



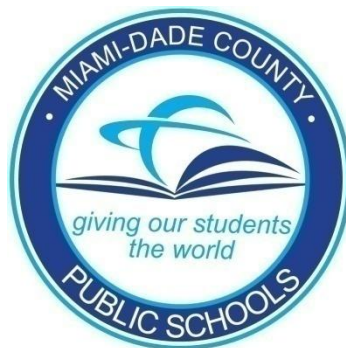
School Board Member and Cabinet Retreat

January 26, 2011

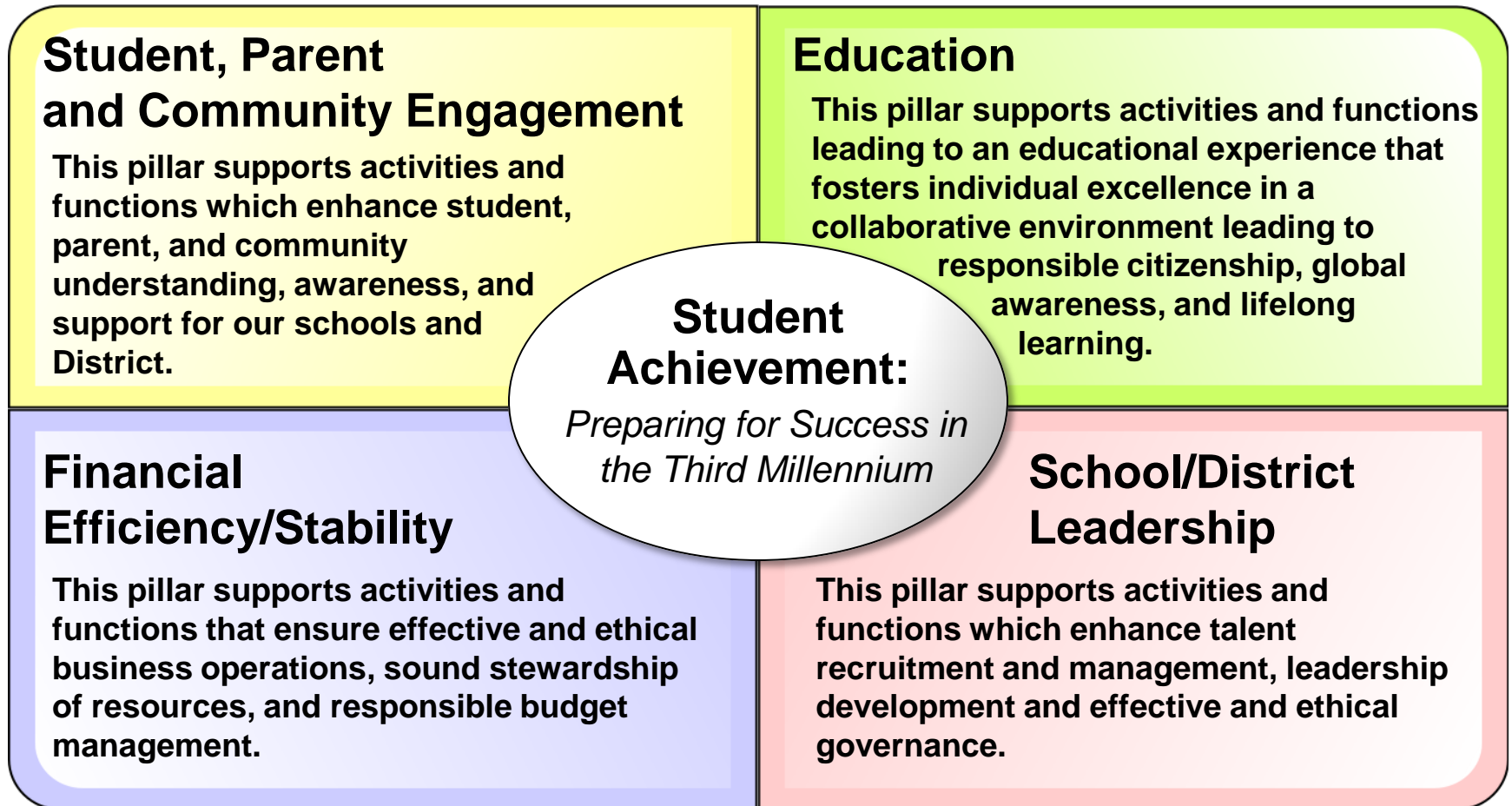
Agenda

- 8:30 Continental Breakfast
- 9:00 Retreat Welcome and Day's Expectations
- 9:10 One Community One Goal
- 9:15 Strategic Framework
 - Overview of Strategic Framework
 - Status of Progress toward Strategic Goal
- 9:20 Accountability Overview
- 10:00 Operating and Capital Budget Outlook
- 10:45 Legislative Issues
- 11:00 Facility Utilization and School Models
- 12:30 Lunch
- 1:00 School Board Policy, Leadership, and Governing
 - *Discussion Facilitated by Florida School Boards Association
- 3:15 Wrap up
- 3:30 Adjournment

Strategic Framework and Progress Towards Goal



Strategic Framework



Singular Goal



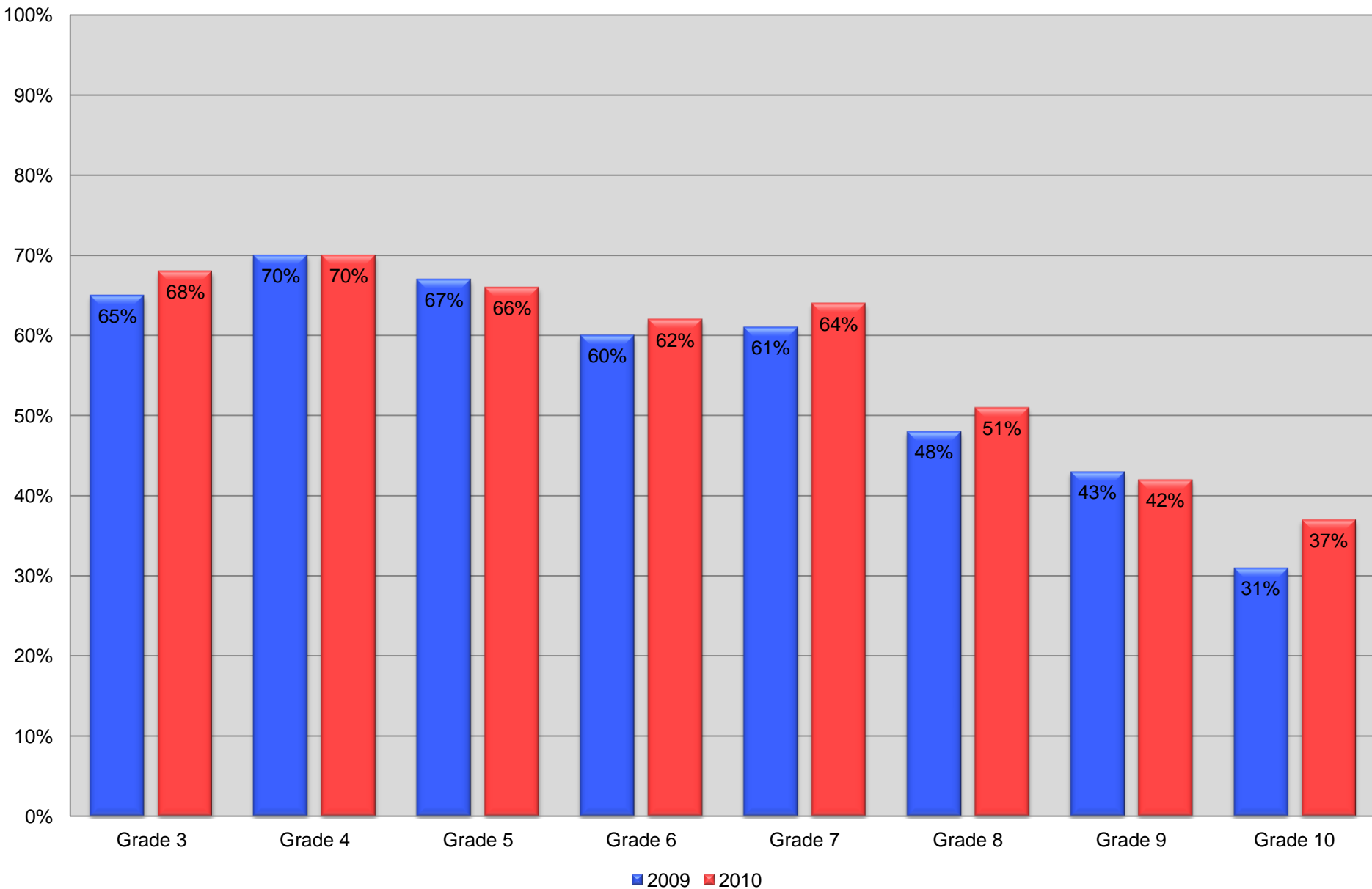
Student Achievement:

