

Finance Council Meeting
Wednesday, March 25, 2020

- Council Business – attendee roll call; COVID-19 Discussion
 1. Joy Frank: Update from the State and Superintendent’s conference call
 2. Questions from the Group to FLDOE:

Q: Will we receive relief on the 3% fund balance?

A: Conversation has not yet been discussed; it does not appear to be likely. Pushback from the group given the local revenue shortfall that appears to be inevitable in 2019-20. Mark will explore any flexibility

B: Our thoughts on the 3% waiver: Waiving the statutory 3% of General Fund revenue minimum fund balance requirement.

The 3% rule was implemented to ensure districts had a minimum reserve to cope with emergencies so no district would find itself in dire financial straits when emergencies happened. A strong possibility is the budget will be decreased during FYE June 30, 2021, based on current economic trends.

It would be beneficial to school district employees, the students of Florida, and the Florida economy if the 3% minimum fund balance (assigned and unassigned fund balance) of general fund revenue was waived for fiscal year ending June 30, 2021. To illustrate this point, the unassigned fund balance statewide for fiscal year 2019 was \$1,315,195,147. Total General Fund revenue in 2019 was \$22,772,861,307. Three percent of that amount is \$683,185,839. During normal economic conditions, no district would be allowed to fall below this amount in their assigned and unassigned fund balance. Utilizing this amount during a time of severe economic recession could keep thousands of employees employed who otherwise could lose their jobs. For example, the average teacher salary in 2019 was \$48,784. Adding 10% for FRS and 7.65% for FICA/Medicare brings the total average teacher cost to \$57,394. The amount of \$683.2 million will pay for 11,903 teachers at that average amount of compensation. A budget cut in the middle of the year would mean 28,806 teachers could be kept employed. Keeping employees employed ensures student services which otherwise would be eliminated can be delivered through the end of the fiscal year.

This waiver would be a temporary stopgap. We recognize the wisdom of maintaining a minimum fund balance. Next fiscal year may be the time to utilize funds within the 3% threshold to assist in bridging our state and our education system through a tumultuous economic downturn.

Q: Press release put out said Early Learning Coalition entities will continue to receive funding, will that flow through to School Districts given that we have no VPK attendance.

A: Joy and Mark will explore

Q: For post-secondary institutions, for Pell Grants if we have no attendance will we have a return to Title IV issue?

A: Mark will explore

Q: All of the Federal programs end June 30, will there be extensions granted to allow for the spending of dollars past the usual deadline?

A: Merrill and Joy raised this issue and requested a waiver of the 15% roll-forward limit. Title I currently has a waiver request process once every three years, but unclear if the USDOE is looking at broader waiver options.

Q: Food Service revenue will almost completely dry-up since there will be no food sales at all for the closure period, is there a possibility for a federal hold-harmless from Department of Agriculture the same way the DOE gave a hold-harmless for Workforce Development revenue?

A: Since this is not under the purview of DOE, there is nothing they can directly do, but agree to explore with the Department of Agriculture to see if there is a potential for this to occur.

Q: Are full-time and part-time employees being paid?

A: It appears all the Districts are paying their full-time employees for staying home. Some are having employees come to work, but those staying at home are being paid. Much conversation about getting full-time employees to work during the closure, but all are going to be paid regardless. Currently only Broward is paying hourly employees not able to get any hours.

Q: Are there best practices available for public meetings? St. John's had an in-person meeting with their board members and vital staff only, with those meetings live streamed.

A: Per Joy, as long as the public can view it and have the ability to comment, that should meet the requirements of the law.

Q: Does FMLA Recovery Act apply to school districts?

A: Yes, it appears so.

Q: How are district's documenting Student Attendance?

A: It appears the majority are using some software to track whether a student logged on, and if they did not log on then that will initiate a follow-up (often from paraprofessionals) to see if the student was active.

Q: Is any of this FEMA reimbursable?

A: Unclear, but it seems right that any expense beyond normal expenditures will be reimbursable.

3. Florida: Long-Range Financial Outlook COVID-19 National Emergency
4. Additional Appropriations for Relief
 - a. Immediate Aid to continue our new “normal” School Classroom Operations
 - b. Emergency Aid for all school districts
 - c. Fiscal Transparency, Documentation, etc.
 - d. District Student Attendance
5. From Polk:
 - a. We sent out a communication to our contractors stating that since our contracts are based on student contact time that we would not be paying them during the time students were not in school.
6. FMLA questions: Two basic questions are:

Are wages paid under the new emergency FMLA expansion and/or the new emergency paid sick leave act subject to Florida Retirement System (FRS) deductions/contributions?

Are wages paid under the new emergency FMLA expansion and/or the new emergency paid sick leave act subject to federal taxes?
7. What are the Florida Department of Education’s expectations as to the reporting of attendance? As to FTE reporting and all other, reporting for FEFP?
8. How to do FTE for those courses that are not being taught due to this?
9. What about School Recognition Funds with no school grades? (I think that will be an issue during a special session, actually)
10. The US Department of Education announced that wages would not be garnished for student loan repayments for a period of at least 50 days beginning March 13. We have an employee inquiring as to whether we will be removing their student loan garnishments for the March 31 payroll.

Are we waiting for any kind of official notification or stopping all student loan garnishments for 60 days effective immediately?

<https://www.ed.gov/news/press-releases/secretary-devos-directs-fsa-stop-wage-garnishment-collections-actions-student-loan-borrowers-will-refund-more-18-billion-students-families>

U.S. Secretary of Education Betsy DeVos announced today that, due to the COVID-19 national emergency, the Department would halt collection actions and wage garnishments to provide additional assistance to borrowers. This flexibility will last for a period of at least 60 days from March 13, 2020.

<https://studentaid.gov/announcements-events/coronavirus>

On March 25, 2020, ED announced that my wages would not be garnished, but money is still being taken from my paycheck. What should I do?

If your wages continue to be garnished after the president's March 13, 2020, announcement, you should contact your employer's human resources department. If ED receives funds from your paycheck that should have been stopped as a result of the March 13 announcement, we will refund your garnished wages.