

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT**

**September 5, 2018
Wednesday, 6:30 p.m.**

**MINUTES OF SPECIAL MEETING
(Second Budget Public Hearing)**

The School Board of Broward County, Florida, met in special session at 6:46 p.m., in the Board Room of the Kathleen C. Wright Administrative Center, 600 Southeast Third Avenue, Fort Lauderdale, Florida. Present were: School Board Members Nora Rupert, Chair (via teleconference); Heather Brinkworth, Vice Chair; Robin Bartleman (via teleconference); Abby M. Freedman (via teleconference); Patricia Good; Donna P. Korn; Laurie Rich Levinson; Ann Murray; Dr. Rosalind Osgood (via teleconference); Robert W. Runcie, Superintendent of Schools; and Barbara J. Myrick, Esq.

(The Vice Chair assumed the seat of Chair on the dais in the Chair's absence.)

Call to Order The Chair called the meeting to order and was followed by the Pledge of Allegiance to the Flag of the United States of America.

Added/Changed Items

•**Revised:** Resolution Adopting Final Budget

Close Agenda Upon motion by Ms. Korn, seconded by Mrs. Good and carried, the Agenda was approved and declared closed. Mrs. Bartleman and Mrs. Freedman were absent for the vote. (7-0 vote)

Purpose of Meeting For The School Board of Broward County, Florida to act on the millage levy and adopted budget for the Fiscal Year 2018-2019, and any other items the Board deemed necessary.

Introduction by Chair

Welcoming the audience to the second public hearing on the Broward County School District's 2018-2019 budget, the Chair indicated that the purpose of this hearing was to keep the public and the School Board fully informed as to whether the District was using sound policies and practices that met the needs of students and warranted public confidence in the District's operations. The law required the public to be given the opportunity to provide input pertaining to the millage rates and budget. The Chair stated this was the second of two public hearings for the millage rates and budget.

Explaining the procedure to be followed for this hearing, the Chair stated that at the end of the presentation speakers would be called to the floor and would be given three minutes to address the Board.

The Chair thanked the audience for their support of Broward County Public Schools and for attending this meeting. She then turned the meeting over to the Superintendent to give a brief overview of the 2018-2019 budget.

Statement by Superintendent

The Superintendent said he was pleased to submit the 2018-2019 District budget for the School Board's consideration and adoption.

He stated that the State of Florida continued to experience significant economic growth and low inflation. Despite this trend, the State Legislature increased the District's funding by only forty-seven cents (\$.47) per student in the base-student allocation for the Fiscal Year (FY) 2018-2019. He said after the District cost differential was taken into account, the "positive" funding of \$.47 decrease to a negative funding of \$16.75 per student, which resulted in a negative, discretionary revenue of \$4.6 million. Along with the revenue decrease, there were several unavoidable cost increases such as health insurance and the Florida Retirement System (FRS). In order to comply with the requirements for a balanced budget, the Board directed him and staff to find reductions to fill the budget gap of nearly \$15 million and to find further reductions in costs to fund raises for teachers and school support staff.

The Superintendent shared that included in the appropriations from the state there were two (2) categorical funding amounts. The first was an increase in the Safe Schools allocation to hire a School Resource Officer (SRO) for each school in the District and the second was for mental health to increase support services to students who needed those services. While both of those allocations were appreciated, the amounts were insufficient to meet the needs of the community. The Marjory Stoneman Douglas (MSD) High School Safety Act (Senate Bill 7026) provided an additional \$7 million for school safety and \$5.1 million for mental health services for the innovative Broward schools. He stated although those funds were a good start, they fell short of what was needed. He pointed out that the slides the Chief Financial Officer would go over included costs both for Capital and General Funds based on the Safe Haven's initial assessment. It is his recommendation to move forward and hire the necessary security staff and fund some of the initial Capital projects recommended, which would be detailed in the presentation to follow shortly.

He indicated this was the second of two (2) Budget hearings they would continue to look for opportunities to set aside dollars to fund these important responsibilities after the budget hearings had concluded. He said the intent this year was to continue to fund efficiencies and bring amendments to the Board to reflect these savings.

The Superintendent thanked Broward voters for the approval of the ½ mill Referendum on August 28, 2018. These funds, which would be available on July 1, 2019 next fiscal year, would be used to secure SROs; high-quality teachers and staff, as well as essential programs, such as additional guidance counselors, social workers and behavioral staff in District schools; and expanding educational opportunities for students. He reiterated that these funds were not part of the budget this evening but would be included next year.

In closing, the Superintendent stated the finance staff would make a brief presentation of the budget details and answer any questions.

Presentation by Staff

Judith Marte, Chief Financial Officer, provided an overview of the 2018-2019 budget through a PowerPoint slide presentation. She stated the new millage was not included but would be included for next year. The summary below was from the 2018-2019 District Budget book:

All Funds:

Comparison of Budgeted Revenue Sources (Chart - page 83)

General Fund:

2018-2019 Estimated Revenue and Appropriations (Chart - page 86)

2018-2019 Comparison of Revenue and Appropriations (pages 88-89)

Capital Funds Budget:

2018-2019 Comparison of Revenues (page 119)

2018-2019 Comparison of Appropriations (page 120)

Millage and Taxes:

Comparison of Millage Rates (Chart) (page 139)

Comparison of Millage and Rolled Back Rates (page 140-141)

The Chair received audience input on these items.

Superintendent's Recommendations

1. Resolution Adopting Millage Rates

(Adopted)

Motion was made by Mrs. Good, seconded by Ms. Korn and carried, to adopt Resolution #19-98, approving millage rates for Fiscal Year 2018-2019. (9-0 vote)

It was recommended that the School Board adopt Resolution #19-98, approving the millage rates for the 2018-2019 fiscal year. The item had not changed since the first hearing.

