

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

SUBJECT: RESOLUTION NO. 2, FY 2015-16 GENERAL FUND SPRING 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) Fourth Calculation; 2) recognizing adjustments subsequent to Resolution No. 1 to Miscellaneous State Grants; 3) increasing interest revenue; 4) decreasing E-Rate revenues; and 5) other minor local revenue adjustments per latest projection.

Major Revenue Adjustments in FEFP/Categorical Programs/State Grants

Revenue adjustments include the following items reflected in the Fourth Calculation of the FEFP, received from the Department of Education on April 21, 2016, as well as other state grants:

- Decrease of 1556.39 **weighted** full-time equivalent (FTE) students reported resulting in a \$6.6 million decrease.
- Decrease in School Recognition allocation of \$2.2 million.
- Proration to funds available resulting in a decrease in State funding of \$4.4 million. Statewide weighted FTE students increased by 8,946 from the prior calculation resulting in proration of funding for all districts.
- Decrease revenues in other FEFP programs by \$.8 million.
- Reduce Discretionary Lottery funding by \$1.3 million due to higher funds to School Recognition Statewide program.
- Prior year adjustment decreasing FEFP revenue by \$1.5 million.
- Increase Miscellaneous State grants \$4.3 million.

Major Appropriation Changes

Major appropriation changes are summarized based upon projections. **Salaries** are decreased primarily due to: 1) decrease in projected positions which were set up per the increase in FTE forecasted by the Department of Education (DOE) as of the third calculation which did not materialize and has been adjusted for as of the fourth calculation; 2) decrease in the School Recognition allocation; and 3) increase due to miscellaneous state/local grants received. **Employee benefits** are lower primarily due to the decrease in projected salaries partially offset by an increase in health insurance.

Major changes to **non-salary** accounts are: 1) a decrease in telecommunication costs; 2) a decrease in charter school payments; and 3) new grants/categorical programs offset by revenue increases.

This resolution decreases the Tax Collection Reserve \$1.2 million in order to cover the decrease in state revenue per the fourth calculation. **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 4.25% 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 \$12.46 million.

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

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease State revenues due to the following:	\$ (12,496,252)
a. Decrease Florida Education Finance Program as follows:	
Decrease of 1556.39 weighted FTE \$	(6,573,280)
Safe Schools	(14,585)
Reading Allocation	(110,334)
McKay Scholarship Adjustment	(29,188)
DJJ Supplemental Allocation	(10,209)
Instructional Materials	(602,357)
Transportation	(43,314)
Proration to Funds Available	(4,397,619)
Prior Year Adjustment	(1,498,050)
Virtual Education Contribution	2,968
Digital Classroom Allocation	(30,814)
	<u>\$ (13,306,782)</u>
b. Decrease Discretionary Lottery program by \$1,292,423. This program was reduced due to a statewide increase in the School Recognition program.	
c. Decrease School Recognition program by \$2,237,634 (requires an offsetting decrease in appropriations).	
d. Increase Miscellaneous State revenue by \$4,285,339. See page 9 of 11 for detail.	

REVENUE CHANGES (Continued)

**INCREASE
(DECREASE)**

- e. Increase due to Class Size Reduction adjustment of \$55,248.
- 2. Increase **Local revenues** for interest income by \$595,000 and Food Service Indirect Costs by \$38,601 partially offset by a decrease in E-Rate related revenue of \$600,000. 33,601

REVENUE & OTHER FINANCING SOURCES DECREASE \$ (12,462,651)

APPROPRIATION CHANGES

- 1. **Salaries** are projected to decrease from the amended budget due primarily to the following: \$ (5,091,023)
 - a. Increase salaries by \$2,183,542 in miscellaneous state/local grants offset by an increase in revenue.
 - b. Decrease in salaries by \$2,022,629 due to decrease of School Recognition allocation per fourth calculation.
 - c. Decrease of Reading allocation by \$93,007 per fourth calculation.
 - d. Decrease salaries by \$5,158,929 based on latest projections. This decrease is primarily due to the positions established based on the FTE forecasted by the DOE in the third calculation of the FEFP which did not materialize as of the fourth calculation.
- 2. **Employee benefits** are decreased due to the following: (483,785)
 - a. Decrease in FICA/Retirement/Workers Compensation by \$2,172,839 based on salary adjustments shown above.
 - b. Increased health benefit expenditures from the amended budget level by \$1,689,054. This increase reflects the increase in projected Board contribution per the latest actuarial report.
- 3. Increase **Energy Services** mostly due to projected increase in electrical costs. 252,077
- 4. Decrease appropriations for **Charter Schools** mainly due to a decrease of 340.93 in weighted FTE as of the fourth calculation. (2,848,527)

