



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Dale Hickam Excellent Teaching Program**

###### Background

The Dale Hickam Excellent Teaching program provides incentives for classroom teachers to seek national certification through the National Board for Professional Teaching Standards (NBPTS). Candidates must possess a baccalaureate degree, hold a valid state teaching license, and have accomplished three years of successful teaching.

Candidates for National Board certification are subject to a portfolio review and a two-part assessment based on standards and teaching. NBPTS certification takes approximately one to three years to complete. The portfolio review includes students' work and videotapes of the classroom teacher providing classroom instruction. Candidates are measured by a peer group of classroom teachers.

The Dale Hickam Excellent Teaching program pays a fee subsidy of \$2,250 (90% of the NBPTS \$2,500 fee) for each Florida teacher who seeks NBPTS certification. A one-time portfolio preparation fee of \$150 is also paid. Florida teachers who receive NBPTS certification are eligible to receive an annual bonus of 10% of the prior fiscal year's statewide average salary for classroom teachers, approximately \$4,530 in Fiscal Year 2007-2008, for every year of the life of the certification (10 years), provided that they remain classroom teachers. An additional bonus, again equal to 10% of the prior fiscal year's statewide average salary for classroom teachers or approximately \$4,530, can be earned by NBPTS certified teachers who provide the equivalent of 12 work days of mentoring and related services to Florida public school teachers who do not hold NBPTS certification.<sup>1</sup>

On October 29, 2007, the Governor approved CS/SB 6C, which amended section 1012.72, Florida Statutes, and provided that in the event funds for the program were insufficient for all payments, the payments for mentoring and related services were to be prorated among the eligible recipients. On October 29, 2007, SB 2C was approved by the Governor and reduced the appropriation by \$14.2 million, from \$102.2 million to \$88.0 million. The \$14.2 million reduction was due in large part to removing anticipated unused funds from the appropriation. However it is now estimated that the mentoring bonus will be prorated from \$4,530 to \$4,272 or approximately 94.3% of the full amount of 10% of the prior fiscal year's statewide average salary.

The historical appropriations for this program are:

<u>School Year</u>	<u>Appropriation</u>
1998-1999	\$ 12.0 million
1999-2000	\$ 14.0 million
2000-2001	\$ 19.0 million
2001-2002	\$ 31.4 million
2002-2003	\$ 48.7 million
2003-2004	\$ 69.5 million
2004-2005	\$ 67.7 million

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<sup>1</sup> s. 1010.72(2), F.S.

2005-2006	\$ 83.6 million
2006-2007	\$ 97.9 million
2007-2008	\$ 88.0 million

### Effects of Proposed Changes

The bill revises the program to fund only the National Board of Professional Teaching Standards certification bonus and removes the bonus from compensation under the Florida Retirement System. Therefore, the portfolio incentive and mentoring bonus will no longer be funded. In 2007-08, approximately \$9.7 million will be expended on the portfolio incentive and the certification fee subsidy, \$45.7 million on the certification bonus, and \$32.6 million on the mentoring bonus.

## **School District 5% Administrative Fee for Charter Schools**

### Background

Section 1002.33(20)(a), Florida Statutes, requires school districts to provide certain administrative and educational services for a charter school for which the district is a sponsor. These services include contract management services; full-time equivalent and data reporting services; exceptional student education administration services; services related to eligibility and reporting duties required to ensure that school lunch services under the federal lunch program, consistent with the needs of the charter school, are provided by the school district at the request of the charter school; test administration services, including payment of the costs of state-required or district-required student assessments; processing of teacher certificate data services; and information services, including equal access to student information systems that are used by public schools in the district in which the charter school is located. The district is also required to provide the charter school student performance data for each student in a charter school, including, but not limited to, FCAT scores, standardized test scores, previous public school student report cards, and student performance measures. The school district may retain up to a 5% administrative fee for the provision of such services. However, a school district may only withhold up to a 5% administrative fee for enrollment for up to and including 500 students. For charter schools with a population of 501 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes. A school district is not authorized to charge charter schools any additional fees or surcharges for administrative and educational services in addition to the maximum 5 % administrative fee.

### Effects of Proposed Changes

The bill prohibits a school district from applying the 5% administrative fee to charter school Merit Award Program (MAP) funds. As established in section 1012.225, Florida Statutes, the MAP provides monetary bonuses to instructional personnel and school-based administrators, as individuals or as an instructional team, based upon the academic performance of students assigned to that employee's classroom, school, or within their academic sphere of responsibility. Funding for MAP is subject to legislative appropriation. However, the Department of Education currently has MAP plans from charter schools in 24 districts, which may be funded by the 2008 Legislature. If the plans are funded consistent with the 2007-2008 fiscal year funding level in the 2007-2008 Florida Education Finance Program (FEFP) Conference Report, the approved charter schools would receive \$2.3 million in MAP funds. Five percent of \$2.3 million is \$115,000, which would flow to the charter schools for merit awards instead of potentially being withheld by the chartering school districts to be used for charter schools capital outlay.

