

ATTACHMENT C:

**FCPS FY 2023 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

**(This attachment reflects staff's
recommendations to the School Board on
July 13, 2023.)**

Agenda Item Details

Meeting

Jul 13, 2023 - Regular Meeting

Category

Presentations to the School Board - 7:45 p.m.

Subject

FY 2023 Year End Review

Type

Information

Subject: FY 2023 Year End Review

Staff Contact: Leigh Burden, chief financial officer

Other Staff Present: Alice Wigington, executive director, Office of Budget Services

Meeting Category: July 13, 2023 Regular Meeting

School Board Action Required: Information

Summary/Background (Key Points):

All the FY 2023 accounts have been closed subject to the annual audit. A summary of the revenue and expenditure variances is provided for each of the nine funds. All comparisons are against the FY 2023 Revised Budget. In the School Operating Fund, after accounting for revenue and expenditure variances, School Board flexibility reserve, fuel contingency, and commitments and carryover, funds available for FY 2024 total \$127.5 million.

This agenda item includes recommendations for FY 2024 expenditure adjustments including funding for compensatory services, replenishment to the staffing reserve, funding for strategies to close the achievement gap, major maintenance, enhanced summer school, one-time funding to support the replacement of the human capital management system, a recruitment incentive for substitute teachers, a safety and security screening pilot program, increased electricity costs, fuel inflation, turf fields, administrator and schedule C scale enhancement, fine arts stipends, one-time funding for PreK expansion, certified athletic trainers, a shortfall in the Adult and Community Education Fund, mental health teletherapy support, and funding set-aside for the FY 2025 beginning balance.

Changes to other School Board funds are detailed in the attachment.

Recommendation:

The School Board approve the revenue and expenditure adjustments as detailed in the agenda item.

Attachment:

FY 2023 Year End Agenda details will be posted prior to the meeting.

[FY23 Year End agenda v17.pdf \(350 KB\)](#)

FY 2023 Final Budget Review Summary (\$ in M)

	Amount	Positions
I. FY 2023 School Operating Funds Available		
A. FY 2023 Actual Revenue Variance	(\$42.4)	
• State Aid	\$7.6	
• Federal Aid	(\$53.2)	
• Tuition, Fees, and Other	3.1	
B. Less FY 2023 Actual Expenditure Variance	(\$352.0)	
C. Less Reserves, Commitments and Carryover	<u>\$182.1</u>	
• Outstanding Encumbered Obligations	\$53.3	
• Schools/Project Carryover	\$83.1	
• Department Critical Needs	\$29.4	
• Reserves	\$10.0	
• FY24 Beginning Balance Adjustment	\$6.2	
FY 2023 Total Funds Available	\$127.5	
II. FY 2024 Recommended Expenditure Adjustments*		
A. Special Education Compensatory Services Fund	\$30.0	0.0
B. Staffing Reserve Replenishment	21.5	200.0
C. Achievement Gap Closing Strategies	12.4	0.0
D. Transfer to Construction - Major Maintenance	7.1	0.0
E. Enhanced Summer School Reserve	6.7	0.0
F. Human Capital Management System Replacement	6.6	0.0
G. Substitute Incentive	3.5	0.0
H. Safety and Security Screening Pilot Program	3.0	0.0
I. Utilities Inflation	2.9	0.0
J. Fuel Inflation	2.1	0.0
K. Transfer to Construction - Turf Replacement	2.0	0.0
L. Administrators and Schedule C Scale Enhancement	1.8	0.0
M. Fine Arts Stipends	0.9	0.0
N. Transfer to Grants - PreK Expansion	0.8	0.0
O. Certified Athletic Trainers Year 1	0.6	5.0
P. Transfer to Adult and Community Education	0.4	0.0
Q. Mental Health Teletherapy Support	<u>0.3</u>	0.0
FY 2024 Total Expenditure Adjustments	\$102.5	205.0
III. FY 2025 Beginning Balance		
A. FY 2025 Beginning Balance Set-Aside	\$25.0	
FY 2024 Total Funds Available	\$0	
IV. FY 2024 School Operating Fund Grants		
A. FY 2023 Carryover of Unspent Grant Funding and New Grant Awards	\$65.8	(1.0)
*Does not add due to rounding		

I. FY 2023 School Operating Funds Available

A. FY 2023 Actual Revenue Variance - (\$42.4 million)

- State Revenue - \$7.6 million

As compared to the FY 2023 Revised Budget, State Revenue reflects a net increase of \$7.6 million due to a \$15.0 million increase in the sales tax projection, offset by a decrease in State Aid of \$7.4 million. The decrease in Basic Aid is primarily due the State calculation tool error which did not accurately calculate how much school divisions would receive in state funding related to the elimination of the grocery sales that began in 2023. This decrease is offset by increased state aid due to average daily membership and increased sales tax funding.

- Federal Revenue - (\$53.2 million)

As compared to the FY 2023 Revised Budget, federal revenue reflects a net decrease of \$53.2 million, primarily due to unspent multiyear ESSER III funding and IDEA funding that will be reappropriated in FY 2024.

- Tuition, Fees, and Other - \$3.1 million

Based on actual receipts, other revenue categories including tuition, fees, and miscellaneous revenue, reflect a net increase of \$3.1 million primarily due to the City of Fairfax billing agreement and tuition paid for students attending Thomas Jefferson High School for Science and Technology.

B. FY 2023 Actual Expenditure Variance less the following items - (\$352.0 million)

The expenditure variance \$352.0 million less than budget. Funding available is primarily comprised of salary and benefits fallout due to vacancy and turnover.

C. Reserves, Commitments, and Carryover - \$182.0 million

Outstanding encumbered obligations are the result of orders that remain undelivered, or the items have been received, but the invoice has not yet arrived, including grants	\$53.3 million
School and multiyear projects carryover consist of systemwide multiyear projects, schools' automatic balance carryover of 10 percent of their budgets, selected accounts like band and field trips, and school requests for critical needs funding	\$83.1 million
Department carryover consists of funding to address budgetary requirements necessary to support strategic priorities	\$29.4 million
School Board Flexibility Reserve to meet unforeseen circumstances that occur during the fiscal year	\$8.0 million
Fuel Reserve to mitigate rate fluctuations	\$2.0 million
FY24 Beginning Balance Adjustment	\$6.2 million

II. FY 2024 Recommended Expenditure Adjustments

A. Special Education Compensatory Services Fund - \$30.0 million, 0.0 positions

As part of the FY 2024 budget process, recommendations to support compensatory services was deferred to year end. Fairfax County Public Schools (FCPS) entered into a Resolution Agreement with the United States Department of Education Office for Civil Rights (OCR). Funding of \$30.0 million is included to provide compensatory education and related services, reimbursement for out-of-pocket expenses for services paid for by parents or guardians during the pandemic period, and an anticipated increase in special education and Section 504 dispute resolution resulting from compensatory education decisions.

B. Staffing Reserve Replenishment - \$21.5 million, 200.0 positions

FCPS maintains a balance of 310.0 positions as staffing reserve as part of the budget process. This is to account for differences between forecasted enrollment and actual enrollment. After reviewing student enrollment numbers in late FY 2023, it is recommended that \$21.5 million is included to add 200.0 positions to the staffing reserve to address student needs.

C. Achievement Gap Closing Strategies - \$12.4 million, 0.0 positions

As part of the FY 2024 budget process, recommendations to support achievement gap closing strategies was deferred to year end. Funding of \$12.4 million is included to support closing the achievement gap for all students.

D. Transfer to Construction - Major Maintenance - \$7.1 million, 0.0 positions

One-time funding of \$7.1 million is requested to continue addressing the backlog of major maintenance initiatives. As part of the adoption of the FY 2014 Approved Budget, \$3.6 million was eliminated during the budget process. At that time, FCPS adopted a process of restoring the funding for major maintenance at the FY 2013 level using funding available annually at year end. Funding has been utilized to supplement major maintenance since FY 2013. As of the FY 2024-2028 Capital Improvement Program (CIP), the major maintenance backlog is estimated to be \$74.1 million.

An additional \$3.5 million is recommended to address the substantial backlog of infrastructure that has surpassed its useful life and to keep better pace with major maintenance requirements. Funding major infrastructure maintenance will help prevent the failure of critical systems, deterioration of major capital investments, and significant health and safety hazards.

E. Enhanced Summer School Reserve - \$6.7 million, 0.0 positions

Reserve funding of \$6.7 million is included for enhanced Summer Learning Programs to provide free summer school at the elementary, middle, and high school levels. Providing funding for continued enhanced programming will maintain supports for student learning post-pandemic. Summer school focuses on executive functioning, acceleration of reading and mathematics foundational skills, enrichment programs at the elementary and middle school level, and course credit recovery to ensure on-time graduation at the high school level.

F. Human Capital Management System Replacement - \$6.6 million, 0.0 positions

The Division's legacy information system for HR and payroll (Infor/Lawson) was designed and implemented in 1999, and the system is reaching its end of life. The Department of Human Resources, in partnership with the Department of Information Technology and the Department Financial Services, initiated a multiphase project in FY 2022 to assess the current state of HR and payroll business processes and to implement a new modern HCM software application. One-time funding of \$6.6 million will cover the capital expenses, pre-implementation planning, change and organizational management, and initial implementation activities.

G. Substitute Incentive - \$3.5 million, 0.0 positions

At the FY 2022 Final Budget Review, FCPS provided one-time funding of \$3.5 million for substitute incentive and bonus pay that helped increase substitute job fill rates during SY 2022-2023. Although substitute fill rates have increased overall and on hard-to-fill Fridays, FCPS continues to experience less than 100 percent fill rates. Incentive and bonus pay are an important means to reach adequate substitute coverage next school year. Funding of \$3.5 million will support incentive pay and threshold bonuses for substitutes again in FY 2024.

H. Safety and Security Screening Pilot Program - \$3.0 million, 0.0 positions

Funding of \$3.0 million is included to fund a pilot program to install security scanning technology at select high schools.

I. Utilities Inflation - \$2.9 million, 0.0 positions

Funding of \$2.9 million is included to address increases in utility rates for electricity, natural gas, sewer, water, and refuse.

J. Fuel Inflation - \$2.1 million, 0.0 positions

Funding of \$2.1 million is included to address the continued economic impact of inflation, resulting in rising costs for diesel fuel and unleaded gasoline. The actual gasoline blended rate has risen from \$2.53 in July 2021 to an average of \$3.28 from July 2022 through May 2023, which is an increase of \$0.75, or 29.6 percent.

K. Transfer to Construction Fund - Turf Fields - \$2.0 million, 0.0 positions

Funding of \$2.0 million is included to provide the remainder of funds needed to support the scheduled replacement of turf fields at West Potomac HS, Edison HS, and Mt. Vernon HS. Life expectancy of synthetic turf fields is no more than 10 years, and these schools will reach the end of their life expectancy in 2024.

L. Administrators and Schedule C Enhancement - \$1.8 million, 0.0 positions

As part of the FY 2024 budget process, recommendations to support the administrators and schedule C scale enhancement was deferred to year end. To bring principals and other administrator salaries to 100 percent of the estimated market maximum, funding of \$1.8 million is included to adjust school administrators and Schedule C pay ranges by extending the scales to 20 steps and raising the increment from 1.0 percent to 1.5 percent beginning at step 12.

M. Fine Arts Stipends - \$0.9 million, 0.0 positions

As part of the FY 2024 budget process, recommendations to support fine arts stipends was deferred to year end. Funding of \$0.9 million is included to increase the extra duty supplements for the band director, choral director, theater director, orchestra director, and assistant marching band director at the high school level as well as the band director, choral director, orchestra director, and drama coach at the middle school level. Additionally, the recommendation establishes a new stipend for guitar and dance at the high school level. A comprehensive review is underway in all fine arts stipends, and recommendations will be considered for a future year's budget.

N. Transfer to Grants and Self-Supporting Fund - PreK Expansion - \$0.8 million, 0.0 positions

The FY 2024 Approved Budget included funding to provide 10 additional PreK classrooms. One-time funding of \$0.8 million will be allocated to acquire start-up classroom furniture; books, manipulatives, art supplies, and educational games will help engage the students more effectively; and curriculum resources that encompass lesson plans, activities, assessment tools, and supplementary materials. By investing in these key areas, the PreK and Early Head Start Program will create an optimal learning environment for students, enhance their educational experience, and ensure a solid foundation for their future academic success.

O. Certified Athletic Trainers Year 1 - \$0.6 million, 5.0 positions

As part of the FY 2024 budget process, recommendations to support certified athletic trainers was deferred to year end. FCPS' Athletic Training Program provides quality sports injury care in each of the high schools. Currently, there is a 1.0 certified athletic trainer position budgeted at each high school for a total of 25.0 full-time athletic trainer positions divisionwide. Certified athletic trainers are responsible for the prevention of injuries; recognition, evaluation, and assessment of injuries; immediate care of injuries; and rehabilitation and reconditioning of injuries resulting from physical activity.

Funding of \$0.6 million and 5.0 positions supports FCPS' commitment to provide quality sports injury care for the entire student body. This investment represents the first year of a five-year plan to provide one additional certified athletic trainer in each of the 25 high schools. At the completion of the multiyear plan, there will be 2.0 certified athletic trainers at each high school.

P. Transfer to Adult and Community Education Fund - \$0.4 million, 0.0 positions

The Adult and Community Education (ACE) Fund ended FY 2023 with a shortfall of \$0.4 million, primarily due to lower than projected tuition revenue. To support ACE, a one-time transfer of \$0.4 million is recommended.

Q. Mental Health Teletherapy Support - \$0.3 million, 0.0 positions

Funding of \$0.3 million is included to provide Mental Health Teletherapy support. FCPS has partnered with Hazel Health to help reduce barriers to quality mental health care services for all high school students, at no cost to families. Through Hazel Health, high school students in FCPS can access behavioral health services at home (i.e., off school premises), at no cost to families.

III. FY 2025 Beginning Balance

A. FY 2025 Beginning Balance Set-Aside - \$25.0 million

Available funding of \$25.0 million from FY 2023 is recommended to be set aside as a beginning balance for FY 2025. This is a decrease of \$3.1 million compared to the FY 2024 beginning balance.

IV. FY 2024 School Operating Fund Grants

A. FY 2023 Carryover of Unspent Grant Funding and New Grant Awards - \$65.8 million

Federal grant awards from FY 2023 will be carried forward and reappropriated in FY 2024. Unspent grant funding primarily represents ESSER II and ESSER III.

Federal grant awards are received after the approved budget is adopted in May. Changes to the following awards are therefore recognized at the final budget review:

- The IDEA Parent Resource Center grant award increased by \$15,000 as compared to the FY 2024 Approved Budget.
- The Carl D. Perkins grant increased by \$0.4 million as compared to the FY 2024 Approved Budget.

Additionally, the Carl D. Perkins grant decreases by 1.0 position.

Other Funds Summary

School Board Funds	FY 2024 Approved	Adjustments	FY 2024 Revised
School Construction	\$232,570,043	\$295,176,026	\$527,746,069
Food and Nutrition Services	\$135,643,195	\$6,935,663	\$142,578,858
Adult and Community Education	\$9,430,318	(\$184,137)	\$9,246,181
Grants and Self-Supporting Programs	\$97,611,075	\$99,807,754	\$197,418,829
School Insurance	\$27,455,879	(\$2,399,417)	\$25,056,462
Health and Flexible Benefits	\$488,831,475	\$147,812	\$488,979,287
Educational Employees' Supplementary Retirement System	\$240,743,212	\$63,909	\$240,807,121
School Other Post-Employment Benefits (OPEB) Trust	\$18,302,500	\$0	\$18,302,500

School Construction Fund

The FY 2023 actual receipts are \$7.7 million greater than the budgeted amount. This is primarily due to \$0.2 million from the City of Fairfax to cover an HVAC rooftop unit change order, \$7.3 million in additional miscellaneous revenue which includes county proffers, funding received for schools' work orders, and an additional \$0.5 million in capital cost recovery from Thomas Jefferson High School for Science and Technology tuition. The additional funding is offset by a decrease of \$0.3 million in revenue from boosters, youth associations, and community support of turf fields. Transfers in are \$0.2 million greater than budgeted due to county transfers for the Graham Road Community Building playground.

The FY 2023 actual expenditures total \$242.5 million, which is a decrease of \$126.1 million compared to the FY 2023 Revised Budget. Total costs for multiyear construction projects are allocated when the jobs are contracted, actual project expenditures are recognized as incurred, and unspent balances are carried forward into future years until the projects are complete. Therefore, construction projections that are funded through the 2021 Bond Referendum and are in the early stage of construction reflect only a portion of the total budgeted renovation cost. Projects include renovations for Falls Church HS, Louise Archer ES, Frost MS, Wakefield Forest ES, and Cooper MS.

The actual FY 2023 turf field replacement ending balance of \$0.8 million reflects a \$0.5 million decrease compared to the FY 2023 Revised Budget due to a variance between budgeted and actual expenditures. This turf field funding is being held in reserve pending future replacement needs.

The FY 2024 Revised Budget includes a \$9.1 million increase in the School Operating Fund transfer to address the backlog of major infrastructure maintenance and replace three synthetic turf fields at West Potomac HS, Edison HS, and Mt Vernon HS that will reach the end of their life expectancy in 2024.

Food and Nutrition Services Fund

The Food and Nutrition Services (FNS) Fund provided normal meal service for all students during the FY 2023 school year. Excluding the beginning balance, revenue in the FNS fund totals \$98.6 million, an increase of \$8.3 million compared to the FY 2023 Revised Budget due to a \$14.8 million increase in federal aid, a \$1.2 million increase in state aid, and a \$0.7 million increase in other revenue offset by a decrease of \$8.5 million in food sales.

Actual expenditures total \$92.7 million, which is an increase of \$0.5 million as compared to the FY 2023 Revised Budget. The increase was primarily due to higher than anticipated expenditures for materials and supplies, contracted services, and capital outlay as compared to the budgeted amount.

The FY 2024 Revised Budget totals \$142.6 million, an increase of \$6.9 million as compared to the FY 2024 Approved Budget and is comprised of \$2.9 million in outstanding encumbered obligations, a \$4.1 million increase to the reserve, and an increase of \$19,339 in grant appropriation related to the No Kid Hungry campaign.

Adult and Community Education Fund

The FY 2023 ending balance for the Adult and Community Education (ACE) Fund resulted in a shortfall of \$0.4 million as the program continues to be impacted by fewer in-class courses resulting from recruitment challenges. Total receipts and transfers of \$8.1 million, a decrease of \$1.1 million from the FY 2023 Revised Budget due to a decrease in tuition of \$0.9 million and state aid of \$0.2 million, offset by an increase in other revenue of \$46,541.

Actual expenditures total \$8.0 million, which is a decrease of \$0.8 million from the FY 2023 Revised Budget, due to lower expenditures in salaries and materials and supplies. Expenditures for the fund include costs to run the course offerings such as instructor costs and classroom supplies, in addition to oversight and management costs.

The FY 2024 Revised Budget totals \$9.2 million which includes a one-time increase of \$0.4 million in the transfer from the School Operating Fund to address the shortfall in FY 2023, as well as a decrease of \$0.2 million related to the Adult Education and Family Literacy Act (AEFLA) grant awards.

Grants and Self-Supporting Programs Fund

The FY 2023 ending balance for the Grants and Self-Supporting Programs Fund totals \$53.8 million. The ending balance is comprised of \$22.0 million for the summer school subfund and \$31.8 million in the grants subfund. The FY 2024 Revised Budget increased by \$99.8 million due to new and revised grant awards, the re-appropriation of the ending balance and multiyear grant awards, and reduced expenditures in the summer school program due to the ESSER II funded summer program.

Grants Subfund:

The FY 2023 ending balance for the Grants subfund totals \$31.8 million and primarily represents multiyear grants and programs not yet expended such as PreK and Early Head Start, Medicaid, and Cable Communications.

The FY 2024 Revised Budget for the Grants subfund reflects an increase of \$88.8 million due to revised grant awards and the re-appropriation of the ending balance and multiyear grant awards. Of this amount, \$31.8 million represents the ending balance, \$56.2 million results from the re-appropriation of multiyear grant awards primarily for entitlement grants such as Title I, Title II, and Title III; as well as other grants such as Title IV, VDH ViSSTA, ARP Coronavirus State and Local Fiscal Recovery Funds Ventilation Improvement Projects, School-Based Mental Health Services, ESSER III MS Before & After School, ARP ESSER III Unfinished Learning, State Technology Plan, and a one-time school operating fund transfer of \$0.8 million for the PreK expansion to support start-up classroom furniture; books, manipulatives, art supplies, and educational games to help engage the students more effectively; and curriculum resources that encompass lesson plans, activities, assessment tools, and supplementary materials. In addition, 17.6 positions will be added as follows, 12.1 positions for Title I, a 0.5 position for DoDEA Project Code Up, a 1.0 position for School-Based Mental Health Workforce, 2.0 positions for Title II, Part A, and 2.0 positions for the PreK and Early Head Start VPI grants.

Summer School Subfund:

The FY 2023 ending balance in the Summer School subfund is \$22.0 million, primarily due to lower than budgeted expenditures of \$9.9 million combined with \$11.0 million in reserve funding. Expenditures were lower due to the ESSER grants to support the continued enhancement of summer school. Revenue

receipts were \$1.1 million higher than estimated primarily due to claiming a higher number of students than anticipated for state revenue for remediation, an increase due to higher rates of return in pooled interest, and higher than anticipated enrollment in the self-supporting programs resulting in an increase in tuition received. The FY 2023 ending balance will be carried over to FY 2024 allowing FCPS to maintain summer programs such as, Young Scholars, high school programs, and Extended School Year (ESY).

