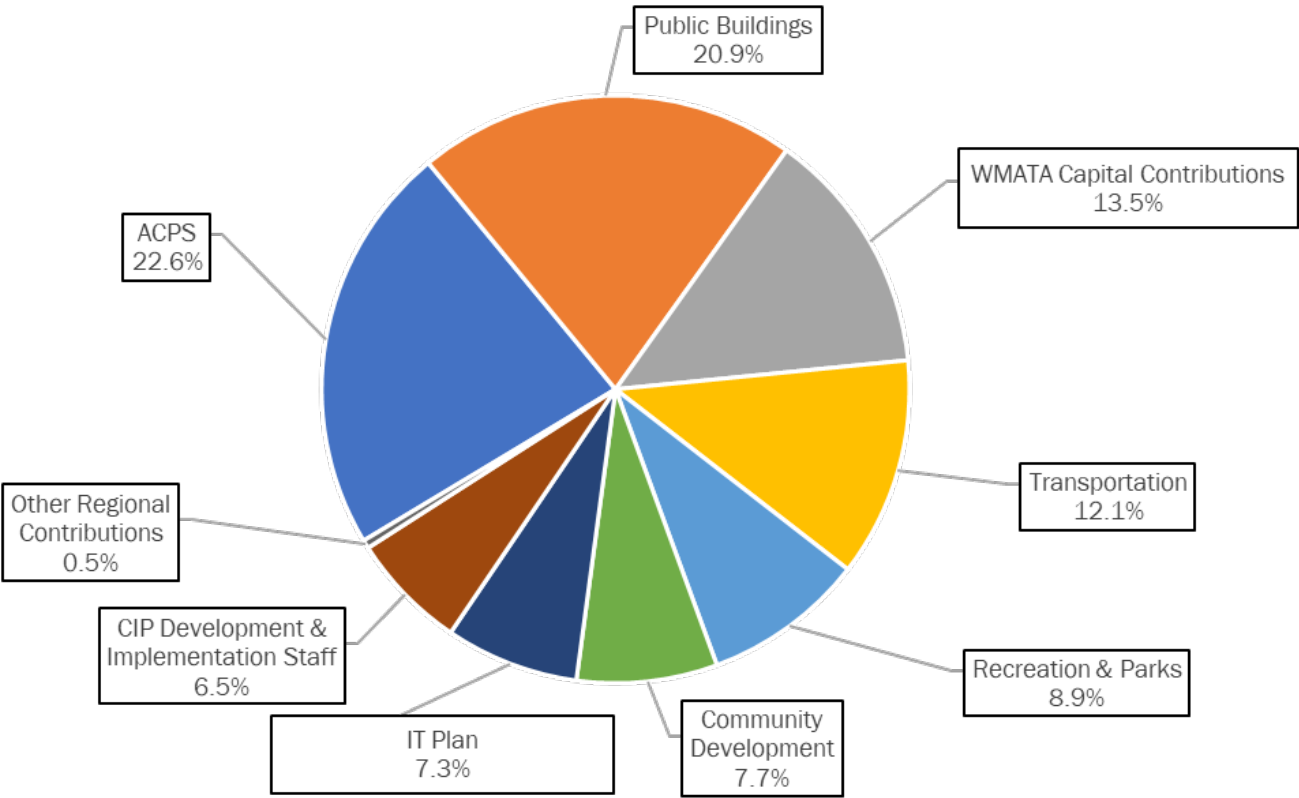
On February 25, 2025, the City Manager proposed the FY 2026 – FY 2035 Capital Improvement Program which includes funding for schools' capital projects totaling \$289.2 million, which is largely consistent with the funding levels and timing included for schools in the Approved FY 2025 – FY 2034 CIP and the funding guidance provided to ACPS in fall 2024. The City Manager's Proposed CIP provides funding for 83.6% of the 10-year capital funding request approved by the School Board for FY 2026 – FY 2035. The City Manager's Proposed FY 2026 Capital Budget provides funding for 100% of the School Board's Approved funding request for FY 2026.

On April 30, 2025, City Council adopted the FY 2026 Operating Budget and FY 2026 – FY 2035 Capital Improvement Program. The CIP adopted by City Council did not include any changes to the funding level proposed by the City Manager for the School's capital program; the Approved FY 2026 – FY 2035 CIP includes \$289.2 million to support Schools' capital needs.

As the City sets budget authority and timing in each year of the ten-year ACPS plan, the Approved CIP represents the planned dollar level of capital investments for ACPS facilities. The School Board selects which projects will be undertaken and when they will be undertaken but is required to stay within the total CIP dollar amount appropriated by City Council.

