

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: RESOLUTION NO. 1, 2005-06 GENERAL FUND MID-YEAR BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

This resolution recommends budgetary adjustments for the General Fund. Changes to specific revenue and appropriation items are described below.

Total revenues are being adjusted downward by \$19,342,183. State revenues received through the Florida Education Finance Program (FEFP) have declined by \$26.2 million from the adopted budget. This is due in large measure to a decline of 4,239 in unweighted full-time equivalent (FTE) students versus the original FTE estimates. This decline is partially mitigated by a Declining Enrollment Supplement that is an integral part of the FEFP computation.

This reduction in FEFP revenues is further offset by a prior year adjustment of \$13.1 million related primarily to the tax roll adjustments. The County's tax assessor reports these adjustments directly to the State, and the District learned of them when the Third Calculation of the FEFP was received from the Department of Education on January 6, 2006.

The original FTE estimate included 3,158 FTE for Opportunity and McKay Scholarships resulting in revenues and appropriations established at \$26.2 million. Although these students are reported for FTE purposes, the Department of Education pays parents directly for student tuition in lieu of payment to the district. These amounts are fully offset in appropriations and have no impact on the District's bottom line. However, by law, both the revenue and appropriations must be reported in the District's adopted budget.

Other revenue adjustments include increases in School Recognition funds (\$5.9 million) driven by improved school performance, and decreases in Class Size Reduction (\$3.4 million), and other categorical programs largely driven by declines in FTE .

The major appropriation changes are a result of declines in salaries and benefits, increased utility and insurance costs, adjustments driven by changes in state categorical funds, and increases in the reserves for employee raises (both collectively bargained and other), and an increase in the Unreserved Fund Balance - Contingency. Salary expenses are being decreased by \$33 million as a direct result of staff decreases. The hiring freeze imposed on all school support sites has resulted in approximately 500 unfilled budgeted positions. The budget associated with those positions amounts to \$19 million. The balance of the salary variance is related to reductions in school based positions resulting from the decrease in FTE.

Contingency has been increased by nearly \$7 million to \$69.1 million, and at year-end will be at 2.5% of general fund appropriations.

This resolution reduces both revenues and appropriations by \$19.3 million.

E-13

The following details the necessary revenue and appropriation adjustments for your consideration:

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease state revenues due to the following:	\$(26,237,370)
a. Reduce Florida Education Finance Program (FEFP) as follows:	
Reduction of 6,282 weighted FTE	\$ (26,610,365)
Safe Schools	770
Declining Enrollment Supplement	7,751,753
Prior Year Adjustment - Tax Roll	<u>13,101,226</u>
Total	<u>\$ (5,756,616)</u>
b. Increase Net Discretionary Lottery School Recognition by \$3,540,004. The initial estimate from the Department of Education combines discretionary lottery and estimated School Recognition Program. The actual School Recognition appropriations to all districts increased resulting in an increase in net discretionary lottery funds.	
c. Decrease in revenue for McKay/Opportunity Scholarships \$(26,163,958).	
d. Increase in Categorical Programs due to confirmation of various state categorical as follows:	
Instructional Materials	\$ 547,384
Class Size Reduction	(3,427,254)
Miscellaneous State Revenue	<u>5,023,070</u>
Total	<u>\$ 2,143,200</u>
2. Increase local revenues as follows:	6,495,187
FEFP Required/Discretionary	\$ 2,649,356
Miscellaneous Local	<u>3,845,831</u>
Total	<u>\$ 6,495,187</u>
3. Increase transfers from Capital Outlay	\$ 400,000
Total	\$ 400,000
NET REVENUE DECREASE	<u>400,000</u> <u>\$ (19,342,183)</u>

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to decrease below current budget due primarily to the following: \$(67,105,273)
 - a. **Reclassify** \$19,842,872 from non-salary for the Florida School Recognition Program. This program was established in the adopted budget under non-salary. Awards under this program, as determined by local school Educational Excellence School Advisory Councils (EESAC's), will include bonus payments to staff at eligible schools.
 - b. **Reclassify** (\$43,415,029) from hourly accounts to non-salary to reflect school-based decisions.
 - c. Decrease General Fund salaries by (\$43,533,116) due to the reduced weighted FTE of 6,282 (4,239 unweighted) and decrease due to budget projections which includes the elimination of positions from the Superintendent's realignment of personnel partially offset by a decrease in lapse (or the estimated value of open positions).

2. **Employee benefits** are projected to decrease due to the decrease in salaries (11,460,293)

<u>APPROPRIATION CHANGES</u> <i>(continued)</i>	<u>INCREASE (DECREASE)</u>
3. Increase liability insurance to agree to current actuarial study.	\$ 1,976,342
4. Increase energy services to projected level. A new rate increase was recently approved by the Florida Public Services Commission. The rate increase includes higher fuel prices and a surcharge to restore the Florida Power & Light hurricane fund.	3,901,473
5. Other non-salary accounts will increase due primarily to the following:	46,757,292
a. Reclassify (\$19,842,872) for Florida School Recognition Program to salary.	
b. Reclassify \$43,415,029 from salary plus related fringe benefits to non-salary to reflect school-based decisions.	
c. Increase in miscellaneous state/local programs by \$8,868,901 which is offset by an increase in revenue.	
d. Increase Instructional Materials by \$547,384 offset by a revenue increase.	
e. Eliminate appropriation for McKay/Opportunity Scholarships (\$26,163,958). Department of Education guidelines require the adopted budget to include FTE/revenue for McKay/Opportunity Scholarships; therefore, an offsetting appropriation was established in the adopted budget.	
f. Increase various accounts by \$23,432,808 in School Support Centers as part of the Superintendent's realignment of resources and fund redistribution.	
g. Increase appropriations by \$16,500,000 to fully fund the reserve for collective bargaining and salary increases.	
TOTAL APPROPRIATION CHANGES	<u>\$ (25,930,458)</u>
 <u>RESERVES</u>	
Increase Contingency Reserve from \$62,547,944 to \$69,136,219 to balance.	\$ 6,588,275
TOTAL DECREASE IN APPROPRIATIONS & RESERVES	<u>\$ (19,342,183)</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. adopt Resolution No. 1, 2005-06 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$19,342,183); and
2. adopt the Summary of Revenues and Appropriations (page 6) and the Summary of Appropriations by Function (page 11).

**SUMMARY OF REVENUES AND APPROPRIATIONS
GENERAL FUND**

	ADOPTED BUDGET 09/08/05	RESOLUTION NO. 1	AMENDED BUDGET 02/16/06
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 16,987,400	-	\$ 16,987,400
State	1,411,769,493	(26,237,370)	1,385,532,123
Local	1,047,827,256	6,495,187	1,054,322,443
Interest	\$ 16,054,000	-	\$ 16,054,000
TOTAL REVENUES	\$ 2,492,638,149	\$ (19,742,183)	\$ 2,472,895,966
TRANSFERS FROM CAPITAL OUTLAY	\$ 128,632,388	\$ 400,000	\$ 129,032,388
BEGINNING FUND BALANCE	\$ 222,066,907	\$ -	\$ 222,066,907
SUBTOTAL REVENUES & BEGINNING BALANCES	2,843,337,444	(19,342,183)	2,823,995,261
NON-REVENUE SOURCES - Other			
TOTAL REVENUES & BEGINNING BALANCES	\$ 2,843,337,444	\$ (19,342,183)	\$ 2,823,995,261
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,651,851,722	\$ (67,105,273)	\$ 1,584,746,449
Employee Benefits	519,135,496	(11,460,293)	507,675,203
Liability Insurance	8,602,406	1,976,343	10,578,749
Energy Services	61,369,380	3,901,473	65,270,853
Other Non-Salary	539,830,496	46,757,292	586,587,788
TOTAL APPROPRIATIONS	\$ 2,780,789,500	\$ (25,930,458)	\$ 2,754,859,042
RESERVES & ENDING FUND BALANCE			
Unreserved Fund Balance - Contingency	62,547,944	6,588,275	69,136,219
Designated Reserves			
TOTAL RESERVES & ENDING FUND BALANCE	62,547,944	6,588,275	69,136,219
TOTAL APPROPRIATIONS, RESERVES & ENDING FUND BALANCE	\$ 2,843,337,444	\$ (19,342,183)	\$ 2,823,995,261

**SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2005 - 06**

Resolution No. 1

	ADOPTED BUDGET 9/8/05	RESOLUTION NO. 1	AMENDED BUDGET 2/16/06
FEDERAL SOURCES			
Impact Aid	\$ 50,000	\$ -	\$ 50,000
R.O.T.C.	1,800,000	-	1,800,000
Medicaid Reimbursement	12,000,000	-	12,000,000
Federal Through State Community Schools	3,137,400	-	3,137,400
Total Federal	\$ 16,987,400	\$ -	\$ 16,987,400
Florida Education Finance Program*	\$ 660,682,596	\$ (26,562,628)	\$ 634,119,968
Safe Schools(B)	12,482,868	770	12,483,638
Supplemental Academic Instruction	136,196,149	-	136,196,149
ESE Guarantee	147,022,111	-	147,022,111
Declining Enrollment Supplement	-	7,751,753	7,751,753
Summer Reading Allocation (A)	11,961,793	(14,503)	11,947,290
Non-Recurring DCD Transition Funding	13,005,362	-	13,005,362
Prior Year Adjustment	-	13,101,226	13,101,226
Prior Year Adjustment for Scholarship Deductions	-	34,617	34,617
Opportunity Scholarship Adjustment	-	(1,775,072)	(1,775,072)
McKay Scholarship Adjustment	-	(24,388,886)	(24,388,886)
Workforce Development	100,289,884	-	100,289,884
Adults with Disabilities (A)	2,232,136	-	2,232,136
Discretionary Lottery Funds	20,421,876	(2,404,037)	18,017,839
School Recognition (A)	13,898,831	5,944,041	19,842,872
Categorical Programs:			
Instructional Materials (A)	31,527,233	547,384	32,074,617
Transportation (B)	28,826,856	-	28,826,856
Instructional Technology (B)	6,771,436	(68,046)	6,703,390
Teachers Lead Program (A)	2,428,121	-	2,428,121
Teacher Training (B)	2,441,376	195	2,441,571
Class Size Reduction	213,509,748	(3,427,254)	210,082,494
Charter Schools Capital Outlay (A)	6,900,117	-	6,900,117
Miscellaneous State	1,171,000	5,023,070	6,194,070
Total State	\$ 1,411,769,493	\$ (26,237,370)	\$ 1,385,532,123

