

Financial Services  
Mr. Ron Y. Steiger, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, FY 2017-18 GENERAL FUND MID-YEAR  
BUDGET REVIEW**

**COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

**LINK TO STRATEGIC  
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

This resolution recommends budgetary adjustments for the General Fund including: 1) the impact of the Florida Education Finance Program (FEFP) Third Calculation; 2) new miscellaneous state/local grants; 3) increase in miscellaneous local revenues; and 4) a decrease in the transfer from Capital.

Total revenues/other sources are being decreased by \$41.1 million of which \$41.3 million is a decrease in revenue for McKay Scholarships which has an offsetting appropriation. Besides the impact of the decrease in McKay Scholarships, the FEFP third calculation reflects the impact of lower FTE as compared to the forecast.

#### **Major Revenue Adjustments In FEFP**

Revenue adjustments include the following items reflected in the Third Calculation of the FEFP, received from the Department of Education in January 2018:

- Decrease of 1,941 **weighted** full-time equivalent (FTE) students reported (\$8.3 million).
- Eliminate \$41.3 million for McKay Scholarships (offset by an appropriation decrease).
- Increase in revenue as a result of a Declining Enrollment Supplement of \$1.6 million due to the decrease in FTE.
- Increase revenue for an additional allocation by \$.4 million in FEFP.
- Decrease revenue for Categorical Programs by \$5.2 million due primarily to a decrease in Class Size Reduction Program and a net decrease for the shift in funds from Discretionary Lottery Funds to School Recognition/Merit.
- Increase Other State revenue primarily due to the allocation of Best and Brightest Teacher/Principal Scholarships by \$23.1 million (offset by an appropriation increase).

**E-14**

Local revenues are being increased to adjust the amount for Food Service Indirect Costs for \$.2 million. Other Financing Sources are decreasing by \$19.7 million since the funding of Local Optional Millage Levy (LOML) now shared with charter schools, has been shifted from the General Fund to Capital per reporting directive from the state.

### **Major Appropriation Changes**

Major appropriation changes are summarized based upon projections. **Salaries** are increased primarily due to: 1) the Best and Brightest Teacher/Principal Scholarship funds as well as other categoricals received after adoption; 2) decreased amount reserved for teachers due to drop in FTE, 3) the reclassification of amounts from salary to non-salary as well as reclasses from non-salary to salary; and 4) the effect of raises provided. **Employee benefits** decreased mostly due to the adjustment of health benefits to reflect the amounts per the latest actuarial report. This decrease was offset by an increase in FICA/Retirement/Worker's Compensation based on the salary adjustments previously mentioned.

Major changes to **non-salary** accounts are: 1) an increase in energy services; 2) a decrease in charter school payments due to overestimated FTE and the shift of the LOML Capital Outlay sharing from the General Fund to Capital as required by the State; 3) the elimination of McKay Scholarships (\$43.6 million) which is offset by a revenue reduction; 4) an increase to the amount appropriated in order to balance FY 18/19 related to one-time funds; 5) transfer of magnet non-salary budget to salaries and fringes; and 6) new grants offset by revenue increases.

The Tax Collection Reserve is maintained at \$37 million in order to reserve for the projected tax shortfall.

This resolution reduces both revenues and appropriations by \$41.1 million.

The following details the necessary revenue and appropriation adjustments:

### **REVENUE CHANGES**

### **INCREASE (DECREASE)**

1. Decrease <b>State revenues</b> due to the following:	\$ (21,594,690)
a. Decrease (FEFP) as follows:	
Decrease of 1,941 <b>weighted</b> FTE	\$ (8,320,144)
Safe Schools	(2,905)
Supplemental Academic Instruction	(448,969)
ESE Guarantee	380,931
Declining Enrollment Supplement	1,615,216
Reading Allocation	(34,760)
Prior Year Adjustment	(67,832)
Prior Year Scholarship Adjustment	(38,249)
McKay Scholarship Adjustment	(41,261,358)
DJJ Supplemental Allocation	35,958
Instructional Materials	100,246

**REVENUE CHANGES (Continued)****INCREASE  
(DECREASE)**

Transportation	24,795
Additional Allocation	436,477
Digital Classrooms Allocation	(6,394)
Total	<u>\$ (47,586,988)</u>

