

## Response to Questions on the FY 2014 Budget

**Request By:** Supervisor McKay

**Question:** What is the spend-down rate on FCPS bonds over the last five years? Are bond proceeds being spent yearly?

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

From FY 2008 to FY 2012, the percent of bond proceed spent has fluctuated between 61 percent and 113 percent.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Exp/Proceeds %	90%	87%	61%	113%	90%

Acknowledging lower expenditures in FY 2010, the bond sale funding request in FY 2011 was reduced to \$130.0 million from \$155.0 million. Looking ahead in the FY 2014 – FY 2018 Capital Improvement Program (<http://www.fcps.edu/fts/planning/cip/cipbook2014-18.pdf>), expenditures are projected to be \$193.2 million, or 125 percent, in FY 2014 and \$207.5 million, or 134 percent, in FY 2015. Expenditures in FY 2014 and FY 2015 that exceed bond proceeds will be funded utilizing the unspent proceeds from the prior years. Unspent proceeds in prior years can be attributable to the following factors:

- 1) Severe weather which delayed projects.
- 2) Delays in project starts due to various permitting challenges.
- 3) Project savings due to an unexpected continuation of favorable market conditions that provided bids at lower than estimated project budgets.

As savings occur and whenever possible, FCPS reschedules projects to start earlier than originally projected to further take advantage of favorable market conditions, while still considering the bond proceeds funding limits. Although project savings are useful for moving projects forward, the savings are not known until a project bid has been accepted or a project has been completed and closed.