

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1227

Inservice Professional Development Academies

SPONSOR(S): Proctor

TIED BILLS:

IDEN./SIM. BILLS: SB 2272

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	State & Community Colleges & Workforce Policy Committee		Beagle	White
2)	Education Policy Council			
3)	PreK-12 Appropriations Committee			
4)	Full Appropriations Council on Education & Economic Development			
5)				

SUMMARY ANALYSIS

Florida law enacted in 1999 established a statewide system of regional professional development academies (RPDAs) to provide inservice professional development services to school districts. RPDAs are governed by an independent board and provide such services via contract with participating districts. Subject to specified criteria, a RPDA is eligible to receive state start-up funding during its first year of operation.

A system of RPDAs throughout the state has never materialized; however, one RPDA, the Schultz Center for Teaching and Leadership in Jacksonville, Florida, has been established pursuant to this legislation.

Current law specifies criteria for receiving start-up funding to establish a new RPDA, but does not directly govern day-to-day operations once the RPDA is established. To address this issue, the bill deletes all statutory references to "start-up" funding and proposing plans for providing professional development and, instead, establishes requirements that are applicable to day-to-day operations.

Current law also requires a RPDA to own or lease a facility and specifies that the RPDA must pay the costs to operate and maintain the facility. Additionally, a RPDA must also be financially self-sufficient after its first year of operation. Issues concerning the Schultz Center's compliance with these requirements have been noted by the Auditor General in recent financial audits of the Duval County School Board. (Please see discussion of audit findings at page 3.) The bill removes these requirements to address these audit findings.

The bill does not appear to have a fiscal impact on state government. It may have an indeterminate fiscal impact on local governments. (SEE FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT).

The bill takes effect on July 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Regional Professional Development Academies

Current Florida law provides for a coordinated system of professional development for teachers, managers, and administrators to enable the education community to meet state and local student achievement standards and state education goals.¹ Each school district must develop a professional development system and master plan for inservice activities. School district plans must be approved by the Department of Education (DOE).²

Legislation enacted in 1999 authorized the establishment of a statewide system of inservice professional development. It authorized the creation of regional professional development academies (RPDAs) to be the delivery mechanism for this system.³ Statute requires RPDAs to collaborate with local business partners to develop training programs, and market such programs to schools or individuals in the region.⁴

Organization & Funding: Statute establishes RPDAs to be private sector entities and not a component of any school district or governmental unit to which it provides services.⁵ RPDAs may receive start-up funding from the Commissioner of Education or legislative appropriation. Statute provides several eligibility criteria for receipt of start-up funds. A RPDA must:

- Be established in collaboration with one or more district school boards, local businesses, and postsecondary institutions, which may award college credit for courses offered by RPDA programs;
- Demonstrate capacity to improve: teaching skills in mathematics, reading, and algebra; the use of instructional technology; and classroom management via varied delivery methods;
- Propose a plan for providing professional development training and follow-up coaching for educators, schools, and school districts to improve student achievement and meet state and local educational goals;
- Own or lease a facility. A participating district school board may: (1) lease a site or facility to the RPDA for a nominal fee; and (2) pay all or part of the cost to renovate it. The RPDA must be responsible for all operational, maintenance, and repair costs;

¹ Section 1012.98, F.S.

² *Id.*

³ Section 64, ch. 99-398, L.O.F

⁴ Section 1012.985, F.S.

⁵ Section 1012.985(2)(b), F.S.

- Be operated under contract with its public partners and governed by an independent board;
- Match start-up funds with an equal or greater amount of funding from private sources during its first year of operation, unless the RPDA is operated by a regional educational consortium;
- Demonstrate the ability to be self-supporting within one-year after opening through fees for service, grants, or private funds; and
- Be under contract to provide professional development services to participating school districts. It may also market services to other school districts, private schools, or individuals not under contract.⁶

A RPDA is required to achieve financial self sufficiency after its first year of operation through the collection of service fees, grants, or private funds.⁷ It may receive subsequent funding to develop, expand, or assess existing programs or to create new programs.⁸

Status of RPDAs currently in Florida: The initial legislation envisioned a system of regionally based academies to be established in each region of the state to deliver inservice training.⁹ This never materialized. The Schultz Center for Teaching and Leadership in Jacksonville, FL is Florida's sole RPDA. The Center is a nonprofit corporation and is operated by an independent board. A chief executive officer is appointed by the board to oversee day-to-day operations.¹⁰ It provides professional development services to Baker, Clay, Duval, Nassau, and St. John's County schools.¹¹ It leases its facility from the Duval County School Board. The district operates and maintains the facility.¹²

Audit Findings: The financial relationship between the Duval County school district and the Schultz Center has been reviewed in recent annual audits conducted by the Auditor General (AG). Audit reports for FY 2003-2004 and FY 2006-2007 indicate the following state law issues:

- The Center is not financially self-sufficient. Section 1012.985(1)(f), F.S., requires the Center to be financially self sufficient after its first year of operation. The AG reports state that it is unlikely that the Center could operate without district financial support. It notes that a substantial portion of the Center's funding is provided by the district and most training programs are conducted by district staff.¹³
- The district, and not the Center, pays the operating, maintenance, and repair costs for the Center's facility. According to Duval County representatives, the county pays these costs because Schultz Center invested \$8 million in renovating the building. Under s. 1012.985(1)(g), F.S., the Center is responsible for these costs.¹⁴

The AG reports also find that district use of federal professional development grant funds to pay for teacher training services provided by the Center does not comply with federal guidelines for use of grant funds. Its payments to the Center for training exceeded the Center's costs to provide such services. Federal requirements stipulate that the amount paid must be "necessary and reasonable."¹⁵

⁶ Section 1012.985(1), F.S.

⁷ Section 64, ch. 99-398, L.O.F.

⁸ Section 1012.985(2)(a), F.S.; *See* § 1, ch. 06-151, L.O.F.

⁹ Section 64, ch. 99-398, L.O.F.

¹⁰ *See* The Schultz Center for Teaching & Leadership, About Us, Questions and Answers, <http://www.schultzcenter.org/history.shtml> (last visited Mar. 22, 2009); *See id.* at Board of Directors/Leadership Council, <http://www.schultzcenter.org/board-leadership.shtml> (last visited Mar. 22, 2009).

¹¹, *See id.* at School Districts Served by the Schultz Center, <http://www.schultzcenter.org/schooldistricts.shtml> (last visited Mar. 20, 2009).

¹² *See* "Finding No. 12," Florida Auditor General, *Duval County District School Board: Operational Audit: FY 2003-2004*, Report No. 2006-002 (July 2005) available at http://www.myflorida.com/audgen/pages/pdf_files/2006-002.pdf; "Finding No. 11," Florida Auditor General, *Duval County District School Board: Financial, Operationa, and Federal Single Audit: FY 2006-2007*, Report No. 2008-084 (February 2008) available at http://www.myflorida.com/audgen/pages/pdf_files/2008-084.pdf.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *See* "Federal Awards Finding No. 9," Florida Auditor General, Report No. 2008-084; Federal grants for teacher and principal funding are provided under 20 U.S.C. § 6613. The AG report cited here refers to two circulars issued by the U.S. Office of Management and Budget. Circular A-87 refers to acceptable costs. Circular A-133 refers to recipients and subrecipients. *See* U.S. Office of Management and Budget, Circulars, <http://www.whitehouse.gov/omb/circulars/index.html> (last visited Mar. 20, 2009).

In addition, due to the Center's close relationship to the district, the AG determined that the Center is a subrecipient of federal funds and not a vendor. Subrecipients must comply with federal requirements in the same manner as the primary recipient of grant funds. Such compliance is not required of vendors.¹⁶ According to an opinion issued by the district's internal auditor, the federal issues raised in these AG audit reports cannot be appropriately addressed via legislation. Thus, the bill provisions described below are not intended to remedy federal compliance issues cited by the AG.¹⁷

Effect of Proposed Changes

Current law specifies criteria for receiving start-up funding to establish a new RPDA, but does not directly govern day-to-day operations once the RPDA is established. The bill removes references to start-up funding and initial proposals to establish a RPDA. Instead, it establishes requirements governing day-to-day operations. The bill retains existing law providing that a RPDA may receive funding from the DOE or via legislative appropriation for program assessment, creation, or expansion.

The bill revises two existing start-up criteria and recasts them as requirements for operating a RPDA. Under the bill, a RPDA must:

- Support collaborative efforts of one or more school districts, local business, and postsecondary institutions. Current law states that RPDAs are to be "established by" the collaborative efforts of such entities.
- Provide professional development training and follow-up coaching for educators, schools, and school districts to increase student achievement. Current law states that RPDAs must "propose a plan" to do these things.

The bill removes existing start-up criteria requiring a RPDA to:

- Demonstrate capacity to improve teaching skills in s. 1012.985(1)(b), F.S.;
- Propose a plan for providing professional development training and follow-up coaching for educators, schools, and school districts in s. 1012.985(1)(c), F.S.;
- Match start-up funds with private funds during its first year of operation and demonstrate the ability to be self-supporting within one-year in s. 1012.985(1)(f), F.S.; and
- Own or lease a facility and pay all operational, maintenance, and repair costs in s. 1012.985(1)(g), F.S.

The removal of provisions requiring a RPDA to be financially self-sufficient after one year and to pay operating and maintenance costs for its facility may enable the Duval County School District and the Schultz Center to avoid future audit findings on these issues. Other criteria are removed because they refer to initial RPDA programming and establishment and are not relevant to day-to-day operations.

The bill revises the organizational requirements for RPDAs. It removes reference to the establishment of a "statewide system" of RPDAs. This system has never materialized. It also removes statutory provisions specifying that RPDAs are not part of any school district or governmental unit to which it provides services.

Currently, a RPDA is responsible for its own financial affairs. The bill requires one school district to be designated as the fiscal agent for a RPDA. It is presumed that Duval County school district will assume this role for the Schulz Center. RPDAs continue to be governed by an independent board, operate under contract with its public partners, and contract to provide professional development services to districts and others.

¹⁶ *Id.*

¹⁷ Duval County School District, Impact of SB 2272 and HB 1227 to Duval County School District (March 3, 2009).

B. SECTION DIRECTORY:

Section 1.: Amending s. 1012.985, F.S.; revising statutory requirements for RPDAs; requiring the appointment of a school district as fiscal agent.

Section 2.: Providing an effective date of July 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

The bill does not appear to have a fiscal impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill does not appear to have a fiscal impact on local revenues.

2. Expenditures:

The bill does not appear to have a fiscal impact on local expenditures, but please see "Fiscal Comments" below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill does not have a direct economic impact on the private sector.

D. FISCAL COMMENTS:

Fiscal Agent: Bill provisions requiring that one school district be appointed as the fiscal agent for a RPDA may have an indeterminate fiscal impact on the Duval County School District. If it assumes this role for the Schultz Center, district staff would assume several responsibilities concerning the Center's fiscal operations, such as:

- Including the Center's financial affairs in the district's accounting records;
- Recording receipts and disbursements; and
- Reporting financial statements, including those related to federal funding.

In addition, the Center's financial activity would be subject to state and federal audits. Its financial records would be subject to Florida public records laws and state and federal records retention requirements.¹⁸

It is anticipated that an amendment will be offered by the sponsor to remove this provision.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

¹⁸ See Duval County School District *supra* note 17.

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

The bill does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Please see "Fiscal Comments" above.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES