



Pinellas County Schools Proposed Budget for 2008-09 Frequently Asked Questions

1. What is the proposed budget for 2008-09?

The proposed budget for 2008-09 is \$1.46-billion and includes revenue from the following sources – federal, 3.4%; state, 34.1%; local, 62.4%. It includes both the operating fund (pays for salaries and operating expenses) and capital outlay (used for construction and remodeling). The percentage from state sources has declined over the past five years while the amount from local sources has increased.

2. What does Pinellas County Schools use to develop the operating fund, the primary budget for the day-to-day operations of the district?

School districts in Florida use a finance system called **Florida Education Finance Program (FEFP)** to fund schools. It bases the funding on the number of students (Full Time Equivalent or FTE) rather than the number of teachers or schools. It includes state and local property tax revenue. The major source of state FEFP is sales tax. The main source of local FEFP is property taxes.

3. What kinds of expenses does the operating fund cover?

Salaries, 65%; benefits, 20%; purchased services, 6%; energy services, 4%; supplies, 3%; capital outlay, 1%, and other, 1%.

4. Why does the school district need to raise taxes when local citizens are already paying for a larger share of the budgeted revenue?

The portion of school taxes that is increasing is called the “required local effort,” the tax rate prescribed for the district by state lawmakers. Pinellas County Schools has no choice but to take the tax rate mandated by Tallahassee if it wants to receive state funds through Florida’s public school financing program (FEFP). The district would lose more than \$157-million in state education grants if it did not levy the tax.

5. In January 2008, Pinellas voters approved a referendum to increase property taxes. Why can’t the district use that money to offset some of the revenue?

The funds generated by the referendum are to be spent in the areas outlined in the ballot language – teacher compensation and reading, technology, visual arts and performing arts programs.

6. In light of declining revenue, what has the school district done to cut costs?

During the last five years, the school board has cut \$51.8-million from the operating budget through the elimination of positions, employee reassignments, school closings, reduction in assistant principals and no raises for all employees. In addition, the district used reserves of \$10.8-million for a total in cuts of \$62.6-million.

7. Why is the school district losing funding? Will additional cuts need to be made?

State revenue from sales tax and local property tax revenue continues to decline. The governor ordered a funding holdback of 4% to reflect revenue declines. We expect the holdback to become a reduction some time during the 2008-09 budget year just as last year's funding holdback became a funding reduction by legislative action in April 2008.