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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:

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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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