

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: CS/SB 1212

SPONSOR: Education Committee and Senator Wise

SUBJECT: Two Mill Tax Levy Use for Bus Purchases

DATE: March 4, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Woodruff</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Armstrong</u>	<u>Newman</u>	<u>AED</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill authorizes continuation of a 2003-04 provision that allowed school districts to use a portion of the two mill discretionary levy for capital improvement under section 1011.71, Florida Statutes, to pay, annually, up to ten percent of the state bid cost of new school buses, for buses purchased, lease purchased, or leased, by private contractors when used and maintained for the daily transportation of public school students.

The bill amends section 200.065, Florida Statutes, to require a school board which proposes to use the two mill funds for payment to private contractors for bus purchases, to identify the proposed use in the required public notice of proposed tax.

The bill amends both subsections (2) and (5) (a) of section 1011.71, Florida Statutes, to include the same provision for payment of the cost of buses.

This bill substantially amends sections 1011.71 and 200.065 of the Florida Statutes.

II. Present Situation:

For the 2003-2004 fiscal year only, the 2003 Legislature amended section 1011.71, Florida Statutes. Districts which contract with a private entity to provide student transportation services are allowed to pay, annually, not more than 10 percent of the purchase price of buses which meet the requirements in section 1006.25, Florida Statutes, and which are used for the transportation of public school students. Districts which chose to expend funds for this purpose had to include this proposed expenditure in the board's public notice of proposed tax for school capital outlay as provided in section 200.065(9), Florida Statutes. This provision expires on July 1, 2004.

Three school districts currently contract for some or all of their student transportation services. The districts are Duval, Miami-Dade, and Santa Rosa.

Districts which own and operate their bus fleets for transporting public school students are already authorized to purchase, lease-purchase, or lease buses from two mill levy funds.

When a private provider enters into a contract with a district for the transportation of public school students, the contractor will include sufficient funds to cover the expected expenses related to the provider's buses in the contract price. Otherwise, the contractor would not be able to maintain, repair or to replace the bus fleet. Prior to the change for the 2003-2004 fiscal year, the only source of funds to pay these contracts was the district operating budget. Because of the statutory change for 2003-2004, a district could pay a portion of the contract from the discretionary two mill tax levy and free-up funds in the operating budget for other operating purposes.

III. Effect of Proposed Changes:

Section 1. The bill amends subsection (2) and (5) (a) of section 1011.71, Florida Statutes, to continue indefinitely provisions currently limited to the 2003-04 school year. The changes would allow school districts to pay a portion of the contract for student transportation from the school board's discretionary two-mill levy for capital improvement. Prior to 2003-04, revenues from the operating budget were used to pay for the transportation contracts in those districts which contract for transportation services. As provided in this bill, the amount paid from the two mill levy would be capped at 10 percent of the purchase price of school buses. The 10 percent price would be based on the state bid cost of new school buses. Buses purchased must be of the specific type and size that meet the requirements of section 1006.25, Florida Statutes.

Section 2. Section 200.065(9), Florida Statutes, requires a school board intending to levy the discretionary two mill ad valorem tax for capital purposes, to provide a public notice listing the proposed uses of the two mill funds. The bill amends the law to provide for the inclusion of language identifying payment to private entities to offset the cost of school buses as one of the uses for the funds.

Section 3. The effective date of the bill is July 1, 2004.

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 makes permanent a 2003-04 provision allowing a school district to expend school board levied two-mill capital outlay funds for the additional purpose of paying a portion of the purchase price of privately owned school buses used to transport public school students. This provision would provide equal opportunity for all school districts in the expenditure of the discretionary two mill funds. Currently, the provision could possibly affect the school districts of Duval, Miami-Dade, and Santa Rosa Counties which contract for some, or all of their student transportation. Use of two mill funds for this purpose would free-up operating funds for other operating purposes.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.