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# **1997 SPECIAL SESSION “A”**

## **Summary of Major Legislation Passed**



*Compiled and Edited by  
Office of the Senate Secretary*

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## Senate Committee on Education

### **HB 7-A — Business Ethics Scholarships**

by Rep. Thrasher and others (CS/SB 12-A by Education Committee and Senator Sullivan)

This law provides \$16 million to endow a need-based scholarship program. The funds are transferred from the Insurance Commissioner's Regulatory Trust Fund and appropriated in the following ways:

- The sum of \$10 million to the Board of Regents' Trust Fund for Major Gifts. Each university foundation is eligible for funds based on its ability to match the public funds with a like amount of private funds.
- The sum of approximately \$6 million to the Department of Education's State Student Assistance Trust Fund. Two-thirds of that amount may endow scholarships at public community colleges and one-third at independent colleges and universities that are eligible to participate in the Florida Resident Access Grant program. That program requires an institution to hold the same accreditation status as state universities, to award baccalaureate degrees, and to have a secular purpose.

To be eligible, a student must take at least one credit course in business ethics and demonstrate a commitment to serving the interests of the community. First priority must be given to students with financial need.

A community college or independent institution must provide the matching funds from private donors who earmark the funds for the program. Public funds may not be used to provide the match, nor may funds collected for any other purpose.

The funds represent the amount collected in fines from two large insurance companies found guilty of unethical and illegal practices by the Department of Insurance. The \$10 million allocation is from a \$15 million settlement and represents what remains after a program was conducted to locate and notify aggrieved parties of their options. The allocation from the \$6 million in fines carries the same condition: the program for community colleges and independent institutions will be funded by what remains after the aggrieved parties have been contacted.

Staff of the Board of Regents estimates that \$10 million will generate earnings sufficient to award 550 annual scholarships of \$2,500 each.

**SB 8-A — The Alternative Education Institute**

by Senators Latvala, Lee, and Grant

This bill revises the mission of the Alternative Education Institute (AEI) to provide alternative education programs in general rather than specifically for juveniles who have been prosecuted as adults or who have been committed to a high or maximum risk residential program of the Department of Juvenile Justice. It amends and renumbers s. 985.402, F.S., transferring it to s. 230.23162, F.S.

The bill creates a new AEI board with seven members rather than thirteen and deauthorizes AEI as of June 30, 1998.

The bill directs the Department of Management Services to oversee remaining construction of the facility that was being built with Public Education Capital Outlay (PECO) funds to serve juveniles — The Adam Paine Academy. It requires a post-audit of financial activities concerning the facility.

The bill requires that by February 1, 1998, the new board recommend a plan to the Legislature, the Governor, and the Commissioner of Education for future use of the facility, with a final recommendation by the Commissioner to be presented to the Legislature for consideration.

The effective date of this bill is upon becoming a law.

**CS/SB 10-A — Bright Futures Scholarships**

by Education Committee and Senators Sullivan, Grant, Lee, and Clary

This law amends the legislation enacted by the 1997 Legislature to create the Florida Bright Futures Scholarship Program. The act amended and repealed two large merit-based state scholarship programs and created a third. Critics claim the new program, which requires a grade point average of 3.0 to be calculated only on college preparatory courses, will discourage student selection of the most rigorous courses in high school.

Therefore the bill allows the Department of Education to authorize weighted grades for certain high school courses. These include International Baccalaureate courses, academic dual enrollment courses, advanced placement courses, and others that are exceptionally rigorous, according to the Department of Education.

The bill also authorizes two temporary alternative methods for earning the Florida Academic Scholarship and the Florida Gold Seal Vocational Scholarship. These alternatives are identical to the ways in which high school students could earn those scholarships before the Bright Futures act amended them. The new alternatives are available to students who will graduate in 1998 and 1999, and have the effect of a “grandfather” clause for students who already were preparing to qualify for a scholarship when the Legislature amended the qualifications.

An additional provision is created that requires the program to use fixed awards for eligible students at nonpublic postsecondary education institutions. The awards will vary according to the amount in fees charged to the student, rather than to the number of credit hours the student takes. This measure responds to situations in which a student may be charged “block tuition” — the same fee no matter how many credit hours he or she takes. A student charged a fee for full-time attendance will receive a fixed amount that corresponds to full-time attendance at a public institution, and a student charged a lesser fee will receive either half or three-fourths of that amount.

Finally, to prevent any shortfall in the 1997-1998 school year, the bill authorizes funds to be provided from the Working Capital Fund. The amount is not specified, but may be whatever amount is needed to meet the requirements of the Bright Futures Program. The Department of Education has not yet calculated the full cost of the program, but expects the appropriation of \$75 million to be insufficient by at least \$5 million.

### **HB 17-A — Public Education Facilities and Finance**

by General Government Appropriations Committee and Reps. Pruitt and Flanagan (CS/SB 2-A by Education Committee and Senator Horne, CS/SB 4-A by Education Committee and Senator Horne, CS/SB 6-A by Education Committee and Senators Grant and Lee)

HB 17-A creates the Public School Capital Outlay Program Act. The bill appropriates funds for four newly created programs and one revised program to assist district school boards with the costs of constructing, renovating, remodeling, and repairing public school facilities.

**SMART SCHOOLS CLEARINGHOUSE:** The bill creates the SMART Schools Clearinghouse, adjunct to the Department of Management Services. The Clearinghouse must review districts’ applications and recommend awards from the SIT Program, Effort Index Grant Program, and SMART Schools Small County Assistance Program. The Clearinghouse will establish performance standards for SMART (soundly made, accountable, reasonable, and thrifty) schools; and identify SMART School designs for replication by other districts. The Clearinghouse is also responsible for reviewing and

evaluating districts' performance and adherence to their 5-year district facilities work plans and for developing a State Capital Outlay Program for Education to identify statewide needs. The bill appropriates four FTE-positions and \$325,323 from General Revenue to the Department of Management Services to support the Clearinghouse.

**SCHOOL CAPITAL OUTLAY BONDS:** The bill authorizes the state-issuance of School Capital Outlay Bonds backed by lottery proceeds. In 1997-98, and for 30 years thereafter, a maximum of \$180 million from the Educational Enhancement Trust Fund is annually reserved for the payment of these bonds and for distributions to school districts under the Classrooms First Program. To provide for issuance of the 1997 School Capital Outlay Bonds, the bill rescinds \$180 million of the FY 1997-98 district discretionary lottery appropriation and replaces those lottery dollars with a \$180 million appropriation from the General Revenue Fund. The bill appropriates lottery funds from the Educational Enhancement Trust Fund for the SIT Program, Effort Index Grant Program, and the SMART Schools Small County Assistance Program contingent upon the sale of 1997 School Capital Outlay Bonds backed by lottery proceeds.

**CLASSROOMS FIRST PROGRAM:** The bill creates the Classrooms First Program to provide each school district either cash for new construction, renovation, remodeling, major repair, or maintenance of educational facilities; or bonded proceeds for new construction, renovation, or major repairs of educational facilities. In each fiscal year, \$145 million shall be distributed for the Classrooms First Program with the intent of providing up to \$2.5 billion for public school facilities. The Department of Education (DOE) will allocate Classrooms First funds among the school districts either as cash payments or as pledges for bonds issued by the state on behalf of participating districts. The formula for distributing the funds ensures adequate coverage of each district's bonded indebtedness and provides funding based on growth in capital outlay full-time equivalent (COFTE) student enrollment, a base year's COFTE, and the size and age of district facilities. Each school district that can meet its 5-year educational plant needs within anticipated revenues may either take its Classrooms First allocation as cash or pledge its allocation toward state-issued bonds. Districts that cannot meet their 5-year educational plant needs within anticipated revenues must pledge their allocations toward state-issued bonds. Districts must use bonded proceeds to satisfy their classroom facility needs before spending the proceeds on other facilities.

**SCHOOL INFRASTRUCTURE THRIFT PROGRAM:** The bill revises the School Infrastructure Thrift (SIT) Program to make SIT awards more accessible. A district school board may receive a SIT award by reducing the costs of educational facility construction below the state-limit on cost per student station or by eliminating the need for new facilities by approving charter schools that do not require district facilities. The SMART Schools Clearinghouse will review applications and recommend SIT awards for distribution by the Commissioner of Education. The bill appropriates \$150 million of

nonrecurring General Revenue for SIT awards which brings the total FY 1997-98 appropriation for SIT awards to \$200 million. The SIT program will also receive an additional \$450 million from the Educational Enhancement Trust Fund contingent upon the sale of 1997 public school capital outlay bonds.

**EFFORT INDEX GRANTS:** The bill authorizes Effort Index Grants to provide state assistance to school districts with unmet needs for classroom facilities. Districts may receive funding for new construction after meeting a specified level of local effort in capital outlay revenues and expenditures. The maximum that may be spent for Effort Index Grants in FY 1997-98 is \$70 million from bond proceeds allocated to the SIT program.

Districts that cannot meet their need for student stations within existing revenues must fully bond their allocations from the School District and Community College Capital Outlay Debt Service (CO&DS) Trust Fund before participating in funding from the Classrooms First Program, the SIT Program, or the Effort Index Grants programs.

