

Florida School Finance Officers Association

2010-11 Education Budget and Highlights of Legislation

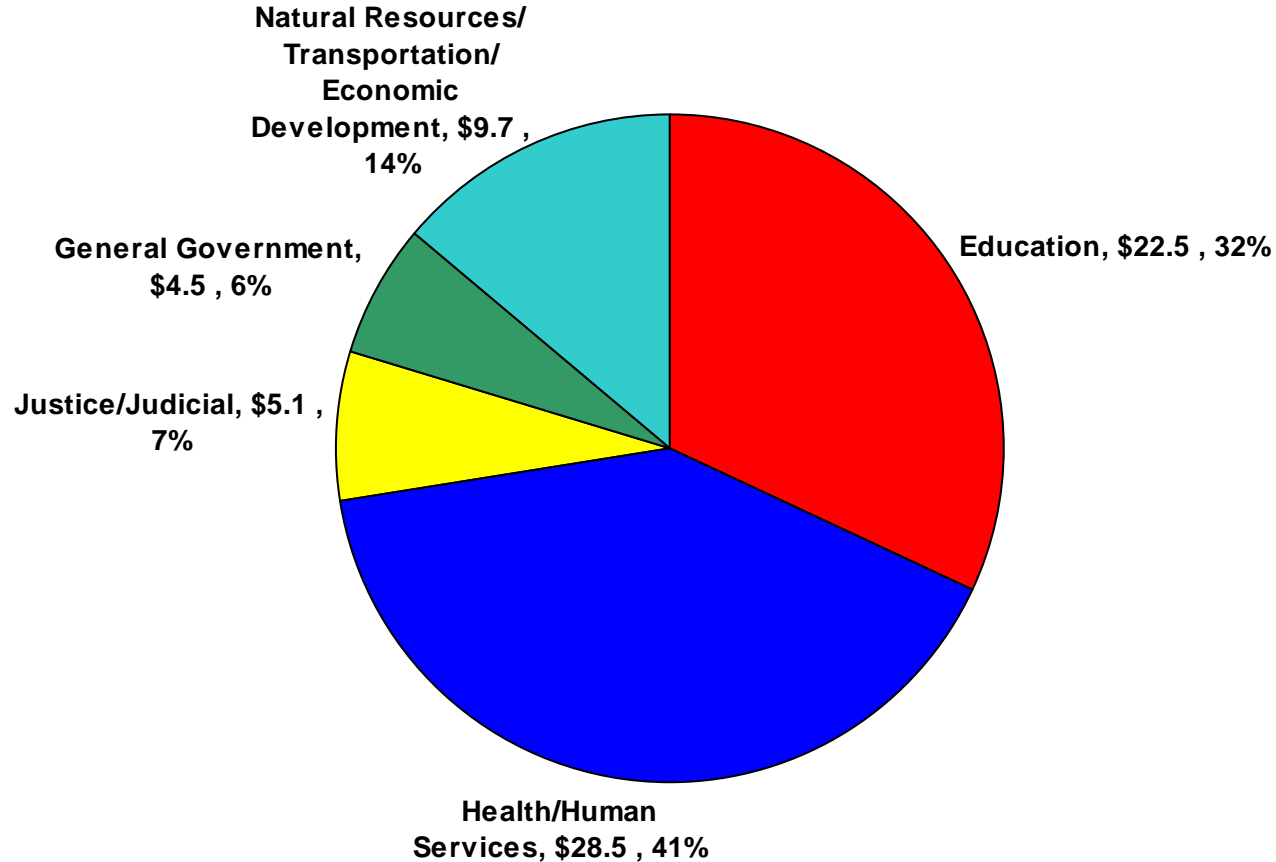
June 9, 2010

Department of Education
Linda Champion
John Newman
Spessard Boatright
Mark Eggers



2010-11 Education Budget

2010-11 Statewide Funds Operations and Fixed Capital Outlay = \$70.3 billion (amounts in billions)



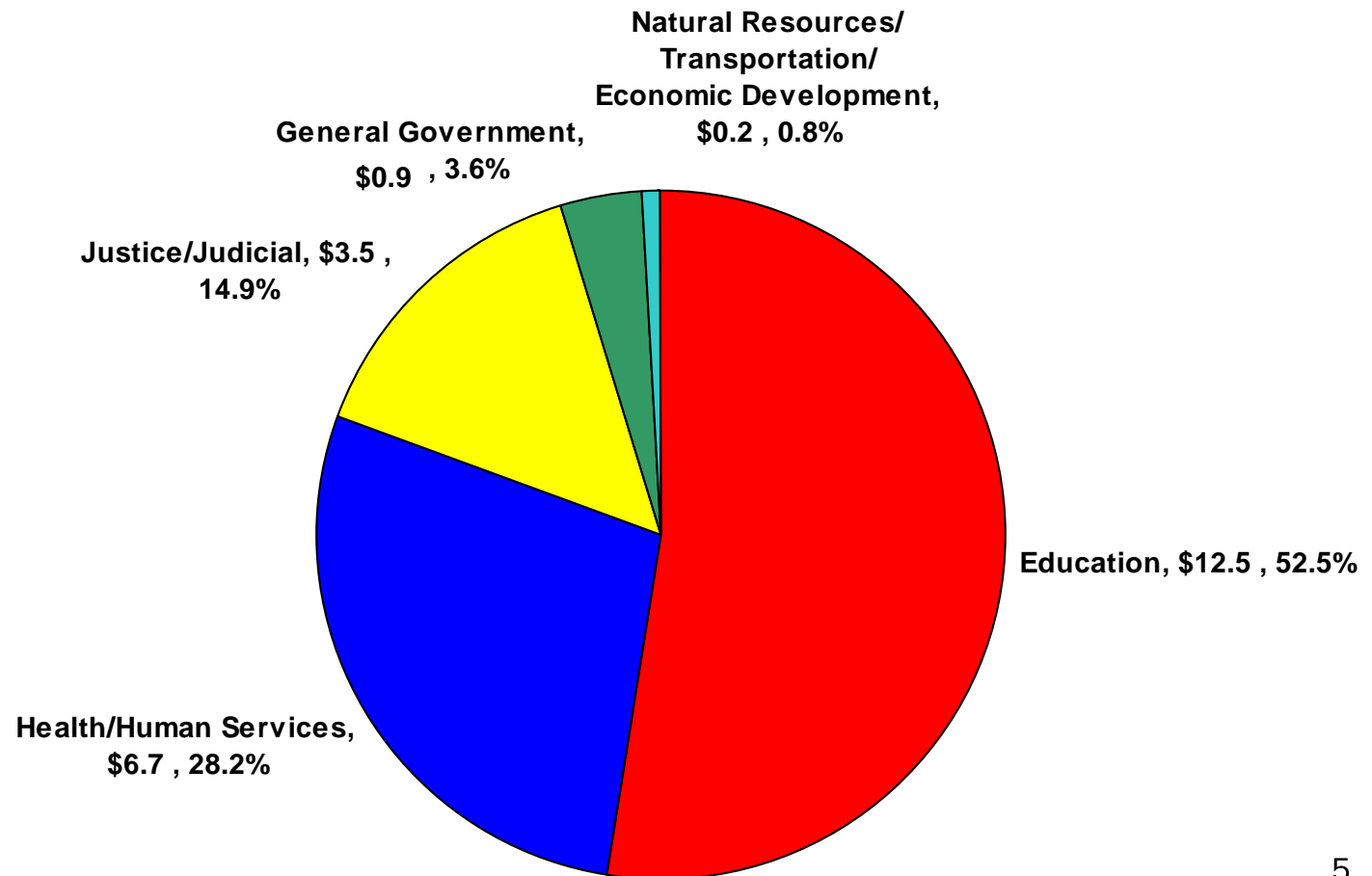
2010-11 Statewide Funds Operations and Fixed Capital Outlay

	2009-2010 Appropriation		2010-2011 Appropriation		2010 -2011 Appropriation over/(under) 2009- 2010	2010-2011 Appropriation
	\$ in Millions	% of Total State	\$ in Millions	% of Total State	\$ in Millions	% Change
Education	21,271.0	31.98%	22,515.2	31.99%	1,244.2	5.85%
Human Services	26,046.4	39.16%	28,482.3	40.47%	2,435.9	9.35%
Criminal Justice and Corrections and Judicial	5,220.0	7.85%	5,113.2	7.27%	(106.8)	-2.05%
Natural Resources, Environment, Growth Management and Transportation	9,264.2	13.93%	9,741.1	13.84%	476.9	5.15%
General Government	4,703.8	7.07%	4,525.6	6.43%	(178.2)	-3.79%
Total State Appropriation	66,505.4	100.00%	70,377.4	100.00%	3,872.0	14.51%

