

The School Board of Sarasota County, Florida

2015-2016 Budget Executive Summary

Introduction

The Budget Executive Summary is a general overview of the total budget of the Sarasota County School Board. It provides information regarding current and projected fiscal operations of the Sarasota County School Board. Each fund in the summary has a detailed booklet available that provides more in-depth information. Any additional questions should be addressed to the Sarasota County School Board Finance Department located at 1960 Landings Boulevard Sarasota, Florida 34231. All 2015-2016 Summary and Detail Budgetary information is available on the Sarasota County School Board web site in the district financial information.

Sarasota County School Board Vision Statement

The School District of Sarasota County places learning at the center of its activities to enable all learners to lead productive, responsible, and healthful lives.

Sarasota County School Board Mission Statement

The School District of Sarasota County prepares students to achieve the highest learning standards by engaging a high quality staff, involved parents, and a supportive community.

Sarasota County School Board Strategic Plan

The 2014-2015 budget reflects the priorities established in the Strategic Plan. The plan is based upon five pillars that provide the focus and structure from which the school district will build success. The five pillars are Quality, People, Service, Resources, and Safety. The Quality pillar focuses on measured results for student achievement. The People pillar is founded on maximizing the value of our staff, partners and stakeholders. The Services pillar is promoting courteous, professional, efficient and productive interactions among staff, students, parents, and visitors. The Resources pillar is focused upon ensuring full and equitable use of our facilities, systems and funding. The Safety pillar is protecting our resources, staff, students, parents and visitors.

Sarasota County School Board Budget Process and Timelines

The budget development process is a year round continuous process. Student projections are forecasted over a five year period identifying both operating and capital needs. The 2015-2016 budget process began with the first budget workshop being held on November 18, 2014 to discuss Legislative priorities for the next fiscal year. The second budget workshop was held December 9, 2014. At this workshop the student enrollment was reviewed by school for the period 2011-2012 through 2018-2019, the personnel allocation formulas were reviewed by the School Board, no changes were made. The third budget workshop was held January 20, 2015. At this workshop, budget requests were reviewed from schools and departments. The capital fund was reviewed for consensus from the School Board on major capital projects that would be funded in the next five years. The fourth budget workshop was held February 17, 2015 to review the process through which new charter schools would request voted operating funds and capital funds. The final determination was that new charter schools would receive funding for those students with Sarasota County addresses. The fifth budget workshop was March 17, 2015 to give approval to the five year capital plan, review the Governor's budget request, and review going self-insured with the group health insurance plan. At this meeting the School Board gave administration the direction to proceed with implementation of changing the Group health plan to being a self-insured plan.

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Sarasota County School Board Budget Process and Timelines - continued

The sixth budget workshop held on April 21, 2015 reviewed the various Legislative budget proposals that estimated the shortfall of General Fund revenues to be approximately \$50,000 to \$2.5 million of the amount needed to prepare a status quo budget. The seventh budget workshop reviewed the estimated results of the General Fund operations for the 2014-2015 fiscal year. It was estimated based upon revenues and expenditures through April 30, 2015 approximately \$4.6 million of the unassigned fund balance would be used leaving a balance of \$34.2 million or 8.51% of total appropriations. No update was available for the 2015-2016 budget as the Legislature adjourned the session without a budget adopted. The eighth budget work shop was June 16, 2015. The Legislative special session was still in process with an estimated ending date of June 20, 2015. Estimates were presented on what was believed to be the estimated revenues. At this workshop it was anticipated approximately \$1.7 million of the unassigned fund balance would be used for the 2015-2016 fiscal year.

The Superintendent's General Fund Tentative Budget for 2015-2016, based upon the final Legislative budget passed indicates the amount of unassigned fund balance that will need to be used is \$3,235,521. This reduces the unassigned fund balance as of June 30, 2016 to \$34,023,043 or 8.12% of total appropriations.

All funds being presented for the Superintendent's Tentative Budget are balanced with adequate reserves for the 2015-2016 fiscal year.

Sarasota County School Board Significant District Accomplishments

2014 - 2015

- Sarasota County School District remains an "A" district and is ranked 2nd in the state's ranking of all Florida school districts. Only five school districts in the state of Florida have a ranking of "A".
- The efficiency and effectiveness study conducted in November of 2012, by MGT of America, concluded the following: "It is important for the community to understand that SCS is one of the best-run districts that MGT has reviewed. Morale and performance, including innovative practices, are unusually high in SCS." The report also said that Sarasota County students are succeeding at levels much higher than the state average, the district maintains strong community support and our strategic planning process is one of the best in the nation. In all, the report contained 73 commendations for district programs and practices, about 20 more than MGT usually gives to comparable sized districts. The district is continuing to review and implement recommendations.
- The district has endured seven consecutive years of operating budget reductions amounting to approximately \$125 million. The district has maintained a productive collaboration with its employees. District teachers and staff have remained committed to teamwork and student success, as has been demonstrated by our high levels of student achievement.
- The Board approved the decision to move forward with the plan to become Self-Insured for employee medical benefits. It is anticipated that this decision will yield the District significant savings in employee benefit costs in the future.

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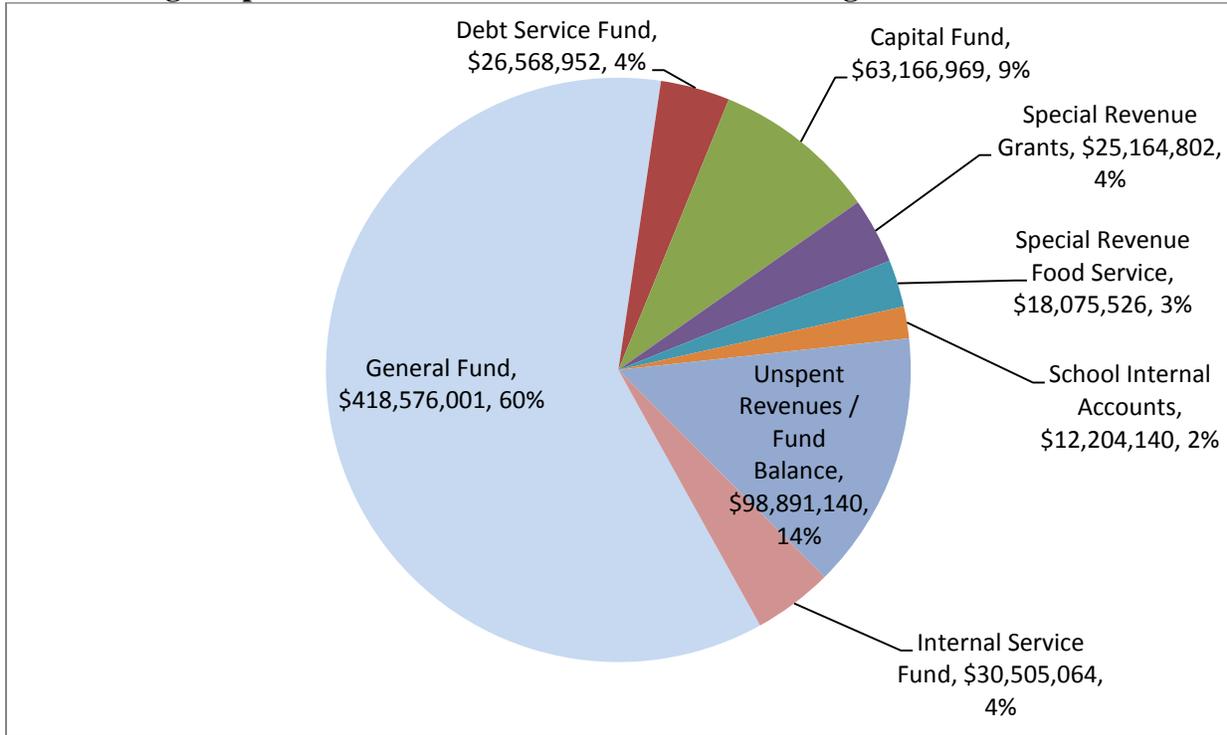
Total Sarasota County School Board Funds

The 2015-2016 Appropriations Budget for all District Funds totals \$693,152,594, excluding transfers between funds. The School Board establishes a budget for six separate funds. The largest of which is the General Fund.

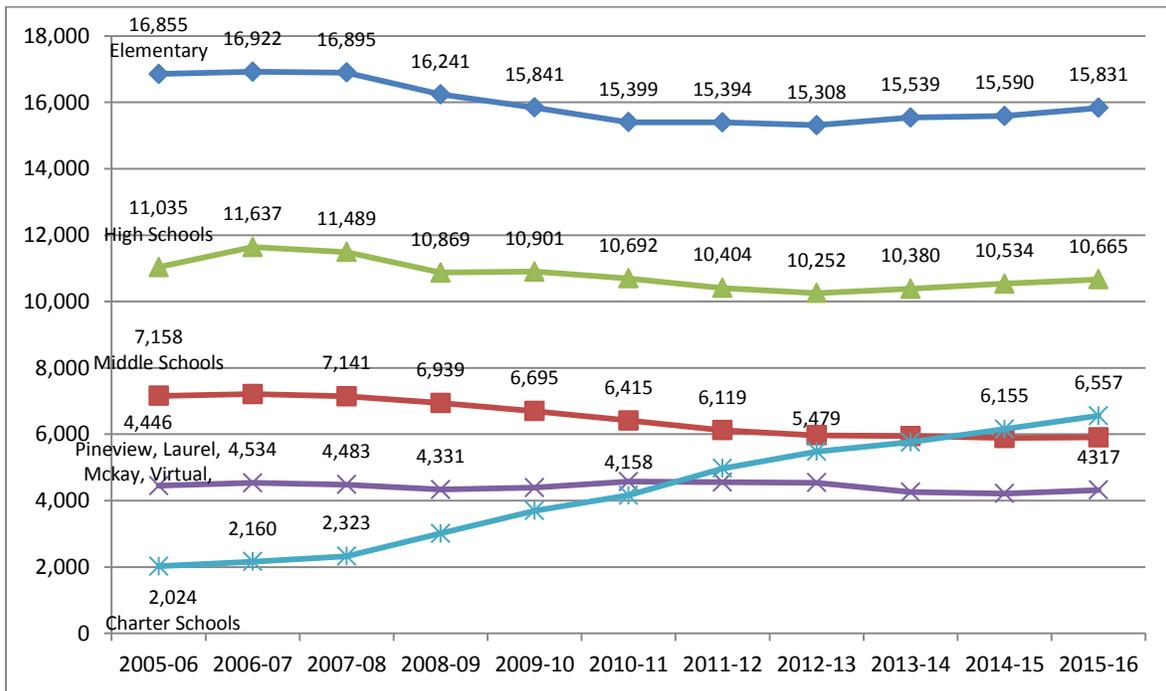
- 1). The General Fund accounts for the general operations of the school district. All of the School District revenues and expenditures are to be accounted for in the General Fund, unless there are legal reasons to report them in another fund type. The general operations of the school district include teacher salaries, custodian salaries, bus driver salaries, utilities, supplies, instructional materials, professional services, etc.
- 2). The Special Revenue Fund is used to account for revenue sources earmarked for a specific purpose. The Special Revenue Fund is composed of special state and federal grants and the National School Lunch program. The major revenue sources in the Special Revenue Fund are Title 1, IDEA Part B, and the National School Lunch program.
- 3). The Debt Service Fund is used to account for funds to meet current and future debt service obligations. The School District debt revenues are from state funds and transfers from the Capital Fund. The School District does not have any taxpayer voted debt.
- 4). The Capital Projects Fund is used to account for financial resources received for the acquisition or construction of major capital facilities. The State of Florida has a legal requirement that the revenue received from the 1.5 mill property tax levy be recorded in the Capital Projects Fund. The expenditures allowed from the 1.5 mill levy are for major capital acquisitions, maintenance and repairs, and payments for loans. A portion of the 1.5 mill levy is transferred to the General Fund for maintenance and equipment expenditures and to the Debt Fund for the payment of principal, interest, and fees related to outstanding debt obligations.
- 5). The Internal Service Fund is to account for and report the risk financing activities of the School District. In 1985, the School District began self-insuring its worker's compensation program. Currently, worker's compensation, general liability, automobile - transportation liability, and other purchased employee benefits are reflected in the Internal Service Fund. The school district effective January 1, 2016 is planning to add the group health plan to the self-insurance plan. The school district Financial Advisory Committee has endorsed changing the funding of the plan to being self-insured.
- 6). The Trust and Agency Fund, commonly called the School Internal Fund, is used to account for the financial transactions of school classes, clubs, school benefit activities, etc.

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2015-2016 Total Appropriations for All Funds \$693,152,594 Including Unspent Revenues / Fund Balance and Excluding Transfers between Funds



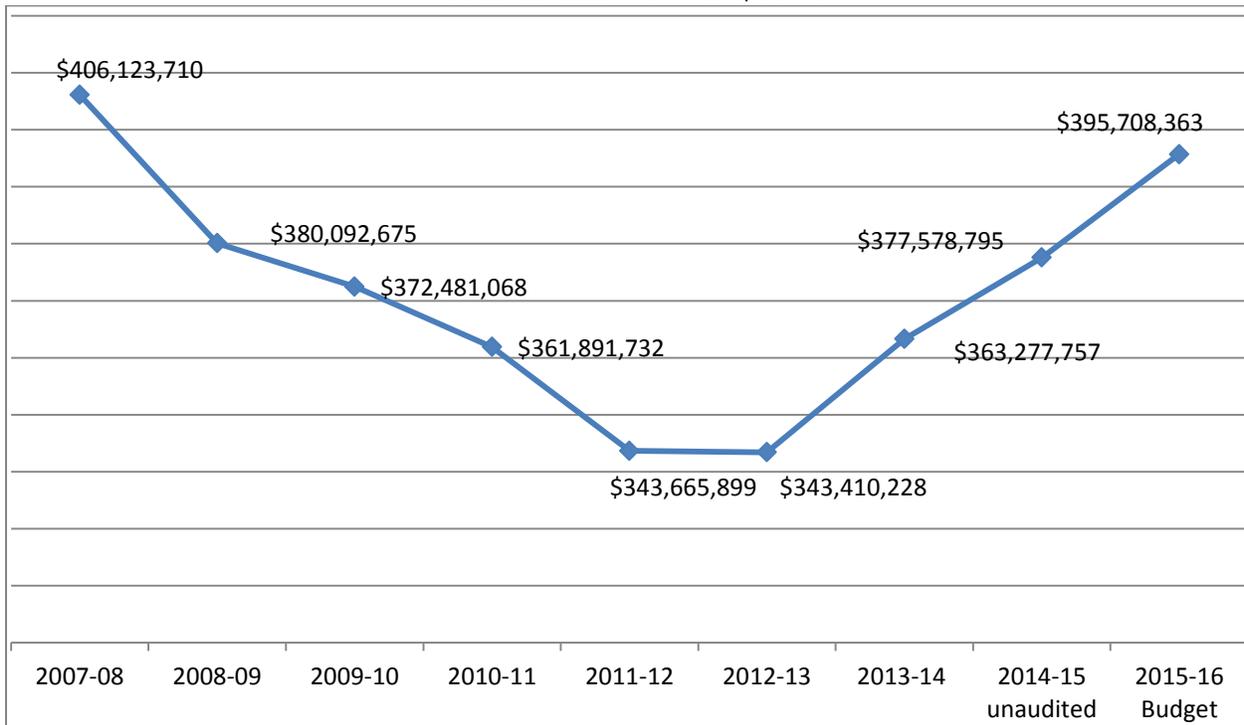
In the chart below is an eleven year history of the district's student enrollment by area. The total district enrollment in 2014-15 was 42,376, projection for 2015-2016 is 43,274, for a total district growth of 898 students.



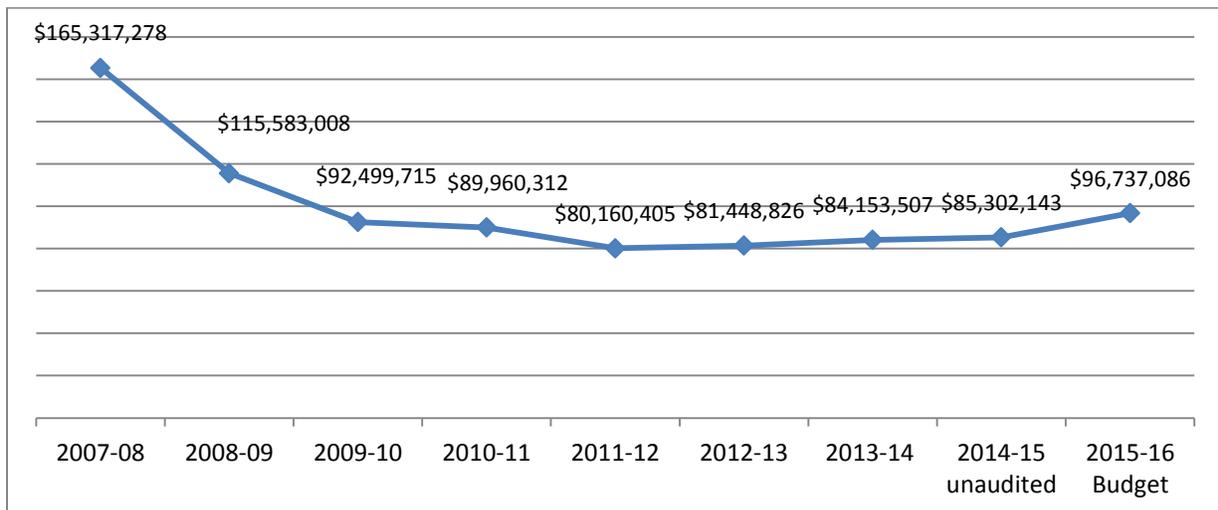
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The two major funds of the School Board of Sarasota County, Florida are the General Fund and the Capital Projects Fund. The charts below demonstrate how the economic downturn that began in 2008 has impacted the revenues of the two major funds.

The total General Fund Revenues for the fiscal years 2007-2008 estimated through 2015-2016 have decreased by \$28,544,915 or 7.03%. The loss in the amount of revenue per student from 2007-08 is \$449.75



Capital Projects Fund Revenues for the fiscal years 2007-2008 estimated through 2015-2016 have decreased \$68,580,192 or 41%.



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Actions taken since the economic downturn of 2008

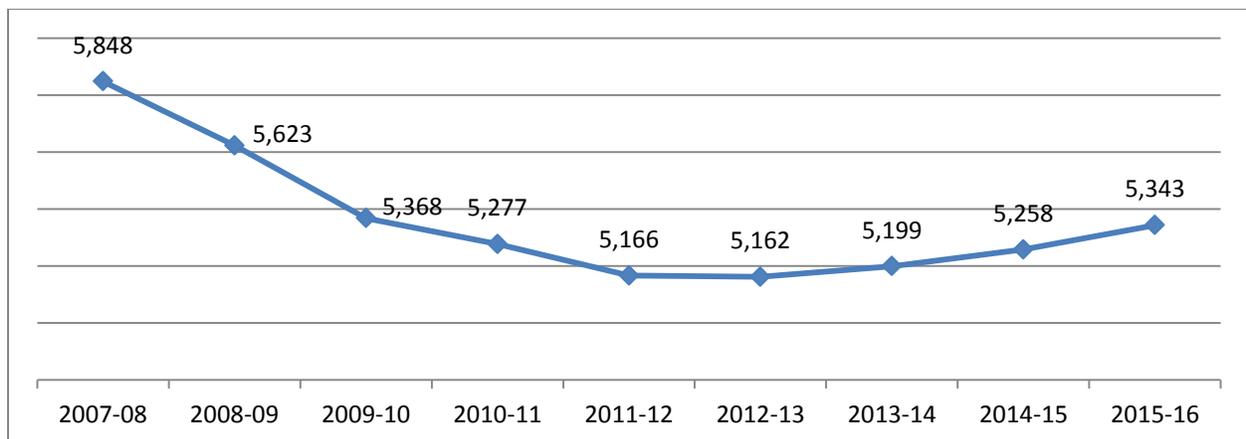
The table below contains the yearly amounts that have been reduced from the General Fund Budget. The details of the reductions are contained in the General Fund Executive Summary Appendix A. These reductions were a combination of budget reductions and cost avoidance actions.

