

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: RESOLUTION NO. 1, 2007-08 GENERAL FUND BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

Due to lower than anticipated statewide revenues, the Governor called Special Session C to amend appropriations and create budget reductions to the 2007-08 budget. As a result of Special Session C, on October 12, 2007 the budget was trimmed by \$1.1 billion statewide, including all agencies.

This resolution recommends revenue and appropriation changes to reflect the impact of Special Session C and the Microsoft Antitrust Settlement adjustment (Agenda Item E-14) only. The highlights of the budget reductions include a reduction of \$32.0 million in the Florida Education Finance Program; including \$19.1 million for the Special Teachers Are Rewarded (STAR) program; reductions in categorical programs of \$2.9 million and reductions in Workforce Development of \$2.5 million. These budget reductions were partially offset by an increase in the General Fund of \$5.5 million from the Microsoft Settlement (Agenda Item E-14).

Major appropriation revisions include the deferral of obligation to pay teacher bonuses under the STAR program (\$19.1 million including fringe benefits), reduction of categorical programs, reduction of adult center budgets, reduction of available discretionary non-salary budgets by 5% in both schools and departments, a reduction in hourly/overtime accounts in non-school sites, a reduction in the MEP Pilot Performance Pay Program, and an extended freeze on open positions.

Both revenues and appropriations were reduced by \$32.2 million in this budget resolution.

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:	\$(37,696,569)
a. Reduce Florida Education Finance Program (FEFP) as follows:	
Reduction of base student allocation	\$(10,585,735)
Reduction in Declining Enrollment Supplement	(124,882)
DJJ Supplemental Allocation	(4,341) *
Safe Schools	(81,475)
ESE Guarantee Allocation	(1,050,126)
Supplemental Academic Instruction	(940,426)
Reading Allocation	(98,624) *
Special Teacher Award Allocation (STAR)	<u>(19,117,342) *</u>
Total	<u>\$ (32,002,951)</u>
b. Create an Equal Percentage Adjustment (pro-ration) as determined by the Department of Education in the amount of \$34,485.	
c. Decrease in Discretionary Lottery in the amount of (\$235,604).	
d. Decrease in Categorical Programs due to results of Special Legislative Session as follows:	
Instructional Materials	\$ (237,446) *
Transportation	(210,205) *
Class Size Reduction	<u>(2,414,486)</u>
Total	<u>\$ (2,862,137)</u>
e. Reduce Adults with Disabilities program by (\$89,290) *	
f. Reduce Performance Based Incentives program funded by Workforce Development (adult centers) by (\$27,882)*	
g. Reduce Workforce Development by (\$2,513,190)*	
*Offset by a reduction in appropriations.	
2. Increase non-revenue sources by \$5,500,000 for the portion of the Microsoft Antitrust Settlement that will be recognized in the General fund.	5,500,000
NET REVENUE DECREASE	<u>\$(32,196,569)</u>

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to decrease below current budget due primarily to the following: \$(23,991,766)
 - a. Decrease salaries due to State deferral of obligation to pay teacher bonuses under the Special Teachers Are Rewarded (STAR) program (\$15,868,965) offset by a revenue decrease.
 - b. Reduce projected clerical costs by maintaining a freeze on all open clerical positions, including school sites (\$2,516,602).
 - c. Reduce hourly accounts in adult centers due to a revenue reduction in Workforce Development (\$2,086,154).
 - d. Reduce available balances in hourly accounts in non-school sites by 20% (\$967,611).
 - e. Reduce available balances in overtime accounts in non-school sites by 10% (\$282,132).
 - f. Reduce projected salary costs by extending freeze on open positions in non-school sites (\$2,270,302).

2. Employee benefits are projected to decrease due to the decrease in salaries. (4,911,116)

3. **Other non-salary** accounts will decrease due primarily to the following: (3,293,687)
 - a. Decrease non school site available discretionary non-salary budgets by 5% (\$1,339,945).
 - b. Decrease DJJ Supplemental Allocation by (\$4,341) offset by a revenue decrease.
 - c. Decrease Reading Program by (\$98,624) offset by a revenue decrease.
 - d. Decrease Instructional Materials by (\$237,446) offset by a revenue decrease.

