

# **2007-08 Education Budget**

## **Regional Legislative Update May 2007**



Linda Champion  
Florida Department of Education

# Budget Highlights

- \$20 billion appropriated from all funds for Florida educational operating budgets.
  - \$14.8 billion from the General Revenue Fund
  - \$1.3 billion from Lottery
  - \$3.9 billion from other trust funds
  - Budget website: [www.myflsenate.gov](http://www.myflsenate.gov)

# K-12 Budget Highlights

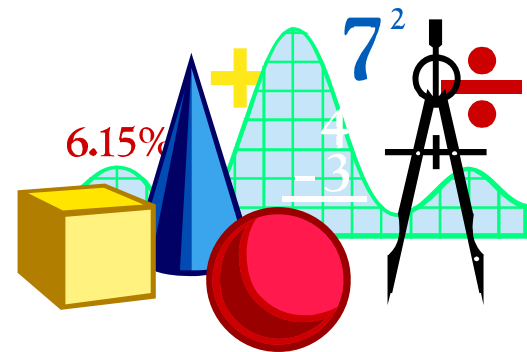
- Within the FEFP
  - \$147.5 Million for Teacher Pay
  - \$116.9 Million for Reading Instruction
  - \$12.5 Million supplemental funding for DJJ Education Programs
  - \$2.7 Billion Operating Funds for Class Size Reduction
- \$9 Million for A++

# K-12 Budget Highlights

- Funding in the Florida Education Finance Program (FEFP) for 4,770 new students - total to be served 2,642,320
- Funding for the FEFP, in state and local revenue, is \$19.3 billion - an increase of \$1.2 billion or 6.84%.
- FEFP funds per student will be \$7305.79 - an increase of \$455.36 or 6.65%.

# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FEFP

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



# 2007-08 FEFP Calculation

FTE Students 2,642,320.87	×	Program Weights	=	Weighted FTE Students 2,864,467.01	×	Base Student Allocation (BSA) \$4,163.47	×	District Cost Differential (DCD) Calculation	=
Base Funding \$11,923,163,706	+	Declining Enrollment Allocation \$47,278,097	+	Sparsity Supplement \$40,000,000	+	.25 Mill Discretionary Equalization \$9,004,004	+	0.51 Mill Compression \$148,122,131	+
Lab School Discretionary Contribution \$3,977,742	+	Safe Schools \$77,150,000	+	ESE Guaranteed Allocation \$1,133,668,598	+	Supplemental Academic Instruction \$736,402,596	+	Reading Allocation \$116,909,260	+
Teacher Compensation \$147,500,000	+	DJJ Supplemental Allocation \$12,531,511	+	Minimum Guarantee 1.0% per UFTE \$0	=	Gross State and Local FEFP \$14,395,707,645	-	Required Local Effort (5.010) \$7,909,357,201	=
Net State FEFP \$6,486,350,444	+	Discretionary Lottery Funds \$105,862,031	+	School Recognition Program \$157,587,811	+	Major Categorical Programs \$3,521,944,498	=	<b>Total State Funding</b> <b>\$10,271,744,784</b>	

# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

## Statewide Summary Comparison of Public School Funding to 2006-07 Fourth Calculation

	2006-2007 Fourth Calculation	2007-08 Final Conference Report	Difference	Percentage Difference
<b>MAJOR FEFP FORMULA COMPONENTS</b>				
Unweighted FTE	2,637,549.96	2,642,320.87	4,770.91	0.18%
Weighted FTE	2,878,679.27	2,864,467.01	(14,212.26)	(0.49%)
School Taxable Value	1,648,616,108,752	1,791,454,754,450	142,838,645,698	8.66%
Required Local Effort Millage	5.010	5.010	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	5.770	5.770	0.000	0.00%
Base Student Allocation	3,981.61	4,163.47	181.86	4.57%



FTE  
Students  
(UFTE)

Authority:  
s.1011.62(1)(a),  
F.S.

The 2007-08 unweighted student enrollment projection is 2,642,320.87

This represents an increase of 4,770.91 or 0.18% students from 2006-07.



Program weights are used to recognize varying educational program costs.

