

# School District Of Manatee ▶ County

Report by Citizens' Financial Oversight Committee

Committee Actions through March 19, 2019 and  
Financial Information For the Six Months Ended  
December 31, 2018

# Message from Committee Chair

Manatee School Board

The Citizens' Financial Oversight Committee has completed its review of the financial stewardship for the six months ended December 31, 2018.

Our review included accessing unaudited financial records of the District and compiling and summarizing detail records into the data included in this report. We performed certain analytical procedures to verify our conclusions. Also we relied upon representations of the District Administration, Board members and internal audit procedures of restricted funds in reaching our conclusions.

Subject to the limitations set forth herein, it is our finding that tracking and accounting of expenditure amounts were in compliance with the operating budget established by the Administration of the District and Approved by the Board for the six months ended December 31, 2018 and the Budget year 2018-2019, with exceptions noted in this report on slide 9 and 11.

The exceptions involve budget and actual expenditures of a capital facilities improvement nature which do not qualify in the opinion of School Board Counsel and allocation of certain payroll benefit costs which were allocated in excess of budgeted amounts.

The Administration is in the process of correcting the capital budget and expenditure amounts to comply with the applicable opinion.

A payroll benefit allocation issue was identified by the Administration and was corrected prior to discovery by the Committee.

It is the committee's opinion that all conclusions in this report are based on materially correct data, however information and representations made by the District, outlined are subject to changes.

After completion of this report, Administration advised the committee of a miss-allocation due to a system defect of certain overtime pay to the budgeted Referendum expenditures. This is a nominal amount and error will be corrected by yearend 2019.

*Robert Christopher*  
Chair, Citizens' Financial Oversight Committee

The Citizens' Financial Oversight Committee was created through the Manatee County School District School Board's approval and adoption of Resolution 2017-11 on November 14, 2017, and the subsequent vote in favor of the one mill increase in the operating ad valorem millage by the constituents of Manatee County in the Special Election held on March 20, 2018.

More specifically: (a) the ballot summary question language approved in Resolution 2017-11 stated the funds generated by the one mill increase to the operating ad valorem millage would be "...overseen by an independent citizens' committee"; and (b) paragraph 4 of Resolution 2017-11 provided as follows: "Provided the millage increase for Manatee County Schools is approved, a financial oversight committee appointed by the School Board shall issue an annual report to insure proper fiscal stewardship of the funds. In addition, the committee shall identify relevant outcomes and report results to the community.

The School Board appointed the initial members of the committee in 2018 who serve subject to the committee charter approved by the committee and the School Board.

## Creation of the Citizens' Financial Oversight Committee

# MISSION OF CITIZENS' FINANCIAL OVERSIGHT COMMITTEE

- ▶ To identify and measure relevant outcomes and report results to the Board, the Administration and the community
- ▶ To provide oversight to ensure proper fiscal stewardship of operating funds provided by the Special Election approving a one mill increase in the school ad valorem tax.

## Operation and Organization of Committee and Sub- Committees

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The committee was formed by appointment by the Board of the School District of Manatee County and was originally constituted as fifteen members.

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In order to create a more workable environment and to take advantage of certain Committee members knowledge base and talent, sub-committees were formed with five members each.

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All sub-committee recommendations are brought to the entire Committee for vote and approval.

# Operation and Organization of Committee and Sub-Committees-Continued

The sub-committees formed and duties are as follows:

- **Data Analytics Committee:**

Research, identify, and gather key Manatee County School financial data points central to the fiscal/student success of the District that can then be analyzed and reported to the School Board and stakeholders in our Community. Should develop a matrix for dashboard of fiscal indicators to help track district mission outcomes and guide responsible use of resources going forward.

- **Revenue and Expense Deployment Efficiency Committee:**

Review revenue and expense allocations for the District to ensure the designated purpose of resources is being realized and deployed as prescribed by District stakeholders.

- **Communications Transparency Committee:**

Ensure activities and findings of the Citizens' Financial Committee are clearly communicated to the School Board and District stakeholders in a simple to understand and non-biased manner.

