

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Education Facilities Appropriations Committee

BILL: CS/CS/SB 1276

INTRODUCER: Education Facilities Appropriations Committee, Education Pre-K-12 Committee and
Senator Bennett

SUBJECT: Educational Facilities Construction/Day-Labor

DATE: March 25, 2008

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	deMarsh-Mathues	Matthews	ED	Fav/CS
2.	Hamon	Hamon	EF	Fav/CS
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The bill increases the threshold for day-labor contracts from \$200,000 to \$300,000 for the construction, renovation, remodeling, or maintenance of existing facilities and requires beginning January 2009, this amount shall be adjusted annually based upon changes in the Consumers Price Index. This provision applies to district school boards, community college boards of trustees, university boards of trustees, and the Board of Trustees for the Florida School for the Deaf and the Blind.

The bill provides that special facilities projects, requested to be funded in the Special Facilities Construction Account from the Public Education Capital Outlay and Debt Service Trust Fund (PECO), must be included in the school district's most recent educational facilities survey conducted and approved by the Department of Education (DOE) Office of Educational Facilities with the assistance of the district. The bill also provides that the total project cost may not exceed the estimate approved by the Special Facility Construction Committee, additional funds may not be awarded except for emergency situations, and the project's final phase III plans shall be reviewed and approved by the Office of Educational Facilities for compliance with the building and life safety codes.

This bill amends sections 1013.45 and 1013.64 of the Florida Statutes.

II. Present Situation:

Educational Facilities Contracts

Section 1013.45(1)(e), F.S., authorizes boards to use day-labor contracts that do not exceed \$200,000 for the construction, renovation, remodeling, or maintenance of existing facilities. A day-labor contract means a project constructed using persons employed directly by a board or by contracted labor.¹ Boards are defined to mean, unless otherwise specified, a district school board, community college board of trustees, university board of trustees, and the Board of Trustees for the Florida School for the Deaf and the Blind.² Before 2002, the definition of a board for purposes of day-labor contract restrictions did not include a university board of trustees.³ In 2002, the Legislature amended the education code and revised the definition of boards to include university boards of trustees.⁴ As a result, the restriction on the amount of day-labor contracts appears to apply to university boards of trustees.⁵

The Public Education Capital Outlay and Debt Service Trust Fund (PECO)

Section 1013.64, F.S., addresses funds for comprehensive educational plant needs and provides for specific allocations from the PECO Trust Fund. Funds from a separate account within PECO⁶ must be used for construction projects that are critically needed but for which school districts lack sufficient resources from authorized capital outlay revenue sources. A district may not receive funding from this account for more than one approved project in any 3-year period.⁷

A school district's request for funds must be reviewed, evaluated, and deemed as a critical need by the Special Facility Construction Committee.⁸ The committee's statewide priority list for special facilities construction is submitted to the Legislature as a part of the Commissioner of Education's capital outlay legislative budget request. A request for funds is limited to a construction project for one complete educational plant.⁹

In response to concerns about the accuracy of small school districts' educational facilities survey data, the 2007 Legislature required the DOE, in cooperation with the Heartlands Educational Consortia, the Northeast Florida Educational Consortium (NEFEC), and the Panhandle Area

¹ s. 1013.45(2), F.S.

² s. 1013.01(3), F.S. (The State Board of Education and the Board of Governors are specifically excluded from the definition of a board for purpose of chapter 1013, F.S., relating to educational facilities.)

³ See former ss. 235.011(3) and 235.211, F.S.

⁴ s. 797, ch. 2002-387, L.O.F., (codified in s. 1013.01, F.S.)

⁵ See s. 1013.45(1), F.S.

⁶ Special Facility Construction Account.

⁷ s. 1013.64(2), F.S. The first year of the 3-year period is the first year a district receives an appropriation.

⁸ *Id.* The committee is composed of two representatives from the DOE, a representative from the Governor's office, a representative chosen each year by the school boards, and a representative chosen each year by the district superintendents.

⁹ *Id.*

Educational Consortium (PAEC), and small school districts to develop a process for assisting the districts with the following:¹⁰

- Meeting growth management requirements;
- Maintaining the 5-year educational facilities work plan and the facilities survey; and
- Assuring that all information in the educational facilities inventory data base is accurate and current.

The DOE was tasked with providing technical assistance and producing survey reports.

III. Effect of Proposed Changes:

The bill increases the threshold for day-labor contracts from \$200,000 to \$300,000. According to the Department of Education, the current threshold was established by law in 1995¹¹ and has not kept pace with the cost of construction. The bill also requires beginning January 2009, the \$300,000 threshold be adjusted annually based upon changes in the Consumers Price Index. This provision applies to a district school board, a community college board of trustees, a university board of trustees, and the Board of Trustees for the Florida School for the Deaf and the Blind.

The bill provides that special facilities projects, requested to be funded in the Special Facilities Construction Account from PECO, must be included in the school district's most recent educational facilities survey conducted and approved by the DOE Office of Educational Facilities with the assistance of the district. The bill also provides that the total project cost may not exceed the estimate approved by the Special Facility Construction Committee, additional funds may not be awarded except for emergency situations, and the project's final phase III plans shall be reviewed and approved by the Office of Educational Facilities for compliance with the building and life safety codes.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁰ Specific Appropriations 135 through 138 and 142 of ch. 2007-72, L.O.F., provided resources to the DOE for this purpose.

¹¹ s. 17, ch. 95-269, L.O.F.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the DOE, the amendments to the day-labor contract amounts may result in an indeterminate cost savings for boards because of the increased flexibility in designing construction projects without the need for outside contracts.

The 2007-2008 General Appropriations Act provided funds and authorized positions to the DOE Office of Educational Facilities to provide assistance to school districts for meeting growth management requirements, conducting the educational facilities survey, maintaining the districts 5-year educational facilities work plan, and assuring that all information in the state educational facilities data base is accurate and current. Based on the first year of experience it is expected there will be a reduced cost for to the state and the school districts, and increased efficiency and effectiveness in the educational facilities management function in the school districts.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by the Education Facilities Appropriations Committee on March 25, 2008 adopted an amendment on line 23 of the Committee Substitute to provide beginning January 2009, the \$300,000 threshold shall be adjusted annually based upon changes in the Consumers Price Index.

CS by the Education Pre-K-12 Committee on February 22, 2008 : The bill provides that special facilities projects requested to funded in the Special Facilities Construction Account from PECO:

- Must be included in the school district's most recent educational facilities survey conducted and approved by the DOE Office of Educational Facilities with the assistance of the district;

- The total project cost may not exceed the estimate approved by the Special Facility Construction Committee;
- Additional funds may not be awarded except for emergency situations; and
- The project's final phase III plans shall be reviewed and approved by the Office of Educational Facilities for compliance with the building and life safety codes.

B. Amendments:

None.

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