

FEA Legislative Update

Interim Committee Meetings— Week of February 1, 2010

Once in a while they test the fire alarm system here at the FEA building on Adams Street. The alarm is smack dab in the middle of the Communications department; I can see it from my desk. When that little red box lights up and goes off, the sound pierces through your brain like a hot iron. It's not pleasant — and makes thinking difficult to impossible. You get the picture.

Imagine sitting in a meeting where dull-as-dry-mud presenters drone on about arcane tax and finance details. Now imagine that the fire alarm is screeching, wailing and echoing through the committee room. That's exactly what happened this week in the Senate Finance and Tax Committee meeting. It was a false alarm that eventually cleared the room, yet the meeting went on for a while as stoic souls sat respectfully straining to hear the report on Florida's paltry tax collections over the persistent warning of the alarm. "This is the appropriate backdrop for your presentation," committee Chairman Thad Altman (R-Viera), said. "It's fitting very nicely."

Ah yes, the 2010 session is about to begin. You can bet that, even though the fire alarms probably won't be going off, some of the discussions and comments about public education will pierce and scream through your brain. Well, it will through our brains, anyway.

So, welcome to the fire-drill edition of the Legislative Update. Sit back and drink in the events of the week at the Capitol. We promise that we won't set off any squealing, ear-bleeding sirens and alarms — and you won't even have to go out and stand in the street until the fire marshal gives you the all-clear sign.

Here's what happened in the Legislature this past week:

Governor's proposed budget: "a wish and a prayer"

The governor's budget plan was sliced and diced during the House and Senate appropriations meetings this week. Legislators grilled Gov. Charlie Crist's budget director Jerry McDaniel — he did his best to deflect the criticism by some House Republicans. Keep in mind that these exchanges might have been more about the U.S. Senate race between former House Speaker Marco Rubio and Crist than about the plan itself.

It's the Legislature's job to write the state spending plan every year, so the governor's proposal is usually a roadmap that is quietly discarded in the heat of session.

Under Crist's plan, per student spending would be increased to \$7,045. Currently per-student spending is \$6,844. The governor's budget also provides for \$347.7 million to

ensure there is adequate funding available to pay retirement benefits for state, university, community college and school district employees.

The reality woven throughout Crist's plan is pretty hard to miss: *If they don't find new revenue, we're in trouble.* As you may recall, Crist's budget plan is built upon some assumptions that pundits predict won't pan out.

The plan calls for \$2.2 billion in "new" revenue to fill the gap:

- \$443 million from the unlikely passage of the Seminole gaming compact.
- \$351.87 million in trust fund reserves.
- \$232.53 million from Lawton Chiles Endowment Fund.
- \$95.2 million from reductions and funds shifts.
- \$1.02 billion from the extension of the Federal Medical Assistance percentages.
- \$76 million from a change in Insurance Premium Tax distribution.

The education budget also includes an assumption that all districts will opt to levy the discretionary millage.

Oddly, House Democrats were less critical of the Republican governor's proposals. Rep. Kelly Skidmore (D-Boca Raton) noted that it was encouraging to see the governor trying to make ends meet, but was doubtful that the Legislature would follow his lead on gambling. She quipped that Crist's budget proposal "seems to be built on a wish and a prayer."

On the other side of the Capitol, the Senate Republicans took a kinder, gentler approach. After hearing the governor's spending proposal for the court system and criminal justice agencies, Sen. Victor Crist (R-Tampa) said, "I like your budget. I just don't think we're going to get the money to be able to do it."

Senate committee: Searching for "program efficiencies"

Senate PreK-12 Education Appropriations committee members briefly discussed a long list of "program efficiencies and cost savings" that *were* generated through "brainstorming sessions." Included in the list (no surprise to us): class size, pay and privatization. The committee made no decisions nor reached any conclusions — but we're sure these items will be considered as they bring out the ax to "shape" the education budget. *Warning: Reading this list in its entirety may result in shortness of*

breath, intense heartburn and restless-leg syndrome (in Pudlow's family they called it the "jimmyfoot").

- Race to the Top Grants -- Use grant funding to move forward on initiatives (assessment, instructional materials, education technology/learning management systems, etc.).
- Class Size Reduction -- Examine student station, staffing, and course utilization to minimize costs (rezoning, team teaching, virtual education and other alternatives).
- School District Facilities Planning and Development -- Enhance DOE reviews of Special Facilities plans to reduce costs.
- Open Source, Virtual Textbooks and Learning Management Systems -- Designed to reduce instructional material and training costs.
- Excess Credit Delivery -- Review alternatives to encourage early or timely graduation and reduce delivery of excess credits.
- Reduce Remediation in Secondary and Postsecondary Education -- Improve district education programs and assessments to limit remediation.
- Voluntary Pre-Kindergarten -- Examine teacher ratios while maintaining quality. Examine administration and oversight to reduce costs.
- Student Transportation -- Enhanced route plans that reduce costs.
- Teacher Merit Pay Programs -- Review policies of Merit Award Plan (MAP) and Excellent Teaching programs compared to Race to the Top teacher merit pay programs.
- Nonprofit Initiatives -- Review programs for efficiency and effectiveness.
- State Board of Education Efficiency -- Continue administrative efficiency efforts including the expanded use of webinars and conference calls rather than meetings on site, reduction or elimination of state-provided cellular devices, consolidation of data centers, reduction of travel, reduction in memberships and consolidation of leased space.
- District Contracts -- Review expansion of contracted delivery (*Prettied up way of saying "Privatize it all! Bring on the profiteers!"*) of noninstructional services such as food service, transportation and facility maintenance.
- District Best Practices Utilization -- Expand OPPAGA best-practices reviews or enhanced regional/statewide collaborations.

- Performance Funding -- Examine performance-based funding models for PreK-12 education.
- District Internet Services -- Review options to substantially increase bandwidth with reduced costs (through FIRN or Lambda Rail). Enhanced bandwidth could encourage further savings by allowing coordinated administrative technology.
- District Enterprise Resource Systems -- Examine potential joint purchasing and development of financial, accounting, personnel, procurement and other administrative systems.
- Supplemental Academic Instruction -- Review programs and expenditures to determine efficiency and effectiveness.
- Administrative Support -- Examine best practices for district and school administrative operations.
- Library System Collaboration -- Closer collaboration and possible long-term consolidation of library purchasing and search technologies.
- School District Consortia -- Enhance group contracts among small districts to reduce costs and overhead.

Tight Size Class Size 2010: Legislators roll out proposed class size amendment

Rep. Will Weatherford (R-Wesley Chapel) and Sen. Don Gaetz (R-Niceville) revealed their proposed class size constitutional amendment Tuesday. Standing beside them were school boards, administrators and superintendents.

The officials claim that their proposal is the best way to balance the state's budget realities with parents' and teachers' desire for smaller classes in grade K-12. The catchy ad-agency generated slogan is to "Right Size Class Size 2010."

The proposed amendment would keep class-size caps at the school average and then allow schools to add three extra students in the kindergarten to 3rd grade level and five extra students at grades four through 12th grade. That kinda seems to be moving past the sought-after "flexibility" right on over to "gutting" the class-size provisions voters approved eight years ago.

The bill number on the Senate side of the capitol is Senate Joint Resolution 2 (SJR 2) – the first numbered bill in the Senate chamber.

It takes a three-fifths vote of each chamber of the Legislature to put the proposal on ballot. If it were to pass both chambers, the amendment would then be placed on the November 2, 2010, ballot. Constitutional amendments must receive 60 percent of the

vote to be approved. So far SJR 2 has the endorsement of Gov. Charlie Crist, Education Commissioner Eric Smith and the State Board of Education.

Since implementation of the amendment in 2003, the state says the bill for class size has totaled \$16 billion. The statewide average class size has shrunk by six students for prekindergarten to grade three and by five students for grades four to eight. In 2010, if nothing changes districts will be required to have no more than 18 students in pre-kindergarten through third grades, 22 students in fourth through eighth grades, and 25 students in ninth through 12th grades. An estimated \$3.2 billion more will be needed to fully implement class size in 2010. A recent state report said that nearly 235,000 classrooms in 2,769 schools across Florida would still fall short if the amendment is fully implemented in the fall.

Teacher salaries: Estimate has Florida falling to No. 38

Florida keeps losing ground to other states in average teacher salaries. This year Florida's *estimated* average salary for teachers is \$46,912 -- which, according to latest [Rankings and Estimates report](#) from the National Education Association, makes it the only state where salaries *declined*. The estimated figure puts Florida at No. 38.

Last year it fell to 35th, according to the report. Florida was ranked 28th in 2006-07 and 29th in 2007-08.

Higher education: Crist recommends \$7.1 billion in budget

The governor's recommended budget for higher education includes nearly \$6.2 billion in funding for Workforce, Community Colleges and State Universities. Crist's proposal includes a 16.2 percent increase for Community and State Colleges, nearly half of the increase from federal stimulus funds. The proposal includes an 11.1 percent increase for State Universities, which also includes a healthy dose of federal stimulus funds. Crist's proposal recommends that there be no tuition increase, but recognizes the availability of an existing tuition differential fee that allows state universities to increase tuition by up to 15 percent.

During both the House and Senate presentations, the governor's budget plan was met with questions focused on its heavy reliance on "raiding" state trust funds despite their current low reserves status and its heavy reliance on federal stimulus funding which is nonrecurring funding that will not be available next year. Sen. Dan Gelber (D-Miami Beach) asked "Does the governor have a plan for next year when stimulus dollars are gone?"

