

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 702

SPONSOR: Senator Clary

SUBJECT: Florida School Improvement Academic Trust Fund

DATE: February 12, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gordon	O'Farrell	ED	Favorable
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill would create the Florida School Improvement Academic Trust Fund matching grant program to encourage private donors to contribute to the improvement of academic programs within the public school districts and the Florida School for the Deaf and the Blind. This bill is tied to SB 700 which creates the trust fund that would hold the funds associated with this program.

This bill creates a new section of the Florida Statutes: 236.1226.

II. Present Situation:

Several similar trust fund matching grant programs such as the Trust Fund for Major Gifts established in s. 240.3605(1), F.S., for universities and the Health Care Education Quality Enhancement Challenge Grant Program created to fund nursing health care programs at community colleges (s. 240.4986, F.S.) currently exist but are primarily for postsecondary education. There are currently no matching grant programs established in statute for the benefit of K-12 education. However, a program similar to the one proposed existed for a short time during the last decade.

In 1995, the Legislature created the Florida School Improvement and Academic Achievement Trust Fund grant program in s. 236.1229, F.S. and its related trust fund in s. 236.12295, F.S. That program, which was also established to encourage private support of public schools, was terminated in 1999 through SB 602 after remaining unfunded for two years. This bill would attempt to create the same types of private/public partnerships intended by its predecessor.

In order to participate in this program, a school district must have an associated public school district education foundation responsible for soliciting funding for its schools. Of Florida's 67 school districts, all but eight districts have an education foundation.¹ The vast majority of the education foundations are direct support organizations², but several are independent foundations established specifically to assist in funding the district schools.³ These foundations primarily use their funds for literacy projects although funds have also been used for mentoring programs, tutoring programs in focused subject areas, and for the purchase of books. In order to be eligible for this program, the foundations must raise a minimum of \$4,500 as was required of districts under the 1998 amended version of this bill's predecessor, s. 236.1229 (the Florida School Improvement and Academic Achievement Trust Fund matching grant program).

III. Effect of Proposed Changes:

This bill seeks to establish a program which, in conjunction with SB 700, will provide public school district education foundations and the Florida School for the Deaf and Blind the opportunity to match private donations with state funds to improve K-12 education.

Section 1(1) of this bill outlines the legislative intent to provide an incentive for the contribution of private funds to improve academic programs. Section 1(2) of this bill explicitly provides that the Florida School Improvement Academic Trust Fund will be used to provide matching grants to the Florida School for the Deaf and the Blind Endowment Fund and to any public school district education foundation. This portion of the bill requires the Commissioner of Education to develop procedures for the administration, submission, documentation, evaluation and approval of matching fund requests.

Each year, an amount determined by dividing the total legislative appropriation by the number of local education foundations, including the Florida School for the Deaf and the Blind, will be reserved for each public school district education foundation and the Florida School for the Deaf and the Blind Endowment Fund. Section 1(3) of the bill provides that the Department of Education will allocate the trust fund money. Those allocations will be handled in the following manner:

¹ The districts that lack a foundation include: Calhoun, Franklin, Glades (currently applying and may be operational by next fall), Holmes, Jackson, Lafayette, Liberty, and Nassau.

² A direct support organization, as defined in s.237.40, F.S. is 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 the state.

³ The counties that use education foundations not classified as DSO's are: Collier, Dade, Duval, Indian River, Lee, Orange, and Sarasota.

- Every \$6 of private contributions will be matched by \$4 of state funds.
- A foundation must raise at least \$4,500 from private sources in order to request a state match.
- The state will distribute funds once it has received notification that the public school education fund or endowment fund has received and deposited the proportionate amount of private funds into its own trust fund.
- Matching funds will be distributed at the end of the fourth quarter of each school district calendar year.

Trust funds that are unmatched by April 1 of any year will be made available by the State for matching by any public school district education foundation and by the Florida School for the Deaf and the Blind. Moreover, if the total amount of distributions to be made in a quarter exceeds the amount of funds made available by that year's legislative appropriation, all grants will be proportionately reduced to prevent a shortage of available matching funds.

Section 1(4) of this bill outlines the administration of this program at the district and school-level. That portion of the bill provides that each school district foundation and the Florida School for the Deaf and the Blind:

- May establish its own school improvement and academic trust fund to hold private donations, state matching funds, and earnings on investments of such funds.
- Is responsible for soliciting and receiving contributions to be deposited and matched with challenge grants.
- Is responsible for the proper expenditure of the funds received under this program.

The bill prohibits the use of these funds for facility construction or interscholastic athletics. It also prohibits the education foundations or the Florida School for the Deaf and the Blind from accepting or purchasing facilities for which operating funds will be requested from the State unless the Legislature first approves of the purchase..

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 creating the trust fund linked to this program, SB 700, must be passed in order for this program to operate. The allocation from which the state matching grants upon which this program depends must be delineated in the General Appropriations Act. However, no additional funds are mandated for the operation of this program. Therefore, there is no discernible fiscal impact associated with this bill.

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.
