

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 2, FY 2013-14 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 17, 2014;

- Increase of 1094.97 **weighted** full-time equivalent (FTE) students reported resulting in a \$4.2 million increase.
- Decrease in School Recognition allocation of \$(3.0) million.
- Proration to funds available resulting in a decrease in State funding of \$(6.7) million. Statewide weighted FTE students increased by 17,898 from the prior calculation resulting in proration of funding for all districts.
- Decrease revenues in other FEFP programs by \$(1.2) million.
- Establish Discretionary Lottery funding for \$3.5 million due to lower funds to School Recognition Statewide program.

Major Appropriation Changes

Based on projections, salaries increased after full implementation of the mid-year salary enhancements, increases in hourly/overtime/temporary instructor accounts, maintaining Exceptional Education teachers in excess of FTE generated partially offset by a reduction in Florida School Recognition Program. Employee benefits are lower primarily due to lower health benefit costs of \$(6.1) million based on latest actuarial report reflecting less lives covered.

Major in changes to non-salary accounts are: 1) increase in Charter School payments, 2) shift of salary and fringes to non-salary and 3) an increase in non-salary projections.

The total Contingency Reserve will decrease by \$(8.2) million to \$67.0 million. Total Reserves will be 3.32% 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 2014-15 budget for known increases.

This resolution increases both revenues and appropriations by \$.52 million.

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease State revenues due to the following:	\$ (3,133,855)
a. Decrease Florida Education Finance Program as follows:	
Increase of 1094.97 weighted FTE	\$ 4,159,192
Safe Schools	(6,628)
Reading Allocation	(51,868)
Prior Year Adjustment	109,227
McKay Scholarship Adjustment	(37,307)
DJJ Supplemental Allocation	(6,100)
Instructional Material	(410,304)
Instructional Material Adjustment	(733)
Transportation	(562,823)
Proration to Funds Available	(6,651,969)
Virtual Education Contribution	(1,864)
Teacher Salary Increase	(205,124)
FEFP Enhancements Allocation	<u>(4,192)</u>
	\$ (3,670,493)
b. Establish Discretionary Lottery program for \$3,532,188 including a prior year adjustment. This program was established due to a reduction statewide in the School Recognition program. Appropriations for items funded through this program already exist.	
c. Decrease School Recognition program by \$(2,993,169) (requires an offsetting decrease in appropriations).	
d. Decrease Miscellaneous State revenue by \$(2,381). 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) partially offset by two new grants and a minor increase in Learning for Life.	
2. Increase Local revenues for the Fingerprinting Program. This revenue has an offsetting appropriation increase.	310,155
3. Increase Transfer from Capital Outlay to agree to the amended charter school capital outlay funding received from the Department of Education (DOE) based on actual FTE.	3,348,190
NET REVENUE & OTHER FINANCING SOURCES INCREASE	<u><u>\$ 524,490</u></u>

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to increase primarily due to the following: \$ 4,092,231
 - a. Decrease hourly/overtime/temporary instructor accounts by \$(1,439,243) based on the latest projection.
 - b. Decrease stipend budget for Florida School Recognition Program \$(2,533,364) offset by a decrease in revenue.
 - c. Increase in salary appropriations of \$8,151,465 due primarily to maintaining Exceptional Education teachers although the weighted FTE did not materialize. Staffing levels were not adjusted to align with FTE at mid year so is not to disrupt this fragile population. In addition, includes final salary adjustments as approved by the Board.
 - d. Reduced salaries by \$(86,627) in miscellaneous state and local revenue programs offset by a decrease in revenue.

2. **Employee benefits** are decreased due to the following: (10,652,895)
 - a. Decrease in FICA/Retirement by \$(3,682,404) based on latest projections including a decrease of \$(459,805) for Florida School Recognition and a decrease of \$(18,602) for miscellaneous state and local grants.
 - b. Decrease health benefits appropriation by \$(6,079,881) based on a preliminary actuarial study received in April and fewer lives covered.
 - c. Decrease unemployment compensation \$(890,610) based on latest projections.

3. **Energy Services** are reduced to reflect latest projection due to the success of the District's Green Initiative and reduction in diesel fuel cost. The expected additional payout to schools has been netted against the savings. (1,907,111)

4. Increase **Non-Salary for Charter Schools** as follows: 5,964,186
 - a. Increase appropriation by \$2,615,996 for charter school payments based on updated FTE projections and adjustments in the FEFP 4th calculation.
 - b. Increase appropriations \$(3,348,190) for charter school capital outlay payments based on updated information from the Department of Education (offset by a increase in the Transfer from Capital Outlay.)

