

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: RESOLUTION NO. 1, 2006-07 GENERAL FUND MID-YEAR
BUDGET REVIEW**

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

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 \$30.0 million. State revenues received through the Florida Education Finance Program (FEFP) have declined by \$31.3 million from the adopted budget. This is due in a large measure (\$29.9 million) to a decline of 4,865 in **unweighted** full-time equivalent (FTE) students (7,050 **weighted** FTE) versus the original FTE estimates. This decline is partially mitigated by a Declining Enrollment Supplement (\$10.3 million) that is an integral part of the FEFP computation.] REVISED

This reduction in FEFP revenues is further offset by a prior year adjustment of \$15 million related primarily to the final 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 5, 2007.

The original FTE estimate included 3,500 FTE McKay Scholarships resulting in revenues and appropriations established at \$26.0 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. However, by law, both the revenue and appropriations must be reported in the District's adopted budget. The actual revenue reduction was \$27.0 million.

Other revenue adjustments include increases in Universal Services (E-Rate), School Recognition funds, driven by improved school performance, Instructional Materials and local taxes. Revenue decreases occurred in Class Size Reduction (\$5.3 million) and Discretionary Lottery (\$3.2 million).] ADDED

The major appropriation changes are a result of a shift of appropriations from non-salary to salaries, an increase in benefits, adjustments driven by changes in state categorical funds, and a decrease in the Unreserved Fund Balance - Contingency.

This revised agenda item includes a detailed review of all expenditure categories and recognizes the corresponding appropriation reductions. Contingency has been maintained at \$69.1 million. It will be necessary to continue the hiring freeze on all open positions and curtail expenditures in the second half of the year to maintain fund balance.] REVISED

This resolution reduces both revenues and appropriations by \$30.0 million.]

REVISED

**REVISED
E-13**

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

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>	
1. Decrease Federal Sources in Impact Aid based on projected results.	\$	(40,000)
2. Decrease State revenues due to the following:		(34,195,349)
a. Reduce Florida Education Finance Program (FEFP) as follows:		
Reduction of 7,050 weighted FTE	\$	(29,541,053)
Safe Schools		14,729
Declining Enrollment Supplement		10,312,006
Summer Reading		(48,201)
Prior Year Adjustment - Tax Roll		<u>14,961,821</u>
Total	\$	<u>(4,300,698)</u>
b. Decrease in revenue for McKay/Opportunity Scholarships		\$(27,013,421).
c. Increase School Recognition Program by \$1,633,361. With a decrease in Discretionary Lottery Funds of (\$3,157,057). 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 requiring on offsetting decrease in net discretionary lottery funds. The School Recognition Program requires on offsetting appropriation.		
d. Decrease in Categorical Programs due to confirmation of various state categorical as follows:		
Instructional Materials	\$	1,397,112
Class Size Reduction		(5,350,233)
Miscellaneous State Revenue		<u>2,595,587</u>
Total	\$	<u>(1,357,534)</u>
3. Increase Local revenues as follows:		4,196,706 } REVISED
FEFP Required/Local Effort	\$	1,492,481
Local Discretionary		204,225
Universal Services (E-Rate)		<u>2,500,000</u>
Total	\$	<u>4,196,706</u> } ADDED REVISED
NET REVENUE DECREASE		<u>\$(30,038,643)</u> } REVISED

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

- | | | |
|--|---------------|----------------|
| 1. Salaries are projected to increase below current budget due primarily to the following: | \$ 36,256,993 | |
| a. Reclassify \$39,910,908 to hourly/overtime accounts from non-salary to reflect school-based decisions. | | |
| b. Reclassify \$6,086,310 to temporary instructor accounts from non-salary to reflect school-based decisions. | | |
| c. Increase salaries by \$1,633,361 plus related fringes for an increase in the School Recognition Program. This is offset by an increase in revenue. | | |
| d. Increase salaries by \$1,654,670 in Miscellaneous State and Local grants offset by an increase in revenue. | | |
| e. Increase Collective Bargaining Reserve by \$5,791,346 to fund a teacher salary increase effective January 12, 2007. | | |
| f. Decrease salaries by (\$18,819,602) due primarily to reduced FTE of 4,865 . | | REVIS |
| 2. Employee benefits are projected to exceed budget due to the fact that the adopted budget was established at the reduced July through December 2006 premium rates. However, effective January 1, 2007, the negotiated increased rates were not budgeted. | 4,300,000 | |
| 3. Employee benefits are further increased due to the cost of dependent medical offset. There were an additional 1,435 employees electing to add dependent coverage based on the newly developed plans. These plans had a higher Board paid subsidy and they were oversubscribed. Due to the increase in participants, the District and UnitedHealthcare would share on a 50/50 basis any savings, or dividend revenue which is estimated at \$2.5 million. | 3,502,583 | REVIS
ADDED |
| 4. Other employee benefits increase due to projections. | 1,196,582 | |
| 5. Decrease liability insurance to agree to current actuarial study. | (869,071) | |
| 6. Reduce appropriations for flood insurance based on actual results. | (800,000) | |
| 7. Decrease energy services to projected level. | (68,249) | |

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

8. Other non-salary accounts will decrease due primarily to the following: \$ (73,557,481)] REVIS
- a. **Reclassify** (\$55,050,895) to hourly/overtime/temporary instructors plus related fringe benefits from non-salary to reflect school-based decisions.
 - b. Increase in miscellaneous state/local programs by \$595,587 which is offset by an increase in revenue.
 - c. Increase Instructional Materials by \$1,397,112 offset by a revenue increase.
 - d. Increase appropriations for Charter Schools by \$15,100,954 due to an increase in enrollment from 16,000 to 18,892 students.
 - e. Eliminate appropriation for McKay Scholarships (\$25,956,694). 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. Decrease appropriations for open purchase orders dated prior to 1/1/06 (\$2,888,881) in non school sites only. This process is usually done at year-end but is being done at this time to increase fund balance.
 - g. Eliminate appropriation for Summer Heat (\$2,333,833). The 2006 program was funded by federal sources.] ADDED
 - h. Eliminate appropriation for supplies in Assistance Plus Intervention Program (\$543,348). This program was created for low achieving schools and is now funded through FCAT Enhancement program.
 - i. Reduce appropriation created for recruiting foreign-born teachers based on actual results (\$1,000,000).
 - j. Reduce appropriations in non-school sites in contracted programs, supplies and other purchased services by (\$2,877,483).

TOTAL APPROPRIATION CHANGES

\$ (30,038,643)] REVIS

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

1. adopt Resolution No. 1, 2006-07 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$30,038,643); and REVISED
2. adopt the Summary of Revenues and Appropriations (page 5) and the Summary of Appropriations by Function (page 10).

