

# Hendry County District Schools

Dedicated to excellence in education

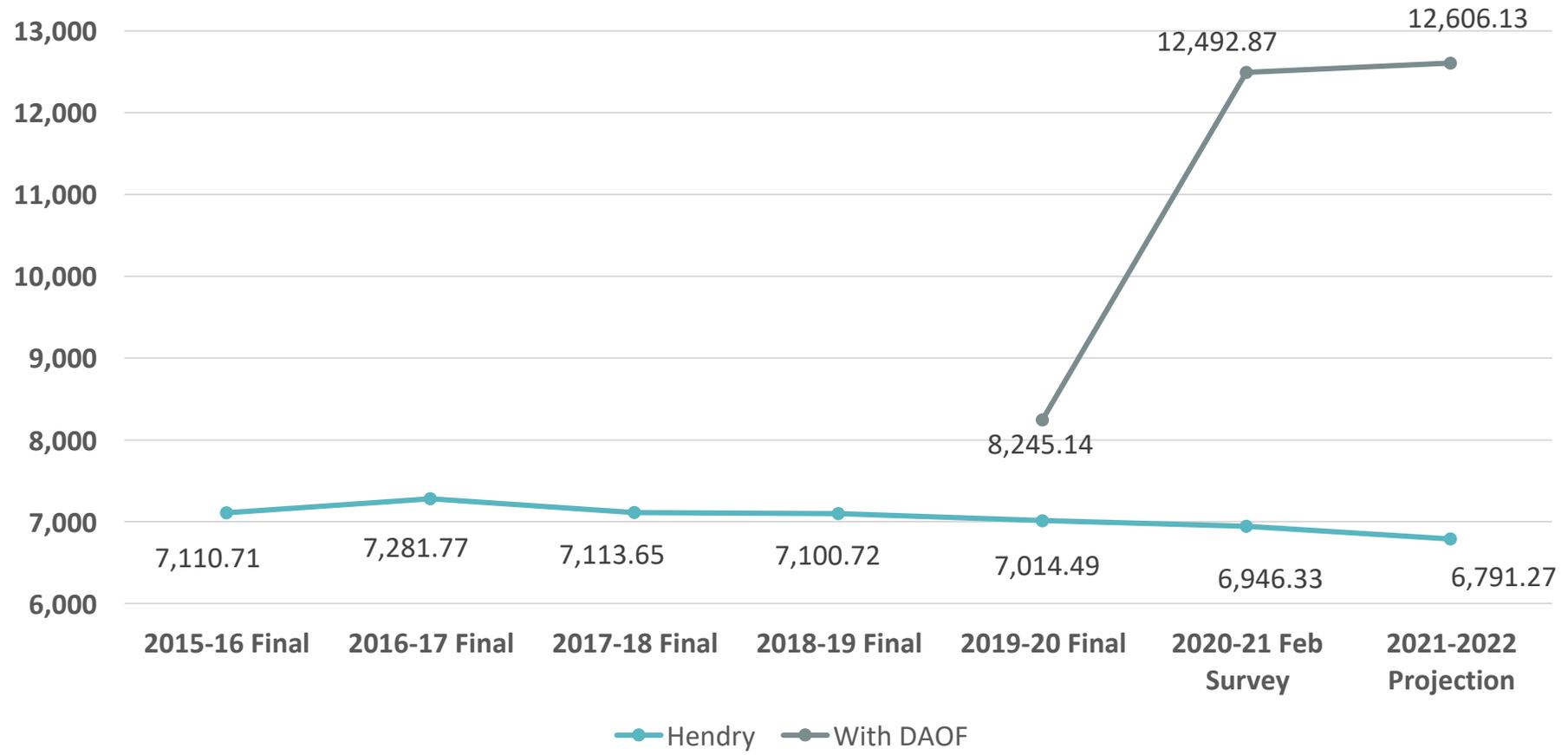
## 2021-2022 Budget Overview

June 15, 2021

# Where it all Starts - FTE Forecast

FY16 - FY22 UFTE Trend

- Submitted to DOE in February, 2021
- Basis for 2021-2022 FEFP funding



# 2021-2022 FEFP Highlights (Pros)

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- Property values continue to increase. FEFP 1<sup>st</sup> calculation reflects \$2.634 billion in school taxable value. (+\$68 million increase from 2020-21 property values and generates approximately \$300k more in revenue)
  - As of June 1, 2021 preliminary values from Hendry County Property Appraiser are even high at \$2.848 billion, which equates to a \$900k increase in local revenues
- Base Student Allocation increased from \$4,319.49 to \$4,372.91 (+\$53.42 per FTE)
- District Cost Differential exceeds 1.00 generating additional dollars
- District to receive \$2.3 million for teacher salary increases (+\$891k)
- Total 2021-2022 FEFP budget as of 1<sup>st</sup> calculation = \$89,955,500

# 2021-2022 FEFP Highlights (Cons)

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- ESE Guarantee decreased \$105,885
- Instructional Materials categorical decreased by \$982,994
- Class Size Reduction decreased \$709,622
