



Status: ORIGINAL

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

2024-09-10

Regular School Board Meeting

CATEGORY: F. Financial Management**DEPARTMENT:** Capital Budget

Agenda Item Number: F-8.

Consent or Open Item: Open

Special Order: NO

Time for Special Order:

TITLE:**Final Capital Fund Amendment #4 as of June 30, 2024.****REQUESTED ACTION:****Approve Final Capital Fund Amendment #4 changes in revenue and appropriations. District-wide.****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

Final Capital Fund Amendmen...

FINANCIAL IMPACT:

There is a positive \$33.1 million financial impact to the unallocated capital reserve as a result of \$21.2 million of revenue recognition and \$11.9 million of appropriation adjustments.

STRATEGIC PLAN ALIGNMENT:**Student Focus Outcomes**

N/A

OR Business Operations**BOARD ACTION:**

(For Official School Board Records Only)

APPROVED**SOURCE OF ADDITIONAL INFORMATION**

Name: Rafiki Brown

Phone: 754-321-2080

Name: Omar Shim

Phone: 754-321-1990

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**Senior Leader & Title**

Omar Shim, Task Assigned, Chief Financial Officer

Signature

Omar Shim, Task Assigned, Chief Financial Officer

Electronic Signature

Form \$4189 Revised 7/24

HH/JJS

Approved in

Open Board

Meeting On:

September 10, 2024

By

School Board Chair



For more information, please contact:
Omar Shim, Task Assigned
Chief Financial Officer
754-321-1990

EXECUTIVE SUMMARY

Recommendation to Approve 2023-24 Capital Fund Amendment #4-Final As of June 30, 2024

Board Meeting Date: September 10, 2024

Requested Action: Approve Capital Fund Amendment #4-Final changes in revenue and appropriations.

District-zone impact: District-wide.

Background/History

Capital Fund Amendment is submitted to the School Board pursuant to the State Board Administrative Rule 6A-1.007. This Amendment is for the purpose of updating the Broward County Public Schools' District Budget for estimated revenues and appropriation changes in the Capital Fund.

Exhibit A - Final Recognition of Capital Outlay Revenues for FY 2024

At year-end, all sources of capital outlay revenues are reconciled so that the budget can be amended to account for the actual balances as of June 30, 2024. The result this year is a net increase of capital outlay revenues to be recognized. There is a net revenue increase of \$21.2 million that will be placed into the unallocated capital reserve for future capital needs as approved by the Board. Major sources of revenue include interest revenue earned of \$15.7 million, additional impact fee collections of \$3.3 million, and Capital Outlay and Debt Service (CO&DS) of \$1.9 million and \$0.4 from miscellaneous sources.

Exhibit B - Appropriation Amendments

The Student Information System implementation is near completion. The project is being closed with a \$2.2 million savings returned to the Capital Reserves.

The final debt service costs during FY 2024 were reduced through continued efforts to refinance at lower rates and because of the timing of the equipment leases that allowed lower principal payments in the current fiscal year. Therefore, the Capital Fund to Debt Service Fund transfer is being reduced. In addition, the final maintenance transfer is reduced to align with the year-end cost. The reduction in debt service and maintenance transfer is \$9.7 million.

Exhibit C – Capital Reserves

A detailed listing of the SMART Program Reserve and the unallocated capital reserves, including the impact of the funding changes in this Capital Fund budget amendment are shown in Exhibit C.

Alignment to 2027 Goals and Guardrails

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

Realignment of cost to Capital will improve the District's General Fund balance position.

Financial Impact

There is a positive \$33.1 million financial impact to the unallocated capital reserve as a result of \$21.2 in revenue recognition, \$2.2 million in project closeout, and \$9.7 million in reduced debt service and capital transfer cost.

Projected Capital Reserve Balance

The projected Capital Reserve balance will be \$84.8 million.

