

Financial Services
Judith M. Marte, Chief Financial Officer

SUBJECT: FINAL ADOPTION OF THE FY 2014-15 BUDGET

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

On July 24, 2014, the Board tentatively adopted the FY 2014-15 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 2014-15 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 24, 2014 are attached for all funds. Of note is a drop in revenue actually recognized in August 2014 due to local property tax collection coming in \$50 million short for FY 2013-14. This loss is reflected in FY 2014-15 through a decrease in Beginning Fund Balance, as ending Fund Balance for FY 2013-14 was lower.

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 2014-15 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 2014-15 and after the Five-Year Facilities Work Program.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, adopt the FY 2014-15 Annual Budget by approving changes from the Tentative Adopted Budget as enumerated on pages 2 through 13 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, 2014.

**CHANGES FROM THE FY 2014-15 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 primarily due to general fund local property tax collections coming in lower than budgeted by \$46 million in FY 2013-14. This is offset by an appropriation decrease in the Tax Roll Yield Reserve that was established for this purpose.	\$(55,393,940)
2. Decrease Transfer from Capital Outlay to reflect an increase in charter school capital outlay funds as provided by the Department of Education.	(4,088,231)
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Total Revenues/Beginning Fund Balance Decrease	<u>\$(59,482,171)</u>
 APPROPRIATIONS	
1. Increase appropriations for rebudgets including encumbrances, selected available balances and state categorical available balances carried forward from the prior year. Estimate was \$19,254,520, actual results were \$19,415,679.	\$ 161,159
2. Decrease appropriations for Charter School Capital Outlay based on revenue estimate provided by Department of Education.	(4,088,231)
3. Reduce appropriations for Instructional Materials by taking Categorical Flexibility as authorized by the Department of Education.	(3,000,000)
4. Reduce appropriations for various technical corrections.	(3,478,785)
5. Reduce appropriations from Tax Roll Yield Reserve to balance. The Tax Roll Yield Reserve is revised from \$77,703,498 to \$28,627,184 to offset the Beginning Fund Balance reduction shown above.	(49,076,314)
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Total Appropriations Decrease	<u>\$ (59,482,171)</u>

CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET4
RECOMMENDED FOR FINAL ADOPTION

DEBT SERVICE FUNDS

REVENUES AND OTHER SOURCES	Increase (Decrease)
Increase Beginning Fund Balance to reflect actual results for Fiscal Year 2013-14.	\$ 2,938,754
Total Revenues and Other Sources Increase	<u>\$ 2,938,754</u>
APPROPRIATIONS	
Increase projected ending fund balance.	\$ 2,938,754
Total Appropriations Increase	<u>\$ 2,938,754</u>

**CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

CAPITAL OUTLAY FUNDS

REVENUES AND OTHER SOURCES	Increase (Decrease)
1. Decrease Beginning Fund Balance to reflect actual results for FY 2013-14.	\$ (4,747,981)
2. Decrease State CO & DS revenue to reflect revised FLDOE estimates.	(95,783)
3. Decrease State PECO Charter School Capital Outlay revenue to reflect revised FLDOE estimates.	(4,088,231)
4. Decrease State PECO Maintenance revenue to reflect revised FLDOE estimates.	(12,658)
5. Increase revenue to reflect receipts from Robert Morgan Education Center.	104,000
6. Recognize deferred revenue per the Interlocal Agreement with the Village of Key Biscayne.	7,000,000
7. Increase revenue to reflect receipts from the Ground Lease Agreement with the Downtown Doral Charter.	4,500,000
8. Decrease the interfund transfer to reflect the completed 2013-14 year end reimbursement from Northwest impact fees to the local optional millage fund for debt service payment shortfalls in prior years.	(1,083,493)
Total Revenues and Other Sources Increase	<u>\$ 1,575,854</u>

**CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
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CAPITAL OUTLAY FUNDS

APPROPRIATIONS	Increase (Decrease)
1. Decrease program rebudgets to reflect actual results.	\$ (546,804)
2. Increase appropriations for the Zoo Magnet project.	1,000,000
3. Increase appropriations for legal settlements for Holmes Elementary and HHH1.	1,100,000
4. Increase appropriations for Gulfstream Elementary project.	1,600,000
5. Increase appropriations for comprehensive needs.	750,000
6. Increase appropriations for MAST academy.	1,050,000
7. Increase appropriations for a computer lab project at Robert Morgan Educational Center.	104,000
8. Recognize appropriations from NW impact fee balances for a new K-8 at NW 90 th Street and NW 114 Avenue.	2,421,375
9. Decrease appropriations for the transfer to general fund in the amount of decreased state funding for charter school capital outlay.	(4,088,231)
10. Decrease the interfund transfer to reflect the completed 2013-14 reimbursement from Northwest impact fees to the local optional millage fund for debt service payment shortfalls in prior years.	(1,083,493)
11. Decrease reserves to balance.	(730,993)
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Total Appropriations Increase	<u>\$ 1,575,854</u>

**CHANGES FROM THE FY2014-15 TENTATIVE ADOPTED BUDGET
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SPECIAL REVENUE - FOOD SERVICE FUND

REVENUES	Increase (Decrease)
1. Increase/(decrease) revenues as follows:	\$ 585,512
National School Lunch Act \$ 461,245	
Food Sales <u>124,267</u>	
Total \$ 585,512	
2. Increase Fund Balance to reflect actual results.	<u>5,982,039</u>
Total Revenues Increase	<u>\$ 6,567,551</u>