- Increasing private school scholarships – amount TBD

# 2021-2022 Budget Challenges

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- FRS rates continue to increase
- Minimum Wage Compliance – increases to \$10/hour in September, 2021 with annual increases until it reaches \$15/hour in 2026
- Teacher Salary Increases – HB 5101 stipulates salary increases for instructional personnel with specific formula when minimum salary is below \$47,500
- Digital Academy of Florida (DAOF)
  - FY21 Final FEFP calculation to be received around November, 2021 and will most likely include a multi million dollar decrease

# 2021-22 Anticipated Increased Revenues & Expenditures

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## Increased Revenues

- WFTF = \$396,313
- Teacher Salary Increase Allocation = \$891,443
- Total Funds Compression = \$481,383
- RLE & Disc Millage = \$318,194-\$903,695
- Indirect Cost Revenue = \$310,402
- DAOF 5% Admin Fee = \$1 million

Total Increased Revenues =  
\$3,619,996 - \$4,204,497

## Increased Expenditures

- Teacher Salary Increases = \$891,443
- FRS = \$590,000
- Class Size = \$459,622
- New Positions = \$190,294
- Minimum Wage Compliance = \$15,000

Total Increased Expenditures =  
\$2,146,359

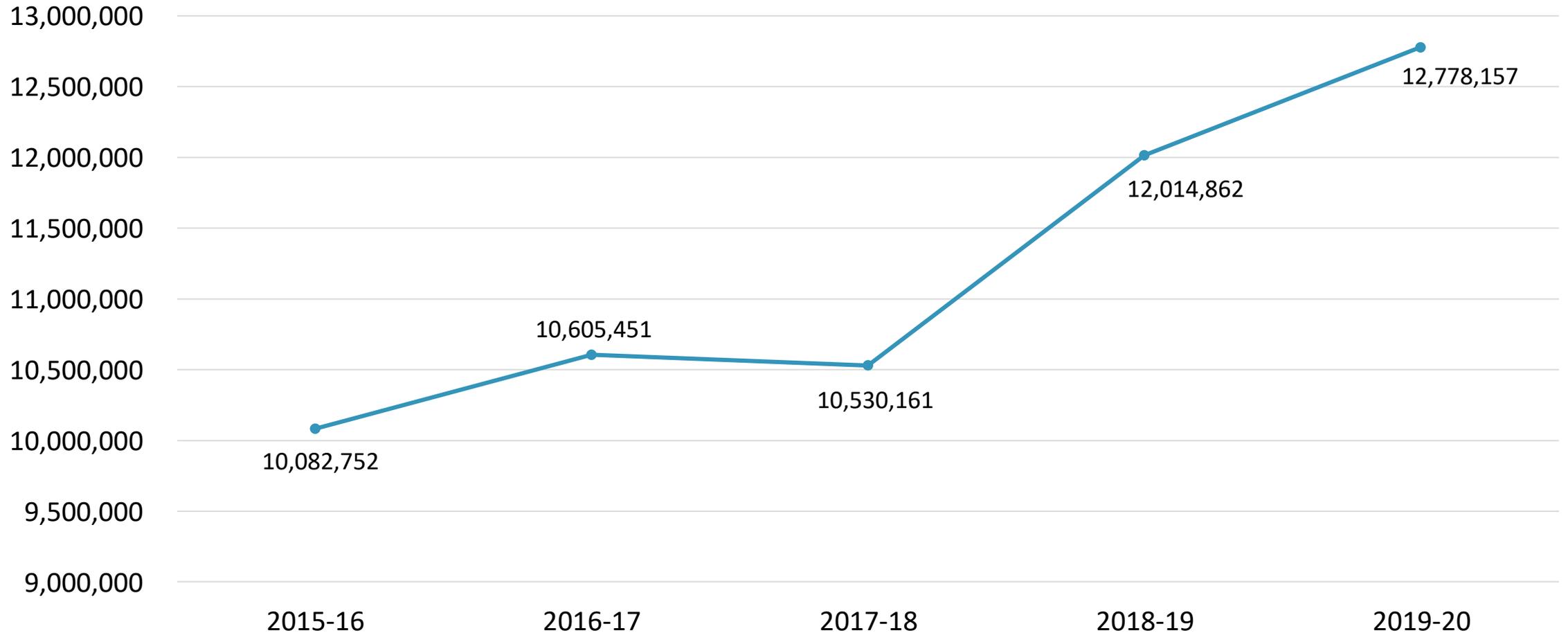
**Net Effect = +\$1,473,637 - \$2,058,138**

