

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7081 PCB SLC 07-15 Education Funding
SPONSOR(S): Schools & Learning Council and Representative Pickens
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Schools & Learning Council	9 Y, 5 N	Speir	Cobb
1) Policy & Budget Council		Martin	Hansen
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill makes a number of changes to the sections of the Florida Statutes that govern education. These statutory changes are necessary to implement the education funding decisions included in the Schools and Learning Council's budget proposal. Specifically, this bill does the following:

- Revises the definition of a full-time equivalent student to include K-8 virtual school students;
- Requires K-8 virtual schools to enroll an eligible student that submits a timely application;
- Provides reporting requirements for K-8 virtual schools;
- Establishes a district cost differential for K-8 virtual schools;
- Allows K-8 virtual schools to receive grants and donations;
- Deletes obsolete language concerning pilot K-8 virtual schools;
- Deletes obsolete language referencing the Teacher Training and Instructional Technology categoricals in the Florida Education Finance Program;
- Deletes obsolete expenditure requirements for revenue generated by the Two Mill Capital Outlay Nonvoted Millage Levy;
- Specifies 35 years as the useful life of a modular non-combustible facility;
- Defines team-teaching, co-teaching and inclusion teaching strategy;
- Clarifies the definition of capital outlay full-time equivalent student for use in determining school district capital outlay funds; and
- Provides an effective date of July 1, 2007.

The fiscal impact of this bill is expected to be an indeterminate savings to the state. This bill provides funding for the K-8 Virtual School Program through the Florida Education Finance Program, instead of through a specific appropriation in the General Appropriations Act. For the 2007-08 school year, funding models indicate K-8 virtual schools will receive approximately \$5,190 per FTE. The per FTE state average funding in the 2006-07 FEFP is \$6,840, which is a savings of about \$1,650 for each K-8 virtual school student. Students enrolled in a K-8 virtual school would also generate a savings in capital outlay expenditures because these students receive services in their homes and would not require a classroom. The number of students that may participate in this program is not known.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families – The bill transfers K-8 Virtual School Program funding from a grant basis to the Florida Education Finance Program.

B. EFFECT OF PROPOSED CHANGES:

K-8 Virtual School Program

Through proviso in the General Appropriations Act (GAA), the 2003 Legislature authorized the Department of Education (DOE) to provide for the creation of at least two K-8 Virtual School pilot programs. The two pilot programs selected by the DOE were Connections Academy, Inc. and K12, Inc. The schools provide computers and help cover the cost of Internet access for their students who complete 10 to 30% of their work on-line depending on the grade level. Both of these schools utilize the parent or other responsible adult as the students' primary teachers while the virtual school teachers oversee the students' progress by checking samples of their work. These programs use on-line curriculum, lessons, and progress tests as well as books and other more traditional learning materials. A parent-teacher telephone conference is required at least once every two weeks. However, parents can reach virtual school teachers through e-mail or telephone at other times.

The 2006 Legislature established the K-8 Virtual School Program as an optional educational choice program within the Department of Education (chapter 2006-48, Laws of Florida). Like the K-8 Virtual School pilot programs, the K-8 Virtual School Program is to deliver academic instruction through the use of on-line and distance learning technology to full-time students in kindergarten through eighth grade. 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.

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. Enrollment is reported to the Department of Education by the virtual schools and 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;
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.

An appropriation category in the General Appropriations Act was created to fund the K-8 Virtual School Program in the amount of \$7.2 million during the 2006 Session. The per student grant award was not to exceed \$5,200, which allowed 1,384 students to be served. State funding for each school participating in the K-8 Virtual School Program is based on total program enrollment and the amount per student.

This bill amends s. 1002.415, F.S., to provide the K-8 Virtual School Program with the mission to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed.

This bill deletes the requirement that state funding for each school participating in the K-8 Virtual School Program shall be based on a total program enrollment and amount per student and replaces it with language that makes the K-8 Virtual School Program part of the Florida Education Finance Program

(FEFP) with a district cost differential of 1.000. The definition of an FTE is amended to include K-8 virtual school students. The K-8 virtual schools are to report the full-time equivalent (FTE) students to the Department of Education.

For the 2007-08 school year, funding models indicate K-8 virtual schools will receive approximately \$5,190 per FTE. The per FTE state average funding in the 2006-07 FEFP is \$6,840, which is a savings of about \$1650 for each K-8 virtual school student. Students enrolled in a K-8 virtual school would also generate a savings in capital outlay expenditures because these students receive services in their homes and would not require a classroom. In addition to the FEFP funding, this bill would allow K-8 virtual schools to receive funding through grants and donations.

