

Response to Questions on the FY 2014 Budget

Request By: Supervisor Foust

Question: The response to FCPS Budget Question #25, states, in part, the “Automatic Carryover” reserve “has been especially helpful during the economic downturn.” However, the balance of that reserve has increased from \$5.9 million in FY 2008 to \$26.4 million in FY 2012.

- Specifically, what projects or expenses is this reserve held for?
- Specifically, if not allocated in the FCPS budget, who decides when and how this reserve will be spent?
- In a recent budget Q and A, FCPS estimated that the one-time capital facilities cost required to expand the Family and Early Childhood Education program to fully utilize the state match and eliminate the waiting list is \$5,670,000 under the first scenario that would use existing space and \$18,900,000 under the second scenario that would construct new space.
 - Rather than growing this reserve, could a portion be utilized to fund the one-time capital costs associated with expansion of the early education initiative?

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

- Schools are allowed to carryover unspent balances in primarily hourly and supply accounts. Carryover was expanded in FY 2009 to include hourly accounts to provide schools with a way to plan for the significant budget reductions implemented including materials, custodial, clerical, and class size. Allowing carryover facilitates multiyear planning and helps prevent a “use it or lose it” approach. Carryover provides schools with options for addressing individual school needs including additional instruction and classroom support, equipment, and instructional materials and supplies.
- The FY 2012 automatic carryover of \$26.4 million included \$19.5 million in school funding and \$6.9 million in multiyear project balances. The following chart reflects the increase in the FY 2012 carryover compared to FY 2008, by schools’ expenditure type. The FY 2012 carryover was less than \$100,000 per school on average.
- All automatic carryover funds are not in a reserve account but rather reallocated to the schools or projects the next fiscal year. The school principal, under the direction of the cluster assistant superintendent, determines how school funding is utilized. Projects are overseen by program managers under the direction of department assistant superintendents.
- Carryover is a policy decision made by the School Board. If FCPS eliminated the process of allowing schools to carry forward unspent supply and hourly allocations (automatic carryover), the Board could utilize the one-time funding available at the end of the year for other purposes. Spending this one-time funding on a one-time purpose, like facility modifications, is preferred over recurring expenditures. In the

case of utilizing the funding for FECEP facilities, FCPS would then have the facilities available, but ongoing funding to hire teachers and operating expenses for those facilities would be required.

FCPS School Automatic Carryover	FY 2008	FY 2012	Increase
	(\$ in millions)	(\$ in millions)	(\$ in millions)
Schools Carryover By Expenditure Type			
Hourly Overtime	\$ 0.0	\$ 1.0	\$ 1.0
Hourly Transportation	(0.0)	(0.2)	(0.1)
Hourly Field Trip Transportation	0.1	0.1	0.0
Hourly Salaries	0.0	4.7	4.7
Substitutes	-	0.1	0.1
Salary Supplements	-	0.3	0.3
Reimbursable Salaries	-	2.4	2.4
Materials & Supplies	5.4	10.3	4.9
Contracted Services	0.0	0.1	0.1
Staff Training	0.4	0.5	0.1
School Initiatives	-	0.1	0.1
Schools Total Carryover	\$ 5.9	\$ 19.5	\$ 13.6