

Education Budget: Update from Supporting Conferences

October 20, 2011

Presented by:



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PK-12 FTE Total Enrollment

Historical and Forecasted

Fiscal Year	Total PK-12 FTE	Change	% Change
2000-2001	2,388,011.08	59,160.00	2.50%
2001-2002	2,453,550.00	65,538.92	2.70%
2002-2003	2,497,314.00	43,764.00	1.80%
2003-2004	2,558,491.53	61,177.53	2.40%
2004-2005	2,609,593.94	51,102.41	2.00%
2005-2006	2,641,121.29	31,527.35	1.20%
2006-2007	2,638,331.10	-2,790.19	-0.10%
2007-2008	2,631,277.10	-7,054.00	-0.30%
2008-2009	2,617,371.52	-13,905.58	-0.50%
2009-2010	2,629,327.35	11,955.83	0.46%
2010-2011	2,642,510.78	13,183.43	0.50%
2011-2012 Estimate (Oct 2011)	2,661,316.65	18,805.87	0.71%
2012-2013 Forecast (Oct 2011)	2,691,883.15	30,566.50	1.15%
2013-2014 Forecast (Oct 2011)	2,712,132.79	20,249.64	0.75%
2014-2015 Forecast (Oct 2011)	2,729,424.48	17,291.69	0.64%

NOTE: Forecast based on the Education Estimating Conference held October 10, 2011.

Key Assumptions and Trends in PK-12 Public School FTE Enrollment

- ASSUME: Recent historical growth patterns continue.
- TREND: 2011 Legislation affects FTE due to changes in charter school and virtual education enrollment options.
- TREND: Kindergarten enrollment increases with larger birth cohort relative to prior year entering kindergarten. This increase is reduced in 2011-12 and 2012-13 by a lower percentage share of kindergarten enrollment in public schools than there used to be. The public percentage share increases in 2013-14 with public virtual education pulling students into the system from private and home education.
- ONE TIME EFFECT: 2012-13 enrollment is affected by graduation of unusually small 2011-12 grade twelve cohort due to past policy changes.



2011-12 FTE Change

Oct. 10, 2011 Conference

2011-12 Revised Estimate	2,661,616.65		
Change from 2011-12 Appropriated	6,862.71		
Demographic Changes		(1,798.49)	Kindergarten
		4,118.99	Grades 1-5
		1,786.63	Grades 6-8
		2,755.58	Grades 9-12

Demographic changes are net changes that include not only students entering the school system or graduating, but also students moving in or out of the state, students moving to and from private and home school, students leaving education before graduating, and promotion patterns.

2012-13 FTE Growth

Oct. 10, 2011 Conference

Growth from 2011-12 Revised Estimate	30,566.50		
Demographic Growth	23,066.24	9,653.95	Higher cohorts entering Kindergarten and Grade 1 (11,818.04) based on higher actual births from Sep 2005 through Aug 2007 and lower percentage share of ages 5 and age 6 year olds in public schools (-2,164.09)
		13,412.29	Net change in all other grades; includes students entering from home education and private schools, fewer leaving in high school
Effect of Non-Promotion Policy from 2003 legislation	2,542.00	Estimate of final effect of the policy change; this will not be a significant factor in future estimates. Estimate based on the tracking of students retained in grade 3 after the 2002-03 school year and the non-promotion patterns before and after the policy implementation.	
FLVS Base Growth	1,907.26	Does not include the 2011 legislative impact See below.	
2011 Legislative Impact*	3,051.00	1,899.00	KG and Grade 1 virtual education change pulling from home education and private schools
		1,137.00	High Performing Charter Schools pulling from home education and private schools
		15.00	Virtual charter school

Effect on 2012-13 Enrollment of the Non-Promotion Policy Implemented in 2002-2003

27,713 students were retained in grade 3 at the end of the 2002-03 school year.

- In that year, some the students would have been retained without the change in the non-promotion policy.
- In addition, some of them would have been retained later in grades 4-11 if they had not been retained in 2002-03.
- By the 2011-12 school year:
 - Some of the students left Florida public schools to move out-of-state or go to private or home education;
 - Some of the students left education before graduation;
 - Some of the students were retained at least one other year;
 - Some of the students caught up with their age cohort.

The effect of the 2002-2003 non-promotion policy on 2012-13 enrollment is the group of students who were retained and would have been expected to graduate in 2011-12 if the policy had not been implemented. These students will now graduate in 2012-13. The estimate of this group of students is **2,542**.

