

MINUTES

Parent Subcommittee on District and School Budget Priorities Family and Community Involvement Budget Advisory Subcommittee Miami-Dade County Public Schools

1450 NE 2nd Avenue, Conference Room 916 & Zoom Meeting
Miami, FL 33132

Monday, February 13, 2023

Voting Members Present:

Mr. Eddy Barea	Ms. Mina Hosseini	Mr. Elias Seife
Mr. Scot Evans	Ms. Janielle Murphy	Ms. Zoraida Serret
Ms. Isabelle Exume	Ms. Maria Norton	Ms. Meriel C. Seymore
Ms. Beverly Heller	Ms. Laura Philpot	Mr. Antonio White

Voting Members Present Via Zoom:

Dr. Lisa Robertson	Ms. Nadeige Theresias-Joisil
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Voting Members Excused/Absent:

Mr. James Lopez (A)

Others Physically Present/Via Zoom:

Ms. Nicole Crooks	Ms. Karelys Hernandez	Ms. Mary Reeves
Ms. Martha M. Diaz	Dr. Milagros Hernandez	Ms. Aillette Rodriguez-Diaz
Dr. Norin Dollard	Ms. Kadian McLarty	Mr. Ron Y. Steiger

I. Welcome and Introductions: The meeting was called to order by the Parent Subcommittee Chair Ms. Mina Hosseini at 5:31 pm and a quorum was established. Those present introduced themselves.

II. Approval of Minutes for January 9, 2023: Member Ms. Beverly Heller made a motion for the approval of the minutes for the January 9, 2023, Parent Subcommittee on District and School Budget Priorities, and the minutes were approved with minor corrections.

III. Update on Governor's Budget for FY 23/24: Ms. Hosseini opened the floor to Mr. Ron Y. Steiger, Chief Financial Officer, for an Update on Governor's Budget for FY 23/24. Mr. Steiger shared the latest news with the group. He reminded the committee that step one of the Budget process is that Miami-Dade County Public Schools (M-DCPS) need to come up with an estimated number of how many students we will be having next school year. This number gets sent to the State in late December, early January. Because the State has not opened the system yet, this process has been delayed. In the meantime, there are several days before the Legislative process begins and the Governor is required to release his Budget. The release of the Governor's Budget marks the first launch of what the Budget process will be in the Legislative session. The House and the Senate Budget will be released about a week before the legislation starts and this is the

Budget that is relevant to M-DCPS. While the Governor's Budget is not as relevant as the House and the Senate, it is a good starting point to see where the conversations are anchored at to start up the negotiations. Mr. Steiger showed a chart with M-DCPS estimated number for Fiscal year 2023-2024:

	FY 2022/23 3rd Calc	FY 2023/24 Governor's Budget	VARIANCE
Unweighted FTE	351,326.88	358,019.67	6,692.79
\$ per uFTE	\$ 8,334.32	\$ 8,536.04	\$ 201.72
(\$ in millions)			
State Funding	\$ 1,238.9	\$ 1,283.8	\$ 44.9
Local Funding	1,689.1	1,772.3	83.2
Total Funding	\$ 2,928.0	\$ 3,056.1	\$ 128.1
Mental Health Assistance			(2.1)
Teacher Salary Increase Allocation			(22.8)
Charter & FES FTE Growth (net of Workload Decrease)			(27.5)
True Increase/(Decrease)			\$ 75.7

