A bill to be entitled

An act relating to education funding; amending s. 1002.415, F.S.; providing a mission for the K-8 Virtual School Program; revising the definition of full-time equivalent student for certain students participating in the K-8 Virtual School Program; requiring the enrollment of eligible students who submit timely applications unless the number of applications exceed the capacity of a programs; removing provisions provision relating to pilot schools; revising funding for the K-8 Virtual School Program to include a definition of full-time equivalent student, providing reporting requirements, establishing the district cost differential, providing for funding from the General Appropriations Act, and allowing for participating schools to receive other funds; creating new paragraphs in s. 1003.03, F.S.; defining team-teaching, co-teaching and inclusion teaching strategy; amending s. 1011.61, F.S.; revising the definition of full-time equivalent student to include K-8 Virtual School students; allowing membership in the K-8 Virtual School program for more than 180 days; amending s. 1011.62, F.S.; deleting obsolete categorical appropriation language; amending s. 1011.71, F.S.; amending s. 1013.64, F.S.; specifying the useful life of a modular non-combustible facility; clarifying the definition of capital outlay full-time equivalent membership for use in determining school district capital outlay funds; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Section 1002.415, Florida Statutes, is amended to read:

1002.415 K-8 Virtual School Program.

- (1)(a) Subject to annual legislative appropriation, a kindergarten through grade 8 virtual school program is established within the Department of Education for the purpose of making academic instruction available to full-time students in kindergarten through grade 8 using on-line and distance learning technology. The department shall use an application process to select schools to deliver program instruction.
- (b) The mission of the K-8 Virtual School Program is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The school shall serve any student in the state who meets the profile for success in this educational delivery context and shall give priority to:
- 1. Students who need access to K-8 courses in order to meet their educational needs and goals in a home environment.
- 2. Students seeking accelerated access to move at their own pace in their educational progress.
  - (2) <del>(1)</del> SCHOOL ELIGIBILITY.--
- (a) To be eligible to participate in the K-8 Virtual School Program a school must:
- Be nonsectarian in its programs, admission policies, employment practices, and operations;
- 2. Comply with the antidiscrimination provisions of s. 1000.05;

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- 3. Participate in the state's school accountability system created in s. 1008.31;
- 4. Locate its administrative office in this state and require its administrative and instructional staff members to be state residents; and
  - 5. Require no tuition or student registration fee.
- (b) Schools applying to participate in the K-8 Virtual School Program may be for-profit or nonprofit entities.
  - (3) <del>(2)</del> APPLICATION.--
- (a) The Department of Education shall provide an application form to be completed by each school seeking to participate in the K-8 Virtual School Program. Initial application forms must be made available in sufficient time to enable schools to apply and be approved to participate in the K-8 Virtual School Program by the beginning of the 2007-2008 school year. In addition to information that may be required by the department, applicants must provide verification that:
- 1. The applicant meets the eligibility criteria required by this section;
- 2. All members of the school's instructional staff are certified professional educators under the provisions of chapter 1012; and
- 3. All school employees have undergone background screening as required by s. 1012.32.
- (b) In addition to a completed application form, each applicant must provide the department with:
- 1. A detailed plan describing how the school curriculum and course content will conform to the Sunshine State Standards; and
  - 2. An annual financial plan for each year of operation of

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the school for a minimum of 3 years. The plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

- (c) The department must approve or deny a school's participation in the K-8 Virtual School Program within 90 days after receipt of an application.
  - (4) (3) PARTICIPATING SCHOOLS. --
- (a) A school approved by the department to participate in the K-8 Virtual School Program shall receive an initial 3-year contract with the department to provide program services, subject to annual department review and legislative appropriation.

  Contract renewals may be for up to 5 years upon agreement of both parties, contingent upon annual funding in the General Appropriations Act.
- (b) A school approved to participate in the program is deemed to be an independent virtual school providing, on behalf of the state, a program of instruction that is full time, of 180 days' duration, and an on-line program of instruction to students in kindergarten through grade 8.
- (c) A school approved to participate in the program must provide each student enrolled in the virtual school with:
  - 1. All necessary instructional materials;
- 2. All equipment, including, but not limited to, a computer, computer monitor, and printer for each household that has a student enrolled in the virtual school; and
- 3. Access to or reimbursement for all Internet services necessary for on-line delivery of instruction for each household

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that has a student enrolled in the virtual school.

