



**“Modified” Proposed  
Franklin County  
2020-2021 Budget**

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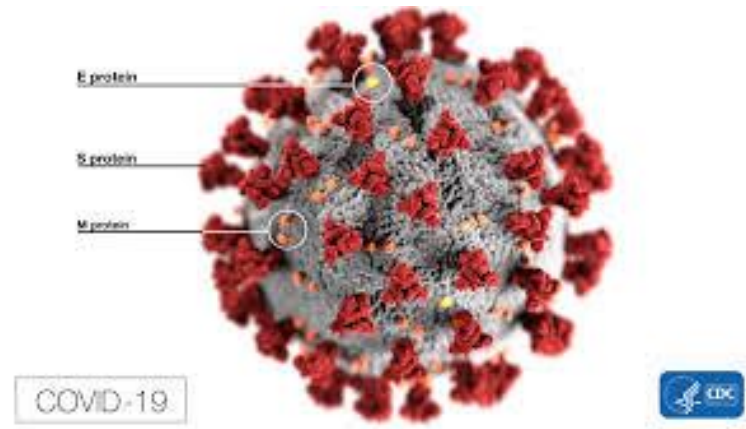
**April 21, 2020**



# Living through History

“History never looks like history when you are living through it..”

— John W. Gardner





# Finishing FY 19-20 During COVID

## □ Revenues

- General Property Tax Collections (Real Estate, PP, M&T)
  - Real Estate Collections 99.3% of Budget
  - Personal Property 109.62% of Budget
    - Growth over FY 19 of 12.2% or \$1.3 million
- Other Taxes (Sales, Meals, Transient Occupancy)
  - Declining Sales Tax Trend from prior fiscal years (-4%)
  - Sales Tax Decrease for remainder of FY20 unknown (two month delay)
  - Meals & Transient Occupancy Tax Decrease for final quarter unknown (month delay)

## □ Expenditures

- Curtail Non-Essential Spending Remainder of Fiscal Year
- Continual Monitoring

**Franklin County**  
**Cash Basis Revenue and Expenditure Summaries (Unaudited)**  
**General Fund and School Fund Only**  
**For the Month Ended March 31, 2020**

**REVENUES:**

	<b>Budget and Appropriations Current Year</b>	<b>Actual Year to Date Revenues</b>	<b>Balance To Be Realized</b>	<b>Percent of Budget</b>
General Property Taxes	55,095,914	56,361,657	1,265,743	102.3%
Other Local Taxes	12,220,752	9,692,526	(2,528,226)	79.3%
Permits, Fees and Licenses	395,241	358,659	(36,582)	90.7%
Fines and Forfeitures	43,499	28,656	(14,843)	65.9%
Revenue from the use of Money and Property	644,790	572,770	(72,021)	88.8%
Charges for Services	2,699,311	2,366,444	(332,867)	87.7%
Miscellaneous Revenue	868,860	601,840	(267,020)	69.3%
Recovered Costs	603,699	423,296	(180,403)	70.1%
Revenue from the Commonwealth	15,200,798	11,445,723	(3,755,075)	75.3%
Federal Government	3,636,872	2,881,413	(755,459)	79.2%
<b>Total</b>	<u>91,409,736</u>	<u>84,732,982</u>	<u>(6,676,754)</u>	92.7%
Fund Balance/Carryover Funds	-			
Transfers	3,261,591	(80,225)		
Total General Fund	<u>94,671,327</u>	<u>84,652,757</u>		

**Schools**

Cafeteria, Misc, State, Federal	53,357,617	35,720,629	(17,636,988)	66.9%
Local Funding from County	34,365,178	28,463,724	(5,901,454)	82.8%
<b>Total School Fund</b>	<u>87,722,795</u>	<u>64,184,353</u>	<u>(23,538,442)</u>	73.2%

**EXPENDITURES:**

	<b>Budget and Appropriations Current Year</b>	<b>Actual Year to Date Expenditures</b>	<b>Balance Expended</b>	<b>Percent of Budget</b>
General and Financial Administration	4,864,589	4,002,700	861,889	82.3%
Judicial Administration	2,999,627	2,069,756	929,871	69.0%
Public Safety (Sheriff, Corrections, Fire, EMS)	15,131,674	11,033,074	4,098,600	72.9%
Public Works	4,098,231	2,802,211	1,296,020	68.4%
Health and Welfare	14,443,762	11,721,352	2,722,410	81.2%
Parks, Recreation, Libraries, Community College:	2,310,363	1,722,389	587,974	74.6%
Community Development	3,252,868	2,165,144	1,087,724	66.6%
Transfers to Schools, Capital, Debt	47,570,213	40,679,787	6,890,426	85.5%
<b>Total General Fund</b>	<u>94,671,327</u>	<u>76,196,413</u>	<u>18,474,914</u>	80.5%
School Fund	<u>87,722,795</u>	<u>66,469,560</u>	<u>21,253,235</u>	75.8%



# Projecting FY 21 Prior to COVID

- ❑ Projected Discretionary Revenue increase of \$3.1 million or 4.43%
  - ❑ Estimated 5% growth from reassessment
  - ❑ Limited growth of new real estate of approximately 0.50% annually in new construction; reassessments only equate to 1.25% per year
  - ❑ Modest growth in personal property with an average of 3-4%
  - ❑ Softening sales tax revenue from 20% increase in FY 19; more modest growth of 5% is projected
  - ❑ Flattening interest income; interest income is anticipated to drop significantly if the Fed Funds rate stays at 0% - 0.25%



# Projecting FY 21 During COVID

- ❑ Projected Discretionary Revenue increase of \$157K or 0.22%
- ❑ Any new revenue absorbed by other revenue losses
- ❑ Anticipated Declines
  - ❑ Real estate collection ratio decline of 97% to 95%
  - ❑ Personal property reduction of once anticipated new growth
  - ❑ Sales tax revenue reduction of 10%
  - ❑ Meals tax revenue reduction of 25%
  - ❑ Lodging tax revenue reduction of 50%
  - ❑ Interest Income reduction of 10%



# Projecting FY 21 During COVID

- ❑ Over 50% of the County's budget is funded by State and Federal funds
- ❑ Virginia Secretary of Finance projecting \$1 billion loss in revenue in both fiscal year 2021 and 2022
  - ❑ State funding reductions are likely coming as with prior recession
  - ❑ County & School budget impact is unknown
- ❑ General Assembly reconvenes April 22<sup>nd</sup> (tomorrow)
- ❑ Significant drop in Real GDP of 26.5% in 2<sup>nd</sup> quarter 2020 with growth not expected to resume until 4<sup>th</sup> quarter 2020 or 1<sup>st</sup> quarter 2021
- ❑ Proposed FY 21 Budget presented on March 17 now in "strategic pause" until local and state revenue picture becomes more clear
- ❑ "Modified" FY 21 Budget now the course



# Modified FY 21 Budget

- ❑ Almost all new spending has been subtracted from the FY 2021 budget proposed on March 17
- ❑ Hiring freeze implemented and elimination of all non-essential spending effective March 19
- ❑ Proposed discretionary revenue has dropped from \$3.1 million to \$157K
- ❑ Budget Subtractions
  - ❑ 3% COLA for employees - \$664K
  - ❑ \$900K new funding to Schools
  - ❑ \$200K new County CIP funding and \$200K new School CIP funding
  - ❑ New Positions - \$300K
  - ❑ Additional reductions to operating budgets of \$1 million





# Modified FY 21 Budget Next Steps

- ❑ Monitor & Evaluate General Assembly Budget Amendments
  - ❑ Anticipate revised state revenue projections (i.e. schools, comp board)
  - ❑ School Budget adoption required by May 15<sup>th</sup> unless new projections
- ❑ Budget Work Session (May 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>)
- ❑ Additional Budget Work Sessions (as needed)
- ❑ Schedule Budget Public Hearings (Late May / Early June)
  - ❑ Reassessment
  - ❑ Tax Rates
  - ❑ FY 2021 Budget Adoption
- ❑ Budget Adoption (required by June 30<sup>th</sup> )



# Additional FY 21 Budget Possibilities

- ❑ Adopted Budgets are Fluid and can be Amended as needed
  - ❑ FY 21 Budget once adopted will be continually re-assessed
  - ❑ Improving revenue picture late summer, fall or winter could allow flexibility to add back funding for prior budget initiatives
  - ❑ Declining revenue picture would require further budget reductions
  - ❑ Significant revenue decline would necessitate core service discussions and associated operation level reductions and / or service eliminations
- ❑ Appropriations



# Balancing a Century ago .....

No 295

Mr. Hester, B. A.  
 TO TREASURER FRANKLIN COUNTY, VA., DR. ROCKY MOUNT DISTRICT

TAX FOR YEAR 1920	ASSESSED VALUATION	RATE STATE TAX	AMOUNT OF STATE TAX		RATE COUNTY AND DISTRICT	AMOUNT COUNTY AND DISTRICT TAX		TOTAL TAX
Capitation Tax			\$1	50		\$1	00	\$2 50
Personal Property, Tangible		.25			2.20			
Money		.20						
Bonds	County, City and Town	.35			.30			
Bonds	Debts and Shares Stock	.80			.30			
Capital	Firms and Corporations	.85			.30			
Stocks of Merchandise					2.20			
<u>1</u> Acres Land	<u>20</u>	.25		<u>05</u>	2.20		<u>44</u>	<u>49</u>
Acres Land		.25			2.20			
Acres Land		.25			2.20			
Town Lots		.25			2.20			
Town Lots		.25			2.20			
Fiduciaries		.80			.30			
Income	On \$3,000, 1% Over \$3,000, 2%							
<b>Total Tax</b>				<u>1 55</u>		<u>1 44</u>		<u>2 99</u>
COUNTY AND DISTRICT RATES								
County Levy	\$ .45							
R. R. Levy	.15							
Bridge	.20							
County School	.40							
District School	.25							
County Roads	.25							
District Roads	.40							
	\$2.20							
					Credit			
					5% Penalty			
						\$		

Received Payment Treasurer

*J. D. Dudley*  
 11-22 1920



**Appreciation to County Staff for Assistance in the  
Development of This Budget**