

MOTION:

**August 3, 2016
Regular Meeting
Res. No. 16-**

SECOND:

**RE: TRANSFER \$1,000,000 CLASS SIZE REDUCTION FUNDING FROM
CONTINGENCY TO PRINCE WILLIAM COUNTY SCHOOLS FOR
FISCAL YEAR 2017**

ACTION:

WHEREAS, the Prince William Board of County Supervisors and Prince William County School Board are partners in establishing the County as a community of choice and protecting the fiscal health of the County, as evidenced by their entering into a revenue sharing agreement in 1998; and

WHEREAS, the Board of County Supervisors and the School Board agree that reducing class size at all grade levels in the Prince William County Public Schools System is a strategic priority; and

WHEREAS, the Board of County Supervisors provided \$1,000,000 for class size reduction grant funding in FY2016 focused upon reducing class size in Prince William County Public Schools; and

WHEREAS, such funding was contingency upon a written agreement; and

WHEREAS, pursuant to Resolution 15-654, the Board of County Supervisors authorized execution of the Class Size Reduction Grant Memorandum of Agreement on October 13, 2015 for FY2016; and

WHEREAS, the School Board has implemented class size reductions within its FY2016 adopted budget, focusing upon reducing the maximum class size in grades kindergarten through fifth grade and in other areas of specific need; and

WHEREAS, the Board of County Supervisors has adopted the FY2017 Budget providing revenue support to both the County and Schools budgets, in accordance with the revenue sharing agreement; and

WHEREAS, the Board of County Supervisors wishes to continue to maintain the class size reduction efforts in partnership with the School Board, separate and apart from the budget process; and

WHEREAS, the County's adopted FY2017-2021 Five-Year Plan provides \$1,000,000 in annual funding separate and apart from the budget process in FY2017, and intends to continue this funding in FY2018, FY2019 and FY2020 only, and the Schools will assume the full cost of the current class size reduction efforts beginning in FY2021 and beyond; and

WHEREAS, the Board of County Supervisors has designated the \$1,000,000 class size reduction funding in the contingency budget for FY2017, pending a specific request for the funds and confirmation of the continuation of the cooperative effort; and

WHEREAS, the School Board has adopted the approved school budget for FY2017, which includes the programmed use of these funds for continued class size reduction actions; and

WHEREAS, the School Board has implemented class size reductions within its FY2017 adopted budget and met the following conditions:

- The County's funding, up to \$1,000,000, is matched dollar for dollar by the School Board;
- The combined amount, up to \$2,000,000, is used exclusively to sustain the class size reductions achieved during the 2015-2016 school year;
- The combined amount, up to \$2,000,000, cannot be used to supplant the level of effort toward class size reduction already contained within the Schools' adopted budget;
- The transfer of the class size reduction funds will not occur until the school has identified the funds to be used to provide the match;
- The School Board will report on the use of funding and the class size reduction results for the FY2016-2017 school year; and

WHEREAS, the Prince William Schools requested the \$1,000,000 class size reduction funding on June 15, 2016;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors does hereby transfer the \$1,000,000 Class Size Reduction funding from Contingency to the School Board and support the continued class size reduction actions within the Fiscal Year 2017 School Budget;

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BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors does hereby intend to transfer \$1,000,000 class size reduction funding in Fiscal Year 2018, Fiscal Year 2019 and Fiscal Year 2020 only to the School Board to support the continued class size reduction actions.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

For Information:

Schools Superintendent

Finance Director

Management and Budget Director

ATTEST: _____
Clerk to the Board



Christopher E. Martino
Acting County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT


1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

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Pete Candland, Vice Chairman
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Maureen S. Caddigan
John D. Jenkins
Jeanine M. Lawson
Martin E. Nohe
Frank J. Principi

July 18, 2016

TO: Board of County Supervisors

FROM: Michelle A. Casciato 
Director, Office of Management and Budget

THRU: Christopher E. Martino
Acting County Executive

RE: Transfer \$1,000,000 Class Size Reduction Funding from Contingency to
Prince William County Schools for FY2017

At the July 12, 2016 Board of County Supervisors meeting, the FY 2017 \$1,000,000 Class Size Reduction funding to Prince William County Schools was discussed. No action occurred on this item and the Board requested it be brought back for consideration at its August 3, 2016 meeting.



