

CS/SB 212 by **ED, Hukill (CO-INTRODUCERS) Sachs, Margolis, Simpson, Latvala, Bradley, Braynon, Thompson, Abruzzo, Gibson, Garcia;** (Compare to H 0367) High School Graduation Requirements
574574 A S UNFAV AED, Bullard Delete L.39 - 214: 04/09 09:14 AM

SB 420 by **Detert;** (Identical to H 0087) Fine Arts Courses
220046 A S WD AED, Legg Delete L.17 - 23: 04/09 01:24 PM

CS/SB 598 by **CJ, Bean;** (Similar to CS/CS/H 0173) Juvenile Justice Education Programs

CS/SB 628 by **ED, Montford (CO-INTRODUCERS) Stargel;** (Compare to CS/H 0377) Independent Nonprofit Higher Education Facilities Financing

CS/CS/SB 900 by **CA, ED, Latvala;** (Similar to CS/H 0541) Public-private Partnerships

SB 908 by **Montford;** (Similar to H 0747) Education Funding

CS/SB 1292 by **ED, Legg;** (Compare to CS/H 7165) Postsecondary Education

SB 1394 by **Legg;** (Compare to CS/H 7033) Education
361962 A S RCS AED, Montford btw L.19 - 20: 04/11 04:44 PM

CS/SB 1400 by **ED, Latvala (CO-INTRODUCERS) Garcia, Soto, Simmons, Richter, Ring, Margolis, Smith, Abruzzo, Braynon, Gibson, Sobel, Clemens, Diaz de la Portilla, Thompson, Flores, Sachs, Montford, Bullard, Joyner, Grimsley;** (Compare to H 0051) Postsecondary Student Tuition
416110 A S RCS AED, Legg Delete everything after 04/11 04:44 PM
886118 AA S L RCS AED, Bullard Delete L.15 - 16: 04/11 04:44 PM
344484 A S L WD AED, Bullard Delete L.87 - 88: 04/11 04:44 PM

CS/SB 1528 by **ED, Bradley;** Charter Schools
393610 D S RS AED, Thrasher Delete everything after 04/11 04:44 PM
801424 AA S WD AED, Sachs btw L.11 - 12: 04/11 04:44 PM
811880 AA S WD AED, Sachs btw L.151 - 152: 04/11 04:44 PM
721144 AA S FAV AED, Montford Delete L.190 - 196: 04/11 04:44 PM
191324 AA S WD AED, Montford Delete L.340 - 380: 04/11 04:44 PM
363024 AA S WD AED, Sachs Delete L.515 - 519: 04/11 04:44 PM
481354 AA S FAV AED, Montford Delete L.849 - 891: 04/11 04:44 PM
704248 SA S RCS AED, Legg Delete everything after 04/11 04:44 PM
397208 AA S L UNFAV AED, Sachs btw L.32 - 33: 04/11 04:44 PM
253798 AA S L RCS AED, Montford Delete L.73 - 79: 04/11 04:44 PM
197598 AA S L WD AED, Montford btw L.375 - 376: 04/11 04:44 PM
889432 AA S L UNFAV AED, Sachs btw L.296 - 297: 04/11 04:44 PM
325862 AA S L UNFAV AED, Sachs btw L.34 - 35: 04/11 04:44 PM
419498 ASA S L RCS AED, Legg Delete L.33 - 438. 04/11 04:44 PM
895108 A S 00 AED, Sachs btw L.20 - 21: 04/11 04:44 PM
407376 A S 00 AED, Sachs btw L.22 - 23: 04/11 04:44 PM
800958 A S 00 AED, Sachs btw L.76 - 77: 04/11 04:44 PM
555700 A S L 00 AED, Montford btw L.92 - 93: 04/11 04:44 PM
835522 A S L 00 AED, Montford btw L.22 - 23: 04/11 04:44 PM

SB 1710 by **ED;** Postsecondary Education
870928 A S RCS AED, Galvano Delete L.55 - 85. 04/11 04:44 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Senator Galvano, Chair
Senator Montford, Vice Chair

MEETING DATE: Wednesday, April 9, 2014
TIME: 9:00 —11:00 a.m.
PLACE: Pat Thomas Committee Room, 412 Knott Building

MEMBERS: Senator Galvano, Chair; Senator Montford, Vice Chair; Senators Abruzzo, Bean, Benacquisto, Bullard, Detert, Hukill, Legg, Richter, Sachs, Simmons, and Thrasher

| TAB | BILL NO. and INTRODUCER | BILL DESCRIPTION and SENATE COMMITTEE ACTIONS | COMMITTEE ACTION |
|-----|--|---|-----------------------------|
| 1 | CS/SB 212 Education / Hukill (Compare H 367) | High School Graduation Requirements; Revising the requirements for the Next Generation Sunshine State Standards to include standards for financial literacy; revising the required credits for high school graduation and a standard high school diploma to include one-half credit for instruction in personal financial literacy and seven and one-half, rather than eight, credits in electives, etc. ED 03/25/2014 Fav/CS AED 04/09/2014 Favorable AP | Favorable Yeas 12 Nays 1 |
| 2 | SB 420 Detert (Identical H 87, Compare H 83) | Fine Arts Courses; Requiring the Commissioner of Education to prepare an annual report relating to student access to and participation in fine arts courses and information on educators, facilities, and instruction in such courses, etc. ED 03/25/2014 Favorable AED 04/09/2014 Favorable AP | Favorable Yeas 13 Nays 0 |
| 3 | CS/SB 598 Criminal Justice / Bean (Similar CS/CS/H 173) | Juvenile Justice Education Programs; Revising requirements for the multiagency education plan for students in juvenile justice education programs, including virtual education as an option; authorizing instructional personnel at all juvenile justice facilities to access specific student records at the district; providing expectations for effective education programs for students in Department of Juvenile Justice programs; requiring the Department of Education to ensure that juvenile justice students who are eligible have access to high school equivalency testing and assist juvenile justice education programs with becoming high school equivalency testing centers, etc. ED 03/11/2014 Favorable CJ 03/24/2014 Fav/CS AED 04/09/2014 Favorable AP | Favorable Yeas 12 Nays 0 |

COMMITTEE MEETING EXPANDED AGENDAAppropriations Subcommittee on Education
Wednesday, April 9, 2014, 9:00 —11:00 a.m.

| TAB | BILL NO. and INTRODUCER | BILL DESCRIPTION and SENATE COMMITTEE ACTIONS | COMMITTEE ACTION |
|-----|--|---|-----------------------------|
| 4 | CS/SB 628 Education / Montford (Compare CS/H 377) | Independent Nonprofit Higher Education Facilities Financing; Expanding the definition of the term "project" as it relates to the Higher Educational Facilities Financing Act, etc. ED 03/18/2014 Temporarily Postponed ED 03/25/2014 Fav/CS AED 04/09/2014 Favorable AP RC | Favorable Yeas 13 Nays 0 |
| 5 | CS/CS/SB 900 Community Affairs / Education / Latvala (Similar CS/H 541, Compare CS/H 543, Link CS/S 1396) | Public-private Partnerships; Authorizing formation of a public-private partnership between a state university or direct-support organization and a private entity; establishing procedures and requirements for the receipt, solicitation, and evaluation of proposals received by a state university board of trustees or direct-support organization; prohibiting a board of trustees or direct-support organization from proceeding with a comprehensive agreement under certain circumstances; providing for applicability of sovereign immunity to a comprehensive agreement, etc. ED 03/11/2014 Fav/CS CA 03/25/2014 Fav/CS AED 04/09/2014 Favorable AP | Favorable Yeas 13 Nays 0 |
| 6 | SB 908 Montford (Similar H 747) | Education Funding; Providing for the calculation of additional full-time equivalent student membership based on enrollment in Advancement Via Individual Determination elective classes and examination scores; providing for the use of funds, etc. ED 03/25/2014 Favorable AED 04/09/2014 Favorable AP | Favorable Yeas 13 Nays 0 |
| 7 | CS/SB 1292 Education / Legg (Compare CS/H 7165, CS/CS/S 790) | Postsecondary Education; Establishing the Florida Center for Library Automation; repealing provisions relating to licensing electronic library resources and the Florida Virtual Campus; creating the Complete Florida Plus Program, rather than the Complete Florida Degree Program, within the Innovation Institute of the University of West Florida; establishing the Complete Florida Degree Initiative; providing that the University of West Florida is the successor in interest to the Florida Virtual Campus, etc. ED 03/25/2014 Fav/CS AED 04/09/2014 Favorable AP | Favorable Yeas 13 Nays 0 |

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on Education
 Wednesday, April 9, 2014, 9:00 —11:00 a.m.

| TAB | BILL NO. and INTRODUCER | BILL DESCRIPTION and SENATE COMMITTEE ACTIONS | COMMITTEE ACTION |
|-----|---|---|--------------------------|
| 8 | SB 1394 Legg (Compare CS/H 7033, CS/CS/S 850) | Education; Revising the requirements to earn a Merit designation on a standard high school diploma, etc. ED 03/25/2014 Favorable AED 04/09/2014 Fav/CS AP | Fav/CS Yeas 13 Nays 0 |
| 9 | CS/SB 1400 Education / Latvala (Compare H 51, H 205, H 275, CS/CS/CS/H 851, H 5101, CS/CS/H 7057, S 300, S 428, S 732, CS/S 1148, CS/S 1202) | Postsecondary Student Tuition; Revising the standard tuition and out-of-state fees for workforce education postsecondary programs leading to certain certificates and diplomas and certain other programs at Florida College System institutions; deleting a requirement that the Office of Economic and Demographic Research annually report the rate of inflation to the Governor, the Legislature, and the State Board of Education; requiring a state university, a Florida College System institution, a career center operated by a school district, or a charter technical career center to waive undergraduate tuition for a recipient of a Purple Heart or another combat decoration superior in precedence under certain conditions, etc. ED 03/18/2014 Fav/CS JU 04/01/2014 Favorable AED 04/09/2014 Fav/CS AP | Fav/CS Yeas 8 Nays 5 |
| 10 | CS/SB 1528 Education / Bradley | Charter Schools; Authorizing contract disputes to be referred to the Division of Administrative Hearings for summary final order; requiring a charter school to request that withdrawing students or parents of withdrawing students complete a survey; requiring a charter school to annually report information concerning why students leave the charter school to its sponsor and the Department of Education, etc. ED 03/25/2014 Fav/CS AED 04/09/2014 Fav/CS AP | Fav/CS Yeas 13 Nays 0 |
| 11 | SB 1710 Education (Compare CS/S 1148) | Postsecondary Education; Repealing provisions relating to New College of Florida; revising a Florida College System institution's primary responsibilities and secondary role as they relate to providing upper-level instruction and awarding baccalaureate degrees; increasing the annual maximum number of scholarships that may be awarded; increasing the annual maximum award amount per student; creating the Florida National Merit Scholar Incentive Program, etc. AED 04/09/2014 Fav/CS AP | Fav/CS Yeas 13 Nays 0 |

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on Education
Wednesday, April 9, 2014, 9:00 —11:00 a.m.

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|-----|---------------------------------|--|------------------|
| | Other Related Meeting Documents | | |

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 Education

BILL: CS/SB 212

INTRODUCER: Education Committee and Senator Hukill and others

SUBJECT: High School Graduation Requirements

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|------------------------|-----------------|------------|------------------|
| 1. | <u>deMarsh-Mathues</u> | <u>Klebacha</u> | <u>ED</u> | Fav/CS |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | Favorable |
| 3. | _____ | _____ | <u>AP</u> | _____ |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 212 removes the requirement that financial literacy be included in the instruction of high school economics. Beginning with students entering 9th grade in the 2014-2015 school year, the high school graduation requirements must include one-half credit in personal financial literacy and money management instruction. Additionally, the bill reduces the number of required elective credits from eight to seven and one-half credits.

The district costs associated with a new financial literacy course would be paid from existing Florida Education Finance Program (FEFP) funds or other local sources. No additional state funds would be needed.

The bill provides an effective date of July 1, 2014.

II. Present Situation:

Currently, Florida public high school students have four options for obtaining a standard high school diploma -- a traditional 4-year, 24-credit option;¹ an 18-credit graduation option;² or

¹ Section 1003.428, F.S., established high school graduation requirements beginning with students entering grade 9 in the 2007-2008 school year. Section 1003.4282, F.S., established high school graduation requirements for students entering grade 9 in the 2013-2014 school year and thereafter.

² Section 1002.3105(5), F.S. Effective July 1, 2013, students may earn a standard high school diploma in 18 credits by achieving a 2.0 GPA; earning credit in the same 15 English Language Arts, mathematics, science, social studies, and fine and

completion of an International Baccalaureate (IB) or Advanced International Certificate of Education (AICE) curriculum.³ In addition, current law requires each school district to adopt an early graduation policy allowing a high school student who completes 24 credits in less than eight semesters and meets the GPA and assessment requirements to graduate early.⁴

Three of the 24 credits required to graduate from high school must be in social studies.⁵ Of these, one credit each must be in United States history and world history, and one-half credit each must be in economics, including financial literacy, and United States government.⁶

The law requires Florida's social studies standards to establish specific curricular content for economics, including financial literacy.⁷ Financial literacy includes the knowledge, understanding, skills, behaviors, attitudes, and values that enable a student to make responsible and effective financial decisions on a daily basis. Financial literacy instruction must be an integral part of instruction throughout the entire economics course and include information regarding earning income; buying goods and services; saving and financial investing; taxes; the use of credit and credit cards; budgeting and debt management, including student loans and secured loans; banking and financial services; planning for one's financial future, including higher education and career planning; credit reports and scores; and fraud and identity theft prevention.⁸

Legislation enacted in 2013 required the Commissioner of Education to prepare an analysis of the costs associated with implementing a separate, one-half credit course in financial literacy, including estimated costs for instructional personnel, training, and the development or purchase of instructional materials.⁹ The Commissioner was to provide the cost analysis to the presiding officers of the Senate and the House of Representatives by October 1, 2013.¹⁰

III. Effect of Proposed Changes:

The bill removes the requirement for financial literacy to be included in the instruction of high school economics. Beginning with students entering 9th grade in the 2014-2015 school year, the high school graduation requirements must include one-half credit in personal financial literacy

performing arts courses required under the traditional 24-credit option; and earning 3 elective credits, instead of the 6 electives required by the 24-credit option.

³ Sections 1003.428 and 1003.4282, F.S.

⁴ Section 1003.4281, F.S.

⁵ Sections 1003.428(2)(a)4. and 1003.4282(3)(d), F.S.

⁶ This requirement was created by ss. 15 and 17, chapter 2013-27, L.O.F., codified in s. 1003.428(2)(a)4., F.S., and s. 1003.4282(3)(d), F.S., respectively.

⁷ Section 1003.41(2)(d), F.S.

⁸ *Id.*

⁹ Section 11, chapter 2013-27, L.O.F.

¹⁰ *Financial Literacy Report*, correspondence from Commissioner Pam Stewart to the Speaker of the Florida House of Representatives, October 1, 2013. See [KMBT C454-201310011173005](http://www.kmbt.com/news/2013/10/01/1173005) (last visited March 19, 2014). The report describes the underlying assumptions for the estimates to implement a separate one-half credit course in financial literacy. The report cites the results of a survey of states requiring a stand-alone course to be offered in personal financial literacy. *Survey of the States: Economic and Personal Finance Education in Our Nation's Schools*, Council for Economic Education (CEE), 2014. See <http://www.councilforeconed.org/news-information/survey-of-the-states/> and <http://www.councilforeconed.org/about/> (last visited March 20, 2014).

and money management instruction.¹¹ Additionally, the bill reduces the number of required elective credits from eight to seven and one-half credits. The bill also makes conforming changes to s. 1003.41, F.S., which specifies Florida's academic standards.

The bill provides an effective date of July 1, 2014.

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 Department of Education (DOE) provided four scenarios for the estimated school district cost of implementing a financial literacy course. These scenarios illustrate a 5-year cost range from a minimum of \$138,944 utilizing a free curriculum, to a maximum of \$12,945,984 based on a textbook for every student. The full range of DOE cost estimates for school districts are provided in the Estimated Costs of Implementing a Financial Literacy Course table below.¹² The cost of the instructional materials associated with the financial literacy course would be paid from existing FEFP funds or other local sources. No additional state funds would be needed.

¹¹ The components of the instruction include: types of bank accounts offered, opening an account, and assessing the quality of a depository institution's services; balancing a checkbook; basic principles of money management, such as spending, credit, credit scores, and managing debt, including retail and credit card debt; completing a loan application; receiving an inheritance and related implications; basic principles of personal insurance policies; computing federal income taxes; local tax assessments; computing interest rates by various mechanisms; simple contracts; contesting an incorrect billing statement; types of savings and investments; and state and federal laws concerning finance.

¹² DOE legislative bill analysis for SB 212, January 31, 2014. On file with the Senate Education Committee.

Estimated Costs of Implementing a Financial Literacy Course

| Cost Analysis | Year 1 | Year 2 to 5 | Total |
|--|--------------------|--------------------|---------------------|
| <u>Scenario 1: Assuming One set of Books Per Classroom</u> | | | |
| Teacher Wages and Benefits for Training Outside Normal Business Hours (4-hr training) | 138,944 | - | 138,944 |
| Instructional Materials Cost (assumes \$80 per book) | 2,778,880 | 1,710,080 | 4,488,960 |
| Total Estimated Cost | \$2,917,824 | 1,710,080 | \$4,627,904 |
| <u>Scenario 2: Assuming A Book for Each Students</u> | | | |
| Teacher Wages and Benefits for Training Outside Normal Business Hours (4-hr training) | 138,944 | | 138,944 |
| Instructional Materials Cost (assumes \$80 per book) | 8,004,400 | 4,802,640 | 12,807,040 |
| Total Estimated Cost | \$8,143,344 | \$4,802,640 | \$12,945,984 |
| <u>Scenario 3: Assuming A Free Online Course</u> | | | |
| Teacher Wages and Benefits for Training Outside Normal Business Hours (4-hr training) Includes salaries and benefits for “training the trainers” | 145,912 | - | 145,912 |
| Travel Costs (assumes 1 teacher from each district) | 15,669 | - | 15,699 |
| Total Estimated Cost | \$161,581 | - | \$161,581 |
| <u>Scenario 4: Assuming Free Curriculum</u> | | | |
| Teacher Wages and Benefits for Training Outside Normal Business Hours (4-hr training) | 138,944 | - | 138,944 |
| Total Estimated Cost | \$138,944 | - | \$138,944 |

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1003.41, 1003.428 and 1003.4282.

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 March 25, 2014:

The committee substitute:

- Adds conforming changes to Florida’s academic standards.

- B. Amendments:

None.



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LEGISLATIVE ACTION

| Senate | . | House |
|-------------|---|-------|
| Comm: UNFAV | . | |
| 04/09/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Bullard) recommended the following:

Senate Amendment (with title amendment)

Delete lines 39 - 214

and insert:

(f) Beginning with students entering grade 9 in the 2014-2015 school year, financial mathematics standards must establish specific curricular content for, at a minimum, financial mathematics. Financial mathematics includes instruction in the areas specified in ss. 1003.428(2)(a)7. and 1003.4282(3)(h).

Section 2. Paragraph (a) of subsection (2) of section



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11 1003.428, Florida Statutes, is amended to read:
12 1003.428 General requirements for high school graduation.—
13 (2) The 24 credits may be earned through applied,
14 integrated, and career education courses approved by the
15 Department of Education. The 24 credits shall be distributed as
16 follows:
17 (a) Sixteen core curriculum credits:
18 1. Four credits in English, with major concentration in
19 composition, reading for information, and literature.
20 2. Four credits in mathematics, one of which must be
21 Algebra I, a series of courses equivalent to Algebra I, or a
22 higher-level mathematics course. Beginning with students
23 entering grade 9 in the 2010-2011 school year, in addition to
24 the Algebra I credit requirement, one of the four credits in
25 mathematics must be geometry or a series of courses equivalent
26 to geometry as approved by the State Board of Education.
27 Beginning with students entering grade 9 in the 2010-2011 school
28 year, the end-of-course assessment requirements under s.
29 1008.22(3)(c)2.a.(I) must be met in order for a student to earn
30 the required credit in Algebra I. Beginning with students
31 entering grade 9 in the 2011-2012 school year, the end-of-course
32 assessment requirements under s. 1008.22(3)(c)2.a.(I) must be
33 met in order for a student to earn the required credit in
34 geometry. Beginning with students entering grade 9 in the 2012-
35 2013 school year, in addition to the Algebra I and geometry
36 credit requirements, one of the four credits in mathematics must
37 be Algebra II or a series of courses equivalent to Algebra II as
38 approved by the State Board of Education.
39 3. Three credits in science, two of which must have a



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40 laboratory component. Beginning with students entering grade 9
41 in the 2011-2012 school year, one of the three credits in
42 science must be Biology I or a series of courses equivalent to
43 Biology I as approved by the State Board of Education. Beginning
44 with students entering grade 9 in the 2011-2012 school year, the
45 end-of-course assessment requirements under s.

46 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
47 the required credit in Biology I. Beginning with students
48 entering grade 9 in the 2013-2014 school year, one of the three
49 credits must be Biology I or a series of courses equivalent to
50 Biology I as approved by the State Board of Education, one
51 credit must be chemistry or physics or a series of courses
52 equivalent to chemistry or physics as approved by the State
53 Board of Education, and one credit must be an equally rigorous
54 course, as determined by the State Board of Education.

55 4. Three credits in social studies as follows: one credit
56 in United States history; one credit in world history; one-half
57 credit in economics, ~~which shall include financial literacy~~; and
58 one-half credit in United States government.

59 5. One credit in fine or performing arts, speech and
60 debate, or a practical arts course that incorporates artistic
61 content and techniques of creativity, interpretation, and
62 imagination. Eligible practical arts courses shall be identified
63 through the Course Code Directory.

64 6. One credit in physical education to include integration
65 of health. Participation in an interscholastic sport at the
66 junior varsity or varsity level for two full seasons shall
67 satisfy the one-credit requirement in physical education if the
68 student passes a competency test on personal fitness with a



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69 score of "C" or better. The competency test on personal fitness
70 must be developed by the Department of Education. A district
71 school board may not require that the one credit in physical
72 education be taken during the 9th grade year. Completion of one
73 semester with a grade of "C" or better in a marching band class,
74 in a physical activity class that requires participation in
75 marching band activities as an extracurricular activity, or in a
76 dance class shall satisfy one-half credit in physical education
77 or one-half credit in performing arts. This credit may not be
78 used to satisfy the personal fitness requirement or the
79 requirement for adaptive physical education under an individual
80 education plan (IEP) or 504 plan. Completion of 2 years in a
81 Reserve Officer Training Corps (R.O.T.C.) class, a significant
82 component of which is drills, shall satisfy the one-credit
83 requirement in physical education and the one-credit requirement
84 in performing arts. This credit may not be used to satisfy the
85 personal fitness requirement or the requirement for adaptive
86 physical education under an individual education plan (IEP) or
87 504 plan.

88 7. Optional one-credit financial mathematics course for
89 students in grades 11 and 12. Beginning with students entering
90 grade 9 in the 2014-2015 school year, each student in grade 11
91 or grade 12 may take a financial mathematics course that counts
92 toward one of the four credits in mathematics. This course must
93 include discussion of all of the following areas:

94 a. Using online resources to calculate loan costs, balance
95 a checkbook, and choose investment vehicles.

96 b. Manually balancing a checkbook.

97 c. Using basic principles of money management, such as



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98 spending, credit, credit scores, and managing debt, including
99 retail and credit card debt.

100 d. Completing a loan application.

101 e. Computing federal income taxes.

102 f. Collecting and organizing financial documents,
103 including, but not limited to, receipts, credit card bills, and
104 banking sheets.

105 g. Understanding local tax assessments.

106 h. Computing interest rates by various mechanisms.

107 i. Calculating mortgage costs and inflation rates.

108 j. Contesting an incorrect billing statement.

109 Section 3. Paragraphs (d) and (g) of subsection (3) of
110 section 1003.4282, Florida Statutes, are amended, and paragraph
111 (h) is added to that subsection, to read:

112 1003.4282 Requirements for a standard high school diploma.—

113 (3) STANDARD HIGH SCHOOL DIPLOMA; COURSE AND ASSESSMENT
114 REQUIREMENTS.—

115 (d) *Three credits in social studies.*—A student must earn
116 one credit in United States History; one credit in World
117 History; one-half credit in economics, ~~which must include~~
118 ~~financial literacy~~; and one-half credit in United States
119 Government. The United States History EOC assessment constitutes
120 30 percent of the student's final course grade.

121 (g) *Eight credits in electives.*—Each school district shall
122 ~~School districts must~~ develop and offer coordinated electives so
123 that a student may develop knowledge and skills in his or her
124 area of interest, such as electives with a STEM or liberal arts
125 focus. Such electives must include opportunities for students to
126 earn college credit, including industry-certified career



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127 education programs or series of career-themed courses that
128 result in industry certification or articulate into the award of
129 college credit, or career education courses for which there is a
130 statewide or local articulation agreement and which lead to
131 college credit.

132 (h) Optional one-credit financial mathematics course for
133 students in grades 11 and 12.—Beginning with students entering
134 grade 9 in the 2014-2015 school year, each student in grade 11
135 or grade 12 may take a financial mathematics course that counts
136 toward one of the four credits in mathematics. This course must
137 include discussion of all of the following areas:

138 1. Using online resources to calculate loan costs, balance
139 a checkbook, and choose investment vehicles.

140 2. Manually balancing a checkbook.

141 3. Using basic principles of money management, such as
142 spending, credit, credit scores, and managing debt, including
143 retail and credit card debt.

144 4. Completing a loan application.

145 5. Computing federal income taxes.

146 6. Collecting and organizing financial documents,
147 including, but not limited to, receipts, credit card bills, and
148 banking sheets.

149 7. Understanding local tax assessments.

150 8. Computing interest rates by various mechanisms.

151 9. Calculating mortgage costs and inflation rates.

152 10. Contesting an incorrect billing statement.

153
154 ===== T I T L E A M E N D M E N T =====

155 And the title is amended as follows:



574574

156 Delete lines 5 - 11
157 and insert:
158 Standards to include standards for financial
159 mathematics; amending ss. 1003.428 and 1003.4282,
160 F.S.; offering an optional credit in instruction in
161 financial mathematics for high school graduation and a
162 standard high school diploma; providing an effective
163 date.

By the Committee on Education; and Senators Hukill, Sachs, Margolis, Simpson, Latvala, Bradley, Braynon, Thompson, Abruzzo, Gibson, and Garcia

581-03140-14

2014212c1

1 A bill to be entitled
 2 An act relating to high school graduation
 3 requirements; amending s. 1003.41, F.S.; revising the
 4 requirements for the Next Generation Sunshine State
 5 Standards to include standards for financial literacy;
 6 amending ss. 1003.428 and 1003.4282, F.S.; revising
 7 the required credits for high school graduation and a
 8 standard high school diploma to include one-half
 9 credit for instruction in personal financial literacy
 10 and seven and one-half, rather than eight, credits in
 11 electives; providing an effective date.

12

13 WHEREAS, many young people in this state graduate from high
 14 school without having a basic knowledge of financial literacy
 15 and money management, and

16 WHEREAS, the Legislature finds that, in light of the recent
 17 economic challenges nationwide, sound financial management
 18 skills are vitally important to all Floridians, particularly
 19 high school students, and

20 WHEREAS, the Legislature also finds that requiring
 21 educational instruction in financial literacy and money
 22 management as a prerequisite to high school graduation in this
 23 state will better prepare young people for adulthood by
 24 providing them the requisite knowledge to achieve financial
 25 stability and independence, and

26 WHEREAS, adoption of this act, which may be cited as the
 27 "Personal Financial Literacy Education Act," will make Florida
 28 the sixth state in the nation to require instruction in
 29 financial literacy as a prerequisite for high school graduation

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 and a standard high school diploma, NOW, THEREFORE,
 31
 32 Be It Enacted by the Legislature of the State of Florida:
 33

34 Section 1. Paragraph (f) is added to subsection (2) of
 35 section 1003.41, Florida Statutes, to read:
 36 1003.41 Next Generation Sunshine State Standards.—
 37 (2) Next Generation Sunshine State Standards must meet the
 38 following requirements:
 39 (f) Beginning with students entering grade 9 in the 2014-
 40 2015 school year, financial literacy standards must establish
 41 specific curricular content for, at a minimum, personal
 42 financial literacy and money management. Financial literacy
 43 includes instruction in the areas specified in ss.
 44 1003.428(2)(a)7. and 1003.4282(3)(h).

45 Section 2. Paragraphs (a) and (b) of subsection (2) of
 46 section 1003.428, Florida Statutes, are amended to read:
 47 1003.428 General requirements for high school graduation.—
 48 (2) The 24 credits may be earned through applied,
 49 integrated, and career education courses approved by the
 50 Department of Education. The 24 credits shall be distributed as
 51 follows:
 52 (a) Sixteen core curriculum credits:
 53 1. Four credits in English, with major concentration in
 54 composition, reading for information, and literature.
 55 2. Four credits in mathematics, one of which must be
 56 Algebra I, a series of courses equivalent to Algebra I, or a
 57 higher-level mathematics course. Beginning with students
 58 entering grade 9 in the 2010-2011 school year, in addition to

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59 the Algebra I credit requirement, one of the four credits in
 60 mathematics must be geometry or a series of courses equivalent
 61 to geometry as approved by the State Board of Education.
 62 Beginning with students entering grade 9 in the 2010-2011 school
 63 year, the end-of-course assessment requirements under s.
 64 1008.22(3)(c)2.a.(I) must be met in order for a student to earn
 65 the required credit in Algebra I. Beginning with students
 66 entering grade 9 in the 2011-2012 school year, the end-of-course
 67 assessment requirements under s. 1008.22(3)(c)2.a.(I) must be
 68 met in order for a student to earn the required credit in
 69 geometry. Beginning with students entering grade 9 in the 2012-
 70 2013 school year, in addition to the Algebra I and geometry
 71 credit requirements, one of the four credits in mathematics must
 72 be Algebra II or a series of courses equivalent to Algebra II as
 73 approved by the State Board of Education.

74 3. Three credits in science, two of which must have a
 75 laboratory component. Beginning with students entering grade 9
 76 in the 2011-2012 school year, one of the three credits in
 77 science must be Biology I or a series of courses equivalent to
 78 Biology I as approved by the State Board of Education. Beginning
 79 with students entering grade 9 in the 2011-2012 school year, the
 80 end-of-course assessment requirements under s.
 81 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
 82 the required credit in Biology I. Beginning with students
 83 entering grade 9 in the 2013-2014 school year, one of the three
 84 credits must be Biology I or a series of courses equivalent to
 85 Biology I as approved by the State Board of Education, one
 86 credit must be chemistry or physics or a series of courses
 87 equivalent to chemistry or physics as approved by the State

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88 Board of Education, and one credit must be an equally rigorous
 89 course, as determined by the State Board of Education.

90 4. Three credits in social studies as follows: one credit
 91 in United States history; one credit in world history; one-half
 92 credit in economics, ~~which shall include financial literacy~~; and
 93 one-half credit in United States government.

94 5. One credit in fine or performing arts, speech and
 95 debate, or a practical arts course that incorporates artistic
 96 content and techniques of creativity, interpretation, and
 97 imagination. Eligible practical arts courses shall be identified
 98 through the Course Code Directory.

99 6. One credit in physical education to include integration
 100 of health. Participation in an interscholastic sport at the
 101 junior varsity or varsity level for two full seasons shall
 102 satisfy the one-credit requirement in physical education if the
 103 student passes a competency test on personal fitness with a
 104 score of "C" or better. The competency test on personal fitness
 105 must be developed by the Department of Education. A district
 106 school board may not require that the one credit in physical
 107 education be taken during the 9th grade year. Completion of one
 108 semester with a grade of "C" or better in a marching band class,
 109 in a physical activity class that requires participation in
 110 marching band activities as an extracurricular activity, or in a
 111 dance class shall satisfy one-half credit in physical education
 112 or one-half credit in performing arts. This credit may not be
 113 used to satisfy the personal fitness requirement or the
 114 requirement for adaptive physical education under an individual
 115 education plan (IEP) or 504 plan. Completion of 2 years in a
 116 Reserve Officer Training Corps (R.O.T.C.) class, a significant

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117 component of which is drills, shall satisfy the one-credit
 118 requirement in physical education and the one-credit requirement
 119 in performing arts. This credit may not be used to satisfy the
 120 personal fitness requirement or the requirement for adaptive
 121 physical education under an individual education plan (IEP) or
 122 504 plan.

123 7. One-half credit in personal financial literacy.
 124 Beginning with students entering grade 9 in the 2014-2015 school
 125 year, each student shall take one-half credit in instruction
 126 regarding personal financial literacy and money management. This
 127 instruction must include discussion of all of the following
 128 areas:

129 a. Types of bank accounts offered, opening an account, and
 130 assessing the quality of a depository institution's services.

131 b. Balancing a checkbook.

132 c. Basic principles of money management, such as spending,
 133 credit, credit scores, and managing debt, including retail and
 134 credit card debt.

135 d. Completing a loan application.

136 e. Receiving an inheritance and related implications.

137 f. Basic principles of personal insurance policies.

138 g. Computing federal income taxes.

139 h. Local tax assessments.

140 i. Computing interest rates by various mechanisms.

141 j. Simple contracts.

142 k. Contesting an incorrect billing statement.

143 l. Types of savings and investments.

144 m. State and federal laws concerning finance.

145 (b) Seven and one-half ~~Eight~~ credits in electives,

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146 beginning with students entering grade 9 in the 2014-2015 school
 147 year.

148 1. For each year in which a student scores Level 1 on FCAT
 149 Reading, the student must be enrolled in and complete an
 150 intensive reading course the following year. Placement of Level
 151 2 readers in either an intensive reading course or a content
 152 area course in which reading strategies are delivered shall be
 153 determined by diagnosis of reading needs. The department shall
 154 provide guidance on appropriate strategies for diagnosing and
 155 meeting the varying instructional needs of students reading
 156 below grade level. Reading courses shall be designed and offered
 157 pursuant to the comprehensive reading plan required by s.

158 1011.62(9). A high school student who scores Level 1 or Level 2
 159 on FCAT Reading but who did not score below Level 3 in the
 160 previous 3 years may be granted a 1-year exemption from the
 161 reading remediation requirement; however, the student must have
 162 an approved academic improvement plan already in place, signed
 163 by the appropriate school staff and the student's parent, for
 164 the year for which the exemption is granted.

165 2. For each year in which a student scores Level 1 or Level
 166 2 on FCAT Mathematics, the student must receive remediation the
 167 following year. These courses may be taught through applied,
 168 integrated, or combined courses and are subject to approval by
 169 the department for inclusion in the Course Code Directory.

170 Section 3. Paragraphs (d) and (g) of subsection (3) of
 171 section 1003.4282, Florida Statutes, are amended, and paragraph
 172 (h) is added to that subsection, to read:

173 1003.4282 Requirements for a standard high school diploma.-

174 (3) STANDARD HIGH SCHOOL DIPLOMA; COURSE AND ASSESSMENT

581-03140-14 2014212c1

175 REQUIREMENTS.—

176 (d) *Three credits in social studies.*—A student must earn
 177 one credit in United States History; one credit in World
 178 History; one-half credit in economics, ~~which must include~~
 179 ~~financial literacy~~; and one-half credit in United States
 180 Government. The United States History EOC assessment constitutes
 181 30 percent of the student's final course grade.

182 (g) *Seven and one-half ~~Eight~~ credits in electives.*—Each
 183 school district shall ~~School districts must~~ develop and offer
 184 coordinated electives so that a student may develop knowledge
 185 and skills in his or her area of interest, such as electives
 186 with a STEM or liberal arts focus. Such electives must include
 187 opportunities for students to earn college credit, including
 188 industry-certified career education programs or series of
 189 career-themed courses that result in industry certification or
 190 articulate into the award of college credit, or career education
 191 courses for which there is a statewide or local articulation
 192 agreement and which lead to college credit.

193 (h) *One-half credit in personal financial literacy.*—
 194 Beginning with students entering grade 9 in the 2014-2015 school
 195 year, each student shall take one-half credit in instruction
 196 regarding personal financial literacy and money management. This
 197 instruction must include discussion of all of the following
 198 areas:

199 1. Types of bank accounts offered, opening an account, and
 200 assessing the quality of a depository institution's services.

201 2. Balancing a checkbook.

202 3. Basic principles of money management, such as spending,
 203 credit, credit scores, and managing debt, including retail and

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204 credit card debt.205 4. Completing a loan application.206 5. Receiving an inheritance and related implications.207 6. Basic principles of personal insurance policies.208 7. Computing federal income taxes.209 8. Local tax assessments.210 9. Computing interest rates by various mechanisms.211 10. Simple contracts.212 11. Contesting an incorrect billing statement.213 12. Types of savings and investments.214 13. State and federal laws concerning finance.

215 Section 4. This act shall take effect July 1, 2014.

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 Education

BILL: SB 420

INTRODUCER: Senator Detert

SUBJECT: Fine Arts Courses

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|------------------------|-----------------|------------|------------------|
| 1. | <u>deMarsh-Mathues</u> | <u>Klebacha</u> | <u>ED</u> | Favorable |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | Favorable |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

SB 420 requires the Commissioner of Education to prepare an annual report that includes information, based on annual reporting by schools, regarding:

- Student access to, and participation in, fine arts courses;¹
- Number and certification status of educators providing arts instruction;
- Educational facilities designed and classroom space equipped for fine arts instruction; and
- The manner in which schools are providing the fine arts core curricular content established in Florida's academic standards.

The report must be posted on the Department of Education's website and updated annually.

This bill has no fiscal impact to the state.

The bill provides an effective date of July 1, 2014.

II. Present Situation:

Currently Florida public high school students have four options for obtaining a standard high school diploma -- a traditional four-year, 24-credit option;² an 18-credit graduation option;³ or completion of an International Baccalaureate (IB) or Advanced International Certificate of

¹ The bill defines fine arts courses, for purposes of the annual report, to include visual arts, music, dance, and theatre courses.

² Section 1003.428, F.S., established high school graduation requirements beginning with students entering grade 9 in the 2007-2008 school year. Section 1003.4282, F.S., established high school graduation requirements for students entering grade 9 in the 2013-2014 school year and thereafter.

³ Section 1002.3105(5), F.S. Effective July 1, 2013, students may earn a standard high school diploma in 18 credits by achieving a 2.0 GPA; earning credit in the same 15 English Language Arts, mathematics, science, social studies, and fine and performing arts courses required under the traditional 24-credit option; and earning 3 elective credits, instead of the 6 electives required by the 24-credit option.

Education (AICE) curriculum.⁴ In addition, current law requires each school district to adopt an early graduation policy allowing a high school student who completes 24 credits in less than eight semesters and meets the GPA and assessment requirements to graduate early.⁵

One of the 24 credits required to graduate from high school must be in fine or performing arts, speech and debate, or a practical arts course that incorporates artistic content and techniques of creativity, interpretation, and imagination.⁶ Eligible practical arts courses are identified through the Course Code Directory.⁷ In addition, the state's academic standards are required to include standards for instruction for visual and performing arts.⁸ Such standards must include specific curricular content and include distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade five.⁹ The standards for grades six through 12 may be organized by grade clusters of more than one grade level.¹⁰

III. Effect of Proposed Changes:

The bill requires the Commissioner of Education to prepare an annual report that includes information, based on annual reporting by schools, regarding:

- Student access to, and participation in, fine arts courses;¹¹
- Number and certification status of educators providing arts instruction;
- Educational facilities designed and classroom space equipped for fine arts instruction; and
- The manner in which schools are providing the fine arts core curricular content established in Florida's academic standards.

The report must be posted on the Department of Education's website and updated annually.

The bill provides an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

⁴ Sections 1003.428 and 1003.4282, F.S.

⁵ Section 1003.4281, F.S.

⁶ Sections 1003.428(2)(a)5. and 1003.4282(3)(e), F.S.

⁷ Florida Department of Education, Course Code Directory and Instruction Personnel Assignments, *See* <https://www.fldoe.org/articulation/CCD/files/PACourses1314.pdf> (last visited March 19, 2014).

⁸ Section 1003.41(2)(e), F.S.

⁹ *Id.*

¹⁰ *Id.*

¹¹ The bill defines fine arts courses, for purposes of the annual report, to include visual arts, music, dance, and theatre courses.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1003.4995 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.



220046

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: WD | . | |
| 04/09/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Legg) recommended the following:

Senate Amendment

Delete lines 17 - 23

and insert:

participation in fine arts courses, which are visual arts, digital arts, music, dance, and theatre courses; the number and certification status of educators providing instruction in the courses; educational facilities designed and classroom space equipped for fine arts instruction; and the manner in which



220046

11 schools are providing the core curricular content for fine arts
12 established in Florida's academic standards. The report

By Senator Detert

28-00488-14

2014420__

A bill to be entitled

An act relating to fine arts courses; creating s. 1003.4995, F.S.; requiring the Commissioner of Education to prepare an annual report relating to student access to and participation in fine arts courses and information on educators, facilities, and instruction in such courses; providing an effective date.

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

Section 1. Section 1003.4995, Florida Statutes, is created to read:

1003.4995 Fine arts report.—The Commissioner of Education shall prepare an annual report that includes a description, based on annual reporting by schools, of student access to and participation in fine arts courses, which are visual arts, music, dance, and theatre courses; the number and certification status of educators providing instruction in the courses; educational facilities designed and classroom space equipped for fine arts instruction; and the manner in which schools are providing the core curricular content for fine arts established in the Next Generation Sunshine State Standards. The report shall be posted on the Department of Education's website and updated annually.

Section 2. This act shall take effect July 1, 2014.

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 Education

BILL: CS/SB 598

INTRODUCER: Criminal Justice Committee and Senator Bean

SUBJECT: Juvenile Justice Education Programs

DATE: April 9, 2014

REVISED: 04/08/14

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-------------------|-----------------|------------|------------------|
| 1. | <u>McLaughlin</u> | <u>Klebacha</u> | <u>ED</u> | Favorable |
| 2. | <u>Dugger</u> | <u>Cannon</u> | <u>CJ</u> | Fav/CS |
| 3. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | Favorable |
| 4. | <u></u> | <u></u> | <u>AP</u> | |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 598 makes changes to the provisions of law governing the accountability, deliverance, and review of juvenile justice education programs that provide educational services to students within the Department of Juvenile Justice (DJJ).

The bill revises the accountability of juvenile justice education programs by:

- Implementing an accountability system to meet client needs;
- Requiring the Department of Education (DOE), in partnership with the DJJ, to develop a comprehensive accountability and school improvement process;
- Requiring the DOE in collaboration with the DJJ to monitor and report on the educational performance of students in commitment, day treatment, prevention, and detention programs;
- Requiring the DOE, in consultation with the DJJ, district school boards, and providers, to adopt rules for objective and measurable student performance measures and program performance ratings for the delivery of educational services by prevention, day treatment, and residential programs; and
- Requiring the DOE, in partnership with the DJJ, district school boards, and providers to:
 - Develop and implement requirements for contracts and cooperative agreements regarding the delivery of appropriate education services to students in DJJ programs.
 - Maintain standardized procedures for securing student records.

The bill revises provisions related to juvenile justice programs by:

- Requiring school districts and juvenile justice education providers, in collaboration with others, to develop a transition plan during a student's stay in a program;
- Requiring the State Board of Education to adopt rules for academic assessment for students in detention centers;
- Requiring the DOE and the DJJ to provide oversight and guidance on how to implement effective educational transition planning and services;
- Requiring prevention and day treatment programs to provide career readiness and exploration opportunities, as well as truancy and dropout prevention intervention services;
- Requiring residential juvenile justice education programs with a contracted minimum length of stay of nine months to provide career education courses that lead to pre-apprentice certifications, industry certifications, occupational completion points, or work-related certifications;
- Allowing residential juvenile justice programs with a contracted length of stay of less than nine months, to provide career education courses that lead to pre-apprentice certifications, industry certifications, occupational completion points, or work-related certifications; and
- Requiring the multiagency plan for career education to eliminate barriers to education and address virtual education.

According to both the DOE and the DJJ, this bill has no fiscal impact.

The bill takes effect on July 1, 2014.

II. Present Situation:

The Department of Juvenile Justice's (DJJ) mission is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.¹ The DJJ oversees at-risk and adjudicated youth in four service areas: prevention and victim services, probation and community intervention services, residential services, and detention services.² During the 2011-12 school year, juvenile justice education programs served 32,864 students.³

Prevention and Victim Services

Prevention and Victim Services offers voluntary youth crime prevention programs throughout the state of Florida. The mission is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.⁴

¹ Florida Department of Juvenile Justice, available at <http://www.djj.state.fl.us/about-us/mission> (last visited Mar. 6, 2014).

² Office of Program Policy Analysis and Government Accountability, Government Program Summaries – Department of Juvenile Justice, available at <http://www.djj.state.fl.us/Services> (last visited Mar. 6, 2014).

³ Florida Department of Juvenile Justice, Comprehensive Accountability Report 2011-2012, available at <http://www.djj.state.fl.us/research/reports/car> (last visited Mar. 6, 2014).

⁴ Florida Department of Juvenile Justice, Prevention & Victim Services, available at <http://www.djj.state.fl.us/services/prevention> (last visited Mar. 6, 2014).

Probation and Community Intervention Services (Non-residential)

Non-residential services provide intervention and case management services to youth on diversion, probation, and post commitment supervision. These youth remain at home and participate at least five days per week in a day treatment program.⁵

Residential Services

Residential services ensure graduated sanctions for serious, violent, and chronic offenders; address special mental health and substance abuse needs of offenders; and enhance their education in residential commitment programs. Juveniles who are adjudicated by the court can be committed to residential programs classified as low, moderate, high, or maximum risk.⁶

Detention Services

Detention is the custody status for youth who are held pursuant to a court order; or following arrest for a violation of the law. A youth may be detained only when specific statutory criteria, outlined in s. 985.215, F.S., are met. Criteria for detention include current offenses, prior history, legal status, and any aggravating or mitigating factors.⁷

Multiagency Plan for Vocational Education

Current law requires the DJJ and the Department of Education (DOE), in consultation with the statewide Workforce Development Youth Council, school districts, providers, and others, to develop a multiagency plan (Plan) for vocational education in commitment facilities.⁸

The Plan must include:

- Provisions for maximizing appropriate state and federal funding sources, responsibilities of both departments and all other appropriate entities, and detailed implementation schedules;⁹
- A definition of vocational programming that is appropriate based upon the age and assessed educational abilities and goals of the youth to be served and the typical length of stay, and custody characteristics at the commitment program to which each youth is assigned;¹⁰ and
- A definition of vocational programming that includes the classifications of commitment facilities that will offer vocational programming by one of the following types:
 - Type A - Programs that teach personal accountability skills and behavior that is appropriate for youth in all age groups and ability levels and that lead to work habits that help maintain employment and living standards;
 - Type B - Programs that include Type A program content and an orientation to the broad scope of career choices, based upon personal abilities, aptitudes, and interest; and

⁵ Florida Department of Juvenile Justice, available at <http://www.djj.state.fl.us/Residential/restrictiveness.html> (last visited Mar. 6, 2014).

⁶ Office of Program Policy Analysis and Government Accountability, Government Program Summaries – Department of Juvenile Justice Residential Services, available at <http://www.oppaga.state.fl.us/profiles/1001> (last visited Mar. 6, 2014).

⁷ Florida Department of Juvenile Justice, available at <http://www.djj.state.fl.us/services/detention> (last visited Mar. 6, 2014).

⁸ Section 985.622(1), F.S.

⁹ Section 985.622(1)(a) and (c), F.S.

¹⁰ Section 985.622(2), F.S.

- Type C - Programs that include Type A program content and the vocational competencies or the prerequisites needed for entry into a specific occupation.¹¹

In October 2010, the Office of Program Policy Analysis and Government Accountability (OPPAGA) issued a report stating that the plan had several shortcomings. According to the OPPAGA, the plan lacked goals and implementation strategies for increasing the percentage of youth receiving occupation-specific job training. Also, the plan did not address the barriers that juvenile justice students face in attaining a general educational development (GED) diploma.¹² The OPPAGA found that many juvenile justice programs emphasized academic instruction rather than GED preparation and job training. The OPPAGA recommended that the Legislature amend s. 985.622, F.S., to address the shortcomings found in the plan.

Educational Services in DJJ Programs

Current law sets forth how educational services must be provided in DJJ programs and establishes the educational expectations for DJJ youth in such programs.¹³

The DOE is the lead agency for juvenile justice education programs, curriculum, support services, and resources; however, district school boards are responsible for actually providing educational services to youth in juvenile justice programs.¹⁴ Educational services consist of basic academic, career, or exceptional curricula that support treatment goals and reentry, and that may lead to the completion of a high school diploma or its equivalent.¹⁵

These services can be provided by the district school board itself or by a private provider through a contract with the district school board.¹⁶ However, school districts remain responsible for the quality of education provided in residential and day treatment juvenile justice facilities regardless of whether the school district provides those services directly or through a contractor.¹⁷

Annually, the DJJ and the DOE must develop a cooperative agreement and plan for juvenile justice education service enhancement, which must be submitted to the Secretary of the DJJ and the Commissioner of Education.¹⁸

Each district school board must negotiate a cooperative agreement with the DJJ regarding the delivery of educational programming to DJJ youth. These agreements must include provisions that address certain issues, such as:

- Curriculum and delivery of instruction;

¹¹ Section 985.622(3), F.S.

¹² Office of Program Policy Analysis and Government Accountability, *Juvenile Justice Students Face Barriers to High School Graduation and Job Training*, Report No. 10-55, 9 (2010), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1055rpt.pdf> (last visited Mar. 6, 2014).

¹³ Section 1003.52, F.S.

¹⁴ Sections 1003.52(1), (3), and (4), F.S.

¹⁵ Section 1003.52(5), F.S.

¹⁶ Section 1003.52(11), F.S.

¹⁷ Office of Program Policy Analysis and Government Accountability, *Youth Entering the State's Juvenile Justice Programs Have Substantial Educational Deficits; Available Data Is Insufficient to Assess Learning Gains of Students*, Report No. 10-07 (2010), available at <http://www.oppaga.state.fl.us/Summary.aspx?reportNum=10-07> (last visited Mar. 6, 2014).

¹⁸ Section 1003.52 (1), F.S.

- Classroom management procedures and attendance policies;
- Procedures for provision of qualified instructional personnel;
- Improving skills by teaching and working with juvenile delinquents;
- Transition plans for students moving into and out of juvenile facilities; and
- Strategies for correcting any deficiencies found through the quality assurance process.¹⁹

The DOE and the DJJ must each designate a coordinator to resolve issues not addressed by the district school boards and to provide each department's participation in:

- Training, collaborating, and coordinating with the DJJ, district school boards, educational contract providers, and juvenile justice providers, whether state-operated or contracted;
- Collecting and reporting information on the academic performance of students in juvenile justice programs;
- Developing academic and career protocols that provide guidance to district school boards and providers in educational programming; and
- Prescribing the roles of program personnel and school district or provider collaboration strategies.²⁰

Accountability and Reporting

The DOE and the DJJ, after consulting with the district school boards and local providers, must report annually to the Legislature on the progress toward developing effective educational programs for youth in the juvenile justice system. This report must include the results of the quality assessment reviews, including recommendations for system improvement.²¹ In its annual report to the Legislature, the DOE made several recommendations to address educational accountability and improvement such as:

- Continue to develop a juvenile justice education accountability system for programs and explore a process in which high-performing programs are recognized and low-performing programs receive assistance;
- Develop a customized school improvement plan template for programs;
- Continue to support improvement in transition services for youth in juvenile justice education through the maintenance of an accurate statewide transition contact list;
- Provide additional training and support to programs to improve their efforts with the Basic Achievement Skills Inventory administration, data reporting, and data interpretation;
- Continue to identify effective program practices and resources for students in need of academic remediation and credit recovery;
- Continue to identify academic curriculum, resources, and instructional practices related to high academic achievement for all students while incarcerated; and
- Continue collaborative efforts among the DOE, the DJJ, school districts, and private providers to ensure appropriate and effective education for youth in juvenile justice programs.²²

¹⁹ Section 1003.52(13), F.S.

²⁰ Section 1003.52(1), F.S.

²¹ Section 1003.52(19), F.S.

²² Florida Department of Education, *Developing Effective Education in Department of Juvenile Justice and other Dropout Prevention Programs*, Annual Report 2009-2010, 13 (2011), http://www.fldoe.org/ese/pdf/jj_annual.pdf (last visited Mar. 6, 2014).

The OPPAGA issued another report in 2010 examining educational services provided to youth in DJJ residential and day treatment programs. The OPPAGA found that most students entering juvenile justice programs were older, academically behind their peers, and were likely to have had attendance problems at school. The OPPAGA found that the DOE had not collected sufficient information to assess the learning gains (or lack thereof) of students in juvenile justice programs. Only 48 of the 141 programs (34 percent) reported complete information for at least half of their students. For those programs that did report data, the nature of the assessment instrument made it difficult to determine whether students were making appropriate educational progress. The OPPAGA recommended that the Legislature amend s. 1003.52(3)(b), F.S., to require that the DOE make annual status reports to the Legislature on the learning gains of students in juvenile justice facilities and the steps DOE has taken to ensure the completeness and reliability of juvenile justice student performance data.²³

The DJJ is required to annually collect and report cost data for every program that is state-operated or contracted by the department. The DJJ is responsible for accurate cost accounting for state operated services including market equivalent rent and other shared costs. The cost of the educational program provided to a residential facility must be reported and included in the cost of the DJJ program. The cost-benefit analysis for each educational program will be developed and implemented in collaboration with the DOE, local providers, and local school districts. Cost data for the report must include data collected by the DOE for the purpose of preparing the annual report required pursuant to s. 1003.52(19), F.S., and relating to developing effective educational progress for juvenile delinquents.²⁴

The DOE, in consultation with the DJJ, district school boards, and providers must establish objective and measurable quality assurance standards for the educational components of residential and nonresidential juvenile justice facilities.²⁵ The quality assurance standards and indicators are revised annually for juvenile justice education programs, based on new statutory and regulatory requirements, best practices research, and input from school districts and educational providers.²⁶ These standards must rate the district school boards' performance both as a provider and contractor.²⁷

Transition Plan and Reentry Plan

Currently, an individual transition plan is developed for each student entering a DJJ commitment, day treatment, early delinquency intervention, or detention program.²⁸ The transition plan is based on the student's post-placement goals that are developed cooperatively with the student, his or her parents, school district and or contracted provider personnel, and the DJJ program staff. Re-entry counselors, probation officers, and personnel from the student's

²³ Office of Program Policy Analysis and Government Accountability, *Youth Entering the State's Juvenile Justice Program Have Substantial Educational Deficits; Available Data is Insufficient to Assess Learning Gains of Students*, Report No. 10-07, 8 (Jan. 2010), www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1007rpt.pdf (last visited Mar. 6, 2014).

²⁴ Section 985.632, F.S.

²⁵ Section 1003.52(15)(a), F.S.

²⁶ Florida Department of Education, *Developing Effective Education in Department of Juvenile Justice and other Dropout Prevention Programs*, Annual Report 2009-2010 (2011), www.fldoe.org/ese/pdf/jj_annual.pdf (last visited Mar. 6, 2014).

²⁷ Section 1003.52(15)(a), F.S.

²⁸ Section 1003.52(13)(i); Rule 6A-6.05281, F.A.C.

“home” school district are involved in the transition planning to the extent practicable. The transition plan also includes a student’s academic record, including each course completed by the student according to procedures in the State Course Code Directory, career re-entry goals maintained by the school district, and recommended educational placement. An exit plan is also created for each student. A copy of the academic records, student assessment, individual academic plan, work and project samples, and the transition plan is included in the discharge packet when the student exits a DJJ facility.²⁹

Teachers in Juvenile Justice Programs

District school boards must recruit and train teachers who are interested, qualified, or experienced in educating students in juvenile justice programs. Students in juvenile justice programs must be provided a wide range of educational programs and opportunities including textbooks, technology, instructional support, and other resources available to students in public schools. Teachers assigned to educational programs in juvenile justice settings in which the district school board operates the educational program must be selected by the district school board in consultation with the director of the juvenile justice facility. Educational programs in juvenile justice facilities must have access to the substitute teacher pool utilized by the district school board.³⁰

Juvenile Justice Common Student Assessment

The DOE with the assistance of school districts, must select a common student assessment instrument and protocol for measuring student learning gains and student progression while a student is in a juvenile justice education program.³¹ The test is administered as a pre-test within 10 school days after a student enters a juvenile justice program and again as a post-test when a student who was in the program for at least 45 school days leaves the program.³² In February 2012, the DOE awarded WIN Learning a contract to administer the Florida Ready to Work assessment as the common assessment for reading and math in DJJ education programs.³³ According to the DOE, the common assessment is administered only to students in residential and day treatment programs.³⁴

III. Effect of Proposed Changes:

Multiagency Plan for Career Education

The bill expands the existing requirements for the Multiagency Plan for Vocational Education to address all educational programs, not just education programs in commitment facilities. That plan is renamed the multiagency plan for career education. The revised plan must:

- Include provisions for eliminating barriers to increasing occupation-specific job training and high school equivalency examination preparation opportunities; and

²⁹ Telephone conversation with staff, Department of Juvenile Justice (February 24, 2014).

³⁰ Section 1003.52(10), F.S.

³¹ Section 1003.52(3)(b), F.S.

³² Telephone conversation with staff, Florida Department of Education (February 14, 2014).

³³ Telephone conversation with staff, Florida Department of Education (February 15, 2014).

³⁴ Telephone conversation with staff, Florida Department of Education (February 14, 2014).

- Evaluate the effect that students' mobility between juvenile justice education programs and school districts has on the students' educational outcomes, and whether the continuity of the students' education can be better addressed through virtual education.

The bill also revises implementation dates for the Department of Education (DOE) and the Department of Juvenile Justice (DJJ) to align respective agency reporting documents to the revised plan for career education.

Educational Services in DJJ Programs

The bill revises the responsibilities of the DOE and the DJJ designated coordinators to include:

- Training, collaboration, and coordinating with local workforce boards and youth councils;
- Collecting information on the career education and transition performance of students in juvenile justice programs, and reporting the results; and
- Implementing a joint accountability, program performance, and school improvement system.

The bill also:

- Requires prevention and day treatment juvenile justice education programs, at a minimum, to provide career readiness and exploration opportunities as well as truancy and dropout prevention intervention services;
- Requires residential juvenile justice education programs with a contracted minimum length of stay of nine months to provide career education courses that lead to pre-apprentice certifications, industry certifications, occupational completion points, or work-related certifications; and
- Allows residential programs with contract lengths of stay of less than nine months to provide career education courses that lead to pre-apprentice certifications, industry certifications, occupational completion points, or work-related certifications.

The bill defines the educational component of programs with a duration of less than 40 days to include:

- Tutorial remediation activities;
- Career employability skills;
- Education counseling; and
- Transition services that prepare students for a return to school, the community, and their home setting based on the students' needs.

The bill requires educational programs to provide instruction based on each student's transition plan, assessed educational needs, and the educational programs available in the school district in which the student will return. Depending on the student's needs, educational programming may consist of remedial courses, academic courses required for grade advancement, career education courses, and high school equivalency examination preparation. Students may also be eligible for exceptional student education curricula and related services which support the transition goals and reentry, and which may lead to completion of the requirements for receipt of a high school diploma or its equivalent.

The bill requires that the DJJ and the DOE annual cooperative agreement and plan for juvenile justice education service enhancement include each agency's role regarding educational program accountability, technical assistance, training, and coordination of service.

Accountability and Reporting

The bill requires the DOE to establish and operate, either directly or indirectly through a contract, a mechanism to provide accountability measures that annually assess and evaluate all juvenile justice education programs using student performance data and program performance ratings by type of program.

The DOE, in partnership with the DJJ, must develop a comprehensive accountability and program improvement process. The accountability and program improvement process must be based on student performance measures by type of program and must rate education program performance. The accountability system must identify and recognize high-performing education programs.

The DOE, in partnership with the DJJ, must identify low-performing education programs. Low-performing education programs must receive an onsite program evaluation from the DJJ. Identification of education programs needing school improvement, technical assistance, or reassignment of the program must be based, in part, on the results of the program evaluation. Through a corrective action process, low-performing education programs must demonstrate improvement or the program must be reassigned to the district or another provider.

The DOE, in consultation with the DJJ, district school boards, and providers, must establish by rule:

- Objective and measurable student performance measures to evaluate a student's educational progress while participating in a prevention, day treatment, or residential program. The student performance measures must be based on appropriate outcomes for all students in juvenile justice programs, taking into consideration the student's length of stay in the program. Performance measures must include outcomes that relate to student achievement of career education goals, acquisition of employability skills, receipt of a high school diploma, grade advancement, and learning gains.
- A performance rating system to be used by the DOE to evaluate the delivery of educational services within each of the juvenile justice education programs. The performance rating system must be primarily based upon data regarding student performance as described above.
- The time frames, procedures, and resources to be used to improve a low-rated educational program or to terminate or reassign the program.

The bill requires that education program performance results, including the identification of high and low-performing programs and aggregated student performance results, be included in the DOE and the DJJ annual report on the progress toward developing effective educational programs.

The DOE, in collaboration with the DJJ, must monitor and report on the educational performance of students in commitment, day treatment, prevention, and detention programs. The report must include, at a minimum, the number and percentage of students:

- Returning to an alternative school, middle school, or high school upon release and the attendance rate of such students before and after participation in juvenile justice education programs;
- Receiving a standard high school diploma or high school equivalency diploma;
- Receiving industry certification;
- Receiving occupational completion points;
- Enrolling in a postsecondary educational institution;
- Completing a juvenile justice education program without reoffending;
- Reoffending within one year after completing a day treatment or residential commitment program; and
- Remaining employed one year after completion of a day treatment or residential commitment program.

The results of the educational performance report must be included in the program costs and effectiveness report.

Transition Plan and Reentry Plan

The bill requires a transition plan to include, at a minimum:

- Services and interventions that address the student's assessed educational needs and post-release education plans;
- Services to be provided during the program stay and services to be implemented upon release, including but not limited to, continuing education in secondary, career and technical programs, postsecondary education, or employment, based on the student's needs; and
- Specific monitoring responsibilities to determine whether the individualized transition plan is being implemented and the student is provided access to support services that will sustain the student's success, coordinated by individuals who are responsible for reintegration.

The DOE and the DJJ must provide oversight and guidance to school districts, education providers, and reentry personnel on how to implement effective educational transition planning and services. The bill also requires, upon a student's return from a program, school districts to consider the individual needs and circumstances of the student and the transition plan recommendations when reenrolling a student in a public school. A local school district may not maintain a standardized policy for all students returning from a juvenile justice program, but must place students based on their needs and their performance in the program.

The bill requires that representatives from the workforce, and the one-stop center where the student will return, participate as members of the local DJJ reentry team.

Teachers in Juvenile Justice Programs

Under the bill, the State Board of Education (SBE) rules for qualification of instructional staff must include career education instructors, standardized across the state, and be based on state certification, local school district approval, and industry recognized credentials or industry training. The bill also requires the establishment of procedures for the use of noncertified instructional personnel who possess expert knowledge or experience in their fields of instruction.

The bill also allows the Secretary of the DJJ or the director of a juvenile justice program to request that the performance of a teacher assigned by the district to a juvenile justice education program be reviewed by the district and that the teacher be reassigned based upon an evaluation conducted pursuant to s. 1012.34, F.S., for inappropriate behavior.

Public Educational Services – District School Boards

The bill clarifies the responsibilities of district school boards to include:

- Notifying students in juvenile justice education programs who reach the age of 16 years of the law regarding compulsory school attendance and make available the option of enrolling in a program to attain a high school diploma by taking the GED exam before release from the juvenile justice education program;
- Responding to requests for student education records received from another district school board or a juvenile justice education program within five working days after receiving the request;
- Providing access to courses offered through Florida Virtual School, virtual instruction programs, and school district virtual courses. School districts and providers may enter into cooperative agreements for the provision of curriculum associated with school district virtual courses to enable providers to offer such courses;
- Prohibiting juvenile justice education programs from being charged full time equivalent (FTE) for virtual courses accessed through the school district which are for credit recovery or are offered to youth beyond the 300 minute daily requirement of instruction;
- Completing the assessment process; and
- Monitoring compliance with contracts for education programs for students in juvenile justice prevention, day treatment, residential, and detention programs.

The bill requires the DOE, in partnership with the DJJ, district school boards, and providers, to:

- Develop and implement requirements for contracts and cooperative agreements regarding the delivery of appropriate education services to students in DJJ programs.
- Maintain standardized procedures for securing the student's records. The records must include, but not be limited to, the student's progress monitoring plan and transition plan.

The bill also requires the DOE to assist juvenile justice programs with becoming high school equivalency examination centers.

Juvenile Justice Common Student Assessment

The bill requires the State Board of Education to adopt rules requiring academic assessments for students in detention centers to be administered within five school days and the career assessment or career interest survey to be administered within 22 school days. Detention centers are not permitted to use the common assessment and must use an academic assessment for reading and mathematics that creates the foundation for developing the student's educational program. The bill also requires the SBE to adopt rules for assessment procedures for prevention programs.

The bill takes effect on July 1, 2014.

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:

According to both the DOE and the DJJ, this bill has no fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 985.622, 985.632, 1001.31, 1003.51, 1003.52, and 1001.42.

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 Criminal Justice on March 24, 2014:

- Deletes language requiring the DJJ and DOE to publish a report on costs and effectiveness of programs and program activities (same language is contained in other DJJ legislation, CS/CS/SB 700).

- Deletes language directing Statutory Revision to prepare a reviser's bill next year changing terminology relating to the "GED."
- Adds language allowing virtual education to be included as instructional programs.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Criminal Justice; and Senator Bean

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1 A bill to be entitled
 2 An act relating to juvenile justice education
 3 programs; amending s. 985.622, F.S.; revising
 4 requirements for the multiagency education plan for
 5 students in juvenile justice education programs,
 6 including virtual education as an option; amending s.
 7 1001.31, F.S.; authorizing instructional personnel at
 8 all juvenile justice facilities to access specific
 9 student records at the district; amending s. 1003.51,
 10 F.S.; revising terminology; revising requirements for
 11 rules to be maintained by the State Board of
 12 Education; providing expectations for effective
 13 education programs for students in Department of
 14 Juvenile Justice programs; revising requirements for
 15 contract and cooperative agreements for the delivery
 16 of appropriate education services to students in
 17 Department of Juvenile Justice programs; requiring the
 18 Department of Education to ensure that juvenile
 19 justice students who are eligible have access to high
 20 school equivalency testing and assist juvenile justice
 21 education programs with becoming high school
 22 equivalency testing centers; revising requirements for
 23 an accountability system for juvenile justice
 24 education programs; revising requirements for district
 25 school boards; amending s. 1003.52, F.S.; revising
 26 requirements for activities to be coordinated by the
 27 coordinators for juvenile justice education programs;
 28 authorizing contracting for educational assessments;
 29 revising requirements for assessments; authorizing

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30 access to local virtual education courses; requiring
 31 that an education program shall be based on each
 32 student's transition plan and assessed educational
 33 needs; providing requirements for prevention and day
 34 treatment juvenile justice education programs;
 35 requiring progress monitoring plans for all students
 36 not classified as exceptional student education
 37 students; revising requirements for such plans;
 38 requiring that the Department of Education, in
 39 partnership with the Department of Juvenile Justice,
 40 ensure that school districts and juvenile justice
 41 education providers develop individualized transition
 42 plans; providing requirements for such plans;
 43 providing that the Secretary of Juvenile Justice or
 44 the director of a juvenile justice program may request
 45 that a school district teacher's performance be
 46 reviewed by the district and that the teacher be
 47 reassigned in certain circumstances; requiring the
 48 Department of Education to establish by rule objective
 49 and measurable student performance measures and
 50 program performance ratings; providing requirements
 51 for such ratings; requiring a comprehensive
 52 accountability and program improvement process;
 53 providing requirements for such a process; deleting
 54 provisions for minimum thresholds for the standards
 55 and key indicators for education programs in juvenile
 56 justice facilities; revising data collection and
 57 annual report requirements; deleting provisions
 58 concerning the Arthur Dozier School for Boys;

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59 requiring rulemaking; amending ss. 985.632 and
60 1001.42, F.S.; revising terminology; revising a cross-
61 reference; providing an effective date.

62
63 Be It Enacted by the Legislature of the State of Florida:

64
65 Section 1. Section 985.622, Florida Statutes, is amended to
66 read:

67 985.622 Multiagency plan for career vocational education.—

68 (1) The Department of Juvenile Justice and the Department
69 of Education shall, in consultation with the statewide Workforce
70 Development Youth Council, school districts, providers, and
71 others, jointly develop a multiagency plan for career vocational
72 education that establishes the curriculum, goals, and outcome
73 measures for career vocational programs in juvenile justice
74 education programs commitment facilities. The plan must be
75 reviewed annually, revised as appropriate, and include:

76 (a) Provisions for maximizing appropriate state and federal
77 funding sources, including funds under the Workforce Investment
78 Act and the Perkins Act. ~~and~~

79 (b) Provisions for eliminating barriers to increasing
80 occupation-specific job training and high school equivalency
81 examination preparation opportunities.

82 ~~(c) (b)~~ The responsibilities of both departments and all
83 other appropriate entities. ~~and~~

84 ~~(d) (e)~~ A detailed implementation schedule.

85 (2) The plan must define career vocational programming that
86 is appropriate based upon:

87 (a) The age and assessed educational abilities and goals of

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88 the student youth to be served; and

89 (b) The typical length of stay and custody characteristics
90 at the juvenile justice education commitment program to which
91 each student youth is assigned.

92 (3) The plan must include a definition of career vocational
93 programming that includes the following classifications of
94 juvenile justice education programs commitment facilities that
95 will offer career vocational programming by one of the following
96 types:

97 (a) Type 1 A.—Programs that teach personal accountability
98 skills and behaviors that are appropriate for students youth in
99 all age groups and ability levels and that lead to work habits
100 that help maintain employment and living standards.

101 (b) Type 2 B.—Programs that include Type 1 A program
102 content and an orientation to the broad scope of career choices,
103 based upon personal abilities, aptitudes, and interests.
104 Exploring and gaining knowledge of occupation options and the
105 level of effort required to achieve them are essential
106 prerequisites to skill training.

107 (c) Type 3 C.—Programs that include Type 1 A program
108 content and the career education vocational competencies or the
109 prerequisites needed for entry into a specific occupation.

110 (4) The plan must also address strategies to facilitate
111 involvement of business and industry in the design, delivery,
112 and evaluation of career vocational programming in juvenile
113 justice education commitment facilities and conditional release
114 programs, including apprenticeship and work experience programs,
115 mentoring and job shadowing, and other strategies that lead to
116 postrelease employment. Incentives for business involvement,

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117 such as tax breaks, bonding, and liability limits should be
 118 investigated, implemented where appropriate, or recommended to
 119 the Legislature for consideration.

120 (5) The plan must also evaluate the effect of students'
 121 mobility between juvenile justice education programs and school
 122 districts on the students' educational outcomes and whether the
 123 continuity of the students' education can be better addressed
 124 through virtual education.

125 ~~(6)(5)~~ The Department of Juvenile Justice and the
 126 Department of Education shall each align its respective agency
 127 policies, practices, technical manuals, contracts, quality-
 128 assurance standards, performance-based-budgeting measures, and
 129 outcome measures with the plan in juvenile justice education
 130 programs ~~commitment facilities~~ by July 31, 2015 ~~2004~~. Each
 131 agency shall provide a report on the implementation of this
 132 section to the Governor, the President of the Senate, and the
 133 Speaker of the House of Representatives by August 31, 2015 ~~2004~~.

134 ~~(7)(6)~~ All provider contracts executed by the Department of
 135 Juvenile Justice or the school districts after January 1, 2015
 136 ~~2002~~, must be aligned with the plan.

137 ~~(8)(7)~~ The planning and execution of quality assurance
 138 reviews conducted by the Department of Education or the
 139 Department of Juvenile Justice after August 1, 2015 ~~2002~~, must
 140 be aligned with the plan.

141 ~~(9)(8)~~ Outcome measures reported by the Department of
 142 Juvenile Justice and the Department of Education for students
 143 ~~youth~~ released on or after January 1, 2016 ~~2002~~, should include
 144 outcome measures that conform to the plan.

145 Section 2. Section 1001.31, Florida Statutes, is amended to

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146 read:

147 1001.31 Scope of district system.—A district school system
 148 shall include all public schools, classes, and courses of
 149 instruction and all services and activities directly related to
 150 education in that district which are under the direction of the
 151 district school officials. A district school system may also
 152 include alternative site schools for disruptive or violent
 153 students youth. Such schools for disruptive or violent students
 154 ~~youth~~ may be funded by each district or provided through
 155 cooperative programs administered by a consortium of school
 156 districts, private providers, state and local law enforcement
 157 agencies, and the Department of Juvenile Justice. Pursuant to
 158 cooperative agreement, a district school system shall provide
 159 instructional personnel at juvenile justice facilities ~~of 50 or~~
 160 ~~more beds or slots~~ with access to the district school system
 161 database for the purpose of accessing student academic,
 162 immunization, and registration records for students assigned to
 163 the programs. Such access shall be in the same manner as
 164 provided to other schools in the district.

165 Section 3. Section 1003.51, Florida Statutes, is amended to
 166 read:

167 1003.51 Other public educational services.—

168 (1) The general control of other public educational
 169 services shall be vested in the State Board of Education except
 170 as provided in this section herein. The State Board of Education
 171 shall, at the request of the Department of Children and Families
 172 ~~Family Services~~ and the Department of Juvenile Justice, advise
 173 as to standards and requirements relating to education to be met
 174 in all state schools or institutions under their control which

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175 provide educational programs. The Department of Education shall
 176 provide supervisory services for the educational programs of all
 177 such schools or institutions. The direct control of any of these
 178 services provided as part of the district program of education
 179 shall rest with the district school board. These services shall
 180 be supported out of state, district, federal, or other ~~lawful~~
 181 funds, depending on the requirements of the services being
 182 supported.

183 (2) The State Board of Education shall adopt rules ~~and~~
 184 ~~maintain an administrative rule~~ articulating expectations for
 185 effective education programs for students youth in Department of
 186 Juvenile Justice programs, including, but not limited to,
 187 education programs in juvenile justice prevention, day
 188 treatment, residential, commitment and detention facilities. The
 189 rule shall establish ~~articulate~~ policies and standards for
 190 education programs for students youth in Department of Juvenile
 191 Justice programs and shall include the following:

192 (a) The interagency collaborative process needed to ensure
 193 effective programs with measurable results.

194 (b) The responsibilities of the Department of Education,
 195 the Department of Juvenile Justice, Workforce Florida, Inc.,
 196 district school boards, and providers of education services to
 197 students youth in Department of Juvenile Justice programs.

198 (c) Academic expectations.

199 (d) Career and technical expectations.

200 (e) Education transition planning and services.

201 ~~(f)(d)~~ Service delivery options available to district
 202 school boards, including direct service and contracting.

203 ~~(g)(e)~~ Assessment procedures, which:

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204 1. For prevention, day treatment, and residential programs,
 205 include appropriate academic and career assessments administered
 206 at program entry and exit that are selected by the Department of
 207 Education in partnership with representatives from the
 208 Department of Juvenile Justice, district school boards, and
 209 education providers. Assessments must be completed within the
 210 first 10 school days after a student's entry into the program.

211 2. Provide for determination of the areas of academic need
 212 and strategies for appropriate intervention and instruction for
 213 each student in a detention facility within 5 school days after
 214 the student's entry into the program and administer a research-
 215 based assessment that will assist the student in determining his
 216 or her educational and career options and goals within 22 school
 217 days after the student's entry into the program. Require district
 218 school boards to be responsible for ensuring the completion of
 219 the assessment process.

220 3. ~~Require assessments for students in detention who will~~
 221 ~~move on to commitment facilities, to be designed to create the~~
 222 ~~foundation for developing the student's education program in the~~
 223 ~~assigned commitment facility.~~

224 4. ~~Require assessments of students sent directly to~~
 225 ~~commitment facilities to be completed within the first 10 school~~
 226 ~~days of the student's commitment.~~

227 The results of these assessments, together with a portfolio
 228 depicting the student's academic and career accomplishments,
 229 shall be included in the discharge packet package assembled for
 230 each student youth.

231 ~~(h)(f)~~ Recommended instructional programs, including, but
 232

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233 not limited to:

234 1. Secondary education.235 2. High school equivalency examination preparation.236 3. Postsecondary education.237 4. Career training, and238 5. Job preparation.239 6. Virtual education that:240 a. Provides competency-based instruction that addresses the
241 unique academic needs of the student through delivery by an
242 entity accredited by AdvanceED or the Southern Association of
243 Colleges and Schools.244 b. Confers certifications and diplomas.245 c. Issues credit that articulates with and transcripts that
246 are recognized by secondary schools.247 d. Allows the student to continue to access and progress
248 through the program once the student leaves the juvenile justice
249 system.250 (i)(g) Funding requirements, which shall include the
251 requirement that at least 90 percent of the FEFP funds generated
252 by students in Department of Juvenile Justice programs or in an
253 education program for juveniles under s. 985.19 be spent on
254 instructional costs for those students. One hundred percent of
255 the formula-based categorical funds generated by students in
256 Department of Juvenile Justice programs must be spent on
257 appropriate categoricals such as instructional materials and
258 public school technology for those students.259 (j)(h) Qualifications of instructional staff, procedures
260 for the selection of instructional staff, and procedures ~~for to~~
261 ~~ensure~~ consistent instruction and qualified staff year round.

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262 Qualifications shall include those for career education
263 instructors, standardized across the state, and shall be based
264 on state certification, local school district approval, and
265 industry-recognized credentials or industry training. Procedures
266 for the use of noncertified instructional personnel who possess
267 expert knowledge or experience in their fields of instruction
268 shall be established.269 (k)(i) Transition services, including the roles and
270 responsibilities of appropriate personnel in the juvenile
271 justice education program, the school district where the student
272 will reenter districts, provider organizations, and the
273 Department of Juvenile Justice.274 (l)(j) Procedures and timeframe for transfer of education
275 records when a student youth enters and leaves a Department of
276 Juvenile Justice education program facility.277 (m)(k) The requirement that each district school board
278 maintain an academic transcript for each student enrolled in a
279 juvenile justice education program facility that delineates each
280 course completed by the student as provided by the State Course
281 Code Directory.282 (n)(l) The requirement that each district school board make
283 available and transmit a copy of a student's transcript in the
284 discharge packet when the student exits a juvenile justice
285 education program facility.286 (o)(m) Contract requirements.287 (p)(n) Performance expectations for providers and district
288 school boards, including student performance measures by type of
289 program, education program performance ratings, school
290 improvement, and corrective action plans for low-performing

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291 ~~programs the provision of a progress monitoring plan as required~~
 292 ~~in s. 1008.25.~~

293 ~~(q)(e)~~ The role and responsibility of the district school
 294 board in securing workforce development funds.

295 ~~(r)(e)~~ A series of graduated sanctions for district school
 296 boards whose educational programs in Department of Juvenile
 297 Justice ~~programs facilities~~ are considered to be unsatisfactory
 298 and for instances in which district school boards fail to meet
 299 standards prescribed by law, rule, or State Board of Education
 300 policy. These sanctions shall include the option of requiring a
 301 district school board to contract with a provider or another
 302 district school board if the educational program at the
 303 Department of Juvenile Justice program is performing below
 304 minimum standards facility has failed a quality assurance review
 305 and, after 6 months, is still performing below minimum
 306 standards.

307 (s) Curriculum, guidance counseling, transition, and
 308 education services expectations, including curriculum
 309 flexibility for detention centers operated by the Department of
 310 Juvenile Justice.

311 ~~(t)(g)~~ Other aspects of program operations.

312 (3) The Department of Education in partnership with the
 313 Department of Juvenile Justice, the district school boards, and
 314 providers shall:

315 (a) Develop and implement requirements for contracts and
 316 cooperative agreements regarding ~~Maintain model contracts for~~
 317 the delivery of appropriate education services to students youth
 318 in Department of Juvenile Justice programs ~~to be used for the~~
 319 ~~development of future contracts.~~ The minimum contract

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320 requirements shall include, but are not limited to, payment
 321 structure and amounts; access to district services; contract
 322 management provisions; data reporting requirements, including
 323 reporting of full-time equivalent student membership;
 324 administration of federal programs such as Title I, exceptional
 325 student education, and the Carl D. Perkins Career and Technical
 326 Education Act of 2006; and ~~model contracts shall reflect the~~
 327 policy and standards included in subsection (2). ~~The Department~~
 328 of Education shall ensure that appropriate district school board
 329 personnel are trained and held accountable for the management
 330 and monitoring of contracts for education programs for youth in
 331 juvenile justice residential and nonresidential facilities.

332 (b) Develop and implement ~~Maintain model~~ procedures for
 333 transitioning students youth into and out of Department of
 334 Juvenile Justice education programs. These procedures shall
 335 reflect the policy and standards adopted pursuant to subsection
 336 (2).

337 (c) Maintain standardized required content of education
 338 records to be included as part of a student's youth's commitment
 339 record and procedures for securing the student's records. ~~The~~
 340 education records ~~These requirements shall reflect the policy~~
 341 ~~and standards adopted pursuant to subsection (2) and shall~~
 342 include, but not be limited to, the following:

343 1. A copy of the student's individual educational plan.

344 2. A copy of the student's individualized progress
 345 monitoring plan.

346 3. A copy of the student's individualized transition plan.

347 4. ~~2.~~ Data on student performance on assessments taken

348 according to s. 1008.22.

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349 ~~5.3-~~ A copy of the student's permanent cumulative record.
 350 ~~6.4-~~ A copy of the student's academic transcript.
 351 ~~7.5-~~ A portfolio reflecting the student's youth's academic
 352 and career and technical accomplishments, when age appropriate,
 353 while in the Department of Juvenile Justice program.
 354 (d) ~~Establish~~ Maintain model procedures for securing the
 355 ~~education record~~ and the roles and responsibilities of the
 356 juvenile probation officer and others involved in the withdrawal
 357 of the student from school and assignment to a juvenile justice
 358 education program ~~commitment or detention facility~~. District
 359 ~~school boards shall respond to requests for student education~~
 360 ~~records received from another district school board or a~~
 361 ~~juvenile justice facility within 5 working days after receiving~~
 362 ~~the request.~~
 363 (4) ~~Each~~ The Department of Education shall ensure that
 364 ~~district school board shall: boards~~
 365 (a) Notify students in juvenile justice education programs
 366 ~~residential or nonresidential facilities~~ who attain the age of
 367 16 years of the ~~provisions of~~ law regarding compulsory school
 368 attendance and make available the option of enrolling in a
 369 program to attain a Florida high school diploma by taking the
 370 high school equivalency examination before ~~General Educational~~
 371 ~~Development test prior to~~ release from the program facility. ~~The~~
 372 Department of Education shall assist juvenile justice education
 373 programs with becoming high school equivalency examination
 374 centers ~~District school boards or Florida College System~~
 375 ~~institutions, or both, shall waive GED testing fees for youth in~~
 376 ~~Department of Juvenile Justice residential programs and shall,~~
 377 ~~upon request, designate schools operating for the purpose of~~

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378 ~~providing educational services to youth in Department of~~
 379 ~~Juvenile Justice programs as GED testing centers, subject to GED~~
 380 ~~testing center requirements. The administrative fees for the~~
 381 ~~General Educational Development test required by the Department~~
 382 ~~of Education are the responsibility of district school boards~~
 383 ~~and may be required of providers by contractual agreement.~~
 384 (b) Respond to requests for student education records
 385 received from another district school board or a juvenile
 386 justice education program within 5 working days after receiving
 387 the request.
 388 (c) Provide access to courses offered pursuant to ss.
 389 1002.37, 1002.45, and 1003.498. School districts and providers
 390 may enter into cooperative agreements for the provision of
 391 curriculum associated with courses offered pursuant to s.
 392 1003.498 to enable providers to offer such courses.
 393 (d) Complete the assessment process required by subsection
 394 (2).
 395 (e) Monitor compliance with contracts for education
 396 programs for students in juvenile justice prevention, day
 397 treatment, residential, and detention programs.
 398 (5) The Department of Education shall establish and
 399 operate, either directly or indirectly through a contract, a
 400 mechanism to provide accountability measures that annually
 401 assesses and evaluates all juvenile justice education programs
 402 using student performance data and program performance ratings
 403 by type of program ~~quality assurance reviews of all juvenile~~
 404 ~~justice education programs~~ and shall provide technical
 405 assistance and related research to district school boards and
 406 juvenile justice education providers on how to establish,

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407 ~~develop, and operate educational programs that exceed the~~
 408 ~~minimum quality assurance standards. The Department of~~
 409 ~~Education, with input from the Department of Juvenile Justice,~~
 410 ~~school districts, and education providers shall develop annual~~
 411 ~~recommendations for system and school improvement.~~

412 Section 4. Section 1003.52, Florida Statutes, is amended to
 413 read:

414 1003.52 Educational services in Department of Juvenile
 415 Justice programs.-

416 (1) ~~The Legislature finds that education is the single most~~
 417 ~~important factor in the rehabilitation of adjudicated delinquent~~
 418 ~~youth in the custody of Department of Juvenile Justice programs.~~
 419 ~~It is the goal of the Legislature that youth in the juvenile~~
 420 ~~justice system continue to be allowed the opportunity to obtain~~
 421 ~~a high quality education.~~ The Department of Education shall
 422 serve as the lead agency for juvenile justice education
 423 programs, curriculum, support services, and resources. To this
 424 end, the Department of Education and the Department of Juvenile
 425 Justice shall each designate a Coordinator for Juvenile Justice
 426 Education Programs to serve as the point of contact for
 427 resolving issues not addressed by district school boards and to
 428 provide each department's participation in the following
 429 activities:

430 (a) Training, collaborating, and coordinating with ~~the~~
 431 ~~Department of Juvenile Justice,~~ district school boards, local
 432 workforce boards and youth councils, educational contract
 433 providers, and juvenile justice providers, whether state
 434 operated or contracted.

435 (b) Collecting information on the academic, career

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436 education, and transition performance of students in juvenile
 437 justice programs and reporting on the results.

438 (c) Developing academic and career education protocols that
 439 provide guidance to district school boards and juvenile justice
 440 education providers in all aspects of education programming,
 441 including records transfer and transition.

442 (d) Implementing a joint accountability, program
 443 performance, and program improvement process ~~Prescribing the~~
 444 ~~roles of program personnel and interdepartmental district school~~
 445 ~~board or provider collaboration strategies.~~

446
 447 Annually, a cooperative agreement and plan for juvenile justice
 448 education service enhancement shall be developed between the
 449 Department of Juvenile Justice and the Department of Education
 450 and submitted to the Secretary of Juvenile Justice and the
 451 Commissioner of Education by June 30. The plan shall include, at
 452 a minimum, each agency's role regarding educational program
 453 accountability, technical assistance, training, and coordination
 454 of services.

455 (2) Students participating in Department of Juvenile
 456 Justice programs pursuant to chapter 985 which are sponsored by
 457 a community-based agency or are operated or contracted for by
 458 the Department of Juvenile Justice shall receive education
 459 ~~educational~~ programs according to rules of the State Board of
 460 Education. These students shall be eligible for services
 461 afforded to students enrolled in programs pursuant to s. 1003.53
 462 and all corresponding State Board of Education rules.

463 (3) The district school board of the county in which the
 464 juvenile justice education prevention, day treatment,

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465 ~~residential, or detention program residential or nonresidential~~
 466 ~~care facility or juvenile assessment facility~~ is located shall
 467 provide or contract for appropriate educational assessments and
 468 an appropriate program of instruction and special education
 469 services.

470 (a) The district school board shall make provisions for
 471 each student to participate in basic, career education, and
 472 exceptional student programs as appropriate. Students served in
 473 Department of Juvenile Justice programs shall have access to the
 474 appropriate courses and instruction to prepare them for the high
 475 school equivalency examination ~~GED test~~. Students participating
 476 in high school equivalency examination ~~GED~~ preparation programs
 477 shall be funded at the basic program cost factor for Department
 478 of Juvenile Justice programs in the Florida Education Finance
 479 Program. Each program shall be conducted according to applicable
 480 law providing for the operation of public schools and rules of
 481 the State Board of Education. School districts shall provide the
 482 high school equivalency examination ~~GED~~ exit option for all
 483 juvenile justice programs.

484 (b) ~~By October 1, 2004,~~ The Department of Education, with
 485 the assistance of the school districts and juvenile justice
 486 education providers, shall select a common student assessment
 487 instrument and protocol for measuring student learning gains and
 488 student progression while a student is in a juvenile justice
 489 education program. The Department of Education and Department of
 490 Juvenile Justice shall jointly review the effectiveness of this
 491 assessment and implement changes as necessary ~~The assessment~~
 492 ~~instrument and protocol must be implemented in all juvenile~~
 493 ~~justice education programs in this state by January 1, 2005.~~

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494 (4) Educational services shall be provided at times of the
 495 day most appropriate for the juvenile justice program. School
 496 programming in juvenile justice detention, prevention, day
 497 treatment, and residential commitment, and rehabilitation
 498 programs shall be made available by the local school district
 499 during the juvenile justice school year, as provided ~~defined~~ in
 500 s. 1003.01(11). In addition, students in juvenile justice
 501 education programs shall have access to courses offered pursuant
 502 to ss. 1002.37, 1002.45, and 1003.498 ~~Florida Virtual School~~
 503 ~~courses~~. The Department of Education and the school districts
 504 shall adopt policies necessary to provide ~~ensure~~ such access.

505 (5) The educational program shall provide instruction based
 506 on each student's individualized transition plan, assessed
 507 educational needs, and the education programs available in the
 508 school district in which the student will return. Depending on
 509 the student's needs, educational programming may consist of
 510 remedial courses, consist of appropriate basic academic courses
 511 required for grade advancement, career education courses, high
 512 school equivalency examination preparation, or exceptional
 513 student education curricula and related services which support
 514 the transition ~~treatment~~ goals and reentry and which may lead to
 515 completion of the requirements for receipt of a high school
 516 diploma or its equivalent. Prevention and day treatment juvenile
 517 justice education programs, at a minimum, shall provide career
 518 readiness and exploration opportunities as well as truancy and
 519 dropout prevention intervention services. Residential juvenile
 520 justice education programs with a contracted minimum length of
 521 stay of 9 months shall provide career education courses that
 522 lead to preapprentice certifications, industry certifications,

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523 occupational completion points, or work-related certifications.
 524 Residential programs with contracted lengths of stay of less
 525 than 9 months may provide career education courses that lead to
 526 preapprentice certifications, industry certifications,
 527 occupational completion points, or work-related certifications.
 528 If the duration of a program is less than 40 days, the
 529 educational component may be limited to tutorial remediation
 530 activities, and career employability skills instruction,
 531 education counseling, and transition services that prepare
 532 students for a return to school, the community, and their home
 533 settings based on the students' needs.

534 (6) Participation in the program by students of compulsory
 535 school-attendance age as provided for in s. 1003.21 shall be
 536 mandatory. All students of noncompulsory school-attendance age
 537 who have not received a high school diploma or its equivalent
 538 shall participate in the educational program, unless the student
 539 files a formal declaration of his or her intent to terminate
 540 school enrollment as described in s. 1003.21 and is afforded the
 541 opportunity to take the general educational development test and
 542 attain a Florida high school diploma before ~~prior to~~ release
 543 from a juvenile justice education program facility. A student
 544 ~~youth~~ who has received a high school diploma or its equivalent
 545 and is not employed shall participate in workforce development
 546 or other career ~~or technical~~ education or Florida College System
 547 institution or university courses while in the program, subject
 548 to available funding.

549 (7) An individualized ~~A~~ progress monitoring plan shall be
 550 developed for all students not classified as exceptional
 551 education students upon entry in a juvenile justice education

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552 program and upon reentry in the school district ~~who score below~~
 553 ~~the level specified in district school board policy in reading,~~
 554 ~~writing, and mathematics or below the level specified by the~~
 555 ~~Commissioner of Education on statewide assessments as required~~
 556 ~~by s. 1008.25.~~ These plans shall address academic, literacy, and
 557 career and technical ~~life~~ skills and shall include provisions
 558 for intensive remedial instruction in the areas of weakness.

559 (8) Each district school board shall maintain an academic
 560 record for each student enrolled in a juvenile justice program
 561 ~~facility~~ as prescribed by s. 1003.51. Such record shall
 562 delineate each course completed by the student according to
 563 procedures in the State Course Code Directory. The district
 564 school board shall include a copy of a student's academic record
 565 in the discharge packet when the student exits the program
 566 ~~facility.~~

567 (9) ~~Each~~ ~~The Department of Education shall ensure that all~~
 568 ~~district school board shall~~ ~~boards~~ make provisions for high
 569 school level students ~~youth~~ to earn credits toward high school
 570 graduation while in residential and nonresidential juvenile
 571 justice programs ~~facilities.~~ Provisions must be made for the
 572 transfer of credits and partial credits earned.

573 (10) School districts and juvenile justice education
 574 providers shall develop individualized transition plans during
 575 the course of a student's stay in a juvenile justice education
 576 program to coordinate academic, career and technical, and
 577 secondary and postsecondary services that assist the student in
 578 successful community reintegration upon release. Development of
 579 the transition plan shall be a collaboration of the personnel in
 580 the juvenile justice education program, reentry personnel,

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581 personnel from the school district where the student will
 582 return, the student, the student's family, and Department of
 583 Juvenile Justice personnel for committed students.

584 (a) Transition planning must begin upon a student's
 585 placement in the program. The transition plan must include, at a
 586 minimum:

587 1. Services and interventions that address the student's
 588 assessed educational needs and postrelease education plans.

589 2. Services to be provided during the program stay and
 590 services to be implemented upon release, including, but not
 591 limited to, continuing education in secondary school, career and
 592 technical programs, postsecondary education, or employment,
 593 based on the student's needs.

594 3. Specific monitoring responsibilities to determine
 595 whether the individualized transition plan is being implemented
 596 and the student is provided access to support services that will
 597 sustain the student's success by individuals who are responsible
 598 for the reintegration and coordination of these activities.

599 (b) For the purpose of transition planning and reentry
 600 services, representatives from the school district and the one
 601 stop center where the student will return shall participate as
 602 members of the local Department of Juvenile Justice reentry
 603 teams. The school district, upon return of a student from a
 604 juvenile justice education program, must consider the individual
 605 needs and circumstances of the student and the transition plan
 606 recommendations when reenrolling a student in a public school. A
 607 local school district may not maintain a standardized policy for
 608 all students returning from a juvenile justice program but place
 609 students based on their needs and their performance in the

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610 program.

611 (c) The Department of Education and the Department of
 612 Juvenile Justice shall provide oversight and guidance to school
 613 districts, education providers, and reentry personnel on how to
 614 implement effective educational transition planning and
 615 services.

616 ~~(11)(10)~~ The district school board shall recruit and train
 617 teachers who are interested, qualified, or experienced in
 618 educating students in juvenile justice programs. Students in
 619 juvenile justice programs shall be provided a wide range of
 620 education ~~educational~~ programs and opportunities including
 621 textbooks, technology, instructional support, and ~~other~~
 622 resources commensurate with resources provided ~~available~~ to
 623 students in public schools, including textbooks and access to
 624 technology. If the district school board operates a juvenile
 625 justice education program at a juvenile justice facility, the
 626 district school board, in consultation with the director of the
 627 juvenile justice facility, shall select the instructional
 628 personnel assigned to that program. The Secretary of Juvenile
 629 Justice or the director of a juvenile justice program may
 630 request that the performance of a teacher assigned by the
 631 district to a juvenile justice education program be reviewed by
 632 the district and that the teacher be reassigned based upon an
 633 evaluation conducted pursuant to s. 1012.34 or for inappropriate
 634 behavior ~~Teachers assigned to educational programs in juvenile~~
 635 justice settings in which the district school board operates the
 636 educational program shall be selected by the district school
 637 board in consultation with the director of the juvenile justice
 638 facility. ~~Educational programs in Juvenile justice education~~

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639 ~~programs facilities~~ shall have access to the substitute teacher
 640 pool ~~used utilized~~ by the district school board.

641 ~~(12)(11)~~ District school boards may contract with a private
 642 provider for the provision of education educational programs to
 643 ~~students youth~~ placed with the Department of Juvenile Justice
 644 and shall generate local, state, and federal funding, including
 645 funding through the Florida Education Finance Program for such
 646 students. The district school board's planning and budgeting
 647 process shall include the needs of Department of Juvenile
 648 Justice programs in the district school board's plan for
 649 expenditures for state categorical and federal funds.

650 ~~(13)(12)~~ (a) Funding for eligible students enrolled in
 651 juvenile justice education programs shall be provided through
 652 the Florida Education Finance Program as provided in s. 1011.62
 653 and the General Appropriations Act. Funding shall include, at a
 654 minimum:

- 655 1. Weighted program funding or the basic amount for current
 656 operation multiplied by the district cost differential as
 657 provided in s. 1011.62(1)(s) and (2);
- 658 2. The supplemental allocation for juvenile justice
 659 education as provided in s. 1011.62(10);
- 660 3. A proportionate share of the district's exceptional
 661 student education guaranteed allocation, the supplemental
 662 academic instruction allocation, and the instructional materials
 663 allocation;
- 664 4. An amount equivalent to the proportionate share of the
 665 state average potential discretionary local effort for
 666 operations, which shall be determined as follows:

- 667 a. If the district levies the maximum discretionary local

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668 effort and the district's discretionary local effort per FTE is
 669 less than the state average potential discretionary local effort
 670 per FTE, the proportionate share shall include both the
 671 discretionary local effort and the compression supplement per
 672 FTE. If the district's discretionary local effort per FTE is
 673 greater than the state average per FTE, the proportionate share
 674 shall be equal to the state average; or

- 675 b. If the district does not levy the maximum discretionary
 676 local effort and the district's actual discretionary local
 677 effort per FTE is less than the state average potential
 678 discretionary local effort per FTE, the proportionate share
 679 shall be equal to the district's actual discretionary local
 680 effort per FTE. If the district's actual discretionary local
 681 effort per FTE is greater than the state average per FTE, the
 682 proportionate share shall be equal to the state average
 683 potential local effort per FTE; and

- 684 5. A proportionate share of the district's proration to
 685 funds available, if necessary.

- 686 (b) Juvenile justice education educational programs to
 687 receive the appropriate FEFP funding for Department of Juvenile
 688 Justice programs shall include those operated through a contract
 689 with the Department of Juvenile Justice ~~and which are under~~
 690 ~~purview of the Department of Juvenile Justice quality assurance~~
 691 ~~standards for education.~~
- 692 (c) Consistent with the rules of the State Board of
 693 Education, district school boards are required to request an
 694 alternative FTE survey for Department of Juvenile Justice
 695 programs experiencing fluctuations in student enrollment.
- 696 (d) FTE count periods shall be prescribed in rules of the

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697 State Board of Education and shall be the same for programs of
 698 the Department of Juvenile Justice as for other public school
 699 programs. The summer school period for students in Department of
 700 Juvenile Justice programs shall begin on the day immediately
 701 following the end of the regular school year and end on the day
 702 immediately preceding the subsequent regular school year.
 703 Students shall be funded for no more than 25 hours per week of
 704 direct instruction.

(e) Each juvenile justice education program must receive
 all federal funds for which the program is eligible.

(14)~~(13)~~ Each district school board shall negotiate a
 cooperative agreement with the Department of Juvenile Justice on
 the delivery of educational services to students youths under
 the jurisdiction of the Department of Juvenile Justice. Such
 agreement must include, but is not limited to:

(a) Roles and responsibilities of each agency, including
 the roles and responsibilities of contract providers.

(b) Administrative issues including procedures for sharing
 information.

(c) Allocation of resources including maximization of
 local, state, and federal funding.

(d) Procedures for educational evaluation for educational
 exceptionalities and special needs.

(e) Curriculum and delivery of instruction.

(f) Classroom management procedures and attendance
 policies.

(g) Procedures for provision of qualified instructional
 personnel, whether supplied by the district school board or
 provided under contract by the provider, and for performance of

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726 duties while in a juvenile justice setting.

727 (h) Provisions for improving skills in teaching and working
 728 with students referred to juvenile justice programs delinquents.

729 (i) Transition plans for students moving into and out of
 730 juvenile programs facilities.

731 (j) Procedures and timelines for the timely documentation
 732 of credits earned and transfer of student records.

733 (k) Methods and procedures for dispute resolution.

734 (l) Provisions for ensuring the safety of education
 735 personnel and support for the agreed-upon education program.

736 (m) Strategies for correcting any deficiencies found
 737 through the accountability and evaluation system and student
 738 performance measures quality assurance process.

739 (15)~~(14)~~ Nothing in this section or in a cooperative
 740 agreement requires shall be construed to require the district
 741 school board to provide more services than can be supported by
 742 the funds generated by students in the juvenile justice
 743 programs.

744 (16)~~(15)~~ ~~(a)~~ The Department of Education, in consultation
 745 with the Department of Juvenile Justice, district school boards,
 746 and providers, shall adopt rules establishing: establish

747 (a) Objective and measurable student performance measures
 748 to evaluate a student's educational progress while participating
 749 in a prevention, day treatment, or residential program. The
 750 student performance measures must be based on appropriate
 751 outcomes for all students in juvenile justice education
 752 programs, taking into consideration the student's length of stay
 753 in the program. Performance measures shall include outcomes that
 754 relate to student achievement of career education goals,

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754 acquisition of employability skills, receipt of a high school
755 diploma, and grade advancement.

756 (b) A performance rating system to be used by the
757 Department of Education to evaluate quality assurance standards
758 for the delivery of educational services within each of the
759 juvenile justice programs. The performance rating shall be
760 primarily based on data regarding student performance as
761 described in paragraph (a) component of residential and
762 nonresidential juvenile justice facilities.

763 (c) The timeframes, procedures, and resources to be used to
764 improve a low-rated educational program or to terminate or
765 reassign the program. These standards shall rate the district
766 school board's performance both as a provider and contractor.
767 The quality assurance rating for the educational component shall
768 be disaggregated from the overall quality assurance score and
769 reported separately.

770 (d) (b) The Department of Education, in partnership with the
771 Department of Juvenile Justice, shall develop a comprehensive
772 accountability and program improvement quality assurance review
773 process. The accountability and program improvement process
774 shall be based on student performance measures by type of
775 program and shall rate education program performance. The
776 accountability system shall identify and recognize high-
777 performing education programs. The Department of Education, in
778 partnership with the Department of Juvenile Justice, shall
779 identify low-performing programs. Low-performing education
780 programs shall receive an onsite program evaluation from the
781 Department of Juvenile Justice. School improvement, technical
782 assistance, or the reassignment of the program shall be based,
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784 in part, on the results of the program evaluation. Through a
785 corrective action process, low-performing programs must
786 demonstrate improvement or reassign the program and schedule for
787 the evaluation of the educational component in juvenile justice
788 programs. The Department of Juvenile Justice quality assurance
789 site visit and the education quality assurance site visit shall
790 be conducted during the same visit.

791 (c) The Department of Education, in consultation with
792 district school boards and providers, shall establish minimum
793 thresholds for the standards and key indicators for educational
794 programs in juvenile justice facilities. If a district school
795 board fails to meet the established minimum standards, it will
796 be given 6 months to achieve compliance with the standards. If
797 after 6 months, the district school board's performance is still
798 below minimum standards, the Department of Education shall
799 exercise sanctions as prescribed by rules adopted by the State
800 Board of Education. If a provider, under contract with the
801 district school board, fails to meet minimum standards, such
802 failure shall cause the district school board to cancel the
803 provider's contract unless the provider achieves compliance
804 within 6 months or unless there are documented extenuating
805 circumstances.

806 (d) The requirements in paragraphs (a), (b), and (c) shall
807 be implemented to the extent that funds are available.

808 (17) The department, in collaboration with the Department
809 of Juvenile Justice, shall collect data and report on
810 commitment, day treatment, prevention, and detention programs.
811 The report shall be submitted to the President of the Senate,
812 the Speaker of the House of Representatives, and the Governor by

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813 February 1 of each year. The report must include, at a minimum:
 814 (a) The number and percentage of students who:
 815 1. Return to an alternative school, middle school, or high
 816 school upon release and the attendance rate of such students
 817 before and after participation in juvenile justice education
 818 programs.
 819 2. Receive a standard high school diploma or a high school
 820 equivalency diploma.
 821 3. Receive industry certification.
 822 4. Receive occupational completion points.
 823 5. Enroll in a postsecondary educational institution.
 824 6. Complete a juvenile justice education program without
 825 reoffending.
 826 7. Reoffend within 1 year after completion of a day
 827 treatment or residential commitment program.
 828 8. Remain employed 1 year after completion of a day
 829 treatment or residential commitment program.
 830 9. Demonstrate learning gains pursuant to paragraph (3) (b).
 831 (b) The following cost data for each juvenile justice
 832 education program:
 833 1. The amount of funding provided by district school boards
 834 to juvenile justice programs and the amount retained for
 835 administration, including documenting the purposes of such
 836 expenses.
 837 2. The status of the development of cooperative agreements.
 838 3. Recommendations for system improvement.
 839 4. Information on the identification of, and services
 840 provided to, exceptional students, to determine whether these
 841 students are properly reported for funding and are appropriately

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842 served.
 843 ~~(18)-(16)~~ The district school board shall not be charged any
 844 rent, maintenance, utilities, or overhead on such facilities.
 845 Maintenance, repairs, and remodeling of existing facilities
 846 shall be provided by the Department of Juvenile Justice.
 847 ~~(19)-(17)~~ When additional facilities are required, the
 848 district school board and the Department of Juvenile Justice
 849 shall agree on the appropriate site based on the instructional
 850 needs of the students. When the most appropriate site for
 851 instruction is on district school board property, a special
 852 capital outlay request shall be made by the commissioner in
 853 accordance with s. 1013.60. When the most appropriate site is on
 854 state property, state capital outlay funds shall be requested by
 855 the Department of Juvenile Justice provided by s. 216.043 and
 856 shall be submitted as specified by s. 216.023. Any instructional
 857 facility to be built on state property shall have educational
 858 specifications jointly developed by the district school board
 859 and the Department of Juvenile Justice and approved by the
 860 Department of Education. The size of space and occupant design
 861 capacity criteria as provided by State Board of Education rules
 862 shall be used for remodeling or new construction whether
 863 facilities are provided on state property or district school
 864 board property.
 865 ~~(20)-(18)~~ The parent of an exceptional student shall have
 866 the due process rights provided for in this chapter.
 867 ~~(19) The Department of Education and the Department of~~
 868 ~~Juvenile Justice, after consultation with and assistance from~~
 869 ~~local providers and district school boards, shall report~~
 870 ~~annually to the Legislature by February 1 on the progress toward~~

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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871 ~~developing effective educational programs for juvenile~~
 872 ~~delinquents, including the amount of funding provided by~~
 873 ~~district school boards to juvenile justice programs, the amount~~
 874 ~~retained for administration including documenting the purposes~~
 875 ~~for such expenses, the status of the development of cooperative~~
 876 ~~agreements, the results of the quality assurance reviews~~
 877 ~~including recommendations for system improvement, and~~
 878 ~~information on the identification of, and services provided to,~~
 879 ~~exceptional students in juvenile justice commitment facilities~~
 880 ~~to determine whether these students are properly reported for~~
 881 ~~funding and are appropriately served.~~

882 (21)~~(20)~~ The education educational programs at the Arthur
 883 Dozier School for Boys in Jackson County and the Florida School
 884 for Boys in Okeechobee shall be operated by the Department of
 885 Education, either directly or through grants or contractual
 886 agreements with other public or duly accredited education
 887 agencies approved by the Department of Education.

888 (22)~~(21)~~ The State Board of Education shall ~~may~~ adopt any
 889 rules necessary to implement the provisions of this section,
 890 ~~including uniform curriculum, funding, and second chance~~
 891 ~~schools~~. Such rules must require the minimum amount of paperwork
 892 and reporting.

893 (23)~~(22)~~ The Department of Juvenile Justice and the
 894 Department of Education, in consultation with Workforce Florida,
 895 Inc., the statewide Workforce Development Youth Council,
 896 district school boards, Florida College System institutions,
 897 providers, and others, shall jointly develop a multiagency plan
 898 for career education which describes the funding, curriculum,
 899 transfer of credits, goals, and outcome measures for career

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900 education programming in juvenile commitment facilities,
 901 pursuant to s. 985.622. The plan must be reviewed annually.

902 Section 5. Subsection (3) of section 985.632, Florida
 903 Statutes, is amended to read:

904 985.632 Quality assurance and cost-effectiveness.—

905 (3) The department shall annually collect and report cost
 906 data for every program operated or contracted by the department.
 907 The cost data shall conform to a format approved by the
 908 department and the Legislature. Uniform cost data shall be
 909 reported and collected for state-operated and contracted
 910 programs so that comparisons can be made among programs. The
 911 department shall ensure that there is accurate cost accounting
 912 for state-operated services including market-equivalent rent and
 913 other shared cost. The cost of the educational program provided
 914 to a residential facility shall be reported and included in the
 915 cost of a program. The department shall submit an annual cost
 916 report to the President of the Senate, the Speaker of the House
 917 of Representatives, the Minority Leader of each house of the
 918 Legislature, the appropriate substantive and fiscal committees
 919 of each house of the Legislature, and the Governor, no later
 920 than December 1 of each year. Cost-benefit analysis for
 921 educational programs will be developed and implemented in
 922 collaboration with and in cooperation with the Department of
 923 Education, local providers, and local school districts. Cost
 924 data for the report shall include data collected by the
 925 Department of Education for the purposes of preparing the annual
 926 report required by s. 1003.52(17) ~~1003.52(19)~~.

927 Section 6. Paragraph (b) of subsection (18) of section
 928 1001.42, Florida Statutes, is amended to read:

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929 1001.42 Powers and duties of district school board.—The
930 district school board, acting as a board, shall exercise all
931 powers and perform all duties listed below:

932 (18) IMPLEMENT SCHOOL IMPROVEMENT AND ACCOUNTABILITY.—
933 Maintain a state system of school improvement and education
934 accountability as provided by statute and State Board of
935 Education rule. This system of school improvement and education
936 accountability shall be consistent with, and implemented
937 through, the district's continuing system of planning and
938 budgeting required by this section and ss. 1008.385, 1010.01,
939 and 1011.01. This system of school improvement and education
940 accountability shall comply with the provisions of ss. 1008.33,
941 1008.34, 1008.345, and 1008.385 and include the following:

942 (b) *Public disclosure*.—The district school board shall
943 provide information regarding the performance of students and
944 educational programs as required pursuant to ss. 1008.22 and
945 1008.385 and implement a system of school reports as required by
946 statute and State Board of Education rule which shall include
947 schools operating for the purpose of providing educational
948 services to students ~~youth~~ in Department of Juvenile Justice
949 programs, and for those schools, report on the elements
950 specified in s. 1003.52(16) ~~1003.52(19)~~. Annual public
951 disclosure reports shall be in an easy-to-read report card
952 format and shall include the school's grade, high school
953 graduation rate calculated without high school equivalency
954 examinations ~~CED tests~~, disaggregated by student ethnicity, and
955 performance data as specified in state board rule.

956 Section 7. This act shall take effect July 1, 2014.

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 Education

BILL: CS/SB 628

INTRODUCER: Education Committee and Senator Montford and others

SUBJECT: Independent Nonprofit Higher Education Facilities Financing

DATE: April 9, 2014 **REVISED:** _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Hand | Klebacha | ED | Fav/CS |
| 2. | Bryant | Elwell | AED | Favorable |
| 3. | | | AP | |
| 4. | | | RC | |

Please see Section IX. for Additional Information:
COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 628 expands the types of projects that the Higher Education Facilities Financing Authority (HEFFA) may finance for independent nonprofit colleges and universities.

Because it is not possible to predict how many additional facilities may be financed by the HEFFA due to the broadened definition of “project” included in this bill, the fiscal impact is indeterminate.

The bill takes effect July 1, 2014.

II. Present Situation:

Higher Educational Facilities Financing Authority

The HEFFA was created as a public instrumentality by the Legislature with the purpose of assisting institutions of higher education in undertaking constructing, financing, and refinancing projects. The HEFFA has numerous powers, including the ability to issue revenue bonds to finance the costs of a project for a participating institution.

Creation and Background

The HEFFA was established in 2001 in Chapter 243, Florida Statutes, as a “public body corporate and politic.”¹ The HEFFA is constituted as a “public instrumentality” and the exercise by the HEFFA of its conferred powers is “considered to be the performance of an essential public function.”² Members of the HEFFA are appointed by the Governor, subject to confirmation by the Senate.³ Chapters 119 (public records) and 286 (open meetings) apply to the HEFFA.⁴

Purpose And Powers

The purpose of the HEFFA is to assist institutions of higher education⁵ in undertaking constructing, financing, and refinancing projects.⁶ For this purpose, the HEFFA may:⁷

- Exercise general business authority.
 - Exercise all powers granted to corporations under the Florida Business Corporation Act, chapter 607, F.S.
 - Have perpetual succession as a body politic and corporate and adopt bylaws for the regulation of its affairs and the conduct of its business.
 - Adopt an official seal.
 - Maintain an office at any place in the state.
 - Sue and be sued.
 - Employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and other employees and agents as necessary.
 - Charge to and equitably apportion among participating institutions its administrative costs and expenses incurred in the exercise of the powers and duties.
 - Contract with an entity as its agent to assist the HEFFA in screening applications of institutions of higher education for loans.
 - Do all things necessary or convenient to carry out the purposes of ss. 243.50-243.77, F.S.
- Implement financing arrangements.
 - Make and execute financing arrangements, leases, contracts, deeds, and other instruments necessary or convenient in the exercise of the powers and functions of its authority.

¹ Section 243.53(1), F.S., s. 4, Ch. 2001-79, L.O.F. The term “public body corporate and politic” is not specifically defined in state law; although, Section 1.01(8), F.S., defines “public body,” “body politic,” or “political subdivision” to include “counties, cities, town, villages, special tax school districts, special road and bridge districts, bridge districts, and all other districts in this state.” See *O’Malley v. Florida Insurance Guaranty Association*, 257 So.2d 9, 11 (Fla. 1971)(The business of a public corporation is ordinarily “stipulated by the Legislature to fill a public need without private profit to any organizers or stockholders. Their function is to promote the public welfare and often they implement government regulations within the state’s police power. In a word, they are organized for the benefit of the public.”); see *Forbes Pioneer Boat Line v. Board of Commissioners*, 82 So.2d 346, 350 (Fla. 1919)(Public corporations or public quasi-corporations and the governing bodies thereof possess only such powers as are expressly granted by statute or necessarily implied in order to carry the expressly granted powers into effect.).

² Section 243.53(1), F.S.

³ Section 245.53(2), F.S.

⁴ *Id.*

⁵ Section 243.52(6), F.S. An “institution of higher education” means “an independent nonprofit college or university which is located in and chartered by the state; which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools which grants baccalaureate degrees; and which is not a state university or state community college.” *Id.*

⁶ Section 243.54, F.S.

⁷ *Id.*

- Mortgage any project and the site thereof for the benefit of the holders of revenue bonds issued to finance projects or those providing credit for that purpose.
- Engage in the sale-leaseback, lease-purchase, lease-leaseback, or other undertakings and provide for the sale of certificates of participation incident thereto.
- Issue bonds and manage loans.
 - Issue bonds; bond anticipation notes, and other obligations for any of its corporate purposes.
 - Receive and accept from any public agency loans or grants for or in aid of the construction of a project.
 - Make loans to any participating institution for the cost of the project, including a loan in anticipation of tuition revenues.
 - Make loans to a participating institution to refund outstanding obligations, mortgages, or advances issued, made, or given by the participating institution for the cost of a project.
- Manage and Delegate Project Responsibilities
 - Determine the location and character of any project to be financed; construct, reconstruct, maintain, repair, and lease the project as lessee or lessor; enter into contract for these purposes.
 - Designate the participating institution as the agent of the HEFFA for these purposes.
- Provide Accountability and Transparency
 - Establish rules for the use of a project, and designate a participating institution as its agent to establish rules for the use of the project undertaken by the participating institution.
 - Transfer free and clear title to the participating institution when principal and interest on revenue bonds have been paid (or adequate provision has been made to pay any bonds), all other conditions securing the bonds have been satisfied, and the lien has been released.⁸
 - Submit a report to the Governor, President of the Senate, and Speaker of the House of Representatives at the end of each fiscal year.⁹ The report must include numerous provisions, including but not limited to expenditures, assets, liabilities, and the outstanding bond schedule.¹⁰

Authorized Projects and Costs

A “project” is defined as “a dormitory, student service facility, parking facility, administration building, academic building, or library and includes a loan in anticipation of tuition revenues by an institution of higher education....”¹¹

The HEFFA may finance “costs” to include items such as: construction and land acquisition; structures; demolition, including the cost of purchasing the lands which the buildings may be removed; machinery and equipment; working capital, reserves for principal, interest, and rebate;

⁸ Section 243.57, F.S.

⁹ Section 243.73, F.S.

¹⁰ *Id.*

¹¹ Section 243.52(3), F.S.

additions and improvements; engineering, financial, and legal services; plans and surveys; and other expenses.¹²

The participating institution may fix, revise, charge, and collect rates, rents, fees, and charges for the use of and for the services furnished to or to be furnished by each project and may contract with any person, partnership, association, corporation, or other body, public or private, in respect thereof. The rates, rents, fees, and charges must be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from the project to as to provide funds sufficient with other revenues to pay the cost of maintenance, repairs, operations, and principal and interest on outstanding revenue bonds.¹³

Bonds and Tax Exempt Status

Revenue bonds issued by the HEFFA are not a debt or liability of the HEFFA, any municipality, the state, or any political subdivision thereof.¹⁴ Thus, the bonds are not secured by the full faith and credit of the state, and do not constitute an obligation, either general or special, of the state.¹⁵ However, the bonds may be secured by mortgage or the full faith and credit of a participating institution of higher education or any other lawfully pledged security of a participating institution of higher education.¹⁶

Because the operation and maintenance of a project by the HEFFA or a participating institution constitutes the performance of an essential public function, neither the HEFFA nor a participating institution is required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the HEFFA or a participating institution.¹⁷

County Educational Facilities Authority

As early as 1969, the Legislature created in each county, a “public body corporate and politic” to be known as the “_____ County Educational Facilities Authority (CEFA).”¹⁸ The CEFAs were constituted as a public instrumentality and the exercise of the authority and powers conferred are deemed to be the performance of an essential public function.¹⁹ The purpose of the CEFAs is to assist institutions for higher education in the construction, financing, and refinancing of projects.²⁰ The definition of “project” for CEFAs means:²¹

- A structure suitable for use as a:

¹² Section 243.52(4), F.S. In the case of a loan in anticipation of tuition revenues, the term “cost” means “the amount of the loan in anticipation of revenues which does not exceed the amount of tuition revenues anticipated to be received by the borrowing institution of higher education in the 1-year period following the date of the loan, plus costs related to the issuance of the loan, or the amount of the bonds, the proceeds of which the fund loans and any related cost of debt service, reserve funds, and rebate associated therewith.” *Id.*

¹³ Section 243.67, F.S. Note that any holder of revenue bonds may take legal action to enforce and compel performance of all duties, including the fixing, charging, and collecting of the rates, rents, fees, and charges. Section 243.69, F.S.

¹⁴ Section 243.66, F.S.

¹⁵ Section 243.64, F.S.

¹⁶ Section 243.52(5), F.S.

¹⁷ Section 243.70, F.S.

¹⁸ Section 243.21(1), F.S. *Compare* the definition of “projects” for CEFAs and the HEFFA. The CEFAs have historically had a more extensive list of projects that may be financed.

¹⁹ *Id.*

²⁰ Section 243.22, F.S.

²¹ Section 243.20(5), F.S.

- Dormitory or other housing facility.
- Dining hall.
- Student union.
- Administration building.
- Academic building.
- Library.
- Laboratory.
- Research facility.
- Classroom.
- Athletic facility.
- Health care facility.
- Maintenance, storage or utility facility.
- Other structures or facilities related to, required or useful for the:
 - Instruction of students.
 - Conducting of research.
 - Operation of an institution of educational institution, including:
 - Parking.
 - Other facilities or structures, essential or convenient for the orderly conduct of such institution of higher education, including:
 - Equipment.
 - Machinery.
 - Other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but excluding items such as books, fuel, supplies, and other items that are customarily deemed to result in a current operating charge.
- A loan in anticipation of tuition revenues by a private institution of higher education.

As previously noted, the HEFFA was created in 2001, well after creation of the CEFAs. It appears the HEFFA was created as a response to the problems experienced by the CEFA with projects for constructions as well as operations.²² Despite Legislative attempts to increase authority for the CEFAs in 1999, little activity resulted and nonpublic institutions for higher education were denied loans based on tuition income to pay operational costs.²³

III. Effect of Proposed Changes:

The bill expands the types of projects and authorized uses that the HEFFA may finance for independent nonprofit colleges and universities.

Authorized Projects

The bill expands the definition of a “project” that can be approved by the HEFFA to track authority currently provided to CEFAs, and mean:

- A structure suitable for use as a:
 - Dormitory or other housing facility.

²² See Staff of the Florida Senate, *Legislative Bill Analysis for CS/SB 302* (2001).

²³ *Id.*

- Dining hall.
- Student union.
- Administration building.
- Academic building.
- Library.
- Laboratory.
- Research facility.
- Classroom.
- Athletic facility.
- Health care facility.
- Maintenance, storage or utility facility.
- Other structures or facilities related to, required, or useful to the:
 - Instruction of students.
 - Conducting of research.
 - Operation of an institution of higher education, including:
 - Parking.
 - Other facilities or structures, essential or convenient for the orderly conduct of such institution of higher education including:
 - Equipment.
 - Machinery.
 - Other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but excluding items such as books, fuel, supplies, and other items that are customarily deemed to result in a current operating charge.
- A loan in anticipation of tuition revenues by an institution of higher education.

The bill takes effect July 1, 2014.

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:

The fiscal impact is indeterminate.

B. Private Sector Impact:

Because it is not possible to predict how many additional facilities may be financed by the HEFFA due to the broadened definition of “project” included in CS/SB 628, the fiscal impact is indeterminate.

C. Government Sector Impact:

The fiscal impact is indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 243.52 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 March 25, 2014:

The committee substitute:

- Reverted back to current law regarding the name of the “Higher Educational Facilities Financing authority” instead of the “Educational Facilities Financing Authority” as stated in SB 628.
- Reverted back to current law regarding institutions eligible to participate in HEFFA. SB 628 included provisions that expand the definition of a “participating institution” to include a “private nonprofit elementary, middle, or secondary school.”

B. Amendments:

None.

By the Committee on Education; and Senators Montford and Stargel

581-03183-14

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1 A bill to be entitled
 2 An act relating to independent nonprofit higher
 3 education facilities financing; amending s. 243.52,
 4 F.S.; expanding the definition of the term "project"
 5 as it relates to the Higher Educational Facilities
 6 Financing Act; providing an effective date.
 7
 8 Be It Enacted by the Legislature of the State of Florida:
 9
 10 Section 1. Subsection (3) of section 243.52, Florida
 11 Statutes, is amended to read:
 12 243.52 Definitions.—As used in ss. 243.50-243.77, the term:
 13 (3) "Project" means a structure suitable for use as a
 14 dormitory or other housing facility, dining hall, student union,
 15 administration building, academic building, library, laboratory,
 16 research facility, classroom, athletic facility, health care
 17 facility, and maintenance, storage, or utility facility, and
 18 other structures or facilities related thereto, or required
 19 thereto, or required or useful for the instruction of students,
 20 or the conducting of research, or the operation of an
 21 institution of higher education, including parking and other
 22 facilities or structures, essential or convenient for the
 23 orderly conduct of such institution of higher education and
 24 shall also include equipment and machinery and other similar
 25 items necessary or convenient for the operation of a particular
 26 facility or structure in the manner for which its use is
 27 intended but shall not include such items as books, fuel,
 28 supplies or other items which are customarily deemed to result
 29 in a current operating charge. The term also ~~dormitory, student~~

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30 ~~service facility, parking facility, administration building,~~
 31 ~~academic building, or library~~ and includes a loan in
 32 anticipation of tuition revenues by an institution of higher
 33 education, as defined in subsection (6).
 34 Section 2. This act shall take effect July 1, 2014.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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 Education

BILL: CS/CS/SB 900

INTRODUCER: Education Committee and Senator Latvala

SUBJECT: Public-private Partnerships

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Hand | Klebacha | ED | Fav/CS |
| 2. | Stearns | Yeatman | CA | Fav/CS |
| 3. | Bryant | Elwell | AED | Favorable |
| 4. | | | AP | |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 900 authorizes state universities or certain direct-support organizations (DSOs) to utilize public-private partnerships (P3s) as an alternative procurement process to build, upgrade, operate, own, or finance qualifying projects.

The bill provides definitions, legislative findings and intent, procurement procedures, qualification and approval processes for qualifying projects, agreement provisions, fee structures, financing arrangements, powers and duties of state university boards, direct-support organizations, and private entities, and provisions that affirm the applicability of sovereign immunity.

The bill's stated intent is to: encourage investment in the state by private entities; facilitate various bond financing mechanisms, private capital, and other funding sources; and provide the greatest possible flexibility to public and private entities contracting for the provision of services.

Because it is not possible to determine the number and size of future projects which CS/CS/SB 900 will impact, the fiscal impact is indeterminate.

The bill takes effect July 1, 2014.

II. Present Situation:

State universities have specific statutory mechanisms to procure and finance capital projects. Both procurement and finance mechanisms are subject to the regulatory oversight of the Board of Governors (BOG). State universities must navigate different procedural requirements under each of the currently available mechanisms. Even with the various existing mechanisms at their disposal, state universities face a “crisis” in infrastructure and facilities funding.¹

Development Options for State University Capital Projects

State universities have a few options available for pursuing the development of capital projects, including university lease agreements, joint occupancy structures, use of innovative contracting techniques, and the issuance of revenue bonds.²

University Lease Agreements

Pursuant to s. 1013.171, F.S., each university is authorized to:

- Negotiate and enter into agreements to lease land under its jurisdiction to for-profit and non-profit corporations, for the purpose of erecting thereon facilities and accommodations necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the BOG.
- Enter into agreements with for-profit and nonprofit corporations, whereby income-producing buildings, improvements, and facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the BOG, are acquired by purchase or lease-purchase by the university. When such agreements provide for lease-purchase of facilities erected on land that is not under the jurisdiction of the university, the agreement shall include as part of the consideration provisions for the eventual ownership of the land and facility by the state. Each university is authorized to use any auxiliary trust funds, available and not otherwise obligated, to pay rent to the owner should income from the facilities not be sufficient in any debt payment period.
- Construct educational facilities on land that is owned by a direct-support organization (DSO), or a governmental agency at the federal, state, county, or municipal level, if the university has acquired a long-term lease for use of the land. If a DSO does not have sufficient land available, the university may acquire a short-term lease from a private landowner or developer.
- Enter into a short-term lease for the use of land and buildings upon which capital improvements may be made.

These agreements must be entered into with an entity resulting from publicly announced competitive bids or proposals, except that, the university may enter into an agreement with a DSO, or a governmental agency at the federal, state, county, or municipal level, which shall enter into subsequent agreements for financing and constructing the project after receiving competitive bids or proposals.³ Any facility constructed, lease-purchased, or purchased under such

¹ Florida Board of Governors, Task Force on Facilities Funding – 2012, at 1, *available at* <http://www.flbog.edu/about/taskforce/facilities.php> (last visited March 18, 2014).

² The state university matching grant program has been suspended since 2011. Section 1013.79(12), F.S.

³ Section 1013.171, F.S.

agreements, whether erected on land under the jurisdiction of the university or not, shall conform to the construction standards and codes applicable to university facilities.⁴ These agreements are also subject to s. 1010.62, F.S., pertaining to revenue bonds and debt.⁵

Joint Occupancy Structures

For the purpose of implementing jointly financed construction project agreements, or for the construction of combined occupancy structures, any board may purchase, own, convey, sell, lease or encumber airspace or any other interests in property above airspace of the land, provided the lease of airspace for nonpublic use is for such reasonable rent, length of term, and conditions as the board in its discretion may describe.⁶

All proceeds from the sale or lease shall be used by the board or boards receiving the proceeds solely for fixed capital outlay purposes.⁷ These purposes may include the renovation or remodeling of existing facilities owned by the board, or the construction of new facilities.⁸ However, construction of new facilities must be authorized by the Legislature.⁹

Buildings commonly used for both nonpublic and educational uses, that are sold or leased for nonpublic use are subject to applicable regulations pertaining to land use, zoning, construction, fire protection, health, and safety to the same extent such regulations would be applicable to the construction of a building for nonpublic use on the appurtenant land beneath the subject airspace.¹⁰

Any educational facility constructed or leased as part of a joint-occupancy facility is subject to all rules and requirements of the respective boards or departments having jurisdiction over educational facilities.¹¹ Any contract executed by a state university pursuant to this section is subject to s. 1010.62, F.S., pertaining to revenue bonds and debt.¹²

Coordination of Planning with Local Governing Bodies

State policy requires the coordination of planning between boards and local governing boards to ensure that plans for the construction and opening of public educational facilities are facilitated and coordinated in time and place with plans for residential development, concurrently with other necessary services.¹³

⁴ *Id.*

⁵ *Id.*

⁶ Section 1013.19, F.S. As used in ch. 1013, F.S., “board” means a district school board, a Florida College System institution board of trustees, a university board of trustees, and The Board of Trustees of the Florida School for the Deaf and Blind, but does not include the State Board of Education or the BOG. *See* s. 1013.01(3), F.S.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ Section 1013.33, F.S.

Contracting and Construction Techniques for Educational Facilities

State university boards of trustees may contract for the construction of new facilities, or for additions, remodeling, renovation, maintenance, or repairs to existing facilities. The procedures the boards may use for doing so include but are not limited to:

- Solicitation of competitive bids;
- Issuance of a design-build contract pursuant to s. 287.055, F.S.;
- Selection of a construction management entity that would be responsible for all scheduling and coordination in both design and construction phases and is generally responsible for the successful, timely, and economical completion of the construction project;
- Selection of a program management entity that would be responsible for schedule control, cost control, and coordination in providing or procuring planning, design and construction services; or
- Execution of day labor contracts not exceeding \$280,000 for the construction, renovation, remodeling, or maintenance of existing facilities.¹⁴

Joint Use of Facilities by Multiple State Universities

State law has authorized and created a process by which two or more boards may cooperatively establish a common educational facility to accommodate students.¹⁵

Debt and Financing for State University Capital Projects

Debt to finance state university capital projects may be incurred at different levels and through different structures.¹⁶ Debt may be state-issued debt, university system-issued debt, and university-issued debt.¹⁷ State-issued debt is primarily in the form of Public Education Capital Outlay (PECO) bonds. System-issued debt is limited to Capital Improvement Trust Fund Fee (CITF) bonds.¹⁸

State-Issued Debt (Public Education Capital Outlay)

State-issued debt is backed by various revenue sources including state taxes, general revenue, dedicated revenue sources, and lottery profits.¹⁹ The Legislature must approve state-funded university capital projects.²⁰ Florida has historically provided state funding for university projects with a dedicated revenue source.²¹

¹⁴ Section 1013.45, F.S.

¹⁵ Section 1013.52, F.S.

¹⁶ Office of Program Policy Analysis and Government Accountability, *Other States Use a Variety of Revenues and Financing Methods to Fund Public University Capital Outlay Projects*, Research Memorandum, at 5 (October 12, 2012) (on file with the Senate Committee on Community Affairs).

¹⁷ *Id.*

¹⁸ Email, Staff of the Board of Governors, (March 10, 2014) (on file with the Senate Committee on Education).

¹⁹ *Id.*

²⁰ *Id.* at 1.

²¹ *Id.* at 2.

According to the staff of the BOG, “[s]tate-issued debt is typically undertaken on behalf of the university system or individual institutions and takes advantage of the full faith and credit of the state as the guarantee for bond payments.”²²

The BOG currently relies on state PECO bonds as the primary source of funding for university construction (i.e., new teaching and research facilities) and building maintenance (i.e., to keep existing buildings functional and to retrofit old buildings for new uses).²³ However, PECO funds cannot be used to construct student life facilities, such as student unions, cafeterias, recreational fields, and fitness centers.²⁴

University System Issued Debt

The BOG can only issue system debt based on revenues from student capital improvement fees, formally known as the Capital Improvement Trust Fund Fee.²⁵ Such debt is subject to specific legislative authorization in the general appropriations act, and requires approval of the State Board of Administration.²⁶ No new debt has been authorized under the CITF program since 2008.²⁷

The BOG may “issue revenue bonds that are secured by a pledge of revenues from institution enterprises such as dormitories, parking garages, food service, and athletic programs. These bonds are typically used to finance student support facilities, such as student unions, recreation facilities, housing, health and parking facilities.”²⁸

Individual Institution Issued Debt

“Institution debt is typically a revenue bond authorized to fund student support facilities such as student unions, dormitories, or parking garages.”²⁹ Institutional debt is typically backed by student fees and revenues from auxiliary enterprises (such as housing and parking).³⁰ “[A]ny proposal for issuance of institution revenue bonds is reviewed by the State Board of Administration’s Division of Bond Finance and approved by the BOG.”³¹

²² *Id.* at 6.

²³ Florida Board of Governors, Task Force on Facilities Funding – 2012, available at <http://www.flbog.edu/about/taskforce/facilities.php>, State University System, Board of Governors, *FACT SHEET: Public Education Capital Outlay (PECO) (July 17, 2012)* available at <http://flbog.edu/pressroom/doc/7.2012-PECO-Fact-Sheet-Press-Room.pdf> (last visited March 18, 2014).

²⁴ *Id.*

²⁵ Office of Program Policy Analysis and Government Accountability, *Other States Use a Variety of Revenues and Financing Methods to Fund Public University Capital Outlay Projects*, Research Memorandum, at 6 (October 12, 2012) (on file with the Senate Committee on Community Affairs), Email, Staff of the Board of Governors, (March 10, 2014) (on file with the Senate Committee on Education).

²⁶ Email, Staff of the Board of Governors, (March 10, 2014) (on file with the Senate Committee on Education), Office of Program Policy Analysis and Government Accountability, *Other States Use a Variety of Revenues and Financing Methods to Fund Public University Capital Outlay Projects*, Research Memorandum, at 6 (October 12, 2012) (on file with the Senate Committee on Community Affairs).

²⁷ Email, Staff of the Board of Governors, (March 10, 2014) (on file with the Senate Committee on Education).

²⁸ *Id.* at 7.

²⁹ *Id.* at 9.

³⁰ *Id.* at 5.

³¹ *Id.* at 9.

Debt Structures

“The primary debt structures used to finance projects are general obligation bonds, revenue bonds, and lease/purchase contracts....”³² For example:

- General obligation bonds take advantage of the full faith and credit and the taxing authority of the state to guarantee payment.³³
- Revenue bonds depend on a dedicated revenue source as guarantee for payment.³⁴
- Lease/purchase contracts are similar to bonds, but the investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.³⁵

Public-Private Partnerships

Public-private partnerships (P3) are in use nationally, even for state universities. While generally authorized and in use in Florida, P3s are not specifically authorized in law for use by state universities.

P3s Nationally

A P3 is a contractual agreement formed between a public agency and a private sector entity that allows for greater private sector participation in the delivery and financing of public building and infrastructure projects.³⁶ Through these agreements, the skills and assets of each sector, public and private, are shared in delivering a service or facility for the use of the general public.³⁷ In addition to the sharing of resources, each party shares in the risks and potential rewards in the delivery of the service or facility.³⁸

There are different types of P3s with varying levels of private sector involvement. For example:

- A Design-Build-Finance-Operate transaction involves a grant made by the government to a private sector partner of the right to develop a new piece of public infrastructure.³⁹ The private entity takes on full responsibility and risk for delivery and operation of the public project against pre-determined standards of performance established by the government.⁴⁰ The private entity is paid through the revenue stream generated by the project, which could take the form of a user charge (such as a highway toll) or, in some cases, an annual government payment for performance (often called a “shadow toll” or “availability charge”).⁴¹ Any increases in the user charge or payment for performance typically are set out in advance and regulated by a binding contract.⁴²

³² *Id.* at 5,

³³ *Id.* at 5.

³⁴ *Id.* at 5.

³⁵ *Id.* at 5.

³⁶ See The Federal Highway Administration, United States Department of Transportation, Innovative Program Delivery webpage, available at: <http://www.fhwa.dot.gov/ipd/p3/defined/index.htm> (last visited on March 18, 2014).

³⁷ See generally The National Council for Public-Private Partnerships webpage, *How PPPs Work*, available at: <http://www.ncppp.org/ppp-basics/7-keys/> (last visited on March 18, 2014).

³⁸ *Id.*

³⁹ See The Oregon Department of Transportation, *The Power of Public-Private Partnerships*, available at: <http://www.oregon.gov/ODOT/HWY/OIPP/docs/PowerofPublicPrivate050806.pdf> (last visited March 18, 2014).

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

- An Unsolicited Proposal Procurement Model allows for the receipt of unsolicited bids from private entities to contract for the design, construction, operation, and financing of public infrastructure.⁴³ Generally, the public entity requires a processing or review fee to cover costs for the technical and legal review.⁴⁴ A local government’s “acceptance” of a proposal results in the publishing of a notice to other prospective proposers for the project.⁴⁵ These other proposers have a certain amount of time in which to submit a competing proposal, after which the local government considers and ranks all of the proposals, including the initial proposal that began the process.⁴⁶

State University Use of P3s Nationally

According to the Office of Program Policy Analysis and Government Accountability, a P3 “can provide universities access to additional capital resources, spread risk, and offer expertise in specialized areas of construction, such as medical centers or housing; however, the contracts covering these arrangements are often complex and private partners may not live up to their obligations.”⁴⁷

Universities in other states typically form P3s to construct dining, housing, parking, dormitories or other support facilities. Some universities in other states have begun to use them to construct research laboratories and classrooms.⁴⁸

P3s in Florida

In 2013, the Legislature created s. 287.0512, F.S., which, in part, created an alternative procurement process as well as requirements that must be met by responsible public entities⁴⁹ seeking to enter into P3s to facilitate construction of public-purpose projects.⁵⁰ However, this law is not applicable to state universities.⁵¹

⁴³ See *Innovative Models for the Design, Build, Operation and Financing of Public Infrastructure*, John J. Fumero, 2, available at <http://documents.jdsupra.com/3c55cef3-3a4f-45d7-b199-b658fa2f1443.pdf> (last visited March 18, 2014).

⁴⁴ *Id.*

⁴⁵ Section 287.05712(4)(b), F.S.

⁴⁶ Section 287.05712(4)(b) and (6)(c), F.S.

⁴⁷ Office of Program Policy Analysis and Government Accountability, *Other States Use a Variety of Revenues and Financing Methods to Fund Public University Capital Outlay Projects*, Research Memorandum, at 10 (October 12, 2012) (on file with the Senate Committee on Community Affairs).

⁴⁸ *Id.*

⁴⁹ Section 287.05712(1)(j), F.S. “Responsible public entity” means “a county, municipality, school board, or any other political subdivision of the state; a public body corporate and politic; or a regional entity that serves a public purpose and is authorized to develop or operate a qualifying project.” *Id.*

⁵⁰ See Staff of the Florida House of Representatives, *Legislative Bill Analysis for CS/CS/HB 85* (2013). Under this law, P3s may be used for facilities or projects that serve a public purpose, including but not limited to, any ferry or mass transit facility, vehicle parking facility, airport or seaport facility, recreational facility, an improvement of a building (including equipment) that will principally be used by the public-at-large or that supports a service delivery system in the public sector, or a water, wastewater, or surface water management facility or other related infrastructure. See also, s. 287.05712(1)(i), F.S., for the definition of a “qualifying project.”

⁵¹ Staff of the Board of Governors, *Legislative Bill Analysis for SB 900*, at 3 (February 21, 2014).

State University Use of P3s in Florida

Despite the lack of specific statutory authority directly authorizing or regulating P3s for state universities, some state universities in Florida are nevertheless utilizing P3s. For example:

- Florida Atlantic University used a P3 to build a dormitory.⁵²
- Florida State University is using, and has attempted, P3s for various fields.⁵³
- The University of West Florida created Business Enterprises, Inc. as a DSO to build and manage P3s to help the university accomplish its goals.⁵⁴
- Florida Polytechnic University entered into a P3 for the construction of student housing.⁵⁵

University Direct-Support Organizations

A university direct-support organization (DSO) is a Florida not-for-profit corporation which is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state university.⁵⁶ A DSO may also be operated for the benefit of a research and development park or research and development authority affiliated with a state university. A DSO must be certified by a state university board of trustees to operate in a manner consistent with the goals of the university and in the best interest of the state.⁵⁷ DSOs serve a role in raising private support for university academic, research, and athletic activities.⁵⁸

State universities are considered agencies of the state. As a result, state universities are subject to public records and public meetings laws.⁵⁹ DSO boards are also subject to public records and public meetings laws.⁶⁰

A DSO must provide for an annual financial audit of the organization's accounts and records which must be conducted by an independent certified public accountant pursuant to rules

⁵² Office of Program Policy Analysis and Government Accountability, *Other States Use a Variety of Revenues and Financing Methods to Fund Public University Capital Outlay Projects*, Research Memorandum, at 12 (October 12, 2012) (on file with the Senate Committee on Community Affairs).

⁵³ "Florida State University participated in a [P3] with the company Digital Domain. The company provided the facilities for students in West Palm Beach to train in digital animation. *Id.* at 13, footnote 21, The Gradebook, *FSU's announcement is the latest in trend of public-private partnerships at universities*, <http://www.tampabay.com/blogs/gradebook/content/fsus-announcement-latest-trend-public-private-partnerships-universities> (last viewed March 8, 2014).

⁵⁴ UWF Business Enterprises, Inc., *Direct Support for the University*, <http://uwf.edu/bei/about.html> (last viewed March 18, 2014).

⁵⁵ Florida Polytechnic University, *Florida Polytechnic University Awards Contract For Student Housing*, <https://floridapolytechnic.org/news-item/florida-polytechnic-university-awards-contract-for-student-housing/> (last viewed March 18, 2014).

⁵⁶ Section 1004.28(1)(a)1.-2., F.S.

⁵⁷ Section 1004.28(1)(a)2.-3., F.S.

⁵⁸ Florida Board of Governors, *2013 Agency Bill Analysis for HB 359* (Feb. 14, 2013), at 1. HB 359

⁵⁹ Chapters 119 and 286, Florida Statutes. *See Wood v. Marston*, 442 So. 2d 934, 938 (Fla. 1983) (holding that a University of Florida screening committee was subject to Florida's Sunshine Law).

⁶⁰ Section 1004.28, F.S.; *see also Palm Beach Community College Foundation, INC., v. WFTV, INC.*, 611 So.2nd 588 (4th DCA 1993); Op. Att'y Gen. Fla. 05-27 (2005); Op. Att'y Gen. Fla. 92-53 (1992) (providing that John and Mable Ringling Museum of Art Foundation, Inc., established pursuant to statute as a not-for-profit corporation to assist the museum in carrying out its functions by raising funds for the museum, is subject to Sunshine Law by virtue of its substantial ties with the museum).

adopted by the Auditor General in accordance with current law⁶¹ and by the university board of trustees.⁶²

III. Effect of Proposed Changes:

Section 1 provides definitions, legislative findings and intent, procurement procedures, project feasibility criteria, procedures for approval of agreements, required agreement provisions, financing arrangements, responsibilities of the private entity, provisions governing the expiration or termination of agreements, a statement of authority, a statement affirming the applicability of sovereign immunity, a requirement of an annual report, and rulemaking authority.

Legislative Findings and Intent

The bill declares that there is a public need for construction or improvement of facilities that are used predominantly for a public purpose and that it is in the public's interest to provide for the construction or improvement of such facilities.⁶³ The bill states that the need for timely and cost-effective acquisition and operation of such facilities cannot be met by existing procurement methods.

The bill declares it is the Legislature's intent to encourage investments in the state by private entities, to facilitate various bond financing mechanisms, and to provide the greatest possible flexibility to public and private entities contracting for the provision of public services.

Procurement Procedures

A state university board of trustees (board) or a university direct-support organization (DSO) may receive unsolicited proposals or may solicit proposals for qualifying projects and may thereafter enter into an agreement with a private entity, or a consortium of private entities to build, upgrade, operate, own, or finance facilities.

The BOG may establish a reasonable application fee for the submission of an unsolicited proposal. A board or DSO may engage the services of a private consultant to assist in the evaluation. The BOG may also establish a reasonable fee to cover the costs of evaluating all other proposals received by a board or DSO as part of a competitive procurement process.

If an unsolicited proposal is received and the board or DSO intends to enter into a comprehensive agreement for the project described in such unsolicited proposal, the board or DSO must publish a notice in a newspaper of general circulation at least once a week for two weeks stating that the board has received a proposal and will accept other proposals for the same project.

⁶¹ Section 11.45(8), F.S.

⁶² Section 1004.28(5), F.S.

⁶³ Universities implicitly might be allowed to expand their focus from what is necessary and desirable to serve the needs and purposes of the university (or its students), to what serves a public need or benefit derived from the type of qualifying project that the private entity proposes.

Proposal Requirement and Approval Process

The board must consider various factors before approving the proposed project and in reviewing and ranking proposals, and the private entity's unsolicited proposal must provide certain information and meet specified requirements.

Unsolicited Proposal Requirements

Unless waived by the board or DSO, an unsolicited proposal must be accompanied by:

- A description of the qualifying project;
- A description of the method by which the private entity proposes to secure the necessary property interests that are required to complete the project (if applicable);
- A description of the private entity's general plans for financing the project;
- The name and address of a person who may be contacted for additional information;
- The proposed user fees, lease payments, or other service payments over the term of a comprehensive agreement; and
- Additional material that the board or DSO reasonably requests.

In considering an unsolicited proposal, the board or DSO may require the private entity to provide a technical study prepared by a nationally recognized expert with experience in preparing analyses for bond rating agencies. In evaluating the technical study, the board or DSO may rely upon internal staff reports prepared by personnel familiar with the operation of similar facilities or the advice of external advisors or consultants who have relevant experience.

After the public notification period has expired in the case of an unsolicited proposal, or upon receipt of all proposals if using the traditional process for competitive procurement, the board or DSO must rank the proposals received in order of preference. The board or DSO may then begin negotiations for a comprehensive agreement with the highest-ranked firm, followed by negotiations with successively ranked firms (if necessary) until arriving at a satisfactory agreement. The board or DSO may reject all proposals at any point in the process.

Project Feasibility

Prior to entering into a comprehensive agreement, a board or DSO must conduct an analysis of the feasibility and desirability of the project and shall develop sufficient information to determine:

- The agreement is in the best interest of the public, state, or university;
- The conformity of the project with the master plan of the university and a determination that the project is essential to the university's core mission;
- The need for the project based on quantitative metrics;
- The amount and source of funds to be used to fully fund the capital, operation, maintenance, or other expenses under the agreement;
- The cost of any investment to be made under the agreement by the board or DSO;
- The economic and financial feasibility of the project;
- That the projected demand for use of the project is adequate in relation to the project's cost;
- The expected return on investment or other appropriate quantitative measure for a non-revenue-generating project;

- That the cost of the project is reasonable in relation to similar facilities;
- The financial, operational, or technological risk associated with the project;
- That any increase in the cost of financing the project over the cost of financing the project under s. 1010.62, F.S., will be offset by quantifiable savings in operational costs of other activities and specifies the amount of such savings;
- Any impact to the state's finances of undertaking the project;
- The impact of the agreement on similar activities of the state university or DSO;
- The anticipated use of money to be received by the state university or DSO;
- The relationship between the source of any funds committed by the board or DSO and the project or activities proposed to be funded under the agreement;
- The private entity has the available sources of funding or other financial resources necessary to carry out the agreement;
- That the staff of the private entity have sufficient experience and qualifications to perform the project;
- That no director, officer, partner, owner, or other individual with direct and significant control over the policy of the private entity has been convicted of corruption or fraud; and
- Any other factors determined to be appropriate by the board, DSO, or the BOG.

Approval of Comprehensive Agreements

All comprehensive agreements are contingent upon approval by the BOG. A comprehensive agreement between a DSO and a private entity must be approved by the university board prior to submission to the BOG.

In addition to approval of the BOG, the approval of the Governor and Cabinet, in their role as the governing board of the Division of Bond Finance, is required for any comprehensive agreement that:

- Has a term of over ten years, including any renewals or extensions;
- Provides for an up-front payment from the private entity to the board or DSO which constitutes more than 10 percent of the total compensation anticipated to be paid by the private entity to the board or DSO over the life of the agreement;
- Provides for the creation of debt of the board or DSO as permitted under s. 1010.62, F.S.;⁶⁴
- Pledges or uses revenues permitted under s. 1010.62, F.S.,⁶⁵ to secure or pay amounts due under the agreement; or
- Is expected to yield more than \$10 million to the board or DSO.

For agreements under which the board or DSO is expected to receive more than \$10 million, the state university must provide a summary of the proposal, including a description of the anticipated use of the money to be received by the board of DSO, to the BOG, the Governor, the members of the Cabinet, the President of the Senate, and the Speaker of the House of Representatives. If the President or Speaker objects to the proposed agreement in writing within 14 days after receipt of the summary, the board or DSO may not proceed with the agreement unless all objections are resolved.

⁶⁴ Section 1010.62, F.S.

⁶⁵ *Id.*

The BOG must establish a process and informational requirements for the evaluation and approval of comprehensive agreements.

Agreements

Comprehensive Agreement

Before developing or operating the qualifying project, the private entity must enter into a comprehensive agreement with the board or DSO.

The comprehensive agreement must provide for:

- Delivery of performance and payment bonds, letters of credit, or other security in connection with the development or operation of the qualifying project. Construction bonds must comply with ss. 255.05 and 1013.47, F.S.;
- Board or DSO review and approval of the design of the qualifying project. This does not require the private entity to complete the design of the project before the execution of the comprehensive agreement;
- Inspection of the qualifying project by the board or DSO to ensure the private entity's activities are acceptable to the board;
- Maintenance of a policy of public liability insurance or self-insurance;
- Monitoring of the maintenance practices of the private entity by the board or DSO to ensure the project is properly maintained;
- Periodic filing of financial statements by the private entity;
- Procedures governing the rights and responsibilities of the board or DSO and the private entity in the course of the construction, and operation of the qualifying project and in the event of a termination of the agreement or a material default. The procedures must include:
 - Conditions that govern the assumption of the duties and responsibilities of the private entity by an entity that funded, in whole or part, the qualifying project or by the board or DSO; and,
 - Transfer or purchase of property or other interests of the private entity by the board or DSO.
- Fees, lease payments, or service payments. In negotiating user fees, the fees must be the same for persons using the facility under like conditions;
- Duties of the private entity, including terms and conditions that the board or DSO determines serve the public purpose of this section;
- A limit on the term of the comprehensive agreement to 30 years, including all renewal terms;
- A provision under which each entity agrees to provide notice of default and cure rights for the benefit of the other entity;
- A provision that terminates the authority and duties of the private entity under this section and dedicates the qualifying project to the board or DSO.

A comprehensive agreement may not obligate the full faith and credit of the state, a state university or the BOG, but shall only be secured by the revenues of the board or DSO pledged for such a purpose. Revenues⁶⁶ of a board or DSO may not be pledged to secure or be used to

⁶⁶ Section 1013.505(1)(m), F.S., created in the bill defines "revenues" as "those revenues authorized under s. 1010.62, except that money received as grants or otherwise from the Federal Government, a public entity, or an agency or instrumentality in

make payments on or in relation to, a comprehensive agreement. No debt of a board or DSO may be created except as provided in s. 1010.62, F.S., and only the revenues authorized to be used pursuant to s. 1010.62, F.S., may be used to secure or pay obligations related to such an agreement.⁶⁷

Financing Arrangements

The private entity may enter into a private-source financing agreement between financing sources and the private entity. A financing agreement must be paid in full at the applicable closing that transfers ownership or operation of the facility to the board or DSO at the conclusion of the term of the comprehensive agreement. In the event of a material default by the private entity, the board or DSO will assume ownership or operation of the qualifying project pursuant to the terms of the comprehensive agreement.

The board or DSO may use innovative finance techniques associated with a P3 including, but not limited to, federal loans as provided in Titles 23 and 49 C.F.R., commercial bank loans, and hedges against inflation from commercial banks or other private sources. In addition, the board or DSO may provide its own capital or operating budget to support a qualifying project⁶⁸. The budget apparently may be from any legally permissible funding sources of the board or DSO, including the proceeds of debt issuances.⁶⁹ A financing agreement may not subject the board's or DSO's facility to liens in violation of s. 11.066(5), F.S.

aid of a qualifying project or gifts from private donors that are donated for the purpose of constructing or equipping a facility may be used without limitation, unless a gift is used to secure debt, in which event the maturity of the debt shall not exceed 5 years.”

⁶⁷ Section 1010.62(2)(a), F.S., limits the revenues that may be used to pay or secure revenue bonds and specifies certain revenues that may not be used for that purpose: “Revenues from the activity and service fee and the athletic fee may be used to pay and secure revenue bonds except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to the sale of the bonds. The assets of a university foundation and the earnings thereon may also be used to pay and secure revenue bonds of the university or its direct-support organizations. Revenues from royalties and licensing fees may also be used to pay and secure revenue bonds so long as the facilities being financed are functionally related to the university operation or direct-support organization reporting such royalties and licensing fees.” Revenue bonds may not be secured by or be payable from, directly or indirectly, tuition, the financial aid fee, sales and services of educational departments, revenues from grants and contracts, except for money received for overhead and indirect costs and other moneys not required for the payment of direct costs, or any other operating revenues of a state university. Revenues from one auxiliary enterprise may not be used to secure revenue bonds of another unless the Board of Governors, after review and analysis, determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such revenue bonds.”

⁶⁸ The bill does not define the terms “own capital or operating budget.”

⁶⁹ The bill does not allow bonding of tuition. Email, Staff of the Board of Governors (March 9, 2014) (on file with the Senate Committee on Education). Additionally, while not specified, the provisions of s. 1013.78, F.S., which require prior approval of projects by the Legislature if the state will be asked for operating funds for the project, still appear to apply. Staff of the Board of Governors, *Legislative Bill Analysis for SB 900*, at 3 (February 21, 2014).

Responsibilities of the Private Entity under an Agreement

The private entity shall, in accordance with the comprehensive agreement:

- Develop or operate the project in a manner that is acceptable to the board or DSO;
- Maintain or provide by contract for the maintenance or improvement of, the qualifying project if required by the comprehensive agreement;
- Cooperate with the board or DSO in making best efforts to establish interconnection between the qualifying project and any other facility or infrastructure as requested by the board or DSO;
- Comply with the comprehensive agreement and a lease or service contract.

Each private facility must comply with the requirements of federal, state, and local laws and plans as well as the conditions and standards of the board of DSO, as applicable.

Additional Services and Agreements

The board or DSO may provide services to the private entity. An agreement for maintenance and other services must provide for full reimbursement for services rendered for qualifying projects.

A private entity may provide additional services for the qualifying project to the public or to other private entities if the provision of additional services does not impair the private entity's ability to meet its commitments to the board or DSO pursuant to the comprehensive agreement and the services do not differ in kind from those provided under the agreement.

Expiration or Termination of the Comprehensive Agreement

Upon the expiration or termination of a comprehensive agreement, the board or DSO may use revenues from the qualifying project to pay current operation and maintenance costs of the qualifying project.

Revenues in excess of the costs for operation and maintenance costs may be paid to investors and lenders to satisfy payment obligations under their respective agreements if allowed under the provisions of the comprehensive agreement.

A board or DSO may terminate with cause and without prejudice a comprehensive agreement and may exercise other rights or remedies that may be available to it in accordance with the provisions of the comprehensive agreement.

The assumption of the development or operation of the qualifying project does not obligate the board or DSO to pay an obligation of the private entity from sources other than revenues from the qualifying project.

Sole Authority

This section provides the sole authority for a state university or DSO to enter into a comprehensive agreement.

Sovereign Immunity

A comprehensive agreement may not be construed as waiving the sovereign immunity of the state or as a grant of sovereign immunity to a private entity.

Annual Report

For any comprehensive agreement executed by a board or DSO after this bill becomes law, the university must prepare an annual report to the BOG which updates information provided for the initial approval of the P3 and provides any other information required by the BOG. The format and specific timeframe for the report shall be provided by the BOG. However, the initial annual report shall be filed no later than November 30 after the P3 has been in effect for one full fiscal year.

Rules

The BOG may adopt such rules as may be necessary for carrying out all of the requirements of this section and may do all things necessary to carry out the powers granted under this section. The BOG may establish additional restrictions relating to P3s but may not take any action which would reduce the requirements of this section.

Applicable Laws

The bill provides that it does not waive any requirement in ss. 255.103,⁷⁰ 287.055,⁷¹ or 1013.45,⁷² F.S., if applicable.

The bill takes effect July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁷⁰ Pertaining to construction management or program management entities.

⁷¹ Pertaining to the acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services; definitions; procedures; contingent fees prohibited; penalties.

⁷² Pertaining to education facilities contracting and construction techniques.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

Indeterminate.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

According to the BOG:⁷³

The potential cost savings are indeterminable at this time. However, in general, potential cost savings are most likely to be realized on a life-cycle cost basis, rather than up front. It is not expected that P3s will result in lower interest rates. Rather, potential savings may be realized in that partnership agreements legally commit both parties to the long-term maintenance of the subject facilities. Making repairs on a scheduled basis can result in long-term cost savings. The ability to defer critical maintenance items due to short-term budget obligations will be significantly reduced if public partnership agreements are properly structured and adequately enforced.

Because it is not possible to determine the number and size of future projects which CS/CS/SB 900 will impact, the fiscal impact is indeterminate.

In reviewing unsolicited proposals, boards may be required to utilize time and resources reviewing projects that are not identified as priorities, which may take time and resources away from projects that are identified priorities.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1013.505 of the Florida Statutes.

⁷³ Staff of the Board of Governors, *Legislative Bill Analysis for SB 900*, at 2-3 (February 21, 2014).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Community Affairs on March 25, 2014:

- Updates the “Definitions” section of the bill;
- Authorizes university DSOs to engage in P3s;
- Removes the provisions related to Interim Agreements;
- Requires the approval of the Governor and Cabinet sitting as the governing board of the Division of Bond Finance for certain projects;
- Requires the university to present to the Cabinet and Legislature prior to engaging in agreements that yield more than \$10 million to the university. Provides that an agreement that is objected to by one of the above parties may not be finalized;
- Requires the BOG to set up a new process for evaluating potential P3 agreements;
- Limits the term of P3s to 30 years;
- Prohibits the obligation of the full faith and credit of the state as part of a P3 agreement;
- Removes the authority for a private entity engaged in a P3 with a university to levy fees on the public for use of a facility that is the product of the P3;
- Removes the requirement that any liens on the property be paid off at the time that ownership of the property is transferred from the P3 to the university;
- States that the section created by this bill provides the sole authority for a university board to enter into a P3;
- Requires a university board engaged in a P3 to submit an annual report to the BOG; and
- Authorizes the BOG to adopt rules related to P3s.

CS by Education on March 11, 2014:

Provides that the new law, s. 1013.505, F.S., does not waive any requirement in ss. 255.103, 287.055, or 1013.45, F.S., if those laws are applicable.

- B. **Amendments:**

None.

By the Committees on Community Affairs; and Education; and
Senator Latvala

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1 A bill to be entitled
2 An act relating to public-private partnerships;
3 creating s. 1013.505, F.S.; defining terms; providing
4 legislative findings and intent; authorizing formation
5 of a public-private partnership between a state
6 university or direct-support organization and a
7 private entity; establishing procedures and
8 requirements for the receipt, solicitation, and
9 evaluation of proposals received by a state university
10 board of trustees or direct-support organization;
11 authorizing the Board of Governors to establish a fee
12 for unsolicited proposal submissions; requiring a
13 board of trustees or direct-support organization to
14 conduct an analysis before entering a comprehensive
15 agreement; specifying analysis requirements; requiring
16 approval of comprehensive agreements by the Board of
17 Governors; requiring additional approval by the
18 Governor and Cabinet for certain comprehensive
19 agreements; requiring a state university to provide a
20 summary of a proposal to the Board of Governors, the
21 Governor, Cabinet officers, and the Legislature;
22 specifying summary requirements; prohibiting a board
23 of trustees or direct-support organization from
24 proceeding with a comprehensive agreement under
25 certain circumstances; requiring the Board of
26 Governors to establish procedures for the evaluation
27 and approval of comprehensive agreements; requiring
28 the private entity to enter into a comprehensive
29 agreement with the board of trustees or direct-support

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30 organization; establishing requirements for a
31 comprehensive agreement; authorizing certain financing
32 agreements for a qualifying project; specifying the
33 responsibilities of the private entity; specifying the
34 powers and duties of a board of trustees or direct-
35 support organization upon expiration or termination of
36 an agreement; providing for the sole authority for a
37 board of trustees or direct-support organization to
38 enter a comprehensive agreement; providing for
39 applicability of sovereign immunity to a comprehensive
40 agreement; requiring a state university to prepare an
41 annual report to the Board of Governors after a
42 certain date; requiring the Board of Governors to
43 specify the format and the timeframe of the report;
44 authorizing the Board of Governors to adopt rules and
45 specify certain restrictions; providing for
46 applicability of other laws; providing an effective
47 date.

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

50
51 Section 1. Section 1013.505, Florida Statutes, is created
52 to read:
53 1013.505 Public-private partnerships; state universities.-
54 (1) DEFINITIONS.-As used in this section, the term:
55 (a) "Board" means a state university board of trustees.
56 (b) "Comprehensive agreement" or "agreement" means an
57 agreement between a state university or a direct-support
58 organization and a private entity which permits the private

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59 entity to assume financial and administrative responsibility for
 60 the acquisition, construction, reconstruction, improvement,
 61 purchase, management, or operation of a project of, or for the
 62 benefit of, the state university or a direct-support
 63 organization. Additionally, a public-private partnership
 64 agreement may also provide for a state university or direct-
 65 support organization to transfer to a private entity the
 66 operation of a revenue-producing project to which the state
 67 university or direct-support organization holds title, in
 68 exchange for either a payment or payments to the state
 69 university or direct-support organization or the construction of
 70 a project to benefit the state university or direct-support
 71 organization.

72 (c) "Debt" means bonds, including revenue bonds issued
 73 pursuant to s. 11(d), Art. VII of the State Constitution, loans,
 74 promissory notes, lease-purchase agreements, certificates of
 75 participation, installment sales, leases, or any other financing
 76 mechanism or financial arrangement, whether or not a debt for
 77 legal purposes, for financing or refinancing for or on behalf of
 78 a state university or a direct-support organization or for the
 79 acquisition, construction, improvement, or purchase of capital
 80 outlay projects.

81 (d) "Develop" means to plan, design, finance, lease,
 82 acquire, install, construct, or expand.

83 (e) "Direct-support organization" means an organization
 84 created pursuant to s. 1004.28 or any entity specifically
 85 established to incur debt.

86 (f) "Fees" means charges imposed by the private entity of a
 87 qualifying project for use of all or a portion of such

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88 qualifying project pursuant to a comprehensive agreement.

89 (g) "Lease payment" means any form of payment, including a
 90 land lease, by a board or direct-support organization to the
 91 private entity of a qualifying project for the use of the
 92 project.

93 (h) "Material default" means a nonperformance of its duties
 94 by the private entity of a qualifying project which jeopardizes
 95 adequate service to the public from the project.

96 (i) "Operate" means to finance, maintain, improve, equip,
 97 modify, or repair.

98 (j) "Private entity" means a natural person, corporation,
 99 general partnership, limited liability company, limited
 100 partnership, joint venture, business trust, public-benefit
 101 corporation, nonprofit entity, or other private business entity.

102 (k) "Proposal" means a plan for a qualifying project with
 103 detail beyond a conceptual level for which terms such as fixing
 104 costs, payment schedules, financing, deliverables, and project
 105 schedule are defined.

106 (l) "Qualifying project" means one or more buildings,
 107 structures, or facilities that serves a public educational,
 108 research, housing, parking, infrastructure, recreational, or
 109 cultural purpose of a state university or direct-support
 110 organization that will be used by or on behalf of a state
 111 university or direct-support organization. The term also means
 112 the monetization of the operation of a revenue-producing project
 113 to which the board or direct-support organization holds title,
 114 in exchange for a guaranteed payment to the board or direct-
 115 support organization.

116 (m) "Revenues" means those revenues authorized under s.

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117 1010.62, except that money received as grants or otherwise from
 118 the Federal Government, a public entity, or an agency or
 119 instrumentality in aid of a qualifying project or gifts from
 120 private donors that are donated for the purpose of constructing
 121 or equipping a facility may be used without limitation, unless a
 122 gift is used to secure debt, in which event the maturity of the
 123 debt shall not exceed 5 years.

124 (n) "Service contract" means a contract between a board or
 125 direct-support organization and the private entity which defines
 126 the terms of the services to be provided with respect to a
 127 qualifying project.

128 (2) LEGISLATIVE FINDINGS AND INTENT.—

129 (a)1. The Legislature finds that there is a public need for
 130 the construction or upgrade of facilities that are used
 131 predominantly for public purposes and that it is in the public's
 132 interest to provide for the construction or upgrade of such
 133 facilities.

134 2. The Legislature also finds that:

135 a. There is a public need for timely and cost-effective
 136 acquisition, design, construction, improvement, renovation,
 137 expansion, equipping, maintenance, operation, implementation, or
 138 installation of projects serving a public purpose, including
 139 educational and auxiliary facilities and projects within the
 140 state which serve a public need and purpose, and that such
 141 public need may not be wholly satisfied by existing procurement
 142 methods.

143 b. There are inadequate resources to develop new
 144 educational and auxiliary facilities and projects for the
 145 benefit of residents of this state, and that a public-private

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146 partnership has demonstrated that it can meet the needs by
 147 improving the schedule for delivery, lowering the cost, and
 148 providing other benefits to the public.

149 c. There may be state and federal tax incentives that
 150 promote partnerships between public and private entities to
 151 develop and operate qualifying projects.

152 d. A procurement under this section serves the public
 153 purpose of this section if such procurement facilitates the
 154 timely development or operation of a qualifying project.

155 (b) It is the intent of the Legislature to encourage
 156 investment in the state by private entities; to facilitate
 157 various bond financing mechanisms, private capital, and other
 158 funding sources for the development and operation of qualifying
 159 projects, including expansion and acceleration of such financing
 160 to meet the public need; and to provide the greatest possible
 161 flexibility to public and private entities contracting for the
 162 provision of public services.

163 (3) PROCUREMENT PROCEDURES.—A board or direct-support
 164 organization may receive unsolicited proposals or may solicit
 165 proposals for qualifying projects and may thereafter enter into
 166 an agreement with a private entity, or a consortium of private
 167 entities, to build, upgrade, operate, own, or finance
 168 facilities.

169 (a) The Board of Governors may establish a reasonable
 170 application fee for the submission of an unsolicited proposal to
 171 a board or direct-support organization under this section. The
 172 fee must be sufficient to pay the costs of evaluating the
 173 proposal. A board or direct-support organization may engage the
 174 services of a private consultant to assist in the evaluation.

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175 The Board of Governors may also establish a reasonable fee that
 176 may be charged by a board or direct-support organization to
 177 cover the costs of evaluating all other proposals received by a
 178 board or direct-support organization as part of a competitive
 179 procurement process to select a private entity for purposes of
 180 establishing a public-private partnership.

181 (b) A board or direct-support organization may request a
 182 proposal from private entities for a public-private project or,
 183 if the board or direct-support organization receives an
 184 unsolicited proposal for a public-private project and the board
 185 or direct-support organization intends to enter into a
 186 comprehensive agreement for the project described in such
 187 unsolicited proposal, the board or direct-support organization
 188 shall publish notice in a newspaper of general circulation at
 189 least once a week for 2 weeks stating that the board or direct-
 190 support organization has received a proposal and will accept
 191 other proposals for the same project. The timeframe within which
 192 the board or direct-support organization may accept other
 193 proposals shall be determined on a project-by-project basis
 194 based upon the complexity of the project and the public benefit
 195 to be gained by allowing a longer or shorter period of time
 196 within which other proposals may be received; however, the
 197 timeframe for allowing other proposals must be at least 21 days,
 198 but no more than 120 days, after the initial date of
 199 publication.

200 (c) In considering an unsolicited proposal, the board or
 201 direct-support organization may require the private entity to
 202 provide a technical study prepared by a nationally recognized
 203 expert with experience in preparing analyses for bond rating

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204 agencies. In evaluating the technical study, the board or
 205 direct-support organization may rely upon internal staff reports
 206 prepared by personnel familiar with the operation of similar
 207 facilities or the advice of external advisors or consultants who
 208 have relevant experience. In addition, an unsolicited proposal
 209 must be accompanied by the following information, unless waived
 210 by the board or the direct-support organization:

211 1. A description of the qualifying project, including the
 212 conceptual design of the facilities or a conceptual plan for the
 213 provision of services, and a schedule for the initiation and
 214 completion of the qualifying project.

215 2. If applicable, a description of the method by which the
 216 private entity proposes to secure the necessary property
 217 interests that are required for the qualifying project.

218 3. A description of the private entity's general plans for
 219 financing the qualifying project, including the sources of the
 220 private entity's funds and the identity of a dedicated revenue
 221 source or proposed debt or equity investment on behalf of the
 222 private entity.

223 4. The name and address of a person who may be contacted
 224 for additional information concerning the proposal.

225 5. The proposed user fees, lease payments, or other service
 226 payments over the term of a comprehensive agreement, and the
 227 methodology for and circumstances that would allow changes to
 228 the user fees, lease payments, and other service payments over
 229 time.

230 6. Additional material or information that the board or
 231 direct-support organization reasonably requests.

232 (d) After the public notification period has expired in the

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233 case of an unsolicited proposal or upon receipt of all proposals
 234 if using the traditional process for competitive procurement
 235 authorized under Board of Governors' and university regulations,
 236 the board or direct-support organization shall rank the
 237 proposals received in order of preference. The board or direct-
 238 support organization may then begin negotiations for a
 239 comprehensive agreement with the highest-ranked firm. If the
 240 board or direct-support organization is not satisfied with the
 241 results of the negotiations, the board or direct-support
 242 organization may terminate negotiations with the proposer and
 243 negotiate with the second-ranked or subsequent-ranked firms, in
 244 the order consistent with this procedure. If only one proposal
 245 is received, the board or direct-support organization may
 246 negotiate in good faith, and if the board or direct-support
 247 organization is not satisfied with the results of the
 248 negotiations, the board or direct-support organization may
 249 terminate negotiations with the proposer. Notwithstanding this
 250 paragraph, the board or direct-support organization may reject
 251 all proposals at any point in the process.

252 (4) PROJECT FEASIBILITY.-Prior to entering into a
 253 comprehensive agreement, a board or direct-support organization
 254 shall conduct an analysis of the feasibility and desirability of
 255 the project or the activities proposed to be funded under the
 256 comprehensive agreement, and shall develop sufficient
 257 information to determine:

258 (a) That the agreement is in the best interest of the
 259 public, the state, and the state university;

260 (b) The conformity of any project with the master plan of
 261 the state university and a determination that the project or

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262 activities are essential to the state university's core mission;
 263 (c) The need for the project or the activities proposed to
 264 be funded under the agreement based on quantitative metrics;
 265 (d) The amount and source of funds to be used to fully fund
 266 the capital, operation, maintenance, or other expenses under the
 267 agreement;
 268 (e) The cost of any investment to be made under the
 269 agreement by the board or a direct-support organization;
 270 (f) The economic and financial feasibility of any project
 271 or activities proposed to be funded under the agreement;
 272 (g) That the projected demand for use of any project is
 273 adequate in relation to the cost of the project;
 274 (h) The expected return on investment or internal rate of
 275 return for a revenue-generating project or another appropriate
 276 quantitative measure for a non-revenue-generating project;
 277 (i) That the cost of any project is reasonable in relation
 278 to similar facilities;
 279 (j) The financial, operational, or technological risk
 280 associated with any project;
 281 (k) That any increase in the cost of financing the project
 282 over the cost of financing the project under s. 1010.62 will be
 283 offset by quantifiable savings in operational costs or other
 284 activities that will be performed by the private entity and
 285 specifies the anticipated amount of such savings;
 286 (l) Any impact to the state's finances of undertaking the
 287 project or the activities proposed to be funded under the
 288 agreement by the state university or direct-support
 289 organization;
 290 (m) The impact of the agreement on similar activities of

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291 the state university or direct-support organization that will
 292 not be placed under the agreement;

293 (o) The anticipated use of money to be received by the
 294 state university or direct-support organization under the
 295 agreement;

296 (p) The relationship between the source of any funds
 297 committed by the board or direct-support organization pursuant
 298 to subsection (8) and the project or activities proposed to be
 299 funded under the agreement;

300 (q) The private entity has the available sources of funding
 301 or other financial resources that are necessary to carry out the
 302 agreement;

303 (r) That the staff of the private entity have sufficient
 304 experience and qualifications to perform the managerial,
 305 organizational, and technical activities proposed to be funded
 306 under the agreement;

307 (s) That no director, officer, partner, owner, or other
 308 individual with direct and significant control over the policy
 309 of the private entity has been convicted of corruption or fraud;
 310 and

311 (t) Any other factors determined to be appropriate by the
 312 board, direct-support organization or the Board of Governors.

313 (5) APPROVAL OF COMPREHENSIVE AGREEMENTS.-All comprehensive
 314 agreements are contingent upon approval by the Board of
 315 Governors. A comprehensive agreement between a direct-support
 316 organization and a private entity must be approved by the
 317 university board prior to submission to the Board of Governors
 318 for approval.

319 (a) In addition to Board of Governors' approval, approval

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320 of the Governor and Cabinet, in their role as the governing
 321 board of the Division of Bond Finance, is required for any
 322 comprehensive agreement that:

323 1. Has a term of over ten years, including any renewals or
 324 extensions;

325 2. Provides for an up-front payment from the private entity
 326 to the board or direct-support organization which constitutes
 327 more than 10 percent of the total compensation anticipated to be
 328 paid by the private entity to the board or direct-support
 329 organization over the initial term or any renewal term or
 330 extension of the agreement;

331 3. Provides for the creation of debt of the board or a
 332 direct-support organization as permitted pursuant to s. 1010.62;

333 4. Pledges or uses revenues permitted under s. 1010.62 to
 334 secure or pay amounts due under the agreement; or

335 5. Is implemented pursuant to paragraph (b).

336 (b) Before a board or direct-support organization enters
 337 into an agreement under which the board or a direct-support
 338 organization is expected to receive over \$10 million, the state
 339 university must provide a summary of the proposal to the Board
 340 of Governors, the Governor, the members of the Cabinet, the
 341 President of the Senate, and the Speaker of the House of
 342 Representatives. The summary must include a description of the
 343 anticipated use of money to be received by the board or direct-
 344 support organization under the public-private partnership
 345 agreement and any other information requested by a recipient of
 346 the summary. If the President of the Senate or the Speaker of
 347 the House of Representatives objects to the proposed agreement
 348 in writing within 14 days after receipt of the summary, the

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349 board or direct-support organization may not proceed with the
 350 agreement unless all objections are resolved.

351 (c) The Board of Governors shall establish a process for
 352 the evaluation and approval of comprehensive agreements by a
 353 university board, the Board of Governors or other state
 354 officers, and requirements for additional information to be
 355 provided by a state university in obtaining approval for a
 356 comprehensive agreement.

357 (6) COMPREHENSIVE AGREEMENT.-

358 (a) Before developing or operating the qualifying project,
 359 the private entity must enter into a comprehensive agreement
 360 with the board or direct-support organization. The comprehensive
 361 agreement must provide for:

362 1. Delivery of performance and payment bonds, letters of
 363 credit, or other security acceptable to the board or direct-
 364 support organization in connection with the development or
 365 operation of the qualifying project in the form and amount
 366 satisfactory to the board or direct-support organization. For
 367 the components of the qualifying project which involve
 368 construction, the form and amount of the bonds must comply with
 369 ss. 255.05 and 1013.47.

370 2. Review of the design for the qualifying project by the
 371 board or direct-support organization and, if the design conforms
 372 to acceptable standards, the approval of the board or the
 373 direct-support organization. This subparagraph does not require
 374 the private entity to complete the design of the qualifying
 375 project before the execution of the comprehensive agreement.

376 3. Inspection of the qualifying project by the board or
 377 direct-support organization to ensure that the private entity's

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378 activities are acceptable to the board or direct-support
 379 organization in accordance with the comprehensive agreement.

380 4. Maintenance of a policy of public liability insurance, a
 381 copy of which must be filed with the board or direct-support
 382 organization and accompanied by proofs of coverage, or self-
 383 insurance, each in the form and amount satisfactory to the board
 384 or direct-support organization and reasonably sufficient to
 385 ensure coverage of tort liability to the public and employees
 386 and to enable the continued operation of the qualifying project.

387 5. Monitoring by the board or direct-support organization
 388 of the maintenance practices to be performed by the private
 389 entity to ensure that the qualifying project is properly
 390 maintained.

391 6. Periodic filing by the private entity of the appropriate
 392 financial statements that pertain to the qualifying project.

393 7. Procedures that govern the rights and responsibilities
 394 of the board or direct-support organization and the private
 395 entity in the course of the construction and operation of the
 396 qualifying project and in the event of the termination of the
 397 comprehensive agreement or a material default by the private
 398 entity. The procedures must include conditions that govern the
 399 assumption of the duties and responsibilities of the private
 400 entity by an entity that funded, in whole or part, the
 401 qualifying project or by the board or direct-support
 402 organization, and must provide for the transfer or purchase of
 403 property or other interests of the private entity by the board
 404 or direct-support organization.

405 8. Fees, lease payments, or service payments. In
 406 negotiating user fees, the fees must be the same for persons

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407 using the facility under like conditions and must not materially
 408 discourage use of the qualifying project. The execution of the
 409 comprehensive agreement or a subsequent amendment is conclusive
 410 evidence that the fees, lease payments, or service payments
 411 provided for in the comprehensive agreement comply with this
 412 section. Fees or lease payments established in the comprehensive
 413 agreement as a source of revenue may be in addition to, or in
 414 lieu of, service payments.

415 9. Duties of the private entity, including the terms and
 416 conditions that the board or direct-support organization
 417 determines serve the public purpose of this section.

418 10. A limitation on the term of the comprehensive agreement
 419 not to exceed 30 years, inclusive of all renewal terms.

420 11. A provision under which each entity agrees to provide
 421 notice of default and cure rights for the benefit of the other
 422 entity, including, but not limited to, a provision regarding
 423 unavoidable delays.

424 12. A provision that terminates the authority and duties of
 425 the private entity under this section and dedicates the
 426 qualifying project to the board or direct-support organization.

427 (b) A comprehensive agreement may not obligate the full
 428 faith and credit of the state, a state university, or the Board
 429 of Governors, but shall only be secured by the revenues of the
 430 board or direct-support organization pledged for such purpose.
 431 Revenues of a board or direct-support organization may not be
 432 pledged to secure, or be used to make payments on or in relation
 433 to, a comprehensive agreement, nor shall any debt of a board or
 434 direct-support organization be created, except as provided in s.
 435 1010.62, and only the revenues authorized to be used pursuant to

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436 s. 1010.62 may be used to secure or pay obligations under or
 437 related to such agreement. In addition, a comprehensive
 438 agreement may not contain any provisions limiting the ability of
 439 the state university or direct-support organization to perform
 440 its functions, including any limitation on the ability to
 441 perform responsibilities and duties relating to debt issued for,
 442 by or on behalf of the state university or direct-support
 443 organization.

444 (7) FINANCING.—

445 (a) A private entity may enter into a private-source
 446 financing agreement between financing sources and the private
 447 entity. A financing agreement must be paid in full at the
 448 applicable closing that transfers ownership or operation of the
 449 facility to the board or direct-support organization at the
 450 conclusion of the term of the comprehensive agreement. In the
 451 event of a material default by the private entity, the board or
 452 the direct-support organization will assume ownership or
 453 operation of the qualifying project pursuant to the terms of the
 454 comprehensive agreement.

455 (b) The board or direct-support organization may use
 456 innovative finance techniques associated with a public-private
 457 partnership under this section, including, but not limited to,
 458 federal loans as provided in Titles 23 and 49 C.F.R., commercial
 459 bank loans, and hedges against inflation from commercial banks
 460 or other private sources. In addition, the board or direct-
 461 support organization may provide its own capital or operating
 462 budget to support a qualifying project. The budget may be from
 463 any legally permissible funding sources of the board or direct-
 464 support organization, including the proceeds of debt issuances.

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465 A financing agreement may not subject the board's or direct-
 466 support organization's facility to liens in violation of s.
 467 11.066(5).

468 (8) RESPONSIBILITIES OF THE PRIVATE ENTITY.-

469 (a) The private entity shall:

470 1. Develop or operate the qualifying project in a manner
 471 that is acceptable to the board or direct-support organization
 472 in accordance with the provisions of the comprehensive
 473 agreement.

474 2. Maintain, or provide by contract for the maintenance or
 475 improvement of, the qualifying project if required by the
 476 comprehensive agreement.

477 3. Cooperate with the board or direct-support organization
 478 in making best efforts to establish interconnection between the
 479 qualifying project and any other facility or infrastructure as
 480 requested by the board or direct-support organization in
 481 accordance with the provisions of the comprehensive agreement.

482 4. Comply with the comprehensive agreement and a lease or
 483 service contract.

484 (b) Each private facility that is constructed pursuant to
 485 this section must comply with the requirements of federal,
 486 state, and local laws; state, regional, and local comprehensive
 487 plans; the regulations, procedures, and standards for facilities
 488 of the board or direct-support organization, as applicable; and
 489 such other conditions that the board or direct-support
 490 organization determines to be in the public's best interest and
 491 that are included in the comprehensive agreement.

492 (c) The board or direct-support organization may provide
 493 services to the private entity. An agreement for maintenance and

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494 other services entered into pursuant to this section must
 495 provide for full reimbursement for services rendered for
 496 qualifying projects.

497 (d) A private entity of a qualifying project may provide
 498 additional services for the qualifying project to the public or
 499 to other private entities if the provision of additional
 500 services does not impair the private entity's ability to meet
 501 its commitments to the board or direct-support organization
 502 pursuant to the comprehensive agreement and the services do not
 503 differ in kind from those provided under the agreement.

504 (9) EXPIRATION OR TERMINATION OF AGREEMENTS.-Upon the
 505 expiration or termination of a comprehensive agreement, the
 506 board or direct-support organization may use revenues from the
 507 qualifying project to pay current operation and maintenance
 508 costs of the qualifying project. Revenues in excess of the costs
 509 for operation and maintenance costs may be paid to the investors
 510 and lenders to satisfy payment obligations under their
 511 respective agreements if allowed under the provisions of the
 512 comprehensive agreement. A board or direct-support organization
 513 may terminate with cause and without prejudice a comprehensive
 514 agreement and may exercise other rights or remedies that may be
 515 available to it in accordance with the provisions of the
 516 comprehensive agreement. The assumption of the development or
 517 operation of the qualifying project does not obligate the board
 518 or direct-support organization to pay an obligation of the
 519 private entity from sources other than revenues from the
 520 qualifying project.

521 (10) SOLE AUTHORITY.-This section shall provide the sole
 522 authority for a state university or direct-support organization

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523 to enter into a comprehensive agreement.

524 (11) SOVEREIGN IMMUNITY.-A comprehensive agreement may not
525 be construed as waiving the sovereign immunity of the state or
526 as a grant of sovereign immunity to a private entity.

527 (12) ANNUAL REPORT.-For any comprehensive agreement
528 executed by a state university or direct-support organization
529 after the effective date of this act, the university shall
530 prepare an annual report to the Board of Governors which updates
531 information provided for the initial approval of the public-
532 private partnership and provides any other information required
533 by the Board of Governors. The format and specific timeframe for
534 reporting shall be as specified by the Board of Governors.
535 However, the initial annual report shall be filed no later than
536 November 30th after the public-private partnership has been in
537 effect for one full fiscal year.

538 (13) RULES.-The Board of Governors may adopt such rules as
539 may be necessary for carrying out all of the requirements of
540 this section and may do all things necessary to carry out the
541 powers granted under this section. The Board of Governors may
542 establish additional restrictions relating to public-private
543 partnerships but may not take any action which would reduce the
544 requirements of this section.

545 (14) APPLICABILITY OF OTHER LAWS.-This section does not
546 waive any requirement in s. 255.103, s. 287.055, or s. 1013.45,
547 if applicable.

548 Section 2. This act shall take effect July 1, 2014.

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 Education

BILL: SB 908

INTRODUCER: Senator Montford

SUBJECT: Education Funding

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-------------------|-----------------|------------|------------------|
| 1. | <u>McLaughlin</u> | <u>Klebacha</u> | <u>ED</u> | Favorable |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | Favorable |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

Senate Bill 908 provides additional bonus funding for students enrolled in Advancement Via Individual Determination (AVID) elective classes who earn a qualifying score on accelerated course assessments or, for students in grades 6 through 8, a passing score on an algebra or higher-level mathematics end-of-course examination.

Specifically, the bill creates a calculation of additional full-time equivalent (FTE) membership of students enrolled in AVID courses based on qualifying scores on an International Baccalaureate (IB) subject examination, an Advanced International Certificate of Education (AICE) subject examination, a College Board Advanced Placement (AP) examination, and, for students in grades 6 through 8, a passing score on an algebra or higher-level mathematics end-of-course examination. The funding is provided to schools to pay for the costs associated with the AVID program.

The bonus FTE components of the bill will have a minimal fiscal impact for the 2014-2015 fiscal year because there is a one-year lag between a student earning bonus FTE and funds disbursement for the bonus. Additional bonuses earned in the 2014-2015 fiscal year would not be paid until the 2015-2016 fiscal year. The additional bonus FTE reported for 2015-2016 fiscal year funding would be a discretionary decision for the legislature that would involve whether or not to provide additional funding in the FEFP. Based on data received from the Department of Education, the potential fiscal impact of this bill exceeds \$1.6 million, beginning in the 2015-2016 fiscal year.

The bill provides an effective date of July 1, 2014.

II. Present Situation:

The Legislature provides basic and additional bonus funding for the AP, IB and AICE programs to school districts through the Florida Education Finance Program (FEFP).¹

The AP, IB and AICE programs have assessments associated with each course. Students who enroll in these programs are included in their school districts' full-time equivalent (FTE) student count and the districts receive allocations based on their FTE enrollment.² Additionally, to encourage districts and schools to provide successful AP, IB, and AICE outcomes, the Legislature provides incentive funding based on a student achieving a minimum score on these assessments.³ Districts may use these incentive funds to pay for the AP, IB, and AICE assessment fees.⁴ Incentive funding for the acceleration programs is intended to increase the availability and participation in these programs.

From the bonus funding provided to the school district, bonus funding is provided to teachers of courses associated with AP, IB, and AICE whose students earn specific scores on the assessments associated with the courses.

Bonus funding is calculated at a value of 0.16 FTE for each student enrolled in an IB, AICE or AP course who earns a qualifying score on a subject assessment. A value of 0.08 FTE is calculated for each student enrolled in a half-credit AICE course who earns a qualifying score on a subject assessment. There is currently no additional bonus funding for students who earn a qualifying score and are also enrolled in an Advancement Via Individual Determination (AVID) elective course.

Advancement Via Individual Determination (AVID)

AVID is a college-readiness system designed to increase the number of students who enroll in and complete a degree at four-year colleges, focusing on students who generally earn a C in their classes, demonstrate academic potential and are likely to not have a college-attendance tradition in their families.⁵ The program is intended to raise expectations of students.⁶ Originating at the high school level, the program now serves grades 4-12, through the AVID College Readiness System (ACRS) for elementary and secondary schools and AVID for Higher Education (AHE) for colleges.⁷ There is no AVID-specific assessment associated with an AVID class.

AVID is an approved elective course taken during the school day. Students are usually selected to enroll in an AVID class after an application process. For one class period a day, they learn organizational and study skills, work on critical thinking and asking probing questions, get

¹ Section 1011.62(1), F.S.

² Section 1011.62(1)(c), F.S.

³ Section 1011.62(1)(l),(m) and (n), F.S.

⁴ *Id.*

⁵ AVID, *Report on AVID Student Outcomes* (2013), (on file with the Senate Committee on Education).

⁶ *Id.*

⁷ About AVID, *What is AVID*, available at http://www.avid.org/abo_whatisavid.html (last visited Mar. 21, 2014).

academic help from peers and college tutors, and participate in enrichment and motivational activities that make college seem attainable.⁸

Last year, AVID was implemented in 362 Florida middle and high schools serving approximately 34,000 students.⁹ Among the AVID students, nearly 60 percent were Hispanic, African American or other non-white students and 65 percent were eligible for free or reduced lunch.¹⁰

Advanced Placement (AP)

Advanced Placement (AP) courses are offered by many Florida high schools to prepare students to pass national subject matter assessments.¹¹ AP courses are designed to offer college-level instruction and are generally equivalent to college courses.¹² Students who earn requisite test scores on AP assessments at the end of the year are eligible to receive 45 college credits¹³ at Florida colleges and universities. In school year 2012-2013, 169,769 Florida high school students took 300,658 AP assessments.¹⁴

The Advanced International Certificate of Education (AICE)

The Advanced International Certificate of Education (AICE) program is a graduation option and acceleration mechanism through which students may be awarded up to 45 hours of college credit¹⁵ at Florida colleges and universities. The program provides accelerated courses to students in high school. In school year 2012-2013, Florida high school students took 30,016 AICE assessments.¹⁶

International Baccalaureate (IB)

IB courses are an intensive two-year curriculum offered by 77 Florida high schools¹⁷ to allow students to pursue an IB diploma in addition to their high school diploma or to enroll in more challenging courses. The curriculum is designed to enable students to meet various international

⁸ About AVID, *Overview*, available at http://www.avid.org/sec_overview.html (last visited Mar. 23, 2014).

⁹ AVID, *Report on AVID Student Outcomes* (2013), (on file with the Senate Committee on Education).

¹⁰ *Id.*

¹¹ Office of Program Policy Analysis and Government Accountability, Florida Legislature, *State's High School Acceleration Programs Are Funded Through a Variety of Sources*, Report No. 06-27, 2 (Mar. 2006), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0627rpt.pdf> (last visited Mar. 23, 2014).

¹² College Board, *AP Courses*, available at <http://professionals.collegeboard.com/guidance/prepare/honors-ap> (last visited Mar. 23, 2014).

¹³ Florida Department of Education, Division of Articulation, *Credit by Exam Equivalencies* (2102), available at <http://www.fldoe.org/articulation/pdf/ACC-CBE.pdf> (last visited Mar. 21, 2014).

¹⁴ Florida Department of Education, Bureau of Accountability, Research, and Measurement, *AP Reports (2012)*, available at <http://www.fldoe.org/evaluation/act-sat-aparch.asp> (last visited Mar. 21, 2014).

¹⁵ Florida Department of Education, Division of Articulation, *Credit by Exam Equivalencies* (2012), available at <http://www.fldoe.org/articulation/pdf/ACC-CBE.pdf> (last visited Mar. 21, 2014).

¹⁶ Telephone conversation with staff, Cambridge Education (Mar. 21, 2014).

¹⁷ International Baccalaureate Organization, *Facts and Figures*, IBO.org, available at <http://www.ibo.org/facts/> (last visited Mar. 21, 2014).

university entrance standards.¹⁸ Students participate in the IB program at authorized schools¹⁹ and earn high school credits based on related coursework. Students who take an IB course assessment at the end of the school year are also eligible to receive 45 college credits²⁰ at Florida colleges and universities. In school year 2012-2013, 8,759 Florida high school students took 40,633 IB assessments.

Mathematics End-of-Course (EOC) Assessments in Middle School

The Florida EOC assessments are designed to measure student achievement of Florida's academic standards for Algebra I and Geometry, as outlined in the course descriptions.²¹ These assessments are part of Florida's strategic plan for the purpose of increasing student achievement and improving college and career readiness. In school year 2012-2013, 74,514 middle school students took the Algebra EOC assessment with 52,698 students (71 per cent) earning a passing score.²² During that same year, 12,965 middle school students took the Geometry EOC assessment with 12,367 students (95 per cent) earning a passing score.²³

III. Effect of Proposed Changes:

Senate Bill 908 provides for additional education-related funding through the FEFP. The bill creates funding incentives for AVID students to increase participation and proficiency in accelerated educational programs in Florida's public schools.

The bill authorizes additional funding through performance incentives to school districts whose students are enrolled in an AVID elective class and earn a qualifying score on an IB, AICE or AP assessment.

Districts would receive funding of 0.08 FTE for students enrolled in an AVID elective class, recognized in the Florida Course Code Directory, who take:

- An International Baccalaureate course and earn a score of 4 or higher on the subject assessment;
- An Advanced International Certificate of Education course and earn a score of E or higher on the subject assessment;
- A College Board Advanced Placement course and earn a score of 3 or higher on the College Board Advanced Placement assessment; or

¹⁸ International Baccalaureate Organization, *About the IB*, IBO.org, available at <http://www.ibo.org/facts/> (last visited Mar. 21, 2014).

¹⁹ *Id.*

²⁰ Florida Department of Education, Division of Articulation, *Credit by Exam Equivalencies* (2012), available at <http://www.fldoe.org/articulation/pdf/ACC-CBE.pdf> (last visited Mar. 21, 2014).

²¹ Florida Department of Education, Bureau of Assessment, *Frequently Asked Questions*, available at <https://www.fldoe.org/faq/default.asp?Dept=179&ID=1408> (last visited Mar. 21, 2014).

²² Florida Department of Education, Bureau of K-12 Assessment, *Algebra 1 End-of-Course Assessment Statewide Comparison Report 2012-13 School Year*, available at <https://www.fldoe.org/faq/default.asp?Dept=179&ID=1408> (last visited Mar. 21, 2014).

²³ Florida Department of Education, Bureau of K-12 Assessment, *Geometry End-of-Course Assessment Statewide Comparison Report 2012-13 School Year*, available at <http://fcats.fldoe.org/mediapacket/2013/pdf/GeometryStatewideComparison.pdf> (last visited Mar. 21, 2014).

- An algebra or higher-level mathematics course and earn a passing score on the EOC assessment for students in grades 6 through 8.

The additional funding will be added to the total full-time equivalent student membership in basic programs for grades 6 through 12 in the next fiscal year. Each school district must allocate the funds received to the school whose students generate the funds. The funds must be spent only for the payment of costs associated with the school's AVID program, which include:

- Annual membership fees;
- Professional development and training for program coordinators, teachers, and tutors;
- Instructional supplies and materials; and
- Compensation for tutors.

The bill provides an effective date of July 1, 2014.

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:

Based on 2012-2013 academic year data received from the Department of Education, 5,203 students²⁴ would have qualified for the bonus funding provided in SB 908. In 2014-2015, these students would have generated approximately \$1.68 million in additional bonus funding.

School districts currently receive bonus FTE funding for each student who earns a qualifying score on an AP, IB, or AICE examination. In effect, the bonus FTE funding

²⁴ Email, Florida Department of Education (March 31, 2014), on file with Appropriations Subcommittee on Education staff.

provided in this bill would allow a school district to receive bonus funding twice for each AVID student earning a qualifying score on an AP, IB, or AICE examination.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1011.62 and 1003.52.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Montford

3-01079-14

2014908__

1 A bill to be entitled
 2 An act relating to education funding; amending s.
 3 1011.62, F.S.; providing for the calculation of
 4 additional full-time equivalent student membership
 5 based on enrollment in Advancement Via Individual
 6 Determination elective classes and examination scores;
 7 providing for the use of funds; amending s. 1003.52,
 8 F.S.; conforming a cross-reference; providing an
 9 effective date.

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

11 Section 1. Present paragraphs (p) through (u) of subsection
 12 (1) of section 1011.62, Florida Statutes, are redesignated as
 13 paragraphs (q) through (v), respectively, and a new paragraph
 14 (p) is added to that subsection, to read:
 15 1011.62 Funds for operation of schools.—If the annual
 16 allocation from the Florida Education Finance Program to each
 17 district for operation of schools is not determined in the
 18 annual appropriations act or the substantive bill implementing
 19 the annual appropriations act, it shall be determined as
 20 follows:
 21 (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR
 22 OPERATION.—The following procedure shall be followed in
 23 determining the annual allocation to each district for
 24 operation:
 25 (p) Calculation of additional full-time equivalent
 26 membership of students enrolled in the Advancement Via
 27 Individual Determination system based on scores on the

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3-01079-14

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30 International Baccalaureate examination, the Advanced
 31 International Certificate of Education examination, the College
 32 Board Advanced Placement examination, and mathematics end-of-
 33 course examinations for students in grades 6 through 8.—
 34 1. A value of 0.08 full-time equivalent student membership
 35 shall be calculated for each student enrolled in an Advancement
 36 Via Individual Determination elective class recognized in the
 37 Florida Course Code Directory who takes:
 38 a. An International Baccalaureate course and receives a
 39 score of 4 or higher on the subject examination;
 40 b. An Advanced International Certificate of Education
 41 course and receives a score of E or higher on the subject
 42 examination;
 43 c. A College Board Advanced Placement course and receives a
 44 score of 3 or higher on the College Board Advanced Placement
 45 examination; or
 46 d. An algebra or higher-level mathematics course and
 47 receives a passing score on the end-of-course examination for
 48 students in grades 6 through 8.
 49 2. The value shall be added to the total full-time
 50 equivalent student membership in basic programs for grades 6
 51 through 12 in the subsequent fiscal year.
 52 3. Each school district shall allocate the funds received
 53 pursuant to this paragraph to the school whose students generate
 54 the funds. Funds shall be expended solely for the payment of
 55 costs associated with the school's Advancement Via Individual
 56 Determination system, which include annual membership fees;
 57 professional development and training for program coordinators,
 58 teachers, and tutors; instructional supplies and materials; and

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59 compensation for tutors.60 Section 2. Paragraph (a) of subsection (12) of section
61 1003.52, Florida Statutes, is amended to read:62 1003.52 Educational services in Department of Juvenile
63 Justice programs.—64 (12) (a) Funding for eligible students enrolled in juvenile
65 justice education programs shall be provided through the Florida
66 Education Finance Program as provided in s. 1011.62 and the
67 General Appropriations Act. Funding must ~~shall~~ include, at a
68 minimum:69 1. Weighted program funding or the basic amount for current
70 operation multiplied by the district cost differential as
71 provided in s. 1011.62(1)(t) ~~s. 1011.62(1)(s)~~ and (2);72 2. The supplemental allocation for juvenile justice
73 education as provided in s. 1011.62(10);74 3. A proportionate share of the district's exceptional
75 student education guaranteed allocation, the supplemental
76 academic instruction allocation, and the instructional materials
77 allocation;78 4. An amount equivalent to the proportionate share of the
79 state average potential discretionary local effort for
80 operations, which shall be determined as follows:81 a. If the district levies the maximum discretionary local
82 effort and the district's discretionary local effort per FTE is
83 less than the state average potential discretionary local effort
84 per FTE, the proportionate share shall include both the
85 discretionary local effort and the compression supplement per
86 FTE. If the district's discretionary local effort per FTE is
87 greater than the state average per FTE, the proportionate share

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88 shall be equal to the state average; or

89 b. If the district does not levy the maximum discretionary
90 local effort and the district's actual discretionary local
91 effort per FTE is less than the state average potential
92 discretionary local effort per FTE, the proportionate share
93 shall be equal to the district's actual discretionary local
94 effort per FTE. If the district's actual discretionary local
95 effort per FTE is greater than the state average per FTE, the
96 proportionate share shall be equal to the state average
97 potential local effort per FTE; and98 5. A proportionate share of the district's proration to
99 funds available, if necessary.

100 Section 3. This act shall take effect July 1, 2014.

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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 Education

BILL: CS/SB 1292

INTRODUCER: Education Committee and Senator Legg

SUBJECT: Postsecondary Education

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Graf | Klebacha | ED | Fav/CS |
| 2. | Sikes | Elwell | AED | Favorable |
| 3. | | | AP | |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1292 restructures governance and functionality of online public postsecondary student support services related to libraries, online courses, and online student advising systems.

Specifically, the bill creates the Complete Florida Plus Program (Program) within the Innovation Institute at the University of West Florida and transfers the requirements and responsibilities associated with student support services that are currently administered through the Florida Virtual Campus (FLVC) to the new Program. The bill also establishes the Florida Center for Library Automation (Center) and reassigns the duties and resources regarding online library support services that are currently administered by the FLVC to the new Center. Additionally, the bill renames the Complete Florida Degree Program as the Complete Florida Degree Initiative (Initiative) and restructures the related functions under the new Program.

Senate Bill 2500, the proposed 2014-2015 Senate General Appropriations Bill, appropriates \$22.8 million for the Florida Virtual Campus.

The bill takes effect on July 1, 2014.

II. Present Situation:

Complete Florida Degree Program

In 2012, the Legislature established the Complete Florida Degree Program to recruit, recover, and retain the state's adult learners and assist them in completing an associate degree or baccalaureate degree aligned to high-wage, high-skill workforce needs.¹ The program is administered by the University of West Florida (UWF), acting as the lead institution, in coordination with the Florida College System institutions, state universities, and private postsecondary institutions.²

The Complete Florida Degree Program must:³

- Provide adult learners with a single point of access to information and links to innovative online and accelerated distance learning courses, student and library support services, and electronic resources that will aid them in completing a postsecondary degree.
- Develop and implement an advising and student support system that includes the use of degree completion specialists, is based on best practices and processes, and includes academic and career support services designed specifically for adult learners.
- Use existing or develop new competency-based instructional and evaluation tools to assess prior performance, experience, and education to award college credit and reduce the time required for adults to complete degrees.
- Develop and implement an evaluation process to collect and analyze appropriate data in order to report program effectiveness.
- Develop and implement a statewide student recruitment campaign for the program.
- Identify proposed changes to the statewide computer-assisted student advising system developed by the Florida Virtual Campus (FLVC) to assist adult learners use of the system.
- Use the online admissions application implemented by the FLVC.
- Use the distance learning catalog implemented by the FLVC.

Florida Virtual Campus

In 2012, the Legislature created the FLVC by consolidating the services and resources previously provided by the Florida Distance Learning Consortium, the Florida Higher Education Distance Learning Catalog, FACTS.org, the Florida Center for Library Automation, and the College Center for Library Automation. The FLVC was established to provide access to online student and library support services and to serve as a statewide resource and clearinghouse for public postsecondary education distance learning courses and degree programs.⁴

The primary purposes of the FLVC are to:⁵

- Establish a single library automation system and associated resources and services for all public postsecondary education institutions to use to support their learning, teaching, and research needs.

¹ Section 15, ch. 2012-34, L.O.F.

² Section 1006.735(2), F.S.

³ Section 1006.735(4)-(5), F.S.

⁴ Section 14, ch. 2012-134, L.O.F.

⁵ Section 1006.73(1), F.S.

- Provide information and access to distance learning courses and degree programs offered by the state's public postsecondary education institutions.
- Coordinate with the Florida College System (FCS) and the State University System (SUS) to identify and provide online academic support services and resources if the multi-institutional provision of such services and resources is more cost or operationally effective.

The FCS and SUS Chancellors exercise joint oversight of the FLVC and establish governance and reporting structures, administrative and operational guidelines and processes, staffing requirements, and the operational budget.⁶

The FLVC must:⁷

- Develop and manage a library information portal and automated library management tools for use by the FCS institutions and state universities.
- Develop and manage a statewide Internet-based catalog of distance learning courses, degree programs, and resources offered by public postsecondary education institutions to assist in the coordination and collaboration of articulation and access.
- Implement a streamlined, automated, online admissions application process for undergraduate transient students.
- Develop and manage a statewide computer-assisted student advising system that will support advising, registering, and certifying students for graduation and include a degree audit and articulation component.
- Coordinate the negotiation of statewide licensing of electronic library resources and preferred pricing agreements, issue purchase orders, and enter into contracts for the acquisition of distance learning resources, student and library support services, electronic resources, and other goods and services necessary to perform its duties.
- Promote and provide recommendations concerning the use and distribution of open-access textbooks and education resources to reduce costs and develop and standardized process for reviewing and approving open-access textbooks.
- Provide appropriate help desk support, training and consultation services to institutions and students using the services and resources of the FLVC.
- Identify and evaluate new technologies and instructional methods that can be used to improve distance learning instruction, student learning, the efficient delivery of student support services, and the overall quality of undergraduate distance learning courses and degree programs.
- Develop and implement a plan, in consultation with the public postsecondary education institutions, which describes the services and resources available through the FLVC to encourage students to use such services and resources.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) reported that the FLVC as made progress toward functioning as a cohesive unit and saved approximately \$1.5 million by reducing positions and an additional \$116,586 by renegotiating leases. However, the FLVC continues to maintain three separate locations. The Tallahassee lease agreement

⁶ Section 1006.73(2), F.S.

⁷ Section 1006.73(5), F.S.

obligates the FLVC to pay for \$2,000 square feet of space that it does not need. The FLVC maintains an \$8 million in reserve balance for which the obligations are unclear.⁸

Additionally, OPPAGA reported that the FLVC has not implemented key legislative priorities and lacks a plan for addressing key issues, such as:⁹

- The FLVC has not taken adequate steps to advertise to students services that are available through the FLVC.
- The FLVC Website is difficult to navigate and use.
- The FLVC advising system is out-of-date and relatively few students use the system.
- The FLVC distance learning catalog is functional but does not have ready access to data that is needed to fully meet the statutory requirements.
- The FCS and state university library systems continue to operate separately.

Licensing Electronic Library Resources

Florida law provides parameters for cost efficient and cost effective licensing of electronic library resources and outlines a process for identifying shared core resources among institutions that must be made available to all public postsecondary education students.¹⁰ The chancellors and vice chancellors of the FCS institutions and state universities must annually report to the Governor and the chairs of the legislative appropriations committee the cost savings realized as a result of the collaborative licensing process.¹¹

III. Effect of Proposed Changes:

The bill restructures governance and functionality of online public postsecondary student support services related to libraries, online courses, and online student advising systems.

Specifically, the bill creates the Complete Florida Plus Program (Program) within the Innovation Institute at the University of West Florida (UWF) and transfers the requirements and responsibilities associated with student support services that are currently administered through the FLVC to the new Program. The bill also establishes the Florida Center for Library Automation (Center) and reassigns the duties and resources regarding online library support services that are currently administered by the FLVC to the new Center. Additionally, the bill renames the Complete Florida Degree Program as the Complete Florida Degree Initiative (Initiative) and restructures the related functions under the new Program. The consolidation of duties and resources are intended to strengthen and streamline online services and resources to students pursuing higher education in Florida.

⁸ Office of Program Policy Analysis and Government Accountability, *Progress of Florida Virtual Campus*, presentation to the Higher Education & Workforce Subcommittee, Florida House of Representatives (Feb. 13, 2014), available at <http://www.oppaga.state.fl.us/monitordocs/Presentations/P14-19.pdf>.

⁹ Office of Program Policy Analysis and Government Accountability, *Progress of Florida Virtual Campus*, presentation to the Higher Education & Workforce Subcommittee, Florida House of Representatives (Feb. 13, 2014), available at <http://www.oppaga.state.fl.us/monitordocs/Presentations/P14-19.pdf>.

¹⁰ Section 1006.72, F.S.

¹¹ Section 1006.72(7), F.S.

Complete Florida Plus Program

The bill specifies that the purpose of the Program is to:

- Facilitate degree completion of the state's adult learners through the Initiative.
- Provide information and access to distance learning courses and degree programs offered by the state's public postsecondary institutions.
- Coordinate with the FCS and the SUS to identify and provide online academic support services and resources if the multi-institutional provision of such services and resources is more cost-effective or operationally effective.

The bill repeals section 1006.73 of the Florida Statutes and transfers responsibility regarding implementation of the services and resources that are currently assigned to the FLVC to the Program and requires the Program to:

- Develop and manage a statewide Internet-based catalog of distance learning courses, degree programs, and resources offered by public postsecondary institutions to assist with the coordination and collaboration of articulation and access to postsecondary education.
- Provide a streamlined, automated, online admissions application process for undergraduate transient students who are enrolled in a public postsecondary education institution and who enroll in a course offered by a public postsecondary education institution that is not the students' degree-granting institution.
- Develop and manage a statewide computer-assisted student advising system that will support student advising and registration and certification of students for graduation and include a degree audit and articulation component.
- Identify and evaluate new technologies and instructional methods that can be used to improve distance learning instruction and professional development for faculty, student learning outcomes, student access, the delivery of student support services, the alignment of degrees to career needs, and the overall quality of postsecondary distance learning courses and degree programs.
- Provide appropriate help desk support and training and consultation services to institutions and students using the Program services.
- Coordinate the negotiation of statewide licensing of resources and preferred pricing agreements, issue purchase orders, and execute contracts for the acquisition of distance learning resources, student support services, electronic resources, and other goods and services necessary to perform Program duties.
- Develop and implement a plan, in consultation with the public postsecondary education institutions, which describes the services and resources available through the Program to encourage students to use the Program services and resources.

The bill requires transfer of all records, personnel, property, existing contracts, and unexpended balance of appropriations, allocations, grants, and other funds of the FLVC to UWF. The bill also designates UWF as the successor in interest to the FLVC and be responsible for the provision of all authorized services.

Florida Center for Library Automation

The bill establishes the Center to provide a single library automation system and related resources and services that all public postsecondary institutions must use to support the teaching, learning, and research needs of students and faculty.

The Center must:

- Develop and manage a library information portal and automated library management tools for use by the FCS institutions and state universities.
- Coordinate the negotiation of statewide licensing of electronic library resources and preferred pricing agreements, issue purchase orders, and execute duties of the Center.
- Promote and provide recommendations concerning the use and distribution of open-access textbooks and education resources to reduce costs and work with public postsecondary education institutions to develop a standardized process for the review and approval of open-access textbooks.

The Center must be administered by an executive director who must be accountable to the executive director of UWF's Innovation Institute. The executive director of the Center must:

- Independently exercise all powers, duties, and functions of the Center as prescribed by law.
- Administer the operational requirements of the Center.
- Hire professional and administrative staff necessary to perform the duties of the Center.
- Keep administrative staff to the minimum necessary to administer the duties of the Center.

The bill repeals section 1006.72 of the Florida Statutes regarding licensing electronic library resources and incorporates related provisions into the Center.

The bill adds conforming references to reflect the new Program.

The bill takes effect on July 1, 2014.

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:

Senate Bill 2500, the proposed 2014-2015 Senate General Appropriations Bill, appropriates \$22.8 million for the Florida Virtual Campus.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1006.735, 1007.01, 1009.23, and 1009.24.

This bill creates section 1004.448 of the Florida Statutes.

This bill repeals the following sections of the Florida Statutes: 1006.72 and 1006.73.

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 March 25, 2014:**

The committee substitute differs from SB 1292 in that the committee substitute:

- Creates the Complete Florida Plus Program (Program) within the Innovation Institute at the University of West Florida and transfers the requirements and responsibilities associated with student support services that are currently administered through the Florida Virtual Campus (FLVC) to the new Program.
- Establishes the Florida Center for Library Automation (Center) and reassigns the duties and resources regarding online library support services that are currently administered by the FLVC to the new Center.

- Renames the Complete Florida Degree Program as the Complete Florida Degree Initiative (Initiative) and restructures the related functions under the new Program.
- Omits the provision regarding adding industry certifications to the list of articulated acceleration mechanisms.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Education; and Senator Legg

581-03211-14

20141292c1

1 A bill to be entitled
 2 An act relating to postsecondary education; creating
 3 s. 1004.448, F.S.; establishing the Florida Center for
 4 Library Automation; providing the duties of the
 5 center; providing that an executive director
 6 administers the center; providing the duties of the
 7 executive director; repealing s. 1006.72, F.S.,
 8 relating to licensing electronic library resources;
 9 repealing s. 1006.73, F.S., relating to the Florida
 10 Virtual Campus; amending s. 1006.735, F.S.; creating
 11 the Complete Florida Plus Program, rather than the
 12 Complete Florida Degree Program, within the Innovation
 13 Institute of the University of West Florida; providing
 14 a purpose for the program; establishing the Complete
 15 Florida Degree Initiative; requiring the initiative to
 16 use labor market data and projections to identify
 17 specific workforce needs and targeted occupations;
 18 deleting implementing provisions relating to the
 19 Complete Florida Degree Program; providing duties of
 20 the Complete Florida Degree Initiative; requiring the
 21 Complete Florida Plus Program to develop and manage a
 22 statewide Internet-based catalog of distance learning
 23 courses, degree programs, and resources offered by
 24 public postsecondary education institutions; providing
 25 requirements for the operational procedures for the
 26 catalog; requiring the Complete Florida Plus Program
 27 to make available to postsecondary students specified
 28 online supports and services; providing that records,
 29 personnel, property, existing contracts, unexpended

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30 balances of appropriations, allocations, grants, and
 31 other funds of the Florida Virtual Campus are
 32 transferred to the University of West Florida;
 33 providing that the University of West Florida is the
 34 successor in interest to the Florida Virtual Campus;
 35 deleting an obsolete provision; amending ss. 1007.01,
 36 1009.23, and 1009.24, F.S.; conforming cross-
 37 references; providing an effective date.

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

40
 41 Section 1. Section 1004.448, Florida Statutes, is created
 42 to read:

43 1004.448 Florida Center for Library Automation.-
 44 (1) The Florida Center for Library Automation is
 45 established to provide a single library automation system and
 46 associated resources and services that all public postsecondary
 47 institutions shall use to support their learning, teaching, and
 48 research needs.

49 (2) The Florida Center for Library Automation shall:

50 (a) Develop and manage a library information portal and
 51 automated library management tools for use by the Florida
 52 College System institutions and state universities. The library
 53 information portal and automated library management tools must
 54 include, but are not limited to, the following services and
 55 functions:

56 1. A shared Internet-based catalog and a discovery tool
 57 that allow a user to search and, if authorized, access the
 58 aggregate library holdings of the state's public postsecondary

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59 education institutions. The catalog and discovery tool must
 60 allow the user to search the library holdings of one
 61 institution, selected institutions, or all institutions and, to
 62 the extent feasible, include an interlibrary loan function that
 63 ensures that the authorized user can access the required library
 64 holding.

65 2. An Internet-based searchable collection of electronic
 66 resources which includes, but is not limited to, full-text
 67 journals, articles, databases, and electronic books that the
 68 center licenses pursuant to paragraph (b).

69 3. An integrated library management system and its
 70 associated services that all public postsecondary education
 71 institution academic libraries must use for purposes of
 72 acquiring, cataloging, circulating, and tracking library
 73 material.

74 4. A statewide searchable database that includes an
 75 inventory of digital archives and collections held by public
 76 postsecondary education institutions.

77 (b) Coordinate the negotiation of statewide licensing of
 78 electronic library resources and preferred pricing agreements,
 79 issue purchase orders, and enter into contracts for the
 80 acquisition of library support services, electronic resources,
 81 and other goods and services necessary to carry out its duties
 82 under this section.

83 (c) Promote and provide recommendations concerning the use
 84 and distribution of open-access textbooks and education
 85 resources as a method for reducing costs and work with public
 86 postsecondary education institutions in developing a
 87 standardized process for the review and approval of open-access

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88 textbooks.

89 (3) The Florida Center for Library Automation shall be
 90 administered by an executive director who is accountable to the
 91 executive director of the University of West Florida's
 92 Innovation Institute. The executive director of the Florida
 93 Center for Library Automation shall:

94 (a) Independently exercise all powers, duties, and
 95 functions of the center as prescribed by law.

96 (b) Administer the operational requirements of the center.

97 (c) Hire professional and administrative staff necessary to
 98 carry out the duties of the center.

99 (d) Keep administrative staff to the minimum necessary to
 100 administer the duties of the center.

101 Section 2. Section 1006.72, Florida Statutes, is repealed.

102 Section 3. Section 1006.73, Florida Statutes, is repealed.

103 Section 4. Section 1006.735, Florida Statutes, is amended
 104 to read:

105 1006.735 Complete Florida Plus ~~Degree~~ Program.—The Complete
 106 Florida Plus Program is created within the Innovation Institute
 107 at the University of West Florida.

108 (1) PURPOSE.—The purpose of the Complete Florida Plus
 109 Program is to:

110 (a) Facilitate degree completion for the state's adult
 111 learners through the Complete Florida Degree Initiative.

112 (b) Provide information and access to distance learning
 113 courses and degree programs offered by the state's public
 114 postsecondary education institutions.

115 (c) Coordinate with the Florida College System and the
 116 State University System to identify and provide online academic

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117 support services and resources when the multi-institutional
 118 provision of such services and resources is more cost-effective
 119 or operationally effective.

120 ~~(2)(4)~~ COMPLETE FLORIDA DEGREE INITIATIVE.—The Complete
 121 Florida Degree Initiative Program is established for the purpose
 122 of recruiting, recovering, and retaining the state's adult
 123 learners and assisting them in completing an associate degree or
 124 a baccalaureate degree that is aligned to high-wage, high-skill
 125 workforce needs. As used in this section, the term "adult
 126 learner" means a student who has successfully completed college-
 127 level coursework in multiple semesters but has left an
 128 institution in good standing before completing his or her
 129 degree. The program shall give priority to adult learners who
 130 are veterans or active duty members of the United States Armed
 131 Forces.

132 (a)(2) The Complete Florida Degree Initiative Program shall
 133 be implemented by the University of West Florida, acting as the
 134 ~~lead institution~~, in coordination with Florida College System
 135 institutions, state universities, and private postsecondary
 136 institutions, as appropriate. The initiative includes program
 137 ~~shall include~~ the associate, applied baccalaureate, and
 138 baccalaureate degree programs that these institutions have
 139 selected. Other partnering public postsecondary education
 140 institutions shall provide areas of specialization or
 141 concentration.

142 (b)(3) In determining ~~For purposes of selecting~~ the degree
 143 programs that will be given priority, in the Complete Florida
 144 Degree Initiative Program, ~~the institutions identified in~~
 145 ~~subsection (2)~~ shall partner with public and private job

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146 ~~recruitment and placement agencies and use labor market data and~~
 147 ~~projections, including those identified in the Board of~~
 148 ~~Governors' gap analysis, to identify the specific workforce~~
 149 ~~needs and targeted occupations of the state.~~

150 ~~(c)(4)~~ The Complete Florida Degree Initiative Program shall
 151 provide adult learners with a single point of access to
 152 information and links to innovative online and accelerated
 153 distance learning courses, student and library support services,
 154 and electronic resources that will guide the adult learner
 155 toward the successful completion of a postsecondary degree.

156 ~~(5) By the end of the 2013-2014 academic year, the Complete~~
 157 ~~Florida Degree Program shall be implemented and must:~~

158 ~~(a) Use the distance learning course catalog established~~
 159 ~~pursuant to s. 1006.73 to communicate course availability to the~~
 160 ~~adult learner.~~

161 ~~(b) Develop and implement an advising and student support~~
 162 ~~system that includes the use of degree completion specialists,~~
 163 ~~is based upon best practices and processes, and includes~~
 164 ~~academic and career support services designed specifically for~~
 165 ~~the adult learner. The program must identify proposed changes to~~
 166 ~~the statewide computer-assisted student advising system~~
 167 ~~established pursuant to s. 1006.73 to assist the adult learner~~
 168 ~~in using the system.~~

169 ~~(c) Use the streamlined, automated, online admissions~~
 170 ~~application process for transient students established pursuant~~
 171 ~~to s. 1006.73. The program shall identify any additional~~
 172 ~~admissions and registration policies and practices that could be~~
 173 ~~further streamlined and automated for purposes of assisting the~~
 174 ~~adult learner.~~

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175 (d) The Complete Florida Degree Initiative shall:

176 1. Use existing and, if necessary, develop new competency-
177 based instructional and evaluation tools to assess prior
178 performance, experience, and education for the award of college
179 credit in order to reduce the time required for adult learners
180 to complete their degrees. The tools may include the use of the
181 American Council on Education's collaborative link between the
182 United States Department of Defense and higher education through
183 the review of military training and experiences for the award of
184 equivalent college credit for members of the United States Armed
185 Forces.

186 2. ~~(e)~~ Develop and implement an evaluation process that
187 collects, analyzes, and provides to the chancellors of the
188 Florida College System and the State University System, the
189 participating postsecondary education institutions, the chairs
190 of the legislative appropriations committees, and the Executive
191 Office of the Governor information on the effectiveness of the
192 program and the attainment of its goals. Such a process shall
193 include a management information system that collects the
194 appropriate student, programmatic, and fiscal data necessary to
195 complete the evaluation of the program. Institutions involved in
196 the program shall also collect job placement and employment data
197 on the adult learners who have completed their degrees as a
198 result of the program.

199 3. ~~(f)~~ Develop and implement a statewide student recruitment
200 campaign targeted toward adult learners, particularly veterans
201 and active duty members of the United States Armed Forces, for
202 enrollment in the degree programs offered through the program.

203 (e) ~~(6)~~ For purposes of the Complete Florida Degree

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204 Initiative Program, each institution's current tuition and fee
205 structure shall be used. However, all participating institutions
206 shall collaboratively identify the applicable cost components
207 involved in the development and delivery of distance learning
208 courses, collect information on these cost components, and
209 submit the information to the chancellors of the Florida College
210 System and the State University System. The chancellors shall
211 submit a report to the chairs of the legislative appropriations
212 committees no later than December 31, 2014, on the need for a
213 differentiated tuition and fee structure for the development and
214 delivery of distance learning courses.

215 (3) STATEWIDE INTERNET-BASED CATALOG OF DISTANCE LEARNING
216 COURSES.—The Complete Florida Plus Program shall develop and
217 manage a statewide Internet-based catalog of distance learning
218 courses, degree programs, and resources offered by public
219 postsecondary education institutions to assist with the
220 coordination and collaboration of articulation and access to
221 postsecondary education pursuant to parts II and III of chapter
222 1007. The program shall establish operational procedures for the
223 catalog which must:

224 (a) Require participating institutions to provide specific
225 information concerning the distance learning courses and degree
226 programs including, but not limited to, prerequisite courses or
227 technology competencies or skills; the availability of academic
228 support services and financial aid resources; and course costs,
229 fees, and payment policies.

230 (b) Require that distance learning courses and degree
231 programs meet applicable accreditation standards and criteria
232 established in law.

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233 (c) Require that the catalog be reviewed at least annually
 234 and updated as needed to ensure that distance learning courses
 235 and degree programs comply with operational procedures.
 236 (d) Define and describe the catalog's search and retrieval
 237 options that, at a minimum, allow users to search courses and
 238 programs by academic term or start date; institution or
 239 institutions; delivery method, level, availability, subject or
 240 discipline, and course number or program classification number.
 241 (e) Use an Internet-based analytic tool that allows for the
 242 collection and analysis of information, including, but not
 243 limited to:
 244 1. The number of students who use the catalog to search for
 245 distance learning courses and degree programs;
 246 2. The number and type of requests for information on
 247 distance learning courses and degree programs that are not
 248 listed in the catalog; and
 249 3. A summary of specific requests by course type or course
 250 number, delivery method, offering institution, and semester.
 251 (4) STATEWIDE ONLINE STUDENT ADVISING SERVICES AND
 252 SUPPORT.—The Complete Florida Plus Program shall make available
 253 to all postsecondary students on a statewide basis online
 254 supports and services that:
 255 (a) Provide a streamlined, automated, online admissions
 256 application process for undergraduate transient students who are
 257 currently enrolled and pursuing a degree at a public
 258 postsecondary education institution and who enroll in a course
 259 offered by a public postsecondary education institution that is
 260 not the student's degree-granting institution. The University of
 261 West Florida shall work with the Florida College System

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262 institutions and state universities to:
 263 1. Use the transient student admissions application
 264 available through the statewide computer-assisted student
 265 advising system established pursuant to paragraph (b). This
 266 admissions application is the only application required for the
 267 enrollment of a transient student as described in this
 268 paragraph.
 269 2. Implement the financial aid procedures required by the
 270 transient student admissions application process.
 271 3. Transfer credit awarded by the institution offering the
 272 course to the transient student's degree-granting institution.
 273 4. Provide for an interface between the institutional
 274 advising system and the statewide computer-assisted student
 275 advising system established pursuant to paragraph (b) in order
 276 to electronically send, receive, and process the transient
 277 student admissions application.
 278 (b) Develop and manage a statewide computer-assisted
 279 student advising system that supports the process of advising,
 280 registering, and certifying students for graduation and includes
 281 a degree audit and an articulation component. The Florida
 282 College System institutions and state universities shall
 283 interface institutional advising systems with the statewide
 284 computer-assisted student advising system. At a minimum, the
 285 statewide computer-assisted student advising system must:
 286 1. Allow a student to access the system at any time, search
 287 public postsecondary education institutions, and identify course
 288 options that will meet the requirements of a selected path
 289 toward a degree.
 290 2. Audit transcripts of students enrolled in a public

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291 postsecondary education institution to assess current academic
 292 standing, the requirements for a student to transfer to another
 293 institution, and all requirements necessary for graduation.

294 3. Serve as the official statewide repository for the
 295 common prerequisite manual, admissions information for
 296 transferring programs, foreign language requirements, residency
 297 requirements, and statewide articulation agreements.

298 4. Provide information relating to career descriptions and
 299 corresponding educational requirements, admissions requirements,
 300 and available sources of student financial assistance.

301 5. Provide the admissions application for transient
 302 students pursuant to paragraph (a) which must include the
 303 electronic transfer and receipt of information and records for:

304 a. Admissions and readmissions;

305 b. Financial aid; and

306 c. Transfer of credit awarded by the institution offering
 307 the course to the transient student's degree-granting
 308 institution.

309 (c) Identify and evaluate new technologies and
 310 instructional methods that can be used to improve distance
 311 learning instruction and professional development for faculty,
 312 student learning outcomes, student access, the delivery of
 313 student support services, the alignment of degrees to career
 314 needs, and the overall quality of postsecondary distance
 315 learning courses and degree programs.

316 (d) Provide appropriate help desk support and training and
 317 consultation services to institutions and students using the
 318 services and resources of the Complete Florida Plus Program.

319 (e) Coordinate the negotiation of statewide licensing

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320 resources and preferred pricing agreements, issue purchase
 321 orders, and execute contracts for the acquisition of distance
 322 learning resources, student support services, electronic
 323 resources, and other goods and services necessary to perform
 324 duties under this section.

325 (f) Develop and implement a plan, in consultation with the
 326 public postsecondary education institutions, that describes the
 327 services and resources available through the Complete Florida
 328 Plus Program to encourage current and prospective students' use
 329 of such services and resources.

330 (5) All records, personnel, property, existing contracts,
 331 and unexpended balances of appropriations, allocations, grants,
 332 and other funds of the Florida Virtual Campus shall be
 333 transferred to the University of West Florida. The University of
 334 West Florida shall be the successor in interest to the Florida
 335 Virtual Campus and shall be responsible for the provision of all
 336 services as authorized by this section.

337 ~~(7) The University of West Florida, in collaboration with~~
 338 ~~its partners, shall submit to the chairs of the Board of~~
 339 ~~Governors, the State Board of Education, and the legislative~~
 340 ~~appropriations committees no later than September 1, 2013, a~~
 341 ~~detailed program plan that defines the major work activities,~~
 342 ~~student eligibility criteria, timeline, and cost for~~
 343 ~~implementing the Complete Florida Degree Program.~~

344 Section 5. Paragraph (h) of subsection (3) of section
 345 1007.01, Florida Statutes, is amended to read:

346 1007.01 Articulation; legislative intent; purpose; role of
 347 the State Board of Education and the Board of Governors;
 348 Articulation Coordinating Committee.—

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349 (3) The Commissioner of Education, in consultation with the
 350 Chancellor of the State University System, shall establish the
 351 Articulation Coordinating Committee, which shall make
 352 recommendations related to statewide articulation policies and
 353 issues regarding access, quality, and reporting of data
 354 maintained by the K-20 data warehouse, established pursuant to
 355 ss. 1001.10 and 1008.31, to the Higher Education Coordination
 356 Council, the State Board of Education, and the Board of
 357 Governors. The committee shall consist of two members each
 358 representing the State University System, the Florida College
 359 System, public career and technical education, K-12 education,
 360 and nonpublic postsecondary education and one member
 361 representing students. The chair shall be elected from the
 362 membership. The Office of K-20 Articulation shall provide
 363 administrative support for the committee. The committee shall:

364 (h) Recommend roles and responsibilities of public
 365 education entities in interfacing with the single, statewide
 366 computer-assisted student advising system established pursuant
 367 to s. 1006.735 ~~s. 1006.73~~.

368 Section 6. Paragraph (a) of subsection (16) and subsection
 369 (17) of section 1009.23, Florida Statutes, are amended to read:
 370 1009.23 Florida College System institution student fees.—

371 (16) (a) Each Florida College System institution may assess
 372 a student who enrolls in a course listed in the distance
 373 learning catalog, established pursuant to s. 1006.735 ~~s.~~
 374 ~~1006.73~~, a per-credit-hour distance learning course user fee.
 375 For purposes of assessing this fee, a distance learning course
 376 is a course in which at least 80 percent of the direct
 377 instruction of the course is delivered using some form of

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378 technology when the student and instructor are separated by time
 379 or space, or both.

380 (17) Each Florida College System institution that accepts
 381 transient students, pursuant to s. 1006.735 ~~s. 1006.73~~, may
 382 establish a transient student fee not to exceed \$5 per course
 383 for processing the transient student admissions application.

384 Section 7. Paragraph (t) of subsection (14) and paragraph
 385 (a) of subsection (17) of section 1009.24, Florida Statutes, are
 386 amended to read:

387 1009.24 State university student fees.—

388 (14) Except as otherwise provided in subsection (15), each
 389 university board of trustees is authorized to establish the
 390 following fees:

391 (t) A transient student fee that may not exceed \$5 per
 392 course for accepting a transient student and processing the
 393 transient student admissions application pursuant to s. 1006.735
 394 ~~s. 1006.73~~.

395 With the exception of housing rental rates and except as
 396 otherwise provided, fees assessed pursuant to paragraphs (h)-(s)
 397 shall be based on reasonable costs of services. The Board of
 398 Governors shall adopt regulations and timetables necessary to
 399 implement the fees and fines authorized under this subsection.
 400 The fees assessed under this subsection may be used for debt
 401 only as authorized under s. 1010.62.

402 (17) (a) A state university may assess a student who enrolls
 403 in a course listed in the distance learning catalog, established
 404 pursuant to s. 1006.735 ~~s. 1006.73~~, a per-credit-hour distance
 405 learning course fee. For purposes of assessing this fee, a
 406

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407 distance learning course is a course in which at least 80
408 percent of the direct instruction of the course is delivered
409 using some form of technology when the student and instructor
410 are separated by time or space, or both.

411 Section 8. This act shall take effect July 1, 2014.

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 Education

BILL: CS/SB 1394

INTRODUCER: Appropriations Subcommittee on Education and Senator Legg

SUBJECT: Education

DATE: April 10, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|------------------------|-----------------|------------|------------------|
| 1. | <u>deMarsh-Mathues</u> | <u>Klebacha</u> | <u>ED</u> | Favorable |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | Fav/CS |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

CS/SB 1394 increases from one to two the number of industry certifications that a student must earn to attain a Merit designation on his or her standard high school diploma.

Current law provides for Scholar and Merit designations that high school students may earn if they satisfy course and testing requirements above-and-beyond those required for a standard high school diploma.

This bill also expands the membership of the Children and Youth Cabinet by adding a superintendent of schools.

This bill has no fiscal impact on state funds.

The bill is effective upon becoming a law.

II. Present Situation:

Currently, Florida public high school students have four options for obtaining a standard high school diploma -- a traditional 4-year, 24-credit option;¹ an 18-credit graduation option;² or completion of an International Baccalaureate (IB) or Advanced International Certificate of

¹ Section 1003.428, F.S., established high school graduation requirements beginning with students entering grade 9 in the 2007-2008 school year. Section 1003.4282, F.S., established high school graduation requirements for students entering grade 9 in the 2013-2014 school year and thereafter.

² Section 1002.3105(5), F.S. Effective July 1, 2013, students may earn a standard high school diploma in 18 credits by achieving a 2.0 GPA; earning credit in the same 15 English Language Arts, mathematics, science, social studies, and fine and performing arts courses required under the traditional 24-credit option; and earning 3 elective credits, instead of the 6 electives required by the 24-credit option.

Education (AICE) curriculum.³ In addition, current law requires each school district to adopt an early graduation policy allowing a high school student who completes 24 credits in less than eight semesters and meets the grade point average and assessment requirements to graduate early.⁴

Current law provides for Scholar and Merit designations that high school students may earn if they satisfy course and testing requirements above-and-beyond those required for a standard high school diploma.⁵ Students pursuing a Scholar designation must:⁶

- Pass the 11th grade English Language Arts assessment, effective when the state transitions to new assessments;
- Earn one credit in Algebra II and one credit in Statistics or an equally rigorous course. When the state transitions to new assessments, students must pass the Algebra II assessment.
- Pass the Biology I end-of-course (EOC) assessment and earn one credit in Chemistry or Physics and one credit in an equally rigorous course.
- Pass the U.S. History EOC assessment.
- Earn two credits in the same foreign language.
- Earn at least one credit in an Advanced Placement, IB, AICE or a dual enrollment course.

Students pursuing a Merit designation must attain one or more industry certifications.⁷

The Children and Youth Cabinet ensures that public policy relating to children and youth promotes interdepartmental collaboration and program implementation so that services are planned, managed, and delivered in an integrated manner to improve the self-sufficiency, safety, economic stability, health, and quality of life for children.⁸ The Children and Youth Cabinet consists of the Governor and the following persons:

- The Secretary of Children and Family Services;
- The Secretary of Juvenile Justice;
- The director of the Agency for Persons with Disabilities;
- The director of the Office of Early Learning;
- The State Surgeon General;
- The Secretary of Health Care Administration;
- The Commissioner of Education;
- The director of the Statewide Guardian Ad Litem Office;
- The director of the Office of Child Abuse Prevention; and
- Five members representing children and youth advocacy organizations, who are not service providers and who are appointed by the Governor.⁹

³ Sections 1003.428 and 1003.4282, F.S.

⁴ Section 1003.4281, F.S.

⁵ Section 1003.4285, F.S.

⁶ Section 1003.4285(1)(a), F.S.

⁷ Section 1003.4285(1)(b), F.S.

⁸ Section 402.56 (3)(a), F.S.

⁹ Section 402.56 (4)(a), F.S.

III. Effect of Proposed Changes:

The bill increases from one to two the number of industry certifications that a student must earn to attain a Merit designation on his or her standard high school diploma.

The bill also expands the membership of the Children and Youth Cabinet by adding a superintendent of schools, appointed by the Governor, as an additional member.

The bill is effective upon becoming a law.

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:

CS/SB 1394 has no fiscal impact on state funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 402.56 and 1003.4285.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on Education on April 9, 2014:
The committee substitute expands the membership of the Children and Youth Cabinet by adding a superintendent of schools as an additional member.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



361962

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Montford) recommended the following:

Senate Amendment (with title amendment)

Between lines 19 and 20
insert:

Section 2. Paragraph (a) of subsection (4) of section 402.56, Florida Statutes, is amended to read:

402.56 Children's cabinet; organization; responsibilities; annual report.—

(4) MEMBERS.—The cabinet shall consist of 16 ~~14~~ members including the Governor and the following persons:



361962

- 11 (a)1. The Secretary of Children and Family Services;
12 2. The Secretary of Juvenile Justice;
13 3. The director of the Agency for Persons with
14 Disabilities;
15 4. The director of the Office of Early Learning;
16 5. The State Surgeon General;
17 6. The Secretary of Health Care Administration;
18 7. The Commissioner of Education;
19 8. The director of the Statewide Guardian Ad Litem Office;
20 9. The director of the Office of Child Abuse Prevention;
21 ~~and~~
22 10. A superintendent of schools, appointed by the Governor;
23 and
24 11.10. Five members representing children and youth
25 advocacy organizations, who are not service providers and who
26 are appointed by the Governor.

27
28 ===== T I T L E A M E N D M E N T =====

29 And the title is amended as follows:

30 Between lines 4 and 5

31 insert:

32 amending s. 402.56, F.S.; revising the membership of
33 the children's cabinet;

By Senator Legg

17-00831A-14

20141394__

1 A bill to be entitled
2 An act relating to education; amending s. 1003.4285,
3 F.S.; revising the requirements to earn a Merit
4 designation on a standard high school diploma;
5 providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Paragraph (b) of subsection (1) of section
10 1003.4285, Florida Statutes, is amended to read:

11 1003.4285 Standard high school diploma designations.—

12 (1) Each standard high school diploma shall include, as
13 applicable, the following designations if the student meets the
14 criteria set forth for the designation:

15 (b) *Merit designation*.—In addition to the requirements of
16 ss. 1003.428 and 1003.4282, as applicable, in order to earn the
17 Merit designation, a student must attain two ~~one~~ or more
18 industry certifications from the list established under s.
19 1003.492.

20 Section 2. This act shall take effect upon becoming a law.

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 Education

BILL: CS/CS/SB 1400

INTRODUCER: Appropriations Subcommittee on Education; Education Committee and Senator Latvala and others

SUBJECT: Postsecondary Student Tuition

DATE: April 10, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|------------|------------------|
| 1. | <u>Graf</u> | <u>Klebacha</u> | <u>ED</u> | <u>Fav/CS</u> |
| 2. | <u>Brown</u> | <u>Cibula</u> | <u>JU</u> | <u>Favorable</u> |
| 3. | <u>Frye</u> | <u>Elwell</u> | <u>AED</u> | <u>Fav/CS</u> |
| 4. | _____ | _____ | <u>AP</u> | _____ |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1400 requires an undocumented immigrant and other students be eligible for a waiver of out-of-state fees at a public postsecondary education institution if he or she spends three consecutive years in this state before graduating from high school in this state and requires public postsecondary education institutions to report the number and value of all fee waivers granted annually. However, the bill provides that these undocumented immigrants are not eligible for state financial aid. These waivers could save undocumented immigrant and other students approximately \$14,876 for undergraduate tuition at state universities; \$8,407 for lower-level, and \$11,815 for upper-level credit programs at Florida College System institutions; and \$7,267 for district workforce education programs per academic year. The bill also eliminates the out-of-state fee for adult general education programs at postsecondary workforce education and Florida College System institutions, saving each non-resident \$90 per half year or \$60 per term.

The bill clarifies that U.S. citizens who are dependents of undocumented immigrants may not be denied in-state tuition solely based on the undocumented status of their parents.

The bill also grants tuition waivers to combat-decorated veterans who attend career centers saving them approximately \$2,443 per academic year, eliminates the automatic annual tuition increases at public postsecondary institutions, and reduces the costs of prepaid contracts from the

Florida Prepaid Program by reducing the amounts the program will pay to public postsecondary institutions.

The bill codifies the federal district court decision of *Ruiz v. Robinson*¹, which found that the regulations of the Board of Governors (BOG) of the State University System violated the Equal Protection Clause of the U.S. Constitution. The regulations at issue prohibited students who otherwise qualified for in-state tuition from receiving in-state tuition because they were dependents of parents who had an undocumented immigration status. Accordingly, this bill conforms the statutes to the *Ruiz* decision and the revised regulations of the BOG which provide that the undocumented status of a student's parent cannot be used to determine a student's residency for tuition purposes.

The bill also:

- Updates statutorily set tuition and fees for postsecondary workforce education programs, the Florida College System (FCS) and the State University System.
- Eliminates the automatic increase in tuition and fees, when the rates are not otherwise provided in the General Appropriations Act (GAA), based on the rate of inflation for workforce education postsecondary programs and the FCS.
- Eliminates the automatic increase of resident undergraduate tuition for state universities, when the tuition rate is not otherwise provided in the GAA, based on the rate of inflation and prohibits state university boards of trustees from establishing and increasing the tuition differential fee for undergraduate courses, unless the institution is designated as a preeminent state research university by the BOG.
- Clarifies the cap on increases to the aggregate sum of activity and service, health, and athletic fees that state universities may charge.
- Specifies that for an advance payment contract purchased before July 1, 2024, the amount assessed and paid by the Florida Prepaid College Board (Prepaid Board) to the state universities will follow the methodology previously utilized by the Prepaid Board for contracts purchased prior to July 1, 2009.
- Expands the mandatory tuition waiver benefit for recipients of a Purple Heart and other combat decorations who are enrolled at a state university or a FCS institution to also apply at career center operated by a school district or charter technical career center.
- Makes technical adjustments and updates cross references.

The bill has an indeterminate fiscal impact. See Section V.

The bill provides an effective date of July 1, 2014.

¹ *Ruiz v. Robinson*, 892 F.Supp.2d 1321 (S.D. Fla. 2012).

II. Present Situation:

Tuition and Fees

The term “tuition” is defined as “the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state.”² A student who is classified as a “resident for tuition purposes” is a student who qualifies for the in-state tuition rate.³

An “out-of-state fee” is the additional fee for instruction provided by a public postsecondary institution charged to a student who does not qualify for the in-state tuition rate.”⁴ A “non-resident for tuition purposes” is defined as a “person who does not qualify for the in-state tuition rate,”⁵ and pays the out-of-state fee in addition to tuition.

Residents for tuition purposes are charged in-state rates for tuition while non-residents pay out-of-state fees in addition to tuition, unless these costs are exempted or waived.⁶ Residents for tuition purposes also have access to need-based, merit-based, and other state financial aid upon meeting specified requirements.⁷

Workforce Education Postsecondary Fees

A student who enrolls in workforce education postsecondary programs is charged tuition and other fees, unless the student is eligible for an exemption or a waiver.⁸ The Legislature establishes the standard tuition and out-of-state fee per contact hour. For programs leading to a career certificate or an applied technology diploma, standard tuition is \$2.22 per contact hour for residents and nonresidents. The out-of-state fee for these programs is \$6.66 per contact hour.⁹ For adult general education programs, a block tuition of \$45 per half year or \$30 per term is assessed for residents and nonresidents. The out-of-state fee for these programs is \$135 per half year or \$90 per term.¹⁰

The tuition and out-of-state fee per credit hour increase automatically at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the General Appropriations Act (GAA). The Office of Economic and Demographic Research (EDR) must report the rate of inflation to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the State Board of Education (SBE) each year prior to March 1. The rate of inflation is defined as “the rate of the 12-month percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, or successor reports as reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor for December of

² Section 1009.01(1), F.S. Additionally, the definition states that “[a] charge for any other purpose shall not be included within this fee.” *Id.*

³ Section 1009.21(1)(g), F.S.

⁴ Section 1009.01(2), F.S. Adding that “[a] charge for any other purpose shall not be included within this fee.” *Id.*

⁵ Section 1009.21(1)(e), F.S.

⁶ Sections 1009.22(2) and (3)(c), 1009.23(2)(a) and (3)(b)2., and 1009.24(2) and (5), F.S.

⁷ Section 1009.40, F.S.

⁸ Sections 1009.22(2), 1009.25, and 1009.26, F.S.

⁹ Section 1009.22(3)(c), F.S.

¹⁰ Section 1009.22(3)(c), F.S.

the previous year.”¹¹ If the percentage change is negative, the tuition and out-of-state fee per credit hour must remain the same as the prior fiscal year.¹²

Florida College System Institution Student Fees

A student who enrolls in a course for college credit, a college preparatory course, or an educator preparation institute (EPI) program at a Florida College System (FCS) institution is charged tuition and other fees, unless the student is eligible for an exemption or a waiver.¹³ The Legislature establishes the standard tuition and out-of-state fee per credit hour. The standard tuition per credit hour for residents and non-residents enrolled in advanced and professional, postsecondary vocational, developmental education, and EPI programs is \$68.56. The out-of-state fee for such programs is \$205.82 per credit hour.¹⁴ For baccalaureate programs, the tuition per credit hour for resident students is \$87.42 per credit hour.¹⁵ The sum of tuition and out-of-state fees per credit hour for non-resident students must not be more than 85 percent of the sum of tuition and out-of-state fee at the state university nearest to the FCS institution.¹⁶

The tuition and out-of-state fee per credit hour increase automatically at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the GAA. Current law requires EDR to report the rate of inflation to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the SBE each year prior to March 1. The rate of inflation is defined as “the rate of the 12-month percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, or successor reports as reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor for December of the previous year.”¹⁷ If the percentage change is negative, the tuition and out-of-state fee per credit hour must remain the same as the prior fiscal year.¹⁸

State University Student Fees

A student who enrolls in a college credit course at a state university is charged tuition and other fees, unless the student is eligible for an exemption or a waiver.¹⁹ The Legislature establishes the amount of resident undergraduate tuition per credit hour. Resident undergraduate tuition is \$103.32 per credit hour for lower-level and upper-level coursework at a state university.²⁰

The resident undergraduate tuition per credit hour increases automatically at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the GAA. The EDR must report the rate of inflation to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Board of Governors each year prior to March 1. The rate of inflation is defined as “the rate of the 12-month percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, or successor reports as reported

¹¹ Section 1009.22(3)(d), F.S.

¹² Section 1009.22(3)(d), F.S.

¹³ Sections 1009.23(1)-(2)(a), 1009.25, and 1009.26, F.S.

¹⁴ Section 1009.23(3)(a), F.S.

¹⁵ Section 1009.23(3)(b)1., F.S.

¹⁶ Section 1009.23(3)(b)2., F.S.

¹⁷ Section 009.23(3)(c), F.S.

¹⁸ Section 1009.23(3)(c), F.S.

¹⁹ Sections 1009.24(2), 1009.25, and 1009.26, F.S.

²⁰ Section 1009.24(4)(a), F.S.

by the United States Department of Labor, Bureau of Labor Statistics, or its successor for December of the previous year.”²¹ If the percentage change is negative, the resident undergraduate tuition must remain the same as the prior fiscal year.²²

In addition to the resident undergraduate tuition, the Legislature also establishes the financial aid fee, Capital Improvement Trust Fund fee, technology fee, and distance learning course fee as a specified dollar amount or percent of tuition.²³ Additionally, the board of trustees for each state university may establish certain fees subject to the approval of the Board of Governors for the State University System of Florida (BOG), such as an activity and service fee, health fee, athletic fee, technology fee, and tuition differential fee.²⁴

A state university board of trustees may submit for approval a proposal to the BOG to establish a tuition differential fee for undergraduate courses. The fee must promote improvements in the quality of undergraduate education and provide financial aid to undergraduate students who exhibit financial need.²⁵ The aggregate sum of undergraduate tuition and fees per credit hour, including the tuition differential fee, must not exceed the national average of undergraduate tuition and fees at public postsecondary institutions that grant 4-year degrees.²⁶

A state university board of trustees may also propose annual increases to the tuition differential fee subject to BOG approval. The tuition differential fee may increase the aggregate sum of tuition and the tuition differential fee by more than 15 percent of the total charged for these fees in the preceding fiscal year.²⁷

Fee Exemptions and Fee Waivers

Florida law provides fee exemptions²⁸ and fee waivers²⁹ to students who meet specified criteria. A number of fee exemptions and fee waivers are mandatory,³⁰ while others are permissive.³¹ For example, the state of Florida extends tuition and fee exemption benefits to a student who lacks a fixed, regular, and adequate nighttime residence or whose primary nighttime residence is a

²¹ Section 1009.24(4)(b), F.S.

²² Section 1009.24(4)(b), F.S.

²³ Section 1009.24 (7), (8), (13), and (17), F.S.

²⁴ Tuition differential is defined as the “supplemental fee charged to a student by a public university in this state.” Section 1009.01(3), F.S. “The aggregate sum of undergraduate tuition and fees per credit hour, including the tuition differential [fee at a state university], may not exceed the national average of undergraduate tuition and fees at 4-year degree-granting public postsecondary educational institutions.” Section 1009.24(16)(b)4., F.S. Section 1009.24(4)(e), (9)-(13), and (16), F.S.; Florida Board of Governors Regulations 7.001(6) and (14) and 7.003(4), (5), (16), (17), and (23).

²⁵ Section 1009.24(16), F.S.

²⁶ Section 1009.24(16)(b)4., F.S.

²⁷ Section 1009.24(16)(b)3., F.S.; *see also* Florida Board of Governors Regulation 7.001(14).

²⁸ Section 1009.25, F.S.; *see* The Florida College System, *Exemptions and Waivers in The Florida College System*, <http://www.fldoe.org/fcs/OSAS/Evaluations/pdf/FYI2012-02Exemptions.pdf> (noting that “[a]n exemption is provided for certain students who are, by statutory definition, exempt from the payment of tuition and fees, including lab fees”).

²⁹ Section 1009.26, F.S.; *see* The Florida College System, *Exemptions and Waivers in The Florida College System*, <http://www.fldoe.org/fcs/OSAS/Evaluations/pdf/FYI2012-02Exemptions.pdf> (providing that a “waiver occurs when a student has his or her fees, which would otherwise be due, waived or forgiven by an institution”).

³⁰ Sections 1009.25(1)(a)-(g) and 1009.26(5), (7), (8), F.S.

³¹ Section 1009.25(2), F.S. (authorizing each Florida College System institution to grant additional fee exemptions “up to 54 full-time equivalent students or 1 percent of [an] institution’s total full-time equivalent enrollment, whichever is greater at each institution”); *see also* s. 1009.26(1)-(4), (6), (9), (10), (11), F.S.

shelter designed to provide temporary residence³² and a student who is in the custody of the Department of Children and Family Services (DCF) at the age of 18 or who after reaching 16 years of age spent at least 6 months in DCF custody and was placed in guardianship by the court.³³ Students who are exempted from the payment of tuition and fees are not required to establish Florida residency for tuition purposes.³⁴

Florida law also grants tuition and fee waivers to students who meet certain conditions.³⁵ For example, a state university or FCS institution may waive tuition and fees for a classroom teacher who is employed full-time by a school district and who meets the academic requirements of the university or institution, as applicable.³⁶ Additionally, each university board of trustees is authorized to “waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.”³⁷ Students who are otherwise eligible for fee waivers qualify regardless of whether they are Florida residents for tuition purposes.³⁸

Regarding military personnel, Florida law provides a mandatory undergraduate fee waiver for “each recipient of a Purple Heart or another combat decoration superior in precedence” at a state university or FCS institution.³⁹ The statute requires the recipient to:⁴⁰

- Be enrolled in an undergraduate program that results in a degree or certificate;
- Be a state resident when applying for the waiver and at the time of military action that resulted in the awarding of the qualifying combat decoration; and
- Submit to the institution a specified form documenting the award issued at the time of separation from service or another document recognized by the United States Department of Defense or the United States Department of Veterans Affairs.

The fee waiver for Purple Heart recipients and recipients of superior combat decorations covers 110 percent of the credit hours the recipient needs to complete the applicable degree or certificate program.⁴¹ In 2011-2012, 168 students at FCS institutions received a fee waiver as the result of receiving a Purple Heart totaling \$269,580.⁴² At state universities, 46 students received fee waivers as the result of receiving a Purple Heart totaling \$151,896 during 2012-2013.⁴³

In 2011-2012, FCS institutions provided exemptions and fee waivers for 71,719 students, which totaled \$93,689,726.⁴⁴ Fee exemptions and fee waivers, respectively, totaled \$83,926,832 and \$9,762,894 at FCS institutions.⁴⁵ State universities provided a total of \$205,824,039 in fee

³² Section 1009.25(1)(f), F.S.

³³ Section 1009.25(1)(c), F.S.

³⁴ Section 1009.25, F.S.

³⁵ Section 1009.26, F.S.

³⁶ Section 1009.26(10), F.S.

³⁷ Section 1009.26(9), F.S.

³⁸ Section 1009.26, F.S.

³⁹ Section 1009.26(8), F.S.

⁴⁰ Section 1009.26(8)(a)-(c), F.S.

⁴¹ Section 1009.26(8), F.S.

⁴² Email, Florida Department of Education (December 11, 2013), on file with the Committee on Education.

⁴³ Email, Florida Board of Governors (December 11, 2013), on file with the Committee on Education.

⁴⁴ Email, Florida Department of Education (December 11, 2013), on file with the Committee on Education.

⁴⁵ *Id.* The calculation of fee exemptions the exemptions provided under s. 1009.25(2), F.S., which totaled \$7,912,717 for 2,691 students and the exemptions under s. 1009.25(1), F.S. *Id.*

exemptions and fee waivers in 2012-2013.⁴⁶ In 2012-2013, Career Centers and Charter Technical Career Centers provided approximately \$671,000 in fee exemptions.⁴⁷

Tuition Assistance for Undocumented Aliens

Federal Law

Federal law authorizes states to enact laws that expressly make undocumented aliens eligible for any state or local public benefit for which they would not otherwise be eligible.⁴⁸ However, federal law prohibits preferential treatment of aliens not lawfully present on the basis of residence for higher education benefits.⁴⁹ Specifically, federal law⁵⁰ provides:

Notwithstanding any other provision of law, an alien who is not lawfully present in the United States shall not be eligible on the basis of residence within a state (or a political subdivision) for any postsecondary education benefit unless a citizen or national of the United States is eligible for such a benefit (in no less an amount, duration, and scope) without regard to whether the citizen or national is such a resident.

An alien is “an individual who is not a U.S. citizen or U.S. national.”⁵¹ An illegal alien, also known as an undocumented alien, is an alien who has entered the United States illegally and is deportable if apprehended, or an alien who entered the United States legally but who has fallen “out of status” and is deportable.⁵²

On June 15, 2012, the Secretary of Homeland Security announced that “certain people who came to the United States as children and meet several key guidelines may request consideration of deferred action for a period of two years, subject to renewal, and would then be eligible for work authorization. Deferred action is a discretionary determination to defer removal action of an individual as an act of prosecutorial discretion. Deferred action does not provide an individual with lawful status.”⁵³ Individuals must meet certain requirements including an age requirement to be considered for temporary status under the deferred action for childhood arrivals (DACA) memorandum.⁵⁴

⁴⁶ Email, Florida Board of Governors (December 11, 2013), on file with the Committee on Education.

⁴⁷ Email, Florida Department of Education (January 17, 2014), on file with the Committee on Education. Career Centers and charter technical career centers provided 671 non-dual enrollment fee exemptions. The calculation of fee exemptions provided under s. 1009.25 (1), F.S., is based on the average student enrollment in 423 clock hours. Phone call with staff, FDOE (January 17, 2014).

⁴⁸ 8 U.S.C. s. 1621(d).

⁴⁹ 8 U.S.C. s. 1623.

⁵⁰ 8 U.S.C. s. 1623.

⁵¹ Internal Revenue Service, *Immigration Terms and Definitions Involving Aliens*, <http://www.irs.gov/Individuals/International-Taxpayers/Immigration-Terms-and-Definitions-Involving-Aliens> (last visited March 26, 2014).

⁵² Internal Revenue Service, *Immigration Terms and Definitions Involving Aliens*, <http://www.irs.gov/Individuals/International-Taxpayers/Immigration-Terms-and-Definitions-Involving-Aliens> (last visited March 26, 2014).

⁵³ U.S. Citizenship and Immigration Services, *Consideration of Deferred Action for Childhood Arrivals Process*, <http://www.uscis.gov/humanitarian/consideration-deferred-action-childhood-arrivals-process> (last visited March 26, 2014).

⁵⁴ U.S. Citizenship and Immigration Services, *Consideration of Deferred Action for Childhood Arrivals Process*, <http://www.uscis.gov/humanitarian/consideration-deferred-action-childhood-arrivals-process> (last visited March 26, 2014).

State Law on the Extension of In-state Tuition to Undocumented Students or Dependent Children of Undocumented Parents

States Other Than Florida

States vary regarding extending in-state tuition and state financial aid benefits to students who are undocumented aliens.

Fifteen states, California, Colorado, Connecticut, Illinois, Kansas, Maryland, Minnesota, Nebraska, New Jersey, New Mexico, New York, Oregon, Texas, Utah, and Washington extend in-state tuition rates to students who are undocumented aliens and who meet specific requirements.⁵⁵ However, Wisconsin revoked nonresident tuition and fee exemptions for undocumented aliens in 2011.⁵⁶

Oklahoma and Rhode Island provide in-state tuition rates to undocumented students through Board of Regents decisions. In 2013, the University of Hawaii's Board of Regents and the University of Michigan's Board of Regents adopted similar policies for students who are undocumented aliens to get in-state tuition at their institutions.⁵⁷

California, New Mexico, Texas, and Washington allow undocumented aliens to receive state financial aid. Students without legal immigrant status are ineligible for federal financial aid.⁵⁸

Arizona, Georgia, and Indiana specifically prohibit undocumented aliens from getting in-state tuition rates.⁵⁹

Alabama and South Carolina prohibit students who are undocumented aliens from enrolling in public postsecondary institutions.⁶⁰

Florida

Section 1009.21(3)(a), F.S., excludes students from classification as residents for tuition purposes if the student is a dependent child based on the federal income tax code and the student cannot establish his or her parent's legal residency in Florida. The determination of legal residency is not based on a parent's legal presence in the United States but on their duration of residency in the state for a minimum of 12 consecutive months.⁶¹ Therefore, Florida law appears

⁵⁵ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁵⁶ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁵⁷ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁵⁸ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁵⁹ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁶⁰ National Conference of State Legislatures, *Undocumented Student Tuition: Overview* (February 2014), <http://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx> (last visited March 26, 2014).

⁶¹ Section 1009.21(3)(b), F.S. Section 1009.21(1)(d), F.S., defines a legal resident as someone who maintained a Florida residence for the preceding year, purchased a home occupied by him or her as a residence, or established domicile, which requires a person to submit to the clerk a sworn statement that the person is a bona fide resident either residing and

silent regarding whether in-state tuition and state financial aid benefits extend to dependent children of parents who are undocumented aliens.

Florida law authorizes university boards of trustees to waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.⁶² Similarly, school districts and FCS institutions may waive fees for any fee-nonexempt student.⁶³ FCS institutions are also authorized to grant fee exemptions to students.⁶⁴

In 2012, the United States District Court for the Southern District of Florida in *Ruiz v. Robinson* ruled that U.S. citizens who otherwise meet Florida's residency requirements for tuition purposes may not be denied in-state tuition based on their parent's undocumented status for federal immigration purposes.⁶⁵ All of the plaintiffs in the case were United States citizens by virtue of birthright, meaning that they were born in the U.S.⁶⁶ The plaintiffs did not challenge Florida law. Instead, the plaintiffs challenged rules and regulations of the State Board of Education and the Board of Governors which denied in-state tuition to plaintiffs who were financial dependents of undocumented aliens, as the parents could not establish a legal presence in the U.S.⁶⁷ The Court specifically struck down these rules and regulations for violating the Equal Protection Clause of the U.S. Constitution.⁶⁸

Case Law

The U.S. Supreme Court definitively ruled in 1982 that states must provide all students with K-12 public education, regardless of immigration status. The Court ruled that "If the State is to deny a discrete group of innocent children the free public education that it offers to other children residing within its borders, that denial must be justified by a showing that it furthers some substantial state interest. No such showing was made here."⁶⁹ The 1982 U.S. Supreme Court ruling did not extend to postsecondary education.

California provides in-state tuition benefits to students, including undocumented aliens, who meet certain statutory requirements.⁷⁰ The benefit is provided through an exemption from payment of nonresident tuition⁷¹ and has been upheld under federal law⁷² because the benefit is

maintaining a place of abode in the county in which the person intends to maintain as his or her permanent home or that the place of abode is his or her predominant and principal home. Section 222.17(1), (2), and (3), F.S.

⁶² Section 1009.26(9), F.S.

⁶³ Section 1009.26(1), F.S.

⁶⁴ Section 1009.25(2), F.S.

⁶⁵ *Ruiz v. Robinson*, 892 F. Supp. 2d 1321, 1331-1333 (S.D. Fla. 2012).

⁶⁶ *Id.* at 1323-1324.

⁶⁷ FAC 72-1.001(5)(a)3. and 6A-10.044(4).

⁶⁸ *Ruiz*, 892 F.Supp.2d at 1331-1333.

⁶⁹ *Plyler v. Doe*, 457 U.S. 202, 230 (1982) [citation omitted].

⁷⁰ Cal. Educ. Code § 68130.5.

⁷¹ *Id.*

⁷² *Martinez v. The Regents of the Univ. of California*, 241 P.3d 855, 860 (Cal. 2010), cert. denied, 131 S. Ct. 2961 (2011); see also 8 U.S.C. §1623. Federal law states that "[n]otwithstanding any other provision of law, an alien who is not lawfully present in the United States shall not be eligible *on the basis of residence within a State* (or political subdivision) for any postsecondary education benefit unless a citizen or nation of the United States is eligible for such a benefit (in no less amount, duration, and scope) without regard to whether the citizen or national is such a resident." 8 U.S.C. §1623 (italics added).

not based upon residence within the state.⁷³ The requirements to receive the exemption from payment of nonresident tuition are:

- Attendance at a California high school for 3 or more years;
- Graduation from a California high school or attainment of a graduation equivalent;
- Registration as an entering, or currently enrolled, student at an accredited institution of higher education in California; and
- If the student is not a lawful immigrant, the filing of an affidavit with the institution of higher education which states that the student has applied to legalize his or her immigration status, or will apply as soon as he or she is eligible.”⁷⁴

In 2005, a federal district court in Kansas dismissed a lawsuit that challenged the state law regarding in-state tuition benefits for students who are undocumented aliens based on procedural grounds of the plaintiffs’ lack of standing and lack of a private right of action.⁷⁵ In 2007, the Tenth Circuit Court of Appeals affirmed the federal district court’s decision.⁷⁶

Stanley G. Tate Florida Prepaid College Program (Prepaid Program)

The Legislature created the Stanley G. Tate Florida Prepaid College Program (Prepaid Program) in 1987⁷⁷ to provide Florida families affordable means to plan and save for their children’s college education.⁷⁸ The Prepaid Program is administered by the Florida Prepaid College Board (Prepaid Board).⁷⁹ Florida’s families have purchased more than 1.5 million Prepaid Program contracts.⁸⁰

The Prepaid Program provides for the purchase of advance payment contracts for postsecondary education. The contracts, which are financially guaranteed by the State of Florida,⁸¹ lock-in many of the costs associated with enrollment in state universities and Florida College System (FCS) institutions (registration fees, tuition differential fees, local fees, and dormitory fees) at the time such contracts are purchased.⁸² Families may choose from the following:⁸³

- 2-Year Florida College Plan
- 4-Year Florida College Plan

⁷³ *Martinez*, 241 P.3d at 860. The California Supreme Court stated that exemption is not based on residence “[b]ecause the exemption is given to all who have attended high school in California for at least three years (and meet other requirements), and not all who have done so qualify as California residents for purposes of in-state tuition, and further because not all unlawful aliens who would qualify as residents but for their unlawful status are eligible for the exemption, we conclude the exemption is not based on residence in California. Rather, it is based on other criteria. Accordingly, section 68130.5 does not violate section 1623.” *Id.*

⁷⁴ Cal. Educ. Code § 68130.5.

⁷⁵ *Day v. Sebelius*, 376 F. Supp. 2d 1022, 1040 (D. Kan. 2005).

⁷⁶ *Day v. Bond*, 500 F.3d 1127, 1140 (10th Cir. 2007).

⁷⁷ Section 1, ch. 1987-132, L.O.F.; *see also* Florida Prepaid College Board, *Our History*, <http://www.myfloridaprepaid.com/who-we-are/> (last visited March 26, 2014).

⁷⁸ Section 1009.98(1), F.S.

⁷⁹ Section 1009.971(1), F.S.

⁸⁰ Florida Prepaid College Board, *Annual Report* (2012), available at <http://www.myfloridaprepaid.com/wp-content/uploads/2012-annual-report.pdf>, at 1.

⁸¹ Section 1009.98(7), F.S.

⁸² Section 1009.98(2), F.S.

⁸³ Florida Prepaid College Board, *Explore Your Options*, <http://www.myfloridaprepaid.com/what-we-offer/> (last visited March 26, 2014).

- 2+2 Florida Plan
- 4-Year Florida University Plan

A qualified beneficiary⁸⁴ with a Prepaid Plan choosing to attend an out-of-state or private institution may have the full value of the Plan, which would have been paid to a Florida state university or a Florida college for that beneficiary, transferred semester by semester to the private or out-of-state institution.⁸⁵

Each year, the Prepaid Board analyzes the actuarial adequacy of the Prepaid Trust Fund. In order to conduct this analysis, a series of assumptions are made regarding investment yield, tuition increases, tuition differential fee increases, local fee increases, and dormitory fee increases. The result of the analysis is a determination of the actuarial reserve, which means the amount by which the expected value of the assets in the Prepaid Trust Fund exceeds the value of the expected liabilities. The table below shows a recent history of the actuarial reserve.⁸⁶

| Actuarial Information | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 |
| Actuarial Reserve | \$482,626,581 | \$589,408,656 | \$569,458,560 | \$834,449,416 |
| As Percentage of Expected Liabilities | 5.1% | 6.0% | 4.9% | 7.6% |

The Prepaid Plan payment methodology (tuition and fee caps) established for advance payment contracts purchased before July 1, 2009, specifies the amount the Prepaid Board will pay universities for registration and tuition differential increases within a reasonable range based on fund reserve. The table below shows the methodology.⁸⁷

| Registration & Tuition Differential Fee Payment Scenarios | | | | |
|--|---------------|----------------|----------------|--------------|
| Actuarial Reserve, as a Percentage of Expected Liabilities | <5% | 5% - 6% | 6% - 7% | ≥7.5% |
| Prepaid Board Payment to Universities above Fee Assessed Previous Year | 5.5% | 6.0% | 6.5% | 7.0% |

The Prepaid Board pays state universities 5 percent above the amount assessed in the previous fiscal year for local fees and 6 percent above the amount assessed in the previous fiscal year for dormitory fees.⁸⁸

⁸⁴ A qualified beneficiary is a Florida resident at the time a purchaser enters into an advance payment contract on behalf of the resident; a nonresident who is the child of a noncustodial parent who is a Florida resident at the time the parent enters into an advance payment contract for the child; or a graduate of an accredited high school in Florida who is a Florida resident at the time he or she is designated to receive benefits from the advance payment contract. Section 1009.97(3)(f), F.S.

⁸⁵ Florida Prepaid College Board, *Annual Report* (2012), available at <http://www.myfloridaprepaid.com/wp-content/uploads/2012-annual-report.pdf>, at 10.

⁸⁶ State Board of Administration, *2014 Agency Legislative Bill Analysis for SB 732* (February 5, 2013), at 1-2, on file with the Senate Judiciary Committee.

⁸⁷ State Board of Administration, *2014 Agency Legislative Bill Analysis for SB 732* (February 5, 2013), at 2, on file with the Senate Judiciary Committee.

⁸⁸ *Id.*

For advance payment contracts purchased on or after July 1, 2009, for registration, tuition differential, local, and dormitory fees, the Prepaid Board must pay the university the actual amount charged for these fees.⁸⁹ For actuarial planning purposes, the Prepaid Board must price the Plan with the assumption that universities will assess maximum allowable fees each year.

III. Effect of Proposed Changes:

CS/CS/SB 1400 eliminates the automatic annual tuition increases at public postsecondary institutions when the tuition and the out-of-state fee are not otherwise provided in the General Appropriations Act (GAA), reduces the costs of prepaid contracts from the Florida Prepaid Program by reducing the amounts the program will pay to public postsecondary institutions, clarifies the cap on certain state university fees, prohibits state university boards of trustees from establishing or increasing a tuition differential fee unless the institution has been designated as a preeminent state research university by the Board of Governors (BOG), and extends an in-state tuition benefit to students who meet certain conditions. As a result, the bill makes postsecondary education less costly providing tuition and fee benefits.

Tuition and Fees

The bill codifies the public postsecondary tuition and out-of-state fee levels for the 2014-2015 academic year and eliminates the automatic annual increase in tuition and fees based on the rate of inflation.

Workforce Education Postsecondary Fees

For programs leading to a career certificate or applied technology diploma, the bill updates the standard tuition for residents and nonresidents from \$2.22 to \$2.33 per contact hour, and the out-of-state fee from \$6.66 to \$6.99 per contact hour and eliminates the out-of-state fees for adult general education programs at postsecondary workforce education and Florida College System institutions. The bill establishes the tuition and out-of-state fee amounts effective July 1, 2014 and eliminates statutory provisions annually increasing these amounts by the rate of inflation when not otherwise provided in the GAA.

Florida College System Institution Student Fees

For advanced and professional, postsecondary vocational, developmental education, and educator preparation institute programs, the bill updates the standard tuition from \$68.56 to \$71.98 per credit hour for residents and nonresidents, and the out-of-state fee from \$205.82 to \$215.94 per credit hour. For baccalaureate degree programs, the bill changes tuition from \$87.42 to \$91.79 per credit hour for residents. The bill establishes the tuition and out-of-state fee amounts effective July 1, 2014 and eliminates statutory provisions annually increasing these amounts by the rate of inflation when not otherwise provided in the GAA.

State University Student Fees

For resident undergraduate tuition at state universities, the bill updates the standard tuition for residents from \$103.32 to \$105.07 per credit hour. The bill eliminates the automatic annual

⁸⁹ *Id.*

increases in tuition based on inflation when not otherwise provided in the GAA, and effective July 1, 2014, prohibits state university boards of trustees from establishing or increasing tuition differential fees for undergraduate courses⁹⁰ unless the institution has been designated as a preeminent state research university by the BOG. Current tuition differential fees will remain in place.

Each state university system institution designated as a preeminent state research university by the BOG pursuant to s. 1001.7065, may increase the aggregate sum of tuition and the tuition differential fee by no more than six percent of the total charged for the aggregate sum of tuition and the tuition differential if the university meets or exceeds each performance standard target established annually by the BOG for the following performance standards:

- The increase in the 6-year graduation rate for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System;
- The increase in the total annual research expenditures; and
- The increase in the total patents awarded by the United States Patent and Trademark Office for the most recent years.

Meeting or exceeding each of those performance targets will amount to no more than a 2 percent increase in tuition differential.

Tuition Assistance

In-State Tuition for U.S. Citizens Whose Parents Are Undocumented Aliens

The bill codifies a 2012 court ruling regarding residency classification of students who are U.S. citizens but whose parents are undocumented aliens by extending an in-state tuition benefit to these students. Again, this change may be clarifying in nature, as the BOG has already changed the challenged regulations that prohibited these students from getting the status of in-state residents for tuition purposes. Still, the change makes the statute consistent with the *Ruiz* holding and current BOG regulations.⁹¹

In-State Tuition for Students Who Are Undocumented Aliens

The bill creates an in-state tuition benefit for students, including but not limited to those who are undocumented aliens and who meet certain conditions by waiving the out-of-state fees. This means that undocumented aliens who otherwise qualify will essentially pay the same in-state tuition and fees as qualifying students who are not undocumented aliens. Eligible undocumented students may use this benefit at public state universities, Florida College System institutions, career centers, and charter technical career centers.

To receive an out-of-state tuition and fee waiver, students, including but not limited to those who are undocumented for federal immigration purposes, must:

- Attend a secondary school in Florida, which is not the Florida Virtual School Global, for 3 consecutive years immediately before graduating from a high school in Florida;
- Enroll in an institution of higher education within 24 months after high school graduation;

⁹⁰ Section 1009.24(16)(d), F.S.

⁹¹ *Ruiz v. Robinson*, 892 F. Supp. 2d 1321, 1331-1333 (S.D. Fla. 2012).

- Submit an official Florida high school transcript as evidence of attendance and graduation; and
- Submit a notarized affidavit stating that the student has filed an application to legalize his or her federal immigration status or will file an application as soon as he or she is eligible to do so.

State universities, FCS institutions, career centers and charter technical career centers must report the number and value of all fee waivers granted annually to the BOG and the SBE.

The bill also clarifies that students who are undocumented for federal immigration purposes are ineligible for state financial aid.

Currently, the BOG requires that the nonresident student enrollment not exceed 10 percent of the total state university systemwide student enrollment.⁹² The bill requires the BOG and the SBE to annually certify in their legislative budget requests that the percentage of resident students enrolled systemwide is at least the same as 2013-2014 resident student enrollment systemwide. In Fall 2012, nonresident student enrollment ranged from 18 percent at the University of Florida to three percent at the University of North Florida and University of South Florida Sarasota-Manatee and St. Petersburg campuses. Systemwide, 91 percent of students enrolled in state universities in Fall 2012 were residents while the remaining 9 percent of enrolled students were nonresidents.⁹³ By preventing an increase in the proportion of state residents, this requirement is expected to keep costs stable for the state and the higher education institutions.

Combat-decorated Recipients

Current law waives tuition at state universities or Florida College System institutions for Purple Heart and other qualifying combat-decorated veterans. The bill extends the tuition waiver by making it applicable to career centers operated by a school district and charter technical career centers.

Stanley G. Tate Florida Prepaid College Program (Prepaid Program)

The bill specifies that for an advance payment contract purchased before July 1, 2024, the amount assessed and paid by the Florida Prepaid College Board (Prepaid Board) to the state universities will follow the methodology previously utilized by the Prepaid Board for contracts purchased prior to July 1, 2009.

| Registration & Tuition Differential Fee Payment Scenarios | | | | |
|--|---------------|----------------|----------------|--------------|
| Actuarial Reserve, as a Percentage of Expected Liabilities | <5% | 5% - 6% | 6% - 7% | ≥7.5% |
| Prepaid Board Payment to Universities above Fee Assessed Previous Year | 5.5% | 6.0% | 6.5% | 7.0% |

⁹² Florida Board of Governors Regulation 7.006.

⁹³ Email, Board of Governors of the State University System of Florida (February 13, 2014), on file with the Committee on Education.

The bill also limits the amount that the Prepaid Program pays state universities for registration, tuition differential, and local fees to 100 percent of the aggregate sum of the amount charged for those fees and limits dormitory fees paid by the Prepaid Program to the actual amount charged for that fee.

The bill provides an effective date of July 1, 2014.

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:

Tuition and Fees

CS/CS/SB 1400 eliminates the automatic annual increases in tuition and fees when not otherwise provided in the GAA based on the rate of inflation for workforce education programs, degree programs offered by the Florida College System (FCS) institutions, and resident undergraduate tuition per credit hour at state universities which will result in cost savings to students. Still, the Legislature may consider inflation rates in setting tuition in the future. The bill also eliminates the out-of-state fee for adult general education programs at postsecondary workforce education and Florida College System institutions.

Tuition Assistance

The bill provides an in-state tuition benefit to Florida's students who are undocumented aliens resulting in significant cost savings for these students and their families. Under the bill, students who are undocumented aliens will pay in-state tuition and fees.

For the 2013-2014 academic year, the average State University System undergraduate cost for tuition and fees for two semesters is \$6,155 for residents and \$21,434 for non-

residents.⁹⁴ Therefore, this out-of-state fee waiver could save an eligible, undocumented immigrant student at a state university approximately \$14,876 per academic year.

For the same period, the Florida College System reports the average cost for two semesters is approximately \$3,124 for residents enrolled in lower-level credit programs and \$11,531 for non-residents. For residents enrolled in the upper-level credit programs the cost for two semesters is \$3,585 and \$15,400 for non-residents.⁹⁵ Therefore, this out-of-state fee waiver could save an eligible, undocumented immigrant student at a Florida College System institution approximately \$8,407 per academic year for lower-level credit programs and \$11,815 per academic year for upper-level credit programs.

For the 2013-2014 academic year, the average district technical center cost for tuition and fees for a full-time equivalent student⁹⁶ is \$2,443 for residents, and \$9,710 for non-residents.⁹⁷ Under this bill, eligible undocumented immigrant students could save approximately \$7,267 per academic year at district technical centers. The bill also eliminates the out-of-state fee for adult general education programs at postsecondary workforce education and Florida College System institutions saving each non-resident \$90 per half year or \$60 per term.

Additionally, resident recipients of a Purple Heart and other combat decorations enrolled at a technical centers will not have to pay tuition, ultimately saving them approximately \$2,443 per academic year at district technical centers.

Stanley G. Tate Florida Prepaid College Program

The Florida Prepaid College Board (Prepaid Board) estimates that the bill will reduce the cost for individuals to purchase Florida Prepaid College Program (Prepaid Program) contracts. The new lump-sum price for the 4-Year Florida University Plan would be reduced by approximately \$10,000,⁹⁸ from \$53,729 to less than \$43,000.⁹⁹ Over 26,000 Florida families who purchased plans at higher prices in recent years would be entitled to refunds of approximately \$50 million. In addition, future monthly payments would be reduced for those purchasing a Prepaid Program contract and paying on a monthly basis. For example, a Florida family that enrolled a newborn during the 2012-2013 open enrollment for the Prepaid Program in a 4-Year Florida University Plan is currently paying \$332 per month under the monthly payment option.¹⁰⁰ These monthly payments

⁹⁴ Board of Governors of the State University System of Florida, *Public Colleges and Universities of Florida, Tuition and Required Fees, 2013-14 for New Students in Main Campus*, <http://www.flbog.edu/about/budget/current.php> (select the Excel link for “2013-2014 Fees”) (last visited March 26, 2014) (noting that the calculation is for students who are full-time taking 30 credit hours).

⁹⁵ Data provided by the Division of Florida Colleges (on file with Senate Appropriations Subcommittee on Education).

⁹⁶ Full-time equivalent is defined as 900 instructional hours in a certificate program.

⁹⁷ Data provided by the Division of Career and Adult Education (on file with the Senate Appropriations Subcommittee on Education).

⁹⁸ State Board of Administration, *2014 Agency Legislative Bill Analysis for SB 732* (February 5, 2013), at 3, on file with the Committee on Education staff.

⁹⁹ Email, Florida Prepaid College Board (January 15, 2014), on file with Committee on Education.

¹⁰⁰ Email, Florida Prepaid College Board (January 15, 2014), on file with Committee on Education.

are estimated to drop to \$255 per payment, a savings of over \$75 per month for 223 months¹⁰¹ totaling approximately \$17,000 over the life of the contract.

C. Government Sector Impact:

Tuition and Fees

With the elimination of automatic annual increases in tuition and out-of-state fees based on inflation, Florida's public postsecondary institutions will not receive an automatic annual increase in revenue from tuition and fees.

The bill prohibits state university boards of trustees from establishing or increasing tuition differential fees for undergraduate courses unless the institution has been designated as a preeminent state research university by the Board of Governors (BOG). Since the implementation of the tuition differential in Fiscal Year 2008-2009, it has been utilized every fiscal year with the exception of Fiscal Year 2013-2014. The system wide average increase in the differential fee has ranged from zero to 13 percent.¹⁰²

Eliminating the ability for some institutions to assess a differential fee could potentially result in approximately \$83.1 million annually in forgone revenues for those institutions. Reducing the percentage by which the institutions that have been designated by the BOG as preeminent may increase the aggregate sum of tuition and the tuition differential fee from 15 percent to 6 percent could potentially result in \$24.6 million in forgone revenues annually.

Additionally, the bill eliminates the out-of-state fee for adult general education programs at postsecondary workforce education and Florida College System institutions. This will result in a loss of fee revenue of \$90 of the \$135 previously charged per half year per student, and \$60 of the \$90 previously charged per term per student.

Tuition Assistance

The bill clarifies that U.S. citizens who are dependent children of parents who are undocumented aliens will be classified as in-state residents for tuition and fee purposes, if that was the sole reason they may have been denied in-state tuition rates. This language is not expected to have a fiscal impact on public postsecondary institutions and career centers, as these students already have been extended this benefit because of the 2012 *Ruiz* ruling.

The bill makes students, including but not limited to those who are undocumented immigrants, eligible for out-of-state fee waivers, provided that they meet certain, specified requirements. The fiscal impact of this bill on state universities¹⁰³, FCS

¹⁰¹ Email, Florida Prepaid College Board (January 15, 2014), on file with Committee on Education.

¹⁰² Data provided by the Board of Governors (on file with the Senate Appropriations Subcommittee on Education).

¹⁰³ Board of Governors, State University System of Florida, *2014 Legislative Bill Analysis*, CS/SB 1400, pg. 6 (April 7, 2014).

institutions, and technical centers is negative, but the amount is unknown and indeterminate.

Resident Purple Heart recipients and other qualifying combat-decorated veterans will not have to pay tuition at technical centers. The fiscal impact is estimated at \$2,443 per academic year per recipient.

Stanley G. Tate Florida Prepaid College Program

For advance payment contracts purchased on or after July 1, 2009, with regard to tuition and tuition differential fees, the Prepaid Board must pay a state university the actual amount charged for these fees. For actuarial planning purposes, the Prepaid Board must price the Prepaid Plan with the assumption that universities will assess the maximum allowable fee increase of 15 percent each year. This has led to higher costs for the 4-Year Florida University Plan and 2+2 Florida Plan.¹⁰⁴ Because this bill limits the amount the Prepaid Board must pay state universities, the Prepaid Board will be able to reduce the prices for the 4-Year Florida University Plan and 2+2 Florida Plan.

The fiscal impact of the bill on state universities is indeterminate; it may reduce tuition fees, tuition differential fees, local fees, and dormitory fees that will be paid by the Prepaid Board to the state universities on behalf of qualified beneficiaries of Prepaid Program plans purchased prior to July 1, 2024.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following section of the Florida Statutes: 1009.22, 1009.23, 1009.24, 1009.26, and 1009.98.

This bill creates an undesignated section of Florida law.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS Appropriations Subcommittee on Education on April 9, 2014:

The committee substitute maintains the original substance of CS/SB 1400 regarding postsecondary tuition and fee provisions, with the following modifications:

¹⁰⁴ Email, Florida Prepaid College Board (February 5, 2014), on file with Committee on Education.

- Eliminates the out-of-state fee for adult general education programs at postsecondary workforce education institutions.
- Updates statutorily set tuition and fees for state university undergraduate base tuition.
- Allows state university boards of trustees of institutions that have been designated as preeminent state research universities by the Board of Governors (BOG) to establish and increase the tuition differential fee for undergraduate courses, provided they meet or exceed certain performance standards as determined by the BOG and receive approval for the increase, which is not to exceed 6 percent.
- Clarifies the conditions that must be met before students, including but not limited to those who are undocumented for federal immigration purposes, may receive a waiver of out-of-state fees.

CS by Education on March 18, 2014:

The committee substitute maintains the original substance of SB 1400, regarding public postsecondary tuition and fee provisions, with the following modifications:

- Extends an in-state tuition benefit to students who are undocumented aliens through an out-of-state fee waiver approach rather than a residency classification for tuition purposes approach, and clarifies that such students are not eligible for state financial aid.
- Expands tuition waiver benefit for Purple Heart and other combat decoration recipients enrolled at a state university or a FCS institution to also apply to Purple Heart and other combat decoration recipients enrolled at a career center operated by a school district or charter technical career center.
- Clarifies that the cap on the aggregate sum the Prepaid Program pays state universities for registration, tuition differential, local fees, and dormitory fees, under the bill, apply to advance payment contracts purchased before July 1, 2024.
- Codifies the 2012 United States District Court for the Southern District of Florida ruling that U.S. citizens, who would otherwise meet Florida's residency requirements for tuition purposes but for their status as dependents and their parents' undocumented immigration status, may not be denied in-state tuition benefits based upon their parents' undocumented immigration status.

B. Amendments:

None.



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LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Legg) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraphs (c) through (g) of subsection (3) of
section 1009.22, Florida Statutes, are amended to read:

1009.22 Workforce education postsecondary student fees.—
(3)

(c) Effective July 1, 2014 ~~2011~~, for programs leading to a
career certificate or an applied technology diploma, the



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11 standard tuition shall be \$2.33 ~~\$2.22~~ per contact hour for
12 residents and nonresidents and the out-of-state fee shall be
13 \$6.99 ~~\$6.66~~ per contact hour. For adult general education
14 programs, a block tuition of \$45 per half year or \$30 per term
15 shall be assessed for residents and nonresidents, and the out-
16 of-state fee shall be \$135 per half year or \$90 per term. Each
17 district school board and Florida College System institution
18 board of trustees shall adopt policies and procedures for the
19 collection of and accounting for the expenditure of the block
20 tuition. All funds received from the block tuition shall be used
21 only for adult general education programs. Students enrolled in
22 adult general education programs may not be assessed the fees
23 authorized in subsection (5), subsection (6), or subsection (7).

24 ~~(d) Beginning with the 2008-2009 fiscal year and each year~~
25 ~~thereafter, the tuition and the out-of-state fee per contact~~
26 ~~hour shall increase at the beginning of each fall semester at a~~
27 ~~rate equal to inflation, unless otherwise provided in the~~
28 ~~General Appropriations Act. The Office of Economic and~~
29 ~~Demographic Research shall report the rate of inflation to the~~
30 ~~President of the Senate, the Speaker of the House of~~
31 ~~Representatives, the Governor, and the State Board of Education~~
32 ~~each year prior to March 1. For purposes of this paragraph, the~~
33 ~~rate of inflation shall be defined as the rate of the 12-month~~
34 ~~percentage change in the Consumer Price Index for All Urban~~
35 ~~Consumers, U.S. City Average, All Items, or successor reports as~~
36 ~~reported by the United States Department of Labor, Bureau of~~
37 ~~Labor Statistics, or its successor for December of the previous~~
38 ~~year. In the event the percentage change is negative, the~~
39 ~~tuition and out-of-state fee shall remain at the same level as~~



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40 ~~the prior fiscal year.~~

41 ~~(d)(e)~~ Each district school board and each Florida College
42 System institution board of trustees may adopt tuition and out-
43 of-state fees that may vary no more than 5 percent below and 5
44 percent above the combined total of the standard tuition and
45 out-of-state fees established in paragraph (c).

46 ~~(e)(f)~~ The maximum increase in resident tuition for any
47 school district or Florida College System institution during the
48 2007-2008 fiscal year shall be 5 percent over the tuition
49 charged during the 2006-2007 fiscal year.

50 ~~(f)(g)~~ The State Board of Education may adopt, by rule, the
51 definitions and procedures that district school boards and
52 Florida College System institution boards of trustees shall use
53 in the calculation of cost borne by students.

54 Section 2. Subsection (3) of section 1009.23, Florida
55 Statutes, is amended to read:

56 1009.23 Florida College System institution student fees.—

57 (3) (a) Effective July 1, 2014 ~~2011~~, for advanced and
58 professional, postsecondary vocational, developmental education,
59 and educator preparation institute programs, the standard
60 tuition shall be \$71.98 ~~\$68.56~~ per credit hour for residents and
61 nonresidents, and the out-of-state fee shall be \$215.94 ~~\$205.82~~
62 per credit hour.

63 (b) Effective July 1, 2014 ~~2011~~, for baccalaureate degree
64 programs, the following tuition and fee rates shall apply:

65 1. The tuition shall be \$91.79 ~~\$87.42~~ per credit hour for
66 students who are residents for tuition purposes.

67 2. The sum of the tuition and the out-of-state fee per
68 credit hour for students who are nonresidents for tuition



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69 purposes shall be no more than 85 percent of the sum of the
70 tuition and the out-of-state fee at the state university nearest
71 the Florida College System institution.

72 ~~(c) Beginning with the 2008-2009 fiscal year and each year~~
73 ~~thereafter, the tuition and the out-of-state fee shall increase~~
74 ~~at the beginning of each fall semester at a rate equal to~~
75 ~~inflation, unless otherwise provided in the General~~
76 ~~Appropriations Act. The Office of Economic and Demographic~~
77 ~~Research shall report the rate of inflation to the President of~~
78 ~~the Senate, the Speaker of the House of Representatives, the~~
79 ~~Governor, and the State Board of Education each year prior to~~
80 ~~March 1. For purposes of this paragraph, the rate of inflation~~
81 ~~shall be defined as the rate of the 12-month percentage change~~
82 ~~in the Consumer Price Index for All Urban Consumers, U.S. City~~
83 ~~Average, All Items, or successor reports as reported by the~~
84 ~~United States Department of Labor, Bureau of Labor Statistics,~~
85 ~~or its successor for December of the previous year. In the event~~
86 ~~the percentage change is negative, the tuition and the out-of-~~
87 ~~state fee per credit hour shall remain at the same levels as the~~
88 ~~prior fiscal year.~~

89 Section 3. Paragraphs (a), (b), and (e) of subsection (4)
90 and paragraph (b) of subsection (16) of section 1009.24, Florida
91 Statutes, are amended, to read:

92 1009.24 State university student fees.—

93 (4) (a) Effective July 1, 2014 ~~2011~~, the resident
94 undergraduate tuition for lower-level and upper-level coursework
95 shall be \$105.07 ~~\$103.32~~ per credit hour.

96 ~~(b) Beginning with the 2008-2009 fiscal year and each year~~
97 ~~thereafter, the resident undergraduate tuition per credit hour~~



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98 ~~shall increase at the beginning of each fall semester at a rate~~
99 ~~equal to inflation, unless otherwise provided in the General~~
100 ~~Appropriations Act. The Office of Economic and Demographic~~
101 ~~Research shall report the rate of inflation to the President of~~
102 ~~the Senate, the Speaker of the House of Representatives, the~~
103 ~~Governor, and the Board of Governors each year prior to March 1.~~
104 ~~For purposes of this paragraph, the rate of inflation shall be~~
105 ~~defined as the rate of the 12-month percentage change in the~~
106 ~~Consumer Price Index for All Urban Consumers, U.S. City Average,~~
107 ~~All Items, or successor reports as reported by the United States~~
108 ~~Department of Labor, Bureau of Labor Statistics, or its~~
109 ~~successor for December of the previous year. In the event the~~
110 ~~percentage change is negative, the resident undergraduate~~
111 ~~tuition shall remain at the same level as the prior fiscal year.~~

112 (d) ~~(e)~~ The sum of the activity and service, health, and
113 athletic fees a student is required to pay to register for a
114 course may ~~shall~~ not exceed 40 percent of the tuition
115 established in law or in the General Appropriations Act. No
116 university shall be required to lower any fee in effect on the
117 effective date of this act in order to comply with this
118 subsection. Within the 40 percent cap, universities may not
119 increase the aggregate sum of activity and service, health, and
120 athletic fees more than 5 percent per year, ~~or the same~~
121 ~~percentage increase in tuition authorized under paragraph (b),~~
122 ~~whichever is greater,~~ unless specifically authorized in law or
123 in the General Appropriations Act. A university may increase its
124 athletic fee to defray the costs associated with changing
125 National Collegiate Athletic Association divisions. Any such
126 increase in the athletic fee may exceed both the 40 percent cap



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127 and the 5 percent cap imposed by this subsection. Any such
128 increase must be approved by the athletic fee committee in the
129 process outlined in subsection (12) and may not ~~cannot~~ exceed \$2
130 per credit hour. Notwithstanding ~~the provisions of~~ ss. 1009.534,
131 1009.535, and 1009.536, that portion of any increase in an
132 athletic fee pursuant to this subsection which ~~that~~ causes the
133 sum of the activity and service, health, and athletic fees to
134 exceed the 40 percent cap or the annual increase in such fees to
135 exceed the 5 percent cap may ~~shall~~ not be included in
136 calculating the amount a student receives for a Florida Academic
137 Scholars award, a Florida Medallion Scholars award, or a Florida
138 Gold Seal Vocational Scholars award. Notwithstanding this
139 paragraph and subject to approval by the board of trustees, each
140 state university may ~~is authorized to~~ exceed the 5 percent ~~5-~~
141 ~~percent~~ cap on the annual increase to the aggregate sum of
142 activity and service, health, and athletic fees for the 2010-
143 2011 fiscal year. Any such increase may ~~shall~~ not exceed 15
144 percent or the amount required to reach the 2009-2010 fiscal
145 year statewide average for the aggregate sum of activity and
146 service, health, and athletic fees at the main campuses,
147 whichever is greater. The aggregate sum of the activity and
148 service, health, and athletic fees may ~~shall~~ not exceed 40
149 percent of tuition. Any increase in the activity and service
150 fee, health fee, or athletic fee must be approved by the
151 appropriate fee committee pursuant to subsection (10),
152 subsection (11), or subsection (12).

153 (16) Each university board of trustees may establish a
154 tuition differential for undergraduate courses upon receipt of
155 approval from the Board of Governors. The tuition differential



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156 shall promote improvements in the quality of undergraduate
157 education and shall provide financial aid to undergraduate
158 students who exhibit financial need.

159 (b) Each tuition differential is subject to the following
160 conditions:

161 1. The tuition differential may be assessed on one or more
162 undergraduate courses or on all undergraduate courses at a state
163 university.

164 2. The tuition differential may vary by course or courses,
165 campus or center location, and by institution. Each university
166 board of trustees shall strive to maintain and increase
167 enrollment in degree programs related to math, science, high
168 technology, and other state or regional high-need fields when
169 establishing tuition differentials by course.

170 3. For each state university that is designated as a
171 preeminent state research university by the Board of Governors,
172 pursuant to s. 1001.7065, that has total research and
173 development expenditures for all fields of at least \$100 million
174 per year as reported annually to the National Science
175 Foundation, the aggregate sum of tuition and the tuition
176 differential may ~~not~~ be increased by no more than 6 ~~15~~ percent
177 of the total charged for the aggregate sum of these fees in the
178 preceding fiscal year if the university meets or exceeds each
179 performance standard target for that university established
180 annually by the Board of Governors for the following performance
181 standards, each amounting to no more than a 2 percent increase
182 in tuition differential:

183 a. Increase in the 6-year graduation rate for full-time,
184 first-time-in-college students, as reported annually to the



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185 Integrated Postsecondary Education Data System;
186 b. Increase in the total annual research expenditures; and
187 c. Increase in the total patents awarded by the United
188 States Patent and Trademark Office for the most recent years.
189 ~~For each state university that has total research and~~
190 ~~development expenditures for all fields of less than \$100~~
191 ~~million per year as reported annually to the National Science~~
192 ~~Foundation, the aggregate sum of tuition and the tuition~~
193 ~~differential may not be increased by more than 15 percent of the~~
194 ~~total charged for the aggregate sum of these fees in the~~
195 ~~preceding fiscal year.~~
196 4. The aggregate sum of undergraduate tuition and fees per
197 credit hour, including the tuition differential, may not exceed
198 the national average of undergraduate tuition and fees at 4-year
199 degree-granting public postsecondary educational institutions.
200 5. The tuition differential shall not be included in any
201 award under the Florida Bright Futures Scholarship Program
202 established pursuant to ss. 1009.53-1009.538.
203 6. Beneficiaries having prepaid tuition contracts pursuant
204 to s. 1009.98(2)(b) which were in effect on July 1, 2007, and
205 which remain in effect, are exempt from the payment of the
206 tuition differential.
207 7. The tuition differential may not be charged to any
208 student who was in attendance at the university before July 1,
209 2007, and who maintains continuous enrollment.
210 8. The tuition differential may be waived by the university
211 for students who meet the eligibility requirements for the
212 Florida public student assistance grant established in s.
213 1009.50.



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214 9. Subject to approval by the Board of Governors, the
215 tuition differential authorized pursuant to this subsection may
216 take effect with the 2009 fall term.

217 Section 4. Subsection (8) of section 1009.26, Florida
218 Statutes, is amended, and subsection (12) is added to that
219 section, to read:

220 1009.26 Fee waivers.—

221 (8) A state university, a ~~or~~ Florida College System
222 institution, a career center operated by a school district under
223 s. 1001.44, or a charter technical career center shall waive
224 undergraduate tuition for each recipient of a Purple Heart or
225 another combat decoration superior in precedence who:

226 (a) Is enrolled as a full-time, part-time, or summer-school
227 student in an undergraduate program that terminates in a degree
228 or certificate;

229 (b) Is currently, and was at the time of the military
230 action that resulted in the awarding of the Purple Heart or
231 other combat decoration superior in precedence, a resident of
232 this state; and

233 (c) Submits to the state university or the Florida College
234 System institution the DD-214 form issued at the time of
235 separation from service as documentation that the student has
236 received a Purple Heart or another combat decoration superior in
237 precedence. If the DD-214 is not available, other documentation
238 may be acceptable if recognized by the United States Department
239 of Defense or the United States Department of Veterans Affairs
240 as documenting the award.

241
242 Such a waiver for a Purple Heart recipient or recipient of



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243 another combat decoration superior in precedence shall be
244 applicable for 110 percent of the number of required credit
245 hours of the degree or certificate program for which the student
246 is enrolled.

247 (12) (a) A state university, a Florida College System
248 institution, a career center operated by a school district under
249 s. 1001.44, or a charter technical career center shall waive
250 out-of-state fees for students, including but not limited to
251 students who are undocumented for federal immigration purposes,
252 who meet the following conditions:

253 1. Attended a secondary school in this state, which is not
254 the Florida Virtual School Global, for 3 consecutive years
255 immediately before graduating from a high school in this state;

256 2. Enrolled in a degree or certificate program at an
257 institution of higher education within 24 months after high
258 school graduation; and

259 3. Submitted an official Florida high school transcript as
260 evidence of attendance and graduation.

261 (b) In the case of a student who is undocumented for
262 federal immigration purposes, the student must, in addition to
263 meeting the requirements of paragraph (a), submit to the
264 institution of higher education a notarized affidavit stating
265 that the student has filed an application to legalize his or her
266 federal immigration status or will file an application as soon
267 as he or she is eligible to do so.

268 (c) Tuition and fees charged to a student who qualifies for
269 the out-of-state fee waiver under this subsection may not exceed
270 the tuition and fees charged to a resident student. The waiver
271 is applicable for 110 percent of the required credit hours of



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272 the degree or certificate program for which the student is
273 enrolled. Each state university, Florida College System
274 institution, career center operated by a school district under
275 s. 1001.44, and charter technical career center shall report to
276 the Board of Governors and the State Board of Education,
277 respectively, the number and value of all fee waivers granted
278 annually under this subsection. The Board of Governors for the
279 state universities and the State Board of Education for Florida
280 College System institutions, career centers operated by a school
281 district under s. 1001.44, and charter technical career centers
282 shall annually certify within their legislative budget requests
283 that the percentage of resident students enrolled systemwide is
284 at least the same as the 2013-2014 resident student enrollment
285 systemwide.

286 (d) A student who is granted an out-of-state fee waiver
287 under this subsection is not eligible for state financial aid
288 under part III of chapter 1009.

289 Section 5. Subsection (10) of section 1009.98, Florida
290 Statutes, is amended to read:

291 1009.98 Stanley G. Tate Florida Prepaid College Program.—

292 (10) PAYMENTS ON BEHALF OF QUALIFIED BENEFICIARIES.—

293 (a) As used in this subsection, the term:

294 1. "Actuarial reserve" means the amount by which the
295 expected value of the assets exceeds ~~exceed~~ the expected value
296 of the liabilities of the trust fund.

297 2. "Dormitory fees" means the fees included under advance
298 payment contracts pursuant to paragraph (2)(d).

299 3. "Fiscal year" means the fiscal year of the state
300 pursuant to s. 215.01.



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301 4. "Local fees" means the fees covered by an advance
302 payment contract provided pursuant to subparagraph (2) (b)2.

303 5. "Tuition differential" means the fee covered by advance
304 payment contracts sold pursuant to subparagraph (2) (b)3. The
305 base rate for the tuition differential fee for the 2012-2013
306 fiscal year is established at \$37.03 per credit hour. The base
307 rate for the tuition differential in subsequent years is the
308 amount assessed ~~paid by the board~~ for the tuition differential
309 for the preceding year adjusted pursuant to subparagraph (b)2.

310 (b) Effective with the 2009-2010 academic year and
311 thereafter, and notwithstanding the provisions of s. 1009.24,
312 the amount paid by the board to any state university on behalf
313 of a qualified beneficiary of an advance payment contract whose
314 contract was purchased before July 1, 2024 ~~2009~~, shall be:

315 1. As to registration fees, if the actuarial reserve is
316 less than 5 percent of the expected liabilities of the trust
317 fund, the board shall pay the state universities 5.5 percent
318 above the amount assessed for registration fees in the preceding
319 fiscal year. If the actuarial reserve is between 5 percent and 6
320 percent of the expected liabilities of the trust fund, the board
321 shall pay the state universities 6 percent above the amount
322 assessed for registration fees in the preceding fiscal year. If
323 the actuarial reserve is between 6 percent and 7.5 percent of
324 the expected liabilities of the trust fund, the board shall pay
325 the state universities 6.5 percent above the amount assessed for
326 registration fees in the preceding fiscal year. If the actuarial
327 reserve is equal to or greater than 7.5 percent of the expected
328 liabilities of the trust fund, the board shall pay the state
329 universities 7 percent above the amount assessed for



330 registration fees in the preceding fiscal year, whichever is
331 greater.

332 2. As to the tuition differential, if the actuarial reserve
333 is less than 5 percent of the expected liabilities of the trust
334 fund, the board shall pay the state universities 5.5 percent
335 above the base rate for the tuition differential fee in the
336 preceding fiscal year. If the actuarial reserve is between 5
337 percent and 6 percent of the expected liabilities of the trust
338 fund, the board shall pay the state universities 6 percent above
339 the base rate for the tuition differential fee in the preceding
340 fiscal year. If the actuarial reserve is between 6 percent and
341 7.5 percent of the expected liabilities of the trust fund, the
342 board shall pay the state universities 6.5 percent above the
343 base rate for the tuition differential fee in the preceding
344 fiscal year. If the actuarial reserve is equal to or greater
345 than 7.5 percent of the expected liabilities of the trust fund,
346 the board shall pay the state universities 7 percent above the
347 base rate for the tuition differential fee in the preceding
348 fiscal year.

349 3. As to local fees, the board shall pay the state
350 universities 5 percent above the amount assessed for local fees
351 in the preceding fiscal year.

352 4. As to dormitory fees, the board shall pay the state
353 universities 6 percent above the amount assessed for dormitory
354 fees in the preceding fiscal year.

355 5. Qualified beneficiaries of advance payment contracts
356 purchased before July 1, 2007, are exempt from paying any
357 tuition differential fee.

358 (c) Notwithstanding the amount assessed for registration



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359 fees, the tuition differential fee, or local fees, the amount
360 paid by the board to any state university on behalf of a
361 qualified beneficiary of an advance payment contract purchased
362 before July 1, 2024, may not exceed 100 percent of the amount
363 charged by the state university for the aggregate sum of those
364 fees.

365 (d) Notwithstanding the amount assessed for dormitory fees,
366 the amount paid by the board to any state university on behalf
367 of a qualified beneficiary of an advance payment contract
368 purchased before July 1, 2024, may not exceed 100 percent of the
369 amount charged by the state university for dormitory fees.

370 (e) ~~(e)~~ The board shall pay state universities the actual
371 amount assessed in accordance with law for registration fees,
372 the tuition differential, local fees, and dormitory fees for
373 advance payment contracts purchased on or after July 1, 2024
374 2009.

375 (f) ~~(d)~~ The board shall annually evaluate or cause to be
376 evaluated the actuarial soundness of the trust fund.

377 Section 6. A dependent child who is a citizen of the United
378 States of America may not be denied residency classification for
379 tuition purposes based solely on the parent's undocumented
380 immigration status. All applicable laws apply.

381 Section 7. This act shall take effect July 1, 2014.

382
383 ===== T I T L E A M E N D M E N T =====

384 And the title is amended as follows:

385 Delete everything before the enacting clause
386 and insert:

387 An act relating to postsecondary student tuition;



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388 amending ss. 1009.22 and 1009.23, F.S.; revising the
389 standard tuition and out-of-state fees for workforce
390 education postsecondary programs leading to certain
391 certificates and diplomas and certain other programs
392 at Florida College System institutions; deleting a
393 provision relating to an increase in tuition and out-
394 of-state fees at a rate equal to inflation; deleting a
395 requirement that the Office of Economic and
396 Demographic Research annually report the rate of
397 inflation to the Governor, the Legislature, and the
398 State Board of Education; deleting the definition of
399 the term "rate of inflation"; amending s. 1009.24,
400 F.S.; revising the resident undergraduate tuition for
401 lower-level and upper-level coursework; deleting a
402 provision related to an increase of the resident
403 undergraduate tuition at state universities at a rate
404 equal to inflation; deleting the requirement of the
405 Office of Economic and Demographic Research to
406 annually report the rate of inflation to the Governor,
407 the Legislature, and the Board of Governors; deleting
408 the definition of the term "rate of inflation";
409 conforming provisions to changes made by the act;
410 authorizing a state university board of trustees to
411 increase the aggregate sum of tuition and tuition
412 differential for up to 6 percent of the total charged
413 for the aggregate sum of such fees in the preceding
414 year if the state university if the university meets
415 the specified conditions; amending s. 1009.26, F.S.;
416 requiring a state university, a Florida College System



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417 institution, a career center operated by a school
418 district, or a charter technical career center to
419 waive undergraduate tuition for a recipient of a
420 Purple Heart or another combat decoration superior in
421 precedence under certain conditions; requiring a state
422 university, a Florida College System institution, a
423 career center operated by a school district, and a
424 charter technical career center to waive out-of-state
425 fees for certain students who meet specified
426 conditions; requiring a state university, a Florida
427 College System institution, and a charter technical
428 career center to report to the Board of Governors and
429 the State Board of Education, respectively, the number
430 and value of all fee waivers; requiring the Board of
431 Governors for the state universities and the State
432 Board of Education for the Florida College System
433 institutions, career centers operated by a school
434 district, and charter technical career centers to
435 annually certify within their legislative budget
436 requests that the percentage of resident student
437 enrolled systemwide is at least the same as the
438 resident student enrollment systemwide in a specified
439 academic year; providing that a student who is granted
440 the out-of-state fee waiver is not eligible for state
441 financial aid; amending s. 1009.98, F.S.; redefining
442 the term "tuition differential"; revising the purchase
443 date of an advance payment contract as it relates to
444 the amount paid by the Florida Prepaid College Board
445 to a state university on behalf of a qualified



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446 beneficiary; prohibiting the amount of the aggregate
447 sum of registration fees, the tuition differential
448 fee, and local fees paid by the board to a state
449 university on behalf of a qualified beneficiary of an
450 advance payment contract from exceeding a certain
451 percentage of the amount charged by the state
452 university for the aggregate sum of those fees;
453 prohibiting the amount of the dormitory fees paid for
454 by the board to a state university on behalf of a
455 qualified beneficiary of an advance payment contract
456 from exceeding a certain percentage of the amount
457 charged by the state university for those fees;
458 conforming provisions to changes made by the act;
459 prohibiting certain dependent children from being
460 denied residency classification for tuition purposes
461 based solely on a parent's undocumented immigration
462 status; providing an effective date.



886118

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Bullard) recommended the following:

Senate Amendment to Amendment (416110)

Delete lines 15 - 16
and insert:
shall be assessed ~~for residents and nonresidents, and the out-~~
~~of-state fee shall be \$135 per half year or \$90 per term.~~ Each



344484

LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Bullard) recommended the following:

Senate Amendment

Delete lines 87 - 88
and insert:
shall be assessed ~~for residents and nonresidents, and the out-~~
~~of-state fee shall be \$135 per half year or \$90 per term.~~ Each

By the Committee on Education; and Senator Latvala

581-02749-14

20141400c1

1 A bill to be entitled
 2 An act relating to postsecondary student tuition;
 3 amending ss. 1009.22 and 1009.23, F.S.; revising the
 4 standard tuition and out-of-state fees for workforce
 5 education postsecondary programs leading to certain
 6 certificates and diplomas and certain other programs
 7 at Florida College System institutions; deleting a
 8 provision relating to an increase in tuition and out-
 9 of-state fees at a rate equal to inflation; deleting a
 10 requirement that the Office of Economic and
 11 Demographic Research annually report the rate of
 12 inflation to the Governor, the Legislature, and the
 13 State Board of Education; deleting the definition of
 14 the term "rate of inflation"; amending s. 1009.24,
 15 F.S.; deleting a provision related to an increase of
 16 the resident undergraduate tuition at state
 17 universities at a rate equal to inflation; deleting
 18 the requirement of the Office of Economic and
 19 Demographic Research to annually report the rate of
 20 inflation to the Governor, the Legislature, and the
 21 Board of Governors; deleting the definition of the
 22 term "rate of inflation"; conforming provisions to
 23 changes made by the act; prohibiting a state
 24 university board of trustees from establishing or
 25 increasing the tuition differential for undergraduate
 26 courses; amending s. 1009.26, F.S.; requiring a state
 27 university, a Florida College System institution, a
 28 career center operated by a school district, or a
 29 charter technical career center to waive undergraduate

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30 tuition for a recipient of a Purple Heart or another
 31 combat decoration superior in precedence under certain
 32 conditions; requiring a state university, a Florida
 33 College System institution, a career center operated
 34 by a school district, and a charter technical career
 35 center to waive out-of-state fees for certain students
 36 who attended a secondary school in this state;
 37 requiring a state university, a Florida College System
 38 institution, a career center operated by a school
 39 district, and a charter technical career center to
 40 report to the Board of Governors and the State Board
 41 of Education, respectively, the number and value of
 42 all fee waivers; requiring a state university, a
 43 Florida College System institution, a career center
 44 operated by a school district, and a charter technical
 45 career center to annually certify within its
 46 legislative budget request that the percentage of
 47 resident students enrolled systemwide is at least the
 48 same as the resident student enrollment systemwide in
 49 a specified academic year; providing that a student
 50 who is undocumented for federal immigration purposes
 51 is not eligible for state financial aid; amending s.
 52 1009.98, F.S.; redefining the term "tuition
 53 differential"; revising the purchase date of an
 54 advance payment contract as it relates to the amount
 55 paid by the Florida Prepaid College Board to a state
 56 university on behalf of a qualified beneficiary;
 57 prohibiting the amount of the aggregate sum of
 58 registration fees, the tuition differential fee, and

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59 local fees paid by the board to a state university on
 60 behalf of a qualified beneficiary of an advance
 61 payment contract from exceeding a certain percentage
 62 of the amount charged by the state university for the
 63 aggregate sum of those fees; prohibiting the amount of
 64 the dormitory fees paid for by the board to a state
 65 university on behalf of a qualified beneficiary of an
 66 advance payment contract from exceeding a certain
 67 percentage of the amount charged by the state
 68 university for those fees; conforming provisions to
 69 changes made by the act; prohibiting certain dependent
 70 children from being denied residency classification
 71 for tuition purposes based solely on a parent's
 72 undocumented immigration status; providing an
 73 effective date.

74
 75 Be It Enacted by the Legislature of the State of Florida:

76
 77 Section 1. Paragraphs (c) through (g) of subsection (3) of
 78 section 1009.22, Florida Statutes, are amended to read:

79 1009.22 Workforce education postsecondary student fees.—

80 (3)

81 (c) Effective July 1, 2014 ~~2011~~, for programs leading to a
 82 career certificate or an applied technology diploma, the
 83 standard tuition shall be \$2.33 ~~\$2.22~~ per contact hour for
 84 residents and nonresidents and the out-of-state fee shall be
 85 \$6.99 ~~\$6.66~~ per contact hour. For adult general education
 86 programs, a block tuition of \$45 per half year or \$30 per term
 87 shall be assessed for residents and nonresidents, and the out-

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88 of-state fee shall be \$135 per half year or \$90 per term. Each
 89 district school board and Florida College System institution
 90 board of trustees shall adopt policies and procedures for the
 91 collection of and accounting for the expenditure of the block
 92 tuition. All funds received from the block tuition shall be used
 93 only for adult general education programs. Students enrolled in
 94 adult general education programs may not be assessed the fees
 95 authorized in subsection (5), subsection (6), or subsection (7).

96 ~~(d) Beginning with the 2008-2009 fiscal year and each year~~
 97 ~~thereafter, the tuition and the out-of-state fee per contact~~
 98 ~~hour shall increase at the beginning of each fall semester at a~~
 99 ~~rate equal to inflation, unless otherwise provided in the~~
 100 ~~General Appropriations Act. The Office of Economic and~~
 101 ~~Demographic Research shall report the rate of inflation to the~~
 102 ~~President of the Senate, the Speaker of the House of~~
 103 ~~Representatives, the Governor, and the State Board of Education~~
 104 ~~each year prior to March 1. For purposes of this paragraph, the~~
 105 ~~rate of inflation shall be defined as the rate of the 12-month~~
 106 ~~percentage change in the Consumer Price Index for All Urban~~
 107 ~~Consumers, U.S. City Average, All Items, or successor reports as~~
 108 ~~reported by the United States Department of Labor, Bureau of~~
 109 ~~Labor Statistics, or its successor for December of the previous~~
 110 ~~year. In the event the percentage change is negative, the~~
 111 ~~tuition and out-of-state fee shall remain at the same level as~~
 112 ~~the prior fiscal year.~~

113 (d)(e) Each district school board and each Florida College
 114 System institution board of trustees may adopt tuition and out-
 115 of-state fees that may vary no more than 5 percent below and 5
 116 percent above the combined total of the standard tuition and

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117 out-of-state fees established in paragraph (c).
 118 ~~(e)(f)~~ The maximum increase in resident tuition for any
 119 school district or Florida College System institution during the
 120 2007-2008 fiscal year shall be 5 percent over the tuition
 121 charged during the 2006-2007 fiscal year.
 122 ~~(f)(g)~~ The State Board of Education may adopt, by rule, the
 123 definitions and procedures that district school boards and
 124 Florida College System institution boards of trustees shall use
 125 in the calculation of cost borne by students.
 126 Section 2. Subsection (3) of section 1009.23, Florida
 127 Statutes, is amended to read:
 128 1009.23 Florida College System institution student fees.-
 129 (3) (a) Effective July 1, 2014 ~~2011~~, for advanced and
 130 professional, postsecondary vocational, developmental education,
 131 and educator preparation institute programs, the standard
 132 tuition shall be \$71.98 ~~\$68.56~~ per credit hour for residents and
 133 nonresidents, and the out-of-state fee shall be \$215.94 ~~\$205.82~~
 134 per credit hour.
 135 (b) Effective July 1, 2014 ~~2011~~, for baccalaureate degree
 136 programs, the following tuition and fee rates shall apply:
 137 1. The tuition shall be \$91.79 ~~\$87.42~~ per credit hour for
 138 students who are residents for tuition purposes.
 139 2. The sum of the tuition and the out-of-state fee per
 140 credit hour for students who are nonresidents for tuition
 141 purposes shall be no more than 85 percent of the sum of the
 142 tuition and the out-of-state fee at the state university nearest
 143 the Florida College System institution.
 144 ~~(c) Beginning with the 2008-2009 fiscal year and each year~~
 145 ~~thereafter, the tuition and the out-of-state fee shall increase~~

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146 at the beginning of each fall semester at a rate equal to
 147 inflation, unless otherwise provided in the General
 148 Appropriations Act. The Office of Economic and Demographic
 149 Research shall report the rate of inflation to the President of
 150 the Senate, the Speaker of the House of Representatives, the
 151 Governor, and the State Board of Education each year prior to
 152 March 1. For purposes of this paragraph, the rate of inflation
 153 shall be defined as the rate of the 12-month percentage change
 154 in the Consumer Price Index for All Urban Consumers, U.S. City
 155 Average, All Items, or successor reports as reported by the
 156 United States Department of Labor, Bureau of Labor Statistics,
 157 or its successor for December of the previous year. In the event
 158 the percentage change is negative, the tuition and the out-of-
 159 state fee per credit hour shall remain at the same levels as the
 160 prior fiscal year.
 161 Section 3. Paragraphs (a), (b), and (e) of subsection (4)
 162 of section 1009.24, Florida Statutes, are amended, and paragraph
 163 (g) is added to subsection (16) of that section, to read:
 164 1009.24 State university student fees.-
 165 (4) (a) Effective July 1, 2014 ~~2011~~, the resident
 166 undergraduate tuition for lower-level and upper-level coursework
 167 shall be \$103.32 per credit hour.
 168 ~~(b) Beginning with the 2008-2009 fiscal year and each year~~
 169 ~~thereafter, the resident undergraduate tuition per credit hour~~
 170 ~~shall increase at the beginning of each fall semester at a rate~~
 171 ~~equal to inflation, unless otherwise provided in the General~~
 172 ~~Appropriations Act. The Office of Economic and Demographic~~
 173 ~~Research shall report the rate of inflation to the President of~~
 174 ~~the Senate, the Speaker of the House of Representatives, the~~

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175 ~~Governor, and the Board of Governors each year prior to March 1.~~
 176 ~~For purposes of this paragraph, the rate of inflation shall be~~
 177 ~~defined as the rate of the 12-month percentage change in the~~
 178 ~~Consumer Price Index for All Urban Consumers, U.S. City Average,~~
 179 ~~All Items, or successor reports as reported by the United States~~
 180 ~~Department of Labor, Bureau of Labor Statistics, or its~~
 181 ~~successor for December of the previous year. In the event the~~
 182 ~~percentage change is negative, the resident undergraduate~~
 183 ~~tuition shall remain at the same level as the prior fiscal year.~~

184 (d)(e) The sum of the activity and service, health, and
 185 athletic fees a student is required to pay to register for a
 186 course may ~~shall~~ not exceed 40 percent of the tuition
 187 established in law or in the General Appropriations Act. No
 188 university shall be required to lower any fee in effect on the
 189 effective date of this act in order to comply with this
 190 subsection. Within the 40 percent cap, universities may not
 191 increase the aggregate sum of activity and service, health, and
 192 athletic fees more than 5 percent per year, ~~or the same~~
 193 ~~percentage increase in tuition authorized under paragraph (b),~~
 194 ~~whichever is greater,~~ unless specifically authorized in law or
 195 in the General Appropriations Act. A university may increase its
 196 athletic fee to defray the costs associated with changing
 197 National Collegiate Athletic Association divisions. Any such
 198 increase in the athletic fee may exceed both the 40 percent cap
 199 and the 5 percent cap imposed by this subsection. Any such
 200 increase must be approved by the athletic fee committee in the
 201 process outlined in subsection (12) and may not ~~cannot~~ exceed \$2
 202 per credit hour. Notwithstanding ~~the provisions of~~ ss. 1009.534,
 203 1009.535, and 1009.536, that portion of any increase in an

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204 athletic fee pursuant to this subsection which ~~that~~ causes the
 205 sum of the activity and service, health, and athletic fees to
 206 exceed the 40 percent cap or the annual increase in such fees to
 207 exceed the 5 percent cap may ~~shall~~ not be included in
 208 calculating the amount a student receives for a Florida Academic
 209 Scholars award, a Florida Medallion Scholars award, or a Florida
 210 Gold Seal Vocational Scholars award. Notwithstanding this
 211 paragraph and subject to approval by the board of trustees, each
 212 state university may ~~is authorized to~~ exceed the 5 percent ~~5-~~
 213 ~~percent~~ cap on the annual increase to the aggregate sum of
 214 activity and service, health, and athletic fees for the 2010-
 215 2011 fiscal year. Any such increase may ~~shall~~ not exceed 15
 216 percent or the amount required to reach the 2009-2010 fiscal
 217 year statewide average for the aggregate sum of activity and
 218 service, health, and athletic fees at the main campuses,
 219 whichever is greater. The aggregate sum of the activity and
 220 service, health, and athletic fees may ~~shall~~ not exceed 40
 221 percent of tuition. Any increase in the activity and service
 222 fee, health fee, or athletic fee must be approved by the
 223 appropriate fee committee pursuant to subsection (10),
 224 subsection (11), or subsection (12).

225 (16) Each university board of trustees may establish a
 226 tuition differential for undergraduate courses upon receipt of
 227 approval from the Board of Governors. The tuition differential
 228 shall promote improvements in the quality of undergraduate
 229 education and shall provide financial aid to undergraduate
 230 students who exhibit financial need.

231 (g) Notwithstanding this subsection, effective July 1,
 232 2014, a state university board of trustees may not establish or

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233 increase a tuition differential for undergraduate courses as
 234 provided in this subsection.

235 Section 4. Subsection (8) of section 1009.26, Florida
 236 Statutes, is amended, and subsection (12) is added to that
 237 section, to read:

238 1009.26 Fee waivers.—

239 (8) A state university or Florida College System
 240 institution, a career center operated by a school district under
 241 s. 1001.44, or a charter technical career center shall waive
 242 undergraduate tuition for each recipient of a Purple Heart or
 243 another combat decoration superior in precedence who:

244 (a) Is enrolled as a full-time, part-time, or summer-school
 245 student in an undergraduate program that terminates in a degree
 246 or certificate;

247 (b) Is currently, and was at the time of the military
 248 action that resulted in the awarding of the Purple Heart or
 249 other combat decoration superior in precedence, a resident of
 250 this state; and

251 (c) Submits to the state university or the Florida College
 252 System institution the DD-214 form issued at the time of
 253 separation from service as documentation that the student has
 254 received a Purple Heart or another combat decoration superior in
 255 precedence. If the DD-214 is not available, other documentation
 256 may be acceptable if recognized by the United States Department
 257 of Defense or the United States Department of Veterans Affairs
 258 as documenting the award.

259
 260 Such a waiver for a Purple Heart recipient or recipient of
 261 another combat decoration superior in precedence shall be

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262 applicable for 110 percent of the number of required credit
 263 hours of the degree or certificate program for which the student
 264 is enrolled.

265 (12) (a) A state university or a Florida College System
 266 institution, a career center operated by a school district under
 267 s. 1001.44, or a charter technical career center shall waive
 268 out-of-state fees for a student who attended a secondary school
 269 in this state for 3 consecutive years immediately before
 270 graduating from a high school in this state, enrolled in an
 271 institution of higher education within 24 months after high
 272 school graduation, submitted an official Florida high school
 273 transcript as documentary evidence of attendance and graduation,
 274 and who is undocumented for federal immigration purposes.

275 (b) Tuition and fees charged to a student who qualifies for
 276 the out-of-state fee waiver under this subsection may not exceed
 277 the tuition and fees charged to a resident student. The waiver
 278 is applicable for 110 percent of the required credit hours of
 279 the degree or certificate program for which the student is
 280 enrolled. Each state university, Florida College System
 281 institution, career center operated by a school district under
 282 s. 1001.44, and charter technical career center shall report to
 283 the Board of Governors and the State Board of Education,
 284 respectively, the number and value of all fee waivers granted
 285 annually under this subsection. The Board of Governors for the
 286 state universities and the State Board of Education for Florida
 287 College System institutions, career centers operated by a school
 288 district under s. 1001.44, and charter technical career centers
 289 shall annually certify within its legislative budget request
 290 that the percentage of resident students enrolled systemwide is

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291 at least the same as the 2013-2014 resident student enrollment
 292 systemwide. A student who is undocumented for federal
 293 immigration purposes is not eligible for state financial aid
 294 provided pursuant to part III of chapter 1009.

295 Section 5. Subsection (10) of section 1009.98, Florida
 296 Statutes, is amended to read:

297 1009.98 Stanley G. Tate Florida Prepaid College Program.—

298 (10) PAYMENTS ON BEHALF OF QUALIFIED BENEFICIARIES.—

299 (a) As used in this subsection, the term:

300 1. "Actuarial reserve" means the amount by which the
 301 expected value of the assets exceeds ~~exceed~~ the expected value
 302 of the liabilities of the trust fund.

303 2. "Dormitory fees" means the fees included under advance
 304 payment contracts pursuant to paragraph (2) (d).

305 3. "Fiscal year" means the fiscal year of the state
 306 pursuant to s. 215.01.

307 4. "Local fees" means the fees covered by an advance
 308 payment contract provided pursuant to subparagraph (2) (b)2.

309 5. "Tuition differential" means the fee covered by advance
 310 payment contracts sold pursuant to subparagraph (2) (b)3. The
 311 base rate for the tuition differential fee for the 2012-2013
 312 fiscal year is established at \$37.03 per credit hour. The base
 313 rate for the tuition differential in subsequent years is the
 314 amount assessed paid by the board ~~paid by the board~~ for the tuition differential
 315 for the preceding year adjusted pursuant to subparagraph (b)2.

316 (b) Effective with the 2009-2010 academic year and
 317 thereafter, and notwithstanding the provisions of s. 1009.24,
 318 the amount paid by the board to any state university on behalf
 319 of a qualified beneficiary of an advance payment contract whose

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320 contract was purchased before July 1, 2024 ~~2009~~, shall be:

321 1. As to registration fees, if the actuarial reserve is
 322 less than 5 percent of the expected liabilities of the trust
 323 fund, the board shall pay the state universities 5.5 percent
 324 above the amount assessed for registration fees in the preceding
 325 fiscal year. If the actuarial reserve is between 5 percent and 6
 326 percent of the expected liabilities of the trust fund, the board
 327 shall pay the state universities 6 percent above the amount
 328 assessed for registration fees in the preceding fiscal year. If
 329 the actuarial reserve is between 6 percent and 7.5 percent of
 330 the expected liabilities of the trust fund, the board shall pay
 331 the state universities 6.5 percent above the amount assessed for
 332 registration fees in the preceding fiscal year. If the actuarial
 333 reserve is equal to or greater than 7.5 percent of the expected
 334 liabilities of the trust fund, the board shall pay the state
 335 universities 7 percent above the amount assessed for
 336 registration fees in the preceding fiscal year, whichever is
 337 greater.

338 2. As to the tuition differential, if the actuarial reserve
 339 is less than 5 percent of the expected liabilities of the trust
 340 fund, the board shall pay the state universities 5.5 percent
 341 above the base rate for the tuition differential fee in the
 342 preceding fiscal year. If the actuarial reserve is between 5
 343 percent and 6 percent of the expected liabilities of the trust
 344 fund, the board shall pay the state universities 6 percent above
 345 the base rate for the tuition differential fee in the preceding
 346 fiscal year. If the actuarial reserve is between 6 percent and
 347 7.5 percent of the expected liabilities of the trust fund, the
 348 board shall pay the state universities 6.5 percent above the

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349 base rate for the tuition differential fee in the preceding
350 fiscal year. If the actuarial reserve is equal to or greater
351 than 7.5 percent of the expected liabilities of the trust fund,
352 the board shall pay the state universities 7 percent above the
353 base rate for the tuition differential fee in the preceding
354 fiscal year.

355 3. As to local fees, the board shall pay the state
356 universities 5 percent above the amount assessed for local fees
357 in the preceding fiscal year.

358 4. As to dormitory fees, the board shall pay the state
359 universities 6 percent above the amount assessed for dormitory
360 fees in the preceding fiscal year.

361 5. Qualified beneficiaries of advance payment contracts
362 purchased before July 1, 2007, are exempt from paying any
363 tuition differential fee.

364 (c) Notwithstanding the amount assessed for registration
365 fees, the tuition differential fee, or local fees, the amount
366 paid by the board to any state university on behalf of a
367 qualified beneficiary of an advance payment contract purchased
368 before July 1, 2024, may not exceed 100 percent of the amount
369 charged by the state university for the aggregate sum of those
370 fees.

371 (d) Notwithstanding the amount assessed for dormitory fees,
372 the amount paid by the board to any state university on behalf
373 of a qualified beneficiary of an advance payment contract
374 purchased before July 1, 2024, may not exceed 100 percent of the
375 amount charged by the state university for dormitory fees.

376 (e)-(e) The board shall pay state universities the actual
377 amount assessed in accordance with law for registration fees,

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378 the tuition differential, local fees, and dormitory fees for
379 advance payment contracts purchased on or after July 1, 2024
380 ~~2009~~.

381 (f)-(d) The board shall annually evaluate or cause to be
382 evaluated the actuarial soundness of the trust fund.

383 Section 6. A dependent child who is a citizen of the United
384 States of America may not be denied residency classification for
385 tuition purposes based solely on the parent's undocumented
386 immigration status. All applicable laws apply.

387 Section 7. This act shall take effect July 1, 2014.

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 Education

BILL: CS/CS/SB 1528

INTRODUCER: Appropriations Subcommittee on Education; Education Committee and Senator Bradley

SUBJECT: Charter Schools

DATE: April 10, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|------------|---------------|
| 1. | <u>Hand</u> | <u>Klebacha</u> | <u>ED</u> | <u>Fav/CS</u> |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | <u>Fav/CS</u> |
| 3. | _____ | _____ | <u>AP</u> | _____ |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1528 allows for a military installation commander to apply for a charter school under established conditions. The bill also revises the requirements for a charter school application to include additional fiscal responsibility standards.

This bill has no fiscal impact.

The bill takes effect July 1, 2014.

II. Present Situation:

Charter schools are public schools that operate under a charter agreement with a sponsor.¹ A charter school is typically sponsored by a district school board.² Charter schools must organize as, or be operated by, a nonprofit organization. An application for a new charter school may be made by an individual, teachers, parents, a group of individuals, a municipality, or a legal entity organized under the laws of this state.³ To ensure fiscal responsibility, an application for a charter school must include:

- A full accounting of expected assets;

¹ Section 1002.33(7), F.S.

² Section 1002.33(5), F.S. However, charter schools may also be sponsored by a state university or Florida College System institution. Sections 1002.33(5)(a)2. and 4., F.S.

³ Section 1002.33 (

- A projection of expected sources and amounts of income, including income derived from projected student enrollments and from community support; and
- An expense projection that include full accounting of the costs of operation, including start-up costs.

III. Effect of Proposed Changes:

The bill allows for a military installation commander to apply for a charter school on a military installation under established conditions and revises the requirements for a charter school application to include additional fiscal responsibility standards.

The bill allows for a military installation commander to apply for a charter school if:

- The commander is a member of the charter school's not-for-profit governing board;
- The charter school is located on the military installation; and
- The governing board operates the charter school or contracts with a management company or similar entity to operate the charter school.

The bill also includes additional fiscal responsibility standards for a charter school application by requiring any charter school application include fees paid to a third party for services and the purpose of such fees.

The bill takes effect July 1, 2014.

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:

CS/CS/SB 1528 has no fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 1002.33 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.)

Recommended CS by Appropriations Subcommittee on Education on April 9, 2014:

The committee substitute:

- Allows for a military installation commander to apply for a charter school on a military installation under established conditions; and
- Revises the requirements for a charter school application to include additional fiscal responsibility standards.

CS by Education on March 25, 2014:

The committee substitute:

- Revises the means by which charter schools and sponsors may resolve disputes regarding charter agreements.
- Provides transparency regarding student withdrawals.
- Removes all language in the bill, including charter schools provisions (i.e., application and contract provisions, application deficiencies, term of charter for private nonprofit corporations, automatic termination of double-F charter schools, charter school facilities, and sponsor limitations on charter school enrollment), and all provisions for high-performing charter schools, high-performing charter school systems, virtual charter schools, and virtual instruction programs.

- B. Amendments:

None.



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LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: RS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Thrasher) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraphs (a), (b), (c), and (h) of subsection (6), subsection (7), paragraphs (n) and (o) of subsection (9), paragraphs (e), (g), and (i) of subsection (10), paragraphs (b) and (c) of subsection (15), paragraph (c) of subsection (20), paragraph (a) of subsection (21), and subsection (25) of section 1002.33, Florida Statutes, are amended to read:



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11 1002.33 Charter schools.-

12 (6) APPLICATION PROCESS AND REVIEW.-Charter school
13 applications are subject to the following requirements:

14 (a) A person or entity that wants ~~wishing~~ to open a charter
15 school shall prepare and submit an application on the ~~a~~ model
16 application form prepared by the Department of Education which:

17 1. Demonstrates how the school will use the guiding
18 principles and meet the statutorily defined purpose of a charter
19 school and describes the school's mission, the students to be
20 served, and the ages and grades to be included.

21 2. Describes the focus of the curriculum, the instructional
22 methods to be used, any distinctive instructional techniques to
23 be employed, and the identification and acquisition of
24 appropriate technologies needed to improve educational and
25 administrative performance, which include a means for promoting
26 safe, ethical, and appropriate uses of technology that comply
27 with legal and professional standards. The ~~Provides a detailed~~
28 curriculum plan must illustrate ~~that illustrates~~ how students
29 will be provided instruction on ~~services to attain the Sunshine~~
30 state standards.

31 a. Reading shall be a primary focus of the curriculum. The
32 curriculum plan must describe the differentiated strategies that
33 will be used for students reading at grade level or higher and a
34 separate curriculum and strategies for students who are reading
35 below grade level. Resources must be provided to identify and
36 provide specialized instruction for students who are reading
37 below grade level. The curriculum and instructional strategies
38 for reading must be consistent with state standards and grounded
39 in scientifically based reading research.



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40 b. In order to provide students with access to diverse
41 instructional delivery models, to facilitate the integration of
42 technology within traditional classroom instruction, and to
43 provide students with the skills they need to compete in the
44 21st century economy, the Legislature encourages instructional
45 methods for blended learning courses consisting of both
46 traditional classroom and virtual instructional techniques.
47 Charter schools may implement blended learning courses that
48 combine traditional classroom instruction and virtual
49 instruction. Students in a blended learning course must be full-
50 time students of the charter school and receive the virtual
51 instruction in a classroom setting at the charter school.
52 Instructional personnel certified pursuant to s. 1012.55 who
53 provide virtual instruction for blended learning courses may be
54 employees of the charter school or may be under contract to
55 provide instructional services to charter school students. At a
56 minimum, such instructional personnel must hold an active state
57 or school district adjunct certification under s. 1012.57 for
58 the subject area of the blended learning course. The funding and
59 performance accountability requirements for blended learning
60 courses are the same as those for traditional courses.

61 3. Contains goals and objectives for improving student
62 learning and measuring that improvement. These goals and
63 objectives must indicate how much academic improvement students
64 are expected to show each year, how success will be evaluated,
65 and the specific results to be attained through instruction.

66 4. Provides the methods used to identify the educational
67 strengths and needs of students and how well educational goals
68 and performance standards are met by students attending the



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69 charter school. The methods shall provide a means for the
70 charter school to ensure accountability to its constituents by
71 analyzing student performance data and by evaluating the
72 effectiveness and efficiency of its major educational programs.
73 Students in charter schools shall, at a minimum, participate in
74 the statewide assessment program created under s. 1008.22.

75 5. For the establishment of a secondary charter school,
76 provides a method for determining that a student has satisfied
77 the requirements for graduation in s. 1003.4282.

78 ~~4. Describes the reading curriculum and differentiated~~
79 ~~strategies that will be used for students reading at grade level~~
80 ~~or higher and a separate curriculum and strategies for students~~
81 ~~who are reading below grade level. A sponsor shall deny a~~
82 ~~charter if the school does not propose a reading curriculum that~~
83 ~~is consistent with effective teaching strategies that are~~
84 ~~grounded in scientifically based reading research.~~

85 ~~5. Contains an annual financial plan for each year~~
86 ~~requested by the charter for operation of the school for up to 5~~
87 ~~years. This plan must contain anticipated fund balances based on~~
88 ~~revenue projections, a spending plan based on projected revenues~~
89 ~~and expenses, and a description of controls that will safeguard~~
90 ~~finances and projected enrollment trends.~~

91 ~~6. Documents that the applicant has participated in the~~
92 ~~training required in subparagraph (f)2. A sponsor may require an~~
93 ~~applicant to provide additional information as an addendum to~~
94 ~~the charter school application described in this paragraph.~~

95 ~~7. For the establishment of a virtual charter school,~~
96 ~~documents that the applicant has contracted with a provider of~~
97 ~~virtual instruction services pursuant to s. 1002.45(1)(d).~~



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98 7. Describes the admissions procedures and dismissal
99 procedures, including the school's code of student conduct.

100 8. Describes the ways by which the school will achieve a
101 racial/ethnic balance reflective of the community it serves or
102 within the racial/ethnic range of other public schools in the
103 same school district.

104 9. Contains an annual financial plan for each year that the
105 applicant intends to operate the school for up to 5 years. This
106 plan must contain anticipated fund balances based on revenue
107 projections, a spending plan based on projected revenues and
108 expenses, and a description of controls that will safeguard
109 finances and projected enrollment trends.

110 10. Describes the financial and administrative management
111 of the school, including a reasonable demonstration of the
112 professional experience or competence of those individuals or
113 organizations applying to operate the charter school or those
114 individuals or organizations hired or retained to perform such
115 professional services and a description of clearly delineated
116 responsibilities of those individuals or organizations and the
117 policies and practices needed to effectively manage the charter
118 school. A description of internal audit procedures and
119 establishment of controls to ensure that financial resources are
120 properly managed must be included. Both public sector and
121 private sector professional experience are equally valid in such
122 a consideration.

123 11. Describes procedures that identify various risks and
124 provide for a comprehensive approach to reduce the impact of
125 losses; plans to ensure the safety and security of students and
126 staff; plans to identify, minimize, and protect others from



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127 violent or disruptive student behavior; and the manner in which
128 the school will be insured, including whether the school will be
129 required to have liability insurance, and, if so, the terms and
130 conditions thereof and the amounts of coverage.

131 12. Includes the qualifications to be required of the
132 teachers and the potential strategies used to recruit, hire,
133 train, and retain qualified staff to achieve best value.

134 13. Describes the governance structure of the school,
135 including the status of the charter school as a public or
136 private employer as required in paragraph (12) (i).

137 14. Includes a timetable for implementing the charter which
138 addresses the implementation of each element thereof and the
139 date by which the charter will be awarded in order to meet this
140 timetable.

141 15. In the case of an existing public school that is being
142 converted to charter status, includes alternative arrangements
143 for current students who choose not to attend the charter school
144 and for current teachers who choose not to teach in the charter
145 school after conversion in accordance with the existing
146 collective bargaining agreement or district school board rule in
147 the absence of a collective bargaining agreement. However,
148 alternative arrangements are not required for current teachers
149 who choose not to teach in a charter lab school, except as
150 authorized by the employment policies of the state university
151 that grants the charter to the lab school.

152 (b) A sponsor shall receive and review all applications for
153 a charter school using the ~~an~~ evaluation instrument developed by
154 the Department of Education. A sponsor shall receive and
155 consider charter school applications received on or before



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156 August 1 of each calendar year for charter schools to be opened
157 at the beginning of the school district's next school year, or
158 to be opened at a time agreed to by the applicant and the
159 sponsor. A sponsor may not refuse to receive a charter school
160 application submitted before August 1 and may receive an
161 application submitted later than August 1 if it chooses. In
162 order to facilitate greater collaboration in the application
163 process, an applicant may submit a draft charter school
164 application on or before May 1 with an application fee of \$500.
165 If a draft application is timely submitted, the sponsor shall
166 review and provide feedback as to material deficiencies in the
167 application by July 1. The applicant shall then have until
168 August 1 to resubmit a revised and final application. The
169 sponsor may approve the draft application. A sponsor may not
170 charge an applicant for a charter any fee for the processing or
171 consideration of an application, and a sponsor may not base its
172 consideration or approval of a final application upon the
173 promise of future payment of any kind. Before approving or
174 denying any final application, the sponsor shall allow the
175 applicant, upon receipt of written notification, at least 7
176 calendar days to make ~~technical or nonsubstantive~~ corrections
177 and clarifications to address any deficiencies, ~~including, but~~
178 ~~not limited to, corrections of grammatical, typographical, and~~
179 ~~like errors or missing signatures, if such errors are identified~~
180 by the sponsor as cause to deny the final application.

181 1. In order to facilitate an accurate budget projection
182 process, a sponsor shall be held harmless for FTE students who
183 are not included in the FTE projection due to approval of
184 charter school applications after the FTE projection deadline.



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185 In a further effort to facilitate an accurate budget projection,
186 within 15 calendar days after receipt of a charter school
187 application, a sponsor shall report to the Department of
188 Education the name of the applicant entity, the proposed charter
189 school location, and its projected FTE.

190 2. In order to ensure fiscal responsibility, an application
191 for a charter school shall include a full accounting of expected
192 assets, a projection of expected sources and amounts of income,
193 including income derived from projected student enrollments and
194 from community support, and an expense projection that includes
195 full accounting of the costs of operation, including start-up
196 costs.

197 3.a. A sponsor shall by a majority vote approve or deny an
198 application no later than 60 calendar days after the application
199 is received, unless the sponsor and the applicant mutually agree
200 in writing to temporarily postpone the vote to a specific date,
201 at which time the sponsor shall by a majority vote approve or
202 deny the application. If the sponsor fails to act on the
203 application, an applicant may appeal to the State Board of
204 Education as provided in paragraph (c). If an application is
205 denied, the sponsor shall, within 10 calendar days after such
206 denial, articulate in writing the specific reasons, based upon
207 good cause, supporting its denial of the charter application and
208 shall provide the letter of denial and supporting documentation
209 to the applicant and to the Department of Education.

210 b. An application submitted by a high-performing charter
211 school identified pursuant to s. 1002.331 or an application
212 submitted by or on behalf of a military-related or military
213 community-related organization to open a charter school on or



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214 near a military base may be denied by the sponsor only if the
215 sponsor demonstrates by clear and convincing evidence that:

216 (I) The application does not materially comply with the
217 requirements in paragraph (a);

218 (II) The charter school proposed in the application does
219 not materially comply with the requirements in paragraphs
220 (9) (a) - (f);

221 (III) The proposed charter school's educational program
222 does not substantially replicate that of the applicant or one of
223 the applicant's high-performing charter schools;

224 (IV) The applicant has made a material misrepresentation or
225 false statement or concealed an essential or material fact
226 during the application process; or

227 (V) The proposed charter school's educational program and
228 financial management practices do not materially comply with the
229 requirements of this section.

230
231 Material noncompliance is a failure to follow requirements or a
232 violation of prohibitions applicable to charter school
233 applications, which failure is quantitatively or qualitatively
234 significant either individually or when aggregated with other
235 noncompliance. An applicant is considered to be replicating a
236 high-performing charter school if the proposed school is
237 substantially similar to at least one of the applicant's high-
238 performing charter schools and the organization or individuals
239 involved in the establishment and operation of the proposed
240 school are significantly involved in the operation of replicated
241 schools.

242 c. If the sponsor denies an application submitted by a



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243 high-performing charter school, the sponsor must, within 10
244 calendar days after such denial, state in writing the specific
245 reasons, based upon the criteria in sub-subparagraph b.,
246 supporting its denial of the application and must provide the
247 letter of denial and supporting documentation to the applicant
248 and to the Department of Education. The applicant may appeal the
249 sponsor's denial of the application ~~directly~~ to the State Board
250 of Education pursuant to paragraph (c) and must provide the
251 sponsor with a copy of the appeal ~~sub-subparagraph (c)3.b.~~

252 4. For budget projection purposes, the sponsor shall report
253 to the Department of Education the approval or denial of a
254 charter application within 10 calendar days after such approval
255 or denial. In the event of approval, the report to the
256 Department of Education shall include the final projected FTE
257 for the approved charter school.

258 5. Upon approval of a charter application, the initial
259 startup shall commence with the beginning of the public school
260 calendar for the district in which the charter is granted unless
261 the sponsor allows a waiver of this subparagraph for good cause.

262 (c)1. An applicant may appeal any denial of that
263 applicant's application or failure to act on an application to
264 the State Board of Education within ~~no later than~~ 30 calendar
265 days after receipt of the sponsor's decision or failure to act
266 and shall notify the sponsor of its appeal. Any response of the
267 sponsor shall be submitted to the State Board of Education
268 within 30 calendar days after notification of the appeal. Upon
269 receipt of notification from the State Board of Education that a
270 charter school applicant is filing an appeal, the Commissioner
271 of Education shall convene a meeting of the Charter School



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272 Appeal Commission to study and make recommendations to the State
273 Board of Education regarding its pending decision about the
274 appeal. The commission shall forward its recommendation to the
275 state board at least 7 calendar days before the date on which
276 the appeal is to be heard. An appeal regarding the denial of an
277 application submitted by a high-performing charter school
278 pursuant to s. 1002.331 shall be conducted by the State Board of
279 Education in accordance with this paragraph, except that the
280 commission shall not convene to make recommendations regarding
281 the appeal. However, the Commissioner of Education shall review
282 the appeal and make a recommendation to the state board.

283 2. The Charter School Appeal Commission or, in the case of
284 an appeal regarding an application submitted by a high-
285 performing charter school, the State Board of Education may
286 reject an appeal submission for failure to comply with
287 procedural rules governing the appeals process. The rejection
288 shall describe the submission errors. The appellant shall have
289 15 calendar days after notice of rejection in which to resubmit
290 an appeal that meets the requirements set forth in State Board
291 of Education rule. An appeal submitted subsequent to such
292 rejection is considered timely if the original appeal was filed
293 within 30 calendar days after receipt of notice of the specific
294 reasons for the sponsor's denial of the charter application.

295 3.a. The State Board of Education shall by majority vote
296 accept or reject the decision of the sponsor no later than 90
297 calendar days after an appeal is filed in accordance with State
298 Board of Education rule. The State Board of Education shall
299 remand the application to the sponsor with its written decision
300 that the sponsor approve or deny the application. The sponsor



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301 shall implement the decision of the State Board of Education.
302 The decision of the State Board of Education is not subject to
303 the provisions of the Administrative Procedure Act, chapter 120.

304 b. If an appeal concerns an application submitted by a
305 high-performing charter school identified pursuant to s.
306 1002.331, the State Board of Education shall determine whether
307 the sponsor's denial of the application complies with the
308 requirements in sub-subparagraph (b)3.b. ~~sponsor has shown, by~~
309 clear and convincing evidence, that:

310 ~~(I) The application does not materially comply with the~~
311 ~~requirements in paragraph (a);~~

312 ~~(II) The charter school proposed in the application does~~
313 ~~not materially comply with the requirements in paragraphs~~
314 ~~(9)(a)-(f);~~

315 ~~(III) The proposed charter school's educational program~~
316 ~~does not substantially replicate that of the applicant or one of~~
317 ~~the applicant's high-performing charter schools;~~

318 ~~(IV) The applicant has made a material misrepresentation or~~
319 ~~false statement or concealed an essential or material fact~~
320 ~~during the application process; or~~

321 ~~(V) The proposed charter school's educational program and~~
322 ~~financial management practices do not materially comply with the~~
323 ~~requirements of this section.~~

324
325 The State Board of Education shall approve or reject the
326 sponsor's denial of an application no later than 90 calendar
327 days after an appeal is filed in accordance with State Board of
328 Education rule. The State Board of Education shall remand the
329 application to the sponsor with its written decision that the



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330 sponsor approve or deny the application. The sponsor shall
331 implement the decision of the State Board of Education. The
332 decision of the State Board of Education is not subject to the
333 Administrative Procedure Act, chapter 120.

334 (h) The terms and conditions for the operation of a charter
335 school shall be set forth by the sponsor and the applicant in a
336 written contractual agreement, called a charter. The sponsor may
337 not impose unreasonable rules or regulations that violate the
338 intent of giving charter schools greater flexibility to meet
339 educational goals. The sponsor has 30 days after approval of the
340 application to provide to the charter school a standard an
341 initial-proposed charter contract developed by the Department of
342 Education, which shall consist of the approved application and
343 any addenda and the elements specified in paragraph (7) (a) to
344 the charter school. The applicant and the sponsor have 40 days
345 thereafter to negotiate the remaining or additional terms and
346 notice the charter contract for final approval by the sponsor
347 unless both parties agree to an extension. The standard charter
348 contract shall become effective by operation of law only if the
349 parties have not come to a final agreement after the negotiation
350 period has expired. The proposed charter contract shall be
351 provided to the charter school at least 7 calendar days before
352 prior to the date of the meeting at which the charter is
353 scheduled to be voted upon by the sponsor. A provision of a
354 charter contract inconsistent with or prohibited by the
355 requirements of this section is void and unenforceable. The
356 department ~~of Education~~ shall provide mediation services for any
357 dispute regarding this section subsequent to the approval of a
358 charter application and for any dispute relating to the approved



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359 charter, except disputes regarding charter school application
360 denials. If the Commissioner of Education determines that the
361 dispute cannot be settled through mediation, the dispute may be
362 appealed to an administrative law judge appointed by the
363 Division of Administrative Hearings. The administrative law
364 judge has final order authority to rule on issues of equitable
365 treatment of the charter school as a public school, whether
366 proposed provisions of the charter violate the intended
367 flexibility granted charter schools by statute, or on any other
368 matter regarding this section except a charter school
369 application denial, a charter termination, or a charter
370 nonrenewal and shall award the prevailing party reasonable
371 attorney ~~attorney's~~ fees and costs incurred to be paid by the
372 losing party. The costs of the administrative hearing shall be
373 paid by the party whom the administrative law judge rules
374 against. The charter school may open and operate during the
375 pendency of any negotiation, mediation, or administrative
376 proceeding.

377 (7) CHARTER.— The major issues involving the operation of a
378 charter school shall be set forth in ~~considered in advance and~~
379 ~~written into~~ the charter. The governing board of the charter
380 school and the sponsor shall use the standard charter contract
381 developed by the department, which shall incorporate the
382 approved application and any addenda. Matters included in the
383 approved application and any addenda are deemed settled for
384 purposes of negotiating the charter; however, the parties may
385 agree to address such matters in the charter. The charter shall
386 be signed by the governing board of the charter school and the
387 sponsor, following a public hearing to ensure community input.



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388 (a) ~~The charter shall address and criteria for approval of~~
389 ~~the charter shall be based on:~~

390 1. ~~The school's mission, the students to be served, and the~~
391 ~~ages and grades to be included.~~

392 2. ~~The focus of the curriculum, the instructional methods~~
393 ~~to be used, any distinctive instructional techniques to be~~
394 ~~employed, and identification and acquisition of appropriate~~
395 ~~technologies needed to improve educational and administrative~~
396 ~~performance which include a means for promoting safe, ethical,~~
397 ~~and appropriate uses of technology which comply with legal and~~
398 ~~professional standards.~~

399 a. ~~The charter shall ensure that reading is a primary focus~~
400 ~~of the curriculum and that resources are provided to identify~~
401 ~~and provide specialized instruction for students who are reading~~
402 ~~below grade level. The curriculum and instructional strategies~~
403 ~~for reading must be consistent with the Next Generation Sunshine~~
404 ~~State Standards and grounded in scientifically based reading~~
405 ~~research.~~

406 b. ~~In order to provide students with access to diverse~~
407 ~~instructional delivery models, to facilitate the integration of~~
408 ~~technology within traditional classroom instruction, and to~~
409 ~~provide students with the skills they need to compete in the~~
410 ~~21st century economy, the Legislature encourages instructional~~
411 ~~methods for blended learning courses consisting of both~~
412 ~~traditional classroom and online instructional techniques.~~
413 ~~Charter schools may implement blended learning courses which~~
414 ~~combine traditional classroom instruction and virtual~~
415 ~~instruction. Students in a blended learning course must be full-~~
416 ~~time students of the charter school and receive the online~~



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417 ~~instruction in a classroom setting at the charter school.~~
418 ~~Instructional personnel certified pursuant to s. 1012.55 who~~
419 ~~provide virtual instruction for blended learning courses may be~~
420 ~~employees of the charter school or may be under contract to~~
421 ~~provide instructional services to charter school students. At a~~
422 ~~minimum, such instructional personnel must hold an active state~~
423 ~~or school district adjunct certification under s. 1012.57 for~~
424 ~~the subject area of the blended learning course. The funding and~~
425 ~~performance accountability requirements for blended learning~~
426 ~~courses are the same as those for traditional courses.~~

427 ~~1.3.~~ The current incoming baseline standard of student
428 academic achievement, the outcomes to be achieved, and the
429 method of measurement that will be used. The criteria listed in
430 this subparagraph shall include a detailed description of:

431 a. How the baseline student academic achievement levels and
432 prior rates of academic progress will be established.

433 b. How these baseline rates will be compared to rates of
434 academic progress achieved by these same students while
435 attending the charter school.

436 c. To the extent possible, how these rates of progress will
437 be evaluated and compared with rates of progress of other
438 closely comparable student populations.

439
440 The district school board is required to provide academic
441 student performance data to charter schools for each of their
442 students coming from the district school system, as well as
443 rates of academic progress of comparable student populations in
444 the district school system.

445 ~~4. The methods used to identify the educational strengths~~



446 ~~and needs of students and how well educational goals and~~
447 ~~performance standards are met by students attending the charter~~
448 ~~school. The methods shall provide a means for the charter school~~
449 ~~to ensure accountability to its constituents by analyzing~~
450 ~~student performance data and by evaluating the effectiveness and~~
451 ~~efficiency of its major educational programs. Students in~~
452 ~~charter schools shall, at a minimum, participate in the~~
453 ~~statewide assessment program created under s. 1008.22.~~

454 ~~5. In secondary charter schools, a method for determining~~
455 ~~that a student has satisfied the requirements for graduation in~~
456 ~~s. 1003.428 or s. 1003.4282.~~

457 ~~2.6.~~ A method for resolving conflicts between the governing
458 board of the charter school and the sponsor.

459 ~~7. The admissions procedures and dismissal procedures,~~
460 ~~including the school's code of student conduct.~~

461 ~~8. The ways by which the school will achieve a~~
462 ~~racial/ethnic balance reflective of the community it serves or~~
463 ~~within the racial/ethnic range of other public schools in the~~
464 ~~same school district.~~

465 ~~9. The financial and administrative management of the~~
466 ~~school, including a reasonable demonstration of the professional~~
467 ~~experience or competence of those individuals or organizations~~
468 ~~applying to operate the charter school or those hired or~~
469 ~~retained to perform such professional services and the~~
470 ~~description of clearly delineated responsibilities and the~~
471 ~~policies and practices needed to effectively manage the charter~~
472 ~~school. A description of internal audit procedures and~~
473 ~~establishment of controls to ensure that financial resources are~~
474 ~~properly managed must be included. Both public sector and~~



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475 ~~private sector professional experience shall be equally valid in~~
476 ~~such a consideration.~~

477 ~~10. The asset and liability projections required in the~~
478 ~~application which are incorporated into the charter and shall be~~
479 ~~compared with information provided in the annual report of the~~
480 ~~charter school.~~

481 ~~11. A description of procedures that identify various risks~~
482 ~~and provide for a comprehensive approach to reduce the impact of~~
483 ~~losses; plans to ensure the safety and security of students and~~
484 ~~staff; plans to identify, minimize, and protect others from~~
485 ~~violent or disruptive student behavior; and the manner in which~~
486 ~~the school will be insured, including whether or not the school~~
487 ~~will be required to have liability insurance, and, if so, the~~
488 ~~terms and conditions thereof and the amounts of coverage.~~

489 ~~3.12. The term of the charter which shall provide for~~
490 ~~cancellation of the charter if insufficient progress has been~~
491 ~~made in attaining the student achievement objectives of the~~
492 ~~charter and if it is not likely that such objectives can be~~
493 ~~achieved before expiration of the charter. The initial term of~~
494 ~~the a charter, which shall be for 4 or 5 years. In order to~~
495 ~~facilitate access to long-term financial resources for charter~~
496 ~~school construction, Charter schools that are operated by a~~
497 ~~municipality or other public entity, as provided by law, or a~~
498 ~~private, not-for-profit, s. 501(c)(3) status corporation are~~
499 ~~eligible for up to a 15-year charter, subject to approval by the~~
500 ~~district school board, which consent may not unreasonably~~
501 ~~withheld. A charter lab school is also eligible for a charter~~
502 ~~for a term of up to 15 years. In addition, to facilitate access~~
503 ~~to long-term financial resources for charter school~~



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504 ~~construction, charter schools that are operated by a private,~~
505 ~~not-for-profit, s. 501(c)(3) status corporation are eligible for~~
506 ~~up to a 15-year charter, subject to approval by the district~~
507 ~~school board.~~ Such long-term charters remain subject to annual
508 review and may be terminated during the term of the charter, but
509 only according to ~~the provisions set forth in~~ subsection (8).

510 4. Termination or nonrenewal of the charter pursuant to
511 subsection (8), including termination for failure to make
512 sufficient progress towards attaining the student achievement
513 objectives of the charter or likely failure to meet such
514 objectives before expiration of the charter.

515 ~~5.13.~~ The facilities to be used and their location. The
516 sponsor may not require a charter school to have a certificate
517 of occupancy or a temporary certificate of occupancy for such a
518 facility earlier than 15 calendar days before the first day of
519 school.

520 ~~14. The qualifications to be required of the teachers and~~
521 ~~the potential strategies used to recruit, hire, train, and~~
522 ~~retain qualified staff to achieve best value.~~

523 ~~15. The governance structure of the school, including the~~
524 ~~status of the charter school as a public or private employer as~~
525 ~~required in paragraph (12)(i).~~

526 ~~16. A timetable for implementing the charter which~~
527 ~~addresses the implementation of each element thereof and the~~
528 ~~date by which the charter shall be awarded in order to meet this~~
529 ~~timetable.~~

530 ~~17. In the case of an existing public school that is being~~
531 ~~converted to charter status, alternative arrangements for~~
532 ~~current students who choose not to attend the charter school and~~



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533 ~~for current teachers who choose not to teach in the charter~~
534 ~~school after conversion in accordance with the existing~~
535 ~~collective bargaining agreement or district school board rule in~~
536 ~~the absence of a collective bargaining agreement. However,~~
537 ~~alternative arrangements shall not be required for current~~
538 ~~teachers who choose not to teach in a charter lab school, except~~
539 ~~as authorized by the employment policies of the state university~~
540 ~~which grants the charter to the lab school.~~

541 6.18. Full disclosure of the identity of all relatives
542 employed by the charter school who are related to the charter
543 school owner, president, chairperson of the governing board of
544 directors, superintendent, governing board member, principal,
545 assistant principal, or any other person employed by the charter
546 school who has equivalent decisionmaking authority. For the
547 purpose of this subparagraph, the term "relative" means father,
548 mother, son, daughter, brother, sister, uncle, aunt, first
549 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
550 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
551 stepfather, stepmother, stepson, stepdaughter, stepbrother,
552 stepsister, half brother, or half sister.

553 7.19. Implementation of the activities authorized under s.
554 1002.331 by the charter school when it satisfies the eligibility
555 requirements for a high-performing charter school. A high-
556 performing charter school shall notify its sponsor in writing by
557 March 1 if it intends to increase enrollment or expand grade
558 levels the following school year. The written notice shall
559 specify the amount of the enrollment increase and the grade
560 levels that will be added, as applicable.

561 (b)1. A charter may be renewed provided that a program



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562 review demonstrates that the criteria in paragraph (a) have been
563 successfully accomplished and that none of the grounds for
564 nonrenewal established by paragraph (8) (a) has been documented.
565 In order to facilitate long-term financing for charter school
566 construction, charter schools operating for a minimum of 3 years
567 and demonstrating exemplary academic programming and fiscal
568 management are eligible for a 15-year charter renewal. Such
569 long-term charter is subject to annual review and may be
570 terminated during the term of the charter.

571 2. The 15-year charter renewal that may be granted pursuant
572 to subparagraph 1. shall be granted to a charter school that has
573 received a school grade of "A" or "B" pursuant to s. 1008.34 in
574 3 of the past 4 years and is not in a state of financial
575 emergency or deficit position as defined by this section. Such
576 long-term charter is subject to annual review and may be
577 terminated during the term of the charter pursuant to subsection
578 (8).

579 (c) A charter may be modified during its initial term or
580 any renewal term upon the recommendation of the sponsor or the
581 charter school's governing board and the approval of both
582 parties to the agreement. Modification may include, but is not
583 limited to, consolidation of multiple charters into a single
584 charter if the charters are operated under the same governing
585 board and physically located on the same campus, regardless of
586 the renewal cycle.

587 (d)1. Each charter school's governing board must appoint a
588 representative to facilitate parental involvement, provide
589 access to information, assist parents and others with questions
590 and concerns, and resolve disputes. The representative must



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591 reside in the school district in which the charter school is
592 located and may be a governing board member, charter school
593 employee, or individual contracted to represent the governing
594 board. If the governing board oversees multiple charter schools
595 in the same school district, the governing board must appoint a
596 separate individual representative for each charter school in
597 the district. The representative's contact information must be
598 provided annually in writing to parents and posted prominently
599 on the charter school's website if a website is maintained by
600 the school. The sponsor may not require that governing board
601 members reside in the school district in which the charter
602 school is located if the charter school complies with this
603 paragraph.

604 2. Each charter school's governing board must hold at least
605 two public meetings per school year in the school district. The
606 meetings must be noticed, open, and accessible to the public,
607 and attendees must be provided an opportunity to receive
608 information and provide input regarding the charter school's
609 operations. The appointed representative and charter school
610 principal or director, or his or her equivalent, must be
611 physically present at each meeting.

612 (9) CHARTER SCHOOL REQUIREMENTS.—

613 (n)1. The director and a representative of the governing
614 board of a charter school that has earned a grade of "D" or "F"
615 pursuant to s. 1008.34(2) shall appear before the sponsor to
616 present information concerning each contract component having
617 noted deficiencies. The director and a representative of the
618 governing board shall submit to the sponsor for approval a
619 school improvement plan to raise student achievement. Upon



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620 approval by the sponsor, the charter school shall begin
621 implementation of the school improvement plan. The department
622 shall offer technical assistance and training to the charter
623 school and its governing board and establish guidelines for
624 developing, submitting, and approving such plans.

625 2.a. If a charter school earns three consecutive grades of
626 "D," two consecutive grades of "D" followed by a grade of "F,"
627 or two nonconsecutive grades of "F" within a 3-year period, the
628 charter school governing board shall choose one of the following
629 corrective actions:

630 (I) Contract for educational services to be provided
631 directly to students, instructional personnel, and school
632 administrators, as prescribed in state board rule;

633 (II) Contract with an outside entity that has a
634 demonstrated record of effectiveness to operate the school;

635 (III) Reorganize the school under a new director or
636 principal who is authorized to hire new staff; or

637 (IV) Voluntarily close the charter school.

638 b. The charter school must implement the corrective action
639 in the school year following receipt of a third consecutive
640 grade of "D," a grade of "F" following two consecutive grades of
641 "D," or a second nonconsecutive grade of "F" within a 3-year
642 period.

643 c. The sponsor may annually waive a corrective action if it
644 determines that the charter school is likely to improve a letter
645 grade if additional time is provided to implement the
646 intervention and support strategies prescribed by the school
647 improvement plan. Notwithstanding this sub-subparagraph, a
648 charter school that earns a second consecutive grade of "F" is



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649 subject to subparagraph 4.

650 d. A charter school is no longer required to implement a
651 corrective action if it improves by at least one letter grade.
652 However, the charter school must continue to implement
653 strategies identified in the school improvement plan. The
654 sponsor must annually review implementation of the school
655 improvement plan to monitor the school's continued improvement
656 pursuant to subparagraph 5.

657 e. A charter school implementing a corrective action that
658 does not improve by at least one letter grade after 2 full
659 school years of implementing the corrective action must select a
660 different corrective action. Implementation of the new
661 corrective action must begin in the school year following the
662 implementation period of the existing corrective action, unless
663 the sponsor determines that the charter school is likely to
664 improve a letter grade if additional time is provided to
665 implement the existing corrective action. Notwithstanding this
666 sub-subparagraph, a charter school that earns a second
667 consecutive grade of "F" while implementing a corrective action
668 is subject to subparagraph 4.

669 3. A charter school with a grade of "D" or "F" that
670 improves by at least one letter grade must continue to implement
671 the strategies identified in the school improvement plan. The
672 sponsor must annually review implementation of the school
673 improvement plan to monitor the school's continued improvement
674 pursuant to subparagraph 5.

675 4. A charter school's charter is automatically terminated
676 if the charter school earns a second consecutive grade of "F,"
677 after all school grade appeals are final, ~~The sponsor shall~~



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678 ~~terminate a charter if the charter school earns two consecutive~~
679 ~~grades of "F" unless:~~

680 a. The charter school is established to turn around the
681 performance of a district public school pursuant to s.
682 1008.33(4)(b)3. Such charter schools shall be governed by s.
683 1008.33;

684 b. The charter school serves a student population the
685 majority of which resides in a school zone served by a district
686 public school that earned a grade of "F" in the year before the
687 charter school opened and the charter school earns at least a
688 grade of "D" in its third year of operation. The exception
689 provided under this sub-subparagraph does not apply to a charter
690 school in its fourth year of operation and thereafter; or

691 c. The state board grants the charter school a waiver of
692 termination. The charter school must request the waiver within
693 15 days after the department's official release of school
694 grades. The state board may waive termination if the charter
695 school demonstrates that the learning gains of its students on
696 statewide assessments are comparable to or better than the
697 learning gains of similarly situated students enrolled in nearby
698 district public schools. The waiver is valid for 1 year and may
699 only be granted once. Charter schools that have been in
700 operation for more than 5 years are not eligible for a waiver
701 under this sub-subparagraph.

702
703 The sponsor shall notify in writing the charter school's
704 governing board, the charter school principal, and the
705 department when a charter is terminated under this subparagraph.
706 A charter terminated under this subparagraph is governed by the



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707 requirements of paragraphs (8) (e)-(g) and (9) (o).

708 5. The director and a representative of the governing board
709 of a graded charter school that has implemented a school
710 improvement plan under this paragraph shall appear before the
711 sponsor at least once a year to present information regarding
712 the progress of intervention and support strategies implemented
713 by the school pursuant to the school improvement plan and
714 corrective actions, if applicable. The sponsor shall communicate
715 at the meeting, and in writing to the director, the services
716 provided to the school to help the school address its
717 deficiencies.

718 6. Notwithstanding any provision of this paragraph except
719 sub-subparagraphs 4.a.-c., the sponsor may terminate the charter
720 at any time pursuant to subsection (8).

721 (o)1. Upon initial notification of nonrenewal, closure, or
722 termination of its charter, a charter school may not expend more
723 than \$10,000 per expenditure without prior written approval from
724 the sponsor unless such expenditure was included within the
725 annual budget submitted to the sponsor pursuant to the charter
726 contract, is for reasonable attorney fees and costs during the
727 pendency of any hearing or appeal, or is for reasonable fees and
728 costs to conduct an independent audit.

729 2. An independent audit shall be completed within 30 days
730 after notice of nonrenewal, closure, or termination to account
731 for all public funds and assets.

732 3. A provision in a charter contract that contains an
733 acceleration clause requiring the expenditure of funds based
734 upon closure or upon notification of nonrenewal or termination
735 is void and unenforceable.



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736 4. A charter school may not enter into a contract with an
737 employee that exceeds the term of the school's charter contract
738 with its sponsor.

739 5. A violation of this paragraph triggers a reversion or
740 clawback power by the sponsor allowing for collection of an
741 amount equal to or less than the accelerated amount that exceeds
742 normal expenditures. The reversion or clawback plus legal fees
743 and costs shall be levied against the person or entity receiving
744 the accelerated amount.

745 (10) ELIGIBLE STUDENTS.—

746 (e) A charter school may limit the enrollment process only
747 to target the following student populations:

748 1. Students within specific age groups or grade levels.

749 2. Students considered at risk of dropping out of school or
750 academic failure. Such students shall include exceptional
751 education students.

752 3. Students enrolling in a charter school-in-the-workplace,
753 ~~or~~ charter school-in-a-municipality established pursuant to
754 subsection (15).

755 4. Students residing within a reasonable distance of the
756 charter school, as described in paragraph (20)(c). Such students
757 shall be subject to a random lottery and to the racial/ethnic
758 balance provisions described in subparagraph (6)(a)8. ~~(7)(a)8.~~
759 or any federal provisions that require a school to achieve a
760 racial/ethnic balance reflective of the community it serves or
761 within the racial/ethnic range of other public schools in the
762 same school district.

763 5. Students who meet reasonable academic, artistic, or
764 other eligibility standards established by the charter school



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765 and included in the charter school application and charter or,
766 in the case of existing charter schools, standards that are
767 consistent with the school's mission and purpose. Such standards
768 shall be in accordance with current state law and practice in
769 public schools and may not discriminate against otherwise
770 qualified individuals.

771 6. Students articulating from one charter school to another
772 pursuant to an articulation agreement between the charter
773 schools that has been approved by the sponsor.

774 7. Students living in a development in which a business
775 entity provides the school facility and related property having
776 an appraised value of at least \$10 million to be used as a
777 charter school for the development. Students living in the
778 development shall be entitled to 50 percent of the student
779 stations in the charter school. The students who are eligible
780 for enrollment are subject to a random lottery, the
781 racial/ethnic balance provisions, or any federal provisions, as
782 described in subparagraph 4. The remainder of the student
783 stations shall be filled in accordance with subparagraph 4.

784 (g)1. A student may withdraw from a charter school at any
785 time and enroll in another public school as determined by
786 district school board rule. A charter school must request, but
787 may not require, that the student withdrawing or the parent of
788 the student withdrawing complete a survey and provide
789 information concerning the student's experiences at the charter
790 school and reasons for withdrawal. A charter school must provide
791 in its annual report to its sponsor and the Department of
792 Education the total number of students that leave the charter
793 school and their reasons for leaving the charter school,



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794 including but not limited to, withdrawal, suspension, and
795 dismissal, if known.

796 2. A student may only receive disciplinary action,
797 including but not limited to suspension or dismissal, for the
798 grounds and in the manner specified in the charter school's code
799 of student conduct.

800 (i) The capacity of a high-performing charter school
801 identified pursuant to s. 1002.331 shall be determined annually
802 by the governing board of the charter school. The governing
803 board shall notify the sponsor of any increase in enrollment by
804 March 1 of the school year preceding the increase. A sponsor may
805 not require a charter school to identify the names of students
806 to be enrolled or to limit enrollment or capacity to enroll
807 those students enrolled before the start of the school year as a
808 condition of approval or renewal of a charter.

809 (15) CHARTER SCHOOLS-IN-THE-WORKPLACE; CHARTER SCHOOLS-IN-
810 A-MUNICIPALITY.—

811 (b) A charter school-in-the-workplace may be established
812 when a business partner provides the school facility to be used;
813 enrolls students based upon a random lottery that involves all
814 of the children of employees of that business or corporation who
815 are seeking enrollment, as provided for in subsection (10); and
816 enrolls students according to the racial/ethnic balance
817 provisions described in subparagraph (6) (a) 8. ~~(7) (a) 8.~~ Any
818 portion of a facility used for a public charter school shall be
819 exempt from ad valorem taxes, as provided for in s. 1013.54, for
820 the duration of its use as a public school.

821 (c) A charter school-in-a-municipality designation may be
822 granted to a municipality that possesses a charter; enrolls



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823 students based upon a random lottery that involves all of the
824 children of the residents of that municipality who are seeking
825 enrollment, as provided for in subsection (10); and enrolls
826 students according to the racial/ethnic balance provisions
827 described in subparagraph (6)(a)8. ~~(7)(a)8.~~ When a municipality
828 has submitted charter applications for the establishment of a
829 charter school feeder pattern, consisting of elementary, middle,
830 and senior high schools, and each individual charter application
831 is approved by the district school board, such schools shall
832 then be designated as one charter school for all purposes listed
833 pursuant to this section. Any portion of the land and facility
834 used for a public charter school shall be exempt from ad valorem
835 taxes, as provided for in s. 1013.54, for the duration of its
836 use as a public school.

837 (20) SERVICES.—

838 (c) Transportation of charter school students shall be
839 provided, at by the charter school's discretion, and shall be
840 ~~school~~ consistent with the requirements of subpart I.E. of
841 chapter 1006 and s. 1012.45. The governing body of the charter
842 school may provide transportation through an agreement or
843 contract with the district school board, a private provider, or
844 parents. The charter school and the sponsor shall cooperate in
845 making arrangements that ensure that transportation is not a
846 barrier to equal access for all students residing within a
847 reasonable distance of the charter school as determined in its
848 charter.

849 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

850 (a) The Department of Education shall provide information
851 to the public, directly and through sponsors, on how to form and



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852 operate a charter school and how to enroll in a charter school
853 once it is created. This information shall include a model
854 application form, standard charter contract, standard
855 application evaluation instrument, and standard charter renewal
856 contract, which shall include the information specified in
857 subsections (6) and ~~subsection~~ (7), as applicable, and shall be
858 developed by consulting and negotiating with both school
859 districts and charter schools before implementation. The model
860 application form, standard charter contract, standard
861 application evaluation instrument, and standard charter renewal
862 contract must clearly identify the specific statutes and rules
863 from which charter schools are statutorily exempted from
864 compliance. The department shall develop a model application
865 form, standard charter contract, standard application evaluation
866 instrument, and standard charter renewal contract uniquely
867 tailored to virtual charter schools established under subsection
868 (1) and high-performing charter schools under s. 1002.331(3).
869 The charter and charter renewal contracts shall be used by
870 charter school sponsors.

871 (25) LOCAL EDUCATIONAL AGENCY STATUS FOR CERTAIN CHARTER
872 SCHOOL SYSTEMS.—A charter school system shall be designated a
873 local educational agency for the purpose of receiving federal
874 funds, the same as though the charter school system were a
875 school district, if the governing board of the charter school
876 system has adopted and filed a resolution with its sponsoring
877 district school board and the Department of Education in which
878 the governing board of the charter school system accepts the
879 full responsibility for all local education agency requirements
880 and the charter school system meets all of the following:



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881 (a) ~~Includes both conversion charter schools and~~
882 ~~nonconversion charter schools;~~
883 ~~(b) Has all schools located in the same county;~~
884 ~~(c) Has a total enrollment exceeding the total enrollment~~
885 ~~of at least one school district in the state; and~~
886 ~~(b) (d) Has the same governing board; and~~
887 ~~(c) Does not contract with a for-profit service provider~~
888 ~~for management of school operations.~~

889
890 Such designation does not apply to other provisions unless
891 specifically provided in law.

892 Section 2. Subsection (1), paragraph (e) of subsection (2),
893 and subsection (5) of section 1002.331, Florida Statutes, are
894 amended to read:

895 1002.331 High-performing charter schools.—

896 (1) A charter school is a high-performing charter school if
897 it:

898 (a) Received at least two school grades of "A" and no
899 school grade below "B," pursuant to s. 1008.34, during each of
900 the previous 3 school years.

901 (b) Received an unqualified opinion on each annual
902 financial audit required under s. 218.39 in the most recent 3
903 fiscal years for which such audits are available.

904 (c) Did not receive a financial audit that revealed one or
905 more of the financial emergency conditions set forth in s.
906 218.503(1) in the most recent 3 fiscal years for which such
907 audits are available. However, this requirement is deemed met
908 for a charter school-in-the-workplace if there is a finding in
909 an audit that the school has the monetary resources available to



910 cover any reported deficiency or that the deficiency does not
911 result in a deteriorating financial condition pursuant to s.
912 1002.345(1)(a)3.

913
914 A virtual charter school established under s. 1002.33 is not
915 eligible for designation as a high-performing charter school. A
916 charter school that is established in this state and operated by
917 an entity classified as a high-performing charter school system
918 pursuant to s. 1002.332(2) is deemed a high-performing charter
919 school during its first 3 years of operation. Beginning in the
920 fourth year of operation and thereafter, such a charter school
921 must meet the criteria in this subsection to maintain the
922 designation.

923 (2) A high-performing charter school is authorized to:
924 (e) Receive a modification of its charter to a term of 15
925 years or a 15-year charter renewal. The charter may be modified
926 or renewed for a shorter term at the option of the high-
927 performing charter school. The charter must be consistent with
928 s. 1002.33(7)(a)7. ~~1002.33(7)(a)19.~~ and (10)(h) and (i), is
929 subject to annual review by the sponsor, and may be terminated
930 during its term pursuant to s. 1002.33(8).

931
932 A high-performing charter school shall notify its sponsor in
933 writing by March 1 if it intends to increase enrollment or
934 expand grade levels the following school year. The written
935 notice shall specify the amount of the enrollment increase and
936 the grade levels that will be added, as applicable. If a charter
937 school notifies the sponsor of its intent to expand, the sponsor
938 shall modify the charter within 90 days to include the new



393610

939 enrollment maximum and may not make any other changes. The
940 sponsor may deny a request to increase the enrollment of a high-
941 performing charter school if the commissioner has declassified
942 the charter school as high-performing. If a high-performing
943 charter school requests to consolidate multiple charters, the
944 sponsor shall have 40 days after receipt of that request to
945 provide an initial draft charter to the charter school. The
946 sponsor and charter school shall have 50 days thereafter to
947 negotiate and notice the charter contract for final approval by
948 the sponsor.

949 (5) The Commissioner of Education, upon request by a
950 charter school, shall verify that the charter school meets the
951 criteria in subsection (1) and provide a letter to the charter
952 school and the sponsor stating that the charter school is a
953 high-performing charter school pursuant to this section. The
954 commissioner shall annually determine whether a high-performing
955 charter school under subsection (1) continues to meet the
956 criteria in that subsection. Such high-performing charter school
957 shall maintain its high-performing status unless the
958 commissioner determines that the charter school no longer meets
959 the criteria in subsection (1), at which time the commissioner
960 shall send a letter to the charter school and its sponsor
961 providing notification that the charter school has been
962 declassified ~~of its declassification~~ as a high-performing
963 charter school.

964 Section 3. Paragraph (d) of subsection (8) of section
965 1002.45, Florida Statutes, is amended to read:

966 1002.45 Virtual instruction programs.-

967 (8) ASSESSMENT AND ACCOUNTABILITY.-



393610

968 (d) An approved provider's contract is automatically ~~must~~
969 ~~be~~ terminated if the provider earns two consecutive school
970 grades of ~~receives a school grade of "D" or "F" under s.~~
971 1008.34, two consecutive ~~or a school improvement ratings rating~~
972 of "Declining" under s. 1008.341, ~~for 2 years during any~~
973 ~~consecutive 4-year period~~ or has violated any qualification
974 requirement pursuant to subsection (2). A provider that has a
975 contract terminated under this paragraph may not be an approved
976 provider for a period of at least 1 year after the date upon
977 which the contract was terminated and until the department
978 determines that the provider is in compliance with subsection
979 (2) and has corrected each cause of the provider's low
980 performance.

981 Section 4. Paragraph (a) of subsection (1) of section
982 1013.62, Florida Statutes, is amended to read:

983 1013.62 Charter schools capital outlay funding.-

984 (1) In each year in which funds are appropriated for
985 charter school capital outlay purposes, the Commissioner of
986 Education shall allocate the funds among eligible charter
987 schools.

988 (a) To be eligible for a funding allocation, a charter
989 school must:

990 1.a. Have been in operation for 3 or more years;

991 b. Be governed by a governing board established in the
992 state for 3 or more years which operates both charter schools
993 and conversion charter schools within the state;

994 c. Be an expanded feeder chain of a charter school within
995 the same school district that is currently receiving charter
996 school capital outlay funds;



393610

997 d. Have been accredited by the Commission on Schools of the
998 Southern Association of Colleges and Schools; or

999 e. Serve students in facilities that are provided by a
1000 business partner for a charter school-in-the-workplace pursuant
1001 to s. 1002.33(15) (b) .

1002 2. For the most recent fiscal year for which an audit is
1003 available, have an audit that does not reveal one or more of the
1004 following emergency financial conditions: ~~stability for future~~
1005 operation as a charter school.

1006 a. During that fiscal year, failure to pay short-term loans
1007 and failure to timely make bond debt service or other long-term
1008 debt payments due to a lack of funds.

1009 b. Failure to pay uncontested claims from creditors within
1010 90 days after the claim is presented due to a lack of funds.

1011 c. Failure to transfer at the appropriate time, due to lack
1012 of funds:

1013 (I) Taxes withheld on the income of employees; or

1014 (II) Employer and employee contributions for federal social
1015 security or any other pension, retirement, or benefit plan of an
1016 employee.

1017 d. Failure for one pay period to pay, due to lack of funds:

1018 (I) Wages and salaries owed to employees; or

1019 (II) Retirement benefits owed to former employees.

1020 3. Have satisfactory student achievement based on state
1021 accountability standards applicable to the charter school.

1022 4. Have received final approval from its sponsor pursuant
1023 to s. 1002.33 for operation during that fiscal year.

1024 5. Serve students in facilities that are not provided by
1025 the charter school's sponsor.



393610

1026 Section 5. Subsection (14) of section 1003.01, Florida
1027 Statutes, is amended to read:
1028 1003.01 Definitions.—As used in this chapter, the term:
1029 (14) “Core-curricula courses” means:
1030 (a) Courses in language arts/reading, mathematics, social
1031 studies, and science in prekindergarten through grade 3,
1032 excluding any extracurricular courses pursuant to subsection
1033 (15);
1034 (b) Courses in grades 4 through 8 in subjects that are
1035 measured by state assessment at any grade level and courses
1036 required for middle school promotion, excluding any
1037 extracurricular courses pursuant to subsection (15);
1038 (c) Courses in grades 9 through 12 in subjects that are
1039 measured by state assessment at any grade level and courses that
1040 are specifically identified by name in statute as required for
1041 high school graduation and that are not measured by state
1042 assessment, excluding any extracurricular courses pursuant to
1043 subsection (15);
1044 (d) Exceptional student education courses; and
1045 (e) English for Speakers of Other Languages courses.
1046
1047 The term is limited in meaning and used for the sole purpose of
1048 designating classes that are subject to the maximum class size
1049 requirements established in s. 1, Art. IX of the State
1050 Constitution. This term does not include courses offered under
1051 ss. 1002.321(4)(e), 1002.33(6)(a)2.b. ~~1002.33(7)(a)2.b.~~,
1052 1002.37, 1002.415, 1002.45, and 1003.499.
1053 Section 6. This act shall take effect July 1, 2014.
1054



393610

1055 ===== T I T L E A M E N D M E N T =====

1056 And the title is amended as follows:

1057 Delete everything before the enacting clause

1058 and insert:

1059 A bill to be entitled
1060 An act relating to school choice; amending s. 1002.33,
1061 F.S.; revising required contents of charter school
1062 applications and charter contracts; authorizing a
1063 sponsor to require an applicant to provide additional
1064 information as an addendum to a charter school
1065 application; requiring a sponsor to allow an applicant
1066 an opportunity to correct both material and technical
1067 deficiencies in the application; conforming provisions
1068 regarding the appeal process for denial of high-
1069 performing charter school applications; requiring
1070 sponsors and applicants to use a standard charter
1071 contract; specifying that the standard charter
1072 contract consists of the approved application and
1073 addenda and other specified elements; conforming
1074 provisions; specifying that a charter contract
1075 provision that is inconsistent with or prohibited by
1076 law is void and unenforceable; authorizing a sponsor
1077 and applicant to negotiate additional terms after
1078 charter approval; authorizing a charter school to open
1079 and operate during such negotiation; providing that
1080 matters included in the approved application and
1081 addenda are deemed settled for purposes of negotiating
1082 the charter; clarifying provisions regarding long-term
1083 charters and charter terminations; specifying that a



393610

1084 charter is automatically terminated when a charter
1085 school earns a second consecutive grade of "F" after
1086 all appeals unless an exception applies; specifying
1087 requirements regarding such terminations; conforming
1088 cross-references; prohibiting a sponsor from requiring
1089 a high-performing charter school to limit enrollment
1090 or capacity to students enrolled before the start of
1091 the school year; clarifying that sponsors must make
1092 unused school facilities available to charter schools;
1093 specifying requirements for such use of facilities;
1094 providing that a charter school may only discipline
1095 students for the grounds and in the manner specified
1096 in the code of student conduct; specifying that a
1097 charter school provide transportation for students at
1098 its discretion; requiring the Department of Education
1099 to develop a model application form, standard charter
1100 contract, standard application evaluation instrument,
1101 and standard charter renewal contract; requiring the
1102 department to develop such documents for virtual
1103 charter schools; revising requirements determining a
1104 charter school system's designation as a local
1105 educational agency; amending s. 1002.331, F.S.;
1106 specifying that charter schools established by certain
1107 high-performing charter school systems qualify for
1108 high-performing charter school status for the first 3
1109 years of operation; correcting a cross-reference;
1110 specifying the reasons for which a high-performing
1111 charter school may submit an application to establish
1112 and operate a new charter school in a school district;



393610

1113 amending s. 1002.45, F.S.; specifying conditions under
1114 which an approved virtual instruction provider's
1115 contract is automatically terminated; amending s.
1116 1013.62, F.S.; requiring that a charter school not
1117 have financial emergency conditions on an annual audit
1118 in order to qualify for capital outlay funding;
1119 amending s. 1003.01, F.S.; correcting a cross-
1120 reference; providing an effective date.



801424

LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Sachs) recommended the following:

1 **Senate Amendment to Amendment (393610) (with directory and**
2 **title amendments)**

3
4 Between lines 11 and 12
5 insert:

6 (3) APPLICATION FOR CHARTER STATUS.—

7 (c) The governing board of a charter school, a management
8 company, or a consulting group providing oversight to a charter
9 school implementing financial or academic corrective action
10 initiated by the charter school's sponsor may not submit an



801424

11 additional charter school application until the school's
12 deficiencies are corrected.

13
14 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

15 And the directory clause is amended as follows:

16 Delete line 10

17 and insert:

18 1002.33, Florida Statutes, are amended, and paragraph (c) is
19 added to subsection (3) of that section, to read:

20
21 ===== T I T L E A M E N D M E N T =====

22 And the title is amended as follows:

23 Delete line 1061

24 and insert:

25 F.S.; prohibiting specified entities from submitting
26 an additional charter application under certain
27 circumstances; revising required contents of charter
28 school



811880

LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Sachs) recommended the following:

Senate Amendment to Amendment (393610)

Between lines 151 and 152
insert:

16. Documents that the applicant has secured a \$250,000 line of credit, surety bond, or a grant commitment from a charitable contribution before the charter school begins operation. For purposes of this subparagraph, charitable contribution has the same meaning as defined in s. 170(c) of the Internal Revenue Code of 1986, if such contribution consists of



811880

11 cash or a financial instrument as defined in s. 731(c)(2)(C) of
12 the Internal Revenue Code of 1986.



721144

LEGISLATIVE ACTION

| Senate | . | House |
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| Comm: FAV | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Montford) recommended the following:

1 **Senate Amendment to Amendment (393610) (with title**
2 **amendment)**

3
4 Delete lines 190 - 196
5 and insert:

6 2. In order to ensure fiscal responsibility, an application
7 for a charter school made by an individual, teachers, parents, a
8 group of individuals, a municipality, a legal entity organized
9 under the laws of this state, or any other third party
10 associated with the management or reporting responsibility of



721144

11 the charter school contract shall include a full accounting of
12 expected assets, a projection of expected sources and amounts of
13 income, including income derived from projected student
14 enrollments and from community support, ~~and~~ an expense
15 projection that includes full accounting of the costs of
16 operation, including start-up costs, and fees paid to a third
17 party for services and the purpose of such fees.

18

19 ===== T I T L E A M E N D M E N T =====

20 And the title is amended as follows:

21 Delete line 1067

22 and insert:

23 deficiencies in the application; revising requirements
24 for charter school applications to include additional
25 fiscal responsibility standards; conforming provisions



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LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Montford) recommended the following:

Senate Amendment to Amendment (393610) (with title amendment)

Delete lines 340 - 380

and insert:

application to provide to the charter school a model ~~an initial~~ proposed charter contract developed by the Department of Education, which shall consist of the approved application and any addenda and the elements specified in paragraph (7) (a) ~~to~~ the charter school. The applicant and the sponsor have 40 days



191324

11 thereafter to negotiate the remaining or additional terms and
12 notice the charter contract for final approval by the sponsor
13 unless both parties agree to an extension. The model charter
14 contract shall become effective by operation of law only if the
15 parties have not come to a final agreement after the negotiation
16 period has expired. The proposed charter contract shall be
17 provided to the charter school at least 7 calendar days before
18 ~~prior to~~ the date of the meeting at which the charter is
19 scheduled to be voted upon by the sponsor. A provision of a
20 charter contract inconsistent with or prohibited by the
21 requirements of this section is void and unenforceable. The
22 department of ~~Education~~ shall provide mediation services for any
23 dispute regarding this section subsequent to the approval of a
24 charter application and for any dispute relating to the approved
25 charter, except disputes regarding charter school application
26 denials. If the Commissioner of Education determines that the
27 dispute cannot be settled through mediation, the dispute may be
28 appealed to an administrative law judge appointed by the
29 Division of Administrative Hearings. The administrative law
30 judge has final order authority to rule on issues of equitable
31 treatment of the charter school as a public school, whether
32 proposed provisions of the charter violate the intended
33 flexibility granted charter schools by statute, or on any other
34 matter regarding this section except a charter school
35 application denial, a charter termination, or a charter
36 nonrenewal and shall award the prevailing party reasonable
37 attorney attorney's fees and costs incurred to be paid by the
38 losing party. The costs of the administrative hearing shall be
39 paid by the party whom the administrative law judge rules



191324

40 against. The charter school may open and operate during the
41 pendency of any negotiation, mediation, or administrative
42 proceeding.

43 (7) CHARTER.— The major issues involving the operation of a
44 charter school shall be set forth in ~~considered in advance and~~
45 ~~written into~~ the charter. The governing board of the charter
46 school and the sponsor shall use the model charter contract

47
48 ===== T I T L E A M E N D M E N T =====

49 And the title is amended as follows:

50 Delete lines 1070 - 1071

51 and insert:

52 sponsors and applicants to use a model charter
53 contract; specifying that the model charter



363024

LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Sachs) recommended the following:

1 **Senate Amendment to Amendment (393610) (with title**
2 **amendment)**

3
4 Delete lines 515 - 519
5 and insert:

6 5.13. The facilities to be used and their location. The
7 ~~sponsor may not require a charter school~~ must submit to the
8 sponsor to have a certificate of occupancy or a temporary
9 certificate of occupancy no later ~~for such a facility earlier~~
10 than 15 calendar days before the first day of school. If such



363024

11 documentation is not received 15 calendar days before the first
12 day of school, the charter contract automatically reverts to a
13 planning year for the first year of the charter's 5-year
14 contract.

15

16 ===== T I T L E A M E N D M E N T =====

17 And the title is amended as follows:

18 Delete line 1082

19 and insert:

20 the charter; requiring a charter school to submit a
21 certificate of occupancy to a sponsor within a
22 specified timeframe; specifying a penalty if such
23 documentation is not provided within the specified
24 timeframe; clarifying provisions regarding long-term



481354

LEGISLATIVE ACTION

| Senate | . | House |
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Appropriations Subcommittee on Education (Montford) recommended the following:

1 **Senate Amendment to Amendment (393610) (with directory and**
2 **title amendments)**

3
4 Delete lines 849 - 891
5 and insert:

6 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

7 (a) The Department of Education shall provide information
8 to the public, directly and through sponsors, on how to form and
9 operate a charter school and how to enroll in a charter school
10 once it is created. This information shall include a model



481354

11 application form, model ~~standard~~ charter contract, standard
12 evaluation instrument, and model ~~standard~~ charter renewal
13 contract, which shall include the information specified in
14 subsections (6) and subsection (7), as applicable, and shall be
15 developed by consulting and negotiating with both school
16 districts and charter schools before implementation. The charter
17 and charter renewal contracts may ~~shall~~ be used by charter
18 school sponsors.

19 (25) LOCAL EDUCATIONAL AGENCY STATUS FOR CERTAIN CHARTER
20 SCHOOL SYSTEMS.—A charter school system shall be designated a
21 local educational agency for the purpose of receiving federal
22 funds, the same as though the charter school system were a
23 school district, if the governing board of the charter school
24 system has adopted and filed a resolution with its sponsoring
25 district school board and the Department of Education in which
26 the governing board of the charter school system accepts the
27 full responsibility for all local education agency requirements
28 and the charter school system meets both ~~all~~ of the following:

- 29 (a) ~~Includes both conversion charter schools and~~
30 ~~nonconversion charter schools;~~
31 ~~(b) Has all schools located in the same county;~~
32 ~~(c) Has a total enrollment exceeding the total enrollment~~
33 ~~of at least one school district in the state; and~~
34 ~~(b)-(d) Has the same governing board; and~~
35 ~~(c) Does not contract with a for-profit service provider~~
36 ~~for management of school operations.~~

37
38 Such designation does not apply to other provisions unless
39 specifically provided in law.



481354

40 (27) RULEMAKING.—The Department of Education, after
41 consultation with school districts and charter school directors,
42 shall recommend that the State Board of Education adopt rules to
43 implement specific subsections of this section. Such rules shall
44 require minimum paperwork and shall not limit charter school
45 flexibility authorized by statute. The State Board of Education
46 shall adopt rules, pursuant to ss. 120.536(1) and 120.54, to
47 implement a charter model application form, standard evaluation
48 instrument, and model ~~standard~~ charter and model charter renewal
49 contracts in accordance with this section.

50
51 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

52 And the directory clause is amended as follows:

53 Delete lines 9 - 10

54 and insert:

55 paragraph (a) of subsection (21), and subsections (25) and (27)
56 of section 1002.33, Florida Statutes, are amended to read:

57
58 ===== T I T L E A M E N D M E N T =====

59 And the title is amended as follows:

60 Delete lines 1098 - 1103

61 and insert:

62 its discretion; requiring the Department of Education
63 to develop a model charter contract and model charter
64 renewal contract; revising requirements determining a



704248

LEGISLATIVE ACTION

| Senate | . | House |
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| Comm: RCS | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Legg) recommended the following:

Senate Substitute for Amendment (393610) (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraph (a) of subsection (3), paragraphs (b), (c), and (h) of subsection (6), paragraph (a) of subsection (7), paragraphs (n) and (o) of subsection (9), and paragraph (g) of subsection (10) of section 1002.33, Florida Statutes, are amended to read:



704248

21 1002.33 Charter schools.—

22 (3) APPLICATION FOR CHARTER STATUS.—

23 (a) An application for a new charter school may be made by
24 an individual, teachers, parents, a group of individuals, a
25 municipality, or a legal entity organized under the laws of this
26 state. An application for a charter school may be made by the
27 military installation commander of a military installation, if
28 the commander is a member of the charter school's not-for-profit
29 governing board, the charter school is located on the military
30 installation, and the governing board operates the charter
31 school or contracts with a management company or similar entity
32 to operate the charter school.

33 (6) APPLICATION PROCESS AND REVIEW.—Charter school
34 applications are subject to the following requirements:

35 (b) A sponsor shall receive and review all applications for
36 a charter school using the ~~an~~ evaluation instrument developed by
37 the Department of Education. A sponsor shall receive and
38 consider charter school applications received on or before
39 August 1 of each calendar year for charter schools to be opened
40 at the beginning of the school district's next school year, or
41 to be opened at a time agreed to by the applicant and the
42 sponsor. A sponsor may not refuse to receive a charter school
43 application submitted before August 1 and may receive an
44 application submitted later than August 1 if it chooses. In
45 order to facilitate greater collaboration in the application
46 process, an applicant may submit a draft charter school
47 application on or before May 1 with an application fee of \$500.
48 If a draft application is timely submitted, the sponsor shall
49 review and provide feedback as to material deficiencies in the



704248

50 application by July 1. The applicant shall then have until
51 August 1 to resubmit a revised and final application. The
52 sponsor may approve the draft application. A sponsor may not
53 charge an applicant for a charter any fee for the processing or
54 consideration of an application, and a sponsor may not base its
55 consideration or approval of a final application upon the
56 promise of future payment of any kind. Before approving or
57 denying any final application, the sponsor shall allow the
58 applicant, upon receipt of written notification, at least 7
59 calendar days to make ~~technical or nonsubstantive~~ corrections
60 and clarifications to address any deficiencies, ~~including, but~~
61 ~~not limited to, corrections of grammatical, typographical, and~~
62 ~~like errors or missing signatures, if such errors are identified~~
63 by the sponsor as cause to deny the final application.

64 1. In order to facilitate an accurate budget projection
65 process, a sponsor shall be held harmless for FTE students who
66 are not included in the FTE projection due to approval of
67 charter school applications after the FTE projection deadline.
68 In a further effort to facilitate an accurate budget projection,
69 within 15 calendar days after receipt of a charter school
70 application, a sponsor shall report to the Department of
71 Education the name of the applicant entity, the proposed charter
72 school location, and its projected FTE.

73 2. In order to ensure fiscal responsibility, an application
74 for a charter school shall include a full accounting of expected
75 assets, a projection of expected sources and amounts of income,
76 including income derived from projected student enrollments and
77 from community support, and an expense projection that includes
78 full accounting of the costs of operation, including start-up



704248

79 costs.

80 3.a. A sponsor shall by a majority vote approve or deny an
81 application no later than 60 calendar days after the application
82 is received, unless the sponsor and the applicant mutually agree
83 in writing to temporarily postpone the vote to a specific date,
84 at which time the sponsor shall by a majority vote approve or
85 deny the application. If the sponsor fails to act on the
86 application, an applicant may appeal to the State Board of
87 Education as provided in paragraph (c). If an application is
88 denied, the sponsor shall, within 10 calendar days after such
89 denial, articulate in writing the specific reasons, based upon
90 good cause, supporting its denial of the charter application and
91 shall provide the letter of denial and supporting documentation
92 to the applicant and to the Department of Education.

93 b. An application submitted by a high-performing charter
94 school identified pursuant to s. 1002.331 may be denied by the
95 sponsor only if the sponsor demonstrates by clear and convincing
96 evidence that:

97 (I) The application does not materially comply with the
98 requirements in paragraph (a);

99 (II) The charter school proposed in the application does
100 not materially comply with the requirements in paragraphs
101 (9) (a)-(f);

102 (III) The proposed charter school's educational program
103 does not substantially replicate that of the applicant or one of
104 the applicant's high-performing charter schools;

105 (IV) The applicant has made a material misrepresentation or
106 false statement or concealed an essential or material fact
107 during the application process; or



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108 (V) The proposed charter school's educational program and
109 financial management practices do not materially comply with the
110 requirements of this section.

111
112 Material noncompliance is a failure to follow requirements or a
113 violation of prohibitions applicable to charter school
114 applications, which failure is quantitatively or qualitatively
115 significant either individually or when aggregated with other
116 noncompliance. An applicant is considered to be replicating a
117 high-performing charter school if the proposed school is
118 substantially similar to at least one of the applicant's high-
119 performing charter schools and the organization or individuals
120 involved in the establishment and operation of the proposed
121 school are significantly involved in the operation of replicated
122 schools.

123 c. If the sponsor denies an application submitted by a
124 high-performing charter school, the sponsor must, within 10
125 calendar days after such denial, state in writing the specific
126 reasons, based upon the criteria in sub-subparagraph b.,
127 supporting its denial of the application and must provide the
128 letter of denial and supporting documentation to the applicant
129 and to the Department of Education. The applicant may appeal the
130 sponsor's denial of the application ~~directly~~ to the State Board
131 of Education pursuant to paragraph (c) and must provide the
132 sponsor with a copy of the appeal ~~sub-subparagraph (c)3.b.~~

133 4. For budget projection purposes, the sponsor shall report
134 to the Department of Education the approval or denial of a
135 charter application within 10 calendar days after such approval
136 or denial. In the event of approval, the report to the



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137 Department of Education shall include the final projected FTE
138 for the approved charter school.

139 5. Upon approval of a charter application, the initial
140 startup shall commence with the beginning of the public school
141 calendar for the district in which the charter is granted unless
142 the sponsor allows a waiver of this subparagraph for good cause.

143 (c)1. An applicant may appeal any denial of that
144 applicant's application or failure to act on an application to
145 the State Board of Education within ~~no later than~~ 30 calendar
146 days after receipt of the sponsor's decision or failure to act
147 and shall notify the sponsor of its appeal. Any response of the
148 sponsor shall be submitted to the State Board of Education
149 within 30 calendar days after notification of the appeal. Upon
150 receipt of notification from the State Board of Education that a
151 charter school applicant is filing an appeal, the Commissioner
152 of Education shall convene a meeting of the Charter School
153 Appeal Commission to study and make recommendations to the State
154 Board of Education regarding its pending decision about the
155 appeal. The commission shall forward its recommendation to the
156 state board at least 7 calendar days before the date on which
157 the appeal is to be heard. An appeal regarding the denial of an
158 application submitted by a high-performing charter school
159 pursuant to s. 1002.331 shall be conducted by the State Board of
160 Education in accordance with this paragraph, except that the
161 commission shall not convene to make recommendations regarding
162 the appeal. However, the Commissioner of Education shall review
163 the appeal and make a recommendation to the state board.

164 2. The Charter School Appeal Commission or, in the case of
165 an appeal regarding an application submitted by a high-



704248

166 performing charter school, the State Board of Education may
167 reject an appeal submission for failure to comply with
168 procedural rules governing the appeals process. The rejection
169 shall describe the submission errors. The appellant shall have
170 15 calendar days after notice of rejection in which to resubmit
171 an appeal that meets the requirements set forth in State Board
172 of Education rule. An appeal submitted subsequent to such
173 rejection is considered timely if the original appeal was filed
174 within 30 calendar days after receipt of notice of the specific
175 reasons for the sponsor's denial of the charter application.

176 3.a. The State Board of Education shall by majority vote
177 accept or reject the decision of the sponsor no later than 90
178 calendar days after an appeal is filed in accordance with State
179 Board of Education rule. The State Board of Education shall
180 remand the application to the sponsor with its written decision
181 that the sponsor approve or deny the application. The sponsor
182 shall implement the decision of the State Board of Education.
183 The decision of the State Board of Education is not subject to
184 the provisions of the Administrative Procedure Act, chapter 120.

185 b. If an appeal concerns an application submitted by a
186 high-performing charter school identified pursuant to s.
187 1002.331, the State Board of Education shall determine whether
188 the sponsor's denial of the application complies with the
189 requirements in sub-subparagraph (b)3.b. sponsor has shown, by
190 clear and convincing evidence, that:

191 ~~(I) The application does not materially comply with the~~
192 ~~requirements in paragraph (a);~~

193 ~~(II) The charter school proposed in the application does~~
194 ~~not materially comply with the requirements in paragraphs~~



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195 ~~(9) (a) - (f);~~

196 ~~(III) The proposed charter school's educational program~~
197 ~~does not substantially replicate that of the applicant or one of~~
198 ~~the applicant's high performing charter schools;~~

199 ~~(IV) The applicant has made a material misrepresentation or~~
200 ~~false statement or concealed an essential or material fact~~
201 ~~during the application process; or~~

202 ~~(V) The proposed charter school's educational program and~~
203 ~~financial management practices do not materially comply with the~~
204 ~~requirements of this section.~~

205

206 The State Board of Education shall approve or reject the
207 sponsor's denial of an application no later than 90 calendar
208 days after an appeal is filed in accordance with State Board of
209 Education rule. The State Board of Education shall remand the
210 application to the sponsor with its written decision that the
211 sponsor approve or deny the application. The sponsor shall
212 implement the decision of the State Board of Education. The
213 decision of the State Board of Education is not subject to the
214 Administrative Procedure Act, chapter 120.

215 (h)1. The terms and conditions for the operation of a
216 charter school shall be set forth by the sponsor and the
217 applicant in a written contractual agreement, called a charter.
218 The sponsor may not impose unreasonable rules or regulations
219 that violate the intent of giving charter schools greater
220 flexibility to meet educational goals. The sponsor has 30 days
221 after approval of the application to provide an initial proposed
222 charter contract to the charter school. The applicant and the
223 sponsor have 40 days thereafter to negotiate and notice the



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224 charter contract for final approval by the sponsor unless both
225 parties agree to an extension. The proposed charter contract
226 shall be provided to the charter school at least 7 calendar days
227 prior to the date of the meeting at which the charter is
228 scheduled to be voted upon by the sponsor.

229 2. The Department of Education shall provide mediation
230 services for any dispute regarding this section subsequent to
231 the approval of a charter application and for any dispute
232 relating to the approved charter, except disputes regarding
233 charter school application denials.

234 3. If the Commissioner of Education determines that a the
235 dispute cannot be settled through mediation, or if the sponsor
236 or charter school requests to bypass mediation, a the dispute
237 must be immediately forwarded ~~may be appealed~~ to an
238 administrative law judge appointed by the Division of
239 Administrative Hearings.

240 a. The administrative law judge must issue a summary final
241 order for a dispute regarding language to be included in the
242 initial charter contract. The administrative law judge may
243 consider all documents determined necessary by the
244 administrative law judge to issue the summary final order. The
245 administrative law judge must hold at least one conference with
246 the parties to discuss the dispute, and may require other
247 proceedings only if determined necessary by the administrative
248 law judge. The summary final order must consist of a summary of
249 the facts and law, the position of the charter school and
250 sponsor, the administrative law judge's disposition of the
251 dispute and supporting rationale, and may include other
252 information if determined necessary by the administrative law



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253 judge. The administrative law judge's summary final order must
254 be issued within 30 calendar days after receipt of the referral
255 of the dispute from the Commissioner of Education.

256 b. The administrative law judge has final order authority
257 to rule on issues of equitable treatment of the charter school
258 as a public school, whether proposed provisions of ~~the~~ charter
259 renewals or amendments violate the intended flexibility granted
260 charter schools by statute, or on any other matter regarding
261 this section except a charter school application denial, a
262 charter termination, or a charter nonrenewal.

263 c. The administrative law judge's summary final order or
264 final order pursuant to this subparagraph ~~and~~ shall award the
265 prevailing party reasonable attorney's fees and costs incurred
266 to be paid by the losing party. The costs of the administrative
267 hearing shall be paid by the party whom the administrative law
268 judge rules against.

269 (7) CHARTER.— The major issues involving the operation of a
270 charter school shall be considered in advance and written into
271 the charter. The charter shall be signed by the governing board
272 of the charter school and the sponsor, following a public
273 hearing to ensure community input.

274 (a) The charter shall address and criteria for approval of
275 the charter shall be based on:

276 12. The term of the charter which shall provide for
277 cancellation of the charter if insufficient progress has been
278 made in attaining the student achievement objectives of the
279 charter and if it is not likely that such objectives can be
280 achieved before expiration of the charter. The initial term of
281 the a charter, which shall be for 4 or 5 years. ~~In order to~~



704248

282 ~~facilitate access to long-term financial resources for charter~~
283 ~~school construction,~~ Charter schools that are operated by a
284 municipality or other public entity, as provided by law, or a
285 private, not-for-profit, s. 501(c)(3) status corporation are
286 eligible for up to a 15-year charter, subject to approval by the
287 district school board, which consent may not unreasonably
288 withheld. A charter lab school is also eligible for a charter
289 for a term of up to 15 years. ~~In addition, to facilitate access~~
290 ~~to long-term financial resources for charter school~~
291 ~~construction, charter schools that are operated by a private,~~
292 ~~not-for-profit, s. 501(c)(3) status corporation are eligible for~~
293 ~~up to a 15-year charter, subject to approval by the district~~
294 ~~school board.~~ Such long-term charters remain subject to annual
295 review and may be terminated during the term of the charter, but
296 only according to ~~the provisions set forth in~~ subsection (8).

297 20. Termination or nonrenewal of the charter pursuant to
298 subsection (8), including termination for failure to make
299 sufficient progress towards attaining the student achievement
300 objectives of the charter.

301 (9) CHARTER SCHOOL REQUIREMENTS.—

302 (n)4. A charter school's charter is automatically
303 terminated if the charter school earns two consecutive grades of
304 "F," after all school grade appeals are final, ~~The sponsor shall~~
305 ~~terminate a charter if the charter school earns two consecutive~~
306 ~~grades of "F" unless:~~

307 a. The charter school is established to turn around the
308 performance of a district public school pursuant to s.
309 1008.33(4)(b)3. Such charter schools shall be governed by s.
310 1008.33;



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311 b. The charter school serves a student population the
312 majority of which resides in a school zone served by a district
313 public school that earned a grade of "F" in the year before the
314 charter school opened and the charter school earns at least a
315 grade of "D" in its third year of operation. The exception
316 provided under this sub-subparagraph does not apply to a charter
317 school in its fourth year of operation and thereafter; or

318 c. The state board grants the charter school a waiver of
319 termination. The charter school must request the waiver within
320 15 days after the department's official release of school
321 grades. The state board may waive termination if the charter
322 school demonstrates that the learning gains of its students on
323 statewide assessments are comparable to or better than the
324 learning gains of similarly situated students enrolled in nearby
325 district public schools. The waiver is valid for 1 year and may
326 only be granted once. Charter schools that have been in
327 operation for more than 5 years are not eligible for a waiver
328 under this sub-subparagraph.

329
330 The sponsor shall notify in writing the charter school's
331 governing board, the charter school principal, and the
332 department when a charter is terminated under this subparagraph.
333 A charter terminated under this subparagraph is governed by the
334 requirements of paragraphs (8) (e)-(g) and (9) (o).

335 (o)1. Upon initial notification of nonrenewal, closure, or
336 termination of its charter, a charter school may not expend more
337 than \$10,000 per expenditure without prior written approval from
338 the sponsor unless such expenditure was included within the
339 annual budget submitted to the sponsor pursuant to the charter



704248

340 contract, is for reasonable attorney fees and costs during the
341 pendency of any hearing or appeal, or is for reasonable fees and
342 costs to conduct an independent audit.

343 2. An independent audit shall be completed within 30 days
344 after notice of nonrenewal, closure, or termination to account
345 for all public funds and assets.

346 3. A provision in a charter contract that contains an
347 acceleration clause requiring the expenditure of funds based
348 upon closure or upon notification of nonrenewal or termination
349 is void and unenforceable.

350 4. A charter school may not enter into a contract with an
351 employee that exceeds the term of the school's charter contract
352 with its sponsor.

353 5. A violation of this paragraph triggers a reversion or
354 clawback power by the sponsor allowing for collection of an
355 amount equal to or less than the accelerated amount that exceeds
356 normal expenditures. The reversion or clawback plus legal fees
357 and costs shall be levied against the person or entity receiving
358 the accelerated amount.

359 (10) ELIGIBLE STUDENTS.—

360 (g)1. A student may withdraw from a charter school at any
361 time and enroll in another public school as determined by
362 district school board rule. A charter school must request, but
363 may not require, that the student withdrawing or the parent of
364 the student withdrawing complete a survey and provide
365 information concerning the student's experiences at the charter
366 school and reasons for withdrawal. A charter school must provide
367 in its annual report to its sponsor and the Department of
368 Education the total number of students that leave the charter



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369 school and their reasons for leaving the charter school,
370 including but not limited to, withdrawal, suspension, and
371 dismissal, if known.

372 2. A student may only receive disciplinary action,
373 including but not limited to suspension or dismissal, on the
374 grounds and in the manner specified in the charter school's code
375 of student conduct.

376 Section 2. Subsection (5) of section 1002.331, Florida
377 Statutes, is amended to read:

378 1002.331 High-performing charter schools.—

379 (5) The Commissioner of Education, upon request by a
380 charter school, shall verify that the charter school meets the
381 criteria in subsection (1) and provide a letter to the charter
382 school and the sponsor stating that the charter school is a
383 high-performing charter school pursuant to this section. The
384 commissioner shall annually determine whether a high-performing
385 charter school under subsection (1) continues to meet the
386 criteria in that subsection. Such high-performing charter school
387 shall maintain its high-performing status unless the
388 commissioner determines that the charter school no longer meets
389 the criteria in subsection (1), at which time the commissioner
390 shall send a letter to the charter school and its sponsor
391 providing notification that the charter school has been
392 declassified ~~of its declassification~~ as a high-performing
393 charter school.

394 Section 3. Paragraph (a) of subsection (1) of section
395 1013.62, Florida Statutes, is amended to read:

396 1013.62 Charter schools capital outlay funding.—

397 (1) In each year in which funds are appropriated for



704248

398 charter school capital outlay purposes, the Commissioner of
399 Education shall allocate the funds among eligible charter
400 schools.

401 (a) To be eligible for a funding allocation, a charter
402 school must:

403 1.a. Have been in operation for 3 or more years;

404 b. Be governed by a governing board established in the
405 state for 3 or more years which operates both charter schools
406 and conversion charter schools within the state;

407 c. Be an expanded feeder chain of a charter school within
408 the same school district that is currently receiving charter
409 school capital outlay funds;

410 d. Have been accredited by the Commission on Schools of the
411 Southern Association of Colleges and Schools; or

412 e. Serve students in facilities that are provided by a
413 business partner for a charter school-in-the-workplace pursuant
414 to s. 1002.33(15) (b).

415 2. For the most recent fiscal year for which an audit is
416 available, have an audit that does not reveal one or more of the
417 following emergency financial conditions: ~~stability for future~~
418 operation as a charter school.

419 a. During that fiscal year, failure to pay short-term loans
420 and failure to timely make bond debt service or other long-term
421 debt payments due to a lack of funds.

422 b. Failure to pay uncontested claims from creditors within
423 90 days after the claim is presented due to a lack of funds.

424 c. Failure to transfer at the appropriate time, due to lack
425 of funds:

426 (I) Taxes withheld on the income of employees; or



704248

427 (II) Employer and employee contributions for federal social
428 security or any other pension, retirement, or benefit plan of an
429 employee.

430 d. Failure for one pay period to pay, due to lack of funds:

431 (I) Wages and salaries owed to employees; or

432 (II) Retirement benefits owed to former employees.

433 3. Have satisfactory student achievement based on state
434 accountability standards applicable to the charter school.

435 4. Have received final approval from its sponsor pursuant
436 to s. 1002.33 for operation during that fiscal year.

437 5. Serve students in facilities that are not provided by
438 the charter school's sponsor.

439 Section 4. This act shall take effect July 1, 2014.

440

441 ===== T I T L E A M E N D M E N T =====

442 And the title is amended as follows:

443 Delete everything before the enacting clause
444 and insert:

445 A bill to be entitled
446 An act relating to charter schools; amending s.
447 1002.33, F.S.; authorizing a military installation
448 commander of a military installation to apply for a
449 charter school located on the military installation;
450 establishing conditions for the commander and charter
451 school governing board; conforming provisions
452 regarding the appeal process for denial of high-
453 performing charter school applications; authorizing
454 contract disputes to be referred to the Division of
455 Administrative Hearings for summary final order;



704248

456 removing limitation of access to long-term charters
457 for a private, not-for-profit corporation; clarifying
458 provisions regarding charter terminations; specifying
459 that a charter is automatically terminated when a
460 charter school earns two consecutive grades of "F"
461 after all appeals unless an exception applies;
462 specifying requirements regarding such terminations;
463 providing that a charter school may only discipline
464 students for the grounds and in the manner specified
465 in the code of student conduct; amending s. 1002.331,
466 F.S.; clarifying the commissioner's requirements when
467 a high performing charter school is declassified;
468 amending s. 1013.62, F.S.; requiring that a charter
469 school not have financial emergency conditions on an
470 annual audit in order to qualify for capital outlay
471 funding; providing an effective date.

472
473



397208

LEGISLATIVE ACTION

| Senate | . | House |
|-------------|---|-------|
| Comm: UNFAV | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Sachs) recommended the following:

1 **Senate Amendment to Amendment (704248) (with directory and**
2 **title amendments)**

3
4 Between lines 32 and 33
5 insert:

6 (c) The governing board of a charter school, a management
7 company, or a consulting group providing oversight to a charter
8 school implementing financial or academic corrective action
9 initiated by the charter school's sponsor may not submit an
10 additional charter school application until the school's



397208

11 deficiencies are corrected.

12

13 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

14 And the directory clause is amended as follows:

15 Delete line 16

16 and insert:

17 Section 1. Paragraphs (a) and (c) of subsection (3),
18 paragraphs (b),

19

20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 Delete line 451

23 and insert:

24 school governing board; prohibiting specified entities
25 from submitting an additional charter application
26 under certain circumstances; conforming provisions



253798

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Montford) recommended the following:

1 **Senate Amendment to Amendment (704248) (with title**
2 **amendment)**

3
4 Delete lines 73 - 79
5 and insert:

6 2. In order to ensure fiscal responsibility, an application
7 for a charter school made by an individual, teachers, parents, a
8 group of individuals, a municipality, a legal entity organized
9 under the laws of this state, or any other third party
10 associated with the management or reporting responsibility of



253798

11 the charter school contract shall include a full accounting of
12 expected assets, a projection of expected sources and amounts of
13 income, including income derived from projected student
14 enrollments and from community support, ~~and~~ an expense
15 projection that includes full accounting of the costs of
16 operation, including start-up costs, and fees paid to a third
17 party for services and the purpose of such fees.

18

19 ===== T I T L E A M E N D M E N T =====

20 And the title is amended as follows:

21 Delete line 451

22 and insert:

23 school governing board; revising requirements for
24 charter school applications to include additional
25 fiscal responsibility standards; conforming provisions



197598

LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: WD | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Montford) recommended the following:

1 **Senate Amendment to Amendment (704248) (with directory and**
2 **title amendments)**

3
4 Between lines 375 and 376
5 insert:

6 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

7 (a) The Department of Education shall provide information
8 to the public, directly and through sponsors, on how to form and
9 operate a charter school and how to enroll in a charter school
10 once it is created. This information shall include a model



197598

11 application form, model ~~standard~~ charter contract, standard
12 evaluation instrument, and model ~~standard~~ charter renewal
13 contract, which shall include the information specified in
14 subsection (7) and shall be developed by consulting and
15 negotiating with both school districts and charter schools
16 before implementation. The charter and charter renewal contracts
17 may ~~shall~~ be used by charter school sponsors.

18 (27) RULEMAKING.—The Department of Education, after
19 consultation with school districts and charter school directors,
20 shall recommend that the State Board of Education adopt rules to
21 implement specific subsections of this section. Such rules shall
22 require minimum paperwork and shall not limit charter school
23 flexibility authorized by statute. The State Board of Education
24 shall adopt rules, pursuant to ss. 120.536(1) and 120.54, to
25 implement a charter model application form, standard evaluation
26 instrument, and model ~~standard~~ charter and model charter renewal
27 contracts in accordance with this section.

28
29 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

30 And the directory clause is amended as follows:

31 Delete lines 18 - 19

32 and insert:

33 paragraphs (n) and (o) of subsection (9), paragraph (g) of
34 subsection (10), paragraph (a) of subsection (21), and
35 subsection (27) of section 1002.33, Florida Statutes, are

36
37 ===== T I T L E A M E N D M E N T =====

38 And the title is amended as follows:

39 Delete line 465



197598

40 and insert:
41 in the code of student conduct; updating references to
42 standard charter and charter renewal contracts to
43 model charter and model charter renewal contracts,
44 respectively; authorizing a charter school sponsor to
45 use the model charter and charter renewal contracts,
46 rather than requiring the charter school sponsor to
47 use the standard charter and charter renewal
48 contracts; amending s. 1002.331,



889432

LEGISLATIVE ACTION

| Senate | . | House |
|-------------|---|-------|
| Comm: UNFAV | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Sachs) recommended the following:

1 **Senate Amendment to Amendment (704248) (with title**
2 **amendment)**

3
4 Between lines 296 and 297
5 insert:

6 13. The facilities to be used and their location. The
7 ~~sponsor may not require a charter school~~ must submit to the
8 sponsor to have a certificate of occupancy or a temporary
9 certificate of occupancy no later ~~for such a facility earlier~~
10 than 15 calendar days before the first day of school. If such



889432

11 documentation is not received 15 calendar days before the first
12 day of school, the charter contract automatically reverts to a
13 planning year for the first year of the charter's 5-year
14 contract.

15

16 ===== T I T L E A M E N D M E N T =====

17 And the title is amended as follows:

18 Delete line 457

19 and insert:

20 for a private, not-for-profit corporation; requiring a
21 charter school to submit a certificate of occupancy to
22 a sponsor within a specified timeframe; specifying a
23 penalty if such documentation is not provided within
24 the specified timeframe; clarifying



325862

LEGISLATIVE ACTION

| Senate | . | House |
|-------------|---|-------|
| Comm: UNFAV | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Sachs) recommended the following:

1 **Senate Amendment to Amendment (704248) (with directory and**
2 **title amendments)**

3
4 Between lines 34 and 35
5 insert:

6 (a) A person or entity wishing to open a charter school
7 shall prepare and submit an application on a model application
8 form prepared by the Department of Education which:

9 1. Demonstrates how the school will use the guiding
10 principles and meet the statutorily defined purpose of a charter



325862

11 school.

12 2. Provides a detailed curriculum plan that illustrates how
13 students will be provided services to attain the Sunshine State
14 Standards.

15 3. Contains goals and objectives for improving student
16 learning and measuring that improvement. These goals and
17 objectives must indicate how much academic improvement students
18 are expected to show each year, how success will be evaluated,
19 and the specific results to be attained through instruction.

20 4. Describes the reading curriculum and differentiated
21 strategies that will be used for students reading at grade level
22 or higher and a separate curriculum and strategies for students
23 who are reading below grade level. A sponsor shall deny a
24 charter if the school does not propose a reading curriculum that
25 is consistent with effective teaching strategies that are
26 grounded in scientifically based reading research.

27 5. Contains an annual financial plan for each year
28 requested by the charter for operation of the school for up to 5
29 years. This plan must contain anticipated fund balances based on
30 revenue projections, a spending plan based on projected revenues
31 and expenses, and a description of controls that will safeguard
32 finances and projected enrollment trends.

33 6. Documents that the applicant has participated in the
34 training required in subparagraph (f)2. A sponsor may require an
35 applicant to provide additional information as an addendum to
36 the charter school application described in this paragraph.

37 7. For the establishment of a virtual charter school,
38 documents that the applicant has contracted with a provider of
39 virtual instruction services pursuant to s. 1002.45(1)(d).



325862

40 8. Documents that the applicant has secured a \$250,000 line
41 of credit, a surety bond, or a grant commitment from a
42 charitable contribution before the charter school begins
43 operation. For purposes of this subparagraph, charitable
44 contribution has the same meaning as in s. 170(c) of the
45 Internal Revenue Code of 1986 if such contribution consists of
46 cash or a financial instrument as defined in s. 731(c)(2)(C) of
47 the Internal Revenue Code of 1986.

48
49 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

50 And the directory clause is amended as follows:

51 Delete line 16

52 and insert:

53 Section 1. Paragraph (a) of subsection (3), paragraphs (a),
54 (b),

55
56 ===== T I T L E A M E N D M E N T =====

57 And the title is amended as follows:

58 Delete line 451

59 and insert:

60 school governing board; revising requirements for the
61 process and review of charter school applications;
62 conforming provisions



419498

LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Legg) recommended the following:

1 **Senate Amendment to Substitute Amendment (704248) (with**
2 **directory and title amendments)**

3
4 Delete lines 33 - 438.

5
6 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

7 And the directory clause is amended as follows:

8 Delete lines 16 - 19

9 and insert:



419498

10 Section 1. Paragraph (a) of subsection (3) of section
11 1002.33, Florida Statutes, is

12
13 ===== T I T L E A M E N D M E N T =====

14 And the title is amended as follows:

15 Delete lines 451 - 471

16 and insert:

17 school governing board; providing an effective date.



895108

LEGISLATIVE ACTION

| | | |
|------------|---|-------|
| Senate | . | House |
| Comm: OO | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Sachs) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 20 and 21

insert:

(3) APPLICATION FOR CHARTER STATUS.—

(c) The governing board of a charter school, a management company, or a consulting group providing oversight to a charter school implementing financial or academic corrective action initiated by the charter school's sponsor may not submit an additional charter school application until the school's



895108

11 deficiencies are corrected.