General Fund Fiscal Year Budget Reductions	Savings
Fiscal Year 2007-2008	\$8,572,636
Fiscal Year 2008-2009	\$31,882,217
Fiscal Year 2009-2010	\$42,368,111
Fiscal Year 2010-2011	\$21,185,501
Fiscal Year 2011-2012	\$12,835,188
Fiscal Year 2012-2013	\$3,728,242
Fiscal Year 2013-2014	\$3,837,981
Fiscal Year 2014-2015	\$108,477
Fiscal Year 2015-2016	\$437,887
Total budget reductions for the past eight fiscal years	\$124,956,240

Capital Projects Fund Budget Revenue Reduction Impact

The Capital Projects Fund budget reduction from 2007-2008 through what is estimated for 2015-2016 is a reduction of 41% or \$68.6 million. This revenue reduction has pushed many projects into the future. Those projects that were determined to be of high importance have been funded primarily through the issuance of debt. Under the American Recovery and Reinvestment Act of 2009 the School Board of Sarasota County, Florida was able to secure funding at a net interest rate of .09% for the rebuilding of Booker High School. The rebuild of Venice High School and the Sarasota County Technical Institute have been financed through the issuance of Certificates of Participation at interest rates ranging from 2% to 5%. A more detailed explanation of the financing is contained in the Debt Service Funds budget. To help with the capital revenue downturn the 2014 Legislature appropriated \$3 million from state funds to fund a portion of the Suncoast Technical College in North Port.

**Total Staffing for all Funds since the 2008 Economic Downturn
and elimination of 505 positions**

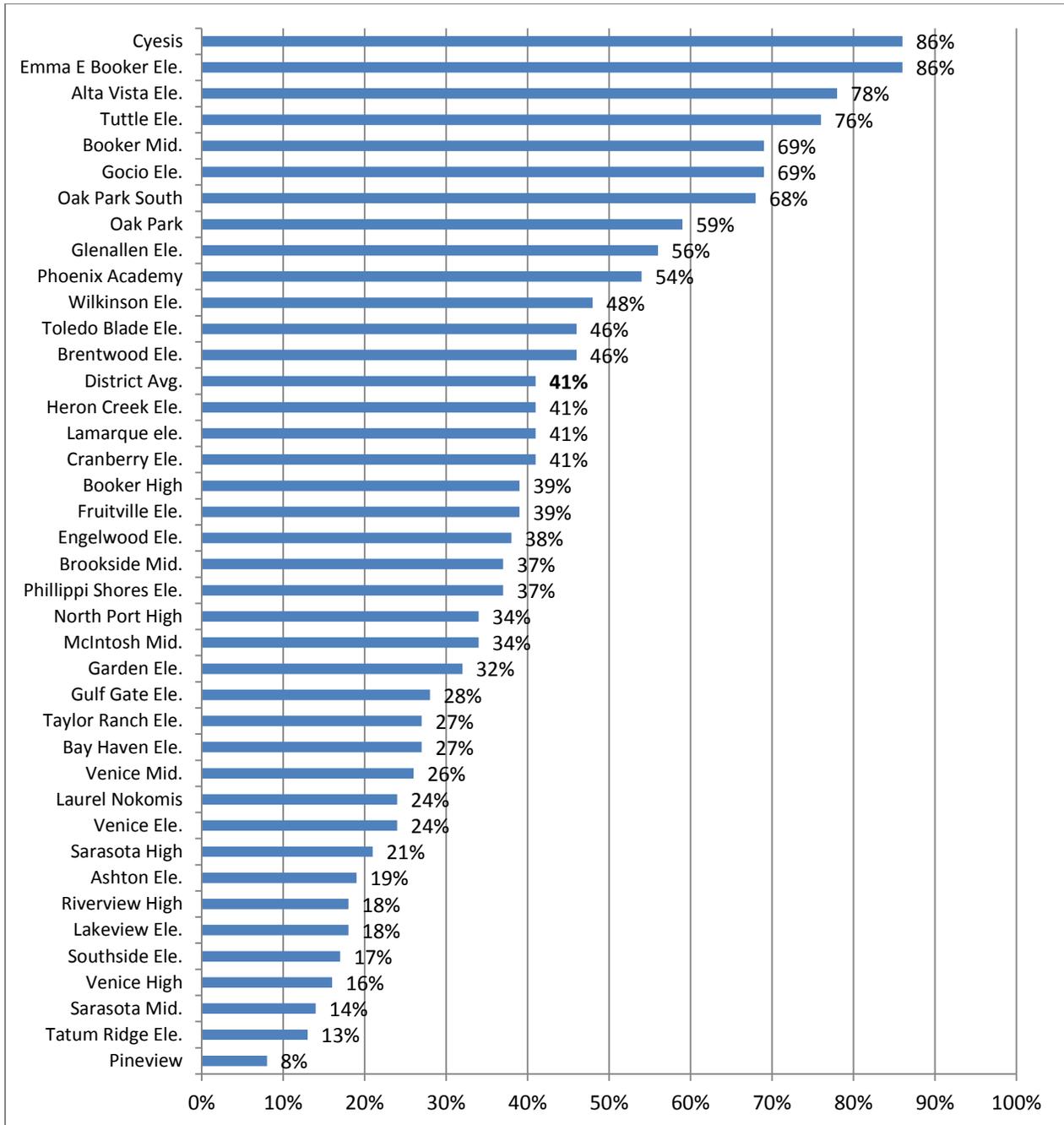


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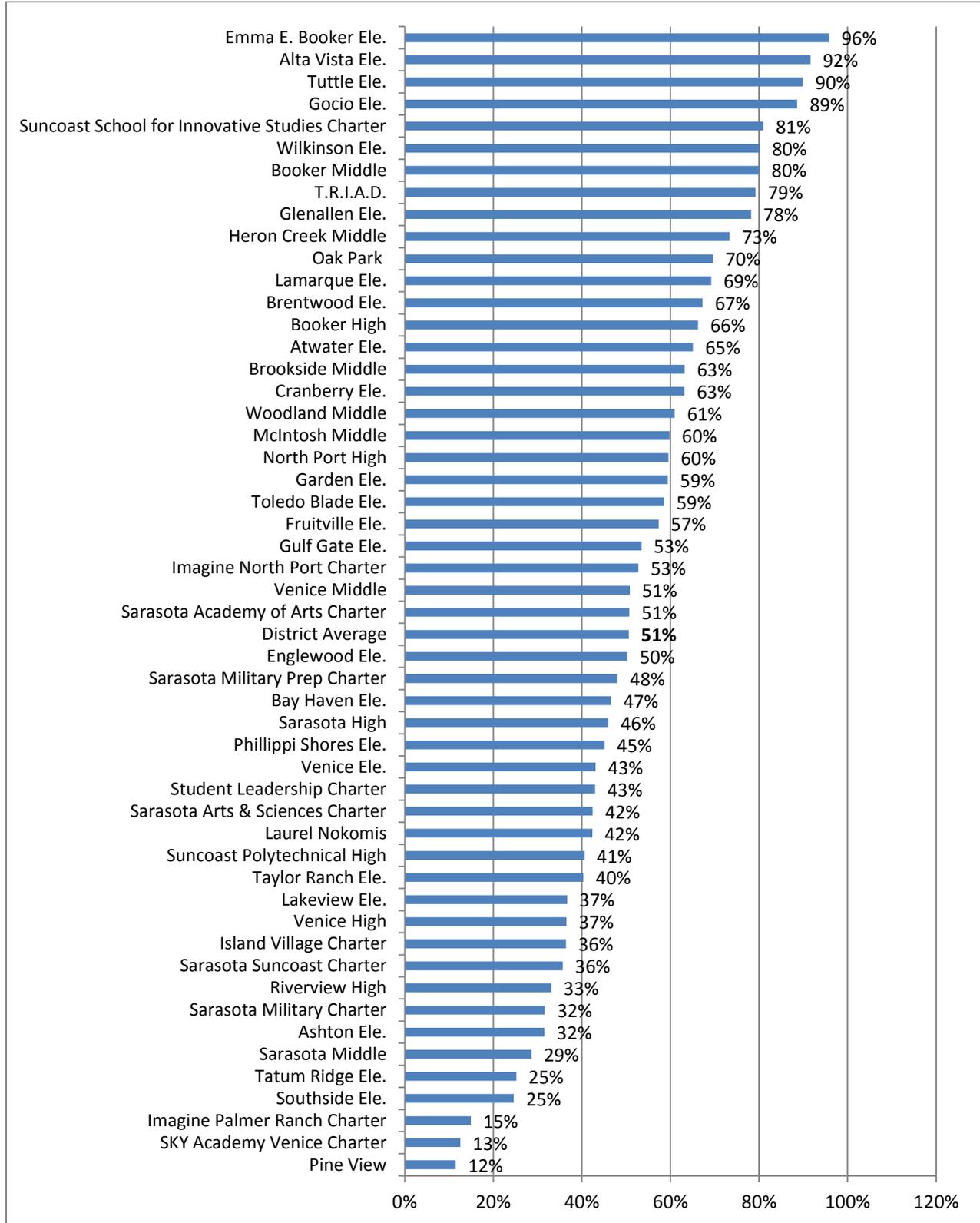
Impact of the Economic Downturn Upon the Individual Schools within the School District