City Council Approved FY 2026 – FY 2035 CIP – Distribution of City Unrestricted Funding

The Schools section of the CIP represents a significant investment of City resources. Of the City unrestricted funding sources in the CIP (general fund cash capital and general obligation bonds), the Schools Capital Program will use 22.6% of identified sources.



FY 2026 Approved Capital Budget

The Apporved FY 2026 capital year budget reflects funding totaling \$20.99 million for the Schools’ capital program. This provides funding for 100% of the School Board’s capital funding request for FY 2026.

Schools’ Capital Program Impact on City’s General Fund Operating Budget

Due to the nature (cost and asset lifespan) of school capital projects, general obligation borrowing represents a significant portion of the funding strategy to meeting the needs of the Schools’ capital program. To service debt incurred on the behalf of school capital projects for previously approved/appropriated projects and planned projects, the Approved FY 2026 Operating Budget includes an estimated \$47.8 million in principal and interest payments, a \$2.3 million or 5.1% increase over the amount included in the Approved FY 2025 Operating Budget.

Increases in school-attributable debt service are projected over the next few fiscal years, as significant bond proceeds will need to be raised to support school capital projects, like George Mason Elementary School, and Cora Kelly Elementary School. Within the 10-year planning window of the Approved FY 2026 – FY 2035 CIP, school attributable debt service is forecasted to increase from \$47.8 million in FY 2025 to a peak forecasted amount of \$59.8 million in FY 2030.

In addition to the debt service, the City's general fund also supports the Schools' operating budget. The FY 2026 City General Fund transfer to the Schools for operating purposes is \$282.4 million, which represents a \$9.4 million or 3.4% increase from FY 2025. In total, the increase in the Schools' operating transfer and debt service, totals \$11.7 million or 39% of all City general fund budget growth.

Projected Schools' Capital Program Attributable Debt Service

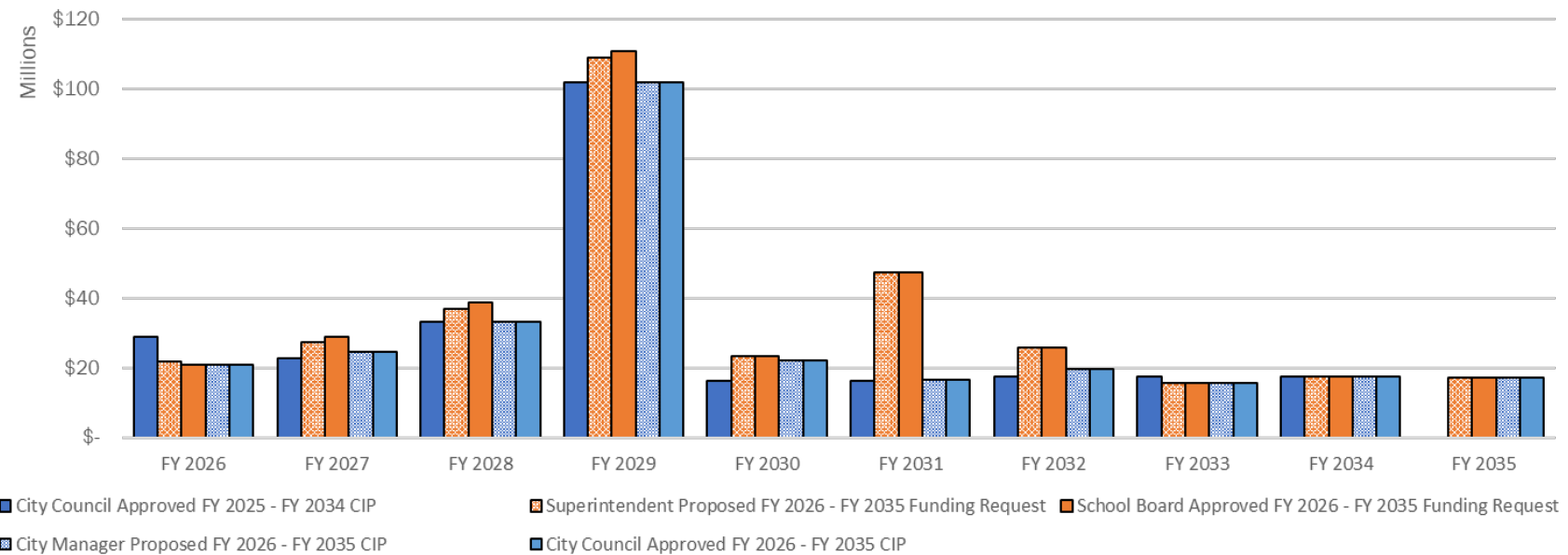
	Debt Issuance Contemplated	Projected Debt Service	Year-Over-Year Change (\$)	Year-Over-Year Change (%)
Approved FY 2026 Budget <u>Planned</u>	\$ 10,539,163	\$ 47,834,265	-	-
FY 2027	\$ 19,422,900	\$ 50,038,867	\$ 2,204,602	4.6%
FY 2028	\$ 27,808,500	\$ 52,461,298	\$ 2,422,431	4.8%
FY 2029	\$ 98,641,100	\$ 54,880,128	\$ 2,418,830	4.6%
FY 2030	\$ 20,801,500	\$ 59,802,983	\$ 4,922,855	9.0%
FY 2031	\$ 15,501,500	\$ 58,797,435	\$ (1,005,548)	-1.7%
FY 2032	\$ 16,870,600	\$ 57,674,717	\$ (1,122,718)	-1.9%
FY 2033	\$ 14,566,600	\$ 56,501,489	\$ (1,173,228)	-2.0%
FY 2034	\$ 14,902,700	\$ 53,566,824	\$ (2,934,665)	-5.2%
FY 2035	\$ 11,916,100	\$ 53,380,260	\$ (186,564)	-0.3%
FY 2026 - FY 2035 Total	\$ 250,970,663	\$ 544,938,266		

