

DISCRETIONARY LOTTERY FUNDS

The 1996 Florida Legislature adopted an amendment to Section 24.121, Florida Statutes, requiring school districts make available to the public, on a quarterly basis, a report displaying discretionary lottery revenue and expenditures.

Revenue

For the 2004-05 school year, the Polk County School District had an amended budget for discretionary lottery revenues of \$4,576,295. \$4,569,365 was received from the state as of June 30, 2005.

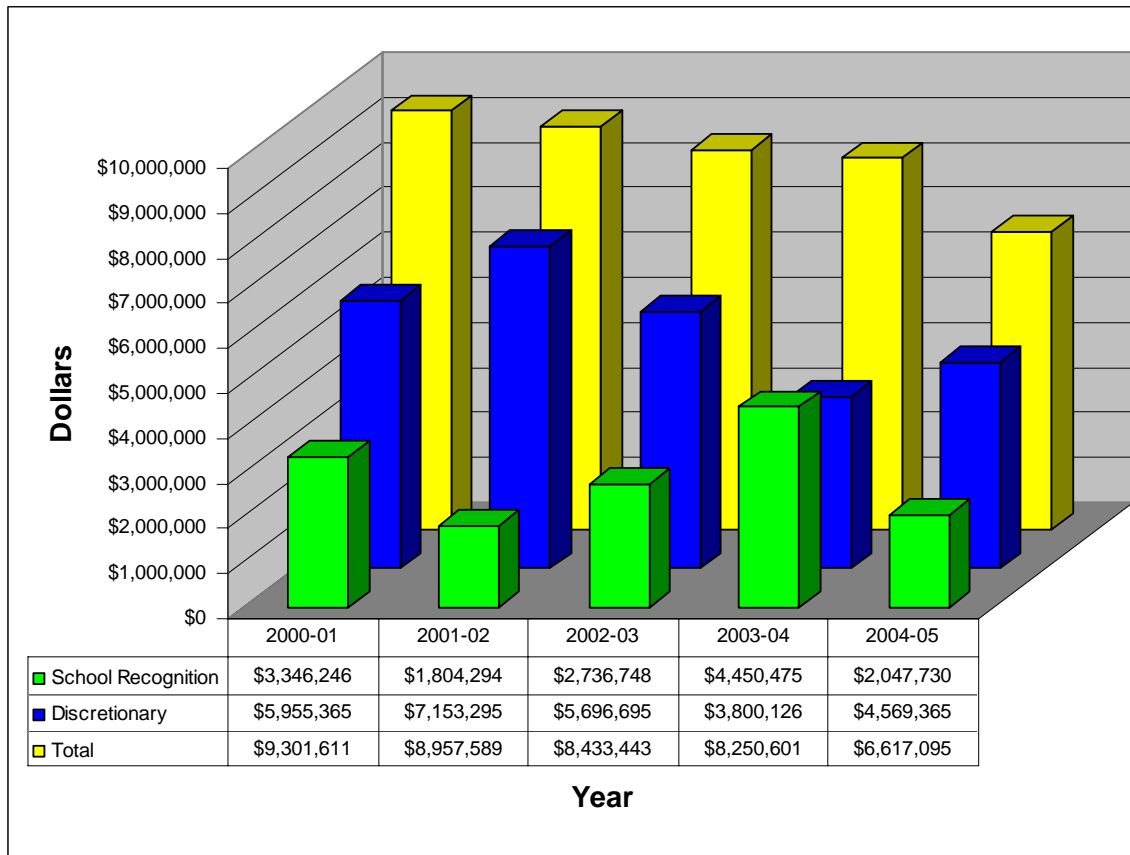
The final amended General Fund Operating Budget for 2004-05 was \$585,632,058 - discretionary lottery revenues comprised only 0.78% of the District's operating budget.

Expenditures

Lottery funds are expended to (1) support the School Improvement and Accountability initiative, providing schools with an annual per student allocation to flexibly support local school improvement plans as directed by each school's SAC (School Advisory Committee), (2) continue support of programs previously funded by state categorical and other state revenue sources and (3) support general operating fund expenditures, including providing increases in salaries and benefits for instructional and other personnel of the district.

As of June 30, 2005, schools and their respective SACs had spent or encumbered \$773,398 of the \$1,139,703 allocated on a per student basis to them. Unspent dollars will be carried over for the schools to use during the 2005-06 school year. The remaining discretionary lottery dollars, allocated within the General Operating Fund, were spent in accordance with the published District budget (a copy of which is available on this web site).

Historical Perspective of Lottery Funding for Polk County School District



Florida Lottery proceeds are distributed by the State as follows: 50% for prizes, 38% for education (including K-12 schools, community colleges, and universities), and 12% for lottery department administration.

Polk County's share of the Florida Lottery funds (made up of the two components) is received each year. **School Recognition Dollars** are required to be distributed to specific schools maintaining A+ grades under the Governor's A+ Program. **Discretionary Lottery Funds** are allocated to support the School Improvement and Accountability initiative, providing schools with an annual \$10 per student allocation, as well as providing continuing support to the general operating budget. Discretionary allocations are controlled and spent under the direction of each school's School Advisory Committee (SAC).

As one can see from the table above, the amount of lottery funding that has been diverted to the School Recognition program is significant, thereby causing the amount of discretionary funding to be reduced in two of the last four years. Due to reduced School Recognition awards for 2004-05, our amended discretionary lottery budget rose to \$4,576,295, an increase of \$776,169 over the prior year; however, total lottery funding for our district has continued to decline. Total lottery revenues were almost \$2.7 million dollars less for the 2004-05 school year than they were five years ago. Discretionary lottery revenue for the 2004-05 school year was almost \$1.4 million less than it was five years ago. Our total discretionary lottery dollars, if not partially restricted to SAC committee usage, could only operate our school district for less than three days and represent 0.78% of our general operating budget.