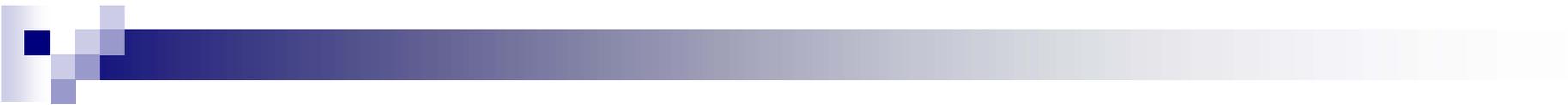




Department of Education's Budget  
Reduction Recommendations  
Senate Higher Education  
Appropriations Committee  
August 28, 2007

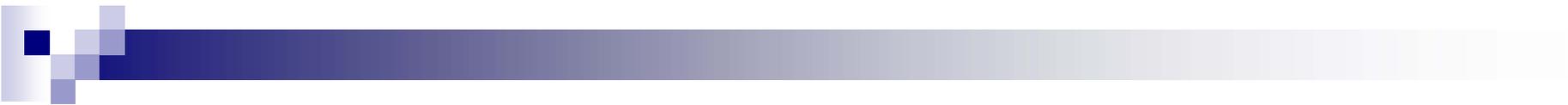
Linda Champion

Deputy Commissioner, Finance and Operations



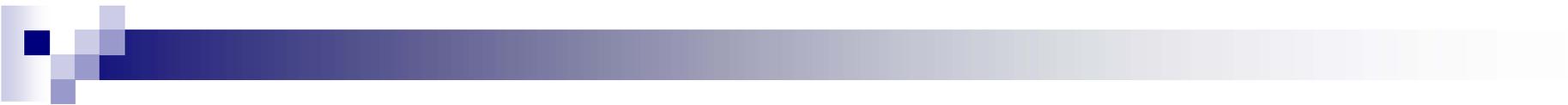
# Budget Reduction Priorities

- Priority 1 – Reductions in:
  - DOE Personnel
  - DOE Operating Costs
  - Assessment and Evaluation
  - FACTS.org
  - Estimated Unused Voluntary Prekindergarten Appropriation



# Budget Reduction Priorities

- Priority 2 – Reductions to Programs that Supplement the Classroom:
  - Early Learning Standards and Accountability Development
  - Excellent Teaching
  - Public Broadcasting
  - Commission on Community Service



# Budget Reduction Priorities

- Priority 3 – Program Reductions that Directly Impact Students:
  - Scholarships
  - % of Florida Finance Education Program (FEFP)
  - % Community College Program Funds
  - % Workforce Program Funds

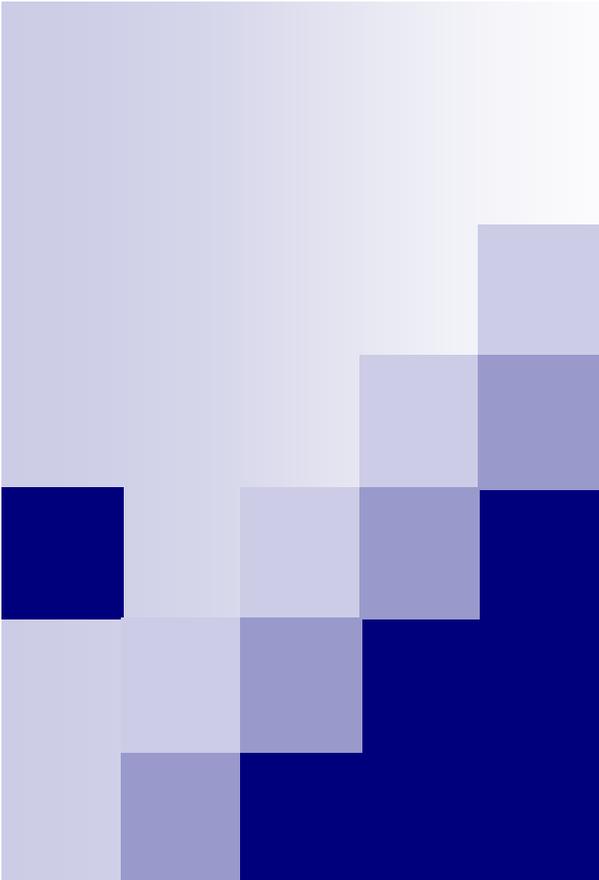


# Budget Reduction Priorities

- Priority 4 – Program Reductions that Directly Impact Students:
  - Remaining % of Voluntary Prekindergarten Program Funds
  - Remaining % of FEFP
  - Remaining % Community College Program Funds
  - Remaining % Workforce Program Funds

# Target Reduction Amounts

	Total	General Revenue	Trust Funds
State Board of Education – Recurring Funds	16,053,246,781	12,162,241,414	3,891,005,367
Excluded Appropriations	5,434,158,604	2,501,635,042	2,932,523,562
Base for Reductions	10,619,088,177	9,660,606,372	958,481,805
<b>10% TARGET</b>	<b>1,061,908,818</b>	<b>966,060,637</b>	<b>95,848,181</b>



# Division of Vocational Rehabilitation



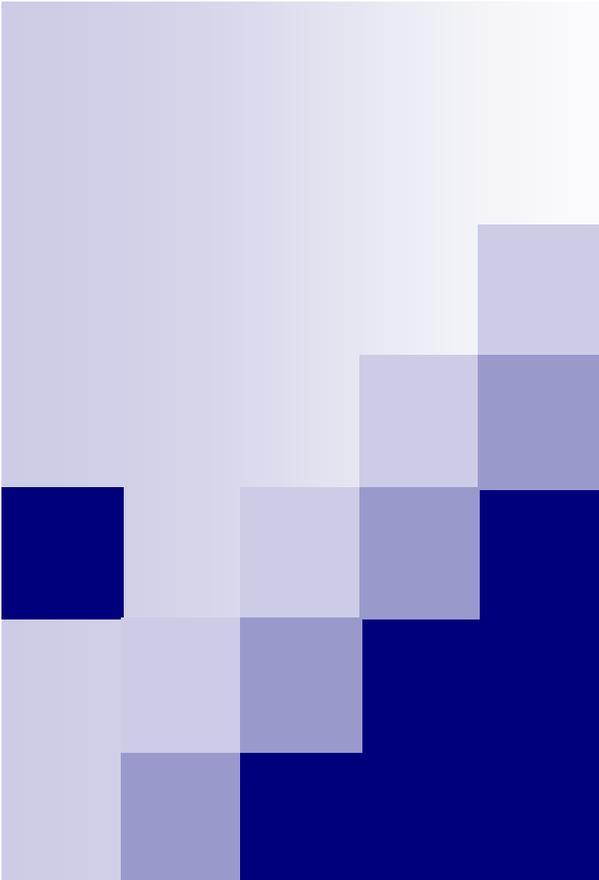
# Division of Vocational Rehabilitation 2006-07 Results

- State/Federal Program
- Feds Match Approximately \$4 to \$1
  - State GR Investment: \$ 34 Million
  - Federal Investment: \$127 Million
- 11,089 Individuals Placed in Employment
- Average Annual Salary at Placement is \$20,609
- Individuals Placed Generate \$228.5 Million in Earnings in One Year



# Impact of Targeted Reductions on Vocational Rehabilitation Program

- Targeted General Revenue Reductions
  - Administrative Salaries and Benefits - \$163,395 (4 FTE)
  - Data Processing Services - \$21,685
- Loss of Federal Funding
  - Salaries and Benefits – An Additional \$778,086 (16 FTE)
  - Data Processing Services – An Additional \$80,123
- Impact
  - Total Impact on Administrative Efficiency and Accountability of \$1,043,389 and 20 FTE



# Division of Blind Services



# Division of Blind Services 2006-07 Results

- State/Federal Program
- Feds Match Approximately 4 to 1 Spent
  - State GR Investment: \$ 7 Million
  - Federal Investment: \$26 Million
- 753 Individuals Placed in Employment
- Average Annual Salary at Placement is \$18,610
- Individuals Placed Generate \$14 Million in Earnings in One Year



# Targeted Reductions on Blind Services VR Program

- Targeted General Revenue Reductions
  - Administrative Salaries and Benefits - \$120,000 (4 FTE)
  - Expenses - \$71,764
  - OCO - \$30,000
  - Contracted Services – \$40,000
- Loss of Federal Funding
  - Salaries and Benefits – An Additional \$443,380 (9 FTE)
  - Expenses – An Additional \$265,156
  - OCO - An Additional \$110,845
  - Contracted Services – An Additional \$147,793
- Impact
  - Total Impact on Administrative Efficiency and Accountability of \$1,231,938 and 13 FTE



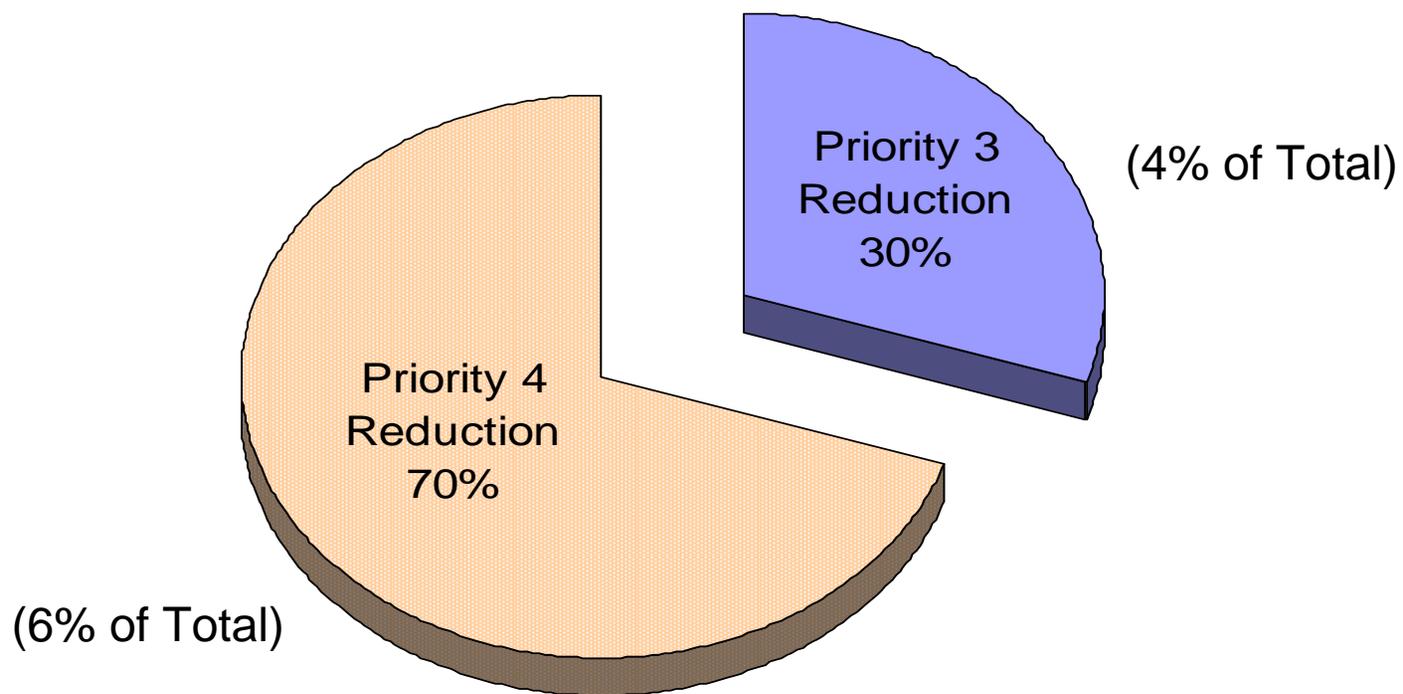
Delivering Work-Ready Employees for Florida Businesses

Lucy Hadi, Chancellor  
Workforce Education

# Impact of 10% Reduction on Workforce Development Budget (Aid to Local Governments)

Budget Item	2007-08 recurring revenue	Priority 3 Reduction	Priority 4 Reduction	Total 10% reduction
Performance Funding	\$ 5,000,000	\$ 500,000		\$ 500,000
Workload Funding	408,633,922	\$ 11,909,018	\$ 28,954,374	\$ 40,863,392
Total	\$ 413,633,922	\$ 12,409,018	\$ 28,954,374	\$ 41,363,392

# Priority Distribution of Workforce Funding Reductions





# Effects of Cut Statewide

- Current Workforce Development Funding Formula shows \$45 million in unmet need among 36 districts.
- Programs that are costly to operate might be closed, affecting the ability of the state to serve the workforce needs of local communities.
- Support programs like tutoring and childcare may be terminated, limiting educational opportunities for underserved populations.
- Career & technical programs may fall behind in updating equipment and software and will not be able to train competitive workers.



# Impact of 10% Reduction on School Districts

## ■ Miami-Dade

- Closure of at least three adult education centers, plus
- Elimination of the following:
  - all Continuing Workforce Education programs that update skills of workers employed in business and industry
  - multiple full-time positions
  - all weekend citizenship classes



# Impact of 10% Reduction on School Districts

## ■ Manatee County

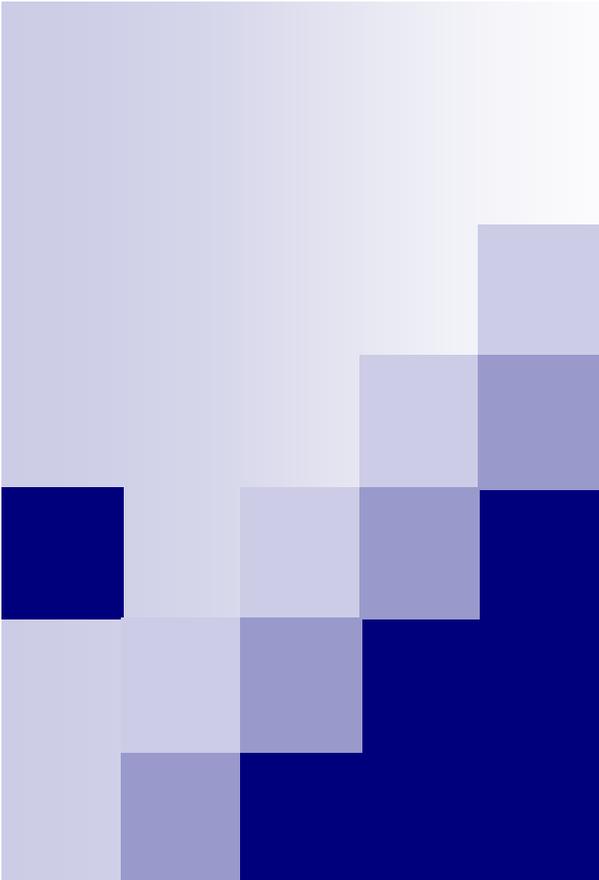
- Currently funded 33% below need
- \$700,000 budget reduction
- 11 teachers would be laid off
- Low enrollment/high priority programs such as boat manufacturing/maintenance might be cut



# Impact of 10% Reduction on School Districts

## ■ Suwannee County

- No funding for new surgical technology program and instructor
- Curtailment of plans to expand adult education services
- Budget cuts in the following areas:
  - Supplies
  - Student organizations
  - Advertising



# Florida Community College System

Catalyst for Economic  
Development and Access  
to Higher Education

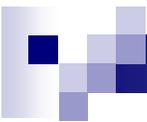
Chuck Prince  
Community College Budget Director



# Council of President's Resolution

*That the Florida Community College System's Council of Presidents commit to:*

- **Maintain student access** as our highest priority while managing the State's budget challenges;
- **No enrollment caps** at any of our 28 community colleges;
- Make extra efforts to assure students excluded from university enrollment **can continue their education** without undue interruption; and
- Encourage the responsible use of the State's non-recurring revenues to absorb the impact of this commitment in the near term.

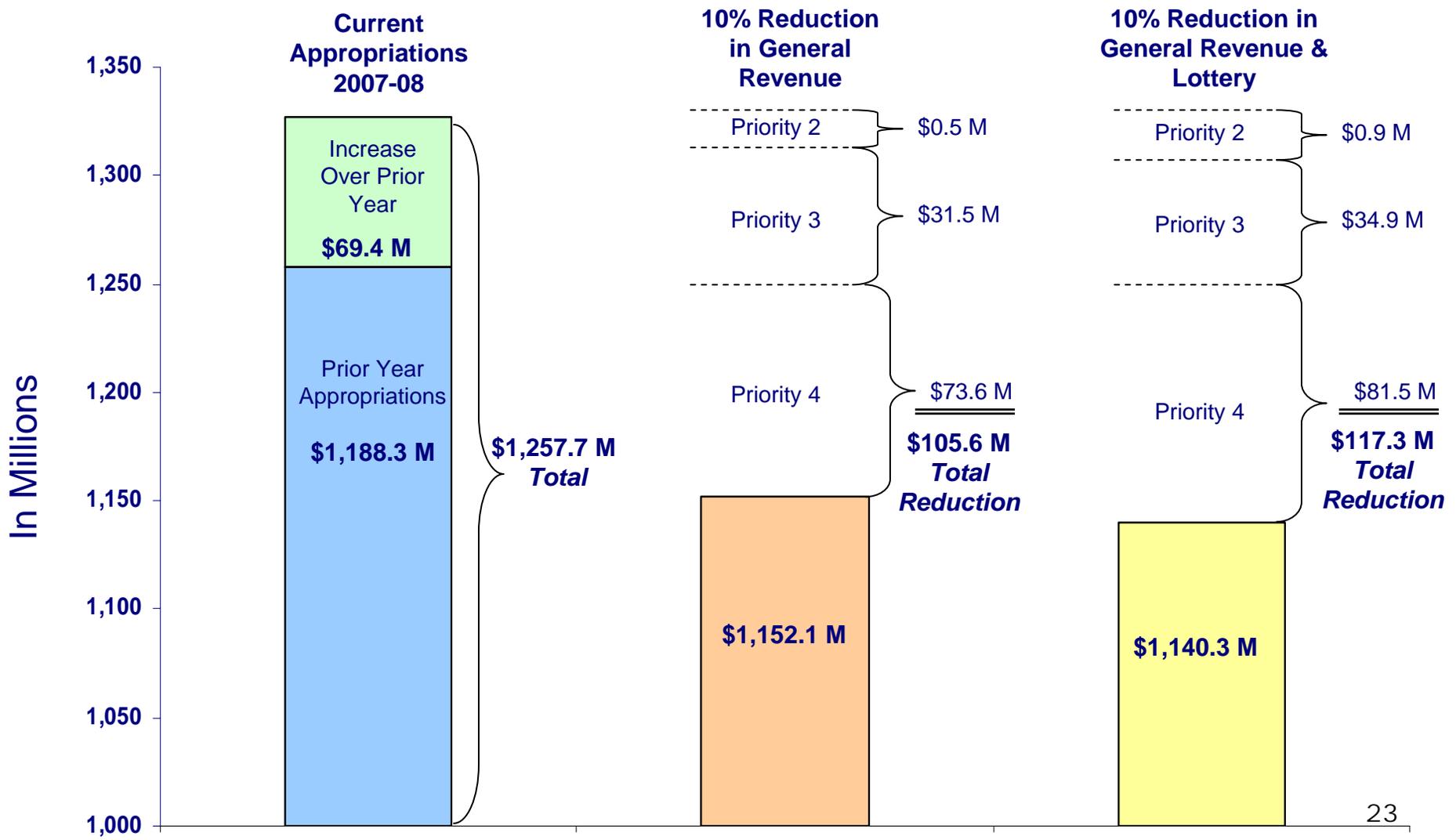


# A Catalyst for Economic Development

*“Every dollar of public support for a community college graduate will generate \$13.37 in state output.” (TAXWATCH)*

