

1 A bill to be entitled
2 An act relating to education funding; amending s. 551.106,
3 F.S.; allowing slot machine tax revenue to be made
4 available for bond payments if necessary to comply with
5 bond covenants; amending s. 1001.451, F.S.; authorizing
6 regional consortium service organizations to determine the
7 use of funds; specifying the time period for distribution
8 of funds; amending s. 1002.71, F.S.; authorizing
9 additional full-time equivalent student membership for
10 summer voluntary prekindergarten education programs at
11 public schools; amending s. 1009.535, F.S.; increasing the
12 award for Florida Medallion Scholars enrolled in community
13 college associate degree programs; creating s. 1010.62,
14 F.S., relating to revenue bonds and debt; providing
15 definitions; authorizing the Board of Governors to request
16 the issuance of revenue bonds for certain purposes;
17 providing for such bonds to be secured by or payable from
18 certain specified revenues; authorizing certain covenants,
19 commitments, or other provisions; providing for the
20 issuance of debt by a state university or direct-support
21 organization upon the approval of the Board of Governors;
22 providing requirements for such approval; authorizing
23 state universities and direct-support organizations to
24 lease-purchase equipment, issue promissory notes, and
25 secure debt with gifts and donations under certain
26 circumstances without approval of the Board of Governors;
27 providing requirements for a board of trustees in
28 obtaining approval for revenue bonds and capital outlay

29 projects; providing for the approval of certain specified
30 projects; authorizing the Board of Governors to adopt
31 policies; providing for the continued effect of current
32 commitments, contracts, or other obligations; amending s.
33 1011.62, F.S.; revising provisions relating to the funding
34 computation of special programs; revising provisions
35 relating to funding for instruction beyond the regular
36 school year; authorizing additional full-time equivalent
37 student membership for completion of high school level
38 algebra courses by certain students in grades 6 through 8;
39 authorizing additional full-time equivalent student
40 membership for the Florida Virtual School; revising
41 provisions relating to the prior year final taxable value;
42 establishing the discretionary millage compression
43 supplement and providing for the allocation of funds;
44 conforming provisions and correcting cross-references;
45 amending s. 1011.71, F.S.; revising provisions relating to
46 the discretionary millage levy prescribed by the
47 Legislature; amending s. 1013.62, F.S.; revising charter
48 school capital outlay allocation of funds; amending s.
49 1013.64, F.S.; revising construction cost maximums for
50 school district capital outlay projects; revising programs
51 the funds of which must meet the construction cost
52 maximums; amending ss. 110.1228, 402.22, 1004.75, 1010.20,
53 and 1012.44, F.S.; correcting cross-references; repealing
54 s. 1010.60, F.S., relating to State Board of Education
55 issuance of bonds; repealing s. 1010.61, F.S., relating to
56 State Board of Education powers for issuance of bonds;

57 | repealing s. 1010.611, F.S., relating to resolution for
 58 | issuance of revenue certificates; repealing s. 1010.612,
 59 | F.S., relating to powers to secure revenue certificates;
 60 | repealing s. 1010.613, F.S., relating to remedies of any
 61 | holder of revenue certificates; repealing s. 1010.614,
 62 | F.S., relating to validity of revenue certificates;
 63 | repealing s. 1010.615, F.S., relating to prohibitions
 64 | against obligating the state; repealing s. 1010.616, F.S.,
 65 | relating to revenue certificate obligations of the State
 66 | Board of Education; repealing s. 1010.617, F.S., relating
 67 | to tax exemption and eligibility as legal investments;
 68 | repealing s. 1010.618, F.S., relating to the supplemental
 69 | nature of provisions relating to bonding; repealing s.
 70 | 1010.619, F.S., relating to the Board of Administration
 71 | acting as fiscal agent; repealing s. 1012.74, F.S.,
 72 | relating to Florida educators professional liability
 73 | insurance protection; providing an effective date.

74 |

75 | Be It Enacted by the Legislature of the State of Florida:

76 |

77 | Section 1. Paragraph (c) of subsection (2) of section
 78 | 551.106, Florida Statutes, is amended to read:

79 | 551.106 License fee; tax rate; penalties.--

80 | (2) TAX ON SLOT MACHINE REVENUES.--

81 | (c)1. Funds transferred to the Educational Enhancement
 82 | Trust Fund under paragraph (b) shall be used to supplement
 83 | public education funding statewide and shall not be used for
 84 | recurring appropriations.

85 2. If necessary to comply with any covenant established
86 pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3),
87 funds transferred to the Educational Enhancement Trust Fund
88 under paragraph (b) shall first be available to pay debt service
89 on lottery bonds issued to fund school construction in the event
90 lottery revenues are insufficient for such purpose or to satisfy
91 debt service reserve requirements established in connection with
92 lottery bonds. Moneys available pursuant to this subparagraph
93 are subject to annual appropriation by the Legislature.

94 Section 2. Paragraph (a) of subsection (2) of section
95 1001.451, Florida Statutes, is amended to read:

96 1001.451 Regional consortium service organizations.--In
97 order to provide a full range of programs to larger numbers of
98 students, minimize duplication of services, and encourage the
99 development of new programs and services:

100 (2) (a) Each regional consortium service organization that
101 consists of four or more school districts is eligible to
102 receive, through the Department of Education, an incentive grant
103 of \$50,000 per school district and eligible member to be used
104 for the delivery of services within the participating school
105 districts. The determination of services and use of such funds
106 shall be established by the board of directors of the regional
107 consortium service organization. The funds shall be distributed
108 to each regional consortium service organization no later than
109 30 days following the release of the funds to the department.

110 Section 3. Paragraph (d) is added to subsection (3) of
111 section 1002.71, Florida Statutes, to read:

112 1002.71 Funding; financial and attendance reporting.--

113 (3)
 114 (d) For programs offered by school districts pursuant to
 115 s. 1002.61, each district's funding shall be based on a full-
 116 time equivalent student enrollment that is evenly divisible by
 117 10. If the result of dividing a district's full-time equivalent
 118 student enrollment by 10 is not a whole number, the district's
 119 enrollment calculation shall be adjusted by adding the minimum
 120 number of full-time equivalent students to produce a full-time
 121 equivalent student enrollment calculation that is evenly
 122 divisible by 10.