FY 2026 – 2035 City Council Approved CIP Compared to the School Board Approved Capital Funding Request

As discussed in the Overview section, the City Council Approved CIP provides \$289.2 million within the overall 10-Year CIP for school capital projects, which funds 83.6% of the School Board Approved FY 2026 – FY 2035 capital funding request. The City Council Approved FY 2026 Capital Budget provides funding for 100% of the School Board's Approved funding request for FY 2026.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
City Council Approved FY 2026 - FY 2035 CIP	\$ 20,985,000	\$ 24,415,000	\$ 33,300,000	\$ 101,900,000	\$ 22,100,000	\$ 16,400,000
School Board Approved FY 2026 - FY 2035 Funding Request	\$ 20,984,700	\$ 28,900,300	\$ 38,722,400	\$ 110,836,500	\$ 23,181,500	\$ 47,305,900
Difference: City Council Approved - School Board Request	\$ 300	\$ (4,485,300)	\$ (5,422,400)	\$ (8,936,500)	\$ (1,081,500)	\$ (30,905,900)
	FY 2032	FY 2033	FY 2034	FY 2035	FY 2026 - FY 2035	
City Council Approved FY 2026 - FY 2035 CIP	\$ 19,747,000	\$ 15,740,000	\$ 17,381,000	\$ 17,232,000	\$ 289,200,000	
School Board Approved FY 2026 - FY 2035 Funding Request	\$ 25,753,700	\$ 15,739,600	\$ 17,381,200	\$ 17,232,000	\$ 346,037,800	
Difference: City Council Approved - School Board Request	\$ (6,006,700)	\$ 400	\$ (200)	\$ -	\$ (56,837,800)	

Schools Capital Funding Comparison



Alexandria City Public Schools (ACPS) School Board Approved FY 2026 – 2035 Capital Funding Request
Approved on December 19, 2024

Site	Program	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Grand Total
Cora Kelly	Design, Project Management & Other Soft Costs			19,000,000								19,000,000
	Construction of Renovation & Capacity				86,000,000							86,000,000
Jefferson-Houston Conversion	Design, Project Management & Other Soft Costs					2,700,000						2,700,000
	Construction of Renovation & Capacity						27,500,000					27,500,000
Patrick Henry Conversion	Design, Project Management & Other Soft Costs						858,000					858,000
	Construction of Renovation & Capacity							8,600,000				8,600,000
Grand Total				19,000,000	86,000,000	2,700,000	28,358,000	8,600,000				144,658,000
Total Non-Capacity Proposed		20,984,700	28,900,300	19,722,400	24,836,500	20,481,500	18,947,900	17,153,700	15,739,600	17,381,200	17,232,000	201,379,800
Total Proposed		20,984,700	28,900,300	38,722,400	110,836,500	23,181,500	47,305,900	25,753,700	15,739,600	17,381,200	17,232,000	346,037,800
Total City Approved		28,841,800	22,609,700	33,268,400	101,876,300	16,075,100	16,366,200	17,580,900	17,408,800	17,322,100	n/a	271,349,300
Variance from Total City Approved		7,857,100	(6,290,600)	(5,454,000)	(8,960,200)	(7,106,400)	(30,939,700)	(8,172,800)	1,669,200	(59,100)	n/a	(74,688,500)