

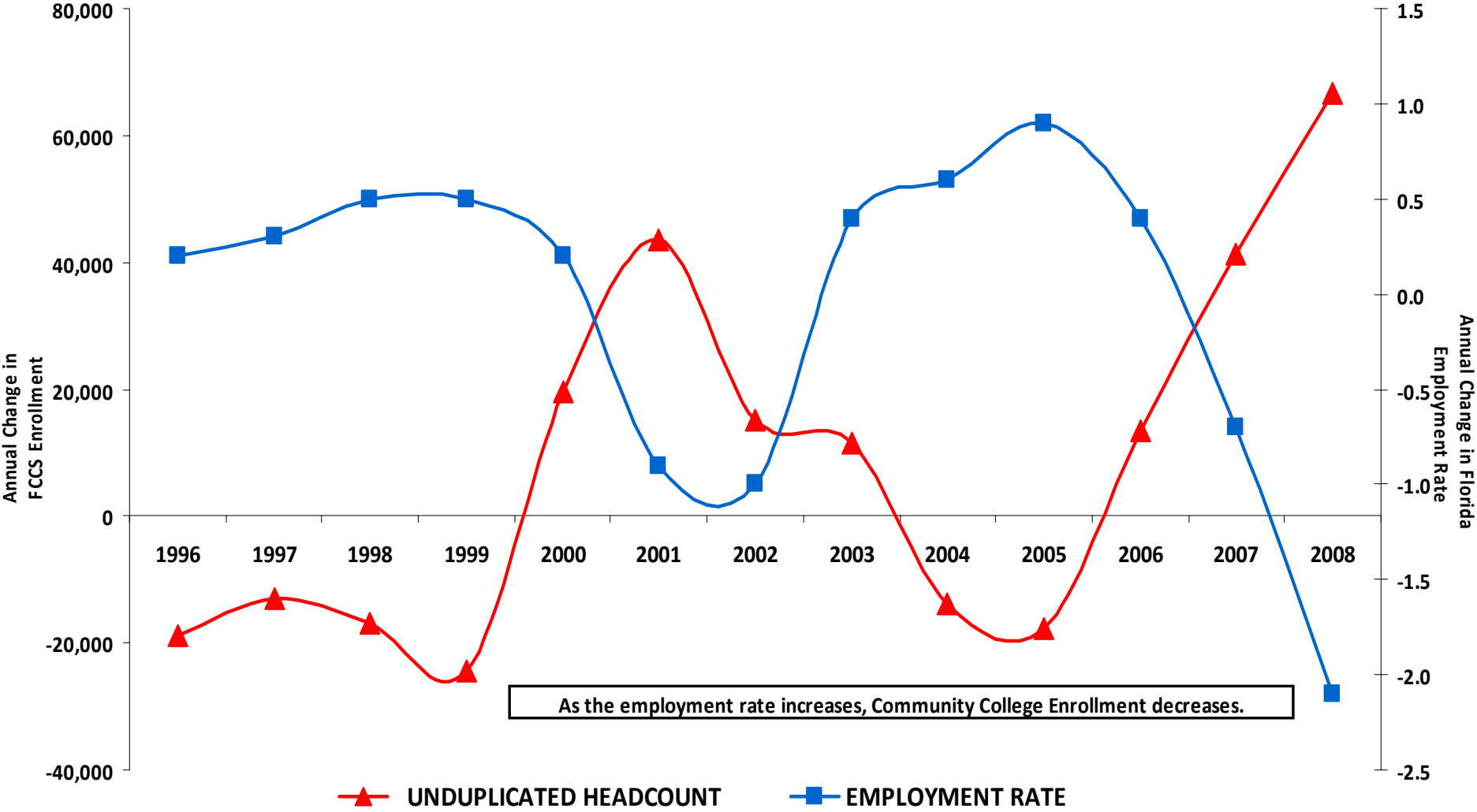
Basics of Community College Funding

July 23, 2009

**Dr. John R. Holdnak
Vice Chancellor for Financial Policy**

COUNTER-CYCLICAL ENROLLMENT PATTERN

Comparison of Florida Employment Rate to Community College Enrollment



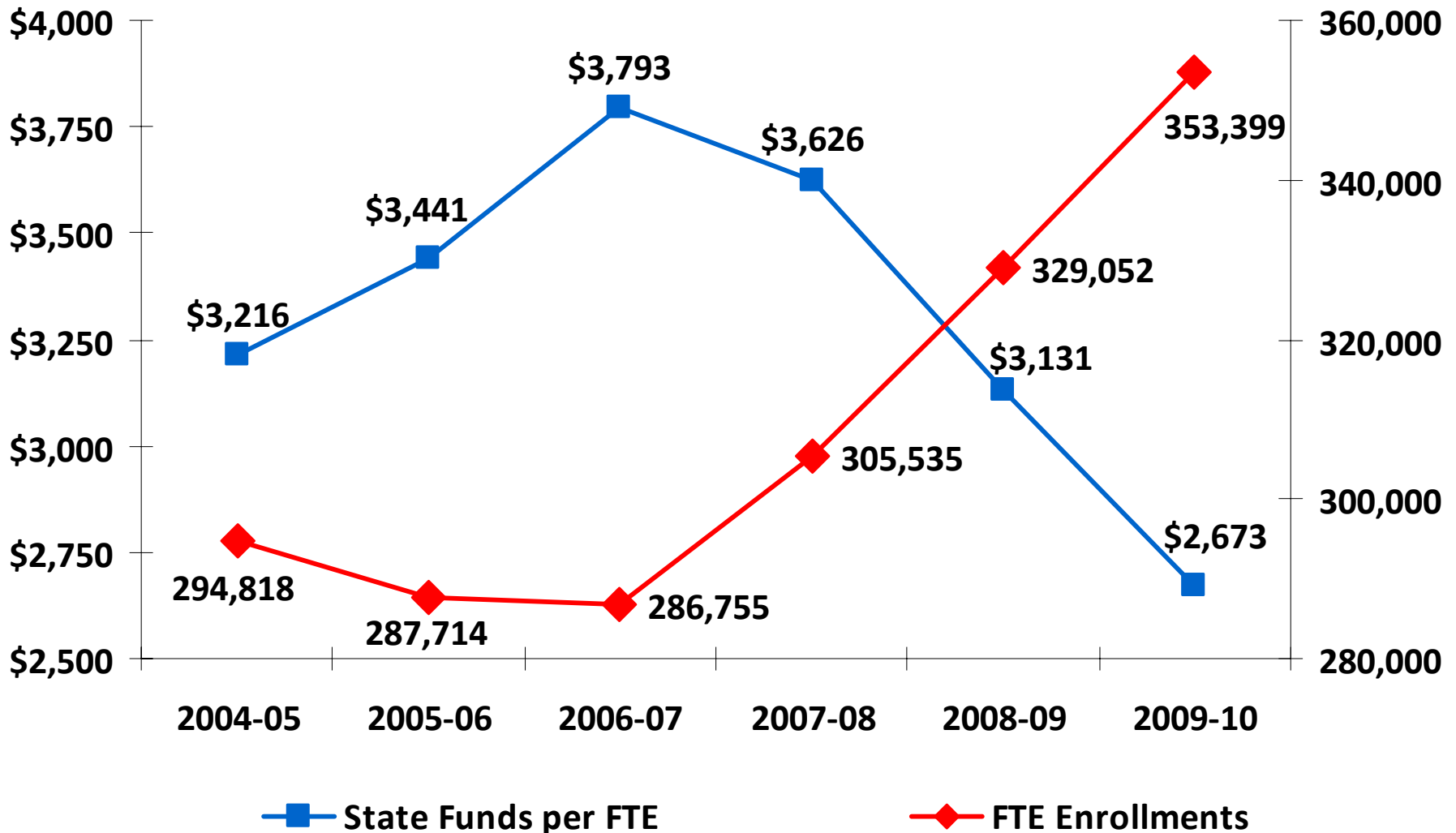
COUNTER-CYCLICAL ENROLLMENT PATTERN

Comparison of Florida Employment Rate to Community College Enrollment

The chart on the previous slide illustrates that:

- Community College Enrollment is Counter-Cyclical with the Growth in Economy
- As the Florida Employment Rate decreases, Community College enrollment increases
- As a result of the economy declining, more students are enrolling in our colleges to further enhance their skills and training on the job or to pursue a different career

Comparison of FTE to State Funds Per FTE



Performance Funding in The Florida College System

Recognizing & Rewarding Performance

- 1996-1997 First Legislative appropriation for performance funding in the CC system
- \$12M appropriated in 96-97 has grown to \$22.5M in 2007
- In 2007 the Council of Presidents adopted a policy to increase performance funding's percentage of overall funding from 1.8% in 2006-2007 to 5% over the next five years.

What IS “Performance”

- Three “Measures” earn Performance Points
 - **Student Completions (40%)**, of programs or comparable units of instruction
 - **Completions by under-represented & harder-to-serve students (20%)**
 - Took college prep course(s), or
 - Economically disadvantaged, or
 - Students with disabilities, or
 - Black male, or
 - Test into English for Academic Purposes (EAP)

What IS “Performance”

- **Student Placement** (40%), in employment, higher-level training, or the military
- **Other Categories of Performance Funding**
 - **Incentive** Funding for
 - Efficiency (“Time to Degree”), and
 - College-prep Instruction
 - **Targeted Critical Needs** Funding, extra funds for completers of select programs
 - **Nursing**
 - **EPI (Educator Preparation Institutes)**

Keys to Earning Performance Funds

- **Accurate Data Reporting** from the college to DOE is CRITICAL
- Each instructor and instructional dean should “follow their data” to be sure it leaves them correct and STAYS correct



Funding Model Overview

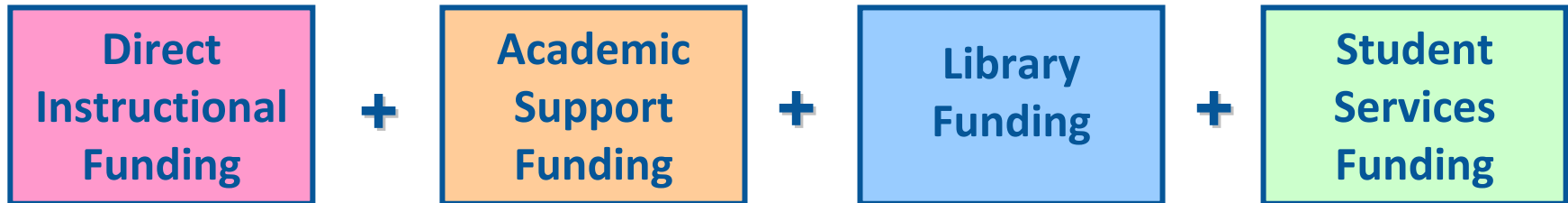
Funding Model Components

- Standards-based rather than strictly FTE-based
- Participatory rather than exclusionary
- Unifying, not divisive...Allows the entire system to “Speak With One Voice”
- Transparency of Process

Funding Model Overview

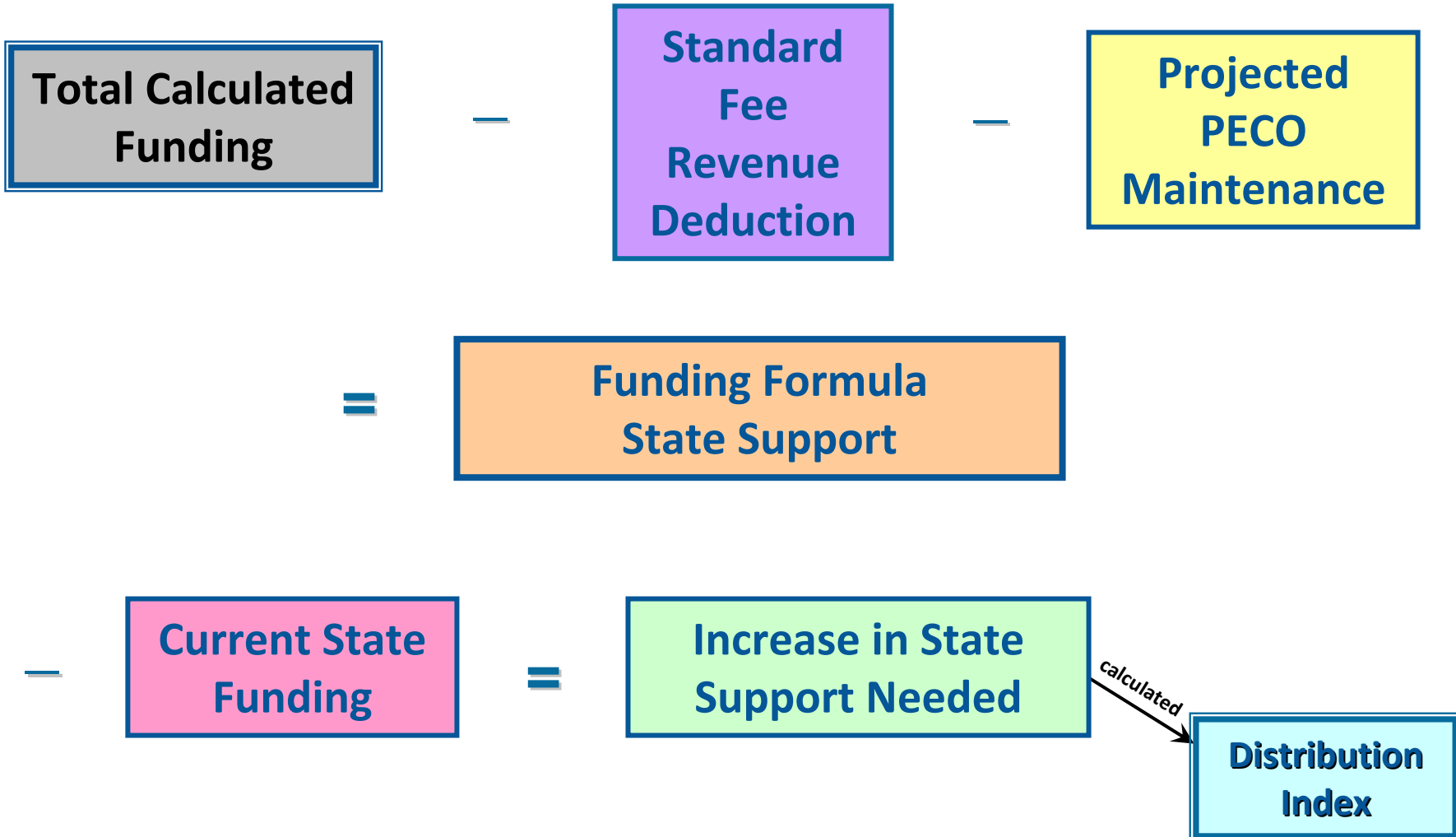
- **EVERYONE** Contributes to the Success of the Model
- The Funding Model Components include all areas of Community College operation
- Data collection and reporting is vital
- Instruction, Finance, Operations & Management Information Systems
 - TOGETHER they drive the model

Funding Model Components



= **Total Calculated Funding Needed**

Funding Model Components



Funding Model Overview

- The Model is NOT Static, It Evolves
- Active Participation by stakeholders is key to continued success of the process and the model

Funding Model Overview

What are some other uses of the Funding Model?

- Legislative Budget Request
 - Community College Strategic Plan Priority Goal #4 to fully fund the Funding Model
 - Recognized and valued by legislators and staff who make funding recommendations
- Provides tools for college-by-college analysis

Distribution Policy for 2010-11

**Annual recommendation of the
Council of Presidents to the Legislature
on the distribution of new state appropriations.**



OR

**How do we split the pie
among our family
members?**

Sample Steps in Distribution Policy During a Year of New Dollars

1. Operating Cost of New Facilities
2. Restoration of Non-Recurring Operating Appropriations
3. Determined Performance Based Funding Amount
4. Distribution of New Dollars



PECO 101 Overview

Funding for the
Construction of Buildings
and Facilities

Public Education Capital Outlay (PECO)

- PECO refers to the monies available for projects that renovate, remodel, construct and equip facilities used for educational purposes.
- PECO funds are not general operating funds and cannot be used as such.

PECO Funds Come From Gross Receipts Taxes?

The Gross Receipts Tax is a relatively stable but slow-growing tax source derived from the sale of:

- Electricity
- Gas fuels and
- Communications services

PECO Appropriations

PECO appropriations fluctuate because of several factors:

- Growth in the Gross Receipts Tax
- Cost of fuel
- New technology
- Refinancing of old bonds at better rates

PECO Appropriations

Growth in the Gross Receipts Tax collections results in additional funds to sell new bonds for an increase in PECO Appropriation funds.

If tax collections stay constant or decrease, there can be no new bond sales.

PECO For Community Colleges

Based on average percentage of last five (5) years of appropriations.

Three (3) categories:

- Renovation projects

- Remodeling projects

- New construction/Site acquisition

Capital Improvement Program (CIP)

Capital Improvement Program (CIP) reports are submitted annually by each college as outlined in Sections 216.0158 and 1013.40 Florida Statutes.

CIP Report

There are three steps for colleges to follow in completing their CIP:

1. Five-Year Educational Plant Survey
2. Capital Improvement Program (CIP) report:
 - Describing the projects,
 - Estimating the dollars required,
 - Indicating the year the college would like the project to be funded, and
 - Prioritizing projects for renovation, remodeling and new construction.
3. Board Approval / Submit to DCC by August 1st.

Developing the Division of Florida Colleges' List

In accordance with Section 1013.64(4)(a), Florida Statutes, DCC annually prepares a 3-year capital outlay project list to be submitted as part of the Commissioner's legislative budget request.

Developing the List

Unfunded projects from the prior year's list are brought forward each year to form the basis for the new list.

The general order of priority is:

- 1) Prior year obligations
- 2) Renovations – age & square footage
- 3) Remodeling – relative need
- 4) New construction – relative need

Questions or Concerns?

- **Budget, Finance, Funding Model**

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