

## **BACKGROUND:**

Florida's education system is the second most expensive priority behind health care. K-12 funding is typically allocated to the **Florida Department of Education (FLDOE)**.

The K-12 system is made up of 67 school districts, one for each county in the state.

The FLDOE provides funding to the school districts primarily through the **Florida Education Finance Program** or FEFP. Included within the FEFP is general revenue (GR), the **Educational Enhancement Trust Fund (EETF)** better known as the Lottery, and the **State School Trust Fund (SSTF)**.

In addition, districts receive federal funding and income from local property taxes. In recent years, the Legislature has relied on local property tax increases to pay a greater share of the expense.

The **Public Education Capital Outlay**, or PECO, addresses construction and maintenance needs for school districts, community colleges, and universities.

In the 2013 session, the state appropriated \$20.3 billion, about 27 percent of the total budget, on public education for this fiscal year which began July 1. The lion's share, about 68 percent, went to the pre-K-12 system.

From PECO funding, \$90.6 million for "critical deferred maintenance" went to charter schools; \$20 million to traditional public schools.

Overall, the Legislature boosted education spending from the previous year by about \$1.5 billion and per-pupil funding by \$404.04 to \$6,779. Both are nearing the high-water mark reached before the Great Recession.

2014 may see a budget fight over **Common Core**, which sets a nationwide standard in education and is affiliated with **Race to the Top** from the Obama administration. **SB 1076**, the **Career and Professional Education Act** or CAPE, was passed this last session to implement the standards for math and language arts.

In addition, PECO may see changes. Funds are designated from a 1963 gross receipt tax on natural gas, electricity, and communication services. Most of those funds are used to issue bonds, which has been problematic because of a reduction in available revenue.

Updates

**Preliminary education budget (09/11/13)**

The **Florida Department of Education's** [proposed Legislative Budget Request](#), or LBR, will be voted on by the **Board of Education** on [Sept. 17](#). The agency's request includes a 1.87% increase in per-student spending.

A \$40 million proposed increase provides school district with technology enhancements. Each district would receive a minimum of \$75,000 and the remaining allocation would be distributed based on the FTE calculation.

Its total initial request is \$16.8 billion, a 0.75 percent reduction from the 2013 appropriation of \$16.9 billion.

[Oct. 15](#) is the deadline for state agencies and the judicial branch to submit LBRs to the Legislature for consideration in the official state budget.

### **Long-Range Financial Outlook draft released (09/06/13)**

An [early draft of the Long-Range Financial Outlook](#) projects a budget surplus of \$845.7 million for the 2014-2015 fiscal year. Total general revenue is expected to come in at \$29.28 billion, with expenditures pegged tentatively at \$28.43 billion.

**Gov. Rick Scott** and Republican legislators hailed the news, but the report includes a note of caution: more than half of the projected surplus (\$449 million) is non-recurring, or one-time revenues that can't be counted upon year after year, and unforeseen impacts like hurricanes could affect the budget outlook.

The report is produced annually in September per a constitutional amendment passed in 2006. Its intent is to avoid future budget problems and maintain financial stability between state fiscal years by combining projections of the major programs driving Florida's annual budget requirements with revenue estimates. Its publication marks the first step in the annual appropriation process.

The report's authors, staff for the **Senate Committee on Appropriations, House Appropriations Committee** and **Legislative Office of Economic and Demographic Research**, will submit their final report to the Legislature on [Sept. 15](#).

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