

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

SUBJECT: RESOLUTION NO. 1, FY 2021-22 GENERAL FUND MID-YEAR BUDGET REVIEW

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC PLAN: EFFECTIVE AND SUSTAINABLE OPERATIONAL PRACTICES

This resolution recommends budgetary adjustments for the General Fund including: 1) the continued impacts of the COVID-19 pandemic and lower interest rates on local revenues; 2) a decrease in local revenue; 3) a slight increase in Federal Through State revenues; 4) a slight decrease in Other State/Categorical Programs; and 5) an increase to the personnel and program protection reserve within the assigned fund balance.

Major Revenue Adjustments

Total revenues/other sources are being decreased by \$2.8 million which includes an increase in Federal through State grants of \$830,144 primarily due to higher community school revenues, a net decrease of \$424,727 in Other State/Categorical Programs primarily due to a lower Voluntary Pre-K (VPK) projection, and a net decrease of \$6.8 million in Local revenues primarily due to lower community school revenues. The Transfer from Capital Outlay is also being increased by \$2 million due to an updated Florida Department of Education (FLDOE) Charter School Capital Outlay estimate

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; and 3) the reclassification of amounts between salary and non-salary. **Employee benefits** related to FICA/Retirement/Worker's Compensation decreased based on the salary adjustments previously mentioned offset by an increase of \$9.7M in Group Insurance. **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 an adjusted estimate of FEFP payments as well as to recognize new and additional non-FEFP charter funding; 2) increase amounts appropriated for Family Empowerment Scholarships Educational Options (FES-EO) and Unique Abilities (FES-UA, previously McKay) 3) an increase in energy services; and 4) shifts between non-salary and salary.

The FY 2021-22 reserve for personnel and program protection is being increased by \$47.6 million in order to ensure that we have sufficient funds for FY 2022-23 to protect our school programs and personnel from expected cuts due to projected FTE decreases as well as other potential revenue losses.

This resolution reduces both revenues and appropriations by \$2.8 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:	\$ 830,144
a. Community Schools	\$ 700,000
b. FEMA for Hurricane Irma	<u>130,144</u>
Total	\$ 830,144
2. Net decrease to Other State/Categorical revenues due to the following:	(424,727)
a. Establish Performance Based Incentives revenue \$129,211.	
b. Decrease Voluntary Pre-K revenues by \$553,938 to align to latest projection.	
3. Net decrease to Local revenues due to the following:	(6,839,290)
a) Increase Rent by a net \$443,872 to reflect facility rentals revenue.	
b) Decrease Interest revenue by \$33,417 in order to align to the latest projection.	
c) Decrease Community Schools fee revenue by \$7,500,000 per latest projection.	
d) Increase Food Service Indirect Costs revenue by \$116,055 to align to the latest projected amounts.	
e) Establish Bus Fees \$134,200 per the latest actual revenues.	
4. Increase the Transfer from Capital Outlay due to an updated estimate from FLDOE for charter school capital outlay.	2,056,630
5. Increase beginning fund balance as a result of a post Annual Financial Report (AFR) adjustment.	1,629,161
TOTAL REVENUES AND OTHER SOURCES DECREASE	<u>\$ (2,748,082)</u>

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to decrease from the adopted budget \$ (78,104,711) primarily due to the following:
 - a. Reclassification of the Advanced Placement/IB/AICE budget from salary to non-salary \$15,907,638.
 - b. Decrease salaries by \$22,475,016 in order to align with latest projected amounts which primarily reflect school-based decisions.
 - c. Decrease salaries by \$10,957,335 to eliminate the amount previously reserved for a potential FTE decrease.
 - d. Decrease salaries by \$31,360,104 due to vacant positions.
 - e. Increase salaries by \$2,595,382 related to Magnet Program funds shifted from non-salary to salary.
2. **Employee benefits** decreased due to lower projected costs for FICA/Retirement/Workers' Compensation partially offset by an increase in Group Insurance based on salary adjustments shown above. (12,066,162)
3. Decrease liability insurance per latest actuarial report. (460,930)
4. Increase **Energy Services** primarily due to projected electricity rate increases and a higher projection for bottled gas (propane) offset by slight decreases for diesel fuel and natural gas. 5,740,759
5. Increase appropriations for **Charter Schools** due to the following: 12,668,077
 - a. Establish \$7,078,895 Advanced Placement appropriation for charter schools.
 - b. Increase Charter School Capital Outlay to reflect updated estimates from the Florida Department of Education (FLDOE) \$2,056,630.
 - c. Increase M-DCPS Safe Schools allocation provided to charters \$3,481,552.
 - d. Increase other non-FEFP charter amounts by \$51,000 mainly due to the I.C.E. Vocational Bonus.

