

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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Representative Vana offered the following:

Amendment to Amendment (483919)

Remove line(s) 168-1395, and insert:

(m) Provide kindergarten grants in accordance with s. 1002.396.

(n) Provide K-8 virtual school grants in accordance with s. 1002.397.

(o) Adopt policies to encourage the use of charter schools that meet financial, management, accountability, and performance standards as established by the State Board of Education.

(p) Use any other approach not prohibited by law.

(5) ACCOUNTABILITY.--

(a) Beginning in the 2004-2005 fiscal year, if the Commissioner of Education determines for any year that a school district has not reduced average class size as required in subsection (3) at the time of the third FEFP calculation, the

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28 department shall calculate an amount from the class size
29 reduction operating categorical that is proportionate to the
30 amount of class size reduction not accomplished. Upon
31 verification of the department's calculation by the Florida
32 Education Finance Program Appropriation Allocation Conference,
33 the Executive Office of the Governor shall transfer
34 undistributed funds, except for funds that have been encumbered
35 for classroom teacher contracts, equivalent to the calculated
36 amount from the school district's class size reduction operating
37 categorical to an approved fixed capital outlay appropriation
38 for class size reduction in the affected school district
39 pursuant to s. 216.292(13). The amount of such funds transferred
40 shall be the lesser of the amount specified above or the
41 undistributed balance of the school district's class size
42 reduction operating categorical.

43 (b) Beginning in the 2006-2007 school year, the
44 Commissioner of Education shall determine by January 15 of each
45 year which school districts have not met the two-student-per-
46 year reduction required in subsection (3) based upon a
47 comparison of the school district's October student membership
48 survey for the current school year and the March 2003 baseline
49 student membership survey. The commissioner shall report such
50 school districts to the Legislature. Each school district that
51 has not met the two-student-per-year reduction shall be required
52 to implement one of the following policies in the subsequent
53 school year unless the commissioner finds that the school
54 district comes into compliance based upon the February student
55 membership survey:

56 1. Year-round schools;

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57 2. Double sessions;

58 3. Florida Learning Access Grants, pursuant to s.

59 1002.395;

60 4. Rezoning; or

61 5. Maximizing use of instructional staff by changing
62 required teacher loads and scheduling of planning periods,
63 deploying school district employees who have professional
64 certification to the classroom, using adjunct educators,
65 operating schools beyond the normal operating hours to provide
66 classes in the evening, or operating more than one session of
67 school during the day.

68 A school district that is required to implement one of the
69 policies outlined in subparagraphs 1.-5. shall correct in the
70 year of implementation any past deficiencies and bring the
71 school district into compliance with the two-student-per-year
72 reduction requirements pursuant to subsection (3). A school
73 district may choose to implement more than one of these
74 policies. The district school superintendent shall report to the
75 Commissioner of Education the extent to which the school
76 district implemented any of the policies outlined in
77 subparagraphs 1.-5. in a format to be specified by the
78 commissioner. The commissioner shall use the enforcement
79 authority provided in s. 1008.32 to ensure that school districts
80 comply with the provisions of this paragraph.

81 (c) Beginning in the 2007-2008 school year, the
82 Commissioner of Education shall annually determine which school
83 districts do not meet the requirements described in subsection
84 (3). In addition to enforcement authority provided in s.

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85 1008.32, the commissioner shall develop a constitutional
86 compliance plan for each such school district that includes, but
87 is not limited to, redrawing school attendance zones to maximize
88 use of facilities while minimizing the additional use of
89 transportation, unless the commissioner finds that the school
90 district comes into compliance based upon the February student
91 membership survey and the other accountability policies listed
92 in paragraph (b). Each district school board shall implement
93 its constitutional compliance plan developed by the commissioner
94 until the school district complies with the constitutional class
95 size maximums.

96 Section 4. Section 1011.685, Florida Statutes, is created
97 to read:

98 1011.685 Class size reduction; operating categorical
99 fund.--

100 (1) There is created an operating categorical fund for
101 implementing the class size reduction provisions of s. 1, Art.
102 IX of the State Constitution. These funds shall be allocated to
103 each school district based on the school district's
104 proportionate share of FEFP base funding. Funds shall be
105 released upon the State Board of Education's approval of the
106 school district's class size reduction plan.

107 (2) Class size reduction operating categorical funds shall
108 be used by school districts for the following:

109 (a) To reduce class size in any lawful manner if the
110 school district has not met the constitutional class size
111 maximums identified in s. 1003.03(2) or the two-student-per-year
112 reduction required by s. 1003.03(3).

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113 (b) Upon satisfying the requirements of paragraph (a), to
114 implement the requirements of ss. 1011.63 and 1012.231(2).

115 (c) Upon satisfying the requirements of paragraphs (a) and
116 (b), for any lawful operating expenditure; however, priority
117 should be given to increasing the salary of career teachers as
118 defined in s. 1012.231(2)(b).

119 (3) Notwithstanding the provisions of s. 1011.71(2), a
120 school district receiving funds under this section is authorized
121 until June 30, 2006, to use up to 2 mills of its nonvoted
122 capital improvement millage for any lawful operating expenditure
123 if the school district has met the constitutional class size
124 maximums identified in s. 1003.03(2); however, priority should
125 be given to increasing the salary of career teachers as defined
126 in s. 1012.231(2)(b). In order to exercise the authority of this
127 subsection, the school district must:

128 (a) Hold a public hearing that clearly communicates the
129 school district's purpose for the use of the funds and, during a
130 regularly scheduled meeting of the district school board, vote
131 to use such funds in the manner and for the purpose identified
132 in the public hearing.

133 (b) Annually report to the Department of Education the
134 amount of funds used and the operating expenditures for which
135 the funds were used.

136 (4) The Department of Education shall collect all such
137 reports and shall report to the Governor, the President of the
138 Senate, and the Speaker of the House of Representatives by
139 December 31 of each year a summary of each school district's use
140 of nonvoted capital improvement millage for operating

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141 expenditures, including a summary of the amount of funds used
142 and the operating expenditures for which the funds were used.

143 (5) No later than June 30, 2006, the Legislature shall
144 review such reports for purposes of determining whether any
145 school district expended nonvoted capital improvement millage
146 while failing to comply with subsection (3) or any other
147 provision of law. Upon such review, if the Legislature so
148 directs, the Department of Education shall withhold from the
149 school district's allocation from the Public Education Capital
150 Outlay and Debt Service Trust Fund no less than an amount of
151 funds equivalent to the amount determined by the Legislature to
152 have been so expended.

153 Section 5. Section 1013.735, Florida Statutes, is created
154 to read:

155 1013.735 Class Size Reduction Infrastructure Program.--

156 (1) ALLOCATION.--The Department of Education shall
157 allocate funds appropriated for the Class Size Reduction
158 Infrastructure Program, which is hereby established.

159 (2) DISTRICT PARTICIPATION.--In order to participate in
160 the Class Size Reduction Infrastructure Program, a district
161 school board shall:

162 (a) Enter into an interlocal agreement pursuant to s.
163 1013.33.

164 (b) Certify that the school district's inventory of
165 facilities listed in the Florida Inventory of School Houses is
166 accurate and up to date pursuant to s. 1013.31.

167 (c) Receive approval from the State Board of Education for
168 a capital outlay expenditure plan that is based on documented
169 infrastructure need and is limited only to construction,

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170 renovation, and remodeling expenditures and purchase or lease-
171 purchase of relocatables for class size reduction.

172 (3) USE OF FUNDS.--In order to increase capacity to reduce
173 class size, a district school board shall expend the funds
174 received pursuant to this section only to:

175 (a) Construct, renovate, remodel, or repair educational
176 facilities that reduce class size and are in excess of funded
177 projects identified in the school district's 5-year work program
178 adopted prior to March 15, 2003; or

179 (b) Purchase or lease-purchase relocatable facilities that
180 are in excess of relocatables identified in the school
181 district's 5-year work program adopted prior to March 15, 2003.

182 Section 6. Effective upon this act becoming a law, section
183 1013.736, Florida Statutes, is created to read:

184 1013.736 District Effort Recognition Program.--

185 (1) RECOGNITION FUNDS.--From funds appropriated by the
186 Legislature, district effort recognition capital outlay grants
187 shall be made to eligible school districts in accordance with
188 the provisions of this section and the General Appropriations
189 Act. The funds appropriated in this section are not subject to
190 the provisions of s. 216.301.

191 (2) ELIGIBILITY.--Annually, the Department of Education
192 shall determine each school district's compliance with the
193 provisions of s. 1003.03 and determine the school district's
194 eligibility to receive a district effort recognition grant for
195 local school facilities projects pursuant to this section.
196 School districts shall be eligible for a district effort
197 recognition grant based upon participation in any of the
198 following:

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199 (a) The school district levies a half-cent school capital
200 outlay sales surtax authorized in s. 212.055(6).

201 (b) The school district participates in the levy of the
202 local government infrastructure sales surtax authorized in s.
203 212.055(2).

204 (c) The school district levies voted millage for capital
205 outlay purposes as authorized in s. 9, Art. VII of the State
206 Constitution.

207 (d) The school district levies the full 2 mills of
208 nonvoted discretionary capital outlay millage authorized by s.
209 1011.71(2).

210 (e) The school district receives proceeds of school impact
211 fees greater than \$500 per dwelling unit.

212 (3) ALLOCATION AND DISTRIBUTION OF FUNDS.--The department
213 shall allocate the annual amount of funds provided among all
214 eligible school districts based upon the school district's plan
215 approved by the State Board of Education and documented
216 infrastructure need, which shall be limited solely to
217 construction, renovation, and remodeling expenditures and
218 purchase or lease-purchase of relocatables for class size
219 reduction.

220 Section 7. Section 1013.737, Florida Statutes, is created
221 to read:

222 1013.737 Class Size Reduction Lottery Revenue Bond
223 Program.--There is established the Class Size Reduction Lottery
224 Revenue Bond Program.

225 (1) The issuance of revenue bonds is authorized to finance
226 or refinance the construction, acquisition, reconstruction, or
227 renovation of educational facilities. Such bonds shall be issued

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228 pursuant to and in compliance with the provisions of s. 11(d),
229 Art. VII of the State Constitution, the provisions of the State
230 Bond Act, ss. 215.57-215.83, as amended, and the provisions of
231 this section.

232 (2) The bonds are payable from, and secured by a first
233 lien on, the first lottery revenues transferred to the
234 Educational Enhancement Trust Fund each fiscal year, as provided
235 by s. 24.121(2), and do not constitute a general obligation of,
236 or a pledge of the full faith and credit of, the state.

237 (3) The state hereby covenants with the holders of such
238 revenue bonds that it will not take any action that will
239 materially and adversely affect the rights of such holders so
240 long as bonds authorized by this section are outstanding. The
241 state does hereby additionally authorize the establishment of a
242 covenant in connection with the bonds which provides that any
243 additional funds received by the state from new or enhanced
244 lottery programs or other similar activities will first be
245 available for payments relating to bonds pledging revenues
246 available pursuant to s. 24.121(2) prior to use for any other
247 purpose.

248 (4) The bonds shall be issued by the Division of Bond
249 Finance of the State Board of Administration on behalf of the
250 Department of Education in such amount as shall be requested by
251 resolution of the State Board of Education. However, the total
252 principal amount of bonds, excluding refunding bonds, issued
253 pursuant to this section shall not exceed \$600 million.

254 (5) Proceeds available from the sale of the bonds shall be
255 deposited in the Lottery Capital Outlay and Debt Service Trust
256 Fund within the Department of Education.

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257 (6) The facilities to be financed with the proceeds of
258 such bonds are designated as state fixed capital outlay projects
259 for purposes of s. 11(d), Art. VII of the State Constitution,
260 and the specific facilities to be financed shall be determined
261 in accordance with state law and appropriations from the
262 Educational Enhancement Trust Fund. Prior to the release of
263 funds, the State Board of Education must approve each school
264 district's expenditure plan, which plan must be based on
265 documented infrastructure need and be limited solely to
266 construction, renovation, and remodeling expenditures and
267 purchase or lease-purchase of relocatables for class size
268 reduction. Projects shall be funded from the Lottery Capital
269 Outlay and Debt Service Trust Fund. Each educational facility to
270 be financed with the proceeds of the bonds issued pursuant to
271 this section is hereby approved as required by s. 11(f), Art.
272 VII of the State Constitution.

273 (7) Any complaint for validation of such bonds is required
274 to be filed only in the circuit court of the county where the
275 seat of state government is situated. The notice required to be
276 published by s. 75.06 is required to be published only in the
277 county where the complaint is filed, and the complaint and order
278 of the circuit court need be served only on the state attorney
279 of the circuit in which the action is pending.

280 (8) The Commissioner of Education shall provide for timely
281 encumbrances of funds for duly authorized projects. Encumbrances
282 may include proceeds to be received under a resolution approved
283 by the State Board of Education authorizing issuance of class
284 size reduction lottery bonds pursuant to s. 11(d), Art. VII of
285 the State Constitution, this section, and other applicable law.

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286 Section 8. Subsection (2) of section 24.121, Florida
287 Statutes, is amended to read:

288 24.121 Allocation of revenues and expenditure of funds for
289 public education.--

290 (2) Each fiscal year, at least 38 percent of the gross
291 revenue from the sale of on-line lottery tickets, variable
292 percentages of the gross revenue from the sale of instant
293 lottery tickets as determined by the department consistent with
294 subsection (1), and other earned revenue, excluding application
295 processing fees, shall be deposited in the Educational
296 Enhancement Trust Fund, which is hereby created in the State
297 Treasury to be administered by the Department of Education. The
298 Department of the Lottery shall transfer moneys to the
299 Educational Enhancement Trust Fund at least once each quarter.
300 Funds in the Educational Enhancement Trust Fund shall be used to
301 the benefit of public education in accordance with the
302 provisions of this act. Notwithstanding any other provision of
303 law, ~~a maximum of \$180 million of~~ lottery revenues transferred
304 to the Educational Enhancement Trust Fund ~~in fiscal year 1997-~~
305 ~~1998 and for 30 years thereafter~~ shall be reserved as needed and
306 used to meet the requirements of the documents authorizing the
307 bonds issued by the state pursuant to s. 1013.68, ~~or~~ s. 1013.70,
308 or s. 1013.737 or distributed to school districts for the
309 Classrooms First Program as provided in s. 1013.68. Such lottery
310 revenues are hereby pledged to the payment of debt service on
311 bonds issued by the state pursuant to s. 1013.68, ~~or~~ s. 1013.70,
312 or s. 1013.737. Debt service payable on bonds issued by the
313 state pursuant to s. 1013.68, ~~or~~ s. 1013.70, or s. 1013.737
314 shall be payable from, and are secured by a first lien on, the

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315 first lottery revenues transferred to the Educational
316 Enhancement Trust Fund in each fiscal year. Amounts
317 distributable to school districts that request the issuance of
318 bonds pursuant to s. 1013.68(3) are hereby pledged to such bonds
319 pursuant to s. 11(d), Art. VII of the State Constitution. ~~The~~
320 ~~amounts distributed through the Classrooms First Program shall~~
321 ~~equal \$145 million in each fiscal year. These funds are intended~~
322 ~~to provide up to \$2.5 billion for public school facilities.~~

323 Section 9. Effective upon this act becoming a law,
324 subsection (13) of section 121.091, Florida Statutes, is amended
325 to read:

326 121.091 Benefits payable under the system.-- Benefits may
327 not be paid under this section unless the member has terminated
328 employment as provided in s. 121.021(39)(a) or begun
329 participation in the Deferred Retirement Option Program as
330 provided in subsection (13), and a proper application has been
331 filed in the manner prescribed by the department. The department
332 may cancel an application for retirement benefits when the
333 member or beneficiary fails to timely provide the information
334 and documents required by this chapter and the department's
335 rules. The department shall adopt rules establishing procedures
336 for application for retirement benefits and for the cancellation
337 of such application when the required information or documents
338 are not received.

339 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
340 subject to the provisions of this section, the Deferred
341 Retirement Option Program, hereinafter referred to as the DROP,
342 is a program under which an eligible member of the Florida
343 Retirement System may elect to participate, deferring receipt of

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344 retirement benefits while continuing employment with his or her
345 Florida Retirement System employer. The deferred monthly
346 benefits shall accrue in the System Trust Fund on behalf of the
347 participant, plus interest compounded monthly, for the specified
348 period of the DROP participation, as provided in paragraph (c).
349 Upon termination of employment, the participant shall receive
350 the total DROP benefits and begin to receive the previously
351 determined normal retirement benefits. Participation in the DROP
352 does not guarantee employment for the specified period of DROP.
353 Participation in the DROP by an eligible member beyond the
354 initial 60-month period as authorized in this subsection shall
355 be on an annual contractual basis for all participants.

356 (a) Eligibility of member to participate in the DROP.--All
357 active Florida Retirement System members in a regularly
358 established position, and all active members of either the
359 Teachers' Retirement System established in chapter 238 or the
360 State and County Officers' and Employees' Retirement System
361 established in chapter 122 which systems are consolidated within
362 the Florida Retirement System under s. 121.011, are eligible to
363 elect participation in the DROP provided that:

364 1. The member is not a renewed member of the Florida
365 Retirement System under s. 121.122, or a member of the State
366 Community College System Optional Retirement Program under s.
367 121.051, the Senior Management Service Optional Annuity Program
368 under s. 121.055, or the optional retirement program for the
369 State University System under s. 121.35.

370 2. Except as provided in subparagraph 6., election to
371 participate is made within 12 months immediately following the
372 date on which the member first reaches normal retirement date,

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373 or, for a member who reaches normal retirement date based on
374 service before he or she reaches age 62, or age 55 for Special
375 Risk Class members, election to participate may be deferred to
376 the 12 months immediately following the date the member attains
377 57, or age 52 for Special Risk Class members. For a member who
378 first reached normal retirement date or the deferred eligibility
379 date described above prior to the effective date of this
380 section, election to participate shall be made within 12 months
381 after the effective date of this section. A member who fails to
382 make an election within such 12-month limitation period shall
383 forfeit all rights to participate in the DROP. The member shall
384 advise his or her employer and the division in writing of the
385 date on which the DROP shall begin. Such beginning date may be
386 subsequent to the 12-month election period, but must be within
387 the 60-month or, with respect to members who are instructional
388 or administrative personnel employed by a community college in
389 areas of critical need identified by the district board of
390 trustees and who have received authorization by the district
391 board of trustees to participate in the DROP beyond 60 months,
392 or who are instructional or administrative personnel employed by
393 the Florida School for the Deaf and the Blind and who have
394 received authorization by the Board of Trustees of the Florida
395 School for the Deaf and the Blind to participate in the DROP
396 beyond 60 months, or who are instructional personnel as defined
397 in s. 1012.01(2)(a)-(d) in grades K-12 or administrative
398 personnel as defined in s. 1012.01(3) in grades K-12 and who
399 have received authorization by the district school
400 superintendent to participate in the DROP beyond 60 months, the
401 96-month limitation period as provided in subparagraph (b)1.

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402 When establishing eligibility of the member to participate in
403 the DROP for the 60-month or, with respect to members who are
404 instructional or administrative personnel employed by a
405 community college in areas of critical need identified by the
406 district board of trustees and who have received authorization
407 by the district board of trustees to participate in the DROP
408 beyond 60 months, or who are instructional or administrative
409 personnel employed by the Florida School for the Deaf and the
410 Blind and who have received authorization by the Board of
411 Trustees of the Florida School for the Deaf and the Blind to
412 participate in the DROP beyond 60 months, or who are
413 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
414 grades K-12 or administrative personnel as defined in s.
415 1012.01(3) in grades K-12 and who have received authorization by
416 the district school superintendent to participate in the DROP
417 beyond 60 months, the 96-month maximum participation period, the
418 member may elect to include or exclude any optional service
419 credit purchased by the member from the total service used to
420 establish the normal retirement date. A member with dual normal
421 retirement dates shall be eligible to elect to participate in
422 DROP within 12 months after attaining normal retirement date in
423 either class.

424 3. The employer of a member electing to participate in the
425 DROP, or employers if dually employed, shall acknowledge in
426 writing to the division the date the member's participation in
427 the DROP begins and the date the member's employment and DROP
428 participation will terminate.

429 4. Simultaneous employment of a participant by additional
430 Florida Retirement System employers subsequent to the

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431 commencement of participation in the DROP shall be permissible
432 provided such employers acknowledge in writing a DROP
433 termination date no later than the participant's existing
434 termination date or the 60-month limitation period as provided
435 in subparagraph (b)1.

436 5. A DROP participant may change employers while
437 participating in the DROP, subject to the following:

438 a. A change of employment must take place without a break
439 in service so that the member receives salary for each month of
440 continuous DROP participation. If a member receives no salary
441 during a month, DROP participation shall cease unless the
442 employer verifies a continuation of the employment relationship
443 for such participant pursuant to s. 121.021(39)(b).

444 b. Such participant and new employer shall notify the
445 division on forms required by the division as to the identity of
446 the new employer.

447 c. The new employer shall acknowledge, in writing, the
448 participant's DROP termination date, which may be extended but
449 not beyond the original 60-month or, with respect to members who
450 are instructional or administrative personnel employed by a
451 community college in areas of critical need identified by the
452 district board of trustees and who have received authorization
453 by the district board of trustees to participate in the DROP
454 beyond 60 months, or who are instructional or administrative
455 personnel employed by the Florida School for the Deaf and the
456 Blind and who have received authorization by the Board of
457 Trustees of the Florida School for the Deaf and the Blind to
458 participate in the DROP beyond 60 months, or who are
459 instructional personnel as defined in s. 1012.01(2)(a)-(d) in

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460 grades K-12 or administrative personnel as defined in s.
461 1012.01(3) in grades K-12 and who have received authorization by
462 the district school superintendent to participate in the DROP
463 beyond 60 months, the 96-month period provided in subparagraph
464 (b)1., shall acknowledge liability for any additional retirement
465 contributions and interest required if the participant fails to
466 timely terminate employment, and shall be subject to the
467 adjustment required in sub-subparagraph (c)5.d.

468 6. Effective July 1, 2001, for instructional personnel as
469 defined in s. 1012.01(2), election to participate in the DROP
470 shall be made at any time following the date on which the member
471 first reaches normal retirement date. The member shall advise
472 his or her employer and the division in writing of the date on
473 which the Deferred Retirement Option Program shall begin. When
474 establishing eligibility of the member to participate in the
475 DROP for the 60-month or, with respect to members who are
476 instructional or administrative personnel employed by a
477 community college in areas of critical need identified by the
478 district board of trustees and who have received authorization
479 by the district board of trustees to participate in the DROP
480 beyond 60 months, or who are instructional or administrative
481 personnel employed by the Florida School for the Deaf and the
482 Blind and who have received authorization by the Board of
483 Trustees of the Florida School for the Deaf and the Blind to
484 participate in the DROP beyond 60 months, or who are
485 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
486 grades K-12 or administrative personnel as defined in s.
487 1012.01(3) in grades K-12 and who have received authorization by
488 the district school superintendent to participate in the DROP

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489 beyond 60 months, the 96-month maximum participation period, as
490 provided in subparagraph (b)1., the member may elect to include
491 or exclude any optional service credit purchased by the member
492 from the total service used to establish the normal retirement
493 date. A member with dual normal retirement dates shall be
494 eligible to elect to participate in either class.

495 (b) Participation in the DROP.-

496 1. An eligible member may elect to participate in the DROP
497 for a period not to exceed a maximum of 60 calendar months or,
498 with respect to members who are instructional or administrative
499 personnel employed by a community college in areas of critical
500 need identified by the district board of trustees and who have
501 received authorization by the district board of trustees to
502 participate in the DROP beyond the initial 60 calendar months on
503 an annual contractual basis, or who are instructional or
504 administrative personnel employed by the Florida School for the
505 Deaf and the Blind and who have received authorization by the
506 Board of Trustees of the Florida School for the Deaf and the
507 Blind to participate in the DROP beyond the initial 60 calendar
508 months on an annual contractual basis, or who are instructional
509 personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 or
510 administrative personnel as defined in s. 1012.01(3) in grades
511 K-12 and who have received authorization by the district school
512 superintendent to participate in the DROP beyond the initial 60
513 calendar months on an annual contractual basis, a maximum of 96
514 calendar months immediately following the date on which the
515 member first reaches his or her normal retirement date or the
516 date to which he or she is eligible to defer his or her election
517 to participate as provided in subparagraph (a)2. However, a

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518 member who has reached normal retirement date prior to the
519 effective date of the DROP shall be eligible to participate in
520 the DROP for a period of time not to exceed 60 calendar months
521 or, with respect to members who are instructional or
522 administrative personnel employed by a community college in
523 areas of critical need identified by the district board of
524 trustees and who have received authorization by the district
525 board of trustees to participate in the DROP beyond the initial
526 60 calendar months on an annual contractual basis, or who are
527 instructional or administrative personnel employed by the
528 Florida School for the Deaf and the Blind and who have received
529 authorization by the Board of Trustees of the Florida School for
530 the Deaf and the Blind to participate in the DROP beyond the
531 initial 60 calendar months on an annual contractual basis, or
532 who are instructional personnel as defined in s. 1012.01(2)(a)-
533 (d) in grades K-12 or administrative personnel as defined in s.
534 1012.01(3) in grades K-12 and who have received authorization by
535 the district school superintendent to participate in the DROP
536 beyond the initial 60 calendar months on an annual contractual
537 basis, a maximum of 96 calendar months immediately following the
538 effective date of the DROP, except a member of the Special Risk
539 Class who has reached normal retirement date prior to the
540 effective date of the DROP and whose total accrued value exceeds
541 75 percent of average final compensation as of his or her
542 effective date of retirement shall be eligible to participate in
543 the DROP for no more than 36 calendar months immediately
544 following the effective date of the DROP.

545 2. Upon deciding to participate in the DROP, the member
546 shall submit, on forms required by the division:

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- 547 a. A written election to participate in the DROP;
- 548 b. Selection of the DROP participation and termination
549 dates, which satisfy the limitations stated in paragraph (a) and
550 subparagraph 1. Such termination date shall be in a binding
551 letter of resignation with the employer, establishing a deferred
552 termination date. The member may change the termination date
553 within the limitations of subparagraph 1., but only with the
554 written approval of his or her employer;
- 555 c. A properly completed DROP application for service
556 retirement as provided in this section; and
- 557 d. Any other information required by the division.
- 558 3. The DROP participant shall be a retiree under the
559 Florida Retirement System for all purposes, except for paragraph
560 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
561 and 121.122. However, participation in the DROP does not alter
562 the participant's employment status and such employee shall not
563 be deemed retired from employment until his or her deferred
564 resignation is effective and termination occurs as provided in
565 s. 121.021(39).
- 566 4. Elected officers shall be eligible to participate in
567 the DROP subject to the following:
- 568 a. An elected officer who reaches normal retirement date
569 during a term of office may defer the election to participate in
570 the DROP until the next succeeding term in that office. Such
571 elected officer who exercises this option may participate in the
572 DROP for up to 60 calendar months or a period of no longer than
573 such succeeding term of office, whichever is less.
- 574 b. An elected or a nonelected participant may run for a
575 term of office while participating in DROP and, if elected,

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576 extend the DROP termination date accordingly, except, however,
577 if such additional term of office exceeds the 60-month
578 limitation established in subparagraph 1., and the officer does
579 not resign from office within such 60-month limitation, the
580 retirement and the participant's DROP shall be null and void as
581 provided in sub-subparagraph (c)5.d.

582 c. An elected officer who is dually employed and elects to
583 participate in DROP shall be required to satisfy the definition
584 of termination within the 60-month or, with respect to members
585 who are instructional or administrative personnel employed by a
586 community college in areas of critical need identified by the
587 district board of trustees and who have received authorization
588 by the district board of trustees to participate in the DROP
589 beyond 60 months, or who are instructional or administrative
590 personnel employed by the Florida School for the Deaf and the
591 Blind and who have received authorization by the Board of
592 Trustees of the Florida School for the Deaf and the Blind to
593 participate in the DROP beyond 60 months, or who are
594 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
595 grades K-12 or administrative personnel as defined in s.
596 1012.01(3) in grades K-12 and who have received authorization by
597 the district school superintendent to participate in the DROP
598 beyond 60 months, the 96-month limitation period as provided in
599 subparagraph 1. for the nonelected position and may continue
600 employment as an elected officer as provided in s. 121.053. The
601 elected officer will be enrolled as a renewed member in the
602 Elected Officers' Class or the Regular Class, as provided in ss.
603 121.053 and 121.22, on the first day of the month after
604 termination of employment in the nonelected position and

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605 termination of DROP. Distribution of the DROP benefits shall be
606 made as provided in paragraph (c).

607 (c) *Benefits payable under the DROP.--*

608 1. Effective with the date of DROP participation, the
609 member's initial normal monthly benefit, including creditable
610 service, optional form of payment, and average final
611 compensation, and the effective date of retirement shall be
612 fixed. The beneficiary established under the Florida Retirement
613 System shall be the beneficiary eligible to receive any DROP
614 benefits payable if the DROP participant dies prior to the
615 completion of the period of DROP participation. In the event a
616 joint annuitant predeceases the member, the member may name a
617 beneficiary to receive accumulated DROP benefits payable. Such
618 retirement benefit, the annual cost of living adjustments
619 provided in s. 121.101, and interest shall accrue monthly in the
620 System Trust Fund. Such interest shall accrue at an effective
621 annual rate of 6.5 percent compounded monthly, on the prior
622 month's accumulated ending balance, up to the month of
623 termination or death.

624 2. Each employee who elects to participate in the DROP
625 shall be allowed to elect to receive a lump-sum payment for
626 accrued annual leave earned in accordance with agency policy
627 upon beginning participation in the DROP. Such accumulated leave
628 payment certified to the division upon commencement of DROP
629 shall be included in the calculation of the member's average
630 final compensation. The employee electing such lump-sum payment
631 upon beginning participation in DROP will not be eligible to
632 receive a second lump-sum payment upon termination, except to
633 the extent the employee has earned additional annual leave which

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634 combined with the original payment does not exceed the maximum
635 lump-sum payment allowed by the employing agency's policy or
636 rules. Such early lump-sum payment shall be based on the hourly
637 wage of the employee at the time he or she begins participation
638 in the DROP. If the member elects to wait and receive such lump-
639 sum payment upon termination of DROP and termination of
640 employment with the employer, any accumulated leave payment made
641 at that time cannot be included in the member's retirement
642 benefit, which was determined and fixed by law when the employee
643 elected to participate in the DROP.

644 3. The effective date of DROP participation and the
645 effective date of retirement of a DROP participant shall be the
646 first day of the month selected by the member to begin
647 participation in the DROP, provided such date is properly
648 established, with the written confirmation of the employer, and
649 the approval of the division, on forms required by the division.

650 4. Normal retirement benefits and interest thereon shall
651 continue to accrue in the DROP until the established termination
652 date of the DROP, or until the participant terminates employment
653 or dies prior to such date. Although individual DROP accounts
654 shall not be established, a separate accounting of each
655 participant's accrued benefits under the DROP shall be
656 calculated and provided to participants.

657 5. At the conclusion of the participant's DROP, the
658 division shall distribute the participant's total accumulated
659 DROP benefits, subject to the following provisions:

660 a. The division shall receive verification by the
661 participant's employer or employers that such participant has
662 terminated employment as provided in s. 121.021(39)(b).

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663 b. The terminated DROP participant or, if deceased, such
664 participant's named beneficiary, shall elect on forms provided
665 by the division to receive payment of the DROP benefits in
666 accordance with one of the options listed below. For a
667 participant or beneficiary who fails to elect a method of
668 payment within 60 days of termination of the DROP, the division
669 will pay a lump sum as provided in sub-sub-subparagraph (I).

670 (I) Lump sum.--All accrued DROP benefits, plus interest,
671 less withholding taxes remitted to the Internal Revenue Service,
672 shall be paid to the DROP participant or surviving beneficiary.

673 (II) Direct rollover.--All accrued DROP benefits, plus
674 interest, shall be paid from the DROP directly to the custodian
675 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
676 the Internal Revenue Code. However, in the case of an eligible
677 rollover distribution to the surviving spouse of a deceased
678 participant, an eligible retirement plan is an individual
679 retirement account or an individual retirement annuity as
680 described in s. 402(c)(9) of the Internal Revenue Code.

681 (III) Partial lump sum.--A portion of the accrued DROP
682 benefits shall be paid to the DROP participant or surviving
683 spouse, less withholding taxes remitted to the Internal Revenue
684 Service, and the remaining DROP benefits shall be transferred
685 directly to the custodian of an eligible retirement plan as
686 defined in s. 402(c)(8)(B) of the Internal Revenue Code.
687 However, in the case of an eligible rollover distribution to the
688 surviving spouse of a deceased participant, an eligible
689 retirement plan is an individual retirement account or an
690 individual retirement annuity as described in s. 402(c)(9) of

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691 the Internal Revenue Code. The proportions shall be specified by
692 the DROP participant or surviving beneficiary.

693 c. The form of payment selected by the DROP participant or
694 surviving beneficiary complies with the minimum distribution
695 requirements of the Internal Revenue Code.

696 d. A DROP participant who fails to terminate employment as
697 defined in s. 121.021(39)(b) shall be deemed not to be retired,
698 and the DROP election shall be null and void. Florida Retirement
699 System membership shall be reestablished retroactively to the
700 date of the commencement of the DROP, and each employer with
701 whom the participant continues employment shall be required to
702 pay to the System Trust Fund the difference between the DROP
703 contributions paid in paragraph (i) and the contributions
704 required for the applicable Florida Retirement System class of
705 membership during the period the member participated in the
706 DROP, plus 6.5 percent interest compounded annually.

707 6. The accrued benefits of any DROP participant, and any
708 contributions accumulated under such program, shall not be
709 subject to assignment, execution, attachment, or to any legal
710 process whatsoever, except for qualified domestic relations
711 orders by a court of competent jurisdiction, income deduction
712 orders as provided in s. 61.1301, and federal income tax levies.

713 7. DROP participants shall not be eligible for disability
714 retirement benefits as provided in subsection (4).

715 (d) *Death benefits under the DROP.*--

716 1. Upon the death of a DROP participant, the named
717 beneficiary shall be entitled to apply for and receive the
718 accrued benefits in the DROP as provided in sub-subparagraph
719 (c)5.b.

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720 2. The normal retirement benefit accrued to the DROP
721 during the month of a participant's death shall be the final
722 monthly benefit credited for such DROP participant.

723 3. Eligibility to participate in the DROP terminates upon
724 death of the participant. If the participant dies on or after
725 the effective date of enrollment in the DROP, but prior to the
726 first monthly benefit being credited to the DROP, Florida
727 Retirement System benefits shall be paid in accordance with
728 subparagraph (7)(c)1. or subparagraph 2.

729 4. A DROP participants' survivors shall not be eligible to
730 receive Florida Retirement System death benefits as provided in
731 paragraph (7)(d).

732 (e) *Cost-of-living adjustment.*--On each July 1, the
733 participants' normal retirement benefit shall be increased as
734 provided in s. 121.101.

735 (f) *Retiree health insurance subsidy.*--DROP participants
736 are not eligible to apply for the retiree health insurance
737 subsidy payments as provided in s. 112.363 until such
738 participants have terminated employment and participation in the
739 DROP.

740 (g) *Renewed membership.*--DROP participants shall not be
741 eligible for renewed membership in the Florida Retirement System
742 under ss. 121.053 and 121.122 until termination of employment is
743 effectuated as provided in s. 121.021(39)(b).

744 (h) *Employment limitation after DROP participation.*--Upon
745 satisfying the definition of termination of employment as
746 provided in s. 121.021(39)(b), DROP participants shall be
747 subject to such reemployment limitations as other retirees.
748 Reemployment restrictions applicable to retirees as provided in

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749 subsection (9) shall not apply to DROP participants until their
750 employment and participation in the DROP are terminated.

751 (i) *Contributions.*--

752 1. All employers paying the salary of a DROP participant
753 filling a regularly established position shall contribute 8.0
754 percent of such participant's gross compensation for the period
755 of July 1, 2002, through June 30, 2003, and 11.56 percent of
756 such compensation thereafter, which shall constitute the entire
757 employer DROP contribution with respect to such participant.
758 Such contributions, payable to the System Trust Fund in the same
759 manner as required in s. 121.071, shall be made as appropriate
760 for each pay period and are in addition to contributions
761 required for social security and the Retiree Health Insurance
762 Subsidy Trust Fund. Such employer, social security, and health
763 insurance subsidy contributions are not included in the DROP.

764 2. The employer shall, in addition to subparagraph 1.,
765 also withhold one-half of the entire social security
766 contribution required for the participant. Contributions for
767 social security by each participant and each employer, in the
768 amount required for social security coverage as now or hereafter
769 provided by the federal Social Security Act, shall be in
770 addition to contributions specified in subparagraph 1.

771 3. All employers paying the salary of a DROP participant
772 filling a regularly established position shall contribute the
773 percent of such participant's gross compensation required in s.
774 121.071(4), which shall constitute the employer's health
775 insurance subsidy contribution with respect to such participant.
776 Such contributions shall be deposited by the administrator in
777 the Retiree Health Insurance Subsidy Trust Fund.

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778 (j) *Forfeiture of retirement benefits.*--Nothing in this
779 section shall be construed to remove DROP participants from the
780 scope of s. 8(d), Art. II of the State Constitution, s.
781 112.3173, and paragraph (5)(f). DROP participants who commit a
782 specified felony offense while employed will be subject to
783 forfeiture of all retirement benefits, including DROP benefits,
784 pursuant to those provisions of law.

785 (k) *Administration of program.*--The division shall make
786 such rules as are necessary for the effective and efficient
787 administration of this subsection. The division shall not be
788 required to advise members of the federal tax consequences of an
789 election related to the DROP but may advise members to seek
790 independent advice.

791 Section 10. Subsection (20) of section 1001.42, Florida
792 Statutes, is amended to read:

793 1001.42 Powers and duties of district school board.--The
794 district school board, acting as a board, shall exercise all
795 powers and perform all duties listed below:

796 (20) SCHOOL-WITHIN-A-SCHOOL.--In order to reduce the
797 anonymity of students in large schools, adopt policies to
798 encourage any large school that does not meet the definition of
799 a small school, as established by s. 1013.43(2), to subdivide
800 into schools-within-a-school that shall operate within existing
801 resources in accordance with the provisions of chapter 1003.

802 Section 11. Section 1002.395, Florida Statutes, is created
803 to read:

804 1002.395 Florida Learning Access Grants.--

805 (1) POPULAR NAME.--This section shall be known by the
806 popular name the "Florida Learning Access Grants Program."

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807 (2) DISTRICT PARTICIPATION.--District school boards may
808 choose to implement the Florida Learning Access Grants program
809 as a strategy to reduce class size in their local school
810 districts pursuant to s. 1003.03(4). District school boards may
811 be required to participate in this program to reduce class size
812 if the Commissioner of Education so determines pursuant to s.
813 1003.03(5)(b).

814 (3) PARENTAL CHOICE.--The parent of any K-12 student in a
815 school district participating in the program pursuant to
816 subsection (2) who is enrolled and in attendance during the
817 October and February FTE enrollment counts in a Florida public
818 school may, for the following school year:

819 (a) Opt to have the student remain in the school in which
820 the student is enrolled; or

821 (b) Opt to request, on an annual basis, a Florida Learning
822 Access Grant to assist the parent in paying for the student's
823 attendance at an eligible private school of the parent's choice.
824 The grant shall be in the amount of \$3,500 in 2003 dollars,
825 adjusted annually thereafter to reflect increases or decreases
826 in the Consumer Price Index, or the tuition charged by the
827 private school, whichever is less. The parent choosing a Florida
828 Learning Access Grant shall be responsible for the child's
829 transportation.

830 (4) PARTICIPATING SCHOOL DISTRICT OBLIGATIONS.--Each
831 school district participating in this program shall annually by
832 February 22, for each K-12 student eligible under subsection
833 (3), notify the parent that the school district has chosen to
834 offer Florida Learning Access Grants and provide the parent with

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835 the parental choice options for the following school year as
836 provided in subsection (3).

837 (5) PARENT OBLIGATIONS.--

838 (a) The parent shall notify the school district as to
839 which of the options provided in subsection (3) the parent
840 wishes to choose.

841 1. Failure of the parent to provide notification shall
842 constitute the choice of the option provided by paragraph
843 (3)(a).

844 2. If the parent chooses the option provided by paragraph
845 (3)(b), the parent must:

846 a. Obtain acceptance for admission of the student to a
847 private school eligible under subsection (6) as soon as possible
848 and inform the private school that the student will be using a
849 Florida Learning Access Grant.

850 b. Notify the Department of Education of the parent's
851 request for a Florida Learning Access Grant and the name and
852 address of the selected private school.

853 c. Agree to provide transportation for the student to the
854 private school if necessary.

855 d. Agree to pay any costs associated with the student's
856 attendance at the private school that exceed the annual amount
857 of the Florida Learning Access Grant.

858 e. Agree that the education provided by the private school
859 selected shall satisfy the student's full need for educational
860 services from the student's school.

861 f. Ensure that the student takes a nationally normed
862 examination as determined by the private school for each grade 3

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863 through 10. The results of the examination shall be provided to
864 the parent.

865 (b) After the first year of the student's attendance at a
866 private school under the Florida Learning Access Grants program,
867 the parent must annually notify the Department of Education if
868 the parent intends to renew the grant according to the
869 provisions of subsection (8) in order for the student to
870 continue in the program, together with the name and address of
871 the private school selected for the student for the following
872 year.

873 (6) PRIVATE SCHOOL ELIGIBILITY.--Eligibility of a private
874 school shall be determined by the parental oversight and
875 accountability requirements that, coupled with the exercise of
876 parental choice, are reasonably necessary to secure the
877 educational public purpose. To be eligible to participate in the
878 Florida Learning Access Grants program, a private school must be
879 a Florida private school, may be sectarian or nonsectarian, and
880 must:

881 (a) Demonstrate fiscal soundness by being in operation for
882 1 school year or provide the Department of Education with a
883 statement by a certified public accountant confirming that the
884 private school desiring to participate is insured and the owner
885 or owners have sufficient capital or credit to operate the
886 school for the upcoming year serving the number of students
887 anticipated with expected revenues from tuition and other
888 sources that may be reasonably expected. In lieu of such a
889 statement, a surety bond or letter of credit for the amount
890 equal to the Florida Learning Access Grant funds for any school
891 year may be filed with the department.

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892 (b) Notify the Department of Education and the school
893 district in the service areas in which the school is located of
894 its intent to participate in the program under this section as
895 early as possible, but no later than July 1 preceding the school
896 year in which it intends to participate. The notice shall
897 specify the grade levels and services that the private school
898 has available for the Florida Learning Access Grants program.

899 (c) Comply with the antidiscrimination provisions of 42
900 U.S.C. s. 2002d.

901 (d) Meet state and local health and safety laws and codes.

902 (e) Comply with all state statutes applicable to the
903 general regulation of private schools.

904 (f) If a Florida Learning Access Grant student's parent so
905 requests, coordinate with the school district the locations and
906 times for the student to take all statewide assessments pursuant
907 to s. 1008.22.

908 (7) INITIAL FLORIDA LEARNING ACCESS GRANTS.--

909 (a) Initial Florida Learning Access Grants shall be
910 offered on a first-come, first-served basis.

911 (b) The number of initial Florida Learning Access Grants
912 to be awarded shall be determined annually by the Department of
913 Education based upon the department's determination of the
914 number that would be necessary to reduce class size to meet the
915 school district's two-student-per-year reduction requirements
916 pursuant to s. 1003.03(3) or to meet the constitutional class
917 size maximums described in s. 1003.03(2). However, district
918 school boards may authorize more Florida Learning Access Grants
919 than the number established by the department.

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920 (8) FLORIDA LEARNING ACCESS GRANT RENEWAL.--For purposes
921 of educational continuity and parental choice, a Florida
922 Learning Access Grant, once awarded, shall be renewable for as
923 long as the parent is a Florida resident who opts for
924 continuation of the grant for the student and the student
925 lawfully attends an eligible private school through grade 12 or
926 until the student graduates from high school. The Florida
927 Learning Access Grant may be transferred from one eligible
928 private school to another upon the school's acceptance of the
929 student and the parent's provision of adequate notice to the
930 Department of Education. A parent may, however, at any time opt
931 to return the student to the public school.

932 (9) FLORIDA LEARNING ACCESS GRANT DISBURSEMENT.--Upon
933 proper documentation reviewed and approved by the Department of
934 Education, the Chief Financial Officer shall make Florida
935 Learning Access Grant payments in four equal amounts no later
936 than September 1, November 1, February 1, and April 1 of each
937 academic year. The initial payment shall be made after
938 Department of Education verification of admission acceptance,
939 and subsequent payments shall be made upon verification of the
940 student's continued enrollment and attendance at the private
941 school. Payment must be by individual warrant made payable to
942 the student's parent and mailed by the Department of Education
943 to the private school of the parent's choice, and the parent
944 shall restrictively endorse the warrant to the private school.

945 (10) LIABILITY.--No liability shall arise on the part of
946 the state based on the award or use of any Florida Learning
947 Access Grant.

948 (11) DEPARTMENT OF EDUCATION OBLIGATIONS.--

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949 (a)1. Upon notification of the number of students whose
950 parents have opted to request initial Florida Learning Access
951 Grants, the Department of Education shall transfer from general
952 revenue funds appropriated to the school district the total
953 amount of annual \$3,500 grants for the school district's
954 students from the Florida Education Finance Program to a
955 separate account for the disbursement of the initial Florida
956 Learning Access Grants.

957 2. The Department of Education shall, in its annual
958 budget, provide for Florida Learning Access Grants for parents
959 who wish their children to continue participation in the Florida
960 Learning Access Grants program beyond the initial year of
961 participation.

962 (b) The Department of Education shall administer the
963 Florida Learning Access Grants program, and the State Board of
964 Education may adopt rules pursuant ss. 120.536(1) and 120.54 to
965 implement the provisions of this section. However, the inclusion
966 of eligible private schools within options available to Florida
967 public school students does not expand the regulatory authority
968 of the state, its officers, or any school district to impose any
969 additional regulations on private schools beyond those
970 reasonably necessary to enforce requirements expressly set forth
971 in this section.

972 Section 12. Section 1002.396, Florida Statutes, is created
973 to read:

974 1002.396 Kindergarten grants program.--

975 (1) SCHOOL DISTRICT PARTICIPATION.--District school boards
976 may choose to implement the kindergarten grants program as a

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977 strategy to reduce class size in their local school districts
978 pursuant to s. 1003.03(4).

979 (2) PARENTAL CHOICE.--Parents of a child who will have
980 attained the age of 5 years on or before September 1 of the
981 school year or who is otherwise eligible to attend kindergarten
982 in a Florida public school be given the option:

983 (a) To enroll the child in and transport the child to
984 kindergarten in any public school within the school district
985 other than the school to which the child is assigned; or

986 (b) To receive a kindergarten grant to enroll the child in
987 an eligible private kindergarten of the parent's choice. The
988 grant shall be in the amount of \$3,500 in 2003 dollars, adjusted
989 annually thereafter to reflect increases or decreases in the
990 Consumer Price Index, or the tuition charged by the private
991 kindergarten, whichever is less. The parent choosing a
992 kindergarten grant shall be responsible for the child's
993 transportation.

994 (3) PARENT OBLIGATIONS.--

995 (a) The parent choosing to participate in the kindergarten
996 grants program shall notify the school district as to which of
997 the options provided in subsection (2) the parent wishes to
998 choose.

999 (b) If the parent chooses the option provided in paragraph
1000 (2)(a), the parent shall inform the school district by May 1
1001 which public school the parent has selected, and the parent
1002 shall agree to provide any necessary transportation to the
1003 selected public school.

1004 (c) If the parent chooses the option provided in paragraph
1005 (2)(b), the parent shall:

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1006 1. Obtain acceptance for admission of the child to a
1007 private kindergarten eligible under subsection (4) as soon as
1008 possible and inform the private kindergarten that the child will
1009 be using a kindergarten grant.

1010 2. Notify the Department of Education by July 1 of the
1011 parent's request for a kindergarten grant and the name and
1012 address of the selected private kindergarten.

1013 3. Agree to provide any necessary transportation for the
1014 child to the selected private kindergarten.

1015 4. Agree to pay any costs associated with the child's
1016 attendance at the private kindergarten that exceed the amount of
1017 the kindergarten grant.

1018 (4) PRIVATE KINDERGARTEN ELIGIBILITY.--Eligibility of a
1019 private kindergarten shall be determined by the parental
1020 oversight and accountability requirements that, coupled with the
1021 exercise of parental choice, are reasonably necessary to secure
1022 the educational public purpose. To be eligible to participate in
1023 the kindergarten grants program, a kindergarten must be a
1024 Florida private kindergarten, may be sectarian or nonsectarian,
1025 and must:

1026 (a) Demonstrate fiscal soundness by being in operation for
1027 1 school year or provide the Department of Education with a
1028 statement by a certified public accountant confirming that the
1029 private kindergarten desiring to participate is insured and the
1030 owner or owners have sufficient capital or credit to operate the
1031 kindergarten for the upcoming year serving the number of
1032 students anticipated with expected revenues from tuition and
1033 other sources that may be reasonably expected. In lieu of such a
1034 statement, a surety bond or letter of credit for the amount

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1035 equal to the kindergarten grants funds for any school year may
1036 be filed with the department.

1037 (b) Notify the Department of Education and the school
1038 district in the service area in which the kindergarten is
1039 located of its intent to participate in the program under this
1040 section as early as possible, but no later than July 1 preceding
1041 the school year in which it intends to participate.

1042 (c) Comply with the antidiscrimination provisions of 42
1043 U.S.C. s. 2000d.

1044 (d) Meet state and local health and safety laws and codes.

1045 (e) Comply with all state statutes applicable to the
1046 general regulation of private schools.

1047 (5) KINDERGARTEN GRANT DISBURSEMENT.--Upon proper
1048 documentation reviewed and approved by the Department of
1049 Education, the Chief Financial Officer shall make kindergarten
1050 grant payments in four equal amounts no later than September 1,
1051 November 1, February 1, and April 1 of each academic year. The
1052 initial payment shall be made after Department of Education
1053 verification of admission acceptance, and subsequent payments
1054 shall be made upon verification of the student's continued
1055 enrollment and attendance at the private kindergarten. Payment
1056 must be by individual warrant made payable to the student's
1057 parent and mailed by the Department of Education to the private
1058 kindergarten of the parent's choice, and the parent shall
1059 restrictively endorse the warrant to the private kindergarten.

1060 (6) LIABILITY.--No liability shall arise on the part of
1061 the state based on the award or use of any kindergarten grant.

1062 (7) DEPARTMENT OF EDUCATION OBLIGATIONS.--

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1063 (a) The Department of Education shall transfer from
1064 general revenue funds appropriated to the school district the
1065 total amount of annual \$3,500 grants for the school district's
1066 students from the Florida Education Finance Program to a
1067 separate account for the disbursement of the kindergarten
1068 grants.

1069 (b) The Department of Education shall administer the
1070 kindergarten grants program and may adopt rules pursuant to ss.
1071 120.536(1) and 120.54 to implement the provisions of this
1072 section. However, the inclusion of eligible private schools
1073 within options available to Florida public school students does
1074 not expand the regulatory authority of the state, its officers,
1075 or any school district to impose any additional regulations on
1076 private schools beyond those reasonably necessary to enforce
1077 requirements expressly set forth in this section.

1078 Section 13. Section 1002.397, Florida Statutes, is created
1079 to read:

1080 1002.397 K-8 Virtual School Grants Program.--

1081 (1) SCHOOL DISTRICT PARTICIPATION.--District school boards
1082 may choose to implement the K-8 virtual school grants program as
1083 a strategy to reduce class size in their local school districts
1084 pursuant to s. 1003.03(4).

1085 (2) K-8 VIRTUAL SCHOOL GRANTS PROGRAM.--Parents of a
1086 student who is eligible to attend kindergarten or grade 1, 2, 3,
1087 4, 5, 6, 7, or 8 and was enrolled and in attendance at a Florida
1088 public school during the October and February FTE enrollment
1089 counts or is entering kindergarten or first grade and has been
1090 assigned to a specific Florida public school shall be given the
1091 option to enroll the student in an eligible K-8 virtual school

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1092 of the parent's choice. The student shall be enrolled as a full-
1093 time student. The student shall be eligible for a virtual school
1094 grant in the amount of \$4,800 in 2003 dollars, adjusted annually
1095 thereafter to reflect increases or decreases in the Consumer
1096 Price Index, or the tuition charged by the eligible K-8 virtual
1097 school, whichever is less. Students who are enrolled in
1098 traditional public school classes that are not in compliance
1099 with the maximum class sizes provided in s. 1003.03 or who have
1100 scored Level 1 on the Florida Comprehensive Assessment Test or
1101 have been retained shall be given priority.

1102 (3) STUDENT AND PARENT OBLIGATIONS.--

1103 (a) The parent of an eligible student choosing to
1104 participate in the K-8 Virtual School Grants Program shall
1105 notify the school district of the parent's desire for the
1106 student to participate in the grants program.

1107 (b) The parent shall:

1108 1. Obtain acceptance for admission of the student to an
1109 eligible K-8 virtual school and inform the virtual school that
1110 the child will be using a virtual school grant.

1111 2. Notify the Department of Education by July 1 of the
1112 parent's request for a K-8 virtual school grant and the name and
1113 address of the selected virtual school.

1114 3. Agree to pay any costs, including any transportation,
1115 associated with the child's attendance at the K-8 virtual school
1116 that exceed the amount of the K-8 virtual school grant.

1117 (c) Each parent shall serve as, or provide, an onsite
1118 mentor or facilitator at the site where the student is
1119 physically located.

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1120 (d) Each student shall have access to a singular,
1121 consistent curriculum that meets or exceeds the Sunshine State
1122 Standards and that has an interactive program with significant
1123 on-line components. Nothing in this section, however, shall
1124 prohibit a student from working at a different grade level in a
1125 subject within the singular curriculum.

1126 (e) Each student enrolled in an approved K-8 virtual
1127 school shall be a full-time student. Enrolled students must take
1128 all language arts, mathematics, science, history, and required
1129 courses for the grade level in which the student is enrolled.

1130 (f) Each student enrolled in an approved K-8 virtual
1131 school in grades 3, 4, 5, 6, 7, and 8 shall participate in the
1132 Florida Comprehensive Assessment Test (FCAT) in accordance with
1133 the requirement of s. 1008.22. Students in grades that are not
1134 required to take the FCAT shall participate in local assessments
1135 and in the K-3 state-approved assessment for reading adopted by
1136 Just Read Florida.

1137 (4) K-8 VIRTUAL SCHOOL ELIGIBILITY.--As used in this
1138 section, a "K-8 virtual school" means an independent public
1139 school that uses on-line and distance learning technology in
1140 order to deliver instruction to students in kindergarten and
1141 grades 1 through 8. Eligibility of a K-8 virtual school to
1142 participate in the K-8 Virtual School Grants Program shall be
1143 determined by the State Board of Education. To be eligible to
1144 participate in the program, a K-8 virtual school must:

1145 (a) Demonstrate fiscal soundness by being in operation for
1146 at least 1 school year or provide the Department of Education
1147 with a statement by a certified public accountant confirming
1148 that the K-8 virtual school desiring to participate is insured

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1149 and the owner or owners have sufficient capital or credit to
1150 operate the school for the upcoming year serving the number of
1151 students anticipated with expected revenues from tuition and
1152 other sources that may be reasonably expected. In lieu of such a
1153 statement, a surety bond or letter of credit for the amount
1154 equal to the K-8 virtual school grants funds for any school year
1155 may be filed with the department.

1156 (b) Notify the Department of Education of its intent to
1157 participate in the program under this section as early as
1158 possible, but no later than July 1 preceding the school year in
1159 which it intends to participate, except that such notification
1160 deadline shall not apply in the first year of implementation.

1161 (c) Comply with the antidiscrimination provisions of 42
1162 U.S.C. s. 2000d.

1163 (d) Submit to the State Board of Education forecasted
1164 enrollment, actual enrollments, and grade completions for the K-
1165 8 virtual school according to procedures established by the
1166 State Board of Education. At a minimum, such procedures must
1167 include the number of students served by grade and by county of
1168 residence.

1169 (e) Provide, free of charge, all instructional materials
1170 for each student enrolled in the K-8 virtual school for as long
1171 as the student is enrolled. In addition, for each household with
1172 a student or students enrolled in a K-8 virtual school, the
1173 virtual school must make available, free of charge, a computer
1174 and a printer, in addition to a subsidized Internet connection,
1175 for as long as the student is enrolled. Nothing in this
1176 paragraph prevents students from using their own computers,
1177 printers, or Internet connections.

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1178 (f) Conform all curriculum and course content to the
1179 Sunshine State Standards. All reading and other content area
1180 strategies shall be based on scientific research.

1181 (g) Administer the Florida Comprehensive Assessment Test
1182 (FCAT) in accordance with ss. 1008.22, 1008.23, and 1008.24 or,
1183 for those students in grades that are not required to take the
1184 FCAT, local assessments and the K-3 state-approved assessment
1185 for reading adopted by Just Read Florida.

1186 (h) Employ on-line teachers who are certified in Florida.
1187 All on-line teachers shall meet with each student at least once
1188 per month during each school semester, either face-to-face at
1189 the school facility or another mutually agreed upon location or
1190 via telephone. On-line teachers shall be available to students,
1191 parents, and onsite mentors and facilitators on a schedule
1192 equivalent to that of a normal public school day and normal
1193 public school calendar for each K-8 virtual school student's
1194 public school district in a variety of ways, including, but not
1195 limited to, telephone and electronic mail.

1196 (i) Maintain an administrative office, which shall be
1197 considered its principal place of business within the state.

1198 (5) K-8 VIRTUAL SCHOOL GRANT DISBURSEMENT.--Upon proper
1199 documentation reviewed and approved by the Department of
1200 Education, the Chief Financial Officer shall make K-8 virtual
1201 school grant payments in four equal amounts no later than
1202 September 1, November 1, February 1, and April 1 of each
1203 academic year. The initial payment shall be made after
1204 Department of Education verification of admission acceptance,
1205 and subsequent payments shall be made upon verification of the
1206 student's continued enrollment. Payment must be by individual

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1207 warrant made payable to the student's parent and mailed by the
1208 Department of Education to the K-8 virtual school of the
1209 parent's choice, and the parent shall restrictively endorse the
1210 warrant to the virtual school.

1211 (6) LIABILITY.--No liability shall arise on the part of
1212 the state based on the award or use of any K-8 virtual school
1213 grant.

1214 (7) DEPARTMENT OF EDUCATION OBLIGATIONS.--The Department
1215 of Education shall administer the K-8 Virtual School Grants
1216 Program.

1217 (a) The department may approve one or more K-8 virtual
1218 schools for the purpose of delivering K-8 on-line and distance
1219 learning education.

1220 (b) The department shall monitor each K-8 virtual school's
1221 performance and annually evaluate each K-8 virtual school based
1222 on the following criteria:

1223 1. The extent to which the school demonstrates increases
1224 in student achievement according to the goals of the Sunshine
1225 State Standards.

1226 2. Student achievement data from the Florida Comprehensive
1227 Assessment Test (FCAT) for grades 3 through 8. The school shall
1228 be assigned a school performance grade under the school grading
1229 system. For those students in kindergarten and grades 1 and 2
1230 who are not required to take the FCAT, student achievement data
1231 shall be from local assessments and the K-3 state-approved
1232 assessment for reading adopted by Just Read Florida.

1233 3. Grade completion rate, based upon the goals of a
1234 70-percent completion rate, with 80 percent of those completing

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1235 grades scoring at Level 3 or higher on the FCAT or at least
1236 satisfactory on the K-3 assessment.

1237 4. Parent satisfaction rate, based upon the goal of 80
1238 percent of parents of participating students indicating
1239 satisfaction with the school.

1240 5. The accountability and viability of the K-8 virtual
1241 school as demonstrated by its academic, fiscal, and operational
1242 performance.

1243
1244 The Department of Education shall report each K-8 virtual
1245 school's performance to the State Board of Education, the
1246 President of the Senate, and the Speaker of the House of
1247 Representatives.

1248 (8) RULEMAKING.--The State Board of Education may adopt
1249 rules in accordance with ss. 120.536(1) and 120.54 as necessary
1250 to implement this section, including reporting requirements for
1251 K-8 virtual schools operating pursuant to this section.

1252
1253 ===== T I T L E A M E N D M E N T =====

1254 Remove line(s) , and insert: