


MEMORANDUM

February 15, 2017

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

FROM: Alberto M. Carvalho, Superintendent of Schools 

SUBJECT: 2017 LEGISLATIVE UPDATE – INTERIM COMMITTEE WEEK
FEBRUARY 6-10, 2017

The Florida Legislature met the week of February 6, 2017, for its fourth week of interim committees leading up to the 2017 Legislative Session.

The **Senate Appropriations Subcommittee on PreK-12 Education** held a workshop on public schools' fixed capital outlay and facilities issues. Senator Simmons requested a panel of superintendents to discuss capital outlay needs and issues facing school districts. Superintendents from Sumter, Citrus, Wakulla, Lake, and Bay counties participated on the panel. It should be noted that Senator David Simmons has filed SB 376, which requires school districts to share its 1.5 mills levied for capital outlay with charter schools. There are numerous concerns related to the impact of the bill on local school districts.

The initial financial impact to M-DCPS is estimated at approximately \$80 million. M-DCPS' estimated revenue for 2016-2017 from the 1.5 mills for capital is \$427 million, and approximately 60 percent, or \$250 million, is needed for Debt Service. The estimated distribution to charter schools in year one is approximately \$83 million, leaving only \$94 million to address maintenance needs for over forty-five million square feet of facilities at over 420 District sites. Serious financial consequences of this language include:

- **Liquidity concerns:** The bill would require districts to provide charter schools capital outlay payments starting in July, which is prior to when the District receives all ad valorem tax revenues, thereby creating a cash flow concern.
- **Credit rating:** Credit rating agencies will likely determine that, due to the reduction of capital funding, school districts may have difficulty meeting debt service payments. Currently, most Certificate of Participation (COP) debt financing programs in Florida have very strong credit ratings due, in large part, to the history of a stable funding source. The proposed legislation may potentially weaken the credit of COP's while increasing interest expenses for school districts.

The **House PreK-12 Appropriations Subcommittee** heard a presentation on the Governor's Recommended Budget for the 2017-2018 Fiscal Year. After the presentation, the committee members presented their respective recommendations for budget reductions based on the instructions provided to subcommittees for the budget exercise in reducing the state's budget.

As you may recall, the Florida House of Representatives has directed each of the budget subcommittees to develop reductions in response to the state's gloomy projected financial outlook. The budget exercise essentially requires two levels of budget reductions. As a result, two methodologies were developed, providing targeted reductions of \$1.05 billion and \$2.2 billion statewide. For House Education PreK-12 Appropriations, the targets are: \$232.7 million (\$164.8 million in recurring and \$67.9 million in nonrecurring) and \$485 million (\$417 million in recurring and \$68 million in nonrecurring funds). Furthermore, members were asked to identify tax cuts, including cuts to local property taxes which in great part fund public education in Florida through the Florida Education Finance Program (FEFP).

HB 111, sponsored by Representative Cynthia Stafford and related to records exemption for murder witnesses, was heard by the House Criminal Justice Subcommittee. With supporters testifying that the bill could assist police in solving crimes, the committee approved the proposed public records exemption that would shield from disclosure the identities of witnesses in murder cases. The proposal allows for identifying information about witnesses to be kept confidential for two years after murders occur. Staff testified in favor of the legislation as it is one of the Board's priorities in support of the community-wide initiatives to stop violence in our community.

SB 104, sponsored by Senator Jeff Brandes and related to computer coding instruction, passed in the Senate Education Committee. The bill provides that, beginning in the 2019-2020 academic year, high schools may provide opportunities for students to complete computer coding courses of sufficient rigor, as identified by the Commissioner of Education, such that two credits in those courses and the earning of a related industry certification satisfies two credits in sequential foreign language instruction.

Upcoming Events

The next set of interim committee meetings is scheduled for February 13-17, 2017. The School Board advocacy trip is scheduled for February 21-22, 2017.

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

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cc: School Board Attorney
Superintendent's Cabinet