

Subject: FY 2020 Third Quarter Budget Review

Staff Contact: Alice Wigington, director, Office of Budget Services

Other Staff Present: Marty Smith, chief operating officer

Meeting Category: March 5, 2020 – Regular Meeting

School Board Action Required: Information

Ignite Link: Goal 4 – Resource Stewardship

Summary/Background (Key Points):

This agenda item is provided to review the current FY 2020 budget and to make revisions as necessary. The FY 2020 Third Quarter Budget Review reports on activity and recommendations that have been made since the School Board’s Midyear Budget Review, approved on December 19, 2019.

There are no operating fund revenue and expenditure adjustments. This agenda recognizes adjustments in the Food and Nutrition Services, Adult and Community Education, and Grants and Self-Supporting Programs funds. Since the FY 2020 Midyear Budget Review, new and revised grant awards result in an increase of \$1.4 million and an increase of 1.0 position in the Grants and Self-Supporting Programs Fund. In the Adult and Community Education (ACE) Fund, an adjustment of \$60,081 in federal revenue results from the Adult Education and Family Literacy Act and Integrated English Literacy and Civics Education grants. Finally, in the Food and Nutrition Services Fund, an increase of \$5,001 is due to grant funding from Share Our Strength and the Virginia No Kid Hungry campaign.

Recommendation:

That the School Board approve revenue and expenditure adjustments as reflected in the FY 2020 Third Quarter Budget Review and as detailed in the agenda item.

Attachments:

FY 2020 Third Quarter Budget Review

I. SCHOOL OPERATING FUND

There are no budget changes to this fund.

II. OTHER FUNDS

SCHOOL CONSTRUCTION FUND

There are no budget changes to this fund.

FOOD AND NUTRITION SERVICES FUND

The FY 2020 Third Quarter Budget Review revenue reflects an increase of \$5,001 in Share Our Strength and Virginia No Kid Hungry grant funding with a corresponding increase in expenditures of \$5,001 recognized in the grant.

ADULT AND COMMUNITY EDUCATION FUND

Revenue and expenditures for the Adult and Community Education (ACE) Fund each total \$9.4 million. The FY 2020 Third Quarter Budget Review includes a \$60,081 increase in revenue as compared to the midyear projection due to recognizing a net increase in the federal funding for the Adult Education and Family Literacy Act (AEFLA) and Integrated English Literacy and Civics Education (IELCE) grant awards. A corresponding \$60,081 increase in expenditures is also reflected as the result of the additional federal grant awards.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

The FY 2020 Third Quarter Review includes the net impact of new and revised grants which results in an increase of \$1.4 million.

Grants Subfund:

New and revised grant awards result in a net increase of \$1.4 million to the Grants Subfund and an increase of a 1.0 FTE. Listed below are the new and revised grant awards.

Grants Subfund		
	Amount	Positions
Federal		
Title I, Part A	\$ 271,868	0.0
21st Century Community Learning Center	(67,265)	0.0
Amy Youth Programs in Your Neighborhood	60,000	0.0
DoDEA Military-Connected Student Academic and Support Programs	221,733	0.0
Department of Justice STOP the Violence	238,675	1.0
Other Grants (under \$20,000)	568	0.0
State		
Middle School Teacher Corps.	35,000	0.0
Career Switcher	30,000	0.0
VPI Provisionally Licensed Teacher Incentive	30,000	0.0
Security Equipment Grant	236,102	0.0
Other Grants (under \$20,000)	24,402	0.0
Other		
Korean Language Grants	84,578	0.0
TJ After School Program	26,000	0.0
TJ 2020 Summer Young Scholars	50,000	0.0
Community Foundation Get to Green	25,000	0.0
Other Grants (under \$20,000)	<u>93,812</u>	<u>0.0</u>
	\$ 1,360,473	1.0

Summer School Subfund:

There are no budget changes to this fund.

SCHOOL INSURANCE FUND

There are no budget changes to this fund.

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND

There are no budget changes to this fund.

**EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM
OF FAIRFAX COUNTY (ERFC) FUND**

There are no budget changes to this fund.

SCHOOL OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUND

There are no budget changes to this fund.

SCHOOL OPERATING FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
BEGINNING BALANCE, JULY 1:	\$ 135,101,372	\$ 135,101,372	\$ -
RECEIPTS:			
Sales Tax	\$ 214,746,886	\$ 214,746,886	\$ -
State Aid	493,718,972	493,718,972	-
Federal Aid	46,435,392	46,435,392	-
City of Fairfax Tuition	47,812,309	47,812,309	-
Tuition, Fees, and Other	25,641,644	25,641,644	-
Total Receipts	\$ 828,355,203	\$ 828,355,203	\$ -
TRANSFERS IN:			
Combined County General Fund	\$ 2,136,016,697	\$ 2,136,016,697	\$ -
County Transfer - Cable Communications	875,000	875,000	-
Total Transfers In	\$ 2,136,891,697	\$ 2,136,891,697	\$ -
Total Receipts & Transfers	\$ 2,965,246,900	\$ 2,965,246,900	\$ -
Total Funds Available	\$ 3,100,348,273	\$ 3,100,348,273	\$ -
EXPENDITURES:			
School Board Flexibility Reserve	\$ 3,025,216,320	\$ 3,025,216,320	\$ -
	7,375,000	7,375,000	-
Total Expenditures	\$ 3,032,591,320	\$ 3,032,591,320	\$ -
TRANSFERS OUT:			
School Construction Fund	\$ 12,689,362	\$ 12,689,362	\$ -
Grants & Self-Supporting Fund	19,598,823	19,598,823	-
Adult & Community Education Fund	975,000	975,000	-
Consolidated County & School Debt Fund	3,471,100	3,471,100	-
Total Transfers Out	\$ 36,734,285	\$ 36,734,285	\$ -
Total Disbursements	\$ 3,069,325,605	\$ 3,069,325,605	\$ -
ENDING BALANCE, JUNE 30	\$ 31,022,668	\$ 31,022,668	\$ -
LESS:			
Textbook Replacement Fund	\$ 6,579,899	\$ 6,579,899	\$ -
FY 2021 Beginning Balance	24,442,769	24,442,769	-
AVAILABLE ENDING BALANCE	\$ -	\$ -	\$ -

SCHOOL CONSTRUCTION FUND STATEMENT

	FY 2020 Midyear <u>Revised</u>	FY 2020 <u>Third Quarter</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 22,382,558	\$ 22,382,558	\$ -
RESERVES:			
Reserve For Turf Replacement	\$ 2,303,673	\$ 2,303,673	\$ -
Total Reserve	\$ 2,303,673	\$ 2,303,673	\$ -
RECEIPTS:			
General Obligation Bonds	\$ 180,000,000	\$ 180,000,000	\$ -
TJHSST Tuition - Capital Costs	800,000	800,000	-
Miscellaneous Revenue	306,000	306,000	-
Turf Field Replacement Revenue	377,206	377,206	-
Total Receipts	\$ 181,483,206	\$ 181,483,206	\$ -
AUTHORIZED BUT UNISSUED BONDS	\$ 335,839,856	\$ 335,839,856	\$ -
Total Referendums	\$ 335,839,856	\$ 335,839,856	\$ -
TRANSFERS IN:			
School Operating Fund			
Building Maintenance	\$ 10,000,000	\$ 10,000,000	\$ -
Classroom Equipment	263,278	263,278	-
Facility Modifications	1,443,000	1,443,000	-
Synthetic Turf Field Replacement	983,084	983,084	-
County General Construction and Contributions Fund			
Joint BOS/SB Infrastructure Sinking Reserve	13,100,000	13,100,000	-
Total Transfers In	\$ 25,789,362	\$ 25,789,362	\$ -
Total Receipts and Transfers	\$ 543,112,424	\$ 543,112,424	\$ -
Total Funds Available	\$ 567,798,655	\$ 567,798,655	\$ -
EXPENDITURES AND COMMITMENTS:			
Expenditures	\$ 229,814,759	\$ 229,814,759	\$ -
Additional Contractual Commitments	335,839,856	335,839,856	-
Total Disbursements	\$ 565,654,615	\$ 565,654,615	\$ -
ENDING BALANCE, JUNE 30	\$ 2,144,039	\$ 2,144,039	\$ -
Less:			
Reserve For Turf Replacement	\$ 2,144,039	\$ 2,144,039	\$ -
Available Ending Balance	\$ -	\$ -	\$ -

FOOD AND NUTRITION SERVICES FUND STATEMENT

	FY 2020 Midyear <u>Revised</u>	FY 2020 <u>Third Quarter</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 17,916,914	\$ 17,916,914	\$ -
RECEIPTS:			
State Aid	\$ 1,448,618	\$ 1,448,618	\$ -
Federal Aid	41,140,873	41,140,873	-
Food Sales	42,726,982	42,726,982	-
Other Revenue	130,907	135,908	5,001
Total Receipts	\$ 85,447,380	\$ 85,452,381	\$ 5,001
Total Funds Available	\$ 103,364,294	\$ 103,369,295	\$ 5,001
EXPENDITURES:	\$ 85,454,235	\$ 85,454,235	\$ -
Food and Nutrition Services General Reserve	\$ 17,910,059	\$ 17,915,060	\$ 5,001
Total Disbursements	\$ 103,364,294	\$ 103,369,295	\$ 5,001
ENDING BALANCE, JUNE 30	\$ -	\$ -	\$ -

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
BEGINNING BALANCE, JULY 1	\$ 9,139	\$ 9,139	\$ -
RECEIPTS:			
State Aid	\$ 913,767	\$ 913,767	\$ -
Federal Aid	2,154,615	2,214,696	60,081
Tuition and Fees	5,197,020	5,197,020	-
Other	92,672	92,672	-
Total Receipts	\$ 8,358,075	\$ 8,418,155	\$ 60,081
TRANSFERS IN:			
School Operating Fund	\$ 975,000	\$ 975,000	\$ -
Total Transfers In	\$ 975,000	\$ 975,000	\$ -
Total Receipts and Transfers	\$ 9,333,075	\$ 9,393,155	\$ 60,081
Total Funds Available	\$ 9,342,213	\$ 9,402,294	\$ 60,081
EXPENDITURES:	\$ 9,342,213	\$ 9,402,294	\$ 60,081
ENDING BALANCE, JUNE 30	\$ -	\$ -	\$ -

GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
BEGINNING BALANCE, July 1			
Grants	\$ 16,468,389	\$ 16,468,389	-
Summer School	7,447,104	7,447,104	-
Total Beginning Balance	\$ 23,915,493	\$ 23,915,493	\$ -
RECEIPTS:			
Grants			
State Aid	\$ 9,072,875	\$ 9,428,379	\$ 355,504
Federal Aid	48,627,591	49,353,171	725,579
Industry, Foundation, Other	420,677	700,067	279,390
Unallocated Grants	6,000,000	6,000,000	-
Summer School			
State Aid	915,550	915,550	-
Tuition	2,962,085	2,962,085	-
Industry, Foundation, Other	40,000	40,000	-
Total Receipts	\$ 68,038,778	\$ 69,399,251	\$ 1,360,473
TRANSFERS IN:			
School Operating Fund (Grants)	\$ 11,842,425	\$ 11,842,425	-
School Operating Fund (Summer School)	7,756,398	7,756,398	-
Cable Communications Fund (Grants)	2,260,414	2,260,414	-
Total Transfers In	\$ 21,859,237	\$ 21,859,237	\$ -
Total Funds Available	\$ 113,813,508	\$ 115,173,981	\$ 1,360,473
EXPENDITURES:			
Grants	\$ 88,692,371	\$ 90,052,844	\$ 1,360,473
Unallocated Grants	6,000,000	6,000,000	-
Summer School	15,300,508	15,300,508	-
Total Expenditures	\$ 109,992,879	\$ 111,353,352	\$ 1,360,473
RESERVES:			
Summer School Reserve	\$ 3,820,629	\$ 3,820,629	\$ -
Total Reserves	\$ 3,820,629	\$ 3,820,629	\$ -
Total Disbursements	\$ 113,813,508	\$ 115,173,981	\$ 1,360,473
ENDING BALANCE, JUNE 30	\$ -	\$ -	\$ -

SCHOOL INSURANCE FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
Workers' Compensation Accrued Liability	\$ 38,337,684	\$ 38,337,684	\$ -
Other Insurance Accrued Liability	6,379,066	6,379,066	-
Allocated Reserves	5,942,638	5,942,638	-
BEGINNING BALANCE, JULY 1	\$ 50,659,388	\$ 50,659,388	\$ -
RECEIPTS:			
Workers' Compensation			
School Operating Fund	\$ 8,238,928	\$ 8,238,928	\$ -
School Food & Nutrition Serv. Fund	324,284	324,284	-
Other Insurance			
School Operating Fund	4,468,127	4,468,127	-
Insurance Proceeds/ Rebates	200,000	200,000	-
Total Receipts	\$ 13,231,339	\$ 13,231,339	\$ -
Total Funds Available	\$ 63,890,727	\$ 63,890,727	\$ -
EXPENDITURES:			
Workers' Compensation Administration	\$ 695,288	\$ 695,288	\$ -
Workers' Compensation Claims Paid	8,120,000	8,120,000	-
Workers' Compensation Claims Management	1,000,000	1,000,000	-
Other Insurance	6,391,476	6,391,476	-
Allocated Reserves	2,967,213	2,967,213	-
Total Expenditures	\$ 19,173,977	\$ 19,173,977	\$ -
ENDING BALANCE, JUNE 30	\$ 44,716,750	\$ 44,716,750	\$ -
Available Ending Balance	\$ 44,716,750	\$ 44,716,750	\$ -
Restricted Reserves			
Workers' Compensation Accrued Liability	\$ 38,337,684	\$ 38,337,684	\$ -
Other Insurance Accrued Liability	6,379,066	6,379,066	-
Allocated Reserves	-	-	-
Total Reserves	\$ 44,716,750	\$ 44,716,750	\$ -

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
BEGINNING BALANCE, JULY 1	\$ 75,628,523	\$ 75,628,523	\$ -
RECEIPTS:			
Employer Contributions	\$ 257,164,456	\$ 257,164,456	\$ -
Employee Contributions	76,267,277	76,267,277	-
Retiree/Other Contributions	55,355,199	55,355,199	-
Interest Income	1,300,000	1,300,000	-
Rebates and Subsidies	30,412,220	30,412,220	-
Subtotal	\$ 420,499,152	\$ 420,499,152	\$ -
Flexible Accounts Withholdings	\$ 11,502,283	\$ 11,502,283	\$ -
Total Receipts	\$ 432,001,435	\$ 432,001,435	\$ -
Total Funds Available	\$ 507,629,958	\$ 507,629,958	\$ -
EXPENDITURES/PAYMENTS:			
Health Benefits Paid	\$ 333,690,627	\$ 333,690,627	\$ -
Premiums Paid	73,533,297	73,533,297	-
Claims Incurred but not Reported (IBNR)	20,350,056	20,350,056	-
IBNR Prior Year Credit	(19,849,000)	(19,849,000)	-
Health Administrative Expenses	15,571,347	15,571,347	-
Subtotal	\$ 423,296,327	\$ 423,296,327	\$ -
Flexible Accounts Reimbursement	\$ 11,309,821	\$ 11,309,821	\$ -
FSA Administrative Expenses	191,149	191,149	-
Subtotal	\$ 11,500,970	\$ 11,500,970	\$ -
Total Expenditures	\$ 434,797,297	\$ 434,797,297	\$ -
ENDING BALANCE, JUNE 30	\$ 72,832,661	\$ 72,832,661	\$ -
Less:			
Premium Stabilization Reserve	\$ 72,832,661	\$ 72,832,661	\$ -
AVAILABLE ENDING BALANCE	\$ -	\$ -	\$ -

