

**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 Pre-K - 12 Appropriations Committee

BILL: PCS for SB 1756

INTRODUCER: Education Pre-K-12 Appropriations and Senator Wise

SUBJECT: Class Size Reduction

DATE: March 26, 2008                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Armstrong</u>	<u>Hamon</u>	<u>EA</u>	<u><b>Pre-meeting</b></u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill revises the class size reduction implementation schedule and amends the methodology by which class size compliance is calculated for fiscal year 2008-2009 through 2010-2011. The bill continues the school level average standard for compliance with the class size requirement for the 2008-09 school year. The bill maintains the class size requirement at the classroom level for compliance in the 2009-2010 school year and each year thereafter, except that in the 2009-2010 school year, a classroom may exceed the maximum by 2 students.

The bill also maintains the school level average for the accountability requirement for non-compliance in the 2008-2009 school year, the same as for 2007-2008. If the district does not achieve class size compliance at the school level, class size reduction funds are to be transferred from operations to capital in proportion to the amount of class size reduction not achieved. Beginning in the 2009-2010 school year, the accountability requirement for non-compliance is changed from the school level average to the classroom maximum. If the number of students in a classroom exceeds two greater than the classroom maximum in 2009-2010, the district's per full-time equivalent (FTE) Class Size Reduction Allocation will be reduced for each student greater than two above the maximum in each classroom. In 2010-2011 and subsequent years, the district's per FTE Class Size Reduction Allocation will be reduce for each student in each classroom over the constitutional caps. The amount of the reduction shall be placed in reserve by the Office of the Governor and shall revert to the General Revenue Fund at the end of the fiscal year.

The bill also removes the class size restriction for noncompliant school districts to offer school year voluntary prekindergarten education.

The bill substantially amends the following sections of the Florida Statutes: 1002.53, 1002.61, 1002.63, 1002.73, 1003.03, and 1011.685.

## II. Present Situation:

Section 1, Article IX of the Florida Constitution was amended in November 2002, to require the legislature, beginning with the 2003-2004 fiscal year, to provide sufficient funds to reduce the average number of students per classroom by at least two students per year until the number of students per classroom does not exceed the maximum. By the beginning of the 2010 school year the maximum number of students who may be assigned to each teacher who is teaching in a public school classroom may not exceed the following:

- 18 for prekindergarten through grade 3
- 22 for grades 4 through 8
- 25 for grades 9 through 12

Section 1003.03, F.S., established an implementation schedule for reducing the number students per classroom by at least two students per year as follows:

- 2003-2004 through 2005-2006 at the district level,
- 2006-2007 through 2007-2008 at the school level, and
- 2008-2009 and thereafter, at the classroom level.

Beginning with the 2003-2004 General Appropriations Act, the Legislature has appropriated and allocated to the school districts and charter schools annually, funds to be used to reduce the average number of students per classroom by two students.

Accountability for non-compliance in s. 1003.03 (4), F.S., requires that if in any year a school district has not reduced average class size by two students as required in s.1003.03 (2),F.S., at the time of the third Florida Education Finance Program (FEFP) calculation, the department shall calculate an amount from the district's class size reduction operating funds which is proportionate to the amount of class size reduction not accomplished. This calculated amount is then transferred from the district's operating budget to the district's fixed capital outlay account.

The Department of Education determined that in 2007-2008, of the more than 3,000 schools in the state, 23 schools or 0.75%, and 8 charter schools did not reduce their school level average by two students. In accordance with the compliance accountability requirement a total of \$475,324 was transferred from district class size reduction allocations for operations to fixed capital outlay accounts.

Section 1003.03 (4) (b), Florida Statutes, provides two additional accountability requirements:

- Beginning in the 2005-2006 school year if the department determines by January 15 of each year that a district has not reduced the average by two students the district is required to implement one of the following policies in the subsequent school year: year round schools, double sessions, rezone attendance areas, or maximizing instructional staff.
- Beginning in the 2006-2007 school year if a district has not reduced the average by two students the department shall develop an implementation plan which the district must implement until the district complies with the class size requirement.

Section 1002.63, F.S., provides that to be eligible to provide school year voluntary prekindergarten education each school district must have met the class size reduction requirements and certify that it has sufficient satisfactory educational facilities and capital outlay funds to continue reducing the average class size each year and to achieve full compliance. The Commissioner of Education must certify to the State Board of Education that the department has reviewed the school district's educational facilities, capital outlay funds, and projected student enrollment and concurs with the district school board's certification.

### **III. Effect of Proposed Changes:**

The implementation schedule in s. 1003.03 (2), F.S., is amended to continue the school level average for compliance through the 2008-2009 school year rather than be revised to the classroom level. Compliance at the classroom level is maintained for the 2009-2010 school year and each year thereafter; however, in 2009-2010, an individual classroom may not exceed the individual classroom level maximum by more than two students. Most districts and charter schools were in compliance at the school level average in the 2007-2008 school year. The effect of these changes is to provide school districts and charter schools two additional years to reduce the number of students in any classroom to the constitutional maximum and provides a more gradual approach to achieving compliance.

In addition, the bill maintains the school level average for the accountability requirement for non-compliance in the 2008-2009 school year, the same as for 2007-2008. If the district does not achieve class size compliance at the school level, class size reduction funds are to be transferred from operations to capital in proportion to the amount of class size reduction not achieved. Beginning in the 2009-2010 school year, the accountability requirement for non-compliance is changed from the school level average to the classroom maximum. In 2009-10, if the number of students in a classroom exceeds two greater than the classroom maximum, the district's per FTE Class Size Reduction funds will be reduced for each student greater than two above the maximum. In 2010-2011 and subsequent years, the calculation will be done at the constitutional caps for each classroom. The amount of the reduction shall be placed in reserve by the Office of the Governor and shall revert to the General Revenue Fund at the end of the fiscal year. The effect is to simplify the compliance calculations and to ensure that the funds allocated for class size reduction are used as authorized by law.

The bill removes the class size restriction for noncompliant public school districts to offer school year voluntary prekindergarten education if there is a need for the program in specific communities of the school district and if the district has adequate facilities in those communities.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

By maintaining class size reduction compliance at the school level for the 2008-09 fiscal year, the fiscal impact on school districts will be mitigated. In the 2007-2008 fiscal year, at the school level, noncompliant districts had a total statewide transfer of class size reduction allocation funds from operations to capital of \$475,324. By delaying for one year the compliance at the classroom level, funds for the transfer at the school level should be kept at a low level. In addition, by establishing class size compliance for 2009-10 at two over the classroom maximum, rather than at the classroom maximum, and by reducing only class size reduction funds, rather than base FEFP funds, potential district funding reductions will be less.

In addition, by maintaining compliance at the school level and progressing at the classroom level to the 2010-2011 constitutional maximums, school districts gain additional fiscal flexibility in meeting the implementation schedule.

**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.)

None.

B. Amendments:

None.

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

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