Polk County School Board
Overview of Finances & Current Issues
## 2002 – 2003 Budget
(as amended)

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 492,634,227</td>
</tr>
<tr>
<td>Capital Projects Funds</td>
<td>107,355,961</td>
</tr>
<tr>
<td>Debt Service Funds</td>
<td>20,735,876</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>64,548,311</td>
</tr>
<tr>
<td>Special Revenue Food Service</td>
<td>34,018,315</td>
</tr>
<tr>
<td>Special Revenue Other</td>
<td>65,355,229</td>
</tr>
<tr>
<td>Agency Funds</td>
<td>16,841,957</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 801,489,876</strong></td>
</tr>
</tbody>
</table>
The underlying allocation mechanism of the Florida Education Finance Program (FEFP) is simple; the *more* students a district has, the *more* money it is allocated through the formula.
The uniform funding amount allocated in the formula for each student’s education is the base student allocation (BSA).
Districts’ Total Funding Entitlement

The uniform funding amount provided for each student by the BSA is adjusted.

- To reflect variation in the **cost of providing services** for students.

- To reflect variation among districts in the **cost of purchasing goods and services**.
The amount of funding provided for a student depends on the *costs of providing educational services* for the student.
The amount of funding provided for a student also depends on the costs of purchasing goods and services in the district. This is referred to as the District Cost Differential.
Base Funding

Un-weighted Enrollment \times \text{Program Cost Factors} = \text{Weighted Enrollment}

Weighted Enrollment \times \text{Base Student Allocation} \times \text{District Cost Differential} = \text{Base Funding}
The *state share* of funding is equal to the difference between the district’s total funding entitlement and the amount of the district’s anticipated local contribution from ad valorem taxes.
# Millage Rates

## Seven Year History

<table>
<thead>
<tr>
<th>Year</th>
<th>Required Local Effort</th>
<th>Discretionary Local Effort</th>
<th>Capital Improvement</th>
<th>Total Local Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>6.826</td>
<td>0.760</td>
<td>1.750</td>
<td>9.336</td>
</tr>
<tr>
<td>1997</td>
<td>6.671</td>
<td>0.760</td>
<td>2.000</td>
<td>9.431</td>
</tr>
<tr>
<td>1998</td>
<td>6.568</td>
<td>0.760</td>
<td>2.000</td>
<td>9.328</td>
</tr>
<tr>
<td>1999</td>
<td>6.312</td>
<td>0.760</td>
<td>2.000</td>
<td>9.072</td>
</tr>
<tr>
<td>2000</td>
<td>6.086</td>
<td>0.760</td>
<td>2.000</td>
<td>8.846</td>
</tr>
<tr>
<td>2001</td>
<td>5.962</td>
<td>0.0760</td>
<td>2.000</td>
<td>8.722</td>
</tr>
<tr>
<td>2002</td>
<td>5.830</td>
<td>0.0748</td>
<td>2.000</td>
<td>8.578</td>
</tr>
</tbody>
</table>

**Note:** Millage rates are set by the State.
Effect of Millage Rate Decreases in Polk County: Loss of $54 Million!
The DCD is used to adjust the FEFP based on a running three-year average of the Florida Price Level Index (cost of living within each district).
Effect of DCD on Polk County – Loss of $11 million!
In 2002-2003, districts with 20,000 or fewer students are eligible and the total appropriation is $31,000,000. There are 34 districts that qualify.
Additional Allocations

- Supplemental Academic Instruction: $21,613,890
- Exceptional Student Education Guaranteed Allocation: $32,779,437
- Safe Schools: $2,252,585
Total FEFP Funds Per Student

<table>
<thead>
<tr>
<th>School</th>
<th>Funds Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monroe</td>
<td>$5,927</td>
</tr>
<tr>
<td>State</td>
<td>$5,207</td>
</tr>
<tr>
<td>Polk</td>
<td>$4,976</td>
</tr>
<tr>
<td>Baker</td>
<td>$4,850</td>
</tr>
</tbody>
</table>
Classroom Instructional Expenses as Percent of Total

Source: Dollars to the Classroom Legislation
Office of Funding & Financial Reporting
SchoolMatch Financial Review

- Commended the District for its financial management
- Commended the efficiency of our operations – transportation, energy management, overall administrative costs
- Commended the extremely high state rankings for classroom expenditures
- Recommended that the District pursue alternative revenue sources; i.e., sales tax and impact fees
Florida Chamber Foundation
New Cornerstone Report
Issued in 2001

- Compares educational performance to Florida’s economic competitiveness and quality of life.
- Business & industry in Florida needs well-educated, technologically proficient workers.
- Florida ranks near the bottom tier of states in most measures of educational performance.
- Florida ranks near the bottom tier of states in most measures of educational funding.
- 2000 Rand Report concludes that student achievement does correlate to the level of funding.
Measures of student assessment are higher in states with:
- Higher per-pupil expenditures;
- Lower pupil-teacher ratio in early elementary grades;
- Higher percentages of teachers reporting adequate resources for teaching;
- More children in public pre-kindergarten programs; and
- Lower teacher turnover.
In 1990-91, Florida ranked 21st for state K-12 expenditures per pupil.

In 2000-01, Florida declined to 42nd in the nation.

An increase of about 18% is needed in per-pupil funding to get to the national average.

Higher education spending per student ranks 45th nationally, with a 21% increase needed to get to the national average.
Comparison of Teacher Salaries 2001-02

<table>
<thead>
<tr>
<th>State</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polk</td>
<td>$34,917</td>
</tr>
<tr>
<td>Florida</td>
<td>$39,275</td>
</tr>
<tr>
<td>Georgia</td>
<td>$44,073</td>
</tr>
<tr>
<td>National</td>
<td>$44,604</td>
</tr>
</tbody>
</table>

Source: Florida Department Of Education and National Center for Education Statistics
## Comparison of Principal & Asst. Principal Salaries 2001-02

<table>
<thead>
<tr>
<th></th>
<th>Average Salary</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Asst. Principal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mid/Jr. High</td>
<td>Mid/Jr. High</td>
<td></td>
</tr>
<tr>
<td>Polk</td>
<td>$65,160</td>
<td>$46,999</td>
<td></td>
</tr>
<tr>
<td>Florida</td>
<td>$73,525</td>
<td>$57,493</td>
<td></td>
</tr>
<tr>
<td>National</td>
<td>$77,382</td>
<td>$63,709</td>
<td></td>
</tr>
</tbody>
</table>

Source: Florida Department Of Education
Comparison of Support Personnel 2001-2002

<table>
<thead>
<tr>
<th></th>
<th>Polk</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary</td>
<td>$19,261</td>
<td>$25,514</td>
</tr>
<tr>
<td>Teacher Aide</td>
<td>$11,754</td>
<td>$13,181</td>
</tr>
<tr>
<td>Bus Driver</td>
<td>$10,772</td>
<td>$14,141</td>
</tr>
<tr>
<td>Food Service Worker</td>
<td>$ 9,664</td>
<td>$12,761</td>
</tr>
<tr>
<td>Custodian</td>
<td>$15,472</td>
<td>$19,441</td>
</tr>
</tbody>
</table>

Source: Florida Department Of Education
Current & Future Needs

- Employee Salaries
- Strategic Plan
- Facilities Needs
Growth-related capital needs assessment
- $255 million over the next 10 years

Capital improvements to existing schools
- $259 million over the next 10 years

Projected available revenue from existing sources
- $97 million

Equals unmet needs of $417 million
Facilities Needs

- Additional schools needed during next 10 years:
  - Depending on location and size of new schools, Polk County needs about ten new elementary schools
  - Polk County will need another middle school and three high schools

- Capital improvements to existing schools:
  - 200+ new classroom additions
  - Construction of Modern Media Centers, Larger Cafeterias, Music and Art Suites.
  - Conversion of Old or Replaced Facilities Into More Classrooms.
Coordination with City and County planners
Establish short- and long-range improvement plans
Maximize the use of current facilities
Identify tentative time frame for new schools and classroom additions/renovations

NOTE: The School Board has received over $7 million in “thrift awards” from the state.
Where does the money come from to build and maintain schools?

- Local Capital Improvement millage ("Two-Mill Money")
- About $34 million for current year
  - Half of this is used for debt service
  - Remaining amount is needed for maintenance, renovation, and repair of existing facilities; purchase of capital equipment; and construction of new facilities
- The amount Polk "earns" per student ranks 41st among 67 districts
- This amount per student is only 63% of the state average
Where does the money come from to build and maintain schools?

- Public Education Capital Outlay or “PECO”
  - State gross receipts tax on utilities
  - $3.8 million for new construction & $3.4 million for special school maintenance
- Certificates of Participation
  - COPs are *not* additional revenue
  - COPs are funds borrowed (with a lien interest) with repayment from future Two Mill (LCI) proceeds
- Smaller sources of funds (CO&DS, SBE Bonds, Interest)
General Locations for Future Elementary Schools Needed After Projected Period Ending 2010
General Locations for Future Middle School
SCHOOL BOARD PLANNING AREA BOUNDARY MAP

POLK COUNTY

General Locations for Future High School
Solutions

- Community Involvement
- Lobbying Efforts
- Impact Fees
- Voter Referendum
  - ½ cent Capital Outlay Sales Tax
  - Operating Millage Increase
Are there additional revenue sources?

- **Impact Fees**
  - Assessed by the county commission on new housing developments
  - The county’s consultant recommended fees that would provide approx. $96 million over the next 5 years

- **Half-cent Sales Tax**
  - Requires public referendum
  - Approx. $27 million per year
School Impact Fees

How? By County Commission.

How much? Decided by County Commission.
(Contingent on amount of fees.)

How used? Construction to offset the impact of growth and development.

How long? Decided by County Commission.
½ Cent Sales Tax

How? By local referendum.
How much? Est. $27 million per year.
How used? Construction, remodeling or renovation (and debt service, if bonded).
How long? Recommended 15 years.

Note: 54 of the 67 (80%) counties have a sales tax that exceeds 6%.
Operating Millage

How?  By local referendum.

How much?  One mill = $17 million.

How used?  At School Board discretion.

How long?  Four years.
Outcomes & Results

- Federal Legislation – “No Child Left Behind”
  - Teacher Quality – the **Most Important Factor** in a child’s education!
    - Research
      - Students assigned to three effective teachers in a row scored at the 83rd percentile; those assigned to three ineffective teachers in a row scored at the 29th percentile
“Aggregate educational attainment of Floridians will determine the state’s future living standards. To place Florida in an economically competitive position, performance on critical measures must move from among the weakest in the country to at least the national average within the next decade.”

- Florida Chamber Foundation – New Cornerstone Report