

Business Operations  
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: RESOLUTION NO. 1, 2006-07 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. Changes to specific revenue and appropriation items are described below.

Total revenues are being adjusted downward by \$32.5 million. State revenues received through the Florida Education Finance Program (FEFP) have declined by \$31.3 million from the adopted budget. This is due in a large measure (\$29.9 million) to a decline of 4,865 in **unweighted** full-time equivalent (FTE) students (7,050 **weighted** FTE) versus the original FTE estimates. This decline is partially mitigated by a Declining Enrollment Supplement (\$10.3 million) that is an integral part of the FEFP computation.

This reduction in FEFP revenues is further offset by a prior year adjustment of \$15 million related primarily to the final tax roll adjustments. The County's tax assessor reports these adjustments directly to the State, and the District learned of them when the Third Calculation of the FEFP was received from the Department of Education on January 5, 2007.

The original FTE estimate included 3,500 FTE McKay Scholarships resulting in revenues and appropriations established at \$26.0 million. Although these students are reported for FTE purposes, 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. The actual revenue reduction was \$27.0 million.

Other revenue adjustments include increases in School Recognition funds, driven by improved school performance, Instructional Materials and local taxes. Revenue decreases occurred in Class Size Reduction (\$5.3 million) and Discretionary Lottery (\$3.2 million).

The major appropriation changes are a result of a shift of appropriations from non-salary to salaries, an increase in benefits, adjustments driven by changes in state categorical funds, and a decrease in the Unreserved Fund Balance - Contingency.

Contingency has been decreased by \$14.6 million to \$54.5 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 increase fund balance. A plan will be submitted to the Board under separate cover to restore contingency to the Adopted Budget level.

This resolution reduces both revenues and appropriations by \$32.5 million.

The following details the necessary revenue and appropriation adjustments for your consideration:

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease <b>Federal Sources</b> in Impact Aid based on projected results.	\$ (40,000)
2. Decrease <b>State revenues</b> due to the following:	(34,195,349)
a. Reduce Florida Education Finance Program (FEFP) as follows:	
Reduction of 7,050 weighted FTE	\$ (29,541,053)
Safe Schools	14,729
Declining Enrollment Supplement	10,312,006
Summer Reading	(48,201)
Prior Year Adjustment - Tax Roll	<u>14,961,821</u>
Total	<u>\$ (4,300,698)</u>
b. Decrease in revenue for McKay/Opportunity Scholarships \$(27,013,421).	
c. Increase School Recognition Program by \$1,633,361. With a decrease in Discretionary Lottery Funds of (\$3,157,057). The initial estimate from the Department of Education combines discretionary lottery and estimated School Recognition Program. The actual School Recognition appropriations to all districts increased requiring on offsetting decrease in net discretionary lottery funds. The School Recognition Program requires on offsetting appropriation.	
d. Decrease in Categorical Programs due to confirmation of various state categorical as follows:	
Instructional Materials	\$ 1,397,112
Class Size Reduction	(5,350,233)
Miscellaneous State Revenue	<u>2,595,587</u>
Total	<u>\$ (1,357,534)</u>
3. Increase <b>Local revenues</b> as follows:	1,696,706
FEFP Required/Local Effort	\$ 1,492,481
Local Discretionary	<u>204,225</u>
Total	<u>\$ 1,696,706</u>
<b>NET REVENUE DECREASE</b>	<b><u>\$ ( 32,538,643)</u></b>

**APPROPRIATION CHANGES**

**INCREASE  
(DECREASE)**

1. **Salaries** are projected to increase below current budget due primarily to the following: \$ 36,256,993
  - a. **Reclassify** \$39,910,908 to hourly/overtime accounts from non-salary to reflect school-based decisions.
  - b. **Reclassify** \$6,086,310 to temporary instructor accounts from non-salary to reflect school-based decisions.
  - c. Increase salaries by \$1,633,361 plus related fringes for an increase in the School Recognition Program. This is offset by an increase in revenue.
  - d. Increase salaries by \$1,654,670 in Miscellaneous State and Local grants offset by an increase in revenue.
  - e. Increase Collective Bargaining Reserve by \$5,791,346 to fund a teacher salary increase effective January 12, 2007.
  - e. Decrease salaries by (\$18,819,602) due primarily to reduced FTE of 4865 .
  
2. **Employee benefits** are projected to exceed budget due to the fact that the adopted budget was established at the reduced July through December 2006 premium rates. However, effective January 1, 2007, the negotiated increased rates were not budgeted. 4,300,000
  
3. **Employee benefits** are further increased due to the cost of dependent medical offset. There were an additional 1,435 employees electing to add dependent coverage based on the newly developed plans. These plans had a higher Board paid subsidy and they were oversubscribed. 6,002,583
  
4. Other employee benefits increase due to projections. 1,196,582
  
5. Decrease liability insurance to agree to current actuarial study. (869,071 )
  
6. Reduce appropriations for flood insurance based on actual results. (800,000 )
  
7. Decrease energy services to projected level. (68,249 )

**APPROPRIATION CHANGES (Continued)**

**INCREASE  
(DECREASE)**

8. Other **non-salary** accounts will decrease due primarily to the following: \$ (63,913,936)
- a. **Reclassify** (\$55,050,895) 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 \$595,587 which is offset by an increase in revenue.
  - c. Increase Instructional Materials by \$1,397,112 offset by a revenue increase.
  - d. Increase appropriations for Charter Schools by \$15,100,954 due to an increase in enrollment from 16,000 to 18,892 students.
  - e. Eliminate appropriation for McKay Scholarships (\$25,956,694). Department of Education guidelines require the adopted budget to include FTE/revenue for McKay/Opportunity Scholarships; therefore, an offsetting appropriation was established in the adopted budget

**TOTAL APPROPRIATION CHANGES**

**\$(17,895,098)**

**RESERVES**

Decrease Contingency Reserve from \$69,136,219 to \$54,492,674 to balance. \$ (14,643,545)

**TOTAL DECREASE IN  
APPROPRIATIONS & RESERVES**

**\$(32,538,643)**

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

1. adopt Resolution No. 1, 2006-07 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$32,538,643); and
2. adopt the Summary of Revenues and Appropriations (page 5) and the Summary of Appropriations by Function (page 10).

**SUMMARY OF REVENUES AND APPROPRIATIONS  
GENERAL FUND  
2006 - 07**

**Resolution No. 1**

	<b>ADOPTED BUDGET 09/13/06</b>	<b>RESOLUTION NO. 1</b>	<b>AMENDED BUDGET 02/14/07</b>
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
Federal	\$ 18,767,400	\$ (40,000)	\$ 18,727,400
State	1,419,062,866	(34,195,349)	1,384,867,517
Local	1,209,054,795	1,696,706	1,210,751,501
Interest	24,482,000	-	24,482,000
<b>TOTAL REVENUES</b>	<b>\$ 2,671,367,061</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,638,828,418</b>
TRANSFERS FROM CAPITAL OUTLAY	\$ 148,905,643	\$ -	\$ 148,905,643
BEGINNING FUND BALANCE	195,023,440	-	195,023,440
<b>SUBTOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 3,015,296,144</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,982,757,501</b>
NON-REVENUE SOURCES - Other			
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 3,015,296,144</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,982,757,501</b>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 1,763,683,936	\$ 36,256,993	\$ 1,799,940,929
Employee Benefits	551,050,651	11,499,165	562,549,816
Liability Insurance	6,791,071	(869,071)	5,922,000
Purchased Services	272,194,102	(53,738,436)	218,455,666
Energy Services	80,301,232	(68,249)	80,232,983
Other Non-Salary	272,138,933	(10,975,500)	261,163,433
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,946,159,925</b>	<b>\$ (17,895,098)</b>	<b>\$ 2,928,264,827</b>
<b>RESERVES &amp; ENDING FUND BALANCE</b>			
Unreserved Fund Balance - Contingency	\$ 69,136,219	\$ (14,643,545)	\$ 54,492,674
<b>TOTAL RESERVES &amp; ENDING FUND BALANCE</b>	<b>\$ 69,136,219</b>	<b>\$ (14,643,545)</b>	<b>\$ 54,492,674</b>
<b>TOTAL APPROPRIATIONS, RESERVES &amp; &amp; ENDING FUND BALANCE</b>	<b>\$ 3,015,296,144</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,982,757,501</b>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SUMMARY OF REVENUES AND OTHER SOURCES  
GENERAL FUND  
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/2006	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/2007
<b>FEDERAL SOURCES</b>			
Impact Aid	\$ 50,000	\$ (40,000)	\$ 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	3,137,400	-	3,137,400
<b>Total Federal</b>	<b>\$ 18,767,400</b>	<b>\$ (40,000)</b>	<b>\$ 18,727,400</b>
<b>STATE SOURCES</b>			
<b>FLORIDA EDUCATION FINANCE PROGRAM:</b>			
Base Funding less FEFP Required Local Effort	\$ 537,258,777	\$ (29,891,456)	\$ 507,367,321
.510 Mill Compression	2,305,897	350,403	2,656,300
Safe Schools(B)	12,253,738	14,729	12,268,467
Supplemental Academic Instruction	136,246,915	-	136,246,915
ESE Guarantee	153,005,744	-	153,005,744
Declining Enrollment Supplement	5,916,962	10,312,006	16,228,968
Summer Reading Allocation (A)	14,400,810	(48,201)	14,352,609
Prior Year Adjustment		15,045,421	15,045,421
Prior Year Adj. - Opportunity Scholarships		(83,600)	(83,600)
Opportunity Scholarship Adjustment		-	-
McKay Scholarship Adjustment		(27,013,421)	(27,013,421)
<b>Sub-Total FEFP</b>	<b>\$ 861,388,843</b>	<b>\$ (31,314,119)</b>	<b>\$ 830,074,724</b>
<b>OTHER STATE:</b>			
Non-Recurring DCD Transition Funding	\$ 13,005,362	-	\$ 13,005,362
Special Teacher Reward Allocation (STAR)	19,581,356	-	19,581,356
Workforce Development	103,235,432	-	103,235,432
Adults with Disabilities (A)	2,232,136	-	2,232,136
Performance Based Incentives	1,935,579	-	1,935,579
Voluntary Pre-K (A)	9,133,518	-	9,133,518
<b>CATEGORICAL PROGRAMS:</b>			
Instructional Materials (A)	33,513,378	1,397,112	34,910,490
Transportation (B)	30,990,508	-	30,990,508
Teachers Lead Program (A)	5,959,785	-	5,959,785
Full Service Schools (A)	800,000	-	800,000
Excellent Teaching (A)	5,079,852	-	5,079,852
Discretionary Lottery Funds	17,163,562	(3,157,057)	14,006,505
School Recognition (A)	19,842,872	1,633,361	21,476,233
Class Size Reduction	285,806,326	(5,350,233)	280,456,093
Charter Schools Capital Outlay (A)	7,762,740	-	7,762,740
Miscellaneous State	1,631,617	2,595,587	4,227,204
<b>Total State</b>	<b>\$ 1,419,062,866</b>	<b>\$ (34,195,349)</b>	<b>\$ 1,384,867,517</b>