- b. Decrease Class Size Reduction by \$4,334,966 due to the decrease in the district's FTE.
  - c. Increase Other State due to the Best and Brightest Teacher/Principal Scholarships by \$23,124,800.
  - d. Increase School Recognition by \$4,501,360.
  - e. Decrease Discretionary Lottery mostly due to the increase in School Recognition by \$5,408,131.
  - f. Increase Miscellaneous State revenue by \$8,109,235 (programs identified on page 9 entitled Miscellaneous State Sources).
- 2. Increase Miscellaneous Local Revenue to adjust the Food Service Indirect Cost. 201,561
  - 3. Decrease the transfer from Capital to reflect the change in accounting treatment received from the Florida Department of Education (FLDOE) related to the LOML revenue sharing with Charter schools. (19,677,278)

**TOTAL REVENUES AND OTHER SOURCES DECREASE****\$ (41,070,407)****APPROPRIATION CHANGES**

- 1. **Salaries** are projected to increase from the adopted budget due \$ 47,290,582 primarily to the following:
  - a. Increase salaries by \$19,419,550 for the Best and Brightest Teacher/Principal Scholarship Program allocation.
  - b. Increase salaries by \$5,527,435 in miscellaneous state grants offset by an increase in revenue.
  - c. Decrease in salaries by \$2,625,301 due to decrease of approximately 1,941 FTE from original estimate, for which a reserve had been established.
  - d. Net shift from non-salary to salary by \$6,423,346 mostly coming from Magnet Program funds and other school based decisions.
  - e. Increase salaries due to FY 17-18 rates by \$34,052,224.

**APPROPRIATION CHANGES (Continued)****INCREASE  
(DECREASE)**

- f. Reclassification of the Advanced Placement budget from the salary account to non-salary \$15,506,672.
- 2. **Employee benefits** decreased due to the decrease in health benefit expenditures from the adopted budget level to reflect the decrease in projected Board contribution per the latest actuarial report. This decrease was offset by increased FICA/Retirement/Workers' Compensation based on salary adjustments shown above. (22,790,904)
- 3. Increase **Energy Services** mostly due to the reclass of the utilities rebate as well as a slight increase in the cost of electricity. 954,633
- 4. Decrease appropriations for **Charter Schools** mainly due to: (36,545,393)
  - a. Decrease of 2,711 in weighted FTE as of the third calculation for an estimated reduction of \$16,868,115.
  - b. Decrease due to the shift related to the funding of LOML sharing from being funded by the General fund to being funded by Capital for a reduction of \$19,677,278.
- 5. Other **non-salary** accounts decreased due primarily to the following: (29,979,325)
  - a. Increase in miscellaneous state/local programs by \$6,042,076 which is offset by an increase in revenue.
  - b. Eliminate appropriation for McKay Scholarships \$43,644,367. This appropriation was based on an original FTE estimate for McKay Scholarships of 5,000. 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.
  - c. Increase non-salary for projected phone and telecommunication expenses by \$2,836,138.
  - d. Increase amount appropriated in order to balance FY 18/19 by \$11,394,627 to cover one-time funds.
  - e. Decrease non-salary by \$5,723,505 related to the shift of Magnet Program funds from non-salary to salary and fringes.

**APPROPRIATION CHANGES (Continued)**

**INCREASE  
(DECREASE)**

- f. Decrease non-salary by \$884,294 based on latest projections due primarily to school based decisions.

**TOTAL APPROPRIATION DECREASE**

**\$ (41,070,407)**

**TOTAL DECREASE IN APPROPRIATIONS, TRANSFERS &  
UNASSIGNED/ASSIGNED FUND BALANCE**

**\$ (41,070,407)**

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

1. adopt Resolution No. 1, FY 2017-18 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by \$41,070,407; 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  
FY 2017-18 GENERAL FUND  
SUMMARY OF REVENUES AND APPROPRIATIONS  
RESOLUTION NO. 1**

