

**STORAGE NAME:** h2057s1.ed

**DATE:** April 11, 2000

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
EDUCATION APPROPRIATIONS  
ANALYSIS**

**BILL #:** CS/HB 2057

**RELATING TO:** Equity in School-Level Funding

**SPONSOR(S):** Education Appropriations (FRC), Representatives Alexander, Posey, Greenstein, Lacasa

**TIED BILL(S):** None

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

- (1) EDUCATION K-12 YEAS 10 NAYS 0
- (2) EDUCATION APPROPRIATIONS YEAS 11 NAYS 0
- (3)
- (4)
- (5)

---

**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.

CS/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. Funds appropriated for Supplemental Academic Instruction are excluded from the school-level allocation requirement.

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.

There is no state requirement for districts to report on the allocation of revenues to individual schools. School level and district aggregate expenditures are reported in the Program Cost Report prepared by the Department of Education. There should not be any impact to districts in the first year of implementation.

School districts that initially applied for charter district status and are approved by the State Board of Education are exempt 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.

I. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |                                         |
|-----------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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 district wide 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 district wide 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 course work 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**

CS/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. Funds appropriated for Supplemental Academic Instruction are excluded for the school-level allocation requirement.

**Carryforward Funds**

CS/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**

CS/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.

II. 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:

There is no state requirement for districts to report on the allocation of revenues to individual schools. School level and district aggregate expenditures are reported in the Program Cost Report prepared by the Department of Education. There should not be any impact to districts in the first year of implementation.

III. 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.

**REDUCTION OF REVENUE RAISING AUTHORITY:** This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

**B. 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.

**IV. COMMENTS:**

**A. CONSTITUTIONAL ISSUES:**

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. OTHER COMMENTS:**

None.

**V. 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.

On April 11, 2000, the Education Appropriations Committee considered HB 2057 and adopted amendment number 2. The amendment would exclude funds appropriated in the General Appropriations Act for Supplemental Academic Instruction for the school-level allocation requirement specified in Section 236.08103, Florida Statutes. The Committee unanimously passed the bill as amended as a Committee Substitute for HB 2057.

**VI. SIGNATURES:**

**COMMITTEE ON EDUCATION K-12:**

Prepared by:

Patricia W. Levesque

Staff Director:

Patricia W. Levesque

**AS REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:**

Prepared by:

William Cecil Golden

Staff Director:

John Newman