

Prince William County Public Schools

interest rates with the federal government subsidizing 35% of interest payments under the BAB program and 100% of interest payments under the QSCB program. BAB and QSCB revenue received from the federal government is transferred from the County's general fund to the PWCS' debt service fund since the PWCS pay the annual debt service financed by those bond issuances. However, reimbursement from the federal government has declined due to the federal government sequester. The current sequestration reduction rate for the BAB and QSCB programs is 6.9% less than originally planned.

- D. Class Size Reduction Grant** - On April 21, 2015, the BOCS adopted [BOCS Resolution 15-292](#) creating a Class Size Reduction Grant of up to \$1 million. The grant is intended to help the School Board address the issue that PWCS class sizes are at the maximum permitted under Virginia law. Such funding is contingent upon the execution of a separate grant agreement between the School Board and the BOCS that includes the following provisions:
1. The County's funding, up to \$1,000,000, is matched dollar for dollar by the School Board;
 2. The combined amount, up to \$2,000,000, is used exclusively to sustain the class size reductions achieved during the 2015-2016 school year;
 3. 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 PWCS' budget;
 4. The transfer of class size reduction funds will not occur until the school has identified the funds to be used to provide the match;
 5. The School Board will report on the use of funding and the class size reduction results for the FY16-17 school year.

The FY2018-2022 Five-Year Plan provides funding for the Class Size Reduction Grant in FY18-20.

- E. 13th High School Debt Service Equivalent** - In recognition of higher student enrollment than anticipated by PWCS, the BOCS approved [BOCS Resolution 17-18](#) on January 10, 2107, which transferred \$10.675 million to the PWCS for school site acquisition, renovations, and new school construction in the eastern portion of the County. The BOCS also directed the County Executive to include in the FY2018 Budget annual debt service costs necessary to finance an additional \$10.675 million for additional capital project expenses at the 13th High School. This is an additional transfer to the PWCS over and above the PWCS' share of general revenue identified in the County/Schools Revenue Agreement. Board action was in response to the School Board approving an alternative design for the 13th High School on January 4, 2017, that increases student capacity at the new school by over 500 students and increases the cost by \$10.675 million.
- F. Cable Grant** - An annual 1% cable equipment grant is provided by cable television providers operating in the County. Grant proceeds must be used for cable related capital needs. Although not considered general revenue, revenue derived from the grant is shared with PWCS in accordance with the County/Schools revenue agreement. Both the County and PWCS use cable equipment grant proceeds to support informational programming on their respective access channels. Grant receipts are evaluated on an annual basis for potential, future adjustments.
- G. Student Enrollment Growth** is currently growing at a rate of approximately 1.9% per year. The School Board estimates that almost 1,700 additional students will enroll in FY18 (2017), bringing the total student enrollment to 90,636 students. Total enrollment growth is estimated at nearly 4,700 students over the next three years.