**INCREASE
(DECREASE)**

APPROPRIATION CHANGES (Continued)

5. **Non-Salary** accounts will increase due primarily to the following: \$ 15,389,133
- a. Increase non-salary by \$4,544,976 due to a shift from salary/fringes based on school based decisions.
 - b. Decrease DJJ Supplemental Allocation by \$(6,100) due to adjustments per the 4th FEFP calculation.
 - c. Increase non-salary by \$1,439,243 due to school based decisions to fund hourly/overtime/temporary instructors.
 - d. Increase non-salary by \$796,624 due to projected telecommunication expenses.
 - e. Increase textbooks allocation by \$448,865 for higher than anticipated dual enrollment costs. This increase is offset by a decrease in the Assigned Fund Balance.
 - f. Increase appropriations in miscellaneous state and local programs by \$96,748 offset by an increase in revenue.
 - g. Increase non-salary by \$8,068,777 based on projections. _____

TOTAL APPROPRIATION CHANGES \$ 12,885,544

APPROPRIATED RESERVE CHANGES

- 1. Decrease contingency to \$66,964,104 to balance. Total \$ (8,247,796)
reserves are 3.32% of revenue.
- 2. Decrease Assigned Fund Balance due to the increase in higher dual enrollment costs for textbooks and a revenue reduction primarily due to the Statewide proration. (4,113,258)

TOTAL APPROPRIATED RESERVES CHANGES \$ (12,361,054)

**TOTAL INCREASE IN APPROPRIATIONS,
TRANFERS & RESERVES \$ 524,490**

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

1. adopt Resolution No. 2, FY 2013-14 General Fund Spring Budget Review, increasing revenues, appropriations and reserves by \$524,490; and
2. adopt the Summary of Revenues and Appropriations (page 6) and the Summary of Appropriations by Function (page 11).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2013-14 GENERAL FUND
 SUMMARY OF REVENUES AND APPROPRIATIONS
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/12/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/7/2014</u>
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 19,052,318	\$ -	\$ 19,052,318
State	1,229,536,236	(3,133,855)	1,226,402,381
Local	1,328,102,951	310,155	1,328,413,106
TOTAL REVENUES	<u>\$ 2,576,691,505</u>	<u>\$ (2,823,700)</u>	<u>\$ 2,573,867,805</u>
TRANSFERS FROM CAPITAL OUTLAY	\$ 157,116,554	\$ 3,348,190	\$ 160,464,744
BEGINNING FUND BALANCE	84,350,072	-	84,350,072
SUBTOTAL REVENUES & BEGINNING BALANCES	<u>\$ 2,818,158,131</u>	<u>\$ 524,490</u>	<u>\$ 2,818,682,621</u>
NON-REVENUE SOURCES - Other	-	-	-
TOTAL REVENUES & BEGINNING BALANCES	<u>\$ 2,818,158,131</u>	<u>\$ 524,490</u>	<u>\$ 2,818,682,621</u>
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,556,530,959	\$ 4,092,231	\$ 1,560,623,190
Employee Benefits	529,265,455	(10,652,895)	518,612,560
Liability Insurance	4,997,250	-	4,997,250
Energy Services	66,488,836	(1,907,111)	64,581,725
Charter Schools	336,386,160	5,964,186	342,350,346
Purchased Services	146,141,016	(693,859)	145,447,157
Other Non-Salary	77,766,482	16,082,992	93,849,474
TOTAL APPROPRIATIONS	<u>\$ 2,717,576,158</u>	<u>\$ 12,885,544</u>	<u>\$ 2,730,461,702</u>
TRANSFERS TO OTHER FUNDS	\$ 2,687,361	\$ -	\$ 2,687,361
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 22,682,712	\$ (4,113,258)	\$ 18,569,454
Unassigned (Contingency)	75,211,900	(8,247,796)	66,964,104
TOTAL RESERVES & ENDING FUND BALANCE	<u>\$ 97,894,612</u>	<u>\$ (12,361,054)</u>	<u>\$ 85,533,558</u>
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	<u>\$ 2,818,158,131</u>	<u>\$ 524,490</u>	<u>\$ 2,818,682,621</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2013-14 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/12/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/7/2014</u>
FEDERAL SOURCES			
Impact Aid	\$ 15,000	\$ -	\$ 15,000
R.O.T.C.	2,000,000	-	2,000,000
Medicaid Reimbursement	15,808,632	-	15,808,632
Federal Through State Community Schools	1,228,686	-	1,228,686
Total Federal	<u>\$ 19,052,318</u>	<u>\$ -</u>	<u>\$ 19,052,318</u>
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 360,736,800	\$ 4,159,192	\$ 364,895,992
Safe Schools	9,857,598	(6,628)	9,850,970
Supplemental Academic Instruction	117,206,208	-	117,206,208
ESE Guarantee	126,355,688	-	126,355,688
Reading Allocation	16,031,195	(51,868)	15,979,327
Prior Year Adjustment	693,709	109,227	802,936
Prior Year Adjustment for Scholarship Deductions	41,744	-	41,744
McKay Scholarship Adjustment	(37,104,263)	(37,307)	(37,141,570)
DJJ Supplemental Allocation (A)	333,765	(6,100)	327,665
Instructional Materials	27,826,473	(410,304)	27,416,169
Instructional Materials - Adjustments	(355,224)	(733)	(355,957)
Transportation	24,304,907	(562,823)	23,742,084
Teachers Lead Program (A)	5,948,320	-	5,948,320
Proration to Funds Available	-	(6,651,969)	(6,651,969)
Virtual Education Contribution	61,120	(1,864)	59,256
Teacher Salary increase	62,943,553	(205,124)	62,738,429
FEFP Enhancements Allocation	1,286,409	(4,192)	1,282,217
Sub-Total FEFP	<u>\$ 716,168,002</u>	<u>\$ (3,670,493)</u>	<u>\$ 712,497,509</u>
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 79,601,906	-	\$ 79,601,906
Adults with Disabilities (A)	1,125,208	-	1,125,208
Performance Based Incentives	931,355	-	931,355
Voluntary Pre-K (B)	14,136,136	-	14,136,136
Full Service Schools (A)	768,000	-	768,000
Discretionary Lottery Funds	-	3,531,552	3,531,552
Prior Year Adjustment-Discretionary Lottery Funds	-	636	636
School Recognition/Merit (A)	19,667,444	(2,993,169)	16,674,275
Class Size Reduction	393,313,288	-	393,313,288
Miscellaneous State (see A-3)	3,824,897	(2,381)	3,822,516
Sub-Total Other State	<u>\$ 513,368,234</u>	<u>\$ 536,638</u>	<u>\$ 513,904,872</u>
Total State	<u>\$ 1,229,536,236</u>	<u>\$ (3,133,855)</u>	<u>\$ 1,226,402,381</u>

