

PINELLAS COUNTY SCHOOLS

2000-01 BUDGET IN BRIEF

Approved September 12, 2000



J. Howard Hinesley, Ed. D., Superintendent

School Board Members (September, 2000)

Lee Benjamin, Chairman
Max R. Gessner, Ph.D., Vice Chairman
Nancy N. Bostock
Jane Gallucci
Susan Latvala
Linda S. Lerner
Thomas C. Todd

Lansing K. Johansen, Chief Business Officer
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PINELLAS COUNTY
SCHOOL BOARD

BUDGET SUMMARY
2000/01 Proposed Budget -- ALL FUNDS

Revenue Sources, Transfers, and Beginning Fund Balances

<i>Revenue</i>	<i>2000/01 Budget</i>	<i>Percent of Total Revenue</i>
Federal (and Federal through State)	\$51,337,517	6.3%
State	407,264,108	50.0%
Local	356,191,721	43.7%
<i>Subtotal, Revenue</i>	\$814,793,346	100.0%
<i>Transfers & Balances</i>	312,575,461	
GRAND TOTAL	<u>\$1,127,368,807</u>	

Appropriations, Transfers and Ending Fund Balances

<i>Name of Fund</i>	<i>1999/00 Budget (a)</i>	<i>2000/01 Budget (b)</i>	<i>Increase/ (Decrease) (\$)</i>	<i>Increase/ (Decrease) (%)</i>
General Operating	\$674,712,141	\$711,765,935	\$37,053,794	5.5%
Debt Service	1,957,084	5,760,164	\$3,803,080	194.3%
Capital Outlay	298,111,339	326,644,045	\$28,532,706	9.6%
Contracted Programs (c)	57,337,665	33,240,452	(\$24,097,213)	-42.0%
School Food Service (d)	39,368,605	38,275,094	(\$1,093,511)	-2.8%
Internal Service	15,972,453	11,115,516	(\$4,856,937)	-30.4%
Trust & Agency	875,572	567,601	(\$307,971)	-35.2%
GRAND TOTAL	\$1,088,334,859	\$1,127,368,807	\$39,033,948	3.6%

(a) 1999/00 Amended Budget, as of Budget Amendment No. 10 June 30, 2000.

(b) 2000/01 Budget, based on "TRIM" Advertisement of July 22, 2000 for
First Public Hearing on July 25, 2000, and subsequent amendments for
Second (Final) Public Hearing on September 12, 2000

(c) Contracted Program Fund is typically at its lowest point at the beginning of the fiscal year.
The District is permitted to budget fund balances and can only budget anticipated new
contracts or projects when they are actually awarded.

(d) Food Service is a self-supporting fund.

PINELLAS COUNTY SCHOOL BOARD
SUMMARY OF PROPERTY TAX RATES
1970/71 to 2000/01

- A. The value placed on real property for tax purposes is known as "assessed valuation". The total taxable assessed valuation in Pinellas County, as certified by the Pinellas County Property Appraiser as of June 14, 2000, was \$ 39,016,510,925.
- B. Millage -- One mill is equal to one tenth of one cent.
- (1) The value of a mill is based on the total taxable assessed valuation of property in Pinellas County.
 - (2) When taxes are levied, one mill is to be paid for each \$1.00 of taxable assessed valuation. This is more commonly known as \$1.00 for each \$1,000.00 of taxable assessed valuation.
 - (3) The total value of one mill in Pinellas County, as of June 14, 2000, was \$ 39,016,511.
 - (4) The School Board must budget at least 95% of the value of each mill levied for schools. Thus, the value of one mill for School Board budgeting purposes is: 95% x \$ 39,016,511 = \$ 37,065,685.
- C. The following chart provides historical information on School Property Taxes levied in Pinellas County by year since 1970/71.

School Property Taxes in Pinellas County by Year -- 1970/71 to 1999/00					1974/75 through									
Millage	1970/71	1971/72	1972/73	1973/74	Millage	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	
					Operating									
Operating (County)	10.00	10.00	10.00	9.30	Required Local Effort	6.40	5.15	4.804	4.512	3.708	4.400	4.376	4.426	
Operating (District)	1.60	1.10			Discretionary Local	1.60	1.60	1.251	1.600	1.644	1.100	1.100	1.319	
Debt Service (County)	0.35	0.35	0.32		Subtotal, Operating	8.00	6.75	6.055	6.112	5.352	5.500	5.476	5.745	
Capital Improvemnt (Dist)	4.00				Capital Improvement			2.000	2.000	1.584	1.571	1.423	1.500	
Total Millage	15.95	11.45	10.32	9.30	Total Millage	8.00	6.75	8.055	8.112	6.936	7.071	6.899	7.245	

