

# 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 1866

SPONSOR: Education Committee and Senator Diaz de la Portilla

SUBJECT: Educational Facilities Benefit Districts

DATE: April 22, 2003

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Woodruff</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>                    </u>	<u>                    </u>	<u>GO</u>	<u>                    </u>
3.	<u>                    </u>	<u>                    </u>	<u>FT</u>	<u>                    </u>
4.	<u>                    </u>	<u>                    </u>	<u>AED</u>	<u>                    </u>
5.	<u>                    </u>	<u>                    </u>	<u>AP</u>	<u>                    </u>
6.	<u>                    </u>	<u>                    </u>	<u>RC</u>	<u>                    </u>

## I. Summary:

The bill expands the approved purposes and functions of educational facilities benefit districts and community development districts.

The bill allows educational facilities benefit districts to assist in the operation of charter schools, fund the acquisition of facilities, restrict enrollment of students in such charter schools, and to appeal decisions of a district school board relating to the establishment of an educational facilities benefit district.

Local general purpose governments are authorized to establish an educational facilities benefit district.

Educational facilities benefit districts or community development districts are authorized to choose to receive required local effort funds paid by properties located within the district's boundaries, including amounts generated by nonvoted discretionary millage for operations and for capital improvements.

This bill amends sections 1002.33, 1013.355, and 1013.356 of the Florida Statutes.

## II. Present Situation:

Authorization to apply for a conversion charter school is limited to the district school board, the principal, teachers, and/or the school advisory council at an existing public school that has been in operation for at least 2 years prior to the application to convert.

Section 1002.33 (10), F.S., identifies the criteria to be considered for determining the selection and eligibility of students to attend charter schools. A charter school may limit the enrollment process for students enrolling in a charter school-in-the-workplace or charter school-in-a municipality. No provision currently exists to limit student enrollment for charter schools within an educational facilities benefit district.

The purpose of educational facilities benefit districts is defined as to assist in financing the construction and maintenance of educational facilities. Educational facilities benefit districts do not currently have authority to assist in operational funding for such facilities.

An educational facilities benefit district may be created by a county or municipality upon entering into an interlocal agreement with the district school board and any local general purpose government within whose jurisdiction a portion of the district is located, and adoption of an ordinance. Further, an educational facilities benefit district may only be created upon consent of the district school board, all local general purpose governments within whose jurisdiction any portion of the educational facilities benefit district is located, and all landowners within the district. No alternative method for creation or appeal from a district school board decision as to the establishment of such a benefit district is provided.

Educational facilities benefit districts have statutory power to finance and construct educational facilities within the boundaries of the district, but do not currently have authority to acquire existing facilities.

Two local fund sources are provided for an educational facilities benefit district or community development district. The first source is all educational facilities impact fee revenue collected for new development within the educational facilities benefit district or community development district. Second, for costs not covered by the impact fee collection, an annual amount is to be contributed by the district school board equal to one-half of the remaining costs of construction and capital maintenance of the educational facility after impact fees. Costs above the cost-per-student criteria established for the School Infrastructure Thrift (SIT) program shall be funded exclusively by the educational facilities benefit district or community development district. There is a statutory prohibition against funds contributed by the district school board being used to fund operational costs.

District school boards are required to have long term leases of not less than 40 years or the life expectancy of the permanent facilities before educational facilities may be constructed on non-school district property. No provision is currently made for entering into long-term leases for facilities.

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

The bill allows an educational facilities benefit district or a community development district to apply for a conversion charter school. The application may be for conversion of a single school or for a group of public schools contained within the boundaries of the educational facilities benefit district or the community development district.

Student enrollment at the conversion charter school may be limited to those students living within the boundaries of the educational facilities benefit district or the community development district

The purpose of educational facilities benefit districts is expanded. The district may assist in financing the operation of educational facilities, not just the construction and maintenance of educational facilities.

The bill allows an educational facilities benefit district to appeal a school board's decision about the establishment of such a benefit district. An educational facilities benefit district may be created by an ordinance adopted by the local general purpose government within whose jurisdiction the district is located. This would allow the decision to create such a district to exclude participation by the local school district.

Powers of the educational facilities benefit district are expanded to include the acquisition of existing facilities, not just to finance and construct educational facilities. Payment for the acquisition of facilities may be paid from impact fee revenue collected for new development within the educational facilities benefit district or the community development district.

The bill allows an educational facilities benefit district or a community development district to elect to receive the required local effort funds paid by properties located within the educational facilities benefit district or the community development district in lieu of an annual contribution from the district school board. These funds include the amounts generated by nonvoted discretionary millage for operations and for capital improvements.

The bill expands the list of the parties that may enter into a long-term lease for land to include a charter school, the educational facilities benefit district or the community development district.

Language is added to allow the long-term lease of facilities as well as land.

The effective date for the bill is July 1, 2003.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

**D. Other Constitutional Issues:**

This bill may raise constitutional concerns by requiring a district school board to pledge a portion of its taxing authority to another entity.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

The bill could result in the redistribution of local funds between the school district and an educational facilities benefit district or a community development district should the EFBD or CDD choose to receive required local effort funds, and voted and nonvoted millage funds which would have been received by the school district. The impact is indeterminate and will vary from school district to school district by how many EFBD and CDD choose to exercise this choice.

**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.

---