TAXATION AND BUDGET REFORM COMMISSION
600 South Calhoun Street, Room 245, Tallahassee, FL 32399-1300
Ph. (850) 921-8905 Suncom 291-8905 Fax (850) 921-0492
Website: www.floridatbrc.org

Governmental Services Committee Report
Public Education

INTRODUCTION

The State of Florida has many important priorities that it must achieve to meet the growing demands by its residents for government services. However, one priority stands out – Education. The right of the people of the State of Florida to a "high quality system of free public schools" for its children and to the "operation of institutions of higher learning and other public education programs that the needs of the people may require," is enshrined in the Constitution of the State of Florida – as indeed it should be. Education is the one government service with the potential for the greatest positive impact on the quality of life and economic prosperity of the residents of our state. Education is about the improvement of our most valuable resource: our people, and it is the principal vehicle that provides for unlimited opportunities for personal growth and societal progress. No greater test faces the State of Florida than the challenge to ensure that sufficient resources are dedicated in an effective and efficient manner to assure access to a high quality education for all its residents that prepares them to live and compete successfully in a world economy. The future of our state depends on whether Florida rises to meet that challenge.[1]

SUMMARY

The State of Florida's public education system consists of public schools, community colleges, and state universities.

Public Schools – Public schools provide education for pre-kindergarten, kindergarten, elementary, and secondary school children. Public schools include charter schools and virtual education, but do not include private schools or home-schooled students. In addition, public schools provide special classes such as adult education and certificate programs.

Community College System – Florida's Community College System consists of all educational institutions that are operated by local community college district boards of trustees, under specific authority and regulations of the Florida Board of Education,

[1] Comment given by Chairman Roberto "Bobby" Martinez on November 29, 2007. Chairman Martinez is the chair of the Governmental Services Committee of the TBRC as well as a member of the Florida State Board of Education.

offering courses and programs of general and academic education equivalent to the first two years of work in the state universities. Community colleges also offer workforce education, including Associates in Science degrees and certificate programs, adult education, and continuing workforce education; and, some offer four year degrees in a limited number of fields.

State University System – The State University System consists of all state-supported educational institutions offering bachelors degrees and above (other than community colleges) that are authorized and established by law. The Board of Governors oversees the State University System. A board of trustees at each institution provides local oversight of university operations.[2]

METHODOLOGY

Public meetings held by the Governmental Services Committee of the Taxation and Budget Reform Commission served as a primary source of data collection used in creating this committee report. Meetings of the Governmental Services Committee held on July 20, 2007 in Tallahassee, on August 1, 2007 in Orlando, and on November 1, 2007 in Tallahassee were particularly helpful.

The committee heard presentations from a panel of presenters including the Florida School Boards Association by Dr. Wayne Blanton; the Florida Association of District School Superintendents by Dr. Bill Montford; Washington County Superintendent of Schools Calvin Stevenson; Hillsborough County Superintendent of Schools Jim Hamilton; and Mr. Vernon Carlton on behalf of Collier, Palm Beach, and Monroe county school districts. In addition, Mr. Robert Nabors spoke on behalf of the Constitutional Adequacy Commission.

The committee also heard presentations by a panel of members from the Florida Community College Council of Presidents and other representatives including: Dr. Jackson Sasser, Chair, Council of Presidents and President, Santa Fe Community College; Dr. Sanford Shugart, President, Valencia Community College; Mr. David Armstrong, former Chancellor, Florida Community College System and President, Broward Community College; Dr. Gwendolyn Stephenson, President, Hillsborough Community College; Dr. Edwin Massey, President, Indian River Community College; and Dr. Charles Mojock, President, Lake-Sumter Community College. The panel addressed issues related to community college higher education funding.

In addition, the Governmental Services Committee heard presentations from a panel of State University System representatives including: Dr. Mark Rosenberg, Chancellor, State University System; Dr. Joe Shepard, Vice President for Administrative Services, Florida Gulf Coast University; and Dr. Judy Genshaft, President, University of South Florida on issues related to university higher education funding.

[2] http://www.oppaga.state.fl.us/profiles/2113/print.asp.

Meeting minutes, audio recordings, presentations, and documents presented to the committee are available on the web at www.floridatbrc.org.

Other sources of information used in the project were: The Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) Reports; Florida Government Accountability Reports (FGAR); The Florida Department of Education (FLDOE); The Collins Institute for Public Policy; The James Madison Institute; The Milton & Rose D. Friedman Foundation for Educational Choice; The Council for Education Policy, Research, and Improvement (CEPRI); The University of Central Florida Student Government Association; Florida House of Representatives Interim Projects; Florida Senate Interim Projects; and The Florida Board of Education. Committee staff examined studies and reports among these and other sources of education data.

The Governmental Services Committee and staff would like to thank everyone at the Florida Department of Education for their exceptional contribution and assistance with the research, preparation, and drafting of this report, in particular Senior Policy Advisor Kim McDougal, PhD., Deputy Commissioner of Finance and Operations, Linda Champion, and K-12 Deputy Chancellor Pamela Stewart who were invaluable to this project regarding the VPK thru 12th Grade years; Chancellor of the Community College System, Will Holcombe who contributed his expertise assisting with Florida's Community College System; and Chancellor of the State University System (SUS), Mark Rosenberg, who dedicated unselfishly of his time, passion, and commitment to the SUS, and who provided the Committee with invaluable information, unique insight, and statesman's like advice on how to improve quality and access in Florida's system of higher education.

FINDINGS

The information contained in the Findings section was provided in large part by the Florida Department of Education. None of the information in the VPK-12 section of the Findings was researched or written by the staff of the 2007-2008 Taxation and Budget Reform Commission, unless otherwise footnoted. The Community College and State University System portions were researched and written with significant assistance from Florida Department of Education staff.

VPK-12 FINDINGS

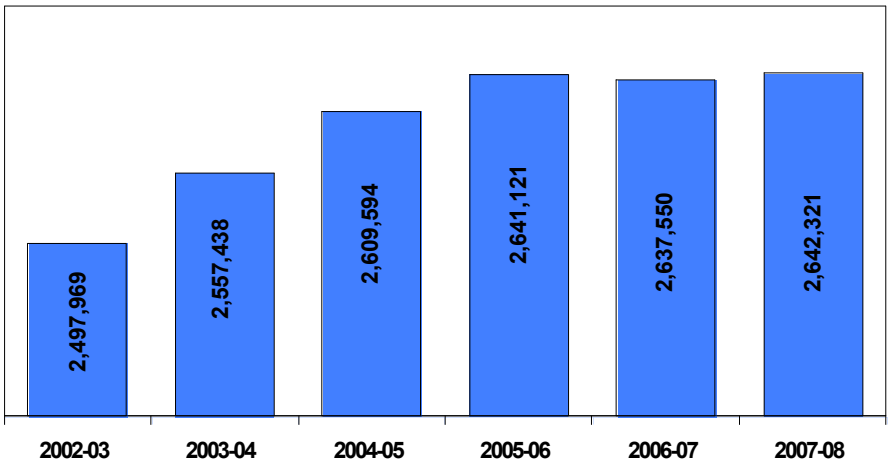
STUDENT ENROLLMENT

K-12 public school student enrollment for 2007-08 was estimated to be 2,642,320.87 full-time equivalent (FTE) students. Public school enrollment is established through a consensus estimating process of the K-12 Enrollment Estimating Conference pursuant to Sections 216.134 and 216.136, Florida Statutes. The principals include professional staff of the Executive Office of the Governor, coordinator of the Office of Economic and

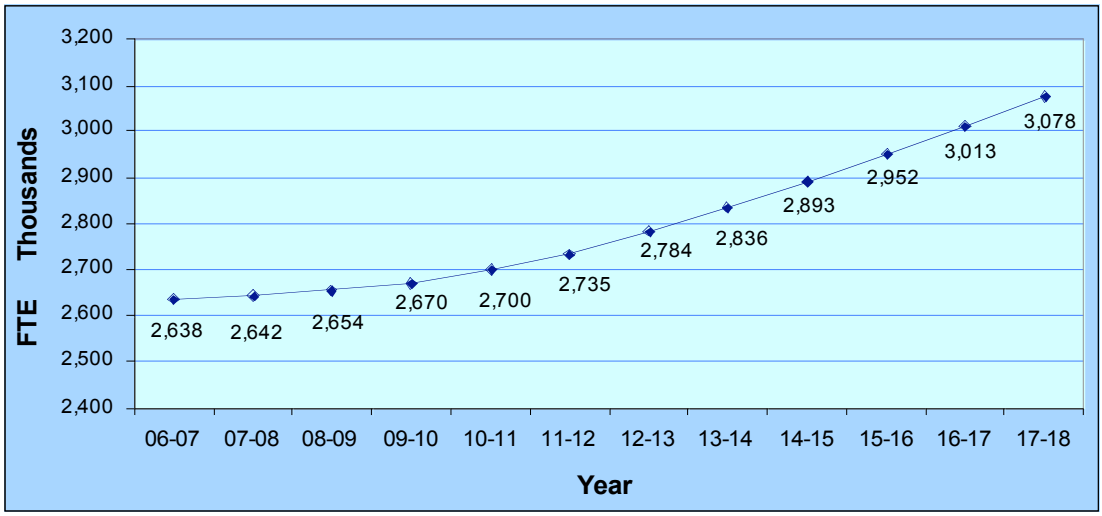
Demographic Research, professional staff of the Senate, and professional staff of the House of Representatives.

On the charts and graphs that follow, a review of historical and projected enrollment data is displayed. Beginning in 2006-07, especially significant is the observation that school district enrollment growth has slowed. During the period 1999-00 to 2004-05, growth in student enrollment ranged from 1.81% to 2.71%. This pattern slowed to a 1.21% growth in 2005-06. A comparison of the 2006-07 statewide total FTE to 2005-06 reveals a decline of 3,571 students. School district enrollment growth is expected to be relatively flat until the 2010-2011 school year. The projected student enrollment through 2017-18 below is also a product of the Enrollment Estimating Conference.

Florida Education Finance Program Full-Time Equivalent (FTE) Student Enrollment History

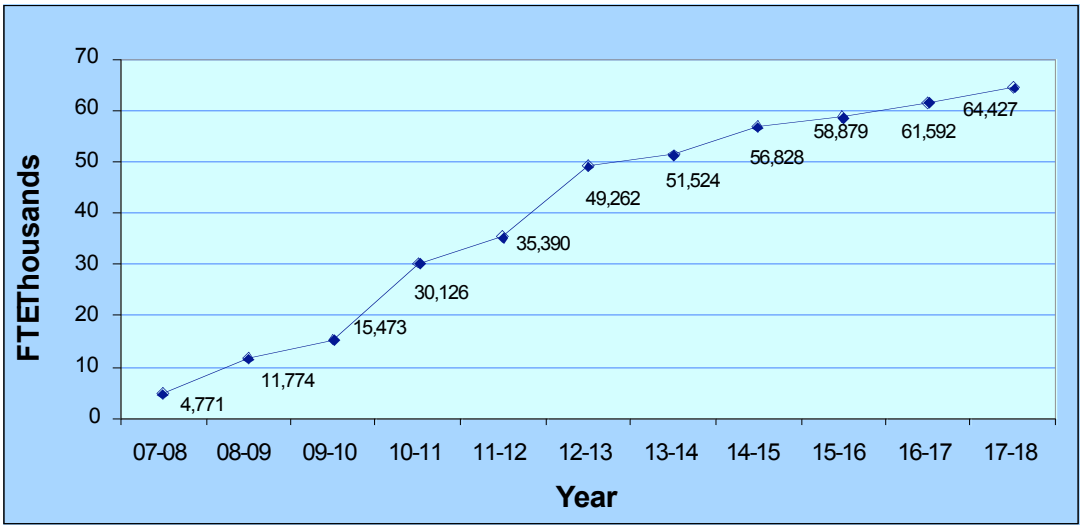


Total FTE Student Enrollment
2006-07 to 2017-18



Source: The September 25, 2007 K-12 Enrollment Estimating Conference

Change in FTE Student Enrollment
2007-08 to 2017-18



Source: The September 25, 2007 K-12 Enrollment Estimating Conference

Additional demographic information on Florida students reflects the following:

- Public school enrollment includes approximately 0.73% students in prekindergarten, 46.13% students in grades k-5, 23.14% students in middle grades, and 30.0% students in high school.
- Approximately 46.71% are white, 24.24% are Hispanic, 23.15% are black, 3.29% are multiracial, 2.31% are Asian/Pacific Islander, and 0.30% are American Indian/Alaskan Native.
- Of the 2.64 million students, approximately 52.4 % of elementary students qualify under the National School Lunch Act as eligible for free or reduced price meals. Among middle school students, 47.7% meet requirement for free or reduced price eligibility.
- An estimated 10.75% of elementary students, 5.6% of middle school students, and 5.1% of high school students are Limited English Proficient.
- Private schools serve approximately 349,000 students.

The Voluntary Prekindergarten Program (VPK) also relies upon an estimating conference for its enrollment projections. The same conference principals serve both K-12 and VPK estimating conferences. The most recent VPK conference was held on November 15, 2007. The following table reflects an estimated 138,913 participants in the VPK program for 2007-08.

AGENCY FOR WORKFORCE INNOVATION/OFFICE OF EARLY LEARNING
VPK ESTIMATING CONFERENCE
November 15, 2007

Statewide Summary				
	November 15, 2007 Conference (Current)	July 25, 2007 Conference	March 2, 2007 Conference	December 1, 2006 Conference
2005-06 Enrollment				
School Year	93,574	93,574	93,574	*96,301*
Summer	12,322	12,322	12,322	*12,462*
Program Year	105,896	105,896	105,896	*108,763*
Fiscal Year (Not a Full Fiscal Year)	99,735	99,735	99,735	*102,532*
2006-07 Enrollment				
School Year	114,052	*114,172*	*113,021*	
Summer	10,291	*11,000*	*13,517*	
Program Year	124,343	*125,172*	*126,538*	*127,343*
Fiscal Year	*123,815*	*124,183*	*123,913*	*124,095*
2005-06 to 2006-07 Enrollment Growth Rate				
School Year	21.9%	*22.0%*	*20.8%*	
Summer	-16.5%	*-10.7%*	*9.7%*	
Program Year	17.4%	*18.2%*	*19.5%*	*17.1%*
Fiscal Year	*24.1%*			
Fiscal Year Enrollment				
2007-08	*138,913*	*140,302*	*139,997*	*145,188*
2008-09	*151,172*	*153,119*	*152,786*	
2009-10	*161,355*	*163,379*	*163,024*	
2010-11	*169,205*	*171,978*		
Fiscal Year Enrollment Growth Rate				
2007-08	*12.2%*	*13.0%*	*13.0%*	*17.0%*
2008-09	*8.8%*	*9.1%*	*9.1%*	
2009-10	*6.7%*	*6.7%*	*6.7%*	
2010-11	*4.9%*	*5.3%*		
October 1 Population 4-Year Olds				
2005	*221,924*	*222,001*	*222,001*	*222,001*
2006	*225,958*	*226,832*	*226,832*	*226,832*
2007	*229,476*	*231,062*	*231,062*	*231,062*
2008	*234,186*	*234,842*	*234,842*	
2009	*239,525*	*238,297*	*238,297*	
2010	*244,047*	*241,945*		
Fiscal Year Pseudo Participation Rate				
2005-06				
2006-07	54.8%	*54.7%*	*54.6%*	*54.7%*
2007-08	*60.5%*	*60.7%*	*60.6%*	*62.8%*
2008-09	*64.6%*	*65.2%*	*65.1%*	
2009-10	*67.4%*	*68.6%*	*68.4%*	
2010-11	*69.3%*	*71.1%*		
Pay-out Rate				
2006-07 School Year	87.3%	*87.5%*		

Key	
Data	Example
Actual	999,999
Estimated (based on actual data)	*999,999*
Projected (based on estimated data)	*999,999*

CONSTITUTIONAL FRAMEWORK

The right of Florida's children to a high quality system of free public schools providing a high quality education is enshrined in Florida's Constitution. The Constitution provides, at Article IX, Section I, as follows:

"The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require.[3]

Constitutional Revision No. 6 to Article IX, Section 1, Florida Constitution, as proposed by the 1997-98 Constitutional Revision Commission and approved by the people in 1998, substantially revised the Florida education clause. Below are the first three sentences of revised Article IX, Section 1, blacklined to show the changes from the prior language, resulting from the approval by the people of Revision No. 6:

ARTICLE IX
EDUCATION

SECTION 1. ~~System of~~ Public education.--The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require.

After the 1998 revision, the Florida education clause is unique among state education clauses in its detailed description of the duty placed on the State. A comparison of Article IX of the Florida constitution with the education clauses of other states shows the uniqueness of Florida's mandate to provide a system of public schools. The unique combination of constitutional elements in the Florida education clause sets it above all other state clauses into a category of its own with a higher imposed duty than the constitutional educational clauses of other states. Florida's amended Article IX is unique because of the way in which it sets high standards for the state's education system and imposes a strong mandate upon all branches of the state to meet those standards.[4]

[3] Excerpt from the Constitution of the State of Florida, Article IX, Section I.

[4] Constitution Accountability Commission's Final Report (2005), at page 4.

MAJOR EDUCATION GOVERNANCE REORGANIZATIONS

In addition to the 1998 constitutional revisions, over the past ten years Florida's education governance system has undergone many significant fundamental changes.

1998: Florida State Board of Education

- 1998 Florida Constitutional Amendment reconstituted the Florida State Board of Education to oversee a seamless K-20 educational system as a seven-member board appointed by the Governor and confirmed by the Florida Senate.
- Reconstituted the Commissioner of Education as a position appointed by the State Board of Education.
- Changes effective January 2003.

2001: Transition to K-20 System

- "Florida Board of Education" and "Secretary" of Florida Board of Education created in statute to oversee Department functions and facilitate the reorganization and transition to K-20 system of governance, including recommending revisions to the Florida School Code.
- Florida Board of Regents (governing the institutions of the State University System) and the Florida State Board of Community Colleges (coordinating the Community College System) abolished by law effective July 1, 2001. Boards of trustees for each university and community college were established in statute at the same time.

2002: Florida School Code Rewrite

- Codified new K-20 Florida State Board of Education and Commissioner of Education.
- Reorganized Florida School Code into new statutory sections (Chapters 1000 through 1012, Florida Statutes).
- Division of Vocational Rehabilitation and Division of Blind Services moved under the auspices of the State Board of Education within the Department of Education.

2002: Pre-Kindergarten Program

- 2002 Florida Constitutional Amendment created the Voluntary Pre-Kindergarten Education program.
- Implementing legislation in 2005 provided for the Department of Education to be responsible for the program's standards, curriculum and accountability, credentialing and licensing of staff and facilities under the Department of Children and Families, and for the day-to-day operations of the program under the Agency for Workforce Innovation.

2003: State Board of Education

- State Board of Education began operation in January of 2003, taking over from the Florida Board of Education, which had overseen the transition and reorganization of Florida's statewide educational system.

2003: Florida Board of Governors

- 2002 Florida Constitutional amendment created the Florida Board of Governors, separate from the State Board of Education, to oversee the coordination of Florida's State University System.
- Codified in the Florida Constitution the establishment of a local Board of Trustees/Governors for each Florida state university under the coordination of the Florida Board of Governors.

OVERVIEW OF FLORIDA'S CURRENT VPK-12 EDUCATION GOVERNANCE SYSTEM

State Board of Education. The State Board of Education is the chief implementing and coordinating body of public education in Florida except for the State University System.[5] The State Board of Education is responsible for supervising Florida's public education system and is the body that acts as the agency head for the Department of Education.[6] The State Board of Education consists of seven members appointed by the Governor to staggered four-year terms, subject to confirmation by the Senate.[7] The State Board of Education appoints the Commissioner of Education.[8]

The mission of Florida's K-20 education system is to allow its students to increase their proficiency by allowing them the opportunity to expand their knowledge and skills through rigorous and relevant learning opportunities. The priorities of Florida's K-20 education system include:

> (a) *Learning and completion at all levels, including increased high school graduation rate and readiness for postsecondary education without remediation.*--All students demonstrate increased learning and completion at all levels, graduate from high school, and are prepared to enter postsecondary education without remediation.
>
> (b) *Student performance.*--Students demonstrate that they meet the expected academic standards consistently at all levels of their education.
>
> (c) *Alignment of standards and resources.*--Academic standards for every level of the K-20 education system are aligned, and education financial resources are

[5] s. 1001.02(1), Florida Statutes.
[6] Constitution of the State of Florida, Article IX, Section 2 and s. 20.15(1), Florida Statutes.
[7] s. 1001.01(1), Florida Statutes.
[8] Constitution of the State of Florida, Article IX, Section 2 and s. 20.15(2), Florida Statutes.

aligned with student performance expectations at each level of the K-20 education system.

(d) *Educational leadership.*--The quality of educational leadership at all levels of K-20 education is improved.

(e) *Workforce education.*--Workforce education is appropriately aligned with the skills required by the new global economy.

(f) *Parental, student, family, educational institution, and community involvement.*--Parents, students, families, educational institutions, and communities are collaborative partners in education, and each plays an important role in the success of individual students. Therefore, the State of Florida cannot be the guarantor of each individual student's success. The goals of Florida's K-20 education system are not guarantees that each individual student will succeed or that each individual school will perform at the level indicated in the goals. [9]

The Strategic Plan of the State Board of Education (SBE) is structured around priorities, objectives and projects that target meeting and exceeding Florida's state education mission and goals, as established in law. The SBE bi-annually adopts a Strategic Plan based on what are called "Strategic Imperatives", or in other words, "priority" issues identified by the State Board of Education. Each Strategic Imperative has a "Champion" (leader), ultimate goal, objective(s), performance measures, trend and target data, and priority projects.

The State Board of Education's adopted strategic priorities are:

- Increase the Supply of Highly Effective Teachers
- Set, Align and Apply Academic Curricular and Testing Standards
- Improve Student Learning and Independence
- Improve the Quality of Instructional Leadership
- Increase the Quantity and Improve the Quality of Education Options
- Align Workforce Education Programs with Skills Requirements of the New Economy
- Align Financial Resources with Performance
- Improve Student Opportunities for Access and Advancement

School Boards. School boards operate, control and supervise all free public schools within the school district and determine the rate of school district taxes within their limits.[10] All public schools within a district are under the direction and control of the district school board with the district school superintendent as executive officer.[11] Each school district has a superintendent of schools who is elected for a four-year term or

[9] s. 1000.03, Florida Statutes.
[10] Constitution of the State of Florida, Article IX, Section 4.
[11] s. 1001.33, Florida Statutes.

appointed by the school board. [12] As of November 2007, Florida has 44 elected and 23 appointed superintendents. [13]

K-12 Public School System. Florida has 67 school districts, with each county constituting a school district. Florida's school districts vary greatly across the state in terms of the number of students served. For example in the Fall of 2006, Miami-Dade County served over 350,000 students and Lafayette county served around 1,000 students.[14] As of 2006-07, Florida had approximately 3,877 traditional public schools, over 365 charter schools, and 7 university research schools and special school districts. During the 2006-07 school year there were 1,905 Elementary Schools, 592 Middle Schools, 865 Senior High Schools, 325 Combination Schools, and 190 Adult Schools operating under the Florida public education system.[15]

The public K-12 schools include charter schools and consist of kindergarten classes; elementary, middle, and high school grades and special classes; workforce education; career centers; adult, part-time, and evening schools, courses, or classes, as authorized by law to be operated under the control of district school boards; and lab schools operated under the control of state universities. The Florida Virtual School is a component of the delivery of public education within Florida's K-20 education system.[16]

Public education is a basic function and responsibility of the state of Florida. The state's K-12 public education program is designed to ensure the establishment and provision of a state system of schools, courses, classes and institutions, and services to meet the basic educational needs of all citizens of the state. This statewide system is administered in local school districts overseen by a school board and monitored by the Department of Education. The state is responsible for establishing standards and regulations to ensure the efficient operation of all schools and adequate educational opportunities for all Florida children. Florida public schools provide numerous educational programs, ranging from basic to specialized instruction, and operational programs that support student education. In addition, public schools are involved in state school improvement, accountability, and testing initiatives to ensure that students meet established academic standards so they successfully progress from grade to grade, are successful in attaining higher education, and become productive members of society. Florida offers parents the opportunity to make choices from a wide range of public schools offering appropriate educational programs for their children. [17]

The 2006 Legislature created the Florida Schools of Excellence Commission. The Commission is an independent, state-level charter school authorizing entity. The Commission has the power to authorize and act as a sponsor of charter schools, including the approval or denial of charter school applications. In addition, the Commission has the

[12] Constitution of the State of Florida, Article IX, Section 5.
[13] Florida Association of District School Superintendents.
[14] Florida Department of Education, Statistical Brief "Membership in Florida's Public Schools (Fall 2006)".
[15] Florida Department of Education, "Florida Public Schools by School Type," 08 May 2007.
[16] s. 1000.04, Florida Statutes.
[17] Office of Program Policy Analysis and Government Accountability: Florida Government Accountability Report".

power to authorize municipalities, state universities, community colleges, and regional educational consortia to act as cosponsors of charter schools.[18]

The public school system serves a substantial portion of Florida's students, and works together with the state's nonpublic school organizations in serving Florida's diverse student population. During the 2006-07 school year, Florida had 2,158 private schools serving 349,059 students, including students funded through the John M. McKay Scholarships for Students with Disabilities Program discussed below.

SCHOOL CHOICE OPTIONS

Florida law stipulates that parents of public school students may seek whatever public school choice options that are applicable to their students and are available to students in their school districts. These options may include controlled open enrollment, lab schools, charter schools, charter technical career centers, magnet schools, alternative schools, special programs, advanced placement, dual enrollment, International Baccalaureate, International General Certificate of Secondary Education, Advanced International Certificate of Education, early admissions, credit by examination or demonstration of competency, the New World School of the Arts, the Florida School for the Deaf and Blind, and the Florida Virtual School. These options may also include the public school choice options of the Opportunity Scholarship Program, and McKay Scholarships for Students with Disabilities Program.[19] Florida also has a Voluntary Pre-Kindergarten Education Program.

Florida's emphasis on providing numerous school choice options for families and students is based on three basic principles: every student has different learning needs so there is no one best school for everyone; diversity in school structure and programs is necessary to accommodate all students and enable them to succeed; and students will achieve more if they and their parents or guardians have freely chosen a learning environment.

PUBLIC SCHOOL OPTIONS

Charter Schools.[20] Charter schools are public schools that are independently operated and committed to academic achievement. Since 1996 in Florida, charter schools have played a key role in increasing parental options in public education and providing innovative learning opportunities for students. Since charter schools are public schools, no separate forecasting of charter school student enrollment is done.

2006-2007 School Year[21]
356 Charter Schools
98,755 Charter School Students

[18] s. 1002.335(4), Florida Statutes
[19] s. 1002.20(6), Florida Statutes.
[20] s. 1002.33, Florida Statutes.
[21] Charter Schools, July 2007 Fast Facts, Florida Department of Education.

Virtual Education. The Florida Virtual School (FLVS) is a public on-line school offering virtual education options for students in grades 6-12, including honors, advanced placement, and GED courses.[22] The FLVS currently offers over 80 online courses to students in grades six through twelve. Courses are free to Florida middle and high school students, including public, charter, private, and home educated students. Priority is given to students who need expanded access to courses to meet their educational goals. Separate forecasting of student enrollment for the Florida Virtual School is not performed.

2006-2007 School Year[23]
Over 113,900 Half-Credit Course Enrollments

The 2003 Legislature authorized the Department of Education to provide for the creation of at least two pilot K-8 virtual schools.[24] The K-8 Virtual Schools pilot program allowed eligible K-8 virtual schools to be created as independent public schools that use on-line and distance learning technology to deliver instruction to full-time students in kindergarten and grades one through eight. The K-8 Florida Virtual Schools Pilot Program, includes the Florida Virtual Academy and Florida Connections Academy, and were initially funded for the 2003-04 school year. During the 2006 legislative session, the Legislature codified the program and made it subjective to annual appropriations. The appropriations process serves to cap student enrollment at the funding level provided.

2006-2007 School Year[25]
2 Participating Schools
1,384 Students

Magnet Schools. Magnet schools are public schools with a particular theme or academic focus on such topics as medical, criminal justice, science and mathematics, technology, performing arts, International Baccalaureate, and foreign languages.[26] Magnet schools offer students specialized programs and create innovative learning approaches in a diverse environment.

Career Academies. Career academies are research-based programs that integrate rigorous academic curriculum with an industry-specific curriculum aligned directly to priority workforce needs established by the regional workforce board.[27]

Dual Enrollment. Dual enrollment allows eligible high school students to enroll in postsecondary courses.[28] Students earn credit toward high school graduation and at the same time earn credit toward a college degree or technical certificate.

[22] s. 1002.37, Florida Statutes.
[23] Virtual Schools Program, Fast Facts, July 2007, Florida Department of Education.
[24] s. 1002.415, Florida Statutes.
[25] Virtual Schools Program, Fast Facts, July 2007, Florida Department of Education.
[26] s. 1002.31, Florida Statutes.
[27] s. 1003.493, Florida Statutes.
[28] s. 1007.271, Florida Statutes.

Advanced Placement (AP) Program. The College Board's Advanced Placement (AP) Program is a nationwide program consisting of more than 30 college-level courses and exams offered at participating high schools.[29]

Advanced International Certificate of Education (AICE) Program. The Advanced International Certificate of Education (AICE) Program is an international curriculum and examination program modeled on the British pre-college curriculum and "A-Level" exams.[30]

International Baccalaureate (IB) Diploma Program. The International Baccalaureate (IB) Diploma Program is a rigorous pre-university course of study. The program's comprehensive two-year curriculum allows its graduates to fulfill requirements of many different nations' education systems.[31]

SCHOLARSHIP PROGRAMS

Opportunity Scholarship Program. The Opportunity Scholarship Program allows parents to choose a higher-performing public school of their choice if their children attended, or are assigned to attend, a failing Florida public school. Students entering kindergarten or first grade who have been notified that their assigned school is a failing school may also be eligible to participate[32]. *[Note: In Bush v. Holmes, 919 So.2d392 (Fla. 2006), the issue before the Florida Supreme Court was whether the State of Florida was prohibited from expending public funds via the Opportunity Scholarship Program (s. 1002.38, Florida Statutes) to allow students to obtain a private school education in kindergarten through grade twelve, as an alternative to a public school education. The Supreme Court ruled that portion of the Opportunity Scholarship Program to be unconstitutional as a violation of Article IX, section 1(a) of the Florida Constitution because it allowed some children to receive a publicly funded education through an alternative system of private schools that are not subject to the uniformity requirements of the public school system. However, the Supreme Court denied invalidate the portion of the Opportunity Scholarship Program that allows parents of children in failing public schools to place their children in an alternate satisfactory performing public school.]*

2006-2007 School Year[33]
1,090 Participating Students

John M. McKay Scholarships for Students with Disabilities Program.
The John M. McKay Scholarships for Students with Disabilities Program, commonly known as the McKay Scholarship Program, allows parents of students with disabilities to choose the best academic environment for their children.[34] This scholarship program provides a variety of options allowing parents to make informed choices. Eligible

[29] s. 1007.27(6), Florida Statutes.
[30] s. 1007.27(9), Florida Statutes.
[31] s. 1007.27(8), Florida Statutes.
[32] s. 1002.38, Florida Statutes.
[33] Opportunity Scholarship Program, Fast Facts, July 2007, Florida Department of Education.
[34] s. 1002.39, Florida Statutes.

students include students with disabilities who have an individual educational plan (IEP), and who were enrolled and reported for funding by a Florida school district.

2006-2007 School Year[35]
811 Participating Private Schools
18,273 McKay Scholarship Recipients

Although no student enrollment projections have been made for John M. McKay Scholarship students, growth is slowing and is expected to stabilize in the next few years with only incremental growth anticipated in future years.

Corporate Tax Credit Scholarship Program. The newest of Florida's three state scholarship programs, the Corporate Tax Credit Scholarship Program, was established to encourage private, voluntary contributions from corporate donors to non-profit scholarship funding organizations that award scholarships to children from low-income families[36]. This program expands educational opportunities and school choice for children of families that have limited financial resources. The Legislature establishes the level of funding for corporate tax credits which serves to cap the level of participation in this program. Therefore, no student enrollment forecasting is done for the Corporate Tax Credit Scholarship Program.

2007 School Year[37]
906 Participating Private Schools
19,416 Corporate Tax Credit Scholarship Recipients

OTHER EDUCATION OPTIONS

Home Education. Home education is a parent-directed educational choice established by law in Florida in 1985.[38] Home education allows the opportunity to explore and learn at the pace of the individual student while avoiding extensive regulation by the state. No enrollment forecasts for home education students are performed.

2006-2007 School Year[39]
36,939 Home Education Families
55,822 Home Education Students

COLLINS CENTER FOR PUBLIC POLICY RECOMMENDATIONS

The Collins Center for Public Policy, Inc. presented the following conclusions to the Tax and Budget Reform Commission on innovations in education in the State of Florida:[40]

[35] John M. McKay Scholarship Program, 2007 July Quarterly Report, Florida Department of Education.
[36] s. 220.187, Florida Statutes.
[37] CTC Scholarship Program, 2007 November Quarterly Report, Florida Department of Education.
[38] s. 1002.41, Florida Statutes.
[39] Home Education Program, 2007 Annual Report, Florida Department of Education.
[40] Tough Choices or Tough Times—National Center on Education and the Economy
The Future of Education—the daVinci Institute www.davinciinstitute.com.
Florida Department of Education 2006-07 Florida Charter School Capital Outlay.

1. Innovation results in more education choices for parents and children while providing efficient answers to challenges such as over crowding and diverse, mobile families
2. Legal threats create barriers to innovation in public education
3. Expand public education to encourage more innovation and offer more education choices for families

Why Innovation? Market factors in the world are impacting all aspects of education. Trying to stop these factors from driving this expansion of public education is like trying to stop gravity. This expansion is going to happen and public education should do a better job of managing these market factors.

What are these key market forces?

- Improvement in information and communication technology
- Customization
- More accountability for performance
- Consumer demands
- A growing culture of entrepreneurship

Florida's old and tired definition of public education promotes "uniformity of delivery" instead of "uniformity of opportunity." A school or program that works for one student may not work for another student. We can do a better job of promoting uniformity of opportunity in public education by encouraging innovation.

A consequence of providing more innovation in public education is more choices for parents. All parents deserve the right and the ability to match their children with the learning environment that best meet their children's needs. Innovation spurs more customized education offerings which in turn encourage parents to be more consumer oriented or "empowered."

Innovation and Efficiencies. Innovation also has other benefits. Innovation helps find more efficient ways to meet challenges such as over crowded schools and mobile families. Florida's Constitution requires "Adequate provision shall be made by law for a uniform, **efficient**, safe, secure, and high quality school system of free public schools…." The following list of innovations provides a clear picture of how innovation promotes efficiencies.

The Collins Center presentation focused on six public school offerings that are creating efficiencies and providing parents more educational choices for their children. These six innovations are:

Florida Department of Education "Florida Charter Schools—A Decade of Progress."
Florida Department of Education Office of Independent Education and Parental Choice.
Collins Center for Public Policy "The Florida Corporate Income Tax Credit Scholarship Program: Updated Fiscal Analysis February 2007."

1. Florida Virtual School
2. Charter School
3. Home School
4. Universal Pre-K
5. Corporate Income Tax Credit Scholarship Schools
6. McKay Scholarship Schools

These six innovative programs are an efficient way to use Florida tax dollars and to provide *statewide* tax savings for Floridians. The Collins Center conservatively calculated that these six innovative education programs have saved Florida tax payers over $4.4 billion dollars.

Financial Efficiencies of Six Public Education Innovations

- Students served: 323,797
- Operating savings: $389,687,253
- Capital savings: $4,075,435,449
- **Total Tax Payer Savings: $4,465,435,449**

- **2005 FY data**
- **2006 FY Virtual School data**
- **2006 FY Charter School Outlay**

These calculations focused on two important financial costs: operating costs and capital costs. The operating costs are calculated by taking the number of enrolled students and multiplying that by the cost savings to the state. The capital costs are calculated by taking the number of enrolled students and multiplying that by the cost of building an elementary student station in 2005. It can be argued that the capital costs should be amortized over several years, but the Collins Center considered that it had used a very conservative figure in calculating the total capital savings.

Legal Threats to Innovation in Public Education. The Florida Supreme Court's Holmes decision could threaten the expansion of education innovations in Florida. If this decision is applied to the Corporate Income Tax Credit Scholarship Program, the McKay Scholarship Program, and the Voluntary Pre-K program, the cost to Florida tax payers might reach an additional $4.1 billion dollars in additional operating and capital costs.

Expand Public Education. Public education is not formally defined in the Florida Constitution or in the Florida Statutes. The Collins Center made a recommendation to redefine public education to encourage innovation and strengthen public education. The expansion of "public education" should include qualified publicly-funded private providers who will stimulate more innovation.

The Collins Center also recommended a focus on "uniformity of opportunity" instead of "uniformity of delivery" as the Holmes decision implies, and a need to remove barriers to innovations. According to the Collins Center: "This means we need a regulatory

environment that will seek a balance between customer choice and accountability. Traditional public schools are over regulated and teachers in these schools resent the over-regulation. Schools need flexibility with the class size amendment to encourage innovations in delivering education. We should also take the resources used in fighting the "voucher wars" and reallocate them to help students and teachers innovate."

VOLUNTARY PREKINDERGARTEN PROGRAM

Background Information. In 2002, Article IX, Section 1 of Florida's Constitution was amended to require that:

> *(b) Every four-year-old child in Florida shall be provided by the State a high quality pre-kindergarten learning opportunity in the form of an early childhood development and education program which shall be voluntary, high quality, free, and delivered according to professionally accepted standards. An early childhood development and education program means an organized program designed to address and enhance each child's ability to make age appropriate progress in an appropriate range of settings in the development of language and cognitive capabilities and emotional, social, regulatory and moral capacities through education in basic skills and such other skills as the Legislature may determine to be appropriate.*
>
> *(c) The early childhood education and development programs provided by reason of subparagraph (b) shall be implemented no later than the beginning of the 2005 school year through funds generated in addition to those used for existing education, health, and development programs. Existing education, health, and development programs are those funded by the State as of January 1, 2002 that provided for child or adult education, health care, or development.*

During a special session in 2004, legislation was passed to implement the state's Voluntary Prekindergarten (VPK) Education program (House Bill 1A; Chapter 1002, Florida Statutes)

Implementation of VPK. The implementing legislation specifies state and local-level governance structures that built upon existing functions including the:

- Designation of the Agency for Workforce Innovation (AWI) as responsible for the state-level coordination and day-to-day operations of the VPK and school readiness programs.
- Creation of the Florida Early Learning Advisory Council, comprised of the chairs of the 31 early learning coalitions, within AWI, to submit recommendations on early learning policy.
- Designation of the Department of Education (DOE) as responsible for the accountability requirements, including administration of the statewide kindergarten screening system and calculation of readiness rates for VPK providers, and certification of school district eligibility to deliver the school-

year program; and the State Board of Education (SBE) as responsible for the adoption of performance standards, VPK curricula standards,

- Standards for the required emergent literacy course and standards for the prekindergarten (PreK) director credential.
- Designation of the Department of Children and Families (DCF) as responsible for licensing, issuing credentials to VPK staff, and approving standards for Child Development Associate (CDA)-Equivalent programs.

VPK Program Options. Parents of eligible four-year-olds have the following program options:

- A 540-instructional hour school-year VPK program delivered by a private provider that has classes of at least 4 and not more than 18 students with an instructor that holds at least a Child Development Associate (CDA) or equivalent state-approved credential and an additional prekindergarten instructor.
- A 540-instructional hour school-year VPK program delivered by a public school that has classes of at least 4 and not more than 18 students with an instructor who holds at least a CDA or equivalent state-approved credential and an additional prekindergarten instructor.
- A 300-instructional hour summer VPK program delivered by a public school or private provider that has classes of at least 4 and not more than 10 students with at least one Florida-certified teacher or instructor who holds a bachelor's degree or higher in specified early learning programs.

VPK Appropriations and Participation. The following summarizes the VPK FTE appropriations, actual VPK participation, and expenditure data for 2005-06 through 2008-09.

	2005-06	2006-07	2007-08*	2008-09**
Appropriations	**$ 387,137,762**	**$388,100,000**	**$350,446,171**	
Total Number of Four-Year-Olds	220,857	222,198	231,062	234,186
Appropriated Participation Rate	66.67%	64.91%	60.59%	64.55%
Appropriated Est. VPK Students	147,235	144,228	139,997	151,172
Payout Rate* **	-	-	89.00%	-
Est. VPK Students with Payout Rate Applied	-	-	124,597	-
Revised Total # of Four-Year-Olds (July 2007)	-	226,832	-	-
Actual Participation (as of 10/31/07)	105,896	125,172	113,545	-
Actual Participation Rate	47.95%	55.18%	49%	-
* Special Session Reductions				
**2008-09 Total Number of Four-Year-Olds as of 11/15/07 VPK Estimating Conference				
*** Payout Rate - converts the VPK "head count" to full-time equivalent (FTE); first used in 2007-08 appropriation				

The following summarizes the VPK Base Student Allocation from 2005-06 to 2007-08 and the Department of Education's request for 2008-09.

	2005-06	2006-07	2007-08	2008-09
BSA	$2,500	$2,560	$2,677	$2,728
% Increase	NA	2.40%	4.57%	1.90%
Source : General Appropriation Act				

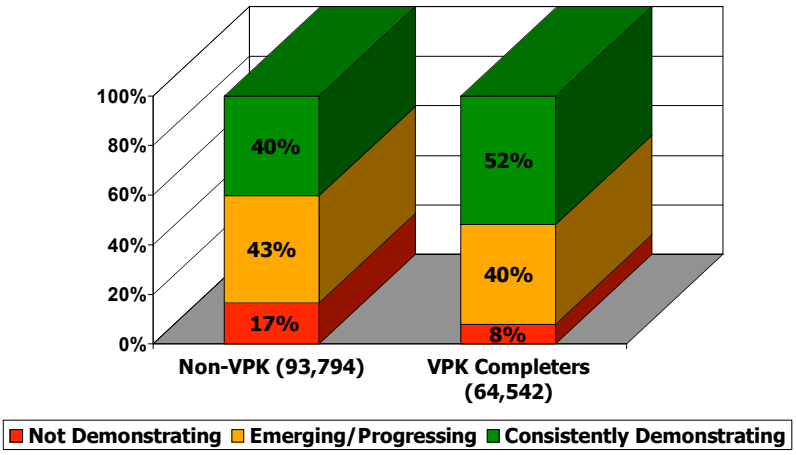
National research indicates that when children participate in high quality early learning experiences there is a direct cost benefit. This research includes:

- The High/Scope Perry Preschool Project which resulted in higher IQ scores upon entry into kindergarten, better grades through age 19, high scores on achievement tests through age 14, and fewer welfare recipients through age 27 and higher monthly earnings at age 27 and fewer criminal arrests for participating children. The cost-benefit analysis was estimated at $7.16 for every dollar invested.
- The Carolina Abecedarian Project which resulted in high IQ scores, high scores on achievement tests through age 21, fewer placements in special education and high college-attendance for participating children. The cost benefit analysis was estimated at $4.00 for every dollar invested with a savings of more than $11,000 per child in special education or remedial costs.
- The Chicago Child-Parent Center Program which resulted in high scores on achievement tests through age 14, less average time spent in special education through age 14, higher graduation rate from high school and lower number of arrests for participating children. The cost benefit analysis was estimated at $7.10 for every dollar invested in preschool.

Effectiveness of Florida's VPK Program and Kindergarten Screening. The effectiveness of the Florida's VPK program is determined, in part, by an outcome-based system, which measures the performance of the VPK graduates on the subsequent year's kindergarten three screening measures. The Early Childhood Observation System (ECHOS) measures mastery of selected kindergarten skills, such as oral comprehension, counting objects, and writing, based on observations by the child's kindergarten teacher. As indicated by the chart below:

92% of the children who completed the VPK program in 2005-06 scored "Ready for Kindergarten" (Consistently Demonstrating or Emerging/Progressing) as opposed to 63% of children who did not participate in VPK.

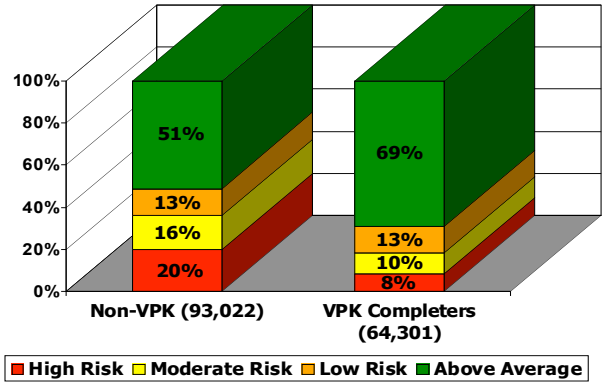
ECHOS Results:
VPK Completers vs. Non-Participants



The Dynamic Indicators of Basic Early Literacy Skills: Letter Naming Fluency – measures a child's ability to recognize letters of the alphabet. As indicated by the chart below:

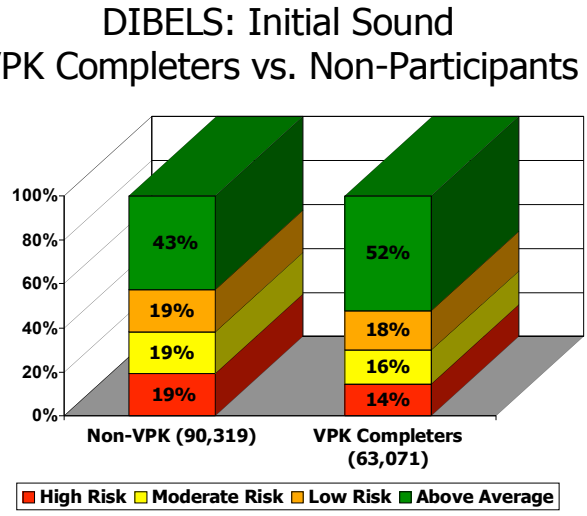
82% of the children who completed the VPK program in 2005-06 scored "Ready for Kindergarten" (Above Average or Low Risk) as opposed to 64% of children who did not participate in VPK.

DIBELS: Letter Naming
VPK Completers vs. Non-Participants



The Dynamic Indicators of Basic Early Literacy Skills: Initial Sound Fluency – measures a child's ability to the beginning sounds of words. As indicated by the chart below:

70% of the children who completed the VPK program in 2005-06 scored "Ready for Kindergarten" (Above Average or Low Risk) as opposed to 52% of children who did not participate in VPK.



EDUCATION REFORM HIGHLIGHTS IN FLORIDA

A+ Plan. In 1999, building on Florida's basics, Governor Bush created the A+ Plan for Education. The 1999 Florida Legislature passed House Bill 751 and Governor Bush signed this legislation into law which became the foundation for education reform in Florida. The major premise of the A+ Plan was the state would hold schools accountable for the education of ALL students and that annual student learning progress would be measured. The plan was based on two principles: Each student would gain a year's worth of knowledge in a year's time in a Florida public school; and No student will be left behind. Additionally, several key initiatives, such as Just Read, Florida, have been implemented to serve as a vehicle for uniting all of Florida's policies together into one comprehensive A+ approach. Reading is the most powerful skill a child can learn, as it influences success in school and improves the overall quality of life.[41]

Just Read, Florida! Until Governor Bush signed Executive Order 01-260 in September of 2001 establishing Just Read, Florida!, there was no comprehensive and coordinated statewide reading initiative in Florida. Just Read, Florida! prioritizes reading in Florida's public schools and among all the community groups and volunteer organizations that support them. Just Read, Florida! is based on the latest reading research and is charged with establishing reading as a core value in this state and with the unequivocal goal of every child being able to read at or above grade level by the year 2012.

Prior to the establishment of the Just Read, Florida! Initiative, the "Reading Office" in the Department of Education consisted of one program specialist for reading housed in the

[41] Florida's A+ Approach: Ensuring Every Child Gains a Year's Worth of Knowledge in a Year's Time – Research and Results. Florida Department of Education. (January, 2006).

DOE curriculum office, There was some federal funding as a part of the precursor to *Reading First* entitled the *Reading Excellence Act* (REA), but there was no state level funding for reading. The Legislature statutorily created the Just Read, Florida! Office in 2006.[42] With this bold and visionary move, Governor Bush laid the foundation for all education reform in Florida. Governor Bush could have planned his education reforms based on any number of priorities, but he chose reading because he understood that reading truly is the foundation of all learning. If a child cannot read their dreams are diminished and future success is limited. For adults, illiteracy is an obstruction to employment that limits their ability to provide for their families. Illiteracy is a repressive cycle that must be broken if we are going to make a better Florida.

Even as the Just Read, Florida! initiative has expanded over the last six years to improve its focus on adolescent, adult, and family literacy, it has remained true to its roots and founding philosophy that the best return on investment in long-term literacy growth is early, high-quality instruction and intervention. This focus on early intervention has worked its way not just into the Department of Education's pre-kindergarten initiative, but also into birth-to-age-5 "school readiness" initiatives, including an emphasis on higher-quality child care. This focus on high-quality early development, care and education is driven by the premise that we will never be successful with middle or high school literacy reform until we drastically reduce the number of students entering the middle and upper grades with literacy abilities that are inadequate to read, write, and learn from challenging content text in math, science, social studies, and English. Far too many of our students -- even among those who pass the FCAT and graduate -- are ill-prepared for the literacy demands in the world of work or must be placed in remedial courses in post-secondary institutions.

If we are to meet our goal of 100% literacy, we must acknowledge the gap that begins at birth, and then widens, for many of our students in the pre-K-12 education system in Florida. This gap is the most prominent barrier to children learning to read. About 44 percent of children in low-income families can recognize most letters of the alphabet compared to 66 percent of children from high-income families.[43]

Parents, of course, have a major role in their children's success. As just one example of the challenges faced, in the average high-income household, a child hears 2,150 words per hour; in a low-income household, that average is 620 words per hour. The estimated gap in the number of words heard in the home by three years of age between high-income and low-income students is perhaps 20 million words. The pre-K-12 system will, in many cases, spend the next 14 years trying to close this gap in oral language and vocabulary development. These statistics underscore that children in poverty tend to need additional assistance and strong early intervention to achieve the same level of readiness as their higher-income peers. Once children are enrolled in these programs, it is essential that adequate professional development steeped in scientifically based reading research is given to providers to develop the early literacy skills each child needs.[44]

[42] s.1001.215, Florida Statutes.
[43] 2006-07 Florida Kindergarten Screening Results.
[44] Hart & Risley, Meaningful Differences, 1995.

With each passing year in the public school system that children's reading and literacy difficulties are not addressed through appropriate instruction and intensive intervention, the gap widens and becomes even more difficult to close. The biggest challenge and only solution in K-12 education is developing teachers who can deliver high-quality differentiated reading instruction. Providing professional development grounded in scientifically based reading research is the key to success. Reading coaches play a significant role in this professional development solution through their site-based, job-embedded work with teachers.

Florida clearly recognizes that, in order to produce better reading outcomes for children, the K-12 sector must make changes in three areas. First, educators must increase the quality and consistency of instruction to reflect the instructional principles derived from scientifically based research in reading. Second, educators must improve the use of information obtained from early reading assessments so that struggling readers can be identified and provided additional instruction in an appropriate and timely manner. Finally, educators must establish procedures to provide struggling readers with intensive interventions to supplement the instruction they receive in the regular classroom.

All reading instruction in Florida must be systematic, high-quality instruction that focuses on the five components of reading instruction: Phonemic awareness, phonics, fluency, comprehension, and vocabulary. Meanwhile, assessing progress is critical in making progress in reading. Instruction should be data-driven based on genuine assessment. All instruction should be grounded in scientifically based reading research and aligned with Florida's Sunshine State Standards for reading. Many children and adult learners will require immediate and intensive intervention to make adequate progress in learning to read. Just Read, Florida! is committed to helping all educators develop expertise in all these areas.

Progress depends on having and knowing the data. Just to use one example: In Florida's voluntary universal prekindergarten program for 4 year olds, the necessary data includes knowing this for each child: The lead teacher's credentials, what curriculum is being used, socio-economic status, racial-national learner, primary language, and parents' education. Knowing those few items tells parents, teachers and policymakers what is working and what is not.

Reading First has provided a strong model that exemplifies the power of well-designed early reading instruction and intervention that is targeted to the needs of individual children. Through the continued financial support of Florida Legislature over the last six years, Florida has been able to build upon this model in its adolescent literacy efforts. While many states are just beginning to explicitly extend their K-3 reading focus to the upper grades, Florida has been doing so for several years and has already seen substantial results from this investment. Currently, it is unknown if there will be Reading First funding after the 2007-2008 school year. Since NCLB reauthorization has been delayed, Congress has the option of continuing to fund the Reading First program at current levels. Congress could also decide to reduce the amount states are awarded or decide not to fund states at all. If Congress decides to reduce the amount awarded, this will force some

difficult decisions about who will be supported by Reading First funds. There is the possibility of losing reading coach support in many schools. If Reading First is not funded at all, this will be the last year of Reading First. If the latter takes place, many, possibly all, Reading First reading coaches will be eliminated due to the lack of funding. This could cause a loss of momentum in improving student performance in the primary grades and result in decreased performance in the upper grades.

Florida's Office of Mathematics and Science. Florida's Office of Mathematics and Science in the Department of Education is charged with defining and implementing research-based state education policies and programs for the state of Florida to increase student knowledge of and performance in the content areas of mathematics and science. This office has the following responsibilities:

(1) Facilitate the implementation of Florida law and rule related to K-12 mathematics and science education.
(2) Develop world-class education standards in mathematics and science with support from international and national content and standards experts, the general public, and the education stakeholders of Florida.
(3) Continue partnerships with the Florida Engineering Association and the Boston Museum of Science to develop a plan for standards in Florida in the area of engineering.
(4) Complete the development of a web-based standards database tool for educators that includes for each benchmark: remarks and examples that clarify for the teacher the content of the benchmark; a complexity rating that defines the level of rigor that is expected of the instruction, assessment, and student level of mastery; a glossary; a model lesson; and an example of appropriate use of technology if applicable. When this tool is completed for mathematics and science it will become available for all content areas and managed by the Department of Education. This tool will be the foundation for building course descriptions, content area professional development, and end-of-course assessments.
(5) Develop the specifications for the adoption of mathematics and science instructional materials.
(6) Coordinate mathematics and science improvement efforts with other content area and special student population support offices.
(7) Coordinate K-12 mathematics and science improvement efforts with pre-k, workforce, and post-secondary offices.
(8) Provide technical assistance to school districts in the development and implementation of aligned K-12 research-based mathematics and science and integrated mathematics and science instructional methods.
(9) Coordinate the work of the Florida State University's Florida Center for Research in Science, Technology, Engineering, and Mathematics (FCR-STEM) to provide information on research-based mathematics and science programs and professional development programs for mathematics and science teachers.
(10) Periodically review Florida's world-class standards for mathematics and science at all grade levels.

(11) Periodically review Florida's mathematics and science course descriptions to determine alignment to student requirements and student preparation for success in the workforce of the future.
(12) Periodically review teacher certification examinations to ascertain whether the examinations measure the skills and content area knowledge needed for research-based mathematics and science instruction that is aligned to Florida's world-class standards.
(13) Continue to champion the need to increase mathematics and science graduation requirements and the percent of students enrolled in rigorous course content through legislative policy proposals and communications to educators and the general public. This includes a public relations campaign that introduces audiences to Florida student mathematics and science stars.
(14) Work with teacher preparation programs to assure alignment to Florida's world-class K-12 standards and research-based mathematics and science instructional strategies.
(15) Provide parents with information and strategies for supporting their children in mastery of mathematics and science knowledge.
(16) Administer state and federal funds allocated to the improvement of mathematics and/or science education to meet the goal of all students graduating from high school prepared to enter postsecondary or the workforce without required remediation in mathematics and/or science. Prioritize Florida's allocated federal Math and Science Partnership funding for professional development to teachers on Florida's world-class education standards.
(17) Facilitate the development and implementation of training for highly effective mathematics and science lead teachers in every school in Florida.
(18) Facilitate the identification of multiple designations of effective mathematics and science instruction, with accompanying credentials.
(19) Continue to apply for additional funding for Florida to support increased student performance in STEM areas working with the Investor Protection Trust and Florida's Office of Financial Regulation; the National Governors Association; the National Math and Science Initiative; and others.

For additional information on Florida's Office of Mathematics and Science visit: http://www.fldoestem.org/center13.aspx.

MOVING FROM SUNSHINE STATE STANDARDS TO WORLD CLASS EDUCATION STANDARDS

The History of the Sunshine State Standards. The Sunshine State Standards were first approved by the State Board of Education in 1996 as a means of identifying academic expectations for student achievement in Florida. These original standards were written in seven subject areas and were divided into four separate grade clusters (PreK-2, 3-5, 6-8, and 9-12).

As Florida moved toward greater accountability for student achievement at each grade level, the Sunshine State Standards were further defined with specific K-8 "Grade Level

Expectations" added in 1999. However, as time went on, two realities appeared that magnified the need to increase the level of rigor in Florida's academic standards. First, as the achievement of Florida students began to increase over time, it was recognized that the level of rigor of the 1996 standards was inadequate to address the increased levels of achievement registered by our students. Second, ample evidence from both national and international measures of student achievement indicated the urgent need for even higher expectations for all of our students.

In 2006, the State Board of Education adopted a systematic six-year cycle for the revision of the Sunshine State Standards to World Class Education Standards. It was the intent of the State Board of Education to establish a process in which the Department of Education would collaborate with national and international experts in the area of mathematics, science, reading, social studies, physical and health education, arts, and world languages. This process would include the alignment of the new standards with assessments, instructional materials, professional development, and teacher licensure exams. With this comprehensive approach, the new standards and their higher levels of rigor will be fully integrated into the entire culture of K-12 instruction and assessment. This move sets the stage for higher levels of rigor and higher academic achievement for decades to come.

The process for revising the Sunshine State Standards entails a variety of activities including multiple opportunities for stakeholder input. These activities include meetings with content supervisors, teachers, content specialists, professional organizations, and other stakeholders. Continued stakeholder input is encouraged through both hard copy and a Web-based input system that ensures stakeholder ease in providing meaningful feedback so that the Sunshine State Standards will represent multiple viewpoints.

In 2006, the Florida Legislature stated its commitment to higher and more challenging standards for Florida's children by passing House Bill 7087. Florida law now reads:

The state board shall establish a schedule to facilitate the periodic review of the standards to ensure adequate rigor, relevance, logical student progression, and integration of reading, writing, and mathematics across all subject areas.[45]

It is the role of the State Board of Education to approve the student performance standards known as the Sunshine State Standards. These standards are to be developed in key academic subject areas at all grade levels.[46] The implementation of new state standards takes place incrementally. Generally speaking, it takes a full three years to thoroughly and completely transition to the new standards. This process occurs in three phases:

Year 1: Initial Implementation. The teacher becomes aware of the new standards and uses crosswalks that compare the old standards to the new in order to see how he or she can begin to incorporate them into existing lesson plans. Districts begin realigning their

[45] s. 1001.03(1), Florida Statutes.
[46] Rule 6A-1.09401, Florida Administrative Code.

curriculum based upon the new standards, and professional development linked to the new standards begins.

Year 2: Adaptation. The teacher becomes more familiar with the new standards and how to incorporate them into his or her lesson plans. Districts have a newly realigned curriculum that guides instruction and ensures consistency in instruction across the district. Professional development helps to build knowledge among teachers regarding the new standards.

Year 3: Full Implementation. The teacher fully and confidently includes the new standards in daily instructional strategies and activities. Realigned assessments are given to measure student progress on the new standards.

