

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 591 Maximum Class Size  
**SPONSOR(S):** Massullo and others  
**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 808

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) PreK-12 Innovation Subcommittee	13 Y, 2 N	Dehmer	Healy
2) PreK-12 Appropriations Subcommittee	13 Y, 0 N	Seifert	Potvin
3) Education Committee			

### SUMMARY ANALYSIS

The Florida Education Finance Program (FEFP) is the primary mechanism for funding the operating costs of Florida school districts and is the foundation for financing Florida's K-12 educational programs.

In 2003, the Florida Legislature enacted chapter 2003-391, Laws of Florida, which implements the provisions of the class-size amendment and defines the progress that districts must make in reducing class size.

Compliance with class size reduction requirements is calculated at the classroom level for traditional public schools and at the school level for charter schools, district-operated schools of choice and schools participating in the Principal Autonomy Pilot Program Initiative.

Districts and charter schools that are out of compliance with class size requirements have a reduction in class size categorical funding. Up to 25 percent of the reduction is reallocated to districts and charter schools that are in compliance with these requirements. The remaining balance is restored to districts and charter schools that are not in compliance but have submitted a certified plan to the Commissioner of Education explaining the actions the district or charter school will take to ensure compliance. The reallocations for traditional public schools, district-operated schools of choice and charter schools are each calculated separately based on their respective reduction amounts. In order for a district's traditional schools or district-operated schools of choice to qualify for the reallocation, all of its traditional schools and district-operated schools of choice must be in compliance with class size requirements.

The bill removes the exemptions for class size requirements and maintains class size compliance for each classroom but revises the method for calculating the penalty to be at the school average for any school that fails to comply with class size requirements. The bill repeals an increase in the penalty for failure to comply with the class size requirements and provides that a district may not have its class size categorical allocation reduced for the 2017-18 or 2018-19 fiscal years if it meets certain requirements.

The bill will result in a reduction in the amount deducted from a school district's class size reduction operating categorical.

See Fiscal Analysis & Economic Impact Statement.

The bill takes effect July 1, 2017.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Maximum Class Size

##### **Present Situation**

In 2002, voters approved the Class Size Reduction Amendment to Section 1, Article IX of the Florida Constitution. The amendment requires the Legislature, by the beginning of the 2010 school year, to make adequate provisions to ensure that there are a sufficient number of classrooms in Florida so that the maximum number of students assigned to each teacher does not exceed:

- 18 students for prekindergarten through 3rd grade;
- 22 students for 4th through 8th grades; and
- 25 students for 9th through 12th grades.

Extracurricular courses are expressly excluded from the class size mandate; thus, its requirements apply only to core curricula courses, which are defined in s. 1003.01(14), F.S.

Additionally, the amendment requires that the Legislature provide sufficient funds, beginning in Fiscal Year (FY) 2003-2004, for school districts to reduce the average number of students in each classroom by at least two annually until the constitutionally prescribed maximum number of students is achieved. Under the initial implementing statute<sup>1</sup>, compliance with the class size requirements was to be measured at the:

- district level for each of the three grade groupings during FYs 2003-2006;
- school level for each of the three grade groupings in FYs 2006-2008;
- individual classroom level for each of the three grade groupings in FY 2008-2009 and thereafter.

The timeframe for measuring class size at the school level was extended twice. In 2008, the Legislature extended school level measurement through FY 2008-2009.<sup>2</sup> The next year, the Legislature extended this timeframe by one more year, thereby delaying measurement of class size at the individual classroom level until FY 2010-2011 and thereafter.<sup>3</sup> Legislation enacted in 2010 established the compliance calculation for charter schools at the school level average.<sup>4</sup> Legislation enacted in 2013 granted the same treatment to district-operated schools of choice<sup>5</sup>, and in 2016, granted the same treatment to schools participating in the Principal Autonomy Pilot Program Initiative (PAPPI).<sup>6</sup>

In 2013, the Legislature added a provision to exempt “blended learning courses” from the core courses required to be in compliance with class size.<sup>7</sup>

To implement the class size amendment, the Legislature annually appropriates class size reduction categorical funding for school district operating costs. Additionally, the Legislature has appropriated funds for capital outlay (facility) needs and granted bonding authority to fund classroom construction and other capital needs related to class size reduction. Since 2003, the Legislature has appropriated

---

<sup>1</sup> Section 2, ch. 2003-391, L.O.F.

<sup>2</sup> Section 5, ch. 2008-142, L.O.F.

<sup>3</sup> Section 13, ch. 2009-59, L.O.F.

<sup>4</sup> Section 1002.33(16)(b)3., F.S., as created in section 6, ch. 2010-154, L.O.F.

<sup>5</sup> Section 1002.31(9), F.S., as created in section 9, ch. 2013-250, L.O.F.

<sup>6</sup> Section 1011.6202(3)(b)7., F.S.

<sup>7</sup> Section 1003.01(14), F.S., as modified in section 3, ch. 2013-225, L.O.F.

more than \$34.2 billion for operational expenses and \$2.5 billion in facilities funding to implement the Class Size Reduction Amendment.

<b>History of Funding for Class Size Reduction<sup>8</sup></b>			
<b>Fiscal Year</b>	<b>Operating Funds</b>	<b>Facilities Funds</b>	<b>Total Funds</b>
2003-2004	\$ 468,198,634	\$ 600,000,000	\$ 1,068,198,634
2004-2005	\$ 972,191,216	\$ 100,000,000	\$ 1,072,191,216
2005-2006	\$ 1,507,199,696	\$ 83,400,000	\$ 1,590,599,696
2006-2007	\$ 2,108,529,344	\$1,100,000,000	\$ 3,208,529,344
2007-2008	\$ 2,640,719,730	\$ 650,000,000	\$ 3,290,719,730
2008-2009	\$ 2,729,491,033	\$ -	\$ 2,729,491,033
2009-2010	\$ 2,845,578,849	\$ -	\$ 2,845,578,849
2010-2011	\$ 2,913,825,383	\$ -	\$ 2,913,825,383
2011-2012	\$ 2,927,464,879	\$ -	\$ 2,927,464,879
2012-2013	\$ 2,974,748,257	\$ -	\$ 2,974,748,257
2013-2014	\$ 2,974,766,164	\$ -	\$ 2,974,766,164
2014-2015	\$ 3,013,103,776	\$ -	\$ 3,013,103,776
2015-2016	\$ 3,035,025,330	\$ -	\$ 3,035,025,330
2016-2017	\$ 3,071,776,000	\$ -	\$ 3,071,776,000
<b>Total to Date</b>	<b>\$34,182,618,299</b>	<b>\$2,533,400,000</b>	<b>\$36,716,018,299</b>

The Department of Education (DOE) is required to reduce class size categorical funding for school districts and charter schools that are out of compliance with class size requirements. The penalty is calculated at the classroom level for traditional public schools and at the school level for charter schools, district-operated schools of choice and innovation schools of technology. The penalties for traditional public schools and district-operated schools of choice are combined to make a total adjustment for each district. The DOE must calculate the penalty for traditional public schools out of compliance as follows:

- Step 1:** Identify, for each grade grouping, the number of classrooms that exceed the maximum and the total number of students which exceeds the maximum for all classes.
- Step 2:** Determine the number of full-time equivalent (FTE) students which exceeds the maximum for each grade grouping.
- Step 3:** Multiply the total number of FTE students over the maximum for each grade grouping by the district's FTE dollar amount of the class size reduction operating categorical allocation for that year and calculate the total for all three grade groupings.
- Step 4:** Multiply the total number of FTE students over the maximum for all classes by an amount equal to 100 percent of the base student allocation adjusted by the district cost differential.

A school district's class size reduction operating categorical allocation is then reduced by an amount equal to the sum of the calculations in Steps 3 and 4. Beginning in FY 2014-2015, the total number of FTE students over the maximum for all classes must be multiplied by 100 percent of the base student allocation adjusted by the district cost differential, thereby increasing the amount of the penalty (see Step 4).

The reduced amount is the lesser of the DOE's calculation or the undistributed balance of the school district's class size reduction operating categorical allocation. If a district made appropriate efforts to reduce class sizes but still failed to achieve compliance or an emergency caused noncompliance, the Commissioner of Education is authorized to recommend an alternative transfer amount for approval by the Legislative Budget Commission.<sup>9</sup> Once the reduced amount is determined, after district appeals,

<sup>8</sup> Florida Department of Education, *Class Size Implementation Budget*, available at <http://www.fldoe.org/finance/budget/class-size/index.shtml>.

<sup>9</sup> Section 1003.03(4)(c), F.S.  
**STORAGE NAME:** h0591c.PKA  
**DATE:** 3/20/2017

the commissioner must prepare a reallocation of the funds made available as a bonus to districts that have fully met the class size requirements by calculating an amount that is up to five percent of the base student allocation multiplied by the total district FTE students. The reallocation total may not exceed 25 percent of the total funds reduced.

<b>History of Class Size Transfer (&amp; Reallocation) Calculation for Traditional Public Schools</b>				
		Pre-Appeals	Post-Appeals	After Plan
District	2003-04	\$21,488,179	\$1,479,948	
District	2004-05	\$11,354,475	\$1,076,719	
District	2005-06	\$5,222,735	\$496,059	
School	2006-07	\$7,836,834	\$3,273,943	
School	2007-08	\$5,330,411	\$333,302	
School	2008-09	\$1,396,108	\$0	
School	2009-10	\$1,912,030	\$267,263	
Classroom	2010-11	\$40,795,637	\$31,305,124	\$7,826,281
Classroom	2011-12	\$58,749,605	\$43,407,465	\$10,851,866
Classroom	2012-13	\$26,965,789	\$22,698,784	\$5,674,696
Classroom	2013-14	\$12,674,357	\$9,558,513	\$2,389,628
Classroom	2014-15	\$11,306,609	\$1,260,083	\$315,021
Classroom	2015-16	\$2,302,910	\$921,429	\$230,357
Classroom	2016-17	\$2,562,990	\$724,620	\$181,155
<b>History of Class Size Transfer (&amp; Reallocation) Calculation for Charter Schools</b>				
		Pre-Appeals	Post-Appeals	After Plan
N/A	2003-04	\$0	\$0	
N/A	2004-05	\$0	\$0	
N/A	2005-06	\$0	\$0	
School	2006-07	\$6,831,504	\$2,724,878	
School	2007-08	\$802,515	\$194,836	
N/A	2008-09	\$0	\$0	
N/A	2009-10	\$0	\$0	
School	2010-11	\$2,292,191	\$355,539	\$88,885
School	2011-12	\$3,921,323	\$652,851	\$163,213
School	2012-13	\$1,570,397	\$431,345	\$107,836
School	2013-14	\$835,448	\$204,863	\$51,216
School	2014-15	\$2,789,830	\$562,397	\$140,599
School	2015-16	\$3,763,908	\$816,147	\$204,037
School	2016-17	\$5,075,827	\$859,117	\$214,779
<b>History of Class Size Transfer (&amp; Reallocation) Calculation for Choice Schools</b>				
		Pre-Appeals	Post-Appeals	After Plan
School	2013-14	\$1,129,183	\$475,592	\$118,898
School	2014-15	\$421,513	\$177,347	\$44,337
School	2015-16	\$927,533	\$194,578	\$48,645
School	2016-17	\$305,915	\$115,534	\$28,884

School districts that fail to comply with the class size requirements must submit a plan certified by the district school board by February 1, which describes the actions the district will take in order to be in compliance by October of the following year. For districts that submit the plan by the required deadline, the 75 percent of funds remaining after the reallocation calculation must be added back to the district's class size reduction operating categorical allocation based on each qualifying district's proportion of the

total reduction for all qualifying districts for which a reduction was calculated. The amount added back may not be greater than the amount that was reduced.<sup>10</sup>

### **Effect of Proposed Changes**

The bill revises the method for calculating the penalty for traditional schools that fail to comply with the class size requirements by calculating steps 2, 3, and 4 at the school average instead of at the classroom level, aligning the compliance level for all school types. The bill also repeals an increase in the penalty calculation that began with the FY 2014-2015 fiscal year, by returning the calculation to 50 percent of the base student allocation rather than 100 percent.

The bill removes the exemption from the class size requirement for charter schools, district-operated schools of choice, district innovation schools of technology program and PAPPI schools as the penalty for all schools will be calculated at the schoolwide average.

The bill provides that a district that has not complied with these requirements (based on the FY 2017-2018 October student survey) and has timely submitted their certified plan (that describes future actions that will be taken for compliance) may not have its class size categorical allocation reduced for the 2017-2018 and 2018-2019 fiscal years. Districts have until the FY 2018-2019 October student survey to comply with these requirements. The district must provide an updated plan by February 1, 2019, to the Commissioner of Education.

#### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 1002.31, F.S. deleting a provision relating to compliance with maximum class size requirements for certain public schools of choice.

**Section 2:** Amends s. 1002.33, F.S. revising requirements for charter school compliance with maximum class size requirements.

**Section 3:** Amends s. 1002.451, F.S. revising requirements for district innovation school of technology compliance with maximum class size requirements.

**Section 4:** Amends s. 1003.03, F.S. calculating a school district's class size categorical allocation reduction at the school average when maximum class size requirements are not met; providing an exemption from the reduction of a school district's class size categorical allocation for specified fiscal years; and requiring an updated plan for compliance with class size requirements from certain districts for a specified fiscal year.

**Section 5:** Amends s. 1011.6202, F.S. revising requirements for compliance with maximum class size requirements for a school participating in the Principal Autonomy Pilot Project Program.

**Section 6:** Provides an effective date of July 1, 2017.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

---

<sup>10</sup> Section 1003.03(4)(e), F.S.  
STORAGE NAME: h0591c.PKA  
DATE: 3/20/2017

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

The bill revises the compliance calculation for traditional public schools that fail to comply with the class size requirements by performing the compliance calculation at the school average instead of at the classroom level, so the amount deducted from a school district's class size reduction operating categorical will be reduced. The bill requires the district to spend the compliance funds within the school that is out of compliance to get the school to the class size maximum.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.