

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

**SUBJECT: RESOLUTION NO. 1, FY 2016-17 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) new miscellaneous state/ local grants; 3) decrease in Medicaid reimbursement revenue; and 4) auction proceeds from the sale of capital assets.

Total revenues/other sources are being decreased by \$58.9 million of which \$43.0 million is a decrease in revenue for McKay Scholarships which has an offsetting appropriation. Besides the impact of the decrease in McKay Scholarships, the FEFP third calculation reflects the impact of lower 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 2016:

- Decrease of 2,774.29 **weighted** full-time equivalent (FTE) students reported (\$11.8 million).
- Eliminate \$43.0 million for McKay Scholarships (offset by an appropriation decrease).
- Increase revenue for a Prior Year Adjustment by \$.3 million in FEFP earned vs paid.
- Eliminate the negative proration \$.7 million due to a decrease in statewide FTE.
- Decrease revenue in other FEFP programs, primarily Supplemental Academic Instruction, ESE Guarantee and Transportation, by \$1.5 million.
- Decrease revenue for Categorical Programs by \$5.0 million due primarily to a decrease in Class Size Reduction Program.

**E-14**

**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 teachers due to drop in FTE, for which a substantial reserve was established; and 3) the reclassification of Advanced Placement program from salaries to non-salary. **Employee benefits** are lower primarily due to a decrease in the health insurance cost actuarial estimate as well as the decrease in FICA/Retirement/Workers' Compensation costs.

Major changes to **non-salary** accounts are: 1) an increase in energy services; 2) a decrease in charter school payments due to overestimated FTE; 3) the elimination of McKay Scholarships (\$45 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 \$3.9 million in order to reserve for the projected tax shortfall. **Contingency Reserve** remains at \$92.5 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

This resolution reduces both revenues and appropriations by \$58.96 million.

The following details the necessary revenue and appropriation adjustments:

**REVENUE CHANGES**

	<b><u>INCREASE (DECREASE)</u></b>
1. Decrease <b>Federal revenue</b> due to updated Medicaid reimbursement revenue estimate.	\$ (990,068)
2. Decrease <b>State revenues</b> due to the following:	(58,126,284)
a. Decrease (FEFP) as follows:	
Decrease of 2,774.29 <b>weighted FTE</b>	\$ (11,775,031)
Safe Schools	(14,215)
Supplemental Academic Instruction	(776,891)
ESE Guarantee	(471,611)
Declining Enrollment Supplement	351,071
Reading Allocation	(92,964)
Prior Year Adjustment	350,098
Prior Year Scholarship Adjustment	(17,254)
McKay Scholarship Adjustment	(43,003,079)
DJJ Supplemental Allocation	(32,192)
Instructional Materials	(630,729)

**REVENUE CHANGES (Continued)**

**INCREASE  
(DECREASE)**

Transportation	(703,720)
Proration to Funds Available	721,004
Change in Administered Funds	101,275
Digital Classrooms Allocation	(31,292)
Total	<u>\$(56,025,530)</u>

- b. Decrease Class Size Reduction by \$4,194,948 due to the decrease in the district's FTE.
- c. Increase Miscellaneous State revenue by \$2,094,194 (programs identified on page 9 entitled Miscellaneous State Sources).
- 3. Increase in other financing sources to reflect the proceeds from the sale of capital assets. 159,936

**TOTAL REVENUES AND OTHER SOURCES DECREASE** \$ (58,956,416)

**APPROPRIATION CHANGES**

- 1. **Salaries** are projected to decrease from the adopted budget due primarily to the following: \$ (19,829,869)
  - a. Increase salaries by \$393,898 in miscellaneous state/local grants offset by an increase in revenue.
  - b. Decrease in salaries by \$5,751,885 due to decrease of approximately 2,774 FTE from original estimate, for which a reserve had been established.
  - c. Reclassification of the Advanced Placement budget from the salary account to non-salary (\$10,438,126).
  - d. Shift of salaries to non-salary by (\$4,033,756) due primarily to school based decisions.
- 2. **Employee benefits** decreased in FICA / Retirement / Workers' Compensation based on salary adjustments shown above as well as the decrease in health benefit expenditures from the adopted budget level to reflect the decrease in projected Board contribution per the latest actuarial report. (9,520,942)

**APPROPRIATION CHANGES (Continued)**

**INCREASE  
(DECREASE)**

- |  |              |
|--|--------------|
| 3. Increase <b>Energy Services</b> mostly due to the reclass of the utilities rebate.  | \$ 350,122   |
| 4. Decrease appropriations for <b>Charter Schools</b> mainly due to a decrease of 997.25 in weighted FTE as of the third calculation.  | (3,880,892)  |
| 5. Other <b>non-salary</b> accounts decreased due primarily to the following:  | (32,824,852) |
| a. Increase in miscellaneous state/local programs by \$802,234 which is offset by an increase in revenue.  |              |
| b. Eliminate appropriation for McKay Scholarships (\$44,975,073). The original FTE estimate included approximately 5,276 McKay Scholarships FTE resulting in appropriations established at \$45.0 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 \$11,219,971.   |              |
| d. Shift from non-salary for the transfer to debt service to fund debt service payment related to the technology lease (\$2,893,917).  |              |
| e. Increase non-salary for projected phone expenses \$781,715.   |              |
| f. Increase non-salary by \$2,240,218 based on latest projections due primarily to school based decisions.   |              |

**TOTAL APPROPRIATION CHANGES**

**\$ (65,706,433)**

<u>TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE</u>	<u>INCREASE (DECREASE)</u>
1. Increase transfer to debt service to fund technology lease debt service payment.	\$ 2,893,917
2. Increase the Assigned Fund Balance (Tax Collection Shortfall Reserve) in order to cover projected tax shortfall.	3,856,100
<b>TOTAL INCREASE IN TRANSFERS &amp; UNASSIGNED/ ASSIGNED FUND BALANCE</b>	<b><u>\$ 6,750,017</u></b>
<b>TOTAL DECREASE IN APPROPRIATIONS, TRANSFERS &amp; UNASSIGNED/ASSIGNED FUND BALANCE</b>	<b><u>\$ (58,956,416)</u></b>

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

1. adopt Resolution No. 1, FY 2016-17 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$58,956,416); 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 2016-17 GENERAL FUND  
 SUMMARY OF REVENUES AND APPROPRIATIONS  
 RESOLUTION NO. 1**

