

1                                   A bill to be entitled  
2           An act relating to adjustments to education  
3           appropriations; amending s. 1003.03, F.S.;  
4           authorizing the Commissioner of Education to  
5           recommend a reduction in the amount transferred  
6           to a school district's fixed capital outlay  
7           fund; amending s. 1011.62, F.S.; providing for  
8           a district school board to transfer certain  
9           categorical funds for academic classroom  
10          instruction; requiring the Department of  
11          Education to report to the Legislature the  
12          amounts transferred and the activities for  
13          which the funds were expended; requiring a  
14          district school board to report to the  
15          department if the board transfers funds from  
16          its allocation for research-based reading  
17          instruction; requiring that the Legislature  
18          determine the percent of decline in funding for  
19          unweighted full-time equivalent students if  
20          funds are reduced during a fiscal year;  
21          providing for future expiration of certain  
22          provisions; amending s. 1011.71, F.S.; revising  
23          requirements for a school district with respect  
24          to expending revenue generated by the district  
25          school tax millage; providing for future  
26          expiration of such provisions; amending s.  
27          1012.225, F.S.; providing for the release of  
28          funds appropriated for the Merit Award Program  
29          for Instructional Personnel and School-Based  
30          Administrators; revising the date for school  
31          districts to provide documentation to the

1 department and refund undisbursed  
2 appropriations; amending s. 1012.72, F.S.,  
3 relating to the Dale Hickam Excellent Teaching  
4 Program; providing for funds for mentoring and  
5 related services to be prorated among eligible  
6 recipients if funds are insufficient in any  
7 fiscal year to pay such bonuses in full;  
8 incorporating by reference certain calculations  
9 used by the Legislature for the 2007-2008  
10 fiscal year; providing legislative intent with  
11 respect to reductions in expenditures made by  
12 district school boards; providing an effective  
13 date.

14

15 Be It Enacted by the Legislature of the State of Florida:

16

17 Section 1. Paragraph (a) of subsection (4) of section  
18 1003.03, Florida Statutes, is amended to read:

19 1003.03 Maximum class size.--

20 (4) ACCOUNTABILITY.--

21 (a)1. Beginning in the 2003-2004 fiscal year, if the  
22 department determines for any year that a school district has  
23 not reduced average class size as required in subsection (2)  
24 at the time of the third FEFP calculation, the department  
25 shall calculate an amount from the class size reduction  
26 operating categorical which is proportionate to the amount of  
27 class size reduction not accomplished. Upon verification of  
28 the department's calculation by the Florida Education Finance  
29 Program Appropriation Allocation Conference and not later than  
30 March 1 of each year, the Executive Office of the Governor  
31 shall transfer undistributed funds equivalent to the

1 | calculated amount from the district's class size reduction  
2 | operating categorical to an approved fixed capital outlay  
3 | appropriation for class size reduction in the affected  
4 | district pursuant to s. 216.292(2)(d). The amount of funds  
5 | transferred shall be the lesser of the amount verified by the  
6 | Florida Education Finance Program Appropriation Allocation  
7 | Conference or the undistributed balance of the district's  
8 | class size reduction operating categorical.

9 |         2. In lieu of the transfer required by subparagraph  
10 | 1., the Commissioner of Education may recommend a budget  
11 | amendment, subject to approval by the Legislative Budget  
12 | Commission, to transfer an alternative amount of funds from  
13 | the district's class size reduction operating categorical to  
14 | its approved fixed capital outlay account for class size  
15 | reduction if the commissioner finds that the State Board of  
16 | Education has reviewed evidence indicating that a district has  
17 | been unable to meet class size reduction requirements despite  
18 | appropriate effort to do so. The commissioner's budget  
19 | amendment must be submitted to the Legislative Budget  
20 | Commission by February 15 of each year.

