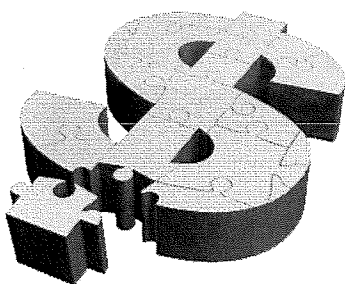




Florida School Boards Association

The voice of education in Florida.

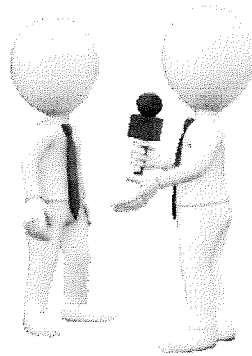


SCHOOL FINANCE

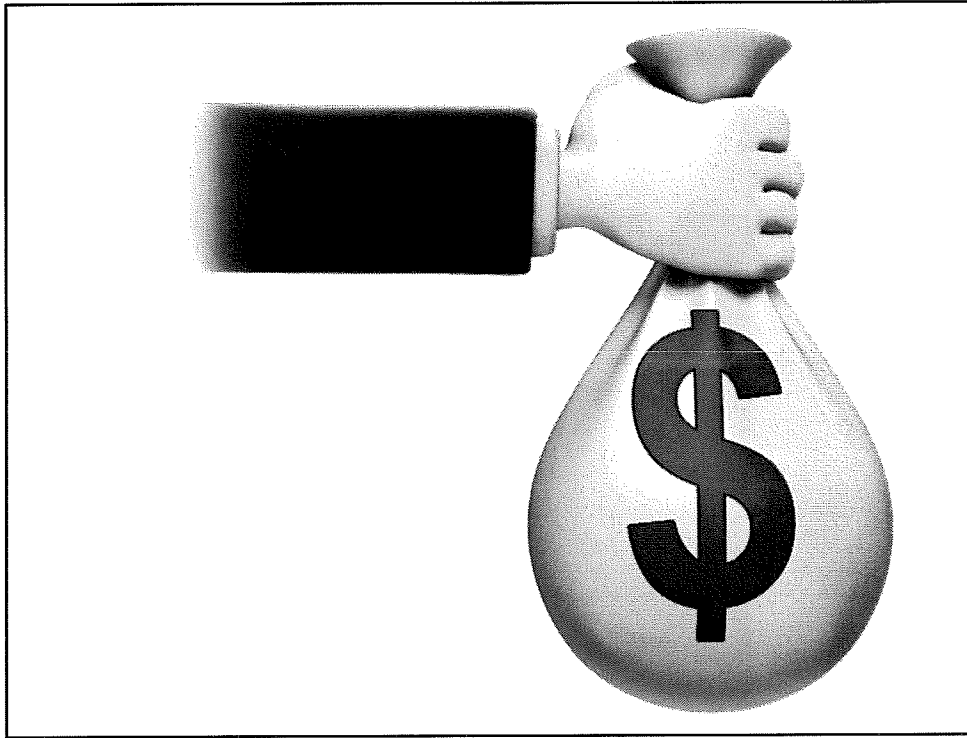
Introductions

**Please
introduce
yourself giving
the following
information:**

- **Name**
- **School
District**



Also
Favorite vacation spot
Favorite food



The Learning Curve:

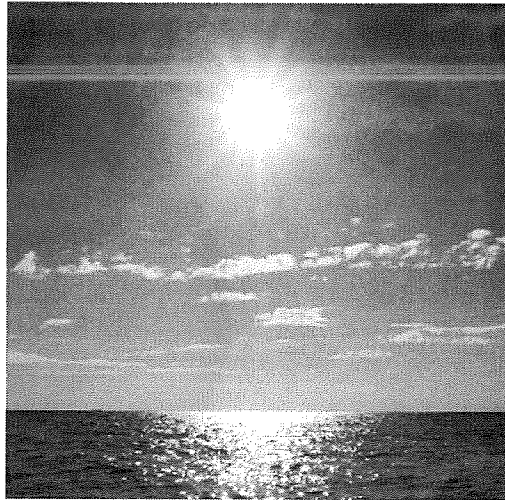
Prog

Programs, Budgets, Results, Rules, Responsibilities.

Education + Money = Big Business

We must view everything through a lens of responsibility and transparency.

You are in the Sunshine!



4

Remind the participants that they must be very careful in conversation to be in compliance with the Florida Sunshine Law.

Encourage open and honest discussion, but caution the leadership team to refrain from talking about any issues that are currently under consideration or may be placed on an agenda for vote in the near future.

**When a person with money
meets a person with
experience, the person with
the experience ends up with
the money, and the person
with the money ends up with
the experience.**

Why is this important?

Students, Parents, Teachers, Community, vendors

Communication, Trust, Transparency

What to continuously review?

Annual Budget // Strategic Plan // Five Year Capital Outlay Plan

// Organizational Chart

Master Calendar



**School District Funding should be:
Equitable, Transparent & Flexible**

6

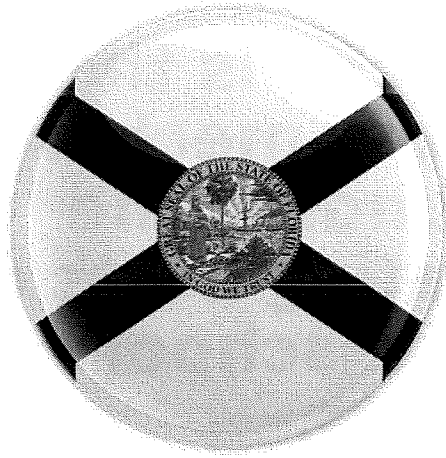
Our goal for this class?

To grow

To ask and think about different ideas

To know where to look for the answers.

Equitable, Transparent & Flexible



Florida and the Florida Education Finance Program₇

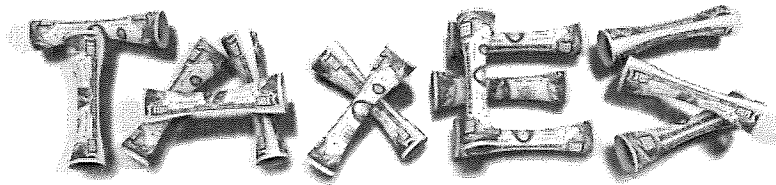
History:

In 1973 the FL Legislature enacted the FEFP and established the state policy on equalized funding to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.

Outdated? 46 years old...time for a change?

FEFP

- **The FEFP is the primary mechanism for funding the operating costs of Florida school districts.**



8

There are other sources of funding; however, the FEFP is the FOUNDATION for revenues in Florida's K-12 educational programs.

Local Funding - Primarily generated from property taxes
State Funding - primarily generated from sales tax - A sales tax is imposed on the sale of taxable goods or services

FEFP

- **Funding is based on individual students and the programs in which they are participating. The formula recognizes varying**

- 1) **Local property tax bases**
- 2) **Education program costs**
- 3) **Costs of living**
- 4) **Costs for equivalent education programs due to sparsity and density of student populations**



Property Tax Base: From the Panhandle to the Space Coast to the Keys. We have counties with varying tax bases. (See page 49 of 49 - 2nd calculation)

Most: Dade: \$339,593,182,438

Least: Liberty: \$281,695,829

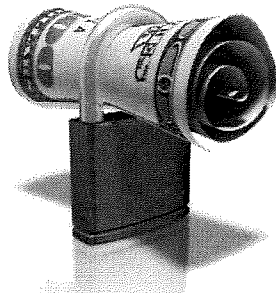
Education Program Cost: Teachers, SSW, Psy, Health Care professionals, Magnet, Choice, Charters

Cost of living: Monroe County vs Calhoun County, Sarasota County vs Hardee County

Program availability due to location (1-2 HS) Virtual online classes have helped.

FEFP Things to note:

- **FEFP does not include funds for school construction, only for operations.**
- **FEFP does not represent ALL of the funding that will support education operations.**



Several programs and services are funded separately from the FEFP equation, in addition to federal funds.