* Includes Scholarships for Disabled Students in 2004-05 Adopted Budget as required by the DOE offset by an appropriation.

- (A) Revenue for which appropriations equal revenue.
- (B) Revenue for which appropriations exceed revenue.

**SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2005 - 06**

Resolution No. 1

	ADOPTED BUDGET 9/8/05	RESOLUTION NO. 1	AMENDED BUDGET 2/16/06
LOCAL SOURCES			
FEFP Required Local Effort	\$ 874,666,099	\$ 2,325,482	\$ 876,991,581
Local Discretionary Millage	121,816,524	323,874	122,140,398
Sub - Total	\$ 996,482,623	\$ 2,649,356	\$ 999,131,979
Miscellaneous Local:			
Tax Redemptions	\$ 9,000,000	\$ -	\$ 9,000,000
Rent	200,000	-	200,000
Interest*	16,054,000	-	16,054,000
Vocational Fees	4,500,000	-	4,500,000
Financial Aid Fees	450,000	-	450,000
Community Schools-Contributions (A)	48,540	-	48,540
Community Schools - Internal (A)	13,014,000	-	13,014,000
Community Schools-Fringe Charges(B)	1,848,600	-	1,848,600
Driver Education	1,294,300	-	1,294,300
Fed. Indirect Cost Reimbursement	7,100,000	-	7,100,000
Universal Services (E-Rate)	4,000,000	-	4,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,421,033	-	2,421,033
Other Miscellaneous Local	4,468,160	3,845,831	8,313,991
Total Local	\$ 1,063,881,256	\$ 6,495,187	\$ 1,070,376,443
TOTAL REVENUES	\$ 2,492,638,149	\$ (19,742,183)	\$ 2,472,895,966
TRANSFERS			
From Capital Outlay	\$ 128,632,388	\$ 400,000	\$ 129,032,388
FUND BALANCE FROM PRIOR YEAR	222,066,907	-	222,066,907
TOTAL REVENUES & OTHER SOURCES	\$ 2,843,337,444	\$ (19,342,183)	\$ 2,823,995,261

* Interest is net of a projected Fair Market Value of (\$800,000).

(A) Revenue for which appropriations equal revenue.

(B) Revenue for which appropriations exceed revenue.

**MISCELLANEOUS STATE REVENUES
GENERAL FUND
2005 - 06**

	ADOPTED BUDGET 9/8/05	RESOLUTION NO. 1	AMENDED BUDGET 2/16/06
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
State License Tax	150,000	-	150,000
Health Service (B)	76,000	(76,000)	-
SFW Individual Training Account (A)	-	673,567	673,567
Full Service Schools (A)	800,000	-	800,000
Excellent Teaching	-	2,289,393	2,289,393
FDLRS General Revenue (A)	-	113,083	113,083
Radio Reading Service (A)	-	45,323	45,323
Next Gen Film CS 06/06	-	15,695	15,695
Next Gen Film AC 06/15/06	-	11,949	11,949
Succeed Nursing 06/06	-	427,500	427,500
Fl. Succeed It 06/30/06	-	160,000	160,000
Fl. Succeed Medical 06/30/06	-	160,000	160,000
Multi-Agency General Revenue (A)	-	33,312	33,312
WLRN - FM (A)	-	106,614	106,614
WLRN - TV (A)	-	557,675	557,675
Science Buddies (A)	-	400,000	400,000
Innovative Practices (A)	-	104,959	104,959
TOTAL MISCELLANEOUS STATE	\$ 1,171,000	\$ 5,023,070	\$ 6,194,070

- (A) Revenue for which appropriations equal revenue.
(B) Revenue for which appropriations exceed revenue.

**OTHER MISCELLANEOUS LOCAL REVENUES
GENERAL FUND
2005 - 06**

	ADOPTED BUDGET 9/8/05	RESOLUTION NO. 1	AMENDED BUDGET 2/16/06
Fee Supported Pre-K (B)	\$ 4,268,160	\$ (2,134,080)	\$ 2,134,080
Safe Schools-Fees (A)	200,000	-	200,000
Voluntary Pre-K	-	5,979,911	5,979,911
TOTAL OTHER MISC LOCAL	\$ 4,468,160	\$ 3,845,831	\$ 8,313,991

- (A) Revenue for which appropriations equal revenue.
 (B) Revenue for which appropriations exceed revenue.

DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY
2005-2006 General Fund Budget
Summary of Appropriations by Function
Resolution No. 1
February 15, 2006

FUNCTION	TOTALS	SALARIES (51XX)	EMPLOYEE BENEFITS (52XX)	PURCHASED SERVICES (53XX)	ENERGY SERVICES (54XX)	MATERIALS AND SUPPLIES (55XX)	CAPITAL OUTLAY (56XX)	OTHER EXPENSES (57XX)
Instruction	\$ 1,643,226,941	\$ 1,103,322,995	\$ 149,416,056	\$ 126,562,412	\$ 106,410	\$ 250,165,707	\$ 9,262,535	\$ 4,390,826
Support Services:								
Pupil Personnel Services	\$ 107,675,110	\$ 76,784,044	\$ 24,828,820	\$ 4,692,388	\$ -	\$ 971,129	\$ 365,633	\$ 33,097
Instructional Media Services	\$ 46,529,504	\$ 31,035,022	\$ 10,907,942	\$ 460,872	\$ -	\$ 420,135	\$ 3,704,706	\$ 827
Instruction & Curriculum Development	\$ 25,730,117	\$ 17,757,996	\$ 4,635,723	\$ 2,281,175	\$ 2,920	\$ 774,365	\$ 174,096	\$ 103,842
Instructional Staff Training	\$ 10,912,965	\$ 6,175,572	\$ 4,278,454	\$ 378,804	\$ -	\$ 76,832	\$ 3,303	\$ -
Board of Education	\$ 9,168,798	\$ 4,111,401	\$ 1,125,363	\$ 2,983,258	\$ 9,734	\$ 755,555	\$ 71,026	\$ 112,461
General Administration	\$ 9,379,399	\$ 6,111,891	\$ 1,536,891	\$ 1,011,747	\$ 33,349	\$ 517,847	\$ 55,213	\$ 112,461
School Administration	\$ 155,152,901	\$ 106,420,540	\$ 36,916,385	\$ 842,872	\$ -	\$ 8,784,525	\$ 1,451,730	\$ 736,849
Facilities Acquisition & Construction	\$ 1,490,823	\$ 10,954	\$ 1,718	\$ 481,624	\$ 876	\$ (237,976)	\$ 1,231,597	\$ 2,030
Fiscal Services	\$ 16,744,874	\$ 9,161,779	\$ 2,602,553	\$ 666,276	\$ 3,164	\$ 94,953	\$ 115,307	\$ 4,100,842
Central Services	\$ 232,538,568	\$ 14,553,691	\$ 195,630,053	\$ 14,656,622	\$ 86,049	\$ 3,484,080	\$ 4,021,517	\$ 106,556
Transportation Services	\$ 89,403,063	\$ 49,466,583	\$ 19,492,307	\$ 9,958,375	\$ 7,937,607	\$ 1,680,095	\$ 868,097	\$ -
Operation of Plant	\$ 7900	\$ 84,113,537	\$ 36,795,637	\$ 66,437,847	\$ 56,296,679	\$ 2,707,497	\$ 4,439,463	\$ 12,916
Maintenance of Plant	\$ 119,254,958	\$ 56,080,140	\$ 16,749,786	\$ 27,782,335	\$ 794,065	\$ 14,895,005	\$ 2,953,467	\$ 160
Community Services	\$ 36,843,643	\$ 19,639,817	\$ 2,757,515	\$ 2,259,376	\$ -	\$ 11,000,696	\$ 320,355	\$ 865,884
Debt Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Instruction & Support Services	\$ 2,754,859,042	\$ 1,584,746,449	\$ 507,675,203	\$ 261,455,983	\$ 65,270,853	\$ 296,093,762	\$ 29,038,044	\$ 10,578,749
Transfer to Other Funds								
Debt Service Funds								
Capital Outlay								
Special Revenue								
Internal Revenue								
Total Appropriations & Transfers	\$ 2,754,859,042							
Fund Balance:								
Reserved Fund Balance								
Unreserved Fund Balance	\$ 69,136,219							
Total Fund Balance								
TOTAL APPROPRIATIONS, Transfers, and Fund Balance	\$ 2,823,995,261							