

AGENDA
SCHOOL BOARD OF SANTA ROSA COUNTY
WORKSHOP
June 16, 2022-11:00 AM

Items for Review and Discussion

The School Board of Santa Rosa County met in session with the following members present: Mrs. Wei Ueberschaer, Chairperson; Mrs. Linda Sanborn, Vice-Chairperson; Mrs. Elizabeth Hewey, and Mr. Charles Elliott. Mrs. Carol Boston was absent as she was out of town.

Also present were School Board Attorney, Terry Harmon; and Dr. Karen Barber, Superintendent of Schools and Secretary.

A. Pre-Budget Workshop Final 2022

For a complete word for word transcript, please see the video. The following has been condensed.

Board Chairperson, Wei Ueberschaer noted that no action will be taken during the workshop.

Susan McCole, Assistant Superintendent for Finance, came forward to present information on the process of how the budget is prepared.

The first part is how the budget is put together:

- Use 1st FEFP calculation (conference report) to set up revenues and categorical projects*
- Estimate school-based budgets*
- Develop office budgets*
- Enter new projects*
- Estimate utilities*
- Estimate salaries and benefits*
- Enter contract projects (ESE, High Road, OT/PT, etc.)*
- Enter district projects (projects that have been approved by the board)*
- Estimate health insurance*
- Estimate other costs (state mandates, FRS, terminal leave)*
- Enter federal, state, local and other funding sources*
- Estimate fund balance*

School Based Budgets

- Balances from the prior year are rolled forward. Schools start the new year with those balances*
- School based budgets are based on the October FTE/enrollment. Once the October FTE is verified by the state the budget forms are sent out to the schools. This occurs in late October/early November*
- Allocations to the schools are based on two criteria: type of school*

- (elementary, etc.) and size of school
- An electronic budget form is created for each individual school with appropriate information for their school. The schools distribute the funds to the function and objects they desire
- Completed forms are sent back to finance to be entered in the Focus system
- As required by Florida Statute 1008.365, the budget for each school is to be discussed with and approved by their School Advisory Committee

Departmental Budgets

- Budget sheets are distributed in early May for district office budgets and any additional projects for which Directors/Coordinators are responsible
- Allocations for the operation of a department are the same amount as the current year minus any funds that carried forward (due to encumbrances)
- The budget sheets are sent back to finance to be entered into the new budget year
- Any requests for increases are noted on the sheets with an explanation as to the reason. Increases are normally due to contract or material cost changes

Additional Budget Development

- Staffing Plan
- Estimates for utilities expenses
- Estimate for health insurance
- Estimates for other costs (FRS, and other state mandates are estimated based on the wording of legislation, one of those is the minimum wage increase to \$15/hr. which is effective for school districts by October 2022)
- Costs for contract projects
- State funds
- Revenues
- Calculation of carry forward fund balance
- Estimated Fund Balance for New Year
- Debt Service
- Capital Outlay Projects
- Federal Projects
- All budget requests, state funds, projected salaries, revenue, etc. are entered into the system
- Any balances from projects that don't end on June 30 as well as funds that are obligated toward a purchase commitment that has not been fulfilled are carried forward
- The process of all the new numbers merging with carry forward balances is referred to as roll over. When complete, we have a new year budget!

Truth in Millage Compliance (TRIM)

- July 1: Property Appraiser delivers the Certification of Taxable Value. This becomes day 1 for TRIM Compliance
- July 18: Deadline for DOE (Department of Education) to provide 2nd

FEFP calculation. This calculation always provides the millage certification needed to complete the Proposed/Tentative Budget. The Proposed/Tentative Budget cannot be completed until this updated calculation is received which causes a tight time frame

Mrs. Hewey asked if we are ahead or behind from the calculations that the county has given from the taxes collected.

Ms. McCole stated that we are on track with the calculations which is calculated at 96% collections. This comes in around June 30th which will also depend on the tax deed sales. It has never been short with calculations; it is usually on track or above. It looks like with the new year budget with what the county has tentatively given it should be up.

B. Pre-Budget Presentation Part 2

Ms. McCole stated she does not have actual numbers at this time, but she had questions on projects. A lot of the projects show balances but that is because we have not been invoiced and the final bills have not been paid. There are a lot of last-minute spending so this is why so many budgets have large amounts.

The first sheet shows the unweighted FTE comparison between 2021-2022 4th calculations and 2022-2023 1st calculations. Learning Academy is down 15, Coastal is up 358, Family Empowerment is up 158 and the district is up 304. The total unweighted FTE is 805. The only money we get to keep is 304, the rest is passed through to other agencies.

The next sheet shows state funding increase for Fiscal Year 2022-2023

- State Net FEFP (1st calc.) - \$156,176,737.00*
- Adjusted Net State FEFP (4th calc.) - \$(138,577,655.00)*
- Increase in State Net FEFP for FY 22/23 - \$17,599,082.00*
- Deduct Categoricals (restricted use) - \$(222,976.00)*
- Increase in Class Size Funding - \$377,003.00*
- Increase in FEFP Funds and Categoricals due to charters \$(1,222,204.00)*
- Increase in Family Empowerment Scholarships (FES) - \$(1,350,000.00)*
- Increase in State Funding -\$15,180,905.00*

Please note the numbers on this sheet can change on the 2nd calc. The 2nd calc. comes in mid-July, and it is what the proposed/tentative budget is based on.

The next sheet is Increased Costs for FY 2022-2023 Budget

- Salaries/Benefits for staff added - \$3,703,000.00*
- Health Insurance - \$2,577,698.00*
- School Based Budgets - \$2,000,000.00*
- Mandated min wage increase - \$1,970,000.00*
- Florida Retirement System (FRS) - \$1,100,000.00*

- Utilities - \$752,719.00
- OT/PT/Speech (ESE Contracts) - \$538,250.00
- Property Insurance - \$494,476.00
- Building Maintenance - \$365,000.00
- Cleaning Contract - \$342,599.00
- STA Contract - \$240,495.00
- Substitute Contract - \$200,000.00
- School Security - SRO's - \$180,000.00
- STA Summer - \$166,018.00
- Terminal Leave, paid out June 30th - \$150,653.00
- Health Techs-Aveawanna - \$30,000.00
- Garbage Removal - \$26,085.00
- Transportation, the decrease is with the bus stop changes- \$(376,848.00)

Mrs. Sanborn stated \$1.9 million in savings with the bus stop changes was given in the presentation at the May 12th board meeting, but she does understand it was just an estimate.

Joey Harrell, Assistant Superintendent for Administrative Services came forward to state the difference is because of the rising cost of fuel.

Dr. Barber emphasized the main reason of the changes in transportation is to decrease the amount of time students are missing instructional time, increasing on time rate from 75% to 95%. The financial benefit is certainly nice to have but we want to increase instructional time for students while maintaining safety.

The next slide is calculation for Coastal Connections for this upcoming fiscal year based upon them having 1364.5 students or FTE. They will get a total of 7.7 million dollars, part of it is related to FEFP, of the teacher salary increase they will get \$329,905.83 that will come off the top of that teacher salary increase allocation. Learning Academy usually gets about 20 something thousand of that.

Dr. Barber asked Ms. McCole to explain the reimbursement we are now getting. Virtual schools are funded upon course completion.

Ms. McCole stated with online courses like with Coastal, the 2nd calc. compared to the 3rd calc. compared to the 4th calc. how they went down. They were at 1,300 but only being funded for 1,066. With all those calculations put into play she has sent them an invoice for \$281,000 which will go back into categorical. We will get a final calc. in October and there will be additional adjustments as well.

The next several pages are grouped by projects which you can review the budget, the amount encumbered and the balance.

C. Explanation of Teacher Salary Increase Allocation for FY 2022-2023

FY 22/23 Total allocation = \$8,047,281

Allocation has to be split as follows:

- \$5,532,506 for maintaining FY 21/22 increases (has to be split 80% for teachers under \$47,500 that meet definition of classroom teacher and 20% is for other instructional personnel)*
- \$2,514,775 new allocation for FY 22/23 (is split 50% for teachers under \$47,500 that meet definition of classroom teacher and 50% is for other instructional personnel)*

The good news is the FCR is 6.69. Depending on the balances and the expenditures it could go up to around 7.

Mr. Harrell came back up to go over the bus stop changes that was presented in May with how the amount that was calculated at that time and how the rise of fuel costs has affected that number but there are still savings with the elimination of routes and fewer bus stops.

The workshop was adjourned.