

FY2012-13 TENTATIVE BUDGET

Volusia County School Board
DeLand Administrative Center
July 24, 2012

Budget Calendar

April 24

General Fund Budget Workshop

April 27

School Staffing Distribution

May 22

Capital Budget Presentation

June 26

General Budget Update

June 26

Approval to Advertise the Tentative Budget and Millage Rates for 2012-13

June 27

Property Appraiser certifies tax roll to the Department of Revenue

July 13

Department of Revenue certifies taxable value to the Commissioner of Education

July 18

Department of Education (DOE) computes required local effort millage and certifies rate to each school district

July 21 or 22

TRIM* Advertisement appears in newspaper

July 24

Public Hearing and Adoption of Tentative Budget

Sept. 11

Public Hearing and Adoption of Final Budget

* Truth in Millage (TRIM)

DEFINING THE TERMS

WHAT IS A MILL?

A “Mill” represents one thousandth of a dollar

According to the Florida Department of Revenue, “tax rate (millage)” is set by the taxing authority for the governmental unit within which the property is located.*



* State → Required Local Effort Millage; Prior Period Adjustment Millage
Local School Board → Discretionary; Critical Needs; Capital Millages

WHAT IS REQUIRED LOCAL EFFORT (RLE)?

The RLE is a property tax that the state requires local school boards to impose to fund their schools.*

WHAT IS THE ROLLED BACK RATE?

The rolled back rate is a calculated rate used by the governing entity that generates the same revenue as the previous year.

* In accordance with S.12 Article VII State Constitution and 1011.71 and 1011.62(13) F.S.

MILLAGE IMPACT

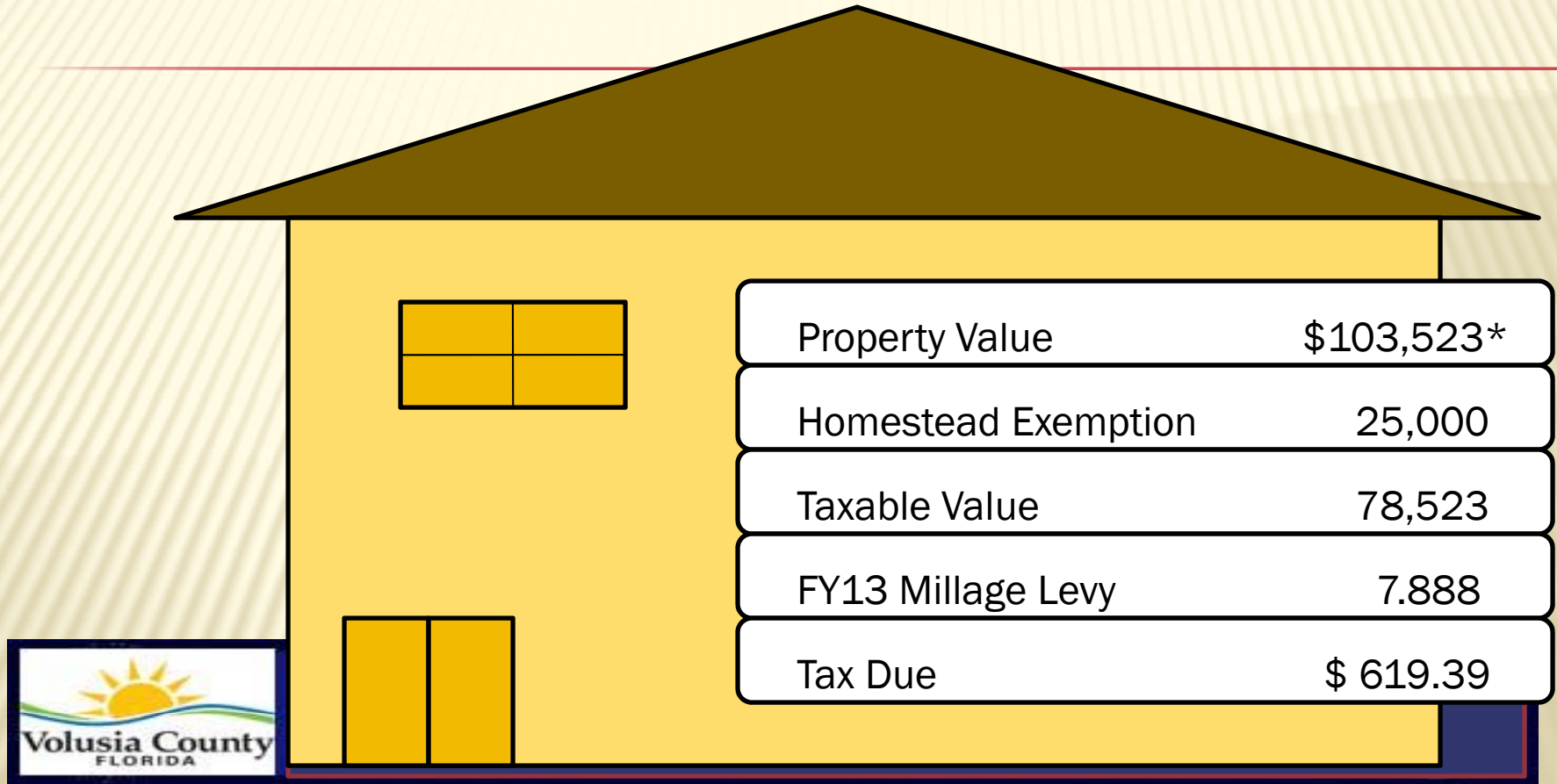
TAX INCREASE OVER ROLLED-BACK RATE

- × The rolled-back rate of **8.2131** mills is the property tax levy that will, after the value of new construction is deducted, produce the same amount of revenue as the previous year.
- × The proposed rate of **7.888** is **3.96%** lower than the rolled back rate, therefore this is advertised as an ad valorem (tax) decrease.

MILLAGE LEVY COMPARISON

	<u>FY10 Actual</u>	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>TAXING AUTHORITY</u>	
					State	Local School Board
Required Local Effort	5.307	5.698	5.551	5.368	✓	
Prior Period Adjustment Funding Millage		0.041	0.014	.022	✓	
Discretionary Operating Millage	0.748	0.748	0.748	0.748		✓
Additional Discretionary Millage	0.000	0.000	0.000	0.000		N/A
Critical Operating Needs-0.25 Special Option	0.250	0.250	0.250	0.250		✓
Discretionary Local Capital Improvement	1.500	1.500	1.500	1.500		✓
Debt Service	0.000	0.000	0.000	0.000		N/A
TOTAL	7.805	8.237	8.063	7.888		

FY13 PROPERTY TAX CALCULATION BASED ON 7.888 MILLS




* Average as reported by Volusia County Property Appraiser

FY 2013 BUDGET

FY13 OPERATING BUDGET TAXING AUTHORITY

Certified Tax Roll:	\$ 26,524,504,827
Adjustment Factor:	0.00096

	Non-Discretionary	 Board Authority
Required Local Effort Millage	5.368	
Total Required Local Effort Revenue	\$ 136,688,200	
Prior Period Funding Adjustment Millage	0.022	
Total Prior Period Funding Adjustment Revenue	\$ 560,198	
Discretionary Operating Millage		0.748
Total Discretionary Millage Revenue		\$ 19,046,716
Critical Operating Needs Millage		0.25
Total Critical Operating Needs Revenue		\$ 6,365,881
TOTALS	\$ 137,248,398	\$ 25,412,597

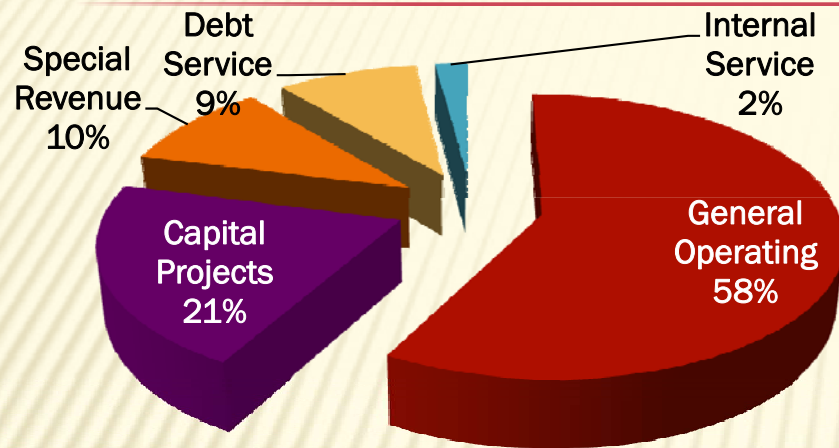
DISTRICT SUMMARY BUDGET

FUND	FY 12 ADOPTED	FY 13 TENTATIVE
General Fund	\$467,222,800	\$456,323,182
Debt Service Funds	71,230,649	74,537,497
Capital Outlay Funds	163,841,487	134,504,432
Special Revenue - School Way Café	34,005,490	33,995,771
Special Revenue – ARRA*	788,956	0
Special Revenue – “Race to the Top”	10,745,999	7,006,566
Special Revenue – Title I, IDEA**, Other	43,362,643	42,931,927
Internal Service Funds (Self-Insured Programs)	14,173,975	14,669,052
TOTAL DISTRICT	\$805,372,000	\$763,968,427

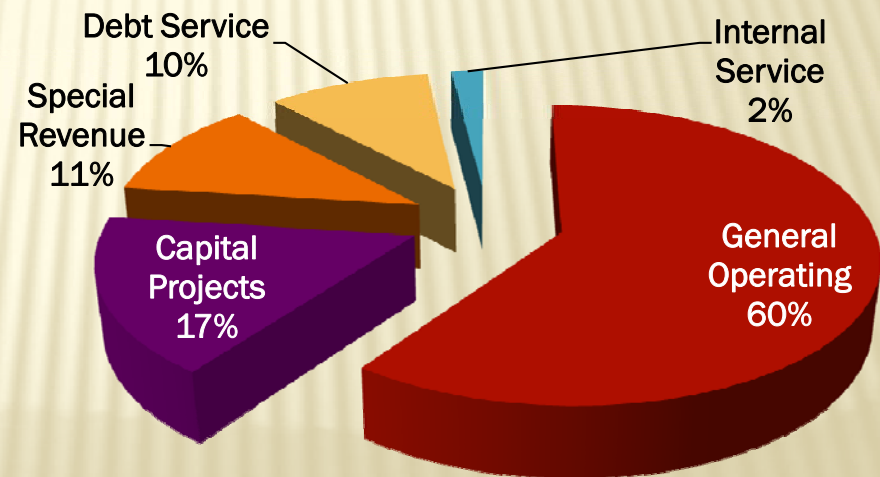
* American Recovery and Reinvestment Act

** Individuals with Disabilities Education Act

DISTRICT SUMMARY BUDGET



2011-12



2012-13

GOVERNMENT ACCOUNTING STANDARDS BOARD

(GASB) 54 FUND BALANCE DEFINITIONS

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are expected to be converted to cash or they are legally or contractually required to remain intact.

GASB 54 has provided a hierarchy of Spendable fund balances, based on a hierarchy of spending constraints.

- × Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- × Committed: fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- × Assigned: fund balances that contain self imposed constraints of the government to be used for a particular purpose.
- × Unassigned: fund balance of the general fund that is not considered for any particular purpose.

6 YEARS OF FTE MEASURES TAKEN

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Preliminary)	TOTALS
Teachers	34.0	383.0	180.1	90.9	29.6	247.6	965.2
Teachers on Assignment			9.0		1.9		10.9
Paraprofessionals	175.1	35.0	49.8	21.6	(6.2)	17.1	292.4
Campus Advisors	12.0	(4.0)			3.0		11.0
Clerical		26.0	11.1		8.3	21.2	66.6
Custodial		26.8	2.0		(2.4)	23.0	49.4
Assistant Principals	10.0		13.0		(1.0)		22.0
Principals			2.0		1.0		3.0
Central Office	19.1	192.6	54.4	139.5	37.0	45.8	488.4
Total FTE* Personnel Reductions	250.2	659.4	321.4	252.0	71.2	354.7	1,908.9

* Full Time Equivalent

TENTATIVE RECONCILIATION (REVISED)

	In Millions
BUDGET SHORTFALL – April 27th	\$(19,191,912)
ADDITIONAL COST INCREASES:	
Increase in Burns Science and Technology Enrollment to 380 students	380,912
Increase in Ivy Hawn Enrollment to 340 students	156,504
TOTAL ADDITIONAL COST INCREASES	537,416
ADJUSTED DEFICIT	\$(19,729,328)
MEASURES TAKEN:	
Alternative Education Position Savings	47,142
Assigned Balances	2,500,000
Central Office 3% Position Goal	1,124,253
Central Office-Additional Savings	865,000
Class size formula adjustments (Net of \$2.5 million for addressing compliance interventions)	10,378,250
Clerical Reduction	467,790
Custodial Reduction	676,538
FTE Fluctuation	500,000
Retirement Savings	420,355
Unassigned Balance Projected for 2012 (above the 5% Board Policy)	2,750,000
TOTAL MEASURES TAKEN:	\$19,729,328
BALANCE – As reported at School Board Meeting of June 26, 2012	\$0

GENERAL OPERATING BUDGET

Revenues	FY12 Adopted Budget	FY13 Tentative Budget
Total Revenues	\$ 385,230,237	\$ 397,548,923
Transfers from Capital & Non-Rev. Receipts	17,507,250	15,507,250
Beginning Fund Balance:		
Nonspendable Fund Balance	1,388,556	1,361,758
Restricted Fund Balance	2,321,758	2,606,818
Committed Fund Balance	—	5,410,429
Assigned Fund Balance	11,542,671	10,805,450
Unassigned Fund Balance	49,232,328	23,082,554
Total Reserves & Beginning Fund Balance	\$ 64,485,313	\$ 43,267,009
Total Revenues, Transfers, & Beginning Fund Balance	\$467,222,800	\$456,323,182

