STORAGE NAME: h2057a.edk
DATE: April 3, 2000

HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION K-12
ANALYSIS

BILL #: HB 2057

RELATING TO: Equity in School-Level Funding

SPONSOR(S): Representatives Alexander, Posey, Greenstein, and Lacasa

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) EDUCATION K-12 YEAS 10 NAYS 0
(2) EDUCATION APPROPRIATIONS
(3)
(4)
(5)

I. SUMMARY:

Current law does not require a specific percentage of Florida Education Finance Program (FEFP) funds to be allocated to the schools that generate those funds.

HB 2057 creates the Equity in School-Level Funding Act to direct school boards to allocate a certain percentage of funds generated by a school based upon the FEFP to the school that generated those funds. The allocation methodology is phased in over a four-year period.

Beginning in the 2000-2001 fiscal year, school boards are directed to allocate to each school within the district at least 50 percent of the funds generated by that school based upon the FEFP, including gross state and local funds, discretionary lottery funds, and district operating discretionary millage levy. The percentage increases to 65 percent, 80 percent, and 95 percent, respectively, over the next 3 fiscal years.

The bill requires that funds allocated to a school based on the outlined methodology that are unused at the end of the fiscal year do not revert to the district. These carryforward funds remain with the school and may be used at the discretion of the principal for any purpose provided by law.

The bill requires that recommendations made by the Governor’s Equity in Educational Opportunity Task Force be reviewed to identify potential categorical funds to include in the allocation methodology.

Districts are not required to report on the allocation of revenues to individual schools, so there is no information available on the average current percentage of FEFP funds allocated to schools. However, it is unlikely that districts are not providing at least 50 percent of the funds to the schools that generate those funds, so there should not be any impact to districts in the first year of implementation.

An amendment is traveling with the bill that would exempt *only* those districts that initially applied for charter district status and are approved by the State Board of Education from the requirements of this bill. Hillsborough, Sarasota, and Volusia Counties are the only 3 districts that initially applied for charter district status. To date, none of them have received approval from the state board.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1.	Less Government	Yes []	No []	N/A [x]
2.	Lower Taxes	Yes []	No []	N/A [x]
3.	Individual Freedom	Yes []	No []	N/A [x]
4.	Personal Responsibility	Yes []	No []	N/A [x]
5.	Family Empowerment	Yes []	No []	N/A [x]

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Allocation of Revenues
Current law does not require a specific percentage of Florida Education Finance Program (FEFP) funds to be allocated to the schools that generate those funds.

Allocation of Expenditures
Section 237.34(3), F.S., requires that each district *expend* at least the specified percent of funds generated by each of the following programs on the districtwide aggregate total costs for those programs:

- Kindergarten and grades 1, 2, and 3 - 90 %
- Grades 4, 5, 6, 7, and 8 - 80%
- Grades 9, 10, 11, and 12 - 80%
- Programs for exceptional students, on an aggregate basis - 80%
- Grades 7 through 12 vocational education, on an aggregate basis - 80%
- Students-at-risk programs, on an aggregate basis - 80%
- Juvenile justice programs, on an aggregate basis - 80%
- Any new program established in s. 236.081, F.S., on an aggregate basis - 80%

This provision only requires that a certain percentage of funds be *spent* on specific programs on an aggregate basis. A district can allocate *costs* to each of these programs based upon districtwide expenditures. There is no provision to require that a specific amount of *revenue* be allocated to the specific school that generates the revenue.

Carryforward Funds
District school boards can require all unused funds at a school to be returned to the district at the end of the year.

Governor's Equity in Educational Opportunity Task Force
Governor Bush created the Equity in Educational Opportunity Task Force through Executive Order 99-280. The Task Force is responsible for sampling school districts in Florida and to review the criteria, policies and practices for distribution of resources to schools in those districts. They are to answer the following questions:

- To what extent, if any, do some public schools receive less financial support than other schools within the same district?
- To what extent, if any, do some public schools receive less intangible support, including but not limited to experience level of teachers and advanced coursework opportunities, than other schools within the same district?
- To what extent, if any, have students in some public schools been penalized by "low expectations" and/or denied access to higher level and more challenging courses and programs of study?
- Are there any clear patterns of inequity across the sampling of school districts?

The Task Force must report its final findings to the Governor, Senate President, and Speaker of the House no later than November 1, 2000.

C. EFFECT OF PROPOSED CHANGES:

Allocation of FEFP Dollars
HB 2057 creates the Equity in School-Level Funding Act to direct school boards to allocate a certain percentage of funds generated by a school based upon the Florida Education Finance Program (FEFP) to the school that generated those funds. The allocation methodology is phased in over a four-year period.

Beginning in the 2000-2001 fiscal year, school boards are directed to allocate to each school within the district at least 50 percent of the funds generated by that school based upon the FEFP, including gross state and local funds, discretionary lottery funds, and district operating discretionary millage levy. The percentage increases to 65 percent, 80 percent, and 95 percent, respectively, over the next 3 fiscal years.

Carryforward Funds
HB 2057 also requires that funds allocated to a school based on the outlined methodology that are unused at the end of the fiscal year do not revert to the district. These carryforward funds remain with the school and may be used at the discretion of the principal for any purpose provided by law.

Governor's Equity in Educational Opportunity Task Force
HB 2057 requires that recommendations made by the Governor's Equity in Educational Opportunity Task Force be reviewed to identify potential categorical funds to include in the allocation methodology.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Section 236.08103, F.S., relating to the Equity in School-Level Funding Act is created to require districts to allocate to each school within the district a specified minimum percentage of specified funds generated by that school based on the Florida Education Finance Program, to provide for graduated increases in those percentages, to provide for principals to retain carryforward funds, and to provide for a review of the Governor's Equity in Educational Opportunity Task Force recommendations of additional categorical funds to be included in the allocation methodology.

Section 2: Provides an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Districts are not required to report on the allocation of revenues to individual schools, so there is no information available on the average current percentage of FEFP funds allocated to schools. However, it is unlikely that districts are not providing at least 50 percent of the funds to the schools that generate those funds, so there should not be any impact to districts in the first year of implementation.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

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

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 3, 2000, the Education K-12 Committee adopted an amendment that would exempt *only* those districts that initially applied for charter district status and are approved by the State Board of Education from the requirements of this bill. Hillsborough, Sarasota, and Volusia Counties are the only 3 districts that initially applied for charter district status. To date, none of them have received approval from the state board.

VII. SIGNATURES:

COMMITTEE ON EDUCATION K-12:

Prepared by:	Staff Director:
Patricia W. Levesque	Patricia W. Levesque