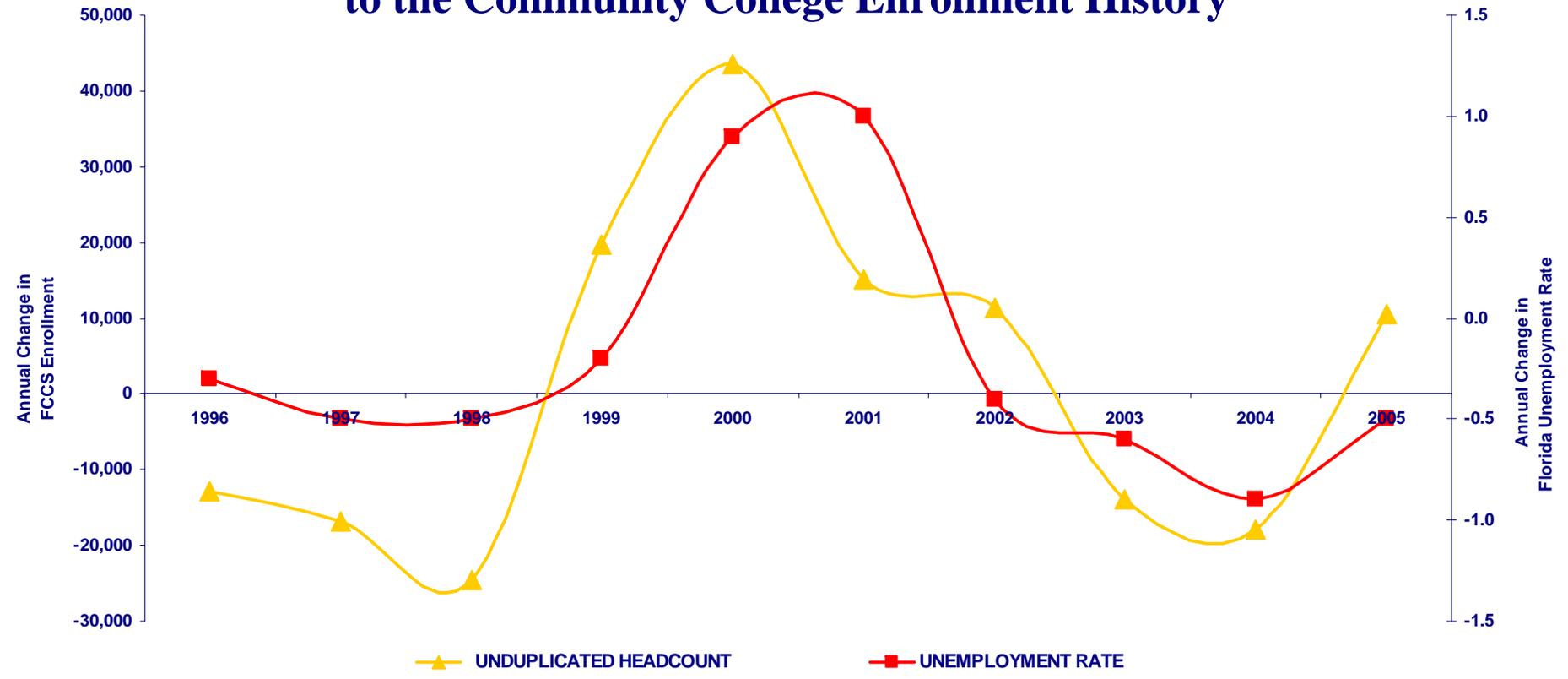
- **Nursing graduates:** 2,600 in 2002; 4,200 in 2006
- **Educator Preparation Institutes:**
  - students: 1,151 in 2005-06; **3,353** in 2006-07,
  - completers: 86 in '05-06; **733** in '06-'07-A **750% increase!**
  - pass rate: 98% on the Florida Teacher Certification exams
- **CC baccalaureate programs:**
  - students: over 3,000 enrolled, 2006-07
  - baccalaureate degrees granted to date: over 1,200
  - State funding of \$3,872 per FTE represents 62% of the state university system's cost per FTE in 2006-07 resulting in cost savings to students and the state.
- **2007-08 Enrollments** - Early indicators point to system-wide increase

# Effect of Cuts on Total State Dollars in Community Colleges



# Impact of Budget Cuts for Community Colleges

## Comparison of the Florida Unemployment Rate to the Community College Enrollment History



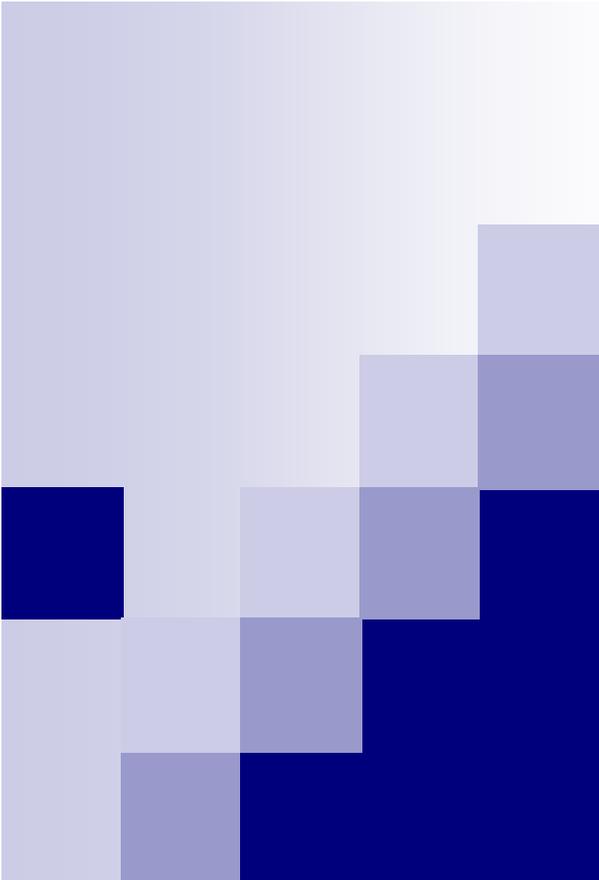
**As the unemployment rate increases, Community College Enrollment increases.**

Source: Labor Market Statistics, Local Area Unemployment Statistics Program



## *Impact of Budget Cuts on Community Colleges*

- **Disproportionate impact of “across the board cuts”**
  - State appropriations represent 2/3 of community college funding
- **CC Funding is retroactive-Based upon previous three-years of enrollments**
  - State appropriations represent payments for costs already incurred
- **University enrollment caps will drive even more enrollment to community colleges**
- **CC enrollment** grows when unemployment rises and budgets shrink



# Student Financial Aid

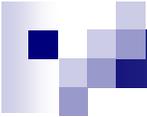
...Equal Access to Postsecondary Education to Citizens of this State who have the Ability and Motivation to Benefit...

Theresa Antworth, Director  
State Scholarship Programs



# Student Financial Aid Programs

- Promote Access to Postsecondary Education
  - Need Programs
    - Assist those who may not otherwise afford or pursue a college education
    - Allow students to pursue careers in technical fields
  - Merit Programs
    - Reward students for high school achievements in preparing for college
  - Special Interest Programs
    - Assist under represented populations
    - Reward teachers in Critical Shortage Areas



# Florida Students Depend upon State Student Financial Aid

- Florida strives to provide postsecondary access for students with the most financial need
- SBOE annually requests need based funding increases equal to those requested for the merit Bright Futures programs
- Projected sluggish economy suggests that
  - More students will enroll in postsecondary education in the state,
  - therefore more students will need state financial aid
- Currently in Florida's postsecondary enrollments -
  - 45% of undergraduates received Federal Pell Grants
  - 35% of undergraduates (degree seeking) received state financial aid
    - Bright Futures (BF) = 21%
    - Florida Student Assistance Grant (FSAG) = 15%
    - William L. Boyd IV, Florida Resident Access Grant (FRAG) = 6%

# Need Based Student Financial Aid

- FSAG only – 10% Reduction = \$12,408,352
- Other Need - 10% Reduction = \$947,533
  - 17% of all need students also received Bright Futures
  - 10% of all need students also received FRAG

GAA Line Item		2007-08 Projected Students	2007-08 Recurring GR	2007-08 Recurring SSFATF/EETF	2006-07 Average Award	10% Award Loss to Student
	<b>NEED</b>					
80	FSAG - Public	87,479			\$ 1,808	\$ 181
80	FSAG - Private	13,425			\$ 1,808	\$ 181
80	FSAG - Postsecondary	12,049			\$ 1,808	\$ 181
80	FSAG - Career Ed	9,550			\$ 1,808	\$ 181
	<b>Subtotal</b>	<b>122,503</b>	<b>\$ 93,213,857</b>	<b>\$ 30,869,664</b>		
80	Florida Work Experience	500			\$ 2,500	\$ 250
80	Rosewood	25			\$ 2,852	\$ 285
79	Mary McLeod Bethune	226	\$ 452,886	\$ 226,442	\$ 3,000	\$ 300
81	Jose Marti	63	\$ 197,333	\$ 98,667	\$ 2,000	\$ 200
5A	First Generation Matching	8,753		\$ 8,500,000	\$ 1,607	\$ 161
	<b>Total Need</b>	<b>132,070</b>	<b>\$ 93,864,076</b>	<b>\$ 39,694,773</b>		

# Merit Student Financial Aid

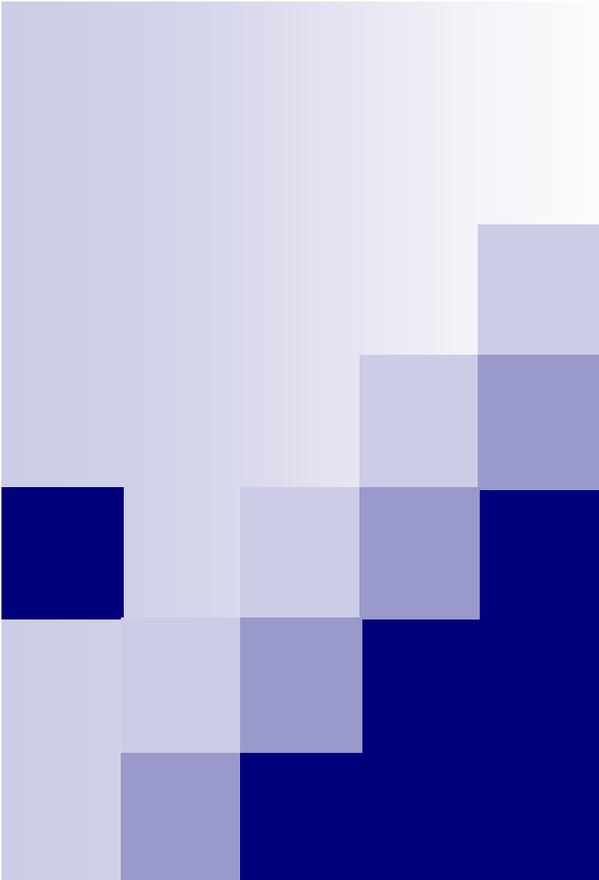
- Bright Futures - 10% reduction = \$39,843,034
  - 13% of Bright Futures students also received FSAG
  - 8% of Bright Futures students also received FRAG
- An additional 1.5% of the FL Medallion Scholars (or 3,400 students) attended Community Colleges instead of state universities in 2006-07 and were rewarded with 100% tuition & fees instead of 75%.

GAA Line Item		2007-08 Projected Students	2007-08 Recurring EETF	Projected 2007-08 Average Award	10% Award Loss to Student
	<b>MERIT</b>				
5	BF - Academic Top Sch	258			
5	BF - FL Academic Schd	32,167		\$ 3,525	\$ 353
5	BF - FL Medallion Scho	125,759		\$ 2,018	\$ 202
5	BF - FL Gold Seal Voca	1,752		\$ 1,479	\$ 148
	<b>Total Merit</b>	<b>159,936</b>	<b>\$ 398,430,336</b>		

# Special Interest Student Financial Aid

## ■ Special Interest - 10% Reduction = \$946,960

GAA Line Item		2007-08 Projected Students	2007-08 Recurring GR	2007-08 Recurring SSFATF	Projected 2007-08 Average Award	10% Award Loss to Student
	<b>Special Interest</b>					
80	Children/Spouses of Deceased/Disabled Veterans	636			\$ 2,367	\$ 237
78	Ethics in Business	333		\$ 500,000	\$ 1,414	\$ 141
77	FL Fund for Minority Teachers	1,030	\$ 2,109,600		\$ 4,000	\$ 400
80	Critical Teacher Shortage	5,272				
76	Prepaid Tuition Scholarships	1,362	\$ 5,200,000	\$ 400,000		
82	FL Education Fund	N/A	\$ 1,260,000			
	<b>Total Special Interest</b>	<b>8,633</b>	<b>\$ 8,569,600</b>	<b>\$ 900,000</b>		



# Private Colleges and Universities

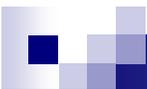
Theresa Antworth, Director  
State Scholarship Programs

# Private Colleges and Universities

## Student Tuition Assistance Programs

- Total Recurring = \$103,461,602
  - 10% Reduction = \$10,346,160
    - Access to Better Learning and Education (ABLE)
    - William L. Boyd, IV, Florida Resident Access Grant (FRAG)

GAA Line Item	Tuition Assistance	2007-08 Recurring GR	2007-08 Projected Students	Also Rec'd FL Need Grant (FSAG)	Also Rec'd Merit (Bright Futures)	2007-08 Award Amount	10% Award Loss to Student
67	ABLE	\$ 4,438,750	3,692	35%	5%	\$ 1,250	\$ 125
72	FRAG	\$ 99,022,852	36,295	34%	35%	\$ 3,000	\$ 300
	<b>Total</b>	<b>\$ 103,461,602</b>	<b>39,987</b>				



# Private Colleges and Universities

(Non-FRAG, Non-ABLE Programs)

- Total Recurring Funds = \$34,549,446
  - 10% Reduction = \$3,454,945
  
- Specific appropriations to private colleges and universities provide funding for:
  1. Training in specific programs in Florida (GAA # 69, 70, 73, 74)
    - 100% of funds used for tuition assistance to students in programs designated by proviso (e.g., medical sciences, nursing, pharmacy, marine science, engineering)
  
  2. Recruitment, retention, and graduation of economically disadvantaged students (GAA # 68)
    - Portion of funds used for student scholarships and stipends
    - Funds are also used for administrative costs, capital outlay expenses, and library resources
  
  3. Research and community outreach programs (GAA # 66, 69, 71, 73)
    - Funds used for administrative costs and other expenses related to medical research and community outreach (impact on students is indirect)