



Status: ORIGINAL

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

2024-05-21	Regular School Board Meeting
CATEGORY:	FF. Financial Management
DEPARTMENT:	Capital Budget

Agenda Item Number:	FF-1.
Consent or Open Item:	Open
Special Order:	NO
Time for Special Order:	

TITLE:	Capital Fund Amendment #2 as of April 30, 2024
REQUESTED ACTION:	Approve Capital Fund Amendment #2 changes in revenue and appropriations.

RATIONALE:

For the Requested Actions, Background/History, Alignment to the 2027 Goals and Guardrails, Measurable Outcome(s)/Return on Investment, Financial Impact, and Rationale, please see the Executive Summary.

EXHIBITS:

Executive Summary
Capital Budget Amendment #2

FINANCIAL IMPACT:

This amendment recognizes additional revenue of \$21.2 million. The funding needs presented in this item total \$15.9 million, which results in a net positive impact to the Capital Reserve of \$5.3 million.

STRATEGIC PLAN ALIGNMENT:

Student Focus Outcomes

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OR Business Operations

BOARD ACTION:

(For Official School Board Records Only)

APPROVED

SOURCE OF ADDITIONAL INFORMATION

Name: Judith M. Marte	Phone: 754-321-2611
Name: Erum Motiwala	Phone: 754-321-1990

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Senior Leader & Title

Judith M. Marte, Deputy Superintendent, Finance & Operations

Signature

Judith M. Marte, Deputy Superintendent, Finance & Operations

Electronic Signature
Form \$4189 Revised 4/24
HH/VSF

Approved in
Open Board
Meeting On:

May 21, 2024

By:

Lois Wadell
School Board Chair



For more information, please contact:

Name: Judith M. Marte
Title: Deputy Superintendent,
Finance & Operations
Phone: 754-321-2611

EXECUTIVE SUMMARY

Recommendation to Approve 2023-24 Capital Fund Amendment #2 As of April 30, 2024

Board Meeting Date: May 21, 2024

Requested Action

Approve Capital Fund Amendment #2 changes in revenue and appropriations.

District-zone impact: District-wide.

Impact if the Board Voted Yes or No

If the Board votes “Yes”

From capital reserves, staff would:

- Fund Physical Plant Operations (PPO) projects that were realigned from the ARP HVAC grant.
- Fund Furniture, Fixtures, and Equipment (FF&E) needs for fragile schools.
- Transfer to General Fund for allowable Physical Plant Operations additional costs.
- Fund districtwide high school weapon detection systems.

If the Board votes “No”

- The Physical Plant Operations department will be underfunded.
- Fragile schools will not receive the additional FF&E requested.
- Weapon detection systems will not be fully funded.

Background/History

- **Physical Plant Operations (PPO)**

The District is realigning \$10.5 million in ARP HVAC projects to Capital funds for Physical Plant Operation projects.

Additional funding is required for PPO due to the April 2023 flood response, which is offset by insurance revenue.

- **Interest Revenue**

Interest revenue and investment gains of \$20,216,622 were received.

- **Insurance Recovery**

Insurance for April 2023 flood claims of \$959,160 was received. This is an open claim and additional payments are anticipated. The District has received \$6.4 million in revenue from the April 2023 flood claims.

Recommendation to Approve 2023-24 Capital Fund Amendment #2

As of April 30, 2024

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- **Furniture, Fixtures and Equipment**

Funds will be used to purchase furniture and equipment at the District's 12 fragile schools, and replacement of broken cafeteria tables. Other furniture that poses a safety risk will also be replaced.

- **Project Closeouts**

In this Capital Fund Amendment, project closeouts add \$742,898 to the Capital reserve.

- **Weapon Detection Systems**

The Board approved weapon detection systems for all high schools. The budget for all high schools is \$1,835,115, of which \$540,000 was approved on March 20, 2024, Item #4. This Capital Fund amendment will fund the additional \$1,295,115.

- **Charter School Local Capital Improvement (LCI)**

The calculation of the District's Local Capital Improvement share to charter schools increased. The increase is primarily due to the state's lowered PECO contribution to Broward's charter schools and an overall shift in statewide charter school enrollment.

Alignment to 2027 Goals and Guardrails

Guardrail 1: Safety – Weapon detection systems will support the District's ongoing safety initiatives.

Guardrail 3: School Support – The ongoing work of the PPO department allows the District to continue to enhance schools for students and staff. Moreover, additional FF&E procurement will assist fragile schools.

