

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

**SUBJECT: RESOLUTION NO. 2, FY 2016-17 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) increasing Impact Aid revenue; 5) decreasing the transfer from Capital; and 6) 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, 2017, as well as other state grants:

- Increase of 475.20 **weighted** full-time equivalent (FTE) students reported resulting in a \$2.0 million increase.
- Decrease in School Recognition allocation of \$1.7 million.
- Proration to funds available resulting in a decrease in State funding of \$0.9 million. Statewide weighted FTE students increased by 5,130 from the prior calculation resulting in proration of funding for all districts.
- Increase in Discretionary Lottery funding by \$6.1 million due to decrease of the School Recognition Statewide program.
- Prior year adjustment increasing FEFP revenue by \$0.3 million.
- Increase interest revenue by \$1.8 million.
- Decrease the transfer from Capital by 1.0 million, due to decrease in Charter Capital Outlay allocation.

Major Appropriation Changes

Major appropriation changes are summarized based upon projections. **Salaries** increased primarily due to: 1) increase in funds shifted by schools from non-salary to fund hourly/overtime/temporary instructors; and 2) increase due to miscellaneous state grants received. These increases were offset by the decrease in the School Recognition allocation as well as an increase in lapse due to vacant positions.

Employee benefits are lower primarily due to the decrease in projected salaries related to vacant positions.

Major changes to **non-salary** accounts are: 1) decrease due to funds shifted to salaries to cover the cost of hourly/overtime/temporary instructors; 2) increase related to technology based needs; 3) increase for dual enrollment fees; and 4) an increase in water and sewer costs.

This resolution increases the Tax Collection Reserve \$10.4 million in order to cover the projected tax revenue 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 4.64% 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 increases both revenues and appropriations by \$10.2 million.

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

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Increase Federal revenue related to Impact Aid.	\$ 10,000
2. Increase State revenues due to the following:	\$ 9,319,183
a. Increase Florida Education Finance Program as follows:	
Increase of 475.20 weighted FTE	\$ 2,016,911
Declining Enrollment	(351,071)
Safe Schools	339
Reading Allocation	(6,782)
McKay Scholarship Adjustment	(192,381)
DJJ Supplemental Allocation	24,401
Instructional Materials	(39,486)
Transportation	537,403
Proration to Funds Available	(934,185)
Prior Year Adjustment	322,351
Change in Administered Funds	(44)
Digital Classroom Allocation	747
	<u>\$ 1,378,203</u>
b. Increase Discretionary Lottery program by \$6,124,206. This program was increased due to a statewide decrease in the School Recognition program.	

REVENUE CHANGES (Continued)

**INCREASE
(DECREASE)**

c. Decrease School Recognition program by \$1,737,110 (requires an offsetting decrease in appropriations).	
d. Decrease allocation related to Full Service Schools by \$7,681.	
e. Increase Miscellaneous State revenue by \$3,561,565. See page 9 of 11 for detail.	
3. Increase Local revenues for interest income by \$1,815,000 and Food Service Indirect Costs by \$61,470.	1,876,470
4. Decrease the 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.	(1,000,000)
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REVENUE & OTHER FINANCING SOURCES INCREASE	<u>\$ 10,205,653</u>

APPROPRIATION CHANGES

1. Salaries are projected to increase from the amended budget due primarily to the following:	\$ 237,152
a. Increase hourly/overtime/temporary instructor accounts by \$5,134,438 primarily due to school based decisions.	
b. Increase salaries by \$1,503,012 in miscellaneous state grants offset by an increase in revenue.	
c. Decrease in salaries by \$1,461,968 due to decrease of School Recognition allocation per fourth calculation.	
d. Decrease salaries by \$4,938,330 due to vacant positions based on latest projections.	
2. Employee benefits are decreased due to the following:	(1,353,254)
a. Decrease in FICA/Retirement/Workers Compensation by \$1,353,254 based on salary adjustments shown above.	
3. Decrease Energy Services mostly due to projected decrease in electrical and diesel fuel costs.	(2,331,892)
4. Increase Non-Salary for Charter Schools as follows:	4,009,752
a. Increase appropriations by \$5,009,752 for charter school	

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

payments based on updated FTE projections and adjustments in the FEFP 4th calculation.

b. Decrease appropriations by \$1,000,000 for charter school capital outlay payments based on updated information from the DOE (offset by a decrease in the Transfer from Capital Outlay).

5. Other **non-salary** accounts will decrease primarily due to the following: \$ (755,959)

a. Decrease non-salary by \$5,431,558 due primarily to school based decisions to fund hourly/overtime/temporary instructors.

b. Increase in miscellaneous state programs by \$1,669,076 which is offset by an increase in revenue.

c. Increase projected utilities cost mainly related to increased water and sewer related expenditures \$345,465.

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

Instructional Materials	\$ (39,486)
Digital Classroom	747
DJJ Supplemental Allocation	24,401
Reading Program	(6,782)

TOTAL \$ (21,120)

e. Increase related to technology based needs \$1,584,157.

f. Increase related to dual enrollment fees \$1,098,021.

TOTAL APPROPRIATION CHANGES \$ (194,201)

TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE

**INCREASE
(DECREASE)**

1. Increase the Assigned Fund Balance (Tax Collection Shortfall Reserve) in order to reserve for projected shortfall. \$ 10,399,854

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

\$ 10,399,854

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

\$ 10,205,653

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

1. adopt Resolution No. 2, FY 2016-17 General Fund Spring Budget Review, increasing revenues, appropriations and reserves by \$10,205,653; 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. 2

	<u>AMENDED BUDGET 2/15/2017</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/24/2017</u>
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 14,803,618	\$ 10,000	\$ 14,813,618
State	1,128,204,743	9,319,183	1,137,523,926
Local	1,601,318,785	1,876,470	1,603,195,255
TOTAL REVENUES	<u>\$ 2,744,327,146</u>	<u>\$ 11,205,653</u>	<u>\$ 2,755,532,799</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 160,666,887	\$ (1,000,000)	\$ 159,666,887
Transfers From Internal Service Fund	20,000,000	-	20,000,000
Proceeds From the Sale of Capital Assets	159,936	-	159,936
TOTAL OTHER FINANCING SOURCES	<u>\$ 180,826,823</u>	<u>\$ (1,000,000)</u>	<u>\$ 179,826,823</u>
BEGINNING FUND BALANCE	<u>\$ 175,300,118</u>	<u>\$ -</u>	<u>\$ 175,300,118</u>
TOTAL REVENUES & BEGINNING BALANCES	<u>\$ 3,100,454,087</u>	<u>\$ 10,205,653</u>	<u>\$ 3,110,659,740</u>
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,595,474,917	\$ 237,152	\$ 1,595,712,069
Employee Benefits	571,963,393	(1,353,254)	570,610,139
Liability Insurance	5,119,113	-	5,119,113
Energy Services	66,179,459	(2,331,892)	63,847,567
Charter Schools	435,888,290	4,009,752	439,898,042
Purchased Services	157,238,097	21,347,158	178,585,255
Other Non-Salary	132,966,137	(22,103,117)	110,863,020
TOTAL APPROPRIATIONS	<u>\$ 2,964,829,406</u>	<u>\$ (194,201)</u>	<u>\$ 2,964,635,205</u>
TRANSFERS TO OTHER FUNDS	<u>\$ 18,071,291</u>	<u>\$ -</u>	<u>\$ 18,071,291</u>
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 25,039,755	\$ 10,399,854	\$ 35,439,609
Unassigned (Contingency)	92,513,635	-	92,513,635
TOTAL RESERVES & ENDING FUND BALANCE	<u>\$ 117,553,390</u>	<u>\$ 10,399,854</u>	<u>\$ 127,953,244</u>
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	<u>\$ 3,100,454,087</u>	<u>\$ 10,205,653</u>	<u>\$ 3,110,659,740</u>

MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2016-17 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2

