
BUDGET WORKSHOP

JUNE 3, 2020





WORKSHOP AGENDA

- Closing out FY 2019-20 – COVID-19 Response
- COVID-19 Financial Implications for the FY 2020-21 Budget
- COVID-19 Economic Impact
- FY 2020-21 Legislative Update
- FY 2020-21 Budget Conference Report
- Health Insurance Renewal
- Questions

CLOSING OUT FY 2019-20

- Reduction in salary costs – Hiring freeze effective March 31st
- Freeze on all non-essential spending effective March 31st
- Substitute services suspended
- Closing out unliquidated purchase orders
- Utilities cost savings
- Increased student to teacher ratios for Middle and High Schools to align with statutory Class Size requirements
- Out of county travel suspended
- Fuel cost savings
- Increase Fund Balance to carry forward one-time resources to help cushion against a potential mid-year holdback from the State

COVID-19: FINANCIAL IMPLICATIONS FOR SCHOOL DISTRICTS

- School Districts across the nation and across Florida have more questions than answers at this time.
- An extremely fluid situation.
- No playbook; many lessons learned during the Great Recession of 2008, and in the process of compiling steps taken then.
- State is even more reliant on Sales Tax receipts than they were during the 2008 Great Recession.
- State unemployment increased from 4% in March to 13% in April which is higher than the peak of the Great Recession.
- Districts are awaiting additional guidance on the CARES act funding.
- The Superintendent, her Leadership team, and the Finance team are working with various resources to develop sound strategies.

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDING

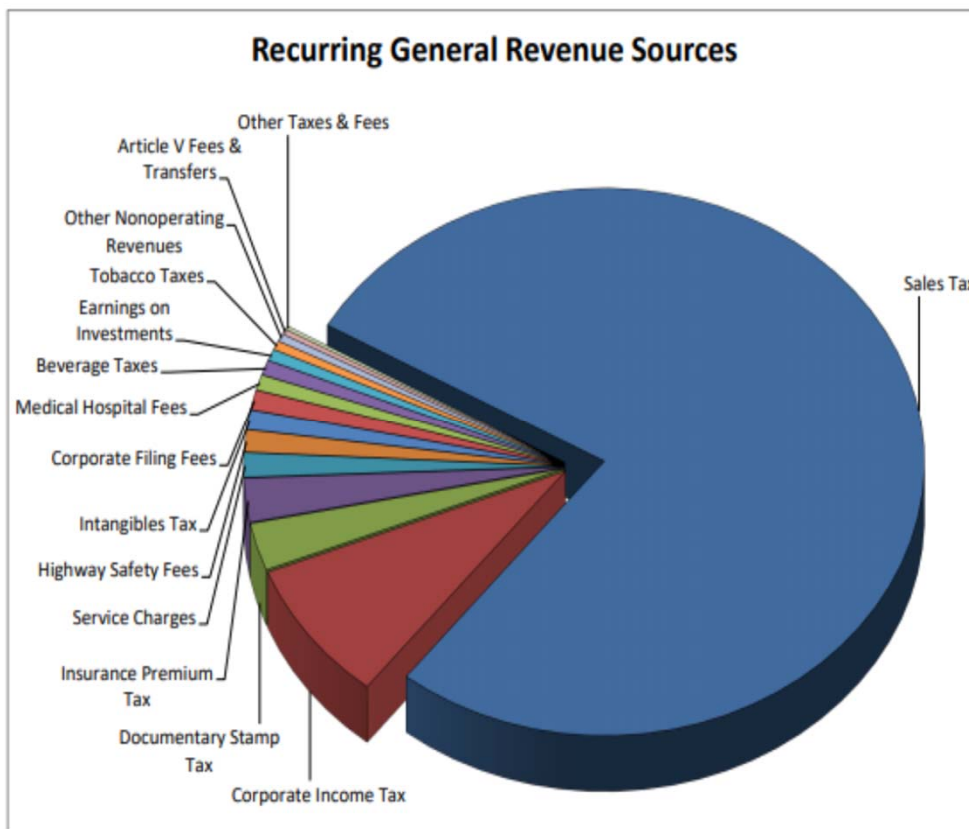
- \$13.2 Billion for K-12 Education, \$14 Billion for Higher Education, and \$3 Billion for Governors.
- State of Florida is holding back 10% for administrative costs.
- Estimated CARES Stabilization Award for Alachua County is \$6,887,632 which will have to be shared with Charters and Private Schools.
- Funds can be used for 12 purposes including:
 - Maintaining our Operations
 - Emergency Response
 - Emergency Preparedness
 - Professional Development
 - Student Technology
 - Student Mental Health Services
 - Addressing the needs of Low Income Students
 - Summer/Supplemental Learning Programs

APRIL SALES TAX DATA

- Statewide sales tax receipts for April were \$598 million less than projected which is a 24.1% one month reduction.

	APRIL 2020 GENERAL REVENUE COLLECTIONS(\$ MILLIONS)							
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	1,886.2	2,484.4	(598.2)	21,273.6	21,844.5	(570.9)	21,078.6	0.9%
CORPORATE INCOME TAX	216.1	462.1	(246.0)	1,898.9	2,114.4	(215.5)	2,252.8	-15.7%
DOCUMENTARY STAMP TAX	77.5	76.2	1.3	838.6	805.2	33.4	747.2	12.2%
INSURANCE TAX	181.1	191.0	(9.9)	599.7	604.3	(4.6)	534.9	12.1%
HIGHWAY SAFETY FEES	22.4	42.5	(20.2)	368.7	383.2	(14.5)	435.7	-15.4%
SERVICE CHARGES	46.5	62.2	(15.7)	408.4	417.5	(9.2)	414.9	-1.6%
CORPORATE FILING FEES	35.4	92.3	(56.9)	276.4	322.3	(45.9)	304.0	-9.1%
INTANGIBLE TAXES	44.1	30.8	13.3	408.1	368.4	39.7	316.1	29.1%
COUNTIES' MEDICAID SHARE	23.9	25.2	(1.3)	251.2	251.6	(0.4)	243.6	3.1%
BEVERAGE TAXES	34.4	28.1	6.3	233.3	222.9	10.4	223.5	4.4%
EARNINGS ON INVESTMENTS	37.2	18.2	19.0	325.5	260.1	65.3	167.6	94.2%
TOBACCO TAX	15.7	15.1	0.6	129.5	128.9	0.6	137.1	-5.5%
OTHER NONOPERATING REVENUES	12.5	16.6	(4.1)	151.8	141.4	10.4	187.5	-19.0%
ARTICLE V FEES AND TRANSFERS	8.7	9.8	(1.1)	96.4	97.1	(0.7)	114.8	-16.0%
OTHER TAXED LICENSES AND FEES	2.5	3.0	(0.5)	31.9	32.0	(0.1)	32.5	-2.1%
PARIMUTUEL TAXES	0.3	2.5	(2.2)	14.8	18.3	(3.6)	17.1	-14.0%
SEVERANCE TAXES	1.7	1.3	0.4	8.3	7.4	0.9	9.8	-15.0%
INDIAN GAMING	-	-	-	-	-	-	247.7	-100.0%
TOTAL REVENUE	2,646.2	3,561.3	(915.1)	27,315.0	28,019.6	(704.6)	27,465.4	-0.5%
LESS REFUNDS	540.0	577.0	(37.0)	888.5	917.4	(28.9)	322.8	175.2%
NET REVENUE	2,106.2	2,984.3	(878.1)	26,426.4	27,102.2	(675.7)	27,142.5	-2.6%

