

Issue Analysis Form

Date: June 23, 2020
School Revenue Sharing
Calculation – Public Safety
“Carve Outs”
Item:
County Administration &
Finance
Lead Department(s):
Contact Person(s): Betsy Drewry



Description and Current Status

Prince George County currently calculates the local operating transfer to the school system using a revenue sharing calculation, transferring a portion of 5 local fund revenue streams.

Real Estate Tax Revenue
Personal Property Tax Revenue + PPTRA
Local Sales Tax
Consumer Utility Taxes
Motor Vehicle License Fees

The Prince George County Board of Supervisors approved an amended School Revenue Sharing Memorandum of Understanding (MOU) on August 13, 2019. This version has not been adopted by both boards (Board of Supervisors and School Board).

The modified calculation approved by Board of Supervisors on August 13, 2019 contained some “carve out” provisions (revenue increase amounts that can be excluded from the operating transfer to schools).

Staff requests specific direction from the Board on items to carve out from the school transfer for FY2022 and future budget cycles.

The Board gave consensus on school CIP and public safety items to carve out for the FY2021 budget during the April 22 budget work session and this document was used as a model for the discussion on June 23.

Attachment 1 provides “carve out” excerpts of the School Revenue Sharing Calculation / MOU approved on August 13, 2019.

Attachment 2 provides a listing of the potential “carve out” expenditures / revenue losses for which staff is seeking guidance.

Eleven (11) Carve out areas identified are:

- 1 Fire Apparatus per Ordinance §74-4 (2¢ Devoted RE Tax)
- 2 School Capital Projects & Equipment
- 3 Public Safety Capital Projects & Equipment
- 4 Additional Police Personnel
- 5 Additional Fire/EMS Personnel
- 6 Additional Sheriff Personnel
- 7 Public Safety Grant Revenue Losses
- 8 Police Non-Salary Increases within the budget (contracted services and equipment)
- 9 Fire/EMS Non-Salary Increases within the budget (contracted services and equipment)
- 10 Sheriff Non-Salary Increases within the budget (contracted services and equipment)
- 11 Radio System Maintenance Contract Increase (anticipated for FY2023)

Government Path

- 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?** Yes No

Fiscal Impact Statement

Board consensus on public safety school funding “carve outs” will provide clear direction on tax increases / devotion of increased resources for public safety, and whether those amount need to be included in the school revenue sharing calculation.

County Impact

Consensus will provide desired Board public safety carve outs from the school operating transfer for future budgets (FY2022 and beyond).

Notes

Excerpts from School Revenue Sharing Calculation / MOU approved August 13, 2019

School Capital Exclusion / Carve Out

4. Funding for debt incurred after January 1, 2019 shall also be paid by the County General Fund; provided, however that
 - a. the Board of Supervisors may exclude from the operating budget transfer to the schools any additional revenue created by increased rates or changes in tax structure for real estate, personal property, local sales, consumer utility (gas, mobile phone, telephone and electric) taxes and motor vehicle licenses adopted after January 1, 2019 so long as such additional revenue is allocated to school capital expenditures, and

Public Safety Capital and Operating Exclusion / Carve Out

- b. the Board of Supervisors may exclude from the operating budget transfer to the schools any additional revenue created by increased rates or changes in tax structure for real estate, personal property, local sales, consumer utility (gas, mobile phone, telephone and electric) taxes and motor vehicle licenses adopted after January 1, 2019 so long as such additional revenue is allocated to operating and capital expenditures related to public safety.

School Revenue Sharing Carve Out for Discussion & Guidance:

#		Carve Out - Yes/No				
		DH	AC	FB	MW	TW
8a	Police Contracted Services Increases; if Yes, Dollar Level?					
8b	Police Equipment Increases; if Yes, Dollar Level?					
8c	Animal Services Contracted Services Increases; if Yes, Dollar Level?					
8d	Animal Services Equipment Increases; if Yes, Dollar Level?					
8e	ECC Contracted Services Increases; if Yes, Dollar Level?					
8f	ECC Equipment Increases; if Yes, Dollar Level?					
9	Fire/EMS Non-Salary within Operating Budget:					
9a	Fire/EMS Contracted Services Increases; if Yes, Dollar Level?					
9b	Fire/EMS Equipment or Gear Increases; if Yes, Dollar Level?					
10	Sheriff Department Non-Salary:					
10a	Sheriff Department Contracted Services Increase (not funded by non-tax sources); if Yes, Dollar Level?					
10b	Sheriff Department Equipment Increase (not funded by non-tax sources); if Yes, Dollar Level?					
11	Radio System Maintenance Contract Increase - FUTURE Est \$413,819 Increase [FY2023 anticipated]					

\$48,779 Increase in Service Contracts currently carved out