


MEMORANDUM

April 18, 2011

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

FROM: Alberto M. Carvalho, Superintendent of Schools 

SUBJECT: LEGISLATIVE UPDATE – WEEK SIX, APRIL 11 THROUGH APRIL 15, 2011

Budget

The House and Senate were scheduled to meet to iron out the differences on their respective budget proposals this past week, however, no such meetings were held. As you may recall, the Florida House has already passed its proposed \$66.5 billion budget and the Florida Senate also passed its own \$70 billion budget proposal. Neither proposal provides tax relief prompting the Governor to declare that he would not sign a budget that does not provide tax cuts which may set the stage for contentious budget negotiations in the upcoming weeks.

Thus far, neither the House nor the Senate budget proposals include tax cuts, but as negotiations between the two chambers begin after the holiday break, it is possible lawmakers could figure out a way to include them to appease the Governor. Neither House Speaker Dean Cannon (R-Winter Park), nor Senate President Mike Haridopolos (R-Melbourne), has ruled out tax cuts, although both have expressed skepticism.

Regarding conference negotiations, the Senate has no meetings scheduled for the upcoming week and the Senate President announced that there would be no conference committees until after the holidays. The House does have committee meetings scheduled for Wednesday and Thursday of next week.

The House budget proposal for K-12 funding reduces total statewide funds for each unweighted fulltime equivalent (FTE) student by 6.80 percent or \$463.13; for Miami-Dade, the reduction is approximately \$160 million or 6.83 percent. The Senate budget proposal reduces K-12 funding statewide per unweighted FTE by 6.21 percent or \$423.27; Miami-Dade's reduction is approximately \$146 million. Pension Reform is a major outstanding factor in the final determination of net revenue loss to school districts since the exact percentage of shared employee contribution to the Florida Retirement System (FRS) and that of the employer will determine the net amount of revenue loss. The exact amount of required district FRS employer contribution as well as changes in retiree benefits will form a major focus of conference budgetary negotiations.

Pension Reform

As discussed, the Senate has opted for a staggered contribution based on how much an employee earns annually. Under the Senate pension reform plan, employees would pay two percent on the first \$25,000 of earnings, four percent on earnings between \$25,001 and \$50,000, and six percent on any earnings above \$50,000. The revised Senate plan would save the state approximately \$700 million. The House proposal requires employees to contribute three percent and saves approximately \$945 million.

The Governor weighed in on pension reform as well late last week and declared that that neither proposal went far enough, insisting on the elimination of the defined pension plan. As you may recall, in the Governor's recommended budget, employees would contribute five percent of their salary towards their retirement benefits.

School Board Member Salaries

SB 2172 related to district school board member salaries was heard in Senate Education PreK-12 on Thursday, April 14, 2011, and **defeated**. The bill would have eliminated statutory provisions related to base salary and additional compensation for a district school board member and prohibited district school board members from receiving more than a \$100 stipend per school board meeting.

School Board Governance

SB 778, filed by Senator Diaz de la Portilla, pertaining to District School Membership, was heard and passed out of Senate Education Pre-K-12 Committee, on Thursday, April 14, 2011 by a vote of 3-2. In order to get the bill out of committee, the Majority Leader, Senator Gardiner, was brought in to vote in favor of the bill to break the tie vote that would have otherwise defeated the bill. This is an unprecedented maneuver rarely used in the Senate. Currently, the bill is in Senate Rules on Ethics and Elections which is not scheduled to meet again until Tuesday, April 27, 2011.

CS/CS/HB 307 remains on Second Reading Calendar pending placement on the Special Order Calendar by the Rules Committee in the House in order to be heard on the floor of the House.

Value Adjustment Board

One of the Board's priorities, HB 281, sponsored by Representative Logan, and SB 880, sponsored by Senator Garcia, requires a taxpayer to pay 75 percent of his/her tax liability before April 1. HB 281, which could provide an estimated one-time non-recurring \$30 million to the District, is scheduled to be heard on Wednesday, April 20, 2011. The Senate companion, SB 880, is in Senate Budget. This passage of this bill becomes increasingly important as the budgetary picture for the District worsens.

Union Due Restrictions

A controversial measure, SB 830, preventing unions from using payroll deductions to collect dues for political purposes, was approved by the Senate Rules Committee after an amendment was added clarifying those deductions could be taken for non-political purposes. Backers say the late-filed amendment clarifies that unions need to find another mechanism to collect political contributions from members who work for government. The bill is strongly opposed by police, firefighters and public employees unions. The House has already passed its version, HB 1021.

Conference Priorities

As the two chambers negotiate the differences between the two budget proposals, it is important to advocate the best positions on behalf of the District. These priorities were outlined at the Board meeting on April 13, 2011 which include:

- Selection of the most favorable positions line by line in the budget for Miami-Dade;
- Passage of HB 281/SB 880 which provides a one-time revenue recovery of approximately \$20-30 million;
- Passage of the same class size flexibility contained in SB 1466/HB 5101;
- Obtaining flexibility in the implementation of SREF (School Required Education Facilities);
- Eliminating the prohibition of co-enrollment which is currently in both House and Senate conforming bills; and
- Eliminating the requirement of thirty percent reading proficiency with no recognition of progress made by a school.

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

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cc: School Board Attorney
Superintendent's Cabinet
Ms. Carolyn Nelson-Goedert
Ms. Darla March