

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 934

SPONSOR: Education Committee and Senator Clary

SUBJECT: Florida School Academic Improvement Trust Fund Grants

DATE: April 20, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>McKee</u>	<u>Hickam</u>	<u>AED</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	<u>Withdrawn: Favorable</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

This Committee Substitute creates a program to match state grants to private donations for the improvement of academic programs in the K-12 public school system. If the General Appropriations Act specifies funds for the program, each school district and the Florida School for the Deaf and the Blind will receive a challenge grant to encourage and match private contributions, according to a proportional formula.

The bill is "tied" with -- and contingent upon passage of --CS/SB 930, which creates the trust fund for matching funds (the Florida School Improvement Academic Trust Fund). The program's successful operation also depends upon having money appropriated to supply the matching funds; in fact, a similar law (s. 236.1229, F.S.) was repealed on July 1, 2000, because it had not received funding for the previous 3 years.

The effective date is July 1, 2001.

This bill creates the following section of the Florida Statutes: 236.1226.

## II. Present Situation:

### **The Florida School Improvement Academic Trust Fund (Repealed July 1, 2000)**

The 1995 Legislature created s. 236.1229, F.S., the Florida School Improvement Academic Trust Fund. That trust fund, and the associated provisions for administering the fund, were scheduled for sunset in 1999 and were allowed to repeal (SB 602 [1999]). The reason for the repeal was that the program had not received funding since 1997.

### **District school board direct support organizations**

A "district school board direct-support organization"<sup>1</sup> means an organization which:

1. Is approved by the district school board;
2. Is a Florida corporation not for profit, incorporated under the provisions of chapter 617 and approved by the Department of State; and
3. Is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of public pre-kindergarten through 12th grade education and adult vocational and community education programs in this state.

Of the 68 school districts, only nine do not currently have an authorized district education foundation, and three of those are in the process of creating foundations.<sup>2</sup>

According to the Department of Education, creating a foundation takes about 3 months and some paperwork, and counties that have no foundation should have no difficulty creating them, given the incentive of matching funds.

### **III. Effect of Changes:**

This bill establishes a program which, when paired with CS/SB 930 (creating the associated trust fund) and funded in the General Appropriations Act, will provide each school district and the Florida School for the Deaf and Blind the opportunity to strengthen private/public partnerships by offering private donors the incentive of state matching funds for contributions that support the improvement of academic programs.

The details provided in the bill include:

- A trust fund will offer matching state funds as an incentive to attract private contributions with state funds earmarked directly to the district-based, public K-12 education foundations and for the Florida School for the Deaf and Blind Endowment Fund.
- The Commissioner of Education will specify procedures for the administration of the matching fund program.
- The foundations may invest in academic achievement programs, except that funding may not pay for facility construction or interscholastic athletics. The Legislature may, however, approve facility purchase.
- The Department of Education will allocate the Trust Fund money:
  - District-based, public K-12 education foundations and the Florida School for the Deaf and Blind Endowment Fund have equal (proportionate) access to state matching funds until April 1 of each year.
  - After April 1, the commissioner will specify how remaining balances may be requested.
  - Every \$4 from the state will be matched by \$6 of local contributions.
  - The foundation must raise at least \$4,500 to request a state match.
  - The state will distribute funds upon notification of receipt of private contributions.

<sup>1</sup> s. 237.40, F.S

<sup>2</sup> The following counties have no foundation and are not contemplating one: Calhoun, Holmes, Jackson, Liberty, Lafayette, and Nassau. The following counties are in the process of creating foundations: Gilchrest, Putnam, and Taylor.

- The bill describes the requirements for creating separate accounts and responsible accounting by the foundations.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill is "tied" with -- and contingent upon passage of -- CS/SB 930, which creates the trust fund for matching funds (the Florida School Improvement Academic Trust Fund). The program's successful operation also depends upon having money appropriated to supply the matching funds.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.