

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
INFORMATION ITEM**

SUBJECT: Loudoun County Public Schools FY 2016 Fund Balance Requests

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Tim Hemstreet, County Administrator
Erin McLellan, Management and Budget

PURPOSE: The purpose of this item is to convey the requests for use of FY 2016 General Fund Balance from the Loudoun County School Board and solicit feedback from the Finance/Government Operations and Economic Development Committee (FGOEDC).

BACKGROUND: Each year an audit is completed and staff brings forward any balances that remain from the previous year for review by the Board of Supervisors (Board) and requests use of funds for one-time purposes if needed. The Loudoun County School Board also routinely requests the use of fund balance for specific one-time uses. This item presents the request of the School Board for use of FY 2016 fund balance so that the FGOEDC and the Board can consider the request and give guidance to staff.

ISSUES: The official FY 2016 audit results are not currently available as the audit is still in progress. Therefore, staff can only estimate the amount of fund balance that may be available for use. Staff will return to the December FGOEDC meeting with a complete year-end report. The School Board has its regular Business Meetings scheduled opposite the FGOEDC meetings, making it highly challenging for Schools staff to be present to respond to questions. In order to fully address any questions that FGOEDC members may have, this Information Item is being brought to provide a forum for Board members to pose questions that can be then asked of Loudoun County Public Schools (LCPS). Staff will return to the December FGOEDC meeting with LCPS responses, as well as the County Administrator's recommendations regarding the potential use of year end Fund Balance for both the LCPS and general government.

FISCAL IMPACT: The total FY 2016 fund balance request from LCPS is \$7,480,000. In addition to any use of fund balance for LCPS requests, staff anticipates that fund balance will be needed for several Board-directed initiatives, to ensure continuity of FY 2017 revenue should the tax rate be reduced as part of the FY 2018 budget, and for one-time capital uses in the FY 2018 budget.

ATTACHMENT:

1. School Board FY 2016 Fund Balance Request – Letter from Chairman Hornberger dated October 26, 2016



LOUDOUN COUNTY PUBLIC SCHOOLS

21000 Education Court
Ashburn, Virginia 20148
Telephone: 571-252-1020

Eric D. Hornberger
School Board Chairman
and
Ashburn District Representative

October 26, 2016

RECEIVED
Loudoun County Office of

OCT 31 2016

COUNTY ADMINISTRATOR

Phyllis J. Randall, Chair
Loudoun County Board of Supervisors
1 Harrison Street, SE / Fifth Floor
Post Office Box 7000
Leesburg, Virginia 20177-7000

Dear Chair Randall:

At the meeting, Tuesday, October 25, 2016, the Loudoun County School Board voted to request a supplemental appropriation from the Loudoun County Board of Supervisors FY2016 Fund Balance in the amount of \$7,480,000. The funds are to be utilized on the following items to further improve the school division:

- 1. Bus Purchases (34) \$4,080,000**
Purchases of 34 new school buses to maintain the Fleet Management Plan. No new school buses were funded in the FY17 operating budget. If this is funded, the Superintendent's Proposed Operating Budget for FY18 would seek funding for 26 new school buses, rather than 60 new school buses.
- 2. Textbooks/Digital Learning \$1,500,000**
LCPS is currently conducting an assessment of textbooks and digital learning resources to determine the division's future needs but that assessment has not yet been completed. The last LCPS textbook adoption was in FY06. If this is funded, it is anticipated that the FY18 Superintendent's Proposed Operating Budget would still seek increased funds for textbooks and digital resources, but not at the same level as would be recommended without funding this item through fund balance.
- 3. Synthetic Turf (Heritage High School) \$1,900,000**
This project would provide synthetic turf for one stadium. It also includes complete track replacement and drainage. Heritage High School is the oldest school without synthetic turf.

Total 2016 Fund Balance Request: \$7,480,000

Phyllis J. Randall, Chair
October 26, 2016
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Staff from Loudoun County Public Schools (LCPS) are available to answer any questions you, and the other Supervisors may have regarding the specifics of particular projects. Should you have any other questions, please contact me.

Please note a School Board work session, as well as a regular School Board meeting, is scheduled for the afternoon and evening of Tuesday, December 13, 2016, that will require the attendance of staff who would be able to represent LCPS on the fund balance matter. Staff are available to answer questions, in person, at a mutually convenient date and time.

Thank you, in advance, for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric D. Hornberger", is written over the word "Sincerely," and extends across the line of the name below.

Eric D. Hornberger, Chairman
& Ashburn District Representative
Loudoun County School Board

Copy: Members, Loudoun County Board of Supervisors
*Tim Hemstreet, Loudoun County Administrator
Members, Loudoun County School Board
Eric Williams, Ed.D., Superintendent, Loudoun County Public Schools
Members, Superintendent's Cabinet, Loudoun County Public Schools