123 Section 4. Subsection (2) of section 1009.535, Florida
 124 Statutes, is amended to read:

125 1009.535 Florida Medallion Scholars award.--

126 (2) A Florida Medallion Scholar is eligible for an award
 127 equal to the amount required to pay 75 percent of tuition and
 128 fees, ~~if the student is enrolled in a state university or a~~
 129 baccalaureate degree program authorized pursuant to s. 1007.33.
 130 A Florida Medallion Scholar is eligible for an award equal to
 131 the amount required to pay 100 percent of tuition and fees for
 132 college credit courses leading to an associate degree if the
 133 student is enrolled in a community college ~~public postsecondary~~
 134 ~~education institution.~~ A student who is enrolled in a nonpublic
 135 postsecondary education institution is eligible for an award
 136 equal to the amount that would be required to pay 75 percent of
 137 the tuition and fees of a public postsecondary education
 138 institution at the comparable level.

139 Section 5. Section 1010.62, Florida Statutes, is created
 140 to read:

141 1010.62 Revenue bonds and debt.--
 142 (1) As used in this section, the term:
 143 (a) "Capital outlay project" means:
 144 1. Any project to acquire, construct, improve, or change
 145 the functional use of land, buildings, and other facilities,
 146 including furniture and equipment necessary to operate a new or
 147 improved building or facility.
 148 2. Any other acquisition of equipment or software.
 149 (b) "Debt" means bonds, except revenue bonds as defined in
 150 paragraph (d), loans, promissory notes, lease-purchase
 151 agreements, certificates of participation, installment sales,
 152 leases, or any other financing mechanism or financial
 153 arrangement, whether or not a debt for legal purposes, for
 154 financing or refinancing for or on behalf of a state university
 155 or a direct-support organization or for the acquisition,
 156 construction, improvement, or purchase of capital outlay
 157 projects.
 158 (c) "Direct-support organization" means an organization
 159 created pursuant to s. 1004.28 or any entity specifically
 160 established to incur debt.
 161 (d) "Revenue bonds" means any obligation that constitutes
 162 a revenue bond pursuant to s. 11(d), Art. VII of the State
 163 Constitution.
 164 (2) (a) The Board of Governors may request the issuance of
 165 revenue bonds pursuant to the State Bond Act and s. 11(d), Art.
 166 VII of the State Constitution to finance or refinance capital
 167 outlay projects permitted by law. Revenue bonds may be secured
 168 by or payable only from those revenues authorized for such

169 purpose, including the Capital Improvement Trust Fund fee, the
170 building fee, the health fee, the transportation access fee,
171 hospital revenues, or those revenues derived from or received in
172 relation to sales and services of auxiliary enterprises or
173 component units of the university, including, but not limited
174 to, housing, transportation, health care, research or research-
175 related activities, food service, retail sales, athletic
176 activities, or other similar services, other revenues
177 attributable to the projects to be financed or refinanced, any
178 other revenue approved by the Legislature for facilities
179 construction or for securing revenue bonds issued pursuant to s.
180 11(d), Art. VII of the State Constitution, or any other revenues
181 permitted by law. Revenues from the activity and service fee and
182 the athletic fee may be used to pay and secure revenue bonds
183 except that the annual debt service shall not exceed an amount
184 equal to 5 percent of the fees collected during the most recent
185 12 consecutive months for which collection information is
186 available prior to the sale of the bonds. The assets of a
187 university foundation and the earnings thereon may also be used
188 to pay and secure revenue bonds of the university or its direct-
189 support organizations. Revenues from royalties and licensing
190 fees may also be used to pay and secure revenue bonds so long as
191 the facilities being financed are functionally related to the
192 university operation or direct-support organization reporting
193 such royalties and licensing fees. Revenue bonds may not be
194 secured by or be payable from, directly or indirectly, tuition,
195 the financial aid fee, sales and services of educational
196 departments, revenues from grants and contracts, except for

197 money received for overhead and indirect costs and other moneys
 198 not required for the payment of direct costs, or any other
 199 operating revenues of a state university. Revenues from one
 200 auxiliary enterprise may not be used to secure revenue bonds of
 201 another unless the Board of Governors, after review and
 202 analysis, determines that the facilities being financed are
 203 functionally related to the auxiliary enterprise revenues being
 204 used to secure such revenue bonds.

205 (b) In connection with the issuance of revenue bonds, the
 206 Board of Governors, and the state university if so designated by
 207 the Board of Governors, shall comply with all covenants,
 208 commitments, or other provisions relating to the revenue bonds.
 209 Such covenants, commitments, or other provisions, in addition to
 210 those provided in the State Bond Act, may relate to:

211 1. Pledging the fees, charges, and other revenues that
 212 secure the revenue bonds;

213 2. Fixing and maintaining fees, rates, and other charges
 214 pledged to the payment of the revenue bonds;

215 3. Providing a lien on the revenues pledged;

216 4. Preventing or providing for the creation of other liens
 217 on the fees, charges, and other revenues that secure the revenue
 218 bonds;

219 5. Establishing and maintaining reserves for debt service
 220 payments on revenue bonds;

221 6. Providing for the operation, maintenance, and
 222 improvement of facilities that are related to the generation of
 223 the fees, revenues, and other charges pledged to the payment of
 224 the revenue bonds; and

225 7. Establishing any other covenants, commitments, or
226 provisions that are deemed necessary or advisable to enhance the
227 security of the revenue bonds, or the marketability thereof, and
228 that are customary in accordance with the market requirements
229 for the sale of such revenue bonds.

230 (c) Revenue bonds issued pursuant to this subsection are
231 not required to be validated pursuant to chapter 75.

232 (3) (a) A state university or direct-support organization
233 may not issue debt without the approval of the Board of
234 Governors. The Board of Governors may approve the issuance of
235 debt by a state university or a direct-support organization only
236 when such debt is used to finance or refinance capital outlay
237 projects. The debt may be secured by or payable only from those
238 revenues authorized for such purpose, including the health fee,
239 the transportation access fee, hospital revenues, or those
240 revenues derived from or received in relation to sales and
241 services of auxiliary enterprises or component units of the
242 university, including, but not limited to, housing,
243 transportation, health care, research or research-related
244 activities, food service, retail sales, athletic activities, or
245 other similar services. Revenues derived from the activity and
246 service fee and the athletic fee may be used to pay and secure
247 debt except that the annual debt service shall not exceed an
248 amount equal to 5 percent of the fees collected during the most
249 recent 12 consecutive months for which collection information is
250 available prior to incurring the debt. The assets of university
251 foundations and the earnings thereon may be used to pay and
252 secure debt of the university or its direct-support

253 organizations. Gifts and donations or pledges of gifts may also
 254 be used to secure debt so long as the maturity of the debt,
 255 including extensions, renewals, and refundings, does not exceed
 256 5 years. Revenues from royalties and licensing fees may also be
 257 used to secure debt so long as the facilities being financed are
 258 functionally related to the university operation or direct-
 259 support organization reporting such royalties and licensing
 260 fees. The debt may not be secured by or be payable from,
 261 directly or indirectly, tuition, the financial aid fee, sales
 262 and services of educational departments, revenues from grants
 263 and contracts, except for money received for overhead and
 264 indirect costs and other moneys not required for the payment of
 265 direct costs of grants, or any other operating revenues of a
 266 state university. The debt of direct-support organizations may
 267 not be secured by or be payable under an agreement or contract
 268 with a state university unless the source of payments under such
 269 agreement or contract is limited to revenues that universities
 270 are authorized to use for payment of debt service. Revenues from
 271 one auxiliary enterprise may not be used to secure debt of
 272 another unless the Board of Governors, after review and
 273 analysis, determines that the facilities being financed are
 274 functionally related to the auxiliary enterprise revenues being
 275 used to secure such debt. Debt may not be approved to finance or
 276 refinance operating expenses of a state university or a direct-
 277 support organization. The maturity of debt used to finance or
 278 refinance the acquisition of equipment or software, including
 279 any extensions, renewals, or refundings thereof, shall be
 280 limited to 5 years or the estimated useful life of the equipment

281 or software, whichever is shorter. The Board of Governors may
282 establish conditions and limitations on such debt as it
283 determines to be advisable.

284 (b) Approval by the Board of Governors of the issuance of
285 debt shall be based upon a determination that the debt:

286 1. Is for a purpose consistent with the mission of the
287 state university;

288 2. Is structured in a manner appropriate for the prudent
289 financial management of the state university;

290 3. Is secured by revenues adequate to provide for all
291 payments relating to the debt;

292 4. Has been analyzed by the Division of Bond Finance and
293 issues raised by such analysis have been appropriately
294 considered by the Board of Governors; and

295 5. Is consistent with the requirements of any policies or
296 criteria adopted by the Board of Governors for the approval of
297 debt.

298 (c) Notwithstanding paragraphs (a) and (b), state
299 universities and direct-support organizations may engage in the
300 following activities without the approval of the Board of
301 Governors:

302 1. State universities may lease-purchase equipment and
303 software in accordance with the deferred-purchase provisions in
304 chapter 287 and direct-support organizations may lease-purchase
305 equipment and software to the extent that the overall term of
306 the financing, including any extension, renewal, or refinancing
307 thereof, does not exceed 5 years or the estimated useful life of
308 the equipment or software, whichever is shorter;

309 2. Direct-support organizations may issue promissory notes
310 and grant conventional mortgages for the acquisition of real
311 property; and

312 3. State universities and direct-support organizations may
313 secure debt with gifts and donations and pledges of gifts so
314 long as the facilities being financed thereby have been included
315 in the university's 5-year capital improvement plan that has
316 been approved by the Board of Governors and the maturity of the
317 debt, including any extension, renewal, or refunding, does not
318 exceed 5 years.

319 (4) The approval by the Board of Governors of revenue
320 bonds, except refunding bonds, or debt must be requested by a
321 resolution of the board of trustees of each state university
322 involved in the issuance of the revenue bonds or debt.

323 (5) Revenue bonds or debt issued under this section may be
324 secured on a parity with prior revenue bonds or debt issued by
325 or on behalf of one or more universities or a direct-support
326 organization.

327 (6) Capital outlay projects to be financed by revenue
328 bonds or debt are limited to those approved by the Legislature
329 through approval of the specific project or general approval of
330 the type or category of capital outlay project.

331 (7) (a) As required pursuant to s. 11(d), Art. VII of the
332 State Constitution and subsection (6), the Legislature approves
333 capital outlay projects meeting the following requirements:

334 1. The project is located on a campus of a state
335 university or on land leased to the university or is used for
336 activities relating to the state university;

337 2. The project is included in the master plan of the state
338 university or is for facilities that are not required to be in a
339 university's master plan;

340 3. The project is approved by the Board of Governors as
341 being consistent with the strategic plan of the state university
342 and the programs offered by the state university; and

343 4. The project is for purposes relating to the housing,
344 transportation, health care, research or research-related
345 activities, food service, retail sales, or student activities of
346 the state university.

347 (b) Capital outlay projects for the acquisition of
348 equipment or software are also approved for purposes of
349 subsection (6) to the extent that the overall term of the
350 financing, including any extension, renewal, or refinancing
351 thereof, does not exceed 5 years or the estimated useful life of
352 the equipment or software, whichever is shorter.

353 (8) Notwithstanding any other law, the Board of Governors,
354 each state university, and any direct-support organization must
355 comply with the provisions of this section in order to issue or
356 enter into agreements for the issuance of revenue bonds or debt.

357 (9) The Board of Governors may adopt such policies as may
358 be necessary or desirable for carrying out all of the
359 requirements of this section and may do all things necessary or
360 desirable to carry out the powers granted under this section.
361 Such policies may include categories of debt, other than revenue
362 bonds, which may be issued without approval of the specific
363 issuance by the Board of Governors if the issuance complies with
364 any terms, conditions, or requirements included in such policy

365 and laws governing the imposition of fees and laws requiring
 366 specific authority to pledge revenues to secure debt.

367 (10) Any legal commitments, contracts, or other
 368 obligations relating to the financing of capital outlay projects
 369 that were lawfully entered into before the effective date of
 370 this section shall remain in full force and effect. Any such
 371 legal commitment, contract, or other obligation may be amended
 372 without compliance with this section, but only to the extent
 373 that such amendment does not increase the financial obligation
 374 of the Board of Governors, a state university, or a direct-
 375 support organization.

376 Section 6. Paragraphs (d) and (f) of subsection (1) and
 377 paragraphs (a) and (b) of subsection (4) of section 1011.62,
 378 Florida Statutes, are amended, paragraphs (o), (p), (q), and (r)
 379 of subsection (1) are redesignated as paragraphs (q), (r), (s),
 380 and (t), respectively, and new paragraphs (o) and (p) are added
 381 to that subsection, subsections (5), (6), and (7) are renumbered
 382 as subsections (6), (7), and (8), respectively, present
 383 subsections (8) and (9) are renumbered as subsections (9) and
 384 (10), respectively, and amended, and a new subsection (5) is
 385 added to that section, to read:

386 1011.62 Funds for operation of schools.--If the annual
 387 allocation from the Florida Education Finance Program to each
 388 district for operation of schools is not determined in the
 389 annual appropriations act or the substantive bill implementing
 390 the annual appropriations act, it shall be determined as
 391 follows:

392 (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR

393 OPERATION.--The following procedure shall be followed in
 394 determining the annual allocation to each district for
 395 operation:

396 (d) Annual allocation calculation.--

397 1. The Department of Education is authorized and directed
 398 to review all district programs and enrollment projections and
 399 calculate a maximum total weighted full-time equivalent student
 400 enrollment for each district for the K-12 FEFP.

401 2. Maximum enrollments calculated by the department shall
 402 be derived from enrollment estimates used by the Legislature to
 403 calculate the FEFP. If two or more districts enter into an
 404 agreement under the provisions of s. 1001.42(4)(d), after the
 405 final enrollment estimate is agreed upon, the amount of FTE
 406 specified in the agreement, not to exceed the estimate for the
 407 specific program as identified in paragraph (c), may be
 408 transferred from the participating districts to the district
 409 providing the program.

410 3. As part of its calculation of each district's maximum
 411 total weighted full-time equivalent student enrollment, the
 412 department shall establish separate enrollment ceilings for each
 413 of two program groups. Group 1 shall be composed of basic
 414 programs for grades K-3, grades 4-8, and grades 9-12. Group 2
 415 shall be composed of students in exceptional student education
 416 programs support levels IV and V, English for Speakers of Other
 417 Languages programs, and all career programs in grades 9-12 ~~7-12~~.

418 a. For any calculation of the FEFP, the enrollment ceiling
 419 for group 1 shall be calculated by multiplying the actual
 420 enrollment for each program in the program group by its

421 appropriate program weight.

422 b.a. The weighted enrollment ceiling for group 2 programs
423 shall be calculated by multiplying the ~~final~~ enrollment
424 ~~conference estimate~~ for each program by the appropriate program
425 weight as provided in the General Appropriations Act. The
426 weighted enrollment ceiling for program group 2 shall be the sum
427 of the weighted enrollment ceilings for each program in the
428 program group, plus the increase in weighted full-time
429 equivalent student membership from the prior year for clients of
430 the Department of Children and Family Services and the
431 Department of Juvenile Justice.

432 c.b. If, for any calculation of the FEFP, the weighted
433 enrollment for program group 2, derived by multiplying actual
434 enrollments by appropriate program weights, exceeds the
435 enrollment ceiling for that group, the following procedure shall
436 be followed to reduce the weighted enrollment for that group to
437 equal the enrollment ceiling:

438 (I) The weighted enrollment ceiling for each program in
439 the program group shall be subtracted from the weighted
440 enrollment for that program derived from actual enrollments.

441 (II) If the difference calculated under sub-sub-
442 subparagraph (I) is greater than zero for any program, a
443 reduction proportion shall be computed for the program by
444 dividing the absolute value of the difference by the total
445 amount by which the weighted enrollment for the program group
446 exceeds the weighted enrollment ceiling for the program group.

447 (III) The reduction proportion calculated under sub-sub-
448 subparagraph (II) shall be multiplied by the total amount of the

449 program group's enrollment over the ceiling as calculated under
450 sub-sub-subparagraph (I).

451 (IV) The prorated reduction amount calculated under sub-
452 sub-subparagraph (III) shall be subtracted from the program's
453 weighted enrollment to produce a revised program weighted
454 enrollment. ~~For any calculation of the FEFP, the enrollment~~
455 ~~ceiling for group 1 shall be calculated by multiplying the~~
456 ~~actual enrollment for each program in the program group by its~~
457 ~~appropriate program weight.~~

458 (V) The prorated reduction amount calculated under sub-
459 sub-subparagraph (III) shall be divided by the appropriate
460 program weight and the result shall be added to the revised
461 program weighted enrollment computed in sub-sub-subparagraph
462 (IV).

463 e. ~~For program group 2, the weighted enrollment ceiling~~
464 ~~shall be a number not less than the sum obtained by:~~

465 (I) ~~Multiplying the sum of reported FTE for all programs~~
466 ~~in the program group that have a cost factor of 1.0 or more by~~
467 ~~1.0, and~~

468 (II) ~~By adding this number to the sum obtained by~~
469 ~~multiplying the projected FTE for all programs with a cost~~
470 ~~factor less than 1.0 by the actual cost factor.~~

471 4. ~~Following completion of the weighted enrollment ceiling~~
472 ~~calculation as provided in subparagraph 3., a supplemental~~
473 ~~capping calculation shall be employed for those districts that~~
474 ~~are over their weighted enrollment ceiling. For each such~~
475 ~~district, the total reported unweighted FTE enrollment for group~~
476 ~~2 programs shall be compared with the total appropriated~~

477 ~~unweighted FTE enrollment for group 2 programs. If the total~~
478 ~~reported unweighted FTE for group 2 is greater than the~~
479 ~~appropriated unweighted FTE, then the excess unweighted FTE up~~
480 ~~to the unweighted FTE transferred from group 2 to group 1 for~~
481 ~~each district by the Public School FTE Estimating Conference~~
482 ~~shall be funded at a weight of 1.0 and added to the funded~~
483 ~~weighted FTE computed in subparagraph 3.~~

484 (f) Supplemental academic instruction; categorical fund.--

485 1. There is created a categorical fund to provide
486 supplemental academic instruction to students in kindergarten
487 through grade 12. This paragraph may be cited as the
488 "Supplemental Academic Instruction Categorical Fund."

