

Financial Services
Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: RESOLUTION NO. 1, FY 2020-21 GENERAL FUND MID-YEAR BUDGET REVIEW

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

This resolution recommends budgetary adjustments for the General Fund including: 1) the impacts of the COVID-19 pandemic and lower interest rates on local revenues; 2) a net decrease in Other State/Categorical Programs; and 3) a net increase in Federal Through State revenue.

Major Revenue Adjustments

Total revenues/other sources are being decreased by \$14.7 million which includes an increase in Federal through State grants of \$9.8 million mostly due to Federal Restart Program revenues as well as a higher Medicaid Reimbursement projection, a net decrease of \$5.9 million in Other State/Categorical Programs, and a net decrease of \$18.7 in Local revenues mostly due to lower interest and Community School revenue projections.

The Florida Department of Education (FLDOE) has advised us that there will be no 3rd FEFP calculation, and that FEFP values will not be updated until after the February FTE survey.

Major Appropriation Changes

Major appropriation changes are summarized based on projections. **Salaries** are decreased primarily due to: 1) alignment of salary amounts to projected figures; 2) elimination of reserve for FTE loss; 3) the reclassification of amounts between salary and non-salary; and 4) the net effect of categorical, other miscellaneous state, and local funds received. **Employee benefits** related to FICA/Retirement/Worker's Compensation and Group Insurance decreased based on the salary adjustments previously mentioned offset by an increase of \$5.6M in unemployment compensation. **Liability Insurance** was also adjusted to reflect the amounts per the latest actuarial report.

Major changes to **Non-Salary** accounts are due to: 1) an increase in charter school payments due to increased FTE as well as adjustments to their portion of state categorical funds; 2) a decrease in energy services; 3) shifts between non-salary and salary; and 4) new grants offset by revenue increases/decreases.

The FY 2020-21 reserve for personnel and program protection is being increased by \$9,478,587 in order to ensure that we have sufficient funds for FY 2021-22 to protect our school programs and personnel from expected cuts due to projected FTE decrease as well as other potential revenue losses.

This resolution reduces both revenues and appropriations by \$14 million.

The following details the necessary revenue and appropriation adjustments:

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Net increase to Federal Through State revenues due to the following:	\$ 9,842,798
a. Medicaid Reimbursement	\$ 2,500,000
b. Community Schools	(11,362)
c. Restart Program 2018-19	<u>7,354,160</u>
Total	<u>\$ 9,842,798</u>
2. Net decrease to Other State/Categorical revenues due to the following:	(5,871,952)
a. Decrease Adults with Disabilities by \$67,512.	
b. Decrease Voluntary Pre-K revenues by \$5,866,577 to align to latest projection.	
c. Increase Miscellaneous State revenue by \$62,137 mainly related to the Computer Science Grant (programs identified on page 9 entitled Miscellaneous State Sources).	
3. Net decrease to Local revenues due to the following:	(18,679,664)
a. Increase Rent by a net \$380,000 to reflect slightly higher Clearwire Broadband Lease revenue \$1,050,000 and a reduction in projected facility rentals revenue \$670,000.	
b. Decrease Interest revenue by \$6,756,956 due to lower interest rates and in order to align to the latest projection.	
c. Decrease Vocational Fees revenue by \$640,000 per latest projection.	
d. Decrease Community Schools revenue by \$10,840,379 to align to the latest forecast for parent fees including projected refunds.	

REVENUE CHANGES (Continued)

**INCREASE
(DECREASE)**

e. Increase Universal Services (E-Rate) revenue by \$30,553 per the latest revenue forecast.	
f. Decrease Food Service Indirect Costs revenue by \$178,152 to align to the latest projected amounts.	
g. Decrease Fee Supported Pre-K revenue by \$674,730 per the latest projection.	
4. Increase the Transfer from Capital Outlay for the charter school portion of the 2019-20 Educational Facilities Safety and Security (Hardening) Grant.	808,655
5. Decrease beginning fund balance as a result of a post Annual Financial Report (AFR) adjustment.	(136,693)
TOTAL REVENUES AND OTHER SOURCES DECREASE	<u>\$ (14,036,856)</u>

APPROPRIATION CHANGES

1. **Salaries** are projected to decrease from the adopted budget \$ (44,202,454) primarily due to the following:
 - a. Reclassification of the Advanced Placement/IB/AICE budget from salary to non-salary \$15,313,509.
 - b. Decrease salaries by \$26,376,819 in order to align with latest projected amounts which primarily reflect school-based decisions and vacant positions.
 - c. Decrease salaries by \$9,646,961 to eliminate the amount previously reserved for a potential FTE decrease.
 - d. Increase salaries by \$3,500,000 due to revised projections for Terminal Vacation and Flex Benefits pay.
 - e. Increase salaries by \$3,170,954 related to Magnet Program funds.
 - f. Increase salaries by \$463,881 for the Computer Science grant offset by a revenue increase.

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

- | | |
|---|--------------|
| 2. Employee benefits decreased due to lower projected costs for FICA/Retirement/Workers' Compensation and Group Insurance based on salary adjustments shown above offset by increases in Unemployment Compensation (\$5,622,737) and Retirement Incentive (\$1,100,000). | (6,208,685) |
| 3. Increase liability insurance per latest actuarial report. | 1,589,283 |
| 4. Decrease Energy Services mostly due to lower projected electricity, bottled and natural gas costs. | (11,782,923) |
| 5. Increase appropriations for Charter Schools due to the following: | 21,139,599 |
| a. Increase projected FEFP payments by \$11,424,023 due to higher FTE than originally anticipated. | |
| b. Increase M-DCPS Safe Schools allocation provided to charters to ensure that each location has at least one school resource officer \$2,357,566. | |
| c. Establish \$5,096,742 Advanced Placement appropriation for charter schools. | |
| d. Increase other non-FEFP charter amounts by \$2,261,268 mainly due to the recognition of the 2018-19 Restart grant and the School Hardening grant. | |
| 6. Other non-salary accounts increased primarily due to the following: | 15,949,737 |
| a. Increase non salary by \$21,098,947 mostly due to the shift of Advanced Placement/IB/AICE budget from salaries and fringes to non-salary. | |
| b. Net decrease of \$7,812,519 to projected utility costs mostly due to significantly reduced water and sewer, waste, and telephone expenses, as well as a slight increase to Cellular Air Time. | |
| c. Increase non-salary by \$2,103,214 related to Magnet Program funds. | |
| d. Increase non-salary for \$5,920,348 appropriated related to Federal Restart program funds offset by an increase in revenue. | |

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

- e. Increase Computer Science non-salary by \$630,530 which is offset by an increase in revenue.
- f. Decrease non-salary by \$5,990,783 due to tight fiscal constraints and to align with latest projections primarily due to school based decisions.

TOTAL APPROPRIATION DECREASE

\$ (23,515,443)

TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE

Increase Assigned Fund Balance (FY 2020-21 Personnel and Program Protection revenue shortfall reserve) in order to set aside funds for FY 2021-22 anticipated shortfall. **\$ 9,478,587**

TOTAL INCREASE IN TRANSFERS & UNASSIGNED/ASSIGNED FUND BALANCE

\$ 9,478,587

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

\$ (14,036,856)

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

1. adopt Resolution No. 1, FY 2020-21 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by \$14,036,856; 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 2020-21 GENERAL FUND
SUMMARY OF REVENUES AND APPROPRIATIONS
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/9/2020	INCREASE (DECREASE)	AMENDED BUDGET 2/10/2021
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 18,220,803	\$ 9,842,798	\$ 28,063,601
State	1,217,484,176	(5,871,952)	1,211,612,224
Local	1,902,705,213	(18,679,664)	1,884,025,549
TOTAL REVENUES	\$ 3,138,410,192	\$ (14,708,818)	\$ 3,123,701,374
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 200,934,755	\$ 808,655	\$ 201,743,410
Transfers From Internal Service Fund	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 200,934,755	\$ 808,655	\$ 201,743,410
BEGINNING FUND BALANCE	\$ 246,930,675	\$ (136,693)	\$ 246,793,982
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,586,275,622	\$ (14,036,856)	\$ 3,572,238,766
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,782,137,315	\$ (44,202,454)	\$ 1,737,934,861
Employee Benefits	669,731,295	(6,208,685)	663,522,610
Liability Insurance	4,234,823	1,589,283	5,824,106
Energy Services	68,657,747	(11,782,923)	56,874,824
Charter Schools	588,552,885	21,139,599	609,692,484
Purchased Services	164,426,240	124,659	164,550,899
Other Non-Salary	172,665,926	15,825,078	188,491,004
TOTAL APPROPRIATIONS	\$ 3,450,406,231	\$ (23,515,443)	\$ 3,426,890,788
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 42,151,717	\$ 9,478,587	\$ 51,630,304
Unassigned (Contingency)	93,717,674	-	93,717,674
TOTAL RESERVES & ENDING FUND BALANCE	\$ 135,869,391	\$ 9,478,587	\$ 145,347,978
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	\$ 3,586,275,622	\$ (14,036,856)	\$ 3,572,238,766

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2020-21 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/9/2020	INCREASE (DECREASE)	AMENDED BUDGET 2/10/2021
FEDERAL SOURCES			
Impact Aid	\$ 25,000	\$ -	\$ 25,000
R.O.T.C.	1,750,000	-	1,750,000
Medicaid Reimbursement	7,000,000	2,500,000	9,500,000
Federal Through State Community Schools	1,228,686	(11,362)	1,217,324
Federal Through State FEMA for Hurricane Irma	8,217,117	-	8,217,117
Federal Through State Restart Program 18-19	-	7,354,160	7,354,160
Total Federal	\$ 18,220,803	\$ 9,842,798	\$ 28,063,601
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 366,135,040	\$ -	\$ 366,135,040
Safe Schools (B)	23,111,781	-	23,111,781
Supplemental Academic Instruction (B)	115,693,446	-	115,693,446
ESE Guarantee (B)	134,948,126	-	134,948,126
Reading Allocation	14,829,877	-	14,829,877
Mental Health Assistance Allocation	11,311,249	-	11,311,249
DJJ Supplemental Allocation (A)	353,576	-	353,576
Instructional Materials	26,950,293	-	26,950,293
Transportation (B)	18,882,277	-	18,882,277
Teachers Classroom Supplies Allocation (A)	6,548,165	-	6,548,165
Federally Connected Student Supplement	125,272	-	125,272
McKay Scholarship Adjustment	(43,020,308)	-	(43,020,308)
Digital Classrooms Allocation	184,659	-	184,659
Turnaround Supplemental Services Allocation	314,105	-	314,105
Teacher Salary Increase Allocation	60,560,032	-	60,560,032
Family Empowerment Scholarships Adjustment	(21,989,185)	-	(21,989,185)
Funding Compression & Hold Harmless	13,934,730	-	13,934,730
Sub-Total FEFP	\$ 728,873,135	\$ -	\$ 728,873,135
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 80,670,340	\$ -	\$ 80,670,340
Adults with Disabilities (A)	1,125,208	(67,512)	1,057,696
Voluntary Pre-K (B)	17,614,130	(5,866,577)	11,747,553
Class Size Reduction	386,236,718	-	386,236,718
Miscellaneous State	2,964,645	62,137	3,026,782
Sub-Total Other State	\$ 488,611,041	\$ (5,871,952)	\$ 482,739,089
Total State	\$ 1,217,484,176	\$ (5,871,952)	\$ 1,211,612,224

(A) Revenue for which appropriations equal revenue.

(B) Revenue for which appropriations exceed revenue.

(C) This resolution reflects amounts as of the 3rd FEFP calculation which is the latest FEFP calculation available.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2020-21 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 1**

	<u>AMENDED BUDGET 9/9/2020</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/10/2021</u>
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,335,202,951	\$ -	\$ 1,335,202,951
Local Discretionary Millage	253,613,968	-	253,613,968
Voted School Tax Additional Millage	254,292,081	-	254,292,081
Sub - Total Local	<u>\$ 1,843,109,000</u>	<u>\$ -</u>	<u>\$ 1,843,109,000</u>
MISCELLANEOUS LOCAL:			
Rent	\$ 10,000,000	\$ 380,000	\$ 10,380,000
Interest	7,520,151	(6,756,956)	763,195
Vocational Fees	1,300,000	(640,000)	660,000
Post Secondary Fees	3,969,000	-	3,969,000
Financial Aid Fees	500,000	-	500,000
Community Schools - Internal (A)	20,727,332	(10,840,379)	9,886,953
Fed. Indirect Cost Reimbursement	5,000,000	-	5,000,000
Universal Services (E-Rate)	1,000,000	30,553	1,030,553
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,623,605	(178,152)	2,445,453
Other Miscellaneous Local	3,956,125	(674,730)	3,281,395
Sub-Total Miscellaneous Local	<u>\$ 59,596,213</u>	<u>\$ (18,679,664)</u>	<u>\$ 40,916,549</u>
Total Local	<u>\$ 1,902,705,213</u>	<u>\$ (18,679,664)</u>	<u>\$ 1,884,025,549</u>
TOTAL REVENUES	<u>\$ 3,138,410,192</u>	<u>\$ (14,708,818)</u>	<u>\$ 3,123,701,374</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 200,934,755	\$ 808,655	\$ 201,743,410
FUND BALANCE FROM PRIOR YEAR	<u>246,930,675</u>	<u>(136,693)</u>	<u>246,793,982</u>
TOTAL REVENUES & OTHER SOURCES	<u>\$ 3,586,275,622</u>	<u>\$ (14,036,856)</u>	<u>\$ 3,572,238,766</u>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2020-21 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 1**

