



Community Guide to Understanding the School District's Budget 2023-2024



Hernando County's Mission: The Hernando County School District collaborates with students, parents, and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.

WHAT IS THIS GUIDE ABOUT?

This guide is designed to introduce you to the Hernando County School District budget and how it works. School District budgeting is different than private business budgeting or personal budgeting and can be somewhat complex. This guide is to walk you through the basics, covering the budget's main components. You'll learn where the money comes from, how the money is used, and how you can get involved in school district budget decisions.

For more detailed information about the Hernando County School District's budget, contact: Joyce McIntyre, Chief Financial Officer at 919 North Broad Street, Brooksville, FL 34601 or by email at mcintyre.j@hcsb.k12.fl.us.

HERNANDO COUNTY SCHOOL DISTRICT BUDGET SNAPSHOT

In the 2023-2024 school year, the Hernando County School District's approved budget including transfers is \$510,227,517 funded from federal, state, and local sources. Where does this money go?

The Hernando County School District annual budget is used to educate students, transport them to and from schools, provide them breakfast and lunch, and maintain school buildings and grounds. It funds special education programs and other programs such as alternative education programs and programs for students for whom English as a second language. It is used to pay teachers and support staff, provide their health and retirement benefits and support additional training. Capital Project funds are used to pay for the cost of new schools, remodeled schools and maintenance of the schools' infrastructure.

At the center of this organization are our children. While businesses have a single overriding concern – the financial bottom line – school districts have a far broader objective – ensuring excellence and equity in education for our students. Yet this objective also carries with it a financial bottom line.

How does the district distribute funds to meet this goal? What level of quality do your tax dollars provide? Who makes school budget decisions, and how are those individuals accountable? How can you get involved? You'll find out in the sections ahead.

2023-2024 Quick Facts

Total number of students (as of 8/17/2023)	25,876
Number of Elementary Schools	10
Number of Middle Schools	4
Number of K-8 Schools	3
Number of High Schools	5
Number of Alternative Schools	2
Number of Online Schools	1
Number of Charter Schools	3

Students receiving free breakfast/lunch

Available to 100% of students.

WHERE DOES THE MONEY COME FROM?

Many people are surprised to learn that most money for public schools comes from state and local governments and not from Washington. Although education funding has always been a combination of local, state and federal dollars, the state legislature is primarily responsible for ensuring that adequate funding for education is provided and that it is properly allocated. In 1973, the Florida Legislature enacted the Florida Education Finance Program (FEFP) as its method for funding public education in a manner that would “guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.” Although it has changed considerably over the years, Florida’s FEFP is often cited as a national model for funding equity.

Funding for the FEFP combines state funds – primarily generated from sales tax revenue – and local funds – generated from property tax revenue. It is important to note that the FEFP is only the centerpiece of the total funding for education. Funding for a variety of programs and services – such as school construction, workforce development, and prekindergarten programs – is provided in addition to the funds allocated through the FEFP.

FULL TIME EQUIVALENT (FTE)

The primary basis for education funding is student enrollment. In general, one student is roughly equal to one FTE. However, it’s important to understand that FTE represents the hours of instruction provided to a student. In a standard school, a student in kindergarten through grade 3 must receive 720 hours of instruction (20 hours per week; 4 hours per day) to equal one FTE. A student in grades 4-12 must receive 900 hours of instruction (25 hours per week; 5 hours per day) to equal one FTE. 900 hours is the maximum number of hours of instruction that will be funded per student for the school year. Each year, FTE is estimated based on demographic and school district projections. Once the school year begins, FTE is revised by actual counts of students in October and February. For 2023-2024, Florida public schools are expected to serve more than 3,095,082 unweighted FTE.

COST FACTORS

All students are enrolled in one or more of the seven instructional program groups listed below. Since some instructional programs are more expensive than others, Cost Factors are used to supplement funding to cover the cost of providing the more expensive programs. Cost Factors are based on district reports of actual costs of providing each program. The district reports are then “filtered” using demographics, historical expenditures, forecast patterns, prevalence, and ratios. Multiplying the FTE enrolled in a program by its cost factor produces Weighted FTE (WFTE). For 2023-2024, for Hernando County this calculation on 26,359.83 produces a total of 28,817.67 WFTE.

