



School Board Workshop #3 – June 18, 2019

# Planning for the FY 19-20 Budget

Prepared by Financial Management

# Workshop Agenda

- Allocation of Referendum Funds
- FY 2019-20 Tentative Cost Increases
- FY 2019-20 Saving Opportunities & Funding Reductions
- Discussion on Capital Fund Budget
- Input and Questions from Board Members
- Questions



# 2018-19 FEFP 3<sup>rd</sup> Calc vs. 2019-20 FEFP Conference Report

(in millions)

	2018-19 3 <sup>rd</sup> Calc	2019-20 Conference Rpt
State Funding:		
Class Size Reduction	\$304	\$302
Best & Brightest	-	27
Remaining Categoricals	273	277
State (net of above listed items)	470	471
<b>Total State Funding</b>	<b>1,047</b>	<b>1,077</b>
Local Funding	935	959
<b>Total Revenue</b>	<b>\$1,982</b>	<b>\$2,036</b>
<b>2019-20 FEFP Increase over 2018-19 3<sup>rd</sup> Calc</b>		<b>\$54</b>
Less Best & Brightest		(27)
<b>Actual FEFP increase net of Best &amp; Brightest</b>		<b>\$27</b>



## Savings Opportunities & Funding Reductions

Saving Opportunities/Funding Reductions	\$ In Millions
Departmental operating budget reductions (10% of discretionary non-school related budgets)	\$1.8
Departmental salary budget reductions	2.0
Reduce cost for delivery of extra-half hour to align with changes in State statute (includes use of new Turnaround Supplemental Services Allocation)	4.5
Changes in Florida Virtual funding formula in allocation plan	0.7
Health Insurance cost reduction resulting from claim cost trend	5.0
Additional Medicaid reimbursement revenue	4.0
Reduction in staffing & allocations due to declining enrollment	7.0
<b>Total Savings</b>	<b>\$25.0</b>



## FY 2019-20 Preliminary Cost Increases

Category	\$ In Millions
Estimated FRS increase	(\$6.0)
Utilities Inflationary increase	(2.0)
Charter schools growth, and additional BSA and categoricals except Best & Brightest	(9.1)
Cost of Increase in casualty and general liability Insurance (increase in property insurance is covered by Capital)	(2.3)
The annualized cost of the FY 2018-19 raises effective mid-year (2%) and contractual settlements	(16.0)
Cost to redesign Payroll/HR processes	(2.9)
<b>Preliminary Cost Increases</b>	<b>(38.3)</b>



## Current Budget Balancing

	\$ In Millions
Actual FEFP increase net of Best & Brightest	\$27.0
Savings opportunities & funding reductions	25.0
Preliminary cost increases	(38.3)
<b>Current Surplus Revenue</b>	<b>\$13.7</b>



## Referendum Estimated Revenue

Property Tax Base (in millions)	Collection Rate*	Expected Yield (in millions)
\$205,307	94%	\$96.5

\* Collection rate is based on historic collection rates. Any amount in excess will carry forward as assigned fund balance. Yield will change based on property values.

## Division of Referendum Resources per Board Vote (May 8, 2018)

Category	Percent	\$ In Millions
1) Compensation of teachers and school related staff	72%	\$69.5
2) Safety: School Resource Officers and Security staff	20%	19.3
3) Other essential school programs	8%	7.7
<b>Total Estimated Referendum Revenue</b>	<b>100%</b>	<b>\$96.5</b>



Item #2 – Please note that approximately \$1.3M will be shared with charter schools

## Compensation of Teachers & School Related Staff

As of today, \$69.5M of the estimated referendum revenue, which includes fringe, is allocated for compensation of teachers and school related staff (such as bus drivers, assistants, and food service workers).





# History of School Safety Funding

(in millions)

Category	2012-13 Budget	2012-13 Exp.	2013-14 Budget	2013-14 Exp.	2014-15 Budget	2014-15 Exp.	2015-16 Budget	2015-16 Exp.	2016-17 Budget	2016-17 Exp.	2017-18 Budget	2017-18 Exp.	2018-19 Budget	2018-19 Proj. Exp.
Armed Safe School Officers		-		-		-		-		-		-		\$1.2
Campus Monitors	\$21.0	5.5	\$16.5	5.8	\$17.8	6.1	\$15.5	6.3	\$16.2	6.8	\$16.8	7.1	\$20.8	8.7
Security Specialists		6.7		6.9		7.1		7.9		7.9		8.0		8.4
Other <sup>1</sup>		7.8		3.9		4.5		2.2		2.3		2.6		2.5
School Resource Officers (SRO)		2.5		2.2		5.9		9.2		7.2		7.4		11.2
Special Investigative Unit	8.0	5.5	6.7	4.5	10.9	5.0	13.2	4.0	11.8	4.3	11.8	4.8	15.9	4.8
Chief Security Office <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-	2.4	0.4
Charter Schools	0.7	0.7	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	2.4	2.4
<b>Total Broward Schools</b>	<b>\$29.7</b>	<b>\$28.7</b>	<b>\$24.1</b>	<b>\$24.2</b>	<b>\$29.6</b>	<b>\$29.5</b>	<b>\$29.6</b>	<b>\$30.5</b>	<b>\$29.0</b>	<b>\$29.5</b>	<b>\$29.6</b>	<b>\$30.9</b>	<b>\$41.5</b>	<b>\$39.6</b>
<b>Safe Schools State Funding</b>	<b>\$6.0</b>		<b>\$6.1</b>		<b>\$6.1</b>		<b>\$5.9</b>		<b>\$5.9</b>		<b>\$5.9</b>		<b>\$14.3</b>	

<sup>1</sup> Includes salaries for gate security duty, armed school officer bonuses, polling duty, summer school, before and after school care; and starting 2018-19, it includes the additional cost for guardians. It also includes other expenditures such as material and supplies.

<sup>2</sup> The Chief Security Office, created in 2018-19, represents a partial year. Funding will be annualized for the 2019-20 school year.



## Current Security Personnel

Item	Current Headcount	Est. Cost (FY19 Avg Sal & Ben)
School-based Staff: Armed Safe School Officer	47	\$ 1,798,784
School-based Staff: Campus Monitors	328	\$ 10,266,528
School-based Staff: Security Specialists	148	\$ 9,026,358
School-based Staff: School Resource Officers	197	\$ 10,244,000
District-based Staff: Campus Monitors	19	\$ 594,707
District-based Staff: Security Specialists	6	\$ 362,048
<b>TOTAL</b>	<b>745</b>	<b>\$ 32,292,425</b>



# Safety & Security Plan

Item	Estimated Headcount	Cost
School-based Staff: Armed Safe School Officer	21	\$ 829,458
School-based Staff: Campus Monitors	308	9,661,215
School-based Staff: Security Specialists	23	1,403,496
<b>TOTAL - School-based Staff</b>	<b>352</b>	<b>\$ 11,894,169</b>
Floater Pool: Armed Safe School Officer	25	987,450
Floater Pool: Campus Monitors	50	1,583,650
Floater Pool: Security Specialists	25	1,533,000
<b>TOTAL - Floater Pools</b>	<b>100</b>	<b>\$ 4,104,100</b>
School Resource Officer (SRO) - 5% pay increase (based on 198 FTE)	-	514,800
Additional Area Managers - coverage	7	735,924
Materials - uniforms, external training, equipment, documentation, manuals, etc.	-	250,000
Remainder to allocate based on school-based risk	45	1,901,007
Payments to Charter Schools		1,300,000
<b>Available Funds (\$19.3M Referendum + \$1.4M Safe Schools Allocation)</b>	<b>504</b>	<b>\$ 20,700,000</b>



## Safety & Security Proposed Staffing Levels

Item	Current Headcount	Estimated Additional Headcount	Total Headcount
School-based Staff: Armed Safe School Officer	47	21	68
School-based Staff: Campus Monitors	328	308	636
School-based Staff: Security Specialists	148	23	171
School-based Staff: School Resource Officers	197	-	197
<b>TOTAL - School-based Staff</b>	<b>720</b>	<b>352</b>	<b>1,072</b>
Floater Pool: Armed Safe School Officer		25	25
Floater Pool: Campus Monitors		50	50
Floater Pool: Security Specialists		25	25
<b>TOTAL - Floater Pools</b>	<b>0</b>	<b>100</b>	<b>100</b>
Additional Area Managers - coverage		7	7
Remainder to allocate based on school-based risk		45	45
District-based Staff: Campus Monitors	19	-	19
District-based Staff: Security Specialists	6	-	6
<b>TOTAL - District/Other</b>	<b>25</b>	<b>52</b>	<b>77</b>
<b>Total Staffing Levels</b>	<b>745</b>	<b>504</b>	<b>1,249</b>



## Other Essential School Programs

Item	New Positions	Cost
Social Workers	8	\$ 642,752
Family Counselors	11	\$ 867,966
Community Liaisons	3	\$ 140,211
Courts Liaisons	4	\$ 415,896
Instructional Facilitators	16	\$ 1,238,416
Transition Specialists	3	\$ 253,539
School Nurses	18	\$ 1,045,350
Clinical Nurses	4	\$ 274,420
Specialist Community Engagement	1	\$ 106,819
Psychologists	5	\$ 418,090
ESLS Counselors	6	\$ 473,436
School Counseling Director - BRACE	1	\$ 86,118
Supervisors for Nursing, SSW and SEL	5	\$ 572,870
BRACE Advisors	3	\$ 91,035
Prevention Liaison Stipends (234 at \$878)		\$ 205,452
SEL Liaison Stipends (234 at \$878)		\$ 205,452
PASL Liaison Stipends (31 at \$878)		\$ 27,218
SEL Assessments (Purchase from Panorama; \$2,500 for each of 234 school)		\$ 585,000
<b>Grand Total</b>	<b>88</b>	<b>\$ 7,650,040</b>
<b>Available Funds</b>	-	<b>\$ 7,700,000</b>
<b>Funds set aside in reserve for additional school services</b>	-	<b>\$ 49,960</b>



# Proposed 2019-20 Budget

(in thousands)

Category	Appropriations	%
Elementary Schools	\$496,668	19.3%
Middle Schools	193,835	7.5%
High Schools	285,768	11.1%
Multi-Level Schools	43,727	1.7%
Centers	27,779	1.1%
Adult High Schools	22,631	0.9%
Technical Colleges & Community Schools	69,321	2.7%
Charter Schools, Security, District Wide, Transportation, Fringe, Maintenance & Operation of Plant, etc.	1,094,062	42.6%
Fund Balance	139,911	5.4%
<b>Sub-Total</b>	<b>\$2,373,702</b>	<b>92.3%</b>
Divisions	198,108	7.7%
<b>Total General Fund</b>	<b>\$2,571,810</b>	<b>100.0%</b>



# Capital Budget 2019-20

## District Educational Facilities Plan FY20 (DEFP)

### Main Focus:

The update to the DEFP-FY20 focuses on aligning SMART Program funding for construction projects to ensure successful completion of promises for the SMART Program

### Other Capital Items:

- The update also funds other annual capital costs such as: debt service, leases, maintenance, and capital-funded salaries
- Funding needs to be considered for the capital costs of re-engineering payroll (estimated \$750k for hardware upgrades)
- Capital lease programs are being considered based on School Board direction to fund a technology refresh and replacement of school buses
  - Lease payments will reduce funds in the unallocated reserve



# Capital Budget Revenue & Appropriation Assumptions

- Includes revenue from the sale of land for:
  - South Area Portable Complex (Pines & 172<sup>nd</sup>)
  - Elementary D-1 Site (Broward & Hiatus)
- House Appropriations Bill includes funding for capital outlay School Safety Grant Program (SB 2500 Item #116A)
  - The amount approved for Broward is estimated at \$4M for district schools and \$800k for charter schools.
- Includes funding for maintenance at the level of support committed as of the latest budget amendment (K-3 5/21/19 RSBM).
- Funds previously set aside for charter school capital millage sharing, which we do not have to do in FY20, are available for District needs.
- Removes FY20 State PECO funding that was not approved in the State budget.





# Capital Budget Revenue Update FY20

(in thousands)

Revenue & Financing Source	FY20 from Previous ADEFP	Changes	Total for new DEFP FY20
Local Capital Millage	\$312,346	(\$1,064)	\$311,282
Local Revenue (land, impact Fees, misc.)	10,155	25,700	35,855
Local General Obligation Bond (as a result of re-baselining)	0	315,800	315,800
State / School Safety Grant Program SB 2500 (Appropriations Bill Item# 116A)	0	4,840	4,840
State PECO Maintenance	2,200	(2,200)	0
State PECO Charter Schools (flow-thru)	16,000	9,050	25,050
State Capital Outlay & Debt Service (CO&DS - motor vehicle license revenue)	7,300	900	8,200
Federal BABs Tax Subsidies	4,367	(1,656)	2,711
<b>Total Revenue</b>	<b>\$352,368</b>	<b>\$351,370</b>	<b>\$703,738</b>



# Capital Budget Appropriations Update FY20

(in thousands)

Appropriations Category	FY20 from Previous ADEFP	Changes	Total for new DEFP FY20
COPs Debt	\$164,906	(\$1,784)	\$163,122
Equipment & Building Leases	12,748	7,428	20,176
Facilities Capital Salaries	16,700	504	17,204
Quality Assurance	170	30	200
Capital Transfer to General Fund			
• Maintenance (PPO)	61,400*	1,658	63,058
• Capital Improvements (PPO)	10,120	0	10,120
• Environmental Health & Safety	1,900	0	1,900
• Portable Disposition/Demolition	0	737	737
• Athletic Facility Maintenance/Equipment	1,233	0	1,233
• Pool Repairs (Deerfield Beach & Apollo MS)	0	650	650
• NatureScape Program	0	114	114
• Maintenance of Physical Education Equipment	0	65	65
• BECON Tower Maintenance	150	0	150
• Property & Casualty Insurance	18,190*	0	18,190
• Charter School – State PECO	16,019	9,031	25,050
Magnet/Innovative Program Equipment	0	653	653
SMART Program	0	322,399	322,399
SMART Program Reserve	59,839	(6,712)	53,127
Charter Schools – Local Millage	8,511	(8,511)	0
Payroll Improvement Hardware	0	750	750
State / School Safety Grant			
• District Schools	0	4,010	4,010
• Charter Schools	0	830	830
<b>Total Appropriations</b>	<b>\$371,886</b>	<b>\$331,852</b>	<b>\$703,738</b>



\* Note: The maintenance and property & casualty transfer is shown at the 5/21/19 amended value in the 2018-19 capital budget and also includes recent increases in property & casualty insurance premiums. The amended amounts were funded from unallocated capital reserves.

# Capital Budget Reserves Update FY20

(in thousands)

Description	FY19		FY20	Projected Total at FY20 Budget Adoption (Current Balance + FY20)
	Beginning Balance	Current Balance*		
SMART Program Reserve	\$ 58,920	\$ 2,057	\$ 53,127	\$ 55,184
Unallocated Reserve	9,835	12,391		12,391
<b>Total Capital Budget Reserves</b>	<b>\$ 68,755</b>	<b>\$ 14,448</b>	<b>\$53,127</b>	<b>\$67,575</b>

\* The current reserve balance includes funds from completed projects and will continue to be impacted by upcoming contract awards during the remainder of FY19. The reserve balances will be updated accordingly.

Note:

- 1) Over the next 5 years there is \$72.4 million set aside for charter school millage sharing; if the State fully funds charter school capital outlay these dollars will move to the capital reserves.
- 2) In the outer years of the 5-year DEFP, there is an additional \$189 million projected available in unallocated reserves.



# Capital Budget

## Current Bus Fleet Information

### Age of Bus Fleet

- Average age of fleet: BCPS ≈ **11 years**
  - Council of the Great City Schools: Median Average Age 7-8 years
- Aging bus fleet:
  - Increase **rider risks**
  - Break down frequently
  - Require a higher proportion of **repair and fuel costs**
  - Requires a higher spare bus ratio

### Buses with Over 250k Miles

- Over 250 buses in the fleet with an excess of **250k miles**



### Benefits Related to Purchase of Newer Buses:

- Reduced maintenance cost
- Increased **safety** features:
  - Improved seating to **reduce injury** risk in accidents
  - All buses built after 2001 require **safety lap belts**
  - Newer buses equipped with LED and strobe stop arm lighting to **increase visibility**
  - Improved mirror systems for **better visibility** of students in loading zones
  - Anti-lock braking systems
  - Air-conditioning
- Newer buses equate to **fewer breakdowns** which help ensure **on time arrival** for students to school
- Increased morale of staff
- Environmental benefit (e.g., **20 times cleaner**, almost zero emissions, reduced noise levels, etc.)



# Capital Budget

## Bus Leasing 5-Year Projected Lease Payments

(in millions)

Lease Year	Principal	Rate	Term	FY20	FY21	FY22	FY23	FY24	Total
2019/20	\$10.7	3.8%	8 yrs	\$0.8	\$1.6	\$1.6	\$1.6	\$1.6	\$7.2
2020/21	\$10.9	3.9%	8 yrs		0.8	1.6	1.6	1.6	5.6
2021/22	\$11.0	4.0%	8 yrs			0.8	1.6	1.6	4.0
2022/23	\$11.2	4.2%	8 yrs				0.9	1.6	2.5
2023/24	\$11.4	4.4%	8 yrs					0.9	0.9
<b>Total</b>				<b>\$0.8</b>	<b>\$2.4</b>	<b>\$4.0</b>	<b>\$5.7</b>	<b>\$7.3</b>	<b>\$20.2</b>

Assumptions:

