

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 2, FY 2012-13 GENERAL FUND SPRING BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

This resolution recommends budgetary adjustments for the General Fund including 1) the impact of the Florida Education Finance Program (FEFP) Fourth Calculation; 2) increasing the transfer from Capital Outlay; 3) recognizing adjustments subsequent to Resolution No. 1 to Miscellaneous State Grants; and 4) reflecting the latest projections.

Major Revenue Adjustments in FEFP

Revenue adjustments include the following items reflected in the Fourth Calculation of the FEFP, received from the Department of Education on April 19, 2013;

- Increase of 717.33 **weighted** full-time equivalent (FTE) students reported resulting in a \$2.6 million increase.
- Increase in School Recognition allocation of \$0.4 million.
- Increase in the proration to funds available resulting in a further decrease in State funding of \$(3.36) million. Statewide weighted FTE students increased by 7,594 from the prior calculation resulting in proration of funding for all districts.
- Decrease revenues in other FEFP programs by \$(0.16) million.

Major Appropriation Changes

Based on projections, salaries increased after full implementation of the mid-year salary enhancements and increases in hourly/overtime/temporary instructor accounts. Workers Compensation costs increased \$5 million based on a preliminary actuarial analysis; however, health benefit costs are down \$(3.4) million. Other employee benefits are also lower.

Major changes to non-salary accounts are: 1) a shift of funding from salaries/fringes to non-salary for the School Recognition Program, 2) a net decrease in appropriations required for Charter Schools, and 3) an increase in non-salary projections.

The total Contingency Reserve will remain at \$75.2 million or 3.08% of revenue. It will be necessary to continue the strict hiring freeze on all open positions and continue to curtail expenditures in the remaining months of the year to maintain or further increase this fund balance in preparation for balancing of the FY 2013-14 budget for known increases (i.e. annualizing 2012-13 salary increases and health benefits).

This resolution increases both revenues and appropriations by \$2.66 million.

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease State revenues due to the following:	\$ (703,503)
a. Decrease Florida Education Finance program as follows:	
Increase of 717.33 weighted FTE	\$ 2,600,508
Safe Schools	(1,937)
Reading Allocation	(11,284)
McKay Scholarship Adjustment	(145,684)
DJJ Supplemental Allocation	46
Instructional Material	9,374
Instructional Material Adjustment	(2,399)
Transportation	43
Proration to Funds Available	(3,355,606)
Virtual Education Contribution	<u>(15,349)</u>
	\$ (922,288)
b. Increase School Recognition program by \$421,853 (requires an offsetting increase in appropriations).	
c. Decrease Miscellaneous State revenue by \$(203,068). The estimated revenue for the South Florida Workforce Individual Training Account is being reduced based upon collections year-to-date (requires an offsetting reduction in appropriations).	
2. Increase Local revenues for the Summer Voluntary Pre-Kindergarten Program. This revenue has an offsetting appropriation increase.	33,461
3. Increase Transfer from Capital Outlay to cover existing eligible maintenance costs (\$4,242,465) partially offset by a reduction to agree to the amended charter school capital outlay funding received from the Department of Education (DOE) based on actual FTE \$(915,594).	3,326,871
NET REVENUE & OTHER FINANCING SOURCES INCREASE	<u>\$ 2,656,829</u>

APPROPRIATION CHANGES

1. Salaries are projected to increase due primarily to the following:	\$ 7,846,756
a. Increase hourly/overtime/temporary instructor accounts by \$4,593,079 based on the latest projection.	
b. Shift stipend budget to non-salary for Florida School Recognition Program for charter school payments \$(2,420,327) offset by an increase of \$382,286 due to an increase in revenue.	

**INCREASE
(DECREASE)**

APPROPRIATION CHANGES (Continued)

