

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT
ROBERT W. RUNCIE
SUPERINTENDENT OF SCHOOLS

July 22, 2020

TO: School Board Members

FROM: Judith M. Marte
Chief Financial Officer



VIA: Robert W. Runcie
Superintendent of Schools



**SUBJECT: REVISION TO ITEM 2. RESOLUTION ADOPTING TENTATIVE BUDGET FOR
JULY 28, 2020 FIRST PUBLIC HEARING – BUDGET**

The purpose of this memorandum is to advise you that the Budget Office will revise Item 2. for the July 28, 2020 First Public Hearing – Budget.

The revision is necessary to add a presentation of information to the agenda of the July 28, 2020 First Public Hearing - Budget.

RWR/JMM/OG:nr



July 28, 2020

School Board First Public Hearing Tentative Budget, Fiscal Year 2020-21

Prepared by Financial Management



Workshop Agenda

Kathleen C. Wright Administration Center Board Room

July 28, 2020, 5:30 pm

- Economic COVID-19 Information
- Millage Rates
- Fiscal Year 2020-21 Tentative Budget Presentation
- FY 2020-21 FEFP Revenue & Anticipated Cost Increases
- FY 2020-21 Reductions & Budget Balancing
- Where does the Money Go?



Key Budget Points

- The budget is a process not a document.
- The budget does and will change.
- The 2020-2021 budget is particularly at risk for changes driven by the impact of the pandemic.



COVID-19: Economic Update

- The Center on Budget and Policy Priorities total estimated shortfall for fiscal years 2020-2022 is \$555 billion. This includes \$290 billion in FY2021 alone, a deficit over 25 percent larger than that in the worst year of the Great Recession (2009).
- In just four months, state and local governments have furloughed or laid off 1.5 million workers – twice as many as in all the Great Recession – Bureau of Labor Statistics.
- Learning Policy Institute most recent analysis estimate 8.4% reduction in the US teaching corps, with some states seeing reductions as large as 20%. Class sizes are expected to increase
- As of June 2020, the national unemployment rate was 11.1% or still down nearly 14.7 million jobs since February.
- Florida's revenue collection was down \$779.6 million for May and the state is short \$1.45 billion for the current year, a hole the state is plugging with CARES Act money and other federal dollars.



FY 2020-21 Proposed Millage Rates

	2016-17 Millage Rate	2017-18 Millage Rate	2018-19 Millage Rate	2019-20 Millage Rate	2020-21 Millage Rate	% Inc/(Dec) 2019-20 to 2020-21
Non-Voted Millage:						
Required Local Effort (RLE)	4.5360	4.2120	3.9970	3.8250	3.6370	(5.69%)
RLE Prior Period Adjustment	0.0520	0.0140	0.0300	0.0620	0.0290	
Discretionary Millage	0.7480	0.7480	0.7480	0.7480	0.7480	0.00%
Capital Millage	1.5000	1.5000	1.5000	1.5000	1.5000	0.00%
Sub-Total Non-Voted	6.8360	6.4740	6.2750	6.1350	5.9140	(3.60%)
Voted Millage:						
Referendum				0.5000	0.5000	0.00%
Debt Service Millage	0.0703	0.0654	0.1279	0.1043	0.0912	(12.56%)
TOTAL NON-VOTED	6.9063	6.5394	6.4029	6.7393	6.5052	(3.47%)



