



FLORIDA DEPARTMENT OF  
**EDUCATION**  
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# Policy and Budget Update

June 13, 2018

# 2018 Legislative Summary

## 2018 Statistics

- Total Bills Filed - 3,250
- Total Bills Passed - 200
- Total Bills Passed Impacting Education and the Agency - 22

## 2017 Statistics

- Total Bills Filed - 3,132
- Total Bills Passed - 231
- Total Bills Passed Impacting Education and the Agency - 25

## Legislative Summary Resources

- Finance Officers Legislative Tracking:  
[www.fldoe.org/folt](http://www.fldoe.org/folt)
  - Legislative Update Presentation
  - Legislative Review Book
  - Legislative Implementation Overview Chart
    - Technical Assistance and Notification Memos
- Governmental Relations: [www.fldoe.org/gr](http://www.fldoe.org/gr)  
Questions: [Legislation@fldoe.org](mailto:Legislation@fldoe.org)



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# **K - 12 Education Impacting Legislation Highlights of Provisions with Fiscal Impact**

# HB 1279 - School District Accountability

CH. 2018-5, L.F.

## Executive Summary:

- The bill relates to school district fiscal accountability.
- Revises the duties of the Auditor General, Office of the Inspector General, school district superintendents, Ethics Commission and DOE to increase fiscal transparency of educational spending.
- The bill contains specific requirements to increase fiscal accountability, including provisions to require school districts to promptly correct audit findings and reduce expenditures in response to a decrease in revenue.
- Section 13 creates s. 1011.051(2)(b), Florida Statutes (F.S.), effective July 1, 2018.
- The remaining provisions of the bill are effective July 1, 2019.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 1.

Amends s. 11.45, F.S., relating to duties of the Auditor General (AG), to:

- Require the AG to contact the district school board with the findings and recommendations contained in the AG's operational audit report.
- Require the district school board to provide the AG with evidence that corrective action has been initiated within 45 days of the AG's request for the correction action.
- Require the district school board to provide evidence that the corrective action will be completed within 180 days of the AG's request.
- Require the AG to notify the Legislative Auditing Committee of the district school board's failure to comply with the required corrective action timeframe.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 5.

Amends s. 1001.39, F.S., District school board members; travel expenses, to:

- Require school board approval of a travel request outside of the district that exceeds \$500 to confirm that the travel is for official school district business and complies with rules of the State Board of Education.
- Require an itemized list detailing all anticipated travel expenses, including, but not limited to, all means of travel, lodging and subsistence for out-of-state travel requests.
- Require that the public have an opportunity to speak about the specific travel agenda item immediately preceding the out-of-state travel request.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 7.

Amends s. 1001.42, F.S., Powers and duties of district school board, to:

- Require an elected or appointed school board official to forfeit his or her salary for one year.
  - The board official knowingly signs and transmits to any state official a report of alleged misconduct by administrative personnel that affects the health, safety, or welfare of a student and the school board official knows the report to be false or incorrect.
  - The school board official knowingly fails to adopt policies that require administrative personnel to report alleged misconduct by other administrative personnel, or that require the investigation of all reports of alleged misconduct by administrative personnel if the misconduct affects the health, safety or welfare of a student.
- Require that any proposed, tentative and official budget documents, including all supporting and background information are provided to an individual school board member, upon request.
- Require the school district to employ an internal auditor when the school district receives in excess of \$500 million annually in federal, state and local funds.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 8.

Amends s. 1010.20, F.S., Cost accounting and reporting for school districts, to:

- Clarify that each district shall report to the Florida Department of Education (DOE) expenditures on a school-by-school and aggregate district basis.
- Require the DOE to categorize all public schools and districts into groups based primarily on average full-time equivalent student enrollment to determine groups of peer schools and districts.
- Require the DOE to calculate annually for each public school, district and entire state the percentage of classroom expenditures to total operating expenditures and categorize the results pursuant to groups established by s. 1010.20(c)(c), F.S.
- Require the DOE to calculate for all public schools, districts, and the state the average percentage of classroom expenditures to total operating expenditures for all public schools, districts and the state.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 8. Cont'd.

- Require the DOE to develop a web-based fiscal transparency tool that identifies public schools and districts that produce high academic achievement based on the ratio of classroom instruction expenditures to total expenditures.
- Require the fiscal transparency tool to combine student performance measurements calculated pursuant to s. 1012.34(7), F.S., and fiscal data to determine the financial efficiency of each public school and district.
- Require the fiscal transparency tool to display the results of the calculations in an easy to use format that permits users to compare performance among public schools and districts.

### Section 9.

Amends s. 1010.30, F.S., Audits required, to:

- Require a school board to conduct an audit overview during a public meeting when an audit contains a significant deficiency or material weakness.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 12.

Amends s. 1011.035, F.S., School district budget transparency, to:

- Require the school district to post online the following graphical representations for each public school within a district and for the school district:
  - Summary financial efficiency data.
  - Fiscal trend information for the previous three years for:
    - A. Ratio of full-time equivalent students to full-time equivalent instructional personnel.
    - B. Ratio of full-time equivalent students to full-time equivalent administrative personnel.
    - C. Total operating expenditures per full-time equivalent student.
    - D. Total instructional expenditures per full-time equivalent student.
    - E. General administrative expenditures as a percentage of total budget.
    - F. Rate of change in the General Fund's ending fund balance not classified as restricted.
  - A link to the web-based fiscal transparency tool developed by the DOE pursuant to s. 1010.20, F.S., enabling taxpayers to evaluate financial efficiency of the school district with other similarly situated school districts.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 13.

Amends s. 1011.051, F.S., Guidelines for general funds, to:

- Require the superintendent to reduce the district's administration expenses reported, pursuant to s. 1010.215(4)(a), F.S., in proportion to the reduction in the General Fund's ending balance or the reduction in student enrollment, whichever is greater, if a financial condition exists for two consecutive years where the General Fund balance is below 3 percent of the projected General Fund revenues.
- Require, when a financial condition identified in s. 218.503(1), F.S., existed in the 2015-16 school year, or thereafter, that the DOE contract with an independent third party to conduct an investigation of all accounts and records to determine the cause of the deficit, the efforts made to avoid the deficit and whether any conditions identified in s. 1011.10, F.S., have occurred.
- Require the investigation to include a detailed review and analysis of documents and records, including, but not limited to budget reports, journal entries, budget methodologies, staff emails, hard-copy records, monthly financial statements, quarterly revenue and expenditure reports, finance staff job descriptions, and minutes from meetings.

# HB 1279 - School District Accountability

## CH. 2018-5, L.F.

### Section 14.

Amends s. 1011.06, F.S., Expenditures, to:

- Require the school board to comply with s. 1011.09(4), F.S., when establishing a policy that allows expenditures to exceed the budgeted amount by function and object.
- Require the school board to amend the budget at the next scheduled public meeting and provide a full explanation for any amendments at the public meeting.

### Section 15.

Amends s. 1011.09(4), F.S., Expenditure of funds by district school board, to:

- Prohibit a district school board from making expenditures for travel outside of the district, cellular phones, cellular phone service, personal digital assistants, or any other mobile wireless communication device or service, including text messaging, whether through purchasing, leasing, contracting, or any other method, if any of the financial conditions in s. 1011.051, F.S., exist.

# HB 1279 - School District Accountability

CH. 2018-5, L.F.

## Section 16.

Amends s. 1011.10, F.S., Penalty, to:

- Add subsection 3, which requires withholding the salary of each district school board member and superintendent whose salary is calculated pursuant to ss. 1001.395 and 1001.47, F.S., until any financial conditions identified in s. 218.503(1), F.S. are corrected.
- Provide that the salaries of board members or superintendents appointed or elected within one year after the identification of the financial conditions in s. 218.503(1), F.S., are not withheld if they did not participate in preparing or approving the final adopted school district budget.

# HB 7055 - Education

## CH. 2018-6, L.F.

### **Executive Summary:**

The bill expands state school choice scholarship programs and streamlines accountability for participating private schools; provides flexibilities to school districts; modifies charter school requirements; specifies assessment, instructional, and classroom requirements; modifies other education provisions; and provides appropriations.

Details about new school district requirements as a result of the law were sent to Superintendents Finance Officers in DPS memo 2018-48 on May 11, 2018. The document is available at the site below:

<https://info.fldoe.org/docushare/dsweb/Get/Document-8261/dps-2018-48.pdf>

# HB 7055 - Education

## CH. 2018-6, L.F.

- **HOPE Scholarship**
- Commissioner Emergency Coordination
- Charter Schools
- High-Performing Charter Schools
- **Schools of Hope**
- **Scholarship Program**
- **Accountability**
- **Reading Scholarship**
- Patriotic Programs
- **CPR Instruction**
- **Dual Enrollment**
- Supplemental Academic Instruction
- Broward Testing Exemption
- Principal Autonomy Pilot Program
- **Title I**
- Collective Bargaining
- Struggling Reader Endorsement
- Student Assessment Program
- School Leader Preparation Programs
- Best and Brightest Teacher Scholarship
- **Education Plant Survey**
- **School District Construction Flexibility**
- Charter School Capital Outlay Funding

**Note: Bold topics represent DOE responsibilities**

# HB 7055 - Education

## CH. 2018-6, L.F.

### Scholarship Programs

- Provides for increased accountability for private schools participating in scholarship programs.
- Creates the Hope Scholarship program for students who were subjected to an incident to attend another public school or private school.
- Creates the Reading Scholarship for students in grades 3-5 who scored below a level 3 on ELA assessment.

### Title I

- Allows districts to reserve 10 percent of Title I funds for administration and other funds to provide educational services aligned with approved Title I plan and clarifies the use of carry-forward funds.

### Schools of Hope

- Appropriates \$140 million in additional funds to be carried forward for five years.

# HB 7055 - Education

## CH. 2018-6, L.F.

### **State Requirements for Educational Facilities (SREF)**

- Allows districts to exempt themselves from any provisions in the State Requirements for Educational Facilities (SREF code or manual) that limit the ability of a school to operate in a facility on the same basis as a charter school if the regional planning council determines there is sufficient shelter capacity within the district.

### **Dual Enrollment**

- Removes the requirement that home and private school students provide their own instructional materials.

### **CPR**

- Requires that the instruction in the use of cardiopulmonary resuscitation (CPR), that school districts may provide, be based on a nationally recognized program that uses specified guidelines.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### **Executive Summary:**

The bill comprehensively addresses the crisis of gun violence, including but not limited to, gun violence on school campuses. The law addresses this crisis by promoting school safety and enhanced coordination between education and law enforcement entities at the state and local level.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

- **Office of Safe Schools**
- Guardian Program
- Community Action Treatment Teams
- School Safety Awareness Program
- Public Safety Commission
- Educational Multiagency Services
- Safe School Officers
- **Florida Safe Schools Assessment Tool**
- **Education and Training for Youth**
- **Mental Health Awareness and Assistance**
- Marjory Stoneman Douglas HS Memorial
- Safe Schools Allocation
- **Active Shooter Training**
- **FCO Cost for Physical Security of School Buildings**
- **Acquisition of Centralized Data Repository and Analytics Resource**

**Note: Bold topics represent DOE responsibilities**

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### Office of Safe Schools

- Special Agent Damien Kelly has been appointed as director of the newly created Office of Safe Schools, by Commissioner Stewart, with 25 years of experience as a law enforcement officer specializing in a variety of different areas.
- Update the School Security Risk Assessment Tool.
- Develop and implement a School Safety Specialist Training Program to include active shooter training (procured).
- Coordinate with the Florida Department of Law Enforcement (FDLE) to provide centralized integrated data repository and data analytics resources.
- Provide grants to schools to improve the safety and security of school buildings based on recommendations of the security risk assessments.
- Provide training on youth mental health awareness and assistance.
- Develop model policies to coordinate resources, assessment and intervention for individuals who's behavior may pose a threat.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### Mobile Suspicious Activity Reporting Tool

- DOE to work in collaboration with FDLE and AG's office to develop training and awareness of the tool.

### Section 31.

Amends s. 1013.64, F.S., Funds for comprehensive educational plant needs, to:

- Provide additional guidance for the calculation of cost per student station and specifies items that are to be excluded from the student station cost calculation, as follows:
  - Securing entries;
  - Checkpoint construction;
  - Lighting specifically designed for entry point security;
  - Security cameras;
  - Automatic locks and locking devices;
  - Electronic security systems;
  - Fencing designed to prevent intruder entry into a building;
  - Bullet-proof glass; or
  - Other capital construction items approved by the school safety specialist to ensure building security for new educational, auxiliary, or ancillary facilities.
- Provides that cost for the abovementioned items must be below 2 percent per student station.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### **Section 36.**

Appropriates \$69,237,286 in recurring funds from the General Revenue Fund for the 2018-19 fiscal year to fund the Mental Health Assistance Allocation, created pursuant to s. 1011.62(16), F.S., within the Florida Education Finance Program (FEFP).

### **Section 37.**

Appropriates \$500,000 in recurring funds and \$6,200,000 in nonrecurring funds from the General Revenue Fund for the 2018-19 fiscal year to the DOE to implement youth mental health awareness and assistance training pursuant to s. 1012.584), F.S.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### Section 38.

Appropriates funds for implementation of the act in the 2018-2019 fiscal year as follows:

- Appropriates \$1,000,000 in nonrecurring funds from the General Revenue Fund to the DOE for the design and construction of a memorial honoring those who lost their lives on February 14, 2018, at Marjory Stoneman Douglas High School in Broward County.
- Requires that the DOE collaborate with students and faculty of the Marjory Stoneman Douglas High School, the families of the victims, the Broward County School District and other relevant entities of the Parkland community on the design and placement of the memorial.

### Section 39.

Appropriates funds for implementation of the act in the 2018-2019 fiscal year as follows:

- Appropriates \$25,262,714 in nonrecurring funds from the General Revenue Fund to the DOE to replace Building 12 at Marjory Stoneman Douglas High School in Broward County.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### **Section 40.**

Appropriates \$500,000 in recurring funds and \$67,000,000 in nonrecurring funds from the General Revenue Fund to the DOE to allocate to sheriffs' offices that establish a school guardian program pursuant to s. 30.15, F.S. The funds are to be used for costs related to screening and training, with a one-time stipend of \$500 provided to school guardians who participate in the school marshal program.

### **Section 42.**

Appropriates \$97,500,000 in recurring funds from the General Revenue Fund for the Safe Schools Allocation within the FEFP. These funds are in addition to the \$64,456,019 in the FEFP in the fiscal year 2018-19 General Appropriations Act. The additional funds are to be used to hire or contract for school resource officers. The maximum amount per district is increased from \$62,660 to \$250,000.

### **Section 43.**

Appropriates \$100,000 in recurring funds from the General Revenue Fund to the DOE to competitively procure the active shooter training component of the school safety specialist training program, required by s. 1001.212, F.S.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### Section 44.

