

2006-2007 Education Budget

Regional Legislative Update May 25, 2006

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The final presentation will be made available on the Department's website no later than May 31 for viewing and downloading.

Budget Highlights

- \$19.1 Billion Operating Funds
- \$3.9 Billion Capital Outlay Funds
- \$23.0 Billion Total K-20 Operating and Fixed Capital Outlay Funds

Budget Comparison 2005-06 and 2006-07

	2005-06 Appropriations	2006-07 General Appropriations Act	Difference	Percent Change
K-12 Education	\$12,243,451,309	\$13,065,339,212	\$821,887,903	6.71%
Community College	\$1,078,943,946	\$1,184,279,059	\$105,335,113	9.76%
University System	\$3,097,802,178	\$3,361,357,511	\$263,555,333	8.51%

K-12 Budget Highlights

- Funding in the Florida Education Finance Program (FEFP) for 50,536 new students - total to be served 2,689,974.
- Funding for the FEFP, in state and local revenue, is \$18.3 billion - an increase of \$1.8 billion or 10.76%.
- FEFP funds per student will be \$6,789.68 - an increase of \$542.21 or 8.68%.

K-12 Budget Highlights

- Within the FEFP
 - \$147.5 Million for Teacher Pay
 - \$111.8 Million for Reading Instruction
 - \$2.2 Billion Operating Funds for Class Size Reduction
 - Algebra Incentive
 - Funding for Group 2 over Cap
- \$18 Million for A++
- \$7.2 Million for K-8 Virtual Education
- \$97.9 Million for Excellent Teaching
- \$13.25 Million for Ready to Work

2006-07
FLORIDA EDUCATION
FINANCE PROGRAM
FEFP

- CURRENT LAWS
- AMENDED LAWS
- APPROPRIATIONS ACT
- IMPLEMENTING ACT

2006-07 FEFP Calculation

FTE Students 2,689,973.81	×	Program Weights	=	Weighted FTE Students 2,940,022.54	×	Base Student Allocation (BSA) \$3,981.61	×	District Cost Differential (DCD) Statutory	=
Base Funding \$11,706,893,162	+	Declining Enrollment Allocation \$9,327,629	+	Sparsity Supplement \$35,000,000	+	Discretionary Equalization \$17,768,719	+	0.51 Mill Compression \$128,190,990	+
Discretionary Contribution \$2,849,025	+	Safe Schools \$75,350,000	+	ESE Guaranteed Allocation \$1,101,383,681	+	Supplemental Academic Instruction \$707,826,199	+	Reading Allocation \$111,800,000	+
Teacher Compensation \$147,500,000	+	Minimum Guarantee 1.0% per UFTE \$0	=	Gross State and Local FEFP \$14,043,889,405	-	Required Local Effort (5.239) \$7,357,994,671	=	Net State FEFP \$6,685,894,734	+
Discretionary Lottery Funds \$129,287,546	+	School Recognition Program \$134,162,296	+	Major Categorical Programs \$2,945,957,763	=	Total State Funding \$9,895,302,339			

2006-07 FLORIDA EDUCATION FINANCE PROGRAM
FINAL CONFERENCE REPORT

Statewide Summary
Comparison of Public School Funding to 2005-06 Fourth Calculation

	2005-2006 Fourth Calculation	2006-07 Final Conference Report	Difference	Percentage Difference
MAJOR FEFP FORMULA COMPONENTS				
Unweighted FTE	2,639,437.54	2,689,973.81	50,536.27	1.91%
Weighted FTE	2,891,824.49	2,940,022.54	48,198.05	1.67%
School Taxable Value	1,319,911,481,214	1,567,813,698,936	247,902,217,722	18.78%
Required Local Effort Millage	5.239	5.239	0.000	0.00%
Discretionary Millage	0.510	0.510	0.000	0.00%
Equalized Discretionary Millage	0.250	0.250	0.000	0.00%
Total Millage	<u>5.999</u>	<u>5.999</u>	<u>0.000</u>	<u>0.00%</u>
Base Student Allocation	3,742.42	3,981.61	239.19	6.39%

FTE
Students
(UFTE)

Authority:
s.1011.62, F.S.

The 2006-07 unweighted student enrollment projection is 2,689,973.81.

This represents an increase of 50,536 or 1.91% students from 2005-06.