2023-24 Capital Fund Amendment Exhibits

- **Exhibit A** Capital Fund Estimated Revenues
- **Exhibit B** Capital Fund Appropriations
- **Exhibit C** Capital Reserve Activity

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #4 - Final
As of June 30, 2024

Exhibit A

ESTIMATED REVENUES	PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET	
LOCAL SOURCES				
District Local Capital Improvement Tax (Capital Millage)	\$ 435,396,135	\$ (734,551)	\$ 434,661,584	(A)
Impact Fees / Mitigation Fees	10,000,000	3,279,972	13,279,972	(B)
Miscellaneous Sources	20,371,622	15,663,164	36,034,786	(C)
Insurance Loss Recoveries	5,099,160	865,067	5,964,227	(D)
Equipment Lease Financing (Buses & White Fleet Vehicles)	49,812,564	(49,812,564)	-	(E)
Total Local Sources	\$ 520,679,481	\$ (30,738,912)	\$ 489,940,569	
STATE SOURCES				
CO&DS (Capital Outlay and Debt Service / Motor Vehicle License Revenue)	\$ 9,000,000	\$ 1,916,054	\$ 10,916,054	(F)
Charter School Capital Outlay (PECO flow-thru)	29,502,580	47,859	29,550,439	
Miscellaneous State (FEMA)	-	35,034	35,034	
FY24 Security Grant (School Hardening)	3,633,000	(3,633,000)	-	(G)
Previous Years Security Grants (School Hardening)	5,063,071	(3,979,511)	1,083,560	(G)
FY18 Senate Bill 7026 (MSD Funding)	2,312,714	(2,312,714)	-	(H)
Total State Sources	\$ 49,511,365	\$ (7,926,278)	\$ 41,585,087	
FEDERAL SOURCES				
Federal, State, & Local Hurricane Reimbursements	\$ -	\$ 234,765	\$ 234,765	(I)
Total Federal Sources	\$ -	\$ 234,765	\$ 234,765	
OTHER FINANCING SOURCES				
Transfer from General Fund	\$ -	\$ 321,628	\$ 321,628	(J)
Total Other Financing Sources	\$ -	\$ 321,628	\$ 321,628	
ESTIMATED REVENUES & OTHER FINANCING SOURCES	\$ 570,190,846	\$ (38,108,797)	\$ 532,082,049	
BEGINNING FUND BALANCE	870,953,324	-	870,953,324	
TOTAL ESTIMATED REVENUES, OTHER FINANCING SOURCES, & BEGINNING FUND BALANCE	\$ 1,441,144,170	\$ (38,108,797)	\$ 1,403,035,373	
DEFERRED REVENUE SOURCES				
Deferred State - MSD	\$ -	\$ 1,312,714	\$ 1,312,714	(K)
Deferred State - Ed Security Grant	-	7,612,511	7,612,511	(K)
Deferred Equipment Lease Financing (IT, Buses & White Fleet Vehicles)	-	49,812,564	49,812,564	(K)
Total Deferred Revenue Sources	\$ -	\$ 58,737,789	\$ 58,737,789	
TOTAL ESTIMATED REVENUES, OTHER FINANCING SOURCES, BEGINNING FUND BALANCE AND DEFERRED REVENUE	\$ 1,441,144,170	\$ 20,628,992	\$ 1,461,773,162	

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #4 - Final
As of June 30, 2024
Explanation Summary

Exhibit A

<u>CHANGES IN ESTIMATED REVENUES</u>	<u>INCREASE/ (DECREASE)</u>
(A) District Local Capital Improvement Tax (Capital Millage) District Local Capital Tax collection was lower than the budgeted 96% collection rate.	\$ (734,551)
(B) Impact Fees / Mitigation Fees Impact Fee collections exceeded the original estimate by \$3.3 million.	3,279,972
(C) Miscellaneous Sources Interest earned and gain on investments primarily on District cash balances in capital millage and Certificates of Participation (COPs). Interest earned on Capital Millage is \$7.2 million and interest earned on COPs funds is \$4.7 million. The District also received \$2.5 million in federal tax subsidy for the 2010 Qualified School Construction Bonds (QSCBs). The remaining interest was earned across several of the District's other Capital fund groups such as land sales and General	15,663,164
(D) Insurance Loss Recoveries Insurance loss recovery for April 2023 flood.	865,067
(E) Equipment Lease Financing (Buses and White Fleet Vehicles) The planned equipment leases for FY23 and FY24 include funding for the replacement of student buses and District white fleet vehicles. Due to global supply chain shortages, several vehicles are back-ordered. Deferring the execution of the leases to fiscal year 2025 to better align the lease revenue with the planned expenditures. --SEE ITEM "K" Deferred Revenue	(49,812,564)
(F) CO&DS (Capital Outlay and Debt Service / Motor Vehicle License Revenue) Revenue received from the State for CO&DS and Motor Vehicle License revenue was \$1.9 million more than projected.	1,916,054
(G) Educational Facilities Security Grant (School Hardening) The State appropriated \$4 million in FY22, \$1.8 million in FY23 and \$3.6 million in FY24 for the State Educational Facilities Security Grant ("School Hardening"). The State only transmits the funds to reimburse expenditures. The unspent amount of \$5.1 million is deferred. This is an accounting treatment to move these funds from FY24 into FY25 carryover and doesn't impact the projected budgets. -- SEE ITEM "K" Deferred Revenue	(7,612,511)

