

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, FY2010-11 GENERAL FUND MID-YEAR  
BUDGET REVIEW**

**COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS**

**LINK TO STRATEGIC  
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

This resolution recommends budgetary adjustments for the General Fund including: 1) the impact of the annual Florida Education Finance Program (FEFP) Third Calculation 2) the changes in market conditions that affect interest income; and 3) new miscellaneous state grants. Changes to specific revenue and appropriation items are described below.

Total revenues are being decreased by (\$48.8) million of which \$31.4 million is a decrease in revenue for McKay Scholarships which has an offsetting appropriation. Other revenue changes include miscellaneous state grants, a decrease in interest based on the latest available information, and the impact of fewer actual FTE as compared to the forecast.

#### **Major Revenue Adjustments In FEFP**

Revenue adjustments include the following items reflected in the Third Calculation of the FEFP, received from the Department of Education in December 2010:

- Decrease of 3,256.14 **weighted** full-time equivalent (FTE) students reported (\$11.9 million).
- Eliminate McKay Scholarships (\$31.4 million) (offset by an appropriation decrease).
- Increase revenue for a Prior Year Adjustment (\$2.2 million) due primarily to an increase in weighted FTE.
- Decrease revenue in other FEFP programs (primarily instructional materials and transportation) by \$1.7 million.
- Decrease in revenue for Categorical Programs by (\$6.4) million (primarily Class Size Reduction due to lower FTE and an estimated penalty for not fully meeting Class Size Reduction at the classroom level).

#### **Major Appropriation Changes**

Major appropriation changes are summarized based upon projections. Salaries/fringes are increased due to a shift of non-salary appropriations to salary/fringes partially offset by a reduction in membership. Employee health benefits are increased due to a 7.9% increase previously approved by the Board effective January 1, 2011. Major changes

to non-salary accounts are: 1) a shift to salary/fringes (\$6.0 million) based on school-site discretionary spending decisions; 2) an increase in charter school payments due to an increase of students from an estimated 33,880 to approximately 35,000 students (\$4.5 million); 3) the elimination of McKay Scholarships (\$29.5 million) which is offset by a revenue reduction; and a shift of non-salary to salary/fringes.

The total Contingency Reserve will be \$76.9 million or 3.15% of revenue. A minimum reserve of 3% is required by Florida Statute. It will be necessary to continue the strict hiring freeze on all open positions and continue to curtail expenditures in the second half of the year to achieve a higher fund balance for FY2011-12 with the anticipated revenue loss next year. It is critical to curtail discretionary spending now in order to minimize program disruptions next year. The Program/Personnel Protection Plan was reduced by \$1.7 million to cover the cost of a one-time award provided to AFSCME employees as approved by the Board on January 12, 2011.

This resolution reduces both revenues and appropriations by \$48.8 million.

The following details the necessary revenue and appropriation adjustments for your consideration:

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease <b>State revenues</b> due to the following:	\$ (48,592,279)
a. Decrease Florida Education Finance Program (FEFP) as follows:	
Decrease of 3,256.14 <b>weighted FTE</b>	\$(11,925,724)
Safe Schools	(20,037)
Reading Allocation	(70,727)
DJJ Supplemental Allocation	(1,667)
Merit Award	(1,868)
Instructional Materials	(1,203,755)
Transportation	(540,263)
Prior Year Adjustment	2,229,524
Prior Year Scholarship Adjustment	121,345
McKay Scholarship Adjustment	<u>(31,369,806)</u>
Total	\$ (42,782,978)
b. Decrease Categorical Programs based on confirmation of state reports as follows:	
Discretionary Lottery Funds	\$ (4,736)
Class Size Reduction	(4,698,747)
Class Size Reduction - Est. Penalty	<u>(1,657,374)</u>
Total	\$ (6,360,857)
c. Increase Miscellaneous State revenue by \$551,556 (programs identified on page 9 entitled Miscellaneous State Sources).	

**REVENUE CHANGES (continued)**

**INCREASE  
(DECREASE)**

2. Decrease **Local revenues** due to a reduction in interest based \$ (232,000)  
on the latest projection.

**NET REVENUES AND OTHER SOURCES DECREASE** \$ **(48,824,279)**

**APPROPRIATION CHANGES**

1. **Salaries** are projected to increase above the current budget due \$ 23,393,094  
primarily to the following:

- a. **Reclassification** of \$4,931,641 to hourly/overtime/temporary instructor accounts from non-salary to reflect school-based decisions.
- b. Increase salaries by \$355,925 in Miscellaneous State and Local grants offset by an increase in revenue.
- c. Eliminate the appropriation of (\$15,785,484) for 3,220 undistributed FTE due to fewer students than projected. No teacher positions were distributed to schools for this FTE growth; therefore, there was no surplussing of teachers.
- d. Reclassification of the Advanced Placement budget from the salary account to non-salary (\$4,135,498).
- e. Reclassify \$12,079,516 in the Class Size Reduction program from non-salary to salary.
- f. Reclassify \$14,099,742 in Schools of Choice programs from non-salary to salary based on school-based decisions.
- g. Increase salaries by \$12,971,961 in the Maintenance Function. These salaries were being shifted to capital outlay projects in the adopted budget. Revised plan shifts non-salary costs to capital outlay projects.
- h. Decrease salaries by (\$3,501,320) due to a reduction in teachers from the shift of students in public schools to charter schools.
- i. Increase salaries by \$1,598,453 for a one-time award approved by the Board on January 12, 2011 for AFSCME employees.
- j. Increase salaries by \$778,158 based on latest projections.

2. **Employee benefits** are increased due to the following: 6,263,157

- a. Decrease in FICA/Retirement/Workers Compensation by (\$304,567) based on latest projections.

**APPROPRIATION CHANGES (continued)**

**INCREASE  
(DECREASE)**

- b. Increase health benefits by \$8,747,771 based on latest projections. This projection includes a 7.9% increase in health benefits, or \$10.65 million, for increased Board contributions effective January 1, 2011 partially offset by lower costs due to lower enrollment than anticipated. This increase is tentative and subject to collective bargaining.
- c. Decrease Unemployment Compensation costs by (\$1,285,229) based on projections.
- d. Decrease Tuition Reimbursement by (\$894,818) based on projections.
- 3. Increase **liability insurance** based on actuarial report. \$ 458,592
- 4. Decrease **energy services** based on projections which reflect positive results of the District's Green Initiative. (4,264,629)
- 5. Other **non-salary** accounts will decrease due primarily to the following: (59,387,015)
  - a. **Reclassify** (\$5,988,985) to hourly/overtime/temporary instructors plus related fringe benefits from non-salary to primarily reflect school-based decisions.
  - b. Increase in miscellaneous state/local programs by \$48,107 which is offset by an increase in revenue.
  - c. Reduce the following FEFP programs due to a reduction in revenue:

Merit Award Program	\$ (1,868)
DJJ Supplemental Allocation	<u>(1,667)</u>
Total	<u>\$ (3,535)</u>
  - d. Increase appropriations for Charter Schools by \$4,472,886 due to an increase in enrollment. In addition, increase appropriations by \$3.7 million to provide funding for the Education Jobs Fund to Charter Schools.
  - e. Eliminate appropriation for McKay Scholarships (\$29,492,290). The original FTE estimate included approximately 4,000 FTE McKay Scholarships resulting in revenues and appropriations established at \$29.5 million. The Department of Education pays parents directly for student tuition in lieu of payment to the district. However, by law, both the revenue and appropriations must be reported in the District's adopted budget.
  - f. Increase non-salary accounts for distribution of Advanced Placement funds (reclassified from a salary account) in the amount of \$5,022,149.
  - g. Reclassify (\$15,944,961) in Class Size Reduction to salary and related fringes.

**APPROPRIATION CHANGES (continued)**

**INCREASE  
(DECREASE)**

- h. Reclassify (\$18,876,710) in Schools of Choice programs to salary and fringes.
- i. Decrease non-salary by \$(2,323,676) based on latest projections.

**TOTAL APPROPRIATION CHANGES** **\$(33,536,801)**

**TRANSFERS/RESERVES**

- 1. Eliminate the Reserve for Health Premium Stabilization to cover increased health premiums for January-June 2011. Reclassified \$10.65 million to fringe benefits shown above. \$(13,607,436)
- 2. Reduce the Program/Personnel Protection Plan to cover the one-time award approved by the Board on January 12, 2011 for AFSCME employees. (1,720,735)
- 3. Increase Contingency to balance. The Contingency Reserve is \$76,905,267. 40,693

**TOTAL DECREASE IN TRANSFERS/RESERVES** **\$(15,287,478)**

**TOTAL DECREASE IN  
APPROPRIATIONS, TRANSFERS & RESERVES** **\$(48,824,279)**

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

- 1. adopt Resolution No. 1, FY2010-11 General Fund Mid-Year Budget Review, decreasing revenues, appropriations and reserves by (\$48,824,279); 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  
SUMMARY OF REVENUES AND APPROPRIATIONS  
GENERAL FUND  
FY2010-11  
RESOLUTION NO. 1**

	ADOPTED BUDGET 9/7/10	RESOLUTION NO. 1	AMENDED BUDGET 2/9/11
<b>REVENUES &amp; BEGINNING BALANCES</b>			
<b>REVENUES</b>			
Federal	\$ 17,457,087	\$ -	\$ 17,457,087
State	1,153,050,994	(48,592,279)	1,104,458,715
Local	1,322,912,986	(232,000)	1,322,680,986
<b>TOTAL REVENUES</b>	<b>\$ 2,493,421,067</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,444,596,788</b>
TRANSFERS FROM CAPITAL OUTLAY	\$ 140,139,692	\$ -	\$ 140,139,692
BEGINNING FUND BALANCE	131,732,326	-	131,732,326
<b>SUBTOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 2,765,293,085</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,716,468,806</b>
NON-REVENUE SOURCES - Other	-	-	-
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>\$ 2,765,293,085</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,716,468,806</b>
<b>APPROPRIATIONS &amp; RESERVES</b>			
<b>APPROPRIATIONS</b>			
Salaries	\$ 1,498,761,892	\$ 23,393,094	\$ 1,522,154,986
Employee Benefits	524,866,410	6,263,157	531,129,567
Liability Insurance	5,029,362	458,592	5,487,954
Purchased Services	370,466,017	(1,845,340)	368,620,677
Energy Services	76,939,647	(4,264,629)	72,675,018
Other Non-Salary	157,308,228	(57,541,675)	99,766,553
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,633,371,556</b>	<b>\$ (33,536,801)</b>	<b>\$ 2,599,834,755</b>
<b>RESERVES &amp; ENDING FUND BALANCE</b>			
Unreserved - Contingency	\$ 76,864,574	\$ 40,693	\$ 76,905,267
Designated Reserve - Tax Roll Yield	12,000,000	-	12,000,000
Designated Reserve - Health Premium Stabilization	13,607,436	(13,607,436)	-
Designated Reserve - Prog/Pers Protection Plan	29,449,519	(1,720,735)	27,728,784
<b>TOTAL RESERVES &amp; ENDING FUND BALANCE</b>	<b>\$ 131,921,529</b>	<b>\$ (15,287,478)</b>	<b>\$ 116,634,051</b>
<b>TOTAL APPROPRIATIONS, RESERVES &amp; ENDING FUND BALANCE</b>	<b>\$ 2,765,293,085</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,716,468,806</b>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SUMMARY OF REVENUES AND OTHER SOURCES**

General Fund  
FY2010-11

Resolution No. 1

	ADOPTED BUDGET 9/7/2010	RESOLUTION NO. 1	AMENDED BUDGET 2/9/2011
<b>FEDERAL SOURCES</b>			
Impact Aid	\$ 10,000	\$ -	\$ 10,000
R.O.T.C.	2,145,515	-	2,145,515
Medicaid Reimbursement	13,350,000	-	13,350,000
Federal Through State Community Schools	1,951,572	-	1,951,572
<b>Total Federal</b>	<b>\$ 17,457,087</b>	<b>\$ -</b>	<b>\$ 17,457,087</b>
<b>STATE SOURCES</b>			
FLORIDA EDUCATION FINANCE PROGRAM:			
Base Funding less FEFP Required Local Effort	\$ 309,060,053	\$ (11,925,724)	\$ 297,134,329
Safe Schools(B)	10,024,920	(20,037)	10,004,883
Supplemental Academic Instruction	117,656,882	-	117,656,882
ESE Guarantee	132,328,374	-	132,328,374
Reading Allocation (A)	12,719,865	(70,727)	12,649,138
Merit Award Allocation (MAP)	1,051,129	(1,868)	1,049,261
DJJ Supplemental Allocation	451,945	(1,667)	450,278
Instructional Material	28,442,193	(881,105)	27,561,088
Instructional Materials - Adjustments	-	(322,650)	(322,650)
Transportation	25,865,335	(540,263)	25,325,072
Teachers Lead Program	4,406,827	-	4,406,827
Prior Year Adjustment	-	2,229,524	2,229,524
Prior Year Scholarship Adjustment	-	121,345	121,345
McKay Scholarship Adjustment	-	(31,369,806)	(31,369,806)
<b>Sub-Total FEFP</b>	<b>\$ 642,007,523</b>	<b>\$ (42,782,978)</b>	<b>\$ 599,224,545</b>
<b>OTHER STATE:</b>			
Workforce Development	\$ 85,801,318	\$ -	\$ 85,801,318
Adults with Disabilities (A)	1,668,132	-	1,668,132
Performance Based Incentives	945,149	-	945,149
Voluntary Pre-K (A)	10,007,172	-	10,007,172
<b>CATEGORICAL PROGRAMS:</b>			
Full Service Schools (A)	768,000	-	768,000
Discretionary Lottery Funds	983,006	(5,503)	977,503
Prior Year Adjustment-Lottery	-	767	767
School Recognition/Merit (A)	16,335,199	-	16,335,199
Class Size Reduction	392,227,695	(4,698,747)	387,528,948
Class Size Reduction-Est. Penalty	-	(1,657,374)	(1,657,374)
Miscellaneous State	2,307,800	551,556	2,859,356
<b>Total State</b>	<b>\$ 1,153,050,994</b>	<b>\$ (48,592,279)</b>	<b>\$ 1,104,458,715</b>

(A) Revenue for which appropriations equal revenue.

(B) Revenue for which appropriations exceed revenue.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SUMMARY OF REVENUES AND OTHER SOURCES**

General Fund  
FY2010-11

Resolution No. 1

	ADOPTED TENTATIVE 9/7/2010	RESOLUTION NO. 1	AMENDED BUDGET 2/9/2011
<b>LOCAL SOURCES</b>			
FEFP Required Local Effort	\$ 1,102,320,806	\$ -	\$ 1,102,320,806
Local Discretionary Millage	137,004,972	-	137,004,972
<b>Sub - Total</b>	<b>\$ 1,239,325,778</b>	<b>\$ -</b>	<b>\$ 1,239,325,778</b>
<b>Miscellaneous Local:</b>			
Tax Redemptions	\$ 16,500,000	\$ -	\$ 16,500,000
Rent	6,190,000	-	6,190,000
Interest	1,493,000	(232,000)	1,261,000
Vocational Fees	561,502	-	561,502
Post Secondary Fees	3,954,726	-	3,954,726
Continuing Workforce Fees	163,772	-	163,772
Financial Aid Fees	468,000	-	468,000
Community Schools-Contributions (A)	48,540	-	48,540
Community Schools - Internal (A)	15,873,298	-	15,873,298
Community Schools - Internal (A)	1,895,373	-	1,895,373
Community Schools - Internal (A)	3,968,325	-	3,968,325
Driver Education	700,000	-	700,000
Fed. Indirect Cost Reimbursement	13,929,475	-	13,929,475
Universal Services (E-Rate)	8,500,000	-	8,500,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	3,208,953	-	3,208,953
Other Miscellaneous Local	3,132,244	-	3,132,244
<b>Total Local</b>	<b>\$ 1,322,912,986</b>	<b>\$ (232,000)</b>	<b>\$ 1,322,680,986</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,493,421,067</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,444,596,788</b>
<b>TRANSFERS</b>			
From Capital Outlay	\$ 140,139,692	\$ -	\$ 140,139,692
<b>FUND BALANCE FROM PRIOR YEAR</b>	<b>131,732,326</b>	<b>-</b>	<b>131,732,326</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$ 2,765,293,085</b>	<b>\$ (48,824,279)</b>	<b>\$ 2,716,468,806</b>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SUMMARY OF REVENUES AND OTHER SOURCES**

General Fund  
FY2010-11

Resolution No. 1

	ADOPTED BUDGET 9/7/2010	RESOLUTION NO. 1	AMENDED BUDGET 2/9/2011
<b>MISCELLANEOUS STATE SOURCES</b>			
CO & DS Withheld for Adm.	\$ 145,000	\$ -	\$ 145,000
State License Tax	140,000	-	140,000
Multiagency State General Revenue	-	16,279	16,279
Health Service (B)	72,960	-	72,960
SFW Individual Training Account	701,524	-	701,524
FDLRS - Gen Revenue	-	64,170	64,170
WLRN-TV Community	-	363,200	363,200
WLRN-FM Community	-	72,907	72,907
Collaborative Curriculum	-	35,000	35,000
After-School All-Stars Reimbursement (A)	1,185,601	-	1,185,601
Summer Pre-K	62,715	-	62,715
	<hr/>	<hr/>	<hr/>
<b>TOTAL MISCELLANEOUS STATE</b>	<b>\$ 2,307,800</b>	<b>\$ 551,556</b>	<b>\$ 2,859,356</b>

