



Legislation Details (With Text)

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Type: Resolution-Budget **Status:** Passed
File created: 11/29/2023 **In control:** City Council Legislative Session
On agenda: 12/13/2023 **Final action:** 12/13/2023
Title: Resolution to Amend the City Council Approved Fiscal Year 2024 Budget to Accept and Appropriate to the General Fund's School Operating Fund: (1) \$7,866,046 of State Carryover Funds; and (2) \$14,365,777 of Additional Fiscal Year 2024 State Funds

Sponsors:

Indexes: DO NOT USE - 21 - Budget Adjustments, Education

Code sections: 15.2-2507 - Amendment of Budget

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------------------|----------|--------|
| 12/13/2023 | 1 | City Council Legislative Session | approved | Pass |

Resolution to Amend the City Council Approved Fiscal Year 2024 Budget to Accept and Appropriate to the General Fund's School Operating Fund: (1) \$7,866,046 of State Carryover Funds; and (2) \$14,365,777 of Additional Fiscal Year 2024 State Funds

PURPOSE/BACKGROUND:

The School Board of the City of Hampton ("School Board") is requesting the acceptance and appropriation of:

- (1) \$7,866,046 of the fiscal year 2023 state carryover funds. \$5,400,135 of this amount is state funding from the School Construction Grant Program Entitlement which ends June 30, 2025. The remaining \$2,465,911 is to offset the impact of the fiscal year 2024 state revenue reductions. If the reductions do not occur, the funds will be spent on one-time operational and instructional expenditures, the Academies of Hampton, and other one-time expenditures. This appropriation request is authorized by Chapter 2, Item 137, Section (B), 2022 Special Session I Acts of Assembly (i.e. 2022 Appropriation Act), which provides that any locality that has met its required local effort for the Standards of Quality accounts for FY 2023 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2023 may carry over into FY 2024 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2024 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2024. Additionally, unspent School Construction Grant Program Entitlement balances as of June 30, 2023, and June 30, 2024, shall be appropriated to school divisions the following year. This request was approved by the School Board at its meeting on September 6, 2023; and
- (2) \$14,365,777 in additional state funds authorized by the General Assembly's Adopted

Amendments to the FY 2024 Budget in House Bill 6001 (Item 138.19). \$10,249,878 of that amount is state funding for implementing the Virginia Literacy Act, addressing learning loss and chronic absenteeism (also referred to as ALL in VA funding) available through June 30, 2026. The remaining \$4,115,899 is state funding to support staff positions within Basic Aid, compensation supplement, and At-risk students. This appropriation request is authorized by Chapter 1, 2023 Special Session I Acts of Assembly, based on amendments adopted in HB 6001 that amended fiscal year 2024 Direct Aid distributions to school divisions enacted in the Chapter 769 budget at the 2023 regular session. This request was approved by the School Board at its meeting on November 1, 2023.

In the event the General Assembly, or the Department of Education in furtherance of and consistent with an action of the General Assembly, authorizes or directs other eligible uses for all or a portion of those funds outlined above, the School Board shall expend those funds in accordance with that direction.

Discussion:

See Purpose/Background above.

Impact:

See Purpose/Background above.

Recommendation:

Approve the Resolution.

WHEREAS, Chapter 1, Item 138.19, 2023 Special Session I Acts of Assembly, authorizes additional fiscal year 2024 State Direct Aid to school divisions and the School Board of the City of Hampton, Virginia is projected to receive an additional \$14,365,777 in state funds no later than June 30, 2024;

WHEREAS, the School Board of the City of Hampton, Virginia will use \$10,249,878 of that \$14,365,777, from the ALL in VA funding, to implement a plan that addresses the Virginia Literacy Act, learning loss and chronic absenteeism, and the remaining \$4,115,899 in state funds will be used to support a mid-year compensation increase and other instructional and operational expenditures;

WHEREAS, Chapter 2, Item 137, Section (B), 2022 Special Session I Acts of Assembly (i.e. 2022 Appropriation Act) permits school divisions that have met required local effort for Standards of Quality accounts and required local match for incentive or Lottery-funded programs in which the locality elected to participate in for fiscal year 2023 to carry forward fiscal year 2023 unexpended state funds to fiscal year 2024 to help minimize the impact of any fiscal year 2024 state revenue adjustments to the school division and unspent School Construction Grant Program Entitlement balances as of June 30, 2023, and June 30, 2024, shall be appropriated to school divisions the following year;

WHEREAS, the School Board of the City of Hampton, Virginia has stated that they have met the required local effort for Standards of Quality and local match for incentive or Lottery-funded programs in which it elected to participate in fiscal year 2023 and has closed its books for fiscal year 2023 and has reported unexpended state funds of \$7,866,046; \$5,400,135 of which is from the

School Construction Grant Program Entitlement for school renovations, and the remaining \$2,465,911 will be used to offset the impact of fiscal year 2024 state revenue reductions to the school division if necessary; however, if those reductions do not materialize, the division plans to spend the carryover on operational and instructional expenditures, the Academies of Hampton, and other one-time expenditures ("One-Time Purchases"); and

WHEREAS, the School Board of the City of Hampton, Virginia determined it best to be prudent in identifying specific needs that align with the Strategic plan and support continued focus in ensuring all students are college, career, and life ready and is requesting that the City Council of the City of Hampton approve and appropriate those additional and carryover state funds outlined above.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia hereby amends the City Council Approved Budget for Fiscal Year 2024 to accept and appropriate to the General Fund's School Operating Fund: (1) \$14,365,777 in additional funds to be used by the School Board of the City of Hampton, Virginia's for the ALL in VA program, mid-year compensation increase and other instructional and operational expenditures; and (2) \$7,866,046 in carryover funds to be used for the School Construction Grant Program Entitlement and to offset the impact of fiscal year 2024 state revenue adjustments if necessary, or for the One-Time Purchases outlined above.

BE IT FURTHER RESOLVED, that in the event the General Assembly, or the Department of Education in furtherance of and consistent with an action of the General Assembly, authorizes or directs other eligible uses for all or a portion of those funds outlined above, the School Board shall expend those funds in accordance with that direction.

BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager, or her designee, to take any and all actions necessary to implement this request.