

The School Board of Sarasota County, Florida
 Operating Fund Budget Workshop Including Federal Stabilization Funds
 April 13, 2010

Executive Summary

The workshop has been structured to update the School Board on how the operating fund is projected to end this fiscal year. The first set of tables summarizes the projected results of operations for 2009-2010. The second set of tables updates the School Board on our best estimate of the 2010-2011 revenues. The table is based upon the latest information from the Florida Legislature. The third set of tables compares the original 2009-2010 budget to the preliminary budget for 2010-2011. The preliminary budget for 2010-2011 has been adjusted for the items listed in the cost avoidance attachment and the budget reduction attachment. The preliminary 2010-2011 budget reflects the appropriations listed in the individual school and department budgets. If at the conclusion of the workshop there is agreement on the preliminary appropriations for 2010-2011, budgets will be sent to all cost centers. The budget calendar is attached for the School Board's information as to the dates when staffing will take place.

Projected results of operations for the fiscal year ending June 30, 2010 as compared to the prior year.

In the tables below is the projection for this fiscal year as compared to the final result of operations for 2008-2009. The State revenues for 2009-2010 are based upon the third recalculation of the Florida Education Finance Program. The major component of local revenues is the collection of property taxes. The property taxes for 2009-2010 remain estimated at the 95% level to insure that our estimate of revenues remains conservative. The appropriations for 2009-2010 have been projected based upon the results of operations through March 31, 2010.

Operating Fund Revenues including Federal Stabilization Funds

Account Description	2008-2009	Projected 2009-2010	Increase (Decrease)
Federal	\$1,467,839	\$16,667,131	\$15,199,292
State	\$81,912,525	\$66,300,322	(\$15,612,203)
Local	\$296,712,311	\$285,394,662	(\$11,317,649)
Total Revenues	\$380,092,675	\$368,362,115	(\$11,730,560)

Operating Fund Transfers In from Capital

Account Description	2008-2009	Projected 2009-2010	Increase (Decrease)
Capital Millage Transfer In	\$17,076,962	\$19,393,006	\$2,316,044
PECO State Capital Transfer In	\$2,137,603	\$784,890	(\$1,352,713)
Capital Charter School Transfer In	\$1,572,403	\$1,595,087	\$22,684
Total Transfers In	\$20,786,968	\$21,772,983	\$986,015

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Operating Fund Appropriations including Federal Stabilization Funds

The majority of the operating fund reduction from the prior year is related to the hiring freeze. As of March 31, 2010 there were 202 positions that were filled by substitutes or are vacant. With personnel representing 80% of the operating budget the hiring freeze has a significant impact upon the amount spent for salaries and benefits.

Account Description	2008-2009	Projected 2009-2010	Increase (Decrease)
Salaries – Filled positions in 2008-2009 were 4,733 and filled positions in 2009-2010 as of 3/31/10 were 4,461	\$254,297,068	\$235,670,162	(\$18,626,906)
Employee Benefits	\$77,819,469	\$73,476,736	(\$4,342,733)
Purchased Services – In 2008-2009 charter school enrollment was 3,009 in 2009-2010 the charter school enrollment is 3,695. This is the major component of the increase.	\$45,661,895	\$51,507,654	\$5,845,759
Energy Services	\$12,575,035	\$12,598,691	\$23,656
Materials and Supplies	\$9,927,265	\$8,959,507	(\$967,758)
Capital Outlay	\$2,500,128	\$2,054,050	(\$446,078)
Other Expenses	\$293,132	\$123,332	(\$169,800)
Transfers Out	\$728,787	\$665,182	(\$63,605)
Total Appropriations	\$403,802,779	\$385,055,314	(\$18,747,465)

