

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: FINAL ADOPTION OF THE 2002-03 BUDGET

On July 24, 2002, the Board tentatively adopted the 2002-03 budget following the first public hearing on the budget prescribed by Chapter 200, Florida Statutes. That tentative adopted budget included proposed millage rates, projected revenues and recommended appropriations for 2002-03 for the General Fund, Debt Service Funds, Capital Outlay Funds, Special Revenue Funds and Fiduciary Funds.

Changes to Revenues, Appropriations and Fund Balances from the budgets which were tentatively adopted on July 24, 2002 are attached for all funds.

The following document will be provided to School Board Members under separate cover and will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center:

- 2002-03 State Budget Forms (All Funds)

NOTE: This item is one of three items which are part of the 5:01 p.m. public budget hearing, which should only be discussed at that time and which should be approved after the Millage Levy Resolution for 2002-03 and after the Five-Year Facilities Work Program.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, adopt the 2002-03 Annual Budget by approving changes from the Tentative Adopted Budget enumerated on pages 2 through 12 and the revenues and appropriations delineated on the official state budget forms and including any amendments approved by the Board following the public hearing on September 12, 2002.

**REPLACEMENT
G-3**

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

GENERAL FUND

REVENUES	Increase (Decrease)
1. Increase State revenues to reflect an increase in the School Recognition Program as notified by the Department of Education. This revenue is offset by an appropriation increase.	\$ 2,204,000
2. Increase (Decrease) Local Sources as follows:	2,211,074
Interest – Financial Aid Fees \$ 16,774	
Financial Aid Fees 550,000	
Miami-Dade County * <u>1,644,300</u>	
Total \$ <u>2,211,074</u>	
3. Decrease Fund Balance from prior year to conform to final year-end closing.	(3,742,786)
4. Increase the transfer from Capital Outlay to reflect loan proceeds from a 237.161 loan to stabilize property insurance costs over a five-year plan of \$7,959,684 partially offset by a reduction in rebudgets for security cameras/technology purchases (\$1,940,968).	6,018,716
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Total Revenue Increase	<u>\$ 6,691,004</u>

APPROPRIATIONS

1. Decrease appropriations for rebudgets including encumbrances, commitments, selected school available balances, and state categorical available balances carried forward from the prior year. Original estimate was \$98,380,265, actual results were \$94,504,411.	\$ (3,875,854)
2. Increase appropriations for School Recognition Program. This program provides \$100 per FTE to K-12 schools that improve one letter grade or maintain an A status.	2,204,000
3. Decrease rebudgets for security cameras/technology purchases being funded through the Capital Outlay transfer.	(1,940,968)

* Miami-Dade County Commission is recommending \$3 surcharge to be applied to all moving and non-moving traffic citations, other than parking tickets, as authorized pursuant to Section 98 of Chapter 2002-20, Laws of Florida.

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

GENERAL FUND (continued)

APPROPRIATIONS	Increase (Decrease)
4. Reclassify Financial Aid Fees Fund to the General Fund as required under GASB 34, offset by a revenue increase (including interest).	\$ 566,774
5. Establish FTE Reduction reserve. Based upon initial reports, there is minimal enrollment growth. This represents a significant trend line change from the past several years. Fewer new teachers results in higher average salary costs. A freeze will be implemented as a precautionary step to prevent layoffs.	11,341,114
6. Partially restore the on-range component for Driver Education Program. The Task Force recommendation was to allow senior high schools to purchase the teacher at one-half cost at new hire average salary. From the \$3 surcharge on moving and non-moving traffic citations, fund the balance of the program.	1,647,579
7. Increase collective bargaining reserve to fund Medical Premiums (Board's Contribution). The Medical Premiums budget after this entry is \$15 million.	5,985,874
8. Other technical changes and corrections.	<u>129,789</u>
Total Appropriations Increase	<u>\$ 12,676,878</u>
 RESERVES & TRANSFERS	
Decrease Contingency to fund increase for Medical Premiums (Board's Contribution) and FTE Reduction reserve. Total contingency recommended for adoption is \$20,000,000.	(9,367,304)
Total Appropriations, Reserves and Transfers Increase	<u>\$ 6,691,004</u>

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

DEBT SERVICE FUNDS

REVENUES	Increase (Decrease)
1. Decrease anticipated interest earnings on investments to reflect revised projections.	\$ (285,000)
2. Reduce Transfers from Other Funds to reflect updated payment schedules from Treasury Management.	(2,922,260)
3. Reduce CO&DS withheld for SBE Bonds.	(213)
4. Decrease Beginning Fund Balance to reflect actual results for Fiscal Year 2001-02.	(3,653,902)
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Total Revenue Decrease	<u>\$ (6,861,375)</u>

APPROPRIATIONS

1. Increase Principal Payments on Certificates of Participation (COPs) to reflect updated payment schedules.	\$ 2,429,153
2. Increase Principal Payments on Qualified Zone Academy Bonds (QZABs) to reflect updated payment schedules.	2,205,971
3. Decrease projected ending fund balance.	(6,145,086)
4. Decrease interest payments on COPs due to updated payment schedules from Treasury Management.	(5,351,413)
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Total Appropriations Decrease	<u>\$ (6,861,375)</u>

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS

REVENUES	Increase (Decrease)
1. Decrease Beginning Fund Balance to conform with final year-end closing.	\$(75,137,470)
2. Decrease Public Education Capital Outlay (PECO) New Construction Revenue based upon information received from the Department of Education.	(6,844,055)
3. Decrease Public Education Capital Outlay (PECO) Maintenance Revenue based upon information received from the Department of Education.	(2,794,570)
4. Decrease Deferred Revenue to reflect amounts received:	(8,618,798)
5. Decrease anticipated interest earnings on investments to reflect revised projections.	(3,585,000)
6. Establish an intrafund transfer to re-establish the Revenue Anticipation Notes (RANs) as a revenue for the 2002-03. RANs were reclassified at 2001-02 year-end from a revenue to a liability.	42,876,500
7. Decrease the intrafund transfer to reflect the revised projected interest in the Certificates of Participation (COPs) funds.	(1,455,000)
8. Decrease COPs proceeds Series 2002-03.	(75,058,540)
9. Increase revenues for sale of 237 loan for Property Insurance.	7,959,685
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Total Revenue Decrease	<u>\$(122,657,248)</u>

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	Increase (Decrease)
1. Decrease program rebudgets from 2001-02 to reflect final results.	\$ (84,138,498)
2. Decrease Public Education Capital Outlay (PECO) Reserves – New Construction .	(6,844,055)
3. Decrease Public Education Capital Outlay (PECO) Reserves – Maintenance.	(2,794,570)
4. Establish an intrafund transfer to re-establish the RANs as a revenue for 2002-03. RANs as a revenue for 2002-03 year-end from a revenue to a liability.	42,876,500
5. Eliminate the RANs repayment due to the reclassification of RANs from a revenue to a liability in 2001-02.	(42,976,500)
6. Re-establish appropriations originally deferred in Resolution No. 3 from 2001-02 funded with RANs due to RAN revenue reclassification.	42,876,500
7. Decrease transfer to Debt Service to reflect updated payment schedules from Treasury Management.	(2,922,260)
8. Decrease interfund transfer to reflect the revised projected interest in the COPs funds.	(1,455,000)
9. Increase transfer to General Fund as follows:	6,018,716
Property Insurance Premiums	\$ 7,959,685
Decrease in Rebudgets	<u>(1,940,969)</u>
	\$ 6,018,716

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS (continued)

APPROPRIATIONS	Increase (Decrease)																		
10. Adjust the following projects to reflect a decrease in the Series 2002-03 COPs sale.	\$(75,058,540)																		
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Program</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> </tr> </thead> <tbody> <tr> <td>0733 ESE Center</td> <td style="text-align: right;">\$ (4,067,280)</td> </tr> <tr> <td>2613 S/S "JJJ"</td> <td style="text-align: right;">(64,820,401)</td> </tr> <tr> <td>2756 S/S "NN1"</td> <td style="text-align: right;">(20,379,000)</td> </tr> <tr> <td>2798 PLC @ Aurburndale El.</td> <td style="text-align: right;">(3,500,000)</td> </tr> <tr> <td>0150 School Buses</td> <td style="text-align: right;">7,260,451</td> </tr> <tr> <td>2636 Miami Beach Senior</td> <td style="text-align: right;">447,690</td> </tr> <tr> <td>2663 Miami Norland Senior</td> <td style="text-align: right;"><u>10,000,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ (75,058,540)</td> </tr> </tbody> </table>	Program	Amount	0733 ESE Center	\$ (4,067,280)	2613 S/S "JJJ"	(64,820,401)	2756 S/S "NN1"	(20,379,000)	2798 PLC @ Aurburndale El.	(3,500,000)	0150 School Buses	7,260,451	2636 Miami Beach Senior	447,690	2663 Miami Norland Senior	<u>10,000,000</u>		\$ (75,058,540)	
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2663 Miami Norland Senior	<u>10,000,000</u>																		
	\$ (75,058,540)																		
11. Adjust the following programs to re-establish planning funds:	1,500,000																		
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	\$ 1,500,000																		
12. Adjust Impact Fee Reserves to actual results.	6,333,860																		
13. Increase in Undistributed Capital Contingency	(6,073,401)																		
Total Appropriations Decrease	<u>\$(122,657,248)</u>																		

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
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FOOD SERVICE FUND

REVENUES	Increase (Decrease)
Decrease Fund Balance from prior year to reflect actual results for 2001-02.	\$ (606,726)
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Total Revenue Decrease	<u>\$ (606,726)</u>
 APPROPRIATIONS	
1. Decrease appropriations for the 2001-02.	\$ (985,109)
2. Increase projected Ending Fund Balance.	<hr/> 378,383
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Total Appropriation Decrease	<u>\$ (606,726)</u>

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
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CONTRACTED PROGRAM FUNDS

REVENUES	Increase (Decrease)
Increase Revenue as follows:	
Federal	\$ 31,630,470
State	198,382
Local	<u>978,170</u>
Total Revenue Increase	<u>\$ 32,807,022</u>

APPROPRIATIONS

Increase (Decrease) Appropriations as follows:

IDEA – Part B Multiagency Network	\$ 123,613
Head Start/Public School Transition Project	115,038
TECH-Prep Program	274,113
Safe and Drug-Free Schools	3,239,599
Title V, Part A, Innovative Programs	2,991,777
Title II, Part A, of the No Children Left Behind Act	22,892,506
Public Charter Schools Federal Grant Program	600,000
Community Service Grant – WLRN-TV	557,675
Community Service Grant – WLRN-FM	106,614
Radio Reading Service Grant – WLRN-FM	45,323
Kauffman Entrepreneurial Mini-Society	18,764
Child Development Services Assessor Program	1,442,000
Primary Teen Pregnancy Prevention Services	300,000
Applied Technology	<u>100,000</u>
Total Appropriations Increase	<u>\$ 32,807,022</u>

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
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FIDUCIARY FUNDS – PENSION TRUST FUND

REVENUES	Increase (Decrease)
1. Decrease in interest.	\$ (35,839)
2. Decrease Beginning Fund Balance to reflect 2001-02 actual results.	(1,235,831)
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Total Revenue Decrease	<u>\$ (1,271,670)</u>
 APPROPRIATIONS	
Decrease projected Ending Fund Balance.	\$ (1,271,670)
Total Appropriations Decrease	<u>\$ (1,271,670)</u>

NOTE: The Early Retirement Fund is not reflected on the State Budget forms pursuant to instructions from the Department of Education. These revisions reflect changes from the Tentative Adopted Budget and are recommended for final adoption.

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
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SPECIAL REVENUE FUND - MISCELLANEOUS

REVENUES	Increase (Decrease)
1. Decrease in interest.	\$ (561)
2. Decrease Beginning Fund Balance to reflect 2001-02 final results.	(19,347)
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Total Revenue Decrease	<u>\$ (19,908)</u>
APPROPRIATIONS	
Decrease appropriations to balance.	<u>\$ (19,908)</u>
Total Appropriations Decrease	<u>\$ (19,908)</u>

NOTE: The School Board Law Enforcement Fund and Special Events Fund were previously reported separately under Trust & Agency Funds. The changes reflected above combine these two funds pursuant to Governmental Accounting Standards Board guidelines (GASB 34).

**CHANGES FROM THE 2002-03 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

TRUST & AGENCY FUNDS – FINANCIAL AID FEES

REVENUES	Increase (Decrease)
1. Reclassify Financial Aid Fees and interest to the General Fund.	\$ (566,615)
2. Reclassify Beginning Fund Balance to the General Fund.	(572,935)
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Total Revenue Decrease	<u>\$ (1,139,550)</u>
 APPROPRIATIONS	
Reclassify Vocational Fee Waivers to the General Fund.	\$ (1,139,550)
Total Appropriations Decrease	<u>\$ (1,139,550)</u>

NOTE: Financial Aid Fees is now combined with the General Fund pursuant to Governmental Accounting Standards Board guidelines (GASB 34).