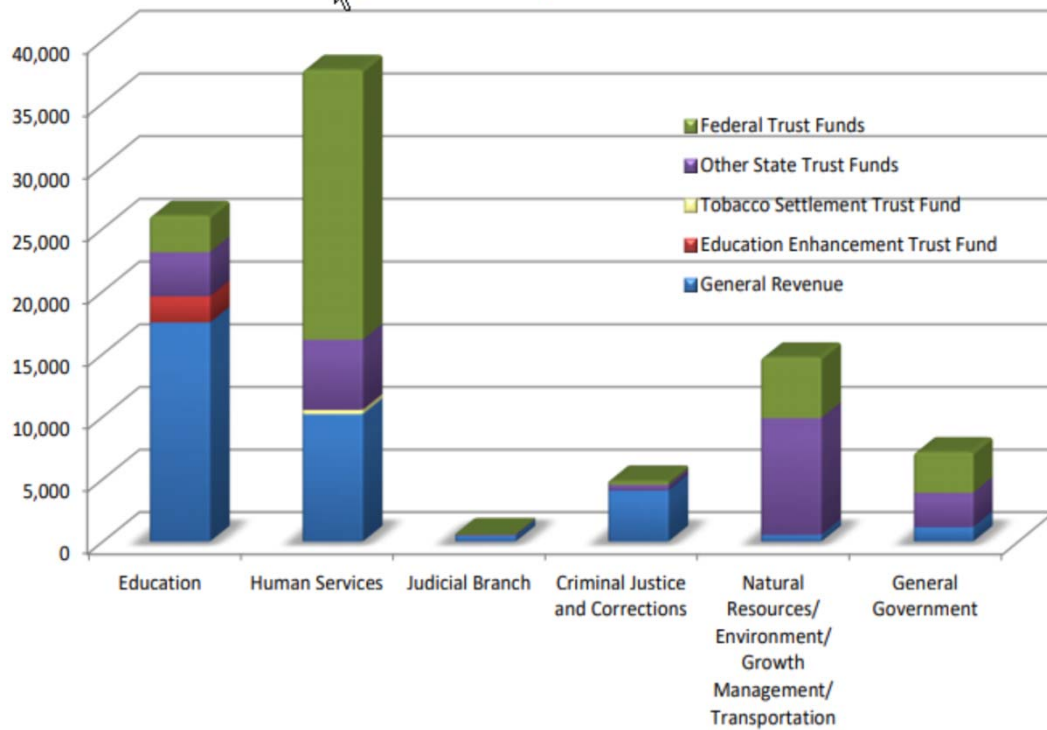
STATE OF FLORIDA GENERAL REVENUE FY 2020



Funding Source	Dollars	Percent
Sales Tax	26,047.30	77.3%
Corporate Income Tax	2,817.00	8.4%
Documentary Stamp Tax	941.70	2.8%
Insurance Premium Tax	870.30	2.6%
Service Charges	483.70	1.4%
Highway Safety Fees	438.30	1.3%
Intangibles Tax	390.10	1.2%
Corporate Filing Fees	389.10	1.2%
Medical Hospital Fees	302.10	0.9%
Beverage Taxes	293.60	0.9%
Earnings on Investments	227.10	0.7%
Tobacco Taxes	174.90	0.5%
Other Nonoperating Revenues	151.30	0.4%
Article V Fees & Transfers	101.10	0.3%
Other Taxes & Fees	71.50	0.2%
Total Recurring General Revenue	33,699.10	100.0%
Less: Refunds	(394.90)	
Net Recurring General Revenue	33,304.20	

STATE OF FLORIDA APPROPRIATIONS FY 2020

Program Area by Fund Source



Program Area(Sections of General Appropriations Act)	General Revenue	Education Enhancement Trust Fund	Tobacco Settlement Trust Fund	Other State Trust Funds	Federal Trust Funds	All Funds
Education	17,505.70	2,086.60		3,516.20	2,907.70	26,016.20
Human Services	10,195.90		341.2	5,597.90	21,523.30	37,658.30
Judicial Branch	459.70			86.00	9.00	554.70
Criminal Justice and Corrections	4,087.40			459.10	314.10	4,860.60
Natural Resources/Environment/Growth Management/Transportation	531.00			9,351.40	4,848.80	14,731.20
General Government	1,162.40			2,741.40	3,262.70	7,166.50
Total	33,942.10	2,086.60	341.2	21,752.00	32,865.60	90,987.50

