

1 A bill to be entitled
2 An act relating to education funding; amending s.
3 11.45, F.S.; requiring the Legislative Auditing
4 Committee to refer certain financial matters to the
5 State Board of Education or the Board of Governors;
6 conforming provisions; amending ss. 218.50, 218.501,
7 218.503, and 218.504, F.S.; including Florida College
8 System institutions and State University System
9 institutions in annual financial audit and audit
10 report requirements, determinations of financial
11 emergency, financial management procedures, and
12 cessation of state action upon resolution of financial
13 emergency conditions; repealing s. 1001.27, F.S.,
14 relating to a state satellite network; amending s.
15 1001.28, F.S.; deleting a duty of the Department of
16 Education to manage the state's satellite transponder
17 resources; amending s. 1001.281, F.S.; revising funds
18 deposited in the Operating Trust Fund; amending s.
19 1001.42, F.S.; revising district school board duties
20 relating to virtual instruction; creating s.
21 1001.7065, F.S.; creating the preeminent state
22 research universities program; establishing a
23 collaborative partnership between the Board of
24 Governors and the Legislature to elevate the academic
25 and research preeminence of the highest-performing
26 state research universities; establishing academic and
27 research excellence standards for a university to be
28 designated a preeminent state research university;

29 providing for a preeminent state research university
30 to establish an institute for online learning;
31 providing duties and responsibilities of an advisory
32 board, the university, and the Board of Governors to
33 provide high-quality, fully online baccalaureate
34 degree programs, including establishment of a tuition
35 structure for the institute; providing for the award
36 of funding to preeminent state research universities
37 based upon performance; authorizing a preeminent state
38 research university to establish special course
39 requirements; providing for preeminent state research
40 university flexibility; encouraging the Board of
41 Governors to promote additional programs of
42 excellence; amending s. 1002.37, F.S.; revising and
43 clarifying requirements for reporting and funding a
44 full-time equivalent student in the Florida Virtual
45 School; providing requirements for funding a home
46 education student enrolled in the Florida Virtual
47 School; providing reporting requirements relating to
48 Florida Virtual School Global; amending s. 1002.45,
49 F.S.; authorizing a school district to provide part-
50 time virtual instruction for K-12 students in all
51 courses; revising requirements for the use of virtual
52 instruction in core-curricula courses for the purpose
53 of meeting class size requirements; revising
54 requirements for approval as a provider of virtual
55 instruction programs; providing requirements for
56 conditional approval; revising and clarifying the

57 requirements for reporting and funding a full-time
58 equivalent student enrolled in a virtual instruction
59 program; amending s. 1003.498, F.S.; requiring the
60 Department of Education to provide identifiers for
61 courses to designate their use for blended learning
62 courses; removing restrictions on students taking
63 online courses across district lines; clarifying the
64 requirements for reporting a full-time equivalent
65 student; prohibiting a school district from requiring
66 a public school student to take an online course at
67 certain times or places; amending s. 1006.29, F.S.;
68 requiring the department to publish technology
69 requirements related to instructional materials;
70 amending s. 1006.73, F.S.; revising purposes, duties,
71 and responsibilities of the Florida Virtual Campus;
72 amending s. 1006.735, F.S.; establishing the Complete
73 Florida Degree Program and providing requirements for
74 its implementation; amending s. 1007.271, F.S.;
75 revising provisions relating to the full-time
76 equivalent student membership value for dual enrolled
77 students; revising dual enrollment articulation
78 agreement requirements; revising funding provisions
79 delineating costs incurred by the institution
80 providing instruction; creating s. 1008.322, F.S.;
81 providing Board of Governors oversight authority;
82 requiring state university compliance with laws,
83 rules, and regulations; authorizing certain actions
84 for noncompliance; amending s. 1009.24, F.S.; revising

85 | certain state university student fees; repealing s.
86 | 1010.79, F.S., relating to the Sophomore Level Test
87 | Trust Fund; terminating the Sophomore Level Test Trust
88 | Fund and providing for the transfer of funds and
89 | payment of outstanding obligations; amending s.
90 | 1010.81, F.S.; renaming the Knott Data Center Working
91 | Capital Trust Fund and revising the deposit and use of
92 | funds; amending s. 1011.40, F.S.; providing
93 | requirements for maintaining fund balances in the
94 | education and general fund of state universities;
95 | amending s. 1011.61, F.S.; revising and clarifying the
96 | definition of a full-time equivalent student; revising
97 | provisions relating to funding based on student
98 | completion of end-of-course examinations; revising
99 | provisions relating to the maximum value for funding a
100 | student; amending s. 1011.62, F.S.; revising
101 | provisions relating to the full-time equivalent
102 | student membership value for dual enrolled students;
103 | creating s. 1011.622, F.S.; providing for funding
104 | adjustments for students without a common student
105 | identifier; amending s. 1011.80, F.S.; revising
106 | provisions relating to funding for coenrolled students
107 | in workforce education programs; creating s. 1011.815,
108 | F.S.; providing requirements for maintaining fund
109 | balances in the general fund of Florida College System
110 | institutions; amending ss. 1012.885, 1012.886, and
111 | 1012.975, and 1012.976, F.S.; extending indefinitely
112 | provisions relating to remuneration of Florida College

113 System institution presidents, Florida College System
114 institution administrative employees, state university
115 presidents, and state university administrative
116 employees; providing requirements for school readiness
117 program eligibility, enrollment, and funding and the
118 school readiness market rate schedule, notwithstanding
119 certain provisions of law; specifying the formula to
120 be used for the 2012-2013 fiscal year in calculating
121 the alternate compliance calculation amounts to the
122 class size operating categorical fund, notwithstanding
123 certain provisions of law; providing effective dates.
124

125 Be It Enacted by the Legislature of the State of Florida:
126

127 Section 1. Paragraph (j) of subsection (7) and subsection
128 (8) of section 11.45, Florida Statutes, are amended to read:

129 11.45 Definitions; duties; authorities; reports; rules.—

130 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

131 (j) The Auditor General shall notify the Legislative
132 Auditing Committee of any financial or operational audit report
133 prepared pursuant to this section which indicates that a state
134 university or Florida College System institution has failed to
135 take full corrective action in response to a recommendation that
136 was included in the two preceding financial or operational audit
137 reports.

138 1. The committee may direct the governing body of the
139 state university or Florida College System institution to
140 provide a written statement to the committee explaining why full

141 corrective action has not been taken or, if the governing body
 142 intends to take full corrective action, describing the
 143 corrective action to be taken and when it will occur.

144 2. If the committee determines that the written statement
 145 is not sufficient, the committee may require the chair of the
 146 governing body of the state university or Florida College System
 147 institution, or the chair's designee, to appear before the
 148 committee.

149 3. If the committee determines that the state university
 150 or Florida College System institution has failed to take full
 151 corrective action for which there is no justifiable reason or
 152 has failed to comply with committee requests made pursuant to
 153 this section, the committee shall refer the matter to the State
 154 Board of Education or the Board of Governors, as appropriate, to
 155 proceed in accordance with ss. 1008.32 and 1008.322,
 156 respectively ~~may proceed in accordance with s. 11.40(2).~~

157 (8) RULES OF THE AUDITOR GENERAL.—The Auditor General, in
 158 consultation with the Board of Accountancy, shall adopt rules
 159 for the form and conduct of all financial audits performed by
 160 independent certified public accountants pursuant to ss.
 161 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
 162 audits of local governmental entities, charter schools, charter
 163 technical career centers, ~~and~~ district school boards, Florida
 164 College System institutions, and State University System
 165 institutions must include, but are not limited to, requirements
 166 for the reporting of information necessary to carry out the
 167 purposes of the Local Governmental Entity, Charter School,
 168 Charter Technical Career Center, ~~and~~ District School Board,

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169 Florida College System Institution, and State University System
170 Institution Financial Emergencies Act as stated in s. 218.501.

171 Section 2. Section 218.50, Florida Statutes, is amended to
172 read:

173 218.50 Short title.—Sections 218.50–218.504 may be cited
174 as the "Local Governmental Entity, Charter School, Charter
175 Technical Career Center, ~~and~~ District School Board, Florida
176 College System Institution, and State University System
177 Institution Financial Emergencies Act."

178 Section 3. Section 218.501, Florida Statutes, is amended
179 to read:

180 218.501 Purposes.—The purposes of ss. 218.50–218.504 are:

181 (1) To promote the fiscal responsibility of local
182 governmental entities, charter schools, charter technical career
183 centers, ~~and~~ district school boards, Florida College System
184 institutions, and State University System institutions.

185 (2) To assist local governmental entities, charter
186 schools, charter technical career centers, ~~and~~ district school
187 boards, Florida College System institutions, and State
188 University System institutions in providing essential services
189 without interruption and in meeting their financial obligations.

190 (3) To assist local governmental entities, charter
191 schools, charter technical career centers, ~~and~~ district school
192 boards, Florida College System institutions, and State
193 University System institutions through the improvement of local
194 financial management procedures.

195 Section 4. Section 218.503, Florida Statutes, is amended
196 to read:

197 218.503 Determination of financial emergency.-
 198 (1) Local governmental entities, charter schools, charter
 199 technical career centers, ~~and~~ district school boards, Florida
 200 College System institutions, and State University System
 201 institutions shall be subject to review and oversight by the
 202 Governor, the charter school sponsor, the charter technical
 203 career center sponsor, ~~or~~ the Commissioner of Education, the
 204 Chancellor of the Florida College System, or the Chancellor of
 205 the State University System, as appropriate, when any one of the
 206 following conditions occurs:
 207 (a) Failure within the same fiscal year in which due to
 208 pay short-term loans or failure to make bond debt service or
 209 other long-term debt payments when due, as a result of a lack of
 210 funds.
 211 (b) Failure to pay uncontested claims from creditors
 212 within 90 days after the claim is presented, as a result of a
 213 lack of funds.
 214 (c) Failure to transfer at the appropriate time, due to
 215 lack of funds:
 216 1. Taxes withheld on the income of employees; or
 217 2. Employer and employee contributions for:
 218 a. Federal social security; or
 219 b. Any pension, retirement, or benefit plan of an
 220 employee.
 221 (d) Failure for one pay period to pay, due to lack of
 222 funds:
 223 1. Wages and salaries owed to employees; or
 224 2. Retirement benefits owed to former employees.

225 (2) A local governmental entity shall notify the Governor
226 and the Legislative Auditing Committee; a charter school shall
227 notify the charter school sponsor, the Commissioner of
228 Education, and the Legislative Auditing Committee; a charter
229 technical career center shall notify the charter technical
230 career center sponsor, the Commissioner of Education, and the
231 Legislative Auditing Committee; ~~and~~ a district school board
232 shall notify the Commissioner of Education and the Legislative
233 Auditing Committee; a Florida College System institution shall
234 notify the Chancellor of the Florida College System and the
235 Legislative Auditing Committee; and a State University System
236 institution shall notify the Chancellor of the State University
237 System and the Legislative Auditing Committee, when one or more
238 of the conditions specified in subsection (1) have occurred or
239 will occur if action is not taken to assist the local
240 governmental entity, charter school, charter technical career
241 center, ~~or~~ district school board, Florida College System
242 institution, or State University System institution. In
243 addition, any state agency must, within 30 days after a
244 determination that one or more of the conditions specified in
245 subsection (1) have occurred or will occur if action is not
246 taken to assist the local governmental entity, charter school,
247 charter technical career center, ~~or~~ district school board,
248 Florida College System institution, or State University System
249 institution, notify the Governor, charter school sponsor,
250 charter technical career center sponsor, ~~or the~~ Commissioner of
251 Education, Chancellor of the Florida College System, or
252 Chancellor of the State University System, as appropriate, and

253 | the Legislative Auditing Committee.

254 | (3) Upon notification that one or more of the conditions
 255 | in subsection (1) have occurred or will occur if action is not
 256 | taken to assist the local governmental entity, ~~or~~ district
 257 | school board, Florida College System institution, or State
 258 | University System institution, the Governor or his or her
 259 | designee shall contact the local governmental entity, ~~or~~ the
 260 | Commissioner of Education or his or her designee shall contact
 261 | the district school board, the Chancellor of the Florida College
 262 | System shall contact the president of the Florida College System
 263 | institution, or the Chancellor of the State University System
 264 | shall contact the president of the State University System
 265 | institution to determine what actions have been taken ~~by the~~
 266 | ~~local governmental entity or the district school board~~ to
 267 | resolve or prevent the condition. The information requested must
 268 | be provided within 45 days after the date of the request. If the
 269 | local governmental entity or the district school board does not
 270 | comply with the request, the Governor or his or her designee or
 271 | the Commissioner of Education or his or her designee shall
 272 | notify the members of the Legislative Auditing Committee who may
 273 | take action pursuant to s. 11.40. If the Florida College System
 274 | institution or the State University System institution does not
 275 | comply with the request, the Chancellor of the Florida College
 276 | System or the Chancellor of the State University System shall
 277 | notify the members of the Legislative Auditing Committee who may
 278 | take action pursuant to s. 11.45(7)(j)3. The Governor, ~~or~~ the
 279 | Commissioner of Education, the Chancellor of the Florida College
 280 | System, or the Chancellor of the State University System, as

281 appropriate, shall determine whether the local governmental
 282 entity, ~~or the district school board,~~ Florida College System
 283 institution, or State University System institution needs state
 284 assistance to resolve or prevent the condition. If state
 285 assistance is needed, the local governmental entity, ~~or~~ district
 286 school board, Florida College System institution, or State
 287 University System institution is considered to be in a state of
 288 financial emergency. The Governor, ~~or~~ the Commissioner of
 289 Education, the Chancellor of the Florida College System, or the
 290 Chancellor of the State University System, as appropriate, has
 291 the authority to implement measures as set forth in ss. 218.50-
 292 218.504 to assist ~~the local governmental entity or district~~
 293 ~~school board~~ in resolving the financial emergency. Such measures
 294 may include, but are not limited to:

295 (a) Requiring approval of the local governmental entity's
 296 budget by the Governor, ~~or~~ approval of the district school
 297 board's budget by the Commissioner of Education, approval of the
 298 Florida College System institution's budget by the Chancellor of
 299 the Florida College System, or approval of the State University
 300 System institution's budget by the Chancellor of the State
 301 University System.

302 (b) Authorizing a state loan to a local governmental
 303 entity and providing for repayment of same.

304 (c) Prohibiting a local governmental entity, ~~or~~ district
 305 school board, Florida College System institution, or State
 306 University System institution from issuing bonds, notes,
 307 certificates of indebtedness, or any other form of debt until
 308 such time as it is no longer subject to this section.

309 (d) Making such inspections and reviews of records,
310 information, reports, and assets of the local governmental
311 entity, ~~or~~ district school board, Florida College System
312 institution, or State University System institution as are
313 needed. The appropriate local officials shall cooperate in such
314 inspections and reviews.

315 (e) Consulting with officials and auditors of the local
316 governmental entity, ~~or the~~ district school board, Florida
317 College System institution, or State University System
318 institution and the appropriate state officials regarding any
319 steps necessary to bring the books of account, accounting
320 systems, financial procedures, and reports into compliance with
321 state requirements.

322 (f) Providing technical assistance to the local
323 governmental entity, ~~or the~~ district school board, Florida
324 College System institution, or State University System
325 institution.

326 (g)1. Establishing a financial emergency board to oversee
327 the activities of the local governmental entity, ~~or the~~ district
328 school board, Florida College System institution, or State
329 University System institution. If a financial emergency board is
330 established for a local governmental entity, the Governor shall
331 appoint board members and select a chair. If a financial
332 emergency board is established for a district school board, the
333 State Board of Education shall appoint board members and select
334 a chair. If a financial emergency board is established for a
335 Florida College System institution, the Chancellor of the
336 Florida College System shall appoint board members and select a

337 | chair. If a financial emergency board is established for a State
338 | University System institution, the Chancellor of the State
339 | University System shall appoint board members and select a
340 | chair. The financial emergency board shall adopt such rules as
341 | are necessary for conducting board business. The board may:

342 | a. Make such reviews of records, reports, and assets of
343 | the local governmental entity, ~~or the district school board,~~
344 | Florida College System institution, or State University System
345 | institution as are needed.

346 | b. Consult with officials and auditors of the local
347 | governmental entity, ~~or the district school board,~~ Florida
348 | College System institution, or State University System
349 | institution and the appropriate state officials regarding any
350 | steps necessary to bring the books of account, accounting
351 | systems, financial procedures, and reports of the local
352 | governmental entity, ~~or the district school board,~~ Florida
353 | College System institution, or State University System
354 | institution into compliance with state requirements.

355 | c. Review the operations, management, efficiency,
356 | productivity, and financing of functions and operations of the
357 | local governmental entity, ~~or the district school board,~~ Florida
358 | College System institution, or State University System
359 | institution.

360 | d. Consult with other governmental entities for the
361 | consolidation of all administrative direction and support
362 | services, including, but not limited to, services for asset
363 | sales, economic and community development, building inspections,
364 | parks and recreation, facilities management, engineering and

365 construction, insurance coverage, risk management, planning and
366 zoning, information systems, fleet management, and purchasing.

367 2. The recommendations and reports made by the financial
368 emergency board must be submitted to the Governor for local
369 governmental entities, ~~or~~ to the Commissioner of Education and
370 the State Board of Education for district school boards, to the
371 Chancellor of the Florida College System for Florida College
372 System institutions, or to the Chancellor of the State
373 University System for State University System institutions for
374 appropriate action.

375 (h) Requiring and approving a plan, to be prepared by
376 officials of the local governmental entity, ~~or the~~ district
377 school board, Florida College System institution, or State
378 University System institution in consultation with the
379 appropriate state officials, prescribing actions that will cause
380 the local governmental entity, ~~or~~ district school board, Florida
381 College System institution, or State University System
382 institution to no longer be subject to this section. The plan
383 must include, but need not be limited to:

384 1. Provision for payment in full of obligations outlined
385 in subsection (1), designated as priority items, which are
386 currently due or will come due.

387 2. Establishment of priority budgeting or zero-based
388 budgeting in order to eliminate items that are not affordable.

389 3. The prohibition of a level of operations which can be
390 sustained only with nonrecurring revenues.

391 4. Provisions implementing the consolidation, sourcing, or
392 discontinuance of all administrative direction and support

393 services, including, but not limited to, services for asset
394 sales, economic and community development, building inspections,
395 parks and recreation, facilities management, engineering and
396 construction, insurance coverage, risk management, planning and
397 zoning, information systems, fleet management, and purchasing.

398 (4) (a) Upon notification that one or more of the
399 conditions in subsection (1) have occurred or will occur if
400 action is not taken to assist the charter school, the charter
401 school sponsor or the sponsor's designee and the Commissioner of
402 Education shall contact the charter school governing body to
403 determine what actions have been taken by the charter school
404 governing body to resolve or prevent the condition. The
405 Commissioner of Education has the authority to require and
406 approve a financial recovery plan, to be prepared by the charter
407 school governing body, prescribing actions that will resolve or
408 prevent the condition.

409 (b) Upon notification that one or more of the conditions
410 in subsection (1) have occurred or will occur if action is not
411 taken to assist the charter technical career center, the charter
412 technical career center sponsor or the sponsor's designee and
413 the Commissioner of Education shall contact the charter
414 technical career center governing body to determine what actions
415 have been taken by the governing body to resolve or prevent the
416 condition. The Commissioner of Education may require and approve
417 a financial recovery plan, to be prepared by the charter
418 technical career center governing body, prescribing actions that
419 will resolve or prevent the condition.

420 (c) The Commissioner of Education shall determine if the

421 charter school or charter technical career center needs a
 422 financial recovery plan to resolve the condition. If the
 423 Commissioner of Education determines that a financial recovery
 424 plan is needed, the charter school or charter technical career
 425 center is considered to be in a state of financial emergency.

426
 427 The Department of Education, with the involvement of sponsors,
 428 charter schools, and charter technical career centers, shall
 429 establish guidelines for developing a financial recovery plan.

430 (5) A local governmental entity, ~~or~~ district school board,
 431 Florida College System institution, or State University System
 432 institution may not seek application of laws under the
 433 bankruptcy provisions of the United States Constitution except
 434 with the prior approval of the Governor for local governmental
 435 entities, ~~or~~ the Commissioner of Education for district school
 436 boards, the Chancellor of the Florida College System for a
 437 Florida College System institution, or the Chancellor of the
 438 State University System for a State University System
 439 institution.

440 (6) The failure of the members of the governing body of a
 441 local governmental entity, ~~or~~ the failure of the members of a
 442 district school board, the failure of a Florida College System
 443 institution's board of trustees, or the failure of a State
 444 University System institution's board of trustees to resolve a
 445 state of financial emergency constitutes malfeasance,
 446 misfeasance, and neglect of duty for purposes of s. 7, Art. IV
 447 of the State Constitution.

