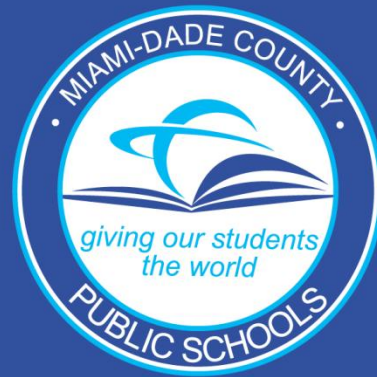


# School Budget Town Hall Meeting

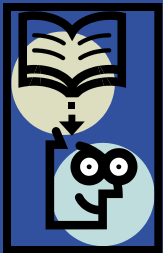


Miami-Dade County Public Schools

# Education Funding



# M-DCPS Revenue



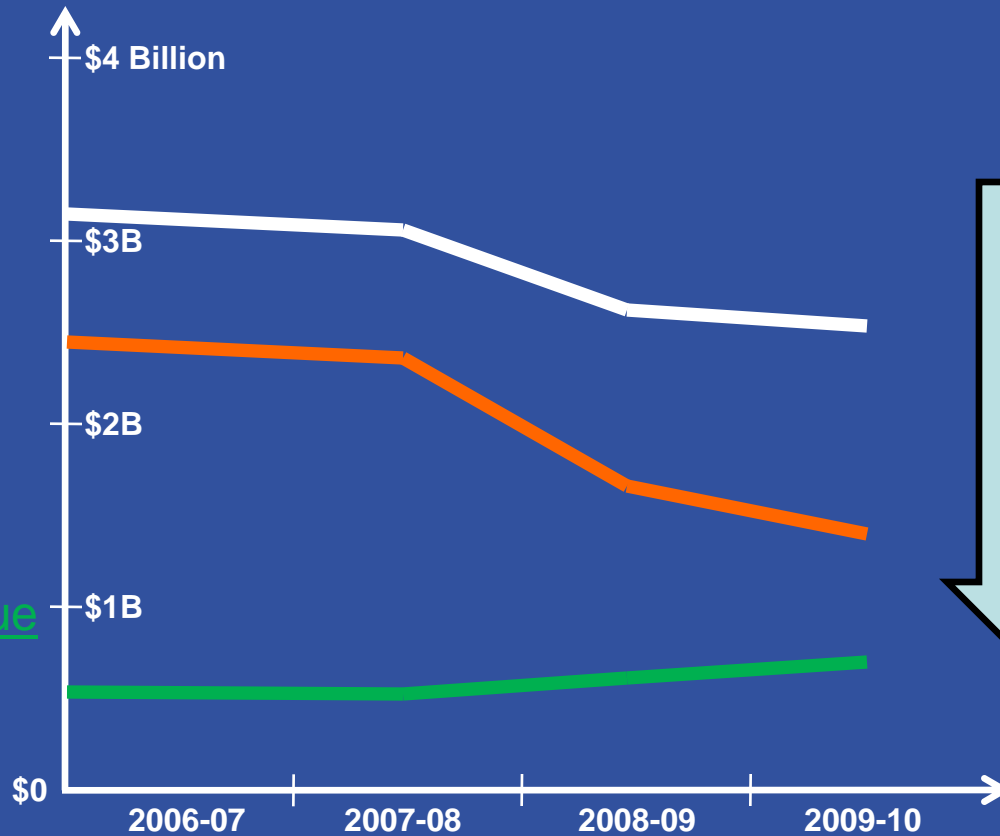
General Fund  
Pays for salaries  
and other  
operating costs



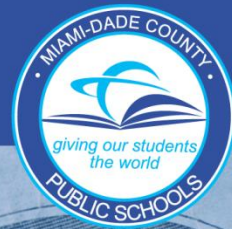
Capital & Debt  
Pays for building  
and maintaining  
our schools