LEGISLATIVE UPDATE

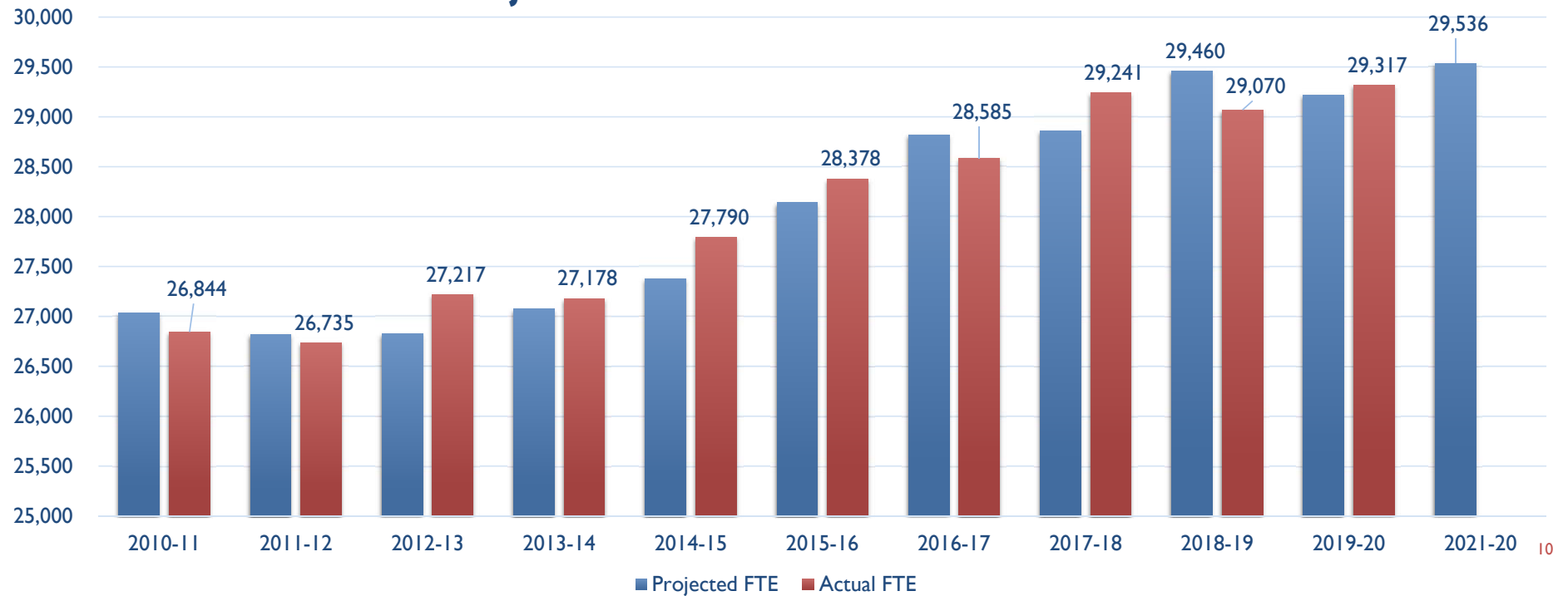
- Private School Vouchers- Family Empowerment Scholarships funded through general revenue were increased from 18k to 47k statewide, and will increase by 1% of the statewide enrollment going forward. Increased family income threshold to 300% of the federal poverty rate, which is \$78,600 for 2020. It further stipulates that any year that more than 5% of the scholarships go unused the income level is raised 25%.
- PECO- Charter schools were allocated 170 million for PECO Maintenance and traditional schools zero for 20-21. However, the charter school funding is sufficient to cover their allocation so no districts will have to share 1.5 millage funds.
- Florida Retirement System- Actuarial assumptions for the rate of returns on investments were decreased resulting in an increase in Regular Class rates from 8.47% to 10.00%. Estimated cost to the District is \$2.5 million. In addition, the Special Risk Class rates for first responders decreased 1.03%.

LEGISLATIVE UPDATE – HB 641

- Teacher Salary Increase Allocation –New categorical program designated to raise the beginning teacher pay to \$47,500.
 - Total allocation is \$4,930,825, with an estimated \$295,459 going to Charter Schools and \$4,635,366 going to the District.
 - Excludes substitute teachers.
 - 80% of the allocation must be used to increase the minimum base salary for full-time instructional personnel to \$47,500 or to the maximum amount achievable based on the school district's allocation.
 - 20% of the allocation can be used for salary increases for more experienced instructional personnel, or to relieve compression issues for less experienced personnel.
- Repeals the Best & Brightest program.

