

**STORAGE NAME:** h0887.go  
**DATE:** March 18, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
GOVERNMENTAL OPERATIONS  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 887  
**RELATING TO:** School District Expenditures  
**SPONSOR(S):** Representative Sublette  
**STATUTE(S) AFFECTED:** s. 237.081  
**COMPANION BILL(S):** SB 1436(i)

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

- (1) GOVERNMENTAL OPERATIONS
- (2)
- (3)
- (4)
- (5)

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**I. SUMMARY:**

HB 887 amends s. 237.081, F.S., to provide for more fiscal information to be included in the advertisements containing tentative budgets for school boards.

In addition to tax levy, revenue and expense information already included in such advertisements, there would also be included a "TEN-YEAR BUDGET COMPARISON" form. This form would provide historical data relative to numbers of students, personnel, revenues, and changes in revenue per student for the school districts, and would include such information for the current fiscal year, the next year, and actual information for the fifth, and tenth previous years.

HB 887 does not appear to have a fiscal impact on any governmental entity other than school boards.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

In order for the public to be aware and informed concerning school board finances and tax issues, there are statutory requirements which provide for tax and budget notices related to school boards in Florida.

There is a method of fixing millage rates, advertising budget hearing notices and tax related notices set forth in s. 200.065, F.S. This section includes advertising requirements, establishing the format, the size of advertisements, as well as the size of the type used in those advertisements.

Section 237.081, F.S., also discusses public hearings and advertisements which concern tentative and final budgets, and proposed millage levies. These hearings are intended primarily for the purpose of hearing requests and complaints from the public regarding the budgets and the proposed tax levies and for explaining the budget, and proposed or adopted amendments thereto, if any. The school board then has the superintendent transmit copies of the adopted budget to the Department of Education for approval.

Neither statutory section provides for much specificity in the related advertisements, particularly with regard to historical budget data.

According to county school board representatives, the public information provisions now in place often still leave the average citizen with an inadequate understanding of why tax increases are being proposed.

Responding to a perceived need to reduce ignorance regarding, and resistance to, proposed tax increases, at least one school board scheduled fact-finding meetings of citizens and school board representatives. The citizens were asked how the school boards could more effectively communicate not only the "how much", but the "why", of proposed tax increases. The most workable, inexpensive solution offered was to provide more information, especially historical data, in the official notices.

B. EFFECT OF PROPOSED CHANGES:

HB 887 is intended to expand the amount and kind of budgetary information available to the public in order for them to be informed not only as to what tax increases are being proposed by school boards, but with enough historical information, along with estimates in several categories, that they will better understand why such increases are being proposed.

HB 887 provides a TEN YEAR BUDGET COMPARISON form which would be a required advertisement adjacent to the advertisement(s) already provided for in s. 200.065, F.S. The proposed form requires publication of information such as: numbers of students, numbers of educational personnel, various revenue sources, amount of revenue per student related to classes of revenue, and inflation adjusted changes in revenue per student (by classification). The TEN YEAR BUDGET COMPARISON form requires this information for ten years and five years prior to the current fiscal year, the current fiscal

year budget, and the proposed budget for the following fiscal year. (See attached exhibit #1 for a sample, filled-in TEN YEAR BUDGET COMPARISON form) Note that this chart is NOT a replacement for budget summary information required by law to be published, such as proposed millage levies, but provides for the publication of additional data to assist the public in understanding the budget and tax levies.

This additional information will probably cost more for the school boards to include in the currently required newspaper advertisements (for those areas which have a newspaper of general circulation published in the district), as HB 887 would require more data, and there probably would be more space needed to include such additional information. Costs will vary depending on the size of the publications and the newspaper's publication rates, provided the notice is published in a newspaper.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

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

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

No.

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

Perhaps. As a result of meetings with citizen groups, many of the school boards believe it is in their best interests to provide additional, historical, information in their advertisements because such additional information would tend to reduce opposition based on misunderstanding and ignorance. Those school boards will directly absorb the additional advertising costs, if any.

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

No.

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

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

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?

HB 887 does not appear to have any provisions which would materially increase anyone's taxes.

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?

Yes. The school boards, many who believe it is in their interests, as well as the public's interest, to provide more expansive budget information, will absorb any additional costs in reporting and advertising the information required in HB 887.

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:

- (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. SECTION-BY-SECTION ANALYSIS:**

**Section 1** amends s. 237.081, F.S., to provide for the publication of additional information by school boards required to advertise a summary of their proposed budgets. The additional information required by HB 887 is a ten year budget comparison. The format for this comparison will contain enrollment, personnel, revenue and budget information in columns which include historical data for the fifth and tenth preceding fiscal years, actual data for the current fiscal year, and proposed data for the upcoming fiscal year (see Exhibit #1). The budget comparison format will also include explanatory information for terms such as: "enrollment", "weighted FTE", "Other instructional personnel" and "Classified personnel".

**Section 2** provides an effective date of July 1, 1997.

**III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

1. **Non-recurring Effects:**

None.

2. **Recurring Effects:**

None.

3. **Long Run Effects Other Than Normal Growth:**

None.

4. **Total Revenues and Expenditures:**

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. Non-recurring Effects:

None.

2. Recurring Effects:

Additional costs will probably be incurred by the school boards for advertising (see Section II B., EFFECT OF PROPOSED CHANGES).

3. Long Run Effects Other Than Normal Growth:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Relatively insignificant, except for the additional advertising revenues realized by local newspapers.

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

None.

**D. FISCAL COMMENTS:**

See the last paragraph of Section II B., EFFECT OF PROPOSED CHANGES.

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

**A. APPLICABILITY OF THE MANDATES PROVISION:**

HB 887 does not require counties or municipalities to spend funds or to take action which requires the expenditure of funds.

**B. REDUCTION OF REVENUE RAISING AUTHORITY:**

HB 887 does not reduce the authority of counties or municipalities to raise revenues.

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

HB 887 does not reduce the percentage of state tax shared with counties and municipalities.

V. COMMENTS:

The placement of the first added section in s. 237.081, F.S., may give the impression that the "TEN-YEAR BUDGET COMPARISON" form replaces existing information required by this section, but it is in addition to already existing advertising requirements. There is no definition of "Classroom Teachers" in HB 887. According to one school board representative, there has been a problem developing a uniform definition among interested parties.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

NONE.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

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