GENERAL OPERATING BUDGET

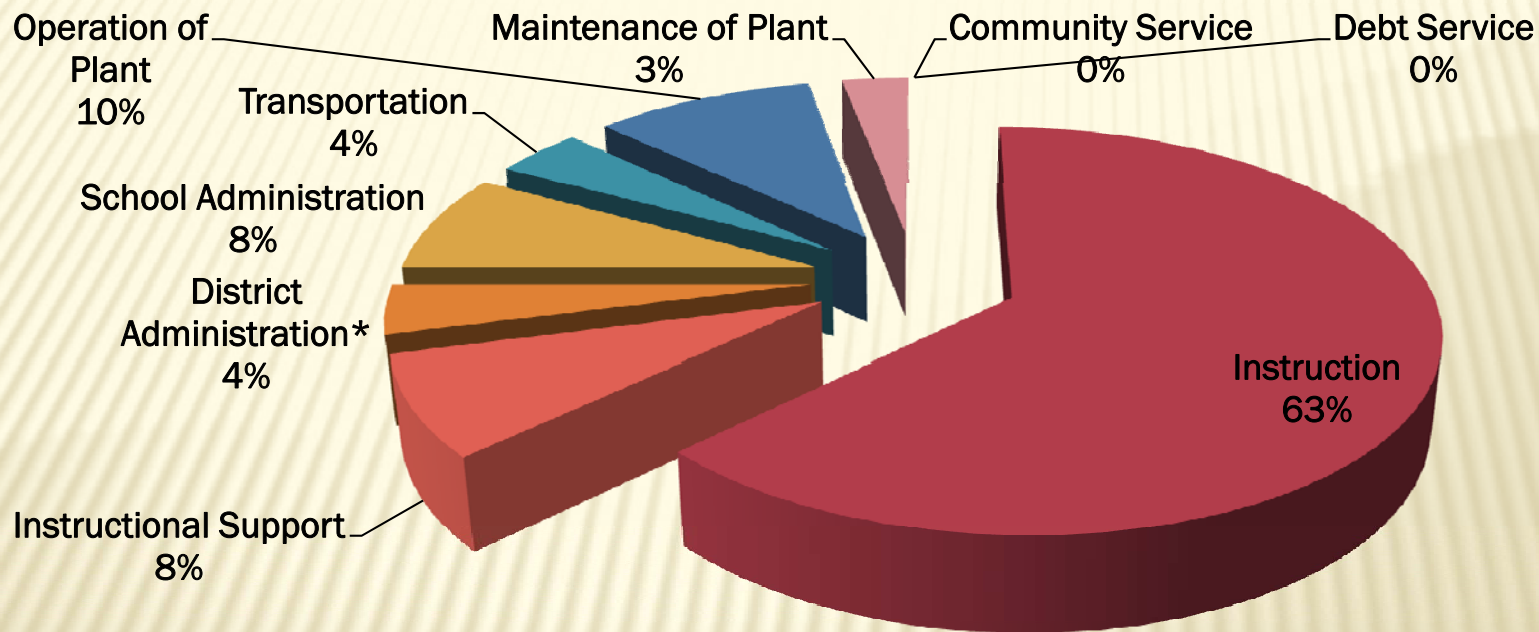
Appropriations	FY12 Adopted Budget	FY13 Tentative Budget
Total Appropriations	\$ 443,325,650	\$ 433,536,618
Ending Fund Balance:		
Nonspendable Fund Balance	1,388,556	1,361,758
Restricted Fund Balance	—	—
Assigned Fund Balance	—	—
Committed Fund Balance	—	—
Unassigned Fund Balance	22,508,594	21,424,806
Total Ending Fund Balance	\$ 23,897,150	\$ 22,786,564
Total Appropriations & Ending Fund Balance	\$467,222,800	\$456,323,182

GENERAL OPERATING APPROPRIATION SUMMARY

	FY12 Adopted Budget	FY13 Tentative Budget
Instruction	\$280,594,373	\$272,640,860
Instructional Support	34,631,898	33,203,688
District Administration*	17,778,948	18,583,866
School Administration	32,207,477	32,783,031
Transportation	17,533,674	17,313,985
Operation of Plant	44,308,652	41,990,494
Maintenance of Plant	14,751,277	15,075,915
Community Service	1,519,351	1,944,779
Debt Service		
TOTAL APPROPRIATIONS	\$443,325,650	\$433,536,618

*District Administration includes the School Board, General Administration, Facilities, Fiscal Services, Central Services, and Administrative Technology Services

FY13 APPROPRIATIONS BY FUNCTION



*District Administration includes the School Board, General Administration, Facilities, Fiscal Services, Central Services, and Administrative Technology Services

BUDGET CONCERNS FOR 2013

1. Possible Increased Pension Contribution (Florida Retirement System Litigation)
2. Possible Statewide ProRation
3. Weak Local Economy
4. State Economic Forecasts
5. Routine Operational Increases
6. Class Size Compliance
7. Expiration of .25 Critical Needs Ad Valorem Assessment

BUDGET CONCERNS FOR 2014

1. Budget Impact of Class Size Compliance
2. The Use of Non-Recurring Revenues and Fund Balances for Recurring Budget Costs.
3. Expiration of the 0.25 Critical Needs Millage
4. Budget Impact of the Supreme Court Potentially in Agreement with the Circuit Court Ruling of HB 5005 - 3% Employee Retirement Contribution
5. Impact of Teacher Performance Pay – SB 736

BUDGET CONCERNS FOR 2014 (CONTINUED)

6. The possible addition of new charter schools
7. Impact of the Patient Affordability Health Care Act
8. Possible decline of taxable property value
9. Possibility of Lower Student Enrollment due to local economic conditions
10. Report of Office of Economic and Demographic Research forecast of continued slow economic recovery from the Great Recession (July 2012)