



**Okaloosa Schools  
The Budget Process  
School Year 2008-2009**

*Developing Budgets  
for  
Schools and District Operated Programs  
for  
Fiscal Year 2008-2009*

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## **Enrollment Information**

Comparative FTE enrollment information is provided for each school by program for 2007-2008 versus 2008-2009. The 2007-2008 enrollment data is based on the adjusted unweighted full-time equivalent students for funding purposes from the 2007-2008 original revenue projections. The enrollment data for 2008-2009 is based on the adjusted projected 2008-2009 unweighted FTE. Descriptions of individual programs can be found in *2007-2008 Funding for Florida School Districts* located in the **Appendices**.

## **Revenue Projection**

The Revenue Projection page for each school indicates changes as follows:

### **Adjustments Due to Ocean City Elementary School Closure**

The Okaloosa County School District has been experiencing significant declining enrollment for the past several years in the central and southern part of the county. As a result of the declining enrollment, the School District has been required to supplement, through class size equalization, several schools in order to provide students basic educational services and opportunities. As revenue continued to decline the District was faced with developing a financial plan which would ensure that students of Okaloosa County Schools would receive the best possible educational services within revenue constraints. Closing Ocean City Elementary was the most prudent decision both economically and educationally. The School Board approved at the November 13, 2007, meeting to close Ocean City Elementary at the end of the 2007-2008 school year because of their continued declining enrollment, the amount of students zoning out of their district, its proximity to commercial property, the demolition of the Garnier's wastewater treatment plant and its convenience to the other elementary schools. The Ocean City students will be consolidated into Wright, Longwood, Shalimar and Mary Esther Elementary schools.

### **Adjustments Due to Destin Elementary 5<sup>th</sup> Graders moving to Destin Middle School**

The School Board approved at the March 10, 2008, meeting approval of a Fine Arts/Foreign language immersion instructional program to begin with the 2008-2009 school year for 5<sup>th</sup> grade students at Destin Middle School. The estimated number of 5<sup>th</sup> graders who will be attending Destin Middle School is forty-four (44). The program will provide students a unique educational program while helping to elevate overcrowding at Destin Elementary School.

### Adjustments Due to Changes in Location of ESE Units

Each year, Student Intervention Services (formerly ESE) evaluates placement of ESE units throughout the District and makes recommendations for relocation of units in order to better serve students while efficiently managing resources. For 2008-2009 Student Intervention Services is recommending relocating ESE units at Bluewater, OATC, W.E. Combs School and Bob Sikes Elementary.

## **Revenue Estimates**

### **FEFP and State Categorical Funding - Based on the Governor's Proposed Budget for 2008-2009**

The operating budget for schools represents the main portion of the budget for the Okaloosa County School District. The major portion of the schools' operating budget is funded from General Operating Fund revenues, primarily from the Florida Education Finance Program (FEFP). (See Appendices for Florida Department of Education's *2007-2008 Funding for Florida School Districts*.)

The revenue to be provided to Okaloosa County through the State school funding program (FEFP) for FY 2008-2009 has not been finalized because we begin the budget process in February. The Legislature convened March 4, 2008, and the last day of the legislative session is scheduled to be May 2, 2008. The Governor has submitted a funding proposal for 2008-2009. The Governor's Proposed Budget as of March 2008 is the basis for projected revenues for schools. The District will receive the actual revenue amount as finalized by the Legislature after personnel recommendations are required to be submitted to the District.

Over the course of the last seven years, the final revenue budget approved by the Legislature for Okaloosa Schools has not varied more than 2 percent from the Governor's proposal. The legislative process, in prior years, seldom produces gross differences in total appropriated revenues for Okaloosa Schools but does produce changes in individual line items.

The Governor's Total Budget Request for 2008-2009 for Okaloosa Schools is \$214,769,515 for FEFP, Discretionary Lottery Funds, State Categorical Funds, and Discretionary and Supplemental Local Effort.

### **Key State Revenue Changes from FY 2008 to FY 2009**

The Governor's budget proposes a \$6.8 million increase in funding for Okaloosa Schools as compared to the 2007-2008 3<sup>rd</sup> FEFP calculation (See Budget Manual). However, \$4.8 million of the increase is specifically designated to pay for the costs of additional teachers and related teaching expenses mandated by the class size reduction amendment.

