Albemarle County Public Schools

School Board
Special Work Session

May 7, 2012

Fund Balance Contribution to CIP

ACPS School Board Meeting

May 7, 2012

Assumptions

- Unrestricted fund balance is currently designated for:
  - One-time expenditures
  - Emergencies
  - Additional revenue to close funding gap in operational budget

Contributions to CIP

- Contributions to CIP would be planned in the annual Superintendent and School Board funding request
- Fund balance contribution to CIP would not be designated to support specific projects or equipment (i.e. school buses)
- School Board could designate an available fund balance target as a percentage of the operating budget (2%) and a "ceiling" (4%)
- 2% target is not intended to be an absolute

Formula for Contribution to CIP

- "Available" fund balance =

  Total fund balance

  Minus "Encumbered" fund balance (sum of current year and budget year use of fund balance)
- <u>Should</u> fund balance grow, CIP contributions would be:
  - 40% of the annual growth in available fund balance above the target
  - 100% of the annual growth in available fund balance above the 4% ceiling
- There would be no contribution if available fund balance declines

Fund Balance History

Fiscal Year	Total Fund Balance	Current Year Use	Next Budget Year Use	Available Fund Balance	Avail FB as % of Budget
04/05*	$4,388,192	$2,298,206	$2,554,176	($464,190)	(0.37%)
05/06	$4,227,385	$2,554,176	$720,000	$953,209	0.67%
06/07	$5,578,927	$720,000	$871,546	$3,987,381	2.70%
07/08	$6,573,924	$871,546	$1,800,000	$3,902,378	2.58%
08/09	$6,438,779	$1,800,000	$1,800,000	$2,838,779	1.90%
09/10	$8,178,367	$1,800,000	$2,827,034	$3,551,333	2.49%
10/11	$7,554,405	$2,827,034	$1,800,000	$2,927,371	2.03%

*This fiscal year depended upon current year savings to fund the succeeding Fiscal Year

Examples of Potential Contributions to CIP

Fiscal Year	Available Fund Balance	Available FB as % of Budget	Fund Balance Increases?	CIP Contribution
04/05*	($464,190)	(0.37%)	NO	
05/06	$953,209	0.67%	YES	
06/07	$3,987,381	2.70%	YES	$1,213,669
07/08	$3,902,378	2.58%	NO	
08/09	$2,838,779	1.90%	NO	
09/10	$3,551,333	2.49%	YES	$285,022
10/11	$2,927,371	2.03%	NO	

*This fiscal year depended upon current year savings to fund the succeeding Fiscal Year

Fund Balance/CIP Contribution

Staff recommends consensus to develop a Fund Balance/CIP Contribution policy based upon the discussion of this proposal