

Budget Workshop Fiscal Year 2017-2018

June 13, 2017

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General Fund Preliminary Budget Reconciliation

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Board Member Discussion

Budget Calendar



JUNE 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Budget Workshop

Approval to advertise the Tentative Budget and Millage Rates for 2017-18

Approval to Expend between July 1 and the Adoption of the Tentative Budget

Property Appraiser Certifies the Tax Roll

Department of Revenue Certifies Taxable Value to the Commissioner

DOE Computes Required Local Effort Millage and Certifies Rate to each District

First Public Hearing advertised in the local newspaper per Truth in Millage (TRIM) requirements

Public Hearing and Adoption of Tentative Millage Rates and Tentative District Budget

AUGUST 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Superintendent advises Property Appraiser of the proposed millage, rolled-back rate, time, date and place of the final budget hearing

Property Appraiser prepares notice of proposed property taxes and mail TRIM notice

Public Hearing and Adoption of Final Budget

Superintendent certifies adopted millage to Property Appraiser and Tax Collector. Budget submitted to DOE within 3 business days after adoption (per State Board Rules)

Florida Education Finance Program (FEFP)

- Special Legislative Session
 - 2017-18 House Bill 3A

Special Legislative Session Statewide Highlights

- ❑ Legislative FEFP Conference budget was vetoed by Governor Scott.
- ❑ Special Legislative session called.
- ❑ House and Senate both introduced FEFP bills into the session.
- ❑ House bill 3A was approved by both sides resulting in a FEFP budget statewide that-
 - Added \$215 million to the FEFP budget.
 - Unweighted FTE increased by 23,000 statewide; Volusia increased 400.9 FTE
 - School taxable values increased more than \$128 billion statewide; Volusia increased \$2.49 billion
 - Legislature reduced RLE millage which decreased the RLE tax levy amount statewide, providing a tax break to property tax owners.
 - Increased total funding per Unweighted FTE statewide by \$100 (+1.39%)

HB 3A Statewide FEFP Funding

FLORIDA EDUCATION FINANCE PROGRAM				
2017-2018 FEFP - HOUSE BILL 3A CALCULATION				
Statewide Summary				
Comparison to 2016-2017 Fourth Calculation				
	2016-2017 Fourth Calculation	2017-2018 House Bill 3A Calculation	Difference	Percentage Difference
MAJOR FEFP FORMULA COMPONENTS				
Unweighted FTE	2,805,188.49	2,829,107.39	23,918.90	0.85%
Weighted FTE	3,038,409.35	3,077,667.93	39,258.58	1.29%
School Taxable Value	1,771,785,134,372	1,900,475,414,389	128,690,280,017	7.26%
Total RLE Millage/Reduction for Tax Relief	4.638	4.316	(0.322)	-6.94%
.748 Discretionary Millage	0.748	0.748	0.000	0.00%
Total Millage	5.386	5.064	(0.322)	-5.98%
Base Student Allocation	4,160.71	4,203.95	43.24	1.04%
FEFP DETAIL				
WFTE x BSA x DCD	12,651,239,972	12,949,995,469	298,755,497	2.36%

HB 3A Statewide FEFP Funding

TOTAL STATE FUNDING	11,309,068,374	11,673,261,717	364,193,343	3.22%
LOCAL FUNDING				
Total Required Local Effort	7,605,418,567	7,603,850,013	(1,568,554)	-0.02%
.748 Discretionary Local Effort	1,272,283,473	1,364,693,386	92,409,913	7.26%
TOTAL LOCAL FUNDING	8,877,702,040	8,968,543,399	90,841,359	1.02%
TOTAL FUNDING (State and Local)	20,186,770,414	20,641,805,116	455,034,702	2.25%
State Dollars per Unweighted FTE	4,031.48	4,126.13	94.65	2.35%
Local Dollars per Unweighted FTE	3,164.75	3,170.10	5.35	0.17%
Total Dollars per Unweighted FTE	7,196.23	7,296.23	100.00	1.39%

