

**PINELLAS COUNTY PUBLIC SCHOOLS
FISCAL YEAR 2015-2016 FOURTH CALCULATION ANALYSIS**

OVERVIEW

The Fiscal Year (FY) 2015-2016 Fourth Calculation of the Florida Education Finance Program (FEFP) has been released. The report contains a number of details of importance to the district. To evaluate the impact of the calculations on the district, each line of the FEFP was analyzed. The key points are below.

1. Statewide there was an increase of 8,527.37 Unweighted Full Time Equivalent students (UFTE) and 8,946.30 Weighted Full Time Equivalent students (WFTE).
2. The enrollment increase is, of course, not accompanied by an increase in revenue. That can only happen as a result of a Legislative appropriations action.
3. As a result, there was a proration to the appropriation of \$34,745,319, which in effect spreads the same funds over the larger number of students.
4. Normally the district would expect a reduction approximately equal to its proportion of the students in the state. The district has approximately 3.6% of the students, and we would expect the proration to reduce the district's total funding by about 3.6% of the total proration.
5. The district would expect a portion of that reduction to be offset by the revenue generated by any new student enrollment growth the district experienced since the Third Calculation. The district grew 206.57 UFTE.
6. However, due to changes in the distribution of students among weighted programs, the total funded WFTE only increased 181.17 WFTE students. The program with the largest decrease in WFTE was ESE Level IV, Program 254, which reported 53.40 fewer WFTE than the Third Calculation.
7. Despite the proration of funds, the district reported an increase in total potential funds of \$440,936 as compared to the Third Calculation.
8. There are many changes in the distribution of the funds in the District Lottery and School Recognition allocation in the Fourth Calculation. The adoption of the new Florida Standards Assessment apparently made forecasting the distribution of this appropriation among districts problematic.
9. Districts receiving an increase in School Recognition funds due to a larger number of schools earning the award will have an inflated increase of total potential funds reported for the district. The amount will be inflated not because the district will not receive the funds, but because there will be an accompanying expenditure obligation for the funds, and they will not be available for other uses in the district's operating budget.
10. Districts experiencing a loss of School Recognition Funds due to a decrease in the number of schools qualifying for the award will have an inflated reduction in total potential funds. The reduction will be inflated not because it is not real, but because there will be an accompanying and matching reduction in the expenditure requirements for the district. There will be fewer schools qualified for the recognition awards, and therefore there will be a reduction in expenses matching that reduction in revenue.

FACTORS DRIVING REVENUE INCREASES

An analysis of each line of the FEFP reveals the following positive revenue impacts for the district:

1. The increase of 181.71 WFTE yielded an increase in base FEFP funding of \$756,501.
2. Other increases in revenue included:
\$1,132 for the DJJ Supplemental Allocation
\$1,262,003 for the Lottery and School Recognition allocation

Revenue increases inside the FEFP totaled \$2,019,636.

FACTORS DRIVING REVENUE REDUCTIONS

Revenue reductions inside the FEFP came from the following sources:

1. Proration to appropriations: \$1,257,591
2. Reduction in the Transportation Allocation: \$3,556
3. Reduction in the Virtual Education Contribution of \$363
5. Reduction in the Safe Schools Allocation: \$341
6. Reduction in the Digital Classrooms Allocation: \$719
7. Reduction in Instructional Materials: \$84,723
8. Reduction in Declining Enrolment Supplement: \$225,468

Total decrease in revenues inside the FEFP: \$1,578,700

NET REVENUE CHANGES

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|---------------------------------|-------------|
| 1. Total increases in revenues: | \$2,019,636 |
| 2. Net decrease in revenues: | \$1,578,700 |
| 3. Net Change in revenues: | \$440,936 |

The Fourth Calculation reports an increase in total funds of \$440,936, exactly the net change noted above. However, \$1,262,003 of the amount of the revenue increase is for increased payments of school recognition awards. The School Recognition allocation information distributed by the Department of Education exactly matches the allocation in the Fourth Calculation. Therefore, 100% of the \$1,262,003 increase for the Lottery and School Recognition allocation will be accompanied by an expense increase to pay the awards. The impact of that expense increase is to drive the real net position of the total FEFP funds for the district to a **reduction of \$821,067 in funds available for the district's operating budget.**

IMPLICATIONS FOR FY 2016-2017

It is important to recognize that the increase of 8,527.27 UFTE students in the Fourth Calculation has not been incorporated in the FY 2016-2017 budget. Therefore, if the growth of 36,356.32 UFTE students from the Third Calculation, projected in the Final Conference Report for FY 2016-2017 does not already include the growth from the Third to the Fourth Calculations we will have a proration of funds in FY 2016-2017 to reflect that added growth. (This is one of the disadvantages of an early Legislative Session.)