

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1365 CS
SPONSOR(S): Bean and others
TIED BILLS:

Florida School Recognition Program
IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>PreK-12 Committee</u>	<u>8 Y, 0 N, w/CS</u>	<u>Howlette</u>	<u>Mizereck</u>
2) <u>Education Appropriations Committee</u>	<u>13 Y, 5 N</u>	<u>Eggers</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The Florida School Recognition Program provides financial awards to public schools as a reward for student performance. Award eligibility is based on the designated school grade, which is derived from students' learning gains as measured by the Florida Comprehensive Assessment Test (FCAT). Currently, students in kindergarten through grade 2 do not take the FCAT, and learning gains cannot be determined for students in grade 3 because these students did not take the FCAT in grade 2. Therefore, schools that serve students in kindergarten through grade 3 do not receive school grades and thus are not eligible to participate in the Florida School Recognition Program. House Bill 1365 CS requires that such schools be assigned the school grade of the feeder pattern school designated by the Department of Education and verified by the school district.

Individual schools could potentially receive an increase in School Recognition funds, while the same amount would be deducted from District Discretionary Lottery funds received by the school districts.

The CS makes such schools eligible to participate in the Florida School Recognition Program based on the feeder grade assigned, and includes such schools under the Opportunity Scholarship Program. The Opportunity Scholarship Program allows students who are attending public schools, that were designated an "F" school for 2 of the last 4 years, to receive a scholarship to attend a private school.

Public school districts with schools that serve students in kindergarten through grade 3 who are eligible for the Opportunity Scholarship Program could experience a decrease in revenue equal to the scholarships amounts received by the students to attend private schools.

The fiscal impact on state government expenditures is neutral.

The CS has an effective date of July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families – Assigning school grades to additional schools provides parents with additional information about the educational program in their children’s school, and inclusion in the Opportunity Scholarship Program provides families with additional educational choices for their children.

B. EFFECT OF PROPOSED CHANGES:

The Florida School Recognition Program¹ provides financial awards to public schools as a reward for performance. Schools that maintain a grade of “A” or improve one letter grade receive \$100 per student. Section 1008.36(5), F.S., authorizes the use of the funds for; (a) nonrecurring bonuses to the faculty and staff, (b) nonrecurring expenditures for educational equipment or materials to assist in maintaining and improving student performance, or (c) temporary personnel for the school to assist in maintaining and improving student performance. The school’s staff and advisory council jointly determine the specific use of the funds. In Fiscal Year 2004-05, schools received \$117.2 million in School Recognition funds.

School Recognition funds are provided from statewide District Discretionary Lottery funds. After deducting the School Recognition Program funds from the statewide District Discretionary Lottery funds, the remaining funds are allocated to the school districts based on each district’s portion of base funding as determined in the Florida Education Finance Program. Each district’s Discretionary Lottery funds are to be used for “enhancement,” as defined by school board policy.

Currently, schools are only eligible to participate in the School Recognition program if they receive school grades. FCAT results, including learning gains, are required criteria for receiving a school grade. Schools that do not serve students beyond third grade are not eligible for school grades because students do not take the FCAT in kindergarten through grade 2, and learning gains cannot be calculated with only grade 3 data.

This CS requires that schools serving students in kindergarten through grade 3 be assigned the school grade of the feeder pattern school designated by the Department of Education and verified by the school district. A “feeder school pattern” is defined as a pattern where at least 60 percent of the students in the school receiving the school grade came from the same feeder school. This CS makes such schools eligible to participate in the Florida School Recognition Program based on the feeder grade assigned, and includes such schools under the Opportunity Scholarship Program. Should this CS become law, the Department of Education estimates that \$1.0 million in School Recognition funds would be awarded to schools serving students in kindergarten through grade 3.² The \$1.0 million would be funded from statewide District Discretionary Lottery funds, thereby reducing by \$1.0 million District Discretionary Lottery funds allocated to school districts for enhancement.

The Opportunity Scholarship Program, under section 1002.38, F.S., allows a student to enroll in and attend a private school, if in the prior year a student attended a public school that was designated an “F” school in 2 of the last 4 years, or the student is entering kindergarten or first grade or has been in attendance elsewhere in the public school system and has been assigned to such school for the next school year. The student receives a scholarship to attend the private school the amount of which is the lesser of the private school’s tuition or the funding generated under the Florida Education Finance

¹ Section 1008.36, F.S.

² Florida Department of Education 2005 Legislative Bill Analysis for HB 1365, dated March 24, 2005.

Program. The Department of Education has determined that currently there are no K-3 schools that qualify for the Opportunity Scholarship Program under this bill.³

C. SECTION DIRECTORY:

Section 1. Amends s. 1008.36, F.S., to include schools serving kindergarten through third grade in the Florida School Recognition Program, to provide for assigning grades to such schools, and to require inclusion of such schools in the Opportunity Scholarship Program.

Section 2. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The CS does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

The fiscal impact on state government expenditures is neutral.

The School Recognition Program would receive an additional \$1.0 million, which would decrease by \$1.0 million the District Discretionary Lottery funds allocated to school districts.

Participation in the Opportunity Scholarship Program also has a neutral fiscal impact since there is no increase in funds per student, only a change in where the funds are expended. The funds would be expended by a private school instead of a public school district. A small savings in state funds could result, should the amount of tuition and fees at the private school be less than the scholarship amount determined in the Florida Education Finance Program formula.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The School Recognition Program would receive \$1.0 million in additional funds, which would be spent as determined by the staff and school advisory council of the specific schools earning the awards. District Discretionary Lottery funds would be decreased by \$1.0 million.

2. Expenditures:

The \$1.0 million in School Recognition Program awards would be spent as determined by the staff and advisory council of each specific school. School district expenditures from District Discretionary Lottery funds would decrease by \$1.0 million.

Public school districts that have students who are eligible for an Opportunity Scholarship could experience a decline in revenue. Currently, there are no K-3 schools that qualify for the Opportunity Scholarship Program under this bill.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Private schools that accept students under the Opportunity Scholarship Program could experience an increase in revenue.

³ Email from Judy Wilson to Education Appropriations, dated April 11, 2005.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to spend funds or to take any action requiring the expenditure of funds.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

This analysis is drawn to the Committee Substitute that was adopted at the March 22, 2005, meeting of the PreK-12 Committee. The Committee Substitute differs from the bill as filed in that the Committee Substitute:

- Removed “prekindergarten through grade three” from eligible schools, and specified “kindergarten through grade three;”
- Required that feeder pattern schools be designated by the Department of Education and verified by the school district;
- Defined feeder pattern for the purposes of the bill as a school where at least 60% of the students in the receiving school came from the designated feeder; and
- Made feeder pattern schools subject to the Opportunity Scholarship Program.