

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 703 Class Size Reduction
SPONSOR(S): Pickens
TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/S 1436 and CS/S 1646

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Education Innovation (Sub)	4 Y, 2 N	Ager	Bohannon
2) Education K - 20	16 Y, 10 N w/CS	Ager	Bohannon
3) Finance & Tax (Sub)			
4) Education Appropriations (Sub)			
5) Appropriations			

SUMMARY ANALYSIS

The bill provides for the implementation of the class size reduction amendment to s. 1, Art. IX of the State Constitution, which prescribes the maximum number of students that may be assigned to a teacher in a public school classroom by the 2010-2011 school year. Beginning in fiscal year (FY) 2003-2004, the amendment requires the Legislature to provide sufficient funds to reduce the average number of students per classroom by at least two students per year until the requirements of the amendment are satisfied.

The bill defines the terms "core-curricula courses" and "extracurricular courses;" provides options for reducing the average number of students per classroom by at least two students per year; provides procedures for school districts and the Department of Education to utilize in determining average class size and monitoring the required reductions; and provides accountability measures to ensure implementation of the class size reduction requirements. The bill amends several statutes to provide greater flexibility and efficiency for school districts in meeting the class size reduction requirements. The bill extends the length of time certain personnel may participate in the DROP from 60 months to 96 months, at the discretion of the district school superintendent. The Department of Management Services is required to contact the Internal Revenue Service to determine that the proposed changes to the DROP comply with IRS qualifications.

The bill preserves and expands educational choice options available to students and parents. The bill expands the cap on corporate income tax credit to \$100 million. The bill creates additional education grant programs.

The bill creates a Class Size Reduction operating categorical fund and provides for the allocation and use of funds for reducing average class size by at least two students per year beginning in FY 2003-2004. The bill creates the Class Size Reduction Infrastructure Program, which provides for funds to be allocated to all school districts based on a statewide formula similar to the 1997 Classrooms First Capital Outlay Program. The bill also creates the District Effort Recognition Capital Outlay Program, which provides for funds to be allocated to school districts in which the district's voters by referendum have approved supplemental local revenue for public school capital outlay. All districts will have equal opportunity to participate in this program with funds allocated based on the statewide formula prescribed in this bill.

The bill has a fiscal impact. Please refer to the "Fiscal Comments" section of this analysis.

FULL ANALYSIS

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0703c.edk.doc
DATE: April 8, 2003

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | 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. EFFECT OF PROPOSED CHANGES:

BACKGROUND

Prior to the November 2002 General Election, s. 1, Art. IX of the State Constitution provided:

The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require.

In the November 2002 General Election, the voters approved an amendment that added the following language to s. 1, Art. IX of the State Constitution:

To assure that children attending public schools obtain a high quality education, the legislature shall make adequate provision to ensure that, by the beginning of the 2010 school year, there are a sufficient number of classrooms so that:

1. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for prekindergarten through grade 3 does not exceed 18 students;
2. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for grades 4 through 8 does not exceed 22 students; and
3. The maximum number of students who are assigned to each teacher who is teaching in public school classrooms for grades 9 through 12 does not exceed 25 students.

The class size requirements of this subsection do not apply to extracurricular classes. Payment of the costs associated with reducing class size to meet these requirements is the responsibility of the state and not of local school districts. Beginning with the 2003-2004 fiscal year, the legislature shall provide sufficient funds to reduce the average number of students in each classroom by at least two students per year until

the maximum number of students per classroom does not exceed the requirements of

this subsection.

The amendment reached the ballot as a result of a citizen petition initiative to amend the constitution. In an advisory opinion to the Attorney General, the court determined that the initiative was valid. In reaching that conclusion, the court stated:

Although, as a result of the amendment, the Legislature may choose to fund the building of new schools to achieve the maximum class size goal of the proposed amendment, this is not the only method of ensuring that the number of students meets the numbers set forth in the amendment. Rather than restricting the Legislature, the proposed amendment gives the Legislature latitude in designing ways to reach the class size goal articulated in the ballot initiative[.]¹

The bill provides for the implementation of the amendment to reduce class size.

Section 1.

The bill provides that this act may be cited as “The 2003 Class Size Reduction Act.”

Section 2.

The bill amends 1003.01, F.S., to define “core-curricula courses” and “extra-curricular courses” for the purpose of identifying courses that are subject to the class size requirement. The bill provides that the definition of “extracurricular courses” only applies to the implementation of class size reduction requirements.

Section 1, Art. IX of the State Constitution provides that the requirements of the amendment to reduce class size do not apply to extracurricular courses. The bill defines “extracurricular courses” to mean those courses not defined as “core-curricula courses.” The bill defines “core-curricula courses” to mean those courses defined by the State Board of Education as:

- Mathematics.
- Language arts / reading.
- Science.
- Social studies.
- Foreign language.
- English for Speakers of Other Languages.
- Exception student education
- Courses taught in traditional, self-contained elementary school classrooms.

Section 3.

The bill substantially amends s. 1003.03, F.S., to incorporate the maximum class sizes specified in the constitutional amendment. The bill provides legislative intent that class size reduction should be implemented in an efficient manner that preserves choice options available to students and parents. The bill establishes a legislative finding that choice alternatives to traditional public school instruction are not subject to the class size reduction requirements. These alternatives include:

- Lab schools.
- Charter schools.
- The Florida Virtual School.
- Eligible K – 8 virtual schools.
- The Florida School for the Deaf and Blind

¹ *Advisory Opinion to the Attorney General RE: Florida’s Amendment to Reduce Class Size*, No. SC01-2421, April 25, 2002.

- Advanced Placement courses.
- International Baccalaureate courses.
- Advanced International Certificate of Education courses.
- Dual enrollment courses.

The bill also requires that school districts make efforts to reduce exceptional student education and English for Speakers of Other Languages class size below the constitutional maximums as necessary to provide high-quality education.

Beginning in the 2010-2011 school year, the maximum number of students who may be assigned to each teacher who is teaching core-curricula courses in public school classrooms is as follows:

- Pre-kindergarten through grade three -- no more than 18.
- Grades 4 through 8 -- no more than 22.
- Grades 9 through 12 -- no more than 25.

The constitutional amendment requires that the average number of students in each classroom must be reduced by at least two students per year until the maximum number of students per classroom does not exceed the requirements of the amendment. The provides three calculations for determining “average” relative to the complying with the two-student per year reduction required by the constitutional amendment:

- 2003-2004 through 2005-2006 – average calculated at the district level.
- 2006-2007 through 2007-2008 – average calculated at the school level.
- 2008-2009 and thereafter – average calculated at the individual classroom level.

The bill specifies the baseline count for class size reduction is March 2003.

The bill provides school districts with a number of implementation options, which the districts may employ in order to comply with the two-student per year reduction and maximum class size requirements. These options include, but are not limited to:

- Adopting policies to facilitate accelerated high school graduation.
- Adopting policies to encourage students to take dual enrollment courses and courses from the Florida Virtual School.
- Adopting policies to allow students to enroll in an eligible K – 8 virtual schools.
- Using methods to maximize the use of instructional staff.
- Using nontraditional school calendars or alternative scheduling.
- Using innovative methods to reduce the cost of school construction.
- Redrawing school attendance zones.
- Providing Florida Learning Access grants, pursuant to s.1002.395, F.S., which is created by the bill.

Beginning in 2004-2005, the bill provides that the Commissioner of Education must annually determine which districts are not meeting the class size reduction requirements and calculate a proportionate amount of the district’s class size operating categorical funds to be transferred from operations to capital outlay.

Beginning in 2006-2007, the bill provides that the Commissioner of Education must annually determine which districts are not meeting the two-student-per-year reduction and must require such districts to implement at least one of the following accountability measures:

- Rezoning.
- Year-round schools.
- Double-sessions.
- Florida Learning Access Grants.

- Maximizing use of instructional staff by changing required teacher loads and scheduling of planning periods, deploying district employees that have professional certification to the classroom, using adjunct educators, operating schools beyond the normal operating hours to provide classes in the evening or operate more than one session of school during the day.

Beginning in 2007-2008, the bill provides that the Commissioner of Education must annually determine which districts are not meeting the class size reduction requirements and must develop a constitutional compliance plan for such districts, which may include redrawing school attendance zones. The bill provides that this authority is in addition to the Commissioner's enforcement authority pursuant to s.1008.32, F.S.

Section 4.

The bill creates s. 1011.685, F.S., the Class Size Reduction Operating Categorical Fund. This section provides for the allocation of funds to be used to meet the class size reduction requirement described in section 3 of the bill. The appropriated funds are to be allocated to each school district in the amount proscribed by the Legislature in the General Appropriations Act. School districts that do not meet the class size reduction requirements may use the funds for any lawful purpose to reduce class size, but should give priority to using the funds to hire or compensate classroom teachers. School districts that meet the class size reduction requirements may use the funds for any lawful operating expense, but should give priority to increasing the salaries of classroom teachers.

Section 5.

The bill creates the Class Size Reduction Infrastructure Program. This section provides for the allocation of capital outlay funds as appropriated by the Legislature in the General Appropriations Act. The program is to be administered similarly to the state capital outlay program authorized under s. 9(a), Art. XII of the State Constitution. Class Size Reduction Infrastructure Program funds may be used to purchase or lease-purchase relocatable facilities or to facilitate the construction, remodeling, or repair of educational facilities. Such purchase, construction, remodeling, or repair must be designed to reduce class size and must be in addition to the projects in the districts' five year work programs.

Section 6.

The bill creates s. 1013.736 F.S., the District Effort Recognition Program, which provides for effort recognition capital outlay grants to eligible districts from funds appropriated by the Legislature in the General Appropriations Act. All school districts in which the voters have provided, through a local referendum, local funds for district capital outlay projects are eligible to participate in the District Effort Recognition Program. The following sources of funds are available through referendum to all school districts:

- Half-cent school capital outlay surtax authorized in s. 212.055(6), F.S.
- Participation in the levy of the local government infrastructure sales surtax authorized in s. 212.055(2), F.S.
- Millage for capital outlay purposes as authorized in s. 9, Article VII of the State Constitution.

The bill provides for calculating the district effort amount, and allocating and distributing funds. School districts that do not meet the constitutional class size requirements must use the funds for capital outlay to reduce class size. Districts that have met the class size requirements may use the funds for any lawful capital outlay purpose.

Section 7.

The bill amends s. 121.091, F.S., which relates to benefits payable under the state retirement system. The bill amends several provisions which relate to participation in the Deferred Retirement Option

Program in order to allow a district school superintendent to authorize K-12 instructional personnel or school administrators to participate in the DROP for 96 months instead of the current 60 months.

Section 8.

The bill requires the Department of Management Services to request an opinion from the Internal Revenue Service (IRS) concerning the qualified status of the changes to DROP pursuant amendments to s. 121.091, F.S., as made by the act. The bill specifies that the changes to the DROP effect by the act are contingent upon a favorable ruling by the IRS. In the event that the IRS fails to act upon the request for a ruling, a favorable legal opinion from a qualified tax attorney may be substituted for the ruling.

Section 9.

The bill amends s. 1001.42(20), F.S., which relates to the powers and duties of district school boards. The bill repeals a reference to the term "small school," to conform to other changes made by the act.

Section 10.

The bill creates s. 1002.395, F.S., the Florida Learning Access Grants (FLAG) Act. Pursuant to the FLAG Act, a district school board may choose to implement the provisions in order to reduce class size. Alternatively, districts may be required to participate in the FLAG program in order to reduce class size pursuant to the accountability measures created in s. 1003.03(5), F.S.

The bill allows the parent of any K-12 student in a participating school district who has been previously in attendance in the public school system during the October and February FTE counts to opt to receive a \$3500 FLAG grant for purposes of attending an eligible private school of the parent's choice. Alternatively, the parent may opt to have the student remain in the school in which the student is enrolled.

If the parent of a student elects to receive the FLAG grant, the bill provides that the grant may be renewed until the student graduates from high school. The bill also requires that participating parents ensure that the children take a nationally normed examination for each grade 3 through 10, the results of which are to be provided to the parent. The bill provides that the amount of the FLAG grant annually adjusts in accordance with increases or decreases in the Consumer Price Index.

Section 11.

The bill creates s. 1002.396, F.S., the Kindergarten Grants Program. The bill allows the parent of any child who will be 5 years of age by September 1 of the school year or who is otherwise eligible to attend kindergarten to either enroll the child in kindergarten in a public school within the district other than the one to which the child is assigned or to receive a \$3500 grant for purposes of attending an eligible kindergarten of the parent's choice. The bill specifies that, pursuant to the exercise of either option, the parent is responsible for the child's transportation to kindergarten.

Section 12.

The bill creates s. 1002.397, F.S., the K-8 Virtual Schools Grants Program. The bill allows the parent of any child who is eligible to attend kindergarten or who is eligible to attend grades 1-8 and has been previously in attendance in the public school system during the October and February FTE counts to opt to receive a \$3500 K-8 virtual school grant for purposes of attending an eligible K-8 virtual school of the parent's choice. The bill annually adjusts the scholarship award amount in accordance with increases or decreases in the Consumer Price Index. The bill specifies that K-8 virtual schools must provide instructional materials, a computer, a printer, and an internet connection to at no additional charge over the cost of tuition.

Section 13

The bill amends s. 220.187, F.S., which relates to credits for contributions to nonprofit scholarship-funding organizations. The bill provides for annual adjustments to contribution levels, tax credit amounts, and the \$3500 scholarship award amount in accordance with increases or decreases in the Consumer Price Index. The bill increases the statewide cap on the total amount of corporate income tax credit from \$50 to \$100 million.

The bill provides additional flexibility for scholarship-funding organizations (SFOs) to use the contributions in a timely manner. Currently, SFOs must use the contributions within the same fiscal year in which the contribution is received. The bill provides that SFOs may use the contributions within the same fiscal year, or within six months of receiving the contribution, whichever is later.

Section 14.

The bill amends s. 1002.20, F.S., which provides the rights of K-12 parents and students. The bill provides additional references to the Florida Virtual School and K-8 virtual schools, to conform to changes made by the act.

Section 15.

Section 1002.33(13), F.S., provides that the number of newly created charter schools is limited to no more than 28 in each school district that has 100,000 or more students, no more than 20 in each school district that has 50,000 to 99,999 students, and no more than 12 in each school district with fewer than 50,000 students. The bill repeals s. 1002.33(13), F.S., to remove the limitation on the number of charter schools allowed to operate in a district. The bill provides conforming cross-references in accordance with other changes made by the act.

Section 16.

The bill amends s. 1002.41, F.S., which relates to home education programs, to conform to other changes made by the act.

Section 17.

Section 1007.27, F.S., provides for articulated acceleration mechanisms. Articulated acceleration is intended to shorten the time necessary for a student to complete the requirements associated with the conference of a high school diploma and a postsecondary degree, broaden the scope of curricular options available to students, or increase the depth of study available for a particular subject.

The bill amends s. 1003.02, F.S., which relates to district school board operations and control of public K-12 education within the school district. The bill creates paragraph (i) for s. 1003.02(1), F.S., which requires notification of acceleration opportunities. The bill repeals a reference to "small school," to conform to other changes made in the act.

Section 18.

The bill creates s. 1003.429, F.S., to provide accelerated high school graduation options. The bill provides a 3-year standard college preparatory program, which requires 15 academic credits and 3 elective credits for graduation. The bill also provides a 3-year career preparatory program, which requires 15 academic credits and 3 elective credits for graduation. The bill specifies that the options are exercised at the sole discretion of the parent and the student. If an option is not chosen, the bill provides that the choice defaults to the traditional high school graduation option specified in s. 103.43, F.S.

Section 19.

The bill amends s. 1003.43, F.S., which provides the general requirements for high school graduation. The bill provides flexibility for earning one-half credit in life management skills by removing the limitation that such credit may only be earned in the 9th or 10th grade. The bill specifies that parenting skills are a required component of instruction for life management

Section 20.

The bill amends s. 1003.436, F.S., which relates to the definition of "credit." The bill reduces the number of hours of classroom instruction required to receive one credit from the current 135 hours of instruction to 120 hours. The bill also specifies that the district school board may award a student credit for fewer than 120 hours of classroom instruction based upon documented mastery of the course requirements and Sunshine State Standards.

Section 21.

The bill amends s. 1007.261, F.S., which relates to state university admissions, to conform to changes made by the act.

Section 22.

Section 1007.27, F.S., provides for articulated acceleration mechanisms, which are intended to shorten the time necessary for a student to complete the requirements associated with the conference of a high school diploma and a postsecondary degree, broaden the scope of curricular options available to students, or increase the depth of study available for a particular subject. The bill provides additional legislative intent for s. 1007.27, F.S., that the use of acceleration mechanisms be maximized. The bill also requires school districts and public postsecondary institutions to annually notify parents and students of acceleration opportunities. The bill provides rulemaking authority for the State Board of Education to implement the provisions of this section.

Section 23.

The bill requires the State Board of Education to conduct a review concerning the use of acceleration mechanisms.

Section 24.

The bill substantially amends s. 1003.62, F.S., to change the charter district pilot program to a statewide academic performance-based charter district program. The bill authorizes the State Board of Education to waive rules and law in specified circumstances. The bill limits designation eligibility to "high-performing school districts," which are defined as those with a minimum of 50 percent of schools earning a performance grade of "A" or "B" and no more than 5 percent of the schools earn a "D" or "F," in the school grading system, pursuant to s. 1008.34, F.S. The bill authorizes the State Board of Education to adopt rules to implement this section.

Section 25.

The bill amends s. 1011.62, F.S., removing flexibility to transfer teacher recruiting and retention categorical funds to other budget categories. The bill requires public notice prior to exercising the remaining flexibility options.

Section 26.

The bill amends s. 1011.68, F.S., to correct a cross reference

Section 27.

The bill amends s. 1011.69, F.S., which relates to equity in school-level funding. The bill removes obsolete language and provides that the funds appropriated in the General Appropriations Act for the Class Size Reduction operating categorical are excluded from the school-level allocation in the Equity in School-Level Funding Act. The bill also requires that district school boards allocate an average of 90%, but no less than 80%, of the funds generated by a school to the school that generates the funds.

Section 28.

The bill amends s. 1013.03, F.S., to require the Department of Education to review, by October 1, 2003, all rules related to school construction to identify requirements that are outdated, obsolete, or could be amended to provide additional flexibility to school districts in implementing class size reduction. The State Board of Education must act on the recommendations by December 31, 2003.

Section 29.

The bill amends s. 1013.31, F.S., which relates to educational plant surveys. The bill requires school districts to periodically update the Florida Inventory of School Houses (FISH). The bill requires the State Board of Education to adopt rules to establish the time frame for periodic updating of the FISH data.

Section 30.

Section 1002.37, F.S., establishes the Florida Virtual School and provides for its governance. The Virtual School provides courses for students in grades 9 through 12 through electronic means. The school is funded annually in the General Appropriations Act through a "Specific Appropriation". Public school students can take courses offered through the Virtual School concurrently with courses taken while enrolled in a public school. School districts can report for funding through the Florida Education Finance Program (FEFP) the courses its students complete through the Virtual School.

The bill amends s. 1002.37, F.S., to provide priorities for student enrollment. The bill also provides authority for the Florida Virtual School to award diplomas. Additionally, the bill specifies that the Florida Virtual School is to be funded in the FEFP, rather than the current line-item funding. Pursuant to the bill, funding is to be based on "credit successfully completed" with 6 credits comprising one full-time equivalent student (FTE). The intended effect is to increase the number of grade 9-12 public school students taking courses through the Florida Virtual School in order to assist with the requirement to reduce class size. By funding through a straight FEFP allocation, the bill also eliminates double funding for Florida Virtual School courses taken by public school students.

Section 31.

The bill amends s. 1011.61, F.S., to provide that a Florida Virtual School FTE student shall consist of six full credit completions in specified courses and that credit completions can be a combination of either full or half credit. The bill authorizes students enrolled in both a public school and Florida Virtual School to exceed the 180 day maximum; however, the public school is not authorized to report days over the 180 days.

Section 32.

The bill amends s. 1013.64(6), F.S., which relates to funds for comprehensive educational plant needs. The bill clarifies the provisions relating to cost per student station limits by specifying the types of revenue required to meet the cost limits. The bill adjusts upward from the current costs per student station, beginning January 2002. The bill deletes an exception from cost per student station limits on

projects funded with certain sources of revenue. The bill requires the Department of Education annually review district compliance with the cost per student station limits and to withhold PECO funds of districts that do not comply.

Section 33.

The bill repeals subsection (2) of s. 1007.261, F.S., which provides a university admissions requirement to conform, s. 1012.41, F.S., requiring school districts to employ a director of career and technical education to conform, and s. 1013.43, F.S., relating to construction of small schools, to conform.

Section 34.

The bill authorizes the Governor to transfer operating funds to capital outlay funds based on FEFP allocations, subject to the notice and review provisions of s. 216.177, F.S.

Section 35.

The bill provides for severability of the provisions of this act.

Section 36.

The bill provides an effective date of July 1, 2003, except as otherwise expressly provided for in this act.

C. SECTION DIRECTORY:

Section 1. The bill provides that this act may be cited as “The 2003 Class Size Reduction Act.”

Section 2. The bill amends s. 1003.01, F.S., to define “core-curricula courses” and “extra-curricular courses” for the purpose of identifying courses that are subject to the class size requirement.

Section 3. The bill substantially amends 1003.03, F.S., to incorporate the maximum class sizes specified in the constitutional amendment.

Section 4. The bill creates s. 1011.685, F.S., the Class Size Reduction Operating Categorical Fund.

Section 5. The bill creates s. 1013.735, F.S., the Class Size Reduction Infrastructure Program.

Section 6. The bill creates s. 1013.736 F.S., the District Effort Recognition Program.

Section 7. The bill amends s. 121.091, F.S., to allow extended participation in the Deferred Retirement Option Program (DROP) in certain circumstances.

Section 8. The bill requires the Department of Management Services to request an expedited opinion from the United States Internal Revenue Service as to the qualified status of the changes to the DROP.

Section 9. The bill repeals a reference to the term “small school,” in conformity with the act.

Section 10. The bill creates s. 1002.395, F.S., the Florida Learning Access Grants (FLAG) Act.

Section 11. The bill creates s. 1002.396, F.S., the Kindergarten grants program.

Section 12. The bill creates s. 1002.397, F.S., the K-8 Virtual Schools grants program.

Section 13. The bill amends s. 220.187, F.S.; to adjust amounts based on fluctuations in the Consumer Price Index and to increase the statewide cap on the total amount of corporate income tax credit from \$50 to \$100 million; provides additional flexibility for scholarship-funding organizations to use the contributions in a timely manner.

Section 14. The bill amends s. 1002.20, F.S., to conform to other changes relating to the Florida Virtual School and K-8 virtual schools made by the act.

Section 15. The bill repeals s. 1002.33(13), F.S., which limits the number of charter schools allowed to operate in a district.

Section 16. The bill amends s. 1002.41, F.S., to conform to other changes made by the act.

Section 17. The bill creates paragraph (i) for s. 1003.02, F.S., to require notification of acceleration opportunities; repeals a reference to "small school," to conform.

Section 18. The bill creates s. 1003.429, F.S., to provide accelerated high school graduation options.

Section 19. The bill amends s. 1003.43, F.S., to provide for parenting skills instruction; to provide flexibility for earning one-half credit in life management skills.

Section 20. The bill amends s.1003.436, F.S., to reduce the number of class hours of instruction required to receive one credit from 135 hours to 120 hours; allows further reduction in certain circumstances.

Section 21. The bill amends s. 1007.261, F.S., which relates to university admissions, to conform to other changes made in the act.

Section 22. The bill amends s. 1007.27, F.S., to provide legislative intent that the use of acceleration mechanisms be maximized; to required notification of acceleration opportunities; to provide for rulemaking.

Section 23. The bill requires the State Board of Education to conduct a review concerning the use of acceleration mechanisms.

Section 24. The bill substantially amends s. 1003.62, F.S., to change the charter district pilot program to a statewide academic performance-based charter district program.

Section 25. The bill amends s. 1011.62, F.S., relating to flexibility to transfer teacher recruiting and retention categorical funds to other budget categories.

Section 26. The bill amends s. 1011.68, F.S., to correct a cross reference.

Section 27. The bill amends s. 1011.69, F.S., to remove obsolete language and provide that the funds appropriated in the General Appropriations Act for the Class Size Reduction operating categorical are excluded from the school-level allocation in the Equity in School-Level Funding Act; additionally requires that district school boards allocate an average of 90%, but no less than 80%, of the funds generated by a school to the school that generates the funds.

Section 28. The bill amends s. 1013.03, F.S. to require the Department of Education to review, and the State to take action regarding, rules related to school construction to identify requirements that are outdated, obsolete, or could be amended to provide additional flexibility to school districts.

Section 29. The bill amends s. 1013.31, F.S., to require school districts to periodically update the Florida Inventory of School Houses (FISH).

Section 30. The bill amends s. 1002.37, F.S., to provide priorities for student enrollment; to provide authority for the Florida Virtual School to award diplomas; to provide that the Florida Virtual School is to be funded in the Florida Education Finance Program.

Section 31. The bill amends s. 1011.61, F.S., relating to counting FTE for the Florida Virtual School.

Section 32. The bill amends s. 1013.64, F.S., which relates to current cost per student station requirements for educational facilities; deletes an exception from cost per student station limits on projects funded with certain sources of revenue.

Section 33. The bill repeals s. 1007.261(2), F.S., which provides a university admissions requirement, s. 1012.41, F.S., which requires school districts to employ a director of career and technical education, and s. 1013.43, F.S., which provides requirements to construct small schools.

Section 34. Authorizes the Governor to transfer operating funds to capital outlay funds based on FEFP allocations, subject to notice and review.

Section 35. The bill provides for severability of the provisions of this act.

Section 36. The bill provides for effective dates.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Please refer to "Fiscal Comments."

2. Expenditures:

Please refer to "Fiscal Comments."

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill has a fiscal impact. The revenue estimating conference held prior to the November 2002 general election estimated that the first year operating cost impact of the amendment would be \$628 million and that the operating cost would grow to \$2.8 billion in fiscal year 2006-2007. The estimating conference estimated a cost of \$2.4 billion in facilities for the first year and a total facilities cost of \$9.4 billion. These estimates were calculated based upon the procedure of current law - current practice.

The cost figures will change as the Department of Education collects more accurate data concerning available space. Legislative action in defining the terms used in the amendment language, as well as changes in the current law and practice relating to flexibility in the use of funds, utilization of existing facilities construction standards, and requirements for the recruitment and retention of teachers may all impact the fiscal consequences of the bill.

The bill contemplates appropriations to fund the Class Size Reduction Operating Categorical Fund, the Class Size Reduction Infrastructure Program, and the District Effort Recognition Program, in an amount to be determined by the Legislature. The bill provides additional opportunities for students to participate in grant programs. For each student that elects to receive a \$3500 grant, it is estimated that the state will avoid \$5200 in costs to educate the student in a public school setting. The expansion of the corporate income tax credit scholarship program contemplates approximately 17,000 FTE leaving the public school system.

Currently, the Florida Virtual School receives line-item funding. Many students who take courses from the Florida Virtual School also attend a traditional public school. To the extent that such students are counted an FTE but also receive line-item funding, the state is double-funding the students. The bill revises funding for the Florida Virtual School by eliminating line-item funding in favor of FEFP funding. This should result in a cost-savings to the state to the extent that it reduces the occurrence of students who are "double-funded."

The bill also requires additional expenditures by the state associated with instructional and administrative personnel exercising the option to extend participation in DROP. Cost-savings may result to the extent that students opt to exercise any of the accelerated graduation options provided by the bill. Additional expenditures may be required by the provision relating to increasing the allowable cost per student station, however these expenditures may be offset in the future by the provision that allows cost-overruns to withheld from PECO funding in the following year.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not affect municipal or county government.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

District school boards and the State Board Of Education are provided with limited authority to promulgate rules in accordance with the specified provisions of this act.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Education K -20 Committee adopted a strike-all amendment that includes the following changes to the bill:

WHEREAS clauses.

Includes an additional whereas clause and clarifies existing whereas clauses relating to efficiency, uniformity, and legislative responsibility to ensure compliance with class size reduction.

Section 1.

(No changes).

Section 2.

Clarifies that the bill's definition of "extracurricular courses" only applies to the implementation of class size reduction requirements.

Section 3.

Provides legislative intent that class size reduction should be implemented in an efficient manner that preserves choice options available to students and parents; establishes a legislative finding that choice alternatives to traditional public school instruction are not subject to the class size reduction requirements; includes lab schools and the Florida School for the Deaf and the Blind as additional choice alternatives to traditional public school instruction that are excluded from the requirements of class size reduction.

Provides three calculations for determining "average" relative to the implementation of the class size reduction requirements:

1. 2003-2004 through 2005-2006 – average calculated at the district level.
2. 2006-2007 through 2007-2008 – average calculated at the school level.
3. 2008-2009 and thereafter – average calculated at the individual classroom level.

Clarifies the baseline count for class size reduction is March 2003.

Adds K-8 virtual schools and accelerated graduation as implementation options available to school districts in meeting the class size reduction requirements.

Beginning in 2004-2005, requires the Commissioner of Education to annually determine which districts are not meeting the class size reduction requirements and calculate a proportionate amount of the district's class size operating categorical funds to be transferred from operations to capital outlay.

Beginning in 2006-2007, requires the Commissioner of Education to annually determine which districts are not meeting the two-student-per-year reduction; requires such districts to implement at least one of the specified accountability policies; adds an additional accountability policy relating to maximizing the use of instructional staff by changing required teacher loads and scheduling of planning periods, deploying district employees that have professional certification to the classroom, using adjunct educators, operating schools beyond the normal operating hours to provide classes in the evening or operate more than one session of school during the day.

Beginning in 2007-2008, requires the Commissioner of Education to annually determine which districts are not meeting the class size reduction requirements and develop a constitutional compliance plan for such districts, which may include redrawing school attendance zones; authorizes the exercise of enforcement authority pursuant to s.1008.32.

Section 4.

Revises provision relating to the allocation of Class Size Reduction operating categorical funds; provides that allocation to districts is as specified in the General Appropriations Act, rather than the FEFP; provides

flexibility in use of funds only to those districts that meet the class size reduction requirements. (see section 4 of the bill)

Section 5.

Replaces the Classrooms for Kids Program with the Class Size Reduction Infrastructure Program; provides for allocation of the capital outlay funds to districts as specified in General Appropriations Act; provides that districts may only use the funds only to increase capacity to reduce class size. Unlike the Classrooms for Kids Program, the Class Size Reduction Infrastructure Program does not provide authority to use the funds pay debt service on bonds or to hire or supplement the salaries of classroom teachers. (see section 5 of the bill).

Section 6.

Contains provisions relating to the District Effort Recognition Program (formerly the District Equity Recognition Program); provides for recognition capital outlay grants to eligible districts from funds appropriated in the General Appropriations Act, but does not specify the amount of the appropriations (see section 8 of the bill). Deletes provision for the Class Size Reduction Small County Assistance Program (see section 6 of the bill).

Section 7.

Extends DROP for instructional personnel, school-based, and district-based administrators contingent upon approval of district superintendent (see section 17 of the bill).

Deletes appropriation for the School Infrastructure Thrift Program awards (see section 7 of the bill).

Section 8.

Requires the Department of Management Services to request an opinion from the Internal Revenue Service concerning the qualified status of the changes to DROP pursuant to section 7 of the amendment.

Section 9.

Repeals a reference to the term "small school," in conformity with the act (see section 18 of the bill).

Deletes the Class Size Reduction Lottery Revenue Bond Program (see section 9 of the bill).

Section 10.

Contains the provisions relating to the Florida Learning Access Grants; annually adjusts the scholarship award amount to the Consumer Price Index (see section 21 of the bill).

Deletes provision relating to timely encumbrances (see section 10 of the bill).

Sections 11.

Creates s. 1002.396, F.S., the Kindergarten Grants Program; provides the parent of any child who will be 5 years of age by September 1 of the school year or who is otherwise eligible to attend kindergarten with the option to either enroll the child in kindergarten in a public school within the district other than the one to which the child is assigned or to receive a \$3500 grant for purposes of attending an eligible kindergarten of the parent's choice; annually adjusts the scholarship award amount to the Consumer Price Index; provides that, pursuant to the exercise of either option, the parent is responsible for the child's transportation to kindergarten.

Restores current s. 203.01(1)(b), F.S. (see section 11 of the bill).

Section 12.

Creates s. 1002.397, F.S., the K-8 Virtual Schools Grants Program; allows the parent of any child who is eligible to attend kindergarten or who is eligible to attend grades 1-8 and has been previously in attendance in the public school system during the October and February FTE counts to opt to receive a \$3500 K-8 virtual school grant for purposes of attending an eligible K-8 virtual school of the parent's choice; annually adjusts the scholarship award amount to the Consumer Price Index; requires K-8 virtual schools to provide instructional materials, a computer, a printer, and an internet connection to at no additional charge over the cost of tuition.

Restores current s. 202.12(1)(a) and (c), F.S. (see section 12 of the bill).

Section 13

Amends s. 220.187, F.S., which relates to credits for contributions to nonprofit scholarship-funding organizations; annually adjusts contribution levels, tax credit amounts, and \$3500 scholarship award amount to the Consumer Price Index; increases the statewide cap on the total amount of corporate income tax credit from \$50 to \$100 million; provides additional flexibility for scholarship-funding organizations to use the contributions in a timely manner.

Restores current s. 202.18(2)(b), F.S. (see section 13 of the bill).

Section 14.

Amends s. 1002.20, F.S., which relates to student and parent rights, to conform with provisions relating to the Florida Virtual School and K-8 virtual schools.

Restores current s. 212.20(6)(d), F.S. (see section 14 of the bill).

Section 15.

Contains the provisions that require each school district to notify parents of the acceleration mechanisms available to students and repeal a reference to "small school" (see section 22 of the bill).

Restores current s. 215.61, F.S. (see section 15 of the bill).

Section 16.

Creates s. 1003.429, F.S., which provides accelerated high school graduation options; provides a 3-year standard college preparatory program, which requires 15 academic credits and 3 elective credits for graduation; provides a 3-year career preparatory program, which requires 15 academic credits and 3 elective credits for graduation; provides that accelerated graduation options are voluntary and are to be exercised at the sole discretion of the parents and the student

Restores current s. 24.121(2), F.S. (see section 16 of the bill).

Section 17.

Contains the amendments to s. 1003.43, F.S., which relates to general requirements for high school graduation; additionally provides that parenting skills are a required component of instruction for life management (see section 23 of the bill).

Section 18.

Contains the amendment to s.1003.436, F.S., which reduces the number of class hours of instruction required to receive one credit from the current 135 hours of instruction to 120 hours (see section 24 of the bill).

Section 19.

Amends s. 1007.261, F.S., which relates to university admissions requirements, to conform to the accelerated high school graduation options in section 16 of the amendment.

Section 20.

Repeals s. 1007.261(2), F.S., in accordance with the act.

Section 21 .

Amends s. 1007.27, F.S., which relates to articulated acceleration mechanisms; provides legislative intent that school districts and public postsecondary institutions maximize the use of acceleration mechanisms; requires school districts and public postsecondary institutions to annually advise students and parents of opportunities to participate in acceleration mechanisms; requires the State Board of Education to adopt rules to implement the section.

Section 22.

Requires the State Board of Education to conduct a review to determine the usage of acceleration mechanism options in school districts, community colleges, and state universities.

Section 23.

Amends s. 1003.62, F.S., to substantially revise provisions related to the charter school district pilot program; changes the charter district pilot program to a statewide academic performance-based charter district program; provides for provides for the state board to waive rules and law in specified circumstances; limits designation eligibility to "high-performing school districts," which are defined as those with a minimum of 50 percent of schools earning a performance grade of "A" or "B" and all schools in the district earning at least a "C" in the school grading system, pursuant to s. 1008.34; removes the current caps on the number of charter schools in a district.

Section 24.

Contains the amendments to s. 1011.62, F.S., which relates to funds for operation of schools (see section 27 of the bill).

Section 25.

Contains the amendments to s. 1011.69, F.S., which relates to equity in school-level funding; additionally requires that district school boards allocate an average of 90%, but no less than 80%, of the funds generated by a school to the school that generates the funds (see section 29 of the bill).

Restores current s. 1011.24, F.S., which relates to special district units.

Section 26.

Contains the amendment to s. 1013.03, F.S., which relates to functions of the Department of Education (see section 32 of the bill).

Section 27.

Contains the amendments to s. 1013.31, F.S., which relates to requires school districts to periodically update the Florida Inventory of School Houses (FISH) data (see section 33 of the bill).

Section 28.

Contains the amendments to s.1002.37, F.S., which relate to the Florida Virtual School; additionally, provides authority for the Florida Virtual School to award diplomas (see section 20 of the bill).

Section 29.

Contains the amendment to the definitions of "full-time equivalent student" provided in s. 1011.61, F.S. (see section 26 of the bill).

Section 30

Amends s. 1013.512, F.S., to change the focus of the Miami-Dade oversight board to facilities and operations and extend the life of the board to 2010.

Restores current s. 1012.56, F.S., which relates to teacher certification requirements (see section 30 of the bill).

Section 31

Amends s. 1013.64(6), F.S., to clarify the provisions relating to cost per student station limits by specifying all types of revenue required to meet the cost limits; adjusts upward from the current costs per student station, beginning January 2002; requires the Department of Education annually review district compliance with the limits and to withhold PECO of districts that do not comply.

Restores current s. 1012.57, F.S., which relates to adjunct educators (see section 31 of the bill).

Section 32.

Repeals only the following provisions in accordance with the act: s. 1002.33(13), F.S., which caps the number of charter schools; s. 1012.41, F.S., which requires school districts to employ a director of career and technical education; and s. 1013.43, F.S., which relates to small school construction (see section 37 of the bill).

Section 33.

Creates subsection (13) for s. 216.292, F.S., which provides exceptions to nontransferable appropriations, to allow for transfer of funds in accordance with the act.

Section 34.

Provides for severability of the provisions of the act (see section 38 of the bill).

Section 35.

Provides an effective date of July 1, 2003, except as otherwise expressly provided for in the act (see section 39 of the bill.)

The Education K -20 Committee adopted a strike-all amendment that includes the following changes to the bill:

WHEREAS clauses.

Includes an additional whereas clause and clarifies existing whereas clauses relating to efficiency, uniformity, and legislative responsibility to ensure compliance with class size reduction.

Section 1.

(No changes).

Section 2.

Clarifies that the bill's definition of "extracurricular courses" only applies to the implementation of class size reduction requirements.

Section 3.

Provides legislative intent; provides a legislative finding; includes lab schools and the Florida School for the Deaf and the Blind as additional choice alternatives to traditional public school instruction that are excluded from the requirements of class size reduction.

Provides three calculations for determining "average" relative to the implementation of the class size reduction requirements:

- 2003-2004 through 2005-2006 – average calculated at the district level.
- 2006-2007 through 2007-2008 – average calculated at the school level.
- 2008-2009 and thereafter – average calculated at the individual classroom level.

Clarifies the baseline count for class size reduction is March 2003.

Adds K-8 virtual schools and accelerated graduation as implementation options available to school districts in meeting the class size reduction requirements.

Specifies that the Commissioner of Education, rather than the Department of Education, is responsible for making annual determinations relative to the class size reduction requirements and taking the required actions; delays by one year the implementation of accountability hammers specified in the bill; provides an additional accountability policy relating to maximizing the use of instructional staff.

Section 4.

Revises provision relating to the allocation of Class Size Reduction operating categorical funds; provides that allocation to districts is as specified in the General Appropriations Act; provides flexibility in use of funds only to those districts that meet the class size reduction requirements (see section 4 of the bill)

Section 5.

Replaces the Classrooms for Kids Program with the Class Size Reduction Infrastructure Program; provides for allocation of the capital outlay funds to districts as specified in General Appropriations Act; provides that districts may only use the funds only to increase capacity to reduce class size. Unlike the Classrooms for Kids Program, the Class Size Reduction Infrastructure Program does not provide authority to use the funds pay debt service on bonds or to hire or supplement the salaries of classroom teachers (see section 5 of the bill).

Section 6.

Contains provisions relating to the District Effort Recognition Program (formerly the District Equity Recognition Program); provides for recognition capital outlay grants to eligible districts from funds appropriated in the General Appropriations Act, but does not specify the amount of the appropriations (see section 8 of the bill).

Deletes provision for the Class Size Reduction Small County Assistance Program (see section 6 of the bill).

Section 7.

Extends DROP for instructional personnel, school-based, and district-based administrators contingent upon approval of district superintendent (see section 17 of the bill).

Deletes appropriation for the School Infrastructure Thrift Program awards (see section 7 of the bill).

Section 8.

Requires the Department of Management Services to request an opinion from the Internal Revenue Service concerning the qualified status of the changes to DROP pursuant to section 7 of the act.

Section 9.

Repeals a reference to the term "small school," in conformity with the act (see section 18 of the bill).

Deletes the Class Size Reduction Lottery Revenue Bond Program (see section 9 of the bill).

Section 10.

Contains the provisions relating to the Florida Learning Access Grants; annually adjusts the scholarship award amount to the Consumer Price Index; clarifies that participating students may have their FLAG grants renewed until high school graduation; requires that participating parents ensure that the children take a nationally normed examination for each grade 3 through 10, the results of which are to be provided to the parent (see section 21 of the bill).

Deletes provision relating to timely encumbrances (see section 10 of the bill).

Section 11.

Creates s. 1002.396, F.S., the Kindergarten Grants Program; provides the parent of any child who will be 5 years of age by September 1 of the school year or who is otherwise eligible to attend kindergarten with the option to either enroll the child in kindergarten in a public school within the district other than the one to which the child is assigned or to receive a \$3500 grant for purposes of attending an eligible kindergarten of the parent's choice; annually adjusts the scholarship award amount to the Consumer Price Index; provides that, pursuant to the exercise of either option, the parent is responsible for the child's transportation to kindergarten.

Restores current s. 203.01(1)(b), F.S. (see section 11 of the bill).

Section 12.

Creates s. 1002.397, F.S., the K-8 Virtual Schools Grants Program; allows the parent of any child who is eligible to attend kindergarten or who is eligible to attend grades 1-8 and has been previously in attendance in the public school system during the October and February FTE counts to opt to receive a \$3500 K-8 virtual school grant for purposes of attending an eligible K-8 virtual school of the parent's choice; annually adjusts the scholarship award amount to the Consumer Price Index; requires K-8 virtual schools to provide instructional materials, a computer, a printer, and an internet connection to at no additional charge over the cost of tuition.

Restores current s. 202.12(1)(a) and (c), F.S. (see section 12 of the bill).

Section 13

Amends s. 220.187, F.S., which relates to credits for contributions to nonprofit scholarship-funding organizations; annually adjusts contribution levels, tax credit amounts, and \$3500 scholarship award amount to the Consumer Price Index; increases the statewide cap on the total amount of corporate income tax credit from \$50 to \$100 million; provides additional flexibility for scholarship-funding organizations to use the contributions in a timely manner.

Restores current s. 202.18(2)(b), F.S. (see section 13 of the bill).

Section 14.

Amends s. 1002.20, F.S., which relates to student and parent rights, to conform with provisions relating to the Florida Virtual School and K-8 virtual schools.

Restores current s. 212.20(6)(d), F.S. (see section 14 of the bill).

Section 15.

Repeals s. 1002.33(13), F.S., which limits the number of charter schools allowed to operate in a district; provides conforming cross-references in accordance with other changes made by the act.

Restores current s. 215.61, F.S. (see section 15 of the bill).

Section 16.

Amends s. 1002.41, F.S., which relates to home education programs, to conform to other changes made by the act.

Restores current s. 24.121(2), F.S. (see section 16 of the bill).

Section 17.

Amends s. 1003.02, F.S., which relates to district school board operations and control of public K-12 education within the school district; require notification of acceleration opportunities; repeals a reference to "small school," to conform (see section 22 of the bill).

Section 18.

Creates s. 1003.429, F.S., which provides accelerated high school graduation options; provides a 3-year standard college preparatory program, which requires 15 academic credits and 3 elective credits for graduation; provides a 3-year career preparatory program, which requires 15 academic credits and 3 elective credits for graduation; provides that accelerated graduation options are voluntary and are to be exercised at the sole discretion of the parents and the student

Section 19.

Contains the amendments to s. 1003.43, F.S., which relates to general requirements for high school graduation; additionally provides that parenting skills are a required component of instruction for life management (see section 23 of the bill).

Section 20.

Contains the amendment to s.1003.436, F.S., which reduces the number of class hours of instruction required to receive one credit from the current 135 hours of instruction to 120 hours; provides additional circumstances in which a credit may be awarded for fewer than 120 hours of classroom instruction (see section 24 of the bill).

Section 21.

Amends s. 1007.261, F.S., which relates to university admissions requirements, to conform to changes made by the act.

Section 22.

Amends s. 1007.27, F.S., which relates to articulated acceleration mechanisms; provides legislative intent that school districts and public postsecondary institutions maximize the use of acceleration mechanisms; requires school districts and public postsecondary institutions to annually advise students and parents of opportunities to participate in acceleration mechanisms; requires the State Board of Education to adopt rules to implement the section.

Section 23.

Requires the State Board of Education to conduct a review to determine the usage of acceleration mechanism options in school districts, community colleges, and state universities.

Section 24.

Amends s. 1003.62, F.S., to substantially revise provisions related to the charter school district pilot program; changes the charter district pilot program to a statewide academic performance-based charter district program; provides for the state board to waive rules and law in specified circumstances; limits designation eligibility to "high-performing school districts," which are defined as those with a minimum of 50 percent of schools earning a performance grade of "A" or "B" and all schools in the district, with no more than 5 percent earning a "D" or "F" in the school grading system, pursuant to s. 1008.34, F.S.

Section 25.

Contains the amendments to s. 1011.62, F.S., which relates to funds for operation of schools; additionally requires public notice prior to exercising the flexibility (see section 27 of the bill).

Restores current s. 1011.24, F.S., which relates to special district units (see section 25 of the bill).

Section 26.

The bill amends s. 1011.68, F.S., to correct a cross reference

Section 27.

Contains the amendments to s. 1011.69, F.S., which relates to equity in school-level funding; additionally requires that district school boards allocate an average of 90%, but no less than 80%, of the funds generated by a school to the school that generates the funds (see section 29 of the bill).

Section 28.

Contains the amendment to s. 1013.03, F.S., which relates to functions of the Department of Education (see section 32 of the bill).

Section 29.

Contains the amendments to s. 1013.31, F.S., which relates to requires school districts to periodically update the Florida Inventory of School Houses (FISH) data (see section 33 of the bill).

Section 30.

Contains the amendments to s.1002.37, F.S., which relate to the Florida Virtual School; additionally, provides authority for the Florida Virtual School to award diplomas; additionally provides priorities for student enrollment (see section 20 of the bill).

Restores current s. 1012.56, F.S., which relates to teacher certification requirements (see section 30 of the bill).

Section 31

Contains the amendment to the definitions of "full-time equivalent student" provided in s. 1011.61, F.S. (see section 26 of the bill).

Restores current s. 1012.57, F.S., which relates to adjunct educators (see section 31 of the bill).

Section 32.

Amends s. 1013.64(6), F.S., to clarify the provisions relating to cost per student station limits by specifying all types of revenue required to meet the cost limits; adjusts upward from the current costs per student station, beginning January 2002; requires the Department of Education annually review district compliance with the limits and to withhold PECO of districts that do not comply.

Section 33.

Repeals only the following provisions in accordance with the act: subsection (2) of s. 1007.261, F.S., which provides a university admissions requirement, s. 1012.41, F.S., requiring school districts to employ a director of career and technical education, and s. 1013.43, F.S., relating to construction of small schools (see section 37 of the bill).

Section 34.

Authorizes the Governor to transfer operating funds to capital outlay funds based on FEFP allocations, subject to notice and review.

Section 35.

Provides for severability of the provisions of the act (see section 38 of the bill).

Section 36.

Provides an effective date of July 1, 2003, except as otherwise expressly provided for in the act (see section 39 of the bill.)