County of Fairfax, Virginia

MEMORANDUM

Attachment B

DATE: March 3, 2015

TO: BOARD OF SUPERVISORS

FROM: Edward L. Long Jr.
County Executive

SUBJECT: FY 2015 Third Quarter Review

Attached for your review and consideration is the *FY 2015 Third Quarter Review*, including Supplemental Appropriation Resolution AS 15190 and Amendment to the Fiscal Planning Resolution AS 15901. The Third Quarter Review includes recommended funding adjustments and the following attachments for your information.

Attachment I - A General Fund Statement reflecting the status of the Third Quarter Review. Also attached is a statement of Expenditures by Fund, Summary of All Funds.

Attachment II - A Summary of General Fund Revenue reflecting an increase in FY 2015 revenue of $2.09 million from the Fall 2014 Revenue estimates.

Attachment III - A Detail of Major Expenditure Changes in Appropriated and Non-Appropriated Other Funds. Expenditure changes, excluding audit adjustments, in all Appropriated Other Funds and excluding Schools, the General Fund, and the Federal/State Grant Fund, total a net increase of $108.96 million. Expenditures in Non-Appropriated Other Funds decrease a total of $2.45 million.

Attachment IV - Fund 50000, Federal/State Grant Fund, detailing grant appropriation adjustments for a total net increase of $18.81 million.

Attachment V - Supplemental Appropriation Resolution (SAR) AS 15190 and Amendment to the Fiscal Planning Resolution (FPR) AS 15901.

Attachment VI - FY 2014 Audit Package including final adjustments to FY 2014 and the FY 2015 impact.

Attachment VII - Fairfax County Public Schools (FCPS) Third Quarter Review (The School Board is not scheduled to act on the FCPS Third Quarter Review until March 5, 2015 so any adjustments made by the School Board will be provided to the Board of Supervisors prior to their action on the *FY 2015 Third Quarter Review*.)

As the Board is aware, the Code of Virginia requires that a public hearing be held prior to the adoption of amendments to the current year budget when the adjustments exceed one percent of total expenditures. In addition, any amendment of one percent of expenditures or more requires that the Board advertise a

Office of the County Executive
12000 Government Center Parkway, Suite 552
Fairfax, VA 22035-0066
703-324-2531, TTY 703-222-5494, Fax 703-324-3956
www.fairfaxcounty.gov

synopsis of the proposed changes. A public hearing on the proposed changes included in the *FY 2015 Third Quarter Review* has been scheduled for April 7, 8, and 9, 2015. On April 21, 2015, the Board will take action on this quarterly review prior to marking up the FY 2016 Advertised Budget Plan.

The following is a summary of General Fund adjustments included in the *FY 2015 Third Quarter Review*.

Summary of Third Quarter Adjustments

(in millions)

RESOURCES AVAILABLE	
Revenues:	
Revenues associated with Spending Adjustments due to Operations	$2.09
Reserves:	
Reserve for State/Federal Reductions and Sequestration Cuts	$7.70
FY 2014 Audit Adjustments	3.28
Reserve for Potential FY 2015 Revenue Reductions and One-Time Requirements*	2.83
Net Change in Managed Reserve	(0.31)
	$13.50
Total Resources Available:	$15.59
RECOMMENDED ADJUSTMENTS	
Spending Adjustments due to Operations	$3.70
Disbursement Adjustments Necessary to Fund Tax Litigation Reserve (one-time funds)**	14.91
Disbursement Adjustment to Increase Funding for Revenue Stabilization (one-time funds)***	7.70
Agency Budget Reductions (one-time funds)	(10.72)
	$15.59
Balance Available:	$0.00

* This $2.83 million reserve is the result of the $11.03 million balance available at the *FY 2014 Carryover Review*, less a reduction of $8.20 million as a result of revised revenue estimates as of fall 2014.

** The Tax Litigation Reserve in Fund 60000, County Insurance, is increased by $15.0 million primarily as a result of these additional General Fund contributions. In addition, anticipated requirements for tax litigation-related expenses in FY 2015 are appropriated as a result of one-time savings in other funds, including Debt Service, Capital, and Grants.

*** As a result of proposed actions in the *FY 2015 Third Quarter Review*, the Revenue Stabilization Fund balance will increase to 3.20 percent of General Fund Disbursements.

The FY 2015 Third Quarter Review reflects a number of adjustments necessary to reflect changes to FY 2015 revenues, to fund FY 2015 spending requirements, and to begin to strengthen County reserves. As the Board is aware, our reserves are a key part of strong financial management and are essential to provide the County with options and alternatives in the event of significant unanticipated emergencies or requirements. Improvement in our reserve levels will be critical in retaining our triple-A rating from the credit rating agencies. As such, the Third Quarter Review package includes some adjustments to replenish and increase our reserves in accordance with recommended policy changes which will be considered by the Board as part of the FY 2016 budget process. **Funding to augment reserve balances is provided from one-time resources which cannot be used for recurring requirements.**

Total revenues are estimated at $3.70 billion and reflect an increase of $2,088,547, or 0.06 percent, from the fall 2014 estimate. As noted in the FY 2016 Advertised Budget Plan, FY 2015 revenue estimates were decreased a net $8.2 million as part of a fall 2014 revenue review prior to Third Quarter during the development of the FY 2016 budget. These adjustments were based on actual FY 2014 receipts and collections through the first several months of FY 2015. The $2.09 million revenue increase noted as part of Third Quarter is solely the result of disbursement adjustments which are discussed below.

As has been the case the last several years, refining revenue estimates has been challenging due to the impact of federal and state budget issues on the local economy and our lackluster economic performance. In addition this year there is some degree of uncertainty as a result of the recent Virginia Supreme Court ruling concerning BPOL (Business, Professional, and Occupational License). While the case was filed by a business taxpayer in Arlington, the Court's validation of the methodology to determine the tax basis will impact Fairfax as well – with some of the impact currently unknown. As we record filings of BPOL this month, it may be necessary to return to the Board with revised FY 2015 revenue estimates prior to action on Third Quarter. In addition, I have added funding to the tax litigation reserve as a result of this ruling and projected impacts on the County.

A number of adjustments are necessary to FY 2015 General Fund disbursements. These adjustments result in an increase in General Fund disbursements of $15.59 million and I have categorized these below:

- **Spending Adjustments due to Operations** **$3.70 million**

  Based on operating requirements, a number of adjustments are necessary, totaling $3.70 million. Of this amount, $2.12 million is associated with increases in our self-insurance fund based on actuarially determined accrued liability costs as well as funding to support general insurance costs primarily associated with worker compensation. A disbursement increase of $1.59 million is due to the partial-year funding of the "Booster Shot" for positions supporting increased development activities in the County. Funding of $0.41 million is necessary based on requirements at the Juvenile Detention Center (JDC) for the allocation of bed space serving District of Columbia youth. The costs associated with both the Booster Shot and the JDC are more than fully covered by additional revenue and result in a net savings to the County. Other adjustments noted later in this letter result in a disbursement savings of $0.42 million. In total, disbursement increases of $3.70 million for adjustments in this category are offset by increased revenues of $2.09 million, resulting in a net General Fund impact of $1.61 million.

- **Disbursement Adjustments Necessary to Fund Tax Litigation Reserve** **$14.91 million**

  As a result of the Virginia Supreme Court ruling on BPOL, we will likely utilize all of the tax litigation reserve that the Board prudently established in FY 2014 for this purpose. However, additional funding will be required. As staff continues to review the impact of this case, I am recommending increases in the tax litigation reserve in anticipation of these requirements. I am recommending an increase to the tax litigation reserve of $15.0 million for FY 2016/2017 requirements. In addition, funding for payments which may be necessary in FY 2015 has been identified in one-time savings in debt service as well as by scrubbing capital project balances and local cash match available as the result of grant closeouts. I have supported this increase to our tax litigation reserve primarily with transfers from the General Fund totaling $14.91 million by applying $6.1 million in one-time balances available from the FY 2014 Carryover and subsequent audit adjustments and one time savings of $8.8 million as a result of agency reductions.

- **Disbursement Adjustment to Increase Funding for Revenue Stabilization** **$7.70 million**

  As outlined in my memo of February 17, 2015, an immediate deposit into the Revenue Stabilization Fund demonstrates the Board commitment to increase its funding level for reserves and is a strong statement to the rating agencies. I am recommending that the Board reallocate the remaining balance in the one-time Sequestration Reserve of $7.70 million to the Revenue Stabilization Reserve. This contribution is critical to ensure that our FY 2015 balances do not drop from FY 2014 levels and also demonstrates that the Board is committed to both a policy change and the actions necessary to meet the defined goals. While the impacts of federal sequestration actions are still not resolved, I believe this reserve is more appropriately reclassified to the Revenue Stabilization Reserve as a first step in increasing this important reserve. The financial impact of future sequestration actions will need to be analyzed when identified and addressed as part of our annual and quarterly budget reviews.

- **Agency Budget Reductions** **($10.72) million**

  In July 2014, I started a multi-year process to address budget issues in FY 2015 and FY 2016. Part of that strategy included requiring agencies to identify program reductions – both one-time reductions in FY 2015 and on-going service reductions/efficiencies in FY 2016. The FY 2016 reductions total $26.86 million have been included in the FY 2016 Advertised Budget Plan. The FY 2015 reductions total $10.72 million and are necessary to support disbursement requirements noted above. Some County agencies have been able to identify savings, many by anticipating the permanent funding reductions included in FY 2016. As a result, these reductions are one-time funds since the recurring impacts have already been included in the FY 2016 budget.

Audit Adjustments

As a result of the FY 2014 Comprehensive Annual Audit, a number of adjustments to revenues and expenditures are necessary to reflect Generally Accepted Accounting Principles (GAAP) requirements. Revenue and expenditure adjustments result in a net increase of $3.28 million to the FY 2015 beginning General Fund balance. This balance is available for Third Quarter requirements.

In addition, several other adjustments to various funds are required, including Fairfax County Public Schools' funds and the Fairfax County Redevelopment Housing Authority Funds. All of these audit adjustments were reflected in the FY 2014 Comprehensive Annual Financial Report (CAFR). Details of these audit adjustments are included in Attachment VI.

Summary of Administrative Adjustments

The following adjustments are made as part of the *FY 2015 Third Quarter Review*. It should be noted that the revenue adjustments included in the *FY 2015 Third Quarter Review* are described in detail in the Summary of General Fund Revenue, Attachment II.

In addition, there are various General Fund Supported and Other Fund expenditure adjustments, supported by both non-General Fund revenue and the use of fund balance. Adjustments to Other Funds are reflected in the Other Funds Detail section, Attachment III.

SPENDING ADJUSTMENTS DUE TO OPERATIONS $3.70 MILLION

Disbursement increases related to the following adjustments total $3.70 million. It should be noted that associated revenues of $2.09 million offset this increase, for a total net impact to the General Fund of $1.61 million.

		NON-RECURRING
Agency 51, Park Authority	Expenditures	$50,000
Resident Curator Program	**Net Cost**	**$50,000**

An increase of $50,000 is required to develop and begin implementation of a pilot Resident Curator Program (RCP) in Fairfax County. In January 2011, the Virginia General Assembly enacted enabling legislation allowing local jurisdictions to establish RCPs. The legislation defines a resident curator as an entity that contracts with a locality to preserve and maintain a publicly-owned or publicly-leased historic property in exchange for gaining use of the property. Successful RCPs are in place in Delaware, Maryland, and Massachusetts. Fairfax County is the first Virginia locality to pursue establishing a RCP.

Resident curator programs identify publicly-owned historic properties with no immediate or practical public use and, through an open and competitive process, select outside parties with skills, resources, and vision to rehabilitate the property in accordance with accepted preservation standards for historic buildings. In exchange for rehabilitating the property, the curator gains use of the property and pays little or no rent. A RCP in Fairfax County will provide a fiscally responsible means to put many of the County's historic properties back into use. Curators will be required to provide opportunities for the public to visit and tour the properties in order to appreciate and understand their historic and architectural significance. A RCP will contribute to the County's stewardship mission of preserving and maintaining our historic resources while using a minimum of County fiscal resources.

Funding of $50,000 will support a limited term Project Manager who will lead and manage the initial pilot program. The Project Manager will assist in the development of a Request for Information (RFI) that will be used to help implement the program and assess the full spectrum of public interest in each property, and a Request for Proposal (RFP) for a resident curator at specific properties. In addition, the Project Manager will work on marketing strategies, assist in the development of lease options for interested parties, and explore additional alternative funding sources for the program.

		NON-RECURRING
	Revenue	($348,953)
Agency 67, Department of Family Services	Expenditure	($675,000)
Comprehensive Services Act	**Net Cost**	**($326,047)**

A decrease of $675,000 to expenditures is included due to a decrease in mandated funding requirements in the Comprehensive Services Act (CSA) based on anticipated expenditures in FY 2015. Actual costs for the CSA program are dependent on the number of youth served and the complexity of services provided. The CSA system has worked to contain costs by utilizing community-based services and minimizing the length of stay when a residential placement is necessary. The expenditure decrease is partially offset by a decrease in state funding of $348,953 for a net savings to the General Fund of $326,047.

		NON-RECURRING
	Revenue	($350,000)
Agency 67, Department of Family Services	Expenditure	($350,000)
Adoption Subsidy Program	**Net Cost**	**$0**

A decrease of $350,000 to both revenues and expenditures for the Adoption Subsidy Program is included to more accurately align the program's budget with actual spending. Program spending has declined significantly due to the maximization of Medicaid as an alternative funding source for these subsidies. This adjustment is consistent with adjustments made at previous third quarter reviews and is needed in order to reconcile program year funding to actual experience. The expenditure decrease is fully offset by a decrease in federal and state revenues for no net impact to the County.

		NON-RECURRING
	Revenue	$687,500
Agency 81, Juvenile and Domestic Relations District Court	Expenditure	$412,500
Bed Space Serving District of Columbia Youth	**Net Cost**	**($275,000)**

Starting in February 2015, funding of $412,500 is required for the Juvenile and Domestic Relations District Court (JDRDC) to provide 11 beds of available space at the Juvenile Detention Center (JDC) for District of Columbia (DC) youth awaiting placement in a treatment facility or group home. This funding will primarily support the filling of 3/3.0 FTE previously vacant and unfunded Probation Officer positions, operating expenditures such as food and supplies, and payment to Fairfax County Public Schools (FCPS) for education-related services.

The District of Columbia will be billed a rate of $380 per bed per day, generating approximately $127,000 in monthly revenue plus reimbursement for education-related expenses. In FY 2015, this will generate an estimated $735,000 in revenue over five months. This increase will be partially offset by a $47,500 reduction in State Share block grant revenue associated with reducing the total bed count in the JDC from 121 to 110, resulting in a net revenue increase of $687,500. As a result, the FY 2015 partial-year savings to the County associated with this program is estimated to be $275,000. It should be noted that FY 2016 adjustments resulting from this initiative were already included in the FY 2016 Advertised Budget Plan.

Individuals that will be served include both males and females aged 12 to 18 that have been adjudicated as delinquent in DC courts and placed in the custody of the DC Department of Youth and Rehabilitation Services. These youth will be fully integrated into the JDC population. Youth in the program will be able to be held in the JDC for a maximum of 30 days and will only be accepted and released under secure custody. Fairfax County reserves the right to deny or terminate any placement based on conditions impacting health, safety, and security.

		NON-RECURRING
	Revenue	$2,100,000
Agency 26, Office of Capital Facilities	Expenditure	$45,937
Agency 31, Land Development Services	Expenditure	$974,316
Agency 35, Department of Planning and Zoning	Expenditure	$128,510
Agency 40, Department of Transportation	Expenditure	$80,038
Agency 92, Fire and Rescue Department	Expenditure	$356,735
Booster Shot Program - Positions Supporting Land Development Process	**Net Cost**	**($514,464)**

A net increase of $1,585,536, including $1,238,329 in Personnel Services and $384,408 in Operating Expenses offset by a decrease of $37,201 in Recovered Costs reflects the partial year impact of funding 28/28.0 FTE positions to address increased development activities in the County. The expenditure increase is fully offset by an increase of $2,100,000 in land development services fee revenue for a net savings of $514,464. On December 2, 2014, the Board of Supervisors approved increases to Land Development Services and Fire Prevention Division (Fire Marshal) fees for plan review, permits, and inspection services. The fee increase will support additional staff resources in a variety of agencies supporting the plan review, permits, and inspection process. The goal of the additional staff is to assist the County in improving customer service and work plan implementation efforts, supporting minimum submission review for grading plans and tenant work and electronic plan submissions, and reducing plan review timeframes. The approved fee increases are anticipated to result in additional revenue of approximately $2.1 million in FY 2015 and $5.1 million in FY 2016 to support land development projects in Fairfax County. It should be noted that FY 2016 adjustments resulting from this initiative were already included in the FY 2016 Advertised Budget Plan.

		NON-RECURRING
Fund 30010, General Construction and Contributions	General Fund Transfer	$84,625
Revenue for Code Compliance-Related Activities	**Net Cost**	**$84,625**

A General Fund Transfer of $84,625 to Fund 30010, General Construction and Contributions, is required to allocate revenue collected from court ordered fines for zoning violations. As part of the FY 2009 Adopted Budget Plan budget guidelines, the Board of Supervisors directed that any revenue generated from zoning violation fines in excess of the baseline total of $122,215 be made available to support the activities of the Department of Code Compliance. Zoning violation revenues for FY 2014 were $206,840, which exceeded the base revenue amount by $84,625. As a result, this amount is being transferred to the Strike Force Blight Abatement project in Fund 30010 for use in support of code compliance-related activities.

		NON-RECURRING
Fund 60000, County Insurance	General Fund Transfer	$2,116,000
Accrued Liability Reserve and General Insurance Costs	**Net Cost**	**$2,116,000**

The General Fund transfer to Fund 60000, County Insurance, is increased by $2,116,000. Of this total, an increase of $916,000 is for accrued liability adjustments. An actuarial analysis was performed after the close of the fiscal year by an outside actuary to estimate the ultimate value of losses for which the County is liable. It is the County's policy to fully fund the Accrued Liability Reserve each year based on the actuarial valuation, in order to ensure adequate funding for those risks that are self-insured. The actuarial analysis estimates the ultimate value both for those cases where claims have already been reported as well as for those claims and future loss payments that could occur, or that have been incurred but not reported yet. The remaining increase of $1,200,000 is for general insurance costs. Of this amount, $500,000 is included for anticipated expenditures due to ongoing litigation in personnel-related matters. This additional funding is required to continue to support expenses for outside counsel and expert witnesses.

An additional $500,000 is required to support workers' compensation expenses. Workers' compensation costs continue to increase, particularly as expenses are incurred for older claims as a result of the aging of the population of injured employees. The remaining increase of $200,000 is required to offset a reduction in interest revenue as interest earnings are projected to be lower than was included in the *FY 2015 Revised Budget Plan*.

		NON-RECURRING
Fund 10010, Revenue Stabilization	General Fund Transfer	$472,957
Maintain Reserve at 3.0 percent of General Fund Disbursements	**Net Cost**	**$472,957**

Funding of $472,957 is transferred from the General Fund to Fund 10010, Revenue Stabilization, to maintain the reserve at 3.0 percent of General Fund disbursements based on the *FY 2015 Third Quarter Review* disbursement adjustments. An additional adjustment to increase the size of the reserve is noted below.

ADJUSTMENTS TO FUND TAX LITIGATION RESERVE $14.91 MILLION

		NON-RECURRING
Fund 60000, County Insurance	General Fund Transfer	$14,911,545
Increase Tax Litigation Reserve	**Net Cost**	**$14,911,545**

Additional General Fund support of $14.91 million is necessary to increase the tax litigation reserve as a result of the Virginia Supreme Court ruling on Business, Professional, and Occupational License (BPOL) tax. The Court's ruling defined a methodology for apportioning gross receipts for multi-state and multi-national companies operating in Fairfax County as well as other counties in the Commonwealth. This is a new deduction formula that had not been employed in the state until developed by the State Tax Commissioner and affirmed by the Court. This new formula for determining BPOL tax situs will impact only a subset of the businesses in Fairfax County and much more analysis and data is required in order to determine total refund and ongoing revenue impacts. In FY 2014, the Board established the tax litigation reserve primarily for this purpose. In addition, a portion of the nearly 42,000 businesses operating in Fairfax County may qualify to use this apportionment formula. An increase in the tax litigation reserve of $15.0 million is recommended to meet FY 2016/2017 requirements as a result of this BPOL case. This increase is funded primarily from an increase in the General Fund transfer by applying $6.11 million in one-time balances available from the FY 2014 Carryover and subsequent audit adjustments and one-time savings of $8.80 million as a result of agency reductions. In addition, one-time funding is available, including debt service balances from recent new money bond sales and refundings ($8.0 million), capital project balances following a review of completed projects ($8.0 million) and local cash match available as the result of grant closeouts ($0.7 million), which will accommodate the appropriation of funding for payments which may be necessary in FY 2015. This action continues to protect the County from the liability that exists as a result of the Supreme Court ruling as well as demonstrates the Board's commitment to strong reserve policies.

INCREASE TO REVENUE STABILIZATION RESERVE $7.70 MILLION

		NON-RECURRING
Fund 10010, Revenue Stabilization	General Fund Transfer	$7,697,880
Use Sequestration Reserve to Increase Revenue Stabilization Reserve	**Net Cost**	**$7,697,880**

Funding of $7,697,880 is transferred from the General Fund to Fund 10010, Revenue Stabilization, to increase its funding level. This is the first step toward strengthening the County's reserves and moves the funding level of the Revenue Stabilization Fund from its current balance of 3.0 percent of General Fund disbursements toward its proposed target level of 5.0 percent of General Fund disbursements. This funding was formerly held in a Sequestration Reserve to offset impacts of federal sequestration actions. County impacts associated with ongoing sequestration action will need to be absorbed as possible. This adjustment, along with the adjustment included above, brings total funding in the Revenue Stabilization Fund to 3.20 percent of General Fund disbursements. As outlined in the County Executive's memo of February 17, 2015, an immediate deposit into the Revenue Stabilization Fund demonstrates the Board's commitment to increase its funding level for reserves and is a strong statement to the rating agencies.

REDUCTIONS IN COUNTY AGENCIES ($10.72 MILLION)

		NON-RECURRING
	General Fund	($9,248,763)
Multiple Agencies	General Fund Transfers	($1,130,000)
Reductions used for Increasing Reserve Funding and FY 2015 Requirements	**Net Cost**	**($10,378,763)**

A number of reductions totaling $10,378,763 are included in the *FY 2015 Third Quarter Review*. These balances are available as a result of the direction to County agencies early in FY 2015 to generate savings in FY 2015 based on the most recent revenue estimates for FY 2015 at that time. Most County agencies have been able to identify savings, many of which are as a result of anticipating the permanent funding reductions that are included in the FY 2016 Advertised Budget Plan. As a result, these reductions are one-time funds since the recurring impact has already been included in the FY 2016 budget.

These balances are being used primarily to increase the tax litigation reserve in Fund 60000, County Insurance. Of the total $10.38 million in reductions, $8.80 million is moved to the County Insurance Fund as part of the *FY 2015 Third Quarter Review*.

		NON-RECURRING
Multiple Agencies	Expenditure	($1,541,033)
Agency 87, Unclassified Administrative Expenses	Expenditure	$1,200,000
Incentive Reinvestment Initiative	**Net Cost**	**($341,033)**

A net decrease of $341,033 reflects $1,541,033 in savings generated by agencies as the result of careful management of their expenditures during the fiscal year, partially offset by an increase of $1,200,000 to expenditures in Agency 87, Unclassified Administrative Expenses. The Incentive Reinvestment Initiative was established to encourage staff to identify additional savings and efficiencies by allowing County departments to retain a portion of the savings generated to reinvest in employees. General Fund agencies were challenged to save an amount equal to 1 percent of their personnel budget. It is important to note that agencies are allowed to identify savings less than, but not more than, 1 percent of their FY 2015 Adopted personnel budget. Of the total amount identified, 50 percent will be returned to the General Fund as part of Third Quarter. The remaining 50 percent of the savings is retained by agencies and will be reinvested in employee training, conferences and other employee development and succession planning opportunities. In order to accommodate these savings which are being generated late in the fiscal year, the balance will be treated as unencumbered carryover for one year.

Savings of $1.20 million were anticipated to be returned to the General Fund as a result of the initiative, and as part of the FY 2015 Adopted Budget Plan these anticipated savings were included in Agency 87 to be spread to participating agencies as part of the *FY 2015 Third Quarter Review*. General Fund agencies identified a total of $3.08 million in savings through this effort, with $1.54 million being returned to the General Fund. Of the amount returned to the General Fund, $1.20 million is reallocated to Agency 87 to offset budgeted savings, resulting in a net decrease of $0.34 million.

Summary

In summary, I am recommending that the following actions be taken:

- Board approval of the funding and audit adjustments contained in this package which result in a General Fund Available Balance of $0.00 million, an increase of $108.96 million in Appropriated Other Funds expenditures excluding Federal and State Grants, audit adjustments and Schools' funds. Details regarding adjustments for School funds as requested by the School Board in Draft are provided in the Schools' Recommended *FY 2015 Third Quarter Review* package (Attachment VII).

  - Supplemental Appropriation Resolution AS 15190

  - Amendment to Fiscal Planning Resolution AS 15901

- Board appropriation of Federal/State grant adjustments in Fund 50000, Federal/State Grant Fund, totaling an increase of $18.81 million.

- Board approval of adjustment to the Managed Reserve to reflect the adjustments included in the *FY 2015 Third Quarter Review.*