FY 2020-21 Rolled Back Rate

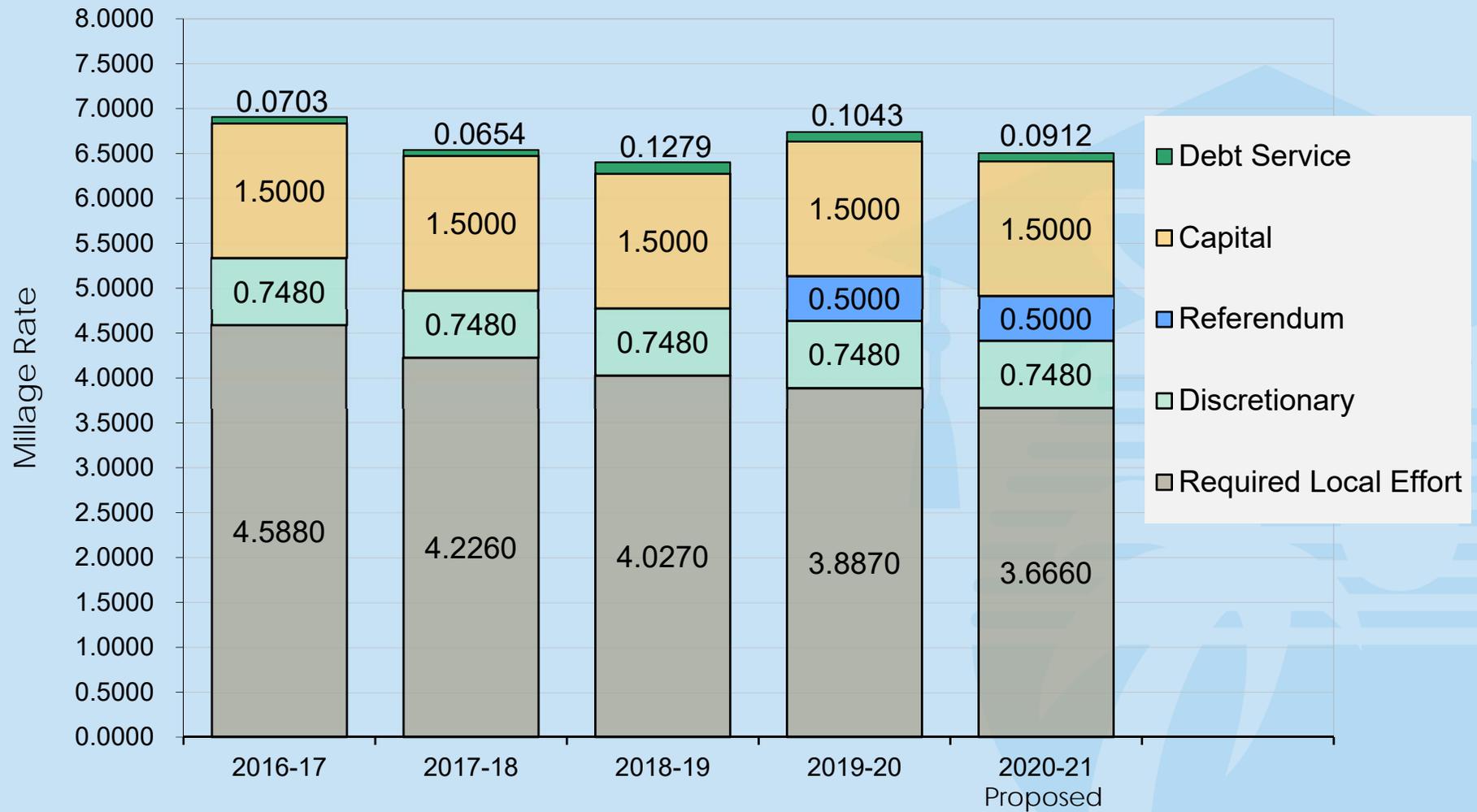
	2019-20 Final	2020-21		
		Adjusted	Gross	
Taxable Values:	\$214,727,676,622	\$223,978,180,197	\$226,714,033,617	
	2019-20 Millage Rate	Rolled Back Millage Rate	2020-21 Millage Rate	% Incr/(Decr) as Compared to Rolled Back Millage Rate
<u>State Millage</u> ¹				
Required Local Effort (RLE)	3.8250	3.7265	3.6370	
RLE Prior Period Adjustment	0.0620		0.0290	
Sub-Total State Millage	3.8870	3.7265	3.6660	(1.62%)
<u>Local Millage</u>				
Discretionary Millage	0.7480	0.7171	0.7480	
Referendum	0.5000	0.4793	0.5000	
Capital Millage	1.5000	1.4380	1.5000	
Sub-Total Local Millage	2.7480	2.6345	2.7480	4.31%
Total State and Local Millage	6.6350	6.3610	6.4140	0.83%
<u>Debt Service Millage</u>				
GOB Debt Service	0.1043	0.1000	0.0912	(8.80%)
TOTAL STATE, LOCAL, AND DEBT SERVICE MILLAGE	6.7393	6.4610	6.5052	0.68%

The combined total State and Local millage rate to be levied exceeds the rolled back rate computed pursuant to section 200.065(1), F.S., by 0.83 percent.



¹ 2020-21 RLE Millage and Prior Period Adjustment provided on the FEFP Second Calculation.

