1 A bill to be entitled 2 An act relating to education funding; amending s. 3 1011.71, F.S.; providing for the calculation and 4 payment of capital outlay funding to charter schools; 5 providing that enterprise resource software may be 6 acquired by certain means; amending s. 1013.62, F.S.; 7 revising eligibility requirements for charter school 8 capital outlay funding; revising charter school 9 funding allocations; revising the list of approved 10 uses of charter school capital outlay funds; amending s. 1013.64, F.S.; providing that a school district may 11 12 not receive funds from the Special Facility Construction Account under certain circumstances; 13 revising the criteria for a request for funding; 14 15 authorizing the request for a preapplication review to take place at any time; providing exceptions; revising 16 the time period for completion of the review; 17 providing that certain capital outlay full-time 18 19 equivalent student enrollment estimates be determined 20 by specified estimating conferences; requiring surveys 21 to be cooperatively prepared by certain entities and 2.2 approved by the Department of Education; prohibiting certain consultants from specified employment and 23 compensation; requiring the cost per student station 24 25 to include certain cost overruns; requiring a school 26 district to levy the maximum millage against certain

Page 1 of 21

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property value or raise a specified amount from the school capital outlay surtax under certain circumstances; reducing the required millage to be budgeted for a project; requiring certain plans to be finalized by a specified date; requiring a representative of the department to chair the Special Facility Construction Committee; prohibiting district school boards from using certain funds for new construction of educational plant space that exceeds maximum thresholds for cost per student station after a specified date; prohibiting new construction initiated after a specified date by a district school board from exceeding the maximum thresholds; providing that school districts that exceed the maximum thresholds are ineligible for certain allocations for a specified period; revising the costs included in calculating the maximum thresholds; requiring the department to conduct a study of the total cost per student station and provide a report to the Governor and Legislature by a certain date; providing an effective date. Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (2) of section 1011.71, Florida Statutes, is amended to read:

Page 2 of 21

1011.71 District school tax.-

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- In addition to the maximum millage levy as provided in subsection (1), each school board may levy not more than 1.5 mills against the taxable value for school purposes for district schools, including charter schools. A charter school shall be provided an amount equal to the remaining balance of funding needed to achieve the amount of the state funding allocation provided in s. 1013.62 after the amount of state appropriations is deducted. Annually, by December 30, the department shall calculate the amount of payments to eligible charter schools using the certified taxable value and millage rate as provided in the TRIM notice pursuant to s. 200.065 and certify to each school district the amount the school district must pay to each charter school based on the remaining balance of funding needed to achieve the amount of the state funding allocation as provided in s. 1013.62 after the amount of state appropriations is deducted. School districts shall make payments to charter schools no later than February 1 of each year, beginning on February 1, 2017, for the 2016-2017 fiscal year. Revenues retained by a school district after payments are made to charter schools may be used by the school district at the discretion of the school board, to fund:
- (a) New construction and remodeling projects, as set forth in s. 1013.64(3)(b) and (6)(b) and included in the district's educational plant survey pursuant to s. 1013.31, without regard to prioritization, sites and site improvement or expansion to

Page 3 of 21

new sites, existing sites, auxiliary facilities, athletic facilities, or ancillary facilities.

- (b) Maintenance, renovation, and repair of existing school plants or of leased facilities to correct deficiencies pursuant to s. 1013.15(2).
- (c) The purchase, lease-purchase, or lease of school buses.
- (d) The purchase, lease-purchase, or lease of new and replacement equipment; computer hardware, including electronic hardware and other hardware devices necessary for gaining access to or enhancing the use of electronic content and resources or to facilitate the access to and the use of a school district's digital classrooms plan pursuant to s. 1011.62, excluding software other than the operating system necessary to operate the hardware or device; and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support districtwide administration or state-mandated reporting requirements. Enterprise resource software may be acquired by annual license fees, maintenance fees, or lease agreements.
- (e) Payments for educational facilities and sites due under a lease-purchase agreement entered into by a district school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not exceeding, in the aggregate, an amount equal to three-fourths of the proceeds from the millage levied by a district school board

pursuant to this subsection. The three-fourths limit is waived for lease-purchase agreements entered into before June 30, 2009, by a district school board pursuant to this paragraph.

