CLAY COUNTY PUBLIC SCHOOLS
HISTORIC FUNDING COMPARISONS

Because there have been many claims about the historically high levels of funding in the FY 2016-2017 GAA, included with this report are comparisons of statewide funding for major parts of the FEFP between FY 2002-2003, FY 2007-2008, FY 2015-2016 and FY 2016-2017.

FY 2002-2003 was included because it was the last year before funding for Class Size Reduction began. The First Calculation of FY 2007-2008 was included because it was the highest level of per student funding ever passed by the Legislature. The Revised Third Calculation of FY 2007-2008 was included because it was the benchmark chosen by the Legislature to be the historical high. The Third Calculation of FY 2015-2016 was used to compare the current year to the FY 2016-2017 FEFP.

Districts always appreciate the support provided by the Legislature. However, the continuous assertion that the FY 2016-2017 represents the highest per student funding levels in history are creating credibility problems for districts struggling to balance budgets. The claim of historically high levels of funding that are accompanying a very modest increase in revenue raises expectations beyond what the district can deliver.

As the attached spreadsheets demonstrate, the highest level of funding provided by an appropriations action of the Florida Legislature was in the First Calculation of FY 2007-2008. It was $127.30 per student more than this budget provides. Districts began the recession related expenditure cuts from that level after budgets were set, contracts were signed, and teachers were hired.

The comparison of specific categorical funds inside the FEFP reveals the inside of the districts' budgets. The budget that just passed allocates $37.7 million less for Instructional Materials than even the decreased Revised Third Calculation of FY 2007-2008 used by the legislature as the historic high. Transportation funding remains $48.4 million below the Legislative high water mark, and Safe Schools funding remains $11.1 million below the benchmark, all of this despite the enrollment of 177,323 additional students.

Even more remarkable, despite an increase of over $96 million in ESE Guarantee funding in this year's budget, that allocation remains over $55.4 million below the Legislature's chosen benchmark.

The increase of over $61 million provided for the SAI is still over $3 million below the level provided in the Legislative funding benchmark, despite the addition of a required program that costs almost $53 million and, an increased enrollment of over 177,000 students.

These data are not intended to be unappreciative of the efforts of the Legislature to restore funding for the education of public school students. They are provided to help Superintendents and others understand and explain why funding levels called historic highs do not mean that there are significant amounts of new revenues available for discretionary spending by school districts.

CLAY COUNTY PUBLIC SCHOOLS MULTI-YEAR FUNDING COMPARISONS

To have an accurate understanding of the spending reductions required for the district to reach a fiscally sustainable position in FY 2016-2017, it is helpful to make comparisons between the funding provided in the FY 2016-2017 budget just passed, and the actual peak funding level from which the recession-required reductions began. While the Legislature and Governor identify the per student funding resulting from the Revised Third Calculation of FY 2007-2008 as the highest per student funding level in history, in fact that calculation resulted from a Special Session of the Legislature held in March 2008, and the calculation was a result of the second reduction in the FEFP for that fiscal year.

The district actually received funding from the First Calculation of FY 2007-2008, adopted a budget, and hired teachers and reached contract agreements based on that funding level. The district's budget was reduced over $15 million from the First Calculation to the Revised Third Calculation of FY 2007-2008. It is not helpful to ignore the impacts of those reductions. Below are a series of comparisons highlighting the condition of major FEFP categorical funds in the FY 2016-2017 FEFP as compared to the same categorical funds in the FY 2007-2008 First Calculation. These data are also displayed in the accompanying district level comparison spreadsheet.

Total potential funds in the FY 2016-2017 First Calculation are $2,248,710 lower than the total potential funds appropriated in the First Calculation of FY 2007-2008.

The district is projected to serve 370 more students in FY 2016-2017 than were projected in the First Calculation of FY 2007-2008.

The differences between the FY 2016-2017 First Calculation and the FY 2007-2008 First Calculation for the major FEFP Categorical Funds include the following:

Safe Schools:	$84,549 less in FY 2016-2017
SAI:	$1,474,952 less in FY 2016-2017
Reading:	$101,092 more in FY 2016-2017
ESE:	$2,434,188 less in FY 2016-2016
Transportation:	$961,101 less in FY 2016-2017
Instructional Materials	$835,592 less in FY 2016-2017
Federally Connected:	$481,921 more in FY 2016-2017
Digital Classrooms:	$1.083,766 more in FY 2016-2017
Class Size Reduction:	$2,408,702 more in FY 2016-2017

Please remember that the increases for Reading, Digital Classrooms, and Class Size Reduction have very specific legal designations for the use of the funds and they are not available to pay for basic operating expenses.

If the same comparisons are made with the Revised Third Calculation chosen by the Legislature as the highest funding level in history, there are still some important budget areas that have yet to recover from the recession. Remember that using the Revised Third Calculation ignores the reduction from $263,835,004 in total funds to $251,575,276 total funds, a loss of $12,259,728, with which the district had to cope in the period from the adoption of its FY 2007-2008 budget in September 2007 to the passage of the Revised Third Calculation of the FEFP six months later.

Comparing differences between the First Calculation of FY 2016-2017 and the Revised Third Calculation of FY 2007-2008 reveals the following:

UFTE Students:	1,233 more in FY 2016-2017
Safe Schools:	$64,510 less in FY 2016-2017
SAI:	$1,251,021 less in FY 2016-2017
Reading:	$164,779 more in FY 2016-2017
ESE:	$2,142,444 less in FY 2016-2017
Transportation:	$857,189 less in FY 2016-2017
Instructional Materials:	$496,530 less in FY 2016-2017
Federally Connected:	$481,921 more in FY 2016-2017
Digital Classrooms:	$1,083,766 more in FY 2016-2017
Class Size Reduction:	$4,056,225 more in FY 2016-2017
Total Potential Funds:	$10,011,018 more in FY 2016-2017

Even when comparing the FY 2016-2017 FEFP First Calculation with the Legislature's benchmark that does not consider the decrease of about $12.3 million that occurred during FY 2007-2008, the problems are evident.

Of the $10,011,018 in total new funds realized in the nine years from the Revised Third Calculation of FY 2007-2008 to the First Calculation of FY 2016-2017, $5,092,705 is required pay for the base FEFP funding of 1,233 new students. $1,083,766 is required to be used to buy specified devices for Florida Standards Assessments, $4,056,225 is required to pay the costs of Class Size Reduction, and $164,779 is required to be used for the Reading requirements specified by law. These items consume $10,397,475 of the $10,011,018 in total new funds provided over the past nine years, and does not consider the required expenditure of $6,134,988 for teacher salary increases passed in FY 2013-2014.

Since the funding high point chosen by the Legislature required expenditure increases have totaled about $16.5 million and total funding increases have totaled about $10 million. Continuing expenditure reductions of $6.6 million through at least FY 2016-2017 are required just to balance the budget. Any spending increases incurred since the Revised Third Calculation of FY 2007-2008, in addition to those required by law, will just add to the amount of expenditure reductions needed to balance the budget for FY 2016-2017.

There is a different way to analyze the impact of the recession on the fiscal issues that the district could be encountering as the new budget is adopted and implemented. Revenue reductions continued after FY 2007-2008. The Third Calculation of FY 2011-2012 provided about $221.7 million in total potential funds. That represents a reduction of $42.1 million from the budget the district adopted as a result of the First Calculation of FY 2007-2008. Therefore the district had to make $42.1 million in expenditure reductions to balance the budget.

The actions taken during those years to reduce the district's spending were not available for this report. However, one expenditure reduction is known. Due to cuts in the employer assessments for the Florida Retirement System, some of which were replaced by employee assessments, district expenses for employee benefits were reduced about $11.5 million.

That reduction left the district needing to make about $30.6 million in spending reductions in the period from the First Calculation of FY 2007-2008 to the third calculation of FY 2011-2012.

Since the third calculation of FY 2011-2012 several required new expenses were included with new funds provided during the recovery. About $6.1 million was assigned to the teacher salary increase requirement, and about $4.8 million has been required to pay for FRS rate increases since 2011. Student enrollment growth of 1,536 students since the third calculation of FY 2011-2012 will require about $10.8 million, based on the FY 2016-2017 average cost per student. There has been about $21.7 million in new spending requirements since the bottom of the recession.

When the new spending requirements are added to revenue shortfall that still has to be addressed with either new revenue or additional spending reductions the total that must be addressed is $52.3 million.

The Legislature has provided about $39.9 million in new funding since the third calculation of FY 2011-2012. The net effect of the recession related revenue reductions, the new spending requirements, and the post-recession funding increases would mean the district would have to have maintained about $12.4 million of the spending cuts made since the start of FY 2007-2008, and made no other increases in spending for any reason including health insurance rate increases, employee salary increases, new school operating expenses, or any other spending increase to have maintained a balanced budget.

Clay County Public Schools Multi-Year Funding Comparisons FY 2002-2003 vs. 2007-2008 vs. 2015-2016 vs. 2016-2017

Budget Item		First Calculation FY 2007-2008 Selected Line Items	Revised 3rd Calculation FY 2007-2008 Selected Items	3rd Calculation FY 2015-2016 Selected Line Items		1st Calculation FY 2016-2017 Selected Line Items		Difference FY 2016-2017 1st FY 2007-2008 First	Difference FY 2016-2017 1st FY 2007-2008 Revised 3rd	Difference FY 2016-2017 1st FY 2015-2016 3rd Calculation	
UFTE Students		36,874.40	36,011.31	36,528.52		37,244.42		370.02	1,233.11	715.90	
Base Student Allocation (BSA)		$4,163.47	$4,079.74	$4,154.45		$4,160.71		-$2.76	$80.97	$6.26	
Sparsity		$0	$0	$0		$0		$0	$0	$0	
Safe Schools		$689,493	$669,454	$603,110		$604,944		-$84,549	-$64,510	$1,834	
SAI without Lowest 300 Supplement		$11,081,565	$10,857,634	$9,437,324		$9,606,613		-$1,474,952	-$1,251,021	$169,289	
Reading		$1,608,582	$1,544,895	$1,701,003		$1,709,674		$101,092	$164,779	$8,671	
ESE Allocation		$14,437,415	$14,145,671	$10,894,904		$12,003,227		-$2,434,188	-$2,142,444	$1,108,323	
Transportation		$7,970,312	$7,866,400	$6,918,343		$7,009,211		-$961,101	-$857,189	$90,868	
Instructional Materials		$3,993,706	$3,654,644	$3,158,468		$3,158,114		-$835,592	-$496,530	-$354	
Federally Connected		$0	$0	$527,070		$481,921		$481,921	$481,921	-$45,149	
SAI Lowest 300 Supplement		$0	$0	$0		$0		$0	$0	$0	
Digital/Technology		$0	$0	$806,406		$1,083,766		$1,083,766	$1,083,766	$277,360	
Class Size Reduction (CSR)		$37,439,346	$35,791,823	$39,045,313		$39,848,048		$2,408,702	$4,056,225	$802,735	
Total Potential Funds		$263,835,004	$251,575,276	$255,164,400		$261,586,294		-$2,248,710	$10,011,018	$6,421,894	
$/UFTE		$7,154.96	$6,986.01	$6,985.35		$7,023.50		-$131.46	$37.49	$38.15	
Total Local Funds		$53,460,546	$56,302,936	$53,859,562		$52,765,551		-$694,995	-$3,537,385	($1,094,011)	
Total State Funds		$210,374,458	$195,151,062	$201,304,838		$208,620,743		($1,753,715)	$13,469,681	$7,315,905	

Teacher Salary Allocation was established in FY 2012-2013 and moved into the base funding in 2014-2015. That allocation of $6,134,988 is still committed to salar
The benchmark chosen by the Legislature as the highest per student funding amount was the Revised Third Calculation of FY 2007-2008. The column with the header highlighted in yellow displays the differences between the FY 2016-2017 budget and the legislative benchmark.
In FY 2016-2017 a calculation was added to the SAI to pay for the cost of an added hour of instruction in the 300 elementary schools with the lowest reading score
To make it clear that the portion of the increased funding is already consumed by a required expenditure it has been identified as a separate item.

FY 2016-2017 Statewide Multi-Year Funding Comparisons FY 2002-2003 vs. 2007-2008 vs. 2015-2016 vs. 2016-2017

Budget Item	First Calculation FY 2002-2003 Selected Line Items	First Calculation FY 2007-2008 Selected Line Items	Revised 3rd Calculation FY 2007-2008 Selected Items	3rd Calculation FY 2015-2016 Selected Line Items	1st Calculation FY 2016-2017 Selected Line Items		Difference 2016-2017 1st Calculation FY 2002-2003 First	Difference 2016-2017 1st Calculation FY 2007-2008 First	Difference 2016-2017 1st Calculation FY 2007-2008 Revised 3rd	Difference 2016-2017 1st Calculation FY 2015-2016 3rd Calculation	
UFTE Students	2,525,610.28	2,642,320.87	2,630,639.00	2,771,605.53	2,807,961.85		282,351.57	165,640.98	177,322.85	36,356.32	
Base Student Allocation (BSA)	$3,537.11	$4,163.47	$4,079.74	$4,154.45	$4,160.71		$623.60	-$2.76	$80.97	$6.26	
Sparsity	$31,000,000	$40,000,000	$39,191,698	$52,800,000	$52,800,000		$21,800,000	$12,800,000	$13,608,302	$0	
Safe Schools	$75,350,000	$77,150,000	$75,590,988	$64,456,019	$64,456,019		-$10,893,981	-$12,693,981	-$11,134,969	$0	
SAI without Lowest 300 Supplement	$653,922,659	$736,402,596	$721,521,711	$648,910,576	$657,050,720		$3,128,061	-$79,351,876	-$64,470,991	$8,140,144	
SAI Lowest 300 Supplement	$0	$0	$0	$0	$52,941,454		$52,941,454	$52,941,454	$52,941,454	$52,941,454	
Reading	$0	$116,909,260	$114,546,811	$130,000,000	$130,000,000		$130,000,000	$13,090,740	$15,453,189	$0	
ESE Allocation	$949,122,877	$1,133,668,598	$1,110,759,945	$959,182,058	$1,055,304,496		$106,181,619	-$78,364,102	-$55,455,449	$96,122,438	
Transportation	$423,087,042	$493,566,586	$483,592,820	$429,530,450	$435,164,782		$12,077,740	-$58,401,804	-$48,428,038	$5,634,332	
Instructional Materials	$227,939,157	$271,944,498	$266,449,169	$225,830,113	$228,792,422		$853,265	-$43,152,076	-$37,656,747	$2,962,309	
Federally Connected Students	$0	$0	$0	$12,404,401	$12,136,693		$12,136,693	$12,136,693	$12,136,693	-$267,708	
Digital/Technology	$62,000,000	$0	$0	$60,000,000	$80,000,000		$18,000,000	$80,000,000	$80,000,000	$20,000,000	
Class Size Reduction (CSR)	$0	$2,708,412,008	$2,640,719,730	$3,035,025,330	$3,074,633,009		$3,074,633,009	$366,221,001	$433,913,279	$39,607,679	
Total Potential Funds	$13,150,474,029	$19,304,238,487	$18,748,424,701	$19,698,708,937	$20,158,924,128		$7,008,450,099	$854,685,641	$1,410,499,427	$460,215,191	
$/UFTE	$5,206.85	$7,305.79	$7,126.95	$7,107.33	$7,178.49		$1,971.64	-$127.30	$51.54	$71.16	
Total Local Funds				$8,773,014,331	$8,845,785,947		$8,845,785,947	$8,845,785,947	$8,845,785,947	$72,771,616	
Total State Funds				$10,925,694,606	$11,311,138,181		$11,311,138,181	$11,311,138,181	$11,311,138,181	$385,443,575	

The Teacher Salary Allocation of $480 million was established in FY 2012-2013 and moved into the base funding in 2014-2015. This continues to be committed to salar

FY 2002-2003 was the last year before the start of the Class Size Reducation Amendment passed.

FY 2007-2008 First Calculation was the highest per student funding appropriated by the Legislature. The Revised Third Calculation was the benchmark chosen for com

In FY 2013-2014 a process of tabulating UFTE enrollment called recalibration was installed. The result of the change was to decrease the projected UFTE student enrollment for that year by 28,939.84. In the same year $480 million of new money was directed to teacher salaraies and it is still committed.

In FY 2016-2017 a calculation was added to the SAI to pay for the cost of an added hour of instruction in the 300 elementary schools with the lowest reading scores.

To make it clear that the portion of the increased funding is already consumed by a required expenditure it has been identified as a separate item.

Funding Summary 2016 - 2017

Increase for 2016 -2017	**Starting at 6.42 Million**
• Deduct for Charter Growth (250 Students)	- \$1.75 (M) = \$4.67 (M)
• Deduct for District Growth (466 Students)	- \$2.60 (M) = \$2.07 (M)
• Deduct increase of FRS	- \$450,000 = \$1.62 (M)
• Deduct required for DCP	- \$250,000 = \$1.37 (M)
• Add Revenue from Repurposing Resources	+ \$2.2 (M) = \$3.6 (M)
• 2016 – 2017 Available Revenue	\$3.6 Million in available funds

CLAY COUNTY PUBLIC SCHOOLS
FISCAL YEAR (FY) 2016-2017 BUDGET REPORT
INTRODUCTION

1. The Legislature has completed the session and passed HB 5001, the FY 2016-2017 General Appropriations Act (GAA). The GAA makes the budget law for fiscal year 2016-2017. The district is legally responsible for following the requirements contained in budget proviso language.

2. The Legislature also passed HB 5003, the implementing bill that makes Florida Statutes consistent with the provisions of HB 5001 for FY 2016-2017.

3. HB 5005, the Florida Retirement System (FRS) rate bill is the third document in the package of budget bills that impacts the school district.

SUMMARY OF FINANCIAL IMPACTS TO CLAY COUNTY PUBLIC SCHOOLS

First is a summary of the additional funds available in the FY 2016-2017 General Appropriations Act.

1. The increase in total funds for the district is about $6.42 million ($6,421,894). The increase in total funds is 2.52% compared to FY 2015-2016, including funding for enrollment growth.

2. Student enrollment in the district is projected to increase about 716 students.

3. Charter school enrollment is projected to increase by 250 students. That will consume about $1.75 million of the increase, reducing new money available to the district to about $4.67 million.

4. After the impact of charter school growth, the district will have to pay for the cost of educating about 466 new students. It is estimated that it will cost $2.6 million, based on district allocations, to pay for the growth in the district. That will reduce available new funds to about $2.07 million.

5. Increased Florida Retirement System rates included in HB 5005 and paid by the district will cost about $450,000. That will reduce available new revenue to about $1.62 million.

6. About $250,000 of the new revenue is for Digital Classrooms, and must be used for new devices to use during FSA testing. That reduces the funds available to about $1.37 million.

7. A thorough analysis of proposed district expenses and potential allocations of resources by the Superintendent's staff has resulted in a reduction in expenses of about $2.2 million for FY 2016-2017, which provides about $3.6 million in funds that will be available to pay for initiatives and expenditures that will benefit students, staff and district operations in the coming years. The efforts to continue to identify and repurpose resources will continue.

8. Specific Appropriation 114A provides $1,500,000 for Fixed Capital Outlay Public Schools Special Projects. From the $1.5 million, there is $1,000,000 for Academies of Clay County Schools. The Governor did not veto the appropriation.

9. There are no increases in the base student allocation for VPK, and the total statewide funding for school district workforce programs has not been increased.

CHANGES IN PROVISO LANGUAGE AND BUDGET-RELATED STATUTORY LANGUAGE IMPORTANT TO CLAY COUNTY PUBLIC SCHOOLS

1. Proviso and implementing bill language requires the funds in the SAI and the ESE Guaranteed Allocation to be recalculated after the October FTE count based on FY 2016-2017 school data. That recalculation may or may not adversely impact the district.

2. Proviso and implementing bill language extends the requirements for the lowest 300 elementary schools to receive an extra hour of reading instruction. That requirement currently does not impact Clay County Public Schools.

3. Language in HB 5003 extends the Federally Connected Student Supplement, which provides Clay County with about $500,000, for another year.

4. Language in HB 7029 makes the Federally Connected Student Supplement a "permanent" part of the FEFP, which would continue to benefit Clay County Public Schools.

FISCAL YEAR 2017-2018 REVENUE AND EXPENDITURE PROJECTIONS

1. Budget decisions of FY 2016-2017 that might impact FY 2017-2018 should be informed by the current status of projected state revenues and expenses.

2. It currently appears that decisions to increase spending that impact FY 2017-2018 should be made only to the extent that accompanying decisions cut current spending to create the necessary revenue

3. The current statewide projections of revenue for the FEFP and expenses for the FEFP and competing General Revenue priorities do not currently support an expectation of increases in per student funding for the FEFP for FY 2017-2018.

4. The latest projection of total General Revenue for FY 2017-2018, made on January 19, 2016 forecasts a reduction in total General Revenue of about $300 million from the amount projected for FY 2016-2017.

5. Post-session forecasts will update that projection to account for the impact of about $90 million in General Revenue vetoes, which may decrease the decline in revenue by a like amount, and the impact of bills passed that may increase the amount of General Revenue spent.

6. Currently General Revenue is expected to decrease by about $300 million from the forecast for FY 2016-2017.

7. FY 2017-2018 General Revenue is forecast to be about $30.985 billion.

8. If the FY 2017-2018 GR budget includes all of the current appropriations, replaces the final $400 million in Federal funds for the Low Income Pool to reimburse hospitals for unpaid expenses of indigent patients, and pays for 26,000 added students in the FEFP at exactly the dollars per student provided in FY 2016-2017, GR expenditures will be about $30.873 billion.

9. That leaves a state GR fund balance of about $112 million; compared to the $1.55 billion the Legislature has historically sought.

10. An increase of 1% in the FEFP average dollars per student in FY 2017-2018 would cost about $204 million.

These data show that extreme fiscal caution should be exercised when making spending increases in FY 2016-2017 that impact FY 2017-2018 unless those spending increases are paid for internally by reducing spending for some other item.

FLORIDA RETIREMENT SYSTEM INFORMATION
2011 COST OF LIVING ADJUSTMENT CHANGES NOT ADDRESSED IN THE 2016 REGULAR SESSION

The changes that were made by the Florida Legislature to the Florida Retirement System (FRS) in the 2011 regular session were not addressed in the 2016 regular session. Changes in the law limiting the eligibility for the Cost of Living Adjustment (COLA) of employees who were not retired by July 1 2011 were not revisited and funded in the 2016 Legislative session. **The Legislature did not enact employer or employee rate assessments specifically for the purpose of funding the reinstatement of the COLA. Reinstating that benefit would have had a major fiscal impact. Therefore the full benefit of the COLA will not be reinstated for those FRS members who were employed on or after July 1 2011, and who were not retired (i. e. were not in DROP). Employees hired on or after july 1, 2011, and selecting the pension option, will receive no cost of living adjustment.**

Remember that to save hundreds of millions of dollars each year, in 2011 the Legislature suspended the COLA for current FRS employees participating in the pension plan. That action reduced the FRS employer rates, and the savings were shown as an increase in available funds in the FEFP for that year. The FEFP run for the First Calculation of FY 2011-2012 showed an increase of available funds of $859.1 million due to FRS rate adjustments. Some of that change in revenue was due to a reduction in the employer rates due to the addition of the required employee assessment. A part of that savings was related to the cost of the COLA adjustment. The amount of the impact of the elimination of the COLA was not identified in available legislative documents. Subsequent actions by the Legislature have added about $359 million in rate costs to districts. These rate and cost increases were not shown as reductions in revenues in the FEFP runs that were adopted in the years they were approved.

Because the COLA has not been not reinstated there may be a major shift of new and younger employees away from the pension plan and into the investment plan. A major migration from the pension plan could also have actuarial implications.

The specific language from s. 121.101 (4) and (5) of Florida Statutes is pasted below.

"(4) For members whose effective retirement date is on or after July 1, 2011, the benefit of each retiree and annuitant shall be adjusted annually on July 1 as follows:
(a) For those retirees and annuitants who have never received a cost-of-living adjustment under this subsection, the amount of the monthly benefit payable for the 12-month period commencing on the adjustment date shall be the amount of the member's initial benefit plus an amount equal to a percentage of the member's initial benefit. This percentage is derived by dividing the number of months the member has received an initial benefit by 12, and multiplying the result by the factor calculated pursuant to paragraph (c).
(b) For those retirees and annuitants who have received a cost-of-living adjustment under this subsection, the adjusted monthly benefit shall be the amount of the monthly benefit being received on June 30 immediately preceding the adjustment date plus an amount determined by multiplying the benefit by the factor calculated pursuant to paragraph (c).
(c) The department shall calculate a cost-of-living factor for each retiree and beneficiary retiring on or after July 1, 2011. This factor shall equal the product of 3 percent multiplied by the quotient of the sum of the member's service credit earned for service before July 1, 2011, divided by the sum of the member's total service credit earned.
(5) Subject to the availability of funding and the Legislature enacting sufficient employer contributions specifically for the purpose of funding the expiration of the cost-of-living adjustment specified in subsection (4), in accordance with s. 14, Art. X of the State Constitution, the cost-of-living adjustment formula provided for in subsection (4) shall expire effective June 30, 2016, and the benefit of each retiree and annuitant shall be adjusted on each July 1 thereafter, as provided in subsection (3)."