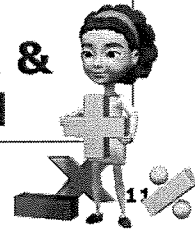
10

Federal - Federal Impact , ROTC,
Federal thru State - Medicaid
State - FEFP, Workforce, Categoricals, Lottery, Pre-school
Programs,
Local - Property taxes, Tuition, Interest, Grants, Gifts, Post
Secondary Fees, HOST,
derived almost entirely from property taxes levied by 67 Florida
counties.

ESE 139 Budget Form

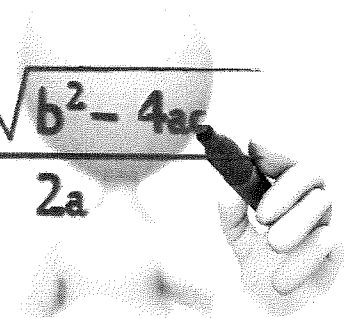
The FEFP is a simple formula.

#	students in each program
X	cost factors
=	weighted FTE
X	base student allocation & district cost differential



Read through formula. Its so easy. For 46 years its' been as easy as 1-2-3

And the FEFP is very complex

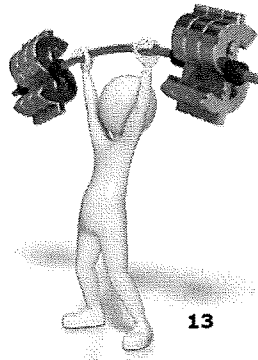
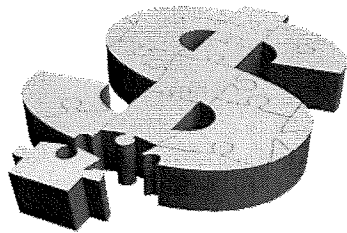
A black and white photograph of a hand holding a marker, pointing at the quadratic formula. The formula is written on a surface, and the hand is positioned as if it has just finished writing or is about to write it.
$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$

12

However, it's also difficult.

The formula changes every year with different funding categories, based on the Legislature.

How and When?

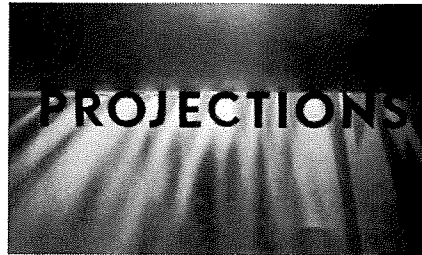
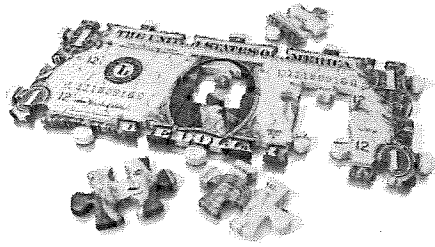


- 1) December/January - Student Projects due to DOE for next school year
- 2) January/February - Governor's Budget
- 3) Session begins/Session Ends
- 4) April/May - First Calculation for next School Year (build budgets)
- 5) July - Second Calculation - based on certified tax rolls
- 6) October - First Student count of year
- 7) October - Fifth and Final calculation (previous school year)
- 8) December - Third Calculation (current school year)
- 9) December/January - Student Projects due to DOE for next school year
- 10) January/February - Governor's Budget
- 11) Session begins/Session Ends
- 12) February - Second student count of school year
- 13) April - Fourth Calculation (current school year)
- 14) June 30, 2019 - end of fiscal/school year

QUESTION

Where do FTE student projections come from?

STUDENT PROJECTIONS are the product of consensus estimating that is used during the state budgeting process.



14

Handout for student projections.

FTE Surveys

The four (4) survey weeks are set by the FLDOE.

The *date certain* for submitting the survey is always the Friday of the survey week.

Verifying membership during the survey week.

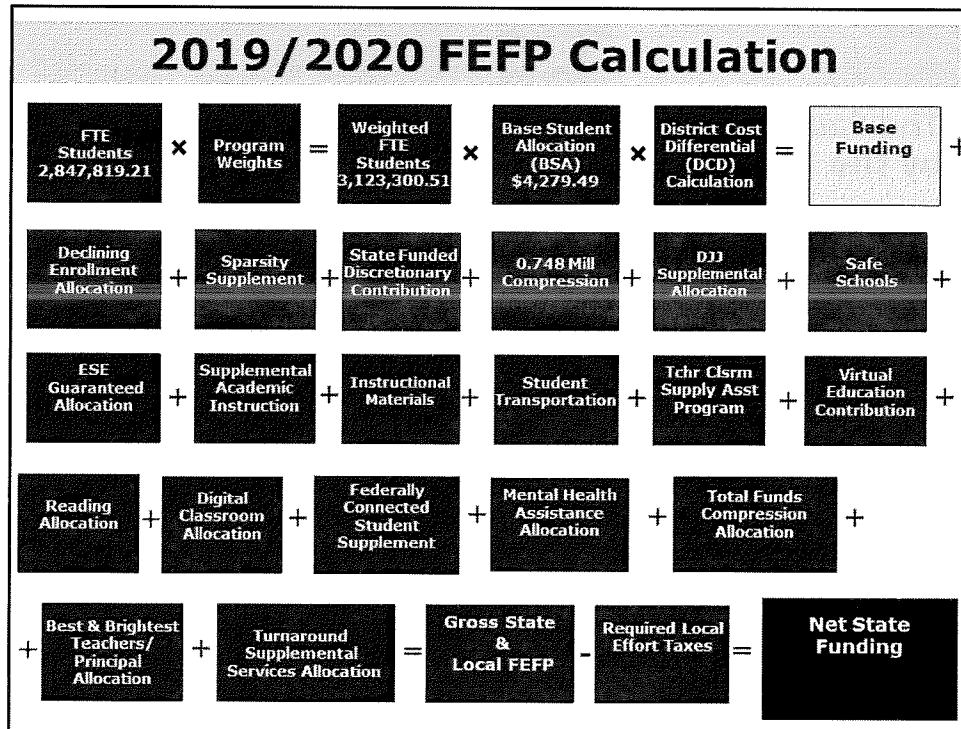
Verifying one (1) day of attendance during the survey week OR one (1) day during the previous six (6) scheduled school days.



FTE, by program, is reported based on the student's course schedule.

15

Explain



Second Calculation

2019/2020 FEFP Calc – Page 2

$$\begin{array}{ccccccc} \text{Net State Funding} & + & \text{Lottery \& School Recognition} & + & \text{Class Size Reduction} & = & \text{Total State Funding} & + \\ \\ \text{Required Local Effort Taxes} & + & \text{0.748 Discretionary Local Effort} & + & \text{Total Local Funding} & = & \text{Total State \& Local Funding} \end{array}$$



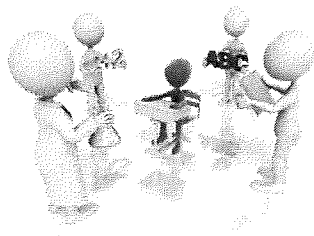
**FTE
Students
(UFTE)**

**Authority:
s.1011.61,
F.S.**

**2019/2020 unweighted
student enrollment
projection:**

2,847,819.21

****based on FEFP
Second Calculation**



18

First and Second Calculation based on projections provided in December.

Full Time Equivalent Student

s. 1011.61, F.S.

