



HILLSBOROUGH COUNTY PUBLIC SCHOOLS FINANCIAL SNAPSHOT

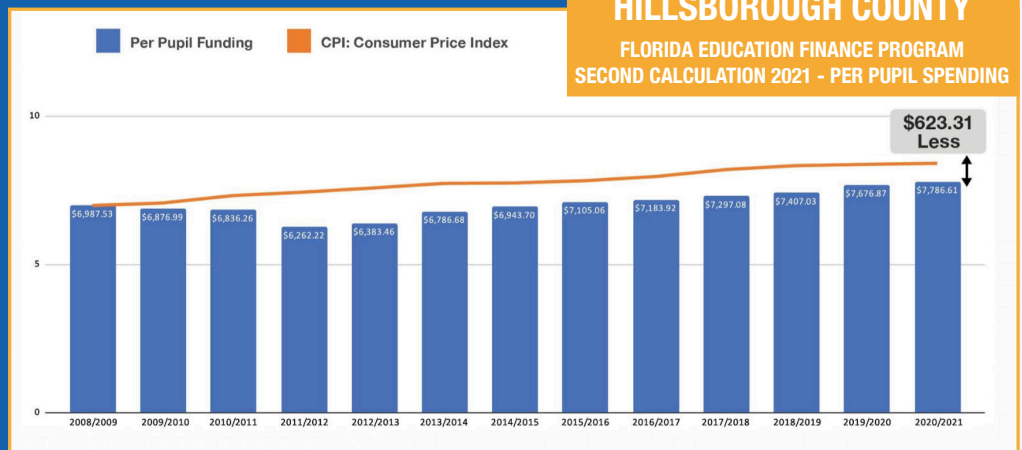
For more than a decade, state and local revenue received by Hillsborough County Public Schools (HCPS) has not fully covered operating expenses. Therefore, HCPS must take immediate action to bring financial stability back to our organization to protect our community and our statewide reputation as a premier school district.

CURRENT SITUATION

- Historically, Florida has ranked in the bottom tier for funding education—43rd out of 50 states.
- The per pupil funding in 2020-2021 is \$623 less than the consumer price index. Since 2008-2009, per pupil funding has increased by only \$799.
- Locally, as families have chosen other educational options for their children, including home education, charter, or private school, funding for each student has left HCPS and followed the student to their new school. This reduces funding allocated to HCPS while corresponding staff adjustments were not made.
- Over the years, all strategies to cover revenue deficits have been exhausted and are now no longer available to leverage as a way to meet fund balance requirements. HCPS must balance all expenditures with revenue.

CURRENT STATE OF EDUCATIONAL FUNDING IN HILLSBOROUGH COUNTY

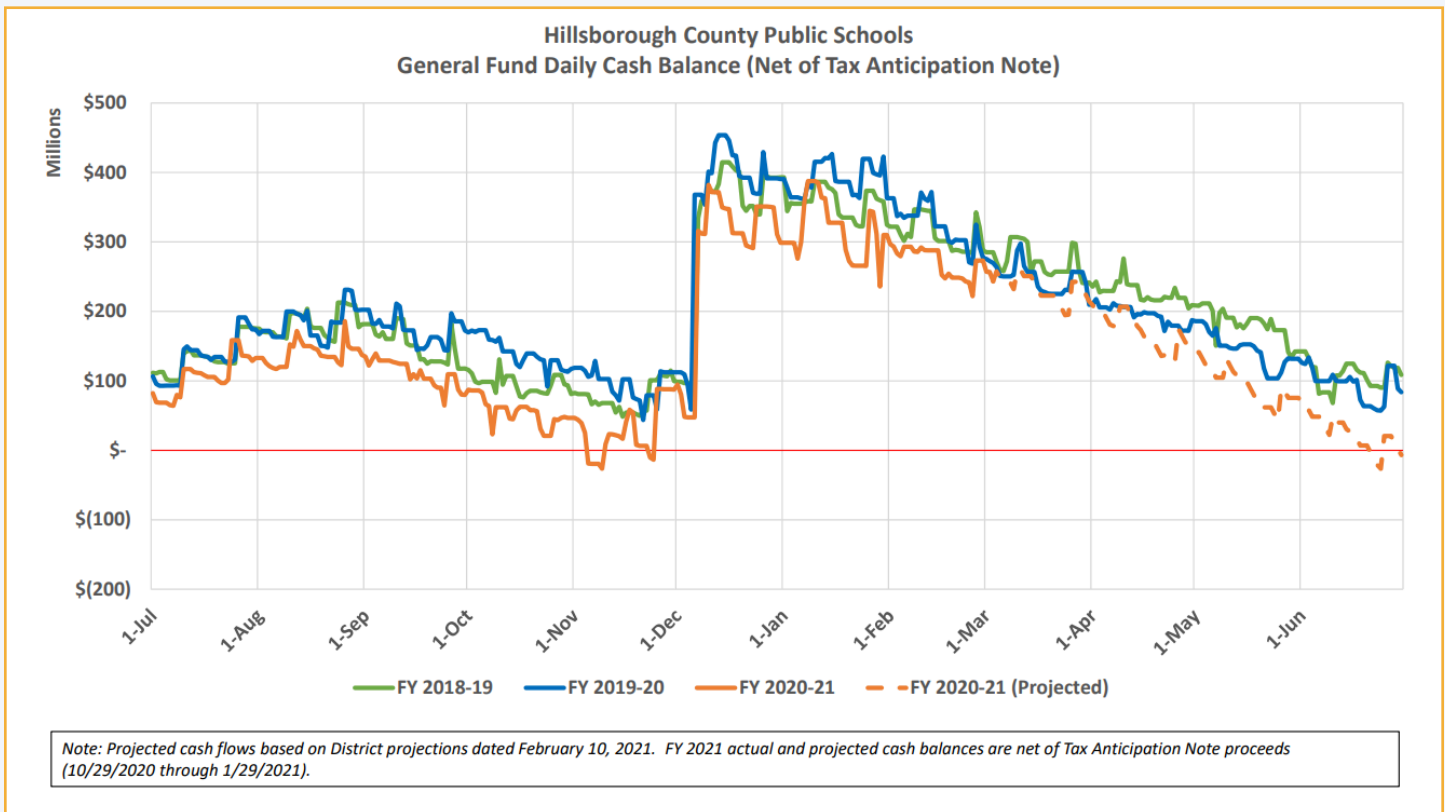
FLORIDA EDUCATION FINANCE PROGRAM
SECOND CALCULATION 2021 - PER PUPIL SPENDING



CURRENT TASK

- Over the next two years, the current administration must implement a corrective action plan designed to bring financial stability and efficiency to our school system.
- As a majority of HCPS expenditures are salaries and benefits (87%), staffing must be adjusted in both schools and district offices that is aligned with actual generated funding (i.e., student enrollment).
- Establish organizational cost controls that reviews every expense to ensure they are mission critical and leads to financial stability.
- Administration must take immediate action to bring the budget back into alignment with actual costs. HCPS must cut \$148 million in annual reoccurring salaries from the General Fund, saving more than \$12.3 million a month.
- Take immediate action now.** Not following the Corrective Action Plan will result in a cash flow deficit in June, preventing HCPS from paying employees and vendors.
- Establish financial systems and processes that allow the district to meet statutory requirements. Per statute, if reserves fall below the statutory requirement, the state can take over day-to-day operations and create their own punitive action plan at will. This could include the elimination of additional jobs and student programs currently being held harmless in our Corrective Action Plan. Our role is to further protect our school district from state receivership.

HILLSBOROUGH COUNTY PUBLIC SCHOOLS FINANCIAL SNAPSHOT



The graphical representation above depicts a cash flow projection for HCPS. The orange line is reflective Fiscal Year 2020-21. Note that 2020-21 moves from a solid line through the current date to a dashed line for a projection to the end of the year. As of March 25, 2021, the projection for a cash flow deficit is mid-June.

IMMEDIATE ACTIONS REQUIRED

- Implement Corrective Action Plan to right the district’s budget by August 2021.
- Reduce approximately 900 positions. Through natural attrition, the vast majority of employees impacted will have opportunities at other schools or district offices.
- Protect student learning opportunities, improve effectiveness and productivity of district and school operations, and continue to boost academic achievement. HCPS will not cut vital programs, including Visual and Performing Art, IB, and magnet components.
- Align all district and school-based reductions with strategic plan.
- Implement furlough days for the Superintendent, Cabinet Members, and other administrators.
- Renegotiate or cancel district vendor contracts that do not align to Strategic Plan or have not improved HCPS.

PROTECTED RESULTS

- Continue to provide high quality resources and instruction in every classroom, every day.
- Commit to continually advocate and lobby Florida leaders to prioritize education funding that allows the school district to offer innovative resources for our students and properly incentivize all educators.
- Establish a sound budget that responsibly utilizes tax payer dollars to prepare students to be competitive inside and outside of our classrooms.
- Eliminate the potential for state financial receivership.
- Provide proactive solutions to ensure that our district is able to meet all financial requirements and obligations.