Areas of concern should be taken to the School Board as discovered to allow discussion and formulation of actions steps to resolve.

# COMMITTEE GOAL and DEFINING TERMS

- ▶ The committee will focus on measurable and quantifiable relevant outcomes from the use of the funds generated by the one mill increase; and on money coming in and money coming out to ensure proper fiscal stewardship of the restricted funds generated from the one mill increase.
- ▶ **Resolution Revenue:** Revenue generated from the one mill increase in the school ad valorem millage pursuant to Resolution 2017-11.
- ▶ **Core Revenue:** All other general fund revenue.
- ▶ **Resolution Expenditures:** Expenditures restricted from the Revenue source of the one mill increase in the school ad valorem millage pursuant to Resolution 2017-11.

# Committee Actions through March 19, 2019 Report

## Item of recommendations and actions

- ▶ Committee recommended to Board workshop on February 12, 2019 to adopt a resolution setting forth principles for maintaining core budget increases consistent with economic conditions and to allow Referendum revenues to provide incremental increases in budgeted operating expense items represented to voters for such revenues.

## Board Response or Resolution

- ▶ No action taken by Board



# Committee Actions through March 19, 2019 Report Continued

## Item of recommendations and actions

- ▶ A-Referendum capital budget item of \$2,200,000 for laboratory improvement and equipment for facilities at Parrish Community High School and other sites. Capital facilities improvement expenditures are not qualifying expenditures from Referendum funds

## Board response or resolution

- ▶ The Board and Administration have agreed to this restriction of capital facilities improvements and are currently researching additional clarifying information on this topic.

# Committee Actions through March 19, 2019 Report

Continued

## Item of recommendations and actions

- ▶ The Committee recommended that the state required 3% of revenue reserve and cost associated with the tax advancement notes be taken from the Referendum Revenue.

## Board Response or Resolution

- ▶ The Board and Administration are providing for the required reserves and cost associated with the tax advancement notes.

# Committee Actions through March 19, 2019 Report

Continued

## Fringe Benefit Costs Allocated to Referendum Budget expenses

- ▶ The Committee was advised by the administration of an issue with the current accounting system over allocating certain payroll benefit costs categories to Referendum expenditures.

## Administration Correction

- ▶ The Administration corrected for the misallocation, thus amounts included in this report are reflective of proper allocations.
- ▶ The Administration is in the process of correcting the misallocation system issue.

# Committee Actions through March 19, 2019 Report

Continued

## Just for Girls Request for Inclusion in Allocation of Referendum Revenue

- ▶ The committee and the Board determined that contract schools were not included in the allocation of Referendum benefits.
- ▶ The committee recommended that the Board provide benefits comparable to Referendum amounts where appropriate.

## Board Response or Resolution

- ▶ The Board has elected not to provide an adjustment of benefits comparable to Referendum amounts for Just for Girls.

# Data Analytics Sub-Committee

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Examine the goals set forth by the referendum and find measurable data points to track the efficacy of the additional funds provided by the referendum

# Focus Areas and Related Measurables

## Teacher Attraction and Retention

- Number of Vacancies
- Number of Out-of-Field Teachers
- Teacher Retention and Turnover
- Number of Teachers who qualify for Best and Brightest

## STEM Programs

- Number of STEM programs added
- Number of students participating in STEM programs
- Student performance in STEM fields year over year
- Student's interest in STEM fields

# How We Are Tracking Data

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We are working with the Human Resources department to track the information related to the number of vacancies, out-of-field teachers, Best and Brightest, as well as the number of STEM teachers.

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We have also proposed that the School District conduct a year-end survey of teachers to collect feedback about impact of the additional compensation from the referendum on their overall job satisfaction and what impact it has on their decision to continue teaching with the district.

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We have proposed that the School District conducts exit interviews to determine the factors that are leading teachers to leave the district.

