

Budget Workshop 2001

For

Florida Board of Education

# Agenda

- Overview
- Public Schools
- Community Colleges
- Universities
- PECO
- Review

# Format for Each Presentation

- Strategic Plan- relationship to mission and outcomes
- Funding Sources
- Funding Methodologies
- Enrollment
- Five Year History of Appropriation
- Budget Discussion-Preview
- Questions

# Performance Philosophy

- Alternative to planning and budgeting terms.
- Positive results over time; 100 years
- Positive Goals- what is wrong with increasing success, instead of decreasing failure?

# Restate the Mission

- (3) MISSION, GOALS, AND SYSTEMWIDE MEASURES.--The mission of Florida's K-20 education system, when it becomes fully operational, shall be to increase the proficiency of all students within one seamless, efficient system, by providing them with the opportunity to expand their knowledge and skills through learning opportunities and research valued by students, parents, and communities, and to maintain an accountability system that measures student progress toward the following goals:

# Goals

- (a) Highest student achievement.
- (b) Seamless articulation and maximum access.
- (c) Skilled workforce and economic development.
- d) Quality efficient services.

# Measurements

- (a) Highest student achievement, as measured by: student FCAT performance and annual learning gains; the number and percentage of schools that improve at least one school performance grade designation or maintain a school performance grade designation of "A" pursuant to s. 229.57; graduation or completion rates at all learning levels; and other measures identified in law or rule.
- (b) Seamless articulation and maximum access, as measured by: the percentage of students who demonstrate readiness for the educational level they are entering, from kindergarten through postsecondary education and into the workforce; the number and percentage of students needing remediation; the percentage of Floridians who complete associate, baccalaureate, professional, and postgraduate degrees; the number and percentage of credits that articulate; the extent to which each set of exit-point requirements matches the next set of entrance-point requirements; and other measures identified in law or rule.

# Measurements

- (c) Skilled workforce and economic development, as measured by: the number and percentage of graduates employed in their areas of preparation; the percentage of Floridians with high school diplomas and postsecondary education credentials; the percentage of business and community members who find that Florida's graduates possess the skills they need; and other measures identified in law or rule.
- (d) Quality efficient services, as measured by: cost per completer or graduate; average cost per noncompleter at each educational level; cost disparity across institutions offering the same degrees; the percentage of education customers at each educational level who are satisfied with the education provided; and other measures identified in law or rule.

- **Guiding Principles: Definitions**

- 1. **Excellence**: Promoting the highest quality of instruction, opportunity, and standards for students.
- 2. **Merit**: Rewarding high achievement.
- 3. **Accountability**: Requiring responsibility for actions through measurement and outcomes.
- 4. **Competition**: Providing opportunities for different entities to vie for programs offered to the student.
- 5. **Seamlessness**: Ensuring that all aspects of the system, including governance, standards, articulation, and accountability, are coordinated vertically and horizontally to meet the needs of the students.
- 6. **Student-Centered**: Focusing Primarily on the needs of the student receiving the instruction, and on what enhances learning.
- 7. **Devolution**: Placing decisions as close as possible to the students.

# Glossary of Terms

- Handout Provided.
- Everyone will try to identify acronyms.

# High Level

- ... it is very important to keep the presentation on a high level..remember this board is about policy and strategy...we need to commence at the macro level....deal with funding formulas...identify other sources of revenue for each system...other than state revenues...identify the issues and major policy /strategic questions.....this should not be about process but about substance.
- Page 32, Line 4: Members of the Florida Board of Education shall focus on high-level policy decisions.

# Topics Recommended

- The Budget Process
- Funding Methodology
- Current and Historical Funding
- Major Issues
- Obstacles to an Integrated Budget

# Other Questions

- Answers to Charles Garcia's Questions sent to each member.

# Budget Crunch!

- August 31, 2001-LBR and LRPP due to Governor and Legislature.
- December 2001 – Governor’s recommended budget due to Legislature 45 days before session.
- January 22, 2002 - session starts!

# Budget Guidelines

- Funding Level
  - Continuation
  - Enrollment Growth?
  - Allocation for Enhancements.

# Guidelines for Structure

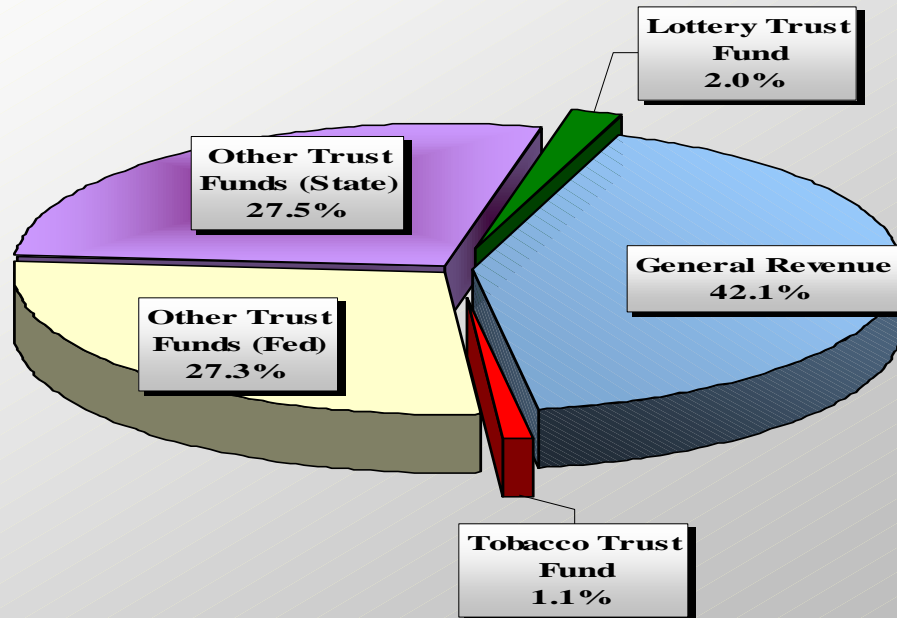
- Possible Coordinated Issues
  - Student Financial Aid
  - Technology (instruction)
  - Teacher Training
  - Workforce Development

# Appropriations

- What are the sources of State Funds?
  - General Revenue vs. Trust Funds
- How are the \$ used?
  - Ratios to Total
  - Type of Fund

Funding Source	\$\$\$	Pct
General Revenue	20,336.6	42.1%
Tobacco Trust Fund	535.0	1.1%
Other Trust Funds (Fed)	13,204.0	27.3%
Other Trust Funds (State)	13,309.5	27.5%
Lottery Trust Fund	946.0	2.0%
<b>Total</b>	<b>48,331.1</b>	<b>100.0%</b>

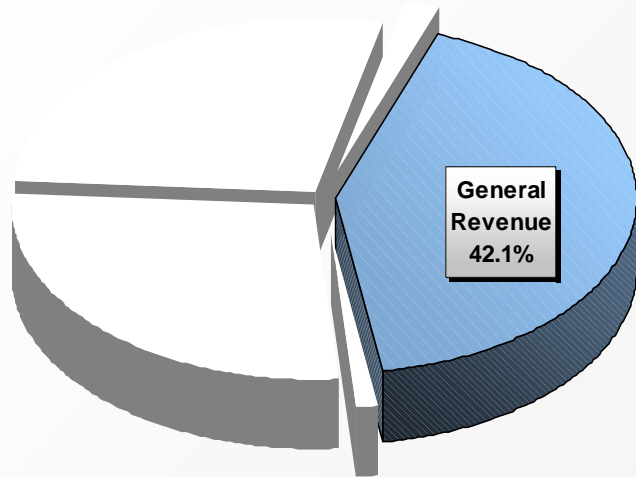
### Funding Sources



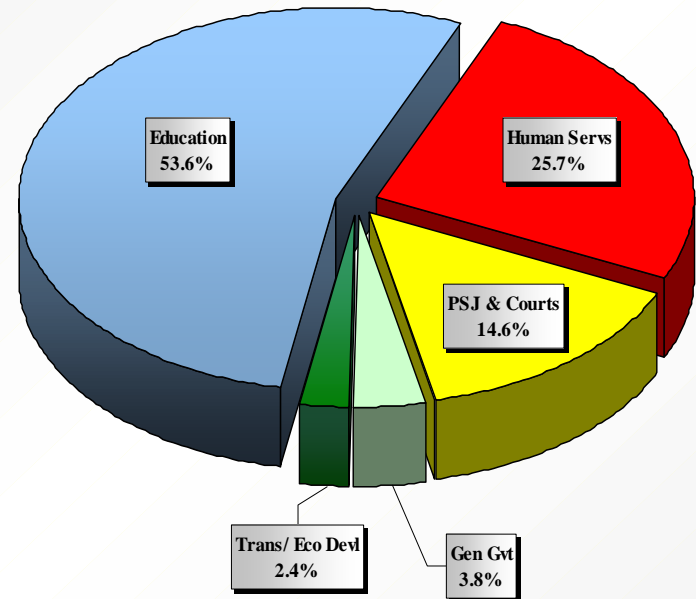
Funding Source	\$\$\$	Pct
<b>General Revenue</b>	<b>20,336.6</b>	<b>42.1%</b>
<i>Tobacco Trust Fund</i>	<i>535.0</i>	<i>2.6%</i>
<i>Other Trust Funds (Fed)</i>	<i>13,204.0</i>	<i>64.9%</i>
<i>Other Trust Funds (State)</i>	<i>13,309.5</i>	<i>65.4%</i>
<i>Lottery</i>	<i>946.0</i>	<i>4.7%</i>
<b>Total</b>	<b>20,336.6</b>	<b>42.1%</b>

Expenditure Type	\$\$\$	Pct
<b>Education</b>	10,890.7	53.6%
<b>Human Servs</b>	5,220.7	25.7%
<b>PSJ &amp; Courts</b>	2,963.9	14.6%
<b>Gen Gvt</b>	779.7	3.8%
<b>Trans/ Eco Devl</b>	481.6	2.4%
<b>Total</b>	<b>20,336.6</b>	<b>100.0%</b>

Funding Sources

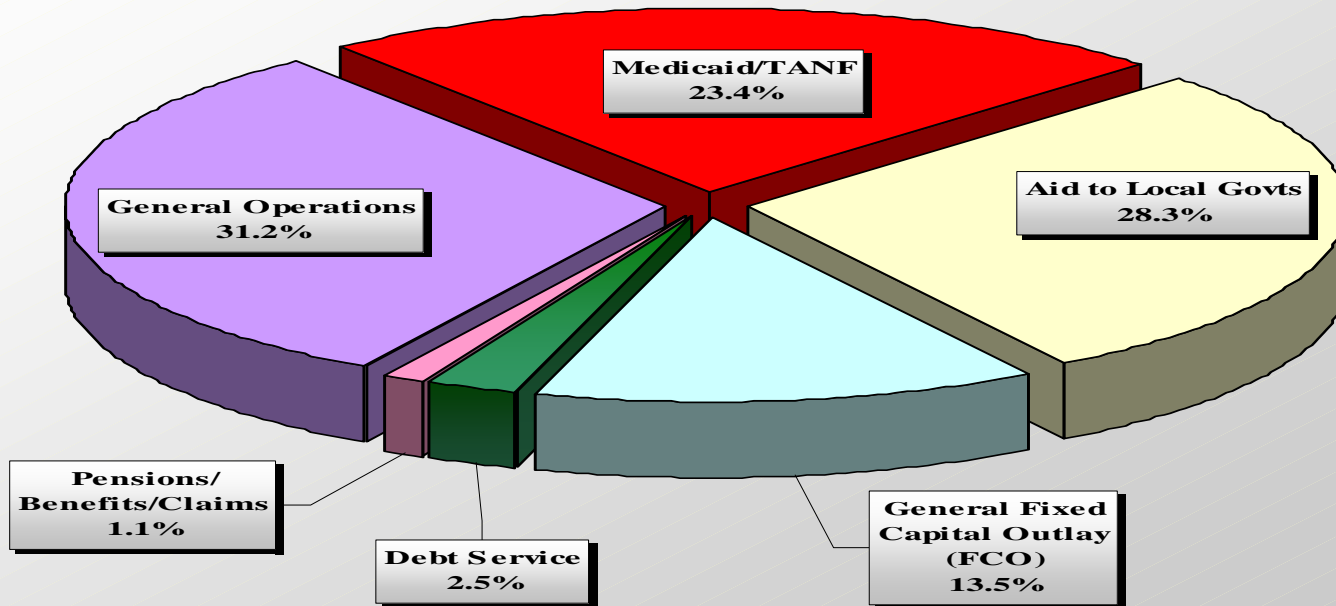


GR by Program Area



Expenditure Type	\$\$\$	Pct
General Operations	15,081.5	31.2%
Medicaid/TANF	11,286.0	23.4%
Aid to Local Govts	13,701.6	28.3%
General Fixed Capital Outlay (FCO)	6,541.2	13.5%
Debt Service	1,195.9	2.5%
Pensions/Benefits/Claims	524.9	1.1%
<b>Total</b>	<b>48,331.1</b>	<b>100.0%</b>

**Expenditure Type - Total Funds**

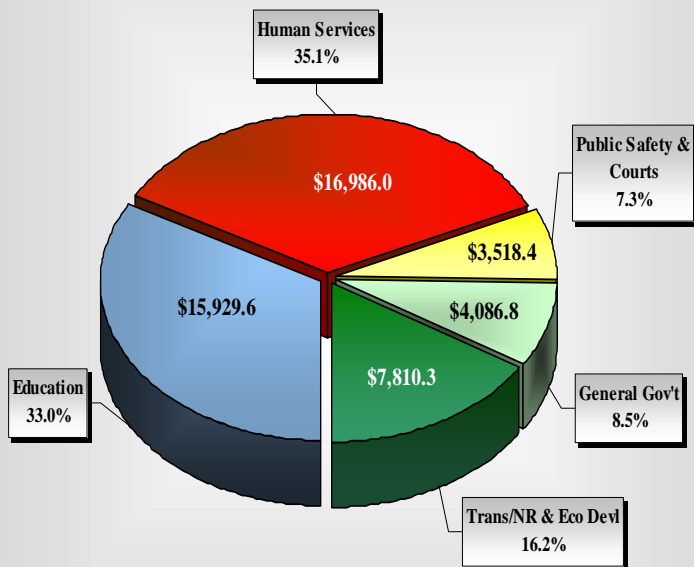


Program Area (\$Millions)	Total \$	Pct
Education	15,929.6	33.0%
Human Services	16,986.0	35.1%
Public Safety & Courts	3,518.4	7.3%
General Gov't	4,086.8	8.5%
Trans/NR & Eco Devl	7,810.3	16.2%
<b>Total All Funds</b>	<b>48,331.1</b>	<b>100.0%</b>

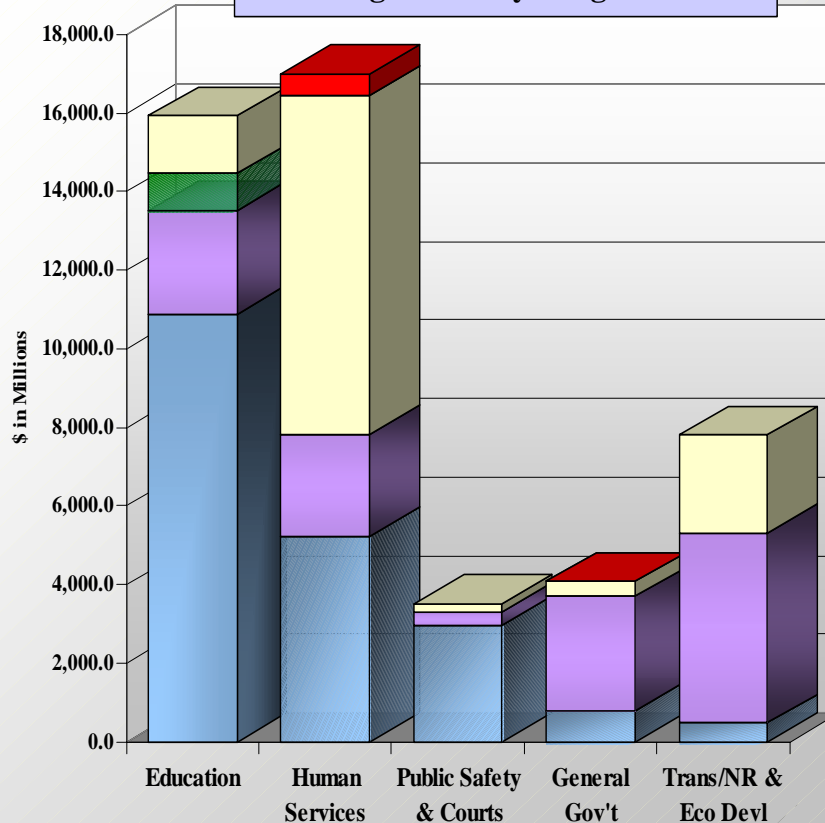
Program Area	GR	Lottery	Tobacco	Oth St TF	Fed TF	All Funds
Education	10,890.7	946.0		2,625.3	1,467.6	15,929.6
Human Services	5,220.7		529.9	2,602.0	8,633.5	16,986.1
Public Safety & Courts	2,963.9			328.5	226.0	3,518.4
General Gov't	779.7		5.1	2,920.3	381.6	4,086.7
Trans/NR & Eco Devl	481.6			4,833.4	2,495.3	7,810.3
<b>Total by Fund</b>	<b>20,336.6</b>	<b>946.0</b>	<b>535.0</b>	<b>13,309.5</b>	<b>13,204.0</b>	<b>48,331.1</b>

**Total Funding by Program Area**

\$ in Millions



**Funding Ratios by Program Area**



# Overview

- State Constitution gives the Legislature **exclusive power to appropriate** state funds.
- Florida Constitution gives Governor **line item veto authority**.
- State Constitution also requires budget to be **balanced within available revenues**.
- New budget is prepared every year based on **anticipated revenues**.

# Consensus Estimates

- Florida uses several estimating conferences to develop **consensus projections** for state tax revenues and caseload/workload projections for specific programs.
- Each conference includes representatives from the House, Senate, Governor, and appropriate agencies.
- Consensus process answers question: Whose numbers are correct?

# Consensus Estimates

- Some of the **major projections** that conferences develop are:
  - General revenue and lottery funds .
  - Public school enrollment.
  - Inmate population and Medicaid caseload.
  - Public education capital outlay funds.
- Consensus estimating process is based upon **current law** and **current policy**.

# Budget Schedule

- **July 1**  
Planning and budgeting instructions issued jointly to state agencies by Governor's Office of Planning and Budgeting (OPB) and the Legislature.
- **August 31** State agencies submit budget requests (LBR) and Long Range Program Plans (LRPP) to Legislature and Governor.
- **September–Early December**  
Governor's Budget Staff and Legislative Appropriations staff review agency requests to begin developing budget proposals.

# Budget Schedule

- **December 5 Governor** submits his recommended budget to the Legislature at least **45 days prior** to the regular Legislative Session.
- **By 2nd week of Session**  
Subcommittees complete recommendations.
- **By 3<sup>rd</sup> week of Session**  
Subcommittee recommendations combined into proposed Senate Appropriations Bill taken up by full Senate Appropriations Committee.

# Budget Schedule

- **During 4th week of Session**

House and Senate Appropriations Bills are taken to the floor for consideration by all members.

(Note: 72-hour waiting period required prior to final consideration.)

- **After Floor Vote on Bills**

Since the House and Senate Appropriations Bills are never identical, a **conference committee** is appointed to work out a compromise.

# Building the Budget

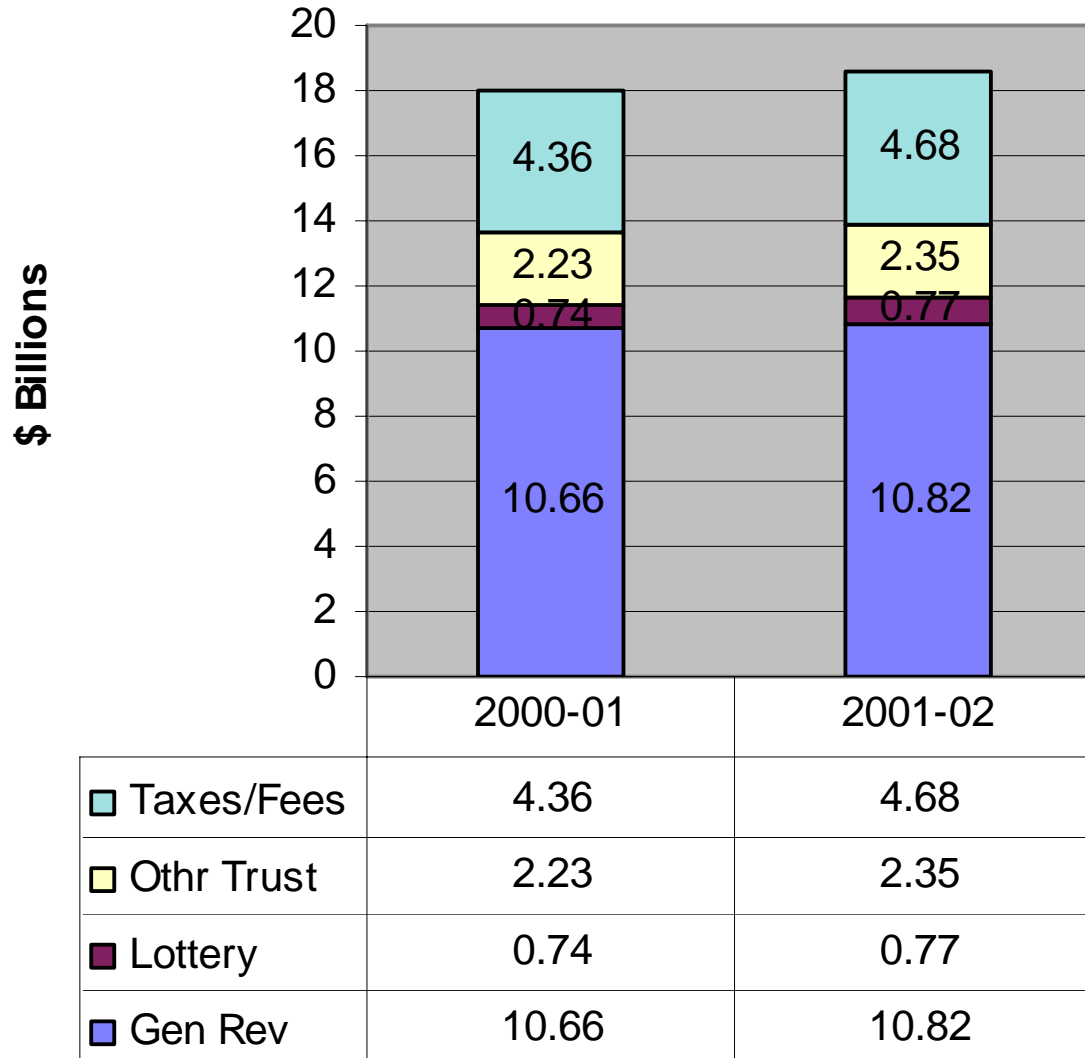
- **Conference Process:**
  - Conference guidelines and financial plan are developed by House and Senate leadership, and Conference subcommittees are given spending allocations.
  - Issues not resolved by subcommittees are **bumped to Appropriations Chairmen**; issues not resolved by chairmen are **bumped to Presiding Officers**.
  - Conference report up for final vote **before end of Session**, after required 72-hour waiting period.

# Funds for Education

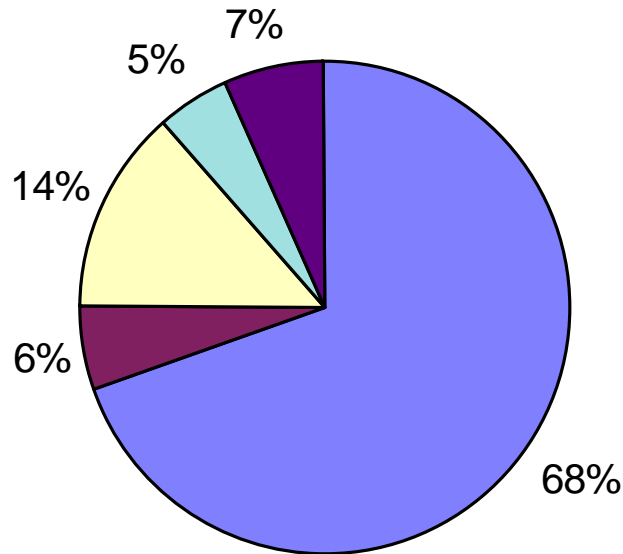
# 2001-2002 Appropriation

	2001-2002 \$ Millions							Total
	Operations			Fixed Capital Outlay				
	General Revenue	Lottery	Other Trust	General Revenue	Lottery	PECO	Other Trust	
Public Schools	7,609.8	347.2	1,332.3	0.0	0.0	0.0	0.0	9,289.3
Community Colleges	505.6	98.7	0.2	0.0	0.0	0.0	0.0	604.5
Universities	1,735.8	98.7	592.8	30.9	0.0	0.0	92.6	2,550.8
Workforce Dev	778.1	0.0	211.3	0.0	0.0	0.0	0.0	989.4
Other Education	190.8	221.4	208.9	39.7	180.0	1,537.9	116.8	2,495.5
<b>Total Education</b>	<b>10,820.1</b>	<b>766.0</b>	<b>2,345.5</b>	<b>70.6</b>	<b>180.0</b>	<b>1,537.9</b>	<b>209.4</b>	<b>15,929.5</b>
General Government	1,169.1	0.0	4,287.8	92.3	0.0	0.0	6,348.0	11,897.2
HealthHS/Safety	8,148.8	0.0	12,292.5	35.9	0.0	0.0	27.4	20,504.6
<b>TOTAL</b>	<b>20,138.0</b>	<b>766.0</b>	<b>18,925.8</b>	<b>198.8</b>	<b>180.0</b>	<b>1,537.9</b>	<b>6,584.8</b>	<b>48,331.3</b>

## Education Appropriation for Current Operations



## Allocation Among Sectors



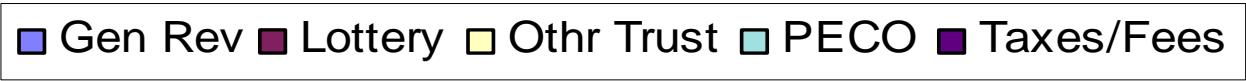
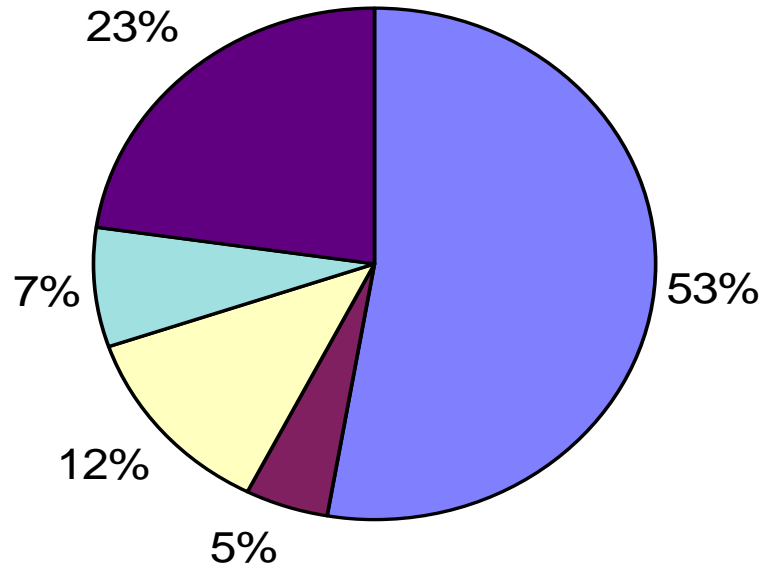
■ Pub Schls  
 ■ Comm Collges  
 ■ Universities  
 ■ Wrkfrc Dvlpmt  
 ■ Other

	\$ Millions					
	Public Schools	Community Colleges	Universities	Workforce Dvlpmt	Other Education	Total
Current Operations	13,681.9	892.0	2,427.3	989.4	621.1	18,611.7
Fixed Capital Outlay	623.6	244.6	391.1	0.0	738.6	1,997.9
<b>Total</b>	<b>14,305.5</b>	<b>1,136.6</b>	<b>2,818.4</b>	<b>989.4</b>	<b>1,359.7</b>	<b>20,609.6</b>

# Discussion of Revenue Forecast

- General Revenue
  - Corporate Income Tax
  - Sales Tax
  - \$1.3 billion of new funds available
  - Probably will be reduced by \$600M to \$800M
  - \$700M at most remaining.
  - Medicaid will take about \$300M to \$400M

## Revenue Sources for Education



	\$ Millions					
	General Revenue	Lottery	Other Trust	PECO	Local Taxes/Fees	Total
Current Operations	10,820.1	766.0	2,345.5	0.0	4,680.1	18,611.7
Fixed Capital Outlay	70.7	180.0	209.2	1,538.0	0.0	1,997.9
Total	10,890.8	946.0	2,554.7	1,538.0	4,680.1	20,609.6

# Draft Draft Draft

## Florida Board of Education General Revenue Trial Balance

FY 2002- FY2003	Universities	Community Colleges	Public Schools	local=299	Workforce	Financial Aid&Other	K-20 Priorities	Total
<b>Continuation</b>	34.95	15.70	64.00					114.65
<b>Enrollment</b>	62.80	22.80	268.44	3% increase Per FTE	55.80	64.48		474.32
<b>Enhancement</b>	12.25	1.50					47.28	61.03
<b>Total</b>	110.00	40.00	332.44		55.80	64.48	47.28	650.00
<b>Below the Line Issues:</b>	121	55.8	281		20	11		488.80

# Planning Structure in Florida

1. State Comprehensive Plan
2. Local Comprehensive Plans
3. State Agency Long-Range Program Plans
4. Transitional Plans (e.g. State Land Development Plan, the Florida Water Plan, the Florida Transportation Plan, and the Master Plan for Post-secondary Education)

# Planning Evolution

1. State comprehensive plan ignored – too broad and did not prioritize.
2. Agency plans often self-serving and did not guide agency action (create the best regulatory agency in the country).
3. Agency plans had no sanction by Legislature.
4. Budget and strategic plans did not relate until performance budgeting.

# Future Directions in Planning

1. Possible revisions to growth management planning.
2. Agency Plans now better linked to budgets.
3. Potential for Legislature to provide feedback on policy direction of agency plans.
4. Your Changes will be reflected first in the five year LRPP Long Range Program Plan.
5. Plan! Budget! Implement!

# Summary of Planning and Budgeting

- Why? What? Mission/ Goals
- What to do? Programs
- How Well? Outcomes
- How to? Services/Activities
- How Many? How Much? Outputs/Unit Costs
- How do we know when it is working?
- What are the Results?
- Start Planning in September!