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 462

SPONSOR: Senator Clary

SUBJECT: Schools/Construction Projects

DATE: March 19, 2001 REVISED: 3/22/01

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	O'Farrell	O'Farrell	ED	Favorable
2.	Fournier	Johansen	FT	Fav/1 amendment
3.			AED	
4.			AP	
5.				
6.				

I. Summary:

The bill authorizes school boards to qualify a construction project for funding under the Special Facility Construction Account by pledging revenues realized from the School Capital Outlay Surtax in lieu of levying the two mills of nonvoted capital outlay millage for three years as required by the Special Facility program. Any district that has a project with phase III plans that were certified as complete and in compliance with building and life safety codes by August 1, 2000, and that meets other necessary qualifications, is eligible for funding under the bill.

This bill substantially amends section 235.435 of the Florida Statutes.

II. Present Situation:

The Special Facilities Construction Account (s.235.435(2)(a), F.S.) is part of the Public Education Capital Outlay and Debt Service Trust Fund (PECO). The account provides necessary building funds to a school district that has urgent construction needs, but lacks sufficient funds on hand, and has no reasonable expectation of raising the needed money over the next three years from authorized sources of capital outlay revenue. A district may receive funding from the account program for only one project in any 3-year period.

The district building project must meet a critical need and must be recommended by a Special Facility Construction Committee. The committee is composed of two representatives from the Department of Education and two representatives from school districts other than the one requesting project funding.

In addition to the Special Committee Construction Committee recommendation, the district must meet several other criteria, including:

- The project must be recommended in the most recent district survey of facility needs.
- The project must be on the district's approved project priority list.
- The district must have an approved site for the project.
- The project's total cost per student station may not exceed the statutory per student station maximums contained in s. 235.435(6), F.S.
- The requesting district must be levying, and continue to levy for the next three years, the two mills for capital outlay purposes authorized by s. 236.25(2), F.S. The district is required to budget the value of only 1.5 mills of the levy per year to the construction project to satisfy the annual participation requirement in the Special Facilities Construction Account.
- The final Phase III plans for the project must be certified by the school board as being complete and in compliance with the building and life safety codes prior to August 1 of the year of the project request.

School boards are authorized by s. 212.055(6), F.S., to levy a discretionary sales surtax at a rate of up to 0.5 percent for capital outlay projects. The tax must be approved by a majority of county voters, and the resolution must include a description of the projects to be funded by the surtax proceeds. Neither the tax proceeds nor any interest that may be accrued may be used for operating purposes. A school board levying a surtax must impose a freeze on the amount of operating millage being levied at the rate in effect the year prior to the effective date of the sales tax. The millage freeze must remain in effect for at least three years; however, it does not apply to debt service millage or required state taxes.

According to the Legislative Committee on Intergovernmental Relations, as of September 2000, voters had approved a sales surtax for school construction purposes in eight counties.

III. Effect of Proposed Changes:

The bill authorizes a local school board to qualify a construction project for funding through the Special Facility Construction Account by pledging revenue realized from a School Capital Outlay Surtax in lieu of, and in an amount equivalent to, the revenue yield from 1.5 mills of the 2 mills of nonvoted capital outlay millage ordinarily required to participate in the special facility account.

The bill also provides the surtax in lieu of millage option to any special facility construction project for which phase III plans were certified as complete and in compliance with building and life safety codes as of August 1, 2000, and which meets other statutory qualifications. Funding from the special facility account is authorized to begin July 1, 2001. According to the Department of Education, this provision would apply only to a project in Jackson County.

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:

School boards with a project potentially eligible to participate in the Special Facility Construction Account may elect to pursue a voter referendum on 0.5-cent school sales tax in lieu of levying 2 mills of nonvoted millage for capital outlay purposes.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill provides another method for a county meet the requirements for funding through the Special Facility Construction Account. Funding for the New Marianna High School of $9,949,139, in the Proposed Senate General Appropriations bill, is contingent upon passage of SB 462 or similar legislation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Finance and Taxation:
This amendment provides that section 2 of the bill, which applies only to a project for which plans have already been certified, is repealed October 1, 2002.(WITH TITLE AMENDMENT)