

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: RESOLUTION NO. 3, 2007-08 GENERAL FUND BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

Legislative Session 2008

This resolution recommends budgetary adjustments for the General Fund as a result of the Legislative Session deliberations that started on March 4, 2008 and expected to be voted on March 12, 2008. This bill provides a reduction of \$29.2 million to funding for K-12 education and \$2 million to adult programs funded by Workforce Development. Once approved by both the Florida House and Senate, the bill will be forwarded to the Governor for his approval or veto. This resolution includes \$28.5 million recommended at a Board workshop held on March 10, 2008, plus an additional reduction of \$.7 million and \$2 million in Workforce Development as a result of additional cuts made to the State's education budget as proposed by the Legislature. The proposed reduction is now \$31.2 million.

This budget resolution is contingent on the following:

1. If supplemental new revenues are identified and received prior to the end of the fiscal year, the hourly cuts to the school sites of \$5.8 million will be restored to the extent possible.
2. If the Governor signs the bill as proposed, the reductions indicated in the subsequent pages will be made immediately.
3. If the Governor vetoes the bill, an unlikely possibility, the reductions will not be made. Any subsequent deliberations by the Florida Legislature would be brought to the Board at a future date.

Recommendations made at the Board Workshop

The recommended reduction proposed at the workshop included reductions at school sites and non-school sites. These recommendations were developed by reviewing available balances, requisitions and encumbrances and done in collaboration with Regional Superintendents, Principals and Cabinet members.

**GOOD CAUSE
E-13**

The reductions at the non-school sites are as follows:

- Reduce full-time salary budgets in the amount of \$3,762,141 for costs that will be transferred to other funds.
- Reduce stipends and hourly accounts for professional development in the amount of \$1,800,000.
- Corresponding fringe benefits of \$1,138,570 based on the previous two recommendations
- Reduce pending orders for contracts for alternative education, and materials and supplies in the amount of \$3,569,726.

The reductions at the school sites are as follows:

- Reduce the hourly budget for school sites in the amount of \$5,805,901. As of February 25, 2008, the total school site hourly budget is \$49,916,273 and the available balance is \$19,675,822. The reduction of \$5,805,901 leaves a remaining balance of \$13,869,921 or 27.8% of the original budget.
- Reduce temporary instructor accounts in the amount of \$2,319,953.
- Reduce overtime accounts in the amount of \$453,318.
- Reduce discretionary budget accounts at schools in the amount of \$8,167,668. As of February 25, 2008, the total school site discretionary (02) budget is \$39,476,957 and the available balance is \$12,618,779. The reduction of \$8,167,668 leaves a remaining balance of \$4,451,111 or 11.3% of the original budget.

Additional Legislative reductions subsequent to Board workshop

In addition to the recommendations made at the Board workshop, the Legislature made additional reductions in their final bill. The additional revenue reductions of \$.7 million and \$2 million are offset by their related appropriation reductions.

This resolution reduces both revenues and appropriations by a total of \$31.2 million.

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

STATE REVENUE CHANGES **INCREASE** **(DECREASE)**

The following state revenue decreases to student driven/school site accounts and categorical programs are as follows:

1) Decrease **State revenues** due to the following: \$ (31,246,689)

a. Decrease Florida Education Finance Program (FEFP) as follows:

Decrease in the BSA of \$55.21	\$(20,656,120)
Safe Schools	(157,673)
Supplemental Academic Instruction	(1,813,733)
ESE Guaranteed Allocation	(2,025,303)
Declining Enrollment Supplement	(146,219)
Reading Allocation	(192,335)
Prorated Holdback	1,603,414

Equal Percentage Adjustment	226,757
DJJ Supplemental Allocation	<u>(5,510)</u>
Total	<u>\$ (23,166,722)</u>

b. Decrease Categorical Programs due to confirmation of various state programs as follows:

Instructional Materials	\$ (465,344)
Transportation	(411,267)
Discretionary Lottery Funds	(459,511)
Class Size Reduction	<u>(4,703,568)</u>
Total	<u>\$ (6,039,690)</u>

c. Decrease Workforce Development in the following categories:

Adult Center Funding	\$ (1,933,941)
Adults with Disabilities	(82,419)
Performance Based Incentives	<u>(23,917)</u>
Total	<u>\$ (2,040,277)</u>

NET REVENUE DECREASE **\$ (31,246,689)**

APPROPRIATION CHANGES

**INCREASE
(DECREASE)**

1. **Salaries** are projected to decrease below current budget due primarily to the following: (\$15,834,911)
 - a) Reduce full time salaries in District budgets for costs that will be transferred to other funds (\$3,762,141).
 - b) Reduce stipends and hourly accounts in professional development (\$1,800,000).
 - c) Reduce temporary instructor accounts from salary accounts (\$2,319,953).
 - d) Reduce overtime accounts in various school locations (\$453,318).
 - e) Reduce hourly accounts in various school locations (\$5,805,901).
 - f) Reduce hourly account in adult centers due to a revenue reduction in Workforce Development (\$1,605,330).
 - g) Reduce hourly account in adult centers due to a revenue reduction in performance pay in Workforce Development (\$19,853).
 - h) Reduce hourly account in adult centers due to a revenue reduction in Specific Appropriation 10 for Adults with Disabilities (\$68,415).
- 2) **Employee benefits** are projected to decrease due to the decrease in salaries. (\$3,011,195)

3) **Other** non-salary accounts will decrease due primarily to the (\$12,400,583) following:

- a. Decrease (\$3,569,726) to pending orders and contracts for alternative education, ESE Out-of-District contracts, material orders and supplies.
- b. Decrease Instructional Materials by \$465,344 which is offset by a decrease in revenue.
- c. Decrease DJJ Supplement by \$5,510 which is offset by a decrease in revenue.
- d. Decrease Reading Allocation by \$192,335 which is offset by a decrease in revenue.
- e. Decrease discretionary budget accounts in schools as indicated by principals' analysis (\$8,167,668).

TOTAL APPROPRIATION CHANGES

\$ (31,246,689)

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

1. adopt Resolution No. 3, 2007-08 General Fund Budget Review, decreasing revenues, and appropriations and reserves by (\$31,246,689); and
2. adopt the Summary of Revenues and Appropriations (page 5) and the Summary of Appropriations by Function (page 10).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND APPROPRIATIONS
GENERAL FUND
2007-08**

	AMENDED BUDGET 2/13/08	RESOLUTION NO. 3	AMENDED BUDGET 3/12/08
REVENUES & BEGINNING BALANCES			
REVENUES			
Federal	\$ 14,693,391	\$ -	\$ 14,693,391
State	1,324,214,338	(31,246,689)	1,292,967,649
Local	1,381,297,215	-	1,381,297,215
TOTAL REVENUES	\$ 2,720,204,944	\$ (31,246,689)	\$ 2,688,958,255
TRANSFERS FROM CAPITAL OUTLAY	\$ 148,905,643	\$ -	\$ 148,905,643
BEGINNING FUND BALANCE	137,381,797	-	137,381,797
ADJUSTMENT TO FUND BALANCE		-	
SUBTOTAL REVENUES & BEGINNING BALANCES	\$ 3,006,492,384	\$ (31,246,689)	\$ 2,975,245,695
NON-REVENUE SOURCES - Other	5,750,000	-	5,750,000
TOTAL REVENUES & BEGINNING BALANCES	\$ 3,012,242,384	\$ (31,246,689)	\$ 2,980,995,695
APPROPRIATIONS & RESERVES			
APPROPRIATIONS			
Salaries	\$ 1,810,819,830	\$ (15,834,911)	\$ 1,794,984,919
Employee Benefits	595,142,137	(3,011,195)	592,130,942
Liability Insurance	6,177,617	-	6,177,617
Purchased Services	278,976,528	-	278,976,528
Energy Services	83,734,032	-	83,734,032
Other Non-Salary	156,756,021	(12,400,583)	144,355,438
TOTAL APPROPRIATIONS	\$ 2,931,606,165	\$ (31,246,689)	\$ 2,900,359,476
TRANSFERS TO OTHER FUNDS	\$ 11,500,000	\$ -	\$ 11,500,000
RESERVES & ENDING FUND BALANCE			
Unreserved Fund Balance	\$ 69,136,219	\$ -	\$ 69,136,219
TOTAL RESERVES & ENDING FUND BALANCE	\$ 69,136,219	\$ -	\$ 69,136,219
TOTAL APPROPRIATIONS, RESERVES & & ENDING FUND BALANCE	\$ 3,012,242,384	\$ (31,246,689)	\$ 2,980,995,695

