

FEFP FORMULA FACTORS: POLK AND BROWARD COUNTIES

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OVERVIEW

Comparison of two counties

In-depth analysis of each county

COUNTY COMPARISON

Broward	Polk
6th largest school system in the nation	30th largest school system in the nation
2nd largest school system in Florida	8th largest school system in Florida
236 schools, centers, and technical colleges	160 school sites
Approximately 267,000 students and 175,000 adult students	Approximately 100,286 students
ESE services provided to approximately 48,000 students	ESE services provide to approximately 15,000 students

EMPHASIS PLACED IN BUDGET

Broward

Broward county focuses on providing a majority of their funding for schools while keeping administrative costs low. This includes specialized programs to reduce dropout rates, increase technical education instruction and materials, provide teacher training, and support extended school year programs.

Polk

Meeting Unrestricted Fund Balance mandates

3% state mandated

5% board mandated

*Maintained through budget surplus in 2016-17

COUNTY STRATEGIC PLANS AND PRIORITIES REFLECTED IN BUDGET

Broward

Broward county is proud to boast that it has one of the lowest administrative costs in the state. 93.7% of the operating budget is dedicated to schools/classrooms while 6.3% is used for general admin.

The source of most local funding is via property taxes (millage rate 4.536). Local funding has slowly risen since 2012 with rising property values. State funding has fluctuated.

Through careful planning, the district has been able to forecast and plan for severe cuts in funding that began in 2008

Polk

One of the long-term financial goal is to maintain a fund balance of 5% or higher by 2017-2018. The District expects to end at 5% in 2016-2017.

With rising property value, Polk has increased local funding by \$3 million.

Another long-term financial goal is to decrease the debt to net capital outlay revenue ratio to 35%. For 2016-17, the budgeted ratio comes to 41.7%.

A final goal is to maintain an Investment Grade Bond Rating of A+ or better as assessed by Fitch Bond rating agency. The current Implied unlimited tax general

KEY DIFFERENCES

Overall Student
Population

Broward - 267,000
Polk - 100,286

DCD Factor

Broward - 1.0259 *higher cost of living
Polk - 0.9754

Local Required
Effort Taxes

Broward - 778,611,925
Polk - 137,979,553

Reported Weighted
FTE

Broward - 288,904.82
Polk - 107,181.13

ESE Support Level IV

Broward - increased from 28.31 to 40.11
Polk - decreased from 1.01 to 0.94

KEY SIMILARITIES

Sparsity
Supplement

Factor does not apply

Declining
Enrollment

Factor does not apply

Virtual School

Enrollment is up!

Career Education

Increases in Career Education 9-12 and Industry Certified Career Ed Supplements

IN-DEPTH LOOK @
BROWARD COUNTY

BROWARD COUNTY FEFP FORMULA

	2016-17 Unweighted FTE	2016-17 Funded Weighted FTE	4,160.71 Times Funded Weighted FTE	DCD	Base Funding	0.748 mills compress ion	Overall Funding
1st FTE	270,511.90	292,746.00	1,218,031,210	1.0259	1,249,578,218	N/A	1,933,189,700
2nd FTE	270,511.90	292,787.44	1,218,203,629	1.0259	1,249,755,103	0	1,937,556,301
3rd FTE	269,839.23	292,691.48	1,217,804,368	1.0259	1,249,345,501	0	1,936,036,568
4th FTE	269,767.31	292,432.00	1,216,724,747	1.0259	1,248,237,918	0	1,938,094,685

Counties with higher property values (Broward) are able to generate more funding than those with lower property values (Polk). Required Local Effort for 2016-17 is 4.638. Mil Discretionary compression will fund the difference between (1) the amount generated by a 0.748* mill levy and (2) an amount equal to the state average multiplied by the district's unweighted student enrollment. Unlike Polk, Broward receives no funds from this source. (<http://www.famisonline.org/wp-content/uploads/2016/06/16-17-FAMIS-FEFP-PPT.pdf>)

VARIANCES IN FEEP FROM 2015-16 TO 2016-17

FTE Students Overall increased
by 0.8%

Millage compression adjustment
decreased by 7.41%

Broward revenue per student
increased 1.5%

ESE Guarantee supplement
increased by 11%

DCD increased from 1.009 to
1.0259

Large shift in ESE Level IV and
V

BROWARD COUNTY IN-DEPTH

- There was a substantial increase in the virtual education contribution component (590 to 18,270). For virtual education students, one student would be reported as one FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade (Florida Statutes Title XLVIII, K-20 Education Code)
- During the FEFP examination process, it was found that many teachers did not have valid certifications for the field they were teaching, which does not comply with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP). Corrective action is being taken to educate staff and administration about out-of-field notifications.
- Changes in the following categories were noted:
 - ESE support level IV - 28.83 to 40.11
 - ESE support level V - 5.99 to 0.86
 - Career Education Grades 9-12 - 7.88 to 27.09

BROWARD COUNTY IN-DEPTH (CONT.)

- There was a significant increase in Add-on (bonus) FTE programs including:
 - AICE Diploma - *“An Advanced International Certificate of Education (AICE) student may also earn an additional 0.16 if he or she receives a score of “E” on a full-credit subject exam or an additional 0.08 FTE if he or she is enrolled in a half-credit class and earns a score of “E” or higher on the subject exam. A value of 0.3 FTE should be calculated for each student who receives an IB or AICE diploma” (FDOE)*
 - AICE diploma FTE increased from 40.50 to 147.90
 - AICE score FTE increased from 642.56 to 885.12
 - Industry certified career Ed. supplement increased from 464.30 to 790.05

BROWARD COUNTY IN-DEPTH (CONT.)

Broward County has a well organized school choice program known as “Innovative Schools”. This includes choice, magnet, and themed schools. Increases in school choice (Cambridge Program, workforce education, STEM) would qualify Broward County for these various bonus FTE categories. Broward’s support of these programs, and their budgetary guidelines, have enabled them to make gains in this area of FTE. Since last year, there has been a 243% increase in career education 9-12.

The Broward County School district requires high schools to spend no less than 2.78 percent and centers to spend no less than 1.00 percent of the total revenue for repair, replacement or updating of vocational equipment or for maintenance contracts on vocational equipment (Broward School Funding Allocations & Guidelines).

Overage of the school resource budget has caused concern over school board checks and balances. Although the exact shortfall was not known, the Sun Sentinel reported “The department currently has \$2.5 million in unpaid, unprocessed expenses. That number is expected to hit \$3.5 million by the end of the fiscal year based on more invoices set to come in”.

- **Background:** “The school district has contracts to pay 23 city governments a total of \$6.8 million to place 149 police officers and Sheriff's deputies in schools. But sloppy accounting practices resulted in cities such as Hollywood being overpaid and Miramar failing to get paid for a year and a half, the audit found” (SunSentinel)
- According to district auditor Pat Reilly, “Due to poor accounting practices by both the police department and district unspent money (from previous years) went back into the district coffers and was used for other purposes. Meanwhile, the police department kept paying for previous year's contracts with dollars from the current year, a poor accounting practice”

- Response:

The School Board agreed in May to pay \$601,276 to Coral Springs and \$2.1 million in June for money owed to Davie, Fort Lauderdale, Miramar and Plantation.

In a written response to the audit, Moquin (Chief of Staff, Broward County School Board) said “the district has taken steps to prevent the problems from happening again. The district will approve and pay contracts in a timely manner, ensure that money is available to pay all the contracts and move bookkeeping operations to another district office (Sun Sentinel)”.

Federal Title 1 dollars were found to be misallocated in a 2016 audit. Approximately 157 schools did not receive the proper Title 1 funding, while 19 received more funding than necessary.

Page 8 of School Board minutes (<http://www.broward.k12.fl.us/auditdept/auditcommittee/2015-16/2016-0616/ac-2016-0616-draft-minutes-042816.pdf>)

- Background info: According to U.S. News and World report, 20 percent of all Title I money for poor students – \$2.6 billion – ends up in school districts with a higher proportion of wealthy families. In 2016, Broward schools received 62 million in Title One funding, which equates to approximately \$1,100 per student. 20% of Broward students are considered “poor”.
- Although the FEFP school funding formula provides weights and additional funding for programs such as ESE, ESOL, AP, not such “weight” is given to school districts based on free/reduced lunch or any other form of poverty.

- Superintendent's most recent response:

“What we do in a district to determine the distribution of those funds is that we rank the schools based on the percentage of students who qualify for free and reduced meals in each school, and in a matter that was noted in the finding, the school rankings changed after the district submitted the original application. So the remedy for that situation is not to pay back the money. The remedy is to re-distribute a small percentage of those funds, maybe about 1 percent, to insure that the schools with the higher needs received the correct amount of funding.” (Sun Sentinel)

Questions have risen as to district management and oversight of funds, after \$145,000 designated for sod at area sports fields could not be accounted for
(<http://www.sun-sentinel.com/local/broward/fl-broward-missing-sod-20160505-story.html>)

- Background: The district entered into a three-year-contract with Odums in late 2013 for \$350,000 worth of work. But maintenance officials told School Board members last June almost all money had been spent, and they needed additional funds for other projects, including high school football field replacements at Coconut Creek, Pompano Beach, McArthur and Miramar. The School Board approved \$145,000. But it was unclear how the \$145,000 was exhausted. (Sun Sentinel)
- At a recent School Board meeting, maintenance and purchasing officials provided what they said was a reconciled list of projects paid for with the \$145,000. But School Board members discovered numerous errors where payments didn't match invoices. The list also included projects completed before the money was requested last year.

- Superintendent's response:

Superintendent Robert Runcie said more safeguards are needed. "What kind of controls do we have in place so someone doesn't just pick up the phone, call a sod vendor, have sod delivered to a school and who knows where the sod could be?" Runcie asked. (Sun Sentinel)

BROWARD COUNTY SCHOOL FUNDING ALLOCATION AND GUIDELINES

Funding allocations and guidelines are outlined each year in a publication issued by the budget office of Broward County Public Schools. Below are excerpts from this publication outlining district and school level control of funds.

Under the direction of the Superintendent, budget instructions are issued to each school.

All school and center principals have the responsibility of adhering to the Budget Funding Allocations and Guidelines for the school year. Included in these guidelines is the fact that schools are responsible throughout the course of the year for maintaining a balanced budget (functional area/commitment item). Funds should be transferred between functional areas/commitment items in order to comply with this requirement (per Florida State Board of Education Administrative Rule 6A-1.006). No expenditures shall be authorized or obligations incurred which are in excess of a budgetary appropriation.

UNION RELATIONS

Broward County Teachers Union strongly opposes the HB 7069 and the budget. Officers are strongly encouraging members to contact Rick Scott directly with their concerns.

Unlike Polk County, Broward has successfully negotiated contract agreements for teachers, technical school personnel, and education support professionals.

Highlights of teacher agreement:

Economic Wins:

3 % for teachers on levels B through D

5 % for teachers on levels E through M

4 % for teachers on levels N through S

A \$2,000 raise for teachers at the two highest levels, T and U

5.1% for Annual contract (AC) teachers rated Highly Effective

3 % for Annual contract (AC) teachers rated Effective

Planning Time Wins:

Two of the five pre planning days will be devoted strictly to teacher planning without any scheduled activities

27 hours of professional development has been reduced to 24 hours

Teachers now have 2 work days to produce lesson plans when asked

Lesson plans may now be submitted electronically

Principal discretionary time has been reduced which allows for more planning time (www.btuonline.com)

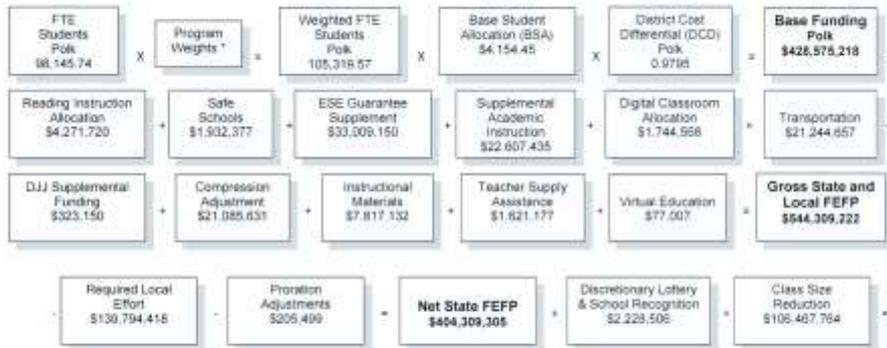
IN-DEPTH LOOK @
POLK COUNTY

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2nd FTE	100,286.10	107,043.65	445,377,585	0.9754	434,421,296	23,370,673	\$695,683,376
3rd FTE	99,873.08	106,746.07	444,139,441	0.9754	433,213,611	23,282,412	\$693,506,817
4th FTE	101,129.78	108,138.91	449,934,644	0.9754	438,866,252	23,796,849	\$699,726,681

FEFP FORMULA FACTORS FOR POLK COUNTY

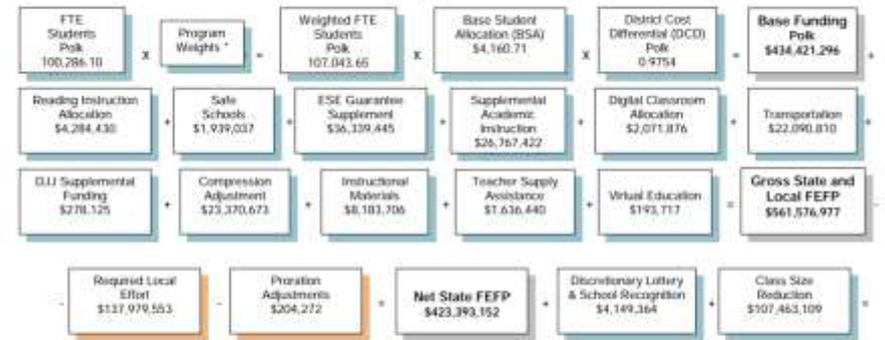
2015-16 FLORIDA EDUCATION FINANCE PROGRAM- POLK COUNTY



Polk's Total State Funding \$513,005,575

* Per FY16 2nd Calculation

2016-17 FLORIDA EDUCATION FINANCE PROGRAM- POLK COUNTY



Polk's Total State Funding \$535,005,625

* Per FY17 2nd Calculation
Total is not adjusted for Scholarships for Students with Disabilities.

VARIANCES IN FEFP FROM 2015-16 TO 2016-17

FTE Students Overall
increased by 2.1%

Compression adjustment
increased by 10.8%

Virtual Education increased
by 152%

ESE Guarantee supplement
increased by 10.1%

DCD decreased by 42%

DJJ Supplemental Funding
decreased by 14%

NEWSWORTHY CHANGES

\$1 million contract for academic management company to help 5 turnaround middle schools (\$215,000 per school)

Property tax rate of \$6.797 per \$1,000 of taxable property for the 2016-17 (35.2 cents less than 2015-16)

Source: <http://www.theledger.com/news/20160906/polk-county-school-board-oks-1-million-contract-to-help-5-turnaround-schools>

ADDITIONAL CHANGES

\$3.5 million to pay back teachers who didn't get their advanced-degree pay, a requirement from a court case the district lost

\$2.35 million for testing coordinators at middle and high schools

\$600,000 for more physical education paraeducators at large schools

\$83,000 for elementary office secretaries to work 12 months, instead of 11

Source: <http://www.theledger.com/news/20160628/polk-school-board-oks-new-items-in-2016-17-budget>

BUDGETARY CONCERNS

New Construction

Polk has \$447.7 million in unfunded new construction.

Renovations and Repairs

Polk has \$74 million in unfunded renovations and repairs.

Implications:

Sales tax must be voted and renewed in 2018 to fund projects.

Impact fees have helped, but are slow to build.

School Board members said it's crucial the half-cent sales tax be renewed so that the district can meet its capital needs.

BUDGETARY CONCERNS (CONT.)

State Budget Changes for 2017-18

District receiving \$8 less per student

Resulting in \$5.6 million shortfall

Losing Title 1 funds for turnaround schools under HB 7069

Implications

Polk could be operating below 5% but above 3%

5 percent only being reached by making an \$8.4 million transfer in capital funds and budgeting for \$15 million in lapse funds

BUDGETARY CONCERNS (CONT.)

Board Member Responses

Board members are in disagreement

Some want to budget to meet 5% guideline

Others want to budget to meet 3% guideline

Still others want to disregard guidelines to get funding in the hands of schools

UNION RELATIONS

Polk Education Association strongly opposes HB 7069 and the budget. PEA organized a protest.

PEA and PCSB are awaiting special magistrate decision, expected in July

American Federation of State, County and Municipal Employees Local 2227 also awaiting decision

Represents non-instructional employees

UNION RELATIONS (CONT.)

Contentious Issues

Healthcare

Teacher transfers

Teacher evaluations

Salaries (most contentious issue)

UNION RELATIONS - SALARY

Union

Requested 3.41 pay increase (\$10 million in Polk budget)

School Board

Seventh largest district, but fourth lowest in funding

Pay increase = 202 teachers laid off

Superintendent sent out email proclaiming zero layoffs

SCHOOL-BASED BUDGETS

Allocation Areas

Personnel (employee salaries)

Operating (weighted Projected Total Membership is multiplied by a per pupil allocation)

Operating facilities (based on building sq footage)

Periodicals (per subscription rate of \$37.50 times the number of subscriptions expected by school type)

Miscellaneous Allocations

SCHOOL-BASED BUDGETS

Areas Managed by entities other than principal

Personnel (determined by district)

Instructional materials categorical (centralizing textbook purchases at district level)

Discretionary Lottery Funds (managed by SAC)

Other funds (bonuses based on performance, i.e. IB and AP test results)