# How We Are Tracking Data

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We are working with the Director of Assessment and Accountability who tracks the student performance and program data for the School District to track the number of STEM programs, number of students participating in STEM programs, and student performance in STEM programs

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We propose that the School District conduct a year-end student survey of graduating seniors to track what these students intend to do post-graduation. We want to track how many students are:

Going to work in a STEM field upon graduation

Going to a technical school or other certificate program in a STEM field

Intend to major in a STEM field at a college or university



Though we have been able to track some data related to teacher attraction and retention, this is the first year with the referendum in effect. It is too early to report any definitive results.

This is a longitudinal study. In order to accumulate meaningful data, we will need to continue to track these data points in the months and years to come.

What is critical at this point in time is that the School District is developing the framework to track all of the relevant data.

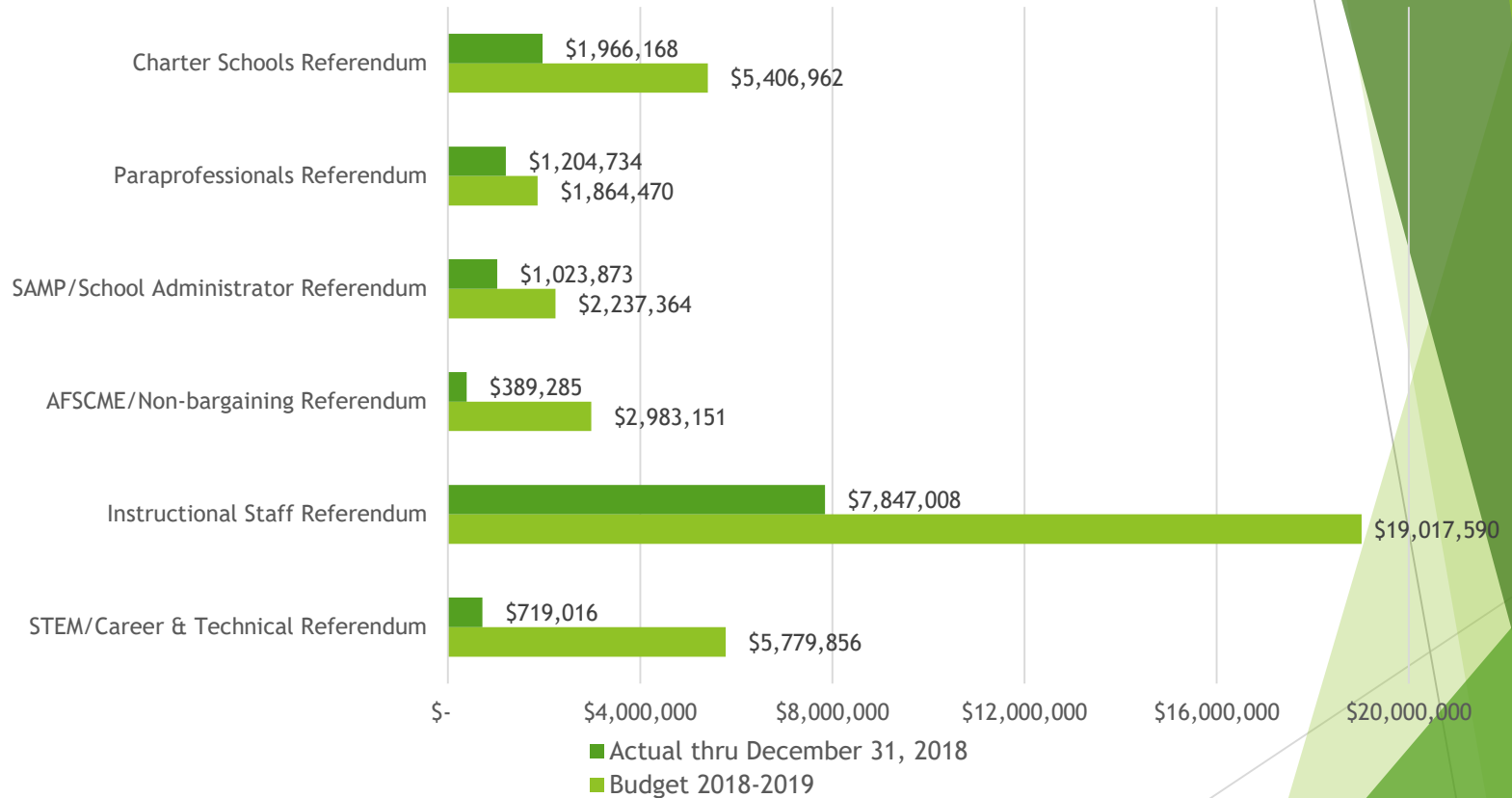
## Results

Revenue and Expense  
Deployment Efficacy  
Sub-Committee

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## Referendum Budget vs. Actual Expenditures

### Budget 2018-2019 Year, Actual Six Months ended December 31, 2018



School District OF Manatee County Florida  
 Report of Referendum Budget and Referendum Expenditures  
 Amount reported by District Function and Expense

Referendum Expense as of 12/31/18

Program Number	Program Code Description	18/19 Budget	Expense as of 12/31/18
14719	STEM/Career & Technical Referendum	\$ 5,779,856	\$ 719,016
14720	Instructional Staff Referendum	19,017,590	7,847,008
14721	AFSCME/Non-bargaining Referendum	2,983,151	389,285
14722	SAMP/School Administrator Referendum	2,237,364	1,023,873
14723	Paraprofessionals Referendum	1,864,470	1,204,734
14724	Charter Schools Referendum	5,406,962	1,966,168
Grand Total		\$ 37,289,392	\$ 13,150,083

Program 18/19 Budget amounts have not been adjusted for reclassification of facility construction in the amount of \$2,200,000.

Note - All information reflect benefit allocations that are subject to review.

# Total Referendum Funds and Percentage Allocations by Employee Group-As Established by the Board and District Administration

	Referendum Supported Adjustments by Employee Group	
Employee Group	Referendum Allocation*	Adjustment(s)
Instruction Staff	51%	<ol style="list-style-type: none"> <li>15-minute schedule adjustments</li> <li>Referendum supplement</li> </ol>
AFSCME	8%	~\$1/hour for school-site employees
Hourly, Non-Bargaining		<ol style="list-style-type: none"> <li>30-minute schedule adjustment for 7.5-hour, school-site employees</li> <li>~\$1/hour for school-site employees</li> </ol>
SAMP (school-based and eligible)	6%	<ol style="list-style-type: none"> <li>30 minute schedule adjustment for 7.5-hour, school-site employees</li> <li>Referendum supplement</li> </ol>
School Administrators		<ol style="list-style-type: none"> <li>30 minute schedule adjustment</li> <li>Referendum supplement</li> </ol>
Paraprofessionals	5%	<ol style="list-style-type: none"> <li>15-minute schedule adjustment</li> <li>Referendum supplement</li> </ol>
*Remaining 30% allocated to STEM/Career and Technical at 15.5% and Charter schools at 14.5%		

<b>Budget Allocations Detail - As Presented by the District Administration</b>				
<b>Adjusted Original Budget</b>				
		<b>Allocation of Referendum Revenue</b>	<b>Total Referendum Revenue</b>	<b>Total Allocation to Category</b>
<b>Instructional Staff</b>				
	Salary Referendum Increase			11,117,393
	Quarter Hour Schedule adjustment			4,585,431
	Benefits - 17.43%			3,314,766
	<b>Total Instructional Staff</b>	<b>51.0%</b>	<b>37,289,392</b>	<b>19,017,590</b>
<b>AFSCME and Hourly Non Bargaining</b>				
	Salary Referendum Increase			1,909,454
	Half Hr. Schedule adjustment			553,734
	Benefits - 17.43%			519,963
	<b>Total AFSCME and Hourly Non Bargaining</b>	<b>8.0%</b>	<b>37,289,392</b>	<b>2,983,151</b>
<b>School-Based and Eligible SAMP &amp; School Administrators</b>				
	Salary Referendum Increase			610,152
	Half Hr. Schedule adjustment			1,294,798
	Benefits - 17.43%			332,414
		<b>6.0%</b>	<b>37,289,392</b>	<b>2,237,364</b>