*Preparing for Success in
the Third Millennium*

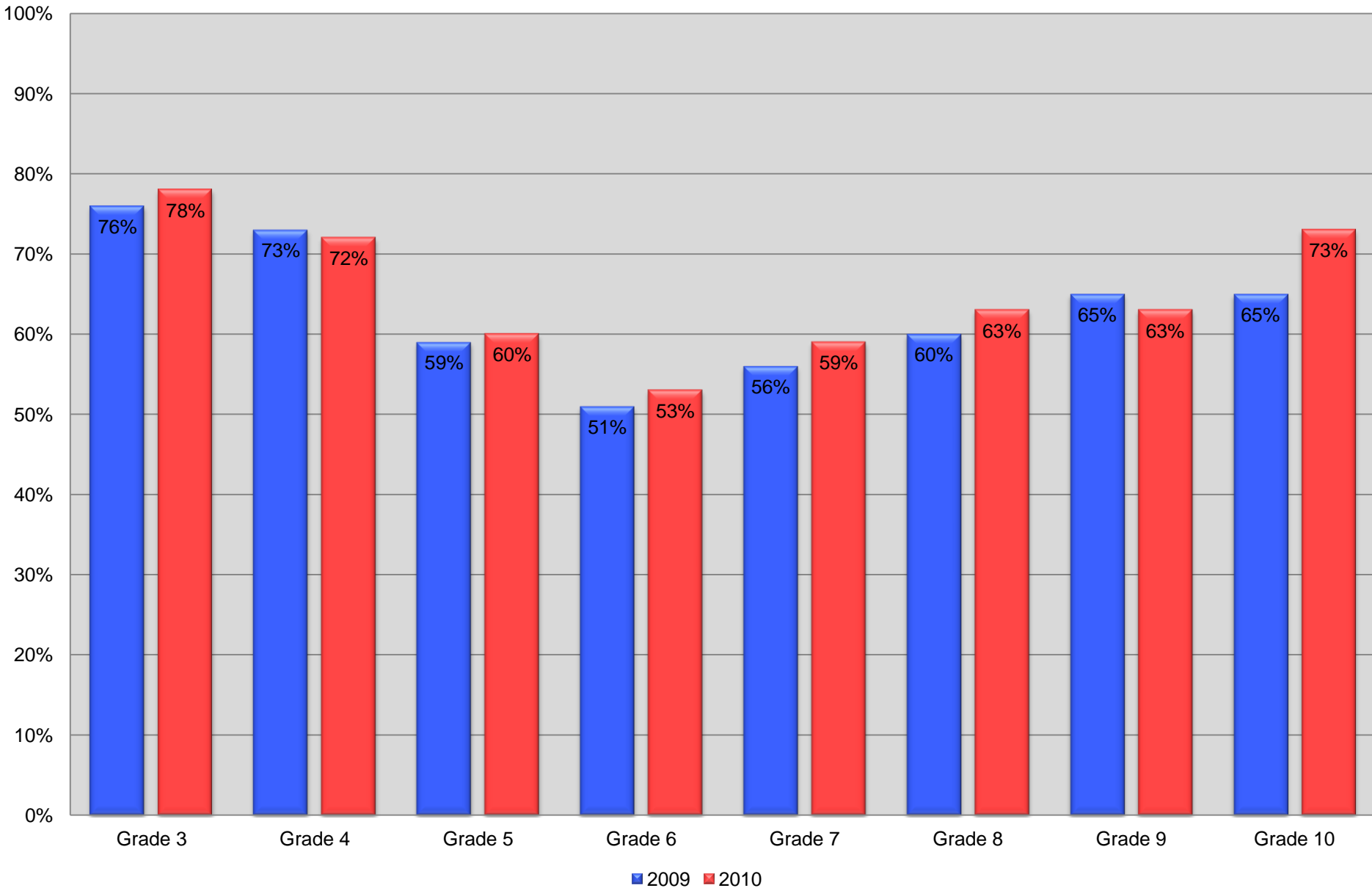
Each student succeeds as measured by:

- 1. Graduating**
- 2. Having a post-secondary plan**
- 3. Demonstrating age/grade level appropriate knowledge mastery**
- 4. Successfully entering the higher education arena and/or workforce**

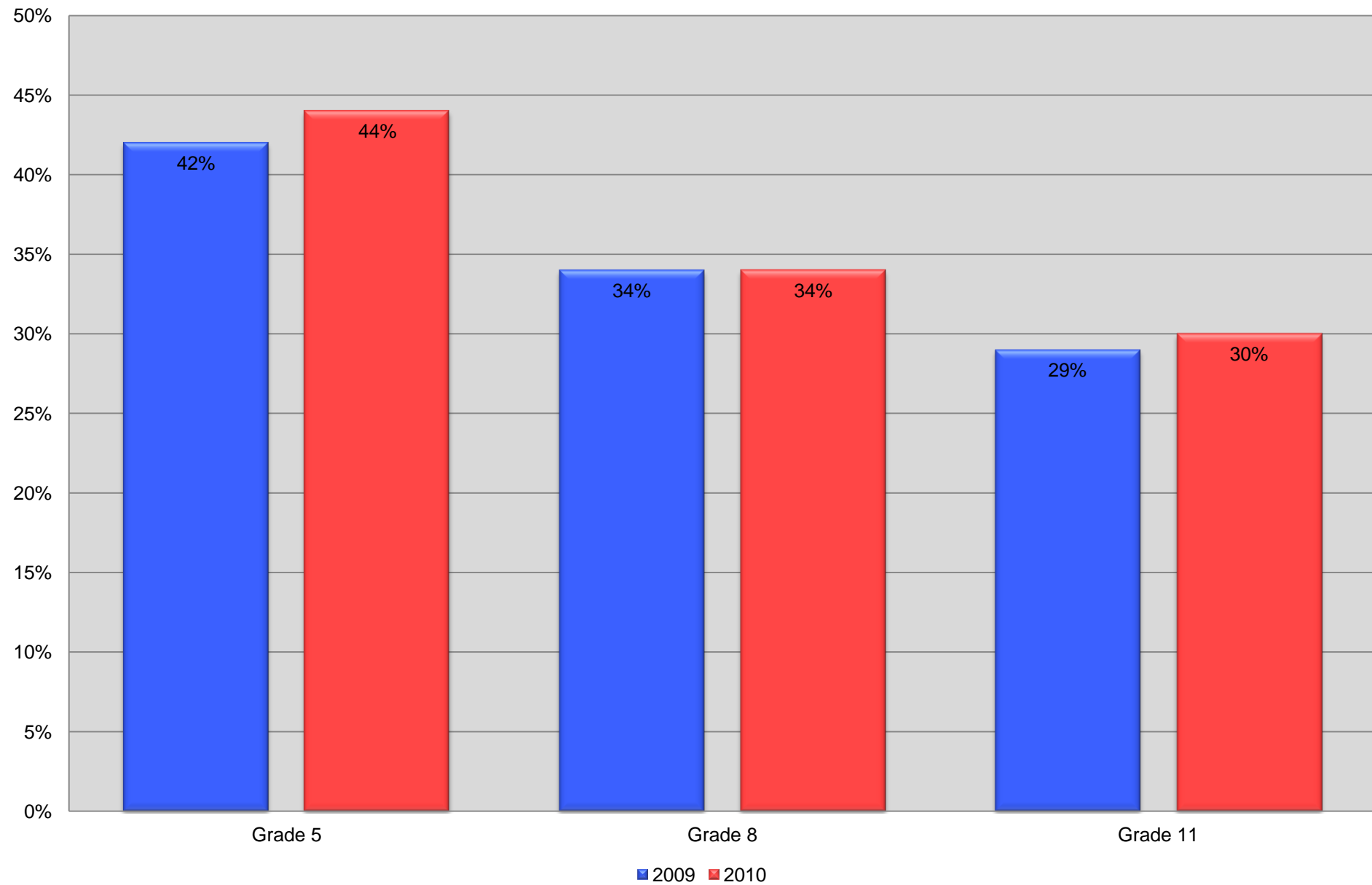
2009 and 2010 District FCAT SSS Reading Percent Scoring 3-5



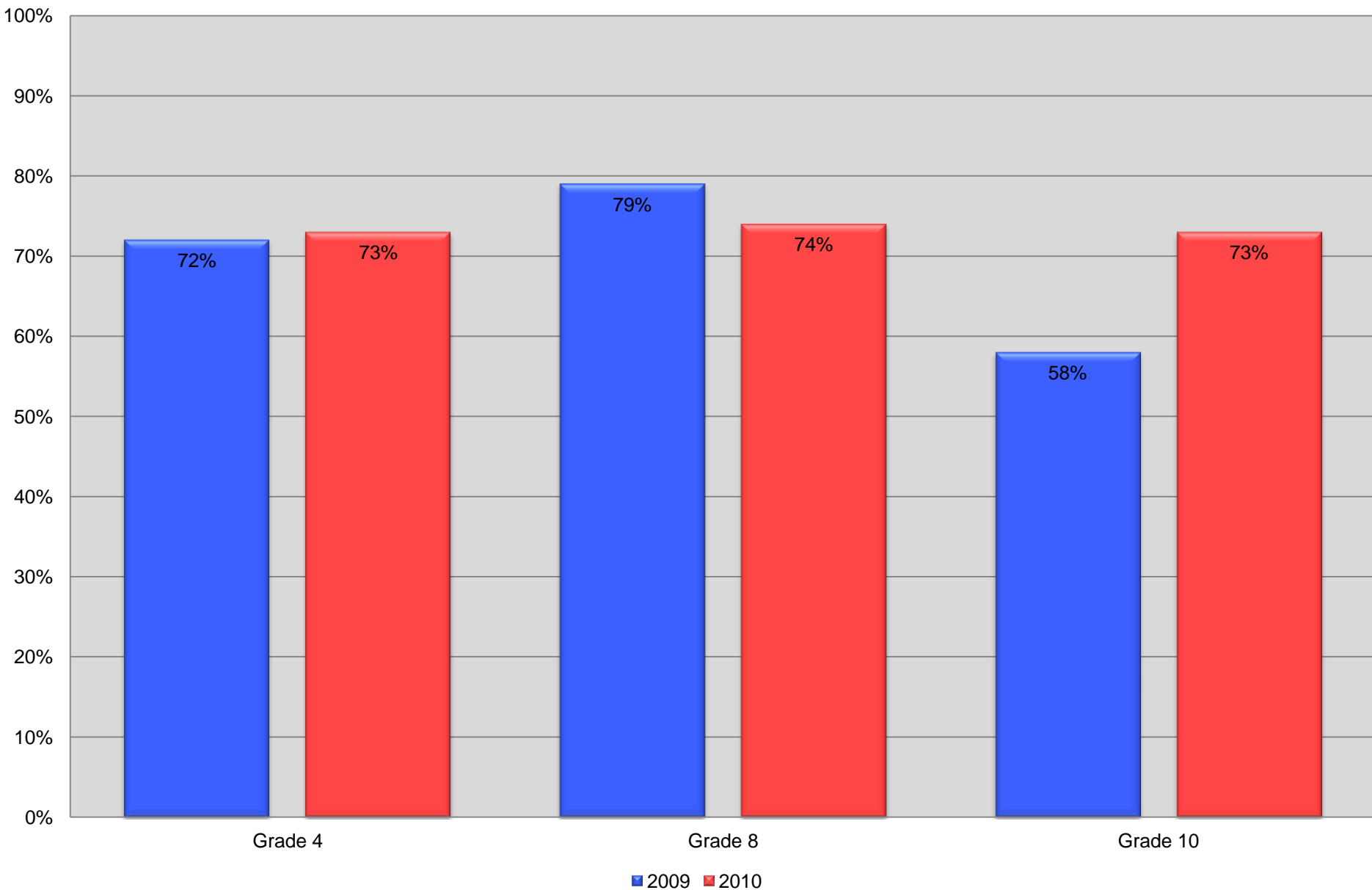
2009 and 2010 District FCAT SSS Mathematics Percent Scoring 3-5



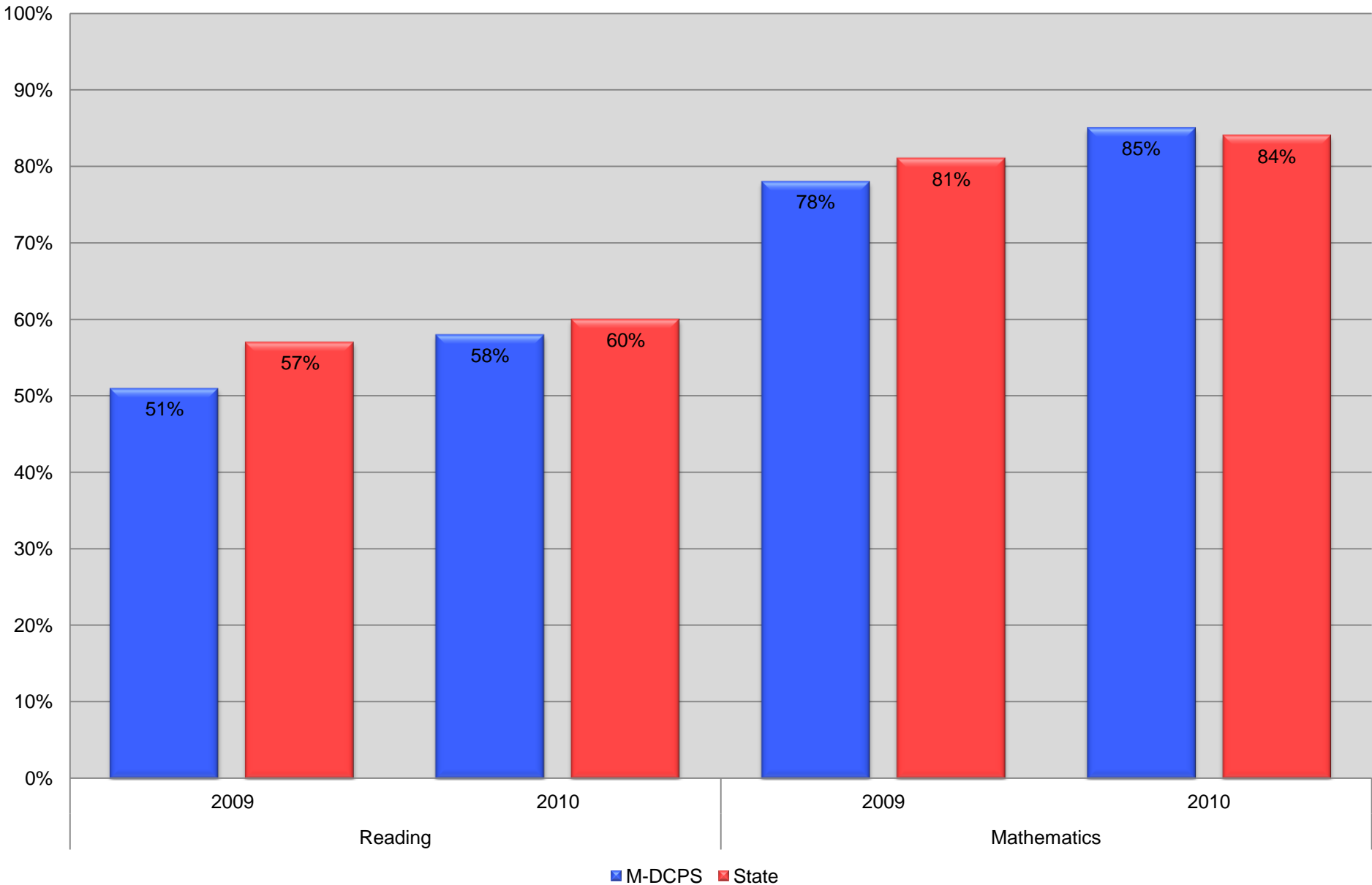
**2009 and 2010
District FCAT SSS Science
Percent Scoring 3-5**



2009 and 2010 District FCAT Writing Essay Scores Percent Scoring 4 and Above

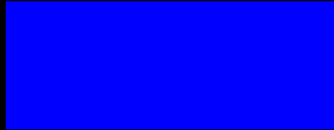


2009 and 2010 District FCAT Graduation Test Percent of Students Meeting Graduation Requirements on the First Attempt



