

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** PCS for HB 189 Maximum Class Size

**SPONSOR(S):** Choice & Innovation Subcommittee

**TIED BILLS:** **IDEN./SIM. BILLS:**

<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR or BUDGET/POLICY CHIEF</b>
Orig. Comm.: Choice & Innovation Subcommittee		Fudge	Fudge

**SUMMARY ANALYSIS**

The bill revises the method for calculating the penalty for failure to comply with the class size requirements by performing the calculation at the school average instead of at the classroom level. The department would continue to determine the number of students assigned to any individual class that exceeds the class size maximum.

In 2002, voters approved the Class Size Reduction Amendment to Section 1, Article IX of the Florida Constitution. The amendment requires the Legislature by the beginning of the 2010 school year to make adequate provision to ensure that there are a sufficient number of classrooms in Florida so that the maximum number of students assigned does not exceed the maximums established by the amendment. Since 2003, the Legislature has appropriated more than \$22 billion toward operational expenses and \$2.5 billion in facilities funding to implement the Class Size Reduction Amendment.

The bill is effective July 1, 2013.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

In 2002, voters approved the Class Size Reduction Amendment to Section 1, Article IX of the Florida Constitution. The amendment requires the Legislature by the beginning of the 2010 school year to make adequate provision to ensure that there are a sufficient number of classrooms in Florida so that the maximum number of students assigned to each teacher does not exceed the following:

<b>Grade Groupings</b>	<b>Maximum Students per Teacher</b>
Pre-K - Grade 3	18
Grade 4 - Grade 8	22
Grade 9 - Grade 12	25

The amendment expressly excludes extracurricular courses from the class size mandate; thus, its requirements apply only to core curricula courses.<sup>1</sup>

Additionally, the amendment requires that the Legislature provide sufficient funds, beginning in Fiscal Year (FY) 2003-2004, for districts to reduce the average number of students in each classroom by at least two annually until the constitutionally prescribed maximum number of students is achieved.<sup>2</sup> In 2003, the Legislature enacted s. 1003.03, F.S., to implement the amendment's requirements.<sup>3</sup> This law requires each school district not in compliance with the constitutionally prescribed maximums to annually reduce its average number of students per classroom by two students beginning in FY 2003-2004. Further, it specifies that the number of students per classroom is to be measured at the:

- District level for each of the three grade groupings during FYs 2003-2006.
- School level for each of the three grade groupings in FYs 2006-2009.
- Individual classroom level for each of the three grade groupings in FY 2009-2010 and thereafter.<sup>4</sup>

To implement the Class Size Reduction Amendment, the Legislature annually appropriates funds for district operating costs. Additionally, the Legislature has appropriated funds for capital outlay (facility) needs and granted bonding authority to fund classroom construction and other capital needs related to class size reduction. Since 2003, the Legislature has appropriated more than \$22 billion toward operational expenses and \$2.5 billion in facilities funding to implement the Class Size Reduction Amendment.

<b>Fiscal Year</b>	<b>Operating Funds</b>	<b>Fixed Capital Outlay</b>	<b>Total Appropriations</b>
--------------------	------------------------	-----------------------------	-----------------------------

<sup>1</sup> See s. 1(a), Art. IX of the State Constitution.

<sup>2</sup> *Id.*

<sup>3</sup> Section 2, ch. 2003-391, L.O.F., codified at s. 1003.03, F.S.

<sup>4</sup> Section 1003.03(2)(a), F.S.

2003-2004 <sup>5</sup>	\$468,198,634	\$600,000,000	\$1,068,198,634
2004-2005 <sup>6</sup>	\$972,191,216	\$100,000,000	\$1,072,191,216
2005-2006 <sup>7</sup>	\$1,507,199,696	\$83,400,000	\$1,590,599,696
2006-2007 <sup>8</sup>	\$2,108,529,344	\$1,100,000,000	\$3,208,529,344
2007-2008 <sup>9</sup>	\$2,640,719,730	\$650,000,000	\$3,290,719,730
2008-2009 <sup>10</sup>	\$2,809,079,054	\$0	\$2,809,079,054
2009-2010	\$2,845,578,849	\$0	\$2,845,578,849
2010-2011	\$2,913,825,383	\$0	\$2,913,825,383
2011-2012	\$2,927,464,879	\$0	\$2,927,464,879
2012-2013 <sup>11</sup>	\$2,983,788,477	\$0	\$2,983,788,477
<b>Total Year to Date Appropriations</b>	<b>\$22,096,987,241</b>	<b>\$2,533,400,000</b>	<b>\$24,630,387,241</b>

Beginning with FY 2010-11, class size is measured at the individual classroom level. The procedure that the department must follow for adjusting class size reduction operating categorical funds for school districts that fail to meet the class size requirements is as follows:

- Identify, for each grade grouping, the number of classes that exceed the maximum and the total number of students which exceeds the maximum for all classes.
- Determine the number of full-time equivalent (FTE) students which exceeds the maximum for each grade grouping.
- Multiply the total number of FTE students over the maximum for each grade grouping by the district's FTE dollar amount of the class size reduction operating categorical allocation for that year and calculate the total for all three grade groupings.
- Multiply the total number of FTE students over the maximum for all classes by an amount equal to 50 percent of the base student allocation adjusted by the district cost differential for the 2010-11 FY.
- Reduce the district's class size reduction operating categorical allocation by an amount equal to the sum of the calculations in the 3rd and 4th bullets above.<sup>12</sup>

The reduced amount is the lesser of the department's calculation or the undistributed balance of the district's class size reduction operating categorical allocation. If a district made appropriate efforts to reduce class sizes but still failed to achieve compliance or an emergency caused noncompliance, the commissioner is authorized to recommend an alternative transfer amount for approval by the Legislative Budget Commission. Once the reduced amount is determined, the commissioner must prepare a reallocation of the funds made available to districts that have fully met the class size requirements by calculating an amount that is up to five percent of the base student allocation multiplied by the total district FTE students. The reallocation total may not exceed 25 percent of the total funds reduced.<sup>13</sup>

Districts that fail to comply with the class size requirements must submit a plan by February 15, certified by the district school board, which describes the actions the district will take in order to be in compliance by October of the following year. For districts that submit the plan by the required deadline, the funds remaining after the reallocation calculation must be added back to the district's class size reduction operating categorical allocation based on each qualifying district's proportion of the total

<sup>5</sup> Specific Appropriations 1A and 3C, s. 1, ch. 2003-397 L.O.F.; Specific Appropriations 14F & 59A, s. 2, ch. 2003-397, L.O.F.

<sup>6</sup> Specific Appropriation 6, s. 1, ch. 2004-268, L.O.F.; Specific Appropriations 28A & 82, s. 2, ch. 2004-268, L.O.F.

<sup>7</sup> Specific Appropriation 5, s. 1, ch. 2005-70, L.O.F.; Specific Appropriation 74, s. 2, ch. 2005-70, L.O.F.

<sup>8</sup> Specific Appropriation 7, s. 1, ch. 2006-25, L.O.F.; Specific Appropriations 38A & 92, s. 2, ch. 2006-25, L.O.F.

<sup>9</sup> Specific Appropriation 30, s. 2, ch. 2008-1, L.O.F.; Specific Appropriations 3 & 7, s. 1, ch. 2007-326, L.O.F.; Specific Appropriations 35 & 35A, s. 2, ch. 2007-326, L.O.F.; Specific Appropriation 7, s. 1, ch. 2007-72, L.O.F.; Specific Appropriations 36 & 87, s. 2, ch. 2007-72, L.O.F.

<sup>10</sup> Specific Appropriation 6, s. 1, ch. 2008-152, L.O.F.; Specific Appropriation 82, s. 2, ch. 2008-152, L.O.F.

<sup>11</sup> See Class Size Reduction Amendment, Florida Department of Education, available at, <http://www.fldoe.org/classsize/>.

<sup>12</sup> See Section 1003.03(4), F.S.

<sup>13</sup> See Section 1003.03(4), F.S.

reduction for all qualifying districts for which a reduction was calculated. The amount added back may not be greater than the amount that was reduced.<sup>14</sup>

<b>History of Class Size Transfer (&amp; Reallocation) Calculation for <u>Traditional</u> Public Schools</b>				
		Pre-Appeals	Post-Appeals	After Plan
District	2003-04	\$21,488,179	\$1,479,948	
District	2004-05	\$11,354,475	\$1,076,719	
District	2005-06	\$5,222,735	\$496,059	
School	2006-07	\$7,836,834	\$3,273,943	
School	2007-08	\$5,330,411	\$333,302	
School	2008-09	\$1,396,108	\$0	
School	2009-10	\$1,912,030	\$267,263	
Classroom	2010-11	\$40,795,637	\$31,324,748	\$7,831,187
Classroom	2011-12	\$58,749,605	\$43,407,465	\$10,851,866
<b>History of Class Size Transfer (&amp; Reallocation) Calculation for <u>Charter</u> Schools</b>				
		Pre-Appeals	Post-Appeals	After Plan
N/A	2003-04	\$0	\$0	
N/A	2004-05	\$0	\$0	
N/A	2005-06	\$0	\$0	
School	2006-07	\$6,831,504	\$2,724,878	
School	2007-08	\$802,515	\$194,836	
N/A	2008-09	\$0	\$0	
N/A	2009-10	\$0	\$0	
School	2010-11	\$2,292,191	\$355,539	\$88,885
School	2011-12	\$3,921,323	\$652,851	\$163,213

### Effect of Proposed Changes

The bill revises the method for calculating the penalty for failure to comply with the class size requirements by performing the calculation at the school average instead of at the classroom level. The department would continue to determine the number of students assigned to any individual class that exceeds the class size maximum. However, for purposes of the penalty, the number of students that exceed each grade group will be calculated at the school average. In doing so, the amount of funds available to a district for class size compliance will be increased, because of the reduced penalty amount.

#### B. SECTION DIRECTORY:

Section 1: Amends s. 1003.03, F.S., to require calculation of class size penalty at the school average.

Section 2: Provides an effective date of July 1, 2013.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

<sup>14</sup> See Section 1003.03(4), F.S.  
**STORAGE NAME:** pcs0189.CIS  
**DATE:** 2/13/2013

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

By calculating the penalty at the school level instead of at the class level, the amount deducted from a school district's class size reduction operating categorical may be decreased.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES