

MEMORANDUM

April 3, 2020

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

FROM: Alberto M. Carvalho, Superintendent of Schools 

SUBJECT: SENATE PRESIDENT'S MESSAGE TO FLORIDA SENATE – BUDGET UPDATE

Senate President Bill Galvano sent a message to all senators on Thursday, April 2, 2020, regarding the state budget and the possibility of having to return to Tallahassee at the appropriate time in Fiscal Year 2020-2021 to formally appropriate available federal funding. Outlining the tremendous challenge, the state is facing due to COVID-19, state spending and revenues are being continuously tracked to both update our outlook for the current fiscal year (Fiscal Year 2019-2020) and to anticipate the various estimates that comprise the Long-Range Financial Outlook (Three-Year Plan), which is finalized every September.

The outlook for the current fiscal year has been adjusted to include general revenue gains shown in the February General Revenue Collections Report as well as the amendments to the 2019-2020 budget related to the COVID-19 pandemic, which the Governor has filed under his executive order. Taking into account these and other fiscal developments that have occurred since the passage of the 2019-2020 General Appropriations Act last May, Florida's general revenue reserve cash balance for the current fiscal year is anticipated to be in excess of \$2 billion.

Next week, key state financial data will be released. This will establish the threshold information to analyze the impact of coronavirus on our economy. Earlier this week, Moody's Analytics released a revised national forecast that includes a recession, the length or extent of which is not yet known. IHS Markit will release an updated national forecast next week, which will likely indicate a recession as well. These forecasts are typically blended by our state economists as they develop forecasting models for Florida. In early May, additional data on general revenue collections, as well as further coronavirus-impacted national forecasts, will be released. All of this information will be needed and utilized by our state economists as they begin the process of formally revising general revenue estimates for Fiscal Year 2020-2021.

Additionally, the federal "Coronavirus Aid, Relief, and Economic Security Act" (H.R. 748, the CARES Act) indicates that approximately \$12 billion will be available for Florida's state and local governments. Of this \$12 billion total, approximately \$8.3 billion will be available for local and state budget stabilization (\$4.6 billion state, \$3.7 billion local), while the remaining \$3.7 billion will be available for specific programs within the state government. Galvano noted that the state reserves and the influx of federal funding under the CARES Act should help alleviate concerns regarding significant budget cuts to the Fiscal Year

2020-2021 budget. Any line item vetoes Governor Ron DeSantis deems necessary will further buffer the already healthy reserve.

If you have any questions or wish to schedule a briefing, please contact Ms. Iraida R. Mendez-Cartaya, Associate Superintendent, Office of Intergovernmental Affairs, Grants Administration, and Community Engagement, at 305 606-6553.

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cc: School Board Attorney
Superintendent's Cabinet