

Public Hearing

FY 2021 Tentative Budget

Dale C. Kelly, CPA
Chief Financial Officer

July 30, 2020



**Orange County
Public Schools**

Agenda

- Presentation of proposed millage
- Presentation of proposed budget
- Superintendent's comments
- Public comments
- Board discussion
- Adoption of total millage
- Adoption of 2020-21 Tentative Budget and establishment of date for final hearing

Property Taxes

Residential



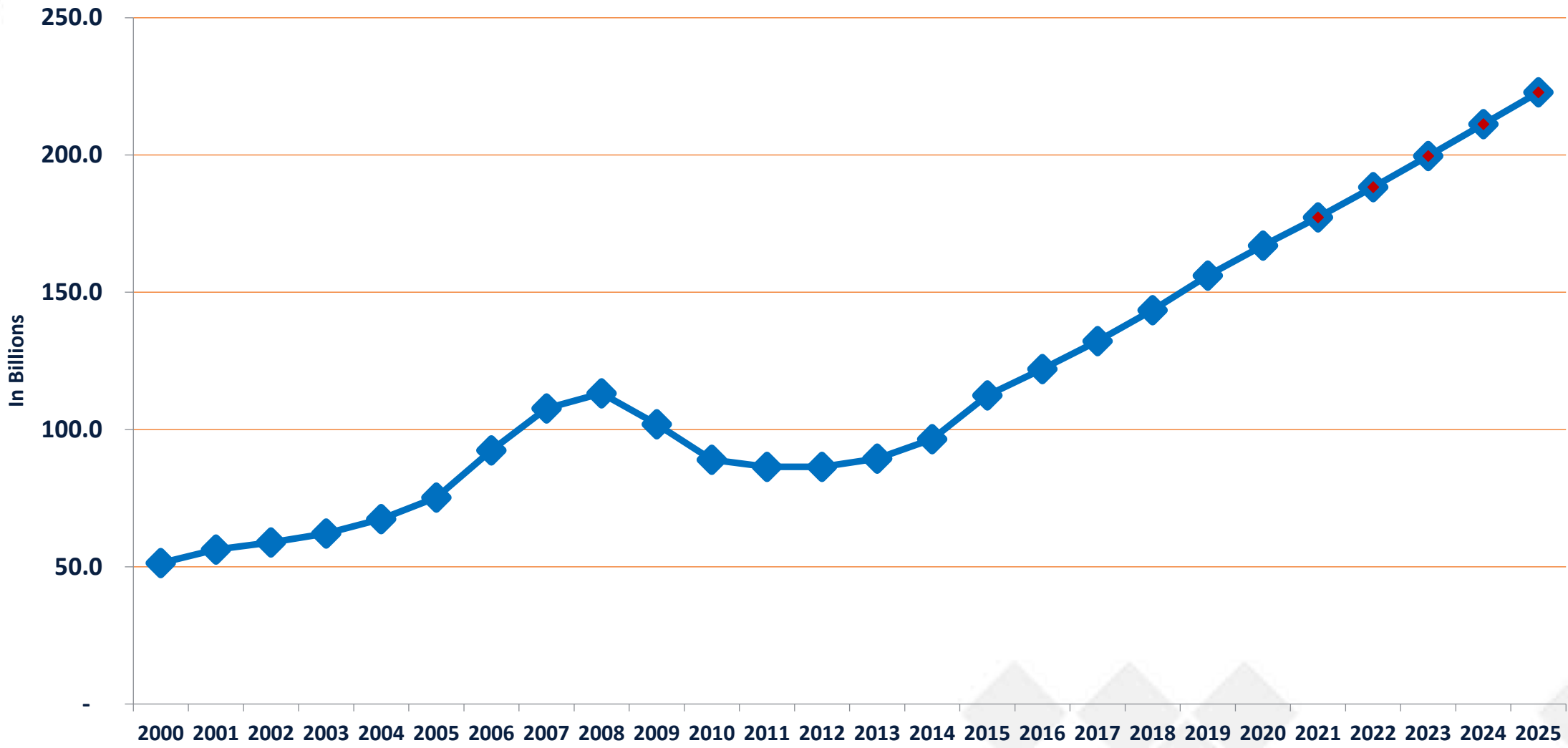
Commercial Buildings



Property Taxes

- Just Value (*Property Appraiser*)
- Less: Save Our Homes Cap (*Legislature*)
- **Equals: Assessed Value**
- Less: Exemptions (*Legislature*)
- **Equals: Taxable Value**
- Times: Millage Rate (Legislature and Board)
- **Equals: Property Taxes**

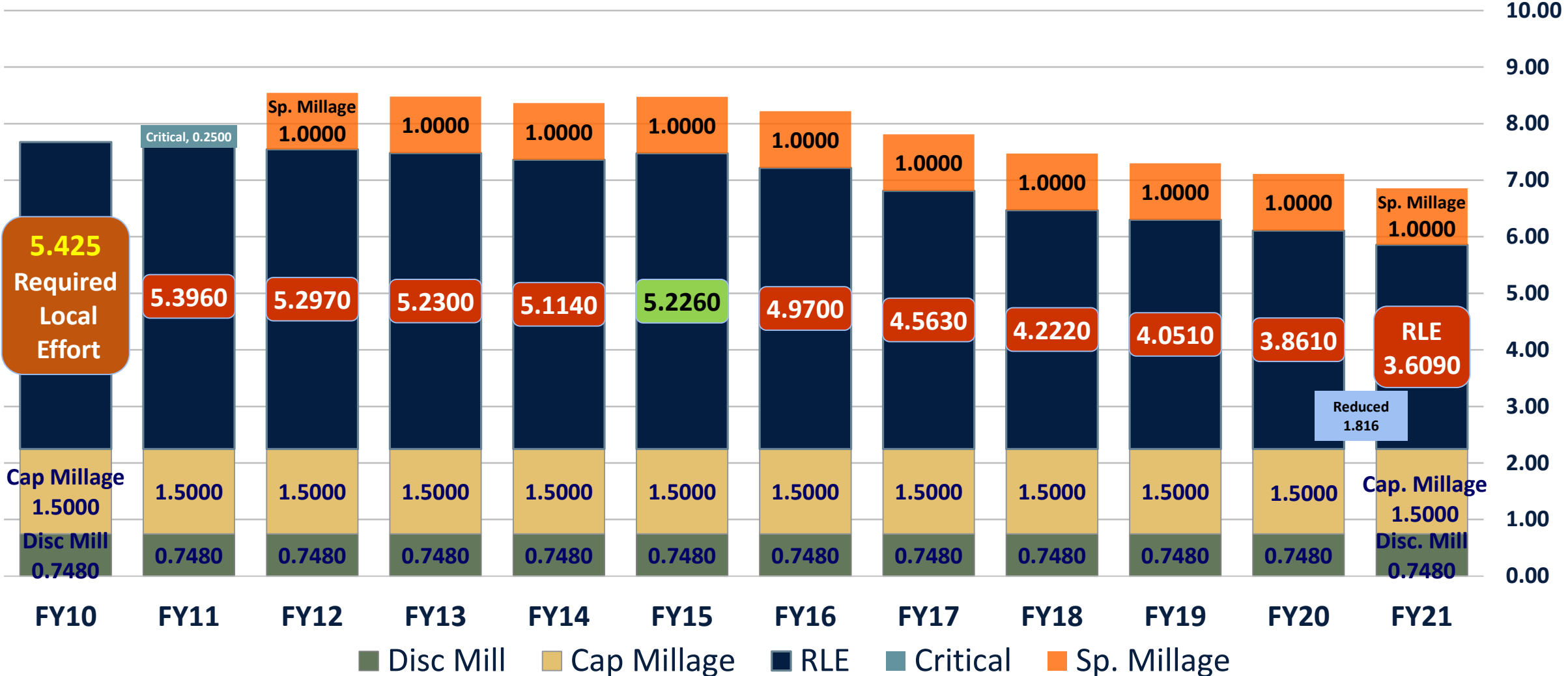
EDR Estimates
Orange Taxable Values
as of January 2020



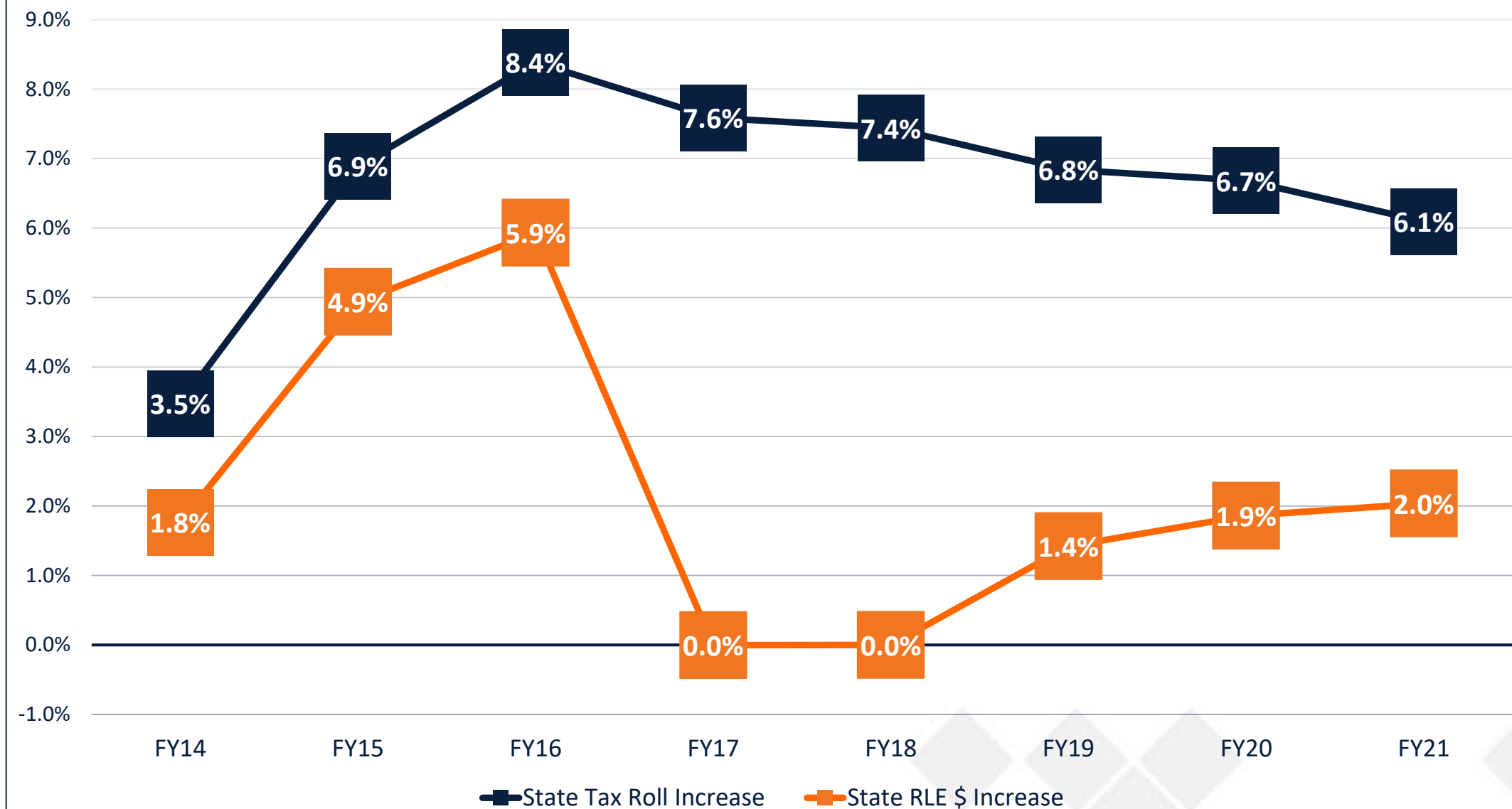
Millage Rate Comparison

Description	2019-20	2020-21	Change
Required Local Effort	3.861	3.609	(0.252)
Discretionary	0.748	0.748	-
Additional Voted Millage	1.000	1.000	-
Subtotal Operating	5.609	5.357	(0.252)
Capital Projects	1.500	1.500	-
Total Millage	7.109	6.857	(0.252)

Millage Rates



State Tax Roll Increase vs. State RLE \$ Increase



Rolled-Back Rate

- Current Year Taxable Values
- Less: New Construction and Additions
- Equals: Current Year Adjusted Taxable Values
- **Times: Rolled-Back Rate (millage rate)**
- Equals: Prior Year Tax Proceeds

Rolled-Back Rate

- Required Local Effort – *1.89% **under*** the rolled-back rate
- Total Millage – *1.24% **over*** the rolled-back rate

Homeowner Impact

with Save Our Homes

Home Just Value Prior Year	\$ 212,683	
Less Homestead Exemption	\$ 25,000	
Taxable Value Prior Year	\$ 187,683	
Taxes Paid Prior Year		\$ 1,334
Home Just Value Current Year	\$ 217,000	
Less Homestead Exemption	\$ 25,000	
Taxable Value Current Year	\$ 192,000	
Taxes Proposed Current Year		\$ 1,317
Net Change in Taxes		\$ (17)

Commercial Owner Impact

Property Just Value Prior Year	\$ 952,744	
Less Homestead Exemption	\$ -	
Taxable Value Prior Year	\$ 952,744	
Taxes Paid Prior Year		\$ 6,773
Property Just Value Current Year	\$ 1,000,000	
Less Homestead Exemption	\$ -	
Taxable Value Current Year	\$ 1,000,000	
Taxes Proposed Current Year		\$ 6,857
Net Change in Taxes		\$ 84



Proposed Annual Budget 2020-21

Timeline of Budget Process

- Community input and legislative priorities – Fall
- Governor's Budget – January
- EDR Forecast – January
- Legislative Session – January through March
- Budget Project Sessions – October through March
- Initial school allocations – March
- Board work sessions – June
- Proposed millage and budget advertised – July 26
- Public hearing on Tentative Budget– July 30
- Public hearing on Adopted Budget – September 8

Budget Summary

- COVID-19 impacts and potential for revenue shortfall
- New Teacher Salary Categorical
- Limited FEFP funding
- CARES Act funding
- Maintains focus on district's strategic plan
- Preserves academic programs, retains highly qualified teachers, and protects arts, athletics and student activities

CARES Act Funding

- GEER - Governor's Emergency Education Relief Fund
 - \$5.1 million
 - Charter schools-\$243K
 - Private schools-\$280K
 - Jump Start summer camp-\$419K
 - 3rd Grade Reading camp-\$1.1m
 - Tutoring-\$3.0m
 - Transportation/Other-\$77K
- ESSER - Elementary and Secondary School Emergency Relief Fund
 - \$55.4 million
 - Charter schools-\$3.6m
 - Private schools-\$2.8m
 - Remaining Cohort 8 devices-\$8.1m
 - Regression intervention materials-\$2.4m
 - Instructional technology equipment-\$1.4m
 - ESE evaluations \$255K
 - Contracted custodial services-\$1.9m
 - Additional LPNs and Health Assistants-\$7.3m
 - Substitute at each school-\$4.4m
 - Hand-held thermometers-\$153K
 - Bottle filling stations-\$1.8m
 - Furniture movers-\$900K
 - Athletic support-\$1.6m
 - Indirect costs-\$2.2m
 - Reserve for projected shortfall-\$16.6m

Other Items Under Review

- Walking thermal scanners-\$531K
- UV lighting in HVAC units-\$13.2m

Summary of Five Funds

Fund	2019-2020	2020-21	Difference
General	2,231,730,988	2,217,760,062	(13,970,926)
Debt Service	227,833,851	230,437,362	2,603,511
Capital Projects*	1,984,059,685	1,226,031,739	(758,027,946)
Special Revenue**	170,188,462	161,801,967	(8,386,495)
Internal Service	348,801,859	348,008,014	(793,845)
Totals	4,962,614,845	4,184,039,144	(778,575,701)

*Includes carry-over projects for 2019-20 only.

**Food Service only, other grant awards to be amended into budget as approved.



General Fund

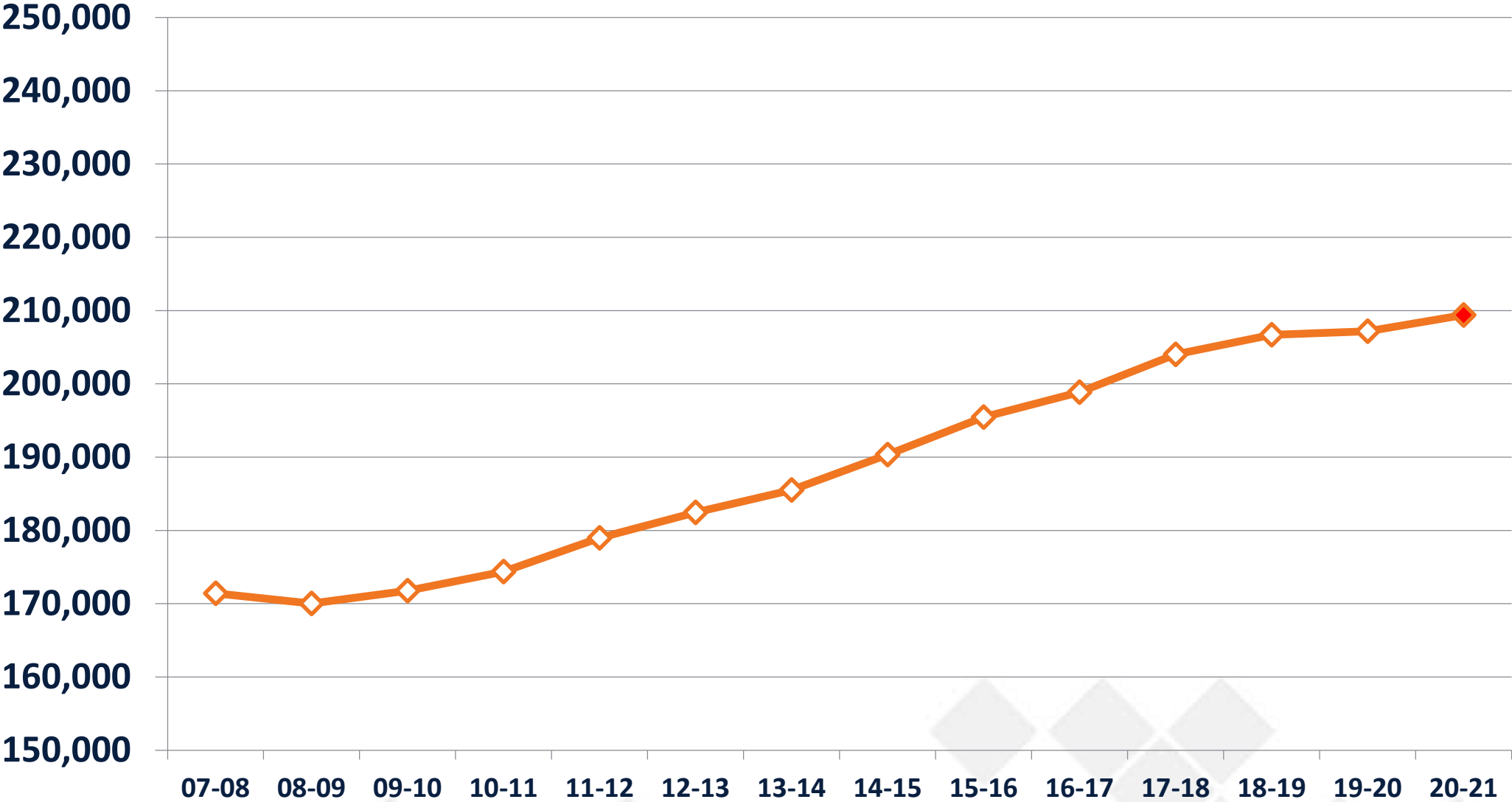
General Fund

- Budget – \$2,217,760,062
- Operating budget of the school district
- Primary source is the Florida Education Finance Program (FEFP)
- Funding is equalized per student statewide
- Revenues are primarily from state sales taxes and local property taxes
- Also includes revenues from additional voted millage not to exceed 4 years

