

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 1514

INTRODUCER: Appropriations Committee

SUBJECT: Education Funding

DATE: April 3, 2013

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

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Elwell	Hansen	_____	<b>AP SPB 7054 as introduced</b>
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

### I. Summary:

SB 1514 conforms education statutes to the Senate proposed General Appropriations Bill, SB 1500, for Fiscal Year 2013-2014.

The bill:

- Extends the requirement of providing an additional hour of intensive reading instruction daily for students enrolled in the 100 lowest performing elementary schools for a third year, 2014-2015.
- Makes a technical adjustment to the reporting sequence of FTE for students enrolled in career education in grades 9-12 for accuracy and funding.
- Allows school districts to extend instruction for virtual education courses into the summer for students who do not complete the course by the end of the regular school term.
- Authorizes school districts to include students enrolled in virtual instruction courses provided in district facilities in the district's capital outlay FTE.
- Increases the Discretionary Millage Compression Supplement calculation from the state average to 105 percent of the state average.
- Eliminates the Virtual Education Contribution allocation which guarantees an amount per FTE for virtual education.
- Removes the sunset dates for high school students who are coenrolled in an adult education program to be reported for funding for up to two courses in adult education for credit recovery or dropout prevention.
- Authorizes school districts with five years of high student growth to levy an additional 0.25 mills of discretionary capital outlay millage, upon supermajority vote of the school board.

- Authorizes a university to increase its athletic fee to defray the costs associated with adding NCAA Division II football.
- Approves the 2012-2013 Class Size alternate calculation required by s. 1003.03(4), F.S., in lieu of approval by the Legislative Budget Commission.
- Clarifies student eligibility and funding from non-education sources for the College Preparatory Boarding Academy Pilot Program authorized in s. 1002.3305, F.S.

This bill substantially amends the following sections of the Florida Statutes: 1002.3305, 1002.45, 1003.498, 1009.24, 1011.61, 1011.62, 1011.71, 1011.80, and 1013.64.

## **II. Present Situation:**

### **Intensive Reading Instruction**

A school district that has one or more of the 100 lowest-performing elementary schools based on the state reading assessment, in the 2012-2013 and 2013-2014 fiscal years, is required to provide an additional hour of instruction beyond the normal school day for each day of the entire school year for intensive reading instruction in those schools.<sup>1</sup> Funds for this program are designated in the Supplemental Academic Instruction and the Research-Based Reading Instruction Allocation categoricals in the Florida Education Finance Program.

### **Career Education Reporting**

The procedure for school districts to report full-time equivalent membership for students in grades 9 through 12 who are enrolled in career education courses was amended effective July 1, 2012.<sup>2</sup> Because of this revision, school districts reported a decline of approximately 20,000 FTE for students in grades 9 through 12 who were enrolled in career education courses in 2012-2013, compared to 2011-2012, and reported a similar increase in FTE membership for students in grades 9 through 12 in basic education courses. District reports of actual student enrollment in career education courses shows there was minimum change in students enrolled in career education courses in 2012-2013, compared to 2011-2012. The reported FTE for career education for 2012-2013 does not accurately reflect actual student FTE enrollment in career education for the 2012-2013 school year.

### **District Virtual Education**

School districts may offer courses provided in a traditional classroom setting through online virtual instruction or through blended learning which includes both traditional classroom and online instruction.<sup>3</sup> Courses provided in a traditional classroom setting or blended learning are normally offered as a yearlong or a semester course and, for funding purposes, are reported by the district as a fraction of a full-time equivalent (FTE) based on hours of instruction, or seat time. Virtual education courses are competency-based. Students enrolled in a course provided through online virtual instruction may progress at their individually desired pace notwithstanding the progress of other students taking the same course. A student is awarded credit upon passing

<sup>1</sup> s. 1011.62 (1)(f), (9), F.S.

<sup>2</sup> s. 15, ch. 2012-133, L.O.F.

<sup>3</sup> s. 1003.498, F.S., s.1002.45, F.S.

the virtual course. Once the credit is earned, the district reports the FTE for funding for each student. One virtual education course is equal to 1/6 of one full-time equivalent student membership (FTE). Credit is awarded to students who earn a passing grade in the course by the end of the scheduled term.

Some students enrolled in virtual courses do not complete the course by the end of the regular school term. The student cannot receive credit until the course is completed. In some districts, a student who does not complete the course by the end of the regular term reenrolls in the same course, through the Florida Virtual School (FLVS), in order to complete the coursework during the summer. Upon the student's completion of the course, FLVS reports the FTE for funding. Districts have requested authorization to extend the instruction into the summer so the student can complete the course and receive credit without the interruption and district loss of funding associated with reenrollment in the same course through the FLVS in order to complete it.

### **District Capital Outlay FTE**

School district capital outlay FTE is computed based on K-12 students for whom the school district provides the educational facility<sup>4</sup>. Courses provided through online virtual instruction may be delivered to a student at any location, however, in some districts students take virtual education courses while at school in district facilities. School districts have requested authorization to include in their capital outlay FTE students who receive virtual instruction in facilities provided by the district.

### **Discretionary Millage Compression Supplement**

If the nonvoted current operating discretionary millage prescribed by the Legislature in the General Appropriations Act generates an amount of funds per unweighted FTE for a school district that is less than the state average, the district receives an amount per FTE that, when added to the funds per FTE generated by the designated levy, is equal to the state average.<sup>5</sup> The purpose is to provide a more equitable allocation of funds among all the school districts. This calculation is included in the Florida Education Finance Program.

### **Virtual Education Contribution**

The Legislature may annually provide in the Florida Education Finance Program for a Virtual Education Contribution allocation. The purpose is to provide supplemental funding for virtual education provided by school districts and the Florida Virtual School.<sup>6</sup> The supplement guarantees a designated level of funding for virtual education; for the 2012-2013 fiscal year the amount guaranteed is \$5,200 per FTE.

### **Coenrollment**

A student who is coenrolled in a K-12 education program and an adult education program may not be reported for funding purposes in the Workforce Education allocation in an adult education

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<sup>4</sup> s. 1013.64 (3)(a)1., F.S.

<sup>5</sup> s. 1011.62 (5), F.S.

<sup>6</sup> s. 1011.62 (11), F.S.

program, except that in 2011-2012 and 2012-2013, students who are coenrolled in core curricular courses for credit recovery or dropout prevention may be reported for funding for up to two courses per student.<sup>7</sup>

### **District Discretionary Capital Outlay Millage**

District School Boards are authorized to levy, at their discretion, not more than 1.5 mills for capital outlay. The purpose of this millage is to assist with providing and maintaining educational facilities. This discretionary millage is separate from the required or authorized millage for current operations.<sup>8</sup> Districts may use capital outlay millage funds to enter into lease purchase agreements subject to certain requirements.<sup>9</sup>

### **University Athletic Fees**

Each university board of trustees is required to establish a separate athletic fee on the main campus of the university. The board may also establish a separate athletic fee on any branch campus or center. Any subsequent increase in the athletic fee must be recommended by an athletic fee committee, at least one-half of whom are students appointed by the student body president. The remainder of the committee is appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, must vote only in the case of a tie. The recommendations of the committee take effect only after approval by the university president, following consultation with the student body president, and final approval by the university board of trustees. An increase in the athletic fee may occur only once each fiscal year and must be implemented beginning with the fall term. The Board of Governors is responsible for adopting the regulations and timetables necessary to implement the fee.<sup>10</sup>

The sum of the activity and service, health, and athletic fees a university student is required to pay to register for a course must not exceed 40 percent of the tuition established in law or in the General Appropriations Act. Within the 40 percent cap, universities may not increase the aggregate sum of activity and service, health, and athletic fees more than 5 percent per year, or the CPI, whichever is greater, unless specifically authorized in law or in the General Appropriations Act. A university may increase its athletic fee to defray the costs associated with changing National Collegiate Athletic Association divisions. Any such increase in the athletic fee may exceed both the 40 percent cap and the 5 percent cap imposed by this subsection. Any such increase must be approved by the university athletic fee committee and cannot exceed \$2 per credit hour.<sup>11</sup>

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<sup>7</sup> s. 1011.80 (10), F.S.

