

Issue Analysis Form

Date: May 8, 2018
Item: School Carry Forward
Appropriation
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. A public hearing was appropriately advertised and conducted on April 10, 2018. Action was deferred following the public hearing.

The impacted accounts for appropriation increase, will impact 4 funds; 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 based on board discussion of \$1,600,508 total.**

After board discussion, \$1,600,508 is being targeted for re-appropriation to the School Board. \$1,346,508 will be re-appropriated in FY2017-18 and \$254,000 in FY2018-19 to assist with reducing employee health insurance contributions. See Attachment B.

On April 26, 2018 the School Board re-affirmed the \$254,000 request for health insurance premium assistance for FY2018-19. Additionally, they requested that funds not being returned be used to satisfy the outstanding Utility fund loan. See Attachment C. The outstanding balance of school utility loan at 7/1/2018 is \$654,379.94. This request is not incorporated into attached draft resolution.

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

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

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. Draft resolution for board discussed appropriation of \$1,600,508 is 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 \$1,600,508, approximately 1.47% of budgeted expenditures.

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

Total Increase in Appropriation over 2 Fiscal Years = \$1,600,508
FY2017-18 \$1,346,508
FY2018-19 - \$254,000

County Impact

Reduction of unrestricted fund balance of \$1,600,508, approximately 1.47% of budgeted expenditures used to calculate fund balance threshold requirement.

Notes

Board of
Supervisor
Approved

School Board Carryforward Request		Request Amount	FUND	NOTES	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	0500 - School Operating
1 Vision Machine	\$7,000		Operating	NOTED AS MANDATE	0500 - School Operating
Site Analysis	\$47,632		Operating	NOTED AS MANDATE	0500 - School Operating
Security (Includes cameras, doors, interior locks, monitors, Installation Costs & Infrastructure Improvements)	\$700,000		Operating		0500 - School Operating
Technology (Includes \$176,976 Carry-forward in Textbook Fund)	\$700,000		Textbook	Transfer to Textbook Fund for Devices in Schools	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	0311 - Countywide CIP
Track	\$230,000		CIP	Transfer to County CIP for work to be completed in FY19	0311 - Countywide CIP
Time & Attendance & Munis Upgrade Packages	\$107,232		Operating		0500 - School Operating
Employee Sign Up Bonus	\$400,000		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	0311 - Countywide CIP - \$80,000; 0500 School Operating - \$20,000
PGHS Projector & Big Screen & Room Darkening Panels	\$50,000		Operating		0500 - School Operating
Furniture (PGHS Math & English, Clements English)	\$66,962		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

CARRY-FORWARD FUNDS FY2017 TO FY2018

- 1) **Security** - The current climate regarding security in schools is requiring all school systems in the nation to examine their practices and make changes as necessary for the safety of our students. In this regard, PGCPs is requesting funds to provide additional security as follows:
 - a) Provide funds to place additional police presence in three (3) of our elementary schools who currently have no SRO in place (Walton, Beazley and South) for the remainder of the school year. Approximate cost \$12,000.
 - b) Replacement Doors are needed at several school locations.
 - c) Add cameras to areas in schools that have been identified as “blind” spots.
 - d) Add monitors for additional security review.
 - e) Add and replace interior locks as needed.
 - f) Give fobs to all 34 police officers to enable them to enter school buildings at a moment’s notice.
 - g) Provide funds for installation costs and additional infrastructure improvements as needed.
 - h) Provide funds for a safety consultant’s fee to identify problem areas and address the needs for additional security and safety in all school buildings.

- 2) **Technology (Textbook Fund)** - \$176,976 of the \$700,000 requested identifies the fund balance remaining at the end of FY2017 in the Textbook fund that the auditors mistakenly added to the general fund balance. \$315,000 is needed to replace 520 devices each year as part of our sustainable technology budget. The state allows school systems to use Textbook Funds for devices. \$208,024 is needed for textbook adoptions as mandated by the state.

- 3) **Windows** – Currently, the county has two (2) CIP funds designated for replacing windows at South and Harrison. Additional funds are needed to complete the work. We request \$300,000 be added to the existing CIP funds for work to be completed over the summer of 2018 when students are not present on school grounds.

- 4) **Track** – The track is currently un-usable and has to be replaced. We request the county set up a guaranteed CIP fund of \$230,000 so the work can be done over the summer of 2018 when students are not present on school grounds.

- 5) **Time & Attendance & Munis Upgrade Packages** – The complexities of school payroll and reporting requirements of the state and federal government require us to implement a more automated system of tracking employees, substitutes, and applicants. This amount includes the installation and additional infrastructure improvements to support the system in all school buildings for all school employees as needed.

- 6) **Employee Contract Renewal Bonus** – For each employee who elects to continue employment with Prince George County Schools for the FY2019 fiscal year, a bonus of

\$500 for all full-time employees and \$250 for all permanent part-time employees will be given in June, 2018 when each employee signs a continuing contract. F/T employee cost is approximately \$350,000. P/T employee cost is approximately \$50,000.

