

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: SB 40C

SPONSOR: Senator Sullivan

SUBJECT: School District Flexibility/Funds

DATE: November 27, 2001 REVISIED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hickam	Revell	AP	Favorable
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill creates the School District Flexibility Act of 2001 and provides each district with the authority to expend funds allocated to the district from the 2001-2002 General Appropriations Act during the 2001-2002 fiscal year, subject to specific conditions. A district school board must declare, in a resolution adopted by the board, that funds received for specific programs are urgently needed to maintain board-specified academic classroom instruction. The board may consider and approve an amendment to the district's 2001-2002 operating budget, which transfers the identified amount of funds to the appropriate account for expenditure. The bill specifies six accounts from which funds may be transferred: Specific Appropriation 122, funds for inservice educational personnel training; Specific Appropriation 118, funds for safe schools activities; Specific Appropriation 120A, funds for public school technology; Specific Appropriation 119, funds for teacher recruitment signing bonuses which are in excess of the amount required to provide \$850 in teacher retention bonuses; Specific Appropriation 4A(a), funds for the district discretionary lottery allocation; and Specific Appropriation 122A, carry forward funds related to the Florida Teachers Lead program stipend.

Also, the bill provides that a school board may consider and approve an amendment to the 2001-2002 operating budget that transfers certain funds budgeted for nonclassroom instruction to an appropriate academic classroom instruction account. This provision applies to supplemental academic instruction funds allocated for the purposes established in law. The bill establishes reporting requirements for the Department of Education and for school boards. The provisions of the bill related to transfer authority expire June 30, 2002

The bill also delays from June 30, 2002, to June 30, 2003, the date by which the adopted district school board budget must include a reserve to fully fund an additional 5 percent supplement for school administrators and instructional personnel. The bill delays from July 1, 2002, until July 1,

2003, the date by which school districts must replace relocatable classrooms that do not meet the 1998 standards for the long-term use of relocatables as classrooms adopted in rule by the Commissioner of Education. The bill delays from July 1, 2003, until July 1, 2004, the date by which certain student stations in relocatable facilities (e.g., those exceeding 20 years of age and in use by a district during the 1998-1999 fiscal year) must be removed. The bill specifies two conditions that must be met by the school district in order to take advantage of the delayed dates for relocatables.

This bill creates an undesignated section of law that is effective upon becoming a law.

II. Present Situation:

Current Flexibility

- **Deregulated Public Schools**

Current law for deregulated public schools (s. 228.0565, F.S.) allows the Commissioner of Education to waive provisions of the Florida School Code, including teacher certification in chapter 231, F.S., and specifies the procedure for obtaining limited waivers for pilot programs in seven school districts (Palm Beach, Pinellas, Seminole, Leon, Walton, Citrus, and Lee). The waivers may continue through the 2003-2004 school year. Waivers may not be granted for statutes related to the following:

- chapter 119, relating to public records, and s. 286.011, F.S., relating to public meetings and records, public inspection, and penalties;
- civil rights and student health, safety, and welfare; and
- the provisions of chapter 236, F.S., or chapter 237, F.S., if the waiver would affect funding allocations or create inequity in public school funding.

Deregulated status, as specified in s. 228.0565(5),(7),(8),(9), and (10), F.S., may be given to schools designated as school performance category "A" and those schools that have improved at least 2 school performance grade categories and that meet the criteria for the Florida School Recognition Program.

- **School Improvement and Education Accountability**

The Commissioner of Education may waive the statutory requirements of chapters 230 through 239, F.S., related to instruction and school operations, to facilitate innovative practices and to allow local selection of educational methods. Waivers may not be granted to school districts for the following:

- provisions related to civil rights, and student health, safety, and welfare;
- any provisions of law related to the allocation and appropriation of state and local funds for public education;
- the election, compensation, and organization of school board members and superintendents;
- graduation and state accountability standards;
- financial reporting requirements;
- reporting of out-of-field teaching assignments under s. 231.095; F.S.,
- public meetings or public records; or
- due process hearings governed by chapter 120, F.S.

Prior to approval under s. 229.592(9), F.S., the Commissioner must report pending waiver requests to the State Board of Education on a monthly basis. Upon request of any member of the State Board of Education, the Commissioner must bring a waiver request to the state board for consideration. If, within 2 weeks of receiving the report, no member requests that a waiver be considered by the State Board of Education, the Commissioner may act on the original waiver request.

The law allows school districts to request waivers by the Commissioner from State Board of Education rules related to curriculum frameworks and credits for courses and programs in the Course Code Directory.

Educator Professional Development

Specific Appropriation 122 allocates \$36,000,000 for inservice educational personnel training from General Revenue. Funds must be prorated among districts, based on each district's proportion of the state unweighted full-time equivalent student enrollment. The federal government provides additional funds as grants to school districts (Eisenhower Title II). These funds are used to update teachers content knowledge and teaching methods through a variety of means.

Safe Schools

From the funds appropriated in Specific Appropriation 118, \$75,350,000 is provided for safe schools activities. Each district must receive \$30,000 and the remaining balance must be allocated as follows:

- two-thirds based on the latest official Florida Crime Index provided by the Department of Law Enforcement; and
- one-third based on each district's share of the state's total unweighted student enrollment.

Safe Schools activities include: after school programs for middle school students; other improvements to enhance the learning environment, including implementation of conflict resolution strategies; alternative school programs for adjudicated youth; and other improvements to make the school a safe place to learn. Each district must determine, based on a review of its existing programs and priorities, how much of its total allocation to use for each authorized safe schools activity.

Public School Technology

Specific Appropriation 120A allocates \$34,325,000 from General Revenue for public school technology. The funds are allocated by prorating the total on each district's share of the state's K-12 FTE.

Teacher Recruitment and Retention

Specific Appropriation 119 allocates \$152,000,000 from General Revenue for teacher recruitment and retention.

District Discretionary Lottery

From the funds appropriated in Specific Appropriation 4A(a), sixty percent of the \$283,750,000 appropriation is allocated for enhancement of educational programs and implementation of

school improvement plans and forty percent is allocated for the School Recognition Program, which provides awards of \$100 per student for each school that achieves an "A" grade or that improves by one or more letter grades from the prior year. In the event that a district's School Recognition awards equal an amount less than forty percent of its total District Discretionary Lottery/School Recognition Program allocation, the district can use the remaining portion of the forty percent allocation to enhance educational programs. The allocation is made by prorating the amount of the appropriation on each district's K-12 base funding entitlement. The GAA provides conditions that must be met prior to the expenditure of these funds. Also, a portion of the funds must be allocated (by October 1, 2001) for use by either the school advisory council or the staff and parents of the school, if there is no council. Part of the funds must be used for implementing the school improvement plan. The Commissioner of Education may withhold the distribution of discretionary lottery funds from districts that fail to comply with the provisions of s. 106.15, F.S.

Section 24.121, F.S., relating to the allocation of revenues and expenditures for public education, states that funds in the Educational Enhancement Trust Fund must be used to benefit public education in accordance with the provisions of the act.

Florida Teachers Lead Program Stipend

Specific Appropriation 122A allocates \$15,386,500 in General Revenue for teachers pursuant to s. 231.67, F.S., the Florida Teachers Lead Program Stipend. The allocation is prorated, based upon each district's proportion of the state total unweighted full-time equivalent student enrollment.

Section 231.67, F.S., provides that funding for the Florida Teachers Lead Program stipend must be as determined by the Legislature in the General Appropriations Act.

Supplemental Academic Instruction

Section 236.08104, F.S., creates the "Supplemental Academic Instruction Categorical Fund" to provide supplemental academic instruction to students in kindergarten through grade 12. Specific Appropriation 118 includes these funds, which must be allocated annually to each school district in the amount provided in the General Appropriations Act (GAA). These funds are in addition to the funds appropriated on the basis of full-time equivalent student (FTE) membership in the Florida Education Finance Program (FEFP) and must be included in the total potential funds of each district. Also, these funds are restricted for use to provide supplemental academic instruction to students enrolled in the K-12 program. Supplemental instruction strategies may include, but are not limited to the following:

- modified curriculum;
- reading instruction;
- after-school instruction;
- tutoring;
- mentoring;
- class size reduction;
- extended school year;
- intensive skills development in summer school; and
- other methods for improving student achievement.

Supplemental instruction may be provided to a student in any manner and at any time during or beyond the regular 180-day term identified by the school as being the most effective and efficient way to best help that student progress from grade to grade and to graduate. The law specifies requirements for funding beyond the 180-day regular term and for dropout prevention programs.

Each school district receiving these funds must submit to the Department of Education a plan which identifies the students to be served and the scope of supplemental academic instruction to be provided. As well, districts must submit information through the department's database documenting the district's progress in the areas of academic improvement, graduation rate, dropout rate, attendance rate, and retention/promotion rate.

Relocatable Classrooms

As a part of the 1997 Public School Capital Outlay Program Act (chapter 97-384, L.O.F.), the Legislature created s. 235.061, F.S., requiring the Commissioner of Education to adopt rules to establish standards for relocatable classrooms intended for long for long-term use. The rules were required to be implemented in 1998. The law defines "long-term use" as the use of a relocatable at the same school plant for a period of 4 years or more. Relocatables acquired by a school district after July 1, 1998, and intended for long-term use, must comply with the standards. Those that do not meet the standards as of July 1, 2002 can no longer be used as classrooms.

The standards are designed to protect the health, safety, and welfare of the occupants of relocatables by requiring compliance with applicable building codes to ensure: the safety and stability of construction and onsite installation, fire and moisture protection, air quality and ventilation, appropriate wind resistance, and compliance with the Americans with Disabilities Act of 1990. The law also requires, if appropriate, that relocatables must provide access to the same technologies available to similar classrooms in the main school facility, and be accessible by adequate covered walkways.

