



Clay County District Schools

Presenter: Dr. Susan Legutko
Assistant Superintendent of Business Affairs

June 27, 2019

Funding Sources

Operating Fund:

- The operating fund is the primary fund that accounts for all financial resources of the school district except for those required to be accounted for in another account. For example Debt Service, Capital Projects and Federal.

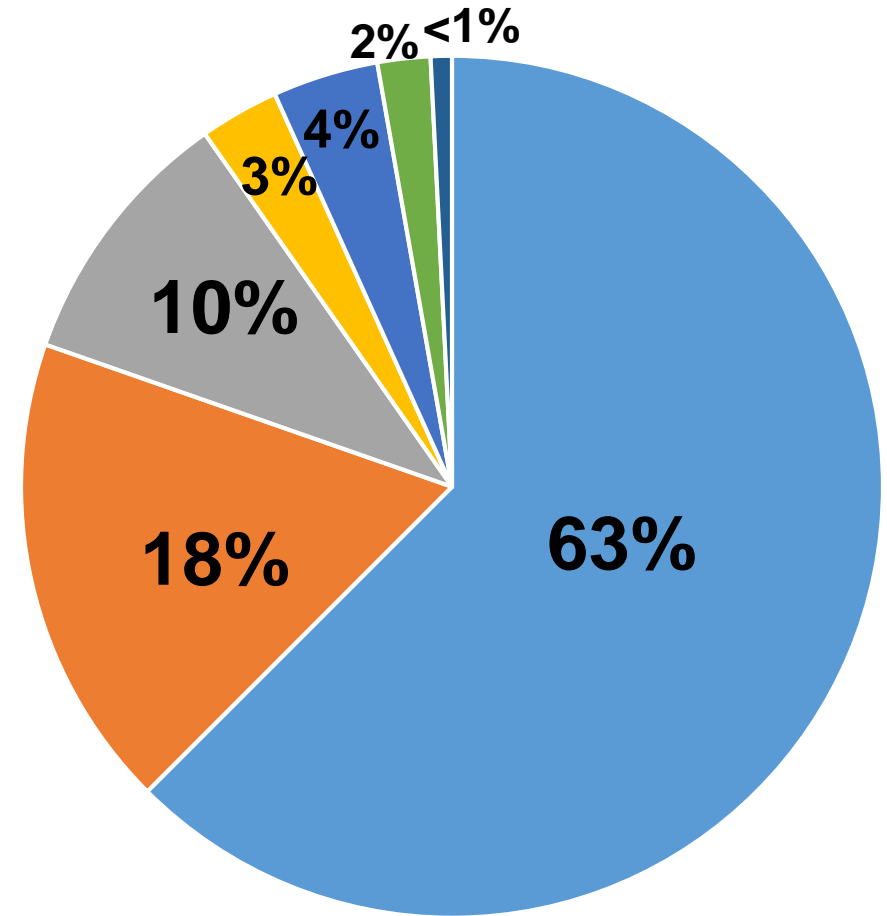
Capital Fund:

- The capital project fund is the governmental fund that accounts for the acquisition or construction of major capital facilities, maintenance of facilities, purchase of equipment and other capital assets.



Use of Operating Funds

- Compensation to Employees (63%)
- Benefits to Employees (18%)
- Purchased Services (10%)
- Energy Services (3%)
- Materials and Supplies (4%)
- Capital Outlay (2%)
 - Furniture & Fixtures
 - Technology Related to Hardware & Software
 - Safety & Security
- Litigation and Workers Compensation (<1%)
- **81% of Operating Funds directly support Compensation and Benefits to Employees**

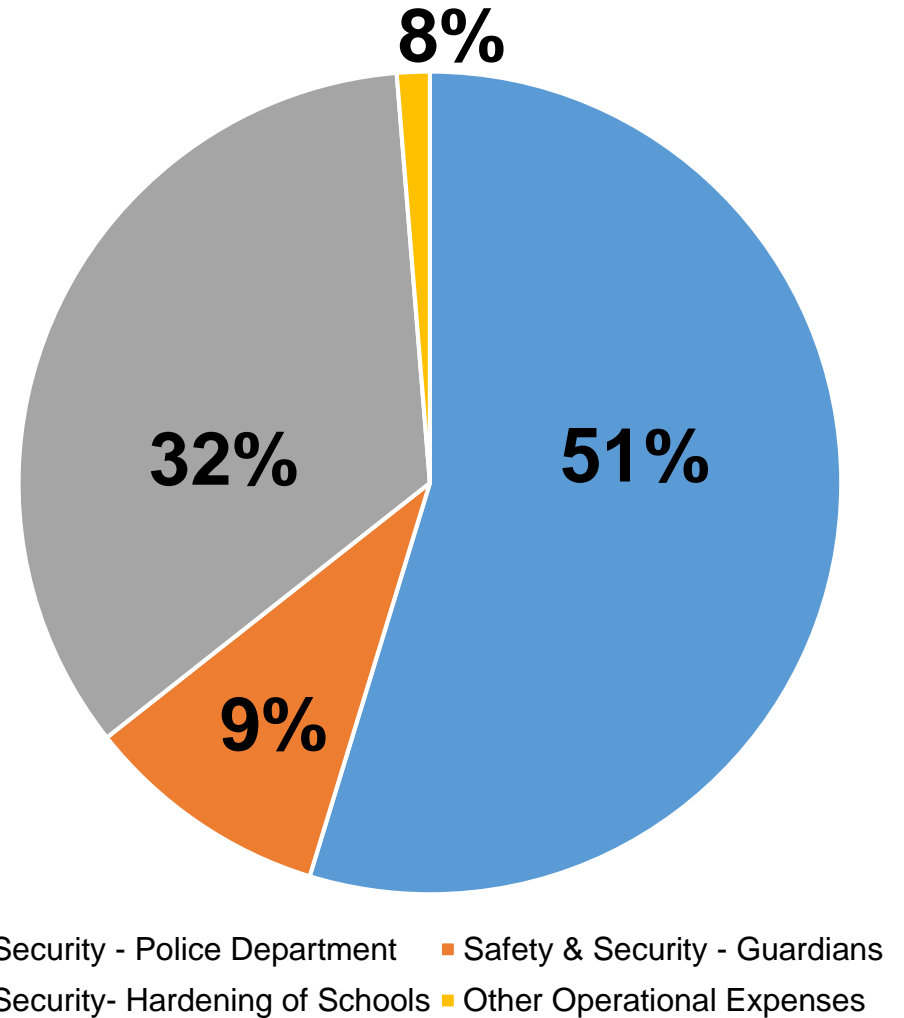


- Employee Compensation
- Employee Benefits
- Purchased Services
- Energy Services
- Materials and Supplies
- Capital Outlay