Group 1. Basic Programs	2023-2024 Cost Factor
A. Grades K-3	1.122
B. Grades 4-8	1.000
C. Grades 9-12	0.988
Group 2. ESOL/Intensive English	1.208
Group 3. Exceptional Student Programs	
A. Support Level 4	3.706
B. Support Level 5	5.707
Group 4. Career Education Programs (grades 9-12)	1.072

BASE STUDENT ALLOCATION (BSA)

The Base Student Allocation is the amount of money allocated to each FTE. Minimally, the BSA should be based on the previous year’s BSA plus an appropriate increase to reflect inflation and program needs. However, in practice, the BSA often is increased or decreased based on available funding and/or funding policy decisions rather than actual costs. For 2023-2024, the Base Student Allocation is set at \$5.139.73.

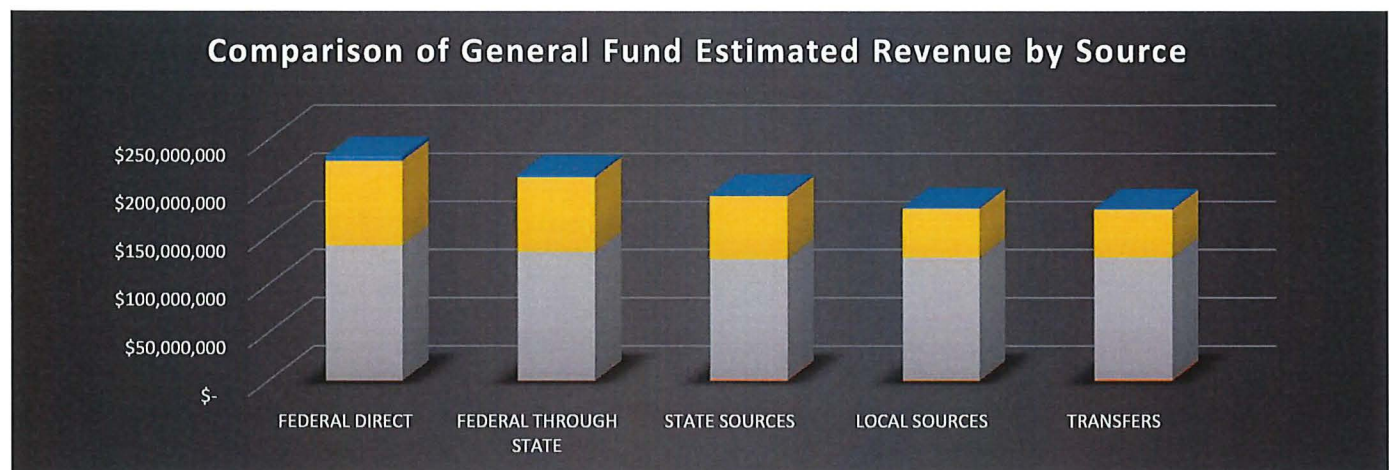
ADJUSTED COMPARABLE WAGE FACTOR (ACW)

The Adjusted Comparable Wage Factor (ACW) previously called District Cost Differential is a factor used to adjust funding to reflect each district’s cost of living. The ACW for each district is computed annually based on a three-year average of the Florida Price Level Index (FPLI) as adjusted by various factors. The FPLI represents the cost of hiring comparable personnel across school districts and adjusts funding by an “amenity factor” based on wage data that assumes that the desirability of living in an area makes employees willing to accept lower salaries in order to live in that area.

$$\text{Weighted FTE} \times \text{Base Student Allocation} \times \text{Adjusted Comparable Wage Factor} \\ = \text{Base Funding}$$

The follow chart shows how much the Hernando County School District received from federal, state and local sources of General Fund revenue.

		2023-2024 Proposed Original Budget	2022-2023 Original Budget	2021-2022 Original Budget	2020-2021 Original Budget	2019-2020 Original Budget
Estimated Revenue						
FEDERAL DIRECT	31xx	\$ 243,000	\$ 199,000	\$ 477,524	\$ 193,000	\$ 115,800
FEDERAL THROUGH STATE	32xx	\$ 550,000	\$ 700,000	\$ 1,380,000	\$ 1,243,715	\$ 1,874,229
STATE SOURCES	33xx	\$ 139,993,987	\$ 133,473,607	\$ 125,015,328	\$ 126,958,720	\$ 126,666,376
LOCAL SOURCES	34xx	\$ 87,788,607	\$ 77,008,528	\$ 64,953,954	\$ 50,559,974	\$ 49,222,327
TRANSFERS	36xx	\$ 4,608,666	\$ 2,304,655	\$ 2,015,491	\$ 1,056,560	\$ 945,066
TOTAL GENERAL FUND REVENUE		\$ 233,184,260	\$ 213,685,790	\$ 193,842,297	\$ 180,011,969	\$ 178,823,798



Who determines how much funding each school district receives?

Every homeowner and business owner of the State of Florida pays property taxes for schools, along with taxes for other public services. Each year, the state budget crafted by the governor and legislature determines how much of the total budget will be allocated to education. The portion allocated for K-12 education is then divided among 67 school districts throughout the state using various state school funding formulas. These formulas determine how much money each school district will receive per pupil as well as how much of that funding is paid by the state and how much is paid through local taxes. Currently, the state pays an average of about 68 percent of the funding for local school districts, with 32 percent coming from local taxes. After the state determines the funding, each school district decides how to fund its local system.

What is a Tentative and Final Budget?

We are required to hold two public hearings on the budget. The tentative budget is a preliminary proposal and was presented to the Board for approval on July 25, 2023. At that time, the Board approved the tentative millage rates and budget. The tentative budget is designed to allow a school district to carry on and meet its legal and statutory obligations.

Our fiscal year ended on June 30, 2023, and 2022-2023 revenues and expenditures were finalized to give us our beginning fund balances for each fund. The final budget and millage rates for 2023-2024 were presented to and approved by the School Board of Hernando County on September 5, 2023. Over the fiscal year, budget amendments will be brought to the Board for approval.

How does supporting education impact your taxes?

Local tax money goes to the respective county tax collector who in turn distributes it to the school district based on property taxes paid by businesses and homeowners. The District receives local ad valorem tax revenue usually beginning in November of each year and it continues to come in through June based on when property owners pay their property taxes.

In November 2020, the Hernando County citizens approved the referendum for the addition of a 1 mill increase to property taxes. The addition of this millage revenue will help Hernando County School District to recruit and retain quality teachers and staff, provide additional staff to support student needs, maintain and increase school safety measures, increase mental health services for students, provide students and staff with devices, resources and support, and maintain and increase educational opportunities for all students.

State law sets the property tax rate. In 2023, homeowners paid a local tax rate of \$6.525 per thousand assessed valuations after any applicable homestead exemption. Below is an example of the effect of millage rates on individual taxpayers for 2024 vs 2023.

		Sample Home	Sample Home	Sample Home	Sample Home
Assessed Value		\$ 75,000	\$ 100,000	\$ 150,000	\$ 200,000
Homestead Exemption		-25,000	-25,000	-25,000	-25,000
School Taxable Value		<u>\$ 50,000</u>	<u>\$ 75,000</u>	<u>\$ 125,000</u>	<u>\$ 175,000</u>
2024 Tax Year	Millage	Taxes	Taxes	Taxes	Taxes
Required Local Effort	3.0920	\$ 154.60	\$ 231.90	\$ 386.50	\$ 541.10
Discretionary	0.7480	37.40	56.10	93.50	130.90
Local Capital Improvement	1.5000	75.00	112.50	187.50	262.50
Additional Voted Millage	1.0000	50.00	75.00	125.00	175.00
Total Proposed Millage/Taxes	<u>6.3400</u>	<u>\$ 317.00</u>	<u>\$ 475.50</u>	<u>\$ 792.50</u>	<u>\$ 1,109.50</u>
2023 Tax Year	6.5250	\$ 326.25	\$ 489.38	\$ 815.63	\$ 1,141.88

Federal funding for education

In addition to local and state funding for education, the federal government contributes limited funds to local school districts. Historically, the funding of schools has been the responsibility of local districts and states. In the 1960s, the federal government began providing financial support to state and local districts to help with educating the poor and disadvantaged students. That support later expanded to include students with disabilities. This money can only be used for specified purposes.

