



Florida House of Representatives

Representative Erik Fresen

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Dr. Barbara Jenkins, President
Florida Association of District School Superintendents
208 South Monroe Street
Tallahassee, FL 32301-1824

Dr. Jenkins and members of the Florida Association of District School Superintendents:

I would like to respond to your February 1, 2016 memo, in which it was incorrectly asserted that information prepared by staff to the Appropriations Committee on January 21, 2016 was flawed and inaccurate. Before I address this inaccurate memo, I would like to express my disappointment that your organization would choose to create and spread a memo as opposed to coming to see me to discuss any misperceptions.

Allow me to reiterate the reason for the presentation in the meeting. I have been a member of the House of Representatives for 8 years. During that time, school districts have regularly presented me with an incorrect assessment of their capital outlay needs. District after district has alleged that they don't have enough resources for critical maintenance of facilities and that they are maxed out on their bonding capacity, while asking to have the levying authority for 2.0 mills for capital outlay purposes restored as it was prior to 2008-09. However, when I look at the financial circumstances surrounding capital outlay projects over the past ten years, I see 259 out of 862 reported construction projects were built at a higher construction cost per student station than the statutory limit. While that represents 30% of the reported projects, the number of overages would be even higher if land or building purchase costs were included in the cost per student station. The statutory limit itself is *highly* inflated due to the cost of construction after the 2005 hurricanes at the time that the limit was put in place. In my own district, a high school was built at a reported cost per student of over \$20,000, which is overly high but was actually almost \$50,000 per student station when the purchase of the building on which the school was constructed is included. These overages are egregious and must be highlighted and reigned in. At a minimum, the public should have full transparency of expenditures made with their hard earned taxpayer dollars.

David Winialski, Legislative Assistant

Alicia Araya, Executive Secretary

Committees: Education Appropriations Subcommittee (Chair), Appropriations,
K-12 Subcommittee, Education

As to the issues at hand, there was no report, official or otherwise, provided before, during or after the committee meeting. The data used to create the PowerPoint is reported by districts and was taken from the publically accessible Department of Education's Fixed Capital Outlay website. The accuracy is only as good as the information reported by the districts your superintendents oversee. If this data is flawed, I suggest you reexamine your reporting methodology.

Your first point was that the presentation included "the costs of additions and renovations to existing structures, rather than calculated on new construction." I submit to you that the presentation included all facilities that meet the statutory definition in Section 1031.01(14), Florida Statutes that states "new construction" means any construction of a building or unit of a building in which the entire work is new or an entirely new addition connected to an existing building or which adds additional square footage to the space inventory. The presentation only provided information on additions, which were clearly identified in the presentation as additions, because that is the statutory framework under which those construction projects are reported.

Additionally, the information was complete. Not a single element of this data was altered nor was any information regarding any school construction total omitted from the PowerPoint presentation created. The meeting packet included materials for the 10-years discussed in the presentation. The entire presentation was 83 pages as a result of intentional efforts to represent all of the facts. The PowerPoint in the committee packet and on-line did include those schools where there were underages as well as overages in both the total number of projects as well as the average and minimum construction costs for each year. Please see pages 13-83 of the PowerPoint on line

<http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&Committeeld=2827&Session=2016&DocumentType=Meeting%20Packets&FileName=apc%201-21-16.pdf>.

As to your statement regarding the use of discretionary millage, the presentation and the narrative clearly explained that those funds were available and used by districts. There is and was no denying that the districts have been using their local tax levied 1.5 mills and other local sources for allowable fixed capital outlay purposes. This was also made clear in the presentation. Building codes and student station costs are still statutorily required standards.

Finally, to address the statement that "school districts have struggled to pay for capital costs for years, especially through the great recession"; let me say that the data simply doesn't support this claim. In the 10 years of data that I looked through, some of the most egregious overages in construction costs were during the great recession when construction costs and wages were at their lowest. I agree that preventative maintenance, repairs and upkeep is critical to ensuring that public schools are quality, safe places for students to learn and I

strongly encourage prioritizing capital outlay dollars to meet those needs for our communities' educational facilities.

Ultimately, laws are in place for a reason and those laws are expected to be adhered to by all Florida citizens. Based on the findings in the data submitted by the school districts, I plan to file an amendment to address the overspending of school districts on school facilities. My amendment will address the inflated statutory costs per student station and will also ensure that facility costs and caps are not merely a suggestion but are enforceable and adhered to. I submit to you that as an elected official, I am every bit as responsible as superintendents for ensuring the fiscal responsibility and stewardship of the taxpayers' money.

I kindly ask that in the future, before you commit incorrect information to writing and disseminate it to the public, you bring any concerns or confusion regarding information prepared by the Appropriations Committee staff to my attention or to the attention of Chairman Corcoran.

Sincerely,

A handwritten signature in black ink, appearing to read "Erik Fresen", written over a horizontal line.

Erik Fresen, Chairman

House Education Appropriations Subcommittee