

FLORIDA DEPARTMENT OF EDUCATION

K-12 Public School Facility Funding Task Force Teleconference Meeting

1:00 to 4:00 p.m.

October 12, 2012

FLORIDA DEPARTMENT OF EDUCATION

K-12 Public School Facility Funding Task Force

K-12 Public School Facility Funding Task Force
CHAPTER 2012-133, Laws of Florida

Chair of the Task Force		
		Statutory Requirement
Linda Champion	Deputy Commissioner, Finance and Operations Florida Department of Education	The Deputy Commissioner of Finance and Operations of the Department of Education or his or her designee, who shall be the chair of the task force.
Members Appointed by the President of the Senate		
Joe Joyner	St. John's School District	Superintendent from a small to medium sized school district based on student population.
Charles Shaw	Palm Beach School District	Member of the district school board from a large sized school district based on student population.
John Hage	Charter Schools USA	Operator of a charter school that manages multiple charter schools.
Gene Waddell	Indian River Charter High School	Member of the governing board of a charter school that does not operate another charter school and is a member of the Florida Consortium of Public Charter Schools.
Members Appointed by the Speaker of the House of Representatives		
Robert Runcie	Broward School District	Superintendent from a large sized school district based on student population.
Caroline Zucker	Sarasota School District	Member of the district school board from a small to medium sized school district based on student population. Sarasota School District
Jon "Tom" Rogers	Discovery Schools, Inc., Ft. Lauderdale	A member of the governing board of a charter school that operates multiple charter schools and is a member of the Florida Consortium of Public Charter Schools.
Elizabeth Haney	North Bay Haven Charter Academy	Operator of a charter school that does not manage more than one charter school.
Members Appointed by the Governor		
Lori Gunn	Coldwell Banker Vanguard Realty	Parent of a student attending a school operated by a school district.
Jenni C. Parsons	Coral Springs Charter School Parent Teacher Student Organization	Parent of a student attending a charter school.

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TAB A

Meeting Agenda –
October 12, 2012

K-12 PUBLIC SCHOOL FACILITY FUNDING TASK FORCE

MEETING AGENDA

OCTOBER 12, 2012

TELECONFERENCE

- I. Welcome, Member Roll Call and Introductory Remarks – Chair Champion
- II. Action Items

September 27, 2012, Meeting Record
- III. Discussion

Charter School Capital Outlay (Workshop Materials, TAB Q)
- IV. Closing Comments and Next Task Force Meeting Schedule

TAB B

K-12 Public School Facility Funding Task Force – September 27, 2012, Meeting Record

October 11, 2012

K-12 Public School Facility Funding Task Force
September 27, 2012, Meeting Record

On September 27, 2012, the second meeting of the K-12 Public School Facility Funding Task Force was held in Room 1706, Turlington Building, Tallahassee, Florida. The task force is authorized by Section 20, Chapter 2012-133, Laws of Florida (L.F.).

Chair Champion called the meeting to order. In addition to the Chair, members Joe Joyner, Charles Shaw, Gene Waddell, Caroline Zucker, Jon “Tom” Rogers, Elizabeth Haney, and Lori Gunn were present. Robert Runcie, John Hage, and Jenni Parsons participated by phone.

The action item on the agenda was the review and approval of the task force meeting record for the July 26, 2012, meeting. The record was amended because Elizabeth Haney’s attendance at the meeting was not reflected in the record. The amended record was unanimously approved by the members.

The chair recognized members who wished to make opening comments. The comments were general and drew attention to the value of having the meeting materials in advance of each meeting.

Two presentations followed, as summarized below:

Chair Champion called upon Amy Baker, Director, Office of Economic and Demographic Research. Ms. Baker presented information about the Gross Receipts Utilities Tax and the Public Education Capital Outlay (PECO) fund (a PowerPoint presentation is available on the task force website, TAB C). Ms. Baker’s slides explained the history, as well as a forecast, for the gross receipts utilities tax and the PECO fund. Given the outlook for gross receipts tax revenue, the tax pays debt service on existing bonds with a small amount of cash for projects for the 2011-12 through 2013-14 fiscal years. Not until 2014-15 could a small amount of new debt be assumed by the state (see TAB C, page 14 of meeting packet). Questions were asked about other bond programs, particularly the tax-exempt bonds managed from the Florida Development Finance Corporation (FDFC). The bond questions were answered in a later presentation by John Newman.

For the second presentation, Chair Champion called upon John Hamrick, Office of Educational Facilities, Florida Department of Education. His presentation addressed Florida Building Codes, including the State Requirements for Education Facilities (SREF) (a PowerPoint presentation is available on the task force website, TAB D). His informative presentation addressed a highly-

technical field. Because of this, some task members raised further questions regarding the differences between the Florida Building Code and the SREF. Another question addressed the impact the codes (particularly SREF) would have on the cost per student station for school district versus charter school construction. Because of the technical nature of the codes, anecdotal examples were cited, but members were seeking more general concepts. The discussion suggested a review by technical experts to determine ways in which SREF could be modified to allow greater flexibility for school districts without creating health or safety concerns for students.

For the next portion of the agenda, Chair Champion called upon John Newman, Chief of Staff, Florida Department of Education. Before beginning his presentation, Mr. Newman clarified that the tax-exempt FDFC Industrial Revenue Bonds were not guaranteed by either the state or the district school boards. Further, the FDFC is not a lender of funds, but acts as a conduit for arranging tax-exempt bonds with private lenders. For more information, see Section 1002.33(14), Florida Statutes (F.S.), or <http://www.eflorida.com/ContentSubpage.aspx?id=7116>.

Mr. Newman then proceeded with the workshop presentation entitled “Charter School Capital Outlay.” The materials presented are provided in TAB Q of the published meeting packet. Mr. Newman continued the presentation by reviewing the primary objective of the draft proposal – to create a stable funding source for charter school capital outlay that is not dependent upon annual legislative appropriations and does not undermine currently available capital outlay funding for non-charter schools. The statutory changes in the draft proposal would amend Section 1002.33(8)(e), F.S., create Section 1011.71(7), F.S., and amend Section 1013.62, F.S.

Mr. Newman provided the members with supplemental information that had been included in the July 26, 2012, meeting packet. These materials were needed to document the data in the proposal.

The amendment to Section 1002.33(8)(e), F.S., clarifies that a charter school that does not renew its charter or is terminated, reverts its unencumbered public funds, which include capital outlay funds, to its sponsor. Because the draft proposal eliminates state capital outlay funds for charter schools, the provision to revert those funds to the Department of Education is repealed.

The proposal created Section 1011.71(7), F.S., which would allow school boards to levy an additional 0.15 mills discretionary millage in order to provide charter school capital outlay funding. Costs associated with new charter school student stations that will become operational after 2012-13, and identified as excessive in the district’s education plant survey, are not an authorized expense. In this draft proposal, the millage levy may not exceed the estimated annual charter school payments authorized by the amended Section 1013.62(1)(b), F.S.

The new Section 1011.71(7), F.S., in the proposal created much discussion. One issue that was raised addressed whether or not the 0.15 mill levy would increase taxes for school districts. The stated response was that the millage levy would not cause a rate increase in property taxes over the 2011-12 level. The 2012 Legislature, in the 2012-13 appropriations conference report for the Florida Education Finance Program (FEFP), computed a statewide average required local effort millage of 5.446 mills. Because the July 19, 2012, certified tax roll was greater than the tax roll used for the appropriation, the certified statewide average required local effort millage was 5.295, or 0.151 of a mill less than contemplated by the appropriation process. Historical school district taxable values are illustrated on page 57 of the meeting materials. Second, the authority in Section 1011.71(3), F.S., for a 0.25 mill discretionary levy will expire in 2012-13. Thus, because of the impact of the millage changes, the suggested 0.15 mill levy would not increase maximum potential non-voted millage rates above either the 2011-12 or 2012-13 levels.

A second issue that was discussed was whether the 1.5 mills authorized by Section 1011.71(2), F.S., should be raised to 1.75 mills, from which the 0.15 mill charter school levy could be dedicated to charter school capital outlay. During this discussion, it was recalled that the 1.5 mill levy was previously 2.00 mills; however, 0.25 of the 2.00 millage levy was moved to discretionary operating millage. Historical school district millage data is referenced on page 56 of the meeting materials. It was observed that both the 1.75 mill levy and the 2.00 mill levy would allow for a win-win situation for both traditional and charter schools, but a levy of 2.00 mills would raise the net millage higher than previous years. If 0.15 mill is used, there should be a cap in place so that the maximum funds provided to charter schools would not exceed the district's value of 0.15 mill.

A third issue that was discussed was whether new charter school student stations should be linked to the needs identified in each district's education plant survey. A question raised was whether the plant survey or student/parental choice should drive the new student station decision policy.

The amendments to Section 1013.62, F.S., require that each school district follow specified procedures in order to provide annual capital outlay funding to its charter schools. Language clarifying current law regarding "satisfactory student achievement" is therefore created, defining satisfactory achievement as a school improvement rating of "Improving" or "Maintaining," or letter grade of "C" or higher.

Because of issues with school grades and the eligibility criteria for compulsory charter school capital outlay funds, questions were asked about the criteria. The response was that the school grade system is the most reliable uniform measure of "satisfactory student achievement" that is available, and the use of the grading system precisely defines the achievement concept.

A new Section 1013.62(1)6., F.S., is created, defining the conditions that charter schools that begin or expand operations after 2012-13 must meet to be entitled to the compulsory capital outlay funding. The conditions include either a deficiency in student stations, or the need to replace or assume the operation of a chronically low-performing school.

For the new Section 1013.62(1)(a)6., F.S., accountability to taxpayers (assuring that the compulsory charter school capital outlay funds are spent on needed projects) must be balanced with offering students and parents appropriate school choices.

The Chair entertained a motion to extend the time for the meeting from 4:00 p.m. until 4:30 p.m. The motion was made, seconded, and approved unanimously.

A revised Section 1013.62(b), F.S., defines the allocation per student for the compulsory charter school capital outlay funds. The allocation is specified as the lesser of one-thirtieth of the cost per student station, or the calculated value of the district's maximum potential discretionary capital outlay millage levy per student.

Page 98 of the meeting packet displays the impact of this policy, using data from 2012-13. The proposal would produce \$93.8 million for eligible charter schools.

A State Board of Education appeal procedure for charter schools that have been determined to be ineligible for the capital outlay funds is defined in new Sections 1013.62(1)(g) and 1013.62(5), F.S.

The Chair called upon Mr. John Sullivan, Florida Consortium of Public Charter Schools, who had filed an appearance request. His comments were supportive of the efforts of the task force to develop a fair funding policy.

The Chair stated that follow-through meeting plans would be developed and shared with members. The meeting was then adjourned.

TAB C

**Compilation of Member Comments
by Applicable Florida Statute (F.S.)**

K-12 Public School Facility Funding Task Force
Compilation of Member Comments
By Applicable Florida Statute (F.S.)

NOTE:

It should be noted that a number of the member comments apply to more than one statutory reference, and has been so noted.

Section 1002.33, F.S. – Charter Schools

Joe Joyner

The task force should recommend and the State should consider creating a charter school facilities program, where the state provides per pupil facilities grant funding for 50% of the total project cost for new construction of charter school facilities. This program could be funded from a partial allocation of internet sales tax collection proceeds.

- These grants should be contingent upon the criteria outlined I the chair’s proposal regarding need and performance.
- Additionally, these grants should be contingent upon the charter school owning the facility, so that state dollars are not going towards lease payments to private corporations without a public asset being gained.

