

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1710

SPONSOR: Senator Webster

SUBJECT: Schools/Performance Reporting

DATE: April 20, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>O'Farrell</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
2.	<u>McKee</u>	<u>Hickam</u>	<u>AED</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	<u>Withdrawn: Favorable</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill creates the “Dollars to the Classroom Act of 2001,” and provides that beginning with the 2000-2001 school year, the required annual report for the student assessment program will include district performance grades based on average school performance grades by level, elementary schools, middle schools, and high schools. A procedure is provided for calculating a district’s weighted average grade. In addition, the Legislature will establish, in the annual General Appropriations Act, minimum academic performance standards for districts and minimum classroom expenditure requirements. Districts not meeting the minimum academic standards at one or more of the school levels will be required to meet the minimum expenditure requirements for classroom instruction. Also, districts subject to the minimum classroom expenditure requirements will have to file two reports with the Department of Education: a report at the beginning of the year describing the proposed percentage of total current operating funds being budgeted for classroom instruction, including a statement explaining why the classroom expenditures must be increased; and a second report at the end of the year showing the percentage of total current operating funds actually spent for classroom instruction. If the district is unable to comply with the classroom expenditure requirement, the second report must include a statement explaining the reasons for noncompliance that has been adopted at a public hearing and signed by the superintendent and school board members.

The bill takes effect upon becoming a law.

This bill substantially amends sections 229.57, 236.02, 237.041, and 237.081 and creates section 236.08102 of the Florida Statutes.

## **II. Present Situation:**

Subsection (6) of s. 229.57, F.S., the State Student Assessment Program, requires the Commissioner of Education to prepare annual reports of the student assessment program that describe student achievement in the state, by school district and by school. The law also provides the procedure for identifying schools by performance grades that, for the current year, are based on student achievement scores as measured by the Florida Comprehensive Assessment Test (FCAT), and other performance data including dropout rate and student readiness for college. Beginning with the 2001-2002 school year and thereafter, a school's grade will depend on student learning gains measured by annual FCAT assessments, and other appropriate measures, including dropout rate, cohort graduation rate, and student readiness for college.

Section 236.082, F.S., describes the seven minimum requirements a school district must comply with to participate in the Florida Education Finance Program (FEFP). Those requirements are as follows:

- Maintain adequate and accurate records, and file in a timely manner all reports required by law or the Commissioner of Education
- Operate schools for a term of at least 180 teaching days
- Adopt rules relating to the employment, promotion, reprimand and dismissal of personnel
- Pay personnel according to salary schedules adopted by the school board in accordance with law and rules of the commissioner
- Abide by all laws and rules affecting the preparation, adoption, and execution of school district budgets
- Make the minimum local taxing effort required in the General Appropriations Act for participation in the FEFP
- Maintain a system of planning and evaluation as required by law.

Local school boards are required by law to annually prepare and adopt a budget reflecting the district's long-range program plans. The boards are also required by s. 237.081, F.S., to publicly advertise a tentative budget for an upcoming school year, including the proposed millage to be levied, and to hold public hearings to adopt tentative and final budgets. The primary purpose of the hearings is to afford members of the public an opportunity to present budget requests, or to voice approval or disapproval of the spending documents.

Section 237.34, F.S., requires school districts to spend statutorily specified percentages of the instructional program funds generated through the FEFP on school costs for those programs. The Commissioner of Education must require any school district failing to make the mandatory expenditures to correct the deficiencies in the subsequent year's operating budget. According to the Department of Education, over the last few years no school districts have failed to meet the program expenditure requirements.

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

The legislation under consideration creates the Dollars to the Classroom Act of 2001, a measure intended to improve and maintain student academic achievement in public school districts by assuring that current operating dollars will be directed to classroom instruction. In order to

initiate the program the Legislature will annually establish minimum academic performance standards and minimum classroom expenditure requirements in the General Appropriations Act. School district performance grades for each level of schools, elementary, middle, and high schools will also be established, and will be based in part on the school grades determined through the state student assessment program.

The bill charges the Department of Education with the responsibility for calculating school district minimum expenditure requirements and, for the state and the districts, the percentage of classroom expenditures to total operating expenditures. The following definitions apply for purposes of the calculations. Total kindergarten through 12<sup>th</sup> grade operating expenditures are defined as the amount of total general fund expenditures for kindergarten through 12<sup>th</sup> grade programs as prescribed by the Department of Education cost accounting and reporting manual, less transportation costs, fund transfers and certain unreserved fund balances. Expenditures for classroom instruction are defined as the sum of general fund expenditures for kindergarten through 12<sup>th</sup> grade instruction and instructional staff training for basic skills.

Beginning with the 2000-2001 school year's student and school performance data, if a school district's performance grade does not meet the legislatively established academic performance standards for one or more of the three school levels, the district will be required to meet minimum classroom expenditure requirements during the ensuing school year in order to participate in the FEFP.

A district required to meet minimum classroom expenditure requirements must express the fact in its tentative and final budget documents. Such districts must also file two reports with the Department of Education. The first report must describe how the district will change priorities in its current operating budget to meet the minimum classroom expenditure requirements. The second report will be filed at the end of the fiscal year and must describe whether the district met the minimum expenditure requirements or not. If the district has not complied with the expenditure requirements, it must include in the report a statement that has been adopted at a public hearing and that explains the reasons for its failure. The district school board and the superintendent must sign the statement. The department will provide summaries of the reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

According to calculations made by House of Representative staff members using 1999-2000 school and academic performance data and applying the provisions of the bill, twenty-one school districts would meet or exceed the minimum district academic performance standards for elementary schools, middle schools, and high schools. The districts would be able to spend funds as they choose.

Nineteen districts would have one district weighted academic performance grade below the standard. Fifteen districts would have two district weighted academic performance grades below the standard, and 12 districts would have all three weighted academic performance grades below the standard. These districts would have to meet the minimum classroom instruction expenditure requirements established in the General Appropriations Act.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The bill would require school districts failing to meet minimum academic performance standards to reorder their current operating fund spending priorities; however, no increase in overall spending would be required.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.