



School Board Workshop – June 19, 2018

Planning for the FY 18-19 Budget And discussion of referendum allocation

Prepared by Financial Management

Workshop Agenda

- Review prior Budget Workshops (4/17/18 & 5/29/18)
- Update since second workshop
- Capital Budget Development Review
- Additional Discussion/Direction
- Referendum Revenue Allocation Discussion
- Initial 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)
5 Additional Bus Mechanic Positions	(0.5)
Parts/Maintenance costs for student devices no longer on warranty	(0.4)
Total	(\$27.0)



FY 2018-19 Budget Gap

Cost Category	\$ In Millions
Revenue Deficit	(\$0.7)
Known Cost Increases (Updated)	(27.0)
Budget Gap	(\$27.7)



Known Cost Decreases Savings & Non-recurring Costs

Savings/Non-recurring Costs	Projected \$
Professional/Technical Contract Staffing (I&T)	\$0.5
FPL - Surcharge Hurricane Recovery (Matthew)	1.4
Salary Lapse (Increase over existing lapse)	5.0
Settlement Appropriation Reduction	6.0
Additional Revenue:	
Increase in Medicaid Reimbursement	0.7
Sprint Revenue (Updated)	2.4
Total	\$16.0



FY 2018-19 Deficit to Resolve

Cost Category	\$ In Millions
Budget Gap (Updated)	(\$27.7)
Savings & Non-recurring Costs	16.0
Total	(\$11.7)



How We Balanced

Action	\$ In Millions
Closed 21 Central Office Positions	\$1.1
Reduction in Utilities Budget	3.2
Reduction in IT Telephone, Wireless, and Technology – Related Rental Budget	1.5
Reduction in SSOS Funding	0.0
Reduction in Fuel Costs	3.3
Reduction in Debt Services – Not Being Paid in 2018-19 from General Fund (non-recurring)	2.6
Total	\$11.7



Additional Reductions

	\$ In Millions
Additional Central Office vacancies closed (15)	\$1.0
Positive budget impact of Organization Chart Changes	0.1
Reduced Non-Salary in Central Office	0.9
Non Salary Reductions in non-school site budgets	0.9
Total to be set aside for raises	\$2.9



Capital Budget Revenue Update 2018-19

(in thousands)

Revenue & Financing Source	FY19 Budget (from 9/6/18 ADEFP)	Changes	FY19 Budget (Projected)
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	FY19 Budget (from 9/6/18 ADEFP)	Changes	FY19 Budget (Projected)
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 (up to \$500k will be spent to start the MSD portables project until reimbursed by the State's MSD funds)	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
School Safety / Facility Hardening (as appropriated by the Board)			\$ 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 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		6,823
- Hurricane Irma Funding	18,000	6,982		6,982
- School Safety / Facility Hardening (as appropriated by the Board)			6,231	6,231
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



Discussion

Referendum Discussion



Question for Broward Voters on the August 28, 2018 Primary Election Ballot:

“Shall The School Board of Broward County levy an ad-valorem operating millage of 1/2 mills annually for fiscal years July 1, 2019 through June 30, 2023, to (i) enhance funding for school resource officers, including individual charter schools with more than 900 students, (ii) hire district school security staff, (iii) increase compensation to recruit and retain highly qualified district teachers and (iv) fund other essential instruction related expenses preserving important programs in district schools?”

_____Yes or _____No



Ask

Discussion of Allocation if the
Referendum is Successful



"The Numbers": Anticipated Revenues to be Generated if Referendum is Passed

<u>Operational - 4 Years at 1/2 Mill</u>		<u>Increase (%)</u>
Year 1	\$92,866,488	
Year 2	\$98,902,810	6.50%
Year 3	\$104,939,131	6.10%
Year 4	\$112,109,585	6.83%

Note: Calculations are based on projected increases in taxable value: Year 2, 6.5%; Year 3, 6.1%; Year 4, 6.83%.



Item 1

Enhance funding for SRO's including individual charter schools with more than 900 students.



SRO Program Costs (Current)

	BLOC SRO Task Force Report ¹		Reported 2017-2018 Avg. Cost	
Total Cost for SRO ²	\$ 139,666		\$ 160,000	
Number of SROs ³	166		166	
	BCPS	City	BCPS	City
Annual Cost per SRO	\$ 46,252	\$ 93,414	\$ 46,252	\$ 113,748
Total Annual Cost for Entity	\$7,677,832	\$15,506,724	\$7,677,832	\$18,882,168
Total Annual Program Cost	\$ 23,184,556		\$ 26,560,000	

1. In January of 2013, the Broward League of Cities issued a report outlining the average SRO cost was \$139,666
2. The total cost includes salary, benefits, training, and equipment
3. This is the number of SROs codified within approved Agreements and does not account for potential vacancies, SROs that may have been added since February 14th or charter schools.



SRO Program Costs (Projected)

	Low Estimate		High Estimate	
Total Cost for SRO ¹	\$ 139,666		\$ 160,000	
Number of SROs ²	246		266	
	BCPS	City	BCPS	City
Annual Cost per SRO	\$ 46,252	\$ 93,414	\$ 46,252	\$ 113,748
Total Annual Cost for Entity	\$11,377,992	\$22,979,844	\$12,303,032	\$30,256,968
Total Annual Program Cost	\$ 34,357,836 48% ↑		\$ 42,560,000 60% ↑	

1. The low estimate utilizes the BLOC reported cost from its 2013 report, while the high estimate utilizes the 2017-2018 reported cost.
2. BCPS estimates an additional 80 – 100 SROs will be needed to maintain 2 SROs at those where they currently exist, and depending on guidance on off-site programs.



Funding Shortfall

	Low Estimate	High Estimate
Projected SRO Programmatic Increase:	\$ 11,173,280	\$ 16,000,000
Current SRO Investment:	<u>\$ 7,677,832</u>	<u>\$ 7,677,832</u>
Projected Cost for BCPS to Absorb:	\$ 18,851,112	\$ 23,677,832
Projected Funding Available*:	\$ 14,735,613	\$ 14,735,613

Funding Shortfall: **\$ 4,115,499** **\$ 8,942,219**

* This includes the increased allocation to the Safe schools Categorical Funding and the current General Funding invested to augment the allocation.



Model Police Department Estimate

Staffing Considerations					
	<u>Position</u>	<u>No.</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
	Chief	1	\$ 119,838	\$ 29,179	\$ 149,017
	Major	2	\$ 119,838	\$ 29,179	\$ 298,035
	Sergeant	25	\$ 100,000	\$ 25,688	\$ 3,142,200
	Detective	20	\$ 90,000	\$ 23,928	\$ 2,278,560
	SRO	238	\$ 80,000	\$ 22,168	\$ 24,315,984
	Support Staff	25	\$ 45,000	\$ 16,008	\$ 1,525,200
		311			\$ 31,708,996
Initial Start-Up Costs					
	Training & Equipment				\$ 6,220,000
	Vehicles				\$ 13,750,000
	Infrastructure				\$ 5,000,000
				Subtotal Start-Up:	\$ 24,970,000
				Total Salary and Start-Up:	\$ 56,678,996



Costs Range Item 1

Item 1	\$ In Millions
SRO's up to 266 under current model	\$4.0 to \$9.0
Additional Cost* for Police Department	\$0.0 to \$14.2
SRO for qualified charter schools	\$0.8 to \$2.6
Total	\$4.8 to \$25.8



* Referendum eligible costs only. Vehicles and infrastructure must be funded with Capital funds (a total of \$18.8M).

Item 2

Hire District School Security Staff

BCPS will incur additional costs to hire District School security staff in order to ensure the following is met:

- All campuses have at least one campus monitor/security specialist, and
- Any school with over 1,000 students has 1 campus monitor/security specialist for every 1,000 students (assuming what is currently funded continues to be funded in the same manner)

Item 2	\$ In Millions
Hire 130 Additional District School Security Staff	\$4.0 to \$7.6



Security Personnel Categories

Title	Assignment	Position Focus/Goal
Campus Monitor	District/ School	Visually observe student behavior during campus hours on school property; Physically patrol and monitor all campus buildings and grounds; Report any safety or security problems to the administration

- Campus Monitors – 251 positions (\$4,828,239)

Additional security positions within BCPS:

- Security Specialists – 141 positions (\$6,046,247)
- SIU Detectives – 17 positions (\$1,174,028)
- Building Security Person – 8 positions (\$282,465)
- Console Viewers – 6 positions (\$314,657)

Total: 423 positions (\$12,645,636)



Summary of Cost Estimate for Items 1 and 2

Cost Estimate	\$ In Millions
Item 1	\$4.8 to \$25.8
Item 2	\$4.0 to \$7.6
Total	\$8.8 to \$33.4
Estimated Remaining Revenue	\$59.4 to \$84.0



Items 3 and 4: Increase teacher compensation & other essential instruction related programs

All remaining revenue would be available to increase compensation (salary and benefit costs) of our teaching staff and other staff who are directly supporting the educational experience of our students, including pre-kindergarten through adult instructional personnel, paraprofessionals, bus drivers and bus attendants, and food service employees.

All recommendations for the allocation of funds are subject to collective bargaining and must be approved by the School Board and ratified by their respective unions.



Closing Comments

- This is only an initial discussion.
- The public and Board will have ample opportunity throughout the 2018-19 school year to discuss the allocation of referendum funds, if we are successful.
- Funds are not available until July 1, 2019.
- Final discussion on how to allocate funds will not take place until the 2019 Final Budget Adoption by the Board.



Questions



The School Board of Broward County, Florida

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