(Also pertains to Section 1013.62, F.S.)

Tom Rogers

6. Any unspent capital outlay funds which were provided to a charter school by a school district, and all equipment and property purchased with district funds shall revert to the ownership of the district school board upon satisfaction of all encumbrances when a charter school is non-renewed or terminated.

(Also pertains to Section 1013.62, F.S.)

Robert Runcie

All property purchased with any public (state or local) funds reverts back to school districts if the charter closes or declares financial default (bankruptcy). This ensures that taxpayer investments in capital assets are protected.

(Also pertains to Section 1013.62, F.S.)

Charles Shaw

We need a recommendation regarding the ownership of a facility being paid for by a private management company with the facility in the name of the company.

(Also pertains to Section 1013.62, F.S.)

All property--land, buildings, equipment, etc.--purchased with any public (state or local) funds reverts back to school district if the charter closes.

(Also pertains to Section 1013.62, F.S.)

Caroline Zucker

Assure that all land, building, equipment and any other property purchased with any public (state or local) funds revert back to school districts if the charter closes. There should also be some provision regarding the payment of leased furniture and equipment. Sarasota has charter schools that lease all of their furniture and equipment including vehicles and computers from their "parent/management" company. This means that if the charter school closes, there are no assets for the District to recoup since the charter school owns nothing and the management company retains all of the assets even though they were effectively paid for with taxpayer/public funds. This includes parent/management company owned facilities as well.

(Also pertains to Section 1013.62, F.S.)

Section 1011.71, F.S. – District School Tax

Tom Rogers

Source of Funds – s.1011.71(7), F.S., is created to give each district school board the discretion to levy up to ~~0.15~~ 0.25 mills to fund compulsory capital outlay payments to entitled charter schools, ~~with the exception of charter school student stations which begin operation after the 2012-13 fiscal year and do not address deficiencies identified in the district's educational plant survey.~~

The additional levy is limited for this specific purpose. Only the amount required to make compulsory payments can be levied.

~~The maximum proposed increase in discretionary local millage is equal to the reduction in the statewide average required local effort (RLE) millage rate which was certified by the Commissioner of Education on July, 18, 2012 pursuant to s.1011.62(4)(a)(1), F.S.~~ The Task Force may wish to recommend a further decrease in the RLE millage rate to offset the maximum potential increase in discretionary local millage proposed in this draft. Such a recommendation could be coupled with a commensurate offsetting increase in state funds in the FEFP.

Robert Runcie

Any funding source created for charter schools should not impact school district funds – neither capital nor operating.

Distribution of charter school capital outlay millage funds should be aligned with the district's receipt of the property tax revenues.

(Also pertains to Section 1013.62, F.S.)

Allow school districts to levy additional millage to address capital needs:

- An additional 0.25 mills as part of their discretionary capital outlay millage to fund much needed deferred capital needs – maintenance, repair, and technology to meet EOC requirements; or
- Given the significant need for maintenance, repair, and technology in most districts, provide for 0.5 mills levy as an integral part of the 2.0 mills authority and not as a separate millage levy. This allows districts to return to the 2.0 mills levy and use a portion (0.15 mills) for charters.

Charles Shaw

What kind of cap can be placed on the .15, or whatever we determine, to ensure the allocations do not just continue to grow?

Lock in .5 mill levy as an integral part of the 2.0 mill authority. Given the need for maintenance/repair and technology for public schools, allow districts to return to the 2.0 mill levy and use a portion, suggested not to exceed .07 mills for charter schools, provided that the space needs for charter schools follows the needs of the district's 5-year plan (specific charter projects to be funded in accordance with district 5-year plan).

In lieu of a .15 mill local levy that places the entire responsibility of charter school capital funding on local school districts, keep funding a shared effort between state PECO dollars and a local levy not to exceed .07 mills.

No millage for districts, no deal.

Specific charter projects to be funded in accordance with district 5-year plan.

Gene Waddell

I generally agree with the concept of the additional millage funding.

I think it needs to be clarified that districts would not lose FEFP dollars if they levied this CCSL (Compulsory Charter School Levy).

Caroline Zucker

Restore to school districts the full 2.0 mill authority. Given the need for maintenance/repair and technology for public schools and for any consideration for charter schools, allow a portion, suggested not to exceed .07 mills for charter schools, provided that the space needs for charter schools follows the needs of the district's 5 year plan. This will ease many of our capital needs that have been pushed out due to the reduction in funding. Providing a specific levy directly to the charter schools would provide an ease of administration on the part of staff.

Place a cap on charter funding level (statewide dollar or millage, e.g., .07 mills if matched by current \$55M PECO level for charter schools). The .07 mills (\$2.8 million) is pretty close to the amount we (Sarasota) are already providing to our charters (\$2.1 million) for this year. The impact to us is around \$700K if the legislature were to put a ceiling of .07 mills. Keep state funding for K-12 capital needs (PECO).

Provide that specific charter projects are to be funded in accordance with school district 5 year capital outlay plan. This may pose some administrative challenges meeting the survey requirements for recommendations while trying to work through different Boards.
(Also pertains to Section 1013.62, F.S.)

Florida Department of Education

Charter School Capital Outlay Funding
Through the Florida Education Finance Program (FEFP)

District	Total Charter Funding at 1/30th Student Station Cost	State Contribution Through the FEFP	Local Contribution Through the FEFP	RLE Millage for 90% Districts	RLE Millage with Charter School Capital Outlay	Change in Millage
	-1-	-2-	-3-	-4-	-5-	-6-
1 Alachua	1,219,099	1,219,099	0			
2 Baker	0	0	0			
3 Bay	918,457	918,457	0			
4 Bradford	0	0	0			
5 Brevard	1,498,491	1,498,491	0			
6 Broward	18,436,440	18,436,440	0			
7 Calhoun	0	0	0			
8 Charlotte	266,695	266,695	0			
9 Citrus	91,594	91,594	0			
10 Clay	0	0	0			
11 Collier	163,734	(15,767)	179,501	3.234	3.237	0.003
12 Columbia	0	0	0			
13 Dade	27,743,017	27,743,017	0			
14 De Soto	0	0	0			
15 Dixie	0	0	0			
16 Duval	3,218,057	3,218,057	0			
17 Escambia	563,827	563,827	0			
18 Flagler	555,062	555,062	0			
19 Franklin	218,806	21,937	196,869	3.259	3.373	0.114
20 Gadsden	200,223	200,223	0			
21 Gilchrist	0	0	0			
22 Glades	128,783	128,783	0			
23 Gulf	0	0	0			
24 Hamilton	0	0	0			
25 Hardee	0	0	0			
26 Hendry	0	0	0			
27 Hernando	87,204	87,204	0			
28 Highlands	0	0	0			
29 Hillsborough	5,244,706	5,244,706	0			
30 Holmes	0	0	0			
31 Indian River	1,528,347	1,528,347	0			
32 Jackson	0	0	0			
33 Jefferson	0	0	0			
34 Lafayette	0	0	0			
35 Lake	1,271,772	1,271,772	0			
36 Lee	7,871,444	7,871,444	0			
37 Leon	802,159	802,159	0			
38 Levy	142,494	142,494	0			
39 Liberty	0	0	0			
40 Madison	0	0	0			
41 Manatee	2,473,584	2,473,584	0			
42 Marion	179,586	179,586	0			
43 Martin	227,702	19,672	208,030	4.616	4.628	0.012
44 Monroe	131,729	15,451	116,278	1.870	1.876	0.006
45 Nassau	0	0	0			
46 Okaloosa	1,121,556	1,121,556	0			
47 Okeechobee	0	0	0			
48 Orange	4,447,010	4,447,010	0			
49 Osceola	3,668,312	3,668,312	0			
50 Palm Beach	5,233,364	5,233,364	0			
51 Pasco	1,393,773	1,393,773	0			
52 Pinellas	1,289,925	1,289,925	0			
53 Polk	2,651,014	2,651,014	0			
54 Putnam	133,907	133,907	0			
55 St. Johns	107,047	107,047	0			
56 St. Lucie	903,014	903,014	0			
57 Santa Rosa	74,673	74,673	0			
58 Sarasota	3,551,695	385,171	3,166,524	4.493	4.571	0.078
59 Seminole	461,126	461,126	0			
60 Sumter	1,730,854	175,954	1,554,900	4.074	4.273	0.199
61 Suwannee	0	0	0			
62 Taylor	0	0	0			
63 Union	0	0	0			
64 Volusia	590,931	590,931	0			
65 Wakulla	93,990	93,990	0			
66 Walton	208,797	21,571	187,226	2.880	2.897	0.017
67 Washington	0	0	0	5.454	5.454	-
68 Washington Special	0	0	0			
69 FAMU Lab School	0	0	0			
70 FAU - Palm Beach	0	0	0			
71 FAU - St. Lucie	0	0	0			
72 FSU Lab - Broward	463,893	463,893	0			
73 FSU Lab - Leon	1,365,770	1,365,770	0			
74 UF Lab School	0	0	0			
75 Virtual School	0	0	0			
TOTAL	104,673,663	99,064,335	5,609,328			

FLORIDA DEPARTMENT OF EDUCATION

2013-14 FEFP Capital Outlay Model
STATE WIDE SUMMARY
COMPARISON TO No Charter Capital Outlay

	2013-14 FEFP Model Without Charter Capital Outlay	2013-14 FEFP With Charter Capital Outlay	Difference	Percentage Difference
MAJOR FEFP FORMULA COMPONENTS				
Unweighted FTE	2,723,363.85	2,723,363.85	0.00	0.00%
Weighted FTE	2,952,402.82	2,952,402.82	0.00	0.00%
School Taxable Value	1,384,032,538,052	1,384,032,538,052	0	0.00%
Required Local Effort Millage	5.295	5.295	0.000	0.00%
Discretionary Millage	0.748	0.748	0.000	0.00%
Total Millage	6.043	6.043	0.000	0.00%
Base Student Allocation	3,582.98	3,582.98	0.00	0.00%
FEFP DETAIL				
WFTE x BSA x DCD (Base FEFP Funding)	10,588,527,382	10,588,527,382	0	0.00%
Declining Enrollment Supplement	3,697,058	3,697,058	0	0.00%
Sparsity Supplement	35,754,378	35,754,378	0	0.00%
State Funded Discretionary Contribution	17,724,395	17,724,395	0	0.00%
0.748 Mills Discretionary Compression	145,126,164	145,126,164	0	0.00%
0.250 Mills Discretionary Compression	0	0	0	0.00%
DJJ Supplemental Allocation	7,527,363	7,527,363	0	0.00%
Safe Schools	64,850,851	64,850,851	0	0.00%
ESE Guaranteed Allocation	952,098,606	952,098,606	0	0.00%
Supplemental Academic Instruction	640,875,575	640,875,575	0	0.00%
Instructional Materials	212,962,494	212,962,494	0	0.00%
Student Transportation	422,838,706	422,838,706	0	0.00%
Teachers Lead Program Appropriation	32,090,751	32,090,751	0	0.00%
Reading Allocation	130,796,328	130,796,328	0	0.00%
Virtual Education Contribution	55,817,471	55,817,471	0	0.00%
Charter School Capital Outlay Allocation	0	104,673,663	104,673,663	0.00%
TOTAL FEFP	13,310,687,522	13,415,361,185	104,673,663	0.79%
Less: Required Local Effort	6,760,354,277	6,765,963,605	5,609,328	0.08%
GROSS STATE FEFP	6,550,333,245	6,649,397,580	99,064,335	1.51%
Proration to Appropriation	0	0	0	0.00%
NET STATE FEFP	6,550,333,245	6,649,397,580	99,064,335	1.51%
STATE CATEGORICAL PROGRAMS				
Class Size Reduction Allocation	2,995,476,115	2,995,476,115	0	0.00%
Discretionary Lottery/School Recognition	135,407,278	135,407,278	0	0.00%
TOTAL STATE CATEGORICAL FUNDING	3,130,883,393	3,130,883,393	0	0.00%
TOTAL STATE FUND	9,681,216,638	9,780,280,973	99,064,335	1.02%
LOCAL FUNDING				
Total Required Local Effort	6,760,354,277	6,765,963,605	5,609,328	0.08%
Total Discretionary Taxes from 0.748 Mills	932,163,793	932,163,793	0	0.00%
TOTAL LOCAL FUNDING	7,692,518,070	7,698,127,398	5,609,328	0.07%
TOTAL FUNDING	17,373,734,708	17,478,408,371	104,673,663	0.60%
Total Funds per UFTE	6,379.51	6,417.95	38.44	0.60%

Other Tax/Revenue Recommendations

PECO:

Joe Joyner:

The task force should recommend enhancements to PECO in order for it to be reinstated to fund both traditional public school and charter school capital outlay needs.

- Add additions items to those the tax is levied on, i.e., internet service providers
- Increase the amount levied on the current taxable items by a rate which will generate the funds needed to adequately fund capital outlay needs.

Charles Shaw:

Keep state funding for K-12 capital needs (PECO).

Distribution by square footage for maintenance, using PECO formula, rather than by per FTE.

(Also pertains to Section 1013.62, F.S.)

Other:

Joe Joyner:

The task force should ensure its recommendations incorporate proposals to address the capital outlay needs of both public charter schools and public district schools and ensure the efficient and accountable use of public taxpayer funds.

The task force should recommend the State consider creating a state-backed, low interest, tax-exempt bond financing program for charter schools, similar to State Board of Education bonds that are available to traditional public schools.

The task force should look at all funding sources, not just local millage increases.

- Internet Sales Tax
- Internet cafes – regulate them, tax them, and allocate the dollars to education. Since they are taking dollars away from lottery funds, which currently go to fund education, these dollars should also go to fund education.
- Expedia bed tax/sales tax issue
- Communication Service Taxes
- Eliminate sales tax exemptions

Charles Shaw

As an alternative, allow districts to levy a half-cent sales tax, without referendum, to be used for school construction and other capital outlay needs.

Section 1013.62, F.S. – Charter School Capital Outlay Funding

Elizabeth Haney:

It is important to maintain statutory rights to expand for high performing charter schools as well as previously contractually agreed upon growth for charter schools in operation prior to the current school year. The language in this section needs to reflect this. Perhaps:

200 6. Charter schools which begin or expand operation, **except expansion as specified in a previously executed charter contract with a sponsor or for expansion pursuant to s.**

1002.331, after the 2012-13 school year and meet the eligibility

201 criteria in this section must also meet one of the following conditions in order to be entitled to compulsory

202 capital outlay funding from the school district pursuant to this section:

203 i. for new or expanded charter schools addressing a deficiency in student stations identified in a

204 district's educational plant survey pursuant to s.1013.31, the charter school is entitled to funding for each

205 student station provided which reduces the deficiency.

206 ii. the charter school is established to replace or assume the operation of a chronically low-achieving

207 school pursuant to s.1008.33(3)(b) in a facility which is not provided and maintained by the school district.

Joe Joyner:

The Task Force should recommend and the State should ensure that any charter school receiving capital outlay funds should meet the following standards:

- Specific criteria in Florida's accountability/grading system
- Need for student stations within a viable plan based on an auditable needs assessment
- Funds distributed to a charter school must be tied to an asset that will revert to the school board if necessary

Tom Rogers

~~2. Eligible charter schools—current statutory requirements that a charter school must meet to be eligible to receive charter school capital outlay are retained, and the definition of “satisfactory student achievement” is clarified to mean a letter grade of “C” or better; and for alternative charter schools, a school improvement rating of “Improving” or “Maintaining”. Charter schools which begin operation after the 2012-13 school year must also meet one of the following criteria in order to be entitled to compulsory capital outlay funding from the school district:~~

2. Eligible charter schools – in order to continue to be eligible to receive charter school capital outlay funds, an existing charter school must either a letter grade of “C” or a school improvement rating of “Improving” or “Maintaining.” Charter schools which begin operation after the 2012-13 school year:

~~a. funding is for new student stations which address a deficiency identified in the district's educational plant survey which is conducted pursuant to s.1013.31, F.S., or~~

a. Will receive capital outlay funds the first year of operation, after completion of the 20 day FTE count, but no later than October 1;

~~b. the charter school is established to replace or assume the operation of a chronically low-achieving school pursuant to s.1008.33 (3)(b), F.S., in a facility which is not provided or maintained by the school district.~~

b. Will continue to receive capital outlay funds through year 4 of operation;

c. After year 4 of operation, in order to continue to receive capital outlay funds, shall achieve a letter grade of "C" or a school improvement rating of "Improving" or "Maintaining."

e. d. once a charter school is determined eligible to receive compulsory charter school capital outlay funding, it remains eligible as long as its charter remains in effect or is renewed.

3. A charter school may appeal a determination by the school district that it is not entitled to receive compulsory capital outlay funding to the State Board of Education.

4. The compulsory charter school capital outlay funding for an eligible charter school shall be ~~the lesser of one-thirtieth~~ one-twentieth of the average cost per student station pursuant to s.1013.64(6)(b), ~~or the district's prior year maximum potential discretionary capital outlay millage revenue pursuant to s.1011.71(2) divided by the district's prior year full-time equivalent capital outlay enrollment.~~

5. The eligible purposes for which a charter school may use these capital outlay funds is not changed.

Robert Runcie

Add a third criteria to the calculation of the mandatory charter school capital outlay funding per charter school FTE be the lesser of the two existing calculations or also the lesser of:

- 0.15 mills divided by the total enrollment of qualifying charter schools

Charles Shaw

Place a cap on charter funding level (statewide dollar or millage, e.g., .07 mills if matched by current \$55M PECO level for charter schools).

Gene Waddell

Current item 4 should clarify that the 1/30 applies based on the grade level of the school receiving funding. For example, a high school's receipt per FTE is higher than that of an elementary FTE.

I do have some concerns and need to discuss item 2a. I know that districts have been known to manipulate the FSH report to allow building. I have some concern about this potential manipulation to discourage or disallow a new charter school to qualify for capital funding. For example, a district with no charters currently, ample capacity and current growth trends could almost never get a charter to qualify for capital money. Thus, the charter growth movement is curtailed. I think it would be best to eliminate this new requirement and use only the existing criteria in the law.

I think there needs to be provisions that allow for inflation, unless the 1/30th figure is constantly adjusted by the department.

Other Task Force Recommendations

SREF:

Joe Joyner:

The Department of Education should conduct a comprehensive review of SREF requirements for public schools and develop recommendations that reduce costs to the taxpayer for construction and maintenance and repair of public schools, while maintaining health and safety requirements.

The Department of Education, in conjunction with the Department of Management Services, should review the procurement and competitive bidding requirements contained in statute and rule and develop recommendations for streamlining construction and maintenance/repair projects.

Charles Shaw

All districts and charter schools should follow SREF (State Rules for Educational Facilities) that now includes a waiver option that districts can use for any particular part of SREF.

Gene Waddell

I think the entire SREF needs to be examined in light of the new FL building code which is much more extensive and requires “harder” buildings than the prior code. There are unnecessary and costly requirements that cause traditional schools to be overbuilt. With most schools being single story, a fire sprinkler system in most cases does nothing for student safety and usually causes more damage than the fire, many times from accidental discharge.

Caroline Zucker

Provide that all districts and charter schools should either follow SREF (State Rules for Educational Facilities) that now includes a waiver option that districts can use for any particular part of SREF or give districts the same flexibility provided charter schools concerning SREF. Charter schools and public schools should have the same rules apply in all areas, not just SREF.

Class Size:

Joe Joyner

The task force should recommend the State grant traditional public school the same flexibility charter schools have in meeting class size requirements at the school level.

Other:

Charles Shaw

The constitution requires the State to adequately fund education. Can they fail to fund cap and maintenance needs?

TAB D

Proposed Funding With New Charter Qualifications

Florida Department of Education

Proposed Funding With New Charter Qualifications
Compared to Current Charter PECO Funding

District	Current Charter	Lesser of 1/30th and 1.5 Mills for Proposed Charters	Difference	Percent
	-1-	-2-	-3-	-4-
1 Alachua	648,833	365,967	(282,866)	-43.60%
2 Baker	0	0	0	0.00%
3 Bay	507,287	739,811	232,524	45.84%
4 Bradford	0	0	0	0.00%
5 Brevard	803,684	1,136,258	332,574	41.38%
6 Broward	9,791,091	15,790,367	5,999,276	61.27%
7 Calhoun	0	0	0	0.00%
8 Charlotte	139,738	266,695	126,957	90.85%
9 Citrus	50,552	0	(50,552)	-100.00%
10 Clay	0	0	0	0.00%
11 Collier	87,687	0	(87,687)	-100.00%
12 Columbia	0	0	0	0.00%
13 Miami-Dade	14,680,049	24,042,199	9,362,150	63.77%
14 DeSoto	0	0	0	0.00%
15 Dixie	0	0	0	0.00%
16 Duval	1,648,636	1,834,236	185,600	11.26%
17 Escambia	316,236	324,852	8,616	2.72%
18 Flagler	272,895	555,062	282,167	103.40%
19 Franklin	117,065	218,806	101,741	86.91%
20 Gadsden	105,533	103,530	(2,003)	-1.90%
21 Gilchrist	0	0	0	0.00%
22 Glades	62,321	102,090	39,769	63.81%
23 Gulf	0	0	0	0.00%
24 Hamilton	0	0	0	0.00%
25 Hardee	0	0	0	0.00%
26 Hendry	0	0	0	0.00%
27 Hernando	44,826	61,540	16,714	37.29%
28 Highlands	0	0	0	0.00%
29 Hillsborough	2,717,363	2,370,720	(346,643)	-12.76%
30 Holmes	0	0	0	0.00%
31 Indian River	826,243	1,528,346	702,103	84.98%
32 Jackson	0	0	0	0.00%
33 Jefferson	0	0	0	0.00%
34 Lafayette	0	0	0	0.00%
35 Lake	658,126	705,570	47,444	7.21%
36 Lee	4,067,184	6,722,857	2,655,673	65.30%
37 Leon	412,232	668,655	256,423	62.20%
38 Levy	75,658	91,745	16,087	21.26%
39 Liberty	0	0	0	0.00%
40 Madison	0	0	0	0.00%
41 Manatee	1,326,010	1,116,433	(209,577)	-15.81%
42 Marion	94,189	89,233	(4,956)	-5.26%
43 Martin	118,460	0	(118,460)	-100.00%
44 Monroe	70,832	131,730	60,898	85.97%
45 Nassau	0	0	0	0.00%
46 Okaloosa	631,098	584,900	(46,198)	-7.32%
47 Okeechobee	0	0	0	0.00%
48 Orange	2,340,718	1,709,078	(631,640)	-26.98%
49 Osceola	1,939,236	2,264,624	325,388	16.78%
50 Palm Beach	2,779,130	3,359,574	580,444	20.89%
51 Pasco	721,941	927,547	205,606	28.48%
52 Pinellas	670,541	807,498	136,957	20.42%
53 Polk	1,342,169	1,031,263	(310,906)	-23.16%
54 Putnam	64,801	93,196	28,395	43.82%
55 St. Johns	54,358	96,458	42,100	77.45%
56 St. Lucie	445,975	733,240	287,265	64.41%
57 Santa Rosa	43,803	0	(43,803)	-100.00%
58 Sarasota	1,877,083	3,551,696	1,674,613	89.21%
59 Seminole	241,363	371,020	129,657	53.72%
60 Sumter	907,609	1,730,855	823,246	90.70%
61 Suwannee	0	0	0	0.00%
62 Taylor	0	0	0	0.00%
63 Union	0	0	0	0.00%
64 Volusia	308,952	185,425	(123,527)	-39.98%
65 Wakulla	51,034	45,797	(5,237)	-10.26%
66 Walton	113,724	85,212	(28,512)	-25.07%
67 Washington	0	0	0	0.00%
68 Washington Special	0	0	0	0.00%
69 FAMU Lab School	0	0	0	0.00%
70 FAU - Palm Beach	0	0	0	0.00%
71 FAU - St. Lucie	0	0	0	0.00%
72 FSU Lab - Broward	250,747	463,893	213,146	85.00%
73 FSU Lab - Leon	782,094	1,049,792	267,698	34.23%
74 UF Lab School	0	0	0	0.00%
75 Virtual School	0	0	0	0.00%
Total	55,209,106	78,057,768	22,848,662	41.39%

