

FUND 090 PUBLIC SCHOOL OPERATING

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The Board of Supervisors increased the General Fund transfer to the School Operating Fund by \$25,000,000. The FY 2001 General Fund transfer for school operations totals \$985,231,488, an increase of \$87,818,883, or 9.8 percent, over the *FY 2000 Revised Budget Plan* transfer of \$897,412,605. Final action on the Fairfax County School Board's FY 2001 Approved Budget was taken on May 25, 2000 and will be incorporated in the FY 2000 Carryover Review.

County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

Expenditures required to operate, maintain, and support the instructional program of Fairfax County Public Schools are recorded in the Public School Operating Fund. These expenditures include the costs for salaries and related employee benefits, materials, equipment, and services to continue current programs as well as costs for projected changes in membership and inflation. Revenue to support these expenditures is provided by a transfer from the County General Fund, State, and Federal aid, tuition payments from the City of Fairfax, and other fees and transfers.

It should be noted that the following fund statement reflects the FY 2001 Fairfax County Public Schools Superintendent's Proposed Budget. Adjustments to this fund, adopted by the Fairfax County School Board on February 10, 2000, will be discussed in the Overview Volume of the FY 2001 Advertised Budget Plan. However, all financial schedules included in the FY 2001 Advertised Budget Plan have been adjusted to reflect the funding level commensurate to a 7.0 percent increase in the General Fund transfer to Fairfax Public Schools. This is consistent with the Board of Supervisors' guidelines, which holds the rate of increase in the School Operating Fund transfer to the projected increase in County General Fund revenue. The proposed County General Fund transfer for school operations in FY 2001 totals \$960,231,488, an increase of \$62,818,883, or 7.0 percent, over the *FY 2000 Revised Budget Plan* transfer of \$897,412,605. Of this amount, \$1,621,364 represents the fifth year of a ten-year program to eliminate the County's outstanding unfunded teachers' liability.

Teachers' salaries are paid by contract over a twelve-month period ending in August. Consequently, in order to reflect the total teachers' salaries in the year that services are rendered, an accrual is made at the end of the fiscal year for the payroll liability arising from those teachers' salaries to be paid in the first two months of the succeeding year. Therefore, expenditures for July and August are recorded in the fiscal year in which they are earned and budgeted. However, prior to FY 1984, salaries for the month of July and August were paid and recorded in the next fiscal year. The result is an unfunded liability.

In FY 1984, the County began a program to eliminate the unpaid liability for educational employees' salaries and benefits over a ten-year period, which was to begin in FY 1984 and to continue through FY 1994. However, due to the 1990 recession, FY 1990 was the seventh and last year that the teachers' unfunded liability payment was funded. At that time the County's remaining outstanding liability was \$16,213,640. In FY 1997, the County resumed funding the teachers' liability payment with a new ten-year plan with scheduled payments of \$1,621,364 per year. The scheduled FY 2001 payment will be the fifth year of the new ten-year plan, and will reduce the outstanding liability balance to \$8,106,820.

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It should be noted that the Superintendent's Proposed Budget reflects a General Fund transfer of \$1,022,691,405, an increase of \$125,278,800, or 13.96 percent, over the FY 2000 transfer level. In order to fund fully this \$62.5 million increase above the budget guidelines, additional resources would need to be considered by the Board of Supervisors.

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FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 090, Public School
Operating Fund

	FY 1999 Actual ¹	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan ²	FY 2001 Superintendent's Proposed ³	FY 2001 Adopted Budget Plan
Beginning Balance	\$63,567,276	\$23,813,309	\$88,407,394	\$7,000,000	\$7,000,000
Revenue:					
Sales Tax	\$90,730,534	\$93,770,506	\$97,745,152	\$99,839,880	\$99,839,880
State Aid	179,730,817	176,437,008	191,646,910	207,751,576	207,751,576
Federal Aid	16,822,653	17,624,595	23,834,921	20,705,742	20,705,742
City of Fairfax Tuition	21,693,688	22,100,000	22,396,803	23,814,453	23,814,453
Tuition, Fees, and Other	8,909,296	7,864,983	7,867,897	7,812,283	7,812,283
Total Revenue	\$317,886,988	\$317,797,092	\$343,491,683	\$359,923,934	\$359,923,934
Transfers In:					
County General Fund (001) ⁴	\$852,127,830	\$897,412,605	\$897,412,605	\$1,022,691,405	\$985,231,488
School Food Services (191)	1,973,000	1,973,000	0	1,973,000	1,973,000
Total Transfers In	\$854,100,830	\$899,385,605	\$897,412,605	\$1,024,664,405	\$987,204,488
Total Available	\$1,235,555,094	\$1,240,996,006	\$1,329,311,682	\$1,391,588,339	\$1,354,128,422
Total Expenditures	\$1,130,755,120	\$1,222,496,399	\$1,300,912,190	\$1,370,680,158	\$1,333,220,241
Transfers Out:					
School Construction Fund (390)	\$9,644,561	\$6,286,311	\$7,323,826	\$10,059,665	\$10,059,665
School Grants & Self- Supporting Fund (192)	3,425,235	3,425,235	9,131,171	8,792,327	8,792,327
School Adult & Community Education Fund (193)	705,531	776,084	1,012,897	1,080,159	1,080,159
School Debt Service Fund (201)	0	0	3,710,000	750,000	750,000
School Health & Flexible Benefits Fund (591)	2,617,253	26,328	221,598	226,030	226,030
Total Transfers Out	\$16,392,580	\$10,513,958	\$21,399,492	\$20,908,181	\$20,908,181
Total Disbursements	\$1,147,147,700	\$1,233,010,357	\$1,322,311,682	\$1,391,588,339	\$1,354,128,422
Ending Balance	\$88,407,394	\$7,985,649	\$7,000,000	\$0	\$0

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¹ FY 1999 Actual reflects audit adjustments included in the FY 1999 Comprehensive Annual Financial Report. The FY 1999 Audit Package detailing all of these changes was included in the County's *FY 2000 Third Quarter Review*.

² The *FY 2000 Revised Budget Plan* column reflects adjustments adopted by the Fairfax County Public School Board. Since the County eliminated the Midyear Review, Fairfax County Public School Board adjustments for the Midyear and Third Quarter Review were officially reflected in the County's *FY 2000 Third Quarter Review*, which was enacted by the Board of Supervisors on April 17, 2000.

³ Reflects an additional \$3.0 million in projected FY 2000 ending balance to be carried over to balance the FY 2001 budget.

⁴ The FY 2001 Superintendent's transfer request of \$1,022.69 million, as reflected on the fund statement, is an increase of \$125.28 million, or 13.96 percent, over the *FY 2000 Revised Budget Plan*. It should be noted that the FY 2001 General Fund transfer of \$960.2 million, as shown in the Financial Schedules, is an increase of \$62.82 million, or 7.0 percent, over the *FY 2000 Revised Budget Plan* and is consistent with the Board of Supervisors' Budget Guidelines. Of this amount, \$1.62 million represents the fifth year of a ten-year payment program to eliminate the County's outstanding unfunded teachers' liability. In order to fully fund this \$62.45 million increase above the Budget Guidelines, additional resources would need to be considered by the Board of Supervisors.