

Financial Services  
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, FY 2015-16 GENERAL FUND MID-YEAR  
BUDGET REVIEW**

**COMMITTEE: FISCAL ACCOUNTABILITY**

**LINK TO STRATEGIC  
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

This resolution recommends budgetary adjustments for the General Fund including: 1) the impact of the Florida Education Finance Program (FEFP) Third Calculation; 2) the changes in market conditions that affect interest income; 3) new miscellaneous state/local grants; and 4) recognize first year settlement agreement with Miami-Dade County Property Appraiser's Office. Changes to specific revenue and appropriation items are described below.

Total revenues/other sources are being decreased by \$27.3 million of which \$41.0 million is a decrease in revenue for McKay Scholarships which has an offsetting appropriation. Other revenue changes include new miscellaneous state/local grants, an increase in interest based on the latest available information and the impact of higher FTE as compared to the forecast.

#### **Major Revenue Adjustments In FEFP**

Revenue adjustments include the following items reflected in the Third Calculation of the FEFP, received from the Department of Education in December 2015:

- Increase of 2,331.46 **weighted** full-time equivalent (FTE) students reported (\$9.8 million).
- Eliminate revenue for McKay Scholarships (\$41.0 million) (offset by an appropriation decrease).
- Increase revenue for a Prior Year Adjustment by \$.8 million in FEFP earned vs paid.
- Eliminate the negative proration \$.7 million due to an increase in statewide FTE.
- Decrease revenue in other FEFP programs, primarily instructional materials and transportation, by \$3.5 million.
- Increase revenue for Categorical Programs by \$2.7 million due primarily to an increase in Class Size Reduction Program.

**Major Appropriation Changes**

Major appropriation changes are summarized based upon projections. **Salaries** are decreased primarily due to: 1) the movement of funds from salary to non-salary as a result of school based decisions; 2) decreased cost of ESOL teachers due to drop in FTE; and 3) the reclassification of Advanced Placement program from salaries to non-salary. **Employee benefits** are higher primarily due to an increase in health insurance cost with a partial offset in FICA/retirement costs due to lower salaries.

Major changes to **non-salary** accounts are: 1) an increase in energy services; 2) a decrease in charter school payments; 3) the elimination of McKay Scholarships (\$40.7 million) which is offset by a revenue reduction; 4) transfer of budget from salaries to non-salary; and 5) new grants offset by revenue increases.

This resolution increases the Tax Collection Reserve \$7.8 million in order to reserve for the projected tax shortfall. **Contingency Reserve** remains at \$82 million. The assigned/unassigned fund balance must be 3% of revenue as required by Florida Statute. In this resolution assigned/unassigned fund balance is 4.28% of revenue. It will be necessary to continue the strict hiring freeze on open positions and continue to curtail expenditures for the balance of the year due to any potential revenue loss from tax collections.

This resolution reduces both revenues and appropriations by \$27.29 million.

The following details the necessary revenue and appropriation adjustments for your consideration:

**REVENUE CHANGES**

**INCREASE  
(DECREASE)**

1. Decrease **State revenues** due to the following: \$ (28,547,219)

a. Decrease Florida Education Finance Program (FEFP) as follows:

Increase of 2,331.46 <b>weighted</b> FTE	\$ 9,846,721
Safe Schools	15,130
Reading Allocation	108,641
Prior Year Adjustment	772,274
Prior Year Scholarship Adjustment	15,554
McKay Scholarship Adjustment	(40,991,120)
DJJ Supplemental Allocation	106,022
Instructional Materials	399,078
Transportation	(3,935,783)
Proration to Funds Available	736,145
Virtual Education Contribution	(639)
Digital Classrooms Allocation	31,966
Total	<u>\$(32,896,011)</u>

**REVENUE CHANGES (Continued)**

**INCREASE  
(DECREASE)**

- b. Increase Discretionary Lottery funds \$8,901 based on latest information.
  - c. Increase Class Size Reduction by \$2,407,070 due to the increase in the district's FTE.
  - d. Increase Miscellaneous State revenue by \$1,932,821 (programs identified on page 9 entitled Miscellaneous State Sources).
2. Increase **Local Revenues** due to the following: \$ 1,254,185
- a. Increase interest by \$112,000 based on the latest projection.
  - b. Increase Food Service Indirect Costs by \$142,185 based on the latest projection.
  - c. Recognize \$1.0 million in revenue for the first year settlement agreement (four year agreement) with Miami-Dade County Property Appraiser's Office as authorized by the Board on January 13, 2016 (Agenda Item G-5).
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- TOTAL REVENUES AND OTHER SOURCES DECREASE \$ (27,293,034)**

**APPROPRIATION CHANGES**

1. **Salaries** are projected to decrease from the adopted budget due \$ (29,762,815) primarily to the following:
- a. Increase salaries by \$366,293 in miscellaneous state/local grants offset by an increase in revenue.
  - b. Increased in salaries by \$5,293,451 due to increase of approximately 2,700 FTE from original estimate for traditional schools.
  - c. Reclassification of the Advanced Placement budget from the salary account to non-salary (\$9,447,778).
  - d. Decrease in projected costs for ESOL related teachers by \$7,857,050 due to a drop of 2,469 in ESOL FTE from original estimate. This decrease is due to the capping of ESOL reporting to six semesters.
  - e. Increase lapse by (\$3,582,255) due to increase in open positions generated as a result of the increase in FTE.

**APPROPRIATION CHANGES (Continued)**

**INCREASE  
(DECREASE)**

f. Shift of salaries to non-salary by (\$10,684,325) due primarily to school based decisions.	
g. Decrease salaries by (\$3,851,151) based on latest projections.	
2. <b>Employee benefits</b> are increased due to the following:	\$ 9,715,920
a. Decrease in FICA/Retirement/Workers Compensation by (\$8,497,087) based on salary adjustments shown above.	
b. Increased health benefit expenditures from the adopted budget level by \$18,213,007. This increase reflects the increase in projected Board contribution per the latest actuarial report.	
3. Increase <b>Energy Services</b> mostly due to the reclass of the utilities rebate.	362,311
4. Decrease appropriations for <b>Charter Schools</b> mainly due to a decrease of 471.89 in weighted FTE as of the third calculation.	(1,558,242)
5. Other <b>non-salary</b> accounts will decrease due primarily to the following:	(13,895,839)
a. Increase in miscellaneous state/local programs by \$2,126,815 which is offset by an increase in revenue.	
b. Eliminate appropriation for McKay Scholarships (\$40,687,704). The original FTE estimate included approximately 4,741 FTE McKay Scholarships resulting in appropriations established at \$40.7 million. The Department of Education pays parents directly for student tuition in lieu of payment to the district. However, by law, both the revenue and appropriations must be reported in the District's adopted budget.	
c. Increase non-salary accounts for distribution of Advanced Placement funds (reclassified from salary/fringe benefit accounts) in the amount of \$11,990,235.	
d. Increase non-salary by \$12,674,815 based on latest projections due primarily to school based decisions.	
<b>TOTAL APPROPRIATION CHANGES</b>	<b><u>\$ (35,138,665)</u></b>

**TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE**

**INCREASE  
(DECREASE)**

1. Increase the Assigned Fund Balance (Tax Collection Shortfall Reserve) in order to cover projected tax shortfall of \$40-45 million if Value Adjustment Board completes 2 years' worth of tax value reviews. \$ 7,845,631

**TOTAL INCREASE IN TRANSFERS & UNASSIGNED/  
ASSIGNED FUND BALANCE**

**\$ 7,845,631**

**TOTAL DECREASE IN APPROPRIATIONS, TRANSFERS  
& UNASSIGNED/ASSIGNED FUND BALANCE**

**\$ (27,293,034)**

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

1. adopt Resolution No. 1, FY 2015-16 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$27,293,034); 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 2015-16 GENERAL FUND  
 SUMMARY OF REVENUES AND APPROPRIATIONS  
 RESOLUTION NO. 1**

	<u>ADOPTED BUDGET 9/9/2015</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/3/2016</u>
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
Federal	\$ 18,743,686	\$ -	\$ 18,743,686
State	1,188,598,106	(28,547,219)	1,160,050,887
Local	1,528,577,833	1,254,185	1,529,832,018
<b>TOTAL REVENUES</b>	<u>\$ 2,735,919,625</u>	<u>\$ (27,293,034)</u>	<u>\$ 2,708,626,591</u>
TRANSFERS FROM CAPITAL OUTLAY	\$ 154,800,469	\$ -	\$ 154,800,469
BEGINNING FUND BALANCE	124,553,825	-	124,553,825
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<u>\$ 3,015,273,919</u>	<u>\$ (27,293,034)</u>	<u>\$ 2,987,980,885</u>
 <b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 1,595,454,067	\$ (29,762,815)	\$ 1,565,691,252
Employee Benefits	534,698,172	9,715,920	544,414,092
Liability Insurance	4,897,121	-	4,897,121
Energy Services	64,299,054	362,311	64,661,365
Charter Schools	401,640,623	(1,558,242)	400,082,381
Purchased Services	191,092,088	(30,736,887)	160,355,201
Other Non-Salary	99,974,626	16,841,048	116,815,674
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 2,892,055,751</u>	<u>\$ (35,138,665)</u>	<u>\$ 2,856,917,086</u>
TRANSFERS TO OTHER FUNDS	\$ 15,180,258	\$ -	\$ 15,180,258
<b>RESERVES &amp; ENDING FUND BALANCE</b>			
Assigned	\$ 25,979,332	\$ 7,845,631	\$ 33,824,963
Unassigned (Contingency)	82,058,578	-	82,058,578
<b>TOTAL RESERVES &amp; ENDING FUND BALANCE</b>	<u>\$ 108,037,910</u>	<u>\$ 7,845,631</u>	<u>\$ 115,883,541</u>
 <b>TOTAL APPROPRIATIONS, RESERVES &amp; &amp; ENDING FUND BALANCE</b>	<u>\$ 3,015,273,919</u>	<u>\$ (27,293,034)</u>	<u>\$ 2,987,980,885</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2015-16 GENERAL FUND  
 SUMMARY OF REVENUES AND OTHER SOURCES  
 RESOLUTION NO. 1**

	<b>ADOPTED BUDGET 9/9/2015</b>	<b>INCREASE (DECREASE)</b>	<b>AMENDED BUDGET 2/3/2016</b>
<b>FEDERAL SOURCES</b>			
Impact Aid	\$ 15,000	\$ -	\$ 15,000
R.O.T.C.	2,000,000	-	2,000,000
Medicaid Reimbursement	15,500,000	-	15,500,000
Federal Through State Community Schools	1,228,686	-	1,228,686
<b>Total Federal</b>	<b>\$ 18,743,686</b>	<b>\$ -</b>	<b>\$ 18,743,686</b>
<b>STATE SOURCES</b>			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 343,931,390	\$ 9,846,721	\$ 353,778,111
Safe Schools (B)	9,927,505	15,130	9,942,635
Supplemental Academic Instruction (B)	117,760,999	-	117,760,999
ESE Guarantee (B)	127,201,640	-	127,201,640
Reading Allocation	15,780,985	108,641	15,889,626
Prior Year Adjustment	-	772,274	772,274
Prior Year Adjustment for Scholarship Deductions	-	15,554	15,554
McKay Scholarship Adjustment	-	(40,991,120)	(40,991,120)
DJJ Supplemental Allocation (A)	486,669	106,022	592,691
Instructional Materials	27,569,154	399,078	27,968,232
Transportation (B)	24,400,152	(3,935,783)	20,464,369
Teachers Classroom Supplies Allocation (A)	5,814,357	-	5,814,357
Federally Connected Student Supplement	50,015	-	50,015
Proration to Funds Available	(736,145)	736,145	-
Virtual Education Contribution	8,875	(639)	8,236
Digital Classrooms Allocation	5,610,274	31,966	5,642,240
<b>Sub-Total FEFP</b>	<b>\$ 677,805,870</b>	<b>\$ (32,896,011)</b>	<b>\$ 644,909,859</b>
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 79,272,335	-	\$ 79,272,335
Performance Based Incentives	611,250	-	611,250
Voluntary Pre-K (B)	14,493,597	-	14,493,597
Full Service Schools (A)	768,000	-	768,000
Discretionary Lottery Funds	1,283,522	8,901	1,292,423
School Recognition/Merit (A)	17,618,801	-	17,618,801
Class Size Reduction	396,179,275	2,407,070	398,586,345
Miscellaneous State (see A-3)	565,456	1,932,821	2,498,277
<b>Sub-Total Other State</b>	<b>\$ 510,792,236</b>	<b>\$ 4,348,792</b>	<b>\$ 515,141,028</b>
<b>Total State</b>	<b>\$ 1,188,598,106</b>	<b>\$ (28,547,219)</b>	<b>\$ 1,160,050,887</b>