A++ Plan. The 2006 Legislature passed and Governor Jeb Bush signed House Bill 7087, Relating to Education, into law. This bill has more commonly been referred to as A++. Its provisions address numerous areas including secondary reform, differentiated pay for teachers, school leadership development, school improvement, paperwork reduction, and school start date. Highlights of this comprehensive education reform legislation are presented below:

- Created the Just Read, Florida! (JRF) Office in statute within DOE. Codified into statute the Florida Center for Reading Research (FCRR) at Florida State University.
- Created a research-based reading instruction allocation in the FEFP. Required districts to write plans to provide comprehensive reading instruction to students in Kindergarten through grade 12.
- Established new middle school promotion requirements.
- Required each middle school to offer at least one high-school-level mathematics course for which students may earn high school credit.
- Required all public school students in grades 6-12 to use the same grading system and interpretation of letter grades that is currently in effect for high school students (A= 90-100%, B= 80-89%, C= 7079%, D= 60-69%, F= 0-59%).
- Created new general requirements for high school graduation beginning with newly enrolled 9th grade students in 2007-2008. Beginning with students entering their first year of high school in the 2007-2008 school year, a student must successfully complete at least 24 credits, an International Baccalaureate curriculum, or an Advanced International Certificate of Education curriculum to graduate.
- Required high school students to select a major area of interest (8 credits in a major, minor, or electives; selected by the student as a part of the personalized education plan).
- Required high school students who score at Level 1 on FCAT Reading to be enrolled in and complete an intensive reading course the following year, and provides that placement of Level 2 readers in either an intensive reading

course or a content area course in which reading strategies are delivered shall be determined by diagnosis of reading needs.

- Revised GPA weighting for dual enrollment courses by requiring that all dual enrollment courses receive the same weight as advanced placement, International Baccalaureate, and Advanced International Certificate of Education courses when grade point averages are calculated.
- Required the student's guidance counselor or other school personnel to conduct an exit interview with the student to determine the reasons for the student's decision to drop out of school and what actions could be taken to keep the student in school.
- Required that professional development plans established by district school boards incorporate school improvement plans and are aligned with principal leadership training as a part of the plan.
- Required that, beginning with the 2007-2008 school year, each district school board shall adopt a salary schedule with a differentiated pay policy for both instructional personnel and school-based.
- Implemented initiatives designed to reduce the paperwork burden on the state's teachers and other school-based and district-based employees.
- Provided that each teacher assigned to a classroom must be used in the calculation for compliance with the constitutional class size requirements and provides criteria for which team-teaching is allowable in individual classrooms.
- Established the William Cecil Golden Professional Development Program for School Leaders to provide high standards and sustained support for principals as instructional leaders.
- Provided that school districts may not assign a higher percentage than the school district average of first-time teachers, temporarily certified teachers, teachers in need of improvement, or out-of-field teachers to schools with above the district average of minority and economically disadvantaged students or schools that are graded D or F.
- Created career and professional academies as research-based programs that integrate a rigorous academic curriculum with an industry-driven career curriculum. Created the Florida Ready to Work Certification Program to enhance the workplace skills of Florida's students to better prepare them for successful employment in a specific occupation.
- Required the State Board of Education to establish a schedule to facilitate the periodic review of the standards to ensure adequate rigor, relevance, logical student progression, and integration of reading, writing, and mathematics across all subject areas.
- Required schools to develop and implement a progress monitoring plan for each student that fails to meet certain performance levels, including scoring below Level 3 in FCAT Reading or Mathematics.
- Required the Commissioner to assign a community assessment team to every school district or governing board with a school graded "F," to review the school's performance data and determine causes for the low performance.

- Required that DOE develop a school report card to be delivered to parents, including those whose information regarding school improvement, an explanation of school improvement as measured under the No Child Left Behind Act (NCLB), and indicators on return on investment.
- Required alternative schools that provide dropout prevention and academic intervention services to receive a school-improvement rating.
- Stipulated that beginning with the 2007-2008 school year and each year thereafter, the opening date for schools may not be earlier than 14 days before Labor Day.

ACCOUNTABILITY IN FLORIDA'S PUBLIC SCHOOLS

It is the intent of the Legislature that the performance accountability system implemented to assess the effectiveness of Florida's seamless K-20 education delivery system provides answers to the following questions in relation to its mission and goals[47]:

1. What is the public receiving in return for funds it invests in education?
2. How effectively is Florida's K-20 education system educating its students?
3. How effectively are the major delivery sectors promoting student achievement?
4. How are individual schools and postsecondary education institutions performing their responsibility to educate their students as measured by how students are performing and how much they are learning?

The Legislature has statutorily directed that the State Board of Education establish performance measures and set performance standards for individual public schools and community colleges, with measures and standards based primarily on student achievement.[48] Furthermore, it is the intent of the Legislature that all public schools be held accountable for students performing at acceptable levels. A system of school improvement and accountability that assesses student performance by school, identifies schools in which students are not making adequate progress toward state standards, institutes appropriate measures for enforcing improvement, and provides rewards and sanctions based on performance shall be the responsibility of the State Board of Education. [49]

Pursuant to Art. IX of the State Constitution prescribing the duty of the State Board of Education to supervise Florida's public school system and notwithstanding any other statutory provisions to the contrary, the State Board of Education shall intervene in the operation of a district school system when one or more schools in the school district have failed to make adequate progress for 2 school years in a 4-year period.[50]The Legislature has established that the State Board of Education may recommend one or more of the following actions to district school boards to enable students in schools designated with a grade of "F" to be academically well served by the public school system:

[47] s. 1008.31(1), Florida Statutes.
[48] s. 1008.31(1)(e), Florida Statutes.
[49] s. 1008.33, Florida Statutes.
[50] s. 1008.33, Florida Statutes.

(a) Provide additional resources, change certain practices, and provide additional assistance if the state board determines the causes of inadequate progress to be related to school district policy or practice;

(b) Implement a plan that satisfactorily resolves the education equity problems in the school;

(c) Contract for the educational services of the school, or reorganize the school at the end of the school year under a new school principal who is authorized to hire new staff and implement a plan that addresses the causes of inadequate progress.

(d) Allow parents of students in the school to send their children to another district school of their choice; or

(e) Other action appropriate to improve the school's performance, including, if the school is a high school, requiring annual publication of the school's graduation rate calculated without GED tests for the past 3 years, disaggregated by student ethnicity.

Assistance Plus. Assistance Plus is a State of Florida educational initiative designed to provide support to school districts and schools that fail to meet state education performance standards. Assistance Plus was created as a means of assistance and intervention for low-performing schools and implemented by the State Board of Education. The Governing Principles of Assistance Plus are as follows:

- The District shall be held accountable for providing necessary resources to have all students performing at acceptable levels.

- The State shall provide expectations and necessary resources to enable districts to have all students performing at acceptable levels.

- The State Board of Education shall be prepared to take action in the event that districts are unsuccessful at having all students performing at acceptable levels.

Assistance and Intervention for plans shall be provided for each school designated School Performance Grade F and School Performance Grade. State Board of Education Rule requires that: each school designated School Performance Grade F shall develop its school improvement plan in collaboration with the school advisory council, school board and the Department. The school improvement plan shall take into account the unique demographic characteristics of the school. The school board shall have final approval of the plan. Each school designated School Performance Grade F or School Performance Grade D shall receive specific assistance and interventions, including additional

resources if needed, from the district school board as provided in Section 1001.42(16)(c), Florida Statutes. [51]

Through the Assistance Plus Initiative, districts and schools receive technical assistance as Department of Education staff monitors the implementation of Florida's Continuous Improvement Model (FCIM) and the School Improvement Plan. Districts and schools receive resources to assist their students in reaching highest student achievement. Resources provided have included: targeted funding, dedicated K-12 staff and School Improvement Facilitators, FCIM training, data analysis tools (DART), research-based documents and the School Improvement Plan on-line template.

COMPONENTS OF FLORIDA'S ACCOUNTABILITY SYSTEM

School Grades Calculation and Reporting. School grades (A-F) are based on:

1) current-year student performance (50% of grade) on four FCAT-tested subjects (reading, math, writing, and science) and
2) learning gains from the prior year (50% of grade) in two FCAT-tested subjects (reading and math).

For more information, see http://schoolgrades.fldoe.org/reports/0607/guide07.asp.

Alternative School Improvement Rating Calculation and Reporting. Beginning in 2007-08, alternative schools will have the option of being graded like regular schools or receiving a school improvement rating (*improving, maintaining, declining*) in lieu of a grade, in which case the test results for students at the alternative school will also be included in the school grade calculation for the students' referring school.

Adequate Yearly Progress (AYP) Calculation and Reporting. As required by the federal No Child Left Behind Act, schools are evaluated on each of 39 components measured for AYP, including reading and math proficiency requirements for students in each of nine subgroups. Detailed information on the calculation is available at http://schoolgrades.fldoe.org/pdf/0607/2007AYPTAP.pdf. For more information on NCLB, see http://www.fldoe.org/NCLB/.

Identification of Title 1 Schools in Need of Improvement. Performed after completion of AYP calculations, results are provided to the Bureau of Student Assistance, Title 1 Office, for school improvement action. For more on Title 1 activities, see http://www.fldoe.org/bsa/title1/default.asp.

Annual School Report Cards. In compliance with Florida law, these reports include the school grade, AYP information, school improvement information, and information on indicators relating to return on investment (ROI). Annual School Report Cards are accessible online via the site at http://schoolgrades.fldoe.org/default.asp.

Voluntary Pre-Kindergarten (VPK) Readiness Rates. Information on the VPK readiness rate calculation is available at http://www.fldoe.org/earlylearning/pdf/provider-veri-faqs.pdf.

[51] Rule ^A-1.09981(11), Florida Administrative Code.

Florida School Recognition Program. Schools that have achieved a letter grade of "A" or have improved at least one letter grade from the prior year are eligible for Florida School Recognition awards. More information on this program is available at http://www.fldoe.org/fefp. The program meets the statutory requirements of s. 1008.36, Florida Statutes.

Accountability for Supplemental Education Services (SES) Providers (Calculation). Beginning in 2007-08, providers of Supplemental Education Services (to meet NCLB school improvement requirements) will be evaluated for effectiveness in helping students in remediation achieve necessary skills. The school grade calculation is expected to provide a model for the SES provider accountability rating system.

FLORIDA'S GRADUATION AND DROPOUT RATES

Overview. The Florida Department of Education (FDOE) bases its graduation rate on data that follows every single student from ninth grade to graduation, yielding a more precise calculation than is possible with many national-level studies that produce estimates based on aggregate enrollment and diploma counts. Florida was the first state to compile and track individual student records for reporting accurate four-year graduation rates at the school level. In a 2005 report released by the National Governors Association, Florida is cited as a national leader and model for calculating graduation rates.[52]

Variation among graduation-rate estimates among national-level studies is well-documented in current education research.[53] Depending on the study being referenced, Florida's graduation rate ranking also varies relative to other states' rankings. The main reason why such variation exists is that a standardized method of collecting, reporting, and tracking individuals has not been implemented in all (or even most) states, such that the authors of the studies must rely on reported aggregate data for school enrollment by grade level and state-reported diploma counts in order to produce an estimated graduation rate by state. The limitations of such approaches are evident based on the varying results provided. If these estimates were completely accurate, they would not vary. They would coincide.

The key factor in producing an accurate graduation rate is the ability to track the progress of each individual in the cohort population. Without the ability to track individuals, researchers are unable to account for the effect on graduation rates of outgoing and incoming transfers into the population, and, with regard to dropout rates, there would also not be a way to account for the effect of retentions (students who are retained but remain enrolled) and non-graduating completers (certificate recipients, who are also not classified as dropouts).

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[52] National Governors Association, *Graduation Counts: A Report of the National Governors Association Task Force on State High School Graduation Data.* (Washington, D.C., 2005), p. 19. URL: http://www.nga.org/Files/pdf/0507GRAD.PDF.

[53] See, for example, Ulrich Boser's "Calculating High School Graduation Rates," Center for Public Education (June 23, 2006). URL: http://www.centerforpubliceducation.org/site/c.kjJXJ5MPIwE/b.1808145/k.EDDF/Graduation_rates_What_do_they_mean_and_what_can_we_do.htm

National Comparisons among States (State Rankings). Results of national studies that provide graduation rate estimates include the following:

Manhattan Institute (Jay Greene)
http://www.manhattan-institute.org/html/cr_48_t2.htm
2002-03: Florida rate = 61%, 41st out of 49 states; U.S. rate = 70%

National Center for Education Statistics (U.S. Department of Education)
http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2006606rev
2002-03: Florida rate = 66.7%, 42nd out of 51 states; U.S. rate = 73.9%

Ed Week (EPE Research Center)
2002-03: Florida rate = 57.5%, 47th out of 51 states; U.S. rate = 69.6%

Dropout rates, reported by NCES
(http://nces.ed.gov/pubs2006/2006062.pdf)
2000-01: Florida rate = 4.4% vs. U.S. rate of 5.0%;
2001-02: Florida rate = 3.7% vs. U.S. rate of 3.6%.

Data obtained from studies that provide cross-state comparisons are often dated because of the amount of time it takes to collect state-reported information at the national level (e.g., Common Core Data collected by NCES) and the additional lag time involved in processing/compiling/reporting the data by entities such as NCES, which provide a clearinghouse source for researchers.

WHY GRADUATION RATES FOR FLORIDA THAT ARE PUBLISHED BY NATIONAL STUDIES DIFFER FROM RESULTS FOR FLORIDA REPORTED BY THE FDOE

Differences in Methodology and Access to Student-Level Data. Researchers for national level studies do not have access to student records required for tracking the progress of individuals in a cohort; these studies may estimate the effect of population changes and mobility on the rate but have no way to account for these effects at the individual level. Florida bases its calculation on the compilation and tracking of individual student records and can account directly for the effects of student mobility on the rate.

Differences in Defining the Terms *Graduate*, *Dropout*, and *Transfer*. Florida includes all diploma recipients as graduates in its regular rate calculation – including standard diploma recipients, GED-based diploma recipients, and students with disabilities who have received special diplomas for meeting graduation requirements of their individual education plans (IEPs). National-level studies vary in their definition of "graduate." Some studies classify GED-based diploma recipients as non-graduates. Florida law confers the same credential for college entry on an equivalency diploma (GED diploma) as it does on a standard diploma (s. 1003.435 [6] [a], F.S.).

Florida adjusts its four-year cohort to remove students who have transferred out of the school/district to attend another public or private school system, a home education program, or an adult education program. In Florida law, a student who withdraws from a regular high school to attend an adult education program is not considered a dropout (s. 1003.01 [9] [c], F.S.). However, national-level studies that compare enrollment and diploma counts for estimating a graduation rate do not attempt to make adjustments for students who withdraw from high school to attend adult education programs, and it is possible that researchers of such studies would consider these students to be dropout equivalents.

If the denominator of Florida's regular graduation rate were re-adjusted to retain adult-education withdrawals in the denominator, the resulting rate figures would be much closer to what's reported for Florida in national studies:

	2002-03	2003-04	2004-05	2005-06
Florida Regular Rate	69.0%	71.6%	71.9%	71.0%
NCES Reported Rate (Averaged Freshman Four-Year Graduation Rate), Florida	66.7%	66.4%	NA	NA
Manhattan Institute Rate, Florida	61.0%	NA	NA	NA
Florida Regular Rate with Adult Ed. Withdrawals Included in Denominator	62.9%	65.7%	66.1%	65.3%

State Board of Education Strategic Plan Targets. The State Board of Education is currently in the process of updating its strategic plan. The following graduation rate information is shown on p. 34 of the Strategic Plan document at http://www.fldoe.org/Strategic_Plan/pdfs/S_I_DataTrends.pdf.

REPORT YEAR	FLORIDA'S REGULAR HS GRADUATION RATE
2000-01	63.8%
2001-02	67.9%
2002-03	69.0%
2003-04	71.6%
2004-05	71.9%
TARGET 2005-06	73.5%
TARGET 2006-07	75.0%
TARGET 2015	95%

Florida's graduation rate rose to 72.4 percent in 2006-07, an increase of 1.4 percent compared to last year's rate (71.0 percent) and an overall increase of 12.2 percent since 1998-99 (60.2 percent). Meanwhile, Florida's annual high school dropout rate declined

from last year, dropping 0.2 percentage points to 3.3 percent, a decrease of 2.1 points since 1998-99. This year's graduation rate is the highest it has been since Florida employed new, more accurate data collection methods in 1998-99. Graduation rates for African-American and Hispanic students showed the largest growth this year, increasing by 1.8 and 2.3 percent respectively.[54]

The latest annual decline in the state's dropout rate occurred primarily as a result of continuing improvements by minority students. From 2005-06 to 2006-07, the dropout rate decreased for Hispanic, American Indian, and multiracial students, with American Indian students showing the greatest decrease (improvement) in the dropout rate. Forty of Florida's 67 school districts saw a decline in their dropout rates. Franklin County experienced the greatest decrease—6.6 percent. The dropout rate also fell in several larger school districts, including Miami-Dade, Duval, Hillsborough, Orange, and Pasco.

The following chart shows Florida's annual high school graduation rates by race/ethnicity from 1998-99 through 2006-07:[55]

	White	Black	Hispanic	Asian	American Indian	Multi-racial	Total
1998-99	66.9%	48.7%	52.8%	73.4%	61.7%	64.7%	60.2%
1999-00	69.4%	50.6%	53.7%	77.4%	65.1%	64.8%	62.3%
2000-01	71.2%	51.9%	56.0%	77.5%	68.8%	68.4%	63.8%
2001-02	75.9%	54.9%	60.1%	82.0%	70.0%	74.1%	67.9%
2002-03	78.1%	54.2%	61.1%	81.0%	72.1%	73.8%	69.0%
2003-04	80.1%	57.3%	64.0%	82.3%	73.2%	78.1%	71.6%
2004-05	80.8%	57.1%	64.5%	82.2%	73.3%	77.7%	71.9%
2005-06	79.9%	56.9%	63.7%	83.2%	75.7%	75.9%	71.0%
2006-07	81.0%	58.7%	66.0%	83.2%	74.7%	75.4%	72.4%

[54] Florida Department of Education, Education Information and Accountability Services (www.fldoe.org/eias).
[55] Florida Department of Education, Education Information and Accountability Services (http://www.fldoe.org/eias).

The following chart shows Florida's annual high school dropout rates by race/ethnicity from 1998-99 through 2006-07:[56]

	White	Black	Hispanic	Asian	American Indian	Multi-racial	Total
1998-99	4.2%	6.6%	8.3%	2.8%	4.8%	4.2%	5.4%
1999-00	3.2%	5.5%	5.9%	2.2%	3.7%	3.7%	4.6%
2000-01	3.1%	4.7%	4.7%	2.1%	3.1%	3.0%	3.8%
2001-02	2.6%	3.9%	3.8%	1.7%	2.5%	2.2%	3.2%
2002-03	2.5%	4.1%	3.7%	1.8%	2.8%	2.2%	3.1%
2003-04	2.3%	3.6%	3.7%	1.6%	2.9%	2.2%	2.9%
2004-05	2.4%	3.9%	3.6%	1.5%	2.9%	2.0%	3.0%
2005-06	2.6%	4.7%	4.3%	1.5%	3.1%	2.6%	3.5%
2006-07	2.4%	4.7%	3.9%	1.7%	2.6%	2.3%	3.3%

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Known as the "nation's report card," the NAEP is a congressionally mandated project overseen by the National Center for Education Statistics to continuously monitor the knowledge, skills, and performance of the nation's children and youth.[57] The Florida Legislature codified its intent that Florida participate in NAEP in the law.[58] Since 1969, NAEP has measured and reported on the knowledge and abilities of America's fourth, eighth, and twelfth grade students, providing data about students' performance in a variety of subject areas at national, regional and state levels. Florida was one of only four states with significant increases in both fourth and eighth grade reading since 2005. Minority students and students with disabilities also met or exceeded the performance of students nationally.

Improvement is needed in secondary reading as indicated by Florida's eighth grade reading scores on the National Assessment of Educational Progress (NAEP). Although improved over previous years, Florida's 2007 eighth grade NAEP reading scores are still only equal to the national average. In 2007, Florida students scored 260 on NAEP reading compared to 261 for the nation as a whole. Mathematics achievement of Florida's eighth graders on NAEP is below the national average, even though there has been some improvement in Florida scores recent years. In 2007, Florida students scored 277 compared to 280 for the nation as a whole. [59]

[56] Florida Department of Education, Education Information and Accountability Services (http://www.fldoe.org/eias).
[57] http://nationsreportcard.gov/
[58] s. 1008.22(2), Florida Statutes
[59] http://www.fldoe.org/asp/naep/naep2007.asp

Fourth Grade Reading and Mathematics Results – 2005 to 2007:

- Fourth grade students improved five points in reading from 219 to 224. This is four points higher than the national average score of 220. Florida was one of only 18 states whose average fourth grade reading score increased between 2005 and 2007.
- Fourth grade students improved three points in mathematics from 239 to 242. This is three points higher than the national average of 239. Florida was one of only 23 states whose average fourth grade mathematics score increased between 2005 and 2007.

Eighth Grade Reading and Mathematics Results – 2005 to 2007:

- Eighth grade reading scores increased four points (from 256 to 260), matching the national average. Florida was one of only six states whose eighth grade reading average scores increased between 2005 and 2007.
- Eighth grade students improved three points in mathematics (from 274 to 277), but remain three points below the national average.

Long-Term National Performance – 2003 to 2007:

- 2003 marks the first year in which every state in the nation participated in NAEP and serves as the most accurate benchmark for determining long-term performance trends.
- This year, Florida's fourth graders outperformed 58 percent of other states in reading and 60 percent in mathematics, up from 37 percent in both reading and mathematics in 2003.
- Additionally, Florida's eighth graders outperformed 35 percent of other states in reading and 31 percent in mathematics this year, up from 19 percent in reading and 25 percent in mathematics in 2003.
- Florida was a top-gaining state in fourth grade mathematics, with a score increase of eight points between 2003 and 2007.

Closing the Achievement Gap and Student Group Performance

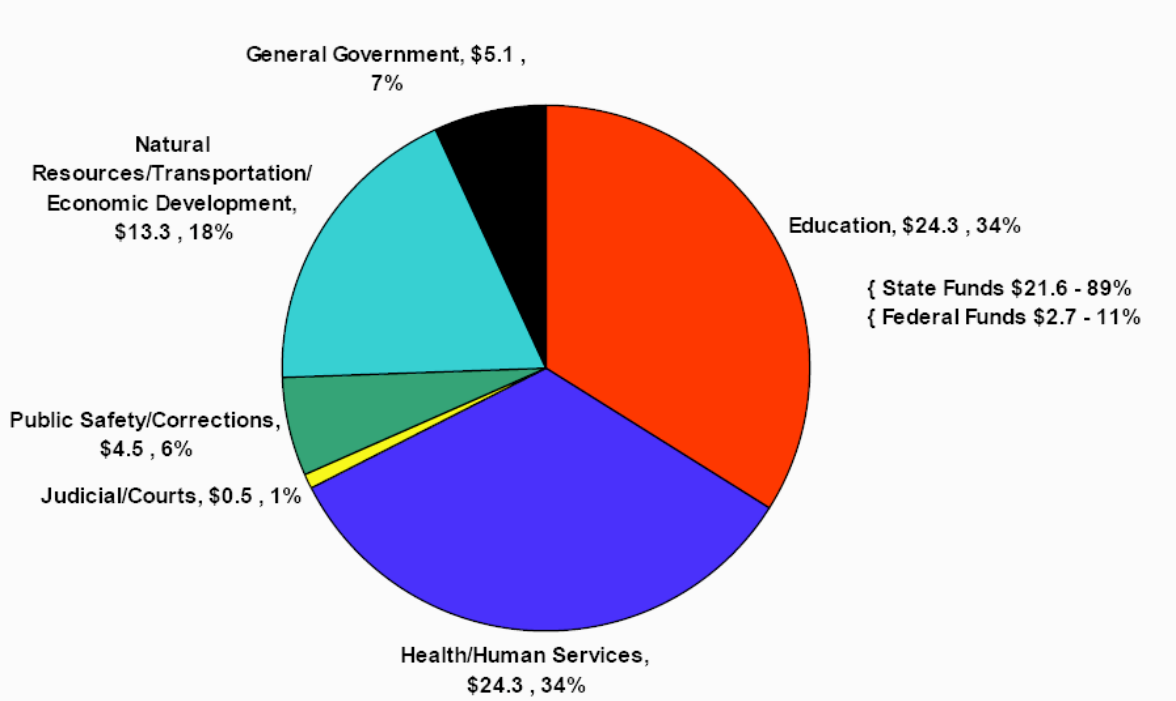
- African American fourth grade reading and mathematics scores have significantly risen. This year, the average score has risen to 208 in reading and 225 in mathematics, up from 198 in reading and 215 in mathematics in 2003.
- Florida is one of only five states that showed a significant narrowing of the White/African American achievement gap between 2003 and 2007 in fourth grade reading.
- African American eighth grade students also showed a significant increase in mathematics scores. In 2007, the average score has risen to 259, up from 249 in 2003.

- Florida is one of only seven states where the achievement gap between White and African-American eighth grade students decreased significantly in eighth grade mathematics.
- Since 2003, Hispanic fourth grade reading and mathematics scores have significantly risen. In 2007, the average score has risen to 218 in reading and 238 in mathematics, up from 211 in reading and 232 in mathematics in 2003.
- Hispanic eighth grade students also showed increases in reading and mathematics scores. In 2007, the average score has risen to 256 in reading and 270 in mathematics, up from 251 in reading and 264 in mathematics in 2003.
- Since 2003, fourth grade students with disabilities reading and mathematics scores have significantly risen. In 2007, the average score has risen to 195 in reading and 223 in mathematics, up from 184 in reading and 214 in mathematics in 2003.
- Eighth grade students with disabilities also showed a significant increase in mathematics scores. In 2007, the average score has risen to 246 in mathematics, up from 235 in 2003.
- Since 2003, low-income fourth grade students' reading and mathematics scores have significantly risen. In 2007, the average score has risen to 213 in reading and 233 in mathematics, up from 205 in reading and 222 in mathematics in 2003.
- Low-income eighth grade students also showed a significant increase in mathematics scores. In 2007, the average score has risen to 265 in mathematics, up from 256 in 2003.
- Between 2003 and 2007, Florida is one of only two states where the achievement gap between low and higher income fourth grade students decreased significantly in mathematics and one of only three states where it decreased in reading.

For more information regarding Florida's performance on the 2007 NAEP Reading and Mathematics, visit www.nationsreportcard.gov. For charts depicting Florida's NAEP results (PDF, 128KB), visit http://www.fldoe.org/asp/naep/naep2007.asp.

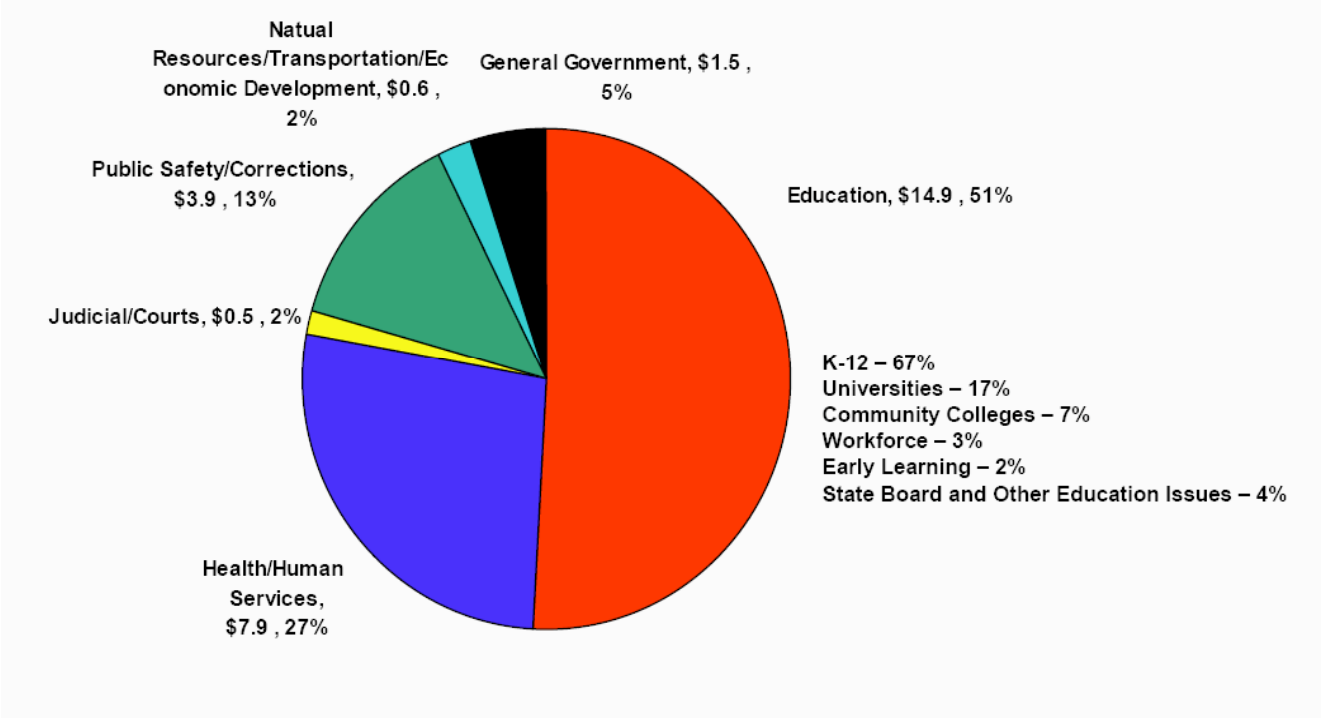
EDUCATION FUNDING

2007-08 Statewide Funds
Operations and Fixed Capital Outlay
= $71.9 billion



The 2007-08 appropriations act (Chapter 2007-72, L.F.) included a total general revenue and trust fund appropriation of $71.9 billion for both operations and fixed capital outlay. Both education and health and human services appropriations were funded at $24.3 billion and each represented 34% of the budget.

2007-08 Statewide General Revenue Appropriations
(Operations and Fixed Capital Outlay) = $29.2 billion



Total general revenue appropriations were $29.2 billion for 2007-08. Education appropriations accounted for $14.9 billion or 51%. Of the education appropriations, K-12 education was allocated 67% of the funds, Community Colleges 7% and State Universities 17%.

