



LEGISLATIVE BUDGET COMMISSION

Ken Pruitt, Chair

Meeting Packet

Thursday, March 18, 2004

5:15 p.m. – 5:45 p.m.

412 Knott

***(Please bring this packet to the committee meeting.
Duplicate materials will not be available.)***

LEGISLATIVE BUDGET COMMISSION AGENDA

March 18, 2004

5:15 – 5:45 p.m.

Room 412, Knott Building

MEMBERS

**Senator Ken Pruitt
Senator Lisa Carlton
Senator Dennis Jones
Senator Ron Klein
Senator Tom Lee
Senator Les Miller
Senator Rod Smith**

**Representative Bruce Kyle
Representative Carole Green
Representative Wilbert “Tee” Holloway
Representative Joe Negrón
Representative Jerry Paul
Representative David Simmons
Representative Leslie Waters**

- I. Consideration of the following budget amendments:
 - A. Department of Education, EOG# B2004-0500

Department: Education
EOG Number: B0500

Problem Statement: Section 1003.03(4)(a), Florida Statutes, provides the statutory framework for making adjustments to appropriations for school districts that fail to meet required class size reductions. In this regard, any school district that has not reduced its average district class size by the required amount at the time of the third FEFP calculation faces an adjustment of appropriations. The adjustment is calculated by the Department of Education and verified by the Florida Education Finance Program Appropriation Allocation Conference. This amount is then subject to transfer from the operating categorical to the fixed capital outlay appropriation for class size related to the affected district. The amount of funds actually transferred shall be the lesser of the amount calculated or the undistributed balance of the district's class size reduction operating categorical. However, the Commissioner of Education and the State Board of Education may make a recommendation to the Legislative Budget Commission for approval of an alternate amount of funds to transfer if a district has been unable to meet the class size reduction requirements despite appropriate effort to do so.

After the calculation process was completed, seventeen school districts did not meet the current year class size reduction requirements on a district average basis, thereby facing a potential total transfer from the class size reduction operating categorical to fixed capital outlay in the amount of \$21,488,179.

The Commissioner of Education then received appeals from the seventeen school districts documenting the reasons why they were unable to comply with the class size reduction requirements. The two primary reasons for noncompliance were unexpected student growth and/or teachers not included in the October survey. The Commissioner did not consider other appeal reasons. Both unexpected student growth and additional teachers were documented and quantified. The revised transfer calculation for each district was based upon adjusting the average district class size for either or both of these factors.

Based upon the review of the appeal documents, the Commissioner recommended that eight districts' transfer amounts be partially reduced and nine be reduced to \$0, for a total transfer from the Class Size Reduction operating categorical to fixed capital outlay for Class Size Reduction into the amount of \$1,479,948. The State Board of Education approved this recommended alternate transfer amount on February 17, 2004.

In addition, transfer amounts were calculated for Department of Juvenile Justice (DJJ) education programs in the amount of \$679,293, Lab Schools in the amount of \$304,797, and Charter Schools in the amount of \$4,848,610. Current law does not address the unique issues impacting these programs. For the most part, these entities' transfer calculation was based upon school-level class size averages. The requirement for school-level measurement of class size averages does not occur until FY 2006-2007. Therefore, the Commissioner recommended that university lab schools, DJJ education programs, and charter schools not be subject to transfer calculations until all public schools are measured on a school-level basis. During this interim period, these entities will be required to develop and implement accountability plans for the use of class size reduction funds.

Agency Request: The department requests to transfer \$1,479,948 in General Revenue Fund budget authority from the Florida Education Finance Program's Class Size Reduction operating category to the Education Fixed Capital Outlay category for Class Size Reduction Projects. This transfer is based upon the calculations provided by the Florida Education Finance Program Appropriation Allocation Conference held on February 9, 2004, and as recommended by the Commissioner of Education and approved by the State Board of Education, pursuant to sections 216.292(13) and 1003.03(4)(a), Florida Statutes.

Governor's Recommendation: Recommend approval to transfer \$1,479,948 in General Revenue Fund budget authority from the Florida Education Finance Program's Class Size Reduction operating category to the Education Fixed Capital Outlay category for Class Size Reduction Projects. This transfer is based upon the calculations provided by the Florida Education Finance Program Appropriation Allocation Conference held on February 9, 2004, and as recommended by the Commissioner of Education and approved by the State Board of Education, pursuant to sections 216.292(13) and 1003.03(4)(a), Florida Statutes.

Commission Staff Comments:

SENATE: Recommend approval as recommended by the Governor's Office.

HOUSE: Pending.

Senate Subcommittee: Education

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House Subcommittee: Education

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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
EDUCATION					
N/A	<u>Program: Education - Fixed Capital Outlay</u> Class Size Reduction Projects General Revenue 48150000-148045-04-1000		1,479,948	1,479,948	
59A	Division of Public Schools <u>Program: State Grants/K12-FEFP</u> Grants and Aids - Class Size Reduction General Revenue 48250300-050566-00-1000		(1,479,948)	(1,479,948)	