

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 1259 Education
SPONSOR(S): Education & Employment Committee
TIED BILLS: None. **IDEN./SIM. BILLS:** CS/SB 7026; CS/SB 1328

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Education & Employment Committee		Wolff	Hassell

SUMMARY ANALYSIS

Funding for charter school capital outlay is primarily provided by state funds when such funds are appropriated in the General Appropriations Act (GAA). However, if the state appropriation for charter school capital outlay does not meet the funding threshold specified in law, school districts are required to share local capital outlay revenue from the discretionary 1.5 millage levy authorized in section 1011.71(2), F.S., with charter schools. The funding threshold is defined as the Fiscal Year 2018-2019 per full-time equivalent (FTE) level of \$145.3 million adjusted by changes in the Consumer Price Index and the estimated number of charter school students for the applicable fiscal year.

The bill:

- Clarifies that charter school capital outlay funding shall consist of state funds, when such funds are appropriated in the GAA, and revenue resulting from the discretionary 1.5 millage.
- Removes the state funding threshold and revises the calculation methodology for the Department of Education (DOE) to use to allocate state funds to eligible charter schools.
- Revises the calculation methodology for the DOE to use to determine the amount of the discretionary 1.5 millage revenue a school district must distribute to each eligible charter school.
- Clarifies that the calculation of school district enrollment for purposes of calculating proportionate share of school capital outlay surtax shall be based on capital outlay full-time equivalent enrollment.

Additionally, the bill provides flexibility for state universities and Florida College System (FCS) institutions relating to the use of funds in the following areas:

- Removes restrictions on certain uses of carry forward fund balances, including caps on maintenance and remodeling projects and the requirement that funds only be used for nonrecurring operating expenditures;
- Removes the requirement that state universities comply with certain procurement processes and authorizes the Board of Governors to establish regulations for universities to follow;
- Increases the limitation on the annual compensation of state university employees paid from public funds and for FCS administrative employees paid from state funds; and
- Authorizes state universities and FCS institutions to waive out-of-state fees for student athletes receiving an athletic scholarship.

The bill also establishes the Institute for Risk Management & Insurance Education at the University of Central Florida.

The bill has an indeterminate fiscal impact. See Fiscal Comments.

The bill has an effective date of July 1, 2023.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Charter School Capital Outlay

Present Situation

Funding for charter school capital outlay is primarily provided by state funds when such funds are appropriated in the General Appropriations Act (GAA). Section 1013.62, F.S., describes charter school eligibility for capital outlay funding, how such funds must be allocated, and allowable capital outlay funding uses.

To be eligible for charter school capital outlay funding, a charter school must:¹

- Have been in operation for two or more years and:
 - be governed by a governing board established in Florida for two or more years which operates both charter schools and conversion charter schools within the state;
 - be part of an expanded feeder chain² with an existing charter school in the district that is currently receiving charter school capital outlay funds;
 - be accredited by a regional accrediting association as defined by State Board of Education rule;
 - serve students in facilities that are provided by a business partner for a charter school-in-the-workplace; or
 - be operated by a hope operator pursuant to s. 1002.333, F.S.
- Have an annual audit that does not reveal any of the financial emergency conditions provided in s. 218.503(1), F.S., for the most recent fiscal year for which such audit results are available;
- Have satisfactory student achievement based upon the state accountability standards applicable to charter schools;³
- Have received final approval from its sponsor pursuant to s. 1002.33, F.S., for operation during that fiscal year; and
- Serve students in facilities that are not provided by the charter school sponsor.

Capital outlay funds may be used by a charter school's governing board for the:⁴

- Purchase of real property.
- Construction of school facilities.
- Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- Purchase of vehicles to transport students to and from the charter school.
- Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of five years or longer.
- Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities.

¹ Section 1013.62(1)(a), F.S. A conversion charter school, i.e., a charter school created by the conversion of an existing public school to charter status, is not eligible for capital outlay funding if it operates in facilities provided by its sponsor at no charge or for a nominal fee or if it is directly or indirectly operated by the school district. Section 1013.62(1)(d), F.S.

² A charter school may be considered a part of an expanded feeder chain under s. 1013.62, F.S., if it either sends or receives a majority of its students directly to or from a charter school that is currently receiving capital outlay funding pursuant to s. 1013.62, F.S. Rule 6A-2.0020 (1), F.A.C.

³ State board rule provides that "satisfactory student achievement" is determined by the school's most recent grade designation or school improvement rating. However, a school that does not receive a school grade or a school improvement rating shall rely on student performance metrics in the charter agreement. A charter school that earns a school grade of "F", two consecutive school grades of "D," or a school improvement rating of "Unsatisfactory" is not eligible for capital outlay funding for the school year immediately following the designation. Rule 6A-2.0020(4), F.A.C.

⁴ Section 1013.62(4)(a)-(i), F.S.

- 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.
- Purchase, lease-purchase, or lease of computer and device hardware and operating system software necessary for gaining access to or enhancing the use of electronic and digital instructional content and resources; and certain enterprise resource software applications that are classified as capital assets.⁵
- Payment of the cost of the opening day collection for the library media center of a new school.

If a charter school or charter lab school is nonrenewed or terminated, any unencumbered funds and all equipment and property purchased with public funds, including charter school capital outlay funds, revert to the ownership of the district school board or the state university, as appropriate. Any reversions focus on recoverable assets (equipment, property, etc.) but not on intangible or irrecoverable costs (e.g., rental or leasing fees, normal maintenance, and limited renovations).⁶

State funds for charter school capital outlay are allocated to eligible charter schools based on each school's weighted full-time equivalent (FTE) enrollment. Charter schools receive a weight of 1.0 per FTE student, with an additional weight for schools that meet one or both of the following criteria:⁷

- 75 percent or more of the school's students are eligible for free or reduced-price lunch; and
- 25 percent or more of the school's students are students with disabilities.

Schools that meet only one of the above criteria receive capital outlay funding weighted at 1.25. Schools that meet both criteria receive capital outlay funding weighted at 1.5. Eligible schools that do not meet either of the criteria receive capital outlay funding weighted at 1.0.⁸

In addition to the appropriated state funds for charter school capital outlay, the law authorizes, but does not require, school districts to share the discretionary 1.5 mills revenue with charter schools.⁹ At least three school districts, Franklin, Sarasota, and Sumter, have shared revenue generated from the discretionary 1.5 millage with charter schools within their districts;¹⁰ however, it is unknown the extent school districts currently share such revenue as the Department of Education (DOE) does not collect this data.

If the state appropriation for charter school capital outlay does not meet the funding threshold specified in law, school districts are required to share the local capital outlay revenue from the discretionary 1.5 millage levy authorized in s. 1011.71(2), F.S., with charter schools. The funding threshold is defined as the Fiscal Year 2018-2019 per FTE level of \$145.3 million¹¹ adjusted by changes in the Consumer Price Index (CPI) and the estimated number of charter school students for the applicable fiscal year.¹²

⁵ Qualifying enterprise resource software applications are "classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support schoolwide administration or state-mandated reporting requirements." Section 1013.62(4)(h), F.S.

⁶ Section 1013.62(5), F.S.

⁷ Section 1013.62(2)(a), F.S.

⁸ Section 1013.62(2)(b), F.S.

