

MEMORANDUM

February 13, 2006

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

FROM: Rudolph F. Crew, Superintendent of Schools

**SUBJECT: THE GREATER FLORIDA CONSORTIUM OF SCHOOL BOARDS
REPORT ON THE GOVERNOR'S 2006-07 RECOMMENDED BUDGET**

Attached for your information is a copy of the Greater Florida Consortium of School Boards report on the Governor's 2006-07 recommended budget.

Should you have any questions, please contact Mr. Alberto M. Carvalho, Associate Superintendent, Office of Intergovernmental Affairs, Grants Administration, and Community Services, at 305 995-2532.

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Attachment

cc: Superintendent's Cabinet
School Board Attorney
Dr. Magaly C. Abrahante
Ms. Iraida R. Mendez-Cartaya
Dr. Linda D. Brown

GREATER FLORIDA CONSORTIUM OF SCHOOL BOARDS

MEMORANDUM

February 8, 2006

TO: Consortium Members

FROM: Jeanne Dozier, President

BY: Georgia Slack/Thomas Cerra, Consultants

SUBJECT: **GOVERNOR'S 2006-07 RECOMMENDED BUDGET**

Swan Song Budget

With only 11 months left in his final term, Governor Jeb Bush has issued his last recommended budget for Florida. His policies on taxation, school choice, accountability and educational governance continue to be a focus. During his first seven years, he provided \$14.5 billion in tax relief and now is recommending another \$1.5 billion for 2006-07.

Look Closely

When one looks at the \$1.235 billion increase recommended by the Governor, the natural conclusion would be this is a great budget. However, upon closer analysis when factoring mandates, growth, hurricane impact and special needs, each Consortium district will have to make the case for the adequacy of the Governor's recommendation.

Required Local Effort (RLE)

Approximately one-third of this year's tax cuts will stem from a reduction of the Required Local Effort, which would be reduced from 5.239 to 4.763 mills. (Note that last year's Appropriations Bill was adopted with an estimated RLE of 5.472 mills and was reduced by .233 mills when the final tax roll was certified). It is very likely that when the final 2005 tax roll is certified this year, the RLE will be further reduced. If successful, the Governor, during his eight-year tenure, will have reduced the RLE from 6.529 to 4.763 while the tax roll increased from \$592.8 trillion to \$1,567.3 trillion. School boards may want to consider how to recapture some of this property tax relief that will occur this year for their educational purposes. This opportunity will not go unnoticed by other local governments.

.51 Local Discretionary Millage (LDM)

Last year, for the first time, the Legislature equalized the .51 LDM up to \$200 per student at an appropriated cost of \$56.8 million. This amount was reduced by \$9.8 million when the final tax roll was certified. None of the Consortium members received one dime of this appropriation since all Consortium districts generate more than \$200 a student. The good news is the Governor did not recommend increasing this policy and, even with the reduced RLE, it is estimated to cost \$31.2 million, a reduction of \$16.7 million over last year's final amount.

.25 Local Discretionary Millage (LDM)

The Governor did not recommend any increase in the policy that allows local boards to raise \$100 per student by levying up to .25 mills. The Legislature increased the amount from \$50 to \$100 last year.

Building News

The Governor's budget also proposes providing \$2 billion next year for school districts to build classrooms to reduce class size, a marked increase from this year's zero level funding. The estimate is that amount would build more than 5,400 classrooms across the state.

The 65 Percent Rule

Florida has become one of 14 states considering implementing the "65 percent rule," a mandate which would require school districts to spend 65 cents of every dollar they receive on "direct" classroom expenditures. Florida, however, is the only state considering placing this edict in its State Constitution.

The backers of the amendment (HJR 447) have included it in their proposal to ask voters to rethink the current class size reduction mandate and change it to something less logistically and financially burdensome. Specifically, the proposed amendment would change the calculation of class size to a district-wide average with a prohibition against any teacher having more than five students above the current caps. At the same time, school boards would be required to adhere to the 65 percent rule that is being touted as a way to give school districts more funds, but which, in reality, is simply redirecting money from one pot to another. To sweeten the pot, lawmakers have also included language in the proposal to authorize co-teaching as a permissible class reduction tool.

The controversy over the 65 percent rule lies in the definition of "classroom expenditure." The national definition narrowly includes only the teacher's salary and benefit costs along with instructional materials and purchased services. Ignored are expenses for reading teachers, media specialists, guidance counselors, school nurses, transportation and a host of other programs and services that are an integral part of the pre-K - 12 program.

The proposed amendment is expected to pass the Legislature and reach the ballot. Its chief sponsors are leaders in both the House and Senate and they are asking voters to “trust” them to ultimately define “classroom expenditure” in a way that accommodates Florida’s unique needs and goes beyond the narrow national definition. With term limits ever present, putting trust in future legislators always worries education stakeholders.

From past experience, we know that we must remain cautious with any decisions we make.

JD/GS/TC:pw