

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: FINAL ADOPTION OF THE FY 2013-14 BUDGET

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

On July 25, 2013, the Board tentatively adopted the FY 2013-14 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 FY 2013-14 for the General Fund, Debt Service Funds, Capital Outlay Funds, Special Revenue Funds, Proprietary Fund and Fiduciary Fund.

Changes to Revenues, Appropriations and Fund Balances from the budgets which were tentatively adopted on July 25, 2013 are attached for all funds. Of note is a significant drop in revenue actually recognized in August 2013 due to local property tax collection coming in \$65 million short for 2012-13. This major loss is reflected in 2013-14 through a decrease in Beginning Fund Balance, as ending Fund Balance for 2012-13 was lower than projected. However, through strong fiscal management and efficient spending the District reserve stayed above the State mandated 3% threshold.

The following document will be provided to the School Board 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:

- FY 2013-14 State Budget Forms (All funds)

NOTE: This item is one of three items which are part of the 6:00 p.m. public budget hearing, which should only be discussed at that time and which should be approved after the Millage Levy Resolution for FY 2013-14 and after the Five-Year Facilities Work Program.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, adopt the FY 2013-14 Annual Budget by approving changes from the Tentative Adopted Budget as enumerated on pages 2 through 16 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 3, 2013.

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

GENERAL FUND

REVENUES/BEGINNING FUND BALANCE	Increase (Decrease)
1. Decrease Beginning Fund Balance to conform to final year-end closing. This decrease is partially offset by a reduction in appropriations for rebudgeted encumbrances, selected available balances and State categorical available balances of \$(37,650,051)	\$(54,129,898)
2. Increase State grants based on notification from the State for DA Summer Academy for \$112,000, FDLRS (General Revenue) for \$51,586 and IDEA SEDNET for \$16,279. These revenues have offsetting appropriations.	179,865
3. Increase (Decrease) Miscellaneous State and Local revenues for the Voluntary Pre-Kindergarten program based on the latest available information.	1,772,996
4. Increase Transfer from Capital Outlay to reflect an increase in charter school capital outlay funds as provided by the Department of Education.	7,014,109
Total Revenues/Beginning Fund Balance Decrease	<u>\$ (45,162,928)</u>

APPROPRIATIONS

1. Decrease appropriations for rebudgets including encumbrances, selected available balances and state categorical available balances carried forward from the prior year. Estimate was \$56,904,571, actual results were \$19,254,520.	\$(37,650,051)
2. Increase appropriations for Charter School Capital Outlay based on revenue estimate provided by Department of Education.	7,014,109
3. Increase appropriations for Voluntary Pre-Kindergarten program offset by a revenue increase.	1,741,248
4. Increase appropriations for various State grants offset by revenue increases.	179,865

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

GENERAL FUND

APPROPRIATIONS (Continued)	Increase (Decrease)
5. Transfer eligible expenditures to grants.	\$ (6,500,000)
6. Reduce appropriations in district offices by eliminating open positions and reducing non-salary accounts.	(681,129)
7. Decrease appropriations in interest expense for FY 2013-14 Tax Anticipation notes based on the latest available information.	(154,000)
8. Reduce appropriations in Tax Roll Yield Reserve to balance.	<u>(9,112,970)</u>
Total Appropriations Decrease	<u>\$(45,162,928)</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

DEBT SERVICE FUNDS

REVENUES AND OTHER SOURCES	Increase (Decrease)
1) Decrease Beginning Fund Balance to reflect actual results for Fiscal Year 2012-13.	\$ (6,780,241)
2) Increase Transfers in from Capital to reflect 2013-14 debt service schedules.	631,421
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Total Revenues and Other Sources Increase	<u>\$ (6,148,820)</u>
 APPROPRIATIONS	
1) Increase interest payments reflect 2013-14 debt service schedules.	\$ 631,421
2) Decrease projected ending fund balance.	<hr/> (6,780,241)
Total Appropriations Increase	<u>\$ (6,148,820)</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS

REVENUES AND OTHER SOURCES	Increase (Decrease)
1. Increase Beginning Fund Balance to reflect actual results for FY 2012-13.	\$ 12,315,994
2. Increase State CO & DS revenue to reflect revised FLDOE estimates.	15,194
3. Increase State PECO Charter School Capital Outlay revenue to reflect revised FLDOE estimates.	7,014,109
4. Increase interest revenue to reflect revised estimates.	37,000
5. Increase local revenue to reflect prize proceeds to Ruth K. Broad K-8.	135,573
6. Increase GO Bonding authority from the November 2012 voter approved \$1.2 billion bond referendum to reflect updated Facilities project schedules.	129,842,300
7. Increase revenue to reflect premium on the sale of GO Bonds.	11,093,203
8. In accordance with Section 18 of the Impact Fee Interlocal Agreement, establish an interfund transfer from impact fees to the local optional millage fund for the reimbursement of debt service payment shortfalls in prior years.	7,726,143
Total Revenues and Other Sources Increase	<u>\$ 168,179,516</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS

APPROPRIATIONS	Increase (Decrease)
1. Increase program rebudgets to reflect actual results.	\$ 6,011,371
2. Increase appropriations for GO Bonding authority from the November 2012 voter approved \$1.2 billion bond referendum to reflect updated Facilities project schedules.	139,967,655
3. Increase appropriations for Ruth K Broad K-8 Center, Project #01295600 for replacement of playground structures.	135,573
4. Increase appropriations for construction management that will be reported under project budgets.	4,751,963
5. Increase dues and fees to reflect cost of issuance from the sale of the GO Bonds.	1,098,203
6. Increase appropriations for the transfer to general fund in the amount of increased state funding for charter school capital outlay.	7,014,109
7. Increase the transfer to debt service per updated schedules.	631,421
8. In accordance with Section 18 of the Impact Fee Interlocal Agreement, establish an interfund transfer from impact fees to the local optional millage fund for the reimbursement of debt service payment shortfalls in prior years.	7,726,143
9. Decrease debt service reserves to reflect the interfund transfer above.	(2,664,809)
10. Increase reserves to balance.	3,507,887
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Total Appropriations Increase	<u>\$ 168,179,516</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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SPECIAL REVENUE - FOOD SERVICE FUND

REVENUES	Increase (Decrease)
1. Increase/(decrease) revenues as follows:	\$ 3,378,923
National School Lunch Act \$ 4,956,352	
USDA Commodities (250,000)	
Food Service Supplement 71	
Miscellaneous 20,000	
Interest/other 2,500	
Food Sales (1,350,000)	
Total \$ 3,378,923	
2. Increase Fund Balance to reflect actual results.	10,457,304
Total Revenues Increase	<u>\$ 13,836,227</u>

APPROPRIATIONS

1. Increase /(decrease) appropriations as follows:	\$ 2,222,283
Purchased Services \$ 357,410	
Energy Services 189,473	
Food & Supplies 450,000	
Capital Outlay 1,250,000	
Indirect Cost (24,600)	
Total \$ 2,222,283	
2. Increase Ending Fund Balance to balance.	<u>11,613,944</u>
Total Appropriations and Fund Balance Increase	<u>\$ 13,836,227</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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**SPECIAL REVENUE - OTHER FEDERAL PROGRAMS
(CONTRACTED PROGRAM FUND)**

REVENUES	Increase (Decrease)
Increase (decrease) revenues as follows:	
Federal Direct	\$ (564,769)
Federal Thru State	(17,599,923)
Federal Thru Local	11,848,699
Local Sources	<u>2,465,626</u>
Total Revenues Decrease	<u>\$ (3,850,367)</u>

APPROPRIATIONS

Increase (decrease) appropriations as follows:	
Head Start	\$ 11,951,939
Early Head Start	2,320,589
Adult Education and Family Literacy	7,922,246
21 st Century Community Learning Centers	455,342
Kellogg	244,275
Carl Perkins Secondary	(1)
Teacher Incentive Foundation-FNEI	29,501
Arts in Education	7,878
Marketing Foundation	32,192
Mini-Grants	39,524
SAVES-Adult Refugee Project	(4,000,000)
Title II	1,364,336
Title III	<u>2,021,559</u>
Sub-Total	<u>\$ 22,389,380</u>
Estimated Carry Forward FY 2012-13	<u>\$(26,239,747)</u>
Total Appropriations Decrease	<u>\$ (3,850,367)</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

**SPECIAL REVENUE – ARRA STATE FISCAL STABILIZATION FUND
FINAL BUDGET REVIEW**

REVENUES	Increase (Decrease)
Eliminate Federal Thru State revenues.	<u>\$(1,108,479)</u>
Total Revenues Decrease	<u>\$(1,108,479)</u>
APPROPRIATIONS	
Eliminate Carry Forward in ARRA State Stabilization Fund.	<u>\$(1,108,479)</u>
Total Appropriations Decrease	<u>\$(1,108,479)</u>

Note: The Special Revenue – State Fiscal Stabilization Fund, Fund 431000, is combined with the Special Revenue – State Recovery and Reinvestment Act (ARRA), Other ARRA Stimulus Fund as directed by the State of Florida, Department of Education.

