

**STORAGE NAME:** h2063p1.ei  
**DATE:** March 30, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
EDUCATION INNOVATION  
ANALYSIS**

**BILL #:** PCS/HB 2063

**RELATING TO:** Florida On-Line High School

**SPONSOR(S):** Committee on Education Innovation and Representative Melvin

**TIED BILL(S):** none

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) EDUCATION INNOVATION
  - (2)
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

PCS/HB 2063 establishes the Florida On-Line High School to be governed by a board of trustees and included by the Commissioner of Education as a grant-in-aid appropriation in the department's legislative budget request.

The bill requires the board of trustees to:

- Enter into agreements with distance learning providers
- Submit a legislative budget request for the 2001-2002 fiscal year
- Administer and maintain personnel programs
- Establish priorities for student admissions
- Distribute information relating to student enrollment procedures
- Submit annually forecasted and actual enrollments, including the number of public, private, and home school students served, by district
- Submit a report on the operations and accomplishments, the marketing and operational plan, the assets and liabilities, a copy of an annual financial and compliance audit of accounts and records, and recommendations regarding the unit cost of providing services to students

The bill allows the board to acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and other rights or interests. Although the ownership of patents, copyrights, and trademarks and licenses remains with the state, the board has the full right of use and full right to retain any revenues derived, but they must use any funds to support research and development to improve courseware and services to the school's students. The board may establish a personnel loan or exchange program for academic administrative and instructional staff to be loaned to, or exchanged with persons in public agencies, which are in or out of Florida, or by private industry.

The board will be comprised of seven members appointed

The bill provides funding requirements and designates Orange County District School Board as the temporary fiscal agent of the Florida On-Line High School, while prohibiting the credit of the state from being pledged on behalf of the school.

The bill requires the board of trustees to submit a detailed report encompassing

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- operation and accomplishment
- marketing and operational plan
- assets and liabilities
- annual financial audits of accounts and records
- unit cost of providing services to students
- recommendations regarding accountability mechanisms to assess the effectiveness of services

The fiscal impact, if any, would be subjected to the General Appropriations Act within the Department of Education.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The program that has evolved into The Florida High School (FHS) on-line project, originated as two distinct but uniquely similar on-line educational initiatives in Alachua and Orange Counties. Both projects were conceived independently in their respective counties during the 1995-96 school year. During the summer 1996, Orange County piloted its "Web School" with five courses that ultimately became the first five courses offered by The Florida High School. Alachua County was in the preliminary development phase of their on-line project during this same timeframe.

The Florida Department of Education (DOE) acted as the catalyst in initially encouraging the partnership between Orange and Alachua Counties when Alachua County applied to DOE early in the 1996-97 school year for a Break The Mold School grant to support their on-line program effort. In November 1996, DOE provided the two districts with a \$200,000 Break The Mold school grant to develop the FHS project. In effect, the partnership between Orange and Alachua Counties to develop FHS was brokered by the DOE because of the similarities between the fledgling on-line projects in the two respective counties.

Shortly after forming the FHS alliance in the fall of 1996, Orange and Alachua Counties each appointed a co-director to represent their district in developing and implementing the on-line high school. The co-directors informally divided the administrative responsibilities. Orange County assumed responsibility for the curriculum and instruction components of FHS, and Alachua County assumed responsibility for the general administrative aspects of the project.

Following an intensive period of planning and development during the first six months of 1997, FHS was officially launched in August, 1997. Funded by an appropriation of \$1.3 million from the 1997 Legislature, FHS served approximately 150 students, predominately from Orange and Alachua Counties during the 1997-98 school year. FHS's continued developmental and implementation efforts were supported by a \$4.3 million appropriation from the 1998 Florida Legislature and the project began to enroll students on a statewide basis beginning in September, 1998. Currently, there are 1,278 students enrolled at FHS who are registered for 1,851 courses during the 1999-2000 school year.

**C. EFFECT OF PROPOSED CHANGES:**

The bill establishes The Florida On-Line High School for the development and delivery of on-line and distance learning education. FHS shall be governed by a board of trustees comprised of seven members appointed by the Governor and shall have the following powers and duties:

- Meet within 30 days after July 1, 2000, and continue to meet at least 4 times each year.
- Enter into informal agreements with distance learning providers, and may acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and other rights or interests thereunder, or therein.
- Prepare and submit a legislative budget request for the 2000-2001 fiscal year, including fixed capital outlay requests for computers for public school students who do not have access to public school computers.
- Administer and maintain personnel programs for all employees of the board of trustees and FHS. The board may adopt rules, policies, and procedures related to the appointment, employment, and removal of personnel.
  1. The board will determine the compensation and other conditions of employment for such personnel.
  2. The board may establish and maintain a personnel loan or exchange program where faculty, may be loaned or exchanged with persons employed in like capacities to school districts within or without the state, or private industry.
- Establish priorities for admission of students in accordance with the General Appropriations Act.
- Establish and distribute to all school districts and high schools in the state procedures for enrollment of students into courses offered by FHS.
- Annually submit both forecasted and actual enrollments for the FHS according to procedures established by the Department of Education.
- Provide for the content and custody of students and employee personnel records.

The board is specifically authorized to adopt rules, policies, and procedures, consistent with law, related to governance, personnel, budget and finance, administration, programs, curriculum and instruction, travel and purchasing, technology, student, contracts and grants, and property as necessary for optimal efficient operation of FHS.

The Commissioner of Education shall include FHS as grant-in-aid appropriation in the department's legislative budget request to the State Board of Education, the Governor, and Legislature. Subject to any guidelines imposed in the General Appropriations Act, funds for the operation of FHS shall be requested and appropriated within the Department of Education as grant-in-aid category until such time as the Legislature authorizes a different funding mechanism. The Orange County District School Board shall be the temporary

fiscal agent of FHS and under no circumstance may the credit of the state be pledged on behalf of the FHS.

By January 1, 2001, the board shall submit to the Governor, the Legislature, and the Education Reorganization Transition Commission a complete and detailed report setting forth:

- The operations and accomplishment of FHS
- The marketing and operational plans for FHS
- The assets and liabilities of FHS at the end of the fiscal year
- A copy of an annual financial and compliance audit of the accounts and records of FHS
- Recommendations regarding the unit cost of providing services to students.
- Recommendations regarding an accountability mechanism to assess the effectiveness of the services provided by FHS.

The Auditor General may, pursuant to his or her own authority, or at the direction of the Joint Legislature Auditing Committee, conduct an audit of the FHS.

**D. SECTION-BY-SECTION ANALYSIS:**

This section need be completed only in the discretion of the Committee.

**III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

N/A

2. Expenditures:

N/A

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

N/A

2. Expenditures:

N/A

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

N/A

D. FISCAL COMMENTS:

The fiscal impact.....

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentages of state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Staff Director:

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Alex Amengual

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