Once the State opens the system, the District will upload its number, and if the State approves it, Miami-Dade County's number will be closer to 360,000, about two thousand kids higher. For now, 358,019.67 is what the Governor is using. The Governor gets this number from the State's Office of Economic and Demographic Research (EDR). M-DCPS will try to go higher than that projected number. At this time, looks like M-DCPS has a \$128.1 million dollar increase. Having said that, three things must be taken off immediately: Mental Health Assistance allocation, \$2.1; Teacher Salary Increase Allocation, \$22.8; and Charter & FES FTE Growth (net of Workload Decrease) \$27.5 (based on the number of kids we have in the district's budget). This Full-Time Equivalent (FTE) increase of 6,692.79 is not all M-DCPS students, it also includes Charter Schools and Family Empowerment Scholarships (FES). The estimate currently shows that this FTE increase of 6,692.79 is mostly related to Charter schools and FES. If the expected revenue generated by the number of Charter school kids is subtracted by the District's cost savings, the net loss will be roughly \$12 million. The equation for FES is different. The vast majority of the FES kids are from private schools. M-DCPS data shows that roughly 90% of those kids would have never been public school students. There is less of an increase in FES kids than charter schools; however, there is also very little cost savings (about 56% of the 90% will be the cost savings). After doing the math, the net loss will be about \$15 million. When we add Charter Schools and the FES together, we get a \$27.5 million net decrease. That is how the \$128.1 million ends up as \$75.7 million as you see on the chart above. Two other things are:

- 1) Part of the Governor's Budget is the change in the Florida Retirement System (FRS). This is not a bad change, but it will cost money. The Governor is proposing that a cost-of-living adjustment gets added to the FRS. This additional cost is passed down to the municipalities that participate in the FRS. An estimate of that cost will be in the range of \$30 - \$45 million. All this will leave M-DCPS with a revenue balance of \$40 million.
- 2) The Governor proposed again the elimination of total funds compression. There is a good chance that this year it will go away. It will be great for the FEFP if this gets removed.

This is M-DCPS starting point, the first anchor in the budget process. The District will be going into the year with a budget deficit. The gap between M-DCPS revenue and expenses are around \$100 million. This budget will get the District \$40 million of the way there, then the questions are: Do we have to make reductions to cover the rest? Is there a way to kick the can down the road for one more year? What are the options? That is what the District will be talking about over the coming months.

The main topics of conversation in Tallahassee this year on the education side are two bills, Florida HB 1, and Senate Bill 202 (2023):

- Expansion of the voucher system / Universal Voucher system: Parents will be able to get an \$8,000 voucher per child and they can use it to attend any non-public school, as long as the entity accepts the voucher. Most private schools in Miami accept these vouchers. Regardless of the parent's income, they will have access to the same level of funding to educate their child.

Miami-Dade's priorities are in three buckets:

- 1) In 2022-2023 the District has seen a massive increase in the number of immigrant kids. So far this school year, the District has received 16,000 kids. This is a big increase compared to previous years. The District gets funded for those kids. If they come before October, they get funded for a full year, no matter how many they are. If they come after October but before February, the District gets funded for half a year. The District will get additional funding if the kid is an ESOL (English for Speakers of Other Languages) student. There will be additional funding in the formula if the kid is an ESE (Exceptional Student Education) student. These "Cap categories", ESOL and ESE, get funding at a higher rate but there is a cap at the estimated number that the District submitted. Since 2022-2023 is a unique year with a significant additional number of students, the District will be asking for the removal of that cap and will also request that the State set up a reserve for the following year in case this happens again. This year, that cap is costing the District \$9 million with regard to ESOL students plus another \$3 million related to ESE students.

- 2) In 2023-2024 – The District would like a larger increase in the Base Student Allocation (BSA). The District would like to see an investment in the BSA equal to our cost increases due to inflation.
- 3) Beyond 2023-2024 – The District would want to return the Florida Education Finance Program (FEFP) equity to Miami-Dade County. The District will request that, as it moves to the next coming years, they find the means to fix some of the issues within the current FEFP funding which are unfair to our district.

Another issue that the District is struggling with and will be talking to Tallahassee about is teacher/personnel and non-teacher/personnel vacancies. One way to solve this problem is to raise salaries or to allow people who retired to continue working. Currently there is a rule that when an employee retires, he/she must sit out a full year before they are able to work again at the District. Teachers have a three-year extension, but non-teaching positions do not have that option. At the end of this year, we don't get many of those employees back. The District will be pushing for these employees about to retire to continue working if they choose to and not get punished by the FRS.

