

# BUDGET WORKSHOP

May 23, 2017

# LEGISLATIVE UPDATE - HB 7069

- Eliminates bonus caps on Advanced Placement, IB, Cambridge and CAPE bonuses (no additional funding).
- Removes requirement for the Auditor General to conduct an Operational Audit for the Florida Virtual School.
- Expands Gardiner and Florida Tax Credit Scholarship Programs.
- Expands various Best & Brightest Program eligibility provisions including the addition of Principals.
- FRS – Creates an 8 month period where a new participant can elect the Pension or Investment option, if no election is made they are defaulted to the Investment plan. Rate Increase for 2017.

## LEGISLATIVE UPDATE - HB 7069

- Reduces flexibility of Title I spending.
- Schools of “Hope”- 200 million in funding to Charter Schools. These schools are their own LEA with less accountability and no local control.
- Charter Capital Outlay Shared Funding.
- Requirement for Charter Schools to complete an annual survey on the timeliness and quality of services provided by the District.

# FEFP FUNDING

DESCRIPTION	(1)	(2)	2017-2018 CALC 1	Percent Increase -Decrease
	2017-18 CALC 1	2016-17 CALC 4	OVER (UNDER) 2016-2017 CALC 4 (1) - (2)	
BASE STUDENT ALLOCATION	\$4,133.64	\$4,160.71	(\$27.07)	-0.65%
DISTRICT COST DIFFERENTIAL	0.9702	0.9751	(0.0049)	-0.50%
UNWEIGHTED FTE	28,862.23	28,585.43	276.80	0.97%
WEIGHTED FTE	31,212.91	30,857.71	355.20	1.15%
SCHOOL TAXABLE VALUE	14,645,917,030	13,844,431,764	801,485,266	5.79%
REQUIRED LOCAL EFFORT MILLAGE	4.387	4.688	-0.301	
DISCRETIONARY MILLAGE	0.748	0.748	0.000	
ADDITIONAL DISCRETIONARY MILLAGE	0.000	0.000	0.000	
TOTAL MILLAGE	5.135	5.436	-0.301	-5.54%

# FEFP FUNDING

DESCRIPTION	(1) 2017-18 CALC 1	(2) 2016-17 CALC 4	2017-2018 CALC 1 OVER (UNDER) 2016-2017 CALC 4 (1) - (2)
FEFP DETAIL:			
WFTE X BSA DCD	125,178,050	125,193,072	(15,022)
DIGITAL CLASSROOMS ALLOCATION	948,923	948,421	502
SAFE SCHOOLS	806,589	808,215	(1,626)
COMPRESSION ADJUSTMENT .748 MILLS	3,595,945	3,200,996	394,949
SUPPL. ACAD. INSTRUCTION ALLOCATION	8,367,354	8,301,932	65,422
ESE GUARANTEED ALLOCATION	11,863,267	11,729,036	134,231
READING INSTRUCTION	1,308,198	1,316,092	(7,894)
DJJ SUPPLEMENTAL ALLOCATION	199,106	220,425	(21,319)
INSTRUCTIONAL MATERIALS	2,434,661	2,415,466	19,195
STUDENT TRANSPORTATION	3,684,387	3,649,225	35,162
TEACHER LEAD PROGRAM	467,362	470,225	(2,863)
VIRTUAL EDUCATION CONTRIBUTION	\$86,633	\$77,379	\$9,254
ADDITIONAL	\$0	\$7,790	(\$7,790)
TOTAL FEFP	\$158,940,475	\$158,338,274	\$602,201

# FEFP FUNDING

DESCRIPTION	(1) 2017-18 CALC 1	(2) 2016-17 CALC 4	2017-2018 CALC 1 OVER (UNDER) 2016-2017 CALC 4 (1) - (2)	
TOTAL FEFP	\$158,940,475	\$158,338,274	\$602,201	
Prorated to Funds Available	-	(\$75,075)	\$75,075	
REQUIRED LOCAL EFFORT	\$61,681,572	\$62,107,228	(\$425,656)	
STATE NET FEFP FUNDS	\$97,258,903	\$96,155,971	\$1,102,932	
CATEGORICALS:				
CLASS SIZE	\$30,413,839	\$30,280,419	\$133,420	
SCHOOL LOTTERY & RECOGNITION	\$1,409,465	\$1,412,563	(\$3,098)	
TOTAL MAJOR CATEGORICALS	\$31,823,304	\$31,692,982	\$130,322	
TOTAL STATE FUNDING	129,082,207	127,848,953	1,233,254	
POTENTIAL DISCRETIONARY	10,516,940	9,941,410	575,530	
POTENTIAL REQUIRED LOCAL EFFORT	61,681,572	62,107,228	(425,656)	
TOTAL LOCAL FUNDING	72,198,512	72,048,638	149,874	
TOTAL POTENTIAL FUNDING	201,280,719	199,897,591	1,383,128	0.69%
Dollars Per UWFTE	\$6,973.85	\$6,992.99	(\$19.14)	-0.27%

# FUNDS PER FTE

	2007-08 CALC 2	2017-18 CALC 1	2007-08 vs 2017-18
UFTE	27,563	28,862	1,300
Base Student Allocation	\$ 4,163.47	\$ 4,133.64	\$ (29.83)
State Funds	135,964,630	129,082,207	(6,882,423)
Local Funds	69,817,373	72,198,512	2,381,139
	<u>205,782,003</u>	<u>201,280,719</u>	<u>(4,501,284)</u>
State Funds Per FTE	4,933 66%	4,472 64%	(461)
Local Funds Per FTE	2,533 34%	2,502 36%	(32)
	<u>7,466</u>	<u>6,974</u>	<u>(492)</u>