MIAMI-DADE COUNTY PUBLIC SCHOOLS
SUMMARY OF REVENUES AND OTHER SOURCES
General Fund
2007-08

	AMENDED BUDGET 2/13/2008	RESOLUTION NO. 3	AMENDED BUDGET 3/12/2008
FEDERAL SOURCES			
Impact Aid	\$ 10,000	\$ -	\$ 10,000
R.O.T.C.	2,480,000	-	2,480,000
Medicaid Reimbursement	10,150,000	-	10,150,000
Federal Through State Community Schools	2,053,391	-	2,053,391
Total Federal	\$ 14,693,391	\$ -	\$ 14,693,391
STATE SOURCES			
FLORIDA EDUCATION FINANCE PROGRAM:			
Base Funding less FEFP Required Local Effort	\$ 394,775,442	\$ (20,666,120)	\$ 374,119,322
.510 Mill Compression	-	-	-
Safe Schools(B)	11,766,642	(157,673)	11,608,969
Supplemental Academic Instruction	135,353,175	(1,813,733)	133,539,442
ESE Guarantee	151,142,035	(2,025,303)	149,116,732
Declining Enrollment Supplement	10,835,702	(146,219)	10,689,483
Reading Allocation (A)	14,353,547	(192,335)	14,161,212
Prior Year Adjustment	24,584,232	-	24,584,232
Prorated Holdback	(1,603,414)	1,603,414	-
Equal Percentage Adjustment	34,485	226,757	261,242
Prior Year Scholarship Adjustment	(32,612)	-	(32,612)
McKay Scholarship Adjustment	(28,861,382)	-	(28,861,382)
DJJ Supplemental Allocation	414,301	(5,510)	408,791
Sub-Total FEFP	\$ 712,762,153	\$ (23,166,722)	\$ 689,595,431
OTHER STATE:			
Non-Recurring DCD Transition Funding	\$ 13,005,362	\$ -	\$ 13,005,362
Special Teachers Are Rewarded (STAR/MAP)	-	-	-
Workforce Development	101,754,596	(1,933,941)	99,820,655
Adults with Disabilities (A)	2,142,846	(82,419)	2,060,427
Performance Based Incentives	1,987,112	(23,917)	1,963,195
Voluntary Pre-K (A)	10,045,403	-	10,045,403
CATEGORICAL PROGRAMS:			
Instructional Materials (A)	34,402,914	(465,344)	33,937,570
Transportation (B)	36,296,518	(411,267)	35,885,251
Teachers Lead Program (A)	6,228,676	-	6,228,676
Full Service Schools (A)	800,000	-	800,000
Excellent Teaching (A)	5,079,852	-	5,079,852
Discretionary Lottery Funds	17,322,332	(459,511)	16,862,821
School Recognition/Merit (A)	12,519,235	-	12,519,235
Class Size Reduction	352,221,381	(4,703,568)	347,517,813
Charter Schools Capital Outlay (A)	12,039,169	-	12,039,169
Miscellaneous State	5,606,789	-	5,606,789
Total State	\$ 1,324,214,338	\$ (31,246,689)	\$ 1,292,967,649

- (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
2007-08**

	AMENDED BUDGET 2/13/2008	RESOLUTION NO. 3	AMENDED BUDGET 3/12/2008
LOCAL SOURCES			
FEFP Required Local Effort	\$ 1,152,263,524	\$ -	\$ 1,152,263,524
Local Discretionary Millage	153,556,990	-	153,556,990
Sub - Total	\$ 1,305,820,514	\$ -	\$ 1,305,820,514
Miscellaneous Local:			
Tax Redemptions	\$ 9,000,000	\$ -	\$ 9,000,000
Rent	1,160,000	-	1,160,000
Interest	15,748,000	-	15,748,000
Vocational Fees	4,500,000	-	4,500,000
Financial Aid Fees	450,000	-	450,000
Community Schools-Contributions (A)	48,540	-	48,540
Community Schools - Internal (A)	17,077,870	-	17,077,870
Community Schools-Fringe Charges(B)	1,388,174	-	1,388,174
Driver Education	1,294,300	-	1,294,300
Fed. Indirect Cost Reimbursement	7,100,000	-	7,100,000
Universal Services (E-Rate)	6,500,000	-	6,500,000
Misc. School Receipts (A)	3,000,000	-	3,000,000
Food Service Indirect Costs	2,421,033	-	2,421,033
Other Miscellaneous Local	5,788,784	-	5,788,784
Total Local	\$ 1,381,297,215	\$ -	\$ 1,381,297,215
TOTAL REVENUES	\$ 2,720,204,944	\$ (31,246,689)	\$ 2,688,958,255
TRANSFERS			
From Capital Outlay	\$ 148,905,643	\$ -	\$ 148,905,643
NON-REVENUE SOURCES			
Microsoft Antitrust Settlement	5,500,000	-	5,500,000
Sale of Surplus Property	250,000	-	250,000
FUND BALANCE FROM PRIOR YEAR	137,381,797	-	137,381,797
TOTAL REVENUES & OTHER SOURCES	\$ 3,012,242,384	\$ (31,246,689)	\$ 2,980,995,695