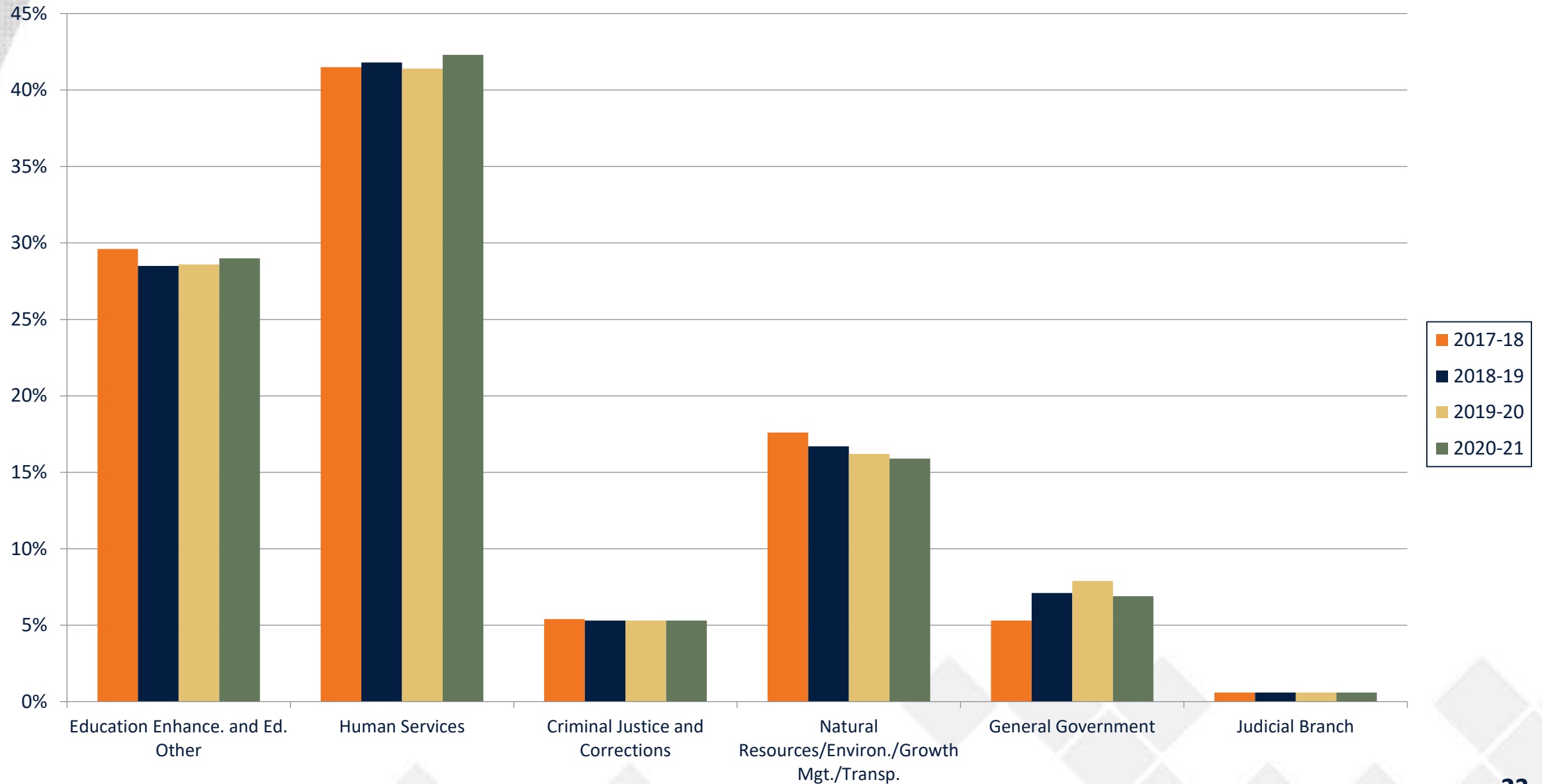


Estimated Revenue

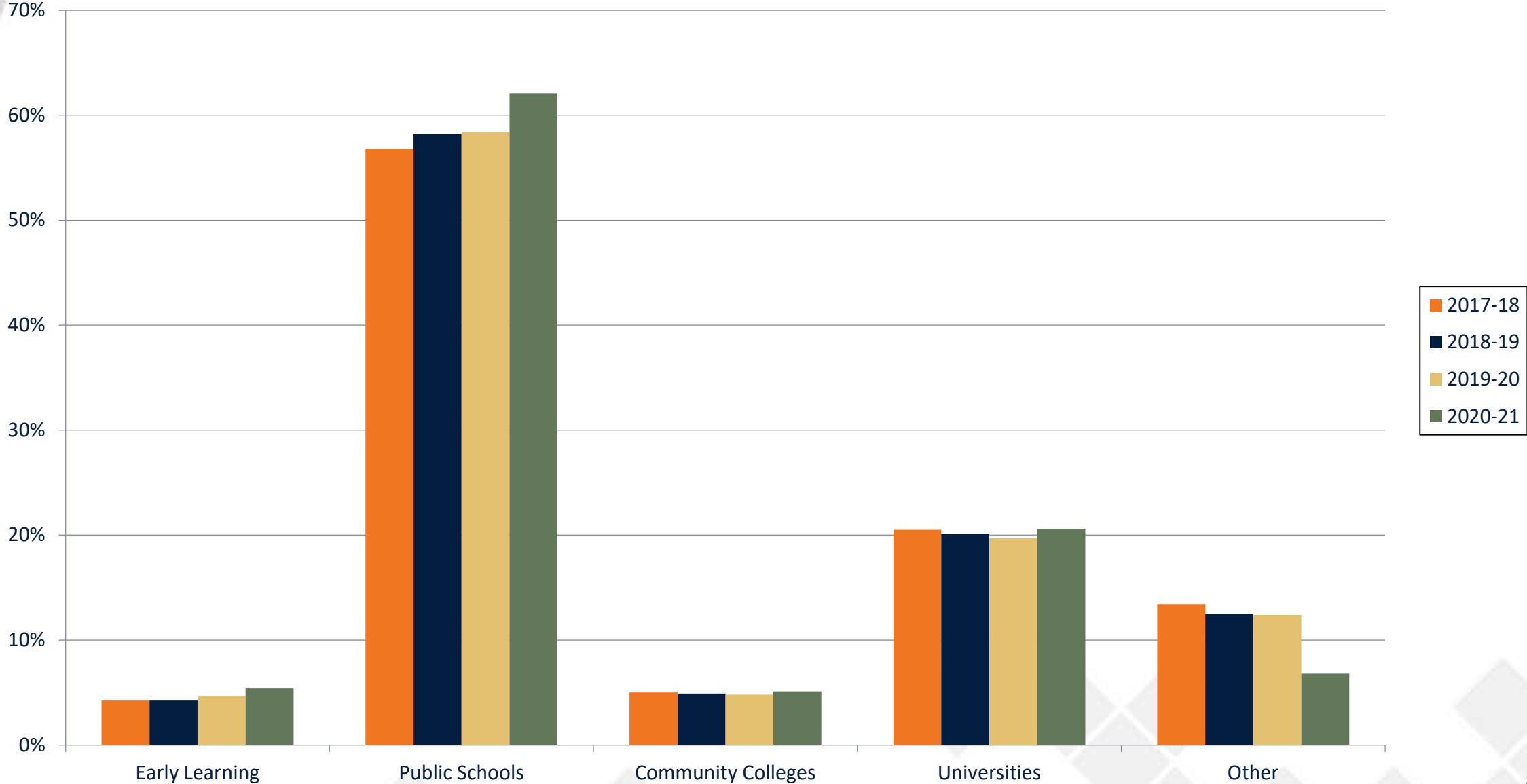
FTE Actual and Forecast



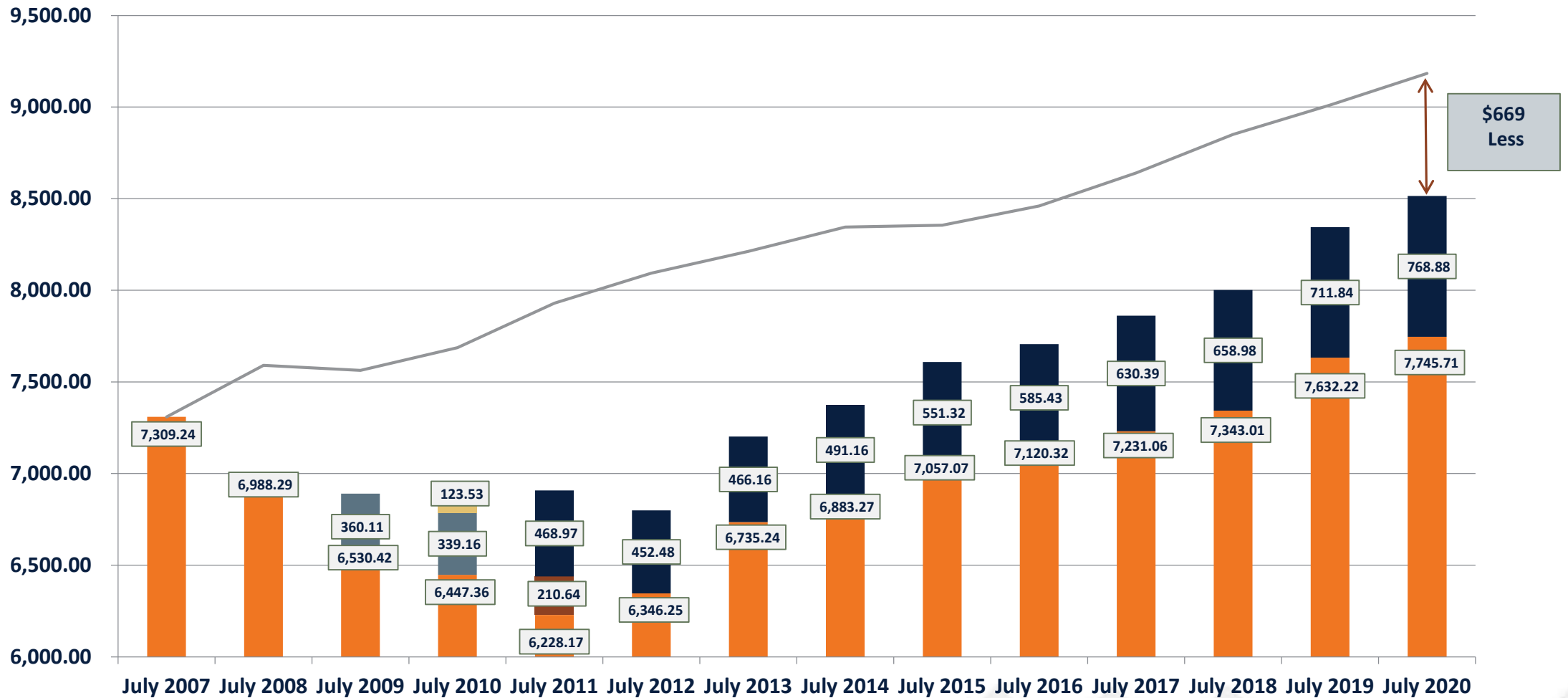
Total State Appropriations (All Funds)



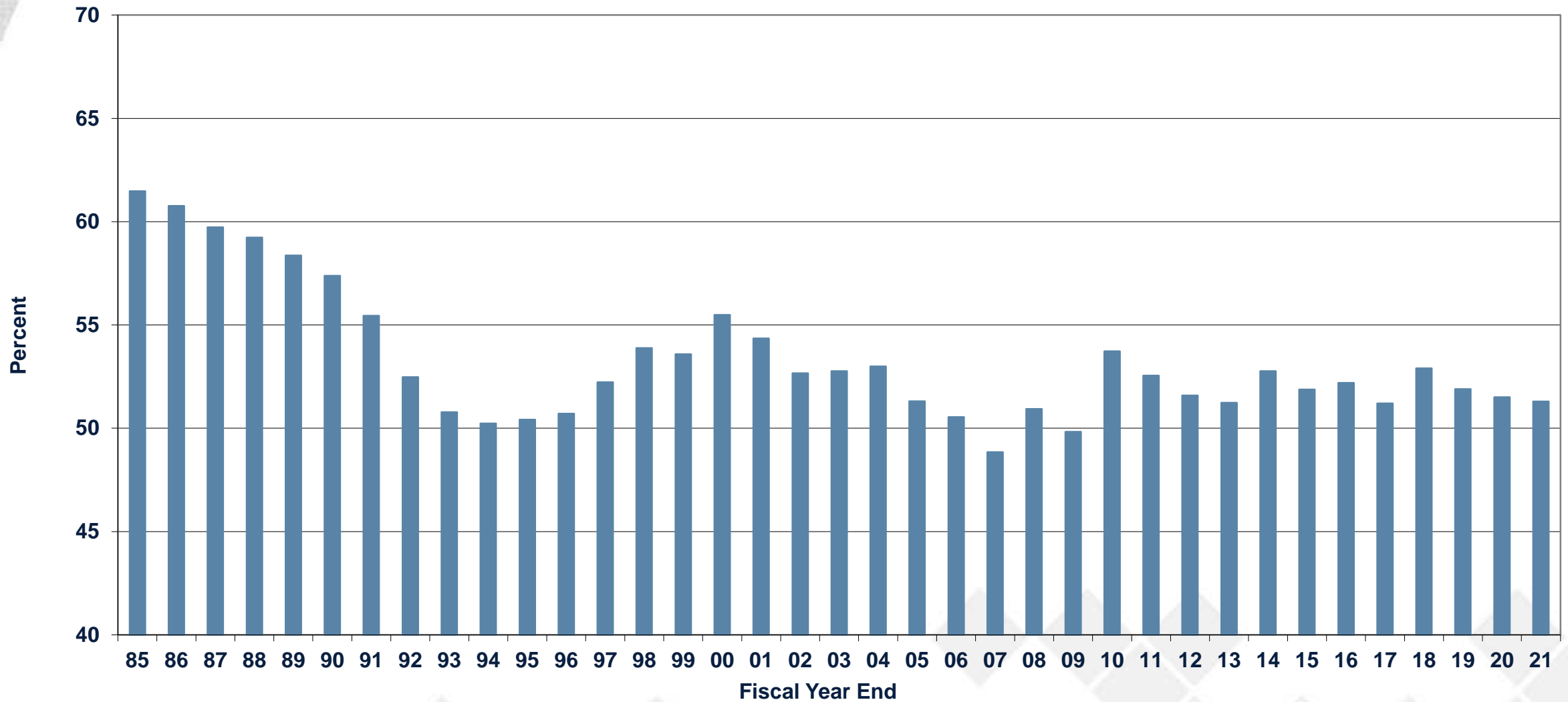
Education Appropriations (All Funds)



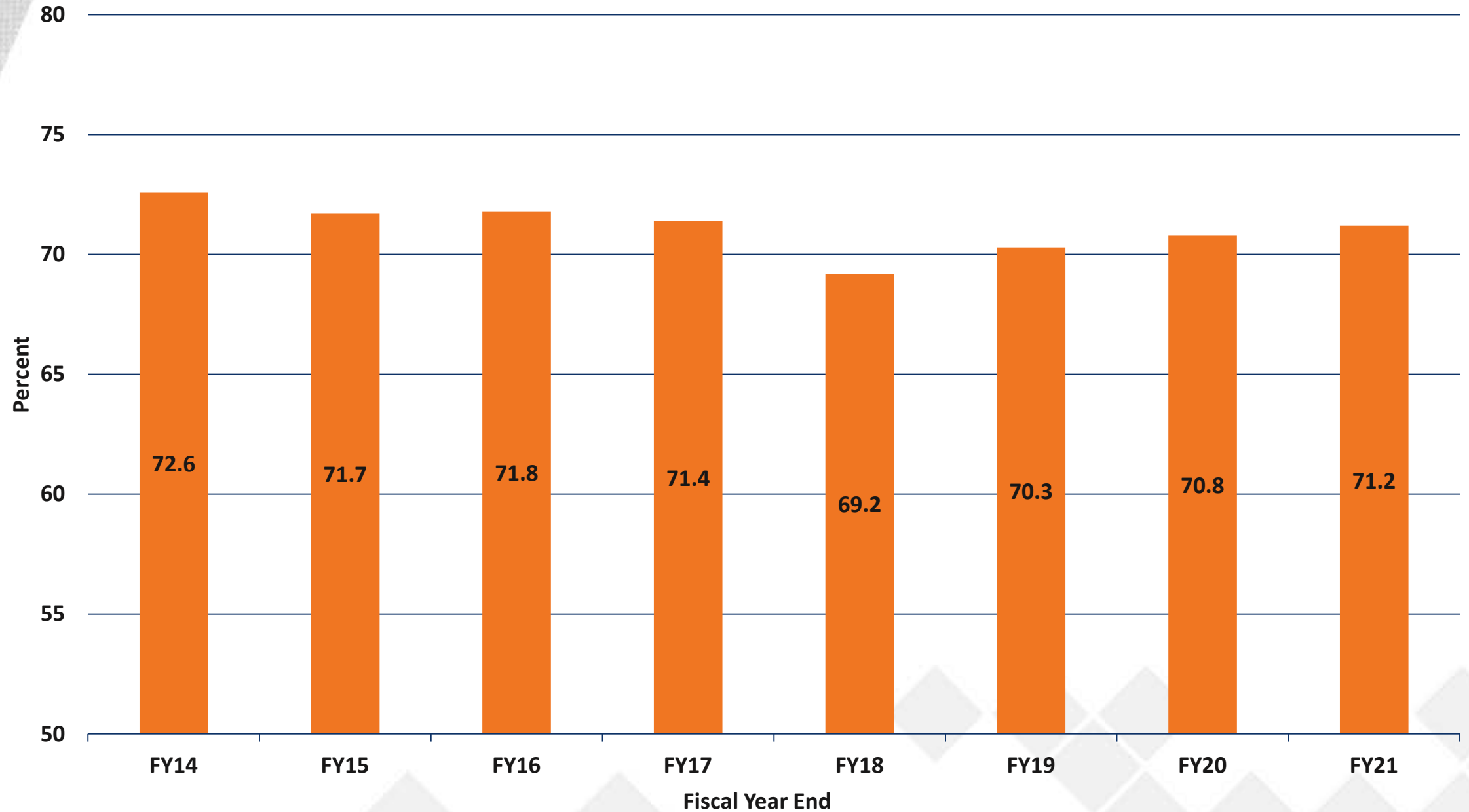
Budgeted Funding Per Student Second Calculation FEFP With CPI Comparison