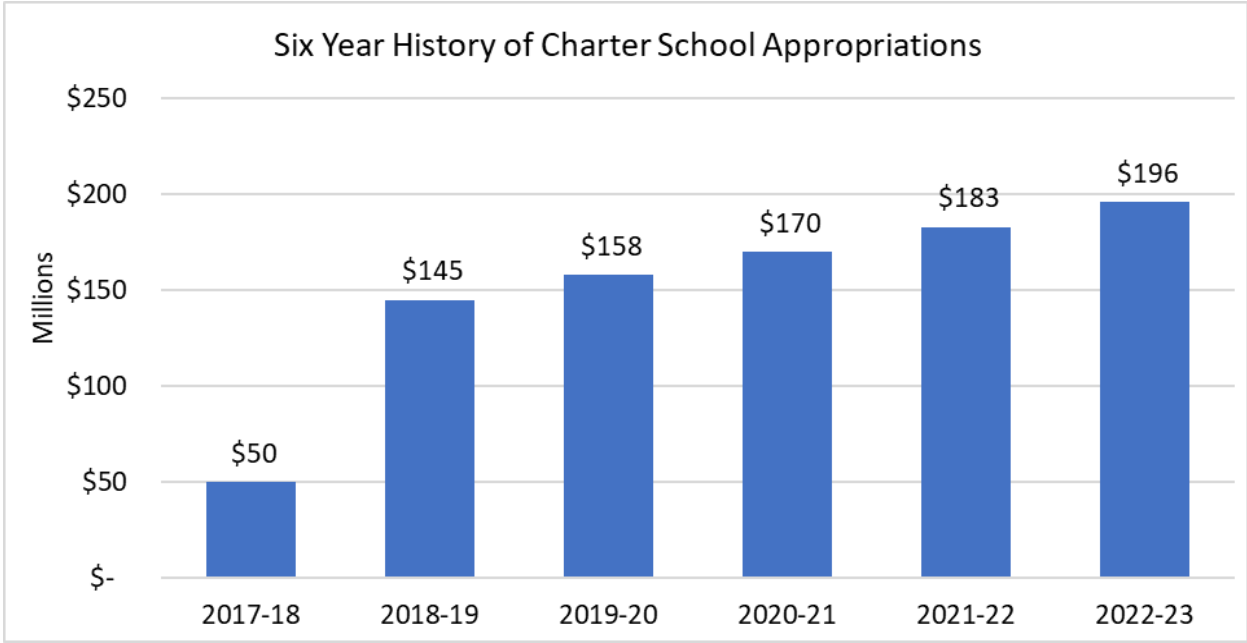
⁹ Section 1011.71(2), F.S. *See also* s. 1013.62(1), F.S.

¹⁰ Florida Department of Education Office of Funding and Financial Reporting, Source: Survey of Florida District School Boards, December 2011; Report Prepared Jan. 1, 2012, available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/0075817-charterschoolreport-ch2011-232.pdf>.

¹¹ Chapter 2018-9, L.O.F.

¹² Section 1013.62(1), F.S.

The Legislature has fully funded charter school capital outlay with state funds in Fiscal Years 2018-2019 through 2022-2023.¹³ The estimated amount of funding required for Fiscal Year 2023-2024 is \$213.4 million.



Effect of Proposed Changes

The bill clarifies that charter school capital outlay funding shall consist of state funds, when such funds are appropriated in the GAA, and revenue resulting from the discretionary 1.5 millage authorized by statute.

The bill removes the state funding threshold and revises the calculation methodology for the DOE to use to allocate state funds for charter school capital outlay to eligible charter schools. The bill revises the calculation methodology for the DOE to use to determine the amount of the discretionary 1.5 millage revenue a school district must distribute to each eligible charter school. The bill also clarifies that the calculation of each school district’s enrollment for purposes of calculating the proportionate share of school capital outlay surtax shall be based on capital outlay full-time equivalent enrollment.

Institute for Risk Management & Insurance Education

Present Situation

Risk management and insurance is a major industry in Florida with a concentration in Volusia County. Like many others, the insurance industry is being revolutionized by integration of technology, predictive analytics, and data science, and becoming more complex given its exposure to transformative trends in the economy and the environment.

In Florida, the insurance industry is facing a capacity crisis given the state’s population growth, attractiveness to business relocation, and multifaceted economic development. As risk valuations and comprehensive insurance solutions become more complex, the industry’s workforce must be well versed in transformative technological, economic, and environmental trends, and develop a holistic set of skills in sales, service, negotiations, finance, economics, data analytics, and systems-level problem solving.

¹³ Specific Appropriation 19, s. 2, ch. 2017-70, L.O.F.; Specific Appropriation 21, s. 2, ch. 2018-9, L.O.F.; Specific Appropriation 18, s. 2, ch. 2019-115, L.O.F.; Specific Appropriation 21, s. 2, ch. 2020-111, L.O.F.; Specific Appropriation 19, s. 2, ch. 2021-36, L.O.F.; Specific Appropriation 15, s. 2, ch. 2022-156, L.O.F.
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Effect of Proposed Changes

To lead the way in addressing the evolving needs of the risk management and insurance industries, the bill creates the Institute for Risk Management & Insurance Education within the College of Business at the University of Central Florida. The bill requires the institute to be located in Volusia County to best serve the partner industries, which are concentrated in that area. The purpose of the institute is to respond to the ever-evolving insurance and risk management industry and the present and emerging needs of the state of Florida and its residents. The bill establishes the following goals of the institute:

- Pursue technological innovations that advance risk valuation models and operational efficiencies in the insurance industry.
- Drive the development of workforce competencies in data analytics, system-level thinking, technology integration, entrepreneurship, and actuarial science.
- Leverage the University of Central Florida's world class assets in data science, artificial intelligence, computer science, engineering, finance, economics, and sales.
- Take advantage of the University of Central Florida's robust portfolio of academic program offerings and draw on faculty and industry experts in diverse fields, including actuarial science, computer science, economics, engineering, environmental science, finance, forensics, law, management, marketing, and psychology.
- Develop and offer risk management and insurance education, including education that recognizes risks in areas such as the environment, pandemic disease, and digital security.
- Offer programs, workshops, case studies, and applied research studies that integrate technology and artificial intelligence with soft skills while preparing students and professionals for the technology-enabled insurance industry of the future.

Postsecondary Educational Institution Funding

Present Situation

Procurement Regulations for Universities

The Board of Governors (BOG) must develop guidelines for university boards of trustees relating to the acquisition of real and personal property, the sale and disposal of the approval and execution of contracts for the purchase, sale, lease, license, or acquisition of commodities, goods, equipment, contractual services, leases of real and personal property, and construction.¹⁴

Each board of trustees is required to comply with statutory requirements related to the procurement of professional services.¹⁵ Professional services includes services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.¹⁶ Procurement of professional services requires a prequalification process based on qualifications, which is then followed by negotiations to establish a fair, competitive, and reasonable price for the desired services.¹⁷

Postsecondary Tuition and Fees

¹⁴ Section 1001.706(7), F.S.

¹⁵ *Id.*

¹⁶ Section 287.055(2)(a), F.S.

¹⁷ Section 287.055, F.S.

Under Florida law, “tuition” is defined as the basic fee charged to a student for instruction provided by a public postsecondary educational institution in the state.¹⁸ All students enrolled in college credit programs at state universities and Florida College System (FCS) institutions are required to pay fees, except students that are exempt or those whose fees are waived. The BOG may set tuition for graduate and professional programs and out-of-state fees for all state university programs. Except as otherwise provided in law, the sum of tuition and out-of-state fees assessed to nonresident students must be sufficient to offset the full instructional cost of serving such students. The BOG is authorized to adjust out-of-state fees or tuition for graduate programs and professional programs as long the adjustments do not exceed 15 percent in any year.¹⁹

The resident undergraduate tuition rate for the State University System (SUS) is currently set in statute at \$105.07 per credit hour.²⁰ Out-of-state fees for universities vary by institution, ranging from \$521.02 (at the University of South Florida) to \$897.06 (at the University of Florida) per credit hour for the 2022-23 academic year.²¹

For FCS institutions, the tuition rates are also set in statute.²² For baccalaureate programs, the tuition rate is \$91.79 per credit hour, and the out-of-state fee is indexed to the nearest state university.²³ For all other college credit programs, the tuition rate is \$71.98 and the out-of-state fee is \$215.94 per credit hour. The boards of trustees for FCS institutions are allowed to vary tuition and out-of-state fees by no more than 10 percent below and 15 percent above the rates established in statute.²⁴

Waivers from specified fees are authorized for certain students who meet identified criteria. Some waivers are mandatory, while others are permissive for institutions. For example, each university board of trustees is authorized to waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.²⁵

End-of-Year Carry Forward Balances

Currently, each state university is required to maintain a minimum carry forward balance of at least 7 percent of its state operating budget.²⁶ If a university retains a state operating fund carry forward balance in excess of 7 percent, it must submit a spending plan for the excess carry forward balance to the BOG.²⁷ The authorized expenditures in the spending plan include:

- Commitment of funds to a public education capital outlay project for which an appropriation has previously been provided that requires additional funds for completion and which is included in the BOG’s prioritized list of projects.
- Completion of renovation, repair or maintenance projects, up to \$5 million per project and replacement of a minor facility that does not exceed 10,000 gross square feet in size up to \$2 million.
- Completion of a remodeling or infrastructure project, including a project for a developmental research school, up to \$10 million per project, if such project is recommended in the education plant survey.
- Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the educational plant survey.
- Operating expenditures that support the university mission and that are nonrecurring.
- Any purpose specified by the board or in the GAA.

¹⁸ Section 1009.01(1), F.S.

¹⁹ Section 1009.24, F.S.

²⁰ Section 1009.24(4)(a), F.S.

²¹ State University System of Florida, Tuition and Required Fees, 2022-23, available at https://www.flbog.edu/wp-content/uploads/2023/01/2022-2023-SUS-Tuition-and-Fees-Report_updated-with-footnote.pdf.

²² Section 1009.23, F.S.

²³ Section 1009.23((3)(b)), F.S.

²⁴ Section 1009.23(4), F.S.

²⁵ Section 1009.26(9), F.S.

²⁶ Section 1011.45(1), F.S.

²⁷ Section 1011.45(2), F.S.

- A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor.²⁸

Additionally, there are limitations on the use of funds for comprehensive educational plant needs.²⁹ University boards of trustees are authorized to utilize funds appropriated for the replacement of minor facilities provided the cost does not exceed \$1 million in cost or 10,000 gross square feet in size.³⁰ If the work associated with repair or renovation is greater than or equal to the cost of replacement, the work associated with the minor facility is considered a replacement and beyond the scope of maintenance.³¹

Currently, each FCS institution with a final FTE of less than 15,000 for the prior year must maintain a minimum carry forward balance of at least 5 percent of its state operating budget.³² If a FCS institution carries a balance forward in excess of 5 percent, it must submit a spending plan to its board of trustees.³³ Each FCS institution with a final FTE of 15,000 or greater must maintain a carry forward balance of at least 7 percent of its state operating budget.³⁴ If a FCS institution with a final FTE of 15,000 or greater carries a balance forward in excess of the 7 percent, it must submit a carry forward spending plan with estimated expenditures.³⁵ The authorized expenditures in the spending plan may include:

- Commitment of funds to a public education capital outlay project for which an appropriation was previously provided, which requires additional funds for completion, and which is included in the prioritized projects list adopted by the State Board of Education (SBE).
- Completion of a renovation, repair, or maintenance project up to \$5 million per project;
- Completion of a remodeling or infrastructure project, up to \$10 million per project;
- Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the education plant survey.
- Operating expenditures that support the FCS institution's mission that are nonrecurring; or
- Any purpose approved by the SBE or specified in the GAA.
- A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor.³⁶

The price of construction materials and services increased by 12.6 percent in 2022 as compared to 2021.³⁷ The significant increases in construction costs, in conjunction with the statutory limitations on the amount of funds that may be used for maintenance, remodeling, or infrastructure projects, has created challenges for both SUS and FCS institutions.