FTE TRENDS

Projected vs Actual FTE – Historical



FEFP FUNDING

	(1) 2020-21 CONF REPORT	(2) 2019-20 CALC 4	(3) 2020-2021 CONF OVER (UNDER) 2019-2020 CALC 4	Percent Increase
BASE STUDENT ALLOCATION	\$4,319.49	\$4,279.49	\$40.00	0.93%
DISTRICT COST DIFFERENTIAL	0.9798	0.9770	0.0028	0.29%
UNWEIGHTED FTE	29,537.56	29,317.28	220.28	0.75%
WEIGHTED FTE	32,091.34	31,761.93	329.41	1.04%
SCHOOL TAXABLE VALUE	\$18,050,207,833	\$17,224,018,082	826,189,751.00	4.80%
REQUIRED LOCAL EFFORT MILLAGE	3.673	3.896	(0.223)	
DISCRETIONARY MILLAGE	0.748	0.748	-	
TOTAL MILLAGE	4.421	4.644	(0.223)	-4.80%

DESCRIPTION	(1) 2020-21 CONF REPORT	(2) 2019-20 CALC 4	(3) 2020-2021 CONF OVER (UNDER) 2019-2020 CALC 4 (1) - (2)
FEFP DETAIL:			
WFTE X BSA DCD	135,818,134	132,798,590	3,019,544
DIGITAL CLASSROOMS ALLOCATION	107,250	269,504	(162,254)
SAFE SCHOOLS	2,290,754	2,293,638	(2,884)
MENTAL HEALTH	1,060,085	802,964	257,121
FUNDING COMPRESSION	1,057,828	1,732,836	(675,008)
COMPRESSION ADJUSTMENT .748 MILLS	4,139,689	3,842,030	297,659
SUPPL. ACAD. INSTRUCTION ALLOCATION	8,400,519	8,338,676	61,843
ESE GUARANTEED ALLOCATION	12,064,868	11,892,584	172,284
BEST AND BRIGHTEST	-	2,847,411	(2,847,411)
READING INSTRUCTION	1,313,092	1,315,133	(2,041)
DJJ SUPPLEMENTAL ALLOCATION	196,082	204,312	(8,230)
INSTRUCTIONAL MATERIALS	2,425,048	2,391,748	33,300
STUDENT TRANSPORTATION	3,889,543	3,807,502	82,041
TEACHER LEAD PROGRAM	560,758	562,922	(2,164)
TEACHER SALARY INCREASE ALLOCATION	4,930,825	-	4,930,825
TRUNAROUND SUPPLEMENT	929,095	940,126	(11,031)
TOTAL FEFP	179,183,570	174,039,976	5,143,594

Categorical

DESCRIPTION	(1)	(2)	(3)	Percent Increase -Decrease
	2020-21 CONF REPORT	2019-20 CALC 4	2020-2021 CONF OVER (UNDER) 2019-2020 CALC 4 (1) - (2)	
TOTAL FEFP	\$179,183,570	\$174,039,976	\$5,143,594	
LESS LOCAL FEFP FUNDS:				
Prorated to Funds Available	-	(\$418,129)	\$418,129	
REQUIRED LOCAL EFFORT	\$63,646,477	\$64,089,882	(\$443,405)	
STATE NET FEFP FUNDS	\$115,537,093	\$109,531,965	\$6,005,128	
CATEGORICALS:				
CLASS SIZE	\$31,114,403	\$30,814,608	\$299,795	
SCHOOL LOTTERY & RECOGNITION	1,172,863	1,172,881	(18)	
TOTAL MAJOR CATEGORICALS	\$32,287,266	\$31,987,489	\$299,777	
TOTAL STATE FUNDING	147,824,359	141,519,454	6,304,905	
POTENTIAL DISCRETIONARY	\$12,961,493	\$12,368,223	\$593,270	
POTENTIAL REQUIRED LOCAL EFFORT	63,646,477	64,089,882	(443,405)	
TOTAL LOCAL FUNDING	\$76,607,970	\$76,458,105	\$149,865	
TOTAL POTENTIAL FUNDING	\$224,432,329	\$217,977,559	\$6,454,770	2.96%
Dollars Per UWFTE	\$7,598.20	\$7,435.12	\$163.08	2.19%
STATE	\$224,432,329	\$217,977,559		
LOCAL TAXES	5,004.62	4,827.17	177.45	3.68%
	2,593.58	2,607.95	(14.38)	-0.55%
	\$7,598.20	\$7,435.12	\$163.08	2.19%

ADDITIONAL FUNDS PER FTE

2020-21 Potential Additional Funds	\$ 6,454,770
Teacher Salary Increase Allocation	(4,930,825)
Best & Brightest	2,847,411
Mental Health	(258,382)
Total Other Categorical	(132,775)
Family Empowerment Scholarships	(897,672)
Student Workload	(1,626,559)
Estimated FRS Rate Increase	(2,500,000)
Net Additional Funds	\$ (1,044,032)
Additional Funds Per Student	\$ (35.44)

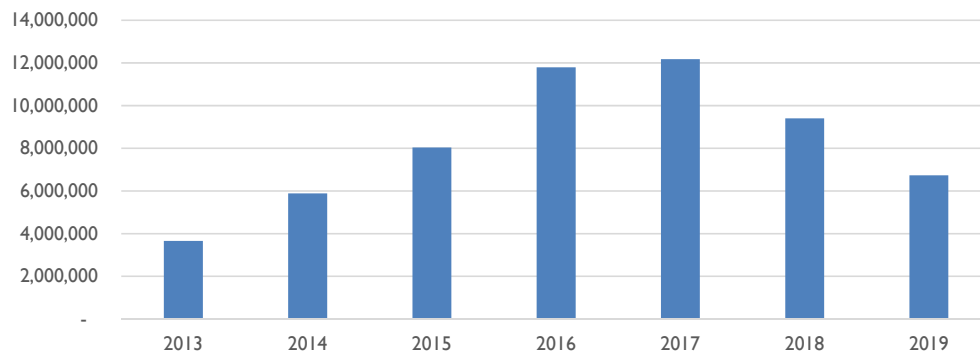
2020 INSURANCE RENEWAL

	Claims Paid	Increase (Decrease)
2016 Plan Year	\$ 21,216,904	
2017 Plan Year	\$ 24,394,819	\$ 3,177,915
2018 Plan Year	\$ 27,410,082	\$ 3,015,263
2019 Plan Year	\$ 28,935,557	\$ 1,525,475
1 Year Trend		6%
Average 3 Year Trend		12%
2021 Renewal		8.20%

Insurance Committee Considerations

- Target Fund Balance \$12 Million.
- Fund Balance at end of the 2019 plan year \$6.7 Million.
- Potential employee cost share.
- Increase in deductibles and out of pocket maximums.

Insurance Fund Balance



HISTORICAL RATE RENEWALS

Plan Year	Premium Increase
2000-2012 Average	11.0%
2013*	5.0%
2014	5.0%
2015	6.0%
2016	3.0%
2017 (Board Portion Only)	3.0%
2018	0.0%
2019	6.8%
2020	7.0%
2021	8.2%

* Self-Funded 2013 Forward

HEALTH INSURANCE RENEWAL 2021 PLAN YEAR

	\$750 Deductible	\$1500 Deductible	\$2500 Deductible NEW
Deductible	\$750/\$2,250	\$1,500/\$4,500	\$2,500/\$7,500
Employee Contribution	\$25 per paycheck	\$0	\$0
Coinsurance	20% (Member)	20% (Member)	20% (Member)
OOP Maximum	\$5,000/\$10,000	\$5,000/\$10,000	\$4,000/\$8,000
PCP Copay	\$30	\$25	\$20
Specialist	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance
Advanced Imaging	\$200	Deductible/Coinsurance	Deductible/Coinsurance
Inpatient/Outpatient Hospital	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance
Prescription Drugs	\$200 Brand Deductible/ 20%/40%/40%	\$100 Brand Deductible/ 20%/40%/40%	\$100 Brand Deductible/ 20%/40%/50%
Health Reimb.Account	None	\$500	\$500/\$1,500

Current Cost Per Pay Period (20)	Blue Options \$750 Deductible	Blue Options \$1500 Deductible
Board Contribution	\$350.37	\$350.37
Employee	\$0.00	\$0.00
Dependent Coverage		
Employee/Spouse	\$403.71	\$337.10
Employee/Child(ren)	\$335.70	\$280.32
Family	\$498.53	\$416.28

Projected 2021 Cost Per Pay Period (20)*	Blue Options \$750 Deductible	Blue Options \$1500 Deductible	Blue Options \$2500 Deductible
Board Contribution	\$379.10	\$379.10	\$379.10
Employee	\$25.00	\$0.00	\$0.00
Dependent Coverage			
Employee/Spouse	\$436.81	\$364.74	\$334.99
Employee/Child(ren)	\$363.23	\$303.30	\$276.01
Family	\$539.41	\$450.41	\$417.24

*May be adjusted due to rounding



QUESTIONS?