The Commissioner of Education, as of July 1, 2000, was also required to adopt standards for all relocatables intended for long-term classroom use. Relocatables that do not meet these standards may not be reported in the Florida Inventory of School Houses (FISH) as satisfactory student stations.

The 1997 Public School Capital Outlay Program Act also created s. 235.062, F.S., which established a legislative goal for all school districts to provide a quality educational environment for their students related to student stations as relocatables. To accomplish the goal, the law requires, by July 1, 2003, the removal of student stations in relocatable facilities exceeding 20 years of age and in use by a district during the 1998-1999 fiscal year. As well, the number of all other relocatable student stations at overcapacity schools during that fiscal year must be decreased by half. The law acknowledges that some districts may have difficulty achieving the goal within the required time frame and establishes a method for measuring progress toward meeting the goal (e.g., the annual comparison of district facilities work programs for replacing relocatables with the state capital outlay projections for education prepared by the SMART Schools Clearinghouse.) The law provides for monitoring district facilities work programs,

defines the term “over-capacity school,” and provides that any relocatables purchased with money appropriated from the Public School Capital Outlay Program Act must be counted at actual student capacity for purposes of ss. 235.15 and 235.217, F.S, for the life cycle of the relocatable.

School Board Duties/Compensation and Salary Schedules

Section 230.23(5)(c), F.S., related to the powers and duties of the school boards for compensation and salary schedules for personnel, requires that by June 30, 2002, or beginning with the full implementation of an annual assessment of learning gains, the adopted district school board budget must include a reserve to fully fund an additional 5 percent supplement for school administrators and instructional personnel. The district’s performance pay policy is subject to collective bargaining in chapter 447, F.S.

III. Effect of Proposed Changes:

The bill creates the School District Flexibility Act of 2001 and provides each district with the authority to expend funds allocated to the district from the 2001-2002 General Appropriations Act (chapter 201-253, L.O.F.). The spending authority is allowed during the 2001-2002 fiscal year, subject to specific conditions. A district school board must declare, in a resolution adopted by the board, that funds received for specific programs are urgently needed to maintain board-specified academic classroom instruction. The board may consider and approve an amendment to the district’s 2001-2002 operating budget, which transfers the identified amount of funds to the appropriate account for expenditure.

The bill specifies six accounts from which funds may be transferred:

- Specific Appropriation 122, funds for inservice educational personnel training;
- Specific Appropriation 118, funds for safe schools activities;
- Specific Appropriation 120A, funds for public school technology;
- Specific Appropriation 119, funds for teacher recruitment signing bonuses which are in excess of the amount required to provide \$850 in teacher retention bonuses;
- Specific Appropriation 4A(a), funds for the district discretionary lottery allocation; and
- Specific Appropriation 122A, carry forward funds related to the Florida Teachers Lead program stipend.

The bill also provides that a school board may consider and approve an amendment to the 2001-2002 operating budget that transfers certain funds budgeted for nonclassroom instruction to an appropriate academic classroom instruction account. This provision applies to supplemental academic instruction funds allocated for the purposes established in s. 236.08104, F.S.

The bill establishes reporting requirements for school boards that transfer funds from each identified program. School boards must report to the Florida Department of Education on the amount of funds transferred from each program and the specific academic classroom instruction for which the funds are expended. The Department of Education must provide the instructions and format for submitting the required information. Also, the department must report each school board action taken and a statewide summary for all school districts to the executive and legislative branches of government. The provisions of the bill related to budget transfer authority expire June 30, 2002.

The bill also delays from June 30, 2002, to June 30, 2003, the date by which the adopted district school board budget must include a reserve to fully fund an additional 5 percent supplement for school administrators and instructional personnel. The bill delays from July 1, 2002, until July 1, 2003, the date by which school districts must replace relocatable classrooms that do not meet the 1998 standards for the long-term use of relocatables as classrooms adopted in rule by the Commissioner of Education. The bill delays from July 1, 2003, until July 1, 2004, the date by which certain student stations in relocatable facilities (e.g., those exceeding 20 years of age and in use by a district during the 1998-1999 fiscal year) must be removed.

The bill specifies the following two conditions that must be met by the school district in order to take advantage of the delayed dates for relocatables:

- first use the authority in subsections (1) through (4) of the bill; and
- submit a plan to the Department of Education that identifies how the district will fully comply with:
 - the standards for relocatable classrooms by July 1, 2003;
 - the requirements for relocatable student stations by July 1, 2004.

The effective date is upon becoming a law.

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:

None, for the provisions of the bill related to the authority to transfer funds. These provisions of the bill simply allow school districts more flexible use of FEFP and major categorical funds appropriated by the Legislature.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
