

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 520

INTRODUCER: Senator Montford

SUBJECT: Funding for School Districts

DATE: March 25, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Olenick</u>	<u>Sikes</u>	<u>ED</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>AED</u>	_____
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 520 holds harmless school districts most impacted by Hurricane Michael and provides a special one-time appropriation based on the enrollment difference in full-time equivalent (FTE) students in the October FTE survey and the February FTE survey.

The bill takes effect July 1, 2019.

II. Present Situation:

Florida Education Finance Program

The Legislature enacted the Florida Education Finance Program (FEFP) in 1973 to allocate funds for the operation of K-12 public schools, in accordance to statutory requirements. The FEFP is the primary mechanism for funding the operating costs of Florida school districts. A key feature of the FEFP is that it bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms. FEFP funds are primarily generated by multiplying the number of full-time equivalent (FTE) students in each of the funded education programs by cost factors to obtain weighted FTE students.¹

Each school district that participates in the state appropriations for the FEFP must operate all schools for a term of 180 actual teaching days as prescribed by law² or the hourly equivalent of 180 actual teaching days, as prescribed in State Board of Education rule.³ The FEFP provides

¹ Florida Department of Education, *2017-2018 Funding for Florida School Districts* (2017) <http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf> at 1.

² Section 1011.60(2), F.S.

³ Rule 6A-1.045111, F.A.C.

funding for a 180-day regular school year, or the hourly equivalent of 180 days.⁴ The hourly equivalent for kindergarten through grade 3 is 720 instructional hours and 900 instructional hours for students in grades 4 through grade 12.⁵

Full Time Equivalent Student Enrollment

A full-time equivalent (FTE) student is a student in attendance for 180 school days, which represents the number of instructional hours provided to students, by grade levels.⁶

The Florida Department of Education (DOE) conducts surveys to count students for purposes of FTE funding. These surveys provide the snapshots of the educational programs offered in the districts, the number of students enrolled and attending, and the number of instructional minutes per grade level.⁷ The survey periods for record determination are set annually by the Commissioner of Education. For FTE reporting, the survey periods cover the following time frames:⁸

- Survey Period 1 (July) covers the time period from the beginning of the fiscal year (July 1) to the beginning of the defined 180-day school year.
- Survey Period 2 (October) covers the first 90 days of the 180-day school year.
- Survey Period 3 (February) covers the second 90 days of the 180-day school year.
- Survey Period 4 (June) covers the period from the end of the 180-day school program to the end of the fiscal year (June 30).

Hurricane Michael made landfall on October 10, 2018, after the completion of the October FTE survey.⁹ As a result, it is anticipated that the February FTE survey will show a considerable reduction in student FTE counts for the school districts affected by Hurricane Michael.

Hold Harmless and Hurricane Recovery Funding

The Legislature has provided relief to school districts impacted by the destruction from hurricanes in the past. For example, statutory ‘hold harmless’ language was passed after Hurricane Andrew in 1992,¹⁰ which provided a one-time match of federal funds with funds from the FEFP to the Dade County school system to account for the loss of revenue due to a student enrollment decrease following the hurricane.¹¹ In 2004, nine school districts were appropriated a total of \$3.9 million for hurricane recovery.¹²

⁴ *Id. see* Department of Education, *Full-time Equivalent (FTE) General Instructions 2018-2019* (2018) <http://www.fldoe.org/core/fileparse.php/7508/urlt/1819FTEGeneralInstruct.pdf>.

⁵ *Id.*

⁶ Rule 6A-1.045111, F.A.C

⁷ Section 1011.62(1), F.S.

⁸ Department of Education *Full-time Equivalent (FTE) General Instructions 2018-2019* (2018) <http://www.fldoe.org/core/fileparse.php/7508/urlt/1819FTEGeneralInstruct.pdf>.

⁹ Florida Department of Education, *Suspension of Rule 6A-1.0451* (2018), <http://www.fldoe.org/core/fileparse.php/18532/urlt/FTE-StudentReporting.pdf>

¹⁰ Section 3, ch. 92-350, L.O.F.

¹¹ *Id.*

¹² 2005-2006 General Appropriations Act - line item 101A, <http://www.fldoe.org/core/fileparse.php/7513/urlt/review2005.pdf> at 3.

III. Effect of Proposed Changes:

SB 520 holds harmless school districts most impacted by Hurricane Michael and provides a special one-time appropriation based on the enrollment difference in full-time equivalent (FTE) students in the October FTE survey and the February FTE survey.

Hold Harmless and Hurricane Recovery Funding

The bill provides that in order to hold harmless school districts impacted by Hurricane Michael from a loss of revenue due to a decrease in student enrollment, a special one-time appropriation based on the enrollment difference in FTE students in the October FTE survey and the February FTE survey will be provided to those school districts. The bill specifies the special one-time appropriation is for the Bay County, Calhoun County, Franklin County, Gadsden County, Gulf County, Holmes County, Jackson County, Liberty County, and Washington County school districts.

The bill further specifies that the funds calculated shall support a nonrecurring appropriation which is separate from the appropriation for the Florida Education Finance Program (FEFP) for the affected districts.

In effect, the bill provides for financial assistance to school districts most impacted by Hurricane Michael to offset the decrease in FTE students and subsequent loss of FEFP revenue.

The bill takes effect July 1, 2019.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill provides that the funds calculated based on the loss of full-time equivalent (FTE) student enrollment will support a nonrecurring appropriation separate from the Florida Education Finance Program (FEFP). The provision of this funding would be subject to appropriation in the General Appropriations Act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates an unnumbered section of law.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.