- (d) The K-8 virtual school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program. In such case, all applications shall have an equal chance of being admitted through a random selection process.
  - (4) PILOT SCHOOLS. --

- (a) The two pilot K 8 virtual schools provided for in the 2005 General Appropriations Act may continue operation for the entire 2006-2007 school year.
- (b) With the exception of the application and contracting requirements, the pilot schools are subject to the provisions of this section for the 2006-2007 school year.
- (c) Each pilot school must complete the application requirements of this section and be approved by the department in order to participate in the K-8 Virtual School Program beyond the 2006-2007 school year.
  - (5) STUDENT ELIGIBILITY. --
- (a) Enrollment in  $\underline{a}$  each participating  $\underline{K-8}$  virtual school is open to any K-8 student in this state if the student meets at least one of the following conditions:
- 1. Spent the prior school year in attendance at a public school in this state and was enrolled and reported by a public school district for funding during the preceding October and February for purposes of the Florida Education Finance Program surveys;
- 2. Was enrolled during the prior school year in a K-8 virtual school funded pursuant to this section or from funds provided in the 2005 General Appropriations Act;

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- 3. Is eligible to enroll in kindergarten or the first grade; or
- 4. Has a sibling who is currently enrolled in a participating K-8 virtual school and was enrolled at the end of the prior school year.
- (b) Students enrolled in a K-8 virtual school are subject to the compulsory attendance requirements of s. 1003.21. Student attendance must be verified according to procedures of the Department of Education.
- (c) Each student enrolled in a K-8 virtual school must take state assessment tests within the student's school district of residence, which must provide that student with access to the district's testing facilities.
  - (6) FUNDING.—

- (a) A "full-time equivalent student" for the K-8 Virtual School Program shall be as defined in s. 1011.61(1)(c). State funding for each school participating in the K-8 Virtual School Program shall be based on a total program enrollment and amount per full-time equivalent student established annually in the General Appropriations Act.
- School Program shall be reported only by the K-8 virtual school to the Department of Education in the manner prescribed by the department and shall be funded through the Florida Education Finance Program. School districts shall report full-time equivalent student membership only for courses for which the district provides the instruction. Upon proper documentation of student enrollment, which must be reviewed and approved by the department, payments shall be made to participating schools in

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four equal payments no later than September 1, November 1, February 1, and April 15 of each academic year. The initial payment shall be made after the department verifies each student's admission to the school, and subsequent payments shall be made upon verification of the continued enrollment and attendance of the student.

- (c) The district cost differential as provided in s. 1011.62(2) shall be established as 1.000.
- (d) A K-8 virtual school that participates in the K-8 Virtual School Program shall receive state funds as may be provided in the General Appropriations Act.
- (e) In addition to the funds provided in the General Appropriations Act, a K-8 virtual school may receive other funds from grants and donations.
  - (7) ASSESSMENT AND ACCOUNTABILITY. --
- (a) Each K-8 virtual school must participate in the statewide assessment program created under s. 1008.22 and shall be subject to the school grading system created by s. 1008.34.
- (b) A K-8 virtual school that has a performance grade category of "D" or "F" must file a school improvement plan with the department for consultation to determine the causes for low performance and to develop a plan for correction and improvement.
- (c) A K-8 virtual school with a performance grade category of less than "C" may not increase enrollment until at least a performance grade category of "C" is achieved.
- (d) (c) The department shall terminate the contract of any participating K-8 virtual school that receives a performance grade category of "D" or "F" for 2 years during any consecutive 4-year period.