X

Program  
Weights

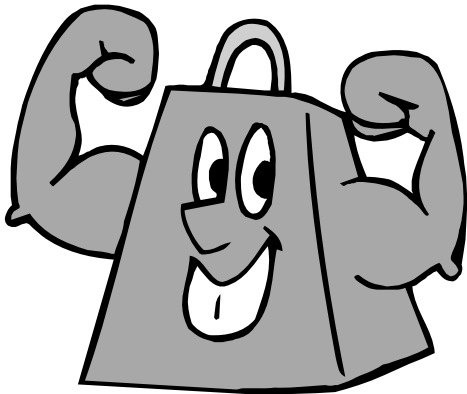
Authority:  
s.1011.62(1)(a),  
F.S.

Group 1 Includes Three Programs:

- Basic Grades K-3 (1.048)
- Basic Grades 4-8 (1.000)
- Basic Grades 9-12 (1.066)

Group 2 Includes Four Programs:

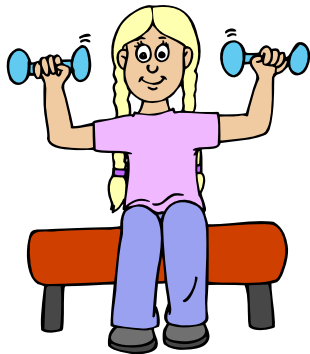
- Exceptional Student Education:
  - Level IV (3.625)
  - Level V (5.062)
- English for Speakers of Other Languages (1.200)
- Career Education, Grades 9-12 (1.119)



=

Weighted  
FTE  
Students  
(WFTE)

Authority:  
s.1011.62(1)(a),  
F.S.



The 2007-08 weighted student enrollment projection is 2,864,467.01. This represents a decrease of 14,212.26 or (.49%) weighted FTE students from 2006-07.

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
- Group 2 over cap

# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

## Statewide Summary Comparison of Public School Funding to 2006-07 Fourth Calculation

	2006-07 Fourth Calculation	2007-08 Final Conference Bill	<u>Difference</u>	Percentage Difference
<b>FEFP DETAIL</b>				
WFTE x BSA x DCD (Base FEFP Funding)	11,461,576,596	11,923,163,706	461,587,110	4.03%
Declining Enrollment Supplement	58,740,719	47,278,097	(11,462,622)	(19.51%)
Sparsity Supplement	35,000,000	40,000,000	5,000,000	14.29%
Safe Schools	75,350,000	77,150,000	1,800,000	2.39%
Lab School Discretionary Contribution	3,168,714	3,977,742	809,028	25.53%
0.250 Mills Discretionary Equalization	11,645,961	9,004,004	(2,641,957)	(22.69%)
0.510 Mills Discretionary Compression	131,434,896	148,122,131	16,687,235	12.70%
Supplemental Academic Instruction	707,826,199	736,402,596	28,576,397	4.04%
Reading Allocation	111,800,000	116,909,260	5,109,260	4.57%
ESE Guaranteed Allocation	1,101,383,681	1,133,668,598	32,284,917	2.93%
Minimum Guarantee	0	0	0	0.00%
Perform.Pay/Merit Award	147,500,000	147,500,000	0	0.00%
Fuel and Utilities	0	0	0	0.00%
Merit Award Allocation	0	0	0	0.00%
DJJ Supplemental Allocation	0	12,531,511	12,531,511	100.00%
<b>TOTAL FEFP</b>	<b>13,845,426,766</b>	<b>14,395,707,645</b>	<b>550,280,879</b>	<b>3.97%</b>

X

Base  
Student  
Allocation  
(BSA)

Authority:  
s.1011.62(1)(b),  
F.S.

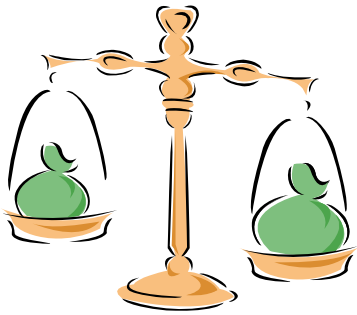
The Base Student Allocation (BSA) is determined annually by the Legislature in the General Appropriations Act.



X

District Cost  
Differential  
(DCD)

Authority:  
s.1011.62(2), 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 outside the FEFP for DCD transition supplement as specified by county and amount in the General Appropriations Act

+ Declining Enrollment Supplement  
Authority:  
s.1011.62(8), 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:

2007-08	\$47,278,097
2006-07	\$58,740,719
Decrease	(\$11,462,622) or (19.51%)



## Sparsity Supplement

+

Authority:  
s.1011.62(7), F.S.

