

The School Board of Sarasota County, Florida
School Board Workshop February 19, 2013
Governor's 2013-14 Budget Request Impact upon the General Fund

Executive Summary

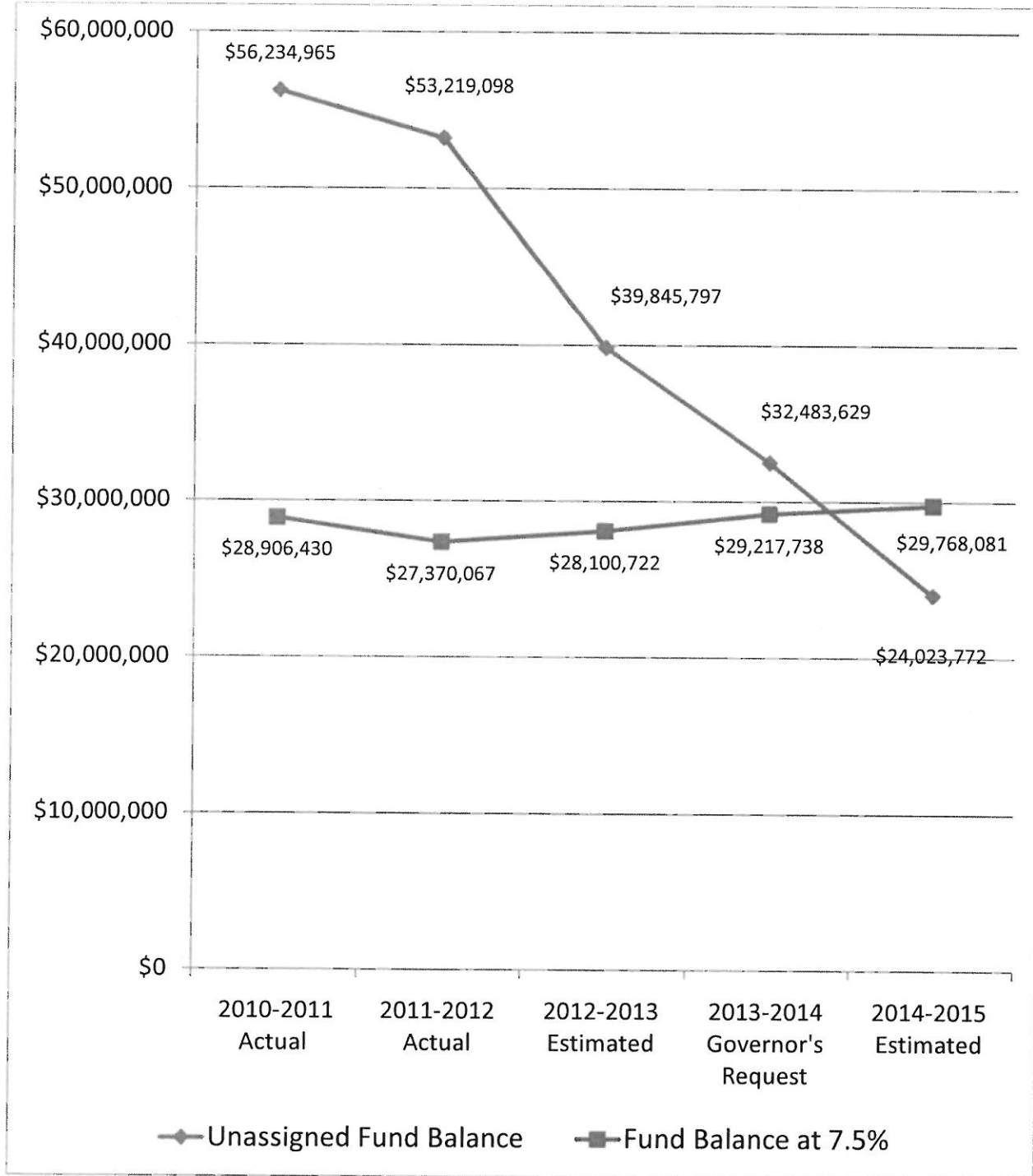
The General Fund estimate the fiscal year 2012-2013 has been updated based upon the results of operations through January 31, 2013. The Governor's budget request for the 2013-2014 fiscal year provides for a 3.82% cost of living increase in the base student allocation, keeps the millage rates the same as the current year, and assumes a tax roll growth of 2.78% for Sarasota County. Other funding increases in the Governor's request are for an enrollment growth of 101 students, teacher salary and benefit increase of \$2,500 per teacher, and a new categorical for technological tools. The FTE that Sarasota submitted to the state for funding is 188 student FTE above the Governor's request. The estimated appropriations have been increased for the technological tools, increasing teacher salaries for the \$2,500 per teacher, and material supply increases for the additional student growth. Estimated appropriations for the 2013-2014 fiscal year have been computed with no salary increase, other than the \$2,500 per teacher, elimination of the non recurring bonus, a 1% increase on non salary line items, a 4% group insurance increase, and the retirement increase adopted in House Bill 5005 of 1.53% effective July 1 2013.

In summary the Governor's budget request has the impact of reducing the estimated ending unassigned fund balance as of 6/30/14 to \$32,483,627 or 8.34%. Also as a reminder the budget for 2012-2013 and 2013-2014 has been prepared continuing the hiring freeze, energy conservation, and estimating a conservative amount of over collection of property taxes.

At the last workshop the School Board asked for an estimated General Fund 2014-2015 budget. The following assumptions have been used to compute the 2014-2015 budget. The tax roll for 2014-2015 will increase by 3%, the voted millage will be extended, the state will continue funding at the level requested by the Governor for 2013-2014 with a increase based upon a consumer price index increase of 1.6%, student enrollment growth of less than 50 students, no salary increases, group health increase of 4%, all other expenses increasing by 1.6% for the consumer price index change, no staff adjustments, continuation of the hiring freeze, and the fund balance for 2013-2014 will be reduced approximately \$8 million. Using these assumptions the General Fund appropriations will need to be reduced approximately \$6 million. Please note that the 2014-2015 assumption of a \$6 million reduction is based upon the 2013-2014 budget assumption listed at the beginning of this presentation. As a reminder modifications that are made to the 2013-2014 budget, those modifications will impact the 2014-2015 fiscal year. On the following page is a graphic display of the unassigned fund balance as compared to a fund balance of 7.5% of total appropriations.

The School Board of Sarasota County, Florida
School Board Workshop February 19, 2013
Governor's 2013-14 Budget Request Impact upon the General Fund

The below line chart shows the unassigned fund balance as compared to the unassigned fund balance at 7.5% for the period 2010-2011 estimated through 2014-2015



The School Board of Sarasota County, Florida
School Board Workshop February 19, 2013

Governor's 2013-14 Budget Request Impact upon the General Fund

In the below tables are explanations of the computation of the preliminary budget for 2013-2014.

Revenues and Transfers In

Account Description	Projected Actual 2012-2013	Governor's Budget 2013-2014	Increase (Decrease)
Federal Direct – Medicaid and ROTC reimbursements. These may change in 2013-2014 based upon Federal Legislation.	\$2,713,022	\$2,713,022	\$0
State – The components of the Florida Education Finance Program have been adjusted for a student enrollment growth of 101 students. The base student allocation has been increased by \$136.78 to \$3,719.76. The majority of the increase is from the funding additions of teacher pay increase of \$2,500 per teacher and technology tools.	\$75,910,384	\$86,100,034	\$10,189,650
Local – The majority of the increase is related to forecasting the tax roll will increase by 2.78 percent as of January 2013. The voted millage is approximately \$41 million or 12% of local revenues.	\$263,344,815	\$272,512,955	\$9,168,140
Transfer In – No change in the transfer from capital is currently estimated.	\$20,135,818	\$20,135,818	\$0
Total Estimated Revenues and Transfers In	\$362,104,037	\$381,461,827	\$19,357,790

Appropriations by Object

Account Description	Projected Actual 2012-2013	Governor's Budget 2013-2014	Increase (Decrease)
Salaries – The increase in salaries is due to the increase in teacher salaries to give each teacher a increase of \$2,500 which will cost approximately \$6,828,722. This increase is offset by a reduction of 19 positions related to a decline of students served in our district schools and the impact of a onetime bonus in 2012-2013 that is not included in 2013-2014.	\$227,840,178	\$231,241,537	\$3,401,359
Employee Benefits – The increase in employee benefits is the combination of the following: projecting a 4% group insurance increase as of 1/1/14, the Florida retirement rate increase of 1.53% effective 7/1/13, a 2% increase in cafeteria plan benefits effective 7/1/13 and paying teachers a increase of \$2,500 each.	\$61,326,266	\$65,303,492	\$3,977,226

