

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/CS/SB 2260

SPONSOR: Commerce and Economic Opportunities Committee, Education Committee and Senator Webster

SUBJECT: The Florida On-Line High School

DATE: April 12, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Esner</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>FP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The Florida High School (FHS) will become the Florida On-Line High School to be governed by a seven-member board of trustees with specific powers and duties. The board will be appointed by the Governor who will identify the initial chairman to serve a term of four years. The board will be a corporation with all the powers and authority needed for the proper operation and improvement of the school.

Academic administrative and instructional personnel shall be entitled to a contract as provided by rules of the board and may be employees of the state for the purpose of being eligible to participate in the Florida Retirement System including benefits, except for seasonal, temporary, and student employees. The classification and pay plan is subject to review by the Department of Management Services and the Executive Office of the Governor.

The funds shall be requested and appropriated within the Department of Education as a grant-in-aid category until the Legislature authorizes differently. The Orange County School Board will serve as a temporary fiscal agent for the school.

The General Appropriations Acts will identify priorities for the delivery of services by the school and ensure that priority access is provided equitably across the state.

This committee substitute creates section 228.082, Florida Statutes.

II. Present Situation:

The Florida High School (FHS) went on line in August 1997 as a collaborative effort between Alachua and Orange County School Districts with the Department of Education providing the startup funds which enabled the hiring of staff. The Legislature has appropriated funds, as a line item in the Department of Education's budget, for the past three years for the continuation and

growth of the school. To date, more than \$10 million has been provided by the state of Florida, several business partners, and the school boards of Orange and Alachua counties, in an effort to provide high level technological skills and learning experiences to the students in the state of Florida.

FHS is currently housed in Orange County at the Educational Leadership Center (school board office). The space is leased from the school board for \$150,000 per year. FHS currently has an advisory board that is used to provide assistance and direction.

By the year 2001, a complete high school curriculum is expected to be offered. Currently, FHS offers more than 50 online courses, including most of the core subjects required for graduation, to students from affiliated school districts throughout Florida. The curriculum also includes advanced placement, SAT preparation, business, and computer technology courses. There has been a tremendous demand for FHS online courses. In the past year, nearly every course had a waiting list of students desiring to enroll.

FHS has served approximately 2,300 students during the 1999-2000 school year, a substantial increase from the 200 students served in January 1998. Students were turned away in the fall of 1999 because classes were full. Public, private, and home-schooled students who have access to a computer and the Internet can enroll with the school.

FHS offers students flexibility; eliminates constraints of time and place; allows for course completion at an accelerated pace or allows for additional time to be used if necessary. FHS provides an avenue for students to achieve educational standards within an "any pace" environment. Presently, FHS does not issue a diploma. Each student taking FHS courses can also be enrolled in his or her local home school.

Currently, 65 of the 67 districts have an affiliation agreement in place with FHS. There are three charter schools and 28 private schools affiliated with the school. The schools and districts that are affiliated agree to accept the credit of all courses successfully completed at FHS. FHS encourages the affiliated districts and schools to disseminate information, to proctor exams and to provide instructors. FHS currently employs approximately 34 instructors as full time personnel. All teachers are "teachers on assignment" from their district and maintain the status they had within their district.

FHS is currently piloting a class load of 100-110 students for a fully developed course and 40-50 students for a course still under development. The goal of the school was to develop and demonstrate an effective high school level distance-learning model based upon a ratio of 100-110 students per teacher in a fully developed course, and 40-50 students in a course still under development. Course completion rates continue to improve as staff learns more about how to attract, prepare, facilitate, and stimulate student learners through this medium.

All courses are designed to meet the Florida Sunshine State Standards. The school prepares students to participate as independent learners -- actually becoming active partners in their own education, and equips them with the thinking and technological skills they will need to become productive citizens.

III. Effect of Proposed Changes:

This committee substitute establishes the Florida On-Line High School to be governed by a board of trustees comprised of seven members. The Governor will appoint the members of the board, one of whom shall be the current chair of the Florida High School Advisory Board, and one of whom shall be the current Orange County Public School District representative on the advisory board. At a minimum one member of the board of trustees must be a representative from Alachua County. The Governor shall designate the initial chair of the board who shall serve a term of four years. Members will serve without compensation but may be reimbursed for per diem and travel expenses pursuant to s. 112.061 F.S.

The board of trustees shall have the following powers and duties:

- meet within 30 days after the bill becomes law and at least four times each year, at the request of the chair, or at the request of a majority of the membership;
- enter into formal agreements with distance learning providers, and may acquire, enjoy, use, and dispose of patents, copyrights, trademarks and any licenses, and other rights or interests thereunder or therein. Any funds realized from patents, copyrights, trademarks, or licenses shall be used to support the school's research and development activities in order to improve courseware and services to its students;
- prepare and submit a legislative budget request for 2001-2002 fiscal year, including fixed capital outlay requests for computers for public school students who do not have access to public school computers. The budget request must follow submission requirements followed by the Department of Education (DOE); and
- administer and maintain personnel programs for all employees of the board of trustees and the Florida On-Line High School. The board of trustees may adopt rules, policies, and procedures related to the appointment, employment, and removal of personnel.

The board of trustees shall determine the compensation, including salaries and fringe benefits, and other conditions of employment for such personnel. The board may establish and maintain a program where school staff may be loaned to, or exchanged with persons employed in like capacities by, school districts within or without this state, or by private industry. Salaries and benefits of board personnel participating in the loan or exchange program shall be continued and with no break in creditable or continuous service or employment. Persons participating in the program from school districts or private industry shall be paid their salaries and benefits by the originating employers and shall be deemed to have no break in creditable or continuous service or employment during such time.

The employment of school academic administrative and instructional personnel shall be entitled to a contract as provided by rules of the board. The school academic administrative and instructional personnel and all other staff except seasonal, temporary, and student employees may be employees of the state for the purpose of being eligible to participate in the Florida Retirement System and receive benefits.

The classification and pay plan, including terminal leave and other benefits, and any amendments thereto, shall be subject to review and approval by the Department of Management Services and the Executive Office of the Governor prior to adoption. Should the board assume responsibility

for governance prior to approval, employees shall be compensated pursuant to the system in effect for the employees of the fiscal agent.

The board of trustees shall:

- establish priorities for admission of students in accordance with the General Appropriations Act;
- establish and distribute statewide procedures for enrollment of students into courses with a minimum of paperwork and maximize participation by students;
- follow DOE procedures to annually submit forecasted and actual enrollment, including the number of public, private, and home school students served, for the school; and
- provide for the content and custody of student and personnel records which shall be subject to the provisions of the law. The financial records and accounts of the school shall be maintained under the direction of the board and under regulations prescribed by the State Board of Education.

The board shall be a corporation with the powers and authority needed for the proper operation and improvement of the school. The board of trustees 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, students, contracts and grants, and property as necessary for optimal, efficient operation of the school.

The Commissioner of Education shall include the school as a grant-in-aid appropriation in the department's legislative budget request to the State Board of Education, the Governor, and the Legislature. The funds, subject to any guidelines imposed in the General Appropriations Act, for the Florida On-Line High School shall be requested and appropriated within the Department of Education as a grant-in-aid category until the Legislature authorizes differently. Tangible personal property owned by the board shall be subject to the provisions of ch. 237, F.S.

The Orange County District School Board is identified as the temporary fiscal agent for the school.

The General Appropriations Act will identify priorities for the delivery of services by the Florida On-Line High School and shall ensure that priority access is provided equitably across the state. Under no circumstances may the credit of the state be pledged on behalf of the Florida On-Line High School.

By January 1, 2002, the board of trustees shall submit to the Governor, the Legislature, and the Education Reorganization Transition Commission a complete and detailed report setting forth:

- operations and accomplishments;
- marketing and operational plan including recommendations regarding methods for improving the delivery of education through the Internet and other distance learning technology;
- assets and liabilities at end of first fiscal year;

- a copy of the annual financial and compliance audit of the accounts and records conducted by an independent certified public accountant according to rules adopted by the Office of the Auditor General;
- recommendations regarding unit cost of providing services to students in order to develop public policy regarding future funding. The identified cost of the program must be based on reliable data and reflect the costs associated with maintaining a state-of-the-art on-line high school, including the costs associated with maintaining a high-quality research and development effort to locate and assimilate, or develop, Internet-based courses; and
- recommendations regarding an accountability mechanism to assess the effectiveness of services.

The Auditor General may conduct an audit of the Florida On-Line High School, pursuant to his or her authority, or at the direction of the Joint Legislative Auditing Committee.

The committee substitute shall be 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. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

The General Appropriations Act for fiscal year 1998-1999 provided \$4.36 million, and for fiscal year 1999-2000 provided \$3.8 million for the Florida High School. The proposed Senate appropriation for the school for the 2000-2001 fiscal year is \$3.8 million.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
