

STORAGE NAME: h4837.ed

DATE: April 23, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4837 (PCB ED 98-04)

RELATING TO: Education (Funding Procedure for Group 2 Enrollment)

SPONSOR(S): Committee on Education Appropriations

COMPANION BILL(S):

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

(1) EDUCATION APPROPRIATIONS YEAS 15 NAYS 0

(2)

(3)

(4)

(5)

I. SUMMARY:

This bill amends Section 236.081 (1) (d), F. S., to add a supplemental capping calculation.

The bill revises the FEFP funding formula to enable the districts to access the Basic program FTE at a weight of 1.0 for ESE and other special programs.

Section 236.081 (8), F. S., relating to the caps adjustment supplement, is repealed.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 236.081 (1) (d) F. S. , prescribes for each school district a maximum total weighted full-time student enrollment ceiling for students enrolled in Group 2. Students in Group 2 include students in exceptional student education programs, students at-risk programs, ESOL programs, and grades 7-12 vocational education.

The Florida Education Finance Program was amended in the 1997 legislative session to authorize a revised funding model for exceptional student education. Section 236.025 (1), F.S. , provides that this revised funding model shall be revenue neutral.

In the process of the implementing the revised ESE funding model some districts have reported that the number of weighted FTE generated by the students placed in Group 2 programs is greater than their appropriated weighted FTE ceiling.

The Florida Education Finance Program was enacted to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying economic factors. Providing weighted funding based on differing cost of providing services is one way to achieve this goal.

A weighted funding formula, such as the FEFP, creates a financial incentive to place students in programs that generate the greatest revenue. School districts have a wide range of choice in the number of students placed in many of the Group 2 programs. If one district places more students in weighted funded programs using different choices than another district the amount of funds allocated per student to the two districts will be not be the same. In general the ratio of weighted to unweighted FTE per district should be relatively close. Because of local choice the ratio of weighted to unweighted FTE varies so greatly among the 67 school districts. It is necessary that the FEFP formula use a funding capping procedure to ensure to the extent possible fairness in the allocation of formula funding.

If a district's 1997-98 ratio of weighted to unweighted FTE was greater than the state average, the district could continue to increase student growth at the higher rate in the weighted programs, but any excess weighted FTE in Group 2 programs (ESE, At risk, and Vocational programs) were shifted to Group 1 (Basic programs).

B. EFFECT OF PROPOSED CHANGES:

The Instructional Program for most students enrolled in exceptional student education requires more of the student's time in basic education than in special services for exceptional students. In order that each school district have the opportunity to receive the amount of funds appropriated for total student enrollment of the district it is necessary to amend the statute to provide for a supplemental capping calculation.

The supplemental capping calculation establishes a procedure for determining whether a school district, whose weighted FTE is over the weighted FTE ceiling, is eligible to receive funding at a weight of 1.0 for any students enrolled in Group 2 programs. If the

unweighted FTE enrollment in Group 2 are also over the number of unweighted FTE funded in Group 2 for that district, funding can be provided to that district for each unweighted FTE at a weight of 1.0, up to the number of unweighted FTE transferred from Group 2 to Group 1 for that district by the Public School Enrollment Conference.

Any funding provided a school district under this supplemental capping calculation must be paid from the amount appropriated for that district only. No district shall receive any funds appropriated another 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?

N/A

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

N/A

(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?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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?

N/A

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

N/A

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?

N/A

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:

236.081 (1) (d) and (8)

E. SECTION-BY-SECTION RESEARCH:

This section need be completed only in the discretion of the Committee.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

This bill implements funding appropriated in 1998-99 General Appropriations Act,

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

This bill does not require any additional revenues. It does not require any additional expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

Provides funding for K-12 public school education in all 67 school districts.

3. Long Run Effects Other Than Normal Growth:

N/A

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:

This bill prescribes the funding calculations to be used to allocate funds appropriated annually in the General Appropriations Act for the Florida Education Finance Program to the 67 District School Boards. With out this bill it is possible that some school

districts

would not be eligible to receive all of the funds the legislature intended and appropriated for them.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

Funds allocated under the supplemental capping calculation to any school district are limited to the funds appropriated for that district.

STORAGE NAME: h4837.ed

DATE: April 23, 1998

PAGE 8

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Legislative Research Director:

William Cecil Golden

John Newman