

## **2010 REGULAR SESSION FISCAL REPORT**

### **March 14, 2010**

Both the House of Representatives and the Senate worked closer to releasing the Pre-K–12 Education Appropriations Committee Chairs' recommended budgets. The data released during the past week provided us with some insight into the products that are being developed. We think we will see the recommended budgets by March 19, 2010.

Both the Speaker of the House and the President of the Senate have scheduled floor sessions for March 31 and April 1, 2010 to pass their respective general appropriations and related implementing and conforming bills. Both presiding officers have promised a conference process that will be conducted "in the sunshine." This may make conference committee meetings longer.

The differences between the House and Senate allocations and the differences between each and the current total potential funding can be projected. Using these numbers will give us an extra week to begin making the plans that will be necessary to craft balanced, Constitutionally compliant budgets.

To plan operations for fiscal year 2010-2011 we need to compare revenue available and expenses incurred in fiscal year 2009-2010 to the projected revenue and expenses for the coming year. As we see the revenue data we need to remember the following:

1. The biggest single source of revenue loss for fiscal year 2010-2011 is the loss of school taxable value, and the resulting loss of local funds.
2. Both the House of Representatives (about \$747 million) and the Senate (about \$666.2 million) have made major allocations of new state recurring general revenue to public schools to replace the local funds.
3. There is real money available for these allocations. Recurring general revenue is projected to exceed fiscal year 2009-2010 estimated expenditures by \$1.768 billion. Total general revenue is forecast to exceed current year total general revenue expenditures by about \$2.42 billion.

4. There is no new money to replace the loss we will experience in the proceeds from our 1.5 mill discretionary capital outlay levy due to the decrease in school taxable value. This will mean we will have fewer dollars to use for costs that new flexibility authorizes and fewer dollars to pay for capital expenses.

5. When comparing total potential revenue in either proposed budget to the current year's total potential revenue it is important to remember that the fiscal year 2010-2011 figures in the Senate include the assumption that every district has levied the .25 mill critical needs tax. It is not yet known how the House will handle this issue. It is recommended that comparisons subtract those funds from the fiscal year 2010-2011 total revenue and from the current fiscal year funds to study proposed budgets vs. current year budgets.

6. Both budget proposals include funds for a prospective increase in Florida Retirement System contributions. It is recommended that we subtract any projected F.R.S. expenditure increase from any projected revenue before making comparisons with current year funding.

7. In addition to any spending adjustments we have to make due to state budget changes, increases in district "must fund" costs will require spending adjustments to provide the funds needed pay those costs.

This will include additional revenue needed to complete implementation of the Constitutionally required class size caps, increase electric and other utility rates, increased property and other insurance costs, increased diesel fuel costs and any other price increase we will encounter.