

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 State 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 State 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 State Constitution to permit school districts with more than 45,000 students to be divided into more than one school district. The voters in eligible school districts may elect to divide into more than one school district, provided that each district created serves no less than 20,000 students.

In order to divide a school district under this provision, the resolution requires that a commission be created by special law to draw school district boundary lines, allocate assets, and provide for the contractual obligations, debts, and bonded indebtedness of the school district. Commission decisions are subject to circuit court review for compliance with state and federal law and voter approval by county referendum.

Funding for operations and capital outlay in school districts divided pursuant to this resolution will be calculated on a county-wide basis and distributed to the school districts on a per student basis as provided by law. Funds raised by voted millage for bonded indebtedness or local option sales taxes shall be levied on a countywide basis and may be distributed per interlocal agreement between the school districts.

If the proposed amendment is approved by the voters, the HJR anticipates Legislative action to establish specific requirements and processes.

According to a Florida Department of Education estimate of K-12 unweighted FTE students for the 2006-2007 school year, there are fifteen 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 20,000)
Brevard County	75,446	3
Broward County	275,934	13
Collier County	45,631	2
Duval County	129,825	6
Hillsborough County	197,869	9
Lee County	80,604	4
Miami-Dade County	364,203	18
Orange County	185,894	9
Osceola County	54,497	2
Palm Beach County	180,803	9
Pasco County	66,529	3
Pinellas County	113,001	5
Polk County	89,093	4
Seminole County	68,578	3
Volusia County	67,367	3

Under the provisions of the HJR, 78 additional school districts could potentially be created. Dade could divide into 18 school districts; Broward could divide into 13 districts; Hillsborough, Orange and Palm Beach each could divide into 9 districts; Duval could divide into 6 districts; Pinellas could divide into 5 districts; Lee and Polk each could divide into 4 districts; Brevard, Pasco, Seminole, and Volusia each could divide into 3 districts; and Collier and Osceola each could divide into 2 districts.

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:

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

¹ Florida Department of Education, 2006-2007 Florida Education Finance Program: Comparison of Unweighted FTE, Estimated K-12 Unweighted FTE Students.

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

- There must be agreement on the division of existing bond debt service obligations, the distribution of revenue from future bond referendums and voter approved operating millage revenue, and the distribution of current and future capital outlay sales taxes and intra-governmental capital outlay sales taxes.
- There must be agreement on the specific millage rate for each of the two authorized discretionary millages and the authorized two mill capital outlay levy.
- There must be agreement on the allocation of Public Capital Outlay (PECO) funds. Provision may be made for a divided district with older buildings or a higher rate of student growth.
- Provision would have to be made to determine 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 new 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.

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