

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Pre-K - 12 Education

BILL: CS/SB 1434

INTRODUCER: Education Committee and Senator Passidomo

SUBJECT: K-12 Education Enhancements

DATE: February 14, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Androff</u>	<u>Graf</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1434 modifies Florida education law relating to mental health services in schools, school improvement and education accountability, persistently low-performing schools, schools of hope, school funding, and the Florida Tax Credit Scholarship. Specifically, the bill:

- Creates the mental health assistance allocation within the Florida Education Finance Program (FEFP) to provide funds for school-based mental health programs and establishes related requirements.
- Establishes the hope supplemental services allocation within the FEFP to provide schools implementing a district-managed turnaround plan or a turnaround option specified in law with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families.
- Strengthens school improvement and accountability measures by:
 - Providing that a school must complete two years of a district-managed turnaround plan before the school is designated as persistently low-performing and required to implement a turnaround option.
 - Expanding the turnaround options available to a school district for a persistently low-performing school to include a franchise model school that is led by a specified highly effective principal.
- Revises school of hope provisions to require a hope operator to submit a notice of intent containing an operations plan specifying the hope operator's intent to undertake the operations of the persistently low-performing school and incentivizes a hope operator to

establish a school of hope at the district-owned facilities of the persistently low-performing school.

- Modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes.
- Expands eligibility for the Florida Tax Credit Scholarship to include a student who attends a persistently low-performing school.
- Renames the Collegiate High School Program as the Structured High School Acceleration Program and creates a bonus funding mechanism to incentivize school district and college interest in expanding programs.

The bill creates two new funding categoricals within the FEFP for which SB 2500, the General Appropriations Act for Fiscal Year 2018-2109, appropriates \$128 million. SB 2500 appropriates \$40 million for the mental health assistance allocation and \$88,049,710 for the hope supplemental services allocation.

The bill takes effect July 1, 2018.

II. Present Situation:

Mental Health Services in Schools

The Department of Education (DOE), through the Bureau of Exceptional Education and Student Services and the Office of Safe Schools, promotes a system of support, policies, and practices that focus on prevention and early intervention to improve student mental health and school safety. Florida law requires instructional staff members of the public schools to teach comprehensive health education that addresses concepts of mental and emotional health as well as substance use and abuse.¹ Student services personnel, which includes school psychologists, school social workers, and school counselors, are classified as instructional personnel responsible for advising students with regard to their personal and social adjustments, and provide direct and indirect services at the district and school level.²

School District Funding

State funding for school districts is provided primarily by legislative appropriations, the majority of which is distributed through the Florida Education Finance Program (FEFP). Each school district participating in the state allocation of funds for the operation of schools must levy the millage set for its required local effort (RLE) funding from property taxes.³

Florida Education Finance Program

Florida law provides funds for the operation of schools by an allocation through the FEFP to each district. In addition to the basic amount for current operations for the FEFP, the Legislature

¹ Section 1003.42(2)(n), F.S.

² Section 1012.01(2)(b), F.S.

³ Section 1011.62(4), F.S.

may appropriate categorical funding for specified programs, activities or purposes.⁴ Each district school board must include the amount of categorical funds as a part of the district annual financial report to the (DOE), and the DOE must submit a report to the Legislature that identifies by district and by categorical fund the amount transferred and the specific academic classroom activity for which the funds were spent.⁵

Discretionary Millage for Fixed Capital Outlay

Each school board may levy up to 1.5 mills against the taxable value for fixed capital outlay for district schools, including charter schools at the discretion of the school board, to be used for purposes specified in law.⁶ If the additional 1.5-mill levy is not sufficient to meet specified district school board needs, the board is authorized to levy up to 0.25 mills to supplement fixed capital outlay in lieu of an equivalent amount of the discretionary mills for operations as provided in the General Appropriations Act (GAA).⁷ The total discretionary millage levied for school purposes and fixed capital outlay, as provided in statute, may not exceed 1.75 mills.⁸

A school district may spend up to \$100 per unweighted full-time equivalent student from the revenue generated by nonvoted discretionary millage levy authorized in law to fund expenses for the following additional purposes:⁹

- The purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles or vehicles used in storing or distributing materials and equipment.
- Payment of the cost of premiums, for property and casualty insurance necessary to insure school district educational and ancillary plants.

Charter School Capital Outlay

Charter school capital outlay is comprised of discretionary millage authorized in law and state funds appropriated in the GAA.¹⁰ Florida law defines eligibility, allocation methodology, and allowable uses.¹¹

To be eligible for charter school capital outlay funding, a charter school must:¹²

- Have been in operation for 2 or more years,
- Be governed by a governing board established in the state for 2 or more years which operates both charter schools and conversion charter schools within the state, be an expanded feeder chain¹³ of a charter school within the same school district that is currently receiving charter school capital outlay funds, have been accredited by a regional accrediting association as

⁴ *Id.* at (6).

⁵ *Id.* at (6).

⁶ Section 1011.71(2), F.S.

⁷ Section 1011.71(3), F.S.

⁸ *Id.*

⁹ Section 1001.71(5), F.S.

¹⁰ Section 1013.62(1), F.S.

¹¹ *Id.*

¹² Section 1013.62(1)(a), F.S.

¹³ Rule 6A-2.0020, F.A.C., provides that a charter school may be considered part of an expanded feeder chain if it either sends or receives a majority of its students directly to or from a charter school that is currently receiving capital outlay funding.

defined by the State Board of Education (SBE), or serve students in facilities that are provided by a business partner for a charter school-in-the-workplace.

- Have an annual audit that does not reveal any of the financial emergency conditions for the most recent fiscal year for which such audits are available.
- Have satisfactory student achievement¹⁴ based on state accountability standards applicable to the charter school.
- Have received final approval from its sponsor for operation during that fiscal year.
- Serve students in facilities that are not provided by the charter school's sponsor.

The allocation formula for the shared local capital outlay allocation requires the DOE to calculate the shared local capital outlay allocation by:

- Reducing the total discretionary millage revenue by the school district's annual debt service obligation;
- Dividing the revenue generated from the school district's adjusted discretionary millage revenue by the district's total unweighted FTE to determine the capital outlay allocation per FTE;
- Multiplying the per FTE allocation by the total number FTE of each eligible charter school to determine each charter school's capital outlay allocation.¹⁵

School Improvement and Education Accountability

The SBE is responsible for holding all school districts and public schools accountable for student performance¹⁶ through a state system of school improvement and education accountability that assesses student performance by school, identifies schools that are not meeting accountability standards, and institutes appropriate measures for enforcing improvement.¹⁷

The state system of school improvement and education accountability must:¹⁸

- Provide for uniform accountability standards;
- Provide assistance of escalating intensity to schools not meeting accountability standards;
- Direct support to schools in order to improve and sustain performance;
- Focus on the performance of student subgroups; and
- Enhance student performance.

Differentiated Accountability

The academic performance of all students has a significant effect on the state school system. The SBE must equitably enforce the accountability requirements of the state school system and may impose state requirements on school districts in order to improve the academic performance of

¹⁴ Rule 6A-2.0020, F.A.C., provides that the eligibility requirement for student achievement must be determined in accordance with the language in the charter contract and the charter school's current school improvement plan if the school has a current school improvement plan. A charter school receiving an "F" grade designation through the state accountability system, as defined in s. 1008.34, F.S., must not be eligible for capital outlay funding for the school year immediately following the designation. *Id.*

¹⁵ Section 1013.62 (3), F.S.

¹⁶ Sections 1008.33(1) and (2)(a), 1008.34, and 1008.345, F.S.

¹⁷ Section 1008.33(2)(a), F.S.

¹⁸ Section 1008.33(2)(b), F.S.

all districts, schools, and students.¹⁹ The DOE must annually identify each public school in need of intervention and support to improve student academic performance.²⁰ All schools earning a grade of “D” or “F” are schools in need of intervention and support.²¹

The SBE must adopt a differentiated matrix of intervention and support strategies for assisting public schools identified as in need of intervention.²² The intervention and support strategies must address student performance and may include improvement planning; leadership quality improvement; educator quality improvement; professional development; curriculum review, pacing and alignment across grade levels to improve background knowledge in social studies, science, and the arts; and the use of continuous improvement and monitoring plans and processes.²³ In addition, the SBE may prescribe reporting requirements to review and monitor the progress of the schools.²⁴ The rule must define the intervention and support strategies for school improvement for schools earning a grade of “D” or “F” and the roles for the district and department.²⁵

District Managed Turnaround Plan (DMT)

The SBE must apply intensive intervention and support strategies tailored to the needs of schools earning two consecutive grades of “D” or a grade of “F.”²⁶ In the first school year after a school earns two consecutive grades of “D” or a grade of “F,” the school district must immediately implement intervention and support strategies and, by September 1, provide to the SBE a negotiated memorandum of understanding with the bargaining agent in educational emergency circumstances and, by October 1, a district-managed turnaround plan for approval by the state board.²⁷ After the SBE approves the DMT, the school district must implement the plan for the remainder of the school year and continue the plan for one full school year.²⁸ The SBE may allow a school an additional year of DMT implementation if it determines that the school is likely to improve to a grade of “C” or higher after the first full school year of implementation.²⁹

Turnaround Options

Unless the SBE provides an additional year of implementation, a school that earns three consecutive grades below a “C” must implement one of the following turnaround options:³⁰

- Reassign students to another school and monitor the progress of each reassigned student;
- Close the school and reopen the school as one or more charter schools, each with a governing board that has a demonstrated record of effectiveness; or
- Contract with an outside entity that has a demonstrated record of effectiveness to operate the school. An outside entity may include a district-managed charter school in which

¹⁹ Section 1008.33(3)(a), F.S., Art. IX, Fla. Const.

²⁰ Section 1008.33(3)(b), F.S.

²¹ Sections 1008.33(3)(b) and 1008.34, F.S.

²² Section 1008.33(3)(c), F.S.

²³ *Id.*

²⁴ *Id.*

²⁵ Section 1008.33(3)(c), F.S.

²⁶ Section 1008.33(4)(a), F.S.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ Section 1008.33(4)(b), F.S.

instructional personnel are employees of an independent governing board composed of members who did not participate in the review or approval of the charter, rather than employees of the school district.

Implementation of the turnaround option is no longer required if the school improves to a grade of “C” or higher.³¹ If a school earning two consecutive grades of “D” or a grade of “F” does not improve to a grade of “C” or higher after 2 full school years of implementing the turnaround option, the school district must implement another turnaround option, beginning the school year following the implementation period of the existing turnaround option, unless the SBE determines that the school is likely to improve to a grade of “C” or higher if additional time is provided to implement the existing turnaround option.³²

Persistently Low-Performing School

A persistently low-performing school is a school that has earned three consecutive grades lower than a “C” and a school that was closed within two years after the submission of a notice of intent.³³ The SBE must provide students in persistently low-performing schools with a public school that meets accountability standards³⁴ and is required to publish annually a list of persistently low-performing schools.³⁵

Schools of Hope

A hope operator is a nonprofit organization with tax-exempt status under the Internal Revenue Code that operates three or more charter schools that serve students in grades K-12 in Florida or other states with a record of serving students from low-income families and is designated by the SBE based on criteria established in law.³⁶ Before the adoption of measurable criteria by the SBE, an entity that has received funding from a national charter school grant program or that has been selected to operate a school pursuant to a turnaround option must be designated as a hope operator.³⁷ Currently, the SBE is in the process of finalizing rules adopting the criteria for hope operator designation.³⁸ An entity’s initial status as a hope operator is valid for 5 years from the opening of a school of hope.³⁹

A school of hope is a charter school operated by a hope operator that:⁴⁰

- Serves students from one or more persistently low-performing schools;
- Is located in the attendance zone of a persistently low-performing school or within a 5-mile radius of such school; and
- Is a title I eligible school.

³¹ *Id.* at (c).

³² *Id.* at (d).

³³ Section 1002.333(1)(b), F.S.

³⁴ *Id.* at (11)(d).

³⁵ *Id.* at (a).

³⁶ Section 1002.333(2), F.S.

³⁷ *Id.*

³⁸ As of this Analysis publication: January 25, 2018. (TA NOTE: They may adopt this rule before; I need to check but will not have before 1/12/18)

³⁹ Section 1002.333(3), F.S.

⁴⁰ *Id.* at (1)(c).

A hope operator seeking to open a school of hope must submit a notice of intent to the school district in which the SBE has identified a persistently low-performing school.⁴¹ The notice of intent must include the following elements specified in law:⁴²

- An academic focus and plan.
- A financial plan.
- Goals and objectives for increasing student achievement for the students from low-income families.
- A completed or planned community outreach plan.
- The organizational history of success in working with similar demographics.
- The grade levels to be served and enrollment projections.
- The proposed location or geographic area proposed or the school and its proximity to the persistently low-performing school.
- A staffing plan.

Florida law requires a school district to enter into a performance-based agreement with a hope operator to open schools to serve students from persistently low-performing schools.⁴³ The entirety of the performance-based agreement must include:⁴⁴

- The notice of intent.
- The location or geographic area proposed for the school of hope and its proximity to the persistently low-performing school.
- An enumeration of the grade to be served in each year of the agreement and whether the school will serve children in the school readiness or prekindergarten programs.
- A plan of action and specific milestones for student recruitment and the enrollment of students from persistently low-performing schools, including enrollment preferences and procedures for conducting transparent admissions lotteries that are open to the public. Students from persistently low-performing schools are exempt from any enrollment lottery to the extent permitted by federal grant requirements.
- A delineation of the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used.
- A description of the methods of involving parents and expected levels of parent involvement.
- The grounds for termination of the school of hope, including the failure to meet the requirements for student performance or generally accepted standards of fiscal management, or the material violation of terms of the agreement.
- A provision allowing the hope operator to open additional schools to serve students enrolled in or zoned for a persistently low-performing school if the hope operator maintains its status.
- A provision establishing the initial term as five years. The agreement must be renewed, upon the request of the hope operator, unless the school fails to meet the requirements for student performance or generally accepted standards of fiscal management, or the hope operator materially violates the law or terms of the agreement.
- A requirement to provide transportation consistent with Florida law.

⁴¹ *Id.* at (4).

⁴² *Id.* at (4)(a).

⁴³ Section 1002.333(4)(b), F.S.

⁴⁴ *Id.* at (5)(a)

- A requirement that any arrangement entered into to borrow or otherwise secure funds for the school of hope from a source other than the state or a school district shall indemnify the state and the school district from any liability, including, but not limited to, financial responsibility for the payment of the principal or interest.
- A provision that any loans, bonds, or other financial agreements are not obligations of the state or the school district but are obligations of the school of hope and are payable solely from the sources of funds pledged by such agreement.
- A prohibition on the pledge of credit or taxing power of the state or the school district.

Facilities

A school of hope must use facilities that comply with the Florida Building Code, except for the State Requirements for Educational Facilities (SREF).⁴⁵ A school of hope that uses school district facilities must comply with SREF only if the school district and the hope operator have entered into a mutual management plan for the reasonable maintenance of such facilities.⁴⁶ Management plan requirements are specified in law.⁴⁷

Schools of Hope Program

The Schools of Hope Program is created within the DOE.⁴⁸ A school of hope is eligible to receive funds from the School of Hope Program for certain expenses specified in law.⁴⁹ A traditional public school that is required to submit a DMT plan for implementation is eligible to receive up to \$2,000 per full-time equivalent student from the Schools of Hope Program based upon the strength of the school's plan for implementation and its focus on evidence based intervention that lead to student success by providing wrap-around services that leverage community assets, improve school and community collaboration, and develop family and community partnerships.

Wrap-around services include, but are not limited to, tutorial and after-school programs, student counseling, nutrition education, parental counseling, and adult education. Plans for implementation may also include models that develop a culture of attending college, high academic expectations, character development, dress codes, and an extended school day and school year. At a minimum, a plan for implementation must:

- Establish wrap-around services that develop family and community partnerships.
- Establish clearly defined and measurable high academic and character standards.
- Increase parental involvement and engagement in the child's education.
- Describe how the school district will identify, recruit, retain, and reward instructional personnel. The state board may waive or suspend specified statutory requirements to facilitate implementation of the plan.
- Identify a knowledge-rich curriculum that the school will use that focuses on developing a student's background knowledge.

⁴⁵ Section 1002.333(7)(a), F.S.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* at (10).

⁴⁹ *Id.* at (a).

- Provide professional development that focuses on academic rigor, direct instruction, and creating high academic and character standards.

The SBE must provide awards for up to 25 schools and prioritize awards for plans for wraparound services that are based on whole school transformation and are developed in consultation with the school's principal.⁵⁰ The SBE is also required to annually report on the implementation of the Schools of Hope Program and provide summarized academic and performance reports of each traditional public school receiving funds.⁵¹

Florida Tax Credit Scholarship

The Florida Tax Credit Scholarship Program (FTC) was established to provide an income tax credit for corporations that contribute money to non-profit scholarship funding organizations (SFOs) that award scholarships to students from families with limited resources.⁵² The purpose of the FTC is to enable taxpayers to make private, voluntary contributions to SFOs for children of families that have limited financial resources to expand educational opportunities for these children to achieve a greater level of educational excellence and improve the quality of education in Florida.⁵³

Florida law specifies that a student is eligible for the FTC if he or she meets one of the following criteria:⁵⁴

- The student is on the direct certification list or the student's household income level does not exceed 185 percent of the federal poverty level; or
- The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home care. A student who initially receives a scholarship based on this eligibility criteria remains eligible to participate until the student graduates from high school or attains the age of 21, whichever occurs first, regardless of the student's household income level.
- The student's household income level is greater than 185 percent of the federal poverty level but does not exceed 260 percent of the federal poverty level.

Collegiate High School Program

The collegiate high school program was established in 2014⁵⁵ to provide a pathway for high school students to earn a full year of college credit while enrolled in high school. The law requires each district school board and its local Florida College System (FCS) institution to establish one or more collegiate high school programs at a mutually agreed upon location or locations.⁵⁶ A collegiate high school program must include, at a minimum, an option for public school students in grade 11 or grade 12, for at least one full year, to earn CAPE industry certifications and successfully complete 30 credit hours through dual enrollment toward the first

⁵⁰ Section 1002.333(7)(c)1., F.S.

⁵¹ *Id.* at (c)2.

⁵² Section 1002.395, F.S.

⁵³ *Id.* at (1)(b).

⁵⁴ *Id.* at (3)(b).

⁵⁵ Section 10, ch. 2014-184, L.O.F., *codified at* s. 1007.273, F.S.

⁵⁶ Section 1007.273(3), F.S.

year of college (for an associate degree or a baccalaureate degree) while enrolled in the program.⁵⁷

Collegiate High School Program Contracts

To establish a collegiate high school program (program), each district school board and its local FCS institution must execute a contract, which must be executed by January 1 of each school year for implementation of the program in the next school year.⁵⁸ The law specifies the information that must be included in the contract (e.g., identification of grade levels to be included in the program and delineation of courses and industry certifications offered).⁵⁹ In addition to executing a program contract with the local FCS institution, a district school board may contract with a state university or an eligible college or university.⁶⁰

Student Performance Contract

Each student participating in the program must enter into a student performance contract that must be signed by the student, his or her parent, and a representative of the applicable school district and FCS institution, state university, or eligible college or university.⁶¹ The student performance contract must include the schedule of courses by semester, industry certifications to be taken by the student, student attendance requirements, and course grade requirements.⁶²

Funding

Funding for collegiate high school programs is based on the funding mechanism for dual enrollment.⁶³ The SBE is required to enforce compliance with the collegiate high school program provisions by withholding the transfer of funds for the school districts and the FCS institutions in accordance with the law.⁶⁴

III. Effect of Proposed Changes:

The bill modifies Florida education law related to mental health services in schools, school improvement and education accountability, persistently low-performing schools, schools of hope, school funding, and the Florida Tax Credit Scholarship. Specifically, the bill:

- Creates the mental health assistance allocation within the Florida Education Finance Program (FEFP) to provide funds for school-based mental health programs and establishes related requirements.
- Establishes the hope supplemental services allocation within the FEFP to provide schools implementing a district-managed turnaround plan or a turnaround option specified in law

⁵⁷ Section 1007.273(2)-(3), F.S.

