

Florida Association of District School Superintendents Legislative Report

December 15, 2016

MEMORANDUM

TO: District School Superintendents

FROM: Joy Frank

RE: Interim Committee Report – Week of December 12, 2016

General Information

This is the first report of the 2017 Legislative Session. As I have done in the past, a report summarizing any action will be provided by Friday of an interim committee week and each Friday during the regular legislative session. I will also provide pertinent information during the week if necessary as things move fast during session. I have included the important legislative dates in this report.

Legislative committee chairs and committee memberships have been released. Committees impacting education including chairs and members are listed at the end of this report.

Last week the House held training for new members and did not hold committee meetings.

The Senate held the first set of interim committee meetings this week. Most of the committees meetings consisted of introductions of members and staff and briefings on major issues. Relevant information is summarized below.

Senate Education Committee

The Senate Education Committee met for the first time this week. The committee's jurisdiction includes all issues related to education. There were a series of presentations on higher education. No significant K-12 issues were discussed.

Senate Appropriations Subcommittee on PreK-12 Education

Chair Simmons outlined the committee budget priorities. Then, Tim Elwell, the staff director, reviewed the committee's jurisdiction and major issues. Senator Simmons expressed continued concern over the amount of testing and the cost and waste of such testing. He emphasized that the cost and inefficiency included both the cost of the assessments themselves and lost instructional time for students. He indicated that the first committee meeting in January would be devoted to this issue. He also mentioned that the committee would be looking closely at the budget for reallocations from programs/areas that are not working to those that do increase student performance. He is particularly

interested in teacher pay. Finally, extending the school day through serving the lowest 300 elementary schools was also discussed. There will be another meeting devoted to this program and a discussion of programs that are not working and why.

Committee Jurisdiction and Issues

Jurisdiction/Budgets:

- Early Learning including School Readiness Program and Voluntary PreK Program
- FEFP
- Non-FEFP (e.g., Best & Brightest, Gardiner Scholarship, Standard Student Attire, Florida School for Death and Blind)
- Education Media and Technology (public broadcasting)
- Federal Programs
- State Board of Education (includes assessment budget)

PreK-12 Education Funds

- State Funds (52%)
 - General Revenue
 - Education Enhancement Trust Fund (lottery and gaming)
 - State School Trust Fund (abandoned property)
 - Fee-supported trust funds
- Federal Funds (10%)
 - Title I (for Economically Disadvantages)
 - Individuals with Disabilities Education Act (IDEA)
 - Child Care Development Fund (CCDF for School Readiness)
 - Other federal funds (including funds for Principal and Teacher Training; English Language Acquisition; and Assessments)
- Local Funds (38%)
 - FEFP local funds (Required and Discretionary Local Effort)

Emerging PreK-12 Education Issues

- FEFP Funding Issues
 - Replace \$197 million nonrecurring funds in FEFP (FY 2016-17)
 - Provide workload funding
 - Continue the Extra Hour of Reading Initiative for Lowest Performing Elementary Schools – permanent funding & statutory language
 - Additional Property Tax Relief – Reduce or eliminate increases in RLE funds (millage rate reduction) due to increased property values and ad valorem taxes
- Tax Credit Scholarship Lawsuit
- Revisions to accountability system requirements and effects on PreK-12 assessment funding
 - Changes to Federal Title I Funds – Every Student Succeeds Act (ESSA); Implications and opportunities for Florida
- Best and Brightest Scholarship Program – Continuation and Revisions
- School Choice Issues
 - Expanding and providing incentive funds for charter schools that focus on “at risk” and disadvantaged students

- Implementing HB 7029 (2016 legislative session) provisions that enable students, beginning in the 2017-2018 school year, to attend any public school in the state, including charter schools.
- Providing additional sources of funding for charter school capital outlay
- Gardiner Scholarship workload funding

Senate Appropriations Committee

After introductions of staff, the committee had an update on Florida’s Long-Range Financial Outlook from Amy Baker with Economic and Demographic Research. Below are the major points made during her presentation.