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

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
SUMMARY OF REVENUES AND OTHER SOURCES  
General Fund  
FY2010-11**

**Resolution No. 1**

	ADOPTED BUDGET 9/7/2010	RESOLUTION NO. 1	AMENDED BUDGET 2/9/2011
<b>OTHER MISCELLANEOUS LOCAL SOURCES</b>			
Fee Supported Pre-K (B)	\$ 2,733,588	\$ -	\$ 2,733,588
MDCPS Police Reimbursable OT	160,656	-	160,656
Fingerprinting	238,000	-	238,000
<b>TOTAL OTHER MISC LOCAL</b>	<b>\$ 3,132,244</b>	<b>\$ -</b>	<b>\$ 3,132,244</b>

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS  
2010-11 GENERAL FUND BUDGET  
SUMMARY OF APPROPRIATIONS BY FUNCTION  
RESOLUTION NO. 1  
FEBRUARY 9, 2011

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	\$ 1,739,231,317	\$ 1,077,901,123	\$ 352,270,142	\$ 230,900,334	\$ 17,378	\$ 69,856,805	\$ 4,651,655	\$ 3,633,880
SUPPORT SERVICES:									
Pupil Personnel Services	6100	56,971,586	36,778,815	15,319,226	4,817,788	-	47,513	8,244	-
Instructional Media Services	6200	6,896,220	4,807,368	1,928,439	83,767	-	32,960	43,686	-
Instruction & Curriculum Development	6300	20,247,853	14,585,138	4,676,747	564,512	-	148,462	131,243	141,751
Instructional Staff Training	6400	3,638,228	1,720,958	1,908,450	7,593	-	1,227	-	-
Instructional Support	6500	25,537,954	17,913,913	5,569,443	1,822,513	38,984	191,978	1,123	-
Board of Education	7100	6,281,591	3,916,548	1,352,644	686,326	2,808	93,153	108,137	121,975
General Administration	7200	6,124,409	4,525,502	1,308,848	161,317	20,304	82,614	22,992	2,832
School Administration	7300	161,959,002	114,995,302	41,215,073	1,270,127	38,950	1,649,426	665,329	2,124,795
Facilities Acquisition & Construction	7410	-	-	-	-	-	-	-	-
Fiscal Services	7500	14,566,051	7,969,246	2,741,234	518,234	-	22,253	-	3,315,084
Central Services	7700	54,347,252	29,428,208	7,304,992	17,474,297	73,044	-	53,889	12,822
Transportation Services	7800	80,729,898	40,014,538	22,055,261	10,614,203	6,192,923	1,848,951	-	4,022
Operation of Plant	7900	310,996,595	99,118,292	49,862,292	96,182,296	65,153,481	545,453	134,781	-
Maintenance of Plant	8100	84,049,899	47,225,756	17,968,079	8,905,848	1,137,146	8,694,234	40,440	78,396
General Support	8200	1,015,166	741,866	246,366	15,817	-	11,117	-	-
Budget Clearing	8300	-	-	-	-	-	-	-	-
Community Services	9100	27,025,726	20,512,413	5,402,331	83,659	-	501,806	86,513	439,004
Debt Services	9200	216,008	-	-	-	-	-	-	216,008
<b>Total Instruction &amp; Support Services</b>		<b>\$ 2,599,834,755</b>	<b>\$ 1,522,154,986</b>	<b>\$ 531,129,567</b>	<b>\$ 374,108,631</b>	<b>\$ 72,675,018</b>	<b>\$ 83,727,952</b>	<b>\$ 5,948,032</b>	<b>\$ 10,090,569</b>
Transfers to Other Funds									
Debt Service	9792								
Capital Outlay	9793								
Special Revenue	9794								
Internal Service	9798								
Trust & Agency	9799								
<b>Total Appropriations &amp; Transfers</b>		<b>2,599,834,755</b>							
Fund Balance:									
Reserved Fund Balance		39,728,784							
Unreserved Fund Balance		76,905,267							
<b>Total Fund Balance</b>		<b>116,634,051</b>							
<b>Total Appropriations, Transfers and Fund Balance</b>		<b>\$ 2,716,468,806</b>							