

## EXECUTIVE SUMMARY

### **2018-19 Capital Fund Budget Amendment #1**

This item amending the capital fund includes changes related to security equipment funding and Physical Plant Operations (PPO) funding for additional safety and security workorders.

At the September 5, 2018 Special School Board Meeting to adopt the District Educational Facilities Plan (DEFP), the presentation included slides on “Funding Security Needs”. Combined with earlier discussions with the School Board on the DEFP around funding for security cameras, the following items were to begin in anticipation of receiving a portion of the State Educational Facilities Security Grant and capital equipment lease financing.

- Security Cameras           \$6.2 million       (grant funded)
- Radios                       \$4.5 million       (lease funded)
- Public Address (PA) Systems   \$17.1 million     (\$1.8M grant + \$15.3M lease)

The capital fund amendment includes the addition of the \$9.6 million Educational Facilities Security Grant. This grant includes \$8 million for District schools and \$1.6 million for charter schools. The District’s portion of the grant will be used to pay for the \$6.2 million security cameras and \$1.8 million of the public address (PA) systems.

District Schools	\$7,939,699
<u>Charter Schools</u>	<u>\$1,647,430</u>
<b>Total Grant</b>	<b><u>\$9,587,129</u></b>

In addition to the grant funding, the District is leveraging current funding through a \$19.8 million capital equipment lease to implement the \$4.5 million radios and \$15.3 million of the PA systems. The equipment lease will have semiannual payments over the next several years. Therefore, on the appropriations schedule there is an increase to the debt service line item. This \$1,559,672 is for the first semiannual payment in the current fiscal year (FY19).

By using the grant and an equipment lease, \$6.2 million and \$9.8 million previously approved to jump-start these projects is available in the unallocated capital reserve (less the initial lease payment). These amounts appear on Exhibit C – Reserve.

PPO has seen an increase in work orders for safety and security work requiring an increase in funding (through the capital transfer to the general fund) for PPO. As the District's work to finalize repairs from damage sustained during Hurricane Irma, \$4 million of unspent emergency hurricane funding is being returned to the capital reserve which allows for a \$2 million increase for PPO. By making the transfer in this manner, the funding that was supporting PPO's hurricane recovery work is shifted to the increased PPO effort for safety and security workorders.

The District has received \$1.2 million hurricane reimbursements from Broward County and insurance for costs from Hurricane Irma (details on the Appropriation Exhibit B Item #2). These reimbursements are included in the Reserve Exhibit C.

The Reserve Exhibit C includes the impact of Board approved budget increases for SMART Program construction projects through December 2018. **Additional allocations into the SMART Program require the Board's approval.** When considering potential uses of the capital reserves, it is important to note there are other capital outlay needs (such as funding leases for future bus purchases) to consider when deciding how to allocate these other dollars.

Detail on other changes included in this amendment are in the Revenue Exhibit A and Appropriation Exhibit B.