# Digital Academy of Florida (DAOF)

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- Of the 12,606.13 UFTE estimated for 2021-22, 5,814.86 (or 46%) is DAOF
- Approximately \$28 million (net) of the District budget will be set-aside for DAOF
- District is anticipated to lose approximately \$1 million in sparsity funding due to DAOF, as well as approximately \$100k in Medicaid funding
- Effects on 6% Board Reserve & ending fund balances
- Anticipate large prior year adjustment when the 2020-21 FEFP Final Calculation is released (around November, 2021)

# General Fund Ending Fund Balance History



# Other Funds

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- Debt Service
  - Anticipated debt payments of \$3,531,721
- Local Capital Improvement
  - Anticipate a \$100k-\$400k revenue increase due to increased property values
- Special Revenue (Food Service & Grants)
  - Large increase for Special Revenue due to stimulus funds
  - GASB84 Compliance – internal funds now reported in Special Revenue
- Proprietary (Dental)

# CARES, CRRSA, ARP... Oh my!

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- ESSER I (CARES) – very little remaining and should be spent by Fall, 2021
- ESSER II (CRRSA) = \$10.4 million
- ESSER III (ARP) = estimated \$22 million
- Specific assurances guide the allowable uses of funds
- All non-reoccurring funds
- Will provide an estimated \$1.2 million in revenue to the general fund through indirect costs
- Planning to reimburse general fund for several COVID related costs such as FFRCA leave, COVID sick leave, substitutes, payroll from March 2020 shutdown, etc
- Let's not forget many more stimulus grants that may trickle in from GEER (Governor's Emergency Education Relief Fund) and other sources

# Important Take Aways

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- Budget is fluid
- Reserves above the Board required 6% must be maintained
- Must think long term
- Prepare for the funding cliff
  - Stimulus funding expires around 2024
  - Contract with DAOF expires June 30, 2024

# Other Business

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- Balanced budget
- VPK and other grants recorded in the general fund will become part of restricted fund balance (previously included in unassigned)
- Use of reserve accounts in general fund
- 6% Board Reserve per Policy 6220
- Budget Books (tentative and final)
- Monthly financial statements

# Next Steps

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- Continue to monitor 2020-21 budget
- July 19<sup>th</sup> - 2021-22 FEFP 2<sup>nd</sup> Calculation to be released
  - This is what the tentative and final budgets will be built on
- August 3<sup>rd</sup> - 2021-22 Tentative Budget Hearing
- September 7<sup>th</sup> – 2021-22 Final Budget Hearing