Program weights are used to recognize varying educational program costs.

X

Program
Weights

Authority:
s.1011.62, F.S.

Group 1 Includes Three Programs:

- Basic Grades K-3 (1.035)
- Basic Grades 4-8 (1.000)
- Basic Grades 9-12 (1.088)

Group 2 Includes Four Programs:

- Exceptional Student Education:
 - Level IV (3.734)
 - Level V (5.201)
- English for Speakers of Other Languages (1.275)
- Career Education, Grades 9-12 (1.159)

=

Weighted
FTE
Students
(WFTE)

Authority:
s.1011.62, F.S.

The 2006-07 weighted student enrollment projection is 2,940,023. This represents an increase of 48,198 or 1.67% weighted FTE students from 2005-06.

This includes special add-ons for:

- Isolated Schools Supplement
- Small District ESE Supplement
- Advanced Placement (AP)
- International Baccalaureate (IB)
- Advanced International Certificate of Education (AICE)
- Algebra for Grades 6-8 Students
- FVS Additional FTE
- Funding for Group 2 over cap



2006-07 FLORIDA EDUCATION FINANCE PROGRAM
FINAL CONFERENCE REPORT

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Comparison of Public School Funding to 2005-06 Fourth Calculation

	2005-2006 Fourth Calculation	2006-07 Final Conference Report	Difference	Percentage Difference
FEFP DETAIL				
WFTE x BSA x DCD	10,819,879,138	11,706,893,162	887,014,024	8.20%
Declining Enrollment Supplement	20,425,562	9,327,629	(11,097,933)	-54.33%
Sparsity Supplement	35,000,000	35,000,000	0	0.00%
Lab School Discretionary Contribution	2,030,008	2,849,025	819,017	40.35%
Safe Schools	75,350,000	75,350,000	0	0.00%
0.25 Millage Equalization	26,376,279	17,768,719	(8,607,560)	-32.63%
0.51 Millage Compression	46,149,018	128,190,990	82,041,972	177.78%
Supplemental Academic Instruction	670,341,490	707,826,199	37,484,709	5.59%
Reading Instruction Allocation	89,000,000	111,800,000	22,800,000	25.62%
ESE Guaranteed Allocation	1,030,409,927	1,101,383,681	70,973,754	6.89%
Special Teacher Reward Allocation	0	147,500,000	147,500,000	
Minimum Guarantee	0	0	0	
TOTAL FEFP	12,814,961,422	14,043,889,405	1,228,927,983	9.59%

X

Base
Student
Allocation
(BSA)

Authority:
s.1011.62, F.S.

The Base Student Allocation (BSA) is determined annually by the Legislature in the General Appropriations Act.

2006-07 BSA - \$3,981.61

X

District Cost
Differential
(DCD)

Authority:
s.1011.62, F.S.

The District Cost Differential (DCD) is an adjustment that recognizes differences in the cost of living among the school districts.

- \$22.7 million is appropriated for DCD transition supplement

+

Declining Enrollment Supplement
Authority: s.1011.62, F.S.

In those districts where there is a decline between prior year and current year student enrollment, 50% of the decline is funded.

Funding Summary:

2006-07	\$9,327,629
2005-06	\$20,425,562
Decrease	(\$11,097,933) or (54.33%)

+

Sparsity Supplement
Authority: s.1011.62, F.S.

Provides \$35,000,000 for a Sparsity Supplement to recognize differences in sparsity of student population.

Eligibility is limited by proviso in the General Appropriations Act to districts with 20,000 or fewer UFTE students.

Each district's total potential funds per FTE will not be less than the state average.

Funding Summary:

2006-07	\$35,000,000
2005-06	\$35,000,000
No Change	

+

Discretionary Equalization

Authority:
Appropriations
Act

Provides \$17,768,719 to fund any difference between (1) the amount generated by a 0.25 mill levy and (2) an amount equal to **\$100** multiplied by district's unweighted student enrollment.

Funding Summary:

2006-07	\$17,768,719
2005-06	\$26,376,279
Decrease	(\$8,607,560) or (32.63%)

+

0.51 Mill
Compression

Authority:
Appropriations
Act

Provides \$128,190,990 to fund any difference between

- (1) the amount generated by a 0.51 mill levy and
- (2) an amount equal to the state average multiplied by district's unweighted student enrollment.

