

ATTACHMENT C:

**FCPS FY 2020 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

**(This attachment reflects final School Board action
taken on July 23, 2020.)**

Subject: FY 2020 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 23, 2020 - Regular Meeting

School Board Action Required: Discussion

Ignite Link: Goal 4 - Resource Stewardship

Summary/Background (Key Points):

All the FY 2020 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 2020 Third Quarter Budget Review.

In the School Operating Fund, after accounting for the revenue variance and the FY 2021 budgeted beginning balance, flexibility reserve, fuel contingency, textbook reserve, and other commitments, the FY 2020 funds available total \$38.2 million.

Revenue variances begin on page one of the agenda attachment. FY 2020 actual total funds available are \$4.0 million less, or 0.1 percent, than the FY 2020 Third Quarter Budget Review. State Aid for FY 2020 totals \$491.9 million, which is \$1.8 million less than budgeted, and sales tax receipts total \$214.7 million, \$25,492 less than budgeted. Federal revenue totals \$45.7 million, which is \$0.8 million less than budgeted primarily due to the unspent multiyear grant awards that will be carried forward and re-appropriated in FY 2021. Other revenue receipts, including tuition, fees, other service charges, and miscellaneous revenue, are \$1.4 million less than the third quarter estimate.

Expenditure variances on page two of the agenda attachment, total \$42.2 million. Due to the changing fiscal landscape brought about by the COVID-19 pandemic, FCPS implemented spending guidance that deferred all non-critical expenditures including maintaining position vacancies and only hiring for positions that fulfill critical FCPS functions.

The total expenditure variance is 1.4 percent of the FY 2020 Third Quarter Budget total disbursements and is largely attributed to savings of \$15.4 million from salaries and employee benefits primarily resulting from additional turnover and savings of \$25.3 million primarily from utilities, fuel, and supplies as a result of the pandemic. Multiyear unspent federal grant funds of \$1.6 million is carried forward and re-appropriated for FY 2021.

As a result of the revenue and expenditure variances, the total funding available from FY 2020 totals \$38.2 million. This agenda item includes recommendations for FY 2021 expenditure adjustments including \$9.7 million to support FCPS' post COVID-19 response plan. Prior committed priorities and requirements include \$3.6 million to continue FCPS' annual commitment to allocate funding from year-end to major maintenance projects and one-time funding of \$0.2 million to address a shortfall in Adult and Community Education Fund (ACE). Other funding includes \$0.3 million to support the Global STEM Challenges program.

All the remaining funding available, \$24.4 million, is recommended to be set aside for the FY 2022 budgeted beginning balance. This reflects no change from the FY 2021 beginning balance.

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:
FY20 Year end

School Operating Fund Statement Summary and Balance Available*			
(\$ in millions)			
	FY 2020 Third Quarter	FY 2020 Actual	Variance
Beginning Balance, July 1	\$96.91	\$96.91	\$0.00
Reserves	38.19	38.19	0.00
Receipts	828.36	824.35	(4.01)
Transfers In	2,136.89	2,136.89	0.00
Total Available	\$3,100.35	\$3,096.34	(\$4.01)
Expenditures	\$3,032.59	\$2,917.28	(\$115.32)
Transfers Out	36.73	36.73	(0.00)
Total Disbursements	\$3,069.33	\$2,954.01	(\$115.32)
Ending Balance, June 30	\$31.02	\$142.33	\$111.31
FY 2021 Beginning Balance Requirements**	\$24.44	\$24.44	
School Board Flexibility Reserve	0.00	8.00	
Fuel Contingency	0.00	2.00	
Centralized Instructional Resources Reserve	6.58	6.58	
Commitments and Carryover:			
Outstanding Encumbered Obligations	0.00	24.82	
School and Projects Carryover	0.00	33.35	
Department Critical Needs Carryover	0.00	4.91	
Balance after Commitments	(0.00)	\$38.23	
FY 2020 Administrative Adjustments (Investments/Identified Needs)			
<i>Prior Committed Priorities and Requirements</i>			
Major Maintenance		3.55	
Transfer to ACE Fund		0.23	
<i>Identified Investments</i>			
Post COVID-19 Reserve		9.73	
Edison STEM Lab		0.28	
Set-Aside for FY 2022 Beginning Balance		24.44	
Available Ending Balance	(0.00)	\$0.00	

*Does not add due to rounding.

**Funding set aside as part of the FY 2019 Final Budget Review.

Motion & Voting

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

Motion by Megan McLaughlin, second by Ricardy J Anderson - Chair.
Final Resolution: Motion Carries

Yes: Megan McLaughlin, Ricardy J Anderson - Chair, Melanie K Meren, Rachna S Heizer, Elaine V Tholen, Tamara D Kaufax, Karen Corbett Sanders, Karen A Keys-Gamarra, Stella Pekarsky - Vice Chair, Abrar Omeish, Laura Jane H Cohen, Karl V Frisch

	<u>AMOUNT</u>
I. FY 2020 ACTUAL REVENUE (as compared to the FY 2020 Third Quarter Budget Review)	
A. Sales Tax	(\$25,492)
Revenue from sales tax is projected to be \$25,492 lower from the FY 2020 Third Quarter Budget Review. The final sales tax payment for FY 2020 will not be received until July, after the fiscal year ends.	
B. State Aid	(1,782,249)
As compared to the FY 2020 Third Quarter Budget Review, State Aid reflects a net decrease of \$1.8 million. The State's final payment is based on the actual March 31 average daily membership (ADM). The actual ADM was slightly lower than projected, resulting in less revenue in Basic Aid, the primary component of State Aid.	
C. Federal Revenue	(768,467)
As compared to the FY 2020 Third Quarter Budget Review, federal revenue reflects a net decrease of \$0.8 million, primarily due to:	
1. Unspent, multiyear grant awards (item II.B) that will be carried forward and re-appropriated for FY 2021 (items III.C. and IV.A.) totaling \$1.6 million, primarily from the Individuals with Disabilities Education Act (IDEA) and Perkins.	
2. Actual receipts from other federal revenue are \$0.8 million more than budgeted, primarily due to Impact Aid offset by a decrease in e-Rate revenue.	
D. Tuition, Fees and Other	(1,430,680)
Based on actual receipts, other revenue categories, including tuition, fees and miscellaneous revenue reflect a net decrease of \$1.4 million. Due to the impact from the COVID-19 pandemic, the decrease results primarily from community use revenue, school fees, such as field trips and parking fees, and tuition from other jurisdictions. This decrease is offset by an estimated increase in the City of Fairfax tuition.	
TOTAL FY 2020 REVENUE VARIANCE	(\$4,006,888)

	<u>AMOUNT</u>	<u>POSITION</u>
II. FY 2020 ACTUAL EXPENDITURES (as compared to the FY 2020 Third Quarter Budget Review)		
A. Total Expenditures	(\$40,656,673)	(0.0)
Expenditures, excluding unspent multiyear grant awards (item II.B.), are \$40.7 million less than projected after funding:		
1. School Board Flexibility Reserve	\$8.0 million	
2. Fuel Contingency	\$2.0 million	
3. Outstanding Encumbered Obligations	\$24.8 million	
4. School/Projects Carryover	\$33.4 million	
5. Department Critical Needs Carryover	\$4.9 million	
The expenditure variance totals 1.3 percent of the revised budget and is comprised of the following:		
1. Salaries	\$12.4 million	
2. Employee Benefits	\$3.0 million	
3. Other Expenditures	\$25.3 million	
Due to the changing fiscal landscape brought about by the COVID-19 pandemic, FCPS implemented spending guidance that deferred all non-critical expenditures including maintaining position vacancies and only hiring for positions that fulfill critical FCPS functions.		
The \$15.4 million in salary and benefits variance is mainly attributed to regular contracted personnel (due to higher than budgeted turnover) and savings in substitute accounts as a result of the COVID-19 pandemic. Updated turnover assumptions have already been incorporated into the development of the FY 2021 budget. The \$25.3 million in other expenditures is primarily due to lower utility usage, fuel expenses, and logistics spending (which includes reducing school carryover from 25 percent to 10 percent) as a result of the COVID-19 pandemic.		
B. Multiyear Grant Funding	(1,579,089)	(0.0)
The total expenditure variance also includes federal multiyear unspent grant award expenditures totaling \$1.6 million. As a result of lower expenditures in the FY 2020 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 re-appropriated to FY 2021.		
TOTAL FY 2020 ACTUAL EXPENDITURE VARIANCE	(\$42,235,762)	(0.0)
FY 2020 TOTAL FUNDS AVAILABLE	<u>\$38,228,874</u>	

		<u>AMOUNT</u>
III. FY 2021 REVENUE AND BEGINNING BALANCE ADJUSTMENTS		
X	A. Beginning Balance	\$86,867,087
	As a result of the adjustment from FY 2020, including the impact of commitments and carryover, the beginning balance for FY 2021 is increasing by \$86.9 million due to:	
	1. School Board Flexibility Reserve	\$8.0 million
	2. Fuel Contingency	\$2.0 million
	3. Outstanding encumbered obligations	\$24.8 million
	4. School/multiyear projects carryover	\$33.4 million
	5. Department critical needs carryover	\$4.9 million
	6. Prior committed priorities/requirements	\$3.8 million
	7. Identified Investments	\$10.0 million
X	B. Set Aside for FY 2022 Beginning Balance	24,442,769
	Available funding of \$24.4 million from FY 2020 year-end is recommended to be set aside as a beginning balance for FY 2022. This results in no change as compared to the beginning balance included in the FY 2021 Approved Budget.	
X	C. Grants Adjustments <i>(Revenue adjustments is offset by corresponding expenditure adjustment in IV.A.)</i>	
	1. Unspent multiyear federal grant awards from FY 2020 are carried forward to FY 2021.	1,579,089
	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 decreased by \$0.1 million as compared to the FY 2021 Approved Budget.	(90,961)
	• The IDEA Parent Resource Teacher grant and Champions Together awards increased by \$17,000 as compared to the FY 2021 Budget Approved Budget.	17,000
	• The CARES Act under the Elementary and Secondary School Emergency Relief Fund increased by \$0.6 million as compared to the FY 2021 Approved Budget.	602,947
FY 2021 REVENUE AND BEGINNING BALANCE ADJUSTMENTS		<u>\$113,417,931</u>

	<u>AMOUNT</u>	<u>POSITION</u>
IV. FY 2021 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 2020 are carried forward to FY 2021.	\$1,579,089	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 decreased by \$0.1 million as compared to the FY 2021 Approved Budget.	(90,961)	(0.0)
• The IDEA Parent Resource Teacher grant and Champions Together awards increased by \$17,000 as compared to the FY 2021 Budget Approved Budget.	17,000	0.0
• The CARES Act under the Elementary and Secondary School Emergency Relief Fund increased by \$0.6 million as compared to the FY 2021 Approved Budget.	602,947	0.0
X B. Commitments and Carryover	63,080,982	0.0
Outstanding encumbered obligations, school and multiyear projects carryover, and department critical needs carryover are appropriated in FY 2021.		
Outstanding encumbered obligations are the result of orders that remain undelivered or 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.		
Schools/multiyear projects carryover consists of systemwide multiyear projects, as well as schools automatic balance carryover of 10 percent of their budget (reduced from 25 percent ss a result of the pandemic), selected accounts like band and field trips, and school requests for critical needs funding.		
Department carryover consists of funding to address budgetary requirements necessary to support strategic priorities.		
1. Outstanding Encumbered Obligations	\$24.8 million	
2. School/Projects Carryover	\$33.4 million	
3. Department Critical Needs Carryover	\$4.9 million	
X C. School Board Flexibility Reserve	8,000,000	0.0
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.		

√-Recurring
X-Nonrecurring

X D. Fuel Contingency	2,000,000	0.0
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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.

X E. COVID-19 Response Placeholder	9,728,598	0.0
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One-time placeholder funding of \$9.7 million is included to address FCPS' pandemic preparedness and response activities.

FY 2021 EXPENDITURE ADJUSTMENTS	\$84,917,655	0.0
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	<u>AMOUNT</u>	<u>POSITION</u>
V. FY 2021 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. 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. Edison Stem Labs	280,000	0.0
<p>Funding of \$0.3 million will support phase 2 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>		
X C. Transfer to Adult and Community Education Fund	226,537	0.0
<p>The Adult and Community Education (ACE) Fund ended FY 2020 with a shortfall of \$0.2 million. Due to the impact from the COVID-19 pandemic, all in-person classes were canceled, resulting in a decrease in tuition. To support ACE, a one-time transfer of \$0.2 million is recommended.</p>		
FY 2021 TRANSFERS OUT ADJUSTMENTS	4,057,507	0.0
FY 2021 TOTAL DISBURSEMENT ADJUSTMENTS	<u>\$88,975,162</u>	<u>0.0</u>

√-Recurring
X-Nonrecurring

	<u>AMOUNT</u>	<u>POSITION</u>
VI. FY 2022 BEGINNING BALANCE		
X A. Beginning Balance	\$24,442,769	0.0
All the remaining funding available, \$24.4 million, is recommended to be set aside for the FY 2022 beginning balance. This results in no change as compared to the beginning balance included in the FY 2021 Approved Budget.		
FY 2021 TOTAL FUNDS AVAILABLE	<u>\$0</u>	

√-Recurring
X-Nonrecurring

VII. AGENDA SUMMARY

FY 2020 ACTUAL REVENUE VARIANCE	(\$4,006,887)
FY 2020 ACTUAL EXPENDITURE VARIANCE (After School Board Flexibility Reserve, Fuel Contingency, and commitments and carryover)	(\$42,235,762)
TOTAL FUNDS AVAILABLE	<u>\$38,228,874</u>
LESS PRIOR COMMITTED PRIORITIES AND REQUIREMENTS	
Major Maintenance	\$3,550,970
Transfer to ACE Fund	226,537
LESS RECOMMENDED IDENTIFIED INVESTMENTS	
Edison Stem Labs Phase Two	280,000
Post COVID-19 Reserve	9,728,598
LESS FY 2022 Beginning Balance set aside	<u>24,442,769</u>
AVAILABLE ENDING BALANCE	<u>\$0</u>

VIII. OTHER FUNDS

SCHOOL CONSTRUCTION FUND

The FY 2020 actual receipts are \$0.4 million greater than the budgeted amount. This is primarily due to \$0.5 million in additional miscellaneous revenue received which includes County proffers, and funding received for schools' work orders; \$79,888 from the City of Fairfax for air units at Daniel Runn ES and water heater replacements at Providence ES; and an additional \$93,894 in capital cost recovery from Thomas Jefferson High School for Science and Technology tuition. The additional revenue is offset by \$0.2 million less than budgeted revenue in boosters, youth associations, and community support of turf fields. Transfers in are \$2.2 million more than the budgeted amount due to County transfers of \$1.9 million to support turf field replacements at Centreville HS, Herndon HS, and Jackson MS, and \$0.4 million for the county's share of Title IX fields at Justice HS and Ossian Hall Park.

Actual FY 2020 expenditures total \$214.9 million which is \$14.9 million lower than the estimate at FY 2020 Third Quarter Budget Review. Total costs for multiyear construction projects are allocated when the jobs are contracted, actual project expenditures are recognized as incurred, and unspent balances are carried forward into future years until the projects are complete. Therefore, construction projections that are funded through 2019 Bond Referendum and are in the early stage of construction reflect only a portion of the total budgeted renovation cost. Examples of projects include renovations for Cooper MS, Hybla Valley ES, and Washington Mill ES.

The actual FY 2020 turf field replacement ending balance of \$1.8 million reflects a \$0.4 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 2021 Revised Budget includes funding of \$3.6 million in continued support for addressing the backlog of major infrastructure maintenance, and \$0.3 million for phase two renovation of a STEM lab at Edison HS.

FOOD AND NUTRITION SERVICES FUND

The Food and Nutrition Services Fund (FNS) was affected by the COVID-19 pandemic school closures in FY 2020. Although FCPS received partial reimbursement from the Federal Government, Food Services continued to provide meals at grab and go sites free of charge to students, resulting in a significant decrease in revenue. Excluding the beginning balance, revenue in the FNS fund totals \$68.0 million and is \$17.5 million less than the FY 2020 Third Quarter Budget Review due to a \$13.0 million decrease in food sales, a decrease of \$4.6 million, in federal aid, and a decrease of \$97,849 in state aid offset by an increase of \$0.2 million in other revenue.

Actual expenditures total \$79.9 million which is a decrease of \$5.6 million from the FY 2020 Third Quarter Budget Review. The decrease is primarily due to lower than budgeted food costs due to a decrease in meals served related to COVID-19 school closures, and savings in employee salaries and benefits, resulting from hiring freezes of vacant positions. Although overall expenditures went down, there was an increase in overtime costs for hourly food service workers who are critical in providing emergency meal distribution services during the public health crisis.

The FY 2021 Revised Budget is adjusted to reflect a decrease of \$11.4 million in the beginning balance as compared to the projection in the FY 2021 Approved Budget. Revenue increased by \$21,972 due to the Farm to Schools grant carryover. Expenditures increased by \$24,311 due to the increase in expenditures of \$2,339 in outstanding encumbered obligations from FY 2020 and an additional \$21,972 the grant appropriation. In total, the revenue and expenditure adjustments result in a decrease of \$11.4 million to the Food and Nutrition Services reserve, as compared to the projection included in the FY 2021 Approved Budget, bringing the reserve total to \$5.0 million in FY 2021. Guidance from the USDA recommends LEA's limit their net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service. The current reserve balance is historically low

compared to prior years and is not sufficient to support one month of operating expenditures or mitigate the impact of expenditure and revenue fluctuations due to the pandemic.

ADULT AND COMMUNITY EDUCATION FUND

The FY 2020 ending balance for the Adult and Community Education (ACE) Fund is a shortfall of \$0.2 million. The ACE Fund was impacted by the COVID-19 pandemic which resulted in decreased enrollment and the cancellation of in-person classes starting in the third quarter and continuing through the end of the year.

These losses were partially mitigated through the conversion to online instruction of selected course offerings. The total receipts and transfers were \$7.7 million, a decrease of \$1.7 million from FY 2020 Third Quarter Budget Review projection primarily due to a decrease in tuition and fees of \$1.5 million, a decrease in Federal Aid of \$0.3 million, offset by an increase in State Aid of \$0.2 million and other revenue of \$8,666.

Actual expenditures total \$8.0 million, which was a decrease of \$1.4 million from the FY 2020 Third Quarter Budget Review due to lower expenditures in hourly teacher costs, salaries and benefits, and materials and supplies resulting from course cancellations. Overall expenditures for the fund include costs to provide course offerings such as instructor costs and classroom supplies, in addition to oversight and management costs.

The FY 2021 Revised Budget totals \$8.2 million which includes a one-time increase of \$0.2 million in the transfer from the School Operating Fund to address the shortfall in FY 2020. There is also an increase of a 0.1 FTE for the Adult High School for an instructional program specialist funded by the Corrections and Institution grant.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

The FY 2020 ending balance for the Grants and Self-Supporting Programs Fund totals \$24.1 million. The ending balance comprises of \$7.4 million for summer school and \$16.7 million in grant revenues not yet expended. The FY 2021 Revised Budget is increasing by \$34.4 million due to new and revised grant awards, the re-appropriation of the ending balance and multiyear grant awards, and reduced expenditures for summer school.

Grants Subfund:

The FY 2020 ending balance for the Grants subfund totals \$16.7 million and primarily represents grant revenues not yet expended for Title I, Title II, and Title III.

The FY 2021 budget for the Grants subfund reflects a net increase of \$30.8 million due to revised grant awards and the re-appropriation of the ending balance and multiyear grant awards. Of this amount, \$16.7 million represents the ending balance and \$14.1 million results from the re-appropriation of multiyear grant awards primarily for entitlement grants such as Title I, Title II, and Title III; and other grants such as 21st Century Community Learning Center; Department of Defense Education Activity; and State Technology Plan.

Position authorization for 0.57 positions includes the following: a 0.4 in the Title I grant and a 0.17 in the McKinney Vento grant. The funding for these positions was included in the FY 2021 Approved Budget.

Summer School Subfund:

The FY 2020 available ending balance in the Summer School subfund is \$7.4 million, primarily due to a decrease in budgeted expenditures of \$3.7 million combined with \$3.8 million in reserve funding. Reduced expenditures primarily include Credit Recovery Academy, Thomas Jefferson Summer School, and Extended School Year. Revenue receipts were decreased by \$0.1 million more than estimated due primarily to lower state revenue for remediation and lower tuition receipts. The FY 2020 ending balance will be carried over to FY 2021 allowing FCPS to maintain summer programs such as the Young Scholars

program, the Economics and Personal Finance course, the Credit Recovery Academy, CTE Academy, and Extended School Year (ESY).

SCHOOL INSURANCE FUND

Total FY 2020 School Insurance Fund receipts of \$15.5 million are an increase of \$2.3 million over the FY 2020 Third Quarter Estimate due to additional revenue of \$2.2 million received into the Workers' Compensation subfund and higher insurance proceeds of \$73,607. 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.

Total FY 2020 expenditures of \$16.4 million are an increase of \$0.2 million over the FY 2020 estimate of \$16.2 million (excluding the budget of \$3.0 million for the allocated reserve). This is a result of higher Workers' Compensation claims paid and Risk Management claims and losses offset by lower Workers' Compensation administration and claims management expenditures. 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 by \$2.2 million due primarily to increases in outstanding case reserves offset by a decrease in claims incurred but not yet reported (IBNR). The Other Insurance subfund had a decrease in accrued liabilities of \$0.5 million. The net change in accrued liabilities is accounted for in the fund's restricted reserves.

As compared to the FY 2021 Approved Budget, the FY 2021 Revised Budget reflects a \$2.1 million increase in the beginning balance primarily due to the increase in the Workers' Compensation accrued liabilities. The decrease of \$0.5 million in the Other Insurance accrued liability is offset by a \$0.4 million increase in the allocated reserves. Outstanding encumbered obligations of \$225 at FY 2020 year-end are reflected in projected expenditures for FY 2021. In addition, the revised FY 2021 budget includes an increase of \$0.4 million in the allocated reserve and \$1.7 million increase in restricted reserves.

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND

The Premium Stabilization Reserve (PSR) FY 2020 year-end balance totals \$100.8 million, which is a \$27.9 million increase over the FY 2020 Third Quarter estimate. Total School Health and Flexible Benefits Fund FY 2020 revenue of \$443.1 million is an increase of \$11.1 million over the FY 2020 Third Quarter estimate. The increase in revenue was due to increased rebates and subsidies of \$7.0 million, increased net contributions (employer, employee, and retiree contributions) of \$4.2 million, and higher than projected Flexible Account Withholdings of \$0.1 million offset by lower interest income of \$0.2 million. FCPS successfully negotiated higher rebate guarantees resulting in an increase in rebates and subsidies for FY 2020.

School Health and Flexible Benefits Fund FY 2020 expenditures total \$418.0 million, which is a net decrease of \$16.8 million as compared to the FY 2020 Third Quarter estimate. Deferred and suspended services from March through June as a result of the COVID-19 pandemic significantly impacted claims paid, IBNR, and Flexible Account reimbursements. Self-insured claims paid were \$10.1 million less than estimated, IBNR was \$4.4 million less, FSA reimbursements were \$0.8 million less, and premiums paid were \$0.6 million less. In addition, administrative expenses decreased by \$0.9 million as compared to the FY 2020 Third Quarter estimate due to lower salaries, benefits and contracted services than projected. A certified IBNR estimate will not be available until after the close of the fiscal year. Any required adjustments resulting from the certified IBNR will be incorporated in the FY 2021 Midyear Budget Review. Outstanding encumbered obligations totaling \$4,187 at FY 2020 year-end are reflected in projected expenditures in the FY 2021 Revised Budget.

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

The FY 2020 ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$2.6 billion, which is a decrease of \$123.3 million as compared to the FY 2020 Third Quarter estimate. FY 2020 receipts total \$264.2 million which is a decrease of \$131.2 million, due to lower revenue from investment income of \$133.2 million offset by higher contribution revenue of \$2.0 million.

ERFC expenditures for FY 2020 total \$207.0 million, which is a decrease of \$8.0 million from the FY 2020 Third Quarter estimate due to lower than projected retirement benefits payments and refunds of \$6.7 million, decreased investment services expenses of \$0.4 million, and decreased administrative expenses of \$0.9 million. Due to the timing of the FY 2020 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 2021 Midyear Budget Review.

The FY 2021 beginning balance includes a decrease of \$123.1 million as a result of the impact of the FY 2020 ending balance. Outstanding encumbered obligations totaling \$0.2 million at FY 2020 year-end are reflected in projected expenditures for the FY 2021 Revised Budget.

SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND

The FY 2020 ending balance for the OPEB Trust Fund is \$152.9 million, a decrease of \$3.6 million from the FY 2020 Third Quarter Budget Review, due to low investment returns driven by market volatility. As a result of the timing of the FY 2020 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2021 Midyear Budget Review. Total FY 2020 revenue of \$30.4 million is a decrease of \$3.6 million, from the FY 2020 Third Quarter Budget Review due to the decrease in investment returns.

FY 2020 expenditures totaling \$24.0 million are an increase of \$863 over the FY 2020 Third Quarter Budget Review due to an increase in fees paid. The FY 2021 Revised Budget includes a \$3.6 million decrease in the beginning balance as a result of the decreased funding available at FY 2020 year-end.