21 |         3. For the 2007-2008 fiscal year and thereafter, if in  
22 | any fiscal year funds from a district's class size operating  
23 | categorical are required to be transferred to its fixed  
24 | capital outlay fund and the district's class size operating  
25 | categorical allocation in the General Appropriations Act for  
26 | that fiscal year has been reduced by a subsequent  
27 | appropriation, the Commissioner of Education may recommend a  
28 | 10-percent reduction in the amount of the transfer.

29 |         Section 2. Subsections (6) and (8) of section 1011.62,  
30 | Florida Statutes, are amended to read:

31 |

1           1011.62 Funds for operation of schools.--If the annual  
2 allocation from the Florida Education Finance Program to each  
3 district for operation of schools is not determined in the  
4 annual appropriations act or the substantive bill implementing  
5 the annual appropriations act, it shall be determined as  
6 follows:

7           (6) CATEGORICAL FUNDS.--

8           (a) In addition to the basic amount for current  
9 operations for the FEFP as determined in subsection (1), the  
10 Legislature may appropriate categorical funding for specified  
11 programs, activities, or purposes.

12           (b) If a district school board finds and declares in a  
13 resolution adopted at a regular meeting of the school board  
14 that the funds received for any of the following categorical  
15 appropriations are urgently needed to maintain school board  
16 specified academic classroom instruction, the school board may  
17 consider and approve an amendment to the school district  
18 operating budget transferring the identified amount of the  
19 categorical funds to the appropriate account for expenditure:

- 20           1. Funds for student transportation.
- 21           2. Funds for safe schools.
- 22           3. Funds for supplemental academic instruction.
- 23           4. Funds for research-based reading instruction.
- 24           5. Funds for instructional materials if all  
25 instructional material purchases have been completed for that  
26 fiscal year, but no sooner than March 1, 2008.

27           (c) Each district school board shall include in its  
28 annual financial report to the Department of Education the  
29 amount of funds the school board transferred from each of the  
30 categorical funds identified in this subsection and the  
31 specific academic classroom instruction for which the

1 transferred funds were expended. The Department of Education  
2 shall provide instructions and specify the format to be used  
3 in submitting this required information as a part of the  
4 district annual financial report. The department shall provide  
5 to the Legislature a report that identifies by district and by  
6 categorical fund the amount transferred and the specific  
7 academic classroom activity for which the funds were expended.

8 (d) If a district school board transfers funds from  
9 its research-based reading instruction allocation, the board  
10 must also submit to the Department of Education an amendment  
11 describing the changes that the district is making to its  
12 reading plan approved pursuant to paragraph (9)(d).

13 (8) DECLINE IN FULL-TIME EQUIVALENT STUDENTS.--In  
14 those districts where there is a decline between prior year  
15 and current year unweighted FTE students, 50 percent of the  
16 decline in the unweighted FTE students shall be multiplied by  
17 the prior year calculated FEFP per unweighted FTE student and  
18 shall be added to the allocation for that district. For this  
19 purpose, the calculated FEFP shall be computed by multiplying  
20 the weighted FTE students by the base student allocation and  
21 then by the district cost differential. If a district  
22 transfers a program to another institution not under the  
23 authority of the district's school board, including a charter  
24 technical career center, the decline is to be multiplied by a  
25 factor of 0.15. However, if the funds provided for the Florida  
26 Education Finance Program in the General Appropriations Act  
27 for any fiscal year are reduced by a subsequent appropriation  
28 for that fiscal year, the percent of the decline in the  
29 unweighted FTE students to be funded shall be determined by  
30 the Legislature and designated in the subsequent  
31 appropriation.

1           Section 3. The amendments to s. 1011.62(6), Florida  
2 Statutes, made by this act shall expire July 1, 2008, and the  
3 text of that section shall revert to that in existence on the  
4 day before the effective date of this act, except that any  
5 amendments to such text enacted other than by this act shall  
6 be preserved and continue to operate to the extent that such  
7 amendments are not dependent upon the portions of such text  
8 which expire pursuant to this section.

9           Section 4. Subsection (3) of section 1011.71, Florida  
10 Statutes, is amended to read:

11           1011.71 District school tax.--

12           (3) A school district that has met the reduction  
13 requirements regarding class size for the 2007-2008 fiscal  
14 ~~current~~ year pursuant to s. 1003.03 for K-12 students for whom  
15 the school district provides the educational facilities, has  
16 ~~received an unqualified opinion on its financial statements~~  
17 ~~for the preceding 3 years, has no material weaknesses or~~  
18 ~~instances of material noncompliance noted in an audit for the~~  
19 ~~preceding 3 years,~~ and certifies to the Commissioner of  
20 Education that the district does not need all of its  
21 discretionary 2-mill capital improvement revenue for capital  
22 outlay purposes and all of the district's instructional space  
23 needs for the next 5 years can be met from capital outlay  
24 sources that the district reasonably expects to receive during  
25 the next 5 years from local revenues and from currently  
26 appropriated state facilities funding or from alternative  
27 scheduling or construction, leasing, rezoning, or  
28 technological methodologies that exhibit sound management may  
29 expend, subject to the provisions of s. 200.065, up to \$25 per  
30 unweighted full-time equivalent student from the revenue  
31 generated by the 2007-2008 millage levy authorized by

1 subsection (2) to fund, in addition to expenditures authorized  
2 in paragraphs (2)(a)-(j), 2007-2008 expenses for the  
3 following:

4 (a) The purchase, lease-purchase, or lease of driver's  
5 education vehicles; motor vehicles used for the maintenance or  
6 operation of plants and equipment; security vehicles; or  
7 vehicles used in storing or distributing materials and  
8 equipment.

9 (b) Payment of the cost of premiums for property and  
10 casualty insurance necessary to insure school district  
11 educational and ancillary plants. Operating revenues that are  
12 made available through the payment of property and casualty  
13 insurance premiums from revenues generated under this  
14 subsection may be expended only for nonrecurring operational  
15 expenditures of the school district.

16 Section 5. The amendments to s. 1011.71(3), Florida  
17 Statutes, made by this act shall expire July 1, 2008, and the  
18 text of that section shall revert to that in existence on the  
19 day before the effective date of this act, except that any  
20 amendments to such text enacted other than by this act shall  
21 be preserved and continue to operate to the extent that such  
22 amendments are not dependent upon the portions of such text  
23 which expire pursuant to this section.

24 Section 6. Subsections (1) and (2) of section  
25 1012.225, Florida Statutes, are amended to read:

26 1012.225 Merit Award Program for Instructional  
27 Personnel and School-Based Administrators.--

28 (1) ELIGIBILITY.--

29 (a) In order to be eligible for funding under this  
30 section, a district school board must adopt a Merit Award  
31 Program plan that provides for an assessment and a merit award

1 based on the performance of students assigned to the  
2 employee's classroom or school pursuant to paragraph (3)(a) or  
3 paragraph (3)(b). Charter schools may participate in the  
4 program by using the district's Merit Award Program plan or  
5 may adopt an alternative Merit Award Program plan as provided  
6 in paragraph (5)(b). All instructional personnel, as defined  
7 in s. 1012.01(2)(a)-(d), and school-based administrators, as  
8 defined in s. 1012.01(3)(c), are eligible as individuals or as  
9 instructional teams to receive merit awards, with the  
10 exception of substitute teachers. In order to receive a merit  
11 award as an instructional team under this section, team  
12 members must be assessed on the performance of students  
13 assigned to the team members' classrooms or within the  
14 members' academic sphere of responsibility. The district  
15 school board may not require instructional personnel or  
16 school-based administrators to apply for an award, or make any  
17 presentation, in order to be assessed for or receive a merit  
18 award. A plan is subject to negotiation as provided in chapter  
19 447. The Department of Education may not distribute any  
20 portion of pro rata funding to a district, or to a district  
21 for a charter school within the district, if the district or  
22 charter school chooses not to adopt a Merit Award Program plan  
23 under this section. Undistributed funds shall be considered  
24 unobligated and shall revert to the fund from which the  
25 appropriation was made in accordance with s. 216.301.

26 (b) Funds appropriated for the Merit Award Program  
27 shall be released and distributed to eligible school districts  
28 on or before July 31 for distribution to eligible recipients  
29 by October 1 pursuant to paragraph (2)(a).

30 (2) PAY SUPPLEMENTS STRUCTURE.--Merit Award Program  
31 plans shall provide for the annual disbursement of merit-based



1 pay supplements to high-performing employees in the manner  
2 described in this subsection.

3 (a) Each Merit Award Program plan must designate the  
4 top instructional personnel and school-based administrators to  
5 be outstanding performers and pay to each such employee who  
6 remains employed by a Florida public school or who retired  
7 after qualifying for the award, by October ~~September~~ 1 of the  
8 following school year, a merit-based pay supplement of at  
9 least 5 percent of the average teacher's salary for that  
10 school district not to exceed 10 percent of the average  
11 teacher's salary for that school district. The amount of a  
12 merit award may not be based on length of service or base  
13 salary. Pay supplements shall be funded from moneys  
14 appropriated by the Legislature under this section and from  
15 any additional funds that are designated by the district for  
16 the Merit Award Program. School districts are not required to  
17 implement this section unless the program is specifically  
18 funded by the Legislature. By November ~~October~~ 1 of each year,  
19 each school district shall provide documentation to the  
20 Department of Education concerning the expenditure of  
21 legislative appropriations for merit-based pay, and shall  
22 refund undisbursed appropriations to the department. If such  
23 undisbursed funds are not remitted to the department by  
24 November 1, the department shall withhold an equivalent amount  
25 from the district's allocation of appropriations made under s.  
26 1011.62.

27 (b) A Merit Award Program plan may include additional  
28 pay supplements under this section for employees who manifest  
29 exemplary work attendance.

30 (c) Merit-based pay supplements shall be awarded in  
31 addition to any general increase or other adjustments to

1 salaries which are made by a school district. An employee's  
2 eligibility for or receipt of merit-based pay supplements  
3 shall not adversely affect that employee's opportunity to  
4 qualify for or to receive any other compensation that is made  
5 generally available to other similarly situated district  
6 school board employees.

7 Section 7. Subsection (5) is added to section 1012.72,  
8 Florida Statutes, to read:

9 1012.72 Dale Hickam Excellent Teaching Program.--

10 (5) If the funds available in any fiscal year are  
11 insufficient to pay in full the annual bonuses for  
12 certification and for providing mentoring and related  
13 services, payments for providing mentoring and related  
14 services shall be prorated among the eligible recipients.

15 Section 8. In order to implement Specific  
16 Appropriations 3, 4, and 34-37A of the 2007-2008 Special  
17 Appropriations Act, the calculations of the Florida Education  
18 Finance Program for the 2007-2008 fiscal year in the document  
19 entitled "Public School Funding - The Florida Education  
20 Finance Program," dated October 9, 2007, and filed with the  
21 Secretary of the Senate are incorporated by reference for the  
22 purpose of displaying the calculations used by the  
23 Legislature, consistent with requirements of the Florida  
24 Statutes, in making appropriations and reductions in  
25 appropriations for the Florida Education Finance Program.

26 Section 9. The 2007-2008 appropriations for the  
27 Florida Education Finance Program and categorical funds  
28 provide each school district an increase in total potential  
29 funds per full-time equivalent student which is greater than  
30 the amount provided for the 2006-2007 fiscal year. Therefore,  
31 it is the intent of the Legislature that any reductions in

1 expenditures by school districts in response to any of the  
2 appropriation reductions for the 2007-2008 fiscal year be made  
3 in functions other than classroom instruction. This section  
4 expires July 1, 2008.

5           Section 10. This act shall take effect upon becoming a  
6 law.

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