

# Issue Analysis Form



**Date:** December 8, 2020  
 Authority to Advertise Public Hearing - School Carry Forward Appropriation

**Item:**

**Lead Department(s):** County & School Finance

**Contact Person(s):** Betsy Drewry

## Description and Current Status

On October 6, 2020, the Prince George County School Superintendent provided a request for carry-forward of unexpended FY2020 school operating funds and an appropriation increase of \$1,877,886.32. This represents the reduction in local school transfer for actual school revenues over actual school expenditures (\$1,924,925.32), **less amount already re-appropriated for purchase orders (\$47,039)**. The request is shown as **Attachment A**. This appropriation would come from fund balance.

The requested appropriation increases are amounts above those included in the adopted FY2021 budget. The total request of \$1,877,886.32 requires a public hearing because the amount exceeds 1% of the adopted FY2021 budget (Adopted FY2021 budget = \$126,187,775; 1% = \$1,261,878). The Code of Virginia §15.2-2507 requires a public hearing for budget amendments exceeding 1% of the adopted fiscal plan.

The School textbook and Food Service funds carry forward automatically.

COUNTY OF PRINCE GEORGE, VIRGINIA

Exhibit 40

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2020

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 103,500	\$ 103,500	\$ 8,529	\$ (94,971)
Miscellaneous	25,000	25,000	75,213	50,213
Recovered costs	131,500	131,500	185,391	53,891
Intergovernmental:				
County contribution to School Board	15,920,148	16,067,837	14,142,912	(1,924,925)
Commonwealth	43,350,166	43,350,166	43,765,595	415,429
Federal	6,892,080	6,939,495	7,546,996	607,501
Total revenues	\$ 66,422,394	\$ 66,617,498	\$ 65,724,636	\$ (892,862)
<b>EXPENDITURES</b>				

A history of carry-over amounts appropriated to schools is shown below:

Added Appropriation in:	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY2018-2019	FY2019-2020
	Left from FY2013-2014	Left from FY 2014-2015	Left from FY 2015-2016	Left from FY 2016-2017	Left from FY2017-2018	Left from FY 2018-2019
Approved Carryover Appropriation	\$ 512,562	\$ 1,907,359	\$ 408,239	\$ 1,600,508	\$ -	\$ 704,232
Resolution Number	R-15-013	R-16-008	R-17-037	R-18-058	N/A	R-19-155
Resolution Date	1/27/2015	1/12/2016	3/28/2017	5/8/2018	N/A	12/10/2019

Request \$ 2,725,326 \$ 583,616 \$ 704,232

**Notes:**

For FY2018, \$1,346,508 was appropriated to FY2018 Operating / Capital; \$254,000 was appropriated to FY2019 to assist with employee insurance premium reductions.

**Note A** - During FY2018-19, the Board of Supervisors appropriated additional funds for school use as follows:

School Utility Loan Payoff	654,379.94	R-18-088	7/31/2018
Excess Impact Aid Funds to CIP (school projects)	1,583,633.35	R-19-036	3/12/2019
Excess Impact Aid Funds to School Oper Fund	436,169.00	R-19-079	6/11/2019
Additional State Revenues to School Oper Fund	297,761.00	R-19-079	6/11/2019

**Note B** - During FY2019-20, the Board of Supervisors also appropriated \$1,000,000 of fund balance toward new Walton Elementary architectural and engineering services

**The school request outlines the use carryover funds as follows:**

- \$1,000,000.00 – New Walton Elementary Water / Sewer & Road Improvements
- \$310,000.00 – Bleachers Prince George High School
- \$500,000.00 – HVAC (Chiller / Cooling Tower) Prince George High School
- \$50,000.00 – Fire Alarm replacement
- \$17,886.32 – J. E. J. Moore Middle School Water Intrusion Correction

The entire \$1,877,886.32 request would be accounted for within the County-wide CIP Fund.

**Board Action Requested:**

Authorize advertisement of a January 12, 2021 public hearing. A draft resolution is provided for board consideration and possible approval.

**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
- Yes  No

**If so, before what date?** 7 days prior to public hearing; one advertisement

### **Fiscal Impact Statement**

Reduction of fund balance of \$1,877,886.32, approximately 1.54% of budgeted expenditures.

Increase in appropriation for school needs.

**Total Increase in Appropriation for FY2020-21 \$1,877,886.32**

### **County Impact**

Appropriation would allow the school division to make the purchases and repairs as requested, and will allocate \$1,000,000 toward new Walton Elementary School water and sewer and road improvements. Reduction of unrestricted fund balance of \$1,877,886.32, approximately 1.54% of budgeted expenditures used to calculate fund balance threshold requirement.

### **Notes**

FY2020 ending fund balance is \$28,328,773; 26.4% of FY2020 expenditures; 23.26% of FY2021 budgeted expenditures.



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# Prince George County Public Schools

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*A Commitment To Quality Education*

October 6, 2020

TO: Mr. Percy C. Ashcraft, County Administrator  
Mrs. Betsy Drewry, Deputy County Administrator, Finance

FROM: Dr. Lisa Pennycuff

RE: Request for Appropriation of FY20 Carryover Funds to Countywide CIP

Dear Mr. Ashcraft:

While the annual audit of the FY20 school revenue and expenditures has not been finalized, it is projected that the final amount remaining from the Regular/Operating Fund (0500) is \$1,924,925.32. We previously asked the Board of Supervisors for consent to use funds from the anticipated/projected carryover, or fund balance, and received it for rolled purchase orders for items that had not been received and projects not completed in the amount of \$47,039. This leaves a projected year-end balance of \$1,877,886.32.

These funds are available resulting from several factors. As the schools were advised from March through June by the Virginia Department of Education that there would be reductions in funding in FY20, we adjusted spending to ensure that expenditures would not exceed revenue. Also, in the spring, it is the practice to request a supplemental appropriation for additional state revenue resulting from increased enrollment. We are fortunate, in that the state funding was not reduced and, in addition, we received additional Federal Impact Aid funding.

As you are aware, with the construction of the new elementary school, the expense for offsite construction costs for road and sewer improvements were to be determined once a location had been finalized. We have been advised that the cost is now estimated to be \$1,700,000. We realize that CIP projects are on hold for FY21, due to the uncertain economic environment. We are requesting that \$1,000,000 be appropriated to the School's construction line to cover the costs that will occur during FY21.

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OFFICE OF THE SUPERINTENDENT

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# Prince George County Public Schools

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*A Commitment To Quality Education*

We are further requesting that the remaining excess fund balance/carry over of \$877,886.32 be applied to account lines in the countywide CIP fund to cover the following deferred maintenance projects that have been determined to be critical needs in accordance with the facility index study that was completed by Faithful and Gould. These include:

- The Bleachers at Prince George High School: Approximately \$310,000.00
- HVAC: Chiller and Cooling Tower at PGHS: Approximately \$500,000.00
- Fire Alarm: Retrofit replacement of the obsolete (no longer supported/limited service/support available for current panel) fire alarm panel: Approximately \$50,000.00
- Elimination of Water Intrusion at Moore: \$17,886.32

While we realize that the audit has not been completed, we also realize that these projects will take considerable amounts of time to have them completed. As they are critical in nature, we are requesting the appropriation now so this work may begin.

Thank you for sharing this information with your Board, and we look forward to your response.

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OFFICE OF THE SUPERINTENDENT

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Date: October 5, 2020

Presenter: Lisa Pennycuff, Ed.D.  
Monique Barnes

Approved: \_\_\_\_\_  
Disapproved: \_\_\_\_\_  
Tabled: \_\_\_\_\_

**TOPIC:** Request for Approval and Supplemental Appropriation 2019-2020 into the Countywide CIP FY21 budget.

**RATIONALE:** The projected year-end balance for the Regular/Operating Fund (0500) is projected to be \$1,924,925.32. Of this amount, \$47,039 has already been appropriated to the school division for rolled purchase orders for items and services that had not been received by June 30. The projected available amount is \$1,877,866.32.

The breakdown for the surplus is as follows:

Budget Savings	\$728,078.83
Additional Local Revenue	\$9,133.04
Excess State Revenue	\$415,429.24
Excess Federal Revenue	\$152,119.94
Excess Impact Aid	\$620,164.27
<u>Unaudited Fund Balance</u>	<u>\$1,924,925.32</u>

**RECOMMENDATION:** Approval by School Board and Refer to Board of Supervisors for Supplemental Appropriation of \$1,877,866.32 into the Countywide FY21 CIP for deferred maintenance items and offsite improvements for the new elementary school.

COUNTY OF PRINCE GEORGE  
NOTICE OF PUBLIC HEARING  
PROPOSED AMENDMENT TO FY21 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, January 12, 2021, 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, 2020 and ending June 30, 2021.

The County adopted its FY19-20 budget on May 14, 2019 with the recommendation to transfer \$16,687,651 to the School operating and textbook funds. The School Board received non-local revenues above the amounts estimated, and did not spend all of its FY19-20 budget appropriation, and \$1,924,925.32 in non-local excess revenues and unspent funds reverted to the County / Fund Balance at the end of the fiscal year. The Prince George County Board of Supervisors has already appropriated \$47,039 for purchase order obligations. The School Board is requesting \$1,877,866.32 be appropriated to the County-wide Capital Improvement Project Fund for expenditure in FY20-21.

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 8<sup>th</sup> day of December, 2020:

Present:

Vote:

Donald R. Hunter, Chairman  
Alan R. Carmichael, 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 \$1,877,886.32 FOR FY2020 SCHOOL DIVISION CARRY-OVER FUNDS

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 8<sup>th</sup> day of December, 2020, does hereby authorize the advertisement of a public hearing for an appropriation of \$1,877,886.32 for FY2020 School Division Carry-Over Funds.

A Copy Teste:

\_\_\_\_\_  
Percy C. Ashcraft  
County Administrator