Artifact 1

2017-18 Base Student Allocation (BSA) Compared to 2016-17 4th Calc

2016-17 4th Calc
\$4,160.71

2017-18 Conference \$4,133.64
- \$27.07

2017-18 HB 3A \$4,203.95
+ \$43.24

2017-18 Base Funding Compared to 2016-17 4th Calc (WFTE * BSA * DCD)

2016-17 4th Calc

\$273,416,918

2017-18 Conference \$271,861,391

- \$1,555,527

2017-18 HB 3A

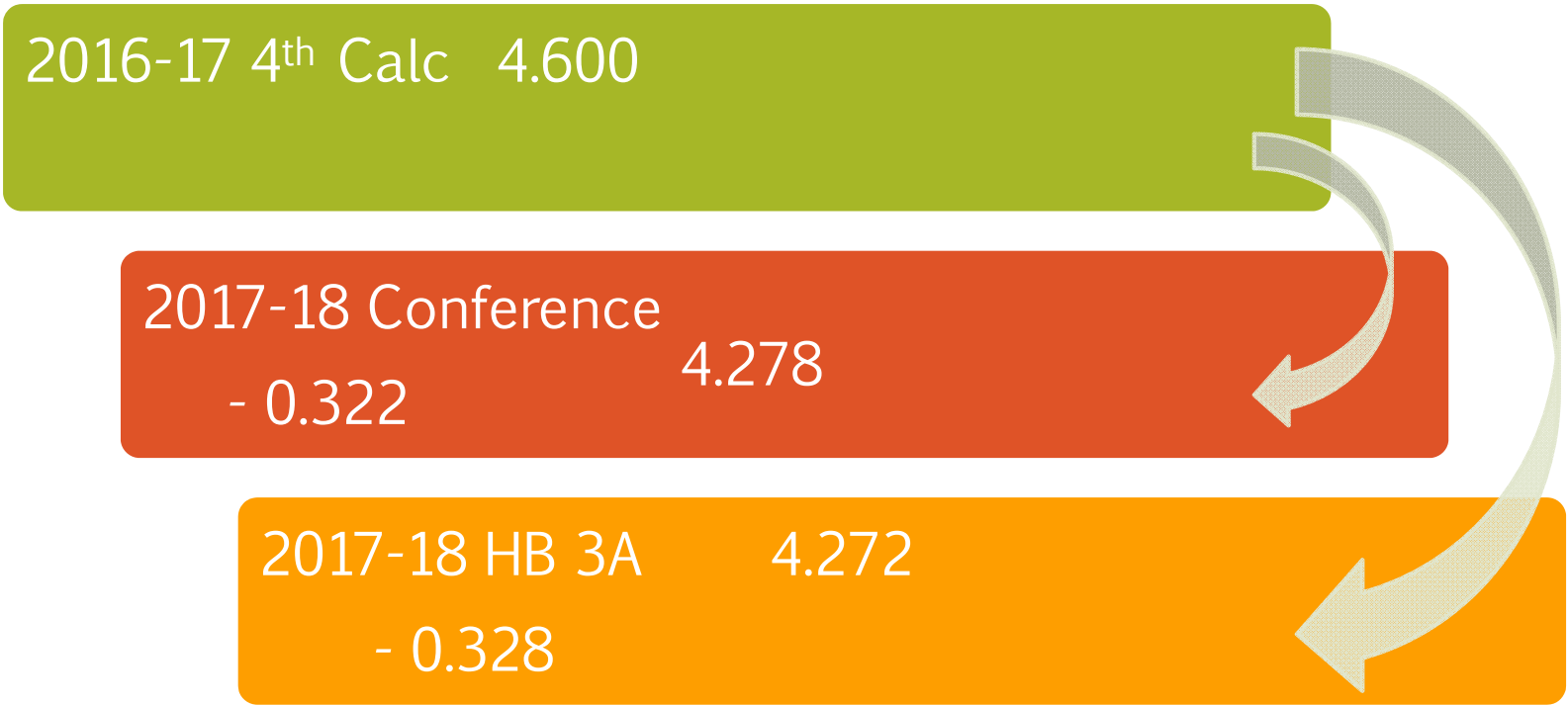
\$276,485,542

+ \$3,068,624 *

* 1.12% increase as compared to statewide average increase of 2.36%.

2017-18 Required Local Effort (RLE) Compared to 2016-17 4th Calc

2016-17 4th Calc 4.600



2017-18 Conference
- 0.322 4.278

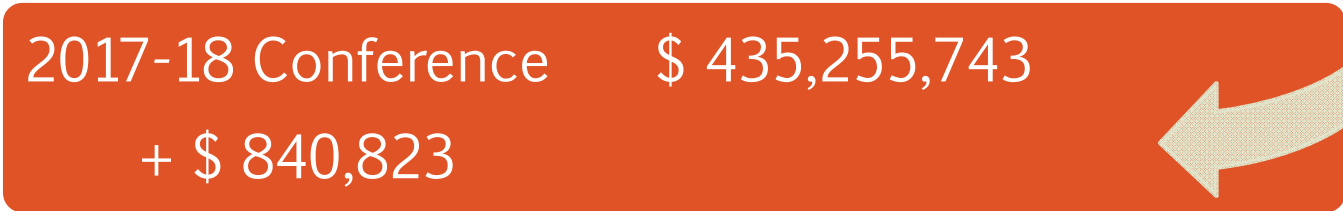
2017-18 HB 3A 4.272
- 0.328

2017-18 Total Funding Compared to 2016-17 4th Calc

2016-17 4th Calc \$ 434,414,920



2017-18 Conference \$ 435,255,743
+ \$ 840,823



2017-18 HB 3A \$ 439,855,516
+ \$ 5,440,596 *



* Increase of 1.25% as compared to 1.39% statewide average increase.

2017-18 Total Per Student Funding Compared to 2016-17 4th Calc

2016-17 4th Calc \$ 6,972.87



2017-18 Conference \$ 6,941.70
- \$ 31.17

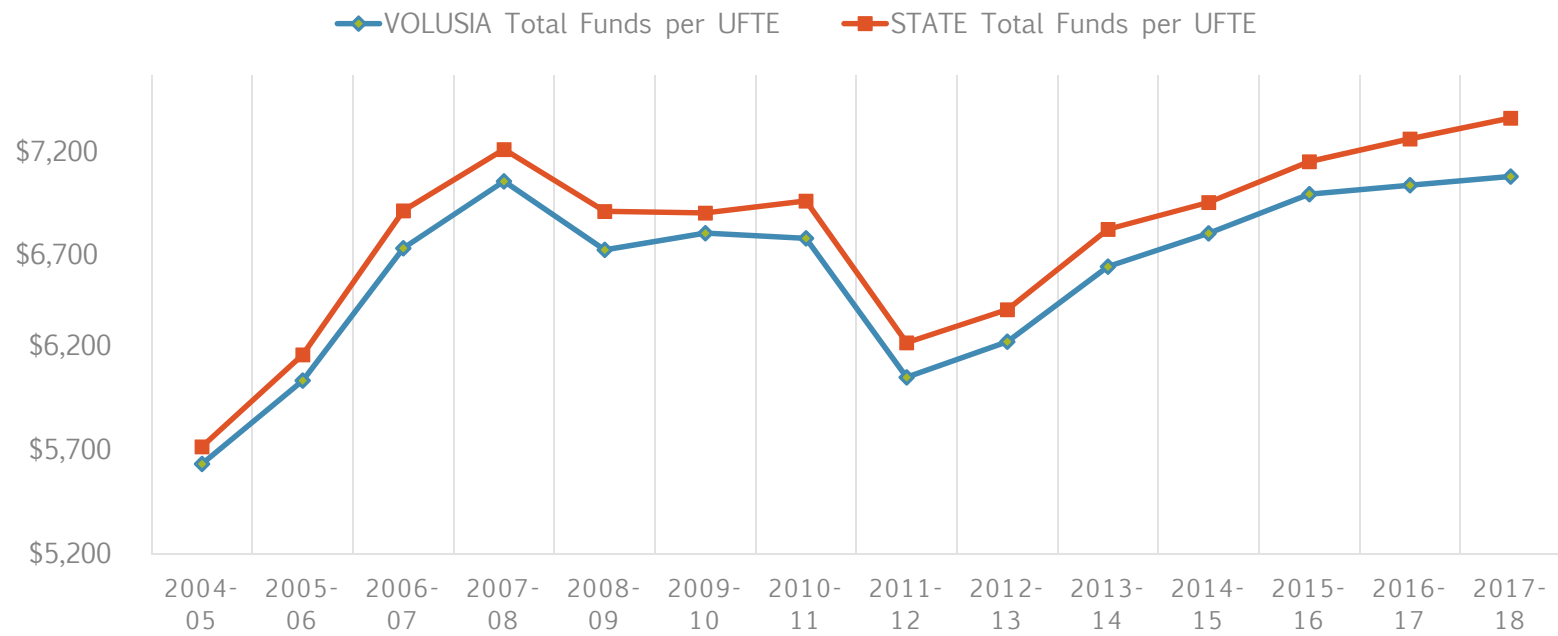
2017-18 HB 3A \$ 7,015.06 *
+ \$ 42.19 *

* Total per student funding as compared to \$7,296.23 (+\$100) per FTE statewide.

FEFP And Total Funding (In Millions)

FORMULA COMPONENTS	2016-17 4 th Calc	2017-18 CONFERENCE	2017-18 HB3A	2016-17 4 th Calc vs HB3A DIFFERENCE
Local Funding				
Total Required Local Effort	\$ 144.1	\$ 144.2	\$ 144.0	\$ (0.1)
Discretionary Local Effort	\$ 23.4	\$ 25.2	\$ 25.2	\$ 1.8
Total Local Funding	\$ 167.5	\$ 169.4	\$ 169.2	\$ 1.7
TOTAL FUNDING				
Total State Funding	\$ 266.9	\$ 265.8	\$ 270.6	\$ 3.7
Total Local Funding	\$ 167.5	\$ 169.4	\$ 169.2	\$ 1.7
TOTAL FUNDING	\$ 434.4	\$ 435.2	\$ 439.8	\$ 5.4
Funding Per Student:	\$ 6,972.87	\$ 6,941.70	\$ 7,015.06	\$ 42.19

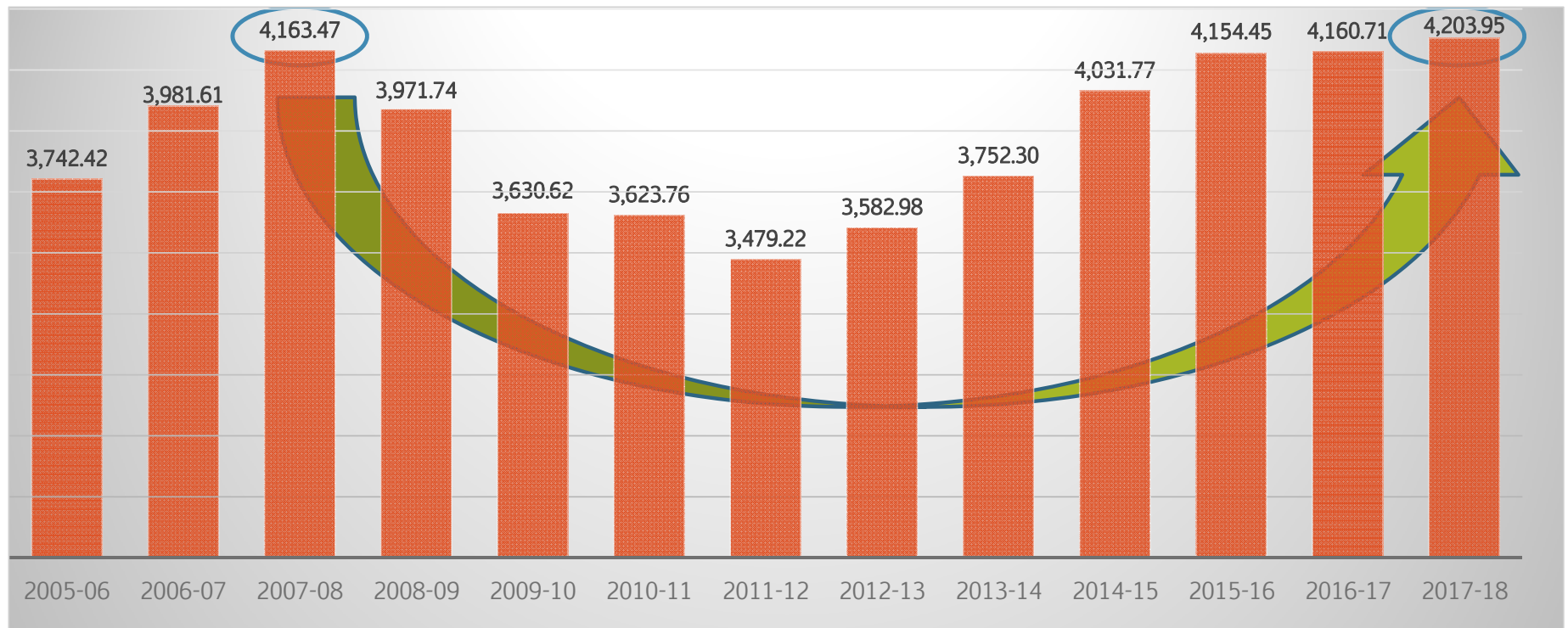
FEFP Total Per Student FTE Funding*



* Includes all state & local funding.
Source: DOE

State-wide Base Student Allocation *

*Factoring in 17.5% inflation from 2008-2018 would need a BSA of \$4,892.08 in 2017-2018 to breakeven.



** 2017-18 HB3A, June 5, 2017

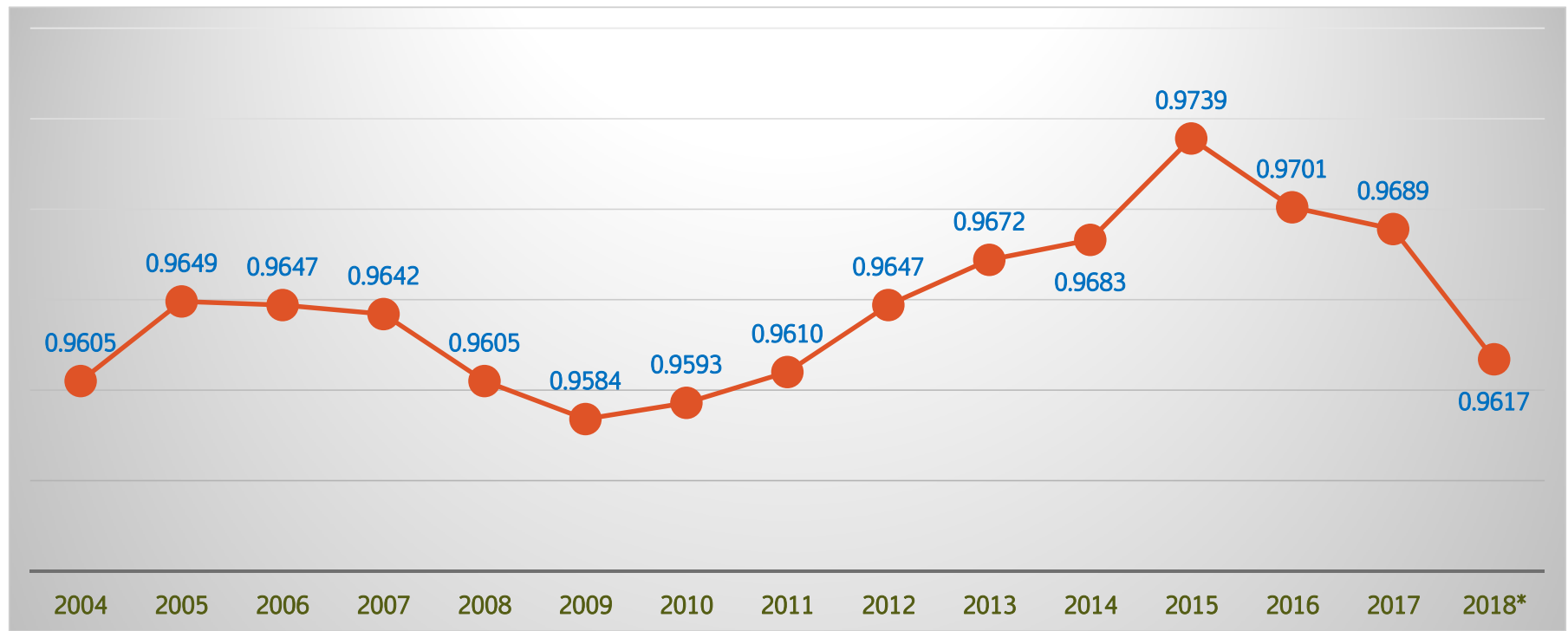
2017-18 - First time BSA is higher than 2007-08 since recession.