Since the economic downturn that began in 2007 the school district percentage of students that meet the requirements for participating in the free and reduced lunch program has increased from a district average of 41% to 51%, a 10 percent increase. In 2015 in order to qualify for free meals a family of four could not earn more than \$31,005 yearly. In 2015 in order to qualify for reduced meals a family of four could not earn more than \$44,123 yearly. Two graphs are provided below indicating the free and reduced lunch participation by school for the 2007 and 2015 fiscal year.

February of 2007 Free and Reduced Lunch Percentages by Individual School



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February of 2015 Free and Reduced Lunch Percentages by Individual School

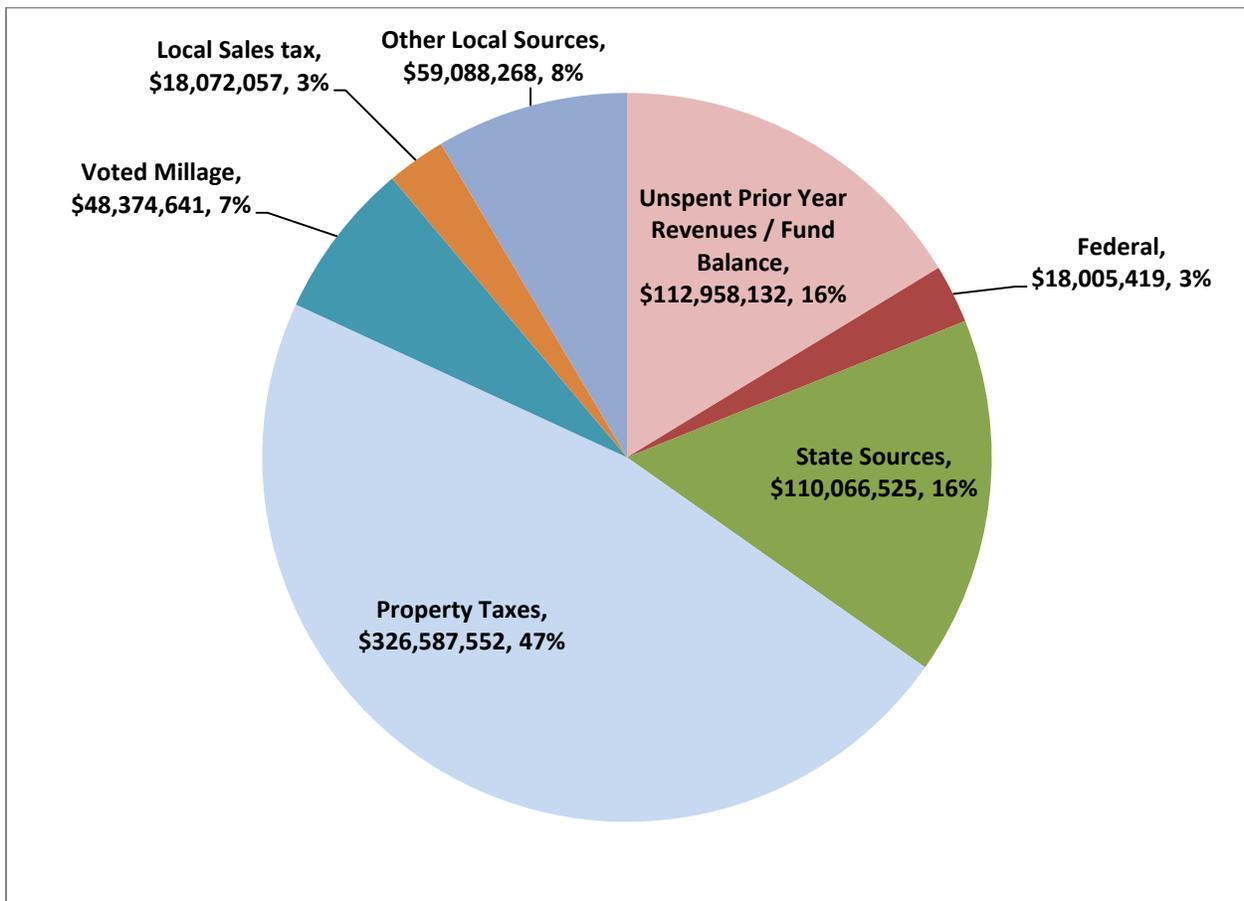


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How the School Board of Sarasota County is Funded

The Florida Legislature annually sets the majority of funding for all school districts. The majority of the funding for school districts is contained in Florida Statutes 1010 and 1011. Other funding received, from federal entitlement programs for specific purposes. The operating fund for school districts is a combination of property taxes, state general revenue, and fees. All millage rates that the school district is allowed to levy are contained in the Florida Statutes. The major portion of the school district annual millage levy is mandated by the Florida Legislature. The mandated portion is called the required local effort millage for funding the general operations of the school district. The other millage levies authorized are at the discretion of the school board. In 2010, the voters of Sarasota approved a 4 year extension of a 1 mill levy for operating purposes. This voted millage is funding 520 positions. The details of the voted millage revenues and appropriations since its original approval in 2002 are contained in the General Fund Executive Summary Appendix B.

**2015-2016 Total Estimated Revenues of all Funds
Including Unspent Prior Year Revenues / Fund Balance
Excluding Transfers between Funds for a Total of \$693,152,594**



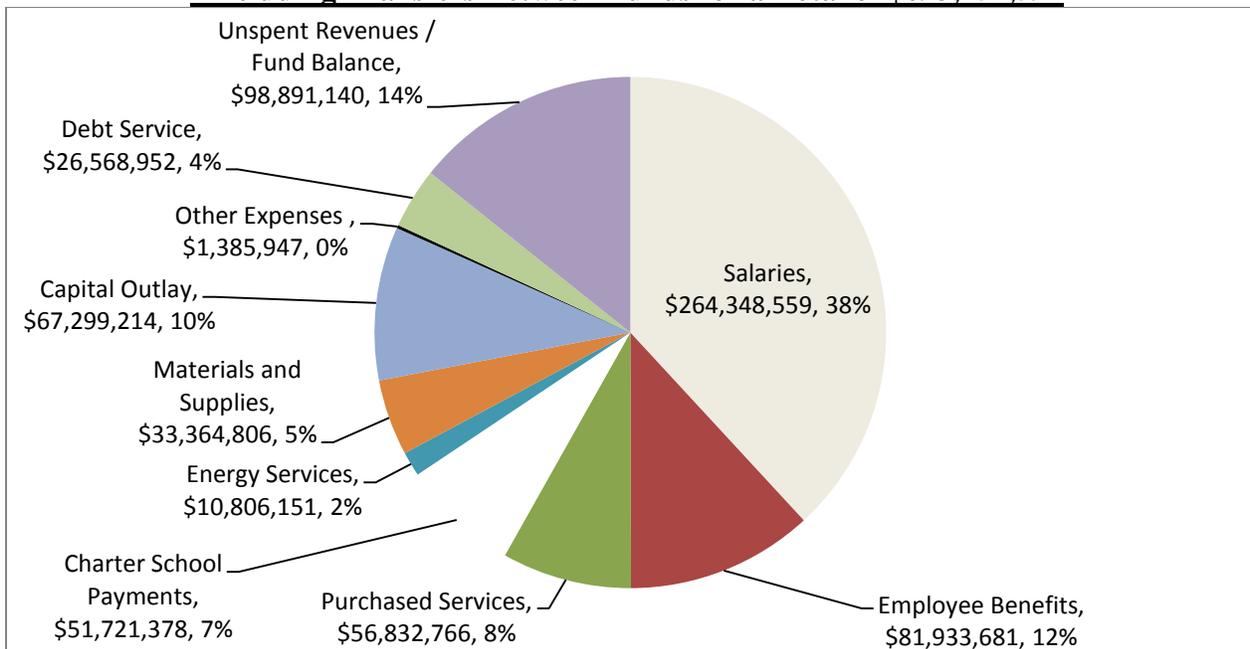
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2015-2016 Total Estimated Appropriations by Object

The categories of appropriations by object are classified by expenditure categories mandated by the state chart of accounts. The categories of appropriations are as follows:

- 1) Salaries - amounts paid to employees of the school system in both appointed full-time and part-time positions.
- 2) Employee Benefits - amounts paid by the school system on behalf of employees. This category includes payments to the Florida Retirement system which is mandatory for all school districts, F.I.C.A contributions of the employers' share of social security and Medicare, Group insurance expenditures to provide health coverage, worker compensation premiums to provide workers' compensation coverage, and unemployment compensation premiums.
- 3) Purchased Services – amounts paid for professional services rendered by personnel who are not considered employees of the school board, and other services that the Board may purchase. Included are professional and technical services, services provided by charter schools, second chance schools, virtual education providers, insurance and bond premiums, repairs and maintenance, rentals, telephone, water, sewer, and fiber optic lines.
- 4) Energy Services – amounts paid for natural gas, electricity, heating oil, gasoline, and diesel fuel.
- 5) Materials and Supplies – amounts paid for consumable supplies, textbooks, periodicals, oil and grease, repair parts, tires and tubes, food, and commodities.
- 6) Capital Outlay – amounts paid for land or existing building renovations, library books, audio visual materials, furniture, fixtures, equipment, computers, vehicles, and buses.
- 7) Other Expenses – amounts paid for other expenses not classified above.

2015-2016 Total Estimated Appropriations by Object of all Funds including Estimated Unspent Prior Year Revenues / Fund Balance Excluding Transfers Between Funds for a Total of \$693,152,594



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2015-2016 Total Estimated Appropriations by Function

The categories of appropriations by function are classified by expenditure categories mandated by the state chart of accounts. The categories are as follows:

