

Issue Analysis Form



Date: April 10, 2018
School Carry Forward
Appropriation – Public
Hearing

Item:

Lead Department(s): County & School Finance

Contact Person(s): Betsy Drewry

Description and Current Status

The Prince George County School Board approved at its February 12, 2018 meeting a request for carry-forward of unexpended FY2017 school board funds and an appropriation increase of \$2,725,326. The details on how the School Board would like for funds to be expended were provided on February 26, 2018. This appropriation would come from fund balance.

The school request documentation and expenditure details are attached (**see Attachment A**).

The requested appropriation increases are amounts above those included in the adopted FY2018 budget.

Any amendment to the budget in excess of 1% of the total adopted budget requires a public hearing. The total adopted FY2018 budget, net of inter-fund transfers, is \$114,018,234; 1% of that total is \$1,140,182.

The Board of Supervisors has discussed the carryforward request at budget work sessions on March 7 and March 7 and March 20. On March 27, 2018 the board authorized staff to advertise a public hearing for a budget amendment of \$2,725,326. The advertisement was placed in ***The Progress Index*** on March 31, 2018 (see attached).

The impacted accounts for appropriation increase, would impact 4 funds ***if approved as requested***; General Fund (0100), School Operating Fund (0500); School Textbook Fund (0520) and the Capital Improvement Project Fund (0311). A detail of the impacted line items with amounts is provided as **Attachment B**.

The board may approve an amount that differs from the school request, as long as it does not exceed the \$2,725,326 advertised.

Continued-

In previous years (FY2015), excess Impact Aid collections were removed from school carryforward appropriations. In FY2017, budget to actual revenues amounts are shown below.

FY2017 Budget to Actual Revenues			
Category	Budget	Actual	Difference
Charges for Services	114,000	103,719	(10,281)
Recovered Costs	35,000	139,756	104,756
State Revenues	40,014,643	39,176,683	(837,960)
Federal Revenues	6,997,120	8,404,876	1,407,756
			Impact Aid Excess = \$1,562,777.86
County Transfer	15,985,489	13,134,406	(2,851,083)
TOTAL	63,146,252	60,959,440	(2,186,812)
Net of County Transfer	47,160,763	47,825,034	664,271
TOTAL EXPENDITURES	63,137,180	60,959,440	(2,177,740)

Actual Transfer is amount needed to "balance to" total expenditures

Source: Exhibit 30 of FY2017 CAFR

Excess Impact Aid collections are reflected in Federal Revenues and totaled \$1,562,777.86 (Budgeted = \$3,395,000; Actual = \$4,957,777.86). The schools did experience a shortfall in state revenues in FY17 of \$837,960. The excess revenues, reduced by the state shortfall are \$724,818.

The actual County transfer amount is adjusted to "balance to" actual expenditures annually. Actual School expenditures totaled \$60,959,440 in FY2017.

A history of carry-over amounts appropriated to schools is shown below:

Added Appropriation in:	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018
	Left from FY2013-2014	Left from FY 2014-2015	Left from FY 2015-2016	Left from FY 2016-2017
Approved Carryover Appropriation	\$ 512,562	\$ 1,907,359	\$ 408,239	\$ 2,725,326
Resolution Number	R-15-013	R-16-008	R-17-037	REQUEST
Resolution Date	1/27/2015	1/12/2016	3/28/2017	

Action Requested:

Approve a school carry over, appropriating fund balance for an amount not exceeding \$2,725,326. Draft resolution attached.

Government Path

- Does this require IDA action? Yes No
- Does this require BZA action? Yes No
- Does This require Planning Commission Action? Yes No
- Does this require Board of Supervisors action? Yes No
- Does this require a public hearing? Yes No
- If so, before what date? 7 days prior to public hearing Yes No

Fiscal Impact Statement

Reduction of fund balance of up to \$2,725,326, approximately 2.5% of budgeted expenditures.

Increase in appropriation for school capital needs (reduction of potential needed borrowing and debt service) of \$610,000.

Possible Total Increase in FY2017-18 Appropriation = \$2,725,326

County Impact

Reduction of unrestricted fund balance of up to \$2,725,326, approximately 2.5% of budgeted expenditures used to calculate fund balance threshold requirement.

Notes

**COUNTY OF
PRINCE GEORGE
NOTICE OF
PUBLIC HEARING
PROPOSED AMENDMENT
TO FY18 BUDGET**

Notice is hereby given pursuant to Section 15.2-2506, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed Amendment to the Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, April 10, 2018, beginning at 7:30 p.m., in the Boardroom of the County Administration Building, Third Floor, 6602 Courts Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

The County adopted its budget on May 9, 2017 with the recommendation to transfer \$16,250,249 to the School operating and textbook funds. The School Board did not spend \$2,851,083 of its FY16-17 budget appropriation; all unspent funds revert back to the County / Fund Balance at the end of the fiscal year. The School Board is requesting \$2,725,326 be returned to the School fund for expenditure in FY17-18.

A copy of the related material can be examined in the County Administration Department of the County Administration Building. The building is open from Monday - Friday, 8:30 AM - 5:00 PM.

By Authority of
Percy C. Ashcraft
County Administrator
COUNTY OF PRINCE
GEORGE

Board of
Supervisor
Approved

School Board Carryforward Request	Request Amount	FUND	NOTES	FUND	FUND
BOARD RECOMMENDATION					
CARRYFORWARD AMOUNT FROM FY2017	\$2,851,083				
Less Principal Amt of Utility Payment	(\$125,757)				
ADJ AMT FOR CARRYFORWARD FROM FY2017	\$2,725,326				
CAPITAL PROJECTS FOR FY2018					
SPED Testing	\$16,500	Operating	NOTED AS MANDATE	Operating	0500 - School Operating
1 Vision Machine	\$7,000	Operating	NOTED AS MANDATE	Operating	0500 - School Operating
Site Analysis	\$47,632	Operating	NOTED AS MANDATE	Operating	0500 - School Operating
Security (Includes cameras, doors, interior locks, monitors, Installation Costs & Infrastructure Improvements)	\$700,000	Operating		Operating	0500 - School Operating
Technology (Includes \$176,976 Carry-forward in Textbook Fund)	\$700,000	Textbook	Transfer to Textbook Fund for Devices in Schools	Textbook	0520 - School Textbook
Windows (South - \$138,088 (Current \$135,000 in CIP Fund; Revised would be \$273,088); Harrison - \$161,912 (Current \$217,500 in CIP Fund; Revised would be \$379,412))	\$300,000	CIP	Transfer to County CIP for work to be completed in FY19	CIP	0311 - Countywide CIP
Track	\$230,000	CIP	Transfer to County CIP for work to be completed in FY19	CIP	0311 - Countywide CIP
Time & Attendance & Munis Upgrade Packages	\$107,232	Operating		Operating	0500 - School Operating
Employee Sign Up Bonus	\$400,000	Operating		Operating	0500 - School Operating
General Maintenance (Includes Field House Addition & Field Hockey Fence)	\$100,000	CIP & Operating	Transfer \$80,000 to County CIP for work to be completed in FY19	CIP & Operating	0311 - Countywide CIP - \$80,000; 0500 School Operating - \$20,000
PGHS Projector & Big Screen & Room Darkening Panels	\$50,000	Operating		Operating	0500 - School Operating
Furniture (PGHS Math & English, Clements English)	\$66,962	Operating		Operating	0500 - School Operating
	\$2,725,326				\$
DIFFERENCE	\$0				

Public Hearing Required at \$1,140,182

Provided by School Finance Director 2/26/2018

Modified by County Finance Director - Moving "mandates" to top

School Carryforward Appropriation Details

ATTACHMENT B

General Fund (0100):

Revenues

Fund Balance	0100-40-900-8208-3999999	2,725,326
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Expenditures

Transfer to Schools	0100-09-401-0917-49150	2,725,326
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School Operating Fund (0500):

Revenues

Transfer from General Fund	0500-90-000-0000-399100	1,415,326
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Expenditures

Employee Signing Bonus	400,000
Security Upgrades	700,000
Field Hockey Fence	20,000
SPED Testing	16,500
Vision Machine	7,000
Site Analysis	47,632
Time & Attendance Munis Upgrades	107,232
PGHS Projector/Big Screen/Room Darkening	50,000
Furniture	66,962

Contingency TOTAL	0500-06-209-6011-49199	1,415,326
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School Textbook Fund (0520):

Revenues

Transfer from General Fund	0520-90-000-0000-399100	700,000
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Expenditures

Textbooks	0520-06-201-6004-61100-100-900-000-46012	700,000
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CIP Fund (0311):

Revenues

Transfer from General Fund	0311-90-901-8207-399100	610,000
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Expenditures

Track Repairs/Replacement	0311- NEW EXP Code	230,000
Field House Addition	0311- NEW EXP Code	80,000
South Windows (\$135,000 currently available); revised total = \$273,088	0311-06-208-3157-48120	138,088

Harrison Windows (\$217,500 currently available); revised total = \$379,412

	0311-06-208-3156-48120	161,912
TOTAL		610,000

Public Hearing

April 10, 2018

Budget Amendment/Appropriation

FY17 School Division Carry-Over Funds;

\$2,725,326

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School FY2016-2017 Audit

FY2017 Budget to Actual Revenues			
Category	Budget	Actual	Difference
Charges for Services	114,000	103,719	(10,281)
Recovered Costs	35,000	139,756	104,756
State Revenues	40,014,643	39,176,683	(837,960)
Federal Revenues	6,997,120	8,404,876	1,407,756
County Transfer	15,985,489	13,134,406	(2,851,083)
TOTAL	63,146,252	60,959,440	(2,186,812)
Net of County Transfer	47,160,763	47,825,034	664,271
TOTAL EXPENDITURES	63,137,180	60,959,440	(2,177,740)

Source: Exhibit 30 of FY2017 CAFR

State collections Fell Short (ADM and "revoked" state pay raise)

