

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1595 Uses of the District School Tax
SPONSOR(S): Kendrick and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) PreK-12 Committee	_____	Howlette	Mizereck
2) Education Appropriations Committee	_____	_____	_____
3) Education Council	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Bill 1595 allows school districts that meet the annual class size reduction targets in section 1003.03, F.S., more flexibility for expenditure of their locally generated 2 mill capital outlay funds.

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

The bill does not appear to have a fiscal impact on state or local government.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: The bill provides limited flexibility for the use of local 2 mill funds to districts that have met class size reduction requirements.

B. Effect of Proposed Changes

Subsections (2) and (5) of section 1011.71, F.S., govern school district use of locally generated 2 mill capital outlay funds.

Subsection (2) preceded (5) in existence. Subsection (2) allowed the 2 mill funds to be spent across a broader and more general range of items, as long as the expenditures were included in the educational plant survey and work plan thus holding districts accountable through the planning process.

Subsection (5) was added during the 1997 Special Session held to address educational capital outlay needs. Subsection (5) provides less flexibility than subsection (2) and ties the use of locally generated 2 mill dollars only to projects that are directly related to student instruction. The restrictions of subsection (5) do not apply to school districts that certify to the Commissioner of Education that their instructional space needs for the next 5 years can be met.

According to the Small School District Council Consortium, districts have been advised by auditors that 2 mill funds cannot be spent on anything other than student/classroom related equipment and buildings. There is no provision to allow districts to use funding for computers, vehicles or other items needed for administrative support; these expenditures were authorized in subsection (2).

House Bill 1595 allows school districts that meet the annual class size reduction targets in section 1003.03, F.S., to be governed by the more flexible requirements of subsection (2) for expenditure of their locally generated 2 mill capital outlay funds. Specifically, subsection (2) allows for the purchase, lease-purchase, or lease of drivers' education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles; vehicles used in storing or distributing materials and equipment; new and replacement equipment.

C. Section Directory

Section 1: Amends s. 1011.71, F. S., to authorize school districts meeting certain class size requirements to use revenues generated by the district school tax for specified purposes.

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

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

This bill does not appear to have a fiscal impact on state government expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There is no cost to the private sector. If some school districts are currently unable to spend all their locally-generated 2 mill funds due to statutory requirements, increased flexibility could result in a financial gain to the private sector in the areas that would be authorized.

D. FISCAL COMMENTS:

The fiscal impact is neutral; funds used will be those already generated by the local 2 mill ad valorem levy.

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:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES