

# Florida Association of District School Superintendents

## State Board of Education Legislative Workshop July 17, 2017 Tallahassee, Florida

### Comments

#### Introduction

FADSS is still crafting its Legislative Platform for the 2018 Legislative Session. These comments reflect general statements and positions that have been expressed by school superintendents.

The State Board of Education is the chief implementing and coordinating body of public education in Florida. As such, you oversee a multi-faceted system of public education that includes:

- Regular public schools
- Charter schools
- Charter school systems
- Virtual courses, programs and schools
- Mackay Scholarships
- Corporate Scholarships
- Gardiner Scholarships

We share a common mission.

The mission of FADSS is to assist and support superintendents in providing leadership to ensure that every student in Florida acquires the skills, knowledge and attitude to be contributing members of our democratic society through leadership development programs focused on student achievement, building relationships with business and governmental leaders, and communication and networking services.

The Mission Statement of the State Board is to:

*“Increase the proficiency of all students within one seamless, efficient system, by providing them with the opportunity to expand their knowledge and skills through learning opportunities and research valued by students, parents, and communities, and to maintain an accountability system that measures student progress toward the following goals:*

- *Highest student achievement*

- *Seamless articulation and maximum access*
- *Skilled workforce and economic development*
- *Quality efficient services”*

This past legislative session redefined public education both fiscally and programmatically.

Superintendents make personnel recommendations and decisions in March – well before the Legislature ends and the state budget is finalized. In the past, superintendents could depend on a 2 to 3 percent increase in the Base Student Allocation. Therefore, they could plan and feel confident in the hiring and program decisions being made. The last two years have been challenging because the Base Student Allocation has been low, as well as Total Potential Funds, in a time when Florida’s economy is growing. In addition, personnel decisions had already been made when the Legislature decided to change the distribution methodology for Title I funds.

On the capital outlay front, school districts adopt and then implement a five-year educational facilities plan that must be complete, balanced, and financially feasible. With the requirement that districts now appropriate funds from the discretionary 1.5 millage to charter schools, capital maintenance and repair needs will continue to be delayed.

How is planning to occur when education funding and policy changes annually? The system is no longer stable.

Equity among delivery systems must be paramount as well as accountability to the taxpayer. Florida’s public education system is not seamless or efficient to students, their parents, or the taxpayer. As a result, students may fall short of reaching their highest potential, gaining maximum access, obtaining workforce skills or being provided quality efficient services.

We are looking to your leadership to assist us in navigating new funding realities and education delivery systems.

These recommendations are made to bring us both closer to fulfilling our collective mission.

### **Legislative Recommendations - Budget**

The State Board of Education recommended a healthy increase in the Base Student Allocation or BSA last year - \$119.19 or a 2.88 percent increase. A recommendation was also made to increase Total Potential Funds per unweighted FTE by \$175.93 or 2.45 percent. These recommendations were substantially supported by an increase in the Required Local Effort or RLE by \$426,385,524 or a 5.59 percent increase.

The Governor ultimately recommended an increase in the BSA of \$141.19 or a 3.39 percent increase and an increase in Total Potential Funds of \$216.41 or a 3.00 percent increase. Again, this recommendation was supported by an increase in RLE by \$474,485,778 or 6.24 percent.

Your support for public schools, all public schools, was greatly appreciated. However, we know what happened during the 2017 Legislative Session. The Legislature ultimately met in a Special Session and increased the BSA by \$43.24 or 1.04 percent and increased Total Potential Funds by \$100 per student; a 1.39 percent increase. The Legislature continued to flat-line the RLE. If the RLE had remained the same, \$521 million would have been available for public schools. This amount, added to the state funds of \$364,193,343 would have been a significant commitment to public education.

**Recommendation:** Continue your commitment to support significant funding for public schools by recommending an increase similar to what the Governor recommended – an increase in the BSA by \$150 and an increase in Total Potential Funds by \$225 per student.

**Recommendation:** In order to fund this increase allow the RLE to reflect the growth in the school taxable value. The overwhelming majority of the increase in taxable value is caused by the marketplace through new construction, substantial improvements in existing property and values on real property adjusted by the marketplace through sales. The funding of public education is a partnership of state and local funds. Continuing to flat-line the RLE erodes this partnership. In addition, if this trend continues, the state will have boxed itself into a corner when another fiscal crisis occurs and general revenue is not available to fund critical state needs. In fact, the current and prospective Long Range Financial Outlook by the Office of Economic and Demographic Research already contains data that states that there is insufficient projected state general revenue to support the projected general revenue budget needs.

School districts are now required to appropriate local discretionary capital outlay revenue to charter schools. We have opposed sharing capital millage when regular schools face serious maintenance and repair needs. School districts are precluded from building a school unless there is a demonstrated need even when geography makes rezoning a practical impossibility. Charter schools, on the other hand, do not live under these restrictions. As fiscally conservative constitutional officers this charter school exemption from long-standing state policy is fiscally irresponsible.

One example is indicative of the dilemma of districts experiencing student growth. The Lee County School district was growing in 2006-2007 and is now experiencing student growth at a similar rate in 2016-2017. In 2006, the district was collecting approximately \$318 million a year to build new schools and to meet other student growth needs. With a reduction in PECO funds and local impact fees and the discretionary millage being reduced from 2.0 mills to 1.5 mills, the district only

collected \$118 million to meet its capital needs, a difference of \$200 million less than was collected a decade earlier. With recent changes in legislation (HB 7069), a portion estimated to be between \$5 - \$6 million dollars will be appropriated to charter schools. Growing an average of 1,500 to 1,600 students per year, the district does not have the funds to meet their student growth needs or maintain their existing school buildings.

Districts in declining enrollment also face constraints in having sufficient capital funding for maintenance and repair of existing schools. In addition, operating dollars are eaten up with increased fixed costs such as FRS contributions, increased utility and fuel costs, and other fixed costs. For example, the increase in operating dollars for the Escambia County School District did not cover the required FRS employer contribution. An analysis of funding for FEFP programs on a per student basis clearly shows that in addition to the impact of declining enrollment, funding for key programs including Transportation, Instructional Materials, the basic SAI, and ESE programs are all substantially below the per student revenue provided in the FEFP ten years ago.

**Recommendation:** We continue to recommend that the discretionary millage be increased to 2.0 in order to meet regular public school needs.

**Recommendation:** We also recommend that the Legislature continue to provide PECO funds to public schools and charter schools.

Section 1011.73, F.S., authorizes school boards to request voter approval of additional millage – one for operations and one for a local capital improvement reserve fund. The voted millage authorization must not exceed 4 years.

**Recommendation:** We recommend that the life of the voted millage be extended from 4 years to up to 10 years.

### **Legislative Recommendations – Substantive**

The Governor signed HB 7069 after Superintendents and other public education stakeholders strongly urged him to veto the bill. We believe that many of the provisions, particularly those relating to charter schools and Title I have a detrimental impact on providing a seamless and efficient system of public education that leads to high student achievement. Equity among delivery systems must be paramount as well as accountability to the taxpayer. To that end, we make the following recommendations:

### **Capital Outlay**

- Support the Senate language that prohibited personal enrichment of charter school owners, operators, board members, etc. and ensured that the taxpayers receive an asset for their investment.
- Introduce an element of need before authorizing capital outlay for charter schools in order to ensure an efficient system and be accountable to the taxpayer. Need should be reflected in the school board's 5-year capital outlay plan to ensure transparency for the taxpayer.
- Ensure that the taxpayer is protected by requiring the charter school be owned by a public entity or be transferred to a public entity if closed.
- At a minimum, require an ownership interest equal to the dollar value of the 1.5 mills charter schools receive. If the property were sold, funds equal to the taxpayers' investment would then revert to the public.
- Free up school districts to build schools under the same statutory rules and regulations as charter schools.

### **Charter Schools**

- Reinstate language ensuring that districts and charter can actually negotiate a charter contract.
- Provide equity between charter schools and regular public schools as it relates to corrective action requirements and timelines.
- Require charter schools to comply with controlled open enrollment.
- Reinstate local governing authority relating to local zoning and land use requirements or restrictions. School districts are subject to these land use restrictions and comprehensive plans.
- Repeal the requirement that each charter school must complete a survey rating the timeliness and quality of services provided by districts.
- Repeal the authority of a high-performing charter school to establish more than one charter school within the state in any year if it operates in the area of a persistently low-performing school and serves students from that school.
- Repeal the authority to replicate schools in a high-performing charter school system in any school district in the state.
- Both of the prior two provisions, and the one requiring a prescribed contract that is not agreed to by both parties clearly do not conform to constitutional requirements.

### **Hope Schools**

- Provide school districts with access to "Hope" funds on the same basis as charter schools so that regular public schools may also offer wrap around and other ancillary services, and extended school days and extended school hours.
- Authorize school districts to reject a hope operator.
- Repeal the language that creates a hope operator solely based on the fact that a charter operator received a commonly available federal startup grant.
- Repeal the language that reduces charter school administrative fees if a district does not enter into a performance-based agreement within 60 days.

- Require a hope operator to utilize the facility in which the persistently low performing school is located, if made available by the district.
- Require hope operators to employ certified teachers.
- Repeal the 25 district school of hope school cap.

### **Bonus and Reward Programs/Strategies**

- Examine the existing bonus and award programs to determine whether the policies are consistent and meet state and district goals of rewarding high performing teachers and principals and also encouraging teachers and principals to move or remain in persistently low performing schools. These include:
  - School Recognition Program
  - Bonuses for acceleration programs/courses
  - Best and Brightest Teacher Scholarship Program
  - Best and Brightest Principal Scholarship Program
  - Schools of Excellence

**Title I** – The utilization of federal grant dollars is a powerful tool in supporting student achievement for every educational delivery system. These funds empower school and district communities in mitigating for poverty with Title I, supporting teacher practices with Title II, and developing English language proficiency with Title III. HB 7069 restricted school district’s ability to utilize Title I funds efficiently across schools with high poverty and low achievement. These limitations should be repealed.

### **Conclusion**

Florida is a leader in providing choice to students and parents. As stated above, students may enroll in a regular public school, a charter school or a virtual school. If eligible, a student may be provided a Mackay Scholarship, Corporate Scholarship or Gardiner Scholarship.

However, as these programs have been modified and expanded over the years, it is time to step back and ensure that all students, regardless of what education delivery model they choose – that they are provided a high quality, efficient, seamless educational program that is fair and equitable across delivery systems – from both a funding and policy standpoint. Each delivery system, including school districts, must be afforded market driven flexibility within a public/private partnership of limited resources that requires all programs be accountable to the taxpayer.

These legislative recommendations are made in the spirit of ensure such equity and accountability across education delivery system.