<sup>8</sup> s. 1011.71 (2), F.S.

<sup>9</sup> s. 1011.71 (2 (e), F.S.

<sup>10</sup> s. 1009.24 (12), F.S.

<sup>11</sup> s. 1009.24 (4), F.S.

## **Class Size**

Provisions implementing maximum class size include accountability requirements that establish a fiscal penalty if school districts and charter schools do not meet maximum class sizes.<sup>12</sup> Among these provisions is the authority for the Commissioner of Education to recommend an alternate fiscal penalty calculation, subject to approval by the Legislative Budget Commission (LBC). The alternate calculation is an adjustment to each district's class size categorical allocation. For 2012-2013, the alternate calculation reduces the penalty for many districts and charter schools by making adjustments for data reporting errors and unanticipated student growth. Approval of the alternate calculation allows adjusted funds to be included in the districts allocation for the current school year. In lieu of LBC approval, the alternate calculations for 2010-2011 and 2011-2012 were approved by the Legislature.<sup>13</sup>

## **College-Preparatory Boarding Academy Pilot**

The College Preparatory Boarding Academy Pilot Program was created by the 2012 Legislature for the purpose of providing unique educational opportunities to dependent or at-risk children who are academic under-performers but who have the potential to progress from at-risk to college-bound.<sup>14</sup> The program is in its first year of planning and expects to begin serving eligible students in 2014. The school will be a residential charter school in Miami-Dade county, and is known as the "SEED" school.

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

#### **College-Preparatory Boarding Academy Pilot**

Section 1 of the bill amends s. 1002.3305, F.S., to include as eligibility criteria, that a potential student is eligible for services funded by Temporary Assistance for Needy Families or Title IV-E of the Social Security Act and may be covered under the terms of the Florida Child Welfare Waiver Demonstration project with the United States Department of Health and Human Services. The College-Preparatory Boarding Academy is authorized to receive federal funds from non-education sources and allows funds to be transferred between state agencies for school operations. Also, the bill authorizes the school to enter into an agreement with the Department of Children and Families to admit students, through an alternative process, who are covered under the Florida Child Welfare Waiver Demonstration project.

#### **District Virtual Education**

Sections 2 and 3 amend sections 1002.45 and 1003.498, F.S., to allow school districts to extend instruction for virtual education courses into the summer for students who do not complete the course by the end of the regular school year. This provision will allow the student to progress at an appropriate pace; will eliminate disruption of the student's learning; and will enable the home school district that has provided most of the student's education an opportunity to report the FTE for funding.

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<sup>12</sup> s. 1003.03 (4), F.S.

<sup>13</sup> s. 41, ch. 2011-55, L.O.F., s. 23, ch. 2012-133, L.O.F.

<sup>14</sup> s. 1002.3305, F.S.

## **University Athletic Fees**

Section 4 amends s. 1009.214, F.S., to authorize a university to increase its athletic fee to defray the costs associated with adding NCAA Division II football. The maximum increase allowed is \$2.00 per credit hour.

## **Career Education Reporting**

Section 5 amends s. 1011.61, F.S., to make a technical adjustment to the reporting sequence of FTE for students enrolled in career education in grades 9-12 for accuracy and funding. This adjustment will provide for an accurate accounting of Career Education FTE for funding in the FEFP for 2013-2014 and subsequent fiscal years.

## **Intensive Reading Instruction**

Section 6 amends s. 1011.62(1)(f) and (9), F.S., to extend the requirement of providing an additional hour of intensive reading instruction daily for students enrolled in the 100 lowest performing elementary schools for a third year, 2014-2015.

## **Discretionary Millage Compression Supplement**

Section 6 also amends s. 1011.62(5), F.S., to increase the Discretionary Millage Compression Supplement calculation of the FEFP from the state average to 105 percent of the state average. Districts whose funds from the .748 local discretionary millage are below 105% of the state average will earn an additional state supplement which will improve school district funding equity.

## **Virtual Education Contribution**

Section 6 also amends s. 1011.62(11), F.S., to eliminate the Virtual Education Contribution allocation which guarantees an amount per FTE for virtual education. In the proposed budget, this adjustment reduces the funding for virtual education from \$5,200 to an average of roughly \$4,600 per FTE.

## **District Discretionary Capital Outlay Millage**

Section 7 amends s. 1011.71, F.S., to authorize school districts with five years of high student growth as measured by the average increase of reported capital outlay FTE, to levy an additional 0.25 mills of discretionary capital outlay millage, upon supermajority vote of the school board.

## **Coenrollment**

Section 8 amends s. 1011.80, F.S., to remove the sunset dates on provisions allowing high school students who are coenrolled in an adult education program to be reported for funding for up to two courses for credit recovery or dropout prevention. The proposed Workforce Education budget includes FTE for these students for funding.

## **District Capital Outlay FTE**

Section 9 amends s. 1013.64, F.S., to authorize districts to include students enrolled in virtual instruction courses provided in district facilities in the district's capital outlay FTE which will more accurately inventory "brick and mortar" facilities for potential capital outlay funding decisions.

## **Class Size**

Section 10 approves the 2012-2013 Class Size alternate calculation required by s. 1003.03(4), F.S. Approval of the Commissioner's alternate calculation will reduce the fiscal penalty for class size reduction for many districts and charter schools because the alternate calculation makes adjustments for data reporting errors and unanticipated student growth, both of which positively affect district compliance. The approval provided in this bill is in lieu of approval of the alternate calculation by the Legislative Budget Commission.

## **IV. Constitutional Issues:**

### A. Municipality/County Mandates Restrictions:

None.

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

None.

### C. Trust Funds Restrictions:

None.

## **V. Fiscal Impact Statement:**

### A. Tax/Fee Issues:

None.

### B. Private Sector Impact:

None.

### C. Government Sector Impact:

The bill conforms applicable statutes to the Senate proposed General Appropriations Bill, SB 1500, for Fiscal Year 2013-2014.

The bill authorizes districts to extend instruction in virtual education courses into the summer for a student who does not complete the course by the end of the regular school term. This enables the student to complete the course and receive credit in that school

year and the district to include the FTE for the completed course in its final FTE for funding for that school year.

The bill enables districts to report capital outlay FTE for potential funding for virtual education students who take their coursework in district “brick and mortar” facilities.

The bill revises the Discretionary Millage Compression Supplement of the Florida Education Finance Program by increasing the minimum level of funding for the supplement to 105 percent of the state average, rather than the state average. If the discretionary millage levy of 0.748 mills for school district operations generates an amount of funds per unweighted FTE for a district that is less than 105 percent of the state average, the district is provided an additional amount of funds per FTE to equal 105 percent of the state average. Based on the latest estimate of the 2013-2014 tax roll, a levy of 0.748 mills generates an amount per FTE that is less than 105 percent of the state average in 47 school districts. Providing additional state funds to compress unequal discretionary millage funding for operations provides greater equity in the allocation of education funds among the districts.

The bill eliminates the Virtual Education Contribution allocation in the Florida Education Finance Program. The appropriation for this allocation for the 2012-2013 Fiscal Year was \$44,151,158. This was the amount required as a supplement to guarantee \$5,200 per FTE for virtual education, a supplement of approximately an average of \$800 per FTE, but for some districts, as much as \$1,000 per FTE.

The bill enables school districts to continue to claim eligible coenrollded high school students for FTE for Workforce Education funding.

The bill enables school districts with high student growth to generate additional local funds for school construction with a supermajority board-approved local .25 millage levy.

The bill authorizes a university to increase its athletic fee to defray the costs associated with adding NCAA Division II football. The maximum increase allowed is \$2.00 per credit hour.

Approval of the Commissioner’s alternate calculation will reduce the fiscal penalty for class size reduction for many districts and charters schools because the alternate calculation makes adjustments for data reporting errors and unanticipated student growth, both of which positively affect district compliance.

The bill clarifies and expands the potential for additional non-education, federal, and multiple agency funding sources for the College Preparatory Boarding Academy Pilot Program.

## **VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. Amendments:**

None.

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

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