**SUMMARY OF REVENUES AND APPROPRIATIONS
GENERAL FUND
2006 - 07**

Resolution No. 1

	ADOPTED BUDGET 09/13/06	RESOLUTION NO. 1	AMENDED BUDGET 02/14/07	
REVENUES & BEGINNING BALANCES				
REVENUES				
Federal	\$ 18,767,400	\$ (40,000)	\$ 18,727,400	
State	1,419,062,866	(34,195,349)	1,384,867,517	
Local	1,209,054,795	4,196,706	1,213,251,501	REVISED
Interest	24,482,000	-	24,482,000	
TOTAL REVENUES	\$ 2,671,367,061	\$ (30,038,643)	\$ 2,641,328,418	REVISED
TRANSFERS FROM CAPITAL OUTLAY	\$ 148,905,643	\$ -	\$ 148,905,643	
BEGINNING FUND BALANCE	195,023,440	-	195,023,440	
SUBTOTAL REVENUES & BEGINNING BALANCES	\$ 3,015,296,144	\$ (30,038,643)	\$ 2,985,257,501	REVISED
NON-REVENUE SOURCES - Other		-	-	
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,015,296,144	\$ (30,038,643)	\$ 2,985,257,501	REVISED
APPROPRIATIONS & RESERVES				
APPROPRIATIONS				
Salaries	\$ 1,763,683,936	\$ 36,256,993	\$ 1,799,940,929	
Employee Benefits	551,050,651	8,999,165	560,049,816	REVISED
Liability Insurance	6,791,071	(869,071)	5,922,000	
Purchased Services	272,194,102	(57,834,299)	214,359,803	REVISED
Energy Services	80,301,232	(68,249)	80,232,983	
Other Non-Salary	272,138,933	(16,523,182)	255,615,751	REVISED
TOTAL APPROPRIATIONS	\$ 2,946,159,925	\$ (30,038,643)	\$ 2,916,121,282	REVISED
RESERVES & ENDING FUND BALANCE				
Unreserved Fund Balance - Contingency		-		
Unreserved Fund Balance - Contingency	\$ 69,136,219	\$ -	\$ 69,136,219	REVISED
TOTAL RESERVES & ENDING FUND BALANCE	\$ 69,136,219	\$ -	\$ 69,136,219	REVISED
TOTAL APPROPRIATIONS, RESERVES & ENDING FUND BALANCE	\$ 3,015,296,144	\$ (30,038,643)	\$ 2,985,257,501	REVISED

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/2006	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/2007
FEDERAL SOURCES			
Impact Aid	\$ 50,000	\$ (40,000)	\$ 10,000
R.O.T.C.	2,480,000	-	2,480,000
Medicaid Reimbursement	13,100,000	-	13,100,000
Federal Through State Community Schools	3,137,400	-	3,137,400
Total Federal	\$ 18,767,400	\$ (40,000)	\$ 18,727,400
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM:			
Base Funding less FEFP Required Local Effort	\$ 537,258,777	\$ (29,891,456)	\$ 507,367,321
.510 Mill Compression	2,305,897	350,403	2,656,300
Safe Schools(B)	12,253,738	14,729	12,268,467
Supplemental Academic Instruction	136,246,915	-	136,246,915
ESE Guarantee	153,005,744	-	153,005,744
Declining Enrollment Supplement	5,916,962	10,312,006	16,228,968
Summer Reading Allocation (A)	14,400,810	(48,201)	14,352,609
Prior Year Adjustment		15,045,421	15,045,421
Prior Year Adj. - Opportunity Scholarships		(83,600)	(83,600)
Opportunity Scholarship Adjustment		-	-
McKay Scholarship Adjustment		(27,013,421)	(27,013,421)
Sub-Total FEFP	\$ 861,388,843	\$ (31,314,119)	\$ 830,074,724
OTHER STATE:			
Non-Recurring DCD Transition Funding	\$ 13,005,362	-	\$ 13,005,362
Special Teacher Reward Allocation (STAR)	19,581,356	-	19,581,356
Workforce Development	103,235,432	-	103,235,432
Adults with Disabilities (A)	2,232,136	-	2,232,136
Performance Based Incentives	1,935,579	-	1,935,579
Voluntary Pre-K (A)	9,133,518	-	9,133,518
CATEGORICAL PROGRAMS:			
Instructional Materials (A)	33,513,378	1,397,112	34,910,490
Transportation (B)	30,990,508	-	30,990,508
Teachers Lead Program (A)	5,959,785	-	5,959,785
Full Service Schools (A)	800,000	-	800,000
Excellent Teaching (A)	5,079,852	-	5,079,852
Discretionary Lottery Funds	17,163,562	(3,157,057)	14,006,505
School Recognition (A)	19,842,872	1,633,361	21,476,233
Class Size Reduction	285,806,326	(5,350,233)	280,456,093
Charter Schools Capital Outlay (A)	7,762,740	-	7,762,740
Miscellaneous State	1,631,617	2,595,587	4,227,204
Total State	\$ 1,419,062,866	\$ (34,195,349)	\$ 1,384,867,517

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/07	
LOCAL SOURCES				
FEFP Required Local Effort	\$ 1,016,889,285	\$ 1,492,481	\$ 1,016,381,766	
Local Discretionary Millage	139,146,856	204,225	139,351,081	
Sub - Total	\$ 1,156,036,141	\$ 1,696,706	\$ 1,157,732,847	
Miscellaneous Local:				
Tax Redemptions	\$ 9,000,000	\$ -	\$ 9,000,000	
Rent	200,000	-	200,000	
Interest	24,482,000	-	24,482,000	
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)	15,965,460	-	15,965,460	
Community Schools-Fringe Charges(B)	1,927,619	-	1,927,619	
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	2,500,000	6,500,000	REVISED
Misc. School Receipts (A)	3,000,000	-	3,000,000	
Food Service Indirect Costs	2,421,033	-	2,421,033	
Other Miscellaneous Local	3,111,702	-	3,111,702	
Total Local	\$ 1,233,536,795	\$ 4,196,706	\$ 1,237,733,501	REVISED
TOTAL REVENUES	\$ 2,671,367,061	\$ (30,038,643)	\$ 2,641,328,418	REVISED
TRANSFERS				
From Capital Outlay	\$ 148,905,643	\$ -	\$ 148,905,643	
FUND BALANCE FROM PRIOR YEAR	195,023,440	-	195,023,440	
TOTAL REVENUES & OTHER SOURCES	\$ 3,015,296,144	\$ (30,038,643)	\$ 2,985,257,501	REVISED

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/07
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
State License Tax	150,000	-	150,000
Health Service (B)	198,067	-	198,067
SFW Individual Training Account (A)		693,885	693,885
FDLRS General Revenue (A)		113,083	113,083
Radio Reading Service (A)		45,323	45,323
Succeed Nursing 06/07 (A)		150,480	150,480
District Teenage Parent Program		250,000	250,000
Succeed Florida - Edison Middle		56,000	56,000
Succeed Florida - Edison		56,000	56,000
Innovation Fair		40,000	40,000
MSE/SFSAS (A)	1,138,550	-	1,138,550
Multi-Agency General Revenue (A)		33,312	33,312
WLRN - FM (A)		111,945	111,945
WLRN - TV (A)		585,559	585,559
Learning for Life		460,000	460,000
Innovative Practices (A)		-	-
TOTAL MISCELLANEOUS STATE	\$ 1,631,617	\$ 2,595,587	\$ 4,227,204

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
GENERAL FUND
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/07
Fee Supported Pre-K (B)	\$ 2,911,702	\$ -	\$ 2,911,702
Safe Schools-Fees (A)	200,000	-	200,000
TOTAL OTHER MISC LOCAL	\$ 3,111,702	\$ -	\$ 3,111,702

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

DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY
 2006-2007 General Fund Budget
 Summary of Appropriations by Function
 Resolution No. 1
 February 14, 2007

