

Issue Analysis Form



Date: January 12, 2021
Item: Public Hearing - School Carry Forward Appropriation
Lead Department(s): County & School Finance
Contact Person(s): Betsy Drewry

Description and Current Status

On October 6, 2020, the Prince George County School Superintendent provided a request for carry-forward of unexpended FY2020 school operating funds and an appropriation increase of \$1,877,886.32. This represents the reduction in local school transfer for actual school revenues over actual school expenditures (\$1,924,925.32), **less amount already re-appropriated for purchase orders (\$47,039)**. The request is shown as **Attachment A**. This appropriation would come from fund balance.

The requested appropriation increases are amounts above those included in the adopted FY2021 budget. The total request of \$1,877,886.32 requires a public hearing because the amount exceeds 1% of the adopted FY2021 budget (Adopted FY2021 budget = \$126,187,775; 1% = \$1,261,878). The Code of Virginia §15.2-2507 requires a public hearing for budget amendments exceeding 1% of the adopted fiscal plan.

The School textbook and Food Service funds carry forward automatically.

The Board of Supervisors authorized advertisement of a January 12, 2021 public hearing on December 8, 2020. The advertisement was published in the Sunday December 27 edition of **The Progress Index**. The advertisement is provided as **Attachment 1**.

COUNTY OF PRINCE GEORGE, VIRGINIA

Exhibit 40

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2020

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 103,500	\$ 103,500	\$ 8,529	\$ (94,971)
Miscellaneous	25,000	25,000	75,213	50,213
Recovered costs	131,500	131,500	185,391	53,891
Intergovernmental:				
County contribution to School Board	15,920,148	16,067,837	14,142,912	(1,924,925)
Commonwealth	43,350,166	43,350,166	43,765,595	415,429
Federal	6,892,080	6,939,495	7,546,996	607,501
Total revenues	\$ 66,422,394	\$ 66,617,498	\$ 65,724,636	\$ (892,862)
EXPENDITURES				

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	FY2018-2019	FY2019-2020
	Left from FY2013-2014	Left from FY 2014-2015	Left from FY 2015-2016	Left from FY 2016-2017	Left from FY2017-2018	Left from FY 2018-2019
Approved Carryover Appropriation	\$ 512,562	\$ 1,907,359	\$ 408,239	\$ 1,600,508	\$ -	\$ 704,232
Resolution Number	R-15-013	R-16-008	R-17-037	R-18-058	N/A	R-19-155
Resolution Date	1/27/2015	1/12/2016	3/28/2017	5/8/2018	N/A	12/10/2019

Request \$ 2,725,326 \$ 583,616 \$ 704,232

Notes: See Note A See Note B

For FY2018, \$1,346,508 was appropriated to FY2018 Operating / Capital; \$254,000 was appropriated to FY2019 to assist with employee insurance premium reductions.

Note A - During FY2018-19, the Board of Supervisors appropriated additional funds for school use as follows:

School Utility Loan Payoff	654,379.94	R-18-088	7/31/2018
Excess Impact Aid Funds to CIP (school projects)	1,583,633.35	R-19-036	3/12/2019
Excess Impact Aid Funds to School Oper Fund	436,169.00	R-19-079	6/11/2019
Additional State Revenues to School Oper Fund	297,761.00	R-19-079	6/11/2019

Note B - During FY2019-20, the Board of Supervisors also appropriated \$1,000,000 of fund balance toward new Walton Elementary architectural and engineering services

The school request outlines the use carryover funds as follows:

- \$1,000,000.00 – New Walton Elementary Water / Sewer & Road Improvements
- \$310,000.00 – Bleachers Prince George High School
- \$500,000.00 – HVAC (Chiller / Cooling Tower) Prince George High School
- \$50,000.00 – Fire Alarm replacement
- \$17,886.32 – J. E. J. Moore Middle School Water Intrusion Correction

The entire \$1,877,886.32 request would be accounted for within the County-wide CIP Fund.

Appropriation Entry:

General Fund

Revenues:

0100-40-900-8208-399999 Fund Balance \$1,877,886.32

Expenditures:

0100-09-401-0917-49172 Transfer to CIP \$1,877,886.32

County-wide CIP Fund

Revenues:

0311-90-901-8207-399100 Transfer from General Fund \$1,877,886.32

Expenditures:

0311-06-208-3194 48240	New Walton Elementary	\$1,000,000
0311-06-208-3209-48120	PGHS Bleacher Replacement	\$310,000
0311-06-208-3210-48120	PGHS HVAC Cooling Tower/Chiller	\$500,000
0311-06-208-3211-48101	Fire Alarm Replacement	\$50,000
0311-06-208-3212-48130	JEJ Moore Water Intrusion Correction	\$17,886.32

A copy of the Public Hearing Power Point summary is provided as **Attachment 2**.

Board Action Requested:

After conducting the advertised public hearing, and receiving public comment, consider and possibly approve the requested re-appropriation to Schools for capital use from fund balance. A draft resolution is provided for board consideration and possible approval.

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; one advertisement [December 27 edition of *The Progress Index*] Yes No

Fiscal Impact Statement

Reduction of fund balance of \$1,877,886.32, approximately 1.54% of budgeted expenditures.

Increase in appropriation for school capital needs.

Total Increase in Appropriation for FY2020-21 \$1,877,886.32

County Impact

Appropriation would allow the school division to make the purchases and repairs as requested, and will allocate \$1,000,000 toward new Walton Elementary School water and sewer and road improvements. Reduction of unrestricted fund balance of \$1,877,886.32, approximately 1.54% of budgeted expenditures used to calculate fund balance threshold requirement.

Notes

FY2020 ending fund balance is \$28,328,773; 26.4% of FY2020 expenditures; 23.26% of FY2021 budgeted expenditures.

**COUNTY OF PRINCE
GEORGE
NOTICE OF
PUBLIC HEARING
PROPOSED AMENDMENT
TO FY21 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, **January 12, 2021**, 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, 2020 and ending June 30, 2021.

The County adopted its FY19-20 budget on May 14, 2019 with the recommendation to transfer \$16,687,651 to the School operating and textbook funds. The School Board received non-local revenues above the amounts estimated, and did not spend all of its FY19-20 budget appropriation, and \$1,924,925.32 in non-local excess revenues and unspent funds reverted to the County / Fund Balance at the end of the fiscal year. The Prince George County Board of Supervisors has already appropriated \$47,039 for purchase order obligations. The School Board is requesting \$1,877,866.32 be appropriated to the County-wide Capital Improvement Project Fund for expenditure in FY20-21.

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**

Public Hearing

January 12, 2021

Proposed FY2021 Budget Amendment of
\$1,877,886.32 - School FY2020
"Carryover"

FY2020 Carryover Request

- o School Board requested carryover of FY2020 excess revenues / unexpended balances in October of \$1,877,886.32
- o CAFR presented to Board of Supervisors on December 8, 2020, confirming audited balance

FY2020 Excess Revenues / Unexpended Balances

COUNTY OF PRINCE GEORGE, VIRGINIA

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Commonwealth	43,350,166	43,350,166	43,765,595	415,429	
Federal	6,892,080	6,939,495	7,546,996	607,501	
Total revenues	\$ 66,422,394	\$ 66,617,498	\$ 65,724,636	\$ (892,862)	
EXPENDITURES					

Less \$47,039 already re-appropriated
for school purchase orders =
\$1,877,886.32 "carryover request"

FY2020 Carryover Request

The School Board requested use of \$1,877,886.32 for capital purposes

- o \$1,000,000.00 – New Walton Elementary Water / Sewer & Road Improvements
- o \$310,000.00 – Bleachers Prince George High School
- o \$500,000.00 – HVAC (Chiller / Cooling Tower) Prince George High School
- o \$50,000.00 – Fire Alarm replacement
- o \$17,886.32 – J. E. J. Moore Middle School Water Intrusion Correction

The entire \$1,877,886.32 request would be accounted for within the County-wide CIP Fund

Public Hearing Advertised

- o A public hearing is required when a budget amendment is more than 1% of the adopted budget (FY2021 Adopted budget = \$126,187,775; 1% = \$1,261,878)
- o The Board authorized advertisement of a public hearing on December 8 for a FY2021 budget amendment of \$1,877,886.32 advertised
- o Advertised in *The Progress Index*
 - o December 27

COUNTY OF PRINCE GEORGE NOTICE OF PUBLIC HEARING PROPOSED AMENDMENT TO FY21 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 Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, **January 12, 2021**, beginning at 7:30 p.m., in the Boardroom of the County Administration Building, Third Floor, 6502 Courts Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021.

The County adopted its FY19-20 budget on May 14, 2019 with the recommendation to transfer \$16,687,851 to the School operating and textbook funds. The School Board received non-local revenues above the amounts estimated, and did not spend all of its FY19-20 budget appropriation, and \$1,924,925.32 in non-local excess revenues and unspent funds reverted to the County / Fund Balance at the end of the fiscal year. The Prince George County Board of Supervisors has already appropriated \$47,039 for purchase order obligations. The School Board is requesting \$1,877,866.32 be appropriated to the County-wide Capital Improvement Project Fund for expenditure in FY20-21.

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

IMPACT

- o Reduction of fund balance of \$1,877,886.32, approximately 1.54% of budgeted expenditures.
- o Increase in appropriation will allow for completion of requested school capital improvements

Board Action Requested – January 12, 2021

Following public hearing:

- o Consideration and possible approval of a FY2021 Budget Amendment / Appropriation of \$1,877,886.32 with General Fund, Fund Balance as funding source [draft resolution provided]

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 12th day of January, 2021:

<u>Present:</u>	<u>Vote:</u>
Floyd M. Brown, Jr., Chairman	
Marlene J. Waymack, Vice-Chair	
Alan R. Carmichael	
Donald R. Hunter	
T. J. Webb	
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On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

**RESOLUTION; BUDGET AMENDMENT AND APPROPRIATION
(\$1,877,886.32 FOR FY20 SCHOOL DIVISION CARRY-OVER FUNDS)**

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 12th day of January, 2021, does hereby authorize and appropriate the following increase of funds within the **2020-2021 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>
General Fund	
Revenues:	
0100-40-900-8208-399999 Fund Balance	\$1,877,886.32
Expenditures:	
0100-09-401-0917-49172 Transfer to CIP	\$1,877,886.32
County-Wide CIP Fund	
Revenues:	
0311-90-901-8207-399100 Transfer from General Fund	\$1,877,886.32
Expenditures:	
0311-06-208-3194 48240 New Walton Elementary	\$1,000,000
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