- (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 3rd calculation.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2015-16 GENERAL FUND  
 SUMMARY OF REVENUES AND OTHER SOURCES  
 RESOLUTION NO. 1**

	<u>ADOPTED BUDGET 9/9/2015</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/3/2016</u>
<b>LOCAL SOURCES</b>			
FEFP Required Local Effort	\$ 1,299,732,782	\$ -	\$ 1,299,732,782
Local Discretionary Millage	172,878,300	-	172,878,300
<b>Sub - Total Local</b>	<b><u>\$ 1,472,611,082</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,472,611,082</u></b>
<b>MISCELLANEOUS LOCAL:</b>			
Rent	\$ 7,035,504	\$ -	\$ 7,035,504
Interest	1,093,000	112,000	1,205,000
Vocational Fees	561,502	-	561,502
Post Secondary Fees	4,118,498	-	4,118,498
Financial Aid Fees	468,000	-	468,000
Community Schools - Internal (A)	20,727,332	-	20,727,332
Driver Education	2,000,000	-	2,000,000
Fed. Indirect Cost Reimbursement	6,052,011	-	6,052,011
Universal Services (E-Rate)	6,000,000	-	6,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,497,784	142,185	2,639,969
Other Miscellaneous Local (see A-4)	2,413,120	1,000,000	3,413,120
<b>Sub-Total Miscellaneous Local</b>	<b><u>\$ 55,966,751</u></b>	<b><u>\$ 1,254,185</u></b>	<b><u>\$ 57,220,936</u></b>
<b>Total Local</b>	<b><u>\$ 1,528,577,833</u></b>	<b><u>\$ 1,254,185</u></b>	<b><u>\$ 1,529,832,018</u></b>
<b>TOTAL REVENUES</b>	<b><u>\$ 2,735,919,625</u></b>	<b><u>\$ (27,293,034)</u></b>	<b><u>\$ 2,708,626,591</u></b>
<b>OTHER FINANCING SOURCES</b>			
Transfers From Capital Outlay	\$ 154,800,469	\$ -	\$ 154,800,469
<b>FUND BALANCE FROM PRIOR YEAR</b>	<u>124,553,825</u>	<u>-</u>	<u>124,553,825</u>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b><u>\$ 3,015,273,919</u></b>	<b><u>\$ (27,293,034)</u></b>	<b><u>\$ 2,987,980,885</u></b>

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



**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2015-16 GENERAL FUND  
 SUMMARY OF REVENUES AND OTHER SOURCES  
 RESOLUTION NO. 1**

	<b>ADOPTED BUDGET 9/9/2015</b>	<b>INCREASE (DECREASE)</b>	<b>AMENDED BUDGET 2/3/2016</b>
<b>MISCELLANEOUS STATE SOURCES</b>			
CO & DS Withheld for Adm.	\$ 227,430	\$ -	\$ 227,430
State License Tax	200,268	-	200,268
Health Service (A)	72,960	-	72,960
SFW Individual Training Account (A)	64,798	-	64,798
FDLRS - Gen Revenue (A)	-	51,586	51,586
SEDNET IDEA State General (A)	-	16,279	16,279
HIPPY	-	135,000	135,000
District Instructional Leadership & Faculty Development	-	865,509	865,509
WLRN - TV FL Community Svc. (A)	-	307,447	307,447
WLRN - FM Radio Community Svc. (A)	-	100,000	100,000
Learning for Life (A)	-	457,000	457,000
<b>TOTAL MISCELLANEOUS STATE</b>	<b>\$ 565,456</b>	<b>\$ 1,932,821</b>	<b>\$ 2,498,277</b>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2015-16 GENERAL FUND  
 SUMMARY OF REVENUES AND OTHER SOURCES  
 RESOLUTION NO. 1**

	<u>ADOPTED BUDGET 9/9/2015</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/3/2016</u>
<b>OTHER MISCELLANEOUS LOCAL SOURCES</b>			
Fee Supported Pre-K (B)	\$ 2,175,120	\$ -	\$ 2,175,120
Miami-Dade County VAB Adjustment	-	1,000,000	1,000,000
Fingerprinting (A)	238,000	-	238,000
<b>TOTAL OTHER MISC LOCAL</b>	<u><b>\$ 2,413,120</b></u>	<u><b>\$ 1,000,000</b></u>	<u><b>\$ 3,413,120</b></u>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**2015-16 GENERAL FUND BUDGET**  
**SUMMARY OF APPROPRIATIONS BY FUNCTION**  
**RESOLUTION NO. 1**  
**FEBRUARY 3, 2016**