- c. Reduced salaries by \$(131,600) in miscellaneous state and local revenue programs offset by a decrease in revenue.
 - d. Increase salaries by \$5,423,318 based on projections.
2. **Employee benefits** are decreased due to the following: \$ (4,685,618)
- a. Decrease in FICA/Retirement by \$(4,687,822) based on latest projections.
 - b. Decrease health benefits by \$(3,440,086) based on a preliminary actuarial study received in April.
 - c. Increase appropriations by \$5,000,000 for Workers Compensation. A preliminary actuarial analysis anticipates higher costs due to an increase in settlement costs and fewer job placements in lieu of payments.
 - d. Decrease unemployment compensation \$(324,854) and Tuition Reimbursement \$(983,912) based on latest projections.
 - e. Shift \$250,504 to non-salary for the School Recognition Program payments to charter schools partially offset by an increase of \$39,567 due to an increase in revenue.
 - f. Decrease benefits by \$(38,007) for miscellaneous state and local revenue due to the reduction in revenue for miscellaneous state and local revenue.
3. **Energy Services** are reduced to reflect latest projection due to the success of the District's Green Initiative. The expected additional payout to schools has been netted against the savings. (771,254)
4. Increase **liability insurance** based on projections. 1,622
5. Decrease **Non-Salary for Charter Schools** as follows: (788,705)
- a. Increase appropriation by \$126,889 for charter school payments based on updated FTE projections.
 - b. Decrease appropriations \$(915,594) for charter school capital outlay payments based on updated information from the Department of Education (offset by a decrease in the Transfer from Capital Outlay.)
6. **Non-Salary** accounts will increase due primarily to the following: 1,054,028
- a. Shift \$2,670,831 from salary and fringe benefits to non-salary for payments to charter schools for the Florida School Recognition Program.

**INCREASE
(DECREASE)**

APPROPRIATION CHANGES (Continued)

b. Adjust the following FEFP programs due to adjustments per the 4th FEFP calculation:

DJJ Supplemental Allocation	\$ 46
Instructional Materials	<u>6,975</u>
Total	\$7,021

c. Decrease non-salary by \$(1,623,824) due primarily to school based decisions to fund hourly/overtime/temporary instructors _____

TOTAL APPROPRIATION CHANGES **\$ 2,656,829**

TRANSFERS/RESERVES

Maintain contingency at \$75,211,900. Total reserves are 3.08% of \$ 0 revenue. _____

**TOTAL INCREASE IN
APPROPRIATIONS, TRANSFERS & RESERVES** **\$ 2,656,829**

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

1. adopt Resolution No. 2, FY 2012-13 General Fund Spring Budget Review, increasing revenues, appropriations and reserves by \$2,656,829; and
2. adopt the Summary of Revenues and Appropriations (page 5) and the Summary of Appropriations by Function (page 10).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2012-13 GENERAL FUND
 SUMMARY OF REVENUES AND APPROPRIATIONS
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 3/13/2013</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/8/2013</u>
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 16,829,410	\$ -	\$ 16,829,410
State	1,121,266,891	(703,503)	1,120,563,388
Local	1,309,544,164	33,461	1,309,577,625
TOTAL REVENUES	<u>\$ 2,447,640,465</u>	<u>\$ (670,042)</u>	<u>\$ 2,446,970,423</u>
OTHER FINANCING SOURCES			
TRANSFERS FROM CAPITAL OUTLAY	\$ 133,854,163	\$ 3,326,871	\$ 137,181,034
BEGINNING FUND BALANCE	<u>\$ 144,143,037</u>	<u>\$ -</u>	<u>\$ 144,143,037</u>
TOTAL REVENUES, OTHER FINANCING SOURCES & BEGINNING FUND BALANCE	<u>\$ 2,725,637,665</u>	<u>\$ 2,656,829</u>	<u>\$ 2,728,294,494</u>
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,540,352,684	\$ 7,846,756	\$ 1,548,199,440
Employee Benefits	490,813,061	(4,685,618)	486,127,443
Liability Insurance	4,516,762	1,622	4,518,384
Energy Services	66,867,998	(771,254)	66,096,744
Charter Schools	289,890,071	(788,705)	289,101,366
Purchased Services	131,660,193	5,954,345	137,614,538
Other Non-Salary	125,521,363	(4,900,317)	120,621,046
TOTAL APPROPRIATIONS	<u>\$ 2,649,622,132</u>	<u>\$ 2,656,829</u>	<u>\$ 2,652,278,961</u>
OTHER FINANCING USES			
TRANSFERS TO OTHER FUNDS	\$ 803,633	\$ -	\$ 803,633
RESERVES & ENDING FUND BALANCE			
Assigned	\$ -	\$ -	\$ -
Unassigned (Contingency)	75,211,900	-	75,211,900
TOTAL RESERVES & ENDING FUND BALANCE	<u>\$ 75,211,900</u>	<u>\$ -</u>	<u>\$ 75,211,900</u>
TOTAL APPROPRIATIONS, OTHER FINANCING USES, RESERVES & ENDING FUND BALANCE	<u>\$ 2,725,637,665</u>	<u>\$ 2,656,829</u>	<u>\$ 2,728,294,494</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2012-13 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 2**

	<u>AMENDED BUDGET 3/13/2013</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/8/2013</u>
FEDERAL SOURCES			
Impact Aid	\$ 15,000	\$ -	\$ 15,000
R.O.T.C.	2,000,000	-	2,000,000
Medicaid Reimbursement	13,000,000	-	13,000,000
Federal Through State Community Schools	1,814,410	-	1,814,410
Total Federal	\$ 16,829,410	\$ -	\$ 16,829,410
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 322,623,725	\$ 2,600,508	\$ 325,224,233
Safe Schools (B)	9,779,528	(1,937)	9,777,591
Supplemental Academic Instruction (B)	116,919,085	-	116,919,085
ESE Guarantee (B)	126,800,708	-	126,800,708
Reading Allocation	16,058,496	(11,284)	16,047,212
Prior Year Adjustment	1,551,562	-	1,551,562
Prior Year Adjustment for Scholarship Deductions	(155,310)	-	(155,310)
McKay Scholarship Adjustment	(35,037,507)	(145,684)	(35,183,191)
DJJ Supplemental Allocation (A)	381,398	46	381,444
Instructional Material	26,885,681	9,374	26,895,055
Instructional Materials - Adjustments	(344,136)	(2,399)	(346,535)
Transportation (B)	24,465,674	43	24,465,717
Teachers Lead Program (A)	4,203,393	-	4,203,393
Proration to Funds Available	(2,998,945)	(3,355,606)	(6,354,551)
Virtual Education Contribution	165,821	(15,349)	150,472
Sub-Total FEFP	\$ 611,299,173	\$ (922,288)	\$ 610,376,885
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 81,016,722	-	\$ 81,016,722
Adults with Disabilities (A)	1,125,208	-	1,125,208
Performance Based Incentives	931,355	-	931,355
Voluntary Pre-K (B)	9,722,640	-	9,722,640
Full Service Schools (A)	768,000	-	768,000
School Recognition/Merit (A)	19,245,591	421,853	19,667,444
Class Size Reduction	395,060,838	-	395,060,838
Miscellaneous State (see page 9)	2,097,364	(203,068)	1,894,296
Sub-Total Other State	\$ 509,967,718	\$ 218,785	\$ 510,186,503
Total State	\$ 1,121,266,891	\$ (703,503)	\$ 1,120,563,388

(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 4th calculation.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2012-13 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 3/13/2013</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/8/2013</u>
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,096,793,232	\$ -	\$ 1,096,793,232
Local Discretionary Millage	127,699,338	-	127,699,338
Sub - Total Local	\$ 1,224,492,570	\$ -	\$ 1,224,492,570
MISCELLANEOUS LOCAL:			
Tax Redemptions	\$ 24,635,384	\$ -	\$ 24,635,384
Rent	7,035,504	-	7,035,504
Interest	815,000	-	815,000
Vocational Fees	561,502	-	561,502
Post Secondary Fees	3,954,726	-	3,954,726
Continuing Workforce Fees	163,772	-	163,772
Financial Aid Fees	468,000	-	468,000
Community Schools-Contributions (A)	48,540	-	48,540
Community Schools - Internal (A)	18,235,386	-	18,235,386
Community Schools - Internal (A)	1,375,613	-	1,375,613
Community Schools - Internal (A)	458,537	-	458,537
Driver Education	2,000,000	-	2,000,000
Fed. Indirect Cost Reimbursement	6,052,011	-	6,052,011
Universal Services (E-Rate)	8,600,000	-	8,600,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,879,068	-	2,879,068
Other Miscellaneous Local (see page 10)	4,768,551	33,461	4,802,012
Sub-Total Miscellaneous Local	\$ 85,051,594	\$ 33,461	\$ 85,085,055
Total Local	\$ 1,309,544,164	\$ 33,461	\$ 1,309,577,625
TOTAL REVENUES	\$ 2,447,640,465	\$ (670,042)	\$ 2,446,970,423
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 133,854,163	\$ 3,326,871	\$ 137,181,034
FUND BALANCE FROM PRIOR YEAR	144,143,037	-	144,143,037
TOTAL REVENUES & OTHER SOURCES	\$ 2,725,637,665	\$ 2,656,829	\$ 2,728,294,494

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2012-13 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	AMENDED BUDGET 3/13/2013	INCREASE (DECREASE)	AMENDED BUDGET 5/8/2013
MISCELLANEOUS STATE SOURCES			
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
State License Tax	248,420	-	248,420
Postsecondary Education Readiness Test Assesment (PERT) (A)	93,377	-	93,377
Health Service (A)	72,960	-	72,960
SFW Individual Training Account (A)	701,525	(203,068)	498,457
FDLRS - Gen Revenue (A)	51,586	-	51,586
SEDNET IDEA State General (A)	16,279	-	16,279
Collaborative Curriculum (A)	28,000	-	28,000
WLRN - TV FL Community Svc. (A)	307,477	-	307,477
Voluntary Pre-K Assessment (A)	69,890	-	69,890
DA Summer Academy (A)	68,850	-	68,850
Learning for Life (A)	294,000	-	294,000
TOTAL MISCELLANEOUS STATE	\$ 2,097,364	\$ (203,068)	\$ 1,894,296

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2012-13 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 3/13/2013</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/8/2013</u>
OTHER MISCELLANEOUS LOCAL SOURCES			
Fee Supported Pre-K (B)	\$ 4,530,551	\$ -	\$ 4,530,551
Summer VPK (A)	-	33,461	33,461
Fingerprinting	238,000	-	238,000
TOTAL OTHER MISC LOCAL	<u>\$ 4,768,551</u>	<u>\$ 33,461</u>	<u>\$ 4,802,012</u>

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS
 2012-13 GENERAL FUND BUDGET
 SUMMARY OF APPROPRIATIONS BY FUNCTION
 RESOLUTION NO. 2
 MAY 8, 2013

FUNCTION	TOTAL BUDGET	SALARIES (61XX)	EMPLOYEE BENEFITS (62XX)	PURCHASED SERVICES (63XX)	ENERGY SERVICES (64XX)	MATERIALS AND SUPPLIES (65XX)	CAPITAL OUTLAY (66XX)	OTHER EXPENSES (67XX)
INSTRUCTIONAL SERVICES	\$ 1,761,249,304	\$ 1,043,508,777	\$ 321,686,590	\$ 321,460,722	\$ 5,607	\$ 61,630,515	\$ 8,722,377	\$ 4,234,716
SUPPORT SERVICES:								
5000 Pupil Personnel Services	101,152,268	73,375,350	23,574,877	4,157,709	-	30,238	14,094	-
6100 Instructional Media Services	25,587,737	19,093,222	5,801,851	491,816	-	45,538	155,310	-
6300 Instruction & Curriculum Development	21,706,698	15,582,139	4,077,176	1,157,418	-	109,338	42,271	738,356
6400 Instructional Staff Training	1,841,361	1,001,907	334,561	487,213	-	7,680	-	-
6500 Instructional Support	29,109,327	20,284,668	6,292,797	312,562	91,739	302,508	1,825,053	-
7100 Board of Education	6,887,203	4,103,963	1,161,418	976,813	4,050	132,937	17,252	490,770
7200 General Administration	4,370,714	3,289,865	922,240	84,375	31,402	41,634	-	1,198
7300 School Administration	157,316,708	120,100,311	34,475,658	668,184	54,132	1,587,040	390,076	41,307
7410 Facilities Acquisition & Construction	721,008	108,957	30,984	-	-	581,067	-	-
7500 Fiscal Services	12,300,940	7,431,600	2,224,542	687,907	-	30,827	82,963	1,843,101
7700 Central Services	57,111,782	29,873,310	9,277,810	17,834,849	96,302	656	12,813	16,042
7800 Transportation Services	89,553,985	39,806,900	12,201,890	9,247,552	5,835,431	3,645,536	18,809,322	7,354
7900 Operation of Plant	255,308,131	99,517,003	43,767,217	52,688,675	58,340,939	777,702	216,595	-
8100 Maintenance of Plant	95,694,574	47,595,507	15,523,128	18,869,762	1,637,142	10,736,924	1,319,018	3,093
8200 General Support	3,077,541	815,737	205,747	2,042,484	-	13,573	-	-
9100 Community Services	28,654,680	22,710,224	4,568,957	56,247	-	1,086,403	158,301	274,548
9200 Debt Services	445,000	-	-	-	-	-	-	445,000
Total Instruction & Support Services	\$ 2,652,278,961	\$ 1,548,199,440	\$ 486,127,443	\$ 431,234,288	\$ 66,096,744	\$ 80,760,116	\$ 31,765,445	\$ 8,095,485
Transfers to Other Funds								
9792 Debt Service	\$ 803,633	-	-	-	-	-	-	-
9793 Capital Outlay	-	-	-	-	-	-	-	-
9794 Special Revenue	-	-	-	-	-	-	-	-
9798 Internal Service	-	-	-	-	-	-	-	-
9799 Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,653,082,594							
Fund Balance:								
Non-Spendable:								
Reserve for Pre-Paid Expenses	\$ -							
Reserve for Inventory	-							
Restricted:								
Reserve for State Categoryals	-							
Assigned:								
Other Rebudgets	-							
Commitments	-							
Unassigned:								
Total Fund Balance	75,211,900							
Total Appropriations, Transfers and Fund Balance	\$ 2,728,294,494							