REQUIRES 180-DAY SCHOOL YEAR

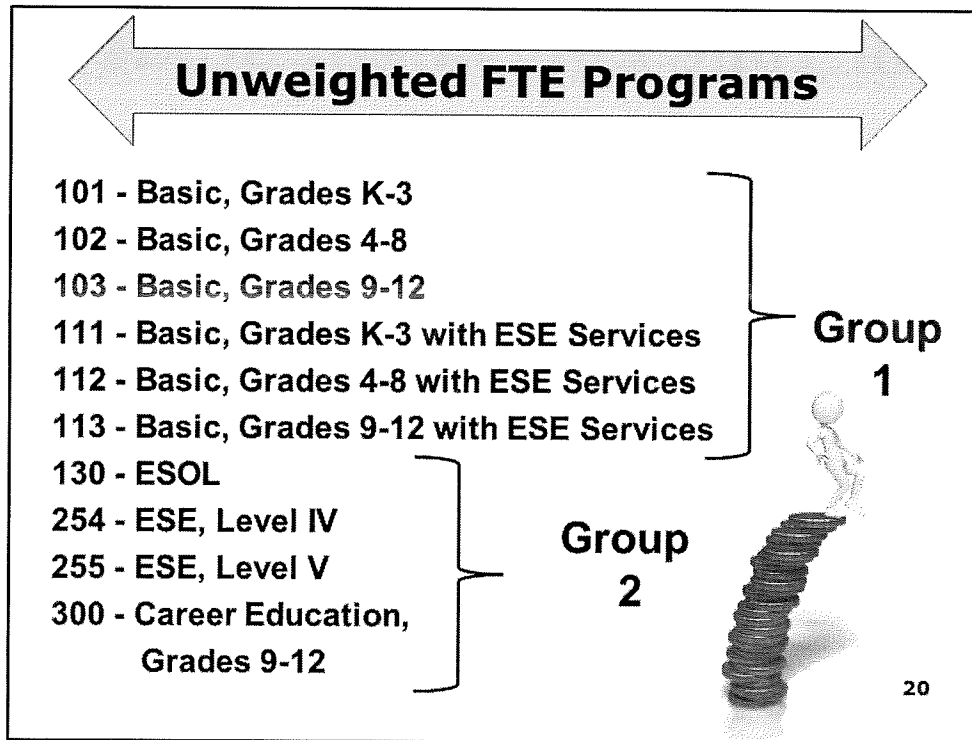
(or the equivalent on an hourly basis)

- **720 hours of instructional time for Kindergarten through Grade 3 students
180 days X 4 hours per day**
- **900 hours of instructional time for Grades 4 through 12 students
180 days X 5 hours per day**

A student may not earn more than one (1) FTE and only the class time in the regular 180 day session may be counted for FTE FUNDING PURPOSES (exceptions: DJJ and Florida Virtual School).

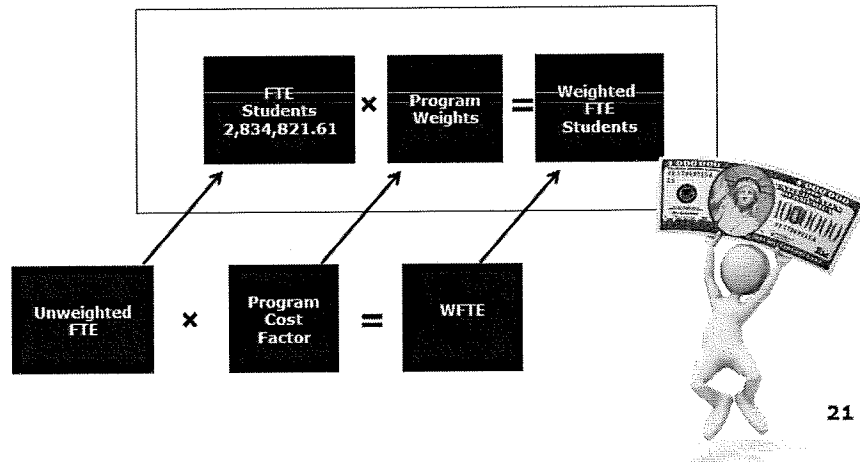
19

Reminder of a student day.



This section used to be 40 programs. Over the years the categories have been combined into more of "block grants"

How do you go from unweighted to weighted FTE?



21

Cheeks in the seats -weights
Vs - with program weights

Program Weights Cost Factors



Students who receive ESE services but are not in ESE Level IV or V programs are reported as Basic Program Students in the appropriate grade level.

Basic, Grades K-3 = 1.120

Basic, Grades 4-8 = 1.000

Basic, Grades 9-12 = 1.005

22

Knowing these numbers - very important.

Are you providing additional services and not earning the REVENUE? We must have everyone understand the "big picture" and the funding formula in Florida.

I.E. Most important job in the district—Data Processor.

Program Weights Cost Factors

PREKINDERGARTEN STUDENTS who receive ESE services but are not in ESE Level IV or V programs are reported as Basic Program students.

Basic, Grades K-3 = 1.120

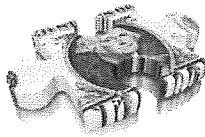


23

Program Weights Cost Factors

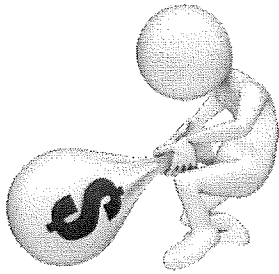
PREKINDERGARTEN STUDENTS who are children of students in teenage parent programs are reported as Basic Program students.

Basic, Grades K-3 = 1.120



Weighted FTE Ceiling

$$= \begin{array}{|l|} \hline \text{Weighted} \\ \text{FTE Students} \\ \text{(WFTE)} \\ \hline \text{Authority:} \\ \text{s.1011.62,} \\ \text{F.S.} \\ \hline \end{array}$$



- **Each district has a weighted FTE ceiling which is applied to the weighted FTE for its Group 2 programs.**
- **This ceiling is the appropriated Group 2 weighted FTE for the district.**
- **The FTE which is over the Group 2 Cap is funded at basic weight.**

25

Program 2 has an enrollment ceiling cap that is established based on each district's estimates of FTE in each FEFP program. FTE projections are used, updated with student counts and reviewed. If a district has in excess of the cap they will receive funding for those students at a factor of 1.0.

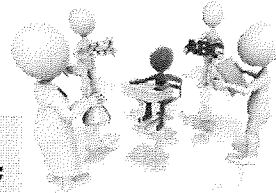
Weighted FTE Students (WFTE)

Weighted
FTE Students
(WFTE)

Authority:
s.1011.62,
F.S.

2019/2020 weighted student
enrollment includes

:



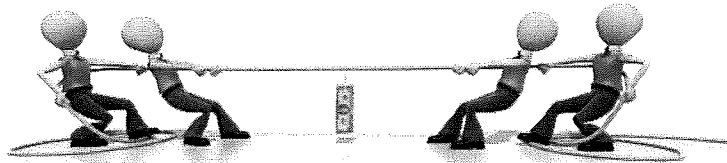
- Small District ESE Supplement;
- Small, Isolated High School Supplement;
- Bonus FTE program add-ons:
 - Advanced Placement (AP & IB)
 - International Baccalaureate (IB)
 - Advanced International Certificate of Education (AICE)
 - Industry Certified Career and Professional Academy Programs
 - Early High School Graduation credits

26

FEFP Calculations & FTE Surveys

Included within an FEFP allocation are amounts that may not be available to the district, if the district has:

**Charter School(s)
McKay Scholars
Declining Enrollment**



27

FEFP Calculations & FTE Surveys

During the year, allocations will change based on:

- **Enrollment data (statewide and district) - affects basic allocation and some categoricals (+/-)**
- **Property Roll adjustments**
- **Adjustments +/- for:**
 - **FEFP Auditor General Findings**
 - **Prior-Year Adjustments**
 - **Statewide Reductions**



28

Highlight FY 2018/2019 Fifth and Final Calculation.
How the budget plays into the planning and decisions being made.

The Base Student Allocation (BSA)

x Base Student
Allocation
(BSA)


Authority:
s.1011.62,
F.S.

**Determined annually by
the Legislature in the
General Appropriations
Act**

**For the 2019/2020 fiscal year, the
Base Student Allocation (BSA) was
set at \$4,279.49.**



History of the Base Student Allocation, continued

		1989-90	\$2,538.26	1999-00	\$3,227.74	
		1990-91	\$2,608.75	2000-01	\$3,416.73	
		1991-92	\$2,423.65	2001-02	\$3,413.18	
		1992-93	\$2,412.40	2001-02*	\$3,298.48	
		1993-94	\$2,501.05	2002-03	\$3,537.00	
		1994-95	\$2,558.17	2003-04	\$3,630.03	
		1995-96	\$2,854.20	2004-05	\$3,670.26	
		1996-97	\$2,912.14	2005-06	\$3,742.42	
		1997-98	\$3,034.96	2006-07	\$3,981.61	Less resources 2 times in one year
		1998-99	\$3,223.06	2007-08	\$4,163.47	
				2007-08*	\$4,134.95	
				2007-08*	\$4,079.74	
				2008-09	\$3,971.74	
				2008-09*	\$3,886.14	30

*Special Legislative Session Adjustment

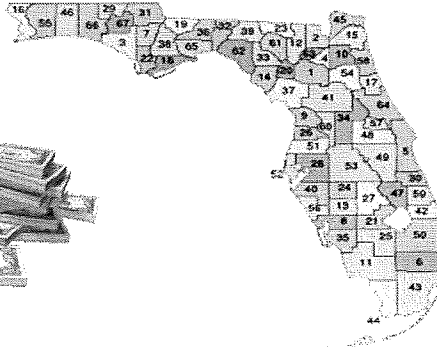
District Cost Differential (DCD)

x

District Cost
Differential
(DCD)

Authority:
s.1011.62(2),
F.S.

**An adjustment that
recognizes differences
in the cost-of-living
among Florida school
districts.**



31

What is the DCD?

Comes from the Florida Price Level Index (FPLI)

- **The FPLI represents the cost of hiring equally qualified personnel across school districts.**

The FPLI is multiplied by an 80% factor, which serves to reflect approximately the percentage of district salary costs to total operating budget.

- **Is based on a 3-year rolling average of the FPLI.**

32

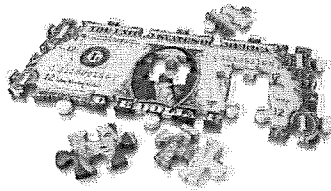
Adding each district's Florida Price Level Index for the most recent three years and dividing the sum by three. The result is multiplied by 0.800 and divided by 100, and 0.200 is added to the product to obtain the DCD. Why? This serves to limit the factor's adjustment to 80 percent of the index (i.e. the approximate % of district salary costs to total operating costs). The 3-year averaging reduces the immediate impact on districts of fluctuations in the index.

Issues with the DCD

Having an index below 1.0000 causes a sense of being treated unfairly.

Based on: wage data, occupational characteristics and local variations across Florida counties.

Once the FPLI is completed the DCD is then computed, which produces a range from .9190 for Lafayette County to 1.0453 for Collier County.



33

Base Funding

$$\begin{array}{c}
 \text{Base Funding} \\
 \text{Authority: s.1011.62, F.S.}
 \end{array}
 =
 \begin{array}{c}
 \text{weighted FTE} \\
 \text{x the BSA} \\
 \text{x the DCD}
 \end{array}
 \times \$$$

$$\begin{array}{c}
 \text{Weighted FTE Students} \\
 \times \\
 \text{Base Student Allocation (BSA)} \\
 \times \\
 \text{District Cost Differential (DCD) Calculation} \\
 = \\
 \text{Base Funding}
 \end{array}$$

34

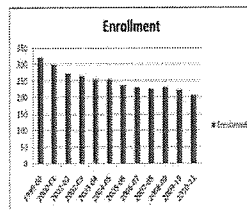
Declining Enrollment Allocation

+

Declining
Enrollment
Allocation

Authority:
s.1011.62(8),
F.S.

**In those districts
where there is a
decline between
prior-year and
current-year
student
enrollment.
\$8,070,903**



25 school districts (two largest districts: Dade & Broward) (two smallest: Jefferson & Franklin)

1 lab school - FAU Palm Beach

1 Virtual School

2nd Calc.

Page 16 of 49

Sparsity Supplement

+

**Sparsity
Supplement**

**Authority:
s.1011.62(7),
F.S.**

\$52,800,000



- Recognizes differences in student population.
- Eligibility is limited by proviso in the General Appropriations Act to school districts with 24,000 or fewer FTE students.
- The index will be computed by dividing the total number of full-time seniors in all programs by the number of senior high schools, not to exceed four (if less than 20,000 students the high schools is reduced to three).

36

33 school districts (largest allocation: Jackson) (smallest allocation: Franklin)

4 lab schools - FMAU, FAU Palm Beach, FSU Lab-Leon, UF Lab

1 Virtual School

2nd Calc.

Page 17 of 49

State Funded Discretionary Contribution

+

State Funded
Discretionary
Contribution

Authority:
s.1002.32(9)(a)
and
s.1002.37(3)(f),
F.S.

\$23,804,557

Lab Schools and the Florida
Virtual School (FLVS) funding.

The funds for the lab schools and
the FLVS are authorized in lieu of
discretionary local tax revenue.

The Florida Virtual School funding
is based on the maximum
allowable per student
discretionary millage times 96%
of the current year's taxable
value for school purposes. This
amount is then multiplied by the
prorated FTE of the Virtual
School.

37

2nd Calc.
Page 20 of 49

0.748 Mills Compression

+	0.748 Mills Compression	Funds the difference between:
	Authority: s. 1011.62(5), F.S.	the amount generated by a 0.748 mill levy per FTE student
		AND
	<u>\$254,584,487</u>	an amount equal to the state average of \$555.45 multiplied by the district's unweighted student enrollment.

38

19 districts do not receive the allocation:
Broward, Charlotte, Collier, Dade, Flagler, Franklin, Gulf, Indian
River, Jefferson, Lee, Manatee, Martin, Monroe, Nassau, Palm
Beach, Pinellas, Sarasota, Sumter, Walton

2nd Calc.

Page 21 of 49

How does millage compression work?

DISTRICT A-Union

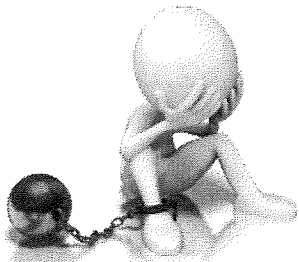
Levy .748 and Yield Per FTE	87.71
State Average Yield	<u>555.45</u>
Guarantee	467.74

DISTRICT B-Monroe

Levy .748 & Yield Per FTE	2,662.84
State Average Yield	<u>555.45</u>
Guarantee	0.00

39


2nd Calc.
Page 21 of 49

DJJ Supplemental Allocation	
<div style="border: 1px solid black; padding: 5px; text-align: center;"> DJJ Supplemental Allocation </div>	<p>Used to supplement other sources of funding for students in juvenile justice education programs.</p> <p>Based on the WFTE in the juvenile justice education programs times both the state average class size reduction factor and the district cost differential.</p>
<p>+</p> <p>Authority: s. 1011.62(10), and 1003.52(12), F.S.</p>	
<p><u>\$7,600,666</u></p>	
	<p style="text-align: right;">40</p>

2nd Calc.
Page 22 of 49

37 school districts (largest allocation: Hillsborough - 422.99 FTE)
(smallest allocation: Monroe - 1.06 FTE)

Safe Schools

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Safe Schools </div> <div style="text-align: center;"> Authority: Appropriations Act s. 1011.62(15), F.S. </div>	<p>Provides for authorized activities based on the following funding guidelines:</p> <ul style="list-style-type: none"> • a minimum allocation of \$250,000 per district (\$18,250,000 statewide) • A statewide total \$64,250,000 from: • two-thirds (2/3) of this amount is based on each district's crime index published by FDLE and • one-third (1/3) is based on the district's unweighted student enrollment • A statewide total of \$97,500,000 for additional school resource officers. Each district allocation is based on its proportionate share of the state's total unweighted student enrollment.
<p>+</p> <p><u>\$180,000,000</u></p> 	

41

Report due in September 2019 - statewide.

Copy of our report - share. Note section page 2

ESE Guaranteed Allocation

+

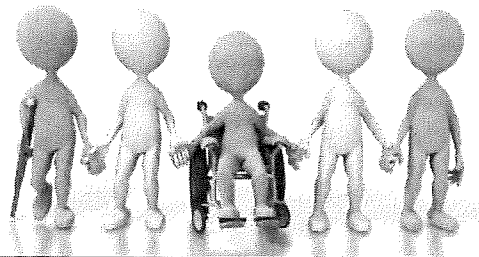
**ESE
Guaranteed
Allocation**

**Authority:
s.1011.62(1)(f),
F.S.**

\$1,079,590,794

Provides for educational programs and services for exceptional students who are not in programs 254 and 255.

These exceptional students also receive weighted FTE funding in the FEFP, using the appropriate Basic Program weight for their grade level.



42

2nd Calc.

Page 24 of 49

Describe, discuss. Levels ESE 1, 2,3

Supplemental Academic Instruction (SAI)

+

**Supplemental
Academic
Instruction**

**Authority:
s.1011.62(1)(f),
F.S.**

\$716,622,889

At least \$75 million, together with funds from the Reading Allocation and other district funds, shall be used by districts with 1 or more of the 300 lowest performing elementary schools based on the statewide standardized

These 300 lowest performing schools must provide an additional hour of intensive reading instruction. Must be provided by teachers or reading specialists who are effective in teaching reading.

43

Instructional Materials

Instructional Materials

+

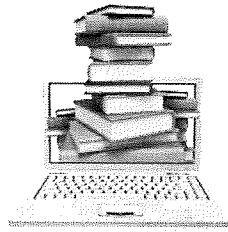
Authority:

s. 1006.40(1)
and
1011.67,
F.S.

\$233,951,826

For use in basic and special programs in grades K-12 which includes:

- Instructional materials
- Dual enrollment
- Digital materials for ESE
- Science Lab & supplies
- Library media



44

2nd Calc.
Page 27 of 49
State and local page

Student Transportation

Student
Transportation

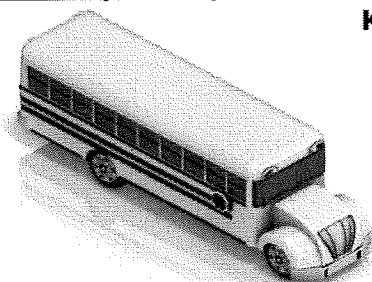
+

Authority:
s.1011.68,
F.S.

**Provides for transportation
of students under the
following conditions:**

- Student lives 2 miles or more from zoned school
- Student with disability or in a teen parent program
- Student in prekindergarten
- hazardous walking designation for K-6 students

\$444,978,006



45

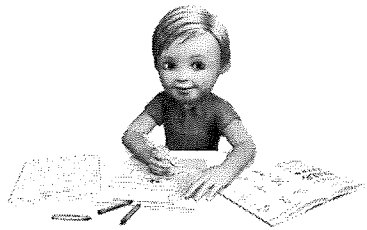
2nd Calc.
Page 27 of 49
Transportation Profiles.

Teachers Classroom Supply Assistance

Teachers
Classroom
Supply
Assistance
+
Authority:
s.1012.71,
F.S.

\$54,143,375

**Provided to purchase
classroom materials
and supplies used in the
instruction of students
in pre-kindergarten –
12 grade of the public
school system.**



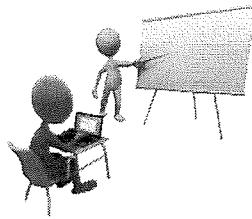
46

Virtual Education Contribution

+	Virtual Education Contribution
	Authority: s.1011.62(11), F.S.

The amount shall be the difference between the amount per FTE established in the General Appropriations Act for Virtual Education and the amount per FTE for each district and the Florida Virtual School.

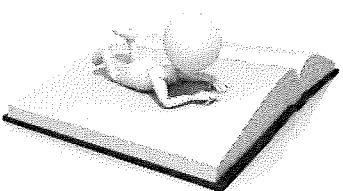
\$3,046,085



47

2nd Calc.
Page 32 of 49
16 Districts
1 Virtual

Reading Allocation

+	<div data-bbox="446 304 609 388">Reading Allocation</div> <div data-bbox="446 430 625 535">Authority: s.1011.62(9), F.S.</div>	Provides for a K-12 comprehensive, district-wide system of research-based reading instruction.
	<u>\$130,000,000</u>	The minimum allocation per district is \$115,000.
	The Reading Allocation is <u>not</u> recalculated during the school year.	

48

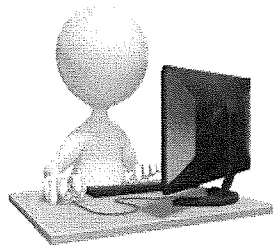
Digital Classrooms Allocation

+

Digital
Classrooms
Allocation

Authority:
s. 1011.62(12),
F.S.


\$20,000,000



To implement district plan for digital classrooms

- Infrastructure
- Instruction
- Professional development
- Accommodations
- Assessments
- Digital tools
- Security
- a minimum allocation of
\$250,000 per district

49

Federally Connected Student Allocation	
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">+</div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Federally Connected Student Supplement </div> </div> <div style="margin-top: 10px; text-align: center;"> Authority: s. 1011.62(13), F.S. </div>	<p>To provide supplemental funding for school districts to support the education of students connected with federally owned military installations, NASA real property, and Indian lands.</p> <div style="text-align: center;">  </div>
<u>\$13,569,629</u>	

2nd Calc.

Page 35 of 49

This supplement was created to provide supplemental funding for school districts to support the education of students connected with federally owned military installations, National Aeronautics and Space Administration property, and Indian lands. To be eligible for this supplement, the district must be eligible for Federal Impact Aid Program funds.

14 Districts (largest - Brevard)

Handout - Kim Sucah

Mental Health Assistance Allocation

+

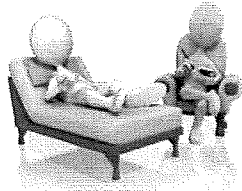
Mental
Health
Assistance
Allocation

Authority:
s. 1011.62(16),
F.S.


**To provide funding for
school districts to
support mental health
assessments, diagnosis
intervention, treatment
and recovery services.**

\$75,000,000

***a minimum allocation of
\$100,000 per district**



51

Total Funds Compression Allocation	
<div> <div>+</div> <div> <div>Total Funds Compression Allocation</div> <div> Authority: s. 1011.62(17), F.S. </div> </div> </div>	<div>Funds the difference between:</div> <div>the amount generated in prior year total state funding per FTE</div> <div>AND</div> <div>the amount generated below the State average (25% of Funding difference capped at \$100 per FTE)</div>
<div> <div><u>\$54,190,616</u></div> <div>  </div> </div>	

52

2nd Calc.
Page 37 of 49
29 districts
Polk generates the largest portion

Best & Brightest Teacher/Principal

+

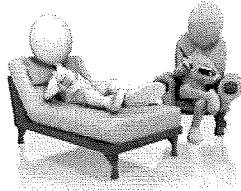
B&B
Teacher/Princ.
Allocation

Authority:
s. 1011.62(16),
F.S.

To provide funding for
school districts to
support

*a minimum allocation of
\$100,000 per district

\$284,500,000



53

2nd Calc.
Page 38 of 49
District items

Turnaround Schools Supplemental Services

+

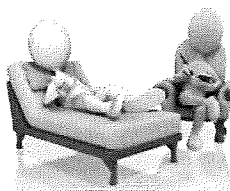
Turnaround
Allocation

Authority:
s. 1011.62(16),
F.S.

**To provide funding for
school districts to
support turnaround
options (improved and
eligible)**

***a minimum allocation of
\$100,000 per district**

\$45,473,810



Turnaround Schools Supplemental Services Allocation (TSSSA)
2nd Calc.

Page 39 of 49

32 Sch

To be eligible for TSSSA must meet 1 of 3 criteria:

- 1) A school that is implementing a district-managed turnaround plan
- 2) A school that has earned 3 consecutive grades below a "C"
- 3) A school that has improved to a "C" or higher and is no longer in turnaround status within the last 2 years (2017/18 and 2018/19)

HB7070

The district allocation is based on the UFTE student enrollment at the eligible schools and a per-FTE funding amount of \$500 or as provided by the General Appropriations Act.

This supplement shall be recalculated.

Plan must be approved prior to dollars being released.

Gross State and Local FEFP

Gross State
and Local
FEFP

Authority:
s.1011.62,
F.S

The **SUM** of all the FEFP
components in the
preceding slides is the

***Gross State and Local
FEFP.***



55

Required Local Effort (RLE)	
<div>Required Local Effort (RLE)</div> <div>-</div>	<div>The amount that each school district provides annually toward the cost of the FEFP.</div>
<div>Authority:</div> <div>s.1011.62(4), F.S.</div>	<div>The Legislature prescribes the aggregate RLE for all school districts collectively as an item in the General Appropriations Act.</div>
<div><u>\$7,856,925,320</u></div>	
<div>This represents a state average millage rate of 3.888. The millage rate is reduced for any district with ad valorem tax proceeds exceeding 90% of the district's FEFP formula entitlement.</div>	

56

2nd Calc.

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Page 45:

2018 School Taxable Value \$2,033,794,751,313

2019 School Taxable Value \$2,169,716,073,407

The required local effort is the amount of funding that each district provides annually toward the cost of the FEFP. Each district generates its RLE by levying the State-approved millage rate on ad valorem property within its district. The millage set by the Legislature

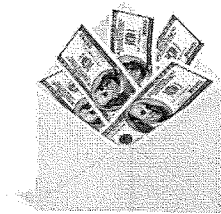
Additional Millage

School Boards do have the flexibility to levy an additional millage. The additional millage is called discretionary millage. The maximum amount the Board can levy is .780 mills. Ironically, although the millage is discretionary, if the Board doesn't levy this millage at the maximum rate, the State reduces our funding

FEFP

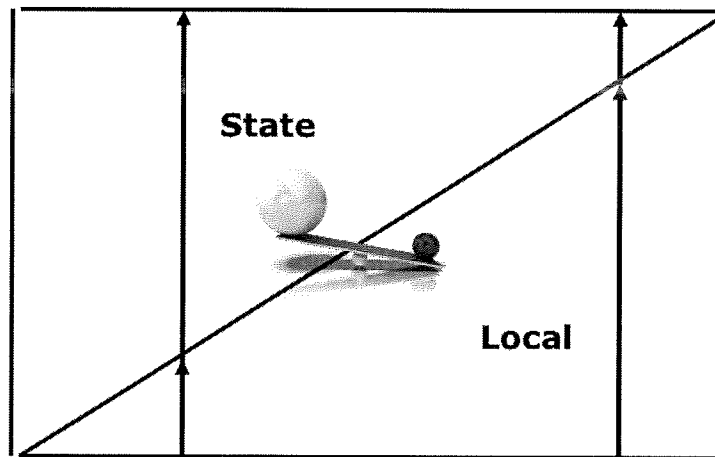
+

Proration to
Funds
Available



This adjustment occurs if state revenue collections are not sufficient to fund the amount appropriated for the FEFP.

Equity Within the FEFP State and Local Relationship



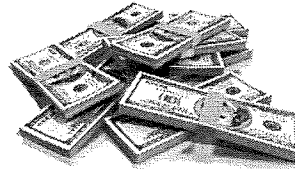
58

Student rich, property poor
Or
Student poor, property rich

Net State FEFP

$$\begin{array}{l} \text{Net State FEFP} \\ = \\ \text{Authority:} \\ \text{s.1011.62,} \\ \text{F.S.} \end{array} \quad \begin{array}{l} \text{Gross State} \\ \text{and Local} \\ \text{FEFP less the} \\ \text{Required} \\ \text{Local Effort.} \end{array}$$

\$9,201,699,423



59

2nd Calc.
Page 7 of 49

Categorical Discretionary Lottery / School Recognition

**Discretionary
Lottery/School
Recognition**

+

**Authority:
Appropriations
Act and
s. 1001.452(2),
1008.36, F.S.**

\$134,582,877

**Funds are provided for two (2)
programs:**

- 1. The School Recognition Program to reward schools which improve one letter grade or achieve an "A". Allocations are based on \$100 per student in eligible schools.**
- 2. The balance is then provided for Discretionary Lottery to be used for enhancement by each school district. Funds are allocated on the district's share of base FEFP funding. School Advisory Councils receive up to \$5 per FTE student.**

60

2nd Calc.

Page 44 of 49

Awards - nonrecurring bonuses to the faculty and staff, nonrecurring expenditures for educational equipment or materials, or for temporary personnel to assist the school in maintaining or improving student performance. School and school's staff must reach an agreement by February 1. If an agreement not reached the awards must be equally distributed to all classroom teachers currently teaching in the school.

Issues: Teacher transfer, retired, on leave, etc.

Must have an approved school improvement plan

Categorical Class Size Reduction

Class Size Reduction

+

**Article IX,
Section 1
Florida
Constitution**

**Authority:
s.1011.685,
F.S.**

**Used to implement the
class size reduction
requirements of the
Florida Constitution and
related statutes.**



\$3,111,099,382

61

2nd Calc.
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Categorical Class Size Reduction

**Class Size
Reduction**

**Authority:
s.1011.685,
F.S.**

Constitutional Class Size Maximums are:

GRADES

MAX

Students per classroom

PK-3

18

4-8

22

9-12

25

62

Categorical Class Size Reduction



**Class Size
Reduction**

**Authority:
s.1003.03(3),
F.S.**

Tool Box options:

- **Dual enrollment**
- **Florida Virtual School**
- **Repeal policies requiring more than 24 credits for graduation**
- **Adopt policies to allow graduation after passing the grade 10 FCAT and completing the necessary courses**
- **Maximize use of instructional staff**

63

Page 221 Florida School Law Book - read actual item.

Categorical Class Size Reduction

Class Size Reduction

**Authority:
s.1003.03(3),
F.S.**



Tool Box options:

- **Have joint-use facilities;**
- **Consider alternative methods of class scheduling;**
- **Redraw school attendance zones;**
- **Operate schools beyond the normal operating hours;**
- **Use year-round schools and other nontraditional calendars;**
- **Review and consider amending any collective bargaining contracts;**
- **Consider other approaches not prohibited by law**

64

=

Total State Funding



65

CHOICE OPTION PROGRAMS

Personal
Learning
Scholarship
Account

McKay
Scholarships

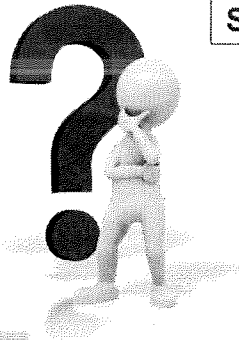
Opportunity
Scholarships

Virtual School

Home
Education

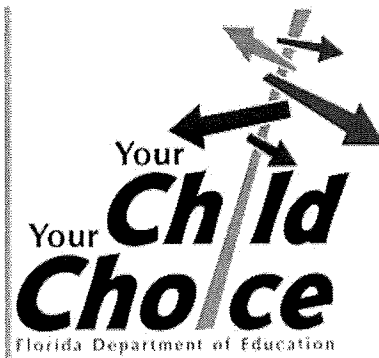
Charter
Schools

Florida
Tax
Credit
Scholarship



School Choice

Programs that allow students to choose to attend any of various participating private and public schools, usually based on a system of vouchers, tax credits, or scholarships.



**OFFICIAL
Charter**

*Issued by the
School Board
of Florida
County*

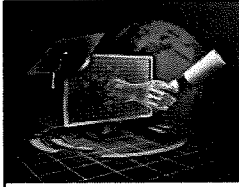
Charter School Sponsor Duties

s. 1002.33(5), F.S.

- **Monitor and review progress towards goals.**
- **Monitor revenues and expenditures.**
- **Ensure innovation and consistency with state education goals.**
- **Ensure participation in state accountability system.**

68

In HCPS, started in 1998/1999
Three charters
Today over 50



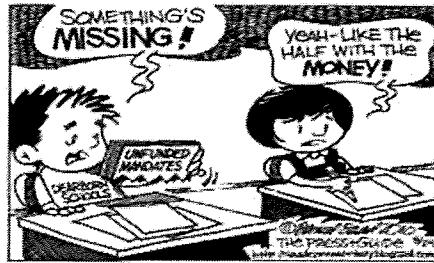
Virtual Instruction Programs

s. 1002, 1002.37 and 1002.45, F.S.

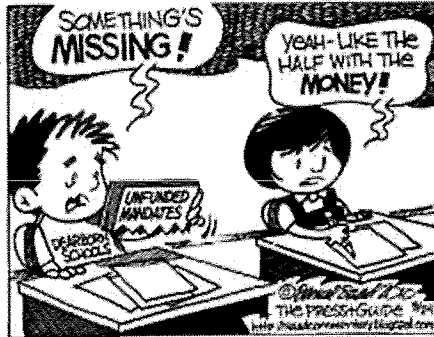
“Virtual instruction program” means a program of instruction provided in an interactive learning environment created through technology in which students are separated from their teachers by time or space, or both.

69

**"Can anybody remember
when the times were not
hard and money not scarce?"
~Ralph Waldo Emerson**



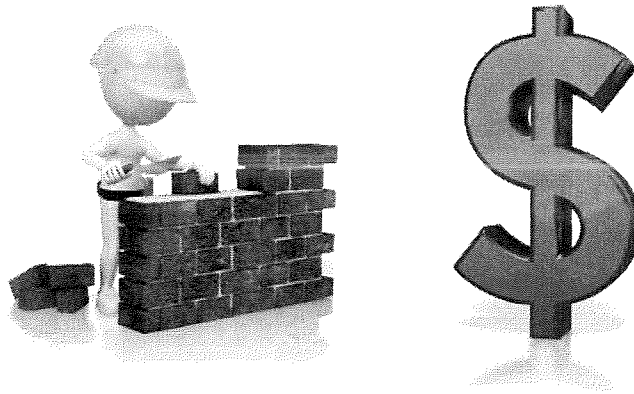
1971 or 2019 - We look back now at the "good ole" days.



Employees

71

Our employees are our most important resource. We can't succeed without talent. We strive to fill the right people with the right skills in the right places at the right times.



Financial Picture

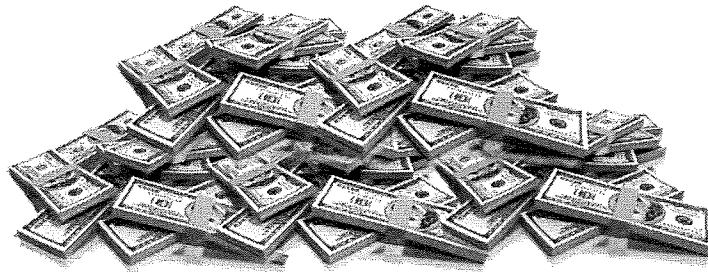
Are we meeting our liabilities

Maintaining liquidity

Revenue from State and Local Sources - Cash Flow

Bill Payments, Payroll, Payroll taxes, Debt Service Payments,

Budgets, Priorities (wants vs needs)



73

Revenue short-falls, increased expenses, how do we balance the budget?

Review the largest buckets first:

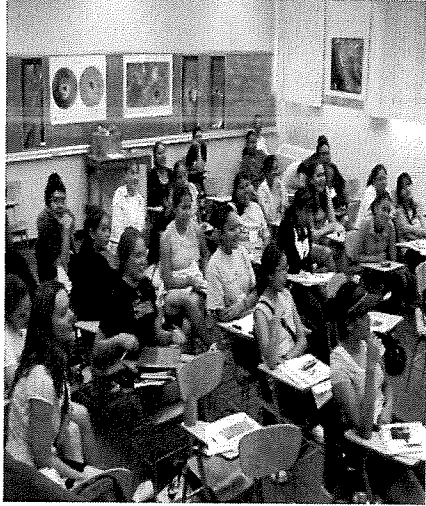
Salaries - Class Size vs. Number of instructional Units (teacher-student ratio)

Scheduled time vs. Other Pay. Staffing, stipends, supplements

Extra personnel (want vs need)

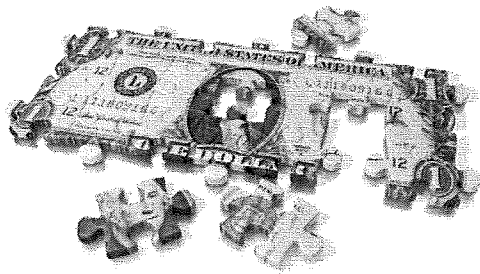
Who is reviewing the master schedules? Are we pushing class size limits or do we have an over abundance of units to number of students?

Programs, Focus, Cost Benefit Analysis



Classroom Activity

Financial Monitoring



75

Budget monitoring is crucial for an organization to be able to enforce accountability related to spending. What to monitor:

Revenues - sources of funds. Trends, one time sources, timing of deposits, economic indicators, patterns

Expenditures - salary, benefits, purchased services, energy services, capital outlay, materials & supplies

Communications -

Frequency of reports to board

Delivery of information - understandable

Format of numbers - how is the information related?

Transparency of information builds trust and credibility

Financial Tracking

Priorities / Long Term Vision

Student Achievement

Performance Measures / Data Driven

Equality of Opportunity for Students

Historical Patterns of Spending

Transparency / Cost Benefit Analysis

76

Establish a Long-Term Vision

Build Trust & Open Communication

Use Collective Decision Making

Create Clear Rules

Treat Everyone Fairly

Financial Tracking

Short and Long Term Forecasting

General Fund Reserves

Asset Maintenance & Replacement

Savings (Salary & Non-Salary)

New Programs

Time, Cost, Quality

77

Establish short and long-term forecasting - Cost Benefit Analysis/ROI

Enrollment Projections, Financial Projections, Risk Analysis
General Fund Reserves (Lapse, Audit Findings, Revenue reductions, Economic Instability, Prior-year expenses)

Technology, Buildings, HVAC,

Watch and track expenses for opportunities for savings.

New programs? What programs are we going to sun set?

Timeline of process

Cost to implement, unforeseen expenses

Quality: Are we getting our monies worth?

Student & Financial Tracking

Student Performance Data

Collecting

Measuring

Sustaining

Time, Cost, Quality

78

Student Performance Data:

Are we outcome driven? Has Student Achievement Improved?

Are we reaching the most students possible? Or the ones with the most needs?

Collecting (Relevant)

Measuring (Comparison equal?)

Sustaining (What are we doing correct? How can we multiply?)

Money // Finances

Admit Mistakes
Be Accountable
Be Honest
Be Prompt
Be Straight
Be Uncompromising
Build Trust
Emphasize Customer Service
Provide Solutions

79

KPI's for your Finance Office:

Trust in your finance officer is everything. When you have trust it builds a solid financial foundation for your district.

Integrity and honesty are one of the most important elements of building trust.

Three questions to differentiate ethical vs. unethical behavior:

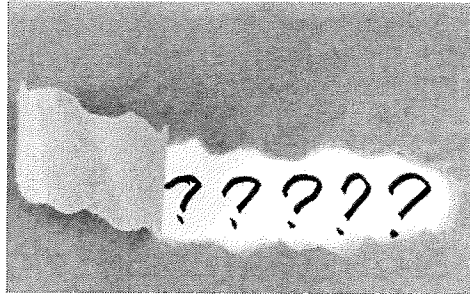
Is it illegal?

Is it honest?

Will anyone be injured?

Account Coding

Understanding what the numbers mean.



FUND

Describes the funding source.

101 General Operating
2XX Debt Service
3XX Capital Outlay (New & Existing)
410 Student Nutrition Services
420-4XX Special Revenue (Grants)
7XX Fiduciary Funds

81

Governmental Funds

General Fund

Debt Service

Capital Projects

SNS

Special Revenue Funds

Fiduciary Funds

Each fund is a separate check book. – Federal/State/Local

School Funding Silos

Operating

- Salaries
- Benefits
- Utilities
- Instructional Materials
- Consumable Supplies

Capital

- Debt payment
- Maintenance
- Technology
- Buses
- Equipment
- Security Improvements
- New Construction
- Portables

FUNCTION – What is our objective or purpose?

Four Major Categories ~

Instruction

Student and Instructional Support Services

General Support Services

Community Services

83

Instruction: Activities dealing directly with the teaching of students or the interaction between teachers and students. These categories include Basic, ESE, Career Education, Adult General and Other Instruction (recreation, enrichment and pre-K)

Student & Instructional Support Services: Administrative, technical and logistical support services to facilitate and enhance instruction. Specific categories include: Student Support Services, Instructional Media, Instruction and Curriculum Development, Instructional Staff Training, and Instruction-Related Technology.

General Support Services: establishing policy, operating schools, and the school system, and providing the necessary facilities and services for the staff and students. This includes salaries, and expenditures for the Board, General Admin, School Admin, Facilities Acquisition and Construction, Fiscal Services, Food Svs, Central Services, Student Transportation, Operation of Plant, Maintenance of Plant and Administrative Technology Services.

Community Services: Activities that are not directly related to providing education for students in a school system, such as non-instructional services provided by the school system for the community. (HOST)

PROGRAM

Describes who this is for?

100	Pre-K (Non-ESE)
101	Basic Education K-3
102	Basic Education 4-8
103	Basic Education 9-12
120	Alternative Education 4-8
121	Alternative Education 9-12
130	ESOL K-12
190	Athletics
250	ESE (Exceptional Student Education) and Gifted
300	Career & Technical
610	School Indirect Costs
620	District Indirect Costs

Program refers to activities, operations, or organizational units designated to accomplish an objective or purpose.

Need Monthly Financials

Need Budget Pages

Object

What goods or services? Seven categories

Salaries

Employee Benefits

Purchased Services

Energy Services

Materials & Supplies

Capital Outlay

Other

85

Salaries: \$ paid to employees of the school system in a permanent capacity. Administrators, Classroom Teachers, Other Certified: Primary Specialists, Guidance Counselors, Psychologists, OT/PT and Media Specialists. Clerical, Transportation, Custodians, Cafeteria workers, Finance team, operations team, IT, HR, Board Members

Employee Benefits: Retirement, Social Security, Group Insurance, Workers' Comp., Unemployment Comp.

Purchased Services: \$ paid for personal services rendered by personnel who are not on the payroll of the district school bd. This may include a service or an actual product. Professional/Technical Svs, Technology Related Professional or Service. Travel, Repairs & Maintenance, Rentals, Telephone, Communications, Charter School distributions (FEFP and Non-FEFP - capital)

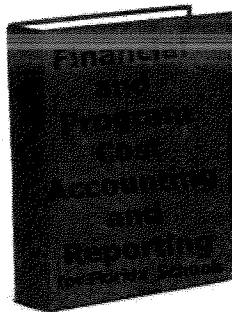
Energy Services: Natural Gas, CNG, Bottled Gas (petroleum), Electricity, Gasoline, Diesel Fuel

Materials & Supplies: Items of an expendable nature. These are consumed, worn out, or deteriorated in use. Supplies – instructional, custodial, maintenance, technology related (flash drives, cords, etc.), textbooks, periodicals, Oil & Grease, Repair Parts, Tires & tubes, Food (Ag and Family and consumer science)

Capital Outlay: Acquisition of capital assets or additions to capital assets. Land, existing buildings, improvements to grounds, construction of buildings, additions to buildings, remodeling, new and replacement equipment, motor vehicles, and software. Library books, AV needs, Buildings & Fixed Equipment, Furniture, Computer Hardware, software.

Other: Interest earnings, dues and fees, judgments/settlements, other personal services (sub teachers, etc.)

**For more specific
information or questions,
please refer to the Red Book**



"Red Book"



FLORIDA DEPARTMENT OF
EDUCATION
fldoe.org

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AAA

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00

Decisions

- ▣ **Student Planning**
- ▣ **Instructional Units**
- ▣ **Instructional Support Units**
- ▣ **Salaries/Benefits**

Student Planning

- ▣ **Class Size Methodology**
- ▣ **Boundaries**
- ▣ **New Schools**

Evaluate Constraints~

Categorical funding limitations

Legal Mandates

Organizational Structure

Personnel moves

Communicate, Communicate.

Instructional Units

- ▣ **School Board Priorities**
- ▣ **Strategic Plan**
- ▣ **Instructional Programs**

- ▣ **School Example:**

- ▣ **((Learning Gains) X (#'s of students))**
 - ▣ **Expenditure Amount**

Analyze staff by school site~

Group by major function:

Teachers in core subjects

Non-core or specialty teachers

ELL & ESE teachers

Coaches, Aides, tutors

What is our academic cost benefits analysis?

Instructional Support Units

- ▣ **School Board Priorities**
- ▣ **Strategic Plan**
- ▣ **Instructional Programs – CBA (Cost Benefit Analysis)**

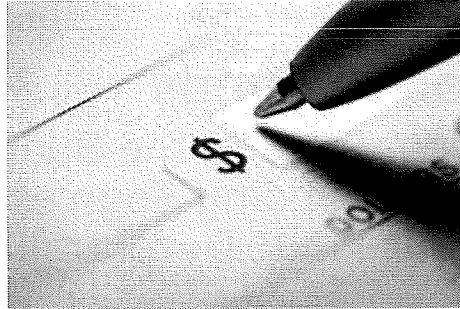
Analyze staff by school site~

Group by major function:

Guidance Counselors, nurses, social works, psychologists
Principals, A.P.'s, school office staff, central admin, operations,
Maintenance, transportation, SNS, custodians.

What is our academic cost benefits analysis?

How Do We Spend Our Money?



Projecting Needs and Revenue

Considerations

- Past Experiences
- Present Situations
- Future Endeavors

Utilization of Funds

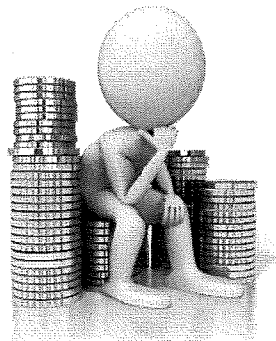
- Different Parts of the Budget
- Different Funding Sources
- Centralized vs. Decentralized

The Big Three

Question:

What do you consider to be the three (3) biggest decisions your district will make when compiling the budget?

- 1.
- 2.
- 3.



93

Past, Present, and Future Considerations

- History of achievements or problems
- Growth or decline in membership/FTE
- Changes in instructional programs
- Staffing of schools and district services
- Contracting out services
- Continuation budget
- Fixed costs
- Recurring vs. Nonrecurring



Past, Present, and Future Considerations

- COLA/CPI increases
- Raises for employees
- Increases to cover fringe benefits
- Other collective bargaining issues
- Continuation of former categoricals
- School level & district level allocations
- Choice programs – Magnet, Charters

Past, Present, and Future Considerations

- Lapse factor on labor costs
- Cash flow issues
- Fund balance (restricted and not)
- Carry forward and other incentives
- Reserve units for changes in FTE
- Reserve funds for loss of revenue
- Reserve funds for unexpected costs

Past, Present, and Future Considerations

- Watch for issues that may cost
- Watch for the impact of legislative changes
- Plan for issues that will arise during the year
- Plan for future changes in FTE and programs



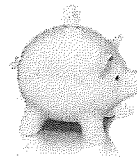
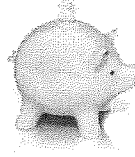
97

Past, Present, and Future Considerations

Plan for Future Changes in Revenue (+ or -)

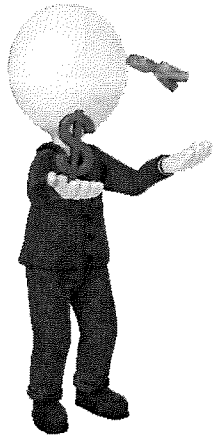
- ✓ *Recalculations of FEFP and categoricals*
- ✓ *Prorations (even after the year is over)*
- ✓ *Prior year adjustments*
- ✓ *Forms of scholarships (Mckay/corporate)*

RESERVE, RESERVE, and RESERVE!





Closing



100