

MINUTES

**Parent Subcommittee on District and School Budget Priorities
Family and Community Involvement Advisory Subcommittee
Miami-Dade County Public Schools
Zoom Meeting
Monday, October 12, 2020**

Members Present: Mr. Eddy Barea, Chair, Mr. Scot Evans, Ms. Beverly Heller, Dr. Nancy Lawther, Mr. James Lopez, Ms. Maria Norton, Ms. Laura Philpot, Ms. Karen Rivo, Mr. Elias Seife, Ms. Zoraida Serret, Ms. Meriel Seymore.

Members Excused Absent: Ms. Isabelle Exume, Dr. Lisa Robertson.

Others Present: Mr. Jerold Blumstein, Ms. Nancy Cermeno, Ms. Martha M. Diaz, Ms. Milagros Hernandez, Ms. Mina Hosseini, Ms. Karen Latham, Ms. Iraida Mendez-Cartaya, Ms. Leigh Rauk, Ms. Luisa Santos, Mr. Ziquelle Smalls, Mr. Ron Y. Steiger Ms. Sara Walkup.

I. Welcome and Introductions: Mr. Ron Steiger, Chief Financial Officer, called the meeting to order. He welcomed committee members and staff.

II. Elections: Mr. Steiger opened the floor for nominations of Chair and Vice Chair. Mr. Eddy Barea was nominated Chair and Ms. Meriel C. Seymore was nominated as Vice Chair.

III. Approval of Minutes for June 23, 2020: Mr. Barea, asked for the approval of the minutes for the June 23, 2020, Parent Advisory Subcommittee meeting and the Minutes were approved.

IV. Legislative Update: Mr. Barea opened the floor to Ms. Iraida Mendez-Cartaya, Associate Superintendent, who provided the committee with current updates on the Legislative Session. Ms. Mendez-Cartaya informed the committee that at the federal level there is still hope for an additional stimulus package to be passed by Congress prior to the elections. But they don't know when. The original House proposal that passed a few months ago, the HEROS ACT, was for about \$3.2 trillion. Now the House passed a Revised HEROES ACT for \$2.2 trillion. The administration countered last week and their negotiation is for \$1.6 trillion. The Senate proposal was about \$1trillion. Therefore, the discussion at the Federal Level ranges anywhere between \$2.2 trillion and \$1 trillion.

Ms. Mendez-Cartaya mentioned that the financial outlook is not bright. The Office of Economic and Demographic Research published the financial outlook for the state and they have outlined a state shortfall of \$5.4 billion over the next two years. Obviously, the Federal Stimulus dollars are critical to avoid massive budget reductions at the state level. The financial outlook publication is the first step in the development of the Legislative process. Miami Dade County is in the process of developing the State and Federal Legislative platform. They will submit their proposals to the Board for consideration after the elections because they will have three new Board members joining the School Board as well as new members in both the House and Senate.

This year the Legislative Session starts on March 2, 2021 and they will have 60 consecutive days to get bills filed. This is not an early session like they will have the following year.

We are going to do a lot of advocacy when we present the draft program to the Board. We are concentrating on mitigating financial losses to the district based on the number of students and the state reductions and obviously suspending any and all sanctions associated with the accountability in the system. We will be needing your assistance and the community to rally around for the school district in order to get those bills passed.

The committee discussed, provided comments, expressed concerns and questions. All questions and concerns were addressed by Ms. Iraida Mendez-Cartaya.

V. Financial Outlook for 2020-21: Mr. Barea opened the floor to Mr. Ron Steiger, Chief Financial Officer. Mr. Steiger began by telling the committee that they are early in the Budget process. Each year they start the budget by projecting the number of students they expect to have. Through the years the district had been relatively stable for a long time. They grew in 1960, 1970, 1980 and then from 2003-04 to 2012 they had a reduction in students, probably by 5% to 10% a year, while charter schools were growing 5% to 10% a year. He mentioned that he could estimate the growth of charter schools by roughly 3,000 kids for the last 5 or 6 years. This growth has been relatively consistent. There have not been many new charter schools each year.

As the charter schools expand, so do their grade levels. They start with K-1 and then they go K-2 and K-3 and as they add grades, they add students. In this year 2020-21, as many other things that are unpredictable, one of the things that has happened is the number of students we have served as a community, us and charters together, is down substantially and it is really just us. Last year when we projected all the students, Charter schools and Miami-Dade County Schools (MDCPS) together were projected to have about 336,000 students. Now that number it is going to come in closer to 328,000 students for M-DCPS and charters together. We are down 8,000 students; this is a lot of kids. The State had held us harmless for this loss for half of the year. Obviously, we are now advocating to extend that hold harmless for the whole year. He explained that 8,000 kids means \$64 million so half of the year would be \$32 million. Even though this is a lot of money, it is not an amount which will bankrupt us, we have enough reserves to cover \$32 million. Usually the problem was the opposite, the State underestimates the amount of kids they are going to have statewide and then they subtract funds we have by reducing our funding via a statewide proration of available funds. Now, since they have less kids, they should give us a positive proration. We probably won't get hit for the entire amount, but we are going to get hit.

Mr. Steiger continued talking about FY 2021-22 budget. One of the first things we need to do is budget for loss of students for next year. To calculate that amount is going to be a challenge because of the following reasons: Florida Virtual School students are up for less than a 1,000 students in Miami Dade County, Home School students are up a lot, about 1,000 students, this is a lot of students for home school and the Family Empowerment Scholarship students are up. Districts are down substantially all across the country specially in the early grades. There are many reasons as to why this is happening. Mr. Steiger doesn't know how we are going to give an accurate projection for how many students we are going to have next year. However, we will need to figure that out in the next two months because we must submit a number by early to mid-December.

Another issue is the Budget from the State Board of Education. There is going to be pain at the state level for FY 21/22. As previously mentioned in the discussion the budget did not include much for Pre-K education. What was included is the Millage remaining flat, it did not drop the Millage, even though the required local effort was going up, so that is a semi positive result. He mentioned that he spoke to Ms. Mendez-Cartaya about advocating for an increase in the Required Local Effort Millage. The actual Required Local Effort is the lowest it has been in decades. They are going to wait until next month when the elections are over, and they will know more about the political climate. One thing they know is that whoever takes control will be facing a large shortfall. He explained that what they had done as a district is use the first round of stimulus they received, which was the CARES Act money, and set aside \$55 million, kind of a general fund protection. This way if they are to get cut because there is no promise that the first cut does not come this year, they will have the funds available. The problem with that is that it is a non-recurring source of revenue. All that does is postpone the pain. When you use that much money to support yourself it is great because it protects the classroom but if the economy does not turn around and improve really quickly and you can't make up the \$55 million just in tax revenue the next year, then the real problem comes in FY 22/23. That is all the money they have set aside. Also, they have a reserve of 3% plus some more, set aside. They are prepared as best as they can, but it all depends now on how big the reduction is going to be.

Unfortunately, what this means for us this year is that we are going to have to get creative as to how we build the budget for FY 21/22. This committee makes recommendations to the Superintendent, the Superintendent makes recommendations to the School Board and the School Board decides. Mr. Steiger stated that he is open to any ideas, anything. There is nothing that he is not willing to consider because he doesn't know what is coming and we can't just sit around. The district can't go bankrupt. With the knowledge that some of the people making the decisions are purposely trying to change the way public education works in the state. He can't control the revenue, he can only control the expenditures. If drastic reduction comes, we must present lots of options. He asked that everyone bring ideas for possible reductions to the next meeting. Look at what other districts are doing, and he will bring what he finds to the table, just as a possibility if we need to make reductions.

The committee discussed, provided comments, expressed concerns and questions. All questions and concerns were addressed by Mr. Ron Y. Steiger.

VI. New Business: The Committee approved Monday, November 9, 2020 as the next meeting date.

VII. Adjournment: Meeting was adjourned at 7: 30 p.m.