

MEMORANDUM

December 18, 2009

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

FROM: Alberto M. Carvalho, Superintendent of Schools *AMC*

SUBJECT: **TRANSMITTAL OF NOVEMBER 2009, GENERAL FUND PROJECTION IN ACCORDANCE WITH SCHOOL BOARD RULE 6Gx13- 3A-1.01**

As a result of School Board Item H-8, dated December 10, 2008, proffered by School Board Vice Chair Ms. Perla Tabares Hantman, The School Board of Miami-Dade County, Florida, School Board Rule 6Gx13- 3A-1.01 was revised to require the administration to transmit to the Board a monthly financial projection for the General Fund in summary form, beginning with the November projection. The attached November analysis projects that the District's current contingency reserve will end the year in excess of 2% as required by state statute. The attached projection includes specific explanations for each line that shows an appropriation variance.

The largest variance involves an increase in the expected payment to Charter Schools. The October 2009 FTE survey disclosed that Charter Schools' FTE increased by approximately 3,000 FTE above the estimate available at the time the FY 2009-10 budget was adopted.

In order to accurately prepare the projections, several assumptions are made. They include the following:

- The Third Calculation of the Florida Education Finance Program (FEFP) from the Department of Education is not yet available and, as such, any related revenue changes (including a potential proration) are not included.
- The benefit of salary lapse has not yet been fully realized. The administration will continue a strict hiring freeze so that expenditures for salaries should continue to decrease.
- The projection assumes that all locations will expend 100% of all of the non-salary budget in the General Fund. Since the District initiated a limited spending moratorium in November 2008, millions of appropriated dollars are not actually spent. These dollars will significantly reduce appropriations in future projections, particularly for part-time and overtime.
- The projection includes a set-aside of \$10 million for an anticipated property tax yield shortfall. Based on recent historical data, the collection issue may exceed \$30 million. Ten million dollars have already been reserved for this situation, and favorable expenditure activity, coupled with the sale of surplus Miami-Dade County Public Schools' property, should offset that potential liability by year-end.

We will continue to monitor projections on a monthly basis and will provide the School Board a report which includes a detailed budget resolution for Board review and adoption at its February 10, 2010, meeting.

If you have questions or concerns, please contact Dr. Richard H. Hinds, Associate Superintendent and Chief Financial Officer, Financial Services, at 305-995-1225 or Ms. Judith M. Marte, Chief Budget Officer, Office of Budget Management, at 305-995-1226.

AMC:adj
M824

Attachment

cc: School Board Attorney
Superintendent's Cabinet

MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF
PROJECTED REVENUES & APPROPRIATIONS
(GENERAL FUND ONLY)
FISCAL YEAR 2009-2010
As of November 25, 2009

	ADOPTED BUDGET 9/9/2009	PROJECTED AMOUNT	VARIANCE OVER/ (UNDER)
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 2,155,515	\$ 2,155,515	\$ -
Federal Through State	15,194,142	15,194,142	-
State	505,412,020	505,412,020	-
FEFP	481,551,219	481,551,219	-
Local	1,421,169,348	1,421,169,348	-
Interest	3,000,000	3,000,000	-
Categorical Adjustments	-	536,107	536,107
TOTAL REVENUES	\$ 2,428,482,244	\$ 2,429,018,351	\$ 536,107
TRANSFERS FROM CAPITAL OUTLAY	\$ 176,506,832	\$ 176,506,832	\$ -
NON-REVENUE SOURCES	10,000,000	10,000,000	-
BEGINNING FUND BALANCE	81,222,679	81,222,679	-
TOTAL REVENUES & BEGINNING BALANCES	\$ 2,696,211,755	\$ 2,696,747,862	\$ 536,107

APPROPRIATIONS & RESERVES

	ADOPTED BUDGET 9/9/2009	PROJECTED AMOUNT	VARIANCE OVER/ (UNDER)	Explanation Codes
APPROPRIATIONS				
Salaries	\$ 1,567,072,371	\$ 1,551,398,500	\$ (15,673,871)	(1)
Employee Benefits	546,438,018	551,933,263	5,495,245	(2)
Energy Services	79,436,286	74,916,111	(4,520,175)	(3)
Other Non-salary	436,720,253	456,990,891	20,270,638	(4)
TOTAL APPROPRIATIONS	\$ 2,629,666,928	\$ 2,635,238,764	\$ 5,571,836	
APPROPRIATED RESERVES				
Operating Contingency	\$ 56,544,827	\$ 51,509,098	\$ (5,035,729)	(5)
Des. Reserves - Tax Roll Yield	10,000,000	10,000,000	-	
TOTAL RESERVES	\$ 66,544,827	\$ 61,509,098	\$ (5,035,729)	
TOTAL APPROPRIATIONS & RESERVES	\$ 2,696,211,755	\$ 2,696,747,862	\$ 536,107	

Explanation Codes:

- (1) Salaries are lower due to teaching positions that were not filled due to the shift in FTE to Charter Schools. Some additional impact of the Salary Lapse Factor will also be realized during the second half of the fiscal year.
- (2) Increase due to \$5 million of Employee Protection Fund shifted to cover union-ratified healthcare program, effective January 1, 2010.
- (3) Reduction due to implementing the District's Green Initiative.
- (4) Major increase in cost (\$15.6 million) due to increase in charter school enrollment and related payments.
- (5) Reduce contingency due to the appropriation increases offset by an increase in revenue.