

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.)

Prepared By: Education Appropriations Committee

BILL: SB 1678

SPONSOR: Senator Alexander

SUBJECT: Public School Class Size

DATE: April 12, 2005 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Woodruff	O'Farrell	ED	Favorable
2.	Armstrong	Newman	EA	Fav/1 Amendment
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

I. Summary:

The bill clarifies how the calculation to determine whether a school district is in compliance with the average class size requirements specified in section 1003.03 (2), F.S. is to be made. Should a district have unexpected student enrollment growth, resulting in an actual enrollment that is above the student membership estimate included in the Florida Education Finance Program first calculation, the excess number of students shall be excluded when a district's compliance calculation is made.

Beginning in the 2005-2006 school year, the bill allows a district that did not meet the required average class size reduction in a prior year, and which had funds transferred from the district's class size reduction operating categorical to an approved capital outlay appropriation, to be eligible to reverse the transfer if the district fully (cumulatively) achieves the required class size reduction in the subsequent year.

This bill substantially amends section 1003.03 of the Florida Statutes.

II. Present Situation:

An amendment to Section 1, Article IX of the Florida Constitution was approved by the voters in November 2002 to provide that by the beginning of the 2010-2011 school year the maximum number of students assigned to a teacher teaching core-curricula courses in public school classrooms shall be as follows: in prekindergarten through grade 3, the number may not exceed 18; in grades 4 through 8, the number may not exceed 22; and in grades 9 through 12, the number may not exceed 25. For those districts that are not in compliance, the amendment required that beginning with the 2003-2004 fiscal year the Legislature must provide sufficient funds to reduce the average number of students in each classroom by at least two students per year until the maximum does not exceed the requirement in 2010-2011.

To implement the class size reduction provisions of the constitutional amendment, the Legislature created an operating categorical fund in section 1011.685, F.S., for the following purposes:

- If the district has not met the constitutional maximums specified, or has not reduced its class size by the required two students per year toward the constitutional maximums, the funds shall be used to reduce class size.
- If the district has met the constitutional maximums or has successfully made the two student reduction towards meeting those maximums, the funds may be used for any lawful operating expenditure. Priority, however, shall be given to increase salaries of classroom teachers and to implement a salary career ladder.

The Legislature also created section 1003.03, F.S.; to identify how districts might implement the constitutional amendment and to provide accountability should a district not meet the implementation deadlines. In determining compliance, the Department of Education is to annually calculate the status of each district for the three average class size measures. Section 1003.03 (2) (c), F.S., provides that the baseline against which the district comparisons are to be made is the February 2003 student membership survey.

Section 1003.03 (4) (a), F.S., directs the Department to transfer funds from a district's operating categorical to an approved fixed capital outlay appropriation in a proportionate amount to the class size reduction not accomplished by that district. Before such a transfer might occur, districts have been permitted to appeal the Department's calculations by explaining why a district has failed to comply. One of the reasons which has been accepted as a basis for appeal has been unexpected enrollment growth in a district.

There is not currently a provision which would allow the reversal of a transfer from the class size operating categorical to an approved fixed capital outlay appropriation when a district does come into compliance with all class size requirements.

III. Effect of Proposed Changes:

The bill amends paragraph (c) of subsection 1003.03 (2), F.S., to clarify how the calculation to determine whether a district is in compliance with the average class size requirements specified in section 1003.03 (2), F.S., is to be made. Should a district have unexpected student enrollment

growth, resulting in an actual enrollment that is above the student membership estimate included in the Florida Education Finance Program first calculation, the excess number of students shall be excluded when a district's compliance calculation is made.

The bill amends paragraph (a) of subsection 1003.03 (4), F.S., to allow a district that did not meet the required average class size reduction in a prior year, and which had funds transferred from the district's class size reduction operating categorical to an approved capital outlay appropriation, to be eligible to reverse the transfer if the district fully achieves the required class size reduction in the subsequent year. An action to reverse the transfer would be permitted beginning with the 2005-2006 school year.

The bill provides that a district must be in compliance when compared to the February 2005 baseline student membership. This baseline would be a change from the current baseline of the February 2003 student membership survey.

The effective date of the bill is July 1, 2005.

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:

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

C. Government Sector Impact:

The bill will enable a school district which is non-compliant in meeting the class size reduction goals because of unexpected student enrollment growth to avoid the transfer of funds from the class size operating categorical to an approved fixed capital outlay appropriation. At the present time, a district must present reasons for its non-compliance in an appeal against such a transfer. Unexpected enrollment growth has been accepted as a valid reason in the past.

According to the Department of Education, nine school districts are not in compliance in 2004-05. These nine school districts would have the potential of coming into full or cumulative compliance in 2005-2006 and therefore would be eligible for a reversal of the prior year transfer of funds from the class size reduction operating categorical to an approved fixed capital outlay appropriation. The maximum potential impact is estimated at \$1,076,719. The nine school districts are:

- Flagler \$170,958
- Gadsden \$239,147
- Hernando \$268,930
- Putnam \$164,128
- Santa Rosa \$ 93,202
- Suwannee \$ 21,100
- Union \$ 1,203
- Walton \$103,934
- Washington \$ 14,117

VI. Technical Deficiencies:

It would appear that an amendment should be made to page 3, line 1, changing the date from February 2005 to February 2003 to make the date for calculating the baseline student membership survey in this provision consistent with the date in current law. An amendment is traveling with the bill which makes this change. Refer to Section VIII.

VII. Related Issues:

None.

VIII. Summary of Amendments:

Barcode #094700 by Education Appropriations:

The amendment revises the date from February 2005 to February 2003 for establishing the baseline for determining the class size averages which is consistent with current law.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
