

Leaders

A Newsletter for Florida School Board Members

Insurance crisis hits us all, says report

To no one's surprise, school districts "are facing catastrophic increases in property insurance rates," according to a district-by-district survey released last month by the Florida Association of District School Superintendents.

Less than three percent of Florida's K-12 educational facilities are protected by insurance this year, according to the FADSS survey submitted to the Property and Casualty Insurance Reform Committee. The committee was created earlier this year to examine Florida's insurance crisis and make recommendations to the State Legislature. FADSS CEO Bill Montford serves on the committee. Projections are that a special session may be called sometime this year to deal with this problem.

Results of the survey lend credence to one of the most serious insurance problems to hit public schools in years. The reason? Some five hurricanes over two years have sent insurers running for the hills.

"The insurance crisis is something that needs a long term solution, not a political quick fix," said FSBA Executive Director Wayne Blanton.

FADSS distributed the survey to each of Florida's 67 school districts in an attempt to "collect data on the property insurance crisis facing schools," according to the memo by Mr. Montford outlining the survey results.

"This survey indicates what we all know; school districts are facing catastrophic increases in property insurance rates," wrote Mr. Montford. "Only 2.86% of the state's educational facilities are protected by insurance this year, compared to 17.41% last year and 21.30% the year before."

While "total insurable building values for 2006-2007 are almost \$53 billion," insurance coverage on those buildings totals "just over \$1.5 billion," according to the survey. That compares to \$42 billion worth of insurable building values last year and a total insurance coverage of nearly \$7.4 billion.

Bottom line: The total cost of insurance for Florida's K-12 educational facilities increased 81.5% from last year. "The total paid for insurance this year was over \$167 million and, including the Citizen's Assessment, totaled \$178 million," compared to \$98 million last year, the survey shows. In other words, while the total amount of insurance coverage de-

creased by 80%, insurance costs increased by the same percentage.

"The total amount of coverage purchased this year was \$1.5 billion, while the total amount of coverage purchased last year was almost \$7.4 billion," said the survey summary. "This amounts to a reduction in total insurance purchased or made available to districts of almost \$6 billion. In other words, districts paid \$80 million more in premium dollars this year for \$6 billion less in overall coverage."

"The Florida School Boards Insurance Trust (FSBIT) paid almost \$8 million for \$50 million coverage and we were glad to get it," said Mark McKinney, FSBIT's risk management director. "That should be adequate, but you never know."

The previous year, he added, the trust paid \$4.2 million for \$200 million in coverage.

"There is an insurance crisis, but so far this year there have been no storms and we're hoping for a better renewal next year," he said.

The FADSS survey also points out that school districts are required by state law to insure school property. And, under federal law, in order to qualify for FEMA, school districts must have obtained coverage that is "reasonably available, adequate, and necessary to protect against future loss.

"Consequently, we are in a dilemma. Are we able, in this current market, to satisfy these requirements?" asks Mr. Montford.

Another problem is the insurance deductible. "Last year," the report notes, "most school districts had anywhere from a flat deductible of \$1 million to an average 3% wind deductible. Most school districts now have a windstorm

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Leadership Calling

SBE pushes for good FEFP increase

The State Board of Education is requesting an 8.8% increase in the FEFP for the 2007-08 budget year, or \$7,405.30 per student, about \$600 more than last year.

It's still a little early to tell whether the Legislature will give the State Board what it wants. The proposed increase was presented by the Department of Education during the State Board of Education's regular monthly meeting in Tallahassee in September.

But if approved by the Legislature as submitted, this would be another nearly record funding year for public schools.

"We really appreciate Commissioner (John) Winn, the Department of Education, and the State Board going to bat for us and asking for a really good increase in K-12 funding. We just hope the Legislature will agree," said FSBA Executive Director Wayne Blanton.

Last year, K-12 received an 8.7% increase, or about \$1.8 billion.

The 2007-08 budget request also includes \$714 million to help school districts comply with class size requirements. That's a 33% increase over last year. In addition, the SBE asked for \$80 million under the heading, "Extraordinary Expense, Property Insurance Premiums" to assist districts in dealing with the tremendous property and casualty insurance rates they've encountered this past year. Also falling under the "Extraordinary Expense" category is a \$25.7 million request to help districts meet rising fuel and utilities costs.

