

ATTACHMENT C:

**FCPS FY 2013 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

**(This attachment reflects final School Board action
taken on July 25, 2013.)**

Staff Contact: Susan Quinn, chief financial officer, Department of Financial Services

Other Staff Present: Kristen Michael, director, Office of Budget Services

Meeting Category: July 25, 2013 – Regular Meeting No. 2

Subject: FY 2013 Final Budget Review

School Board Action Required: Action

Key Points:

All of the FY 2013 accounts have been closed, subject to the annual audit. A summary of the revenue and expenditure variances is provided for each of the ten funds. All comparisons are against the FY 2013 Third Quarter Estimate.

In the School Operating Fund, after accounting for the FY 2014 budgeted beginning balance as included in the FY 2014 Approved Budget, flexibility reserve, and other commitments, the funds available are \$55.7 million.

FY 2013 actual revenue is \$7.8 million lower than the estimate and totaled 99.7 percent of the FY 2013 Third Quarter Estimate. State aid for FY 2013 totaled \$383.1 million which is \$0.9 million less than budgeted, and sales tax receipts are projected to total \$164.4 million which is \$1.9 million more than budgeted. A decrease of \$11.6 million in federal revenue is due primarily to \$12.3 million in unspent multiyear grant awards that will be carried forward and reappropriated in FY 2014, offset by a net increase in other federal funding comprised primarily of a one-time final payment for the Education Jobs Bill of \$0.4 million and a one-time final payment of \$0.5 million from FEMA for February 2010 storms. Based on estimated final year-end activity, tuition from Fairfax City is projected to decrease by \$1.1 million, while revenue from tuition, fees, and other was \$3.8 million more than budgeted.

Expenditures were \$51.1 million less than projected after funding the School Board's Flexibility Reserve and accounting for the textbook replacement fund and other commitments and carryover, excluding grants. A majority of this variance results from compensation accounts being \$34.6 million less than budgeted due primarily to higher compensation lapse than projected; utilities expenditures being \$5.2 million less than projected due to a temperate winter, spring, and early summer; county charges for vehicle services, including fuel, being \$1.9 million less than projected; and a reduction in school accounts due to limiting carryover to 25 percent of the current budget. In addition, \$12.3 million in multiyear federal grant funds were unexpended. This funding will be carried forward and reappropriated in FY 2014.

~~This agenda item also includes recommendations for \$11.1 million in FY 2014 expenditure adjustments leaving \$44.6 million available for the FY 2015 budgeted beginning balance.~~

~~This agenda item also includes recommendations for \$9.1 million in FY 2014 expenditure adjustments leaving \$46.5 million available for the FY 2015 budgeted beginning balance.~~

This agenda item also includes recommendations for \$10.6 million in FY 2014 expenditure adjustments leaving \$45.0 million available for the FY 2015 budgeted beginning balance.

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

Recommendation:

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

Attachment:

FY 2013 Final Budget Review

	<u>AMOUNT</u>
I. FY 2013 ACTUAL REVENUE	
A. Sales Tax	\$1,909,376
Revenue from sales tax is projected to increase by \$1.9 million as compared to the FY 2013 Third Quarter Estimate. The final sales tax payment for FY 2013 is received in July after the fiscal year ends.	
B. State Aid	(911,490)
As compared to the FY 2013 Third Quarter Estimate, state aid decreased \$0.9 million primarily due to \$0.3 million in basic aid adjustments and a \$0.7 million reduction in ESOL funding due to a decrease in actual enrollment.	
C. Federal Revenue	(11,562,842)
Unrealized federal revenue of \$11.6 million is due primarily to \$12.3 million in unspent grant awards (item II.B.) that will be carried forward and reappropriated in FY 2014; this amount is offset by a net increase of \$0.9 million primarily due to final payments from the Education Jobs Fund and a FEMA reimbursement.	
D. Other	2,759,178
Based on actual receipts, other categories of revenue, including fees and miscellaneous revenue, exceeded projections by \$3.8 million. This is offset by a reduction in projected tuition from Fairfax City of \$1.1 million.	
TOTAL FY 2013 REVENUE	<u>(\$7,805,778)</u>
II. FY 2013 ACTUAL EXPENDITURES	
A. Total Expenditures Excluding Federal Grants	(\$51,126,118)
Expenditures were \$51.1 million less than projected after funding the FY 2014 budgeted beginning balance of \$65.7 million and the \$16.9 million VRS reserve as included in the FY 2014 Approved Budget and funding the \$8.0 million School Board's Flexibility Reserve, and accounting for the textbook replacement funding of \$0.9 million and other commitments and carryover of \$63.2 million, excluding grants (item II.B.). A majority of this variance results from compensation accounts being \$34.6 million less than budgeted due primarily to higher compensation lapse than projected; utilities expenditures being \$5.2 million less than projected due to a temperate winter, spring, and early summer; county charges for vehicle services, including fuel, being \$1.9 million less than projected; and reductions in school accounts due to limiting carryover to 25 percent of the current budget.	

AMOUNT POSITIONS

B. Federal Grants

(12,335,287)

Federal grant award expenditures decreased \$12.3 million due to unspent multiyear grant awards. This available funding (item I.C.) will be reappropriated and carried forward to FY 2014.

TOTAL FY 2013 EXPENDITURES

(\$63,461,405)

FY 2013 TOTAL FUNDS AVAILABLE

\$55,655,627

III. FY 2014 RECOMMENDED EXPENDITURE ADJUSTMENTS

~~X~~ **A. Elementary Science Readers**

~~\$1,927,088~~ ~~0.0~~

~~The new Language Arts standards emphasize nonfiction reading in much greater depth than in the past. In order to support both the science curriculum and these new Language Arts standards, nonfiction, printed, leveled readers that match the science standards have been selected for grades K-5. Using one-time funding of \$1.9 million, FCPS will purchase short, nonfiction books that reinforce science topics and are also appropriate for reading instruction for all elementary schools. These readers will supplement the hands-on science curriculum while providing nonfiction materials for instruction in guided reading.~~

√ **B. Preventive Maintenance**

1,200,000 9.0

The FY 2014 Advertised Budget included an increase of \$2.8 million for preventive maintenance, which was reduced by \$1.2 million, including 9.0 positions, when the FY 2014 budget was approved. Current budget limitations require that Facilities Management focus its resources on reactive maintenance activities so that daily instructional programs are not negatively impacted. The continued underfunding of preventive maintenance has serious consequences both operationally and fiscally. To ensure that adequate preventive maintenance resources are in place to support the school division, additional funding of \$1.2 million is recommended to fund the ten-year plan included in the Facility Engineering Associates (FEA) consulting firm's report.

X C. Bus Replacement – Outright Purchase

3,000,000 0.0

This recommendation utilizes one-time funding from transportation savings in FY 2013 of \$3.0 million for bus replacement. The funding will allow FCPS to purchase outright approximately 25 buses in FY 2014. These funds were derived from year-end savings due to lower than expected transportation expenses in such areas as hourly transportation, student transportation contracted services, and vehicle fuel.

√ **G. Music Program Assessment Costs** **300,000 0.0**

The Departments of Financial Services and Instructional Services conducted a review of the financial activities of music programs including the various support functions provided by booster organizations. Under Virginia Department of Education (VDOE) regulations, FCPS is prohibited from charging fees to students for required curriculum activities. To ensure compliance with VDOE regulations, the School Board approved funding in school year 2012-2013 in the amount of \$0.5 million, which was allocated to schools to pay for the required curriculum portion of the marching band program. Additional funding of \$0.3 million is needed for the remaining music programs.

√ **H. Licensure Requirements** **350,000 0.0**

Effective July 1, 2013, every person applying for initial licensure or renewal of a Virginia Teaching License shall provide evidence of completion of certification or training in emergency first aid, cardiopulmonary resuscitation, and the use of automated external defibrillators. Funding of \$0.4 million is requested to meet this unfunded state mandate and cover the cost of the required training for licensed employees.

√ **I. Advanced Academics and Young Scholars** **0 6.5**

In the FY 2014 Approved Budget, funding of \$0.5 million was added for additional advanced academic and Young Scholar support in elementary schools with the highest risk indices. Based on the most recent ranking of schools with the highest percentage of students qualifying for free or reduced-price meals, position authorization is requested to add a total of 6.5 advanced academic resource teacher (AART) positions. The following elementary schools will be allocated a 0.5 AART position beyond what was included in the FY 2014 Approved Budget: Hybla Valley, Lynbrook, Mount Vernon Woods, Graham Road, Weyanoke, Mount Eagle, Bucknell, Glen Forest, Dogwood, Annandale Terrace, Crestwood, Groveton, and Hutchison.

FY 2014 RECOMMENDED EXPENDITURE ADJUSTMENTS	<u>\$7,502,713</u>	<u>19.5</u>
FY 2014 RECOMMENDED EXPENDITURE ADJUSTMENTS	<u>\$5,575,625</u>	<u>19.5</u>

V. AGENDA SUMMARY

FY 2013 AVAILABLE BALANCE	\$55,655,627
LESS FY 2014 RECOMMENDED ADJUSTMENTS	(11,053,683)
LESS FY 2015 RECOMMENDED BEGINNING BALANCE	(44,601,944)
AVAILABLE ENDING BALANCE	<u>\$0</u>

FY 2013 AVAILABLE BALANCE	\$55,655,627
LESS FY 2014 RECOMMENDED ADJUSTMENTS	(9,126,595)
LESS FY 2015 RECOMMENDED BEGINNING BALANCE	(46,529,032)
AVAILABLE ENDING BALANCE	<u>\$0</u>

FY 2013 AVAILABLE BALANCE	\$55,655,627
LESS FY 2014 RECOMMENDED ADJUSTMENTS	(10,626,595)
LESS FY 2015 RECOMMENDED BEGINNING BALANCE	(45,029,032)
AVAILABLE ENDING BALANCE	<u>\$0</u>

VI. PRELIMINARY REQUIREMENTS FOR FY 2015

Replaced With Updated Chart on July 25, 2013

FY 2015 Preliminary Estimate* (\$ change in millions from FY 2014)	
Revenue	
One-Time Funding from Prior Year (Beginning Balance & VRS Reserve)	(\$82.7)
One-Time Funding from State for Compensation Incentive	(6.3)
Loss of State Funding - Projected LCI Adjustment	(60.0)
Total Projected Revenue Changes	(\$148.9)
Expenditures	
Membership Growth/Student Demographics	\$25.0
VRS Rate Increase	36.8
Impact from 2% MSA in January 2014	15.9
Recurring Items Funded at FY 2013 Year End	4.5
Total Projected Expenditure Changes	\$82.3
Shortfall Prior to Impact of FY 2013 Year End & County Increase	(\$231.2)
Preliminary Revenue from FY 2013 Year End & the County	
FY 2013 Year End Available Balance	\$45.0
County Increase of 2.0% included in FY 2014 Budget Guidance	34.3
Total Preliminary Revenue Changes	\$79.4
Preliminary Deficit for FY 2015 Prior to Any Salary Adjustments	(\$151.8)
Step Increase	43.0
Preliminary Deficit for FY 2015 Including Step Increase	(\$194.8)

*Does not add due to rounding.

VII. OTHER FUNDS

SCHOOL CONSTRUCTION FUND

The FY 2013 actual revenue was \$12.7 million over the budgeted amount. This was primarily due to \$9.7 million received related to synthetic turf field projects, of which \$4.1 million was provided from the County of Fairfax and \$5.6 million was received from other sources. These projects include: Oakton HS, Woodson HS, South Lakes HS, Lake Braddock SS, Lee HS, Edison HS, McLean HS, Langley HS, Centreville HS, Robinson SS, and the Graham Road site.

The ending balance of \$108.8 million is primarily due to the multiyear impact of lower than anticipated construction costs and how projects are budgeted. 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. The FY 2014-2018 CIP estimates an increase in the type and volume of construction projects in FY 2014 and FY 2015. The projects will be greater than the \$155 million bond allocation by approximately \$38 million and \$53 million, respectively and will significantly reduce the ending balance from FY 2013.

In FY 2014, although an additional \$3.6 million in recurring funding for major maintenance was not funded in the Approved Budget, a one-time funding request for the same amount is included in the FY 2013 Final Budget Review. Funding of \$1.5 million will be transferred from the School Operating Fund to the School Construction Fund for a joint County-Schools initiative to fund synthetic high school turf fields, contingent upon the Board of Supervisors taking similar action with their FY 2013 Carryover Package in September.

FOOD AND NUTRITION SERVICES FUND

Revenue in the Food and Nutrition Services (FNS) fund was \$3.0 million lower than the FY 2013 estimate primarily due to a 3.8 percent, or \$1.7 million, decrease in food sales and a 4.4 percent, or \$1.4 million, decrease in federal aid offset by \$0.1 million increase in state aid. In FY 2013, FCPS adopted new meal patterns as part of the Federal Healthy Hunger-Free Kids Act. With these changes, FCPS and schools nationwide experienced a decrease in the number of lunches served. FCPS served an average of 85,000 lunches daily in FY 2013 which was a 2.0 percent decrease as compared to FY 2012. Actual expenditures decreased \$3.2 million compared to the estimate, primarily due to lower expenditures for materials and equipment combined with lower food costs due to decreased sales.

The FY 2014 budget has been adjusted to reflect an additional \$0.2 million available for beginning balance. The FY 2014 revenue budget will be reduced by \$3.8 million to reflect a 1.0 percent increase over FY 2013 actual revenue based on the projected student membership. Expenditures are increasing by \$0.2 million due to undelivered orders from FY 2013. The expenditure budget for other categories is not being reduced at this time based on projections for food and labor costs for FY 2014. In total, the revenue and expenditure adjustments will result in a decrease of \$3.8 million to the FNS' reserve, bringing the reserve total to \$10.3 million in FY 2014. This reserve enables FNS to fund equipment replacement, technology training, and initiate programs such as providing free breakfast and lunch to all students eligible for reduced-price meals.

ADULT AND COMMUNITY EDUCATION FUND

The Adult and Community Education (ACE) Fund will end the 2013 fiscal year with a balance of \$0.8 million. Tuition is the primary revenue source for ACE, and course offerings are determined by community interest and demand. In FY 2013, higher enrollment in career readiness and adult enrichment courses, as well as aligning course offerings with demand are the primary drivers for higher tuition revenue than estimated. Expenditures were \$0.1 million less than budgeted. As a result of the FY 2013 activities, the FY 2014 revised ACE Fund budget totals \$9.9 million.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

The FY 2013 ending balance for the Grants and Self-Supporting Programs Fund totals \$14.7 million. The ending balance comprises \$6.5 million in grant revenues not yet expended and underlies orders and \$8.3 million for summer school. After funding the FY 2014 budgeted beginning balance of \$0.8 million, when the unspent multiyear grant awards of \$7.0 million are added to the FY 2013 ending balance, the FY 2014 budget is increasing by \$21.0 million and 4.5 positions due to new and revised grant awards and the reappropriation of the ending balance and multiyear grant awards.

Grants Subfund:

The FY 2013 ending balance for the Grants Subfund totals \$6.5 million and primarily represents grant revenues not yet expended for Cable Communications, Family Early and Childhood Education Program, State Technology Plan, Expanding Visions, and \$0.9 million for undelivered orders.

The FY 2014 budget for the Grants Subfund reflects a net increase of \$13.5 million due to revised grants awards and the reappropriation of the ending balance and multiyear grant awards. Of this amount, \$6.5 million represents ending balance; \$7.0 million results from the reappropriation of unspent multiyear grants awards primarily for entitlement grants such as Title I, Title II, and Title III; and \$78,000 represents revised grant awards as listed below. Additionally, authorization is requested for a net increase of 4.5 positions.

Federal	Amount	Positions
Title II, Part A*	\$0	2.0
Title III, Part A*	0	(0.5)
State		
State Technology Plan	78,000	0.0
Local		
Family & Early Childhood Education Program*	<u>0</u>	<u>3.0</u>
Total:	\$78,000	4.5

*Position authorization is requested; funding was reflected in the FY 2014 Approved Budget.

