



FLORIDA SCHOOL SERVICES, INC.

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MEMORANDUM

April 22, 2016

TO: Mrs. Patricia Good
President

FROM: Thomas Cerra
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SUBJECT: FINAL REPORT – 2016 LEGISLATIVE SESSION

The 2016 Florida Legislative Session was by design bland and vanilla. Groups who have historically gotten what they want did not get their controversial bills passed. Even the governor saw his three top priorities lost in the melee. Very few controversial bills were passed, and little about the budget stands out as really good or really bad for anyone.

How did we get here? The leadership wanted a quiet session to prove that they could get things done on time. They did not desire extreme controversy because of the impending presidential preference primaries where two of Florida's favorite sons were expected to be featured. They needed to quickly get their work done and return home to campaign themselves as every House and Senate seat would require a new election this fall because of redistricting.

In this regard, the session was a political success for the leadership because the budget was passed on time, they exuded their dominance over the executive branch and governor, and they handed budget turkeys and key take home bills to their members.

Education Budget

The education budget was especially plain. A one percent per student average statewide increase where most of that extra funding was earmarked for increased FRS costs, digital classrooms spending, or special funding for disabled students is the smallest increase we have seen in an election year that did not coincide with an economic recession. The Base Student Allocation (BSA), which most closely reflects the flexible spending increase available for school boards to meet their local priorities, went up a mere six dollars per student or a .15 percent increase. This level of funding will make it difficult for school boards to provide meaningful performance raises or cost-of-living increases for teachers and other employees. Further, a significant amount of revenue was given back to taxpayers in the form of a Required Local Effort (RLE) rate reduction of .29 mills. This change provided \$428 million in tax relief to local property owners while restricting the ability of the legislature to increase the FEFP by that additional amount. In some ways, the RLE reduction is a victory for school boards, in that by adopting final local tax rates, each school board will enjoy announcing major tax relief, but it comes at the cost of reduced funds for public school students.

On the capital outlay side, an equal amount of funding was provided for public and charter schools in the amount of \$75 million each. This is a victory of sorts because the House wanted to give a disproportionate amount of state funding to charters while also creating an entitlement for them to share in local capital outlay property tax revenues for the first time. The local funding was protected and an equal share was agreed to in the final budget negotiations.

GFCSB PRIORITY ISSUES

Avoid Unfunded Mandates

The 2016 session saw the fewest new unfunded mandates in decades. Proposals to intensely regulate reading instruction, share local capital outlay dollars with charter schools, and retroactively reduce funded FTE based upon Algebra I end-of-course exam scores were defeated or repealed. In addition, a previously unfunded mandate, the extra hour of instruction per day for the lowest 300 elementary schools in reading, was partially funded by earmarking nearly \$53 million in the Supplemental Academic allocation that will move to the districts where the mandate exists after the 2016 test administration.

Funding

The consortium's first platform statement on **Funding** denotes the need for additional state dollars, instead of local dollars, to meet the needs of the FEFP. In that regard, the consortium was successful because \$385 million in increased state dollars were provided to the formula while only \$72.8 million in local property tax increases will fund schools statewide. A selection of **Priority Goals** that saw significant positive or negative movement includes:

- Increase the BSA by \$354.84 per student – **the increase was a little more than \$6 per student.**
- Restore the ESE guaranteed allocation back to pre-recession levels – **over \$96 million was provided to accomplish this goal.**
- Oppose further equalization of the Local Discretionary Millage – **the policy of compressing to the statewide average was maintained without any expansion of this policy.**
- Fund the extra hour of instruction mandate at the lowest performing schools - **\$53 million was provided to fund the extra hour of instruction mandate for the first time and this funding will follow the workload to whichever schools are in the bottom 300 next year.**
- Base the class size requirement penalties on the school-wide average for all public schools – **with the new requirement to allow students to transfer into any public school with capacity beginning with the 2017-2018 school year, many more public schools will be recognized as public schools of choice that have their penalties, if any, calculated on the school averages instead of the class by class maximums.**

Optional Capital Outlay Levy

- Restore the 2.0 mills – **the local millage was maintained at 1.5 mills even as .29 mills of the RLE was retired.**
- Maintain the purpose of the 1.5 mills – **proposals to divert the local revenues to charter schools were rejected.**

Charter Schools

- Focus the approval of new charter schools to the specific purpose of the school or space needs of the district – **funding for charter school capital outlay was weighted toward charters that serve high levels of disabled and/or impoverished students.**
- Maintain school boards' authority over local capital outlay funds – **while this issue is likely to come back again next year, proposals to take local funds for charter schools were defeated.**
- Grant final authority to approve or reject charter applications – **while the current State Board of Education appeals process remains, new provisions in law will allow school boards to reject applicants based upon past charter failures for academic or financial reasons for any of the key people related to the application for the first time.**

Accountability and State Testing Program

- Require concordance scores as a substitute for the FSA in all grade levels as a local district option – **a bill by Sen. Gaetz to capture this priority moved through the Senate over the course of the Session, but it failed to gain any traction in the House leading to its failure during the 2016 Session.**
- Provide for paper and pencil exams to be offered until all districts are ready for computer testing – **the Gaetz bill on testing would have also have restored a no additional cost option for paper and pencil tests, but it failed to pass.**
- Eliminate the one-sixth FTE penalty for students that fail to pass the Algebra I end-of-course exam – **this priority was passed as part of the HB 7029 education package.**

State Requirements for Educational Facilities (SREF)

- Provide school districts flexibility to use the Florida Building Code in lieu of SREF.

Value Adjustment Board (VAB)

- Modify the VAB appeals process to include the requirement that the property owner sign/approve the appeal.

The consortium was extremely active during the entire session, but especially during the last week of the budget conference when information was produced and circulated about the impact of the one percent per student average increase. While the legislators did not budge on this item, even after the governor and the House and Senate floor budgets each called for a larger increase for the public schools this year, every legislator was notified prior to the budget being finalized as to the impact of their decision on this issue. There is concern that the roll back rate for the RLE may become the standard in the legislature, which would make obtaining even two or three percent increases very difficult in future years.

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