Limitations on Compensation for State University and FCS Institution Employees

Currently, a state university employee or FCS institution administrative employee may not receive more than \$200,000 from state appropriated funds in salary, bonuses, or cash-equivalent compensation, excluding health and retirement benefits, from a university or college for work performed.³⁸ The term

²⁸ Section 1011.45(3), F.S.

²⁹ Section 1013.01, F.S., defines the term “educational plant” to mean the “educational facilities, site, and site improvements necessary to accommodate students, faculty, administrators, staff, and the activities of the educational program of each plant.”

³⁰ Section 1013.64(1)(h), F.S.

³¹ Section 1013.64, F.S.

³² Section 1013.841(2)(a), F.S.

³³ Section 1013.841(2)(b), F.S.

³⁴ Section 1013.841(3)(a), F.S.

³⁵ Section 1013.841(3)(b), F.S.

³⁶ Section 1013.841(4), F.S.

³⁷ Florida Construction News, *Construction material costs post double-digit increases in 2022*,

<https://www.floridaconstructionnews.com/construction-material-costs-post-double-digit-increases-in-2022-FloridaConstructionNews> (last visited Apr. 6, 2023).

³⁸ Sections 1012.886 and 1012.976, F.S.

“appropriated state funds” means funds appropriated from the General Revenue Fund or funds appropriated from state trust funds.³⁹

Bonuses for State University Employees

In 2021, the Legislature authorized the board of trustees of a state university to implement a bonus scheme based on awards for work performance or employee recruitment and retention. Prior to implementation, the board of trustees must submit the bonus scheme, including the evaluation criteria by which a bonus will be awarded, to the BOG for approval.⁴⁰

Effect of Proposed Changes

The bill removes state universities from statutory requirements for educational facilities contracting and construction techniques. The bill requires the BOG to develop regulations for university boards of trustees relating to procedures for contracting for construction of new facilities, or for additions, remodeling, renovation, maintenance, or repairs to existing facilities. Such regulations must be developed no later than October 1, 2023. The bill also removes the requirement that universities must comply with requirements relating to the procurement of professional services unless the contracts were executed, extended, or amended on or before September 30, 2023.

The bill authorizes a state university or FCS institution to waive the out-of-state fee for a student who is an intercollegiate athlete receiving an athletic scholarship. Additionally, the bill authorizes FCS institutions to provide fee waivers for interns and individuals over the age of 60, in the same manner currently permitted for state universities.

The bill provides more flexibility to universities and colleges regarding the use of carry forward fund balances by:

- Removing the restriction from using the funds on only nonrecurring expenditures;
- Removing the caps on using the funds for renovation, repairs, or maintenance projects; replacement of minor facilities; and completion of remodeling or infrastructure projects; and
- Allowing state universities to use the funds for escrow accounts that are required for a new construction, remodeling, or renovation project to be considered for state funding.⁴¹

For SUS institutions, the bill removes the definition of “state appropriated funds” and defines the term “public funds” to mean funds appropriated from the General Revenue Fund, funds appropriated from state trust funds, or tuition and fees. The bill increases the limit on compensation a state university employee may receive annually from public funds from \$200,000 to \$250,000. The bill provides for the same increase, from \$200,000 to \$ 250,000, to the limit on compensation from state appropriated funds for a FCS institution administrative employee.

The bill removes the cost and space restrictions, currently \$1 million in cost or 10,000 gross square feet, respectively, for which funds from the Public Education Capital Outlay and Debt Service Trust Fund may be used to replace minor facilities at state universities.

The bill amends the authorized bonus program for state universities by requiring each board of trustees to submit an annual report to the BOG related to any such bonuses and requiring the BOG to develop a regulation governing these bonus programs.

B. SECTION DIRECTORY:

Section 1: Amends s. 212.055, F.S.; to clarify the types of students that are counted for the proportionate share of school capital outlay surtax.

³⁹ *Id.*

⁴⁰ Section 1012.978, F.S.

⁴¹ *See* s. 1001.706(12)(c), F.S.

- Section 2:** Amends s. 1001.706, F.S.; requiring the Board of Governors to develop regulations for university boards of trustees relating to contracting for the construction of new facilities or for work on existing facilities; providing requirements for certain contracts executed or amended before a specified date.
- Section 3:** Creates s. 1004.3841, F.S.; creating the Institute for Risk Management and Insurance Education within the College of Business at the University of Central Florida; requiring the institute to be located in a specified county.
- Section 4:** Amends s. 1009.26, F.S.; providing that certain fee waivers apply to Florida College System institutions in addition to state universities; authorizing a state university or Florida College System institution to waive the out-of-state fee for a student who is an intercollegiate athlete receiving a scholarship.
- Section 5:** Amends s. 1011.45, F.S.; revising the list of authorized expenditures that may be included in a carry forward spending plan for state universities.
- Section 6:** Amends s. 1012.886, F.S.; revising a limitation on compensation for Florida College System administrative employees.
- Section 7:** Amends s. 1012.976, F.S.; revising and providing definitions; revising a limitation on compensation for state university employees.
- Section 8:** Amends s. 1012.978, F.S.; requiring university boards of trustees to submit an annual report to the Board of Governors when awarding bonuses; requiring the board to develop a regulation.
- Section 9:** Amends s. 1013.45, F.S.; revising applicability of certain educational facilities contracting and construction techniques.
- Section 10:** Amends s. 1013.62, F.S.; deleting obsolete language; making technical changes; revising the calculation methodology for the distribution of specified revenue to eligible charter schools; providing school district requirements for the distribution of capital outlay funds to charter schools.
- Section 11:** Amends s. 1013.64, F.S.; deleting cost and size limitations applicable to certain minor facilities.
- Section 12:** Amends s. 1013.841, F.S.; revising the list of authorized expenditures that may be included in a carry forward spending plan for Florida College System institutions.
- Section 13:** Provides and effective date of July 1, 2023.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See FISCAL COMMENTS.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Charter School Capital Outlay

School districts are estimated to collect \$4.4 billion from the discretionary 1.5 millage in Fiscal Year 2023-2024. After deducting debt service and special facilities participation requirements, the adjusted millage revenue is estimated to be \$3.5 billion. For Fiscal Year 2023-2024, charter school capital outlay enrollment is expected to total 371,253 FTE or 13.6 percent of total capital outlay FTE enrollment in public schools. Based on these enrollment estimates, \$490.2 million would be shared with eligible public charter schools, absent any appropriation of state funds.

The House proposed GAA for Fiscal Year 2023-2024 provides an appropriation of \$213.4 million from the Public Education Capital Outlay and Debt Service (PECO) Trust Fund for charter school capital outlay.⁴² After deducting the state appropriation, it is estimated the school districts would be required to distribute \$279.5 million to eligible charter schools in the upcoming fiscal year. This equates to eight percent of the adjusted statewide millage revenue.

Institute for Risk Management & Insurance Education

The bill establishes the Institute for Risk Management and Insurance Education within the College of Business at the University of Central Florida. The bill specifies the university is to leverage existing assets, take advantage of its robust portfolio of academic program offerings, and draw on its faculty and industry experts. The House proposed GAA for Fiscal Year 2023-2024 provides an appropriation of \$5.8 million to establish the institute.⁴³

Postsecondary Educational Institution Funding

The bill does not increase or decrease state revenues or expenditures. To the extent state universities and FCS institutions utilize the additional flexibility provided by the bill, their revenues and expenditures will be affected by an indeterminate amount.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

⁴² See Specific Appropriation 15 of HB 5001, as Introduced.

⁴³ See Specific Appropriation 143 of HB 5001, as Introduced.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.