	<u>ADOPTED BUDGET 9/7/2016</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/15/2017</u>
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
Federal	\$ 15,793,686	\$ (990,068)	\$ 14,803,618
State	1,186,331,027	(58,126,284)	1,128,204,743
Local	1,601,318,785	-	1,601,318,785
<b>TOTAL REVENUES</b>	<u>\$ 2,803,443,498</u>	<u>\$ (59,116,352)</u>	<u>\$ 2,744,327,146</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers From Capital Outlay	\$ 160,666,887	\$ -	\$ 160,666,887
Transfers From Internal Service Fund	20,000,000	-	20,000,000
Proceeds From the Sale of Capital Assets	-	159,936	159,936
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ 180,666,887</u>	<u>\$ 159,936</u>	<u>\$ 180,826,823</u>
<b>BEGINNING FUND BALANCE</b>	<u>\$ 175,300,118</u>	<u>-</u>	<u>\$ 175,300,118</u>
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<u>\$ 3,159,410,503</u>	<u>\$ (58,956,416)</u>	<u>\$ 3,100,454,087</u>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 1,615,304,786	\$ (19,829,869)	\$ 1,595,474,917
Employee Benefits	581,484,335	(9,520,942)	571,963,393
Liability Insurance	5,119,113	-	5,119,113
Energy Services	65,829,337	350,122	66,179,459
Charter Schools	439,769,182	(3,880,892)	435,888,290
Purchased Services	191,699,334	(34,461,237)	157,238,097
Other Non-Salary	131,329,752	1,636,385	132,966,137
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 3,030,535,839</u>	<u>\$ (65,706,433)</u>	<u>\$ 2,964,829,406</u>
<b>TRANSFERS TO OTHER FUNDS</b>	<u>\$ 15,177,374</u>	<u>\$ 2,893,917</u>	<u>\$ 18,071,291</u>
<b>RESERVES &amp; ENDING FUND BALANCE</b>			
Assigned	\$ 21,183,655	\$ 3,856,100	\$ 25,039,755
Unassigned (Contingency)	92,513,635	-	92,513,635
<b>TOTAL RESERVES &amp; ENDING FUND BALANCE</b>	<u>\$ 113,697,290</u>	<u>\$ 3,856,100</u>	<u>\$ 117,553,390</u>
<b>TOTAL APPROPRIATIONS, RESERVES &amp; &amp; ENDING FUND BALANCE</b>	<u>\$ 3,159,410,503</u>	<u>\$ (58,956,416)</u>	<u>\$ 3,100,454,087</u>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**FY 2016-17 GENERAL FUND**  
**SUMMARY OF REVENUES AND OTHER SOURCES**  
**RESOLUTION NO. 1**

	ADOPTED BUDGET 9/7/2016	INCREASE (DECREASE)	AMENDED BUDGET 2/15/2017
<b>FEDERAL SOURCES</b>			
Impact Aid	\$ 15,000	\$ -	\$ 15,000
R.O.T.C.	1,750,000	-	1,750,000
Medicaid Reimbursement	12,800,000	(990,068)	11,809,932
Federal Through State Community Schools	1,228,686	-	1,228,686
<b>Total Federal</b>	<b>\$ 15,793,686</b>	<b>\$ (990,068)</b>	<b>\$ 14,803,618</b>
<b>STATE SOURCES</b>			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 325,467,943	\$ (11,775,031)	\$ 313,692,912
Safe Schools (B)	9,920,007	(14,215)	9,905,792
Supplemental Academic Instruction (B)	119,706,515	(776,891)	118,929,624
ESE Guarantee (B)	138,686,921	(471,611)	138,215,310
Declining Enrollment Supplement	-	351,071	351,071
Reading Allocation	15,823,217	(92,964)	15,730,253
Prior Year Adjustment	-	350,098	350,098
Prior Year Adjustment for Scholarship Deductions	-	(17,254)	(17,254)
McKay Scholarship Adjustment	-	(43,003,079)	(43,003,079)
DJJ Supplemental Allocation (A)	595,775	(32,192)	563,583
Instructional Materials	28,124,854	(630,729)	27,494,125
Transportation (B)	20,698,822	(703,720)	19,995,102
Teachers Classroom Supplies Allocation (A)	5,797,173	-	5,797,173
Federally Connected Student Supplement	65,357	-	65,357
Proration to Funds Available	(721,004)	721,004	-
Additional Allocation Due to Change in Administered Funds	-	101,275	101,275
Digital Classrooms Allocation	6,068,451	(31,292)	6,037,159
<b>Sub-Total FEFP</b>	<b>\$ 670,234,031</b>	<b>\$ (56,025,530)</b>	<b>\$ 614,208,501</b>
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 79,611,194	-	\$ 79,611,194
Adults with Disabilities (A)	1,125,208	-	1,125,208
Performance Based Incentives	539,000	-	539,000
Voluntary Pre-K (B)	15,043,076	-	15,043,076
Full Service Schools (A)	768,000	-	768,000
School Recognition/Merit (A)	15,381,167	-	15,381,167
Class Size Reduction	403,041,914	(4,194,948)	398,846,966
Miscellaneous State (see A-3)	587,437	2,094,194	2,681,631
<b>Sub-Total Other State</b>	<b>\$ 516,096,996</b>	<b>\$ (2,100,754)</b>	<b>\$ 513,996,242</b>
<b>Total State</b>	<b>\$ 1,186,331,027</b>	<b>\$ (58,126,284)</b>	<b>\$ 1,128,204,743</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 2016-17 GENERAL FUND**  
**SUMMARY OF REVENUES AND OTHER SOURCES**  
**RESOLUTION NO. 1**

