



School Board Workshop # 1 – February 11, 2020

Planning for the FY 20-21 Budget

Prepared by Financial Management

Workshop Agenda

- FY 2020-21 UFTE Forecast
- FY 2020-21 Legislative Budget Proposals
- FY 2020-21 Potential Cost Increases
- Input from Board Members on Priorities
- Initial Discussion on Capital Fund Budget
- Questions



Open Items that will Impact Budgets

- Information is preliminary in both General and Capital Funds.
- Still in the process of determining cost increases and aligning resources to GFOA smart spending and strategic plan.
- BCPS' District managed schools project an overall declining enrollment in FY 2020-21 with the exception of ESE students (signifying a shift from Basic students).
- The District is projecting to have \approx 700 students enroll in the FES program, and \approx 1,100 more students attend charter schools. Also signifying a potential shift from District managed schools.



2020-21 Unweighted FTE Forecast

FTE Group	UFTE 2019-20 Total	Estimated Change	UFTE Forecast 2020-21
District Managed	216,563.11	(1,192.90)	215,370.21
McKay Scholarship	2,345.23	-	2,345.23
FES Scholarship	1,844.50	655.50	2,500.00
Non-Charter Schools	220,752.84	(537.40)	220,215.44
Charter schools	47,260.08	1,113.13	48,373.21
Total UFTE	268,012.92	575.73	268,588.65

- FES Scholarship anticipate to increase 655 UFTE (approximately 600 incoming kindergarteners).
- District managed schools anticipate to decrease \approx 1,200 UFTE.
- Charter schools anticipate to go up by 1,113 UFTE. Essentially shifting from District managed schools.



2020-21 Budget Proposals

(in millions)

	2019-20 3 rd Calc	Governor's Proposal	House Proposal	Senate Proposal
State Funding:				
Class Size Reduction	\$303	\$302	\$303	\$303
Best & Brightest	27	-	-	-
Teacher Compensation & Bonus	-	70	-	-
Principal Bonus Allocation	-	1	-	-
Salary Enhancement Supplement	-	-	60	47
Remaining Categoricals (slide 7)	271	277	274	277
State (Net of above listed items)	490	478	508	504
Total State Funding	1,091	1,128	1,145	1,131
Local Funding	953	975	964	963
Total Revenue	\$2,044	\$2,103	\$2,109	\$2,094
Changes for each proposal as compared to 2019-20, 3rd Calc		\$59	\$65	\$50



2020-21 Budget Proposals – Revenue per UFTE

	2019-20 3 rd Calc	Governor's Proposal	House Proposal	Senate Proposal
Base Student allocation (BSA)	\$4,279.49	\$4,329.49	\$4,329.49	\$4,319.66
District Cost Differential (DCD)	1.0197	1.0197	1.0191	1.0179
BSA Including DCD	\$4,363.80	\$4,414.78	\$4,412.18	\$4,396.98
Changes in BSA and DCD as compared to 2019-20, 3rd Calc		\$50.98	\$48.38	\$33.18
	2019-20 3 rd Calc	Governor's Proposal	House Proposal	Senate Proposal
Revenue per UFTE	\$7,625.80	\$7,901.24	\$7,853.76	\$7,797.93
Changes in per UFTE Revenue as compared to 2019-20, 3rd Calc		\$275.44	\$227.96	\$172.13
		3.6%	3.0%	2.3%



2020-21 Budget Proposals – Remaining Categoricals

(in thousands)

	2019-20 3 rd Calc	Governor's Proposal	House Proposal	Senate Proposal
Mental Health Assistance	\$6,530	\$8,808	\$8,829	\$8,829
ESE Guaranteed Allocation	102,894	102,759	102,797	102,797
Supplemental Academic Inst.	59,333	59,133	59,479	59,479
Safe Schools	16,065	16,089	15,976	15,976
Reading Allocation	11,755	11,598	11,625	11,624
Digital Classrooms	428	426	-	427
Instructional Materials	21,250	21,271	21,356	21,356
Student Transportation	32,949	34,188	33,321	33,285
Turnaround Supplemental Services	1,383	1,410	1,383	1,550
Lottery & School Recognition	14,010	13,297	14,007	14,007
Other Categoricals *	4,895	7,662	5,445	7,466
Total Remaining Categoricals	\$271,492	\$276,641	\$274,218	\$276,796



* Other Categoricals include, DJJ Supplemental Allocation, Funding Compression Allocation, Teachers Classroom Supply Assistance, and Proration to Appropriation.

FY 2020-21 Potential Cost Increases

Category	\$ In Millions
FRS Increase (based on proposed rates, awaiting final legislative decision)	(\$23.0)
Charter Schools Growth UFTE 1,113	(8.5)
FES Growth UFTE 655	(5.0)
Cost of Increase in Property & Casualty Insurance (10%)	(2.0)
Collective Bargaining	
Potential Cost Increases	(\$38.5)



Capital Budget 2020-21

District Educational Facilities Plan FY21 (DEFP)

Main Focus:

The update to the DEFP-FY21 focuses aligning SMART Program construction funding while balancing other capital outlay needs

Other Capital Items:

- Continue to review State appropriations and identify funds for continuation of security upgrades projects (Initial information from State is ≈ \$4.6 million)
 - ≈ \$4 million for District schools
 - ≈ \$600 thousand for charter schools
- Fund maintenance (Physical Plant Operations – PPO) based on the January 27th workshop and review funding needs of the long-term PPO plan
- Review State requirements for charter school capital outlay from State PECO and the local capital millage

Other Considerations:

The update also maintains funding for other annual capital costs such as; debt service, maintenance, capital funded salaries and leases approved in last year's Adopted DEFP for the technology refresh program and to replace school bus and white fleet vehicles



Capital Budget Revenue Update FY21

(in thousands)

Revenue & Financing Source	Total DEFP FY21*
Local Capital Millage	\$330,654
Local Revenue (Land, Impact Fees, misc.)	24,655
Technology Refresh Lease	16,570
New/Replacement Bus & White Fleet Lease	14,414
State PECO Maintenance	2,200
State PECO Charter Schools (flow-thru)	14,994
State Capital Outlay & Debt Service (CO&DS - motor vehicle license revenue)	8,200
Federal BABs Tax Subsidies	2,711
Total Revenue	\$414,398



* From Adopted DEFP, September 4, 2019

Capital Budget Appropriations Update FY21

(in thousands)

Appropriations Category	Total for New DEFP FY21*
COPs Debt	\$149,153
Equipment & Bldg. Leases	26,726
Technology Refresh	16,570
New/Replacement Buses	10,861
New/Replacement White Fleet	3,553
Facilities Capital Salaries	17,204
Quality Assurance	200
Capital Transfer to General Fund <ul style="list-style-type: none"> • Includes Maintenance, Property & Casualty, and other department's capital programs 	92,331
SMART Program	53,185
SMART Program Reserve	16,615
Charter Schools – State PECO	14,994
Charter Schools – Local Millage	12,353
Magnet/Innovative Programs Equipment	653
Total Appropriations	\$414,398



* From Adopted DEFP, September 4, 2019

Capital Budget Reserves Update FY21

(in thousands)

Description	FY20		FY21	<i>Projected Total at FY21 Budget Adoption (Current Balance + FY21)</i>
	Beginning Balance	Current Balance *		
SMART Program Reserve	\$59,398	\$4,670	\$16,615	\$21,285
Unallocated Reserve	40,842	41,954	0	41,954
Total Capital Budget Reserves	\$100,240	\$46,624	\$16,615	\$63,239

* The current reserve balance will be impacted by upcoming contract awards during the remainder of FY20 and the reserve balances will be updated accordingly before adoption

Note:

- 1) Over the next 4-years there is \$73.5 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 Adopted DEFP, there is an additional \$222.9 million projected available unallocated reserves



Budget Adoption Timeline

Fiscal Year 2020-21

- **February 11, 2020** – 1st Budget Workshop
- **March 31, 2020** – 2nd Budget Workshop
- **April 28, 2020** – 3rd Budget Workshop
- **June 16, 2020** – 4th Budget Workshop
- **July 21 & 22, 2020** – Advertisement of Tentative FY21 District Budget
- **July 23, 2020** – Tentative DEFP #1 at School Board Meeting
 - *Thursday*
- **July 23, 2020** – 1st Public Budget Hearing, after 5:00 p.m.
 - *Thursday*
- **September 1, 2020** – Final DEFP #2 Adoption at School Board Meeting, after 5:00 p.m.
- **September 9, 2020** – Final Public Budget Hearing, after 5:00 p.m.



Next Steps

1. Monitor State revenue projections and new legislation
2. Monitor Broward Property Appraiser's property value estimates
3. Analyze the Board's recommendations for funds utilization in FY 2020-21 that is shared with us today
4. Explore options for additional revenue enhancements and cost reductions



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