

STORAGE NAME: h3069.go

DATE: March 27, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL OPERATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3069

RELATING TO: School Personnel/Salary Increases

SPONSOR(S): Representative Mackey and others

COMPANION BILL(S): SB 1166(i)

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

- (1) EDUCATION K-12 YEAS 7 NAYS 5
 - (2) GOVERNMENTAL OPERATIONS
 - (3) FINANCE & TAXATION
 - (4) EDUCATION APPROPRIATIONS
 - (5)
-

I. SUMMARY:

This bill prohibits the annual percentage salary rate increase given to school board members, and elected and appointed superintendents of schools, from exceeding the ***total*** annual percentage salary rate increase given to instructional personnel in their respective school districts.

It is unclear what the term "***total*** annual percentage rate increase" means.

The provisions of this bill may indirectly have a fiscal impact on school districts.

NOTE: An amendment adopted in the Committee on Education (K - 12), and which is traveling with this bill, may be used to circumvent a basic provision of the bill.

The amendment provides that limits on salary increases shall not include increases in "salary, compensation, or benefits *based on performance* approved by the school board". (emphasis is the researcher's)

Barring criteria as to what "performance" means, the amendment may provide the opportunity for any performance to be defined as qualifying for increases in salary, compensation, or benefits, if a school board approves such performance for compensation-related increases.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Salaries of school board members, district superintendents, and instructional personnel are generated from state and local funds and constitute a major operational expenditure for school districts. Base salary rates and annual salary increases for instructional personnel are negotiated as part of collective bargaining agreements between school districts and teachers unions. For purposes of collective bargaining agreement salary negotiations, "instructional personnel" typically include classroom teachers, guidance counselors, media specialists, and school psychologists.

Section 230.321, F.S., requires school boards to pay an appointed superintendent "a reasonable annual salary," determined by such factors as the population of the district, its rate of growth, size of the student body, geographic size of the district, number of schools and the qualifications of the candidate. Article II, Section 5 of the Florida Constitution, however, requires that the compensation and method of payment of *elected* state and county officers be fixed by law. Consistent with this requirement, base salary rates of district school board members and elected superintendents are established by the following sections of statute:

- Section 230.202, F.S., establishes the base salary and group rate salary factor (for population increments over the minimum for each population group) for compensation of school board members, based on population of the member's county.
- Section 230.303, F.S., establishes the base salary and group rate salary factor (for population increments over the minimum for each population group) for compensation of elected superintendents, based on population of the member's county. A school board may, however, approve a salary in excess of the amount specified in statute for an elected superintendent by majority vote.

Policies regarding salary increases for county officials, including district school board members and elected superintendents of schools are included in the following sections of statute:

- Section 145.16, F.S., prohibits special or general laws of local application pertaining to the compensation of local officials, including elected superintendents of schools and district school board members.
- Section 145.19, F.S., places a limit on the annual percentage salary adjustment which local officials, including superintendents of schools and district school board members, may receive.

Each fiscal year, the salaries of local officials to which this section applies are adjusted first by an "initial factor," then by a "cumulative annual factor," and finally by an "annual factor". The "adjusted salary rate" of these officials is the product of the base salary rate granted by the appropriate section of statute, multiplied by these three factors. The following salary increase formulas are defined by s.145.19, F.S.:

- The "annual factor" is annually certified by the Department of Management Services and is equal to "...1 plus the lesser of: 1) the average percentage increase in the salaries of state career service employees for the current fiscal year as determined

- by the Department of Management Service or as provided in the General Appropriations Act; or 2) seven percent.”
- The “cumulative annual factor” is annually certified by the Department of Management Services and is the product of all annual factors certified under s. 145.19, F.S., prior to the current fiscal year.
 - The “initial factor” is a factor of 1.292 (which is a product of an earlier cost-of-living increase factor authorized by chapter 73-173, Laws of Florida, multiplied by the annual increase factor authorized by chapter 79-327, Laws of Florida).

The Department of Management Services reports the following salary adjustment factors pertaining to annual salary increases for county officials, including district school board members and elected superintendents:

	FY 1995-96	FY 1996-97	FY 1997-98
Initial Factor	1.2920%	1.2920%	1.2920%
Cumulative Annual Factor	2.0801%	2.1646%	2.2880%
Annual Factor	1.0406%	1.0570%	1.0496%

Salary data compiled by the Department of Education for the 1995 and 1996 school years indicate the following:

**Statewide Average Salaries for Selected Positions
Fall 1995 and Fall 1996**

Position	1995-96 Average Salary	1996-97 Average Salary	Percent Increase
Superintendent (elected and appointed)	\$ 86,837	\$ 89,506	3.07%
School Board Member	\$ 20,513	\$ 21,593	5.27%
Instructional Personnel/ Guidance	\$ 38,216	\$ 38,890	1.76%
Instructional Personnel/ Media Specialist	\$ 36,811	\$ 37,630	2.22%
Instructional Personnel/ School Psychologist	\$ 42,946	\$ 43,393	1.04%
Instructional Personnel/ Teacher	\$ 33,331	\$ 33,886	1.67%

Salary data for elected and appointed superintendents of schools do not reflect additional salary supplements for which superintendents are eligible, such as the \$2,000

special qualification salary authorized by s. 145.012, F.S., and the Chief Executive Officer Leadership Development Certificate (\$3,000-7,500) included in s. 230.303(6)(b), F.S., as these supplements are not subject to the adjustment factors specified in statute.

B. EFFECT OF PROPOSED CHANGES:

The proposed bill restricts the percentage rate of annual salary increase awarded to school board members and to elected and appointed superintendents from exceeding the total annual percentage salary rate increase given to instructional personnel in a district.

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. (**Note:** The amendment traveling with this bill provides school boards to consider additional compensation for themselves or for school superintendents based on "performance". Such determination may require rulemaking authority).

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

Perhaps. See Note: in (1). There also may be efforts by school boards to establish "performance" criteria.

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

No.

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

Not applicable.

(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.

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?

No.

- 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:

Not applicable.

- (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:

Not applicable.

- (1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

The bill amends ss. 230.202, 230.303, and 230.321, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1: Amends s. 230.202, F.S., relating to compensation of school board members; restricting the percentage rate of increase in salary awarded to district school board members from exceeding the total annual percentage rate increase awarded to instructional personnel in the school district.

Section 2: Amends s. 230.303, F.S., relating to compensation of elected superintendents; restricting the percentage rate of increase in salary awarded to elected superintendents of schools from exceeding the total annual percentage rate increase awarded to instructional personnel in the school district.

Section 3: Amends s. 230.321, F.S., relating to compensation of appointed superintendents; restricting the percentage rate of increase in salary awarded to appointed superintendents of schools from exceeding the total annual percentage rate increase given to instructional personnel in the school district.

Section 4: Provides that this act shall take effect upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Unable to determine.

3. Long Run Effects Other Than Normal Growth:

Unable to determine.

4. Total Revenues and Expenditures:

Unable to determine.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

The bill could result in lower annual salary percentage rate increases for school board members and school superintendents, or higher annual salary percentage rate increases for instructional personnel.

This bill could result in higher **performance**-based increases. See I. SUMMARY.

3. Long Run Effects Other Than Normal Growth:

Unknown. See I. SUMMARY

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:

None.

D. FISCAL COMMENTS:

See I. SUMMARY.

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 or to take an action requiring the expenditure of funds.

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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:

See I. SUMMARY.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 19, 1998, HB 3069 was voted favorably out of the House Education K-12 Committee with the following amendment:

page 2, line 7 and page 3, line 2

by Representative Boyd:

Inserts language that clarifies that limits on salary increases for elected and appointed superintendents shall not include any increased salary, compensation, or benefits based on performance approved by the school board.

VII. SIGNATURES:

COMMITTEE ON EDUCATION K-12:

Prepared by:

Legislative Research Director:

Molly A. Jones

M. Elizabeth Atkins

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

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