Millage	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Proposed 2000/01
Operating															
Required Local Effort	5.183	5.018	5.431	5.814	5.947	6.316	6.490	6.572	6.659	6.631	6.479	6.451	6.433	5.997	5.774
Discretionary Local	0.819	0.819	0.719	0.719	1.019	0.510	0.510	0.510	0.510	0.510	0.510	0.510	0.510	0.510	0.510
Supplemental Discretionary									0.190	0.188	0.187	0.172	0.167	0.159	0.149
Subtotal, Operating	6.002	5.837	6.150	6.533	6.966	6.826	7.000	7.082	7.359	7.329	7.176	7.133	7.110	6.666	6.433
Capital Improvement	1.500	1.500	1.500	2.000	1.800	1.800	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Total Millage	7.502	7.337	7.650	8.533	8.766	8.626	9.000	9.082	9.359	9.329	9.176	9.133	9.110	8.666	8.433

**PINELLAS COUNTY SCHOOLS
PROPERTY TAX REVENUE COMPARISON**

	BUDGET 1999-2001		BUDGET 2000-2001		INCREASE/(DECREASE), FY01 vs FY00		
					Amount		Percent
TAX BASE							
Gross Taxable Value		\$36,571,099,997		\$39,016,510,925		\$2,445,410,928	6.7%
Value of 1 mill (@ 95%)		\$34,742,545		\$37,065,685		\$2,323,140	6.7%
MILLAGE RATES AND REVENUE							
	Rate	Revenue	Rate	Revenue	Rate	Revenue	Revenue %
Operating							
Required Local Effort	5.997	\$208,351,042	5.774	\$214,017,267	-0.223	\$5,666,225	2.7%
Discretionary	0.510	17,718,698	0.510	18,903,500	0.000	\$1,184,802	6.7%
Additional Discretionary	0.159	5,524,065	0.149	5,522,787	-0.010	(\$1,278)	0.0%
Total Operating	6.666	\$231,593,805	6.433	\$238,443,554	-0.233	\$6,849,749	3.0%
Capital	2.000	\$69,485,090	2.000	\$74,131,370	0.000	\$4,646,280	6.7%
TOTAL	8.666	\$301,078,895	8.433	\$312,574,924	-0.233	\$11,496,029	3.8%

NOTE: 1999-2000 figures are original Approved Budget, prior to actions of Value Adjustment Board.

Adjustments approved by the review board decreased the final taxable value for 1999-00 to \$ 36,532,990,623

OPERATING (GENERAL) FUND

The Operating Fund, also known as the General Fund, is the primary budget for the day-to-day operations of the School District. The main revenue source for the Operating Fund is the **Florida Education Finance Program (FEFP)**. This system of financing the operation of Florida public schools bases funding allocations on the number of students (**FTE**), rather than on the number of teachers or school facilities. The FEFP includes both state and local revenue. The major source of state FEFP revenue is **sales taxes**. The main source of local FEFP revenue is **property taxes**. The FEFP defines a number of instructional programs that are used to account for and distribute funds. The *Base Student Allocation* revenue amount set by the Legislature is multiplied times a *District Cost Differential* to determine the **value of one FTE** for each district. *Weighted FTE* for each program is multiplied times this value to arrive at the FEFP revenue. Other major revenue sources for the Operating Fund include state **categoricals**, which are restricted in their use to certain types (categories) of expenditure. Examples of 2000-01 state categorical are Instructional Technology, Transportation, and Instructional Materials funds. Adult programs are funded by the **Workforce Development** allocation as part of a move toward performance based program budgeting.

OPERATING REVENUE COMPARISON

	1999-00 Original Budget	2000-01 Budget
<i>Grades K through 12:</i>		
Unweighted FTE	110,519	110,636
Weighted FTE	142,402	121,427 *
Base Student Allocation	\$ 3,228	\$ 3,417
Value of One FTE to Pinellas	\$ 3,284	\$ 3,499
FEFP K-12 Revenue	\$ 471,155,585	\$ 506,769,298**
<i>Adult Education:</i>		
State Adult Ed Revenue	\$ 24,839,163	\$ 27,174,545

* Reduced weighted FTE for the 2000-01 budget reflects the removal of exceptional weighted program categories by the state.

**Includes Base FEFP Revenue, Safe Schools Allocation, the ESE Guarantee, and the Supplemental Academic Instruction allocation which was not included in the same line in the 1999-00 Original Budget.