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

5. Other **non-salary** accounts will decrease due primarily to the following: (3,055,903)

a. Increase in miscellaneous state/local programs by \$1,518,808 which is offset by an increase in revenue.

b. Decrease projected utilities cost mainly related to telecommunications due to a change in the billing of e-rate related expenditures \$5,608,360.

c. Increase/decrease non-salary appropriations related to revisions in FEFP/Categorical revenue:

Instructional Materials	\$ (602,357)
Digital Classroom	(30,814)
DJJ Supplemental Allocation	(10,209)
Class Size Reduction	46,555

TOTAL \$ (596,825)

d. Increase non-salary by \$1,630,474 based on latest projections due primarily to school based decisions.

TOTAL APPROPRIATION CHANGES \$ **(11,227,161)**

TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE

**INCREASE
(DECREASE)**

1. Decrease the Assigned Fund Balance (Tax Collection Shortfall Reserve) in order to cover decreased State revenues as of fourth calculation. \$ (1,235,490)

**TOTAL DECREASE IN TRANSFERS & UNASSIGNED/
ASSIGNED FUND BALANCE** \$ **(1,235,490)**

**TOTAL DECREASE IN APPROPRIATIONS, TRANSFERS
& UNASSIGNED/ASSIGNED FUND BALANCE** \$ **(12,462,651)**

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

1. adopt Resolution No. 2, FY 2015-16 General Fund Spring Budget Review, decreasing revenues, appropriations and reserves by \$12,462,651; 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. 2**

	<u>AMENDED BUDGET 2/3/2016</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/11/2016</u>
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 18,743,686	\$ -	\$ 18,743,686
State	1,160,050,887	(12,496,252)	1,147,554,635
Local	1,529,832,018	33,601	1,529,865,619
TOTAL REVENUES	<u>\$ 2,708,626,591</u>	<u>\$ (12,462,651)</u>	<u>\$ 2,696,163,940</u>
TRANSFERS FROM CAPITAL OUTLAY	\$ 154,800,469	\$ -	\$ 154,800,469
BEGINNING FUND BALANCE	<u>124,553,825</u>	<u>-</u>	<u>124,553,825</u>
TOTAL REVENUES & BEGINNING BALANCES	<u>\$ 2,987,980,885</u>	<u>\$ (12,462,651)</u>	<u>\$ 2,975,518,234</u>
 APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,565,691,252	\$ (5,091,023)	\$ 1,560,600,229
Employee Benefits	544,414,092	(483,785)	543,930,307
Liability Insurance	4,897,121	-	4,897,121
Energy Services	64,661,365	252,077	64,913,442
Charter Schools	400,082,381	(2,848,527)	397,233,854
Purchased Services	160,355,201	(2,329,306)	158,025,895
Other Non-Salary	116,815,674	(726,597)	116,089,077
TOTAL APPROPRIATIONS	<u>\$ 2,856,917,086</u>	<u>\$ (11,227,161)</u>	<u>\$ 2,845,689,925</u>
TRANSFERS TO OTHER FUNDS	\$ 15,180,258	\$ -	\$ 15,180,258
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 33,824,963	\$ (1,235,490)	\$ 32,589,473
Unassigned (Contingency)	82,058,578	-	82,058,578
TOTAL RESERVES & ENDING FUND BALANCE	<u>\$ 115,883,541</u>	<u>\$ (1,235,490)</u>	<u>\$ 114,648,051</u>
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	<u>\$ 2,987,980,885</u>	<u>\$ (12,462,651)</u>	<u>\$ 2,975,518,234</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2015-16 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 2**

	AMENDED BUDGET 2/3/2016	INCREASE (DECREASE)	AMENDED BUDGET 5/11/2016
FEDERAL SOURCES			
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
Total Federal	\$ 18,743,686	\$ -	\$ 18,743,686
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 353,778,111	\$ (6,573,280)	\$ 347,204,831
Safe Schools (B)	9,942,635	(14,585)	9,928,050
Supplemental Academic Instruction (B)	117,760,999	-	117,760,999
ESE Guarantee (B)	127,201,640	-	127,201,640
Reading Allocation	15,889,626	(110,334)	15,779,292
Prior Year Adjustment	772,274	(1,498,050)	(725,776)
Prior Year Adjustment for Scholarship Deductions	15,554	-	15,554
McKay Scholarship Adjustment	(40,991,120)	(29,188)	(41,020,308)
DJJ Supplemental Allocation (A)	592,691	(10,209)	582,482
Instructional Materials	27,968,232	(602,357)	27,365,875
Transportation (B)	20,464,369	(43,314)	20,421,055
Teachers Classroom Supplies Allocation (A)	5,814,357	-	5,814,357
Federally Connected Student Supplement	50,015	-	50,015
Proration to Funds Available	-	(4,397,619)	(4,397,619)
Virtual Education Contribution	8,236	2,968	11,204
Digital Classrooms Allocation	5,642,240	(30,814)	5,611,426
Sub-Total FEFP	\$ 644,909,859	\$ (13,306,782)	\$ 631,603,077
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	1,292,423	(1,292,423)	-
School Recognition/Merit (A)	17,618,801	(2,237,634)	15,381,167
Class Size Reduction	398,586,345	-	398,586,345
Class Size Reduction-Adjustment	-	55,248	55,248
Miscellaneous State (see page 9)	2,498,277	4,285,339	6,783,616
Sub-Total Other State	\$ 515,141,028	\$ 810,530	\$ 515,951,558
Total State	\$ 1,160,050,887	\$ (12,496,252)	\$ 1,147,554,635

- (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 2015-16 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/3/2016</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/11/2016</u>
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,299,732,782	\$ -	\$ 1,299,732,782
Local Discretionary Millage	172,878,300	-	172,878,300
Sub - Total Local	<u>\$ 1,472,611,082</u>	<u>\$ -</u>	<u>\$ 1,472,611,082</u>
MISCELLANEOUS LOCAL:			
Rent	\$ 7,035,504	\$ -	\$ 7,035,504
Interest	1,205,000	595,000	1,800,000
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	(600,000)	5,400,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,639,969	38,601	2,678,570
Other Miscellaneous Local (see page 10)	3,413,120	-	3,413,120
Sub-Total Miscellaneous Local	<u>\$ 57,220,936</u>	<u>\$ 33,601</u>	<u>\$ 57,254,537</u>
Total Local	<u>\$ 1,529,832,018</u>	<u>\$ 33,601</u>	<u>\$ 1,529,865,619</u>
TOTAL REVENUES	<u>\$ 2,708,626,591</u>	<u>\$ (12,462,651)</u>	<u>\$ 2,696,163,940</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 154,800,469	\$ -	\$ 154,800,469
FUND BALANCE FROM PRIOR YEAR	<u>124,553,825</u>	<u>-</u>	<u>124,553,825</u>
TOTAL REVENUES & OTHER SOURCES	<u>\$ 2,987,980,885</u>	<u>\$ (12,462,651)</u>	<u>\$ 2,975,518,234</u>

(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. 2**

	AMENDED BUDGET 2/3/2016	INCREASE (DECREASE)	AMENDED BUDGET 5/11/2016
MISCELLANEOUS STATE SOURCES			
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 (A)	135,000	-	135,000
District Instructional Leadership & Faculty Development	865,509	-	865,509
Standard Student Attire Incentive Fund (A)	-	2,179,990	2,179,990
Florida Best and Brightest Teacher Scholarship (A)	-	2,105,349	2,105,349
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
TOTAL MISCELLANEOUS STATE	\$ 2,498,277	\$ 4,285,339	\$ 6,783,616

(A) Revenue for which appropriations equal revenue.

MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2015-16 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 2

	AMENDED BUDGET 2/3/2016	INCREASE (DECREASE)	AMENDED BUDGET 5/11/2016
OTHER MISCELLANEOUS LOCAL SOURCES			
Fee Supported Pre-K	\$ 2,175,120	\$ -	\$ 2,175,120
Miami-Dade County VAB Adjustment	1,000,000	-	1,000,000
Fingerprinting (A)	238,000	-	238,000
TOTAL OTHER MISC LOCAL	\$ 3,413,120	\$ -	\$ 3,413,120

(A) Revenue for which appropriations equal revenue.

MIAMI-DADE COUNTY PUBLIC SCHOOLS
2015-16 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION NO. 2
MAY 11, 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)
INSTRUCTIONAL SERVICES	\$ 1,926,684,131	\$ 1,047,399,028	\$ 357,670,598	\$ 496,985,986	\$ 5,214	\$ 75,363,111	\$ 6,634,416	\$ 2,625,778
SUPPORT SERVICES:								
5000 Pupil Personnel Services	110,414,384	76,184,069	26,573,419	7,181,766	-	475,130	-	-
6100 Instructional Media Services	18,529,058	13,377,741	4,222,368	651,603	-	129,488	147,858	-
6300 Instruction & Curriculum Development	27,320,023	15,048,478	4,296,150	2,521,331	-	159,600	283,580	5,028,884
6400 Instructional Staff Training	2,873,758	944,048	964,839	885,648	-	51,460	27,763	-
6500 Instructional Support	32,453,198	23,426,296	7,506,564	1,216,035	47,766	256,537	-	-
7100 Board of Education	8,684,925	4,928,741	1,584,389	1,162,975	1,493	143,920	95,811	707,596
7200 General Administration	5,493,478	3,976,477	1,262,144	118,363	17,900	47,835	8,739	-
7300 School Administration	164,165,714	122,972,937	37,848,922	680,430	14,424	1,544,581	624,055	470,365
7410 Facilities Acquisition & Construction	1,311,494	-	-	(672)	-	-	1,312,166	-
7500 Fiscal Services	10,802,662	7,763,314	2,356,249	487,635	-	21,841	191,623	-
7700 Central Services	57,084,455	29,546,561	8,925,076	17,991,733	60,761	100,575	364,321	105,428
7800 Transportation Services	78,061,016	37,580,789	19,326,058	10,081,988	5,943,046	4,605,650	543,485	-
7900 Operation of Plant	288,317,416	104,137,767	49,048,669	55,628,088	57,915,228	1,108,253	481,177	234
8100 Maintenance of Plant	100,713,789	49,753,790	17,056,975	22,372,061	907,610	10,123,456	474,367	26,530
8200 General Support	3,084,968	725,229	212,017	2,130,240	-	17,482	-	-
9100 Community Services	29,280,456	22,832,964	5,084,870	81,640	-	962,531	211,103	127,348
9200 Debt Services	515,000	-	-	-	-	-	-	515,000
Total Instruction & Support Services	\$2,845,689,925	\$1,560,600,229	\$543,930,307	\$560,156,870	\$64,913,442	\$65,111,450	\$11,370,464	\$9,607,163
Transfers to Other Funds								
9792 Debt Service	\$ 15,180,258	-	-	-	-	-	-	-
9793 Capital Outlay	-	-	-	-	-	-	-	-
9794 Special Revenue	-	-	-	-	-	-	-	-
9798 Internal Service	-	-	-	-	-	-	-	-
9799 Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,860,870,183							
Fund Balance:								
Non-Spendable:								
Reserve for Pre-Paid Expenses	\$ -							
Reserve for Inventory	-							
Restricted:								
Reserve for State Categoricals	-							
Assigned:								
Tax Reserve	32,589,473							
Other Rebudgets	-							
Commitments	-							
Unassigned:								
Total Fund Balance	82,056,578							
Total Appropriations, Transfers and Fund Balance	114,648,051							
	\$2,975,518,234							