<b>Budget Allocations Detail - As Presented by the District Administration-Continued</b>				
Paraprofessionals				
Salary Referendum Increase				1,138,457
Half Hour + Schedule adjustment				527,553
Benefits - 17.45%				198,661
		5.0%	37,289,392	1,864,470
<b>Stem/Career and Technical (Detail of STEM on following page)</b>				
Salary Referendum Increase				1,141,056
Schedule adjustment				39,184
Benefits - 27.85%				330,513
Purchased Services				32,664
Supplies and Books				1,649,451
Equipment and Supplies				365,542
Dues and Services				21,445
Capitalized Remodeling				2,200,000
		15.5%	37,289,392	5,779,856
Charter Schools		14.5%	37,289,392	5,406,962
<b>Total Adjusted Budget</b>		<b>100%</b>	<b>37,289,392</b>	<b>37,289,392</b>

<b>Recap of STEM Budget</b>	
<b>2018-2019</b>	
<b>Recap of STEM Budget by Function by Expense</b>	
<b>Basic K-12</b>	
Salary	\$ 1,100,240
Benefits	306,368
Purchased Services	5,234
Supplies and Books	1,579,868
Fur & Fixtures, Repairs, and Computers	57,125
Dues and Personal Services	2,058
	\$ 3,050,894
<b>Career Education</b>	
Purchased Services and Travel	\$ 21,000
Supplies	69,583
Fur & Fixtures, Repairs, and Computers	308,417
Dues and Personal Services	18,500
	\$ 417,500
<b>Instructional Training</b>	
Salaries SAMP and other	\$ 80,000
Benefits	24,145
Purchased Services	6,430
Dues and Personal Services	887
	\$ 111,462
<b>Facilities Acquisition</b>	
	\$ 2,200,000
<b>Total STEM</b>	<b>\$ 5,779,856</b>

Program 18/19 Budget amounts have not been adjusted for reclassification of facility construction in the amount of \$2,200,000



<b>SCHOOL DISTRICT OF MANATEE COUNTY</b>				
<b>RECAP OF KEY EXPENSE DATA</b>				
<b>ANALYSIS OF INCREASE/(DECREASE) SELECTED DATA</b>				
<b>December 31, 2018 vs. 2017</b>				
<b>INFORMATION FOR INCREASE/(DECREASE) ANALYSIS</b>				
<b>EXPENSE ANALYSIS</b>	<b>Referendum</b>	<b>Core</b>	<b>Total</b>	
<b>Total Expenses Dec 31, 2018</b>	\$ 13,150,083	\$ 193,738,787	\$ 206,873,621	
<b>Total Expenses - Dec 31, 2017</b>	-	162,436,792	162,436,792	
<b>Increase</b>	\$ 13,150,083	\$ 31,301,955	\$ 44,436,829	
<b>Total Referendum Function Exp Dec 31, 2018</b>	\$ 13,150,083	\$ 172,425,480	\$ 185,575,563	
<b>Total Referendum Function Exp Dec 31, 2017</b>	-	142,584,574	142,584,574	
<b>Increase</b>	\$ 13,150,083	\$ 29,840,906	\$ 42,990,989	
<b>INCOME ANALYSIS</b>				
<b>Total Income Dec 31, 2018</b>	\$ 29,678,044	\$ 246,663,221	\$ 276,341,265	
<b>Total Income Dec 31, 2017</b>	-	252,014,271	252,014,271	
<b>Increase/(Decrease)</b>	\$ 29,678,044	\$ (5,351,050)	\$ 24,326,994	
<b>District School Tax Dec 31, 2018</b>	\$ 29,678,044	\$ 143,374,801	\$ 173,052,845	
<b>District School Tax Dec 31, 2017</b>	-	148,749,127	148,749,127	
<b>Increase/(Decrease)</b>	\$ 29,678,044	\$ (5,374,326)	\$ 24,303,718	

Analysis Continued	Actual Expenses thru December 31, 2018			
		<b>Increase Analysis - Budget</b>		
<b>EXPENSE INCREASE ANALYSIS</b>		<b>Referendum</b>	<b>Core</b>	<b>Total</b>
Expense Increase Dec 31, 2018	13,150,083	31,286,746	44,436,827	
% of Increase	29.58%	70.42%	100.00%	
Contribution to total % Increase	8.10%	19.26%	27.36%	
Referendum Function Budget Increase	13,150,083	29,840,906	42,990,989	
% of Increase	30.59%	69.41%	100.00%	
Contribution to total % Increase	9.22%	20.93%	30.15%	
<b>INCOME INCREASE/(DECREASE) ANALYSIS</b>				
Income Increase/Decrease Dec 31, 2018	29,678,044	(5,351,050)	24,326,994	
% of Increase	122.00%	(22.00%)	100.00%	
Contribution to total % Increase	12.16%	(2.19%)	9.97%	
District School Tax Increase/(Decrease)	29,678,044	(5,374,326)	24,303,718	
% of Increase/(Decrease)	122.11%	-22.11%	100.00%	
Contribution to total % Increase/(Decrease)	25.34%	-4.59%	20.76%	
<b>Note - All information reflect benefit allocations that are subject to review.</b>				

# School District of Manatee County Florida

## Report of Referendum Budget and Referendum and Core Expenditures

### Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

		18/19 Adjusted Original Budget	Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
Function and Expense		Referendum	Referendum	Core	Total	Core
Instruction						
	Salary	\$ 17,918,067	\$ 7,169,846	\$68,063,258	\$ 75,233,104	\$ 51,076,620
	Benefits	3,132,598	1,782,052	18,129,093	19,911,145	15,675,228
	Purchased Services	5,433,196	1,969,795	29,470,513	31,440,308	26,457,234
	Materials and supplies	1,622,462	89,084	3,786,142	3,875,226	3,687,141
	Capital Outlay	402,797	128,559	359,673	488,232	559,325
	Other	21,851	871	1,267,761	1,268,632	2,002,954
	Non Ref exp accounts	-	-	1,920	1,920	2,385
		28,530,971	11,140,208	121,078,360	132,218,567	99,460,887

School District of Manatee County Florida-Continued

Report of Referendum Budget and Referendum and Core Expenditures

Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

		18/19 Adjusted Original Budget	Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
Function and Expense		Referendum	Referendum	Core	Total	Core
<b>Student Support Services</b>						
	Salary	1,193,298	521,796	6,582,412	7,104,209	4,968,754
	Benefits	215,785	111,673	1,937,593	2,049,266	1,588,880
	Non Ref exp accounts	-	-	461,129	461,129	259,109
		1,409,083	633,469	8,981,134	9,614,603	6,816,744
<b>Instructional Media Services</b>						
	Salary	265,037	110,666	1,482,744	1,593,410	1,102,394
	Benefits	46,815	26,941	390,961	417,903	308,796
	Non Ref exp accounts	-	-	86,163	86,163	120,305
		311,852	137,608	1,959,868	2,097,476	1,531,494

School District of Manatee County Florida

Report of Referendum Budget and Referendum and Core Expenditures

Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

Function and Expense	18/19 Adjusted Original Budget	Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
	Referendum	Referendum	Core	Total	Core
<b>Instruction and Curriculum Dev</b>					
Salary	320,279	148,061	2,074,451	2,222,512	1,750,922
Benefits	64,747	31,209	658,197	689,406	551,976
Non Ref exp accounts	-	-	55,839	55,839	86,564
	385,026	179,270	2,788,487	2,967,757	2,389,462
<b>Instructional Staff Training Services</b>					
Salary	259,779	83,879	430,574	514,453	429,782
Benefits	59,055	19,250	118,480	137,730	104,738
Other	887	7,317	59,275	66,592	24,751
Non Ref exp accounts	-	-	20,235	20,235	123,881
	319,721	110,446	628,564	739,010	683,152

## School District of Manatee County Florida-Continued

### Report of Referendum Budget and Referendum and Core Expenditures

#### Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

		18/19 Adjusted Original Budget	Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
Function and Expense		Referendum	Referendum	Core	Total	Core
School Admin - Principal						
	Salary	1,668,222	719,500	9,668,716	10,388,217	8,076,954
	Benefits	238,063	132,342	2,898,691	3,031,033	2,372,970
	Non Ref exp accounts	-	-	(82,180)	(82,180)	407,232
		1,906,285	851,843	12,485,227	13,337,070	10,857,165
Facilities Acquisition and Construction						
	Lab Improvement	2,200,000	13,634	735	14,369	-
	Non Ref exp accounts	-	-	3,692,286	3,692,286	878,381
		2,200,000	13,634	3,693,022	3,706,655	878,381

School District of Manatee County Florida

Report of Referendum Budget and Referendum and Core Expenditures

Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

Function and Expense	18/19 Adjusted Original Budget	Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
	Referendum	Referendum	Core	Total	Core
<b>Food Services</b>					
Salary	142,334	48,735	-	48,735	-
Benefits	27,039	8,345	10,155	18,501	-
	169,373	57,080	10,155	67,236	-
<b>Central Services</b>					
Salary	18,087	7,900	3,193,747	3,201,648	1,879,799
Benefits	3,500	1,541	921,113	922,654	561,386
Non Ref exp accounts	-	-	1,046,848	1,046,848	1,088,810
	21,587	9,442	5,161,708	5,171,150	3,529,994

School District of Manatee County Florida

Report of Referendum Budget and Referendum and Core Expenditures

Amount reported by District Function and Expense

For the comparative periods ended December 31, 2018 and 2017

Function and Expense	18/19 Adjusted Original Budget		Actual Expenditures 12/31/2018 YTD			Actual Expenditures 12/31/2017 YTD
	Referendum	Referendum	Core	Total	Core	
Operation of Plant						
Salary	2,029,123	13,539	4,604,858	4,618,397	4,529,646	
Benefits	6,343	2,362	1,597,317	1,599,680	1,467,778	
Non Ref exp accounts	-	-	9,435,989	9,435,989	2,175,446	
	2,035,466	15,901	15,638,165	15,654,066	16,437,296	
Community Service						
78,91, 99 Obj 42 Diff	29	1,183	790	1,973	-	
Total Referendum Function Exp	37,289,392	13,150,083	172,410,231	185,560,313	142,584,574	
All Non-Referendum Function Categories	-	-	21,313,307	21,313,307	19,852,218	
Total Expenses	\$ 37,289,392	\$ 13,150,083	\$ 193,723,538	\$ 206,873,621	\$ 162,436,792	

Program 18/19 Budget amounts have not been adjusted for reclassification of facility Construction in the amount of \$2,200,000.

Note - All information reflect benefit allocations that are subject to review.



# Communications and Transparency Sub-Committee

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# Message from Communications Chair

## KEY FINDINGS OF THE FINANCIAL OVERSIGHT COMMITTEE

- Educational Quality Measures
- Financial Management
- Operating Budget

## MEASUREMENT MONITORING

- Staff recruitment and retainment
- Increase in student achievement through more instructional time
- Increase in student achievement through more after-school tutoring
- Expanded Career and Technical education
- Expanded STEM programs
- Support for Charter schools

## SUMMARY

- Current benchmarks are under review to determine measurable success

# Message from Communications Chair-Continued

## Educational Quality - Student Achievement

- School District Rating
  - Currently B
- FSA Scores
  - Percent of Passing Scores (3-5)
  - FSA Reading (3 and above)
  - FSA Math (3 and above)
- SAT Scores
  - District in comparison to State and National
- Graduation Rates
  - District in comparison to State
- Dropout Rates
  - District in comparison to State