

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: March 20, 1998 Revised: _____

Subject: Public Schools/Trust Fund Grants

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Chasteen</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
2.	_____	_____	<u>WM</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill specifies that the Florida School Improvement and Academic Achievement Trust Fund is to be used to provide grants to public school district education foundations that are recognized by the Department of Education (DOE) Florida Education Foundation. It revises the allocation formula for determining grants. Funds that remain unmatched by contribution on March 1 must be made available for matching by any public school district education foundation or by the DOE Florida Education Foundation. District-level administration of funds received under the program is placed solely with local public school district education foundations. The bill specifically states that donations, state matching funds, or proceeds from endowments are to be used at the discretion of the public school district education foundation for improving schools and academic achievement within school districts.

This bill amends section 236.1229, Florida Statutes.

II. Present Situation:

Section 236.1229, F.S., establishes the Florida School Improvement and Academic Achievement Trust Fund, a grant program enacted in 1995 for the purpose of encouraging private donors to support K-12 public education. The trust fund must be utilized to provide challenge grants and matching endowment grants to district school boards that meet certain requirements. The Commissioner of Education is charged with administering the trust fund. Grants are allocated as follows:

In each year of a legislative appropriation, the lesser of the appropriation divided by the number of districts, or \$10,000, must be reserved so that each school board has an

opportunity to receive and match a challenge grant. Unmatched funds remaining on March 1 are also available to districts, within statutorily specified limits.

Matching grants are available as a percentage of the amount school districts raise in private funds:

Private Funds Raised By School District	Matching Percentage From Trust Fund
\$50,000 - \$99,000	25
\$100,000 - \$599,999	50
\$600,000 - \$1,000,000	70
\$1,000,000 - \$1,500,000	75
\$1,500,000 - \$2,000,000	80
>\$2,000,000	100

Contributions made for the establishment of an endowment to be used at the discretion of the school board for improving schools and academic achievement within the school district, which are not restricted for use by a specific school, discipline, or program, and which are at least \$100,000, are matched at 75 percent; if in excess of \$1 million, they are matched at the same percentages as apply to the restricted funds. Funds must be distributed on the last day of the quarter; if proposed disbursements exceed available funds, all grants must be proportionately decreased.

District-level administration of funds is accomplished via a direct support organization. Donations, state matching funds, or proceeds from endowments cannot be used for facilities construction or interscholastic athletics. School boards or their direct support organizations are prohibited from accepting or purchasing facilities for which the state will be asked for operating funds unless the Legislature grants specific approval prior to the acquisition.

Section 237.40, F.S., defines a “district school board direct support organization” as a non-profit Florida corporation, incorporated under the provisions of ch. 617, F.S., and approved by the Department of State and the school board, that is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of public pre-kindergarten through grade 12 education and adult vocational and community education programs in the state.

Section 229.602, F.S., specifies that the Commissioner of Education must authorize Florida public schools challenge grants to school districts. Eighty percent of available funds must be applied to projects in which matching funding support is provided by foundations or the private sector. The remaining 20 percent of available funds may be granted directly to school districts based on local need and limited private sector resources. Funding matches must be conducted with a ratio of 60

percent provided by the private sector and 40 percent provided by the state. The challenge grants must be awarded for, but not limited to, the following types of programs:

- Drop out prevention and alcohol/substance abuse prevention;
- Pre-service and in-service training of teachers, administrators, and other school personnel;
- Teacher internships or sabbaticals in the private sector;
- Joint community/school long-range planning;
- Tutoring and mentoring of students;
- Career education;
- Student or teacher incentive and motivational programs;
- Community/school resource development;
- Physical plant and workplace enhancement;
- Community/school public relations and communication;
- Private sector/education coordinating activities to facilitate the further establishment of partnerships;
- Management training which would involve both school and private sector managers; and
- Programs which bring business volunteers into the classroom.

III. Effect of Proposed Changes:

The bill specifies that the Florida School Improvement and Academic Achievement Trust Fund be used to provide grants to public school district education foundations that are recognized by the Florida Education Foundation, rather than to school districts.

The allocation formula is revised such that an amount equal to the annual appropriation divided by the number of local education foundations (there are 57 such foundations at the present time), rather than the lesser of the appropriation divided by the number of school districts or \$10,000, is reserved for use by each foundation. Funds that remain unmatched by contribution on March 1 must be made available for matching by any public school district education foundation or by the DOE Florida Education Foundation.

The bill specifies that challenge grants must be proportionately allocated on the basis of matching \$4 of state funds with \$6 of private funds. A minimum of \$4,500 in private funds is necessary to be eligible for matching state funds. The existing fund matching formula, based on percentages of the amount of private funds raised, is deleted. The 40/60 matching formula is used in a similar challenge grant program for community colleges.

Sole responsibility for district-level administration of funds received under the program is placed with local public school district education foundations.

The bill specifically states that donations, state matching funds, or proceeds from endowments are to be used at the discretion of the public school district education foundation for improving schools and academic achievement within school districts.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Under the provisions of s. 19(f)(2), Art. III, State Constitution, a trust fund must be terminated no more than 4 years after the effective date of the act that creates the trust fund. The trust fund, as established in s. 236.12295, F.S., is to be terminated on July 1, 1999, unless terminated sooner.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to DOE, the changes in the funding formula will allow more school districts to take advantage of the program. In addition, making unmatched funds available to the DOE Florida Education Foundation for matching will facilitate the use of large corporate grants.

The program was funded at a level of \$500,000 in 1996. There was no appropriation for the current year. DOE requested \$2 million for fiscal year 1998-99, but the allocation is not presently contained in the Senate appropriations bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
