

Issue Analysis Form



Date: March 7, 2018
School Carry Forward
Appropriation – Public
Hearing

Item:

Lead Department(s): County & School Finance

Contact Person(s): Betsy Drewry

Description and Current Status

The Prince George County School Board approved at its February 12, 2018 meeting a request for carry-forward of unexpended FY2017 school board funds and an appropriation increase of \$2,725,326. The details on how the School Board would like for funds to be expended were provided on February 26, 2018. This appropriation would come from fund balance.

The school request documentation and expenditure details are attached (**see Attachment A**).

The requested appropriation increases are amounts above those included in the adopted FY2018 budget.

Any amendment to the budget in excess of 1% of the total adopted budget requires a public hearing. The total adopted FY2018 budget, net of inter-fund transfers, is \$114,018,234; 1% of that total is \$1,140,182.

If the Board of Supervisors would like to approve the School Board's full request or an amount over \$1,140,018, staff needs permission to advertise for a public hearing. If approved, the public hearing can be conducted on March 27, 2018. The public hearing advertisement is attached for your review (**Attachment C**). A resolution authorizing the public hearing advertisement is also attached for board consideration and approval.

The impacted accounts for appropriation increase, would impact 4 funds if approved as requested; General Fund (0100), School Operating Fund (0500); School Textbook Fund (0520) and the Capital Improvement Project Fund (0311). A detail of the impacted line items with amounts is provided as **Attachment B**.

If the board approves an amount less than \$1,140,018, the appropriation could be approved without a public hearing at a meeting date of the Board's choosing.

Continued-

In previous years (FY2015), excess Impact Aid collections were removed from school carryforward appropriations. In FY2017, budget to actual revenues amounts are shown below.

FY2017 Budget to Actual Revenues			
Category	Budget	Actual	Difference
Charges for Services	114,000	103,719	(10,281)
Recovered Costs	35,000	139,756	104,756
State Revenues	40,014,643	39,176,683	(837,960)
Federal Revenues	6,997,120	8,404,876	1,407,756
			Impact Aid Excess = \$1,562,777.86
County Transfer	15,985,489	13,134,406	(2,851,083)
TOTAL	63,146,252	60,959,440	(2,186,812)
Net of County Transfer	47,160,763	47,825,034	664,271
TOTAL EXPENDITURES	63,137,180	60,959,440	(2,177,740)

Actual Transfer is amount needed to "balance to" total expenditures

Source: Exhibit 30 of FY2017 CAFR

Excess Impact Aid collections are reflected in Federal Revenues and totaled \$1,562,777.86 (Budgeted = \$3,395,000; Actual = \$4,957,777.86)

The actual County transfer amount is adjusted to "balance to" actual expenditures annually. Actual School expenditures totaled \$60,959,440 in FY2017.

Net of County transfer, excess budget to actual revenues were \$664,271

Action Requested:

Permission to advertise a public hearing (resolution attached)

Government Path

- Does this require IDA action? Yes No
- Does this require BZA action? Yes No
- Does This require Planning Commission Action? Yes No
- Does this require Board of Supervisors action? Yes No
- Does this require a public hearing? Yes No
- If so, before what date? **Date at discretion of board; staff recommending March 27** Yes No

Fiscal Impact Statement

Reduction of fund balance of \$2,725,326, approximately 2.5% of budgeted expenditures.

Increase in appropriation for school capital needs (reduction of potential needed borrowing and debt service) of \$610,000.

Total Increase in FY2017-18 Appropriation = \$2,725,326

County Impact

Reduction of unrestricted fund balance of \$2,725,326, approximately 2.5% of budgeted expenditures used to calculate fund balance threshold requirement.

Notes

ATTACHMENT A

School Board Carryforward Request

BOARD RECOMMENDATION		
CARRYFORWARD AMOUNT FROM FY2017		\$2,851,083
Less Principal Amt of Utility Payment		(\$125,757)
ADJ AMT FOR CARRYFORWARD FROM FY2017		\$2,725,326
CAPITAL PROJECTS FOR FY2018		
Employee Sign Up Bonus		\$400,000
Technology (Includes \$176,976 Carry-forward in Textbook Fund)		\$700,000
Security (Includes cameras, doors, interior locks, monitors, installation Costs & Infrastructure Improvements)		\$700,000
Track		\$230,000
General Maintenance (Includes Field House Addition & Field Hockey Fence)		\$100,000
Windows		\$300,000
SPED Testing		\$16,500
1. Vision Machine		\$7,000
Site Analysis		\$47,632
Time & Attendance & Munis Upgrade Packages		\$107,232
PGHS Projector & Big Screen & Room Darkening Panels		\$50,000
Furniture (PGHS Math & English, Clements English)		\$66,962
		\$2,725,326
DIFFERENCE		\$0