Appropriates \$98,962,286 in nonrecurring funds from the General Revenue Fund to the DOE to implement a grant program for schools to fund fixed capital outlay costs associated with improving the physical security of school buildings, as identified by a security risk assessment completed by August 1, 2018, by a school district or charter school.

- The DOE shall, by August 31, 2018, submit grant guidelines to all school districts and charter schools, which must include an application submission deadline of December 1, 2018, and specific evaluation criteria.
- The DOE shall award grants no later than January 15, 2019, based upon evaluation criteria established in the application guidelines.

### Section 50.

Appropriates funds for implementation of the act in the 2018-2019 fiscal year as follows:

- \$3 million in recurring funds is appropriated from the General Revenue Fund to the DOE to competitively procure for the development or acquisition of the centralized data repository and analytics resources pursuant to s. 1001.212, F.S.
- Requires DOE to collaborate with the FDLE and school districts to identify the requirements and functionality of the data repository and analytics resources and make such resources available to the school districts no later than December 1, 2018.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### Section 51.

Appropriates funds for implementation of the act in the 2018-2019 fiscal year as follows:

- \$1 million in nonrecurring funds is appropriated from the General Revenue Fund to DOE to competitively procure a contract with a third-party security consultant with experience in conducting security risk assessments of public schools. Contract funds shall be used to:
  - Review and analyze the DOE's current security risk assessment tool known as the Florida Safe Schools Assessment Tool (FSSAT), and
  - Review a sample of self-assessments conducted by school districts using the FSSAT to determine the effectiveness of the recommendations produced based upon the FSSAT.
- The review shall include any recommended updates and enhancements with associated costs for their implementation to aid districts in developing recommendations to address safety and security issues discovered by the FSSAT.
- DOE shall submit the completed review to the State Board of Education, the Executive Office of the Governor's Office of Policy and Budget, the chair of the Senate Committee on Appropriations, and the House of Representatives Appropriations Committee no later than January 1, 2019.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

### General Implementation Timeline:

- August 1, 2018** School-board approved district plans for spending the Mental Health Assistance Allocation are due to the Commissioner of Education. Plans for subsequent years will be due no later than August 1 annually.  
School districts and charter schools must have completed security risk assessments to be eligible for grants for fixed capital outlay costs associated with improving physical security of school buildings.
- August 31, 2018** The DOE must submit guidelines to school districts and charter schools for the grant program to assist with fixed capital outlay costs associated with improving physical security of school buildings.
- December 1, 2018** Application submission deadline for the grant program to assist with fixed capital outlay costs associated with improving physical security of school buildings.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

- December 1, 2018** The Office of Safe Schools shall coordinate with FDLE to provide a centralized integrated data repository and data analytics resources integrating data from social media, Department of Children and Families, FDLE, Department of Juvenile Justice, and local law enforcement.
- December 1, 2018** DOE must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the status of implementation across school districts and schools. The report must include a summary of the positive school safety measures in place at the time of the assessment and any recommendations for policy changes or funding needed to facilitate continued school safety planning, improvement, and response at the state, district or school levels. Thereafter, the report must be provided annually to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 1.

# SB 7026 - Public Safety

## CH. 2018-3, L.F.

- January 1, 2019** DOE shall submit a completed review of FSSAT to the State Board of Education, the Executive Office of the Governor’s Office of Policy and Budget, the chair of the Senate Committee on Appropriations, and the House of Representatives Appropriations Committee.
- January 15, 2019** The DOE shall award grants to assist with fixed capital outlay costs associated with improving physical security of school buildings.
- September 30, 2019** School district reports on Mental Health Assistance Program outcomes and expenditures are due to the DOE. Reports for subsequent years will be due no later than September 30 annually.

# HB 495 - K - 12 Public Education

## CH. 2018-150, L.F.

### **Executive Summary:**

The bill revises time limits for certain public employees who qualify to participate in the Deferred Retirement Option Program (DROP); modifies educator certification requirements and district school board duties relating to school safety, and prohibits misconduct by authority figures against students; promotes opportunities for public middle and high school students to learn computer science taught by qualified teachers; and modifies end-of-course statewide assessment requirements for certain students.

### **Computer Science**

- Defines computer science.
- Requires all middle and high schools to provide access to computer science courses.
- Requires Florida Virtual School (FLVS) to offer computer science courses.
- Requires the DOE to identify computer science courses by July 1, 2018.

# HB 495 - K - 12 Public Education

## CH. 2018-150, L.F.

### **Student Safety**

- Strengthens authority for sanctioning teachers for misconduct.
- Requires a school district to report misconduct even if the teacher is no longer employed by the district.
- Protects students by prohibiting an authority figure from engaging in a relationship with a student that is 18 years old.

### **Deferred Retirement Option Program (DROP)**

- Extends participation in DROP for instructional and administrative personnel beyond the 60-month period to have a termination date that is the last day of the last calendar month of the school year.

# HB 7087 - Taxation

## CH. 2018-118, L.F.

### **Executive Summary:**

The bill contains provisions for tax relief and changes to tax policy for families and businesses in Florida. The bill provides several tax exemptions related to hurricane response, preparedness and recovery. A three-day “back-to-school” sales tax holiday is created from August 3 to August 5, 2018, for students and families to purchase clothing, footwear, backpacks and school supplies. The legislation also includes property tax provisions, sales tax provisions, traffic fines reduction, fuel tax provisions and other provisions that provide broad-based tax relief across the state.

- Provides for a sales tax holiday on clothing and school supplies from August 3<sup>rd</sup> - August 5<sup>th</sup>, 2018.

# SB 4 - Higher Education

## CH. 2018-4, L.F.

### **Executive Summary:**

The bill creates section 1004.097, Florida Statutes, to codify the right to free-speech activities at public institutions of higher education, prohibit certain policies related to free-speech zones, authorize restrictions under specified conditions, and authorize a cause of action against a public institution of higher education. The bill also expands merit-based and need-based financial aid funding available to students.

- Expands Bright Futures.
- Establishes the Farmworkers Student Scholarship Program.
- Creates the “Campus Free Expression Act”.



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# Budget Summary

# Total 2018-19 Education Budget After Vetoes (Excluding Local Funds)

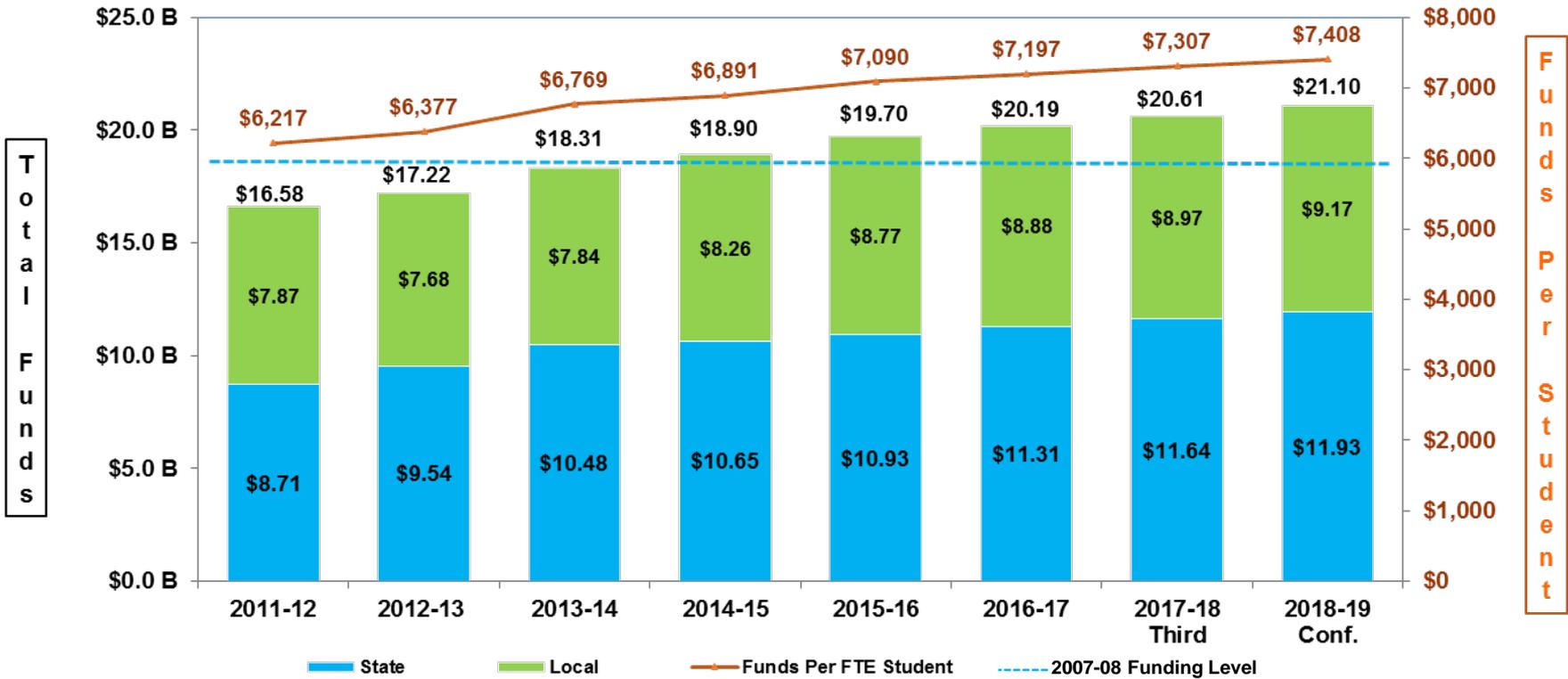
	<b>2017-18 Appropriation</b>	<b>2018-19 Appropriation</b>	<b>Increase/ (Decrease)</b>
<b>Total Operating Budget</b>	\$ 17,072,522,374	\$ 17,728,588,496	\$ 656,066,122
<b>Total Fixed Capital Outlay</b>	\$ 1,839,464,317	\$ 1,858,716,125	\$ 19,251,808
<b>Grand Total</b>	\$ 18,911,986,691	\$ 19,587,304,621	\$ 675,317,930

# K-12 Public Schools

## 2018-19 Florida Education Finance Program (FEFP)

	<b>2017-18 FEFP Third Calculation</b>	<b>2018-19 Appropriation</b>	<b>Increase</b>	<b>% Increase</b>
<b>Unweighted FTE (UFTE) Students</b>	2,821,037.34	2,847,829.52	26,792.18	0.95%
<b>State and Local Funds</b>	\$ 20,612,272,846	\$ 21,097,102,944	\$ 484,830,098	2.35%
<b>Funds Per UFTE Student</b>	\$ 7,306.63	\$ 7,408.13	\$ 101.50	1.39%

# Florida Education Finance Program (FEFP) – Total Funding



# K-12 Public Schools 2018-19 Highlights for Florida Education Finance Program (FEFP)

- Per student funding of \$7,408.13.
- Reduce Required Local Effort millage rate by 0.217 mills from 4.308 to 4.091 to provide property tax relief of \$375.6 million.
- \$97.5 million additional funds for Safe Schools Allocation for a total of \$162 million.
- \$69.2 million for the Mental Health Assistance Allocation.
- \$56.8 million for the Funding Compression Allocation.
- \$29.1 million additional funds for class size enrollment growth for a total of \$3.1 billion.
- \$8.9 million additional funds for Teachers Classroom Supply Assistance Allocation for a total of \$54.1 million.



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# Other Education K-12 Public Schools



## K-12 Public Schools 2018-19 Other Initiatives

- \$233.9 million for The Florida Best and Brightest Teacher and Principals Scholarship Program.
- \$25 million additional funds for Gardiner Scholarship Program for a total of \$128.34 million.
- \$140 million for Schools of Hope.
- \$2.0 million for Security Funding for Jewish Day Schools.

# K-12 Public Schools 2018-19 Overview

	<b>2017-18 Appropriation</b>	<b>2018-19 Appropriation</b>	<b>Increase/ (Decrease)</b>
K-12 Program - FEFP	11,676,705,717	\$ 11,927,286,014	250,580,297
K-12 Program - Non-FEFP	602,048,479	\$ 651,644,868	49,596,389
K-12 Program - Federal Grants	1,688,629,022	\$ 1,814,629,022	126,000,000
Educational Media & Technology Services	9,938,677	\$ 10,090,677	152,000
<b>Total</b>	<b>13,977,321,895</b>	<b>\$ 14,403,650,581</b>	<b>426,328,686</b>



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# Career and Adult Education

# Career and Adult Education 2018-19 Overview

Career and Adult Education - Total funds of \$482 million

- \$366.3 million in Workforce Development funds.
- \$67.1 million in federal budget authority for the Carl D. Perkins Career and Technical Education Act.
- \$41.6 million for Adult Basic Education federal flow-through funds.
- \$4.5 million in Performance Based Incentives.



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# Florida College System



# Florida College System 2018-19 Overview

Florida College System - Total funds of \$1.23 billion

- \$60 million for Performance Funding.
- \$8.1 million for projects and operational support.
- \$10 million Performance-Based Incentive funds for Industry Certifications.



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# Other Education



# Other Education

## 2018-19 Overview

- Student Financial Assistance for all Postsecondary Entities
  - Total Funds of \$1 billion includes:
    - \$122.4 million additional funds for Florida’s Bright Futures Scholarship Program for a total of \$519.7 million.
    - \$523,240 additional funds for need-based aid for a total of \$279.0 million.



# Other Education

## 2018-19 Overview

- Vocational Rehabilitation – Total Funds of \$224.1 million
  - To provide employment opportunities to an estimated 70,000 Floridians in 96 field locations.
  - \$7.0 million for the Adults with Disabilities Program.
- Blind Services – Total Funds of \$58.2 million
  - To provide education, training and employment opportunities to 12,000 Floridians in 10 district offices.
  - \$6.7 million to provide employment opportunities for Blind vendors in food service operations.
  - \$200,00 in Facilities Repairs, Maintenance and Construction.



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# Fixed Capital Outlay



# Fixed Capital Outlay

## 2018-19 Overview

Fixed Capital Outlay - \$1.86 billion

- \$277.9 million for Maintenance, Repair, Renovation and Remodeling, includes:
  - \$50 million for Public Schools.
  - \$145.3 million for Charter Schools.
  - \$35.4 million for the Florida College System.
- \$3.4 million for Florida School for the Deaf and the Blind.
- \$31.4 million for Special Facility Construction Account projects.
- \$30.9 million for Florida College System projects.
- \$1.14 billion for Debt Service.

# 2018-19 Education Operating and Fixed Capital Outlay Summary

	2017-18 Appropriation	2018-19 Appropriation	Increase/ (Decrease)
<b>K-12</b>	\$ 13,977,321,895	\$ 14,403,650,581	\$ 426,328,686
<b>Career &amp; Adult Education</b>	\$ 475,903,484	\$ 482,137,484	\$ 6,234,000
<b>Florida Colleges</b>	\$ 1,210,985,196	\$ 1,227,991,003	\$ 17,005,807
<b>Private Colleges &amp; Universities</b>	\$ 160,449,589	\$ 169,095,325	\$ 8,645,736
<b>Student Financial Aid</b>	\$ 715,526,129	\$ 841,225,298	\$ 125,699,169
<b>State Board of Education</b>	\$ 255,980,205	\$ 322,169,219	\$ 66,189,014
<b>Vocational Rehabilitation</b>	\$ 220,371,263	\$ 224,118,252	\$ 3,746,989
<b>Blind Services</b>	\$ 55,984,613	\$ 58,201,334	\$ 2,216,721
<b>Total Operating</b>	<b>\$ 17,072,522,374</b>	<b>\$ 17,728,588,496</b>	<b>\$ 656,066,122</b>
<b>Fixed Capital Outlay</b>	\$ 1,839,464,317	\$ 1,858,716,125	\$ 19,251,808
<b>Total Operating and Fixed Capital Outlay</b>	<b>\$ 18,911,986,691</b>	<b>\$ 19,587,304,621</b>	<b>\$ 675,317,930</b>

# Budget Workload Issues

- **2017 - 18 Close Out**
- **2018 - 19 Implementation**
- **2019 - 20 Budget Preparation**
  - The Summer Estimating Conferences schedule was posted on May 30<sup>th</sup> on the Office of Economic and Demographic Research (EDR) website. The conference data will be used for the State Board budget request.

# Florida: An Economic Overview

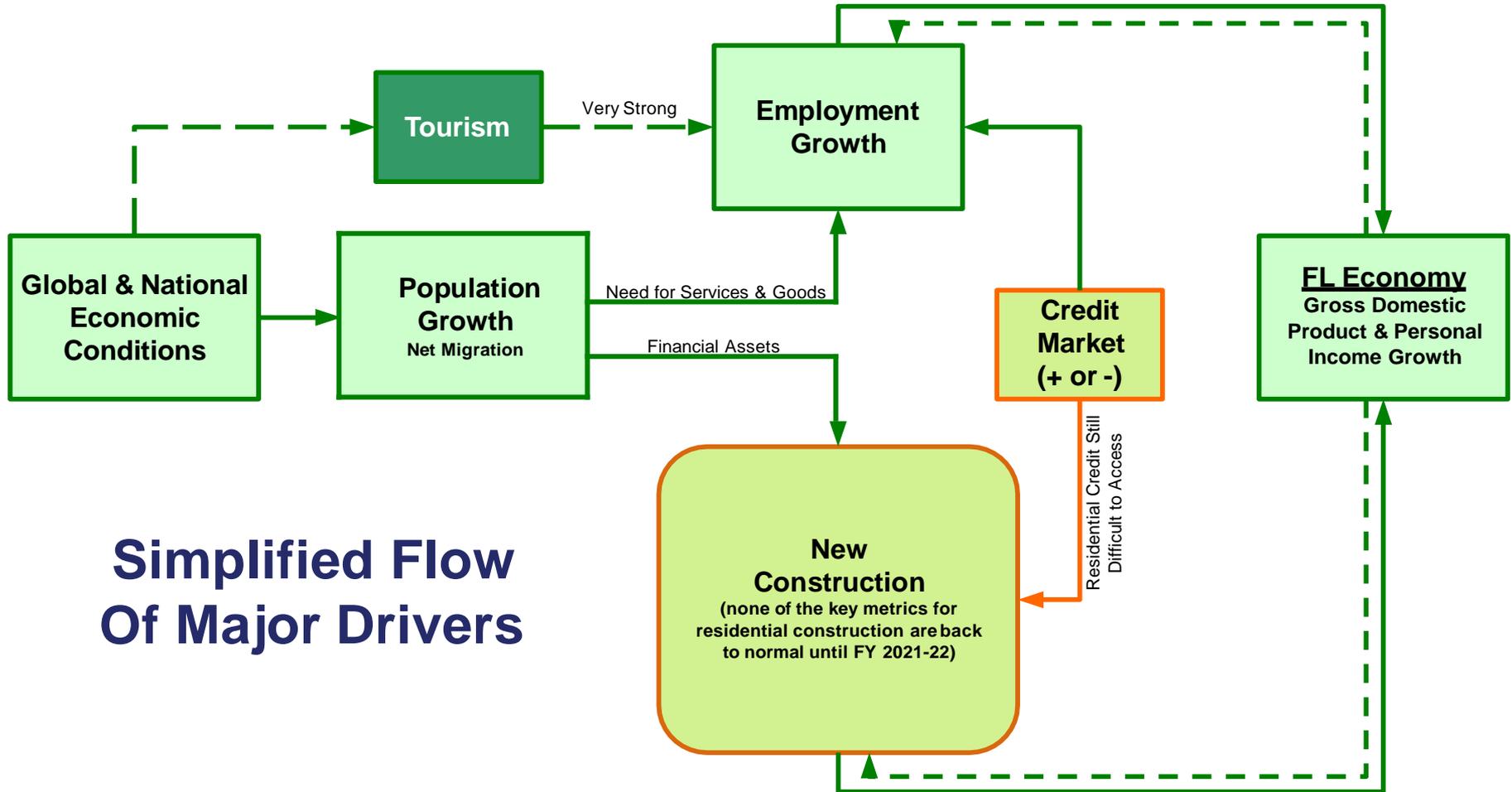
February 7, 2018

Presented by:



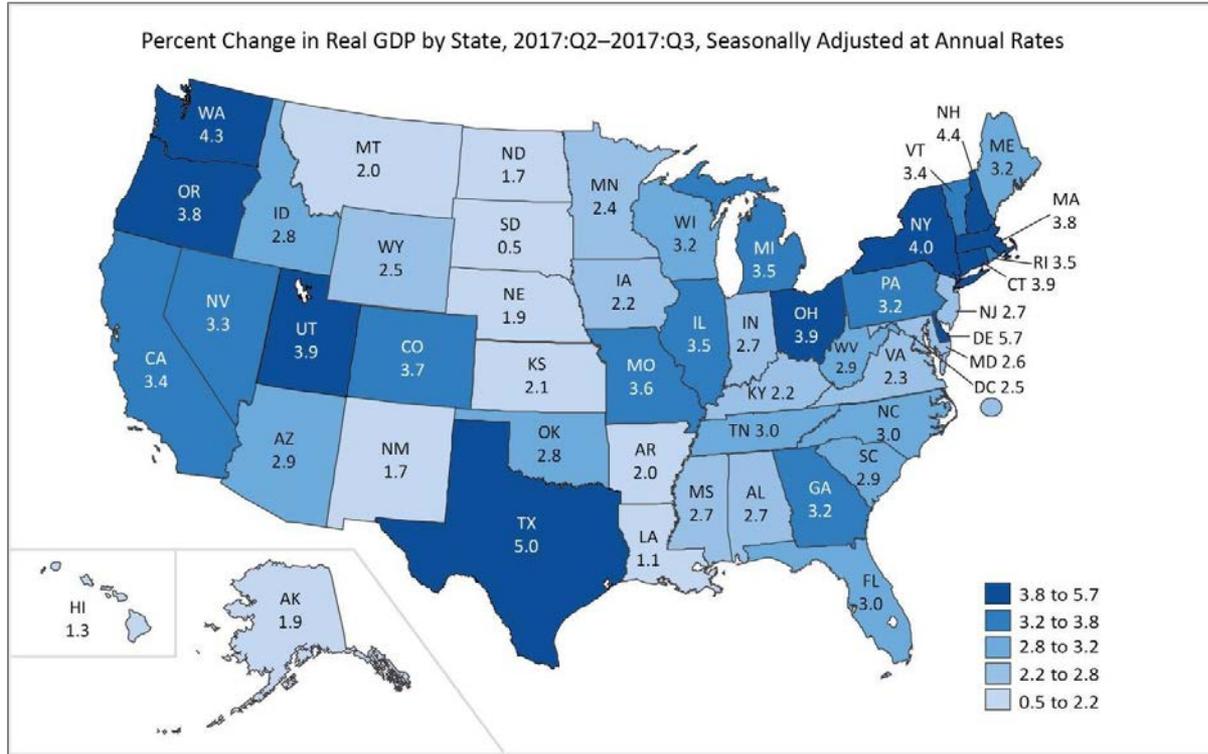
The Florida Legislature  
Office of Economic and  
Demographic Research  
850.487.1402  
<http://edr.state.fl.us>

# Key Economic Variables Are Strong



**Simplified Flow  
Of Major Drivers**

# Economy Has Continued Growth...

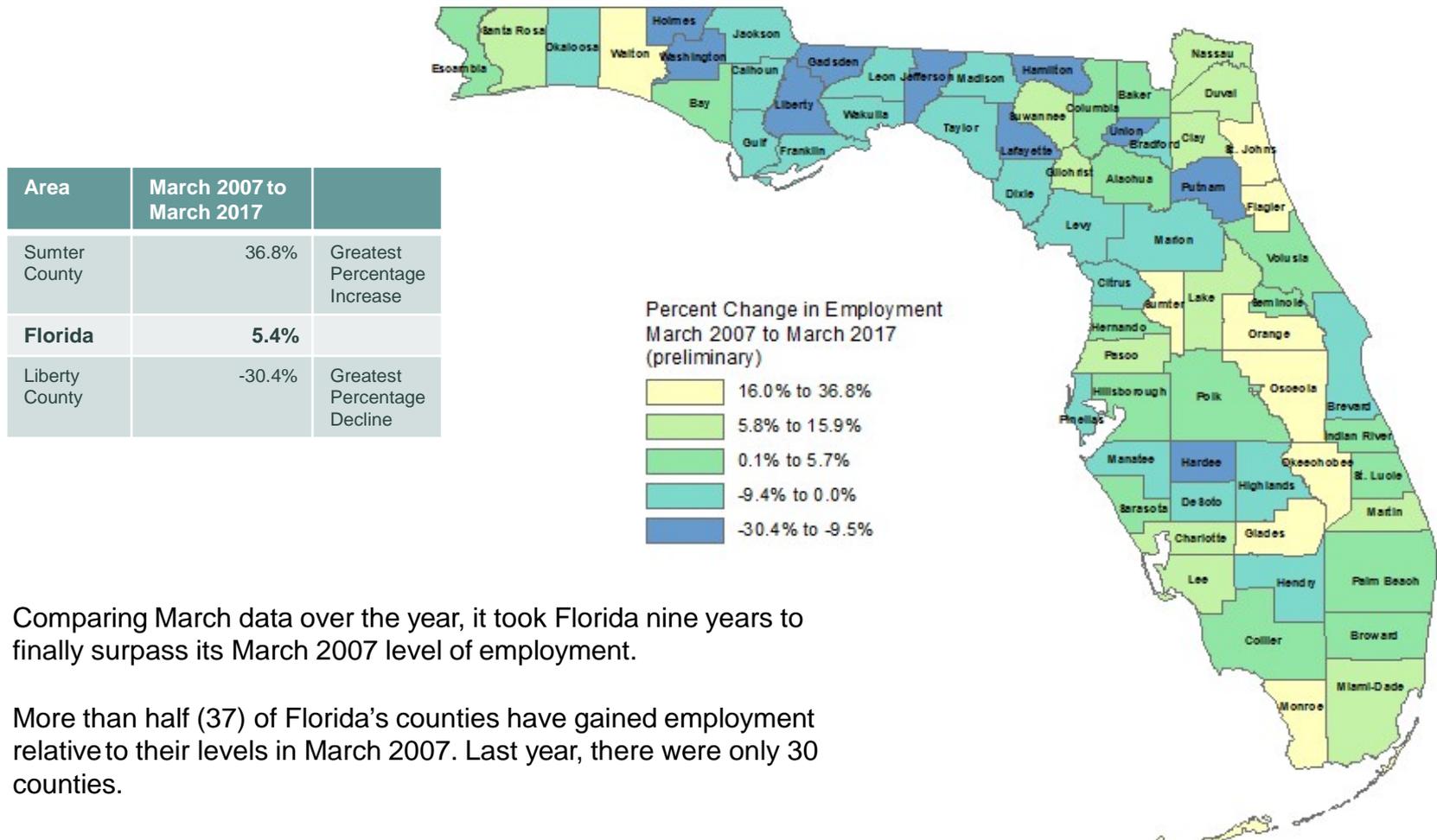


The third quarter results for the 2017 calendar year indicated that Florida ranked 23<sup>rd</sup> in the country with 3.0 percent real growth over the prior quarter. The United States as a whole had 3.4 percent growth.

In the latest revised data for State Gross Domestic Product (GDP), Florida had real growth of 3.9% in 2015, placing it above the national average of 2.7%. For the 2016 calendar year, Florida's growth slowed to 2.4%; however, this was still well above the national average of 1.5%.

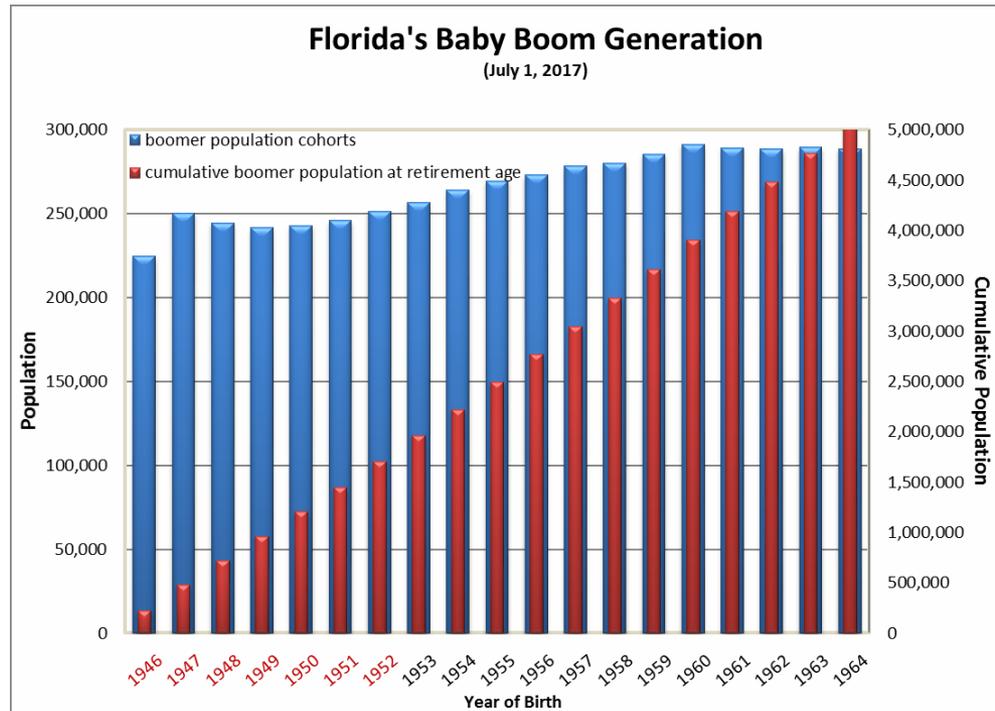
The Office of Economic and Demographic Research now projects that that Florida's growth will average 2.3% per year for the 2017-18, 2018-19 and 2019-20 fiscal years.

# Across the State, Employment Picture Is Improving, but Still Mixed...



- Comparing March data over the year, it took Florida nine years to finally surpass its March 2007 level of employment.
- More than half (37) of Florida's counties have gained employment relative to their levels in March 2007. Last year, there were only 30 counties.

# Baby Boomers in Florida Today...



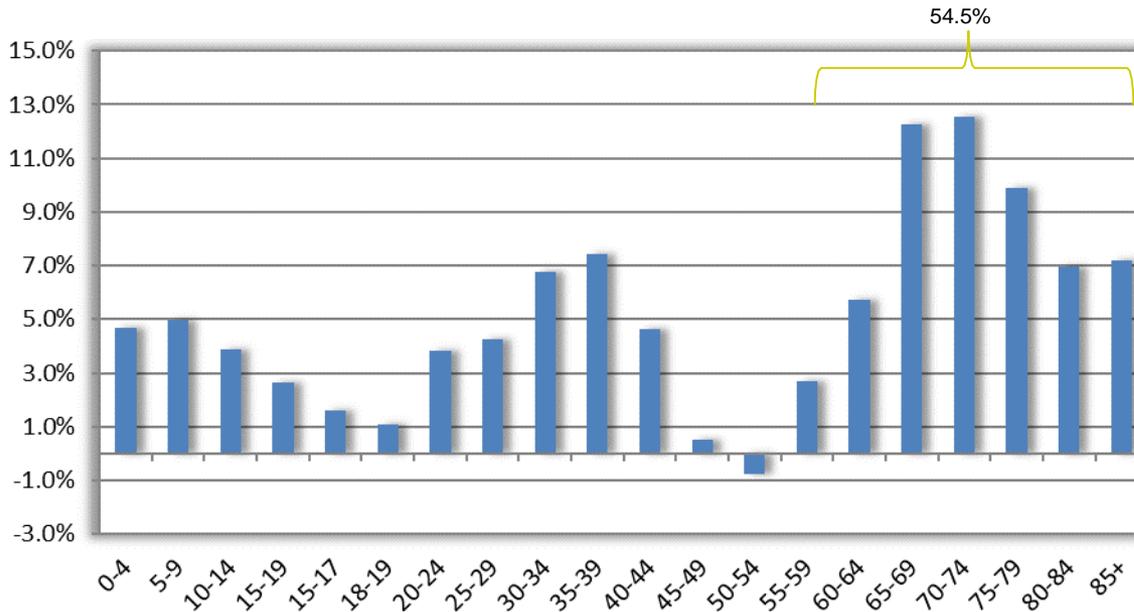
- The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Seven cohorts have entered the retirement phase: 2011, 2012, 2013, 2014, 2015, 2016 and 2017. This represents about one-third of all Baby Boomers.
- In 2000, Florida's working age population (ages 25-54) represented 41.5 percent of the total population. With the aging Baby Boom generation, this population now represents 37.7 percent of Florida's total population and is expected to represent only 35.7 percent by 2030.

# Population Growth Strengthening...

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Florida's population growth will remain above 1.5 percent between now and the end of the decade. In the near-term, Florida is expected to grow by 1.88% between 2017 and 2018 – and average 1.7% annually between 2017 and 2021. Most of Florida's population growth through 2030 will be from net migration (95.5%). Nationally, average annual growth will be about 0.76% between 2017 and 2030.
- The future will be different than the past; Florida's long-term growth rate between 1970 and 1995 was over 3%.
- Florida is currently the third most populous state, behind California and Texas.

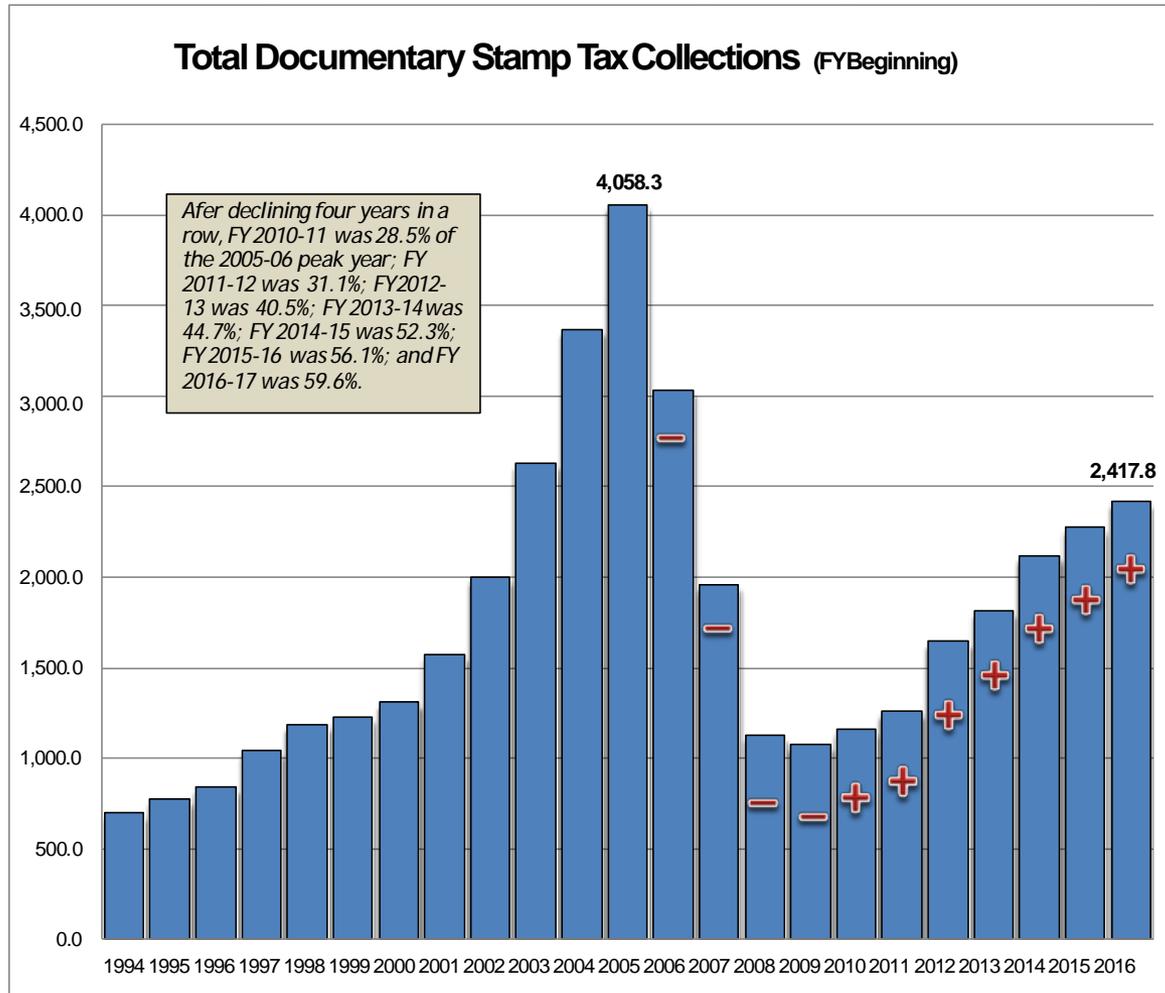
# Population Growth by Age Group...

Distribution of Growth by Age Group  
between April 1, 2010 to April 1, 2030



- Between 2010 and 2030, Florida's population is forecast to grow by over 5.4 million persons.
- Florida's older population (age 60 and older) will account for most of Florida's population growth, representing 54.5 percent of the gains.
- Florida's younger population (age 0-17) will account for 15.1 percent of the gains, while the young working age group (25-39) will account for 18.5 percent of the growth.

# Florida Housing is Generally Improving...



Documentary Stamp Tax collections saw 6.2% growth in FY 2016-17 over FY 2015-16.

# Economy Recovering

Florida growth rates are generally returning to more typical levels and continue to show progress. The drags—particularly construction—are more persistent than past events, but the strength in tourism is largely compensating for this. In the various forecasts, normalcy was largely achieved by the end of FY 2016-17. Overall...

- The recovery in the national economy is near completion on all fronts. While most areas of commercial and consumer credit have significantly strengthened – residential credit for home purchases still remains somewhat difficult for consumers to access with a weighted average credit score of 722 and a LTV of 79 percent on all closed loans in December. Seventy percent of all home purchase lending in December had credit scores that were 700 or above. Student loans and recently undertaken auto debts appear to be affecting the ability to qualify for residential credit.
- By the close of the 2016-17 fiscal year, most measures of the Florida economy had returned to or surpassed their prior peaks.
  - All personal income metrics, about half of the employment sectors and the total tourism count had exceeded their prior peaks.
  - Still other measures were posting solid year-over-year improvements, even if they were not yet back to peak performance levels.
  - Private nonresidential construction expenditures passed their prior peak in FY 2016-17, but none of the key residential construction measures pass their prior peaks until FY 2021-22.

# Upside Risks...

## Construction...

- The supply of existing homes for sale has been inflated over the last eight years by the atypically large number of homes coming out of the lengthy foreclosure process and into the market. This effect will begin unwinding in FY 2017-18 and finish in FY 2018-19.
- The “shadow inventory” of homes that are in foreclosure or carry delinquent or defaulted mortgages may contain a significant number of “ghost” homes that are distressed beyond realistic use, in that they have not been physically maintained or are located in distressed pockets that will not come back in a reasonable timeframe. This means that the supply has become two-tiered – viable homes and seriously distressed homes.
- To the extent that the number of viable homes is limited, new construction may come back quicker than expected.

## More Buyers...

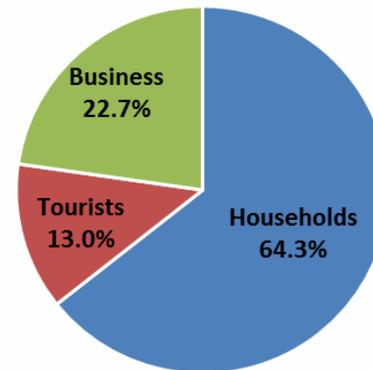
- In 2015, the first wave of homeowners affected by foreclosures and short sales went past the seven-year window generally needed to repair credit.
- While there is no evidence yet, atypical household formation will ultimately unwind—driving up the demand for housing.

# Downside Risk...

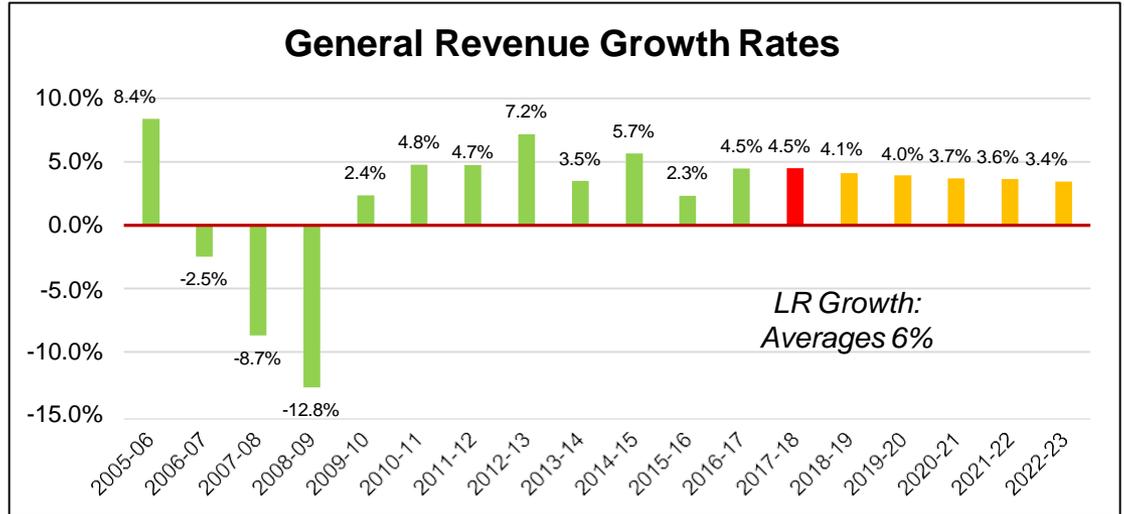
- The most recent sales tax forecast relies heavily on strong tourism growth. It makes no adjustments for Zika-related impacts and assumes no other events that have significant repercussions affecting tourism occur during the forecast window.
  - Currently, tourism-related revenue losses pose the greatest potential risk to the economic outlook.
  - Previous economic studies of disease outbreaks and natural or manmade disasters have shown that tourism demand is very sensitive to such events.

*The Legislative Office of Economic and Demographic Research has updated and refined an empirical analysis of the various sources of the state's sales tax collections. In FY 2015-16, sales tax collections provided \$22.0 billion dollars or 76.4% of Florida's total General Revenue collections. Of this amount, an estimated 13.0% (nearly \$2.86 billion) was attributable to purchases made by tourists.*

**Contributions to General Revenue from Sales Tax (with CST)  
Collections in FY 2015-16, By Source**



# General Revenue Forecast



Fiscal Year	Post-Session Forecast	August Forecast	Difference (Aug - PS)	Incremental Growth	
2005-06	27,074.8			8.4%	
2006-07	26,404.1			-2.5%	
2007-08	24,112.1			-8.7%	
2008-09	21,025.6			-12.8%	
2009-10	21,523.1			2.4%	
2010-11	22,551.6			4.8%	
2011-12	23,618.8			4.7%	
2012-13	25,314.6			7.2%	
2013-14	26,198.0			3.5%	
2014-15	27,681.1			5.7%	
2015-16	28,325.4			2.3%	
2016-17	29,558.9	29,594.5	35.6	1,269.1	4.5%
2017-18	30,793.8	30,926.0	132.2	1,331.5	4.5%
2018-19	32,013.3	32,201.4	188.1	1,275.4	4.1%
2019-20	33,278.9	33,474.9	196.0	1,273.5	4.0%
2020-21	34,461.7	34,714.5	252.8	1,239.6	3.7%
2021-22	35,667.1	35,977.9	310.8	1,263.4	3.6%
2022-23	n/a	37,214.0	n/a	1,236.1	3.4%

The August forecast would have essentially matched the old forecast in the short-term; however, recognition of Indian Gaming revenue share payments associated with banked card games resulted in a net increase in the estimate.

[www.FLDOE.org](http://www.FLDOE.org)