	ADOPTED BUDGET 9/7/2016	INCREASE (DECREASE)	AMENDED BUDGET 2/15/2017
<b>LOCAL SOURCES</b>			
FEFP Required Local Effort	\$ 1,337,180,711	\$ -	\$ 1,337,180,711
Local Discretionary Millage	204,542,162	-	204,542,162
<b>Sub - Total Local</b>	<b>\$ 1,541,722,873</b>	<b>\$ -</b>	<b>\$ 1,541,722,873</b>
<b>MISCELLANEOUS LOCAL:</b>			
Rent	\$ 7,330,000	\$ -	\$ 7,330,000
Interest	1,890,000	-	1,890,000
Vocational Fees	1,300,000	-	1,300,000
Post Secondary Fees	4,410,000	-	4,410,000
Financial Aid Fees	441,000	-	441,000
Community Schools - Internal (A)	20,727,332	-	20,727,332
Driver Education	800,000	-	800,000
Fed. Indirect Cost Reimbursement	8,000,000	-	8,000,000
Universal Services (E-Rate)	5,000,000	-	5,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	3,184,460	-	3,184,460
Other Miscellaneous Local (see A-4)	3,513,120	-	3,513,120
<b>Sub-Total Miscellaneous Local</b>	<b>\$ 59,595,912</b>	<b>\$ -</b>	<b>\$ 59,595,912</b>
<b>Total Local</b>	<b>\$ 1,601,318,785</b>	<b>\$ -</b>	<b>\$ 1,601,318,785</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,803,443,498</b>	<b>\$ (59,116,352)</b>	<b>\$ 2,744,327,146</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers From Capital Outlay	\$ 160,666,887	\$ -	\$ 160,666,887
Transfers From Internal Service Fund	20,000,000	-	20,000,000
Sale of Capital Assets	-	159,936	159,936
<b>FUND BALANCE FROM PRIOR YEAR</b>	<b>175,300,118</b>	<b>-</b>	<b>175,300,118</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$ 3,159,410,503</b>	<b>\$ (58,956,416)</b>	<b>\$ 3,100,454,087</b>

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



MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2016-17 GENERAL FUND  
 SUMMARY OF REVENUES AND OTHER SOURCES  
 RESOLUTION NO. 1

	ADOPTED BUDGET 9/7/2016	INCREASE (DECREASE)	AMENDED BUDGET 2/15/2017
<b>MISCELLANEOUS STATE SOURCES</b>			
CO & DS Withheld for Adm.	\$ 224,796	\$ -	\$ 224,796
State License Tax	224,883	-	224,883
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	-	862,879	862,879
Collaborative Curriculum (A)	-	14,003	14,003
WLRN - TV FL Community Svc. (A)	-	307,447	307,447
WLRN - FM Radio Community Svc. (A)	-	100,000	100,000
Learning for Life (A)	-	607,000	607,000
<b>TOTAL MISCELLANEOUS STATE</b>	<b>\$ 587,437</b>	<b>\$ 2,094,194</b>	<b>\$ 2,681,631</b>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**FY 2016-17 GENERAL FUND**  
**SUMMARY OF REVENUES AND OTHER SOURCES**  
**RESOLUTION NO. 1**

	ADOPTED BUDGET 9/7/2016	INCREASE (DECREASE)	AMENDED BUDGET 2/15/2017
<b>OTHER MISCELLANEOUS LOCAL SOURCES</b>			
Fee Supported Pre-K (B)	\$ 2,175,120	\$ -	\$ 2,175,120
Miami-Dade County VAB Adjustment	1,100,000	-	1,100,000
Fingerprinting (A)	238,000	-	238,000
<b>TOTAL OTHER MISC LOCAL</b>	<b>\$ 3,513,120</b>	<b>\$ -</b>	<b>\$ 3,513,120</b>

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS  
2016-17 GENERAL FUND BUDGET  
SUMMARY OF APPROPRIATIONS BY FUNCTION  
RESOLUTION NO. 1  
FEBRUARY 15, 2017

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	\$ 2,024,820,359	\$ 1,079,733,709	\$ 383,822,205	\$ 484,040,066	\$ 271	\$ 91,924,744	\$ 2,503,745	\$ 2,795,619
SUPPORT SERVICES:								
5000 Pupil Personnel Services	99,790,061	73,042,753	26,267,021	438,659	-	36,162	5,466	-
6100 Instructional Media Services	16,415,552	11,682,816	3,680,207	817,807	-	32,278	202,644	-
6200 Instruction & Curriculum Development	31,732,279	16,116,148	4,474,419	6,316,213	-	515,282	525,321	3,784,896
6300 Instructional Staff Training	2,531,847	1,139,070	914,103	382,395	-	82,605	13,674	-
6400 Instructional Support	34,289,932	24,490,519	7,671,515	1,873,984	34,602	160,386	58,926	-
6500 Board of Education	8,884,681	5,129,333	1,603,516	1,046,871	1,954	118,796	65,254	914,957
7100 General Administration	5,499,625	4,047,701	1,208,154	197,055	17,116	22,253	-	7,346
7200 School Administration	166,494,401	125,986,135	37,860,333	850,074	14,307	1,251,022	372,067	160,463
7300 Facilities Acquisition & Construction	519,234	-	-	-	-	-	519,234	-
7410 Fiscal Services	11,174,818	7,565,232	2,305,401	403,934	-	20,354	18,228	861,669
7500 Central Services	61,376,360	29,194,629	11,628,043	19,136,039	53,474	1,255,512	83,883	24,780
7700 Transportation Services	76,773,956	37,468,235	18,762,656	11,012,650	5,182,375	4,382,552	-	(34,512)
7800 Operation of Plant	280,945,570	108,440,638	49,965,462	61,492,333	60,082,831	731,511	226,185	6,610
7900 Maintenance of Plant	113,589,520	50,078,838	16,936,250	28,269,867	792,529	10,202,873	7,308,942	221
8100 General Support	2,873,443	762,975	213,375	1,876,416	-	20,677	-	-
8200 Community Services	26,217,768	20,596,386	4,650,733	91,137	-	785,655	82,333	11,524
9100 Debt Services	900,000	-	-	-	-	-	-	900,000
9200								
Total Instruction & Support Services	\$ 2,964,829,406	\$ 1,595,474,917	\$ 571,963,393	\$ 598,245,500	\$ 66,179,459	\$ 111,542,662	\$ 11,985,902	\$ 9,433,573
Transfers to Other Funds								
9792 Debt Service	\$ 18,071,291	-	-	-	-	-	-	-
9793 Capital Outlay	-	-	-	-	-	-	-	-
9794 Special Revenue	-	-	-	-	-	-	-	-
9798 Internal Service	-	-	-	-	-	-	-	-
9799 Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,982,900,697							
Fund Balance:								
Non-Spendable:								
Reserve for Pre-Paid Expenses	\$ -							
Reserve for Inventory	-							
Restricted:								
Reserve for State Categoricals	-							
Assigned:								
Tax Reserve	25,039,755							
Other Rebudgets	-							
Commitments	-							
Unassigned:	92,513,635							
Total Fund Balance	117,553,390							
Total Appropriations, Transfers and Fund Balance	\$ 3,100,454,087							