Special Revenue  
Grants, stimulus  
and other non-  
standard funds



In total,  
M-DCPS  
revenue  
is **down**  
**\$1.2B**  
from 3  
years  
ago



# Agenda

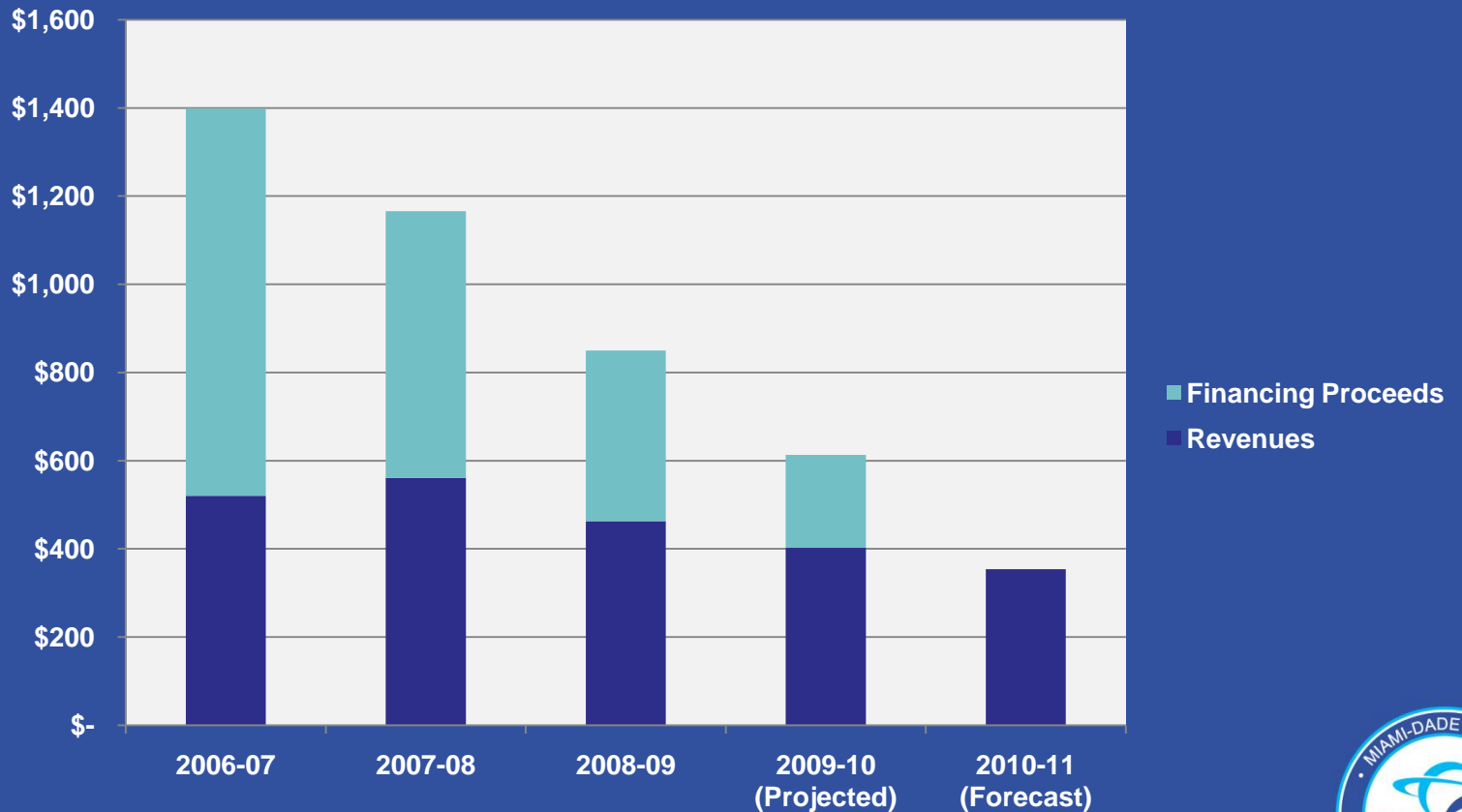
Capital  
Program  
Outlook

General  
Fund  
Trends

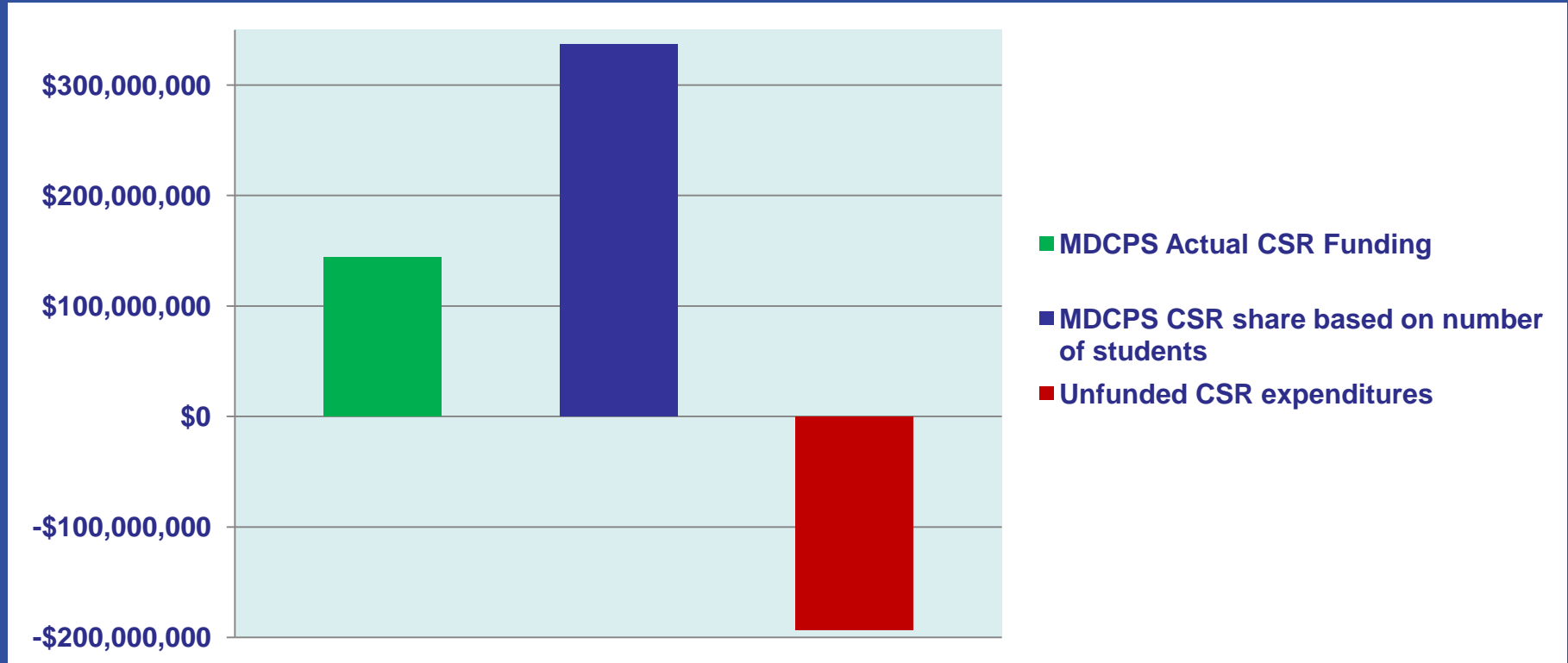
Legislative  
& Revenue  
Outlook



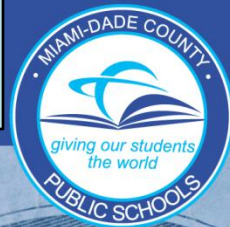
# 5-Year Capital Revenue & Financing Trend 2006-07 to 2010-11



# Inequity of State Class Size Reduction Funding



**Bottom line:** Although M-DCPS constitutes 13.1% of the State, the District has only received 5.6% of the Class Size Reduction revenue. This inequity has forced the District to leverage its Local Capital Tax Revenue on meeting this mandate, a major contributing factor to the Capital Crunch we now face.



# Revised Projected Capital (Tax) Revenue Outlook 2010-2011

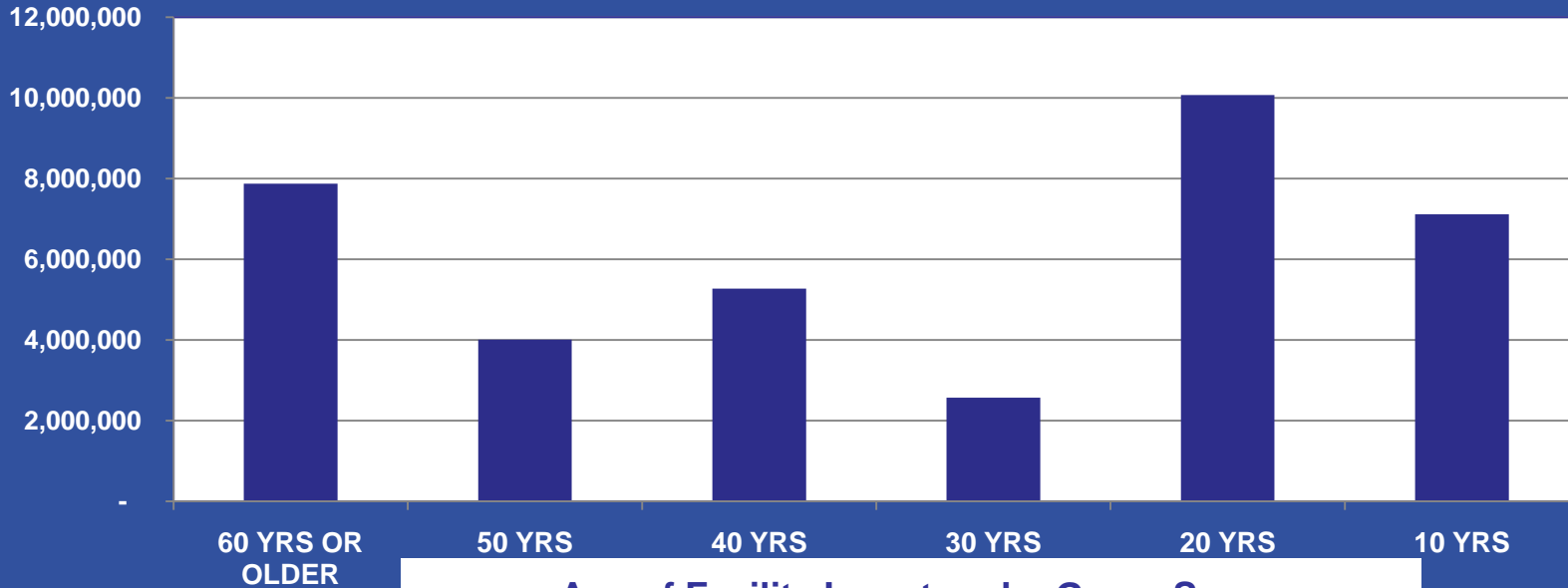
	2009-10 (Baseline)	2010-11 (As of Sept 2009)	2010-11 (As of Nov 30, 2009*)
<b>Property Value % Change</b>	<b>-8.85%</b>	<b>-7.27%</b>	<b>-14.70%</b>
<b>Revenue @ 1.70 Mills</b>	<b>379</b>	<b>352</b>	<b>324</b>
<b>Total Debt Service</b>	<b>228</b>	<b>243</b>	<b>243</b>
<b>Available Before Transfers</b>	<b>151</b>	<b>109</b>	<b>81</b>
<b>% Applied to Debt Service</b>	<b>60%</b>	<b>69%</b>	<b>75%</b>

\* State Ad Valorem Estimating Conference held 11-30-2009; Through FY 2014/15 State projection estimate a (10.2%) decrease from the FY 2009/10 baseline property valuation.

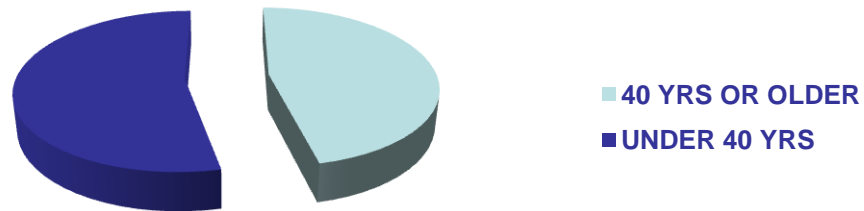


# Age of Existing Facilities

Gross Square Footage



Age of Facility Inventory by Gross Square Footage - Under 40 yrs vs. 40 yrs or older



