

Response to Questions on the FY 2015 Budget

Request By: Supervisor McKay

Question: How much of the School Board's flexibility reserve do you anticipate will remain unspent by fiscal year end?

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

The School Board flexibility reserve is normally maintained at \$8.0 million to meet unforeseen needs. Each year, any unused portion of the reserve 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's revised budget and is not budgeted in the approved budget.

In FY 2010, \$3.8 million was needed at midyear to balance the budget primarily due to a reduction in sales tax revenue. The reserve was restored with savings identified throughout the remainder of FY 2010 and the full \$8.0 million was carried forward to FY 2011. Because this \$8.0 million continually carries forward, expending this reserve would provide only a one-time solution and would eliminate flexibility in future years.

It is important to maintain this flexibility reserve within the current fiscal year's budget to ensure that the School Board can meet unforeseen, unbudgeted needs. For example, due to the significant snowfall this winter, after all of the snow removal invoices have been received, FCPS may need to access the flexibility reserve to address these unforeseen and atypical expenditures.