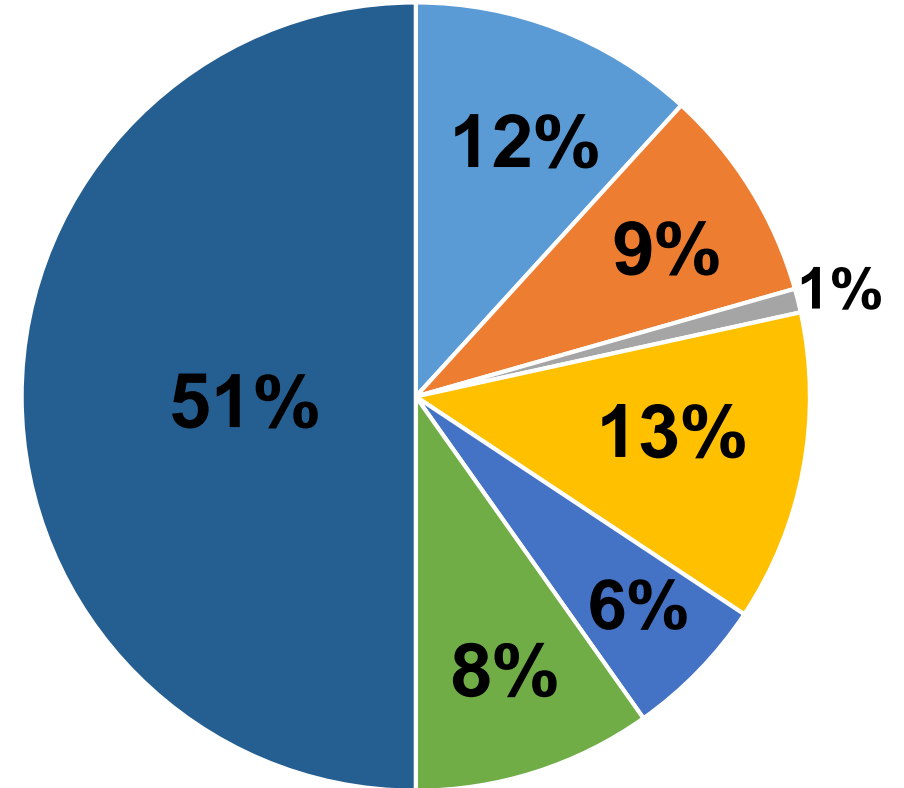
Uses of Operation – One Mill

- Safety & Security - Police Department (51%)
- Safety & Security - Guardian (9%)
- Safety & Security - Hardening of Schools (32%)
- Other Operational Expenses (8%)
- **91% of One Mill Funds directly support Safety and Security**



Use of Capital Funds

- Debt Services (12%)
 - Repayment of Cop's for LAJH, FIH, and OHS.
- Leases – School Bus (9%)
- District Wide Capital Equipment (1%)
- Repairs and Maintenance (13%)
- Property and Casualty Insurance (6%)
- Technology (8%)
- School Wide Facilities Projects, inclusive of Safety & Hardening of Schools (51%)



- Debt Services
- Leases
- District Wide Capital Equipment
- Repairs and Maintenance
- Property and Casualty Insurance
- Technology
- School Wide Facilities Projects



Summary of Operating vs. Capital Funds

FUND TYPE	REVENUE TYPE	STATUTORY AUTHORITY	ESTABLISHED BY	2019-2020 TENTATIVE BUDGET	USES OF FUNDS
General Fund	FEFP, State, Local	Section 1011.62 (4)	Legislature	\$299 million	Operating
General Fund	One Mill	Section 1011.73 (2)	Referendum	\$12.1 million	Operating-Safety & Security
Local Capital Improvement	1.50 Millage	Section 1011.71 (2)	Legislature /Board	\$18.1 million	Fixed Capital Improvements
Capital	CO & DS	1002.32 (9)	Legislature	\$1 million	Capital Outlay Projects
Capital	PECO	Section 1002.32	Legislature	\$0.00	Maintenance, renovations and or repairs for existing facilities
Capital	Sales Tax	Section 212.055	Referendum	\$13.5 million	Fixed Capital cost for construction, reconstruction, improvements, and technology
Capital	BCC Sales Tax	Section 212.055	Referendum	\$1.7 million	Technology





Clay County District Schools

Presenter: Dr. Michael Kemp
Assistant Superintendent of Operations

June 27, 2019

- **Shocked, Disbelief:**
 - Lack of Funding
 - Facility Condition
 - Operational Capacity
- Supt. Davis charged me and our team with the task of assessing needs and developing a plan to address what has been ignored and deferred for decades.
- What is needed? How do we begin to reverse this?

Forget Houston... *Clay* Has A Problem!

Deferred Maintenance – Old, Outdated Facilities *Must* Be Renovated/Upgraded

- Approximately \$300M+ in identified need
- Average facility age: Approx. 38 years old (Oldest –OPE 91 years). 25% of schools are approaching 50 years or older
- Deferred Maintenance has compounded the problem
- State Funding **Cuts** Over Time (\$0 for PECO New Growth. \$0 for PECO Maintenance. Impact Fee's are low. LCIF reclassification)
- **Reactionary** – Crisis Management Mode



The Problems

Portables:

- 900 plus portables -Inefficient, unsightly, and impossible to harden
- 3rd most in the state (Miami-Dade and Orange County-Orlando)

New Growth:

- Approximately \$300M in new growth
- There is a need for 5-7 schools in the next 10 years



Reality

- CCDS has same challenge all other districts are facing: old, worn out facilities in need of renovation and upgrades, as well as, new growth.
- **NO FUNDING!** Authority without capacity is futility!
- No one likes to have the difficult conversations required to meet the current and future needs. *Never* the right time. But the challenge remains.
- The new growth is coming... it cannot be stopped.
- Facilities get older everyday... something breaks every day!



Reality



Reality



Reality



Reality



Reality



Reality



Reality



Reality



Reality



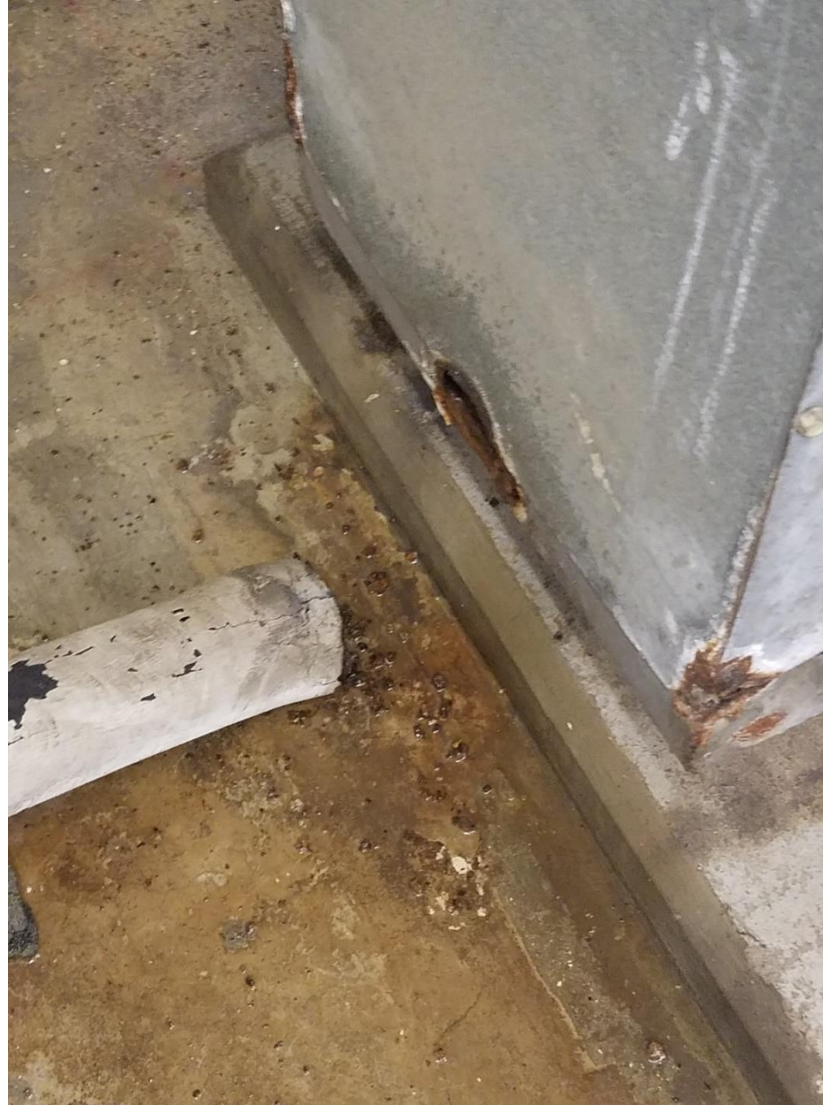
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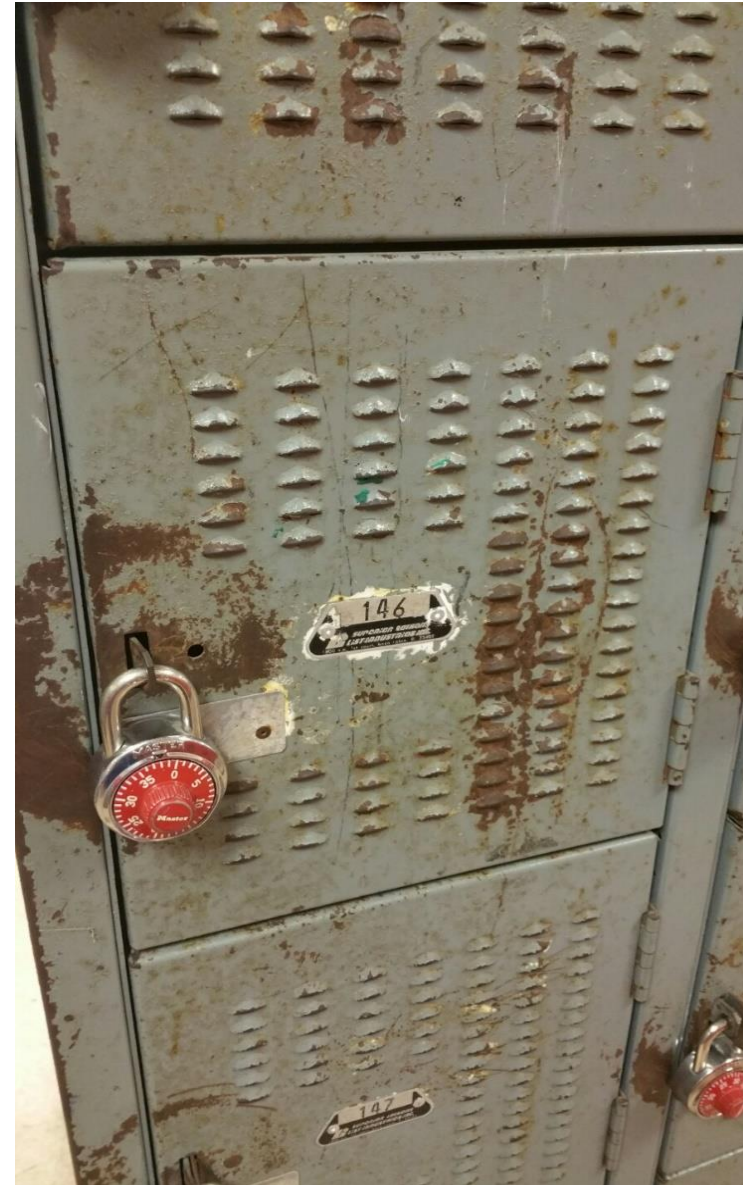
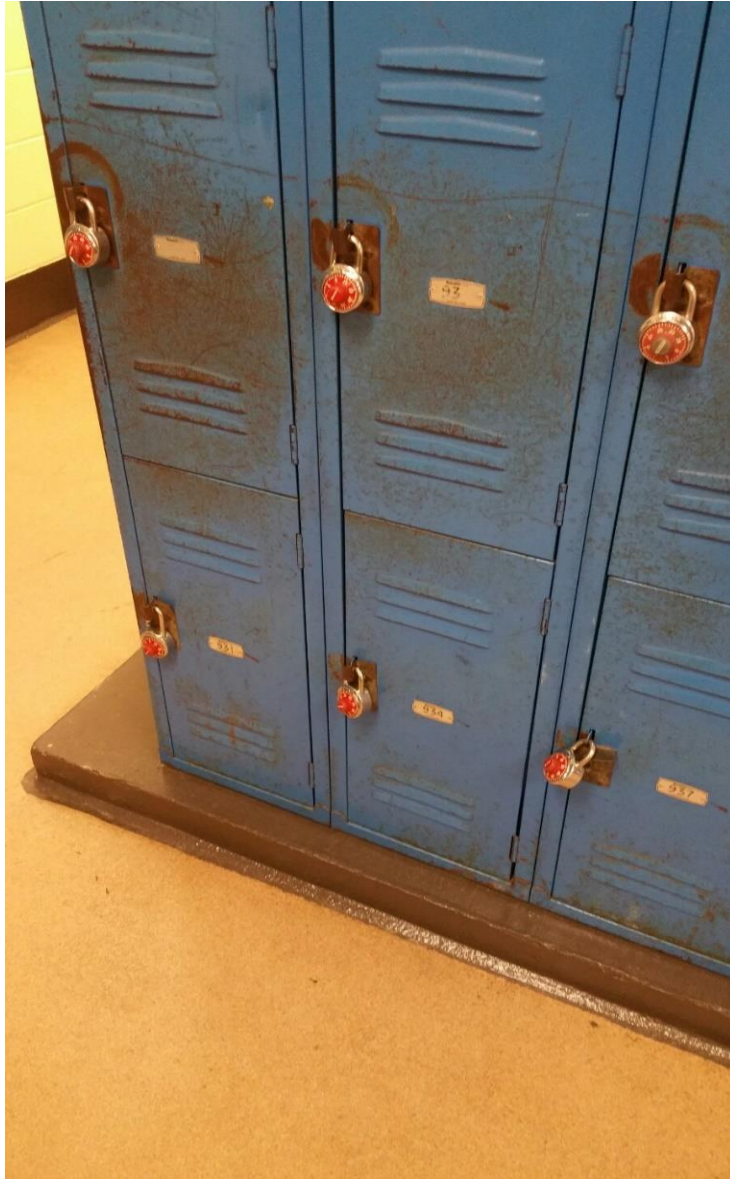
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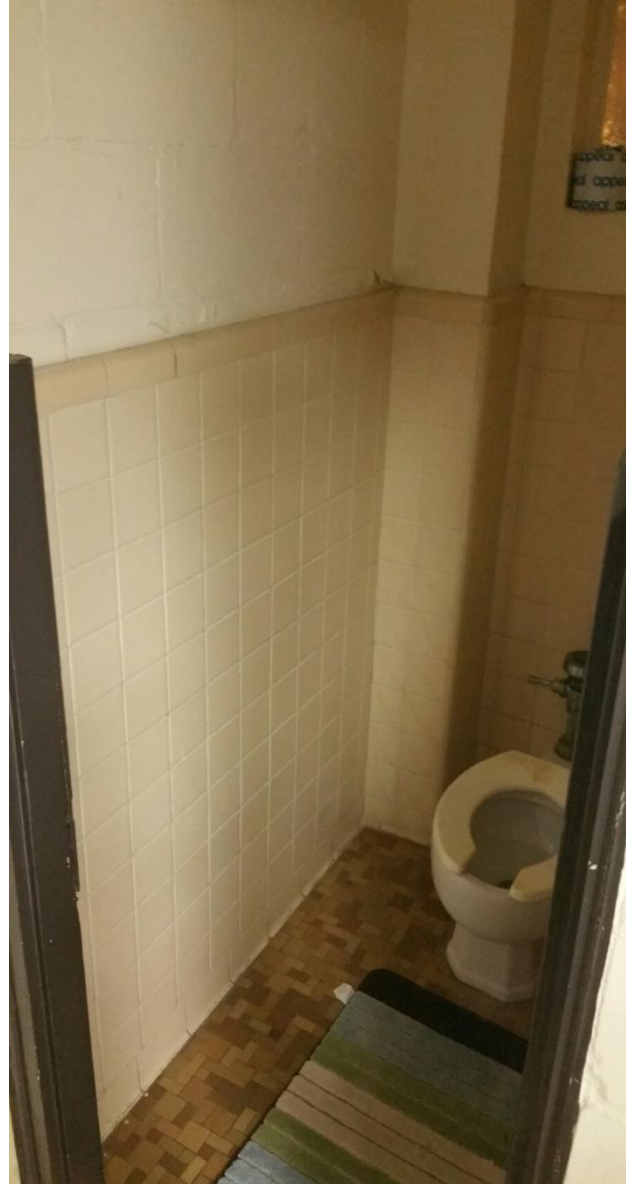
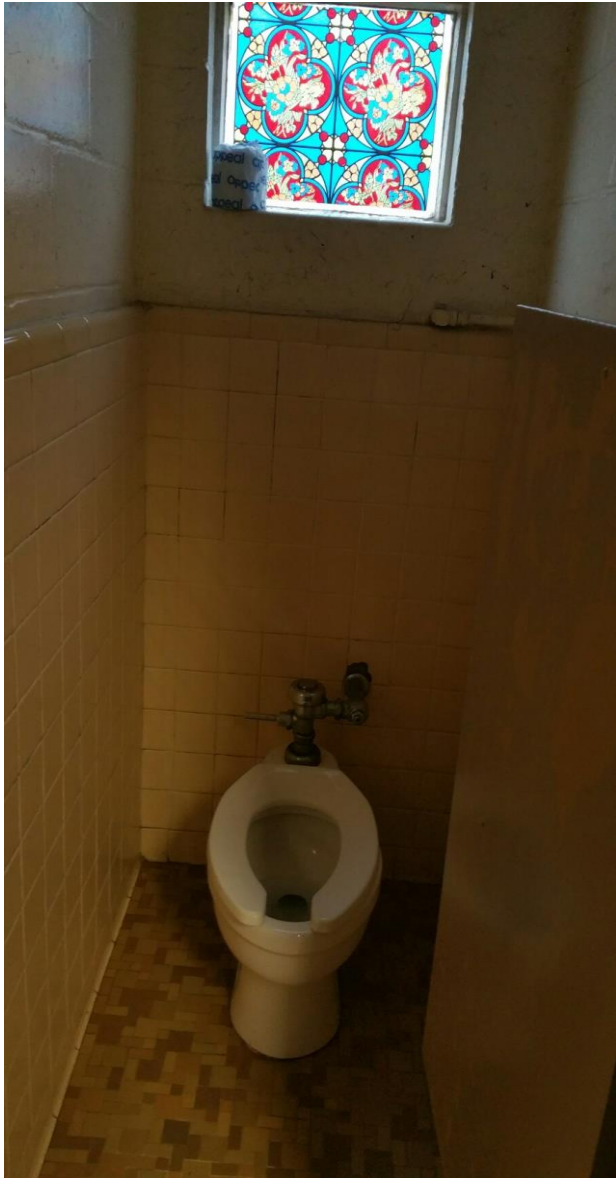
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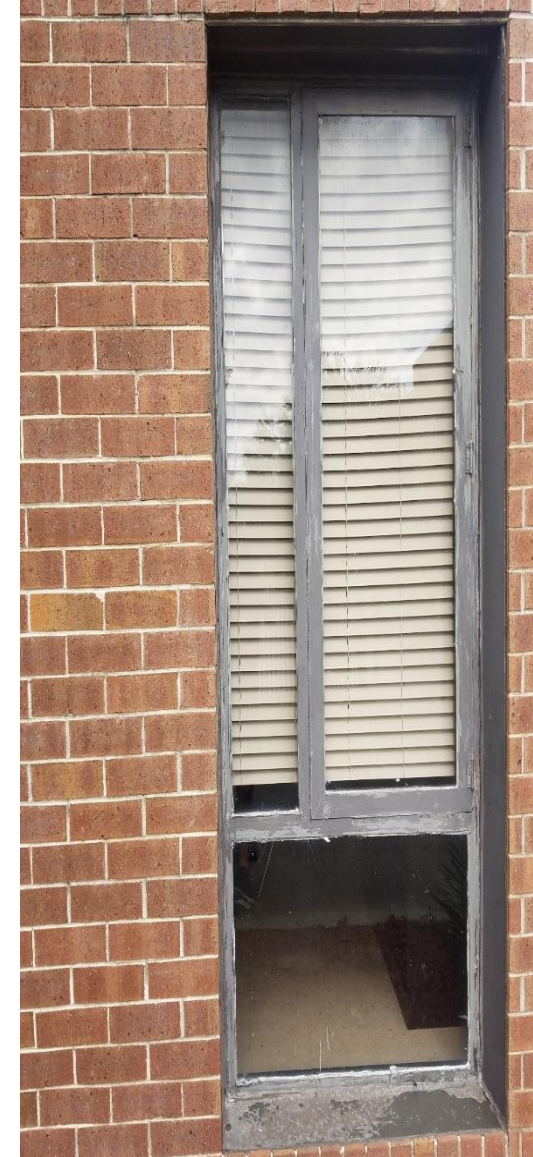
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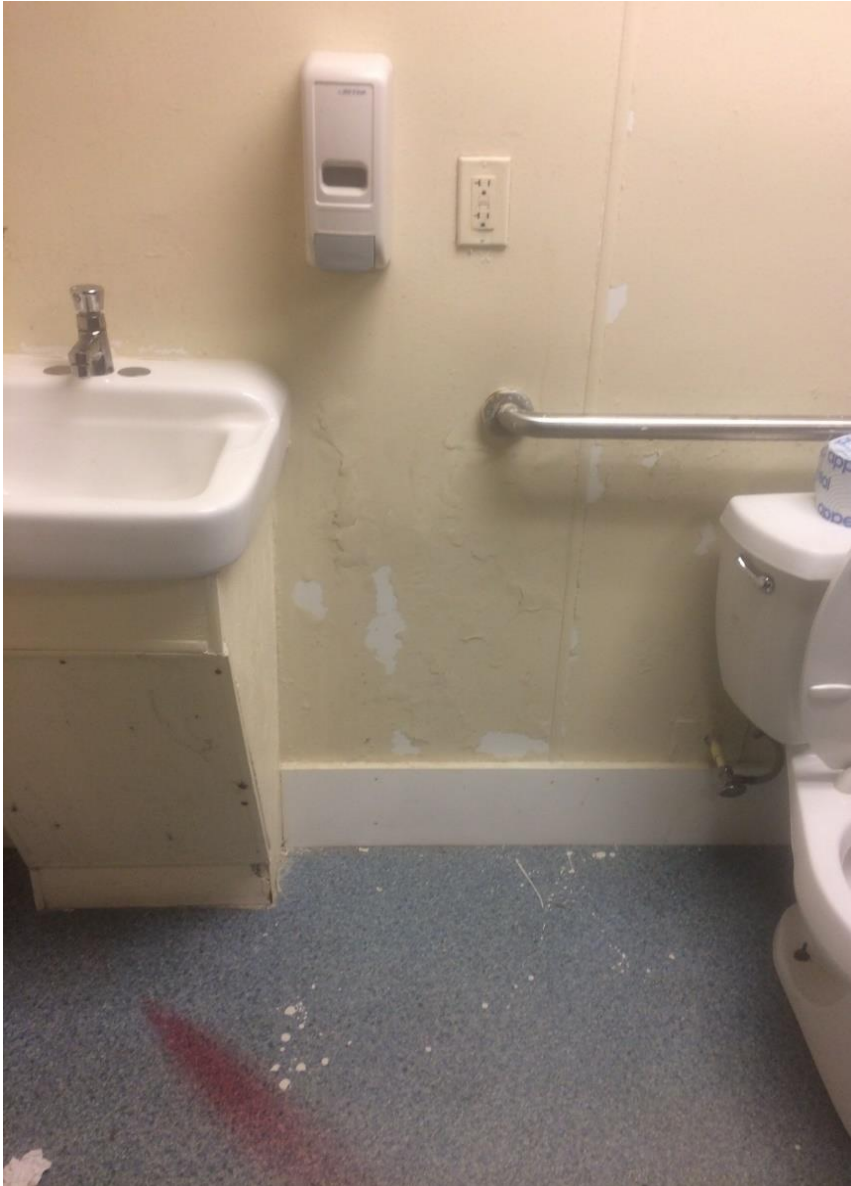
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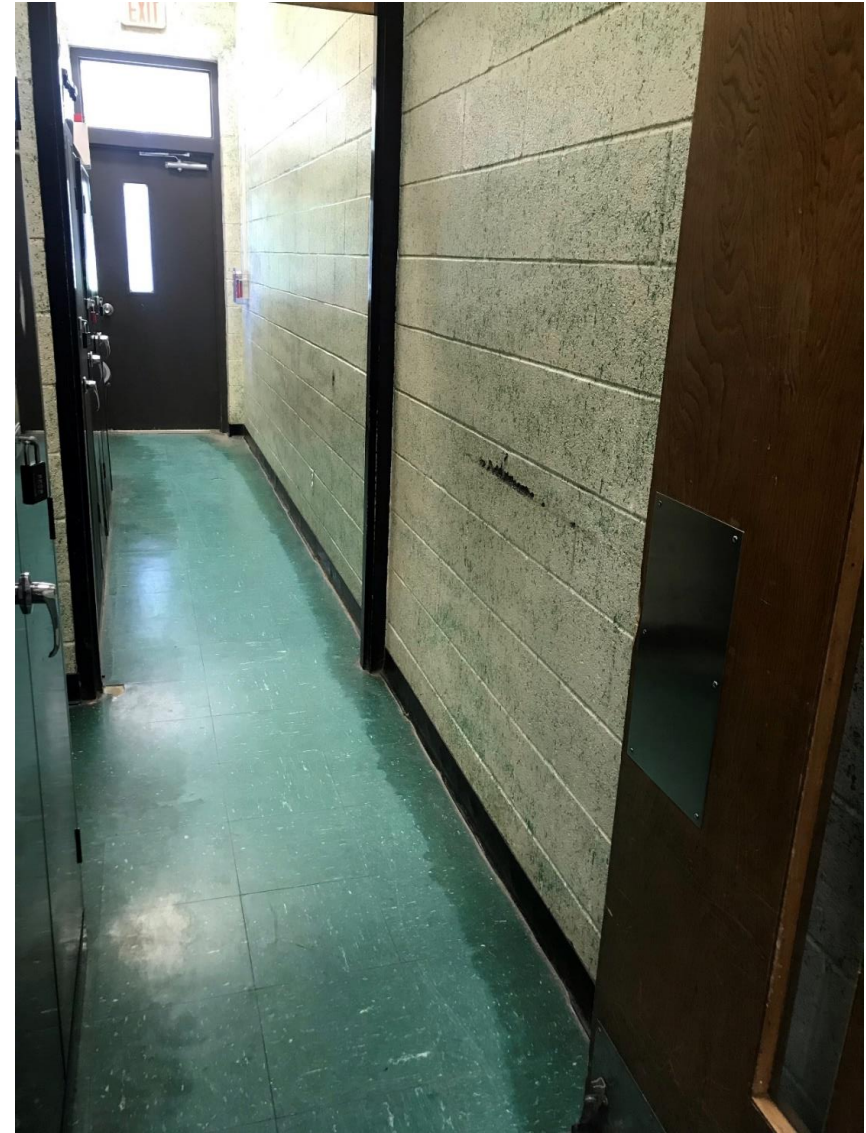
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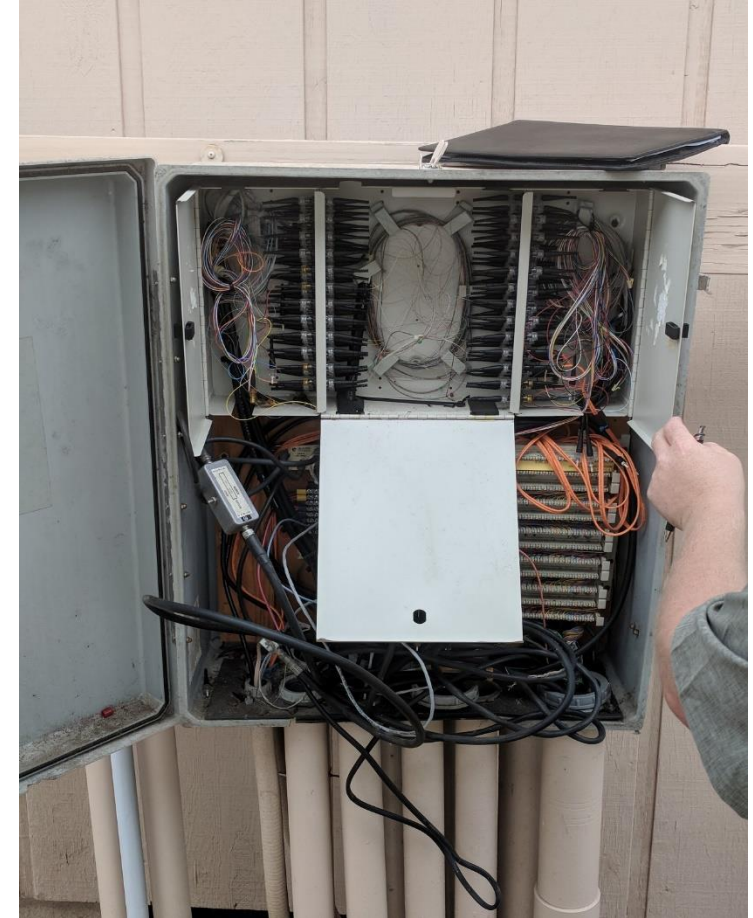
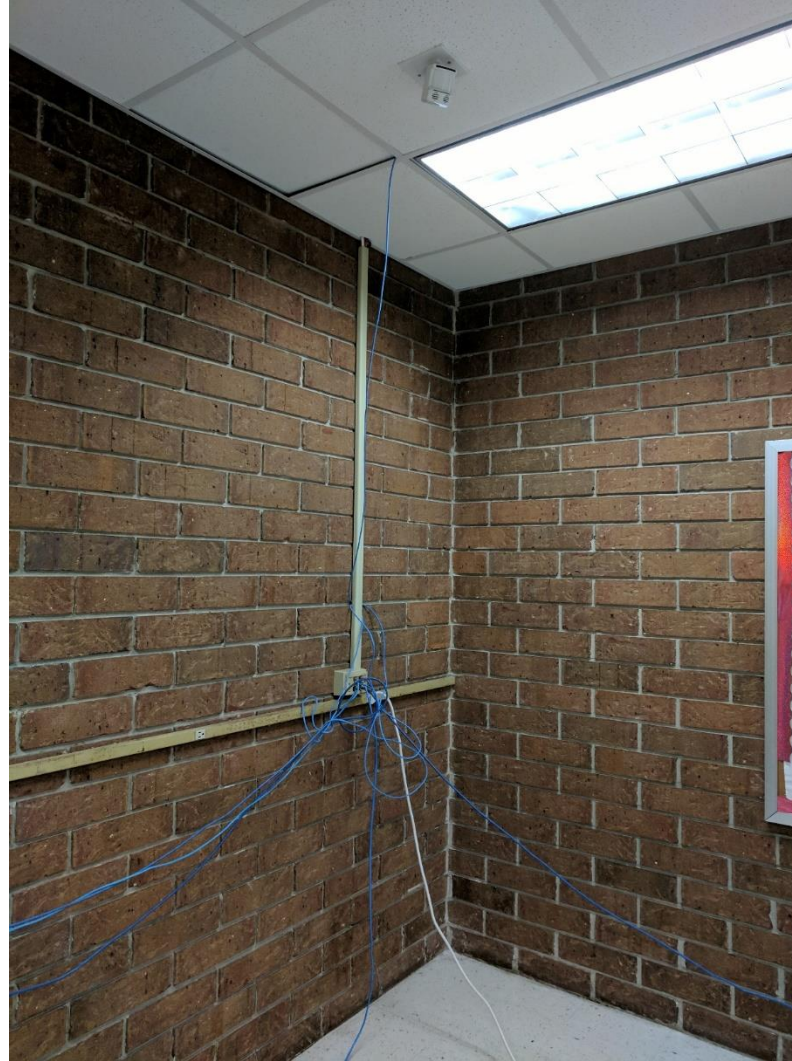
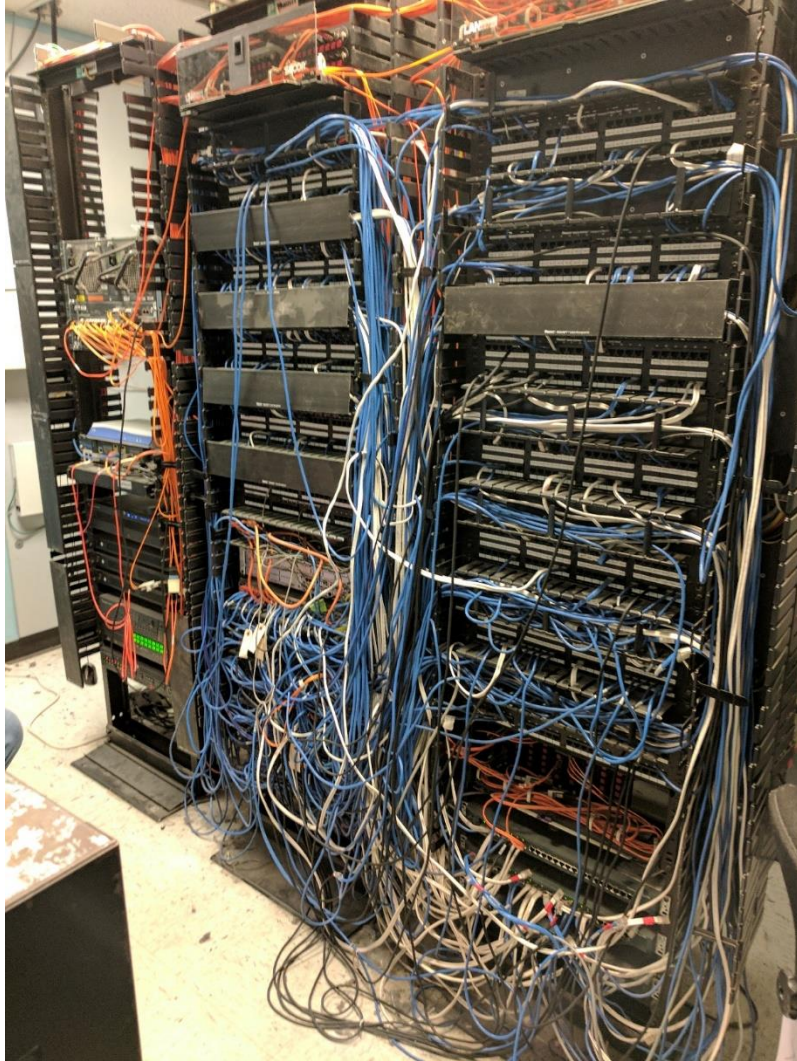
Reality



Reality



Reality



Reality

- *Same challenge as other districts!*
- **Currently 24 districts have successfully launched a half cent effort.**
- 5 of the 24 in the last election!
- Others pursuing as we speak, Clay County is no different.



Everyone Agrees...



Clay County Children & Employees Deserve Better!



ED.F.I.R.S.T

The Power of a Half Cent for the Children of Clay County



One Clay. One Half Cent.

Goals:

- ***Elevate Clay*** by providing our students and teachers with relevant state-of-the-art learning facilities, technology tools, and resources. ***Provide the best!***
- **Attract and recruit** students and teachers!
- CCDS elevates to #1 school district in Florida!
- Clay County elevates to #1 place to live and work!



Benefit of Equitable Revenue Strategy

ED.F.I.R.S.T (***ED**ucation **F**acilities **I**nfrastructure **R**estricted **S**ales **T**ax*) is a more equitable way to share the responsibility of what is needed to renovate our current facilities and prepare for anticipated growth to position CCDS to effectively serve our community's children.

Providing safe and relevant facilities for our students and teachers translates to \$5 for each \$1000.00 spent on eligible goods/services.



Benefit of Equitable Revenue Strategy

A half cent *Education Facilities Restricted Sales Tax* will positively impact local economic development as E.D.F.I.R.S.T dollars are reinvested back into our schools via local business participation.



It's a Solution!

WIN!

CCDS receives local community support needed to renovate current facilities and prepare for growth to become the **best** school system in the state!

WIN!

Does not further burden property owners!

WIN!

Revenue reinvested in local economic development!



The Power of a Penny

Calculated by the Florida Department of Revenue's Office of Tax Research

Local Discretionary Sales Surtax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2019

Refer to the Table Notes for Instructions on Using These Estimates

Local Government	1% Tax Rate - Default Formula		1% Tax Rate - Interlocal Agreement	
	Distribution Percentage	Estimated Distribution	Distribution Percentage	Estimated Distribution

CLAY BOCC	91.693353	\$ 24,691,797	79.305486	\$ 21,355,909
Green Cove Springs	3.449213	\$ 928,827	3.621916	\$ 975,334
Keystone Heights	0.617824	\$ 166,372	0.968100	\$ 260,696
Orange Park	3.905333	\$ 1,051,654	6.824202	\$ 1,837,667
Penney Farms	0.334277	\$ 90,016	0.468575	\$ 126,181
*** School Board ***	0.000000	\$ -	8.811721	\$ 2,372,879
Countywide Total	100.000000	\$ 26,928,666	100.000000	\$ 26,928,666



HALF CENT est.
@ \$13,464,333/year



2019 Capital Development Project

- **30 Year Plan Development and Validation**
Validation by FDOE, CCDS, Citizen's Oversight Committee
- **Surveys**
- **Facility Reviews and Assessments**
- **Community Forums**



Current Financial Need to ELEVATE Clay!

Districtwide need to Elevate
CCDS with Relevant Facilities

Revenue from
Half Cent Effort

CURRENT FACILITIES NEED
\$318,293,650.00
\$300,000,000.00
NEW GROWTH - 7 SCHOOLS

vs. \$403,929,990.00 (30 YR)

NOTE: PROPOSED REVENUE STREAM IS LESS THAN THE \$618,293,650.00 NEEDED!
DECADES OF DEFERRED MAINTENANCE HAS COMPOUNDED THE NEED



Proposed Projects

- Safety/Security Upgrades
- Capital Improvements- Permanent Classroom Additions
(Portable Reduction)
- New Growth Construction – 7 NEW SCHOOLS
- Classroom Technology Improvements
- Energy Efficiency Improvements
- Building Envelope Improvements
- Mechanical- HVAC/Control Upgrades
- Plumbing Upgrades
- Food and Nutrition Service Upgrades
- Educational Program Improvements
- Classroom Furniture Replacement
- Transportation Facility Upgrade
- Centralized Services Facility



New Schools NEEDED – 7 Projected!

➤ IMMEDIATE NEED (Growth) – Within 2 YEARS

- 1 Elementary (Tynes) School “A” - Two Creeks Property
- 1 Elementary (Lake Asbury) School “R” - CR 315 Property

➤ IMMEDIATE NEED (Growth and Portable Reduction) 2-5 YEARS

- 1 K-8 (K-6/7-8 Config.) Green Cove JH/CEB Consolidation – Rebuild on existing JH site.
- 1 K-6 Keystone Heights – new elementary on McDavid Park Property; and Renovate KHE to become KH Junior High
- 1 K-8 (K-6/7-8 Config.) Fleming Island - Old Hard Road

➤ IMMEDIATE NEED (Growth – South 17) 5-10 YEARS

- 1 Elementary (South 17)
- 1 High School (South 17)



Penny Project Budget Development

- How?
- What?
- Where?

[PENNY PROJECT DEVELOPMENT 30 YEAR 6-13-19.xlsx](#)

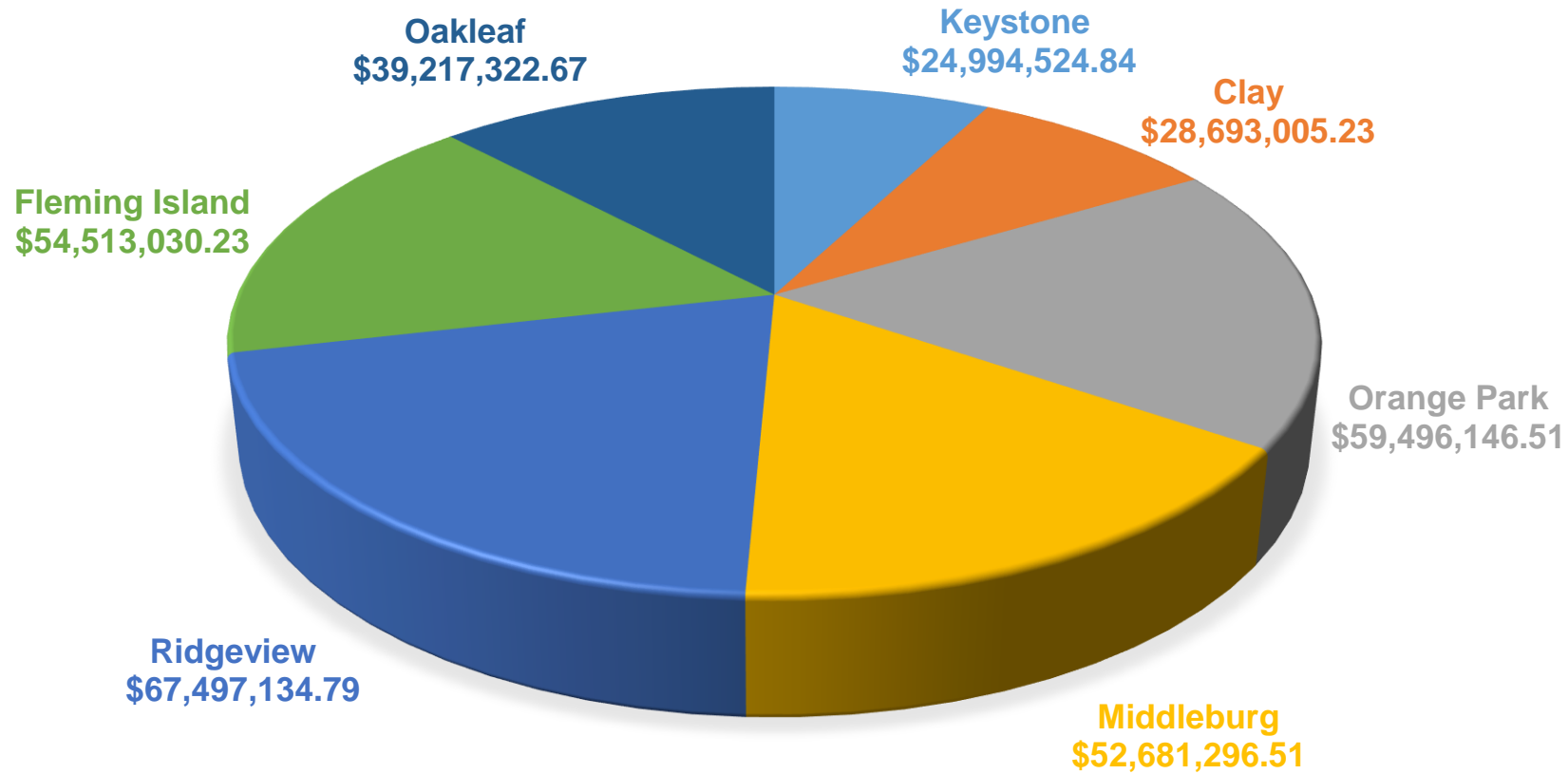


Feeder Pattern Investment

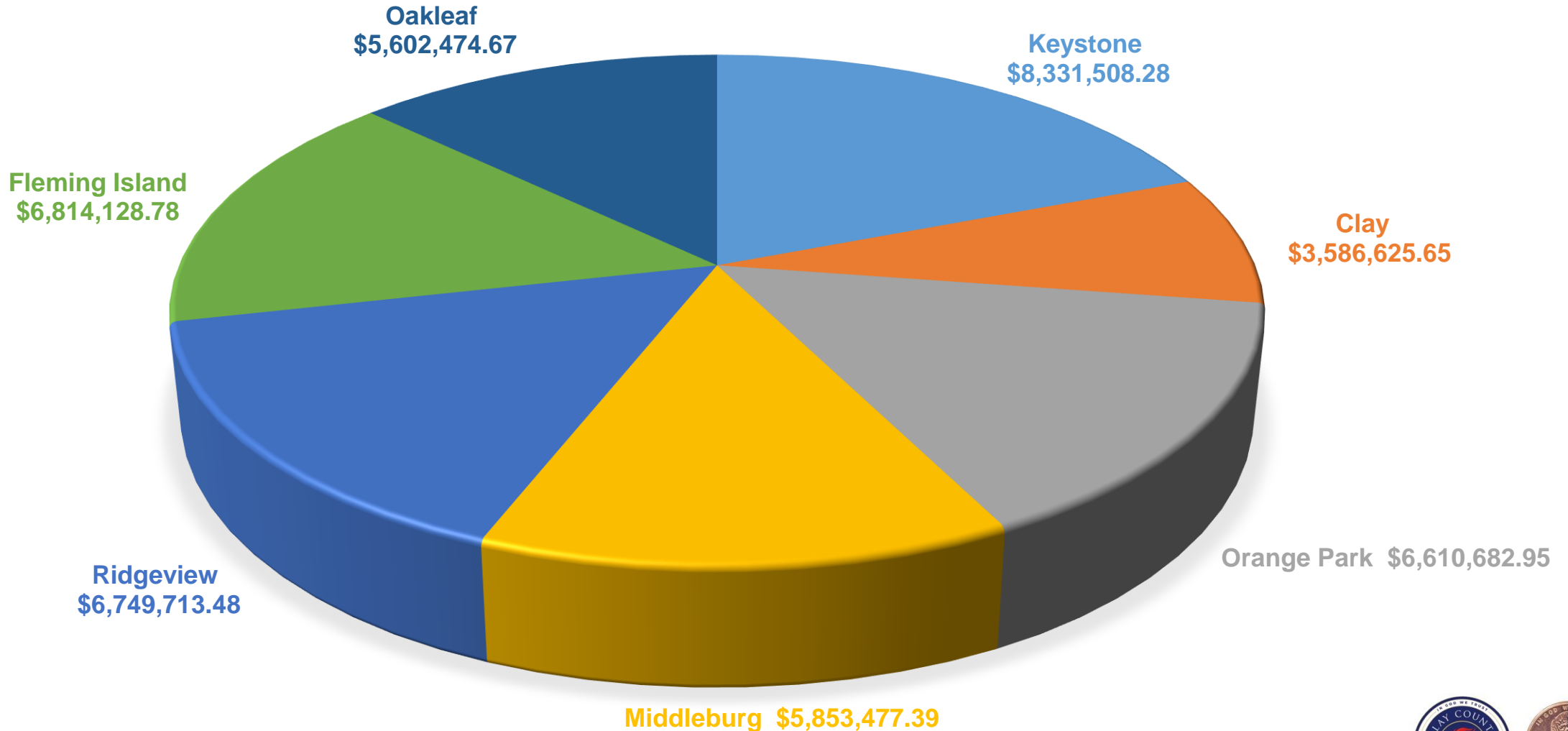
FEEDER PATTERN	# of Feeder Schools	# of IU's (Classrooms)	TOTAL PROJECTED UPGRADES	AVG \$/SCHOOL	AVERAGE SCHOOL AGE
Keystone Heights	2	157	\$24,994,524.84	\$8,331,508.28	44
Clay	7	430	\$28,693,005.23	\$3,586,625.65	48
Orange Park	8	448	\$59,496,146.51	\$6,610,682.95	54
Middleburg	8	449	\$52,681,296.51	\$5,853,477.39	32
Ridgeview	9	536	\$67,497,134.79	\$6,749,713.48	34
Fleming Island	7	462	\$54,513,030.23	\$6,814,128.78	30
Oakleaf	6	465	\$39,217,322.67	\$5,602,474.67	19



Total High School Feeder Pattern Investment



Average Investment/ Need Per School



Education F.I.R.S.T – For A Reason!

- Takes care of children and teachers – ideal teaching/learning environment
- Referendum Protected Projects - Facility Infrastructure **RESTRICTED** Sales Tax.
By statute...once passed...
 - Board cannot touch it
 - Union cannot touch it
 - Cannot be used for salaries
 - Cannot be used for operational expenses
- External Citizen's Oversight Committee
- Leadership You Can Believe In!



2019 ED.F.I.R.S.T – Checks & Balances

Above the Line!

- **Citizen Oversight Committee**
 - 7 member group
 - Professionals in Relevant Areas
 - Review and Oversight of ED.F.I.R.S.T Expenditures
- **Leadership You Can Believe In!**
- **Promises made, promises kept!**



VISION
without
IMPELEMENTATION
is
HALLUCINATION





Safety and Security Upgrades



HVAC Upgrades – Chillers, Handlers, & Controls



Facilities Upgrades



Plumbing Projects



Kitchen and Cafeteria Improvements



Information Services Improvements



ED.F.I.R.S.T Team

Leadership You Can Believe In!

Mr. Addison Davis, *Superintendent of Schools*

Dr. Michael Kemp, *Assistant Superintendent, Operations*

Mr. John Ward, *Director, School Safety & Security*

Mr. James Connell, *Interim Director, Facilities, Planning & Construction*

Mr. James Fossa, *Coordinator, Planning & Intergovernmental Relations*

Mrs. Bryce Ellis, *Senior Project Manager*

Mr. Tod Sweatland, *Director, Code Enforcement*

Mr. Phil Hans, *Director, Maintenance*

Mrs. Susan Glover, *Director, Food & Nutrition Services*

Mr. Derald Sweatt, *Director, Transportation*

Mr. Michael McAuley, *Assistant Superintendent, Climate & Culture*

Dr. Susan Legutko, *Assistant Superintendent, Business Affairs*



**Thank You for
Supporting
Our Schools!**



Questions?

- What is the rush? Existing facilities are breaking everyday. Growth needs of 5-7 schools in 10 years. The problems compound daily. This problem will not correct itself.
- Why does the Board or superintendent want to tax the community? Neither the Board, the superintendent, or BCC taxes the community...the community will decide whether or not our students deserve to have equitable resources and relevant facilities.,
- Why don't we use existing funding sources? State cuts...limited capacity.
- What about impact fees? Only generates \$5M/annually. Can only be used for new growth. Cannot be used for maintenance or repair. We have \$600M in need.



Questions?

- Are we using existing funds responsibly? CCDS is audited annually.
- Why can't you use the millage? \$600+ million in need: Millage only \$48M
- Can the school board touch this revenue source? **NO**
- Can the union touch this revenue source? **NO**
- Can it be used for salaries/raises? **NO**
- Can it be used for operational expenses? **NO**
- How will oversight be provided? **Yes.** Via the Citizens Oversight Committee



Questions?