2010-11 Statewide General Revenue Funds Operations and Fixed Capital Outlay

= \$23.8 billion

(amounts in billions)



2010-11 Statewide General Revenue Funds Operations and Fixed Capital Outlay

	2009-2010 Appropriation		2010-2011 Appropriation		2010- 2011 Appropriation over/(under) 2009-2010	2010-2011 Appropriation
	\$ in Millions	% of Total State	\$ in Millions	% of Total State	\$ in Millions	% Change
Education	11,386.1	53.72%	12,501.3	52.55%	1,115.2	9.79%
Human Services	5,201.6	24.54%	6,708.8	28.20%	1,507.2	28.98%
Criminal Justice and Corrections and Judicial	3,679.9	17.36%	3,542.3	14.89%	(137.6)	-3.74%
Natural Resources, Environment, Growth Management and Transportation	169.3	0.80%	182.9	0.77%	13.6	8.03%
General Government	758.4	3.58%	854.4	3.59%	96.0	12.66%
Total State Appropriation	21,195.3	100%	23,789.7	100%	2,594.4	12.24%



K-20 Budget Highlights

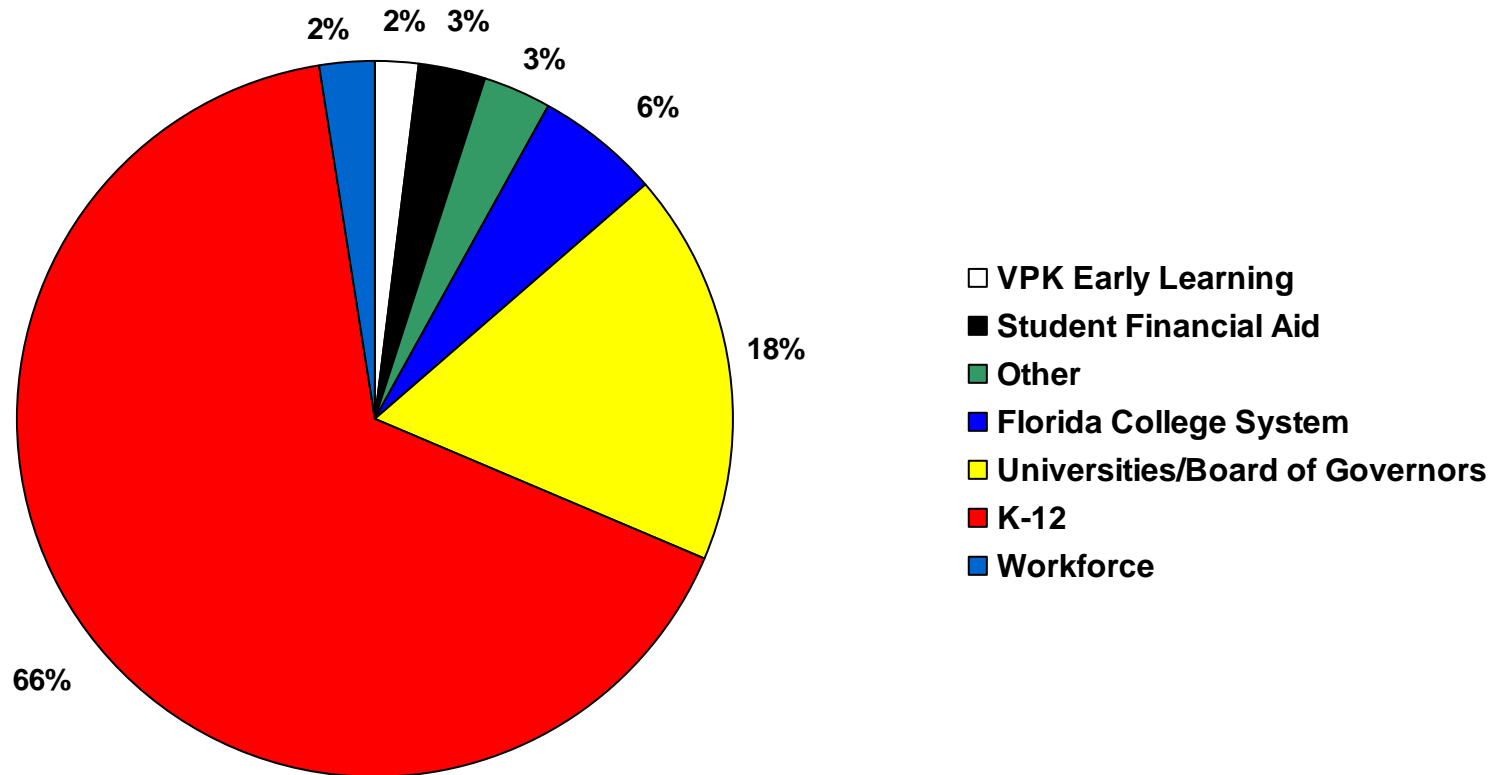
\$20.2 billion appropriated from all funds for Florida K-20 educational operating budgets.


- \$12.5 billion from the General Revenue Fund
- \$981 million from Lottery
- \$6.7 billion from other trust funds
 - \$2.3 billion from Stabilization Funds
- Budget website: www.myfloridahouse.gov

Summary of K-20 Operating Funds

	2009-2010 Adjusted Appropriation	2010-2011 Appropriation	2010-2011 Appropriation \$ and % Increase/(Decrease) over 2009-2010	
Early Learning	392,219,943	404,756,806	12,536,863	3.20%
K-12	12,870,701,126	13,351,640,469	480,939,343	3.74%
Community Colleges	1,051,576,796	1,120,006,988	68,430,192	6.51%
Workforce	508,287,255	504,711,614	(3,575,641)	-0.70%
Vocational Rehabilitation	223,501,755	219,784,336	(3,717,419)	-1.66%
Blind Services	60,660,911	57,465,650	(3,195,261)	-5.27%
Private Colleges and Universities	114,837,105	113,986,145	(850,960)	-0.74%
SFA/State and Federal	589,588,342	604,624,872	15,036,530	2.55%
State Board of Education	219,304,543	215,165,013	(4,139,530)	-1.89%
Sub-total	16,030,677,776	16,592,141,893	561,464,117	3.50%
State Universities/BOG	3,416,909,716	3,615,565,721	198,656,005	5.81%
Total	19,447,587,492	20,207,707,614	760,120,122	3.91%

2010-11 K-20 Operating Budget





Budget includes the following 2010-11 enrollment changes:

- 8,895 increase in Voluntary Prekindergarten (VPK) students
- 15,796 increase in K-12 students
- 3,813 increase in Workforce Education students
- 31,926 increase in Florida College students
- 133 decline in University students (funded enrollment)
- Student Financial Aid
 - 4,364 increase in Bright Futures recipients
 - 34,890 increase in Florida Student Financial Assistance (FSAG) recipients

Voluntary Prekindergarten Program

VPK Statistics (as of May 25, 2010)

2005-06 (Total of 220,857 four-year-olds)

- 106,507 = 48% of all four-year-olds

2006-07 (Total of 226,832 four-year-olds)

- 123,594 = 54% of all four-year-olds

2007-08 (Total of 231,062 four-year-olds)

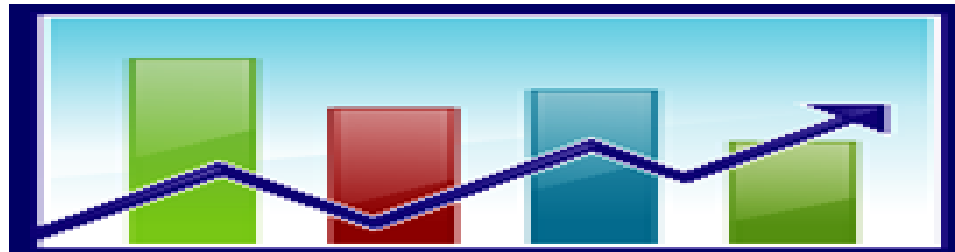
- 134,718 = 58% of all four-year-olds

2008-09 (Total of 234,186 four-year-olds)

- 147,764 = 63% of all four-year olds

2009-10 School-Year Program (Total of 233,126 four-year-olds)

- 148,196 = 64% of all four-year-olds (as of May 2010)
- Anticipating an additional 10,000 children for the 2010 Summer VPK Program
- Projected participation = 164,654 or 66.70% of all four-year-olds



VPK FTE Funding – Historical

$$\text{VPK FTE} = \text{BSA} \times \text{Pay-Out Rate} \times \text{Admin.} \times \text{DCD}$$

Year	Total Appropriation	BSA	Pay-Out Rate	Admin.
2005-06	\$387,137,762	\$2,500	N/A	5.00%
2006-07	\$388,100,000	\$2,560	N/A	5.00%
2007-08	\$372,529,462	\$2,677	94.61%	5.00%
2007-08*	\$343,749,575	\$2,677	87.30%	5.00%
2008-09	\$354,349,575	\$2,628	88.00%	5.00%
2008-09*	\$353,488,827	\$2,575 - SY \$2,190 – S**	88.72%	4.85%

*Reductions to BSA; SY = School-Year BSA; S = Summer BSA

**Commensurate increase in teacher: child ratio (1:10 to 1:12)

VPK FTE Funding

$$\text{VPK FTE} = \text{BSA} \times \text{FTE} \times \text{Admin.} \times \text{DCD}$$

Year	Total Appropriation	BSA	Appropriated FTE/ % Total Population Projected to be Served	Admin.
2009-10	\$391,819,943	\$2,575 – SY \$2,190 - S	136,957.20 FTE 164,654 Children; 66.70% 148,196; 64% (May 2010)	4.85%
2010-11	\$404,372,806	\$2,562 – SY \$2,179 - S	152,107.70 FTE 169,029 Children; 72.57%	4.5%

SY = School-Year BSA; S = Summer BSA

*Original 2009-10 Appropriation was \$366,789,114. Back of the bill appropriation of \$25,030,829 increased total 2009-10 appropriation to \$391,819,943.

K-12 Public Schools



K-12 Budget Highlights

- Enrollment increase of 15,796.44 or 0.60% to 2.645 million.
- Per student increase of \$1.22 from \$6,842.29 to \$6,843.51 or 0.02%.
- Increases collection percentage of RLE from 95% to 96%.
- Overall increase of \$111.3 million or 0.62% to a total of \$18,101,630,145. Class size reduction funding increase of \$82 million or 2.89%.
- Required Local Effort (RLE) decrease of \$604 million or -7.74%. Discretionary Local Effort (DLE) decrease of \$98 million based on the actual 0.748 discretionary millage and the 0.250 critical operating millage levied by districts in 2009-10.
- State funds increase of \$849 million or 10.51%.
- Decrease in State Fiscal Stabilization Funds of \$35 million from \$907.9 million to \$872.7 million.
- Change in FRS contribution rates approximates \$60/FTE

2010-11 FEFP Calculation

$$\begin{array}{|c|} \hline \text{FTE} \\ \text{Students} \\ \hline 2,645,079.41 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Program} \\ \text{Weights} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Weighted FTE} \\ \text{Students} \\ \hline 2,852,181.12 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Base Student} \\ \text{Allocation} \\ \text{(BSA)} \\ \hline \$3,623.76 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{District Cost} \\ \text{Differential} \\ \text{(DCD)} \\ \text{Calculation} \\ \hline \end{array} =$$

$$\begin{array}{|c|} \hline \text{Base} \\ \text{Funding} \\ \hline \$10,342,218,083 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Declining} \\ \text{Enrollment} \\ \text{Allocation} \\ \hline \$5,843,104 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Sparsity} \\ \text{Supplement} \\ \hline \$35,754,378 \\ \hline \end{array} + \begin{array}{|c|} \hline 0.748 \text{ Mill} \\ \text{Compression} \\ \hline \$139,599,589 \\ \hline \end{array} + \begin{array}{|c|} \hline 0.250 \\ \text{Compression} \\ \hline \$28,454,889 \\ \hline \end{array} +$$

$$\begin{array}{|c|} \hline \text{Lab School} \\ \text{Discretionary} \\ \text{Contribution} \\ \hline \$14,959,160 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Safe Schools} \\ \hline \$67,133,784 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{ESE} \\ \text{Guaranteed} \\ \text{Allocation} \\ \hline \$980,571,070 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Supplemental} \\ \text{Academic} \\ \text{Instruction} \\ \hline \$639,315,534 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Reading} \\ \text{Allocation} \\ \hline \$101,731,186 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Merit} \\ \text{Award} \\ \text{Program} \\ \hline \$20,000,000 \\ \hline \end{array} +$$

$$\begin{array}{|c|} \hline \text{DJJ} \\ \text{Supplemental} \\ \text{Allocation} \\ \hline \$9,243,186 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Teachers} \\ \text{Lead} \\ \hline \$33,220,437 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Student} \\ \text{Transportation} \\ \hline \$430,693,345 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Instructional} \\ \text{Materials} \\ \hline \$216,918,478 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{State Fiscal} \\ \text{Stabilization} \\ \text{Allocation} \\ \hline \$872,664,689 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Minimum} \\ \text{Guarantee} \\ \hline \$2,443,485 \\ \hline \end{array} =$$

$$\begin{array}{|c|} \hline \text{Gross State,} \\ \text{Local, and} \\ \text{Federal FEFP} \\ \hline \$13,940,764,397 \\ \hline \end{array} - \begin{array}{|c|} \hline \text{RLE} \\ \hline \$7,197,552,375 \\ \text{+ SFSF} \\ \hline \$872,664,689 \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Net State} \\ \text{FEFP} \\ \hline \$5,870,547,333 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{School} \\ \text{Recognition} \\ \text{Program} \\ \hline \$129,914,030 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Class Size} \\ \text{Reduction} \\ \hline \$2,927,921,474 \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total State} \\ \text{Funding} \\ \hline \$8,928,382,837 \\ \hline \end{array}$$

2010-11 Florida Education Finance Program Final Conference Report Statewide Summary

Comparison of Public School Funding to 2009-10 FEFP - Fourth Calculation

	2009-10 FEFP Fourth Calculation	2010-11 FEFP Final Conference Report	Difference	Percentage Difference
MAJOR FEFP FORMULA COMPONENTS				
Unweighted FTE	2,629,282.97	2,645,079.41	15,796.44	0.60%
Weighted FTE	2,820,308.04	2,852,181.12	31,873.08	1.13%
School Taxable Value	1,622,946,057,603	1,469,134,379,320	(153,811,678,283)	-9.48%
Required Local Effort Millage	5.288	5.288	0.000	0.00%
Discretionary Millage	0.748	0.748	0.000	0.00%
Additional Discretionary Millage	<u>0.250</u>	<u>0.250</u>	<u>0.000</u>	<u>0.00%</u>
Total Millage	6.286	6.286	0.000	0.00%
Base Student Allocation	3,630.62	3,623.76	(6.86)	-0.19%



2010-11 FLORIDA EDUCATION FINANCE PROGRAM FINAL CONFERENCE REPORT

Statewide Summary

Comparison of Public School Funding to 2009-10 Fourth Calculation

	2009-10 FEFP Fourth Calculation	2010-11 FEFP Final Conference Report	Difference	Percentage Difference
FEFP DETAIL				
WFTE x BSA x DCD (Base FEFP Funding)	10,242,843,021	10,342,218,083	99,375,062	0.97%
Declining Enrollment Supplement	5,881,224	5,843,104	(38,120)	-0.65%
Sparsity Supplement	35,822,046	35,754,378	(67,668)	-0.19%
Lab School Discretionary Contribution	13,677,054	14,959,160	1,282,106	9.37%
0.748 Mills Discretionary Compression	160,337,172	139,599,589	(20,737,583)	-12.93%
0.250 Mills Discretionary Compression	33,525,346	28,454,889	(5,070,457)	-15.12%
DJJ Supplemental Allocation	9,323,623	9,243,186	(80,437)	-0.86%
Safe Schools	67,260,840	67,133,784	(127,056)	-0.19%
ESE Guaranteed Allocation	981,724,365	980,571,070	(1,153,295)	-0.12%
Supplemental Academic Instruction	637,781,383	639,315,534	1,534,151	0.24%
Instructional Materials	216,031,121	216,918,478	887,357	0.41%
Student Transportation	428,931,491	430,693,345	1,761,854	0.41%
Teachers Lead Program Appropriation	33,283,309	33,220,437	(62,872)	-0.19%
Reading Allocation	101,923,720	101,731,186	(192,534)	-0.19%
MAP Allocation	19,163,815	20,000,000	836,185	4.36%
State Fiscal Stabilization Allocation	907,920,175	872,664,689	(35,255,486)	-3.88%
Minimum Guarantee	8,880,826	2,443,485	(6,437,341)	-72.49%
Governor's Veto and Proration to Funds Available	(90,977,778)	0	90,977,778	-100.00%
TOTAL FEFP	13,813,332,753	13,940,764,397	127,431,644	0.92%