Guardrail 4: Accountability - This item is presented to the School Board to comply with statutory requirements per Fla. Admin. Code R. 6A-1.007.

Measurable Outcome(s)/Return on Investment

Funding these requests will allow staff to continue District maintenance and provide school FF&E.

Financial Impact

This amendment recognizes additional revenue of \$21.2 million, \$20.2 million from interest and gains, and \$1.0 million from insurance loss recoveries. The funding needs presented in this item total \$15.9 million, which results in a net positive impact to the Capital Reserve of \$5.3 million.

Recommendation to Approve 2023-24 Capital Fund Amendment #2
As of April 30, 2024
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Projected Capital Reserve Balance

The projected Capital Reserve balance will be \$55.3 million.

Description	Amount
Capital Reserve Balance (through 4/16/24 RSBM)	\$ 51,618,815
Capital Reserve Increase/(Decrease)	
JJ Items (5/21/24 RSBM)	(1,566,466)
FF-1 (5/21/24 RSBM)	5,289,044
Projected Capital Reserve Balance	\$ 55,341,393

2023-24 Capital Fund Amendment Exhibits

- **Exhibit A** Capital Fund Estimated Revenues
- **Exhibit B** Capital Fund Appropriations
- **Exhibit C** Capital Reserve Activity
- **Exhibit D** Project Closeouts (Pending)

Additional allocations into the SMART Program require the Board's approval and all future amounts are subject to change based on economic conditions and the results of annual legislative action.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #2
As of April 30, 2024

Exhibit A

ESTIMATED REVENUES	PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET
LOCAL SOURCES			
District Local Capital Improvement Tax (Capital Millage)	\$ 435,396,135	\$ -	\$ 435,396,135
Impact Fees / Mitigation Fees	10,000,000	-	10,000,000
Miscellaneous Sources	155,000	20,216,622	20,371,622 (A)
Insurance Loss Recoveries	4,140,000	959,160	5,099,160 (B)
Equipment Lease Financing (Buses & White Fleet Vehicles)	49,812,564	-	49,812,564
Total Local Sources	\$ 499,503,699	\$ 21,175,782	\$ 520,679,481
STATE SOURCES			
CO&DS (Capital Outlay and Debt Service / Motor Vehicle License Revenue)	\$ 9,000,000	\$ -	\$ 9,000,000
Charter School Capital Outlay (PECO flow- thru)	30,200,000	(697,420)	29,502,580 (C)
FY24 Security Grant (School Hardening)	3,633,000	-	3,633,000
Previous Years Security Grants (School Hardening)	5,063,071	-	5,063,071
FY18 Senate Bill 7026 (MSD Funding)	2,312,714	-	2,312,714
Florida Department of Environmental Protection Electric Bus Grant	-	-	-
Total State Sources	\$ 50,208,785	\$ (697,420)	\$ 49,511,365
BEGINNING FUND BALANCE	870,953,324	-	870,953,324
TOTAL ESTIMATED REVENUES, OTHER FINANCING SOURCES, & BEGINNING FUND BALANCE	\$ 1,420,665,808	\$ 20,478,362	\$ 1,441,144,170
TOTAL ESTIMATED REVENUES, OTHER FINANCING SOURCES, BEGINNING FUND BALANCE AND DEFERRED REVENUE	\$ 1,420,665,808	\$ 20,478,362	\$ 1,441,144,170

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #2
As of April 30, 2024
Explanation Summary

Exhibit A

<u>CHANGES IN ESTIMATED REVENUES</u>	<u>INCREASE/ (DECREASE)</u>
(A) Miscellaneous Sources	\$ 20,216,622
Interest earned on District cash balances primarily capital millage and general obligation bond funds (GOB). Interest earned on Capital Millage is \$12.3 million, interest earned on GOB funds is \$2.4 million and the interest earned on Certificates of Participation (COPs) is \$2.7 million. The remaining interest was earned across several of the District's other Capital fund groups such as land sales and Capital Outlay and Debt Service (CO&DS).	\$ 20,216,622
(B) Insurance Loss Recoveries	\$ 959,160
Insurance recovery for April 2023 flood. This claim is still open and the District will continue to receive payment for this event until the claim is closed.	\$ 959,160
(C) Charter School Capital Outlay (PECO flow-thru)	\$ (697,420)
Based on Statewide charter school enrollment. Broward's share of Charter School Capital Outlay PECO was reduced from \$30.2 million to \$29.5 million.	\$ (697,420)