Transfer to Textbook Fund for Devices in Schools

Transfer to County CIP for work to be completed in FY19

Transfer \$80,000 to County CIP for work to be completed in FY19

Transfer to County CIP for work to be completed in FY19

Provided by School Finance Director 2/26/2018

ATTACHMENT A

Date: February 12, 2018

Presenter: Becky Hicks

Approved: 02/13/18

Disapproved: _____

Tabled: _____

TOPIC: Revised 2017-2018 budget based on additional local carryover funds from 2016-17

RATIONALE: Based upon the final audit report for 2016-17, the school division had an unexpended balance of \$2,725,326. We are requesting your approval to ask the County to re-appropriate this amount in local funds back to the Division. Detail to revisions to funds will follow:

Overview of request is attached.

RECOMMENDATION: Approve the local carryover amount of \$2,725,326 for a revised 2017-2018 Budget in the amount of \$69,757,522.62.

ATTACHMENT A

SUPERINTENDENT'S RECOMMENDATION		
CARRYFORWARD AMOUNT FROM FY2017		\$2,851,083
Less Principal Amt of Utility Payment		(\$125,757)
ADJ AMT FOR CARRYFORWARD FROM FY2017		\$2,725,326
CAPITAL PROJECTS FOR FY2018		
Furniture, Carpet, Classrooms, Offices		\$240,665
Technology, Infrastructure, Business		\$911,879
Facilities, Maintenance, Repairs		\$1,033,130
Vehicles		\$90,143
Textbook Fund		\$449,509
		\$2,725,326
DIFFERENCE		\$0
Items subject to change as per School Board members request.		

School Carryforward Appropriation Details

ATTACHMENT B

General Fund (0100):

Revenues

Fund Balance	0100-40-900-8208-3999999	2,725,326
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Expenditures

Transfer to Schools	0100-09-401-0917-49150	2,725,326
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School Operating Fund (0500):

Revenues

Transfer from General Fund	0500-90-000-0000-399100	1,415,326
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Expenditures

Employee Signing Bonus	400,000
Security Upgrades	700,000
Field Hockey Fence	20,000
SPED Testing	16,500
Vision Machine	7,000
Site Analysis	47,632
Time & Attendance Munis Upgrades	107,232
PGHS Projector/Big Screen/Room Darkening	50,000
Furniture	66,962

Contingency TOTAL	0500-06-209-6011-49199	1,415,326
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School Textbook Fund (0520):

Revenues

Transfer from General Fund	0520-90-000-0000-399100	700,000
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Expenditures

Textbooks	0520-06-201-6004-61100-100-900-000-46012	700,000
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CIP Fund (0311):

Revenues

Transfer from General Fund	0311-90-901-8207-399100	610,000
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Expenditures

Track Repairs/Replacement	0311- NEW EXP Code	230,000
Field House Addition	0311- NEW EXP Code	80,000
South Windows (\$135,000 currently available); revised total = \$273,088	0311-06-208-3157-48120	138,088

Harrison Windows (\$217,500 currently available); revised total = \$379,412

	0311-06-208-3156-48120	161,912
TOTAL		610,000

COUNTY OF PRINCE GEORGE
NOTICE OF PUBLIC HEARING
PROPOSED AMENDMENT TO FY18 BUDGET

Notice is hereby given pursuant to Section 15.2-2506, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed Amendment to the Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, March 27, 2018, beginning at 7:30 p.m., in the Boardroom of the County Administration Building, Third Floor, 6602 Courts Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

The County adopted its budget on May 9, 2017 with the recommendation to transfer \$16,250,249 to the School operating and textbook funds. The School Board did not spend \$2,851,083 of its FY16-17 budget appropriation; all unspent funds revert back to the County / Fund Balance at the end of the fiscal year. The School Board is requesting \$2,725,326 be returned to the School fund for expenditure in FY17-18.

A copy of the related material can be examined in the County Administration Department of the County Administration Building. The building is open from Monday - Friday, 8:30 AM - 5:00 PM.

By Authority of

Percy C. Ashcraft

County Administrator

COUNTY OF PRINCE GEORGE

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 7th day of March, 2018:

Present:

Vote:

Alan R. Carmichael, Jr., Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

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On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AUTHORITY TO ADVERTISE A PUBLIC HEARING FOR AN APPROPRIATION OF \$2,725,326 FOR FY17 SCHOOL DIVISION CARRY-OVER FUNDS.

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 7th day of March, 2018, does hereby authorize the advertisement of a public hearing for an appropriation of \$2,725,326 for FY17 School Division Carry-Over Funds.

A Copy Teste:

Percy C. Ashcraft
County Administrator