

Revised  
May 23, 2003

**SCHOOL BOARD AGENDA ITEM**

**Agenda Item No. IV.B.1.**

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**Prepared:** April 21, 2003

**New Business:** May 8, 2003

**Action:** May 22, 2003

**Staff Contact:** Charles Woodruff, Chief Financial Officer, Financial Services

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**SUBJECT:** FY 2004 Approved Budget

**RECOMMENDATION:**

That the School Board adopt the FY 2004 approved budget to include revenue and expenditure adjustments in this agenda item.

**EXPLANATION:**

This agenda item reflects action by the Board of Supervisors (BOS) on the School Board's FY 2004 budget request as well as updates to FY 2004 revenue and expenditures. The agenda item includes \$531,832 in ongoing expenditures that were approved in conjunction with the FY 2003 Third-Quarter Budget Review.

The Board of Supervisors adopted the FY 2004 county transfer increase to the schools of 6.03 percent or \$3.2 million less than the School Board request. This agenda item also recognizes \$0.8 million that the county transferred to FCPS as our share of the county's FY 2003 Third-Quarter Budget Review. Lastly, the BOS restored 4.0 school education officers (SEO) cut in the county's budget provided that the school system pay \$87,230, or half of the cost.

The School Board approved a motion to reduce class size at all levels and to fund the proposal by reprioritizing and cutting other expenditures in the budget.

The School Board had requested information on potential substitute teacher savings resulting from the addition of two days to the teacher contract for staff development. To meet current needs, savings for substitutes will be reprogrammed to help offset the reduction to Standards of Learning (SOL) teacher-training funds.

Attachments

		<u>AMOUNT</u>	
<b>I. REVENUE ADJUSTMENTS</b>			
	<b>A. Transfer Reduction</b>	<b>(\$3,153,714)</b>	
	<p>The School Board's Advertised Budget included an increase in the county transfer of 6.3 percent. The Board of Supervisors, in adopting their FY 2004 budget plan, has approved a transfer increase of 6.03 percent, or \$3.2 million less.</p>		
	<b>B. State Aid</b>	<b>156,192</b>	
	<p>Final actions by the General Assembly resulted in a net increase of \$0.2 million in state aid.</p>		
	<b>C. Federal E-Rate</b>	<b>1,200,000</b>	
	<p>FCPS will complete the upgrade of low-speed ISDN lines to the high-speed ATM network in FY 2003. This will generate an additional \$1.2 million in rebates to FCPS from the federal E-Rate program.</p>		
	<b>D. Carl D. Perkins</b>	<b>69,890</b>	
	<p>This revised projection is offset by an expenditure increase in the expenditure section III, item D.</p>		
	<b>E. Beginning Balance</b>	<b>833,014</b>	
	<p>The budgeted beginning balance has been increased by \$0.8 million due to additional school funds identified by the county at its FY 2003 Third-Quarter Budget Review.</p>		
	<b>TOTAL REVENUE ADJUSTMENTS</b>	<b><u>(\$894,618)</u></b>	
		<u>AMOUNT</u>	<u>POSITIONS</u>
<b>II. EXPENDITURE ADJUSTMENTS FROM THIRD QUARTER</b>			
√	<b>A. Health Insurance Portability and Accountability Act (HIPAA)</b>	<b>\$296,222</b>	<b>1.0</b>
	<p>The FY 2004 cost to meet the Health Insurance Portability and Accountability Act (HIPAA) requirements are \$35,222 for one position, including benefits, and \$261,000 for additional hardware and software for call-tracking.</p>		
√	<b>B. Virginia Unemployment Claims</b>	<b>160,000</b>	<b>0.0</b>
	<p>Based on increased unemployment costs in FY 2003, an increase of \$160,000 is required in FY 2004.</p>		