- (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  
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/07
<b>LOCAL SOURCES</b>			
FEFP Required Local Effort	\$ 1,016,889,285	\$ 1,492,481	\$ 1,018,381,766
Local Discretionary Millage	139,146,856	204,225	139,351,081
<b>Sub - Total</b>	<b>\$ 1,156,036,141</b>	<b>\$ 1,696,706</b>	<b>\$ 1,157,732,847</b>
<b>Miscellaneous Local:</b>			
Tax Redemptions	\$ 9,000,000	-	\$ 9,000,000
Rent	200,000	-	200,000
Interest	24,482,000	-	24,482,000
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)	15,965,460	-	15,965,460
Community Schools-Fringe Charges(B)	1,927,619	-	1,927,619
Driver Education	1,294,300	-	1,294,300
Fed. Indirect Cost Reimbursement	7,100,000	-	7,100,000
Universal Services (E-Rate)	4,000,000	-	4,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,421,033	-	2,421,033
Other Miscellaneous Local	3,111,702	-	3,111,702
<b>Total Local</b>	<b>\$ 1,233,536,795</b>	<b>\$ 1,696,706</b>	<b>\$ 1,235,233,501</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,671,367,061</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,638,828,418</b>
<b>TRANSFERS</b>			
From Capital Outlay	\$ 148,905,643	-	\$ 148,905,643
<b>FUND BALANCE FROM PRIOR YEAR</b>	<b>195,023,440</b>	<b>-</b>	<b>195,023,440</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$ 3,015,296,144</b>	<b>\$ (32,538,643)</b>	<b>\$ 2,982,757,501</b>

(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  
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1	2006-07 AMENDED BUDGET 2/14/07
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
State License Tax	150,000	-	150,000
Health Service (B)	198,067	-	198,067
SFW Individual Training Account (A)		693,885	693,885
FDLRS General Revenue (A)		113,083	113,083
Radio Reading Service (A)		45,323	45,323
Succeed Nursing 06/07 (A)		150,480	150,480
District Teenage Parent Program		250,000	250,000
Succeed Florida - Edison Middle		56,000	56,000
Succeed Florida - Edison		56,000	56,000
Innovation Fair		40,000	40,000
MSE/SFSAS (A)	1,138,550	-	1,138,550
Multi-Agency General Revenue (A)		33,312	33,312
WLRN - FM (A)		111,945	111,945
WLRN - TV (A)		585,559	585,559
Learning for Life		460,000	460,000
Innovative Practices (A)		-	-
<b>TOTAL MISCELLANEOUS STATE</b>	<b>\$ 1,631,617</b>	<b>\$ 2,595,587</b>	<b>\$ 4,227,204</b>

- (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  
2006 - 07**

Resolution No. 1

	2006-07 ADOPTED BUDGET 9/13/06	RESOLUTION NO. 1		2006-07 AMENDED BUDGET 2/14/07
Fee Supported Pre-K (B)	\$ 2,911,702	\$ -	-	\$ 2,911,702
Safe Schools-Fees (A)	200,000	-	-	200,000
<b>TOTAL OTHER MISC LOCAL</b>	<b>\$ 3,111,702</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 3,111,702</b>

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

DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY  
 2006-2007 General Fund Budget  
 Summary of Appropriations by Function  
 Resolution No. 1  
 February 14, 2007

