

**STORAGE NAME:** h353.ei

**DATE:** March 29, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
EDUCATION INNOVATION  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 353

**RELATING TO:** Education Finance

**SPONSOR(S):** Representative Bullard

**STATUTE(S) AFFECTED:** s. 236.081, F.S.

**COMPANION BILL(S):** SB 2265

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

(1) EDUCATION INNOVATION

(2)

(3)

(4)

(5)

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**I. SUMMARY:**

HB 353 revises the calculation for determining the annual allocation to each school district for operation of schools through the amendment of s. 236.081, F.S.

For any calculation of the FEFP, the weighted enrollment ceiling for Group 1 will be calculated by multiplying the actual enrollment for each program in the program group by its appropriate program weight.

The weighted enrollment ceiling for Groups 2 and 3 will be known as the initial weighted enrollment ceiling and the bill establishes how the calculations will be done to arrive at an adjusted weighted enrollment ceiling.

The fiscal impact, if any, of HB 353 is indeterminate at this time.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

In 1973, the Florida Legislature enacted the Florida Education Finance Program (FEFP). The FEFP is the statutory formula for allocating state and local funds to operate the public school system. The program was created to ensure each student in the Florida public educational system access to substantially equal programs and services appropriate to his or her educational needs, regardless of the varying local economic factors or geographic differences.

Section 236.081, F.S., specifies how the annually allocated funds from the Florida Education Finance Program to each district for operation of schools is determined if the annual allocation is not determined in the annual appropriations act of the substantive bill implementing the annual appropriations act. In s. 236.081(1), F.S., the procedure which is followed in determining the annual allocation is outlined.

The formula accomplishes the allocation process by using district full-time equivalent (FTE) student counts based on 900 hours of direct instruction, adjusting the FTE by weighting them with cost factors which measure the relative cost differences between students in each of the 54 designated FEFP programs, and then adjusting each district's calculated funds with the District Cost Differential (DCD) or cost of living adjustment which is measured annually for each of the 67 counties. Also, to determine the amount of local property tax versus state General Revenue to fund the FEFP, the required local effort is calculated and deducted from the FEFP total funds to determine the state portion of the funding.

Other formula adjustments have been added and revised since the inception of the FEFP for various purposes.

The Department of Education reviews enrollment projections and calculates a maximum total weighted full-time equivalent (FTE) student enrollment for each district. Maximum enrollments calculated by the department are derived from enrollment estimates used by the legislature to calculate the FEFP. The department establishes separate enrollment ceilings for each of three program groups. Group 1 is grades K-3; 4-8; and 9-12. Group 2 is students-at-risk, basic program not included in Group 1, exceptional child program, and vocational programs in grades 7-12. Group 3 is all adult education programs.

The weighted enrollment ceiling for Group 2 and 3 is calculated by multiplying the final enrollment conference estimate for each program by the appropriate program weight. The sum of the weighted enrollment ceiling for all programs is added to the increase in weighted FTE from the prior year for clients of the Department of Health and Rehabilitative Services (HRS).

If, for any calculation of the FEFP, the weighted enrollment for Group 2 or 3 exceeds the enrollment ceiling for that group, the weighted enrollment is reduced for that group to equal the enrollment ceiling by the following procedure:

- (1) The weighted enrollment ceiling for each program in the group is subtracted from the weighted enrollment for that program derived from actual enrollments.

- (2) If the difference calculated under (1) is greater than zero for any program, a reduction proportion is computed by dividing the difference by the total amount by which the weighted enrollment for the program group exceeds the weighted enrollment ceiling for the program group.
- (3) The reduction proportion is multiplied by the total amount of the program group's enrollment over the ceiling as calculated in (1).
- (4) The prorated reduction amount calculated in (3) is subtracted from the program's weighted enrollment. For any calculation of the FEFP, the enrollment ceiling for Group 1 will be calculated by multiplying the actual enrollment for each program in the program group by its appropriate program weight.

For program groups 2 and 3, all programs with a cost factor of 1.0 or more are multiplied by 1.0; and all programs with a cost factor of less than 1.0 are multiplied by the actual cost factor. The weighted enrollment ceiling will be a number not less than the sum of these two calculations.

**B. EFFECT OF PROPOSED CHANGES:**

HB 353 amends s. 236.081, F.S. by revising the method of calculating and determining the annual allocation to each school district for operation of schools.

For any calculation of the FEFP, the weighted enrollment ceiling for Group 1 will be calculated by multiplying the actual enrollment for each program in the program group by its appropriate program weight.

The weighted enrollment ceiling for Groups 2 and 3 will be known as the initial weighted enrollment ceiling and adjusted as follows:

- (1) If, for any district, the initial weighted enrollment ceiling exceeds the actual weighted enrollment, the surplus will be redistributed among eligible districts where the actual exceeds the initial. The redistribution is based on the excess actual weighted enrollment for each eligible district as a percentage of all eligible districts. Each eligible district's adjusted weighted enrollment ceiling will be increased by the amount of the redistribution.
- (2) If an eligible district under (1) for Group 2 and that district's actual weighted enrollment still exceeds the adjusted weighted enrollment ceiling for Group 2, the district's Group 2 adjusted weighted enrollment ceiling will be increased by:

Group 2 programs for which actual enrollment exceeds estimated enrollment multiplied by a cost factor of 1.0

Then subtracting:

Group 2 programs for which estimated enrollment exceeds actual enrollment multiplied by a cost factor of 1.0.

This will be an adjusted enrollment ceiling. If, for any calculation of the FEFP, the weighted enrollment for Group 2 or 3 exceeds the adjusted enrollment ceiling for that group, the weighted enrollment is reduced for that group to equal the adjusted enrollment ceiling by the following procedure:

- (1) The adjusted weighted enrollment ceiling for each program in the group is subtracted from the weighted enrollment for that program derived from actual enrollments.
- (2) If the difference calculated under (1) is greater than zero for any program, a reduction proportion is computed by dividing the difference by the total amount by which the weighted enrollment for the program group exceeds the adjusted weighted enrollment ceiling for the program group.
- (3) The reduction proportion is multiplied by the total amount of the program group's enrollment over the adjusted ceiling as calculated in (1).
- (4) The prorated reduction amount calculated in (3) is subtracted from the program's weighted enrollment. The language specifying that for any calculation of the FEFP, the enrollment ceiling for Group 1 will be calculated by multiplying the actual enrollment for each program in the program group by its appropriate program weight is deleted.

For program groups 2 and 3, all programs with a cost factor of 1.0 or more are multiplied by 1.0; and all programs with a cost factor of less than 1.0 are multiplied by the actual cost factor. The adjusted weighted enrollment ceiling will be a number not less than the sum of these two calculations.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

Not applicable.

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

(3) any entitlement to a government service or benefit?

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

2. Lower Taxes:

Not applicable.

a. Does the bill increase anyone's taxes?

b. Does the bill require or authorize an increase in any fees?

c. Does the bill reduce total taxes, both rates and revenues?

d. Does the bill reduce total fees, both rates and revenues?

e. Does the bill authorize any fee or tax increase by any local government?

3. Personal Responsibility:

Not applicable.

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?
  
  
- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

4. Individual Freedom:

Not applicable.

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?
  
  
- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

5. Family Empowerment:

Not applicable.

- a. If the bill purports to provide services to families or children:
  - (1) Who evaluates the family's needs?
  
  
  - (2) Who makes the decisions?
  
  
  - (3) Are private alternatives permitted?

(4) Are families required to participate in a program?

(5) Are families penalized for not participating in a program?

b. Does the bill directly affect the legal rights and obligations between family members?

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

**D. SECTION-BY-SECTION RESEARCH:**

**Section 1** Revises the calculation for determining the annual allocation to each school district for operation of schools

**Section 2** Provides for an effective date of July 1, 1997.

**III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

**1. Non-recurring Effects:**

Indeterminate at this time.

2. Recurring Effects:

Indeterminate at this time.

3. Long Run Effects Other Than Normal Growth:

Indeterminate at this time.

4. Total Revenues and Expenditures:

Indeterminate at this time.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate at this time.

2. Recurring Effects:

Indeterminate at this time.

3. Long Run Effects Other Than Normal Growth:

Indeterminate at this time.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate at this time.

2. Direct Private Sector Benefits:

Indeterminate at this time.

3. Effects on Competition, Private Enterprise and Employment Markets:

Indeterminate at this time.

D. FISCAL COMMENTS:

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IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

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