APPROPRIATIONS

1. Increase /(decrease) appropriations as follows:	\$ 259,088
Salaries \$ 269,431	
Employee Benefits 49,657	
Purchased Services <u>(60,000)</u>	
Total \$ 259,088	
2. Increase Ending Fund Balance to balance.	<u>6,308,463</u>
Total Appropriations and Fund Balance Increase	<u>\$ 6,567,551</u>

**CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

**SPECIAL REVENUE - OTHER FEDERAL PROGRAMS
(CONTRACTED PROGRAM FUND)**

REVENUES	Increase (Decrease)
Increase (decrease) revenues as follows:	
Federal Direct	\$ (2,111,258)
Federal Thru State	(13,967,507)
Federal Thru Local	(132,149)
Local Sources	<u>47,585</u>
Total Revenues Decrease	<u>\$(16,163,329)</u>

APPROPRIATIONS

Increase (decrease) appropriations as follows:	
Head Start	\$ 1,255,137
Early Head Start	148,791
Adult Education and Family Literacy (AEFL)	5,114,113
21 st Century Community Learning Centers	474,634
Title II – Part A	3,943,158
Young Person’s Guide to the Orchestra – NEA Art Works	20,000
Broad Residency	1,105
Charter School	402,750
Citizenship Education and Training	29,000
Bosch Community Fund – FNEI	10,000
College Tour Institute - FNEI	13,996
Title I – Migrant C	<u>167,756</u>
Sub-Total	<u>\$ 11,580,440</u>
Estimated Carry Forward FY 2013-14	<u>\$(27,743,769)</u>
Total Appropriations Decrease	<u>\$(16,163,329)</u>

**CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION**

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

REVENUES	Increase (Decrease)
Decrease Federal Thru State revenues.	\$ <u>(14,300)</u>
Total Revenues Decrease	\$ <u>(14,300)</u>
APPROPRIATIONS	
Decrease Carry Forward in Other ARRA Stimulus Fund.	\$ <u>(14,300)</u>
Total Appropriations Decrease	\$ <u>(14,300)</u>

Note: The Special Revenue – American Recovery and Reinvestment Act (ARRA), Other ARRA Stimulus Fund, 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 2014-15 TENTATIVE ADOPTED BUDGET
RECOMMENDED FOR FINAL ADOPTION

SPECIAL REVENUE – ARRA RACE TO THE TOP
FINAL BUDGET REVIEW

REVENUES	Increase (Decrease)
Decrease Federal Thru State revenues.	<u>\$ (8,499,701)</u>
Total Revenues Decrease	<u>\$ (8,499,701)</u>
APPROPRIATIONS	
Decrease Carry forward in Race To The Top ARRA program.	<u>\$ (8,499,701)</u>
Total Appropriations Decrease	<u>\$ (8,499,701)</u>

CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
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MISCELLANEOUS SPECIAL REVENUE FUND – SPECIAL EVENTS

REVENUES	Increase (Decrease)
Increase Beginning Fund Balance to reflect FY 2013-14 final results.	\$ 2,416
Total Revenues Increase	<u>\$ 2,416</u>

APPROPRIATIONS

Increase Ending Fund Balance to balance.	\$ 2,416
Total Appropriations Increase	<u>\$ 2,416</u>

CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
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MISCELLANEOUS SPECIAL REVENUE - SCHOOL BOARD LAW ENFORCEMENT

REVENUES	Increase (Decrease)
Increase Beginning Fund Balance to reflect FY 2013-14 final results.	\$ <u>13,578</u>
Total Revenues Increase	\$ <u>13,578</u>
APPROPRIATIONS	
Increase Ending Fund Balance to balance.	\$ <u>13,578</u>
Total Appropriations Increase	\$ <u>13,578</u>

CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
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FIDUCIARY FUND – PENSION TRUST FUND

ADDITIONS	Increase (Decrease)
Increase Beginning Net Position Balance to Reflect 2013-14 Final Results.	<u>\$ 3,109,708</u>
Total Additions Increase	<u>\$ 3,109,708</u>
DEDUCTIONS	
Increase Ending Net Position to Balance.	<u>\$ 3,109,708</u>
Total Deductions Increase	<u>\$ 3,109,708</u>

**CHANGES FROM THE FY 2014-15 TENTATIVE ADOPTED BUDGET
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SELF-INSURED HEALTHCARE - INTERNAL SERVICE FUND

REVENUES

1. Decrease Charges for Services.	\$ (3,224,745)
2. Increase Other Operating Revenues.	<u>48,000</u>
Total Decrease In Revenues	\$ (3,176,745)

BEGINNING NET POSITION

Increase Beginning Net Position to reflect FY 2013-14 final results.	<u>\$22,190,049</u>
Total Increase to Revenues & Beginning Net Position	<u>\$19,013,304</u>

EXPENSES

1. Decrease Other Expenses (Estimated Claims).	\$(5,847,604)
2. Increase ASO/Stop Loss Fees (Medical Administrative Fees).	<u>537,042</u>
Total Decrease In Expenses	\$ (5,310,562)

ENDING NET POSITION

Increase Ending Net Position to balance.	<u>\$24,323,866</u>
Total Increase In Expenses & Ending Net Position	<u>\$19,013,304</u>