SCHOOL OPERATING FUND STATEMENT

	FY 2020 Third Quarter	FY 2020 Actual	Variance	FY 2021 Approved	FY 2021 Revised	Variance
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$ 26,269,239	\$ 26,269,239	\$ -	\$ 24,442,769	\$ 24,442,769	\$ -
Outstanding Encumbered Obligations	27,217,995	27,217,995	-	-	24,817,934	24,817,934
Schools/Projects Carryover	26,352,039	26,352,039	-	-	33,350,383	33,350,383
Department Critical Needs Carryover	6,482,672	6,482,672	-	-	4,912,664	4,912,664
Identified as Part of the Approved Budget	1,450,000	1,450,000	-	-	-	-
Prior Committed Priorities and Requirements	3,550,970	3,550,970	-	-	3,777,507	3,777,507
Identified Investments	5,585,510	5,585,510	-	-	10,008,598	10,008,598
Total Beginning Balance	\$ 96,908,425	\$ 96,908,425	\$ -	\$ 24,442,769	\$ 101,309,856	\$ 76,867,087
Future Year Beginning Balance	\$ 24,442,769	\$ 24,442,769	\$ -	\$ -	\$ 24,442,769	\$ 24,442,769
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	3,750,178	3,750,178	-	6,579,899	6,579,899	-
Total Reserves	\$ 38,192,947	\$ 38,192,947	\$ -	\$ 6,579,899	\$ 41,022,668	\$ 34,442,769
RECEIPTS:						
Sales Tax	\$ 214,746,886	\$ 214,721,394	\$ (25,492)	\$ 222,513,102	\$ 222,513,102	\$ -
State Aid	493,718,972	491,936,723	(1,782,249)	550,375,712	550,375,712	-
Federal Aid	46,435,392	45,666,925	(768,467)	66,555,850	68,663,925	2,108,075
City of Fairfax Tuition	47,812,309	48,489,804	677,495	49,573,557	49,573,557	-
Tuition, Fees, and Other	25,641,644	23,533,469	(2,108,175)	27,450,690	27,450,690	-
Total Receipts	\$ 828,355,203	\$ 824,348,316	\$ (4,006,887)	\$ 916,468,910	\$ 918,576,985	\$ 2,108,075
TRANSFERS IN:						
Combined County General Fund	\$ 2,136,016,697	\$ 2,136,016,697	\$ -	\$ 2,143,322,211	\$ 2,143,322,211	\$ -
County Transfer - Cable Communications	875,000	875,000	-	875,000	875,000	-
Total Transfers In	\$ 2,136,891,697	\$ 2,136,891,697	\$ -	\$ 2,144,197,211	\$ 2,144,197,211	\$ -
Total Receipts & Transfers	\$ 2,965,246,900	\$ 2,961,240,013	\$ (4,006,887)	\$ 3,060,666,121	\$ 3,062,774,196	\$ 2,108,075
Total Funds Available	\$ 3,100,348,273	\$ 3,096,341,385	\$ (4,006,887)	\$ 3,091,688,789	\$ 3,205,106,720	\$ 113,417,931
EXPENDITURES:						
School Board Flexibility Reserve	\$ 3,025,216,320	\$ 2,917,275,176	\$ (107,941,144)	\$ 3,057,621,695	\$ 3,134,539,350	\$ 76,917,655
	7,375,000	-	(7,375,000)	-	8,000,000	8,000,000
Total Expenditures	\$ 3,032,591,320	\$ 2,917,275,176	\$ (115,316,144)	\$ 3,057,621,695	\$ 3,142,539,350	\$ 84,917,655
TRANSFERS OUT:						
School Construction Fund	\$ 12,689,362	\$ 12,689,362	\$ -	\$ 9,247,474	\$ 13,078,444	\$ 3,830,970
Grants & Self-Supporting Fund	19,598,823	19,598,823	-	20,371,245	20,371,245	-
Adult & Community Education Fund	975,000	975,000	-	975,000	1,201,537	226,537
Consolidated County & School Debt Fund	3,471,100	3,470,500	(600)	3,473,375	3,473,375	-
Total Transfers Out	\$ 36,734,285	\$ 36,733,685	\$ (600)	\$ 34,067,094	\$ 38,124,601	\$ 4,057,507
Total Disbursements	\$ 3,069,325,605	\$ 2,954,008,861	\$ (115,316,744)	\$ 3,091,688,789	\$ 3,180,663,951	\$ 88,975,162
ENDING BALANCE, JUNE 30	\$ 31,022,668	\$ 142,332,524	\$ 111,309,856	\$ -	\$ 24,442,769	\$ 24,442,769
Less:						
BEGINNING BALANCE REQUIREMENTS:						
Budgeted Beginning Balance from FY 2021 Approved	\$ 24,442,769	\$ 24,442,769	\$ -	\$ -	\$ -	\$ -
Set Aside for Revised BA Lanes	-	-	-	-	-	-
Total Budgeted Beginning Balance	\$ 24,442,769	\$ 24,442,769	\$ -	\$ -	\$ -	\$ -
RESERVES:						
School Board Flexibility Reserve	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
Fuel Contingency	-	2,000,000	2,000,000	-	-	-
Centralized Instructional Resources Reserve	6,579,899	6,579,899	-	-	-	-
Total Reserves	\$ 6,579,899	\$ 16,579,899	\$ 10,000,000	\$ -	\$ -	\$ -
COMMITMENTS AND CARRYOVER:						
Outstanding Encumbered Obligations	\$ -	\$ 24,817,934	\$ 24,817,934	\$ -	\$ -	\$ -
Schools/Projects Carryover	-	33,350,383	33,350,383	-	-	-
Department Critical Needs Carryover	-	4,912,664	4,912,664	-	-	-
Total Commitments and Carryover	\$ -	\$ 63,080,982	\$ 63,080,982	\$ -	\$ -	\$ -
TOTAL FUNDS AVAILABLE, JUNE 30	\$ -	\$ 38,228,874	\$ 38,228,874	\$ -	\$ 24,442,769	\$ 24,442,769
FUTURE YEAR BEGINNING BALANCE						
Set-Aside for FY 2022 Beginning Balance	\$ -	\$ 24,442,769	\$ 24,442,769	\$ -	\$ 24,442,769	\$ 24,442,769
ADMINISTRATIVE ADJUSTMENTS:						
<i>Prior Committed Priorities and Requirements</i>						
Major Maintenance	-	3,550,970	3,550,970	-	-	-
Transfer to ACE Fund	-	226,537	226,537	-	-	-
Identified Investments						
Post COVID-19 Reserve	-	9,728,598	9,728,598	-	-	-
Edison STEM Lab	-	280,000	280,000	-	-	-
Total Administrative Adjustments	\$ -	\$ 13,786,105	\$ 13,786,105	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2020</u> <u>Third Quarter</u>	<u>FY 2020</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2021</u> <u>Approved</u>	<u>FY 2021</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 22,382,558	\$ 22,382,558	\$ -	\$ -	\$ 17,900,819	\$ 17,900,819
RESERVES:						
Reserve For Turf Replacement	\$ 2,303,673	\$ 2,303,673	\$ -	\$ 2,144,039	\$ 1,783,394	\$ (360,645)
Total Reserve	\$ 2,303,673	\$ 2,303,673	\$ -	\$ 2,144,039	\$ 1,783,394	\$ (360,645)
RECEIPTS:						
General Obligation Bonds	\$ 180,000,000	\$ 180,000,000	\$ -	\$ 180,000,000	\$ 180,000,000	\$ -
City of Fairfax	-	79,888	79,888	-	-	-
TJHSST Tuition - Capital Costs	800,000	893,894	93,894	800,000	800,000	-
Miscellaneous Revenue	306,000	782,229	476,229	306,000	306,000	-
Turf Field Replacement Revenue	377,206	150,274	(226,932)	377,793	377,793	-
Total Receipts	\$ 181,483,206	\$ 181,906,285	\$ 423,079	\$ 181,483,793	\$ 181,483,793	\$ -
AUTHORIZED BUT UNISSUED BONDS	\$ 335,839,856	\$ -	\$ (335,839,856)	\$ -	\$ 158,945,806	\$ 158,945,806
Total Referendums	\$ 335,839,856	\$ -	\$ (335,839,856)	\$ -	\$ 158,945,806	\$ 158,945,806
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 6,449,030	\$ 10,000,000	\$ 3,550,970
Classroom Equipment	263,278	263,278	-	1,215,360	1,215,360	-
Facility Modifications	1,443,000	1,443,000	-	600,000	880,000	280,000
Synthetic Turf Field Replacement	983,084	983,084	-	983,084	983,084	-
County General Construction and Contributions Fund						
Joint BOS/SB Infrastructure Sinking Reserve	13,100,000	13,100,000	-	13,100,000	13,100,000	-
Synthetic Turf Field Replacement	-	1,853,250	1,853,250	-	-	-
Other Contributions	-	385,000	385,000	-	-	-
Total Transfers In	\$ 25,789,362	\$ 28,027,612	\$ 2,238,250	\$ 22,347,474	\$ 26,178,444	\$ 3,830,970
Total Receipts and Transfers	\$ 543,112,424	\$ 209,933,897	\$ (333,178,527)	\$ 203,831,267	\$ 366,608,043	\$ 162,776,776
Total Funds Available	\$ 567,798,655	\$ 234,620,127	\$ (333,178,527)	\$ 205,975,306	\$ 386,292,256	\$ 180,316,950
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$ 229,814,759	\$ 214,935,914	\$ (14,878,845)	\$ 203,770,390	\$ 225,502,179	\$ 21,731,789
Additional Contractual Commitments	335,839,856	-	(335,839,856)	-	158,945,806	158,945,806
Total Disbursements	\$ 565,654,615	\$ 214,935,914	\$ (350,718,701)	\$ 203,770,390	\$ 384,447,985	\$ 180,677,595
ENDING BALANCE, JUNE 30	\$ 2,144,039	\$ 19,684,213	\$ 17,540,174	\$ 2,204,916	\$ 1,844,271	\$ (360,645)
Less:						
Reserve For Turf Replacement	\$ 2,144,039	\$ 1,783,394	\$ (360,645)	\$ 2,204,916	\$ 1,844,271	\$ (360,645)
Available Ending Balance	\$ -	\$ 17,900,819	\$ 17,900,819	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2020 Third Quarter</u>	<u>FY 2020 Actual</u>	<u>Variance</u>	<u>FY 2021 Approved</u>	<u>FY 2021 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 17,916,914	\$ 17,916,914	\$ -	\$ 17,910,059	\$ 6,544,171	\$ (11,365,888)
RECEIPTS:						
State Aid	\$ 1,448,618	\$ 1,350,769	\$ (97,849)	\$ 1,492,819	\$ 1,492,819	\$ -
Federal Aid	41,140,873	36,588,303	(4,552,570)	41,282,778	41,304,750	21,972
Food Sales	42,726,982	29,708,156	(13,018,826)	40,915,946	40,915,946	-
Other Revenue	135,908	308,503	172,595	176,277	176,277	-
Total Receipts	\$ 85,452,381	\$ 67,955,731	\$ (17,496,649)	\$ 83,867,820	\$ 83,889,792	\$ 21,972
Total Funds Available	\$ 103,369,295	\$ 85,872,646	\$ (17,496,649)	\$ 101,777,879	\$ 90,433,963	\$ (11,343,916)
EXPENDITURES:						
Expenditures	85,454,235	79,863,196	(5,591,039)	85,361,768	85,386,079	24,311
Food and Nutrition Services General Reserve	\$ 17,915,060	\$ -	\$ (17,915,060)	\$ 16,416,111	\$ 5,047,884	\$ (11,368,227)
Total Disbursements	\$ 103,369,295	\$ 79,863,196	\$ (23,506,099)	\$ 101,777,879	\$ 90,433,963	\$ (11,343,916)
Change in Inventory	\$ -	\$ 534,721	\$ 534,721	\$ -	\$ -	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ 6,544,171	\$ 5,474,729	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 2,339	\$ 2,339	\$ -	\$ -	\$ -
Inventory	-	1,463,410	1,463,410	-	-	-
Available Ending Balance	\$ -	\$ 5,078,422	\$ 5,078,422	\$ -	\$ -	\$ -

ADULT AND COMMUNITY EDUCATION FUND STATEMENT

	FY 2020 <u>Third Quarter</u>	FY 2020 <u>Actual</u>	<u>Variance</u>	FY 2021 <u>Approved</u>	FY 2021 <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 9,139	\$ 9,139	\$ -	\$ -	\$ (226,537)	\$ (226,537)
RECEIPTS:						
State Aid	\$ 913,767	\$ 1,073,523	\$ 159,756	\$ 913,767	\$ 913,767	\$ -
Federal Aid	2,214,696	1,915,021	(299,676)	2,134,615	2,134,615	-
Tuition and Fees	5,197,020	3,658,285	(1,538,735)	4,033,603	4,033,603	-
Other	92,672	101,339	8,666	102,771	102,771	-
Total Receipts	\$ 8,418,155	\$ 6,748,167	\$ (1,669,989)	\$ 7,184,756	\$ 7,184,756	\$ -
TRANSFERS IN:						
School Operating Fund	\$ 975,000	\$ 975,000	\$ -	\$ 975,000	\$ 1,201,537	\$ 226,537
Total Transfers In	\$ 975,000	\$ 975,000	\$ -	\$ 975,000	\$ 1,201,537	\$ 226,537
Total Receipts and Transfers	\$ 9,393,155	\$ 7,723,167	\$ (1,669,989)	\$ 8,159,756	\$ 8,386,293	\$ 226,537
Total Funds Available	\$ 9,402,294	\$ 7,732,306	\$ (1,669,989)	\$ 8,159,756	\$ 8,159,756	\$ -
EXPENDITURES:	\$ 9,402,294	\$ 7,958,842	\$ (1,443,452)	\$ 8,159,756	\$ 8,159,756	\$ -
ENDING BALANCE, JUNE 30	\$ -	\$ (226,537)	\$ (226,537)	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 50,465	\$ 50,465	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ (277,002)	\$ (277,002)	\$ -	\$ -	\$ -

GRANTS AND SELF-SUPPORTING PROGRAMS FUND STATEMENT

	<u>FY 2020 Third Quarter</u>	<u>FY 2020 Actual</u>	<u>Variance</u>	<u>FY 2021 Approved</u>	<u>FY 2021 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1						
Grants	\$ 16,468,389	\$ 16,468,389	\$ -	\$ -	\$ 16,651,066	\$ 16,651,066
Summer School	7,447,104	7,447,104	-	3,820,629	7,433,914	3,613,285
Total Beginning Balance	\$ 23,915,493	\$ 23,915,493	\$ -	\$ 3,820,629	\$ 24,084,980	\$ 20,264,351
RECEIPTS:						
Grants						
State Aid	\$ 9,428,379	\$ 8,756,532	\$ (671,847)	\$ 8,048,978	\$ 8,834,676	\$ 785,698
Federal Aid	49,353,171	36,781,022	(12,572,148)	37,639,878	51,221,412	13,581,534
Industry, Foundation, Other	700,067	603,016	(97,051)	-	150,476	150,476
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School						
State Aid	915,550	877,559	(37,991)	857,000	857,000	-
Tuition	2,962,085	2,804,827	(157,259)	3,308,550	3,308,550	-
Industry, Foundation, Other	40,000	107,137	67,137	40,000	40,000	-
Total Receipts	\$ 69,399,251	\$ 49,930,092	\$ (19,469,159)	\$ 55,894,406	\$ 70,412,114	\$ 14,517,708
TRANSFERS IN:						
School Operating Fund (Grants)	\$ 11,842,425	\$ 11,842,425	\$ -	\$ 12,614,847	\$ 12,614,847	\$ -
School Operating Fund (Summer School)	7,756,398	7,756,398	-	7,756,398	7,756,398	-
Cable Communications Fund (Grants)	2,260,414	2,260,414	-	2,260,414	1,886,781	(373,633)
Total Transfers In	\$ 21,859,237	\$ 21,859,237	\$ -	\$ 22,631,659	\$ 22,258,026	\$ (373,633)
Total Funds Available	\$ 115,173,981	\$ 95,704,822	\$ (19,469,159)	\$ 82,346,694	\$ 116,755,120	\$ 34,408,426
EXPENDITURES:						
Grants	\$ 90,052,844	\$ 60,060,731	\$ (29,992,113)	\$ 60,564,117	\$ 91,359,259	\$ 30,795,142
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School	15,300,508	11,559,111	(3,741,397)	12,500,074	15,440,447	2,940,372
Total Expenditures	\$ 111,353,352	\$ 71,619,842	\$ (39,733,510)	\$ 79,064,192	\$ 112,799,706	\$ 33,735,514
RESERVES:						
Summer School Reserve	\$ 3,820,629	\$ -	\$ (3,820,629)	\$ 3,282,503	\$ 3,955,415	\$ 672,912
Total Reserves	\$ 3,820,629	\$ -	\$ (3,820,629)	\$ 3,282,503	\$ 3,955,415	\$ 672,912
Total Disbursements	\$ 115,173,981	\$ 71,619,842	\$ (43,554,139)	\$ 82,346,694	\$ 116,755,120	\$ 34,408,426
ENDING BALANCE, JUNE 30	\$ -	\$ 24,084,980	\$ 24,084,980	\$ -	\$ -	\$ -
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 851,758	\$ 851,758	\$ -	\$ -	\$ -
Available Ending Balance	\$ -	\$ 23,233,222	\$ 23,233,222	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	<u>FY 2020</u> <u>Third Quarter</u>	<u>FY 2020</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2021</u> <u>Approved</u>	<u>FY 2021</u> <u>Revised</u>	<u>Variance</u>
Workers' Compensation Accrued Liability	\$ 38,337,684	\$ 38,337,684	\$ -	\$ 38,337,684	\$ 40,560,585	\$ 2,222,901
Other Insurance Accrued Liability	6,379,066	6,379,066	-	6,379,066	5,852,599	(526,467)
Allocated Reserves	5,942,638	5,942,638	-	2,967,213	3,399,044	431,832
BEGINNING BALANCE, JULY 1	\$ 50,659,388	\$ 50,659,388	\$ -	\$ 47,683,963	\$ 49,812,228	\$ 2,128,266
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$ 8,238,928	\$ 10,461,829	\$ 2,222,901	\$ 10,738,928	\$ 10,738,928	\$ -
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	273,607	73,607	200,000	200,000	-
Total Receipts	\$ 13,231,339	\$ 15,527,847	\$ 2,296,508	\$ 15,731,339	\$ 15,731,339	\$ -
Total Funds Available	\$ 63,890,727	\$ 66,187,234	\$ 2,296,508	\$ 63,415,302	\$ 65,543,567	\$ 2,128,266
EXPENDITURES:						
Workers' Compensation Administration	\$ 695,288	\$ 526,789	\$ (168,499)	\$ 679,794	\$ 679,794	\$ -
Workers' Compensation Claims Paid	8,120,000	8,340,477	220,477	9,170,000	9,170,000	-
Workers' Compensation Claims Management	1,000,000	941,296	(58,704)	1,205,000	1,205,000	-
Other Insurance	6,391,476	6,566,444	174,968	6,181,525	6,181,750	225
General Reserves	2,967,213	-	(2,967,213)	1,462,233	1,893,839	431,607
Total Expenditures	\$ 19,173,977	\$ 16,375,006	\$ (2,798,971)	\$ 18,698,552	\$ 19,130,383	\$ 431,832
Net change in accrued liabilities-Workers' Comp	\$ -	\$ 2,222,901	\$ 2,222,901	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	(526,467)	(526,467)	-	-	-
Net Change in Accrued Liability	\$ -	\$ 1,696,434	\$ 1,696,434	\$ -	\$ -	\$ -
ENDING BALANCE, June 30	\$ 44,716,750	\$ 49,812,228	\$ 5,095,478	\$ 44,716,750	\$ 46,413,184	\$ 1,696,434
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 225	\$ 225	\$ -	\$ -	\$ -
Available Ending Balance	\$ 44,716,750	\$ 49,812,003	\$ 5,095,253	\$ 44,716,750	\$ 46,413,184	\$ 1,696,434
Restricted Reserves						
Workers' Compensation Accrued Liability	\$ 38,337,684	\$ 40,560,585	\$ 2,222,901	\$ 38,337,684	\$ 40,560,585	\$ 2,222,901
Other Insurance Accrued Liability	6,379,066	5,852,599	(526,467)	6,379,066	5,852,599	(526,467)
Allocated Reserves	-	3,398,819	3,398,819	-	-	-
Total Reserves	\$ 44,716,750	\$ 49,812,003	\$ 5,095,253	\$ 44,716,750	\$ 46,413,184	\$ 1,696,434

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2020 Third Quarter</u>	<u>FY 2020 Actual</u>	<u>Variance</u>	<u>FY 2021 Approved</u>	<u>FY 2021 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 75,628,523	\$ 75,628,523	\$ -	\$ 72,832,661	\$ 100,783,722	\$ 27,951,060
RECEIPTS:						
Employer Contributions	\$ 257,164,456	\$ 259,642,490	\$ 2,478,034	\$ 265,739,576	\$ 265,739,576	\$ -
Employee Contributions	76,267,277	77,081,744	814,467	78,785,977	78,785,977	-
Retiree/Other Contributions	55,355,199	56,312,511	957,312	58,155,316	58,155,316	-
Interest Income	1,300,000	1,069,083	(230,917)	1,300,000	1,300,000	-
Rebates and Subsidies	30,412,220	37,408,461	6,996,241	33,358,962	33,358,962	-
Subtotal	\$ 420,499,152	\$ 431,514,288	\$ 11,015,136	\$ 437,339,831	\$ 437,339,831	\$ -
Flexible Accounts Withholdings	\$ 11,502,283	\$ 11,619,341	\$ 117,058	\$ 11,502,283	\$ 11,502,283	\$ -
Total Receipts	\$ 432,001,435	\$ 443,133,629	\$ 11,132,194	\$ 448,842,114	\$ 448,842,114	\$ -
Total Funds Available	\$ 507,629,958	\$ 518,762,152	\$ 11,132,194	\$ 521,674,775	\$ 549,625,836	\$ 27,951,060
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$ 333,690,627	\$ 323,603,198	\$ (10,087,429)	\$ 345,706,208	\$ 345,706,208	\$ -
Premiums Paid	73,533,297	72,910,276	(623,021)	76,161,011	76,161,011	-
Claims Incurred but not Reported (IBNR)	20,350,056	15,984,000	(4,366,056)	20,881,176	16,515,120	(4,366,056)
IBNR Prior Year Credit	(19,849,000)	(19,849,000)	-	(20,350,056)	(15,984,000)	4,366,056
Health Administrative Expenses	15,571,347	14,627,458	(943,889)	16,844,461	16,848,648	4,187
Subtotal	\$ 423,296,327	\$ 407,275,933	\$ (16,020,394)	\$ 439,242,800	\$ 439,246,987	\$ 4,187
Flexible Accounts Reimbursement	\$ 11,309,821	\$ 10,510,894	\$ (798,927)	\$ 11,309,821	\$ 11,309,821	\$ -
FSA Administrative Expenses	191,149	191,604	455	191,149	191,149	-
Subtotal	\$ 11,500,970	\$ 10,702,498	\$ (798,472)	\$ 11,500,970	\$ 11,500,970	\$ -
Total Expenditures	\$ 434,797,297	\$ 417,978,431	\$ (16,818,866)	\$ 450,743,770	\$ 450,747,957	\$ 4,187
ENDING BALANCE, JUNE 30	\$ 72,832,661	\$ 100,783,722	\$ 27,951,060	\$ 70,931,005	\$ 98,877,878	\$ 27,946,873
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 4,187	\$ 4,187	\$ -	\$ -	\$ -
Premium Stabilization Reserve	72,832,661	100,779,534	27,946,873	70,931,005	98,877,878	27,946,873
Available Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	<u>FY 2020 Third Quarter</u>	<u>FY 2020 Actual</u>	<u>Variance</u>	<u>FY 2021 Approved</u>	<u>FY 2021 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 2,521,423,683	\$ 2,521,423,683	\$ -	\$ 2,701,772,914	\$ 2,578,637,850	\$ (123,135,063)
RECEIPTS:						
Contributions	\$ 151,832,314	\$ 153,867,907	\$ 2,035,594	\$ 154,653,223	\$ 154,653,223	\$ -
Investment Income	243,550,000	110,346,529	(133,203,471)	259,600,000	259,600,000	-
Total Receipts	<u>\$ 395,382,314</u>	<u>\$ 264,214,437</u>	<u>\$ (131,167,877)</u>	<u>\$ 414,253,223</u>	<u>\$ 414,253,223</u>	<u>\$ -</u>
Total Funds Available	\$ 2,916,805,996	\$ 2,785,638,119	\$ (131,167,877)	\$ 3,116,026,137	\$ 2,992,891,073	\$ (123,135,063)
EXPENDITURES	\$ 215,033,083	\$ 207,000,269	\$ (8,032,814)	\$ 223,637,580	\$ 223,817,247	\$ 179,667
ENDING BALANCE, JUNE 30	\$ 2,701,772,914	\$ 2,578,637,850	\$ (123,135,063)	\$ 2,892,388,557	\$ 2,769,073,826	\$ (123,314,731)
Less:						
Outstanding Encumbered Obligations	\$ -	\$ 179,667	\$ 179,667	\$ -	\$ -	\$ -
AVAILABLE ENDING BALANCE	<u>\$ 2,701,772,914</u>	<u>\$ 2,578,458,183</u>	<u>\$ (123,314,731)</u>	<u>\$ 2,892,388,557</u>	<u>\$ 2,769,073,826</u>	<u>\$ (123,314,731)</u>

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

	<u>FY 2020 Third Quarter</u>	<u>FY 2020 Actual</u>	<u>Variance</u>	<u>FY 2021 Approved</u>	<u>FY 2021 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 146,508,965	\$ 146,508,965	\$ -	\$ 156,550,477	\$ 152,926,070	\$ (3,624,407)
REVENUE:						
Employer Contributions	\$ 28,875,000	\$ 28,875,000	\$ -	\$ 24,894,000	\$ 24,894,000	\$ -
Net Investment Income	5,142,012	1,518,468	(3,623,544)	5,000,000	5,000,000	-
Total Revenue	\$ 34,017,012	\$ 30,393,468	\$ (3,623,544)	\$ 29,894,000	\$ 29,894,000	\$ -
TOTAL FUNDS AVAILABLE	\$ 180,525,977	\$ 176,902,433	\$ (3,623,544)	\$ 186,444,477	\$ 182,820,070	\$ (3,624,407)
EXPENDITURES:						
Benefits Paid	\$ 23,875,000	\$ 23,875,000	\$ -	\$ 19,894,000	\$ 19,894,000	\$ -
Administrative Expenses	100,500	101,363	863	100,500	100,500	-
Total Expenditures	\$ 23,975,500	\$ 23,976,363	\$ 863	\$ 19,994,500	\$ 19,994,500	\$ -
ENDING BALANCE, JUNE 30	\$ 156,550,477	\$ 152,926,070	\$ (3,624,407)	\$ 166,449,977	\$ 162,825,570	\$ (3,624,407)

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2021**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2021 Appropriation Resolution for the following School Board funds:

Appropriate to:
County Schools

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
S10000	Public Schools Operating Operating Expenditures	\$3,042,275,914	\$3,142,539,350	\$100,263,436
S31000	School Construction Operating Expenditures	\$203,770,390	\$384,447,985	\$180,677,595
S40000	School Food & Nutrition Services Operating Expenditures	\$102,511,846	\$90,433,963	(\$12,077,883)
S43000	School Adult & Community Education Operating Expenditures	\$9,518,861	\$8,159,756	(\$1,359,105)
S50000	School Grants & Self-Supporting Operating Expenditures	\$81,350,180	\$116,755,120	\$35,404,940
S60000	Public Schools Insurance Fund Operating Expenditures	\$18,698,552	\$19,130,383	\$431,831
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$521,674,775	\$549,625,836	\$27,951,061
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$223,764,655	\$223,817,247	\$52,592
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$19,994,500	\$19,994,500	\$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 2020 Final Budget Review, at a regular meeting held on 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 2020 Final Budget Review, at a regular meeting held on July 23, 2020, during a Blackboard Collaborative Meeting.

Date

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

**FISCAL PLANNING RESOLUTION
FY 2021**

BE IT RESOLVED that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2021 Fiscal Planning Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>Fund</u>	<u>Transfer To</u>	<u>From</u>	<u>To</u>	<u>Change</u>
S10000	Public Schools Operating					
		S31000	School Construction	\$9,247,474	\$13,078,444	\$3,830,970
		S43000	School Adult & Community Education	\$975,000	\$1,201,537	\$226,537
		S50000	School Grants & Self Supporting	\$20,371,245	\$20,371,245	\$0
		C20000	Consolidated Debt Service	\$3,473,375	\$3,473,375	\$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 2020 Final Budget Review, at a regular meeting held on July 23, 2020, at a Blackboard Collaborative Meeting.

Date

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

**Grants Development Section
Office of Budget Services**

**Quarterly Report – FY 2020
Date: June 30, 2020**

Update for FY 2020 Grants

The status of competitive grants, which are awarded based on the merit of the proposal rather than funded as a result of an established formula, for FY 2020 are as follows:

- Competitive grants submitted: \$25.8 million (71 grants)
- Competitive grants awarded: \$7.0 million (43 grants)
- Competitive grants denied: \$0.7 million (15 grants)
- Competitive grants pending: \$5.9 million (13 grants)

The status of competitive grants awarded in collaboration with The Foundation for Fairfax County Public Schools for FY 2020 are as follows:

- Competitive grants submitted: \$0.4 million (3 grants)
- Competitive grants awarded: \$0.4 million (2 grants)
- Competitive grants denied: \$0.0 million (1 grant)
- Competitive grants pending: \$0.0 million (0 grants)

The status of FY 2020 entitlement grants, which are formula driven grants distributed through the state, are as follows (Title I, Part A and Title I, Part D; Title II; Title III; Title IV; VDOE National Board Certification Incentive Award; IDEA; Perkins CTE; and the VDOE Special Education State Operated Programs grant):

- Entitlement grants submitted: \$71.5 million (9 grants)
- Entitlement grants awarded: \$74.7 million (8 grants)
- Entitlement grants pending: \$2.1 million (1 grant)

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