12

13 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

14 And the directory clause is amended as follows:

15 Delete lines 17 - 19

16 and insert:

17 Section 1. Paragraph (h) of subsection (6) and paragraph
18 (g) of subsection (10) of section 1002.33, Florida Statutes, are
19 amended and paragraph (c) is added to subsection (3) of that
20 section, to read:

21

22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 Delete line 3

25 and insert:

26 1002.33, F.S.; prohibiting specified entities from
27 submitting an additional charter application under
28 certain circumstances; authorizing contract disputes
29 to be



407376

LEGISLATIVE ACTION

| | | |
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| Senate | . | House |
| Comm: OO | . | |
| 04/11/2014 | . | |
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| | . | |
| | . | |

Appropriations Subcommittee on Education (Sachs) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 22 and 23

insert:

(a) A person or entity wishing to open a charter school shall prepare and submit an application on a model application form prepared by the Department of Education which:

1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.



407376

11 2. Provides a detailed curriculum plan that illustrates how
12 students will be provided services to attain the Sunshine State
13 Standards.

14 3. Contains goals and objectives for improving student
15 learning and measuring that improvement. These goals and
16 objectives must indicate how much academic improvement students
17 are expected to show each year, how success will be evaluated,
18 and the specific results to be attained through instruction.

19 4. Describes the reading curriculum and differentiated
20 strategies that will be used for students reading at grade level
21 or higher and a separate curriculum and strategies for students
22 who are reading below grade level. A sponsor shall deny a
23 charter if the school does not propose a reading curriculum that
24 is consistent with effective teaching strategies that are
25 grounded in scientifically based reading research.

26 5. Contains an annual financial plan for each year
27 requested by the charter for operation of the school for up to 5
28 years. This plan must contain anticipated fund balances based on
29 revenue projections, a spending plan based on projected revenues
30 and expenses, and a description of controls that will safeguard
31 finances and projected enrollment trends.

32 6. Documents that the applicant has participated in the
33 training required in subparagraph (f)2. A sponsor may require an
34 applicant to provide additional information as an addendum to
35 the charter school application described in this paragraph.

36 7. For the establishment of a virtual charter school,
37 documents that the applicant has contracted with a provider of
38 virtual instruction services pursuant to s. 1002.45(1)(d).

39 8. Documents that the applicant has secured a \$250,000 line



407376

40 of credit, surety bond, or a grant commitment from a charitable
41 contribution before the charter school begins operation. For
42 purposes of this subparagraph, charitable contribution has the
43 same meaning as defined in s. 170(c) of the Internal Revenue
44 Code of 1986, if such contribution consists of cash or a
45 financial instrument as defined in s. 731(c)(2)(C) of the
46 Internal Revenue Code of 1986.

47
48 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

49 And the directory clause is amended as follows:

50 Delete line 17

51 and insert:

52 Section 1. Paragraphs (a) and (h) of subsection (6) and
53 paragraph

54
55 ===== T I T L E A M E N D M E N T =====

56 And the title is amended as follows:

57 Delete line 3

58 and insert:

59 1022.33, F.S.; revising requirements for the process
60 and review of charter school applications; authorizing
61 contract disputes to be



800958

LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: OO | . | |
| 04/11/2014 | . | |
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Appropriations Subcommittee on Education (Sachs) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 76 and 77

insert:

(7) CHARTER.—The major issues involving the operation of a charter school shall be considered in advance and written into the charter. The charter shall be signed by the governing board of the charter school and the sponsor, following a public hearing to ensure community input.

(a) The charter shall address and criteria for approval of



11 the charter shall be based on:

12 1. The school's mission, the students to be served, and the
13 ages and grades to be included.

14 2. The focus of the curriculum, the instructional methods
15 to be used, any distinctive instructional techniques to be
16 employed, and identification and acquisition of appropriate
17 technologies needed to improve educational and administrative
18 performance which include a means for promoting safe, ethical,
19 and appropriate uses of technology which comply with legal and
20 professional standards.

21 a. The charter shall ensure that reading is a primary focus
22 of the curriculum and that resources are provided to identify
23 and provide specialized instruction for students who are reading
24 below grade level. The curriculum and instructional strategies
25 for reading must be consistent with the Next Generation Sunshine
26 State Standards and grounded in scientifically based reading
27 research.

28 b. In order to provide students with access to diverse
29 instructional delivery models, to facilitate the integration of
30 technology within traditional classroom instruction, and to
31 provide students with the skills they need to compete in the
32 21st century economy, the Legislature encourages instructional
33 methods for blended learning courses consisting of both
34 traditional classroom and online instructional techniques.
35 Charter schools may implement blended learning courses which
36 combine traditional classroom instruction and virtual
37 instruction. Students in a blended learning course must be full-
38 time students of the charter school and receive the online
39 instruction in a classroom setting at the charter school.



800958

40 Instructional personnel certified pursuant to s. 1012.55 who
41 provide virtual instruction for blended learning courses may be
42 employees of the charter school or may be under contract to
43 provide instructional services to charter school students. At a
44 minimum, such instructional personnel must hold an active state
45 or school district adjunct certification under s. 1012.57 for
46 the subject area of the blended learning course. The funding and
47 performance accountability requirements for blended learning
48 courses are the same as those for traditional courses.

49 3. The current incoming baseline standard of student
50 academic achievement, the outcomes to be achieved, and the
51 method of measurement that will be used. The criteria listed in
52 this subparagraph shall include a detailed description of:

53 a. How the baseline student academic achievement levels and
54 prior rates of academic progress will be established.

55 b. How these baseline rates will be compared to rates of
56 academic progress achieved by these same students while
57 attending the charter school.

58 c. To the extent possible, how these rates of progress will
59 be evaluated and compared with rates of progress of other
60 closely comparable student populations.

61
62 The district school board is required to provide academic
63 student performance data to charter schools for each of their
64 students coming from the district school system, as well as
65 rates of academic progress of comparable student populations in
66 the district school system.

67 4. The methods used to identify the educational strengths
68 and needs of students and how well educational goals and



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69 performance standards are met by students attending the charter
70 school. The methods shall provide a means for the charter school
71 to ensure accountability to its constituents by analyzing
72 student performance data and by evaluating the effectiveness and
73 efficiency of its major educational programs. Students in
74 charter schools shall, at a minimum, participate in the
75 statewide assessment program created under s. 1008.22.

76 5. In secondary charter schools, a method for determining
77 that a student has satisfied the requirements for graduation in
78 s. 1003.428 or s. 1003.4282.

79 6. A method for resolving conflicts between the governing
80 board of the charter school and the sponsor.

81 7. The admissions procedures and dismissal procedures,
82 including the school's code of student conduct.

83 8. The ways by which the school will achieve a
84 racial/ethnic balance reflective of the community it serves or
85 within the racial/ethnic range of other public schools in the
86 same school district.

87 9. The financial and administrative management of the
88 school, including a reasonable demonstration of the professional
89 experience or competence of those individuals or organizations
90 applying to operate the charter school or those hired or
91 retained to perform such professional services and the
92 description of clearly delineated responsibilities and the
93 policies and practices needed to effectively manage the charter
94 school. A description of internal audit procedures and
95 establishment of controls to ensure that financial resources are
96 properly managed must be included. Both public sector and
97 private sector professional experience shall be equally valid in



800958

98 such a consideration.

99 10. The asset and liability projections required in the
100 application which are incorporated into the charter and shall be
101 compared with information provided in the annual report of the
102 charter school.

103 11. A description of procedures that identify various risks
104 and provide for a comprehensive approach to reduce the impact of
105 losses; plans to ensure the safety and security of students and
106 staff; plans to identify, minimize, and protect others from
107 violent or disruptive student behavior; and the manner in which
108 the school will be insured, including whether or not the school
109 will be required to have liability insurance, and, if so, the
110 terms and conditions thereof and the amounts of coverage.

111 12. The term of the charter which shall provide for
112 cancellation of the charter if insufficient progress has been
113 made in attaining the student achievement objectives of the
114 charter and if it is not likely that such objectives can be
115 achieved before expiration of the charter. The initial term of a
116 charter shall be for 4 or 5 years. In order to facilitate access
117 to long-term financial resources for charter school
118 construction, charter schools that are operated by a
119 municipality or other public entity as provided by law are
120 eligible for up to a 15-year charter, subject to approval by the
121 district school board. A charter lab school is eligible for a
122 charter for a term of up to 15 years. In addition, to facilitate
123 access to long-term financial resources for charter school
124 construction, charter schools that are operated by a private,
125 not-for-profit, s. 501(c)(3) status corporation are eligible for
126 up to a 15-year charter, subject to approval by the district



800958

127 school board. Such long-term charters remain subject to annual
128 review and may be terminated during the term of the charter, but
129 only according to the provisions set forth in subsection (8).

130 13. The facilities to be used and their location. The
131 ~~sponsor may not require a~~ charter school must submit to the
132 sponsor to have a certificate of occupancy or a temporary
133 certificate of occupancy no later for such a facility earlier
134 than 15 calendar days before the first day of school. If such
135 documentation is not received 15 calendar days before the first
136 day of school, the charter contract automatically reverts to a
137 planning year for the first year of the charter's 5-year
138 contract.

139 14. The qualifications to be required of the teachers and
140 the potential strategies used to recruit, hire, train, and
141 retain qualified staff to achieve best value.

142 15. The governance structure of the school, including the
143 status of the charter school as a public or private employer as
144 required in paragraph (12)(i).

145 16. A timetable for implementing the charter which
146 addresses the implementation of each element thereof and the
147 date by which the charter shall be awarded in order to meet this
148 timetable.

149 17. In the case of an existing public school that is being
150 converted to charter status, alternative arrangements for
151 current students who choose not to attend the charter school and
152 for current teachers who choose not to teach in the charter
153 school after conversion in accordance with the existing
154 collective bargaining agreement or district school board rule in
155 the absence of a collective bargaining agreement. However,



800958

156 alternative arrangements shall not be required for current
157 teachers who choose not to teach in a charter lab school, except
158 as authorized by the employment policies of the state university
159 which grants the charter to the lab school.

160 18. Full disclosure of the identity of all relatives
161 employed by the charter school who are related to the charter
162 school owner, president, chairperson of the governing board of
163 directors, superintendent, governing board member, principal,
164 assistant principal, or any other person employed by the charter
165 school who has equivalent decisionmaking authority. For the
166 purpose of this subparagraph, the term "relative" means father,
167 mother, son, daughter, brother, sister, uncle, aunt, first
168 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
169 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
170 stepfather, stepmother, stepson, stepdaughter, stepbrother,
171 stepsister, half brother, or half sister.

172 19. Implementation of the activities authorized under s.
173 1002.331 by the charter school when it satisfies the eligibility
174 requirements for a high-performing charter school. A high-
175 performing charter school shall notify its sponsor in writing by
176 March 1 if it intends to increase enrollment or expand grade
177 levels the following school year. The written notice shall
178 specify the amount of the enrollment increase and the grade
179 levels that will be added, as applicable.

180
181 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

182 And the directory clause is amended as follows:

183 Delete line 17

184 and insert:



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185 Section 1. Paragraph (h) of subsection (6), paragraph (a)
186 of subsection (7), and paragraph

187

188 ===== T I T L E A M E N D M E N T =====

189 And the title is amended as follows:

190 Delete line 5

191 and insert:

192 for summary final order; requiring a charter school to
193 submit a certificate of occupancy to a sponsor within
194 a specified timeframe; specifying a penalty if such
195 documentation is not provided; requiring a charter
196 school to



555700

LEGISLATIVE ACTION

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Appropriations Subcommittee on Education (Montford) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 92 and 93

insert:

(21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

(a) The Department of Education shall provide information to the public, directly and through sponsors, on how to form and operate a charter school and how to enroll in a charter school once it is created. This information shall include a model application form, model ~~standard~~ charter contract, standard



555700

11 evaluation instrument, and model ~~standard~~ charter renewal
12 contract, which shall include the information specified in
13 subsection (7) and shall be developed by consulting and
14 negotiating with both school districts and charter schools
15 before implementation. The charter and charter renewal contracts
16 may ~~shall~~ be used by charter school sponsors.

17 (27) RULEMAKING.—The Department of Education, after
18 consultation with school districts and charter school directors,
19 shall recommend that the State Board of Education adopt rules to
20 implement specific subsections of this section. Such rules shall
21 require minimum paperwork and shall not limit charter school
22 flexibility authorized by statute. The State Board of Education
23 shall adopt rules, pursuant to ss. 120.536(1) and 120.54, to
24 implement a charter model application form, standard evaluation
25 instrument, and model ~~standard~~ charter and model charter renewal
26 contracts in accordance with this section.

27
28 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

29 And the directory clause is amended as follows:

30 Delete lines 17 - 19

31 and insert:

32 Section 1. Paragraph (h) of subsection (6), paragraph (g)
33 of subsection (10), paragraph (a) of subsection (21), and
34 subsection (27) of section 1002.33, Florida Statutes, are
35 amended, to read:

36
37 ===== T I T L E A M E N D M E N T =====

38 And the title is amended as follows:

39 Delete line 13



555700

40 and insert:
41 student conduct; updating references to standard
42 charter and charter renewal contracts to model charter
43 and model charter renewal contracts, respectively;
44 authorizing a charter school sponsor to use the model
45 charter and charter renewal contracts; providing an
46 effective date.



835522

LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: OO | . | |
| 04/11/2014 | . | |
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| | . | |
| | . | |

Appropriations Subcommittee on Education (Montford) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 22 and 23

insert:

(b) A sponsor shall receive and review all applications for a charter school using an evaluation instrument developed by the Department of Education. A sponsor shall receive and consider charter school applications received on or before August 1 of each calendar year for charter schools to be opened at the beginning of the school district's next school year, or to be



835522

11 opened at a time agreed to by the applicant and the sponsor. A
12 sponsor may not refuse to receive a charter school application
13 submitted before August 1 and may receive an application
14 submitted later than August 1 if it chooses. In order to
15 facilitate greater collaboration in the application process, an
16 applicant may submit a draft charter school application on or
17 before May 1 with an application fee of \$500. If a draft
18 application is timely submitted, the sponsor shall review and
19 provide feedback as to material deficiencies in the application
20 by July 1. The applicant shall then have until August 1 to
21 resubmit a revised and final application. The sponsor may
22 approve the draft application. A sponsor may not charge an
23 applicant for a charter any fee for the processing or
24 consideration of an application, and a sponsor may not base its
25 consideration or approval of a final application upon the
26 promise of future payment of any kind. Before approving or
27 denying any final application, the sponsor shall allow the
28 applicant, upon receipt of written notification, at least 7
29 calendar days to make technical or nonsubstantive corrections
30 and clarifications, including, but not limited to, corrections
31 of grammatical, typographical, and like errors or missing
32 signatures, if such errors are identified by the sponsor as
33 cause to deny the final application.

34 1. In order to facilitate an accurate budget projection
35 process, a sponsor shall be held harmless for FTE students who
36 are not included in the FTE projection due to approval of
37 charter school applications after the FTE projection deadline.
38 In a further effort to facilitate an accurate budget projection,
39 within 15 calendar days after receipt of a charter school



835522

40 application, a sponsor shall report to the Department of
41 Education the name of the applicant entity, the proposed charter
42 school location, and its projected FTE.

43 2. In order to ensure fiscal responsibility, an application
44 for a charter school made by an individual, teachers, parents, a
45 group of individuals, a municipality, a legal entity organized
46 under the laws of this state, or any other third party
47 associated with the management or reporting responsibility of
48 the charter school contract shall include a full accounting of
49 expected assets, a projection of expected sources and amounts of
50 income, including income derived from projected student
51 enrollments and from community support, ~~and~~ an expense
52 projection that includes full accounting of the costs of
53 operation, including start-up costs, and fees paid to a third
54 party for services and the purpose of such fees.

55 3.a. A sponsor shall by a majority vote approve or deny an
56 application no later than 60 calendar days after the application
57 is received, unless the sponsor and the applicant mutually agree
58 in writing to temporarily postpone the vote to a specific date,
59 at which time the sponsor shall by a majority vote approve or
60 deny the application. If the sponsor fails to act on the
61 application, an applicant may appeal to the State Board of
62 Education as provided in paragraph (c). If an application is
63 denied, the sponsor shall, within 10 calendar days after such
64 denial, articulate in writing the specific reasons, based upon
65 good cause, supporting its denial of the charter application and
66 shall provide the letter of denial and supporting documentation
67 to the applicant and to the Department of Education.

68 b. An application submitted by a high-performing charter



835522

69 school identified pursuant to s. 1002.331 may be denied by the
70 sponsor only if the sponsor demonstrates by clear and convincing
71 evidence that:

72 (I) The application does not materially comply with the
73 requirements in paragraph (a);

74 (II) The charter school proposed in the application does
75 not materially comply with the requirements in paragraphs
76 (9) (a)-(f);

77 (III) The proposed charter school's educational program
78 does not substantially replicate that of the applicant or one of
79 the applicant's high-performing charter schools;

80 (IV) The applicant has made a material misrepresentation or
81 false statement or concealed an essential or material fact
82 during the application process; or

83 (V) The proposed charter school's educational program and
84 financial management practices do not materially comply with the
85 requirements of this section.

86
87 Material noncompliance is a failure to follow requirements or a
88 violation of prohibitions applicable to charter school
89 applications, which failure is quantitatively or qualitatively
90 significant either individually or when aggregated with other
91 noncompliance. An applicant is considered to be replicating a
92 high-performing charter school if the proposed school is
93 substantially similar to at least one of the applicant's high-
94 performing charter schools and the organization or individuals
95 involved in the establishment and operation of the proposed
96 school are significantly involved in the operation of replicated
97 schools.



835522

98 c. If the sponsor denies an application submitted by a
99 high-performing charter school, the sponsor must, within 10
100 calendar days after such denial, state in writing the specific
101 reasons, based upon the criteria in sub-subparagraph b.,
102 supporting its denial of the application and must provide the
103 letter of denial and supporting documentation to the applicant
104 and to the Department of Education. The applicant may appeal the
105 sponsor's denial of the application directly to the State Board
106 of Education pursuant to sub-subparagraph (c)3.b.

107 4. For budget projection purposes, the sponsor shall report
108 to the Department of Education the approval or denial of a
109 charter application within 10 calendar days after such approval
110 or denial. In the event of approval, the report to the
111 Department of Education shall include the final projected FTE
112 for the approved charter school.

113 5. Upon approval of a charter application, the initial
114 startup shall commence with the beginning of the public school
115 calendar for the district in which the charter is granted unless
116 the sponsor allows a waiver of this subparagraph for good cause.

117
118 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====
119 And the directory clause is amended as follows:

120 Delete line 17
121 and insert:
122 Section 1. Paragraphs (b) and (h) of subsection (6) and
123 paragraph

124
125 ===== T I T L E A M E N D M E N T =====
126 And the title is amended as follows:



835522

127 Delete line 3
128 and insert:
129 1002.33, F.S.; revising requirements for charter
130 school applications to include additional fiscal
131 responsibility standards; authorizing contract
132 disputes to be

By the Committee on Education; and Senator Bradley

581-03180-14

20141528c1

1 A bill to be entitled
 2 An act relating to charter schools; amending s.
 3 1002.33, F.S.; authorizing contract disputes to be
 4 referred to the Division of Administrative Hearings
 5 for summary final order; requiring a charter school to
 6 request that withdrawing students or parents of
 7 withdrawing students complete a survey; requiring a
 8 charter school to annually report information
 9 concerning why students leave the charter school to
 10 its sponsor and the Department of Education; providing
 11 that a charter school may only discipline students for
 12 the grounds and in the manner specified in the code of
 13 student conduct; providing an effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Paragraph (h) of subsection (6) and paragraph
 18 (g) of subsection (10) of section 1002.33, Florida Statutes, are
 19 amended, to read:

20 1002.33 Charter schools.—

21 (6) APPLICATION PROCESS AND REVIEW.—Charter school
 22 applications are subject to the following requirements:

23 (h) 1. The terms and conditions for the operation of a
 24 charter school shall be set forth by the sponsor and the
 25 applicant in a written contractual agreement, called a charter.
 26 The sponsor may not impose unreasonable rules or regulations
 27 that violate the intent of giving charter schools greater
 28 flexibility to meet educational goals. The sponsor has 30 days
 29 after approval of the application to provide an initial proposed

Page 1 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

581-03180-14

20141528c1

30 charter contract to the charter school. The applicant and the
 31 sponsor have 40 days thereafter to negotiate and notice the
 32 charter contract for final approval by the sponsor unless both
 33 parties agree to an extension. The proposed charter contract
 34 shall be provided to the charter school at least 7 calendar days
 35 prior to the date of the meeting at which the charter is
 36 scheduled to be voted upon by the sponsor.

37 2. The Department of Education shall provide mediation
 38 services for any dispute regarding this section subsequent to
 39 the approval of a charter application and for any dispute
 40 relating to the approved charter, except disputes regarding
 41 charter school application denials.

42 3. If the Commissioner of Education determines that ~~a the~~
 43 dispute cannot be settled through mediation, or if the sponsor
 44 or charter school requests to bypass mediation, a the dispute
 45 must be immediately forwarded may be appealed to an
 46 administrative law judge appointed by the Division of
 47 Administrative Hearings.

48 a. The administrative law judge must issue a summary final
 49 order for a dispute regarding language to be included in the
 50 initial charter contract. The administrative law judge may
 51 consider all documents determined necessary by the
 52 administrative law judge to issue the summary final order. The
 53 administrative law judge must hold at least one conference with
 54 the parties to discuss the dispute, and may require other
 55 proceedings only if determined necessary by the administrative
 56 law judge. The summary final order must consist of a summary of
 57 the facts and law, the position of the charter school and
 58 sponsor, the administrative law judge's disposition of the

Page 2 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 dispute and supporting rationale, and may include other
 60 information if determined necessary by the administrative law
 61 judge. The administrative law judge's summary final order must
 62 be issued within 30 days of receipt of the referral of the
 63 dispute from the Commissioner of Education.

64 d. The administrative law judge has final order authority
 65 to rule on issues of equitable treatment of the charter school
 66 as a public school, whether proposed provisions of ~~the~~ charter
 67 renewals or amendments violate the intended flexibility granted
 68 charter schools by statute, or on any other matter regarding
 69 this section except a charter school application denial, a
 70 charter termination, or a charter nonrenewal.

71 c. The administrative law judge's summary final order or
 72 final order pursuant to this subparagraph ~~and~~ shall award the
 73 prevailing party reasonable attorney's fees and costs incurred
 74 to be paid by the losing party. The costs of the administrative
 75 hearing shall be paid by the party whom the administrative law
 76 judge rules against.

77 (10) ELIGIBLE STUDENTS.—

78 (g)1. A student may withdraw from a charter school at any
 79 time and enroll in another public school as determined by
 80 district school board rule. A charter school must request, but
 81 may not require, that the student withdrawing or parent of the
 82 student withdrawing complete a survey and provide information
 83 concerning the student's experiences at the charter school and
 84 reasons for withdrawal. A charter school must provide in its
 85 annual report to its sponsor and the Department of Education the
 86 total number of students that leave the charter school and the
 87 reason for leaving the charter school, including but not limited

Page 3 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

581-03180-14 20141528c1

88 to, withdrawal, suspension, and dismissal, if known.

89 2. A student may only receive disciplinary action,
 90 including but not limited to suspension or dismissal, for the
 91 grounds and in the manner specified in the charter school's code
 92 of student conduct.

93 Section 2. This act shall take effect July 1, 2014.

Page 4 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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 Education

BILL: CS/SB 1710

INTRODUCER: Appropriations Subcommittee on Education and Education Committee

SUBJECT: Postsecondary Education

DATE: April 10, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|------------|---|
| 1. | <u>Graf</u> | <u>Klebacha</u> | <u>ED</u> | <u>ED SPB 7112 as Introduced</u> |
| 2. | <u>Sikes</u> | <u>Elwell</u> | <u>AED</u> | <u>Fav/CS</u> |
| 3. | <u>_____</u> | <u>_____</u> | <u>AP</u> | <u>_____</u> |

I. Summary:

CS/SB 1710 modifies state student financial aid opportunities available to Florida's students by expanding the Rosewood Family Scholarship Program and creating a new Florida National Merit Scholar Incentive Program.

Specifically, the bill increases the number of scholarships under the Rosewood Family Scholarship Program and the maximum award amount per student. The bill also creates the Florida National Merit Scholar Incentive Program to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar recognition and enroll in an eligible public or private postsecondary educational institution in Florida.

In addition, the bill repeals the requirement that New College of Florida function solely as an undergraduate institution.

Senate Bill 2500, the proposed 2014-2015 Senate General Appropriations Bill, appropriates funds for the estimated fiscal impact associated with the changes to the Rosewood Family Scholarship and the creation of the Florida National Merit Scholar Incentive Program. The estimated fiscal impact of the changes to the Rosewood Family Scholarship Program is \$196,747. The estimated fiscal impact of the Florida National Merit Scholar Incentive Program for the 2014-2015 fiscal year is \$2,870,820.

Senate Bill 2500 also appropriates \$650,000 for New College of Florida to offer a Master's degree in Data Science and Analytics.

The bill takes effect on July 1, 2014.

II. Present Situation:

Rosewood Family Scholarship Program

The Rosewood Family Scholarship Program was created in 1994 to provide annual scholarships of up to \$4,000 to “minority persons with preference given to the direct descendants of Rosewood families” affected by the incidents of January 1923.¹ In 2009, the Legislature amended the student eligibility criteria to limit the Rosewood Family Scholarship Program only to the direct descendants of the Rosewood families.² The program provides for a maximum of 25 scholarships per year and requires that the award amount not exceed an amount in excess of tuition and registration fees.³ The scholarship program is administered by the Florida Department of Education in accordance with the State Board of Education rules.⁴

Students must meet the following requirements to become eligible to receive the scholarship:⁵

- Meet the general requirements for student eligibility as provided in law,⁶ except as provided under the Rosewood Family Scholarship Program.
- File an application for the scholarship within the established time limits.
- Enroll as certificate-seeking or degree-seeking students at a state university, Florida College System (FCS) institution, or career center authorized by law.

Funding for the Rosewood Family Scholarship Program is provided in the General Appropriations Act.⁷ In 2013, the Legislature appropriated \$60,000 for the Rosewood Family Scholarships.⁸ If funds are insufficient to provide a full scholarship to each eligible applicant, DOE may prorate the available funds and make partial award to each applicant.⁹ Additionally, DOE must rank eligible initial applicants based on need as determined by the department.¹⁰ Award payments must be transmitted to the President of the state university or FCS institution, or his or her representative, or the director of the career center before the registration period each semester.¹¹

National Merit Scholarship Program

The National Merit Scholarship Program is an academic competition for recognition and scholarship s that began in 1955. High school students enter the National Merit Program by taking the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), which

¹ Chapter 94-359, L.O.F.; *see also* s. 1009.55, F.S.

² Section 19, ch. 2009-60, L.O.F.

³ Section 1009.55(1)-(2)(a), F.S.

⁴ Section 1009.55(2), F.S.

⁵ Section 1009.55(3), F.S.

⁶ Section 1009.40, F.S.

⁷ Section 1009.55(4), F.S.

⁸ Specific Appropriations 66, s. 2, ch. 2013-40, L.O.F.

⁹ Section 1009.55(2)(b), F.S.

¹⁰ Section 1009.55(2), F.S.

¹¹ Section 1009.55(2)(d), F.S.

serves as an initial screen of approximately 1.5 million entrants each year and meeting the program participation requirements.¹²

To participate in the National Merit Scholarship Program, a student must:¹³

- Take the PSAT/NMSQT in the specified year of the high school program and no later than the third year in grades 9 through 12, regardless of grade classification or educational pattern;
- Be enrolled as a high school student, progressing normally toward graduation or completion of high school, and planning to enroll full time in college no later than the fall following completion of high school; and
- Be a citizen of the United States; or be a U.S. lawful permanent resident (or have applied for permanent residence, the application for which has not been denied) and intend to become a U.S. citizen at the earliest opportunity allowed by law.

“Of the 1.5 million entrants, some 50,000 with the highest PSAT/NMSQT Selection Index scores (critical thinking + mathematics + writing skills scores) qualify for recognition in the National Merit Scholarship Program.”¹⁴ In February, approximately 15,000 Semifinalists are notified that they have advanced to Finalist standing. Winners are chosen from the Finalist group based on their abilities, skills, and accomplishments. From March through mid-June, National Merit Scholarship Corporation (NMSC) notifies approximately 8,000 Finalists that they have been selected to receive a Merit Scholarship award. A variety of information is available for the selectors to evaluate: the Finalist’s academic record, information about the school’s curricula and grading system, two sets of test scores, the high school official’s written recommendation, information about the student’s activities and leadership, and the Finalist’s own essay.¹⁵

Merit Scholarship awards are of three types:¹⁶

- National Merit \$2,500 Scholarships
- Corporate-sponsored Merit Scholarship awards
- College-sponsored Merit Scholarship awards

National Achievement Scholarship Program

“The National Achievement Scholarship Program is an academic competition established in 1964 to provide recognition for outstanding Black American high school students. Black students may enter both the National Achievement Program and the National Merit Program by taking the PSAT/NMSQT and meeting other published requirements for participation.”¹⁷ The

¹² National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

¹³ National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

¹⁴ National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

¹⁵ National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

¹⁶ National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

¹⁷ National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

two annual programs are conducted concurrently but operated and funded separately.¹⁸ Black American students can qualify for both the National Merit Program and the National Achievement Program, can receive only one monetary award from the NMSC.¹⁹

To participate in the National Achievement Scholarship Program, a student must:²⁰

- Take the PSAT/NMSQT in the specified year of the high school program and no later than the third year in grades 9 through 12, regardless of grade classification or educational pattern;
- Request entry to the National Achievement Program by marking section 14 on the PSAT/NMSQT answer sheet, thereby identifying himself or herself as a Black American who wishes to be considered in this competition as well as in the National Merit Scholarship Program;
- Be enrolled as a high school student, progressing normally toward graduation or completion of high school, and planning to enroll full time in college no later than the fall following completion of high school; and
- Be a citizen of the United States; or be a U.S. lawful permanent resident (or have applied for permanent residence, the application for which has not been denied) and intend to become a U.S. citizen at the earliest opportunity allowed by law.

Of the more than 160,000 students who currently enter the National Achievement Program each year, over 4,700 are honored. About 1,600 high-scoring participants in each year's National Achievement Scholarship Program are designated Semifinalists. In January, approximately 1,300 Semifinalists are notified that they qualify as Finalists. All winners are selected from the group of Finalists based on their abilities, skills, and accomplishments. The program notifies about 800 Finalists that they have been selected to receive a National Achievement Scholarship.²¹

Achievement Scholarship awards are of two types:²²

- National Achievement \$2,500 Scholarships
- Corporate-sponsored Achievement Scholarship awards

NMSC is a private, not-for-profit organization that operates without government assistance.²³ NMSC conducts the National Merit Scholarship Program and the National Achievement Scholarship Program annual competitions for recognition and college undergraduate scholarships.²⁴

¹⁸ National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

¹⁹ National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

²⁰ National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

²¹ National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

²² National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

²³ National Merit Scholarship Corporation, *2012-13 Annual Report*, available at http://www.nationalmerit.org/annual_report.pdf, at 3 of 56.

²⁴ National Merit Scholarship Corporation, *About National Merit Scholarship Corporation*, <http://www.nationalmerit.org/about.php> (last visited March 23, 2014).

New College of Florida

New College of Florida is one of 12 state universities in Florida.²⁵ New College serves a distinct mission as the 4-year residential liberal arts honors college of the State of Florida.²⁶ To maintain its mission, New College has the following goals:²⁷

- Provide quality education to students of high ability who, because of their ability, deserve a program of study that is both demanding and stimulating.
- Engage in undergraduate educational reform by combining educational innovation with educational excellence.
- Provide programs of study that allow students to design their educational experience as much as possible in accordance with their individual interests, values, and abilities.
- Challenge undergraduates not only to master existing bodies of knowledge but also to extend the frontiers of knowledge through original research.

III. Effect of Proposed Changes:

The bill modifies state student financial aid opportunities available to Florida's students by expanding the Rosewood Family Scholarship Program and creating a new Florida National Merit Scholar Incentive Program.

Specifically, the bill increases the number of scholarships under the Rosewood Family Scholarship Program and the maximum award amount per student. The bill also creates the Florida National Merit Scholar Incentive Program to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar recognition and enroll in an eligible public or private postsecondary educational institution in Florida.

In addition, the bill repeals the requirement that New College of Florida function solely as an undergraduate institution, as well as obsolete provisions regarding New College's accreditation and Board of Trustees.

Rosewood Family Scholarship Program

The bill increases the annual maximum number of Rosewood Family scholarships from 25 to 50 per year and the maximum amount of the annual scholarship award per student from \$4,000 to \$6,100.

Florida National Merit Scholar Incentive Program

The bill creates the Florida National Merit Scholar Incentive Program (Program) to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar designation and who, beginning with the 2014-2015 academic year, enroll in a degree program, certificate program or applied technology program at an eligible public or private postsecondary educational institution in Florida. This Program creates an additional

²⁵ Section 1000.21(6), F.S.

²⁶ Section 1004.32, F.S.

²⁷ Section 1004.32(1), F.S.

student financial aid mechanism to recruit academic scholars to pursue higher education in Florida.

The bill requires the Florida Department of Education (DOE or department) to administer the incentive program in accordance with the rules and procedures established by the State Board of Education (SBE). The department must advertise the Program and notify students, teachers, parents, certified school counselors, and principals or relevant school administrators about the Program criteria and application procedures.

Consistent with the some of the eligibility requirements for the existing state financial aid programs (e.g., Florida Public Student Assistance Grant Program²⁸ and Florida Bright Futures Scholarship Program²⁹), a student must meet the following criteria to become eligible for the Program award:

- Be a state resident pursuant to current law³⁰ and SBE rules.
- Earn a standard Florida high school diploma or its equivalent pursuant to current law,³¹ unless the student:
 - Completes a home education program pursuant to current law,³² or
 - Earns a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.
- Be accepted by and enroll in a Florida public or private postsecondary educational institution that meets the eligibility requirements specified in law.³³
- Be enrolled for at least six semester credit hours or the equivalent in quarter hours or clock hours.

The Program award for a student attending a public postsecondary institution must be equal to the institutional cost of attendance minus the sum of the student's Florida Bright Futures Scholarship and National Merit or National Achievement Scholarship. The Program award for a student attending an independent postsecondary institution must be equal to the highest cost of attendance at a public university in this state, as reported by the Board of Governors of the State University System of Florida (BOG), minus the sum of the student's Florida Bright Futures Scholarship and National Merit Scholarship or National Achievement Scholarship.

To renew the Program award, a student must meet the renewal requirements for the Florida Bright Futures Scholarship Program³⁴ and the Florida Academic Scholars award.³⁵ For associate degree and baccalaureate degree programs, the bill limits the Program award to a maximum of 100 percent of the number of credit hours required to complete such programs. For career certificate programs, the bill limits the Program award to a maximum of 100 percent of the credit

²⁸ Section 1009.50, F.S.

²⁹ Section 1009.531, F.S.

³⁰ Section 1009.40, F.S.

³¹ Sections 1003.428, 1003.4281, 1003.4282, or 1003.435, F.S.

³² Section 1002.41, F.S.

³³ Section 1009.533, F.S.

³⁴ Section 1009.532(1)(a), F.S.

³⁵ Section 1009.534(3), F.S.

hours or clock hours required to complete up to 90 credit hours of such programs, which is consistent with the Florida Gold Seal Vocational Scholarship³⁶ requirement.

The bill requires the DOE to annually issue the Program awards, consistent with the department's role in issuing other state financial aid award payments (e.g., Florida Bright Futures Scholarship Program³⁷ and the Rosewood Family Scholarship Program³⁸). The department must transmit award payments to the President or director of the postsecondary educational institution, or his or her representative, before the registration period each semester. However, DOE may withhold award payments if the receiving institution fails to comply with the specified requirements regarding reporting and refunding payments. Specifically, the bill requires institutions to certify to the department:

- The eligibility status of each student to receive a disbursement within 30 days before the end of its regular registration period that includes the drop and add period.
- The amount of funds disbursed to each student and remit to the department any undisbursed advances within 60 days after the end of the regular registration period.

The postsecondary institutions are not required to reevaluate student eligibility for Program award after the end of the drop and add period. Additionally, the bill specifies that the Program awards must be prorated if the appropriated funds for the Program are not sufficient to provide the maximum allowable award to each eligible student. Contingent on the availability of funds, a student may use the Program award for a summer term. The bill prohibits the use of Program funds to pay for remedial coursework or developmental education, which is consistent with the same prohibition under the Florida Bright Futures Scholarship Program.³⁹

Program funds appropriated by the Legislature may be deposited into the State Student Financial Assistance Trust Fund. Any balance in the trust fund at the end of any fiscal year which is allocated to the Program must remain in the Program and be available to carry out the Program purpose. The department must allocate funds to the appropriate institutions and collect and maintain Program data within the student financial assistance database as specified in law.⁴⁰ The data collection component of the Program is consistent with the other state financial aid programs. Florida law requires DOE to maintain a student financial assistance database to support all aspects of administration and delivery of state-funded student financial aid. The database includes financial assistance provided to Florida's students through the different state financial aid programs.

The bill requires SBE to adopt rules to administer the Program provisions.

New College of Florida

The bill repeals section 1004.32, Florida Statutes, relating to New College of Florida's mission, accreditation and Board of Trustees. The repeal removes the current restriction which limits New

³⁶ Section 1009.536(4)(b), F.S.

³⁷ Section 1009.53, F.S.

³⁸ Section 1009.55, F.S.

³⁹ Section 1009.53(10), F.S.

⁴⁰ Section 1009.94, F.S.

College to offering only undergraduate degree programs and potentially allows New College to offer graduate degree programs.

The bill takes effect on July 1, 2014.

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:

CS/SB 1710 makes college education more affordable and accessible to Florida's families through changes to the Rosewood Family Scholarship Program and the creation of the Florida National Merit Scholar Incentive Program. The changes to the Rosewood Family Scholarship Program will enable twice as many students to receive the scholarship and provide up to \$2,100 more per year. The Florida National Merit Scholar Incentive Program will provide students who receive the award with scholarship funds to cover their remaining cost of attendance not covered by their National Merit or National Achievement Scholarship and Florida Bright Futures Scholarship.

Additionally, through the Florida National Merit Scholar Incentive Program, the bill provides incentives to Florida's best and brightest students to pursue higher education in this state. The scholarship program may help to retain talented students in Florida and grow Florida's economy.

C. Government Sector Impact:

Senate Bill 2500, the proposed 2014-2015 Senate General Appropriations Bill, appropriates funds for the estimated fiscal impact associated with the changes to the Rosewood Family Scholarship and the creation of the Florida National Merit Scholar Incentive Program. The estimated fiscal impact of the changes to the Rosewood Family Scholarship Program is \$196,747. The estimated fiscal impact of the Florida National Merit Scholar Incentive Program for the 2014-2015 fiscal year is \$2,870,820.

Senate Bill 2500 also appropriates \$650,000 for New College of Florida to offer a Master's degree in Data Science and Analytics.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following section of the Florida Statutes: 1009.55

This bill creates section 1009.893 of the Florida Statutes.

The bill repeals section 1004.32 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.)

Recommended CS by Appropriations Subcommittee on Education on April 9, 2014:

The committee substitute:

- Deletes from the bill a provision clarifying that providing upper-level instruction and awarding baccalaureate degrees is a secondary mission rather than a primary mission of the Florida College System (FCS) institutions.
- Removes from the bill a limitation on the FCS institutions' authority to offer baccalaureate degree programs to those programs that were approved by the State Board of Education on or before March 31, 2014.

B. Amendments:

None.



870928

LEGISLATIVE ACTION

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|------------|---|-------|
| Senate | . | House |
| Comm: RCS | . | |
| 04/11/2014 | . | |
| | . | |
| | . | |
| | . | |

Appropriations Subcommittee on Education (Galvano) recommended the following:

1 **Senate Amendment (with title amendment)**

2

3 Delete lines 55 - 85.

4

5 ===== T I T L E A M E N D M E N T =====

6 And the title is amended as follows:

7 Delete lines 4 - 7.

By the Committee on Education

581-03212-14

20141710__

1 A bill to be entitled
 2 An act relating to postsecondary education; repealing
 3 s. 1004.32, F.S., relating to New College of Florida;
 4 amending s. 1004.65, F.S.; revising a Florida College
 5 System institution's primary responsibilities and
 6 secondary role as they relate to providing upper-level
 7 instruction and awarding baccalaureate degrees;
 8 amending s. 1009.55, F.S.; increasing the annual
 9 maximum number of scholarships that may be awarded;
 10 increasing the annual maximum award amount per
 11 student; creating s. 1009.893, F.S.; creating the
 12 Florida National Merit Scholar Incentive Program;
 13 defining terms; providing the purpose of the incentive
 14 program; requiring the Department of Education to
 15 administer the incentive program, advertise the
 16 availability of the incentive program, and notify
 17 students, teachers, parents, and school administrators
 18 about the incentive program's criteria and application
 19 procedures; providing eligibility requirements for the
 20 incentive program; requiring certain students who are
 21 National Merit Scholars or National Achievement
 22 Scholars to receive certain incentive awards;
 23 providing eligibility requirements to renew an award;
 24 authorizing a student to receive an incentive award
 25 for certain maximum percentage amounts of the number
 26 of credit hours required to complete an associate
 27 degree, a baccalaureate degree, or a career
 28 certificate; requiring the department to issue awards
 29 from the incentive program and to transmit payment for

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 each award; authorizing the department to withhold
 31 payment under certain circumstances; requiring
 32 institutions to certify to the department the
 33 eligibility status of each student to receive a
 34 disbursement of an award during a specified time;
 35 requiring the institution to certify to the department
 36 the disbursement amounts to each student and remit to
 37 the department undisbursed funds; providing for
 38 proration of funds; prohibiting use of funds for
 39 remedial coursework or developmental education;
 40 authorizing a student to use funds during the summer
 41 term under certain circumstances; authorizing
 42 incentive program funds appropriated by the
 43 Legislature to be deposited in the State Student
 44 Financial Assistance Trust Fund; providing for use of
 45 any remaining balance of appropriated funds in the
 46 trust fund; requiring the department to allocate funds
 47 to appropriate institutions and collect and maintain
 48 certain data regarding the incentive program;
 49 requiring the State Board of Education to adopt rules;
 50 providing an effective date.

51
 52 Be It Enacted by the Legislature of the State of Florida:

53
 54 Section 1. Section 1004.32, Florida Statutes, is repealed.
 55 Section 2. Paragraph (f) of subsection (5), subsection (6),
 56 and paragraph (d) of subsection (8) of section 1004.65, Florida
 57 Statutes, are amended to read:
 58 1004.65 Florida College System institutions; governance,

Page 2 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 mission, and responsibilities.—

60 (5) The primary mission and responsibility of Florida
61 College System institutions is responding to community needs for
62 postsecondary academic education and career degree education.

63 This mission and responsibility includes being responsible for:

64 ~~(f) Providing upper level instruction and awarding~~
65 ~~baccalaureate degrees as specifically authorized by law.~~

66 (6) A separate and secondary role for Florida College
67 System institutions includes the providing of upper level
68 instruction, the awarding of baccalaureate degrees specifically
69 authorized by law, and the offering of programs in:

70 (a) Community services that are not directly related to
71 academic or occupational advancement.

72 (b) Adult education services, including adult basic
73 education, adult general education, adult secondary education,
74 and General Educational Development test instruction.

75 (c) Recreational and leisure services.

76 (8) Florida College System institutions are authorized to:

77 (d) Provide access to and award baccalaureate degrees for
78 the completion of baccalaureate degree programs that are
79 approved by the State Board of Education on or before March 31,
80 2014 in accordance with law.

81
82 Authority to offer one or more baccalaureate degree programs
83 does not alter the governance relationship of the Florida
84 College System institution with its district board of trustees
85 or the State Board of Education.

86 Section 3. Subsection (1) and paragraph (a) of subsection
87 (2) of section 1009.55, Florida Statutes, are amended to read:

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88 1009.55 Rosewood Family Scholarship Program.—

89 (1) There is created a Rosewood Family Scholarship Program
90 for the direct descendants of the Rosewood families, not to
91 exceed 50 ~~25~~ scholarships per year.

92 (2) The Rosewood Family Scholarship Program shall be
93 administered by the Department of Education. The State Board of
94 Education shall adopt rules for administering this program which
95 shall at a minimum provide for the following:

96 (a) The annual award to a student shall be up to \$6,100
97 ~~\$4,000~~ but should not exceed an amount in excess of tuition and
98 registration fees.

99 Section 4. Section 1009.893, Florida Statutes, is created
100 to read:

101 1009.893 Florida National Merit Scholar Incentive Program.—

102 (1) As used in this section, the term:

103 (a) "Department" means the Department of Education.

104 (b) "Incentive program" means the Florida National Merit
105 Scholar Incentive Program.

106 (2) The Florida National Merit Scholar Incentive Program is
107 created to reward any Florida high school graduate who receives
108 recognition as a National Merit Scholar or National Achievement
109 Scholar and who initially enrolls in the 2014-2015 academic
110 year, or later, in a degree program, certificate program, or
111 applied technology program at an eligible Florida public or
112 independent postsecondary educational institution.

113 (3) The department shall administer the incentive program
114 according to rules and procedures established by the State Board
115 of Education. The department shall advertise the availability of
116 the incentive program and notify students, teachers, parents,

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117 certified school counselors, and principals or other relevant
 118 school administrators of the criteria and application
 119 procedures.

120 (4) In order to be eligible for an award under the
 121 incentive program, a student must:

122 (a) Be a state resident as defined in s. 1009.40 and rules
 123 of the State Board of Education.

124 (b) Earn a standard Florida high school diploma or its
 125 equivalent pursuant to s. 1003.428, s. 1003.4281, s. 1003.4282,
 126 or s. 1003.435 unless:

127 1. The student completes a home education program according
 128 to s. 1002.41; or

129 2. The student earns a high school diploma from a non-
 130 Florida school while living with a parent or guardian who is on
 131 military or public service assignment away from this state.

132 (c) Be accepted by and enroll in a Florida public or
 133 independent postsecondary educational institution that meets the
 134 eligibility requirements specified in s. 1009.533.

135 (d) Be enrolled for at least 6 semester credit hours or the
 136 equivalent in quarter hours or clock hours.

137 (5) (a) An eligible student who is a National Merit Scholar
 138 or National Achievement Scholar and who attends a public
 139 postsecondary educational institution must receive an incentive
 140 award equal to the institutional cost of attendance minus the
 141 sum of the student's Florida Bright Futures Scholarship and
 142 National Merit Scholarship or National Achievement Scholarship.

143 (b) An eligible student who is a National Merit Scholar or
 144 National Achievement Scholar and who attends an independent
 145 postsecondary educational institution must receive an incentive

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146 award equal to the highest cost of attendance at a Florida
 147 public university, as reported by the Board of Governors of the
 148 State University System, minus the sum of the student's Florida
 149 Bright Futures Scholarship and National Merit Scholarship or
 150 National Achievement Scholarship.

151 (6) (a) To be eligible for a renewal award, a student must
 152 meet the renewal requirements for the Florida Bright Futures
 153 Scholarship Program set forth in s. 1009.532(1) (a) and for the
 154 Florida Academic Scholars award set forth in s. 1009.534(3).

155 (b) A student may receive the incentive award for a maximum
 156 of 100 percent of the number of credit hours required to
 157 complete an associate degree program or a baccalaureate degree
 158 program or receive an award for a maximum of 100 percent of the
 159 credit hours or clock hours required to complete up to 90 credit
 160 hours of a program that terminates in a career certificate.

161 (7) The department shall annually issue awards from the
 162 incentive program. Before the registration period each semester,
 163 the department shall transmit payment for each award to the
 164 president or director of the postsecondary educational
 165 institution, or his or her representative, except that the
 166 department may withhold payment if the receiving institution
 167 fails to report or to make refunds to the department as required
 168 in this section.

169 (a) Each institution shall certify to the department the
 170 eligibility status of each student to receive a disbursement
 171 within 30 days before the end of its regular registration
 172 period, inclusive of a drop and add period. An institution is
 173 not required to reevaluate the student eligibility after the end
 174 of the drop and add period.

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20141710__

175 (b) An institution that receives funds from the incentive
176 program must certify to the department the amount of funds
177 disbursed to each student and remit to the department any
178 undisbursed advances within 60 days after the end of regular
179 registration.

180 (c) If funds appropriated are not adequate to provide the
181 maximum allowable award to each eligible student, awards must be
182 prorated using the same percentage reduction.

183 (8) Funds from any award within the incentive program may
184 not be used to pay for remedial coursework or developmental
185 education.

186 (9) A student may use an award for a summer term if funds
187 are available and appropriated by the Legislature.

188 (10) Funds appropriated by the Legislature for the
189 incentive program awards may be deposited into the State Student
190 Financial Assistance Trust Fund. Notwithstanding s. 216.301 and
191 pursuant to s. 216.351, any balance in the trust fund at the end
192 of any fiscal year which has been allocated to the incentive
193 program must remain in the incentive program and shall be
194 available for carrying out the purposes of this section. The
195 department shall allocate funds to the appropriate institutions
196 and collect and maintain data regarding the incentive program
197 within the student financial assistance database as specified in
198 s. 1009.94.

199 (11) The State Board of Education shall adopt rules
200 necessary to administer this section.

201 Section 5. This act shall take effect July 1, 2014.

CourtSmart Tag Report

Room: KN 412 Case:
Caption: Appropriations Subcommittee on Education

Type:
Judge:

Started: 4/9/2014 9:00:13 AM
Ends: 4/9/2014 11:00:04 AM Length: 01:59:52

9:00:15 AM Meeting Called to Order
9:00:28 AM Roll Call
9:00:59 AM Opening Remarks by Chair Galvano
9:01:33 AM Tab 1
9:01:42 AM CS/SB 212 by Sen Hukill; High School Graduation Requirements
9:03:00 AM Motion to TP
9:03:28 AM Tab 3
9:03:37 AM CS/SB 598 by Sen Bean; Juvenile Justice Education Programs
9:04:48 AM Public Testimony
9:05:19 AM Cathy Craig Myers, Executive Director Florida Juvenile Justice
9:05:57 AM Sen Sachs Comments
9:06:22 AM Roll Call CS/SB 598 - FAV
9:06:51 AM Tab 2
9:06:59 AM SB 420 by Sen Detert; Fine Arts Courses
9:07:48 AM Amendment #220046
9:08:10 AM Sen Detert Objects
9:08:48 AM Motion to TP
9:09:06 AM Tab 1
9:09:18 AM Amendment #574574 - Failed
9:10:05 AM Sen Hukill Comments
9:10:39 AM Sen Bullard Comments
9:12:54 AM Brian Pitts, Justice 2 Jesus
9:14:55 AM Sen Montford Comments
9:17:16 AM Sen Bullard Comments
9:18:41 AM Sen Hukill Comments
9:18:46 AM Roll Call on CS/SB 212 - FAV
9:19:35 AM SB 420/Amendment #220046 - WD
9:19:48 AM
9:20:27 AM Roll Call on SB 420 - FAV
9:20:59 AM Tab 6
9:21:15 AM SB 908 by Sen Montford; Education Funding
9:22:37 AM Roll Call Motion SB 908 - FAV
9:23:01 AM Tab 7
9:23:19 AM CS/SB 1292 by Sen Legg; Postsecondary Education
9:23:52 AM Roll Call on SB 1292 - FAV
9:24:17 AM Tab 8
9:24:25 AM SB 1394 by Sen Legg; Education
9:24:49 AM Amendment #361962 - Adopted
9:25:42 AM Roll Call on SB 1394 - FAV
9:26:11 AM Tab 11
9:26:24 AM SB 1710 by Sen Legg; Postsecondary Education
9:26:56 AM Amendment #870928 - Adopted
9:27:45 AM Roll Call on SB 1710 - FAV
9:28:29 AM Tab 10
9:28:49 AM CS/SB 1528 by Steven Richardson for Sen Bradley; Charter Schools
9:29:28 AM Strike All Amendment #393610
9:30:03 AM Amendment to the Strike-All #721144 - Adopted
9:30:40 AM Amendment #481354 - Adopted
9:31:17 AM Amendment #191324 - WD
9:32:45 AM Amendments 801424, 811880 & 363024 - WD
9:33:25 AM Amendment #704248
9:34:07 AM Amendment #419498 - Adopted

9:34:53 AM Amendment #253798 - Adopted
9:35:25 AM Amendment #197598 - WD
9:35:47 AM Sen Legg Comments
9:36:34 AM Sen Montford Comments
9:38:52 AM Amendment #397208 - Not Adopted
9:40:03 AM Amendment #889432 - Not Adopted
9:40:38 AM Clarence McKee; Broward Schools, President McKee Communications
9:41:24 AM Sen Legg Comments
9:41:55 AM Sen Sachs Comments
9:43:15 AM Amendment #325862 - Not Adopted
9:43:54 AM Vern Pickup-Crawford; Legislative Liaison
9:44:39 AM Sen Legg Comments
9:45:27 AM Sen Abruzzo Comments
9:46:28 AM Sen Sachs Comments
9:48:23 AM Sen Sachs Comments
9:49:44 AM Connie Arnold, Parent
9:51:49 AM Anita Whitby-Davis, Parent
9:53:19 AM Charles Gibson, Attorney
9:55:53 AM Vern Pickup-Crawford, Legislative Liaison
9:56:40 AM Sen Sachs Question
9:57:31 AM Brian Pitts, Justice 2 Jesus
9:59:13 AM Sen Montford Comments
10:02:34 AM Sen Bean Comments
10:03:43 AM Sen Sachs Comments
10:05:39 AM Sen Abruzzo Comments
10:07:37 AM Sen Thrasher Comments
10:10:35 AM Sen Legg Comments
10:12:03 AM Roll Call Motion CS/SB 1528 - FAV
10:12:31 AM Motion to Allow Staff to make Technical Changes to the Bill
10:12:39 AM Motion Sen Richter
10:13:00 AM Motion Sen Abruzzo
10:13:13 AM Motion Sen Thrasher
10:13:58 AM Sen Legg Comments
10:14:28 AM CS/CS/SB 900 by Sen Latvala; Public-Private Partnership
10:14:29 AM Tab 5
10:16:56 AM Sen Sachs Comments
10:17:49 AM Brian Pitts, Justice 2 Jesus
10:19:13 AM Roll Call Motion CS/CS/SB 900 - FAV
10:19:50 AM Tab 4
10:20:02 AM CS/SB 628 by Sen Montford Independent Nonprofit
10:20:51 AM Roll Call Motion CS/SB 628 - FAV
10:21:23 AM Tab 9
10:21:27 AM CS/SB 1400 by Sen Latvala; Postsecondary Student Tuition
10:24:06 AM Sen Legg Comments
10:25:37 AM Strike-All Amendment #416110 - Adopted
10:26:00 AM Late Filed Amendment #886118 - Adopted
10:26:13 AM Sen Latvala Comments
10:26:34 AM Amendment #344484 - WD
10:26:49 AM Sen Detert Comments
10:27:10 AM Sen Legg Comments
10:28:52 AM James Calkins
10:30:38 AM Maria Calkins
10:33:07 AM Carlo Fassi, Chair, Florida Student Association
10:34:45 AM Brian Pitts, Justice 2 Jesus
10:36:03 AM Juan Escalante
10:37:35 AM Brewster Bevis, Senior Vice President, Associated Industries of Florida
10:38:41 AM Elizabeth Pines, Florida League of Women Voters
10:41:34 AM Sen Detert Question
10:42:00 AM Sen Latvala Comments
10:42:19 AM Chair Galvano Comments
10:42:29 AM Sen Detert Question
10:42:46 AM Chair Galvano Comments

10:43:16 AM Sen Bean Comments
10:46:21 AM Sen Detert Comments
10:51:23 AM Motion Sen Legg & Comments
10:53:56 AM Sen Richter Comments
10:55:24 AM Sen Sachs Comments
10:56:16 AM Sen Abruzzo Comments
10:57:02 AM Sen Montford Comments
10:57:22 AM Sen Latvala Comments
10:57:43 AM Motion for Committee Substitute
10:58:42 AM Roll Call Motion CS/SB 1400 - FAV
10:59:16 AM Motion Sen Sachs
10:59:29 AM Motion Sen Abruzzo
10:59:57 AM Meeting Adjourned

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THE FLORIDA SENATE APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic Juvenile Justice Education Bill Number SB 598
(if applicable)

Name Cathy Craig Myers Amendment Barcode _____
(if applicable)

Job Title Executive Director

Address 3333 W Pensacola Phone 850 671 3442
Street Tallahassee FL 32304
City State Zip

E-mail cathy@fjja.org

Speaking: For Against Information

Representing Florida Juvenile Justice Association

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/2014

Meeting Date

Topic _____

Bill Number 212
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

Speaking: For Against Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic School Choice

Bill Number CS/SB 1528
(if applicable)

Name Clarence McKee

Amendment Barcode 895 108
SACHS 407 376
800 958
(if applicable)

Job Title President, McKee Communications

Address 11555 Heron Bay Blvd #200

Phone 954 415-4096

Street
Coral Springs
City FL 33076
State Zip

E-mail Clarence@McKeeComm.com
Clarence@McKeeComm.com

Speaking: For Against Information

Representing BRUNNEN SCHOOLS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14
Meeting Date

Topic Charter Schools

Bill Number 1528
(if applicable)

Name Vern Pickup-Crawford

Amendment Barcode _____
(if applicable)

Job Title Legislative Liaison

Address 571 Kingsbury Terrace
Street

Phone 561-644-2439

Wellington FL 33414
City State Zip

E-mail vcrawford@msa.com

Speaking: For Against Information

Representing Palm Beach, Treasure Coast School Districts

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-14

Meeting Date

Topic Charter School

Bill Number 1528
(if applicable)

Name Connie Arnold

Amendment Barcode _____
(if applicable)

Job Title Parent

Address 1029 E. Twiggs St.

Phone 813-579-9649

Street

Tampa FL 33602

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-14

Meeting Date

Topic Charter Schools

Bill Number 1528
(if applicable)

Name Anita Whitby-Davis

Amendment Barcode _____
(if applicable)

Job Title Parent

Address 4351 Mahan drive

Phone 850-216-3300

Street

Tallahassee FL 32317

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-14
Meeting Date

Topic Charter Schools

Bill Number 1528
(if applicable)

Name Charles Gibson

Amendment Barcode _____
(if applicable)

Job Title _____

Address 6340 Sunset Dr.

Phone 305-669-2906

Street

Miami
City

FL
State

33143
Zip

E-mail _____

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-2014

Meeting Date

Topic SB 1400

Bill Number 1400
(if applicable)

Name James Callins

Amendment Barcode _____
(if applicable)

Job Title _____

Address 8216 Gulf Blvd
Street

Phone 850-313-1100

Navarre FL 32566
City State Zip

E-mail _____

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-2014

Meeting Date

Topic SB 1400

Bill Number 1400
(if applicable)

Name Maria Yurena Calkins

Amendment Barcode _____
(if applicable)

Job Title _____

Address S216 Gulf Blvd unit E

Phone 850-357-1919

Street

Navarre

City

State

Zip

E-mail islandnavarre@gmail.com

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9
Meeting Date

Topic _____

Bill Number 1400
(if applicable)

Name CARLO FASSI

Amendment Barcode _____
(if applicable)

Job Title CHAIR, FLORIDA STUDENT ASSOCIATION

Address 1 UNF DR.

Phone 954.625.9176

JACKSONVILLE FL 32224
City State Zip

E-mail C.g.fassi@unf.edu

Speaking: For Against Information

Representing FLORIDA'S SUS STUDENTS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

11

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14
Meeting Date

Topic _____

Bill Number SB1400
(if applicable)

Name Juan Escalante

Amendment Barcode _____
(if applicable)

Job Title _____

Address 4020 SHADY VIEW LN
Street
Tallahassee FL 32311
City State Zip

Phone 954.397.3175

E-mail _____

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

12

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14

Meeting Date

Topic Relating to Postsecondary Student Tuition

Bill Number SB1400
(if applicable)

Name Brewster Bevis

Amendment Barcode _____
(if applicable)

Job Title Senior Vice President

Address 516 N. Adams St
Street

Phone 224-7173

Tallahassee Fl 32301
City State Zip

E-mail bbevis@aif.com

Speaking: For Against Information

Representing Associated Industries of Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14

Meeting Date

Topic In-State Tuition

Bill Number SB 1400
(if applicable)

Name Elizabeth Pines

Amendment Barcode _____
(if applicable)

Job Title N/A

Address 4300 Beecroft Blvd #305

Phone 305-576-1115

Street

Mccorm, FL

City

State

33137

Zip

E-mail epines@pineslaw.com

Speaking: For Against Information

Representing Florida League of Women Voters

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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