The Governor has also proposed a net decrease of approximately \$2.9 million in FEFP Base Funding and Discretionary Local Taxes. The Governor's budget proposes no increase in the Base Student Allocation (BSA). The Governor's recommendation is to fund the BSA, for fiscal year 2008-2009, at the 2007-2008 rate of \$4,134.95. The Governor's proposed District Cost Differential (DCD) is a pre 2005-2006 rate. In fiscal year 2004-2005 the State DCD was .9517 and in 2005-2006 the DCD was .9561. The result is a decrease of approximately \$3.2 million in FEFP Base Funding and Discretionary Local Taxes.

The Governor proposed an increase of \$.04 million specifically restricted for K-12 Reading Instruction. The Superintendent's recommendation to continue the literacy coaching initiative will require the use of these funds for that purpose.

New budget items proposed by the Governor are as follows:

- Fund a Physical Education Supplemental Add-On - \$1.1 million estimated – Provides a value of .05 full-time equivalent student membership for each student enrolled in grades 6 through 8 who is also enrolled in a public school physical education course of at least 45 minutes per day. The district must allocate the funds generated through this cost factor to the school that generated the funds.
- Fund a Career Education Supplemental Add-On – \$.3 million estimated - Provides a value of .30 full-time equivalent student memberships in secondary career education programs for grades 9-12 in the subsequent year for courses that were not funded through dual enrollment. The additional full-time equivalent is based on certification of successful completion of industry-certified career and professional academy programs.

Other budget items which impact school funding are as follows:

- Increase ESE Guarantee funding from \$13.3 million to \$13.4 million;
- Increase SAI funding from \$9.7 million to \$9.8 million;
- Increase DJJ funding from \$.6 million to \$.7 million;
- Increase Safe School Funding from \$.68 million to \$.74 million;
- Increase in transportation funding of 21.07% due to changes in the number of students transported, adjusted price level index, bus occupancy index, fuel prices and rurality; and
- Increase in instructional materials from \$3.1 million to \$3.4 million

The District must pass through approximately \$7.2 million of FEFP related funds to charter schools and contracted programs for regular programs and to private schools for McKay Scholarships.

### **School Funding Burden Continues to Shift to Local Taxpayers**

The Governor has proposed that the Legislature require the Okaloosa School Board to increase the amount of funds collected from local property taxpayers. The “required local effort” would increase by 2.4% or an additional burden of \$2.1 million for a total of \$92 million.

### **Federal Impact Aid Allocations to Schools will Decrease from 2007-2008**

Starting with Fiscal Year 2001-2002, a major funding change was made to send Federal Impact Aid funds to schools instead of administering the funds at the District. Federal Impact Aid funds are appropriated each year by Congress; however, the timing of federal appropriations does not coincide with the state and district budgeting cycle. As in the prior years, schools will be directly appropriated Federal Impact Aid funds with the proviso that reductions or increases in federal funding during the year would become mid-year adjustments to schools’ revenues. The allocation for fiscal year 2008-2009 will be 90% of the 2007-2008 allocation. It is estimated the District will receive \$3.8 million for FY 2009, based on the current 2007-2008 Federal Impact Aid factors. There continues to be a downward trend in Federal Impact Aid funding primarily caused by a decrease in eligible students. The number of eligible students in fiscal year 2007-2008 was 30,345, and for fiscal year 2008-2009 the estimated number is 29,619, a net overall decrease of 726 students.

In keeping with the District’s commitment to reduce the share of education dollars used for district overhead costs, 90 percent of estimated Federal Impact Aid funds have been distributed to schools at the beginning of each budget year. Additionally, the District also distributes 90% of any additional Federal Impact Aid funds received during the current fiscal year for the most recent claiming year.

### **Allocation of Class Size Mandated Teachers – Methodology Changes for FY 2008-2009**

The estimated Class Size Reduction (CSR) categorical funding is \$32.7 million, an increase of \$4.8 million. The District will reserve the \$4.8 million increase pending finalization of the implementation of the constitutional class size mandate by the Legislature. The Governor’s proposed increase is based on the premise that School Districts will staff classrooms based on the constitutional class size mandate for core courses. For the initial budget process, elementary schools have been allocated units based on the same methodology used in FY 2007-2008. For middle schools and High Schools as well as Laurel Hill School and Baker School, Class Size instructional units have been allocated based on the following methodology:

**Number of CSR Units allocated in FY 2008 - Total by Type of School (Middle, High, and K-12)**

**Divided by**

**Adjusted Projected UFTE – Budget Manual 2007 – Total by Type of School**

**Equals =**

**Class Size Reduction Factor (CSR Factor)**

**Times**

**Each School's Adjusted Projected UFTE for FY 2009**

**Equals =**

**Each School's 2009 CSR Units**

The allocation amounts to approximately \$14.3 million.

**Class Size Equalization Appropriations Will Continue To Support Small Elementary and Middle Schools**

Current law allows school districts that are in compliance with the constitutional class size reduction schedule to use certain remainder funds flexibly. Therefore, the Superintendent is again recommending allocation of Class Size Reduction Equalization funds to elementary schools with less than 600 UFTE. The Superintendent is recommending increasing the break even point, in terms of UFTE, for middle schools from 775 to 820. This change for Middle Schools is needed because they have the lowest weighted funding and have additional costs such as Assistant Principals, Extra Curricular Supplements, Guidance Counselors and Guidance Secretaries. The small school supplement provides for the loss of marginal revenue necessary to maintain comparable student services at all schools. The Class Size Reduction – Equalization allocation 2008-2009 is approximately \$3.3 million.

**Use of Flexible Class Size Funds to Support Secondary School Intensive Reading Initiative**

For FY 2009 the Superintendent is recommending the continuation of the Secondary School Intensive Reading Initiative. This initiative requires all non-proficient middle and high school readers to enroll in mandatory reading courses. The costs of instruction, materials, and assessment for these courses are estimated to be \$2.5 million for fiscal year 2008-2009 for “during school reading support.” The Superintendent recommends these costs be paid from Class Size Reduction flexible funds.

**Use of Flexible Class Size Funds to Support Secondary School Intensive Reading Initiative - Classroom Assistants – Reading**

The Superintendent is recommending allocating one (1) classroom assistant position to secondary schools who have more than twenty-five (25) sections of intensive reading and a half (.50) unit to secondary schools who have less than twenty-five (25) sections to assist in supporting and expanding the reading program.

### **Use of Flexible Class Size Funds to Allocate Class Size Reduction – Salary Supplement**

Class Size Reduction Salary Supplement will continue to be funded for Fiscal Year 2008-2009 from Class Size Reduction funds which are deemed flexible as a result of the District meeting the “school average” limits. These funds are being allocated to schools in order to offset the incremental cost of FY 2005-2006, FY 2006-2007 and FY 2007-2008 instructional salary increases.

### **Use of Flexible Class Size Funds to Allocate Class Size Reduction – Bonus Single Gender – Middle Schools**

The Superintendent is recommending funding a bonus for middle schools which teach single gender classes (sections). For every single gender section a middle school has they will receive a \$5,000 bonus.

### **Continuation of Literacy Coaching Initiative**

In 2005-2006, State categorical and federal Title II – Principal and Teacher Training funds were used to fund the literacy coach program and provided the following: 1.0 literacy coach at each elementary school, 1.0 literacy coach at middle schools, 1.0 literacy coach at Laurel Hill School, and 2.0 literacy coaches at Baker School.

The Superintendent recommends continuing the Literacy Coach Program for 2008-2009. The estimated federal Title II funds are not sufficient to pay for the program. Therefore, the District is proposing to continue funding the literacy coach program from two sources as follows: (1) federal Title II funds and (2) the Governor’s proposed “Reading Instruction” funds of approximately \$1.3 million, net of funds required to be allocated to charter schools and contracted programs.

### **Supplemental Academic Instruction (SAI)**

The Superintendent is recommending the continuation of some SAI programs, the revision of some and the establishment of new programs funded through SAI funds. The Governor’s Budget proposes to allocate \$9.8 million for SAI.