APPROPRIATION CHANGES (Continued)

**INCREASE
(DECREASE)**

6. Other **non-salary** accounts increased primarily due to the \$ 21,824,961 following:
- a. Increase non salary by \$21,544,975 mostly due to the shift of Advanced Placement/IB/AICE budget from salaries and fringes to non-salary.
 - b. Increase the current amount reserved for FES-UA (previously McKay) scholarships due to anticipated FTE growth by \$29,019,728.
 - c. Increase the current amount reserved for FES-EO scholarships due to anticipated FTE growth by \$6,545,926.
 - d. Net increase of \$5,374,411 to projected utility costs primarily due to increases in water and sewer, waste, and cellular air time projections.
 - e. Decrease non-salary by \$3,312,687 related to Magnet Program funds mostly due to a shift from non-salary to salary.
 - f. Decrease non-salary by \$39,212,214 due to updated projections primarily due to school-based decisions.
 - g. Increase non-salary for Miami-Dade Virtual School \$1,814,200 related to testing services.
 - h. Increase non-salary by \$50,622 to purchase two Adaptive cars to be used for the Driver's Education program.

TOTAL APPROPRIATION DECREASE

\$ (50,398,006)

TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE

1. Increase Assigned Fund Balance (FY 2021-22 Personnel and Program Protection revenue shortfall reserve) in order to set aside funds for FY 2022-23 anticipated shortfall. \$ 47,649,924

TOTAL INCREASE IN TRANSFERS & UNASSIGNED/ASSIGNED FUND BALANCE

\$ 47,649,924

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

\$ (2,748,082)

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

1. adopt Resolution No. 1, FY 2021-22 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by \$2,748,082; 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 2021-22 GENERAL FUND
 SUMMARY OF REVENUES AND APPROPRIATIONS
 RESOLUTION NO. 1**

	ADOPTED BUDGET 9/9/2021	INCREASE (DECREASE)	AMENDED BUDGET 2/9/2022
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 15,095,000	\$ 830,144	\$ 15,925,144
State	1,133,640,127	(424,727)	1,133,215,400
Local	1,929,811,873	(6,839,290)	1,922,972,583
TOTAL REVENUES	\$ 3,078,547,000	\$ (6,433,873)	\$ 3,072,113,127
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 202,284,012	\$ 2,056,630	\$ 204,340,642
TOTAL OTHER FINANCING SOURCES	\$ 202,284,012	\$ 2,056,630	\$ 204,340,642
BEGINNING FUND BALANCE	\$ 394,040,178	\$ 1,629,161	\$ 395,669,339
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,674,871,190	\$ (2,748,082)	\$ 3,672,123,108
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,744,406,332	\$ (78,104,711)	\$ 1,666,301,621
Employee Benefits	659,387,617	(12,066,162)	647,321,455
Liability Insurance	6,557,320	(460,930)	6,096,390
Energy Services	60,382,027	5,740,759	66,122,786
Charter Schools	616,096,608	12,668,077	628,764,685
Purchased Services	219,332,247	50,748,696	270,080,943
Other Non-Salary	241,991,365	(28,923,735)	213,067,630
TOTAL APPROPRIATIONS	\$ 3,548,153,516	\$ (50,398,006)	\$ 3,497,755,510
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 33,000,000	\$ 47,649,924	\$ 80,649,924
Unassigned (Contingency)	93,717,674	-	93,717,674
TOTAL RESERVES & ENDING FUND BALANCE	\$ 126,717,674	\$ 47,649,924	\$ 174,367,598
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	\$ 3,674,871,190	\$ (2,748,082)	\$ 3,672,123,108