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- (8) CAUSES FOR NONRENEWAL OR TERMINATION OF A CONTRACT. --
- (a) At the end of a contract with a K-8 virtual school, the department may choose not to renew the contract for any of the following grounds:
- 1. Failure to participate in the state's education accountability system created in s. 1008.31, as required in this section;
- 2. Failure to receive a school performance grade of "C" or better under the school grading system created by s. 1008.34 for any 2 years in a consecutive 4-year period;
- 3. Failure to meet generally accepted standards of fiscal management;
  - 4. Violation of law;
  - 5. Failure of the Legislature to fund the program; or
  - 6. Other good cause shown.
- (b) During the term of the contract, the department may terminate the contract for any of the grounds listed in paragraph (a).
- (c) If a contract is not renewed or is terminated, the K-8 virtual school is responsible for all debts of the school.
- (d) If a contract is not renewed or is terminated, a student who attended the school must be allowed to be enrolled in a public school in the county in which the student is a resident.
- (9) RULES.--The State Board of Education shall adopt rules under ss. 120.536(1) and 120.54 to administer this section.
- Section 2. Paragraphs (c) and (d) are added to subsection (5) of section 1003.03, Florida Statutes, to read:
  - 1003.03 Maximum class size.--

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- (5) TEAM-TEACHING STRATEGIES. --
- (c) Team-teaching or co-teaching means two or more teachers assigned to a group of students and each teacher is responsible for all of the students during the entire class period. In order to be considered team-teaching or co-teaching each teacher is responsible for planning, delivering, and evaluating instruction for all students in a class or subject for the entire class period.
- (d) Inclusion teaching strategy means two or more teachers are assigned to a group of students, but one of the teachers is only responsible for one student or a small group of students in the classroom.

The use of strategies implemented as outlined in this subsection meets the letter and intent of the Florida Constitution and the Florida Statutes which relate to implementing class-size reduction, and this subsection applies retroactively. A school district may not be penalized financially or otherwise as a result of the use of any legal strategy, including, but not limited to, those set forth in subsection (3) and this subsection.

Section 3. Paragraph (c) of subsection (1) of section 1011.61, Florida Statutes, is amended to read:

1011.61 Definitions.--Notwithstanding the provisions of s. 1000.21, the following terms are defined as follows for the purposes of the Florida Education Finance Program:

(1) A "full-time equivalent student" in each program of the district is defined in terms of full-time students and part-time

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students as follows:

- (c)1. A "full-time equivalent student" is:
- a. A full-time student in any one of the programs listed in s. 1011.62(1)(c); or
- b. A combination of full-time or part-time students in any one of the programs listed in s. 1011.62(1)(c) which is the equivalent of one full-time student based on the following calculations:
- (I) A full-time student, except a postsecondary or adult student or a senior high school student enrolled in adult education when such courses are required for high school graduation, in a combination of programs listed in s.

  1011.62(1)(c) shall be a fraction of a full-time equivalent membership in each special program equal to the number of net hours per school year for which he or she is a member, divided by the appropriate number of hours set forth in subparagraph (a)1. or subparagraph (a)2. The difference between that fraction or sum of fractions and the maximum value as set forth in subsection (4) for each full-time student is presumed to be the balance of the student's time not spent in such special education programs and shall be recorded as time in the appropriate basic program.
- (II) A prekindergarten handicapped student shall meet the requirements specified for kindergarten students.
- (III) A K-8 Virtual School Program full-time equivalent student in kindergarten through grade 5 in the programs listed in s. 1011.62(1)(c)1. a. and b. shall be the promotion of a student to the next grade level.
- (IV) A K-8 Virtual School Program full-time equivalent student in grades 6 through 8 shall consist of six full credit

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completions in the program listed in s. 1011.62(1)(c)1. b. Credit completions can be a combination of either full credits or half credits. A student who completes less than six credits shall be a fraction of a full-time equivalent student. Half-credit completions shall be included in determining a full-time equivalent student. Credit completed by a student in excess of the minimum required for that student for promotion to the next grade level is not eligible for funding.