### **Remediation Allocation**

The Superintendent recommends allocating one (1) remediation teacher to each elementary school, one (1) unit to Baker School and one half (.50) unit at Laurel Hill to provide remediation services in reading, math, writing or a combination thereof. In addition, Okaloosa Applied Technology Center will be allocated five (5) instructional and one (1) guidance counselor unit.

### **Secondary Math Remediation Allocation**

The Superintendent is recommending funding a new remedial initiative for secondary math remediation. One (1) instructional unit will be allocated based on 25 sections of intensive math. This means to qualify for a unit a school must have a teacher teaching 5 sections of intensive math five days a week or the combination of 25 sections or more comprised of multiple teachers teaching intensive math.

### **ESOL – Americorp Tutor & Interpreter Allocation**

The Superintendent is recommending expanding the ESOL initiative to schools. If a school has an ELL population of 25 or greater they will be allocated one (1) Americorp Tutor and/or if a school has more than one language population 15 or greater they will be allocated one (1) Interpreter position.

### **Learning Strategies Allocation – High Schools**

The Superintendent is recommending funding a new remedial initiative for High Schools. Each High School will receive two (2) classroom assistants, and Baker School and Laurel Hill will receive one (1) classroom assistant.

### **Continuation of Plan of Care Assistance and Summer Intensive Studies**

The Superintendent proposes a continuation, expansion and revision of the Plan of Care and Summer Intensive Studies initiatives. After the District receives the 2008 FCAT results, schools will identify the students eligible for services. Guidelines will be provided by Quality Assurance and Finance at a later date.

### **Decentralized Reserves Remain Approximately the Same as FY 2008**

The “Decentralized FTE Reserves” special project at each school is held to offset changes that will occur in the Base Student Allocation, District Cost Differential, program cost factors, legislative changes in funding (new programs or eliminating programs), and changes in FTE throughout the school year. The Decentralized FTE Reserves are approximately the same as FY 2007-2008 which is \$1.6 million.

### **IDEA Supplement**

The initial IDEA allocation for FY 2009 remains at \$5.9 million or the same as FY 2007. Currently, there is no increase in IDEA recommended for FY 2009 by the federal government.



## **Revenue – Other State, Local and Federal Sources**

Estimated revenue allocations for many projects are also included in the initial budget allocation, such as the following:

- Advanced Placement/ International Baccalaureate
- Advanced Placement Set-Aside
- Instructional Materials – Textbooks, Media & Science
- Florida Teachers Lead
- Career Education Equipment and Supplies
- Reserve Officer Training Corp
- Stadium Facilities

The Budget Manual has information about each of the revenue sources and the projections, including any special instructions relating to the project. Revenue in some of the projects is restricted and can not be used for salaries and benefits. Therefore, Finance will temporarily budget your estimated allocation for each of those fund sources in the appropriate project, function, and object at your cost center. You may not move the budget until after the preliminary and tentative budget is adopted in late July.

The initial budget allocation for 2008-2009 includes both the Title I and the IDEA allocations.

Certain restricted revenues, grants, entitlements; roll-forward funds, carryover funds, and other revenues are excluded from the projected revenues at this time. This information will be released to schools as soon as the information is made available to the District. Please consult the Budget Manual or the appropriate department for further information.

Certain revenue sources are not listed on the Revenue Projection page because the program is not currently funded or the grant will expire prior to June 30, 2008. Information about these fund sources and guidance regarding personnel decisions relating to staff currently paid from the fund source is also provided in the OTHER INFORMATION section of the Budget Manual.

## **Revenue to offset Fixed Charges for Student Services**

Fixed Charges for Student Services consist of an offsetting estimated revenue allocation and an appropriation (expenditure) for services provided to students and schools such as school psychologists, O/T P/T, and school resource officers. Please refer to the *Revenue to Offset Fixed Charges for Student Services* for additional information.

## **Budget Process**

In 2001-2002, the District implemented Equity in School-Level Funding, F.S. 1011.69. The intent of Equity in School-Level Funding is that the funds generated at a school go to the school. Until 2003, the statute required that beginning in 2003-2004, district school boards had to

allocate at least 90% of the funds generated by that school based upon the Florida Education Finance Program and the Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy. The District successfully implemented the statutory requirement in 2002-2003.

