

STORAGE NAME: h0511.ei.doc
DATE: March 15, 2001

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

BILL #: HB 511
RELATING TO: Charter School Capital Outlay Funding
SPONSOR(S): Representative Bullard
TIED BILL(S): None

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

- (1) EDUCATION INNOVATION
 - (2) FISCAL POLICY & RESOURCES
 - (3) EDUCATION APPROPRIATIONS
 - (4) COUNCIL FOR LIFELONG LEARNING
 - (5)
-

I. SUMMARY:

Current law requires the Commissioner of Education to specify procedures for submitting and approving requests for charter school capital outlay funding and procedures for documenting expenditures. The adopted procedures do not require a local school board to submit a resolution asserting that the proposed location of a particular charter school is in the best interest of the school district.

HB 511 requires the Commissioner of Education to include, as part of the procedures for submitting and approving requests for charter school capital outlay funding, a resolution by the locally affected school board asserting that the proposed location of a charter school is in the best interest of that school district.

There appears to be no significant fiscal impact associated with the bill.

The bill has an effective date of July 1, 2001.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input 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:

This bill does not appear to support the principle of less government because it requires the Commissioner of Education to include, as part of the procedures for submitting and approving requests for charter school capital outlay funding, a resolution by the locally affected school board asserting that the proposed location of a charter school is in the best interest of that school district.

B. PRESENT SITUATION:

CHARTER SCHOOL CAPITAL OUTLAY FUNDING

Subsection 228.0561(1), F.S., requires the Commissioner of Education to allocate the funds that have been appropriated for charter school capital outlay among eligible charter schools. If the funds appropriated are not sufficient, the Commissioner prorates the available funds among eligible charter schools. An eligible charter school is one that has received final approval from its sponsor district for operation during that fiscal year, and serves students in facilities that are not provided by the charter school's sponsor district.

Subsection 228.0561(1), F.S., provides that, unless otherwise provided in the General Appropriations Act, the funding allocation for each eligible charter school is determined by multiplying the school's projected student enrollment by one-fifteenth of the cost-per-student station. The cost per student station is adjusted annually by the Consumer Price Index, and for 2000 it was \$12,518 for elementary schools, \$14,353 for middle schools, and \$18,993 for high schools. Thus, one-fifteenth of the cost per student station is \$835 for each charter elementary school student, \$957 for each charter middle school student, and \$1,266 for each charter high school student. The Legislature appropriated \$20 million for charter school capital outlay for the 2000-2001 fiscal year.

Subsection 228.0561(2), F.S., provides that a charter school's governing body may use charter school capital outlay funds for any capital outlay purpose that is directly related to the functioning of the charter school, including the purchase of real property, construction, renovation, repair, and maintenance of school facilities; purchase, lease-purchase, or lease of permanent or relocatable school facilities; and purchase of vehicles to transport students to and from the charter school.

PROCEDURES FOR REQUESTING CHARTER SCHOOL CAPITAL OUTLAY FUNDING

Subsection 228.0561(4), F.S., requires the Commissioner of Education to specify procedures for submitting and approving requests for charter school capital outlay funding and procedures for documenting expenditures.

According to the Department of Education, the Commissioner of Education has established the following procedures for submitting and approving requests for charter school capital outlay funding:

- Each charter school must submit a capital outlay plan (plan), which has been previously approved by the governing body of the charter school, directly to the finance officer of the sponsor district before requesting capital outlay funds. The plan must include information on the projects the charter school expects to complete with the money it is allocated for capital outlay. Each project listed in the plan must relate to a capital outlay purpose directly related to the functioning of the charter school. The plan may list more projects than are expected to be funded with the capital outlay funds.
- Within 10 working days of receiving the charter school's plan, the sponsor district's finance officer must notify each charter school, in writing, as to whether the plan has been accepted or rejected. A specific project may be rejected without rejecting the entire plan. As soon as the charter school receives notice that its plan has been approved, it may request capital outlay funds. A lease agreement, lease-purchase agreement, rental contract, sales contract, construction contract, purchase order, or bill of sale must accompany a charter school's request for capital outlay funds. Within 10 working days of receiving a request for funds, the sponsor district's finance officer must issue a check or transfer the requested funds into the capital outlay account of the charter school requesting the funds.
- Before receiving the capital outlay funds, an agreement must be in place between the charter school and the sponsor district that in the event the charter school is non-renewed or terminated, any unencumbered funds and all equipment and property purchased with public funds will revert to the ownership of the school board.
- To document the expenditure of capital outlay funds transferred to a charter school, the sponsor district's finance officer must use sales contracts, construction contracts, purchase orders, leases, lease-purchase agreements, rental agreements, or a bill of sale.
- Any amount of interest earned by the sponsor district on funds appropriated for charter school capital outlay must be transferred to the appropriate charter school as it is earned by the district.
- No charter school is compelled to spend its capital outlay funds in the year the funds are appropriated. A charter school may allow the funds to reside with the district until requested by the charter school. Any interest earned on this money is added to the charter school's capital outlay account.

C. EFFECT OF PROPOSED CHANGES:

HB 511 requires the Commissioner of Education to include, as part of the procedures for submitting and approving requests for charter school capital outlay funding, a resolution by the locally affected school board asserting that the proposed location of the charter school is in the best interest of that school district. Consequently, the bill appears to provide local school boards more input relating to the location of proposed charter schools.

D. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Amends subsection 228.0561(4), F.S., to require the Commissioner of Education to include, as part of the procedures for submitting and approving requests for charter school capital outlay funding, a resolution by the local school board asserting that the proposed location of a charter school is in the best interest of that district.

SECTION 2: Provides an effective date of July 1, 2001.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a significant fiscal impact on state revenues.

2. Expenditures:

This bill does not appear to have a significant fiscal impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a significant fiscal impact on local revenues.

2. Expenditures:

This bill does not appear to have a significant fiscal impact on local expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a direct economic impact on the private sector.

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 funds or to take 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.

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

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

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IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

This bill does not appear to violate any constitutional provisions.

B. RULE-MAKING AUTHORITY:

This bill does not appear to necessitate additional rulemaking authority.

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Staff Director:

Anitere Flores

Daniel Furman