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

- e. Decrease Transportation by (\$210,205) offset by revenue decrease.
- f. Decrease Adults with Disabilities program primarily in out-of-county travel, equipment and supplies (\$89,290) offset by a revenue decrease.
- g. Reduce adult center budgets for Performance Based Incentives (Workforce Development) (\$27,882) offset by a revenue decrease.
- h. Reduce school site available discretionary non-salary budgets by 5% (\$583,000).
- i. Eliminate open purchase orders in non-school sites with no activity prior to January 1, 2007. The budget will be reduced by the value of the open purchase order being eliminated (\$702,954).

TOTAL APPROPRIATION CHANGES

\$(32,196,569)

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

1. adopt Resolution No. 1, 2007-08 General Fund Budget Review, decreasing revenues and appropriations by (\$32,196,569); 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
2007-08**

RESOLUTION NO. 1

	ADOPTED BUDGET 09/05/07	RESOLUTION NO. 1	PROPOSED AMENDED BUDGET 11/20/07
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 17,643,391	\$ -	\$ 17,643,391
State	1,361,928,614	(37,696,569)	1,324,232,045
Local	1,390,240,172	-	1,390,240,172
TOTAL REVENUES	\$ 2,769,812,177	\$ (37,696,569)	\$ 2,732,115,608
TRANSFERS FROM CAPITAL OUTLAY	\$ 148,905,643	\$ -	\$ 148,905,643
BEGINNING FUND BALANCE	151,321,445	-	151,321,445
ADJUSTMENT TO FUND BALANCE		-	
SUBTOTAL REVENUES & BEGINNING BALANCES	\$ 3,070,039,265	\$ (37,696,569)	\$ 3,032,342,696
NON-REVENUE SOURCES - Other	-	5,500,000	5,500,000
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,070,039,265	\$ (32,196,569)	\$ 3,037,842,696
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,787,898,699	\$ (23,991,766)	\$ 1,763,906,933
Employee Benefits	581,444,133	(4,911,116)	576,533,017
Purchased Services	276,043,177	-	276,043,177
Energy Services	84,831,976	-	84,831,976
Other Non-Salary	270,685,061	(3,293,687)	267,391,374
TOTAL APPROPRIATIONS	\$ 3,000,903,046	\$ (32,196,569)	\$ 2,968,706,477
TRANSFERS TO OTHER FUNDS	\$ -	\$ -	\$ -
RESERVES & ENDING FUND BALANCE			
Unreserved Fund Balance	\$ 69,136,219	\$ -	\$ 69,136,219
Unreserved Fund Balance-Rebudgets		-	
Designated Reserves/State Categoricals		-	
TOTAL RESERVES & ENDING FUND BALANCE	\$ 69,136,219	\$ -	\$ 69,136,219
TOTAL APPROPRIATIONS, RESERVES & ENDING FUND BALANCE	\$ 3,070,039,265	\$ (32,196,569)	\$ 3,037,842,696

