



School Board Workshop – May 29, 2018

Planning for the FY 18-19 Budget

Prepared by Financial Management

Workshop Agenda

- Review First Budget Workshop
- New revenue and additional costs
- Balanced Budget
- Additional dollars identified
- Capital Budget Development Review
- Discussion/Direction



FY 2018-19 Expected Revenue

Funding	\$ In Millions
Florida Education Finance Program Funding - Total Potential	\$18.8
Estimated Student Growth (600 students)	(4.7)
Net of Student Growth	\$14.1
Restricted – New, Additional, and other Restricted Funding:	
Mental Health Funding (New) (charter schools \$1.0)	\$6.1
Additional Safe Schools Funding (charter schools \$1.4)	8.4
Digital Classroom Allocation (charter schools -\$0.1)	(.8)
Other Restricted Funding (charter schools \$0.2)	1.1
Total Restricted Funds	(14.8)
FY 2018-19 Revenue Deficit *	(\$0.7)



* Includes \$0.8M Compression Allocation funding

FY 2018-19 Known Cost Increases

Cost Category	\$ In Millions
FRS Increase	(\$5.0)
Health Insurance Increase <ul style="list-style-type: none"> • \$5M July-Dec 2018 • \$12.5M Jan-June 2019 	(17.5)
18 New ESE Classrooms	(3.6)
Organizational Chart Positions requested at the 5/22/18 Board Meeting (New)	(1.0)
5 Additional Bus Mechanic Positions (New)	(0.5)
Parts/Maintenance costs for student devices no longer on warranty (New)	(0.4)
Total	(\$28.0)



FY 2018-19 Budget Gap

Cost Category	\$ In Millions
Revenue Deficit	(\$0.7)
Known Cost Increases (Updated)	(28.0)
Budget Gap	(\$28.7)



Known Cost Decreases Savings & Non-recurring Costs

Savings/Non-recurring Costs	\$ In Millions
Professional/Technical Contract Staffing (I&T)	\$0.5
FPL - Surcharge Hurricane Recovery (Matthew)	1.4
Salary Lapse (Increase over existing lapse)(Updated)	5.0
Settlement Appropriation Reduction	6.0
Additional Revenue:	
Increase in Medicaid Reimbursement (New)	0.7
Sprint Revenue (New)	1.5
Total	\$15.1



FY 2018-19 Deficit to Resolve

Cost Category	\$ In Millions
Budget Gap (Updated)	(\$28.7)
Savings & Non-recurring Costs	15.1
Total	(\$13.6)



How We Balanced

Action	\$ In Millions
Closed 20 Central Office Positions	\$1.1
Reduced Non-Salary in Central Office	0.9
Reduction in Utilities Budget	3.2
Reduction in IT Telephone, Wireless, and Technology – Related Rental Budget	1.5
Reduction in SSOS Budget	1.0
Reduction in Fuel Budget	3.3
Reduction in Interest Expense Budget – Not Being Paid in 2018-19 from General Fund (non- recurring)	2.6
Total	\$13.6



Additional Reductions

Item	\$ In Millions
Additional Central Office vacancies closed (15)	\$1.0
Positions delimited as of the 5/22/18 Organizational Chart Board Meeting	1.2
Elimination of budget for wastewater	0.9
Total to be set aside in a Reserve	\$3.1



Next Steps

1. FEFP Fourth Calculation (February count)
2. Begin Year End close
3. Preliminary Tax Roll (June 29)
4. Continue review of non school site budgets
5. Additional directions from the Board



Capital Budget Development Review



Capital Budget Revenue Update 2018-19

(in thousands)