VOLUNTARY PREKINDERGARTEN

VPK Appropriations and Participation. The following summarizes the VPK FTE appropriations, actual VPK participation, and expenditure data for 2005-06 through 2008-09.

	2005-06	2006-07	2007-08*	2008-09**
Appropriations	**$ 387,137,762**	**$388,100,000**	**$350,446,171**	
Total Number of Four-Year-Olds	220,857	222,198	231,062	234,186
Appropriated Participation Rate	66.67%	64.91%	60.59%	64.55%
Appropriated Est. VPK Students	147,235	144,228	139,997	151,172
Payout Rate* **	-	-	89.00%	-
Est. VPK Students with Payout Rate Applied	-	-	124,597	-
Revised Total # of Four-Year-Olds (July 2007)	-	226,832	-	-
Actual Participation (as of 10/31/07)	105,896	125,172	113,545	-
Actual Participation Rate	47.95%	55.18%	49%	-
* Special Session Reductions				
**2008-09 Total Number of Four-Year-Olds as of 11/15/07 VPK Estimating Conference				
*** Payout Rate - converts the VPK "head count" to full-time equivalent (FTE); first used in 2007-08 appropriation				

The following summarizes the VPK Base Student Allocation from 2005-06 to 2007-08 and the Department of Education's request for 2008-09.

BSA	$2,500	$2,560	$2,677	$2,728
% Increase	NA	2.40%	4.57%	1.90%

K-12 EDUCATION FUNDING

In 1973 the Florida Legislature enacted the Florida Education Finance Program (FEFP) and established the state policy on equalized funding to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.

To provide equalization of educational opportunity, the FEFP formula recognizes: (1) varying local property tax bases; (2) varying education program costs; (3) varying costs of living; and (4) varying costs for equivalent educational programs due to sparsity and dispersion of the student population.

The FEFP is the primary mechanism for funding the operating costs of Florida school districts. There are other sources of funding; however, the FEFP is the foundation for financing Florida's K-12 educational programs. A key feature of the FEFP is that it bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms.

Florida's education funding formula withstood each challenge that alleged it violated article IX, section 1 requiring a "uniform system of free public schools." It appears doubtful that uniformity or financial equity would be the primary focus of any future suit…The trend in other states has been away from "uniformity" or "equality suits," which emphasize state equal protection clauses and equity of per pupil expenditures, to "adequacy" or "quality suits," which emphasize the state education clause and quality of education delivered. Because of this trend, it is likely that any challenge to Florida's system of school funding in the near future would focus on what "adequate provision" means in article IX, section1.[60]

A full-time equivalent (FTE) student for FEFP funding purposes is one student in membership in one or more FEFP programs for a school year or its equivalent. The FTE student is the basic component of the FEFP and is a major factor in the funding formula for the distribution of operating funds to school districts and schools. The time equivalent for a school year varies with the school and student as shown below.

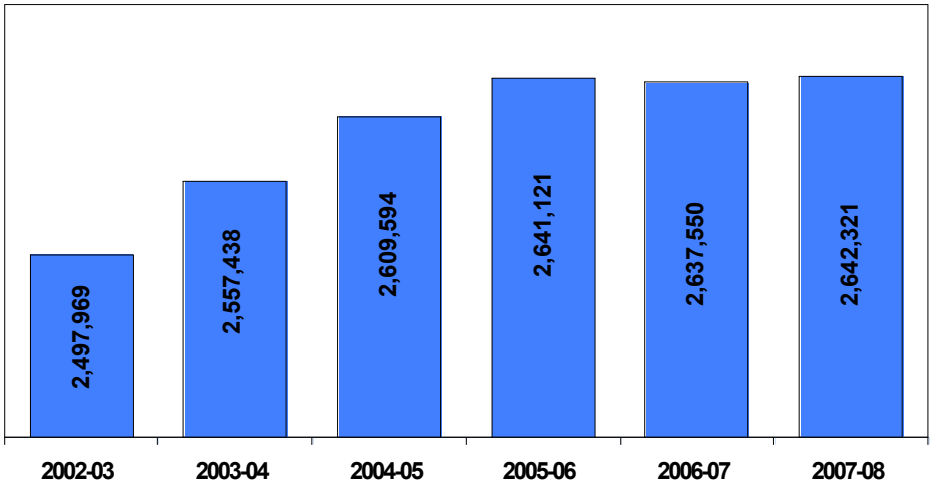
(a) Student in grades 4 through 12 – 900 hours of instruction, or 5 hours per day for 5 days a week for 180 day term.

(b) Student in kindergarten through grade 3 or in an authorized prekindergarten exceptional program – 720 hours of instruction or 4 hours per day for 5 days per week for 180 day term.

Virtually all of the FEFP components of the formula use the FTE student data in some fashion for determining each school district's annual entitlement of funds. On the charts and graphs that follow, a review of historical and projected enrollment data is displayed. Beginning in 2006-07, especially significant is the observation that school district enrollment growth has slowed. During the period 1999-00 to 2004-05, growth in student enrollment ranged from 1.81% to 2.71%. This pattern slowed to a 1.21% growth in 2005-06. A comparison of the 2006-07 statewide total FTE to 2005-06 reveals a decline of 3,571 students. School district enrollment growth is expected to be relatively flat until the 2010-2011 school year. This slow growth pattern has obvious implications for the short-term funding of Florida schools.

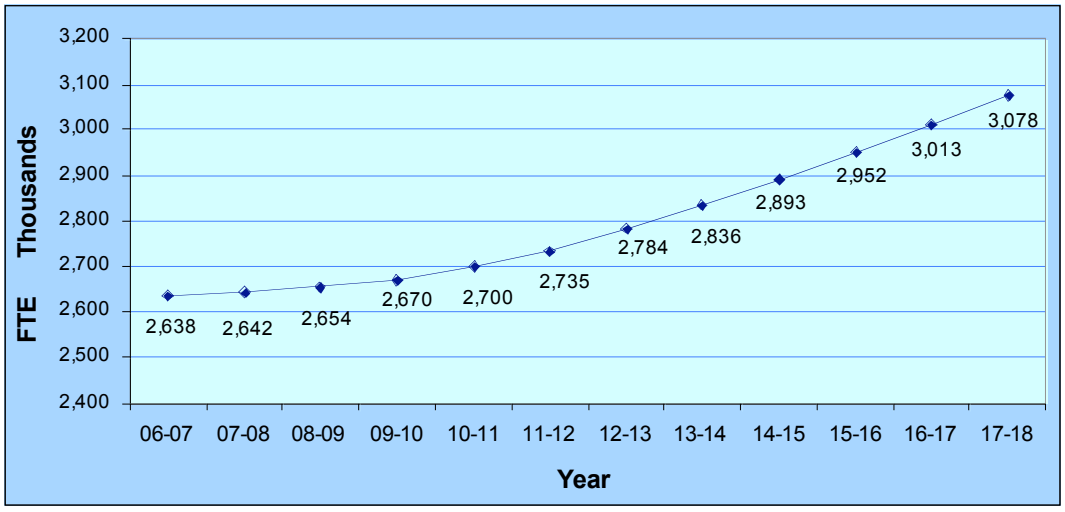
[60] Stetson Law Review, School Finance Litigation in Florida: A Historical Analysis by Barbara J. Staros.

Florida Education Finance Program Full-Time Equivalent (FTE) Student Enrollment History



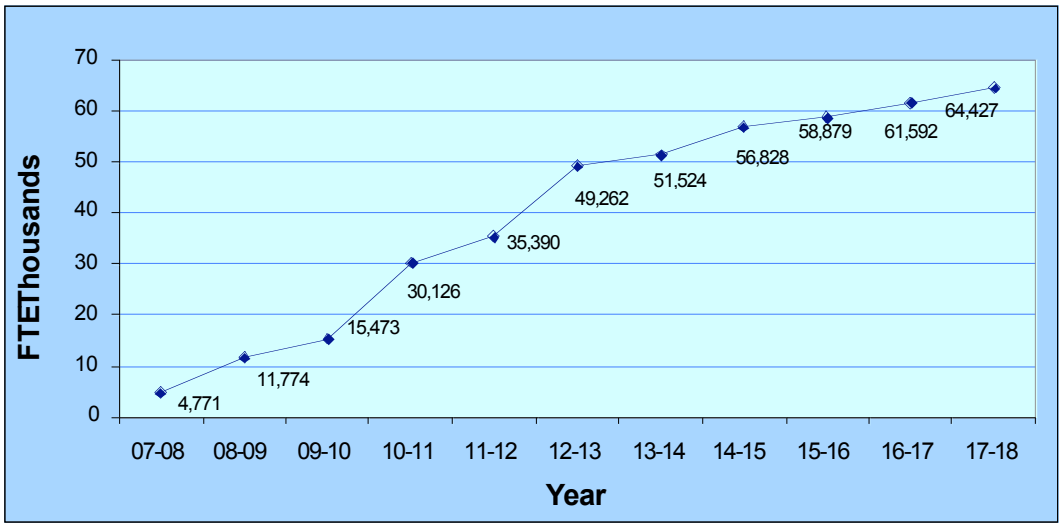
Source: Florida Education Finance Program Appropriation Allocation Conference workpapers.

Total FTE Student Enrollment 2006-07 to 2017 -18



Source: The September 25, 2007 K-12 Enrollment Estimating Conference

Change in FTE Student Enrollment 2007-08 to 2017-18



Source: The September 25, 2007 K-12 Enrollment Estimating Conference

FEFP funds are primarily generated by multiplying the number of full-time equivalent (FTE) students in each of the funded education programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation and by a district cost differential in the major calculation to determine the base funding from state and local FEFP funds. Program cost factors are determined by the Legislature and represent relative cost differences among the FEFP programs. In addition to the base funding allocation, two major allocations within the FEFP are the Supplemental Academic Instruction Allocation and Exceptional Student Education Guaranteed Allocation.

07-08 FTE Estimate -- 2nd Calculation

Program		Prog #	FTE Statewide	Pct
Basic Non-ESE	Grades K-3	**101***	604,517	**22.88%**
	Grades 4-8	**102***	728,190	**27.56%**
	Grades 9-12	**103***	543,098	**20.55%**
Basic ESE	Grades K-3	**111****	141,158	**5.34%**

	Grades 4-8	**112****	220,883	**8.36%**
	Grades 9-12	**113****	138,176	**5.23%**
ESOL	Grades K-12	**130*****	164,363	**6.22%**
ESE Level IV	Grades PK-12	**254*****	19,629	**0.74%**
ESE Level V	Grades PK-12	**255*****	6,253	**0.24%**
Vocational	Grades 9-12	**300*****	76,055	**2.88%**
		Total	**2,642,321**	**100.00%**

*Basic includes Programs 101, 102 and 103
**ESE Basic includes Programs 111, 112 and 113
***Weighted Group 2 includes 130, 254, 255 and 300

The $14.6 billion combined total of base funding ($11.9 billion) and class size reduction funds ($2.7 billion) represents 75.8% of the $19.3 billion total state and local FEFP. In addition to base funding that provides for the special funding needs of students through an index of program cost factors and bonus funds for high performing students, there are additional FEFP components that have been implemented to fund targeted special needs. The components are Safe Schools, Supplemental Academic Instruction Allocation, Exceptional Student Education Guaranteed Allocation and the Reading Allocation.

An amount of $77,150,000 was appropriated for Safe Schools activities for the 2007-08 fiscal year. The funds are to be allocated so that each district is guaranteed a minimum of $75,000. From the remaining appropriation, 67 percent shall be allocated based on the latest official Florida Crime Index provided by the Department of Law Enforcement, and 33 percent shall be allocated based on each district's share of the state's total unweighted student enrollment. Safe Schools activities include: (1) after-school programs for middle school students; (2) other improvements to enhance the learning environment, including implementation of conflict resolution strategies; (3) alternative school programs for adjudicated youth; (4) suicide prevention programs; and (5) other improvements to make the school a safe place to learn. Each district shall determine, based on a review of its existing programs and priorities, the amount of its total allocation to use for each authorized Safe Schools activity.

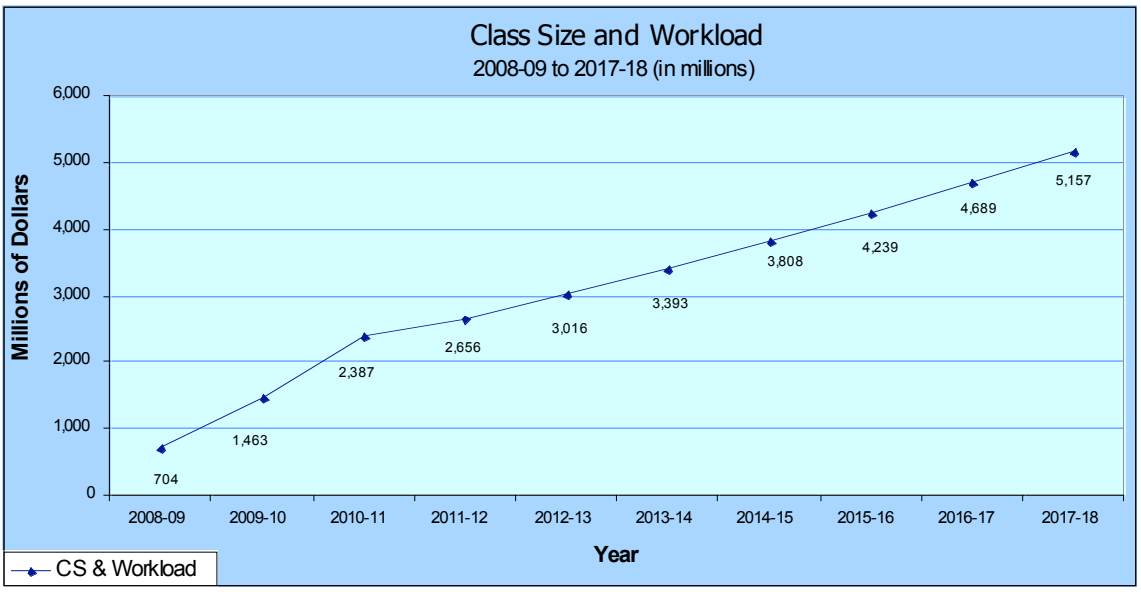
The Supplemental Academic Instruction (SAI) component of the FEFP formula provides funding of $736,402,596 for the 2007-08 fiscal year. The primary purpose of this allocation is to provide supplemental intensive instruction, consistent with the Sunshine State Standards, including summer school and intensive English immersion instruction, for students in grades 3 and 10 who scored a Level I in FCAT reading or math. Each

district's SAI allocation shall be the amount shown in the legislative work papers for the 2007-08 appropriation for the FEFP and shall not be recalculated during the school year.

Exceptional education services for students whose level of service is less than Support Levels 4 and 5 are funded through the ESE Guaranteed Allocation. The students generate FTE funding using the appropriate Basic Program weight for their grade level. This allocation provides for the additional services needed for these students. District allocations from the appropriation of $1,133,668,598 for the 2007-08 fiscal year are not recalculated during the year. School districts that have provided education services in 2006-07 for exceptional students who are residents of other districts shall not discontinue providing such services without the prior approval of the Department of Education.

Beginning with the 2007-08 fiscal year, a district's expenditure of funds from the guaranteed allocation for students in grades 9 through 12 who are gifted may not be greater than the amount expended during the 2006-07 fiscal year for gifted students in grades 9 through 12.

Funds in the amount of $116,909,260 for the Reading Program for the 2007-08 fiscal year are provided for a K-12 comprehensive, district-wide system of research-based reading instruction. The amount of $100,000 shall be allocated to each district and the remaining balance shall be allocated based on each district's proportion of the state total K-12 base funding.[61]



Source: Department of Education

The graph above represents projected funding for operations in each year from 2008-09 to 2017-18 necessary to meet the anticipated needs for student enrollment growth and class size reduction. The estimates do not include a cost of living adjustment.

[61] Specific Appropriation 86, 2007 General Appropriations Act (Chapter 2007-72, Laws of Florida).

STUDENTS WITH SPECIAL NEEDS

In Florida, children who have special learning needs because of a disability, as defined under the Individuals with Disabilities Education Act (IDEA), are called exceptional students. The purpose of exceptional student education is to help each child with a disability to progress in school and prepare for post-secondary goals for continuing education and/or competitive employment. Exceptional student education services may include special teaching methods and materials. They may also include technology devices, therapy, special transportation, or other supports. Decisions about a child's services are made by a team, including the parent(s), and an individual educational plan (IEP) is developed to reflect those services.

Section 504 is part of a federal civil rights law known as the Rehabilitation Act of 1973. This law specifically prohibits discrimination against students with disabilities and guarantees them a free and appropriate public education (FAPE). Discrimination, as defined in Section 504, is the failure to provide students with disabilities the same opportunity to benefit from education programs, services, or activities as is provided to their non-disabled peers. Therefore, schools cannot exclude students with disabilities from facilities, programs, benefits, activities, or services that are provided to students without disabilities. Schools must make sure that all students receive equal access to educational opportunities. Students with disabilities receiving exceptional student education (ESE) services, as defined by the Individuals with Disabilities Education Act (IDEA), are protected under Section 504, but not all Section 504 students are eligible for ESE.

ENGLISH FOR SPEAKERS OF OTHER LANGUAGES (ESOL)

The English for Speakers of Other Languages (ESOL) program in Florida, as authorized by Section 1003.56, F.S. and the Consent Decree in the League of United Latin American Citizens et al. v. the State Board of Education requires that students be identified through a Home Language Survey to determine whether further assessment of their English language proficiency is needed. Students identified as being potentially limited in English proficiency are further assessed in listening, speaking, reading and writing, and those classified as English language learners are placed in the ESOL program. Instructional services provided in the ESOL program include primary language arts (listening, speaking, reading and writing in English using ESOL strategies), and the other core subject areas of mathematics, science, social studies and computer literacy may taught either using ESOL strategies or in the students' native language. The approved instructional models in Florida include: Sheltered English, Sheltered Core/Basic Subject Areas, Mainstream/Inclusion – English, Mainstream/Inclusion – Core/Basic Subject Areas, One-way Developmental Bilingual Education, and Dual Language (Two-way Developmental Bilingual Education. ESOL instruction is to be provided by qualified personnel and is funded under Florida Education Finance Program under a weighted cost factor.

Florida Education Finance Program
State vs. Local Funding

	State %	Local %
2007-08	53.21%	46.79%
2006-07	54.18%	45.82%
2005-06	56.68%	43.32%
2004-05	58.55%	41.45%
2003-04	58.75%	41.25%
2002-03	59.10%	40.90%

Source of Funds for School Districts – The following paragraphs provide background information regarding financial support for Grade K-12 education in Florida. School districts in 2005-06 received 40.71 percent of their financial support from state sources, 49.31 percent from local sources (including the Required Local Effort portion of the FEFP), and 9.98 percent from federal sources.

State Support. Funds for state support to school districts are provided primarily by legislative appropriations. The major portion of state support is distributed under the provisions of the FEFP. State funds appropriated to finance the 2007-08 FEFP total $9,851,444,784. An appropriation of $9,713,096,636 from the state's General Revenue Fund accounts for 98.60 percent of this sum. The remainder of the FEFP appropriation consists of an appropriation of $138,348,148 from the Principal State School Trust Fund.[62] Although taxes from a number of sources are deposited in the General Revenue Fund, the predominant tax source is the sales tax.

The Legislature established the Education Enhancement Trust Fund, which includes the net proceeds of the Florida Lottery and the tax proceeds on slot machines in Broward County. The Education Enhancement Trust Fund is used to finance other appropriations for school district operations: District Discretionary Lottery Funds/School Recognition Program, $263,449,842; and Class Size Reduction, $156,850,158.[63] Lottery proceeds were also used to fund the $166,892,742 appropriation that provides the cash and debt service requirements for the Classrooms First and 1997 School Capital Outlay Bond

[62] Specific Appropriations 86 through 91, 2007 General Appropriations Act (Chapter 2007-72, Laws of Florida).
[63] Specific Appropriations 7 and 8, 2007 General Appropriations Act (Chapter 2007-72, Laws of Florida).

Programs and $125,310,506 for debt service for the Class Size Reduction Lottery Capital Outlay Program.[64]

In addition, funds are appropriated to meet other needs by means of categorical programs. In 2007-08 major programs and allocations include Instructional Materials, Student Transportation, Florida Teachers Lead Program, and Class Size Reduction. Other minor state funding sources include receipts from mobile home licenses and state forest funds.

Local Support. Local revenue for school support is derived almost entirely from property taxes levied by Florida's 67 counties, each of which constitutes a school district.

Each school board participating in the state allocation of funds for the current operation of schools must levy the millage set for its required local effort from property taxes. The Legislature set the amount of $7,909,357,201 as adjusted required local effort for 2007-08. Each district's share of the state total required local effort is determined by a statutory procedure that is initiated by certification of the property tax valuations of each district by the Department of Revenue. This certification occurs no later than two working days prior to July 19. No later than July 19, the Commissioner of Education certifies each district's required local effort millage rate. These rates are primarily determined by dividing the dollar amount of required local effort by 95 percent of the aggregated taxable value for school purposes of all districts. Certifications vary due to the use of assessment ratios designed to equalize the effect on the FEFP of differing levels of property appraisal in the counties. Millage rates are also adjusted because required local effort may not exceed 90 percent of a district's total FEFP entitlement.

Based on the 2007 tax roll provided by the Department of Revenue, the Commissioner of Education certified the required millage of each district on July 16, 2007. Certifications for the 67 districts varied from 5.052 mills to 4.485 mills due to the use of assessment ratios. The state average was 4.843 mills. The 90 percent limitation reduced the required local effort of 11 districts. The districts and their adjusted millage rates were: Charlotte (3.611), Collier (2.786), Flagler (4.999), Franklin (1.437), Gulf (3.893), Indian River (4.657), Lee (4.361), Martin (4.009), Monroe (1.408), Sarasota (3.541), and Walton (1.696).

[64] Specific Appropriations 1 and 2, 2007 General Appropriations Act (Chapter 2007-72, Laws of Florida).

Florida Education Finance Program
Local Funding

	Required Local Effort (RLE) Millage	Change from Prior Year	% Change from Prior Year
2007-08	4.843	(0.167)	(3.33%)
2006-07	5.010	(0.229)	(4.37%)
2005-06	5.239	(0.233)	(4.26%)
2004-05	5.472	(0.207)	(3.65%)
2003-04	5.679	(0.129)	(2.22%)
2002-03	5.808	(0.008)	(0.13%)
2001-02	5.800	(0.140)	(2.36%)

School boards may set the following discretionary tax levies:

- Current operation – The Legislature set the maximum discretionary current operating millage for 2007-08 at 0.510 mills; however, districts may make an additional supplemental levy, not to exceed 0.25 mills, which will raise an amount not to exceed $100 per FTE student. (See page 14 for a description of the Discretionary Tax Equalization component of the FEFP formula.)

In addition to levies established by the school board, qualified electors may vote an additional millage levy for operations and capital outlay purposes for a period not to exceed two years. Tax levies for debt service are in addition to the levies for current operation, but are limited by State Board of Education Rule to six mills and 20 years' duration except with specific State Board approval. Qualified electors may vote to retire a local bond issue by a millage levy. State Board of Education Rules prohibit school districts from issuing school bonds in excess of ten percent of the nonexempt assessed valuation of the district without specific State Board approval (Sections 1010.40 - 1010.46, 1011.73, and 1011.74, F.S.; and Rule 6A-1.037, FAC).

The 2001 Legislature provided authority for an additional levy, not to exceed four years, for operational purposes to be authorized by the electorate through a local referendum or in conjunction with a general election. This voted levy and the levies established by the school board must not exceed ten mills in total. This levy is distinguished from the constitutional authority for voted millage noted in the previous paragraph because it is for operations only, may be approved for up to four years instead of two years, and is included in the ten-mill limit established by the state constitution.

Budgeted revenues from local taxes are determined by applying millage levies to 95 percent of the taxable value of property. School board adoption of millage levies is

governed by the advertising and public meeting requirements of Chapter 200, F.S. (Determination of Millage).

Developmental research schools (lab schools) at state universities are classified for funding as special school districts, as is the Florida Virtual School. Because these special districts have no taxing authority, the state provides the same dollar amount per student as is generated for district students by the tax base of the district where the school is located. Local required effort is not deducted from the FEFP calculation, nor is the amount that would have been raised by the discretionary levy of 0.510 mills. For 2007-08, the contribution for discretionary millage is $4,083,827.

K-12 Public Schools
Local Funding

	2007-08 Millage	2007-08 Revenue
Required Local Effort	4.843	$7,909.6 Million
Discretionary Local Tax	0.51	$884.2 Million
Equalized Discretionary Local Tax	0.25	$256.6 Million
School Capital Outlay Tax	2.000	$3,253.2 Million

Federal Support. The State Board of Education may approve plans for cooperating with the federal government in carrying out any phase of the education program and must provide for the proper administration of funds apportioned to the state from federal appropriations.

The Commissioner of Education is responsible for recommending ways of cooperating with the federal government on any phase of the education program in which cooperation is desirable. The Commissioner recommends policies for administering funds appropriated from federal sources to the state for any educational purpose and provides for the execution of plans and policies.

School districts receive funds from the federal government directly and through the state as an administering agency. School districts may receive federal funds from various agencies such as the Department of Labor, Veterans Administration, Department of Interior, Department of Education, Department of Defense, and Department of Agriculture.

Comparative State Rankings. The latest national rankings regarding financial statistics reported by the National Center for Education Statistics (NCES) is from 2004-05. It reflects that Florida ranks 36th in total revenue per pupil when compared with other states. Florida reports revenue of $8,775 per pupil while the national average is $10,159. NCES also provides a ranking of 40th in current expenditures per pupil based on Florida's reported $7,207. This compares to the national average of $8,701.[65]

CAPITAL OUTLAY FUNDING

The provision of capital outlay funds to the districts is authorized in two sections of the Constitution of the State of Florida. Article XII, Section 9(d), of the State Constitution, guarantees a stated amount for each district annually from proceeds of licensing motor vehicles. Article XII, Section 9(a)(2), of the State Constitution, provides that school districts may share in the proceeds from gross receipts taxes as provided by legislative allocation. Gross Receipts Taxes are source of funding for the Public Education Capital Outlay Trust Fund (PECO). The following tables provide historical PECO appropriations as well as the projections for this fund source to 2012-13.

Prior 5-Year Appropriations from Public Education Capital Outlay (PECO)
(in millions)

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
Appropriations	$742.6	$761.9	$844.4	$1,853.8	$1,799.3

FY06-07 includes $445,302,010 for Class Size Reduction Projects.

5-Year Outlook Public Education Capital Outlay (PECO)
(in millions)

11/15/2007 Estimating Conference

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY12-13
Appropriations					
Bonded Projects	$993.5	$268.9	$393.8	$551.0	$435.2
Cash (Non-Bonded) Projects	$403.5	$238.8	$224.9	$225.2	$221.7
Total	**$1,397.0**	**$507.7**	**$618.7**	**$776.2**	**$656.9**

FY08-09 through FY12-13 amounts are based on revised interest rates requested by the conferees. Updated revenue estimates provided to DOE on 11/20/07.

[65] U.S. Census Bureau, 2004-05 Annual Survey of Local Government Finances, Table 11.

Funds collected by the Florida Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering, have been made available to each county commission in equal amounts. Many county commissions have shared this revenue with school districts directly or according to legislative acts of local application. These amounts are distributed by the state directly to the school districts. Pari-Mutuel moneys are generally dedicated to payment of debt service on revenue bonds issued for facilities construction.

The Legislature established the Education Enhancement Trust Fund, which includes the net proceeds of the Florida Lottery and the tax proceeds on slot machines in Broward County. Lottery proceeds were used to fund the $166,892,742 appropriation that provides the cash and debt service requirements for the Classrooms First and 1997 School Capital Outlay Bond Programs and $125,310,506 for debt service for the Class Size Reduction Lottery Capital Outlay Program.

Discretionary tax levies that may be established by school boards include: Capital outlay and maintenance – School boards may levy up to 2.0 mills as prescribed in Section 1011.71(2), F.S. This section authorizes expenditures of the funds raised by the two-mill capital outlay levy for the fiscal year 2007-08 to be used for the following:

- The educational plant – Costs of construction, renovation, remodeling, maintenance, and repair of the educational plant.
- Expenditures that are directly related to the delivery of student instruction – Purchase, lease, or lease-purchase of equipment, educational plants, and construction materials directly related to the delivery of student instruction.
- Conversion of space – Rental or lease of existing buildings, or space within existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities.
- A new school's library media center collection – Opening day collection for the library media center of a new school.
- School buses – Purchase, lease-purchase, or lease of school buses or the payment to a private entity to offset the cost of school buses pursuant to Section 1011.71(2)(i), F.S.
- Servicing of payments related to certificates of participation – Servicing of payments related to certificates of participation issued for any purpose under authority of prior enactments of this law. Costs associated with the lease-purchase of equipment, educational plants, and school buses may include the issuance of certificates of participation on or after July 1, 2000, and the servicing of payments related to such certificates.

Violation of these expenditure provisions will result in an equal reduction of FEFP funds in the year following an audit citation.

A district may share a portion of these funds with charter schools for expenditures identified in Section 1013.62(2), F.S.

School boards are authorized under Section 212.055(6), F.S., to levy a sales surtax of up to 0.5 percent for capital outlay purposes if approval is obtained by referendum. This surtax may take effect on the first day of any month, but may not take effect until at least 60 days after the date of approval by the electors. The resolution providing for imposition of the surtax shall set forth a plan for use of the proceeds for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses that have a useful life expectancy of five or more years. The plan shall address any land acquisition, land improvement, design, and related engineering costs. Additionally, the plan shall include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district.

Surtax revenues may be used for the purpose of servicing bond indebtedness to finance authorized projects and any interest that accrues thereto may be held in trust to finance such projects. Neither the proceeds of the surtax nor any interest accrued thereto shall be used for operational expenses.

Any school district imposing the surtax must implement a freeze on noncapital local school property taxes at the millage rate imposed in the year prior to the implementation of the surtax, for a period of at least three years from the date of imposition of the surtax. This provision does not apply to existing debt service or required state taxes. The Department of Revenue distributes the surtax revenue to the school board imposing the tax.

PROPERTY TAX REFORM

Committee Substitute for Senate Joint Resolution 2-D enacted in 2007 Special Legislative Session D gives voters the opportunity to amend the Florida Constitution to provide property tax exemptions and assessment limitations for homestead and non-homestead property. For homestead property the amendment provides an additional $25,000 homestead exemption and allows portability of the Save Our Homes assessment differential. For non-homestead property the amendment provides a $25,000 exemption for tangible personal property and creates a 10 percent limit on annual assessment increases.

- The amendment provides an additional $25,000 homestead exemption for the assessed value of homestead property above $50,000, effective January 1, 2008. This exemption does not apply to school taxes.
- With portability, homestead property owners are allowed to transfer their Save Our Homes benefit (up to $500,000) to a new homestead within two years of giving up their previous homestead. If the just value of the new homestead is more than the previous home's just value, the entire differential up to $500,000 can be transferred; if the new homestead has a lower just value, the amount of the accumulated benefit that may be transferred is proportional to the value of the new homestead, and is capped at $500,000. (For those who gave up their homestead in 2007 before the amendment was passed, the

differential may be transferred if they apply for a new homestead January 1, 2008 or January 1, 2009.) This provision applies to all taxes.

- A $25,000 exemption is provided for each tangible personal property return. This provision applies to all taxes and is effective January 1, 2008.
- Non-homestead property will have a 10 percent assessment cap (similar to the Save Our Homes limitation) but the cap will apply only to non-school levies. The 10 percent cap will sunset after 10 years, unless re-approved by the voters. Most residential property will be reassessed at just value when it is sold; commercial property and residential properties with 10 or more units will be reassessed after a significant improvement or sale. The legislature may provide that commercial and large residential property is not reassessed upon sale. This provision will not take effect until the 2009 tax roll. This provision does not apply to school taxes.

If approved by the electors, the double homestead exemption, portability and $25,000 exemption for tangible personal property take effect January 1, 2008. The assessment limitation for non-homestead property will apply to assessments beginning January 1, 2009.

Should the amendment pass, for 2008-09 the impact on school district local property tax revenue is estimated to be a loss of $204 million. The 5-year impact from 2008-09 to 2012-13 on school district local revenue is estimated to be $2,757 billion.

CLASS SIZE REDUCTION

In November 2002, Article IX, Section 1, Florida Constitution, was amended to read:

Section 1. Public Education. –

The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require. To assure that children attending public schools obtain a high quality education, the legislature shall make adequate provision to ensure that, by the beginning of the 2010 school year, there are a sufficient number of classrooms so that:

1. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for prekindergarten through grade 3 does not exceed 18 students;

2. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for grades 4 through 8 does not exceed 22 students; and

3. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for grades 9 through 12 does not exceed 25 students.

4. The class size requirements of this subsection do not apply to extracurricular classes. Payment of the costs associated with reducing class size to meet these requirements is the responsibility of the state and not of local school districts. Beginning with the 2003-2004 fiscal year, the legislature shall provide sufficient funds to reduce the average number of students in each classroom by at least two students per year until the maximum number of students per classroom does not exceed the requirements of this subsection.

Class Size Amendment – Figures. Due to the lack of available scientific data, the drafters of the Constitutional amendment on class size reviewed reports available at the time including: Keeping The Promise to Our Children: The Principles, Process, and Policies That Should Guide Florida In Implementing Amendment 9 by Florida's Coalition to Reduce Class Size & People For the American Way; and "The Crisis," an introduction to: An Urgent Crisis, An Effective, Affordable Remedy, September 2002, People For the American Way and the Coalition to Reduce Class Size. The drafters used these reports to approximate Florida's class size limits found in the Constitution of Florida.[66]

History. As indicated above, in November 2002, the voters amended the Florida Constitution to establish, by the beginning of the 2010-2011 school year, the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groups:

- 18 students in prekindergarten through grade 3.
- 22 students in grades 4 through 8
- 25 students in grades 9 through 12

Section 1003.03(2), Florida Statutes, Implements the Constitutional Amendment by establishing measures for compliance,

- Establishes a baseline based on data from the February 2003 student membership survey.
- Establishes a method of measuring compliance and schedule for implementation.
- Establishes requirements of those districts found to be non-compliant.

The implementation schedule created by s. 1003.03, F.S., requires:

- Compliance with class size reduction requirements to be measured at the district-level during the 2003-2004, 2004-2005, and 2005-2006 school years.
- Charter schools were not included in the district averages for these school years.

[66] TBRC staff telephone conversation with Mark Herron, Counsel for Coalition to ReduceClassSize on November 28, 2007.

- Beginning with the 2006–2007 school year, progress toward class-size reduction will be measured at the school-level for traditional public schools and charter schools.
- To be in compliance, the school-level average of a school must meet the class size caps by grade groups – that is, 18 students in grades K-3; 22 students in grades 4-8; and 25 students in grades 9-12.
- A school that does not meet the Constitutional caps may be in compliance if it has a two-student reduction from the previous year.

The 2005 Legislature amended the class size requirements to authorize and encourage districts to use the following measures to comply with the class size reduction requirements:

- Encourage qualified students to take dual enrollment courses.
- Encourage students to take courses from the Florida Virtual School.
- Repeal district school board policies that require students to have more than 24 credits to graduate from high school.
- Adopt policies to allow students to graduate from high school as soon as they pass the grade 10 FCAT and complete the courses required for high school graduation.
- Use methods to maximize use of instructional staff, such as changing required teaching loads and scheduling of planning periods, deploying district employees that have professional certification to the classroom, using adjunct educators, or any other method not prohibited by law.
- Use innovative methods to reduce the cost of school construction by using prototype school designs, using SMART Schools designs, participating in the School Infrastructure Thrift Program, or any other method not prohibited by law. Use joint-use facilities through partnerships with community colleges, state universities, and private colleges and universities.
- Adopt alternative methods of class scheduling, such as block scheduling.
- Redraw school attendance zones to maximize use of facilities while minimizing the additional use of transportation.
- Operate schools beyond the normal operating hours to provide classes in the evening or operate more than one session of school during the day.
- Use year-round schools and other nontraditional calendars that do not adversely impact annual assessment of student achievement.
- Review and consider amending any collective bargaining contracts that hinder the implementation of class size reduction.
- Use any other approach not prohibited by law.

During both the 2005 and 2006 legislative sessions, joint resolutions were introduced which would have placed the constitutional amendment back on the ballot for voter consideration of changes to measure compliance at the school district class size average. Both Legislatures failed to pass a joint resolution.

Accountability. Accountability is a significant part of the class size reduction requirements:

Beginning in the 2005-2006 school year, the Department of Education must determine and report to the Legislature by January 1 of each year which districts have not met the two-student-per-year reduction by comparing the October survey for the current school year and the February 2003 baseline.

Districts that have not met the two-student-per-year reduction will be required to implement one of the following policies in the subsequent school year unless the department finds that the district comes into compliance based upon the February student membership survey:

1. Year-round schools;
2. Double sessions;
3. Rezoning; or
4. Maximizing use of instructional staff by:
    - changing required teacher loads and scheduling of planning periods;
    - deploying school district employees who have professional certification to the classroom,
    - using adjunct educators,
    - operating schools beyond the normal operating hours to provide classes in the evening, or operating more than one session during the day.

A school district that is required to implement one of the policies outlined previously must correct in the year of implementation any past deficiencies and bring the district into compliance with the two-student-per-year reduction.

Beginning in the 2006-2007 school year, the department annually must determine which districts do not meet the requirements. The statute authorizes the department to reevaluate these findings based upon the February student membership survey and the other accountability policies listed. The department then has enforcement authority, including a funds transfer and a required compliance plan.

For districts that are not in compliance after reevaluation, the Department of Education is to develop a constitutional compliance plan for each district that is not in compliance. This plan includes redrawing school attendance zones to maximize use of facilities while minimizing the additional use of transportation. Each district school board shall implement the constitutional compliance plan developed by the state board until the district complies with the constitutional class size maximums.

Appeals, compliance plans, and transfer calculations. After the Department of Education determines which districts do not meet the class size reduction requirements, the districts may appeal those findings. The appeals may be based on three factors:

- Unexpected student growth

- Teachers hired after October 2006 student membership survey
- District reporting errors

Only after the appeal process is complete does the department implement the fiscal transfer of funds from the district operating category to fixed capital outlay. The appeals process begins after the final class size averages are calculated in late November. Following is the schedule for the 2006-2007 school year.

- ***November 29*** **–** Districts and Charter Schools received October 2006 school-level class size averages and appeals process begins.
- ***December 26*** **-** Districts and charter schools notified of the proposed transfer calculation.
- ***January 2*** **-** Deadline for submission of appeal and supporting documentation.
- ***January 3 - February 10*** **-** Review of appeals.
- ***February 20*** **-** State Board of Education meeting for final determination of transfer calculation.
- ***February 22*** **-** Legislative Budget Commission meeting for final approval of transfer calculation.

The chart below shows the history of the appeals process. The significant difference noted in 2006-2007 is because, in that year, class size is calculated at the school level, not the district level. Only 24 districts had any of their traditional public schools or charter schools out of compliance after appeals.

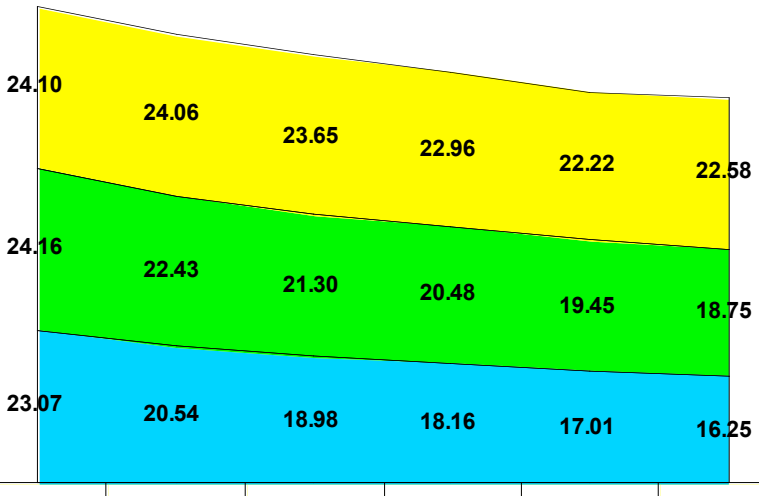
	Number of Districts Not in Compliance – Pre-Appeals	**Number of Districts Not in Compliance – Post-Appeals**
2003-04	17	8
2004-05	18	9
2005-06	3	1
2006-07	42 Districts – 177 Traditional Public Schools 88 Charter Schools	24 Districts – 86 Traditional Public Schools 49 Charter Schools

The chart below shows the results of the first round of appeals in 2006-2007. After appeals, the transfer calculation was less than 37 percent of the calculation prior to appeals:

	Transfer Calculation Prior to Appeals	Transfer Calculation Following Appeals
PK-Grade 3	$6,649,287	$3,191,991
Grades 4-8	$5,162,829	$1,870,210
Grades 9-12	$2,856,222	$328,720
Total	$14,668,338	$5,318,921

Progress. School districts are making progress toward meeting the class size reduction requirements. The state-wide district averages in 2007-08 are preliminary, but they demonstrate significant progress since 2002-2003. As the graph below shows, the average class size in 2007-2008 is 16.25 in grades pre-Kindergarten through grade-3, 18.75 in grades 4-8, and 22.58 in grades 9-12.

Trends In Class Size Reduction – Updated with Preliminary 2007-2008 Averages

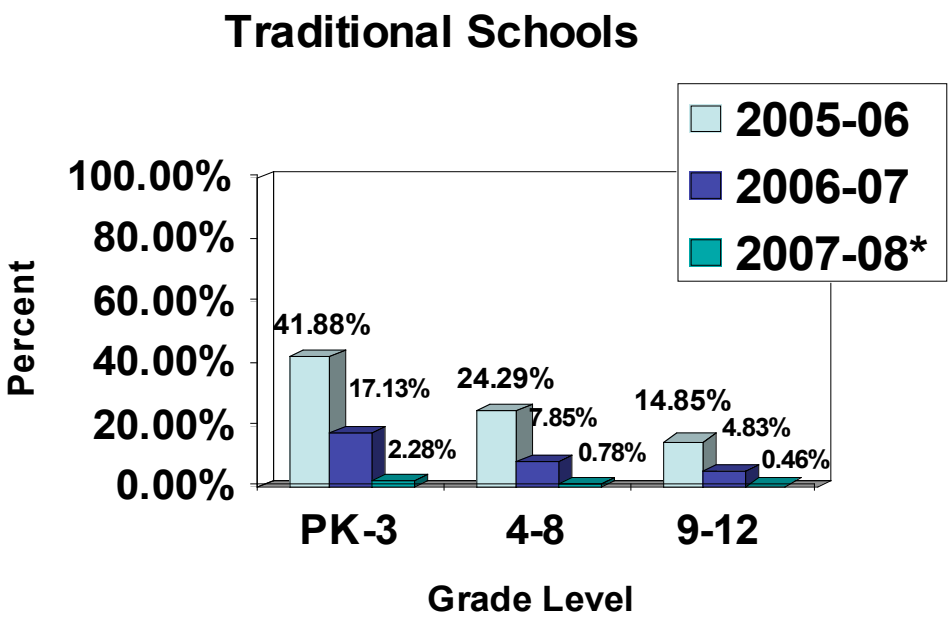


	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-08*
Grades 9-12	24.10	24.06	23.65	22.96	22.22	22.58
Grades 4-8	24.16	22.43	21.30	20.48	19.45	18.75
Grades PK-3	23.07	20.54	18.98	18.16	17.01	16.25

Traditional Public Schools Progress. The graph below demonstrates the progress made by traditional public schools since 2005-2006. The percentage of schools over the class size cap has decreased in every year (note that the data for 2007-2008 are preliminary):

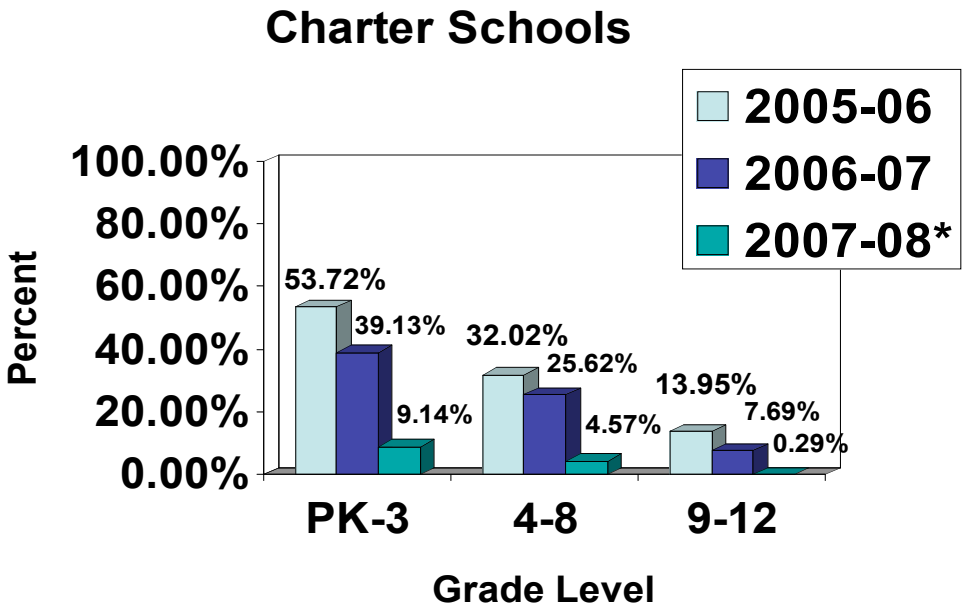
- For pre-kindergarten – grade 3, the percentage has fallen from 41.88 percent in 2005-06 to 2.28 percent in 2007-08.
- For Grades 4-8, the percentage has fallen from 24.29 percent in 2005-06 to 0.78 percent in 2007-08.
- For Grade 9-12, the percentage has fallen from 14.85 percent in 2005-06 to 0.46 percent to 2007-08.

Number of Schools Over Class Size Cap



Charter Schools Progress. The graph below shows that charter schools are making similar progress, although not as many charter schools are in compliance as are traditional public schools. The 2007-2008 data are preliminary, as of November 2, 2007.

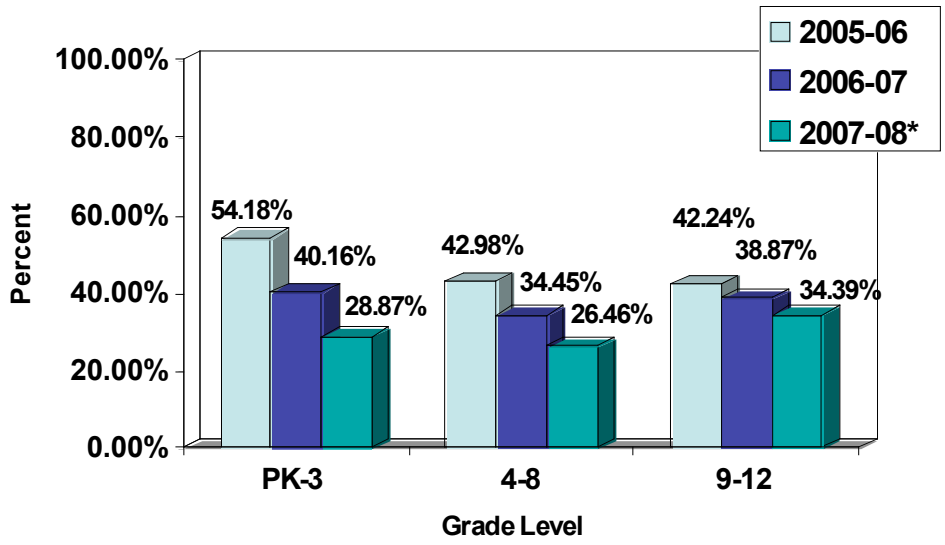
Number of Schools Over Class Size Cap



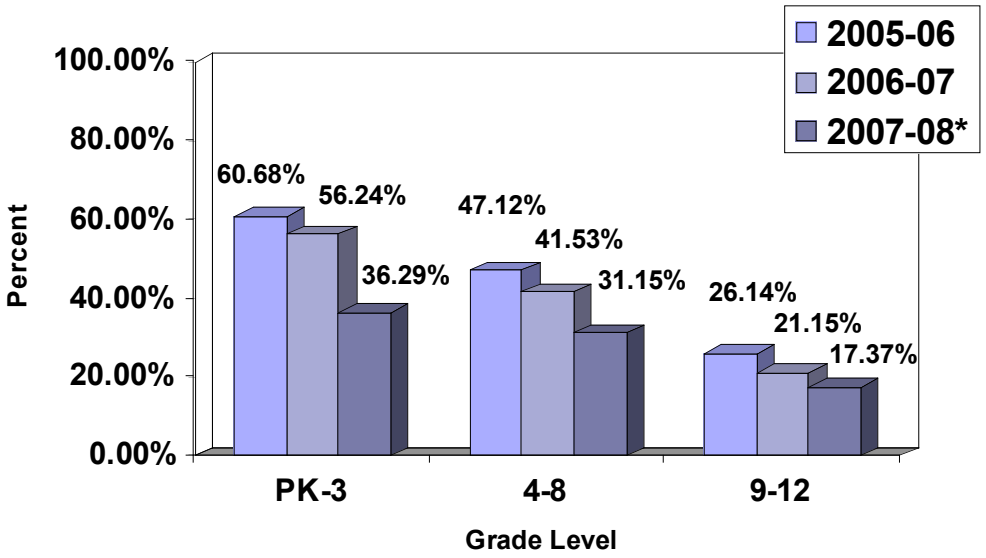
- For PK-3, the percentage over the cap has fallen from 53.72 percent in 2005-06 to 9.14 percent in 2007-08.
- For Grades 4-8, the percentage has fallen from 32.02 percent in 2005-06 to 4.57 percent in 2007-08.
- For Grade 9-12, the percentage has fallen from 13.95 percent in 2005-06 to 0.29 percent to 2007-08.

The graph below shows the number of classrooms by grade groupings that exceeded the class size cap. The 2007-2008 data are preliminary, as of November 2, 2007.

Number of Classrooms Over Class Size Cap



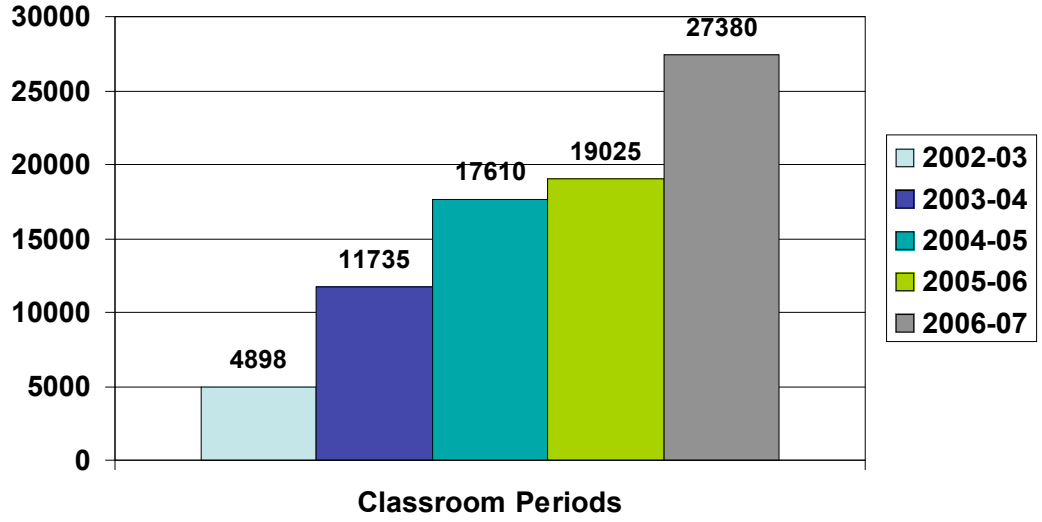
Number of Classrooms Over Class Size Cap



*Preliminary counts based on class size processing as of 11/02/07

The school districts have initiated a number of strategies recommended by the Legislature to comply with the class size reduction requirements. The graph below shows that the number of classrooms reported as having more than one teacher assigned to the students in that classroom has increased, but the number is still only a fraction of the total number of classrooms in Florida's public schools.

Implementation Strategies – Team Teaching



Cost of Implementing the Class Size Reduction Requirements. In the chart below, the amounts reflected for 2003-04 through 2007-08 are actual operating and fixed capital outlay costs for class size reduction. The 2008-09 amounts represent the funding requested in the Department of Education's 2008-09 Legislative Budget Request.

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	8 Yr Total
2003/04	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	468,198,634	3,745,589,072
2004/05		503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	503,992,582	3,527,948,074
2005/06			535,008,480	535,008,480	535,008,480	535,008,480	535,008,480	535,008,480	3,210,050,880
2006/07				601,329,648	601,329,648	601,329,648	601,329,648	601,329,648	3,006,648,240
2007/08					599,882,664	599,882,664	599,882,664	599,882,664	2,399,530,656
2008/09						614,739,485	614,739,485	614,739,485	1,844,218,445
2009/10							645,261,868	645,261,868	1,290,523,736
2010/11								704,640,635	704,640,635
Operating Costs	468,198,634	972,191,216	1,507,199,696	2,108,529,344	2,708,412,008	3,323,151,493	3,968,413,361	4,673,053,996	**19,729,149,748**
FCO Costs	600,000,000	100,000,000	83,400,000	1,100,000,000	650,000,000	514,559,727	0	0	**3,047,959,727**
TOTAL to Implement	1,068,198,634	1,072,191,216	1,590,599,696	3,208,529,344	3,358,412,008	3,837,711,220	3,968,413,361	4,673,053,996	**22,777,109,475**

Class Size Research. The issue of smaller class sizes is seen by many as an "elixir" that will, by itself, increase student achievement.[67] Unfortunately, this is not the case. The

[67] Finn and Petrilli (1998). "The Elixir of Class Size."

issue has been studied extensively, and the majority of studies conclude that there is little to no benefit in reducing class size, except at the earliest elementary grades.

In a meta-analysis of 277 studies that examined class size and student outcomes, 72 percent found no relationship between class size and achievement. However, while 15 percent indicated that class size produced higher achievement, a nearly equal amount, 13 percent, showed that achievement actually *decreased* when class sizes were made smaller.[68] The reason for this is clear: Requiring more teachers means that schools must be less selective with the teachers they hire, so as more teachers are needed, the overall quality of instruction goes down.

This can be seen in international comparisons. Singapore and South Korea, countries whose students regularly outperform those in the United States in math and science, have average class sizes of 35 and 53, respectively,[69] compared to a U.S. average of 21.1 at the elementary level and 23.6 at the secondary level.[70] In a study of international class sizes at the secondary level and academic achievement, researchers from Harvard and Munich found that "in general, the countries with the smallest classes tended to be the worst performers….In 11 of the 18 nations [studied]…students in larger classes perform significantly better than students in smaller classes."[71] Some countries place a higher value on the quality of teachers as opposed to having smaller class sizes, and these countries also tend to group students by ability, thus narrowing the range of abilities that the teacher has to teach.[72]

Referring to South Korea and Singapore, the authors concluded: "Both counties recognize that while class size has relatively little impact on the quality of student outcomes, teacher quality does."[73] As a result, teacher salaries and teacher status are higher in those countries. For example, South Korea has doubled teacher salaries over time, while maintaining the same overall funding.[74] "While differences in cultures may play a role, authors of the report did not address this issue specifically. However, authors of the McKinsey report believe that "applying these best practices universally could have enormous imp [act in improving failing school systems, wherever they might be located." [75]

The study most frequently cited as the reason for decreasing class sizes at the early elementary grades is Project STAR (Student/Teacher Achievement Ratio), which was conducted in Tennessee. Students were randomly assigned to smaller classes (13-17 students), regular classes (22-26 students) or regular classes with an aide. Students from

[68] Hanushek (2003). "The Evidence on Class Size."
[69] West and Woessmann (Summer 2003). "Crowd Control: Does reducing Class Size Work?" *Education Next,* vol. 3, no. 3.
[70] National Center for Education Statistics (July 2007).
[71] West and Woessmann (Summer 2003).
[72] Yecke (2003). *The War Against Excellence*.
[73] McKinsey (September 2007). "How the World's Best-Performing School Systems Come Out on Top," p. 21.
[74] *Ibid.*
[75] *Ibid.*

the smaller classes outperformed the others, and their higher achievement was statistically significant. Another key finding was that the achievement of minority students increased at a higher rate than other students, resulting in a narrowing of the achievement gap. Furthermore, the higher performance achieved by students in the smaller classes was sustained over time, and was still discernable when the students were in the middle school grades.[76]

The Education Commission of the States estimates that, nationwide, $2.3 billion was spent on reducing class size during the 1999–00 school year alone.[77] As indicated above, Florida's constitutional amendment has resulted in state spending of more than $10 billion over during the past 5 years to reduce class size.

AFFECT OF THE IMPLEMENTATION OF CLASS SIZE REDUCTION ON THE QUALITY OF FLORIDA'S TEACHING WORKFORCE

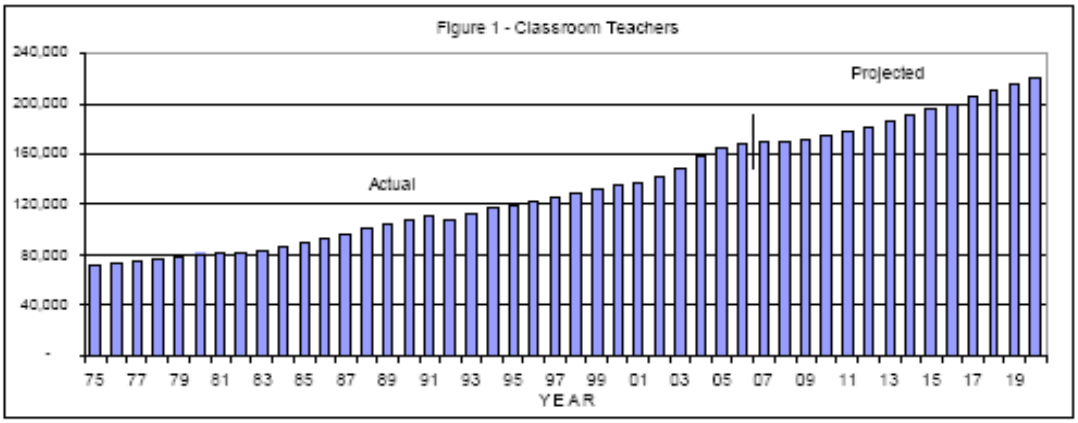
Florida's need for teachers is expressed in both quantity and quality. To help address quantity, the Office of Evaluation and Reporting annually issues a *Teacher Projections* report[78], which provides the best estimates of the quantity of classroom teachers, including both the number of instructional staff the state is expected to need overall and the number needed to fill positions that will be vacant in the coming school year and several years out. These projections are used as the foundation for other reports and calculations, such as the determination of the statewide critical teacher shortage areas, and for use in assisting the Department in planning for the types of recruitment, development, and retention activities to undertake. Key factors that affect the calculation of projected vacancies include production of teachers by Florida colleges of education, rates of termination of existing teachers (including terminations for voluntary reasons such as retirement and involuntary reasons such as dismissal), growth in student population, and affects of the implementation of the class size amendment.

The chart below excerpted from the February 2007 report shows the actual number of classroom teachers in the state of Florida through the 2006-07 school year (168,181) and the projected numbers of teachers the state will need beginning with the 2007-08 school year.[79]

[76] Word, Johnston, Fulton, Zaharias, Achilles Lintz, Folger and Breda (1990). *The State of Tennessee's Student/Teacher Achievement Ratio (STAR) Project: Final Summary Report 1985-1990*.
[77] West and Woessmann (Summer 2003.
[78] Data Source: Office of Evaluation and Reporting, *Projected Number of Teachers Needed, Florida Public Schools*, February 2007.
[79] *Ibid,* page 4.