The School Board of Sarasota County, Florida
School Board Workshop February 19, 2013
Governor's 2013-14 Budget Request Impact upon the General Fund
Appropriations by object – continued

Account Description	Projected Actual 2012-2013	Governor's Budget 2013-2014	Increase (Decrease)
Purchased Services – The increase is related to estimating the charter schools will serve approximately 700 additional students in 2013-2014, applying a 1% increase for all purchased services.	\$60,785,829	\$67,292,102	\$6,506,273
Energy Services – The increase is related to applying a 1% increase to all energy services.	\$10,974,999	\$11,084,749	\$109,750
Materials and Supplies - The increase is related to applying a 1% increase to all materials and supply line items.	\$10,379,699	\$10,483,496	\$103,797
Capital Outlay – The increase is related to the Governor's budget request increasing funding for technology tools and a 1% increase applied to all the other line items in capital outlay.	\$1,858,352	\$3,027,999	\$1,169,647
Other Expenses - The increase is related to applying a 1% increase to all other expense line items.	\$580,382	\$586,185	\$5,803
Transfers Out – The transfers out are to the self insurance fund for auto liability and general liability. In 2012-2013 the district had to reimburse to the capital millage fund supplies that were being used for landscaping in 2011-2012. Those expenses are now in the General Fund.	\$930,590	\$550,279	(\$380,311)
Total Appropriations by Object	\$374,676,295	\$389,569,839	\$14,893,544

The School Board of Sarasota County, Florida
School Board Workshop February 19, 2013
Governor's 2013-14 Budget Request Impact upon the General Fund
Gross Fund Balance Changes

Account Description	Projected Actual 2012-2013	Governor's Budget 2013-2014	Increase (Decrease)
Beginning Gross Fund Balance	\$63,999,318	\$51,427,060	(\$12,572,258)
Total Estimated Revenues and Transfers In	\$362,104,037	\$381,461,827	\$19,359,790
Total Appropriations by Object	\$374,676,295	\$389,569,839	\$14,893,544
Ending Gross Fund Balance	\$51,427,060	\$43,319,048	(\$8,106,012)

Composition of Ending Gross Fund Balance

Account Description	Projected Actual 2012-2013	Governor's Budget 2013-2014
Non Spendable – Inventory	\$147,212	\$139,851
Assigned – Categoricals, Grants, Workforce Development, Schools and Department carry forwards, encumbrances.	\$11,434,053	\$10,695,570
Unassigned	\$39,845,795 10.63%	\$32,483,627 8.34%
Total Ending Gross Fund Balance	\$51,427,060	\$43,319,048

Other Financial Information and unknown Future Impacts

Description	Amount
Cost of Step including benefits	\$2,416,756
Cost of 1% cost of living applied to salary schedules including benefits	\$2,543,299
Cost of each percentage increase in the retirement rate	\$2,197,246
Sequestration of Title 1 (Estimating a 9% Reduction) Would have the estimated impact of eliminating 2 schools below the 75% with students that are on free and reduced lunch subsidy.	\$695,309
Sequestration of Individuals with Disabilities (Estimating a 9% Reduction) Note a reduction of funds to the Individuals with Disabilities will have a direct impact upon the General Fund as the services to students with disabilities is a federal mandate.	\$795,430
Sequestration impact on other grants such as Title II for training etc. will need to be evaluated individually for elimination of the service or funding switched to the General Fund.	Cost Unknown
Employee ages currently employed with the Sarasota County School Board. Employees that are 60 years and over approximately 1,200 or 24% Employees that are 55 years and over approximately 2,081 or 42% Employees that are in the Deferred Option Retirement Plan approximately 400 or 8%. Total appointed staff is approximately 4,950.	