## **Dual Enrollment**

### Background

The dual enrollment program is a type of acceleration mechanism that allows an eligible high school or home education student to enroll in a postsecondary course creditable toward a career certificate or an associate or baccalaureate degree. Upon successful completion of a dual enrollment course, the student simultaneously receives high school and college credit. Dual enrollment may serve to shorten the time and money necessary for a student to complete the requirements for a postsecondary degree. Eligible students are permitted to enroll in dual enrollment courses conducted during school hours, after school hours, and during the summer term.

School districts receive Florida Education Finance Program (FEFP) funding based on a high school student attending school for 900 hours per year (180 days x 5 hours per day), which is one full-time equivalent student (FTE). High school students generally attend six class periods per day with about 50 minutes in each class period. Postsecondary courses delivered by a community college, university, or career technology center generally meet for only 3 days per week for about an hour per period. Consequently, a student in one of these courses would meet for 2 less class periods per week than a student in public school, and in addition the postsecondary semester is of shorter duration than a public high school semester. Therefore a high school student who is enrolled in a dual enrollment course would attend school for less than 900 hours. However, proviso language in the 2007 General Appropriations Act, chapter 2007-72, Laws of Florida, authorizes school districts to report the instructional time for students in dual enrollment courses in an amount equal to the hours of instruction as if the course were taught in the school district, which is on a 900 hour basis. Therefore, the instructional time for a student in a dual enrollment course will sum to 900 hours per year, which is one FTE. Also, the school district will receive FEFP funding for the full one FTE.

#### Effects of Proposed Changes

The bill codifies current General Appropriations Act proviso language authorizing school districts to report instructional time for a dual enrollment course as if the course were taught in the school district. In addition, the bill authorizes a school district to report 900 hours of instructional time (one full-time student) for a dual enrollment student who is enrolled in 30 credit hours (15 credit hours per semester) in a postsecondary institution.

### **Funds for Operation of Schools**

#### Background

In the 2007-08 fiscal year, school districts received \$266.5 million for instructional materials to be expended pursuant to section 1006.40, Florida Statutes, and also received \$114.5 million for research-based reading to be expended pursuant to section 1011.62(9), Florida Statutes. Senate Bill 6C, which was approved by the Governor on October 19, 2007, authorized school districts to use these funds for academic classroom instruction so long as the school board declared in a resolution at a regular school board meeting that expenditures for administration and for all functions not core to K-12 instruction have been reduced to the maximum possible and that the funds are needed to maintain school board specified academic classroom instruction. The department was required to provide to the Legislature a report that identifies by district and by categorical fund the amount transferred and the specific academic classroom activity for which the funds were expended. If a district school board transfers funds from its research-based reading instruction allocation, the board must also submit to the Department of Education an amendment describing the changes that the district is making to its reading plan.

#### Effects of Proposed Changes

The bill extends, for the 2008-2009 fiscal year only, the flexibility authorized in 2007-2008 by Senate Bill 6C as described in the "Background" section.

### **Funds for Operation of Schools**

## Background

Section 1011.71(2), Florida Statutes, authorizes each school board to levy not more than 2 mills against the taxable value for the following: to fund capital outlay projects including, new construction and remodeling projects; maintenance, renovation and repair of existing facilities; the purchase, lease-purchase, or lease of school buses; the purchase, lease-purchase, or lease of new and replacement equipment; payments for educational facilities and sites due under a lease-purchase agreement; payments of certain loans; payment of costs directly related to complying with state and federal environmental statutes, rules, and regulations governing school facilities; payments of costs of leasing relocatable educational facilities, or renting or leasing education facilities, sites, buildings or space within existing buildings; and payment of the cost of opening day collection for the library media center of a new school.

Additional spending flexibility for the 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; the payment of the cost of premiums for property and casualty insurance necessary to insure school district educational and ancillary plants is authorized for a district that:

- met the reduction requirements regarding class size for the current year
- received an unqualified opinion on its financial statements for the preceding 3 years
- has no material weaknesses or instances of material noncompliance noted in an audit for the preceding 3 years, and
- certifies to the Commissioner of Education that all of the district's instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive during the next 5 years from local revenues and from currently appropriated state facilities funding or from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management

Senate Bill 6C, which was approved by the Governor on October 19, 2007, authorizes up to \$25 per unweighted FTE of two-mill revenue for the purposes enumerated in the additional spending flexibility paragraph above while revising the requirements by adding the requirement that the district certify to DOE that the district does not need all of its two-mill revenue for capital outlay purposes and deleting the following criteria:

- the district has received an unqualified opinion on its financial statements for the preceding 3 years, and
- the district has no material weaknesses or instances of material noncompliance noted in an audit for the preceding 3 years.

