



PECO FUNDING (PUBLIC EDUCATION CAPITAL OUTLAY)

FLORIDA PTA POSITION

The Florida PTA urges the Legislature to increase the rate and expand the application of the Gross Receipts Utilities Tax, and also identify additional revenue sources to adequately and equitably fund the capital outlay needs of Florida's public schools, to be applied and designated for the sole purpose of providing additional revenue and not as a replacement for existing revenues.

Background

The constitution of the State of Florida dictates that the state made "adequate provision... for a uniform system of public schools" which should include provision for a sufficient number of school facilities.

Public Education Capital Outlay (PECO) revenue is the major source of state funds for the construction, maintenance and improvement of school facilities. PECO revenue is garnered from the Gross Receipts Utilities Tax, which is collected at the rate of 2.5 of gross receipts from utilities such as electricity, gas, and telephone services. Currently, the tax is not applied to some utilities, such as cable television, water and sewage services. Florida PTA supports the expansion of this tax to include these exempt utilities.

PECO funds allocated to school districts are provided on the basis of student population and growth. PECO allocations are not adjusted for cost of living or other variables that affect construction costs. Several school districts have attempted to meet the State's capital funding shortfall through bond issues, certificates of participation, local taxation, impact fees and other funding mechanisms. These efforts have either been unsuccessful, or have produced insufficient revenue to meet the needs of those districts.



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Talking Points

- Florida's student population growth necessitates the construction of new facilities and renovation and maintenance of existing school buildings.
- There has been a steady decline in PECO revenue resulting in severely overcrowded classrooms and school buildings.
- An expansion of the tax will provide additional revenues for new construction and renovation of existing school buildings, bringing needed relief to overcrowded facilities.

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