

MIXON AND ASSOCIATES CONFERENCE REPORT THREE

The House and Senate Appropriations Conference Committee completed work on issues related to Pre-K-12 public schools at about 3:00 P.M. this afternoon. The remaining differences between the House and Senate versions of the General Appropriations Act, the implementing bill and the conforming bill were resolved.

The issues that were resolved include the following:

1. The language establishing virtual charter schools was removed and the current law prohibiting virtual charter schools remains in place.
2. Language exempting charter schools from compliance with statutory class size requirements that was proposed was removed and current law requiring charter schools to meet all class size requirements remains in place.
3. Proposals to limit the five percent charter school district administrative fee to the first 250 students for an individual school and to the first 500 students in a system of charter schools were accepted and will be included in the final conference reports.
4. Siblings of current virtual school students will now be allowed to enroll in the virtual instruction program. No other expansion of eligibility of students for enrollment in virtual schools remains in the bill.
5. The revenue collection factor used in the budget was increased from 95% to 96%. Districts that have collected more than 95% of the potential local revenue will see more funds in the legislative budget, but not more revenue in the district budget, as that money had always been collected and became part of the District's "other funds."
6. The authority of the Department of Education to distribute F.E.F.P. funds in advance of collection has been repealed. This means some districts may need to access Tax Anticipation Notes or some similar line of credit to manage cash flow from the beginning of the fiscal year through November when local tax money begins to flow.
7. The proposal to repeal the requirement for a referendum to maintain the authority to levy the .25 mills critical needs tax was not accepted. Current law requiring the referendum remains in place.
8. The proposal to establish a "Teacher Quality Task Force" to explore issues related to the reforms proposed in SB 6 was not accepted.
9. The amount of funding for the National Board Teachers' Bonus was reduced and the funds were moved from the regular budget and placed in the conforming bill. A total of about \$21,244,177 will be available for these bonuses.

Because of the intense interest in the implementation of class size reduction requirements and penalties associated with a failure to comply, the information about the final recommendation for implementation of the penalty provisions is included below.

10. Class size reduction compliance will be determined in the October F.T.E. student count and will be measured against the current Constitutional requirement.
11. Districts that fail to comply will lose the applicable value of the class size reduction categorical and 50% of the B.S.A. times the district D.C.D. for each out of compliance full time equivalent student.
12. Funds from the penalty will be redistributed to school districts. First, districts in compliance will receive an adjustment based on the number of students in the district and the base student allocation up to an amount equal to five percent of the districts base F.E.F.P. allocation.
13. If there are funds available after this distribution the balance of the funds will be redistributed back to the districts that are out of compliance contingent upon the district submitting a detailed plan to come into compliance. No more than 25% of the penalty funds can be distributed to in compliance districts, therefore out of compliance district will have from 75% - 100% of their funds returned. Current projections using 2009-2010 student data and 2010-2011 class size reduction requirements show no districts in compliance. That would mean 100% of the district funds would be returned to the out of compliance districts.
14. If the Constitutional amendment passes, the compliance penalty remains the same, and is applied to the new requirement.