

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1046

SPONSOR: Senator Geller

SUBJECT: School Noninstructional Personnel

DATE: April 15, 1999 REVISED: 04/19/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hill</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/3 amendments</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill limits the number of noninstructional personnel that school districts may employ and reduces state funding for each district that exceeds the maximum allowable number of noninstructional personnel. The bill defines “noninstructional personnel” as employees who are classified as administrative personnel, education support personnel, or managers and do not perform any instructional duties.

The Department of Education (DOE) must classify each school district as small, medium, or large based on the previous year’s full-time equivalent (FTE) student enrollment. The department must calculate, for each size classification, the ratio of noninstructional personnel to FTE students. The ratio for each size classification must not exceed the average ratio that existed for that size classification during the 1997-98 school year. The department must determine the average salary and benefits paid for noninstructional personnel employed by districts in each size classification. If a district’s ratio of noninstructional personnel to FTE students exceeds the ratio established for its size classification, the district will be penalized. For each noninstructional employee in excess of the maximum allowed, DOE will deduct from the district’s state funding allocation an amount equal to 50 percent of the average cost of that position.

The bill will have a positive fiscal impact on state funds and will reduce the amount of state funds shared with some school districts. According to DOE projections, the potential state savings are \$60.8 million in FY 1999-2000, \$50.6 million in FY 2000-2001, and \$42.1 million in FY 2001-2002.

This bill creates an undesignated section of the Florida Statutes.

II. Present Situation:

The Education Funding Accountability Act (s. 236.685, F.S.) requires each school district to classify district personnel and publish an annual report of its previous year's administrative and instructional expenditures from each funding source. The report must state the number of unweighted full-time equivalent students enrolled in the school district. The total amount of administrative expenditures must be divided by the number of unweighted full-time equivalent students to determine the administrative expenditures per student. This calculation must be made separately for the general and the special revenue funds. The report must reflect the number and percentage of employees in each category, excluding the number of temporary substitute employees. It must be submitted to the Commissioner of Education and be made available to the public.

"Administrative expenditures" include all expenditures within the general and special revenue funds for each school district, including salaries, benefits, purchased services, energy services, materials and supplies, capital outlay, and miscellaneous expenditures for the following purposes: school board; general administration; school administration, excluding support expenditures; facilities acquisition and construction at the district level; fiscal services; and central services at the district level.

"Instructional expenditures" include all expenditures within the general and special revenue funds for each school district, including salaries, benefits, purchased services, energy services, materials and supplies, capital outlay, and miscellaneous expenditures for the following purposes: instruction; instructional support services, including pupil personnel services, instructional media services, instruction and curriculum development, and instructional staff training services; school administration, including support expenditures; facilities acquisition and construction at the school level; food services; central services at the school level; pupil transportation services; and plant operation and maintenance.

Districts must classify district personnel according to these definitions:

- "Administrative personnel" are employees responsible for management functions such as the development of broad policies and implementation of those policies through the direction of personnel. This classification includes instructional and noninstructional employees at the district and school level.
- "Educational support personnel" are district-based and school-based employees, including professional staff, technicians, secretaries, clerks, skilled workers, transportation employees, food service employees, and custodial and maintenance workers.
- "Instructional personnel" are classroom teachers, including substitute teachers.
- "Instructional specialists" are staff members responsible for providing student personnel services, librarians, and media specialists.

- "Instructional support personnel" are aides or assistants to instructional personnel or instructional specialists.
- "Managers" are instructional and noninstructional employees with some managerial and supervisory functions, although they are primarily responsible for general operations. This category includes only district-based employees.

These personnel classifications also apply to class size calculations. Any teacher-to-student ratio or class size measure required by law, State Board of Education rule, or Commissioner of Education rule must be computed by dividing the number of students in membership at the school by the number of full-time equivalent instructional personnel employed to serve those students. Class size reports for exceptional student education must be computed by dividing the number of exceptional students in membership by the number of full-time equivalent exceptional education classroom teachers who are classified as instructional personnel.

III. Effect of Proposed Changes:

This bill limits the number of noninstructional personnel that may be employed by school districts and requires a reduction in state funding if a district exceeds the ratio of noninstructional personnel to FTE students allowed for districts of comparable size. The bill defines "noninstructional personnel" as school personnel who are classified as administrative personnel, educational support personnel, or managers under s. 236.685, F.S., and do not perform any instructional duties.

By July 1 of each year, the Department of Education must establish a ratio of noninstructional personnel to full-time equivalent (FTE) students (based on the prior year's FTE enrollment) in small, medium, and large districts. The 20 districts with the fewest number of FTEs will be classified as small. The 10 districts with the largest number of FTEs will be classified as large and the remaining districts will be classified as medium-sized. The ratio for each size classification becomes the maximum percentage of noninstructional personnel to FTE which may be employed by districts in that size class. The department may not set a ratio that exceeds the average ratio of noninstructional personnel to FTE which existed within a particular size classification during the 1997-1998 school year. The department must also determine the average annual salary, including benefits costs, paid by districts in each size classification to noninstructional personnel.

If a district's ratio of noninstructional personnel to FTE students exceeds the ratio established for its size classification, the district will be penalized. For each noninstructional employee above the maximum allowed, DOE will deduct from the district's state funding allocation an amount equal to 50 percent of the average cost of that position.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill will have a positive fiscal impact on state funds and will reduce the amount of state funds shared with some school districts. According to DOE projections, the potential state savings are \$60.8 million in FY 1999-2000, \$50.6 million in FY 2000-2001, and \$42.1 million in FY 2001-2002.

If this bill had been in effect this year, the projected \$60.8 million funding reduction would affect 31 school districts. Twelve small districts would lose a total of \$2.6 million with Jefferson losing \$420,134, Hamilton losing \$571, 779, Union losing \$404,480, and Washington losing \$703,297. Thirteen medium sized districts would lose a total of \$8.2 million with Flagler losing \$2.0 million, Hernando losing \$1.6 million, and Lee losing \$843,930. Six of the large districts would lose a total of \$50.0 million with Volusia losing \$7.3 million, Hillsborough \$12.3 million, and Pinellas losing \$17.2 million.

The impact of state funding reductions on each district will depend on: (1) the extent to which the district exceeds the allowable number of noninstructional personnel per FTE enrollment, and (2) the average salary and benefits paid for noninstructional position by similar sized districts. There may be an inequitable impact on districts due to variations in program offerings and "noninstructional" personnel employed to implement those programs. For example, exceptional student education centers, area vocational centers, and adult programs require more noninstructional support personnel per FTE than other programs;

districts have different needs for pupil transportation and food service personnel; and districts vary in the privatization of noninstructional functions.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

Amendment #1 by Education:

Redefines “noninstructional” personnel as administrative personnel and managers who do not perform any instructional duties. Education support employees are not classified as noninstructional personnel for purposes of the proposed calculation of the ratio of noninstructional personnel per FTE student enrollment.

Amendment #2 by Education:

Permits, rather than requiring, the proposed calculation of noninstructional to FTE student enrollment, the classification of districts by size, and the withholding of funds from districts that exceed the ratio of noninstructional to FTE students in similarly sized districts.

Amendment #3 by Education:

Requires DOE to adjust for the number of small schools in each district when computing the ratio of noninstructional personnel to FTE student enrollment in districts of various sizes.