

# MEMORANDUM

May 15, 2009

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

**FROM:** Alberto M. Carvalho, Superintendent of Schools *Amc*

**SUBJECT: 2009 LEGISLATIVE SESSION WRAP-UP**

The 2009 Legislative Session was extended to provide for the statutorily required "cooling off period" for the deliberation of the General Appropriations Act and concluded on Friday, May 8, 2009. Every legislative session has its struggles and this past legislative session had its share. The state budget for fiscal year 2009-2010 is approximately \$66.5 billion, despite the slow-down of state economy and a precipitous decrease in property values. The proposed state budget includes \$5.3 billion in federal stimulus money, \$900 million in cigarette taxes, \$800 million in fees, and \$600 million in transfers from state trust funds. The current budget for the state is \$69.5 billion.

The state K-12 education operating budget was for the most part "held harmless" from where we currently are after a series of mid-year reductions the last two years. Total potential funding for school districts statewide is down, however, by \$1.3 billion when compared to the beginning of the 2007-2008 fiscal year. The Legislature mitigated deeper reductions to the operating budget by relying on \$380 million historically designated for capital purposes and approximately \$907 million in federal state stabilization funds. Below are the highlights of the educational budget or the FEFP:

- ✓ The Final Conference Report (SB 2600) provides for the District Cost Differential (DCD) based on a Wage Index.
- ✓ The Base Student Allocation (BSA) decreased by \$255.52 per student to \$3,630.62. When the BSA is compared to the 2007 conference report prior to any budgetary cuts, the reduction is closer to \$532.85 per student.
- ✓ The state budget assumes a net reduction of approximately 10,000 students attending public education.
- ✓ The Discretionary Local Millage was increased to .748, equalized to the statewide average, or \$440.48, at a cost of \$146.9 million statewide. This was achieved by shifting .25 mills from capital outlay. Districts, however, do have the option to retain the .25 mills in capital outlay.
- ✓ The Discretionary Local Millage equalized to yield \$100 per student was eliminated by adding it to the Required Local Effort. The Required Local Effort Millage is set at 5.314 mills.

- ✓ The Sparsity Supplement and Safe Schools decreased to \$35 million and \$67 million statewide respectively.
- ✓ The Supplemental Academic Instruction was decreased by \$50 million to \$637.7 million statewide.
- ✓ The Exceptional Education Guaranteed Allocation was decreased to \$981 million.
- ✓ The Student Transportation categorical was decreased by \$32 million to \$428.9 million statewide.
- ✓ The Instructional Materials categorical was decreased by \$37.3 million to \$212 million statewide.
- ✓ The Teachers Lead Program, which provides an allocation for classroom materials and supplies to teachers, media specialists, and guidance counselors in K-12, was decreased by nearly \$3.5 million to \$33 million.
- ✓ The Class Size Reduction, which provides funds to reduce class sizes, was increased by \$116 million statewide to \$2.8 billion for operating purposes.
- ✓ The policy related to declining enrollment was changed to provide a hold harmless on 25 percent of the full-time equivalent (FTE) decrease for the prior year. Current policy has been at 50 percent since the inception of this variable in the funding formula.
- ✓ The Discretionary Lottery for public schools was not funded for the 2009-2010 fiscal year. Lottery dollars provide for School Recognition awards up to \$75 per FTE for eligible schools and School Advisory Councils up to \$5 per unweighted student.
- ✓ The New World School of the Arts was funded at \$821,419, which represents a decrease.
- ✓ The Merit Award Program was funded for the handful of districts that had successfully negotiated the plan for a total of \$20 million.
- ✓ Workforce funding also received a decrease of approximately \$1.7 million.

Major policy changes include:

- ✓ Limiting school board members' and superintendents' salaries. District school board salaries are limited to the lesser of the amount calculated pursuant to current statutory stipulations or the district's beginning salary for teachers who hold baccalaureate degrees. An appointed district superintendent may not receive more than \$225,000 in remuneration annually from state funds. Local funds can absorb any amount above

that. District school boards and superintendents are encouraged to review the superintendent's annual remuneration and mutually agree to a reduction of at least 5 percent.

- ✓ Modifying the work year for school-site instructional and administrative staff. The current statutory requirement for the work year of 196 days for instructional staff was eliminated and the work year for school principals was reduced to 10 months, unless specifically approved by the local school board.
- ✓ Shifting .25 mills from the Capital Outlay Millage to the Local Discretionary Millage for operating purposes. Districts may continue to use these .25 mills, however, for capital outlay purposes, but a commensurate reduction in operating revenue would be realized.
- ✓ Providing local school districts, by a super majority vote, the authority to levy an additional .25 mill for critical capital outlay needs or for critical operating needs. In order to be continued, the millage levied must be approved by the voters of the district at the next general election.
- ✓ Establishing the Prior Period Funding Adjustment Millage for school districts that experienced unrealized required local effort funds in the prior year. NOTE: This provision addresses our District's concern that, due to the statutory timing requirements for the local property appraiser's office to certify the final actions of the local Value Adjustment Board, Miami-Dade did not realize the value of the Base Student Allocation for the current year.

If a district has unrealized required local effort funds, the Commissioner of Education shall calculate the amount of the unrealized required local effort funds and the millage required to generate that amount, adjusting the Required Local Effort. This provision will allow this District to recapture lost revenues during this fiscal year.

- ✓ Delaying the implementation of class size reduction at the class by class level until 2010-2011.
- ✓ Requiring specific school board approval for public funds to be used for out-of-state travel, blackberries and/or cellular phones.
- ✓ Extending the federal accountability requirement of *No Child Left Behind (NCLB)* to all public schools in the state. The federal Elementary and Secondary Education Act of 1965, as revised by NCLB, requires each state to have a single, statewide accountability system based on academic standards and assessments and containing sanctions and rewards to hold school districts and public schools accountable for student achievement.

HB 991 aligns the state's school improvement and accountability system with provisions in NCLB applicable to all public schools in the state, not just Title I schools. Schools will be provided an annual school grade by the Department of Education based on the level of student performance and the rate of change in performance in reading and mathematics, disaggregated into student subgroups. Student subgroups include economically disadvantaged students, major racial and ethnic groups, students with disabilities, and students with limited-English proficiency.

- ✓ Encouraging school districts to initiate, adopt, expand, and institutionalize service-learning programs, activities, and policies in grades K through 12.

Should you have any questions or need additional information, please contact Ms. Iraida R. Mendez-Cartaya, Assistant Superintendent, Office of Intergovernmental Affairs, Grants Administration, and Community Services, at 305-995-1497.

AMC:lbd  
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cc: School Board Attorney  
Superintendent's Cabinet  
Principals  
Citizens' Coalition for Public Schools  
PTA/PTSA Presidents  
Employee Groups