

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 633 Class Size
SPONSOR(S): Education Quality Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Education Quality Subcommittee		Dixon	Sanchez

SUMMARY ANALYSIS

The Florida Education Finance Program (FEFP) is the primary mechanism for funding the operating costs of Florida school districts and is the foundation for financing Florida's K-12 educational program. In addition to FEFP funds, the Legislature uses major categorical funding programs to provide school districts funds for specific purposes, such as class size reduction for core-curricula courses.

Under current Florida law, compliance with class size reduction requirements is calculated at the classroom level for traditional public schools and at the school level for charter schools, district-operated schools of choice schools of excellence, innovation schools of technology, and schools participating in the Principal Autonomy Program Initiative.

Districts and charter schools that are out of compliance with class size requirements will have a reduction in class size categorical funding. Up to 25 percent of reduction will be reallocated to districts and charter schools that comply with class size requirements. The remaining balance is restored to districts and charter schools that are not in compliance but have submitted a certified plan to the Commissioner of Education explaining the actions the district or charter school will take to ensure compliance. The reallocations for traditional public schools, district-operated schools of choice, and charter schools are each calculated separately based on their respective reduction amounts.

This bill repeals the penalty for schools that exceed the class size maximums.

For a student whose parent is an active duty military personnel and meets the eligibility criteria for special academic programs offered through public schools, the bill allows for the student to be enrolled in the program if the student's parent is transferred to the state during the school year.

The bill also provides that a student whose parent is on active military duty and is transferred within the state after the controlled open enrollment window, can enroll in any school within the school district.

The bill does not appear to have a fiscal impact on state government and a positive fiscal impact on local government. See fiscal comments.

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

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Maximum Class Size Requirements

In 2002, voters approved the Class Size Reduction Amendment to Section 1, Article IX of the Florida's Constitution that sets limits on the number of students in classes attending public schools.¹ The amendment requires the Legislature, by the beginning of the 2010 school year, to make adequate provisions to ensure that there are a sufficient number of classrooms in Florida so that the maximum number of students assigned to each teacher, who is teaching core-curricula courses², does not exceed:

- 18 students for prekindergarten through grade 3;
- 22 students for grades 4 through 8; and
- 25 students for grades 9 through 12.

Additionally, the amendment requires that the Legislature provide sufficient funds, beginning in Fiscal Year (FY) 2003-2004, for school 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. Under the initial implementing statute³, compliance with the class size requirements was to be determined at the:

- district level for each of the three grade groupings during FYs 2003-2004, 2004-2005, and 2005-2006;
- school level for each of the three grade groupings in FYs 2006-2007 and 2007-2008;
- individual classroom level for each of the three grade groupings in FY 2008-2009 and thereafter.

The timeframe for measuring class size at the school level was extended twice. In 2008, the Legislature extended school level measurement through FY 2008-2009.⁴ The next year, the Legislature extended this timeframe by one more year, thereby delaying measurement of class size at the individual classroom level until FY 2010-2011 and thereafter.⁵ Legislation enacted in 2010 established the compliance calculation for charter schools at the school level average.⁶ Legislation enacted in 2013 granted the same treatment to district-operated schools of choice⁷ and district innovation schools of technology.⁸ Subsequently, legislation enacted in 2016 and 2017 extended the compliance calculation using the school level average to schools participating in the Principal Autonomy Program Initiative⁹ and Schools of Excellence.¹⁰

In 2013, the Legislature added a provision to exempt “blended learning courses” from the core courses required to be in compliance with class size.¹¹

Class Size Reduction Funding

¹ Art. IX, s. 1(a), Fla. Const.

²Section 1003.01(14), F.S.

³ Section 2, ch. 2003-391, L.O.F.

⁴ Section 5, ch. 2008-142, L.O.F.

⁵ Section 13, ch. 2009-59, L.O.F.

⁶ Section 1002.33(16)(b)3., F.S., as created in section 6, ch. 2010-154, L.O.F.

⁷ Section 9, ch. 2013-250, L.O.F.

⁸ Section 1002.451, F.S., as created in section 10, ch. 2013-250, L.O.F.

⁹ Section 1, ch. 2016-223, L.O.F.

¹⁰ Section 1003.631(2)(e), F.S., as created in section 7, ch. 2017-116, L.O.F.

¹¹ Section 1003.01(14), F.S., as created in section 3, ch. 2013-225, L.O.F.

To implement the class size amendment, the Legislature annually appropriates class size reduction categorical funding for school 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 \$49.4 billion for operational expenses and over \$2.5 billion in facilities funding to implement the Class Size Reduction Amendment.

History of Funding for Class Size Reduction¹²			
Fiscal Year	Operating Funds	Facilities Funds	Total Funds
2003-2004	\$ 468,198,634	\$ 600,000,000	\$ 1,068,198,634
2004-2005	\$ 972,191,216	\$ 100,000,000	\$ 1,072,191,216
2005-2006	\$ 1,507,199,696	\$ 83,400,000	\$ 1,590,599,696
2006-2007	\$ 2,108,529,344	\$1,100,000,000	\$ 3,208,529,344
2007-2008	\$ 2,640,719,730	\$ 650,000,000	\$ 3,290,719,730
2008-2009	\$ 2,729,491,033	\$ -	\$ 2,729,491,033
2009-2010	\$ 2,845,578,849	\$ -	\$ 2,845,578,849
2010-2011	\$ 2,913,825,383	\$ -	\$ 2,913,825,383
2011-2012	\$ 2,927,464,879	\$ -	\$ 2,927,464,879
2012-2013	\$ 2,974,748,257	\$ -	\$ 2,974,748,257
2013-2014	\$ 2,974,766,164	\$ -	\$ 2,974,766,164
2014-2015	\$ 3,013,103,776	\$ -	\$ 3,013,103,776
2015-2016	\$ 3,035,025,330	\$ -	\$ 3,035,025,330
2016-2017	\$ 3,071,776,000	\$ -	\$ 3,071,776,000
2017-2018	\$ 3,081,304,285	\$ -	\$ 3,081,304,285
2018-2019	\$ 3,097,618,502	\$ -	\$ 3,097,618,502
2019-2020	\$ 3,111,099,382	\$ -	\$ 3,111,099,382
2020-2021	\$ 3,145,795,385	\$ -	\$ 3,145,795,385
2021-2022	\$ 2,837,752,505	\$ -	\$ 2,837,752,505
2022-2023 ¹³	\$ 2,896,071,526	\$ -	\$ 2,896,071,526
Total	\$52,352,259,884	\$2,533,400,000	\$54,885,659,884

Accountability

The Department of Education (DOE) is required to reduce class size categorical funding for school districts and charter schools that are out of compliance with class size requirements.¹⁴ The penalty is calculated at the classroom level for traditional public schools¹⁵ and at the school level for charter schools¹⁶, district-operated schools of choice¹⁷, schools of excellence¹⁸, innovation schools of technology¹⁹, and schools participating in the Principal Autonomy Program Initiative.²⁰ The DOE must calculate the penalty for traditional public schools out of compliance as follows:²¹

Step 1: Identify, for each grade group, the number of classrooms that exceed the maximum and the total number of students which exceeds the maximum for all classes.

¹² Florida Department of Education, *Class Size Implementation Budget*, <https://www.fldoe.org/finance/budget/class-size/> (last visited Jan. 11, 2023).

¹³ Florida Department of Education, 2022-23 FEFP Third Calculation, available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/2223FEFPThirdCalc.pdf>.

¹⁴ Section 1003.03(4), F.S.

¹⁵ Section 1003.03(4)(a), F.S.; the DOE has reported in FY 2022 that there are 9,842 traditional public school classrooms.

¹⁶ Section 1002.33(16)(b)3., F.S.; the DOE has reported in FY 2022 that there are 700 charter schools and 6 lab schools.

¹⁷ Section 1002.31(5), F.S.; the DOE has reported in FY 2022 that there are 2,952 district-operated schools of choice.

¹⁸ Section 1003.631(2)(e), F.S.

¹⁹ Section 1002.451, F.S.

²⁰ Section 1011.6202(3)(b)7., F.S.

²¹ Section 1003.03(4)(a), F.S.

Step 2: Determine the number of full-time equivalent (FTE) students which exceeds the maximum for each grade group.

Step 3: Multiply the total number of FTE students over the maximum for each grade group 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 groups.

Step 4: Multiply the total number of FTE students over the maximum for all classes by an amount equal to 100 percent of the base student allocation adjusted by the district cost differential.²²

A school district's class size reduction operating categorical allocation is then reduced by an amount equal to the sum of the calculations in Steps 3 and 4.²³ The amount of funds reduced is the lesser of the DOE's calculation or the undistributed balance of the school district's class size reduction categorical allocation.²⁴

The district operated schools of choice and charter school reductions are calculated using the same methodology as traditional public schools, except that compliance is measured at the school-level average. The district-operated schools of choice and charter school reduction calculations are independent of each other and of the traditional public school reduction calculation. The amount of funds reduced for a school district is the lesser of the sum of the reduction amounts for traditional public schools, district-operated schools of choice and charter schools, or the undistributed balance of the district's class size categorical allocation.²⁵

If a district made appropriate efforts to reduce class sizes but still failed to achieve compliance or an emergency caused noncompliance, the Commissioner of Education (commissioner) is authorized to recommend an alternative transfer amount for approval by the Legislative Budget Commission.²⁶ Once the reduced amount is determined, the commissioner must prepare a reallocation of funds made available as a bonus 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.²⁷

The tables below show the history for the calculated initial reduction, the adjusted reduction post appeals, and the reallocations of funds for schools in compliance.²⁸

History of Class Size Transfer and Reallocation Calculations For Traditional Public Schools			
FY	Initial Reduction	Reduction Adjusted	Reallocation for Schools in Compliance
2003-04	\$21,488,179	\$1,479,948	
2004-05	\$11,354,475	\$1,076,719	
2005-06	\$5,222,735	\$496,059	
2006-07	\$7,836,834	\$3,273,943	
2007-08	\$5,330,411	\$333,302	
2008-09	\$1,396,108	\$0	

²² In Fiscal Year, 2022-2023, the class size reduction allocation per FTE student is \$964.60 for grades prekindergarten through grade 3, \$920.98 for grades 4-8, and \$923.21 for grades 9-12 and the base student allocation is \$4,587.40. Sections 6 and 86, ch. 2022-156, L.O.F.

²³ Section 1003.03(5)(a)5., F.S.

²⁴ Section 1003.03(4)(b), F.S.

²⁵ *Id* at 15 and 16.

²⁶ Section 1003.03(4)(c), F.S.

²⁷ Section 1003.03(4)(d), F.S.

²⁸ Florida Department of education, Class Size Reduction – Memorandums, <https://www.fldoe.org/finance/budget/class-size/class-size-reduction-memorums.html> (last visited Jan. 12, 2023).

2009-10	\$1,912,030	\$267,263	
2010-11	\$40,795,637	\$31,305,124	\$7,826,281
2011-12	\$58,749,605	\$43,407,465	\$10,851,866
2012-13	\$26,965,789	\$22,698,784	\$5,674,696
2013-14	\$12,674,357	\$9,558,513	\$2,389,628
2014-15	\$11,306,609	\$1,260,083	\$315,021
2015-16	\$2,302,910	\$921,429	\$230,357
2016-17	\$2,562,990	\$724,620	\$181,155
2017-18	\$232,550	\$123,955	\$30,989
2018-19	\$1,092,986	\$392,103	\$98,026
2019-20	\$633,808	\$50,723	\$12,681
2020-21 ²⁹	N/A	N/A	N/A
2021-22	\$603,517	\$113,701	\$28,425

History of Class Size Transfer and Reallocation Calculations For Charter Schools			
FY	Initial Reduction	Reduction Adjusted	Reallocation for Schools in Compliance
2003-04	\$0	\$0	
2004-05	\$0	\$0	
2005-06	\$0	\$0	
2006-07	\$6,831,504	\$2,724,878	
2007-08	\$802,515	\$194,836	
2008-09	\$0	\$0	
2009-10	\$0	\$0	
2010-11	\$2,292,191	\$355,539	\$88,885
2011-12	\$3,921,323	\$652,851	\$163,213
2012-13	\$1,570,397	\$431,345	\$107,836
2013-14	\$835,448	\$204,863	\$51,216
2014-15	\$2,789,830	\$562,397	\$140,599
2015-16	\$3,763,908	\$816,147	\$204,037
2016-17	\$5,075,827	\$859,117	\$214,779
2017-18	\$2,242,009	\$1,170,120	\$292,530
2018-19	\$617,981	\$133,435	\$33,359
2019-20	\$1,352,176	\$0	\$0
2020-21 ³⁰	N/A	N/A	N/A
2021-22	\$1,903,769	\$51,755	\$12,939

History of Class Size Transfer and Reallocation Calculations For District-Operated Schools of Choice			
FY	Initial Reduction	Reduction Adjusted	Reallocation for Schools in Compliance
2013-14	\$1,129,183	\$475,592	\$118,898
2014-15	\$421,513	\$177,347	\$44,337
2015-16	\$927,533	\$194,578	\$48,645
2016-17	\$305,915	\$115,534	\$28,884
2017-18	\$395,563	\$64,684	\$16,171

²⁹ Pursuant to DOE Emergency Order NO. 2020-EO-06, Section III.a., the FEFP funding was not reduced based on the July and October 2020 FTE student membership surveys for districts with an approved reopening plan. Because all school districts had an approved plan, class size categorical funding for the 2020-21 fiscal year remained as calculated in the 2020-21 FEFP Second Calculation. Thus, the funding adjustment for noncompliance with class size requirements, as outlined in s. 1003.03(4), F.S., was not administered.

³⁰ *Id.*

2018-19	\$844,802	\$653,264	\$163,316
2019-20	\$956,440	\$240,200	\$60,050
2020-21 ³¹	N/A	N/A	N/A
2021-22	\$8,030,525	\$945,293	\$236,323

Districts and charters schools that fail to comply with class size requirements must submit a plan to the commissioner by February 1, which describes the actions that they will take in order to be in compliance by October of the following year. For districts and charter schools that submit the plan by the required deadline, 75 percent of the funds remaining after the reallocation calculation for schools in compliance must be added back to the district’s class size categorical allocation based on each qualifying district’s proportion of the total 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.³²

Effects of Proposed Changes

This bill repeals the penalty for schools that exceed class size maximums; however, the bill maintains the requirement for the department to monitor compliance and require a compliance plan for any school that exceeds class size limitations.

Present Situation

Assistance to Transitioning Students from Military Families

Children in active-duty military families face unique educational challenges. The average military family moves three times more often than the average non-military family. These frequent moves can cause children to miss out on extracurricular activities and to face challenges in meeting graduation requirements.³³

The Interstate Compact on Educational Opportunity for Military Children (Compact) assists member states in uniformly addressing educational transition issues faced by active-duty military families. The Compact will ensure that the children of military families are afforded the same opportunities for educational success as other children and are not penalized or delayed in achieving their educational goals by inflexible administrative and bureaucratic practices. States participating in the Compact would work to coordinate graduation requirements, transfer of records and course placement and other administrative policies. The Compact was developed by the Council of State Governments, in cooperation with the U.S. Department of Defense (DoD).³⁴

Additionally, the Legislature recognizes the challenges faced by military students and requires the Florida Department of Education (department) to assist in the transition of these students in military families by:³⁵

- improving the timely transfer of records;
- developing systems to ease student transition during the first two weeks of enrollment;
- promoting practices which foster access to extracurricular programs;
- establishing procedures to lessen the adverse impact of moves;
- encouraging or continuing partnerships between the military base and the school system;
- providing services for transitioning students when applying to and finding funding for postsecondary study; and
- providing other assistance as identified by the department, school, and military personnel.

³¹ *Id.*

³² Section 1003.03(4)(e), F.S.

³³ Council of State Governments, Interstate Compact on Education Opportunity for Military Children, available at [The Military Interstate Compact | DoDEA](#) (last visited Feb. 14, 2023).

³⁴ *Id.*

³⁵ Section 1003.05(1), F.S.

The department is further required to facilitate the development and implementation of memoranda of agreement between school districts and military installations, which address strategies for assisting students who are the children of active duty military personnel in the transition to Florida schools.³⁶

The department also provides for special accommodations to students of military families transitioning between schools. A dependent child of active duty military personnel who meets the eligibility criteria for a special academic program³⁷ at a public school is given preference for admission even if the program is offered through a different public school than the school at which the student would be assigned.

Further, a student whose parent is transferred or is pending a transfer to a military installation within a school district pursuant to a military order is considered a resident of the school district for purposes of enrollment at the point in time in which the order is submitted to the district, and is given preferential treatment in the controlled open enrollment process.³⁸

Effects of Proposed Changes

For a student whose parent is an active duty military personnel and meets the eligibility criteria for special academic programs offered through public schools, the bill allows for the student to be enrolled in the program if the student's parent is transferred to the state during the school year.

The bill also provides that a student whose parent is on active military duty and is transferred within the state after the controlled open enrollment window, can enroll in any school within the school district.

B. SECTION DIRECTORY:

- Section 1:** Amends s. 1003.03, F.S.; deleting a specified reduction calculation for certain school district funding for school districts that fail to meet certain class size requirements.
- Section 2:** Amends s. 1003.05, F.S.; providing dependent children of active duty military personnel must be enrolled in certain programs; authorizing certain students of military personnel to enroll in any school within the school district under certain circumstances.
- Section 3:** Provides an effective date of July 1, 2023.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

³⁶ Section 1003.05(2), F.S.

³⁷ Special academic programs include magnet schools, advanced studies programs, advanced placement, dual enrollment, Advanced International Certificate of Education, and International Baccalaureate. See s. 1003.05(3), F.S.

³⁸ Section 1003.05(4), F.S.

1. Revenues:
See Fiscal Comments.

2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill does not appear to have a fiscal impact on state government and a positive fiscal impact on local government. The revisions this bill makes to repeal the calculations for school districts that exceed the class size maximum would eliminate the penalty assessed against such school districts.

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

Not Applicable.