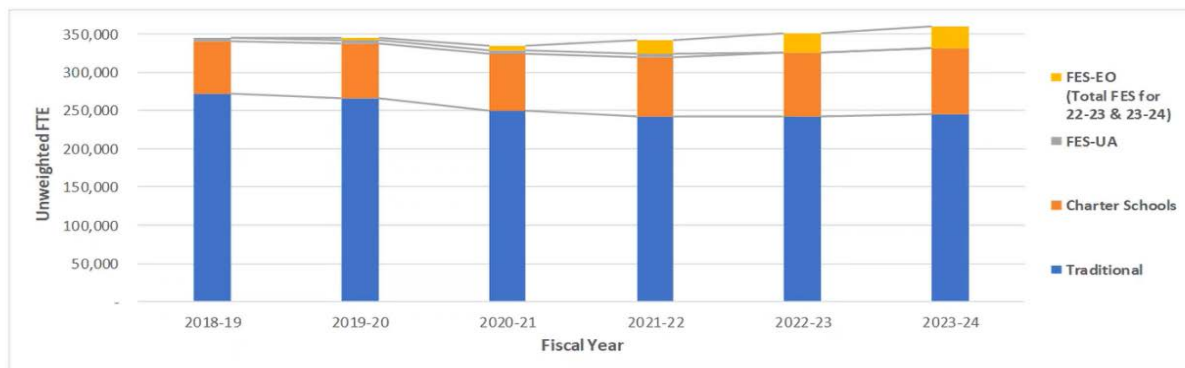
Mr. Steiger concluded his updates and invited the group to share any questions or concerns they may have.

The committee discussed, provided comments, questions, and concerns which were addressed by Mr. Steiger as follows:

- Teacher Salary Increase Allocation is included in the Total Funding of \$128.1, which is also an expense, \$22.8 million. The District is getting this additional funding which it must then use to increase teachers' salaries.
- Back around 2009, there was a 30-day sit-out policy, where employees would retire, sit out 30 days, and then come back to work for the District. Employees would retire on June 30, and by the time school started, they could be back working. These employees would be collecting a pension and also a salary. Due to this fact, this sit-out period changed from 30 days to either six months or a year, depending on the position. That gap has limited the number of employees that would come back to work at the District.
- Retired employees come back at the rate that it is stipulated in the contract.
- Cost estimates for vouchers – Best estimates are provided by the Florida Policy Institute. Dr. Norin Dollard, Senior Analyst/KIDS COUNT Director from the Florida Policy Institute was present via zoom and she confirmed that the estimate given was \$4 billion statewide, for the first year only, and it would likely increase. Dr. Dollard published a study: *Florida HB 1 and SB 202 (2023): Potential Fiscal Impacts*. A link of the study will be shared via email with committee members and guests.

Mr. Steiger continued to explain that looking at the current issues of immigration and vouchers, the District is facing a dilemma, since it must make projections for next year. The following chart shows the number of M-DPCS's kids and the trend for the last five

years plus what the District is estimating for next year. The blue line is traditional kids, the orange is charter schools, the yellow and grey are FES. EO is Educational Options and UA is Unique Abilities, which includes the McKay, SPED scholarships.



	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24 Governor
Scholarships	4,672.52	7,770.34	10,878.75	21,100.91	25,885.00	27,955.20	27,955.20
Charter Schools	68,302.87	70,841.19	74,492.97	77,590.26	82,627.37	86,638.00	86,638.00
Traditional	272,575.48	266,154.24	249,532.62	242,450.14	242,814.51	244,866.02	243,426.47
Grand Total uFTE	345,550.87	344,765.77	334,904.34	341,141.31	351,326.88	359,459.22	358,019.67

Notes:

FY 2019-20: First fiscal year that includes Family Empowerment Scholarships - Educational Opportunities (FES-EO).

FY 2020-21: Based on Final calc uFTE.

FY 2021-22: Based on Final calc uFTE. First fiscal year that includes Gardiner Scholarships FTE within FES-Unique Abilities (FES-UA).

FY 2022-23: Based on 3rd calc uFTE. FES-UA and FES-EO combined starting in 2022-23.

FY 2023-24: Based on Pupil Population Estimating Committee (PPEC) projected uFTE.

Looking at the Scholarship kids, in 2018-19, there were 4,673 kids and this number has grown to 25,885 by 2022-23. The District can confirm right now that out of those 25,885 kids, a number given by the State, 1,800 are in M-DCPS. Even though those kids are in our public schools, the state is including them in a number that is being deducted from M-DCPS. Therefore even though they applied for a scholarship and left, they were still included in the FES FTE even though they were in our Public Schools during FTE week. The State is lacking a checking mechanism to verify this information. Another problem they are having is that some students are being funded twice. They are receiving both EO and UA scholarships. This is not allowed since it is illegal. The data right now shown by the State is messy, but the State prefers to go all in first instead of fixing these errors prior to launching these scholarship programs.

As we move into next year, we are estimating another 2,000-kid growth in scholarships. This estimated number of 27,955 is not taking into consideration the changes being proposed in House Bill 1 or Senate Bill 202. If these two Bills pass, the number of scholarship kids is going to be much higher. The result will have a drastic effect on our budget because we are projecting 359,459 and the Governor's projections is 358,020. The District is not going to have an opportunity to change its estimated numbers since we have to submit them prior to the legislative results.

Regarding this second chart and update from Mr. Steiger, the committee discussed, provided comments, questions, and concerns which were addressed by him as follows:

- The District hopes that the legislature funds vouchers separately, otherwise it will come out from the M-DCPS Budget.
- The process for a public school to convert into a charter school is a legal matter laid out in statute. If a school would like to convert, they will need to follow this conversion process which takes a period of time.
- The reason why we don't see the 16,000 new immigrant students in the chart is because the base line is not zero to 16,000. Last year it was 12,000, so this year it is 4,000 additional kids.
- The District is advocating for next year that since the number of immigrant kids is up substantially, the State should be flexible on how much ESOL funding they give M-DCPS.
- The dollars per kid, \$8,536.04 (\$ per uFTE for 23/24) represents a 2.5% growth. Inflation is far higher right now than 2.5%. The District is asking for a much bigger investment into education in order to meet the District's cost obligations, that are increasing rapidly. For example, the cost of paper, eggs, gas, etc., has gone up substantially.

IV. Discussion related to FY 23/24 Budget and Potential Reductions: Ms. Hosseini opened the floor to Mr. Steiger for a Discussion Related to FY 23/24 Budget and Potential Reductions. Mr. Steiger informed the group that they are in a unique position which allows them to understand the situation the District is in and provide opinions and guidance to the best of their abilities. Come first day of school in August, 350 traditional schools will open, and they will have teachers, students, administrators, textbooks and so forth. It is the District's responsibility to be able to do the best it can by using tax dollars in a prudent manner. There are challenging times in this process because the District must make assumptions that have drastic effects and consequences. The District appreciates the support this committee gives by understanding these difficulties.

The committee discussed, provided comments, questions, and concerns which were addressed by Mr. Steiger as follows:

- An update regarding previous discussion on raising funds by selling District owned property, is that it does not really help the budget balancing process since those funds are required to go back into Capital per state statute.
- As it is right now, the District has a deficit budget. If the District does not do anything, it will have a recurring revenue that is less than the recurring expenses, and it can only last one more year if it continues to move forward in this manner. The key is to increase revenue.
- It will be a negative cost overall to lose a public school to a Charter School. The expenses will go away but also the revenue that helps pay for the entire running of the District.

IV. New Business: None

V: Adjournment: Meeting was adjourned at 7:35 pm.