Table 1
Trends in the Number of Classroom Teachers - Florida Public Schools

Actual				Actual				Projected			
Fall	Number	Diff	% Diff	Fall	Number	Diff	% Diff	Fall	Number	Diff	% Diff
75	72,736			91	109,939	5,812	5.6	07	169,012	831	0.5
76	73,509	773	1.1	92	107,590	(2,349)	-2.1	08	169,997	985	0.6
77	74,908	1,399	1.9	93	112,130	4,540	4.2	09	171,860	1,863	1.1
78	76,277	1,369	1.8	94	116,785	4,655	4.2	10	174,555	2,695	1.6
79	77,321	1,044	1.4	95	119,388	2,603	2.2	11	177,342	2,787	1.6
80	80,285	2,964	3.8	96	122,392	3,004	2.5	12	181,636	4,294	2.4
81	81,291	1,006	1.3	97	126,397	4,005	3.3	13	185,922	4,286	2.4
82	82,008	717	0.9	98	129,731	3,334	2.6	14	190,560	4,638	2.5
83	82,928	920	1.1	99	132,521	2,790	2.2	15	195,274	4,714	2.5
84	86,264	3,336	4.0	00	134,508	1,987	1.5	16	200,176	4,902	2.5
85	88,973	2,709	3.1	01	136,886	2,378	1.8	17	205,209	5,033	2.5
86	91,969	2,996	3.4	02	141,003	4,117	3.0	18	210,281	5,072	2.5
87	95,857	3,888	4.2	03	147,955	6,952	4.9	19	215,418	5,137	2.4
88	100,370	4,513	4.7	04	158,624	10,669	7.2	20	220,478	5,060	2.3
89	104,127	3,757	3.7	05	164,665	6,041	3.8				
90	108,088	3,961	3.8	06	168,181	3,516	2.1				



This figure includes 70,923 elementary teachers (defined in the report as teachers in Prekindergarten, K-5 or 6) and 63,641 secondary teachers (defined as teachers in grades 6-12) and 25,888 exceptional student education teachers.[80]

In the *February 2007 Projections* report, it is anticipated that, for 2007-08, school districts in the state would need to fill about 16,878 positions with new classroom teachers. Within this overall number, the following certification areas drew the highest figures:

Elementary Education	5,794	*Science	1,014
*Exceptional Student Ed.	2,301	Social Studies	910
*Math	1,193	*Reading	903
English/Language Arts	1,081	*ESOL	257

The certification areas marked with an asterisk (*) are included on the state critical shortage list, illustrating the complexity in defining "high need" subject areas. It should be noted that while elementary education represents the largest portion of graduates of initial teacher preparation programs, the number of elementary education teachers needed to fill vacancies has increased since the initiation of the class size amendment.

[80] Bureau of Education Information and Accountability Services, *Staff in Florida's Public Schools Fall 2006*, January 2007, page 4.

The projected need for 2007-08 was significantly lower than for 2006-07, the first year that the class size amendment was implemented at the school level. This drop in need (although 17,000 is still a large number of effective teachers to find) was due to a large and unforeseen drop in population increase and, in some part, due to districts doing a better job than even they anticipated in meeting class size reduction requirements. The Department instituted a number of significant recruitment efforts both in the state and around the nation, many of which were targeted at critical shortage areas, and all of which were based on input from school district recruiters. Many of these were continued leading up to 2007-08. Coupled with improved local efforts at recruiting qualified candidates, vacancy numbers have dropped from the first day of school each year in 2005-06 (2,101), 2006-07 (1,946), and 2007-08 (1,158).[81]

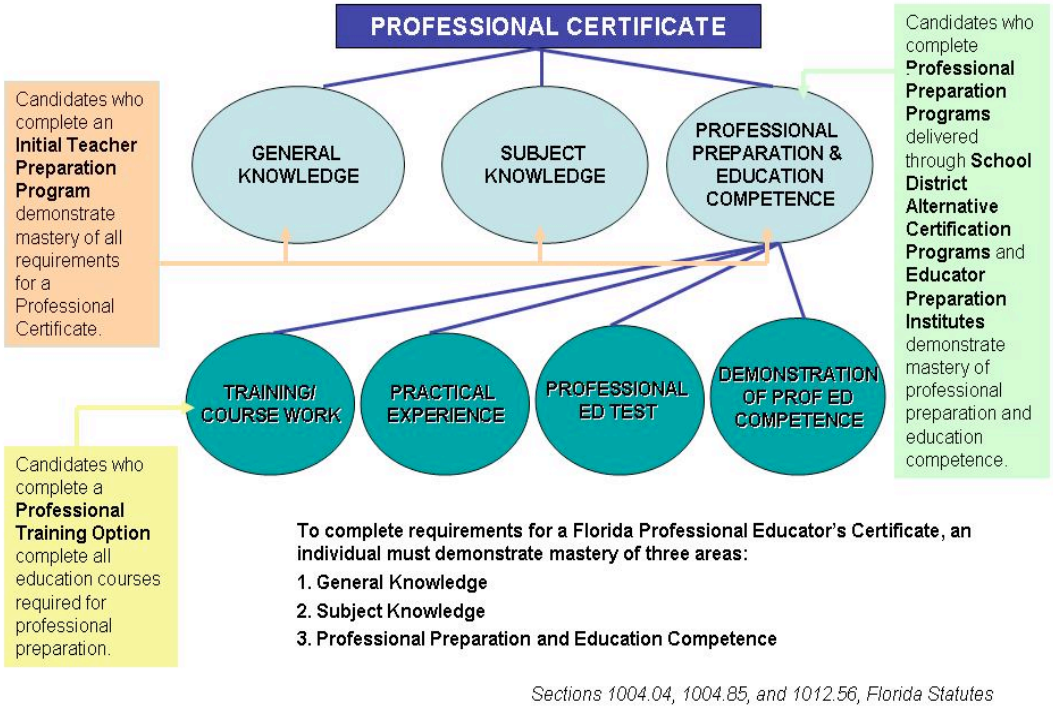
When looking at production of teachers in a state like Florida, where we have experienced a need for thousands of new teachers each year, it is important to understand that Florida's system is based on two key principles: maintaining high standards and recognizing options. Those principles drive both our certification structure (how individuals become certified) and our approval of teacher education programs (how individuals learn to teach). Florida has a two-tiered certification system, which provides for an individual to begin teaching under a non-renewable Temporary Certificate by demonstrating subject matter knowledge, during which time professional education and examinations are completed for the Professional Certificate. (Note: The Temporary Certificate fully meets NCLB requirements for state certification under the definition of highly qualified teacher.) For a brief description of all of Florida's pathways to certification, please see the attached document.

Again, under the same guiding principles, The Florida Legislature and State Board of Education have provided for multiple types of programs designed to prepare teachers for Florida classrooms. These include:

- Initial Teacher Preparation Programs (s. 1004.04, F.S.)
- Professional Preparation Programs offered through
  - Educator Preparation Institutes (s. 1004.85, F.S.)
  - District Alternative Certification Programs (s. 1012.56, F.S.)
- The Professional Training Option (Rule 6A-5.066, F.A.C.).

These programs are all approved by the Department of Education based on the regulations cited above and are designed to provide candidates from different backgrounds with routes through which they can meet the preparation requirements for issuance of a Florida Professional Educator's Certificate in the area they wish to teach. The diagram below illustrates the relationship between the types of approved teacher preparation programs and the certification process.

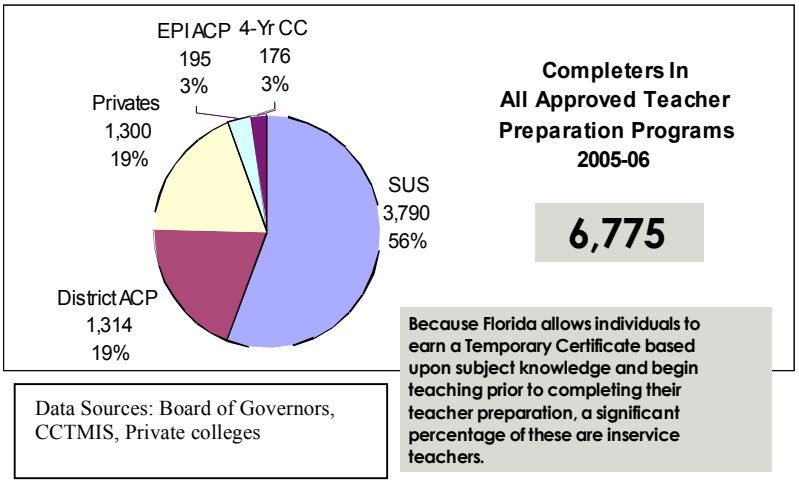
[81] Data Source: Bureau of Educator Recruitment, Development and Retention's annual district recruiter survey.



Initial Teacher Preparation Programs are those that typically terminate in a bachelor's or master's degree in education. However, what distinguishes these program completers is that they have completed a program that is fully approved by the state in their subject area(s) and will qualify for a Professional Certification upon program completion. There are over 400 Initial Teacher Preparation Programs offered by 38 Florida state universities, independent colleges, and community colleges (those authorized to offer bachelor's degrees). Institutions who offer an Initial Teacher Preparation Program are also authorized to offer the Professional Training option (many times offered as a minor in education) to degree seekers outside of the college of education or as a post-baccalaureate program of study.

To enroll in a Professional Preparation Program, an individual must already hold a bachelor's degree. These programs were conceived to help primarily with critical shortage areas in secondary education where a content major in the areas of arts and sciences could be paired with intense competency-based training to move teachers into the classroom more quickly with the tools they need to become effective. These programs are referred to as "alternative certification" programs and are provided through approved Educator Preparation Institutes at 26 community colleges and 4 state universities and delivered by all of Florida's school districts.

Only teachers employed by the school district and who hold a Temporary Certificate may enroll in the district's professional preparation programs. Over half of the participants in Educator Preparation Institutes are currently employed teachers and a large number of individuals enrolled in initial teacher preparation programs are not first year teachers at the time of completion. Therefore, Florida colleges of education and Educator Preparation Institutes not only contribute potential new teachers to fill vacancies in Florida, but they also respond to the needs of early career teachers by providing them the means to complete their teacher preparation and retain them in the classroom while they work toward earning a Florida Professional Certificate.



In each of the last four years for which data have been collected[82], nearly 30 percent of the 20,000+ first-time certificates issued to Florida teachers were to those who used a standard certificate or teacher preparation program from another state to meet certification requirements in Florida, and about 20 presented credentials from a Florida initial teacher preparation program. It is important to note that professional preparation programs offered by school districts were only authorized statewide in 2002 and the first Educator Preparation Institutes were approved in 2005. Each year, however, the number of program participants and completers of these new programs increases.[83] Time will determine whether more flexible regulations passed in 2006 for Initial Teacher Preparation Programs, the first of which were officially approved in Florida in the 1960s, will foster innovation and result in a positive trend line for completers of these programs.

Teacher retention is another key factor in responding to our need for teachers, and begins to point toward our need to have effective teachers. While there is growing evidence that the "qualifications" for becoming a teacher are not the best predictors for teacher effectiveness (effectiveness meaning the ability to improve achievement for all students), they are the gate keepers we have at the moment. Who we retain and how we develop teachers, once they are employed, is the next necessary step in effectively staffing our schools.

[82] Data Source: Bureau of Educator Certification Database, Florida Department of Education
[83] For a summary of statistics for each program type, see the PowerPoint presentation from the Florida State Board of Education's Workshop on Teacher Supply and Demand, October 17, 2006, online at http://www.fldoe.org/meetings/2006_10_17/TeacherStudy_Pres.pdf.

Florida has a nationally recognized system for Professional Development of teachers because of its focus on student needs and school improvement plans, and receives positive ratings from national associations for requiring an annual evaluation, the primary factor of which is the achievement of that teacher's students. We have also instituted a system for development of school leaders, a key factor in teacher retention in the William Cecil Golden Program that is being widely used around the state. Each of these accomplishments is significant, yet there is always more to do. Since the effectiveness of the teacher is the most important factor in student achievement, the study of teacher effectiveness is the most important work being done in education at the moment. We can learn more about the characteristics, the training, and the motivations of these teachers; because by unlocking this information meaningful educational decisions and public policy can be made in these areas that will drastically improve the learning of all of the students in our public schools.

Experts agree that a highly qualified teacher in every classroom is critical to providing our children with the best education possible. But in Florida, it's becoming increasingly difficult to recruit and retain quality teachers. Several studies on attracting and retaining high quality teachers have been conducted. The Brookings Institution's Hamilton Project Report is one of the most frequently referenced.

Over the last two decades, policymakers have fretted over the quality of elementary and secondary education in the United States. Worried that the public education system has become a constraint on future productivity growth and a root cause of income inequality, leaders have championed a succession of reforms—from test-based accountability to smaller class sizes. But, ultimately, the success of U.S. public education depends upon the skills of the 3.1 million teachers managing classrooms in elementary and secondary schools around the country.

Everything else—educational standards, testing, class size, greater accountability—is background, intended to support the crucial interactions between teachers and their students. Without the right people standing in front of the classroom, school reform is a futile exercise.

Traditionally, policymakers have attempted to raise the quality of the teaching force by raising the hurdles for those seeking to enter the profession. For instance, the federal No Child Left Behind Act requires all teachers of the core academic subjects to be "highly qualified"—with a minimum of a bachelor's degree, full state licensure and certification (generally requiring that teachers graduate from a teacher education program), and demonstrated subject-area competence (through completing academic coursework or passing a standardized test).

Once teachers are hired, however, school districts typically do very little additional screening. Tenure is awarded as a matter of course after two or three years of teaching. Very few teachers are involuntarily discharged from a school or school district. The very best teachers receive no financial incentives to go where they are needed most.

The current credential-centered regime is built upon two premises. The first premise is that the paper qualifications required for certification (passage of a standardized test and completion of a specified set of courses) are strongly related to a teacher's effectiveness. The second premise is that school districts learn nothing more about teachers' effectiveness after the initial hire.

A growing body of research, however, suggests that neither of these premises is valid. According to recent evidence, certification of teachers bears little relationship to teacher effectiveness (measured by impacts on student achievement). There are effective certified teachers and there are ineffective certified teachers; similarly, there are effective uncertified teachers and ineffective uncertified teachers. The differences between the stronger teachers and the weaker teachers only become clear once teachers have been in the classroom for a couple of years.

In response to this evidence, the Brooking Institute's proposal aims to improve average teacher effectiveness by increasing the inflow of new teachers and requiring minimum demonstrated competency on the job (rather than relying solely on screens at the point of hiring). It also aims to alter the *distribution* of high-performing teachers by encouraging more of the most effective teachers to work in high-poverty schools.

Moreover, by removing barriers to entering the teaching profession, the institute's proposal would enable many people interested in pursuing teaching as a second career (or as one of several careers) to become teachers. This is particularly important at a time when our nation faces a looming teacher shortage because a large number of our nation's teachers are nearing retirement.

These policies require consistent and reliable measurement of teacher performance. States and districts will need funding and technical support to build the requisite data infrastructure if these policies are to succeed. This infrastructure will not only make decisions about tenure and pay easier, but will also help identify which teachers need help, which teachers are succeeding and should serve as mentors to others, and which teaching approaches are proving most effective.

The Brookings Institution made the following five specific recommendations in their 2006 Hamilton Report:

> *Recommendation 1: Reduce the barriers to entry into teaching for those without traditional teacher certification.*
>
> *Recommendation 2: Make it harder to promote the least effective teachers to tenured positions.*
>
> *Recommendation 3: Provide bonuses to highly effective teachers willing to teach in schools with a high proportion of low-income students.*

Recommendation 4: Evaluate individual teachers using various measures of teacher performance on the job.

Recommendation 5: Provide federal grants to help states that link student performance with the effectiveness of individual teachers over time.

The Brookings Institution's Hamilton Report makes proposals for tenure and pay representing significant departures from traditional practices. The report recommends that the federal government should initially fund implementation of these more controversial measures in up to ten states. Those efforts should be carefully evaluated and adjusted based on their record. If the concepts prove sound, then with adjustments based on experience, these proposals should be implemented nationally. CEPRI report, *Impact of the Class Size Amendment on the Quality of Education in Florida*, November 2005. www.brookings.edu/views/papers/200604hamilton_1.pdf.

The Teaching Commission's Final Report, "Teaching at Risk: Progress and Potholes" discusses the teacher profession and makes recommendations for improvement. While the United States makes positive strides in education through the No Child Left Behind law; it is evident that its students still lag behind other nations.

In order to change this trend the Teaching Commission recommends the following: 1) transforming how teachers are paid; 2) revamping teacher education programs; 3) improving or overhauling licensing and certification requirements; and 4) giving school leaders more authority and holding them more responsible for the development of their staff.[84]

Transforming How Teachers Are Paid. Compensating teachers based years of experience does not attract and retain the best and brightest to the classroom. Therefore, the Teacher Commission recommends flexible, responsive systems that recognize and reward excellence through compensation. This should be accomplished through the following requirements:

- use both objective and subjective measures to evaluate performance;
- utilize valid and objective measures of student learning gains;
- contain an evaluation by supervisors and/or peers;
- include teachers in development of plan structure;
- have reliable funding sources; generate a system in which teachers can gain status and responsibility; and,
- incorporate differentiated pay, which includes rewards for teachers to serve in difficult to staff positions.

[84] *Teaching at Risk: Progress and Potholes*, The Teaching Commission, Spring, 2006. http://www.nctq.org/nctq/images/ttc_teachingatrisk.pdf

Reinventing Teacher Preparation. The Teaching Commission states that teachers are not prepared with enough knowledge and skills to teach students and help them reach the levels necessary. The Teaching Commission recommends that states track the effectives of the graduates of the preparation programs. In addition, it suggests that teacher preparation programs recruit outstanding arts and science students to enter the teaching profession.

Overhauling Licensing and Certification. The Teaching Commission believes that certification and licensing should be less cumbersome and confusing while allowing individuals to become licensed who are not qualified by demonstrating subject-area knowledge. The recommendation of the Commission is to relax the bureaucratic requirements while raising standards for teachers. The Commission commends Teach For America, The New Teacher Project, Troops to Teachers and Transition to Teaching programs for their efforts to bring experts into the teaching profession. Virginia and Florida are given kudos for their reduction in the number of needless requirements for those entering the profession.

Strengthening Leadership and Support. In order to have the highest quality teachers in the nation's classrooms the school principal must have the freedom to hire and fire as well as provide the much-needed mentoring support. The Commission suggests that the teachers' unions often weaken prudent personnel decisions and that often low-performing teachers are transferred from school to school instead of being terminated.

The Teaching Commission recommends that the federal government, states, local districts, universities, teachers, businesses, parents, and journalists join forces with reformers such as National Council on Teacher Quality, the Broad Foundation, the Joyce Foundation, the Education Trust, the New Teacher Project, the Consortium for Policy Research in Education, and the Business Roundtable in reforming the teaching force in order to continue improvements in the profession.

PERFORMANCE PAY IN FLORIDA

In 1998 the Florida legislature passed a statute requiring that districts base a portion of each teacher's salary on his/her performance appraisal, s.1012.22, F.S. Then in 2002 the legislature added the requirement that districts provide a 5% supplement to those individuals found to be outstanding based on their annual performance appraisal. This was to be part of the district's adopted salary schedule and there must be funds set aside for this purpose.

In a follow up study requested by the State Board of Education it was found that over time districts were providing fewer and fewer dollars as bonuses for outstanding performance.

2002-2003		2003-2004		2004-2004	
Instructional Personnel	**Administrators**	**Instructional Personnel**	**Administrators**	**Instructional Personnel**	**Administrators**
$13,117,611	$2,319,262	$10,975,491	$1,564,494	$2,966,180	$770,550

As a result of these findings the State Board of Education requested that the Department of Education develop a plan to ensure faithful implementation of statute. In reviewing other states' performance plan the Florida Department of Education began development of E-Comp (Effectiveness Compensation). The underlying principle of E-Comp was that performance pay is to teacher compensation as school accountability is to school recognition and ratings. It is necessary to move from an input-driven system which only considers years experience and training to an outcome driven system. This places the emphasis on what is valued – student learning. The implementation was intended to be incremental and would challenge the status quo. It was required that all districts would participate and the reward was to be based 50% on improved student learning and 50% on the individual's performance appraisal. The reward would be given to the top 10% of individuals in the school district and would include teachers of subjects assessed by the statewide assessment in the first year of implementation and all others included the following year.

In the 2006 legislative session, proviso language was included in the $147.5 appropriation for Special Teachers are Rewarded (STAR) as a method for districts to receiving funding to implement s.1012.22, F.S. Districts were required to have a performance pay plan and must comply with proviso in order to access the appropriation. The plan must reward the top 25% of instructional personnel based in part by the improved student achievement and in equal part by the individual's performance appraisal.

In the following legislative session STAR was repealed and Merit Award Program took its place. Performance pay is no longer a requirement for school districts but must be implemented in order to receive funding of performance pay. The appropriation stated the same as the previous year and is to be provided to top-performing instructional personnel and school-based administrators. The determination is based in part (at least 60%) on student learning (proficiency, gains in learning, or both) and in part (40%) on a professional practices component outlined in the statute. Only twenty-seven districts (40% of the districts) submitted performance pay plans by the October 1 deadline.

NEW YORK CITY'S SCHOOLWIDE PERFORMANCE BONUS PROGRAM

It is worth comparing the efforts at performance pay programs in Florida with some of the other attempts nationally in order to learn from their experiences and improve our efforts.

Recently, on October 17, 2007, New York City Mayor Michael Blomberg, Education Chancellor Joel Klein, and UFT President Randi Weingarten announced a schoolwide

bonus plan to reward teachers at schools that raise student achievement.[85] Approximately 15 percent, or roughly 200, of the highest-need schools in New York City will be eligible to participate in the program, expanding to at least 30 percent, or roughly 400 schools, next year contingent on funding availability. While the 200 schools that serve the highest-needs populations will be invited to participate in the program, 55 percent of the UFT-represented staff at a school and the principal must vote to accept the offer in order to qualify for bonuses.

The schools participating in the program will be eligible to receive bonuses based on DOE Progress Report measures of student performance and progress. The criteria for awarding funds to schools will be determined by the DOE in consultation with the UFT and announced to schools at the start of the program. Criteria will be aligned with the two key Progress Report factors, student performance and progress. Entire schools – not just individual classrooms – must excel to be eligible for bonuses.

Each participating school will have a four member "compensation committee," which will decide how to distribute the funds. Each school will receive enough money to give each full-time UFT educator $3,000. While compensation committees could distribute the funds evenly to all UFT members, they could also differentiate those bonuses based on individual contributions. The compensation committee at each school will include the principal, a designee of the principal, and two UFT members chosen by the UFT members of the school. The committees' work will reinforce the teamwork concept that is built into this program. Members of the committee must reach agreement on how to distribute the funds before any funds are sent to the school.

In its first year, participating educators will be eligible to receive about $20 million in bonuses. These dollars are being raised privately and, so far, commitments have been made by The Eli and Edythe Broad Foundation, the Robertson Foundation, and the Partnership for New York City. The total amount distributed will be contingent on schools' results. In future years, this program will be publicly funded.

Although the New York City program has limited utility as a comparable, as it is limited in its scope by the total number of schools covered, the amount and source of funding, and it has just been announced, the New York City program is worth following in that it has one attribute that appears to have been lacking in the Florida programs – potential for teaching profession buy-in. It will be interesting to observe the support from the teaching profession, particularly the teachers' union, as the New York City performance pay program seeks to progress and grow in the future.

TEACHER SALARIES

The average salary paid to a Florida public school teacher in the 2006-07 school year was $45,296. This represents an increase of $2,594 (6.07 percent) over the average salary of $42,702 for the 2005-06 school year. The figure below reflects the increases in average teacher salaries in Florida public schools over the past six years. There has been a gain of

[85] Mayor Blomberg Press Release (October 17, 2007) – www.nyc.gov.

$7,066 since 2000-01, which represents an 18.48 percent increase over the seven-year period.

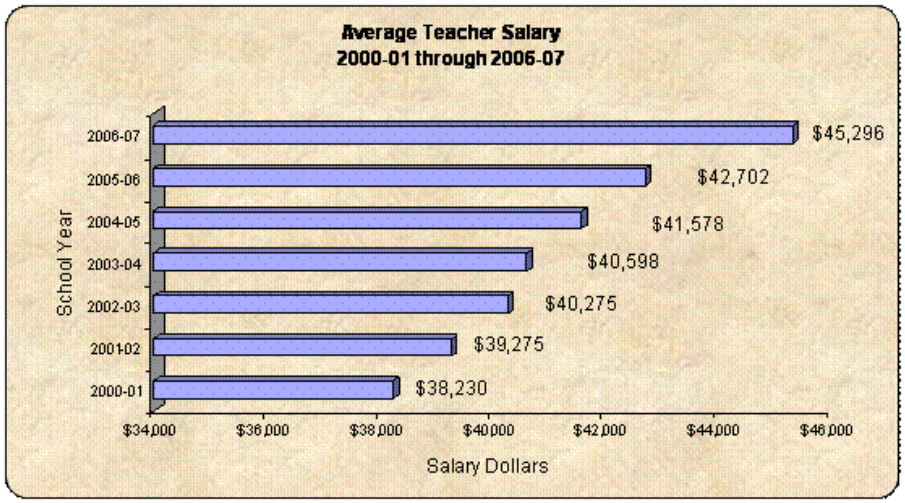


Table 1 shows the variation that exists in average teacher salaries for the 67 school districts. When considering all degrees, average salaries range from a low of $33,732 for bachelor's degrees in Union County to a high of $71,845 for specialist degrees in Sarasota County, a difference of $38,113.

Table 1
Lowest and Highest
District Average Teacher* Salary by Degree, 2006-07

Degree Level	Lowest		Highest		Difference	
	Salary	District	Salary	District	Dollars	Percent
Bachelor's	33,732	Union	47,687	Monroe	13,955	41.37
Master's	38,757	Gadsden	56,731	Sarasota	17,974	46.38
Specialist	35,904	Lafayette	71,845	Sarasota	35,941	100.10
Doctorate	33,732	Gadsden	65,845	Okaloosa	32,113	95.20
All Degrees	35,489	Union	52,348	Sarasota	16,859	47.50

Table 2 shows a summary of the average teacher salary by degree level for a three-year period. In 2006-07, teachers with bachelor's degrees had a 6.32 percent average increase in salary, teachers with master's degrees received an average increase of 5.88 percent, teachers with specialist degrees received an average increase of 4.45 percent, and teachers with doctorate degrees received an average increase of 4.66 percent. The statewide average for all degrees rose 6.07 percent ($2,594). Beginning with the 2001-02 school year, average teacher salaries for university laboratory schools are included if reported.

Table 2**
Changes in Statewide Average Teacher* Salary, 2004-05 through 2006-07

				Difference in Statewide Average Salary			
	Statewide Average Salary			2004-05 to 2005-06		2005-06 to 2006-07	
Level	2004-05	2005-06	2006-07	Dollars	Percent	Dollars	Percent
Bachelor's	$38,516	$39,492	$41,989	$976	2.53	$2,497	6.32
Master's	$45,678	$47,006	$49,771	$1,328	2.91	$2,765	5.88
Specialist	$53,695	$55,238	$57,694	$1,543	2.87	$2,456	4.45
Doctorate	$52,047	$53,142	$55,617	$1,095	2.10	$2,475	4.66
All Degrees	$41,578	$42,702	$45,296	$1,124	2.70	$2,594	6.07

Valid and reliable comparisons of states' teacher salaries continue to elude statisticians and researchers across the country. Many factors contribute to the difficulties of a fair comparison of teacher pay among states and even within some states. The most common barriers include:

- Lack of national consensus on precise definitions that affect *average teacher salary*.
- Limitations of databases and reporting procedures for school districts.
- Variations in data compilation methods and reporting criteria used by current national publications that rank states' average teacher salaries.
- Lack of an accepted accounting for cost-of-living factors and tax assessments in the comparison of a teacher's market value.

Based on results obtained via the Florida Department of Education's 15-state review, several key inequities are evident in calculating comparisons of average teacher salary across the nation:

- States vary in their classification of educational personnel used to determine average teacher salary. Florida includes all instructional staff (classroom teachers, guidance counselors, social workers, career specialists, school psychologists, librarians/media specialists, and others). By comparison, Georgia and North Carolina include only classroom teachers when calculating average teacher salary.
- Of the states surveyed, 11 count teachers using the ratio of the actual hours worked to the hours expected in a full-time position. This ratio is usually called "full-time equivalent" or FTE.
- Of the states surveyed, 4 (Connecticut, Georgia, Kentucky, and Tennessee) include supplemental pay in their calculation of average teacher salary.

- Of the states surveyed, 7 (Georgia, Kentucky, Massachusetts, New York, North Carolina, South Carolina, and Tennessee) include bonuses in average teacher salary calculation.
- Of the states surveyed, 2 (Texas and Florida) do not have a state income tax. Tennessee has a limited state income tax.
- States differ in the age and other eligibility requirements for full retirement benefits. Florida and California are the only states that do not require teachers to contribute to retirement. By comparison, most states require teachers to contribute anywhere from 3 to 11 percent of their salaries towards retirement.
- Some states have a high percentage of teachers with master's degrees, which increases the state's average teacher salary.
- States with high student enrollment growth have a greater percentage of beginning teachers; beginning teacher salaries are well below a state's average teacher salary.

The most commonly known and used national publications that rank and compare state's average teacher salaries depend on data that are neither sufficient nor reliable to fairly compare average teacher salaries across states. Numerous issues surround the national rankings, the most problematic being the inconsistency in states' reporting methods. States submit different information, including base salary—which may or may not include bonuses, may or may not include supplements, and may or may not include fringe benefits—making it impossible to accurately discern how states truly compare.

Additionally, states differ in their definition of *teacher*. Some states include all instructional personnel, while other states include only classroom teachers. Furthermore, states use a wide variety of formulas to calculate their average teacher salary. Some states use a headcount of teachers while other states use an FTE. Some states include only full-time personnel, while others include part-time personnel as well. Some states include substitutes and itinerant teachers and others do not. Some states include only 10-month contracted personnel while other states include 12-month contracted personnel as well. Some states include summer school pay while others do not.