√ Recurring  
X Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
√ <b>C. Custodial Training Academy</b>	<b>0</b>	<b>5.0</b>
<p>Position authorization for 5.0 custodians was provided when the custodial training academy was closed at West Potomac High School during FY 2003. This action provides for position authority in FY 2004.</p>		
√ <b>D. Federal Aid/IDEA</b>	<b>0</b>	<b>1.0</b>
<p>Conversion of existing grant funds will pay for a 1.0 office assistant position to support the growing number of students processed by the Child Find staff.</p>		
√ <b>E. Title IV-E Grant</b>	<b>75,610</b>	<b>1.0</b>
<p>In order to pursue this additional revenue initiative in FY 2004, the financial analyst position approved at the FY 2003 Third-Quarter Budget Review will be required in FY 2004.</p>		
	<hr/>	<hr/>
<b>TOTAL THIRD QUARTER ADJUSTMENTS</b>	<b><u>\$531,832</u></b>	<b><u>8.0</u></b>
<b>III. OTHER EXPENDITURE ADJUSTMENTS</b>		
√ <b>A. Success by Eight</b>	<b>0</b>	<b>24.0</b>
<p>Existing hourly funds for instructional assistants at 17 Success by Eight schools will be converted to permanent instructional assistant positions for these schools. These positions will be distributed on a formula basis.</p>		
√ <b>B. Substitute Savings</b>	<b>(900,000)</b>	<b>0.0</b>
<p>Based on the most current available data, FY 2003 actual expenditures related to teacher substitutes for sick and personal leave are less than the projected expenditures. Based on this trend, funding in FY 2004 for substitutes for sick and personal leave can be reduced \$0.9 million.</p>		
√ <b>C. Restore Head Start Classrooms</b>	<b>163,722</b>	<b>0.0</b>
<p>In order to reinstate four of the six Head Start classrooms eliminated in the FY 2004 budget, it will cost \$388,722. Of this amount, \$60,000 will be provided by the Office for Children, leaving \$328,722 to be transferred from the Operating Fund to the Grant Fund. Of this amount, \$165,000 will come from reprogramming existing resources within Instructional Services. The School Board was briefed at a work session on April 28, 2003, where the details of the plan were discussed.</p>		

√ **Recurring**  
X **Nonrecurring**

	<u>AMOUNT</u>	<u>POSITIONS</u>
√ <b>D. Carl D. Perkins</b>	<b>69,890</b>	<b>0.0</b>
<p>Revenue item D, references additional Perkins funding that will be used to support increased supply and equipment needs for the vocational program.</p>		
√ <b>E. Intervention Support Program (ISP) Adjustment</b>	<b>0</b>	<b>(25.0)</b>
<p>When the School Board adopted the FY 2004 Advertised Budget, \$750,000 was eliminated from ISP. This item recognizes the elimination of positions that generated the required savings. The Department of Special Services has replaced ISP with the Summit Program.</p>		
√ <b>F. Membership Adjustment</b>	<b>(213,297)</b>	<b>(3.8)</b>

The revised FY 2004 approved membership projection is 166,746, an increase of 145 students from the proposed membership projection. Revisions to the membership projection generate total savings of 3.8 positions and \$213,297. The general education projections reflect a decrease of 122 students and 21.7 positions comprised of the following:

	<u>Membership Change</u>	<u>Position Change</u>
Elementary	(188)	(37.5)
Middle	29	(3.1)
High	(2)	12.9
Alternative Programs	39	4.0
Psychologists/Social Workers	—	<u>2.0</u>
Total General Education	(122)	(21.7)

The revised special education Level 2 projection reflects an increase of 267 students over the proposed membership projection. Staffing is driven by the total number of services provided rather than the number of Level 2 students. In FY 2004, special education services provided to Level 1 and Level 2 students will increase from 48,303 to 48,996, an increase of 693 or 1.4 percent. The change in special education positions is comprised of the following:

	<u>Position Change</u>
Teachers	13.9
Instructional assistants	(9.0)
Attendants	9.0
Counselors	<u>4.0</u>
Total Special Education	17.9