History of RLE and Tax Roll in Volusia County

Fiscal Year	Millage Rate (RLE)	Tax Roll Increase
2007-08	4.791	7.63%
2008-09	5.045	(3.23)%
2009-10	5.307	(16.00)%
2010-11	5.698	(12.61)%
2011-12	5.551	(8.28)%
2012-13	5.368	(1.44)%
2013-14	5.095	2.34%
2014-15	5.079	6.44%
2015-16	4.944	5.61%
2016-17	4.600	6.92%
2017-18*	4.272	7.64%

*Estimated from HB3A.

Volusia's District Cost Differential



* HB3A, June 5, 2017

Volusia's District Cost Differential FY2004 - FY2018 (HB3A)

YEAR	DCD	Total Loss (\$\$)	Free and Reduced % SY 2003-04 To 2016-17
2004	0.9605	(9,952,908)	40%
2005	0.9649	(9,345,453)	40%
2006	0.9647	(9,672,768)	42%
2007	0.9642	(10,388,551)	44%
2008	0.9605	(11,737,220)	43%
2009	0.9584	(11,315,339)	45%
2010	0.9593	(9,769,507)	49%
2011	0.9610	(9,366,228)	57%
2012	0.9647	(8,066,638)	59%
2013	0.9672	(7,850,340)	62%
2014	0.9683	(7,759,168)	63%
2015	0.9739	(6,988,877)	64%
2016	0.9701	(8,381,467)	65%
2017	0.9689	(8,917,099)	65%
2018	0.9617	(11,011,122)*	
TOTAL LOSS OF:		\$(140,522,685)	

* 2017-18 DCD loss per FTE students = \$11,011,122 DCD / 62,701.63 FTE = \$175.61 loss per FTE students

District Cost Differential – FY2004 – FY2018 *

County	DCD	Total Funding GAIN OR LOSS
Brevard	0.9891	(39,871,126)
Broward	1.0260	489,430,592
Clay	0.9925	(21,897,993)
Collier	1.0378	96,790,588
Duval	1.0114	67,816,048
Escambia	0.9696	(111,093,568)
Flagler	0.9520	(32,412,812)
Hillsborough	1.0080	119,491,754
Lake	0.9748	(57,230,311)
Lee	1.0079	47,478,195
Leon	0.9670	(66,601,842)
Manatee	0.9926	(8,270,450)
Marion	0.9497	(107,268,408)

County	DCD	Total Funding GAIN OR LOSS
Miami-Dade	1.0196	454,063,124
Orange	1.0025	32,993,763
Osceola	0.9839	(49,338,108)
Palm Beach	1.0426	418,137,523
Pasco	0.9864	(53,681,051)
Pinellas	1.0056	31,540,841
Polk	0.9709	(115,826,634)
Sarasota	1.0113	7,005,343
Seminole	0.9921	(26,901,162)
St. Johns	0.9954	(26,023,571)
St. Lucie	0.9949	(29,817,686)
Volusia	0.9617	(140,522,685)