Revenue & Financing Source	From ADEFP FY18	Changes	Total for DEFP FY19
Local Capital Millage	\$ 296,653	0	\$ 296,653
Local Revenue (Land, Impact Fees, misc.)	14,155	2,000	16,155
Local General Obligation Bond	145,392	0	145,392
State / School Safety HB 7026			
▪ MSD Memorial	0	1,000	1,000
▪ MSD Bldg. 12 Replacement	0	25,263	25,263
State PECO Maintenance	2,200	2,400	4,600
State PECO Charter Schools (flow-thru)	8,319	13,681	22,000
State Capital Outlay & Debt Service (CO&DS - motor vehicle license revenue)	2,293	5,907	8,200
Federal BABs Tax Subsidies	4,367	0	4,367
Total Revenue	\$ 473,379	\$ 50,251	\$ 523,630



Capital Budget Appropriations Update 2018-19

(in thousands)

Appropriations Category	From ADEFP FY18	Changes	Total for DEFP FY19
COPs Debt	\$ 160,078	\$ 0	\$ 160,078
Equipment & Bldg. Leases	14,513	0	14,513
Facilities Capital Salaries *	15,200	1,500	16,700
Quality Assurance	170	0	170
Capital Transfer to General Fund (Maintenance) **	64,000	16,439	80,439
SMART Program	178,882	0	178,882
SMART Program Reserve	18,354	0	18,354
Charter Schools – State PECO	8,319	13,681	22,000
Charter Schools – Local Millage	13,863	(13,863)	0
MSD Memorial & Bldg. 12 (HB 7026)	0	26,263	26,263
Total Appropriations	\$ 473,379	\$ 44,020	\$ 517,399
Unallocated (Revenue – Appropriations)			\$ 6,231

* Salary increases already approved

** Capital Transfer to the General Funds includes recurring maintenance and the property & casualty insurance premiums. The funding provided for maintenance sustains level funding (no increase) over the previous year, but shifts the recurring funding to the General Fund



Capital Transfer to the General Fund

(in thousands)

Capital Transfer Category	From ADEFP FY18	Changes	Total for DEFP FY19
Maintenance	\$ 48,400	\$ 2,000	\$ 50,400
Capital Improvements	0	10,120	10,120
Environmental Health & Safety	0	1,900	1,900
Athletic Facility Maintenance/Equipment	0	1,233	1,233
BECON Tower Maintenance	0	150	150
Sub-Total (Maintenance)*	48,400	15,403	63,803
Property & Casualty Insurance**	15,600	1,036	16,636
Total Capital Transfer to the General Fund	\$ 64,000	\$ 16,439	\$ 80,439

* The funding provided for maintenance sustains level funding (no increase) over the previous year but shifts the recurring funding to the General Fund

** Property & Casualty insurance premiums increased \$1 million over the previous year



Capital Budget Reserves Update 2018-19

(in thousands)

Description	FY18		FY19	Projected Total at FY19 Budget Adoption ** (Current Balance + FY19)
	Beginning Balance	Current Balance *		
SMART Program Reserve	\$ 71,700	\$ 46,113	\$ 18,354	\$ 64,467
<u>Other Capital Reserve</u>				
- Unallocated	4,071	6,823	6,231	13,054
- Hurricane Irma Funding	18,000	6,982		6,982
Sub-Total	22,071	13,805	6,231	20,036
Total Capital Budget Reserves	\$ 93,771	\$ 59,918	\$ 24,585	\$ 84,503

* FY 18 Current Balance is through May 14, 2018

** Does not include impacts of additional board items, reconciliation of COMPASS, or invoices through June 30, 2018



Questions



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Capital Funds - SMART Program Reserve

Date	Item	Location	Description	Reserve Activity
7/1/2017			Fiscal Year 2018 Beginning Balance	\$ 71,700,000
10/17/2017	JJ-2	McNicol Middle	Construction Bid Recommendation - Single Point of Entry	(25,000)
10/17/2017	JJ-3	North Fork Elementary	Construction Bid Recommendation - Single Point of Entry	(28,863)
10/17/2017	JJ-12	Monarch High	Increase of Funds - Track Resurfacing	(35,000)
10/17/2017	JJ-13	Cypress Bay High	Increase of Funds - Track Resurfacing	(45,000)
10/17/2017	JJ-14	Manatee Bay Elementary	Construction Bid Recommendation - SMART Program Renovations	(625,661)
11/07/2017	JJ-10	Indian Ridge Elementary	Construction Bid Recommendation - SMART Program Renovations	(945,102)
12/19/2017	JJ-11	Forest Glen Middle	Additional Funding - Single Point of Entry	(178,186)
12/19/2017	JJ-12	Tradewinds Elementary	Additional Funding - Single Point of Entry	(186,560)
12/19/2017	JJ-13	Larkdale Elementary	Additional Funding - Single Point of Entry	(289,410)
12/19/2017	JJ-14	Coconut Creek Elementary	Construction Bid Recommendation - SMART Program Renovations	(517,143)
12/19/2017	JJ-15	Cypress Elementary	Construction Bid Recommendation - SMART Program Renovations	(452,897)
01/17/2018	JJ-7	Lauderhill 6-12 School	Additional Funding - Single Point of Entry	(33,916)
01/17/2018	JJ-8	Royal Palm Elementary	Additional Funding - Single Point of Entry	(44,120)
03/20/2018	JJ-4	Eagle Ridge Elementary	Construction Bid Recommendation - SMART Program Renovations	(1,047,383)
04/10/2018	JJ-5	Cypress Bay High	Additional Funding - Single Point of Entry	(116,336)
04/17/2018	Item 1	Blanche Ely High	Second GMP Amendment - SMART Program Renovations	(7,310,000)
04/24/2018	JJ-5	Various Schools	Approve Acceleration of SMART funding for the athletic line items for weight room renovations for various schools, from Year 5 (2019) to Year 4 (2018).	4,000
04/24/2018	JJ-7	Stranahan High	Second GMP Amendment - SMART Program Renovations	(13,710,000)
4/30/2018			Sub-Total SMART Program Reserve Balance	\$ 46,113,423



Capital Funds - Unallocated Reserve

Date	Item	Location	Description	Reserve Activity
7/1/2017			Fiscal Year 2018 Beginning Balance	\$ 22,071,000
08/08/2017	JJ-5	Blanche Ely High	Approve Change Order #1 - C&F Electric (P.001385)	(15,084)
11/07/2017	KK-1	District-Wide	Hurricane Irma Emergency Funding	(18,000,000)
11/07/2017	JJ-11	Stranahan High	Approve Change Order #1 - MBR Construction Inc.	(76,529)
12/05/2017	JJ-7	Plantation High	Approve Change Order #1 -ACA Contractors, Inc. (P.001630)	(51,610)
12/19/2017	JJ-10	BECON ITV Center	Additional Funding - New Campus Generator	(163,530)
12/31/2017	K-4 (2/21/18)	Capital Reserve	State - PECO (Public Education Capital Outlay)	207,536
12/31/2017	K-4 (2/21/18)	Capital Reserve	Local - Sale of Land	1,035,033
12/31/2017	K-4 (2/21/18)	Capital Reserve	E-Rate Reimbursement (Federal)	5,058,460
12/31/2017	K-4 (2/21/18)	Capital Reserve	Charter School - Millage	1,210,337
01/17/2018	JJ-2	Colbert Elementary	Approve the Final Change Order/Retainage Reduction/Funding Request	(178,046)
03/06/2018	JJ-12	Stranahan High	New Cafeteria Addition	(4,275,000)
4/30/2018			Sub-Total Unallocated Reserve Balance	<u>6,822,567</u>
		Hurricane Irma Emergency Funding		18,000,000
		Hurricane Irma Expenditures		(9,453,390)
		Hurricane Irma Purchase Orders		(1,564,446)
			Sub-Total Hurricane Irma Emergency Funding	6,982,165
			Sub-Total Other Capital Reserves	\$ 13,804,732
Total Capital Budget Reserves				<u>\$ 59,918,155</u>

