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

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

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>2007-08 recurring revenue</th>
<th>Priority 3 Reduction</th>
<th>Priority 4 Reduction</th>
<th>Total 10% reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Funding</td>
<td>$ 5,000,000</td>
<td>$ 500,000</td>
<td></td>
<td>$ 500,000</td>
</tr>
<tr>
<td>Workload Funding</td>
<td>408,633,922</td>
<td>$ 11,909,018</td>
<td>$ 28,954,374</td>
<td>$ 40,863,392</td>
</tr>
<tr>
<td>Total</td>
<td>$ 413,633,922</td>
<td>$ 12,409,018</td>
<td>$ 28,954,374</td>
<td>$ 41,363,392</td>
</tr>
</tbody>
</table>
Priority Distribution of Workforce Funding Reductions

- Priority 4 Reduction 70% (6% of Total)
- Priority 3 Reduction 30% (4% of Total)
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

Current Appropriations 2007-08

Increase Over Prior Year
$69.4 M

Prior Year Appropriations
$1,188.3 M

Total
$1,257.7 M

10% Reduction in General Revenue

Priority 2
$0.5 M

Priority 3
$31.5 M

Priority 4
$73.6 M

Total Reduction
$105.6 M

Total
$1,152.1 M

10% Reduction in General Revenue & Lottery

Priority 2
$0.9 M

Priority 3
$34.9 M

Priority 4
$81.5 M

Total Reduction
$117.3 M

$1,140.3 M
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.

Source: Labor Market Statistics, Local Area Unemployment Statistics Program
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

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

<table>
<thead>
<tr>
<th>GAA Line Item</th>
<th>2007-08 Projected Students</th>
<th>2007-08 Recurring EETF</th>
<th>Projected 2007-08 Average Award</th>
<th>10% Award Loss to Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>MERIT</td>
<td>159,936</td>
<td>$ 398,430,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 BF - Academic Top Sch</td>
<td>258</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 BF - FL Academic Sch</td>
<td>32,167</td>
<td>$ 3,525</td>
<td>$ 353</td>
<td></td>
</tr>
<tr>
<td>5 BF - FL Medallion Sch</td>
<td>125,759</td>
<td>$ 2,018</td>
<td>$ 202</td>
<td></td>
</tr>
<tr>
<td>5 BF - FL Gold Seal Voca</td>
<td>1,752</td>
<td>$ 1,479</td>
<td>$ 148</td>
<td></td>
</tr>
</tbody>
</table>

- Total Merit: 159,936 students with $398,430,336 in aid, with a 10% loss to students.
Special Interest Student Financial Aid

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

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

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

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)
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)