

STORAGE NAME: h1545.eda.doc
DATE: March 21, 2001

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

BILL #: HB 1545 (PCB EDA 01-01)
RELATING TO: Academic Performance-"Dollars to the Classroom"
SPONSOR(S): Committee on Education Appropriations
TIED BILL(S):

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

- (1) EDUCATION APPROPRIATIONS YEAS 16 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill creates the "Dollars to the Classroom Act of 2001." It provides for establishing district minimum academic performance standards and district minimum classroom instruction expenditure requirements.

The bill requires that, beginning with student and school performance data for the 2000-2001 school year, district performance grades shall be designated in the annual report required by Section 229.57(6), Florida Statutes. District performance grades shall be determined for 1) all elementary schools, 2) all middle schools, and 3) all high schools in the district. Each of the three district performance grades will be weighted by the school's enrollment.

The bill requires the Legislature to prescribe minimum district academic performance standards and minimum classroom expenditure requirements for school districts that do not meet such minimum academic performance standards in the General Appropriations Act (GAA).

Minimum district academic performance standards may be based on, but are not limited to, district weighted performance grades. Minimum classroom expenditures will be prescribed in the GAA. The bill defines total K-12 operating expenditures and expenditures for classroom instruction and prescribes the method of calculating each using the state required uniform accounting system for all districts.

Districts that do not meet the required minimum district academic performance standards will be required to meet a minimum expenditure requirement for "classroom instruction." Affected districts will be required to submit two reports to the Department of Education. The first report, to be submitted at the beginning of the year, will show the percentage of total current operating funds that are budgeted for classroom instruction. A final report, to be submitted at the end of the year, will show the percentage of total current operating expenditures that were actually expended for classroom instruction. In addition, as a part of the district's published notice of the proposed school budget the board must inform the public that it is required by the state to increase expenditures for classroom instruction because the district's academic performance is below the state required minimum standard.

This bill does not require an appropriation; the bill does not increase or decrease the total funds available to any school district.

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 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:

Florida Student Achievement and Expenditures

Florida's student achievement, as measured by the National Assessment of Education Progress (NAPE), ranks below the national average and below the average of the states in the southeast region.

Based on the Florida Comprehensive Achievement Test (FCAT) the level of student achievement varies widely among the 67 school districts.

Information reported by the National Center for Education Statistics (NCES) shows that Florida's current expenditures per student in average daily attendance are close to the national average and greater than most states in the southeast region. However, the percentage of Florida's total current operating expenditures that are spent for "classroom instruction" are less than the national average and are the lowest of all of the states in the southeast region.

Florida and Texas Comparision

Florida and Texas are similar in size and demographics. Both states have a large percentage of children in poverty (24% for Florida and 25% for Texas) and both have a large percentage of minority enrollment in public schools (44% for Florida and 55% for Texas).

The most recent National Assessment of Education Progress shows that Texas student achievement is substantially better than Florida. The percent of 4th graders at or above the Basic Reading Level in Texas is 63%, while 54% of Florida's 4th graders achieve the Basic Level. For 8th graders, in Texas, 76% are at or above Basic Reading, while Florida 8th graders are at 65%.

Florida's current expenditure per student in average daily attendance is greater than Texas. However, Texas spends a greater percentage of its total current operating expenditure for "classroom instruction" than Florida.

C. EFFECT OF PROPOSED CHANGES:

The bill provides that the Legislature may establish minimum district academic performance standards and minimum "classroom instruction" expenditures in the GAA.

Using 1999-2000 school and academic performance data, if the Legislature were to establish the minimum district weighted academic performance grade for all elementary schools, all middle schools, and all high schools as the state median for each level, districts would be affected as follows:

Twenty one (21) school districts would meet or exceed the minimum district academic performance standard for elementary schools, middle schools, and high schools. These districts would be able to continue to spend their funds as they choose.

Nineteen (19) districts would have one district weighted academic performance grade below the standard. Fifteen (15) districts would have two district weighted academic performance grades below the standard, and twelve (12) districts would have three district weighted academic performance grades below the standard. These districts could be required to increase the percentage of their total current operating funds spent for "classroom instruction" by a percentage amount specified in the GAA.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Short title: "Dollars to the Classroom Act of 2001."

Section 2. Amends Section 229.57, Florida Statutes by adding a new subsection (16) to require, beginning with the 2000-2001 school year student and school performance data that the annual report required by subsection (6) shall include district performance grades. These grades shall be determined by level for all elementary, middle, and high schools. A district's average grade shall be calculated by weighting individual school grades with each school's enrollment.

Section 3. Amends Section 236.02, Florida Statutes by adding a new subsection (8) to require school districts to comply with the minimum classroom expenditure requirements and associated reporting required in Section 236.08102, Florida Statutes, created by this bill.

Section 4. Creates Section 236.08102, Florida Statutes, to require, subject to legislative authorization, beginning in 2001-2002, minimum classroom instruction expenditure requirements for school districts that fail to meet minimum academic performance standards. Classroom instruction expenditures are calculated as a specified percentage of the district's total current operating expenditures. Total current operating expenditures and expenditures for "classroom instruction" are defined and are based on the definitions in the Department of Education manual, "Financial and Program Cost Accounting and Reporting for Florida Schools". Affected school districts are required to submit two reports to the Department of Education. The first report, submitted at the beginning of the school year, will show the percentage of funds budgeted for "classroom instruction." The second report, submitted at the end of the year, will show actual expenditures. This report must clearly indicate the district's compliance or noncompliance with the minimum classroom instruction expenditure requirement. If the district does not comply, it must include a statement signed by the district superintendent and all members of the school board which provides an explanation. The Department of Education is required to provide summary reports to the Legislature, the State Board of Education and the Governor.

Section 5. Section 237.041, Florida Statutes is amended to require that the published notice of the district's proposed budget include the statement required by subsection (3) of Section 237.081, Florida Statutes.

Section 6. Section 237.081, Florida Statutes is amended by adding a new subsection (3) to prescribe the wording of the statement that must be included in the published notice of the district's proposed budget. The statement explains that the district did not meet minimum academic performance standards and is required to increase expenditures for classroom instruction by a specified amount and lists the activities and the amounts budgeted.

Section 7. Provides that the act shall take effect upon becoming law.

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:

To the extent implemented, the Legislature, in the GAA, would require school districts that fail to meet minimum academic performance standards to increase classroom expenditures by a specified percentage relative to their total current operating expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

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

A. APPLICABILITY OF THE MANDATES PROVISION:

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

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

The 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:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

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