489 2. Categorical funds for supplemental academic instruction
490 shall be allocated annually to each school district in the
491 amount provided in the General Appropriations Act. These funds
492 shall be in addition to the funds appropriated on the basis of
493 FTE student membership in the Florida Education Finance Program
494 and shall be included in the total potential funds of each
495 district. These funds shall be used to provide supplemental
496 academic instruction to students enrolled in the K-12 program.
497 Supplemental instruction strategies may include, but are not
498 limited to: modified curriculum, reading instruction, after-
499 school instruction, tutoring, mentoring, class size reduction,
500 extended school year, intensive skills development in summer
501 school, and other methods for improving student achievement.
502 Supplemental instruction may be provided to a student in any
503 manner and at any time during or beyond the regular 180-day term
504 identified by the school as being the most effective and

505 efficient way to best help that student progress from grade to
506 grade and to graduate.

507 3. Effective with the 1999-2000 fiscal year, funding on
508 the basis of FTE membership beyond the 180-day regular term
509 shall be provided in the FEFP only for students enrolled in
510 juvenile justice education programs or in education programs for
511 juveniles placed in secure facilities or programs under s.
512 985.223. Funding for instruction beyond the regular 180-day
513 school year for all other K-12 students shall be provided
514 through the supplemental academic instruction categorical fund
515 and other state, federal, and local fund sources with ample
516 flexibility for schools to provide supplemental instruction to
517 assist students in progressing from grade to grade and
518 graduating.

519 4. The Florida State University School, as a lab school,
520 is authorized to expend from its FEFP or Lottery Enhancement
521 Trust Fund allocation the cost to the student of remediation in
522 reading, writing, or mathematics for any graduate who requires
523 remediation at a postsecondary educational institution.

524 5. Beginning in the 1999-2000 school year, dropout
525 prevention programs as defined in ss. 1003.52, 1003.53(1)(a),
526 (b), and (c), and 1003.54 shall be included in group 1 programs
527 under subparagraph (d)3.

528 (o) Calculation of additional full-time equivalent
529 membership based on completion of high school level algebra
530 courses by students in grades 6 through 8.--A value of 0.088
531 full-time equivalent student membership shall be calculated for
532 each student in grades 6 through 8 who completes a high school

533 level algebra course and receives a grade of C or better. Such
534 value shall be added to the total full-time equivalent student
535 membership in basic programs for grades 6 through 8. Each
536 district must allocate the funds provided to the district for
537 students in grades 6 through 8 who complete a high school level
538 algebra course and receive a grade of C or better to the school
539 that generated the funds.

540 (p) Calculation of additional full-time equivalent
541 membership for the Florida Virtual School.--The total reported
542 full-time equivalent student membership for the Florida Virtual
543 School shall be multiplied by 0.114 and such value shall be
544 added to the total full-time equivalent student membership.

545 (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.--The
546 Legislature shall prescribe the aggregate required local effort
547 for all school districts collectively as an item in the General
548 Appropriations Act for each fiscal year. The amount that each
549 district shall provide annually toward the cost of the Florida
550 Education Finance Program for kindergarten through grade 12
551 programs shall be calculated as follows:

552 (a) Estimated taxable value calculations.--

553 1.a. Not later than 2 working days prior to July 19, the
554 Department of Revenue shall certify to the Commissioner of
555 Education its most recent estimate of the taxable value for
556 school purposes in each school district and the total for all
557 school districts in the state for the current calendar year
558 based on the latest available data obtained from the local
559 property appraisers. Not later than July 19, the Commissioner of
560 Education shall compute a millage rate, rounded to the next

561 highest one one-thousandth of a mill, which, when applied to 95
 562 percent of the estimated state total taxable value for school
 563 purposes, would generate the prescribed aggregate required local
 564 effort for that year for all districts. The Commissioner of
 565 Education shall certify to each district school board the
 566 millage rate, computed as prescribed in this subparagraph, as
 567 the minimum millage rate necessary to provide the district
 568 required local effort for that year.

569 b. The General Appropriations Act shall direct the
 570 computation of the statewide adjusted aggregate amount for
 571 required local effort for all school districts collectively from
 572 ad valorem taxes to ensure that no school district's revenue
 573 from required local effort millage will produce more than 90
 574 percent of the district's total Florida Education Finance
 575 Program calculation, and the adjustment of the required local
 576 effort millage rate of each district that produces more than 90
 577 percent of its total Florida Education Finance Program
 578 entitlement to a level that will produce only 90 percent of its
 579 total Florida Education Finance Program entitlement in the July
 580 calculation.

581 2. As revised data are received from property appraisers,
 582 the Department of Revenue shall amend the certification of the
 583 estimate of the taxable value for school purposes. ~~The~~
 584 ~~Commissioner of Education, in administering the provisions of~~
 585 ~~subparagraph (9) (a) 2., shall use the most recent taxable value~~
 586 ~~for the appropriate year.~~

587 (b) Final calculation.--

588 1. On September 1 of each year, the Department of Revenue

589 shall, ~~upon receipt of the official final assessed value of~~
 590 ~~property from each of the property appraisers,~~ certify to the
 591 Commissioner of Education the total of the prior year final
 592 taxable value total for school purposes in each school district
 593 and the total for all school districts in the state, ~~subject to~~
 594 ~~the provisions of paragraph (d).~~ The commissioner shall use the
 595 ~~official~~ final taxable value certified on September 1 for school
 596 purposes for each school district in the final calculation of
 597 the annual Florida Education Finance Program allocations.