	<b>ADOPTED BUDGET 9/6/2017</b>	<b>INCREASE (DECREASE)</b>	<b>AMENDED BUDGET 2/21/2018</b>
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
Federal	\$ 16,003,686	\$ -	\$ 16,003,686
State	1,222,698,941	(21,594,690)	1,201,104,251
Local	1,605,938,590	201,561	1,606,140,151
<b>TOTAL REVENUES</b>	<b>\$ 2,844,641,217</b>	<b>\$ (21,393,129)</b>	<b>\$ 2,823,248,088</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers From Capital Outlay	\$ 149,381,840	\$ (19,677,278)	\$ 129,704,562
Transfers From Internal Service Fund	30,000,000	-	30,000,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 179,381,840</b>	<b>\$ (19,677,278)</b>	<b>\$ 159,704,562</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 222,269,018</b>	<b>\$ -</b>	<b>\$ 222,269,018</b>
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 3,246,292,075</b>	<b>\$ (41,070,407)</b>	<b>\$ 3,205,221,668</b>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 1,576,347,959	\$ 47,290,582	\$ 1,623,638,541
Employee Benefits	594,456,782	(22,790,904)	571,665,878
Liability Insurance	4,993,311	-	4,993,311
Energy Services	67,456,865	954,633	68,411,498
Charter Schools	494,846,514	(36,545,393)	458,301,121
Purchased Services	186,054,873	(10,220,492)	175,834,381
Other Non-Salary	185,537,497	(19,758,833)	165,778,664
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 3,109,693,801</b>	<b>\$ (41,070,407)</b>	<b>\$ 3,068,623,394</b>
<b>RESERVES &amp; ENDING FUND BALANCE</b>			
Assigned	\$ 37,035,831	\$ -	\$ 37,035,831
Unassigned (Contingency)	99,562,443	-	99,562,443
<b>TOTAL RESERVES &amp; ENDING FUND BALANCE</b>	<b>\$ 136,598,274</b>	<b>\$ -</b>	<b>\$ 136,598,274</b>
<b>TOTAL APPROPRIATIONS, RESERVES &amp; &amp; ENDING FUND BALANCE</b>	<b>\$ 3,246,292,075</b>	<b>\$ (41,070,407)</b>	<b>\$ 3,205,221,668</b>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
FY 2017-18 GENERAL FUND  
SUMMARY OF REVENUES AND OTHER SOURCES  
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/6/2017	INCREASE (DECREASE)	AMENDED BUDGET 2/21/2018
<b>FEDERAL SOURCES</b>			
Impact Aid	\$ 25,000	\$ -	\$ 25,000
R.O.T.C.	1,750,000	-	1,750,000
Medicaid Reimbursement	13,000,000	-	13,000,000
Federal Through State Community Schools	1,228,686	-	1,228,686
<b>Total Federal</b>	<b>\$ 16,003,686</b>	<b>\$ -</b>	<b>\$ 16,003,686</b>
<b>STATE SOURCES</b>			
<b>FLORIDA EDUCATION FINANCE PROGRAM (C):</b>			
Base Funding less FEFP Required Local Effort	\$ 364,666,528	\$ (8,320,144)	\$ 356,346,384
Safe Schools (B)	9,598,084	(2,905)	9,595,179
Supplemental Academic Instruction (B)	118,733,550	(448,969)	118,284,581
ESE Guarantee (B)	137,834,379	380,931	138,215,310
Declining Enrollment Supplement	668,924	1,615,216	2,284,140
Reading Allocation	15,546,854	(34,760)	15,512,094
Prior Year Adjustment	-	(67,832)	(67,832)
Prior Year Adjustment for Scholarship Deductions	-	(38,249)	(38,249)
McKay Scholarship Adjustment	-	(41,261,358)	(41,261,358)
DJJ Supplemental Allocation (A)	562,155	35,958	598,113
Instructional Materials	27,528,323	100,246	27,628,569
Transportation (B)	20,689,001	24,795	20,713,796
Teachers Classroom Supplies Allocation (A)	5,707,073	-	5,707,073
Federally Connected Student Supplement	82,971	-	82,971
Proration to Funds Available	-	-	-
Additional Allocation Due to Change in Administered Funds	-	436,477	436,477
Digital Classrooms Allocation	5,981,905	(6,394)	5,975,511
<b>Sub-Total FEFP</b>	<b>\$ 707,599,747</b>	<b>\$ (47,586,988)</b>	<b>\$ 660,012,759</b>
<b>OTHER STATE/CATEGORICAL PROGRAMS:</b>			
Workforce Development (A)	\$ 80,009,250	-	\$ 80,009,250
Adults with Disabilities (A)	1,125,208	-	1,125,208
Voluntary Pre-K (B)	15,143,211	-	15,143,211
Discretionary Lottery Funds	6,054,649	(5,408,036)	646,613
Prior Year Adjustment-Discretionary Lottery Funds	-	(95)	(95)
School Recognition/Merit (A)	13,644,057	4,501,360	18,145,417
Best & Brightest Teacher/Principal Scholarships	-	23,124,800	23,124,800
Class Size Reduction	398,547,875	(4,334,966)	394,212,909
Miscellaneous State (see A-3)	574,944	8,109,235	8,684,179
<b>Sub-Total Other State</b>	<b>\$ 515,099,194</b>	<b>\$ 25,992,298</b>	<b>\$ 541,091,492</b>
<b>Total State</b>	<b>\$ 1,222,698,941</b>	<b>\$ (21,594,690)</b>	<b>\$ 1,201,104,251</b>

(A) Revenue for which appropriations equal revenue.

(B) Revenue for which appropriations exceed revenue.

(C) FEFP related revenue was updated to reflect the amounts per the FEFP 3rd calculation.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
FY 2017-18 GENERAL FUND  
SUMMARY OF REVENUES AND OTHER SOURCES  
RESOLUTION NO. 1**

	<b>ADOPTED BUDGET 9/6/2017</b>	<b>INCREASE (DECREASE)</b>	<b>AMENDED BUDGET 2/21/2018</b>
<b>LOCAL SOURCES</b>			
FEFP Required Local Effort	\$ 1,325,759,213	\$ -	\$ 1,325,759,213
Local Discretionary Millage	219,104,704	-	219,104,704
<b>Sub - Total Local</b>	<b>\$ 1,544,863,917</b>	<b>\$ -</b>	<b>\$ 1,544,863,917</b>
<b>MISCELLANEOUS LOCAL:</b>			
Rent	\$ 7,330,000	\$ -	\$ 7,330,000
Interest	3,870,000	-	3,870,000
Vocational Fees	1,300,000	-	1,300,000
Post Secondary Fees	3,969,000	-	3,969,000
Financial Aid Fees	441,000	-	441,000
Community Schools - Internal (A)	20,727,332	-	20,727,332
Driver Education	750,000	-	750,000
Fed. Indirect Cost Reimbursement	8,000,000	-	8,000,000
Universal Services (E-Rate)	4,000,000	-	4,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	4,007,007	201,561	4,208,568
Other Miscellaneous Local (see A-4)	3,680,334	-	3,680,334
<b>Sub-Total Miscellaneous Local</b>	<b>\$ 61,074,673</b>	<b>\$ 201,561</b>	<b>\$ 61,276,234</b>
<b>Total Local</b>	<b>\$ 1,605,938,590</b>	<b>\$ 201,561</b>	<b>\$ 1,606,140,151</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,844,641,217</b>	<b>\$ (21,393,129)</b>	<b>\$ 2,823,248,088</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers From Capital Outlay	\$ 149,381,840	\$ (19,677,278)	\$ 129,704,562
Transfers From Internal Service Fund	30,000,000	-	30,000,000
Sale of Capital Assets	-	-	-
<b>FUND BALANCE FROM PRIOR YEAR</b>	<b>222,269,018</b>	<b>-</b>	<b>222,269,018</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$ 3,246,292,075</b>	<b>\$ (41,070,407)</b>	<b>\$ 3,205,221,668</b>

(A) Revenue for which appropriations equal revenue.



**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
FY 2017-18 GENERAL FUND  
SUMMARY OF REVENUES AND OTHER SOURCES  
RESOLUTION NO. 1**

	<b>ADOPTED BUDGET 9/6/2017</b>	<b>INCREASE (DECREASE)</b>	<b>AMENDED BUDGET 2/21/2018</b>
<b>MISCELLANEOUS STATE SOURCES</b>			
CO & DS Withheld for Adm.	\$ 224,796	\$ -	\$ 224,796
State License Tax	224,883	-	224,883
SFW Individual Training Account (A)	9,400	-	9,400
FDLRS - Gen Revenue (A)	51,586	-	51,586
SEDNET IDEA State General (A)	16,279	-	16,279
HIPPY	48,000	-	48,000
District Instructional Leadership & Faculty Development	-	799,788	799,788
Schools of Hope-Homestead Middle	-	1,284,000	1,284,000
Schools of Hope-Lorah Park	-	798,000	798,000
Schools of Hope-Miami Carol City Sr.	-	2,432,000	2,432,000
Schools of Hope-Toussaint L'Ouverture	-	880,000	880,000
Schools of Hope-West Homestead K-8	-	1,508,000	1,508,000
WLRN - TV FL Community Svc. (A)	-	307,447	307,447
WLRN - FM Radio Community Svc. (A)	-	100,000	100,000
<b>TOTAL MISCELLANEOUS STATE</b>	<b>\$ 574,944</b>	<b>\$ 8,109,235</b>	<b>\$ 8,684,179</b>

