

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Education Pre-K - 12 Committee

BILL: CS/SB 2070

INTRODUCER: Committee on Education Pre-K - 12 and Senator Wise

SUBJECT: Education Finance

DATE: March 27, 2007

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|-----------|---------------|
| 1. | <u>Brown</u> | <u>Matthews</u> | <u>ED</u> | <u>Fav/CS</u> |
| 2. | _____ | _____ | <u>EF</u> | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
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| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This bill creates the Increased Utilization Program as part of the Public Education Capital Outlay & Debt Service Trust Fund (PECO).

This bill provides additional FTE to schools and school districts that increase school facility capacity by at least 20 percent through the use of nontraditional calendars.

The additional FTE would come from up to 15 percent of the PECO funds that would be deposited into the Increased Utilization Program within PECO.

This bill substantially amends sections 1013.64 and 1003.03 of the Florida Statutes.

II. Present Situation:

Class Size Implementation

Student to teacher class size ratios, as designated by grade level groupings, start with the 2010-2011 school year, pursuant to s. 1, Art. IX of the State Constitution. To meet the constitutional requirement by that date, s. 1003.03, F.S., provides for a phased-in implementation, beginning with calculations assessed at the average school district level, then school level, and finally, by fiscal year 2008-2009, calculation at the individual classroom level.¹ To achieve these ratios, district school boards are required to consider, among other options, adoption of year-round

¹ s. 1003.03(2), F.S.

schools and other nontraditional calendars that do not adversely impact the ability to annually assess student achievement.²

The Public Education Capital Outlay and Debt Service Trust Fund (PECO)

Section 1013.64, F.S., addresses funds for comprehensive educational plant needs, and provides for specific allocations from the PECO fund. The Legislature is required to give priority consideration to funds for remodeling, renovation, maintenance, repairs, and site improvement for existing satisfactory facilities for appropriations allocated to district school boards from the total amount of PECO.³

Prior to spending funds from PECO or the School District and Community College District Capital Outlay and Debt Service Trust Fund for any ancillary plant or any other new construction, renovation, or remodeling of ancillary space, each district school board is required to meet all educational plant space needs of its elementary, middle, and high schools.⁴

Section 1013.64(6)(b)1., F.S., limits district school boards to specified amounts when using funds from the following for any new construction of educational plant space:

- PECO;
- School District and Community College District Capital Outlay and Debt Service Trust Fund;
- Classrooms First Program funds;
- Effort Index Grant funds;
- Non-voted two mill levy of ad valorem property taxes;
- Classrooms for Kids funds; or
- District Effort Recognition funds.

III. Effect of Proposed Changes:

This bill creates the Increased Utilization Program as part of the Public Education Capital Outlay & Debt Service Trust Fund (PECO).

This bill provides for the operation of the Increased Utilization Program, to benefit schools that increase FTE maximum facility capacity by at least 20 percent using an alternative, nontraditional calendar.

To meet eligibility requirements, district school boards must:

- Submit a resolution before August 1 of each fiscal year, beginning August 1, 2007; and
- Include in the resolution the maximum FTE capacity for the year, as provided in the Florida Inventory of School Houses, and the increase that is attributable to the use of adoption of an alternative, nontraditional calendar.

² s. 1003.03(3)(j), F.S.

³ s. 1013.64(1)(a), F.S.

⁴ s. 1013.64(6)(a), F.S.

From the Public Education Capital Outlay and Debt Service Trust Fund appropriation, this bill requires the Department of Education to deposit up to 15 percent of total funds appropriated, into the Increased Utilization Account. This bill provides for eligible schools to receive up to a maximum of \$250 per total FTE generated.

Participating school districts receive up to \$250 per total FTE per eligible school site for a maximum of five years for each qualifying school, contingent on funding availability. Where funds are insufficient, the Commissioner of Education is required to assess a prorated amount. This bill requires funds accruing to a district school board to be expended on needed projects as designated by survey.

This bill prohibits schools from attaining increased capacity by adopting the following:

- Overcrowding;
- Double sessions; or
- Assigning students to instructional spaces in violation of educational facilities rules and law.

Increased Utilization Program funding is exempt from the repayment of outstanding projects.

This bill provides that alternative calendars must be considered by a school district in implementing class size reduction.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Depending on the nontraditional calendar adopted, families may have to avail themselves, more than they do now, of after-school care, daycare, summer school, and summer sport camp services.

C. Government Sector Impact:

According to the Department of Education, initially, up to 15 percent of PECO funds would be earmarked for the purposes of this bill, which redirects PECO away from new construction and maintenance projects. In the first full year of implementation, the state may realize almost \$600 million in savings, as the state would not need to build approximately 43 new schools as a result of adopting nontraditional methods of using class space. Costs may be associated with additional facility wear and tear, utility costs, and increased cost to fully employ teachers to implement the new method.

Unexpended balances would remain in the account, and may create a build up of funds, as authority is not provided in the bill for the balances to revert back to PECO at the end of each fiscal year.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