598 2. For ~~the~~ purposes of this paragraph, the ~~official~~ final
 599 taxable value for school purposes shall be the taxable value for
 600 school purposes on which the tax bills are computed and mailed
 601 to the taxpayers, adjusted to reflect final administrative
 602 actions of value adjustment boards and judicial decisions
 603 pursuant to ~~part I of~~ chapter 194. ~~By September 1 of each year,~~
 604 ~~the Department of Revenue shall certify to the commissioner the~~
 605 ~~official prior year final taxable value for school purposes.~~ For
 606 each county that has not submitted a revised tax roll reflecting
 607 final value adjustment board actions and final judicial
 608 decisions, the Department of Revenue shall certify the most
 609 recent revision of the ~~official~~ taxable value for school
 610 purposes. The ~~certified~~ value certified on September 1 shall be
 611 the final taxable value for school purposes for that year, and
 612 no further adjustments shall be made, except those made pursuant
 613 to paragraph (10) (b) subparagraph (9) (a) 2.

614 (5) DISCRETIONARY MILLAGE COMPRESSION SUPPLEMENT.--The
 615 Legislature shall prescribe in the General Appropriations Act,
 616 pursuant to s. 1011.71(1), the rate of nonvoted current

617 operating discretionary millage that shall be used to calculate
618 a discretionary millage compression supplement. If the
619 prescribed millage generates an amount of funds per unweighted
620 FTE for the district that is less than the state average, the
621 district shall receive an amount per FTE that, when added to the
622 funds per FTE generated by the designated levy, shall equal the
623 state average. To be eligible for the supplement, a district
624 must levy the maximum authorized millage pursuant to s. 1011.71.

625 (9)~~(8)~~ QUALITY ASSURANCE GUARANTEE.--The Legislature may
626 annually in the General Appropriations Act determine a
627 percentage increase in funds per K-12 unweighted FTE as a
628 minimum guarantee to each school district. The guarantee shall
629 be calculated from prior year base funding per unweighted FTE
630 student which shall include the adjusted FTE dollars as provided
631 in subsection (10) ~~(9)~~, quality guarantee funds, and actual
632 nonvoted discretionary local effort from taxes. From the base
633 funding per unweighted FTE, the increase shall be calculated for
634 the current year. The current year funds from which the
635 guarantee shall be determined shall include the adjusted FTE
636 dollars as provided in subsection (10) ~~(9)~~ and potential
637 nonvoted discretionary local effort from taxes. A comparison of
638 current year funds per unweighted FTE to prior year funds per
639 unweighted FTE shall be computed. For those school districts
640 which have less than the legislatively assigned percentage
641 increase, funds shall be provided to guarantee the assigned
642 percentage increase in funds per unweighted FTE student. Should
643 appropriated funds be less than the sum of this calculated
644 amount for all districts, the commissioner shall prorate each

645 district's allocation. This provision shall be implemented to
 646 the extent specifically funded.

647 (10)~~(9)~~ TOTAL ALLOCATION OF STATE FUNDS TO EACH DISTRICT
 648 FOR CURRENT OPERATION.--The total annual state allocation to
 649 each district for current operation for the FEFP shall be
 650 distributed periodically in the manner prescribed in the General
 651 Appropriations Act.

652 (a) The basic amount for current operation for the FEFP as
 653 determined in subsection (1), multiplied by the district cost
 654 differential factor as determined in subsection (2), plus the
 655 amounts provided for categorical components within the FEFP,
 656 plus the discretionary millage compression supplement as
 657 determined in subsection (5), the amount for the sparsity
 658 supplement as determined in subsection (7) ~~(6)~~, the decline in
 659 full-time equivalent students as determined in subsection (8)
 660 ~~(7)~~, and the quality assurance guarantee as determined in
 661 subsection (9) ~~(8)~~, less the required local effort as determined
 662 in subsection (4). If the funds appropriated for the purpose of
 663 funding the total amount for current operation as provided in
 664 this paragraph are not sufficient to pay the state requirement
 665 in full, the department shall prorate the available state funds
 666 to each district in the following manner:

- 667 1. Determine the percentage of proration by dividing the
 668 sum of the total amount for current operation, as provided in
 669 this paragraph for all districts collectively, and the total
 670 district required local effort into the sum of the state funds
 671 available for current operation and the total district required
 672 local effort.

673 2. Multiply the percentage so determined by the sum of the
674 total amount for current operation as provided in this paragraph
675 and the required local effort for each individual district.

676 3. From the product of such multiplication, subtract the
677 required local effort of each district; and the remainder shall
678 be the amount of state funds allocated to the district for
679 current operation.

680 (b) The amount thus obtained shall be the net annual
681 allocation to each school district. However, if it is determined
682 that any school district received an underallocation or
683 overallocation for any prior year because of an arithmetical
684 error, assessment roll change required by final judicial
685 decision, full-time equivalent student membership error, or any
686 allocation error revealed in an audit report, the allocation to
687 that district shall be appropriately adjusted. Beginning with
688 audits for the 2001-2002 fiscal year, if the adjustment is the
689 result of an audit finding in which group 2 FTE are reclassified
690 to the basic program and the district weighted FTE are over the
691 weighted enrollment ceiling for group 2 programs, the adjustment
692 shall not result in a gain of state funds to the district. If
693 the Department of Education audit adjustment recommendation is
694 based upon controverted findings of fact, the Commissioner of
695 Education is authorized to establish the amount of the
696 adjustment based on the best interests of the state.

697 (c) The amount thus obtained shall represent the net
698 annual state allocation to each district; however,
699 notwithstanding any of the provisions herein, each district
700 shall be guaranteed a minimum level of funding in the amount and

701 manner prescribed in the General Appropriations Act.

