

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: CS/SB 2030

SPONSOR: Committee on Education and Senator Horne

SUBJECT: Schools/Funds for Operation

DATE: March 29, 2000 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Esner</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Section 1

The school district shall distribute to each advance placement teacher in a school designated “A,” “B,” or “C” a bonus amount equal to 20 percent of the funds generated by the students scoring 3 or higher on the College Board Advance Placement Examination from the additional 0.24 allocation added to the base student allocation for the prior year. The school district shall distribute to each advance placement teacher in a school designated “D” or “F” a bonus amount equal to 30 percent of the funds generated by the students scoring 3 or higher on the College Board Advance Placement Examination from the additional 0.24 allocation added to the base student allocation for the prior year.

Section 2

The bill creates section 236.08103 of the Florida Statutes to be known as the “Equity in School-Level Funding Act.” Beginning in 2000-2001 district school boards shall allocate to each school at least 50 percent of the funds generated by that school based upon the Florida Education Finance Program as provided in s. 236.081, F.S., and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district’s current operating discretionary millage levy. The percentage increases to 65 percent in 2001-2002, 80 percent in 2002-2003, and 95 percent in 2003-2004.

The total funding for the school shall be recalculated during the year to reflect the revised calculations under the FEFP by the state and the actual weighted full-time equivalent students reported by the school during the FTE survey periods designated by the Commissioner of Education. The district school board shall continue to fund programs and services funded by the federal government for any eligible student enrolled in the schools.

The funds allocated to the school which are unused at the end of the fiscal year will remain with the school and may be used for any purpose provided by law at the discretion of the school principal.

The recommendations made by the Governor’s Equity in Educational Opportunity Task Force shall be reviewed to identify potential categorical funds to be included in the district allocation methodology.

This bill is effective upon becoming law.

This bill amends section 236.081 of the Florida Statutes and adds section 236.08103 to the Florida Statutes.

II. Present Situation:

Section 1

Currently, s. 236.081 F.S., requires 80% of the money generated by the additional 0.24 full-time equivalent student membership calculated for each student in each advance placement course who receives a score of 3 or higher on the College Board Advance Placement Examination to be returned to the school that earned it. The district may keep 20% of the funds. The statute does not provide any criterion for the expenditure of the funds at the school. As of the October, 1999 FTE count, the third calculation of the FEFP, 7,574.64 Advance Placement Supplemental weighted FTE were reported. The calculation on a base student allocation of \$3,227.74 will generate \$24,448,969 in revenue for the districts.

Florida had 34,615 public school students participating in College Board Advance Placement classes in the 1998-99 school year and gave 59,762 exams. In Florida public schools, there was a total of 32,831 exams given with a score of 3 or higher. The College Board Southern Regional Office , Tucker Georgia, provided the following numbers:

# of Florida Public School Students	Score	Meaning
6,738	5	Extremely well qualified
10,125	4	Well qualified
15,968	3	Qualified
16,904	2	Possibly qualified

Ethnic Group	# of Florida Public School Students	Total Number of Exams	Scores of 3 or Higher
Native American	126	209	105
Asian	2,274	4,709	2,612
African American	2,593	4122	1,320
Hispanic	6,258	10,241	5,681
White	20,154	35,059	20,127

Students receiving a score of 2 or higher are qualified to receive college credit or advance placement. Observations by the College Board have found that teachers lacking professional development tend to have more students scoring at level 2. The more experienced teachers tend to have more scores at level 3 or higher.

Florida is one of 22 states and the District of Columbia that provide extra support that encourages participation in the Advance Placement Program and benefits AP participants. The number of Florida students, public and private, in the College Board Advance Placement Program has increased steadily for the past five years. In 1995, there were 51,987 students in the AP program with an increase to 70,346 in 1999.

Florida's students rank third in the receipt of Advance Placement Awards. California and New York are in first and second place, and Texas is fourth. The awards are based on the number of exams taken and average scores. The students receiving these awards are highly recruited by universities.

Section 2

The district school board currently receives all funding generated by the schools in the district and disburses payments for services, programs and personnel and other expenses incurred by the school. The disbursement of funds to the schools by the district is not subject to any State Board of Education rule or statute that ensure dollars are returned to the schools that generate them. Therefore, the decision of how much state and local money each school receives is completely up to the local school board.

District indirect costs (superintendent, finance, personnel, and administration of other centralize functions) range from around 5 percent in a large district to 12 percent in a very small district. This difference is related primarily to economy of scale. Now, the district school boards have the flexibility to direct more dollars to the schools where there is a need, for instance, in the low performing schools.

Currently, school boards develop a budget to meet the locally determined objectives of a planned long-range school program for the district. Even though budgeting methodology might differ between districts, all districts have a process for allocating personnel to schools based on the number of students and programs. Classroom teacher salary and benefits paid in 1998-1999 represents 68 percent of the state and local funding of the identified categories in the bill. Salaries and benefits greatly influence the expenditure percentages at individual schools. Additional calculations are defined to distribute discretionary dollars for purpose of funding instructional materials, supplies and equipment. Administrative support, operating, and custodial costs are similarly determined. The General Appropriations Act provides for the majority of school district funding for operating purposes including the requirement to levy a legislatively determined millage. The balance of funding is generated from federal and other local sources.

Although current law does not require school boards to allocate funds to local schools in a specified manner, the law does require school districts to spend 80 percent (90 percent for K-3) of FEFP funds earned on school level costs. In 1998-99 school districts spent 113 percent of their FEFP Revenue on school level costs. School districts spent 94 percent of total state and local funds on school level costs. On a school by school basis, school level expenditure information varies depending upon the specialized need for a school and variance in salaries.

III. Effect of Proposed Changes:

This bill will provide an incentive and encouragement for teachers of AP classes to continue teaching at an "A," "B," or "C" school or seek employment at a "D" or "F" school as an instructor in AP classes. The teachers of advance placement courses currently at "D" and "F" schools may be encouraged to stay and improve the student performance. It may encourage teachers to recruit qualified students to participate in advance placement courses that are not currently enrolled. The incentive may encourage teachers to participate in professional development for teaching advanced placement.

The newly created section 236.08103 of the Florida Statutes will require the district school board to allocate to each school the funding it generates beginning with 50 percent in 2000-2001, 65 percent in 2001-2002, 80 percent in 2002-2003, and 95 percent in 2003-2004. The unused funds at the end of the year will remain in the school budget and be carried forward to be used at the discretion of the principal. The district shall continue to use the federal funds to provide programs and services for the students.

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:

Section 1

The teachers of advance placement courses shall receive from the district 20 percent (if the school is graded an "A," "B," or "C") or 30% (if school is graded a "D" or "F") of the additional 0.24 full-time equivalent student membership for each student in the teacher's class scoring a 3 or higher.

Section 2

Depending on how schools elect to handle the additional administrative tasks, private vendors may be hired to provide assistance.

C. Government Sector Impact:

Section 1

The district and school will receive less funds as a result of the teachers receiving a bonus for scores of 3 or higher on the College Board Advance Placement Examination.

Section 2

There may be additional administrative costs to the schools if they contract with the district or private vendors to provide services. Also, once 95 percent of the funds go to the schools, district offices may have to begin charging the schools for services provided.

VI. Technical Deficiencies:

In section 2 of the bill, it seems the federal funds are going to the student rather than the program or service that the student is participating in and that generates the funding. It reads, "...any eligible students enrolled in the schools in the district shall be provided federal funds."

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