Provides \$40,000,000 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:

2007-08	\$40,000,000
2006-07	\$35,000,000
Increase	\$ 5,000,000 or 14.29%



+

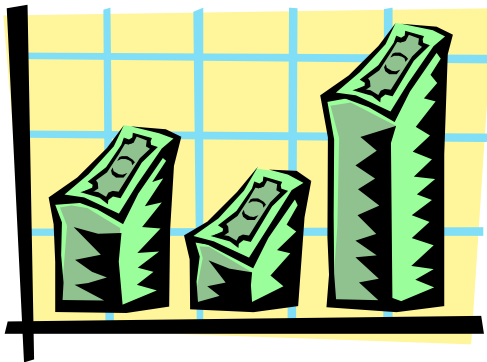
.25 Mill  
Discretionary  
Equalization

Authority:  
Appropriations  
Act

Provides \$9,004,004 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:

2007-08	\$ 9,004,004
2006-07	\$11,645,961
Decrease	(\$2,641,957) or (22.69%)



+

0.51 Mill  
Compression

Authority:  
1011.62(5), F.S.

Provides \$148,122,131 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:

2007-08	\$148,122,131
2006-07	\$131,434,896
Increase	\$16,687,235 or 12.70%



## Provides \$3,977,742 for Lab School Discretionary Contribution

### Lab School Discretionary Equalization

Authority:

s. 1002.32(9)(a), F.S.

s. 1002.37(3)(f), F.S.



Lab Schools and the Florida Virtual School are separate school districts for purposes of FEFP funding.

The funds for the lab schools are authorized in lieu of discretionary local tax revenue.

The Florida Virtual School is based on the discretionary millage times 95% of the current year's taxable value for school purposes. This amount is then multiplied by the prorated FTE of the Virtual School.

#### Funding Summary:

2007-08     \$3,977,742

2006-07     \$3,168,714

Increase     \$ 809,028 or 25.53%

+

Safe Schools

Authority:  
Appropriations  
Act

Provides \$77,150,000 for Safe School activities.

Minimum allocation is \$75,000

Two-thirds is allocated based on each district's crime index published by Florida Department of Law Enforcement

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

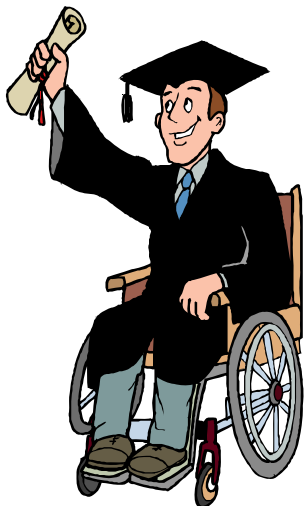


Funding Summary:

2007-08	\$77,150,000
2006-07	\$75,350,000
Increase	\$ 1,800,000 or 2.39%

+

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



Provides \$1,133,668,598 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:

2007-08	\$1,133,668,598
2006-07	\$1,101,383,681
Increase	\$32,284,917 or 2.93%

Provides \$736,402,596 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:

2007-08	\$736,402,596
2006-07	\$707,826,199
Increase	\$28,576,397 or 4.04%

## Reading Allocation

Authority:  
s.1011.62(9),  
F.S.

Provides \$116,909,260 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:

2007-08	\$116,909,260
2006-07	\$111,800,000
Increase	\$ 5,109,260 or 4.57%



+

## Performance Pay

Authority:  
Chapter 2007-3,  
Laws of Florida



Provides \$147,500,000 to assist school districts with implementation of performance pay policies for instructional personnel and school administrators in accordance with the requirements of law (Merit Award Program).

Funds are allocated on Base Funding.

### Funding Summary:

2007-08            \$147,500,000

2006-07            \$147,500,000

No change

+

DJJ  
Supplemental  
Allocation

Authority:  
CS/SB 1046



Provides \$12,531,511 for DJJ  
Supplemental Allocation.

These funds are used to supplement  
other sources of funding for students in  
juvenile justice education programs.

The allocation is based on the WFTE in  
the juvenile justice education programs  
times both the state average class size  
reduction factor and the district cost  
differential.

Funding Summary:

2007-08 \$12,531,511

2006-07 \$ 0

Increase \$12,531,511 or 100%

+

## Minimum Guarantee

Authority:  
s.1011.62(8), F.S.



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

### Funding Summary:

2007-08      \$0

2006-07      \$0

No Change

=

Gross State  
and  
Local FEFP

Authority:  
s.1011.62(11)(a),  
F.S.

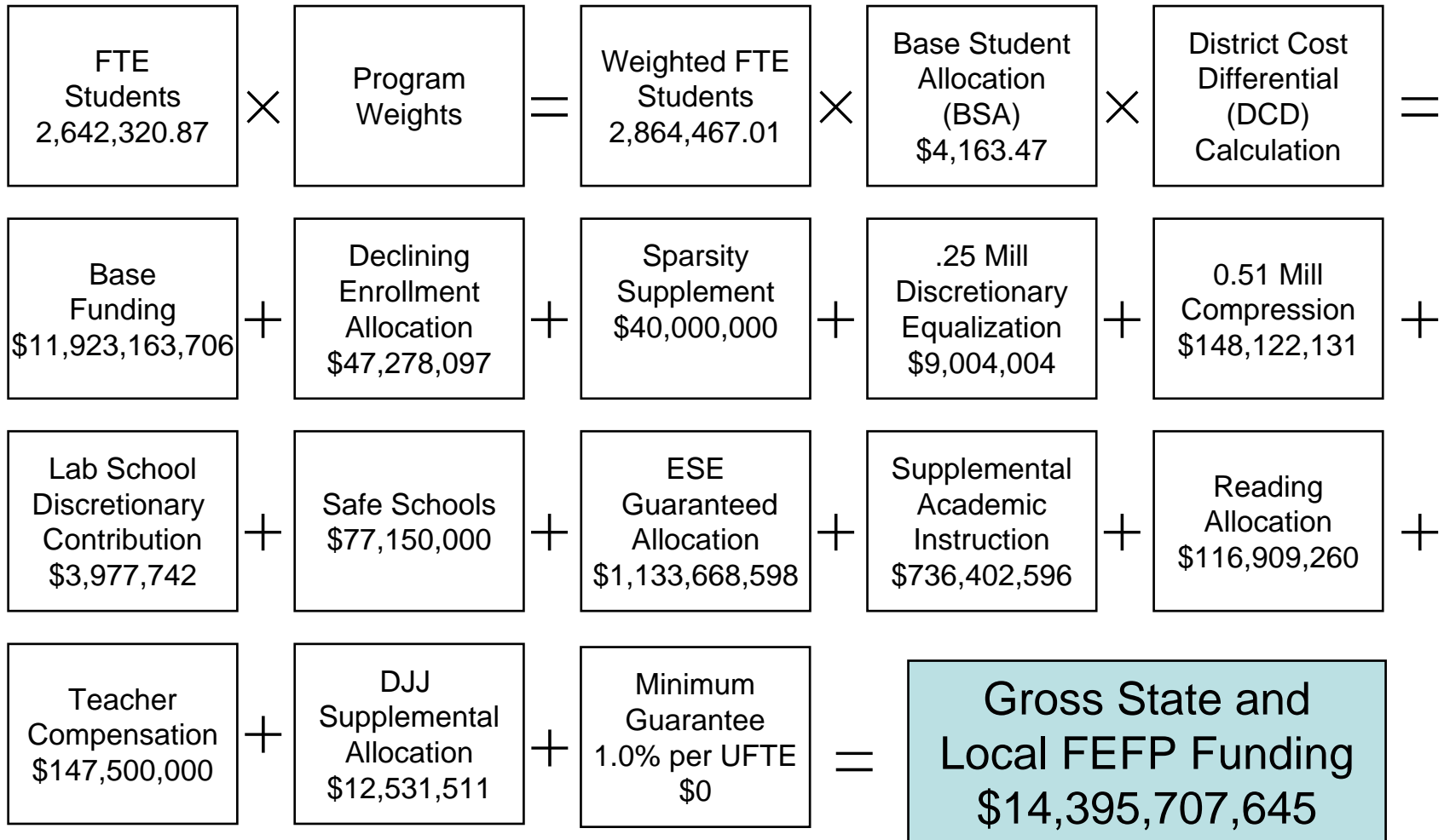
The sum of all the FEFP components in the preceding slides is the Gross State and Local FEFP.

### Funding Summary:

2007-08	\$14,395,707,645
2006-07	\$13,845,426,766
Increase	\$550,280,879 or 3.97%



# 2007-08 FEFP Calculation



# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

## Statewide Summary Comparison of Public School Funding to 2006-07 Fourth Calculation

	2006-07 Fourth Calculation	2007-08 Final Conference Report	Difference	Percentage Difference
TOTAL FEFP	13,845,426,766	14,395,707,645	550,280,879	3.97%
LOCAL FEFP FUNDS				
Required Local Effort Taxes	7,362,815,580	7,909,357,201	546,541,621	7.42%
STATE FEFP FUNDS	6,482,611,186	6,486,350,444	3,739,258	0.06%
DISTRICT LOTTERY/SCHOOL RECOGNITION	263,449,842	263,449,842	0	0.00%



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

Required  
Local Effort  
(RLE)

Authority:  
s.1011.62(4),  
F.S.

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

The total adjusted amount for RLE is \$7,909,357,201. This represents a state average millage rate of 5.010. 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:

2007-08	\$7,909,357,201
2006-07	\$7,362,815,580
Increase	\$546,541,621 or 7.42%

=

Net State  
FEFP

Authority:  
s.1011.62(11)  
F.S.

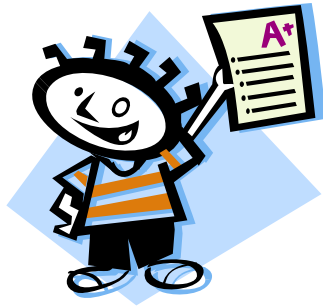


The Net State FEFP is the Gross State and Local FEFP less the Required Local Effort

\$6,486,350,444

Funding Summary:

2007-08	\$6,486,350,444
2006-07	\$6,482,611,186
Increase	\$3,739,258 or .06%



Total Appropriation \$263,449,842

\$157,587,811 is the initial allocation for School Recognition Awards.

\$105,862,031 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.

Funding Summary:

2007-08 \$263,449,842

2006-07 \$263,449,842

No Change

+

Discretionary  
Lottery / School  
Recognition

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



# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

## Statewide Summary Comparison of Public School Funding to 2006-07 Fourth Calculation

	2006-2007 Fourth Calculation	2007-08 Final Conference Report	Difference	Percentage Difference
<b>STATE CATEGORICAL PROGRAMS</b>				
Instructional Materials	266,673,588	271,944,498	5,270,910	1.98%
Student Transportation	483,032,198	493,566,586	10,534,388	2.18%
Class Size Reduction	2,108,529,344	2,708,412,008	599,882,664	28.45%
Teachers Lead Program	45,021,406	48,021,406	3,000,000	6.66%
<b>TOTAL STATE CATEGORICAL FUNDING</b>	2,903,256,536	3,521,944,498	618,687,962	21.31%



# 2007-08 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

## Statewide Summary Comparison of Public School Funding to 2006-07 Fourth Calculation

	2006-2007 Fourth Calculation	2007-08 Final Conference Report	Difference	Percentage Difference
<b>TOTAL STATE FUNDING</b>	9,649,317,564	10,271,744,784	622,427,220	6.45%
<b>LOCAL FUNDING</b>				
Total Required Local Effort	7,362,815,580	7,909,357,201	546,541,621	7.42%
Discretionary Local Effort	798,828,709	867,959,828	69,131,119	8.65%
Equalized Discretionary Local Effort	257,377,726	255,176,674	(2,201,052)	(0.86%)
<b>TOTAL LOCAL FUNDING</b>	8,419,022,015	9,032,493,703	613,471,688	7.29%
<b>TOTAL FUNDING</b>	18,068,339,579	19,304,238,487	1,235,898,908	6.84%
<b>TOTAL FUNDS PER UNWEIGHTED FTE</b>	6,850.43	7,305.79	455.36	6.65%

# Fixed Capital Outlay



# K-12 Fixed Capital Outlay Budget (PECO)



- \$209.3 million for Maintenance, Repair, Renovation and Remodeling, includes
  - \$54 million for Charter Schools
- \$297.1 million for Public School Survey Recommended Needs - includes
  - \$4.9 Million for University Developmental Research Schools (new construction)

# Fixed Capital Outlay Budget (PECO)

\$25 million for three projects in small school districts that are eligible to be funded from the Special Facility Construction Account.

- Franklin - \$11,000,000
- Wakulla - \$13,794,701
- Levy - \$ 200,000



# Fixed Capital Outlay Budget

- Class Size Reduction Construction
  - \$650,000,000



# Classrooms for Kids

- **Prior Appropriations**

– 2003-04	\$ 600,000,000
– 2004-05	\$ 100,000,000
– 2005-06	\$ 83,400,000
– 2006-07	\$1,100,000,000
– 2007-08	\$ 650,000,000

- **2008-09 / 2010-11** \$1,336,341,041

- **Total 2003-04 / 2010-11** **\$3,869,741,041**



# K-12 Class Size Reduction

## Total Operating and Capital Costs to Implement through 2010-11 DOE Current Policy

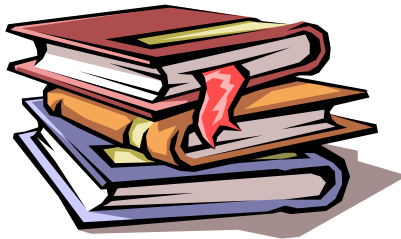
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	8 Yr Total
2003/04	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	3,745,589,072
2004/05		503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	3,527,948,074
2005/06			535,008,480	535,008,480	535,008,480	535,008,480	535,008,480	535,008,480	3,210,050,880
2006/07				601,329,648	601,329,648	601,329,648	601,329,648	601,329,648	3,006,648,240
2007/08					599,882,664	599,882,664	599,882,664	599,882,664	2,339,530,656
2008/09						839,600,656	839,600,656	839,600,656	2,518,801,968
2009/10							765,387,394	765,387,394	1,530,774,788
2010/11								817,089,997	817,089,997
Operating Costs	468,198,634	972,191,216	1,507,199,696	2,108,529,344	2,708,412,008	3,548,012,664	4,313,400,058	5,130,490,055	<b>20,756,433,675</b>
FCO Costs	600,000,000	100,000,000	83,400,000	1,100,000,000	650,000,000	727,948,476	481,636,211	126,756,354	<b>3,869,741,041</b>
<b>TOTAL to Implement</b>	<b>1,068,198,634</b>	<b>1,072,191,216</b>	<b>1,590,599,696</b>	<b>3,208,529,344</b>	<b>3,358,412,008</b>	<b>4,275,961,140</b>	<b>4,795,036,269</b>	<b>5,257,246,409</b>	<b>24,626,174,716</b>

# 2007-08 Other Finance-Related Legislation



# SB 1456 - Relating to Sales Tax/School Supplies & Clothing

- Books, clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of \$50 or less per item during the period from 12:01 a.m., August 4, 2007 through midnight, August 13, 2007.



**Ordered Enrolled**  
**April 25, 2007**

# HB 7085 – FRS/Payroll Contribution Rates

*Ordered Enrolled  
MAY 3, 2007*

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

Membership Class	7/1/06	Rates effective	
		7/1/07	7/1/08
Regular Class	8.69%	8.69%	9.59%
No change in:			
DC Adm	1.11%	1.11%	1.11%
HIS	.05%	.05%	.05%
<b>TOTAL</b>	<b>9.85%</b>	<b>9.85%</b>	<b>10.75%</b>

CONFORMING BILL – CS/SB 1046  
RELATED TO EDUCATION

*Ordered Enrolled  
May 4, 2007*

- SLOT machine tax revenues
- Class Size Reduction – defines "team teaching," "co-teaching," and "inclusion teaching"
- Exceptional student education funding
- Supplemental allocation for juvenile justice education programs
- Sparsity supplement \$100 per FTE

Conforming Bill  
CS/SB 1060  
EDUCATIONAL FACILITIES

- Advancement of Gross Receipts Collections
- Life Expectancy of Modular Facilities
- Clarifies students for whom funds are distributed

**Ordered Enrolled**  
**May 4, 2007**

# TEACHERS LEAD

## CS/CS/SB 450

- Expands the Florida Teachers Lead Program to include Pre-K ESE teachers funded through the FEFP and charter school teachers

**Ordered Enrolled**  
**May 4, 2007**

# **District/High Performing School Districts/2 Mill Levy Authority CS/HB 511**

- Exempts designated districts from Chapters 1000 through 1013, F.S. and related SBE rules provisions (some exceptions)
- For districts that meet class size, financial and instructional space requirements, school district would be eligible to use the 2 Mill capital outlay funds for two additional items:
  - o The payment of premiums for property and casualty insurance for district educational and ancillary plants.
  - o The purchase, lease-purchase, or lease of driver's education vehicles; maintenance/operation motor vehicles; security; or delivery/storage vehicles.

**Enrolled  
May 1, 2007**