

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 impact of the Florida Education Finance Program (FEFP) Third Calculation; 2) the continued impacts of the COVID-19 pandemic and lower interest rates on local revenues; 3) a slight increase in Federal Through State revenues; 4) a slight decrease in Other State/Categorical Programs; and 5) the establishment of a personnel and program protection reserve within the assigned fund balance.

Major Revenue Adjustments in FEFP

Revenue adjustments include the following items reflected in the Third Calculation of the FEFP, recently received from the Department of Education:

- Decrease of 476 **weighted** full-time equivalent (FTE) students reported (\$2.1 million).
- Increase in Family Empowerment Scholarships Educational Opportunities (FES-EO) and Unique Abilities (FES-UA; previously McKay) scholarship deductions resulting in a revenue decrease of \$96.7 million.
- Decrease Class Size Reduction by \$10.1 million.

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 FES-EO and FES-UA 3) an increase in energy services; and 4) shifts between non-salary and salary.

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The FY 2021-22 reserve for personnel and program protection is being established within the assigned fund balance 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 and the reabsorption of amounts currently funded by ESSER funds.

This resolution reduces both revenues and appropriations by \$110.7 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	130,144
Total	<u>\$ 830,144</u>
2. Decrease State revenues due to the following:	(97,898,162)
a. Decrease FEFP as follows:	
Decrease of 476 weighted FTE	\$ (2,111,793)
FES-Educational Opportunities	(92,661,360)
FES-Unique Abilities (prev. McKay)	(4,058,103)
Prior year Adjustments for Scholarships	(41,018)
Student Reserve Allocation	21,449,750
Proration to Appropriation	(21,449,750)
ESE Guarantee	4,227,062
Instructional Materials	(1,940,118)
Supplemental Academic Instruction	(1,861,209)
Prior Year Adjustment	1,053,006
Reading Allocation	(218,404)
Safe Schools	(211,367)
Mental Health Assistance Allocation	(197,810)
Transportation	166,378
DJJ Supplemental Allocation	(42,061)
Digital Classrooms Allocation	(1,365)
Total	<u>\$ (97,898,162)</u>
3. Net decrease to Other State/Categorical revenues due to the following:	(10,498,373)
a. Decrease Class Size Reduction by \$10,073,646.	
b. Establish Performance Based Incentives revenue \$129,211.	
c. Decrease Voluntary Pre-K revenues by \$553,938 to align to latest projection.	

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APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

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|---|----------------|
| 4. 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. | |
| 5. Increase the Transfer from Capital Outlay due to an updated estimate from FLDOE for charter school capital outlay. | 2,056,630 |
| 6. Increase beginning fund balance as a result of a post Annual Financial Report (AFR) adjustment. | 1,629,161 |

TOTAL REVENUES AND OTHER SOURCES DECREASE

\$ (110,719,890)

- | | |
|--|--------------|
| 1. Salaries are projected to decrease from the adopted budget primarily due to the following: | (79,450,827) |
| a. Reclassification of the Advanced Placement/IB/AICE budget from salary to non-salary \$15,907,638. | |
| b. Increase salaries by \$26,636,877 in order to align with latest projected amounts which primarily reflect school-based decisions. | |
| c. Decrease salaries by \$60,069,228 to eliminate the amount previously reserved for a potential FTE decrease. | |
| d. Decrease salaries by \$31,360,104 due to vacant positions. | |
| e. Decrease Voluntary Pre-K salaries by \$1,311,688 due to latest projections. | |
| f. Decrease DJJ salaries by \$34,428 due to revenue decrease. | |
| g. Increase salaries by \$2,595,382 related to Magnet Program funds shifted from non-salary to salary. | |

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APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

- 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. \$ (12,329,193)
- 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. Net increase to appropriations for **Charter Schools** due to the following: 12,748,745
 - 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. Net Increase to FEFP amount allocated as of the 3rd calculation \$80,668.
 - e. Increase other non-FEFP charter amounts by \$51,000 mainly to recognize the I.C.E. Vocational Bonus.
- 6. Other **non-salary** accounts decreased primarily due to the following: (78,882,111)
 - 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. Eliminate amount reserved for FES-EO scholarships due to increase in latest FEFP calculation \$58,856,296.
 - c. Eliminate amount reserved for FES-UA scholarships due to increase in latest FEFP calculation \$4,266,088.
 - 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.

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APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

- 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. Decrease non-salary appropriations related to the revisions in FEFP/Categorical revenue as of the third calculation:
 - Instructional Materials \$ (1,194,032)
 - Reading Program (166,855)
 - Mental Health Assistance (143,522)
 - Digital Classrooms (926)
 - Total \$ (1,505,335)
- i. Decrease non-salary by \$513,699 related to Voluntary Pre-K per the latest projection.
- j. Increase non-salary by \$50,622 to purchase two Adaptive cars to be used for the Driver's Education program.

TOTAL APPROPRIATION DECREASE

\$ (152,633,557)

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<u>TRANSFERS/UNASSIGNED/ASSIGNED FUND BALANCE</u>	<u>INCREASE (DECREASE)</u>
1. Increase Assigned Fund Balance to establish FY 2021-22 Personnel and Program Protection revenue shortfall reserve in order to set aside funds for FY 2022-23 anticipated shortfall.	\$ 41,913,667
TOTAL INCREASE IN TRANSFERS & UNASSIGNED/ASSIGNED FUND BALANCE	\$ 41,913,667
TOTAL DECREASE IN APPROPRIATIONS, TRANSFERS & UNASSIGNED/ASSIGNED FUND BALANCE	\$ (110,719,890)

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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 \$110,719,890; and
2. adopt the Summary of Revenues and Appropriations (page 7) and the Summary of Appropriations by Function (page 12).

**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	(108,396,535)	1,025,243,592
Local	1,929,811,873	(6,839,290)	1,922,972,583
TOTAL REVENUES	\$ 3,078,547,000	\$ (114,405,681)	\$ 2,964,141,319
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	\$ (110,719,890)	\$ 3,564,151,300
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,744,406,332	\$ (79,450,827)	\$ 1,664,955,505
Employee Benefits	659,387,617	(12,329,193)	647,058,424
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	12,748,745	628,845,353
Purchased Services	219,332,247	(47,939,342)	171,392,905
Other Non-Salary	241,991,365	(30,942,769)	211,048,596
TOTAL APPROPRIATIONS	\$ 3,548,153,516	\$ (152,633,557)	\$ 3,395,519,959
RESERVES & ENDING FUND BALANCE			
Assigned	\$ 33,000,000	\$ 41,913,667	\$ 74,913,667
Unassigned (Contingency)	93,717,674	-	93,717,674
TOTAL RESERVES & ENDING FUND BALANCE	\$ 126,717,674	\$ 41,913,667	\$ 168,631,341
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	\$ 3,674,871,190	\$ (110,719,890)	\$ 3,564,151,300

**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	\$ (2,111,793)	\$ 352,139,000
Safe Schools (B)	22,517,661	(211,367)	22,306,294
Supplemental Academic Instruction (B)	113,842,617	(1,861,209)	111,981,408
ESE Guarantee (B)	126,884,526	4,227,062	131,111,588
Reading Allocation	14,726,503	(218,404)	14,508,099
Mental Health Assistance Allocation	13,465,847	(197,810)	13,268,037
DJJ Supplemental Allocation (A)	274,761	(42,061)	232,700
Instructional Materials	27,788,079	(1,940,118)	25,847,961
Transportation (B)	19,249,787	166,378	19,416,165
Teachers Classroom Supplies Allocation (A)	6,548,656	-	6,548,656
Federally Connected Student Supplement	126,406	-	126,406
Prior Year Adjustment	-	1,053,006	1,053,006
Family Empowerment Scholarships Unique Abilities Adjustment (prev. McKay)	(41,226,109)	(4,058,103)	(45,284,212)
Family Empowerment Scholarships Educational Opportunities Adjustment	(46,545,864)	(92,661,360)	(139,207,224)
Prior Year Adjustment for Scholarship Deductions	-	(41,018)	(41,018)
Digital Classrooms Allocation	184,665	(1,365)	183,300
Teacher Salary Increase Allocation	66,148,051	-	66,148,051
Proration to Appropriation	-	(21,449,750)	(21,449,750)
Student Reserve Allocation	-	21,449,750	21,449,750
Sub-Total FEFP	\$ 678,236,379	\$ (97,898,162)	\$ 580,338,217
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	(10,073,646)	344,611,139
Miscellaneous State	2,524,503	-	2,524,503
Sub-Total Other State	\$ 455,403,748	\$ (10,498,373)	\$ 444,905,375
Total State	\$ 1,133,640,127	\$ (108,396,535)	\$ 1,025,243,592

(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 calculator available.

**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
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	\$ 1,872,983,231	\$ -	\$ 1,872,983,231
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	\$ 56,828,642	\$ (6,839,290)	\$ 49,989,352
Total Local	\$ 1,929,811,873	\$ (6,839,290)	\$ 1,922,972,583
TOTAL REVENUES	\$ 3,078,547,000	\$ (114,405,681)	\$ 2,964,141,319
OTHER FINANCING SOURCES			
Transfers From Capital Outlay	\$ 202,284,012	\$ 2,056,630	\$ 204,340,642
FUND BALANCE FROM PRIOR YEAR	394,040,178	1,629,161	395,669,339
TOTAL REVENUES & OTHER SOURCES	\$ 3,674,871,190	\$ (110,719,890)	\$ 3,564,151,300

(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	\$ 3,777,910	\$ 134,200	\$ 3,912,110

- (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	\$ 2,294,578,765	\$ 1,104,631,885	\$ 435,565,316	\$ 633,412,896	\$ 311	\$ 111,444,846	\$ 8,977,975	\$ 545,536
SUPPORT SERVICES:									
Pupil Personnel Services	6100	133,816,273	92,353,045	35,297,396	5,872,186	-	56,123	235,131	2,392
Instructional Media Services	6200	17,003,417	8,033,733	2,875,915	780,737	-	16,805	5,296,227	-
Instruction & Curriculum Development	6300	46,139,157	20,412,331	5,750,879	12,076,018	-	1,571,524	1,071,188	5,257,217
Instructional Staff Training	6400	13,138,851	7,961,479	1,827,682	527,785	-	197,626	484,115	2,140,164
Instructional Support	6500	35,986,570	25,613,976	9,408,028	643,042	28,184	147,361	145,979	-
Board of Education	7100	9,410,798	5,444,214	1,928,239	963,533	2,515	79,675	19,295	973,327
General Administration	7200	6,241,303	4,521,006	1,531,286	130,418	15,139	13,237	30,217	-
School Administration	7300	170,824,464	124,388,389	42,918,858	754,723	4,421	912,800	1,772,519	72,754
Facilities Acquisition & Construction	7410	40,831,251	3,481	1,019	11,314	4,693	-	225,803	40,584,941
Fiscal Services	7500	16,628,919	7,730,866	2,747,403	969,311	-	9,793	60,728	5,110,818
Central Services	7700	64,940,158	33,543,803	-	30,905,937	40,962	138,381	203,934	107,141
Transportation Services	7800	71,338,860	33,192,875	17,296,182	13,262,182	3,661,017	3,427,308	499,296	-
Operation of Plant	7900	342,672,282	131,842,386	65,618,543	81,841,939	61,808,008	1,020,201	540,495	710
Maintenance of Plant	8100	105,887,681	50,700,833	19,940,408	23,090,295	557,536	4,958,431	6,640,178	-
General Support	8200	1,786,369	670,371	234,755	872,957	-	8,286	-	-
Community Services	9100	18,944,841	13,910,832	4,116,515	219,375	-	223,803	471,229	3,087
Debt Services	9200	5,350,000	-	-	-	-	-	-	5,350,000
Total Instruction & Support Services		\$ 3,395,519,959	\$ 1,664,955,505	\$ 647,058,424	\$ 806,334,648	\$ 66,122,786	\$ 124,226,200	\$ 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		3,395,519,959							
Fund Balance:									
Non-Spendable:									
Reserve for Pre-Paid Expenses		\$ -	-	-	-	-	-	-	-
Reserve for Inventory		-	-	-	-	-	-	-	-
Restricted:									
Reserve for State Categoricals		-	-	-	-	-	-	-	-
Assigned:									
Tax Reserve		74,913,667	-	-	-	-	-	-	-
Other Rebudgets		-	-	-	-	-	-	-	-
Commitments		-	-	-	-	-	-	-	-
Unassigned:		93,717,674	-	-	-	-	-	-	-
Total Fund Balance		168,631,341							
Total Appropriations, Transfers and Fund Balance		\$ 3,564,151,300							