

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 1808

SPONSOR: Education Committee and Senator Atwater

SUBJECT: Florida School Recognition Program

DATE: March 11, 2004 REVISED: _____

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Withdrawn: Favorable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

I. Summary:

CS/SB 1808 amends the Florida School Recognition Program to provide that, in the event that a school's staff and school advisory council cannot agree on the distribution of an award under the program within the required statutory timeframe, the award funds must be distributed as follows: 40% of the funds must be divided equally among the employees who were employed at the school in the year that the award was earned, and 60% of the funds must be used, as the school advisory council deems appropriate, for the purchase of educational equipment or materials or for temporary personnel to maintain and improve student performance.

This bill amends section 1008.36 of the Florida Statutes.

The bill will take effect July 1, 2004.

II. Present Situation:

Current statutory requirements: Florida School Recognition Program.

Section 1008.36, F.S., sets forth the provisions of the Florida School Recognition Program. The program is designed to provide performance-based incentives to faculty and school staff similar to those offered in the private sector as a reward for productivity.

Schools that are designated with a performance grade of "A" under Florida's school grading program or that improve by a letter grade under that program are eligible to receive financial awards under the Florida School Recognition Program. Under current law, all public schools that receive a school grade under the state school grading program are eligible to participate in

the Florida School Recognition Program, including charter schools. Availability of awards under the program is subject to appropriation of funds by the legislature.

Award funds are placed in the school's account at the district level and must be used for specific purposes described in law. The school's advisory council and the school's staff are required to decide jointly what the uses of the award will be. Possible uses of the award money permitted by law include use for:

- nonrecurring bonuses to school faculty and staff;
- nonrecurring expenditures for educational equipment or materials; or
- temporary personnel for the school to help maintain and improve school performance.

Under current law, if the school advisory council and school staff cannot reach agreement as to the use of the funds by November 1, the awards must be equally distributed to all classroom teachers¹ currently teaching in the school. In this event, no award money will be expended for temporary personnel, to purchase educational equipment or materials for the school, or for bonuses for non-instructional school staff. Pursuant to s. 1008.36(5), F.S., incentive awards are not subject to collective bargaining.

Section 1008.36, F.S., does not stipulate voting or other specific procedures with respect to the decision-making process for allocation of awards. Pursuant to Department of Education guidance, guidelines for determining how the allocation decision is made and for resolving any conflicts in reaching the decision may be developed at the local level.²

In conformity with state statutory requirements, the State Board of Education has also stipulated by rule that schools must have a designated school performance grade to participate in the Florida School Recognition Program, and that schools with a performance grade "A" as well as schools that have improved at least one performance grade from the previous school year are eligible for school recognition and financial awards.³

Incentives under the current statutory framework

Under the current statutory framework, because school staff must agree on the distribution of the award amount, and because classroom teachers receive the full amount of the award if no agreement is reached, teachers have little financial incentive to agree with the school advisory council regarding distribution of the award if the school advisory council suggests a distribution of less than 100% of the award amount to staff. This arrangement is not necessarily inconsistent, however, with the stated purpose of the program, which is to provide performance-based incentives for outstanding faculty and staff in highly productive schools. While the provision of rewards to the school in the form of additional equipment or temporary staff may provide a significant incentive for teachers to improve their job performance, the payment of additional

¹ Applicable Department of Education guidance defines "classroom teachers" for these purposes to include those who hold a valid educator certificate and are classified as "instructional personnel." Source: www.fldoe.org.

² Source: www.fldoe.org.

³ SBE rule 6A-1.09981, Implementation of Florida's System of School Improvement and Accountability.

money to the teachers themselves in the form of bonuses might be an even more effective incentive. Accordingly, a statutory scheme that is biased in favor of providing bonuses to teaching staff may be entirely consistent with the program's purpose of rewarding productivity in outstanding faculty and staff.

Awards made in recent years

The Florida School Recognition program was created in 1997, and awards were first made under the program in 1998. The 2003 Legislature appropriated \$263,449,842 for the District Lottery and School Recognition Program.⁴ From this appropriation, \$137,280,312 was used to provide awards to schools for the Florida School Recognition Program. Each school which received an "A" grade or improved one letter grade was awarded \$100 per full-time equivalent (FTE) student based on the previous year's enrollment.

The 2003 Florida School Recognition Program provided financial awards to 1,615 schools.⁵ An informal partial survey of schools' uses of award funds in 2003 indicate that school advisory councils and staff voted to allocate the funds in a wide variety of ways: some schools allocated 100% of the award funds to bonuses for staff, including instructional staff; some schools allocated a percentage – widely varying in amount – to staff bonuses while reserving some funds for the purchase of technology or other equipment for the school; and some schools used a portion of the award amounts for temporary staff. Because each school has total latitude to allocate award amounts for permitted purposes, allocation of the awards varied widely.

III. Effect of Proposed Changes:

CS/SB 1808 would retain the flexibility contained in current law for schools' advisory councils and staff to allocate award amounts. In the event, however, that a school advisory council and staff are unable to agree upon the allocation of the award, this bill would stipulate that 40% of the award amount would be distributed equally among all school employees who were employed at the school during the school year in which the award was earned. The remaining 60% of the award amount would be allocated for nonrecurring expenditures by the school advisory council in its sole discretion either for educational materials or equipment or for temporary school personnel to assist in maintaining and improving student performance.

As noted above, under current law, instructional staff have little financial incentive to compromise with school advisory councils in determining the allocation of the award funds. The changes proposed under CS/SB 1808 would change this incentive structure and would provide school advisory councils with substantially more power in decisions about award allocations. Some school advisory councils could still decide to give staff all or most of the award funds as bonuses, but a likely result of the legislation would be that bonuses for instructional staff would shrink overall.

⁴ See Item 4, General Appropriations Act of 2003.

⁵ Source: www.fldoe.org.

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:

This bill would not affect the state appropriation for the school recognition program. It is likely however, to affect the expenditure of award funds at recognized schools.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.