

The School Board of Sarasota County, Florida
Target Amount to be Reduced From the 2011-2012 General Fund

Executive Summary

A preliminary range of the amount that needs to be reduced from the 2011-2012 General Fund Budget is outlined in the below tables. One of the major components of the reduction will be the final amount that the Florida Legislature determines for the funding of public education. The Legislative session begins March 8, 2011 and ends May 6, 2011. Currently there appears to be a significant difference in what the public education budget should be. The Governor's budget request of February 7, 2011 reduces public education approximately 10%. Various Legislators have indicated a 10% percent reduction is much greater than what the reduction should be. For this reason the preliminary reduction is based on a minimum and maximum range. The tables below list the components of the range of the reduction. Table 1 is based upon the assumptions that no additional Federal Stimulus funds will be available, the projected local economic impact will reduce the tax roll, there will be anticipated increases in salary and benefit appropriations, and revenue reductions related to declining enrollment.

Table 1 Description	Reduction Amount in Millions
For the fiscal year ended 2010-2011 the General Fund is projected to expend more than available resources. The funding is from one time reserves that are not available in subsequent years.	\$7.5
Loss of the Federal Stabilization Funds that are currently allocated to fund the Florida Education Finance Program and the Work Force Development Funds that are used to fund 274 positions.	\$14.5
Loss of the Federal Stimulus Funds that are currently allocated to fund the Behavior / Intervention teachers and High School career counselors. The funds are used to fund 43 positions and a contract for career counselors.	\$5.3
The tax roll decrease is anticipated to be 5% for next year. This 5% reduction impacts the revenues collected from the voter approved millage of 1 mill.	\$2.1
The group health plan is estimated to increase by 10% effective January 1, 2012.	\$1.4
The yearly contractual salary and step movement including longevity.	\$2.5
Restoration of the workers compensation rate from the current one tenth of a percent to one percent.	\$2.3
Total Reduction before Legislative reductions	\$35.6
Current legislation has the Florida Retirement rate increasing by 1.74% effective July 1, 2011. The amount of a 1.74% increase for the full year would be approximately \$4 million. There is considerable debate and proposed legislation that may impact the current approved rate increase and require employee contributions that would offset the rate change. However in the Governor's budget the employee contributions are deducted from the revenues. For this reason the 1.74% increase is still being used.	\$4.0
The Legislature is not expected to offset the impact of the reduction of the tax roll on the discretionary school tax that is legislatively set at .748 mills.	\$1.6
The state categorical funds and Florida Education Finance Program will at a minimum decrease by the estimated enrollment decline of 849 students. This computation is based upon the Legislature appropriating the same dollar amount per student as in the current fiscal year.	\$3.7
Minimum Reduction needed for 2011-2012	\$44.9

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Table 2 is an estimate as to what the Florida Education Finance Program budget reduction may be when the legislative session ends May 6, 2011. The estimate of the Florida Education Finance Program budget reduction will be added to the reduction in table 1 to forecast a maximum reduction. In the event that the state is able to maintain the same per student state appropriation funding as in 2010-2011, only the minimum amount in Table 1 would need to be reduced. With the forecasted budget short fall between \$3 and \$4 billion for next year it would be very difficult to keep education funding the same as 2010-2011. The education budget is approximately 50% of the state general revenue budget.

Estimated Florida Education Finance Program revenue reduction and computation of the maximum reduction.

Table 2 Description	Reduction Amount in Millions
Minimum Reduction needed for 2011-2012 from Table 1	\$44.9
A \$3 billion shortfall in General Revenue distributed evenly to all agencies would equal a 12% reduction to the education budget. For the K-12 portion of the budget that would equal a \$1 billion reduction. The Sarasota County School Board reduction of the state revenues would be \$6.4 million. A \$4 billion shortfall equals a reduction to the Sarasota County School Board of \$9 million. In order to project the worst case reduction the assumption that is being used is the state General Revenue shortfall will be \$4 billion and will be evenly distributed to all agencies.	\$9.0
Maximum reduction	\$53.9

Amount of reduction after using the Federal Jobs Education Carry Forward Funds, the General Fund Unrestricted Fund Balance in excess of 7.5% of total appropriations for 2011-2012, and the formula reduction of staff based on declining enrollment

Table 3 Description	Minimum Reduction in Millions	Maximum Reduction in Millions
Minimum and Maximum Reductions from the above tables	\$44.9	\$53.9
Less use of Federal Jobs Education Carry Forward Fund	(\$8.0)	(\$8.0)
Less use of Unrestricted Fund Balance above the 7.5%	(\$20.0)	(\$20.0)
Less formula reduction of staff based upon declining enrollment	(\$1.8)	(\$1.8)
Total preliminary amount to be reduced	\$15.1	\$24.1
50% to be reduced in the salary and benefits area	\$7.55	\$12.05
50% to be reduced by staffing reductions etc.	\$7.55	\$12.05

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The fifty percent amount to be reduced by staffing reductions etc. has been allocated based upon the original budget of 2010-2011

Table 4 Area of Responsibility	Minimum Reduction in Millions	Maximum Reduction in Millions
Elementary Schools (The elementary schools represent 30.53% of the budget.)	\$2.31	\$3.68
Middle Schools including Laurel Nokomis and Oak Park South (Percentage of budget is 15.43%)	\$1.17	\$1.86
High Schools including Phoenix, Pineview, and Oak Park (Percentage of budget is 25.23%)	\$1.90	\$3.04
Sarasota Technical Institute (Percentage of budget is 4.25%)	\$.32	\$.51
Instructional Services includes Academic Intervention Programs, less contract for mentoring, TRIAD, Curriculum and Instruction less Instructional Materials, Executive Director of Elementary less Voluntary Pre K, Executive Director of Middle Schools, Executive Director of High Schools less drivers' education, Leadership Development, Professional Development and Evaluation, Pupil Support Services less Medicaid outreach, Research Assessment and Evaluation / school choice less advanced placement. (Percentage of budget is 3.21%)	\$.24	\$.39
Office of Superintendent includes Human Resources and Labor Relations, Communications and Community Relations, School Board, and Legal Services (Percentage of Budget is 1.20%)	\$.09	\$.15
Chief Financial Officer includes Materials Management Department and Finance Department, less state mandated audit. (Percentage of budget is 1.52%)	\$.11	\$.18
School Business Services includes Chief Operating Officer, Facilities Services, less staff and materials funded from the transfer, Information Technology, less staff and materials funded from the transfer, Safety & Security / School Police, less staff and materials funded from the transfer, and Transportation. (Percent of budget is 18.62%)	\$1.41	\$2.24
Total	\$7.55	\$12.05