



## Legislation Text

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Resolution to Amend the Fiscal Year 2021 Council Approved Budget to Appropriate \$5,843,680 of Fiscal Year 2020 State Carryover Funds and Other Funds to the General Fund's School Operating Budget to Offset the Impact of Fiscal Year 2021 State Revenue Adjustments

### **PURPOSE/BACKGROUND:**

This appropriation request is authorized by Chapter 1283, 2020 Acts of Assembly (i.e. 2020 Appropriation Act) , which provides that any locality that has met its required local effort for the Standards of Quality accounts for FY 2020 and has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in for FY 2020 may carry over into FY 2020 any remaining state Direct Aid to Public Education Fund Balances available to help minimize any FY 2021 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 2021.

### **Discussion:**

The School Board of the City of Hampton is requesting appropriation of \$5,843,680 of fiscal year 2020 state carryover funds and other funds to offset the impact of fiscal year 2021 state revenue reductions. If the reductions do not occur, the funds will be spent for one-time operational and instructional expenditures.

### **Recommendation:**

Approve.

**WHEREAS**, Chapter 1283, 2020 Acts of Assembly (i.e. 2020 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 2020 to carry forward fiscal year 2020 unexpended state funds to fiscal year 2021 to help minimize the impact of any fiscal year 2021 state revenue adjustments to the school division;

**WHEREAS**, the School Board of the City of Hampton, Virginia received additional state funds of \$2,167,336 due to exceeding the original projected average daily membership and final General Assembly changes in Sales Tax and Supplemental Lottery fund payments to the school division;

**WHEREAS**, the School Board of the City of Hampton, Virginia received additional miscellaneous funds of \$362,606 and received a reduction in federal funds of \$54,854 for a net increase of \$307,752 due to exceeding the original projected budget for other funds primarily the pharmacy revenue, Medicaid revenue, and print shop revenue;

**WHEREAS**, the School Board of the City of Hampton, Virginia experienced \$3,368,592 of savings due to less expenses incurred during the COVID-19 mandatory school closure which began March 16, 2020;

**WHEREAS**, the School Board of the City of Hampton, Virginia has closed its books for fiscal year 2020 and has reported unexpended state and other funds of \$5,843,680;

**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 2020;

**WHEREAS**, the School Board of the City of Hampton, Virginia determined it best to be prudent in mitigating the impacts of the current pandemic on revenues and in identifying specific needs that align to the Strategic plan and support our continued focus in ensuring all students are college, career, and life ready;

**WHEREAS**, the School Board of the City of Hampton, Virginia will use the \$5,843,680 in unexpended state and other funds in fiscal year 2021 to offset the impact of fiscal year 2021 revenue reductions to the school division, if necessary; however, if these reductions do not materialize, the division plans to spend the carryover on one-time operational and instructional expenditures using a phase-in approach as new information is released and obtained throughout the school year concerning revenues; and

**WHEREAS**, the School Board of the City of Hampton, Virginia is requesting that the City Council of the City of Hampton, Virginia approve and appropriate the carryover of unexpended state funds to the General Fund's School Operating Budget.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Hampton, Virginia hereby amends its Fiscal Year 2021 Council Approved Budget to appropriate the sum of \$5,843,680 in Fiscal Year 2020 qualifying carryover funds (State and Other Funds) to the General Fund's School Operating Budget for use by the School Board of the City of Hampton to solely offset the impact of revenue reductions to the school division, if necessary, or for one-time operational and instructional expenditures.

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