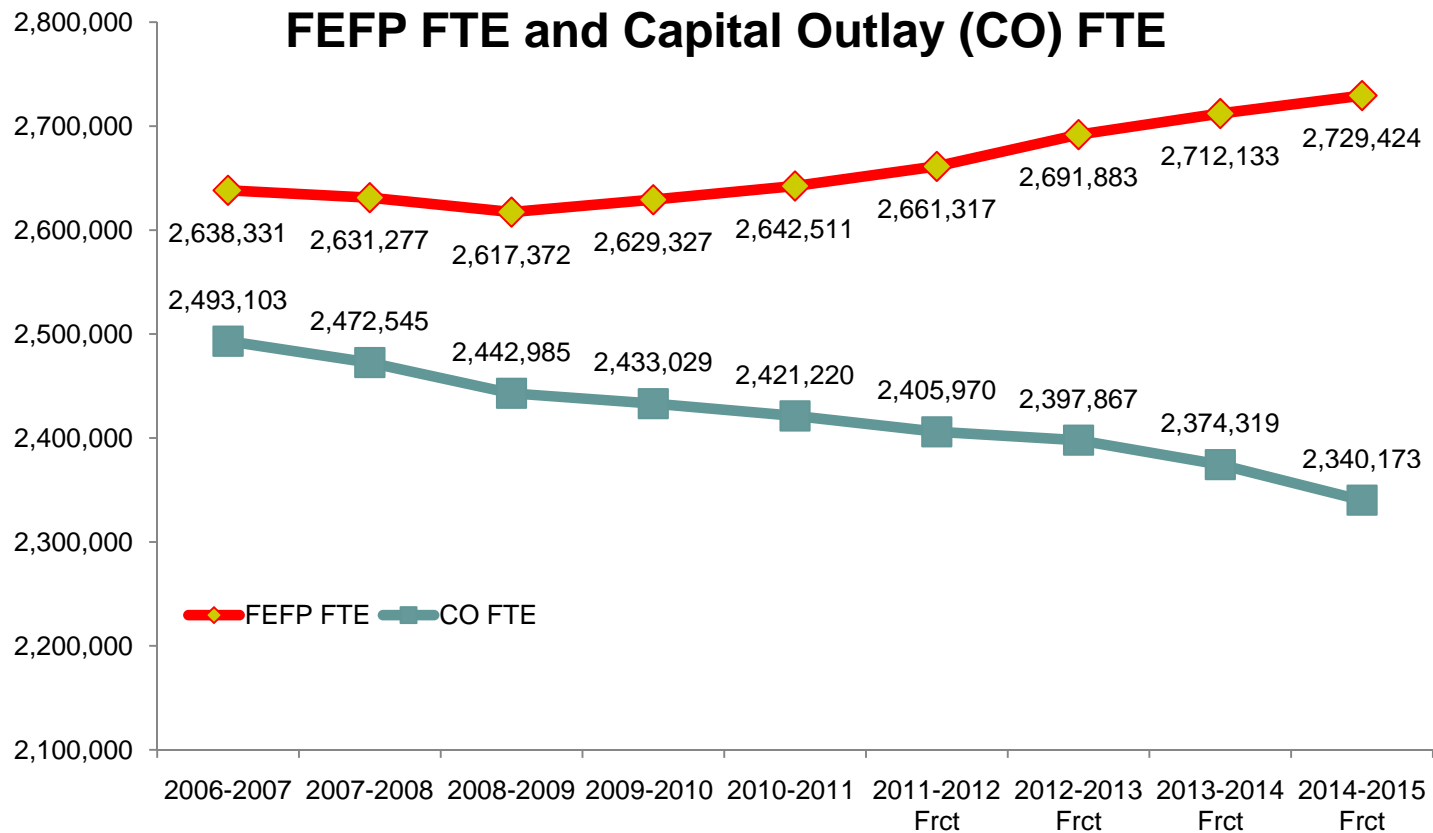
Grade Three Students Not Promoted to Grade Four ---Point in Time Counts---

Year	Number of Students Retained
2001-2002	6,435
2002-2003	27,713
2003-2004	23,348
2004-2005	20,121
2005-2006	14,151
2006-2007	16,676
2007-2008	13,666
2008-2009	13,340
2009-2010	12,223