- The economy is recovering but the drags, particularly construction, are more persistent than past events, but the strength in tourism is largely compensation for this. Overall, it will take another year to climb completely out of the hole left by the recession.
- When the Long-Range Financial Outlook was adopted in September, a projected remaining General Revenue balance of \$1.41 billion in nonrecurring dollars was assumed to be available for use in the 2017-18 Fiscal Year. Taking into account new revenue forecasts and adjustments for budget amendments, this amount has increased by \$70.4 million.
- Critical Needs are those budget items that are mandatory increases based on estimating conferences and other essential items. Of the Critical Needs, the Medicaid Program dominates. Over the three-year period covered in the Long-Range Outlook, the additional Medicaid need each year consumes an average of 53.0% of the expected General Revenue growth for that year.
- The most recent PreK-12 Enrollment Estimating Conference indicated that while the number of FTEs is growing strongly, the number of projected FTEs was reduced by approximately one-half of one percent per year.
- Ad Valorem. Taxable value increased, but the impact on the budget is unknown due to policy changes in the budget for the 2016-2017 Fiscal Year. During the 2016 Session, the Legislature made the policy decision to hold the Required Local Effort (RLE) to the 2015-2016 *level*. Normally, the Long-Range Financial Outlook assumes that the current year’s certified *millage rate* is the starting point for projected expenditures in the subsequent year. The statewide average millage rate was 4.638 on July 15, 2016 for the 2016-2017 Fiscal Year. This was used in the projections, allowing projected taxable value increases to feed through the plan. The Legislature may not agree, and may instead choose to hold the level flat again. To hold the level flat would require an additional infusion of General Revenue funds. See chart below for additional amounts needed if the RLE remains the same and is not based on the millage rate.

	Original Cost to Hold RLE Level		Taxable Value Increased		
	Summer Impact Add'l GR Need	August 2016 Forecast	Growth Rates	December 2016 Forecast	Growth Rates
2017-18	427.60	1,876,030	5.88%	1,887,990	6.56%
2018-19	438.27	1,981,646	5.63%	1,995,651	5.70%
2019-20	446.71	2,089,006	5.42%	2,102,065	5.33%

- Overall there is no budget gap in the first year of the Long-Range Financial Outlook, but there is essentially no remaining General Revenue for discretionary issues. Furthermore, the projected recurring expenditures and revenue adjustments, in combination, outstrip the available recurring resources.

- For the first time since the 2010 Outlook, there is a projected budget gap, or potential shortfall between revenues and expenditures during the three-year period.
- The 2018-19 and 2019-20 Fiscal Years both show projected budget needs significantly in excess of available revenue for critical and other high priority needs. The shortfalls are even greater when factoring in the potential revenue adjustments.
- Since the increase in projected recurring expenditures in the 2017-2018 Fiscal Year clearly contributes to and worsens the problems in the 2018-19 and 2019-20 Fiscal Years, fiscal strategies are advisable for all three years in order to manage the problems of the out-years.
- The Outlook does not make assumptions regarding future legislative policy decisions. Some significant policy decisions with spending implications have yet to be made:
 - Florida Statutes established the Triumph Gulf Coast, Inc. and the Recovery Fund for the benefit of disproportionately affected counties by the Deepwater Horizon Disaster. If the Legislature places 75% of the funds recovered in the 2016-17 Fiscal Year (.75 x \$400 million) into the fund, that \$300 million would be a reduction in the funds otherwise assumed to be available.
 - A decision to hold the RLE flat would have an even greater effect (- \$400 million)
 - A decision to ratify a new Indian Gaming Compact, depending on the provisions of the implementing legislation, would likely add revenue.

Source: Florida: Long-Range Financial Outlook; Presentation on December 15, 2016; Office of Economic and Demographic Research; <http://edr.state.fl.us>

Needless to say, it will be a challenging budget year.

Important Legislative Dates

- ***Interim Committee Weeks***
 - January 9-13, 2017
 - January 23-27, 2017
 - February 6-10, 2017
 - February 13-17, 2017
 - February 20-24, 2017
- ***Session Convenes on March 3, 2017***
- ***Sine Die is May 5, 2017***

Senate Committee Assignments

Senate Education

Dorothy Hukill, Chair

Debbie Mayfield, Vice Chair

Gary Farmer

Bill Galvano

Tom Lee

David Simmons

Wilton Simpson

Linda Stewart
Perry Thurston

Appropriations Subcommittee on PreK-12 Education

David Simmons, Chair

Dana Young, Vice Chair
Doug Broxson
Gary Farmer
Denise Grimsley
Tom Lee
Bill Montford
Darryl Rouson

Appropriations Subcommittee on Higher Education

Bill Galvano, Chair

David Simmons, Vice Chair
Rob Bradley
Jeff Clemens
Gary Farmer
Tom Lee

The Jurisdiction of this committee also encompasses Workforce Development.