	AMENDED BUDGET 2/15/2017	INCREASE (DECREASE)	AMENDED BUDGET 5/24/2017
FEDERAL SOURCES			
Impact Aid	\$ 15,000	\$ 10,000.00	\$ 25,000
R.O.T.C.	1,750,000	-	1,750,000
Medicaid Reimbursement	11,809,932	-	11,809,932
Federal Through State Community Schools	1,228,686	-	1,228,686
Total Federal	\$ 14,803,618	\$ 10,000	\$ 14,813,618
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 313,692,912	\$ 2,016,911	\$ 315,709,823
Safe Schools (B)	9,905,792	339	9,906,131
Supplemental Academic Instruction (B)	118,929,624	-	118,929,624
ESE Guarantee (B)	138,215,310	-	138,215,310
Declining Enrollment Supplement	351,071	(351,071)	-
Reading Allocation	15,730,253	(6,782)	15,723,471
Prior Year Adjustment	350,098	322,351	672,449
Prior Year Adjustment for Scholarship Deductions	(17,254)	-	(17,254)
McKay Scholarship Adjustment	(43,003,079)	(192,381)	(43,195,460)
DJJ Supplemental Allocation (A)	563,583	24,401	587,984
Instructional Materials	27,494,125	(39,486)	27,454,639
Transportation (B)	19,995,102	537,403	20,532,505
Teachers Classroom Supplies Allocation (A)	5,797,173	-	5,797,173
Federally Connected Student Supplement	65,357	-	65,357
Proration to Funds Available	-	(934,185)	(934,185)
Additional Allocation Due to Change in Administered Funds	101,275	(44)	101,231
Digital Classrooms Allocation	6,037,159	747	6,037,906
Sub-Total FEFP	\$ 614,208,501	\$ 1,378,203	\$ 615,586,704
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	(7,681)	760,319
Discretionary Lottery Funds	-	6,123,944	6,123,944
Prior Year Adjustment-Discretionary Lottery Funds	-	262	262
School Recognition/Merit (A)	15,381,167	(1,884,793)	13,496,374
Undistributed School Recognition Awards	-	147,683	147,683
Class Size Reduction	398,846,966	-	398,846,966
Miscellaneous State (see A-3)	2,681,631	3,561,565	6,243,196
Sub-Total Other State	\$ 513,996,242	\$ 7,940,980	\$ 521,937,222
Total State	\$ 1,128,204,743	\$ 9,319,183	\$ 1,137,523,926

- (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 2016-17 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 2

	AMENDED BUDGET 2/15/2017	INCREASE (DECREASE)	AMENDED BUDGET 5/24/2017
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,337,180,711	\$ -	\$ 1,337,180,711
Local Discretionary Millage	204,542,162	-	204,542,162
Sub - Total Local	<u>\$ 1,541,722,873</u>	<u>\$ -</u>	<u>\$ 1,541,722,873</u>
MISCELLANEOUS LOCAL:			
Rent	\$ 7,330,000	\$ -	\$ 7,330,000
Interest	1,890,000	1,815,000	3,705,000
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	61,470	3,245,930
Other Miscellaneous Local (see A-4)	3,513,120	-	3,513,120
Sub-Total Miscellaneous Local	<u>\$ 59,595,912</u>	<u>\$ 1,876,470</u>	<u>\$ 61,472,382</u>
Total Local	<u>\$ 1,601,318,785</u>	<u>\$ 1,876,470</u>	<u>\$ 1,603,195,255</u>
TOTAL REVENUES	<u>\$ 2,744,327,146</u>	<u>\$ 11,205,653</u>	<u>\$ 2,755,532,799</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 160,666,887	\$ (1,000,000)	\$ 159,666,887
Transfers From Internal Service Fund	20,000,000	-	20,000,000
Sale of Capital Assets	159,936	-	159,936
FUND BALANCE FROM PRIOR YEAR	<u>175,300,118</u>	<u>-</u>	<u>175,300,118</u>
TOTAL REVENUES & OTHER SOURCES	<u>\$ 3,100,454,087</u>	<u>\$ 10,205,653</u>	<u>\$ 3,110,659,740</u>