The following chart illustrates a variety of factors that states utilize in calculating average teacher salary.

Factors in Average Teacher Salary Calculations															
	FL	AL	AZ	CA	CO	CT	GA	KY	MA	NY*	NC	OR	SC	TN	TX
Teacher defined same as in FL	✓														
Average teacher salary calculated same as in FL	✓														
Average teacher salary based on 10 months		✓		✓		✓	✓	✓		✓	✓		✓	✓	✓
Average teacher salary based on headcount	✓							✓		✓			✓		
Supplemental pay included as part of average teacher salary						✓	✓	✓						✓	
Bonuses included as part of average teacher salary							✓	✓	✓	✓	✓		✓	✓	
Retirement Programs															
	FL	AL	AZ	CA	CO	CT	GA	KY	MA	NY	NC	OR	SC	TN	TX
Teachers contribute to retirement		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Special retirement programs	✓	✓	✓			✓		✓	✓				✓		✓

* New York reports a median teacher salary and does not report an average teacher salary.

The National Education Association (NEA) and the American Federation of Teachers (AFT) use different methods to calculate average teacher salary. Variations between the two studies are shown below.

National Average Teacher Salary Rankings, 2003-04 [a] National Education Association Ranking vs. American Federation of Teachers Ranking						
	NEA [b]		AFT [c]			
State	Salary	Rank	Salary	Rank	Difference in Salary	Difference in Rank
Florida	$40,604	31	$40,598	29	$6	2
Alabama	$38,325	43	$38,282	43	$43	0
Arizona	[d] $41,843	28	[e] $42,324	26	$481	2
California	$56,444	3	[f] $56,444	2	$0	1
Colorado	$43,319	22	$43,318	21	$1	1
Connecticut	$57,337	1	$56,516	1	$821	0
Georgia	$45,988	16	$45,848	15	$140	1
Kentucky	$40,240	34	$39,831	34	$409	0
Massachusetts	$53,181	8	$53,274	8	$93	0
New York	$55,181	5	[g] $55,181	3	$0	2
North Carolina	$43,211	23	[f] $43,211	23	$0	0
Oregon	[d] $49,169	14	$47,829	13	$1340	1
South Carolina	$41,162	29	$41,162	28	$0	1
Tennessee	$40,318	33	[f] $40,318	31	$0	2
Texas	$40,476	32	$40,476	30	$0	2

[a] Comparison made based on the 2003-04 reports, which are the most recently published data available from AFT at the time the of this review.
[b] Source: NEA, *Rankings and Estimates, Ranking of the States 2004 and Estimates of School Statistics 2005*, Table C-11, "Average Salaries of Public School Teachers, 2003-04," p. 19.
[c] Source: AFT, *Survey and Analysis of Teacher Salary Trends 2004*, Table II-1, "Average Teacher Salary in 2003-04, State Rankings," p. 24.
[d] Computed from NEA Research, Estimates databank.
[e] AFT estimate.
[f] Includes extra-duty pay.
[g] Median.

Clearly, the only conclusion that can be drawn is that there is a need for uniformity, if states are to be compared nationally based on average teacher salary. National definitions of key terms related to determining a state's average teacher salary need to be determined, so that states apply the same method of calculating average teacher salary. Finally, it is time to move past the one-room-school-house application of a single term to communicate wages paid to teachers. Discussion and consideration need to be given to establishing an average teacher compensation and an average teacher market value that are consistent and can be used to accurately compare states.

It is imperative that three thresholds—average teacher salary, average teacher compensation, and average teacher market value—are established for national comparison of teachers' wages. Historically, wages earned by teachers across the nation have been compared using average teacher salaries. As presented in the Florida

Department of Education's (FLDOE) report, *Teacher Pay Review*, most commonly reported data on average teacher salary have numerous flaws and yield an inaccurate, unreliable, and unfair landscape of the wages paid by states to their teachers. It is time to take a twenty-first century approach when making comparisons within and among the states. Wages earned by teachers should be compared using three thresholds rather than the traditional one measure, assuming that all three thresholds are standardized across the nation, and that all states consistently collect and report the data required for each of the following:

The *average teacher salary* is the most basic and the most commonly used comparison today. It should be defined as *the sum of all salaries paid by a state to classroom teachers, excluding other instructional staff, divided by the total number of full-time1 classroom teachers*.

The *average teacher compensation* captures a teacher's salary, supplements for additional duties, and bonuses. Average supplements and bonuses were derived by dividing the total number of teachers by the total supplements and bonuses paid during 2004-05.

The *average teacher market value* includes the average teacher compensation and real-life employment variables such as retirement and health insurance contributions made by the employer, and the impact of a state's income tax and cost-of-living adjustments.

The Department of Education's Teacher Pay Review report may be accessed at http://www.fldoe.org/ARM/Teacher_Pay_Review.asp.

COMMUNITY COLLEGE FINDINGS

INTRODUCTION

Florida has a strong community college system comprised of twenty eight colleges offering an array of degree and certification programs. Students may complete two-year and four-year programs, as well as certification programs for various skilled labor and professional accreditations such as law enforcement, nursing, and emergency management at 61 campuses across the state. In addition to on-site course offerings, community colleges offer extensive opportunities for distance learning to accommodate the "working student."

The "Total Annual Unduplicated Headcount" of students for the 2005- 2006 school year was 793,517. Thirty seven percent were full time students while 63 percent were part-time students. Sixty one percent of the student population was female and 40 percent of the population was classified as minority enrollment.[86] In 2005-2006, the Division of Community Colleges issued 66,431 degrees including: 398 Bachelor's degrees; 33,398

[86] www.fldoe.org/cc/facts_glance

Associate of Arts (AA) degrees; 11,596 Associate of Sciences (AS) degrees; and 21,039 Vocational and College Credit Certificates.[87]
Florida's community colleges are the primary access point to postsecondary education for the state of Florida and its residents. Over the years, the mission of the community college system has expanded as the state has grown and its employment needs have become more diverse and complex. Even though the colleges have increased their productivity through performance funding, the state's willingness to fund increased enrollments in community colleges is a critical issue for the future of our state.

Florida's 28 community colleges were established to serve the citizens of the State of Florida by offering the first two years of a baccalaureate degree, vocational education, and adult continuing education. Of the 177 sites, there are 163 official Public Education Capital Outlay (PECO) sites in the Florida Community College System. Furthermore, in order to bring instruction closer to students, more than 2,000 other locations, such as churches, public schools, and community centers are also used.[88]

To further ensure the efficient and effective operation of Florida's Community College System, the Florida Legislature established the State Community College Coordinating Board in 1979, and in 1983 replaced that board with the State Board of Community Colleges. The State Board of Community Colleges earned the respect of the community colleges by preserving local control, represented by local Boards of Trustees, while simultaneously establishing system wide policies and coordination. The Florida Community College System has received national recognition because of this unusual balance between local control, state coordination and funding. In 2001, the statute that established the State Board of Community Colleges was repealed and the Florida Community College System was placed under the jurisdiction of the Florida Board of Education.[89]

During the expansion and modification of Florida's Community College System, the postsecondary educational needs in Florida were changing. The identifiable changes included an increase in the average age of students; changes in enrollment patterns, population growth, and population patterns; increased emphasis on vocational education and economic development; and the entry of women into the work force in unprecedented numbers. The Postsecondary Education Planning Commission (PEPC) was established in 1981 to provide overall guidance and direction for the improvement of postsecondary education in Florida. A new community college master plan was developed. The Master Plan for the Florida Community College System was first published in September 1983. This Master Plan addressed several concerns, including emphasis on the improvement of quality, the trend toward increased part-time enrollments, minority needs, women's needs, and student financial aid needs. The 1988 Master Plan updated the 1983 plan and identified challenges (from which strategic plans

[87] Ibid.
[88] http://www.fldoe.org/arm/cctcmis/pubs/factbook/fb2007/fb2007.pdf.
[89] Ibid.

would evolve) addressing areas such as quality education, economic development, and the quality of life.[90]

Florida's 28 Community Colleges*

College	Year the College was established
Palm Beach Community College	1933
St. Petersburg College	1947**
Chipola College	1948***
Pensacola Junior College	1947
Gulf Coast Community College	1957
Central Florida Community College	1957
Daytona Beach Community College	1958
Manatee Community College	1958
North Florida Community College	1958
St. Johns River Community College	1958
Brevard Community College	1960
Broward Community College	1960
Indian River Community College	1960
Miami Dade College	1960****
Edison College	1962****
Lake City Community College	1962
Lake-Sumter Community College	1962
Okaloosa-Walton College	1964****
Polk Community College	1965
Florida Keys Community College	1966
Florida Community College at Jacksonville	1966
Santa Fe Community College	1966
Seminole Community College	1966
South Florida Community College	1966
Tallahassee Community College	1967
Valencia Community College	1967
Hillsborough Community College	1968
Pasco-Hernando Community College	1972

* Please refer to inside back cover for addresses and page 3 for the history of the black junior/community colleges.

** St. Petersburg Junior College was established in 1927 as a private institution and became part of Florida's public system in 1947. The name was changed to St. Petersburg College in 2001.

*** Chipola Junior College was established in 1947 as a private institution and became part of Florida's public system in 1948. The name was changed to Chipola College in 2003.

**** Miami-Dade Community College changed its name to Miami Dade College in 2003. Okaloosa-Walton Community College changed its name to Okaloosa-Walton College in 2004. Edison Community College changed its name to Edison College in 2004.

[91]

CURRENT COMMUNITY COLLEGE MISSION

- Florida Statutes require that the state's community colleges offer academic and career education, the former of which frequently leads to transfer to a state university. The mandate that community colleges are Florida's primary portal to career development is emphasized by statutory

[90] Ibid.
[91] http://www.fldoe.org/arm/cctcmis/pubs/factbook/fb2007/fb2007.pdf

provisions requiring that they prepare students for vocations and also that they are to promote economic development for the state.

- Florida Statutes stress that community colleges are to emphasize "the achievement of social and economic equity so that all can be prepared for full participation in society." Substance is given to this social policy by provisions that community colleges offer several forms of adult education, high school equivalency, and developmental services to assist both prepared and under-prepared students.

- OPPAGA (Office of Program and Policy Analysis and Government Accountability), Florida's governmental efficiency arm, reinforces the intent of Florida Statutes by stating that community colleges are to provide programs for university transfer, college prep, adult-basic education, workforce education, and career instruction.

- The open-door policy enables community colleges to accept students who were denied admission to state universities.

- The state has directed community colleges to enter public-private partnerships that enhance economic development so all citizens may enter the workforce.

- The reach of community colleges is extended with private, state, and federal grant programs that serve veterans, citizens for whom English is a second language, displaced homemakers, and the economically or educationally disadvantaged.

- Florida Statutes now provide that community colleges may offer baccalaureate degrees in program areas of high employment need in the state. The approval process for such approval has been established and there are currently 41 programs approved, with 22 more going through the approval process.

In the next 20 years, the community colleges will need to be able to grow and adapt to the needs of the state. New technology will drive much of this change just as it has in the last twenty years. Our community colleges must be prepared to shoulder an even larger role in production of a quality workforce at the certificate, associate degree, and baccalaureate degree levels.

ENROLLMENT

The Pappas Report concluded that the demand for additional access to higher education in Florida has not yet been fully documented. In the absence of a widely accepted set of projections, it is necessary to look at past trends as well as available information about

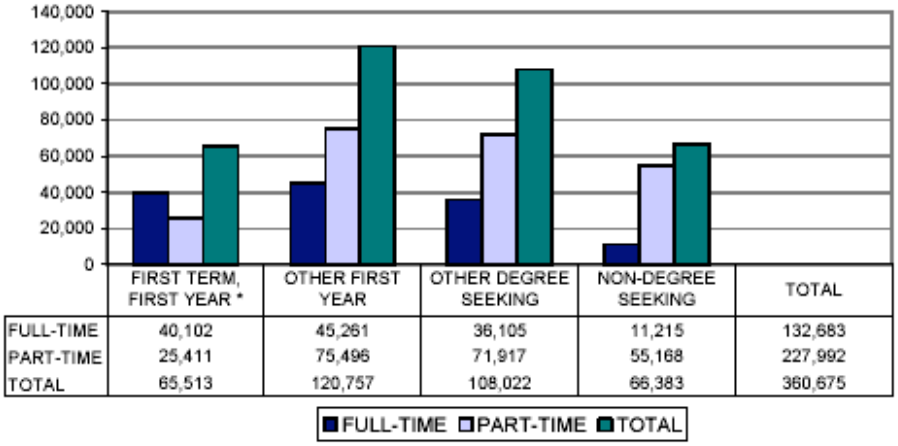
the future needs of the state to formulate a reasonable scenario for the future. Some of these pertinent student data are:

- Florida's community colleges currently enroll more than 800,000 headcount students, with full-time equivalent of 306,049 students in 2007-08. The growth rate from fall 2006 to fall 2007 is 6.7%.
- One of every 23 Floridians is enrolled in a community college.
- 56% of Florida's high school graduates postsecondary education began in a community college.
- 38% of bachelors' degrees recipients in the State University System are transfers from community colleges.
- 80% of the freshman and sophomore minority students in Florida's public higher education are attending a community college.
- 79% of public secondary Pell Grant recipients in Florida attend a community college.
- Nearly half of AA/AS degree-seeking students in community colleges are non-white.

THE FACT BOOK FLORIDA COMMUNITY COLLEGE SYSTEM JANUARY 2007

Figure A

Fall Headcount Enrollment
Full-Time/Part-Time
Beginning-of-Term Fall 2006-07



	FIRST TERM, FIRST YEAR *	OTHER FIRST YEAR	OTHER DEGREE SEEKING	NON-DEGREE SEEKING	TOTAL
FULL-TIME	40,102	45,261	36,105	11,215	132,683
PART-TIME	25,411	75,496	71,917	55,168	227,992
TOTAL	65,513	120,757	108,022	66,383	360,675

Note: * First Term, First Year includes First-Time-in-College (FTIC) students, students enrolled in the Fall who were FTIC the prior summer and students entering college for the first time after graduation with dual enrollment credit.

Source: Federal IPEDS EF2 based on data from the 2006-07 Student Data Base Fall Beginning-of-Term (Refer to Table 1).

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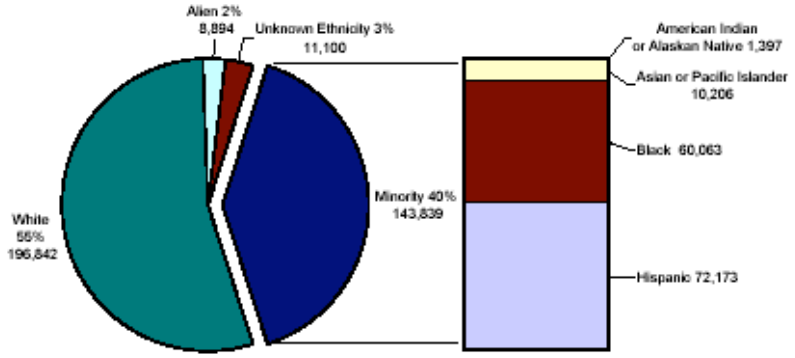
[92] http://www.fldoe.org/arm/cctcmis/pubs/factbook/fb2007/fb2007.pdf

THE FACT BOOK FLORIDA COMMUNITY COLLEGE SYSTEM JANUARY 2007

Figure B

Minority Fall Headcount Enrollment

Beginning-of-Term Fall 2006-07



Total Minority Enrollment = 143,839

Note: Due to rounding, percentages may not add to 100.
Source: Data based upon the 2006-07 Student Data Base Fall Beginning-of-Term (Refer to Table 2).

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Most growth in Florida's higher education is occurring and will occur in its community colleges. The demographics of the state and the "open-door" policy guarantee that this growth will continue, as demonstrated by the Florida Department of Education's figures that more than 50,000 new students (based on data about FTE, or full-time equivalent) entered the state's community colleges in fall 2007. The state benefits from steering students to community colleges because it costs less to educate students there than in the universities.

- The Florida public high school graduation rate increased by over 10 percentage points during the last decade while the postsecondary continuation rate of Florida's public high school graduates increased at an average annual rate of over two percent between 1998 and 2003.

- Large numbers of the new students will be ethnic minorities, place bound to a certain location, the first in their family to attend college, working while in college, and be outside the traditional 18-23 year old age range.

- Universities are raising admission standards and limiting or capping freshman enrollment, which directs students to community colleges.

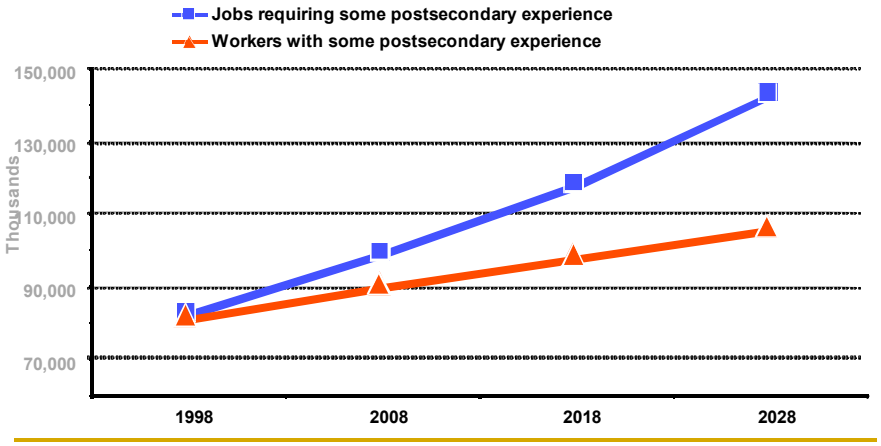
[93] http://www.fldoe.org/arm/cctcmis/pubs/factbook/fb2007/fb2007.pdf

CRITICL EMPLOYMENT AREAS

While comprehensive employment projections are difficult to make, below are some glimpses of Florida's workforce needs.

- 60 percent of the job growth in Florida through 2010 will require postsecondary education at less than a bachelor's degree. Twenty-five percent of the jobs will require a bachelor's degree or more.
- 79 percent of community college completers in workforce programs are in high-wage, high-skill programs that align with Workforce Florida's Targeted Occupations List.
- 49 percent of all teachers started at a Florida community college.
- 67 percent of nursing degrees in Florida are produced in community colleges.
- Nearly 78 percent of first responders (police, fire, emergency medical technicians, etc.) graduate from community college programs.
- Approximately 20,000 new teachers are needed annually.
- Approximately 41,500 nurses will be needed by 2011.

Projected Growth in Supply and Demand of Workers – The Gap Widens



Source: National Association of Manufacturers

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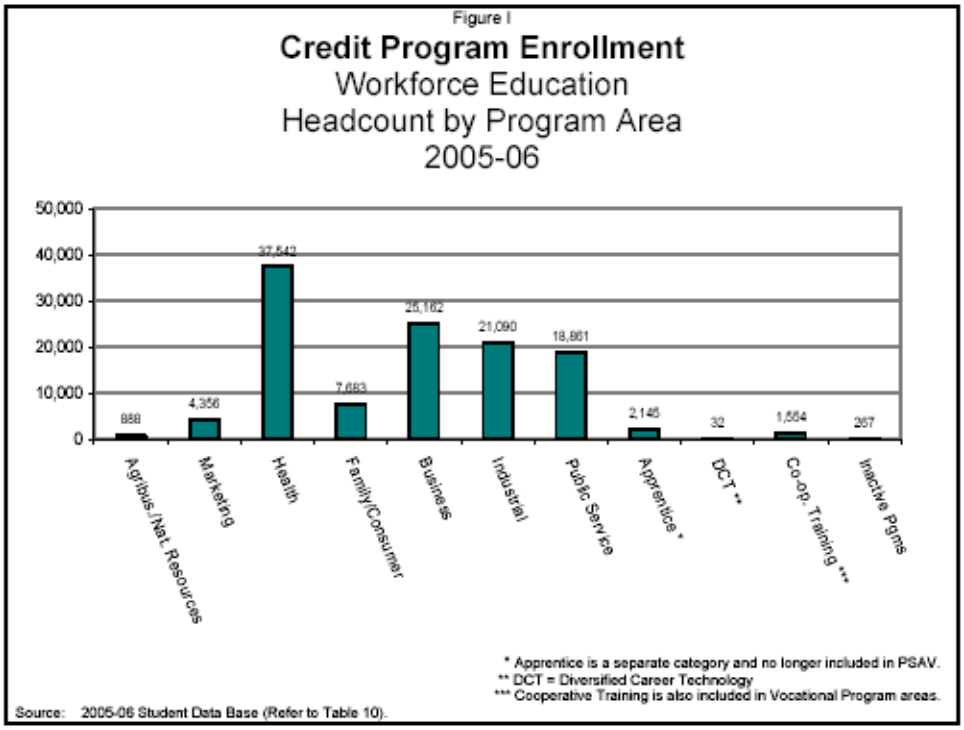
[94] http://www.floridatbrc.org/ppt/8-1-07Mojock.ppt#271,5,Projected Growth in Supply and Demand of Workers – The Gap Widens

Figure I



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FLORIDA'S COMMUNITY COLLEGES LEAD THE REGION IN PRODUCTIVITY

Among the Southern Regional Education Board states, Florida's community colleges produce more graduates per enrollment than any other state. In addition, Florida leads the region in first year retention of students, which is a key indicator of student progression toward program completion. While improvements in productivity will continue to be made, our community colleges have a track record of translating student potential into student performance.

RETURN ON INVESTMENT IN COMMUNITY COLLEGES

Florida's return on investment in its community colleges is indisputable. Community colleges educate the large majority of workers for existing and emerging fields of employment.

- Solely because of community colleges, the gross state product will increase $13 billion through 2043.

[95] http://www.fldoe.org/arm/cctcmis/pubs/factbook/fb2007/fb2007.pdf

- There is a direct return of $1.40 for every $1 invested in Florida's community colleges. That figure rises to $2.2 to $1 when the multiplier effect is considered.

- Florida TAXWATCH states that "Every dollar of public support for a community college graduate with an AA or AS degree will generate $13.37 in state output" and that a community college AS degree increases personal lifetime earnings by $480,000 when compared to those whose formal education ended at high school graduation.

In addition, business locate where they can find skilled employees. Fortune Magazine plainly states that "The most important draw in corporate relocation is plentiful, high-quality, low-cost labor." The link between business growth and skilled employees is why the Tampa Bay partnership lists as central advantages for corporate location "our ability to attract qualified, skilled employees…and the quantity of programs adding to the skills of our workforce." Half of companies surveyed states that the No. 1 external factor for their relocation was a lack of qualified applicants in their local markets. The demand for relevant job training is a significant factor in the growing demand for seats in Florida's community colleges statewide, with the largest numbers in the growing urban areas in Southeast and Central parts of the state.

TARGETED BACHELOR'S DEGREES

The state Legislature responded to the need for more bachelor's degree programs where students could access them by authorizing community colleges to offer such programs on a limited basis. A 2001 state law authorized Florida's community colleges to offer site-based workforce-oriented baccalaureate degree programs. The law was clarified in 2007 by authorizing community colleges to meet unmet needs in the areas of teaching, nursing, and applied science.

- Currently, eight community colleges offer baccalaureate degrees in 41 different degree fields. Two additional community colleges are seeking Florida State Board of Education approval to also offer programs by the Fall of 2008.

- Within the next year, more than 5,000 individuals will enroll in a Community College Baccalaureate Degree program and an estimated 1,625 degrees are anticipated to be awarded.

- State funding of $3,872 per full-time equivalent (FTE) represents 62% of the state university system's cost per FTE in 2006-07, resulting in cost savings to students and the state.

ARTICULATION IN FLORIDA

"Florida has developed a seamless articulation ("2 + 2") system to facilitate efficient and effective progression and transfer of students between and among public postsecondary institutions. Presently, Florida's public postsecondary education system is comprised of 11 state universities, 29 community colleges, and 40 career education centers."[96]

Community college transfer students account for approximately half of the baccalaureate degree recipients within the state university system. Established in 1971 and currently codified in Section 1007.12, Florida Statutes and Chapter 6A-10.024, Florida Administrative Code, (F.A.C)/Board of Governors (BOG) Articulation Regulation, Florida's Statewide Articulation Agreement is the most comprehensive agreement in the nation. Critical components of the statewide articulation agreement include:

- Defining the Associate of Arts Degree as the transfer degree;
- Guaranteeing transfer of the general education block of credit;
- Establishing a common college transcript;
- Providing for articulation research studies;
- Calling for common academic calendar;
- Creating the Articulation Coordinating Committee;
- Establishing a common course numbering system.[97]

Students who graduate from a Florida community college with an Associate of Arts degree are guaranteed the following rights under the Statewide Articulation Agreement (Chapter 6A-10.024, F.A.C/BOG Articulation Regulation):

- Admission to one of the 11 state universities, (except to limited access programs);
- Acceptance of at least 60 semester hours by the state universities;
- Transfer of equivalent courses under the Statewide Course Numbering system;
- Adherence to the university requirements and policies, based on the catalog in effect at the time the student first enters the community college, provided the student maintains continuous enrollment;
- Acceptance by the state universities of credits earned in accelerated programs;
- No additional general education core requirements;
- Advance knowledge of selection criteria for limited access programs; and
- Equal opportunity with native university students to enter limited access programs.[98]

[96] www.fldoe.org/articulation/pdf
[97] Ibid.
[98] Ibid.

POSTSECONDARY REMEDIATION IN FLORIDA'S COMMUNITY COLLEGES[99]

- Approximately 47% of students age 18 and under are college-ready when entering Florida's community colleges.
- Approximately 65% fail at least one entry level test (ELT) in reading, writing or math.
- Out of 40,201 total first time in college degree-seeking students taking an entry level test, the greatest number of students failed the math ELT (55%);
- 40% of this group failed the reading ELT;
- 31% failed the writing ELT;
- For students enrolling in required college prep courses following testing, the lowest academic success rate is in math, with 53.10% passing the highest level of math within two years of taking an ELT;
- In writing, 67.85% passed the highest level and 73.02% passed the highest level for reading.
- An analysis by ethnicity for "passed highest level" within two years of taking an ELT shows that the lowest pass rate overall for all ethnic groups is in the college prep math course.[100]

For the students who progress in developmental education and subsequently take higher level English or math courses within two years, the percentages for success show *much improvement.* In both the first college level math course and college level English course taken by former developmental education students (those taking required prep courses), over the two years studied, almost 50% earned a grade of A or B. An F was received by only 15% of the former developmental students taking the first college level math course and 11% taking the first college level English course.[101]

- 55% of all students entering Florida's public postsecondary institutions require remediation in math, reading and/or writing;
- 94% of students who need remediation attend community colleges;
- Approximately 52% of students complete their college preparatory programs taking an average of two years to do so.
- Students who do successfully complete college preparatory (developmental education) programs perform almost as well as other students in college credit foundation courses in the areas in which they received remediation.
- In addition, students completing college preparatory programs (developmental education) earn associates degrees at similar rates to other students.[102]

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[99] http://www.fldoe.org/cc/Vision/PDFs/PR2005_05.pdf
[100] Developmental Education In Florida's Community Colleges, p. 1; http://www.fldoe.org/cc/Vision/PDFs/PR2005_05.pdf
[101] Developmental Education In Florida's Community Colleges, p. 12; http://www.fldoe.org/cc/Vision/PDFs/PR2005_05.pdf
[102] OPPAGA Report No. 07-31, May 2007.

THE IMPACT OF FLORIDA'S COMMUNITY COLLEGES ON STUDENT'S PROSPERITY AND THE STATE'S ECONOMY: A SOLID RETURN ON INVESTMENT[103]

- In Florida, a significant majority (approx. 60%) of high school graduates who advanced to higher education attended community colleges, thus generating an ongoing increase in student enrollment. The community college full-time student population increased by 25% from 1999-2004.
- A community college Associate in Science Degree translated to a lifetime personal income *increase* of $480,000 when compared with those whose formal education ended at high school graduation.
- A community college Associate in Arts Degree translated to a lifetime personal income *increase* of $220,000 when compared to those whose formal education ended at high school graduation.
- The projected economic effects of increased personal income associated with a community college degree were found to be dramatic. Over a forty-year career span, the 38,968 students who graduated from community colleges in 2003 will increase state output by $13.6 billion, and generate wages for others in the amount of $5.5 billion. Additionally, they will create 102,768 jobs, which reflects 2.6 jobs for Florida's economy for each community college graduate.
- Every dollar of public support for a community college graduate with an Associate in Science or an Associate in Arts Degree will generate $13.37 in state output. [104]

"Florida community colleges generate a large number of benefits to both students and the state. Students benefit from higher personal earnings, and the state benefits by having higher employment, enhanced tax revenues, and an increased gross state product. There are additional advantages to the state in the form of social savings through avoided costs of crime, welfare, and unemployment benefits. These elements entice new businesses and industries to come to Florida which further supports a growing, vigorous economy." [105]

"A recent Council for Education Policy Research and Improvement (CEPRI) report stated that "over 60% of the projected job growth in Florida through 2010 will be in occupations requiring postsecondary education and training but not a bachelor's degree. (CEPRI, 2004). Among projected new jobs, 300,000 will require an associate's degree and 500,000 will require a postsecondary certificate."[106]

[103] From Florida TaxWatch Center for Educational Performance & Accountability Research Report: *Putting Minds to Work Pays Big Dividends: The Impact of Florida Community Colleges on Student's Prosperity and the State's Economy: A Solid Return on Investment,* February 2006.
[104] Ibid.
[105] Ibid.
[106] Ibid.

"Florida Agency for Workforce Innovation 2004-2012 employment projections indicate that 56% of the fastest growing jobs in Florida will be in occupations requiring postsecondary education, but less than a bachelor's degree.[107]

"State output between 2003 and 2043 is projected to increase by $13.6 billion from 2003 community college graduates' higher lifetime earnings. [108]

Over 102,000 Florida jobs will be created over the 40 years of analysis from community college graduates' spending alone. In turn, this employment increase will generate higher wage and salary earnings. Direct and indirect personal or disposable incomes over this period will increase by $5.5 billion.[109]

STATE UNIVERSITY SYSTEM FINDINGS

The mission of the State University System is enshrined in Article IX, Section 7 of the Florida Constitution: "to achieve excellence through teaching students, advancing research and providing public service for the benefit of Florida's citizens, their communities and economies."