Christopher E. Martino
Acting County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT

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June 28, 2016

TO: Board of County Supervisors

FROM: Michelle A. Casciato
Director, Office of Management and Budget

THRU: Christopher E. Martino
Acting County Executive

RE: Transfer \$1,000,000 Class Size Reduction Funding from Contingency to Prince William County Schools for FY2017

I. Background in chronological order is as follows:

- A. County/School Revenue Agreement – The Prince William Board of County Supervisors (Board) and the Prince William County School Board (School Board) have adopted a revenue policy that allocates 57.23% of the County's general revenues to the schools and 42.77% to the County. This revenue policy has been in place since 1998.
- B. Matching Class Size Reduction Funding – Pursuant to Res. 15-272, separate and apart from the adoption of the FY2016 Budget, the Board provided \$1,000,000 funding in FY16 focused upon reducing class size in Prince William County public schools. The funding was contingent upon the execution of a separate grant agreement between the School Board and the Board of County Supervisors with specified provisions. Pursuant to Res. 15-654, the Board authorized execution of the Class Size Reduction Grant Memorandum of Agreement (MOA) on October 13, 2015.
- C. Implementation in FY16 – Pursuant to Res. 15-654 and the signed MOA for FY16, the School Board has implemented class size reductions, focusing upon reducing the maximum class size in grades kindergarten through fifth grade, as well as for classes of specific need in identified middle and high schools.

II. Current Situation is as follows:

- A. Memorandum of Agreement – The Board and the School Board both authorized the execution of the Class Size Reduction Grant Memorandum of Agreement appropriating the grant from July 1, 2015 through June 30, 2016 with the intention to transfer, budget and appropriate funds in FY17, FY18, FY19, and FY20 subject to renewed agreements and subject to availability of general revenues.
- B. Class Size Reduction Funding for FY17 – The Board has adopted the FY17 budget, providing revenue support to both the County and Schools budgets, in accordance with the revenue policy. The Board also expressed its desire to continue to maintain the class size reduction efforts for FY17 in partnership with the School Board, separate and apart from the budget process.
- C. Schools to Assume Full Cost of Class Size Reduction in FY21 – The County's adopted FY2017-2021 Five-Year Plan provides \$1,000,000 in annual funding separate and apart from the budget process in FY17, and intends to continue this funding in FY18, FY19 and FY20 only. The Schools will assume the full cost of the current class size reduction efforts beginning in FY21 and beyond.
- D. Contingency Budget – The Board budgeted and appropriated the \$1,000,000 Class Size Reduction funding in the FY17 Contingency budget, pending a specific request for the funds and confirmation from the Schools of the continuation of the cooperative effort.
- E. Approved School Budget – The School Board has adopted the Approved School Budget for FY17. This budget includes the programmed use of the Class Size Reduction funds (no longer called a "grant") for continued class size reduction actions and meets the following conditions:
- The County's funding, up to \$1,000,000, is matched dollar for dollar by the School Board;
 - The combined amount, up to \$2,000,000, is used exclusively to sustain the class size reductions achieved during the 2015-2016 school year;
 - The combined amount, up to \$2,000,000, cannot be used to supplant the level of effort toward class size reduction already contained within the Schools' adopted budget;
 - The transfer of the Class Size Reduction funds will not occur until the school has identified the funds to be used to provide the match;
 - The School Board will report on the use of funding and the class size reduction results for the FY2016-2017 school year.

- F. Limit of Board Authority Regarding Schools – The School Board has questioned the legality of the Board’s authority to dictate how appropriated funds are spent by reclassifying school funding as “grant money.” Therefore, the School Board has indicated that it will not enter into a renewed MOA for the class size reduction funding in FY17.
- G. Request for Funds for Class Size Reduction – Prince William County Schools has requested the \$1,000,000 Class Size Reduction funding for FY17 in a letter received on June 15, 2016.
- H. Board Action Requested – Transfer \$1,000,000 Class Size Reduction funding from Contingency to Prince William County Schools for FY17.

III. Issues in order of importance are:

- A. Service Level Impacts – What are the service level impacts of transferring these funds?
- B. Timing – What are the timing requirements associated with the transfer of these funds?
- C. Fiscal Impact – What is the fiscal impact of transferring these funds?
- D. Legal – What are the legal issues associated with the transfer of these funds?