- (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. 2

	AMENDED BUDGET 2/15/2017	INCREASE (DECREASE)	AMENDED BUDGET 5/24/2017
MISCELLANEOUS STATE SOURCES			
CO & DS Withheld for Adm.	\$ 224,796	\$ -	\$ 224,796
State License Tax	224,883	-	224,883
Health Service (A)	72,960	(36,846)	36,114
SFW Individual Training Account (A)	64,798	-	64,798
Florida's Best & Brightest Teacher Scholarship	-	1,513,354	1,513,354
FDLRS - Gen Revenue (A)	51,586	-	51,586
SEDNET IDEA State General (A)	16,279	-	16,279
HIPPY	135,000	-	135,000
Standard Student Attire	-	2,082,890	2,082,890
District Instructional Leadership & Faculty Development	862,879	-	862,879
Collaborative Curriculum (A)	14,003	-	14,003
Advancement Via Individual (AVID)	-	2,167	2,167
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
TOTAL MISCELLANEOUS STATE	\$ 2,681,631	\$ 3,561,565	\$ 6,243,196

- (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. 2

	AMENDED BUDGET 2/15/2017	INCREASE (DECREASE)	AMENDED BUDGET 5/24/2017
OTHER MISCELLANEOUS LOCAL SOURCES			
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
TOTAL OTHER MISC LOCAL	\$ 3,513,120	\$ -	\$ 3,513,120

- (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. 2
MAY 24, 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	\$2,023,137,795	\$1,074,098,390	\$380,583,878	\$489,360,484	\$	\$72,458,918	\$4,164,763	\$2,471,204
SUPPORT SERVICES:								
Pupil Personnel Services	105,982,483	76,888,196	28,493,872	545,663	-	60,682	4,070	-
Instructional Media Services	17,487,882	12,391,652	4,018,439	832,168	-	40,336	205,087	-
Instruction & Curriculum Development	31,428,326	15,706,007	4,668,194	5,633,292	-	599,111	683,212	4,138,510
Instructional Staff Training	2,765,526	1,047,843	1,088,529	555,241	-	62,180	11,793	-
Instructional Support	33,921,953	23,871,463	7,969,379	1,876,783	33,032	127,419	43,877	529,374
Board of Education	8,403,874	5,013,517	1,678,234	1,010,567	2,051	102,453	67,678	6,125
General Administration	5,472,426	3,931,468	1,289,957	210,020	15,865	16,355	2,636	6,125
School Administration	189,696,975	126,973,773	40,137,715	842,431	9,993	1,204,466	570,529	96,048
Facilities Acquisition & Construction	421,615	-	-	-	-	-	421,615	-
Fiscal Services	11,368,179	7,454,877	2,433,295	377,804	-	15,990	23,447	1,062,826
Central Services	53,869,899	29,482,473	3,172,849	20,492,359	50,962	634,546	78,816	(42,106)
Transportation Services	76,829,701	37,875,881	19,597,340	11,193,356	4,589,733	3,566,326	17,329	(10,264)
Operation of Plant	286,288,535	109,259,907	52,555,118	65,062,956	58,432,957	754,771	218,851	3,965
Maintenance of Plant	104,769,253	48,460,277	17,520,633	23,613,893	712,606	7,788,869	6,673,010	(35)
General Support	2,792,947	739,870	220,088	1,818,252	-	15,737	-	-
Community Services	28,936,679	22,517,475	5,182,819	177,141	-	798,345	254,918	5,981
Debt Services	911,357	-	-	-	-	-	-	911,357
Total Instruction & Support Services	\$2,964,635,205	\$1,595,712,069	\$570,610,139	\$623,602,410	\$63,847,567	\$88,246,464	\$13,441,571	\$9,174,985
Transfers to Other Funds								
Debt Service	\$ 18,071,291	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Special Revenue	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Trust & Agency	-	-	-	-	-	-	-	-
Total Appropriations & Transfers	2,982,706,496	-	-	-	-	-	-	-
Fund Balance:								
Non-Spendable:								
Reserve for Pre-Paid Expenses	\$ -	-	-	-	-	-	-	-
Reserve for Inventory	-	-	-	-	-	-	-	-
Restricted:								
Reserve for State Categoricals	-	-	-	-	-	-	-	-
Assigned:								
Tax Reserve	35,439,609	-	-	-	-	-	-	-
Other Rebudgets	-	-	-	-	-	-	-	-
Commitments	-	-	-	-	-	-	-	-
Unassigned:								
Total Fund Balance	92,513,635	-	-	-	-	-	-	-
Total Appropriations, Transfers and Fund Balance	127,953,244	-	-	-	-	-	-	-
	\$3,110,659,740							