

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: RESOLUTION NO. 2, 2007-08 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 that: 1) were discussed at the December workshop with the Board; 2) changes in market conditions that impact interest income; 3) Florida Education Finance Program (FEFP) third calculation and; 4) The increase in the price of purchased food in the Food Service Fund that impact the General Fund. Changes to specific revenue and appropriation items are described below.

Total revenues are being decreased by \$25.6 million. Revenue decreases include Medicaid Reimbursements (\$3.0 million), Local Property Tax collections (\$3.5 million), Miscellaneous State (\$6.0 million) and Interest revenues (\$5.4 million).

Other revenue adjustments include increases in the FEFP due to the following items in the Third Calculation of the FEFP, received from the Department of Education in January 2008:

- 2,955 additional **unweighted** full-time equivalent (FTE) students (2,924 **weighted** FTE) reported (\$15.4 million)
- Eliminate McKay Scholarships (\$28.9 million) (eliminate appropriation)
- Increase revenue for a Prior Year Adjustment (\$23.0 million) (This is partially offset by a decrease in Miscellaneous State revenue as established in the adopted budget in anticipation of this revenue.) The Prior Year Adjustment is related primarily to the final tax roll adjustments from the prior year. The County's tax assessor reports data directly to the State and the District receives the total adjustment in the Third Calculation of the FEFP.
- Reduce revenue for Declining Enrollment Supplement (\$6.9 million)
- Increase revenue for Categorical Programs (\$3.4 million) (appropriation increase)

Subsequent to adoption to the budget, the auditors reclassified \$13.9 million from an available balance (rebudgets) for the 2006-07 Merit Award/STAR Program to a liability in 2006-07. This resulted in a reduction in the Beginning Fund Balance and a reduction in appropriations.

Major appropriation changes are a result of a shift of appropriations from non-salary to salaries, an increase in health benefits for January through June, adjustments driven by changes in state categorical funds, elimination of McKay Scholarships and the 2006-07 Merit Award/STAR Program. This resolution reduces departmental budgets by nearly \$10 million and transfers \$14 million of eligible expenditures to grants as discussed at the Board Workshop held on December 17, 2007.

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.

This resolution reduces both revenues and appropriations by \$25.6 million.

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 Medicaid Reimbursement based on projected results.	\$ (2,950,000)
2. Decrease State revenues due to the following:	(17,707)
a. Increase Florida Education Finance Program (FEFP) as follows:	
Increase of 2,924 weighted FTE	\$ 15,385,534
Safe Schools	40,879
Declining Enrollment Supplement	(6,876,938)
Summer Reading	158,775
Prior Year Adjustment - Tax Roll	24,584,232
Prorated Holdback	(1,603,414)
Prior Year Scholarship Adjustment	(32,612)
McKay Scholarship Adjustment	(28,861,382)
DJJ Supplemental Allocation	(215,754)
Total	<u>\$ 2,579,320</u>
b. Increase Categorical Programs due to confirmation of various state programs as follows:	
Instructional Materials	\$ 227,782
Transportation	6,336,165
Discretionary Lottery Funds	3,837,254
School Recognition/Merit	(8,956,998)
Class Size Reduction	1,993,598
Total	<u>\$ 3,437,801</u>
c. Reduce Miscellaneous State revenue \$6,034,828. This includes the elimination of the \$10 million established at time of adoption in anticipation of the Prior Year Adjustment partially offset by new state grants (grants have corresponding appropriation increases).	
3. Decrease Local revenues as follows:	(8,942,957)
FEFP Required Local Effort	\$(3,111,324)
Local Discretionary Millage	(414,633)
Interest	(5,417,000)
Total	<u>\$ (8,942,957)</u>
4. Reduce Beginning Fund Balance due to a reclassification of the MAP/STAR program being expensed in 2006-07 instead of 2007-08 for funds returned to the Department of Education.	(13,939,648)
5. Increase Non-Revenue Sources for Sale of Surplus Property.	<u>250,000</u>

NET REVENUE DECREASE

\$ (25,600,312)

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to increase above current budget due primarily to the following: \$ 46,912,897
 - a. **Reclassify** \$39,724,217 to hourly/overtime accounts from non-salary to reflect school-based decisions.
 - b. **Reclassify** \$1,559,148 to temporary instructor accounts from non-salary to reflect school-based decisions.
 - c. **Decrease** salaries by \$7,435,044 plus related fringes in the School Recognition Program offset by a decrease in revenue.
 - d. **Increase** salaries by \$385,793 in Miscellaneous State and Local grants offset by an increase in revenue.
 - e. **Increase** appropriations \$7,632,508 for teaching positions due primarily to an increase of 2,955 unweighted FTE over official projections. In addition, increases appropriations \$5,046,275 to reflect school-based decisions.

2. **Employee benefits** are increased due to the following: 7,786,737
 - a. **Increase** in FICA/Retirement/Workers Compensation by \$6,285,712 due to the increase in salaries noted above.
 - b. **Increase** health benefits by \$1,595,196 based on latest available information.
 - c. **Increase** Unemployment Compensation by \$27,759.
 - d. **Decrease** Tuition Reimbursement by \$121,930.

3. An additional increase is being proposed for **Employee benefits** to continue employee health benefits for the period January-June 2008. Health insurance benefits are currently being negotiated. 17,000,000

4. **Increase** energy services to projected level. This includes an increase of \$1.5 million for diesel fuel/gasoline partially offset by a reduction in utilities costs of (\$2,597,944). (1,097,944)

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

5. Other non-salary accounts will decrease due primarily to the following: \$(107,702,002)
- a. **Reclassify** (\$49,600,451) 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 \$3,500,407 which is offset by an increase in revenue.
 - c. Increase Instructional Materials by \$227,782 offset by a revenue increase.
 - d. Decrease DJJ Supplement by (\$215,754) offset by a decrease in revenue.
 - e. Increase Reading Allocation by \$158,775 offset by an increase in revenue.
 - f. Increase appropriations for Charter Schools by \$503,566 due to a slight increase in enrollment.
 - g. Eliminate appropriation for McKay Scholarships (\$27,039,456). The original FTE estimate included 3,500 FTE McKay Scholarships resulting in revenues and appropriations established at \$27.0 million. 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.
 - h. Increase non-salary \$2,591,708 based on projections.
 - i. Reduce appropriation in rebudgets for 2006-07 Merit Award program (\$13,939,648). The auditors reclassified funds returned to the Department of Education for this program by creating a liability account and reducing Ending Fund Balance in 2006-07 subsequent to final adoption of the budget.
 - j. Reduce non-school sites in various non-salary accounts (\$9,888,931) to balance.
 - k. Reclassify eligible expenditures to federal grants (\$14,000,000).

TOTAL APPROPRIATION CHANGES

\$(37,100,312)

TRANSFERS/RESERVES

**INCREASE
(DECREASE)**

Effect a transfer to Food Service Fund due to higher than anticipated expenditures than budgeted. \$ 11,500,000

TOTAL DECREASE IN TRANSFERS/RESERVES **\$ 11,500,000**

**TOTAL DECREASE IN
APPROPRIATIONS, TRANSFERS & RESERVES** **\$(25,600,312)**

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

1. adopt Resolution No. 2, 2007-08 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$25,600,312); and
2. adopt the Summary of Revenues and Appropriations (page 6) and the Summary of Appropriations by Function (page 11).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND APPROPRIATIONS
GENERAL FUND
2007-08**

	AMENDED BUDGET 11/20/07	RESOLUTION NO. 2	AMENDED BUDGET 2/13/08
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 17,643,391	\$ (2,950,000)	\$ 14,693,391
State	1,324,232,045	(17,707)	1,324,214,338
Local	1,390,240,172	(8,942,957)	1,381,297,215
TOTAL REVENUES	\$ 2,732,115,608	\$ (11,910,664)	\$ 2,720,204,944
TRANSFERS FROM CAPITAL OUTLAY	\$ 148,905,643	\$ -	\$ 148,905,643
BEGINNING FUND BALANCE	151,321,445	(13,939,648)	137,381,797
ADJUSTMENT TO FUND BALANCE		-	
SUBTOTAL REVENUES & BEGINNING BALANCES	\$ 3,032,342,696	\$ (25,850,312)	\$ 3,006,492,384
NON-REVENUE SOURCES - Other	5,500,000	250,000	5,750,000
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,037,842,696	\$ (25,600,312)	\$ 3,012,242,384
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,763,906,933	\$ 46,912,897	\$ 1,810,819,830
Employee Benefits	570,355,400	24,786,737	595,142,137
Liability Insurance	6,177,617	-	6,177,617
Purchased Services	276,043,177	2,933,351	278,976,528
Energy Services	84,831,976	(1,097,944)	83,734,032
Other Non-Salary	267,391,374	(110,635,353)	156,756,021
TOTAL APPROPRIATIONS	\$ 2,968,706,477	\$ (37,100,312)	\$ 2,931,606,165
TRANSFERS TO OTHER FUNDS	\$ -	\$ 11,500,000	\$ 11,500,000
RESERVES & ENDING FUND BALANCE			
Unreserved Fund Balance	\$ 69,136,219	\$ -	\$ 69,136,219
TOTAL RESERVES & ENDING FUND BALANCE	\$ 69,136,219	\$ -	\$ 69,136,219
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	\$ 3,037,842,696	\$ (25,600,312)	\$ 3,012,242,384

MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
General Fund
2007-08

	AMENDED BUDGET 11/20/2007	RESOLUTION NO. 2	AMENDED BUDGET 2/13/2008
FEDERAL SOURCES			
Impact Aid	\$ 10,000	\$ -	\$ 10,000
R.O.T.C.	2,480,000	-	2,480,000
Medicaid Reimbursement	13,100,000	(2,950,000)	10,150,000
Federal Through State Community Schools	2,053,391	-	2,053,391
Total Federal	\$ 17,643,391	\$ (2,950,000)	\$ 14,693,391
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM:			
Base Funding less FEFP Required Local Effort	\$ 379,389,908	\$ 15,385,534	\$ 394,775,442
.510 Mill Compression	-	-	-
Safe Schools(B)	11,725,763	40,879	11,766,642
Supplemental Academic Instruction	135,353,175	-	135,353,175
ESE Guarantee	151,142,035	-	151,142,035
Declining Enrollment Supplement	17,712,640	(6,876,938)	10,835,702
Reading Allocation (A)	14,194,772	158,775	14,353,547
Prior Year Adjustment	-	24,584,232	24,584,232
Prorated Holdback	-	(1,603,414)	(1,603,414)
Equal Percentage Adjustment	34,485	-	34,485
Prior Year Scholarship Adjustment	-	(32,612)	(32,612)
McKay Scholarship Adjustment	-	(28,861,382)	(28,861,382)
DJJ Supplemental Allocation	630,055	(215,754)	414,301
Sub-Total FEFP	\$ 710,182,833	\$ 2,579,320	\$ 712,762,153
OTHER STATE:			
Non-Recurring DCD Transition Funding	\$ 13,005,362	\$ -	\$ 13,005,362
Special Teacher Are Rewarded (STAR/MAP)	-	-	-
Workforce Development	101,754,596	-	101,754,596
Adults with Disabilities (A)	2,142,846	-	2,142,846
Performance Based Incentives	1,987,112	-	1,987,112
Voluntary Pre-K (A)	10,045,403	-	10,045,403
CATEGORICAL PROGRAMS:			
Instructional Materials (A)	34,175,132	227,782	34,402,914
Transportation (B)	29,960,353	6,336,165	36,296,518
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	13,485,078	3,837,254	17,322,332
School Recognition/Merit (A)	21,476,233	(8,956,998)	12,519,235
Class Size Reduction	350,227,783	1,993,598	352,221,381
Charter Schools Capital Outlay (A)	12,039,169	-	12,039,169
Miscellaneous State	11,641,617	(6,034,828)	5,606,789
Total State	\$ 1,324,232,045	\$ (17,707)	\$ 1,324,214,338

(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
2007-08

	AMENDED BUDGET 11/20/2007	RESOLUTION NO. 2	AMENDED BUDGET 2/13/2008
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,155,374,848	\$ (3,111,324)	\$ 1,152,263,524
Local Discretionary Millage	153,971,623	(414,633)	153,556,990
Sub - Total	\$ 1,309,346,471	\$ (3,525,957)	\$ 1,305,820,514
Miscellaneous Local:			
Tax Redemptions	\$ 9,000,000	\$ -	\$ 9,000,000
Rent	1,160,000	-	1,160,000
Interest	21,165,000	(5,417,000)	15,748,000
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	\$ (8,942,957)	\$ 1,381,297,215
TOTAL REVENUES	\$ 2,732,115,608	\$ (11,910,664)	\$ 2,720,204,944
TRANSFERS			
From Capital Outlay	\$ 148,905,643	\$ -	\$ 148,905,643
NON-REVENUE SOURCES			
Microsoft Antitrust Settlement	5,500,000	-	5,500,000
Sale of Surplus Property	-	250,000	250,000
FUND BALANCE FROM PRIOR YEAR	151,321,445	(13,939,648)	137,381,797
TOTAL REVENUES & OTHER SOURCES	\$ 3,037,842,696	\$ (25,600,312)	\$ 3,012,242,384