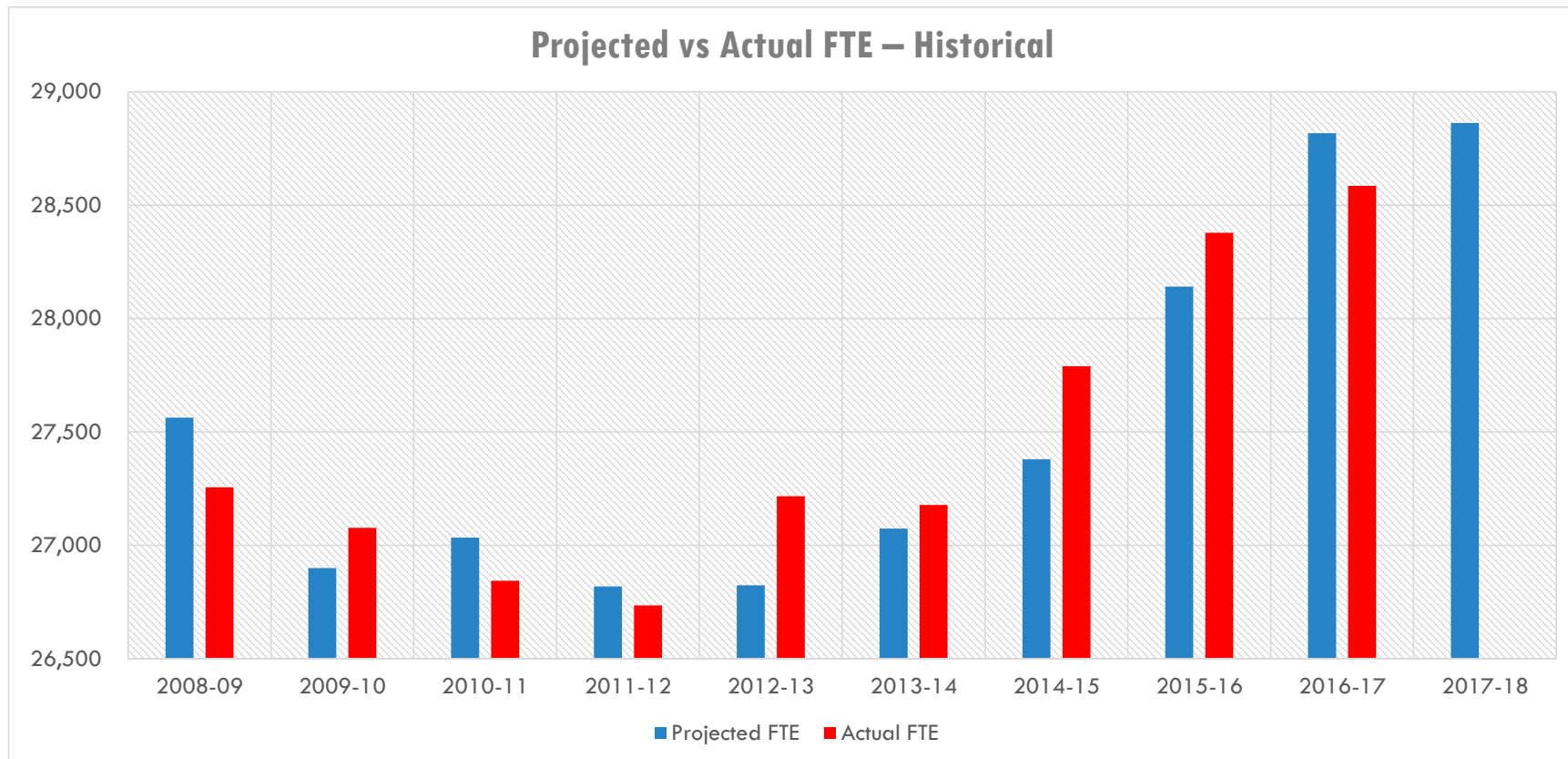
# FUNDS PER FTE INDEXED TO CONSUMER PRICE INDEX

Fiscal Year	CPI Percentage	Indexed Per Student Funding	Actual Per Student Funding	Indexed vs Actual
2007-08 CALC 2			\$7,466	
2008-09	4.10%	\$ 7,466	\$ 6,719	\$ (1,053)
2009-10	0.10%	\$ 7,772	\$ 6,876	\$ (904)
2010-11	2.70%	\$ 7,780	\$ 6,843	\$ (1,147)
2011-12	1.50%	\$ 7,990	\$ 6,133	\$ (1,977)
2012-13	3.00%	\$ 8,110	\$ 6,320	\$ (2,033)
2013-14	1.70%	\$ 8,353	\$ 6,659	\$ (1,836)
2014-15	1.50%	\$ 8,495	\$ 6,809	\$ (1,814)
2015-16	0.80%	\$ 8,623	\$ 6,973	\$ (1,719)
2016-17	0.70%	\$ 8,692	\$ 6,974	\$ (1,778)
2017-18	2.10%	\$ 8,752	\$ 6,993	\$ (1,943)

2017-18 Budget	\$ 201,280,719
Budget Indexed to CPI	<u>257,914,918</u>
Difference	<u>\$ (56,634,199)</u>



# FTE TRENDS



# PRORATION TO APPROPRIATION

<u>School Year</u>	<u>Statewide WFTF Used For The Legislative Budget</u>	<u>Actual Observed WFTF</u>	<u>Actual Over(Under) Estimated</u>	<u>Alachua County Proration to Appropriation</u>
2011-12	2,863,875	2,878,039	14,164	(491,565)
2012-13	2,921,483	2,928,899	7,416	(495,351)
2013-14	2,927,656	2,941,396	13,740	(515,453)
2014-15	2,948,903	2,974,991	26,088	(1,066,667)
2015-16	3,009,995	3,016,521	6,526	(352,184)
2016-17	3,037,738	3,038,409	671	(75,075)
2017-18	3,077,668			

**Estimated 2017-2018 General Fund Revenue  
Based on the Conference Report**

DESCRIPTION	APPROVED 2016-2017 BUDGET	ESTIMATED 2017-2018 BUDGET	2017-2018 OVER(UNDER) 2016-2017
ROTC	190,000	190,000	-
MEDICAID	1,000,000	1,000,000	-
FEFP	97,637,629	97,258,903	(378,726)
WORKFORCE DEVELOPMENT	312,847	439,145	126,298
CLASS SIZE REDUCTION	30,614,505	30,413,839	(200,666)
SCHOOL RECOGNITION	1,985,296	1,409,465	(575,831)
VOLUNTARY PRE-K PROGRAM	900,000	910,000	10,000
MISC. STATE	315,943	315,943	-
CHARTER SCHOOL CAPITAL	750,000	750,000	-
TAXES RLE	62,107,228	61,681,572	(425,656)
TAXES 1 MILL	13,290,655	13,556,468	265,813
TAXES DISCRETIONARY	9,941,410	10,516,940	575,530
TAX REDEMPTION	100,000	100,000	-
SCHOOL AGE CHILD CARE FEES	3,954,915	4,053,659	98,744
MISC LOCAL	1,070,000	1,070,000	-
FEDERAL INDIRECT COSTS	900,000	1,020,000	120,000
FOOD SERVICE INDIRECT COSTS	380,000	420,000	40,000
TRANSFERS FROM CAPITAL	7,000,000	6,500,000	(500,000)
	\$ 232,450,428	\$ 231,605,934	\$ (844,494)

# STUDENT GROWTH INSTRUCTIONAL UNITS

<u>Grade Level</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>	<u>Change in Student Counts</u>	<u>Staffing Ratio</u>	<u>Base Instructional</u>
Elementary K-3	8,302	8,200	(102)	18.00	(5.00)
Elementary 4-5	3,736	3,774	38	22.00	4.00
Middle 6-8	5,376	5,448	72	21.50	4.00
High 9-12	7,312	7,247	(65)	24.50	(5.00)
Special Center	1,201	1,256	55	NA	4.80
	<u>25,927</u>	<u>26,287</u>	<u>(2)</u>		<u>2.80</u>

# INSTRUCTIONAL UNIT ADJUSTMENTS

2016-17 Current Budgeted Instructional	<u>1,891.53</u>
<u>Proposed Revisions for 2017-18</u>	
Student Growth Units	2.80
School Based ESE	(2.80)
EHS Health Magnet	1.00
BRT - Duval	(0.50)
Equity & Diversity Specialist	1.00
Art, Music & PE	6.00
Psychologist (funding changed to IDEA)	(2.50)
Reserve	(6.00)
District ESE	<u>(1.19)</u>
Total District Paid	(2.19)
School Paid Instructional	(14.80)
2017-18 Budgeted Units	<u>1,874.54</u>

# GENERAL FUND INSTRUCTIONAL STAFFING

	2016-17 <u>Budgeted</u>	2017-18 <u>Proposed</u>	Increase <u>(Decrease)</u>
Instructional Units (Elementary)	919.80	917.80	(2.00)
Instructional Units (Middle)	349.10	353.80	4.70
Instructional Units (High)	384.93	379.73	(5.20)
Instructional Units (Special Center)	119.50	127.40	7.90
Instructional Units (District Level)	68.60	66.81	(1.79)
Reserve	21.00	15.00	(6.00)
School Paid Instructional	12.50	14.00	1.50
Total	<u>1,875.43</u>	<u>1,874.54</u>	<u>(0.89)</u>

# GENERAL FUND ADMINISTRATIVE CHANGES

Position	Location	FTE
Asst. Principal (Staffing Manual)	Oak View Middle School	1.0
Director, Equity	Administration	1.0
Supervisor II (hours reduced)	Learning Resources	(0.37)
	<b>Total</b>	<b>1.63</b>

# GENERAL FUND SUPPORT STAFF CHANGES

<b>Educational Support Personnel</b>	<b>Location</b>	<b>FTE</b>
Custodial (Funding Changed to Food Service)	District-Wide	(12.50)
Extended Day Activity Leaders	District-Wide	(8.05)
System Analyst (converted to Programmer)	Information Resources	(2.00)
Para	District-Wide	2.63
Miscellaneous	District-Wide	(1.08)
	<b>Total</b>	<b>(20.39)</b>

<b>Professional and Technical</b>	<b>Location</b>	<b>FTE</b>
EDEP Program Services	EDEP	1.00
Programmer (converted from Systems Analyst)	Information Resources	2.00
Miscellaneous	District-Wide	0.65
	<b>Total</b>	<b>3.65</b>



# GENERAL FUND BUDGETED STAFFING

	2016-17 <u>Budgeted</u>	2017-18 <u>Proposed</u>	Increase <u>(Decrease)</u>
Instructional	1,875.43	1,874.54	(0.89)
Educational Support	1,184.81	1,164.42	(20.39)
Professional & Technical	129.70	133.35	3.65
Administrative	143.95	145.58	1.63
Board & Superintendent	6.00	6.00	
Total	<u>3,339.89</u>	<u>3,323.89</u>	<u>(16.00)</u>

# HEALTH INSURANCE

- Fully Funded Insurance Plan – District pays the cost of individual contracts for its employees; the insurance provider pays claims, and sets annual renewal amounts.
- Self Funded Insurance Plan – District makes contributions to an insurance fund, pays claims out of the fund, and has more control over renewal amounts and plan design.
- The District transitioned to a Self Funded Plan in 2013.
- We have an Administrative Services Only contract with BCBS to utilize their network and have them process claims.
- The District also has a reinsurance policy that protects us from high cost claims over a 250k threshold.

# HISTORICAL RATE RENEWALS

Plan Year	Premium Increase
2000-2012 Average	11%
2013*	5%
2014	5%
2015	6%
2016	3%
2017 (Board Portion Only)	3%
2018 Proposed	0%

\* Self-Funded 2013 Forward

# INSURANCE FUND RESERVE

- The District has been able to keep rate renewals low.
- We are required by the Office of Insurance Regulation to keep the estimated cost of three months of claims in reserve account which is around 6 Million.
- This balance gives the District a cushion to absorb an influx of claims.
- Insurance fund currently has a balance of 12.6 Million.

**Insurance Fund Analysis**  
**Estimated as of February 28th, 2017**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>January</b>	<b>February</b>	<b>Inception</b>
	<b>Plan Year</b>	<b>Plan Year</b>	<b>Plan Year</b>	<b>Plan Year</b>	<b>2017</b>	<b>2017</b>	<b>To Date</b>
<b>Revenue:</b>							
Premium Contributions	25,500,778	27,374,170	27,711,704	28,233,804	2,396,467	2,353,788	<b>113,570,711</b>
<b>Expenditures:</b>							
Claims Paid	18,537,121	21,721,799	22,258,164	21,216,904	1,708,044	1,652,373	<b>87,094,404</b>
ASO FEE	1,988,186	1,982,715	1,933,510	2,035,721	166,539	165,346	<b>8,272,018</b>
Dependent Audit			24,901	-	-	-	<b>24,901</b>
Stop Loss Premium	1,318,583	1,106,473	1,133,659	1,114,618	86,643	86,110	<b>4,846,086</b>
Reinsurance Fee (ACA)	-	333,522	204,857	114,966	9,581	9,581	<b>672,507</b>
<b>Total</b>	<b>21,843,890</b>	<b>25,144,509</b>	<b>25,555,090</b>	<b>24,482,209</b>	<b>1,970,807</b>	<b>1,913,411</b>	<b>100,909,916</b>
<b>Reserve Balance</b>	<b>3,656,888</b>	<b>2,229,660</b>	<b>2,156,614</b>	<b>3,751,595</b>	<b>425,660</b>	<b>440,378</b>	<b>12,660,795</b>

# OPT OUT FUNDING

## Regular Employees

\$6,132 is contributed annually by the School Board to the Insurance Fund

Medical Claims are paid out of Insurance Fund

Any unspent money is added to the balance to fund future claims

## Opt-Out Employees

Hospital Indemnity STD Plan is provided and \$250 is given to employees in a FSA account for medical expenses

\$5,882 (\$6,132-\$250 FSA) contributed annually by the School Board to the Insurance Fund

No claims paid, so the entire balance is used to fund future claims

# INSURANCE FUND ANALYSIS

- The District has to strike a balance between adequately funding the insurance claims, balancing the budget, and addressing Board Priorities.
- The best way to strike this balance is to adjust the District's funding practice for the 500 Opt-Out employees.
- What we are recommending is decreasing the contribution for the Opt-Out employees over the next few fiscal years.
- For 2017-18, we recommend decreasing the Opt Out contribution from \$5,882 to \$2,500.
- This would free up 1.3 million in General Fund dollars for next year to address priorities.

# 2017-18 GENERAL FUND APPROPRIATIONS

Description	2016-2017 Approved	2017-2018 Proposed	2017-2018 Over (Under) 2016-2017	Percentage of Budget	Percentage Change
Salaries	136,532,891	136,115,805	(417,086)	59%	-0.31%
Employee Benefits	43,117,088	42,381,448	(735,640)	18%	-1.71%
Purchased Services	27,521,757	27,586,012	64,255	12%	0.23%
Energy Service	9,804,654	9,262,744	(541,910)	4%	-5.53%
Materials and Supplies	7,876,073	8,133,111	257,038	4%	3.26%
Capital Outlay	4,619,734	4,464,666	(155,068)	2%	-3.36%
Other Expenses	2,372,016	2,618,581	246,565	1%	10.39%
<b>Total Appropriations</b>	<b>231,844,214</b>	<b>230,562,367</b>	<b>(1,281,847)</b>		<b>-0.55%</b>



# BUDGET HIGHLIGHTS

	<u>2017-18 Proposed</u>
1% Raise	1,500,000
Psychologists - IDEA	(137,500)
Net Reduction in Positions & Attrition	(498,504)
Food Service - Custodians	(300,000)
FRS Rate Increase	685,079
Workers Comp	(50,000)
Health Insurance Funding	(1,290,386)
Carlton Palms	(60,000)
Charter School Funding	(192,417)
Property Casualty Insurance	(21,232)
Fuel Cost	(94,618)
Utilities	(360,108)
Departmental Budget Allocations	(314,200)
School Budget Allocations	3,324
EDEP Supplies Budget	(83,890)
Miscellaneous	(67,395)
Total	<u>(1,281,847)</u>

# BUDGET HIGHLIGHTS - SALARIES

	<u>2016-17 Approved</u>	<u>2017-18 Proposed</u>	<u>Change</u>
Administrative Salaries	10,892,467	11,068,886	176,419
Teacher Salaries	73,476,000	73,542,403	66,403
Other Instr. Pers. Salaries	9,656,901	9,853,456	196,555
Aides & Paraprof. Salaries	5,729,921	5,891,846	161,926
Other Support Personnel	30,680,351	30,892,421	212,070
Board Members & Attorneys	182,085	182,710	625
Set Asides (SRP)	5,915,167	4,684,084	(1,231,083)
	<u>136,532,891</u>	<u>136,115,805</u>	<u>(417,086)</u>

# BUDGET HIGHLIGHTS — EMPLOYEE BENEFITS

	<u>2016-17 Approved</u>	<u>2017-18 Proposed</u>	<u>Change</u>
Group Insurance	19,535,333	18,244,948	(1,290,386)
FRS Retirement	10,166,205	10,851,284	685,079
Social Security	10,103,531	10,111,803	8,272
Terminal Pay	1,604,841	1,625,529	20,688
Benefits Set Aside	852,774	735,041	(117,734)
Early Retirement	654,404	662,843	8,440
Unemployment	200,000	150,000	(50,000)
	<u>43,063,223</u>	<u>42,381,448</u>	<u>(735,640)</u>

