

STORAGE NAME: h0893.edk

DATE: April 2, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION K-12
ANALYSIS**

BILL #: HB 893

RELATING TO: Non-instructional School Personnel

SPONSOR(S): Representative Dennis

COMPANION BILL(S): SB 893

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

- (1) EDUCATION K-12
- (2) EDUCATION INNOVATION
- (3) EDUCATION APPROPRIATIONS
- (4)
- (5)

I. SUMMARY:

This bill establishes a limitation on employment of non-instructional personnel in school districts. It defines "non-instructional personnel" as district employees who are classed as administrative personnel, educational support personnel, or managers and who do not perform any instructional duties. The bill establishes limitations based on the number of full-time-equivalent (FTE) students enrolled in a particular district. The Florida Department of Education (DOE) will be required to classify school districts as "small-sized", "medium-sized", and "large-sized" based on the previous year's enrollment and by July 1st of each year, must establish a ratio for each of the three size classifications that specifies the maximum percentage of non-instructional personnel to FTE students that may be employed. The ratio must not exceed the average ratio relative to a particular size category that existed during the 1997-98 school year. The department must determine an average salary, including benefits, for non-instructional personnel employed in each of the three size classifications. On an annual basis, DOE must determine if any school district exceeds the maximum number of non-instructional personnel positions. For each position in excess of the maximum allowable number, DOE will be required to deduct a sum equal to fifty percent of the average cost of that position from state funds allocated to that district.

The total fiscal savings to the state of this bill in the first, second, and third years is estimated to be \$60.8 million, \$50.6 million, and \$42.1 million, respectively. There is an equivalent loss of state revenue to certain districts.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Education Funding Accountability

Section 236.685, F.S., prescribes requirements regarding educational funding accountability. The section includes the following 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 non-instructional 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 non-instructional employees with some managerial and supervisory functions, although they are primarily responsible for general operations. This category includes only district-based employees.

Each school board must classify each employee of the school board or school district into one of the following categories: instructional personnel; instructional specialists; instructional support personnel; administrative personnel; managers; or educational support personnel.

School public accountability reports to parents (as detailed below) must include the number of employees in each of the above categories by work location, not including the number of temporary substitute employees.

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.

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 are classified as *administrative* expenditures: 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.

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 are classified as *instructional* expenditures: 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.

School Accountability Reports

An annual school public accountability report is required by ss. 229.592(5) and 230.23(18), F.S. It must include a school financial report, the purpose of which is to better inform parents and the public concerning how revenues were spent to operate the school during the prior fiscal year. Each school's financial report must follow a uniform, district-wide format that is easy to read and understand. Total revenue must be reported at the school, district, and state levels. The revenue sources that must be addressed are state and local funds, other than lottery funds; lottery funds; federal funds; and private donations. Expenditures must be reported as the total expenditures per unweighted full-time equivalent student at the school level and the average expenditures per full-time equivalent student at the district and state levels in each of the following categories and subcategories:

Teachers, excluding substitute teachers, and teacher aides who provide direct classroom instruction to students enrolled in programs classified by s. 236.081, F.S., as: basic programs; students-at-risk programs; special programs for exceptional students; career education programs; and adult programs.

Substitute teachers.

Other instructional personnel, including school-based instructional specialists and their assistants.

Contracted instructional services, including training for instructional staff and other contracted instructional services.

School administration, including school-based administrative personnel and school-based education support personnel.

Materials, supplies, and operating capital outlay such as textbooks, computer hardware and software, other instructional materials, and library media materials.

Food services.

Other support services.

Operation and maintenance of the school plant.

The school financial report must also identify the types of district-level expenditures that support the school's operations. The total amount of these district-level expenditures must be reported and expressed as total expenditures per full-time equivalent student.

Based on the classifications in this section, each school district must submit a report by January 1st of each year which identifies and summarizes administrative expenditures and instructional expenditures by fund for the preceding fiscal year. 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.

B. EFFECT OF PROPOSED CHANGES:

This bill establishes a limitation on employment of non-instructional personnel in school districts. It defines "non-instructional personnel" as district employees who are classed as administrative personnel, educational support personnel, or managers and who do not perform any instructional duties. The bill establishes limitations based on the number of FTE students enrolled in a particular district. DOE will be required to classify school districts as "small-sized" (twenty districts with the fewest FTE), "medium-sized" (districts not defined as "small" or "large"), and "large-sized" (ten districts with the largest FTE) based on the previous year's enrollment and by July 1st of each year, must establish a ratio for each of the three size classifications that specifies the maximum percentage of non-instructional personnel to FTE students that may be employed. The ratio must not exceed the average ratio relative to a particular size category that existed during the 1997-98 school year. The department must determine an average salary, including benefits, for non-instructional personnel

employed in each of the three size classifications. On an annual basis, DOE must determine if any school district exceeds the maximum number of non-instructional personnel positions. For each position in excess of the maximum allowable number, DOE will be required to deduct a sum equal to fifty percent of the average cost of that position from state funds allocated to that 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?

Yes. The bill requires DOE to establish caps on the number of non-instructional personnel a school district may employ and to withhold funds if districts exceed the prescribed caps.

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

No.

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

No.

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

An agency or program is not 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?

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:

The bill does not purport 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?

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:

The bill does not create or change a program providing services to families or children.

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

A new section of statutes is created.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 establishes a limitation on employment of non-instructional personnel in school districts. It defines "non-instructional personnel" as district employees who are classed as administrative personnel, educational support personnel, or managers and who do not perform any instructional duties. The bill establishes limitations based on the number of FTE students enrolled in a particular district. DOE will be required to classify school districts as "small-sized" (twenty districts with the fewest FTE), medium-sized" (districts not defined as "small" or "large"), and "large-sized" (ten districts with the largest FTE) based on the previous year's enrollment and by July 1st of each year, must establish a ratio for each of the three size classifications that specifies the maximum percentage of non-instructional personnel to FTE students that may be employed. The ratio must not exceed the average ratio relative to a particular size category that existed during the 1997-98 school year. The department must determine an average salary, including benefits, for non-instructional personnel employed in each of the three size classifications. On an annual basis, DOE must determine if any school district exceeds the maximum number of non-instructional personnel positions. For each position in excess of the maximum allowable number, DOE will be required to deduct a sum equal to fifty percent of the average cost of that position from state funds allocated to that district.

Section 2 specifies that the bill will be effective upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

According to DOE, the fiscal savings to the State from the bill will be \$60.8 million in fiscal year 1999-2000, \$50.6 million in fiscal year 2000-2001, and \$42.1 million in fiscal year 2001-2002.

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:

According to DOE, if the bill was effective for 1998-99, there would be a total decrease in funds of \$60.8 million to thirty-one school districts. Twelve small districts would realize a total deduction of \$2.6 million. Thirteen medium districts would realize a total deduction of \$8.2 million. Six large districts would lose \$50.0 million.

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:

None.

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

None.

D. FISCAL COMMENTS:

See above.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

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

The bill does not reduce the percentage or a state tax shared with counties or municipalities.

V. COMMENTS:

According to DOE, the impact of the bill may be inequitable because: districts offer different programs such as exceptional student education centers, area vocational centers, and adult programs that require more non-instructional support personnel per FTE than other programs; districts have different needs for pupil transportation and food service; and districts vary in the use of privatization of non-instructional functions.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON EDUCATION K-12:

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