

Meeting Date: September 13, 2017



Agenda Item #:

# CITY COUNCIL AGENDA ITEM

### Contact Information:

<b>Contact Name:</b>	Gloria Thomas	<b>Dept. Director:</b>	Gloria Thomas
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### Type of Item:

<input type="checkbox"/>	Consent Agenda	<input type="checkbox"/>	Ordinance First Reading	<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Council Approval	<input type="checkbox"/>	Ordinance Second Reading	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	Discussion & Action	<input checked="" type="checkbox"/>	Presentation	<input type="checkbox"/>	Workshop

**SUBJECT:** Resolution 879-17 Calling for Legislature to amend state law to halt the transfer of education funding from poorer school districts to wealthier school districts.

### BACKGROUND:

Melody Johnson, Volusia County School Board Chairman, has requested support from cities in Volusia County by adopting a resolution to encourage Florida Legislators to amend state law to halt the transfer of education funding from poorer school districts to wealthier school districts under the funding formula called the District Cost Differential (DCD).

The DCD was created in 2004 after the Florida Legislature initiated a study on funding formulas for the state’s 67 school districts. Since that time, numerous districts have found themselves sending more to Tallahassee than they get in return. Counties like Volusia, Lake, Flagler, Osceola and Brevard among others are forced to subsidize wealthier districts like Broward, Duval, Miami-Dade and Palm Beach counties. Volusia County Schools has lost approximately \$140 million under this funding formula.

### COUNCIL DISTRICT:

City Wide

**RECOMMENDATIONS:**

The attached resolution is presented for council consideration and action. Ms. Melody Johnson from the Volusia County School Board will be present to answer questions regarding this matter.

**ATTACHMENTS:**

Resolution 879-17

**FINANCIAL IMPACT:**

None

**STRATEGIC PLAN:**

N/A

**RESOLUTION NO. 879-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, CALLING FOR FLORIDA LEGISLATURE TO AMEND STATE LAW TO HALT THE TRANSFER OF EDUCATION FUNDING FROM POORER SCHOOL DISTRICTS TO WEALTHIER SCHOOL DISTRICTS UNDER THE DISTRICT COST DIFFERENTIAL MULTIPLIER WITHIN THE FLORIDA EDUCATION FINANCE PROGRAM FORMULA.**

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**WHEREAS**, the Florida Education Finance Program (FEFP) was created by the Florida Legislature in 1973 to provide an equitable base level of educational resources for public school districts;

**WHEREAS**, the FEFP formula includes four multipliers, one of which is the District Cost Differential (DCD);

**WHEREAS**, the DCD is a personnel cost adjustment intended to account for variation among districts in the cost of wages and salaries for school personnel, which account for more than 80% or more of district operating costs and required by section 1011.62(2), Florida Statutes;

**WHEREAS**, the DCD calculation depends on Florida Price Level Index (FPLI), which has been maintained by the University of Florida Bureau of Economic and Business Research (Bureau) since 2000 under the direction of the Florida Department of Education (DOE);

**WHEREAS**, in 2003, the legislature ordered a review of the accuracy and appropriateness of FPLI used to calculate the DCD in the 2003-2004 General Appropriations Act, chapter 2003-397, Laws of Florida;

**WHEREAS**, in 2004, the method to calculate the FPLI was substantially changed by DOE, without direction by statute or peer review by economic experts;

**WHEREAS**, many school districts have lost tens of millions of dollars in funding since the 2004 DCD change;

**WHEREAS**, the taxpayers of Volusia County have lost \$140,522,685 in state education funding since the 2004 DCD change, which has been redistributed to wealthier school districts;

**WHEREAS**, in fiscal year 2017-2018, Volusia County taxpayers will receive only \$0.96 for every tax dollar sent to Tallahassee for public education;

**WHEREAS**, the state has failed to order a review of the accuracy and appropriateness of FPLI used to calculate the DCD despite its tremendous inequities

and fiscal impacts on poorer school districts;

**WHEREAS**, the City Council of the City of Orange City is not opposed to the state supplementing funding to other districts but does not support reduction of potential funding from poorer school districts to wealthier school districts; and

**WHEREAS**, the notion that poorer school districts are subsidizing wealthier school districts under the guise of the DCD is flawed, inequitable and must end; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA:**

**SECTION 1. Findings.** The findings set forth above are hereby adopted and incorporated by reference into this resolution.

**SECTION 2. Requested Action.** The City Council of the City of Orange City, Volusia County, Florida, respectfully calls on the Florida Legislature to amend state law to halt the transfer of education funding of poorer school districts to wealthier school districts under the DCD multiplier within the Florida Education Finance Program formula as follows:

- A. Amend section 1011.62, Florida Statutes, to hold school districts harmless under the DCD in the following manner:

*10J 1.62. Funds for operation of schools*

*If the annual allocation from the Florida Education Finance Program to each district for operation of schools is not determined in the annual appropriations act or the substantive bill implementing the annual appropriations act, it shall be determined follows:*

*(2) Determination of district cost differentials.-The Commissioner of Education shall annually compute for each district the current year's district cost differential. The district cost differential shall be calculated by adding each district's price level index as published in the Florida Price Level Index for the most recent 3 years and dividing the resulting sum by 3. The result for each district shall be multiplied by 0.008 and to the resulting product shall be added 0.200; the sum thus obtained shall be the cost differential for that district for that year. No district shall have a district cost differential of less than 1.*

- B. Propose the amendment of Article IX, section 1(a) of the Florida Constitution by joint resolution of each house of the legislature in accordance with Article XI, section 1 to add the following:

*No school district shall receive less education funding from the state than collected within that district each year for that purpose.*

**SECTION 3.** That this resolution shall take effect immediately upon its adoption by the City Council of the City of Orange City, Florida.

**ROLL CALL VOTE AS FOLLOWS (Resolution No. . 879-17):**

_____	Jim Mahoney	Anthony Pupello	_____
_____	Bill O'Connor	Evelyn Robinson	_____
_____	Jeff Allebach	O. William Crippen, Mayor	_____
_____	Gary A. Blair, Mayor		

**ATTEST:**

**AUTHENTICATED:**

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Gloria J. Thomas, CMC, City Clerk

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Gary A. Blair, Mayor

Approved as to form and legal sufficiency:

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William E. Reischmann, Jr., City Attorney