



## TAXATION AND BUDGET REFORM COMMISSION

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### Staff Analysis and Economic Impact Statement

Measure: CS/CP26

REFERENCE:

ACTION:

Sponsor: Commissioner Turbeville

1. PBPC

Favorable

2. GPSC

Fav/CS

Subject: Sixty-five percent of school district funding for classroom instruction

3. TBRC

Pre-meeting

Date: March 28, 2008

#### I. Summary:

Committee Substitute for Constitutional Proposal 26 amends the State Constitution to require that sixty-five percent of school funding received by school districts be spent on classroom instruction, rather than administration.

The Legislature will define classroom instruction and administration in statute, and address the differences in administrative expenditures by district for transportation and food services, and any other necessary services.

#### II. Present Situation:

Across the nation, policymakers, taxpayers, and public school officials are seeking ways to maximize the impact of school funding and address issues such as teacher shortages, teacher salaries, and class size initiatives. The "65 Percent Solution" proposal is a national effort to direct education funding to the classroom. First Class Education, a Washington-based organization promoting the "65 Percent Solution," quotes three potential benefits of the proposal: 1) increasing the amount of money spent in the classroom without increasing taxes; 2) reducing the amount of money spent on administrative costs by making districts accountable for how they spend their money; and 3) improving student performance by focusing on classroom activities.<sup>1</sup> The goal of the initiative is to pass legislation in all 50 states and the District of Columbia requiring every school district to spend at least 65 percent of the education operation budget "in the classroom."

<sup>1</sup>First Class Education:<http://www.firstclasseducation.org/> (Last visited January 21, 2008).

According to Florida TaxWatch, “the 65 percent solution highlights the importance of increasing the efficiency of non-instructional services so that savings in these areas can be directed to instructional services.”<sup>2</sup>

The First Class Education organization began its initiative after evaluating instructional expenditures from every state and the District of Columbia. The evaluation indicated that no Florida school district spent more than 65 percent of its education operating budget on instruction.

Florida spent 58.8 percent of the education operating budget on instruction compared to the national average of 61.3 percent in 2002-2003, according to the National Center for Education Statistics (NCES). Florida is currently spending an average of 59.16 percent of its education operating budget on “instruction” and ranks 43rd among all states and the District of Columbia.<sup>3</sup>

Article IX, s. 1(a), Fla. Const. states that “The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders.”<sup>4</sup> This constitutional amendment supports the efforts of the state to provide a high-quality education for kindergarten through 12<sup>th</sup> grade students. The amendment prioritizes the use of school funding and requires that these funds be used primarily for classroom instruction.

### **III. Effect of Proposed Changes:**

This measure provides that, beginning with the 2009-2010 school year, at least 65 percent of school funds received by school districts be spent on classroom instruction. The Legislature will define, by law, classroom instruction and administration, and address the differences in administrative expenditures by district for transportation and food services, and any other necessary services.

### **IV. Constitutional Issues:**

#### **A. Constitutional or Statutory**

The purposes of this amendment can be addressed by the Legislature through law. Several states, such as Georgia, Kansas, Oregon, and Illinois, have proposed legislation to address the initiative.

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<sup>2</sup> Florida TaxWatch, “*Florida’s Constitutional Mandate for a Quality Educational System: How Do We get From Here to There?*”: <http://www.floridataxwatch.org/research/archived.php#2006> (Last visited January 21, 2008).

<sup>3</sup> First Class Education: <http://www.firstclasseducation.org/> (Last visited January 21, 2008).

<sup>4</sup> Article IX, s. 1(a), Fla. Const.

**B. Other Constitutional Issues**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

The constitutional amendment does not appear to have a fiscal impact on taxes or fees.

**B. Private Sector Impact:**

The constitutional amendment does not appear to have a fiscal impact on the private sector.

**C. Government Sector Impact:**

If passed by the electors, this measure will require the Legislature to adopt implementing legislation.

Under Art. XI, s. 5(d), Fla. Const., the Secretary of State must publish in newspapers throughout the state proposed constitutional amendments and notice of the date of the election at which it will be submitted to the electors. According to the Department of State, the average publishing costs for citizen initiative amendments is \$60,000. However, the cost to publish lengthy amendments will exceed that amount.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.