While very important to most school district budgets, the federal support amounts to only a small percentage of the total budget. For more detailed information about federal funding, visit www.ed.gov.

Below are the grants included in our Special Revenue budgets obtained through Federal funding for 2023-2024:

- Adult Education/Literacy Education
- Title I Part A
- Title IX Part C – Education for the Homeless
- IDEA Pre-K
- IDEA
- Carl Perkins Vocational
- Title II Part A – Teacher/Principal Training
- Sednet Federal
- Title III – English Language Acquisition
- Sednet Federal Trust
- UniSig School Improvement
- Title IV Student Support & Academic Enrichment
- Elementary & Secondary School Emergency Relief (ESSER II – Cares Grant)
- Elementary & Secondary School Emergency Relief (ESSER III – Cares Grant)
- American Rescue Plan – Homeless Children & Youth

Looking at the 2023-2024 School District Budget

The 2023-2024 School District Budget reflects the costs to educate approximately 25,000 students in our 23 brick and mortar classrooms, e-School, digital learning platform, alternative education facilities and the three charter schools. There are three basic types of funding that the school district receives: Federal, State and Local. Although separate in their sources and the types of expenses each pays for, all the kinds of funding are equally important to the school system.

Operating Funds pay for the day-to-day expenses of running the school system, like salaries, fringes, supplies, transportation, general maintenance and utilities. Operating expenses are paid out of the district's **General Fund**, which is funded through a mix of local, state and federal tax dollars.

Food Service Funds pay for the breakfast and lunch programs offered at each of our schools. The fund accounts for the food costs, labor costs, and other miscellaneous costs born by the food service operation. Funding for this program is derived from five sources:

- Federal reimbursement of student meals
- Federally provided USDA commodities
- State supplement required to meet federal matching requirements
- Cash sales from Ala Carte purchases
- Payments from agencies Food Services are provided.

The Food Service Fund is labeled a special revenue fund and therefore must bring in enough revenue to cover all of the expenses of the program.

Capital Funds pay for the design and construction of new schools, expansion of existing schools, and major renovation and replacement of older facilities. Capital expenses are paid out of the districts' **Capital Fund** using half-cent sales tax proceeds and bonds obtained through the district's borrowings. Bonds are paid for over a number of years through taxes.

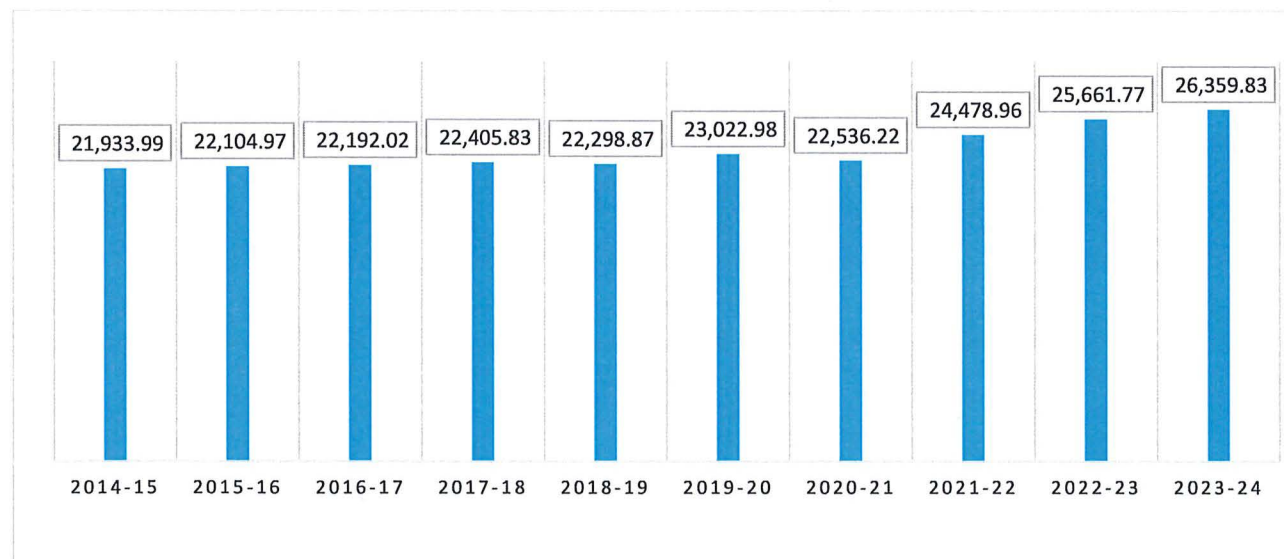
Federal and State Grant Funds pay for the expenses associated with state and federal grants awarded to the school district on an annual basis. All of the grants require the school district to prepare lengthy applications and await the award decision prior to expending any funds associated with the grant obligations. Both state and federal grants must be meticulously maintained and accounted for using a specified format as outlined by the government. These grants also are required to supplement the operating budget; therefore grants cannot be used to fund necessary programs, the operating budget must provide for these expenditures.