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #2
As of April 30, 2024

APPROPRIATIONS	PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET
CAPITAL OUTLAY			
Buildings & Fixed Equipment	\$ 98,595,127	\$ -	\$ 98,595,127
Furniture, Fixtures & Equip	55,610,383	1,500,000	57,110,383 (1)
Motor Vehicles	43,785,666	-	43,785,666
Improvements other than Bldgs	10,498,189	-	10,498,189
Remodeling & Renovation	842,615,774	16,341,261	858,957,035 (2)
Total Capital Outlay	\$ 1,051,105,139	\$ 17,841,261	\$ 1,068,946,400
CHARTER SCHOOL LOCAL CAPITAL IMPROVEMENT			
To Charter School	\$ 5,561,351	\$ 334,521	\$ 5,895,872 (3)
Total Charter School Local Capital Improvement	\$ 5,561,351	\$ 334,521	\$ 5,895,872
OTHER FINANCING USES			
To General Fund	\$ 164,964,239	\$ 2,302,580	\$ 167,266,819 (4)
To Debt Service Fund	199,035,079	-	199,035,079
Total Other Financing Uses	\$ 363,999,318	\$ 2,302,580	\$ 366,301,898
TOTAL APPROPRIATIONS & OTHER FINANCING SOURCES	\$ 1,420,665,808	\$ 20,478,362	\$ 1,441,144,170

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #2
As of April 30, 2024
Explanation Summary

<u>CHANGES IN APPROPRIATIONS</u>	<u>INCREASE/ (DECREASE)</u>
(1) Furniture, Fixtures & Equipment	\$ 1,500,000
Funds will be used to purchase furniture and equipment at the District's 12 fragile schools, and replacement of broken cafeteria tables and other furniture that pose a safety risk will also be replaced.	\$ 1,500,000
(2) Remodeling and Renovation	\$ 16,341,261
<i>Additional details on the unallocated reserve are included in Exhibit C</i>	
<u>Capital Reserve Financial impact:</u>	
Revenue Recognition	
• Revenue from miscellaneous sources (See Exhibit A)	\$ 20,216,622
• Revenue from Insurance (See Exhibit A)	959,160
<i>Subtotal Revenue Recognition</i>	\$ 21,175,782
Transfer to/from Capital Projects	
• PPO Capital Projects transferred from ARP HVAC (See below, 2)	\$ (10,500,000)
• Furniture, Fixture & Equipment (See Above, 1)	(1,500,000)
• Local Capital Improvement Charter School (See Below, 3)	(334,521)
• Weapon Detection Systems (See Below, 2)	(1,295,115)
• Project Closeout (See Exhibit D)	742,898
• General Fund Transfer for PPO Flood Response (See Below, 4)	(3,000,000)
<i>Subtotal transfer to/from Capital Projects</i>	\$ (15,886,738)
Total Capital Reserve Impact	\$ 5,289,044
<u>Remodeling and Renovation Projects</u>	
• PPO Capital Projects transferred from ARP HVAC	\$ 10,500,000
• Weapon Detection Systems	1,295,115
• Project Closeout	(742,898)
<i>Total Remodeling and Renovation Projects</i>	\$ 11,052,217

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #2
As of April 30, 2024
Explanation Summary
(Continued)

<u>CHANGES IN APPROPRIATIONS</u>	INCREASE/ (DECREASE)
(3) Local Capital Improvement (Charter School)	\$ 334,521
The calculation of the District's Local Capital Improvement share to charter school increased. The increase is primarily because of the State's lowered contribution to Broward charter schools and final enrollment numbers.	\$ 334,521
(4) Transfer to General Fund	\$ 2,302,580
<ul style="list-style-type: none"> Based on Statewide charter school enrollment. Broward's share of Charter School Capital Outlay PECO was reduce from \$30.2 million to \$29.5 million. (Flow-thru with no reserve impact) 	\$ (697,420)
<ul style="list-style-type: none"> Additional funding is required for PPO due to the April 2023 flood response, which is offset by insurance revenue. 	\$ 3,000,000

**Capital Funds Reserve Status Report
for May 21, 2024 Regular School Board Meeting**

Exhibit C

Date	Item	Location	Description	Reserve Activity
7/1/2023			FY24 Beginning Balance (from Adopted DEFP 9/5/23)	\$ 120,316,000
9/5/2023	1	District wide	Amendment for Turf Fields	(2,500,000)
FY24 Beginning Balance				\$ 117,816,000

Previously Approved FY24 Board Items with Budget Impacts

9/12/2023	JJ-18	James S. Rickards Middle	Approve GMP Amendment 1 to the Construction Manager at Risk Agreement with CORE Construction Services of Florida, LLC., and approve additional funding in the amount of \$22,185,372 - James S. Rickards MS, Oakland Park, Project No. P.002775, District 3.	(22,185,372)
10/17/2023	JJ-13	McArthur High	Approve the Construction Agreement with James B. Pirtle Construction Company, Inc., in the amount of \$30,556,227 for the construction of the SMART Program Renovations - P.001954, and New Classroom Addition - P.002892, at McArthur High School, RFP FY24-052, District 1.	(16,635,327)
11/8/2023	JJ-13	Mary M. Bethune Elementary	Approve the Third Amendment to the Professional Services Agreement with RGD & Associates, Inc and approve the additional funding request of \$1,466,000 for the planning and design of a new 8,500 sq. ft administration building and subsequent demolition of the existing administration building at Mary M. Bethune Elementary School, Project No. P.002984, District 1.	(1,466,000)
1/23/2024	FF-1	Districtwide	Capital Budget Amendment #1 SMART Program Needs	(28,486,180)
1/23/2024	FF-1	Districtwide	Capital Budget Amendment #1 ADA Projects	(2,341,731)
1/23/2024	FF-1	Districtwide	Capital Budget Amendment #1 SMART Projects Closeouts	2,248,230
1/23/2024	FF-1	Districtwide	Capital Budget Amendment #1 DEFP Project Closeouts	3,610,489
1/23/2024	FF-1	Districtwide	Capital Budget Amendment #1 Insurance Recovery	4,140,000
1/23/2024	JJ-7	Central Park Elementary	Approve Change Order #6 in the amount of \$11,423 and no days added to the contract duration and approve additional funding in the amount of \$4,539 for Central Park Elementary School, Project No. P.001757, District 6.	(4,539)
2/21/2024	JJ-1	Lauderhill Paul Turner Elementary	Approve deductive Change Order #1 in the amount of (\$168,554.56) and no days added to the contract duration for Lauderhill Paul Turner Elementary School, Project No. P.002066, District 5.	168,555
2/21/2024	JJ-4	Boyd H. Anderson High	Approve Change Order #3 and additional funding in the amount of \$33,071 for Boyd H. Anderson High School, Project No. P.001846, District 5.	(33,071)

**Capital Funds Reserve Status Report
for May 21, 2024 Regular School Board Meeting**

Exhibit C

Date	Item	Location	Description	Reserve Activity
2/21/2024	JJ-5	South Broward High	Approve Change Order #8 and additional funding request in the amount of \$15,159 and no days added to the contract duration for South Broward High School, Project No. P.001838, District 1.	(15,159)
2/21/2024	JJ-7	Coral Springs High	Approve Change Order #10 and additional funding request in the amount of \$6,968 and no days added to the contract duration for Coral Springs High School, Project No. P.001765, District 4.	(6,968)
2/21/2024	JJ-10	Plantation High	Approve the Construction Agreement with H.A. Contracting Corp., valued at \$22,860,000 and requiring \$734,280 of additional funding.	(734,280)
3/12/2024	JJ-8	Blanche Ely High	Approve additional funding in the amount of \$3,650,000, and approve additional scope of work including bus loop renovation and new covered walkways.	(3,650,000)
3/12/2024	JJ-9	Western High	Approve the additional funding request of \$187,628 for Western High School Culinary Lab, Project No. P.001967.	(187,628)
4/16/2024	JJ-3	Banyan Elementary	Approve this Change Order #3 and additional funding request in the amount of \$69,869.	(69,869)
4/16/2024	JJ-5	Boyd H. Anderson High	Approve this Change Order #4 and additional funding request in the amount of \$5,191.96.	(5,192)
4/16/2024	JJ-15	Collins Elementary	Approve the additional funding request of \$42,013 for Collins Elementary School.	(42,013)
4/16/2024	JJ-9	Eagle Point Elementary	Approve this Change Order #10 in the amount of \$553,893.82, approve additional funding in the amount of \$424,774 and 511 days added to the contract duration.	(424,774)
4/16/2024	JJ-16	Sandpiper Elementary	Approve the additional funding request of \$6,705 for Sandpiper Elementary School.	(6,705)
4/16/2024	JJ-8	Westchester Elementary	Approve this Change Order #7 and additional funding request in the amount of \$69,651.	(69,651)
Capital Reserve Balance				\$ 51,618,815

5/21/24 Board Items with Budget Impacts

5/21/2024	JJ-	South Plantation High	Additional Funding Request	(175,466)
5/21/2024	JJ-	Cypress Bay High	Additional Funding Request	(92,000)
5/21/2024	JJ-	Plantation Middle	Additional Funding Request	(990,000)
5/21/2024	JJ-	Nova Blanche Elementary	Additional Funding Request	(160,000)
5/21/2024	JJ-	Falcon Cove Middle	Additional Funding Request	(134,000)
5/21/2024	JJ-	Westchester Elementary	Additional Funding Request	(15,000)
Subtotal JJ Items Impact				(1,566,466)

5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Revenue from miscellaneous sources	20,216,622
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Revenue from Insurance Cost Recovery	959,160
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Project Closeout	742,898

**Capital Funds Reserve Status Report
for May 21, 2024 Regular School Board Meeting**

Exhibit C

Date	Item	Location	Description	Reserve Activity
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 PPO Capital Projects transferred from ARP HVAC	(10,500,000)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 School Furniture, Fixture and Equipment	(1,500,000)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Charter School Local Capital Improvement	(334,521)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 General Fund Transfer	(3,000,000)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Weapon Detection System	(1,295,115)
Subtotal FF-1 Impact				5,289,044
Capital Reserve Increase/(Decrease)				\$ 3,722,578
Projected Capital Reserve Balance				\$ 55,341,393

**Capital Projects Financial Closeout
For Month Ended April 30, 2024**

Exhibit D

DEFP Renovation Projects

School/Project	Original Budget	Approved Amendments	Current Budget	Final Expenditures	Savings
Blanche Ely HS - Switch Gear Replacement P.002342	1,300,000		1,300,000	945,161	354,839
Lauderhill Paul Turner ES - Covered Walkway P.001513	130,000		130,000	130,000	-
McArthur HS - Rplc Admin AC Units P.001464	255,656		255,656	255,656	-
Westglades MS - Covered Walkways & Relocate 3 Portables P.001814	1,297,000		1,297,000	1,272,800	24,200
Sub-Total DEFP Renovation Projects					<u>379,039</u>

SMART Renovation Projects

School/Project	Original Budget	Approved Amendments	Current Budget	Final Expenditures	Savings
Attucks MS - Roofing Building 8 SMART Program P.001633	1,201,000	182,125	1,383,125	1,315,566	67,559
Forest Hills ES - SMART Fire Alarm Replacement P.001678	293,000	526,700	819,700	786,568	33,132
Marjory Stoneman Douglas HS - SMART Re-Roofing Building 9 P.002587	560,150		560,150	521,651	38,499
McFatter Technical College, Broward Fire Academy - SMART Program Renovations P.001965	256,000	358,512	614,512	572,999	41,513
Silver Palms ES - SMART Program Renovations P.002146	1,343,000	2,273,400	3,616,400	3,452,957	163,443
West Broward HS - SMART HVAC Improvements P.002087	438,000	(388,236)	49,764	31,200	18,564
Sub-Total SMART Renovation Projects					<u>362,710</u>

**Capital Projects Financial Closeout
For Month Ended April 30, 2024**

Exhibit D

SMART School Choice Projects

School/Project	Original Budget	Approved Amendments	Current Budget	Final Expenditures	Savings
Coral Springs MS - School Choice Enhancement Project - Year 4 P.002239	100,000	-	100,000	99,522	478
Dania ES - School Choice Enhancement Project - Year 5 P.002493	100,000		100,000	99,931	69
Hollywood Central ES - School Choice Enhancement Project - Year 4 P.002936	100,000		100,000	99,726	274
Margate ES - School Choice Year 1 P.001698	100,000	-	100,000	100,000	-
Nova Dwight D. Eisenhower ES - School Choice Enhancement Project - Year 5 P.002459	100,000		100,000	99,928	72
Palm Cove ES - School Choice Enhancement Project - Year 3 P.002420	100,000	-	100,000	99,995	5
Palmview ES - School Choice Enhancement - Year 5 P.002858	100,000		100,000	99,915	85
Welleby ES - School Choice Enhancement Project - Year 5 P.002421	100,000	-	100,000	99,834	166

Sub-Total SMART School Choice Projects

1,149

Total Savings Returned to Capital Projects Reserve:

742,898