

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 457 Construction of Educational Plant Space

SPONSOR(S): Abbott

TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) PreK-12 Appropriations Subcommittee	14 Y, 0 N	Bailey	Potvin
2) Education & Employment Committee			
3) Appropriations Committee			

SUMMARY ANALYSIS

Current law prohibits a school district from using certain local and state funds to construct educational facilities that exceed statutory caps on the total cost per student station. The law specifies what costs are included in the calculation of the cost per student station and provides limited exceptions.

The bill exempts costs associated with unfinished construction projects for new construction of educational plant space that are started on or before July 1, 2026, from the cost per student station caps on public school construction.

There is no fiscal impact to state government and the fiscal impact to local government is indeterminate. See FISCAL COMMENTS.

The bill has an effective date of July 1, 2023.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Cost Per Student Station

The practice of using a student station to determine the cost of construction was first adopted by the Legislature in 1997.¹ Prior to 1997, costs were limited by square foot rather than by student station. Construction of new educational facilities was capped at a cost per square foot that could not exceed the most recent five-year statewide average square foot total cost, adjusted for inflation and the most recent Marshall and Swift Construction Cost Index of Florida.² Starting in 1997, the baseline student station costs were used to report school construction costs.

In 2005, the Department of Education (DOE) conducted a study on overall inflation of school construction costs, including the Consumer Price Index (CPI) and other factors. The study included a survey of four counties with increasing student enrollment in the state from 1997 through 2005 (Brevard, Hillsborough, Orange, and Sarasota), all of which reported increased school construction costs ranging from 23 to 32 percent. Because the CPI increased by 13 percent over this same time period, this index alone did not capture the full increases in construction costs.³ The cost per student station levels adopted in 2006 were based on the DOE's 2005 study recommendations.⁴

The statutory cost per student station is annually adjusted to reflect increases or decreases in the CPI.⁵ The law does not specifically assign this adjustment function; however, the DOE and the Office of Economic and Demographic Research (EDR) work together to calculate and disseminate the new statutory caps.⁶ The dollar amount is structured as a ceiling or maximum, and its usage is required for the new construction of educational plant space funded from specified funding sources.

Cost per student station includes contract costs, fees of architects and engineers, and the cost of furniture and equipment.⁷ Contract costs include costs for construction within five feet of the building, including materials and supplies, as well as any furniture or equipment permanently attached to the building.⁸

The table below summarizes the July 2022 forecast by EDR for the July 2023 cost per student station caps:⁹

Type of School	Cost Per Student Station
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¹ Florida Department of Education (FLDOE), *Review and Adjustment for Florida's Cost per Student Station* (January 1, 2020), available at <http://www.fl DOE.org/core/fileparse.php/7738/urlt/2020AnnCSSR.pdf> (last visited February 14, 2023).

² Section 235.216, F.S., (1996). Marshall and Swift was an appraisal guide that provided replacement costs and insurable values, while also providing an index of future values.

³ FLDOE, *supra* note 1.

⁴ Section 1013.64(6)(b)1., F.S.

⁵ *Id.*

⁶ FLDOE, *supra* note 1.

⁷ Section 1013.64(6)(d), F.S.

⁸ FLDOE, *supra* note 1.

⁹ Office of Economic and Demographic Research, *Student Station Cost Factors* (July 2022), available at <http://edr.state.fl.us/Content/conferences/peco/studentstation.pdf>

Elementary School	\$27,212
Middle School	\$29,385
High School	\$38,169

District school boards are prohibited from using funds from specified sources, including the nonvoted 1.5 mill levy of ad valorem property taxes, for any new construction of education plant space with a total cost per student station that exceeds the caps in the table above.¹⁰ An exception is provided for a contract for architectural and design services or for construction management services executed before July 1, 2017.¹¹

Effects of Proposed Changes

The bill exempts costs associated with unfinished construction projects for new construction of educational plant space that are started on or before July 1, 2026, from the cost per student station caps on public school construction.

B. SECTION DIRECTORY:

Section 1. Amends s. 1013.64, F.S.; excluding costs associated with unfinished construction projects for new construction of educational plant spaces that are started on or before July 1, 2026, from being included in cost per student station caps.

Section 2. Providing an effective date of July 1, 2023.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

¹⁰ Section 1013.64(6)(b)1., F.S.

¹¹ Section 1013.64(6)(b)3., F.S.

The fiscal impact to school districts is indeterminate. Most school district facilities are funded with local school district revenues derived from the collection of the local capital improvement tax, local sales surtax, and discretionary tax levies. Any additional costs associated with unfinished construction projects for new construction of educational plant space would be borne by the school district.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES