

1                   A bill to be entitled  
2           An act relating to public school funding;  
3           creating the Citizens Commission on Funding  
4           K-12 Education; providing legislative intent;  
5           providing composition, organization, and duties  
6           of the commission; assigning the commission to  
7           the Office of Legislative Services for fiscal  
8           and administrative purposes; authorizing  
9           reimbursement to members for per diem and  
10          travel expenses incurred in the performance of  
11          commission duties; providing for appointment of  
12          a director and employment of staff; authorizing  
13          entering into contracts or agreements for  
14          required expertise; authorizing application for  
15          and acceptance of funds and services from  
16          public and private sources; requiring  
17          submission of draft and final recommendations  
18          to improve the system of funding K-12 education  
19          to the Governor, the President of the Senate,  
20          the Speaker of the House of Representatives,  
21          and the Commissioner of Education, and  
22          providing for termination of the commission  
23          upon submission of the final recommendations;  
24          providing for public hearings around the state  
25          prior to submission of the final  
26          recommendations; providing an appropriation;  
27          amending s. 236.025, F.S.; revising funding for  
28          exceptional student education programs;  
29          amending s. 236.081, F.S.; revising funding for  
30          exceptional student education programs;  
31          amending s. 237.34, F.S.; revising reporting

1 requirements for exceptional student education  
2 programs; providing an effective date.

3  
4 WHEREAS, the 1947 Legislature enacted a comprehensive  
5 state system of public school funding referred to as the  
6 Minimum Foundation Program (MFP), and the primary principles  
7 of that system of funding remained in effect for 26 years, and

8 WHEREAS, at the end of more than 2 years of in-depth  
9 analysis and development, assisted by national experts in  
10 public school policy and funding, the 1973 Legislature enacted  
11 the Florida Education Finance Program (FEFP) to replace the  
12 MFP, and the primary principles of the FEFP have been in  
13 effect for 26 years, and

14 WHEREAS, the 1994 Legislature enacted the Government  
15 Performance and Accountability Act, requiring budgets to  
16 include outcomes, performance measures, and standards, and

17 WHEREAS, the voters of the State of Florida, in the  
18 November 1998 General Election, amended Section 1 of Article  
19 IX of the State Constitution to state in part: "Adequate  
20 provision shall be made by law for a uniform, efficient, safe,  
21 secure, and high quality system of free public schools that  
22 allows students to obtain a high quality education..." NOW,  
23 THEREFORE,

24  
25 Be It Enacted by the Legislature of the State of Florida:

26  
27 Section 1. Citizens Commission on Funding K-12  
28 Education.--

29 (1) INTENT.--It is the intent of the Legislature that  
30 Florida's state system of public school funding:

31 (a) Continue to be constitutionally valid;

1           (b) Continue to incorporate the fundamental principle  
2 of fairness for both students and taxpayers through "equity in  
3 funding," by matching state funds with local funds;

4           (c) Continue to provide equity among schools within a  
5 district as well as equity among school districts;

6           (d) Be aligned to implement performance-based  
7 educational policies;

8           (e) Have as its major purpose the funding of direct  
9 instruction to students;

10           (f) Be administered at the state and local levels in a  
11 manner that incorporates appropriate provisions of  
12 accountability for student learning, together with efficient  
13 and effective use of resources to achieve this purpose;

14           (g) Not provide, without justification, preferential  
15 funding to any district; and

16           (h) Be simple to explain to the public.

17           (2) CREATION OF COMMISSION.--The Citizens Commission  
18 on Funding K-12 Education is hereby created and is assigned to  
19 the Office of Legislative Services for fiscal and  
20 administrative purposes. The commission shall be composed of  
21 12 members who do not hold an elective office and who are  
22 representative of the business and community leaders in each  
23 region of the state. The Governor shall appoint four members,  
24 including the chair and vice chair, the President of the  
25 Senate shall appoint four members, and the Speaker of the  
26 House of Representatives shall appoint four members. Members  
27 of the commission shall serve without compensation, but may be  
28 reimbursed for per diem and travel expenses incurred in the  
29 performance of commission duties pursuant to s. 112.061,  
30 Florida Statutes.

31           (3) DUTIES OF COMMISSION.--

1           (a) The commission shall examine Florida's system of  
2 funding K-12 education as a whole entity, including the  
3 interrelationship of the individual parts as they constitute  
4 the total funding for the state and for each school district,  
5 and shall also examine independently each specific component  
6 of the system. Without limiting other areas of review or its  
7 recommendations, the commission shall review the following:

8           1. Any litigation that has challenged the  
9 constitutionality of Florida's system of educational funding,  
10 and any similar litigation in other states, during the past  
11 decade.

12           2. The relationship of state and local funding for  
13 current operations.

14           3. The maintenance of funding equity in the allocation  
15 of dollars among districts and among schools within districts.

16           4. The acquisition and support of technology to assist  
17 in the instructional process.

18           5. Funding support for parental choice in the  
19 selection of educational services for their children.

20           6. Funding public schools based on school performance  
21 as measured by student achievement.

22           7. The results and recommendations of public school  
23 funding studies conducted by nationally recognized experts,  
24 groups, and other states.

25           8. Funding for students enrolled in "basic education  
26 programs" compared to funding for students enrolled in  
27 "special education programs."

28           9. The differences among school districts in  
29 identifying students for weighted funding.

30           10. The use of prior year school district expenditures  
31 to establish program cost factors.

1           11. The ratio of classroom teachers to total school  
2 district employees.

3           12. The expenditure of funds for direct classroom  
4 instruction compared to indirect expenditures.

5           13. Funding of educational facilities, including  
6 district school impact fees, and funding for districts with  
7 the greatest unmet need for new classrooms based on a district  
8 effort index pursuant to s. 235.186, Florida Statutes.

9           14. The impact to local school districts of property  
10 which is exempt from ad valorem taxation for the purpose of  
11 public school funding.

12           15. Current practices relating to levels of ad valorem  
13 assessments.

14           16. Funding of student transportation, including  
15 rewards and sanctions based on efficient practices.

16           17. The relationship between the use of categorical  
17 funds and FEFP funds, and whether categorical funding should  
18 be continued.

19           (b) The chair of the commission shall appoint a  
20 director, who shall be the chief administrative officer of the  
21 commission. With approval of the chair, the director may  
22 employ research and support staff to serve the needs of the  
23 commission. All members of the commission staff are exempt  
24 from the Career Service System and shall be employed in  
25 accordance with the legislative personnel plan administered by  
26 the Office of Legislative Services.

27           (c) The commission is authorized to enter into  
28 contracts or agreements with individuals, organizations, or  
29 firms to provide expertise required by the commission to  
30 perform its duties.

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1           (d) The commission is authorized to apply for and  
2 accept funds, grants, donations, expenses, in-kind services,  
3 or other valued goods or services from any public or private  
4 source, including in-kind services of employees of the state  
5 Department of Education, the school districts, and the state  
6 universities.

7           (e) Following a thorough review and understanding of  
8 Florida's system of funding K-12 education, the commission  
9 shall submit recommendations to improve the system to the  
10 Governor, the President of the Senate, the Speaker of the  
11 House of Representatives, and the Commissioner of Education.  
12 Draft recommendations shall be submitted by February 1, 2002,  
13 and final recommendations shall be submitted by October 1,  
14 2002. The commission shall cease to exist after the submission  
15 of its final recommendations. The commission shall hold its  
16 organizational meeting no later than September 1, 2000. Before  
17 adopting final recommendations, the commission shall hold at  
18 least one public hearing in the northeastern, panhandle,  
19 central, and southern regions of the state.

20           Section 2. There is hereby appropriated from the  
21 General Revenue Fund to the Office of Legislative Services the  
22 sum of \$500,000 to be used to the extent necessary to pay the  
23 expenses of the Citizens Commission on Funding K-12 Education  
24 created by this act.

25           Section 3. Section 236.025, Florida Statutes, is  
26 amended to read:

27           236.025 Revised funding model for exceptional student  
28 education programs.--

29           (1) The revised funding model for exceptional student  
30 education programs is designed to: be better for students  
31 than the existing funding system by encouraging school

1 districts and schools to identify and implement educationally  
2 effective instructional delivery models; simplify funding by  
3 utilizing two ~~five~~ weighted cost factors and a guaranteed  
4 allocation; provide fiscal support for exceptional students in  
5 general education classes; be outcome driven; ~~and~~ be revenue  
6 neutral; and reduce the paperwork burden associated with state  
7 funding. This funding model is designed to support both  
8 traditional and new service delivery models along the  
9 continuum of services required for exceptional students. It is  
10 the intent of the Legislature, through the General  
11 Appropriations Act, to minimize the fiscal impact on school  
12 districts of the implementation of this funding model.

13 (2)(a) The revised funding model uses existing basic,  
14 at-risk, and vocational ~~five~~ Florida Education Finance Program  
15 cost factors, two exceptional education cost factors, and a  
16 guaranteed allocation for exceptional student education  
17 programs. Exceptional education cost factors are determined by  
18 using a matrix of services to document the services that each  
19 exceptional student will receive. The nature and intensity of  
20 the services indicated on the matrix shall be consistent with  
21 the services described in each exceptional student's  
22 individual education plan.

23 (b) In order to generate funds using one of the two  
24 weighted cost factors, a matrix of services must be completed  
25 at the time of the student's initial placement into an  
26 exceptional student education program and at least once every  
27 3 years ~~least once each year~~ by ~~public school~~ personnel who  
28 have received approved training. ~~Additionally, each time an~~  
29 ~~exceptional student's individual education plan, family~~  
30 ~~support plan, or education plan is reviewed, the matrix of~~  
31 ~~services must also be reviewed.~~ Nothing listed in the matrix

1 shall be construed as limiting the services a school district  
2 must provide in order to ensure that exceptional students are  
3 provided a free, appropriate public education.

4 (c) Students identified as exceptional, in accordance  
5 with chapter 6A-6, Florida Administrative Code, who do not  
6 have a matrix of services as specified in paragraph (b) shall  
7 generate funds on the basis of full-time-equivalent student  
8 membership in the Florida Education Finance Program at the  
9 same funding level per student as provided for basic students.  
10 Additional funds for these exceptional students will be  
11 provided through the guaranteed allocation designated in  
12 subsection (3).

13 (3) For students identified as exceptional who do not  
14 have a matrix of services, there is created a guaranteed  
15 allocation to provide these students with a free appropriate  
16 public education, in accordance with s. 230.23(4)(m) and rules  
17 of the state board, which shall be allocated annually to each  
18 school district in the amount provided in the General  
19 Appropriations Act. These funds shall be in addition to the  
20 funds appropriated on the basis of full-time-equivalent  
21 student membership in the Florida Education Finance Program,  
22 and the amount allocated for each school district shall not be  
23 recalculated during the year. These funds shall be used to  
24 provide special education and related services for exceptional  
25 students.

26 (4)(3) The Department of Education shall revise its  
27 monitoring systems for exceptional student education programs  
28 to include a review of delivery of services as indicated on  
29 the matrix of services.  
30  
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1           (5)(4) The Department of Education shall adopt  
2 ~~promulgate~~ rules necessary to implement the revised funding  
3 model.

4           ~~(5) The funding level in the 1997-1998 FEFP for~~  
5 ~~exceptional student education shall be guaranteed for 3 years~~  
6 ~~so that no district will have a financial uncertainty during~~  
7 ~~the initial implementation of the revised funding model.~~

8           Section 4. Paragraphs (c) and (d) of subsection (1) of  
9 section 236.081, Florida Statutes, are amended to read:

10           236.081 Funds for operation of schools.--If the annual  
11 allocation from the Florida Education Finance Program to each  
12 district for operation of schools is not determined in the  
13 annual appropriations act or the substantive bill implementing  
14 the annual appropriations act, it shall be determined as  
15 follows:

16           (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR  
17 OPERATION.--The following procedure shall be followed in  
18 determining the annual allocation to each district for  
19 operation:

20           (c) Determination of programs.--Cost factors based on  
21 desired relative cost differences between the following  
22 programs shall be established in the annual General  
23 Appropriations Act. The Commissioner of Education shall  
24 specify a matrix of services and intensity levels to be used  
25 by districts in the determination of the two weighted cost  
26 factors for exceptional students with the highest levels of  
27 need. For these students, the funding support level shall fund  
28 the exceptional students' education program, with the  
29 exception of extended school year services for students with  
30 disabilities.funding support for each exceptional student.  
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1 ~~The funding support level for each exceptional student shall~~  
2 ~~fund the exceptional student's total education program.~~

3 1. Basic programs.--

4 a. Kindergarten and grades 1, 2, and 3.

5 b. Grades 4, 5, 6, 7, and 8.

6 c. Grades 9, 10, 11, and 12.

7 2. Programs for exceptional students.--

8 ~~a. Support Level I.~~

9 ~~b. Support Level II.~~

10 ~~c. Support Level III.~~

11 a.d. Support Level IV.

12 b.e. Support Level V.

13 3. Secondary career education programs.--

14 ~~4. Students-at-risk programs.--~~

15 ~~a. Dropout prevention and teenage parents.~~

16 4.b. English for Speakers of Other Languages.--

17 (d) Annual allocation calculation.--

18 1. The Department of Education is authorized and  
19 directed to review all district programs and enrollment  
20 projections and calculate a maximum total weighted full-time  
21 equivalent student enrollment for each district for the K-12  
22 FEFP.

23 2. Maximum enrollments calculated by the department  
24 shall be derived from enrollment estimates used by the  
25 Legislature to calculate the FEFP. If two or more districts  
26 enter into an agreement under the provisions of s.  
27 230.23(4)(d), after the final enrollment estimate is agreed  
28 upon, the amount of FTE specified in the agreement, not to  
29 exceed the estimate for the specific program as identified in  
30 paragraph (c), may be transferred from the participating  
31 districts to the district providing the program.

1           3. As part of its calculation of each district's  
2 maximum total weighted full-time equivalent student  
3 enrollment, the department shall establish separate enrollment  
4 ceilings for each of two program groups. Group 1 shall be  
5 composed of grades K-3, grades 4-8, and grades 9-12. Group 2  
6 shall be composed of students in exceptional student education  
7 programs, English for Speakers of Other Languages  
8 ~~students-at-risk~~ programs, all basic programs other than the  
9 programs in group 1, and all vocational programs in grades  
10 7-12.

11           a. The weighted enrollment ceiling for group 2  
12 programs shall be calculated by multiplying the final  
13 enrollment conference estimate for each program by the  
14 appropriate program weight. The weighted enrollment ceiling  
15 for program group 2 shall be the sum of the weighted  
16 enrollment ceilings for each program in the program group,  
17 plus the increase in weighted full-time equivalent student  
18 membership from the prior year for clients of the Department  
19 of Children and Family Services and the Department of Juvenile  
20 Justice.

21           b. If, for any calculation of the FEFP, the weighted  
22 enrollment for program group 2, derived by multiplying actual  
23 enrollments by appropriate program weights, exceeds the  
24 enrollment ceiling for that group, the following procedure  
25 shall be followed to reduce the weighted enrollment for that  
26 group to equal the enrollment ceiling:

27           (I) The weighted enrollment ceiling for each program  
28 in the program group shall be subtracted from the weighted  
29 enrollment for that program derived from actual enrollments.

30           (II) If the difference calculated under  
31 sub-sub-subparagraph (I) is greater than zero for any program,

1 a reduction proportion shall be computed for the program by  
2 dividing the absolute value of the difference by the total  
3 amount by which the weighted enrollment for the program group  
4 exceeds the weighted enrollment ceiling for the program group.

5 (III) The reduction proportion calculated under  
6 sub-sub-subparagraph (II) shall be multiplied by the total  
7 amount of the program group's enrollment over the ceiling as  
8 calculated under sub-sub-subparagraph (I).

9 (IV) The prorated reduction amount calculated under  
10 sub-sub-subparagraph (III) shall be subtracted from the  
11 program's weighted enrollment. For any calculation of the  
12 FEFP, the enrollment ceiling for group 1 shall be calculated  
13 by multiplying the actual enrollment for each program in the  
14 program group by its appropriate program weight.

15 c. For program group 2, the weighted enrollment  
16 ceiling shall be a number not less than the sum obtained by:

17 (I) Multiplying the sum of reported FTE for all  
18 programs in the program group that have a cost factor of 1.0  
19 or more by 1.0, and

20 (II) By adding this number to the sum obtained by  
21 multiplying the projected FTE for all programs with a cost  
22 factor less than 1.0 by the actual cost factor.

23 4. Following completion of the weighted enrollment  
24 ceiling calculation as provided in subparagraph 3., a  
25 supplemental capping calculation shall be employed for those  
26 districts that are over their weighted enrollment ceiling. For  
27 each such district, the total reported unweighted FTE  
28 enrollment for group 2 programs shall be compared with the  
29 total appropriated unweighted FTE enrollment for group 2  
30 programs. If the total reported unweighted FTE for group 2 is  
31 greater than the appropriated unweighted FTE, then the excess

1 unweighted FTE up to the unweighted FTE transferred from group  
2 2 to group 1 for each district by the Public School FTE  
3 Estimating Conference shall be funded at a weight of 1.0 and  
4 added to the funded weighted FTE computed in subparagraph 3.  
5 This adjustment shall be calculated beginning with the third  
6 calculation of the 1998-1999 FEFP.

7 Section 5. Paragraph (b) of subsection (2) and  
8 paragraph (a) of subsection (3) of section 237.34, Florida  
9 Statutes, are amended to read:

10 237.34 Cost accounting and reporting.--

11 (2) COST REPORTING.--

12 (b) Each district shall report on a school-by-school  
13 and on an aggregate district basis expenditures for each  
14 program funded in s. 236.081(1)(c), ~~except that programs for~~  
15 ~~exceptional students shall be reported on an aggregate basis.~~

16 (3) PROGRAM EXPENDITURE REQUIREMENTS.--

17 (a) Each district shall expend at least the percent of  
18 the funds generated by each of the programs listed herein on  
19 the aggregate total school costs for such programs:

- 20 1. Kindergarten and grades 1, 2, and 3, 90 percent.
- 21 2. Grades 4, 5, 6, 7, and 8, 80 percent.
- 22 3. Grades 9, 10, 11, and 12, 80 percent.
- 23 4. Programs for exceptional students, on an aggregate  
24 program basis, 90 ~~80~~ percent.
- 25 5. Grades 7 through 12 vocational education programs,  
26 on an aggregate program basis, 80 percent.
- 27 6. Students-at-risk programs, on an aggregate program  
28 basis, 80 percent.
- 29 7. Juvenile justice programs, on an aggregate program  
30 basis, 80 percent.

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1           8. Any new program established and funded under s.  
2 236.081(1)(c), that is not included under subparagraphs 1.  
3 through 6., on an aggregate basis as appropriate, 80 percent.

4           Section 6. This act shall take effect upon becoming a  
5 law.

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