* Proposed charter qualifications include receiving a school grade of "c" or higher or receiving a school improvement rating of "Improving" or "Maintaining".

Florida Department of Education

Proposed Funding for Current Qualifying Charters
Compared to Proposed Funding for Proposed Charter Qualifications

District	Lesser of 1/30th and 1.5 Mills for Current Charters	Lesser of 1/30th and 1.5 Mills with New Charter Requirements	Difference	Percent
	-1-	-2-	-3-	-4-
1 Alachua	1,028,744	365,967	(662,777)	-64.43%
2 Baker	0	0	0	0.00%
3 Bay	898,286	739,811	(158,476)	-17.64%
4 Bradford	0	0	0	0.00%
5 Brevard	1,188,726	1,136,258	(52,467)	-4.41%
6 Broward	17,366,994	15,790,367	(1,576,627)	-9.08%
7 Calhoun	0	0	0	0.00%
8 Charlotte	266,695	266,695	0	0.00%
9 Citrus	87,887	0	(87,887)	-100.00%
10 Clay	0	0	0	0.00%
11 Collier	163,733	0	(163,733)	-100.00%
12 Columbia	0	0	0	0.00%
13 Miami-Dade	26,750,512	24,042,199	(2,708,313)	-10.12%
14 DeSoto	0	0	0	0.00%
15 Dixie	0	0	0	0.00%
16 Duval	2,530,431	1,834,236	(696,195)	-27.51%
17 Escambia	404,148	324,852	(79,296)	-19.62%
18 Flagler	555,062	555,062	0	0.00%
19 Franklin	218,806	218,806	0	0.00%
20 Gadsden	103,530	103,530	0	0.00%
21 Gilchrist	0	0	0	0.00%
22 Glades	102,090	102,090	0	0.00%
23 Gulf	0	0	0	0.00%
24 Hamilton	0	0	0	0.00%
25 Hardee	0	0	0	0.00%
26 Hendry	0	0	0	0.00%
27 Hernando	61,540	61,540	0	0.00%
28 Highlands	0	0	0	0.00%
29 Hillsborough	3,384,991	2,370,720	(1,014,271)	-29.96%
30 Holmes	0	0	0	0.00%
31 Indian River	1,528,346	1,528,346	0	0.00%
32 Jackson	0	0	0	0.00%
33 Jefferson	0	0	0	0.00%
34 Lafayette	0	0	0	0.00%
35 Lake	988,799	705,570	(283,229)	-28.64%
36 Lee	7,871,444	6,722,857	(1,148,587)	-14.59%
37 Leon	703,003	668,655	(34,348)	-4.89%
38 Levy	91,745	91,745	0	0.00%
39 Liberty	0	0	0	0.00%
40 Madison	0	0	0	0.00%
41 Manatee	2,418,638	1,116,433	(1,302,205)	-53.84%
42 Marion	139,734	89,233	(50,501)	-36.14%
43 Martin	227,702	0	(227,702)	-100.00%
44 Monroe	131,730	131,730	0	0.00%
45 Nassau	0	0	0	0.00%
46 Okaloosa	997,510	584,900	(412,610)	-41.36%
47 Okeechobee	0	0	0	0.00%
48 Orange	3,698,393	1,709,078	(1,989,315)	-53.79%
49 Osceola	2,292,643	2,264,624	(28,019)	-1.22%
50 Palm Beach	5,233,363	3,359,574	(1,873,789)	-35.80%
51 Pasco	927,547	927,547	0	0.00%
52 Pinellas	1,228,931	807,498	(421,433)	-34.29%
53 Polk	1,366,905	1,031,263	(335,642)	-24.55%
54 Putnam	93,196	93,196	0	0.00%
55 St. Johns	107,047	96,458	(10,590)	-9.89%
56 St. Lucie	733,240	733,240	0	0.00%
57 Santa Rosa	38,695	0	(38,695)	-100.00%
58 Sarasota	3,551,696	3,551,696	0	0.00%
59 Seminole	399,712	371,020	(28,693)	-7.18%
60 Sumter	1,730,855	1,730,855	0	0.00%
61 Suwannee	0	0	0	0.00%
62 Taylor	0	0	0	0.00%
63 Union	0	0	0	0.00%
64 Volusia	446,288	185,425	(260,863)	-58.45%
65 Wakulla	45,797	45,797	0	0.00%
66 Walton	208,798	85,212	(123,586)	-59.19%
67 Washington	0	0	0	0.00%
68 Washington Special	0	0	0	0.00%
69 FAMU Lab School	0	0	0	0.00%
70 FAU - Palm Beach	0	0	0	0.00%
71 FAU - St. Lucie	0	0	0	0.00%
72 FSU Lab - Broward	463,893	463,893	0	0.00%
73 FSU Lab - Leon	1,049,792	1,049,792	0	0.00%
74 UF Lab School	0	0	0	0.00%
75 Virtual School	0	0	0	0.00%
Total	93,827,617	78,057,768	(15,769,849)	-16.81%

	FTE	Schools
Current Qualifying Charter Schools	137,524	364
Proposed Qualifying Charter Schools	115,107	237

Florida Department of Education

Millage Required to Fund Qualifying Charters at
1.5 Mills or 1/30th Student Station Cost

District	Funds Needed to Fund Current Qualifying Charters at 2012-13 1.5 Mills or 1/30th	Millage Required to Generate Funds Needed	Funds Needed to Fund Proposed Qualifying Charters at 2012-13 1.5 Mills or 1/30th	Millage Required to Generate Funds Needed
	-1-	-2-	-3-	-4-
1 Alachua	1,028,744	0.087	365,967	0.031
2 Baker	0	0.000	0	0.000
3 Bay	898,286	0.063	739,811	0.051
4 Bradford	0	0.000	0	0.000
5 Brevard	1,188,726	0.045	1,136,258	0.043
6 Broward	17,366,994	0.133	15,790,367	0.121
7 Calhoun	0	0.000	0	0.000
8 Charlotte	266,695	0.022	266,695	0.022
9 Citrus	87,887	0.009	0	0.000
10 Clay	0	0.000	0	0.000
11 Collier	163,733	0.003	0	0.000
12 Columbia	0	0.000	0	0.000
13 Miami-Dade	26,750,512	0.136	24,042,199	0.122
14 DeSoto	0	0.000	0	0.000
15 Dixie	0	0.000	0	0.000
16 Duval	2,530,431	0.050	1,834,236	0.036
17 Escambia	404,148	0.028	324,852	0.023
18 Flagler	555,062	0.084	555,062	0.084
19 Franklin	218,806	0.125	218,806	0.125
20 Gadsden	103,530	0.078	103,530	0.078
21 Gilchrist	0	0.000	0	0.000
22 Glades	102,090	0.186	102,090	0.186
23 Gulf	0	0.000	0	0.000
24 Hamilton	0	0.000	0	0.000
25 Hardee	0	0.000	0	0.000
26 Hendry	0	0.000	0	0.000
27 Hernando	61,540	0.008	61,540	0.008
28 Highlands	0	0.000	0	0.000
29 Hillsborough	3,384,991	0.054	2,370,720	0.038
30 Holmes	0	0.000	0	0.000
31 Indian River	1,528,346	0.118	1,528,346	0.118
32 Jackson	0	0.000	0	0.000
33 Jefferson	0	0.000	0	0.000
34 Lafayette	0	0.000	0	0.000
35 Lake	988,799	0.063	705,570	0.045
36 Lee	7,871,444	0.144	6,722,857	0.123
37 Leon	703,003	0.051	668,655	0.048
38 Levy	91,745	0.054	91,745	0.054
39 Liberty	0	0.000	0	0.000
40 Madison	0	0.000	0	0.000
41 Manatee	2,418,638	0.101	1,116,433	0.047
42 Marion	139,734	0.009	89,233	0.006
43 Martin	227,702	0.013	0	0.000
44 Monroe	131,730	0.007	131,730	0.007
45 Nassau	0	0.000	0	0.000
46 Okaloosa	997,510	0.071	584,900	0.042
47 Okeechobee	0	0.000	0	0.000
48 Orange	3,698,393	0.045	1,709,078	0.021
49 Osceola	2,292,643	0.137	2,264,624	0.135
50 Palm Beach	5,233,363	0.041	3,359,574	0.026
51 Pasco	927,547	0.046	927,547	0.046
52 Pinellas	1,228,931	0.022	807,498	0.014
53 Polk	1,366,905	0.056	1,031,263	0.042
54 Putnam	93,196	0.027	93,196	0.027
55 St. Johns	107,047	0.006	96,458	0.005
56 St. Lucie	733,240	0.049	733,240	0.049
57 Santa Rosa	38,695	0.005	0	0.000
58 Sarasota	3,551,696	0.089	3,551,696	0.089
59 Seminole	399,712	0.016	371,020	0.015
60 Sumter	1,730,855	0.233	1,730,855	0.233
61 Suwannee	0	0.000	0	0.000
62 Taylor	0	0.000	0	0.000
63 Union	0	0.000	0	0.000
64 Volusia	446,288	0.018	185,425	0.007
65 Wakulla	45,797	0.039	45,797	0.039
66 Walton	208,798	0.019	85,212	0.008
67 Washington	0	0.000	0	0.000
68 Washington Special	0	0.000	0	0.000
69 FAMU Lab School	0	0.000	0	0.000
70 FAU - Palm Beach	0	0.000	0	0.000
71 FAU - St. Lucie	0	0.000	0	0.000
72 FSU Lab - Broward	463,893		463,893	
73 FSU Lab - Leon	1,049,792		1,049,792	
74 UF Lab School	0		0	
75 Virtual School	0		0	

Total 93,827,617 78,057,768

	FTE	Schools
Current Qualifying Charter Schools	137,524	364
Proposed Qualifying Charter Schools	115,107	237