The funding driver: Enrollment

Although the State of Florida determines how much money the school district will receive per pupil, the funded pupil count is the real driver of school funding. The funded pupil count refers to the number of full-time students enrolled in a district. The funded pupil count total can be different from the total enrollment because not all students carry the same funding weight. The funding weights for 2023-2024 are listed below:

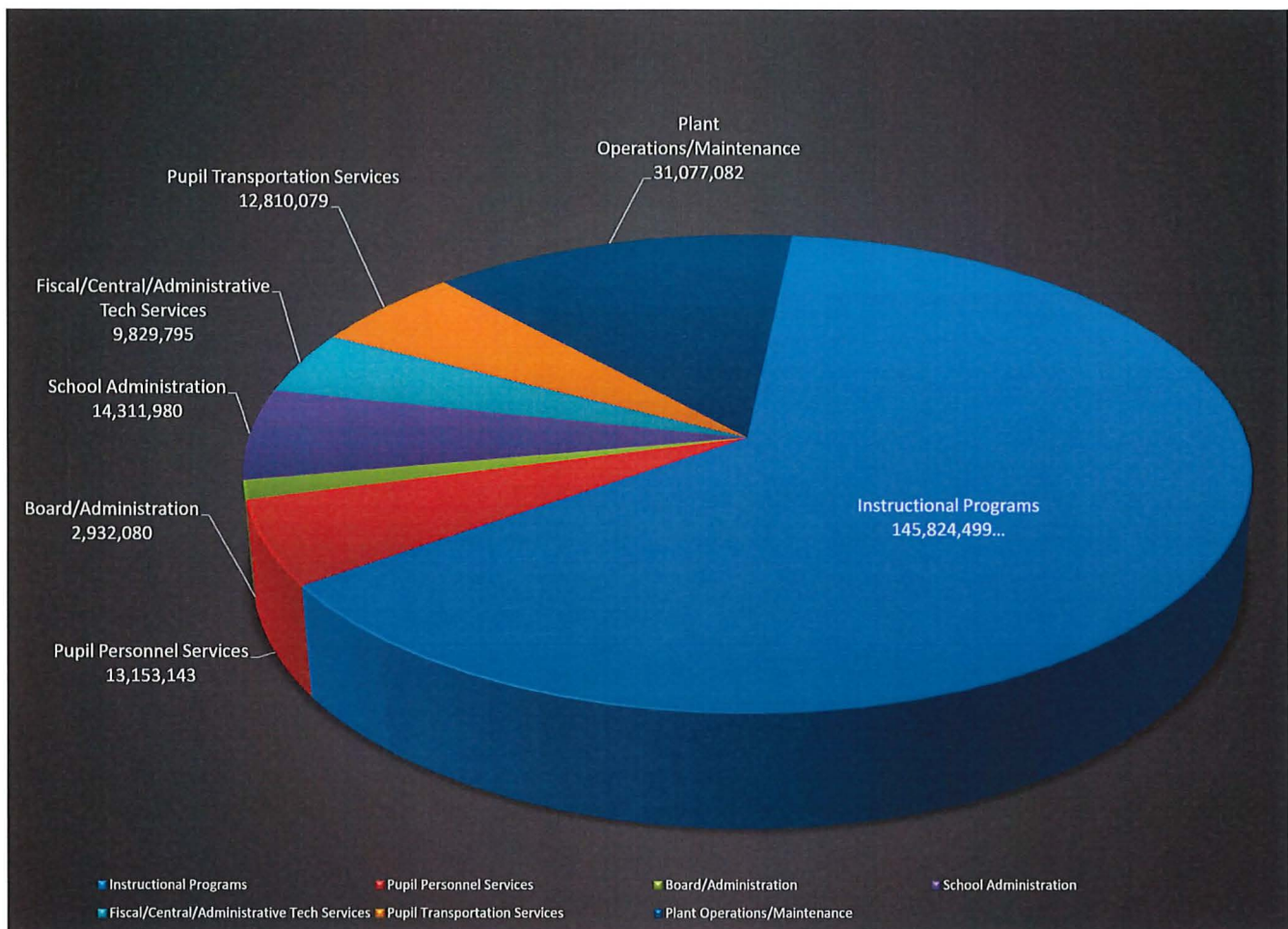
Basic Kindergarten through Grade 3 (with or without ESE services)	1.122
Basic Grade 4 through Grade 8 (with or without ESE services)	1.000
Basic Grade 9 through Grade 12 (with or without ESE services)	0.988
ESE Level 4 (student is receiving specialized approaches, assistance, or equipment for the majority of learning experience)	3.709
ESE Level 5 (student is receiving continuous and intense (one-on-one or very small group) assistance, multiple services or substantial modifications	5.707
ESOL (students whose primary language is not English)	1.208
Career Education – Grade 9 through Grade 12	1.072

The unweighted full-time equivalent students for 2023-2024 is based on the projection by Florida Department of Education. The Florida Department of Education (FLDOE) conducts scheduled surveys of school district student information during the reporting year. The course enrollment report lists the number of students enrolled in each course by district in Survey 2, conducted in October, and Survey 3, conducted in February. Data can vary from one survey to another.



How is the money spent?

Think of a dollar bill in terms of how the general fund budget is allocated for the entire school district. The largest share of the general fund, 69 cents out of every dollar, is allocated to instruction, which includes primarily salary and benefits for teachers and other employees as well as supply costs. This also includes the learning support provided by counselors, media specialists, social workers, clinic staff and others. School administration and operations, which includes administrators, maintenance, and custodial services as well as transportation costs account for 25 cents. The remaining 06 cents is spent on other miscellaneous support.



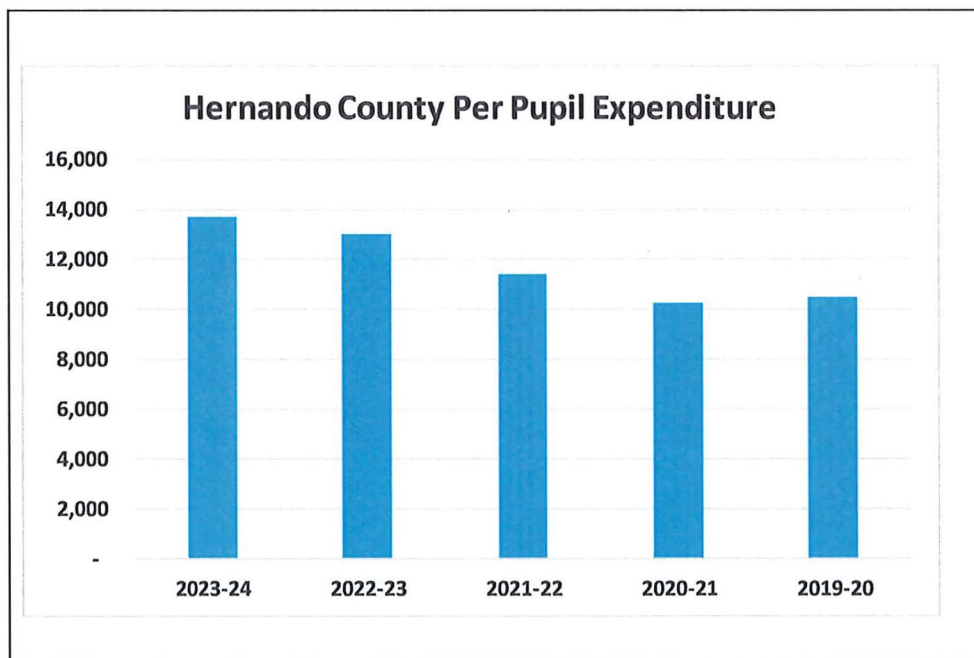
For every dollar in the 2023-2024 School District budget,

- * .69 cents are spent on instruction at schools
- * .25 cents are spent on administration and overhead at schools, e.g. principals, custodians, maintenance, bus drivers, etc.
- * .06 cents are spent on other miscellaneous support.

Another useful way to break down the annual budget is by the amount spent per pupil. Divide the lump sum of the district's total approved appropriation budget of \$ 361,983,325 by the number of students projected by Florida Department of Education's calculation in July, which is 26,359.83 and you get the figure of \$13,732 budgeted per pupil.

Keep in mind, though, this number reflects all of the schools' expenses divided by all of their projected enrollments. Every child is different, with different needs and demands on the system. Some expenses are targeted to specific groups of students such as special needs students, higher able students or students learning English as a second language.

	<u>Per Pupil Expenditures</u>				
	2023-24	2022-23	2021-22	2020-21	2019-20
Hernando County School District	13,732	13,038	11,438	10,249	10,492



General fund budget break down

The following is a list of all the “funding categories”, called functions that make up the school district’s general fund budget and a description of what each function pays for.

DEFINITION OF MAJOR BUDGET ACCOUNTS

5100 Regular Education Programs – Includes activities dealing directly with the teaching of pupils, or the interaction between teacher and pupils. Included in the function are salaries of the instructional personnel, supplies, textbooks, equipment and any other costs directly related to the instructional process. Programs for Students at Risk and English for Speakers of Other Languages are included in this function.

5200 Exceptional Student Education Programs (ESE) – Includes activities designed primarily to deal with students having special needs. Includes personnel, supplies, equipment, and other services required as part of the instructional process. ESE Programs are determined by law.

5300 Career Education – Activities that provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in an occupational area. It includes adult vocational education and continuing workforce development.

5400 Adult General – Includes Adult Education General course offerings, including GED courses and testing.

5500 Prekindergarten – Prekindergarten program expenditures, including voluntary Prekindergarten program expenditures.

5900 Other Instruction – Other instruction not qualifying for funding from Florida Department of Education, such as instruction provided in recreation, lifelong learning programs and Adults with Disabilities programs.

6100 Student Support Services – Activities involving counseling with students and parents, providing consultation with other staff members on learning problems, evaluation the abilities of pupils, assisting students as they make their own educational and career plans and choices, assisting students in personal and social development, providing referral assistance and working with other staff members in planning and conducting guidance programs for students. This includes attendance and social work, physical and mental health services that are not direct instruction, and psychological services.

6200 Instructional Media Services – Activities concerned with directing, managing and supervising educational media services, as well as such activities as selecting, acquiring, preparing, cataloging and circulating books and other printed materials: planning for the use of the library by students, teachers and other members of the instructional staff.

6300 Instruction & Curriculum Development Services – Activities designed to aid teachers in developing the curriculum, preparing and using special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students.

6400 Instructional Staff Training Services – Activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff.

6500 Instruction Related Technology – These activities include costs associated with the administration and supervision of technology related personnel, systems planning and analysis, systems application development, systems operation, network support services, hardware maintenance and support services and technology-related costs that relate to the support of instructional activities.

7100 School Board – Activities of the elected or appointed body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. Also included are the expenditures of the board attorney and other legal services, independent auditors, internal auditors who report directly to the district school board, negotiators and lobbyists.

7200 Superintendent – Activities performed by the superintendent and assistant superintendents in the general direction and management of all affairs of the school system. This includes personnel and materials in the office of the superintendent.

7300 School Administration – Activities concerned with directing and managing the operation of a particular school. It includes the principal, assistant principals and other staff involved in the general supervision of the school, evaluation of the staff members and coordination of school instructional activities.

7400 Facilities Acquisition and Construction – Activities concerned with the acquisition of land and buildings, remodeling buildings, construction of buildings and additions, initial installation or extension of service systems and other built-in equipment, and improvements to sites.

7500 Fiscal Services – Activities concerned with the fiscal operation of the school systems. This includes budgeting, receiving and disbursing cash, financial accounting, payroll, inventory control, internal auditing, and investments and funds management.

7700 Central Services – Activities concerned with maintaining efficient personnel for the school district, including such activities as recruitment and placement, staff transfers, maintenance of personnel information, health services and position control.

7800 Student Transportation Services – Activities associated with the transportation of students to and from school activities, either between home and school, from school to school, or on trips for curricular or cocurricular activities.

7900 Operation of Plant – Activities concerned with keeping the physical plant open and ready for use. It includes utilities, custodial costs, building rent and insurance costs associated with school buildings. It also includes cleaning, disinfecting, routine maintenance of grounds and heating, ventilation and air conditioning systems.

8100 Maintenance of Plant – Activities that are concerned with maintaining the grounds, buildings and equipment at an acceptable level of efficiency through repairs or preventative maintenance.

8200 Administrative Technology Services – Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems and processing data for administrative and managerial purposes.

9100 Community Services – Consists of those activities that are not related to providing education for students in a school system.

The budget driver: District employees

Education is a very labor-intensive business. For that reason, the largest share of any school district's budget goes to pay for employee wages and benefits. Most of Hernando County School District's full and part-time employees— 92 percent – work inside the schools or provide direct services to its students. Of these school-based staff, 59 percent are teachers.

Per the demographics reported for Hernando County, the number of employers in the public sector are:

• Hernando County Schools	-	3,038
• Hernando County Government	-	1,200 *
• Board of Commissioners	-	753 *
• Clerk of Court	-	106 *
• Supervisor of Elections	-	12 *
• Tax Collector	-	36 *
• Property Appraiser	-	44 *
• Southwest Florida Water Management	-	736 *
• Sheriff's Office	-	509 *
• City of Brooksville	-	128 *

**per Hernando County Chamber of Commerce 08-28-2023*

What does the budget buy us?

It will cost the school district in 2023-2024 an average of \$76.89 per day to educate a student. This is based on the per pupil expenditures divided by 180 school days. This is a bargain when you consider all of the services the school district provides.

For approximately \$76.89 per day, the Hernando County School District provides to each student:

- * Quality instruction from caring and competent teachers
- * Specialized learning services for students with special needs
- * Access to library resources and computers
- * Guidance, counseling and other support services
- * Materials such as textbooks
- * Transportation to and from school (>greater than 2 miles)
- * A balanced breakfast and lunch
- * Healthcare services
- * Extracurricular activities
- * A safe, learning environment

THE ANNUAL BUDGET

Each year, the school district must decide on its annual fiscal year budget. The leadership team of the district work together to create a tentative budget that considers the need and values of students, parents, employees, and taxpayers and presents it to the School Board. The School Board must balance the needs of students, parents and employees with the fiscal responsibility it has to the taxpayers. After the close of the fiscal year, the team finalize the budget and present it to the School Board for approval. Following the adoption of the budget, the Director of Budget provides the finalized budget to the Florida Department of Education.

Who determines needs and decides how we spend school funds?

Many people, including

- * The superintendent and other school district staff who draw up the budget each year and present it to the school board.
- * The Florida State Legislature and Governor, who decide how much state money to spend on schools, how to allocate that money to districts, and what conditions apply.
- * The U.S. Congress and President, who decide how much federal money to spend on education, how to divide it up among states and districts, and what conditions apply.

Accountability for public education spending

Local school boards are accountable to their communities (to you, the taxpayer) for wisely and efficiently spending public funds to support schools. School boards, in turn, hold the superintendent accountable for developing and properly managing the school district's budget. The state also regulates district spending to a certain degree. And, of course, the portion of the district's budget that comes from the federal government is regulated at the national level. Independent auditors, who report their findings to the school board and the public, audit the school district budgets annually. The audit is performed by the State of Florida Auditor General every third year.

To obtain more information about the Hernando County School District's budget process or find out when public meetings are being held, please visit the Hernando County School Districts website at www.hernandoschools.org.