Bright Futures: Gathering storm clouds

The Senate Higher Education Appropriations Committee heard a presentation on the status of the Bright Futures scholarship and discussed possible modifications to this popular program as they trolled for savings in the state budget. Since the creation of the program in 1997, participation has tripled and tuition has increased by 86 percent on average for Florida's state universities. Since its formation, Bright Futures has awarded scholarships to 1.3 million students, to the tune of \$2.8 billion.

Options discussed for controlling the cost include:

- Changing eligibility requirements for high school graduates by increasing minimum test scores and/or GPA requirements.
- Considering financial need as an eligibility factor rather than a purely merit-based program.
- Changing the annual renewal requirements by raising the GPA and/or increasing the number of credit hours a student must maintain.
- Eliminating students' ability to restore Bright Futures scholarships after losing them.
- Establishing a flat rate scholarship award.
- Reducing the number of credits Bright Futures will cover.
- Reducing Bright Futures award for credits earned through accelerated courses such as AP, IB, Dual Enrollment.
- Change from a scholarship program to a loan forgiveness or tuition reimbursement program.

Out of work: Senate presents jobs bill

Florida's unemployment rate continues to rise – and at a higher rate than the national average. This week, senators unveiled a bill they hope will boost job creation in the state. The Select Committee on Florida's Economy on discussed a 115-page draft version of its "Jobs for Florida" bill that would make changes to both economic development incentive programs and state regulatory activities.

The legislation will include a host of tax breaks, tax credits and incentives including: expanding a tax incentive for manufacturing, placing a cap on sales tax collected on sale of aircrafts or boats, giving a tax credit to businesses that hire out-of-work people, increase the amount set aside for tax incentives used to lure businesses to the state,

and create a revolving loan program to provide low-interest loans to Florida businesses having less than 50 employees. Hey, aren't all the tax breaks Florida already handed out to the wealthy and businesses one of the reasons the economic downturn is worse here than elsewhere? Let's double down.

One section of the bill that raises chilling concerns creates the Jobs for Florida Revolving Loan Program and directs the State Board of Administration to evaluate aspects of the proposed loan program. This program would produce a matching low interest revolving loan fund for Florida-based small businesses. The proposed bill would allow the use of funds **from the Florida Retirement System** for a small business lending program.

At a minimum, this proposal could:

- Fundamentally change the authorized investment areas allowed for the FRS by changing the recognized forms of investment.
- Use funds belonging to current and future retirees in ways that do not focus on **THEIR** sole economic interest.
- Undermine the fiduciary responsibility of the fund and its managers by directing investment in low-interest loans.
- Leave unanswered how the current SBA would fund, find and evaluate the expertise to run this operation.

Quality schools lawsuit: "Dismiss it," Florida officials urge

The defendants – the State Board of Education, Education Commissioner Eric Smith, Senate President Jeff Atwater and House Speaker Larry Cretul – in the [high-quality-schools lawsuit](#) filed a motion this week to have the case dismissed. Within the 20 pages of legal arguments was the following nugget to ponder:

"Finally, Plaintiffs' allegations that the State has failed to assure 'high quality' outcomes also miss the mark. The Constitution only requires the State to give a high quality educational opportunity to students; it does not insure high quality outcomes for all students. ... Common sense underscores this point. Try as it might, no government (or parent) has the power to assure a high-quality outcome in a child's education. It can only afford opportunities where students, through hard work, may achieve and succeed."

You'll need to remember this statement as we begin to tackle legislation about teacher tenure, performance, evaluation, student growth. Because the SBOE, Smith, Atwater and Cretul will sure forget it ever existed.

At the polls: Upcoming Tampa House 58 general election

The general election to fill the House District 58 seat vacated by Rep. Mike Scionti (D-Tampa) will be held February 23 and will feature a face-off between longtime Tampa Democratic political activist Janet Cruz and Republican candidate and Tampa attorney Hunter Chamberlin. Scionti resigned from the seat after he was appointed by President Obama to deputy assistant secretary of defense.

Deutch wins Democratic primary for congressional bid

State Sen. Ted Deutch is one step closer to claiming the 19th District U.S. House seat after winning the Democratic special primary election Tuesday. Deutch overwhelmed former Broward County Mayor Ben Graber by winning 85 percent of the vote. He hopes to succeed former Rep. Robert Wexler, a seven-term Democrat, who stepped down last month to become president of the Center for Middle East Peace and Economic Cooperation.

Deutch is favored to win the April 13 special general election in Florida's solidly Democratic 19th District in a race against businessman Ed Lynch, who squeaked to a primary victory with just enough votes to avoid a recount.

A special election to fill Deutch's senate seat has yet to be announced since Deutch has yet to resign. A recently passed law allows state candidates to run for federal office without resigning their seat.

As always – if you have questions or would like more information, please email or call the FEA Public Policy Advocacy staff at 850.224.2078.

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