

**Final FY 2020-21 Budget:**

**EDUCATION**

July 2020

EDUCATION BUDGET					
	FY 2020-21 Budget				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Vetoes)
Appropriation Amount	\$26,014,741,729	\$26,613,693,908	\$26,767,475,475	\$27,042,687,877	\$26,747,188,967
Difference from FY 2019-20 Budget		+\$598,952,179	+\$752,733,746	+\$1,027,946,148	+\$732,447,238

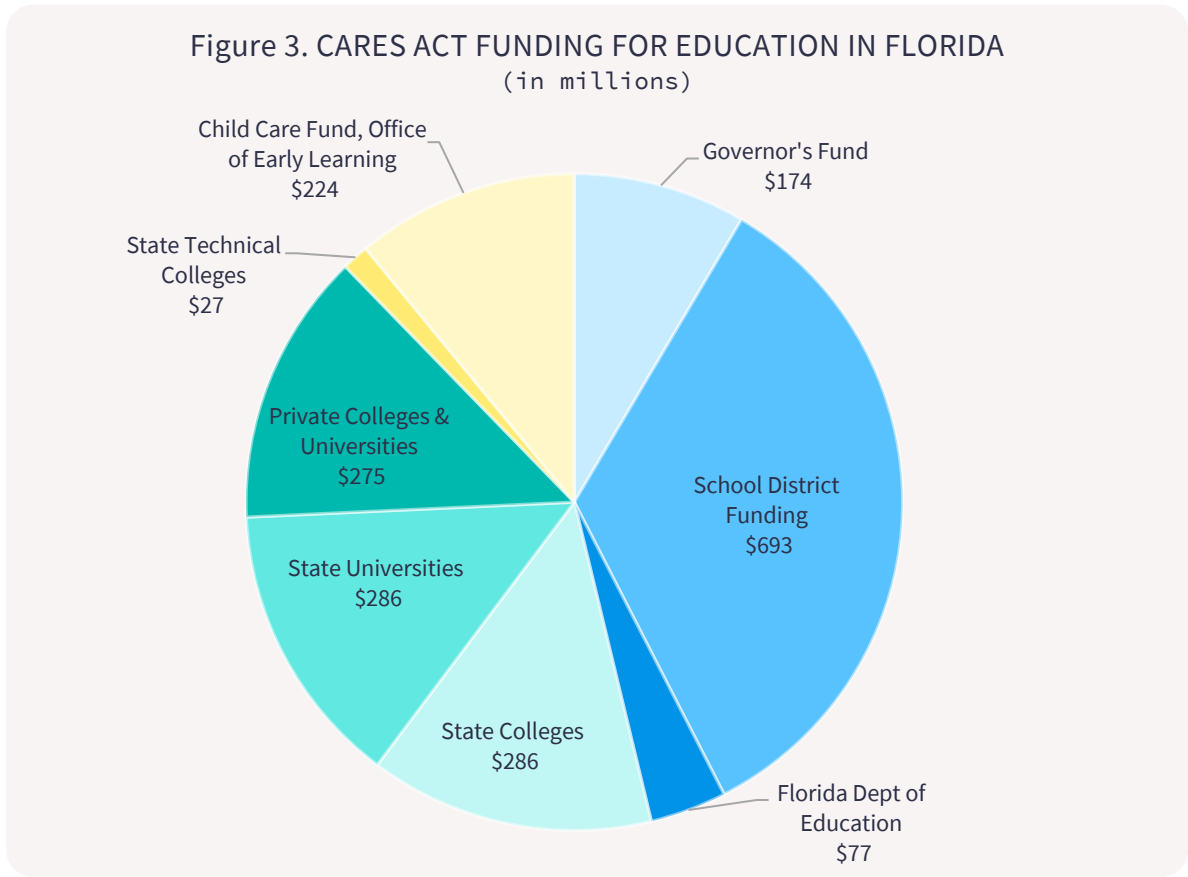
→ **Current Landscape**

After Governor DeSantis vetoed \$295.5 million in education spending, Florida's total education budget still grew by \$732 million over the previous fiscal year. However, many education proponents and local leaders, pointing to the twin pressures of the COVID-19 crisis and population growth, contend the funding is far from enough. The COVID-19 pandemic caused childcare centers, schools, colleges, and universities across the state to close their doors and move online. At the very time that schools need extra resources to provide a healthy environment, the revenues that propel education in the state have steeply declined.

In March 2020, Congress passed the CARES Act, which earmarked \$30.75 billion to K-12 and higher education systems in the Education Stabilization Fund, of which Florida received \$2.04 billion. More than a third of these Florida funds —\$693 million — went directly to school districts to help with a range of COVID-19 response related expenses. Higher education institutions in the state directly received \$874 million, half of which was required to go directly to students. DeSantis has broad discretion to spend the remaining \$475 million. Of the \$224 million earmarked for childcare support, his office earmarked \$86 million to go to safety net reserves and \$136 million to support childcare centers, support childcare for first responders and health care workers, and ensure that no parents lost their school readiness subsidies during the crisis. The governor is aiming the remaining \$251 million mostly at supports to reduce the “achievement gap” by funding reading coaches, reading and civics curriculum, and data collection. The governor also has earmarked \$35 million toward short-term industry certificate programs and \$2.5 million toward a “Job Market Dashboard.”

Education Stabilization Funds were not included in the FY 2020-21 budget passed by Legislature in March. While the initial funding boost is helpful, many school leaders are sounding the alarm that more federal support for schools is critical. On April 28, 2020, the superintendents of Broward, Orange, Miami Dade, Duval,

Palm Beach, and Pinellas school districts joined a letter sent to Congress calling for \$175 billion more in education stabilization funds.<sup>1</sup>



## EARLY CHILDHOOD AND PRE-K-12 EDUCATION

### → Current Landscape

Florida voters passed a constitutional amendment in 2002 that mandated the state provide free, quality, universal voluntary pre-Kindergarten (VPK). The program pays for three hours of educational programming a day to four- and five-year-old children. There is no income eligibility; in fact, 77 percent of eligible four-year-old children in the state attend VPK, one of the highest participation rates in the country. However, many families find themselves struggling to pay for the remainder of each day's services. Florida's per student VPK spending ranks 41st out of the 43 states that offer free VPK. Three hours a day is hardly enough for robust, quality education for children.

Florida's School Readiness Program offers financial assistance to low-income families for early education so parents can work and their children will be prepared for school. The majority of funding comes from the federal Child Care and Development Block Grant (CCDBG). The program is available to families with income below 150 percent of the federal poverty level, and most counties have waiting lists for participation.

→ Budget

Voluntary Pre-Kindergarten (VPK)

VOLUNTARY PRE-KINDERGARTEN BUDGET					
		FY 2020-21 Budget			
	<b>FY 2019-20 Budget</b>	<b>House</b>	<b>Senate</b>	<b>GAA</b>	<b>Final Budget (Post-Vetoes)</b>
Appropriation Amount	\$402,280,371	\$412,750,785	\$404,033,453	\$412,158,049	\$412,158,049
Difference from Current Year Budget		+ \$10,470,414	+ \$1,753,082	+\$9,877,678	+\$9,877,678
VPK Per-Pupil School Year Funding	\$2,437	\$2,486	\$2,437	\$2,486	\$2,486
Difference from Current Year Per-Pupil School Year Funding		+ \$49	\$0	+\$49	+\$49

The budget includes enough funding for an increase of \$49 per pupil. The VPK Estimating Conference, which met in January 2020, predicted that VPK enrollment would fall slightly by 1,140. However, even with the base allocation increase of \$49, it is still below the base student allocation in FY 2005-06, the first year of the program. Moreover, if the base allocation had kept up with inflation, it would have amounted to \$3,293 today.

School Readiness Program

SCHOOL READINESS PROGRAM BUDGET					
		FY 2020-21 Budget			
	<b>FY 2019-20 Budget</b>	<b>House</b>	<b>Senate</b>	<b>GAA</b>	<b>Final Budget (Post Veto)</b>
Appropriation Amount	\$760,877,228	\$760,877,228	\$760,877,228	\$895,877,228	\$895,877,228
Difference from Current Year Budget		\$0	\$0	+\$135,000,000	+\$135,000,000

The final budget boosts funding levels for the School Readiness Program by \$135 million. Between FY 2018-19 and FY 2020-21, funding for this program increased by \$205 million through federal funding increases of the CCDBG. This was a welcome infusion for childcare advocates, who have drawn attention to the program’s long waiting lists and uneven provider quality. Of the total, \$60 million will go explicitly towards reducing wait lists for child readiness dollars.

For the School Readiness Program, the budget includes a new carve-out of \$30 million in matching funds for local programs that expand eligibility up to 200 percent of the federal poverty level, as long as income does

not exceed 85 percent of the state median income. Additionally, the Office of Early Learning received \$224 million from the CARES Act Education Stabilization Fund toward childcare supports in response to the COVID-19 crisis, above and beyond the current year budget.

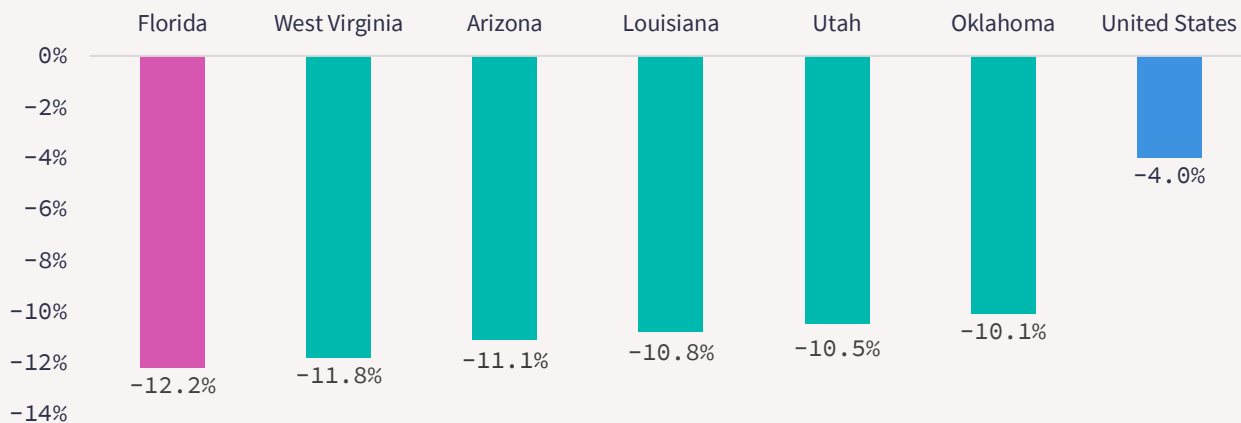
## K-12 EDUCATION

### → Current Landscape

Providing a quality education to all of Florida’s students is a core constitutional responsibility of state government and critical to economic growth. Adequate state funding for education provides the foundation for students to compete in an ever-changing economy, and it helps to attract highly qualified teachers and maintain the equity and fairness of Florida’s education system.

In the wake of the Great Recession, many states cut education funding dramatically after state and local revenues plummeted. While many states rebounded in the years that followed, Florida’s investment per-pupil was cut to 22.7 percent beneath pre-recession levels, after adjusting for inflation. Now, as Florida and the nation battle a pandemic, state revenues have plummeted and once again education budgets are threatened with looming drastic cuts. State and local combined funds for Florida’s primary and secondary (PreK-12) education dropped \$2,767 per pupil from 2008 to 2016, inflation adjusted.<sup>2</sup> This funding shortage has significantly suppressed teacher salaries — Florida’s average teacher pay currently ranked 47th in the nation in 2019.<sup>3</sup> Florida cut teacher pay more than any other state from 2009 to 2018. (See *Figure 4*.)

Figure 4. FLORIDA CUTS TO AVERAGE TEACHER PAY HIGHEST SINCE GREAT RECESSION  
Percent change in state average K-12 teacher pay, inflation adjusted, FY 2009–2018



Source: "Ranking of the States 2017 and Estimates of School Statistics 2018," NEA Research, National Education Association, April 2018.

→ Budget

K-12 EDUCATION BUDGET					
	FY 2020-21 Budget				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Vetoes)
K-12 Total State Funding – FEFP	\$12,450,345,660	\$13,087,360,203	\$12,980,459,216	\$12,994,172,946	\$12,859,590,069
K-12 Total State Funding – Non-FEFP	\$426,511,969	\$352,828,996	\$401,811,214	\$439,025,150	\$404,894,757
K-12 Total Local Funding	\$9,398,184,607	\$9,663,218,892	\$9,664,141,523	\$9,663,594,905	\$9,663,594,905
K-12 per-pupil spending	\$7,672	\$7,874	\$7,837	\$7,840	n/a
K-12 base student allocation	\$4,279	\$4,329	\$4,320	\$4,319	\$4,319

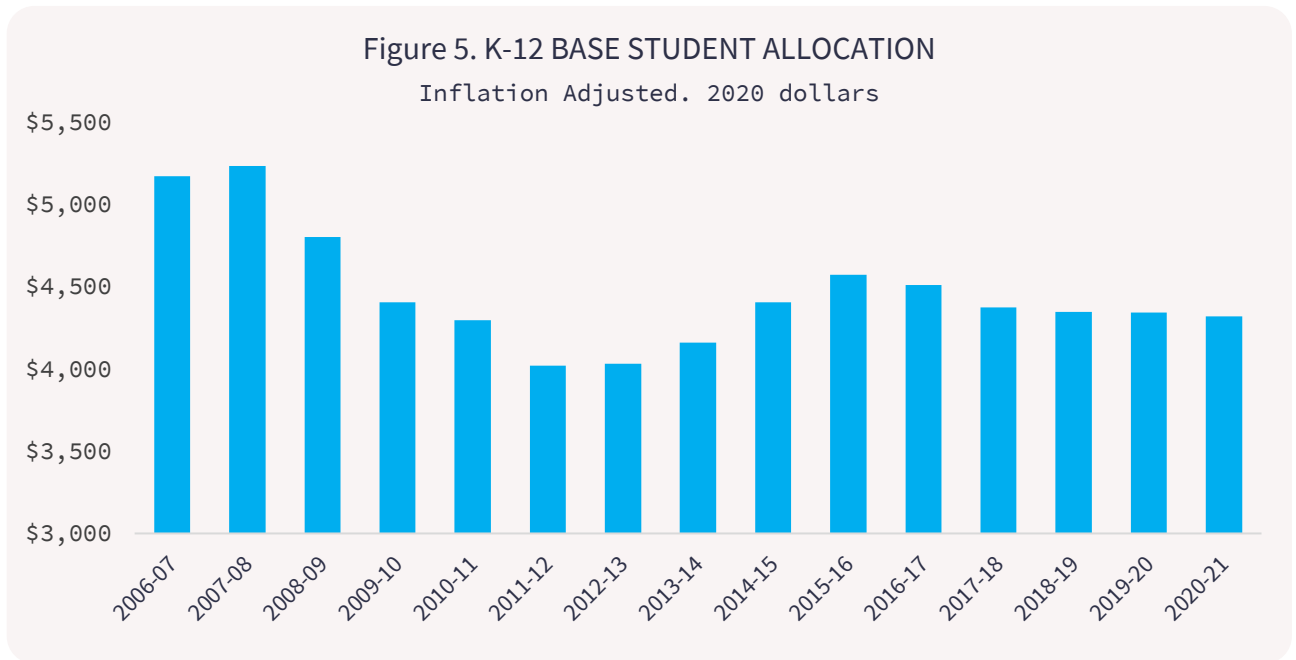
K-12 SELECT PROGRAMS					
	FY 2020-21 Budget				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Veto)
K-12 Best and Brightest Teacher Bonuses	\$284,500,000	\$0	\$0	\$0	\$0
Florida Classroom Teacher Compensation Program	N/A	\$650,000,000	\$500,000,000	\$500,000,000	\$500,000,000
K-12 Mental Health Assistance Allocation	\$75,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000

The FY 2020-21 budget:

- Funds the state’s portion of the Florida Education Finance Program (FEFP) at \$12.9 billion for K-12 public education — an increase of 3.3 percent over current-year funding.** This includes a \$40 increase in the base student allocation (BSA), the most flexible spending for schools and best measure for comparing year-to-year K-12 funding.

State funding for education comes from the General Revenue Fund (sales and other taxes), the Educational Enhancement Trust Fund (lottery proceeds), and other trust funds. In nominal dollars, \$4,319 in BSA funding would be the highest on record in Florida. However, when adjusted for inflation,

the BSA for FY 2007-08 would equal \$5,233 in today's dollars (see Figure 5). Florida's spending on K-12 education has yet to rebound to its pre-recession level and will be under enormous pressure from the current economic crisis.



- Dedicates \$500 million to increasing teacher pay.** For the first time in more than decade, the budget includes significant funding for teacher salary increases instead of bonus programs. The budget eliminates teacher bonus programs and instead dedicates \$500 million towards salary enhancements aimed at increasing the minimum base pay for teachers and other full-time instructional personnel, including certified prekindergarten teachers, to at least \$47,500. Each district would be able to use 20 percent of their share of the appropriation for raising overall pay, to include veteran teachers. The budget prioritizes classroom teachers; districts could only use the funds to increase pay for other staff, such as literacy coaches and guidance counselors, after sufficient entry-level salaries were achieved for teachers.
- Includes an increase in local funding from property tax revenue of \$159 million.** The increase reflects rising property values; however, the proposals reduce the millage (property tax) rate instead of keeping the rate constant and capturing the resulting funding increases, and so the \$159 million only includes the additional property tax revenue from new construction.
- Funds Mental Health Assistance at \$100 million, an increase of \$25 million.** These funds would go toward mental health services provided at K-12 schools. Notably, schools would be able to use a portion of this funding to draw down additional federal Medicaid match funding, thanks to a new law signed by Gov. DeSantis in June.

## HIGHER EDUCATION

### → Current Landscape

Researchers have found that the more educated a state’s populace is, the higher the median wage.<sup>4</sup> This makes sense on an individual level: in Florida, the median wage for someone with a bachelor’s degree (\$66,301) was roughly 2.4 times that of someone with a high school diploma alone (\$27,522) in 2017.<sup>5</sup> It also makes sense at a community-level: the larger the supply of highly-skilled workers, the more attractive the community is to high-wage employers.<sup>6</sup>

In Florida, higher education funding per student in 2018 was 13.5 percent below what it was in 2008, when adjusted for inflation.<sup>7</sup>

### → Budget

#### Florida College System

FLORIDA COLLEGE SYSTEM BUDGET					
	FY 2020-21 Budget				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Veto)
Total State Support	\$1,255,757,765	\$1,277,714,158	\$1,288,683,265	\$1,289,948,414	\$1,277,942,716

The budget increases overall funding for the Florida College System (FCS) by \$22 million, for a total of \$1.28 billion. This represents a 2 percent increase in state support for Florida’s colleges over the current funding level. A recent TaxWatch report found that the FCS is a great investment for the state, students, and the economy, infusing \$9 into the economy for every dollar spent on FCS.<sup>8</sup>

#### State University System

STATE UNIVERSITY SYSTEM BUDGET					
	FY 2020-21 Budget				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Veto)
State University System (SUS) – State Funding Support	\$3,155,832,501	\$3,140,100,099	\$3,215,226,722	\$3,284,016,719	\$3,214,366,610
State University System – Funding from Tuition and Fees	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926

Total SUS Funding	\$5,113,319,427	\$5,068,082,515	\$5,211,256,952	\$5,241,503,645	\$5,177,037,061
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The budget provides \$3.21 billion in state support for university operating expenses. This represents a 2 percent increase compared to the previous funding level. Despite this marginal increase, general revenue support for the State University System has yet to rebound to pre-recession levels. (See *Figure 6.*) The final budget also keeps tuition and fees constant.

### Student Financial Aid

STUDENT FINANCIAL AID BUDGET					
	FY 2020-21 Budget Proposals				
	FY 2019-20 Budget	House	Senate	GAA	Final Budget (Post-Vetoes)
Bright Futures (Merit-based scholarships)	\$595,143,167	\$651,776,770	\$651,776,770	\$651,776,770	\$651,776,770
Student Financial Aid (Need-based aid)	\$280,398,215	\$280,921,887	\$281,155,257	\$280,921,887	\$280,921,887
Other Aid (Specialty scholarships, matches, and loans)	\$46,356,041	\$51,560,795	\$51,560,795	\$52,060,795	\$52,060,795
Total Student Financial Aid	\$921,897,423	\$984,259,452	\$984,492,822	\$984,759,452	\$984,759,452

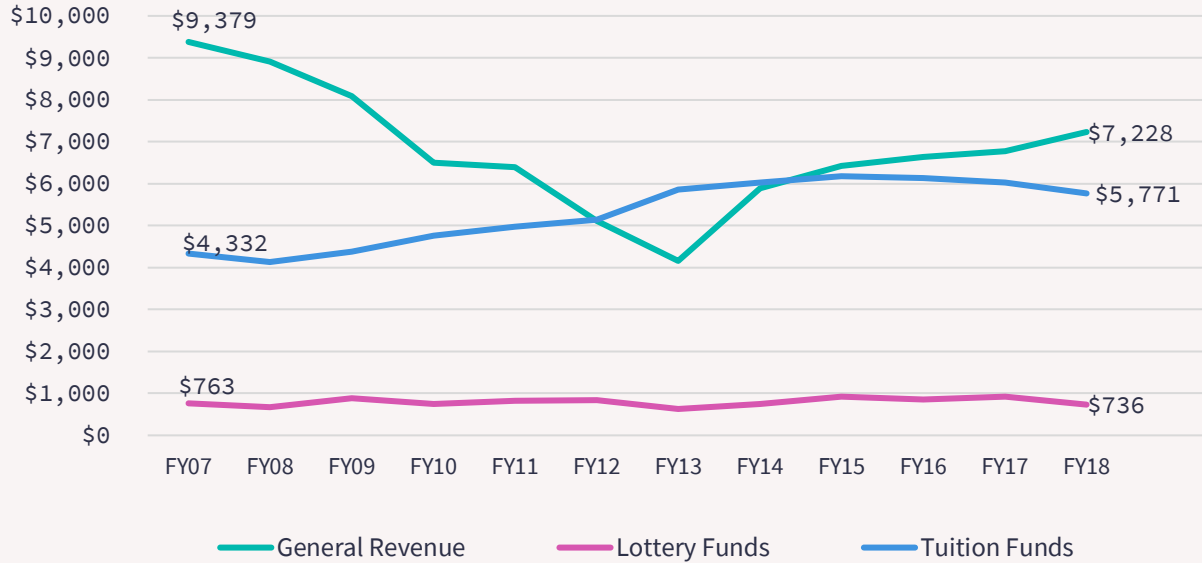
The budget increases the total student financial aid budget by \$63 million, for a total of \$984.8 million. While need-based financial aid funding is increased by roughly a half million dollars over the current-year budget, the majority of the financial aid budget increase is due to an additional \$56.6 million for the merit-based Bright Futures Scholarship Program. This boost is due to an increase in the projected number of Bright Futures awards for the current fiscal year; in December 2019, the Education Estimating Conference released its projection that the number of expected awards had increased by 6.9 percent.

Research shows that students of color from households with low income are more likely to face barriers to academic success during their K-12 years, which can then cause them to miss out on merit-based scholarships<sup>9</sup> like Florida’s Bright Futures. As such, the continued emphasis on merit-based scholarships could further marginalize students with low income from the higher education system, adding yet another barrier to their economic mobility and the shared prosperity of all Floridians.



Figure 6. GENERAL REVENUE SPENDING ON FLORIDA'S UNIVERSITIES BELOW PRE-RECESSION LEVELS

University spending per student (FTE) by source, adjusted for inflation.



Source: FPI analysis of State University System of Florida data. Does not include college system data.

## EDUCATION FACILITY CONSTRUCTION

### → Current landscape

Funding for school capital expenses, like construction, repairs, and technology improvements, has not rebounded from the deep cuts after the recession.<sup>10</sup> Florida’s state and local investment in capital expenses remain 71 percent below 2008 levels, after accounting for inflation, which is the second largest cut in the nation. The lack of funds has come at a cost — the Florida Chapter of the American Society for Civil Engineers (ACSE) gives the infrastructure of the state’s schools a D+ for quality.<sup>11</sup>

Education fixed capital outlay funds are used to build public schools, colleges, and university buildings, and pay for debt service. The primary funding for these fixed capital outlays, which are the appropriations for the construction and maintenance of buildings, comes from the Public Education Capital Outlay and Debt Service Fund (PECO), which is made up of revenue from the gross receipts tax (sales tax on gas and electricity) and the tax on communication services (landline phone, cable, satellite, and cellular phone services). Historically, this revenue has been used for issuing bonds. From FY 1992-93 to FY 2010-11, the state used the PECO funds to issue bonds for capital projects totaling \$12.1 billion; however, during then Governor Rick Scott’s tenure, only one PECO bonding project was approved.

→ Budget

EDUCATION FACILITY CONSTRUCTION BUDGET					
	FY 2020-21 Budget				
	Current Year	House	Senate	GAA	Final Budget (Post-Vetoes)
Debt Service	\$1,108,421,653	\$1,051,503,210	\$1,051,503,210	\$1,051,503,210	\$1,051,503,210
Maintenance, Repair, Remodeling: Charter Schools	\$158,209,945	\$169,600,000	\$169,600,000	\$169,600,000	\$169,600,000
Maintenance, Repair, Remodeling: Public schools, colleges, universities	\$0	\$0	\$0	\$0	\$0
School Safety Grant Program	\$0	\$50,000,000	\$0	\$355,038,430	\$321,038,430
Total other projects	\$311,814,699	\$204,889,738	\$331,651,000	\$1,576,141,640	\$1,542,141,640
Total Proposed FY 2020-21 Budget	\$1,578,446,297	\$1,475,991,948	\$1,562,103,210		

Governor DeSantis has continued the trend of opting not to leverage PECO funds to bond for education projects; no projects were bonded in the final budget, or in the previous fiscal year.

The budget:

- **Decreases the total fixed capital outlay budget by \$36.3 million, for a total of \$1.54 billion.** Of this total, \$1.05 billion is earmarked to pay for debt service on bonding, \$56.9 million less than current year funding.
- **Funds *only* charter schools for maintenance, repair, and remodeling.** The budget includes \$169.6 million for maintenance and repair of charter schools without specifying any such funding for public schools, colleges, or universities. The current-year budget also only funds charter schools for maintenance, while the governor’s proposal included \$136.5 million for public schools, colleges, and universities. The divergence is important to note given the extreme need for repair and maintenance of Florida’s public schools, as noted above.

<sup>1</sup> Council of the Great City Schools, April 28, 2020, <http://news.dadeschools.net/cmnc/new/30506>.

<sup>2</sup> Holly Bullard, “Amendment 5 Would Put Funding for Florida PreK-12 Education and Teacher Pay at Risk,” Florida Policy Institute, August 22, 2018, <https://www.floridapolicy.org/posts/amendment-5-would-put-floridas-higher-education-funding-at-risk>.

<sup>3</sup> “Ranking of the States 2019 and Estimates of School Statistics 2020,” NEA Research, National Education Association, June 2020.

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- <sup>4</sup> Noah Berger and Peter Fisher, “A Well-Educated Workforce is Key to State Prosperity,” Economic Policy Institute, August 22, 2013, <https://www.epi.org/publication/states-education-productivity-growth-foundations/>.
- <sup>5</sup> Florida College Access Network, “State of Florida Degree Attainment Profile,” February 2019, <http://floridacollegeaccess.org/wp-content/uploads/2019/02/Florida2019Feb.pdf>
- <sup>6</sup> Paul Bauer, Mark E. Schweitzer, and Scott Shane, “State Growth Empirics: The Long-Run Determinants of State Income Growth (Working Paper 06-06),” Federal Reserve Bank of Cleveland, May 1, 2006, <https://www.clevelandfed.org/en/newsroom-and-events/publications/working-papers/working-papers-archives/2006-working-papers/wp-0606-state-growth-empirics-the-long-run-determinants-of-state-income-growth.aspx>.
- <sup>7</sup> Michael Mitchell, Michael Leachman, and Matt Saenz, “State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality,” Center on Budget and Policy Priorities, October 24, 2019, <https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students>.
- <sup>8</sup> Florida Tax Watch, “Independent Assessment of the Economic Impacts of the Florida College System,” March 14, 2019, <https://floridataxwatch.org/Top-Issues/Education/ArtMID/35706/ArticleID/18691/Independent-Assessment-of-the-Economic-Impacts-of-the-Florida-College-System>.
- <sup>9</sup> Susan M. Dynarski, “The New Merit Aid” in C. M. Hoxby (Ed.), *College Choices: The Economics of Where to Go, When to Go, and How to Pay For It* (Cambridge, MA: National Bureau of Economic Research, 2004), pp. 63-97.
- <sup>10</sup> Holly Bullard, “Amendment 5 Would Put Funding for Florida PreK-12 Education and Teacher Pay at Risk,” Florida Policy Institute, August 22, 2018, <https://www.floridapolicy.org/posts/amendment-5-would-put-floridas-higher-education-funding-at-risk>.
- <sup>11</sup> Bullard, 2018.