SUMMARY OF REVENUES AND OTHER SOURCES

**General Fund
2007-08**

	ADOPTED BUDGET 9/5/2007	RESOLUTION NO. 1	PROPOSED AMENDED BUDGET 11/20/2007
FEDERAL SOURCES			
Impact Aid	\$ 10,000	\$ -	\$ 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	2,053,391	-	2,053,391
Total Federal	\$ 17,643,391	\$ -	\$ 17,643,391
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM:			
Base Funding less FEFP Required Local Effort	\$ 389,975,643	\$ (10,585,735)	\$ 379,389,908
.510 Mill Compression	-	-	-
Safe Schools(B)	11,807,238	(81,475)	11,725,763
Supplemental Academic Instruction	136,293,601	(940,426)	135,353,175
ESE Guarantee	152,192,161	(1,050,126)	151,142,035
Declining Enrollment Supplement	17,837,522	(124,882)	17,712,640
Reading Allocation (A)	14,293,396	(98,624)	14,194,772
Prior Year Adjustment	-	-	-
Equal Percentage Adjustment	-	34,485	34,485
Opportunity Scholarship Adjustment	-	-	-
McKay Scholarship Adjustment	-	-	-
DJJ Supplemental Allocation	634,396	(4,341)	630,055
Sub-Total FEFP	\$ 723,033,957	\$ (12,851,124)	\$ 710,182,833
OTHER STATE:			
Non-Recurring DCD Transition Funding	\$ 13,005,362	\$ -	\$ 13,005,362
Special Teacher Are Rewarded (STAR/MAP)	19,117,342	(19,117,342)	-
Workforce Development	104,267,786	(2,513,190)	101,754,596
Adults with Disabilities (A)	2,232,136	(89,290)	2,142,846
Performance Based Incentives	2,014,994	(27,882)	1,987,112
Voluntary Pre-K (A)	10,045,403	-	10,045,403
CATEGORICAL PROGRAMS:			
Instructional Materials (A)	34,412,578	(237,446)	34,175,132
Transportation (B)	30,170,558	(210,205)	29,960,353
Teachers Lead Program (A)	6,228,676	-	6,228,676
Full Service Schools (A)	800,000	-	800,000
Excellent Teaching (A)	5,079,852	-	5,079,852
Discretionary Lottery Funds	13,720,682	(235,604)	13,485,078
School Recognition/Merit (A)	21,476,233	-	21,476,233
Class Size Reduction	352,642,269	(2,414,486)	350,227,783
Charter Schools Capital Outlay (A)	12,039,169	-	12,039,169
Miscellaneous State	11,641,617	-	11,641,617
Total State	\$ 1,361,928,614	\$ (37,696,569)	\$ 1,324,232,045

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

SUMMARY OF REVENUES AND OTHER SOURCES

General Fund
2007-08

	ADOPTED BUDGET 9/5/2007		RESOLUTION NO. 1		PROPOSED AMENDED BUDGET 11/20/2007
LOCAL SOURCES					
FEFP Required Local Effort	\$ 1,155,374,848	\$	-	\$	1,155,374,848
Local Discretionary Millage	153,971,623		-		153,971,623
Sub - Total	\$ 1,309,346,471	\$	-	\$	1,309,346,471
Miscellaneous Local:					
Tax Redemptions	\$ 9,000,000	\$	-	\$	9,000,000
Rent	1,160,000		-		1,160,000
Interest	21,165,000		-		21,165,000
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)	17,077,870		-		17,077,870
Community Schools-Fringe Charges(B)	1,388,174		-		1,388,174
Driver Education	1,294,300		-		1,294,300
Fed. Indirect Cost Reimbursement	7,100,000		-		7,100,000
Universal Services (E-Rate)	6,500,000		-		6,500,000
Misc. School Receipts (A)	3,000,000		-		3,000,000
Food Service Indirect Costs	2,421,033		-		2,421,033
Other Miscellaneous Local	5,788,784		-		5,788,784
Total Local	\$ 1,390,240,172	\$	-	\$	1,390,240,172
TOTAL REVENUES	\$ 2,769,812,177	\$	(37,696,569)	\$	2,732,115,608
TRANSFERS					
From Capital Outlay	\$ 148,905,643	\$	-	\$	148,905,643
NON-REVENUE SOURCES					
Microsoft Antitrust Settlement	-		5,500,000		5,500,000
FUND BALANCE FROM PRIOR YEAR	151,321,445		-		151,321,445
TOTAL REVENUES & OTHER SOURCES	\$ 3,070,039,265	\$	(32,196,569)	\$	3,037,842,696

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

MISCELLANEOUS STATE REVENUES
General Fund
2007-08

	ADOPTED BUDGET 9/5/2007	RESOLUTION NO. 1	PROPOSED AMENDED BUDGET 11/20/2007
Miscellaneous Prior Year State Adjustment	\$ 10,000,000	\$ -	\$ 10,000,000
CO & DS Withheld for Adm.	145,000	-	145,000
State License Tax	160,000	-	160,000
Health Service (B)	198,067	-	198,067
MSE/SFSAS (A)	1,138,550	-	1,138,550
TOTAL MISCELLANEOUS STATE	\$ 11,641,617	\$ -	\$ 11,641,617

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

OTHER MISCELLANEOUS LOCAL REVENUES
General Fund
2007-08

	ADOPTED BUDGET 9/5/2007	RESOLUTION NO. 1	PROPOSED AMENDED BUDGET 11/20/2007
Fee Supported Pre-K (B)	\$ 5,588,784	\$ -	\$ 5,588,784
Safe Schools-Fees (A)	200,000	-	200,000
TOTAL OTHER MISC LOCAL	\$ 5,788,784	\$ -	\$ 5,788,784

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

DADE COUNTY PUBLIC SCHOOLS
2007-08 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION NO. 1
November 20, 2007

FUNCTION	TOTAL BUDGET	SALARIES (51XX)	EMPLOYEE BENEFITS (52XX)	PURCHASED SERVICES (53XX)	ENERGY SERVICES (54XX)	MATERIALS AND SUPPLIES (55XX)	CAPITAL OUTLAY (56XX)	OTHER EXPENSES (57XX)
INSTRUCTIONAL SERVICES	\$1,980,188,392	\$1,188,658,782	\$375,539,926	\$188,635,239	\$121,229	\$221,836,026	\$1,706,114	\$3,711,076
SUPPORT SERVICES:								
Pupil Personnel Services	135,507,436	99,051,289	31,815,310	4,151,814	-	260,309	195,214	33,500
Instructional Media Services	42,080,151	30,089,834	9,722,992	212,864	-	47,507	2,006,954	-
Instruction & Curriculum Development	25,049,808	16,735,136	5,056,715	2,225,540	3,500	717,426	187,041	124,450
Instructional Staff Training	11,803,113	8,038,587	3,557,301	91,643	-	50,582	65,000	-
Instructional Support	38,477,883	26,233,540	8,759,766	2,886,985	46,600	548,042	2,950	-
Board of Education	7,459,512	4,606,393	1,301,914	1,351,847	3,000	67,858	11,500	117,000
General Administration	11,562,248	7,906,425	2,116,956	954,415	57,200	326,537	153,965	46,750
School Administration	170,056,511	125,382,461	39,825,100	354,179	-	1,420,171	74,300	3,000,300
Facilities Acquisition & Construction	102,457	10,672	2,185	86,400	1,200	-	2,000	-
Fiscal Services	22,223,473	10,453,120	3,175,514	532,471	4,000	128,632	115,652	7,814,084
Central Services	12,189,482	1,835,487	1,142,041	7,771,484	114,150	344,922	869,562	111,816
Transportation Services	85,745,469	48,332,562	21,496,917	8,230,548	7,449,108	(178,705)	415,039	-
Operation of Plant	271,521,496	110,168,476	47,344,992	36,952,959	76,182,409	750,651	116,009	6,000
Maintenance of Plant	117,569,428	60,292,726	19,144,096	19,969,194	849,580	15,803,150	1,510,682	-
General Support	1,289,271	823,439	227,408	179,572	-	49,000	9,852	-
Budget Clearing	-	-	-	-	-	-	-	-
Community Services	35,880,368	25,308,004	6,303,885	1,456,023	-	2,362,456	-	450,000
Debt Services	-	-	-	-	-	-	-	-
Total Instruction & Support Services	\$2,968,706,477	\$1,763,906,933	\$576,533,017	\$276,043,177	\$84,831,976	\$244,534,564	\$7,441,834	\$15,414,976
Transfers to Other Funds								
Debt Service	\$	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Special Revenue	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,968,706,477							
Fund Balance:								
Reserved Fund Balance								
Unreserved Fund Balance	69,136,219							
Total Fund Balance	69,136,219							
Total Appropriations, Transfers and Fund Balance	\$3,037,842,696							