

DISTRICT WORKFORCE EDUCATION FUNDING SUMMARY FOR 2012-13



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2012-13 DISTRICT WORKFORCE EDUCATION FUNDING SUMMARY

Operating funds for school district career and adult education programs are provided in two basic categories:

- 1) Workforce Development Funds (98.7% of total operating funds)
- 2) Performance-based Incentives

Allocations to districts are made annually in the General Appropriations Act.

The total operating funds appropriations for 2012-13 are \$374,475,199¹, comprising \$369,488,374 in Workforce Development Funds and \$4,986,825 in Performance-Based Incentive Funds. This represented the same overall level of funding used in both the previous year Workforce Development Fund and the Performance-Based Incentive Fund.

Table 1 provides a summary of state funding by district including the change from the 2011-12 funding level.

Workforce Development Funds

For 2012-13, workforce development funds were allocated in Specific Appropriations 9 and 104 from General Revenue and the Educational Enhancement Trust Fund (EETF). The allocations to districts were made based on three primary policies:

- 1) Reduction in funds to select districts based on the proportionate share of total funding above the level generated by the 2012-13 Funding Needs Analysis,
- 2) Reallocation of a portion of funds to get all districts to a minimum of 70% of the recommended state funding level,
- 3) Allocation of remaining funds to select districts based on workload model.

Table 2 provides a summary of the impact of each of these policies on a district's allocation. Column 6 shows the total calculated state funding need for each district; this amount represents the recommended state funds associated with current workload levels. Column 7 shows the percentage of the state funding need met by the 2012-13 appropriation level. Districts with percentages below 100% do not have a 2012-13 funding level consistent with their workload-based state funding need.

¹ Funds provided in the workforce funding allocation for Putnam County School District shall be transferred by the Department of Education to St. Johns River State College, contingent upon agreement between the District school board and the College to transfer adult general education programs from the District to the College by July 1, 2012 (HB 5001 Appropriations).

Policy 1 – Reduction in funding associated with a current funding level exceeding the state funding need calculation

A reduction of \$2,582,386 was applied to select districts based on the difference between their calculated state funding need and the 2011-12 appropriation level. This \$2.6 million represented the difference between the current appropriation (\$369,488,374) and the total calculated state funding need (\$366,905,988). Each district with a state funding need exceeding their 2011-12 state appropriation of workforce development funds was reduced proportionately. The total value of state funds above the current funding level to these districts was \$19,823,810; each district's reduction was based on the district's proportionate share of this value. For example, a district with \$1,000,000 in state funds above the recommended funding level would be 5.04% of the \$19.8 million. Such a district would have received a reduction equal to 5.04% times \$2,582,386.

See **Table 2** (Column 2) for a summary of these reductions.

Policy 2 – Re-allocation to achieve minimum base of 70% of state funding need

A portion of the \$2,582,386 reduction from Policy 1 was allocated to districts to increase their minimum funding level to 70 percent of calculated state funding need. Six districts were allocated \$175,183 to achieve this minimum funding level.

See **Table 2** (Column 3) for this minimum funding level allocation.

Policy 3 – Re-allocation of remaining funds to districts with unmet need

The remaining unallocated funds of \$2,407,203 were provided to districts with a calculated state funding need higher than their 2011-12 appropriation level. Each district's proportionate share of unmet funding need was multiplied by the 2.4 million to calculate their allocation of these funds. NOTE: The unmet need funding calculation was adjusted for districts receiving funds from Policy 2.

See **Table 2** (Column 4) for the allocation adjustment made as a result of this policy. See **Table 8** for the adjusted unmet state funding index which was used to allocate these additional funds.

Summary of the 2012-13 Funding Needs Analysis Model

To ensure equitable funding for all district workforce education programs and to recognize enrollment growth, a funding needs analysis was developed with the District Workforce Education Funding Steering Committee. The 2012-13 Funding Needs Analysis Model provided the information used by the 2012 Legislature to allocate workforce development funds to districts. **Table 2** provides the total state funding need calculated for each district based on this model (see column 6). Column 7 shows the percent of state funding need met by the 2012-13 appropriation.

The funding analysis is based on the workload of each district (as measured by instructional hours converted to full time equivalencies) in the following programs²:

- Adult General Education
- Career Certificate Programs, including Applied Technology Diploma
- Apprenticeship – Classroom
- Apprenticeship – On-the-Job Training

The following steps are used to calculate the state funding need for districts based on their student enrollment and local tuition collection.

Calculation of Full-Time Equivalencies (FTE)

For the 2012-13 model, instructional hours for the following years were used in the calculation: 2008-09, 2009-10, and 2010-11. A rolling average of FTE by program is used.

The following instructional hours reported in the Workforce Development Information System (WDIS) are included in the calculation:

- Adult General Education (AGE)
- Career Certificates (aka PSAV) and Applied Technology Diplomas (ATD)
- Apprenticeship (APPR) for Classroom or Related Training Instruction (RTI)
- Apprenticeship (APPR) for On-the-Job Training (OJT)

To calculate the FTE, instructional hours are divided by 900:

$$\text{Total Instructional Hours} / 900 = \text{Total FTE}$$

The instructional hours reported are analyzed and outlier records for districts and students may result in caps being applied to the reported hours in Adult General Education and Apprenticeship OJT.

Adult General Education FTE

Beginning with the 2006-07 reporting cycle, districts and colleges were required to report instructional hours using new procedures, which are outlined in the following memorandum and supporting documents:

Memo: http://info.fl DOE.org/docushare/dsweb/Get/Document-3722/06_14memo.pdf

Procedures: http://info.fl DOE.org/docushare/dsweb/Get/Document-3723/06_14att1.pdf

Technical Assistance: http://info.fl DOE.org/docushare/dsweb/Get/Document-3724/06_14att2.pdf

According to these procedures, “a maximum of 1300 hours may be fundable per reporting year for adult education student.” In addition, records submitted with less than 10 instructional hours are excluded.

After these requirements are applied to reported hours, the remaining hours are analyzed by calculating the headcount to FTE ratio. To identify outliers in the adult general education reporting, each district’s headcount to FTE ratio is compared to the system headcount to FTE ratio. If the district headcount to

² Continuing Workforce Education enrollment is not state fundable.

FTE ratio falls more than .5 standard deviations below the system average, an additional cap is applied to the FTE to exclude outliers. The application of this cap resulted in a reduction in fundable hours of 33.12 FTE. This policy is intended to adjust for districts with extreme outliers in instructional hours reporting.

Currently, because these capping procedures are being applied at the main program level, the FTE used in the calculation is not broken down by the major adult general education program areas: adult basic education, ESOL, GED, adult high school, VPI, and others.

Adult High School Co-Enrollment

For the adult high school co-enrollment program, a maximum of two core curricular courses per student is fundable. The FTE used in the model for this calculation was for 2010-11 only and was based on limiting the instructional hours reported to those associated with enrollment in core curricular courses up to a maximum of two courses. If more than two core curricular courses were reported, the two courses with the most instructional hours were used. The list of core curricular courses is those identified for class size requirements.

Apprenticeship FTE – On-the-Job Training (OJT) and classroom (RTI)

For apprenticeship, a maximum of 2,000 on-the-job training (OJT) hours is fundable (based on the program requirements). If a district reports more than 2,000 OJT hours for a student, a cap is applied to reduce their fundable hours to 2,000.

Career Certificate/Applied Technology Diploma FTE

For FTE data used in the 2012-13 model, all reported instructional hours were used in the calculation.

Weighting of FTE

Weighted FTE is used in the funding model to differentiate the costs of different types of programs. The weighted FTE is derived as follows:

$$\text{Weighted FTE for Each Program} = \text{Average of 2008-09, 2009-10, 2010-11 FTE} * \text{Cost Factor Weight}$$

To encourage the development of new programs, the three year average is not calculated if a district has started a new program in the most recent enrollment year. In this case, the most recent enrollment is used as the FTE for the model. For programs where FTE was reported in both the old and new program number (ex. Cosmetology), FTE was reported in the new program number, but still calculated with the three year average.

Program Weights

The District Workforce Education Funding Steering Committee assigns to each program a designation of low, medium, or high. Weights for these areas are applied based on the general variation from low to high.

The cost factors applied to unweighted FTE for each program are as follows:

Program*	Cost Factor (Weight)
AGE – 1	1.30
APPR 1 – RTI (Low)	1.50
APPR 2 – RTI (Medium)	1.75
APPR 3 – RTI (High)	2.00
APPR – OJT	0.20
CTE – 1 (Low)	1.50
CTE – 2 (Medium)	1.75
CTE – 3 (High)	2.00
CTE – 3+	2.40
CTE – OJT	0.20

*AGE=Adult General Education and Adult High School Co-enrollment; APPR=Apprenticeship; RTI = Related Training Instruction; OJT=On-the-Job Training; CTE=Career Certificate or Applied Technology Diploma

Table 3 provides the unweighted and weighted FTE by district used in the funding model. **Table 4** provides a summary of the cost factors and weights used for each program.

Calculation of Total Funding Need

To determine the total funding need for a district for its CTE and AGE programs, the weighted FTE is multiplied by a standard cost per unit and the district cost differential (DCD) for each district.

$$\text{Total Funding Need} = \text{Weighted FTE} * \text{Cost Per Unit} * \text{DCD}$$

The cost per unit used for the 2012-13 calculation is \$3,541.85. **Table 5** provides a summary of the career and technical education (certificate and apprenticeship) and adult general education calculated need with the DCD adjustment and a minimum funding adjustment for small districts.

Minimum Funding Need

An adjustment is made to the total funding need calculated based on a minimum funding floor. This policy was implemented for this year’s model in response to the recommendations in a report by the Office of Program Policy Analysis and Government Accountability.

$$\text{Minimum Funding Need} = (15 \text{ FTE} * 1.3 \text{ Cost Factor Weight}) * \text{Cost Per Unit}$$

This minimum funding calculation for 2012-13 was \$69,066. If a district's calculated total funding need is less than the minimum, then the difference between the calculated need and the minimum funding value is added to the total.

Calculation of State Funding Need

The State Funding Need is determined by subtracting the Tuition Revenue Estimate for the funding year from the Total Funding Need.

$$\text{State Funding Need} = \text{Total Funding Need} - \text{Tuition Revenue Estimate}$$

For the 2012-13 allocation, each district's proportionate share of the total funding need was used to allocate a portion of the workforce development funds.

Table 6 provides a summary of the state funding need calculation for each district.

Calculation of Unmet State Funding Need

The unmet funding need was also calculated to determine the amount of additional state funding necessary to get all districts to more equitable funding level. This is calculated as follows:

$$\text{Unmet State Funding Need} = \text{State Funding Need} - \text{Current Appropriation}$$

Table 7 provides a summary of the unmet state funding need.

Performance-based Incentive Funds

For 2012-13, the total performance-based incentive funding appropriated for school district workforce education programs was almost \$5.0 million. The funding was distributed based on an incentive model comprising program outputs and program outcomes. The model included funding for two workforce education components: Career and Technical Education (CTE) and Adult General Education (AGE).

Performance-based funding (\$4,986,825) is divided into the two components in proportion to direct instructional cost. Based on the three-year average direct costs reported for these areas, the total allocation was divided based on the percent of total direct costs: 46% for AGE programs and 54% for CTE programs.

Funding Categories included in the Performance Model

The following CTE and AGE Funding Categories are eligible for performance-based funds:

- Career Certificate (PSAV)/Applied Technology Diploma (ATD)
- Apprenticeship
- GED (General Educational Development)
- Adult High School (General Education Promotion) – Adults only
- Adult Literacy - Adult Basic Education (ABE)
- Adult Literacy – English for Speakers of Other Language (ESOL) programs

Outputs and Outcomes are rewarded in the following proportions for all areas (with the exception of Apprenticeship):

- Measure I is based on program outputs: occupational completion points (OCP), literacy completion points (LCP), or program completers (70%)
- Measure II is based on special populations served (10%)
- Measure III is based on program outcomes such as employment and continuing education (20%)

A complete report on the allocation formula for performance-based incentive funds can be requested from Tara McLarnon at tara.mclarnon@fldoe.org.

Appendix

Table 1: 2012-13 Workforce Development Funds and Performance-based Incentives Funds

Table 2: Summary of 2012-13 Workforce Development Funds Allocation

Table 3: FTE for the 2012-13 Funding Needs Analysis Model

Table 4: 2012-13 Program Cost Factors and Weights

Table 5: 2012-13 Total Funding Need

Table 6: 2012-13 State Funding Need

Table 6a: 2012-13 Total Fee Estimate

Table 7: Calculation of Unmet State Funding Need

Table 8: Indices from the 2012-13 Funding Need Analysis

Table 9: Estimate Values by Program