

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
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)

Impact Aid Excess = \$1,562,777.86
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
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TOTAL		610,000
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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			
Security (Includes cameras, doors, interior locks, monitors, Installation Costs & Infrastructure Improvements)		\$700,000	
Technology (Includes \$176,976 Carry-forward in Textbook Fund)		\$700,000	Transfer to Textbook Fund for Devices in Schools
Windows		\$300,000	Transfer to County CIP for work to be completed in FY19
Track		\$230,000	Transfer to County CIP for work to be completed in FY19
Time & Attendance & Munis Upgrade Packages		\$107,232	
Employee Sign Up Bonus		\$400,000	
General Maintenance (Includes Field House Addition & Field Hockey Fence)		\$100,000	Transfer \$80,000 to County CIP for work to be completed in FY19
PGHS Projector & Big Screen & Room Darkening Panels		\$50,000	
Furniture (PGHS Math & English, Clements English)		\$66,962	
SPED Testing		\$16,500	
1 Vision Machine		\$7,000	
Site Analysis		\$47,632	
			<i>Mandates</i>
DIFFERENCE		\$2,725,326	

CARRY-FORWARD FUNDS FY2017 TO FY2018

- 1) Security - The current climate regarding security in schools is requiring all school systems in the nation to examine their practices and make changes as necessary for the safety of our students. In this regard, PGCPs is requesting funds to provide additional security as follows:
 - a) Provide funds to place additional police presence in three (3) of our elementary schools who currently have no SRO in place (Walton, Beazley and South) for the remainder of the school year. Approximate cost \$12,000.
 - b) Replacement Doors are needed at several school locations.
 - c) Add cameras to areas in schools that have been identified as “blind” spots.
 - d) Add monitors for additional security review.
 - e) Add and replace interior locks as needed.
 - f) Give fobs to all 34 police officers to enable them to enter school buildings at a moment’s notice.
 - g) Provide funds for installation costs and additional infrastructure improvements as needed.
 - h) Provide funds for a safety consultant’s fee to identify problem areas and address the needs for additional security and safety in all school buildings.

- 2) Technology (Textbook Fund) - \$176,976 of the \$700,000 requested identifies the fund balance remaining at the end of FY2017 in the Textbook fund that the auditors mistakenly added to the general fund balance. \$315,000 is needed to replace 520 devices each year as part of our sustainable technology budget. The state allows school systems to use Textbook Funds for devices. \$208,024 is needed for textbook adoptions as mandated by the state.

- 3) Windows – Currently, the county has two (2) CIP funds designated for replacing windows at South and Harrison. Additional funds are needed to complete the work. We request \$300,000 be added to the existing CIP funds for work to be completed over the summer of 2018 when students are not present on school grounds.

- 4) Track – The track is currently un-usable and has to be replaced. We request the county set up a guaranteed CIP fund of \$230,000 so the work can be done over the summer of 2018 when students are not present on school grounds.

- 5) Time & Attendance & Munis Upgrade Packages – The complexities of school payroll and reporting requirements of the state and federal government require us to implement a more automated system of tracking employees, substitutes, and applicants. This amount includes the installation and additional infrastructure improvements to support the system in all school buildings for all school employees as needed.

- 6) Employee Contract Renewal Bonus – For each employee who elects to continue employment with Prince George County Schools for the FY2019 fiscal year, a bonus of

\$500 for all full-time employees and \$250 for all permanent part-time employees will be given in June, 2018 when each employee signs a continuing contract. F/T employee cost is approximately \$350,000. P/T employee cost is approximately \$50,000.

- 7) General Maintenance – We request \$80,000 be set up as a guaranteed CIP fund to add on the Field House. This work will commence once all requirements have been met. The additional \$20,000 will be used to add a fence at the Field Hockey Field and will be placed in the School's capital improvement fund.
- 8) PGHS Projector & Big Screen & Room Darkening Panels – Needed for meetings held in the PGHS Commons Area to improve communication.
- 9) Furniture – Replacements costs associated with desks, chairs, and tables for PGHS Math and English classrooms, and Clements English classrooms.

MUST HAVE – STATE MANDATED & FACILITY STUDY

- 10) SPED Testing – Additional funds are needed to provide testing as mandated by the state.
- 11) One (1) Vision Machine – State mandate
- 12) Site Analysis – Required as part of building the new elementary school(s).

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 27th day of March, 2018:

Present:

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

Vote:

A-3

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 27th 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