Adoption of the millage rates would generate \$1,261,980,237.

Agenda Items 1 and 2 were moved and discussed concurrently.

Mrs. Rich Levinson thanked staff for making changes suggested by the Board from the first hearing. She wanted to reiterate that FTE was down and expected central cuts as a result. She said from 2014-2015 the required local effort was 5.025 and this year it was 3.997, which was over 1 mill percentage drop.

Ms. Marte responded the required local effort definition was what the state said the District must levy to participate in the school funding formula in Tallahassee. If the District did not participate, it would not receive the \$800 million. Due to the amount of property values rising, the amount the Board was required to levy was dramatically reduced.

Mr. Runcie added without any change in property tax rates, revenues (collections) went up; however, it had been the philosophy of the current legislature that the amount stayed the same, but the only way for the collections to remain the same would be to continue reducing the tax rate. In other words, the actual tax rate had been decreasing while the values went up. He indicated that was a huge disconnect with the reality of continued increases, fuel costs, health care costs, teacher salaries, and so forth. He pointed out that the District was just catching up to where it was a decade ago in just absolute amounts, and not even considering inflation. He said regardless of how this was viewed, this was not a good situation for the District to be in where the actual rates were being depressed in keeping the actual collections constant.

Ms. Marte commented on that point and said in 2016-2017 the legislature changed the way the formula worked and required the amount that the Board levied to equal a tax that would be equivalent to the rollback rate. She stated the District would not have received the benefit locally of growth in properties and said it would only help commercial developers; but had the Board allowed the formula to work the way it was designed, the District would have received \$47 million this year.

Mrs. Rich Levinson asked that staff stay on top of the hiring freeze so raises could be given until July 2019.

Mrs. Rupert referred to the Organizational Chart and stated there was an additional \$400,000 for the Public Information Office (PIO). She wanted to know if this was still something the Superintendent believed was needed for the department or could that money be put back into the budget and used for something else.

Ms. Marte replied that there were three (3) new positions that were added changes in the PIO during the Organizational Chart approval, which preceded all of the budget hearings. She stated the Cabinet collectively made reductions to make the impact of the Organizational Chart cost-neutral and in the tentative budget hearing there was a \$100,000 cost savings. She referred to page 95 of the tentative budget book and said the number of positions reduced in the PIO went from 89 to 86.2 positions.

Mrs. Rupert indicated she had asked for clarity how that money would be spent, which she did not receive.

Mr. Runcie was not aware of anything different but the communications department had been reviewed over the past year with some of the challenges with capacity, and especially what had taken place since the tragedy at MSD. He said they were working to move forward with the components indicated and it was his expectation within the next several weeks to fill the Chief Public Information Officer position.

Mrs. Rupert requested a follow-up as to what that department's funding was currently and how it would be utilized, and particularly if the two (2) hired firms were going to be maintained.

Mr. Runcie responded relative to any additional firms that were secured, those support resources expired around the start of the school year at the end of August and were not expected to be renewed.

Mrs. Rupert asked if the budget would be reduced.

Mr. Runcie replied no, the budget would not have changed if the need for the additional communications help and resources was above and beyond it. He said it was something that came from the General Fund in order to meet the needs of the situation, so it did not impact the budget for that department.

Dr. Osgood commented on the Mentoring Tomorrow's Leaders (MTL) and the schools that wanted to be added to the program. She inquired what the funding was and how the program was going to move forward.

Ms. Marte responded that the ask was included in the Serve Grant and the application would be sent out on the 15th of September.

Dr. Osgood reminded everyone that the Old Dillard Museum was moved from PIO's budget to Walker Elementary's budget.

Mrs. Brinkworth was thankful for the work across the organization to find savings, was glad the supplemental arts dollars were put back in the budget, and happy that staff was searching for ways to fund MTL. Her question was for the recommendation of the Chief Security Officer function and inquired after approval of this today, how long would it be for the job descriptions, sourcing, and hiring to come forward.

Jeffrey Moquin, Chief of Staff, replied it was his intention if this was approved today that the Chief Security Officer job description would come to the Board for a first reading at the first meeting in October and ask for authority to advertise after the first reading in order to begin the sourcing process.

Mrs. Bartleman inquired if the other Special Investigative Unit (SIU) positions were being added to the budget.

Mr. Moquin said yes, but he wanted to move very deliberately in how they move forward. He indicated they first needed to hire the Chief Security Officer and then have some ongoing conversations in terms of the project plans being more vetted and developed, as well as some basic-structural questions.

A vote was taken on Item 1, followed by a vote on Item 2.

2. Resolution Adopting Final Budget

(Adopted)

Motion was made by Mrs. Good, seconded by Ms. Korn and carried, to adopt Resolution #19-99, approving the final budget for Fiscal Year 2018-2019. (9-0 vote)

It was recommended that the School Board adopt Resolution #19-99 approving the final budget for the 2018-2019 fiscal year. Chapters 200 and 1011 of the Florida Statutes require that the School District approve the final budget for the fiscal year July 1, 2018 through June 30, 2019. See attached the recapitulation of the 2018-2019 Budget.

The total annual budget for all funds, including transfers out of \$282,113,969 is \$4,030,437,215.

Agenda Items 1 and 2 were moved and discussed concurrently.

A vote was taken on Item 1, followed by a vote on Item 2.

Adjournment This meeting was adjourned at 7:30 p.m.

/dvn