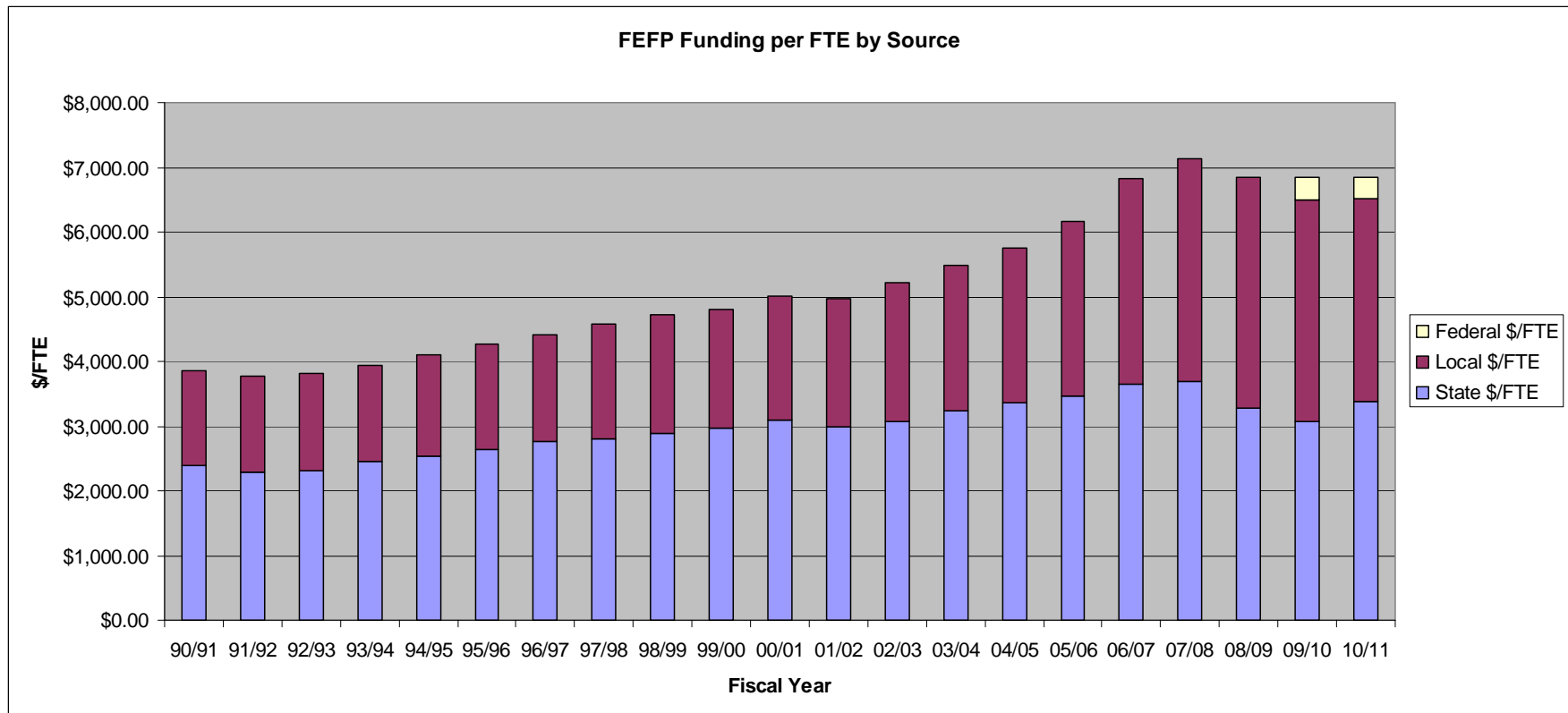
2010-11 FLORIDA EDUCATION FINANCE PROGRAM
 FINAL CONFERENCE REPORT
 Statewide Summary
 Comparison of Public School Funding to 2009-10 Fourth Calculation

	2009-10 FEFP Fourth Calculation	2010-11 FEFP Final Conference Report	Difference	Percentage Difference
NET STATE FEFP	5,104,032,592	5,870,547,333	766,514,741	15.02%
DISTRICT DISCRETIONARY FUNDS FROM STATE				
Discretionary Lottery	7,408,228	7,408,228	0	0.00%
School Recognition	122,505,802	122,505,802	0	0.00%
	129,914,030	129,914,030	0	0.00%
STATE CATEGORICAL PROGRAMS				
Class Size Reduction Allocation	<u>2,845,578,849</u>	<u>2,927,921,474</u>	<u>82,342,625</u>	<u>2.89%</u>
TOTAL STATE CATEGORICAL FUNDING	2,845,578,849	2,927,921,474	82,342,625	2.89%
FEDERAL STIMULUS ADD-IN	907,920,175	872,664,689	(35,255,486)	-3.88%
TOTAL STATE FUND	8,079,525,471	8,928,382,837	848,857,366	10.51%
LOCAL FUNDING				
Total Required Local Effort	7,801,379,986	7,197,552,375	(603,827,611)	-7.74%
Total Discretionary Taxes from 0.748 Mills	1,087,990,301	997,242,061	(90,748,240)	-8.34%
Total Discretionary Taxes from 0.250 Mills	<u>113,493,495</u>	<u>105,788,183</u>	<u>(7,705,312)</u>	<u>-6.79%</u>
TOTAL LOCAL FUNDING	9,002,863,782	8,300,582,619	(702,281,163)	-7.80%
TOTAL FUNDING	<u><u>17,990,309,428</u></u>	<u><u>18,101,630,145</u></u>	<u><u>111,320,717</u></u>	<u><u>0.62%</u></u>
Total Funds per UFTE	6,842.29	6,843.51	1.22	0.02%

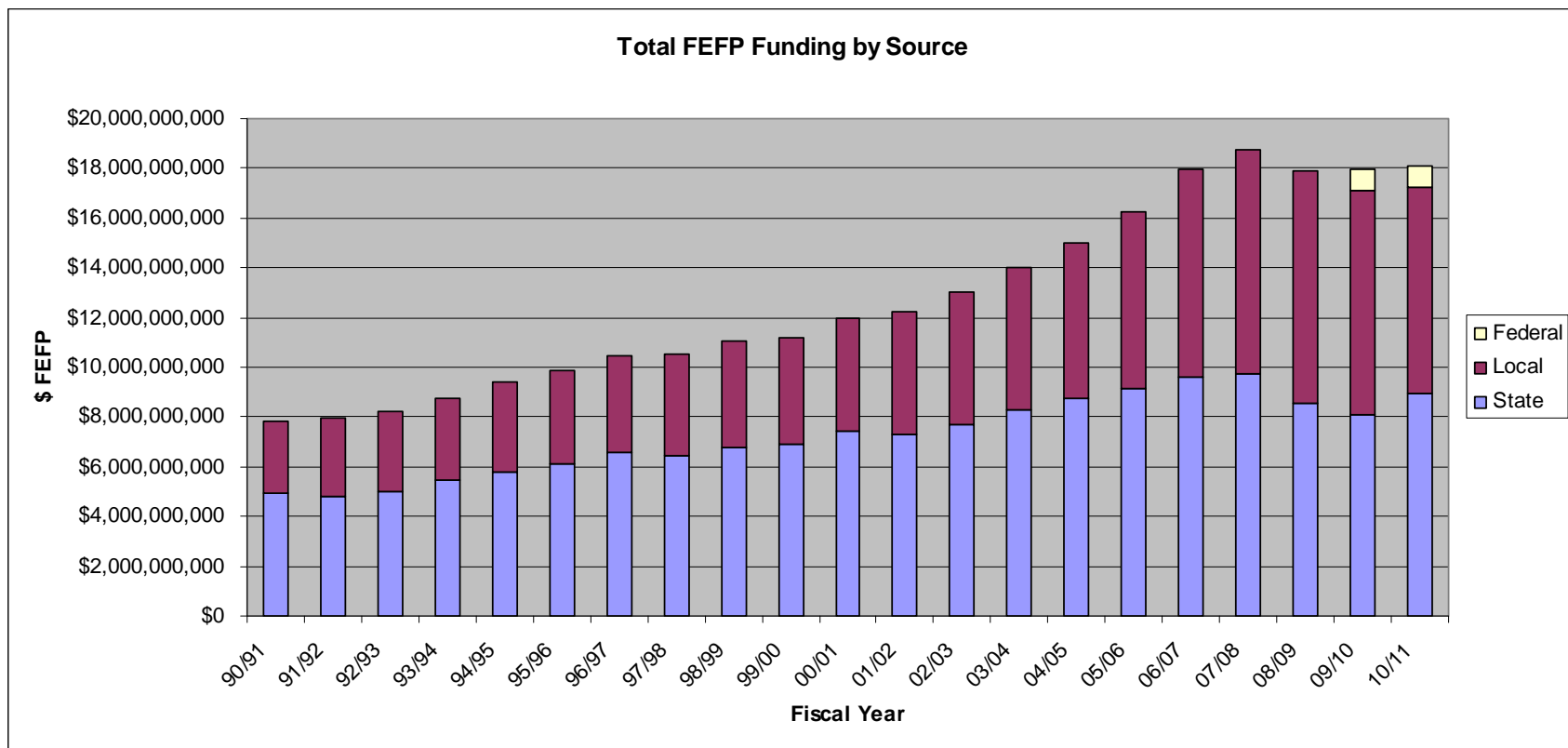
K-12 Class Size Reduction Total Operating and Capital Costs to Implement through 2010-11