Impact Aid Excess = \$1,562,777.86


Actual Transfer is amount needed to "balance to" total expenditures

Excess Federal Revenues = due to Impact Aid

Excess Revenue Collections (non-Local) = \$664,271
 Underspending = \$2,177,740

School Request

FY2017 Revenues Over Expenditures \$2,851,083*
Reduced by Utility Transfer (125,757)
Net Carry Over Request **\$2,725,326**



FUND REQUEST			
School Operations	School Textbook	Countywide CIP	
\$ 1,415,326	\$ 700,000	\$ 610,000	

*Operating Fund 0500 = \$2,674,106.80

*Textbook Fund 0520 = \$176,976.20

School Request - Prioritized

CAPITAL PROJECTS FOR FY2018		NOTES	FUND
SPED Testing	\$16,500	NOTED AS MANDATE	Operating
1 Vision Machine	\$7,000	NOTED AS MANDATE	Operating
Site Analysis	\$47,632	NOTED AS MANDATE	Operating
Security (Includes cameras, doors, interior locks, monitors, Installation Costs & Infrastructure Improvements)	\$700,000		Operating
Technology (Includes \$176,976 Carry-forward in Textbook Fund)	\$700,000	Transfer to Textbook Fund for Devices in Schools	Textbook
Windows [South - \$138,088 (Current \$135,000 in CIP Fund; Revised would be \$273,088); Harrison - \$161,912 (Current \$217,500 in CIP Fund; Revised would be \$379,412)]	\$300,000	Transfer to County CIP for work to be completed in FY19	CIP
Track	\$230,000	Transfer to County CIP for work to be completed in FY19	CIP
Time & Attendance & Munis Upgrade Packages	\$107,232		Operating
Employee Sign Up Bonus	\$400,000		Operating
General Maintenance (Includes Field House Addition & Field Hockey Fence)	\$100,000	Transfer \$80,000 to County CIP for work to be completed in FY19	CIP & Operating
PGHS Projector & Big Screen & Room Darkening Panels	\$50,000		Operating
Furniture (PGHS Math & English, Clements English)	\$66,962		Operating
	\$2,725,326		

School Carry-Over History

Added Appropriation in:	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018
	Left from FY2013-2014	Left from FY 2014-2015	Left from FY 2015-2016	Left from FY 2016-2017
Approved Carryover	\$ 512,562	\$ 1,907,359	\$ 408,239	\$ 2,725,326
Appropriation	R-15-013	R-16-008	R-17-037	REQUEST
Resolution Number	1/27/2015	1/12/2016	3/28/2017	
Resolution Date				

Budget Amendment – Public Hearing

Any Budget Amendment that is over 1% of the adopted budget requires a public hearing

1 Advertisement in paper at least 7 days prior to public hearing

FY2018 Adopted Budget = \$114,018,234

1% = \$1,140,182

Public Hearing Advertised

- o Staff received authority to advertise a public hearing for the entire \$2,725,326 on March 27
- o A public hearing for budget amendment/appropriation of FY17 School Carry-over advertised
- o **Progress Index**
- o March 31, 2018

Board Action

- o Approval by resolution of FY17 School Carry-Over budget amendment / appropriation following public hearing
- o The board may approve any amount for appropriation as long as it does not exceed the \$2,725,326 advertised

Questions?

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 10th day of April, 2018:

Present:

Alan R. Carmichael, Jr., Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

Vote:

P-4

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

**RESOLUTION; BUDGET AMENDMENT AND APPROPRIATION
(\$2,725,326 FOR FY17 SCHOOL DIVISION CARRY-OVER FUNDS)**

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 10th day of April, 2018, does hereby authorize and appropriate the following increase of funds within the 2017-2018 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

FUND/ORGANIZATION

AMOUNT

General Fund

Revenues:

0100-40-900-8208-399999

Fund Balance

\$2,725,326

Expenditures:

0100-09-401-0917-49150

Transfer to Schools

\$2,725,326

Substitute approved amounts for amounts shown in red

Continued -

School Operating Fund

Revenues:

0500-90-000-0000-399100	Transfer from General Fund	\$1,415,326
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Expenditures:

0500-4XXXX	Various School Operating Accounts	\$1,415,326
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Employee Sign Up Bonus	\$400,000
Security Upgrades	\$700,000
Field Hockey Fence	\$20,000
Special Ed Testing	\$16,500
Vision Machine	\$7,000
Site Analysis	\$47,632
Time/Attend Munis Upgr	\$107,232
PGHS Projector/Screen	\$50,000
Furniture	\$66,962

School Textbook Fund

Revenues:

0520-90-000-0000-399100	Transfer from General Fund	\$700,000
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Expenditures:

0520-06-201-6004-46012	Textbooks	\$700,000
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County-wide Capital Improvement Fund

Revenues:

0311-90-901-8207-399100	Transfer from General Fund	\$610,000
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Expenditures:

0311-NEW ACCOUNT CODE	Track Repairs/Replacement	\$230,000
0311-NEW ACCOUNT CODE	Field House Addition	\$80,000
0311-06-208-3157-48120	South Windows	\$138,088
0311-06-208-3156-48120	Harrison Windows	\$161,912

A Copy Teste:

Percy C. Ashcraft
County Administrator