Parents feel children at greater risk

A new poll finds Florida parents think their children are at greater risk than ever before but the Safe Steps Initiative hopes to change that.

Launched this summer by the Attorney General's office, the National Center for Missing and Exploited Children (NCMEC), FSBA, Macy's and Royal Caribbean Cruises, the initiative aims to arm parents with information about real threats and strategies on how to keep their children safe.

The poll, conducted by Mason-Dixon Polling and Research, show that 45% of parents quizzed believe children in their communities are at a greater risk of suffering harm at the hands of an offender or predator than they were five years ago.

While the majority of the parents surveyed report they keep close tabs on their children, including where they surf on the Internet, nearly half (47%) incorrectly believe a child is more likely to be abducted by a stranger when in actuality, children are most likely to be abducted by someone they already know. In addition, 88% of parents believe their children are likely to tell them of a sexual solicitation, while a NCMEC study reveals that only about 25% of solicitations are reported to parents or guardians.

The Safe Steps Initiative web site is at www.safestepsfla.net.

Upcoming Events

Growth Management Workshops

Oct. 26, Crowne Plaza Hotel, West Palm Beach

Dec. 1, Grand Hyatt Tampa Bay, Tampa (will be held concurrently with the final day of FSBA's annual Fall Conference Nov. 28-Dec. 1).

Jan. 11, 2007, Sandestin Golf and Beach Resort, Sandestin, Florida

Nov. 13-17

FSBA Take Your Legislator to School Week

Nov. 28-Dec. 1

FSBA Joint Fall Conference, Grand Hyatt Tampa Bay, Tampa



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FSBA, SBE agree on more collaboration

The State Board of Education recently adopted a resolution resolving to “insure an increase in communication” and “collaboration” with the Florida School Boards Association.

Dr. Jack Lamb, Hillsborough County School Board and immediate past FSBA president, and Dr. Wayne Blanton, FSBA Executive Director, were on hand at the September State Board meeting to co-sign the resolution with Phil Handy, SBE chairman.

Purpose of the resolution is to ensure that the two organizations work closer in the future “in meeting the challenges and goals of Florida’s education system.”

The resolution commits both to



FSBA’s Jack Lamb, left, and Wayne Blanton, right, flank State Board of Education Chairman Phil Handy during the signing ceremony of the resolution offering better communications between the association and the State Board. (FSBA photo by Andy Williams)

•Providing opportunities for school board members to present initiatives and issues in open SBE meetings;

•Providing opportunities for SBE members to “present in general and concurrent sessions” at FSBA conferences;

•Providing for involvement of FSBA members “to provide input” into the SBE budget development process;

•Developing “common issues, strategies, and programs to improve student achievement and the overall quality of education for all students...”

•Ensuring a “regular exchange of ideas” between the two organizations;

•Holding “regular, informal meetings” between Education Commissioner

John Winn, Dr. Blanton and FSBA’s executive board “for collaboration on emerging issues.”

Governor Bush, New York mayor push for more NCLB accountability

An op-ed piece in the August 13 edition of the *Washington Post*, by Gov. Jeb Bush and New York City Mayor Michael Bloomberg, is starting to gain some traction. The article pushes for a reauthorization of No Child Left Behind, but with more accountability included.

“The fact that the President’s own brother has made such a bold statement has not escaped the attention of the rest of the country,” Florida’s K-12 Chancellor Cheri Yecke pointed out in a recent memo to superintendents encouraging their support of the pair’s four suggestions.

“Right now, other governors are lining up to pledge their support for these recommendations. Here in Florida, Bill Montford (CEO, Florida Association of District School Superintendents) showed great leadership in polling members of the FADSS Executive Board and securing their support,” added the chancellor.

The two pointed out in their column that the NCLB Act brought an emphasis to school accountability that Florida and New York had already implemented. “Yet since the law’s passage, we have learned some things about how to put the principles of accountability into practice in a way that most effectively promotes student achievement.” In reauthorizing NCLB, Congress, the two wrote, “...should be guided by four main lessons...”

✓ Make standards meaningful. Ensure that every state sets a high standard for proficiency. The National Assessment of Educational Progress (NAEP) should become the official benchmark for evaluating states’ standards.

✓ Encourage student gains. NCLB should track whether individual students are improving, not the total number of students meeting a proficiency standard.

