

STORAGE NAME: h2211.ed

DATE: April 12, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION APPROPRIATIONS
ANALYSIS**

BILL #: HB 2211 (PCB ED 99-01)

RELATING TO: Public School Funding Study and Recommendations

SPONSOR(S): Education Appropriations

COMPANION BILL(S):

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

(1) EDUCATION APPROPRIATIONS YEAS 10 NAYS 3

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I. SUMMARY:

This legislation creates a Citizens Commission on Funding K-12 Education. The Commission is given the duty to conduct a comprehensive examination of Florida's state system of funding public school education and to make recommendations to the Governor and the Legislature. The Commission will have 12 members appointed by the Governor, President of the Senate, and the Speaker of the House of Representatives. The Commission is assigned to the Joint Legislative Management Committee for fiscal and administrative purposes. The Commission is authorized to employ staff and enter into contracts or agreements for professional and support services required to carry out its duties. Draft recommendations shall be submitted by February 1, 2001 and final recommendations by October 1, 2001. The Commission must hold public hearings on its proposed recommendations in at least 4 regions of the state. Funds are appropriated to pay expenditures authorized by the Commission.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Florida's public school funding system (The Florida Education Finance Program) was enacted by the 1973 Legislature and has been in effect for 26 years. The FEFP is a formula based system designed to support a uniform system of free public schools that incorporates the following fundamental principles:

1. "Equalized funding among school districts": this is achieved by enforcing uniform state-wide standards for assessing the value of property on which school taxes are levied; applying the same school tax millage rate in all school districts, adjusted for the level of assessment compared to the state average; and matching state funds with the school district funds so that the combination of state and local funds provides the same level of funding per student notwithstanding the tax paying ability of the school district.

2. "Student based funding": this is achieved by using a "weighted formula" that provides additional funds to pay for specialized programs or services for some students that are beyond those provided for all students.

3. "Geographic cost differential": this is achieved by using a modified "consumer price index" that represents the cost of a market basket of identical goods and services priced in each of the individual school districts at the same time annually.

4. "Sparsity": this is achieved by using a "formula" to provide supplemental funds to districts where the student enrollment is too small to provide the full range of high school courses.

5. "Student transportation": this is achieved by using a "formula" specifically designed to accommodate costs associated with operating student transportation services.

6. "Categorical programs": this is achieved by appropriating funds that may be expended only for a legislatively specified purpose.

7. "Instructional materials": this is achieved by using a "formula" to allocate funds to each school district to provide textbooks and other instructional materials for students.

8. "Flexibility": this is achieved by giving school districts the discretion to determine how most of the funds available for current operations are expended.

The intent of the state's funding system as stated in Section 236.012, Florida Statutes, is "To guarantee to each student in the Florida public educational 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 local economic factors."

There appears to be a state-wide concern that too many public school students are not graduating from high school, are not acquiring the skills and knowledge required for the present day work force, are not ready for postsecondary education, and that change is needed. In November 1998 the citizens amended the education clause of the State Constitution to say that the public schools are to "allow students to obtain a high quality education". The Legislature has enacted legislation requiring Performance Based Budgeting in which future funding is to be based on achieving measurable results. The current funding system, which is essentially an allocation formula, needs to be reviewed to determine whether any changes are needed to be consistent with a system of accountability based on student performance and the State Constitution as recently amended.

B. EFFECT OF PROPOSED CHANGES:

N/A

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?

Creates the Citizens Commission on Funding K-12 Education with 12 members appointed by the Governor, President of the Senate and Speaker of the House of Representatives. The Commission is assigned the duty to conduct a comprehensive examination of the state system of funding public school education and then to make recommendations. The Commission is assigned to the Joint Legislative Management Committee for fiscal and administrative purposes and is terminated upon submission of final recommendations.

(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

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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:

N/A

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Provides Legislative intent.. Creates a 12 member Citizens Commission on Funding K-12 Education, appointed by the Governor, President of the Senate, and Speaker of the House of Representatives. Prescribes the duties of the Commission.

Section 2. Provides an appropriation of \$500,000 of non-recurring General Revenue to pay the expenses of the Commission.

Section 3. Provides that the effective date shall be upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Provides a one-time appropriation of \$500,000 of non-recurring Genral Revenue to be used to pay the expenses of the Commission.

2. Recurring Effects:

The Commission is established for a single purpose and upon submitting its final recommendations on October 1, 2001 is terminated.

1. Long Run Effects Other Than Normal Growth:

N/A

2. Total Revenues and Expenditures:

\$500,000

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

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:

N/A

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:

On April 9, 1999 the Education Appropriations Committee considered PCB ED 99-01 and passed it.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

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VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:
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