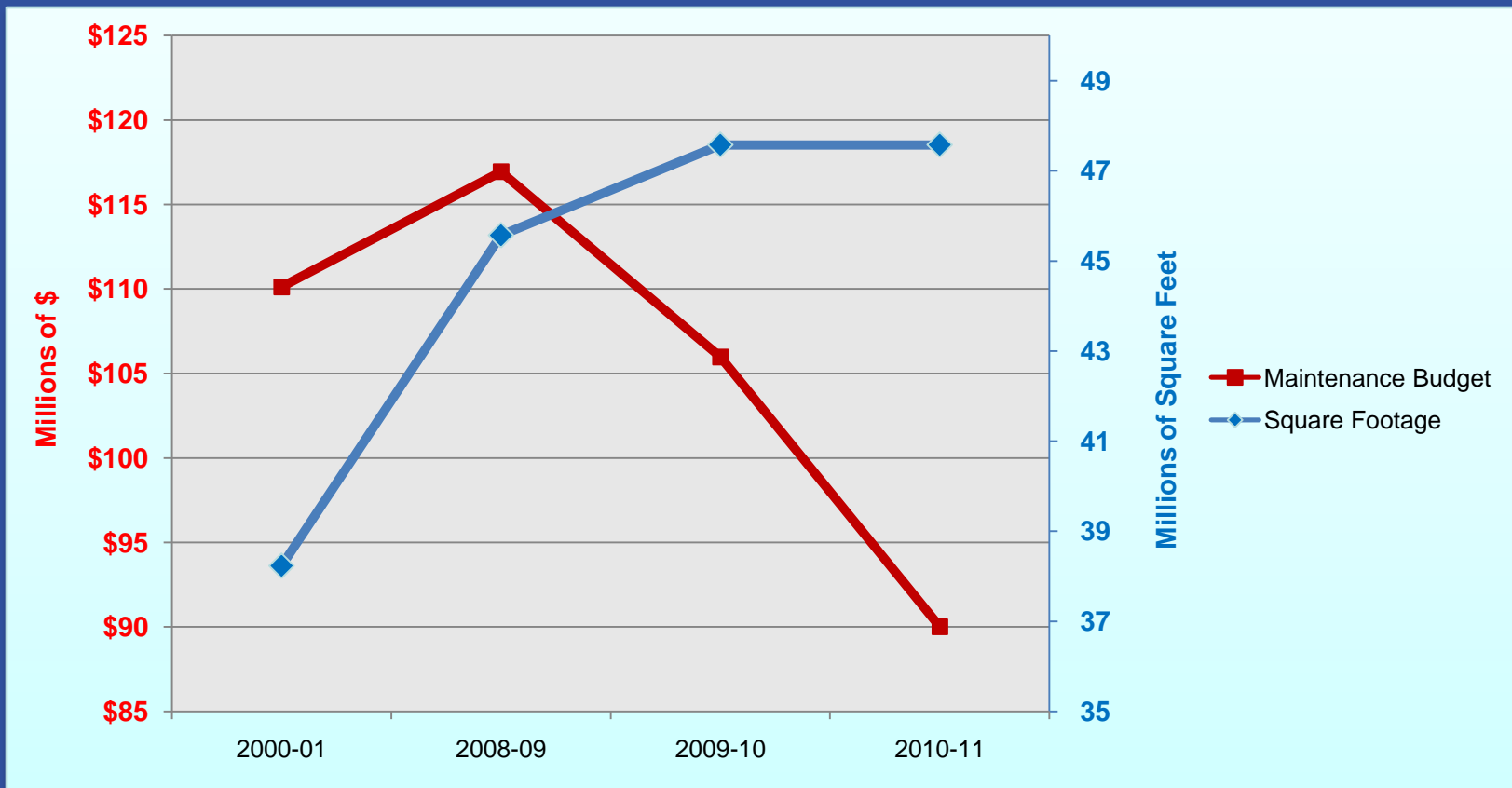


# Facilities Maintenance Allocation vs. Physical Plant 10 Year Trend

FISCAL YEAR	DISTRICT OPERATIONAL AREA (SQ.FT.)	% CHANGE (FROM 00-01 BASELINE)	MAINTENANCE BUDGET	% CHANGE (FROM 00-01 BASELINE)	DEFERRED MAINTENANCE BACKLOG
<b>2000-01 (Baseline)</b>	<b>38,235,494</b>	<b>0.00%</b>	<b>\$110,128,930</b>	<b>0.00%</b>	<b>\$900,000,000</b>
<b>2008-09</b>	<b>45,568,212</b>	<b>+19%</b>	<b>\$ 116,944,314</b>	<b>+6%</b>	<b>\$2,000,000,000</b>
<b>2009-10</b>	<b>47,574,498</b>	<b>+24%</b>	<b>\$ 105,982,706</b>	<b>-4%</b>	<b>\$2,150,000,000</b>
<b>2010-11 (Projected)</b>	<b>Assumes no appreciable change</b>	<b>+24%</b>	<b>\$ 90,020,000</b>	<b>-18%</b>	<b>Assumes no appreciable change</b>



# Facilities Maintenance Allocation vs. Physical Plant 10 Year Trend



Capital  
Program  
Outlook

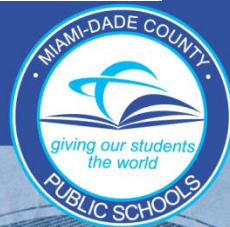
General  
Fund  
Trends

Legislative  
& Revenue  
Outlook

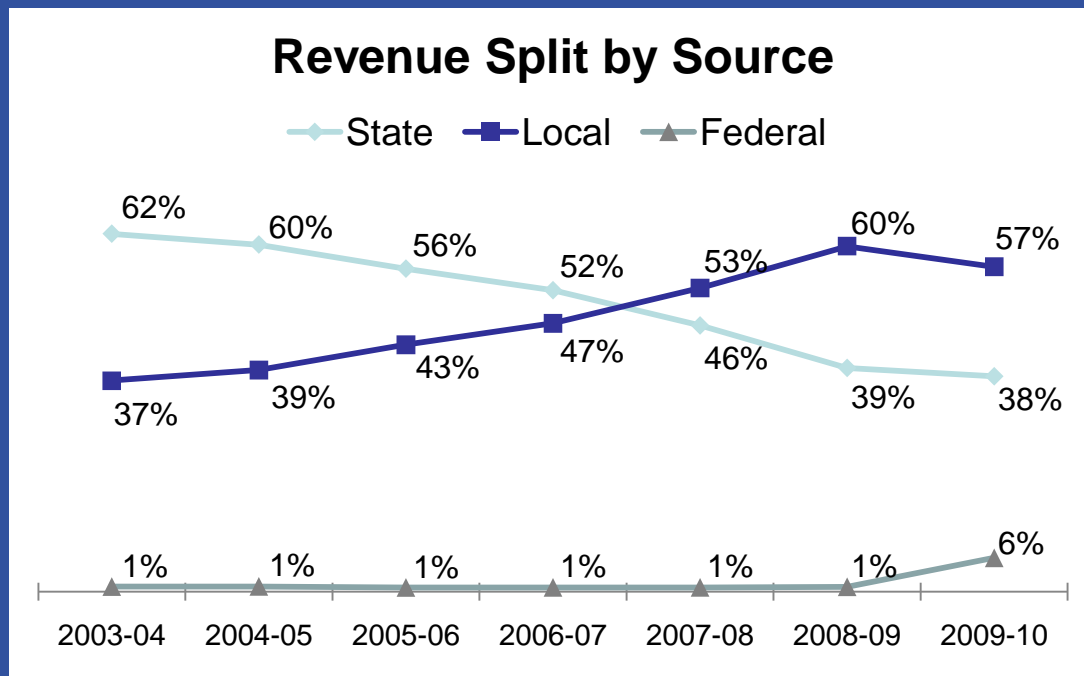


# M-DCPS & General Fund At-a-Glance

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Enrollment	349,849	344,728	341,425	341,243	347,894
Charter Schools	19,065	21,659	23,825	30,800	37,100
Full-Time Employees (GF & Stabilization Only)	37,257	37,794	35,034	32,946	?
State Revenue	\$ 1,392,873,942	\$ 1,287,430,007	\$ 1,020,867,894	\$ 951,032,325	?
Property Tax/Tax Redemptions	1,153,559,716	1,301,705,593	1,408,524,892	1,352,084,057	?
Other	485,263,769	445,942,817	329,022,845	488,064,865	?
<b>Total Revenue</b>	<b>\$ 3,031,697,427</b>	<b>\$ 3,035,078,417</b>	<b>\$ 2,758,415,631</b>	<b>\$ 2,791,181,247</b>	
Salaries/Benefits	\$ 2,386,706,970	\$ 2,471,551,706	\$ 2,238,016,814	\$ 2,218,855,570	?
Charter School Payments	115,987,141	144,944,601	156,870,572	196,141,860	?
Unreserved/Undesignated Fund Balance	40,614,451	5,935,523	58,135,785	76,268,143	?
Other	488,388,865	412,646,587	305,392,460	299,915,674	?
<b>Total Expenditures &amp; Ending Fund Balance</b>	<b>\$ 3,031,697,427</b>	<b>\$ 3,035,078,417</b>	<b>\$ 2,758,415,631</b>	<b>\$ 2,791,181,247</b>	



# General Fund Revenue Trends

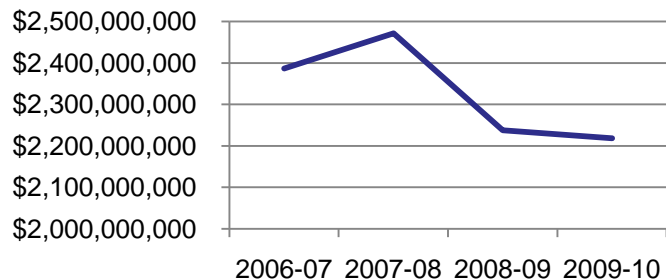


**Bottom line:** As shown on an earlier slide, the State has systematically cut almost half a billion dollars from its portion of revenue to M-DCPS. To fill that hole it relied heavily on local property taxes, and is now partially relying on Federal Stimulus dollars.

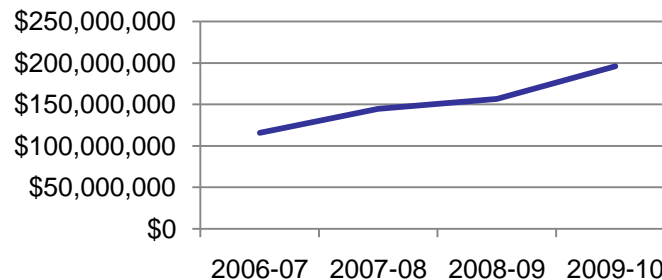


# Expenditure Trends

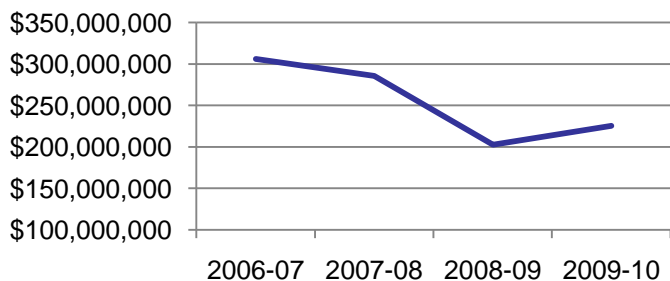
## Salaries/Benefits



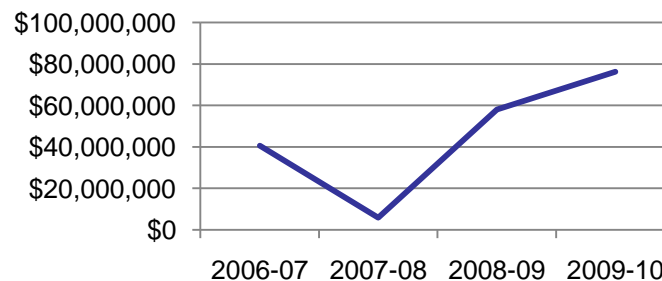
## Charter Schools



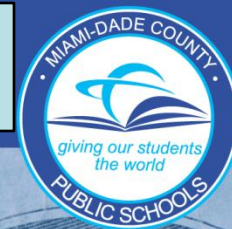
## Non-Salary



## Contingency Fund



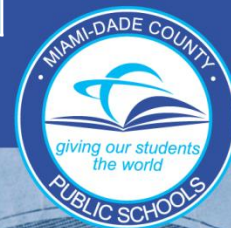
**Bottom line:** As Salary and Non-Salary expenditures have been drastically cut, required payments to charter schools and undesignated reserves have increased.



# Revenue & Expenditure Changes 2009-10 vs. 2010-11

REVENUES	
State Revenue (FEFP/Categoricals)	↓
Property Taxes	↓
Stimulus Funds	↔
Capital Outlay Transfer	↓
Net Revenue Decrease (estimated)	\$(80M – 150M)

COST INCREASES	
Charter School Payments (net of reduced costs)	↑ \$ 20M
Class Size Reduction (from school to class level)	↑ \$ 97M
Textbook Categorical Flexibility	↑ \$ 20M
Net Expenditure Increase	\$ 40M – 200M



Capital  
Program  
Outlook

General  
Fund  
Trends

Legislative  
& Revenue  
Outlook





# Major Legislative Issues

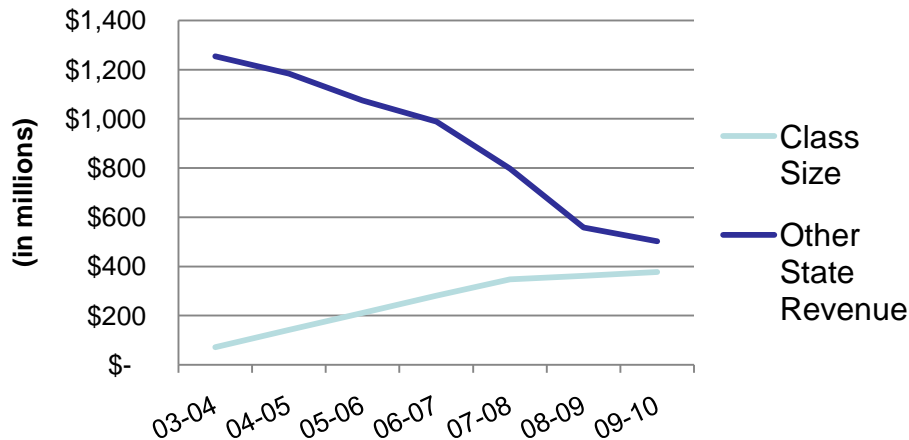
- Class Size limits
  - Constitutional amendment modification
  - Maximum statutory flexibility for 2010-11
- Funding
  - State revenue
  - Local revenue
- Capital budget



# Class Size

## Fully Funded?

### Revenue – State Portion



**Bottom line:** The State has provided \$ to meet class size, but simultaneously cut other funding by more than double.

## Where We Stand

- M-DCPS fully complies with class size on school-wide average
- Additional cost of moving to class-level compliance is \$97M
- SB 2 & HB 7039 moving in legislative process



# State Revenue

	<u>2003-04</u>	<u>2009-10</u>
Base Student Allocation	\$ 3,630.03	\$ 3,630.62

The BSA has increased 59 cents in six years!

- State is facing projected deficit between \$1.1B - \$3.2B

## House



Considering 15% cut to K-12 Education (~ \$150M to M-DCPS)

## Senate

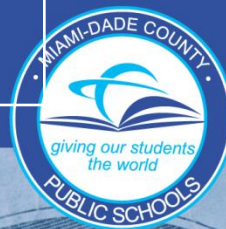


Have not yet held a public conversation on the issue

## Governor



Overly optimistic budget being discounted by legislature



# Property Values

2008-09



Tax Roll: \$258 billion

2009-10



\$235 billion  
*9% drop*

2010-11



\$200 billion  
*15% drop*

Without State action, districts would have to fully absorb the loss in revenue (~ \$190M for M-DCPS)

# Doing More With Less...

## What We Faced

Revenue



- Worst economic crisis since Great Depression
- Over \$1B less than in 2006-07
- Historic drop in property values and tax roll
- District on financial brink with no reserves
- First multi-year drop in enrollment in District's history
- Inadequate funding of class size law
- Multiple mid-year state holdbacks
- Skyrocketing cost of health insurance
- Open union issues

## How We Responded


Efficiency



- Health Care: turned \$73M increase to \$4M decrease
- Reserves: increased by 1,800%
- ERP: brought in-house and successful launch
- Salaries: settled for fraction of liability, and 99.7% of employees have signed contracts
- Administrative Costs: transformed central office and shortened work year
- Value-Based Budgets: provided honesty & transparency in process, and led with guiding principles



# Doing Better With Less



## Student Achievement

- M-DCPS students outperformed peers in major U.S. urban cities on NAEP math exam. Our Hispanic students scores significantly higher than their national counterparts.
- Over half (205) of the District's schools earned an "A"
- 90% of schools earned an "A", "B" or "C"
- Large drop in "C" and below schools
- Large improvement in closing the achievement gap in both Reading & Math at almost all grade levels
- 80 schools improved by one letter grade
- For the first time, over half the District's students passed the Reading portion of the FCAT on their first attempt
- Among the highest Hispanic passing rate on Advanced Placement exams in the nation



We have been challenged...  
we have responded.

Are we going to let these latest  
challenges outside our control  
tear down the foundation we  
have fought so hard to build?



# School Budget Town Hall Meeting



Miami-Dade County Public Schools