

STORAGE NAME: h0701.go

DATE: February 10, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: HB 701 (PCB ED 00-02)

RELATING TO: Public School Funding

SPONSOR(S): Committee on Education Appropriations, Representative Sorensen and others

TIED BILL(S):

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

- (1) EDUCATION APPROPRIATIONS YEAS 9 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill creates a Citizens Commission on Funding K-12 Education. The Commission is given the duty to conduct a comprehensive examination of Florida's state system of funding public school education and to make recommendations to the Governor and the Legislature. The Commission will have 12 members appointed by the Governor, President of the Senate, and the Speaker of the House of Representatives. The Commission is assigned to the Office of Legislative Services for fiscal and administrative purposes. The Commission is authorized to employ staff and enter into contracts or agreements for professional and support services required to carry out its duties.

Draft recommendations shall be submitted by February 1, 2002 and final recommendations by October 1, 2002. The Commission must hold public hearings on its proposed recommendations in at least 4 regions of the state. Funds are appropriated to pay expenditures authorized by the Commission.

The Commission will cease to exist after the submission of its final recommendations.

This bill becomes effective upon becoming a law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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

B. PRESENT SITUATION:

Florida's public school funding system (The Florida Education Finance Program) was enacted by the 1973 Legislature and has been amended by subsequent Legislatures. The FEFP is a formula based allocation system designed to support a state-wide uniform system of free public schools that incorporates the following fundamental principles:

1. **Equalized funding among school districts;** this is achieved by enforcing uniform state-wide standards for assessing the value of property on which school taxes are levied; applying the same school tax millage rate in each school district , adjusted for the level of assessment compared to the state average (to assure fairness among tax payers in each school district); and matching state funds with each school district's tax revenue in an amount that causes the combination of state and local funds to be the same level of funding for each student notwithstanding the tax paying ability of the school district.
2. **Student based funding;** this is achieved by using a "weighted formula" that provides funds to pay for specialized programs or services for some students that are in addition to and beyond the amount of funds provided for all students.
3. **Geographic cost differential;** this is achieved by using a modified "consumer price index" that represents the cost of a market basket of identical goods and services priced in each of the school districts at the same time annually.
4. **Sparsity supplement;** this is achieved by using a "formula" to provide supplemental funds to districts where the student enrollment is deemed to be too small to generate sufficient funds required to provide the full range of high school courses.
5. **Local flexibility;** this is achieved by giving school districts the discretion to determine how most of the funds available for current operations are expended.
6. **Categorical programs;** this is achieved by appropriating additional funds that may be expended only for a legislatively specified purpose such as the following:

A. **Instructional materials**; this is achieved by using a “formula” to allocate supplemental state funds to each school district to provide textbooks and other instructional materials for students.

B. **Student transportation**; this is achieved by using a “formula” specifically designed to accommodate costs associated with operating student transportation services and to allocate supplemental state funds to each school district to provide transportation for students..

C. **Safe schools**; this is achieved by using a “formula” to provide supplemental state funds to each school district to provide a safe learning environment for students.

D. **Instructional technology**; this is achieved by using a “formula” to provide supplemental state funds to each school district to provide instructional technology for students.

E. **Supplemental academic instruction**; this is achieved by using a “formula” to provide state funds to each school district to be used to provide supplemental instruction for any student as needed to help the student to progress from grade to grade and to graduate. Supplemental instruction may be provided to a student in any manner and at any time, during or beyond the regular 180-day term, as determined by the student’s school as being the most effective for the student. These funds are in addition to the funds allocated on the basis of FTE in the FEFP.

The intent of the state’s funding system as stated in Section 236.012, Florida Statutes, is “To guarantee to each student in the Florida public educational system the availability of programs and services appropriate to his or her educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.”

In November 1998 the citizens amended the education clause of the State Constitution to provide that the public schools are to “allow students to obtain high quality education.” The Legislature has enacted legislation requiring Performance Based Budgeting in which future funding is to be based on achieving measurable results. The current funding system is essentially a formula for allocating and distributing funds based on student enrollment. Concerns have been expressed that the formula needs to be revised to make the funding system consistent and supportive of a system of accountability that is based on student achievement. Further, some complain that certain aspects of the formula result in inequitable funding for some districts.

C. EFFECT OF PROPOSED CHANGES:

This bill creates a commission to submit recommendations regarding the funding of public education and lists 17 specific areas of review including but not limited to whether categorical funding should be continued. The bill provides for employment of a director, research and support staff. Public hearings are required to be held by the commission in the northeastern, panhandle, central and, southern regions of the state.

The Commission’s final recommendation is to be submitted by October 1, 2002.

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Appropriates \$500,000 for use during the two and half year life of the Commission: July 2000 through October 2002.

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The appropriation is to The Office of Legislative Services, is non-recurring, and is to be used only to pay costs required in carrying out the statutory duties of the commission.

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, or to take an 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.

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

This legislation was taken up by the Education Appropriations Committee on December 9, 1999, as PCB ED 00-02, and passed unanimously with one amendment.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The following amendment was adopted by the Educations Appropriations Committee on December 9, 1999.

On page 2, line 30, after (c) delete the word Provide, and insert Continue to provide.

VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Staff Director:

WILLIAM CECIL GOLDEN

JOHN NEWMAN

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

Jennifer D. Krell

Jimmy O. Helms