√ Recurring  
X Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<b>G. Student Activities Supplements</b>	<b>129,072</b>	<b>0.0</b>
	<p>The current per diem calculations for extra duty supplements for fall activities range from 13 to 19 days based on Virginia High School League (VHSL) and FCPS calendars. This fulfills the VHSL requirement for mandatory practice days prior to the beginning of the annual contract. For consistency, an average of 16 days will be used for all fall activities. An increase of \$114,744 reflects the change from the FY 2004 Advertised Budget, which was budgeted at 13 days. An additional increase of \$14,328 is the result of a market scale adjustment moving head coach, golf, from the supplement category V-A to category IV-A.</p>		
X	<b>H. CASPS/FAMIS</b>	<b>(325,000)</b>	<b>0.0</b>
	<p>The FY 2004 budget for the CASPS/FAMIS project can be reduced \$325,000 based on information received from the county.</p>		
√	<b>I. School Education Officers (SEO)</b>	<b>87,230</b>	<b>0.0</b>
	<p>When the Board of Supervisors adopted the FY 2004 county budget, they agreed to restore 4.0 SEOs cut in the County Executive's budget if FCPS would contribute half of the cost. The FCPS portion to retain the officers is \$87,230.</p>		
X	<b>J. Temporary Buildings/Overcrowding</b>	<b>(500,000)</b>	<b>0.0</b>
	<p>Based on the actual FY 2003 expenditures for temporary buildings, it is anticipated that a \$0.5 million reduction can be made in FY 2004. The FY 2004 budget for temporary buildings will be reduced from \$5.0 million to \$4.5 million.</p>		
√	<b>K. Focus School</b>	<b>61,933</b>	<b>1.5</b>
	<p>Forest Edge Elementary School will establish a Communications and Technology Focus Program. With changing GT boundaries and enrollment, the school would like to enhance its academic program. This funding will allow Forest Edge to keep a full-time SBTS and add a full-time instructional assistant position to help coordinate its technology and communications focus phase-in.</p>		

√ Recurring

**X Nonrecurring**

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<b>L. Class Size Reduction</b>	<b>8,706,350</b>	<b>135.0</b>
	Elementary - all special education Level 2, excluding preschool, and center students will be fully counted when calculating general education staffing. This adjustment totals \$7.1 million and adds 107.0 school-based positions.		
	Middle - Teacher positions will be added to the schools that are currently not receiving additional staffing to implement block scheduling. This adjustment totals \$0.7 million and adds 13.0 school-based positions.		
	High - The class size cap of 28 will be restored in core SOL classes according to previously established guidelines. This adjustment totals \$0.9 million and adds 15.0 school-based positions.		
X	<b>M. Delay ERFC Contribution Restructure</b>	<b>(2,814,403)</b>	
	By delaying the realignment of employee and employer rates to VRS and ERFC, \$2.8 million is available to help offset the cost of the class size reduction.		
√	<b>N. Reprogram Funds Set Aside for Head Start Transportation</b>	<b>(2,525,676)</b>	
	FCPS has designed a transportation system that will meet federal requirements without additional costs. These funds will be reallocated to pay for the class size reduction.		
X	<b>O. Replacement Equipment</b>	<b>(1,000,000)</b>	
	Funding for replacement equipment will be reduced \$1.0 million. These funds will be reallocated to pay for the class size reduction. A balance of \$1.7 million remains in the FY 2004 budget for replacement equipment.		
X	<b>P. Building Maintenance</b>	<b>(2,366,271)</b>	
	Funding for building maintenance will be reduced \$2.4 million. These funds will be reallocated to pay for the class size reduction. A balance of \$6.6 million remains in the FY 2004 budget for building maintenance.		
	<b>TOTAL OTHER EXPENDITURES</b>	<b>(\$1,426,450)</b>	<b>131.7</b>
	<b>TOTAL ALL EXPENDITURES</b>	<b>(\$894,618)</b>	<b>139.7</b>
√	<b>Recurring</b>		
X	<b>Nonrecurring</b>		

**SUMMARY**

	<u>AMOUNT</u>	<u>POSITIONS</u>
TOTAL REVENUE	(\$894,618)	
TOTAL THIRD-QUARTER ADJUSTMENTS	\$531,832	8.0
TOTAL OTHER EXPENDITURES	<u>(1,426,450)</u>	<u>131.7</u>
TOTAL EXPENDITURES	(\$894,618)	139.7
REVENUE LESS EXPENDITURES	\$0	139.7

**IV. OTHER FUNDS**

**FOOD AND NUTRITION SERVICES FUND**

The state aid funding for FY 2004 was reduced by \$58,835 to \$717,873. Position authorization is required for a relief truck driver that was approved at the FY 2003 Midyear Budget Review.

**GRANTS AND SELF-SUPPORTING PROGRAMS FUND**

**Grants Subfund:**

Revenue and expenditures are increasing a total of \$1,188,994 and positions are increasing a total of 31.05 due to revised and new grant awards as listed below:

<u>Revised Grant Awards:</u>	<u>Amount</u>	<u>Positions</u>
<u>Federal</u>		
Title I	0	2.3
Title III	\$412,400	1.0
Project Hope	0	0.75
South Fairfax Early Head Start	0	(0.5)
<u>State</u>		
School Health Incentive	(\$62,402)	0.0
ISAEP	(\$3,318)	0.0
Special Education Jail Program	\$7,167	0.0
Beginning Mentor Teacher	0	1.0
<u>Private</u>		
Heritage Language Literacy (old)	(\$40,000)	(0.5)
LEAD Fairfax	0	14.0
<u>Local</u>		
Virginia Preschool Initiative (see item III., C)	\$328,722	10.0

**New Grant Awards:**

	<u>Amount</u>	<u>Positions</u>
<b>Heritage Language Literacy Federal Earmark</b>	<b>\$99,350</b>	<b>1.0</b>
This grant is to continue the after-school program at Bailey's Elementary School for FY 2004. The purpose of this project is to promote the social and academic development of multi-culturally diverse students. This funding will provide for salaries, benefits, and materials.		
<b>Speech Recognition for Students with Disabilities Federal Earmark</b>	<b>\$49,675</b>	<b>0.0</b>
This grant will provide for software and training to support the development of a model/guide to train teachers to be effective instructors for speech recognition.		

	<u>Amount</u>	<u>Positions</u>
<b>Fairfax Network Project</b>	<b>\$198,700</b>	<b>2.0</b>
<b>Federal Earmark</b>		

This grant will expand the partnership network and enable sharing of the production and instructional design expertise of the Fairfax Network with the nation's schools and Department of Defense (DOD) schools. This funding will provide for multimedia positions, dedicated fiber line, uplink fees, and bandwidth charges for the video streaming.

<b>Enterprise School</b>	<b>\$198,700</b>	<b>0.0</b>
<b>Federal Earmark</b>		

This grant will partially offset the cuts to the Enterprise School, a program that has made a positive impact in the lives of pre-delinquent and delinquent teens. This funding will support therapist and counseling services.

#### **Summer School Subfund**

The state aid anticipated for the summer school remedial program has been reduced by \$68,903 due to a revision to the state FCPS membership projection. The amount of revenue claimed from the beginning balance at July 1, 2003, has been increased by \$68,903; therefore, the FY 2004 expenditure budget in the amount of \$17,784,759 in the summer school fund will remain the same as the FY 2004 advertised budget.

### **DEBT SERVICE FUND**

Total expenditures are decreasing \$1,250,000 due to expected savings from the 2003A Refunding Bond Sale, held in February 2003. The beginning balance increased \$554,775 due to funds identified at the county's FY 2003 Third-Quarter Budget Review.

### **SCHOOL CONSTRUCTION FUND**

Due to updated budget projections from the state, the State Construction Grant is reduced \$6,513.

The FY 2003 Third-Quarter Budget Review included \$10.1 million for renovations at Floris Elementary, which is reflected as a reduction of \$10.1 million in authorized but unissued bonds. Advanced appropriation authority was required to begin renovations in FY 2003 due to the required repairs to the roof.

Conversion of existing bond funds will pay for a 1.0 energy efficiency construction inspector position to conduct on-going inspections of contractor work related to energy efficiency projects at schools. Funding for one field inspector position to oversee contracted work was included in the FY 2001 bond referendum.