Finally, Senate Bill 2502 (ch. 2008-2, Laws of Florida), which was approved by the Governor on March 14, 2008, revised the per unweighted FTE amount to \$65.

## Effects of Proposed Changes

The bill extends, for the 2008-09 fiscal year only, the flexibility authorized in Senate Bill 2502 as described in the "Background" section. As of March 27, 2008, Monroe, Sumter, St. Johns, Martin, Miami-Dade, and Gulf have certified to the Department of Education their eligibility for flexibility in the use of up to \$65 for the purposes enumerated above.

### C. SECTION DIRECTORY:

Section 1. Amends s. 121.021, F.S., revising the Excellent Teaching Program removing the salary supplements from the definition of compensation for the Florida Retirement System.

Section 2. Amends s. 1002.33, F.S., prohibiting school districts from applying the 5% administrative fee to charter school **Merit Award Program** funds.

Section 3. Amends s. 1007.271, F.S., deleting reporting requirements for full-time equivalent students who are enrolled in dual enrollment courses for the purpose of funding under the **Florida Education Finance Program**.

Section 4. Amends s. 1011.62, F.S., codifying Fiscal Year 2007-2008 General Appropriations Act proviso relating to the reporting of full-time equivalent students who are enrolled in dual enrollment courses for the purpose of funding under the **Florida Education Finance Program**; extending to the 2008-2009 fiscal year the flexibility to use **Reading and Instructional Materials** categorical allocations for classroom instruction.

Section 5. This section provides that the amendments to s. 1011.62(6), Florida Statutes, made by this act shall expire July 1, 2009, and the text of that section shall revert to that in existence on the day before the effective date of chapter 2007-328, Laws of Florida, except that any amendments to such text enacted other than by this act shall be preserved and continue to operate to the extent that such amendments are not dependent upon the portions of such text which expire pursuant to this section.

Section 6. Amends s. 1011.71, F.S., extending to Fiscal Year 2008-2009 the flexibility to use up to \$65/student of **Two-Mill Capital Outlay** funds for property and casualty insurance premiums and certain motor vehicles.

Section 7. This section provides that the amendments to s. 1011.71, Florida Statutes, made by this act shall expire July 1, 2009, and the text of that section shall revert to that in existence on the day before the effective date of chapter 2007-328, Laws of Florida, except that any amendments to such text enacted other than by this act shall be preserved and continue to operate to the extent that such amendments are not dependent upon the portions of such text which expire pursuant to this section.

Section 8. Amends s. 1012.72, F.S., revising the **Excellent Teaching Program** to fund only the National Board of Professional Teaching Standards certification bonus.

Section 9. Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

The bill revises the program to fund only the National Board of Professional Teaching Standards certification bonus and removes the salary supplements from the definition of compensation under the Florida Retirement System. Removing the Excellent Teaching Program bonus from the definition of compensation for purposes of the Florida Retirement System will have a positive but indeterminate fiscal impact on the Florida Retirement System fund.

The portfolio incentive and mentoring bonus will no longer be funded. In Fiscal Year 2007-2008, approximately \$9.7 million will be expended on the portfolio incentive and the certification fee subsidy, \$47.2 million on the certification bonus, and \$31.2 million on the mentoring bonus. If the portfolio incentive, certification fee subsidy, and mentoring bonus were not funded in the 2007-2008

fiscal year, the state would have saved \$40.9 million (\$9.7 + \$31.2). These expenditures will therefore be avoided in the 2008-2009 fiscal year.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

Funding for MAP is subject to legislative appropriation. However, the Department of Education currently has MAP plans from charter schools in 24 districts, which may be funded by the 2008 Legislature. If the plans are funded consistent with the Fiscal Year 2007-2008 funding level in the 2007-2008 FEFP Conference Report, the approved charter schools would receive \$2.3 million in MAP funds. Five percent of \$2.3 million is \$115,000, which would flow to the charter schools for merit awards instead of potentially being withheld by school districts or allocated to charter schools' capital outlay spending.

2. Expenditures:

If each of the 67 school districts were eligible for the flexible use of two-mill revenue, a total of approximately \$171 million of two-mill revenue could be spent on insurance premiums for property and casualty insurance and certain motor vehicles. As of March 27, 2008, Monroe, Sumter, St. Johns, Martin, Miami-Dade, and Gulf have certified to the Department of Education their eligibility for flexibility in the use of up to \$65/student of two-mill revenue. The actual amount districts would spend is indeterminate.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to require a county or municipality to spend funds or take an action requiring expenditures; reduce the authority that counties and municipalities had as of February 1, 1989, to raise revenues in the aggregate; or reduce the percentage of a state tax shared in the aggregate with counties and municipalities as of February 1, 1989.

2. Other:

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**D. STATEMENT OF THE SPONSOR**

N/A

#### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES