

ATTACHMENT C:

**FCPS FY 2019 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

**(This attachment reflects final School Board action
taken on July 25, 2019.)**

Subject: FY 2019 Year End

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 25, 2019 – Regular Meeting

School Board Action Required: Action

Ignite Link: Goal 4 – Resource Stewardship

Summary/Background (Key Points):

All of the FY 2019 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 2019 Third Quarter Budget Review.

In the School Operating Fund, after accounting for the revenue variance and the FY 2020 budgeted beginning balance, flexibility reserve, fuel contingency, textbook reserve, and other commitments, the FY 2019 funds available total \$35.0 million.

Revenue variances begin on page one of the agenda attachment, and FY 2019 actual total funds available are \$1.4 million more, or 0.05 percent, of the FY 2019 Third Quarter Budget Review projection. State Aid for FY 2019 totals \$470.0 million, which is \$0.8 million less than budgeted, and sales tax receipts total \$207.1 million, \$1.6 million more than budgeted. Federal revenue totals \$50.1 million, which is \$0.7 million less than budgeted primarily as a net result of unspent multiyear grant awards that will be carried forward and re-appropriated in FY 2020. Other revenue receipts, including tuition, fees, other service charges, and miscellaneous revenue, are \$1.3 million more than the third quarter estimate.

Expenditure variances on page two of the agenda attachment, total \$33.7 million. The total expenditure variance of \$33.7 million is 1.1 percent of the FY 2019 Third Quarter Budget total disbursements and is largely attributed to unanticipated lapse and turnover of \$34.2 million from salaries and employee benefits offset by \$1.5 million from other accounts. Multiyear unspent federal grant funds of \$1.0 million is carried forward and re-appropriated for FY 2020.

As a result of the revenue and expenditure variances, the total funding available from FY 2019 totals \$35.0 million. This agenda item includes recommendations for FY 2020 expenditure adjustments. Items identified as part of the FY 2020 Approved Budget include \$0.7 million to support the first year of three-year plan to bring IA's and PHTA's salaries to 50 percent of teacher salaries on the BA lane, \$0.3 million for professional development to address challenging behaviors of students and classroom management support, and \$0.5 million to bring FCPS' intranet to accessibility standards. Prior committed priorities and requirements include \$3.6 million to continue FCPS' annual commitment to allocate funding from year-end to major maintenance projects. Other funding to support strategic investments includes \$0.6 million to support the equity plan for discipline policies and practices; \$0.2 million for online discipline tool; \$0.2 million for Trades for Tomorrow; \$3.0 million for the staffing contingency; \$0.3 million to restore speech and language pathologist positions; \$0.4 million for modifications that are necessary to ensure two softball fields are Title IX compliant, and \$0.4 million to expand the Global STEM Challenges program.

All the remaining funding available, \$24.9 million, is recommended to be set aside for the FY 2021 budgeted beginning balance. The FY 2020 beginning balance is \$25.5 million. Changes to other School Board funds are detailed in the attachment.

Recommendation:

That the School Board approve the revenue and expenditure adjustments as detailed in the agenda item.

Attachment:

FY 2019 Year End Budget Review

Board Member Proposed Amendments:

1. I move to amend the main motion by adding \$208,908 to supplement middle-school afterschool program funding at middle schools with poverty rates of 40% or higher (Poe, Glasgow, Key, Whitman, Holmes, Herndon, Jackson and Sandburg). The average \$26,114 per-school supplement would cover the cost of late buses an additional day per week plus program costs for an extra day, but principals will be allowed to use funds as they deem appropriate to enhance their after-school programs. The FY21 beginning balance will be reduced by \$208,908. **(Evans)**

2. I move to amend the main motion by adding \$200,000 for a pilot program to provide feminine hygiene products and bins or dispensers at the 12 FCPS Schools listed below:

- Clearview ES
- Herndon ES
- Herndon HS
- Annandale Terrace ES
- Poe MS
- Hayfield ES
- Hayfield SS
- Twain MS
- Fairview ES
- Robinson SS
- Willow Spring ES
- Westfield HS

The FY21 beginning balance will be reduced by \$200,000. **(Keys-Gamarra)**

Board Member Proposed Follow On Motions:

1. I move that the School Board request that the Superintendent direct staff to provide an analysis on the advantages and disadvantages of a potential School Board/Board of Supervisor revenue-sharing agreement. The analysis will include information about other divisions in the Commonwealth that utilize revenue-sharing agreements as well as historical FCPS County transfer data. **(Schultz)**

School Operating Fund Statement Summary and Balance Available*			
	FY 2019 Third Quarter	FY 2019 Actual	Variance
Beginning Balance, July 1	\$94.70	\$94.70	\$0.00
Reserves	43.87	43.87	0.00
Receipts	797.14	798.50	1.36
Transfers In	2,052.53	2,052.53	0.00
Total Available	\$2,988.25	\$2,989.61	\$1.36
Expenditures	\$2,924.81	\$2,821.09	(\$103.72)
Transfers Out	34.15	34.15	(0.00)
Total Disbursements	\$2,958.96	\$2,855.24	(\$103.72)
Ending Balance, June 30	\$29.29	\$134.37	\$105.08
FY 2020 Beginning Balance Requirements**	\$25.54	\$25.54	
School Board Flexibility Reserve	0.00	8.00	
Fuel Contingency	0.00	2.00	
Centralized Instructional Resources Reserve	3.75	3.75	
Commitments and Carryover:			
Outstanding Encumbered Obligations	0.00	27.22	
School and Projects Carryover	0.00	26.35	
Department Critical Needs Carryover	0.00	6.48	
Balance after Commitments	\$0.00	\$35.03	
FY 2019 Administrative Adjustments (Investments/Identified Needs)			
<i>Identified as Part of the FY 2020 Approved Budget</i>			
CIS Scale Salary Restoration		\$0.70	
Restraint and Seclusion Professional Development		0.30	
Intranet Accessibility		0.45	
<i>Prior Committed Priorities and Requirements</i>			
Major Maintenance		3.55	
<i>Strategic Plan Investments</i>			
Equity Plan for Discipline Policies and Practices		0.60	
Equity Plan for Online Discipline Tool		0.20	
Trades for Tomorrow		0.20	
Staffing Contingency		3.33	
Title IX Softball Fields		0.41	
Edison STEM Lab		0.43	
Set-Aside for FY 2021 Beginning Balance		24.85	
Available Ending Balance	\$0.00	\$0.00	
*Does not add due to rounding.			
**Funding set aside as part of the FY 2018 Final Budget Review.			

Motion & Voting:

That the School Board approve the revenue and expenditure adjustments as detailed in the agenda item.

Motion by Tamara D Kaufax - Vice Chair, second by Jane K Strauss.

Final Resolution: Motion Carries

Yes: Jane K Strauss, Karen A Keys-Gamarra, Karen Corbett Sanders - Chair, Ryan McElveen, Sandra S Evans, Tamara D Kaufax - Vice Chair, Patricia Hynes, Ilryong Moon

No: Elizabeth Schultz, Tom Wilson

Not Present at Vote: Dalia Palchik

I move to amend the main motion by adding \$208,908 to supplement middle-school afterschool program funding at middle schools with poverty rates of 40% or higher (Poe, Glasgow, Key, Whitman, Holmes, Herndon, Jackson and Sandburg). The average \$26,114 per-school supplement would cover the cost of late buses an additional day per week plus program costs for an extra day, but principals will be allowed to use funds as they deem appropriate to enhance their after-school programs. The FY21 beginning balance will be reduced by \$208,908.

Motion by Sandra S Evans, second by Ilryong Moon.

Final Resolution: Motion Carries

Yes: Jane K Strauss, Karen A Keys-Gamarra, Karen Corbett Sanders - Chair, Ryan McElveen, Sandra S Evans, Tamara D Kaufax - Vice Chair, Patricia Hynes, Dalia Palchik, Ilryong Moon

Abstain: Elizabeth Schultz, Tom Wilson

I move to amend the main motion by adding \$200,000 for a pilot program to provide feminine hygiene products and bins or dispensers at the 12 FCPS Schools to listed below:

Clearview ES

Herndon ES

Herndon HS

Annandale Terrace ES

Poe MS

Hayfield ES

Hayfield SS

Twain MS

Fairview ES

Robinson SS

Willow Spring ES

Westfield HS

The FY21 beginning balance will be reduced by \$200,000.

Motion by Karen A Keys-Gamarra, second by Ryan McElveen.

I move to amend the motion with a substitute motion to set aside \$200,000 for a pilot program to provide fem hygiene products and bins or dispensers in schools to be determined and approved by the School Board by the end of September 2019

Motion by Ilryong Moon, second by Dalia Palchik.

Final Resolution: Motion Carries

Yes: Elizabeth Schultz, Jane K Strauss, Karen Corbett Sanders - Chair, Ryan McElveen, Sandra S Evans, Tom Wilson, Patricia Hynes

Abstain: Karen A Keys-Gamarra, Tamara D Kaufax - Vice Chair, Dalia Palchik, Ilryong Moon

I move to amend the main motion by adding \$200,000 for a pilot program to provide feminine hygiene products and bins or dispensers at schools to be determined by the end of September 2019. FY21 beginning balance will be reduced by \$200,000.

Motion by Karen A Keys-Gamarra, second by Ilryong Moon.

Final Resolution: Motion Carries

Yes: Jane K Strauss, Karen A Keys-Gamarra, Karen Corbett Sanders - Chair, Ryan McElveen, Sandra S Evans, Tamara D Kaufax - Vice Chair, Patricia Hynes, Dalia Palchik, Ilryong Moon

No: Elizabeth Schultz, Tom Wilson

I move that the School Board request that the Superintendent direct staff to provide an analysis on the advantages and disadvantages of a potential School Board/Board of Supervisor revenue-sharing agreement. The analysis will include information about other divisions in the Commonwealth that utilize revenue-sharing agreements as well as historical FCPS County transfer data.

Motion by Elizabeth Schultz, second by Tom Wilson.

Final Resolution: Motion Carries

Yes: Elizabeth Schultz, Jane K Strauss, Karen A Keys-Gamarra, Karen Corbett Sanders - Chair, Ryan McElveen, Sandra S Evans, Tamara D Kaufax - Vice Chair, Tom Wilson, Patricia Hynes, Dalia Palchik, Ilryong Moon

	<u>AMOUNT</u>
I. FY 2019 ACTUAL REVENUE (as compared to the FY 2019 Third Quarter Budget Review)	
A. Sales Tax	\$1,573,543
Revenue from sales tax is projected to be \$1.6 million more than the FY 2019 Third Quarter Budget Review. The final sales tax payment for FY 2019 will not be received until July, after the fiscal year ends.	
B. State Aid	(767,136)
As compared to FCPS' projection in the FY 2019 Third Quarter Budget Review, State Aid reflects a net decrease of \$0.8 million. The State's final payment calculations are based on the actual March 31 average daily membership (ADM). The actual ADM was slightly lower than FCPS projected, resulting in less revenue in Basic Aid, the primary component of State Aid, than FCPS' had projected.	
C. Federal Revenue	(721,235)
As compared to the FY 2019 Third Quarter Budget Review, federal revenue reflects a net decrease of \$0.7 million due primarily due to:	
1. Unspent, multiyear grant awards (item II.B) that will be carried forward and reappropriated for FY 2020 (items III.C. and IV.A.) totaling \$1.0 million, primarily from the Individuals with Disabilities Education Act (IDEA).	
2. Actual receipts from other federal revenue are \$0.2 million more than budgeted, primarily due to variances in Impact Aid, e-Rate revenue, as well as final payment of the FEMA reimbursement.	
D. Tuition, Fees and Other	1,272,342
Based on actual receipts, other categories of revenue, including tuition, fees and miscellaneous revenue exceed projections by \$1.3 million.	
TOTAL FY 2019 REVENUE VARIANCE	<hr/> \$1,357,514

	<u>AMOUNT</u>	<u>POSITION</u>
II. FY 2019 ACTUAL EXPENDITURES (as compared to the FY 2019 Third Quarter Budget Review)		
A. Total Expenditures	(\$32,717,897)	(0.0)
<p>Expenditures, excluding unspent multiyear grant awards (item II.B.), are \$32.7 million less than projected after funding:</p> <ol style="list-style-type: none"> 1. School Board Flexibility Reserve \$8.0 million 2. Fuel Contingency \$2.0 million 3. Outstanding Encumbered Obligations \$27.2 million 4. School/Projects Carryover \$26.4 million 5. Department Critical Needs Carryover \$6.5 million <p>The expenditure variance totals 1.1 percent of the revised budget and is comprised of the following:</p> <ol style="list-style-type: none"> 1. Salaries \$17.0 million 2. Employee Benefits \$17.2 million 3. Other Expenditures (\$1.5 million) <p>The \$34.2 million in salary and benefits variance is mainly attributed to regular contracted personnel and is primarily due to higher than expected turnover which was already incorporated into the development of the FY 2020 budget.</p>		
B. Multiyear Grant Funding	(953,839)	(0.0)
<p>The total expenditure variance also includes federal multiyear unspent grant award expenditures totaling \$1.0 million. As a result of lower expenditures in the FY 2019 grant year, the corresponding revenue decrease is reflected in item I.C. This multiyear available grant funding (items III.C. and IV.A.) is carried forward and reappropriated to FY 2020.</p>		
TOTAL FY 2019 ACTUAL EXPENDITURE VARIANCE	(\$33,671,736)	(0.0)
FY 2019 TOTAL FUNDS AVAILABLE	<u>\$35,029,249</u>	

		<u>AMOUNT</u>
III. FY 2020 REVENUE AND BEGINNING BALANCE ADJUSTMENTS		
X A.	Beginning Balance	\$80,230,278
<p>As a result of the adjustment from FY 2019, including the impact of commitments and carryover, the beginning balance for FY 2020 is increased by \$80.2 million due to:</p>		
	<ol style="list-style-type: none"> 1. School Board Flexibility Reserve \$8.0 million 2. Fuel Contingency \$2.0 million 3. Identified in FY 2020 Approved Budget \$1.5 million 4. Outstanding encumbered obligations \$27.2 million 5. School/Multiyear projects carryover \$26.4 million 6. Department critical needs carryover \$6.5 million 7. Prior committed priorities/requirements \$3.6 million 8. Strategic Investments \$5.2 million 	
X B.	Set Aside for FY 2021 Beginning Balance	24,851,677
<p>Available funding of \$24.9 million from FY 2019 year-end is recommended to be set aside as a beginning balance for FY 2021. This results in a decrease of \$0.7 million as compared to the beginning balance included in the FY 2020 Approved Budget.</p>		
X C.	Grants Adjustments <i>(Revenue adjustments is offset by corresponding expenditure adjustment in IV.A.)</i>	
	<ol style="list-style-type: none"> 1. Unspent multiyear federal grant awards from FY 2019 are carried forward to FY 2020. 953,839 2. 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: <ul style="list-style-type: none"> • The Carl D. Perkins grant increased by \$0.4 million as compared to the FY 2020 Approved Budget estimate. 432,348 • The IDEA Parent Resource Teacher grant award increased by \$14,597 as compared to the FY 2020 Budget Approved Budget estimate. 14,597 	
FY 2020 REVENUE AND BEGINNING BALANCE ADJUSTMENTS		<u>\$106,482,739</u>

	<u>AMOUNT</u>	<u>POSITION</u>						
IV. FY 2020 RECOMMENDED EXPENDITURE ADJUSTMENTS								
X A. Grants Adjustments <i>(Expenditure adjustment is offset by corresponding revenue adjustments in III.C.)</i>								
1. Unspent multiyear federal grant awards from FY 2019 are carried forward to FY 2020.	\$953,839	0.0						
2. 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 Carl D. Perkins grant increased by \$0.4 million as compared to the FY 2020 Approved Budget estimate.	432,348	4.0						
• The IDEA Parent Resource Teacher grant award increased by \$14,597 as compared to the FY 2020 Budget Approved Budget estimate.	14,597	0.0						
X B. Commitments and Carryover	60,052,706	0.0						
<p>Outstanding encumbered obligations, school and multiyear projects carryover, and department critical needs carryover are re-appropriated in FY 2020.</p> <p>Outstanding encumbered obligations are the result of orders that remain undelivered or where the items have been received, but the invoice has not yet arrived. These are formal documents and move the appropriated funds from one fiscal year to the next.</p> <p>Schools/multi-year projects carryover consists of system wide multi-year projects as well as schools automatic balance carryover of 25% of their budget, selected accounts like band and field trips, and school administrator requests for funding for critical needs.</p> <p>Department carryover consists of funding to address budgetary requirements necessary to support strategic priorities.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">1. Outstanding Encumbered Obligations</td> <td style="text-align: right;">\$27.2 million</td> </tr> <tr> <td>2. School/Projects Carryover</td> <td style="text-align: right;">\$26.4 million</td> </tr> <tr> <td>3. Department Critical Needs Carryover</td> <td style="text-align: right;">\$6.5 million</td> </tr> </table>			1. Outstanding Encumbered Obligations	\$27.2 million	2. School/Projects Carryover	\$26.4 million	3. Department Critical Needs Carryover	\$6.5 million
1. Outstanding Encumbered Obligations	\$27.2 million							
2. School/Projects Carryover	\$26.4 million							
3. Department Critical Needs Carryover	\$6.5 million							
X C. School Board Flexibility Reserve	8,000,000	0.0						
<p>Funding of \$8.0 million is maintained for the School Board Flexibility Reserve to meet unforeseen circumstances that occur during the fiscal year. This funding is carried forward to the next fiscal year with School Board approval.</p>								

√-Recurring
X-Nonrecurring

X	D. Fuel Contingency	2,000,000	0.0
	<p>To align with the County and to address fluctuations in rates, FCPS created a fuel reserve with one-time funding at the FY 2016 Final Budget Review. Funding of \$2.0 million is maintained in the fuel reserve to mitigate rate fluctuations. This is consistent with Fairfax County Government's budgeting process for fuel.</p>		
√	E. Equity Plan for Discipline Policies and Practices	600,787	7.0
	<p>The equity plan for discipline policies and practices is designed to promote assessment and analysis, build awareness, ensure system alignment, and explore research-based approaches that support student success and create shifts in practice as it relates to equitable discipline. To support the plan, funding of \$0.6 million will provide 7.0 substance abuse prevention specialists.</p>		
X	F. Online Discipline Tool	200,000	0.0
	<p>As part of the Discipline Study, one-time funding of \$0.2 million will support the creation of an online discipline referral form and data tools that will allow for the systemization of discipline-related data, with the ability to disaggregate by classroom, school and student demographics.</p>		
√	G. Restraint and Seclusion Professional Development	300,000	0.0
	<p>Funding of \$0.3 million will provide enhanced behavior and crisis management professional development for school staff to address challenging behaviors of students and provide direct classroom management support. The total cost of this initiative was \$0.6 million, and the FY 2020 budget included \$0.3 million to support 3.0 behavior intervention teachers (BITs). The additional \$0.3 million is included in the FY 2019 Final Budget Review.</p>		
√	H. CIS Salary Scale	700,000	0.0
	<p>The FY 2020 budget included funding to support the first year of a three-year plan to bring the salaries of IAs and PHTAs on the CIS scale to 50 percent of the teacher salaries on the BA lane. The total cost was \$2.7 million, and the FY 2020 budget included \$2.0 million. The additional \$0.7 million is included in the FY 2019 Final Budget Review.</p>		
√	I. Intranet Accessibility	450,000	0.0
	<p>The FCPS intranet is critical in providing information distribution and information access for over 23,000 employees of the division. Funding of \$0.5 million will bring FCPS' intranet to accessibility standards.</p>		

√ **J. Trades for Tomorrow** **202,549** **1.0**

As part of the efforts to “grow our own” in FCPS by creating pathways for our students to join the FCPS workforce after graduation, a Trades for Tomorrow program will be developed through collaboration with Facilities and Transportation, Human Resources, and Instructional Services Career and Technical Education (CTE) and Adult and Community Education (ACE). The Trades for Tomorrow program will build off of existing opportunities for students to create a streamlined and accelerated path for students who desire to pursue a trade immediately following high school by offering work-based learning opportunities and an early start to a Registered Youth Apprenticeship (where applicable) for students during high school. In order to begin the Trades for Tomorrow program in FY20, a new Pipeline Specialist position in Human Resources (HR) will oversee the development of the program as well as collaboration with other offices to make recommendations to support the expansion of the “grow our own” efforts and specifically to increase the number of FCPS students who have an opportunity to pursue work experience and education in trades during and immediately following high school. Hourly funding is also included for five student interns who will work with the Department of Facilities and Transportation during the 2019-20 school year.

X K. Staffing Reserve **3,036,419** **31.0**

It is recommended that a total of 31.0 positions be added to the staffing reserve to mitigate the impact of potential enrollment fluctuations or needs arising during the course of the school year. The FY 2020 budget originally included 260.0 positions for the staffing reserve.

X L. Speech and Language **293,847** **3.0**

Restoration of 3.0 speech and language pathologist positions that were reduced in the budget as a result of enrollment projections.

FY 2020 EXPENDITURE ADJUSTMENTS **\$77,237,092** **46.0**

	<u>AMOUNT</u>	<u>POSITION</u>
V. FY 2020 RECOMMENDED TRANSFERS OUT ADJUSTMENTS		
X A. Major Maintenance	\$3,550,970	0.0
<p>Funding is requested to continue to address the backlog of major maintenance using one-time funding. Funding totaling \$3.6 million was eliminated during the adoption of the FY 2014 Approved Budget. 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. Year-end funding has been utilized to supplement major maintenance since FY 2013. Funding major infrastructure maintenance will help prevent the failure of critical systems, deterioration of major capital investments, and significant health and safety hazards. Due to budget constraints, infrastructure maintenance has been limited, and there is a substantial backlog of infrastructure that has surpassed its useful life.</p>		
X B. Title IX Softball Fields	413,000	0.0
<p>FCPS and the County have partnered to jointly support modifications necessary to ensure two softball fields are Title IX compliant. Funding of \$0.8 million is required to provide modifications to the softball fields and \$0.4 million represents FCPS' share with the remaining being funded by the County. These fields are utilized by school teams and recreational users.</p>		
X C. Edison Stem Labs	430,000	0.0
<p>Funding of \$0.4 million will support phase I renovation of a STEM lab at Edison High School as part of the expansion of the Global STEM Challenges Program (GSCP) to meet continued growth in student enrollment and enhance the STEM learning opportunities in the program. The renovation will provide a laboratory classroom to enable students in the program to engage in STEM learning experiences. Students in the GSCP investigate the most significant, global engineering challenges of the 21st century through hands-on, project-based learning. The GSCP is an innovative program established in FY 2017 through a VDOE grant to prepare students for the Virginia of the future.</p>		
FY 2020 TRANSFERS OUT ADJUSTMENTS	\$4,393,970	0.0
FY 2020 TOTAL DISBURSEMENT ADJUSTMENTS	<u>\$81,631,062</u>	<u>46.0</u>

√-Recurring
X-Nonrecurring

	<u>AMOUNT</u>	<u>POSITION</u>
VI. FY 2021 BEGINNING BALANCE		
X A. Beginning Balance	\$24,851,677	0.0
<p>All the remaining funding available, \$24.9 million, is recommended to be set aside for the FY 2021 beginning balance. This results in a decrease of \$0.7 million as compared to the beginning balance included in the FY 2020 Approved Budget.</p>		
FY 2020 TOTAL FUNDS AVAILABLE	<hr/>	<u>\$0</u>

√-Recurring
 X-Nonrecurring

VII. AGENDA SUMMARY

FY 2019 ACTUAL REVENUE VARIANCE	\$1,357,514
FY 2019 ACTUAL EXPENDITURE VARIANCE (After School Board Flexibility Reserve, Fuel Contingency, and commitments and carryover)	(\$33,671,736)
TOTAL FUNDS AVAILABLE	<u>\$35,029,249</u>
LESS IDENTIFIED AS PART OF THE FY 2020 APPROVED BUDGET	
CIS Salary Scale	\$700,000
Restraint and Seclusion Professional Development	300,000
DIT Intranet Accessibility	450,000
LESS PRIOR COMMITTED PRIORITIES AND REQUIREMENTS	
Major Maintenance	3,550,970
LESS RECOMMENDED STRATEGIC INVESTMENTS	
Equity Plan for Discipline Policies and Practices	600,787
Online Discipline Tool	200,000
Trades for Tomorrow	202,549
Staffing Contingency	3,330,266
Title IX Softball Fields	413,000
Edison Stem Labs Phase One	430,000
LESS FY 2021 BEGINNING BALANCE SET ASIDE	<u>24,851,677</u>
AVAILABLE ENDING BALANCE	<u>\$0</u>

VIII. OTHER FUNDS

SCHOOL CONSTRUCTION FUND

The FY 2019 actual receipts are \$4.5 million greater than the budgeted amount. This is primarily due to \$4.2 million in additional miscellaneous revenue for the School Construction Fund received which includes County proffers; boosters, youth associations, and community support of turf fields; funding received for schools' work orders; \$0.3 million from the City of Fairfax for air units at Daniel Run ES; and an additional \$44,118 in capital cost recovery from Thomas Jefferson High School tuition. Transfers in are \$1.0 million more than the budgeted amount due to County transfers of \$0.6 million to support turf field replacements at Bailey's ES, Bryant HS, and Hutchison ES, \$0.3 million to fund storm water enhancement at Hughes MS, and \$76,044 to support field lighting at Sandburg MS.

Actual expenditures total \$230.2 million which is \$16.8 million lower than the estimate at FY 2019 Third Quarter Budget Review. Total costs for multi-year 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.

The actual FY 2019 turf field replacement ending balance of \$2.3 million reflects a \$0.2 million decrease compared to the third quarter estimate due to variance between budgeted and actual expenditures. This turf field funding is being held in reserve pending future replacement needs.

The FY 2020 Revised Budget includes funding of \$3.6 million in continued support for addressing the backlog of major infrastructure maintenance. In addition, funding reflects \$0.4 million to support modifications necessary for softball fields, and \$0.4 million for phase I renovation of a STEM lab at Edison HS.

FOOD AND NUTRITION SERVICES FUND

Excluding the beginning balance, revenue in the Food and Nutrition Services (FNS) fund totals \$82.1 million and is \$3.3 million less than the FY 2019 Third Quarter Budget Review primarily due to a \$3.6 million, or 4.3 percent, decrease in federal aid and food sales offset by an increase of \$0.2 million in other revenue and \$0.1 million in state aid.

Actual expenditures total \$83.4 million which is a decrease of \$2.0 million, as compared to the FY 2019 Third Quarter Budget Review. The decrease is mainly due to lower than budgeted expenditures in food costs, and employee salaries and benefits.

In FY 2019, more expenditures were incurred than revenues generated in the FNS fund by \$1.3 million. In addition, there was a decrease in ending inventory by \$0.2 million from the FY 2019 beginning inventory. These adjustments result in a decrease of \$1.5 million in the fund's reserve, bringing the reserve total to \$17.9 million in FY 2020. This reserve enables FNS to meet the state guidelines of approximately three months of operating costs in reserve as well as mitigating the impact of expenditure and revenue fluctuations and enables FNS to fund equipment replacement plans and training.

ADULT AND COMMUNITY EDUCATION FUND

The FY 2019 ending balance for the Adult and Community Education (ACE) Fund is \$3,915. The ACE fund position was improved in FY 2019 through a multifaceted approach including a hiring freeze on vacant positions, increased tuition rates, and the continued implementation of program efficiencies such as location consolidations, class size adjustments, and instructor pay evaluations.

Total receipts and transfers total \$8.7 million, which is \$1.4 million, or 14.3 percent, lower than the \$10.1 million in the FY 2019 Third Quarter Budget Review. This revenue variance is primarily in tuition and fees driven by lower overall course enrollments than expected.

Actual expenditures total \$8.6 million, which is \$1.4 million, or 14.4 percent, lower than the FY 2019 Third Quarter Budget Review, primarily due to lower expenditures in salaries and benefits. Expenditures for the fund include costs to run the course offerings such as instructor costs and classroom supplies, in addition to oversight and management costs.

The FY 2020 Revised Budget totals \$9.2 million and reflects the increase of \$3,915 to the beginning balance in FY 2020.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

The FY 2019 ending balance for the Grants and Self-Supporting Programs Fund totals \$23.9 million. The ending balance is comprised of \$7.4 million for summer school and \$16.5 million in grant revenues not yet expended. The FY 2020 budget is increasing by \$29.1 million due to new and revised grant awards and the reappropriation of the ending balance and multiyear grant awards.

Grants Subfund:

The FY 2019 ending balance for the Grants Subfund totals \$16.5 million and primarily represents grant revenues not yet expended for Medicaid, Project Aware, and Title III.

The FY 2020 budget for the Grants Subfund reflects a net increase of \$25.1 million due to revised grants awards and the reappropriation of the ending balance and multiyear grant awards. Of this amount, \$16.5 million represents ending balance and \$8.7 million results from the reappropriation of multiyear grants awards primarily for entitlement grants such as Title I, Title II, and Title III; and other grants such as 21st Century Community Learning Center; Department of Defense Education Activity; Project Aware; and State Technology Plan.

Summer School Subfund:

The FY 2019 ending balance in the Summer School Subfund is \$7.4 million, primarily due to lower than budgeted expenditures of \$3.8 million combined with \$3.4 million in reserve funding. In addition, funding from the County was provided to support the Bridges to Kindergarten program. Revenue receipts were \$0.2 million higher than estimated due primarily to higher state revenue for remediation and an increase in tuition receipts. The FY 2019 ending balance will be carried over to FY 2020 allowing FCPS to maintain summer programs such as Bridges to Kindergarten, Young Scholars, Curious Minds, high school program, and Extended School Year (ESY).

SCHOOL INSURANCE FUND

Total FY 2019 School Insurance Fund receipts of \$14.2 million are \$0.9 million, or 7.2 percent, higher than the FY 2019 third quarter estimate due to additional revenue of \$1.0 million received into the Workers Compensation subfund offset by lower insurance proceeds of \$50,032. The additional funding for Workers' Compensation was required to cover a higher than anticipated net change in accrued liabilities, as determined by the most recent actuarial valuation, without depleting fund reserves in FY 2020.

Total FY 2019 expenditures of \$14.8 million are \$0.1 million, or 1.0 percent higher than the FY 2019 estimate of \$14.6 million (excluding the budget of \$5.9 million for the allocated reserve). This is a result of higher Workers' Compensation claims paid and claims management expenditures offset by lower Workers' Compensation administration costs and Risk Management claims and losses. 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 increased \$1.0 million due to a decrease in outstanding case reserves offset by a significant increase in claims incurred but not yet reported (IBNR) as a result of the FY 2019 compensation adjustments. The Other Insurance subfund had a decrease in accrued liabilities of \$0.1 million. This net change in accrued liabilities is accounted for in the fund's restricted reserves.

As compared to the FY 2020 Approved Budget, the FY 2020 Revised Budget reflects a \$0.8 million increase in the beginning balance primarily due to a net increase in accrued liabilities and outstanding encumbered obligations for two school buses of \$0.2 million which are also reflected in projected expenditures for FY 2020. In addition, the revised FY 2020 budget includes a decrease of \$0.3 million in the allocated reserves and \$0.9 million increase in restricted reserves.

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND

The Premium Stabilization Reserve (PSR) FY 2019 year-end balance totals \$73.2 million, which is \$15.1 million, or 17.1 percent, decrease from the FY 2019 third quarter estimate. Total School Health and Flexible Benefits Fund FY 2019 revenue of \$419.6 million is \$4.5 million, or 1.1 percent, lower than the FY 2019 third quarter estimate. The decrease in revenue was due to lower contributions (employer, employee, and retiree contributions) of \$4.4 million and lower than projected Flexible Account Withholdings of \$1.0 million offset by an increase in interest income of \$0.4 million and higher rebates and subsidies of \$0.6 million.

School Health and Flexible Benefits Fund FY 2019 expenditures total \$419.3 million, which is a net increase of \$10.6 million, or 2.6 percent, as compared to the FY 2019 third quarter estimate. The increase is primarily due to significant increase in self-insured claims paid of \$10.2 million, higher claims incurred but not yet reported (IBNR) of \$2.3 million, higher Administrative expenses of \$91,486 offset by lower premiums paid of \$1.8 million and less Flexible Accounts reimbursements of \$0.3 million. FCPS experienced a much higher increase in self-insured claims in FY 2019 than in previous years and the percentage increase was higher than budgeted. A certified IBNR estimate will not be available until after FCPS' year-end close. Any required adjustments resulting from the certified IBNR will be incorporated in the FY 2020 Midyear Budget Review. Outstanding encumbered obligations totaling \$2,730 at FY 2019 year-end are reflected in projected expenditures in the FY 2020 Revised Budget.

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

The FY 2019 ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$2.5 billion, which is \$136.7 million, or 5.2 percent, lower than the FY 2019 third quarter estimate. FY 2019 receipts total \$243.3 million which is a decrease of \$145.1 million, or 37.4 percent, from the estimate due to lower revenue from investment income of \$146.0 million offset by higher contribution revenue of \$0.9 million.

ERFC expenditures for FY 2019 total \$202.6 million, which is \$8.5 million, or 4.0 percent, lower than the FY 2019 third quarter estimate due to lower than projected retirement benefits payments and refunds disbursements of \$6.4 million, lower investment services expenses of \$1.5 million and lower administrative expenses of \$0.6 million. Due to the timing of the FY 2019 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 2020 Midyear Budget Review.

The FY 2020 beginning balance includes a decrease of \$136.6 million as a result of FY 2019 revenue and expenditures. Outstanding encumbered obligations totaling \$0.1 million at FY 2019 year-end are reflected in projected expenditures for the FY 2020 Revised Budget. Additionally, positions supporting ERFC increased from 30.3 to 31.3 due to the addition of a new Retirement Communication Analyst position.

SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND

The FY 2019 ending balance for the OPEB Trust Fund is \$140.4 million, which is \$4.9 million, or 3.3 percent, lower than the FY 2019 Third Quarter Budget Review estimate, due to lower investment returns driven by market volatility. As a result of the timing of the FY 2019 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2020 Midyear Budget Review. Total FY 2019 revenue of \$25.2 million is \$8.0 million, or 24.0 percent, lower than the FY 2019 Third Quarter Budget Review estimate due to the decrease in investment returns.

FY 2019 expenditures totaling \$20.1 million are \$3.1 million lower than the FY 2019 Third Quarter Budget Review estimate primarily due to less benefits paid. The FY 2020 Revised Budget includes a \$4.9 million decrease in the beginning balance as a result of the lower funding available at FY 2019 year-end.

SCHOOL OPERATING FUND STATEMENT

	FY 2019 Third Quarter	FY 2019 Actual	Variance	FY 2020 Approved	FY 2020 Revised	Variance
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$ 26,795,102	\$ 26,795,102	\$ -	\$ 25,541,901	\$ 25,541,901	\$ -
Outstanding Encumbered Obligations	21,488,678	21,488,678	-	-	27,217,995	27,217,995
Schools/Projects Carryover	32,829,150	32,829,150	-	-	26,352,039	26,352,039
Department Critical Needs Carryover	6,393,257	6,393,257	-	-	6,482,672	6,482,672
Identified as Part of the Approved Budget	1,922,069	1,922,069	-	-	1,450,000	1,450,000
Prior Committed Priorities and Requirements	3,591,308	3,591,308	-	-	3,550,970	3,550,970
Strategic Investments	1,680,000	1,680,000	-	-	5,176,602	5,176,602
Total Beginning Balance	\$ 94,699,564	\$ 94,699,564	\$ -	\$ 25,541,901	\$ 95,772,179	\$ 70,230,278
Future Year Beginning Balance	\$ 24,534,408	\$ 24,534,408	\$ -	\$ -	\$ 24,851,677	\$ 24,851,677
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
Centralized Instructional Resources Reserve	9,339,368	9,339,368	-	3,750,178	3,750,178	-
Total Reserves	\$ 43,873,776	\$ 43,873,776	\$ -	\$ 3,750,178	\$ 38,601,855	\$ 34,851,677
RECEIPTS:						
Sales Tax	\$ 205,551,309	\$ 207,124,852	\$ 1,573,543	\$ 214,746,886	\$ 214,746,886	\$ -
State Aid	470,743,503	469,976,367	(767,136)	493,718,972	493,718,972	-
Federal Aid	50,863,085	50,141,849	(721,235)	45,035,541	46,436,325	1,400,784
City of Fairfax Tuition	46,874,813	47,019,247	144,434	47,812,309	47,812,309	-
Tuition, Fees, and Other	23,111,765	24,239,673	1,127,908	25,641,644	25,641,644	-
Total Receipts	\$ 797,144,475	\$ 798,501,989	\$ 1,357,514	\$ 826,955,352	\$ 828,356,136	\$ 1,400,784
TRANSFERS IN:						
Combined County General Fund	\$ 2,051,659,207	\$ 2,051,659,207	\$ -	\$ 2,136,016,697	\$ 2,136,016,697	\$ -
County Transfer - Cable Communications	875,000	875,000	-	875,000	875,000	-
Total Transfers In	\$ 2,052,534,207	\$ 2,052,534,207	\$ -	\$ 2,136,891,697	\$ 2,136,891,697	\$ -
Total Receipts & Transfers	\$ 2,849,678,682	\$ 2,851,036,196	\$ 1,357,514	\$ 2,963,847,049	\$ 2,965,247,833	\$ 1,400,784
Total Funds Available	\$ 2,988,252,022	\$ 2,989,609,536	\$ 1,357,514	\$ 2,993,139,128	\$ 3,099,621,867	\$ 106,482,739
EXPENDITURES:						
School Board Flexibility Reserve	\$ 2,916,812,026	\$ 2,821,087,585	\$ (95,724,441)	\$ 2,954,218,914	\$ 3,023,456,006	\$ 69,237,092
	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
Total Expenditures	\$ 2,924,812,026	\$ 2,821,087,585	\$ (103,724,441)	\$ 2,954,218,914	\$ 3,031,456,006	\$ 77,237,092
TRANSFERS OUT:						
School Construction Fund	\$ 12,146,072	\$ 12,146,072	\$ -	\$ 8,295,392	\$ 12,689,362	\$ 4,393,970
Grants & Self-Supporting Fund	18,209,261	18,209,261	-	19,598,823	19,598,823	-
Adult & Community Education Fund	321,484	321,484	-	975,000	975,000	-
Consolidated County & School Debt Fund	3,471,100	3,471,100	-	3,471,100	3,471,100	-
Total Transfers Out	\$ 34,147,917	\$ 34,147,917	\$ -	\$ 32,340,315	\$ 36,734,285	\$ 4,393,970
Total Disbursements	\$ 2,958,959,943	\$ 2,855,235,502	\$ (103,724,441)	\$ 2,986,559,229	\$ 3,068,190,291	\$ 81,631,062
ENDING BALANCE, JUNE 30	\$ 29,292,079	\$ 134,374,034	\$ 105,081,955	\$ 6,579,899	\$ 31,431,576	\$ 24,851,677
Less:						
BEGINNING BALANCE REQUIREMENTS:						
Budgeted Beginning Balance from FY 2020 Approved	\$ 24,534,408	\$ 24,534,408	\$ -	\$ -	\$ -	\$ -
Set Aside for Revised BA Lanes	1,007,493	1,007,493	-	-	-	-
Total Budgeted Beginning Balance	\$ 25,541,901	\$ 25,541,901	\$ -	\$ -	\$ -	\$ -
RESERVES:						
School Board Flexibility Reserve	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
Fuel Contingency	-	2,000,000	2,000,000	-	-	-
Centralized Instructional Resources Reserve	3,750,178	3,750,178	-	6,579,899	6,579,899	-
Total Reserves	\$ 3,750,178	\$ 13,750,178	\$ 10,000,000	\$ 6,579,899	\$ 6,579,899	\$ -
COMMITMENTS AND CARRYOVER:						
Outstanding Encumbered Obligations	\$ -	\$ 27,217,995	\$ 27,217,995	\$ -	\$ -	\$ -
Schools/Projects Carryover	-	26,352,039	26,352,039	-	-	-
Department Critical Needs Carryover	-	6,482,672	6,482,672	-	-	-
Total Commitments and Carryover	\$ -	\$ 60,052,706	\$ 60,052,706	\$ -	\$ -	\$ -
TOTAL FUNDS AVAILABLE, JUNE 30	\$ -	\$ 35,029,249	\$ 35,029,249	\$ -	\$ 24,851,677	\$ 24,851,677
FUTURE YEAR BEGINNING BALANCE						
Set-Aside for FY 2021 Beginning Balance	\$ -	\$ 24,851,677	\$ 24,851,677	\$ -	\$ 24,851,677	\$ 24,851,677
ADMINISTRATIVE ADJUSTMENTS:						
<i>Identified as Part of the FY 2020 Budget</i>						
CIS Salary Scale	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ -
Restraint and Seclusion Professional Development	-	300,000	300,000	-	-	-
Intranet Accessibility	-	450,000	450,000	-	-	-
Prior Committed Priorities and Requirements						
Major Maintenance	-	3,550,970	3,550,970	-	-	-
Strategic Investments						
Equity Plan for Discipline Policies and Practices	-	600,787	600,787	-	-	-
Equity Plan for Online Discipline Tool	-	200,000	200,000	-	-	-
Staffing Contingency	-	3,330,266	3,330,266	-	-	-
Trades for Tomorrow	-	202,549	202,549	-	-	-
Title IX Softball Fields	-	413,000	413,000	-	-	-
Edison STEM Lab	-	430,000	430,000	-	-	-
Total Administrative Adjustments	\$ -	\$ 10,177,572	\$ 10,177,572	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 38,514,416	\$ 38,514,416	\$ -	\$ -	\$ 22,477,674	\$ 22,477,674
RESERVES:						
Reserve For Turf Replacement	\$ 1,831,187	\$ 1,831,187	\$ -	\$ 2,512,713	\$ 2,303,673	\$ (209,039)
Total Reserve	\$ 1,831,187	\$ 1,831,187	\$ -	\$ 2,512,713	\$ 2,303,673	\$ (209,039)
RECEIPTS:						
General Obligation Bonds	\$ 180,000,000	\$ 180,000,000	\$ -	\$ 180,000,000	\$ 180,000,000	\$ -
City of Fairfax	20,000	294,984	274,984	-	-	-
TJHSST Tuition - Capital Costs	800,000	844,118	44,118	800,000	800,000	-
Miscellaneous Revenue	286,000	4,459,263	4,173,263	306,000	306,000	-
Turf Field Replacement Revenue	358,441	364,819	6,378	377,206	377,206	-
Total Receipts	\$ 181,464,441	\$ 185,963,184	\$ 4,498,743	\$ 181,483,206	\$ 181,483,206	\$ -
AUTHORIZED BUT UNISSUED BONDS						
	\$ 360,658,173	\$ -	\$ (360,658,173)	\$ -	\$ 180,658,973	\$ 180,658,973
Total Referendums	\$ 360,658,173	\$ -	\$ (360,658,173)	\$ -	\$ 180,658,973	\$ 180,658,973
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 6,449,030	\$ 10,000,000	\$ 3,550,970
Classroom Equipment	562,988	562,988	-	263,278	263,278	-
Facility Modifications	600,000	600,000	-	600,000	1,443,000	843,000
Synthetic Turf Field Replacement	983,084	983,084	-	983,084	983,084	-
County General Construction and Contributions Fund						
Joint BOS/SB Infrastructure Sinking Reserve	15,600,000	15,600,000	-	13,100,000	13,100,000	-
Synthetic Turf Field Replacement	-	611,173	611,173	-	-	-
Other Contributions	-	349,044	349,044	-	-	-
Total Transfers In	\$ 27,746,072	\$ 28,706,289	\$ 960,217	\$ 21,395,392	\$ 25,789,362	\$ 4,393,970
Total Receipts and Transfers	\$ 569,868,686	\$ 214,669,473	\$ (355,199,213)	\$ 202,878,598	\$ 387,931,541	\$ 185,052,943
Total Funds Available	\$ 610,214,290	\$ 255,015,077	\$ (355,199,213)	\$ 205,391,310	\$ 412,712,888	\$ 207,321,578
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$ 247,043,404	\$ 230,233,729	\$ (16,809,675)	\$ 202,818,308	\$ 229,689,952	\$ 26,871,644
Additional Contractual Commitments	360,658,173	-	(360,658,173)	-	180,658,973	180,658,973
Total Disbursements	\$ 607,701,577	\$ 230,233,729	\$ (377,467,848)	\$ 202,818,308	\$ 410,348,925	\$ 207,530,617
ENDING BALANCE, JUNE 30	\$ 2,512,713	\$ 24,781,347	\$ 22,268,635	\$ 2,573,002	\$ 2,363,963	\$ (209,039)
Less:						
Reserve For Turf Replacement	\$ 2,512,713	\$ 2,303,673	\$ (209,039)	\$ 2,573,002	\$ 2,363,963	\$ (209,039)
Available Ending Balance	\$ -	\$ 22,477,674	\$ 22,477,674	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 19,371,675	\$ 19,371,675	\$ -	\$ 19,334,908	\$ 17,866,940	\$ (1,467,968)
RECEIPTS:						
State Aid	\$ 1,252,382	\$ 1,390,484	\$ 138,102	\$ 1,448,618	\$ 1,448,618	\$ -
Federal Aid	39,757,378	39,669,957	(87,421)	41,067,420	41,067,420	-
Food Sales	44,288,020	40,790,825	(3,497,195)	42,726,982	42,726,982	-
Other Revenue	103,248	276,434	173,186	75,361	75,361	-
Total Receipts	<u>\$ 85,401,028</u>	<u>\$ 82,127,701</u>	<u>\$ (3,273,327)</u>	<u>\$ 85,318,381</u>	<u>\$ 85,318,381</u>	<u>\$ -</u>
Total Funds Available	\$ 104,772,703	\$ 101,499,376	\$ (3,273,327)	\$ 104,653,289	\$ 103,185,321	\$ (1,467,968)
EXPENDITURES:						
Expenditures	\$ 85,437,794	\$ 83,427,778	\$ (2,010,016)	\$ 85,318,381	\$ 85,325,236	\$ 6,855
Food and Nutrition Services General Reserve	\$ 19,334,908	\$ -	\$ (19,334,908)	\$ 19,334,908	\$ 17,860,085	\$ (1,474,824)
Total Disbursements	<u>\$ 104,772,703</u>	<u>\$ 83,427,778</u>	<u>\$ (21,344,925)</u>	<u>\$ 104,653,289</u>	<u>\$ 103,185,321</u>	<u>\$ (1,467,968)</u>
Change in Inventory	\$ -	\$ 204,658	\$ 204,658	\$ -	\$ -	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ 17,866,940	\$ 17,866,940	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 3,845	\$ 3,845	\$ -	\$ -	\$ -
Inventory	-	928,689	928,689	-	-	-
Available Ending Balance	<u>\$ -</u>	<u>\$ 16,934,406</u>	<u>\$ 16,934,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADULT AND COMMUNITY EDUCATION FUND STATEMENT

	FY 2019 Third Quarter	FY 2019 Actual	Variance	FY 2020 Approved	FY 2020 Revised	Variance
BEGINNING BALANCE, JULY 1	\$ (86,484)	\$ (86,484)	\$ -	\$ -	\$ 3,915	\$ 3,915
RECEIPTS:						
State Aid	\$ 913,767	\$ 1,069,871	\$ 156,104	\$ 913,767	\$ 913,767	\$ -
Federal Aid	2,101,082	2,101,082	-	2,059,219	2,059,219	-
Tuition and Fees	6,532,878	5,041,836	(1,491,042)	5,197,020	5,197,020	-
Other	226,250	120,189	(106,062)	92,672	92,672	-
Total Receipts	\$ 9,773,977	\$ 8,332,977	\$(1,441,000)	\$ 8,262,679	\$ 8,262,679	\$ -
TRANSFERS IN:						
School Operating Fund	\$ 321,484	\$ 321,484	\$ -	\$ 975,000	\$ 975,000	\$ -
Total Transfers In	\$ 321,484	\$ 321,484	\$ -	\$ 975,000	\$ 975,000	\$ -
Total Receipts and Transfers	\$ 10,095,461	\$ 8,654,461	\$(1,441,000)	\$ 9,237,679	\$ 9,237,679	\$ -
Total Funds Available	\$ 10,008,977	\$ 8,567,977	\$(1,441,000)	\$ 9,237,679	\$ 9,241,594	\$ 3,915
EXPENDITURES:	\$ 10,008,977	\$ 8,564,062	\$(1,444,915)	\$ 9,237,679	\$ 9,241,594	\$ 3,915
ENDING BALANCE, JUNE 30	\$ -	\$ 3,915	\$ 3,915	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 25,526	\$ 25,526	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ (21,611)	\$ (21,611)	\$ -	\$ -	\$ -

GRANTS AND SELF-SUPPORTING PROGRAMS FUND STATEMENT

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1						
Grants	\$ 15,065,981	\$ 15,065,981	\$ -	\$ -	\$ 16,451,588	\$ 16,451,588
Summer School	6,177,937	6,177,937	-	3,423,631	7,435,733	4,012,101
Total Beginning Balance	\$ 21,243,918	\$ 21,243,918	\$ -	\$ 3,423,631	\$ 23,887,321	\$ 20,463,689
RECEIPTS:						
Grants						
State Aid	\$ 9,677,589	\$ 9,306,704	\$ (370,885)	\$ 8,043,624	\$ 8,667,199	\$ 623,574
Federal Aid	44,088,554	40,096,658	(3,991,896)	32,480,173	40,451,241	7,971,068
Industry, Foundation, Other	1,005,384	1,185,516	180,132	-	65,531	65,531
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School						
State Aid	984,744	1,056,402	71,658	915,550	915,550	-
Tuition	2,646,625	2,682,716	36,091	2,962,085	2,962,085	-
Industry, Foundation, Other	-	103,214	103,214	40,000	40,000	-
Total Receipts	\$ 64,402,896	\$ 54,431,210	\$ (9,971,686)	\$ 50,441,432	\$ 59,101,606	\$ 8,660,173
TRANSFERS IN:						
School Operating Fund (Grants)	\$ 10,452,863	\$ 10,452,863	\$ -	\$ 11,842,425	\$ 11,842,425	\$ -
School Operating Fund (Summer School)	7,756,398	7,756,398	-	7,756,398	7,756,398	-
Cable Communications Fund (Grants)	3,352,319	3,352,319	-	2,260,414	2,260,414	-
Total Transfers In	\$ 21,561,580	\$ 21,561,580	\$ -	\$ 21,859,237	\$ 21,859,237	\$ -
Total Funds Available	\$ 107,208,394	\$ 97,236,708	\$ (9,971,686)	\$ 75,724,301	\$ 104,848,163	\$ 29,123,863
EXPENDITURES:						
Grants	\$ 83,642,690	\$ 63,008,453	\$ (20,634,237)	\$ 54,626,636	\$ 79,738,398	\$ 25,111,761
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School	14,142,073	10,340,935	(3,801,138)	12,196,498	15,300,508	3,104,010
Total Expenditures	\$ 103,784,763	\$ 73,349,388	\$ (30,435,375)	\$ 72,823,134	\$ 101,038,906	\$ 28,215,771
RESERVES:						
Summer School Reserve	\$ 3,423,631	\$ -	\$ (3,423,631)	\$ 2,901,166	\$ 3,809,258	\$ 908,091
Total Reserves	\$ 3,423,631	\$ -	\$ (3,423,631)	\$ 2,901,166	\$ 3,809,258	\$ 908,091
Total Disbursements	\$ 107,208,394	\$ 73,349,388	\$ (33,859,006)	\$ 75,724,301	\$ 104,848,163	\$ 29,123,863
ENDING BALANCE, JUNE 30	\$ -	\$ 23,887,321	\$ 23,887,321	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 265,484	\$ 265,484	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ 23,621,837	\$ 23,621,837	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	<u>FY 2019</u> <u>Third Quarter</u>	<u>FY 2019</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2020</u> <u>Approved</u>	<u>FY 2020</u> <u>Revised</u>	<u>Variance</u>
Workers' Compensation Accrued Liability	\$ 37,291,893	\$ 37,291,893	\$ -	\$ 37,291,893	\$ 38,337,684	\$ 1,045,791
Other Insurance Accrued Liability	6,505,819	6,505,819	-	6,505,819	6,379,066	(126,753)
Allocated Reserves	7,348,902	7,348,902	-	5,948,424	5,837,665	(110,759)
BEGINNING BALANCE, JULY 1	\$ 51,146,614	\$ 51,146,614	\$ -	\$ 49,746,136	\$ 50,554,415	\$ 808,279
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$ 8,238,928	\$ 9,238,928	\$ 1,000,000	\$ 8,238,928	\$ 8,238,928	\$ -
School Food & Nutrition Serv. Fund	324,284	324,284	-	324,284	324,284	-
Other Insurance						
School Operating Fund	4,468,127	4,468,127	-	4,468,127	4,468,127	-
Insurance Proceeds/ Rebates	200,000	149,968	(50,032)	200,000	200,000	-
Total Receipts	\$ 13,231,339	\$ 14,181,307	\$ 949,968	\$ 13,231,339	\$ 13,231,339	\$ -
Total Funds Available	\$ 64,377,953	\$ 65,327,922	\$ 949,968	\$ 62,977,475	\$ 63,785,754	\$ 808,279
EXPENDITURES:						
Workers' Compensation Administration	\$ 678,651	\$ 574,217	\$ (104,434)	\$ 695,288	\$ 695,288	\$ -
Workers' Compensation Claims Paid	7,296,000	8,365,193	1,069,193	8,120,000	8,120,000	-
Workers' Compensation Claims Management	1,000,000	1,110,494	110,494	1,000,000	1,000,000	-
Other Insurance	5,657,166	4,723,603	(933,563)	6,178,633	6,391,476	212,843
General Reserves	5,948,424	-	(5,948,424)	3,185,842	2,862,240	(323,602)
Total Expenditures	\$ 20,580,241	\$ 14,773,507	\$ (5,806,734)	\$ 19,179,763	\$ 19,069,004	\$ (110,759)
Net change in accrued liabilities-Workers' Comp	\$ -	\$ 1,045,791	\$ 1,045,791	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	(126,753)	(126,753)	-	-	-
Net Change in Accrued Liability	\$ -	\$ 919,038	\$ 919,038	\$ -	\$ -	\$ -
ENDING BALANCE, June 30	\$ 43,797,712	\$ 50,554,415	\$ 6,756,703	\$ 43,797,712	\$ 44,716,750	\$ 919,038
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 212,843	\$ 212,843	\$ -	\$ -	\$ -
Available Ending Balance	\$ 43,797,712	\$ 50,341,572	\$ 6,543,860	\$ 43,797,712	\$ 44,716,750	\$ 919,038
Restricted Reserves						
Workers' Compensation Accrued Liability	\$ 37,291,893	\$ 38,337,684	\$ 1,045,791	\$ 37,291,893	\$ 38,337,684	\$ 1,045,791
Other Insurance Accrued Liability	6,505,819	6,379,066	(126,753)	6,505,819	6,379,066	(126,753)
Allocated Reserves	-	5,624,822	5,624,822	-	-	-
Total Reserves	\$ 43,797,712	\$ 50,341,572	\$ 6,543,860	\$ 43,797,712	\$ 44,716,750	\$ 919,038

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 72,814,402	\$ 72,814,402	\$ -	\$ 88,258,897	\$ 73,156,826	\$ (15,102,072)
RECEIPTS:						
Employer Contributions	\$ 254,418,360	\$ 252,446,016	\$ (1,972,344)	\$ 260,733,626	\$ 260,733,626	\$ -
Employee Contributions	75,176,640	74,854,004	(322,636)	77,040,275	77,040,275	-
Retiree/Other Contributions	55,234,021	53,082,356	(2,151,665)	56,018,113	56,018,113	-
Interest Income	844,528	1,210,784	366,256	844,528	844,528	-
Rebates and Subsidies	26,521,338	27,076,064	554,726	24,656,556	24,656,556	-
Subtotal	\$ 412,194,887	\$ 408,669,224	\$ (3,525,663)	\$ 419,293,098	\$ 419,293,098	\$ -
Flexible Accounts Withholdings	\$ 11,968,970	\$ 10,954,556	\$ (1,014,414)	\$ 12,567,419	\$ 12,567,419	\$ -
Total Receipts	\$ 424,163,857	\$ 419,623,780	\$ (4,540,077)	\$ 431,860,517	\$ 431,860,517	\$ -
Total Funds Available	\$ 496,978,259	\$ 492,438,182	\$ (4,540,077)	\$ 520,119,414	\$ 505,017,343	\$ (15,102,072)
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$ 309,780,305	\$ 319,960,060	\$ 10,179,755	\$ 316,854,036	\$ 316,854,036	\$ -
Premiums Paid	73,358,401	71,589,444	(1,768,957)	74,878,625	74,878,625	-
Claims Incurred but not Reported (IBNR)	19,806,412	22,150,000	2,343,588	20,307,468	22,651,056	2,343,588
IBNR Prior Year Credit	(19,520,000)	(19,520,000)	-	(19,806,412)	(22,150,000)	(2,343,588)
Health Administrative Expenses	13,334,433	13,425,919	91,486	13,871,315	13,874,045	2,730
Subtotal	\$ 396,759,551	\$ 407,605,422	\$ 10,845,872	\$ 406,105,032	\$ 406,107,762	\$ 2,730
Flexible Accounts Reimbursement	\$ 11,788,719	\$ 11,484,785	\$ (303,934)	\$ 12,378,155	\$ 12,378,155	\$ -
FSA Administrative Expenses	171,092	191,149	20,057	179,647	179,647	-
Subtotal	\$ 11,959,811	\$ 11,675,934	\$ (283,877)	\$ 12,557,802	\$ 12,557,802	\$ -
Total Expenditures	\$ 408,719,362	\$ 419,281,356	\$ 10,561,995	\$ 418,662,834	\$ 418,665,564	\$ 2,730
ENDING BALANCE, JUNE 30	\$ 88,258,897	\$ 73,156,826	\$ (15,102,072)	\$ 101,456,580	\$ 86,351,779	\$ (15,104,802)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 2,730	\$ 2,730	\$ -	\$ -	\$ -
Premium Stabilization Reserve	88,258,897	73,154,096	(15,104,802)	101,456,580	86,351,779	(15,104,802)
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EDUCATIONAL EMPLOYEE'S SUPPLEMENTARY
RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND STATEMENT**

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 2,446,269,629	\$ 2,446,269,629	\$ -	\$ 2,623,578,509	\$ 2,486,988,410	\$ (136,590,099)
RECEIPTS:						
Contributions	\$ 142,691,774	\$ 143,628,307	\$ 936,533	\$ 151,351,975	\$ 151,351,975	\$ -
Investment Income	245,700,000	99,690,091	(146,009,909)	256,000,000	256,000,000	-
Total Receipts	\$ 388,391,774	\$ 243,318,398	\$ (145,073,376)	\$ 407,351,975	\$ 407,351,975	\$ -
Total Funds Available	\$ 2,834,661,403	\$ 2,689,588,027	\$ (145,073,376)	\$ 3,030,930,484	\$ 2,894,340,385	\$ (136,590,099)
EXPENDITURES	\$ 211,082,894	\$ 202,599,617	\$ (8,483,277)	\$ 217,169,771	\$ 217,301,927	\$ 132,156
ENDING BALANCE, JUNE 30	\$ 2,623,578,509	\$ 2,486,988,410	\$ (136,590,099)	\$ 2,813,760,713	\$ 2,677,038,458	\$ (136,722,255)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 132,156	\$ 132,156	\$ -	\$ -	\$ -
AVAILABLE ENDING BALANCE	<u>\$ 2,623,578,509</u>	<u>\$ 2,486,856,254</u>	<u>\$ (136,722,255)</u>	<u>\$ 2,813,760,713</u>	<u>\$ 2,677,038,458</u>	<u>\$ (136,722,255)</u>

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

	<u>FY 2019 Third Quarter</u>	<u>FY 2019 Actual</u>	<u>Variance</u>	<u>FY 2020 Approved</u>	<u>FY 2020 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 135,175,429	\$ 135,175,429	\$ -	\$ 145,216,941	\$ 140,361,009	\$ (4,855,932)
REVENUE:						
Employer Contributions	\$ 28,095,000	\$ 24,964,000	\$ (3,131,000)	\$ 28,875,000	\$ 28,875,000	\$ -
Net Investment Income	<u>5,142,012</u>	<u>280,583</u>	<u>(4,861,429)</u>	<u>5,142,012</u>	<u>5,142,012</u>	<u>-</u>
Total Revenue	\$ 33,237,012	\$ 25,244,583	\$ (7,992,429)	\$ 34,017,012	\$ 34,017,012	\$ -
TOTAL FUNDS AVAILABLE	\$ 168,412,441	\$ 160,420,012	\$ (7,992,429)	\$ 179,233,953	\$ 174,378,021	\$ (4,855,932)
EXPENDITURES:						
Benefits Paid	\$ 23,095,000	\$ 19,964,000	\$ (3,131,000)	\$ 23,875,000	\$ 23,875,000	\$ -
Administrative Expenses	<u>100,500</u>	<u>95,003</u>	<u>(5,497)</u>	<u>100,500</u>	<u>100,500</u>	<u>-</u>
Total Expenditures	\$ 23,195,500	\$ 20,059,003	\$ (3,136,497)	\$ 23,975,500	\$ 23,975,500	\$ -
ENDING BALANCE, JUNE 30	<u>\$ 145,216,941</u>	<u>\$ 140,361,009</u>	<u>\$ (4,855,932)</u>	<u>\$ 155,258,453</u>	<u>\$ 150,402,521</u>	<u>\$ (4,855,932)</u>

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2020**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2020 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	\$2,956,868,854	\$3,031,456,006	\$74,587,152
S31000	School Construction Operating Expenditures	\$202,818,308	\$410,348,925	\$207,530,617
S40000	School Food & Nutrition Services Operating Expenditures	\$104,653,289	\$103,185,321	(\$1,467,968)
S43000	School Adult & Community Education Operating Expenditures	\$9,237,679	\$9,241,594	\$3,915
S50000	School Grants & Self-Supporting Operating Expenditures	\$76,170,694	\$104,848,163	\$28,677,469
S60000	Public Schools Insurance Fund Operating Expenditures	\$19,179,763	\$19,069,004	(\$110,759)
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$520,119,414	\$505,017,343	(\$15,102,072)
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$217,169,771	\$217,301,927	\$132,156
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$23,975,500	\$23,975,500	\$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 2019 Final Budget Review, at a regular meeting held on July 25, 2019, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Ilene Muhlberg, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2020**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2020 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	\$8,295,392	\$12,689,362	\$4,393,970
		S43000	School Adult & Community Education	\$975,000	\$975,000	\$0
		S50000	School Grants & Self Supporting	\$19,598,823	\$19,598,823	\$0
		C20000	Consolidated Debt Service	\$3,471,100	\$3,471,100	\$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 2019 Final Budget Review, at a regular meeting held on July 25, 2019, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Ilene Muhlberg, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

Quarterly Report – FY 2019

Date: June 30, 2019

Update for FY 2019 Grants*

This report provides the status of competitive grants for FY 2019:

- Competitive grants submitted: \$24.4 million (60 grants)
- Competitive grants awarded: \$5.3 million (39 grants)
- Competitive grants denied: \$0.1 million (3 grants)
- Competitive grants pending: \$7.5 million (18 grants)

This report provides the status of competitive grants awarded in collaboration with The Foundation for Fairfax County Public Schools for FY 2019:

- Competitive grants submitted: \$0.4 million (6 grants)
- Competitive grants awarded: \$0.2 million (4 grants)
- Competitive grants denied: \$0.0 million (1 grant)
- Competitive grants pending: \$0.0 million (1 grant)

The status of FY 2019 entitlement grants is as follows:

- Entitlement grants submitted: \$71.8 million (9 grants)
- Entitlement grants awarded: \$32.7 million (6 grants)
- Entitlement grants pending: \$39.2 million (3 grants)

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