FUNCTION	#	TOTALS	SALARIES 100	EMPLOYEE BENEFITS 200	PURCHASED SERVICES 300	ENERGY SERVICES 400	MATERIALS AND SUPPLIES 500	CAPITAL OUTLAY 600	OTHER EXPENSES 700
III Instruction	5000	\$ 1,741,231,318	\$ 1,279,261,547	\$ 196,450,481	\$ 79,741,649	\$ 131,099	\$ 171,622,359	\$ 9,648,474	\$ 4,374,709
Instructional Support Contr. PGMS	6000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil Personnel Services	6100	\$ 112,415,346	\$ 77,866,540	\$ 26,805,731	\$ 6,289,547	\$ -	\$ 1,113,446	\$ 306,757	\$ 33,325
Instructional Media Services	6200	\$ 36,651,925	\$ 23,027,404	\$ 8,189,807	\$ 567,081	\$ -	\$ 417,380	\$ 4,449,414	\$ 839
Instruction & Curriculum Developme	6300	\$ 32,307,320	\$ 22,074,960	\$ 5,940,457	\$ 2,572,977	\$ 3,454	\$ 1,267,504	\$ 315,658	\$ 132,310
Instructional Staff Training	6400	\$ 17,201,158	\$ 11,670,553	\$ 4,673,022	\$ 371,061	\$ -	\$ 417,486	\$ 69,035	\$ -
Instructional Support	6500	\$ 34,939,428	\$ 22,689,097	\$ 7,652,817	\$ 3,194,124	\$ 45,986	\$ 659,942	\$ 687,462	\$ -
Board of Education	7100	\$ 7,463,320	\$ 4,455,498	\$ 1,267,051	\$ 1,557,714	\$ 7,895	\$ 12,335	\$ 12,335	\$ 150,492
General Administration	7200	\$ 13,501,511	\$ 7,246,610	\$ 1,988,446	\$ 1,073,459	\$ 56,505	\$ 2,855,564	\$ 218,638	\$ 62,289
School Administration	7300	\$ 159,073,353	\$ 109,207,914	\$ 35,924,954	\$ 876,821	\$ 1,184	\$ 10,932,341	\$ 1,644,195	\$ 487,126
Facilities Acquisition & Construction	7400	\$ 95,404	\$ (35,154)	\$ (11,172)	\$ 278,330	\$ -	\$ (349,539)	\$ 222,912	\$ (11,157)
Fiscal Services	7500	\$ 21,476,877	\$ 10,342,366	\$ 3,055,859	\$ 787,616	\$ 2,960	\$ 128,160	\$ -	\$ 7,159,916
Food Services	7600	\$ 3,349,930	\$ -	\$ -	\$ -	\$ -	\$ 3,349,930	\$ -	\$ -
Central Services	7700	\$ 223,175,175	\$ 14,352,515	\$ 187,759,444	\$ 16,593,034	\$ 120,934	\$ 3,349,930	\$ 864,013	\$ 135,305
Pupil Transportation Services	7800	\$ 85,157,167	\$ 41,903,009	\$ 19,930,358	\$ 10,551,037	\$ 9,946,012	\$ 1,716,030	\$ 864,013	\$ 246,708
Operation of Plant	7900	\$ 273,795,036	\$ 90,383,778	\$ 40,534,425	\$ 70,422,710	\$ 69,017,253	\$ 1,959,789	\$ 1,488,926	\$ 8,154
Maintenance of Plant	8100	\$ 126,053,165	\$ 60,747,336	\$ 19,087,720	\$ 26,804,610	\$ 899,700	\$ 16,091,022	\$ 2,422,392	\$ 385
General Support	8200	\$ 1,295,519	\$ 760,004	\$ 212,998	\$ 263,454	\$ -	\$ 50,328	\$ 8,733	\$ -
Budget Clearing	8300	\$ (289,810)	\$ -	\$ -	\$ (220,950)	\$ -	\$ -	\$ (37,819)	\$ -
Community Services	9100	\$ 39,371,687	\$ 23,976,952	\$ 3,087,419	\$ 2,653,392	\$ -	\$ 8,504,819	\$ 227,795	\$ 921,310
Debt Services	9200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	9700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL APPROPRIATIONS</b>		<b>\$ 2,928,264,827</b>	<b>\$ 1,799,940,929</b>	<b>\$ 562,549,816</b>	<b>\$ 224,377,666</b>	<b>\$ 80,232,983</b>	<b>\$ 224,067,785</b>	<b>\$ 23,393,936</b>	<b>\$ 13,701,711</b>
<b>OTHER FINANCING USES:</b>									
Transfers out: (Function 9700)									
To General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Fund	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700	\$ 54,492,674							
<b>TOTAL OTHER FINANCING USES</b>									
<b>FUND BALANCE JUNE 30, 2005</b>	2700								
<b>TOTAL APPROPRIATIONS, AND OTHER FINANCING USES, AND FUND BALANCE</b>		<b>\$ 2,982,757,501</b>							