Longitudinal Graduation Rates for M-DCPS

2009 68.5



2010 72.1

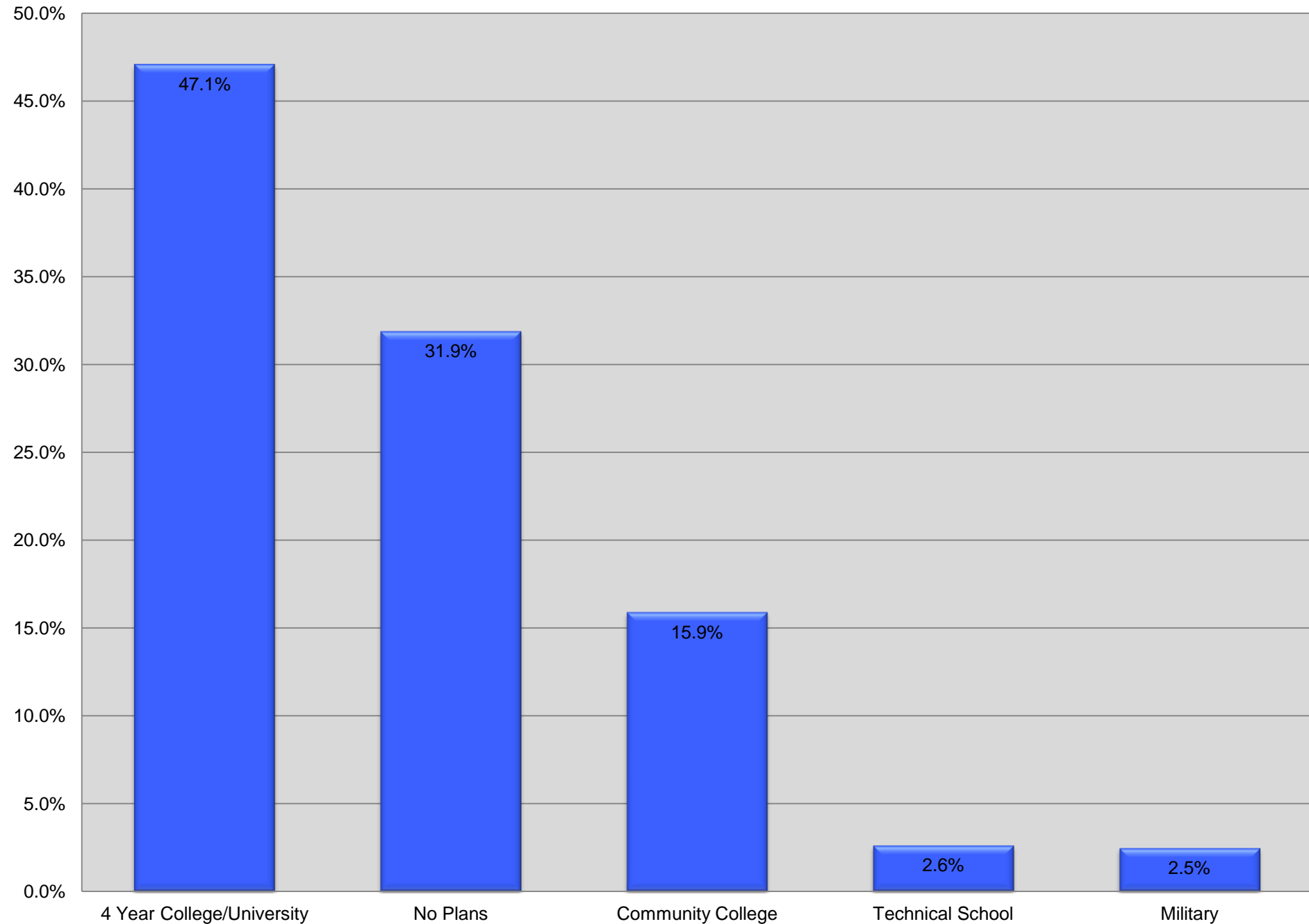


3.6% increase M-DCPS
2.5% increase State

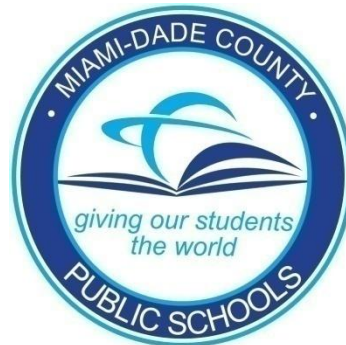


Post-Secondary Educational Plans for 2009-10 Graduating Class

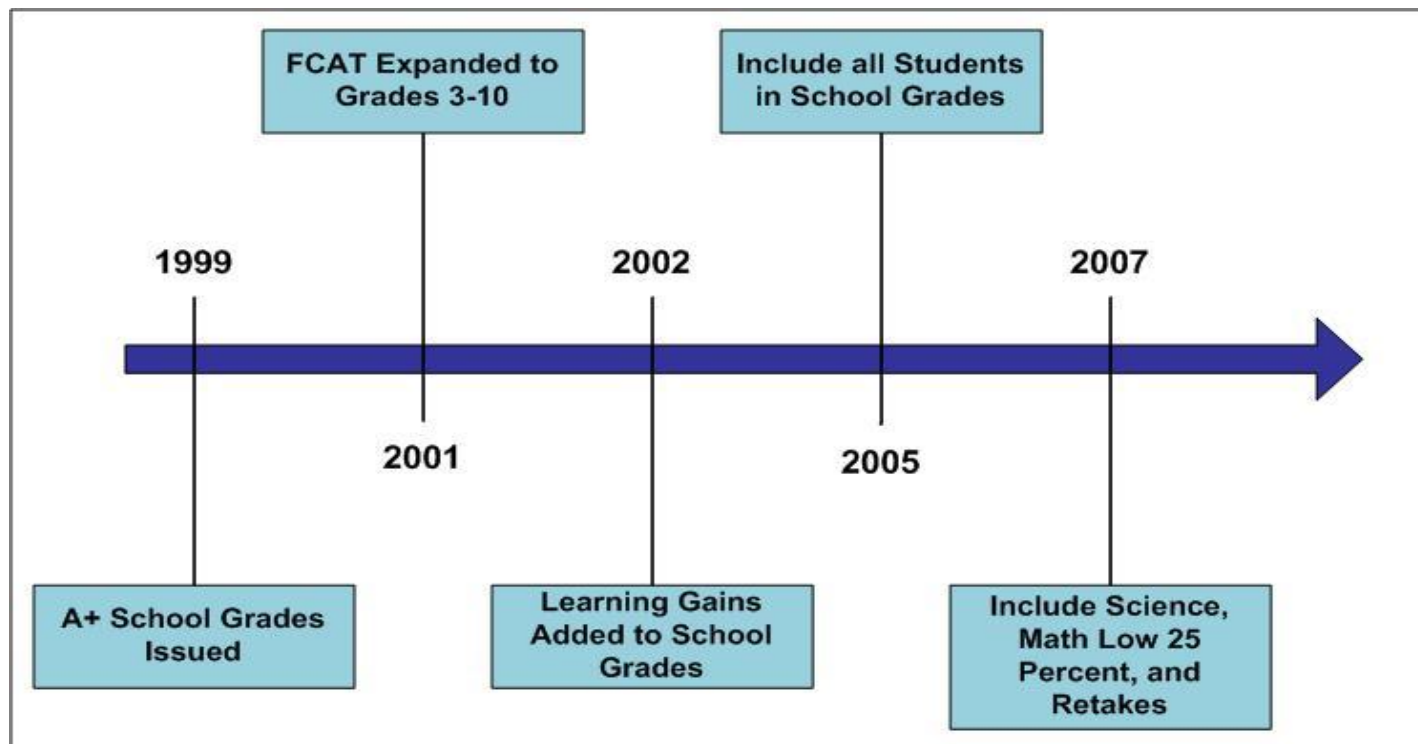
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Florida's School Accountability System



History of School Grades



School Grades were first issued in 1999 under the A+ Plan for Education. Since then, school grading evolved in 2001 to include the FCAT results of students in Grades 3-10. In 2002, student learning gains were added to school grades, and in 2005 all students were included in school grades. In 2007, performance in FCAT Science, the learning gains of students scoring in the lowest 25 percent in mathematics, and the performance of those retaking the FCAT were added to school grades.

