

STORAGE NAME: h1013.ccc

DATE: March 24, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY COLLEGES AND CAREER PREP
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1013

RELATING TO: Florida Education Finance Program (FEFP)/Enrollment Ceiling/Adult Education

SPONSOR(S): Representative Bradley

STATUTE(S) AFFECTED: Amends section 236.081, Florida Statutes

COMPANION BILL(S): SB 1334 by Senator McKay

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY COLLEGES AND CAREER PREP
- (2) EDUCATION APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

The bill removes the capped or maximum enrollment ceiling on full-time equivalent (FTE) student enrollment in adult education programs (Group 3). Group 3 programs include any adult education program funded through the Florida Education Finance Program (adult basic, adult secondary, vocational prep, and vocational supplemental).

School districts are not currently funded for enrollment that exceeds the Group 3 cap. School district funds may be used to pay for students enrolled above the cap. If the state were to fund the reported enrollment above the cap for 1996-1997, the cost would be approximately \$28.3 million, according to the Department of Education.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Funding Adult Education in Florida Public Schools

The Florida Education Finance Program (FEFP) funding formula requires enrollment ceilings that restrict or cap the full-time equivalent student enrollment for groups one, two and three. Group 1 is composed of Kindergarten through third grades, grades 4-8, and grades 9-12. Group 2 is composed of students in at-risk programs and all basic programs other than the programs in group 1, all exceptional programs, and all vocational programs in grades 7-12. Group 3 is composed of all adult education programs, including adult basic, adult secondary, adult vocational, and adult supplemental vocational education programs. According to the Department of Education, the demand for adult education programs in some school districts exceeds the allocated capped funds. In such cases, the school district receives no additional state funds, and either uses district funds to pay the cost of providing adult education above the capped amount, or the number of the students above the capped enrollment figure are not served by the school district.

The Department of Education reports that approximately 9,718 weighted FTE (representing a collective 36 districts) were served above the capped amount in 1996-1997. Twenty three school districts remained below the enrollment cap.

Chapter 232, F.S., specifies compulsory school attendance requirements for students ages 6-16. These compulsory attendance requirements do not apply to adult education students. Adult students choose to attend or not attend the classes in which they have enrolled. Therefore, in adult education courses, which are currently funded on an FTE basis for public schools, it is possible for the reported hours of instruction to exceed the student's actual hours of attendance.

1997 Report from the Office of the Auditor General

In the 1996-1997 General Appropriations Act, proviso language requested the Office of the Auditor General to review student attendance in adult education programs to determine "if the periodic student count procedure used for K-12 students is adequate to document student attendance in adult education programs to generate FEFP funding." On March 14, 1997, the Office of the Auditor General issued a preliminary report which considered: the number of students reported for each course; the FTE and hours reported for each reported student; and the hours of attendance for each reported student.

Five examinations were completed which included the School Districts of Washington, Calhoun, Monroe, Baker, and Indian River Counties. The report states that in four of the counties, significant differences were found between the number of course hours which were reported and the number of course hours which were attended by the students who were reported for FTE. For example, Washington County School District's total hours reported was 50,190.48, and the total hours attended was 32,065.50 for a difference of 18,124.98. Based on the results of their examination procedures, the Office of the Auditor General determined that "the periodic student count procedure used by the

aforementioned School Districts for K-12 students is not adequate to document student attendance in the Districts' adult education programs."

Otherwise, examination of Baker County's adult education programs yielded no significant differences between the number of actual course days attended by students and those offered by predetermined scheduled courses. The Office of the Auditor General determined that the periodic student count procedure used by Baker County for K-12 students was adequate to document student attendance in the District's adult education programs.

B. EFFECT OF PROPOSED CHANGES:

The bill would remove the enrollment ceiling or cap on enrollment for only Group 3, the adult education programs. Removal of the cap would require additional funds on an annual basis to pay for increased enrollment in the Group 3 programs. Removing the enrollment caps on the adult education programs would allow certain school districts to serve more adult students.

Due to implementation of the 1996 WAGES legislation (welfare reform), school districts that provide adult education programs may realize increasing enrollment levels in various adult education programs. Some state and federal funds have been allocated to serve WAGES participants. The amount of such funds that might be used for educational purposes is indeterminate, because local WAGES boards are in the process of determining how state and federal funds would be spent.

If the current method of funding adult education programs is maintained, and the enrollment ceiling is also removed, evidence supported by the findings of the Office of the Auditor General study suggest that some school districts may continue to report high numbers of FTE enrollment in adult education programs, without actual full-time attendance from students enrolled in the programs.

If the 9,718 weighted FTE (total full-time equivalent student enrollment over the cap) were to be funded by the state, it would cost an additional \$28.3 million, according to the Department of Education. Costs would also increase each year if enrollments continue to increase in the adult education programs.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

- (3) any entitlement to a government service or benefit?

No.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

NA

- (2) what is the cost of such responsibility at the new level/agency?

NA

- (3) how is the new agency accountable to the people governed?

NA

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

It is possible that more adult education students might be served if the enrollment ceiling was removed for Group 3.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

NA.

- (2) Who makes the decisions?

NA.

- (3) Are private alternatives permitted?

NA.

- (4) Are families required to participate in a program?

NA.

(5) Are families penalized for not participating in a program?

NA.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

NA.

(2) service providers?

NA.

(3) government employees/agencies?

NA.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 236.081, F.S., removing enrollment ceilings or caps on adult education programs (Group 3).

Section 2. Provides an effective date of July 1, 1997.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

The Department of Education estimates the amount needed to fund the reported FTE over the enrollment cap for 1996-1997 is \$28,300,438. This amount would be likely to increase on an annual basis.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Indeterminate, it is difficult to determine the amount of future growth in enrollment of students in adult education programs, particularly if the ceiling on adult education enrollment is eliminated.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

Skilled employees in the private sector can contribute to the overall economy of the state.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

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A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

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