



Department of Education's Budget
Reduction Recommendations
Senate Higher Education
Appropriations Committee
August 28, 2007

Linda Champion

Deputy Commissioner, Finance and Operations



Budget Reduction Priorities

- Priority 1 – Reductions in:
 - DOE Personnel
 - DOE Operating Costs
 - Assessment and Evaluation
 - FACTS.org
 - Estimated Unused Voluntary Prekindergarten Appropriation



Budget Reduction Priorities

- Priority 2 – Reductions to Programs that Supplement the Classroom:
 - Early Learning Standards and Accountability Development
 - Excellent Teaching
 - Public Broadcasting
 - Commission on Community Service



Budget Reduction Priorities

- Priority 3 – Program Reductions that Directly Impact Students:
 - Scholarships
 - % of Florida Finance Education Program (FEFP)
 - % Community College Program Funds
 - % Workforce Program Funds

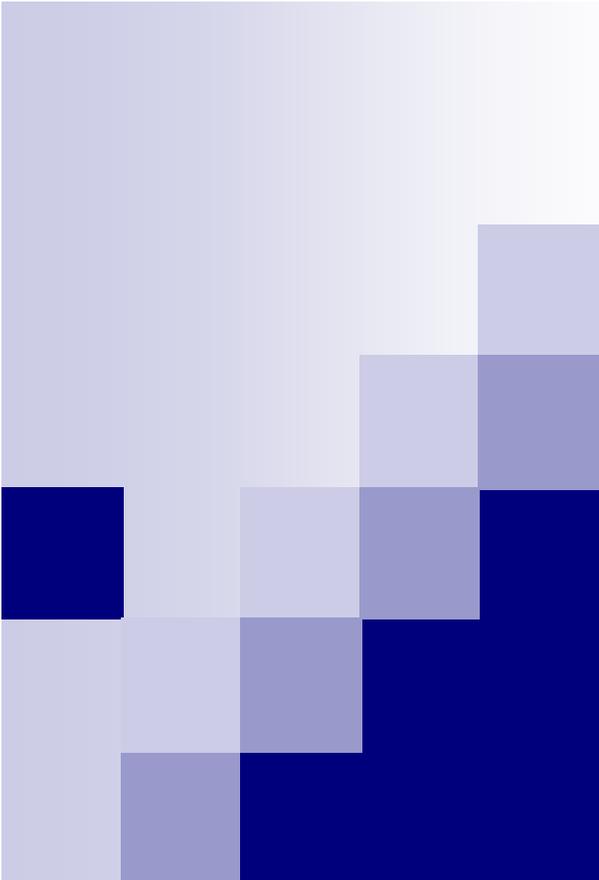


Budget Reduction Priorities

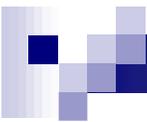
- Priority 4 – Program Reductions that Directly Impact Students:
 - Remaining % of Voluntary Prekindergarten Program Funds
 - Remaining % of FEFP
 - Remaining % Community College Program Funds
 - Remaining % Workforce Program Funds

Target Reduction Amounts

	Total	General Revenue	Trust Funds
State Board of Education – Recurring Funds	16,053,246,781	12,162,241,414	3,891,005,367
Excluded Appropriations	5,434,158,604	2,501,635,042	2,932,523,562
Base for Reductions	10,619,088,177	9,660,606,372	958,481,805
10% TARGET	1,061,908,818	966,060,637	95,848,181

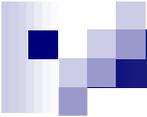


Division of Vocational Rehabilitation



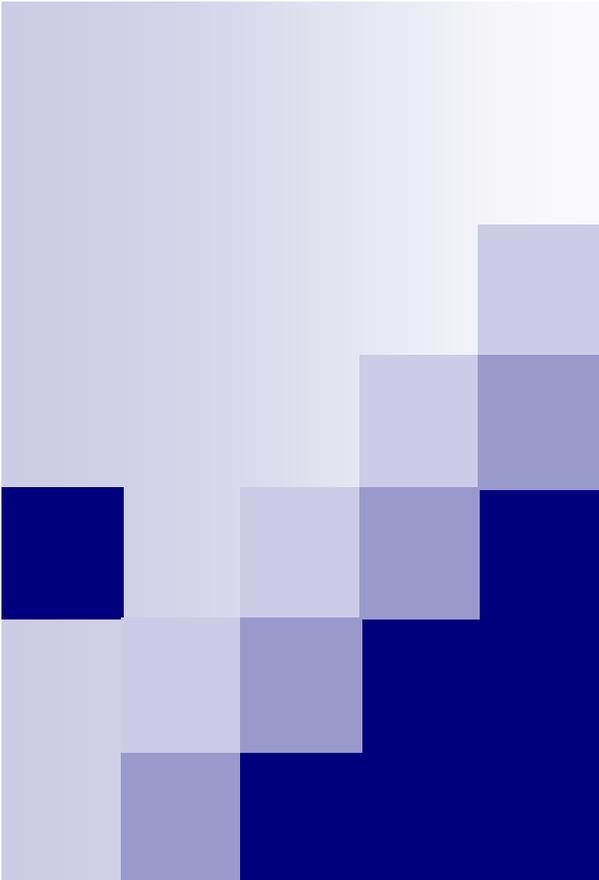
Division of Vocational Rehabilitation 2006-07 Results

- State/Federal Program
- Feds Match Approximately \$4 to \$1
 - State GR Investment: \$ 34 Million
 - Federal Investment: \$127 Million
- 11,089 Individuals Placed in Employment
- Average Annual Salary at Placement is \$20,609
- Individuals Placed Generate \$228.5 Million in Earnings in One Year

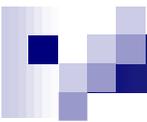


Impact of Targeted Reductions on Vocational Rehabilitation Program

- Targeted General Revenue Reductions
 - Administrative Salaries and Benefits - \$163,395 (4 FTE)
 - Data Processing Services - \$21,685
- Loss of Federal Funding
 - Salaries and Benefits – An Additional \$778,086 (16 FTE)
 - Data Processing Services – An Additional \$80,123
- Impact
 - Total Impact on Administrative Efficiency and Accountability of \$1,043,389 and 20 FTE

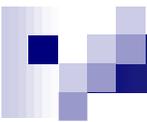


Division of Blind Services



Division of Blind Services 2006-07 Results

- State/Federal Program
- Feds Match Approximately 4 to 1 Spent
 - State GR Investment: \$ 7 Million
 - Federal Investment: \$26 Million
- 753 Individuals Placed in Employment
- Average Annual Salary at Placement is \$18,610
- Individuals Placed Generate \$14 Million in Earnings in One Year



Targeted Reductions on Blind Services VR Program

- Targeted General Revenue Reductions
 - Administrative Salaries and Benefits - \$120,000 (4 FTE)
 - Expenses - \$71,764
 - OCO - \$30,000
 - Contracted Services – \$40,000
- Loss of Federal Funding
 - Salaries and Benefits – An Additional \$443,380 (9 FTE)
 - Expenses – An Additional \$265,156
 - OCO - An Additional \$110,845
 - Contracted Services – An Additional \$147,793
- Impact
 - Total Impact on Administrative Efficiency and Accountability of \$1,231,938 and 13 FTE