✓ Recognize degrees of progress. Pushing for a grading system like Florida and New York, the two believe NCLB should reward levels of performance at each school, not whether a school passes or fails.

✓ Reward and retain high-quality teachers. NCLB should go further than making sure teachers are qualified. It should also guarantee that they are performing well and being paid accordingly. Congress should support measures that link pay with performance, toughen standards for achieving tenure and raise pay for teachers in fields with shortages.

Far from disbanding the law, as some have advocated, Gov. Bush and Mayor Bloomberg believe that “Incorporating these four basic lessons will allow us to realize the law’s full promise and help children realize their dreams.”

From the President

By SUE HERSHEY

Many training opportunities available from FSBA for new, and existing, school board members



Sue Hershey

While the November general election is just days away, your Florida School Boards Association is already making plans to help new board members adjust to their new-found responsibilities.

We don't know how many new members we'll have. Our best guess is between 50 and 60. We already know that 36 new board members were elected in the Primary Election. For them—and for those who need a refresher—we'll have training opportunities galore over the next year.

First up will be our 61st annual joint conference Nov. 28 to Dec. 1 at the Grand Hyatt Tampa Bay, Tampa. New board members will be paired with veteran school board members in a mentor-type relationship, offering guidance, when asked, throughout the year.

We'll also have a new school board member orientation in Tallahassee Feb. 21-23, 2007 at the DoubleTree Hotel in Tallahassee. Here, you'll learn the intricacies of good boardmanship, receive vital information on Florida's Government in the Sunshine Law and get an introduction

to how Florida schools are funded. There will be lots more, of course, but it's one conference you don't want to miss, especially if you're brand new. But it will be a good one for veteran board members as well.

Also, let's not forget FSBA's valuable Master Board Program. Designed for school board members and superintendents, 55 school districts have participated in this popular voluntary program since its inception in 1992. Currently, 31 school districts hold the Master Board distinction.

The program is listed as a "best practice indicator" in the Best Financial Management Practices Self-Assessment Instrument adopted by the Commissioner of Education. It features a skills-based curriculum to strengthen the leadership team's ability to work effectively, efficiently, and collectively as a governance group while maintaining a focus on student learning and factors contributing to the success of schools.

The MB Program also provides the leadership team with an opportunity to discuss and improve or enhance those important interpersonal issues which are essential to functioning as a team. If your district hasn't yet become involved in this valuable training program, I urge you to contact Karen Denson in the FSBA office for further details.

For individuals there's the Certified Board Member program. New, or veteran, don't let these training opportunities pass you by. You'll receive a lot more information on this, and more, at our joint conference at the end of November.

One of the keynote speakers at that conference will be education reformer Kati Haycock, director of the Education Trust. Established in 1992, the Trust provides hands-on assistance to educators who want to work together to improve student achievement, pre-kindergarten through college.

Also, the Florida Association of District School Superintendents will honor its superintendent of the year and FSBA will present its 2006 Legislator of the Year awards. There will also be plenty of concurrent education sessions. I hope you're making plans now to attend.

So, if you're a new school board member, Welcome! And Congratulations! Remember, FSBA exists to serve you and to help you become a better board member that will allow you to serve the school children of your district to the best of your ability.

Ms. Hershey, a member of the Martin County School Board, is the 2006-2007 president of the Florida School Boards Association.

Insurance crisis

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deductible of 5% per location...Therefore, if a school is valued at \$20 million, a loss of \$1 million must be incurred before insurance pays. Spread that amount across the district, and the district must absorb most of the loss before any reimbursement from insurance. This is significantly more than previous deductibles that were capped at a reasonably flat amount."

The report cites, as an example, Brevard County in 2004 when it had a flat \$1 million deductible. Three hurricanes and \$13 million in property damage later, the district was still able to receive \$11 million for those damages. "Had these hurricanes struck Brevard this year (2006) with their mandated 5% wind deductible, they would have received less than \$1 million for their building damage losses," noted the report. That means that Brevard would not only have paid 100% more in premiums, but would also have incurred \$10 million in losses.

The State Board of Education recognizes that there's a serious problem and has asked for \$80 million from the 2007 Legislature to help school districts deal with it. "We greatly appreciate Education Commissioner (John) Winn and the State Board for including \$80 million, but that's just the tip of the iceberg," added Dr. Blanton.