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, December 12, 2022

Voting Members Present:

Ms. Beverly Heller	Ms. Maria Norton	Ms. Zoraida Serret
Ms. Mina Hosseini	Ms. Laura Philpot	Ms. Meriel C. Seymore
Ms. Janielle Murphy	Mr. Elias Seife	Mr. Antonio White

Voting Members Excused/Absent:

Mr. Eddy Barea (E)	Ms. Isabelle Exume (A)	Dr. Lisa Robertson (A)
Mr. Scot Evans (E)	Mr. James Lopez (E)	Ms. Nadeige Theresias-Joisil (A)

Others Physically Present/Via Zoom:

Mr. Eugene P. Baker	Ms. Karelys Hernandez	Mr. Raul Perez
Mr. Richard Benvenuti	Dr. Milagros Hernandez	Ms. Aillette Rodriguez-Diaz
Ms. Nicole Crooks	Ms. Martha Montaner	Mr. Ron Y. Steiger
Ms. Martha M. Diaz	Ms. Magda Pereira	

I. Welcome and Introductions: The meeting was called to order by the Parent Subcommittee Chair Ms. Mina Hosseini at 5:35 pm. A quorum was established. All attendees, including non-voting members, introduced themselves.

II. Approval of Minutes for November 7, 2022: Ms. Hosseini made a motion for the approval of the minutes for the November 7, 2022, Parent Subcommittee on District and School Budget Priorities, and the minutes were approved.

III. GOB Funding of Technology Needs: Ms. Hosseini opened the floor to Mr. Raul Perez, Chief Facilities, Design/Construction Officer, Office of School Facilities, who began the GOB Funding of Technology Needs presentation by recapping that the General Obligation Bond (GOB) referendum passed in 2012 with a value of $1.2 billion. Of these $1.2 billion, roughly $100 million was identified for IT improvements and most of these improvements were completed within the first and second year of the program. The initiative for Interactive Whiteboards at all the schools was completed. Approximately 11,000 Whiteboards were installed along with the upgrade of internet connections and Wi-Fi capability. Out of those $100 million, about $95 million have been expended; and Mr. Eugene P. Baker, Chief Information Officer, Information Technology Services, is here and can share more information if necessary. Additionally, there are upgrades needed to be done to the work that was already completed and we will be conducting meetings to see how we can continue to do these upgrades.

Regarding the Facility side, the GOB has 339 main GOB projects, and 264 have already been completed. Half of the remaining projects are in the late stages of design, moving into construction and the other half is currently under construction. We are projecting to have the program completed in the next couple of years. Mr. Perez shared with the group that we are currently experiencing, with this market, a cost escalation of construction materials and also a difficulty for employment. These factors have affected some of the projects, but we have been able to address those needs with ESSER funds. We were able to blend GOB funds with augmented ESSER funds into these projects to make sure that the full scope which was originally contemplated at the beginning of the program is completed as it went out to the voters. Mr. Perez concluded his update and invited members and guests to share any questions or concerns they may have.

Member Ms. Beverly Heller asked about plans for the future and Mr. Perez responded that we have our Capital plan, the Capital Millage that we get from the State, which is 1.5 mills, and we roughly get a little over $600 million a year; from this amount we pay our debt service, about $200 million, plus about $200 million from Capital outlay to the General funds, leaving us with $200 million, which fluctuates based on property values. This amount gets identified for future Capital projects and for funding our maintenance needs. This amount is not enough since we must maintain close to 390 facilities and a lot of issues are not able to be addressed with these limited dollars. We balance the necessities by prioritizing them.

