

Okaloosa County School District Proposed Operating Budgets

General Fund – District Departments & Selected Projects And Debt Service Funds

Fiscal Year 2007-2008

The Superintendent herewith respectfully submits proposed budgets for General Fund - District Departments, Selected Projects and Debt Service Funds, as follows:

GENERAL FUND

Comparison of Estimated Revenue

Summary of Proposed Appropriations

Detail Budgets for District Departments

Detail Budgets for Projects Funded from General Fund Unrestricted Fund Sources, Fees, and Transfers from Capital Improvement Fund

DEBT SERVICE FUND

Summary of Estimated Revenue and Proposed Appropriations

Detail Estimated Revenue and Proposed Appropriations by Fund

Please note that this book does not include projects which are primarily at schools or projects which are currently funded through grants and other sources that are budgeted as received. Projects which are primarily at schools will be included in the *Draft* School Budget Books, as well as a list of projects which will be budgeted as grants and/or funds are received. The *Draft* School Budgets will be submitted to the School Board on or before July 9, 2007.

Revenue Assumptions

The major source of funding for the Okaloosa County School District is the Florida Education Finance Program (FEFP) and District School Taxes. The Governor's Proposed Budget for fiscal year 2007-2008 as of March 2007 is the basis for projected FEFP revenues. Other federal, state and local revenues are based on current information regarding the fund source and historical revenue data. Estimated revenue for certain programs (Florida First Start, Charter School – Capital Outlay, and fee related revenues) is not projected because the program is not currently funded, the estimated revenue projection is not currently available, or the grant will expire prior to June 30, 2007.

Budget Process

Budget packets were distributed to district departments on February 5, 2007. Departments prepared proposed operating budgets, including staffing, based on services to be provided in FY 2007-2008 and submitted their proposed operating budget to the Budgeting Department for review. Budgeting met with each department and Deputy Superintendent to review their proposed operating budgets. During the review, adjustments (increases and decreases) were made to more accurately reflect department needs and the Board's priorities. The Superintendent also reviewed the proposed budgets and made additional changes in the proposed department operating budgets prior to finalization and submission to the School Board. Further changes in department operating budgets may be required prior to the final adoption of the FY 2007-2008 budget due to the following:

- A. Final adoption of the FY 2007-2008 appropriations by the State Legislature;
- B. Proposed property tax reform legislation;
- C. Changes in statutory requirements; and
- D. Unanticipated changes in major costs for FY 2007-2008, such as termination benefits, property and casualty insurance premiums, workers' compensation, health, dental, life, and other insurance.

Summary of Estimated Revenue

Prior to most other districts doing so, in 2001-2002, the District implemented Equity in School-Level Funding, F.S. 1011.69. The intent of Equity in School-Level Funding is that the funds generated at a school go to the school. Until 2003, the statute required that beginning in 2003-2004, district school boards had to allocate at least 90% of the funds generated by that school based upon the Florida Education Finance Program and the Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy.

In 2003, the Legislature modified the requirement as follows: "District school boards shall allocate to schools within the district an average of 90 percent of the funds generated by all schools and guarantee that each school receives at least 80 percent of the funds generated by that school based upon the Florida Education Finance Program..." The statute specifically excludes Supplementary Academic Instruction and Class Size Reduction funds from the calculation. Although the statute reduced the requirement on an individual school basis, the District continued to allocate 91% to schools and for fiscal year 2007 – 2008 the District has increased the percentage allocated to 92% of the FEFP funds generated at a school.

This administration's budget for Fiscal Year 2007-2008 contains substantial reductions in district administrative overhead costs and shifts a greater share of available funds, from 91% to 92% of FEFP, directly to schools. The district has decreased overhead in real dollars and as a percentage of all costs in order to place a greater share of educational resources in schools and classrooms. Also, a portion of the savings generated has been reallocated to "Closing the Achievement Gap" initiative. A schedule of administrative overhead savings is provided herein. In prior years, the Okaloosa County School District operated all district departments and overhead services on 9% of FEFP funding, but for Fiscal Year 2007-2008 the district will operate all district departments and overhead services on 8% of FEFP funding. Florida State University reports that the average district overhead load imposed on schools in other districts in our state is 18%.

Estimated New Revenue for FY 2007-2008 increased \$5.498 million, primarily due to the following:

	<u>\$ Increase (Decrease)</u>
Class Size Reduction	\$ 5,381,876
Net Increase/(Decrease) in FEFP and District School Taxes	(604,853)
Transportation - FEFP Revenue	187,863
Interest on Investments	525,000
Reading Instruction	244,937
Merit Award Program	1,540,336
Net Increase/(Decrease) in Revenues for Specific Projects	<u>(1,777,397)</u>
Net Increase in Estimated Revenues for FY 2007-2008	<u><u>\$ 5,497,762</u></u>

Note:

(1) Increase/(Decrease) is based on Comparing FY 2007-2008 Governor's Budget to FY 2006-2007 Original Budget (Final Conference) as of August 31, 2006.

As in 2007-2008, the estimated revenue for Transportation – School Activities (fieldtrips and other transportation services) has been estimated at the current revenue level in order to more accurately reflect actual cost of transportation operations and total estimated transportation revenue. Prior to 2004-2005, Transportation – Student Activities revenue was budgeted when revenues were received rather than as a part of the original budget.

Summary of Proposed Appropriations

Although the negotiated increase in salaries, step and general improvement was approximately 10% in FY 2007, departments throughout the district made adjustments and absorbed cost increases by reducing other parts of their budgets to minimize the overall impact to schools and the District. Department budgets essentially remain at the 2006-2007 level for all expenditures except fuel and personnel costs. This concerted effort by departments resulted in the overall FY 2008 proposed total appropriations for departments (net of the \$1,174,416 increase in Transportation appropriations primarily due to increases in fuel costs and personnel cost) increasing by 10.00% or \$1,304,360.

The Superintendent's Administrative Reorganization Summary (see attachment) reflects the administrative cost reductions which have been accomplished since November 2006 and proposed reductions for FY 2007-2008. The combined cost reductions for FY 2006-2007 and FY 2007-2008 is \$625,590. These overhead reductions are recurring each year and allow a substantially larger share of the education dollar to be appropriated to schools and provide additional funding for specific educational initiatives such as "Closing the Achievement Gap" which focuses on improving the math, science, reading and writing proficiency levels of low social economic students. Also, as a result of Administrative Overhead cost savings the District is proposing to establish three additional positions in the Maintenance Department, two (2) Site Technicians and one (1) Safety Supervisor. The additional Site Technicians will improve and expedite the delivery of maintenance services directly to schools and the Safety Supervisor will identify safety issues and facilitate corrective action.

If budgets could be compared based on constant (non-inflationary) dollars from year to year, there would be an even more dramatic display of the decrease in the amount and proportion of funds used at the District level. However, the following factors should be kept in mind in analyzing district costs from year to year:

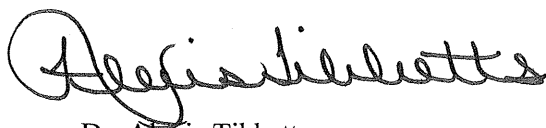
1. From FY 2005-2006 to FY 2006-2007, the annual step raise and general improvement raise approved by the School Board, changes in positions and estimated increase in health care costs increased the overall salaries and benefits for district departments, services, and projects by \$2,398,939. This includes administrative, managerial, instructional and educational support employees working for district departments and projects, not schools.
2. As a result of the Administrative Reorganization plan, the total number of employees working in district departments is 503.95. Of these, educational support employees account for 440.90 positions (primarily in transportation and maintenance), and instructional staff at the district level account for 5.00 positions. This leaves only 58.05 district-level administrative and managerial employees in all district departments.
3. Comparing FY 2007-2008 to FY 2006-2007, the District is expected to earn an estimated \$525,000 more in interest income. This is largely due to an increase in interest rates.

Major changes in departments which occurred during FY 2006-2007 are as follows:

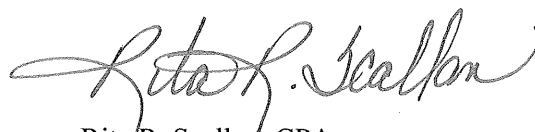
1. Budgeting and Financial Services (cost center 9205) was separated into two (2) separate cost centers, Finance - Accounting & Financial Reporting (cost center 9105) and Finance – Budgeting & Financial Services (cost center 9105).
2. Assistant Superintendent – Central (cost center 9723), Assistant Superintendent – North (cost center 9713) and Assistant Superintendent – South (cost center 9733) were eliminated and Deputy Superintendent - Curriculum, Instruction, & Assessment (cost center 9733) and Deputy Superintendent – School Operations (cost center 9713) were created.
3. Chief Officer – Educational Support Services (cost center 9006) was eliminated and Director – Facilities Planning (cost center 9006) is being created for FY 2007-2008.
4. Assistant Superintendent – Non-Traditional Schools (cost center 9743) was eliminated and Chief Officer – Non-Traditional Schools (cost center 9743) was created.

Other less notable changes are reflected on the summary page of each cost center.

Respectfully submitted,



Dr. Alexis Tibbetts
Superintendent

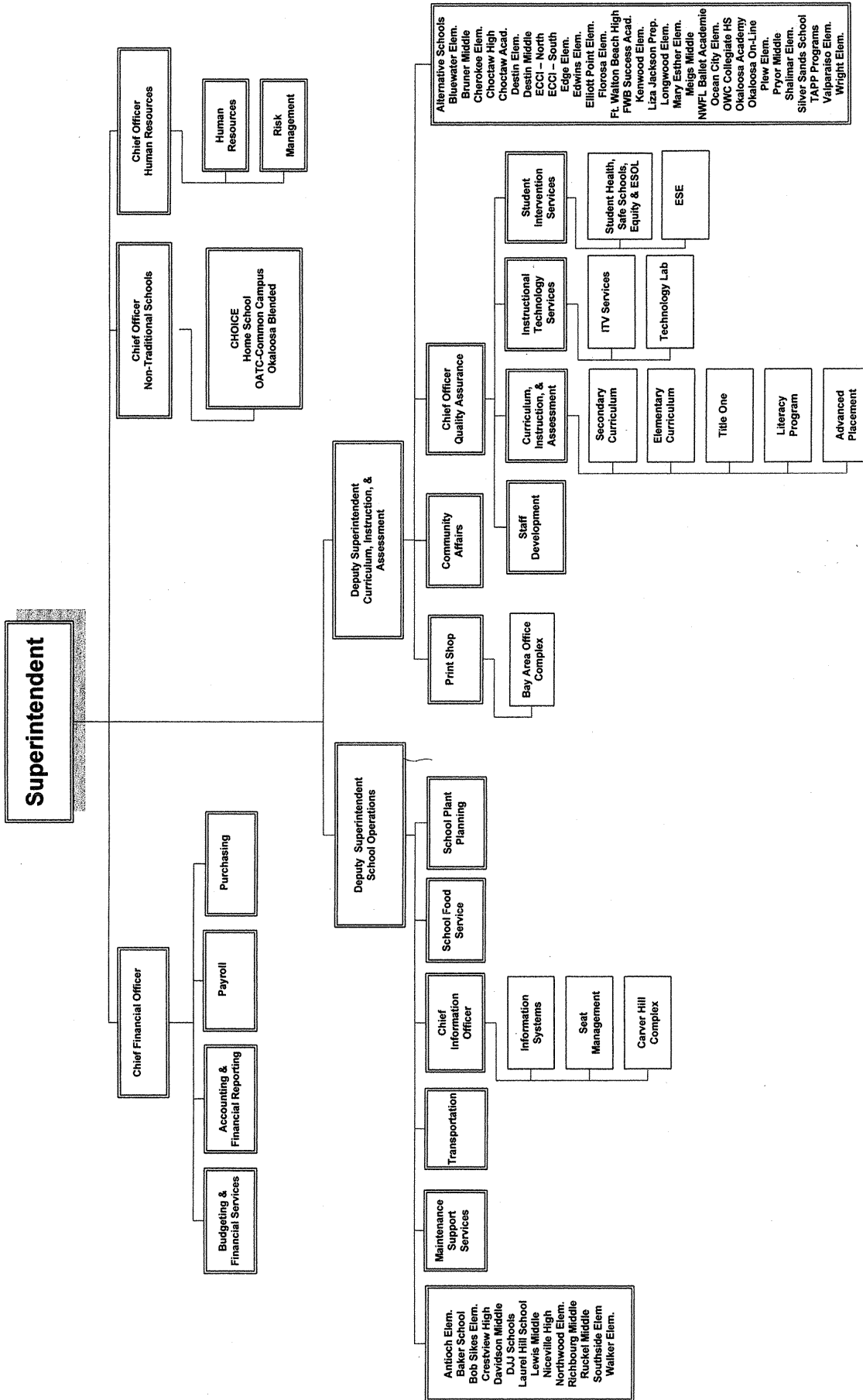


Rita R. Scallan, CPA
Chief Financial Officer

School District of Okaloosa County

ORGANIZATIONAL CHART

Fiscal Year 2007-2008



**School District of Okaloosa County
 Superintendent Administrative Reorganization Summary
 Fiscal Year 2006-2007 and Fiscal Year 2007-2008
 June 11, 2007**

<u>Fiscal Year 2006-2007 Action</u>	<u>Fiscal Year 2006-2007 (Savings) Costs</u>	<u>Fiscal Year 2007-2008 (Savings) Costs</u>	<u>Total Combined (Savings) Costs</u>
<u>Positions Deleted in Reorganization</u>			
General Fund - Discretionary	\$ (420,700)	\$ (996,560)	\$ (1,417,260)
<u>Other General Fund Projects</u>			
ESOL - SAI - Project 4110	(44,729)	(47,080)	(91,809)
Media Services - Project 3111	(24,847)	(51,357)	(76,204)
SEPEC - Project 7015	(23,884)	(51,357)	(75,241)
School Psychologists - Project 2029	(22,535)	(51,357)	(73,892)
<i>Subtotal Positions Deleted</i>	<u>(536,695)</u>	<u>(1,197,711)</u>	<u>(1,734,406)</u>
<u>Contracts Deleted in Reorganization</u>			
General Fund - Discretionary	(80,000)	(80,000)	(160,000)
<i>Total Savings Fiscal Year 2006-2007</i>	<u>(616,695)</u>	<u>(1,277,711)</u>	<u>(1,894,406)</u>
<u>Positions Added in Reorganization</u>			
General Fund - Discretionary	227,929	591,208	819,137
<u>Other General Fund Projects</u>			
District Transfers - Project 2031	109,603	36,658	146,261
Supplemental Academic Instruction - Project 3161	-	160,650	160,650
<i>Subtotal Positions Added</i>	<u>337,532</u>	<u>788,516</u>	<u>1,126,048</u>
<i>Total Fiscal Year 2006-2007 Net Annualized Savings</i>	<u>(279,163)</u>	<u>(489,195)</u>	<u>(768,358)</u>
<u>Fiscal Year 2007-2008 Action</u>			
<u>Proposed Positions Deleted</u>			
General Fund - Discretionary	-	(482,637)	(482,637)
<u>Other General Fund Projects</u>			
ESOL - SAI - Project 4110	-	(41,218)	(41,218)
Itinerant Hospital/Homebound - Project 2023	-	(68,184)	(68,184)
<i>Subtotal Proposed Positions Deleted</i>	<u>-</u>	<u>(592,039)</u>	<u>(592,039)</u>
<u>Proposed Positions Added</u>			
General Fund - Discretionary	-	621,367	621,367
<u>Other General Fund Projects</u>			
District Transfers - Project 2031	-	8,607	8,607
Itinerant Autism - Project 2019	-	55,451	55,451
Staffing Specialists - Project 5012	-	49,382	49,382
<i>Subtotal Proposed Positions Added</i>	<u>-</u>	<u>734,807</u>	<u>734,807</u>
<i>Total Fiscal Year 2007-2008 Net Annualized Savings</i>	<u>-</u>	<u>142,768</u>	<u>142,768</u>
<u>Total Fiscal Year 2006-2007 and Fiscal Year 2007-2008 Net Annualized (Savings) Costs</u>	<u>\$ (279,163)</u>	<u>\$ (346,427)</u>	<u>\$ (625,590)</u>

**School District of Okaloosa County
Superintendent Administrative Reorganization
Fiscal Year 2006-2007 and Fiscal Year 2007-2008**

Fiscal Year 2006-2007 Action

	<u>Fiscal Year 2006-2007 (Savings) Costs</u>	<u>Fiscal Year 2007-2008 (Savings) Costs</u>	<u>Fiscal Year 2007-2008 Annualized Savings</u>
<i>Positions Deleted in Reorganization</i>			
<u>General Fund - Discretionary - Positions</u>			
Assistant Superintendent - Central - 12 Month	\$ (84,999)	\$ (140,835)	\$ (225,834)
Assistant Superintendent - North - 12 Month	(83,377)	(138,174)	(221,551)
Assistant Superintendent - South - 12 Month	(79,037)	(131,057)	(210,094)
Chief Officer - Educational Support Services - 12 Month	(5,104)	(133,691)	(138,795)
District Level Confidential Secretary - Asst. Superintendent - Central - 12 Month	(32,896)	(55,398)	(88,294)
District Level Secretary - Community Affairs - 12 Month	(4,702)	(36,415)	(41,117)
District Level Secretary - ESE - 12 Month	(17,360)	(53,155)	(70,515)
Program Director - Purchasing - 12 Month	(6,095)	(114,242)	(120,337)
Program Director - Student Intervention Services - ESE - 12 Month	(66,893)	(113,268)	(180,161)
Specialist - Curriculum, Instruction & Assessment - 12 Month	(40,237)	(80,325)	(120,562)
Subtotal General Fund - Discretionary	(420,700)	(996,560)	(1,417,260)
<u>Other General Fund Projects</u>			
ESOL - SAI - Project 4110			
Teacher on Special Assignment - 10 Month	(44,729)	(47,080)	(91,809)
Subtotal ESOL - SAI - Project 4110	(44,729)	(47,080)	(91,809)
Media Services - Project 3111			
Media Production Technician - 12 Month	(24,847)	(51,357)	(76,204)
Subtotal Media Services - Project 3111	(24,847)	(51,357)	(76,204)
SEPEC - Project 7015			
District Level Secretary - 12 Month	(23,884)	(51,357)	(75,241)
Subtotal SEPEC - Project 7015	(23,884)	(51,357)	(75,241)
School Psychologists - Project 2027			
District Level Secretary - 12 Month	(22,535)	(51,357)	(73,892)
Subtotal School Psychologists - Project 2027	(22,535)	(51,357)	(73,892)
Subtotal Other General Fund Projects	(115,995)	(201,151)	(317,146)
Total Positions Deleted in Reorganization	(536,695)	(1,197,711)	(1,734,406)
<u>General Fund - Discretionary - Contracts</u>			
Okaloosa Public Schools Foundation Contract	(80,000)	(80,000)	(160,000)
Subtotal Contracts	(80,000)	(80,000)	(160,000)
Total Savings Fiscal Year 2006-2007	(616,695)	(1,277,711)	(1,894,406)

	<u>Fiscal Year 2006-2007 (Savings) Costs</u>	<u>Fiscal Year 2007-2008 (Savings) Costs</u>	<u>Fiscal Year 2007-2008 Annualized Savings</u>
<i>Positions Added in Reorganization</i>			
<u>General Fund - Discretionary - Positions</u>			
Deputy Superintendent - Curriculum, Instruction, & Assessment - 12 Month	79,037	131,057	210,094
Deputy Superintendent - School Operations - 12 Month	82,652	136,985	219,637
Director - Finance - Accounting and Financial Reporting - 12 Month	13,557	118,538	132,095
Director - Student Intervention Services - ESE - 12 Month	45,243	119,857	165,100
District Level Secretary - Human Resources - 12 Month	4,858	36,415	41,273
Director - Purchasing - 12 Month - 40%	2,582	48,356	50,938
Subtotal General Fund - Discretionary	227,929	591,208	819,137
<u>Other General Fund Projects</u>			
District Transfers - Project 2031			
Assistant Principal I (February - October 2007)	44,818	36,658	81,476
Assistant Superintendent - North - Transition	32,718	-	32,718
District Based Teacher (March - June 2007)	16,150	-	16,150
Office Manager - Information Systems - Transition	15,917	-	15,917
Subtotal District Transfers - Project 2031	109,603	36,658	146,261
Supplemental Academic Instruction - Project 3161			
Specialist - Closing the Gap (NCLB)	-	80,325	80,325
Specialist - Student Intervention Services	-	80,325	80,325
Subtotal Supplemental Academic Instruction - Project 3161	-	160,650	160,650
Subtotal Other General Fund Projects	109,603	197,308	306,911
Total Positions Added in Reorganization	337,532	788,516	1,126,048
Total Fiscal Year 2006-2007 Net Annualized Savings	\$ (279,163)	\$ (489,195)	\$ (768,358)

**School District of Okaloosa County
Superintendent Administrative Reorganization
Fiscal Year 2006-2007 and Fiscal Year 2007-2008**

Fiscal Year Proposed 2007-2008 Action

	Fiscal Year 2006-2007 (Savings) Costs	Fiscal Year 2007-2008 (Savings) Costs	Fiscal Year 2007-2008 Annualized Savings
<u>Proposed Positions to be Deleted</u>			
<u>General Fund - Discretionary - Positions</u>			
Assistant Superintendent - Non-Traditional Schools - 12 Month (75%)	\$ -	\$ (103,234)	\$ (103,234)
Confidential District Secretary - Educational Support Services - 12 Month	-	(55,398)	(55,398)
Director - CHOICE - 12 Month (50%)	-	(50,705)	(50,705)
District Level Clerk - Human Resources - 12 Month	-	(32,201)	(32,201)
District Level Secretary - Human Resources - 12 Month	-	(31,381)	(31,381)
District Level Secretary - Risk Management - 12 Month (40%)	-	(17,253)	(17,253)
Evaluation Analyst - Quality Assurance - 12 Month (50%)	-	(20,588)	(20,588)
Evaluation Analyst - Student Intervention Services - 12 Month (50%)	-	(20,588)	(20,588)
Program Director - Staff Development - 12 Month (53%)	-	(62,846)	(62,846)
Teacher - Technology Trainer - Instructional Technology - 12 Month	-	(88,443)	(88,443)
Subtotal General Fund - Discretionary	-	(482,637)	(482,637)
<u>Other General Fund Projects</u>			
<u>ESOL - SAI - Project 4110</u>			
District Level Secretary - Student Intervention Services - 12 Month	-	(41,218)	(41,218)
Subtotal ESOL - SAI - Project 4110	-	(41,218)	(41,218)
<u>Itinerant Hospital/Homebound - Project 2023</u>			
Teacher, PK HDC	-	(68,184)	(68,184)
Subtotal Itinerant Hospital/Homebound - Project 2023	-	(68,184)	(68,184)
Subtotal Other General Fund Projects	-	(109,402)	(109,402)
Total Proposed Deleted Positions	-	(592,039)	(592,039)
	Fiscal Year 2006-2007 (Savings) Costs	Fiscal Year 2007-2008 (Savings) Costs	Fiscal Year 2007-2008 Annualized Savings
<u>Proposed Positions to be Added</u>			
<u>General Fund - Discretionary - Positions</u>			
Chief Officer - Non-Traditional Schools - 12 Month (75%)	-	103,234	103,234
Director - Curriculum, Instruction & Assessment - 12 Month (5%)	-	6,126	6,126
Director - Facilities - 12 Month	-	95,478	95,478
District Level Clerk - Information Systems - 12 Month (80%)	-	25,700	25,700
District Level Secretary - Educational Support Services - 12 Month	-	51,358	51,358
District Level Secretary - Human Resources - 12 Month	-	43,462	43,462
District Level Secretary - Human Resources - 12 Month	-	36,415	36,415
Information Systems Coordinator - Educational Support Services - 12 Month (50%)	-	35,648	35,648
Information Systems Coordinator - Transportation Central - 12 Month (50%)	-	35,648	35,648
Site Base Technician - Maintenance Support Services - 12 Month (2 Positions)	-	72,830	72,830
Specialist - Construction Technology Institute - CHOICE - 12 Month (25%)	-	21,893	21,893
Specialist - Instructional Technology Institute - CHOICE - 12 Month (25%)	-	21,234	21,234
Supervisor - Maintenance Support Services - 12 Month	-	72,341	72,341
Subtotal General Fund - Discretionary	-	621,367	621,367
<u>Other General Fund Projects</u>			
<u>District Transfers - Project 2031</u>			
Asst. Principal I - 12 Month (10%)	-	8,607	8,607
Subtotal District Transfers - Project 2031	-	8,607	8,607
<u>Itinerant Autism - Project 2018</u>			
Certified Behavior Analyst - 12 Month	-	55,451	55,451
Subtotal Itinerant Autism - Project 2018	-	55,451	55,451
<u>Staffing Specialists - Project 5012</u>			
Staffing Specialist - 10 Month	-	49,382	49,382
Subtotal Staffing Specialist - Project 5012	-	49,382	49,382
Subtotal Other General Fund Projects	-	113,440	113,440
Total Proposed Added Positions	-	734,807	734,807
Total Fiscal Year 2007-2008 Net Annualized Costs	\$ -	\$ 142,768	\$ 142,768