

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB PKA 18-01 PreK-12 Education Funding
SPONSOR(S): PreK-12 Appropriations Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: PreK-12 Appropriations Subcommittee		Seifert	Potvin

SUMMARY ANALYSIS

The bill conforms applicable statutes to the appropriations provided in the House proposed General Appropriations Act for Prekindergarten through grade 12 education for Fiscal Year 2018-2019.

The bill:

- Modifies the Florida Education Finance Program (FEFP) by:
 - Deleting the requirement that the 300 lowest-performing elementary schools on the statewide reading assessment must use their portion of the Supplemental Academic Instruction (SAI) allocation to implement an extra hour of reading instruction.
 - Requiring that schools who earned a grade of “D” or “F” pursuant to s. 1008.33, F.S., use their portion of the SAI allocation to implement the required intervention and support strategies for school improvement as listed in current law.
 - Requiring that for the Research-based Reading Instruction allocation only a school that earned a grade of “D” or “F” pursuant to s. 1008.33, F.S., must submit a comprehensive reading plan for review and approval by the Department of Education as part of the department’s monitoring, intervention, and support strategies required under s. 1008.33, F.S.
 - Requiring that for the Research-based Reading Instruction allocation the designation of the 300 lowest-performing elementary schools on the statewide reading assessment be based on a three-year average of the assessment data.
- Modifies the Principal Autonomy Pilot Program Initiative by:
 - Expanding the program to all school districts who apply and receive approval by the State Board of Education and deleting the term “pilot”.
 - Basing participation in the program upon available funds and on a first-come, first-serve basis.
 - Deleting the specific appropriation amount for school districts’ attendance at a national recognized school turnaround training program and making the provision subject to an annual appropriation.
 - Deleting the reporting requirement upon completion of the first 3-year pilot term.
- Clarifying the calculation methodology for the distribution of the discretionary 1.5 millage revenue to eligible charter schools by clarifying that the debt service obligation that can be reduced from the distribution is the debt service obligation incurred by March 1, 2017, which has not been subsequently retired.
- Allowing for the carry forward of undisbursed Schools of Hope Program funds for up to five years.

This bill takes effect July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Just Read, Florida! Office

Present Situation

Florida's history of reading instruction reform dates back to the early 1970s.¹ Since then, the state has implemented a number of initiatives to improve the reading performance of Florida's students. By 2001, Florida established statewide, standardized reading assessments to measure how well students in grades 3 through 10 had learned the state's reading standards² and the Just Read, Florida! Initiative, which was aimed at helping students, become successful, independent readers.³ In 2006, the Legislature formally created the Just Read, Florida! Office within the Department of Education.⁴

Current duties of the office include reviewing, evaluating, and approving school districts' K-12 comprehensive reading plans and providing technical assistance to school district with their implementation of such plans.

Effect of Proposed Changes

The bill amends s. 1001.215, Florida Statutes, to repeal the requirement for the Just Read, Florida! Office to review and approve K-12 comprehensive reading plans and to provide technical assistance with their implementation. Instead, such plans will be reviewed and approved by the Department of Education as part of the monitoring, intervention, and support strategies required under s. 1008.33, Florida Statutes.

Schools of Hope Program Fund

Present Situation

The Schools of Hope Program fund is created within the Department of Education.⁵ Current law⁶ authorizes a school of hope to receive funds from the Schools of Hope Program fund for statutorily identified expenditures. A traditional public school that is required to implement intervention and support strategies required pursuant to s. 1008.33, Florida Statutes, is eligible to receive up to \$2,000 per full-time equivalent (FTE) student from the Schools of Hope Program fund based on the strength of the school's plan for implementation and its focus on evidence-based interventions that lead to student success by providing wrap-around services that leverage community assets.⁷

Additionally, the Schools of Hope Revolving Loan Program is established within the Department of Education to provide assistance to hope operators, as defined in s. 1002.333, Florida Statutes, to meet school building construction needs and to pay for expenses related to the startup of a school of hope.⁸ The Schools of Hope Program fund is the state's fund source for the revolving loan program.

¹ Florida Department of Education, *History of Reading Policy in Florida: hearing before the House K-12 Education Subcommittee* (Sept. 17, 2015).

² Florida Department of Education, *A Chronology of Events: 2001*, <http://www.fldoe.org/accountability/assessments/k-12-student-assessment/history-of-fls-statewide-assessment/assessment-chronology/hsap01.shtml> (last visited on January 16, 2018).

³ Exec. Order No. 01-260 (2001).

⁴ Section 8, ch. 2006-74 L.O.F.

⁵ Section 43, ch. 2017-116.

⁶ s. 1002.333(10)(a), F.S.

⁷ s. 1002.333(10)(b), F.S.

⁸ Section 44, ch. 2017-116.

Current law allows funds for the Schools of Hope Revolving Loan Program that are not disbursed by June 30 of the fiscal year in which the funds are allocated to carry forward for up to 5 years.⁹

Effect of Proposed Changes

The bill amends s. 1002.333(10), Florida Statutes, to allow for the same carry forward provision for any funds not disbursed by June 30 of the fiscal year in which the funds are allocated for the Schools of Hope Program fund that funds the traditional public school grant program and the schools of hope statutorily identified expenditures.

Supplemental Academic Instruction Categorical

Present Situation

In 1999, the Legislature created the Supplemental Academic Instruction (SAI) Categorical Fund as part of the A+ Education Plan¹⁰ for assisting school districts in providing supplemental instruction to students in kindergarten through grade 12.¹¹

The SAI categorical funds are allocated annually to each school district in the amount provided in the General Appropriations Act. These funds are provided in addition to the funds appropriated on the basis of full-time equivalent (FTE) student membership in the Florida Education Finance Program (FEFP) and are included in the total funds for each district. For Fiscal Year 2017-2018, each school district that has one or more of the 300 lowest-performing elementary schools based on the statewide reading assessment must use these funds, together with the funds provided in the district's research-based reading instruction allocation, to provide an additional hour of intensive reading instruction¹². After this requirement has been met, school districts may use these funds for: modified curriculum, reading instruction, after-school instruction, tutoring, mentoring, class size reduction, extended school year, intensive skills development in summer school, and other methods for improving student achievement.

Effect of Proposed Changes

The bill modifies the FEFP SAI allocation by:

- Deleting the requirement that the 300 lowest-performing elementary schools based on the statewide reading assessment must use their portion of the SAI allocation to implement an extra hour of intensive reading instruction.
- Requiring that each school district that has a school earning a grade of "D" or "F" pursuant to s. 1008.34, Florida Statutes, use that school's portion of the SAI allocation to implement the intervention and support strategies required pursuant to s. 1008.33, Florida Statutes. For all other schools, the school district may use the SAI for eligible purposes currently described in law.

Researched-Based Reading Instruction Allocation

Present Situation

Funds for comprehensive, research-based reading instruction are allocated annually to each school district in the amount provided in the General Appropriations Act. Each eligible school district receives the same minimum amount as specified in the General Appropriations Act, and any remaining funds are distributed to eligible school districts based on each school district's proportionate share of K-12 base funding. These funds must be used to provide a system of comprehensive reading instruction to students enrolled in K-12 programs.

⁹ s. 1001.292(8), F.S.

¹⁰ Section 23, ch. 99-398, L.O.F.

¹¹ Florida House of Representatives, Council for Lifelong Learning, Supplemental Academic Instruction Fact Sheet (Sept. 2001) available at

<http://archive.flsenate.gov/data/publications/2002/house/reports/EdFactSheets/fact%20sheets/supplementalacademicinstruction.pdf>.

¹² s. 1011.62(1)(f), F.S.

Currently priority of the funds is to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year for the students in the 300 lowest-performing elementary schools based on the statewide reading assessment. This additional hour of instruction must be provided by teachers or reading specialists who are effective in teaching reading. Students enrolled in the schools that have level 5 reading assessment scores may choose to participate in the additional hour of instruction on an optional basis.

Annually school districts must submit a K-12 comprehensive reading plan that outlines their specific use of the research-based reading instruction allocation for review and approval by the Department of Education's Just Read, Florida! Office. On or before June 1 of each year, the office must approve or reject a district's plan. If a school district and the office cannot reach agreement on the plan's contents, the school district may appeal to the State Board of Education for resolution. No later than July 1 annually, the department shall release the school district's allocation of appropriated funds to those districts having approved plans. The department may withhold a school district's funds if the department determines that such funds are not being used to implement the approved plan.¹³

Effect of Proposed Changes

The bill:

- Modifies the identification of the 300 lowest-performing elementary schools based on based on a three-year average of the statewide reading assessment data.
- Allows the extra hour to be optional for students scoring Level 4 or Level 5 on the reading assessments.
Requires summer reading camps to be taught by someone certified or endorsed in reading.
- Requires only school districts that have a school earning a grade of "D" or "F" to submit a comprehensive reading plan. The review and approval process will now be done as part of the Department of Education's monitoring, intervention, and support strategies required as part of school improvement pursuant to s. 1008.33, Florida Statutes.
- Eliminates the Department of Education's ability to withhold funds.

Principal Autonomy Pilot Program Initiative

Present Situation

The Principal Autonomy Pilot Program Initiative (PAPPI) was established within the Department of Education to provide principals of participating schools in participating school districts with increased autonomy and authority regarding allocation of resources and staff.¹⁴ Participation is voluntary but limited to the school districts of Broward, Duval, Jefferson, Madison, Palm Beach, Pinellas, and Seminole counties. School boards selected by the State Board of Education for participation in PAPPI are exempt from the K-20 Education Code and State Board of Education rules, with certain exceptions. School districts seeking to participate in PAPPI must submit a principal autonomy proposal to the State Board of Education for approval. Among other items, the proposal must identify:

- Three schools that earned at least two school grades of "D" or "F" during the previous three school years.
- Three principals who have earned a highly effective rating on the prior year's performance evaluation pursuant to section 1012.34, Florida Statutes.
- The areas where the principal will have increased fiscal and administrative autonomy.
- The performance goals for student achievement.

The initial term of the program is three years.¹⁵

Effect of Proposed Changes

¹³ s. 1011.62(9), F.S.

¹⁴ s. 1011.6202, F.S.

¹⁵ *Id.*

The bill:

- Expands the Principal Autonomy Program Initiative to all school districts who apply and receive approval by the State Board of Education instead of just the seven school districts identified in statute.
- Deletes the term “pilot”.
- Makes participation in the program contingent upon available funds and on a first-come, first-served basis.
- Deletes the requirements for selected pilot school districts and the Commissioner of Education to submit an annual report on the implementation of the pilot program.

Charter School Capital Outlay Funding

Present Situation

Charter school capital outlay funding consists of revenue resulting from the discretionary millage authorized in s. 1011.71(2), Florida Statutes, and state funds when such funds are appropriated in the General Appropriations Act.

If the school board levies the discretionary millage authorized in law, the Department of Education is required to use a calculation methodology to determine the amount of revenue raised by the discretionary millage that the school district must distribute to each eligible charter school.¹⁶ This calculation methodology includes reducing the total discretionary millage revenue by the school district’s annual debt service obligation incurred as of March 1, 2017, and any amount of participation requirement pursuant to section 1013.64(2)(a)8., Florida Statutes, that is being satisfied by revenues raised by the discretionary millage.¹⁷

Effect of Proposed Changes:

The bill:

- Modifies the calculation methodology for the distribution of the discretionary 1.5 millage revenue to eligible charter schools by clarifying that the debt service obligation that can be reduced from the distribution is the debt service obligation incurred by March 1, 2017, which has not subsequently been retired.
- Requires school districts to annually certify by October 1 the amount of debt service obligation that complies with the change in the calculation methodology and eligible participation requirement to the Department of Education and requires the Auditor General to verify compliance during scheduled operational audits of school districts.

SECTION DIRECTORY:

Section 1. Amends s. 1001.215, Florida Statutes; deleting the requirement for the Just Read, Florida! Office to review and approve school districts’ comprehensive reading plans and to provide technical assistance to school districts’ implementation of such plans.

Section 2. Amends s. 1002.333, Florida Statutes; allowing the undisbursed funds by June 30 of the fiscal year in which the funds were allocated to be carried forward for up to 5 years.

Section 3. Amends s. 1011.62, Florida Statutes; deleting the requirement that the 300 lowest-performing elementary schools based on the statewide reading assessment must use their portion of the Supplemental Academic Instruction (SAI) allocation to implement an extra hour of reading instruction; requiring that each school district that has a school earning a grade of “D” or “F” use that school’s portion of the SAI allocation to implement the intervention and support strategies required in law; modifying the 300 lowest-performing elementary schools requirement to a three-year average of

¹⁶ s. 1013.62(3), F.S.

¹⁷ *Id.*

the statewide reading assessment data; allowing the extra hour to be optional for students scoring Level 4 or Level 5 on the reading assessments; requiring summer reading camps to be taught by someone certified or endorsed in reading; requiring only school districts that have a school earning a grade of “D” or “F” to submit a comprehensive reading plan; and eliminating the Department of Education’s ability to withhold funds.

Section 4. Amends s. 1011.6202, Florida Statutes; expanding the Principal Autonomy Program Initiative to all school districts who apply and receive approval by the State Board of Education; deleting the term “pilot”; making participation in the program contingent upon available funds and on a first-come, first-serve basis; deleting the reporting requirement for the pilot program.

Section 5. Amends s. 1011.67, Florida Statutes; conforming provision to changes made by the act.

Section 6. Amends s. 1011.69, Florida Statutes; conforming provision to changes made by the act.

Section 7. Amends s. 1012.28, Florida Statutes; conforming provisions to changes made by the act.

Section 8. Amends s. 1013.62, Florida Statutes; modifying the calculation methodology for the distribution of the discretionary 1.5 millage revenue to eligible charter schools by clarifying that the debt service obligation that can be reduced from the distribution is the debt service obligation incurred by March 1, 2017, which has not been subsequently retired.

Section 9. Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None known.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None known.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None known.

D. FISCAL COMMENTS:

The bill conforms applicable statutes to the appropriations provided in the General Appropriations Act for Prekindergarten through grade 12 education for the 2018-2019 Fiscal Year.

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