Member Mr. Elias Seife shared with the group that he has been tracking the Bond for quite some time, and asked Mr. Perez, 1) Why the Bond went from $1.2 billion to $1.311 billion and 2) based on the information he saw on the GOB dashboard, many of the projects were not completed or started, and now the dashboard has been deactivated; could you explain this? Mr. Perez explained that the actual amount of the Bond was represented as $1.2 billion in the 2012 GOB Referendum and these bonds are sold in what they call tranches. We don't sell $1.2 billion worth of bonds in the first year, in order to avoid a big impact on all the property owners who have to pay all that debt. Those bonds were sold throughout the life span of the GOB program when needed; and in some instances, when the bonds were sold, we fared better, and we got a premium, and that is the explanation for the increase in the amount. We can also add the earned interest. Ms. Martha M. Diaz, Chief Budget Officer, Budget Management, provided additional information as to what makes up the difference between the $1.2 billion approved to be issued vs. the amount reported on the dashboard of $1.311 billion. Ms. Diaz explained that the bonds were sold at a premium of $119,762,141.55 and about $22.2 million in interest and fair market value adjustments had also been recorded related to these bonds. About $2.3 million of the $22.2 million is projected interest for this year, almost $20 million of interest already earned, plus fair market value adjustments that have to be recorded at the financial level for accounting purposes. All these additional amounts get allocated to projects.

Mr. Perez moved on to address Mr. Seife's second question. He explained that when the dashboard was created, it was pulling all its financial information from our SAP system. All our GOB information is tied to project numbers in SAP and the dashboard picks up expenditures tied to project numbers. Since the IT related amounts were not tied to project numbers, the dashboard was not bringing in that information from SAP. IT and our Capital budget staff immediately started working to resolve this matter. The dashboard was brought down to make sure that we make that correction. Mr. Perez added that even though the dashboard was not picking up those expenditures, it was in the GOB annual reports, and audited by internal and external auditors with a clean bill of health, not one exemption or finding related to those numbers. The dashboard should be back online as soon as tomorrow.

Member Ms. Meriel C. Seymore shared that in some areas in the building at Coral Gables Senior High School and at Barbara Goleman Senior High School, the students lose internet service, especially on Tuesdays and Thursdays. This is critical since three students at Barbara Goleman Senior rely on internet service for their medical devices. Mr. Perez referred this issue to Mr. Baker. Mr. Baker was not aware of these issues but took note of it and will follow up.

Mr. Seife asked about the budget amount allocated to schools for projects and would like to know about the process and record for those transactions. Mr. Perez explained that one of the first parameters that we set when the Bond was first issued was that we would have a Bond Advisory Committee. Transfers from one project to another have to go to this Bond Advisory Committee and then to the Board for approval. Transfer requests are initiated in his office, and they do not happen frequently. Over a year there have not been any major transfers.

Ms. Hosseini asked Mr. Perez to share with the group the initial life of the project, starting when the General Obligation Bond (GOB) was brought to the public. Mr. Perez said that the referendum took place in 2012, approved overwhelmingly by 71%. Then the Office of Finance and Budget start the process which begins with the actual sale of the bonds. The actual GOB program did not start until August-September of 2013. The Bond was structured in five groups of projects. The first group of projects was made up of those budgeted between one and two million dollars and we had about 68 projects like that in the first year. We only had two large-scaled projects the first year; one at Miami Norland Senior High School and the other at MAST Academy at Virginia Key. Year two was reserved for projects under one-million-dollar because we wanted to start small business and micro business enterprise programs in the District. The Office of Economic Opportunity was created and started certifying small business and micro business firms. We held the second group of projects for those firms. Year two had about 70 projects. Then we started grouping projects above two-million-dollar. We would put out one solicitation for the grouping rather than one solicitation for one school. Years four and five contain the projects which are larger and more costly. Those are the ones that are currently running. We are looking to have the program come to a completion roughly within the next couple of years.

Ms. Hosseini asked Mr. Perez for a comparison between the staffing infrastructure in 2012 and now. Mr. Perez explained that when the Bond was let out, the school District was coming off a reduction in work force from the great recession of 2009-2010 and the

Office of Facilities went through several position cuts at that point since funds basically dried up because property values tanked. When the Bond passed, Facilities did not have the staffing to handle it, like it would in the past. At this point, we did what a lot of other municipalities do, we hired a Program Manager to assist us in providing us with staff. We will direct the programs, but they will provide staff for managing the projects. Additionally, from 2012 to now, we had District employees that have retired or moved on, and those positions were never filled. The Office of Facilities right now is pretty much a skeleton of what it used to have and has lost a lot of institutional knowledge of our schools and facilities. All our staff now comes from the Program Manager. We are looking now to reverse that by having conversation with the Superintendent to staff a cohort group for the Office of Facilities that understands our schools and is going to work for many years to come.

Mr. Seife asked for a status on Tropical Elementary School and Riviera Middle School. Mr. Perez said that these two schools are part of two larger projects and are on late stages of design and almost bidding at this point, with construction coming within three to four months.

Ms. Hosseini asked Mr. Baker to speak about the timeline to increase broadband at schools and whether external stakeholders, parents, or community members will be able to access the Wi-fi. Mr. Baker responded that we will be increasing the Wi-fi at all schools using a combination of ESSER funds and E-rate. We are also filling the gap of the dead zones at schools. Regarding the access to the network, we will start sharing the guest network with the outside folks, but the internal network will always be locked down due to security reasons. Students are allowed to bring their own devices and log in with the district credentials. We are planning to roll out a new parent account system, probably in February. Parents will be able to create an account using their apple, Google ID, or something similar. The infrastructure for the Wi-fi upgrade will be ongoing for the next couple of years. We are looking to get most of our schools done by September. We are also dealing with supply chain issues and getting equipment to our schools, since all the districts are buying the same items. If this is not completed by September 2023, we are looking at another year, September 2024.

Since we are now moving to assessments that require students to be online, Ms. Hosseini asked if some schools have priorities, like high schools. Mr. Baker said that the plan is to go after older schools that have not seen any upgrades in a while and also bigger schools.

Per Mr. Seife’s request, Mr. Baker explained what E-rate is. E-rate is a federal funded grant that is financed through the FCC and depending upon free and reduce lunch level; we get certain amount of reimbursement, either directly to us or through the vendor. In this District we get 80% reimbursement. For every dollar that we spend on technology, we pay 20% and they pay 80%. This is only for classrooms.

There being no additional questions or comments, Ms. Hosseini thanked Mr. Perez and Mr. Baker for their presentation.

IV. Legislative Update: Ms. Hosseini opened the floor to Ms. Martha M. Montaner, Administrative Director, Office of Intergovernmental Affairs & Family and Community Engagement. On behalf of Ms. Tabitha Fazzino, Ms. Montaner will provide a brief overview of our legislative programs. This process happens every single year. The current state and federal legislative platforms were approved by the Board this past November. Ms. Montaner informed us that the Interim Committee meeting in Tallahassee had started today, and our staff participates in this process. A special legislative session started also today for the first week of committee meeting, to discuss the issue of insurance in the State of Florida and hurricane relief. There are seven weeks in total of Interim Committee meetings in Tallahassee. We have a group of lobbyists right now in Tallahassee providing us with feedback and after each week we provide a memorandum to the Board on behalf of the Superintendent with feedback and updates related to the issues discussed during that week. The seven weeks lead up to the legislative session that formally begins on Tuesday, March 7, 2023. The legislative session convenes for 60 days, concluding early May unless it needs to be extended.

This year's legislative platform program is prepared in collaboration with stakeholders, District staff, community members, local governments, etc. We provide a draft and then the Board approves it accordingly. Some of the critical areas that we will be advocating as a District to our legislators in Tallahassee are:

- **Funding for K-12 Education** – Part of our program will continue to advocate for the increase of the state's investments in K-12 education, requesting an increase in the base student allocation, by a minimum of 7%.
- **The District Cost Differential** – Any changes in the District Cost Differential are really a factor that is part of the funding formula. We continue to urge Tallahassee to make sure that any cost difference associated with the cost of living in the different districts is reflected in that. This gets allocated annually and considers cost of living in the area, and other factors.
- **District Adequate funding** – Make sure that our District receives funding for students that come to our District as a result of a hurricane or national disaster.
- **Accountability and Assessment** – Florida assessment of student thinking is a Progress Monitoring System that has replaced the Florida Standard assessment. We are urging Tallahassee to provide sufficient funding to ensure that the implementation goes well and smooth. This Progress Monitoring System comprises of three progress monitoring assessments throughout the year.
- **Teacher Salary Increase Allocation** – We urge the State to continue to invest in our teachers for them to get paid adequately. Also encourage the State to develop strategies for loan forgiveness for teachers and fellowships to attract talent.
- **School and Student Safety** – as one of our top priorities, we urge the State to increase the safe schools categorical allocation by at least $100 million to narrow the funding gap associated with the mandate of having one police officer in each school.
- **Mental Health Services** – Ms. Montaner explained that they are making sure that increased funding is sustained and increased for mental health services, not just

for students but for the entire school community. The increased funding will allow us to continue to hire counselors, social workers, psychologists, emergency medical personnel and nurses as we see fit in the District.

- **College Entrance Exams** – we are interested in asking for funding for the administration of college entrance exams: ACT and SAT during school days. We deeply care about how we facilitate these exams without incurring additional costs for the student and their families.

Throughout the presentation the committee discussed, provided comments, questions, and concerns which were addressed by Ms. Montaner.

In closing, Ms. Montaner shared that as these interim committee meetings take place, the Office of Intergovernmental Affairs crafts a memorandum, and it is placed online with updates. She invites all attendees to visit their Intergovernmental Affairs webpage: https://intergovaffairs.dadeschools.net/#!/rightColumn/1787 to get legislative updates.

V. FEFP Related Topics: District Cost Differential / Funding Compression: Ms. Hosseini opened the floor to Mr. Steiger for his presentation on FEFP District Cost Differential and Funding Compression. Mr. Steiger started the conversation with the group saying that there seems to be a misunderstanding about what it means to be a "donor county". In order to clarify it, he will explain the two changes that happened to the FEFP between 2002-2004: change on the District Cost Differential and Compressions.

- District Cost Differential (DCD) - Changed from "basket of goods" to salary approach. The "amenity factor" was added to the DCD. The way the DCD used to work was based on something they call the "basket of goods", based on how much things cost. This method was changed to something called the "amenity factor" which is based on how much people make and disregards how much things cost. Therefore, the DCD was no longer based on the "basket of goods", instead they are going to base the entire DCD on how much people get paid at each district without taking into account the cost of living at the district.

- Compression – What the compression did was change the formula and use state funds to bring all counties up to the state average. As the gap got bigger, in terms of dollars per kid, from the discretionary local millage, it cost the state more money to fill in that gap. So, as Miami-Dade property bloomed, other small counties were benefiting from it. And the State was using state funds or sales tax to fill in that gap. By 2008-2009, we were giving far more than we were getting. In 2017-18, another compression happened, this time to all funds. So, let's say that Miami gets $8,400 per kid, but the average is $8,300, if you get $7,500 a kid, they will bring you up to $8,300. They don't have the funds to cover these costs, so they have only been funding it at 25%. This massive gap is now consistent.

This is what it is to be a "donor county" it is not in any way, that our money is going to Tallahassee. Every local tax dollar we levy, stays here; however, what's happening is that the state changes the funding formula, so they make our share, how much we have to put in larger, and re directs state funds to other districts. The districts that are benefiting from this change, and getting more funds per kids, are the central and northern districts and the ones that ended up suffering are the coastal communities, where you get a larger amount per kid in terms of real estate.

Another issue was the definition of “poor”. The State made a choice that “poor” means “property poor”, that the value of your real estate isn’t high, but in actuality, “poor” should mean how many poor kids your county has, that is where it cost a lot of money to educate a child. It does not cost more to educate a child because the value of your real estate isn’t high, in fact it cost you less. The only chance to fix this is by undoing some of the changes that were made.

Mr. Steiger explained that there is something else going on with this formula. Some districts are wealthy and are contributing more than others, but they are also getting more than anyone else. They are getting enough from compression. But Miami-Dade County, is in the hole of the donut, our property value is too high to receive any real compression money, but too low to fund all our educational needs. The system right now is set up so that the wealthy can handle themselves, the small poorer ones are taken care of and then there is a group in the middle that are suffering.

And that is where our county is. How do we go around this? One option is to attack the DCD and go back to the basket of goods approach, and another alternative we can explore is leaving the compression and talk about what it actually takes to educate people of poverty and put in place something called a “poverty factor” in the district to offset all the harm done by the compression. Other states have their funding formula built to put extra money towards educating poor children. This is another alternative that we can approach. Mr. Steiger concluded his presentation and invited members and guests to share any questions or concerns they may have.

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

VI. Walkthrough of Individual School Financial Data: Tabled for a future date.

VII. New Business: None

VIII: Adjournment: Meeting was adjourned at 7:43 pm.