School Insurance Fund

The FY 2023 ending balance for the School Insurance Fund is \$59.9 million, an \$11.9 million increase over the FY 2023 Revised Budget. The FY 2023 actual revenue totals \$22.9 million, a \$5.5 million increase over the FY 2023 Revised Budget. The revenue increase is due increased transfers from the School Operating Fund to meet the recommended liability coverage needs for outstanding claims as well as meeting the increased confidence levels of reserves, as recommended in the actuarially valuations.

FY 2023 actual expenditures total \$19.6 million, a \$1.7 million increase over the FY 2023 Revised Budget (excluding general reserves) due primarily to an increase in workers' compensation claims. FCPS self-insures the Workers' Compensation Program as well as other liabilities. Accordingly, FCPS must maintain sufficient funds available on reserve to settle claims as needed. Accrued liabilities in the Workers' Compensation subfund increased by \$2.0 million, primarily due to an expected increase in claims coinciding with an in-person workforce. Accrued liabilities in the Other Insurance subfund increased by \$4.2 million due to increased insurance costs related to inflation and ongoing settlements.

The FY 2024 beginning balance is \$59.9 million. Outstanding encumbered obligations of \$0.2 million at FY 2023 year-end are reflected in the projected expenditures in the FY 2024 Revised Budget.

School Health and Flexible Benefits Fund

The FY 2023 ending balance for the School Health and Flexible Benefits Fund's Premium Stabilization Reserve (PSR) is \$63.3 million which is an \$11.7 million, or 15.6 percent, decrease from the FY 2023 Third Quarter Budget Review. FY 2023 revenue totals \$479.3 million which is an \$8.2 million decrease from the FY23 Revised Budget. The decrease in revenue is due to lower contributions, caused by vacancies and a drop in plan participation, offset by increased rebates and subsidies as well as interest earned. Rebates and subsidies are higher because of formulary changes that became effective January 1. Interest payments are higher due to increased rates of return on the County's portfolio of pooled cash.

Fund expenditures for FY 2023 total \$509.0 million, which is a \$3.3 million increase over the FY23 Revised Budget. An increase of \$8.6 million in claims was offset by decreases of \$4.5 million in premiums and \$2.7 million in administrative expenses. In addition, the IBNR increased by a net of \$1.0 million. A certified IBNR estimate will not be available until after the close of the fiscal year. Any required adjustments resulting from the certified IBNR will be incorporated in the FY 2023 Midyear Budget Review.

The FY 2024 beginning balance is \$63.4 million. Outstanding encumbered obligations totaling \$0.1 million at FY 2023 year-end are reflected in projected expenditures in the FY 2024 Revised Budget.

Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)

The FY 2023 ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$3.5 billion which is a \$174.3 million decrease from the FY 2023 Revised Budget. FY 2023 combined receipts total \$248.7 million, which is a \$191.0 million decrease from the FY 2023 Revised Budget due to lower than expected investment returns of \$79.0 million. Employee and employer contributions total \$169.7 million, which is a \$1.2 million increase over the FY 2023 Revised Budget. The lower investment returns reflect continued market instability driven primarily by inflation and other disruptions to the economy but also marked an improvement over last year's return.

ERFC expenditures for FY 2023 total \$213.4 million, which is a \$16.7 million decrease from the FY 2023 Revised Budget due to lower than projected investment management and consulting fees. Decreases in investment expenses are directly correlated to the decrease in the value of the assets in the fund. Due to the timing of the FY 2023 Final Budget Review, final transactions from investment activities, including actual returns from June and the impact of employee retirements occurring at year end on expenditures, will be incorporated in the FY 2024 Midyear Budget Review.

The FY 2024 beginning balance of \$3.5 billion reflects an increase of \$338.6 million. Outstanding encumbered obligations totaling \$63,909 at FY 2023 year-end are reflected in projected expenditures for the FY 2024 Revised Budget.

School Other Post-Employment Employee Benefits (OPEB) Trust Fund

The FY 2023 ending balance for the OPEB Trust Fund is \$207.3 million, which is an increase of \$3.8 million compared to the FY 2023 Revised Budget due to high investment returns driven by market volatility. As a result of the timing of the FY 2023 Final Budget Review, final transactions from investment activities, including actual returns from April, May, and June, will be incorporated in the FY 2024 Midyear Budget Review. Total FY 2023 revenue of \$31.6 million is an increase of \$4.9 million compared to the FY 2023 Revised Budget due to a \$3.8 million increase in investment returns and a \$1.1 million increase in employer contributions.

FY 2023 expenditures totaling \$17.9 million are an increase of \$1.0 million compared to the 2023 Revised Budget primarily due to benefits paid. The FY 2024 Revised Budget includes a \$3.8 million increase in the beginning balance as a result of the increased funding available at FY 2023 year-end.