FUNCTION	#	TOTALS	SALARIES 100	EMPLOYEE BENEFITS 200	PURCHASED SERVICES 300	ENERGY SERVICES 400	MATERIALS AND SUPPLIES 500	CAPITAL OUTLAY 600	OTHER EXPENSES 700
Instruction	5000	\$ 1,729,848,817	\$ 1,279,156,876	\$ 193,876,884	\$ 75,816,549	\$ 114,828	\$ 187,056,678	\$ 9,651,414	\$ 4,375,889
Instructional Support Contr. PGMS	6000	-	-	-	-	-	-	-	-
Pupil Personnel Services	8100	\$ 112,437,944	\$ 77,982,194	\$ 28,811,120	\$ 6,280,811	\$ -	\$ 1,113,669	\$ 306,819	\$ 33,332
Instructional Media Services	8200	\$ 38,659,293	\$ 23,032,033	\$ 8,191,453	\$ 567,195	\$ -	\$ 417,464	\$ 4,450,309	\$ 839
Instruction & Curriculum Development	8300	\$ 32,313,815	\$ 22,079,388	\$ 5,941,651	\$ 2,573,485	\$ 3,455	\$ 1,267,759	\$ 315,722	\$ 132,337
Instructional Staff Training	8400	\$ 17,204,815	\$ 11,872,899	\$ 4,673,962	\$ 371,138	\$ -	\$ 417,570	\$ 69,049	\$ -
Instructional Support	8500	\$ 34,946,451	\$ 22,703,660	\$ 7,654,355	\$ 3,194,786	\$ 45,998	\$ 660,074	\$ 687,601	\$ 150,522
Board of Education	7100	\$ 7,484,820	\$ 4,456,384	\$ 1,267,305	\$ 1,558,027	\$ 7,896	\$ 12,338	\$ 12,338	\$ -
General Administration	7200	\$ 13,504,225	\$ 7,248,067	\$ 1,988,845	\$ 1,073,675	\$ 56,516	\$ 2,856,138	\$ 216,882	\$ 62,301
School Administration	7300	\$ 158,706,331	\$ 108,229,868	\$ 35,932,176	\$ 878,998	\$ -	\$ 10,534,539	\$ 1,844,628	\$ 487,224
Facilities Acquisition & Construction	7400	\$ 95,424	\$ (35,181)	\$ (11,174)	\$ 278,385	\$ 1,184	\$ (349,609)	\$ 222,957	\$ (11,159)
Fiscal Services	7500	\$ 21,481,184	\$ 10,344,445	\$ 3,096,473	\$ 787,774	\$ 2,981	\$ 128,185	\$ -	\$ 7,161,356
Food Services	7600	\$ 3,350,803	\$ -	\$ -	\$ -	\$ -	\$ 3,350,803	\$ -	\$ -
Central Services	7700	\$ 223,220,039	\$ 14,355,400	\$ 187,797,188	\$ 16,596,370	\$ 120,668	\$ 3,350,603	\$ 864,187	\$ 135,332
Pupil Transportation Services	7800	\$ 85,174,298	\$ 41,811,433	\$ 19,694,265	\$ 9,948,012	\$ 9,948,012	\$ 1,716,375	\$ 864,187	\$ 246,757
Operation of Plant	7900	\$ 273,850,406	\$ 90,401,948	\$ 40,542,573	\$ 70,437,028	\$ 69,031,296	\$ 1,960,183	\$ 1,469,221	\$ 8,156
Maintenance of Plant	8100	\$ 125,478,505	\$ 60,759,548	\$ 19,091,658	\$ 26,809,988	\$ 898,881	\$ 15,494,257	\$ 2,422,879	\$ 385
General Support	8200	\$ 1,295,779	\$ 780,157	\$ 213,041	\$ 283,507	\$ -	\$ 50,338	\$ 8,735	\$ -
Budget Clearing	8300	\$ (289,869)	\$ -	\$ -	\$ (220,995)	\$ -	\$ (81,047)	\$ (37,827)	\$ -
Community Services	9100	\$ 39,379,601	\$ 23,981,772	\$ 3,088,040	\$ 2,853,926	\$ -	\$ 8,506,529	\$ 227,841	\$ 921,495
Debt Services	9200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	9700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS		\$ 2,976,121,282	\$ 1,759,840,928	\$ 560,049,816	\$ 220,281,803	\$ 80,232,983	\$ 219,512,648	\$ 23,358,639	\$ 13,704,465
OTHER FINANCING USES:									
Transfers out (Function 8700)									
To General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	960								
To Permanent Fund	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700	\$ 69,138,219							
TOTAL OTHER FINANCING USES									
FUND BALANCE JUNE 30, 2005	2700								
TOTAL APPROPRIATIONS, OTHER FINANCING USES, AND FUND BALANCE		\$ 2,885,257,501							

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