# 2017-18 GENERAL FUND BUDGET

	Proposed <u>2017-18 Budget</u>	
Estimated Revenues	\$ 231,605,934	
Estimated Expenditures	<u>230,562,367</u>	
Fund Balance	<table border="1"><tr><td style="text-align: right;">\$ 1,043,567</td></tr></table>	\$ 1,043,567
\$ 1,043,567		

# 1 MILL BUDGET

2016-17 Estimated Revenues	13,290,655	
2% Increase in Property Value		265,813
2017-18 Estimated Revenues		13,556,468

	<u>FTE Staffing</u>	<u>2017-18 Budget</u>
Middle & High School Chorus	3.53	186,714
Guidance Counselors	19.50	1,188,314
High School Band	2.80	164,317
Media Specialist	18.25	1,164,488
Elementary Art & Music	50.00	3,174,338
Middle School Band	6.50	459,619
Magnet Programs	55.94	3,589,595
Technology	10.00	3,000,000
Property Appraiser Fees		215,000
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	166.52	13,142,386
Added to Fund Balance		414,083

# CAPITAL OUTLAY CHARTERS SCHOOLS

- HB 7069 requires School Districts to share local capital 1.5 mill funds on a per FTE basis with Charter Schools.
- Allows us to take Debt Service payments paid for by capital funds out of the calculation.
- Subtracts State PECO funds from the funds we must pass through.
- Allows us to make one payment on February 1, instead of 12 payments during the year.
- Charter Schools can use these funds for Capital purchases, as well as Sick Leave Payouts.

# CAPITAL OUTLAY CHARTERS SCHOOLS

## Estimated 2017-18 Calculation

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Estimated Capital Millage Revenues	20,334,702		
Debt Service Payments	<u>(6,639,511)</u>		
Capital Funds Available	13,695,190		
Estimated COFTE	27,976		
Funds Per FTE	<table border="1"><tr><td>\$</td><td>490</td></tr></table>	\$	490
\$	490		

# CAPITAL OUTLAY CHARTERS SCHOOLS

School	Projected FTE	(1) Statutory Capital Allocation \$490 per FTE	(2) Funds From State PECO	(1) - (2) Funds From District 1.5 Mill
ONE ROOM SCHOOL HOUSE	203	99,377	47,435	51,941
MICANOPY AREA COOP	198	96,929	36,701	60,228
CARING & SHARING LEARNING	152	74,410	35,051	39,359
THE EINSTEIN SCHOOL	105	51,402	24,595	26,807
EXPRESSIONS ACADEMY	93	45,527	17,350	28,177
ALACHUA LEARNING ACADEMY	109	53,360	20,355	33,005
GENESIS PREP	63	30,841	-	30,841
MICANOPY MIDDLE	64	31,331	6,629	24,701
HEALTHY LEARNING ACADEMY	106	51,891	19,225	32,666
SIA TECH	218	106,720	42,437	64,283
MYCROSCHOOL	205	100,356	69,800	30,556
ONE ROOM MIDDLE L	38	18,603	6,655	11,948
ALACHUA LEARNING ACADEMY	51	24,967	9,378	15,589
BOULWARE SPRINGS	155	75,879	29,146	46,733
RESILIENCE	112	54,828	-	54,828
	1,872	916,419	364,757	551,662



# CAPITAL OUTLAY

	2016-2017 TOTAL	2017-2018 TOTAL	2017-2018 Over (Under) 2016-2017
CAPITAL IMPROVEMENT TAX REVENUE	19,935,982	20,334,702	398,720
<b>LESS APPROPRIATIONS:</b>			
TRANSFERS TO OPERATING	5,720,009	5,659,280	(60,729)
DEBT SERVICE PAYMENTS	6,753,432	6,639,511	(113,921)
CHARTER SCHOOL CAPITAL	-	551,664	551,664
			-
<b>TOTAL CAPITAL REVENUE AVAILABLE</b>	<b>7,462,541</b>	<b>7,484,247</b>	<b>21,706</b>