Funding for building maintenance will be reduced \$2.4 million. These funds have been reallocated to fund the FY 2004 class size reduction approved agenda item.

### **HEALTH & FLEXIBLE BENEFITS FUND**

The beginning balance in the Health and Flexible Benefits Fund is increased to reflect the third-quarter adjustment to the claims stabilization reserve.

<p>Revised May 23, 2003</p>
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**SCHOOL OPERATING FUND STATEMENT**

	<u>FY 2004 Advertised</u>	<u>FY 2004 Approved</u>	<u>Variance</u>
<b>BEGINNING BALANCE, July 1:</b>	<b>\$44,164,266</b>	<b>\$44,997,280</b>	<b>\$833,014</b>
<b>RECEIPTS:</b>			
Sales Tax	\$113,298,063	\$114,472,024	\$1,173,961
State Aid	197,049,559	196,031,790	(1,017,769)
Federal Aid	34,515,876	35,785,766	1,269,890
City of Fairfax Tuition	29,085,000	29,085,000	0
Tuition, Fees, and Other	9,459,801	9,459,801	0
<b>Total Receipts</b>	<b>\$383,408,299</b>	<b>\$384,834,381</b>	<b>\$1,426,082</b>
<b>TRANSFERS IN:</b>			
Combined County General Fund	\$1,240,007,551	\$1,236,853,837	(\$3,153,714)
Teacher Liability Payment	1,621,364	1,621,364	0
<b>Total Transfers In</b>	<b>\$1,241,628,915</b>	<b>\$1,238,475,201</b>	<b>(\$3,153,714)</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$1,625,037,214</b>	<b>\$1,623,309,582</b>	<b>(\$1,727,632)</b>
<b>Total Funds Available</b>	<b>\$1,669,201,480</b>	<b>\$1,668,306,862</b>	<b>(\$894,618)</b>
<b>EXPENDITURES:</b>			
School Board Reserve	0	0	0
Teacher Liability Payment	1,621,364	1,621,364	0
<b>Total Expenditures</b>	<b>\$1,640,653,523</b>	<b>\$1,641,796,454</b>	<b>\$1,142,931</b>
<b>TRANSFERS OUT:</b>			
School Construction Fund	\$13,091,514	\$10,725,243	(\$2,366,271)
Grants & Self-Supporting Fund	14,016,151	14,344,873	328,722
Adult & Community Education Fund	1,100,131	1,100,131	0
School Debt Service Fund	0	0	0
Health and Flexible Benefits Fund	340,161	340,161	0
<b>Total Transfers Out</b>	<b>\$28,547,957</b>	<b>\$26,510,408</b>	<b>(\$2,037,549)</b>
<b>Total Disbursements</b>	<b>\$1,669,201,480</b>	<b>\$1,668,306,862</b>	<b>(\$894,618)</b>
<b>ENDING BALANCE, June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FOOD AND NUTRITION SERVICES FUND STATEMENT**

	<b><u>FY 2004 Advertised</u></b>	<b><u>FY 2004 Approved</u></b>	<b><u>Variance</u></b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$9,087,058</b>	<b>\$9,087,058</b>	<b>\$0</b>
<b>RECEIPTS:</b>			
Food Sales	\$37,184,909	\$37,184,909	\$0
Federal Aid	14,696,065	14,696,065	0
State Aid	776,708	717,873	(58,835)
Other Revenue	196,607	196,607	0
<b>Total Receipts</b>	<b>\$52,854,289</b>	<b>\$52,795,454</b>	<b>(\$58,835)</b>
<b>Total Funds Available</b>	<b>\$61,941,347</b>	<b>\$61,882,512</b>	<b>(\$58,835)</b>
<b>EXPENDITURES</b>	<b>\$52,529,322</b>	<b>\$52,529,322</b>	<b>\$0</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u>\$9,412,025</u></b>	<b><u>\$9,353,190</u></b>	<b><u>(\$58,835)</u></b>

**GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT**

	<b><u>FY 2004 Advertised</u></b>	<b><u>FY 2004 Approved</u></b>	<b><u>Variance</u></b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$403,570</b>	<b>\$472,473</b>	<b>\$68,903</b>
<b>RECEIPTS:</b>			
State Aid	\$9,585,625	\$9,458,169	(\$127,456)
Federal Aid	21,346,972	22,305,797	958,825
Tuition	2,887,036	2,887,036	0
Industry, Foundation, Other	345,600	305,600	(40,000)
<b>Total Receipts</b>	<b>\$34,165,233</b>	<b>\$34,956,602</b>	<b>\$791,369</b>
<b>TRANSFERS IN:</b>			
School Operating Fund (Summer School)	\$14,016,151	\$14,016,151	\$0
School Operating Fund (Grants)	0	328,722	328,722
Cable Communications Fund	1,603,329	1,603,329	0
<b>Total Transfers In</b>	<b>\$15,619,480</b>	<b>\$15,948,202</b>	<b>\$328,722</b>
<b>Total Receipts and Transfers</b>	<b>\$49,784,713</b>	<b>\$50,904,804</b>	<b>\$1,120,091</b>
<b>Total Funds Available</b>	<b>\$50,188,283</b>	<b>\$51,377,277</b>	<b>\$1,188,994</b>
<b>EXPENDITURES</b>	<b>\$50,188,283</b>	<b>\$51,377,277</b>	<b>\$1,188,994</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**SCHOOL DEBT SERVICE FUND STATEMENT**

	<u>FY 2004 Advertised</u>	<u>FY 2004 Approved</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$0</b>	<b>\$554,775</b>	<b>\$554,775</b>
<b>REVENUES:</b>			
Bond Proceeds	\$200,000	\$200,000	\$0
<b>Total Revenues</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>
<b>TRANSFER IN:</b>			
County General Fund	\$122,146,733	\$120,896,733	(\$1,250,000)
School Operating Fund	0	0	0
<b>Total Receipts and Transfers</b>	<b>\$122,346,733</b>	<b>\$121,096,733</b>	<b>(\$1,250,000)</b>
<b>Total Funds Available</b>	<b>\$122,346,733</b>	<b>\$121,651,508</b>	<b>(\$695,225)</b>
<b>EXPENDITURES:</b>			
<b>Principal:</b>			
Bonds	\$67,069,758	\$67,069,758	\$0
Literary Loans	71,425	71,425	0
<b>Subtotal Principal</b>	<b>\$67,141,183</b>	<b>\$67,141,183</b>	<b>\$0</b>
<b>Interest:</b>			
Bonds	\$39,727,427	\$39,727,427	\$0
Literary Loans	8,123	8,123	0
<b>Subtotal Interest</b>	<b>\$39,735,550</b>	<b>\$39,735,550</b>	<b>\$0</b>
Debt Service on Projected Sale <sup>1</sup>	\$15,265,000	\$14,015,000	(\$1,250,000)
<b>Other Debt Costs:</b>			
Bond Issue Costs	\$200,000	\$200,000	\$0
Fiscal Agent Fees	5,000	5,000	0
<b>Subtotal Other Debt Costs</b>	<b>\$205,000</b>	<b>\$205,000</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$122,346,733</b>	<b>\$121,096,733</b>	<b>(\$1,250,000)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$554,775</b>	<b>\$554,775</b>

<sup>1</sup> Includes anticipated savings of \$1,250,000 in debt service as a result of the 2003A Refunding Bond Sale, held in February 2003.

**SCHOOL CONSTRUCTION FUND STATEMENT**

	<u>FY 2004 Advertised</u>	<u>FY 2004 Approved</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RECEIPTS:</b>			
Bond Sales	\$130,000,000	\$130,000,000	\$0
State Construction Grant	941,775	935,262	(6,513)
PTA/PTO Receipts	150,000	150,000	0
City of Fairfax	150,000	150,000	0
Other Revenue	136,000	136,000	0
<b>Total Receipts</b>	<b>\$131,377,775</b>	<b>\$131,371,262</b>	<b>(\$6,513)</b>
<b>AUTHORIZED BUT UNISSUED BONDS</b>	<u>66,250,000</u>	<u>56,150,000</u>	<u>(10,100,000)</u>
<b>Total Referendums</b>	<b>\$66,250,000</b>	<b>\$56,150,000</b>	<b>(\$10,100,000)</b>
<b>TRANSFERS IN:</b>			
<b>School Operating Fund</b>			
Building Maintenance	\$9,000,000	\$6,633,729	(\$2,366,271)
Classroom Equipment	3,422,014	3,422,014	0
Facility Modifications	669,500	669,500	0
<b>Total Transfers In</b>	<b>\$13,091,514</b>	<b>\$10,725,243</b>	<b>(\$2,366,271)</b>
 <b>Total Receipts and Transfers</b>	 <b>\$210,719,289</b>	 <b>\$198,246,505</b>	 <b>(\$12,472,784)</b>
 <b>Total Funds Available</b>	 <b>\$210,719,289</b>	 <b>\$198,246,505</b>	 <b>(\$12,472,784)</b>
<b>EXPENDITURES AND COMMITMENTS:</b>			
Expenditures	\$144,469,289	\$142,096,505	(\$2,372,784)
Additional Contractual Commitments	66,250,000	56,150,000	(10,100,000)
<b>Total Disbursements</b>	<b>\$210,719,289</b>	<b>\$198,246,505</b>	<b>(\$12,472,784)</b>
 <b>ENDING BALANCE, JUNE 30</b>	 <b>\$0</b>	 <b>\$0</b>	 <b>\$0</b>

**SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT**

	<u>FY 2004 Advertised</u>	<u>FY 2004 Approved</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$11,085,119</b>	<b>\$11,456,326</b>	<b>\$371,207</b>
<b>RECEIPTS:</b>			
Employer Contributions	\$106,215,806	\$106,215,806	\$0
Employee Contributions	29,533,970	29,533,970	0
Retiree/Other Contributions	17,620,169	17,620,169	0
Interest Income	560,000	560,000	0
<b>Subtotal</b>	<b>\$153,929,945</b>	<b>\$153,929,945</b>	<b>\$0</b>
Flexible Accounts Withholdings	4,446,550	4,446,550	0
<b>Total Receipts</b>	<b>\$158,376,495</b>	<b>\$158,376,495</b>	<b>\$0</b>
<b>TRANSFERS IN:</b>			
School Operating Fund	340,161	340,161	0
<b>Total Receipts and Transfers</b>	<b>\$158,716,656</b>	<b>\$158,716,656</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$169,801,775</b>	<b>\$170,172,982</b>	<b>\$371,207</b>
<b>EXPENDITURES/PAYMENTS:</b>			
Health Benefits Paid	\$105,289,256	\$105,289,256	\$0
Premiums Paid	38,305,403	38,305,403	0
Claims Incurred but not Reported (IBNR)	16,347,578	16,347,578	0
IBNR Prior Year Credit	(13,823,053)	(13,823,053)	0
Health Administrative Expenses	7,710,081	7,710,081	0
<b>Subtotal</b>	<b>\$153,829,265</b>	<b>\$153,829,265</b>	<b>\$0</b>
Flexible Accounts Reimbursement	\$4,259,968	\$4,259,968	\$0
FSA Administrative Expenses	121,506	121,506	0
<b>Subtotal</b>	<b>\$4,381,474</b>	<b>\$4,381,474</b>	<b>\$0</b>
Claims Stabilization Reserve <sup>1/</sup>	\$11,591,036	\$11,962,243	\$371,207
<b>Total Disbursements</b>	<b>\$169,801,775</b>	<b>\$170,172,982</b>	<b>\$371,207</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1/</sup> The claims Stabilization Reserve is appropriated for budgeting purposes to offset fluctuations in health insurance costs during the fiscal year.

This reserve is projected to be carried forward as FY 2005 beginning balance.