(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 2013-14 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/12/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/7/2014</u>
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,114,263,645	\$ -	\$ 1,114,263,645
Local Discretionary Millage	141,864,181	-	141,864,181
Sub - Total Local	<u>\$ 1,256,127,826</u>	<u>\$ -</u>	<u>\$ 1,256,127,826</u>
MISCELLANEOUS LOCAL:			
Tax Redemptions	\$ 15,000,000	\$ -	\$ 15,000,000
Rent	7,035,504	-	7,035,504
Interest	638,000	-	638,000
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 - Internal (A)	20,727,342	-	20,727,342
Driver Education	2,000,000	-	2,000,000
Fed. Indirect Cost Reimbursement	6,052,011	-	6,052,011
Universal Services (E-Rate)	7,000,000	-	7,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,879,068	-	2,879,068
Other Miscellaneous Local	2,495,200	310,155	2,805,355
Sub-Total Miscellaneous Local	<u>\$ 71,975,125</u>	<u>\$ 310,155</u>	<u>\$ 72,285,280</u>
Total Local	<u>\$ 1,328,102,951</u>	<u>\$ 310,155</u>	<u>\$ 1,328,413,106</u>
TOTAL REVENUES	<u>\$ 2,576,691,505</u>	<u>\$ (2,823,700)</u>	<u>\$ 2,573,867,805</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 157,116,554	\$ 3,348,190	\$ 160,464,744
FUND BALANCE FROM PRIOR YEAR	<u>84,350,072</u>	<u>-</u>	<u>84,350,072</u>
TOTAL REVENUES & OTHER SOURCES	<u>\$ 2,818,158,131</u>	<u>\$ 524,490</u>	<u>\$ 2,818,682,621</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2013-14 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/12/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/7/2014</u>
MISCELLANEOUS STATE SOURCES			
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
District Bandwidth Support	1,501,156	-	1,501,156
State License Tax	248,420	-	248,420
Postsecondary Education Rediness			
Test Assesment (PERT) (A)	-	95,021	95,021
Health Service (A)	72,960	-	72,960
SFW Individual Training Account (A)	588,033	(161,288)	426,745
FDLRS - Gen Revenue (A)	51,586	-	51,586
SEDNET IDEA State General (A)	16,279	-	16,279
Collaborative Curriculum (A)	35,000	-	35,000
WLRN - TV FL Community Svc. (A)	307,447	-	307,447
WLRN - FM Radio Community Svc. (A)	313,016	-	313,016
Voluntary Pre-K Assessment (A)	-	60,600	60,600
DA Summer Academy (A)	252,000	-	252,000
Other Miscellaneous State	-	-	-
Learning for Life (A)	294,000	3,286	297,286
TOTAL MISCELLANEOUS STATE	<u><u>\$ 3,824,897</u></u>	<u><u>\$ (2,381)</u></u>	<u><u>\$ 3,822,516</u></u>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2013-14 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/12/2014</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/7/2014</u>
OTHER MISCELLANEOUS LOCAL SOURCES			
Fee Supported Pre-K (B)	\$ 2,257,200	\$ -	\$ 2,257,200
Fingerprinting	238,000	310,155	548,155
TOTAL OTHER MISC LOCAL	<u>\$ 2,495,200</u>	<u>\$ 310,155</u>	<u>\$ 2,805,355</u>