Funding Summary:

2006-07	\$128,190,990
2005-06	\$46,149,018
Increase	\$82,041,972 or 177.78%

+

Safe Schools

Authority:
Appropriations
Act

Provides \$75,350,000 for Safe School activities.

Minimum allocation is \$50,000

Two-thirds is allocated based on each district's crime index published by FDLE and

One-third is allocated based on the district's unweighted student enrollment.

Funding Summary:

2006-07 \$75,350,000

2005-06 \$75,350,000

No Change

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**ESE
Guaranteed
Allocation**
Authority:
s.1011.62(1)(e),
F.S.

Provides \$1,101,383,681 for educational programs and services for exceptional students who would have been funded in Levels I, II, or III in school year 1999-2000.

These exceptional students will also receive weighted FTE funding in the FEFP, using the appropriate Basic Program weight for their grade level.

The ESE Guaranteed Allocation will not be recalculated during the school year.

Funding Summary:

2006-07	\$1,101,383,681
2005-06	\$1,030,409,927
Increase	\$70,973,754 or 6.89%



Teacher Compensation

+

Authority:
Appropriations
Act

Provides \$147,500,000 to assist school districts with implementation of performance and differentiated pay policies for instructional personnel in accordance with the requirements of law (Special Teachers are Rewarded – STAR).

Funds are allocated on Base Funding.

Funding Summary:

2006-07	\$147,500,000
2005-06	\$0
Increase	\$147,500,000

Provides \$707,826,199 for Supplemental Academic Instruction (SAI).

+ Supplemental
Academic
Instruction
Authority:
s.1011.62(1)(f),
F.S.

First priority for use of these funds is the provision of supplemental intensive instruction, consistent with the Sunshine State Standards, including summer school and intensive English immersion instruction, for students in grades 3 and 10 who scored Level I on the FCAT.

The SAI allocation will not be recalculated during the school year.

Funding Summary:

2006-07	\$707,826,199
2005-06	\$670,341,490
Increase	\$37,484,709 or 5.59%

Reading Allocation

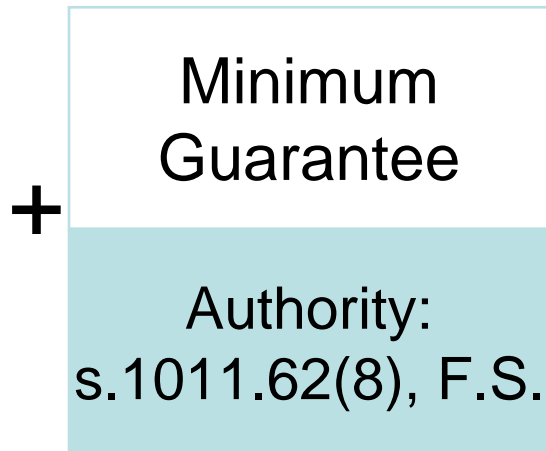
Authority:
s.1011.62, F.S.

Provides \$111,800,000 for a K-12 comprehensive, district-wide system of research-based reading instruction.

This allocation will not be recalculated during the school year.

Funding Summary:

2006-07	\$111,800,000
2005-06	\$89,000,000
Increase	\$22,800,000 or 25.62%



Provides for a 1.0 percent minimum guarantee in funds per unweighted student enrollment.

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Gross State and Local FEFP
Authority: s.1011.62(1)(e), F.S.