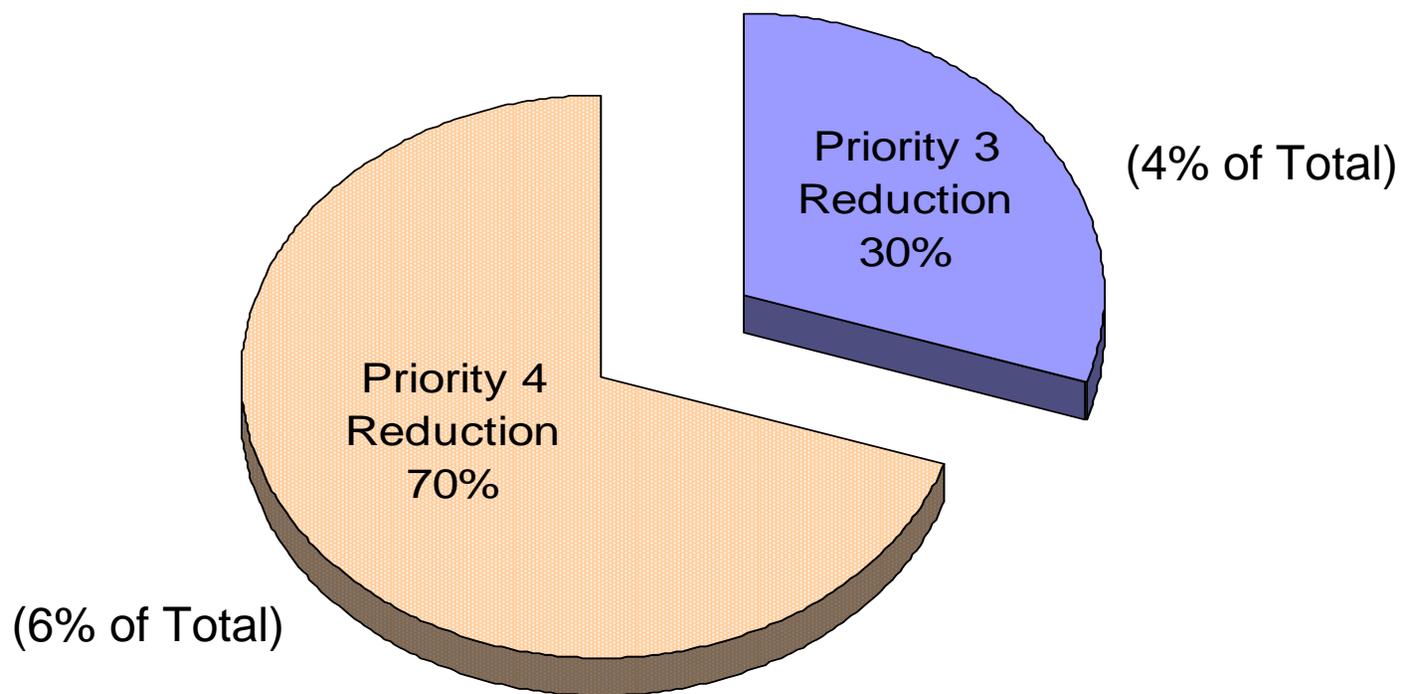
Delivering Work-Ready Employees for Florida Businesses

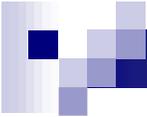
Lucy Hadi, Chancellor
Workforce Education

Impact of 10% Reduction on Workforce Development Budget (Aid to Local Governments)

Budget Item	2007-08 recurring revenue	Priority 3 Reduction	Priority 4 Reduction	Total 10% reduction
Performance Funding	\$ 5,000,000	\$ 500,000		\$ 500,000
Workload Funding	408,633,922	\$ 11,909,018	\$ 28,954,374	\$ 40,863,392
Total	\$ 413,633,922	\$ 12,409,018	\$ 28,954,374	\$ 41,363,392

Priority Distribution of Workforce Funding Reductions





Effects of Cut Statewide

- Current Workforce Development Funding Formula shows \$45 million in unmet need among 36 districts.
- Programs that are costly to operate might be closed, affecting the ability of the state to serve the workforce needs of local communities.
- Support programs like tutoring and childcare may be terminated, limiting educational opportunities for underserved populations.
- Career & technical programs may fall behind in updating equipment and software and will not be able to train competitive workers.



Impact of 10% Reduction on School Districts

■ Miami-Dade

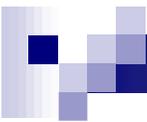
- Closure of at least three adult education centers, plus
- Elimination of the following:
 - all Continuing Workforce Education programs that update skills of workers employed in business and industry
 - multiple full-time positions
 - all weekend citizenship classes



Impact of 10% Reduction on School Districts

■ Manatee County

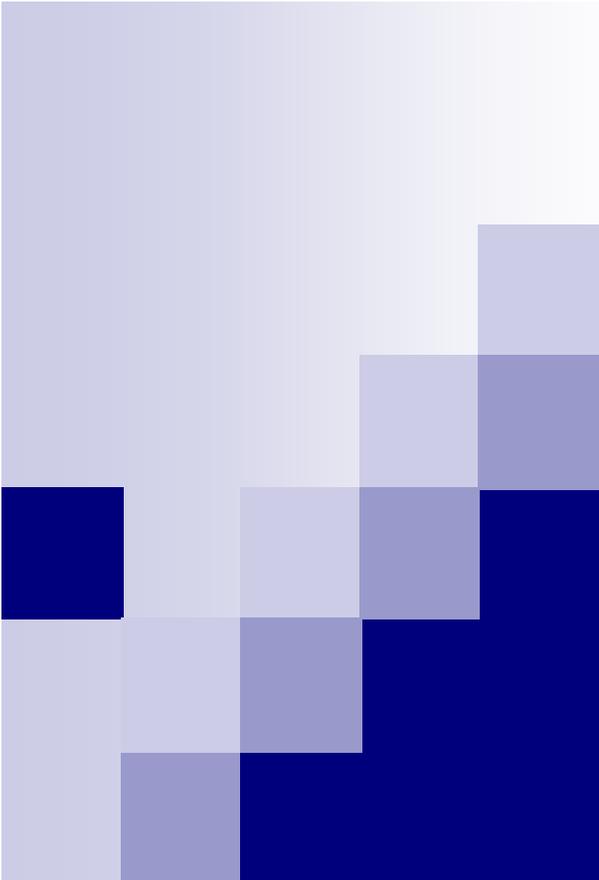
- Currently funded 33% below need
- \$700,000 budget reduction
- 11 teachers would be laid off
- Low enrollment/high priority programs such as boat manufacturing/maintenance might be cut



Impact of 10% Reduction on School Districts

■ Suwannee County

- No funding for new surgical technology program and instructor
- Curtailment of plans to expand adult education services
- Budget cuts in the following areas:
 - Supplies
 - Student organizations
 - Advertising



Florida Community College System

Catalyst for Economic
Development and Access
to Higher Education

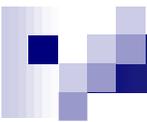
Chuck Prince
Community College Budget Director



Council of President's Resolution

That the Florida Community College System's Council of Presidents commit to:

- **Maintain student access** as our highest priority while managing the State's budget challenges;
- **No enrollment caps** at any of our 28 community colleges;
- Make extra efforts to assure students excluded from university enrollment **can continue their education** without undue interruption; and
- Encourage the responsible use of the State's non-recurring revenues to absorb the impact of this commitment in the near term.