Summer School Subfund:

The FY 2013 ending balance in the Summer School Subfund is \$8.3 million, an increase of \$2.3 million over FY 2012, primarily due to \$2.0 million additional state revenue resulting from expanded summer intervention programs; \$0.8 million in budgeted beginning balance set aside for FY 2014; and from lower than budgeted expenditures of \$1.9 million and \$3.4 million in reserve funding that was not utilized in FY 2013. Lower than budgeted expenditures include: \$0.9 million in Summer Extended Learning Time; \$0.5 million in transportation expenditures; and \$0.2 million in SOL remediation, Online Campus, and term graduate expenditures.

The ending balance will be carried over to FY 2014 and added to the reserve to help address potential increases in enrollment in summer extended learning time and the mandatory Special Education Extended School Year Summer Program. The FY 2013 ending balance will also assist with funding the limited credit recovery courses, SOL remediation for term graduates, and online campus, if needed. Additional revenue for FY 2014 is being recognized for a \$25,000 grant award from Northrop Grumman for the Summer Technology Institute Scholarship Program at Thomas Jefferson High School for Science and Technology. A credit of \$50,000 from Fairfax County to support the Bridges to Kindergarten Program is being recognized in FY 2014. Bridges to Kindergarten will offer a three-week summer program for rising kindergarten students on the waiting list for Pre-K programs and not served.

SCHOOL INSURANCE FUND

Total FY 2013 receipts of \$14.7 million are \$0.6 million, or 4.4 percent, higher than the FY 2013 Third Quarter Estimate as the result of restitution, liable third party, and rebate payments. Actual expenditures of \$11.5 million (excluding the allocated reserve) are \$5.2 million, or 31.0 percent, lower than the FY 2013 Third Quarter Estimate, primarily as the result of lower than projected liability claims experienced in FY 2013. As a result of the higher revenue and lower expenditures than budgeted in FY 2013, the FY 2014 beginning balance will increase by \$5.8 million. The FY 2014 allocated reserve will increase by \$3.3 million, and the net change in accrued liabilities totals \$2.5 million, which is accounted for in the fund's restricted reserves.

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND

After accounting for FY 2013 actuals, the Premium Stabilization Reserve (PSR) totals \$43.4 million, which is \$2.7 million, or 5.9 percent, lower than the FY 2013 Third Quarter Estimate. Total FY 2013 revenue of \$314.6 million is \$3.4 million, or 1.1 percent, lower than the estimate. Contributions (employer, employee, and retiree combined) were \$2.7 million, or 0.9 percent, lower than the estimate. Revenue from Medicare Part D and from interest income and rebates are also lower than the estimate by \$1.0 million (\$0.5 million each).

The FY 2013 expenditures reflect a net decrease of \$0.8 million, or 0.2 percent, as compared to the FY 2013 Third Quarter Estimate. Offsetting variances are noted between claims related expenditures and flexible account reimbursements. Claims related expenditures totaling \$301.5 million, including projected claims Incurred But Not Yet Reported (IBNR), are net \$0.4 million, or 0.1 percent, lower than the estimate and flexible account reimbursements totaling \$7.5 million are \$0.4 million, or 6.1 percent, higher than the estimate. Flexible account reimbursements are higher due to increased employee participation in this benefit. In addition, administrative expenditures totaling \$11.0 million are \$0.8 million, or 7.0 percent, lower than the estimate primarily due to lower compensation costs, \$0.3 million; contracted services, \$0.2 million; and materials and supplies, \$0.2 million.

The FY 2014 Revised Budget includes a \$0.4 million projected increase in Health Fund revenue, excluding flexible accounts withholdings. This increase is due to a projected \$0.4 million in additional revenue as the result of switching to an Employer Group Waiver Plan (EGWP), effective August 1, 2013, which will replace the Retiree Drug Subsidy (RDS) plan. FCPS anticipates increased federal subsidies by participating in an EGWP. Revenue from flexible accounts withholdings reflects a projected increase of \$0.5 million based on FY 2013 actual results. Administrative expenses are projected to increase in FY 2014 as a result of the higher administrative fees required to participate in EGWP. The FY 2014 Revised Budget also reflects realignments to the health benefits paid, premiums, and IBNR budget lines based on FY 2013 actual results and an updated actuarial projection for the FY 2014 IBNR.

SCHOOL CENTRAL PROCUREMENT FUND

The FY 2013 ending balance is \$0.4 million. Actual revenue and expenditures each total \$4.4 million. The FY 2014 budget has been adjusted to reflect an additional \$28,344 available for the beginning balance.

EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND

The FY 2013 ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$1,932.7 million, which is \$53.3 million, or 2.7 percent, lower than the FY 2013 Third Quarter Estimate, primarily due to lower than projected investment returns. The FY 2013 investment returns total \$177.4 million, which is \$57.5 million, or 24.5 percent, lower than the Third Quarter Estimate. Due to the timing of the FY 2013 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2014 Midyear Budget Review. Contributions (employer and employee combined) of \$106.2 million are \$3.3 million, or 3.0 percent, lower than the FY 2013 Third Quarter Estimate. ERFC contributions are salary sensitive; accordingly, fluctuations in the actual employee salary base during the year will result in variances to the estimate. The FY 2013 expenditures of \$178.6 million are \$7.4 million, or 4.0 percent, lower than the FY 2013 Third Quarter Estimate primarily due to fewer retirement benefits payments and refunds disbursed. Based on final June investment returns and employee retirements occurring over the summer, adjustments to both FY 2014 revenue and expenditure budgets will be included in the FY 2014 Midyear Budget Review.

SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND

The FY 2013 ending balance for the OPEB Trust Fund is \$66.4 million, which is \$1.9 million, or 2.9 percent, higher than the FY 2013 Third Quarter Estimate, mainly due to favorable projected investment returns. Due to the timing of the FY 2013 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2014 Midyear Budget Review. Total revenue of \$41.3 million is \$10.9 million, or 20.9 percent, lower than the FY 2013 Third Quarter Estimate due to lower employer contributions. FY 2013 employer contributions of \$34.5 million reflect a decrease of \$12.8 million, or 27.1 percent, primarily due to less funding needed to cover implicit and explicit subsidies for retirees. As determined through actuarial valuation, the annual required contribution (ARC) for FY 2013 is \$31.1 million, which is lower than an earlier projection of \$38.9 million. The FY 2013 ARC reflects a net decrease as the result of an independent, external actuarial valuation that took into account the effect of changes to baseline claims and premium assumptions; the effect of trend assumption changes; and the effect of demographic assumption changes, which were updated to reflect more current experience, including projections based on the FY 2012 ARC of \$30.6 million.

FY 2013 expenditures totaling \$24.5 million are lower than the FY 2013 Third Quarter Estimate by \$12.8 million, or 34.3 percent, mainly due to lower implicit and explicit subsidy expenses paid. In addition, administrative expenses totaling \$58,121 are \$22,379, or 27.8 percent, lower than the estimate due to no actuarial services expenditures incurred in FY 2013. The FY 2014 Revised Budget includes updated revenue and expenditure projections based on the most recent actuarial valuation and the use of a 7.5 percent investment return assumption for interest and growth on plan assets.

SCHOOL CONSTRUCTION FUND STATEMENT
(Replaced with updated fund statement as approved on July 25, 2013)

	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2013</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2014</u> <u>Approved</u>	<u>FY 2014</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 86,358,314	\$ 86,358,314	\$ -	\$ -	\$ 108,842,947	\$ 108,842,947
RECEIPTS:						
General Obligation Bonds	\$155,000,000	\$155,000,000	\$ -	\$155,000,000	\$ 155,000,000	\$ -
Federal Revenue	-	56,377	56,377	-	-	-
County of Fairfax	-	4,099,264	4,099,264	-	-	-
City of Fairfax	20,000	-	(20,000)	20,000	20,000	-
Miscellaneous Revenue	36,000	6,658,552	6,622,552	36,000	36,000	-
PTA/PTO Donations	150,000	278,275	128,275	150,000	150,000	-
Other Donations	100,000	1,881,425	1,781,425	100,000	100,000	-
Total Receipts	\$155,306,000	\$167,973,893	\$ 12,667,893	\$155,306,000	\$ 155,306,000	\$ -
INITIATED PROJECTS BUT UNISSUED BONDS	\$277,002,768	\$ -	\$ (277,002,768)	\$ -	\$ 147,003,117	\$ 147,003,117
Total Referendums	\$277,002,768	\$ -	\$ (277,002,768)	\$ -	\$ 147,003,117	\$ 147,003,117
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$ 6,449,030	\$ 6,449,030	\$ -	\$ 6,449,030	\$ 10,000,000	\$ 3,550,970
Classroom Equipment	717,090	717,090	-	1,938,992	1,938,992	-
Facility Modifications	450,000	450,000	-	600,000	600,000	-
Synthetic Turf Field Initiative	-	-	-	-	1,500,000	1,500,000
Total Transfers In	\$ 7,616,120	\$ 7,616,120	\$ -	\$ 8,988,022	\$ 14,038,992	\$ 5,050,970
Total Receipts and Transfers	\$439,924,888	\$175,590,013	\$ (264,334,875)	\$164,294,022	\$ 316,348,109	\$152,054,087
Total Funds Available	\$526,283,201	\$261,948,326	\$ (264,334,875)	\$164,294,022	\$ 425,191,057	\$260,897,035
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$249,280,434	\$153,105,379	\$ (96,175,055)	\$164,294,022	\$ 278,187,939	\$113,893,917
Additional Contractual Commitments	277,002,768	-	(277,002,768)	-	147,003,117	147,003,117
Total Disbursements	\$526,283,201	\$153,105,379	\$ (373,177,822)	\$164,294,022	\$ 425,191,057	\$260,897,035
ENDING BALANCE, JUNE 30	\$ -	\$108,842,947	\$ 108,842,947	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>Variance</u>	<u>FY 2014 Approved</u>	<u>FY 2014 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 18,809,734	\$ 18,809,734	\$ -	\$ 15,690,511	\$ 15,842,435	\$ 151,924
RECEIPTS:						
State Aid	\$ 836,574	\$ 981,400	\$ 144,826	\$ 892,202	\$ 991,214	\$ 99,012
Federal Aid	33,021,247	31,574,159	(1,447,088)	31,517,587	31,889,901	372,314
Food Sales	45,267,876	43,562,520	(1,705,356)	48,233,348	43,998,145	(4,235,203)
Other Revenue	56,503	76,423	19,920	54,950	54,950	-
Total Receipts	\$ 79,182,200	\$ 76,194,503	\$ (2,987,697)	\$ 80,698,087	\$ 76,934,210	\$ (3,763,877)
Total Funds Available	\$ 97,991,934	\$ 95,004,237	\$ (2,987,697)	\$ 96,388,598	\$ 92,776,645	\$ (3,611,953)
EXPENDITURES:						
Food and Nutrition Services General Reserve	\$ 15,690,511	\$ -	\$ (15,690,511)	\$ 14,091,040	\$ 10,257,362	\$ (3,833,678)
Total Disbursements	\$ 97,991,934	\$ 79,066,286	\$ (18,925,648)	\$ 96,388,598	\$ 92,776,645	\$ (3,611,953)
Change in Inventory	\$ -	\$ 95,516	\$ 95,516	\$ -	\$ -	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ 15,842,435	\$ 15,842,435	\$ -	\$ -	\$ -
Less:						
Undelivered Orders	\$ -	\$ 221,725	\$ 221,725	\$ -	\$ -	\$ -
Inventory	-	1,439,480	1,439,480	-	-	-
Available Ending Balance	\$ -	\$ 14,181,230	\$ 14,181,230	\$ -	\$ -	\$ -

