

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: PROPOSED AMENDMENT OF SCHOOL BOARD RULE:
 INITIAL READING 6Gx13- 3A-1.01, DISTRICT BUDGET –
 RESPONSIBILITY OF SUPERINTENDENT OF SCHOOLS**

**COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL
 RELATIONS**

**LINK TO DISTRICT
STRATEGIC PLAN: REFORM BUSINESS PRACTICES TO ENSURE EFFICIENCY,
 EFFECTIVENESS AND HIGH ETHICAL STANDARDS**

At the School Board Meeting of December 10, 2008, Agenda Item H-8 was proffered by Ms. Perla Tabares Hantman, Board Member, and approved by the Board to codify the district's budget process. The item requires the budget process be incorporated into the District's Board Rules to include best practices, strategies for checks and balances within the different departments, firm dates whereby the budget has to be submitted to the State, and other steps in the process deemed essential to produce an accurate and ethical presentation of the budget to the School Board for their approval and subsequent submission to the State of Florida Department of Education.

Attached are the Notice of Intended Action and the rule proposed for amendment. Changes from the current rule are indicated by underscoring words to be added and ~~striking-through~~-words to be deleted.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend Board Rule 6Gx13- 3A-1.01, District Budget – Responsibility of Superintendent of Schools.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend Board Rule 6Gx13- 3A-1.01, District Budget – Responsibility of Superintendent of Schools.

**REVISED
E-22**

NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on June 17, 2009, its intention to amend Board Rule 6Gx13- 3A-1.01, District Budget – Responsibility of Superintendent of Schools, at its meeting of August 5, 2009.

PURPOSE AND EFFECT: The revision to the Board Rule would codify steps deemed essential to produce an accurate presentation of the budget to the School Board. } REVISIED

SUMMARY: To ensure that best practices with checks and balances are incorporated in the budget process culminating in presentation of a proposed fiscal budget to the Board. } REVISIED

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: 1001.41(1)(2); 1001.42(25); 1001.43(10), F.S.

LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC: 200.065; 1001.42(12)(b); 1001.42(12)(c); 1011.01; 1011.02; 1011.03; 1011.04; 1011.05; 1011.06; 1011.08; 1011.10; 1011.11 F.S.; 6A-1.002; 6A-1.004; 6A-1.006; 6A-1.007; 6A-1.0071 FAC

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING OF August 5, 2009, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by July 13, 2009 to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statures).

A COPY OF THE PROPOSED AMENDED RULE is available at cost to the public for inspection and copying in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Ms. Perla Tabares Hantman
Date: May 27, 2009

District Budget**DISTRICT BUDGET -- RESPONSIBILITY OF SUPERINTENDENT OF SCHOOLS**

The budget of The School Board of Miami-Dade County, Florida is prepared, reviewed, and approved in accordance with applicable statutes which set forth specific requirements for this process. The budget is a financial plan to satisfy the needs of the school system to provide an education for the children and youth of the county.

The Board directs the Superintendent of Schools as its chief executive officer to establish the necessary procedures in accordance with statutes for the preparation, review, and approval of an annual budget.

The development of the school district's budget process includes numerous statutorily mandated deadlines, which are as follows: } REVISED

1. The tentative budget of the school district shall be prepared and submitted in accordance with Chapter 1011 provided that the date of its submission (to the Board) should occur no later than 24 days after certification of property value which is approximately July 1 of each year; } REVISED
2. Each school district shall advertise its intent to adopt a tentative budget in a newspaper of general circulation within 29 days of certification of property value.
3. Two to five days after the advertisement appears, the District shall hold a public hearing on the tentative budget.
4. A millage levy resolution must be adopted prior to the adoption of the Tentative Budget.
5. The District shall advise the property appraiser of its proposed millage rate, of its rolled-back rate computed pursuant to law and the date/time/place at which a public hearing will be held to consider the proposed millage rate and the tentative budget within 35 days of certification of property value. } REVISED
6. The District shall hold a public hearing to finalize the budget and adopt a millage rate within 80 days of certification of property value but not earlier than 65 days after certification. } REVISED

The tentative annual budget is prepared by the Superintendent of Schools and is submitted to the Board each year as required by law. This tentative budget is comprised of the following fund groups:

General Fund;
Debt Service Funds;
Capital Outlay Funds;
Special Revenue Funds;
Trust & Agency Funds.

The Board examines the tentative budget submitted by the Superintendent of Schools and, following a public hearing which is required by law, may require such changes to be made to the budget as it deems may be in the best interest of the school district.

Following the public hearing the Board shall approve the budget, including any changes it has authorized, and shall require the Superintendent of Schools to transmit the budget, in proper form, to the State Commissioner as prescribed by law.

The statutes provide severe penalties for any member of the Board or the Superintendent of Schools who shall violate the provisions of the statutes pertaining to the budget and expenditures of the school system.

Regulations of the State Board of Education require that expenses may not be incurred in excess of Board-approved appropriations. The following systems and procedures are in effect to assure that expenditures do not exceed the approved budget:

1. A computerized position control system prevents full-time personnel from being hired unless a vacant, authorized staff position exists.
2. A computerized financial system uses encumbrance accounting to verify the availability of a budget authorization before a purchase order is processed for most non-salary transactions. Non-salary items which are not subject to this control, such as utilities and employee benefits, are subject to frequent projections and monitoring on a systemwide basis.
3. Projections of revenues and expenditures are prepared monthly, beginning in November of each year, in order to provide an early warning of any potentially serious budget problems.

The school district's budget, financial records and Board minutes are subject to audit by the Office of the Auditor General.

Amendments to the district budget are subject to Board approval whenever total revenues or appropriations within a fund contained in the original budget approved by the Board and submitted to the Department of Education are changed. It is the policy of the School Board to facilitate decentralized budget decisions, both at school and non-school levels. Therefore, principals and department heads are authorized to approve expenditures in excess of the amount budgeted for functions and objects if they do not exceed the total budget by fund for a school or non-school cost center. However, the Office of Budget Management may restrict expenditures by function, program or object in order to comply with restrictions of grants, state or federal requirements, or specific restrictions approved by the School Board or the Superintendent.

If, as a result of decentralized budget decisions, total district expenditures exceed the budget by function and object as adopted or previously amended by the School Board, a budget amendment reflecting such excess expenditures shall be submitted to the School Board for approval, not later than the deadline established by state law for amending the budget.

Amendments in the Contracted Programs Fund shall be considered approved at the time that the grant application is approved, provided that a budget summary shall accompany the request for Board approval of the grant application, subject to approval of the grantor. The effect of such grant approval shall be reflected in the next district financial report for the month in which the grant application was approved.

Specific Authority: ~~230.22(2)~~ 1001.41(1)(2); 1001.42(25); 1001.43(10) F.S.

Law Implemented, Interpreted, or Made Specific: 200.065; ~~230.23(10)(b)~~
1001.42(12)(b); 1001.42(12)(c); ~~237.02(3)~~; ~~237.034~~ 1011.01; ~~237.064~~ 1011.02;
~~237.074~~; ~~237.084~~ 1011.03; ~~237.094~~ 1011.04; ~~237.404~~ 1011.05; 1011.06 ~~237.444~~
1011.08; ~~237.424~~ 1011.10; ~~237.434~~ 1011.11 F.S.; 6A-1.002; 6A-1.004; 6A-1.006; 6A-1.007; 6A-1.0071 FAC

History THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
 Repromulgated: 12-11-74
 Amended: 8-24-83; 6-20-84; 6-18-97