APPENDIX

SCHOOL OPERATING FUND STATEMENT

	FY 2023 Revised	FY 2023 Actual	Variance	FY 2024 Approved	FY 2024 Revised	Variance
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$ 26,536,181	\$ 26,536,181	\$ -	\$ 28,106,217	\$ 28,106,217	\$ -
Outstanding Encumbered Obligations	57,155,128	57,155,128	-	-	53,337,692	53,337,692
Schools/Projects Carryover	86,387,519	86,387,519	-	-	83,098,513	83,098,513
Department Critical Needs Carryover	24,089,039	24,089,039	-	-	29,425,030	29,425,030
Recommended Expenditure Adjustments	69,063,902	69,063,902	-	-	102,485,000	102,485,000
Total Beginning Balance	\$ 263,231,768	\$ 263,231,768	\$ -	\$ 28,106,217	\$ 296,452,451	\$ 268,346,234
Future Year Beginning Balance	\$ 21,874,771	\$ 21,874,771	\$ -	\$ -	\$ 25,000,000	\$ 25,000,000
School Board Flexibility Reserve	8,000,000	8,000,000	-	-	8,000,000	8,000,000
Fuel Contingency	2,000,000	2,000,000	-	-	2,000,000	2,000,000
Total Reserves	\$ 31,874,771	\$ 31,874,771	\$ -	\$ -	\$ 35,000,000	\$ 35,000,000
RECEIPTS:						
Sales Tax	\$ 247,931,285	\$ 262,899,211	\$ 14,967,926	\$ 257,401,723	\$ 257,401,723	\$ -
State Aid	647,100,136	639,730,891	(7,369,244)	677,858,778	677,858,778	-
Federal Aid	203,178,639	150,020,844	(53,157,796)	48,789,598	114,622,205	65,832,607
City of Fairfax Tuition	51,248,621	52,918,792	1,670,171	52,273,593	52,273,593	-
Tuition, Fees, and Other	23,926,774	25,406,558	1,479,784	27,113,116	27,113,116	-
Total Receipts	\$ 1,173,385,454	\$ 1,130,976,296	\$ (42,409,158)	\$ 1,063,436,808	\$ 1,129,269,415	\$ 65,832,607
TRANSFERS IN:						
Combined County General Fund	\$ 2,275,310,924	\$ 2,275,310,924	\$ -	\$ 2,419,409,875	\$ 2,419,409,875	\$ -
County Transfer - Cable Communications	875,000	875,000	-	875,000	875,000	-
Total Transfers In	\$ 2,276,185,924	\$ 2,276,185,924	\$ -	\$ 2,420,284,875	\$ 2,420,284,875	\$ -
Total Receipts & Transfers	\$ 3,449,571,378	\$ 3,407,162,220	\$ (42,409,158)	\$ 3,483,721,683	\$ 3,549,554,290	\$ 65,832,607
Total Funds Available	\$ 3,744,677,918	\$ 3,702,268,760	\$ (42,409,158)	\$ 3,511,827,900	\$ 3,881,006,742	\$ 369,178,842
EXPENDITURES:						
School Board Flexibility Reserve	\$ 3,661,205,125	\$ 3,317,488,147	\$ (343,716,978)	\$ 3,473,829,439	\$ 3,799,799,480	\$ 325,970,041
School Board Flexibility Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
Total Expenditures	\$ 3,669,205,125	\$ 3,317,488,147	\$ (351,716,978)	\$ 3,473,829,439	\$ 3,807,799,480	\$ 333,970,041
TRANSFERS OUT:						
School Construction Fund	\$ 26,085,422	\$ 26,085,422	\$ -	\$ 10,547,127	\$ 19,598,097	\$ 9,050,970
Grants & Self-Supporting Fund	20,853,213	20,853,213	-	22,853,213	23,653,213	800,000
Food & Nutrition Services Fund	1,800,000	1,800,000	-	-	-	-
Adult & Community Education Fund	1,392,762	1,392,762	-	1,396,250	1,754,081	357,831
Consolidated County & School Debt Fund	3,466,625	3,196,764	(269,862)	3,201,871	3,201,871	-
Total Transfers Out	\$ 53,598,022	\$ 53,328,160	\$ (269,862)	\$ 37,998,461	\$ 48,207,262	\$ 10,208,801
Total Disbursements	\$ 3,722,803,147	\$ 3,370,816,308	\$ (351,986,839)	\$ 3,511,827,900	\$ 3,856,006,742	\$ 344,178,842
ENDING BALANCE, JUNE 30	\$ 21,874,771	\$ 331,452,452	\$ 309,577,681	\$ -	\$ 25,000,000	\$ 25,000,000
Less:						
BEGINNING BALANCE REQUIREMENTS:						
Budgeted Beginning Balance from FY 2024 Approved	\$ 21,874,771	\$ 28,106,217	\$ 6,231,446	\$ -	\$ -	\$ -
Total Budgeted Beginning Balance	\$ 21,874,771	\$ 28,106,217	\$ 6,231,446	\$ -	\$ -	\$ -
RESERVES:						
School Board Flexibility Reserve	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
Fuel Contingency	-	2,000,000	2,000,000	-	-	-
Total Reserves	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ -
COMMITMENTS AND CARRYOVER:						
Outstanding Encumbered Obligations	\$ -	\$ 53,337,692	\$ 53,337,692	\$ -	\$ -	\$ -
Schools/Projects Carryover	-	83,098,513	83,098,513	-	-	-
Department Critical Needs Carryover	-	29,425,030	29,425,030	-	-	-
Total Commitments and Carryover	\$ -	\$ 165,861,235	\$ 165,861,235	\$ -	\$ -	\$ -
TOTAL FUNDS AVAILABLE, JUNE 30	\$ -	\$ 127,485,000	\$ 127,485,000	\$ -	\$ 25,000,000	\$ 25,000,000
FUTURE YEAR BEGINNING BALANCE						
Set-Aside for FY 2025 Beginning Balance	\$ -	\$ 25,000,000	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 25,000,000
ADMINISTRATIVE ADJUSTMENTS:						
Recommended Expenditure Adjustments						
Achievement Gap Closing Strategies	\$ -	\$ 12,396,003	\$ 12,396,003	\$ -	\$ -	\$ -
Administrative Scale Enhancement	-	1,815,994	1,815,994	-	-	-
Athletic Trainers	-	580,950	580,950	-	-	-
Compensatory Services	-	30,000,000	30,000,000	-	-	-
Fine Arts Stipends	-	945,602	945,602	-	-	-
Fuel	-	2,070,076	2,070,076	-	-	-
Human Capital Management System Replacement	-	6,623,787	6,623,787	-	-	-
Mental Health Teletherapy Support MS/HS	-	340,000	340,000	-	-	-
Security Pilot	-	3,000,000	3,000,000	-	-	-
Staffing Reserve Replenishment	-	21,473,000	21,473,000	-	-	-
Substitute Incentive	-	3,500,000	3,500,000	-	-	-
Transfer to Adult and Community Education	-	357,831	357,831	-	-	-
Transfer to Construction - Major Maintenance	-	7,050,970	7,050,970	-	-	-
Transfer to Construction Fund - Turf Fields	-	2,000,000	2,000,000	-	-	-
Enhanced Summer School	-	6,677,271	6,677,271	-	-	-
Transfer to Grants - One-time Funding for PreK Expansion	-	800,000	800,000	-	-	-
Utilities Inflation	-	2,853,515	2,853,515	-	-	-
Total Administrative Adjustments	\$ -	\$ 102,485,000	\$ 102,485,000	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2023 Revised</u>	<u>FY 2023 Actual</u>	<u>Variance</u>	<u>FY 2024 Approved</u>	<u>FY 2024 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 76,642,886	\$ 76,642,886	\$ -	\$ -	\$ 134,458,712	\$ 134,458,712
RESERVES:						
Reserve For Turf Fields	\$ 1,264,926	\$ 1,264,926	\$ -	\$ 1,293,010	\$ 815,971	\$ (477,038)
Total Reserve	\$ 1,264,926	\$ 1,264,926	\$ -	\$ 1,293,010	\$ 815,971	\$ (477,038)
RECEIPTS:						
General Obligation Bonds	\$ 205,000,000	\$ 205,000,000	\$ -	\$ 205,000,000	\$ 205,000,000	\$ -
State School Construction Grant	24,219,184	24,219,184	-	-	-	-
City of Fairfax	1,640,274	1,821,351	181,077	-	-	-
Miscellaneous Recovered Costs	1,000,000	1,000,000	-	-	-	-
TJHSST Tuition - Capital Costs	800,000	1,296,250	496,250	800,000	800,000	-
Miscellaneous Revenue	306,000	7,601,308	7,295,308	306,000	306,000	-
Turf Field Revenue	345,000	25,514	(319,486)	345,000	345,000	-
Total Receipts	\$ 233,310,458	\$ 240,963,607	\$ 7,653,149	\$ 206,451,000	\$ 206,451,000	\$ -
AUTHORIZED BUT UNISSUED BONDS	\$ 315,342,445	\$ -	\$ (315,342,445)	\$ -	\$ 151,666,344	\$ 151,666,344
Total Referendums	\$ 315,342,445	\$ -	\$ (315,342,445)	\$ -	\$ 151,666,344	\$ 151,666,344
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$ 13,500,000	\$ 13,500,000	\$ -	\$ 6,449,030	\$ 13,500,000	\$ 7,050,970
Classroom Equipment	592,000	592,000	-	1,848,000	1,848,000	-
Facility Modifications	9,593,325	9,593,325	-	600,000	600,000	-
Turf Fields	2,400,097	2,400,097	-	1,650,097	3,650,097	2,000,000
County General Construction and Contributions Fund						
Joint BOS/SB Infrastructure Sinking Reserve	25,053,312	25,053,312	-	15,600,000	15,600,000	-
Turf Fields	-	-	-	-	-	-
Other Contributions	7,500,000	7,717,969	217,969	-	-	-
Total Transfers In	\$ 58,638,734	\$ 58,856,703	\$ 217,969	\$ 26,147,127	\$ 35,198,097	\$ 9,050,970
Total Receipts and Transfers	\$ 607,291,636	\$ 299,820,310	\$ (307,471,327)	\$ 232,598,127	\$ 393,315,441	\$ 160,717,314
Total Funds Available	\$ 685,199,448	\$ 377,728,121	\$ (307,471,327)	\$ 233,891,137	\$ 528,590,124	\$ 294,698,988
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$ 368,563,994	\$ 242,453,438	\$ (126,110,556)	\$ 232,570,043	\$ 376,079,725	\$ 143,509,682
Additional Contractual Commitments	315,342,445	-	(315,342,445)	-	151,666,344	151,666,344
Total Disbursements	\$ 683,906,438	\$ 242,453,438	\$ (441,453,001)	\$ 232,570,043	\$ 527,746,069	\$ 295,176,026
ENDING BALANCE, JUNE 30	\$ 1,293,010	\$ 135,274,684	\$ 133,981,674	\$ 1,321,094	\$ 844,055	\$ (477,038)
Less:						
Reserve For Turf Fields	\$ 1,293,010	\$ 815,971	\$ (477,038)	\$ 1,321,094	\$ 844,055	\$ (477,038)
Available Ending Balance	\$ -	\$ 134,458,712	\$ 134,458,712	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2023 Revised</u>	<u>FY 2023 Actual</u>	<u>Variance</u>	<u>FY 2024 Approved</u>	<u>FY 2024 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 48,647,696	\$ 48,647,696	\$ -	\$ 46,807,301	\$ 53,723,625	\$ 6,916,324
RECEIPTS:						
State Aid	\$ 1,533,116	\$ 2,777,626	\$ 1,244,509	\$ 1,579,843	\$ 1,579,843	\$ -
Federal Aid	46,500,443	61,340,809	14,840,366	45,638,936	45,638,936	-
Food Sales	40,465,734	31,963,813	(8,501,921)	41,572,190	41,572,190	-
Other Revenue	36,183	722,061	685,879	44,925	64,264	19,339
Total Receipts	<u>\$ 88,535,477</u>	<u>\$ 96,804,309</u>	<u>\$ 8,268,832</u>	<u>\$ 88,835,894</u>	<u>\$ 88,855,233</u>	<u>\$ 19,339</u>
TRANSFERS IN:						
School Operating Fund	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -
Total Transfers In	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Receipts and Transfers	\$ 90,335,477	\$ 98,604,309	\$ 8,268,832	\$ 88,835,894	\$ 88,855,233	\$ 19,339
Total Funds Available	\$ 138,983,173	\$ 147,252,005	\$ 8,268,832	\$ 135,643,195	\$ 142,578,858	\$ 6,935,663
EXPENDITURES:						
Expenditures	\$ 92,175,872	\$ 92,711,807	\$ 535,935	\$ 88,835,894	\$ 91,719,582	\$ 2,883,688
Food and Nutrition Services General Reserve	46,807,301	-	(46,807,301)	46,807,301	50,859,276	4,051,975
Total Disbursements	<u>\$ 138,983,173</u>	<u>\$ 92,711,807</u>	<u>\$ (46,271,366)</u>	<u>\$ 135,643,195</u>	<u>\$ 142,578,858</u>	<u>\$ 6,935,663</u>
Change in Inventory	\$ -	\$ (816,573)	\$ (816,573)	\$ -	\$ -	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ 53,723,625	\$ 55,356,771	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 2,864,349	\$ 2,864,349	\$ -	\$ -	\$ -
Inventory	-	1,241,031	1,241,031	-	-	-
Available Ending Balance	<u>\$ -</u>	<u>\$ 49,618,245</u>	<u>\$ 49,618,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	FY 2023 Revised	FY 2023 Actual	Variance	FY 2024 Approved	FY 2024 Revised	Variance
BEGINNING BALANCE, JULY 1	\$ (387,328)	\$ (387,328)	\$ -	\$ -	\$ (357,831)	\$ (357,831)
RECEIPTS:						
State Aid	\$ 1,338,875	\$ 1,119,471	\$ (219,404)	\$ 1,169,395	\$ 1,188,698	\$ 19,303
Federal Aid	2,333,367	2,333,367	-	2,387,188	2,183,748	(203,440)
Tuition	4,087,355	3,150,991	(936,364)	4,464,275	4,464,275	-
Industry, Foundation, Other	25,000	71,541	46,541	13,210	13,210	-
Total Receipts	\$ 7,784,597	\$ 6,675,370	\$ (1,109,227)	\$ 8,034,068	\$ 7,849,931	\$ (184,137)
TRANSFERS IN:						
School Operating Fund	\$ 1,392,762	\$ 1,392,762	\$ -	\$ 1,396,250	\$ 1,754,081	\$ 357,831
Total Transfers In	\$ 1,392,762	\$ 1,392,762	\$ -	\$ 1,396,250	\$ 1,754,081	\$ 357,831
Total Receipts and Transfers	\$ 9,177,359	\$ 8,068,132	\$ (1,109,227)	\$ 9,430,318	\$ 9,604,012	\$ 173,694
Total Funds Available	\$ 8,790,031	\$ 7,680,804	\$ (1,109,227)	\$ 9,430,318	\$ 9,246,181	\$ (184,137)
EXPENDITURES:						
	\$ 8,790,031	\$ 8,038,635	\$ (751,396)	\$ 9,430,318	\$ 9,246,181	\$ (184,137)
ENDING BALANCE, JUNE 30	\$ -	\$ (357,831)	\$ (357,831)	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 42,019	\$ 42,019	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ (399,850)	\$ (399,850)	\$ -	\$ -	\$ -

GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT

	<u>FY 2023</u> <u>Revised</u>	<u>FY 2023</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2024</u> <u>Approved</u>	<u>FY 2024</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1						
Grants	\$ 27,244,071	\$ 27,244,071	\$ -	\$ -	\$ 31,831,888	\$ 31,831,888
Summer School	17,101,168	17,101,168	-	11,001,055	21,959,968	10,958,913
Total Beginning Balance	\$ 44,345,240	\$ 44,345,240	\$ -	\$ 11,001,055	\$ 53,791,856	\$ 42,790,801
RECEIPTS:						
Grants						
State Aid	\$ 24,064,696	\$ 6,446,581	\$ (17,618,115)	\$ 8,329,820	\$ 26,011,272	\$ 17,681,452
Federal Aid	91,837,419	61,814,141	(30,023,278)	42,872,728	81,253,176	38,380,448
Industry, Foundation, Other	1,079,747	1,055,017	(24,730)	-	155,053	155,053
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School						
State Aid	-	665,315	665,315	1,952,198	1,952,198	-
Tuition	2,291,000	2,437,361	146,361	2,437,354	2,437,354	-
Industry, Foundation, Other	10,000	303,655	293,655	10,000	10,000	-
Total Receipts	\$ 125,282,862	\$ 72,722,069	\$ (52,560,793)	\$ 61,602,100	\$ 117,819,053	\$ 56,216,953
TRANSFERS IN:						
School Operating Fund (Grants)	\$ 13,096,815	\$ 13,096,815	\$ -	\$ 15,096,815	\$ 15,896,815	\$ 800,000
School Operating Fund (Summer School)	7,756,398	7,756,398	-	7,756,398	7,756,398	-
Cable Communications Fund (Grants)	2,002,936	2,002,936	-	2,154,707	2,154,707	-
Total Transfers In	\$ 22,856,149	\$ 22,856,149	\$ -	\$ 25,007,920	\$ 25,807,920	\$ 800,000
Total Funds Available	\$ 192,484,250	\$ 139,923,458	\$ (52,560,793)	\$ 97,611,075	\$ 197,418,829	\$ 99,807,754
EXPENDITURES:						
Grants	\$ 159,325,684	\$ 79,827,673	\$ (79,498,011)	\$ 68,454,070	\$ 157,302,911	\$ 88,848,841
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School	16,157,512	6,303,929	(9,853,583)	20,257,843	31,216,756	10,958,913
Total Expenditures	\$ 181,483,196	\$ 86,131,602	\$ (95,351,594)	\$ 94,711,913	\$ 194,519,667	\$ 99,807,754
RESERVES:						
Summer School Reserve	\$ 11,001,055	\$ -	\$ (11,001,055)	\$ 2,899,162	\$ 2,899,162	\$ -
Total Reserves	\$ 11,001,055	\$ -	\$ (11,001,055)	\$ 2,899,162	\$ 2,899,162	\$ -
Total Disbursements	\$ 192,484,250	\$ 86,131,602	\$ (106,352,648)	\$ 97,611,075	\$ 197,418,829	\$ 99,807,754
ENDING BALANCE, JUNE 30	\$ -	\$ 53,791,856	\$ 53,791,856	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 3,602,922	\$ 3,602,922	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ 50,188,934	\$ 50,188,934	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	FY 2023 Revised	FY 2023 Actual	Variance	FY 2024 Approved	FY 2024 Revised	Variance
Workers' Compensation Accrued Liability	\$ 40,685,581	\$ 40,685,581	\$ -	\$ 40,685,581	\$ 42,713,595	\$ 2,028,014
Other Insurance Accrued Liability	7,312,982	7,312,982	-	7,312,982	11,484,140	4,171,158
Allocated Reserves	8,634,713	8,634,713	-	8,109,541	5,710,122	(2,399,419)
BEGINNING BALANCE, JULY 1	\$ 56,633,276	\$ 56,633,276	\$ -	\$ 56,108,104	\$ 59,907,857	\$ 3,799,753
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$ 10,738,928	\$ 11,838,928	\$ 1,100,000	\$ 10,738,928	\$ 10,738,928	\$ -
School Food & Nutrition Services Fund	324,284	324,284	-	324,284	324,284	-
Other Insurance						
School Operating Fund	6,283,127	10,383,127	4,100,000	8,283,127	8,283,127	-
Insurance Proceeds/ Rebates	-	309,222	309,222	-	-	-
Total Receipts	\$ 17,346,339	\$ 22,855,561	\$ 5,509,222	\$ 19,346,339	\$ 19,346,339	\$ -
Total Funds Available	\$ 73,979,615	\$ 79,488,836	\$ 5,509,222	\$ 75,454,443	\$ 79,254,196	\$ 3,799,753
EXPENDITURES:						
Workers' Compensation Administration	\$ 842,342	\$ 1,399,709	\$ 557,368	\$ 901,873	\$ 920,835	\$ 18,962
Workers' Compensation Claims Paid	\$ 9,170,000	9,302,356	132,356	10,225,000	10,225,000	-
Workers' Compensation Claims Management	\$ 1,205,000	2,504,602	1,299,602	1,250,000	1,250,000	-
Other Insurance	6,654,169	6,374,312	(279,857)	9,165,311	9,314,281	148,970
General Reserves	8,109,541	-	(8,109,541)	5,913,695	3,346,346	(2,567,349)
Total Expenditures	\$ 25,981,052	\$ 19,580,979	\$ (6,400,072)	\$ 27,455,879	\$ 25,056,462	\$ (2,399,417)
Net change in accrued liabilities-Workers' Comp	\$ -	\$ 2,028,014	\$ 2,028,014	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	4,171,158	4,171,158	-	-	-
Net Change in Accrued Liability	\$ -	\$ 6,199,172	\$ 6,199,172	\$ -	\$ -	\$ -
ENDING BALANCE, June 30	\$ 47,998,563	\$ 59,907,857	\$ 11,909,294	\$ 47,998,563	\$ 54,197,734	\$ 6,199,171
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 167,932	\$ 167,932	\$ -	\$ -	\$ -
Available Ending Balance	\$ 47,998,563	\$ 59,739,925	\$ 11,741,362	\$ 47,998,563	\$ 54,197,734	\$ 6,199,171
Restricted Reserves						
Workers' Compensation Accrued Liability	\$ 40,685,581	\$ 42,713,595	\$ 2,028,014	\$ 40,685,581	\$ 42,713,595	\$ 2,028,014
Other Insurance Accrued Liability	7,312,982	11,484,140	4,171,158	7,312,982	11,484,140	4,171,158
Allocated Reserves	-	5,710,122	5,710,122	-	-	-
Total Reserves	\$ 47,998,563	\$ 59,907,857	\$ 11,909,294	\$ 47,998,563	\$ 54,197,735	\$ 6,199,172

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2023</u> <u>Revised</u>	<u>FY 2023</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2024</u> <u>Approved</u>	<u>FY 2024</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 93,126,301	\$ 93,126,301	\$ -	\$ 75,028,161	\$ 63,448,037	\$ (11,580,124)
RECEIPTS:						
Employer Contributions	\$ 278,804,309	\$ 268,987,831	\$ (9,816,478)	\$ 290,243,919	\$ 290,243,919	\$ -
Employee Contributions	82,675,193	76,830,334	(5,844,858)	85,554,949	85,554,949	-
Retiree/Other Contributions	65,744,403	63,689,285	(2,055,118)	69,313,185	69,313,185	-
Interest Income	-	1,148,714	1,148,714	-	-	-
Rebates and Subsidies	49,299,642	57,195,844	7,896,202	56,079,047	56,079,047	-
Subtotal	\$ 476,523,547	\$ 467,852,009	\$ (8,671,538)	\$ 501,191,100	\$ 501,191,100	\$ -
Flexible Accounts Withholdings	\$ 11,000,000	\$ 11,428,811	\$ 428,811	\$ 12,097,442	\$ 12,097,442	\$ -
Total Receipts	\$ 487,523,547	\$ 479,280,820	\$ (8,242,727)	\$ 513,288,542	\$ 513,288,542	\$ -
Total Funds Available	\$ 580,649,847	\$ 572,407,121	\$ (8,242,727)	\$ 588,316,703	\$ 576,736,579	\$ (11,580,124)
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$ 396,318,586	\$ 404,888,942	\$ 8,570,357	\$ 381,185,223	\$ 381,185,223	\$ -
Premiums Paid	82,645,001	78,183,823	(4,461,178)	81,772,703	81,772,703	-
Claims Incurred but not Reported (IBNR)	27,232,987	28,225,000	992,013	27,795,975	28,787,987	992,013
IBNR Prior Year Credit	(26,670,000)	(26,670,000)	-	(27,232,987)	(28,225,000)	(992,013)
Health Administrative Expenses	15,912,323	13,180,196	(2,732,126)	12,997,962	13,145,774	147,812
Subtotal	\$ 495,438,897	\$ 497,807,962	\$ 2,369,066	\$ 476,518,875	\$ 476,666,687	\$ 147,812
Flexible Accounts Reimbursement	\$ 10,000,000	\$ 10,941,997	\$ 941,997	\$ 12,097,442	\$ 12,097,442	\$ -
FSA Administrative Expenses	182,790	209,124	26,335	215,159	215,159	-
Subtotal	\$ 10,182,790	\$ 11,151,121	\$ 968,332	\$ 12,312,600	\$ 12,312,600	\$ -
Total Expenditures	\$ 505,621,686	\$ 508,959,083	\$ 3,337,397	\$ 488,831,475	\$ 488,979,287	\$ 147,812
ENDING BALANCE, JUNE 30	\$ 75,028,161	\$ 63,448,037	\$ (11,580,124)	\$ 99,485,228	\$ 87,757,292	\$ (11,727,936)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 147,812	\$ 147,812	\$ -	\$ -	\$ -
Premium Stabilization Reserve	75,028,161	63,300,225	(11,727,936)	99,485,228	87,757,292	(11,727,936)
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EDUCATIONAL EMPLOYEES' SUPPLEMENTARY
RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND STATEMENT**

