



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Tripp Lawrence, Assistant Finance Director
RE: Amending the Fiscal Year 2023 Budget for Fredericksburg City Public Schools to Adjust the Increase for FY 2023 Salaries for the FCPS
DATE: January 3, 2023 (for the January 10, 2023 City Council Meeting)

ISSUE

Shall City Council approve a FY 2023 Budget Amendment at the request of the School Board for use of School Fund balance and additional reimbursements received from the Virginia Department of Education (VDOE) for Basic Aid? These revenues would be used to fund the already in place 10% salary increases for certificated staff. The Fredericksburg City School Board approved this resolution at its July 11, 2022 School Board meeting.

RECOMMENDATION

Yes. Staff recommends approval on second reading. The first reading was approved December 13, 2022.

BACKGROUND

The School Board, at their July 11, 2022 meeting, amended their budget and requested that City Council adopt a resolution amending the overall City budget for \$300,000 in use of fund balance and \$147,352 in additional Basic Aid from the VDOE. The total amount of the request is \$447,352.

The original Adopted Budget for City Schools for FY 2023 included a 6.5% increase for certificated staff. However, other surrounding jurisdictions had increased their compensation to a level that the Fredericksburg City Schools were under significant and urgent competitive pressure to retain staff. At the request of the Superintendent, the school and City administration developed a plan that increased the raise for certificated staff from 6.5% to 10%, thereby easing the staffing pressure somewhat for FCPS. The School Board amended their budget on July 11, 2022 to reflect this change, and the City Council is now requested to amend the FY 2023 budget to reflect this as well.

The funding plan included recognizing additional state education revenues, plus deferring the final year of a five-year transfer of \$1.5 million from the FCPS back to the City to support the debt service for the renovation of the Walker-Grant Center. (That deferment became FCPS Fund Balance, which is recognized here as the other source of funds for the increase in salaries).

The School Board agenda item from July 11, 2022 is attached for additional information.

FISCAL IMPACT

The total appropriation requested is \$447,352. Funding for this increase has been supplemented by the elimination of the \$300,000 Walker Grant Debt Service charge transferred annually from Fredericksburg City Public Schools to the City's General Fund.

Attachment: Resolution
School Board Agenda Item from July 11, 2022



January 10, 2023
Regular Meeting
Resolution 22-91

MOTION:

SECOND:

RE: Amending the Fiscal Year 2023 Budget for Fredericksburg City Public Schools to Adjust the Increase for Fiscal Year 2023 Salaries for the Fredericksburg City Public Schools

ACTION: APPROVED: AYES: ; NAYS:

FIRST READ: December 13, 2022

SECOND READ: _____

The Fredericksburg City School Board approved a resolution amending the School Budget on Monday, July 11, 2022 and requested that City Council approve and appropriate these funds.

The School Board Fund Balance and Virginia Department of Education Basic Aid reimbursements will fund 10% salary increases for certificated staff approved at the July 11, 2022 School Board meeting.

Therefore, City Council resolves that the following appropriation amending the FY 2023 budget in the School Fund be made:

School Fund (Fund 2050)

Basic Aid and Fund Balance

Sources

Basic Aid	O2402AID 324202	\$ 147,352
Fund Balance	O61010FB 361010	\$ 300,000
Total		<u>\$ 447,352</u>

Uses

Contingency	O2165FIN 490000	\$ 447,352
Total		<u>\$ 447,352</u>

Vote

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 22-, adopted at a meeting of the City Council held January 10,
2023 at which a quorum was present and voted.*

Tonya B. Lacey, MMC
Clerk of Council



Agenda Item Details

Meeting	Jul 11, 2022 - Regular School Board Meeting - Revised July 11, 2022
Category	7. Action Items
Subject	C. FY23 Supplemental Appropriations
Type	Action

Fredericksburg City Public Schools based its adopted 2022-2023 budget on the original Governor's Proposed Budget. Additional operating fund revenue in the amount of \$447,352 needs to be appropriated based on the final State budget. This budget appropriation also includes the additional revenue and fund balance that will be fund the 10% salary increases for certificated staff.

This budget appropriation also includes the School Construction Grant Program Entitlement that was included in the final State budget.

[2023 01 Supplemental Appropriation.pdf \(62 KB\)](#)

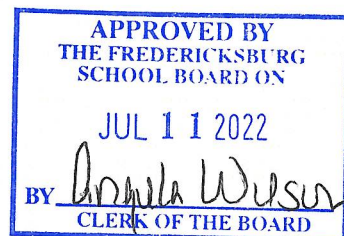
Motion & Voting

Approve the FY23 Supplemental Appropriations

Motion by Jannan Holmes, second by Matt Rowe.

Final Resolution: Motion Carries Unanimously

Aye: Jarvis Bailey, Malvina Kay, Kathleen Pomeroy, Jannan Holmes, Matt Rowe



**Fiscal Year 2023 Budget Appropriations
July 11, 2022**

Additional 2022-2023 Budget Appropriations

FCPS based its adopted budget on the original Governor's Proposed Budget. Additional operating fund revenue needs to be appropriated based on the final State budget. This budget appropriations also includes the additional revenue and fund balance that will be used to fund the 10% salary increases for certificated staff. These funds need to be appropriated for use in FY23.

Sources:			
Basic Aid	O2402AID	324202	\$ 147,352
Fund Balance	O61010FB	361010	300,000
			<u>\$ 447,352</u>

Uses:			
Contingency	O2165FIN	490000	\$ 447,352
			<u>\$ 447,352</u>

FCPS received a School Construction Grant Program Entitlement as part of the approved State budget. These funds need to be appropriated for use in FY23.

Sources:			
School Construction Grant Program Entitlement		3010	\$ 1,566,984
			<u>\$ 1,566,984</u>

Uses:			
Construction Contracts	M9446CIP	431700	\$ 1,566,984
			<u>\$ 1,566,984</u>