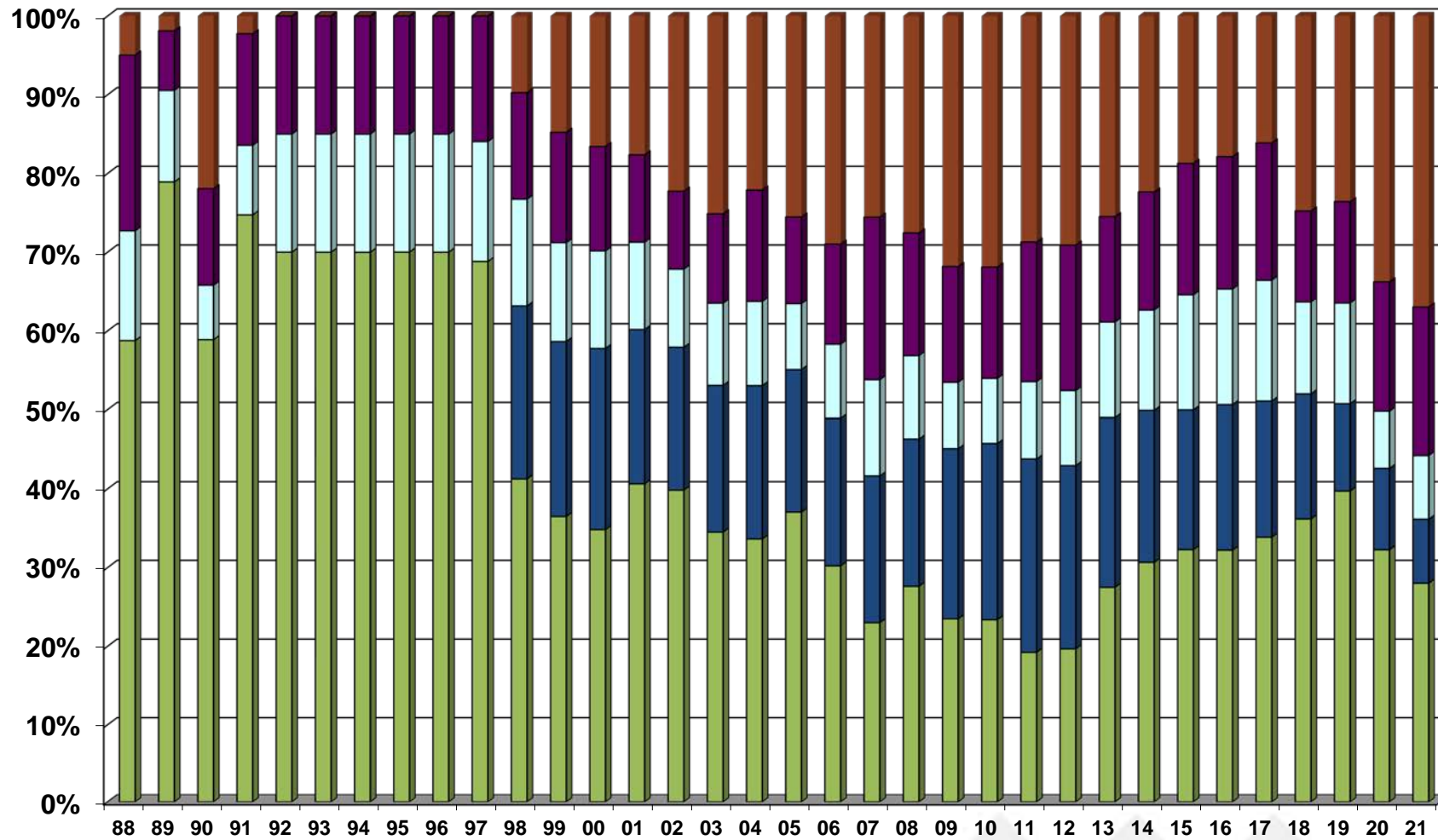
Percentage of State General Revenue Going to Education



Percentage of General Revenue to Public Schools



Lottery Appropriations for Florida Reflects How Lottery Funds Were Dispersed to Education



■ Public Schools

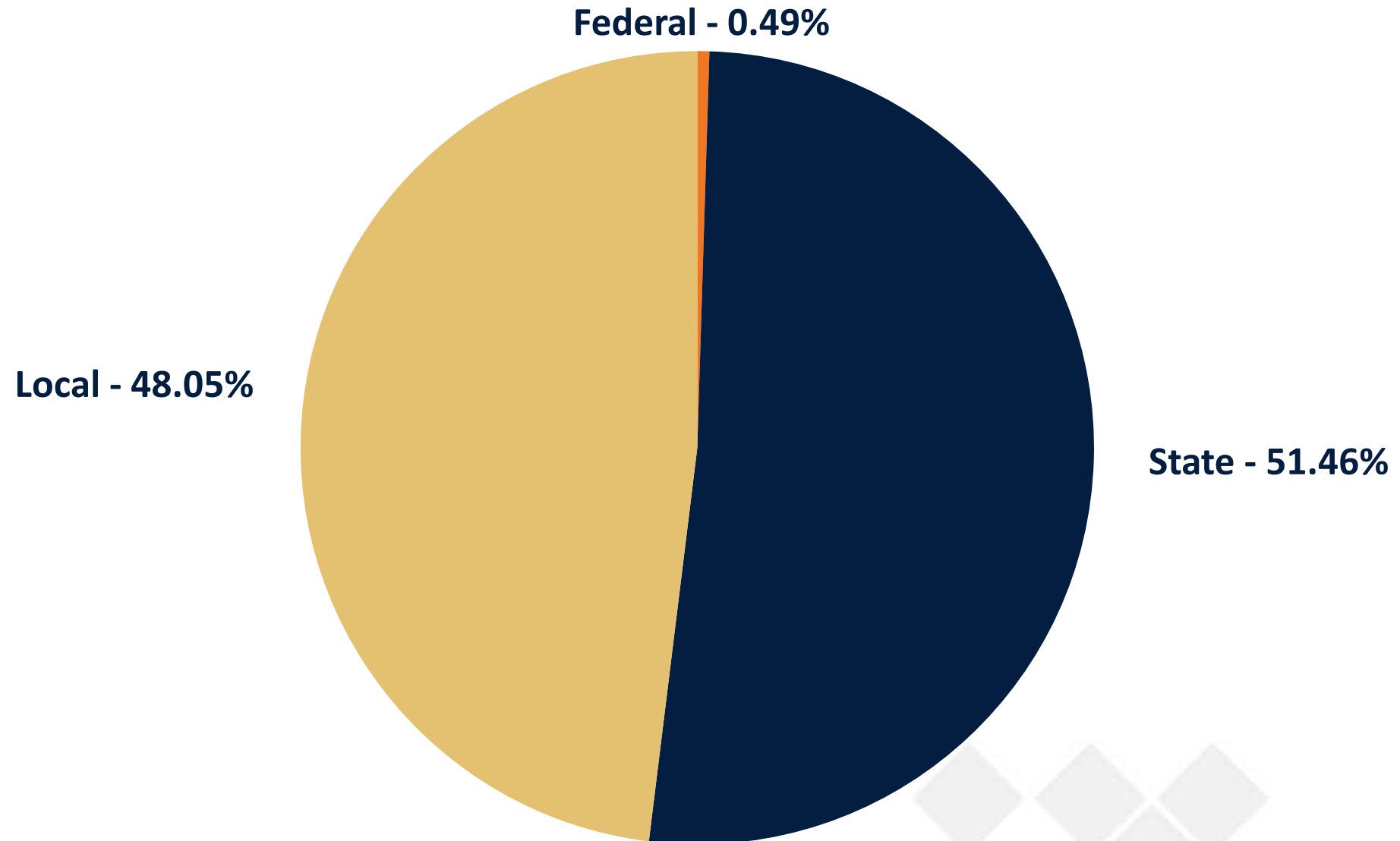
■ Classrooms First & CSR Construction

□ Community Colleges

■ State Universities

■ State Other

Estimated Revenues by Source





Appropriations



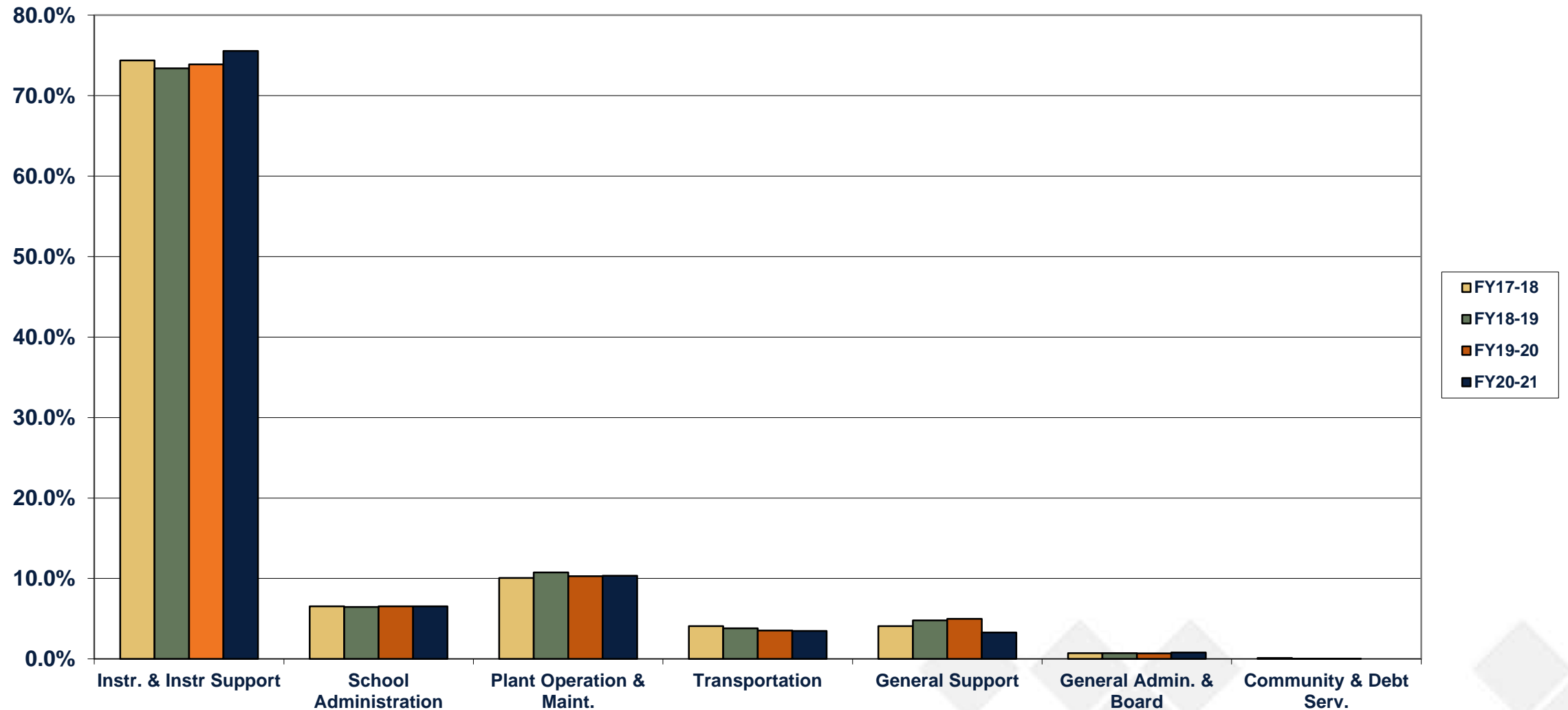
Priorities

- Reopening with 3 instructional models
- COVID-19 safety measures
- Social Emotional Learning
- Preserving academic programs
- Retain highly qualified teachers
- Protect arts, athletics, and student activities

Other Budget Implications

- Potential FTE/Enrollment Decline
- Florida Retirement System rate increases 10% - \$15.5m
- Previous year 1.5% salary impact on FY21 budget - \$17m
- Additional pre-planning day for instructional staff - \$4.7m
- Family Empowerment Scholarship - \$15.8m
- Looming State revenue shortfalls

General Fund Budgeted Appropriations by Function



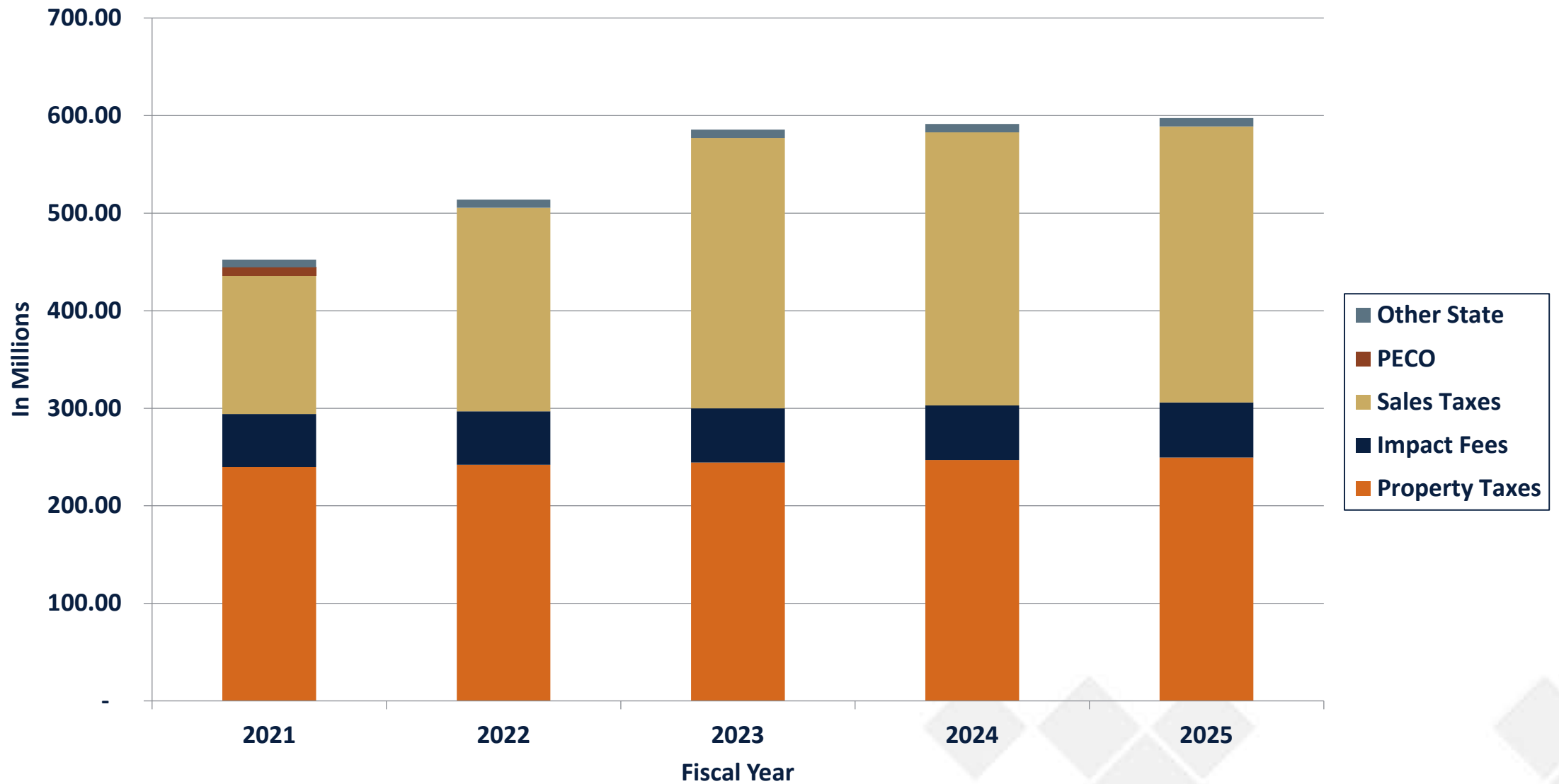


Capital Projects Fund

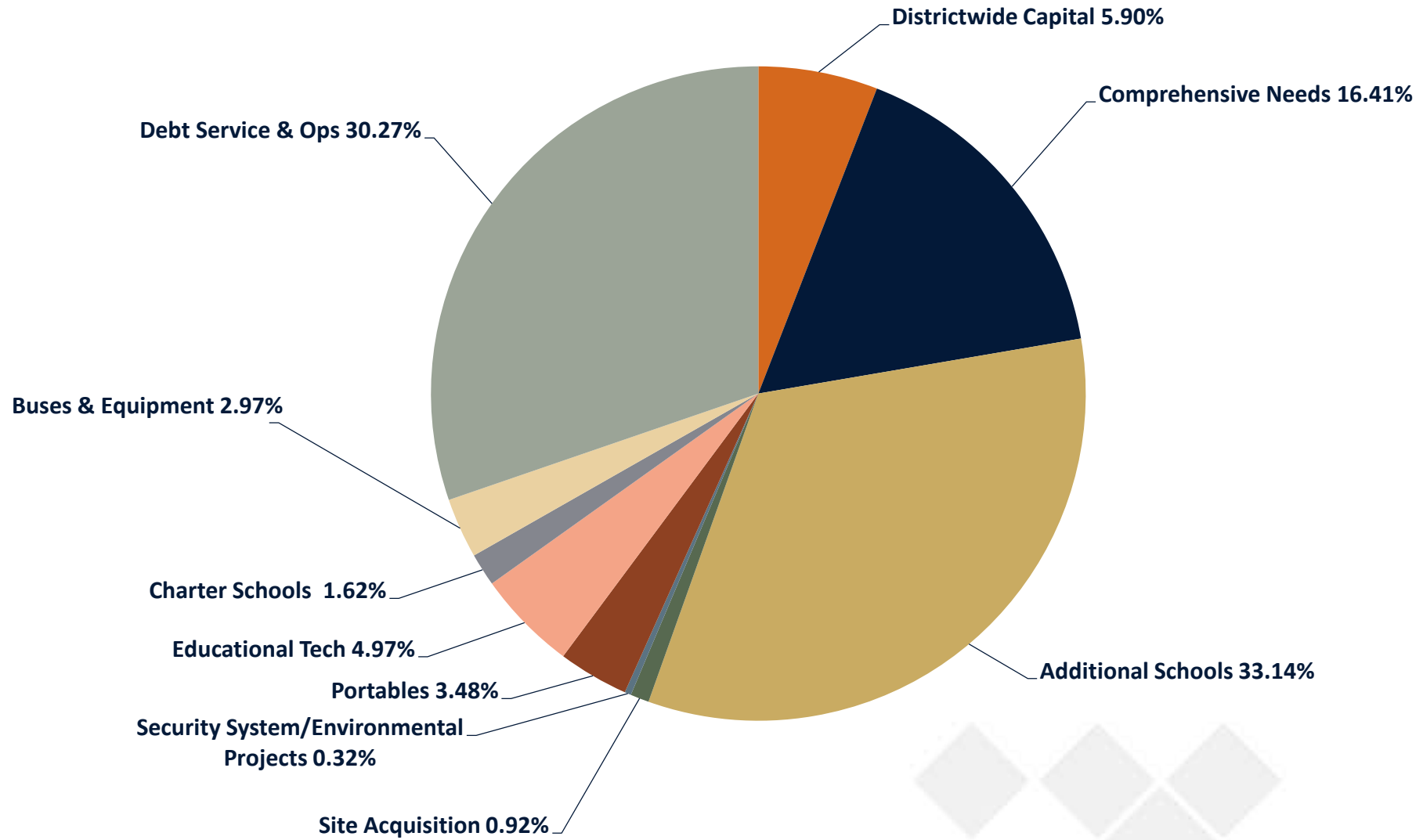
Capital Projects Fund

- Budget – \$1,226,031,739
- Primary revenue sources – sales surtax, property tax, impact fee
- Minimal state support
- Primary uses are for comprehensive renovations, new schools, capital renewal, and debt service & operations

Budgeted Capital Revenues by Source



Capital Projects Use of Funds (Excluding Reserves)



Tentative Capital Plan

- Projected revenues adjusted for COVID-19 impact
- Includes new capacity projects based on recommendations from Advance Planning
- Includes Functional Equity projects
- Completes the digital rollout to all elementary
- Includes Pre-2003 Sales Tax schools
- Includes funding for repurposing schools
- Capital renewal funding throughout sales tax

Five-Year New School Openings

- 2020 Sunshine ES
- 2020 Summerlake ES
- 2020 Vista Pointe ES
- 2021 113-H-W-4
- 2021 43-E-SE-2
- 2021 80-H-SW-4

Five-Year New School Openings

- 2022 89-E-W-4
- 2022 114-E-W-4
- 2022 30-E-SE-3
- 2022 90-K8-N-7
- 2022 132-M-W-4
- 2023 118-E-SW-5
- 2023 65-M-W-4
- 2023 45-M-SE-2

Five-Year New School Openings

- 2024 47-E-W-4
- 2024 58-E-SE-2

FY2021 Comprehensive Projects - Construction

- Orange Technical College – Orlando
- Orange Technical College – Westside

FY2021 Comprehensive Projects - Design

- Orange Technical College – Mid Florida Tech
- Orange Technical College – Winter Park
- Howard MS (Pre-2003 Sales Tax schools)
- Lakeview MS (Pre-2003 Sales Tax schools)
- Three Points ES (Pre-2003 Sales Tax schools)
- Winter Park HS (Pre-2003 Sales Tax schools)

Other FY21 Appropriations

- School bus replacement - \$16.1m
- Portable moves and leasing - \$18.9m
- Charter school capital funding - \$8.7m
- District-wide painting - \$5.8m
- One-time transfer from contingency - \$22.8m



Debt Service Fund

Debt Service Fund

- Budget - \$230,437,362
- Accumulates resources to pay long-term debt
- Primary Revenue Sources
 - State CO&DS Revenues
 - Transfer from Capital Projects Fund



Special Revenue Fund

Special Revenue

- Budget – \$161,801,967
- Initial budget includes Food Service Program only, a self-supporting operation
- Funding is primarily from Federal reimbursement and USDA commodities, as well as local sales
- Meal prices will remain the same for 2020-21

Other Federal Grants will be amended into the budget as approved



Internal Service Fund

Internal Service Fund

- Total budget – \$348,008,015
- Used to account for the district's Employee Benefit Trust Fund, Property Casualty Loss Fund, and Printing Services Fund

Internal Service Fund

Employee Benefit Trust Fund

- Budget – \$305,187,303
- Funded by Board contributions for employees and deductions for employees and dependents
- Medical and prescription claims payments and charges for services
- Plans continue to comply with Affordable Care Act requirements
- Reflects premium and plan changes

Internal Service Fund

Property Casualty Fund

- Budget – \$37,960,172
- Property, Liability and Worker's Comp Claims
- Funded through charges to other budgets

Printing Services

- Budget – \$4,860,540
- Funded through charge-backs to departments and schools

Remaining Actions

- Superintendent's comments
- Public comments
- Board discussion
- Adoption of total millage
- Adoption of 2020-21 Tentative Budget and establishment of date for final hearing