K-8 virtual schools must be nonprofit and must meet certain standards and accountability. Each K-8 virtual school must participate in the statewide assessment program and is subject to the school grading system. A K-8 virtual school with a performance grade category of "D" or "F" must file a school improvement plan with the Department of Education for review to determine the causes for low performance and to develop a plan for correction and improvement. This bill prohibits these schools from enrolling more students until a performance grade of "C" or greater is achieved.

This bill requires K-8 virtual schools to serve any student who meets the profile for success in this educational delivery context. Priority is to be given to students who need access to virtual courses in order to meet their educational needs and goals in a home environment, and those seeking accelerated access to move at their own pace in their educational progress.

This bill also requires K-8 virtual schools to 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 are required to have an equal chance of being admitted through a random selection process.

This bill deletes statutory references to the two pilot K-8 virtual schools which were allowed to continue through the 2006-2007 school year.

Florida Education Finance Program

In addition to the basic amount for current operations for the FEFP, the Legislature may appropriate categorical funding for specified programs, activities, or purposes. This bill deletes obsolete statutory language in s. 1011.62, F.S., referencing two categoricals which are no longer funded by specific appropriation in the General Appropriations Act. They are: 1) funds for in services educational personnel training and 2) funds for public school technology.

Two Mill Capital Outlay Revenue

Obsolete language limiting the amount of Two Mill Capital Outlay Revenue a district school board may spend on security vehicles, vehicles used in storing and distributing materials and equipment, and certificates of participation issued for any purpose during fiscal years 2000-2001 through 2002-2003 is deleted from s. 1011.71, F.S.

Class Size Reduction

This bill adds definitions to s. 1003.03, F.S., to clarify the meaning of team-teaching, co-teaching, and inclusion teaching strategy for use in determining class size reduction requirements. "Team-teaching" and "co-teaching" are defined as 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. "Inclusion teaching strategy" is defined as two or more teachers 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.

Public Education Capital Outlay and Debt Service Trust Fund

The Public Education Capital Outlay and Debt Service Trust Fund (PECO) is a state program that provides capital outlay and building maintenance funds to school districts from revenue derived from a tax collected on the gross receipts from the sale of utility services. The amount collected each year varies based on economic conditions.

This bill amends s. 1013.64(1), F.S., which governs building maintenance allocations from the PECO Fund, assigning modular non-combustible facilities a 35 year building life. Section 1013.64(3), F.S., is amended to clarify the definition of capital outlay full-time equivalent membership to include only K-12 students for whom the school district is required to provide the educational facility, consistent with current policy. This definition is used in determining school district capital outlay allocations.

C. SECTION DIRECTORY:

Section 1. Amends s. 1002.415, F.S., providing a mission for the K-8 Virtual School Program; revising the definition of full-time equivalent student; requiring K-8 virtual schools to enroll eligible children; deleting pilot school provisions; revising funding rules for K-8 virtual schools.

Section 2. Creates new paragraphs in s. 1003.03, F.S., defining team-teaching, co-teaching and inclusion teaching strategy.

Section 3. Amends s. 1011.61, F.S., revising the definition of full-time equivalent student to include K-8 virtual school students.

Section 4. Amends s. 1011.62, F.S., deleting obsolete categorical appropriation language.

Section 5. Amends s. 1011.71, F.S., deleting obsolete language.

Section 6. Amends 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.

Section 7. Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill provides funding for the K-8 Virtual School Program through the Florida Education Finance Program, instead of through a specific appropriation in the General Appropriations Act. For the 2007-08 school year, funding models indicate K-8 virtual schools will receive approximately \$5,190 per FTE. The per FTE state average funding in the 2006-07 FEFP is \$6,840, which is a savings of about \$1,650 for each K-8 virtual school student. Students enrolled in a K-8 virtual school would also generate a savings in capital outlay expenditures because these students receive services in their homes and would not require a classroom. The number of students that may participate in this program is not known.

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B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

See "FISCAL IMPACT ON STATE GOVERNMENT"

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to require a county or municipality to spend funds or take an action requiring expenditures; reduce the authority that counties and municipalities had as of February 1, 1989, to raise revenues in the aggregate; or reduce the percentage of a state tax shared in the aggregate with counties and municipalities as of February 1, 1989.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 20, 2007, the Schools & Learning Council adopted a strike-all amendment that made mostly technical changes to the bill. The only substantive change was to pay K-8 virtual schools based on the FTE as opposed to paying them only for those students who are promoted to the next grade level.

This analysis is drafted to the strike-all amendment.