	AMENDED BUDGET 9/9/2020	INCREASE (DECREASE)	AMENDED BUDGET 2/10/2021
MISCELLANEOUS STATE SOURCES			
CO & DS Withheld for Adm.	\$ 224,796	\$ -	\$ 224,796
State License Tax	224,883	-	224,883
State Reimbursements-Hurricane Irma	1,369,520	-	1,369,520
SFW Individual Training Account (A)	8,000	-	8,000
Computer Science Grant	1,085,860	57,887	1,143,747
Florida Virtual School Teacher Training (A)		4,250	4,250
FDLRS - Gen Revenue (A)	51,586	-	51,586
TOTAL MISCELLANEOUS STATE	\$ 2,964,645	\$ 62,137	\$ 3,026,782

(A) Revenue for which appropriations equal revenue.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2020-21 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 1**

	<u>AMENDED BUDGET 9/9/2020</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/10/2021</u>
OTHER MISCELLANEOUS LOCAL SOURCES			
Fee Supported Pre-K (B)	\$ 2,600,748	\$ (674,730)	\$ 1,926,018
Miami-Dade County VAB Adjustment	386,790	-	386,790
Fingerprinting (A)	968,587	-	968,587
TOTAL OTHER MISC LOCAL	<u>\$ 3,956,125</u>	<u>\$ (674,730)</u>	<u>\$ 3,281,395</u>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
2020-21 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION 1
FEBRUARY 10, 2021**

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	5000	\$ 2,313,480,956	\$ 1,190,928,761	\$ 446,039,808	\$ 603,309,835	\$ 954	\$ 65,191,423	\$ 5,893,921	\$ 2,116,254
SUPPORT SERVICES:									
Pupil Personnel Services	6100	132,756,990	92,373,830	34,652,419	5,600,776	-	110,595	19,370	-
Instructional Media Services	6200	13,023,473	8,696,423	3,006,969	651,705	-	186,401	481,975	-
Instruction & Curriculum Development	6300	47,344,923	19,054,465	5,699,211	8,236,292	-	1,325,392	11,108,764	1,920,799
Instructional Staff Training	6400	9,410,459	5,960,486	1,824,257	347,824	-	387,831	28,321	861,740
Instructional Support	6500	37,143,290	26,288,291	9,221,265	1,136,096	20,908	454,455	3,265	19,010
Board of Education	7100	9,888,422	5,785,402	1,996,576	390,416	1,473	835,352	105,706	773,497
General Administration	7200	6,968,302	4,314,693	1,361,549	346,125	12,743	31,725	424,073	477,394
School Administration	7300	169,631,957	123,356,397	41,623,621	621,121	2,007	823,124	830,059	2,375,628
Facilities Acquisition & Construction	7410	42,765,789	301	2,387	26,542	6,941	19,042	1,888,252	40,822,324
Fiscal Services	7500	14,183,175	7,606,052	2,669,839	254,480	-	9,880	14,341	3,628,583
Central Services	7700	65,077,005	31,802,905	11,029,378	21,818,515	38,522	120,285	167,855	99,545
Transportation Services	7800	64,571,128	30,758,383	17,989,798	10,580,811	1,462,430	3,778,849	-	857
Operation of Plant	7900	336,900,648	126,011,118	62,997,727	81,549,045	54,799,721	11,129,624	392,288	21,125
Maintenance of Plant	8100	140,575,078	52,661,900	20,099,199	43,816,559	529,125	8,716,598	14,751,273	424
General Support	8200	2,144,593	682,723	234,111	1,226,368	-	1,391	-	-
Community Services	9100	15,624,600	11,652,731	3,074,496	154,979	-	434,308	8,069	300,017
Debt Services	9200	5,400,000	-	-	-	-	-	-	5,400,000
Total Instruction & Support Services		\$ 3,426,890,788	\$ 1,737,934,861	\$ 663,522,610	\$ 780,067,489	\$ 56,874,824	\$ 93,556,275	\$ 36,117,532	\$ 58,817,197
Transfers to Other Funds									
Debt Service	9792	\$ -	-	-	-	-	-	-	-
Capital Projects Funds	9793	-	-	-	-	-	-	-	-
Special Revenue	9794	-	-	-	-	-	-	-	-
Internal Service	9798	-	-	-	-	-	-	-	-
Trust & Agency	9799	-	-	-	-	-	-	-	-
Total Appropriations & Transfers		3,426,890,788							
Fund Balance:									
Non-Spendable:									
Reserve for Pre-Paid Expenses		\$ -	-	-	-	-	-	-	-
Reserve for Inventory		-	-	-	-	-	-	-	-
Restricted:									
Reserve for State Categoricals		-	-	-	-	-	-	-	-
Assigned:									
Tax Reserve		51,630,304	-	-	-	-	-	-	-
Other Rebudgets		-	-	-	-	-	-	-	-
Commitments		-	-	-	-	-	-	-	-
Unassigned:		93,717,674	-	-	-	-	-	-	-
Total Fund Balance		145,347,978							
Total Appropriations, Transfers and Fund Balance		\$ 3,572,238,766							