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2021-22 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/9/2021	INCREASE (DECREASE)	AMENDED BUDGET 2/9/2022
FEDERAL SOURCES			
Impact Aid	\$ 45,000	\$ -	\$ 45,000
R.O.T.C.	1,750,000	-	1,750,000
Medicaid Reimbursement	12,000,000	-	12,000,000
Federal Through State Community Schools	1,300,000	700,000	2,000,000
Federal Through State FEMA for Hurricane Irma	-	130,144	130,144
Total Federal	\$ 15,095,000	\$ 830,144	\$ 15,925,144
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM (C):			
Base Funding less FEFP Required Local Effort	\$ 354,250,793	\$ -	\$ 354,250,793
Safe Schools (B)	22,517,661	-	22,517,661
Supplemental Academic Instruction (B)	113,842,617	-	113,842,617
ESE Guarantee (B)	126,884,526	-	126,884,526
Reading Allocation	14,726,503	-	14,726,503
Mental Health Assistance Allocation	13,465,847	-	13,465,847
DJJ Supplemental Allocation (A)	274,761	-	274,761
Instructional Materials	27,788,079	-	27,788,079
Transportation (B)	19,249,787	-	19,249,787
Teachers Classroom Supplies Allocation (A)	6,548,656	-	6,548,656
Federally Connected Student Supplement	126,406	-	126,406
McKay Scholarship Adjustment	(41,226,109)	-	(41,226,109)
Digital Classrooms Allocation	184,665	-	184,665
Teacher Salary Increase Allocation	66,148,051	-	66,148,051
Family Empowerment Scholarships Adjustment	(46,545,864)	-	(46,545,864)
Sub-Total FEFP	\$ 678,236,379	\$ -	\$ 678,236,379
OTHER STATE/CATEGORICAL PROGRAMS:			
Workforce Development (A)	\$ 80,670,340	\$ -	\$ 80,670,340
Adults with Disabilities (A)	1,125,208	-	1,125,208
Performance Based Incentives	-	129,211	129,211
Voluntary Pre-K (B)	16,398,912	(553,938)	15,844,974
Class Size Reduction	354,684,785	-	354,684,785
Miscellaneous State	2,524,503	-	2,524,503
Sub-Total Other State	\$ 455,403,748	\$ (424,727)	\$ 454,979,021
Total State	\$ 1,133,640,127	\$ (424,727)	\$ 1,133,215,400

(A) Revenue for which appropriations equal revenue.

(B) Revenue for which appropriations exceed revenue.

(C) This resolution reflects amounts as of the 2nd FEFP calculation which is the latest FEFP calculation available.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
FY 2021-22 GENERAL FUND
SUMMARY OF REVENUES AND OTHER SOURCES
RESOLUTION NO. 1**

	<u>AMENDED BUDGET 9/9/2021</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 2/9/2022</u>
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,346,481,283	\$ -	\$ 1,346,481,283
Local Discretionary Millage	262,899,504	-	262,899,504
Voted School Tax Additional Millage	263,602,444	-	263,602,444
Sub - Total Local	<u>\$ 1,872,983,231</u>	<u>\$ -</u>	<u>\$ 1,872,983,231</u>
MISCELLANEOUS LOCAL:			
Rent	\$ 8,380,000	\$ 443,872	\$ 8,823,872
Interest	622,523	(33,417)	589,106
Vocational Fees	805,000	-	805,000
Post Secondary Fees	3,363,000	-	3,363,000
Financial Aid Fees	500,000	-	500,000
Community Schools - Internal	18,000,000	(7,500,000)	10,500,000
Fed. Indirect Cost Reimbursement	15,000,000	-	15,000,000
Universal Services (E-Rate)	1,000,000	-	1,000,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,380,209	116,055	2,496,264
Other Miscellaneous Local	3,777,910	134,200	3,912,110
Sub-Total Miscellaneous Local	<u>\$ 56,828,642</u>	<u>\$ (6,839,290)</u>	<u>\$ 49,989,352</u>
Total Local	<u>\$ 1,929,811,873</u>	<u>\$ (6,839,290)</u>	<u>\$ 1,922,972,583</u>
TOTAL REVENUES	<u>\$ 3,078,547,000</u>	<u>\$ (6,433,873)</u>	<u>\$ 3,072,113,127</u>
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 202,284,012	\$ 2,056,630	\$ 204,340,642
FUND BALANCE FROM PRIOR YEAR	<u>394,040,178</u>	<u>1,629,161</u>	<u>395,669,339</u>
TOTAL REVENUES & OTHER SOURCES	<u>\$ 3,674,871,190</u>	<u>\$ (2,748,082)</u>	<u>\$ 3,672,123,108</u>

(A) Revenue for which appropriations equal revenue.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2021-22 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 1**

	AMENDED BUDGET 9/9/2021	INCREASE (DECREASE)	AMENDED BUDGET 2/9/2022
MISCELLANEOUS STATE SOURCES			
CO & DS Withheld for Adm.	\$ 224,796	\$ -	\$ 224,796
State License Tax	224,883	-	224,883
SFW Individual Training Account (A)	8,000	-	8,000
Computer Science Grant	1,084,411	-	1,084,411
FDLRS - Gen Revenue (A)	48,491	-	48,491
WLRN - TV FL Community Svc. (A)	301,176	-	301,176
WLRN - FM Radio Community Svc. (A)	94,000	-	94,000
Learning for Life (A)	141,000	-	141,000
Youth Mental Health Awareness & Training	397,746	-	397,746
TOTAL MISCELLANEOUS STATE	\$ 2,524,503	\$ -	\$ 2,524,503

