

## **Response to Questions on the FY 2014 Budget**

**Request By:** Supervisor McKay

**Question:** Please provide a five-year analysis of all FCPS end of year balances that were transferred back to the Board of Supervisors.

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

Attached is a chart that details FCPS' year end balances for FY 2008-FY 2012 as included as part of the County's Carryover Budget Review. These balances are approved to be carried forward and reappropriated in the succeeding year by the Board of Supervisors in supplemental appropriation resolutions.

It should be noted that no balances were transferred back to the Board of Supervisors.

Ending Balance Composition	FY 2008 (\$ in millions)	FY 2009 (\$ in millions)	FY 2010 (\$ in millions)	FY 2011 (\$ in millions)	FY 2012 (\$ in millions)	Definition
Revenue	\$2,250.3	\$2,289.1	\$2,262.8	\$2,348.0	\$2,371.6	
Set Aside for Beginning Balance	0	\$5.7	\$23.9	\$33.9	\$52.5	This is funding set aside in a prior year for a future year beginning balance.
VRS Reserve	0	\$0.0	\$0.0	\$0.0	\$45.0	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Compensation Reserve	0	\$0.0	\$0.0	\$0.0	\$3.0	Fully expended to balance the FY 2012 budget.
<b>Total Funds Available</b>	<b>\$2,250.3</b>	<b>\$2,294.8</b>	<b>\$2,286.7</b>	<b>\$2,382.0</b>	<b>\$2,472.1</b>	The total of revenue and funding set aside for future years' beginning balances.
<b>Total Disbursements</b>	<b>\$2,144.4</b>	<b>\$2,176.7</b>	<b>\$2,097.0</b>	<b>\$2,121.8</b>	<b>\$2,215.6</b>	The total expenditures and transfers out to other funds.
Ending Balance	\$105.9	\$118.1	\$189.7	\$260.2	\$256.5	Prior to actions at the final budget review
<b>Less Actions from the Final Budget Review:</b>						
Flexibility Reserve	\$8.0	\$8.0	\$8.0	\$8.0	\$8.0	The School Board flexibility reserve is normally maintained at \$8.0 million to meet unbudgeted needs. Any unused portion is carried forward to the next fiscal year with School Board approval. For this reason, the flexibility reserve is only reflected in the current year estimate and is not included in the approved budget totals.
Undelivered Orders	\$33.1	\$39.1	\$57.5	\$53.4	\$46.0	An obligation of funding for orders where goods or services have not been received or performed as of June 30.
Automatic Carryover	\$5.9	\$15.7	\$31.5	\$29.6	\$26.4	Unobligated funding from the current year that is moved forward to the next year. This form of carryover is reserved for schools and primarily covers their supply and hourly accounts. It allows schools the flexibility of multi-year planning for a portion of their funding and has been especially helpful during the economic downturn.
Unencumbered Carryover	\$4.2	\$3.4	\$5.3	\$7.0	\$5.2	See "automatic carryover" with the exception that this funding must be requested by the department and approved by leadership. Also referred to as "critical needs" carryover, this is the avenue for schools and departments to carry forward funding to the next fiscal year for non-recurring costs. Examples include the carryover of the balance of special funds (equal opportunity, neediest kids, etc) and funding for change management training for the joint county-schools ERP project.
Grant Balances Carryover	\$1.8	\$0.0	\$0.0	\$0.0	\$0.0	The unobligated balance available in a subsequent grant period. This funding must still be used for purposes as stated in the grant.
Centralized Textbook Fund	\$0.0	\$0.0	\$0.0	\$4.4	\$7.7	Beginning in FY 2012, FCPS will centralize textbook purchasing starting with online social studies textbooks for middle and high schools. FCPS will fund the textbook license up front and reduce per-pupil textbook funding allocated to middle and high schools each year. At the end of six years, the up-front funding will be completely replenished.
VRS Reserve	\$0.0	\$0.0	\$0.0	\$45.0	\$60.6	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Compensation Reserve	\$0.0	\$0.0	\$0.0	\$3.0	\$0.0	Fully expended to balance the FY 2012 budget.
Teacher Evaluation	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0	To meet the July 1, 2012, implementation deadline set by the Virginia Department of Education for school systems to provide a new teacher evaluation process, the FCPS' Teacher Evaluation Task Force has agreed that: the new evaluation instrument would be fair and reliable and the new evaluation process would promote growth. As required by VDOE: the evaluation would be rated at the level of each of Virginia's new seven standards (not at the indicator level as previously done in FCPS); the final evaluation would have one holistic rating; a conference with the teacher and evaluator would be required at the final evaluation; and clear direction and training would be provided to teachers and principals before the new evaluation process begins.
Clinical Support for Students	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	Funding was provided to expand clinical support (psychologists and social workers) to schools to assist in special education eligibility assessments where volume is high; to coordinate community resources for high-need schools; and extend contracts for six social workers to manage intervention cases during the summer.
ACE Transfer	\$0.0	\$0.0	\$0.0	\$0.0	\$1.0	The Adult and Community Education Fund ended FY 2012 with a shortfall of \$1.0 million, primarily due to lower than projected tuition revenue. In the FY 2013 Approved Budget, ACE had restructured its course offerings, streamlined its administration, and reduced its staff. To support the FY 2013 projected revenue and expenditure assumptions, a one-time transfer increase of \$1.0 million was provided.
School Board Placeholder for Management Audit	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	A placeholder was established for future School Board directed management audit activities.
School Board Placeholder for Discipline Support	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	A placeholder was established to enhance FCPS' efforts to provide academic support to students who are serving out of school suspensions.
Set Aside for Beginning Balance						An amount of funding identified from the current or prior years to assist with balancing the budget of the coming year.
FY 2009	\$50.0					
FY 2010		\$28.0	\$0.0	\$0.0		
FY 2011		\$23.9	\$53.5	\$0.0		
FY 2012		\$0.0	\$33.9	\$57.3		
FY 2013		\$0.0	\$0.0	\$51.6	\$57.5	
FY 2014					\$41.6	
<b>Total Available</b>	<b>\$2.7</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>Remaining available funding after all items above have been accounted for.</b>