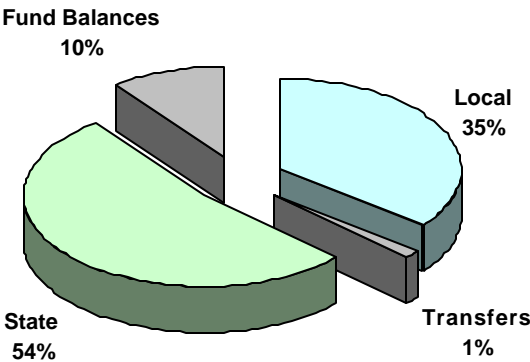
The most significant expenditures in the Operating Fund are for the **Direct Instruction** function, which includes teacher salaries and classroom materials. The **Instructional Support** function, including guidance, instructional media, attendance and other services, is another major expenditure group. The appropriations presented in this document summarize the budget by function and major object of expenditure.

OPERATING BUDGET IN BRIEF

	1999-00 Amended Budget	2000-01 Budget
Direct Instruction	381,365,709	429,273,516
Instructional Support	57,103,346	62,234,542
Maintain & Operate Facilities	94,885,417	103,901,255
School Administration	43,130,057	44,877,134
All Other Functions	35,636,033	29,772,402
Restricted Carry Forwards	16,088,093	<i>Appropriated</i>
Other Obligated	6,335,551	6,335,551
Committed Fund Balance	24,650,000	24,871,535
Fund Balance Contingency	15,517,935	10,500,000
TOTAL	\$674,712,141	\$711,765,935

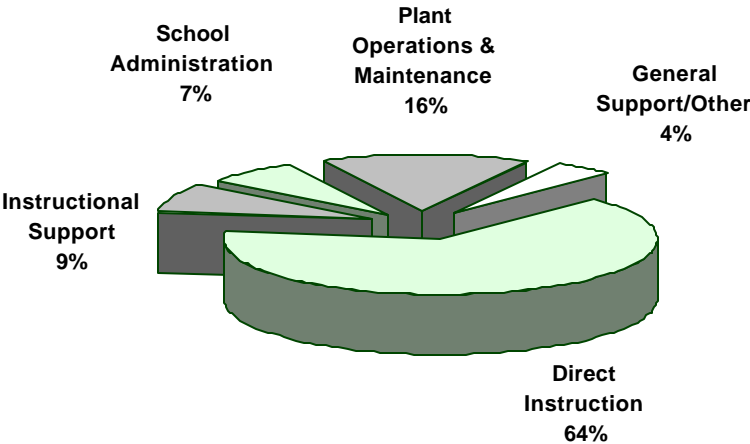
Pinellas County School Board

**Operating Budget
Revenue Sources**



Note: Federal Sources make up less than 1% of Total Revenues.

**Operating Budget
Expenditures**



PINELLAS COUNTY SCHOOL BOARD

	1999-00 AMENDED BUDGET	2000-01 RECOMMENDED BUDGET	INCREASE/ (DECREASE)
<u>OPERATING (GENERAL) FUND - ANTICIPATED REVENUE</u>			
FEDERAL DIRECT	\$225,426	\$265,547	\$40,121
FEDERAL THRU STATE	2,124,007	509,468	(1,614,539)
STATE SOURCES	347,382,659	374,752,429	27,369,770
LOCAL SOURCES	251,208,341	252,300,394	1,092,053
TRANSFERS	13,467,106	10,443,000	(3,024,106)
OTHER FINANCING SOURCES	174,716		(174,716)
ESTIMATED REVENUE	\$614,582,255	\$638,270,838	\$23,688,583
BEGINNING FUND BALANCE	60,129,886	73,495,097	13,365,211
ANTICIPATED REVENUE AND FUND BALANCE	<u>\$674,712,141</u>	<u>\$711,765,935</u>	<u>\$37,053,794</u>

OPERATING (GENERAL) FUND - APPROPRIATIONS

REGULAR EDUCATION	\$265,465,513	\$298,221,844	\$32,756,331
SPECIAL EDUCATION	84,904,018	95,402,111	10,498,093
VOCATIONAL EDUCATION	23,126,825	26,080,321	2,953,496
ADULT CONTINUED EDUCATION	4,275,064	5,255,258	980,194
OTHER INSTRUCTION	3,594,289	4,313,982	719,693
ATTENDANCE & SOCIAL WORK	3,845,429	3,988,766	143,337
GUIDANCE SERVICES	14,063,568	15,019,961	956,393
HEALTH SERVICES	1,390,789	1,113,262	(277,527)
PSYCHOLOGICAL SERVICES	3,354,250	3,512,874	158,624
PARENTAL INVOLVEMENT	14,061	69,561	55,500
OTHER PUPIL PERSONNEL SVC	4,464,772	4,661,337	196,565
INSTRUCTIONAL MEDIA	12,006,221	12,480,935	474,714
CURRICULUM & INSTRUCTION	13,589,355	15,425,491	1,836,136
STAFF DEVELOPMENT	4,374,901	5,962,355	1,587,454
SCHOOL BOARD	1,178,526	1,149,932	(28,594)
GENERAL ADMINISTRATION	5,580,409	6,122,034	541,625
SCHOOL ADMINISTRATION	43,130,057	44,877,134	1,747,077
FACILITIES ACQ. & CONST.	906,648	933,088	26,440
FISCAL SERVICES	4,910,629	5,691,570	780,941
PLANNING, RESEARCH & EVALUATION	974,998	1,101,317	126,319
INFORMATION SERVICES	226,852	301,891	75,039
STAFF PERSONNEL SERVICES	4,367,628	5,824,866	1,457,238
DATA PROCESSING SERVICES	5,046,369	5,532,099	485,730
OTHER CENTRAL SERVICES	3,269,316	1,957,836	(1,311,480)
PUPIL TRANSPORTATION	26,082,104	23,616,738	(2,465,366)
OPERATION OF PLANT	51,935,363	59,940,937	8,005,574
MAINTENANCE OF PLANT	16,867,950	20,343,580	3,475,630
COMMUNITY SERVICES	1,080,829	1,157,769	76,940
OTHER EXPENSES	56,010		(56,010)
TRANSFER OF FUNDS	8,037,819		(8,037,819)
APPROPRIATIONS	\$612,120,562	\$670,058,849	\$57,938,287
ENDING FUND BALANCE	62,591,579	41,707,086	(20,884,493)
APPROPRIATIONS & ENDING FUND BALANCE	<u>\$674,712,141</u>	<u>\$711,765,935</u>	<u>\$37,053,794</u>

PINELLAS COUNTY SCHOOL BOARD

OPERATING FUND - 2000-01 APPROPRIATIONS BY FUNCTION/OBJECT
(\$ 000's Omitted)

FUNCTION	OBJECT CATEGORY									
	PURCHASED		ENERGY		CAPITAL		OTHER		TRANSFERS	
	SALARIES	BENEFITS	SERVICES	SERVICES	SUPPLIES	OUTLAY	7000	9000	TOTAL	%
	1000	2000	3000	4000	5000	6000				CHANGE
DIRECT INSTRUCTION										
5100 REGULAR EDUCATION	209,618	51,244	7,484	25	19,165	10,533	153		298,222	44.51%
5200 SPECIAL EDUCATION	72,776	18,949	2,846		682	146	3		95,402	14.24%
5300 VOCATIONAL EDUCATION	18,982	4,344	619		1,217	905	13		26,080	3.89%
5400 ADULT CONTINUED EDUCATION	4,116	932	38		147	22			5,255	0.78%
5500 OTHER INSTRUCTION	1,927	520	1,032		832	4			4,315	0.64%
TOTAL DIRECT INSTRUCTION	307,419	75,989	12,019	25	22,043	11,610	169	0	429,274	64.07%
INSTRUCTIONAL SUPPORT										
6110 ATTENDANCE & SOCIAL WORK	2,870	707	70		295	47			3,989	0.60%
6120 GUIDANCE SERVICES	11,980	2,917	30		68	22	3		15,020	2.24%
6130 HEALTH SERVICES	800	192	28		90	1	2		1,113	0.17%
6140 PSYCHOLOGICAL SERVICES	2,645	611	82		143	32			3,513	0.52%
6150 PARENTAL INVOLVEMENT					69				69	0.01%
6190 OTHER PUPIL PERSONNEL SVC	3,575	935	23		60	69			4,662	0.70%
6200 INSTRUCTIONAL MEDIA	8,545	2,212	162		227	1,333	2		12,481	1.86%
6300 CURRICULUM & INSTRUCTION	10,409	2,818	960		1,072	148	18		15,425	2.30%
6400 STAFF DEVELOPMENT	1,656	205	1,064		2,391	616	31		5,963	0.89%
TOTAL INSTRUCTIONAL SUPPORT	42,480	10,597	2,419	0	4,415	2,268	56	0	62,235	9.29%
GENERAL SUPPORT										
7100 SCHOOL BOARD	602	269	219		22	5	33		1,150	0.17%
7200 GENERAL ADMINISTRATION	3,964	966	588		367	119	118		6,122	0.91%
7300 SCHOOL ADMINISTRATION	34,612	8,786	831		468	150	30		44,877	6.70%
7400 FACILITIES ACQ. & CONST.		20	51		17	845			933	0.14%
7500 FISCAL SERVICES	2,277	579	272		52	23	2,488		5,691	0.85%
7710 PLANNING, RESEARCH & EVALUATION	714	174	46		105	62			1,101	0.16%
7720 INFORMATION SERVICES	111	29	127		19	5	11		302	0.05%
7730 STAFF PERSONNEL SERVICES	3,493	920	1,023		300	82	7		5,825	0.87%
7750 DATA PROCESSING SERVICES	2,720	688	1,369	1	186	568			5,532	0.83%
7760 OTHER CENTRAL SERVICES	1,465	409	5	22	55	1	1		1,958	0.29%
7800 PUPIL TRANSPORTATION	15,226	5,291	269	1,602	1,181	35	13		23,617	3.52%
7900 OPERATION OF PLANT	21,971	7,826	11,215	16,333	1,084	153	1,359		59,941	8.95%
TOTAL GENERAL SUPPORT	87,155	25,957	16,015	17,958	3,856	2,048	4,060	0	157,049	23.44%
MAINTENANCE										
8100 MAINTENANCE OF PLANT	4,800	2,366	2,495	95	4,031	170	6,386		20,343	3.04%
TOTAL MAINTENANCE	4,800	2,366	2,495	95	4,031	170	6,386	0	20,343	3.04%
COMM & DEBT SERV & TRANSFERS										
9100 COMMUNITY SERVICES	630	199	106		202	5	16		1,158	0.17%
TOTAL COMM & DEBT SERV & TRANSFERS	630	199	106	0	202	5	16	0	1,158	0.17%
TOTAL APPROPRIATIONS	442,484	115,108	33,054	18,078	34,547	16,101	10,687	0	670,059	100.00%

Note: Numbers are rounded from detail level appropriation amounts
Note: This schedule does not include fund balances and reserves

PINELLAS COUNTY
SCHOOL BOARD
CAPITAL OUTLAY FUNDS

Capital Outlay Funds are used to account for major construction and renovation projects and certain types of major equipment purchases. There are significant legal restrictions on the uses of capital outlay funds. For the last two decades the Pinellas County School District has financed capital projects on a pay-as-you-go basis; that is, without borrowing (issuing bonds). In February 2000, the district participated in a state bond issue pledging its capital outlay and debt service (CO&DS) revenue. In addition, the district will bond the annual distribution from "Classrooms First" allocations as funds are needed to complete planned projects. The District develops a multi-year capital outlay plan which is reviewed and approved annually by the School Board. This plan is primarily based on a comprehensive Educational Plant Survey which is conducted every five years by each district in the state. The District is required each year to prepare a tentative district facilities work program prior to adoption of the district school budget. The tentative district facilities work program must include: major repairs and renovations; construction projects to ensure available student stations; projected costs of projects; estimated capital outlay revenues; projects to be funded from current revenues; and options for generating additional revenues. The District is required to hold a public hearing addressing the tentative district facilities work program prior to approval of the work program and school budget. Pinellas County Schools is in the process of preparing its tentative district facilities work program. The projects reflected in this document are based on a draft of the work program. The work program will be finalized and a hearing will be held on it prior to the adoption of the final budget on September 12, 2000.

Capital Outlay funds available to the Pinellas District are primarily three types:

Local Option Property Taxes, also known as Two-Mill Funds or Section 236.25(2) Funds.

The District is permitted to levy property taxes in support of capital outlay projects. This levy has been capped at two mills since 1989-90. Before these funds can be expended on a project, the public must be notified through newspaper advertisements which follow prescribed state formats. Projects are advertised as part of the TRIM budget hearing and approval process; in addition, changes to the advertised list of projects may subsequently be made by means of additional advertisements and public hearings.

Public Education Capital Outlay, or PECO, Funds

These funds are allocated by the State of Florida to the various school districts based on formulas which take into consideration both student enrollment growth and the amount and age of facilities. The main source of PECO is the gross receipts tax on utilities. In recent years, the state issued bonds to accelerate the availability of PECO funds. The state-level commitment to repay this debt reduced the amount of new PECO dollars allocated to school districts beginning with fiscal year 1994-95.

Other Capital Funds

Other resources for capital outlay projects include State Capital Outlay and Debt Service (CO&DS) allocations of motor vehicle license revenues; Racing Commission funds; and State grant funds.

CAPITAL OUTLAY REVENUE SUMMARY

	1999-00 Amended Budget	2000-01 Budget
Two-Mill Funds	\$ 70,400,090	\$ 74,131,371
PECO	14,151,129	15,466,085
CO&DS	46,124,919	596,724
OTHER LOCAL	16,728,811	10,300,000
OTHER STATE	5,243,619	11,386,130
TOTAL	\$ 152,648,568	\$ 111,880,310

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The Pinellas County School Board will soon consider a measure to continue to impose a 2.000 mill property tax for the capital outlay projects listed herein.

This tax is in addition to the school board's proposed tax of 6.433 mills for operating expenses and is proposed solely at the discretion of the school board.

The capital outlay tax will generate approximately \$74,131,371 to be used for the following projects:

CONSTRUCTION & REMODELING

Elementary "C"
Elementary "D"
Fairmount Park Elementary
Campbell Park Elementary
Gulfport Elementary
Stephens ESE Center
Sanders Exceptional
Largo Middle
Maximo Elementary
Melrose Elementary
Gibbs High
PTEC St Pete (Gibbs/PATA)
Dunedin Elementary
Dunedin Middle
Lake St. George Elementary
Meadowlawn Middle
Middle School "BB"
Nina Harris ESE Center
San Jose Elementary
Shore Acres Elementary
Sunset Hills Elementary
Eisenhower Elementary
Cypress Woods Elementary
Site Acquisitions
Relocatables

MOTOR VEHICLE PURCHASES

Purchase of fifty-seven (57) Buses
Maintenance/Utility Vehicles
Operating Transfer

NEW AND REPLACEMENT EQUIPMENT

Telecommunication Equipment
Various Locations
Operating Transfer

MAINTENANCE, RENOVATION AND REPAIR

Fire, Health, Safety
HVAC
Roofs/Covered Walkways
Drainage
Painting
Sites/Grounds Improvement
Intercoms
Fire Alarms
Technology/TV Distribution
Ceilings/Lights
Floor Covering
Paving
Plumbing
Restroom Renovation
EPA Compliance
Handicapped Accessibility
Gym/Stage Floors
Spectator Seating
Window Replacement/Blinds
Electrical Distribution/Upgrade
Lockers/Repair/Replace
Stage Curtains
Operating Transfer

PAYMENT OF COSTS OF LEASING

RELOCATABLE EDUCATIONAL FACILITIES

Various Locations

All concerned citizens are invited to a public hearing to be held on July 25, 2000, at 7:00 P.M. in the Conference Hall of the Administration Building, 301 4th Street S. W., Largo, Florida.

A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.

PINELLAS COUNTY
SCHOOL BOARD

CONTRACTED PROGRAM FUNDS

Contracted Program Funds are used to account for activities funded by grants. The source of these funds is usually the Federal government, although some funds are passed through State agencies rather than being received directly by the district.

This budget is typically at its lowest point at the beginning of the fiscal year. The district is only permitted to include in the budget the balance of those funds that have been approved and are available as of July 1. Anticipated new contracts or projects cannot be budgeted until they are actually awarded. This situation results in misleading comparisons when the new year's budget is compared to the prior year's amended budget. While it is impossible for the district to accurately predict the amounts of grants which will eventually be awarded by the Federal government, at this time (July, 2000) it is anticipated that the eventual total will be similar to the \$ 31 to \$ 56 million received for fiscal years 1995 through 2000.

HISTORICAL COMPARISON OF CONTRACTED PROGRAM FUND APPROPRIATIONS

	Original Budget (Funds on Hand at July 1)	Final Amended Budget (As of June 30, 2000)
1994-95	\$ 3,959,650	\$ 31,986,423
1995-96	\$ 7,740,551	\$ 27,563,262
1996-97	\$ 2,148,743	\$ 29,294,441
1997-98	\$ 3,107,139	\$ 36,512,872
1998-99	\$ 7,117,307	\$ 46,789,080
1999-00	\$ 2,732,075	\$ 57,337,665
2000-01	\$ 1,179,159	<i>Undetermined</i>

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of principal and interest on bonds or other long-term debt instruments issued by the school district, or on debt instruments issued by the State of Florida in which the district participated. These bonds are used to finance capital improvements. For the last two decades the Pinellas County School District has financed capital projects on a pay-as-you-go basis; that is, without borrowing (issuing bonds). In February 2000, the district participated in a state bond issue pledging its capital outlay and debt service (CO&DS) revenue. These bond proceeds will be used for construction projects found in the district facilities work program.

There are presently two outstanding debt issue for the Pinellas District:

State Board of Education (SBE) Series 2000-A (issued 2000)

The district participated in this State bond issue. Capital Outlay and Debt Service (CO&DS) revenue from motor vehicle licenses is pledged to support the debt requirements. This is the first bond issue on behalf of the district since a similar issue in 1979.

Local District Bond Issue (issued 1971)

The District issued these bonds, which are supported by Racing Commission revenue. The final payment on these bonds will be made in November 2000.

DEBT ISSUES

	Date of Bond Issue	Original Issue Amount	Principal Outstanding July 1, 2000	Final Fiscal Year of Debt Payments
SBE Series 2000A	2/02/00	\$ 47,225,000	\$ 47,225,000	2019-2020
Local	6/28/71	\$ 2,370,000	\$ 145,000	2000-2001
TOTAL		\$ 49,595,000	\$ 47,370,000	

DEBT PER CAPITA

As of July 1, 2000 the total outstanding debt for the district, including principal and interest, was \$ 79,327,540. The estimated resident population of Pinellas County in 1998 was 892,178. This calculates to approximately \$ 88.91 in debt per capita. This does not include net overlapping debt from other governmental jurisdictions.

OTHER FUNDS

SCHOOL FOOD SERVICE FUND

This fund is used to account for the operations of the district's School Food Service program. The program, which is self-supporting, is provided through the efforts of approximately 1,259 support service employees and 6 administrative employees. In fiscal year 1999-00, the Food Service operation prepared and served over 10.1 million lunches and more than 2.1 million breakfasts.

For fiscal year 2000-01, lunch prices remain the same as the previous year:

Elementary school students: \$ 1.25

Middle and high school students: \$ 1.50

Adults: \$ 2.25

Breakfast is served in all elementary schools and in 11 other schools/centers. The price for breakfast is 65 cents.

Reduced-price or free lunches are provided for qualifying students based on federal and state eligibility guidelines.

INTERNAL SERVICES FUND

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The district's self-insurance funds for Workers' Compensation and Liability Insurance, as well as operation of the Print Shop, are included here. Expenditures in these funds are supported by charges to the appropriate schools or departments in other funds.

TRUST AND AGENCY FUND

No changes are anticipated in the operation of these funds, which account for money or property held by the School Board in the capacity of trustee, custodian, or agent for other governmental entities, individuals, and non-public organizations.

PINELLAS COUNTY SCHOOL BOARD OPERATING BUDGET PARAMETERS

- I. Planned expenditures will be aligned with projected available revenue sources, excluding fund balances and reserves. We must commit to live within our means (applicable revenues) on an annual basis.
 - A. The target for total direct instructional expenditures will be 63% of the resources appropriated/available within the operating budget. Research indicates that Pinellas should be able to maintain its position in the upper 10% of Florida school districts by focusing on this target for expenditures at the classroom level.
 - B. Ranges of direct costs for each specific program and/or program groups will provide for variations among schools and will be developed utilizing appropriate FEFP program cost data as required.
 - C. Programs funded through grants and fund raising activities will be expected to live within the funds available. Affected programs will be systematically reviewed to determine whether programs no longer funded from their original source are to be continued, modified, or eliminated. This review will utilize the three strategic directions (see IV below) as priorities in making this determination.
- II. To the extent resources are available, the operating fund unobligated contingency should be incrementally increased by approximately 1/2% each year until it reaches a level of 3% of the proposed operating budget. This reserve should be utilized as a "rainy day fund" to offset potential fluctuations in revenue and unanticipated/extraordinary expenditure needs.
- III. The district should create a reserve to fund the initial operational costs of opening new and remodeled schools for unitary status. The reserve should include administrative/support staff, plant operations, transportation, and supplemental land purchase support.
- IV. The district's core curriculum needs to be preserved and related needs should be prioritized utilizing our three strategic directions:
 - A. Highest Student Achievement
 - B. Safe Learning Environment
 - C. Effective and Efficient Operation
- V. Budget planning must take any form of "administrative redirection" as imposed by the Florida Legislature into consideration. Expenditures must continually be monitored and aligned to prevent a penalty for not meeting redirection guidelines.
- VI. The school board will make every attempt to honor multi-year budget commitments to curriculum and staffing initiatives.
 - A. For example, for fiscal year 2000-01 the commitments include completion of and funding for, elementary strategic planning process budget, continued funding of Read 180, expansion of Success for Algebra, continuation of high school remedial units and middle school technology specialist units.
 - B. The staffing levels, including pupil teacher ratios funded through the basic FEFP in effect for the 1999-00 school year, will be the basis for the continuing staffing plan for the subsequent school year.
- VII. As part of board budget workshops, the board will undertake a systematic rotating review by division. The review cycle will be designed to be completed within a four-year period of time. This review will

include present operations and alignment to the district's strategic directions, as well as anticipated future budget requirements.