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>Variance</u>	<u>FY 2014 Approved</u>	<u>FY 2014 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ (974,678)	\$ (974,678)	\$ -	\$ -	\$ 849,797	\$ 849,797
RECEIPTS:						
State Aid	\$ 931,231	\$ 867,498	\$ (63,733)	\$ 923,731	\$ 923,731	\$ -
Federal Aid	1,885,692	2,052,457	166,765	1,781,117	1,781,117	-
Tuition and Fees	5,284,577	6,038,010	753,433	5,464,965	5,464,965	-
Other	400,349	297,453	(102,896)	439,687	439,687	-
Total Receipts	<u>\$ 8,501,849</u>	<u>\$ 9,255,418</u>	<u>\$ 753,569</u>	<u>\$ 8,609,499</u>	<u>\$ 8,609,499</u>	<u>\$ -</u>
TRANSFERS IN:						
School Operating Fund	\$ 1,400,000	\$ 1,400,000	\$ -	\$ 400,000	\$ 400,000	\$ -
Total Transfers In	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>
Total Receipts and Transfers	\$ 9,901,849	\$ 10,655,418	\$ 753,569	\$ 9,009,499	\$ 9,009,499	\$ -
Total Funds Available	\$ 8,927,171	\$ 9,680,740	\$ 753,569	\$ 9,009,499	\$ 9,859,297	\$ 849,797
EXPENDITURES:	\$ 8,927,171	\$ 8,830,943	\$ (96,228)	\$ 9,009,499	\$ 9,859,297	\$ 849,797
ENDING BALANCE, JUNE 30	\$ -	\$ 849,797	\$ 849,797	\$ -	\$ -	\$ -
Less:						
Budgeted Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undelivered Orders	-	8,051	8,051	-	-	-
Available Ending Balance	<u>\$ -</u>	<u>\$ 841,746</u>	<u>\$ 841,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT

	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>Variance</u>	<u>FY 2014 Approved</u>	<u>FY 2014 Revised</u>	<u>Variance</u>
BEGINNING BALANCE						
Grants	\$ 7,098,390	\$ 7,098,390	\$ -	\$ -	\$ 6,452,343	\$ 6,452,343
Summer School	5,927,060	5,927,060	-	844,715	8,261,132	7,416,417
BEGINNING BALANCE, JULY 1	\$ 13,025,450	\$ 13,025,450	\$ -	\$ 844,715	\$ 14,713,475	\$ 13,868,760
RECEIPTS:						
Grants						
State Aid	\$ 8,796,893	\$ 8,598,093	\$ (198,800)	\$ 8,100,867	\$ 8,198,396	\$ 97,529
Federal Aid	42,019,230	33,455,311	(8,563,919)	28,567,644	35,432,659	6,865,015
Industry, Foundation, Other	603,347	1,184,015	580,668	-	124,000	124,000
Grants Reserve	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School						
State Aid	200,000	2,155,789	1,955,789	800,000	800,000	\$ -
Tuition	1,969,447	2,164,838	195,391	2,010,330	2,010,330	-
Industry, Foundation, Other	25,000	73,162	48,162	-	25,000	25,000
Total Receipts	\$ 59,613,917	\$ 47,631,207	\$ (11,982,709)	\$ 45,478,841	\$ 52,590,385	\$ 7,111,544
TRANSFERS IN:						
School Operating Fund (Grants)	\$ 8,865,952	\$ 8,865,952	\$ -	\$ 8,865,952	\$ 8,865,952	\$ -
County General Fund	-	-	-	-	-	-
School Operating Fund (Summer School)	12,511,040	12,511,040	-	12,511,040	12,511,040	-
Cable Communications Fund (Grants)	4,548,169	4,548,169	-	4,132,175	4,132,175	-
Total Transfers In	\$ 25,925,161	\$ 25,925,161	\$ -	\$ 25,509,167	\$ 25,509,167	\$ -
Total Funds Available	\$ 98,564,528	\$ 86,581,819	\$ (11,982,709)	\$ 71,832,723	\$ 92,813,027	\$ 20,980,304
EXPENDITURES:						
Grants	\$ 71,931,981	\$ 57,297,587	\$ (14,634,394)	\$ 49,666,638	\$ 63,205,525	\$ 13,538,887
Summer School	16,344,006	14,570,757	(1,773,249)	15,755,404	15,825,757	70,353
Total Expenditures	\$ 88,275,987	\$ 71,868,344	\$ (16,407,643)	\$ 65,422,042	\$ 79,031,282	\$ 13,609,240
RESERVES:						
Grants Reserve	\$ 6,000,000	\$ -	\$ (6,000,000)	\$ 6,000,000	\$ 6,000,000	\$ -
Summer School Reserve	3,443,826	-	(3,443,826)	410,681	7,781,744	7,371,064
	\$ 9,443,826	\$ -	\$ (9,443,826)	\$ 6,410,681	\$ 13,781,744	\$ 7,371,064
Total Disbursements	\$ 97,719,813	\$ 71,868,344	\$ (25,851,469)	\$ 71,832,723	\$ 92,813,027	\$ 20,980,304
ENDING BALANCE, JUNE 30	\$ 844,715	\$ 14,713,475	\$ 13,868,760	\$ -	\$ -	\$ -
Less:						
FY 2014 Budgeted Beginning Balance	\$ 844,715	\$ 844,715	\$ -	\$ -	\$ -	\$ -
Undelivered Orders	-	947,111	947,111	-	-	-
Available Ending Balance	\$ -	\$ 12,921,649	\$ 12,921,649	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	FY 2013 Estimate	FY 2013 Actual	Variance	FY 2014 Approved	FY 2014 Revised	Variance
BEGINNING BALANCE, JULY 1	\$ 43,759,142	\$ 43,759,142	\$ -	\$ 41,125,827	\$ 46,924,718	\$ 5,798,891
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$ 9,238,928	\$ 9,238,928	\$ -	\$ 9,238,928	\$ 9,238,928	\$ -
School Food & Nutrition Serv. Fund	324,284	324,284	-	324,284	324,284	-
Other Insurance						
School Operating Fund	4,468,127	4,468,127	-	4,468,127	4,468,127	-
Insurance Proceeds/ Rebates	50,000	673,473	623,473	50,000	50,000	-
Federal and State Revenue	-	-	-	-	-	-
Total Receipts	\$ 14,081,339	\$ 14,704,812	\$ 623,473	\$ 14,081,339	\$ 14,081,339	\$ -
Total Funds Available	\$ 57,840,481	\$ 58,463,954	\$ 623,473	\$ 55,207,166	\$ 61,006,057	\$ 5,798,891
EXPENDITURES:						
Workers' Compensation Administration	\$ 867,568	\$ 859,422	\$ (8,145)	\$ 899,973	\$ 899,973	\$ -
Workers' Compensation Claims Paid	8,412,593	4,875,738	(3,536,855)	8,939,759	8,939,759	-
Workers' Compensation Claims Management	795,807	732,725	(63,082)	1,000,000	1,000,000	-
Other Insurance	6,638,686	5,071,350	(1,567,336)	6,586,458	6,586,458	-
Allocated Reserves	9,375,748	-	(9,375,748)	6,030,897	9,288,547	3,257,650
Total Expenditures	\$ 26,090,402	\$ 11,539,236	\$ (14,551,166)	\$ 23,457,087	\$ 26,714,737	\$ 3,257,650
Net change in accrued liabilities-Workers' Comp	\$ -	\$ 2,421,095	\$ 2,421,095	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	120,146	120,146	-	-	-
Net Change in Accrued Liability	\$ -	\$ 2,541,241	\$ 2,541,241	\$ -	\$ -	\$ -
ENDING BALANCE, June 30	\$ 31,750,079	\$ 46,924,718	\$ 15,174,639	\$ 31,750,079	\$ 34,291,320	\$ 2,541,241
Restricted Reserves						
Workers' Compensation Accrued Liability	\$ 27,481,058	\$ 29,902,153	\$ 2,421,095	\$ 27,481,058	\$ 29,902,153	\$ 2,421,095
Other Insurance Accrued Liability	4,269,021	4,389,167	120,146	4,269,021	4,389,167	120,146
Allocated Reserves	-	12,633,398	12,633,398	-	-	-
Total Reserves	\$ 31,750,079	\$ 46,924,718	\$ 15,174,639	\$ 31,750,079	\$ 34,291,320	\$ 2,541,241

SCHOOL CENTRAL PROCUREMENT FUND STATEMENT

	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>Variance</u>	<u>FY 2014 Approved</u>	<u>FY 2014 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 332,650	\$ 332,650	\$ -	\$ 332,650	\$ 360,994	\$ 28,344
RECEIPTS:						
Sales to Schools/Departments	\$ 6,500,000	\$ 4,388,177	\$ (2,111,823)	\$ 6,500,000	\$ 6,500,000	\$ -
Total Funds Available	<u>\$ 6,832,650</u>	<u>\$ 4,720,827</u>	<u>\$ (2,111,823)</u>	<u>\$ 6,832,650</u>	<u>\$ 6,860,994</u>	<u>\$ 28,344</u>
EXPENDITURES	\$ 6,500,000	\$ 4,359,834	\$ (2,140,166)	\$ 6,500,000	\$ 6,500,000	\$ -
ENDING BALANCE, JUNE 30	<u>\$ 332,650</u>	<u>\$ 360,994</u>	<u>\$ 28,344</u>	<u>\$ 332,650</u>	<u>\$ 360,994</u>	<u>\$ 28,344</u>

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

	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2013</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2014</u> <u>Approved</u>	<u>FY 2014</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 1,827,750,696	\$ 1,827,750,696	\$ -	\$ 1,986,062,963	\$ 1,932,727,250	\$ (53,335,713)
RECEIPTS:						
Contributions	\$ 109,470,496	\$ 106,205,999	\$ (3,264,497)	\$ 116,066,099	\$ 116,066,099	\$ -
Investment Income	234,903,388	177,394,235	(57,509,153)	252,588,557	252,588,557	-
Total Receipts	<u>\$ 344,373,884</u>	<u>\$ 283,600,233</u>	<u>\$ (60,773,651)</u>	<u>\$ 368,654,656</u>	<u>\$ 368,654,656</u>	<u>\$ -</u>
Total Funds Available	\$ 2,172,124,580	\$ 2,111,350,929	\$ (60,773,651)	\$ 2,354,717,619	\$ 2,301,381,906	\$ (53,335,713)
EXPENDITURES	\$ 186,061,616	\$ 178,623,679	\$ (7,437,938)	\$ 195,644,581	\$ 195,644,769	\$ 188
ENDING BALANCE, JUNE 30	\$ 1,986,062,963	\$ 1,932,727,250	\$ (53,335,713)	\$ 2,159,073,038	\$ 2,105,737,138	\$ (53,335,901)
Less:						
Undelivered Orders	\$ -	\$ 188	\$ 188	\$ -	\$ -	\$ -
AVAILABLE BALANCE, JUNE 30	<u>\$ 1,986,062,963</u>	<u>\$ 1,932,727,063</u>	<u>\$ (53,335,901)</u>	<u>\$ 2,159,073,038</u>	<u>\$ 2,105,737,138</u>	<u>\$ (53,335,901)</u>

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

	<u>FY 2013 Estimate</u>	<u>FY 2013 Actual</u>	<u>Variance</u>	<u>FY 2014 Approved</u>	<u>FY 2014 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 49,648,958	\$ 49,648,958	\$ -	\$ 64,568,458	\$ 66,439,062	\$ 1,870,604
REVENUE:						
Employer Contributions	\$ 47,255,000	\$ 34,471,108	\$ (12,783,892)	\$ 47,255,000	\$ 35,874,000	\$ (11,381,000)
Net Investment Income	5,000,000	6,848,225	1,848,225	5,000,000	5,573,409	573,409
Total Revenue	\$ 52,255,000	\$ 41,319,333	\$ (10,935,667)	\$ 52,255,000	\$ 41,447,409	\$ (10,807,591)
Total Funds Available	\$ 101,903,958	\$ 90,968,291	\$ (10,935,667)	\$ 116,823,458	\$ 107,886,472	\$ (8,936,987)
EXPENDITURES:						
Benefits Paid	\$ 37,255,000	\$ 24,471,108	\$ (12,783,892)	\$ 37,255,000	\$ 25,874,000	\$ (11,381,000)
Administrative Expenses	80,500	58,121	(22,379)	80,500	74,372	(6,128)
Total Expenditures	\$ 37,335,500	\$ 24,529,229	\$ (12,806,271)	\$ 37,335,500	\$ 25,948,372	\$ (11,387,128)
ENDING BALANCE, JUNE 30	\$ 64,568,458	\$ 66,439,062	\$ 1,870,604	\$ 79,487,958	\$ 81,938,100	\$ 2,450,141

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2014**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2014 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	\$2,396,455,453	\$2,512,445,485	\$115,990,032
S31000	School Construction Operating Expenditures	\$167,844,992	\$425,191,057	\$257,346,065
S40000	School Food & Nutrition Services Operating Expenditures	\$96,388,598	\$92,776,645	(\$3,611,953)
S43000	School Adult & Community Education Operating Expenditures	\$9,009,499	\$9,859,297	\$849,798
S50000	School Grants & Self-Supporting Operating Expenditures	\$69,667,239	\$92,813,027	\$23,145,788
S60000	Public Schools Insurance Fund Operating Expenditures	\$23,457,087	\$26,714,737	\$3,257,650
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$388,590,275	\$381,752,024	(\$6,838,251)
S63000	Central Procurement Fund Operating Expenditures	\$6,500,000	\$6,500,000	\$0
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$195,644,581	\$195,644,769	\$188
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$37,335,500	\$25,948,372	(\$11,387,128)

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 2013 Final Budget Review, at a regular meeting held on July 25, 2013, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2014**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2014 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	\$12,538,992	\$14,038,992	\$1,500,000
		S43000	School Adult & Community Education	\$400,000	\$400,000	\$0
		S50000	School Grants & Self Supporting	\$21,376,992	\$21,376,992	\$0
		C20000	Consolidated Debt Service	\$3,776,923	\$3,776,923	\$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 2013 Final Budget Review, at a regular meeting held on July 25, 2013, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

**Quarterly Report – FY 2013
Date: June 30, 2013**

Update for FY 2013 Grants:

This report provides the status of competitive grants for FY 2013:

- Competitive grants submitted: \$12.5 million (67 grants)
- Competitive grants awarded: \$1.9 million (35 grants)
- Competitive grants denied: \$7.3 million* (10 grants)
- Competitive grants pending: \$3.4 million (22 grants)

The status of FY 2013 entitlement grants is as follows:

- Entitlement grants submitted: \$69.5 million (22 grants)
- Entitlement grants awarded: \$35.1 million (18 grants)
- Entitlement grants pending: \$34.2 million (4 grants)

**The Race to the Top District (RTT-D) application was denied and totaled \$7.1 million.*

Note: Totals may not add as award amounts can differ from original submissions.