Source: Florida Department of Education

Senate Bill 1908

Beginning in the 2009 -10 school year, 50% of the school's grade will be based on the *existing* FCAT- related factors and the remaining 50% will be based on factors that *include*:

- A school's ***graduation rate***;
- The ***performance and participation of students in AP, IB, Dual Enrollment, AICE, and industry-certification*** (as valid data becomes available);
- The ***postsecondary readiness*** of the students as measured by the SAT, ACT, or CPT;
- The high school ***graduation rate of at-risk students***;
- The performance of a school's students on ***statewide standardized end-of-course assessments*** (when available); and
- **Growth or decline** in the data components from year to year.

Senate Bill 4

Bill revises School Grading System to:

Include End of Course results in calculating school grades for:

- *Performance components* in reading and mathematics
- *Learning gains components* for reading and mathematics
- *Lowest 25% gains components* in reading and mathematics

Assessments will include EOCs required for high school graduation, including the following:

- Algebra (2010-11)
- Geometry, Biology and U.S. History (2011-12)
- Civics (2012-13)

Transition to Computer-Based Testing

Transition to Next Generation and Computer-Based Tests in Florida

Computer-Based Tests: Grades and subjects which are optional by school in CBT or PBT are shown in ***bold, italic***; full CBT administration except for accommodations are shown in ***red, bold, italic, underlined***.

	2010-11	2011-12	2012-13	2013-14	2014-15
FCAT	Science (5, 8, 11) Writing (4, 8, 10) Reading Retakes (fall, <i>spring</i>) Mathematics (<i>10</i>) Mathematics Retakes (fall, <i>spring</i>)	Writing (4, 8, 10) Reading Retakes (<i>fall, spring</i>) Mathematics Retakes (<i>fall, spring</i>)	Writing (4, 8, 10) Mathematics Retakes (<i>fall, spring</i>)	Writing (4, 8, 10)	
FCAT 2.0	Reading (3-10) (B) Mathematics (3-8) (B) Science (5, 8) (FT; embedded in FCAT)	Reading (3-6, <i>Z</i> , 8-10) (SS) Reading Retake (<i>fall</i>) Mathematics (3-8) (SS) Science (5, 8) (B)	Reading (3-6, <i>Z</i> , 8-9, <i>10</i>) Reading Retake (<i>fall</i>) Mathematics (3-6, <i>Z</i> , 8) Science (5, 8) (SS)	Reading (3-4, <i>S</i> , 6, <i>Z</i> , 8-9, <i>10</i>) Reading Retake (<i>fall</i>) Mathematics (3-5, <i>6-7</i> , 8) Science (5, 8)	Science (5, 8) Reading Retake (<i>fall, spring</i>)
End-of-Course	<i>Algebra 1</i> (B) <i>Geometry</i> (FT; sampled high schools) <i>Biology 1</i> (FT; sampled high schools)	<i>Algebra 1</i> (SS) <i>Geometry</i> (B) <i>Biology 1</i> (B) <i>US History</i> (FT; sampled high schools)	<i>Algebra 1</i> <i>Geometry</i> (SS) <i>Biology 1</i> (SS) <i>US History</i> (B) <i>Civics</i> (FT; sampled middle schools)	<i>Algebra 1</i> <i>Geometry</i> <i>Biology 1</i> <i>US History</i> (SS) <i>Civics</i> (B)	<i>Biology 1</i> <i>US History</i> <i>Civics</i> (SS)
Common Core Assessments PARCC	Design and development funded by RTT Assessment Grant; In conjunction with 24 other states.			<i>English/Lang Arts</i> (3-11) (FT; sampled schools) <i>Mathematics</i> (3-8) (FT; sampled schools) <i>HS Math EOCs</i> (3 subjects TBD) (FT; sampled schools)	<i>English/Lang Arts</i> (3-11) (B) <i>Mathematics</i> (3-8) (B) <i>HS Math EOCs</i> (3 subjects TBD) (B)

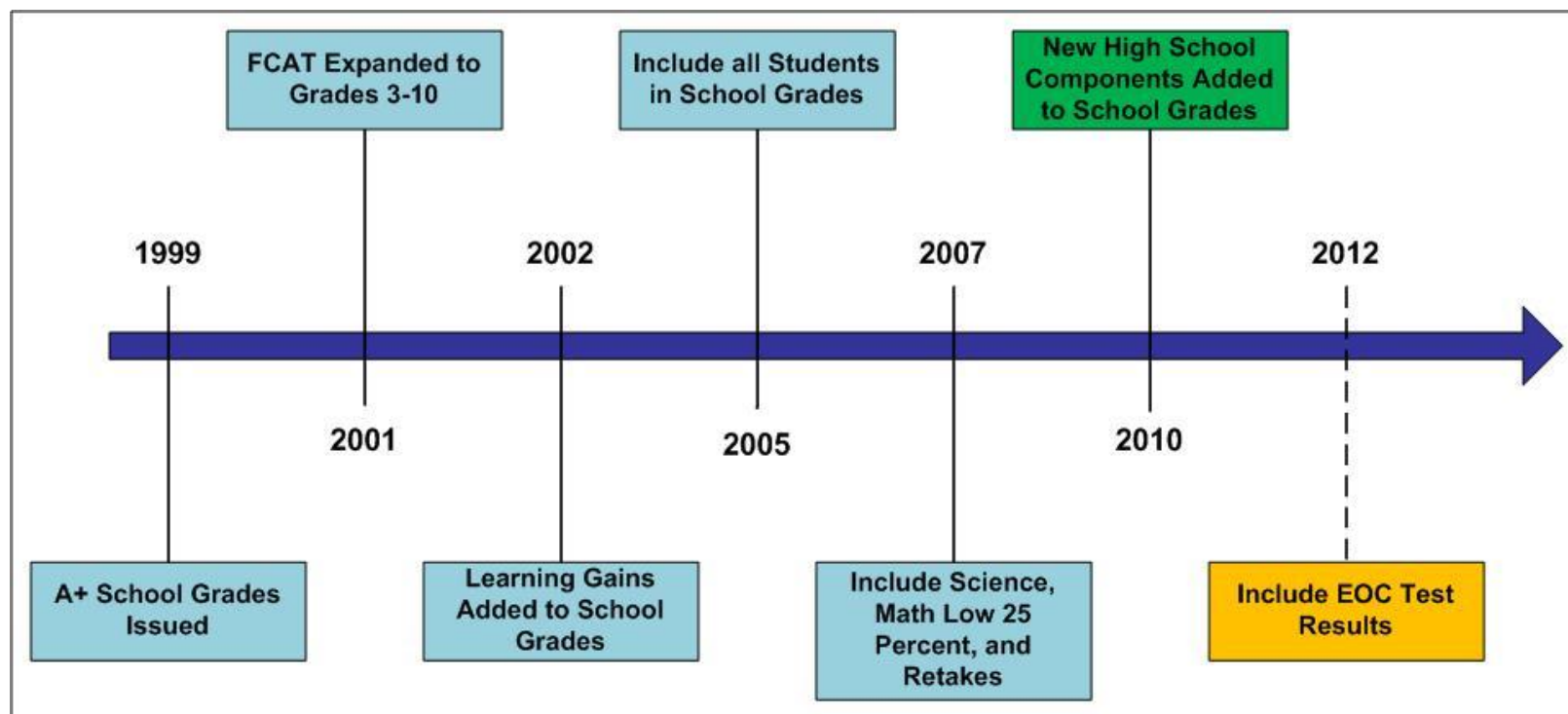
Notes: FT – Field test administration only.

B – Baseline administration; a scale score will be reported; no developmental scale score or achievement levels will be available.

SS – Standards set; developmental scores, achievement levels, and passing scores will be reported for the first time.

ISS – Interim achievement levels and passing scores used and reported for the first time.

History of School Grades



School Grades were first issued in 1999 under the A+ Plan for Education. Since then, school grading evolved in 2001 to include the FCAT results of students in Grades 3-10. In 2002, student learning gains were added to school grades, and in 2005 all students were included in school grades. In 2007, performance in FCAT Science, the learning gains of students scoring in the lowest 25 percent in mathematics, and the performance of those retaking the FCAT were added to school grades. In 2010, new components including graduation rate, student performance and participation in accelerated coursework, and college readiness will be added to school grades for high schools.

Source: Florida Department of Education

Race To The TOP/Teacher Incentive Fund Implications

Development of Assessments in Non-Core areas such as:

- Social Studies, Art, Music, PE, Career Academies

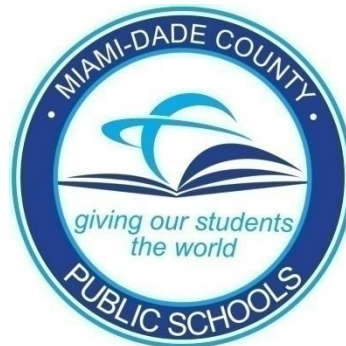
Performance Pay for Teachers

- Value–Added Models
- Determine teacher effectiveness across diverse assessment instruments

Automated Teacher Evaluation System

- Development of an automated system to capture teacher evaluations and student achievement growth

Budget Outlook and Legislative Issues



Where We Were: 2 ½ Years Ago

Outstanding Liabilities of \$316M

Problem	Solution
Technical deficiencies in the budget	Ensured confidence thru transparency and value-based budgeting
State revenue reductions	Made drastic cuts – including 50% of central office – without a teacher RIF
Health Insurance costs skyrocketing	Cured \$73M liabilities by switching to self-insured basis
ERP/SAP collapsing	Brought project in-house & successfully launched Finance & HR modules
District on the verge of bankruptcy with \$4M in reserves	Reserves up over 3000% and District on very strong financial footing
Unstable credit rating	Moody's upgrade to 'stable'

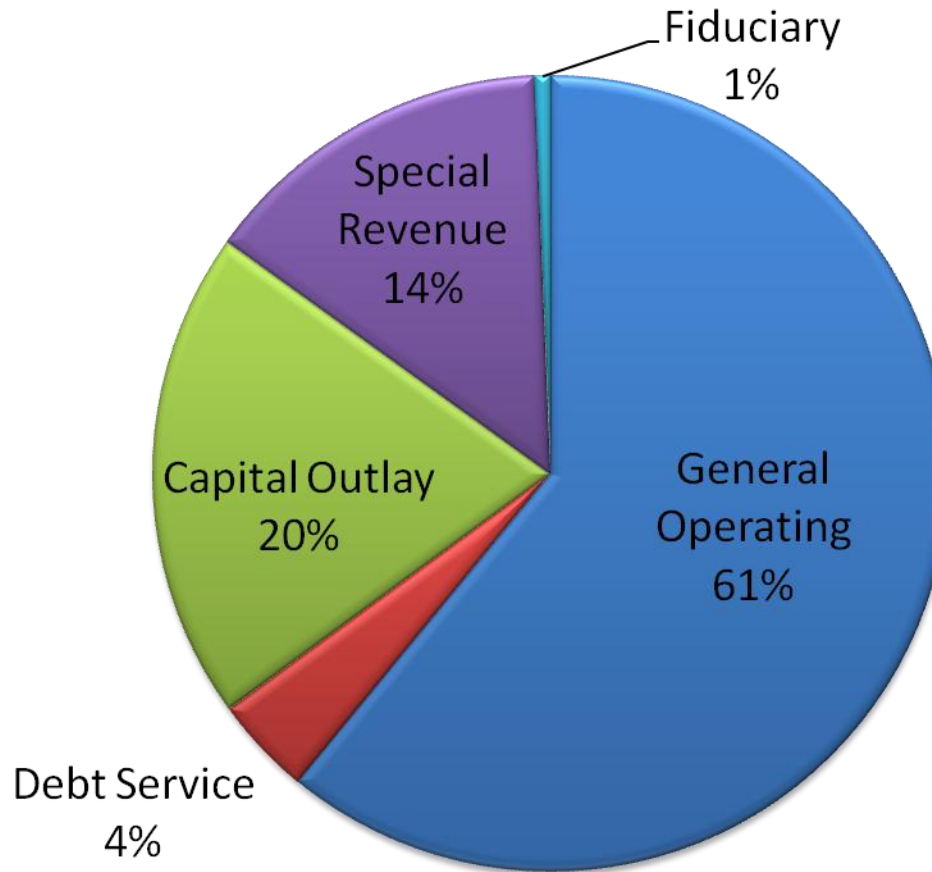
Where We Are: Current

100% Liabilities are External

- Property tax roll – State predicts 5.2% drop
- ARRA replacement to FEFP – \$121M to M-DCPS
- State revenue shortfall – \$3.65 billion statewide
- Non-external issues all have solutions

2010-11 Budget Overview

TOTAL BUDGET - \$4.3B



Note: Excludes revenue transferred in between funds to avoid double counting

2010-11 General Fund Projections

(in millions)

REVENUE	Adopted Budget	Projected 11/30/2010	Variance Over/(Under)
Federal*	\$ 17.5	\$ 17.5	\$ --
State	1,153.1	1,104.9	(48.1)
Local	1,322.9	1,322.9	--
Transfers from Capital	140.1	140.1	--
Beginning Fund Balance	131.7	131.7	--
TOTAL	\$ 2,765.3	\$ 2,717.2	\$ (48.1)
APPROPRIATIONS	Adopted Budget	Projected 11/30/2010	Variance Over/(Under)
Salaries & Benefits	\$ 2,023.6	\$ 2,038.4	\$ 18.4
Energy Services	76.9	72.7	(4.3)
Other	532.8	473.3	(59.5)
Reserves	131.9	132.7	0.8
TOTAL	\$ 2,765.3	\$ 2,717.2	\$ (48.1)

Bottom Line: We have, over the past two and a half years, anticipated, projected and budgeted for all liabilities openly and transparently.

2010-11 General Fund Reserves

Reserve	Amount	Purpose
Undesignated/ Unreserved Operating Contingency Reserves	\$ 76.9M	Unencumbered operating reserves. This equates to roughly 3% of FEFP revenue.
Program & Personnel Protection Plan	\$ 29.4M	Funded by one-time transfer of 0.15 capital mills in order to protect our students and employees from looming financial shortfall
Tax Roll Yield Shortfall	\$ 12.0M	State increased budgeted collection rate to 96%, despite Miami-Dade's historical trouble reaching 95% mark. \$12M is extra 1% we will not collect.
Health Premium Stabilization Fund	\$ 13.6M	Board has already approved \$25M increase to health insurance costs for 2011.
BUDGETED DISTRICT RESERVES	\$ 131.9M	

Used¹

¹ Subject to successful collective bargaining agreements

Bottom Line: The contingency reserve stands at \$76.9M or about 3% -- just above the state-required minimum. Though there are \$3.2 M in known costs that will decrease that amount.

Planning for 2011-12

Property Values – ?

State projects 5.2% drop for Miami-Dade (as of Dec. 2010)

Grants	Budget Increases	Capital Fund	State Funding/ ARRA
\$48M	\$36M	\$110M	?

School Board Meeting

April 9, 2009

Capital Crunch

	(in millions)
Projected Capital Tax Revenue for 2009-10	\$ 322
Debt Service	(229)
Other Fixed Obligations	(28)
Remaining Capital Revenue	\$ 65
General Fund Expenses paid by Capital \$ in 08-09:	
Property & Casualty Insurance	(34)
Maintenance Expenses	(134)
Construction Management & Support	(49)
Equipment & Leases	(8)
Total General Fund Impact	\$ (225)
Possible Abatements to other Funding Sources	\$ 45
2009-10 Shortfall	\$ (115)

Bottom Line: For the past thirty years the District has been charging General Fund expenditures to Capital revenue. This has become more of a problem over the past five years due to serious inequities in the distribution of Class Size Reduction funds. With the shift of .25 mills from Capital to the General Fund, along with the decline in tax roll, significant reductions must be made to prevent insolvency.

School Board Workshop

July 7, 2009

ARRA Stimulus Stabilization Funds

(in millions)

Expenditure	Amount
Guidance Counselors (697 positions)	\$ 52.5
Media Specialists (343 positions)	27.1
ESE Paraprofessionals (904 positions)	34.9
Five Adult Schools (all costs)	5.8
Indirect costs	5.5
GRAND TOTAL	\$ 125.8

Bottom Line: President Obama's ARRA stimulus program has allowed the State to drastically cut spending on Education, and provided M-DCPS the flexibility to save jobs by transferring over \$125M in expenditures out of the General Fund. However, these funds expire over the next two years, and now over two-thousand positions hang in the balance.

Grants

Re-absorption of ARRA grant funding: \$ 48M

Planned Expenditure Reductions

- Reduce Central Office grant-supported budgets: \$ 13M
- Eliminate non-required Reading Coaches: \$ 15M
- Transfer required Reading Coaches to GF: \$ 12M
- Reduce Math & Science Coaches: \$ 4M
- Reduce other (non-coach) school-based positions: \$ 4M

Bottom Line: The sun-setting of ARRA funding will be internally controlled through the re-absorption of certified instructional personnel within schools.

Budget Increases

Charter Schools

- \$10M (net of expenditure reductions)
- Assuming 5,000 student increase

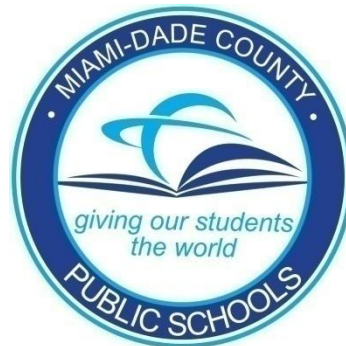
Health Insurance

- \$14M
- Assuming 9% increase in 2012

Loss of Categorical Flexibility

- \$12M
- Take on cost of required reading coaches

Capital Fund

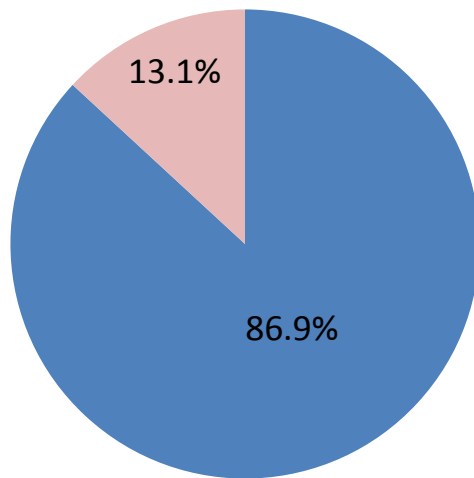


Capital Fund:

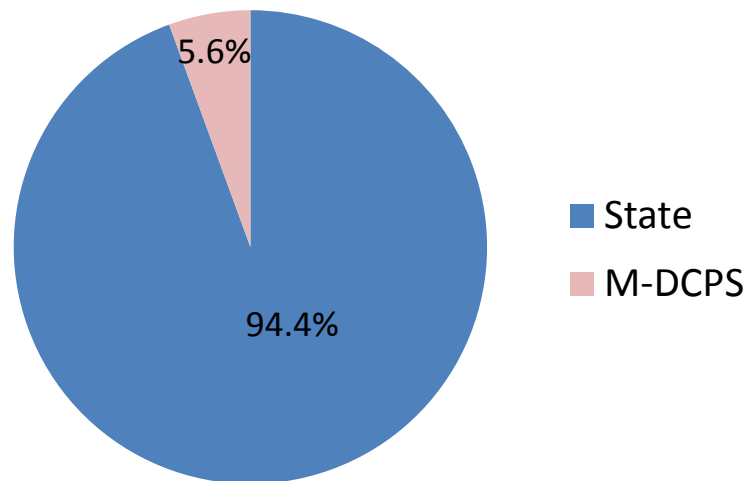
Inequity of Class Size Reduction Funding

Although M-DCPS constitutes 13.1% of the State, the District has only received 5.6% of the Class Size Reduction revenue. At the same time, the District's PECO revenue has decreased to zero (\$0). These inequities have forced the District to leverage its Local Capital Tax Revenue on meeting this mandate, a major contributing factor to the Capital Crunch we now face.

M-DCPS Share of Students



M-DCPS Share of Class Size Reduction \$



Bottom Line: From 2004-05 through 2009-10, the District opened over 105,000 new student stations to meet class size. Lack of adequate state funding required the District to primarily rely on issuance of debt.

Capital Fund:

Impact of the Drop in Local Taxes

In addition to legislative action, the dramatic drop in the local property tax roll has had a severe impact on Capital Fund revenues.

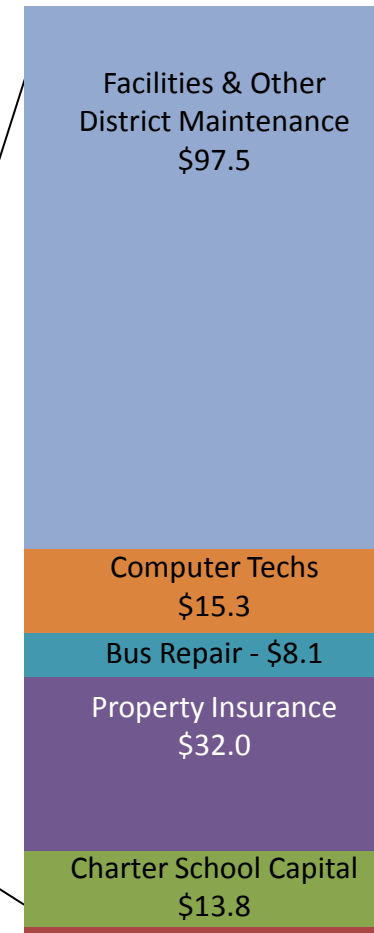
Local Optional Millage Revenue



Bottom Line: Over the past three years, the Capital Fund's local revenue source has decreased by 34%. The full impact of this decrease has been partially mitigated by use of stimulus funds, but going forward avoiding the reduction is no longer possible.

Capital Fund: The 2011-12 Crunch

2011-12 (in millions)	
<u>REVENUES</u>	
Local Optional Millage Levy	\$ 316.2
Debt Proceeds	0
Other Revenues	30.9
TOTAL REVENUE	\$ 347.1
<u>APPROPRIATIONS</u>	
Debt Service	242.5
% of Revenue Applied to Pay Total Debt	74%
Capital Abatement	24.3
Millage Reserve	12.0
Required Projects	9.4
TOTAL APPROPRIATIONS	\$ 288.2
Available for General Fund Transfers	58.9
Net General Fund Transfers FY 11-12	168.9
Difference Needed to Balance	\$ (110.0)



Leases & Equipment - \$2.2

Capital Fund: The Backlog

**Current Unmet Needs
& Deferred Maintenance**

\$1.72 Billion

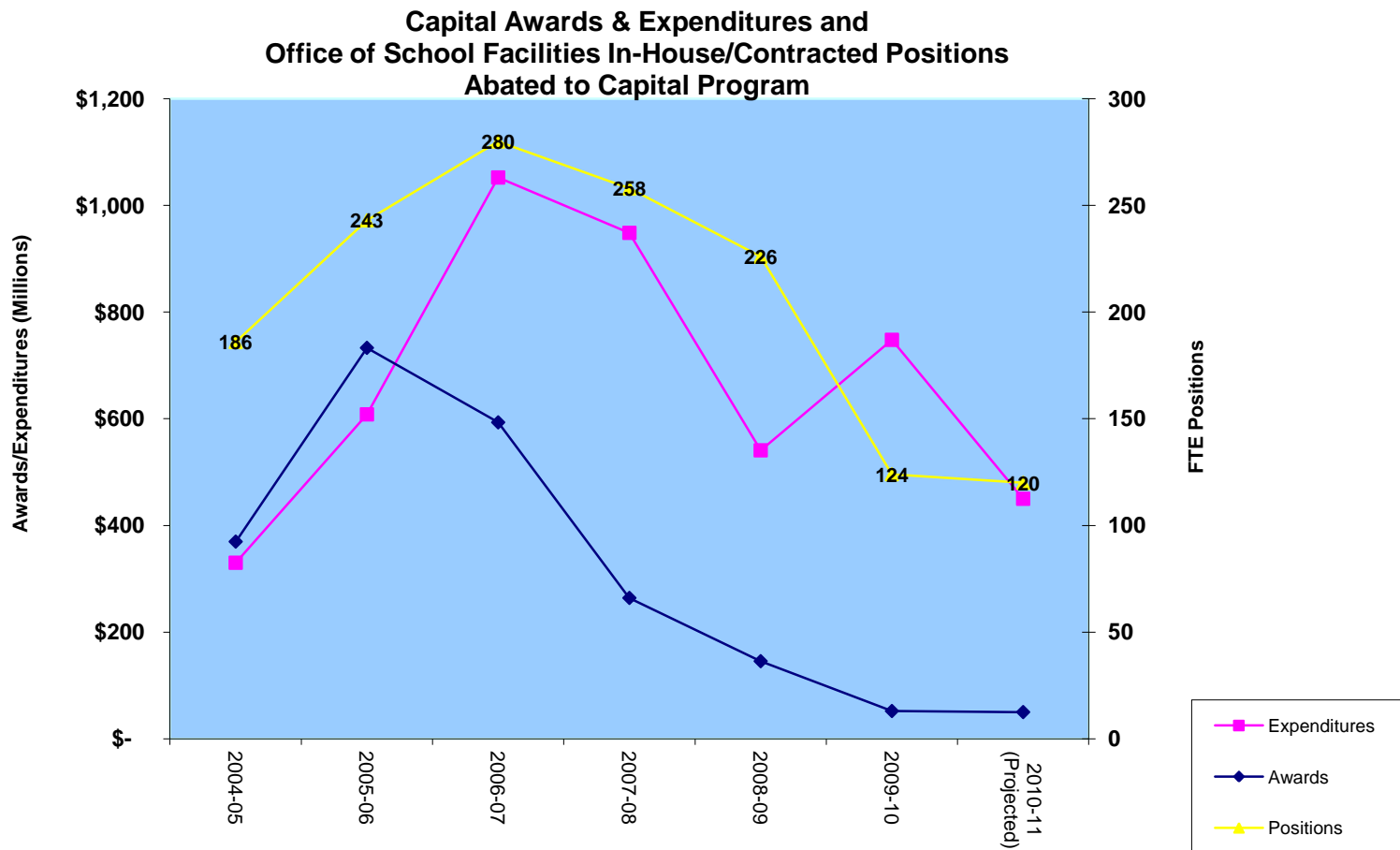
**Work to be
Performed
in 2011-12**

\$325 M

Capital Fund:

Construction Workload vs. Staffing

The graph below tracks level of effort related to the management of capital projects during the last five years and through FY 2010-11. Staffing levels for 2011-12 are projected to be dramatically reduced.




Capital Fund: Maintenance

2000-01

2010-11

2011-12




Square
Footage

38,235,494

45,591,906

45,591,906



Total
Budget

\$ 110.1M

\$ 91.7M

\$ 63.7M



of
Positions

1,695

1,029

?

Capital Fund:

The No New Revenue Solution

	In Millions
FY 2011-12 Anticipated Shortfall	\$ (110)
Debt Restructuring	\$ 50
Reduction to Property Insurance Abated to Capital	\$ 3
Reduction to Capital Abatement – Salary Expenditures	\$ 17
Reduction to Facilities Maintenance – Salary Expenditures	\$ 28
Reduction to other parts of the Maintenance Transfer	\$ 12

Capital Fund: Anticipated Level of Maintenance Service for FY 2011-12

Reduction in Maintenance spending means the Department will primarily respond to emergencies such as those listed below, rather than preventive or other routine maintenance tasks

- Incidents that affect the health and safety of students and staff
- Plumbing and sewer problems
- Air conditioning failures
- Major water intrusion

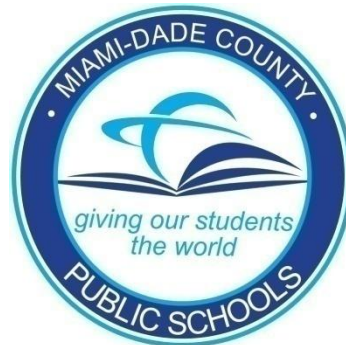
Capital Fund: Conclusion

Should no new revenue options materialize, it is anticipated that starting with FY 2011-12:

- Significant reductions will occur with a resultant deterioration of the Board-owned facilities
- The classroom environment will degrade further
- Eventual restoration to current levels will take decades
- Student performance may be adversely impacted

**School Board Workshop
July 7, 2009**

Legislative Issues and State Funding



State Funding – Revenue Shortfall

- The State of Florida is currently facing a revenue shortfall of \$3.65B
- The Governor's budget has not yet been released, but the following are some relevant positions regarding education funding:
 - Sen. Haridopolos: “education spending, Medicaid, and employee pensions will have to take the brunt of the budget cuts”
 - Gov. Scott: campaign promises included reducing school property taxes by 19 percent and eliminating the corporate income tax
 - Assoc. Press: “Senate President's top priority is balancing the state budget without any tax increase”
 - Gov. Scott: “by the time the budget comes out...everybody will come and protest me”

State Funding - ARRA Stabilization

“ARRA: the State’s Responsibility, Our Headache”



Bottom Line: Florida Legislature used stimulus funds to cover a billion dollar cut to education statewide in 2009-10. In 2011-12 this bill comes due.

Legislative Issues

- State shortfall/ARRA Replacement
- Tax policy
- Pension Reform
- Teacher Evaluation/Compensation/Tenure
- Class Size Flexibility/Penalties
- School Choice

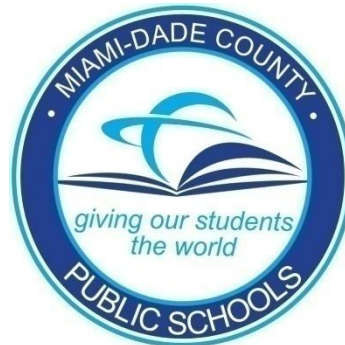
HOPE

We have fixed
ourselves



Liabilities in State Funding;
State's responsibility

Facility Utilization and School Models



Present Challenges

- Under-enrollment in certain areas with declining population
- Growing competition from increasingly popular school models such as K-8 and more specialized or cutting edge programs
- The current financial crisis, the associated constraints on the district's capital and operating programs, and the compelling need to achieve additional cost efficiencies

Opportunities

- Initiatives to boost enrollment and provide greater educational choice for parents and students:
 - No-cost K-8 conversion of select under-enrolled:
 - Elementary schools
 - Elementary and middle schools sharing the same campus
 - Establishment of other well received and attended programs in strategic areas of the county where there are clusters of under-enrolled facilities:
 - Single Gender Academies
 - Thematic/Specialty Schools
 - 6 – 12
 - K – 12
- Consolidation of facilities and/or joint management of multiple campuses
- Boundary Reconfiguration and Closure of Selected Elementary Schools

Bottom Line: Choice as a driver of innovation through efficiency.

Grade Configuration	Program	Emphasis
---------------------	---------	----------

6-12	Arts Conservatory/DASH	Visual and Performing Arts
9-12	iPrep Academy	Blended instructional model of face-to-face and online classes coupled with experiential learning
K-12 or 6-12 or K-8	<i>ISPA @</i> (International Studies Preparatory Academy)	Three languages (i.e. English, Spanish, Mandarin Chinese) or Extended Foreign Language
6-12	<i>MAST @....</i>	Math and Science Focus
9-12	Mega Magnet (Similar to Coral Reef Senior High)	Advanced academics; visual or performing arts, legal studies, STEM, etc.
K-8 or 6-12 or 9-12	Single-gender Academy	Regular academic program or Co-ed, single-gender core classes, dual-gender electives; non traditional sports
6-12 or 9-12	IB Curriculum Expansion (Contingent on municipal support and/or external funding)	

Possible Programs and New School Models For Under-Enrolled Clusters

North

- 5 additional K-8 School Models
- Mega Magnet (9-12)
- MAST @... (6-12)
- Single Gender Academy (K-8)
- Co-ed 9-12 High School with Single Gender Classes in Core Areas

Possible Programs and New School Models For Under-Enrolled Clusters

Central

- 4 additional K-8 School Models
- ISPA @... EFL/Commuter School (K-8)
- ISPA @... EFL (K-8)
- Conservatory @... (6-12)
- IB Expansion (Contingent on municipal support and/or external funding)

Possible Programs and New School Models For Under-Enrolled Clusters

South

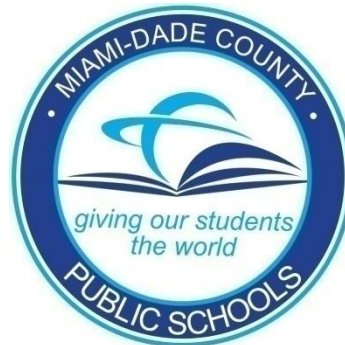
- 3 additional K-8 School Models
- Conservatory @... (6-12)
- ISPA @... (Three Languages) (K-12 or 6-12)

Next Steps

- Match Candidate Schools to Specific Programs
- Conduct Site-specific Feasibility Assessments
 - Instructional Program
 - Financial Considerations
 - Facility Requirements
 - Community Input
- Significant consolidation and restructuring of under-enrolled facilities/programs

School Board Policy, Leadership, and Governing

**Dr. Wayne Blanton, Ex. Director
Florida School Boards Assoc.**





School Board Member and Cabinet Retreat

January 26, 2011