- (V) (III) A Florida Virtual School full-time equivalent student shall consist of six full credit completions in the programs listed in s. 1011.62(1)(c)1. and 4. Credit completions can be a combination of either full credits or half credits.
- 2. A student in membership in a program scheduled for more or less than 180 school days is a fraction of a full-time equivalent membership equal to the number of instructional hours in membership divided by the appropriate number of hours set forth in subparagraph (a)1.; however, for the purposes of this subparagraph, membership in programs scheduled for more than 180 days is limited to students enrolled in juvenile justice education programs, the K-8 Virtual School Program, and the Florida Virtual School.
- The department shall determine and implement an equitable method of equivalent funding for experimental schools and for schools operating under emergency conditions, which schools have been approved by the department to operate for less than the minimum school day.

Section 4. Subsection (6) of Section 1011.62, Florida Statutes, is amended to read:

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1011.62 Funds for operation of schools.--If the annual
allocation from the Florida Education Finance Program to each
district for operation of schools is not determined in the annual
appropriations act or the substantive bill implementing the
annual appropriations act, it shall be determined as follows:

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326 (6) CATEGORICAL FUNDS.—

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328 (a) In addition to the basic amount for current operations for 329 the FEFP as determined in subsection (1), the Legislature may 330 appropriate categorical funding for specified programs, 331 activities, or purposes.

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(b) 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 categorical appropriations are urgently needed to maintain school board specified academic classroom instruction, the school board may consider and approve an amendment to the school district operating budget transferring the identified amount of the categorical funds to the appropriate account for expenditure:

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342 1. Funds for student transportation.

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344 2. Funds for in service educational personnel training.

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346 2.-3. Funds for safe schools.

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4. Funds for public school technology.

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3. 5. Funds for supplemental academic instruction.

(c) Each district school board shall include in its annual financial report to the Department of Education the amount of funds the school board transferred from each of the categorical funds identified in this subsection and the specific academic classroom instruction for which the transferred funds were expended. The Department of Education shall provide instructions and specify the format to be used in submitting this required

information as a part of the district annual financial report.

Section 5. Subsection (5) of Section 1011.71, Florida Statutes is amended to read:

1011.71 District school tax.-

(5) (a) It is the intent of the Legislature that, by July 1, 2003, revenue generated by the millage levy authorized by subsection (2) should be used only for the costs of construction, renovation, remodeling, maintenance, and repair of the educational plant; for the purchase, lease, or lease-purchase of equipment, educational plants, and construction materials directly related to the delivery of student instruction; for the rental or lease of existing buildings, or space within existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities; for the opening day collection for the library media center of a new

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school; for the purchase, lease-purchase, or lease of school

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buses or the payment to a private entity to offset the cost of school buses pursuant to paragraph (2)(i); and for servicing of payments related to certificates of participation issued for any purpose prior to the effective date of this act. Costs associated with the lease-purchase of equipment, educational plants, and school buses may include the issuance of certificates of participation on or after the effective date of this act and the servicing of payments related to certificates so issued. For purposes of this section, "maintenance and repair" is defined in s. 1013.01.

(b) For purposes not delineated in paragraph (a) for which proceeds received from millage levied under subsection (2) may be legally expended, a district school board may spend no more than the following percentages of the amount the district spent for these purposes in fiscal year 1995-1996:

1. In fiscal year 2000 2001, 40 percent.

2. In fiscal year 2001-2002, 25 percent.

399 3. In fiscal year 2002-2003, 10 percent.

401 (b) (c) Beginning July 1, 2003, revenue generated by the
402 millage levy authorized by subsection (2) must be used only for
403 the purposes delineated in paragraph (a).

405 <u>(c)</u> (d) Notwithstanding any other provision of this subsection, 406 if through its adopted educational facilities plan a district has

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clearly identified the need for an ancillary plant, has provided opportunity for public input as to the relative value of the ancillary plant versus an educational plant, and has obtained public approval, the district may use revenue generated by the millage levy authorized by subsection (2) for the acquisition, construction, removation, remodeling, maintenance, or repair of an ancillary plant.

A district that violates these expenditure restrictions shall have an equal dollar reduction in funds appropriated to the district under s. 1011.62 in the fiscal year following the audit citation. The expenditure restrictions do not apply to any school district that certifies to the Commissioner of Education that all of the district's instructional space needs for the next 5 years can be met from capital outlay sources that the district reasonably expects to receive during the next 5 years or from alternative scheduling or construction, leasing, rezoning, or technological methodologies that exhibit sound management.

Section 6. Paragraph (a) of Subsection (1) and Paragraph (a) of Subsection (3) of Section 1013.64, Florida Statutes are amended to read:

1013.64 Funds for comprehensive educational plant needs; construction cost maximums for school district capital projects.-Allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects shall be determined as follows:

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(1)(a) Funds for remodeling, renovation, maintenance, repairs, 436 and site improvement for existing satisfactory facilities shall 437 be given priority consideration by the Legislature for 438 appropriations allocated to the boards from the total amount of 439 the Public Education Capital Outlay and Debt Service Trust Fund 440 441 appropriated. These funds shall be calculated pursuant to the following basic formula: the building value times the building 442 443 age over the sum of the years' digits assuming a 50-year building 444 life. For modular non-combustible facilities 35 year life and for relocatable facilities, a 20-year life shall be used. "Building 445 446 value" is calculated by multiplying each building's total assignable square feet times the appropriate net-to-gross 447 448 conversion rate found in state board rules and that product times 449 the current average new construction cost. "Building age" is 450 calculated by multiplying the prior year's building age times 1 451 minus the prior year's sum received from this subsection divided 452 by the prior year's building value. To the net result shall be 453 added the number 1. Each board shall receive the percentage 454 generated by the preceding formula of the total amount 455 appropriated for the purposes of this section

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460 461 (3) (a) Each district school board shall receive an amount from the Public Education Capital Outlay and Debt Service Trust Fund to be calculated by computing the capital outlay full-time equivalent membership as determined by the department. Such membership must include, but is not limited to:

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1. K-12 students for whom the school district is required to provide the educational facility and the educational program,

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except hospital and homebound part-time students; and Students who are career education students, and adult disabled students and who are enrolled in school district career centers. The capital outlay full-time equivalent membership shall be determined for kindergarten through the 12th grade and for career centers by averaging the unweighted full-time equivalent student membership for the second and third surveys and comparing the results on a school-by-school basis with the Florida Inventory for School Houses. The capital outlay full-time equivalent membership by grade level organization shall be used in making the following calculations: The capital outlay fulltime equivalent membership by grade level organization for the 4th prior year must be used to compute the base-year allocation. The capital outlay full-time equivalent membership by grade-level organization for the prior year must be used to compute the growth over the highest of the 3 years preceding the prior year. From the total amount appropriated by the Legislature pursuant to this subsection, 40 percent shall be allocated among the base capital outlay full-time equivalent membership and 60 percent among the growth capital outlay full-time equivalent membership. The allocation within each of these groups shall be prorated to the districts based upon each district's percentage of base and growth capital outlay full-time membership. The most recent 4year capital outlay full-time equivalent membership data shall be used in each subsequent year's calculation for the allocation of funds pursuant to this subsection. If a change, correction, or recomputation of data during any year results in a reduction or increase of the calculated amount previously allocated to a district, the allocation to that district shall be adjusted

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- correspondingly. If such recomputation results in an increase or decrease of the calculated amount, such additional or reduced amounts shall be added to or reduced from the district's future appropriations. However, no change, correction, or recomputation of data shall be made subsequent to 2 years following the initial annual allocation.
- (b) Funds accruing to a district school board from the provisions of this section shall be expended on needed projects as shown by survey or surveys under the rules of the State Board of Education.
- (c) A district school board may lease relocatable educational facilities for up to 3 years using nonbonded PECO funds and for any time period using local capital outlay millage.
- (d) Funds distributed to the district school boards shall be allocated solely based on the provisions of paragraphs (1)(a) and (2)(a) and paragraph (a) of this subsection. No individual school district projects shall be funded off the top of funds allocated to district school boards.

Section 7. This act shall take effect July 1, 2007.

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