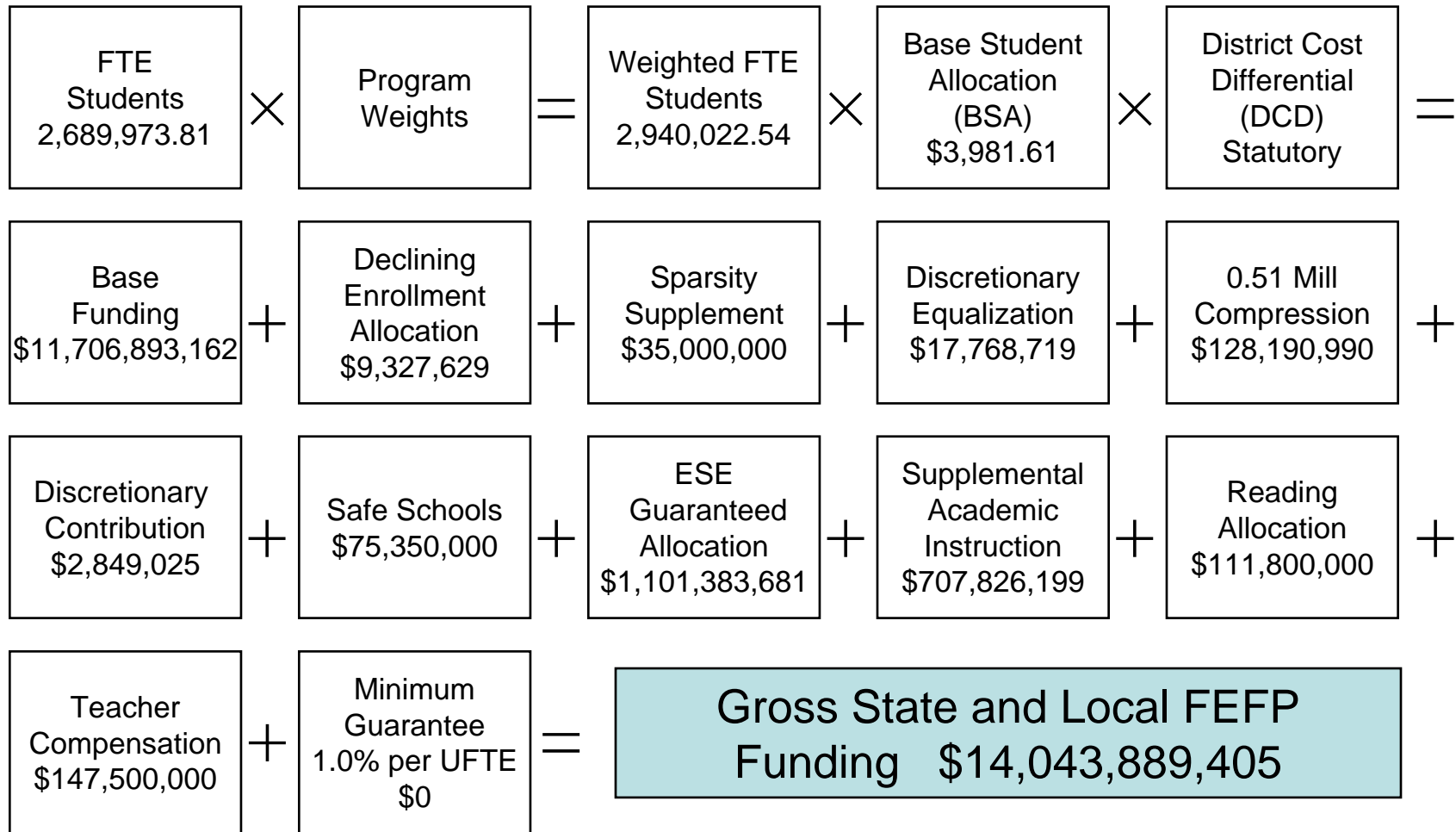
The sum of all the FEFP components in the preceding slides is the Gross State and Local FEFP.

\$14,043,889,405

Funding Summary:

2006-07	\$14,043,889,405
2005-06	\$12,814,961,422
Increase	\$1,228,927,983 or 9.59%

2006-07 FEFP Calculation



Required Local Effort is the amount that each district provides annually toward the cost of the Florida Education Finance Program.

**Required
Local Effort
(RLE)**

The Legislature prescribes the aggregate RLE for all school districts collectively as an item in the General Appropriations Act.

**Authority:
s.1011.62, F.S.**

The total adjusted amount for RLE is \$7,357,994,671. This represents a state average millage rate of 5.239. The millage rate is reduced for any district with ad valorem tax proceeds exceeding 90 percent of the district's FEFP formula entitlement.

Funding Summary: No change in millage rates

Total Appropriation \$263,449,842

\$134,162,296 is the initial allocation for School Recognition Awards.

\$129,287,546 is the initial allocation for District Discretionary Lottery.

School Recognition Awards are made at \$100 per student.

The remaining funds are allocated based on each district's base funding.

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Discretionary
Lottery / School
Recognition

Authority:
Appropriations
Act and
s.1008.36, F.S.

2006-07 FLORIDA EDUCATION FINANCE PROGRAM
FINAL CONFERENCE REPORT

Statewide Summary
Comparison of Public School Funding to 2005-06 Fourth Calculation

	2005-2006 Fourth Calculation	2006-07 Final Conference Report	Difference	Percentage Difference
STATE CATEGORICAL PROGRAMS				
Instructional Materials	247,999,489	266,673,588	18,674,099	7.53%
Student Transportation	451,431,961	483,032,198	31,600,237	7.00%
Public School Technology	49,914,766	Rolled into BSA	(49,914,766)	-100.00%
Class Size Reduction	1,507,199,696	2,151,230,571	644,030,875	42.73%
Teachers Lead Program	17,877,200	45,021,406	27,144,206	151.84%
Teacher Training	18,000,000	Rolled into BSA	(18,000,000)	-100.00%
TOTAL STATE CATEGORICAL FUNDING	2,292,423,112	2,945,957,763	653,534,651	28.51%

2006-07 FLORIDA EDUCATION FINANCE PROGRAM
FINAL CONFERENCE REPORT

Statewide Summary
Comparison of Public School Funding to 2005-06 Fourth Calculation

	2005-2006 Fourth Calculation	2006-07 Final Conference Report	Difference	Percentage Difference
TOTAL FUNDING (Adjusted for FRS Increase)	16,489,814,066	18,264,071,151	1,774,257,085	10.76%
TOTAL FUNDS PER UNWEIGHTED FTE	6,247.47	6,789.68	542.21	8.68%

Fixed Capital Outlay

Fixed Capital Outlay Budget (PECO)

- \$248.9 million for Maintenance, Renovation and Repair.
- \$246.1 million for Public School Survey Recommended Needs (new construction).
- \$53.1 million for Charter Schools.

Fixed Capital Outlay Budget (PECO)

- HB 5005 amends s. 1013.62, F.S., Charter Schools Capital Outlay Funding, to change the base year from 2002-03 to 2005-06 for the purpose of funds allocation.
- HB 7103 amends s. 1011.71(2), F.S., to allow district school boards to share, at the board's discretion, 2 mill funding with charter schools.

Fixed Capital Outlay Budget (PECO)

\$27.5 million for four projects in small school districts that are eligible to be funded from the Special Facility Construction Account.

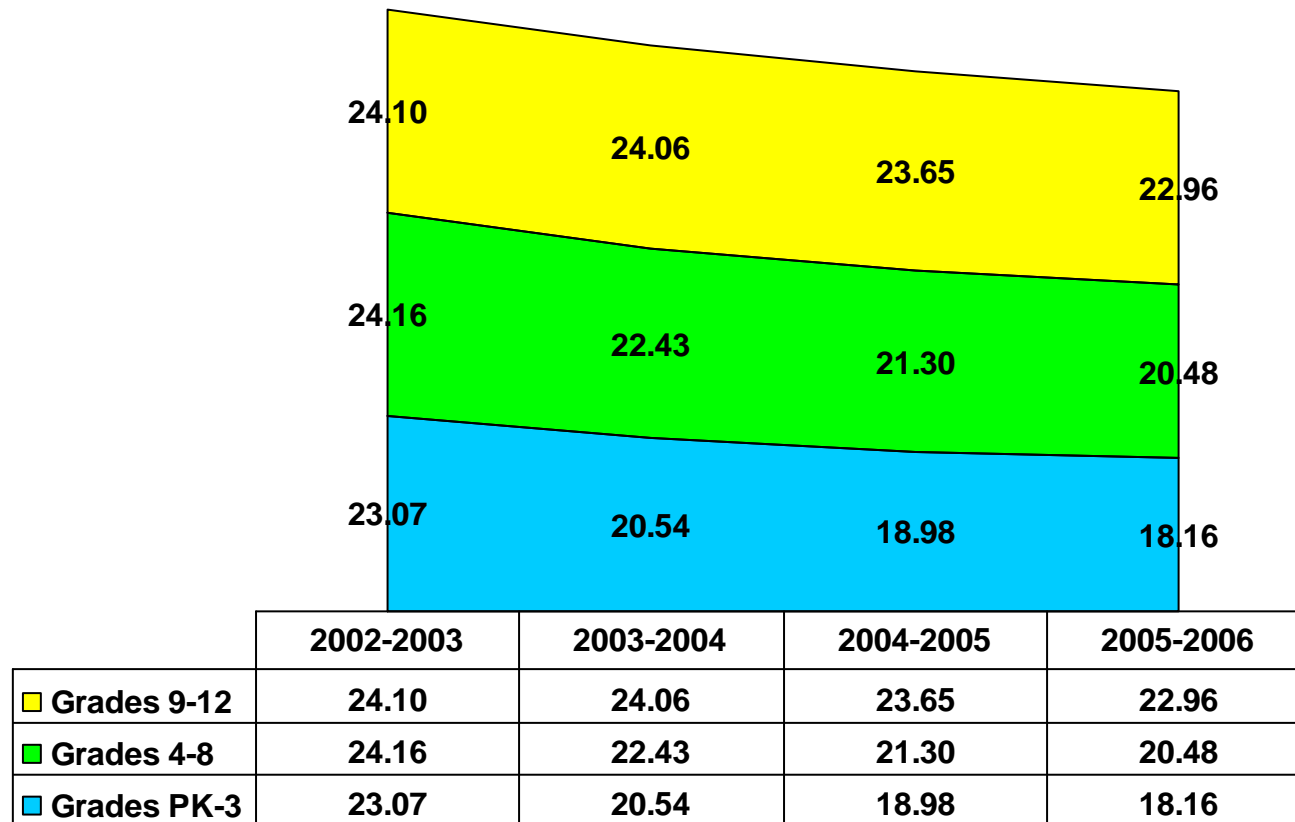
- Franklin - \$13,150,000
- Suwannee - \$6,070,000
- Hardee - \$6,624,563
- Glades - \$1,686,636

Fixed Capital Outlay Budget

- Class Size Reduction Construction
 - \$1,100,000,000

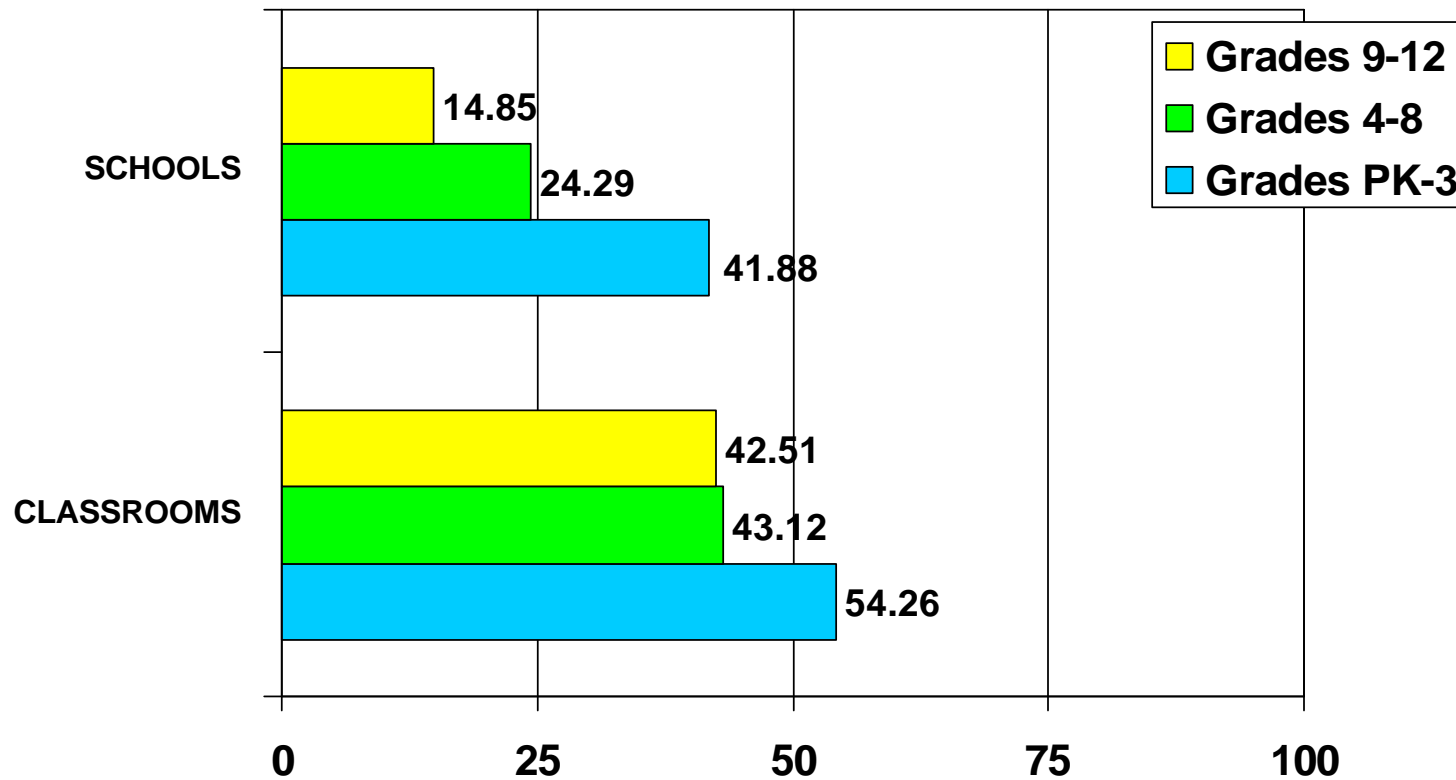
Class Size

Trends in Class Size Reduction



Class Size Reduction: % of Schools/Classrooms over Cap

Based on 2005-06 Data



Core Classroom Teachers Needed to Comply by Grade in 2006-2007

(See Attachment I)

Traditional Schools	8,674
Charter Schools	585
Total	9,259

Teachers Needed in 2006-2007 to Comply by Grade at School Level – Selected Districts

	Traditional Schools	Charter Schools	Total
Bay	51	22	62
Calhoun	11	0	11
Gulf	8	0	8
Walton	30	3	33
Washington	11	0	11

Number of Potential Teachers Using 75% of Class Size Allocation

(See Attachment II)

	<u>2002-03</u>	<u>2005-06</u>	<u>Net</u>
Traditional Schools	109,844	126,382	16,538

- 23,918 = Number of Potential Teachers using 75% of Class Size Allocation
- 7,380 = Difference

Number of Potential Teachers Using 75% Class Size Allocation – Selected Districts

Bay	164
Calhoun	10
Gulf	10
Walton	31
Washington	26

2006-2007
Other Finance-Related
Legislation

A++ - Finance Related Sections

- Section 16 – Team Teaching

**Ordered Enrolled
May 4, 2006**

Team-Teaching Strategies

- (b) Teaching strategies implemented on or after July 1, 2005, pursuant to paragraph (a) may be implemented subject to the following restrictions:
 - **1. Reasonable limits shall be placed on the number of students in a classroom so that classrooms are not overcrowded. Teacher-to-student ratios within a curriculum area or grade level must not exceed constitutional limits.**