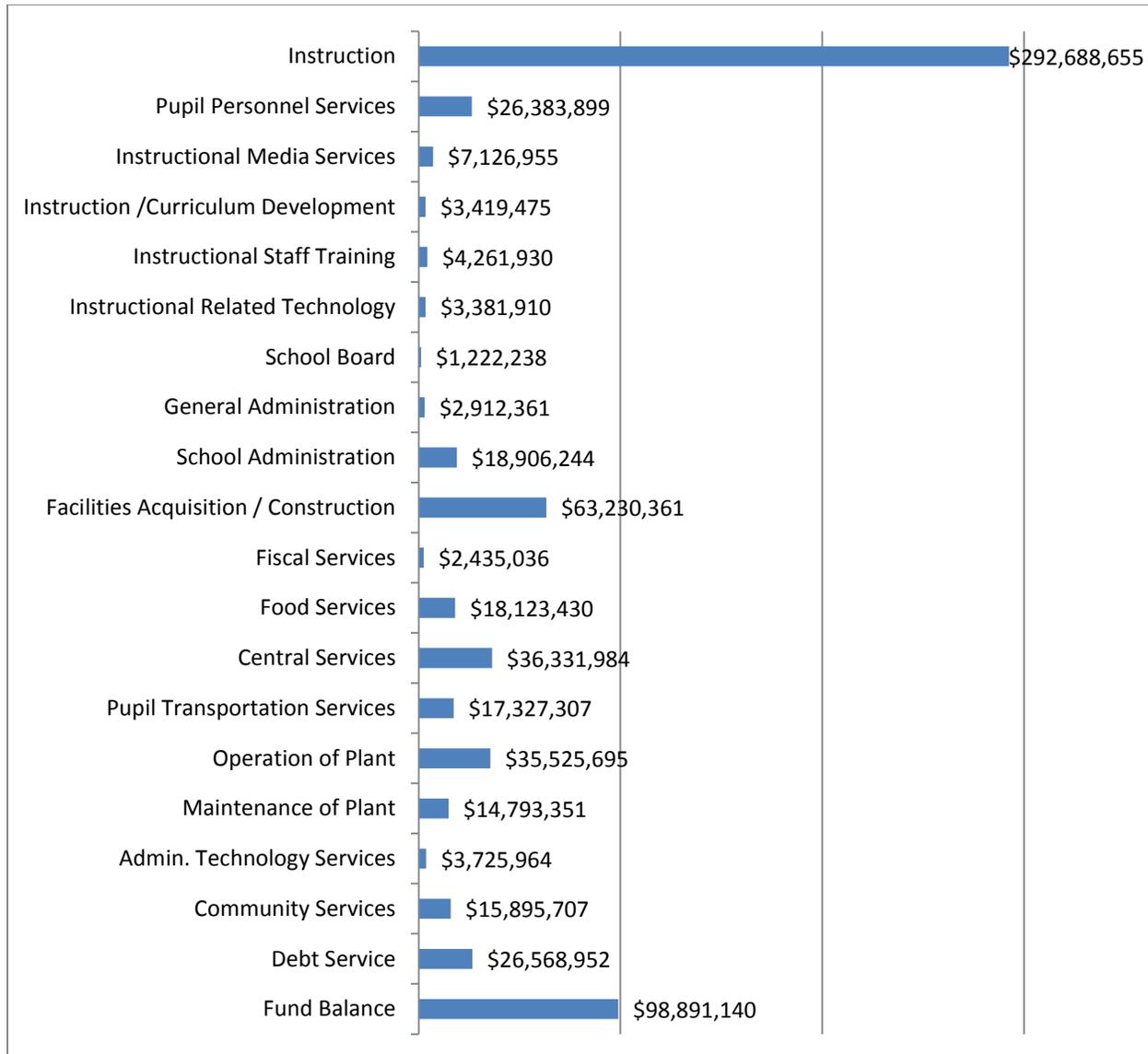
- 1) Instruction – Activities dealing directly with the teaching of students.
- 2) Pupil Personnel Services – Activities include attendance and social work, guidance services, health services, psychological services, and parental involvement.
- 3) Instructional Media Services – Activities include developing and acquiring library materials and operating libraries.
- 4) Instruction and Curriculum Development Services – Activities designed to aid teachers in developing the curriculum, preparing and utilizing support services to motivate students.
- 5) Instructional Staff Training Services – Activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff.
- 6) Instruction-Related Technology - Activities and services for the purpose of supporting instruction.
- 7) School Board – Activities of the elected School Board Members including School Board Attorney, and external auditors.
- 8) General Administration – Activities performed by the superintendent and assistant superintendents in the general direction and management of all affairs of the school system.
- 9) School Administration – Activities concerned with directing and managing the operation of a particular school by the principal and assistant principal including clerical staff for these activities.
- 10) Facilities Acquisition and Construction – Activities concerned with the acquisition of land, buildings, remodeling buildings, construction of buildings, other built-in equipment, and improvement to sites.
- 11) Fiscal Services – Activities concerned with the fiscal operation of the school system. Includes budgeting, receiving and disbursing funds, financial accounting, and payroll.
- 12) Food Services – Activities concerned with providing food to students and staff in a school system.
- 13) Central Services – Activities that support the other instruction and supporting program services. Included is planning, research, development, evaluation services, recruiting and placement of staff, buying, storing, and distributing materials and supplies, printing services, mail room services etc.
- 14) Pupil Transportation Services – Activities related to the conveyance of pupils to and from schools. Includes all costs associated with maintenance of the school buses.
- 15) Operation of Plant – Activities concerned with keeping the physical plant open and ready for use. This includes utility costs, custodial costs, maintenance of grounds etc.
- 16) Maintenance of Plant – Activities that are concerned with maintaining the buildings and equipment at an acceptable level of efficiency through repairs and preventative maintenance.

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2014-2015 Total Estimated Appropriations by Function - continued

- 17) Administrative Technology Services – Activities concerned with supporting the school district’s information technology systems including supporting administrative networks, maintaining administrative information systems, and other technology-related administrative costs.
- 18) Community Services – Activities that are not related to providing education for students. The majority of this function is related to expenditures from school internal accounts.
- 19) Debt Service – Payments of principal and interest for the retirement of debt.

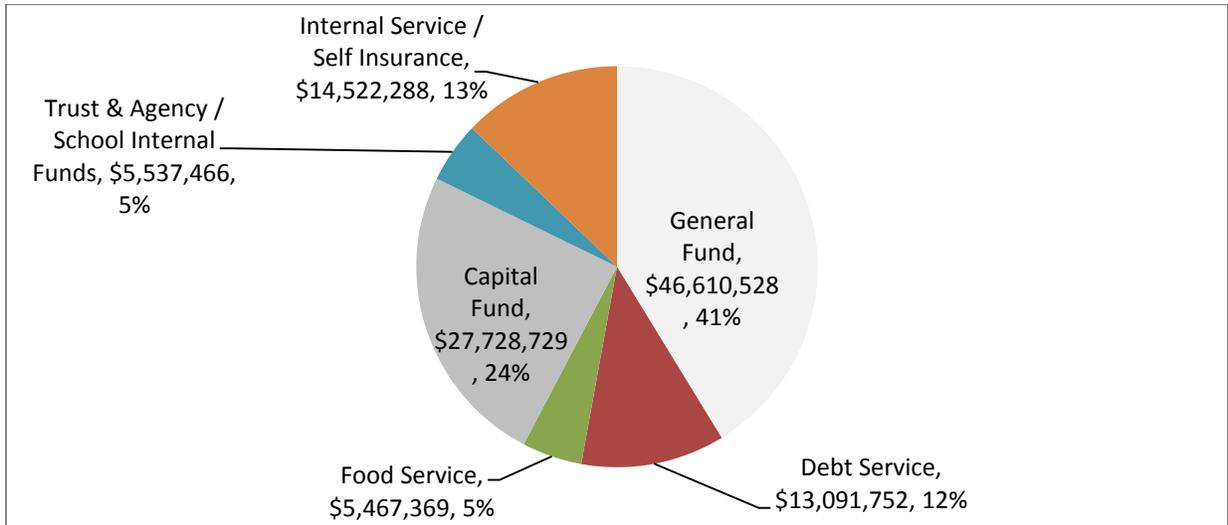
**2015-2016 Total Estimated Appropriations by Function of all Funds including
Estimated Unspent Prior Year Revenues / Fund Balance
Excluding Transfers Between Funds for a Total of \$693,152,594**



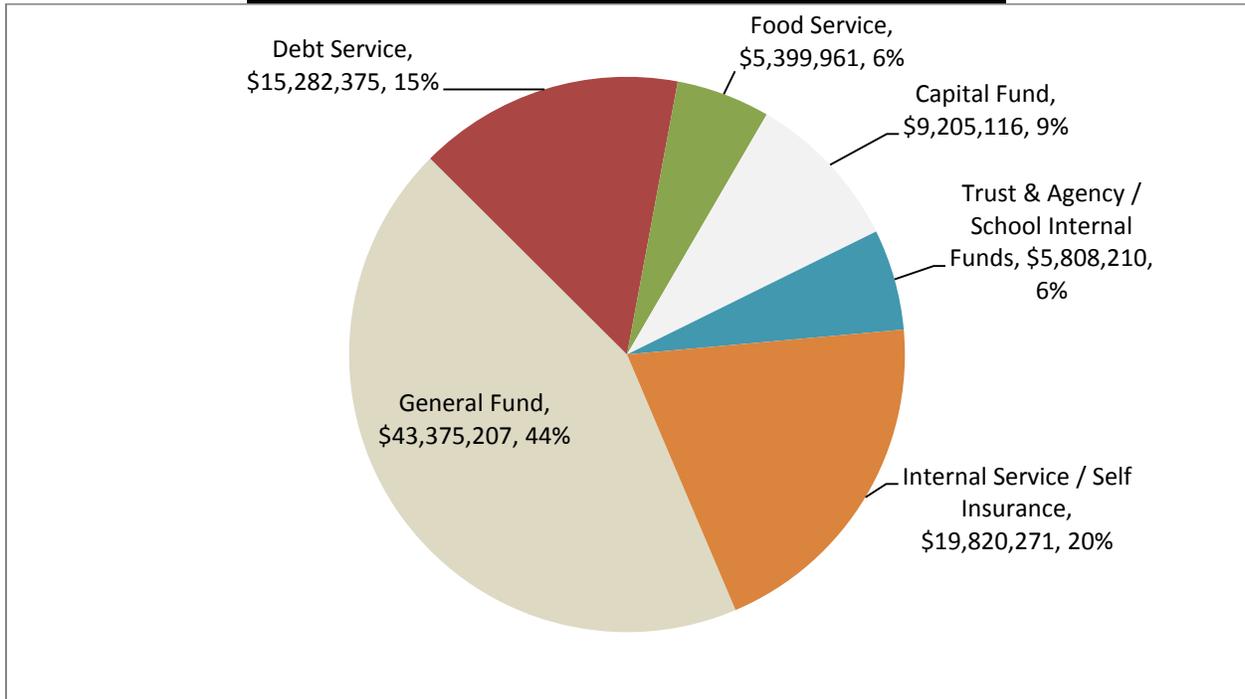
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**Composition by Fund of Unspent Revenues From Prior Years
Beginning Fund Balance as of 7/01/15 Total \$112,958,132**

The largest component of the Fund Balance, for all funds, is the General Fund and the Capital Projects Fund. The major component of the Capital Projects fund balance is carry forward of funds for projects under construction and projects that are to begin in 2015-2016. In early July of 2014, Fitch rating agency reviewed the school district's financial condition and reaffirmed the AA rating of "very strong security". One of the reasons was having adequate fund balances in all funds.



**Estimated by Fund of Unspent Revenues From Prior Years
Estimated Fund Balance as of 6/30/16 Total \$98,891,140**



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Prior Year and Proposed Millage Rates for 2015-2016

The required local effort millage rate is set yearly by the Florida Legislature. The discretionary millage rate is at the discretion of the School Board; however, it is capped yearly by the Florida Legislature. The Debt Service voted millage rate is used to pay bonds issued by the District and was approved by the voters of Sarasota County. The capital outlay millage is capped by the Florida Legislature and is at the discretion of the School Board. The voted operating millage rate is used for operating purposes and is approved by the voters of Sarasota County. The supplemental millage is set yearly by the Florida Legislature and was discontinued in 2009-2010.

Fiscal Year	Required Local Effort	Discretionary	Debt Service Voted	Capital	Voted	Supplemental	Total Millage
1969-70		10.690	1.220				11.910
1970-71		10.000	1.050				11.050
1971-72		10.750	1.050				11.800
1972-73		10.850	.900				11.750
1973-74		10.850	.900				11.750
1974-75		7.220	.320				7.540
1975-76		8.000	.48				8.480
1976-77		8.000	.360				8.360
1977-78		8.000	.196				8.196
1978-79		8.000	.145				8.145
1979-80		6.750	.145				6.895
1980-81	4.804	1.454	.115		1.250		7.623
1981-82	4.512	1.130	.089		.851		6.582
1982-83	3.878	.983	.080	1.300			6.241
1983-84	4.400	1.100	.075	1.334			6.909
1984-85	4.473	1.100	.070	1.334			6.977
1985-86	4.286	1.319	.061	1.500			7.166
1986-87	5.218	.819	.054	1.500			7.591
1987-88	5.117	.819	.050	1.500			7.486
1988-89	5.523	.719	.050	1.500			7.792
1989-90	5.808	.719	.040	2.000			8.567
1990-91	5.756	1.019	.040	2.000			8.815
1991-92	6.329	1.019	.037	2.000			9.385
1992-93	6.562	1.019	.037	2.000			9.618
1993-94	6.428	.510		2.000	1.018		9.956
1994-95	5.911	.510		2.000		.116	8.537
1995-96	6.847	.510		2.000		.106	9.463
1996-97	6.483	.510		2.000		.101	9.094
1997-98	6.347	.510		2.000		.090	8.947
1998-99	6.631	.510		2.000		.088	9.229
1999-00	5.945	.510		2.000		.082	8.537
2000-01	5.957	.510		2.000		.077	8.544
2001-02	5.906	.510		2.000		.072	8.488

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Prior Year and proposed millage rates for 2015-2016 - continued

Fiscal Year	Required Local Effort	Discretionary	Debt Service	Capital	Voted	Supplemental	Total Millage
2002-03	5.710	.510		2.000	1.000	.067	9.287
2003-04	5.223	.510		2.000	1.000	.060	8.793
2004-05	4.801	.510		2.000	1.000	.055	8.366
2005-06	4.254	.510		2.000	1.000	.097	7.861
2006-07	3.623	.510		2.000	1.000	.077	7.210
2007-08	3.541	.510		2.000	1.000	.072	7.123
2008-09	3.717	.498		1.750	1.000	.080	7.045
2009-10	4.179	.748		1.500	1.000		7.427
2010-11	4.653	.748		1.500	1.000		7.901
2011-12	4.387	.748		1.500	1.000		7.635
2012-13	4.568	.748		1.500	1.000		7.816
2013-14	4.722	.748		1.500	1.000		7.970
2014-15	4.592	.748		1.500	1.000		7.777
2015-16	4.515	.748		1.500	1.000		7.763

School Board of Sarasota County Taxable Values as of January 1 from 1990 through 2015

Year	Tax Roll	Percentage Increase (Decrease)
1990	\$13,478,732,223	8.10%
1991	\$14,268,694,198	5.86%
1992	\$14,971,351,441	4.92%
1993	\$15,507,492,364	3.58%
1994	\$16,287,281,718	5.03%
1995	\$17,151,435,992	5.31%
1996	\$18,162,519,217	5.90%
1997	\$19,146,803,661	5.42%
1998	\$20,354,551,176	6.31%
1999	\$21,910,287,140	7.64%
2000	\$23,778,791,924	8.53%
2001	\$26,353,336,881	10.83%
2002	\$29,864,864,281	13.32%
2003	\$34,048,249,636	14.01%
2004	\$38,721,183,062	13.72%
2005	\$46,435,842,068	19.92%
2006	\$58,931,736,163	26.91%
2007	\$62,679,914,511	6.36%
2008	\$55,827,860,201	(10.93%)

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School Board of Sarasota County Taxable Values as of January 1 from 1990 through 2015
continued

Year	Tax Roll	Percentage Increase (Decrease)
2009	\$49,204,548,550	(11.86%)
2010	\$44,696,823,802	(9.16%)
2011	\$41,939,538,824	(6.17%)
2012	\$41,751,400,094	(.45%)
2013	\$43,576,145,919	4.37%
2014	\$46,859,575,617	7.53%
2015	\$50,390,251,295	7.53%