

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 Committee on Education

BILL: SB 1434

INTRODUCER: Senator Passidomo

SUBJECT: K-12 Education Enhancements

DATE: January 19, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Androff	Graf	ED	Pre-meeting
2.			AED	
3.			AP	

I. Summary:

SB 1434 establishes the mental health assistance allocation within the Florida Education Finance Program (FEFP) to provide funds for school-based mental health programs. Specifically, the bill:

- Specifies that the purpose of the allocation is to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs that:
 - Increase awareness of mental health issues among children and school-age youth;
 - Train educators and other school staff in detecting and responding to mental health issues; and
 - Connect children, youth, and families who may experience behavioral health issues with appropriate services.
- Provides that charter schools are entitled to a proportionate share of district funding for the mental health assistance allocation.
- Requires each district and charter school to annually develop and submit a detailed plan outlining the local program and planned expenditures for approval by the district school board or charter school governing body and specifies the minimum information that must be included in the plan.
- Requires an annual final report on program outcomes and expenditures that must be submitted to the Commissioner of Education by each entity that receives a mental health assistance allocation, and specifies the related deadline for submission of the final report.

The bill also modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes.

The bill takes effect July 1, 2018.

II. Present Situation:

Each district school board is required to provide for the proper attention to health, safety, and other matters related to the welfare of students.¹ The legislature has established policies and mechanisms to fund education and related services for students in Florida.

Mental Health Services in Schools

The Florida Department of Education (DOE or department), through the Bureau of Exceptional Education and Student Services and the Office of Safe Schools, promotes a system of support, policies, and practices that focus on prevention and early intervention to improve student mental health and school safety.² Florida law provides that instructional staff members of the public schools must teach comprehensive health education that addresses concepts of mental and emotional health as well as substance use and abuse.³ Student Services personnel, which includes school psychologists, school social workers, and school counselors, are classified as instructional personnel responsible for advising students with regard to their personal and social adjustments and provide direct and indirect services at the district and school level.⁴

School District Funding

State funding for school districts is primarily provided by legislative appropriations, the majority of which is distributed through the Florida Education Finance Program (FEFP).⁵ Each school district participating in the state allocation of funds for the operation of schools must levy a millage that represents its required local effort (RLE) funding from property taxes.⁶

Florida Education Finance Program

Florida law provides funds for the operation of schools by an allocation from the Florida Education Financier Program (FEFP) to each district.

In addition to the basic amount for current operations for the FEFP, the Legislature is authorized to appropriate categorical funding for specified programs, activities or purposes.⁷ Each district school board must include the amount of categorical funds as a part of the district annual financial report to the DOE and the department must submit a report to the Legislature that identifies by district and by categorical fund, the amount transferred, and the specific academic classroom activity for which the funds were expended.⁸

¹ Section 1006.07, F.S.

² Florida Children and Youth Cabinet, *Student Mental Health and School Safety* (2013), available at https://www.flgov.com/wp-content/uploads/childadvocacy/children_and_youth_cabinet_cabinet.pdf

³ Section 1003.42(2)(n), F.S.

⁴ Section 1012.01(2)(b), F.S.

⁵ *Id.*

⁶ Section 1011.62(4), F.S.

⁷ *Id.* at (6).

⁸ *Id.* at (6)(3).

Discretionary Millage for Fixed Capital Outlay

Each school board may levy up to 1.5 mills against the taxable value for fixed capital outlay for district schools, including charter schools at the discretion of the school board, to be used for purposes specified in law.⁹ The authority to levy the additional millage was added to Florida law in 1980, and the amount for the millage was 2 mills.¹⁰ If the additional 1.5-mill levy is not sufficient to meet specified district school board needs, the board is authorized to levy up to 0.25 mills to supplement fixed capital outlay in lieu of an equivalent amount of the discretionary mills for operations as provided in the GAA.¹¹ The total discretionary millage levied for school purposes and fixed capital outlay, as provided in statute, may not exceed 1.75 mills.¹²

A school district is authorized to expend up to \$100 per unweighted full-time equivalent student from the revenue generated by nonvoted discretionary millage levy authorized in law to fund expenses for the following additional purposes:¹³

- The purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles or vehicles used in storing or distributing materials and equipment.
- Payment of the cost of premiums, as defined in law,¹⁴ for property and casualty insurance necessary to insure school district educational and ancillary plants.

Charter School Capital Outlay

Charter school capital outlay is comprised of discretionary millage authorized in law and state funds appropriated in the General Appropriations Act (GAA).¹⁵ Eligibility, allocation methodology and allowable uses associated with charter school capital outlay are defined by state law.¹⁶

Eligibility

To be eligible for charter school capital outlay funding, a charter school must:¹⁷

- Have been in operation for 2 or more years,
- Be governed by a governing board established in the state for 2 or more years which operates both charter schools and conversion charter schools within the state, be an expanded feeder chain¹⁸ of a charter school within the same school district that is currently receiving charter school capital outlay funds, have been accredited by a regional accrediting association as defined by the State Board of Education (SBE), or serve students in facilities that are provided by a business partner for a charter school-in-the-workplace.

⁹ Section 1011.71(2), F.S.

¹⁰ Section 1, ch. 1980-381, L.O.F.

¹¹ Section 1011.71(3), F.S.

¹² *Id.*

¹³ Section 1001.71(5), F.S.

¹⁴ Section 627.403, F.S.

¹⁵ Section 1013.62(1), F.S.

¹⁶ *Id.*

¹⁷ Section 1013.62(1)(a), F.S.

¹⁸ Rule 6A-2.0020, F.A.C., provides that a charter school may be considered part of an expanded feeder chain if it either sends or receives a majority of its students directly to or from a charter school that is currently receiving capital outlay funding.

- Have an annual audit that does not reveal any of the financial emergency conditions for the most recent fiscal year for which such audits are available.
- Have satisfactory student achievement¹⁹ based on state accountability standards applicable to the charter school.
- Have received final approval from its sponsor for operation during that fiscal year.
- Serve students in facilities that are not provided by the charter school's sponsor.

A charter school is not eligible for a funding allocation if the charter school was created by the conversion of a public school and operates in facilities provided by the charter school's sponsor for a nominal fee, or at no charge, or if it is directly or indirectly operated by the school district.²⁰

Shared Local Capital Outlay Allocation

The DOE must calculate the shared local capital outlay allocation by dividing the revenue generated from the local discretionary millage authorized in law and levied by the school board by the sum of the district fixed capital outlay FTE and the FTE for eligible charter schools.²¹ This calculated capital outlay allocation per FTE must then be multiplied by the eligible charter school's FTE to provide a maximum calculated capital outlay allocation.²²

III. Effect of Proposed Changes:

SB 1434 establishes the mental health assistance allocation within the Florida Education Finance Program (FEFP) to provide funds for school-based mental health programs. Specifically, the bill:

- Specifies that the purpose of the allocation is to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs that:
 - Increase awareness of mental health issues among children and school-age youth;
 - Train educators and other school staff in detecting and responding to mental health issues; and
 - Connect children, youth, and families who may experience behavioral health issues with appropriate services.
- Provides that charter schools are entitled to a proportionate share of district funding for the mental health assistance allocation.
- Requires each district and charter school to annually develop and submit a detailed plan outlining the local program and planned expenditures for approval by the district school board or charter school governing body as applicable, and specifies the minimum information that must be included in the plan.
- Requires an annual final report on program outcomes and expenditures that must be submitted to the Commissioner of Education by each entity that receives a mental health assistance allocation and specifies the related deadline for submission of the final report.

¹⁹ Rule 6A-2.0020, F.A.C., provides that the eligibility requirement for student achievement must be determined in accordance with the language in the charter contract and the charter school's current school improvement plan if the school has a current school improvement plan. A charter school receiving an "F" grade designation through the state accountability system, as defined in s. 1008.34, F.S., must not be eligible for capital outlay funding for the school year immediately following the designation. *Id.*

²⁰ Section 1013.62(1)(b), F.S.

²¹ *Id.* at (3)(b).

²² *Id.* at (c).

The bill also modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes.

Mental Health Assistance Allocation

The bill creates a mental health assistance allocation within the Florida Education Finance Program (FEFP).

Purpose

The purpose of the mental health assistance allocation is to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs that:

- Increase awareness of mental health issues among children and school-age youth;
- Train educators and other school staff in detecting and responding to mental health issues; and
- Connect children, youth, and families who may experience behavioral health issues with appropriate services.

Funding

The mental health assistance allocation funds must be annually allocated to each eligible school district and developmental research school based on each entity's proportionate share of FEFP base funding. The district funding allocation must include a minimum amount as specified in the General Appropriation Act (GAA). Charter schools are also entitled to a proportionate share of district funding for this program.

The bill specifies that the mental health assistance funds allocated may not supplant funds that are provided from other operating funds for this purpose and may not be used to increase salaries or provide bonuses.

