

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 533 CS

Florida Virtual School

SPONSOR(S): Troutman

TIED BILLS:

IDEN./SIM. BILLS: SB 2190

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Choice & Innovation Committee</u>	<u>7 Y, 0 N, w/CS</u>	<u>Hassell</u>	<u>Aldis</u>
2) <u>Education Appropriations Committee</u>	<u>14 Y, 1 N, w/CS</u>	<u>Eggers</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u>10 Y, 0 N</u>	<u>Hassell</u>	<u>Cobb</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 533 CS provides for the application of provisions relating to the Florida Virtual School (FLVS) to approved school district franchises of the FLVS School.

The bill authorizes approved school district franchises of the FLVS to earn full-time equivalent student (FTE) through the Florida Education Finance Program (FEFP) for credits successfully completed outside of the student's regular school day and during summer school.

The bill authorizes a school district to contract with a K-8 virtual school service provider for the delivery of K-8 virtual instruction.

The fiscal impact of the bill is indeterminate. See the FISCAL COMMENTS section of the analysis for more information.

The bill provides for an effective date July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower families – The bill provides parents of public school students with the opportunity to exercise parental choice by enrolling their child in an approved school district franchise of the FLVS.

Safeguard individual liberty – The bill maintains parental choice by providing parents of public school students with another educational choice.

B. EFFECT OF PROPOSED CHANGES:

Approved Franchises of the Florida Virtual School

The FLVS began as a pilot project in 1997 as a web-based, on-line high school. In 2000, the Florida Legislature enacted s. 228.082, F.S.¹, which established the FLVS as an independent educational entity with a gubernatorial appointed governing board. The Legislature established the board of trustees to adopt rules, policies, and procedures; enter in agreements with distance learning providers; and acquire, enjoy, use, and dispose of patents, trademarks, copyrights, licenses, rights, and interests.

In 2003, the Legislature authorized the board of trustees to enter into franchise agreements with district school boards and allowed for such franchises to count full-time equivalent FTE for funding purposes in the FEFP. The FLVS board of trustees establishes the criteria for defining the elements of an approved franchise, the terms and conditions governing franchise agreements, and the performance and accountability measures for a school district franchise. Additionally, the board of trustees is required to report the performance of each school district to the Commissioner of Education.²

Prior to 1999, summer school programs earned FTE for “seat time” and were funded through the FEFP. The 1999 Legislature combined summer school funds and dropout program funds into the Supplemental Academic Instruction Categorical, which is used to provide supplemental instruction to students falling behind during the regular school year and for summer school programs. With the advent of the SAI, funding for summer school programs is no longer based on FTE.

In 2003, s. 1002.37, F.S., was amended to allow approved franchises of the FLVS to earn FTE through the FEFP for credits successfully completed during the regular school year. Currently, 1.000 is the maximum amount of FTE that may be reported by a school district for a student during the 180 day school year, regardless of whether the course is taken within or outside of the student’s regular school day. Also, approved franchises do not earn FTE for courses offered during the summer, because summer school funding is not funded based on FTE.

This bill authorizes approved school district franchises of the FLVS to earn FTE through the FEFP for credits successfully completed:

- For courses taken outside of the student’s regular school day, and
- For courses taken during summer school.

Under the bill, a course that is successfully completed outside of the regular school day generates an additional .17 FTE, for a total of 1.17 FTE for the 180 day school year. A course that is successfully

¹ This reflects the material’s location before the school code rewrite. Currently, Florida Virtual School provisions are located in s. 1002.37.

² Section 1002.37(2)(i), F.S.

completed during summer school would generate .17 FTE during the summer. In Fiscal Year 2004-05, .17 FTE generates approximately \$979.

This bill also provides that FLVS franchises are subject to the same statutory provisions as the FLVS. The bill provides for the application of provisions relating to the FLVS to franchises of the FLVS in the following sections:

- Section 11.45(3)(x) F.S., - Subject to audits or other engagements as determined by the Auditor General;³
- Section 1004.04(4)— Components of the Florida’s K-20 education system;
- Section 1001.42(15)(a)—Included as a duty of the district school board to inform the general public and parents about the programs and learning opportunities available from the approved district franchises;
- Section 1002.42(21)—Listed as a duty of the district school board to provide their students with access to enroll in the approved district franchise programs and award credit for successful completion of such courses;
- Section 1002.20(6)(a)— Included as a parental public school educational choice option;
- Section 1002.23(2)(d)—To promote meaningful parental and community involvement in schools, guidelines developed by the DOE for a parent guide on student achievement shall include opportunities for parents to learn more about rigorous academic programs to include courses of the approved district franchises;
- Section 1002.37(4)—School districts operating an approved district franchise may count full-time-equivalent (FTE) students who complete courses of the approved district franchise;
- Section 1003.02(1)(i)—School districts notify parents of acceleration mechanisms at the beginning of the school year;
- Section 1003.03(3)(b)—Relating to class size implementation options;
- Section 1003.52(4)—Students in juvenile justice programs shall have access to approved school district franchises;
- Section 1007.27(1)—Credits earned through approved school district franchises of FLVS shall provide additional opportunities for early graduation and acceleration; and
- Section 1011.61(1)(c)b(III)2—Allows membership to be reported for funding for more than 180 days for students enrolled in approved district franchises of FLVS.

K-8 Virtual School Instruction

Florida is in the third year of the K-8 Virtual School Pilot program, with a per student funding amount of \$4,800 and an appropriation of \$3,840,000 in Fiscal Year 2004-05. To participate in the pilot, providers must: 1) conform all curriculum and course content to the Sunshine State Standards; 2) administer the Florida Comprehensive Assessment Test (FCAT) or, for those students in grades that are not required to take the FCAT, local assessments and the K-3 state-approved assessment for reading adopted by “Just Read, Florida” and 3) employ on-line teachers who are certified in Florida. The Department of Education contracts with two K-8 virtual school providers.

³ According to the DOE analysis, the approved school district franchises are schools within a district school system and as such, are already subject to audits.

The bill authorizes a district to contract with a K-8 virtual school provider for the purpose of delivering K-8 on-line instruction. The standards for the K-8 provider are identical to those of the K-8 Virtual School Pilot Program. For funding purposes, a student in such program shall be funded as if the student were attending a district public school. The per student funding amount paid by the public school district to the provider is subject to negotiation by the school district.

C. SECTION DIRECTORY:

Sections 1 through 5 amend ss.11.45, 1000.04, 1001.42, 1002.20, 1002.23, F.S., to provide for the application of provisions to approved franchises of the FLVS.

Section 6. Amends s. 1002.37, F.S., to provide for approved franchises of the FLVS to earn summer FTE.

Sections 7 through 11 amend ss.1003.02, 1003.03, 1003.52, 1007.27, 1011.61, F.S., to provide for the application of provisions to approved franchises of the FLVS, and to authorize school districts to contract with K-8 on-line instruction providers.

Section 12. Provides for an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

The bill allows FTE to be reported for funding through the FEEP by approved franchises of the FLVS for students who successfully complete credits for courses taken outside of the student's regular 180 day school year and for courses taken during summer school. A course that is successfully completed outside of the regular school day generates an additional .17 FTE, for a total of 1.17 FTE for the 180 day school year. A course that is successfully completed during summer school would generate .17 FT during the summer. In Fiscal Year 2004-05, .17 FTE would earn approximately \$979. Currently, a maximum of 1.000 FTE may be earned for the 180 day school year and summer school programs are funded through the SAI. The fiscal impact cannot be determined at this time because it is not known how many new students would take advantage of courses offered outside of the student's regular school day, how many students would take courses during summer, and how many would just shift from FLVS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

School districts with approved school district franchises of the FLVS would receive funding for students successfully completing credits during summer school and would receive additional funding for a course successfully completed that was offered outside of the regular school day. However, the total impact on district revenue cannot be determined because it is not known how many students would take advantage of the program.

2. Expenditures:

School districts that offer on-line instruction through approved franchises of the FLVS will experience additional costs. The total impact on district costs cannot be determined because no one knows how many students would take advantage of this option.

The additional costs or savings of school districts that contract with K-8 service providers is indeterminate because the number of students that would take advantage of this option is unknown and the negotiated contract price may exceed or be less than the FEFP funding amount received by the district. However, it is believed that the additional costs or savings will be small.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a direct economic impact on the private sector.

D. FISCAL COMMENTS:

The fiscal impact is indeterminate at this time; however, the FTEs approved district franchises can earn are limited to 2% of their high school enrollment. The seven district franchises of the FLVS that are currently in operation do not receive FTE for classes taken during the summer or for courses completed outside of the student's regular school day. There is no way to determine the projected student enrollment in district franchises because it cannot be determined what the demand is and how many students would take advantage of the program.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not grant additional rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 8, 2005, the Committee on Choice and Innovation adopted one amendment and reported the bill favorably with a committee substitute. The committee substitute limits the FTEs approved district franchises can earn at 2% of their high school enrollment.

On April 15, 2005, the Education Appropriations Committee adopted one amendment authorizing a school district to contract with a K-8 virtual school service provider for the delivery of K-8 virtual instruction. This bill analysis is drawn to the bill as amended.