⁵⁸ Section 1007.273(3), F.S.

⁵⁹ *Id.*

⁶⁰ An eligible college or university means “an institution that is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program, that is a nonprofit independent college or university located and chartered in this state, and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to grant baccalaureate degrees.” Section 1007.273(5), F.S.

⁶¹ Section 1007.273(4), F.S.

⁶² Section 1007.273(4), F.S.

⁶³ Section 1007.273(6), F.S.

⁶⁴ *Id.*

with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families.

- Strengthens school improvement and accountability measures by:
 - Providing that a school must complete two years of a district-managed turnaround plan before the school is designated as persistently low-performing and required to implement a turnaround option.
 - Expanding the turnaround options available to a school district for a persistently low-performing school to include a franchise model school that is led by a specified highly effective principal and incentivize a hope operator to establish a school of hope at the district-owned facilities of the persistently low-performing school.
- Revises school of hope provisions to require a hope operator to submit a notice of intent containing an operations plan specifying the hope operator's intent to undertake the operations of the persistently low-performing school and incentivizes a hope operator to establish a school of hope at the district-owned facilities of the persistently low-performing school.
- Modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes.
- Expands eligibility for the Florida Tax Credit Scholarship to include a student who attends a persistently low-performing school.
- Renames the Collegiate High School Program as the Structured High School Acceleration Program and creates a bonus funding mechanism to incentivize school district and college interest in expanding programs.

Florida Education Finance Program (Section 6)

Section 6 amends s. 1011.62, F.S., to establish two additional funding categoricals within the (FEFP).

- The mental health assistance allocation to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs; and
- The hope supplemental services allocation to provide schools implementing a district-managed turnaround plan and schools implementing turnaround options specified in law with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families.

The Mental Health Services Allocation

The purpose of the mental health assistance allocation is to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs that:

- Increase awareness of mental health issues among children and school-age youth;
- Train educators and other school staff in detecting and responding to mental health issues; and
- Connect children, youth, and families who may experience behavioral health issues with appropriate services.

The mental health assistance allocation may be allocated in the annual general appropriations act (GAA) to each eligible school district and developmental research school based on each entity's proportionate share of FEFP base funding. The district funding allocation must include a minimum amount as specified in the GAA. Charter schools are eligible for a proportionate share of district funding for this program upon the submission and approval of a plan that includes specified elements. The mental health assistance funds may not supplant funds that are provided from other operating funds for this purpose and may not be used to increase salaries or provide bonuses.

Prior to the distribution of the allocation, a school district is required to annually develop and submit a detailed plan outlining the local program and planned expenditures to the district school board for approval. Similarly, a charter school must annually develop and submit a detailed plan outlining the local program and planned expenditures of the funds in the plan to its governing body for approval in order to receive the allocation. After the charter school's governing board approves the plan, it must be provided to the school district for submission to the Commissioner of Education. School districts must submit approved plans to the commissioner by August 1 of each fiscal year. Beginning in 2019, each entity that receives a mental health assistance allocation must submit a final report to the commissioner, in a format prescribed by the Florida Department of Education (DOE), on its program outcomes and expenditures for each element of the program.

The required mental health assistance allocation plan must include, at a minimum, all of the following elements:

- A collaborative effort or partnership between the school district and at least one local community program or agency involved in mental health to provide or to improve prevention, diagnosis, and treatment services for students;
- Programs to assist students in dealing with bullying, trauma, and violence;
- Strategies or programs to reduce the likelihood of at-risk students developing social, emotional, or behavioral health problems or substance use disorders;
- Strategies to improve the early identification of social, emotional, or behavioral problems or substance use disorders and to improve the provision of early intervention services;
- Strategies to enhance the availability of school-based crisis intervention services and appropriate referrals for students in need of mental health services; and
- Training opportunities for school personnel in the techniques and supports needed to identify students who have trauma histories and who have or are at risk of having a mental illness, and in the use of referral mechanisms that effectively link such students to appropriate treatment and intervention service sin the school and in the community.

The establishment of the mental health assistance allocation program may assist school districts in providing comprehensive school-based mental health programs that increase awareness of mental health issues among children and school-age youth. This may improve student mental health and school safety.

Hope Supplemental Services Allocation

The purpose of the hope supplemental services allocation is to provide supplemental funding to schools implementing a district-managed turnaround plan and schools implementing turnaround

options specified in law in order to offer services designed to improve the overall academic and community welfare of the schools' students and their families. Services funded by the allocation may include, but are not limited to, tutorial and after-school programs, student counseling, nutrition education, and parental counseling. Plans for implementation may also include models that develop a culture that encourages students to attend college or career training, set high academic expectations, inspire character development and include an extended school day and school year.

Prior to the distribution of the allocation, a school district, for a district turnaround school and a persistently low-performing school that uses a franchise model; a hope operator, for a school of hope; or the charter school governing board for a charter school, as applicable, shall develop a plan for implementation that, at a minimum, must:

- Establish comprehensive support services that develop family and community partnerships;
- Establish clearly defined and measurable high academic and character standards;
- Increase parental involvement and engagement in the child's education;
- Describe how instructional personnel will be identified, recruited, retained, and rewarded; and
- Provide professional development that focuses on academic rigor, district instruction, and creating high academic and character standards.
- Provide focused instruction to improve student academic proficiency, which may include additional instruction time beyond the normal school day or year.

This section specifies that for the 2018-2019 fiscal year, a school that is selected to receive funding in the 2017-2018 fiscal year according to current law must receive \$2,000 per full-time equivalent student. A school implementing a district-managed turnaround plan and a charter school, district-managed charter school, school of hope, or franchise model school authorized under a turnaround option are eligible for the remaining funds in the hope supplemental services allocation based on the school's unweighted FTE, up to \$2,000 per FTE or as provided in the GAA. If the calculated funds for unweighted FTE student enrollment at the eligible schools exceed the per-FTE funds appropriated, the allocation of funds to each school district must be prorated based on each school district's share of the total unweighted FTE student enrollment for the eligible schools.

The creation of the hope supplemental services allocation will provide schools implementing a district-managed turnaround plan or a turnaround option specified in law with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families. This may result in an increased number of these schools improving to a grade of "C" or higher after the implementation of such plan or option and a reduction in the number of persistently low-performing schools.

Discretionary Millage for Fixed Capital Outlay (Section 7)

Section 7 amends s. 1011.71, F.S., to raise the amount a school district may expend for the purchase or lease of specified vehicles or for the payment of the cost premiums for property and casualty insurance necessary to insure school district educational and ancillary plants from up to \$100 to up to \$150 per unweighted full-time equivalent student. This increase will provide school districts with additional flexibility in the expenditure of discretionary millage.

Charter School Capital Outlay (Section 9)

Section 9 amends s. 1013.62, F.S., to provide that a charter school is not eligible to receive capital outlay funds if the chair of the charter school governing board and the chief administrative officer of the charter school do not annually certify under oath that the funds will be used solely and exclusively for constructing, renovating, or improving charter school facilities that are owned by:

- A school district, a political subdivision of the state, a municipality, a Florida College System institution or a state university; or,
- An organization that is qualified as an exempt organization under the Internal Revenue Code whose articles of incorporation specify that, upon the organizations dissolution, the subject property will be transferred to a school district, a political subdivision of the state, a municipality, a Florida College System institution, or a state university.

The revised eligibility requirements may result in a change in the number of charter schools that receive capital outlay funds.

Section 9 also modifies the calculation methodology that the DOE must use to determine the amount of revenue that a school district must distribute to each charter school if the school board levies the authorized local discretionary millage.

This section requires that for each charter school within each district, the net capital outlay amount from local funds must be calculated in the same manner as the state funds appropriated in the GAA to eligible charter schools, except that the base charter school per weighted FTE allocation amount shall be determined by dividing the net total capital outlay amount from local funds by the total weighted FTE for all eligible charter schools within the district. This change weights the shared local capital outlay funds for charter schools with a student population in which 75 percent or greater are eligible for a free or reduced-price school meal, 25 percent or greater have a disability, or both. The per weighted FTE allocation amount from local funds must be multiplied by the weighted FTE for each charter school to determine each charter school's capital outlay allocation from local funds.

The revised calculation may alter the amount of funds distributed in each charter school's capital outlay allocation from local funds.

School Improvement and Education Accountability

Differentiated Accountability (Section 5)

Section 5 amends s. 1008.33, F.S., to modify the intervention and support strategies for school improvement that must be adopted by the State Board of Education (SBE) in rule to assist traditional public schools to require intervention and support strategies that address efforts to improve student performance through one or more of the strategies identified in law. This will result in the implementation of specified intervention and support strategies that are currently permissible under the law.

District Managed Turnaround Plan (Section 5)

Section 5 amends s. 1008.33, F.S., to provide that a school that has completed two school years of a district-managed turnaround plan and has not improved its school grade to a “C” or higher must implement a turnaround option. This modification means that a school will have the necessary time to complete its district-managed turnaround plan before the school is required to implement a turnaround option.

Turnaround Options (Section 5)

Section 5 amends s. 1008.33, F.S., to redefine the turnaround options available to a school district for a school that does not improve to a grade of “C” or higher after two years of implementing a district-managed turnaround plan. This section provides that if the school chooses the option to close and reopen as one or more charter schools, such charter schools are eligible for funding from the newly established hope supplemental services allocation.

Section 5 expands the option to contract with an outside entity that has a demonstrated record of effectiveness to operate the school to provide that an outside entity may include a hope operator that submits to a school district a notice of intent and a performance based agreement pursuant to law. A school of hope established pursuant to a turnaround option is eligible for funding from the newly established hope supplemental services allocation for up to 5 years, beginning in the school year in which the school of hope is established if the school of hope meets the following eligibility requirements:

- Is established at the district-owned facilities of the persistently low-performing school;
- Gives priority enrollment to students who are enrolled in, or are eligible to attend and are living in the attendance area of, the persistently low-performing school that the school of hope operates, consistent with the enrollment lottery exemption provided in law,⁶⁵ and
- Meets the requirements of its performance based agreement.

The strengthened turnaround options and funds provided in the supplemental services allocation provided in the bill may result in an increased number of schools that improve to a grade of “C” or higher after implementing a turnaround option.

Franchise Model School (Sections 2 and 8)

Section 2 creates s. 1002.334, F.S., to establish the franchise model school, defined as a persistently low-performing school that is led by a highly effective principal, in addition to the principal’s currently assigned school. If a franchise model school achieves a grade of “C” or higher, the school may retain its status as a franchise model school at the discretion of the school district. A school district that has one or more persistently low-performing schools may use a franchise model school as a school turnaround option. This provides an additional turnaround option and increased flexibility for schools that are required to implement such option pursuant to law.

This section also establishes a franchise model principal as a principal that:

- Must be rated highly effective pursuant to existing personnel evaluations procedures and criteria;

⁶⁵ See Section 1011.62(16), F.S.

- May lead two or more schools, including a persistently low-performing school or a school that was considered a persistently low-performing school before becoming a franchise model school;
- May allocate resources and personnel between the schools under his or her administration; however, he or she must expend hope supplemental services allocation funds at the franchise model schools; and
- Is eligible to receive a Best and Brightest Principal award.

Section 8 amends s. 1012.732, F.S., to conform the Best and Brightest Principal award statute to reflect the establishment of a franchise model principal. A franchise model school principal is eligible for a \$10,000 scholarship under the Best and Brightest Principal Program.

Persistently Low-Performing School (Section 1)

Section 1 amends s. 1002.333, F.S., to revise the definition of persistently low-performing school to mean a school that has completed 2 school years of a district managed turnaround plan and has not improved its school grade to a “C” or higher, instead of as a school that has earned three consecutive grades lower than a “C.” This provides that a school is only a persistently low-performing school after a school has finished its district managed turnaround plan and aligns the treatment of persistently low-performing schools.

Schools of Hope

Section 1 clarifies that the notice of intent submitted by a hope operator seeking to open a school of hope must include all of the elements specified in law and adds additional components. The notice of intent must include the specific location proposed for the school of hope or the plan to use the district-owned facilities of the persistently low-performing school. The notice of intent must also contain an operations plan specifying the hope operator’s intent to undertake the operations of the persistently low-performing school in its entirety or through limited components of the operations. This may result in a more detailed notice of intent pursuant to which a hope operator undertakes at least limited operations of the persistently low-performing school.

Facilities

Section 1 requires a school of hope that is operated by a hope operator pursuant to a turnaround option specified in law and that receives funds from the hope supplemental services allocation to use the district-owned facilities of the persistently low-performing school. A school of hope that uses district-owned facilities must comply with the State Requirements’ for Educational Facilities only if the school district and the hope operator have entered into a mutual management plan for the reasonable maintenance of the facilities. This modification may incentivize hope operators to use the district-owned facilities of the persistently low-performing school.

Florida Tax Credit Scholarship (Section 3)

Section 3 amends s. 1002.395, F.S., to revise and expand eligibility requirements for the Florida Tax Credit (FTC) Scholarship Program. This section specifies that a student who:

- Initially receives a scholarship based on placement in foster or in out-of-home care must remain eligible to participate in the FTC until the student graduates from high school or attains 21 years of age, whichever occurs first, regardless of the student's household income level.
- Currently attends, or attended in the previous academic year, a persistently low-performing school is eligible for an FTC scholarship.
- Initially receives a scholarship based on attendance at a persistently low-performing school remains eligible to participate as long as his or her zoned school retains its status as a persistently low-performing school.

The modified eligibility requirements may result in additional students qualifying for FTC scholarships.

Structured High School Acceleration Programs (Section 4)

Section 4 amends s. 1007.273, F.S., to provide for the creation of structured high school acceleration programs (structured programs) that may include collegiate high school programs. The purpose of the structured programs must be to provide students opportunities to complete at least 30 credit hours toward general education core⁶⁶ curriculum or common prerequisite⁶⁷ requirements. District school boards must not limit student enrollment in the structured programs.

Structured High School Acceleration Program Contract

Section 4 requires the structured program contract to include a list of the meta-major academic pathways available to participating students and to delineate course offerings that include courses that fulfill general education core curriculum or common prerequisite requirements. Accordingly, students will be provided information regarding specific courses and credits that may be applied toward fulfilling the requirements for at least the first year of college and ultimately, an associate degree or baccalaureate degree. College credits earned before graduation from high school may result in tuition and fee savings for the students.

Bonus Funding for School Districts

Section 4 establishes bonus funding for school districts to reward districts for providing students access to advanced-level instruction through structured programs. This section provides:

- 0.5 full-time equivalent (FTE) bonus for a student enrolled in the program who successfully completes 30 college credit hours toward general education core curriculum or common prerequisite course requirements; and

⁶⁶ General education core course options consist of a maximum of five courses within each of the subject areas of communication, mathematics, social sciences, humanities, and natural sciences. The course options are identified by faculty committees that are jointly appointed by the chair of the State Board of Education (state board) and the chair of the Board of Governors (BOG). Section 1007.25(3), F.S.; *see also* Rule 6A-14.0303, F.A.C. and Board of Governors Regulation 8.005.

⁶⁷ The Department of Education is required to identify common prerequisite courses and course substitutions for degree programs across all institutions. Common degree program prerequisites must be offered and accepted by all state universities and Florida College System (FCS) institutions, except in cases approved by the state board for the FCS institutions and the BOG for the state universities. Section 1007.25(5), F.S.

- An additional 0.5 FTE bonus for a student enrolled in the program who successfully completes 60 college credit hours towards an associate degree or baccalaureate degree, before graduating from high school.

The bonus funding incentives may motivate school district participation in the structured programs. Participation in such programs will likely help students gain access to advanced-level instruction and opportunities to earn industry-approved industry certifications, and generate college credit.

Student Performance Contract and Notification

Section 4 establishes notification requirements for each district school board to inform students enrolled in grades 9, 10, 11, and 12 about the structured programs, specifying the method for earning college credits and the estimated cost savings to students and their families associated with earning the college credits before graduating from high school. These requirements will likely increase awareness about structured programs and better inform students regarding the relationship between their high school coursework and postsecondary degree.

Reporting Requirements

Section 4 specifies reporting requirements for district school superintendents and the Commissioner of Education:

- By September 1 of each school year, each district school superintendent must report to the commissioner the following information on each structured program administered during the prior school year:
 - The number of students within the school district who enrolled in the structured program;
 - The total and average number of dual enrollment courses completed, high school and college credits earned, standard high school diplomas and associate and baccalaureate degrees awarded, and the number of industry certifications attained, if any, by the students who enrolled in the structured program;
 - The projected student enrollment in the structured program during the next school year; and
 - Any barriers to executing contracts to establish one or more structured programs.
- By November 30 of each school year, the commissioner must report to the Governor, President of the Senate, and the Speaker of the House of Representatives the status of structured programs, a summary of student enrollment and completion information, barriers to establishing structured programs, and recommendations for expanding access to such programs statewide.

The reporting requirements may assist with program improvement efforts at the local and state level.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill creates two new funding categoricals within the FEFP, for which SB 2500, the General Appropriations Act for Fiscal Year 2018-2109, appropriates \$128 million. SB 2500 appropriates \$40 million for the mental health assistance allocation and \$88,049,710 for the hope supplemental services allocation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1002.333, 1002.395, 1007.273, 1008.33, 1011.62, 1011.71, 1012.732, and 1013.62.

This bill creates section 1002.334 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Education on January 22, 2018:**

The committee substitute retains the substance of the bill and adds to the bill, creation of the franchise model schools and the hope supplemental services allocation, and modifications to current law regarding school improvement, eligibility for the Florida Tax Credit (FTC) scholarship, structured high school acceleration program, and the Florida Best and Brightest Principal Scholarship Program. In sum, the committee substitute:

- Creates the mental health assistance allocation to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs, and establishes related requirements
- Strengthens school improvement and education accountability to:
 - Specify that a school must complete two school years of a district-managed turnaround plan before the school must implement a specified turnaround option
 - Revise the definition of a persistently low-performing (PLP) school to mean a school that has completed 2 school years of a district-managed turnaround plan and that has not improved its a school grade to a “C” or higher
 - Expand the turnaround options available to a school district for a PLP school by including a franchise model school (in which a highly effective principal leads the PLP school in addition to the school principal’s currently assigned school) and a contract with a hope operator to establish a school of hope at the district-owned facilities of the PLP school
 - Revise the definition of a school of hope to by retaining the reference to such school’s location in the attendance zone of a PLP school but removing from the definition of a school of hope, the reference to location of such school within a 5-mile radius of a PLP school
 - Adds to the notice of intent that a hope operator must submit to a school district, information regarding the plan, if any, to use the district-owned facilities of a PLP school, and an operations plan specifying the operator’s intent to undertake the operations of the PLP school in entirety or through limited components of the operations
- Establishes the Hope Supplemental Services Allocation to provide schools implementing a district-managed turnaround plan or a turnaround option, specified in law, with funds to offer services designed to improve the overall academic and community welfare of the schools’ students and their families, and establishes related requirements
- Expands eligibility for the FTC scholarship to include a student from a PLP school but specifies that the existing categories of students (based on students’ household income and placement in foster home or out-of-home care) must be given priority for the FTC scholarship over a student from a PLP school
- Modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes

- Renames the Collegiate High School Program as the Structured High School Acceleration Program, modifies programmatic and reporting requirements, and creates bonus funding for school districts based on students enrolled in such programs completing either a 30- or 60- credit hour block of dual enrollment credits

B. Amendments:

None.