

# FEA Frontline Report

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May 8, 2009

## Quote of the week:

*"Since Easter Sunday, I've been here 18 hours a day. We did our God...our best."*  
—Sen. J.D. Alexander closing the debate on the 2009-10 Appropriations bill.

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## Week 10 of the 2009 legislative session – Sine Die and good bye!

The legislature just passed the \$66.5 billion state budget. It's built on federal stimulus money, a bunch of increased fees, a hike in cigarette tax, cuts to state worker salaries, cuts to programs serving the elderly and the poor, a little creative math and a lot of hope. Sure, it could have been worse — and would have been worse without the stimulus money — but we have to wonder: what will happen when the stimulus money is gone? Will there be something to replace it? Will our legislative leaders grow some courage?

Senator Gelber expressed his disappointment that members in the House chose not to consider the long term view in creating viable revenue sources. Instead he said they chose the short sighted approach to the budget - being more concerned with their re-election campaigns than Florida's future. He told members that if he was "voting for good intent...voting for transparency of the process" he would have voted yes. But his criteria were based upon whether or not the budget would meet the needs of the people in Florida...and in his opinion this budget fell short.

But the floor of the Senate was a sea of tranquility compared to the fireworks that were going on behind the scenes as the Senate Minority Leader broke with the Democratic caucus position. Democrats had decided to vote as a block against the budget, but during debate Minority Leader Al Lawson (D-Tallahassee) changed his mind and voted for the budget taking six other Democrats with him.

Democrats including Frederica Wilson and Larcenia Bullard faulted Senate leaders for giving in to House demands. But Republican Senators Jim King and budget chairman J.D. Alexander had stern words, which were enough to sway some Democrats who had previously taken a caucus position against the budget.

As the Senate prepared to vote on the 2009-10 budget, Alexander pointed out that the House wanted \$400-million in cuts to state universities, "and we wound up with \$110-million. They wanted \$380-million in cuts to community colleges. We wound up with \$35-million...They wanted \$240-million in pay cuts. We came out with \$30-million."

Sen. Ronda Storms (Brandon) was the lone Republican voting no based on her concerns about building a budget on gambling money (even though the budget didn't include any new gambling money). Storms joined Democratic Senators Nan Rich, Eleanor Sobel, Arthenia Joyner, Charlie Justice, Dan Gelber, Ted Deutch, and Dave Aronberg in the 32 to 8 vote. The House passed the budget by a party line vote of 75 to 43.

The appropriations bills will now make their way to the governor's desk for his approval or veto.

Look for the 2009 End of Session Legislative Summary to be posted on FEAWeb.org in the coming weeks. It takes a little while after session to complete and do the final edit on this report, but we'll post it as soon as possible!

### **Legislature rolls the dice on Seminole Gaming Compact**

Both houses of the legislature have passed a 'gaming compact' aimed at expanding gambling at Seminole Indian casinos that has the potential to generate millions of dollars for education.

The bill would permit banked card games such as blackjack and baccarat at the tribe's three Broward County casinos and one in Tampa. Banked games would not be allowed at their other facilities in Immokalee, Brighton and Coconut Creek. Las Vegas style slot machines and no-limit poker would be permitted at all seven sites.

To help pari-mutuels compete with the tribal casinos, the agreement includes lowering the tax rate from 50 percent to 35 percent on slot machines at horse and dog tracks and jai ali frontons in Broward and Miami-Dade counties, the only places where they are legal.

Pari-mutuels also would get higher poker betting limits and be able to race thoroughbred horses at night. The South Florida tracks could add blackjack with legislative and voter approval.

The deal requires the tribe to guarantee the state an annual minimum of \$150 million. These funds will be earmarked for the state's Education Enhancement Trust Fund but were not available for use in the 2009-10 budget that the legislature just adopted.

### **Budget**

The 2009 Session began with superintendents talking about 15% budget reductions and concern that tens of thousands of teachers and ESP would lose their jobs. All levels of education had been cut significantly over the previous 20 months. K-12 education had experienced cuts of \$445 per student or \$1.4 billion. But thanks to FEA and our local affiliates who launched a campaign for an additional penny sales tax in October 2008, a serious discussion began on the need for revenues. The rallies held in many of our locals and the statewide rally in Orlando continued the call for legislative help for our schools, colleges and universities.

The Legislature did respond and raised taxes on cigarettes, raised fees and began an exploration of sales tax exemptions. They produced a budget that is certainly not great but exceeds expectations and provides hope that most jobs can be saved. **The concerted actions of our members resulted in this victory but it also demonstrated the need for continued action and member involvement as we begin preparations for 2010.** The need for a strong and vibrant tax system has not been met. Finding revenue sources to replace one-time federal and state funds used in the budget was just delayed. FEA will continue calling for the establishment of a modern tax system that provides necessary revenues which support high quality education programs and other quality services for Florida's citizens.

### **SB 2600 and the Florida Education Finance Program (FEFP)**

**For the first time ever, federal funds are used within the FEFP. \$875 million from the State Fiscal Stabilization Fund (Education) and \$32.9 million from the State Fiscal Stabilization Fund (Discretionary) are added for a combined \$907.9 million. These essential funds mostly absorb cuts being made in other components of the formula. This funding was critical to saving countless jobs!**

Total potential FEFP funds for K-12 increased by just \$5.1million, an increase of 0.03%, from the 2008-09 fourth calculation.

K-12 funding per student (FTE) on a statewide average is \$6,873.07, **an increase statewide of \$28.21 or 0.41%** from the 2008-09 fourth calculation. Twenty-three school districts and four lab schools receive a cut from the previous year.

The budget funds 2,608,006.73 FTE which reflects a loss of **10,000 students**. This represents a loss of about 34,000 FTE in the past two years. Prior to the tragic hurricane season of a few years ago and our current economic struggles, annual student growth for twenty years had ranged from an additional 40,000 to 60,000 students per year.

### **Base Student Allocations & Weights**

**The Base Student Allocation (BSA) has been cut another \$255.52, or 6.58%, to \$3,630.62.**

Funds provided in the FEFP are based upon program cost factors for Fiscal Year 2009-2010 as follows:

1. Basic Programs

A.K-3 Basic.....	1.074
B. 4-8 Basic.....	1.000
C. 9-12 Basic.....	1.033
2. Programs for Exceptional Students	
A. Support Level 4.....	3.520
B. Support Level 5.....	4.854
3. English for Speakers of Other Languages .....	1.124
4. Programs for Grades 9-12 Career Education.....	1.050

The District Lottery and School Recognition Program allocation is reduced \$82.8 million to \$129.9 million. These funds are available for School Recognition awards in an amount of \$75 per student in each qualifying school. If the School Recognition awards are funded, the remaining dollars up to \$5 per student are to be used at the discretion of the School Advisory Committee.

The Legislature appropriated \$20 million for the Merit Award Program. This allocation is for school districts and charter schools with approved plans in 2008-09 and pays bonuses to teachers who will be MAP recipients in those districts for the 2008-09 school year.

The Teachers Lead Program was moved from a categorical program to within the FEFP but there was no consequential change to the policy or calculation. The allocation for the program is \$33.3 million. This is a reduction of \$3.4 million. The district school board shall calculate an equal amount for each classroom teacher. A classroom teacher is defined as a certified teacher employed by a public school district or a public charter school in that district on or before September 1 of each year whose full-time or job-share responsibility is the classroom instruction of students in prekindergarten through grade 12, including full-time media specialists and guidance counselors serving students in prekindergarten through grade 12, who are funded through the Florida Education Finance Program.

The Transportation funds were also moved into the FEFP from categorical funds. The allocation is \$428.9 million, a cut of \$32 million from the 2008-09 fourth calculation. While they claim this fund is flexible, transportation costs are absorbed by other funding sources in the budget.

The Instructional Materials funding was also shifted from a categorical to the FEFP. The funding level for 2009-10 is \$216 million, a decrease of \$38 million. **Note: After March 1, 2009, leftover funds may be transferred to other parts of the budget in accordance with the budget conforming bill, CS/CS/SB 1676.**

### Categorical Programs

The only remaining categorical is the Class Size Reduction funding. Now in its seventh year, the class size categorical increases by \$116.1 million from the fourth calculation. The total program amount is now \$2.846 billion for 2009-2010. Flexibility is provided once the class size goal is met. Priority for excess funds, as established in CS/CS/SB 1676, should be classroom teacher

salaries but may be used for any lawful operating expenditure. Differentiated pay was removed from statute as a priority expenditure.

#### K-12 Non-FEFP Grants, Capital Outlay, etc.

\$46.9 million is allocated for the Excellent Teaching Program, i.e. national board certification. This is a cut of more than \$8.4 million from that appropriated in the 2008-09 budget. The funding source for the Excellent Teaching Program is from the discretionary State Fiscal Stabilization Fund. There were no substantive changes to the statute. House efforts to limit bonus payments to classroom teachers and only to provide new bonuses for teaching in a low-performing school were both stopped. Senate efforts to move the program into the FEFP **and** make the bonus payment optional were also stopped. It is expected that these funds will pay for only the 10% certification bonus.

The Barry Grunow Act was funded at \$20,000 for Teacher and Administrator Death Benefits.

The Florida School for the Deaf and the Blind was funded at \$45.8 million, an increase of \$600,000 from the 2008-09 General Appropriations Act. **The state budget contains a pay cut of 2% for employees at the school who earn more than \$45,000 except your salary cannot be reduced below \$45,000.**

\$151.9 million was appropriated to districts for debt service on construction bonds associated with the Class Size amendment.

#### Prekindergarten Education

\$367.2 million was provided for the Voluntary PreK program. The base student allocation was established at \$2,575 and \$2,190 for the summer program.

## **Darts and Laurels**

We've had some interesting twists and turns this legislative session. We've made some new friends in the legislature – and we have a lot of work to do with some that weren't so friendly.

We would like to thank many legislators for their hard work and support – there are far too many Laurels to list in this report. Oh, and there are some who just can't get out of the way of a Dart, but it is the end of session so they're off the hook – until the next session...

**One last quote from the 2009 Legislative Session...in the category of more information than we needed:**

*"You don't just, you know, ram the thing through,"* explained Sen. Stephen Wise (R-Jacksonville) after the Jeb Bush anti-tenure proposal failed to get through the Senate. *"It's sort of like mating of elephants...it takes two years and lots of noise."* So folks get out there and explain to your legislators how your contract really works - before this bad idea comes back next year.

## **Member lobbyists visiting Tallahassee**

We want to thank all of our visiting lobbyists who joined us in Tallahassee during this legislative session. A special thank you to Terrie Brady from Duval Teachers Union, Joe Minor and Karyn Cunningham from United Teachers of Dade, Chuck Kiker and Jean Clements of Hillsborough CTA for working with FEA in Tallahassee throughout this long and difficult legislative session.

## **Visit FEA FrontlineTV for video of session highlights:**

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*Questions? Call FEA Public Policy Advocacy at 850.224.2078*

*Thanks to Marshall Ogletree for his budget analysis and Lynda Russell for her summary of the Gaming Compact.*