- VIII. Given that the State of Florida funds less than sixty percent of the operating budget from state sources, the district will continue to levy the maximum allowable non-voted (required and discretionary) ad valorem taxes consistent with all requirements of the FEFP, and identified district needs.
- IX. The School Board will continue its commitment to adequately and fairly compensate its employees. To the extent resources are available, budget plans will be developed on the basis of at least keeping pace with the cost of living with respect to salaries, and remaining competitive within the Tampa Bay area. Every reasonable effort will be made to maintain the present level of benefits. A high performing workforce can only be maintained when the importance of positive employee morale is recognized and reinforced by the system. It remains the annual goal of the board to settle all labor contracts prior to the end of the school year within anticipated available resources.

PINELLAS COUNTY SCHOOL BOARD

CONDENSED GLOSSARY

A complete glossary, as well as detail budget information, can be found in the Annual Budget Summary book for fiscal year 1999-00.

Ad Valorem Tax (property tax): A tax levied primarily on real property. The amount of tax is determined by multiplying the taxable assessed value of the property times the millage rate. Pinellas County property owners pay ad valorem taxes to the County, the Pinellas School District, municipalities, and a number of independent taxing authorities.

Appropriation: An authorization made by the School Board which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period in operating funds.

Budget (Operating): A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the School Board and its schools and departments operate.

Capital Outlay (object of expenditure): Expenditures for the acquisition of fixed assets or additions of fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, remodeling of buildings, initial equipment, and additional equipment. Typically, new construction and land acquisition are budgeted in the Capital Outlay Funds. In the operating fund, typical capital outlay items include vehicles, library books, audio-visual equipment, computers, software, and furniture.

Capital Outlay Funds: A specific group of funds created to account for financial resources to be used for the acquisition or construction of major capital facilities. There are statutory and regulatory restrictions on the use of capital outlay funds. Major capital outlay fund sources include *PECO*, *CO&DS*, and *Two-Mill* funds.

Contracted Program Funds: Special revenue funds used to account for activities funded by grants (usually federal).

Debt Service: Payment of interest and repayment of principal to holders of debt instruments.

Discretionary Millage: The portion of the ad valorem (property) tax rate which is nominally a local school board decision. While technically a local option, discretionary millage revenues are often included in state totals of "total potential revenue". Discretionary millage rates are capped by annual legislative action.

Expenditures: Where accounts are kept on the accrual or modified accrual basis of accounting, expenditures are the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes have been made.

FTE (Full Time Equivalent): An FTE is defined as one student in membership in one or more FEFP programs for a school year or its equivalent. In a typical program, this would be 900 hours of instruction per year; equal to six 50-minute periods per day, five days per week for 36 weeks. The definition varies for double sessions and other circumstances. FTE is determined by surveys of student attendance. The main FTE surveys occur in October and February.

PINELLAS COUNTY SCHOOL BOARD

Function: The action or purpose for which a person or thing is used or exists. Function includes the activities or actions which are performed to accomplish the objectives of the enterprise. The activities of the school system are classified into five broad areas: Direct Instruction, Instructional Support, General Support, Maintenance, and Community Service/Debt Service/Transfers.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

General Fund: The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is supported by taxes, fees and other revenues that may be used for any lawful purpose. Also called the *Operating Fund*.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department to other departments or schools of the district, on a cost reimbursement basis.

Mill: One thousandth of a dollar (one-tenth of a cent). The ad valorem (property tax rate) is normally stated in mills. For example, a ten mill levy would be a tax of ten dollars for every thousand dollars of taxable assessed property value.

Object of Expenditure: The service or commodity obtained as the result of a specific expenditure. Expenditure classifications are based upon the types or categories of goods and services purchased. Typical objects of expenditure include salaries, employee benefits, purchased services, materials, and capital outlay.

PECO (Public Education Capital Outlay): A type of capital outlay revenue distributed to districts by the state. The primary funding source for PECO is the gross receipts tax on utilities.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department to other departments or schools of the district, on a cost reimbursement basis.

RLE (Required Local Effort): The combination of ad valorem (property) taxes and fees which the school district is required to impose in order to receive state FEFP funds.