Source: <http://www.fldoe.org/eias/eiaspubs/default.asp>



Growing Difference Between FEFP FTE and CO FTE



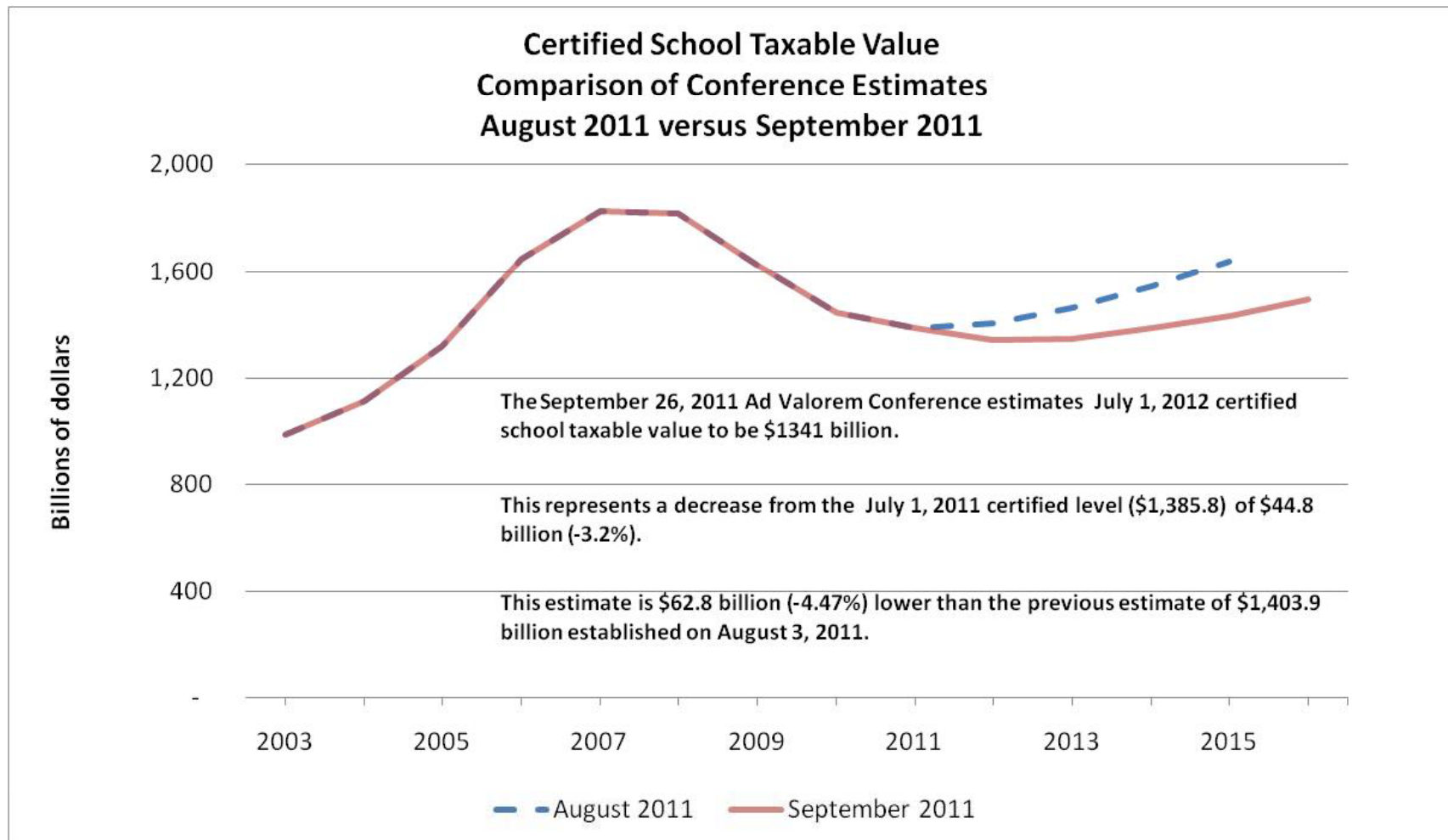
Forecasts for CO FTE are the June 28, 2011 Conference Forecasts
 Forecasts for FEFP FTE are the October 10, 2011 Conference Forecasts

Voluntary Prekindergarten Enrollment & Full-Time Equivalent (FTE) Enrollment

Year	Program Year Enrollment	Fiscal Year FTE Enrollment	Program Participation Rate
2007-2008	134,717	118,960.41	
2008-2009	147,752	132,891.23	
2009-2010	156,826	142,434.99	
2010-2011	165,341	150,326.49	76.2%
2011-2012	171,663	155,509.41	78.7%
2012-2013	175,626	159,101.55	80.0%
2013-2014	177,377	160,691.27	80.0%
2014-2015	179,705	162,803.00	80.0%

Results of the September 28, 2011 Voluntary Prekindergarten Estimating Conference

Ad Valorem Forecast Downshifted

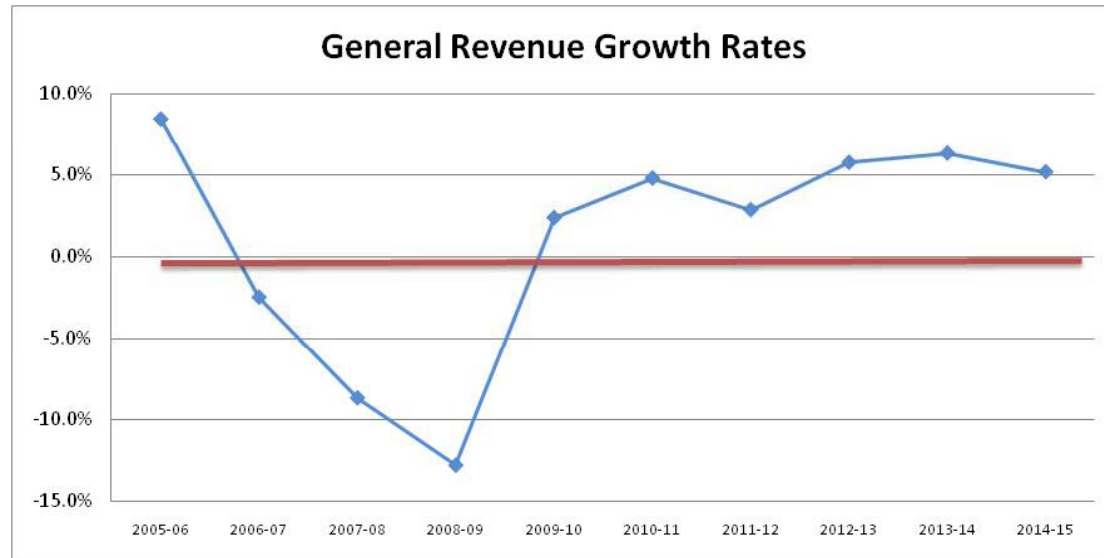


Original projection of 1.3% growth for 2012; now -3.23% decline

PECO Revised

- **March Forecast-** The Revenue Estimating Conference reduced the forecast of the maximum amount available for appropriation from the PECO Trust Fund for FY 2011-12 by 236.0 million, to \$120.3 million in total. The total amount available for appropriation was from cash, as the Gross Receipts Tax forecast was reduced to a level which did not provide sufficient capacity to issue new bonds in FY 2011-12. Among other things, the forecast recognized the impact of a large pending gross receipts tax refund request in the amount of \$26.15 million.
- **2011 Session Action-** Legislation became law which provided for the exclusion of the refund request from the bonding calculation. This action, in combination with project vetoes in the amount of \$129.6 million from the 2011 General Appropriations Act, resulted in moving bonding capacity from FY 2013-14 and FY 2011-12 into FY 2012-13. The estimated maximum available for appropriation for FY 2012-13 is \$380.8 million, or \$157.9 million more than the March 2011 forecast.
- **October Conference-** The Revenue Estimating Conference reduced the forecast of the maximum amount available for appropriation from the PECO Trust Fund for FY 2012-13 by \$267.6 million, to \$113.2 million in total. The total amount available for appropriation is from cash, as the new Gross Receipts Tax forecast is reduced to a level which does not provide sufficient bonding capacity to issue any new bonds in FY 2012-13.

General Revenue Forecast Dropped



Fiscal Year	July* Forecast	October Forecast	Difference (Oct - July)	Incremental Growth	Growth
2005-06	27074.8				8.4%
2006-07	26404.1				-2.5%
2007-08	24112.1				-8.7%
2008-09	21025.6				-12.8%
2009-10	21523.1				2.4%
2010-11	22551.6	22551.6	0.0	1028.5	4.8%
2011-12	23795.1	23195.5	(599.6)	643.9	2.9%
2012-13	25495.1	24526.8	(968.3)	1331.3	5.7%
2013-14	27063.6	26071.8	(991.8)	1545.0	6.3%
2014-15	28340.9	27417.9	(923.0)	1346.1	5.2%