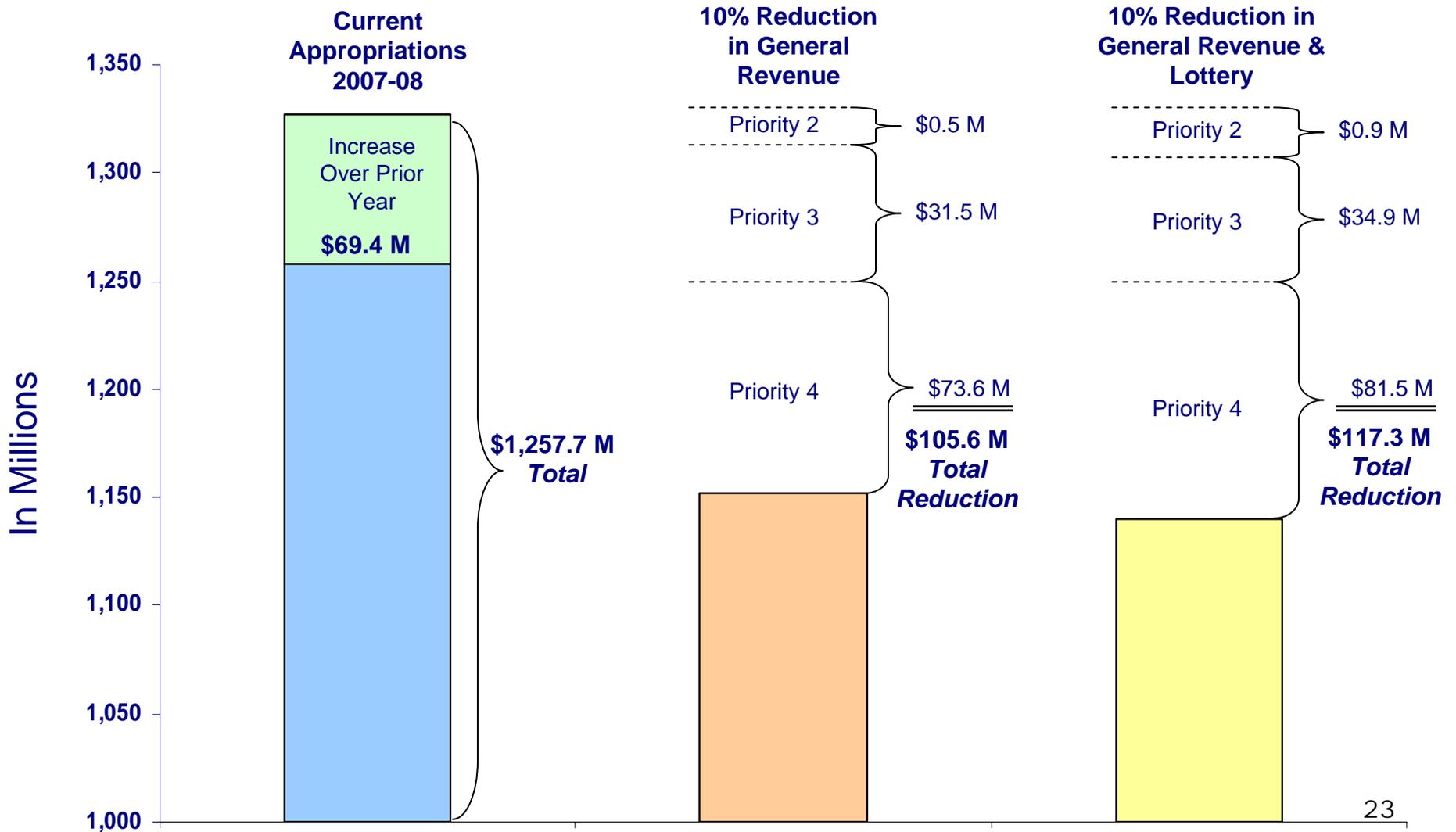


A Catalyst for Economic Development

“Every dollar of public support for a community college graduate will generate \$13.37 in state output.” (TAXWATCH)

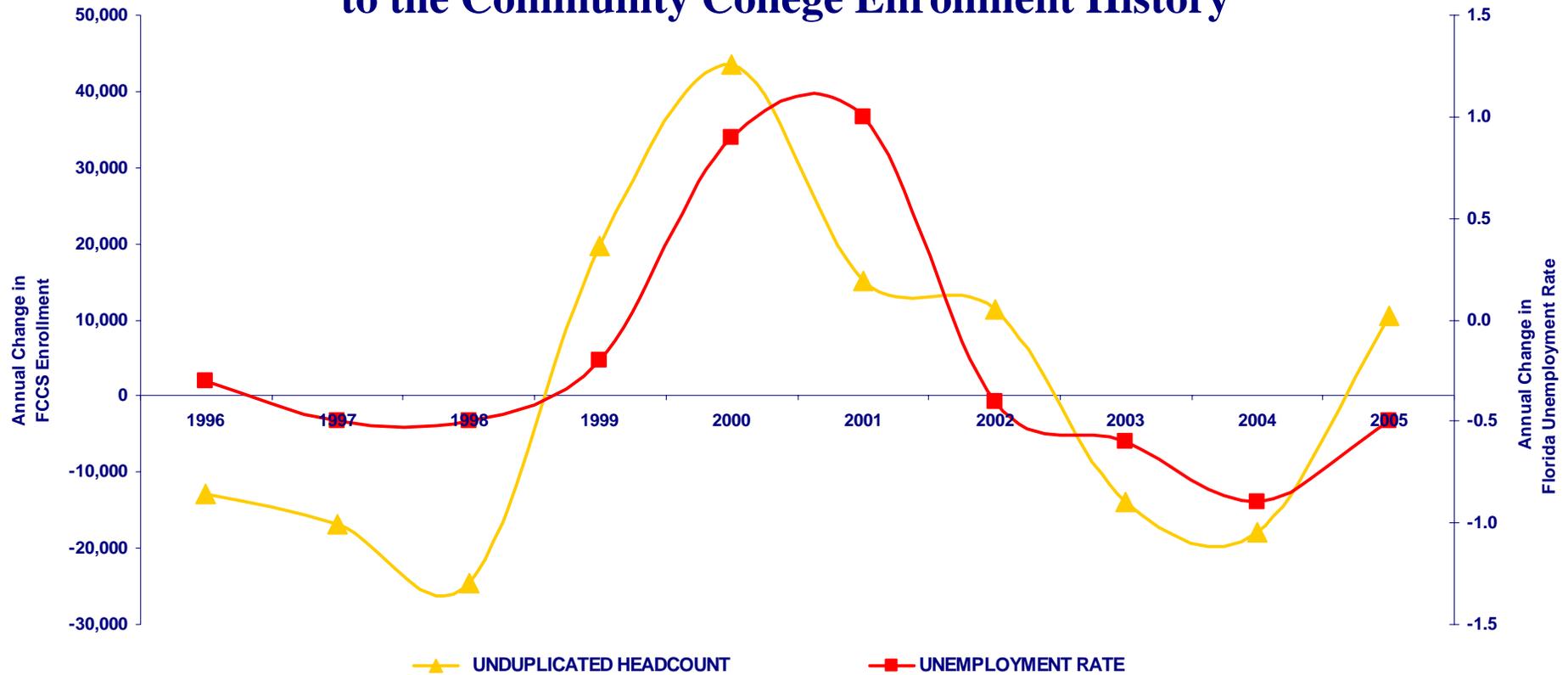
- **Nursing graduates**: 2,600 in 2002; 4,200 in 2006
- **Educator Preparation Institutes**:
 - students: 1,151 in 2005-06; **3,353** in 2006-07,
 - completers: 86 in '05-06; **733** in '06-'07-A **750% increase!**
 - pass rate: 98% on the Florida Teacher Certification exams
- **CC baccalaureate programs**:
 - students: over 3,000 enrolled, 2006-07
 - baccalaureate degrees granted to date: over 1,200
 - State funding of \$3,872 per FTE represents 62% of the state university system's cost per FTE in 2006-07 resulting in cost savings to students and the state.
- **2007-08 Enrollments** - Early indicators point to system-wide increase

Effect of Cuts on Total State Dollars in Community Colleges



Impact of Budget Cuts for Community Colleges

Comparison of the Florida Unemployment Rate to the Community College Enrollment History

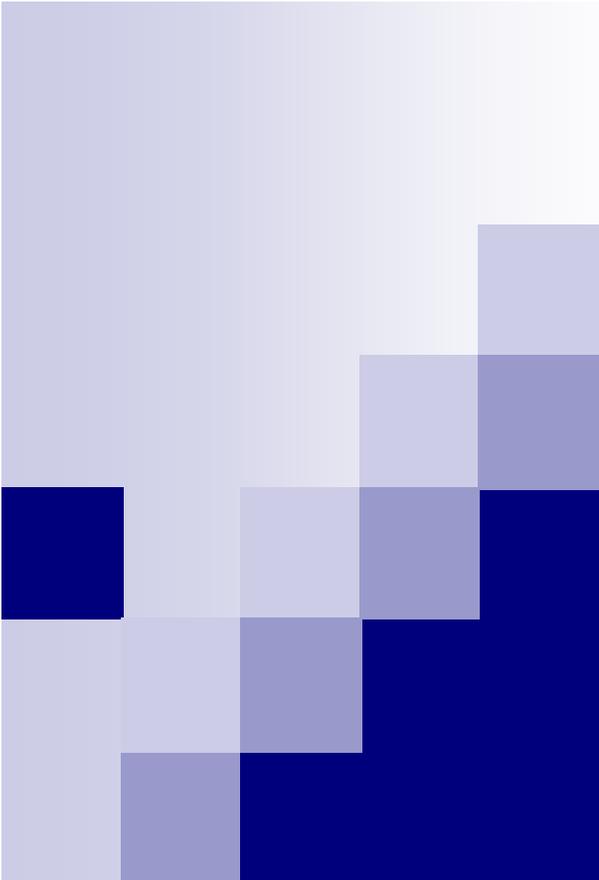


As the unemployment rate increases, Community College Enrollment increases.



Impact of Budget Cuts on Community Colleges

- **Disproportionate impact of “across the board cuts”**
 - State appropriations represent 2/3 of community college funding
- **CC Funding is retroactive-Based upon previous three-years of enrollments**
 - State appropriations represent payments for costs already incurred
- **University enrollment caps will drive even more enrollment to community colleges**
- **CC enrollment** grows when unemployment rises and budgets shrink



Student Financial Aid

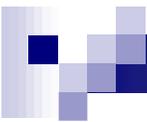
...Equal Access to Postsecondary Education to Citizens of this State who have the Ability and Motivation to Benefit...

Theresa Antworth, Director
State Scholarship Programs



Student Financial Aid Programs

- Promote Access to Postsecondary Education
 - Need Programs
 - Assist those who may not otherwise afford or pursue a college education
 - Allow students to pursue careers in technical fields
 - Merit Programs
 - Reward students for high school achievements in preparing for college
 - Special Interest Programs
 - Assist under represented populations
 - Reward teachers in Critical Shortage Areas



Florida Students Depend upon State Student Financial Aid

- Florida strives to provide postsecondary access for students with the most financial need
- SBOE annually requests need based funding increases equal to those requested for the merit Bright Futures programs
- Projected sluggish economy suggests that
 - More students will enroll in postsecondary education in the state,
 - therefore more students will need state financial aid
- Currently in Florida's postsecondary enrollments -
 - 45% of undergraduates received Federal Pell Grants
 - 35% of undergraduates (degree seeking) received state financial aid
 - Bright Futures (BF) = 21%
 - Florida Student Assistance Grant (FSAG) = 15%
 - William L. Boyd IV, Florida Resident Access Grant (FRAG) = 6%

Need Based Student Financial Aid

- FSAG only – 10% Reduction = \$12,408,352
- Other Need - 10% Reduction = \$947,533
 - 17% of all need students also received Bright Futures
 - 10% of all need students also received FRAG

GAA Line Item		2007-08 Projected Students	2007-08 Recurring GR	2007-08 Recurring SSFATF/EETF	2006-07 Average Award	10% Award Loss to Student
	NEED					
80	FSAG - Public	87,479			\$ 1,808	\$ 181
80	FSAG - Private	13,425			\$ 1,808	\$ 181
80	FSAG - Postsecondary	12,049			\$ 1,808	\$ 181
80	FSAG - Career Ed	9,550			\$ 1,808	\$ 181
	Subtotal	122,503	\$ 93,213,857	\$ 30,869,664		
80	Florida Work Experience	500			\$ 2,500	\$ 250
80	Rosewood	25			\$ 2,852	\$ 285
79	Mary McLeod Bethune	226	\$ 452,886	\$ 226,442	\$ 3,000	\$ 300
81	Jose Marti	63	\$ 197,333	\$ 98,667	\$ 2,000	\$ 200
5A	First Generation Matching	8,753		\$ 8,500,000	\$ 1,607	\$ 161
	Total Need	132,070	\$ 93,864,076	\$ 39,694,773		

Merit Student Financial Aid

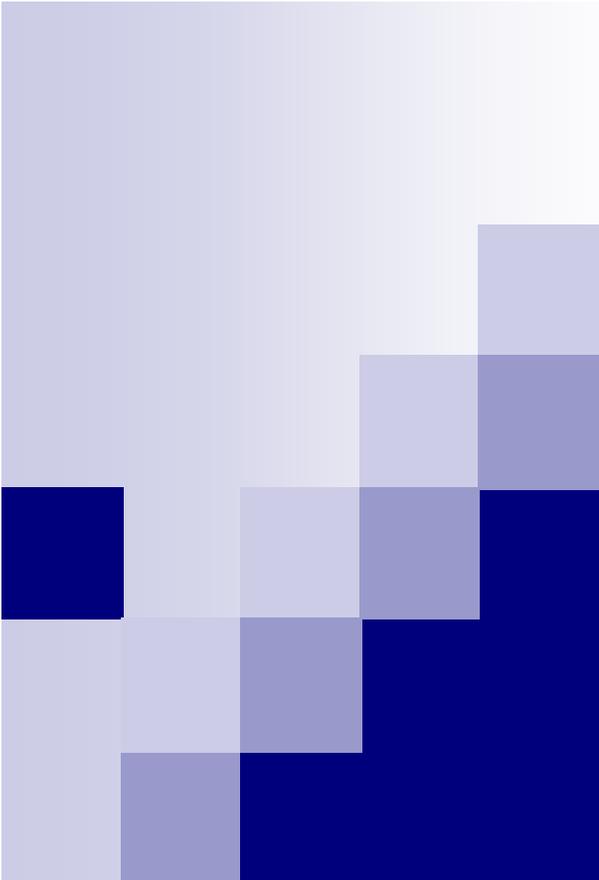
- Bright Futures - 10% reduction = \$39,843,034
 - 13% of Bright Futures students also received FSAG
 - 8% of Bright Futures students also received FRAG
- An additional 1.5% of the FL Medallion Scholars (or 3,400 students) attended Community Colleges instead of state universities in 2006-07 and were rewarded with 100% tuition & fees instead of 75%.

