DATE: April 20, 2006

SUBJECT: Adopt a Fiscal Year 2007 School Transfer Resolution

C. M. RECOMMENDATION:

Adopt the attached Fiscal Year (FY) 2007 School Transfer Resolution (Attachment I)

ISSUE: Final School Board budget numbers for FY 2007 are not finalized for the various School funds.

SUMMARY: According to the State Code § 22.1-93, the County must approve a budget for educational purposes by May 1st. The attached resolution allocates the fiscal resources to the Schools to operate in fiscal year 2007.

DISCUSSION: The County General Fund budget includes a School transfer of $311,430,985 for FY 2007, an increase of $21.4 million (7.4%) over FY 2006. The transfer amount is based on an allocation of local tax revenue, based on the revenue sharing agreement between the County and the Schools. For FY 2007, the School transfer was calculated based on a percentage of 47.7%. The Schools have not finalized allocations among the various School funds at this time, based on the final County transfer amount. The School Board is scheduled to adopt the School budget on May 4, 2006, and a revised budget and appropriation resolution will be prepared after final adoption.

FISCAL IMPACT: The Schools will balance the budget utilizing the County transfer and other available School revenue and carryover funds for FY 2007.

Staff: Mark Schwartz, Deputy Chief Financial Officer, Department of Management and Finance
       Chuck Gubisch, Budget Director, Department of Management and Finance
SCHOOLS TRANSFER RESOLUTION

WHEREAS, single tax rates of real and personal property for Fiscal Year 2007 budget year have been established; and

WHEREAS, all receipts from these sources are to be deposited in the General Fund of the County together with other sources;

NOW THEREFORE, BE IT RESOLVED that in July 2006 and each subsequent month thereafter, until rescinded, the County Treasurer will transfer monies from the County General Fund in amounts as required to the School Operating Fund, the Community Activities Fund, the School Comprehensive Services Act Fund, the School Debt Service Fund, the Cafeteria Fund and the School Capital Projects Fund, the total amount for the year not to exceed $311,430,985; and

BE IT RESOLVED that transfer shall be made from the sum appropriated for School purposes in a sufficient amount, when added to the School balances, to cover warrant requirements.

NOW THEREFORE, BE IT FURTHER RESOLVED that the County Board authorizes the carryover of surplus School funds from Fiscal Year 2006 to Fiscal Year 2007 in order to provide financing for the Fiscal Year 2007 adopted School budget.