

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 213 CS
Districts

Authorizing the Division of a County into Two or More School

SPONSOR(S): Brummer

TIED BILLS:

IDEN./SIM. BILLS: SJR 532 Identical

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>PreK-12 Committee</u>	<u>8 Y, 3 N</u>	<u>Beagle</u>	<u>Mizereck</u>
2) <u>Education Appropriations Committee</u>	<u>16 Y, 3 N, w/CS</u>	<u>Eggers</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u>6 Y, 2 N, w/CS</u>	<u>Beagle</u>	<u>Cobb</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Joint Resolution 213 proposes an amendment to Section 4 of Article IX of the Florida Constitution, permitting a county school district to be divided into multiple school districts each having no fewer than 25,000 students. The resolution will be subject to voter approval via a statewide referendum at the November 2006 election or an earlier special election.

The resolution provides for a board to be created for the purpose of determining the rate of school district taxes. Taxes are to be calculated on a county-wide basis and distributed to the school districts in an equitable and nondiscriminatory manner.

The HJR raises fiscal issues that would have to be addressed in subsequent implementing legislation. Please see FISCAL COMMENTS.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government-- The resolution allows voters in counties with large student populations to establish multiple, smaller school districts.

Safeguard Individual Liberty-- The resolution allows voters in counties with large student populations to establish multiple, smaller school districts, thereby increasing local control.

Empower Families-- The resolution allows voters in counties with large student populations to establish multiple, smaller school districts, potentially increasing families' access to school district decision makers.

B. EFFECT OF PROPOSED CHANGES:

Present Situation--

Section 4 of Article IX of the Florida Constitution currently provides that each county constitutes a school district. However, the voters of two or more counties may decide to join together to form one school district. No districts have exercised this option.

Section 4 of Article IX of the Florida Constitution requires each school district to have a board composed of five or more members chosen by vote of the electors. Section 5 of Article IX requires each district to have a superintendent of schools who may be appointed or elected.

Section 1011.62, F.S., governs the Florida Education Finance Program (FEFP) which is designed to provide equitable funding for students across the state. The program combines state dollars and local revenue in a formula to allocate funds to school districts according to student population and cost of educational programs.

Effect of Proposed Changes--

If approved by the electors of the State of Florida at the November 2006 general election or at an earlier special election, House Joint Resolution 213 will amend Section 4 of Article IX of the Florida Constitution to permit school districts to be divided into multiple school districts each with no fewer than 25,000 students.

The resolution provides for the creation of a board, consisting of an equal number of school board members from each school district in the county, for the purpose of determining school district taxes. School district taxes will be imposed countywide and distributed to the school districts in an equitable and nondiscriminatory manner as provided by law.

If the proposed amendment is approved by the voters, implementing legislation will be needed to establish specific requirements and processes.

According to the most recent estimate of K-12 unweighted full-time equivalent students for the 2006-07 school year, there are fourteen school districts large enough to be affected by the resolution.¹

Florida School Districts Potentially Affected by HJR 213

School District	Student Population based on 2006-2007 Estimated K-12 Unweighted FTE Students	Number of Potential New Districts (FTE Count divided by 25,000)
Brevard County	75,071	3
Broward County	266,664	10
Duval County	126,865	5
Hillsborough County	195,679	7
Lee County	80,200	3
Miami-Dade County	356,549	14
Orange County	180,318	7
Osceola County	52,894	2
Palm Beach County	175,842	7
Pasco County	64,658	2
Pinellas County	111,038	4
Polk County	92,464	3
Seminole County	68,701	2
Volusia County	66,284	2

Under the provisions of the HJR, 57 additional school districts could potentially be created. Dade could divide into 14 school districts; Broward could divide into 10 districts; Hillsborough, Orange, and Palm Beach each could divide into 7 districts; Duval could divide into 5 districts; Pinellas could divide into 4 districts; Brevard, Lee, and Polk each could divide into 3 districts: and Osceola, Pasco, Seminole, and Volusia each could divide into 2 districts.

In addition to the 14 districts listed above, Collier is projected to surpass the 50,000 FTE student threshold within the next 3 years.

C. SECTION DIRECTORY:

Not applicable.

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:

¹K-12 Public School Student Enrollment Estimating Conference, March 6, 2006.
STORAGE NAME: h0213d.EDC.doc
DATE: 4/5/2006

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

2. Expenditures:

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

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a direct fiscal impact on the private sector.

D. FISCAL COMMENTS:

The complexity of issues involved with dividing Florida's school districts into smaller districts may pose challenges when implementing the joint resolution. Examples of issues that may be addressed are:

- How to ensure racial and socioeconomic diversity.
- The split-up of school buildings, administrative and service buildings, land, buses, vehicles, and other property.
- The division of existing bond debt service obligations, certificates of participation obligations, and other debt the district may have.
- The distribution of revenue from future bond referendums, voter approved operating millage revenue, current and future capital outlay sales taxes and intra-governmental capital outlay sales taxes, and impact fees.
- Agreement on the allocation of Public Capital Outlay (PECO) funds and Classrooms for Kids funds. Provision may be made for a divided district with older buildings or a higher rate of student growth.
- The determination of class size reduction compliance.
- The Florida Education Finance Program (FEFP) contains several funding formulas and allocation models which may need to be altered to address divided districts. For example, distribution formulas at the divided district level, that incorporate student demographics, may have to be developed for certain categorical funding programs, including the Supplemental Academic Instruction categorical, the Exceptional Student Guarantee, the Reading categorical, the Transportation categorical and the Safe Schools categorical. The funds for each of these categorical programs must be spent for specific purposes. To the extent a divided district serves a higher proportion of students requiring these services, the district may require a larger portion of these funds.
- Determining how the District Cost Differential is applied to divided counties.
- Charter status of districts that divide from a charter district.
- Status of charter schools currently authorized by a unified school district.
- Methodology of the Department of Education (DOE) for allocating federal funds that flow through the DOE such as the Individuals with Disabilities Act, Title I, and others.
- Allocation of Endowment or fiduciary funds among/between districts.

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

On March 10, 2006, the Education Appropriations Committee adopted one amendment and reported the bill favorably. The amendment revised the ballot statement as follows:

- Deletes the minimum district size requirement of 45,000 FTE for the purpose of dividing a district,
- Revises the minimum district size for new districts from 20,000 to 25,000 FTE,
- Adds provision for the creation of a board for the purpose of determining school district taxes.
- Specifies that school district taxes shall be distributed in an equitable and nondiscriminatory manner,
- Deletes the requirement for creation of a commission for the purpose of allocating assets, providing for the contractual obligations, debts, and bonded indebtedness of the school district, and
- Deletes the requirement for judicial review and voter approval of certain commission actions.

On April 4, 2006, the Education Council adopted two amendments and reported the bill favorably.

- Amendment one clarifies that the board created for determining school district taxes is to consist of an equal number of school board members from each school district.
- Amendment two makes the same clarification to the ballot language contained in the bill.

This bill analysis reflects the bill as amended.