

Financial Affairs
Eduardo A. Alfaro, Interim Chief Financial Officer

SUBJECT: FINAL ADOPTION OF THE 2003-04 BUDGET

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

On July 23, 2003, the Board tentatively adopted the 2003-04 budget following the first public hearing on the budget prescribed by Chapter 200, Florida Statutes. That tentative adopted budget included proposed millage rates, projected revenues and recommended appropriations for 2003-04 for the General Fund, Debt Service Funds, Capital Outlay Funds, Special Revenue Funds and Fiduciary Fund.

Changes to Revenues, Appropriations and Fund Balances from the budgets which were tentatively adopted on July 23, 2003 are attached for all funds.

The following document will be provided to the School Board under separate cover and will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center:

- 2003-04 State Budget Forms (All Funds)

NOTE: This item is one of three items which are part of the 5:01 p.m. public budget hearing, which should only be discussed at that time and which should be approved after the Millage Levy Resolution for 2003-04 and after the Five-Year Facilities Work Program.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, adopt the 2003-04 Annual Budget by approving changes from the Tentative Adopted Budget enumerated on pages 2 through 12 and the revenues and appropriations delineated on the official state budget forms and including any amendments approved by the Board following the public hearing on September 10, 2003.

**REPLACEMENT
G-3**

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

GENERAL FUND

REVENUES	Increase (Decrease)
1. Decrease State revenues to reflect a decrease in the School Recognition Program as notified by the Department of Education. This revenue is offset by an appropriation decrease.	\$ (7,243,889)
2. Increase Fee-Supported Pre-Kindergarten Program based on latest available information. This revenue is offset by an appropriation increase.	433,532
3. Increase Fund Balance from prior year to conform to final year-end closing.	2,315,140
4. Increase the transfer from Capital Outlay to reflect an increase in rebudgets for security cameras/technology purchases.	150,485
	<hr/>
Total Revenues Decrease	<u>\$ (4,344,732)</u>

APPROPRIATIONS

1. Decrease appropriations for rebudgets including encumbrances, commitments, selected school available balances, and state categorical available balances carried forward from the prior year. Estimate was \$110,139,664, actual results were \$100,949,946.	\$ (9,189,718)
2. Decrease appropriations for School Recognition Program. This program provides \$100 per FTE to K-12 schools that improve one letter grade or maintain an A status.	(7,243,889)
3. Increase rebudgets for security cameras/technology purchases being funded through the Capital Outlay transfer.	150,485
4. Increase appropriations for Fee-Supported Pre-Kindergarten Program, offset by a revenue increase.	433,532
5. Increase appropriations for maintenance and leasing cost for South Dade Skills Center previously funded through the lease of the facility. The lease budget was previously decreased.	250,000
6. Increase collective bargaining reserve. This includes funding a potential payment for AFSCME employees due to current arbitration.	10,624,528
7. Other technical changes and corrections.	<hr/> 630,330
Total Appropriations Decrease	<u>\$ (4,344,732)</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

DEBT SERVICE FUNDS

REVENUES AND OTHER SOURCES	<u>Increase (Decrease)</u>
1. Increase Transfers from Other Funds to reflect the remarketing of General Obligation Bonds (GOBs).	\$ 185,975,300
2. Reduce Capital Outlay & Debt Service (CO & DS) withheld for State Board of Education (SBE) Bonds to reflect Department of Education (DOE) estimates.	(1,817,563)
3. Increase Beginning Fund Balance to reflect actual results for Fiscal Year 2002-03.	2,159,499
	<hr/>
Total Revenues and Other Sources Increase	<u>\$ 186,317,236</u>

APPROPRIATIONS

1. Increase Principal Payments on GOBs to reflect the remarketing transaction.	\$ 184,985,000
2. Increase Interest Payments on GOBs to reflect the remarketing transaction.	990,300
3. Decrease Principal Payments on Qualified Zone Academy Bonds (QZABs) to reflect sinking fund transaction.	(2,205,970)
4. Decrease Principal Payments on SBE Bonds per DOE debt service schedules.	(635,000)
5. Decrease Interest Payments on SBE Bonds per DOE debt service schedules.	(1,021,721)
6. Decrease Dues & Fees for SBE Bonds per DOE estimates.	(2,000)
7. Increase projected ending fund balance.	<u>4,206,627</u>
Total Appropriations Increase	<u>\$ 186,317,236</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS

REVENUES	Increase (Decrease)
1. Decrease Beginning Fund Balance to conform with final year-end closing.	\$ (22,818,104)
2. Decrease K-12 Class Size Reduction revenue based upon information received from the Florida Department of Education (DOE). Projections were based on 12% of the statewide total for this program, the historical share of the 1997 Classrooms First Capital Outlay Program. Per statute, the allocation to districts is based on the same statewide formula as that from Classrooms First. It is anticipated that capital outlay funding for K-12 Class Size Reduction will increase.	(26,442,052)
3. Decrease Public Education Capital Outlay (PECO) New Construction Revenue based upon information received from the DOE.	(6,457,780)
4. Increase PECO Maintenance Revenue based upon information received from the DOE.	88,955
5. Decrease Deferred Revenue to reflect amounts received.	(250,000)
6. Increase CO & DS revenue to reflect DOE projection.	922,949
7. Increase revenue from the remarketing of the General Obligation Bonds (GOBs) to reflect gross proceeds instead of net as required by GASB 34.	164,455,573
8. Increase premium from the remarketing of the GOBs.	22,842,881
9. Decrease COPs proceeds Series 2003-04.	(137,946,681)
10. Increase revenue for Qualified Zone Academy Bonds (QZABs) to reflect actual state award.	10
	<hr/>
Total Revenues Decrease	<u>\$ (5,604,249)</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	Increase (Decrease)
1. Decrease program rebudgets from 2002-03 to reflect final results.	\$(66,480,880)
2. Decrease Public Education Capital Outlay (PECO) Reserves – New Construction .	(6,457,780)
3. Decrease program 1019, reserved for K-12 Class Size Reduction to reflect the programming of projects.	(72,000,000)
4. Increase program 2777, S/S "YY1" Middle (Redland/Richmond Hts/Hammocks/Ammons Middle Relief).	17,434,900
5. Establish program 1757, S/S "Y1" Elementary (Gordon/Porter Middle relief).	13,860,880
6. Establish program 2746, S/S "SS1" Middle (Redland/Homestead relief).	15,762,168
7. Increase program 1754, S/S "V1" Elementary (Hialeah Gardens El relief) for planning.	500,000
8. Defer program 2613, S/S "JJJ" Senior (Goleman, American, Hialeah, Miami-Lakes Sr. relief) to 2004-05.	(63,820,401)
9. Increase program 2615, MAST Academy for pool repairs.	250,000
10. Increase program 2620, S/S "BBB1" Senior (N. Miami Sr relief) for planning.	500,000
11. Increase program 2694, South Dade Sr. Replacement for planning.	500,000
12. Increase program 2753, S/S "NN1" Middle (Lake Stevens Middle relief) to reflect revised estimates.	3,781,000
13. Increase program 2756, S/S "MM1" (Marti Middle relief) for planning.	500,000
14. Decrease program 2768, PLC "X" at Palm Spgs North and PLC "Y" at M.S. Douglas elementary schools.	(3,946,208)
15. Decrease program 2079, Key Biscayne Elementary for K-8 project to reflect in proper program.	(1,575,000)
16. Increase program 2782, MLC "FF" at Key Biscayne Elementary for K-8 project to reflect in proper program.	1,575,000

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	<u>Increase (Decrease)</u>
17. Increase program 2778, S/S "UU1" Middle (Doolin Middle relief) for planning.	1,000,000
18. Decrease program 2780, PLC "P" (Aventura area).	(3,190,000)
19. Decrease program 2793, MLC "WW" at Skyway Elementary to reflect revised estimates.	(2,563,911)
20. Increase program 2797, MLC "XX" at Coral Way Elementary site for planning.	600,000
21. Decrease program 2800, Miami Lakes PLC.	(3,555,386)
22. Increase program 2801 for East Benefit District Impact Fee Reserves to reflect actual results.	307,592
23. Increase program 2801 for Northwest Benefit District Impact Fee Reserves to reflect actual results.	(482,205)
24. Increase program 2801 for Southwest Benefit District Impact Fee Reserves to reflect actual results.	1,796,504
25. Establish program 2816, Developer Built PLC "E" for FF&E and off-site improvements.	800,000
26. Establish program 0704, Bus drop-off for various school sites.	2,250,000
27. Increase program 1860, Brentwood Elementary for the balance of funds for the media center.	600,000
28. Increase program 1869, Bryan Elementary for structural repairs and window design.	250,000
29. Increase program 1920, Coral Park Elementary for classroom addition and bus drop-off.	400,000
30. Increase program 1963, Earhart/Hialeah Middle A/C for a cooling tower replacement.	250,000
31. Increase program 2085, Kinloch Park Elementary for site.	25,000
32. Increase program 2214, Palmetto Elementary for parking lot expansion.	300,000

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	Increase (Decrease)
33. Increase program 2223, Palm Springs North Elementary for a cafetorium, drainage corrections and master plan.	4,822,926
34. Increase program 2247, Poinciana Park Elementary for the balance of funds for addition, remodeling, and renovations.	1,100,000
35. Increase program 2286 Shadowlawn Elementary for a music suite.	500,000
36. Decrease program 1863, Bright Elementary for a classroom addition.	(4,000,000)
37. Increase program 2418, Carol City Middle for a classroom addition.	2,000,000
38. Increase program 2505, North Dade Middle for a classroom addition.	2,000,000
39. Increase program 2511, Palm Springs Middle for water intrusion, spill-out area, playfield improvements, and interior/exterior painting.	3,000,000
40. Increase program 2520, Ponce de Leon Middle for the planning of the replacement of the gym and administration building.	800,000
41. Defer program 2636, Miami Beach Senior for a 1,582 student station addition, remodeling and renovation.	(47,500,000)
42. Increase program 2642, Miami Central Senior for various renovations throughout the facility and track.	10,092,081
43. Increase program 2696, Miami Southridge Senior for a track.	675,000
44. Establish program 2749, South Dade Agricultural Center site to purchase property adjacent to a M-DCPS owned site to provide access for a future school.	250,000
45. Increase program 2815, QZAB 3 rd Round Technology to reflect change in state award.	10
46. Decrease program 0925, Impact Fee COPs debt service to reflect the most recent schedules.	(1,106,000)
47. Increase program 1123 – Deferred Maintenance of various schools.	43,313,391
48. Increase program 1507, Kiln Replacement.	727

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	Increase (Decrease)
49. Defer program 0733, ESE Center/ACCESS Center II until funding issues are resolved.	(4,067,280)
50. Increase the transfer to Debt Service to reflect the remarketing of the GOB Bonds.	185,975,300
51. Increase Dues & Fees to reflect the remarketing of the GOB Bonds.	1,264,200
52. Decrease legal contingency to reflect the reclass into projects.	(730,494)
53. Increase the following programs for legal fees:	730,494
Biscayne Elementary	\$ 103,356*
Carol City Elementary	53,551
Comstock Elementary	103,356*
Earhart/Hialeah Middle	8,340
Hialeah Elementary	2,121
Jefferson Middle	25,975
Kendale Lakes Elementary	103,356*
Mann Middle	23,352
Mays Middle	2,720
Miami Northwestern Senior	121,073
Milam Elementary	103,356*
Ponce de Leon Elementary	1,220
Beckham Elementary	3,808
Finlay Elementary	51,071
Westview Middle	14,869
Wheatley Elementary	8,970
* Includes a \$ 397,354 legal settlement with Better Construction.	
54. Increase the transfer to the General Fund to reflect an increase in rebudgets for security cameras/technology purchases.	150,485
55. Decrease Undistributed Capital Contingency to reflect the programming of projects.	(44,046,362)
Total Appropriations Decrease	<u>\$ (5,604,249)</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

SPECIAL REVENUE - FOOD SERVICE FUND

REVENUES	<u>Increase (Decrease)</u>
Increase Fund Balance from prior year to reflect actual results for 2002-03.	<u>\$ 1,563,912</u>
Total Revenues Increase	<u>\$ 1,563,912</u>
APPROPRIATIONS	
Increase projected Ending Fund Balance.	<u>\$ 1,563,912</u>
Total Appropriations Increase	<u>\$ 1,563,912</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

**SPECIAL REVENUE - OTHER FEDERAL PROGRAMS
(CONTRACTED PROGRAM FUND)**

REVENUES	Increase (Decrease)
Increase revenue as follows:	
Federal Sources	\$ 19,659,392
Local Sources	<u>216,320</u>
Total Revenues Increase	<u>\$ 19,875,712</u>
 APPROPRIATIONS	
Increase (decrease) appropriations as follows:	
Title II – CSR Teachers Salaries	\$ 14,855,692
Title V – Non Public Schools	485,573
SAVES Year 6 & 7	4,000,000
Dr. J. T. MacDonald Health Initiative	24,500
Miami Dade Health	191,820
Computer Tech. Prep. Program	<u>318,127</u>
Total Appropriations Increase	<u>\$ 19,875,712</u>

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

SPECIAL REVENUE FUND - MISCELLANEOUS

REVENUES	Increase (Decrease)
1. Increase in interest.	\$ 13,242
2. Decrease Beginning Fund Balance to reflect 2002-03 final results.	<u>(25,828)</u>
Total Revenues Decrease	<u>\$ (12,586)</u>
APPROPRIATIONS	
Decrease appropriations to balance.	\$ <u>(12,586)</u>
Total Appropriations Decrease	<u>\$ (12,586)</u>

NOTE: Includes School Board Law Enforcement Fund and Special Events Fund.

**CHANGES FROM THE 2003-04 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

FIDUCIARY FUND – PENSION TRUST FUND

REVENUES	Increase (Decrease)
1. Increase in interest.	\$ 608,950
2. Increase Beginning Fund Balance to reflect 2002-03 final results.	<u>998,145</u>
Total Revenues Decrease	<u>\$ 1,607,095</u>
APPROPRIATIONS	
1. Increase in appropriations.	\$ 368,983
2. Increase projected Ending Fund Balance to balance.	<u>1,238,112</u>
Total Appropriations Increase	<u>\$ 1,607,095</u>

NOTE: The Pension Trust Fund is not reflected on the State Budget Forms pursuant to instructions from the Department of Education. These revisions reflect changes from the Tentative Adopted Budget and are recommended for final adoption.