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

**SPECIAL REVENUE –TARGETED ARRA STIMULUS FUND
FINAL BUDGET REVIEW**

REVENUES	Increase (Decrease)
Federal Thru State revenues.	\$ <u>(992,549)</u>
Total Revenues Increase	\$ <u>(992,549)</u>
APPROPRIATIONS	
Targeted ARRA Stimulus Fund	\$ <u>(992,549)</u>
Total Appropriations Increase	\$ <u>(992,549)</u>

Note: Funds for this grant were fully spent as of June 30, 2013.

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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**SPECIAL REVENUE – ARRA OTHER STIMULUS FUND
FINAL BUDGET REVIEW**

REVENUES	Increase (Decrease)
Federal Thru State revenues.	\$ <u>914,533</u>
Total Revenues Increase	\$ <u>914,533</u>
APPROPRIATIONS	
Carry Forward in Other ARRA Stimulus Fund.	\$ <u>914,533</u>
Total Appropriations Increase	\$ <u>914,533</u>

Note: The Special Revenue – American Recovery and Reinvestment Act (ARRA), Other ARRA Stimulus Fund, 433000, also includes the Special Revenue – State Stabilization Funds, Fund 431000, as directed by the State of Florida, Department of Education.

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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**SPECIAL REVENUE – ARRA RACE TO THE TOP
FINAL BUDGET REVIEW**

REVENUES	Increase (Decrease)
Federal Thru State revenues.	\$ <u>(2,343,808)</u>
Total Revenues Decrease	\$ <u>(2,343,808)</u>
APPROPRIATIONS	
Carryforward in Race To The Top ARRA program.	\$ <u>(2,343,808)</u>
Total Appropriations Decrease	\$ <u>(2,343,808)</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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MISCELLANEOUS SPECIAL REVENUE FUND – SPECIAL EVENTS

REVENUES	Increase (Decrease)
Increase Beginning Fund Balance to reflect FY 2012-13 final results.	\$ <u>3,952</u>
Total Revenues Increase	\$ <u>3,952</u>
APPROPRIATIONS	
Increase Ending Fund Balance to balance.	\$ <u>3,952</u>
Total Appropriations Increase	\$ <u>3,952</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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MISCELLANEOUS SPECIAL REVENUE - SCHOOL BOARD LAW ENFORCEMENT

REVENUES	Increase (Decrease)
Decrease Beginning Fund Balance to reflect FY 2012-13 final results.	\$ <u>(7,390)</u>
Total Revenues Decrease	\$ <u>(7,390)</u>
APPROPRIATIONS	
Decrease Ending Fund Balance to balance.	\$ <u>(7,390)</u>
Total Appropriations Decrease	\$ <u>(7,390)</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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FIDUCIARY FUND – PENSION TRUST FUND

ADDITIONS	Increase (Decrease)
Increase Beginning Net Position Balance to Reflect 2012-13 Final Results.	<u>\$ 2,459,007</u>
Total Revenues Increase	<u>\$ 2,459,007</u>
DEDUCTIONS	
Increase Ending Fund Balance to Balance.	<u>\$ 2,459,007</u>
Total Appropriations Increase	<u>\$ 2,459,007</u>

**CHANGES FROM THE FY 2013-14 TENTATIVE ADOPTED BUDGET
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**SELF-INSURED HEALTHCARE
INTERNAL SERVICE FUND**

REVENUES	Increase (Decrease)
Decrease beginning net position to reflect FY 2012-13 final results.	<u>\$(16,978,677)</u>
Total Revenues Decrease	<u>\$(16,978,677)</u>
EXPENSES	
Decrease ending net position to balance.	<u>\$(16,978,677)</u>
Total Estimated Expenses Decrease	<u>\$(16,978,677)</u>