In 2003 the Legislature modified the requirement to be "district school boards shall allocate to schools within the district an average of 90 percent of the funds generated by all schools and guarantee that each school receives at least 80 percent of the funds generated by that school based upon the Florida Education Finance Program as provided in s. 1011.62 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy." The statute specifically excludes Supplementary Academic Instruction and Class Size Reduction funds. Although the statute reduced the requirement on an individual school basis, in 2006 – 2007 the District increased the allocation to 92% in fiscal year 2007-2008 and will continue to allocate 92% of the funds generated at a school to the school.

## **Budget Packets for Schools**

Each school's budget packet, enrollment data, and revenue projections are available on the Internet. The budget packet is site-specific and cannot be accessed by any other school. Please note that the 2008-2009 Budget Manual will be available in its entirety on the Internet for administrators, employees, School Advisory Councils, and any interested party.

Budget packets for each school may be found by following the instructions below:

- [www.okaloosaschools.com](http://www.okaloosaschools.com)
  - Select School District
  - Go to "Taxpayer Resources"
  - Select "Budget Information"
  - Select "School Budget Manual" (in the section entitled 2008-2009 Budget Information)
  - Click "Budget Packet" button in middle of page
  - Print the "Downloading Instructions"
  - Scroll down - Download "Budget Packet" for your school
  - ***Very Important: In order to save your work, you must be sure to download the file before you open it.***
  - Close the webpage
  - Open your "Budget Packet" in Excel
  - Enter your Access Code
- (Your Access Code is located inside your school's budget packet – See Item #1)

The Budget Packets on the Internet include all the necessary forms and data for the school to develop the related budget and is password specific to the individual school. The Budget Packet includes Excel spreadsheets for the Enrollment Data, Revenue Projections, Salary Menu (MIS

3382), and Budget Detail Sheets (MIS 3149). A Personnel List and Position Summary have also been included for your convenience. For projects having salaries, the Excel spreadsheets for each school are linked to the estimated revenue for the school and will automatically calculate the estimated cost of positions and total dollars available after staff costs for each project. The total dollars available after staff costs for each project are linked to the Budget Detail Form (MIS 3149) for the specific project, unless the budget has been pre-determined. In this case, there is no need to complete a Budget Detail Form (MIS 3149). Projects having pre-determined budgets are specified in the Budget Manual. For projects without salaries that do not have pre-determined budgets, the estimated revenue automatically links to the Budget Detail Form (MIS 3149) for the specific project. Please refer to the instructions on the Internet or contact Budgeting. Contacts in Budgeting are listed in the *District Level Contacts* section of the Budget Manual.

Finance has also provided each school with a brief explanation of potential causes for increases and decreases in each funding category. This explanation is meant to assist principals in communicating to School Advisory Councils, parents, staff, and other interested parties changes that have occurred in the school's funding.

### **Budget Focus**

- **Continuing to Provide Quality Instructional Education to Okaloosa Students During Extremely Challenging Budgetary Times, Currently and in the Future**
- **Better Financial Management through More Effective and Efficient Use of Resources**
- **Extensive Involvement of Parents and Employees through the School Advisory Council in the Budget Process**
- **Key Budget Decisions**
  - **Discretionary Budget**
  - **Discretionary Lottery**
  - **Supplemental Academic Instruction**
  - **Class Size Reduction – Equalization Allocation**
  - **Class Size Reduction – Salary Supplement**
  - **ESE Guarantee – Gifted**
  - **Title I**
  - **AP / IB**
  - **After School Child Care Programs**

- ROTC
- Other Projects

### **Budget Calendar**

Please refer to the Budget Calendar provided in this section for key dates relating to developing your school's Budget. *The "Draft" Budget for each school should be submitted to Budgeting by Tuesday, April 15, 2008.*

### **Presentation of School Budgets**

During the week of April 7, 2008 through April 11, 2008, principals will present their School Budget in a combined meeting to the Superintendent, Deputy Superintendent – Curriculum, Instruction & Assessment, Deputy Superintendent – Operations and Chief Officer – Quality Assurance. During this same time period, Budgeting and Human Resources will have a joint meeting with each principal to review staffing and personnel recommendations.