**Composition of the Ending Gross Fund Balance
 including Federal Stabilization Funds**

Account Description	2008-2009	Projected 2009-2010
Beginning Gross Fund Balance	\$61,954,011	\$59,030,875
Add Revenues	\$380,092,675	\$368,362,115
Add Transfers In	\$20,786,968	\$21,772,983
Less Appropriations	(\$403,802,779)	(\$385,055,314)
Ending Gross Fund Balance	\$59,030,875	\$64,110,659
Less Restricted Fund Balance	\$11,247,792	\$10,870,692
Net Unrestricted Fund Balance	\$47,783,083	\$53,239,967
Net Unrestricted Fund Balance Above Ten Percent	\$7,402,805	\$14,734,436

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**Revenue estimate for the 2010-2011 fiscal year based upon Senate Bill 2700
 introduced March 31, 2010 and House Bill 5001 introduced March 24, 2010.**

The information received from the Legislature has been used to produce the preliminary revenue estimate for 2010-2011. The revenue estimate has been computed on a conservative basis. Both the House and Senate have used an estimated tax roll for Sarasota that is believed to be over stated. Both the Senate and the House have used the statewide reduction of ten percent. The Sarasota County tax roll increased above the statewide increases during the previous four years. For this reason it is believed the correction of the tax roll will be greater than the statewide 10% reduction. The estimate of an eighteen percent reduction is being used in the computation of property taxes to be received. The Senate has computed the estimated revenues for Sarasota including a .25 mill increase. This millage increase is at the option of the local school board. In our calculation the .25 mill increase is not included in the revenue estimate. The House has increased tax collections using a 96% collection rate. Current Truth in Millage Legislation requires the calculation to be at a 95% collection rate. In the calculation of property taxes we have used the 95% collection rate. For the reasons stated above the revenue estimates that we are using will vary from the bills that have been passed by each chamber of the Legislature awaiting conference committee action.

Revenue Information

Description	Actual 2009-2010	Senate 2010-2011	House 2010-2011	Amount being used in the Preliminary Budget
Base Student Alloc.	\$3,630.62	\$3,586.16	\$3,604.76	\$3,586.16
Student FTE	41,260.47	41,565.82	41,565.82	41,565.82
Student Weighted FTE The Senate reduction for the funding of Advanced Placement and International Bac. causes the Senate weighted FTE to be less.	44,528.26	44,927.00	45,061.34	44,927.00
Safe Schools	\$1,158,430	\$1,144,738	\$1,150,701	\$1,144,738
Supplemental Academic Instr.	\$8,336,808	\$8,308,634	\$8,351,920	\$8,308,634
ESE Guaranteed Allocation	\$23,211,039	\$21,387,267	\$21,498,691	\$21,387,267
Reading Allocation	\$1,608,735	\$1,590,311	\$1,598,434	\$1,590,311
Teacher Lead Program	\$514,707	\$522,053	\$524,773	\$522,053
ARRA Stabilization FEFP Only	\$14,482,859	\$14,479,837	\$13,812,738	\$13,812,738
Instructional Materials	\$3,375,179	\$3,345,338	\$3,362,768	\$3,345,338
Transportation	\$6,327,369	\$6,289,572	\$6,322,407	\$6,289,572

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Revenue Information - continued

Description	Actual 2009-2010	Senate 2010-2011	House 2010-2011	Amount being used in the Preliminary Budget
School Recognition & District Lottery	\$2,135,232	\$2,134,582	\$2,135,319	\$2,134,582
Required Local Effort	\$195,720,037	\$197,815,299	\$198,611,223	\$197,815,299
Discretionary Local Effort	\$35,031,966	\$31,738,705	\$32,072,797	\$28,726,212
Voted Millage	\$46,834,180	N/A	N/A	\$38,404,027
.25 Discretionary Effort	\$0.00	\$10,607,856	\$0.00	\$0.00
Total State FEFP Funding	\$302,137,605	\$310,648,470	\$301,503,914	\$294,330,546
Grand Total of all revenues	\$368,362,115	N/A	N/A	\$354,780,369

The preliminary 2010-2011 Operating Budget including federal stabilization funds is presented in the tables below. The revenue assumptions are described above.

The appropriations have been adjusted for cost avoidance and reductions as detailed in the attachments. The appropriations reflect the individual school and department budgets that are included as an attachment.

Estimated Revenues including Federal Stabilization

Account Description	Original Budget 2009-2010	Preliminary Budget 2010-2011	Increase (Decrease)
Federal	\$16,343,595	\$15,982,309	(\$361,286)
State	\$62,622,517	\$65,909,642	\$3,287,125
Local	\$285,202,406	\$272,888,418	(\$12,313,988)
Total Revenues	\$364,168,518	\$354,780,369	(9,388,149)

Operating Fund Transfers In from Capital

The capital transfer decrease is related to the net decrease in maintenance positions funded from millage levy transfer.

Account Description	Original Budget 2009-2010	Preliminary Budget 2010-2011	Increase (Decrease)
Capital Millage Transfer In	\$19,688,393	\$18,562,004	(\$1,126,389)
PECO State Capital Transfer In	\$784,890	\$392,445	(\$392,445)
Capital Charter School Transfer In	\$1,630,274	\$1,595,087	(\$35,187)
Total Transfers In	\$22,103,557	\$20,549,536	(\$1,554,021)

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Operating Fund Appropriations including Federal Stabilization Funds

The operating fund appropriations table summarizes all the adjustments contained in the attachments entitled cost avoidance and budget reductions. Adjustments that are not included in the attachments are as follows: the legislative increase in the retirement contribution rate of 1.07%, the group health plan estimated increase of seven and a half percent, salary step increase, costs associated with serving 300 additional students, a zero percent inflation adjustment, the discontinuance of the transfer of the instructional materials allowed through legislative flexibility into salaries, and approximately twenty five additional teachers to be in compliance with the class size amendment.

Account Description	Original Budget 2009-2010	Preliminary Budget 2010-2011	Increase (Decrease)
Salaries (Please note the hiring freeze has been already factored into the projected 2010-2011 budget.	\$245,888,206	\$236,545,204	(\$9,343,002)
Employee Benefits (Please note the increase is related to group health insurance estimated to increase by 7.5% and the retirement rate to increase 1.07%.	\$76,982,780	\$77,463,091	480,311
Purchased Services (Please note the reduction is offset by approximately 500 additional students forecasted into charter schools.	\$51,915,523	\$50,361,921	\$(1,553,602)
Energy Services	\$14,925,178	\$12,589,990	(\$2,335,188)
Materials and Supplies (Please note the net decrease would be greater, however it is offset by no longer transferring \$2 million from textbooks into salaries.	\$10,937,383	\$9,896,559	(\$1,040,824)
Capital Outlay	\$2,469,306	\$2,068,936	(\$400,370)
Other Expenses	\$291,574	\$124,226	(\$167,348)
Transfers Out	\$665,181	\$665,181	0.00
Total Appropriations	\$404,075,131	\$389,715,108	(\$14,360,023)

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Composition of Ending Gross Fund Balance including Federal Stabilization Funds

Account Description	Original Budget 2009-2010	Preliminary Budget 2010-2011	Increase (Decrease)
Beginning Gross Fund Balance	\$59,030,875	\$64,110,659	\$5,079,784
Add Revenues	\$364,168,518	\$354,780,369	(\$9,388,149)
Add Transfers In	\$22,103,557	\$20,549,536	(\$1,554,021)
Less Appropriations	\$404,075,131	\$389,715,108	(\$14,360,023)
Ending Gross Fund Balance	\$41,227,819	\$49,725,456	\$8,497,637
Less Restricted Fund Balance	\$9,906,318	\$10,870,692	\$964,374
Net Unrestricted Fund Balance	\$31,321,501	\$38,854,764	\$7,533,263
Net Unrestricted Fund Balance Percentage to total Appropriations	7.75%	9.97%	2.22%

Other Information

In the below chart are the Legislative base student allocations since 1999-2000. If the Senate base student allocation of \$3,586 is adopted the amount will be less than the amount received in 2003-2004. If the House base student allocation of \$3,604 is adopted the amount will also be less than the amount received in 2003-2004.

Florida Education Finance Program Base Student Allocation

