

**STORAGE NAME:** pcb03a.ed  
**DATE:** March 8, 2000

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

**BILL #:** HB 2089 (PCB ED 00-03)  
**RELATING TO:** Florida Education Finance Program  
**SPONSOR(S):** Education Appropriation (FRC)  
**TIED BILL(S):**

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

- (1) EDUCATION APPROPRIATIONS YEAS 13 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
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**I. SUMMARY:**

1. Establishes the Exceptional Student Education Guaranteed Allocation (ESE Guaranteed Allocation.) Beginning with the 2000-2001 fiscal year the appropriation for exceptional students in the Florida Education Finance Program (FEFP) will be provided in two separate allocations.
  - (a) Funds for basic education for exceptional students will be in the appropriation for the FEFP calculation for basic education at the same funding level per student as provided for non-exceptional students, and
  - (b) Additional funds will be appropriated for the ESE Guaranteed Allocation and will be allocated to each school district as a lump sum to be used to provide programs and services for exceptional students that are in addition to the programs and services provided for these students from the funds appropriated in (a).
2. Provides that the annual amount of the ESE Guaranteed Allocation for each school district shall not be recalculated during the year.
3. Provides that the expenditure requirements for the ESE Guaranteed Allocation shall be as prescribed in Section 237.34 (3), Florida Statutes for programs for exceptional students.
4. Provides that school districts providing educational services in 1999-2000 for students who are residents of other school districts shall not discontinue providing such services without the prior approval of the Department of Education.
5. Amends the procedure for calculating a school district's local required effort for the FEFP when there is litigation involving more than 6 percent of the total nonexempt assessment of the district tax roll. The plaintiff is required to provide certain documentation to the school district and the department of education. The department of education shall exclude the assessed value of the property in contest and shall add the amount of the good faith payment to the district's local required effort.
6. Deletes the maximum payment of the fee subsidy for the Excellent Teaching Program. The subsidy will remain at 90 percent of the fee charged.
7. Repeals Section 236.025 Florida Statutes which provides the matrix of services funding model for exceptional student education. This provision is replaced by the funding system established in the new Section 236.026, F.S. created by this bill.

**II. SUBSTANTIVE ANALYSIS:**

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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

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

B. PRESENT SITUATION:

Section 236.025, Florida Statutes provides that funding for exceptional student education (ESE) requires the use of a "matrix of services to document the services that each exceptional student will receive. The nature and intensity of services indicated on the matrix shall be consistent with the services described in each exceptional student's individual education plan."

Teachers, principals, superintendents and others have complained that the use of the "matrix of services" for funding exceptional student education is too complex and requires an excessive paper-work burden for classroom teachers. Also, School districts are unable to accurately estimate student enrollment using the matrix of services funding model because it requires that each student be classified as Level I, II, III, IV, or V based on the documented services provided. Each level of service has a different program cost factor.

Florida's funding system for K-12 students (FEFP) provides funds based on current year actual enrolment. The Legislative appropriation is based on a forecast of estimated student enrollment in the next fiscal year. This requires a dependable system of accurately estimating student enrolment by program for each district.

The October 1999 district's FEFP survey of actual enrollment of exceptional students in the matrix of services five program cost factors showed that the district's estimate used for the 1999-2000 Appropriation was over projected by 40,497 weighted FTE. This resulted in the Legislature appropriating \$131,621,134 to fund an inaccurate estimate, and these funds have to be turned back to the state. (The level of error in the district's estimated ESE enrolment used for the 1998-99 General Appropriations Act was approximately \$100,000,000.)

The Federal law, Individuals With Disabilities Education Act (IDEA), guarantees "a free appropriate education" for students with disabilities. This act also provides due process rights for students and their parents to ensure access to appropriate educational services. Florida law also requires that exceptional students be provided programs and services appropriate to meet their educational needs.

State funding systems for exceptional student education nationally, fit into four types; 1) Weighted Student; 2) Flat Grant; 3) Resource-based; 4) Percent Reimbursement. The National Center for Special Education Finance reports the number of states using each of the four types of funding is as follows: weighted student 18, flat grant 10, resource-based

10; and percentage reimbursement 11. Florida uses the Weighted Student type of funding and the Federal Government uses the Flat Grant type.

**C. EFFECT OF PROPOSED CHANGES:**

The effect of the proposed change will be to: 1) provide more accuracy and stability in school district budgets and in the Legislative Appropriation for K-12 education; 2) provide a guaranteed level of funding for exceptional student education to each school district at the beginning of each fiscal year that is not recalculated during the year; and 3) eliminate the state paperwork burden on classroom teachers required for funding exceptional student education.

The proposed bill provides that beginning with the 2000-2001 fiscal year the amount appropriated for exceptional student education in the Florida Education Finance Program will be divided into two separate allocations.

(1) The funds for basic education for exceptional students will be included in the allocation for basic education at the same funding level per student as provided for non-exceptional students, and

(2) Additional funds will be provided in a lump sum for each school district as an "ESE Guaranteed Allocation" to be used by school districts to provide programs and services for exceptional students that are in addition to the programs and services provided from the funds allocated in (1) on a per student basis for basic education. The "ESE Guaranteed Allocation" will not be recalculated during the year.

The amount of funds appropriated in the FEFP for exceptional student education in the 2000-01 General Appropriations Act will be identical to the amount that would be appropriated under the matrix five levels of service funding model. However, the amount of funds appropriated to provide special services for exceptional students that are in addition to the funds appropriated to provide basic education services for exceptional students will be guaranteed at the beginning of the year and will not be recalculated during the year based on changes in student enrollment. The effect is to establish a stable funding system for exceptional student education which will free teachers from paperwork, allowing more time for teaching students. Also, school districts can make decisions about how to provide services for exceptional students without the risk of losing budgeted funds in the middle of the school year. Section 236.025, Florida Statutes is repealed and replaced with Section 236.026, Florida Statutes.

Section 236.081 (1) (h), Florida Statutes is amended to delete obsolete language relating to counting instruction outside the required number of school days for as full-time equivalent membership for students in grades 9-12. Chapter 99-398, Laws of Florida provides that effective with the 1999-2000 fiscal year, funding on the basis of full-time equivalent student membership beyond the 180-day regular term shall be provided in the FEFP only for students enrolled in juvenile justice education programs.

Section 236.081 (4) (d), Florida Statutes, revises the exclusion provisions of the computation of district required local effort. It requires the plaintiffs in litigation affecting the assessed value of real property above the statutory amount to provide the district school board and the Department of Education a copy of the petition and of the receipt for the good faith payment at the time they are filed with the court. For purposes of computing the required local effort for the district affected by such petition, the Department of Education shall exclude from the district's total nonexempt assessment roll the assessed value of the

property being contested and shall add the amount of the good faith payment to the district's required local effort.

Section 236.08106 (2) (a), Florida Statutes is amended to remove the \$1,800 cap of the fee subsidy for eligible participants in the Excellent Teaching Program. The fee subsidy will continue to be 90% of the amount of the fee.

**SECTION-BY-SECTION ANALYSIS:**

**III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

Revising the method of allocating funds in the Florida Education Finance Program (FEFP) for exceptional student education does not increase or decrease state funding for K-12 education. However, providing part of the funding for exceptional student education in a "ESE Guaranteed Allocation" and eliminating the ESE matrix funding system paperwork burden will allow classroom teachers to use their time more productively teaching students.

The revision of Section 236.081 (4) (d), Florida Statutes does not change current policy. The revision clarifies the responsibility of the plaintiff and the Department of Education.

**1. Revenues:**

N/A

**2. Expenditures:**

The fee for certification by the National Board of Professional Teaching Standards (NBPTS) has increased from \$2,000 to \$2,300. Section 236.08106, Florida Statutes provides that a fee subsidy in an amount equal to 90% of the fee charged for certification by the NBPTS, but not more than \$1,800 per eligible participant. Maintaining the provision to provide a fee subsidy equal to 90% of the fee charged and deleting the cap of \$1,800 will increase the cost of the Excellent Teaching Program.

The Department of Education estimates that 15,000 teachers will seek NBPTS certification in 2000-01. The fee subsidy will increase from \$1,800 to \$2,070 or \$270 per eligible participant. The increase cost is  $\$270 \times 15,000 = \$4,050,000$ . The proposed 2000-01 appropriations for the Excellent Teacher Program has been increased to include the additional funds required to maintain the fee subsidy equal to 90% of the amount of the certification fee. If 15,000 additional teachers seek NBPTS certification each year this will be a recurring expenditure. The NBPTS reports that this is the first increase in fees in several years and another increase is not anticipated for several years.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

State appropriations to fund K-12 education in accordance with provisions of the Florida Education Finance Program (FEFP) and the General Appropriations Act makes revenue available to local school districts; however, the changes in this proposed committee bill do not require an increase or decrease the amount of this revenue.

Proposed change for the Excellent Teacher Program will increase funding for this program \$4,050,000 to pay an amount equal to 90% of the NBPTS certification fee.

2. Expenditures:

N/A

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None

**D. FISCAL COMMENTS:**

**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:**

**A. CONSTITUTIONAL ISSUES:**

N/A

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B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Staff Director:

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WILLIAM CECIL GOLDEN

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JOHN NEWMAN