

STORAGE NAME: h003A.gg
DATE: October 31, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GENERAL GOVERNMENT APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3-A

RELATING TO: Educational Facilities

SPONSOR(S): Education Innovation Committee

STATUTE(S) AFFECTED Amends sections 230.23025, 235.011, 235.014, 235.15, 235.193, 235.26, 235.435, 236.25, Florida Statutes; creates sections 235.061, 235.4351, Florida Statutes; reenacts section 235.41(3), Florida Statutes; repeals section 12, Chapter 97-265, Laws of Florida.

COMPANION BILL(S):

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

- (1) EDUCATION INNOVATION YEAS 6 NAYS 2
- (2) GENERAL GOVERNMENT APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

HB 3-A provides revisions to the educational facilities law in the following major areas: construction and renovation of core space, standards and use of relocatables, cost limits, space and occupant design criteria, granting of waivers, and availability and use of two mill capital outlay.

When core facilities are designed, constructed or renovated, the state's minimum square footage standards may be exceeded so that the core space can be large enough to handle future student growth and classrooms. Besides design of core facilities, other methods of managing growth could be through use of relocatables or operational methodologies, such as year-round scheduling, block scheduling, multitrack scheduling, leasing of space, rezoning, distance learning, or other sound management methodologies. Core facilities are identified as cafeteria or multipurpose dining area, media center, auditoriums, and toilet rooms. Space assigned for full-time student stations will not include the core facilities space, administration space; and, in elementary schools, it will not include art rooms, music rooms, and skills labs. Additionally, capacity will not be assigned to resource rooms and skills rooms in middle schools and high schools. The number of each of these rooms allowed in a school or per a specific number of students is specified in the State Requirements for Educational Facilities, which is specified in the Uniform Building Code (UBC). The maximum limit for projecting future facility space needs will be for the normal criteria, rather than the minimum criteria.

The cost limits will be for a total cost per student station as follows: \$12,437 for an elementary school; \$12,744 for a middle school; \$16,782 for a high school, or \$ 1,500 for a relocatable. These are 1997 costs and will be adjusted annually by the revenue estimating conference to reflect changes in construction cost. There is no longer a requirement that the total project cost not exceed the adjusted statewide average.

The commissioner is allowed to waive certain requirements relating to plant surveys, need projections, and cost ceilings. Special consideration may be given for school district projects which spend no state money; or districts that certify that all of their instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive or alternative scheduling or construction, leasing, rezoning, or technology. The commissioner must report to the Legislature each year on the granted waivers.

For future needs determination, relocatables that meet the required standards will be counted at 100 percent. The Department of Education shall establish guidelines for the use of relocatable classrooms based on student enrollment and the capacity of the core space. School districts are discouraged from using relocatable space that results in enrollment than exceeds 120 percent of capacity at any school.

The bill clarifies that maintenance is an allowed usage of the 2 mill levy. An exception to the expenditure restrictions placed on the 2 mill levy is allowed to any school district that certifies that all of the district's instructional space needs for the next 5 years can be met from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management. The portion of HB 2121 which sunset the authority of the district board to levy additional millage is repealed. Lease-purchase agreements entered on or before July 1, 1997, are excepted from the phase-down provision.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Student Enrollment Growth

Public school enrollment growth increases the demand for public school construction and has a ripple effect on the need for facilities at the postsecondary level. While the rate of growth is slowing, enrollment has increased in each of the past 13 years. In 1996-1997 there were 2,428,696 students in K-12 classified as capital outlay FTE. Projected for 2001-2002 there are 2,484,892 students in K-12 classified as capital outlay FTE. The projected growth for 1998-99 is 56.196 or 2.3 percent.

Uniform Building Code

The Commissioner of Education is charged in s. 235.26, F.S., to adopt a uniform statewide building code for public educational facilities construction. All construction, renovation, remodeling, or demolition plans of the district school board for educational or ancillary plants must conform to the requirements of the Uniform Building Code (UBC). The state board of education requirements adopted to implement the UBC are contained in the Department of Education publication titled *State Requirements for Educational Facilities* (SREF). The latest update of this document is dated April 1997.

The SREF "Size of Space and Occupant Design Criteria Table" specifies for each type of facility space: a recommended number of occupants and the net square footage per occupant to meet minimum design criteria, normal design criteria, or maximum design criteria. The table also indicates whether the student space is used to determine school capacity. For example, a kindergarten classroom is used to determine student capacity and the design criteria for 25 occupants is 36 square feet for the minimum, 38, square feet for the normal, and 40 square feet for the maximum. A resource room and a skills lab in an elementary school are not used to determine student capacity and the design criteria is one room for every 150 students. In middle and high schools, the resource rooms are not used to determine student capacity and are built one for every 250 students, whereas skills lab rooms are used to determine student capacity and are built for 28 occupants.

Educational Plant Surveys

One of the functions of the Department of Education identified in s.235.014, F.S., is to require school district boards and other boards, including the Board of Regents, to submit educational plant inventories. Since 1997, when House Bill 2121 became law, the survey is required to contain cost information and the amount of funds spent in addition to the construction and capital improvement information and statistical data regarding the amount of funds available which was required by the department before 1997. HB 2121 charges the department with the responsibility of reviewing and validating the educational plant inventory surveys submitted by the boards. Before 1997, the boards were only required to submit what was available, not what was spent.

The department reviews and validates the surveys submitted by the boards. "Validate" is defined in HB 2121 for surveys submitted by school districts and for surveys submitted by community colleges. Both definitions include:

- Provide for review and inspection of student stations and aggregate square feet of inventory changed from satisfactory to unsatisfactory or vice versa
- Review cost projections for conformity with state averages or limits designated by chapter 235, F.S.
- Compare enrollment projections with the department's projections
- Verify that area allocations and space factors for generating space needs for facilities do not exceed limits provided by this chapter and related rules
- Confirm that need projections for vocational and adult educational programs comply with needs documented by the Division of Workforce Development (formerly the Division of Applied Technology and Adult Education, pursuant to Chapter 97-307, LOF).

For surveys submitted by school districts, "validate" includes the following:

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 3

- Review the inventory data
- Compare new school inventory to allocation limits
- Review and confirm application of uniform facility utilization factors, where provided by chapter 235, F.S., or related rules
- Utilize the documentation of programs offered per site to analyze facility needs
- Confirm the assignment of full-time student stations to all space except for cafeterias, multipurpose dining areas, media centers, and administration

For surveys submitted by community colleges, "validate" includes:

- Review and document the approval of each new site and official designation
- Review the inventory database from the Division of Community Colleges, including nonvocational, vocational, and total capital outlay FTE enrollment projections per site and per college
- Utilize and review the documentation of programs offered by site submitted by the Division of Community Colleges as accurate for analysis of space requirements and needs
- Review documentation of how survey-recommendations will implement the detail of current campus master plans and integrate with local comprehensive plans and development regulations.

The boards are directed in s. 235.15, F.S., to arrange for the educational plant surveys at least every 5 years for the purpose of aiding in formulating plans for housing the educational program and student population. The surveys must include an inventory of existing educational and ancillary plants; recommendations for existing and new educational and ancillary plants, including the general location of each in coordination with the land use plan; campus master plan update and detail for community colleges; and the use of school plants based on extended school day or year-round operation. Surveys completed after June 30, 1997, must use uniform data sources and criteria. Plant surveys completed after June 30, 1995, and before July 1, 1997, must be revised to comply and the new survey supersedes previous surveys.

Each district's survey must reflect the capacity of existing facilities as reported in the Florida Inventory of School Houses, and projections of facility space needs must not exceed the minimum space and occupant design criteria established by rule of the State Board of Education. Existing and projected capital outlay FTE must be consistent with department data.

Definitions

Section 235.011, F.S., identifies an "ancillary plant" as one comprised of the building, site, and site improvements necessary to provide such facilities as vehicle maintenance, warehouses, maintenance, or administrative buildings necessary to provide support services to an educational program. This is different from an "auxiliary facility", which refers to the spaces located at educational plants which are not designed for student occupant stations.

Relocatables

Relocatables are included in the school district inventory of facilities and are currently rated at 100 percent of actual student capacity for purposes of the inventory. For future needs determination, how to count relocatables has changed several times; in 1988 and 1989, relocatables were counted as 100 percent in determining future needs; from 1990 to 1994, relocatables were counted as 50 percent. In 1995-1996, they were not counted; however, an adjustment had to be made for deficiencies in core space because of the use of the relocatables. As of May 30, 1997, for future needs determination, relocatables are counted at 75 percent of actual student capacity with an adjustment for deficiencies in core space because of the use of the relocatables. If schools have permanent educational facilities, the adjustment formula is:

$$75\% \times (\text{Permanent classrooms} / \text{relocatable classrooms}) = \text{Adjustment}$$

The adjustment may not exceed 100 percent.

The Uniform Building Code or the *State Requirements for Educational Facilities, 1997* currently has standards for relocatables relating to stability of construction, fire and moisture protection, air quality and ventilation, wind resistance, meeting building codes and accessibility requirements of the Americans with Disabilities Act of 1990.

Survey Criteria

Criteria for surveys is as follows:

Facility Type	Survey Criteria/Requirements
Special facility, joint-use facility, or cooperative vocational education facility - Joint-use facility space needs - School district's facility space needs	Must be based on capital outlay FTE data prepared by the department for school districts, Division of Community Colleges for community colleges, Board of Regents for state universities. - Based on the respective space needs of the school districts, community colleges, and universities, as appropriate. - Projections may not exceed the minimum space and occupant design criteria in State Board of Education rule.
Community College	Must reflect capacity of existing facilities as listed in inventory of Division of Community Colleges. Space need projections must comply with standards for determining space needs in State Board of Education rule. 5-year capital outlay student enrollment projection must be consistent with annual report of capital outlay FTE prepared by the Division of Community Colleges.
State University	Must reflect capacity of existing facilities as specified in inventory maintained and validated by Board of Regents (BOR). Space need projections must be consistent with standards for determining space needs approved by BOR. Projected capital outlay FTE enrollment must be consistent with 5-year planned enrollment cycle for SUS approved by BOR.

If a deviation is justified by the appropriate entity (department or BOR), space needs in educational plant survey may include space needs which deviate from approved standards. The department is to review and validate surveys and amendments for compliance with the standardized measures and recommend those in compliance for State Board approval.

State Sources for Capital Outlay Funding for Educational Facilities

The national average of state contribution to local school construction is 10 percent. Historically, Florida has provided about 25 percent of the total capital outlay funding for educational facilities. The actual percentage varies from year-to-year depending on available funds, but typically ranges from 20 percent to 30 percent. According to a report conducted by the United States General Accounting Office on school facilities in November, 1995, Florida ranks as the number 1 contributor in total state dollars to local school construction. The same report showed that Florida ranks number 3 in the nation for capital outlay contributions per pupil. Ten states reported no regular, ongoing programs to assist districts with construction costs, although some have provided one time appropriations for facilities or considered proposals for funding school construction.

Florida has provided financial assistance for school facilities construction since 1947. There are two significant state sources of capital outlay funding and one lesser source.

Public Education Capital Outlay and Debt Service Trust Fund (PECO) is a primary source of state capital outlay funding for Florida's school districts, community colleges, and the State University System. It is the only state capital outlay fund source for state universities. PECO funds are generated by a 2.5 percent levy

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 5

on the gross receipts of utility companies and municipal corporations that provide electricity, natural gas, and telecommunication services and those that transmit co-generated electrical power. PECO funds are used not only for new construction, but also for remodeling, renovation, repair, and site improvement of educational facilities.

Section 235.15(2)(a), F.S., specifies that upon request for release of PECO funds for planning or construction purposes, certification must be made to the department that the need and location of the facility comply with the board-approved survey recommendations and that the project meets the definition of a PECO project and the limiting criteria for expenditures of PECO funding. Additionally, the construction documents must meet the requirements of the State Uniform Building Code for Educational Facilities Construction (Uniform Building Code).

The Educational Facilities Act in chapter 235, F.S., requires that all educational facilities comply with the provisions of the Uniform Building Code. The State Board of Education is charged in s. 235.26, F.S., with adopting the Uniform Building Code. It is not the intent of the Uniform Building Code to inhibit the use of new materials or innovative techniques or specify or prohibit materials by brand names. The Uniform Building Code is to be flexible enough to cover all phases of construction to ensure that educational facilities are safe, healthy places. Facilities built in compliance with the Uniform Building Code are exempt from local building codes, permitting fees, and inspections.

All plans for construction, renovation, remodeling, or demolition of educational or ancillary plants must conform to the Uniform Building Code. The department is charged with developing standards in the Uniform Building Code which relate to:

- Relocatables used primarily as classrooms
- Sanitation of educational and ancillary plants and health of occupants
- Safety of occupants of educational and ancillary plants
- Physically handicapped
- Accessibility for children
- Energy efficiencies
- Maximum and minimum net square footage per student for new construction initiated by a district after June 30, 1997; the maximum net square footage per student may not be more than the minimum net square foot per occupant listed in the State Requirements for Educational Facilities, 1997. The initiation of new construction can include design and planning phases and design and planning contracts executed by the district school board on or before June 30, 1997 .
- Maximum allowable space for electrical, heating, ventilation, and air conditioning equipment will be an additional 6 percent of the net area of the building. For general circulation, interior and exterior walls, roof overhangs, and open malls the maximum allowable space will be 22 percent of the net square footage of the total facility for prekindergarten through grade 5 or 6 schools and 30 percent for grade 6 through postsecondary schools. The grade 6 through postsecondary schools include ancillary and broadcasting stations.

In 1995, the function of ensuring facilities comply with the Uniform Building Code for Educational Facilities was transferred from the Office of Educational Facilities (OEF) in the Department of Education to the school districts. Other functions which were also given to the districts at the same time were: determining the needs for educational facilities, inspecting facilities during construction and before occupancy, and ensuring facilities provide healthy and safe education environments.

A 1997 Office of Program Policy Analysis and Government Accountability (OPPAGA) study found that these decentralization efforts reduced state costs by approximately \$2.3 million and streamlined the construction process. Although the construction process was expedited, the study also reported that many districts were concerned because of increased workloads, responsibilities and costs, and inconsistent application of the Uniform Building Code.

Special Facility Construction Account is a part of the Public Education Capital Outlay and Debt Service Trust Fund. It is a separate account, in an amount determined by the Legislature. It is used to provide necessary

construction funds to school districts which have urgent construction needs but which lack sufficient resources at present, and cannot reasonably anticipate sufficient resources within the period of the next 3 years, for construction from currently authorized sources of capital outlay revenue. A school district requesting funding from the Special Facility Construction Account submits one specific construction project to the committee.

The department is to encourage a construction program that reduces the average size of schools in the district. The district's request must meet the following criteria to be considered by the committee:

- Deemed a critical need and recommended for funding by the full committee - The recommendation for funding is achieved by a preapplication review by the committee or a project review subcommittee, which can be convened by the full committee and consists of two department representatives and two members who are school district staff from a district other than the district submitting the project. The review of the project proposal and existing facilities must take place within 60 days after the request for the preapplication review is received.

If a project is on a district's five-year school construction plan, and design and planning contracts were executed before or on June 30, 1997, and re-designing the project would require additional expenses or delay the Phase III plans from being ready for submittal on August 1, 1997, the intent was not to delay the project for lack of a preapplication conference. To determine if the project is a critical need, the following items, at a minimum, will be considered:

- Capacity of all existing facilities in the district according to the Florida Inventory of School Houses
- District's pattern of student growth
- District's existing and projected capital outlay FTE as determined by the department
- District's existing satisfactory student stations
- Use of all existing district property and facilities
- Grade level configurations
- Information affecting the need for the proposed project
- Recommended in the most recent survey or surveys by the district under the rules of the State Board of Education
- Must appear on district's approved project priority list under rules of State Board of Education
- Must have district selected and approved site for construction project in compliance with current statutory requirements and State Board rule
- District school board must have an adopted facility list that is developed in accordance with the minimum net square feet occupancy requirements under the rules of the State Board of Education. The list must also be developed using all possible programmatic combinations for multiple use of space to obtain maximum daily use of all spaces within the facility under consideration.
- Total project cost, including change orders, must not exceed:
 - Adjusted statewide average cost per gross square foot, adjusted for local construction costs by the construction cost index and the 5-year statewide average inflation rate
 - Minimum square footage per student specified in the State Requirements for Educational Facilities, 1997
 - Adjusted statewide average cost per student station
- Signed agreement by district school board to advertise for bids within 30 days of receipt of encumbrance authorization

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 7

- Districts must levy the additional 2 millage against their nonexempt assessed property value at the time of the funding request and for the next 3 years; however they will be required to budget no more than 1.5 mills per year to the project
- Funds revert to Special Facility New Construction Account if contract is not signed 90 days after bid advertising unless the commissioner grants an additional 90 days
- Department must certify that the district is not able to fund the project over a continuous 3-year period using projected capital outlay revenue through the bonding provisions in s. 9(d), Article XII of the State Constitution and the additional 2 mill tax levy in s. 236.25(2), F.S.
- District must have on file with the department an adopted resolution acknowledging its 3-year commitment of all unencumbered and future revenue from bonds and the additional 2 mill levy
- Final phase III plans must be certified by the board as complete and complying with the building and life safety codes before August 1 (Phase III plans consist of final construction documents and blueprints; however, the project is initiated much earlier with the first 2 phases. Phase I documents the proposed facility's space size and location, and phase II documents include the mechanical components of the facility.)

The district school board must identify each fund source and the use of each proportionate to the project cost. PECO funds may not be used for landscaping; district school boards must provide landscaping by local funding sources or initiatives. However, the district school boards are now exempt from local landscape ordinances; they may either comply with the local requirements or the State Uniform Building Code for Public Education Facilities, whichever is less expensive.

Beginning July 1, 1997, each district school board must meet all instructional space needs of the respective educational sector before the board can spend PECO funds for any noninstructional space in new construction, renovation, or remodeling; instructional space needs must be met before non-instructional space needs are addressed. If a district has insufficient classroom space, PECO dollars cannot be spent on non-instructional space, such as offices or maintenance buildings. Instructional space needs expenditures may include site acquisition, new construction, renovation, remodeling, and the costs of such services of school district personnel directly related to renovation or remodeling.

PECO funds may not be used for any new construction with a total contract cost, including change orders, of more than 110 percent of the adjusted statewide average total construction cost per gross square foot, adjusted for local construction cost and the 5-year average statewide inflation rate. Operating funds must be used to pay any part of the total construction cost, including costs from change orders, which are more than 110 percent of the adjusted statewide average total construction cost per gross square foot. Additionally, operating funds will be used to pay for any new construction, renovation or remodeling of noninstructional space before the instructional space needs were met.

However, the commissioner may waive these requirements and the requirement that all new construction initiated by a school board after June 30, 1997, must not be more than the adjusted statewide average construction cost per student station for the previous year. To waive these requirements, the commissioner must be satisfied that the requested waiver is justified for a specific project.

Construction initiated by a district school board after June 30, 1997, must not exceed the minimum square footage per student defined by the *State Requirements for Educational Facilities, 1997*. New construction is considered to be initiated when districts are in design and planning phases of projects. It was not the intent of the Legislature to require that additional excessive dollars be expended to re-design a project which was in the design or planning phase nor to require districts to change project decisions which were previously adopted by the school board.

Additionally, the term "new construction" is for instructional space needs and includes renovation, remodeling and costs of such services directly related to renovation or remodeling. Renovations, additions, or alterations are to be treated in the same context as stand-alone new construction. If new construction can be accomplished using frugal construction practices more cost effectively and with less cost per square foot than renovation or remodeling, the legislative intent appears to be for the most cost effective decision to be made. If a cost benefit analysis indicates that the district will save more money over a long period through new construction rather than remodeling, the decision to be made is in terms of the long term benefits.

The department is charged with the responsibility of computing:

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 8

- Statewide average construction costs for each calendar year for:
 - facilities serving each instructional level
 - relocatable educational facilities
 - administrative facilities
 - other ancillary and auxiliary facilities
- For each instructional level, adjusted statewide average total construction costs, which will not include any new construction project that exceeded the statewide average contract cost for new construction by more than 10 percent. The total construction cost will include contract costs, legal and administrative costs, architect and engineering fees, furniture and equipment, and site improvement costs; however, it will not include cost of purchasing or leasing the site for construction.

School District and Community College Capital Outlay and Debt Service Trust Fund (CO&DS) is constitutionally authorized and is a source of capital outlay funds for public schools and community colleges. CO&DS funds are derived from motor vehicle license tag fees and are distributed according to the formula established by Article XII, section 9(d) of the State Constitution.

Pari-mutuel Wagering Trust Fund consists of a tax on pari-mutuel wagering from which some school districts receive funds. Each county government receives an equal share of the pari-mutuel tax. In fiscal year 1996-1997, each county government received \$446,500 in pari-mutuel funds. The county must provide all or part of the revenue to the district school board if required by local or special law. Otherwise, the revenues are used at the discretion of the board of county commissioners.

Local Capital Outlay Sources Available to School Districts

Each district school board may levy up to 2 mills of non-voted, ad valorem tax for the capital outlay purposes defined by s. 236.25(2), F.S. The statute has been amended many times since 1980 to give school districts more flexibility in using this local revenue source.

Before 1997, the law allowed the proceeds to be used for:

1. Survey recommended new construction and remodeling projects, sites and site improvement or expansion, existing sites, and auxiliary, athletic, or ancillary facilities.
2. Maintenance, renovation, and repair of existing school plants or leased facilities.
3. Purchase, lease-purchase, or lease of school buses and other vehicles used in district operations.
4. Purchase, lease-purchase, or lease of new and replacement equipment.
5. Lease-purchase payments on educational facilities and sites entered into by a school board, pursuant to s. 230.23(9)(b)5., F.S., or s. 235.056(2), F.S.; however, these payments may not exceed 75 percent of the proceeds of the millage levied. Section 230.23(9)(b)5., F.S., allows leases or lease-purchase arrangements with private individuals or corporations for the rental of necessary grounds and educational facilities for school purposes or of educational facilities to be erected for school purposes. Usually lease purchase agreements are for 1 year and are renewed annually. If the agreement is for a period greater than 12 months, an approving referendum must be held. All the contracts and building plans must be approved by the department. Educational facilities are defined as the buildings and equipment which are built, installed, or established to serve educational purposes and which may lawfully be used. Section 235.056(2), F.S., authorizes boards to enter into short-term leases of the use of land owned by any person on which temporary or relocatable facilities are to be used.
6. Repayment of loans and debt service authorized under ss. 237.161 and 237.162, F.S., to purchase school buses, land, and equipment for educational purposes; construct or alter educational facilities; purchase certain insurance; and eliminate major emergency conditions or safety hazards that pose an immediate danger.
7. Compliance with state and federal environmental statutes and regulations governing school facilities.

8. Leasing relocatable facilities and renting or leasing educational facilities and sites.

The Legislature has authorized other uses of the discretionary capital outlay millage. The General Appropriations Act Implementing Bills for fiscal year 1993-1994 and fiscal year 1994-1995 allowed districts to use unobligated proceeds of the discretionary capital outlay millage levy for one-time, nonrecurring expenditures for classroom instructional materials, including consumable and non-consumable supplies, materials, textbooks, and equipment. If a district uses this revenue for unauthorized purposes, the district is penalized by an equal dollar reduction in Florida Education Finance Program (FEFP) funding.

However, with the passage of HB 2121 in 1997, this additional 2 mills is to be used only for capital expenditures after July 1, 2004. Capital expenditures are considered to include more than just facilities. They are identified as:

- Facilities: Construction, renovation, remodeling, and repair of educational facilities
- Equipment: Purchase, lease, or lease-purchase of equipment, buildings, and materials directly related to instruction
- Transportation: Purchase, lease-purchase, or lease of school buses

The districts that have been using the revenue for uses other than capital expenditures will have a 7 year phase-down period to modify the use of the revenue. The following table shows the phase-down schedule for allowed expenditures.

	Allowed Expenditures	
	Capital Expenditures	Expenditures Other Than Capital, Including Salaries
FY 1997-1998		No more than 85 percent of amount spent in FY 1995-1996*.
FY 1998-1999		No more than 70 percent of amount spent in base year*.
FY 1999-2000		No more than 55 percent of amount spent in base year*.
FY 2000-2001		No more than 40 percent of amount spent in base year*.
FY 2001-2002		No more than 25 percent of amount spent in base year*.
FY 2002-2003		No more than 10 percent of amount spent in base year*.
After July 1, 2004	Capital expenditures for facilities, equipment, and transportation	None

* FY 1995-1996 is the base year.

A district which violates the restrictions on spending the 2 mills on expenses other than capital expenses will have its appropriated FEFP operating funds reduced accordingly the following year. The restrictions on how the 2 mills is spent will not apply to a district that certifies to the Commissioner of Education that the district's instructional space needs can be met for the next 5 years from capital outlay sources that the district reasonably expects to receive.

HB 2121 provides for a review of the 2 mill authorization and the phase-down by the Legislature before July 1, 2004, and a repeal at that date unless re-enacted by the Legislature.

Voter-approved Additional Millage Levies/Bonds

A district school board may levy ad valorem tax in excess of the constitutional cap of 10 mills for up to two years with voter approval and for more than two years for voter-approved bond issues backed by ad valorem taxes. During the past ten years, voters approved 20 of 26 proposed bond issues. Voters approved 2 of the 3 bond issues proposed during the past five years.

0.5 Percent Sales Surtax for School Capital Outlay

In 1995, the Legislature authorized a local option "half-penny" sales tax for educational capital outlay. Each district school board may levy, with approval by referendum, a discretionary sales surtax of up to 0.5 percent on all items subject to state sales tax (except for amounts exceeding \$5,000 on any item of tangible personal property or long distance service). School districts may use the proceeds of the tax to fund school capital outlay projects, technology implementation, and to pay debt service on bonds, but may not use the proceeds for operating expenses. Each district that levies the surtax must freeze discretionary noncapital property taxes for at least 3 years at the assessment level of the year prior to implementing the surtax.

In 1995, voters approved a half-penny sales tax for educational capital outlay in Monroe County; the initiative failed in Broward, Desoto, Hillsborough, Pasco, St. Lucie, and Leon counties. In 1996, voters of Gulf, Jackson, Santa Rosa and St. Lucie counties approved the half-penny tax.

Districts also use operating funds to meet capital outlay needs.

Local Government Infrastructure Sales Surtax

County governments may dedicate all or part of their local option sales tax for school-related purposes. Okaloosa levies and dedicates a full cent to the local school board. Hillsborough, Manatee, and Sarasota counties allocate part of their one cent levy for education capital outlay.

Impact Fees

At least 14 counties impose impact fees on new residential construction for school-related capital improvements. The counties are Citrus, Collier, Dade, Hernando, Hillsborough, Lake, Martin, Orange, Osceola, Palm Beach, St. Johns, St. Lucie, Seminole, and Volusia.