	<u>FY 2023 Revised</u>	<u>FY 2023 Actual</u>	<u>Variance</u>	<u>FY 2024 Approved</u>	<u>FY 2024 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 3,510,804,335	\$ 3,510,804,335	\$ -	\$ 3,207,528,083	\$ 3,546,130,489	\$ 338,602,406
RECEIPTS:						
Contributions	\$ 168,471,242	\$ 169,698,599	\$ 1,227,357	\$ 178,256,076	\$ 178,256,076	\$ -
Investment Income	271,200,000	78,995,413	(192,204,587)	286,034,888	286,034,888	-
Total Receipts	<u>\$ 439,671,242</u>	<u>\$ 248,694,011</u>	<u>\$ (190,977,231)</u>	<u>\$ 464,290,964</u>	<u>\$ 464,290,964</u>	<u>\$ -</u>
Total Funds Available	\$ 3,950,475,577	\$ 3,759,498,346	\$ (190,977,231)	\$ 3,671,819,047	\$ 4,010,421,453	\$ 338,602,406
EXPENDITURES	\$ 230,059,601	\$ 213,367,857	\$ (16,691,744)	\$ 240,743,212	\$ 240,807,121	\$ 63,909
ENDING BALANCE, JUNE 30	\$ 3,720,415,975	\$ 3,546,130,489	\$ (174,285,486)	\$ 3,431,075,835	\$ 3,769,614,332	\$ 338,538,497
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 63,909	\$ 63,909	\$ -	\$ -	\$ -
AVAILABLE ENDING BALANCE	<u>\$ 3,720,415,975</u>	<u>\$ 3,546,066,580</u>	<u>\$ (174,349,395)</u>	<u>\$ 3,431,075,835</u>	<u>\$ 3,769,614,332</u>	<u>\$ 338,538,497</u>

SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND STATEMENT

	<u>FY 2023 Revised</u>	<u>FY 2023 Actual</u>	<u>Variance</u>	<u>FY 2024 Approved</u>	<u>FY 2024 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 193,561,876	\$ 193,561,876	\$ -	\$ 203,456,376	\$ 207,294,078	\$ 3,837,702
REVENUE:						
Employer Contributions	\$ 21,771,000	\$ 22,826,000	\$ 1,055,000	\$ 23,177,000	\$ 23,177,000	\$ -
Net Investment Income	5,000,000	8,807,413	3,807,413	5,000,000	5,000,000	-
Total Revenue	\$ 26,771,000	\$ 31,633,413	\$ 4,862,413	\$ 28,177,000	\$ 28,177,000	\$ -
TOTAL FUNDS AVAILABLE	\$ 220,332,876	\$ 225,195,289	\$ 4,862,413	\$ 231,633,376	\$ 235,471,078	\$ 3,837,702
EXPENDITURES:						
Benefits Paid	\$ 16,771,000	\$ 17,826,000	\$ 1,055,000	\$ 18,177,000	\$ 18,177,000	\$ -
Administrative Expenses	105,500	75,211	(30,289)	125,500	125,500	-
Total Expenditures	\$ 16,876,500	\$ 17,901,211	\$ 1,024,711	\$ 18,302,500	\$ 18,302,500	\$ -
ENDING BALANCE, JUNE 30	\$ 203,456,376	\$ 207,294,078	\$ 3,837,702	\$ 213,330,876	\$ 217,168,578	\$ 3,837,702

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2024**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2024 Appropriation Resolution for the following School Board funds:

**Appropriate to:
County Schools**

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
S10000	Public Schools Operating Operating Expenditures	\$3,486,166,734	\$3,807,799,480	\$321,632,746
S31000	School Construction Operating Expenditures	\$232,570,043	\$527,746,069	\$295,176,026
S40000	School Food & Nutrition Services Operating Expenditures	\$135,643,195	\$142,578,858	\$6,935,663
S43000	School Adult & Community Education Operating Expenditures	\$9,430,318	\$9,246,181	(\$184,137)
S50000	School Grants & Self-Supporting Operating Expenditures	\$97,436,300	\$197,418,829	\$99,982,529
S60000	Public Schools Insurance Fund Operating Expenditures	\$27,455,880	\$25,056,462	(\$2,399,418)
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$588,316,704	\$576,736,579	(\$11,580,124)
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$240,743,212	\$240,807,121	\$63,909
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$18,302,500	\$18,302,500	\$0

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2023 Final Budget Review, at a regular meeting held on August 31, 2023, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Christina Setlow, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2024**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2024 Fiscal Planning Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>Fund</u>	<u>Transfer To</u>	<u>From</u>	<u>To</u>	<u>Change</u>
S10000	Public Schools Operating					
		S31000	School Construction	\$10,547,127	\$19,598,097	\$9,050,970
		S43000	School Adult & Community Education	\$1,396,250	\$1,754,081	\$357,831
		S50000	School Grants & Self Supporting	\$25,007,920	\$25,807,920	\$800,000
		C20000	Consolidated Debt Service	\$3,201,871	\$3,201,871	\$0

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2023 Final Budget Review, at a regular meeting held on August 31, 2023, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Christina Setlow, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

Quarterly Report - FY 2023

Date: June 30, 2023

Update for FY 2023 Grants

The status of FY 2023 competitive grants, which are awarded based on the merit of a proposal rather than funded as a result of an established formula, are as follows:

- Competitive grants submitted: \$68.8 million (48 grants)
- Competitive grants awarded: \$7.4 million (28 grants)
- Competitive grants denied: \$46.1 million (9 grants)
- Competitive grants pending: \$3.6 million (11 grants)

The status of FY 2023 competitive grants awarded in collaboration with Educate Fairfax (formerly The Foundation for Fairfax County Public Schools) are as follows:

- Competitive grants submitted: \$0.9 million (7 grants)
- Competitive grants awarded: \$0.4 million (6 grants)
- Competitive grants denied: \$0.0 million (0 grants)
- Competitive grants pending: \$0.0 million (1 grant)

The status of FY 2023 entitlement grants (Title I - IV, National Board Certification Incentive Award, IDEA, Perkins CTE, and State Operated Programs), which are formula driven grants distributed through the state, are as follows:

- Entitlement grants submitted: \$81.0 million (9 grants)
- Entitlement grants awarded: \$81.8 million (8 grants)
- Entitlement grants pending: \$2.6 million (1 grant)

The status of FY 2023 federal pandemic relief grants are as follows:

- Federal stimulus grants submitted: \$1.3 million (5 grants)
- Federal stimulus grants awarded: \$1.6 million (5 grants)
- Federal stimulus grants pending: \$0.0 million (0 grants)

Total entitlement and competitive grants submitted does not equal the total grants awarded as the amount that is awarded differed from the amount requested.