

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 390
 SPONSOR: Senator Pruitt
 SUBJECT: School Districts/Allocations
 DATE: January 30, 2002 REVISED: 2/4/02 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	O'Farrell	O'Farrell	ED	Fav/1 amendment
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The legislation provides local school boards with the option of receiving formula-driven categorical funds in a lump sum. A board may then use the money for any or all of the purposes for which it was originally appropriated, or use it for other purposes as it may determine.

This bill creates section 236.08109 of the Florida Statutes.

II. Present Situation:

Chapter 2001-374, Laws of Florida, enacted during Special Session C of the 2001 Legislature authorizes local school boards to transfer funds from specific categorical programs to academic classroom instruction. The categorical programs affected include: Student Transportation, Inservice Educational Personnel Training, Safe Schools Activities, Public School Technology, Teacher Recruitment Signing Bonus funds in excess of the amount required to provide the \$850 Teacher Retention Bonuses, and carry-forward funds from the Teacher Lead Program Stipend. Supplemental Academic Instruction (SAI) funds budgeted for nonclassroom instruction may also be redirected to academic classroom instruction by a school board. The SAI funds are provided through the Florida Education Finance Program (FEFP).

School boards taking advantage of the categorical fund transfer option must report to the Department of Education the amount of funds transferred from each program and the specific academic classroom instruction use for which the funds were expended. The Department of Education is required, in turn, to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives the actions taken by each school board with a statewide summary for all school districts.

III. Effect of Proposed Changes:

The bill under consideration gives local school boards the option of receiving in a lump sum formula-driven categorical funds provided through the General Appropriations Act. A school board selecting the option may spend the funds for any or all of the original categorical purposes, or it may spend the funds on any other purposes as it may select. In order to exercise its option, a school board must submit a request expressing its intent to the Commissioner of Education prior to the budget year's first convening of the Florida Education Finance Program Appropriation Allocation Conference.

Formula-driven categorical programs are those programs with funds distributed to school districts through a formula based on factors such as the number of full-time equivalent students, or the number of students transported and the number of miles they are transported. Current categorical programs that meet this definition include: instructional materials, student transportation, public school technology, teacher recruitment and retention, teacher training, and the Teacher Lead program.

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 legislation under consideration will not increase the state funding received by a school district. If a school board exercises the option created by the bill, it will have spending discretion over funds normally restricted to use for categorical purposes.

The total amount of funds that would potentially be available for discretionary spending won't be known until the 2002 General Appropriations Act is passed. For the current budget year the total funding for the affected categorical programs, after Special Session C adjustments, would be in excess of \$900 million.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Education:

Exempts instructional materials categorical funds from the spending flexibility provisions of the bill.