FY 2020-21 Proposed Millage Rates



2020-21 Budget for Broward County Public Schools (BCPS)

(in Millions)	2019-20 4th Calc	2020-21 2 nd Calc	Inc/(Decr)
State Funding:			
Class Size Reduction	\$303	\$303	\$0
Categoricals	270	264	(6)
Best & Brightest	27	-	(27)
Teacher Salary Increase Allocation	-	47	47
Base Funding less RLE	489	512	23
Total State Funding	\$1,089	\$1,126	\$37
Local Funding (RLE + DM)	953	954	1
Total Revenue	\$2,042	\$2,080	\$38
2020-21 Budget as compared to 2019-20, 4th Calculation			1.86%



Note: the 2020-21 2nd Calculation reflects a decrease in \$14M in Florida & School Recognition funds.

2020-21 Budget Categoricals (BCPS)

(in Thousands)	2019-20 4th Calc	2020-21 2 nd Calc	Inc/(Decr)
Mental Health Assistance	\$6,527	\$8,830	\$2,303
ESE Guaranteed Allocation	102,976	105,876	2,900
Supplemental Academic Inst.	59,297	59,437	140
Safe Schools	16,059	16,114	55
Reading Allocation	11,738	11,613	(125)
Digital Classrooms	428	166	(262)
Instructional Materials	21,173	21,396	223
Student Transportation	33,050	33,395	345
Turnaround Supplemental Services	1,376	340	(1,036)
Lottery & School Recognition	14,010	0	(14,010)
Other Categoricals *	3,847	6,797	2,950
Total Categoricals	\$270,481	\$263,964	(\$6,517)



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

FY 2020-21 Cost Increases

	\$ In Millions
FRS Increase and net changes to fringe rate	(\$23.0)
Charter Schools Growth UFTE 1,110 Net Of Cost Avoidance	(4.0)
Family Empowerment Scholarship Growth UFTE 655	(5.0)
Cost of Increase in Property & Casualty Insurance	(1.6)
Estimated costs to re-open schools including FEMA PPE match*	(6.7)
Total Cost Increases	(\$40.3)
Increase in Maintenance Transfer from Capital	1.6
Net Cost Increase	(\$38.7)



*A very fluid number and it will continue to be reviewed as plans are solidified.

FY 2020-21 FEFP Revenue & Cost Increases

	\$ In Millions
Total Revenue Increase, net of Charter Schools' Share *	\$18.0
Net Cost Increases	(38.7)
FEFP Revenue Increase & Net Cost Increase	(\$20.7)



* Excludes the Teacher Salary Increase Allocation categorical of \$47M and Best and Brightest of \$27M which is a decrease.

FY 2020-21 Budget Reductions

District	(in Millions)
Divisional Budget Reductions, including elimination of positions	\$2.2
Overtime Reduction	3.0
Professional Development funded by Grants	2.0
Districtwide Travel Restriction	3.0
Maximize Allowable Transfer from Capital & Food Services	10.0
Reduction in Professional Services Budget	.5
Total Budget Reductions	\$20.7



Nonrecurring Resources to be Allocated

	(in Millions)
CARES Act Funding	\$42.8
Fund Balance Cost Avoidance	30.0
Total Nonrecurring Resources to be Allocated	\$72.8



Where Does the Money Go?

School Level Services	2019-20	Pct.	2020-21	Pct.
Instruction	\$1,574.7	65.3%	\$1,627.7	65.8%
Student Support Services	132.8	5.5%	140.6	5.7%
Instructional Media Services	21.8	0.9%	19.7	0.8%
Student Transportation Services	82.6	3.4%	86.4	3.5%
Sub-Total Direct Services to Students	\$ 1,811.9	75.1%	\$ 1,874.4	75.8%
Operation of Plant/School Safety	\$209.6	8.7%	\$211.9	8.6%
Maintenance of Plant	65.2	2.7%	68.3	2.8%
School Administration	142.6	5.9%	145.4	5.9%
Community Services	14.2	0.6%	11.1	0.4%
Total School Level Services	\$ 2,243.5	93.0%	\$ 2,311.1	93.5%