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #4 - Final
As of June 30, 2024
Explanation Summary
(Continued)

Exhibit A

<u>CHANGES IN ESTIMATED REVENUES</u>	<u>INCREASE/ (DECREASE)</u>
(H) FY18 Senate Bill 7026 (Marjory Stoneman Douglas(MSD) Funding)	(2,312,714)
1200 building and \$1 million to construct a memorial. However, in FY24 the State transferred the \$1 million to construct a memorial from the District to the Parkland 17 Memorial Foundation. Therefore, the District will unappropriate the \$1 million to match anticipated State revenues. The State only transmits the funds to reimburse expenditures. The unspent amount of \$1.3 million for the 1200 building is deferred. This is an accounting treatment to move the \$1.3 million for the 1200 building from FY24 into FY25 carryover and doesn't impact the budget for the project. -- SEE ITEM "K" Deferred Revenue	(2,312,714)
(I) Federal, State, & Local Hurricane Reimbursements	234,765
FEMA reimbursement for hurricane Dorian expenses.	234,765
(J) Transfer from General Fund	321,628
Transfer from General Fund Workforce Education funding for Atlantic Technical College restroom remodeling.	321,628
(K) Deferred Revenues	58,737,789
Offset for the accounting treatment to move deferred revenues from FY24 into FY25 carryover for State MSD funding, State Educational Security Grant Funding, and the Equipment leases.	58,737,789

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #4 - Final
As of June 30, 2024

APPROPRIATIONS	PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET
CAPITAL OUTLAY			
Buildings & Fixed Equipment	\$ 98,595,127	\$ -	\$ 98,595,127
Furniture, Fixtures & Equip	57,110,383	-	57,110,383
Motor Vehicles	43,785,666	-	43,785,666
Improvements other than Bldgs	10,498,189	-	10,498,189
Remodeling & Renovation	855,307,035	30,263,878	885,570,913 (1)
Software	3,650,000	-	3,650,000
Total Capital Outlay	\$ 1,068,946,400	\$ 30,263,878	\$ 1,099,210,278
CHARTER SCHOOL LOCAL CAPITAL IMPROVEMENT			
To Charter School	\$ 5,895,872	\$ -	\$ 5,895,872
Total Charter School Local Capital Improvement	\$ 5,895,872	\$ -	\$ 5,895,872
OTHER FINANCING USES			
To General Fund	\$ 167,266,819	\$ (947,368)	\$ 166,319,451 (2)
To Debt Service Fund	199,035,079	(8,687,518)	190,347,561 (3)
Total Other Financing Uses	\$ 366,301,898	\$ (9,634,886)	\$ 356,667,012
TOTAL APPROPRIATIONS & OTHER FINANCING SOURCES	\$ 1,441,144,170	\$ 20,628,992	\$ 1,461,773,162

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2023-24 Capital Fund Amendment #4-Final
As of June 30, 2024
Explanation Summary

<u>CHANGES IN APPROPRIATIONS</u>	<u>INCREASE/ (DECREASE)</u>
(1) Remodeling and Renovation	30,263,878
<u>Unallocated Reserves</u>	
<i>Additional details on the unallocated reserve are included in</i>	
• District Local Capital tax collection was lower than the budgeted 96% collection rate.	(734,551)
• Impact Fee collections exceeded the original estimate by \$3.3 million.	3,279,972
• Interest earned and gain on investments primarily on District cash balances in capital millage and Certificates of Participation (COPs). Interest earned on Capital Millage is \$7.2 million and interest earned on COPs funds is \$4.7 million. The District also received \$2.5 million in federal tax subsidy for the 2010 Qualified School Construction Bonds (QSCBs). The remaining interest was earned across several of the District's other Capital fund groups such as land sales and General Obligation Bonds (GOBs).	15,663,164
• Insurance loss recovery for April 2023 flood.	865,067
• Additional funds from the State for Capital Outlay and Debt Service (CO&DS) revenue	1,916,054
• Reimbursement for Hurricane Dorian (Federal Funds)	234,765
• Reimbursement for Hurricane Dorian (State Funds)	35,034
• Student Information System Implementation Project Closeout	2,200,000
• Net of transfer to General Fund and Debt Service Fund	9,682,745
<u>returned to unallocated reserves</u>	
Subtotal Unallocated Reserves	33,142,250
<u>Capital Projects</u>	
<i>Additional details on the unallocated reserve are included in</i>	
• Student Information System Implementation Project Closeout	(2,200,000)
• Marjory Stoneman Douglas Memorial Project	(1,000,000)
• Atlantic Technical College Restroom Project	321,628
<u>(Workforce Education Funding)</u>	
Subtotal Capital Projects	(2,878,372)
(2) Transfer to General Fund	(947,368)
• Final Charter School Capital Outlay PECO from State	47,859
• Revised transfer to the General Fund to align with year-end maintenance costs.	(995,227)
Subtotal Transfer to General Fund	(947,368)
(3) Transfer to Debt Service Fund	(8,687,518)
The final debt service costs during FY24 were reduced through continued efforts to refinance at lower rates and because of the timing of the equipment leases that allowed lower principal payments in the current fiscal year.	(8,687,518)
Subtotal Transfer to Debt Service Fund	(8,687,518)

Capital Funds - Unallocated Reserve

Date	Item	Location	Description	Reserve Activity
9/5/2023			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)
7/1/2023			FY24 Beginning Balance	\$ 117,816,000
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)
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)

Date	Item	Location	Description	Reserve Activity
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, for the construction of the SMART Program Renovations at Plantation High School, Project No. P.001916, RFP FY24-071, District 5.	(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-14	Northeast High	Approve the Third Amendment to the Professional Services Agreement with Zyscovich, LLC.	(34,658)
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)
5/21/2024	JJ-14	Falcon Cove Middle	Approve the Fourth Amendment to the Professional Services Agreement with Zyscovich, LLC, and approve the additional funding request of \$134,000.	(134,000)
5/21/2024	JJ-18	Cypress Bay High	Approve the Sixth Amendment to the Professional Services Agreement with Zyscovich, LLC, and approve the additional funding request of \$92,000.	(92,000)
5/21/2024	JJ-20	Plantation Middle	Approve the additional funding request of \$990,000 to complete the fire sprinkler scope of work at Plantation Middle School.	(990,000)
5/21/2024	JJ-21	South Plantation High	Approve the additional funding request of \$175,465.81 for South Plantation High School.	(175,466)
5/21/2024	JJ-22	Westchester Elementary	Approve the additional funding request of \$15,000 for Westchester Elementary School.	(15,000)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Revenue from interest and investment gains	20,216,622

Date	Item	Location	Description	Reserve Activity
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
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 for Physical Plant Operations (PPO) flood response	(3,000,000)
5/21/2024	FF-1	Districtwide	Capital Budget Amendment #2 Weapon Detection System	(1,295,115)
5/29/2024	JJ-19	Nova Blanche Forman Elementary	Approve the additional funding request of \$160,000 for the Traffic Circulation Improvement Project at Nova Blanche Forman Elementary School.	(160,000)
6/18/2024	JJ-11	Oakridge Elementary	Approve Additional Funding in the amount of \$25,000, and approve the Fifth Amendment to the Professional Services Agreement between The School Board of Broward County, Florida and Nyarko Architectural Group, Inc	(25,000)
6/18/2024	JJ-12	J.P. Taravella High	Approve the additional funding request of \$12,300 for J.P. Taravella High School.	(12,300)
6/18/2024	FF-1	Districtwide	Capital Budget Amendment #3 SAP ARIBA and SAP SuccessFactors	(3,650,000)
6/30/2024	FF	Districtwide	Net of transfer to General Fund and Debt Service Fund returned to unallocated reserves	9,682,745
6/30/2024	FF	Districtwide	Student Information System Implementation closeout	2,200,000
6/30/2024	FF	Districtwide	Year-End Revenue Recognition	21,259,505
6/30/2024			Sub-Total Unallocated Reserve Balance	\$ 84,761,685
6/30/2024			Grand Total Capital Funds Reserve Balance	\$ 84,761,685