(A) Revenue for which appropriations equal revenue.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**FY 2017-18 GENERAL FUND**  
**SUMMARY OF REVENUES AND OTHER SOURCES**  
**RESOLUTION NO. 1**

	ADOPTED BUDGET 9/6/2017	INCREASE (DECREASE)	AMENDED BUDGET 2/21/2018
<b>OTHER MISCELLANEOUS LOCAL SOURCES</b>			
Fee Supported Pre-K (B)	\$ 2,292,334	\$ -	\$ 2,292,334
Miami-Dade County VAB Adjustment	1,150,000	-	1,150,000
Fingerprinting (A)	238,000	-	238,000
<b>TOTAL OTHER MISC LOCAL</b>	<b>\$ 3,680,334</b>	<b>\$ -</b>	<b>\$ 3,680,334</b>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**2017-18 GENERAL FUND BUDGET**  
**SUMMARY OF APPROPRIATIONS BY FUNCTION**  
**RESOLUTION NO. 1**  
**FEBRUARY 21, 2018**

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	\$ 2,097,183,170	\$ 1,091,171,738	\$ 361,228,482	\$ 494,545,380	\$ 304	\$ 124,025,006	\$ 3,670,328	\$ 2,541,932
SUPPORT SERVICES:								
Pupil Personnel Services	103,403,793	75,956,410	26,637,813	619,739	-	189,831	-	-
Instructional Media Services	15,321,576	10,968,186	3,451,581	735,380	-	15,577	2,632	148,220
Instruction & Curriculum Development	42,593,983	17,182,123	4,710,896	11,478,313	-	702,512	5,182,709	3,337,430
Instructional Staff Training	3,091,426	1,450,957	925,389	471,027	-	242,626	1,427	-
Instructional Support	35,051,414	25,176,905	7,882,470	1,798,502	36,874	156,155	498	-
Board of Education	8,343,059	5,177,007	1,632,755	794,740	2,976	111,215	56,636	567,730
General Administration	5,882,080	4,332,167	1,302,874	207,256	10,613	15,843	8,926	4,401
School Administration	168,704,486	127,818,584	38,426,280	703,416	9,425	1,311,191	405,110	30,480
Facilities Acquisition & Construction	116,673	-	-	36,281	21,516	-	58,876	-
Fiscal Services	13,277,372	7,749,132	2,376,114	482,319	-	24,331	480	2,664,996
Central Services	66,943,772	33,159,646	12,822,641	20,111,630	49,116	685,161	108,660	6,918
Transportation Services	74,478,669	37,147,150	17,674,244	10,534,960	3,384,882	4,734,739	942,605	60,089
Operation of Plant	286,572,521	111,259,174	49,688,656	60,387,950	64,188,791	882,410	165,540	-
Maintenance of Plant	118,677,534	55,238,692	18,165,333	34,068,718	707,001	10,359,882	133,868	4,040
General Support	3,040,448	755,224	213,902	2,048,832	-	22,490	-	-
Community Services	24,271,392	19,094,532	4,526,448	101,231	-	453,453	86,439	9,289
Debt Services	1,550,000	-	-	-	-	-	-	1,550,000
Total Instruction & Support Services	\$ 3,068,623,394	\$ 1,623,638,541	\$ 571,665,878	\$ 639,128,813	\$ 66,411,498	\$ 143,995,072	\$ 10,858,067	\$ 10,925,525
Transfers to Other Funds								
Debt Service	\$ -	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Special Revenue	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	3,068,623,394							
Fund Balance:								
Non-Spendable:	\$ -							
Reserve for Pre-Paid Expenses	-							
Reserve for Inventory	-							
Restricted:								
Reserve for State Categoricals	-							
Assigned:								
Tax Reserve	37,035,831							
Other Rebudgets	-							
Commitments	-							
Unassigned:	99,562,443							
Total Fund Balance	136,598,274							
Total Appropriations, Transfers and Fund Balance	\$ 3,205,221,668							