Eligibility Criteria

To be eligible for the allocation, the bill requires a school district to annually develop and submit a detailed plan outlining the local program and planned to the district school board for approval. Similarly, a charter school must annually develop and submit a detailed plan outlining the local program and planned expenditures of the funds in the plan to its governing body for approval in order to receive the allocation. After the charter school's governing board approves the plan, it must be provided to the school district for submission to the Commissioner of Education (commissioner). School districts must submit approved plans to the commissioner by August 1 of each fiscal year.

Plan Requirements

The required mental health assistance allocation plan must include, at a minimum, all of the following elements:

- A collaborative effort or partnership between the school district and at least one local community program or agency involved in mental health to provide or to improve prevention, diagnosis, and treatment services for students;
- Programs to assist students in dealing with bullying, trauma, and violence;
- Strategies or programs to reduce the likelihood of at-risk students developing social, emotional, or behavioral health problems or substance use disorders;
- Strategies to improve the early identification of social, emotional, or behavioral problems or substance use disorders and to improve the provision of early intervention services;
- Strategies to enhance the availability of school-based crisis intervention services and appropriate referrals for students in need of mental health services; and
- Training opportunities for school personnel in the techniques and supports needed to identify students who have trauma histories and who have or are at risk of having a mental illness, and in the use of referral mechanisms that effectively link such students to appropriate treatment and intervention service sin the school and in the community.

Reporting Requirements

The bill requires each district to submit approved plans to the commissioner by August 1 of each fiscal year. Each entity that receives a mental health assistance allocation must submit a final report, in a format prescribed by the department, on its program outcomes and its expenditures for each element of the program to the Commissioner. This reporting requirement begins in September 30, 2019, and continues each September 30 thereafter.

The establishment of the mental health assistance allocation program may boost school districts' efforts in raising mental health awareness in public schools and assist the districts in providing comprehensive mental health services to children and school-age youth. This may improve student mental health and school safety.

Discretionary Millage for Fixed Capital Outlay

The bill raises the amount a school district may expend for the purchase or lease of specified vehicles or for the payment of the cost premiums for property and casualty insurance necessary to insure school district educational and ancillary plants from up to \$100 to up to \$150 per unweighted full-time equivalent student. Accordingly, the bill provides school districts with additional flexibility in the expenditure of discretionary millage.

Charter School Capital Outlay

The bill modifies the eligibility requirements for charter school capital outlay related to the use of funds for specified facilities and revises the charter school capital outlay funding methodology.

Eligibility

The bill provides that a charter school is not eligible to receive capital outlay funds if the chair of the charter school governing board and the chief administrative officer of the charter school do not annually certify under oath that the funds will be used solely and exclusively for constructing, renovating, or improving charter school facilities that are owned by:

- A school district, a political subdivision of the state, a municipality, a Florida College System institution or a state university; or,
- An organization that is qualified as an exempt organization under the Internal Revenue Code whose articles of incorporation specify that, upon the organizations dissolution, the subject property will be transferred to a school district, a political subdivision of the state, a municipality, a Florida College System institution, or a state university.

Accordingly, this provision may change the number of charter schools that may be ineligible to receive charter school capital outlay funds.

Shared Local Capital Outlay Allocation

The bill modifies the calculation methodology that the DOE must use to determine the amount of revenue that a school district must distribute to each charter school if the school board levies the authorized local discretionary millage. The bill provides that the calculated capital outlay allocation per free-time equivalent (FTE) must be multiplied by the total number of FTE students for all eligible charter schools within the district to determine the total charter school capital outlay allocation for each district. Next, if applicable, the capital outlay allocation must be reduced by the total amount of state funds allocated to all charter schools within a district to determine the net total calculated capital outlay allocation from local funds. The bill states that if state funds are not allocated for this purpose the total charter school capital outlay allocation is the net total calculated capital outlay allocation from local funds for each district.

The bill also provides that for each charter school within each district, the net capital outlay amount from local funds must be calculated in the same manner as the state funds appropriated in the GAA to eligible charter schools, except that the base charter school per weighted FTE allocation amount shall be determined by dividing the net total capital outlay amount from local funds by the total weighted FTE for all eligible charter schools within the district.²³ The per weighted FTE allocation amount from local funds must be multiplied by the weighted FTE for each charter school to determine each charter school's capital outlay allocation from local funds.

The revised calculation may alter the amount of funds distributed in each charter school's capital outlay allocation from local funds.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

²³ The allocation formula for the shared local capital outlay allocation utilizes a weighted funding approach to provide additional funds to charter schools who serve high proportions of students eligible for free and reduced price lunch or students with disabilities, or both. Section 1013.62(2), F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

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

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

SB 1434 specifies that the mental health assistance allocation will be as provided in the General Appropriations Act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1011.62, 1011.71, and 1013.62.

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

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

None.

B. Amendments:

None.