

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

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Prepared By: Education Appropriations Committee

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BILL: SB 1282

INTRODUCER: Senator Carlton

SUBJECT: K-8 Virtual School Program

DATE: March 2, 2006

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>deMarsh-Mathues</u>	<u>Matthews</u>	<u>ED</u>	<u>Favorable</u>
2.	<u>Armstrong</u>	<u>Newman</u>	<u>EA</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This bill establishes the K-8 Virtual School Program to deliver academic instruction using on-line and distance learning technology to full-time students in kindergarten through eighth grade. The bill provides program requirements for student and school eligibility, conditions for participating in the program, funding, and student assessment. The bill also provides for school accountability and grounds for nonrenewal and termination of contracts with participating schools. Finally, the bill provides for the continued participation of current schools.

The bill creates an undesignated section of Florida law.

## II. Present Situation:

### K-8 Pilot Virtual Schools

Through proviso in the General Appropriations Act (GAA), the Legislature provided for the creation of at least two pilot K-8 Virtual Schools, subject to specific criteria for student and school eligibility and funding.<sup>1</sup> In Fiscal Year 2003-2004, the program was available to 1,000 students who were enrolled and in attendance at a Florida public school in the October and February full-time equivalent (FTE) enrollment surveys during the prior school year. Funds were provided for grants of up to \$4,800 per student with a total program amount for the following years: \$4,800,000 in Fiscal Year 2003-2004, \$4,640,000 in Fiscal Year 2004-2005, and \$4,800,000 in Fiscal Year 2005-2006.<sup>2</sup>

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<sup>1</sup> See Specific Appropriations 4D in Chapter 2003-397, L.O.F., Specific Appropriations 10B in Chapter 2004-268, L.O.F., and Specific Appropriation 88 in Chapter 2005-70, L.O.F.

<sup>2</sup> The funding for Fiscal Year 2004-2005 was capped at \$3,840,000 and \$800,000 was provided to the Florida Virtual School to support activities associated with developing and implementing a grade 6 through 8 curriculum.

A student is eligible to participate in the K-8 virtual school if he or she meets the following criteria:

- Was previously enrolled in either of the two pilot K-8 virtual schools;
- Was enrolled and in attendance at a Florida public school in the October and February FTE enrollment surveys during the prior school year;
- Are eligible to enter kindergarten or the first grade; or
- Are siblings of students who were previously enrolled in either of the K-8 virtual schools.

In proviso, eligible pilot schools are defined as independent public schools that use on-line and distance learning technology to deliver instruction to full-time students in kindergarten and grades 1 through 8. These schools may enroll students throughout the year. To be eligible to participate in the pilot program, a school must meet the following requirements:

- Conform all curriculum and course content to the Sunshine State Standards; and
- Administer the Florida Comprehensive Assessment Test (FCAT) or administer, 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
- Employ Florida certified on-line teachers.

The Florida Department of Education (DOE) is under contract with the Florida Connections Academy, L.L.C., and K12, L.L.C., for the two pilot programs. According to the Florida Connections Academy, each family of a student enrolled in the academy receives a loaned desktop computer and printer, as well as reimbursement sufficient to provide Internet access. Families are able to select their own Internet provider. Upon enrollment, the Florida Virtual Academy provides students with the K12 Inc.<sup>®</sup> curriculum, a computer system with a printer loaned from the school, reimbursement for an Internet connection, and all instructional materials including textbooks, workbooks, manipulatives, art supplies, maps, science equipment, and music disks.<sup>3</sup>

The DOE provided the following information related to the total combined enrollment in both virtual schools:

School Year	Total Enrollment for K-8 Virtual Schools Pilot Program
2003-04	852
2004-05	542
2005-06	1,000

The Florida Corrections Academy also delivers instruction to students with disabilities who have an individual education plan: 18 students in 2004, 11 students in 2005, and 24 students as of February 28, 2006.

**School Grades**

Current law provides that school performance grade designations (“A,” “B,” “C,” “D,” and “F”) are based upon a combination of student achievement scores, student learning gains (as measured by annual FCAT assessments in grades 3 through 10), and improvement of the lowest 25th

<sup>3</sup> See <http://www.connectionsacademy.com/state/home.asp?sid=fl> and See <http://www.flva.org/>

percentile of students in the school in reading, math, or writing on the FCAT, unless these students are performing above the satisfactory performance level.<sup>4</sup> For 2005, the Florida Connections Academy and the Florida Virtual Academy were designated as “B” schools.

### **No Child Left Behind Act (NCLB)**

Federal law sets forth specific testing requirements for public school students.<sup>5</sup> Testing that is performed pursuant to federal law is used to measure whether states and schools are making “adequate yearly progress” (AYP) toward state student proficiency goals under the federal Title I requirements. The definition of “adequate yearly progress” is established by the state’s educational agency within the parameters of NCLB’s requirements. In Florida, DOE sets the standards for adequate yearly progress of all public elementary and secondary schools, local educational agencies, and of the state itself. The determination of adequate yearly progress must be based on academic assessments.<sup>6</sup>

For 2005, the Florida Connections Academy met AYP, while the Florida Virtual Academy provisionally met the AYP requirements.<sup>7</sup>

### **III. Effect of Proposed Changes:**

The bill codifies the current K-8 Virtual School pilot program within the Department of Education to deliver academic instruction through on-line and distance learning technology for full-time students in kindergarten through grade 8.

#### *Student Eligibility*

The bill provides that any K-8 student in Florida is eligible to enroll in a participating K-8 Virtual School, if the student meets one of the following conditions:

- The student has spent the prior school year in attendance at a Florida public school and was enrolled and reported by a school district for funding during the preceding October and February Florida Education Finance Program (FEFP) surveys.
- The student was enrolled during the prior school year in a K-8 virtual school funded pursuant to law or the 2005 GAA.
- The student is eligible to enroll in kindergarten or the first grade.
- The student has a sibling who is currently enrolled in a K-8 virtual school and was enrolled at the end of the prior school year.

Students enrolled in a K-8 virtual school are subject to the compulsory school attendance requirements of s. 1003.21, F.S., and must take the statewide assessments required under s. 1008.22, F.S. The bill requires the student’s school district of residence to provide the student with access to the district’s testing facilities.

#### *School Eligibility*

To participate in the K-8 Virtual School program, a school may be a for-profit or nonprofit entity and must meet all of the following conditions:

<sup>4</sup> Section 1008.34 (3)(a)2., F.S.

<sup>5</sup> Part A of Title I of the Elementary and Secondary Education Act (Title I) as reauthorized by the No Child Left Behind Act of 2001.

<sup>6</sup> See 20 U.S.C. s. 6311(b)(2).

<sup>7</sup> See <http://web.fldoe.org/NCLB/reportCard/default.cfm>

- Be nonsectarian in its programs, admission policies, employment practices, and operations;
- Comply with the antidiscrimination provisions of s. 1000.05, F.S.;
- Participate in the state's performance accountability system pursuant to s. 1008.31, F.S.;
- Locate its administrative office in the state;
- Require all administrative and instructional personnel to be Florida residents; and
- Require no tuition or student registration fee.

The bill requires DOE to expedite the application process so that schools may apply for approval by the department by the beginning of the 2007-2008 school year. The bill also requires DOE to approve or deny an application within 90 days after the receipt of the application.

An applicant must verify that the school meets all eligibility criteria, including certification of all instructional staff pursuant to chapter 1012, F.S., and compliance by all school personnel with the criminal background screening requirements in s. 1012.32, F.S. An applicant must also provide DOE with an education plan detailing how the curriculum and course content conforms to the Sunshine State Standards and a detailed annual financial plan for each year of operation for a minimum of three years.

#### *Participating Schools and Pilot Schools*

Under the bill, virtual schools are independent schools that provide instruction on behalf of the state for 180 days of full-time instruction. All participating schools must provide each student with all necessary instructional materials and equipment, including a computer, monitor, and printer, and access to or reimbursement for all Internet services needed for on-line instruction.

The two pilot schools funded in the 2005 GAA may continue operation for the entire 2006-2007 school year without having to meet the application and contract requirements. However, these schools must apply and be approved by DOE in order to participate in the virtual program beyond the 2006-2007 school year.

#### *Assessment and Accountability*

Schools must participate in the statewide assessments and are subject to the school grading system provisions in s. 1008.34, F.S. A participating school that is designated with a performance grade of "D" or "F" must develop and file a school improvement plan with DOE. If a school is designated with a performance grade of "D" or "F" for 2 school years in a consecutive 4-year period, DOE must terminate the contract with the school.

#### *Contracts*

The bill requires an initial 3-year contract between an approved virtual school and DOE, subject to annual DOE review and legislative appropriation. The bill provides for contract renewals for up to 5 years, contingent upon an annual appropriation. The department is authorized to not renew and to terminate a current contract with a school if funds are not provided by the Legislature or based on the following grounds:

- Failure to participate in the state's performance accountability system;

- Failure to receive a school performance grade of “C” or better for 2 school years in a consecutive 4-year period;
- Failure to meet generally acceptable standards of financial management;
- Violation of law; or
- Other good cause shown.

If a school’s contract is terminated or not renewed, the school is responsible for all of its debts and a student must be allowed to enroll in a public school in the district in which the student resides.

#### *Funding*

Funding must be based on a total program enrollment and amount per FTE that is established in the General Appropriations Act. Funds must be disbursed according to the schedule specified in the bill. Payment is contingent upon verification of student enrollment and attendance.

According to DOE, the current virtual schools track attendance and have information available about their programs (e.g., time logged on, lessons completed, and assessments completed).

#### **IV. Constitutional Issues:**

##### A. Municipality/County Mandates Restrictions:

None.

##### B. Public Records/Open Meetings Issues:

None.

##### C. Trust Funds Restrictions:

None.

#### **V. Economic Impact and Fiscal Note:**

##### A. Tax/Fee Issues:

None.

##### B. Private Sector Impact:

Participating schools must comply with the requirements in the bill for state and Federal Bureau of Investigation (FBI) criminal history records checks in s. 1012.32, F.S., relating to instructional and noninstructional employees and contractors in public schools. Current law allows the costs to be borne by a school district, an employee, a contractor, or other person subject to the screening requirements. The bill does not specify the entity responsible for the fee assessed by the Florida Department of Law Enforcement (FDLE) for fingerprinting and background screening. According to FDLE, the costs of the initial screening are approximately \$47: \$23 for Florida records checks and \$24 for FBI national records checks. Additionally, there is an annual fee to retain the prints (\$6) and a fee

(\$24) for an FBI national records re-check every five years. Fees for fingerprint searches must be paid to FDLE.

The bill does not specify the entity responsible for these costs. To the extent that a school is not currently requiring these background checks for employees, there may be increased costs for the school to comply with the screening requirements in the bill.

In addition, the bill imposes fiscal accountability requirements on participating schools that may require these entities to incur additional administrative costs.

**C. Government Sector Impact:**

Under the bill, the K-8 Virtual School Program is subject to an annual legislative appropriation in the General Appropriations Act. State funding for each participating school would be based on total program enrollment and an amount per FTE that is established in the General Appropriations Act. Consequently, until funds are appropriated it is unclear as to how many students would be able to participate in the program.

The proposed Senate budget for 2006-07 provides \$7.2 million for the K-8 virtual schools. Grants to eligible virtual schools are to be provided in amounts up to \$5,200 per student. This level of funding would allow for a minimum of 1,384 students to be served, as compared to 1,000 students in the current year. The proposed \$7.2 million is contingent upon this bill or similar legislation becoming law. The proposed House budget provides \$7 million for the virtual schools, but does not reference this bill or any similar legislation.

The DOE currently administers and oversees the K-8 Virtual School pilot program within existing resources.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

## **VIII. Summary of Amendments:**

None.

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

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