* HB3A, June 5, 2017



2017-18 Preliminary Budget Info

- General Fund Budget Reconciliation
- Staff Position Reporting
- Projected Fund Balances

General Fund Budget Reconciliation

General Fund Budget Reconciliation Highlights

Category	Increase (Decrease) *
• Revenue/Transfer/Fund Balance changes	\$ (7.03)
• District-wide changes	
2.5% average raise all employees	\$ 8.00
FRS retirement rate increase	1.10
Contracted services increases	0.34
Department position increases (FY17 & FY18) **	0.52
Department non-salary increases **	0.83
Charter schools additional FEFP	0.19
Catapult savings	(0.53)
Utilities	0.20
Copying equipment	0.21
Additional Projected Costs	\$ 10.86

* In millions

** In addition to Central Departments, it includes Transportation, Purchasing, Maintenance, Facilities, and Instructional Services

General Fund Budget Reconciliation Highlights*

• School Cost Changes	Increase (Decrease) *
Class-size compliance changes	\$ (4.01)
Schools non-salary changes	(0.01)
School Recognition, Lottery, CAPE funding changes	(0.95)
Negotiated elimination of class load supplements	(0.22)
Aim High initiatives	0.10
Schools Net Savings	\$ (5.09)

* In millions

General Fund Budget Reconciliation Highlights*

• Other Cost Changes		Increase (Decrease) *
Health Insurance Savings		\$ (3.58)
Teacher Retirement Savings		(3.10)
Staffing Intervention FY17 Not Used		(1.66)
Categoricals and Projects		(0.24)
FY17 Raises less than Projections		(1.80)
Other Net Savings		\$(10.38)

* In millions

General Fund Summary Reconciliation

Revenue/Transfer/Fund Balance Loss	\$	
Plus Additional Projected Costs		<u>10.86</u>
Amount Needed	7.03	17.89
Measures Taken:		
School Net Savings		(5.09)
Other Cost Savings		(10.38)
Remaining Deficit	\$	

2.42

STAFF POSITION REPORTS

Department Position Requests FY 2018 ERP Backfill Plan*

Technology Services		Human Resources		Financial Services		Purchasing	
2.00	Information Systems Analysts	1.00	Coordinator	1.00	Budget Analyst	1.00	Buyer
1.00	Sr. Information Systems Analysts			1.00	Payroll Specialist		
1.00	Programmer Analyst			1.00	Office Specialist III		
1.00	Computer Analyst						
1.00	Office Specialist III						

*Permanent employee salaries will be charged to ERP Capital project during implementation as appropriate and will offset these costs, resulting in no effect on the general operating budget.

Department Position Requests General Fund Only

Office of the Superintendent		Instructional Services		Operations Services	
1.00	Area Superintendent	1.00	Resource Teacher – Science	1.00	Maintenance - Coordinator
(2.00)	Principal On Assignments			1.00	Maintenance - Supervisor
1.00	Legal Counsel*			(0.50)	Planning - Funding Changes to Capital
1.00	Office Specialist III*			(1.00)	TS&I - Merge 2 Current Positions into 1
				3.00	Maintenance, TS&I, Purchasing - Office Specialists III

* Will be Offset by Reduction in Non-Salary Budget

PROJECTED FUND BALANCE

General Fund Balance Comparison *

	FY15 Actuals	FY16 Actuals	FY17 Projected
Total Fund Balance	\$32.7	\$44.1	\$36.2
Unassigned Fund Balance	\$14.4	\$23.2	\$19.4 **
% Unassigned to Revenue	3.36%	5.12%	4.32%

➔ FY17 projected fund balance decrease due to FEFP loss, bonuses paid, Catapult contract increase; net of increased health insurance savings, additional Lottery funds received, additional property taxes and other various savings.

* In millions

** Assuming \$2.4 million used towards FY18 budget

Concerns

- ☐ Enrollment Projection
- ☐ Class-size compliance
- ☐ Additional funds not set aside for teaching units
- ☐ School Resource Officers contract increase
- ☐ Final 2016-17 fund balance
- ☐ Proration to the appropriation

Questions and Discussion