702 Section 7. Subsection (1) of section 1011.71, Florida
703 Statutes, is amended to read:

704 1011.71 District school tax.--

705 (1) If the district school tax is not provided in the
706 General Appropriations Act or the substantive bill implementing
707 the General Appropriations Act, each district school board
708 desiring to participate in the state allocation of funds for
709 current operation as prescribed by s. 1011.62 (10) ~~(9)~~ shall levy
710 on the taxable value for school purposes of the district,
711 exclusive of millage voted under the provisions of s. 9(b) or s.
712 12, Art. VII of the State Constitution, a millage rate not to
713 exceed the amount certified by the commissioner as the minimum
714 millage rate necessary to provide the district required local
715 effort for the current year, pursuant to s. 1011.62(4)(a)1. In
716 addition to the required local effort millage levy, each
717 district school board may levy a nonvoted current operating
718 discretionary millage. The Legislature shall prescribe annually
719 in the appropriations act the maximum amount of millage a
720 district may levy. ~~The millage rate prescribed shall exceed zero~~
721 ~~mills but shall not exceed the lesser of 1.6 mills or 25 percent~~
722 ~~of the millage which is required pursuant to s. 1011.62(4),~~
723 ~~exclusive of millage levied pursuant to subsection (2).~~

724 Section 8. Subsections (1) and (7) of section 1013.62,
725 Florida Statutes, are amended to read:

726 1013.62 Charter schools capital outlay funding.--

727 (1) In each year in which funds are appropriated for
728 charter school capital outlay purposes, the Commissioner of

729 Education shall allocate the funds among eligible charter
 730 schools. To be eligible for a funding allocation, a charter
 731 school must:

732 (a)1. Have been in operation for 3 or more years;
 733 2. Be an expanded feeder chain of a charter school within
 734 the same school district that is currently receiving charter
 735 school capital outlay funds; or

736 3. Have been accredited by the Commission on Schools of
 737 the Southern Association of Colleges and Schools.

738 (b) Have financial stability for future operation as a
 739 charter school.

740 (c) Have satisfactory student achievement based on state
 741 accountability standards applicable to the charter school.

742 (d) Have received final approval from its sponsor pursuant
 743 to s. 1002.33 for operation during that fiscal year.

744 (e) Serve students in facilities that are not provided by
 745 the charter school's sponsor.

746
 747 The first priority for charter school capital outlay funding
 748 shall be to allocate to the charter schools that received
 749 funding in the 2005-2006 fiscal year an allocation of the same
 750 amount per capital outlay full-time equivalent student up to the
 751 lesser of the actual number of capital outlay full-time
 752 equivalent students in the current year or the capital outlay
 753 full-time equivalent students in the 2005-2006 fiscal year.

754 After calculating the first priority, the second priority shall
 755 be to allocate excess funds remaining in the appropriation in an
 756 amount equal to the per capital outlay full-time equivalent

757 student amount in the first priority calculation to eligible
758 charter schools not included in the first priority calculation
759 and to schools in the first priority calculation with growth in
760 excess of the 2005-2006 capital outlay full-time equivalent
761 students. After calculating the first and second priorities,
762 excess funds remaining in the appropriation shall be allocated
763 to all eligible charter schools. A charter school's allocation
764 shall not exceed one-fifteenth of the cost per student station
765 specified in s. 1013.64(6)(b). Prior to the release of capital
766 outlay funds to a school district on behalf of the charter
767 school, the Department of Education shall ensure that the
768 district school board and the charter school governing board
769 enter into a written agreement that includes provisions for the
770 reversion of any unencumbered funds and all equipment and
771 property purchased with public education funds to the ownership
772 of the district school board, as provided for in subsection (3),
773 in the event that the school terminates operations. Any funds
774 recovered by the state shall be deposited in the General Revenue
775 Fund. A charter school is not eligible for a funding allocation
776 if it was created by the conversion of a public school and
777 operates in facilities provided by the charter school's sponsor
778 for a nominal fee or at no charge or if it is directly or
779 indirectly operated by the school district. Unless otherwise
780 provided in the General Appropriations Act, the funding
781 allocation for each eligible charter school shall be determined
782 by multiplying the school's projected student enrollment by one-
783 fifteenth of the cost-per-student station specified in s.
784 1013.64(6)(b) for an elementary, middle, or high school, as

785 appropriate. If the funds appropriated are not sufficient, the
 786 commissioner shall prorate the available funds among eligible
 787 charter schools. However, no charter school or charter lab
 788 school shall receive state charter school capital outlay funds
 789 in excess of the one-fifteenth cost per student station formula
 790 if the charter school's combination of state charter school
 791 capital outlay funds, capital outlay funds calculated through
 792 the reduction in the administrative fee provided in s.
 793 1002.33(20), and capital outlay funds allowed in s.
 794 1002.32(9)(e) and (h) exceeds the one-fifteenth cost per student
 795 station formula. Funds shall be distributed on the basis of the
 796 capital outlay full-time equivalent membership by grade level,
 797 which shall be calculated by averaging the results of the second
 798 and third enrollment surveys. The Department of Education shall
 799 distribute capital outlay funds monthly, beginning in the first
 800 quarter of the fiscal year, based on one-twelfth of the amount
 801 the department reasonably expects the charter school to receive
 802 during that fiscal year. The commissioner shall adjust
 803 subsequent distributions as necessary to reflect each charter
 804 school's actual student enrollment as reflected in the second
 805 and third enrollment surveys. The commissioner shall establish
 806 the intervals and procedures for determining the projected and
 807 actual student enrollment of eligible charter schools.

808 ~~(7) Notwithstanding the provisions of this section,~~
 809 ~~beginning in the 2003-2004 fiscal year.~~

810 ~~(a) If the appropriation for charter school capital outlay~~
 811 ~~funds is no greater than the 2002-2003 appropriation, the funds~~
 812 ~~shall be allocated according to the formula outlined in~~

813 ~~subsection (1) to:~~
 814 ~~1. The same schools that received funding in 2002-2003.~~
 815 ~~2. Schools that are an expanded feeder pattern of schools~~
 816 ~~that received funding in 2002-2003.~~
 817 ~~3. Schools that have an approved charter and are serving~~
 818 ~~students at the start of the 2003-2004 school year and either~~
 819 ~~incurred long term financial obligations prior to January 31,~~
 820 ~~2003, or began construction on educational facilities prior to~~
 821 ~~December 31, 2002.~~
 822 ~~(b) If the appropriation for charter school capital outlay~~
 823 ~~funds is less than the 2002-2003 appropriation, the funds shall~~
 824 ~~be prorated among the schools eligible in paragraph (a).~~
 825 ~~(c) If the appropriation for charter school capital outlay~~
 826 ~~funds is greater than the 2002-2003 appropriation, the amount of~~
 827 ~~funds provided in the 2002-2003 appropriation shall be allocated~~
 828 ~~according to paragraph (a). First priority for allocating the~~
 829 ~~amount in excess of the 2002-2003 appropriation shall be to~~
 830 ~~prorate the excess funds among the charter schools with long-~~
 831 ~~term debt or long-term lease to the extent that the initial~~
 832 ~~allocation is insufficient to provide one fifteenth of the cost~~
 833 ~~per student station specified in s. 1013.64(6)(b), and second~~
 834 ~~priority shall be to other eligible charter schools.~~
 835 Section 9. Paragraph (b) of subsection (6) of section
 836 1013.64, Florida Statutes, is amended to read:
 837 1013.64 Funds for comprehensive educational plant needs;
 838 construction cost maximums for school district capital
 839 projects.--Allocations from the Public Education Capital Outlay
 840 and Debt Service Trust Fund to the various boards for capital

841 outlay projects shall be determined as follows:

842 (6)

843 (b)1. A district school board, including a district school
 844 board of an academic performance-based charter school district,
 845 must not use funds from the following sources: Public Education
 846 Capital Outlay and Debt Service Trust Fund; School District and
 847 Community College District Capital Outlay and Debt Service Trust
 848 Fund; Classrooms First Program funds provided in s. 1013.68;
 849 effort index grant funds provided in s. 1013.73; nonvoted 2-mill
 850 levy of ad valorem property taxes provided in s. 1011.71(2);
 851 Classrooms for Kids ~~Infrastructure~~ Program funds provided in s.
 852 1013.735; ~~or~~ District Effort Recognition Program funds provided
 853 in s. 1013.736; or High Growth District Capital Outlay
 854 Assistance Grant Program funds provided in s. 1013.738 for any
 855 new construction of educational plant space with a total cost
 856 per student station, including change orders, that equals more
 857 than:

- 858 a. \$17,952 ~~\$12,755~~ for an elementary school,
- 859 b. \$19,386 ~~\$14,624~~ for a middle school, or
- 860 c. \$25,181 ~~\$19,352~~ for a high school,

861
 862 (January 2006 ~~2002~~) as adjusted annually to reflect increases or
 863 decreases in the Consumer Price Index.

864 2. A district school board must not use funds from the
 865 Public Education Capital Outlay and Debt Service Trust Fund or
 866 the School District and Community College District Capital
 867 Outlay and Debt Service Trust Fund for any new construction of
 868 an ancillary plant that exceeds 70 percent of the average cost

869 per square foot of new construction for all schools.

870 Section 10. Paragraph (a) of subsection (1) of section
871 110.1228, Florida Statutes, is amended to read:

872 110.1228 Participation by small counties, small
873 municipalities, and district school boards located in small
874 counties.--

875 (1) As used in this section, the term:

876 (a) "District school board" means a district school board
877 located in a small county or a district school board that
878 receives funding pursuant to s. 1011.62(7)(~~6~~).

879 Section 11. Subsection (7) of section 402.22, Florida
880 Statutes, is amended to read:

881 402.22 Education program for students who reside in
882 residential care facilities operated by the Department of
883 Children and Family Services.--

884 (7) Notwithstanding the provisions of s. 1001.42(4)(n),
885 the educational program at the Marianna Sunland Center in
886 Jackson County shall be operated by the Department of Education,
887 either directly or through grants or contractual agreements with
888 other public educational agencies. The annual state allocation
889 to any such agency shall be computed pursuant to s. 1011.62(1),
890 (2), and (6) (~~5~~) and allocated in the amount that would have
891 been provided the local school district in which the residential
892 facility is located.

893 Section 12. Paragraph (a) of subsection (6) of section
894 1004.75, Florida Statutes, is amended to read:

895 1004.75 Training school consolidation pilot projects.--

896 (6) FUNDING.--The Department of Education shall shift

897 funds generated by students in the pilot training centers
 898 established by this section, including workforce development
 899 recurring and nonrecurring funds, from the appropriate school
 900 district to the respective community college. The community
 901 college shall qualify for future facilities funding upon
 902 transfer of the facility.

903 (a) Consistent with s. 1011.62(8)~~(7)~~, school districts
 904 that transfer programs will receive an amount equal to 15
 905 percent of the funding generated for the program under the FEFP
 906 in 1996-1997.

907 Section 13. Paragraph (a) of subsection (2) and paragraph
 908 (b) of subsection (3) of section 1010.20, Florida Statutes, are
 909 amended to read:

910 1010.20 Cost accounting and reporting for school
 911 districts.--

912 (2) COST REPORTING.--

913 (a) Each district shall report on a district-aggregate
 914 basis expenditures for inservice training pursuant to s.
 915 1011.62(3) and for categorical programs as provided in s.
 916 1011.62(6)~~(5)~~.

917 (3) PROGRAM EXPENDITURE REQUIREMENTS.--

918 (b) Funds for inservice training established in s.
 919 1011.62(3) and for categorical programs established in s.
 920 1011.62(6)~~(5)~~ shall be expended for the costs of the identified
 921 programs as provided by law and in accordance with the rules of
 922 the State Board of Education.

923 Section 14. Section 1012.44, Florida Statutes, is amended
 924 to read:

925 1012.44 Qualifications for certain persons providing
926 speech-language services.--The State Board of Education shall
927 adopt rules for speech-language services to school districts
928 that qualify for the sparsity supplement as described in s.
929 1011.62~~(7)~~~~(6)~~. These services may be provided by baccalaureate
930 degree level persons for a period of 3 years. The rules shall
931 authorize the delivery of speech-language services by
932 baccalaureate degree level persons under the direction of a
933 certified speech-language pathologist with a master's degree or
934 higher. By October 1, 2003, these rules shall be reviewed by the
935 State Board of Education.

936 Section 15. Sections 1010.60, 1010.61, 1010.611, 1010.612,
937 1010.613, 1010.614, 1010.615, 1010.616, 1010.617, 1010.618,
938 1010.619, and 1012.74, Florida Statutes, are repealed.

939 Section 16. This act shall take effect July 1, 2006.