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

	FY 2020 Midyear <u>Revised</u>	FY 2020 <u>Third Quarter</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$ 2,521,423,683	\$ 2,521,423,683	\$ -
RECEIPTS:			
Contributions	\$ 151,832,314	\$ 151,832,314	\$ -
Investment Income	243,550,000	243,550,000	-
Total Receipts	\$ 395,382,314	\$ 395,382,314	\$ -
Total Funds Available	\$ 2,916,805,996	\$ 2,916,805,996	\$ -
EXPENDITURES	\$ 215,033,083	\$ 215,033,083	\$ -
ENDING BALANCE, JUNE 30	\$ 2,701,772,914	\$ 2,701,772,914	\$ -

SCHOOL OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUND STATEMENT

	FY 2020 Midyear Revised	FY 2020 Third Quarter	Variance
BEGINNING BALANCE, JULY 1	\$ 146,508,965	\$ 146,508,965	\$ -
REVENUE:			
Employer Contributions	\$ 28,875,000	\$ 28,875,000	\$ -
Net Investment Income	5,142,012	5,142,012	-
Total Revenue	\$ 34,017,012	\$ 34,017,012	\$ -
TOTAL FUNDS AVAILABLE	\$ 180,525,977	\$ 180,525,977	\$ -
EXPENDITURES:			
Benefits Paid	\$ 23,875,000	\$ 23,875,000	\$ -
Administrative Expenses	100,500	100,500	-
Total Expenditures	\$ 23,975,500	\$ 23,975,500	\$ -
ENDING BALANCE, JUNE 30	\$ 156,550,477	\$ 156,550,477	\$ -

**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	\$3,031,864,914	\$3,032,591,320	\$726,406
S31000	School Construction Operating Expenditures	\$410,348,925	\$565,654,615	\$155,305,690
S40000	School Food & Nutrition Services Operating Expenditures	\$103,185,321	\$103,369,295	\$183,974
S43000	School Adult & Community Education Operating Expenditures	\$9,241,594	\$9,402,294	\$160,700
S50000	School Grants & Self-Supporting Operating Expenditures	\$104,848,163	\$115,173,981	\$10,325,818
S60000	Public Schools Insurance Fund Operating Expenditures	\$19,069,004	\$19,173,977	\$104,973
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$505,017,343	\$507,629,958	\$2,612,616
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$217,301,927	\$215,033,083	(\$2,268,844)
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 2020 Third Quarter Budget Review, at a regular meeting held on March 19, 2020, at Luther Jackson Middle School, Falls Church, Virginia.

_____ Date

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

The supplemental appropriation resolution reflects cumulative changes from Midyear and Third Quarter Budget Reviews.

**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	\$12,689,362	\$12,689,362	\$0
		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 2020 Third Quarter Budget Review, at a regular meeting held on March 19, 2020, 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 2020
Date: January 31, 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: \$21.6 million (48 grants)
- Competitive grants awarded: \$4.3 million (30 grants)
- Competitive grants denied: \$0.2 million (9 grants)
- Competitive grants pending: \$17.0 million (9 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: \$0.0 million (1 grant)
- Competitive grants awarded: \$0.0 million (0 grants)
- Competitive grants denied: \$0.0 million (0 grants)
- Competitive grants pending: \$0.0 million (1 grant)

The status of FY 2020 entitlement grants which are formula driven grants distributed through the state are as follows (Title I Part A, Title I Part D, Title II, Title III, Title IV, VDOE National Board Certification Incentive Award):

- Entitlement grants submitted: \$29.6 million (6 grants)
- Entitlement grants awarded: \$34.9 million (6 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.