

ATTACHMENT C:

**FCPS FY 2022 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

**(This attachment reflects staff's
recommendations to the School Board on
July 14, 2022.)**

Subject: FY 2022 Final Budget Review

Staff Contact: Leigh Burden, assistant superintendent, Department of Financial Services

Other Staff Present: Marty Smith, chief operating officer
Alice Wigington, director, Office of Budget Services

Meeting Category: July 14, 2022 Regular Meeting

School Board Action Required: Information

Summary/Background (Key Points):

All the FY 2022 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 2022 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 2023 total \$90.9 million.

Excluding School Operating Fund grants, the FY 2022 actual revenue variance totals \$8.5 million, due to an increase in sales tax offset by lower Basic Aid caused by reduced enrollment; Federal revenue; offset by other revenue receipts, including tuition, fees, other service charges, Fairfax City tuition, and miscellaneous revenue.

Excluding School Operating Fund grants, the expenditure variance is \$260.1 million less than budgeted. Funding available after accounting for reserves, commitments, and carryover is primarily comprised of salary and benefits fallout attributed to lower student enrollment caused by the pandemic, salary lapse, and a one-month health benefit premium holiday.

As a result of the revenue and expenditure variances, available funds for FY 2023 total \$90.9 million. In addition, the General Assembly had not formally adopted the 2022-2024 biennial budget at the time of FCPS' FY 2023 Approved Budget adoption. As compared to the budget passed by the General Assembly, FCPS will receive a net increase of approximately \$25.3 million in additional state revenue. Of the additional revenue, \$18.1 million is to support a one-time \$1,000 bonus for Standards of Quality funded instructional and support positions.

This agenda item includes recommendations for FY 2023 expenditure adjustments, including an employee bonus and funding for staffing contingencies, stadium restrooms, major maintenance, FCPS cost share for electric buses, Young Scholars extracurricular enrichment, a shortfall in the Adult and Community Education Fund, a middle school start time study, a recruitment incentive for substitute teachers, increased electricity costs, paper inflation, a superintendent strategic reserve, food services equipment, Title IX softball field upgrades, a safety and security review, turf fields, and to maintain the beginning balance for FY 2024.

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:

FY22 Year End

FY 2022 Final Budget Review Summary

	Amount	Positions
I. FY 2022 School Operating Funds Available (excluding SOF Grants) *		
A. FY 2022 Actual Revenue Variance	\$8,520,065	
B. Less FY 2022 Actual Expenditure Variance	(\$260,050,294)	
C. Less Reserves, Commitments and Carryover	<u>\$177,631,686</u>	
• Outstanding Encumbered Obligations	\$57,155,128	
• Schools/Project Carryover	\$86,387,519	
• Department Critical Needs	\$24,089,039	
• Reserves	\$10,000,000	
FY 2022 Total Funds Available	\$90,938,673	
II. FY 2023 Revenue Adjustments		
A. FY 2023 State Bonus Revenue	\$18,104,297	
B. FY 2023 State Revenue	<u>\$7,208,845</u>	
FY 2023 Total Funds Available	\$116,251,815	
III. FY 2023 Recommended Expenditure Adjustments		
A. Employee Bonus	\$33,891,450	0.0
B. Staffing Reserve Replenishment	\$19,994,151	190.0
C. Transfer to the Construction Fund - Stadium Restrooms	\$7,500,000	0.0
D. Transfer to the Construction Fund - Major Maintenance	\$7,050,970	0.0
E. Fuel Inflation	\$5,000,000	0.0
F. Electricity Inflation	\$4,700,000	0.0
G. Recruitment Incentive for Substitutes	\$3,496,037	0.0
H. Superintendent's Strategic Reserve	\$3,000,000	0.0
I. Paper Inflation	\$2,500,000	0.0
J. Transfer to FNS - Equipment Replacement Year 2 of 5-year plan	\$1,800,000	0.0
K. Transfer to the Construction Fund - Title IX Softball Field Upgrades	\$1,493,325	0.0
L. FCPS Cost-Share for Electric Buses	\$1,037,599	0.0
M. Safety and Security External Third-Party Review	\$1,000,000	0.0
N. Transfer to Construction Fund - Turf Fields	\$750,000	0.0
O. Young Scholars Extracurricular Enrichment	\$500,000	0.0
P. Transfer to Adult and Community Education Fund	\$388,512	0.0
Q. Middle School Start Time Study	<u>\$275,000</u>	<u>0.0</u>
FY 2023 Total Expenditure Adjustments	\$94,377,044	190.0
IV. FY 2024 Beginning Balance		
A. FY 2024 Beginning Balance Set-Aside	\$21,874,771	
FY 2023 Total Funds Available	\$0	
V. FY 2023 School Operating Fund Grants		
A. FY 2022 Carryover of Unspent Grant Funding and New Grant Awards	<u>\$154,407,781</u>	<u>2.0</u>
FY 2023 Total Reappropriated School Operating Fund Grants and New Awards	\$154,407,781	2.0
*Does not add due to rounding		

I. FY 2022 School Operating Funds Available (excluding SOF Grants)

A. FY 2022 Actual Revenue Variance - \$8.5 million

- State Revenue - \$11.9 million
As compared to the FY 2022 Revised Budget, State Revenue reflects a net increase of \$11.9 million due to a \$41.5 million increase in the sales tax projection, offset by a decrease in State Aid of \$29.6 million. This is due to actual average daily membership (ADM) being lower than projected, resulting in less revenue in Basic Aid, the primary component of State Aid.
- Federal Revenue - \$0.1 million
As compared to the FY 2022 Revised Budget, federal revenue reflects a net increase of \$0.1 million, primarily due to Impact Aid offset by a decrease in e-Rate revenue.
- Tuition, Fees, and Other - (\$3.5 million)
Based on actual receipts, other revenue categories including tuition, fees, and miscellaneous revenue, reflect a net decrease of \$3.5 million. Due to the impact from the pandemic, the decrease results primarily from community use revenue, school fees such as field trips and parking fees, tuition from other jurisdictions, and City of Fairfax tuition.

B. FY 2022 Actual Expenditure Variance - (\$260.1 million)

The expenditure variance is \$260.1 million less than budget. Funding available after accounting for reserves, commitments, and carryover is primarily comprised of salary and benefits fallout attributed to lower student enrollment caused by the pandemic, salary lapse, and a one-month health benefit premium holiday.

C. Reserves, Commitments, and Carryover - \$177.6 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	\$57.2 million
School and multiyear projects carryover consists 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	\$86.4 million
Department carryover consists of funding to address budgetary requirements necessary to support strategic priorities	\$24.1 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

II. FY 2023 Revenue Adjustments

A. FY 2023 State Bonus Revenue - \$18.1 million

The FY 2023 Approved Budget was adopted before the General Assembly adopted the 2022-2024 biennial budget. The General Assembly included \$18.1 million for a one-time bonus of \$1,000 to Standards of Quality funded instructional and support positions.

B. FY 2023 State Revenue - \$7.2 million

The FY 2023 Approved Budget was adopted prior to the General Assembly adopting the 2022-2024 biennium. Based on the General Assembly's adoption of the 2022-2024 biennial budget, state revenue reflects a net increase of \$7.2 million, as compared to the FY 2023 Approved Budget due to funding provided for support cap positions and sales tax hold harmless payment for grocery and personal hygiene offset by decreases in other state programs.

It should be noted that FCPS is projected to receive \$24.2 million in formula-based school construction and modernization grant. This funding is accounted for in the School Construction Fund and projects include installing security vestibules, creating outdoor classrooms, upgrading bathrooms, implementing sensory rooms, replacing interior locks, and bringing non-ADA compliant early childhood playgrounds into ADA compliance.

III. FY 2023 Recommended Expenditure Adjustments

A. Employee Bonus - \$33.9 million, 0.0 positions

Funding of \$33.9 million supports the payment of a one-time bonus to active employees. This funding provides a \$1,000 bonus for contracted employees to recognize the continued impact the pandemic has had on education and to promote retention among staff. A \$500 bonus will be provided for hourly employees, including substitutes, based on a yet to be determined minimum threshold of workdays. Allocation plans are currently being developed.

B. Staffing Reserve Replenishment - \$20.0 million, 190.0 positions

The FY 2023 budget includes 310.0 staffing reserve positions. Following completion of student enrollment projections there were increases in student enrollment at some schools. Many schools suggest potential for that growth to continue into the coming school year. Funding of \$20.0 million is included to add 190.0 positions to the staffing reserve to account for 28.5 hold harmless counselor positions with the remaining 161.5 positions to address the potential for student enrollment exceeding projections. This will bring the staffing reserve to a total of 500.0 positions for SY 2022-2023 and provide FCPS greater flexibility to meet school needs should enrollment exceed projections.

C. Transfer to Construction Fund - Stadium Restrooms - \$7.5 million, 0.0 positions

Through a cost-share agreement, Fairfax County will partner with FCPS to fund the installation of permanent restroom facilities at 15 FCPS outdoor high school athletic stadiums, which can seat as many as 15,000 people. Currently, these high schools lack permanent restrooms at their stadiums, relying on portable toilets for student, athlete, and community use. Funding of \$7.5 million is included and represents FCPS' cost share to support the installation of permanent restroom facilities at Annandale HS, Chantilly HS, Edison HS, Hayfield SS, Justice HS, Lake Braddock SS, Lewis HS, Marshall HS, McLean HS, Mount Vernon HS, Robinson SS, South Lakes HS, Thomas Jefferson HS, West Potomac HS, and Woodson HS.

D. Transfer to Construction Fund - 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 2023-2027 Capital Improvement Program (CIP), the major maintenance backlog is estimated to be \$72.4 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. Fuel Inflation - \$5.0 million, 0.0 positions

Additional funding of \$5.0 million is required due to the recent 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 \$5.66 in May 2022, an increase of \$3.13, or 123.7 percent.

F. Electricity Inflation - \$4.7 million, 0.0 positions

Funding of \$4.7 million is required due to an increase in electricity rates charged by Dominion Energy. FCPS was notified that the significant increases in fuel and energy prices experienced by Dominion Energy resulted in an increase of 25.0 percent in overall electric costs.

G. Recruitment Incentive for Substitutes - \$3.5 million, 0.0 positions

FCPS continues to experience less than 100.0 percent fill rates for substitute jobs. Fill rates on Fridays fall far below fill rates on other days of the week. Funding of \$3.5 million will support a monetary incentive for substitutes in FY 2023 only. A plan is under development to establish criteria to receive the recruitment substitute incentive during SY 2022-2023.

H. Superintendent's Strategic Reserve - \$3.0 million, 0.0 positions

Funding of \$3.0 million is included for the Superintendent to address unforeseen divisionwide and continued pandemic needs.

I. Paper Inflation - \$2.5 million, 0.0 positions

Funding of \$2.5 million is included to address the impact that inflation is having on the paper market. FCPS utilizes a County contract for paper and the County has negotiated a temporary price increase which will be held for 60 days beginning July 1. The cost of paper has increased from \$29.70 to \$44.81 per carton. It is anticipated that there will likely be another increase after September 1.

J. Transfer to Food and Nutrition Services Fund - Equipment Replacement Year 2 of 5-year plan - \$1.8 million, 0.0 positions

Funding is recommended to provide the necessary equipment to the Food and Nutrition Services Fund. This funding request represents the second year of a five-year plan to support computer equipment and software upgrades at school sites, equipment replacement at the Food Service Warehouse, and replacement of large kitchen equipment and related supplies. Funding this equipment will help prevent operational failures, improve efficiencies, and reduce maintenance costs.

K. Transfer to Construction Fund - Title IX Softball Field Upgrades - \$1.5 million, 0.0 positions

Funding of \$1.5 million is required to replace eight softball dugouts at Woodson HS, Chantilly HS, South Lakes HS, West Potomac HS, McLean HS, Mt. Vernon HS, Robinson SS, and Falls Church HS to ensure they are Title IX compliant. These fields are utilized by school teams and recreational users.

L. FCPS Cost-Share for Electric Buses - \$1.0 million, 0.0 positions

Funding of \$1.0 million is required to provide the remainder of the resources needed in FY 2023 to fund the FCPS cost-share of electric bus grant awards. Typically, these grants require a cost-share from FCPS. These grants support the Joint Environmental Taskforce (JET) recommendations related to transitioning FCPS' bus fleet from diesel to electric by 2035.

M. Safety and Security External Third-Party Review - \$1.0 million, 0.0 positions

Funding of \$1.0 million is included to engage with an external third party to provide a holistic review of safety and security protocols and procedures in all FCPS buildings.

N. Transfer to Construction Fund - Turf Fields - \$0.8 million, 0.0 positions

Funding of \$0.8 million is included to provide the remainder of funds needed to support the scheduled replacement of synthetic turf fields at Oakton HS, Falls Church HS, and Woodson 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 2023.

O. Young Scholars Extracurricular Enrichment - \$0.5 million, 0.0 positions

Schools receive Young Scholar per-pupil funding for extracurricular enrichment opportunities during the school year. In some instances, the allocation is only enough to pay the hourly teacher for running the afterschool club. It is recommended that \$0.5 million be set aside to fund school-based resources such as Lego Robotics and algebra conceptual manipulatives. These resources will be accessible at local schools for the Young Scholars program and other extracurricular programs.

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

The Adult and Community Education (ACE) Fund ended FY 2022 with a shortfall of \$0.4 million. Due to the impact of the pandemic, many in-person classes were canceled, resulting in a decrease in tuition. To support ACE, a one-time transfer of \$0.4 million is recommended.

Q. Middle School Start Time Study - \$0.3 million, 0.0 positions

Funding of \$0.3 million is included to update the 2020 study on the fiscal and operational requirements needed to create healthy start times for middle school students.

IV. FY 2024 Beginning Balance

A. FY 2024 Beginning Balance Set-Aside - \$21.9 million

Available funding of \$21.9 million from FY 2022 year-end is recommended to be set aside as a beginning balance for FY 2024. This is unchanged from the beginning balance included in the FY 2023 Approved Budget.

V. FY 2023 School Operating Fund Grants

A. FY 2022 Carryover of Unspent Grant Funding and New Grant Awards - \$154.4 million

Federal grant awards from FY 2022 will be carried forward and reappropriated in FY 2023. 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 2023 Approved Budget.
- The Carl D. Perkins grant increased by \$18,740 as compared to the FY 2023 Approved Budget.

Additionally, the ARP ESSER III grant increases by 2.0 positions to extend a one-year only specialist position for Wellness Intervention and an increase of a 1.0 specialist position for Grow Your Own Pathway Professional Development who will manage fidelity of implementation, build capacity and skill in mentors, and design professional development.

Other Funds Summary

School Board Funds	FY 2023 Approved	Adjustments	FY 2023 Revised
School Construction	\$231,314,043	\$434,286,085	\$656,600,128
Food and Nutrition Services	\$94,749,795	\$44,831,466	\$139,581,261
Adult and Community Education	\$8,798,970	\$0	\$8,798,970
Grants and Self-Supporting Programs	\$81,187,126	\$97,033,920	\$178,221,046
School Insurance	\$19,912,660	\$5,923,450	\$25,836,110
Health and Flexible Benefits	\$505,452,542	\$169,144	\$505,621,686
Educational Employees' Supplementary Retirement System	\$234,792,898	\$100,504	\$234,893,402
School Other Post-Employment Benefits (OPEB) Trust	\$16,876,500	\$0	\$16,876,500

School Construction Fund

The FY 2022 actual receipts are \$5.0 million greater than the budgeted amount. This is primarily due to \$4.0 million from the City of Fairfax for new turf fields, \$1.1 million in additional miscellaneous revenue received which includes county proffers funding received for school work orders, and an additional \$0.3 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 \$2.4 million more than budgeted due to county transfers of \$2.2 million to support practice turf field replacements at Lake Braddock SS, Oakton HS, and South Lakes HS, and \$0.2 million for other contributions.

The FY 2022 actual expenditures total \$207.7 million, which is a decrease of \$69.1 million compared to the FY 2022 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 Cooper MS, Frost MS, Oak Hill ES, Wakefield Forest ES, and Centreville HS.

The actual FY 2022 turf field replacement ending balance of \$1.3 million reflects a \$0.4 million decrease compared to the FY 2022 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 2023 Revised Budget reflects funding of \$24.2 million from the Virginia State School Construction Grants program to support school construction projects. These projects include installing security vestibules, creating outdoor classrooms, upgrading bathrooms, implementing sensory rooms, replacing interior locks, and bringing non-ADA compliant early childhood playgrounds into ADA compliance. In addition, the FY 2023 Revised Budget includes an increase of \$16.8 million in the School Operating Fund transfer to address the backlog of major infrastructure

maintenance, install permanent restroom facilities at 15 FCPS outdoor high school stadiums, upgrade eight softball field dugouts to ensure Title IX compliance, and replace three synthetic turf fields that will reach the end of their life expectancy in 2023.

Food and Nutrition Services Fund

The Food and Nutrition Services (FNS) Fund provided free meals to all students during the FY 2022 school year. The meals were reimbursed through a USDA nationwide waiver to support access to nutritious meals while minimizing potential exposure to COVID-19. Excluding the beginning balance, revenue in the FNS fund totals \$127.7 million, an increase of \$39.5 million compared to the FY 2022 Revised Budget due to a \$77.0 million increase in federal aid, offset by \$37.3 million in food sales, \$0.2 million in other revenue, and \$29,794 in state aid.

Actual expenditures total \$85.3 million which is a net decrease of \$2.9 million compared to the FY 2022 Revised Budget. The decrease was primarily due to lower than anticipated expenditures for materials and supplies, benefit costs, and rental expenses.

The FY 2023 Revised Budget totals \$139.6 million, an increase of \$44.8 million as compared to the FY 2023 Approved Budget and is comprised of an increase of \$3.6 million in the School Operating Fund transfer to support the second year of a five-year equipment replacement plan and outstanding encumbered obligations, and a \$41.2 million increase to the reserve which enables FNS to meet the guidance from the USDA, which recommends an amount that does not exceed three months average expenditures for its nonprofit school fund service. Funding for the equipment replacement plan will support computer equipment and software upgrades at school sites, equipment replacement at the Food Service Warehouse, and replacement of large kitchen equipment and related supplies.

Adult and Community Education Fund

The FY 2022 ending balance resulted in a shortfall of \$0.4 million. Adult and Community Education (ACE) operations continued to be impacted by the COVID-19 pandemic which resulted in decreased enrollment and fewer in-person classes than planned. The resulting losses were partially mitigated through the conversion to online instruction for selected courses. Total receipts and transfers of \$8.1 million are \$1.3 million lower than the FY 2022 Revised Budget due to a decrease in tuition and fees of \$1.1 million, State Aid of \$94,149, and Other Revenue of \$94,023.

Actual expenditures total \$7.9 million, which is \$0.9 million less than the FY 2022 Revised Budget, due to lower expenditures in contracted teacher costs, salaries and benefits, and materials and supplies connected with course cancellations. Expenditures for the fund include instructor costs and classroom supplies, in addition to oversight and management costs.

The FY 2023 Revised Budget totals \$8.8 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 2022.

Grants and Self-Supporting Programs Fund

The FY 2022 ending balance for the Grants and Self-Supporting Programs Fund totals \$44.3 million. The ending balance includes \$17.1 million for the Summer School subfund and \$27.2 million for the Grants subfund. The FY 2023 Revised Budget increased by \$97.0 million due to new and revised

grant awards, the re-appropriation of the ending balance, multiyear grant awards, and expenditure adjustments for the summer school program.

Grants Subfund:

The FY 2022 ending balance for the Grants subfund totals \$27.2 million and primarily represents grant revenues not yet expended for Title I, Title II, and Title III.

The FY 2023 Revised Budget for the Grants subfund reflects an increase of \$83.9 million due to revised grant awards and the re-appropriation of the ending balance and multiyear grant awards. Of this amount, \$27.2 million represents the ending balance and \$56.7 million results from the re-appropriation of multiyear grant awards primarily for entitlement grants such as Title I, Title II, and Title III; and other grants such as ARP ESSER III Set-Aside for Addressing Unfinished Learning, ARP ESSER III Set-Aside for Before and After School Programs, ARP Coronavirus State and Local Fiscal Recovery Funds Ventilation Improvement Projects, ARP ESSER III McKinney-Vento, ARP ESSER III Recruitment Incentive for Public Education, CRRSA ESSER II Set-Aside for Addressing Unfinished Learning; Department of Defense Education Activity; and State Technology Plan.

Grant Description	Amount	Positions*
Title I, Part A	\$0	26.2
Title II, Part A	\$0	2.0
Title III, Immigrant and Youth	\$0	1.0
ARP ESSER III Addressing Unfinished Learning	<u>\$0</u>	<u>1.0</u>
Total	\$0	30.2
*Position authorization is requested; funding is reflected in the FY 2023 Approved Budget		

The Virginia Department of Education requires that Fairfax County Public Schools’ School Board authorize the Division Superintendent and the School Board Chairman to sign and file the 2022-2023 Elementary Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act of 2015 (ESSA) entitlement applications. To comply with this requirement, the adoption of the FY 2022 Final Budget Review grants this authority.

Summer School Subfund:

The FY 2022 ending balance in the Summer School Subfund is \$17.1 million, primarily due to a decrease in budgeted expenditures of \$20.1 million combined with \$6.4 million in reserve funding. Revenue receipts were \$9.4 million less than estimated primarily due to the reallocation of \$12.5 million from the summer school subfund to the ESSER III grant to support the continued enhancement of summer school, and \$0.3 million reduction in the Virtual Virginia tuition rate for summer school, offset by \$3.4 million in state aid funding for FY 2022 summer school programs that were not entirely ESSER II funded. The FY 2022 ending balance will be carried over to FY 2023. FCPS will maintain summer programs such as Young Scholars, high school programs, and Extended School Year (ESY) in addition to providing programs to address pandemic-related learning loss.

School Insurance Fund

The FY 2022 ending balance for the School Insurance Fund is \$56.5 million, which is an increase of \$6.3 million compared to the FY 2022 Revised Budget. FY 2022 actual revenue totals \$20.8 million, which is \$3.5 million more than the FY 2022 Revised Budget. The revenue increase is due to

increases in the transfers from the School Operating Fund that are necessary to pay higher legal and consulting fees and insurance costs in FY 2023. FY 2022 expenditures total \$17.3 million, a decrease of \$2.8 million compared to the FY 2022 Revised Budget due primarily to incurred but not reported (IBNR) 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 decreased by \$2.4 million, primarily due to an improved claims outlook which was the result of a drop in claims during COVID. Accrued liabilities in the Other Insurance subfund increased by \$0.2 million.

The FY 2023 beginning balance is \$56.5 million. An increase of \$5.9 million in general reserves and outstanding encumbered obligations of \$36,101 at FY 2022 year-end are reflected in the FY 2023 Revised Budget.

School Health and Flexible Benefits Fund

The FY 2022 ending balance for the School Health and Flexible Benefits Fund's Premium Stabilization Reserve (PSR) is \$94.3 million, which is a decrease of \$27.4 million compared to the FY 2022 Revised Budget. FY 2022 revenue totals \$449.7 million, a decrease of \$19.4 million compared to the FY 2022 Revised Budget due primarily to the premium holiday in December. Fund expenditures for FY 2022 total \$479.2 million, an increase of \$7.8 million compared to the FY 2022 Revised Budget. The increase is due to a \$3.7 million increase in claims paid, a \$3.0 million increase in the IBNR, and a \$1.5 million increase in the flexible accounts reimbursement. These factors reflect the resumption and surge of medical appointments and procedures delayed by the pandemic. The flexible accounts increase reflects an IRS policy change, in response to the pandemic, regarding carryover of unused amounts from plan years 2020 and 2021 and the allowable period for incurring claims for those years. 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 2023 beginning balance is \$94.4 million. Outstanding encumbered obligations totaling \$0.2 million at FY 2022 year-end are reflected in projected expenditures in the FY 2023 Revised Budget.

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

The FY 2022 estimated ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$3.0 billion, a decrease of \$485.0 million compared to the FY 2022 Revised Budget. FY 2022 combined receipts total (\$33.0) million, which is a decrease of \$497.0 million compared to the FY 2022 Revised Budget due to negative investment returns of \$194.1 million offset by employee and employer contributions of \$161.1 million. The fund successfully protected more than 50% of the impact of deeper systemic negative returns over the last six months driven by global geopolitical and macroeconomic circumstances that destabilized markets.

ERFC expenditures for FY 2022 total \$213.4 million, a decrease of \$12.0 million compared to the FY 2022 Revised Budget mainly due to lower than projected investment management and consulting fees. Investment expenses total \$9.9 million which is a decrease of \$6.8 million compared to the FY 2022 Revised Budget. 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 2022

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 2023 Midyear Budget Review.

The FY 2023 beginning balance of \$3.0 billion reflects a decrease of \$485.0 million. Outstanding encumbered obligations totaling \$100,504 at FY 2022 year-end are reflected in projected expenditures for the FY 2023 Revised Budget.

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

The FY 2022 ending balance for the OPEB Trust Fund is \$203.7 million, which is a decrease of \$14.6 million compared to the FY 2022 Revised Budget due to investment losses driven by market volatility. As a result of the timing of the FY 2022 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2023 Midyear Budget Review. Total FY 2022 revenue of \$12.3 million is a decrease of \$14.5 million compared to the FY 2022 Revised Budget due to investment losses.

FY 2022 expenditures totaling \$16.9 million are an increase of \$17,389 compared to the FY 2022 Revised Budget primarily due to administrative expenses. The FY 2023 Revised Budget includes a \$14.6 million decrease in the beginning balance as a result of the lower funding available at FY 2022 year-end.

APPENDIX

SCHOOL OPERATING FUND STATEMENT

	FY 2022 <u>Revised</u>	FY 2022 <u>Actual</u>	<u>Variance</u>	FY 2023 <u>Approved</u>	FY 2023 <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$ 32,112,883	\$ 32,112,883	\$ -	\$ 21,874,771	\$ 21,874,771	\$ -
Outstanding Encumbered Obligations	38,766,340	38,766,340	-	-	57,155,128	57,155,128
Schools/Projects Carryover	61,377,348	61,377,348	-	-	86,387,519	86,387,519
Department Critical Needs Carryover	14,893,188	14,893,188	-	-	24,089,039	24,089,039
Recommended Expenditure Adjustments	57,164,001	57,164,001	-	-	69,063,902	69,063,902
Total Beginning Balance	\$ 204,313,760	\$ 204,313,760	\$ -	\$ 21,874,771	\$ 258,570,359	\$ 236,695,588
Future Year Beginning Balance	\$ 21,874,771	\$ 21,874,771	\$ -	\$ -	\$ 21,874,771	\$ 21,874,771
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	\$ -	\$ -	\$ 31,874,771	\$ 31,874,771
RECEIPTS:						
Sales Tax	\$ 224,655,151	\$ 266,141,111	\$ 41,485,961	\$ 248,287,713	\$ 247,931,285	\$ (356,428)
State Aid	557,128,655	527,572,831	(29,555,825)	621,430,566	647,100,136	25,669,570
Federal Aid	338,606,910	167,073,336	(171,533,575)	47,168,910	201,576,691	154,407,781
City of Fairfax Tuition	50,243,746	48,449,880	(1,793,866)	51,248,621	51,248,621	-
Tuition, Fees, and Other	23,926,774	22,208,699	(1,718,075)	23,926,774	23,926,774	-
Total Receipts	\$ 1,194,561,236	\$ 1,031,445,856	\$ (163,115,380)	\$ 992,062,583	\$ 1,171,783,506	\$ 179,720,923
TRANSFERS IN:						
Combined County General Fund	\$ 2,172,661,166	\$ 2,172,661,166	\$ -	\$ 2,275,310,924	\$ 2,275,310,924	\$ -
County Transfer - Cable Communications	875,000	875,000	-	875,000	875,000	-
Total Transfers In	\$ 2,173,536,166	\$ 2,173,536,166	\$ -	\$ 2,276,185,924	\$ 2,276,185,924	\$ -
Total Receipts & Transfers	\$ 3,368,097,402	\$ 3,204,982,022	\$ (163,115,380)	\$ 3,268,248,507	\$ 3,447,969,430	\$ 179,720,923
Total Funds Available	\$ 3,604,285,932	\$ 3,441,170,552	\$ (163,115,380)	\$ 3,290,123,278	\$ 3,738,414,560	\$ 448,291,282
EXPENDITURES:						
School Board Flexibility Reserve	\$ 3,518,650,431	\$ 3,105,768,372	\$ (412,882,059)	\$ 3,255,508,063	\$ 3,654,941,767	\$ 399,433,704
	5,872,507	-	(5,872,507)	-	8,000,000	8,000,000
Total Expenditures	\$ 3,524,522,938	\$ 3,105,768,372	\$ (418,754,566)	\$ 3,255,508,063	\$ 3,662,941,767	\$ 407,433,704
TRANSFERS OUT:						
School Construction Fund	\$ 16,004,197	\$ 16,004,197	\$ -	\$ 9,291,127	\$ 26,085,422	\$ 16,794,295
Grants & Self-Supporting Fund	35,081,193	22,608,552	(12,472,641)	20,853,213	20,853,213	-
Food & Nutrition Services Fund	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Adult & Community Education Fund	1,535,709	1,535,709	-	1,004,250	1,392,762	388,512
Consolidated County & School Debt Fund	3,467,125	3,008,593	(458,532)	3,466,625	3,466,625	-
Total Transfers Out	\$ 57,888,224	\$ 44,957,051	\$ (12,931,173)	\$ 34,615,215	\$ 53,598,022	\$ 18,982,807
Total Disbursements	\$ 3,582,411,162	\$ 3,150,725,423	\$ (431,685,739)	\$ 3,290,123,278	\$ 3,716,539,789	\$ 426,416,511
ENDING BALANCE, JUNE 30	\$ 21,874,771	\$ 290,445,129	\$ 268,570,359	\$ -	\$ 21,874,771	\$ 21,874,771
Less:						
BEGINNING BALANCE REQUIREMENTS:						
Budgeted Beginning Balance from FY 2023 Approved	\$ 21,874,771	\$ 21,874,771	\$ -	\$ -	\$ -	\$ -
Total Budgeted Beginning Balance	\$ 21,874,771	\$ 21,874,771	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ 57,155,128	\$ 57,155,128	\$ -	\$ -	\$ -
Schools/Projects Carryover	-	86,387,519	86,387,519	-	-	-
Department Critical Needs Carryover	-	24,089,039	24,089,039	-	-	-
Total Commitments and Carryover	\$ -	\$ 167,631,685	\$ 167,631,685	\$ -	\$ -	\$ -
TOTAL FUNDS AVAILABLE, JUNE 30	\$ -	\$ 90,938,673	\$ 90,938,673	\$ -	\$ 21,874,771	\$ 21,874,771
FUTURE YEAR BEGINNING BALANCE						
Set-Aside for FY 2024 Beginning Balance	\$ -	\$ 21,874,771	\$ 21,874,771	\$ -	\$ 21,874,771	\$ 21,874,771
ADMINISTRATIVE ADJUSTMENTS:						
Recommended Expenditure Adjustments						
Staffing Reserve	\$ -	\$ 19,994,151	\$ 19,994,151	\$ -	\$ -	\$ -
Employee Bonus	-	15,787,153	15,787,153	-	-	-
Stadium Bathrooms	-	7,500,000	7,500,000	-	-	-
Major Maintenance	-	7,050,970	7,050,970	-	-	-
Recruitment Incentive for Substitutes	-	3,496,037	3,496,037	-	-	-
Superintendent's Strategic Reserve	-	3,000,000	3,000,000	-	-	-
Paper Inflation	-	2,500,000	2,500,000	-	-	-
Electricity Inflation	-	2,491,155	2,491,155	-	-	-
Food Services Equipment Transfer	-	1,800,000	1,800,000	-	-	-
Title IX Upgrades (softball fields)	-	1,493,325	1,493,325	-	-	-
FCPS Cost Share for Electric Buses	-	1,037,599	1,037,599	-	-	-
Safety and Security Review	-	1,000,000	1,000,000	-	-	-
Turf Fields	-	750,000	750,000	-	-	-
Young Scholars Extracurricular Enrichment	-	500,000	500,000	-	-	-
Transfer to ACE Fund	-	388,512	388,512	-	-	-
Middle School Start Time Study	-	275,000	275,000	-	-	-
Total Administrative Adjustments	\$ -	\$ 69,063,902	\$ 69,063,902	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 66,312,244	\$ 66,312,244	\$ -	\$ -	\$ 76,930,161	\$ 76,930,161
RESERVES:						
Reserve For Turf Fields	\$ 1,587,636	\$ 1,587,636	\$ -	\$ 1,615,720	\$ 1,264,906	\$ (350,814)
Total Reserve	\$ 1,587,636	\$ 1,587,636	\$ -	\$ 1,615,720	\$ 1,264,906	\$ (350,814)
RECEIPTS:						
General Obligation Bonds	\$ 180,000,000	\$ 180,000,000	\$ -	\$ 205,000,000	\$ 205,000,000	\$ -
State School Construction Grant	-	-	-	-	24,219,184	24,219,184
City of Fairfax	-	3,973,617	3,973,617	-	-	-
TJHSST Tuition - Capital Costs	800,000	1,134,478	334,478	800,000	800,000	-
Miscellaneous Revenue	306,000	1,366,906	1,060,906	306,000	306,000	-
Turf Field Revenue	345,000	17,071	(327,929)	345,000	345,000	-
Total Receipts	\$ 181,451,000	\$ 186,492,072	\$ 5,041,072	\$ 206,451,000	\$ 230,670,184	\$ 24,219,184
AUTHORIZED BUT UNISSUED BONDS	\$ 382,032,933	\$ -	\$ (382,032,933)	\$ -	\$ 316,342,445	\$ 316,342,445
Total Referendums	\$ 382,032,933	\$ -	\$ (382,032,933)	\$ -	\$ 316,342,445	\$ 316,342,445
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$ 13,000,000	\$ 13,000,000	\$ -	\$ 6,449,030	\$ 13,500,000	\$ 7,050,970
Classroom Equipment	1,421,113	1,421,113	-	592,000	592,000	-
Facility Modifications	600,000	600,000	-	600,000	9,593,325	8,993,325
Turf Fields	983,084	983,084	-	1,650,097	2,400,097	750,000
County General Construction and Contributions Fund						
Joint BOS/SB Infrastructure Sinking Reserve	13,100,000	13,100,000	-	15,600,000	15,600,000	-
Turf Fields	-	2,232,062	2,232,062	-	-	-
Other Contributions	-	215,165	215,165	-	-	-
Total Transfers In	\$ 29,104,197	\$ 31,551,423	\$ 2,447,227	\$ 24,891,127	\$ 41,685,422	\$ 16,794,295
Total Receipts and Transfers	\$ 592,588,130	\$ 218,043,495	\$ (374,544,634)	\$ 231,342,127	\$ 588,698,051	\$ 357,355,924
Total Funds Available	\$ 660,488,009	\$ 285,943,375	\$ (374,544,634)	\$ 232,957,847	\$ 666,893,117	\$ 433,935,270
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$ 276,839,356	\$ 207,748,308	\$ (69,091,048)	\$ 231,314,043	\$ 349,257,683	\$ 117,943,640
Additional Contractual Commitments	382,032,933	-	(382,032,933)	-	316,342,445	316,342,445
Total Disbursements	\$ 658,872,289	\$ 207,748,308	\$ (451,123,981)	\$ 231,314,043	\$ 665,600,128	\$ 434,286,085
ENDING BALANCE, JUNE 30	\$ 1,615,720	\$ 78,195,066	\$ 76,579,347	\$ 1,643,804	\$ 1,292,990	\$ (350,814)
Less:						
Reserve For Turf Fields	\$ 1,615,720	\$ 1,264,906	\$ (350,814)	\$ 1,643,804	\$ 1,292,990	\$ (350,814)
Available Ending Balance	\$ -	\$ 76,930,161	\$ 76,930,161	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 6,227,388	\$ 6,227,388	\$ -	\$ 6,225,115	\$ 49,256,581	\$ 43,031,466
RECEIPTS:						
State Aid	\$ 1,448,727	\$ 1,418,934	\$ (29,794)	\$ 1,533,116	\$ 1,533,116	\$ -
Federal Aid	43,613,061	120,644,209	77,031,148	46,489,647	46,489,647	-
Food Sales	41,141,127	3,820,365	(37,320,762)	40,465,734	40,465,734	-
Other Revenue	170,359	12,347	(158,012)	36,183	36,183	-
Total Receipts	\$ 86,373,274	\$ 125,895,854	\$ 39,522,580	\$ 88,524,680	\$ 88,524,680	\$ -
TRANSFERS IN:						
School Operating Fund	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000
Total Transfers In	\$ 1,800,000	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000
Total Receipts and Transfers	\$ 88,173,274	\$ 127,695,854	\$ 39,522,580	\$ 88,524,680	\$ 90,324,680	\$ 1,800,000
Total Funds Available	\$ 94,400,662	\$ 133,923,242	\$ 39,522,580	\$ 94,749,795	\$ 139,581,261	\$ 44,831,466
EXPENDITURES:						
Expenditures	\$ 88,175,547	\$ 85,324,846	\$ (2,850,702)	\$ 88,524,680	\$ 92,165,076	\$ 3,640,395
Food and Nutrition Services General Reserve	6,225,115	-	(6,225,115)	6,225,115	47,416,186	41,191,071
Total Disbursements	\$ 94,400,662	\$ 85,324,846	\$ (9,075,817)	\$ 94,749,795	\$ 139,581,261	\$ 44,831,466
Change in Inventory	\$ -	\$ 658,184	\$ 658,184	\$ -	\$ -	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ 49,256,581	\$ 47,940,213	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 1,840,395	\$ 1,840,395	\$ -	\$ -	\$ -
Inventory	-	2,057,604	2,057,604	-	-	-
Available Ending Balance	\$ -	\$ 45,358,581	\$ 45,358,581	\$ -	\$ -	\$ -

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ (557,874)	\$ (557,874)	\$ -	\$ -	\$ (388,512)	\$ (388,512)
RECEIPTS:						
State Aid	\$ 1,080,364	\$ 986,215	\$ (94,149)	\$ 1,338,875	\$ 1,338,875	\$ -
Federal Aid	2,597,654	2,597,654	-	2,343,490	2,343,490	-
Tuition and Fees	4,033,603	2,927,992	(1,105,611)	4,033,603	4,033,603	-
Other	102,771	8,748	(94,023)	78,752	78,752	-
Total Receipts	\$ 7,814,391	\$ 6,520,608	\$(1,293,783)	\$ 7,794,720	\$ 7,794,720	\$ -
TRANSFERS IN:						
School Operating Fund	\$ 1,535,709	\$ 1,535,709	\$ -	\$ 1,004,250	\$ 1,392,762	\$ 388,512
Total Transfers In	\$ 1,535,709	\$ 1,535,709	\$ -	\$ 1,004,250	\$ 1,392,762	\$ 388,512
Total Receipts and Transfers	\$ 9,350,100	\$ 8,056,317	\$(1,293,783)	\$ 8,798,970	\$ 9,187,482	\$ 388,512
Total Funds Available	\$ 8,792,226	\$ 7,498,443	\$(1,293,783)	\$ 8,798,970	\$ 8,798,970	\$ -
EXPENDITURES:						
EXPENDITURES:	\$ 8,792,226	\$ 7,886,955	\$ (905,272)	\$ 8,798,970	\$ 8,798,970	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ (388,512)	\$ (388,512)	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 49,611	\$ 49,611	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ (438,123)	\$ (438,123)	\$ -	\$ -	\$ -

GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1						
Grants	\$ 20,024,167	\$ 20,024,167	\$ -	\$ -	\$ 27,229,012	\$ 27,229,012
Summer School	11,482,978	11,482,978	-	3,962,299	17,094,480	13,132,180
Total Beginning Balance	\$ 31,507,145	\$ 31,507,145	\$ -	\$ 3,962,299	\$ 44,323,491	\$ 40,361,192
RECEIPTS:						
Grants						
State Aid	\$ 16,737,267	\$ 4,043,808	\$ (12,693,459)	\$ 8,329,096	\$ 21,098,596	\$ 12,769,500
Federal Aid	106,254,742	69,609,617	(36,645,125)	37,738,582	81,435,355	43,696,774
Industry, Foundation, Other	1,005,822	930,367	(75,455)	-	206,454	206,454
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School						
State Aid	-	3,439,842	3,439,842	-	-	-
Tuition	2,407,100	2,070,093	(337,008)	2,291,000	2,291,000	-
Industry, Foundation, Other	20,000	9,658	(10,342)	10,000	10,000	-
Total Receipts	\$ 132,424,931	\$ 80,103,385	\$ (52,321,546)	\$ 54,368,678	\$ 111,041,405	\$ 56,672,728
TRANSFERS IN:						
School Operating Fund (Grants)	\$ 14,852,154	\$ 14,852,154	\$ -	\$ 13,096,815	\$ 13,096,815	\$ -
School Operating Fund (Summer School)	20,229,039	7,756,398	(12,472,641)	7,756,398	7,756,398	-
Cable Communications Fund (Grants)	2,179,486	2,179,486	-	2,002,936	2,002,936	-
Total Transfers In	\$ 37,260,679	\$ 24,788,038	\$ (12,472,641)	\$ 22,856,149	\$ 22,856,149	\$ -
Total Funds Available	\$ 201,192,755	\$ 136,398,568	\$ (64,794,187)	\$ 81,187,126	\$ 178,221,046	\$ 97,033,920
EXPENDITURES:						
Grants	\$ 161,053,638	\$ 84,410,587	\$ (76,643,051)	\$ 61,167,429	\$ 145,069,168	\$ 83,901,739
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School	27,750,478	7,664,489	(20,085,989)	11,795,588	16,157,512	4,361,923
Total Expenditures	\$ 194,804,116	\$ 92,075,076	\$ (102,729,039)	\$ 78,963,017	\$ 167,226,680	\$ 88,263,663
RESERVES:						
Summer School Reserve	\$ 6,388,639	\$ -	\$ (6,388,639)	\$ 2,224,109	\$ 10,994,366	\$ 8,770,257
Total Reserves	\$ 6,388,639	\$ -	\$ (6,388,639)	\$ 2,224,109	\$ 10,994,366	\$ 8,770,257
Total Disbursements	\$ 201,192,755	\$ 92,075,076	\$ (109,117,679)	\$ 81,187,126	\$ 178,221,046	\$ 97,033,920
ENDING BALANCE, JUNE 30	\$ -	\$ 44,323,491	\$ 44,323,491	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 1,741,198	\$ 1,741,198	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ 42,582,293	\$ 42,582,293	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	FY 2022 Revised	FY 2022 Actual	Variance	FY 2023 Approved	FY 2023 Revised	Variance
Workers' Compensation Accrued Liability	\$ 43,078,094	\$ 43,078,094	\$ -	\$ 43,078,094	\$ 40,685,581	\$ (2,392,513)
Other Insurance Accrued Liability	7,158,641	7,158,641	-	7,158,641	7,312,982	154,341
Allocated Reserves	2,754,446	2,754,446	-	2,566,321	8,489,771	5,923,450
BEGINNING BALANCE, JULY 1	\$ 52,991,181	\$ 52,991,181	\$ -	\$ 52,803,056	\$ 56,488,334	\$ 3,685,278
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	6,008,127	8,508,127	2,500,000	6,283,127	6,283,127	-
Insurance Proceeds/ Rebates	200,000	92,282	(107,718)	-	-	-
Total Receipts	\$ 17,271,339	\$ 20,763,621	\$ 3,492,282	\$ 17,346,339	\$ 17,346,339	\$ -
Total Funds Available	\$ 70,262,520	\$ 73,754,801	\$ 3,492,282	\$ 70,149,395	\$ 73,834,673	\$ 3,685,278
EXPENDITURES:						
Workers' Compensation Administration	\$ 714,099	\$ 747,522	\$ 33,423	\$ 823,379	\$ 842,342	\$ 18,963
Workers' Compensation Claims Paid	9,170,000	8,293,275	(876,725)	9,170,000	9,170,000	-
Workers' Compensation Claims Management	1,205,000	1,761,874	556,874	1,205,000	1,205,000	-
Other Insurance	6,370,365	6,463,797	93,432	6,637,030	6,654,169	17,139
General Reserves	2,566,321	-	(2,566,321)	2,077,250	7,964,599	5,887,349
Total Expenditures	\$ 20,025,785	\$ 17,266,467	\$ (2,759,318)	\$ 19,912,660	\$ 25,836,110	\$ 5,923,450
Net change in accrued liabilities-Workers' Comp	\$ -	\$ (2,392,513)	\$ (2,392,513)	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	154,341	154,341	-	-	-
Net Change in Accrued Liability	\$ -	\$ (2,238,172)	\$ (2,238,172)	\$ -	\$ -	\$ -
ENDING BALANCE, June 30	\$ 50,236,735	\$ 56,488,334	\$ 6,251,599	\$ 50,236,735	\$ 47,998,563	\$ (2,238,172)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 36,101	\$ 36,101	\$ -	\$ -	\$ -
Available Ending Balance	\$ 50,236,735	\$ 56,452,233	\$ 6,215,498	\$ 50,236,735	\$ 47,998,563	\$ (2,238,172)
Restricted Reserves						
Workers' Compensation Accrued Liability	\$ 43,078,094	\$ 40,685,581	\$ (2,392,513)	\$ 43,078,094	\$ 40,685,581	\$ (2,392,513)
Other Insurance Accrued Liability	7,158,641	7,312,982	154,341	7,158,641	7,312,982	154,341
Allocated Reserves	-	8,489,771	8,489,771	-	-	-
Total Reserves	\$ 50,236,735	\$ 56,488,334	\$ 6,251,599	\$ 50,236,735	\$ 47,998,563	\$ (2,238,172)

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 124,021,193	\$ 124,021,193	\$ -	\$ 121,681,881	\$ 94,447,151	\$ (27,234,730)
RECEIPTS:						
Employer Contributions	\$ 268,332,545	\$ 252,075,301	\$ (16,257,244)	\$ 278,804,309	\$ 278,804,309	\$ -
Employee Contributions	79,585,368	74,329,270	(5,256,098)	82,675,193	82,675,193	-
Retiree/Other Contributions	62,409,181	59,442,254	(2,966,927)	65,744,403	65,744,403	-
Interest Income	-	70,739	70,739	-	-	-
Rebates and Subsidies	48,601,981	51,854,680	3,252,699	49,299,642	49,299,642	-
Subtotal	\$ 458,929,075	\$ 437,772,244	\$ (21,156,832)	\$ 476,523,547	\$ 476,523,547	\$ -
Flexible Accounts Withholdings	\$ 10,166,924	\$ 11,890,429	\$ 1,723,505	\$ 11,000,000	\$ 11,000,000	\$ -
Total Receipts	\$ 469,095,999	\$ 449,662,673	\$ (19,433,326)	\$ 487,523,547	\$ 487,523,547	\$ -
Total Funds Available	\$ 593,117,192	\$ 573,683,866	\$ (19,433,326)	\$ 609,205,428	\$ 581,970,698	\$ (27,234,730)
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$ 367,636,102	\$ 371,336,643	\$ 3,700,541	\$ 396,318,586	\$ 396,318,586	\$ -
Premiums Paid	77,966,982	77,758,135	(208,847)	82,645,001	82,645,001	-
Claims Incurred but not Reported (IBNR)	22,442,987	25,450,000	3,007,013	23,005,974	26,012,987	3,007,013
IBNR Prior Year Credit	(21,880,000)	(21,880,000)	-	(22,442,987)	(25,450,000)	(3,007,013)
Health Administrative Expenses	15,111,448	14,845,650	(265,798)	15,743,179	15,912,322	169,144
Subtotal	\$ 461,277,520	\$ 467,510,429	\$ 6,232,909	\$ 495,269,752	\$ 495,438,896	\$ 169,144
Flexible Accounts Reimbursement	\$ 9,985,349	\$ 11,521,373	\$ 1,536,024	\$ 10,000,000	\$ 10,000,000	\$ -
FSA Administrative Expenses	172,443	204,913	32,470	182,790	182,790	-
Subtotal	\$ 10,157,792	\$ 11,726,286	\$ 1,568,494	\$ 10,182,790	\$ 10,182,790	\$ -
Total Expenditures	\$ 471,435,312	\$ 479,236,715	\$ 7,801,403	\$ 505,452,542	\$ 505,621,686	\$ 169,144
ENDING BALANCE, JUNE 30	\$ 121,681,881	\$ 94,447,151	\$ (27,234,730)	\$ 103,752,886	\$ 76,349,012	\$ (27,403,873)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 169,144	\$ 169,144	\$ -	\$ -	\$ -
Premium Stabilization Reserve	121,681,881	94,278,008	(27,403,873)	103,752,886	76,349,012	(27,403,873)
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 3,272,144,651	\$ 3,272,144,651	\$ -	\$ 3,510,804,335	\$ 3,025,775,831	\$ (485,028,503)
RECEIPTS:						
Contributions	\$ 163,392,614	\$ 161,144,124	\$ (2,248,490)	\$ 168,471,242	\$ 168,471,242	\$ -
Investment Income	300,600,004	(194,145,087)	(494,745,091)	322,450,000	322,450,000	-
Total Receipts	<u>\$ 463,992,618</u>	<u>\$ (33,000,963)</u>	<u>\$ (496,993,581)</u>	<u>\$ 490,921,242</u>	<u>\$ 490,921,242</u>	<u>\$ -</u>
Total Funds Available	\$ 3,736,137,269	\$ 3,239,143,688	\$ (496,993,581)	\$ 4,001,725,577	\$ 3,516,697,073	\$ (485,028,503)
EXPENDITURES	\$ 225,332,934	\$ 213,367,857	\$ (11,965,078)	\$ 234,792,898	\$ 234,893,402	\$ 100,504
ENDING BALANCE, JUNE 30	\$ 3,510,804,335	\$ 3,025,775,831	\$ (485,028,503)	\$ 3,766,932,679	\$ 3,281,803,672	\$ (485,129,007)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 100,504	\$ 100,504	\$ -	\$ -	\$ -
AVAILABLE ENDING BALANCE	<u>\$ 3,510,804,335</u>	<u>\$ 3,025,675,327</u>	<u>\$ (485,129,007)</u>	<u>\$ 3,766,932,679</u>	<u>\$ 3,281,803,672</u>	<u>\$ (485,129,007)</u>

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

	<u>FY 2022 Revised</u>	<u>FY 2022 Actual</u>	<u>Variance</u>	<u>FY 2023 Approved</u>	<u>FY 2023 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 208,374,626	\$ 208,374,626	\$ -	\$ 218,269,126	\$ 203,711,833	\$ (14,557,293)
REVENUE:						
Employer Contributions	\$ 21,818,000	\$ 21,820,000	\$ 2,000	\$ 21,771,000	\$ 21,771,000	\$ -
Net Investment Income	5,000,000	(9,541,904)	(14,541,904)	5,000,000	5,000,000	-
Total Revenue	\$ 26,818,000	\$ 12,278,096	\$ (14,539,904)	\$ 26,771,000	\$ 26,771,000	\$ -
TOTAL FUNDS AVAILABLE	\$ 235,192,626	\$ 220,652,722	\$ (14,539,904)	\$ 245,040,126	\$ 230,482,833	\$ (14,557,293)
EXPENDITURES:						
Benefits Paid	\$ 16,818,000	\$ 16,820,000	\$ 2,000	\$ 16,771,000	\$ 16,771,000	\$ -
Administrative Expenses	105,500	120,889	15,389	105,500	105,500	-
Total Expenditures	\$ 16,923,500	\$ 16,940,889	\$ 17,389	\$ 16,876,500	\$ 16,876,500	\$ -
ENDING BALANCE, JUNE 30	\$ 218,269,126	\$ 203,711,833	\$ (14,557,293)	\$ 228,163,626	\$ 213,606,333	\$ (14,557,293)

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2023**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2023 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	\$3,255,508,063	\$3,662,941,767	\$407,433,704
S31000	School Construction Operating Expenditures	\$203,814,043	\$665,600,128	\$461,786,085
S40000	School Food & Nutrition Services Operating Expenditures	\$94,749,795	\$139,581,261	\$44,831,466
S43000	School Adult & Community Education Operating Expenditures	\$8,682,078	\$8,798,970	\$116,892
S50000	School Grants & Self-Supporting Operating Expenditures	\$81,193,094	\$178,221,046	\$97,027,952
S60000	Public Schools Insurance Fund Operating Expenditures	\$19,912,660	\$25,836,110	\$5,923,450
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$609,205,428	\$581,970,698	(\$27,234,730)
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$234,792,898	\$234,893,402	\$100,504
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$16,876,500	\$16,876,500	\$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 2022 Final Budget Review, at a regular meeting held on September 1, 2022, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Beverly Madeja, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2023**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2023 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	\$9,291,127	\$26,085,422	\$16,794,295
		S40000	Food and Nutrition	-	\$1,800,000	\$1,800,000
		S43000	School Adult & Community Education	\$1,004,250	\$1,392,762	\$388,512
		S50000	School Grants & Self Supporting	\$20,853,213	\$20,853,213	\$0
		C20000	Consolidated Debt Service	\$3,466,625	\$3,466,625	\$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 2022 Final Budget Review, at a regular meeting held on September 1, 2022, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Beverly Madeja, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

Quarterly Report - FY 2022

Date: June 30, 2022

Update for FY 2022 Grants

The status of FY 2022 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: \$14.6 million (48 grants)
- Competitive grants awarded: \$3.5 million (36 grants)
- Competitive grants denied: \$0.3 million (2 grants)
- Competitive grants pending: \$10.5 million (10 grants)

The status of FY 2022 competitive grants awarded in collaboration with Educate Fairfax (formerly The Foundation for Fairfax County Public Schools) are as follows:

- Competitive grants submitted: \$1.0 million (8 grants)
- Competitive grants awarded: \$0.5 million (7 grants)
- Competitive grants denied: \$0.0 million (1 grant)
- Competitive grants pending: \$0.0 million (0 grants)

The status of FY 2022 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: \$78.6 million (10 grants)
- Entitlement grants awarded: \$38.2 million (8 grants)
- Entitlement grants pending: \$40.9 million (2 grants)

The status of FY 2022 federal pandemic relief grants (including ARP Act ESSER III, CRRSA Act ESSER II and GEER II, and ARP Act CSLFRF) are as follows:

- Federal stimulus grants submitted: \$231.2 million (14 grants)
- Federal stimulus grants awarded: \$226.9 million (13 grants)
- Federal stimulus grants pending: \$0.1 million (1 grant)

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