- (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
2007-08**

	AMENDED BUDGET 11/20/2007	RESOLUTION NO. 2	AMENDED BUDGET 2/13/2008
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
Challenge Sunset	-	10,000	10,000
Digital Divide	-	300,000	300,000
FDLRS - Gen Revenue 06/30/08	-	113,083	113,083
Multiagency General Revenue	-	33,312	33,312
Radio Reading Service (A)	-	45,323	45,323
Plus One	-	161,102	161,102
Intervention Part 1	-	1,000,000	1,000,000
Intervention Part 2	-	758,801	758,801
WLRN-TV Community	-	557,675	557,675
WLRN-FM Community	-	111,945	111,945
Learning For Life	-	475,000	475,000
Connect Ed	-	398,931	398,931
MSE/SFSAS (A)	1,138,550	-	1,138,550
TOTAL MISCELLANEOUS STATE	\$ 11,641,617	\$ (6,034,828)	\$ 5,606,789

- (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
2007-08**

	AMENDED BUDGET 11/20/2007	RESOLUTION NO. 2	AMENDED BUDGET 2/13/2008
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.

MIAMI-DADE COUNTY PUBLIC SCHOOLS
2007-08 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION NO. 2
February 13, 2008

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	\$ 1,790,640,122	\$ 1,146,800,404	\$ 374,057,155	\$ 165,049,891	\$ 79,745	\$ 97,140,763	\$ 5,951,085	\$ 1,551,079
SUPPORT SERVICES:								
Pupil Personnel Services	135,488,930	96,853,744	31,822,297	3,739,354	-	962,746	108,493	2,296
Instructional Media Services	40,263,115	28,066,977	9,268,281	485,815	-	782,278	1,658,914	850
Instruction & Curriculum Development	33,770,035	24,333,800	6,647,427	1,556,703	211	796,457	283,356	152,081
Instructional Staff Training	11,271,519	6,862,382	3,511,193	643,016	-	99,450	155,478	-
Instructional Support	39,767,111	25,560,805	8,633,366	4,111,715	49,610	687,578	724,037	-
Board of Education	6,340,606	4,034,800	1,105,409	919,075	564	205,741	13,679	61,338
General Administration	10,591,013	7,681,757	2,010,104	439,513	7,389	287,346	146,189	18,715
School Administration	184,741,055	135,634,023	42,635,211	1,304,015	727	3,058,604	1,861,535	246,940
Facilities Acquisition & Construction	37,670,370	26,876,531	8,161,400	746,192	27,312	239,044	1,583,894	35,997
Fiscal Services	14,367,911	9,633,079	2,956,579	511,442	951	87,198	25,927	1,152,735
Central Services	68,379,729	38,786,980	8,419,818	19,325,761	99,617	1,107,258	568,700	77,595
Transportation Services	88,674,848	51,303,291	21,488,420	9,675,141	4,939,609	1,131,641	136,746	-
Operation of Plant	292,769,457	116,095,522	47,704,305	46,752,050	77,647,156	3,061,061	1,507,882	1,481
Maintenance of Plant	137,515,234	61,787,513	19,773,765	28,315,922	887,141	23,148,402	3,594,287	8,204
General Support	1,331,601	727,368	209,402	324,628	-	61,082	9,121	-
Budget Clearing	-	-	-	-	-	-	-	-
Community Services	38,023,509	27,780,654	6,738,005	1,253,912	-	1,892,547	228,588	-
Debt Services	-	-	-	-	-	-	-	-
Total Instruction & Support Services	\$ 2,931,606,165	\$ 1,810,819,830	\$ 595,142,137	\$ 285,154,145	\$ 83,734,032	\$ 134,749,196	\$ 18,567,911	\$ 3,438,914
Transfers to Other Funds								
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Special Revenue	11,500,000	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,943,106,165							
Fund Balance:								
Reserved Fund Balance	69,136,219							
Unreserved Fund Balance	69,136,219							
Total Fund Balance	138,272,438							
Total Appropriations, Transfers and Fund Balance	\$ 3,012,242,384							