- 7) General Maintenance – We request \$80,000 be set up as a guaranteed CIP fund to add on the Field House. This work will commence once all requirements have been met. The additional \$20,000 will be used to add a fence at the Field Hockey Field and will be placed in the School's capital improvement fund.
- 8) PGHS Projector & Big Screen & Room Darkening Panels – Needed for meetings held in the PGHS Commons Area to improve communication.
- 9) Furniture – Replacements costs associated with desks, chairs, and tables for PGHS Math and English classrooms, and Clements English classrooms.

MUST HAVE – STATE MANDATED & FACILITY STUDY

- 10) SPED Testing – Additional funds are needed to provide testing as mandated by the state.
- 11) One (1) Vision Machine – State mandate
- 12) Site Analysis – Required as part of building the new elementary school(s).

School Carryforward

Based on Board of Supervisor discussion

Total Funds Remaining	2,725,326
Excess Impact Aid	(1,562,778)
State Funding Shortfall - Less \$400,000	437,960
Carryover to Consider	1,600,508

Item	Amount	Fund Impacted	Fiscal Year	Fund #	Will Revert to Fund Balance if Not Spent by 6/30/2018
South & Harrison Windows, Track & Field House	610,000	County-wide CIP	2017-18	0311	NO
Textbooks	176,976	School Textbook	2017-18	0520	NO
Lump Sum Carryover - FY2017-18	559,532	School Operating	2017-18	0500	YES
Sub-Total FY2017-18	1,346,508				

Carryover / Fund balance for FY2018-19 for Health Insurance	254,000	School Operating	2018-19	0500	NO
Sub-Total FY2018-19	254,000				

Grand Total All Funds, All Years	1,600,508
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School Operating Fund Initiatives Recommended - FY2017-18:

SPEED Testing	16,500
Vision Machine	7,000
Site Analysis	47,632
Security - Extra Police	12,000
Lump Sum Amount	476,400
Total FY2017-18 Operating Fund Re-Appropriation	559,532



Prince George County Public Schools

A Commitment To Quality Education

DATE: April 30, 2018
TO: Percy Ashcraft, County Administrator
FROM: Renee P. Williams, Superintendent - Prince George County Public Schools *RW*
SUBJECT: School Board Actions

On April 26, 2018, in addition to the School Board's decision to remain with the county on health insurance, it also approved to:

- (1) Request \$254,000 of carryover funds be allocated to the 2018-19 health insurance budget line item; and
- (2) Request of the Board of Supervisors to consider using the carryover funds not being returned to the school division to satisfy the outstanding Utility Fund Loan.

RPW/rbk

cc: Alan Carmichael, Chairman – Board of Supervisors
Betsy Drewry, Director of Finance

Bobby Cox, Chairman – School Board
Rebecca Hicks, Director of Finance

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 8th day of May, 2018:

Present:

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

Vote:

T-2

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

**RESOLUTION; BUDGET AMENDMENT AND APPROPRIATION
(\$1,600,508 FOR FY17 SCHOOL DIVISION CARRY-OVER FUNDS)**

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 8th day of May, 2018, does hereby authorize and appropriate the following increase of funds within the **2017-2018 Budget AND the 2018-2019 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:

<u>FUND/ORGANIZATION</u>		<u>AMOUNT</u>
FY2017-2018		
General Fund		
Revenues:		
0100-40-900-8208-399999	Fund Balance	\$1,346,508
Expenditures:		
0100-09-401-0917-49150	Transfer to Schools	\$1,346,508
FY2018-2019		
General Fund		
Revenues:		
0100-40-900-8208-3999999	Fund Balance	\$254,000
Expenditures:		
0100-09-401-0917-49150	Transfer to Schools (for Health Insurance)	\$254,000

Amounts revised based on board discussion

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School Operating Fund – FY2017-2018

Revenues:

0500-90-000-0000-399100	Transfer from General Fund	\$559,532
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Expenditures:

0500-4XXXXX	Various School Operating Accounts	\$559,532
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Special Ed Testing	\$16,500
Vision Machine	\$7,000
Site Analysis	\$47,632
Security – Police Hours	\$12,000
Lump Sum Amount for Other Initiatives	\$476,400
Security Upgrades	
Field Hockey Fence	
Time/Attend Munis Upgr	
PGHS Projector/Screen	
Furniture	
Employee Sign Up Bonus	

School Textbook Fund

Revenues:

0520-90-000-0000-399100	Transfer from General Fund	\$176,976
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Expenditures:

0520-06-201-6004-46012	Textbooks	\$176,976
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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

School Operating Fund – FY2018-2019

Revenues:

0500-90-000-0000-399100	Transfer from General Fund	\$254,000
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Expenditures:

0500-4XXXXX	Various School Operating Accounts	\$254,000
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