

The Florida Senate
PROFESSIONAL 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: Community Affairs Committee

BILL: SB 680

INTRODUCER: Senator Dockery and others

SUBJECT: Growth Management

DATE: March 16, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brown</u>	<u>Matthews</u>	<u>ED</u>	Favorable
2.	<u>Herrin</u>	<u>Yeatman</u>	<u>CA</u>	Pre-meeting
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>EF</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill increases the annual appropriation for the Classrooms for Kids Program from \$41.75 million to \$75 million.

This bill amends criteria for participation in the High Growth District Capital Outlay Assistance Grant Program. This bill eliminates the 15,000 capital outlay FTE student membership; instead, a district must have equaled or exceeded three times the statewide average of growth in capital outlay FTE students to qualify.

The allocation formula is revised, and a stipulation included that prohibits a change, correction, or recomputation of data authorized for two years following the initial annual allocation.

This bill substantially amends sections 1013.65 and 1013.738 of the Florida Statutes.

II. Present Situation:

Educational Facilities Funding

Part IV of chapter 1013, F.S., addresses funding for educational facilities. Each district school board is required to adopt a capital outlay budget for the upcoming year, as part of its annual budget.¹

Section 1013.64, F.S., addresses funds for comprehensive educational plant needs, and provides for specific allocations from the Public Education Capital Outlay and Debt Service Trust Fund

¹ s. 1013.61, F.S.

(PECO). The Legislature is required to prioritize funds for remodeling, renovation, maintenance, repairs, and site improvement for existing satisfactory facilities for appropriations allocated to district school boards from the total PECO amount.²

Classrooms for Kids Program

Section 1013.735, F.S., provides for the allocation of funds for the Classrooms for Kids Program (CFKP), the purpose of which is to increase capacity to reduce class size.³ The Legislature provided for an annual appropriation of \$41.75 million of PECO funds emanating from the excise tax to fund the CFKP. A specified formula is provided in statute representing each district school board's share of the annual appropriation for the CFKP.⁴ To be eligible to participate in the CFKP, a district school board is required to enter into an interlocal agreement, and certify that the district's inventory of facilities listed in the Florida Inventory of School Houses is accurate and correct.

High Growth District Capital Outlay Assistance Growth Program

The Legislature established the High Growth District Capital Outlay Assistance Grant Program in 2005. The purpose of the program is to provide additional money to high growth districts for the construction of student stations needed due to the rapid increase in the student population, where a district has insufficient capital outlay revenue.⁵ The program is funded through moneys provided annually in the General Appropriations Act. Program eligibility is contingent on specific criteria provided in statute.⁶ A specified allocation formula is also provided in statute.⁷

In 2005, the Governor vetoed the \$30 million in annual appropriations for the program.⁸ In FY 2005-2006, the following school districts were eligible for funding and received non-recurring grant dollars, at a total of \$30 million under the High Growth District Capital Outlay Assistance Grant Program:

- Clay County (\$3,184,671);
- Hernando County (\$2,179,867);
- Hillsborough County (\$9,006,801);
- Lake County (\$4,040,060);
- Osceola County (\$7,366,592);
- St. Johns County (\$1,435,418); and
- St. Lucie County (\$2,786,591).

The 2006 Legislature did not provide funding in FY 2006-2007.

² s. 1013.64(1)(a), F.S.

³ The Legislature established the Program in 2003 (Chapter 2003-391, L.O.F.).

⁴ s. 1013.735(1), F.S.

⁵ ch. 2005-290, L.O.F.

⁶ s. 1013.738(2), F.S.

⁷ s. 1013.738(3), F.S.

⁸ ch. 2005-290, L.O.F.

III. Effect of Proposed Changes:

The annual appropriation for the Classrooms for Kids Program is increased from \$41.75 million to \$75 million.

This bill revises the qualifying formula for school district eligibility for High Growth District Capital Outlay Assistance Grants. Under the new criteria, a school district must demonstrate:

- A levy of full millage for three, rather than the current four required, of the past fiscal years, and provides an alternate method of receipt of an amount from the authorized school capital outlay surtax, which, in addition to the nonvoted discretionary capital outlay millage collected, equals the amount that would be generated if the full two mills had been collected over the past three fiscal years;
- Receipt of revenue in the prior fiscal year from the collection of an impact fee for schools and revenue from the collection of one of the following: a local government infrastructure sales surtax of which a portion is dedicated to school construction or debt service satisfaction for school construction; a school capital outlay surtax of a specified threshold amount; or a local bond referendum;
- Equaled or exceeded three times, rather than the current two times required, the statewide average of growth in capital outlay FTE students; limits the time frame to the prior three fiscal years; and specifies that growth in any one year must be determined by calculating the increase in students over the prior year; and
- Did not receive an appropriation from the special facilities construction program in the current fiscal year or any of the two fiscal years prior.

In deleting a provision which limited grants to districts that exceeded a capital outlay FTE student membership of 15,000, the criteria regarding FTEs will now require that a district must have equaled or exceeded three times the statewide average of growth in capital outlay FTE students to qualify.

The allocation formula is additionally revised so that each eligible district school board receives a PECO amount to be calculated by computing the capital outlay FTE membership as determined by the Department of Education, subject to certain guidelines. Kindergarten through 12th grade students, except hospital and homebound part-time students; career education students; and adult-disabled students enrolled in public career centers qualify for membership. If a change, correction, or recomputation of data results in an increase or decrease of the calculated amount, the additional or reduced amount shall be added to or reduced from the school district's future appropriations. Under no circumstances is a change, correction, or recomputation of data authorized for two years following the initial annual allocation.

According to the Department of Education, early projections estimate that this new formula will have the impact of limiting eligibility for grants to the following ten school districts: Clay, Flagler, Hernando, Hillsborough, Lake, Manatee, Orange, Osceola, Polk, and St. Lucie counties. These school districts reflect the combination of high student growth, but a relatively low property tax base.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Classrooms for Kids funding would increase by \$33.25 million annually.

Chapter 2005-290, L.O.F., appropriated a total of \$1.5 billion dollars to numerous state agencies and programs for growth management purposes. The growth management legislation appropriated \$105 million of recurring documentary stamp revenues to PECO, with \$75 million earmarked to the CFKP and \$30 million designated for the High Growth District Capital Outlay Assistance Grant Program. Although the Legislature appropriated the \$105 million, the Governor vetoed the \$30 million designation for the High Growth Program, leaving \$30 million in PECO without an appropriation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