IV. Alternatives in order of feasibility:

- A. Transfer \$1,000,000 Class Size Reduction funding from Contingency to Prince William County Schools for FY17.
 - 1. Service Level/Policy Impacts –Transferring these funds to the Prince William Schools will allow for the continuation of class size reduction actions in grades kindergarten through fifth grade and in other areas of specific need. In 2017, the School Division will provide a summary of program results for the 2016-2017 school year.
 - 2. Timing – The School year starts August 29, so this transfer would be complete prior to students commencing the 2016-2017 school year.
 - 3. Fiscal Impact – Funds for this purpose are included in the County’s Contingency budget for FY17.
 - 4. Legal – This funding is separate and apart from the revenue allocation policy. The Board is not required to transfer these funds. The Board could choose to transfer these funds with or without an

MOA. The Virginia Constitution requires deference to the judgment of the School Board as to the actions and expenditures necessary to operate the Schools on an on-going basis. A legal argument can be made that if the School Board were to agree to meet conditions and accept funds and conditions voluntarily, it would be constitutionally permissible for the Board and the School Board to enter into a written MOA, however enforcement could be difficult if the School Board chose not to comply with such agreement.

B. Take No Action:

1. Service Level/Policy Impacts – The continued actions for class size reductions in grades kindergarten through fifth grade and in other areas of specific need may not be sustained.
2. Timing – Funding would not be made available in time for the start of the school year on August 29.
3. Fiscal Impact – The FY17 Class Size Reduction funds will remain in the Contingency budget.
4. Legal – The Board is not required to transfer these funds, which are separate and apart from the budget process. There would be no legal implications.

V. Recommendation is that the Board of County Supervisors concur with Alternative A and approve the attached Resolution.

Attachment: June 15, 2016 Letter from Superintendent Walts

Staff Contact – Michelle Casciato, x5539



Prince William County
PUBLIC SCHOOLS
Providing A World-Class Education

June 15, 2016

Mr. Christopher E. Martino
Acting County Executive
Prince William County
1 County Complex Court
Prince William, Virginia 22192

Re: Request for Funds for PWCS/PWC Class Size Reduction

Dear Mr. Martino:

During FY 2016, the Prince William Board of County Supervisors (BOCS) provided \$1 million to fund a cooperative program aimed at reducing class size in Prince William County Public Schools (PWCS). The School Division provided an additional \$1 million towards the program. Our cooperative efforts focused on reducing seventh grade core and/or World Language classes in our middle schools, at reducing the maximum class size in grades kindergarten through fifth grade, and for targeting reduction in additional areas of specific need. On April 1, 2016, we provided you with a summary of these successful efforts to reduce class size.

The School Board FY 2017 budget request to the BOCS included the additional \$1 million allocated toward PWCS class size reduction efforts. The BOCS did not budget and appropriate those matching funds as a part of the FY 2017 Approved School Board budget, but indicated that the funds were being retained pending a specific request, and confirmation as to the continuation of the cooperative effort. On June 1, 2016, the School Board adopted the Approved Budget for FY 2017. Included in the budget are funds to sustain this successful FY 2016 class size reduction program. The School Division, in the spirit of trust and cooperation, funded its \$1 million on a recurring basis, and the additional \$1 million utilizing one-time funds. Not only are the funds budgeted, but the School Division has affirmed its commitment to the program by assuming the risk of authorizing the contracts necessary for applicable staffing to sustain the program in FY 2017.

The elements of this cooperative class size reduction effort are only one element in a greater effort to reduce class size in all of our schools. In FY 2016, class size reduction programs were in effect for grades kindergarten, first grade, second grade, and third grade with a reduction in

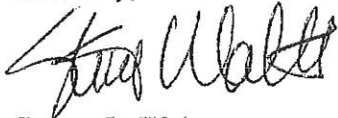
DR. STEVEN L. WALT
Superintendent of Schools

Mr. Christopher E. Martino, Acting County Executive
June 15, 2016
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the maximum class size in grades kindergarten through fifth grade. There were additional class size reduction efforts taking place in sixth grade, seventh grade, and ninth grade, as well as for classes of specific need which were identified in our middle and high schools. For FY 2017, we have sought to sustain all of these class size reduction efforts, and as indicated in our budget presentation to you on April 5, 2016, we have added class size reductions for eighth, tenth, eleventh, and twelfth grades. At this point, there is some class size reduction occurring at every grade level.

With the continuation of this program of class size reduction, the School Division is requesting that the BOCS transfer \$1 million in additional funds to support the FY 2017 budget. In the spirit of continued cooperation, in the spring of 2017, the School Division will also provide the County Executive with a summary of our program results for the 2016-17 school year.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven L. Walts", written over a horizontal line.

Steven L. Walts
Superintendent of Schools

SLW/DSC:sc