GAA Line Item		2007-08 Projected Students	2007-08 Recurring EETF	Projected 2007-08 Average Award	10% Award Loss to Student
	MERIT				
5	BF - Academic Top Sch	258			
5	BF - FL Academic Schd	32,167		\$ 3,525	\$ 353
5	BF - FL Medallion Scho	125,759		\$ 2,018	\$ 202
5	BF - FL Gold Seal Voca	1,752		\$ 1,479	\$ 148
	Total Merit	159,936	\$ 398,430,336		

Special Interest Student Financial Aid

■ Special Interest - 10% Reduction = \$946,960

GAA Line Item		2007-08 Projected Students	2007-08 Recurring GR	2007-08 Recurring SSFATF	Projected 2007-08 Average Award	10% Award Loss to Student
	Special Interest					
80	Children/Spouses of Deceased/Disabled Veterans	636			\$ 2,367	\$ 237
78	Ethics in Business	333		\$ 500,000	\$ 1,414	\$ 141
77	FL Fund for Minority Teachers	1,030	\$ 2,109,600		\$ 4,000	\$ 400
80	Critical Teacher Shortage	5,272				
76	Prepaid Tuition Scholarships	1,362	\$ 5,200,000	\$ 400,000		
82	FL Education Fund	N/A	\$ 1,260,000			
	Total Special Interest	8,633	\$ 8,569,600	\$ 900,000		



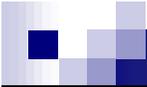
Private Colleges and Universities

Theresa Antworth, Director
State Scholarship Programs

Private Colleges and Universities Student Tuition Assistance Programs

- Total Recurring = \$103,461,602
 - 10% Reduction = \$10,346,160
 - Access to Better Learning and Education (ABLE)
 - William L. Boyd, IV, Florida Resident Access Grant (FRAG)

GAA Line Item	Tuition Assistance	2007-08 Recurring GR	2007-08 Projected Students	Also Rec'd FL Need Grant (FSAG)	Also Rec'd Merit (Bright Futures)	2007-08 Award Amount	10% Award Loss to Student
67	ABLE	\$ 4,438,750	3,692	35%	5%	\$ 1,250	\$ 125
72	FRAG	\$ 99,022,852	36,295	34%	35%	\$ 3,000	\$ 300
	Total	\$ 103,461,602	39,987				



Private Colleges and Universities

(Non-FRAG, Non-ABLE Programs)

- Total Recurring Funds = \$34,549,446
 - 10% Reduction = \$3,454,945

- Specific appropriations to private colleges and universities provide funding for:
 1. Training in specific programs in Florida (GAA # 69, 70, 73, 74)
 - 100% of funds used for tuition assistance to students in programs designated by proviso (e.g., medical sciences, nursing, pharmacy, marine science, engineering)

 2. Recruitment, retention, and graduation of economically disadvantaged students (GAA # 68)
 - Portion of funds used for student scholarships and stipends
 - Funds are also used for administrative costs, capital outlay expenses, and library resources

 3. Research and community outreach programs (GAA # 66, 69, 71, 73)
 - Funds used for administrative costs and other expenses related to medical research and community outreach (impact on students is indirect)