

# FEA Frontline Report

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April 3, 2009

## Quote of the week:

**"I'm sick and tired of poor black children being pimped for this program."**

*-Rep. Geraldine Thompson (D-Orlando) as she blasted All Children Matter's John Kirtley and Doug Tuthill regarding the Corporate Tax voucher program during a Democratic Caucus sponsored panel discussion which included FEA's Jeff Wright and Ron Meyer.*

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## Week five of the 2009 legislative session

Through pouring rain we ushered in April in Tallahassee. When the skies cleared, Tallahassee looked as though it had been scrubbed clean with all the pollen and grime washed away. But bad ideas are still afloat in the legislature. Even though week 6 of session will be a short week (due to religious holidays) we'll have plenty to deal with in two and a half days:

- On Tuesday the "Anti-Tenure" bill (aka the "anti-due process bill") – SB 2458 by Sen. Altman – will be heard in Senate PreK-12 Education Committee
- The budget and implementing language will also be voted on by committees
- On Monday SB 2122 by Sen. Dean – FEA's ESP Notification bill – will be heard in Senate Criminal Justice Committee

We are now mid-way through the 2009 legislative session so things will really start hopping in Tallahassee as lobbyists and legislators scramble to get their bills heard or killed. It can get ugly. This session has been particularly tense due to the economic upheaval.

## Budget process refresher course

It is time for a little refresher course on the appropriations process. Each new House Speaker and Senate President can and do arrange their committee structure a little differently when they take office. This year the names of the committees and councils have changed but the process remains the same. Each chamber will work on the appropriations bill through the respective committees – in the Senate the process starts with K-12 Appropriations or Higher Education Appropriations then the bill ends up in the Senate Policy and Steering Committee on Ways and Means; in the House the appropriation bills go through PreK-12 Appropriations, State & Community Colleges & Workforce Appropriations, or State University & Private Colleges Appropriations. Once that part of the process is completed the bills move on to the House Education & Economic Development Appropriations Council.

The Senate Policy and Steering Committee on Ways and Means and the House Appropriations Council on Education and Economic Development will hear the entire budget proposals on Tuesday, April 7.

Once they have passed these bills out of Senate Ways and Means (or House Education & Economic Development Appropriations), the bills will go to the Rules and Calendar committee to be placed on the respective chamber’s session calendar. The bills will be considered by the full House and Senate during the week of April 13.

Then conference committees will be appointed to work out any differences between the House and Senate versions of the bill. Once that process is completed, the bill must “cool off” for 72 hours before final votes by both chambers can be taken.

## House and Senate Committees Finalize K-12 FEFP Proposals

The Senate has proposed a \$17.89 billion K-12 education budget for 2009-10 and not to be outdone, the House proposed a \$17.97 FEFP allocation. Both proposals are propped up by counting on an \$865.5 million allocation from the federal stabilization fund. The federal stimulus money is contingent upon Florida receiving an expected waiver from the U.S. Department of Education. Applications for the federal stabilization funds and guidance for their use were released by Secretary Arne Duncan on April 1. Further details are outlined in a separate article in this Frontline.

The House proposes to spend \$6,890 per student, an increase of \$30 over the current year, while the Senate's proposal is the same as current year funding at \$6,860 per student. While both budgets are better than expected at this step in the process, many districts will still have to scrutinize their budgets to save jobs and programs. The House and Senate also have K-12 education conforming bills that provide intent to their budget proposals. The following chart highlights and compares the budget and conforming proposals.

Issue	House	Senate
Transportation, Instructional Materials and Teachers Lead moved from categorical to part of FEFP	Yes	Yes
0.25 mill Capital Millage moved to Operating	Yes	Yes

National Board Certification/Merit Award Program	NBCT Funds reduced \$10.7 million and bonus for NBCT earned after 7/1/09 is paid only for teaching in low-performing school/MAP funds at \$29.5 million	Combined with MAP and funds can be used for bonus programs or any purpose determined by the school board/\$79.5 million
Transportation/Both less than current \$460.9 million	\$423.9 million	\$422.9
Instructional Materials/\$253.9 million currently	\$169.3 million	\$190.0 million
Teachers Lead/\$36.8 currently	\$33.8 million	\$18.1 million
Federal Stabilization Funds	\$865.5 million	\$865.5 million
Unweighted FTE (UFTE)	2,607,935.17	2,607,935.17
Total FEFP Funds	\$17.89 billion	\$17.97 billion
Total Funds per UFTE (currently \$6,830.36)	\$6,860.36	\$6,890.46
Class Size calculated at school level in 2009-10	Yes	Yes
School Recognition (\$85/FTE)	\$75	\$50
Instructional Materials	Redefines “adequate instructional materials” to include hard-backed or soft-backed textbooks, consumables, manipulatives, learning laboratories, electronic media and computer software or courseware	Changes adoption cycle from 6 years to 8 years/Waives purchase of new math adoption if district can certify it has sufficient materials/Flexibility to use funds after 3/1/10
Length of School Year	180 actual teaching days or hourly equivalent	180 actual teaching days or hourly equivalent
Instructional Personnel Contract Year	Must require not less than 196 days or hourly equivalent	<b>May require up to 10 months of service</b>
AC/PSC Status	In 2009-10 and 2010-11, 3 <sup>rd</sup> year AC teacher may be extended another year based on “extraordinary financial circumstances”	In 2009-10 and 2010-11, school boards should not enter into a PSC if the only available funds are Federal Stabilization Funds
Teachers Lead	Authorizes a pilot program to determine feasibility of managing program through a centralized electronic system	Authorizes a pilot program to determine feasibility of managing program through a centralized electronic system

School Board Member Salary	Capped at the salary of a member of the Legislature	Capped at the salary of a member of the Legislature
Superintendent Salary	Requires 5% reduction if elected/limits appointed superintendents remuneration to \$225,000 annually (definition varies)	Requires 5% reduction if elected/limits appointed superintendents remuneration to \$225,000 annually (definition varies)

The bills will now move to the Senate Policy and Steering Committee on Ways and Means and the House Appropriations Council on Education and Economic Development on Tuesday, April 7, where the budget in its entirety will be considered. From there the bills will be considered by the full House and Senate during the week of April 13.

During the next few weeks, FEA will continue its push for a penny sales tax increase dedicated to our schools, colleges and universities. The federal funds will eventually need replacement funds and a status quo budget will be highly problematic in most school districts.

### **Application and Guidance for Federal Stabilizations Funds Issued**

In issuing the release of applications and guidelines for the State Fiscal Stabilization Funds April 1<sup>st</sup>, U.S. Department of Education Secretary Arne Duncan said “Today’s announcement includes the application and guidelines for \$32.6 billion under the State Stabilization Fund, representing two-thirds of the total dollars in the Fund. This includes \$26.6 billion to save jobs and improve K-12 and higher education and a separate \$6 billion in a Government Services Fund to pay for education, public safety or other government services.”

Florida and other states can now officially apply to use these federal funds. Phase One of the distribution will include 67% of the state’s total stabilization allocation within two weeks of receipt of an approvable application. In Florida’s case this amounts to a total of \$2.2 billion. Florida must submit a waiver request for failure to satisfy a “Maintenance of Effort” requirement to the Secretary who must approve the request prior to Florida receiving these federal stimulus funds. We understand that will delay Florida’s application approximately two weeks. Note: These are the specific funds that can be used in the states’ FEFP formula and the formulas for community college funding and university funding. Other IDEA and Title I stimulus funds do not require a waiver.

Among other things, the Education Stabilization funds may be used for activities such as: **paying the salaries of administrators, teachers, and support staff**; purchasing textbooks, computers, and other equipment; supporting programs designed to address the educational needs of children at risk of academic failure, limited English proficient students, children with disabilities, and gifted students; and meeting the general expenses of the school district.

The House and Senate have both used \$865.5 million of these funds for their 2009-10 FEFP proposals and proportional amounts are allocated to community colleges and universities.

If you would like to see the House proposed version of the Florida Education Finance Program go to: <http://www.myfloridahouse.gov/FileStores/Adhoc/Appropriations/gaa/2009-House/pcb/PCB%20CEED%2009-01%202009-10%20FEFP%20Summary.pdf> The Senate proposals are attached to this email as PDF files.

## Corporate Tax voucher bill passes committee

The House Finance and Tax Committee was the next stop for **HB 453 Corporate Tax voucher bill sponsored by Rep. Will Weatherford (R-Wesley Chapel)**. The bill passed on a 10 to 4 vote. Voting against the bill were Representatives Fitzgerald (D-Sarasota), Randolph (D-Orlando), Thurston (D-Ft. Lauderdale) and Waldman (D-Coconut Creek). Voting for the bill were Representatives Aubuchon (R-Cape Coral), Bogdanoff (R-Ft. Lauderdale), Dorworth (R-Heathrow), Fresen (R-Miami), Grady (R-Naples), Sansom (R-Ft. Walton Beach), Schultz (R-Homosassa), Scionti (D-Tampa), Tobia (R-Melbourne) Wood (R-Haines City) and Workman (R- Melbourne).

The bill would allow insurance companies to give the taxes, that would normally go to the state to help fund public schools, to foundations that fund private and religious schools. Adding insult to injury, the bill would allow insurance companies to get credit retroactively for contributions they made as far back as 2006 on their 2009 taxes. We now know this was done solely to meet the needs of one insurance company which was denied tax credit for previous years' contributions to the CTC program.

The voucher supporters brought out their usual string of students, parents and teachers that participate in the CTC program school to tell the committee how wonderful the program is and how it saved them from certain doom in public schools; to which Rep. Perry Thurston (D- Ft. Lauderdale) commented "I commend you on your service to children...but what I am very concerned about is what we are doing for those other 98% of students you left behind when you went to work for a private school."

Rep. Michael Scionti (D-Tampa) told committee members that he was frustrated with the fact that so much time and effort was put into the discussions of corporate tax vouchers yet the funding crisis of public schools was barely part of any discussions. To our surprise, he then voted to give an additional funding source to the Corporate Tax voucher program.

But there's more to this story: FEA was notified of a meeting the Democratic Caucus was holding "at the request of All Children Matter" (the backers of the CTC voucher program and powerful political action committee) that evening after hours. The Democrats wanted FEA and All Children Matter in the same room at the same time to get to the bottom of some of the claims that were being made regarding the CTC program. FEA went point for point with the representatives of the CTC, and reemphasized Rep. Thurston's point about where the vast majority of these kids will be and who is responsible for looking out for the customization of their education.

## The 70% solution

**SB 1978 Education/Expenditures for Classroom Instruction by Sen. Diaz De La Portilla (R-Miami)** passed by a vote of 6 to 2 through the Senate PreK-12 Education committee even though Chairwoman Nancy Detert (R-Venice) called it a "solution looking for a problem."

The bill requires a school district to spend at least 70 percent of its total operating funds for purposes directly related to classroom instruction. The bill requires districts to annually calculate the percentage of state-funded operating expenditures that support classroom instruction. However, the bill does not provide for calculating the amount of federal and local funds that also support classroom instruction. Before the bill was amended in committee, the calculation was based on the school district operating expenditures such as salaries and benefits for instructional personnel, instructional materials and instructional supplies, in-service teacher education, and curriculum development divided by state-

funded school district operating expenditures, excluding student transportation and school food services. Most school districts already meet that threshold when those expenditures are used in the calculation.

The amended bill required that only instructional personnel are part of the calculation. The salaries and benefits of educational support personnel would be excluded from the bill's definition of classroom. In other words the bill would force districts to look at cutting any area besides instructional personal to get to the 70% threshold. Voting no were Senators Wilson (D-Miami Gardens) and Sobel (D-Hallandale Beach). The next committee to hear the bill is Senate Education PreK-12 Appropriations. The House version - HB 883 by Schenck (R-Springhill)- has not been heard in committee.

*Note: FEA determined that most every district in Florida already met the spending requirement. Also, Standard & Poor's analyzed district level spending and student achievement data in states considering proposals to implement these types of initiatives. According to their analysis, there is no minimum spending allocation (i.e., the district's instructional spending allocation) that provides a solution for improving student achievement.*

### **School Districts “compensation for employees” bill passes first committee**

**SB 2466 School Districts by Sen. Alex Villalobos (R-Miami)** passed the Senate PreK-12 Education committee unanimously this week. The bill would prohibit school superintendents from recommending increases to the salary schedules for administrators and managers, if the salary schedules of instructional personnel and educational support employees have not increased on a percentage basis more than that proposed for administrators and managers.

Additionally, superintendents would be required to:

- Ensure that any pay disparity between administrators or managers and classroom teachers does not exceed twice the district's average salary of classroom teachers for the prior academic year; and
- Recommend either a reduction in pay for an administrator or manager or a commensurate increase in the salaries and salary schedule for classroom teachers, if there is a pay disparity.

District school boards must accept the superintendents' recommendations for compensation and salary schedules, beginning with the 2009-2010 academic year, unless the recommendations are rejected by a vote of 66 percent of the school board members. The next stop for this bill is Senate Education PreK-12 Appropriations. The House version – HB 1323 by Rep. Garcia (D-Miami) has not yet been heard in committee.

### **Amendment proposal to limit property taxes passes committee**

**HJR 385 Limitation on Aggregate Ad Valorem Taxes by Rep. Rivera (R-Miami)** passed by a vote of 10 to 4 the House Finance and Tax Council. This joint resolution proposes an amendment to the Florida Constitution to limit the amount of ad valorem (property) taxes that may be collected by counties, school districts, municipalities, and special districts from any parcel of real property to 1.35 percent (the equivalent of 13.5 mills) of a parcel's highest taxable value. The 1.35 percent limit would not apply to:

- Ad valorem taxes levied for the payment of bonds maturing more than 12 months after issuance to finance or refinance capital projects authorized by law with the approval of the voters; or
- Ad valorem taxes levied for periods not longer than two years when authorized by a vote of the electors.

In 2008, the Financial Impact Estimating Conference (FIEC) prepared an analysis and financial impact statement of an initiative petition that is identical to this proposal. The FIEC estimated that the initiative would reduce annual property tax revenues by at least \$6 billion, assuming constant millage rates.

With the exception of the ad valorem tax and other home-rule revenue sources, local governments are dependent on the Legislature for authority to levy any other forms of taxation. The property tax is the largest single tax revenue source for local governments in Florida, with approximately \$31.0 billion levied in fiscal year 2007–08. Ad valorem property tax revenues are also the primary tax revenue source for school districts. Of the \$31.0 billion levied statewide for FY 2007-08, school districts levied an estimated \$13.25 billion in property taxes. The Bill will be discussed during the Office of the Economic and Demographic Research's Revenue Estimating Impact Conference the week of April 6.

### **Darts and Laurels**

It's all about money...this week we throw a Dart to Rep. Anitere Flores, Chair of the House PreK-12 Appropriations committee for her explanation of why her proposed budget language targeted the 3<sup>rd</sup>-year annual contract teachers by giving the district one more year based upon “extraordinary fiscal circumstances”— even if the teacher evaluations were good. When fellow committee members pointed out that in almost every circumstance a 4<sup>th</sup> year teacher with a Professional Service Contract earns the same pay as a 4<sup>th</sup> year annual contract teacher so there is no savings and that the provision is punitive; she replied that districts were coming to her worried about future years’ budgets. Huh?

It's about the students...a Laurel goes to Rep. Perry Thurston for reminding House members that there are 2.6 million public school students depending upon decisions made by the legislature during a lengthy debate regarding the Corporate Tax voucher program.

### **Member lobbyists visiting Tallahassee**

Member lobbyists from Alachua, Hernando, Orange, Pasco, and Pinellas counties joined us this week braving heavy rain, flood warnings, and high winds to bring the message to Tallahassee that our public schools are struggling to keep the lights on, as they continue to be dedicated to providing quality education to ALL students.

### **Visit FEA FrontlineTV for video of session highlights:**

[http://www.associationstudios.com/Publisher\\_Main.aspx?PublisherId=325](http://www.associationstudios.com/Publisher_Main.aspx?PublisherId=325)

*Questions? Call FEA Public Policy Advocacy at 850.224.2078*

Thank you to Marshall Ogletree and Eric Riley for their contributions to this report.