(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
2007-08**

	AMENDED BUDGET 2/13/2008	RESOLUTION NO. 3	AMENDED BUDGET 3/12/2008
Miscellaneous Prior Year State Adjustment	\$ -	-	\$ -
CO & DS Withheld for Adm.	145,000	-	145,000
State License Tax	160,000	-	160,000
Health Service (B)	198,067	-	198,067
Challenge Sunset	10,000	-	10,000
Digital Divide	300,000	-	300,000
FDLRS - Gen Revenue 06/30/08	113,083	-	113,083
Multiagency General Revenue	33,312	-	33,312
Radio Reading Service (A)	45,323	-	45,323
Plus One	161,102	-	161,102
Intervention Part 1	1,000,000	-	1,000,000
Intervention Part 2	758,801	-	758,801
WLRN-TV Community	557,675	-	557,675
WLRN-FM Community	111,945	-	111,945
Learning For Life	475,000	-	475,000
Connect Ed	398,931	-	398,931
MSE/SFSAS (A)	1,138,550	-	1,138,550
TOTAL MISCELLANEOUS STATE	\$ 5,606,789	\$ -	\$ 5,606,789

- (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
2007-08**

	AMENDED BUDGET 2/13/2008	RESOLUTION NO. 3	AMENDED BUDGET 3/12/2008
Fee Supported Pre-K (B)	\$ 5,588,784	\$ -	\$ 5,588,784
Safe Schools-Fees (A)	200,000	-	200,000
TOTAL OTHER MISC LOCAL	\$ 5,788,784	\$ -	\$ 5,788,784

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS
2007-08 GENERAL FUND BUDGET
SUMMARY OF APPROPRIATIONS BY FUNCTION
RESOLUTION NO. 3
March 12, 2008

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	\$ 1,773,634,626	\$ 1,142,786,853	\$ 373,465,793	\$ 165,049,881	\$ 79,745	\$ 84,740,180	\$ 5,961,085	\$ 1,551,079
SUPPORT SERVICES:								
Pupil Personnel Services	133,328,337	97,060,274	31,455,174	3,739,354	-	962,746	108,493	2,296
Instructional Media Services	39,649,625	27,557,730	9,164,038	485,815	-	782,278	1,658,914	850
Instruction & Curriculum Development	33,238,145	23,892,288	6,557,049	1,556,703	211	796,457	283,356	152,081
Instructional Staff Training	9,103,059	5,062,382	3,142,733	643,016	-	99,450	155,478	-
Instructional Support	39,767,111	25,560,805	8,633,366	4,111,715	49,610	687,578	724,037	-
Board of Education	6,340,606	4,034,800	1,105,409	919,075	564	205,741	13,679	61,338
General Administration	10,423,104	7,542,379	1,981,573	439,513	7,389	287,346	146,189	18,715
School Administration	184,194,943	135,180,705	42,542,417	1,304,015	727	3,058,604	1,861,535	246,940
Facilities Acquisition & Construction	37,670,370	26,876,531	8,161,400	746,192	27,312	239,044	1,583,894	35,997
Fiscal Services	14,157,350	9,458,296	2,920,801	511,442	951	87,198	25,927	1,152,735
Central Services	67,631,920	38,083,229	8,275,760	19,325,761	93,617	1,107,258	568,700	77,595
Transportation Services	88,674,848	51,303,291	21,488,420	9,675,141	4,939,609	1,131,841	136,746	-
Operation of Plant	285,775,088	110,289,621	46,515,837	46,752,050	77,647,156	3,061,061	1,507,882	1,481
Maintenance of Plant	137,515,234	61,787,513	19,773,765	28,315,922	887,141	23,148,402	3,594,287	8,204
General Support	1,331,601	727,368	209,402	324,628	-	61,082	9,121	-
Budget Clearing	-	-	-	-	-	-	-	-
Community Services	38,023,509	27,780,854	6,738,005	1,253,912	-	1,892,547	228,588	-
Debt Services	-	-	-	-	-	-	-	-
Total Instruction & Support Services	\$ 2,900,359,476	\$ 1,794,984,919	\$ 592,130,942	\$ 285,154,145	\$ 83,794,032	\$ 122,348,613	\$ 18,567,911	\$ 3,438,914
Transfers to Other Funds								
Debt Service								
Capital Outlay								
Special Revenue	11,500,000							
Internal Service								
Trust & Agency								
Total Appropriations & Transfers	2,911,859,476							
Fund Balance:								
Reserved Fund Balance								
Unreserved Fund Balance	69,136,219							
Total Fund Balance	69,136,219							
Total Appropriations, Transfers and Fund Balance	\$ 2,980,995,695							