

**CHAPTER 2001-374**  
**House Bill No. 13-C**

An act relating to education funding; creating the “K-20 Funds Flexibility Act”; granting the Commissioner of Education and Secretary of Education flexibility with respect to specified provisions; providing for school district flexibility in the expenditure during the 2001-2002 fiscal year of specified funds appropriated in ch. 2001-253, Laws of Florida; providing for reports; providing for districts to use reserved funds for classroom instruction; providing for compliance with s. 230.23, F.S.; repealing paragraph 7 of proviso language for Specific Appropriation 118, ch. 2001-253, Laws of Florida, which provides for calculation of a minimum guaranteed level of funding for school districts; providing flexibility for community college and university boards of trustees in amending operating budgets; providing flexibility for community college boards of trustees to transfer funds between specified programs; providing that transfers must meet certain criteria and improve the ability to meet performance expectations; amending s. 235.187, F.S.; providing for loans of Classrooms First Program cash proceeds between school districts; providing for expiration; providing an effective date.

WHEREAS, the Legislature has established a Seamless K-20 education governance system, NOW THEREFORE, Be It Enacted by the Legislature of the State of Florida:

Section 1. This act may be cited as the “K-20 Funds Flexibility Act.”

Section 2.

(1) Notwithstanding section 216.292(3)(a) and (b), Florida Statutes, and pursuant to section 216.351, Florida Statutes, the Commissioner of Education and the Secretary of Education may transfer funds from identical fund sources between Salaries and Benefits, Other Personal Services, Expenses, and Operating Capital Outlay within, but not among, the budget entities listed below:

- (a) Office of Student Financial Assistance;
- (b) Division of Public Schools—Executive Direction and Support Services;
- (c) State Oversight and Assistance—Public Schools;
- (d) Division of Workforce Development—Executive Direction and Support Services;
- (e) Division of Community Colleges—Executive Direction and Support Services; and
- (f) Division of Universities—Board of Regents General Office.

(2) Transfers pursuant to this section may not exceed the number of authorized positions and the approved salary rate.

(3) Transfers pursuant to this section must be consistent with K-20 legislative policy and intent and must not adversely affect the oversight, evaluation, or reporting duties for the Department of Education.

(4) **The Secretary of Education shall report to the Florida Board of Education the amount of funds transferred pursuant to this section and the purpose of the transfer.**

Section 3.

(1)(a) During the 2001-2002 fiscal year, each district school board is authorized the following flexibility to expend funds allocated to the school district from the appropriations in chapter 2001-253, Laws of Florida:

1. If a district school board finds and declares in a resolution adopted at a regular meeting of the school board that the funds received for any of the following programs are urgently **needed to maintain board-specified academic classroom instruction**, the school board may consider and approve an amendment to the school district’s 2001-2002 operating budget transferring the identified amount of funds to the appropriate account for expenditure:

- a. Section 236.083, Florida Statutes, Funds for Student Transportation, Specific Appropriation 121.
- b. Section 236.081(3), Florida Statutes, Funds for Inservice Educational Personnel Training, Specific Appropriation 122.
- c. Funds allocated for Safe Schools Activities, Specific Appropriation 118.
- d. Funds for Public School Technology, Specific Appropriation 120A.

- e. Funds for Teacher Recruitment Signing Bonuses, Specific Appropriation 119, which are in excess of the amount required to provide \$850 Teacher Retention Bonuses.
- f. Section 231.67, Florida Statutes, the Florida Teacher Lead Program Stipend, Specific Appropriation 122A, carry-forward funds only. Carry forward funds from this program may be used only after the district school board certifies to the department that every eligible teacher has received his or her stipend.

2. If the district school board finds that funds allocated for the purpose set forth in section 236.08104, Florida Statutes, Supplemental Academic Instruction, Specific Appropriation 118, are budgeted to be expended for nonclassroom instruction, the school board may consider and approve an amendment to the school district's 2001-2002 operating budget transferring such funds to **an appropriate academic classroom instruction account** for expenditure.

**(b) Each district school board shall report to the Department of Education the amount of funds it transferred from each of the programs identified in this subsection and the specific academic classroom instruction for which these funds were expended. The department shall provide instructions and specify the format to be used in submitting this required information. The department shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report showing the actions taken by each district school board and a statewide summary for all school districts.**

(2) During the 2001-2002 fiscal year, district school boards may use funds reserved to comply with section 230.23(5)(c), Florida Statutes, to maintain board-specified classroom instruction. However, each district's 2002-2003 adopted district school board budget must comply with section 230.23(5)(c), Florida Statutes.

Section 4. Paragraph 7 of the proviso language for Specific Appropriation 118 of chapter 2001-253, Laws of Florida, is repealed.

Section 5. (1) During the 2001-2002 fiscal year, community college boards of trustees and university boards of trustees may amend their operating budgets, but they must maintain the integrity of the legislative appropriations categories.

(2) Notwithstanding any provisions of law to the contrary and pursuant to the provisions of section 216.351, Florida Statutes, community college boards of trustees are granted flexibility to expend funds appropriated in the state appropriation categories of Workforce Development, Performance Based Incentives, and the Community College Program Fund as the board determines will enable it to best meet the financial needs of the college during fiscal year 2001-2002, regardless of any restrictions or earmarks that have been made by the Legislature. The expenditure decisions by the board must not affect the college's allocation from these specific appropriations in future state appropriations. In addition, this flexibility is also granted:

- (a) To each board to determine how the college will expend its appropriation from High Demand-Return on Investment categorical appropriation for fiscal year 2001-2002;
  - (b) To Miami-Dade Community College and Florida Community College at Jacksonville for funds originally appropriated for construction training; and
  - (c) To Lake-Sumter Community College for funds originally appropriated only for technology.
- (3) Transfers made pursuant to this section must not require future increases in appropriations and must further the mission of the institutions and improve the ability to meet performance expectations referenced in section 55 of chapter 2001-254, Laws of Florida. Maximum consideration must be given to maintaining instruction and other services for students.

Section 6. Subsection (2) of section 235.187, Florida Statutes, is amended and subsection (6) is added to that section to read:

235.187 Classrooms First Program; uses.—

(2) A district school board shall expend the funds received pursuant to this section only to:

- (a) Construct, renovate, remodel, repair, or maintain educational facilities; or
- (b) Pay debt service on bonds issued pursuant to this section, the proceeds of which must be expended for new construction, remodeling, renovation, and major repairs. Bond proceeds shall be expended first for providing permanent classroom facilities. Bond proceeds shall not be expended for any other facilities until all unmet needs for permanent classrooms and auxiliary facilities as defined in s. 235.011 have been satisfied; or.
- (c) Provide loans to other school districts for new school construction

pursuant to subsection (6). However, if more than 9 percent of a district's total square feet is more than 50 years old, the district must spend at least 25 percent of its allocation on the renovation, major repair, or remodeling of existing schools, except that districts with fewer than 10,000 full-time equivalent students are exempt from this requirement.

(6) School districts may enter into interlocal agreements to lend their Classrooms First Program funds as provided in paragraph (2)(c). A school district or multiple school districts that receive cash proceeds may, after considering their own new construction needs outlined in their 5-year district facilities work program, lend their Classrooms First Program funds to another school district that has need for new facilities. The interlocal agreement must be approved by the Secretary of Education and must outline the amount of the funds to be lent, the term of the loan, the repayment schedule, and any interest amount to be repaid in addition to the principal amount of the loan.

Section 7. This act shall take effect upon becoming a law and, except for section 6, expires June 30, 2002.

Approved by the Governor December 17, 2001.

Filed in Office Secretary of State December 17, 2001.