 - **2. At least one member of the team must have at least 3 years of teaching experience.**
 - **3. At least one member of the team must be teaching in-field.**
 - **4. The teachers must be trained in team-teaching methods within 1 year after assignment.**

Team-Teaching Implementation Plan

- **Team-Teaching**
 - Occupancy governed by Florida Fire Code
 - Curriculum area and grade-level class size averages must meet constitutional caps
 - One teacher must have 3-years teaching experience
 - One teacher must be In-field
 - Teachers must be trained in team-teaching
- **2005-06 School-Level Class Size Averages will be adjusted per new law.**
- **Class Size Website will be updated to include each districts' team-teaching strategies.**

A++ - Finance Related Sections

- Section 30 – Exceptional Students Instruction

**Ordered Enrolled
May 4, 2006**

SB 692 - Relating to Sales Tax/School Supplies & Clothing

- No sales tax on books, clothing, wallets, or bags having a sales price of \$50 or less
- No sales tax on school supplies having a sales price of \$10 or less
- During 9 days from July 22 to July 30, 2006.

**Ordered Enrolled
May 3, 2006**

HB 5025 – FRS/Payroll Contribution Rates

- Revises payroll contribution rates for the Florida Retirement System as follows:

Membership Class	Rates effective		
	7/1/05	7/1/06	7/1/07
Regular Class	6.67%	8.69%	9.55%
DC Administrative Expense	.05%	.05%	.05%
Health Insurance Subsidy	1.11%	1.11%	1.11%
Total	7.83%	9.85%	10.71%

**Ordered Enrolled
April 21, 2006**