Appropriations (Full Committee)

Jack Latvala, Chair

Anitere Flores, Vice Chair
Aaron Bean
Lizbeth Benacquisto
Lauren Book
Randolph Bracy
Rob Bradley
Jeff Brandes
Oscar Braynon
George Gainer
Bill Galvano
Audrey Gibson
Denise Grimsley
Bill Montford
Bobby Powell
David Simmons
Wilton Simpson
Kelli Stargel

House Committee Assignments

Education Committee

Michael Bileca, (Chair)

Robert "Bob" Cortes, Vice Chair
Shevrin D. "Shev" Jones, Minority Ranking Member
Larry Ahern
Bruce Antone
Robert Asencio
Kamia L. Brown
Manny Diaz
Byron Donalds
Chris Latvala
Larry Lee Jr.
Rene Plasencia
Mel Ponder
Elizabeth W. Porter
Jake Raburn
Barrington "Barry" Russell
Charlie Stone
Jennifer Sullivan

PreK-12 Innovation Subcommittee

Chris Latvala, Chair

Jennifer Sullivan, Vice Chair
Joseph Abruzzo, Minority Ranking Member
Robert Asencio
Robert "Bob" Cortes
Jason Fischer
Bill Hager
Patricia Hawkins-Williams
Sam Killebrew
Larry Lee Jr.
Thomas "Tom" Leek
Mel Ponder
Barrington "Barry" Russell
David Santiago
Ross Spano

PreK-12 Quality Subcommittee

Jake Raburn, Chair

Rene Plasencia, Vice Chair
Bruce Antone, Minority Ranking Member
Bryan Avila
Kamia Brown
Colleen Burton
Tracie Davis
Byron Donalds
Erin Grall
Don Hahnfeldt
Shrevrin D. "Shev" Jones
Mike La Rosa

Bobby Payne
Rick Roth
Matt Willhite

Post-Secondary Education Subcommittee

Elizabeth Porter, Chair

Larry Ahern, Vice Chair
Richard Stark, Minority Ranking Member
Ramon Alexander
Robert Asencio
Bryan Aliva
Charles Wesley "Chuck" Clemons
Robert "Bob" Cortes
Thomas "Tom" Leek
MaryLynn Magar
Amber Mariano
Mel Ponder
David Silvers
Carlos Guillermo Smith
Jay Trumbull

The Jurisdiction of this committee also encompasses Workforce Development.

PreK-12 Appropriations Subcommittee

Manny Diaz, Chair

Jake Raburn, Vice Chair
Larry Lee Jr., Minority Ranking Member
Bruce Antone
Kamia Brown
Byron Donalds
Randy Fine
Jason Fischer
Roy Hardemon
Chris Latvala
Ralph Massullo, Jr.
Stan McClain
Wengay "Newt" Newton
Paul Renner
Jennifer Sullivan

Higher Education Appropriations Subcommittee

Larry Ahern, Chair

Elizabeth Porter, Vice Chair
Larry Lee Jr., Minority Ranking Member
Ramon Alexander
Robert "Bob" Cortes
Katie Edwards
Julio Gonzalez

James "J.W." Grant
Thomas "Tom" Leek
Amber Mariano
Alexandra "Alex" Miller
Mel Ponder
Ray Wesley Rodrigues
David Silvers
Carlos Guillermo Smith

Appropriations Committee

Carlos Trujillo, Carlos (Chair)

George R. Moraitis, (Vice Chair)
Jared Evan Moskowitz, Jared Evan (Democratic Ranking Member)
Larry Ahern
Ben Albritton
Lori Berman
Michael Bileca
Jason Brodeur
Janet Cruz
W. Travis Cummings
Jose Flex "Pepi" Diaz
Manny Diaz
Bobby DuBose
Katie A. Edwards
Bill Hager
Blaise Ingoglia
Clay Ingram
Shevrin D. "Shev" Jones
Kionne L. McGhee
Larry Metz
Jeanette M Nunez
Jose Oliva
Elizabeth W. Porter
Holly Merrill Raschein
David Richardson
Ray Wesley Rodrigues
Chris Sprowls
Cynthia Stafford
Richard Stark
Charlie Stone

I hope this information is helpful. If you have any questions, please call me at 850.577.5784. The FADSS' offices will be closed on December 19th through January 2nd. If you need me during the holidays, please contact me on my cell phone at 850.509.4242.

Happy Holidays!