

The School Board of Sarasota County, Florida  
School Board Workshop November 20, 2012  
General Fund Preliminary 2013-2014 Projected Funding Shortfall Based Upon  
the Commissioner's Budget Request Including the Projected Results of  
Operations for the 2012-2013 Fiscal Year Based upon Results of Operations  
through October 31, 2012

Executive Summary

The General Fund has been updated based upon the results of operations through October 31, 2012. The Commissioner's budget request for 2013-2014 provides for no cost of living increase in the base student allocation, keeps the millage rates the same as the current year, assumes a tax roll growth state wide of .75%, we are factoring in a tax roll growth of 1%. The only funding increase is for internet bandwidth access and technological tools. The student enrollment is projected to increase 500 students with 700 additional for charters and 200 less in our district schools. Appropriations have been increased for the internet bandwidth access and technological tools. Estimated appropriations for the 2013-2014 fiscal year have been computed with no salary increases, elimination of the non recurring bonus, a 1% increase on non salary line items, approximately 700 additional students being served by charter schools, a 4% group insurance increase, and the retirement increase adopted in House Bill 5005 of 1.53% effective July 1 2013.

In summary the Commissioner's budget request has the impact of reducing the estimated ending unassigned fund balance as of 6/30/14 to \$27,138,789 or 7.11%. In order to have a fund balance of 7.5% appropriations will need to be reduced \$1,499,931 or revenues increased by \$1,499,931. 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.

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	Commissioner's Budget 2013-2014	Increase (Decrease)
Federal Direct – Medicaid and ROTC reimbursements. These may change in 2013-2014 based upon Federal Legislation.	\$2,714,090	\$2,714,090	\$0
State – The components of the Florida Education Finance Program have been adjusted for a student enrollment growth of 500 students. The base student allocation remains at \$3,582.98. The majority of the increase is from the funding additions of internet bandwidth access and technology tools.	\$76,306,424	\$80,370,504	\$4,064,080
Local – The majority of the increase is related to forecasting the tax roll will increase by one percent as of January 2013.	\$262,136,195	\$265,187,314	\$3,051,119
Transfer In – No change in the transfer from capital is currently estimated.	\$20,135,818	\$20,135,818	\$0
<b>Total Estimated Revenues and Transfers In</b>	<b>\$361,292,527</b>	<b>\$368,407,726</b>	<b>\$7,115,199</b>

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Appropriations by Object

Account Description	Projected Actual 2012-2013	Commissioner's Budget 2013-2014	Increase (Decrease)
Salaries – The decrease in salaries is due to the reduction of 10 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.	\$228,487,386	\$223,840,745	(\$4,646,641)
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, and a 2% increase in cafeteria plan benefits effective 7/1/13.	\$60,258,901	\$63,821,113	\$3,562,212
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, and increasing the internet bandwidth appropriation by the additional amount funded in the Commissioners request.	\$59,971,322	\$67,997,035	\$8,025,713
Energy Services – The increase is related to applying a 1% increase to all energy services.	\$11,520,189	\$11,635,390	\$115,201
Materials and Supplies - The increase is related to applying a 1% increase to all materials and supply line items.	\$10,622,046	\$10,728,266	\$106,220
Capital Outlay – The increase is related to the Commissioner's budget request increasing funding for technology tools and a 1% increase applied to all the other line items in capital outlay.	\$1,868,058	\$2,673,196	\$805,138

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Appropriations by object – continued

Account Description	Projected Actual 2012-2013	Commissioner's Budget 2013-2014	Increase (Decrease)
Other Expenses - The increase is related to applying a 1% increase to all other expense line items.	\$597,590	\$603,566	\$5,976
Transfers Out – The transfers out are to the self insurance fund for auto liability and general liability. Currently no change is estimated.	\$550,279	\$550,279	\$0
<b>Total Appropriations by Object</b>	<b>\$373,875,771</b>	<b>\$381,849,590</b>	<b>\$7,973,819</b>

Gross Fund Balance Changes

Account Description	Projected Actual 2012-2013	Commissioner's Budget 2013-2014	Increase (Decrease)
Beginning Gross Fund Balance	\$63,999,318	\$51,416,074	(\$12,583,245)
Total Estimated Revenues and Transfers In	\$361,292,527	\$368,407,726	\$7,115,199
Total Appropriations by Object	\$373,875,771	\$381,849,590	\$7,973,819
Ending Gross Fund Balance	\$51,416,074	\$37,974,210	(\$13,441,864)

Composition of Ending Gross Fund Balance

Account Description	Projected Actual 2012-2013	Commissioner'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	\$39,834,809 10.65%	\$27,138,789 7.11%
<b>Total Ending Gross Fund Balance</b>	<b>\$51,416,074</b>	<b>\$37,974,210</b>

Note in order to have a 7.5% unassigned fund balance appropriations need to be reduced \$1,499,931 or revenues enhanced.

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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

Any other programs or services that the School Board would like cost information on.