With ten universities and one liberal arts college offering a comprehensive array of graduate and undergraduate programs, the system awards two thirds of all bachelor degrees and half of the graduate degrees in the state.

The University System for the State of Florida is comprised of: Florida Agricultural and Mechanical University, Florida Atlantic University, Florida Gulf Coast University, Florida International University, Florida State University, New College of Florida, University of Central Florida, University of Florida, University of North Florida, University of South Florida, and University of West Florida.

The university system provides the foundation for the state's high technology and innovation economies, with over $1 billion annually in externally funded research and more than 100 patented inventions each year. Dozens of start-up companies emerge from technologies generated by the university system, and businesses seeking to relocate or expand in Florida often look first to the quality of the state's advanced research and education programs.

The key challenge confronting the system over the next 20 years will be to provide quality access to undergraduate and graduate education in an environment of increasingly limited revenues. To be competitive with the ten most economically productive states, Florida would need to have 1.5 million more bachelor-educated working-age citizens in

[107] From Florida TaxWatch Center for Educational Performance & Accountability Research Report: *Putting Minds to Work Pays Big Dividends: The Impact of Florida Community Colleges on Student's Prosperity and the State's Economy: A Solid Return on Investment,* February 2006.
[108] Ibid.
[109] Ibid.

2027 than it has today—not to mention replacing the large numbers who will retire over the same time. Even with a larger role for community colleges and private institutions, the bulk of the responsibility for creating that competitive workforce will fall to the SUS.

How Much Education Do We Expect for Today's Newborns?

	2027 SUS Bachelor Degrees	2027 SUS Enroll-ment	2027 SUS Core Budget (Billions)	Increase
2007 Baseline	*46,000*	*294,000*	*$ 3.0*	-
Status Quo: No change in student achievement	56,000	369,000	$ 3.8	26%
1/3 of children complete college	63,000	413,000	$ 4.2	41%
1/2 of children complete college	**95,000**	**627,000**	**$ 6.4**	**113%**

Does not include future inflation. Based on current funding/student. Add 12% to reach national average level of funding.

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The core budget of the university system—excluding about $5 billion in flow-through funds such as federal student aid, hospital fees, and auxiliary enterprises such as dormitories—was $3.1 billion in 2007-08. Of this amount, 71% came from state appropriations of general revenue and lottery funds. The other 29% comes from student tuition.

Total tuition and appropriations per full-time equivalent student were $11,900 in 2007-08. While the nominal budget of the system has tripled since 1989-90, when it was about $1 billion, funding per student that year was $15,200 in today's dollars. In other words, enrollment growth and inflation have resulted in a 28% decline in per student constant dollar funding. Funding per student is now $2,000 less than the national average—a $500 million shortfall. The gap relative to a high performing state such as North Carolina is over $4,000 per student, or $1 billion for the system.

One consequence is that the state now has the worst ratio of students to tenured and tenure-track faculty in the nation and has had to increase class sizes and rely increasingly on temporary adjunct faculty and graduate students for undergraduate instruction.

Recently, the Board of Governors has taken action to prevent further dilution of quality: it has frozen freshman enrollment at current levels; it has requested legal clarification of

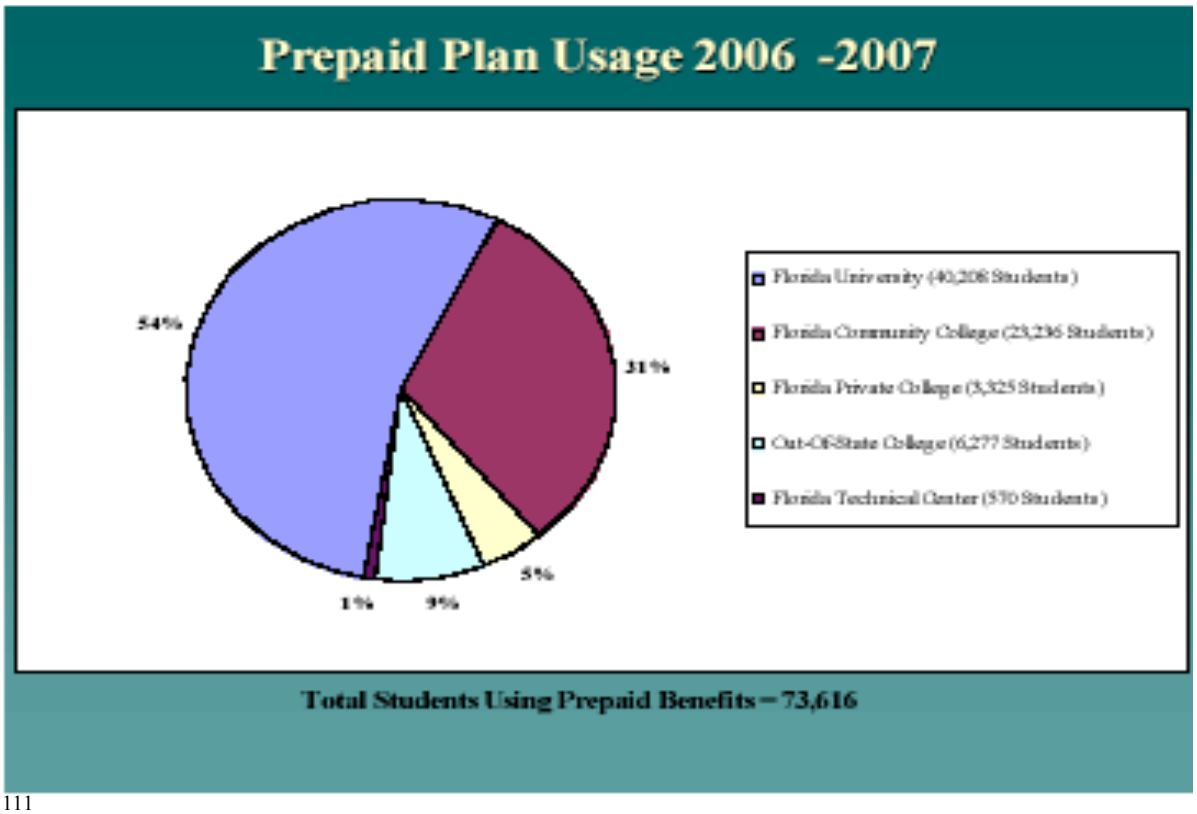
[110] http://www.floridatbrc.org/ppt/8-1-07Rosenberg.ppt

its constitutional authority in a variety of areas including tuition; and it has raised tuition for spring 2008. Further tuition increases may be enacted to protect the quality of the education available in the system and to be able to continue providing adequate access to Florida students. Even with substantial tuition increases, however, the system will depend on the state to at least maintain its current level of inflation-adjusted funding per student while continuing to support enrollment growth consistent with student and business demand.

FLORIDA PREPAID COLLEGE PROGRAM

The Florida Prepaid College Program is a state-backed investment option for Florida families. It has helped hundreds of thousands of Floridians save for college. Yet, as the Chair of the Prepaid College Board, Mr. Ted Hoepner, noted in his remarks to the committee on November 1, 2007, the Prepaid program must approach its dealings with state universities regarding existing contracts as well as sales of new contracts differently now that the Board of Governors seeks much larger than historical increases in university resources.

The Prepaid program allows Florida residents to pre-purchase tuition, fees, and dormitory residence at rates similar to current levels. The program helps make a college education affordable and accessible to future generations of students.



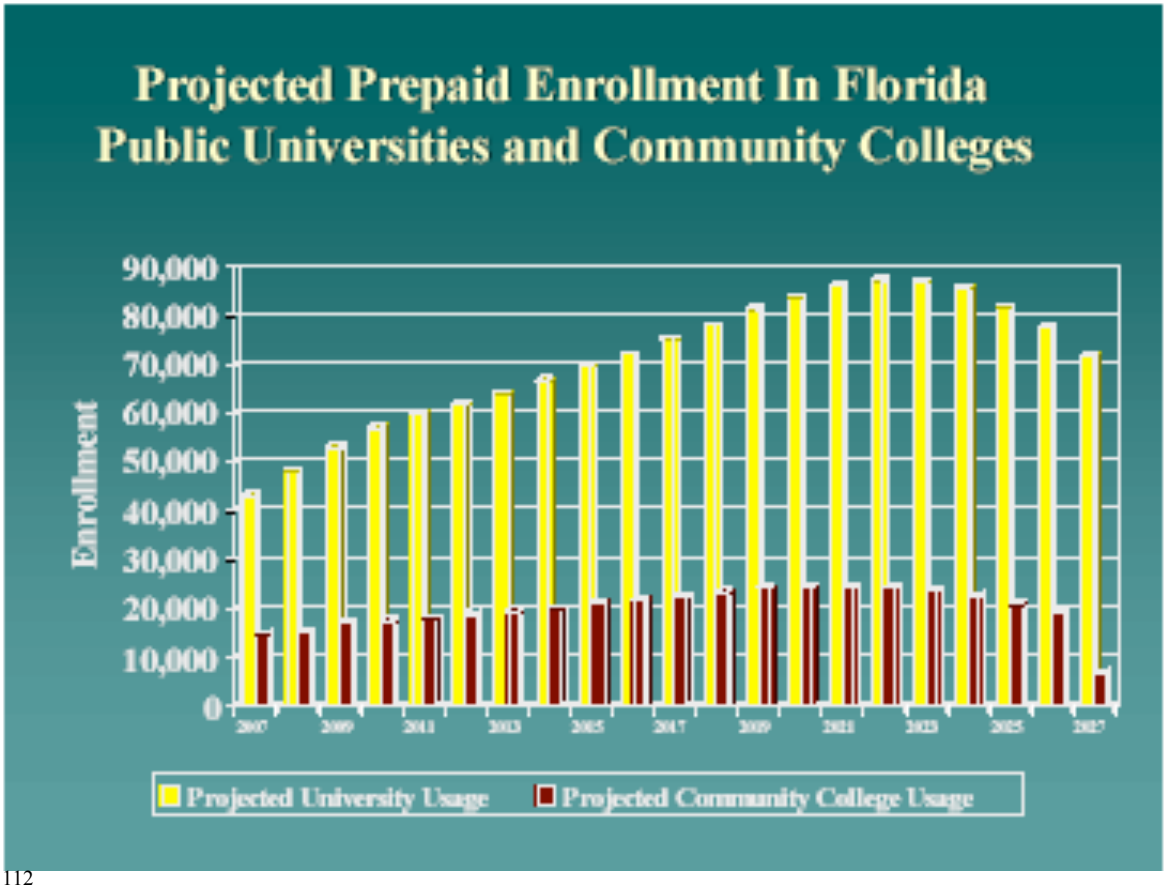
[111]

[111] http://www.floridatbrc.org/pdf/11_1_07HoepnerPresentation.pdf

The Prepaid College Board is responsible for pricing contracts and investing the proceeds so that there are sufficient funds to pay for those tuition and fees. The Prepaid program is the largest program of its kind in the country and one of the few that is actuarially sound. Its state backing means that, should it become "financially infeasible," the state guarantees the full benefit to all contract beneficiaries within five years of their expected college entry date and a return of the initial investment plus interest for the remainder.
The present value of the Prepaid program as of June 30, 2007 is $7.4 billion. The expected value of the assets exceeds the expected value of liabilities for all contracts purchased through 2007 by $847 million, a 13 percent surplus. The two key economic assumptions which determine the financial viability of the program are the rate of return on investments and the rate of tuition increases.

Increases in tuition above the Prepaid program's assumption (currently 6.5 percent, set annually by the Prepaid Board) will reduce the actuarial reserve. Mr. Hoepner noted that the program's actuarial consultant, Ernst & Young, estimates that the Prepaid program could withstand up to 8.6 percent annual tuition increases indefinitely without going into deficit, but Mr. Hoepner believes that rate of tuition growth is too risky. The Board tries to keep the surplus at no less than 5 percent. Mr. Hoepner noted his desire to protect outstanding prepaid contracts while not otherwise impeding university tuition increases.

In his presentation, Mr. Hoepner indicated that there have been approximately 1.2 million prepaid college plans purchased since the program's inception in 1988-1989 and that more than 73,000 students are currently using the prepaid benefits.



[112]

The cost for a newborn purchasing a 4-year university program is $13,516. The tuition differential plan costs another $4,614. With a "fully loaded" plan (tuition plan, local fee plan, tuition differential plan, and dormitory plan), the cost is approximately $31,000. It is estimated that the cost for that student as she walks into college will be about double that amount, so the purchaser of the contract is in that case assuming a 100% return on his/her investment over an 18-year period.[113]

BRIGHT FUTURE'S SCHOLARSHIP

The Florida Bright Futures Scholarship Program reached $398 million in the 2007-2008 Appropriations Act.[114] Now approximately 60 percent of Florida's appropriations for financial aid programs, Bright Futures continues to far outpace lottery revenue growth. Even at moderate university tuition increases, Bright Futures is likely to cost as much as $1 billion in within a decade. That cost increase will supplant most or all of the other uses of lottery dollars, other than bond payments, and would require general revenue as well as lottery revenue to continue the program in its current form.

[112] http://www.floridatbrc.org/pdf/11_1_07HoepnerPresentation.pdf
[113] Presentation by Ted Hoepner, Chair, Florida Prepaid College Board, to TBRC Governmental Services Committee, November 1, 2007.
[114] Board of Governors presentation to Governmental Services Committee on November 1, 2007.

What Are the Two Major Bright Futures Programs?

	"Medallion"	"Academic"
$ in 2006 -07 (Millions)	$233	$111
% of Bright Futures $	67%	32%
Amount	75% Tuition	100% Tuition + $600
GPA	3.0	3.5
SAT	970	1270

Source: Department of Education, Office of Student Financial Ass istance

115

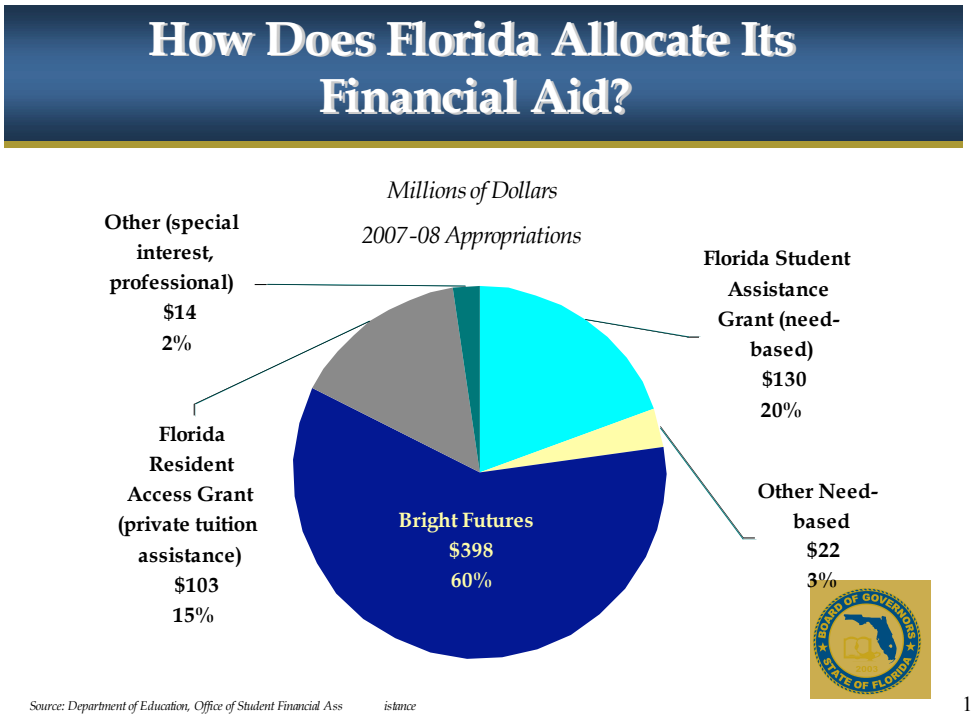
Can the policy goals of Bright Futures be achieved more efficiently? In his presentation before the Governmental Services Committee on November 1, 2007, Dr. Nate Johnson, Board of Governors Executive Director for Planning and Analysis, raised a number of questions to this point.

- *Motivating students in high school* – Could a less expensive program achieve the same result?
- *Helping families and students afford college* – How many Bright Futures recipients could afford a college education without the scholarship? Is $400 million in no-need aid a best practice?
- *Keeping students in state* – Are there more efficient ways to do it? Could improved universities keep students in-state as well?

Motivating students more efficiently. Bright Futures appears to motivate students to pursue a college education. The Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) reported on more ambitious course-taking and test-taking in response to the program. A higher percentage of high school graduates (more than a third) qualify for the scholarship today than in its early years. At its inception in 1997, the program served approximately 42,000 Florida students. Today, approximately 149,000 students are participating and the estimate for 2017 is 186,000 students.[116]

[115] http://www.floridatbrc.org/ppt/8-1-07Rosenberg.ppt
[116] Ibid.

According to the Office of Student Financial Assistance, Office of Economic and Demographic Research, and Board of Governors staff analyses, the Bright Futures program is projected to grow from around $398 million in 2007-2008 to approximately $867 million in 2017-2018 based on projected growth patterns in the 18-24 age group and assuming a moderate (6.5 percent) average annual tuition increase.



In pursuit of college affordability. State University System Chancellor Mark Rosenberg's presentation to the Commission in September 2007 pointed out the need for more need-based financial aid in Florida. Dr. Johnson's November 1 presentation showed that less than one-quarter of all state financial aid programs are need-based. Although nineteen percent of students receiving Bright Futures scholarships also qualify for need-based federal Pell grants, a high proportion of Bright Futures recipients are also from relatively high-income families. For example, an estimated one-third are from families with incomes exceeding $100,000.

Dr. Johnson also noted that 15 percent of undergraduates have prepaid tuition plans. Since two-thirds of the state's prepaid users also have Bright Futures scholarships, the result is that 10 percent of undergraduates actually get money back when tuition increases.

Keeping students in state. Bright Futures poses a funding challenge for the university system. Because Bright Futures is linked directly to tuition – the program pays all recipients 75% or 100% of tuition and fees – Dr. Johnson pointed out that the $6 million raised from a one dollar per credit tuition increase is offset by a $2.7 million increase in

[117] http://www.floridatbrc.org/ppt/8-1-07Rosenberg.ppt

cost to the lottery trust fund. Those lottery dollars fund university and community college direct appropriations in addition to subsidizing students' tuition and fees. Therefore, Bright Futures increases directly and negatively affect higher education appropriations.

NEED-BASED FINANCIAL ASSISTANCE

A relatively small proportion of total state financial aid is need-based, and lack of need-based aid is an impediment to higher education participation and completion for low-income students, Chancellor Rosenberg and Dr. Johnson's comments to the Commission indicated a need to increase state need-based aid.

Most state need-based aid comes through the Florida Student Assistance Grant (FSAG), a $130 million program that accounts for 20 percent of all financial aid offered by the state and 86% of all state need-based programs. An additional $22 million was appropriated in 2007-2008 to other need-based aid programs, accounting for an additional 3 percent of state financial aid programs.[118]

There are various types of FSAG grants offered, including those for public, private, and postsecondary career education opportunities. All FSAG awards are need-based and students must complete the Free Application for Federal Student Aid (FAFSA), be full-time undergraduates, and meet residency and other requirements to be eligible. .[119]

PRIVATE COLLEGE TUITION ASSISTANCE

All Florida residents attending non-profit private colleges in Florida, regardless of need or academic performance, are eligible for the William L. Boyd, IV, Florida Resident Access Grant (FRAG) tuition assistance program. The $103 million in 2007-2008 appropriations to FRAG accounts for 15 percent of all state financial aid programs.[120]

LOTTERY AS EDUCATION FUNDING SOURCE

In 1986, voters approved an amendment to the state constitution to authorize the creation of the Florida Lottery. Implementing legislation was enacted in 1987 and the Department of Lottery was established.[121] The first Florida Lottery ticket went on sale on January 12, 1988. Sales in the first week of operation exceeded $95 million.

The purpose of the Florida Lottery is to maximize revenues for the Educational Enhancement Trust Fund (EETF) in a manner consonant with the dignity of the state and

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[118] http://www.floridatbrc.org/ppt/8-1-07Rosenberg.ppt.
[119] www.studentfinancialaid.org/SSFAD/factsheets/FSAG.htm
[120] Board of Governors presentation to Governmental Services Committee by Nate Johnson, Executive Director of Planning and Analysis, November 1, 2007.
[121] Department of Lottery presentation to Governmental Services Committee by Secretary Leo DiBenigno, November 1, 2007.

the welfare of its citizens.[122] The lottery has provided over $17 billion in education funding over its nearly 20 years of operation.[123]

In fiscal year 2006-2007, the lottery transferred $1.26 billion to the EETF. Of those funds, over $346 million was appropriated for Bright Futures scholarships, over $268 million was used for public school construction bonds, $331 million was used for public school (K-12) program enhancements, $175 million was spent for Community College programs, $297 million was appropriated to the State University System, and $21 million for state financial aid programs.[124]

Long-term projections from the Legislature's Office of Economic and Demographic Research show the EETF growth flattening out to about one percent annually over the coming decades, slower than the general inflation rate. Recent reviews of the Florida Lottery by OPPAGA also suggest such a slow-down in revenue growth. Therefore, competition among programs receiving EETF dollars is likely to increase.

The Bright Futures scholarship is fully funded by the Florida Lottery contribution to the EETF. The program was initiated in 1997 and the lottery has generated more than $1.6 billion to send more than 300,000 Florida students to higher education institutions.[125]

Lottery dollars have helped complete over 600 public schools construction projects over the past twenty years. The Classrooms First and Classrooms to Kids programs support new school construction and additions to existing schools. Lottery funds are used to assist local school districts with meeting the requirements of the state's constitutional class size reductions, as well.[126] Lottery funds are also used to support mentoring programs such as Just Read, Florida!, Family Literacy, and other educational enhancement programs at all levels of education in the state.

The lottery is ranked third in the nation for total sales. Sales have increased from $2.25 billion in 1999 to $4.12 billion in 2006-2007. The increase is considered to be good for education, but Secretary DiBegnino points out that the growth rate has naturally slowed over time as the industry has matured and that a future goal of the agency is to continue to find ways to infuse consumer enthusiasm and increase ticket sales through new innovations and strategies. The goal of the department is to continue to increase sales while keeping operating costs to a minimum in order to maximize dollars available for education enhancement programs.

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[122] Section 24.104, Florida Statutes.
[123] www.flalottery.com/inet/educationDollartoEducation.doc
[124] Ibid.
[125] www.flalottery.com/inet/educationBrightFuture.doc
[126] www.flalottery.com/inet/educationSchoolConstruction.doc

TABLE 1. UNIVERSITY AND COMMUNITY COLLEGE ENROLLMENT AND DEGREES AWARDED

	Community Colleges	State University System
Fall 2006 Headcount Enrollment (max # of students enrolled at one time)	360,675	294,016
Annual (2005-06) Full-Time Equivalent (based on 30 undergraduate or 24 graduate credits)	287,714	245,021
Annual (2005-06) Unduplicated Headcount (students enrolled at some point during the year)	793,517	340,644
2005-06 DEGREES		
Vocational/College Credit Certificates	21,039	0
Associate in Arts (transfer degree)	33,398	2,306
Associate in Science (workforce degree)	11,596	0
Bachelor	398	45,015
Master's	0	12,908
Doctorate	0	1,618
JD	0	806
MD	0	244
PharmD	0	464
Dental (DDS)	0	78
Veterinary (DVM)	0	82

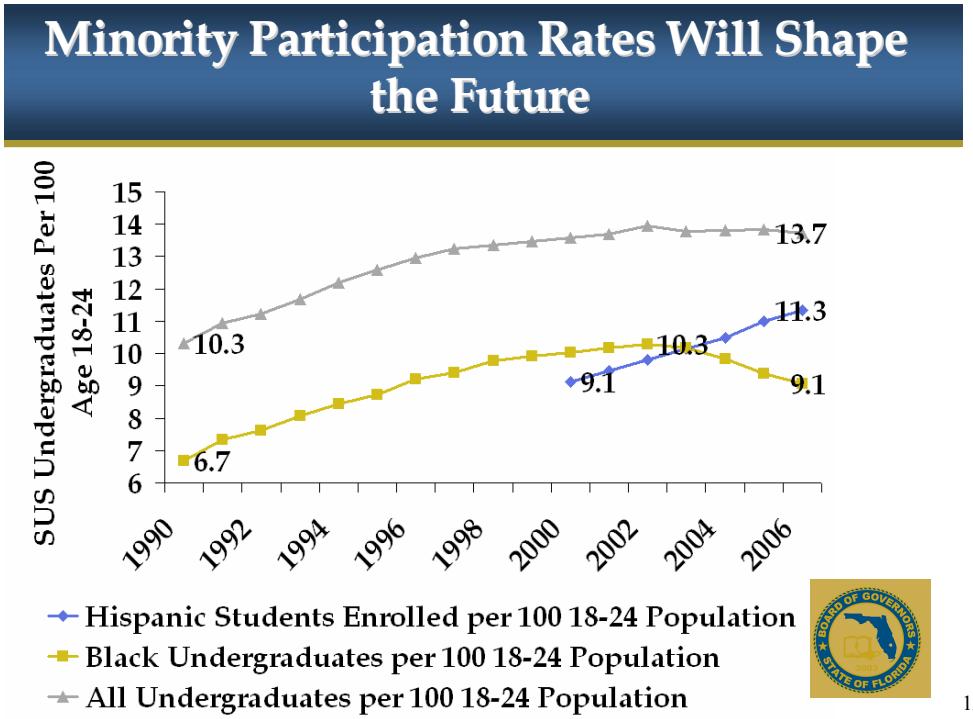
The Independent Higher Education Sector

Florida has many post-secondary education providers: state universities; state community colleges; independent colleges and universities; for-profit proprietary schools; and school district technical centers. The 28 independent colleges and universities most closely resemble the state's public universities in scope of services offered, diversity of programs and variety of degrees. They are private, not-for-profit institutions with nearly 170,000

non-duplicated students. All are based in Florida and (like the state universities) are accredited by the Southern Association of Colleges & Schools (SACS); so graduates of community colleges can, with equal ease, advance to a state university or independent institution to complete their bachelors degrees. ICUF schools have both a statewide articulation agreement with the community college system and scores of individual agreements at the local levels

The Independent Colleges and Universities (ICUF) complement the state subsidized public university system, providing higher education options, diversity and access throughout Florida with more than 180 educational sites (more than either the community college or state university systems). Many independent institutions are located in metropolitan centers such as the University of Miami in Coral Gables, Barry University in Miami Shores, Palm Beach Atlantic University in West Palm Beach, Eckerd College in St. Petersburg, the University of Tampa in Hillsborough County, Rollins College in Orange County and Jacksonville University in Duval County. Others are located in smaller and more rural communities, such as Stetson University in DeLand, Florida Southern College in Lakeland, Warner Southern College in Lake Wales, Hodges University in Naples and Saint Leo University in Pasco County. Some are very large like Nova Southeastern University in Ft. Lauderdale with more than 25,000 students; while others are smaller like Beacon College in Leesburg with 114 students or Florida College in Temple Terrace with 513 students. Nearly all (twenty-one) are preparing teachers with more than 17,000 students enrolled in undergraduate and graduate education studies. Eleven institutions are preparing nearly 4,000 nurses. Several are more specialized such as: Embry-Riddle Aeronautical University and Florida Institute of Technology that are leading aviation, aerospace and engineering universities; Florida Hospital College of Health Sciences that prepares nurses and allied health professionals for 17 hospitals in Florida; Webber International University that prepares business and management majors; and Ringling College of Arts and Design that is a world class fine arts and computer animation institution.

At seven of these institutions, minority undergraduate students are a majority of all the undergraduate students: Barry University; Bethune-Cookman University; Edward Waters College; Florida Memorial University; Nova Southeastern University; Saint Thomas University; and the University of Miami. System-wide, nearly 44% of the4 ICUF students are minorities, compared to only 35% of the students at state universities. At the ICUF colleges and universities, one student in three receives a federal Pell Grant for students from low-income families. Eighteen of the twenty-one Florida colleges and universities that have the highest percentages of students from families with incomes under $60,000 are independent colleges and universities.



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For more than 25 years, the State of Florida has appropriated funds to support Florida students attending these independent institutions, including a tuition equalization grant, (the Florida Resident Access Grant - FRAG), need-based financial assistance grants (the Private Student Assistance Grant - PSAG) and merit-based scholarships (Bright Futures). Currently, more than 33,000 students receive the FRAG, more than 10,000 receive PSAG and more than 14,000 receive Bright Futures Scholarships. It has been shown, by the enrollment responses at the ICUF institutions, that increases in grant levels has increased Florida resident enrollment in this sector. These grants enable tens of thousands of Florida students to afford these private institutions that have higher tuitions than state subsidized, community colleges and state universities. These public grants, provided to Florida residents, have helped hundreds of thousands of Florida residents get a college education without increasing demand at already crowded, state community colleges and universities. These 28 institutions receive less than 5 percent of the state's higher education budget but award nearly one-third of Florida's bachelors and advanced degrees. They award 27 percent of the bachelor's degrees, 38 percent of the state's master's degrees, 40 percent of the doctorates and 55 percent of the first professional degrees. A *Council of 100* study found that for each million dollar appropriated to these institutions for undergraduate education, Florida gets 155 bachelor degree graduates … each million dollars appropriated to state universities produces 19 graduates.

Currently, several private institutions partner with 18 community colleges to offer bachelor degree programs in underserved communities. They have focused on meeting critical state needs such as the teacher and nursing shortages; expanding programs and

[127] http://www.floridatbrc.org/ppt/8-1-07Rosenberg.ppt

capacity to help meet these workforce needs. They sponsor research, local economic development services and volunteer community programs, as well.

The recent Pappas Report to the Board of Governors recommended expanded collaboration and elimination of "turf battles." with the independent higher education sector to expand access and lower state costs.

COMMITTEE RECOMMENDATIONS