EXPLORING ALTERNATE FUNDING SOURCES TO SUPPORT PUBLIC EDUCATION AND TEACHER COMPENSATION

Board Workshop
June 27, 2018

PURPOSE

To explore and examine available, alternative, and supplemental revenue sources to support public education and teacher compensation
2018-19 BUDGET UPDATE

2018-19 REVENUE

FEFP

- $12.6M increase
- $65/student or 0.87%

Prior Period Funding Adjustment

- $(17M) estimated decrease
- VAB “caught up” in 2017, leading to one-time receipt of double PPFAM in 2017-18
2018-19 MAJOR KNOWN COST INCREASES

- 2016-17 Raises: $30M
- Safe Schools: $10M
- Charter Schools (net): $3M
- Mental Health: $7M
- FRS (net): $3M
- Teacher Supply: $1M

Total: $54M

BALANCING SUMMARY

Revenue: ($4M)  Cost Increases: $54M  Shortfall: ($58M)
## BALANCING PLAN

<table>
<thead>
<tr>
<th>2018-19 Balancing Fund</th>
<th>Charter School Capital</th>
<th>Central Office Reorganization</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36M</td>
<td>$17M</td>
<td>?</td>
</tr>
<tr>
<td>Built during FY 17-18 to prepare the District for potential FY 18-19 shortfall</td>
<td>State agreed to pay for all charter school capital costs out of non-local revenue for FY 18-19</td>
<td>Savings realized through consolidation of work both within and among departments</td>
</tr>
</tbody>
</table>

## TEACHER SALARY TASK FORCE
SALARY TASK FORCE ENGAGEMENT PROCESS

- Salary Task Force
  - May 24, 2018
  - June 11, 2018
  - June 21, 2018

- Stakeholder Groups
  - June 1, 2018 - Administrators
  - June 4, 2018 - School Board Appointees
  - June 6, 2018 - Teachers
  - June 7, 2018 - Community / Business / Parent

All materials shared have been archived and are available in the Office of Labor Relations

TASK FORCE COMMON UNDERSTANDINGS

1) Income and Expenses

<table>
<thead>
<tr>
<th>10 Month Teacher Salary</th>
<th>Average Base</th>
<th>Median Base</th>
<th>Average Annual</th>
<th>Median Annual</th>
<th>Range Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$51,742</td>
<td>$46,078</td>
<td>$55,102</td>
<td>$50,192</td>
<td>$41,000 - $97,338</td>
</tr>
<tr>
<td>Secondary</td>
<td>$53,038</td>
<td>$46,750</td>
<td>$60,965</td>
<td>$56,721</td>
<td>$41,000 - $109,087</td>
</tr>
</tbody>
</table>

- The median income in Miami-Dade is $51,362
- Unaffordable housing and the general cost of living impact teachers
- Total compensation includes healthcare benefits and salary. M-DCPS provides a free healthcare option and dependent subsidies.
- Costs of child care and student loans are also high
2) State Education Policy Implications
   - Policies and funding decisions at state levels have impacted how resources are allocated and how teachers are compensated
   - The inequity of state funding limits ability to address salaries; it is the key issue

3) Performance Pay implications since July 2011
   - Current mid- to late-career teachers were impacted most significantly
   - Legislatively-imposed bonuses have diverted funds away from recurring salary enhancements for teachers
     - Best and Brightest bonuses are not added to base salaries and are not eligible for FRS

4) Issues affecting teacher recruitment and retention
   - Challenges to both recruitment and retention
     - General perception of teachers and of education as a career
     - Excessive testing and concerns regarding parental involvement
     - Impacts to retirement benefits
   - Compensation strategies must address the differing needs of new teachers versus mid- to late-career teachers

5) Other School Districts
   - Have successfully sought additional funding sources inclusive of teacher salaries, programmatic and operational needs
   - Other Districts are proposing referendums to fund enhancements inclusive of teacher salaries
   - M-DCPS anticipates greater competition for local recruitment and retention
TASK FORCE RECOMMENDATIONS

1) Continued strong, national and state legislative advocacy platform
   ▶ Policy and funding priorities
2) Invest in marketing campaign with data driven understanding of Miami-Dade County Public Schools
   ▶ Distinguish between our accomplishments and our critical funding needs
3) Pursue an Ad Valorem Tax Referendum
   ▶ Establish an oversight committee
   ▶ Emphasize that these funds are non-recurring and cannot supplant state funding
   ▶ Utilize additional funding stream to enhance teacher salaries by 20%
4) Additional considerations discussed:
   ▶ Housing incentives and/or subsidies
   ▶ Expanded student loan forgiveness programs
   ▶ Expanded child care offerings and/or subsidy programs for teachers
   ▶ Affordable financing rates for automobile loans
   ▶ Leverage District land assets to invest in a recurring revenue source for teacher incentive pay

SUPPLEMENTAL FUNDING OPTIONS
# RESULTS OF RECENT FLORIDA COUNTY REFERENDUMS

<table>
<thead>
<tr>
<th>County</th>
<th>Date</th>
<th>Elements</th>
<th>Result</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinellas</td>
<td>November 2016</td>
<td>Recruit and retain teachers, preserve reading programs and music and art classes, provide up-to-date textbooks and technology, oversight committee</td>
<td>Passed</td>
<td>.5 Mill (Renewal)</td>
</tr>
<tr>
<td>Manatee</td>
<td>March 2018</td>
<td>More instructional time, after-school tutoring, recruit and retain teachers and staff with competitive salaries, expand CTE and STEM, support charter schools</td>
<td>Passed</td>
<td>One Mill</td>
</tr>
<tr>
<td>Sarasota</td>
<td>March 2018</td>
<td>Maintain academic programs and teaching positions</td>
<td>Passed</td>
<td>One Mill (Renewal)</td>
</tr>
</tbody>
</table>

# UPCOMING FLORIDA COUNTY REFERENDUMS

<table>
<thead>
<tr>
<th>County</th>
<th>Date</th>
<th>Elements</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broward</td>
<td>August 2018</td>
<td>SROs (including charter schools with over 900 students), hire district security staff, increase compensation to recruit and retain highly qualified teachers, fund other essential instruction related expenses</td>
<td>.5 Mill</td>
</tr>
<tr>
<td>Marion</td>
<td>August 2018</td>
<td>Reading, physical education, art, music, library/media and vocational programs, meeting class size requirements, retaining teachers and paraprofessionals, oversight committee</td>
<td>One Mill (Renewal)</td>
</tr>
<tr>
<td>Orange</td>
<td>August 2018</td>
<td>Preserve academic programs, retain highly qualified teachers and protect arts, athletics and student activities, annual reporting</td>
<td>One Mill (Renewal)</td>
</tr>
<tr>
<td>Palm Beach</td>
<td>November 2018</td>
<td>Renew .25 mill for operating expenses</td>
<td>.25 Mill (Renewal)</td>
</tr>
</tbody>
</table>
**MIAMI-DADE COUNTY**
**MILLAGE LEVY OPTIONS & EFFECT**

<table>
<thead>
<tr>
<th>MILLAGE LEVY OPTIONS</th>
<th>EFFECT ON TYPICAL (SOH) HOMEOWNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19 Tax Roll</td>
<td>$ 322,333,396,951</td>
</tr>
<tr>
<td>Budgeted Rate</td>
<td>96%</td>
</tr>
<tr>
<td>Mills:</td>
<td>Homestead Exemption</td>
</tr>
<tr>
<td>0.25</td>
<td>Mills:</td>
</tr>
<tr>
<td>77,360,015</td>
<td>0.25</td>
</tr>
<tr>
<td>154,720,031</td>
<td>0.50</td>
</tr>
<tr>
<td>232,080,046</td>
<td>0.75</td>
</tr>
<tr>
<td>309,440,061</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Typical Homeowner $ 203,169

Budgeted Rate 96% Homestead Exemption $ (25,000)

Mills: $ 77,360,015

Mills: $ 154,720,031

Mills: $ 232,080,046

Mills: $ 309,440,061

**1011.73 DISTRICT MILLAGE ELECTIONS**

- MILLAGE AUTHORIZED NOT TO EXCEED 4 YEARS.—The district school board, pursuant to resolution adopted at a regular meeting, shall direct the county commissioners to call an election at which the electors within the school district may approve an ad valorem tax millage as authorized under s. 1011.71(9). Such election may be held at any time, except that not more than one such election shall be held during any 12-month period. Any millage so authorized shall be levied for a period not in excess of 4 years or until changed by another millage election, whichever is earlier. If any such election is invalidated by a court of competent jurisdiction, such invalidated election shall be considered not to have been held.
POTENTIAL BALLOT COMPETITION

City of Miami Beach
Public Safety, Parks/Quality of Life, Infrastructure/Resiliency (Sea-level Rise)

City of Doral
Parks

Miami-Dade County with the Miami Foundation
Parks & Recreation

Miami-Dade County
Fire/Police

Miami Lakes
Parks

POTENTIAL FOR VOTER APPROVAL

Strengths / Considerations
- Compensation and support for teachers and educational support staff is viewed positively
- Inclusion of citizen’s oversight committee is favorable
- Including sunset provision is viewed positively
- Support for school safety measures appears strong

Weaknesses
- Ballot competition on November 8
- Length of November 8 ballot
- Short timeframe to get language on the ballot
**KEY DATES**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 18, 2018</td>
<td>Regular School Board Meeting if Approved In addition to July 25 Regular Meeting</td>
</tr>
<tr>
<td>July 24, 2018</td>
<td>County Commission Meeting</td>
</tr>
<tr>
<td>August 7, 2018</td>
<td>Deadline for Providing Language to the Elections Department</td>
</tr>
<tr>
<td>November 6, 2018</td>
<td>General Election</td>
</tr>
</tbody>
</table>

**SPECIAL SCHOOL BOARD MEETING**

**JUNE 27, 2018**

**Purpose**

Present for the Board’s consideration an amendment to the School Board meeting schedule to provide the Board with additional flexibility as it moves through the budget development process. This amendment would make the meeting of July 18, 2018 a Regular School Board Meeting.