(A) Revenue for which appropriations equal revenue.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2021-22 GENERAL FUND
 SUMMARY OF REVENUES AND OTHER SOURCES
 RESOLUTION NO. 1**

	AMENDED BUDGET 9/9/2021	INCREASE (DECREASE)	AMENDED BUDGET 2/9/2022
OTHER MISCELLANEOUS LOCAL SOURCES			
Fee Supported Pre-K (B)	\$ 2,391,120	\$ -	\$ 2,391,120
Miami-Dade County VAB Adjustment	386,790	-	386,790
Fingerprinting (A)	1,000,000	-	1,000,000
Bus Fees	-	134,200	134,200
TOTAL OTHER MISC LOCAL	<u>\$ 3,777,910</u>	<u>\$ 134,200</u>	<u>\$ 3,912,110</u>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
2021-22 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION NO. 1
FEBRUARY 9, 2022**

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	\$ 2,378,297,030	\$ 1,105,497,847	\$ 436,548,148	\$ 713,397,744	\$ 311	\$ 113,060,516	\$ 8,977,975	\$ 814,489
SUPPORT SERVICES:									
Pupil Personnel Services	6100	134,394,575	92,432,184	35,175,707	6,491,017	-	58,155	235,131	2,381
Instructional Media Services	6200	17,100,225	8,040,617	2,866,000	880,051	-	17,330	5,296,227	-
Instruction & Curriculum Development	6300	47,622,717	20,429,823	5,731,052	13,550,035	-	1,606,262	1,071,188	5,234,357
Instructional Staff Training	6400	13,199,241	7,968,301	1,821,381	592,345	-	202,000	484,115	2,131,099
Instructional Support	6500	36,053,061	25,635,925	9,375,594	714,675	28,184	152,704	145,979	-
Board of Education	7100	9,516,816	5,448,879	1,921,591	1,073,033	2,515	82,347	19,295	969,156
General Administration	7200	6,254,892	4,524,881	1,526,006	145,201	15,139	13,448	30,217	-
School Administration	7300	170,878,433	124,494,980	42,770,894	827,713	4,421	935,467	1,772,519	72,439
Facilities Acquisition & Construction	7410	40,614,929	3,487	1,012	13,956	4,693	-	225,803	40,365,978
Fiscal Services	7500	16,679,224	7,737,491	2,737,931	1,036,381	-	10,149	60,728	5,096,544
Central Services	7700	68,106,596	33,572,547	9,336	34,032,071	40,962	141,067	203,934	106,679
Transportation Services	7800	72,982,411	33,221,318	17,236,553	14,814,095	3,661,017	3,549,879	499,296	253
Operation of Plant	7900	351,220,042	131,955,364	65,392,320	90,475,863	61,808,008	1,047,285	540,495	707
Maintenance of Plant	8100	108,636,419	50,744,280	19,871,662	25,693,236	557,536	5,128,596	6,640,178	931
General Support	8200	1,881,781	670,945	233,945	968,304	-	8,587	-	-
Community Services	9100	18,967,118	13,922,752	4,102,323	236,298	-	231,442	471,229	3,074
Debt Services	9200	5,350,000	-	-	-	-	-	-	5,350,000
Total Instruction & Support Services		\$ 3,497,755,510	\$ 1,666,301,621	\$ 647,321,455	\$ 904,942,018	\$ 66,122,786	\$ 126,245,234	\$ 26,674,309	\$ 60,148,087
Transfers to Other Funds									
Debt Service	9792	\$ -							
Capital Projects Funds	9793	-							
Special Revenue	9794	-							
Internal Service	9798	-							
Trust & Agency	9799	-							
Total Appropriations & Transfers		3,497,755,510							
Fund Balance:									
Non-Spendable:									
Reserve for Pre-Paid Expenses		\$ -							
Reserve for Inventory		-							
Restricted:									
Reserve for State Categoricals		-							
Assigned:									
Tax Reserve		80,649,924							
Other Rebudgets		-							
Commitments		-							
Unassigned:		93,717,674							
Total Fund Balance		174,367,598							
Total Appropriations, Transfers and Fund Balance		\$ 3,672,123,108							