The School Board of Sarasota County, Florida
General Fund
Comparative Statement of Estimated Revenues, Appropriations, and
Fund Balance for the Fiscal Years 2009-2010 through 2014-2015
Based Upon Results of Operations Through January 31, 2013

Account Description	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Projected Actual	2013-2014 Governor's Request	2014-2015 Projected Budget
Revenues and Transfers In from Other Funds						
Federal Direct	18,133,341	16,374,536	10,578,346	2,713,022	2,713,022	2,832,743
State	64,246,717	61,922,491	73,158,369	75,910,384	86,100,034	87,506,196
Local	290,101,011	283,594,705	259,929,184	263,344,815	272,512,955	280,688,344
Total Revenues	372,481,068	361,891,732	343,665,899	341,968,219	361,326,009	371,027,282
Transfers In						
Property Insurance Millage transfer	3,273,772	2,412,396	2,383,887	3,070,000	3,070,000	3,162,100
Capital (P.E.C.O.maintenance)	784,890	2,149,547				
Capital (Charter School)	1,588,728	1,742,379	1,858,522	1,742,379	1,742,379	1,742,379
Capital (Millage maintenance)	15,121,066	13,841,928	14,880,109	14,386,613	14,386,613	14,386,613
Capital (Millage equipment)	1,444,424	1,384,612	1,337,918	936,826	936,826	936,826
Total Transfers In	22,212,880	21,530,863	20,460,435	20,135,818	20,135,818	20,227,918
Total Revenues & Transfers In	394,693,949	383,422,594	364,126,334	362,104,037	381,461,827	391,255,200
Appropriations						
Salaries	236,211,992	233,100,107	222,439,168	227,840,178	231,241,537	231,241,537
Employee Benefits	73,657,876	74,743,458	60,166,687	61,326,266	65,303,492	66,491,905
Purchased Services	50,898,366	53,757,822	58,205,200	60,785,829	67,292,102	72,463,928
Energy Services	11,691,011	11,191,615	10,932,264	10,974,999	11,084,749	11,262,104
Materials and Supplies	11,365,549	9,541,625	10,526,975	10,379,699	10,483,496	10,651,232
Capital Outlay	1,995,751	2,040,820	1,532,171	1,858,352	3,027,999	3,270,885
Other Expenses	334,960	344,804	581,489	580,382	586,185	595,564
Transfers Out	665,181	698,812	550,279	930,590	550,279	930,590
Total Appropriations	386,820,686	385,419,063	364,934,233	374,676,294	389,569,839	396,907,745
Excess (Deficiency) of Revenues and Transfers Over Expenditures	7,873,263	(1,996,469)	(807,899)	(12,572,256)	(8,108,011)	(5,652,544)
Fund Balance						
Beginning Gross Fund Balance	59,042,819	66,919,133	64,819,785	63,999,318	51,427,062	39,614,108
Adj to Fund Balance	3,051	(80,983)	(12,568)			
Ending Gross Fund Balance	66,919,133	64,841,681	63,999,318	51,427,062	43,319,051	33,961,563
Composition of Ending Gross Fund Balance						
Assigned for Encumbrances	2,382,702	1,940,648	1,183,780	1,719,263	1,719,263	1,719,263
Non Spendable - Inventory / Prepaid Insurance	189,430	189,430	171,701	147,212	139,851	139,851
Assigned for Categorical & Grant Carryforwards	2,033,070	1,328,225	2,650,874	1,932,487	1,739,238	1,565,315
Assigned for Work Force Development	1,733,912	2,246,469	4,546,470	5,452,328	4,907,097	4,416,386
Assigned School & Department Carryforwards	3,067,302	2,901,944	2,227,394	2,329,974	2,329,974	2,096,977
Unassigned by Board Policy 10% to 7.5% of Total Appropriations	38,682,069	38,541,906	36,493,423	37,467,629	29,217,738	29,768,081
Unassigned - Amount beyond assigned 10%	18,830,649	17,693,059	16,725,675	2,378,168	3,265,889	(5,744,309)
Total Ending Gross Fund Balance	66,919,133	64,841,681	63,999,318	51,427,062	43,319,051	33,961,563

The School Board of Sarasota County, Florida
General Fund
Comparative Statement of Revenues for the Fiscal Years
2009-2010 through 2014-2015

Based Upon Results of Operations Through January 31, 2013

Account Description	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Projected Actual	2013-2014 Governor's Request	2014-2015 Projected Budget
Federal Direct						
ROTC / PELL / SEOG	320,172	344,110	327,987	354,504	354,504	383,164
Federal Stabilization Funds (FEFP)	14,429,530	13,689,576				
Federal Jobs Fund			7,979,517			
Federal Stabilization Funds (Dale Hickham Excelent Teaching Program)	748,136					
Federal Stabilization Funds (Work Force Development)	648,644	635,711				
Medicaid Reimbursement	1,986,859	1,705,139	2,270,842	2,358,518	2,358,518	2,449,579
Total Federal Direct	18,133,341	16,374,536	10,578,346	2,713,022	2,713,022	2,832,743
State						
Florida Ed. Finance Program	(12,271,860)	(15,921,846)	(3,305,371)	(973,406)	(1,183,552)	(348,547)
Florida Ed. Finance Program audit reduction from 2002-2003, 2005-2006, and 2008-2009.	(1,009,236)	(152,039)				
ESE Scholarships	(2,131,563)	(2,429,583)	(2,355,228)	(2,714,118)	(2,749,038)	(3,167,937)
Virtual Education Contribution			18,461	61,563		
Work Force Development	9,463,390	9,246,543	9,637,132	9,415,400	8,214,292	8,025,297
Adults with Disabilities	670,438	613,848	515,161	437,887	437,887	372,204
Ed. Enhancement / Lottery	117,621	157,686	135,772			
CO&DS Withheld for Admin	29,080	29,080	29,080	28,922	29,294	29,135
Classrooms for Kids	45,507,690	45,649,077	46,023,875	45,874,446	45,984,060	45,834,760
Declining Enrollment		296,418				
Instructional Materials	3,375,179	3,281,929	3,105,010	3,109,106	3,272,665	3,276,982
State License Tax	242,120	246,432	233,495	232,228	235,216	233,940
Transportation	6,323,538	6,201,351	6,000,863	6,255,896	6,581,867	6,861,592
Safe Schools	1,156,795	1,160,861	1,116,720	1,115,471	1,313,921	1,312,451
Voluntary Pre K Program	20,560	19,314	13,229	13,157	13,326	13,254
Supplemental Academic Instruction	8,336,808	8,413,385	8,043,210	8,288,475	8,630,109	8,893,271
Reading Instruction	1,599,137	1,580,506	1,499,837	1,982,327	2,047,615	2,706,322
Teachers Lead Program	514,707	526,483	493,983	492,699	706,836	704,999
Florida School Recognition Program	2,017,058	2,417,230	1,764,702	2,142,852	2,870,437	2,899,141
Excellent Teaching Program		324,502				
DJJ Supplemental Allocation	72,906	74,014	24,416			
Teacher Salaries and Benefits					8,033,791	8,114,129
Technological Tools					1,513,828	1,528,966
Performance Pay (Merit Award Program)	38,827	64,855	63,437			
Other Miscellaneous State	173,522	122,444	100,585	147,479	147,479	216,236
Total State	64,246,717	61,922,491	73,158,369	75,910,384	86,100,034	87,506,196
Local						
District School Tax (Required Local Effort)	198,907,391	201,255,100	178,158,018	184,188,807	192,138,289	197,902,438
District School Tax (Discretionary)	35,602,471	32,353,066	30,376,612	30,293,146	30,814,631	31,739,070
Voted School Tax	47,596,887	43,252,762	40,610,444	40,498,858	41,196,031	42,431,912
Course Fees	1,887,917	1,728,466	1,699,971	1,815,269	1,815,269	1,869,727
Childcare Fees	1,216,676	1,245,135	1,303,302	1,321,229	1,321,229	1,360,866
Rent	234,832	291,314	302,764	238,992	238,992	246,162
Interest	945,203	471,621	322,688	469,061	469,061	483,133
Food Service Indirect Cost	413,822	356,238	212,204	354,305	354,305	364,934
Federal Indirect Cost	834,900	591,150	403,264	540,956	540,956	557,185
Other Misc. Sources	2,460,912	2,049,855	6,539,917	3,624,193	3,624,193	3,732,919
Total Local	290,101,011	283,594,705	259,929,184	263,344,815	272,512,955	280,688,344
Total Revenues	372,481,068	361,891,732	343,665,899	341,968,219	361,326,009	371,027,282