FUNCTION	TOTAL BUDGET	SALARIES (51XX)	EMPLOYEE BENEFITS (52XX)	PURCHASED SERVICES (53XX)	ENERGY SERVICES (54XX)	MATERIALS AND SUPPLIES (55XX)	CAPITAL OUTLAY (56XX)	OTHER EXPENSES (57XX)
<b>INSTRUCTIONAL SERVICES</b>	<b>\$ 1,943,250,215</b>	<b>\$ 1,059,365,256</b>	<b>\$ 362,843,553</b>	<b>\$ 435,992,910</b>	<b>\$ 1,860</b>	<b>\$ 77,279,242</b>	<b>\$ 5,084,580</b>	<b>\$ 2,682,814</b>
<b>SUPPORT SERVICES:</b>								
5000 Pupil Personnel Services	106,315,985	72,082,447	24,421,991	9,184,325	-	627,222	-	-
6100 Instructional Media Services	17,283,480	12,419,346	3,883,206	888,280	-	57,598	35,050	-
6200 Instruction & Curriculum Development	24,746,850	15,403,531	4,126,615	1,298,593	-	148,762	353,236	3,416,113
6300 Instructional Staff Training	2,952,080	1,046,451	868,388	1,034,308	-	12,933	-	-
6400 Instructional Support	32,050,007	23,862,985	7,219,203	673,842	57,126	236,851	126,146	1,201,811
7100 Board of Education	8,833,231	5,062,373	1,529,787	783,324	1,656	128,134	392	-
7200 General Administration	5,356,473	4,001,198	1,198,629	85,575	18,333	52,346	712,265	798,819
7300 School Administration	160,196,555	120,845,822	35,781,267	642,280	9,492	1,406,610	2,486,748	-
7410 Facilities Acquisition & Construction	2,867,460	152,783	27,355	184,660	15,914	-	146,603	1,026,586
7500 Fiscal Services	11,574,023	7,633,436	2,259,747	489,292	-	18,159	476,109	139,830
7700 Central Services	63,570,970	30,582,346	13,828,114	18,283,590	72,101	188,880	781,209	-
7800 Transportation Services	77,939,018	37,241,927	18,547,782	10,567,944	6,310,533	4,489,623	157,935	-
7900 Operation of Plant	263,515,575	102,720,006	46,574,640	56,260,284	57,082,910	719,800	276,169	-
8100 Maintenance of Plant	106,372,904	51,392,390	16,497,714	26,961,598	1,091,440	10,153,593	193,752	80,918
8200 General Support	2,878,357	738,191	202,484	1,921,521	-	16,161	-	-
9100 Community Services	26,698,903	21,140,764	4,613,617	82,377	-	587,475	-	515,000
9200 Debt Services	515,000	-	-	-	-	-	-	-
<b>Total Instruction &amp; Support Services</b>	<b>\$ 2,856,917,086</b>	<b>\$ 1,565,691,252</b>	<b>\$ 544,414,092</b>	<b>\$ 565,334,703</b>	<b>\$ 64,661,365</b>	<b>\$ 96,123,389</b>	<b>\$ 10,830,394</b>	<b>\$ 9,861,891</b>
<b>Transfers to Other Funds</b>								
9792 Debt Service	\$ 15,180,258	-	-	-	-	-	-	-
9793 Capital Outlay	-	-	-	-	-	-	-	-
9794 Special Revenue	-	-	-	-	-	-	-	-
9798 Internal Service	-	-	-	-	-	-	-	-
9799 Trust & Agency	-	-	-	-	-	-	-	-
<b>Total Appropriations &amp; Transfers</b>	<b>2,872,097,344</b>							
<b>Fund Balance:</b>								
Non-Spendable:								
Reserve for Pre-Paid Expenses	\$ -							
Reserve for Inventory	-							
Restricted:								
Reserve for State Categoricals	-							
Assigned:								
Tax Reserve	33,824,963							
Other Rebudgets	-							
Commitments	-							
Unassigned:								
Total Fund Balance	82,058,578							
<b>Total Appropriations, Transfers and Fund Balance</b>	<b>115,883,541</b>							
	<b>\$ 2,987,980,885</b>							