**SMART SCHOOLS SMALL COUNTY ASSISTANCE PROGRAM:** The SMART Schools Small County Assistance Program is created to provide grants to school districts in small counties (i.e., population of 75,000 or less in the last decennial census). To qualify for a grant, an eligible district must have urgent needs for new school facilities or major school building expansions, repairs or renovations; must have insufficient resources for the urgent project during the next three years; and must agree to build a functional, frugal school. The SMART Schools Clearinghouse will review applications and recommend grants to be awarded by the Commissioner of Education. The program is funded by a \$50 million appropriation from the Educational Enhancement Trust Fund, contingent upon the sale of 1997 public school capital outlay bonds.

**FUNDS FOR SPECIAL PROJECTS:** A \$16.625 million appropriation is made for a demonstration middle school that meets SMART Schools standards. The bill also appropriates \$3 million from General Revenue to pay off-site infrastructure costs associated with educational facilities built through public-private partnerships in the Bay, Dade, and Palm Beach County School Districts.

**SCHOOL CONSTRUCTION AND ACCOUNTABILITY:** The bill revises statutes governing educational facilities in the following major areas: construction and renovation of core space, standards and use of relocatables, cost limits, space and occupant design criteria, granting of waivers, and districts' levy and use of nonvoted, discretionary capital outlay millage.

Each district school board must annually prepare a 5-year district facilities work program. The program must reflect the district's estimated revenues, as well as construction and

renovation needs and the projected costs of meeting those needs. When developing the work program, the school board must hold a public hearing.

When determining 5-year needs, school districts will not assign student stations to cafeterias, multipurpose dining areas, media centers, administration space, or auditoriums. In elementary schools, student stations will not be assigned to art rooms, music rooms, resource rooms, or skills labs. Student stations will not be assigned to resource rooms and skills rooms in middle schools and high schools. Capacity will be assigned to resource rooms and skills labs that exceed the number provided in the State Requirements for Educational Facilities (SREF). Projections of future facility space needs will be based on SREF norms for space and occupancy, rather than the minimums. Relocatables that meet standards established by DOE will be counted at actual student capacity; however, those scheduled for elimination or replacement in the district's facilities work program will not be assigned student capacity.

The bill establishes as a state goal that, within five years, school districts will replace all relocatables that are over 20 years old and one-half of existing relocatables at over-capacity schools (i.e., those with enrollment above 100 percent of the designed capacity of nonrelocatable facilities or, if designed to use relocatables, enrollment above 100 percent of core facilities' capacity).

DOE must adopt standards that allow school districts to build core facilities large enough to handle future additions of classrooms to accommodate student growth. DOE must also adopt standards for relocatable facilities. Relocatables that are located at the same educational plant for four years or more must have access to the same technology as similar classrooms in the main facility and must be accessed by covered walkways, if appropriate. DOE must also develop standards for construction materials based on life-cycle costs.

The bill establishes new maximum costs per student station as follows: \$11,600 for an elementary school; \$13,300 for a middle school; and \$17,600 for a high school. These 1997 cost limits will be adjusted annually by the Consumer Price Index (CPI). The Commissioner of Education may waive these cost limits for districts on a project-by-project basis. A district may also exceed these cost limits if the construction is funded entirely from local sales surtax or voted millage and the higher costs are approved by a majority vote of the district school board.

To provide flexibility, the commissioner may waive requirements relating to plant surveys, need projections, and cost ceilings. When considering waiver requests, special consideration may be given to projects which spend no state money and to districts that certify that all of their educational plant space needs for the next 5 years can be met from

anticipated revenues or management changes such as alternative scheduling, rezoning, etc. The commissioner must annually report to the Legislature on the waivers granted.

The bill revises standards for energy efficiency contracts to encourage greater use of energy-efficient systems and construction methods.

**DISTRICT DISCRETIONARY CAPITAL OUTLAY MILLAGE (2 MILLS)** The bill clarifies that school districts may use proceeds of their 2-mill levy for maintenance and, if included in the district's adopted facilities work program, for ancillary facilities (e.g., bus barns, administration buildings, etc.). The expenditure restrictions on use of the 2 mill levy do not apply to lease-purchase agreements entered into on or before July 1, 1997, or to any district school board that certifies that all of the district's educational plant needs for the next 5 years can be met from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management. The bill abrogates the scheduled review and repeal of statutes governing district boards' authority for the 2-mill levy.

**TEACHERS LEAD GRANTS:** The bill creates the Teachers Lead program to provide a one-time, \$250 allocation to each classroom teacher. The program is funded by a \$31.5 million appropriation from the General Revenue Fund. The Commissioner of Education will divide the appropriation among school districts based on each district's proportional share of the total number of classroom teachers. Teachers may spend their allocation without restriction except they must use it to assist teaching and learning in the classroom. The bill does not require teachers to report or account for how they used the money. For purposes of the Teachers Lead program, the term "classroom teacher" has a narrower definition than is contained in current law. It includes only media specialists and full-time teachers who are assigned to prekindergarten through grade 12 classroom instruction. Therefore, it does not include teachers at the adult or postsecondary level or substitute teachers. According to the Department of Education, Florida has approximately 125,000 full-time classroom teachers plus media specialists.

**IN ADDITION:** The legislation amends s. 228.056, F.S., to authorize municipalities to submit proposals for new charter schools to local school boards.

The State Board of Education authorized to recognize school districts with construction plans that meet criteria for designation as a Florida Frugal Schools Program. This designation and the district's Florida Frugal Schools plan may be added to the ballot seeking voter approval for the half-penny capital outlay sales surtax. If the tax is approved, the proceeds must be spent according to that plan.

The bill revises the Seal of Best Financial Management to give districts the option of having a performance review of one or more management components.

Local fire control authorities are required to annually inspect educational facilities and file reports with the district school board and the administrator of the facility.

To ensure health and safety, each relocatable must be inspected annually and the inspection report must be posted in the relocatable.

The bill will take effect upon becoming a law.

### **SB 20-A — Capital Improvement Fees**

by Senator Grant

This law authorizes community college boards of trustees to borrow money against and bond the proceeds of the capital improvement fee currently charged to students. Obligations underwritten by the capital improvement fee revenue may not exceed 20 years, and projects so funded must be limited to new construction of educational facilities. Community colleges are authorized to enlist the services of the Division of Bond Finance of the State Board of Administration in issuing any such bonds.

Each community college board of trustees may borrow against or bond all or a portion of the capital improvement fee revenue; however, once committed, that portion of the fees received will be dedicated to debt service for the lifetime of the obligation.

The 1996-97 total revenue collected by the 25 colleges imposing the capital improvement fee was \$6,443,040. The total community college system amount that could be realized by bonding the fee revenue would be \$64.4 million dollars. The college with the largest fee collection amount could realize \$13.4 million, the college with the smallest amount of fee revenue collected would realize \$284,000.

### **HB 23-A — University Facilities**

by Reps. Tamargo, Casey, and Murman

This law appropriates from the General Revenue Fund \$1.6 million for the University of South Florida and \$1.5 million for the Florida Agricultural and Mechanical University for their special facilities needs.

The University of South Florida's appropriation is to buy the Tampa General Hospital-University of South Florida Psychiatric Center. The bill contains a provision that protects the state from an obligation to increase its support of operating the center.

The Florida Agricultural and Mechanical University's appropriation is to expand the Science Research Facility to house a Pharmaceutical Research Center. The state grant is contingent upon the university's receipt of an expected grant of \$1.5 million from the National Institutes of Health (NIH).

**SB 44-A — Florida Education Finance Program**

by Senator Dudley

SB 44-A revises the way grades K-12 full-time equivalent (FTE) student enrollment is reported and funded under the Florida Education Finance Program (FEFP). The bill recreates a single, capped group (Group 2) within the FEFP for all K-12 programs other than basic programs. Group 1 includes only basic programs and continues to be uncapped. Group 3 is eliminated. As a result, each school district may "move" unused FTE within Group 2 and receive funding within the Group 2 cap when actual enrollment in one Group 2 program exceeds estimated enrollment and actual enrollment in another Group 2 program falls below the estimate. That is, when actual FTE enrollment in any at risk or vocational programs falls below estimated enrollment, those FTE would offset actual FTE exceptional student enrollment that is above the enrollment levels estimated for exceptional programs. The bill maintains the K-12 enrollment estimating conference's authority to increase certain districts' enrollment cap for exceptional programs by the amount that other districts report exceptional student enrollment below their enrollment caps.

To adjust for these changes in the FY 1997-98 budget, the bill increases from 20 percent to 50 percent the amount of unused FEFP appropriation that could be used for the caps adjustment supplement to fund weighted Group 2 enrollment above the cap. From the funds appropriated for the 1997-98 FEFP, \$1 million is earmarked for small districts whose actual student enrollments are substantially less than their estimated enrollment. To be eligible for any part of this \$1 million, a district must have 10,000 or fewer weighted FTE students (all programs) and the district's actual weighted enrollment for Group 2 must be at least 4 percent less than the enrollment estimates used to establish the FY 1997-98 legislative appropriations for those programs. The funding entitlement for each eligible district is the lesser of: (1) the difference between the district's estimated total potential funds and its actual potential funds, or, (2) \$250,000.

Prior to the November 1997 third calculation of the FEFP, the Department of Education (DOE) must provide intensive technical assistance to districts to ensure that students are correctly assigned to the appropriate category in the exceptional student services matrix. Districts are encouraged to amend their FTE enrollment counts for the third calculation if

mistakes are found. By January 1, 1998, DOE must report to the Legislature the extent of, and reasons for, any unanticipated increases or decreases in weighted student enrollment for the third calculation.

These provisions are effective upon becoming a law.