

The District School Board of Pasco County

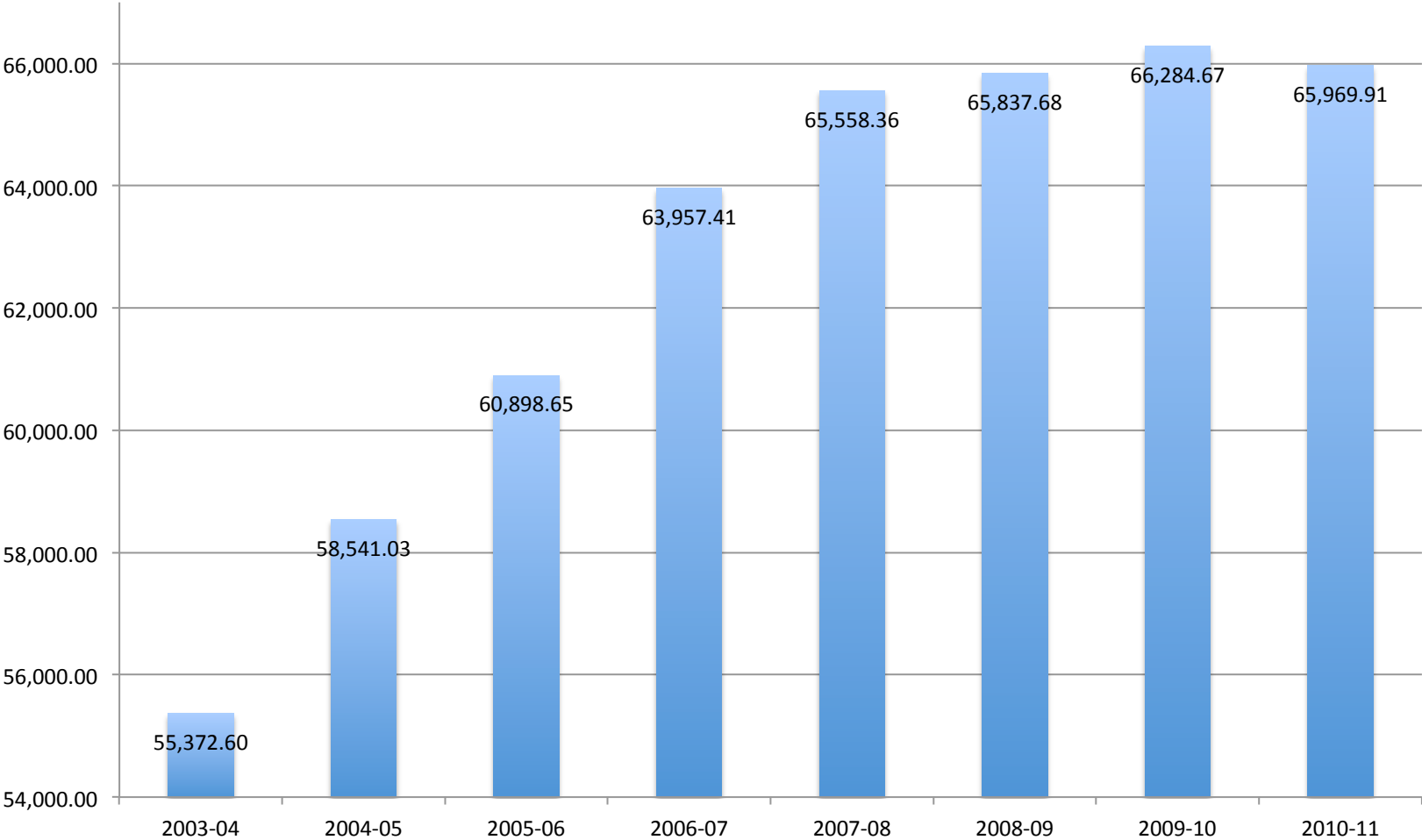
2010-2011 Community Budget Presentation



District Demographics *(as of October 2010)*

- ✓ **Students: 66,994 (PreK-12)**
- ✓ **Employees: 9,811**
 - Instructional: 5,412**
 - School Related Personnel: 4,085**
 - Administrators: 314 (includes school based and District)**
- ✓ **Schools: 84**
 - **13 High Schools**
 - **15 Middle Schools**
 - **46 Elementary Schools**
 - **4 Education Centers**
 - **5 Charter Schools**
 - **1 Virtual School**

District School Board of Pasco County Historic K-12 Student Enrollment



Proud of Our Success

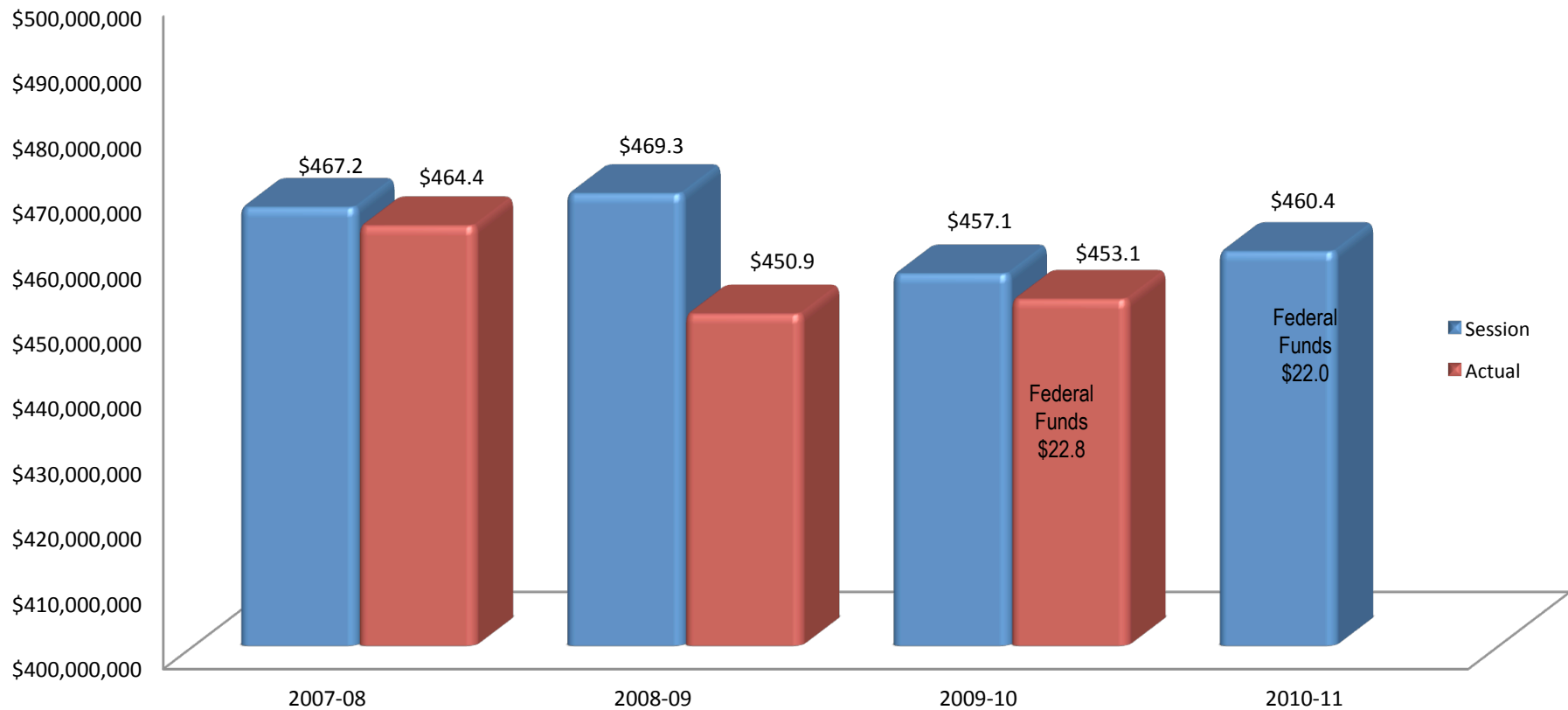
- Increasing High School Graduation Rate to 87%
- Decreasing Drop-out Rate to 1.2%
- Providing at least one career academy at every high school through which students earn industry certification in a high skill/high wage fields
- Expanding accelerated learning opportunities for students
- Partnering with 22 countries to facilitate global learning projects with international peers
- Opening 22 new schools in six years
- Serving as good stewards of public resources (lowest administrative costs in the state and A bond rating – indicators of financial stewardship)
- Winning numerous national and state awards for school and departmental achievement

Significant Challenges

- Third straight year of financial troubles
- \$540 less per student than start of 2007
- Working to minimize impact of shortfalls on classrooms and employees

Another Year of Financial Challenges

**Historical Legislative Funding
State and Required Local Effort
(in millions)**



Understanding Financial Difficulties

We already know we will receive less than state allocated.

- The state budget for Pasco County is predicated on the assumption that Pasco will grow by 684 students.
- Our budget figures include a reserve for growth, but doesn't make provisions for declining student population. We actually lost 200 students when compared to last year.
- The state budget assumes that Pasco will collect 96% of the property taxes it is due, a higher level than ever before.

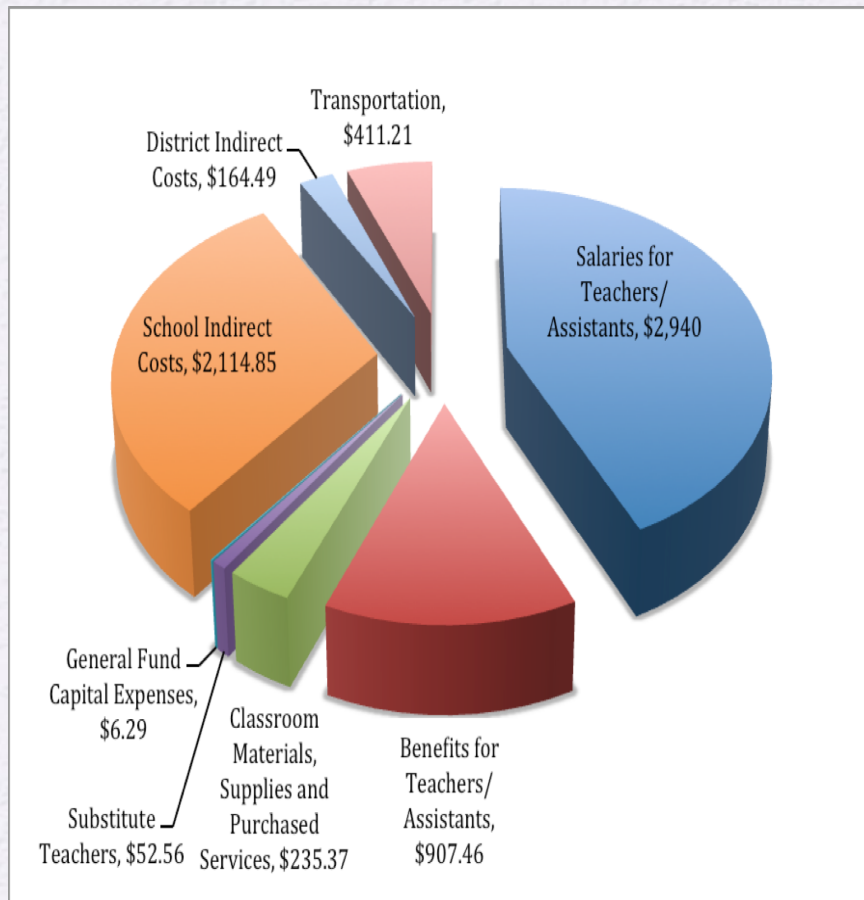
Per Student Funding

Total Potential K-12 Funding	\$455,310,662
Less School Recognition Funds*	(\$3,296,240)
Less McKay Scholarships*	(\$2,522,462)
Less Teacher Lead Funds*	(\$851,662)
Less Charter School Funding*	(\$11,172,910)
Total Local, State and Federal Stabilization Funding	\$437,467,388
Total Unweighted FTE	64,029.66
Total Funds per Unweighted FTE	\$6,832.26

*The School District has no control over how the funds subtracted above are spent as they are designated by state statute.

Where Does the Money Go?

Costs Per FTE-\$6,832.26



Definition of Each Cost Category

Teacher/Teacher Aide Salaries-

The salaries of classroom teachers and teacher assistants that work directly with students.

Teacher/Teacher Aide Benefits-

The cost to provide benefits to classroom teachers and teacher assistants that work directly with students.

Classroom Materials/Supplies and Purchased Services-

Textbooks, Supplemental Materials, Classroom Supplies, school-based printing and periodicals.

Substitute Costs-

Cost for providing substitute teachers when regular teacher is absent, any dues or fees for school-based employees.

General Fund Capital Expenses-

Tangible property such as desks, chairs, etc.

School Indirect Costs-

Instructional Support Staff Members (Media Specialist, Technology Specialists, School Nurses, School Social Workers, School Psychologists), School Based Administrators, Curriculum Development, Staff Development, Academic Coaches, Custodial Staff, Operation and Maintenance of Facilities and Utilities.

Transportation -

The cost to transport students to and from school, including the fuel, bus drivers and vehicle maintenance.

District Indirect Costs-

Included in this category are the entire cost of our School Board members, general administration, fiscal services and district administration of support personnel, instructional media, curriculum and development, central services, technology services and facilities services.

Every three years, this audit is conducted by the Auditor General's Office. Additionally, each program (i.e., Title I, PreK, Exceptional Student Education, Staff Development), receives regular independent audits to ensure funds are used in accordance with state and federal guidelines.

Non-recurring Revenue Planning for the Future

- Federal ARRA funding (totaling \$32 million) expires June 30, 2011.
- Currently, 620 employees are funded through ARRA.
- The state will not be replacing ARRA funds.
- In addition to ARRA funding, there is an additional \$15 million of non-recurring revenue.
- The District is working with stakeholders on plans for the \$47 million gap this will create in the 2011-2012 budget.

Federal Jobs Bill

- Congress passed the Jobs Bill (Edujobs)
- Pasco's share is approximately \$14 million (must be shared with charter schools)
- Funds can be used over a 2-year period for raises, bonuses, increased benefits or to save jobs
- Important to use funds strategically to best meet needs
- Legislative Finance Chairs' Statements

Finance Chairs' Statement

Senator Alexander: The federal government has dictated terms of this award to require that these funds be spent and not held in reserve, even though we face an incredibly challenging budget outlook in our next fiscal year, 2011-2012. Therefore, I would like to strongly suggest that all school districts spend these funds as required, but reserve or set aside a like amount from other state or local funds to be available for the district in 2011-2012. Since the \$554.8 million equals about 3% of the total FEFP funding, we will take into account the fact the school districts have received this additional funding.

Representative Grimsley: I entirely agree and believe we will take this money into account next year. So, I urge each district to plan appropriately and build a significant operating reserve of other funds to be used in 2011-2012.

Pending Legislative Activity

- The Legislature is working on a budget for the 2011-2012 school year. The current proposals contain an additional cut to Pasco County Schools of approximately 7%. This cut is in addition to the \$47 million shortfall.
- The Governor proposes requiring all state employees to contribute 5% of their salaries to the Florida Retirement System. The Legislature is discussing a variety of changes to the Retirement System including a 3% required contribution and the elimination of the DROP program (to anyone entering after July 1, 2011).
- There are also several legislative proposals currently being considered. These are unfunded mandates that would be costly to the District and add to our \$47 million shortfall for next year.

Pending Legislative Activity

The largest unfunded mandate is SB 736, which was just signed into law by Governor Scott. This bill:

- Requires a new evaluation for all instructional staff members (e.g. teachers, media specialists, guidance counselors, etc.,) and school-based administrators (Principals and Assistant Principals) starting July 1, 2011. At least 50% of the evaluation must be based on student achievement.
- Sets minimum performance requirements for continued employment and requires a pay-for-performance incentive salary structure for all new employees and existing employees electing to participate.
- Gives the District until 2014 to develop an assessment for each course it offers. Each assessment cost approximately \$100,000 to develop. The District offers over 3,000 unique courses. There is no funding to pay for the development and administration of these exams.
- Changes the contract for new hires. New employees are only eligible to receive an annual contract. There is ambiguity as to whether or not this applies to current teachers on annual contract as well.

Class Size

- Compliance - Not easy
- Some of the difficult choices not consistent with best practices
- Pasco was fully-compliant for October FTE count and thus avoided state penalties
- Still seeking additional implementation flexibility from Legislature

Class Size Compliance

The District has been working diligently since 2002 to hire enough teachers to meet class size requirements.

School Year	Number of Teachers Hired for Class Size
2003-2004	169
2004-2005	108
2005-2006	121
2006-2007	265
2007-2008	185
2008-2009	294
2009-2010	75
2010-2011	195
Total	1,412

Generating Solutions for the Future

- As we work to tackle the funding cliff of **at least \$47 million** we must explore all ideas. We actually believe our shortfall will be closer to \$60 million once the Legislature finishes their budget and increased fixed costs are considered.
- All ideas previously presented are once again being considered.
- None of the choices left are easy.
- Approximately 86% of operating budget is spent on people.
- Reduction in Force Process - limited flexibility in determining who to cut as it is based on seniority/contract status.

Everything is “On the Table” for Discussion Regarding Possible Cuts

Possible Budget Cut	Amount of Savings
Elimination of All Administrators	\$25,767,449
Elimination of Middle School Athletics	\$396,416
Elimination of High School Athletics	\$1,324,749
Elimination of Music Teachers/Programs	\$5,807,401
Elimination of Band Supplements & Uniforms	\$143,083
Elimination of Art Teachers/ Programs	\$4,709,331
Moving to a 4-day School Week	\$3,200,000 (\$315,000 utilities, \$508,000 fuel, \$2,400,00 bus drivers' salaries)
Elimination of Media Specialists	\$4,221,180
Elimination of Technology Specialists	\$3,436,559
Elimination of Guidance Counselors	\$7,529,813

Everything is “On the Table” for Discussion Regarding Possible Cuts

Possible Budget Cut	Amount of Savings
Elimination of Literacy Coaches	\$3,264,953
Elimination of Student Achievement Coaches	\$1,777,780
Elimination of School Nurses	\$1,734,156
Elimination of School Psychologists	\$2,200,38
Elimination of the Classroom Teachers Needed for Full Class Class Size Compliance	\$9,000,000
Elimination of School Social Workers	\$1,596,979
Elimination of Drivers Education	\$430,000
Elimination of Behavior Specialists	\$2,969,641

Thank you for your support of our District! We are open to hearing your feedback for what should be prioritized within the budget as we make these difficult decisions.