**Local Options for Raising Revenue Through Sales Tax and Impact Fees
County Actions**

County	Local Government Infrastructure Sales Surtax ^a					0.5 Percent Sales Surtax ^b				Impact Fees (\$ million) ^c
	Pass/Ref Date	Yrs.	5 Year Amount	Percent of Vote For	Percent of Penny ^d	Pass/Ref Date	Yrs.	Percent of Vote For	5 Year Amount	
Broward						N 9/95		29.1%		Unknown
Citrus										.20
Collier										5.75
Dade										11.00
DeSoto						N 11/95		32.6%		
Gulf						Y 11/96	20	56.1%	2.2	
Hernando										1.15
Hillsborough	Y 9/96	30	90.2	52.9%	.125					.30

Jackson						Y 3/96	10	77.7%	7.7	
Lake										2.19
Leon						N 10/95		37.9%		
Manatee	Y 4/94	5	19.4	56.3%	.75 cent					
Martin										.44
Monroe						Y 10/95	10	72.2%	47.1	
Okaloosa	Y 5/95	4	22.7	66.1%	1 cent					
Orange										6.12
Osceola										1.43
Palm Beach										1.62
Pasco						N 9/95		36.0%		
Putnam										0.00
St. Johns										Unknown
St. Lucie						Y 3/96	10	74.5%	35.5	1.10
Santa Rosa						Y 5/97	10	79.0%	15.0	
Sarasota	Y 6/89	10	55.9	51.0%	.25 cent					
Seminole										2.50
Volusia										1.90

^a Sales Surtax - Referendums, DOE Educational Facilities Budgeting, 6/6/97

^b Educational Revenue Estimates for FY 1998-99 - FY 2002-03, Economic and Demographic Research Division, JLMC, 9/10/97

^c Estimated receipts are for FY 97-98 from Impact Fees, Economic and Demographic Research Division, JLMC, 8/22/97

^dPercentage of penny used for educational capital outlay.

Statutory Revisions to Increase Local Control and Promote Innovative Techniques

In 1995, the Legislature substantially revised chapter 235, F.S., to give school districts, community colleges, and the State University System greater control and flexibility in planning and constructing educational facilities. Provisions were enacted that allow and encourage increased use of innovative construction management. The role of the Department of Education shifted from regulatory and compliance functions to technical assistance. Each board assumed responsibility for the required survey of educational facility needs. Absent uniform standards for the conduct of these surveys, it is difficult for the Legislature, the Governor, or the Department of Education to confidently project needs.

Auditing Requirements

The Auditor General is charged in s. 11.45(3)(a)1., F.S., to annually make financial audits of the accounts and records of all district school boards. A district school board may select an independent auditor to perform a financial audit. Additionally, they may employ an internal auditor. Section 11.45(1)(b), F.S., defines a financial audit as an examination of financial statements in order to express an opinion on the fairness with which they present financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Financial audits must be conducted in accordance with generally accepted auditing standards and governmental auditing standards as adopted by the Board of Accountancy.

Additionally, HB 2121 requires that OPPAGA and the Auditor establish a system for jointly reviewing school district operations to determine if they meet best financial management practices as established by the commissioner. If a district uses resources efficiently, complies with generally accepted accounting principles and the state and federal laws, supports performance accountability systems, and controls cost it will receive a "Seal of Best Financial Management", which is effective for a 3-year period. The district can apply for the review and will pay for 50 percent of the cost unless money is appropriated by the Legislature or the review is part of a required or requested school district performance review pursuant to s. 11.515, F.S. or s. 230.2302, F.S.

The financial management practice reviews by OPPAGA will be completed in 6 months and result in a report sent to the district and, if needed a 2 year plan of action for improvement. If a school board chooses to implement the plan, which needs a majority-plus-one vote, they will submit an annual progress report identifying changes in operational areas affecting compliance. The district will also undergo an annual review by OPPAGA, which is in addition to the required annual financial audit.

B. EFFECT OF PROPOSED CHANGES:

Best Financial Management Practices

The best financial management practices will be updated periodically after consulting with the Legislature, the Governor, OPPAGA, and the Auditor General. Additionally, the practices will be required to instill public confidence in the following specific areas:

- Efficient use of resources,
- Accounting principles
- Performance accountability systems
- Cost control systems

Districts will be authorized to apply for a complete review of best financial management practices or a partial review of specific components such as management, personnel, facilities, transportation, and food and nutrition services. The complete review will continue to cost the district 50 percent of the cost unless funding for the entire cost is specifically provided by the Legislature. A partial review will cost a district 75 percent of the cost.

All reviews must still be completed within 6 months. If a district is found to comply with the best financial management practices, it will receive a "Seal of Best Financial Management" designation which will be effective for 5 years.

Definitions

The definitions for "maintenance and repair" and "renovation" are clarified in the definitions section of the Educational Facilities chapter of the Florida Statutes, s. 235.011, F.S.

"Maintenance and repair" retains the same definition except for the clarification that the term does not include custodial or groundskeeping functions.

"Renovation" has the same definition except for the clarification that "materials" as used in the "renovation" definition does not include instructional materials.

Core Facilities and Student Stations

When core facilities are constructed or renovated, the square footage standards, which are established by the department for facilities which receive any state funding, may be exceeded if the core space is being sufficiently sized to accommodate future classrooms due to increased enrollment. The legislative intent is to encourage core facilities to be constructed large enough to accommodate classrooms which are used when student population grows. So, as an example, if core facilities are sized to accommodate a school population of 200, and, rather than building for

200, the core facilities were initially built to service 240 students although the student population was 200, the extra space might not be used upon initial completion of the facility but could be used if student population grew and new classroom space was built or relocatables were used. Core facilities, such as the cafeteria, would still be of sufficient capacity to service the larger population without starting lunches at mid-morning.

A district school board is discouraged from adding relocatables when their use would result in student enrollment that would overload the core facilities by more than 120 percent of the design capacity. It is not the intent to discourage building adequate core space areas to use with state-of-the-art relocatables. Other growth management options which could be used to help prevent overloading of core space in existing facilities are: expansion of the core facilities, or operational methodologies, such as year-round scheduling, block scheduling, multitrack scheduling, leasing of space, rezoning, distance learning, or other sound management methodologies. Core space is generally identified as cafeteria or multipurpose dining area, media center, auditoriums, and toilet rooms.

The department's validation of cost projections will be reviewed for conformity with cost limits established in s. 235.435(6)(b), F.S., rather than state averages. The cost limits in s. 235.435(6)(b), F.S., are for a total cost per student station that equals not more than:

1. \$12,437 for an elementary school
2. \$12,744 for a middle school
3. \$16,782 for a high school, or
4. \$ 1,500 for a relocatable

These are 1997 costs and will be adjusted annually by increased construction costs as determined by the revenue estimating conference.

The validation will exempt auditoriums, as well as cafeterias, multipurpose dining areas, media centers and administration, from counting as space assigned for full-time student stations (or capacity). Additionally, art rooms and music rooms in elementary schools will be exempt from counting as space assigned for full-time student stations. The resource room and skills lab in elementary, middle, and high schools will not count as student capacity when they are in conformance with the design criteria in the *State Requirements for Educational Facilities*. Although these spaces specifically mentioned in this section dealing with surveys and validation of surveys are exempt from being counted as student capacity space, this is not a requirement for every school to have these types of spaces; rather, if a school contains these types of spaces, they are not counted as student capacity space.

Relocatables

The Department of Education is charged with establishing standards which provide guidelines for the use of relocatables. The guidelines are to discourage a district school board from adding relocatables to any school if their use results in an overcrowding situation. The guidelines will consider the school enrollment and the design capacity of the site and core facility space.

It is not the intent of the Legislature to discourage innovative and forward-looking construction practices. One such practice is to build adequate core facility space and use that space in conjunction with state-of-the-art relocatables.

The commissioner will adopt rules that establish standards for relocatables that are used as classroom space; and implement the rules by July 1, 1998. The standards will apply to prefabricated, factory-built, or site-built facilities that are designed to be portable, relocatable, demountable, or reconstructible and are used primarily as classrooms. The standards must ensure that relocatables used as classrooms provide acceptable classroom space. Additionally, standards for relocatables must include at least criteria relating to:

- Stability of construction
- Low-maintenance features

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 14

- Fire and moisture protection
- Air quality and ventilation
- Wind resistance
- Meeting building code and accessibility requirements of the Americans with Disabilities Act of 1990 (ADA)
- Adequacy of core space of the school where the relocatable is sited
- Adequacy and accessibility of covered walkways
- Accommodation for technology
- Safety and security of onsite installation
- Life-cycle guarantee.

The rules established by the commissioner may also provide for reasonable exceptions, including exceptions for relocatables which are used as classroom space for transitional purposes for up to 3 years. The commissioner may also include other exceptions in the rules. Examples of exceptions which could be made for relocatables are exemptions from the following standards: low-maintenance features, adequacy of core space, covered walkways, accommodation for technology, and the life-cycle guarantee.

On the plant survey for PECO project funding, for future needs determination, only those relocatables that meet the standards will be counted.

Educational Plant Surveys/ PECO Project Funding

Educational plant surveys are required to include utilization of leased space. Surveys completed after December 31, 1997, must use the uniform data sources and criteria outlined in HB 2121. However, the commissioner can waive this requirement. If surveys were completed between June 30, 1995, and January 1, 1998, they must be revised using the uniform data sources and criteria outlined in HB 2121. The changes to those criteria specified in HB 2121 are identified below:

Minimum to Normal - The maximum projections of facility space needs may not exceed the normal space and occupant design criteria established by rule of the State Board of Education. This is a change from the requirement that the needs not exceed the minimum criteria.

Relocatable Count - Relocatables that meet the prescribed standards are to be included in the school district inventory of facilities and, for purposes of the inventory, must be rated at 100 percent. For future needs determination, rather than the 75 percent count required by HB 2121, only those relocatables that meet the standards pursuant to the newly created section of HB 3-A, s. 235.061, will be counted at 100 percent.

Core Spaces - Since the Legislature recognizes that core spaces are overcrowded when a school's population exceeds the design capacity of the core space by 120 percent, the department is directed to establish guidelines for the use of relocatables that discourage school districts from using relocatables when their use results in overcrowding. The guidelines are to consider the site and core facility space design capacity.

The intent is to not discourage forward-looking construction practices such as building adequate permanent core space areas for use with state-of-the-art relocatables; to not discourage year-round scheduling, block scheduling, multitrack scheduling, leasing of space, rezoning, distance learning, or other methodologies that exhibit sound management to reduce need for permanent student stations; and to commend districts which engage in such sound management practices. The use of relocatables is not intended to impair the ability of the districts to build permanent classroom space. Districts are encouraged to manage facilities so that enrollment does not exceed 120 percent of design capacity of core space.

The department will review and validate the surveys of schools districts and community colleges.

Uniform Building Code Standards

Site-built facilities, just like prefabricated, factory-built facilities, which are designed to be portable, relocatable, demountable, or reconstructible and are used primarily for classrooms are required to comply with the sanitation and safety standards. One of the factors which the department, the board, or the review agent is to take into consideration in reviewing plans for approval, is the "life-cycle cost considerations." Now this factor also includes life-cycle needs and cost considerations.

Funds for Comprehensive Educational Plant Needs

The building life assumption may be less than 50 years, as appropriate in the calculation for allocation of funds for remodeling, renovation, maintenance, repairs, and site improvement from PECO and Debt Service Trust Fund. For relocatables, the life cycle of 20-year may be more, as appropriate.

The department is required to establish guidelines for maintenance and repair schedules and guidelines for remodeling and renovation versus new construction. School boards are encouraged to follow the department's guidelines.

A school board's adopted facility list will be developed with the net square feet occupancy requirements as listed in the *State Requirements for Educational Facilities* rather than the minimum net square feet occupancy requirements listed in the *State Requirements for Educational Facilities*.

The total cost per student station, including change orders, will not exceed the 1997 costs of \$12,437 for an elementary school; \$12,744 for a middle school; \$16,782 for a high school; or \$1,500 for a relocatable as adjusted by the increased costs of construction as determined by the revenue estimating conference. There is no longer a requirement that the total project cost not exceed the adjusted statewide average.

The requirement that each district school board must meet all classroom and core facility space needs before using PECO or School District and Community College District Capital Outlay and Debt Service Trust Fund monies for ancillary spaces is clarified. In addition to site acquisition, new construction, renovation, and remodeling, expenses for classroom and core facility space needs include maintenance, repairs, and directly related costs of such services of school district personnel.

It is not legislative intent to preclude the use of capital outlay funding for labor costs necessary to accomplish authorized uses. Day-labor contracts or any other educational facilities contracting and construction techniques allowed in s. 235.211, F.S., are authorized. A district is allowed to use funding for salaries of salaried maintenance staff whose duties consist solely of performing the labor necessary to accomplish the authorized uses for the capital outlay funding. A district is allowed to prorate salaries and use capital outlay funding for staff whose duties are only partially to perform the labor necessary to accomplish the authorized uses for the capital outlay funding.

Limits are set for any new construction funded from PECO or the School District and Community College District Capital Outlay and Debt Service Trust Fund at a total cost per student station more than \$12,437 for an elementary school; \$12,744 for a middle school; \$16,782 for a high school; or \$1,500 for a relocatable. These costs are 1997 costs and are to be adjusted by the increased costs of construction as determined by the revenue estimating conference.

The commissioner is allowed to grant waivers of cost ceilings for projects for which no state money is spent and projects of districts where all classroom and core facility space needs for the next 5 years are met from capital outlay sources that the district reasonably expects to receive during the next 5 years or alternative scheduling or construction, leasing, rezoning, or technology methods which have sound management.

PECO or School District and Community College District Capital Outlay and Debt Service Trust Fund monies may not be used for any new construction of an ancillary plant that exceeds 70 percent of the average cost per square foot of all new school construction.

New construction initiated by a district school board after June 30, 1998, to be funded by PECO or CO&DS may not exceed the cost per student station limits stated above unless a waiver is granted or an exception is otherwise provided.

The department will compute the statewide average costs per student station for each instructional level rather than the adjusted statewide average total construction costs for each level. The cost per student station includes contract costs, legal and administrative costs, fees of architects and engineers, furniture and equipment, and site improvement costs. The cost per student station does not include the cost of purchasing or leasing the site for the construction.

Waivers

The commissioner is allowed to provide, through standards established in rules, waivers from certain requirements relating to plant surveys, need projections, and cost ceilings. Special consideration may be given for waivers for school district projects which spend no state money; or districts that certify that all of their instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive or alternative scheduling or construction, leasing, rezoning, or technological methods exhibiting sound management. The commissioner must report to the Legislature and the Governor by January 1 each year on the prior year's granted waivers.

Two Mill Levy/Maintenance/Exception to Restrictions

Maintenance as described in s. 235.435(6)(a), F.S., is an allowed usage of the 2 mill levy. This is in addition to costs of construction, renovation, remodeling, and repair as allowed usages. The 2 mill levy allows expenditures on construction materials which are directly related to the delivery of student instruction. Additionally, the millage may be used for the opening day collection for the library media center of a new school. This is a one time purchase for use when a new library media center is initially constructed.

An exception to the expenditure restrictions is allowed to any school district that certifies to the commissioner that all of the district's instructional space needs for the next 5 years can be met from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management.

Repeal of Section 12 of Chapter 97-265, Laws of Florida

The portion of HB 2121 which sunsetted the phase-down and the authority of the district board to levy additional millage is repealed.

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?

HB 3-A reduces some of the rules and regulations related to the design and construction of educational facilities. Although the department is currently charged with establishing standards for all types of space, HB 3-A specifically states that these standards must provide guidelines for use of relocatables; that the commissioner must adopt rules that establish standards for relocatables that are used as classroom space. Additionally, the department must establish guidelines for maintenance and repair schedules; and remodeling and renovation versus new construction.

The commissioner is authorized to adopt standards for the provision of waivers relating to plant surveys, need projections, and cost ceilings. An annual report to the Legislature and Governor must be given by they commissioner on all granted waivers.

The department is no longer required to develop, as a part of the Uniform Building Code (UBC), standards relating to the square footage per student limits or maximum allowable space for noninstructional elements.

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

Some additional responsibilities are assigned to DOE, OPPAGA, the Auditor General and school districts. The commissioner is given the authority to grant waivers and adopt some additional rules; the department will provide training and work guidelines for districts and update the best financial management practices criteria after consulting with OPPAGA and the Auditor General. However, most of the responsibilities assigned in HB 3-A are clarifying and refining responsibilities previously assigned.

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

N/A

- 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?

N/A

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

N/A

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

N/A

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. HB 3-A does repeal the future repealer of the law authorizing the two mill tax levy for capital outlay. This will enable the local districts to continue to have the option of the two mill levy.

3. Personal Responsibility:

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

N/A

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

N/A

4. Individual Freedom:

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

The bill reduces restrictive rules and regulations which should allow more freedom to the local school districts.

- 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?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

- 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?
N/A
- (2) service providers?
N/A
- (3) government employees/agencies?
N/A

D. STATUTE(S) AFFECTED:

Amends sections 230.23025, 235.011, 235.014, 235.15, 235.193, 235.26, 235.435, 235.25, Florida Statutes; creates sections 235.061, 235.4351, Florida Statutes; reenacts section 235.41(3), Florida Statutes; repeals Section 12, Chapter 97-265, Laws of Florida.

E. SECTION-BY-SECTION RESEARCH:

Section 1 Amends s. 230.2305, F.S., to allow the best financial management practices adopted by the Commissioner of the Department of Education to be updated periodically after consulting with the Legislature, the Governor, OPPAGA, and the Auditor General. Requires that the practices instill public confidence in efficient use of resources, accounting principles, performance accountability systems, and cost control systems rather than simply addressing those specific areas.

Authorizes districts to apply for a complete review of best financial management practices or a partial review of specific components such as management, personnel, facilities, transportation, and food and nutrition services. Requires district to pay 50 percent of cost of a complete review with some exceptions, and to pay 75 percent of cost of a partial review.

Section 2 Amends s. 235.011, F.S., to further refine and clarify definitions for "maintenance and repair" and "renovation." Specifies that "maintenance and repair" does not include custodial or groundskeeping. Clarifies that "materials" as used in the "renovation" definition does not include instructional materials.

Section 3 Amends s. 235.014, F.S., to allow the educational facility gross square footage standards to be exceeded when the core facilities are constructed or renovated so that the core space will be sufficiently sized to accommodate classrooms added in the future due to increased enrollment. Removes the allowance for standards to be exceeded when local operating funds are used. States that legislative intent is to encourage that core facilities be constructed in a sufficient size to accommodate transitional classrooms used when student population is increased.

Requires Department of Education to establish guidelines for use of relocatable classrooms based on student enrollment and capacity of core facilities.

Specifies that the department's validation of cost projections will be reviewed for conformity with cost limits established in s. 235.435(6), F.S., rather than state averages.

Exempts auditoriums, as well as cafeterias, multipurpose dining areas, media centers and administration, from counting as space assigned for full-time student stations. Exempts, in elementary schools, art rooms and music rooms from counting as space assigned for full-time student stations. Exempts, in elementary schools, resource rooms and skills labs as provided by the UBC from counting as space assigned for full-time student stations. Exempts

resource rooms as provided in the UBC for middle and high schools from counting as space assigned for full-time student stations.

Section 4

Creates s. 235.061, F.S., requiring commissioner to adopt rules that establish standards for relocatables; and implement the rules by July 1, 1998. Requires that standards for relocatables include stability of construction, low-maintenance features, fire and moisture protection, air quality and ventilation, wind resistance, meeting building code and accessibility requirements of the Americans with Disabilities Act of 1990 (ADA), adequacy of core space of the school where the relocatable is sited, adequacy and accessibility of covered walkways, accommodation for technology, safety and security of onsite installation, and a life-cycle guarantee. Allows rules to provide reasonable exceptions from the standards. Allows rules to include exceptions for transitional relocatables used as classroom space for up to 3 years.

Section 5

Amends s. 235.15, F.S., requiring educational plant surveys to include utilization of leased space. Allows commissioner to waive, as provided in s. 235.4351, F.S., use of uniform data sources and criteria in educational plant survey. Changes transition date when surveys must comply with new criteria from June 30, 1997, to December 31, 1997. Changes dates when surveys completed after June 30, 1995 must be revised to comply from July 1, 1997, to January 1, 1998.

Changes maximum for projections of facility space needs from minimum to normal space and occupant design criteria established by rule of the State Board of Education. Requires that, for future needs determination, relocatables meeting the standards in s. 235.061, F.S., will be counted at 100 percent rather than 75 percent of actual student capacity. Removed the provision of an adjustment for deficiencies in core space because of the use of relocatables.

States that the Legislature recognizes that core spaces are overcrowded when a school's population exceeds the design capacity of the core space by 120 percent. Directs department to establish guidelines for use of relocatables that discourage school districts from using additional relocatables when use would result in overcrowding. Requires guidelines to consider design capacity of site and core facilities. States that legislative intent is to not discourage: forward-looking construction practices such as building adequate core space areas for use with state-of-the-art relocatables; or operational strategies or methodologies that increase use of facilities and exhibit sound management to reduce need for permanent student stations, such as year-round scheduling, block scheduling, multitrack scheduling, leasing of space, rezoning, and distance learning. States that Legislature commends districts which engage in such sound management practices. States that intent is to: not impair the ability of the districts to build permanent classroom space; encourage districts to manage facilities so that enrollment does not exceed design capacity of core facility space.

Clarifies that department will review and validate the surveys of schools districts and community colleges.

Section 6

Amends s. 235.193, F.S., to replace "temporary or portable" with "relocatable."

Section 7

Amends s. 235.26, F.S., to require that department develop standards relating to site-built facilities. Requires that standards be designed to comply with s. 235.061, F.S.

Deletes requirement that department develop maximum and minimum net square footage per student for new construction initiated by district after June 30, 1997. Deletes requirement for use of minimum square footage per student specified in the State Requirements for Educational Facilities, 1997. Deletes requirements for maximum allowable space for noninstructional design criteria.

Changes "life-cycle cost considerations" to "life-cycle needs and cost considerations" as one of the factors to be considered by the department in reviewing plans for approval.

Section 8 Reenacts s. 235.41, F.S., to incorporate all items in s. 235.435, F.S., for inclusion in the commissioner's legislative capital outlay budget request.

Section 9 Amends s. 235.435, F.S., to allow use of a building life assumption of less than 50 years, as appropriate in the calculation for allocation of funds for remodeling, renovation, maintenance, repairs, and site improvement from PECO and Debt Service Trust Fund. Allows use of a 20-year life or more, as appropriate, for relocatables.

Requires the department to establish guidelines for maintenance and repair schedules and guidelines for remodeling and renovation versus new construction. Encourages boards to follow the department's guidelines.

Requires that a school board's adopted facility list be developed with net square feet occupancy requirements under the State Board of Education rules rather than minimum net square feet occupancy requirements.

Requires that the total cost per student station, including change orders, not exceed \$12,437 for an elementary school; \$12,744 for a middle school; \$16,782 for a high school; or \$1,500 for a relocatable as adjusted by the increased costs of construction as determined by the revenue estimating conference. Deletes the requirement that the total project cost not exceed the adjusted statewide average.

Clarifies requirement that each district school board must meet all classroom and core space needs before using PECO or School District and Community College District Capital Outlay and Debt Service Trust Fund monies for ancillary spaces. Clarifies that in addition to site acquisition, new construction, renovation, and remodeling, expenses for classroom and core facility space needs include maintenance, repairs, and directly related costs of such services of school district personnel.

Clarifies that it is not legislative intent to preclude the use of capital outlay funding for labor costs necessary to accomplish authorized uses. Authorizes day-labor contracts or any other educational facilities contracting and construction techniques allowed in s. 235.211, F.S. Allows a district to use funding for salaries of salaried maintenance staff whose duties consist solely of performing the labor necessary to accomplish the authorized uses for the capital outlay funding. Allows a district to prorate salaries and use capital outlay funding for staff whose duties are only partially to perform the labor necessary to accomplish the authorized uses for the capital outlay funding.

Provides that unless a cost limit waiver is granted by the commissioner under the provisions of s. 235.4351 (newly created), a district school board must not exceed specific limits for any new construction from PECO or the School District and Community College District Capital Outlay and Debt Service Trust Fund with a total 1997 cost per student station more than \$12,437 for an elementary school; \$12,744 for a middle school; \$16,782 for a high school; or \$1,500 for a relocatable as adjusted by the increased costs of construction as determined by the revenue estimating conference.

Deletes the requirement that total contract cost not exceed 110 percent of adjusted statewide average total contract cost; requirement that operating funds be used to pay any part of the total construction cost which exceeded the expense limits; and requirement that new construction initiated after June 30, 1997 not exceed the minimum square foot per student which is in the *State Requirements for Educational Facilities, 1997*, and the average construction cost per student station.

Limits use of PECO or School District and Community College District Capital Outlay and Debt Service Trust Fund for new construction of ancillary plant that exceeds 70 percent of the average cost per square foot of new construction for all schools.

Requires the department to compute the statewide average costs per student station for each instructional level rather than the adjusted statewide average total construction costs for each level. Requires that cost per student station include contract costs, legal and administrative costs, fees of architects and engineers, furniture and equipment, and site improvement costs. Requires that cost per student station does not include the cost of purchasing or leasing the site for the construction.

Section 10 Creates s. 235.4351, F.S., to allow commissioner to provide, through standards established in rules, waivers from certain requirements relating to plant surveys, need projections, and cost ceilings. Allows special consideration for waivers for school district projects which spend no state money; or districts that certify that all of their instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive or alternative scheduling or construction, leasing, rezoning, or technological methods exhibiting sound management.

Requires the commissioner to report to the Legislature and Governor by January 1 each year on the prior year's granted waivers.

Section 11 Amends s. 236.25, F.S., providing an exception for lease-purchase agreements entered into by a school board on or before July 1, 1997, to the requirement that revenue generated by the 2 mill levy be used only for specified costs. Adds maintenance as described in s. 235.435(6)(a), F.S., in addition to costs of construction, renovation, remodeling, and repair as an allowed usage of the 2 mill levy. Clarifies that 2 mill levy allows expenditures on construction materials and allows expenditures for the opening day collection for the library media center of a new school.

Allows an exception to the expenditure restrictions to any school district that certifies to the commissioner that all of the district's instructional space needs for the next 5 years can be met from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management.

Section 13 Repeals section 12 of chapter 97-265, Laws of Florida, (the future repealer of the authority of the district board to levy additional millage).

Section 14 Provides an effective date upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Undetermined at this time.

2. Recurring Effects:

Undetermined at this time.

3. Long Run Effects Other Than Normal Growth:

Undetermined at this time.

4. Total Revenues and Expenditures:

Undetermined at this time.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Undetermined at this time.

2. Recurring Effects:

Undetermined at this time.

3. Long Run Effects Other Than Normal Growth:

Undetermined at this time.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

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

N/A

D. FISCAL COMMENTS:

N/A

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

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

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

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

STORAGE NAME: h003A.gg

DATE: October 31, 1997

PAGE 24

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Legislative Research Director:

Ouida J. Ashworth

Peter C. Doherty

AS REVISED BY THE COMMITTEE ON GENERAL GOVERNMENT

APPROPRIATIONS:

Prepared by:

Legislative Research Director:

William Cecil Golden

Cynthia P. Kelly