

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 7039      PCB CI 06-01    K-8 Virtual Schools  
**SPONSOR(S):** Choice & Innovation Committee  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1282

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Choice & Innovation Committee	7 Y, 0 N	Hassell	Kooi
1) Education Appropriations Committee	15 Y, 1 N	Eggers	Hamon
2) Education Council		Hassell	Cobb
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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**SUMMARY ANALYSIS**

The bill establishes the K-8 Virtual School Program as an optional educational choice program within the Department of Education. Like the K-8 Virtual School pilot programs, the K-8 Virtual School Program is established to deliver academic instruction through the use of on-line and distance learning technology to full-time students in kindergarten through eighth grade.

The bill provides for K-8 Virtual School Program student and school eligibility requirements, application procedures, participating school responsibilities, funding mechanisms, assessment and accountability, and causes for nonrenewal or termination of contract. Additionally, this bill addresses the participation of current schools currently in the K-8 Virtual School pilot program.

The K-8 Virtual School Program is subject to annual legislative appropriation in the General Appropriations Act. The Department of Education states that it would require 4 additional FTE staff positions in order to implement the K-8 Virtual School Program. Please see the FISCAL ANALYSIS section of the analysis.

The bill allows for the State Board of Education to adopt rules to implement and administer the K-8 Virtual School Program.

The bill provides for an effective date of July 1, 2006.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

*Provide limited government* – The bill increases the number of public school educational choice options available to K-8 public school students.

*Safeguard individual liberty* – The bill codifies a K-8 virtual educational choice option for parents of public school students.

*Empower families* – The bill provides parents of K-8 public school students with an opportunity to exercise parental choice by enrolling their child in a K-8 Virtual School program.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

In 2003, the Legislature authorized the Department of Education (DOE) to provide for the creation of at least two K-8 Virtual School pilot programs. The two pilot programs selected by the DOE were Connections Academy, Inc. and K12, Inc. The schools provide computers and help cover the cost of Internet access for their students who complete 10 to 30% of their work on-line depending on the grade level. Both of these schools utilize the parent or other responsible adult as the students' primary teachers while the virtual school teachers oversee the students' progress by checking samples of their work. These programs use on-line curriculum, lessons, and progress tests as well as books and other more traditional learning materials. A parent-teacher telephone conference is required at least once every two weeks. However, parents can reach virtual school teachers through e-mail or telephone at other times.

The 2003 and 2005 Legislature appropriated \$4,800,000 for the K-8 Virtual School pilot programs. The pilot programs were funded with grants of up to \$4,800 per student with a total enrollment not to exceed 1,000 students. The 2004 Legislature funded the grants in the same amount per student with total funding not to exceed \$3,800,000, reducing student enrollment to 800 students. However, total student enrollment for the pilot programs returned to 1,000 students with the 2005 appropriation.

##### **Effects of Proposed Changes**

The bill establishes the K-8 Virtual School Program as an optional educational choice program within the Department of Education. Like the K-8 Virtual School pilot programs, the K-8 Virtual School Program is established to deliver academic instruction through the use of on-line and distance learning technology to full-time students in kindergarten through eighth grade. The bill provides for K-8 Virtual School Program student and school eligibility requirements, application procedures, participating school responsibilities, funding mechanisms, assessment and accountability, and causes for nonrenewal or termination of contract. Additionally, this bill addresses the participation of current schools in the K-8 Virtual School pilot program.

The K-8 Virtual School Program would still be subject to annual legislative appropriation. State funding for each participating school will continue to be based on total program enrollment and an amount per full-time equivalent student that is established each year 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.

### *Student Eligibility*

The bill provides that any K-8 student in Florida is eligible for enrollment in one of the participating K-8 Virtual Schools if the student meets one of the following conditions:

- The student has spent the prior school year in attendance at a Florida public school.
- The student was enrolled during the prior school year in a K-8 virtual school.
- 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. Furthermore, the bill requires that the student's school district of residence must provide that student with access to the district's testing facilities.

### *School Eligibility and Application Procedures*

The bill provides that schools eligible to participate in the K-8 Virtual School program include for-profit and nonprofit entities. However, an eligible school must meet all of the following conditions:

- 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 and require all administrative and instructional personnel to be Florida residents.
- Require no tuition or student registration fee.

The bill requires the DOE to provide applicants with an application form in a sufficient time so that schools can apply and be approved by the DOE by the beginning of the 2007-2008 school year. Also, the bill requires the DOE to approve or deny an application within 90 days after the receipt of the application.

In addition to information that the DOE may require, the bill requires applicants to verify that they meet all eligibility criteria, that their school's instructional staff are professional educators certified pursuant to chapter 1012, and that all school employees have undergone the background screening requirement under s. 1012.32, F.S. Furthermore, the bill requires that each applicant provide the DOE with an education plan detailing how their 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 3 years.

### *Participating Schools and Pilot Schools*

The bill provides for an initial 3-year contract between an approved virtual school and the DOE, subject to annual DOE review and legislative appropriation. Also, the bill provides for contract renewals for up to 5 years, subject to annual legislative appropriation.

The bill requires all schools participating in the K-8 Virtual School Program to provide each student with all necessary instructional material, each household with equipment such as a computer, monitor, and printer, and each household with access to or reimbursement for all Internet services necessary for the delivery of on-line instruction.

The bill authorizes the two K-8 Virtual School pilot programs to continue operation for the 2006-2007 school year, subject to the applicable provisions detailed in this bill. Furthermore, the bill requires the two pilot programs to apply to and be approved by the DOE in order to participate in the K-8 Virtual School Program beyond the 2006-2007 school year.

### *Assessment and Accountability*

The bill provides that schools participating in the K-8 Virtual Schools must participate in the statewide assessments and be subject to the school grading system pursuant to s. 1008.34, F.S. Furthermore, a participating school that receives a performance grade of D or F is required to develop and file a school improvement plan with the DOE. In the event that a participating school receives a performance grade category of D or F for 2 school years in a 4-year period, the bill requires the DOE to terminate the contract.

### *Causes for nonrenewal or termination of contract*

The bill grants the DOE authority to choose not to renew a contract or to terminate a current contract with a school participating in the K-8 Virtual School Program for any of the following reasons:

- 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 4-year period.
- Failure to meet generally acceptable standards of financial management.
- Violation of law.
- Failure of the Legislature to fund the K-8 Virtual School Program.
- Other good cause shown.

The bill requires students who attended a school that is either not renewed or terminated to apply to and be enrolled in another public school. Also, the bill provides that the virtual school is responsible for all debts of the school in the event that it is either not renewed or terminated.

### C. SECTION DIRECTORY:

**Section 1.** Creates s. 1002.375, F.S., establishing the K-8 Virtual School Program.

**Section 2.** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

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

#### 2. Expenditures:

The K-8 Virtual School Program is subject to annual legislative appropriation in the General Appropriations Act. Operational expenses for traditional students are funded predominantly through the Florida Education Finance Program (FEFP) which is a combination of state and local funds.

According to the DOE analysis, the DOE would need 4 additional FTE staff positions for the implementation of this program.<sup>1</sup> However, the DOE currently administers and oversees the K-8 Virtual School pilot program within existing resources. Therefore, unless the funds appropriated are significantly increased, any additional costs should be minimal.

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<sup>1</sup> Florida Department of Education, Governmental Relations Office, 2006 Legislative Bill Analysis on PCB06-01: K-8 Virtual School Program

The classifications of the 4 positions proposed by the DOE and associated recurring costs are as follows:

Program Specialist II (2)

Base Salary	33,826
Benefits	13,159
Expenses	9,746
OCO	1,900
Human Resource Services	<u>393</u>
	\$59,024 x 2 = \$118,048

Program Specialist IV (1)

Base Salary	42,655
Benefits	14,570
Expenses	9,746
OCO	1,900
Human Resource Services	<u>393</u>
	\$69,264 x 2 = \$138,528

The total recurring costs for additional staff, assuming additional funding made them necessary, would be \$256,576.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

The bill does not appear to have a fiscal impact on local government revenues.

2. Expenditures:

The bill does not appear to have a fiscal impact on local government expenditures.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

For traditional students in the FEFP, per full time equivalent student funding for operations is \$6,153 in Fiscal Year 2005-06.<sup>2</sup> Current funding for the K-8 Virtual Schools pilot program is \$4,800 as specified in the 2005-06 General Appropriations Act. The House Proposed General Appropriations Act for 2006-07 (House Bill 5001, Specific Appropriation 106B) contains \$7 million for K-8 Virtual Education with grants of up \$5,200 per student.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

<sup>2</sup> Florida Education Finance Program third calculation, dated December 19, 2005.

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill gives the State Board of Education rulemaking authority pursuant to ss. 120.536(1) and 120.54, F.S., to adopt rules for the implementation and administration of this program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**