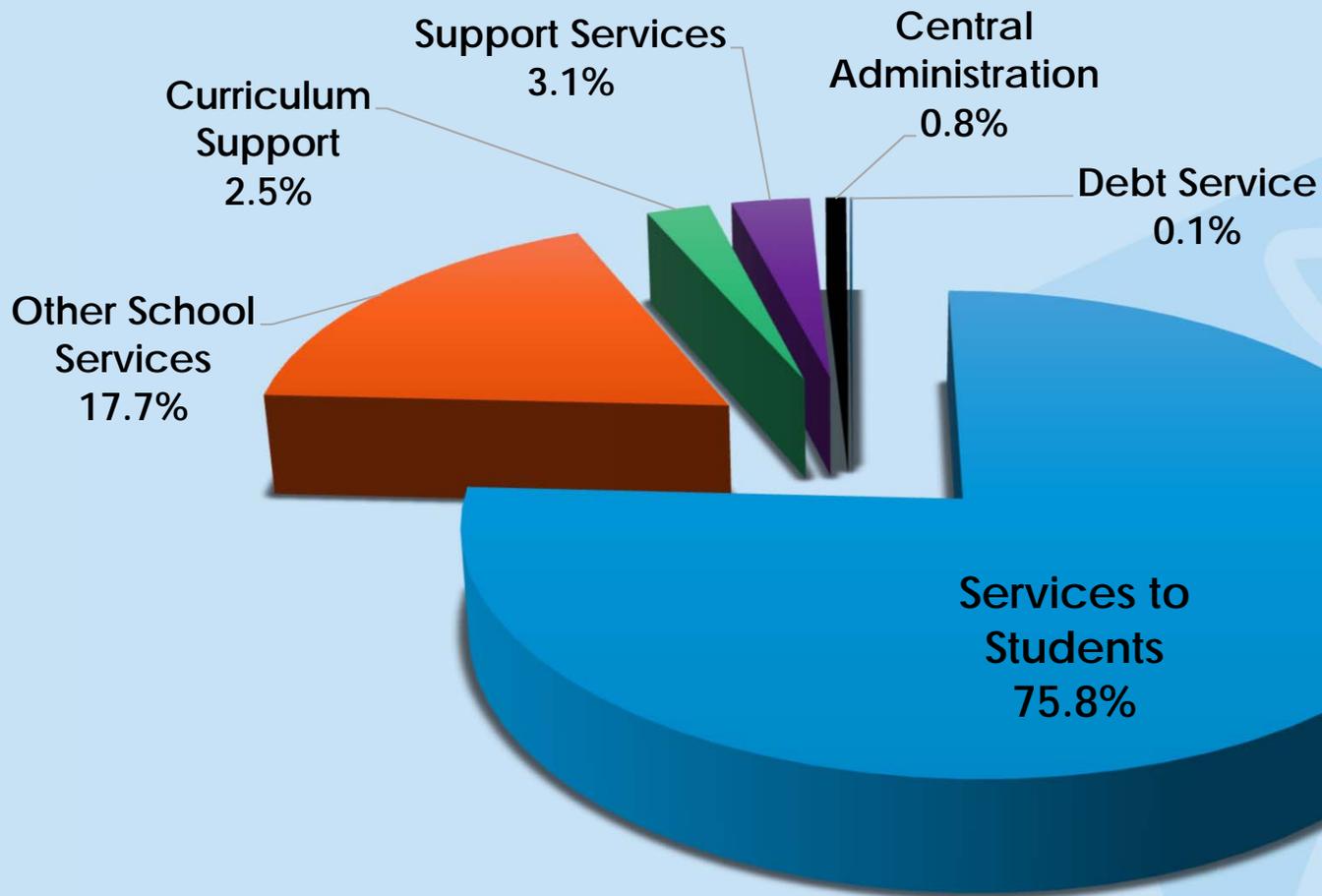


Where Does the Money Go?

Support Services	2019-20	Pct.	2020-21	Pct.
Instr. and Curriculum Dev. Services	\$27.5	1.1%	\$32.3	1.3%
Instructional Staff Training Services	9.4	0.4%	6.0	0.2%
Instruction-Related Technology	24.7	1.0%	24.9	1.0%
Total Curriculum Support	61.6	2.5%	63.2	2.5%
Fiscal Services	\$11.4	0.5%	\$9.7	0.4%
Central Services	74.9	3.1%	67.4	2.7%
Total Support Services	\$86.3	3.6%	\$77.1	3.1%
Board	\$6.0	0.2%	\$5.5	0.2%
General Administration	9.1	0.4%	8.8	0.4%
Administrative Technology Services	4.3	0.2%	5.1	0.2%
Total Central Administration	\$19.4	0.8%	\$19.4	0.8%
Debt Service	\$1.5	0.1%	\$2.1	0.1%
Total Appropriations	\$2,412.3	100.0%	\$2,472.9	100.0%



Where Does the Money Go?



Budget Adoption Timeline

Fiscal Year 2020-21

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.



The School Board of Broward County, Florida

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