- 1) 100 school buses per year
- 2) Average price between \$107,000 and \$113,566 per bus
- 3) Semiannual payments (only one payment in the first year and one in the last year)
- 4) First payment includes \$31k cost of issuance



# Current White Fleet Information

## Age of White Fleet

- Average age of total fleet (855 Vehicles) **≈ 10 years**
  - 28% of the total vehicles (240) are over 14 years old
- Aging white fleet:
  - Usual replacement interval is 10 years
  - Break down frequently
  - Body repairs (due to leaks) require more attention
  - Lower fuel economy and higher emissions
- Number of Locations assigned vehicles: 22

## White Fleet with Over 100k Miles

- Over 127 vehicles in the fleet with an excess of 100k **miles**



## Benefits Related to Purchase of Newer White Fleet Vehicles:

- Reduced maintenance cost
- Increased **safety** features:
  - Some of the latest safety features come standard on newer vehicles
  - Vehicle avoidance systems
  - Backup cameras
  - Airbags and anti-lock brakes
- Newer vehicles equate to **fewer breakdowns**
- Increased morale of staff
- Increased fuel efficiency



# Capital Budget – White Fleet Leasing Scenarios

## 5-Year Projected Lease Payments

(in millions)

Scenario #	Vehicles per year	Principal	FY20	FY21	FY22	FY23	FY24	Total
#1	75	\$13.5	\$0.2	\$0.6	\$1.0	\$1.4	\$1.8	\$5.0
#2	100	\$18.0	0.3	0.8	1.3	1.8	2.3	6.5
#3	125	\$19.4	0.3	0.9	1.5	2.2	2.9	7.8

### Assumptions:

- 1) Each scenario above is the 5 year cumulative total of the payment for five (5) individual white fleet vehicle leases
- 2) Average price per vehicle between \$35,000 and \$37,148
- 3) Each lease is for an 8-year term with rates between 3.8% and 4.4%
- 4) Semiannual payments (only one payment in the first year and one in the last year)
- 5) First payment includes \$31k cost of issuance



## Capital Budget – Sample Technology Leasing Student Devices with Vendor Financing

Price per Device	Term	Unit Count	Annual Payment
≈ \$244	4 years	47,000 188,000 devices in 4 years	\$3.0M

- All 188,000 student devices will be replaced in a 4-year refresh cycle
- All 24,465 staff devices will be replaced in a 4-year refresh cycle
- IT staff will work to competitively bid the technology devices
- Finance staff will work with IT staff to determine if vendor financing or bank financing is the better leasing option





# Capital Budget

## Technology Leasing 5-Year Projected Lease Payments

(in millions)

Lease Year	Principal	Rate	Term	FY20	FY21	FY22	FY23	FY24	Total
2019/20	\$16.6	2.75%	4 yrs	\$3.3	\$4.4	\$4.4	\$4.4	\$1.1	\$17.6
2020/21	\$16.6	2.90%	4 yrs		3.3	4.4	4.4	4.4	16.5
2021/22	\$16.6	3.05%	4 yrs			3.3	4.4	4.4	12.1
2022/23	\$16.6	3.20%	4 yrs				3.3	4.4	7.7
2023/24	\$16.6	3.35%	4 yrs					3.3	3.3
<b>Total</b>				<b>\$3.3</b>	<b>\$7.7</b>	<b>\$12.1</b>	<b>\$16.5</b>	<b>\$17.6</b>	<b>\$57.2</b>

Assumptions:

- 1) 47,000 student computers per year for 4-years to refresh all 188,000 student devices
- 2) 6,117 staff computers per year for 4-years to refresh all 24,465 staff devices
- 3) Vendor financing with monthly payments
- 4) Assumes 9 payments the first year, and 3 payments in the last year



# Feedback on Priorities

- July 23, 2019 at 5:30 p.m. – Special Board Meeting  
Tentative District Educational Facilities Plan #1
- August 1, 2019 at 5:30 p.m. - Tentative Budget Hearing
- September 4, 2019 at 5:00 p.m. - Special Board Meeting  
District Educational Facilities Plan #2 - Adoption
- September 4, 2019 at 5:30 p.m. - Final Budget Hearing
- Questions



# The School Board of Broward County, Florida

Heather P. Brinkworth, Chair  
Donna P. Korn, Vice Chair  
Lori Alhadeff  
Robin Bartleman  
Patricia Good  
Laurie Rich Levinson  
Ann Murray  
Dr. Rosalind Osgood  
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Robert W. Runcie, Superintendent of Schools

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