Class Size Reduction Calculations									
K-12									
Total Operating and Capital Costs to Implement through 2010-11									
	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					532,190,386	532,190,386	532,190,386	532,190,386	2,128,761,544
2008/09						88,771,303	88,771,303	88,771,303	266,313,909
2009/10							116,087,816	116,087,816	232,175,632
2010/11								82,342,625	82,342,625
Operating Costs	468,198,634	972,191,216	1,507,199,696	2,108,529,344	2,640,719,730	2,729,491,033	2,845,578,849	2,927,921,474	16,199,829,976
FCO Costs	600,000,000	100,000,000	83,400,000	1,100,000,000	650,000,000	0	0	0	2,533,400,000
TOTAL to Implement	1,068,198,634	1,072,191,216	1,590,599,696	3,208,529,344	3,290,719,730	2,729,491,033	2,845,578,849	2,927,921,474	18,733,229,976

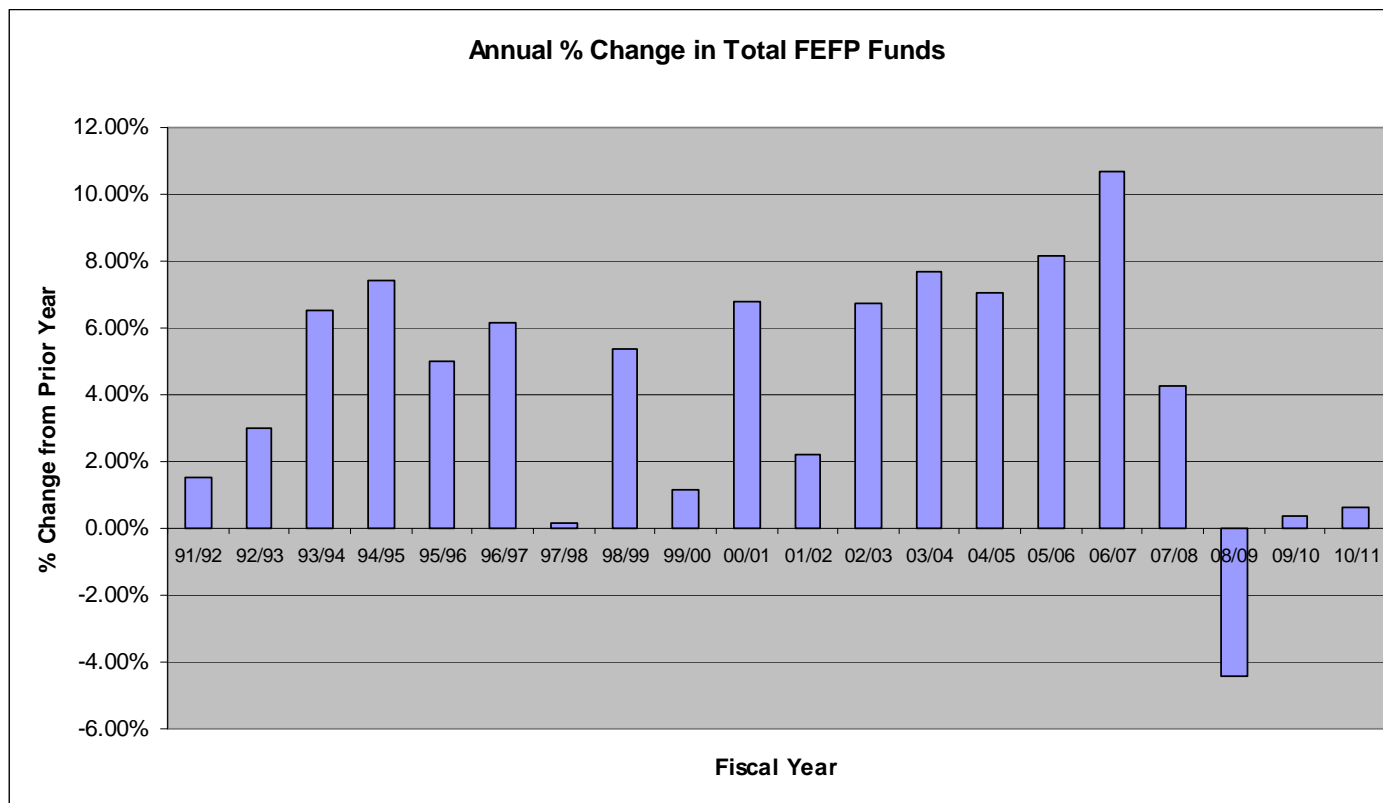
FEFP Funding per FTE by Source



Total FEFP Funding by Source




Annual % Change in Total FEFP Funds



Implementation of the 2010/11 FEFP

	<u>10/11 GAA</u>
Total Funds	
State	\$8,928,382,837
Local	\$8,300,582,619
Federal	\$872,664,689
ALL FUNDS	\$18,101,630,145
FTE	2,645,079.41
\$/FTE	\$6,843.51
Change in %/FTE from Prior Year	\$1.22
<u>Factors to Adjust For (Estimated \$/FTE):</u>	
Change from 95% to 96% for FEFP Calculations Based on the Tax Roll	(\$30.00)
Change in Employer FRS Contribution Rate	(\$60.68)
Net New Funds Per FTE	(\$89.46)
<u>Other Factors to Consider:</u>	
Possible loss if a potential challenge to the Governor's veto is successful:	
(\$160,000,000)	(\$60.49)
(\$506,869,007)	(\$191.63)
Replace Federal SFSF FEFP Funds	(\$329.92)
Class Size Requirements	???
Loss of FTE due to SB 2126 (expansion of FI Tax Credit Scholarship Program)	???
Reduced District holdback for charter school administrative costs (HB 5101)	???



2009-10 FEFP Final Conference Report (HB 5001)

Available at:

<http://www.myfloridahouse.gov/filestores/Adhoc/Appropriations/GAA/2010-House/fefp.pdf>



2010-11 Budget-related Legislation



2010-11 Conforming Bill (HB 5101)

- Section 6: Charter schools and sponsor requirements are amended as follows:
 - Statutory class size accountability requirements apply to charter schools, except that compliance calculations based on school level averages.



2010-11 Conforming Bill (HB 5101)

■ Section 11 – Class Size Reduction

- The annual compliance calculation based on the October student membership survey.
- Districts are required to hold public hearings prior to the adoption of the FY 2010-11 budget;
- Virtual instruction programs are added as an class size option.
- District allocation reduced by the amount of the class size reduction categorical for each student over the maximum, and
- In 2010-11, each district allocation shall also be reduced by 50% of the base student allocation (X DCD) for the number of students over the maximum.
- Beginning in FY 2011-12, this portion of the reduction 100% of the base student allocation (X DCD) for number of students over the maximum.



2010-11 Conforming Bill (HB 5101)

- Section 11, cont.
 - Initial CSR reduction is lesser of the calculated amount or the undistributed balance.
 - Commissioner is authorized to withhold distribution of the class size reduction categorical allocation.
 - The Commissioner shall allocate an amount equal to up to 5% of the base student allocation per FTE to compliant districts, but < 25% of the total amount reduced.
 - Funds remaining reallocated to noncompliant districts
 - With plans certified by school boards by February 15.
 - The reallocation in proportion to district's share of the total reduction, with no reallocations in excess of the reduction.



2010-11 Conforming Bill (HB 5101)

- Section 12 – Senate Joint Resolution (SJR) 2
 - Amendment 8 on the ballot for the November 2010 general election.
 - If approved, the 2002 constitutional provision will change as follows:
 - Beginning with the 2010-11 school year, the maximum class size will be the school average number of students in the following grade groupings: 18 students grades K-3; 22 students in grades 4-8; and 25 students in grades 9-12.
 - The maximum number of students assigned to a teacher is: 21 students in grades K-3; 27 students in grades 4-8; and 30 students in grades 9-12.



SB 140 – Florida Farm Fresh Schools Program

- Creates the Florida Farm Fresh Schools Program.
- Requires the DOE and DOACS to develop and recommend policies and rules pertaining to school food services.
- Requires the DOE, in collaboration with DOACS, to provide outreach, guidance, and training related to the benefits of fresh food products from farms in the state.
- Implementation of the Florida Farm Fresh Schools Program must comply with the rules and regulations of the National School Lunch Program.



HB 5001 - Transparency Florida

- District Annual Financial Reports (AFR) and Budgets online by August 1, 2010.
- Work with EOG to create links by August 1, 2010, from Transparency Florida's website to DOE's website for AFRs and Budgets and
- Transparency Florida's website to Auditor General's website for Financial and FTE audits.
- School level cost report data online by December 31, 2010.
- Work with school districts to ensure that each district website provides link to Transparency Florida website.
- Establish working group to recommend additional data needs and potential barriers by December 1, 2010.

ARRA Reporting



ARRA Reporting

■ Timelines

- Currently - DOE's reporting website is available for budget modifications and reporting
- June 30 - end of quarter for reporting purposes
- July 6 - last day for submitting reports

■ Reports

- Jobs information is for the current quarter only (April 1 - June 30).
- All other information, expenditures and vendor payments is for the entire period of the grants to date (effective date of the award through June 30)
- Vendor payments must include all separate transactions of \$25,000 or more. Reported expenditures should be relatively consistent (not necessarily identical) with expenditure information to be reported in CARDS on July 20.
- If any projects have closed out (e.g, School Lunch Equipment grants), the final reported expenditures in CARDS must match the reported expenditures in the ARRA quarterly reporting system.

Race to the Top Budget

Race to the Top

Federal Requirement	Phase I Total Budget	Budget Modification	Phase II Total Budget	Rationale
Section (B) Standards and Assessment:				
				Increase includes additions for the development of End of Course exams for district use as well as the additional content areas and grades (Spanish and Language Arts).
	\$ 100,169,000.00	\$ 38,830,000.00	\$ 138,999,000.00	
Section (C) Data Systems:				
				Removed governance and pre-population of state applications and combined initiatives for portal and single sign-on. A reduction in the scope and expenses also occurred.
	\$ 58,433,778.00	\$ (32,589,199.00)	\$ 25,844,579.00	
Section (D) Great Teachers and Leaders:				
				Reduced the number of consultants, award amounts to each district, and reduction in eIPEP contract. Also reduced the semi-annual Community of Practice meetings to one per year.
	\$ 123,368,519.00	\$ (54,456,267.00)	\$ 68,912,252.00	

Race to the Top (Con't.)

Federal Requirement	Phase I Total Budget	Budget Modification	Phase II Total Budget	Rationale
Section (E) Struggling Schools:				
				Timing of the Phase II funding reduced the project to a three year project which created an overall reduction in cost. Additionally, initiatives that were not directly aligned have been cut (Cultural Competency, Algebra Incentive Bonus, Public Awareness Campaign).
	\$ 155,644,154.00	\$ (69,644,154.00)	\$ 86,000,000.00	
Competitive Grants to Participating Districts:				
				Reduced total budget amount by eliminating competitive grants to districts.
	\$ 100,000,000.00	\$(100,000,000.00)	\$ -	
Charter Schools:				
				Reduced the amounts that would be awarded to benefit existing charter schools.
	\$ 20,000,000.00	\$ (10,000,000.00)	\$ 10,000,000.00	
DOE Project Management and Oversight:				
				Increase includes the need to effectively and efficiently oversee individual projects.
	\$ 13,195,984.00	\$ 7,048,185.00	\$ 20,244,169.00	
Overall Totals:	\$ 570,811,435.00	\$(220,811,435.00)	\$ 350,000,000.00	



Highlights of 2010-11 Legislation



2010 Legislative Review Florida Department of Education

<http://www.fldoe.org/gr/>

Employer FRS Rates

Section 121.71, F.S.

	Rates Effective	
	<u>1-Jul-09</u>	<u>1-Jul-10</u>
<u>Membership Class</u>		
Regular Class	8.69%	9.63%
Special Risk Class	19.76%	22.11%
Special Risk, Administrative Support	11.39%	12.10%
Elected, County Offices	15.37%	17.50%
Senior Management Class	11.96%	13.43%
DROP	9.80%	11.14%
Excluding HIS		



HB 5001 (General Appropriations Act)

Chapter 2010-22, Laws of Florida



SB 4 (Education Accountability)

Chapter 2010-22, Laws of Florida

- More rigorous H.S. Graduation Requirements
- Revises State Assessment Program
- Allows students to earn credit by examination
- Addresses the disposition of School Recognition Funds paid after a school has closed



HB 105 (Civics Education)

Chapter 2010-48, Laws of Florida

- Requires one semester of Civics in Middle School
- Students must pass a Civics EOC to earn credit
- Civics EOC scores to be included in School Grades



HB 1307 (State Financial Matters)

Chapter 2010-180, Laws of Florida

- Makes revisions to the State Board of Administration and the Florida Retirement System. Of particular note to finance officers:
 - The required employer FRS contribution rate applied to the payroll for administrative and educational expenses is changed from .05% to .03% for July 1, 2010 through June 30, 2014, and to .04% beginning July 1, 2014.
 - Addresses procedures for employees transferring from the Public Employee Optional Retirement Program to the defined benefit program.



2010 Legislation

(Enrolled – To Governor May 21, 2010)

■ HB 1505 – Sections 2-7

- Creates a new VPK program option, *Specialized Instructional Services for Children with Disabilities*, beginning with the 2012-13 school-year.
- Allows parents, of eligible children with disabilities, to use their VPK funding to pay for specialized instructional services that are consistent with their child's IEP.
- Requires DOE to approve these service providers.
- Requires coalitions to pay these service providers in an amount not to exceed the VPK Base Student Allocation.
- McKay Scholarship Program eligibility for 2013-14 extended to students who received these specialized services.
- Allows a VPK student with an IEP to go directly into the McKay Scholarship Program.



SB 2126 (Florida Tax Credit Scholarship Program)

Chapter 2010-24, Laws of Florida

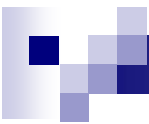
- Increases the cap on the allowable annual tax credits for eligible donations
- Adds additional taxes to those eligible for tax credits under the program
- Increases the maximum amount allowable for individual scholarships
- Increases the maximum household income threshold for scholarship eligibility
- Indexes new scholarship award amounts to household income
- Expands program accountability requirements



HB 5101 (PreK through Grade 12 Education Funding)

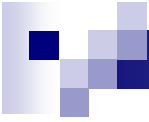
Chapter 2010-154, Laws of Florida

- Revises the % of the tax roll used for FEFP calculations from 95% to 96%
- Caps school board member salaries
- Revises policies and fiscal consequences for calculating compliance with class size requirements
- Revises district administrative holdback allowance for administrative costs associated with charter schools
- Authorizes community colleges to be VIP providers
- Requires all automotive technology education programs to become industry-certified to be eligible for state funding



HB 5101 (PreK through Grade 12 Education Funding), continued

- Adds “electronic content” to instructional materials, requires publishers to provide unbundled instructional materials, and requires instructional materials for grades 9 – 12 to be available in electronic form
- Authorizes the limited use of instructional materials funds for the purchase of electronic or computer hardware after certain conditions are met
- Revises public advertising requirements relating to school district budgets
- Excludes MAP funding from the Sparsity wealth adjustment calculation
- Revises requirements for the use of bonus funding associated with the IB program



HB 5101 (PreK through Grade 12 Education Funding), continued

- Repeals authorization for advance payment of state FEFP funds
- Authorizes the use of discretionary capital millage for electronic hardware used to access electronic content or district learning management systems
- Clarifies the process for levying the discretionary critical capital or critical operating 0.25 mill
- Deletes provision which required districts to compensate prior years experience for instructional personnel re-employed after completing DROP



HB 5201 (Postsecondary Education Funding)

Chapter 2010-155, Laws of Florida

- Revises the Florida Bright Futures Scholarship Program
- Requires residency confirmation for Workforce Education Programs
- Requires OPPAGA to study the possible merger of public school workforce programs into community colleges
- Requires Continuing Workforce Education programs to be fully fee supported



HB 7069 (Background Screening)


Chapter 2010-114, Laws of Florida

- Requires a school district to make lists of individuals eligible to be substitute teachers within the county to an early learning coalition serving students within the district
- Requires fingerprints obtained after July 1, 2012 to be submitted electronically to FDLE



Other 2010 Legislation

- SB 434 – General Suicide Prevention Education
- SB 464 – Leaves of Absence for Military Personnel
- HB 747 – Students with Diabetes
- SB 1730 - Biodiesel Fuel
- SB 2060 – Sovereign Immunity



Highlights of 2010-11 Capital Outlay Budget and Other Legislation



PECO Revenue Projections

March 24, 2010 Estimating Conference

(in millions)

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Non-Bonded Projects	\$204.2	\$424.4	\$183.2
Bonded Projects	<u>\$155.1</u>	<u>\$453.9</u>	<u>\$56.1</u>
Total	\$359.3	\$878.3	\$239.3



2010-11 PECO Appropriations by Education Sector

(Including Vetoes)

Total Appropriation \$729,143,424

Less off-the-top \$8,519,676

	<u>K-12</u>	<u>CC</u>	<u>SUS</u>	
Percent of Total	27.10%	30.10%	42.80%	100%
	\$195,216,604	\$216,742,156	\$308,664,988	\$720,623,748



Charter Schools PECO Capital Outlay Allocation

<u>2009-10</u>	<u>2010-11</u>
\$56,122,466	\$56,122,466

- Maintained same level of funding as in 2009-2010.

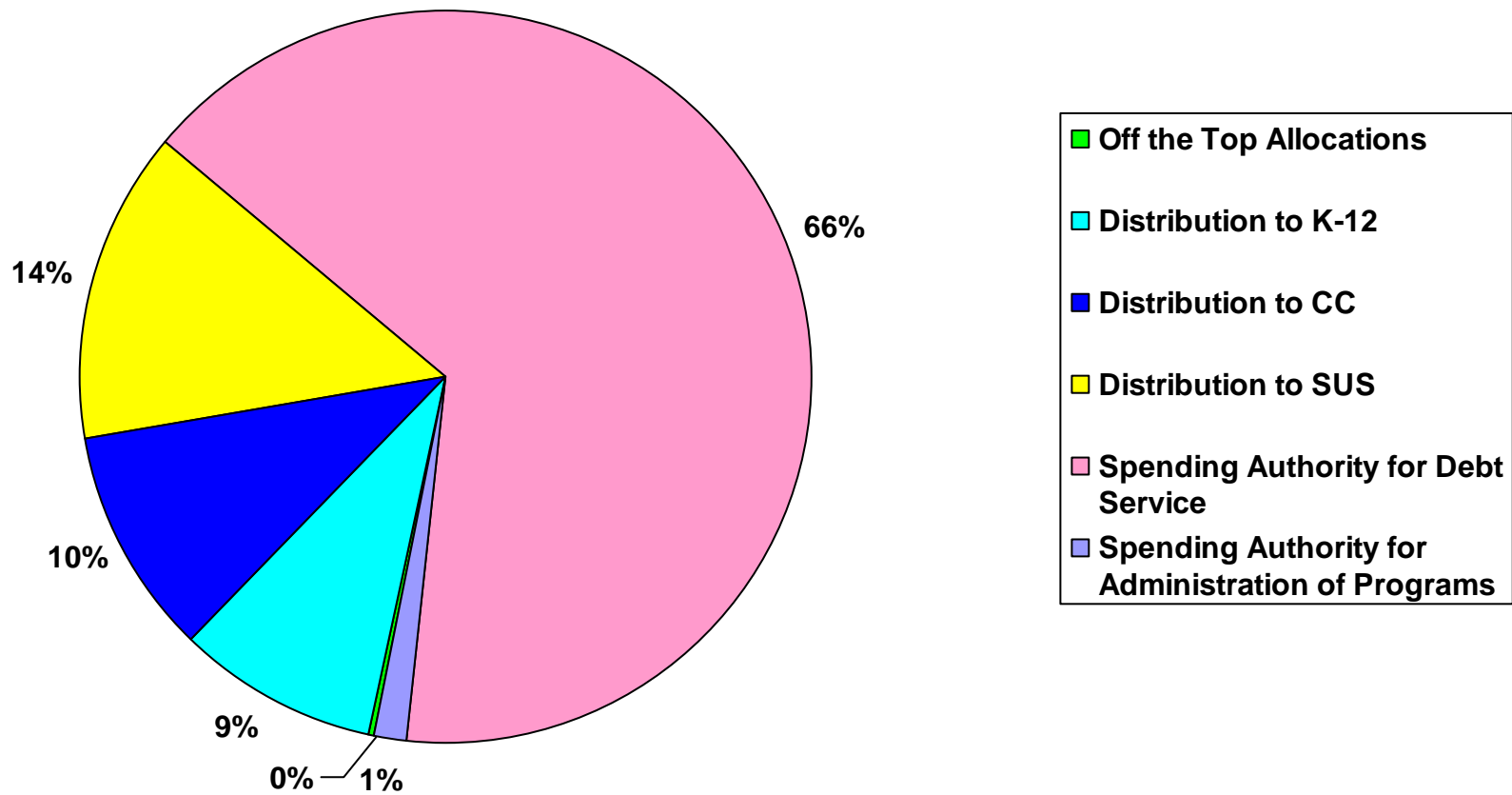
Summary of Fixed Capital Outlay

	2009-2010 Appropriation	2010-2011 Appropriations	2010-2011 GAA \$ and % Increase/Decrease over 2009-2010	
Florida School for the Deaf and Blind Capital Projects	13,160,619	5,032,566	-8,128,053	-61.76%
Division of Blind Services - Capital Projects	4,062,500	2,294,620	-1,767,880	-43.52%
Public Broadcasting Projects	4,806,000	1,192,490	-3,613,510	-75.19%
Maintenance, Repair, Renovation, and Remodeling (1) (2)	139,544,804	254,269,869	114,725,065	82.21%
Special Facility Construction Account	12,762,458	12,274,731	-487,727	-3.82%
Survey Recommended Needs - Public Schools	0	0	0	100.00%
Local Tax equivalent funding for Developmental Research Schools (2)	6,254,738	4,717,433	-1,537,305	-24.58%
Community College Projects	84,221,380	190,038,381	105,817,001	125.64%
SUS Projects	104,855,904	259,323,334	154,467,430	147.31%
Debt Service	1,089,985,025	1,125,722,701	35,737,676	3.28%
Classrooms First and 1997 School Capital Outlay Bond Programs	166,957,717	164,766,967	-2,190,750	-1.31%
Class Size Reduction - Debt Service - Lottery Capital Outlay	151,922,482	154,721,252	2,798,770	1.84%
School District and Community College	28,000,000	28,000,000	0	0.00%
Community College Facilities Matching Program	0	0	0	100.00%
Lake Wales Charter School Project	500,000	0	-500,000	-100.00%
SUS Capital Improvement Fee Projects	0	0	0	100.00%
SUS Ancillary Facilities Construction	141,000,000	0	-141,000,000	-100.00%
SUS Facility Enhancement Challenge Grants	0	0	0	100.00%
Total Department of Education Fixed Capital Outlay	1,948,033,627	2,202,354,344	254,320,717	13.06%

(1) Includes charter schools fixed capital outlay appropriations of \$56,112,466 for 2009-10 and 2010-11.

(2) For 2010-11, the appropriation will be adjusted based on the adoption of legislation to increase the multiplier by .96 instead of .95 in the District School Tax Equivalent.

2010-11 Fixed Capital Outlay





Building Safety (HB 663)

Chapter Number 2010-176, Laws of Florida


- Elevators – requires a lock box that contains the keys to all emergency access and operation elevators.
- Mold – Requires persons that do mold related service be licensed.
- Manufactured Buildings – Custom or one-of-a-kind manufactured buildings are NOT required to have state approval but must meet the requirements of the local educational entity, the Florida Building Code, and the Florida Fire Prevention Code.
- Air Conditioning Systems – Intent language directs that all replacement air conditioning systems are to be installed using energy-saving, quality installation procedures including sizing analysis and duct inspections.



Elevators (HB 1035)

Chapter Number 2010-110, Laws of Florida

- Inspectors may enter and have reasonable access to buildings and rooms in which an existing or newly installed elevator and equipment are located.
- State may grant variances for undue hardships. The department may grant variances from a rule that does not adversely affect public safety.
- The bill increases the time to correct elevator violations by an owner from 30 to 90 days.



Local Government Prompt Payment Act (SB 1157)

Chapter Number 2010-111, Laws of Florida

- Invitation to bid or request for proposal to include:
 - Proper invoicing requirements
 - Invoice reviewing agent
 - Dispute resolution procedures



Local Government Prompt Payment Act (SB 1157- continued)

- 20 days to reject invoice

- List of items required for complete, satisfactory, and accepted construction services
 - Contract completion date set at least 30 days after contractor receives list of items

 - Full payment due if contractor does not receive list

- Payment disputes
 - 45 days to commence resolution or objection to payment deemed to be waived



Tax on Communications and Utility Services

SB 2024

Chapter Number 2010-149, Laws of Florida

- Reduces the rate of the communications services sales tax from 6.8% to 6.65%, plus provided for 0.15% additional rate on gross receipts from communications services, the total tax not to exceed 6.8%.
- Effectively, the tax shift reduces Communications Services Tax/Sales Tax by 0.15% and increases the Communications Services Tax/Gross Receipts Tax by 0.15%.
- Gross receipts tax on utilities is 2.5% and communications services is 2.37%.



Tax on Communications and Utility Services

SB 2024

Chapter Number 2010-149, Laws of Florida

- Preserves the existing residential exemption for state sales tax on this increased percentage of gross receipts tax, ensuring no person would pay any additional tax.
- Allows the calculation for determining the amount of issuance of Public Education Capital Outlay Bonds to be adjusted to reflect the revenues that would have been collected had this legislation been in place throughout the 24 month measurement period.
- The effect is to increase bonding capacity by \$292.4 million without increasing any taxes paid by the consumer.



HB 7243 (Environmental Control)

Chapter 2010-143, Laws of Florida

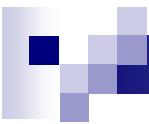
- Establishes recycling goals for solid waste
- Requires school districts to report recycling rates pursuant to procedures designated by the Department of Environmental Regulation



Federal Programs

Qualified Zone Academy Bonds (QZAB)

- QZABs are a federal bond program authorized by the Tax Payer Relief Act of 1997 to finance public schools
- QZABs allow eligible schools to borrow with little interest cost
- Eligible schools include those located in an *Empowerment Zone* or an *Enterprise Community*, as well as schools where at least *35%* of the students attending the participating schools are eligible for *free or reduced cost lunches* established under the National School Lunch Act




Federal Programs

Qualified Zone Academy Bonds (QZAB - continued)

- Eligible school districts
 - must obtain written commitments from private entity match partners
 - Obtain qualified contributions having a present value of not less than 10% of the proceeds of the bond issue from match partners

- Qualified 10 % match contributions include:
 - Equipment
 - Technical assistance in developing curriculum or training teachers to promote market-driven technology in the classrooms
 - Internships, field trips, or other educational opportunities
 - Other property (including cash) or service


- The QZAB Academy is to be designed in cooperation with the match partner to:
 - enhance the academic curriculum
 - increase graduation and employment rates
 - better prepare students for the demands of college and the workforce



Federal Programs

Qualified Zone Academy Bonds (QZAB - continued)

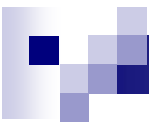
- QZAB proceeds may be used for:
 - Rehabilitating or repairing the academy public school facility
 - Equipment
 - Developing course materials
 - Training teachers



Federal Programs

Qualified Zone Academy Bonds (QZAB - continued)

- QZAB applications will be reviewed as they are received.
- The State currently has \$174 million available for allocations to the districts.
- For additional information on the QZAB program, please contact Cindy Greiwe at (850) 245-9245.



Federal Programs


Qualified School Construction Bonds (QSCB)

- QSCBs, a federal bond program authorized by the American Reinvestment and Recovery Act of 2009, finance public schools

- Eligibility Criteria:
 - All school districts, charter schools or state education agencies are eligible to apply.

 - QSCBs may only be issued by state or local governments.

 - Eligible QSCB projects permitted to be financed with QSCBs under federal law, include:
 - New construction of a public school owned facility,
 - Rehabilitation or repair of an existing public school owned facility,
 - Land acquisition for the facility to be constructed with the QSCB proceeds, and
 - Equipment to be used in the facility that is being constructed, rehabilitated, or repaired with the proceeds



Federal Programs

Qualified School Construction Bonds (QSCB - continued)


- The Federal Government provided an off-the-top QSCB allocation to the 100 largest districts in the country based on Title I.
 - In 2009 Florida had eleven districts on the list
 - In 2010 Florida has thirteen districts on the list
- The State has \$81 million in 2010 available for allocations to the districts and charter schools.

Federal Programs Qualified School Construction Bonds (QSCB - continued)

2009 State Allotment					
			Pending Return to the District Upon Approval of Federal Legislation	Returned	Total State Allocation
QSCB ~ Off the Top	Issued				
			<i>Initial State Allocation</i>		106,806,000
Broward	49,913,000	49,913,000			
Dade	104,855,000	104,000,000	855,000		
Duval	27,220,000	27,220,000			
Hillsborough	40,633,000			40,633,000	40,633,000
Lee	12,701,000		12,701,000		
Orange	35,824,000	35,824,000			
Palm Beach	33,643,000		33,643,000		
Pasco	11,028,000	11,000,000	28,000		
Pinellas	24,352,000			24,352,000	24,352,000
Polk	20,543,000	20,543,000			
Volusia	11,941,000			11,941,000	11,941,000
Total	372,653,000	248,500,000	47,227,000	76,926,000	183,732,000
				<i>Final State Allocation</i>	

Federal Programs Qualified School Construction Bonds (QSCB - continued)

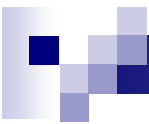
<i>Allocations Awarded</i>		
	Santa Rosa	16,100,000
<i>Allocation Returned</i>	Santa Rosa	-16,100,000
	Monroe	36,000,000
	Charlotte	60,000,000
	St. Johns	8,000,000
<i>Allocation Returned</i>	St. Johns	-8,000,000
	Citrus	42,000,000
<i>Allocation Returned</i>	Citrus	-7,000,000
	Osceola	40,500,000
	*St. Lucie	12,232,000
		183,732,000
*St. Lucie requested \$25,145,080		
<i>Priority Waiting List</i>	St. Lucie	12,913,080.00
		12,913,080.00
[As of April 8, 2010]		



Federal Programs

Qualified School Construction Bonds (QSCB - continued)

<i>2010 STATE WIDE ALLOCATION</i>	
Brevard County School District	12,271,000
Broward County School District	51,646,000
Dade County School District	95,438,000
Duval County School District	33,074,000
Hillsborough County School District	37,935,000
Lee County School District	14,308,000
Marion County School District	11,253,000
Orange County School District	36,229,000
Palm Beach County School District	34,023,000
Pasco County School District	13,627,000
Pinellas County School District	23,529,000
Polk County School District	21,223,000
Volusia County School District	17,796,000
13 Largest School Districts	402,352,000
Other Districts	81,038,000
Total Statewide Allocation	483,390,000



Federal Programs

Qualified School Construction Bonds (QSCB - continued)

- QSCB applications for the 2010 allocation were due May 28, 2010. The tentative timeline is as follows:
 - **May 31 - June 11, 2010:** The application review team screens the applications, reviews the needs, prioritizes the applications, and recommends projects for funding.
 - **June 18, 2010:** Letters of Award or Non-approval are mailed to school districts requiring a bond issuance date no later than August 31, 2010, or the funds will revert to the State.
 - **June 30, 2010:** All remaining 2009 state approved allocations revert to the State for reallocation.
 - **July 1, 2010:** The additional returned allocations are redistributed to applications on the 2010 waiting list, in priority order.
 - **August 31, 2010:** All remaining 2009 direct allocations, and 2010 direct and state approved allocations, revert to the State.
 - **September 1, 2010:** The State allocation balance is made available to the Division of Bond Finance. This provides the Division of Bond Finance with a four month period (September – December 2010), to use any remaining capacity for the statewide bond program.
- For additional information on the QSCB program, please contact Cindy Greiwe at (850) 245-9245.