

Rudolph F. Crew, Ed. D., Superintendent of Schools

SUBJECT: REPORT ON 2005-06 OPERATING BUDGET

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

This agenda item represents the tentative budget recommendation for 2005-06. Florida Statutes require that the Superintendent submit a tentative budget and millage levy recommendation to the Board no later than 24 days after certification of the tax roll or by July 24, 2005. After feedback from the Board members, documents will be forwarded to the Board for the July 13 Board meeting including an official tentative budget and recommended millage rates to be advertised.

Attachment A is an analysis of revenue changes for the General Fund. The revenue changes of \$101.27 million through the legislative session were previously reviewed with the Board. Major revenue revisions other than the previously discussed increase include increase interest by \$7.45 million, decrease Universal Services (E-Rate) by (\$8.68 million), eliminate most State and local grants until grants are awarded (by \$9.68 million), increase Transfer from Capital Outlay by \$5 million and decrease Beginning Fund Balance by (\$.34) million reflecting the change in contingency from last year to Resolution 2. The Tentative Budget recommendation results in revenue increasing by \$119.26 million.

Attachment B is a summary of appropriations by function. This analysis, entitled *Where Does The Money Go*, reflects appropriations to balance the budget. The major appropriation increases include the following:

- Increase General Fund for School Improvement Zone expenditures. In 2004-05, the 20% salary increase for the extended day and year was funded through Title I and Titles II through V Federal Programs. This results in a net increase to General Fund of \$9.8 million.
- Increase Class Size Reduction program (reducing class size) by \$45.0 million. This item includes realignment of existing personnel from central office and the school sites.
- Increase categorical grant for Comprehensive Reading program by a net of \$8.5 million.
- Increase Florida Retirement System (FRS), liability and workers compensation rates increasing costs by \$11.3 million.
- Increase in employee benefits by \$4.6 million and property insurance by \$2.5 million.
- Full-year implementation of 707 positions deleted in 2004-05 under my initial realignment of personnel.

- Reduction of 60 positions eliminated in Curriculum and Instruction area.
- Inclusion of recommendations for security improvements.
- Increase in energy services by \$3.5 million.
- Transfer remaining bus aides to Individuals with Disabilities Education Act (IDEA) grant and reducing appropriations by (\$8.7) million. The bus aides serve exceptional education students only.
- Establish a collective bargaining reserve in the amount of \$35.5 million.
- Maintains the Passport to Summer Explorations Program at the 2004-05 level.
- Maintains contingency at \$62.1 million.
- Deletes most state/local grants until the grant is awarded (offset by revenue reduction) by (\$9.7) million.

We will continue to explore other opportunities to further reduce appropriations to increase contingency to reach 3% of appropriations.

Additional details of enrollment, revenue, appropriations by Bureau, and changes to revenue/appropriations will be forwarded to the Board prior to the June Board meeting via supplemental.

The Board does not approve this tentative budget recommendation. The tentative budget and official millage levies will not be voted on by the Board until July 26, 2005. However, the distribution of the Annual Budget Plan provides the Board an opportunity to review the Budget Balancing Plan prior to submission of the proposed tentative budget for all funds.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, accept the report on 2005-06 Operating Budget.

**ANALYSIS OF REVENUE CHANGES FOR GENERAL FUND
(\$ MILLIONS)**

	Appropriations Act 2005-06	Fourth Calculation 2004-05	Variance
FEDERAL	\$ 16.99	\$ 16.99	\$ -
STATE			
FEFP	\$ 791.22	\$ 904.72	\$ (113.50)
Non-Recurring DCD Adjustment	13.01	14.23	(1.22)
McKay Scholarships	23.28		23.28
Opportunity Scholarships	1.74		1.74
Workforce Development	100.29	99.30	0.99
Prior Year Adjustment	-	8.15	(8.15)
Disabled Adults	2.23	2.23	-
Declining Enrollment	-	6.59	(6.59)
Discretionary Lottery	20.42	21.26	(0.84)
Supplemental Acad. Instruction	136.20	136.06	0.14
Reading Allocation	11.96	3.47	8.49
Class Size Reduction	213.51	141.68	71.83
Other Categoryals	72.00	73.15	(1.15)
Other State	8.07	17.59	(9.52)
Total State	\$ 1,393.93	\$ 1,428.43	\$ (34.50)
LOCAL			
Property Tax	\$ 1,012.20	\$ 861.70	\$ 150.50
Other Local	67.40	68.80	(1.40)
Total Local	\$ 1,079.60	\$ 930.50	\$ 149.10
SUB-TOTAL REVENUES	\$ 2,490.52	\$ 2,375.92	\$ 114.60
Other Financing Sources	\$ -	\$ -	\$ -
Transfer from Capital Outlay	131.57	126.57	5.00
Beginning Fund Balance	203.79	204.13	(0.34)
TOTAL REVENUE	\$ 2,825.88	\$ 2,706.62	\$ 119.26

**WHERE DOES THE MONEY GO?
2005-06 Tentative Budget**

GENERAL FUND APPROPRIATIONS		
	TOTALS	%
	(\$ Millions)	
SCHOOL LEVEL SERVICES		
TEACHING	\$1,816.15	65.7
STUDENT SERVICES [Includes counselors, psychologists, social workers and instructional media]	179.45	6.5
TRANSPORTATION	89.04	3.2
SUB-TOTAL - DIRECT SERVICES TO STUDENTS	\$2,084.64	75.4
CUSTODIAL SERVICES	\$169.01	6.1
MAINTENANCE SERVICES	\$111.73	4.0
SECURITY SERVICES	\$49.00	1.8
OTHER OPERATION OF PLANT	\$35.79	1.3
SCHOOL ADMINISTRATION	151.85	5.5
COMMUNITY SERVICES	31.62	1.1
SCHOOL CONSTRUCTION & RENOVATION	0.09	.1
TOTAL SCHOOL LEVEL SERVICES	\$2,633.73	95.3
CURRICULUM & STAFF DEVELOPMENT		
INSTRUCTION & CURRICULUM DEVELOPMENT	\$24.65	.9
INSTRUCTIONAL STAFF TRAINING	6.17	.2
TOTAL CURRICULUM & STAFF DEVELOPMENT	\$30.82	1.1
BUSINESS SERVICES		
FISCAL SERVICES [Includes accounting, budget, payroll, accounts payable, and cash management]	\$16.76	.6
CENTRAL SERVICES [Includes purchasing, personnel, data processing and warehousing services]	65.32	2.4
TOTAL BUSINESS SERVICES	\$82.08	3.0
CENTRAL ADMINISTRATION		
BOARD OF EDUCATION	\$8.30	.3
GENERAL ADMINISTRATION	8.88	.3
TOTAL CENTRAL ADMINISTRATION	\$17.18	.6
TOTAL APPROPRIATIONS	\$2,763.81	100.0
RESERVES/TRANSFERS	62.07	
TOTAL APPROPRIATIONS, RESERVES & TRANSFERS	\$2,825.88	