

Okaloosa Schools The Budget Process School Year 2009-2010

*Developing Budgets
for
Schools and District Operated Programs
for
Fiscal Year 2009-2010*

Dr. Alexis Tibbetts, Superintendent
Rita R. Scallan, Chief Financial Officer

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Enrollment Information

Comparative FTE enrollment information is provided for each school by program for 2008-2009 versus 2009-2010. The 2008-2009 enrollment data is based on the adjusted unweighted full-time equivalent students for funding purposes from the 2008-2009 adjusted projected final conference revenue projections. The enrollment data for 2009-2010 is based on the adjusted projected 2009-2010 unweighted FTE based on the Governor's Budget Recommendation. Descriptions of individual programs can be found in *2008-2009 Funding for Florida School Districts* located in the **Appendices**.

Revenue Projection

The Revenue Projection page for each school includes "Significant Factors Affecting Estimated Revenues." These factors include:

Increase/ (Decrease) of Unweighted FTE

This is the total change in UFTE as indicated on each school's Enrollment Information page.

Unweighted FTE moved to/ (from) one school to another school

Not applicable for fiscal year 2009-2010.

Adjustments Due to Changes in Location of ESE Units

Each year, Student Intervention Services – 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 2009-2010 Student Intervention Services – ESE is recommending relocating ESE units at Eglin Elementary, Valparaiso Elementary, Longwood Elementary and Wright Elementary.

Increase/ (Decrease) of UFTE at the school due to Governor's projection

Not applicable for fiscal year 2009-2010.

Revenue Estimates

FEFP and State Categorical Funding For Fiscal Year 2009-2010

The operating budget for schools represents the major 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 *2008-2009 Funding for Florida School Districts*.)

The revenue to be provided to Okaloosa County through the State school funding program (FEFP) for FY 2009-2010 has not been finalized because we begin the budget process in February. The Legislature convened March 3, 2009, and the last day of the legislative session is scheduled to be May 1, 2009.

The Governor has submitted a funding proposal for 2009-2010. Over the course of the prior eight years, 2001-2002 through 2008-2009, the Governor's Proposed Budget has been the basis used by the District to project revenues for schools. But unlike previous years, the District will use the 2008-2009 Revised 3rd FEFP calculation reduced by 10% as the basis for the estimated school revenue projections. The District will receive the actual revenue amount as finalized by the Legislature after personnel recommendations are required to be submitted to the District.

Historically, the final revenue budget approved by the Legislature for Okaloosa Schools has not varied more than 2 percent from the Governor's proposal. Likewise, the legislative process, in prior years, has seldom produced gross differences in total appropriated revenues for Okaloosa Schools but has produced changes in individual line items. However, in fiscal year 2008-2009, the variance in the Governor's budget compared to the Final Conference Report was an unprecedented 7.50% higher or \$16 million.

The Governor's Total Budget Request for 2009-2010 for Okaloosa Schools is \$197,203,679 for FEFP, Discretionary Lottery Funds, State Categorical Funds, Discretionary and Supplemental Local Effort and includes \$9,308,544 of federal funding from the American Recovery and Reinvestment Act of 2009, also known as the "Stimulus Package".

The Stimulus Package for Education is comprised of several funding components, the two major components are the State Fiscal Stabilization Fund which is projected to be \$53.6 billion nationwide and targeted grants in the form of additional IDEA and Title I funding. In order for a state to receive Fiscal Stabilization Funds the State must maintain state support on K-12 education at least at the level of fiscal year 2006 in 2009, 2010 and 2011; and the state must maintain spending on higher education at least at the level for fiscal year 2006 in 2009, 2010 and 2011 (excluding capital projects, research and development, and tuition and fees paid by students). The State of Florida will not qualify for "Fiscal Stabilization Funds" for fiscal year 2009-2010; they are applying for a waiver in hopes of receiving those funds.

The District has received various forms of correspondence from the State projecting a potential 16% reduction in revenue from the 2008-2009 Revised 3rd FEFP, which equates to a potential \$31 million reduction. It is anticipated, by the Governor and the State of Florida, the State will receive the total funds projected by the Stimulus Package, which will hopefully reduce the projected 16% decrease to a lower percentage decrease.

For fiscal year 2009-2010, *the school district is using the 2008-2009 Revised 3rd FEFP Calculation less 10% as its basis for estimating schools' revenue projections.* This decision was based on several factors; including 1) the significant variance in the Governor's budget in

fiscal year 2008-2009, 2) the uncertainty of the “Stimulus Package”, and 3) the information related to estimated revenue received from the State.

Key State Revenue Changes from FY 2009 to FY 2010

The proposed DCD factor for fiscal year 2009-2010 is projected to increase .0038, from .9542 to .9580.

The Program Cost Factors (PCFs) are projected to change based on the table below:

Program	2009-2010 PCFs	2008-2009 PCFs	Increase/ (Decrease)
101/111	1.074	1.066	.008
102/112	1.000	1.000	.000
103/113	1.033	1.052	(.019)
130	1.124	1.119	.005
254	3.520	3.570	(.050)
255	4.854	4.970	(.116)
300	1.050	1.077	(.027)

The PCF for High School programs 103/113 continues to decline, Middle School programs 102/112 continue to remain constant and Elementary School programs 101/111 continue to increase. The factor for ESOL is projected to increase while the factors for ESE programs 254, 255 and vocational program 300 are projected to decrease.

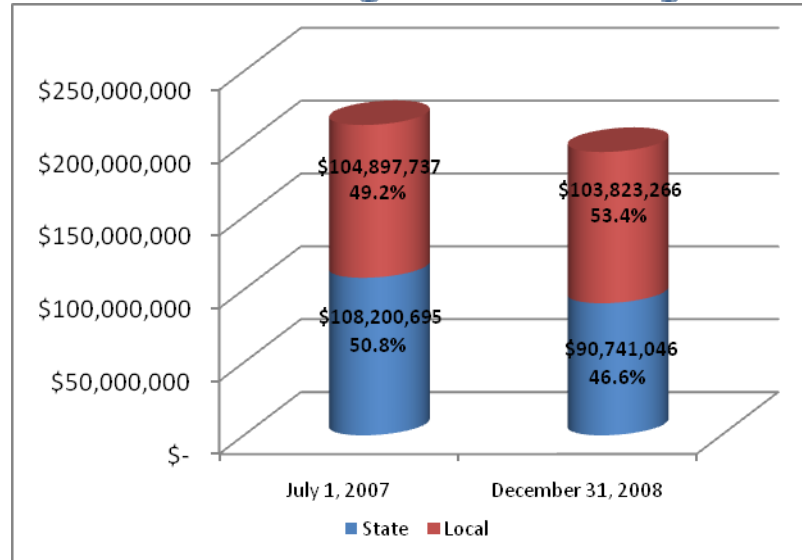
The District must pass through approximately \$8.5 million of FEFP related funds to charter schools and contracted programs for regular programs and to private schools for McKay Scholarships.

Forecasting the budget for fiscal year 2009-2010 is extremely difficult because the revenue estimates continue to change on a daily basis and the economic forecast for the State of Florida is projected to be very bleak over the next few years. In addition, student enrollment continues to decline in Okaloosa County as well as the State of Florida.

School Funding Burden Continues to Shift to Local Taxpayers

Even though the overall budget is projected to decrease, the school funding burden continues to shift to local taxpayers. The State is projected to fund 49% while Okaloosa County property owners are projected to fund 51% of the 2009-2010 General Revenue Budget (FEFP). The graph below depicts the shift:

Okaloosa County School District State Funding vs. Local Funding



Federal Impact Aid Allocations to Schools Will Remain the Same for 2009-2010

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 2009-2010 will be 100% of the 2008-2009 allocation. It is estimated the District will receive \$3.8 million for FY 2010, based on the current 2008-2009 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 2008-2009 was 29,246, and for fiscal year 2009-2010 the estimated number is 29,089, a net overall decrease of 157 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.

Continuation of Class Size Mandated Teachers

The estimated Class Size Reduction (CSR) categorical funding is projected at \$25.5 million, a decrease of \$2.8 million from FY 2008-2009, based on a 10% budget reduction. For the initial

budget process, schools have been allocated units based on the same methodology used in FY 2008-2009. The allocation amounts to approximately \$14.9 million.

Currently, the Legislature is discussing and exploring several bills and/or initiatives which may affect the implementation of the Class Size Constitutional Mandate. As soon as the District receives notification of any legislative action which may affect the implementation of Class Size, the District will notify schools.

An example of the Class Size Reduction Penalty calculation has been included in the Budget Manual.

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 2009-2010 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, FY 2007-2008 and FY 2008-2009 instructional salary increases.

Use of Flexible Class Size Funds to Support Secondary Reading Initiative

For FY 2010 the Superintendent is recommending the continuation of the Secondary Reading Initiative. In prior years, all secondary reading units were funded from class size reduction funds. However, due to the projected decrease in Class Size Reduction funding, Class Size Reduction will fund instructional and classroom assistant units and supplies for middle and K-12 schools. High School instructional and classroom assistant units and supplies will be funded from SAI funds for fiscal year 2009-2010. The Superintendent recommends funding the secondary reading program from multiple sources in order to maintain this successful program.

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 remaining funds flexibly. Therefore, the Superintendent is again recommending allocation of Class Size Reduction Equalization funds to elementary schools with less than 600 UFTE and for middle schools with less than 820 UFTE. The small school supplement provides for the loss of marginal revenue necessary to maintain comparable student services at all schools. However, as a result of a projected decrease in class size funding, the amount has been reduced from \$1,300 to \$1,170 per UFTE. The Class Size Reduction – Equalization allocation for 2009-2010 is approximately \$2.8 million.

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: One (1.0) literacy coach at

each elementary school, one (1.0) literacy coach at middle schools, one (1.0) literacy coach at Laurel Hill School, and two (2.0) literacy coaches at Baker School.

The Superintendent recommends continuing the Literacy Coach Program for 2009-2010; however, due to the projected decrease in funding, the allocation has been reduced to a one-half (.50) literacy coach at each elementary school, one-half (.50) literacy coach at each middle school, one-half (.50) literacy coach at each high school and one (1.0) literacy coach at each K-12 school. The District is proposing to continue funding the literacy coach program from two sources as follows: (1) federal Title II funds in the amount of \$515,250 and (2) "Reading Instruction" funds of \$687,000.

Supplemental Academic Instruction (SAI)

The Superintendent is recommending the continuation of select SAI programs, the revision of some, the temporary suspension of some and the establishment of new programs funded through SAI funds. SAI programs for 2009-2010 are approximately \$5.1 million.

Continuation of SAI - Remediation Allocation

The Superintendent recommends allocating one (1.0) remediation teacher to each elementary school, with the exception of Antioch, Bluewater, Destin, and Eglin which will be allocated one-half (.50) unit.

Continuation of SAI - Secondary Math Remediation Allocation

The Superintendent is recommending funding one (1.0) instructional unit to each middle school and high school with one-half (.50) instructional unit per K-12 school.

SAI - ESOL - Interpreter Allocation

The Superintendent is recommending funding an Interpreter position for schools which have 15 or more students in the same language population. This allocation will be adjusted as of the October FTE survey. For 2009-2010, the District will not fund AmeriCorps tutors but schools will have the opportunity to purchase an AmeriCorps Tutor if their budget allows.

Continuation of SAI - Learning Strategies Allocation – Middle and High Schools

The Superintendent is recommending funding one (1.0) ESE Classroom Assistant at each middle school and high school and a one-half (.50) unit at each of the K-12 schools.

SAI – Response to Intervention (RTI) Allocation

The Superintendent is recommending a new initiative which allocates one-quarter (.25) of an Instructional Unit/Facilitator per elementary, middle, high and K-12 schools to implement the response to intervention program for struggling student readers.

SAI – Fine Arts/P.E. Allocation

The Superintendent is recommending a new initiative which allocates one (1.0) instructional unit per middle school and one-half (.50) instructional unit per K-12 schools to provide a standard of service for the fine art programs.

SAI – High School Reading Initiative Allocation

Previously funded from Class Size Reduction – Secondary Reading project, this reading initiative will fund instructional and classroom assistant units and supplies for each high school.

Continuation of SAI - Summer Intensive Studies

The Superintendent proposes a continuation of the Summer Intensive Studies initiatives for Reading, Math and/or Credit Recovery. The allocation of SIS funds will be made after the District receives the 2009 FCAT results. Guidelines will be provided by Quality Assurance and Finance at a later date.

Suspension of Plan of Care

The Superintendent is recommending to temporarily suspending the Plan of Care tutoring programs until sufficient funding is made available.

Continuation of Decentralized Reserves

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 allocation is approximately \$1.5 million.

Title I Supplement

The initial Title I allocation for FY 2010 is estimated at \$4.5 million. The Superintendent is recommending implementing a Title I program at Florosa Elementary, Kenwood Elementary, Shoal River Middle, Pryor Middle and Bruner Middle schools which will bring the District total to seventeen schools. Once the District receives notification of an impending allocation of Stimulus funds, the District will provide additional eligible funding and assistance to each Title I school.

IDEA Supplement

The initial IDEA allocation for FY 2010 is estimated at \$5.8 million. The Superintendent is recommending that all Staffing Specialists, Speech Teachers, ESE Interpreters, Job Coaches and

1:1 ESE Classroom Assistants be funded from IDEA funds. Once the District receives notification of the Stimulus fund allocation, those funds will be used to provide additional eligible funding and assistance to each school.

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 International Certificate of Education (AICE)*
- Advanced Placement (AP)*
- Advanced Placement Initiative Set-Aside*
- Florida Teachers Lead
- Instructional Materials – Textbooks, Media & Science
- International Baccalaureate (IB)*
- Reserve Officer Training Corp

The FTE factor for AICE, AP, and IB examinations and certifications is projected to decrease from .16 to .08. In fiscal year 2008-2009, these same revenue allocations were reduced from a .24 to a .16 factor. At the present time, IB diplomas continue to be funded at .30.

The Budget Manual has information about each of the revenue sources and the projections, including any special instructions relating to each 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 2009-2010 includes both the Title I and the IDEA allocations.

Certain restricted revenues, grants, entitlements, 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.

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, OT/PT, 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% for 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 2009-2010 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
- Select School District
- Go to “Taxpayer Resources”
- Select “Budget Information”
- Select “School Budget Manual” (in the section entitled 2009-2010 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 TAM 2009-031)

The Budget Packets on the Internet include all the necessary forms and data for each 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 Position Summary has also been included for your convenience and contains a section indicating the number of ESE non-gifted positions purchased. This may be used to determine whether or not your school has purchased the number of ESE recommended positions for your non-gifted ESE program.

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).

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**
- **Establishment of a School Board Budget Priority Committee**
- **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 Wednesday, April 15, 2009.*

Presentation of School Budgets

During the week of April 6, 2009 through April 10, 2009, 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 the week of May 11, 2009 through May 15, 2009, Budgeting and Human Resources will have a joint meeting with each principal to review staffing and personnel recommendations.