- (f) Payment of loans approved pursuant to ss. 1011.14 and 1011.15.
- (g) Payment of costs directly related to complying with state and federal environmental statutes, rules, and regulations governing school facilities.
- (h) Payment of costs of leasing relocatable educational facilities, of renting or leasing educational facilities and sites pursuant to s. 1013.15(2), or of renting or leasing buildings or space within existing buildings pursuant to s. 1013.15(4).
- (i) Payment of the cost of school buses when a school district contracts with a private entity to provide student transportation services if the district meets the requirements of this paragraph.
- 1. The district's contract must require that the private entity purchase, lease-purchase, or lease, and operate and maintain, one or more school buses of a specific type and size that meet the requirements of s. 1006.25.
- 2. Each such school bus must be used for the daily transportation of public school students in the manner required by the school district.
- 3. Annual payment for each such school bus may not exceed 10 percent of the purchase price of the state pool bid.

Page 5 of 21

131	4. The proposed expenditure of the funds for this purpose
132	must have been included in the district school board's notice of
133	proposed tax for school capital outlay as provided in s.
134	200.065(10).

- (j) Payment of the cost of the opening day collection for the library media center of a new school.
- Section 2. Subsections (1) and (2) of section 1013.62, 139 Florida Statutes, are amended to read:

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- 1013.62 Charter schools capital outlay funding.-
- (1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools.
- (a) To be eligible for a funding allocation, a charter school must:
  - 1.a. Have been in operation for 2 3 or more years;
- b. Have no more than two consecutive school grades lower than "B" unless the school serves a student population at least 50 percent of which is eligible for free or reduced-price meals under the National School Lunch Act Be governed by a governing board established in the state for 3 or more years which operates both charter schools and conversion charter schools within the state;
- c. Have an annual audit that does not reveal any of the financial emergency conditions provided in s. 218.503(1) for the

Page 6 of 21

15/	most recent fiscal year for which such audit results are
L58	available Be an expanded feeder chain of a charter school within
L59	the same school district that is currently receiving charter
L60	school capital outlay funds;
L61	d. Have received final approval from its sponsor pursuant
L62	to s. 1002.33 for operation during that fiscal year; and
L63	e. Serve students in facilities that are not provided by
L64	the charter school's sponsor; or
L65	d. Have been accredited by the Commission on Schools of
166	the Southern Association of Colleges and Schools; or
L67	e. Serve students in facilities that are provided by a
L68	business partner for a charter school-in-the-workplace pursuant
L69	to s. 1002.33(15)(b).
L70	2.a. Be part of a high-performing charter school system
L71	pursuant to s. 1002.332; Have financial stability for future
L72	operation as a charter school.
L73	3. Have satisfactory student achievement based on state
L74	accountability standards applicable to the charter school.
L75	$\underline{\text{b.4.}}$ Have received final approval from its sponsor
L76	pursuant to s. 1002.33 for operation during that fiscal year:
L77	and.
L78	$\underline{\text{c.5.}}$ Serve students in facilities that are not provided by
L79	the charter school's sponsor.
180	(b) The first priority for charter school capital outlay
181	funding is to allocate to charter schools that received funding
82	in the 2005-2006 figure wear an allegation of the game amount

Page 7 of 21

per capital outlay full-time equivalent student, up to the lesser of the actual number of capital outlay full-time equivalent students in the current year, or the capital outlay full-time equivalent students in the 2005-2006 fiscal year. After calculating the first priority, the second priority is to allocate excess funds remaining in the appropriation in an amount equal to the per capital outlay full-time equivalent student amount in the first priority calculation to eligible charter schools not included in the first priority calculation with growth greater than the 2005-2006 capital outlay full-time equivalent students. After calculating the first and second priorities, excess funds remaining in the appropriation must be allocated to all eligible charter schools.

(b) (c) A charter school's allocation may not exceed onefortieth one-fifteenth of the cost per student station specified
in s. 1013.64(6)(b) or the amount of revenue per fixed capital
outlay full-time equivalent student generated by the school
district's levy of 1.5 mills pursuant to s. 1011.71(2),
whichever is less. Before releasing capital outlay funds to a
school district on behalf of the charter school, the Department
of Education must ensure that the district school board and the
charter school governing board enter into a written agreement
that provides for the reversion of any unencumbered funds and
all equipment and property purchased with public education funds
to the ownership of the district school board, as provided for

Page 8 of 21

in subsection (3) if the school terminates operations. Any funds recovered by the state shall be deposited in the General Revenue Fund.

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(c) (d) A charter school is not eligible for a funding allocation if it 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.

(d) (e) Unless otherwise provided in the General Appropriations Act, the state funding allocation for each eligible charter school shall be is determined by multiplying the school's projected student enrollment by one-fortieth onefifteenth of the cost-per-student station specified in s. 1013.64(6)(b) for an elementary, middle, or high school, as appropriate. If the funds appropriated are not sufficient, the charter school shall receive funding to achieve one-fortieth of the cost per student station or the amount of revenue per fixed capital outlay full-time equivalent student generated by the school district's levy of 1.5 mills pursuant to s. 1011.71(2), whichever is less, from the revenues generated by the school district levy of ad valorem property taxes the commissioner shall prorate the available funds among eligible charter schools. However, A charter school or charter lab school may not receive state charter school capital outlay funds or local ad valorem capital outlay funds greater than the one-fortieth onefifteenth cost per student station formula if the charter

school's combination of state charter school capital outlay funds, capital outlay funds calculated through the reduction in the administrative fee provided in s. 1002.33(20), and capital outlay funds allowed in s. 1002.32(9)(e) and (h) exceeds the one-fortieth one-fifteenth cost per student station formula.

- (e) (f) Funds shall be distributed on the basis of the capital outlay full-time equivalent membership by grade level, which is calculated by averaging the results of the second and third enrollment surveys. The Department of Education shall distribute capital outlay funds monthly, beginning in the first quarter of the fiscal year, based on one-twelfth of the amount the department reasonably expects the charter school to receive during that fiscal year. The commissioner shall adjust subsequent distributions as necessary to reflect each charter school's actual student enrollment as reflected in the second and third enrollment surveys. The commissioner shall establish the intervals and procedures for determining the projected and actual student enrollment of eligible charter schools.
- (2) A charter school's governing body may use charter school capital outlay funds <u>received pursuant to this section</u> and s. 1011.71(2) for the following purposes:
  - (a) Purchase of real property.

- (b) Construction of school facilities.
- (c) Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
  - (d) Purchase of vehicles to transport students to and from

Page 10 of 21

261 the charter school.

- (e) Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of 5 years or longer.
- (f) Effective July 1, 2008, purchase, lease-purchase, or lease of new and replacement equipment, and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support schoolwide administration or state-mandated reporting requirements.
- $\underline{\text{(f)}}$  Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities.
- <u>(g) (h)</u> 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.
- (h) Purchase, lease-purchase, or lease of new and replacement equipment; computer hardware, including electronic hardware and other hardware devices necessary for gaining access to or enhancing the use of electronic content and resources or to facilitate the access to and the use of a charter school's digital classrooms plan pursuant to s. 1011.62, excluding software other than the operating system necessary to operate the hardware or device; and enterprise resource software

Page 11 of 21

applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support schoolwide administration or state-mandated reporting requirements. Enterprise resource software may be acquired by annual license fees, maintenance fees, or lease agreement.

(i) Payment of the cost of the opening day collection for the library media center of a new school.

Conversion charter schools may use capital outlay funds received through the reduction in the administrative fee provided in s. 1002.33(20) for renovation, repair, and maintenance of school facilities that are owned by the sponsor.

Section 3. Paragraphs (a) and (b) of subsection (2) and paragraphs (b), (c), (d), and (e) of subsection (6) of section 1013.64, Florida Statutes, are amended to read:

1013.64 Funds for comprehensive educational plant needs; construction cost maximums for school district capital projects.—Allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects shall be determined as follows:

(2)(a) The department shall establish, as a part of the Public Education Capital Outlay and Debt Service Trust Fund, a separate account, in an amount determined by the Legislature, to be known as the "Special Facility Construction Account." The Special Facility Construction Account shall be used to provide

Page 12 of 21

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necessary construction funds to school districts which have urgent construction needs but which lack sufficient resources at present, and cannot reasonably anticipate sufficient resources within the period of the next 3 years, for these purposes from currently authorized sources of capital outlay revenue. A school district requesting funding from the Special Facility Construction Account shall submit one specific construction project, not to exceed one complete educational plant, to the Special Facility Construction Committee. A No district may not shall receive funding for more than one approved project in any 3-year period or while any portion of the district's participation requirement remains outstanding. The first year of the 3-year period shall be the first year a district receives an appropriation. The department shall encourage a construction program that reduces the average size of schools in the district. The request must meet the following criteria to be considered by the committee:

1. The project must be deemed a critical need and must be recommended for funding by the Special Facility Construction Committee. Before Prior to developing construction plans for the proposed facility, the district school board must request a preapplication review by the Special Facility Construction Committee or a project review subcommittee convened by the chair of the committee to include two representatives of the department and two staff members from school districts not eligible to participate in the program. The request for a

Page 13 of 21

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preapplication review may be made at any time; however, for inclusion in the Department of Education's next annual capital outlay legislative budget request, the request for a preapplication review must be made before February 1 of the fiscal year before the legislative budget request. Within 90 60 days after receiving the preapplication review request, the committee or subcommittee must meet in the school district to review the project proposal and existing facilities. To determine whether the proposed project is a critical need, the committee or subcommittee shall consider, at a minimum, the capacity of all existing facilities within the district as determined by the Florida Inventory of School Houses; the district's pattern of student growth; the district's existing and projected capital outlay full-time equivalent student enrollment as determined by the demographic, revenue, and education estimating conferences established in s. 216.136 department; the district's existing satisfactory student stations; the use of all existing district property and facilities; grade level configurations; and any other information that may affect the need for the proposed project.

2. The construction project must be recommended in the most recent survey or <u>survey amendment cooperatively prepared</u> <u>surveys</u> by the district <u>and the department</u>, and approved by the <u>department</u> under the rules of the State Board of Education. <u>If a district employs a consultant in the preparation of a survey or survey amendment, the consultant may not be employed by or</u>

Page 14 of 21

receive compensation from a third party that designs or constructs a project recommended by the survey.

- 3. The construction project must appear on the district's approved project priority list under the rules of the State Board of Education.
- 4. The district must have selected and had approved a site for the construction project in compliance with s. 1013.36 and the rules of the State Board of Education.
- 5. The district shall have developed a district school board adopted list of facilities that do not exceed the norm for net square feet occupancy requirements under the State Requirements for Educational Facilities, using all possible programmatic combinations for multiple use of space to obtain maximum daily use of all spaces within the facility under consideration.
- 6. Upon construction, the total cost per student station, including change orders, <u>may must</u> not exceed the cost per student station as provided in subsection (6), except for cost overruns created by a disaster as defined in s. 252.34 or an <u>unforeseeable circumstance beyond the district's control as</u> determined by the Special Facility Construction Committee.
- 7. There shall be an agreement signed by the district school board stating that it will advertise for bids within 30 days of receipt of its encumbrance authorization from the department.
  - 8. For construction projects for which Special Facility

Page 15 of 21

2016 CS/HB 873

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391 Construction Account funding is sought before the 2019-2020 fiscal year, the district shall, at the time of the request and for a continuing period necessary to meet the district's participation requirement under subparagraph 11. of 3 years, levy the maximum millage against their nonexempt assessed property value as allowed in s. 1011.71(2) or shall raise an equivalent amount of revenue from the school capital outlay surtax authorized under s. 212.055(6). Beginning with the 2019-2020 fiscal year, for construction projects for which Special Facility Construction Account funding is sought, the district shall, for a minimum of 3 years before the request and for a continuing period necessary to meet the district's participation requirement under subparagraph 11., levy the maximum millage against their nonexempt assessed property value as allowed in s. 1011.71(2) or raise an equivalent amount of revenue from the 405 school capital outlay surtax authorized under s. 212.055(6). Any district with a new or active project, funded under the provisions of this subsection, shall be required to budget no more than the value of 1.0 mill  $\frac{1.5 \text{ mills}}{1.5 \text{ mills}}$  per year to the project until the district's to satisfy the annual participation requirement relating to the local discretionary capital improvement millage authorized under s. 1011.71(2) or the equivalent amount of revenue from the school capital outlay surtax authorized under s. 212.055(6) is satisfied in the 415 Special Facility Construction Account.

9. If a contract has not been signed 90 days after the

Page 16 of 21

advertising of bids, the funding for the specific project shall revert to the Special Facility New Construction Account to be reallocated to other projects on the list. However, an additional 90 days may be granted by the commissioner.

- 10. The department shall certify the inability of the district to fund the survey-recommended project over a continuous 3-year period using projected capital outlay revenue derived from s. 9(d), Art. XII of the State Constitution, as amended, paragraph (3)(a) of this section, and s. 1011.71(2).
- 11. The district shall have on file with the department an adopted resolution acknowledging its 3-year commitment to satisfy its participation requirement. The district's participation requirement is equivalent to of all unencumbered and future revenue acquired in the year of the initial appropriation and for the 2 years immediately following the initial appropriation from s. 9(d), Art. XII of the State Constitution, as amended, paragraph (3)(a) of this section, and s. 1011.71(2).
- 12. Final phase III plans must be certified by the district school board as complete and in compliance with the building and life safety codes before June 1 of the year the application is made prior to August 1.
- (b) The Special Facility Construction Committee shall be composed of the following: two representatives of the Department of Education, a representative from the Governor's office, a representative selected annually by the district school boards,

Page 17 of 21

and a representative selected annually by the superintendents.  $\underline{A}$ representative of the department shall chair the committee.

(6)

- (b)1. A district school board <u>may must</u> not use funds from the following sources: Public Education Capital Outlay and Debt Service Trust Fund; School District and Community College District Capital Outlay and Debt Service Trust Fund; Classrooms First Program funds provided in s. 1013.68; nonvoted 1.5-mill levy of ad valorem property taxes provided in s. 1011.71(2); Classrooms for Kids Program funds provided in s. 1013.735; District Effort Recognition Program funds provided in s. 1013.736; <u>and ex</u> High Growth District Capital Outlay Assistance Grant Program funds provided in s. 1013.738 for any new construction of educational plant space with a total cost per student station, including change orders, that equals more than:
- a. \$17,952 for an elementary school,
  - b. \$19,386 for a middle school, or
  - c. \$25,181 for a high school,

(January 2006) as adjusted annually to reflect increases or decreases in the Consumer Price Index.

2. Effective July 1, 2017, in addition to the funding sources listed in subparagraph 1., a district school board may not use funds from the following sources: nonvoted 1.5-mill levy of ad valorem property taxes provided in s. 1011.71(3); proceeds received through the provisions of s. 1011.73 and s. 9, Art. VII

Page 18 of 21

of the State Constitution; funds provided by school district bonds; sales surtax funds authorized in s. 212.055; impact fees authorized in s. 163.31801; and funds received pursuant to s. 212.20(6)(d)6.a., for any new construction of educational plant space with a total cost per student station, including change orders, that equals more than the current adjusted amounts provided in sub-subparagraphs 1.a.-c., which shall subsequently be adjusted annually to reflect increases or decreases in the Consumer Price Index.

- 3. A district school board <u>may must</u> not use funds from the Public Education Capital Outlay and Debt Service Trust Fund or the School District and Community College District Capital Outlay and Debt Service Trust Fund for any new construction of an ancillary plant that exceeds 70 percent of the average cost per square foot of new construction for all schools.
- (c)  $\underline{1.}$  Except as otherwise provided, new construction initiated by a district school board  $\underline{\text{may}}$  after June 30, 1997,  $\underline{\text{must}}$  not exceed the cost per student station as provided in paragraph (b).
- 2. New construction initiated by a district school board on or after July 1, 2017, may not exceed the cost per student station provided in paragraph (b). A district that exceeds the cost per student station provided in paragraph (b) is ineligible for allocations from the Public Capital Outlay and Debt Service Trust Fund for the next 3 years in which the district would have received allocations had the violation not occurred.

(d) The department shall:

- 1. Compute for each calendar year the statewide average construction costs for facilities serving each instructional level, for relocatable educational facilities, for administrative facilities, and for other ancillary and auxiliary facilities. The department shall compute the statewide average costs per student station for each instructional level.
- 2. Annually review the actual completed construction costs of educational facilities in each school district. For any school district in which the total actual cost per student station, including change orders, exceeds the statewide limits established in paragraph (b), the school district shall report to the department the actual cost per student station and the reason for the school district's inability to adhere to the limits established in paragraph (b). The department shall collect all such reports and shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 of each year a summary of each school district's spending in excess of the cost per student station provided in paragraph (b) as reported by the school districts.

Cost per student station includes contract costs, legal and administrative costs, fees of architects and engineers, furniture and equipment, <u>site costs</u>, and site improvement costs, and offsite improvement costs. Cost per student station does not

Page 20 of 21

include the cost of purchasing or leasing the site for the construction or the cost of related offsite improvements.

(e) The department shall conduct a study, in consultation with the Office of Economic and Demographic Research, of the total cost per student station amounts under paragraph (b) using the most recent available information. The department shall report the final results of the analysis to the Governor, the President of the Senate, and the Speaker of the House of Representatives by March 1, 2017 The restrictions of this subsection on the cost per student station of new construction do not apply to a project funded entirely from proceeds received by districts through provisions of ss. 212.055 and 1011.73 and s. 9, Art. VII of the State Constitution, if the school board approves the project by majority vote.

Section 4. This act shall take effect July 1, 2016.