

**Item Title:** Consideration of the Wake County Board of Education's Request for an Additional Appropriation of \$4,964,143

**Specific Action Requested:**

**That the Board of Commissioners permits the Wake County Board of Education to use, or transfer to their General Fund, up to \$4,964,143 of funds unspent from the 2006 CIP building program in accordance with the NCGS 115C-433(d). The Board of Education shall report the use of these funds to the Board of Commissioners in a future CIP reallocation request.**

**Item Summary:**

This agenda item is requested by Commissioners Ford and Adamson.

On March 19, 2019, the Wake County Board of Education (BOE) approved a request for the County Board of Commissioners (BOC) to provide \$4,964,143 in additional appropriation for unanticipated transportation expenses.

On March 19, it was reported to the Board of Education that WCPSS had experienced unanticipated costs associated with contract transportation for special needs students and excessive bus repair costs. The reported projected increase in cost for contract transportation was \$3,564,143 over the prior year. The reported projected cost for the bus repairs was approximately \$1.4 million.

The Board of Education passed a motion requesting an additional appropriation from the County in the amount of \$4,964,143.

**Wake County Staff Comments:**

County staff provides the following information and analysis related to this request.

***Other Available Funds & Budgetary Flexibility***

WCPSS has unspent funds in the 2006 CIP Building Program. The unspent funds total \$9,086,619 and breaks down as follows:

2006 CIP Program		
Projects Budgeted - Undrawn Amount	\$	5,838,328
Revenues Not Appropriated to a Project	\$	3,248,291
2006 CIP Project Fund Balance	\$	9,086,619

The "Revenues Not Appropriated to a Project" consists of transfers from other closed out CIP programs, the sale of property, and interest earnings. None of the unspent funds are bond proceeds or otherwise restricted revenue.

NCGS 115C-433(d) permits the Board of Education, with the approval of the Board of Commissioners, to move money between funds to “meet emergencies unforeseen and unforeseeable at the time the budget resolution was adopted.”

If the Board of Commissioners desires to provide any of the additional funding requested by the Board of Education, it is the recommendation of County staff to permit the Board of Education to use, or transfer to their General Fund, up to \$4,964,143 from the 2006 CIP. Staff recommend the Board of Education report the use of these funds to the Board of Commissioners in a future CIP reallocation request.

***Policy***

The County and the Board of Education have no formal agreement in place related to the following factors associated with this request:

- Minimum amount of unassigned fund balance WCPSS should hold;
- Criteria for which the Board of Education can request additional appropriation; and
- Process for evaluating a request for additional appropriation.

It is recommended that guidelines be developed before any requests of this nature are considered in the future.

**Attachments:**

None