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS
 2013-14 GENERAL FUND BUDGET
 SUMMARY OF APPROPRIATIONS BY FUNCTION
 RESOLUTION NO. 2
 MAY 7, 2014

FUNCTION	TOTAL BUDGET	SALARIES (51XX)	EMPLOYEE BENEFITS (52XX)	PURCHASED SERVICES (53XX)	ENERGY SERVICES (54XX)	MATERIALS AND SUPPLIES (55XX)	CAPITAL OUTLAY (56XX)	OTHER EXPENSES (57XX)
INSTRUCTIONAL SERVICES	\$ 1,841,151,241	\$ 1,056,356,581	\$ 343,482,209	\$ 374,532,125	\$ 3,090	\$ 58,773,795	\$ 3,897,348	\$ 4,106,093
SUPPORT SERVICES:								
5000 Pupil Personnel Services	106,006,475	76,492,681	25,216,934	4,288,061	-	38,799	-	-
6100 Instructional Media Services	23,778,327	16,959,525	5,337,041	484,522	-	44,041	953,198	-
6200 Instruction & Curriculum Development	26,310,510	14,656,026	4,080,169	4,824,368	-	165,000	425,908	2,159,039
6300 Instructional Staff Training	2,666,876	1,029,563	1,145,335	483,367	-	8,611	-	-
6400 Instructional Support	26,490,220	19,067,517	6,154,053	904,577	78,950	285,123	-	-
6500 Board of Education	7,045,296	4,121,395	1,297,180	955,471	4,509	134,239	39,481	493,021
7100 General Administration	4,613,026	3,246,002	1,110,929	197,213	24,606	31,079	2,142	1,055
7200 School Administration	158,163,366	119,887,904	35,766,872	709,522	12,486	1,272,530	502,166	11,916
7300 Facilities Acquisition & Construction							1,321,326	
7410 Fiscal Services	1,397,844	59,223	17,295	-	-	-	26,117	793,860
7500 Central Services	10,275,124	6,892,257	2,144,711	404,395	-	13,784	119,703	(1,305)
7700 Transportation Services	53,347,528	30,115,799	5,540,657	17,478,407	94,267	-	-	(3,370)
7800 Operation of Plant	81,603,765	38,653,837	19,299,224	9,424,366	10,332,496	3,897,212	-	834
7900 Maintenance of Plant	258,354,665	100,595,935	46,080,706	57,257,491	52,559,322	927,559	932,818	(66)
8100 General Support	98,231,617	49,874,404	16,987,806	19,262,687	1,471,999	10,579,169	55,638	-
8200 Community Services	2,410,436	795,260	234,529	1,361,880	-	18,767	-	-
9100 Debt Services	28,095,356	21,849,281	4,716,910	226,301	-	637,519	73,162	592,183
9200 Total Instruction & Support Services	520,000	-	-	-	-	-	-	520,000
Transfers to Other Funds	\$ 2,730,461,702	\$ 1,560,623,190	\$ 518,612,560	\$ 492,794,753	\$ 64,581,725	\$ 76,827,227	\$ 8,349,007	\$ 8,673,240
9792 Debt Service	2,687,361	-	-	-	-	-	-	-
9793 Capital Outlay	-	-	-	-	-	-	-	-
9794 Special Revenue	-	-	-	-	-	-	-	-
9798 Internal Service	-	-	-	-	-	-	-	-
9799 Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	<u>2,733,149,063</u>							
Fund Balance:								
Non-Spendable:								
Reserve for Pre-Paid Expenses	-	-	-	-	-	-	-	-
Reserve for Inventory	-	-	-	-	-	-	-	-
Restricted:								
Reserve for State Categoricals Assigned:								
Tax Reserve	18,569,454	-	-	-	-	-	-	-
Other Rebudgets	-	-	-	-	-	-	-	-
Commitments	-	-	-	-	-	-	-	-
Unassigned:								
Total Fund Balance	66,964,104	-	-	-	-	-	-	-
Total Appropriations, Transfers and Fund Balance	<u>\$ 2,818,652,621</u>							