448 Section 5. Section 218.504, Florida Statutes, is amended

449 to read:

450 218.504 Cessation of state action.—The Governor, ~~or~~ the
 451 Commissioner of Education, the Chancellor of the Florida College
 452 System, or the Chancellor of the State University System, as
 453 appropriate, has the authority to terminate all state actions
 454 pursuant to ss. 218.50-218.504. Cessation of state action must
 455 not occur until the Governor, ~~or~~ the Commissioner of Education,
 456 the Chancellor of the Florida College System, or the Chancellor
 457 of the State University System, as appropriate, has determined
 458 that:

459 (1) The local governmental entity, charter school, charter
 460 technical career center, ~~or~~ district school board, Florida
 461 College System institution, or State University System
 462 institution:

463 (a) Has established and is operating an effective
 464 financial accounting and reporting system.

465 (b) Has resolved the conditions outlined in s. 218.503(1).

466 (2) None of the conditions outlined in s. 218.503(1)
 467 exists.

468 Section 6. Section 1001.27, Florida Statutes, is repealed.

469 Section 7. Subsections (8) and (9) of section 1001.28,
 470 Florida Statutes, are amended to read:

471 1001.28 Distance learning duties.—The duties of the
 472 Department of Education concerning distance learning include,
 473 but are not limited to, the duty to:

474 ~~(8) Manage the state's satellite transponder resources and~~
 475 ~~enter into lease agreements to maximize the use of available~~
 476 ~~transponder time. All net revenue realized through the leasing~~

477 ~~of available transponder time, after deducting the costs of~~
 478 ~~performing the management function, shall be recycled to support~~
 479 ~~the public education distance learning in this state based upon~~
 480 ~~an allocation formula of one-third to the Department of~~
 481 ~~Education, one-third to Florida College System institutions, and~~
 482 ~~one-third to state universities.~~

483 (8)~~(9)~~ Hire appropriate staff which may include a position
 484 that shall be exempt from part II of chapter 110 and is included
 485 in the Senior Management Service in accordance with s. 110.205.

486
 487 Nothing in this section shall be construed to abrogate,
 488 supersede, alter, or amend the powers and duties of any state
 489 agency, district school board, Florida College System
 490 institution board of trustees, university board of trustees, the
 491 Board of Governors, or the State Board of Education.

492 Section 8. Subsection (2) of section 1001.281, Florida
 493 Statutes, is amended to read:

494 1001.281 Operating Trust Fund.—

495 (2) The fund is established for use as a depository for
 496 funds to be used for program operations funded by program
 497 revenues. Moneys to be credited to the trust fund include, but
 498 are not limited to, revenues received from the payment of fees
 499 associated with high school equivalency examinations ~~leasing of~~
 500 ~~available transponder time for the state's satellite transponder~~
 501 ~~resources.~~

502 Section 9. Subsection (23) of section 1001.42, Florida
 503 Statutes, is amended to read:

504 1001.42 Powers and duties of district school board.—The

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505 district school board, acting as a board, shall exercise all
506 powers and perform all duties listed below:

507 (23) ~~FLORIDA VIRTUAL INSTRUCTION SCHOOL.~~—Provide students
508 with access to courses available through a virtual instruction
509 program option or the Florida Virtual School and award credit
510 for successful completion of such courses. ~~Access shall be~~
511 ~~available to students during and after the normal school day and~~
512 ~~through summer school enrollment.~~

513 Section 10. Section 1001.7065, Florida Statutes, is
514 created to read:

515 1001.7065 Preeminent state research universities program.—

516 (1) STATE UNIVERSITY SYSTEM SHARED GOVERNANCE
517 COLLABORATION.—A collaborative partnership is established
518 between the Board of Governors and the Legislature to elevate
519 the academic and research preeminence of Florida's highest-
520 performing state research universities in accordance with this
521 section. The partnership stems from the State University System
522 Governance Agreement executed on March 24, 2010, wherein the
523 Board of Governors and leaders of the Legislature agreed to a
524 framework for the collaborative exercise of their joint
525 authority and shared responsibility for the State University
526 System. The governance agreement confirmed the commitment of the
527 Board of Governors and the Legislature to continue collaboration
528 on accountability measures, the use of data, and recommendations
529 derived from such data.

530 (2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—Effective
531 July 1, 2013, the following academic and research excellence

532 standards are established for the preeminent state research
533 universities program:

534 (a) An average weighted grade point average of 4.0 or
535 higher on a 4.0 scale and an average SAT score of 1800 or higher
536 for fall semester incoming freshmen, as reported annually.

537 (b) A top-50 ranking on at least two well-known and highly
538 respected national public university rankings, reflecting
539 national preeminence, using most recent rankings.

540 (c) A freshman retention rate of 90 percent or higher for
541 full-time, first-time-in-college students, as reported annually
542 to the Integrated Postsecondary Education Data System (IPEDS).

543 (d) A 6-year graduation rate of 70 percent or higher for
544 full-time, first-time-in-college students, as reported annually
545 to the IPEDS.

546 (e) Six or more faculty members at the state university
547 who are members of a national academy, as reported by the Center
548 for Measuring University Performance in the Top American
549 Research Universities (TARU) annual report.

550 (f) Total annual research expenditures, including federal
551 research expenditures, of \$200 million or more, as reported
552 annually by the National Science Foundation (NSF).

553 (g) Total annual research expenditures in diversified
554 nonmedical sciences of \$150 million or more, based on data
555 reported annually by the NSF.

556 (h) A top-100 university national ranking for research
557 expenditures in five or more science, technology, engineering,
558 or mathematics fields of study, as reported annually by the NSF.

559 (i) One hundred or more total patents awarded by the
560 United States Patent and Trademark Office for the most recent 3-
561 year period.

562 (j) Four hundred or more doctoral degrees awarded
563 annually, as reported in the Board of Governors Annual
564 Accountability Report.

565 (k) Two hundred or more postdoctoral appointees annually,
566 as reported in the TARU annual report.

567 (l) An endowment of \$500 million or more, as reported in
568 the Board of Governors Annual Accountability Report.

569 (3) PREEMINENT STATE RESEARCH UNIVERSITY DESIGNATION.—The
570 Board of Governors shall designate each state research
571 university that meets at least 11 of the 12 academic and
572 research excellence standards identified in subsection (2) a
573 preeminent state research university.

574 (4) PREEMINENT STATE RESEARCH UNIVERSITY INSTITUTE FOR
575 ONLINE LEARNING.—The state research university that has attained
576 the highest level on the academic and research excellence
577 standards identified in subsection (2), as verified by the Board
578 of Governors, shall establish an institute for online learning.
579 The institute shall establish a robust offering of high-quality,
580 fully online baccalaureate degree programs at an affordable cost
581 in accordance with this subsection.

582 (a) By August 1, 2013, the Board of Governors shall
583 convene an advisory board to support the development of high-
584 quality, fully online baccalaureate degree programs at the
585 preeminent university.

586 (b) The advisory board shall:

587 1. Offer expert advice, as requested by the preeminent
588 university, in the development and implementation of a business
589 plan to expand the offering of high-quality, fully online
590 baccalaureate degree programs.

591 2. Authorize the release of funding to the preeminent
592 university upon approval by the Board of Governors of the plan
593 developed by the preeminent university.

594 3. Monitor, evaluate, and report on the implementation of
595 the plan to the Board of Governors, the Governor, the President
596 of the Senate, and the Speaker of the House of Representatives.

597 (c) The advisory board shall be composed of the following
598 five members:

599 1. The chair of the Board of Governors or the chair's
600 permanent designee.

601 2. A member with expertise in online learning, appointed
602 by the Board of Governors.

603 3. A member with expertise in global marketing, appointed
604 by the Governor.

605 4. A member with expertise in cloud virtualization,
606 appointed by the President of the Senate.

607 5. A member with expertise in disruptive innovation,
608 appointed by the Speaker of the House of Representatives.

609 (d) The president of the preeminent university shall be
610 consulted on the advisory board member appointments.

611 (e) A majority of the advisory board shall constitute a
612 quorum, elect the chair, and appoint an executive director.

613 (f) By September 1, 2013, the university shall submit to
614 the advisory board a comprehensive plan to expand high-quality,

615 fully online baccalaureate degree program offerings. The plan
616 shall include:

- 617 1. Existing on-campus general education courses and
618 baccalaureate degree programs that will be offered online.
- 619 2. New courses that will be developed and offered online.
- 620 3. Support services that will be offered to students
621 enrolled in online baccalaureate degree programs.
- 622 4. A tuition and fee structure that meets the requirements
623 in paragraph (k) for online courses, baccalaureate degree
624 programs, and student support services.
- 625 5. A timeline for offering, marketing, and enrolling
626 students in the online baccalaureate degree programs.
- 627 6. A budget for developing and marketing the online
628 baccalaureate degree programs.
- 629 7. Detailed strategies for ensuring the success of
630 students and the sustainability of the online baccalaureate
631 degree programs.

632
633 Upon recommendation of the plan by the advisory board and
634 approval by the Board of Governors, the Board of Governors shall
635 award the university \$10 million in nonrecurring funds and \$5
636 million in recurring funds for fiscal year 2013-2014 and \$5
637 million annually thereafter, subject to appropriation in the
638 General Appropriations Act.

639 (g) Beginning in January 2014, the university shall offer
640 high-quality, fully online baccalaureate degree programs that:

- 641 1. Accept full-time, first-time-in-college students.

642 2. Have the same rigorous admissions criteria as
643 equivalent on-campus degree programs.

644 3. Offer curriculum of equivalent rigor to on-campus
645 degree programs.

646 4. Offer rolling enrollment or multiple opportunities for
647 enrollment throughout the year.

648 5. Do not require any on-campus courses. However, for
649 courses or programs that require clinical training or
650 laboratories that cannot be delivered online, the university
651 shall offer convenient locational options to the student, which
652 may include, but are not limited to, the option to complete such
653 requirements at a summer-in-residence on the university campus.
654 The university may provide a network of sites at convenient
655 locations and contract with commercial testing centers or
656 identify other secure testing services for the purpose of
657 proctoring assessments or testing.

658 6. Apply the university's existing policy for accepting
659 credits for both freshman applicants and transfer applicants.

660 (h) The university may offer a fully online Masters in
661 Business Administration degree program and other master's degree
662 programs.

663 (i) The university may develop and offer degree programs
664 and courses that are competency based as appropriate for the
665 quality and success of the program.

666 (j) The university shall periodically expand its offering
667 of online baccalaureate degree programs to meet student and
668 market demands.

669 (k) The university shall establish a tuition structure for
670 its online institute in accordance with this paragraph,
671 notwithstanding any other provision of law.

672 1. For students classified as residents for tuition
673 purposes, tuition for an online baccalaureate degree program
674 shall be set at no more than 75 percent of the tuition rate as
675 specified in the General Appropriations Act pursuant to s.
676 1009.24(4) and 75 percent of the tuition differential pursuant
677 to s. 1009.24(16). No distance learning fee, fee for campus
678 facilities, or fee for on-campus services may be assessed,
679 except that online students shall pay the university's
680 technology fee, financial aid fee, and Capital Improvement Trust
681 Fund fee. The revenues generated from the Capital Improvement
682 Trust Fund fee shall be dedicated to the university's institute
683 for online learning.

684 2. For students classified as nonresidents for tuition
685 purposes, tuition may be set at market rates in accordance with
686 the business plan.

687 3. Tuition for an online degree program shall include all
688 costs associated with instruction, materials, and enrollment,
689 excluding costs associated with the provision of textbooks
690 pursuant to s. 1004.085 and physical laboratory supplies.

691 4. Subject to the limitations in subparagraph 1., tuition
692 may be differentiated by degree program as appropriate to the
693 instructional and other costs of the program in accordance with
694 the business plan. Pricing must incorporate innovative
695 approaches that incentivize persistence and completion,

696 including, but not limited to, a fee for assessment, a bundled
697 or all-inclusive rate, and sliding scale features.

698 5. The university must accept advance payment contracts
699 and student financial aid.

700 6. Fifty percent of the net revenues generated from the
701 online institute of the university shall be used to enhance and
702 enrich the online institute offerings, and 50 percent of the net
703 revenues generated from the online institute shall be used to
704 enhance and enrich the university's campus state-of-the-art
705 research programs and facilities.

706 7. The institute may charge additional local user fees
707 pursuant to s. 1009.24(14) upon the approval of the Board of
708 Governors.

709 8. The institute shall submit a proposal to the president
710 of the university authorizing additional user fees for the
711 provision of voluntary student participation in activities and
712 additional student services.

713 (5) PREEMINENT STATE RESEARCH UNIVERSITY SUPPORT.—The
714 state research university that has attained the highest level on
715 the academic and research excellence standards identified in
716 subsection (2), as verified by the Board of Governors, shall
717 submit to the Board of Governors a 5-year benchmark plan with
718 target rankings on key performance metrics for national
719 excellence. Upon approval by the Board of Governors, and upon
720 the university's meeting the benchmark plan goals annually, the
721 Board of Governors shall award the university \$15 million
722 annually throughout the 5-year period. Funding for this purpose

723 is contingent upon specific appropriation in the General
724 Appropriations Act.

725 (6) PREEMINENT STATE RESEARCH UNIVERSITY ENHANCEMENT
726 INITIATIVE.—The state research university that has attained the
727 second highest level on the academic and research excellence
728 standards identified in subsection (2), as verified by the Board
729 of Governors, shall submit to the Board of Governors a 5-year
730 benchmark plan with target rankings on key performance metrics
731 for national excellence. Upon the university's meeting the
732 benchmark plan goals annually, the Board of Governors shall
733 award the university \$12.5 million annually throughout the 5-
734 year period for the purpose of recruiting National Academy
735 Members, expediting the provision of a master's degree in cloud
736 virtualization, and instituting an entrepreneurs-in-residence
737 program throughout its campus. Funding for this purpose is
738 contingent upon specific appropriation in the General
739 Appropriations Act.

740 (7) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE
741 REQUIREMENT AUTHORITY.—In order to provide a jointly shared
742 educational experience, a university that is designated a
743 preeminent state research university may require its incoming
744 first-time-in-college students to take a 9-to-12-credit set of
745 unique courses specifically determined by the university and
746 published on the university's website. The university may
747 stipulate that credit for such courses may not be earned through
748 any acceleration mechanism pursuant to s. 1007.27 or s. 1007.271
749 or any other transfer credit. All accelerated credits earned up

750 to the limits specified in ss. 1007.27 and 1007.271 shall be
751 applied toward graduation at the student's request.

752 (8) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
753 AUTHORITY.—The Board of Governors is encouraged to identify and
754 grant all reasonable, feasible authority and flexibility to
755 ensure that a designated preeminent state research university is
756 free from unnecessary restrictions.

757 (9) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE UNIVERSITY
758 SYSTEM.—The Board of Governors is encouraged to establish
759 standards and measures whereby individual programs in state
760 universities that objectively reflect national excellence can be
761 identified and make recommendations to the Legislature as to how
762 any such programs could be enhanced and promoted.

763 Section 11. Paragraph (a) of subsection (3), subsection
764 (6), and paragraph (b) of subsection (8) of section 1002.37,
765 Florida Statutes, are amended to read:

766 1002.37 The Florida Virtual School. —

767 (3) Funding for the Florida Virtual School shall be
768 provided as follows:

769 (a)1. For a student in grades 9 through 12, a "full-time
770 equivalent student" is one student who has successfully
771 completed six full-credit courses that count toward the minimum
772 number of credits required for high school graduation. A student
773 who completes fewer than six full-credit courses is a fraction
774 of a full-time equivalent student. Half-credit course
775 completions shall be included in determining a full-time
776 equivalent student. ~~Credit completed by a student in excess of~~
777 ~~the minimum required for that student for high school graduation~~

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778 | ~~is not eligible for funding.~~

779 | 2. For a student in kindergarten through grade 8, a "full-
780 | time equivalent student" is one student who has successfully
781 | completed six courses or the prescribed level of content that
782 | counts toward promotion to the next grade. A student who
783 | completes fewer than six courses or the prescribed level of
784 | content shall be a fraction of a full-time equivalent student.

785 | 3. For a student in a home education program, funding
786 | shall be provided in accordance with this subsection upon course
787 | completion if the parent verifies, upon enrollment for each
788 | course, that the student is registered with the school district
789 | as a home education student pursuant to s. 1002.41(1)(a).

790 | Beginning in the 2016-2017 ~~2014-2015~~ fiscal year, ~~when s.~~
791 | ~~1008.22(3)(g) is implemented,~~ the reported full-time equivalent
792 | students and associated funding of students enrolled in courses
793 | requiring passage of an end-of-course assessment under s.
794 | 1003.4282 to earn a standard high school diploma shall be
795 | adjusted if after the student does not pass ~~completes~~ the end-
796 | of-course assessment. However, no adjustment shall be made for
797 | home education program students who choose not to take an end-
798 | of-course assessment or for a student who enrolls in a segmented
799 | remedial course delivered online.

800

801 | For purposes of this paragraph, the calculation of "full-time
802 | equivalent student" shall be as prescribed in s.

803 | 1011.61(1)(c)1.b.(V) and is subject to the requirements in s.
804 | 1011.61(4).

805 | (6) The board of trustees shall annually submit to the

806 Governor, the Legislature, the Commissioner of Education, and
807 the State Board of Education a complete and detailed report
808 setting forth:

809 (a) The operations and accomplishments of the Florida
810 Virtual School within the state and those occurring outside the
811 state as Florida Virtual School Global.

812 (b) The marketing and operational plan for the Florida
813 Virtual School and Florida Virtual School Global, including
814 recommendations regarding methods for improving the delivery of
815 education through the Internet and other distance learning
816 technology.

817 (c) The assets and liabilities of the Florida Virtual
818 School and Florida Virtual School Global at the end of the
819 fiscal year.

820 (d) A copy of an annual financial audit of the accounts
821 and records of the Florida Virtual School and Florida Virtual
822 School Global, conducted by an independent certified public
823 accountant and performed in accordance with rules adopted by the
824 Auditor General.

825 (e) Recommendations regarding the unit cost of providing
826 services to students through the Florida Virtual School and
827 Florida Virtual School Global. In order to most effectively
828 develop public policy regarding any future funding of the
829 Florida Virtual School, it is imperative that the cost of the
830 program is accurately identified. The identified cost of the
831 program must be based on reliable data.

832 (f) Recommendations regarding an accountability mechanism
833 to assess the effectiveness of the services provided by the

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834 Florida Virtual School and Florida Virtual School Global.

835 (8)

836 (b) For students receiving part-time instruction in
837 kindergarten through grade 5 and students receiving full-time
838 instruction in kindergarten through grade 12 from the Florida
839 Virtual School, the full-time equivalent student enrollment
840 calculated under this subsection is subject to the requirements
841 in s. 1011.61(4) ~~combined total of all FTE reported by both the~~
842 ~~school district and the Florida Virtual School may not exceed~~
843 ~~1.0 FTE.~~

844 Section 12. Paragraphs (b), (c), and (d) of subsection
845 (1), paragraph (a) of subsection (2), and subsection (7) of
846 section 1002.45, Florida Statutes, are amended to read:

847 1002.45 Virtual instruction programs.—

848 (1) PROGRAM.—

849 (b) Each school district that is eligible for the sparsity
850 supplement pursuant to s. 1011.62(7)(a) and (b) shall provide
851 all enrolled public school students within its boundaries the
852 option of participating in part-time and full-time virtual
853 instruction programs. Each school district that is not eligible
854 for the sparsity supplement pursuant to s. 1011.62(7)(a) and (b)
855 shall provide at least three options for part-time and full-time
856 virtual instruction. All school districts must provide parents
857 with timely written notification of at least one open enrollment
858 period for full-time students of 90 days or more which ends 30
859 days before the first day of the school year. The purpose of the
860 program is to make quality virtual instruction available to
861 students using online and distance learning technology in the

862 nontraditional classroom. A school district virtual instruction
863 program shall consist of the following:

864 1. Full-time and part-time virtual instruction for
865 students enrolled in kindergarten through grade 12.

866 ~~2. Part-time virtual instruction for students enrolled in~~
867 ~~kindergarten through grade 12 courses that are measured pursuant~~
868 ~~to subparagraph (8)(a)2.~~

869 ~~2.3.~~ Full-time or part-time virtual instruction for
870 students enrolled in dropout prevention and academic
871 intervention programs under s. 1003.53, Department of Juvenile
872 Justice education programs under s. 1003.52, core-curricula
873 courses delivered in a virtual learning laboratory on a school
874 campus to meet class size requirements under s. 1003.03, or
875 Florida College System institutions under this section.

876 (c) To provide students with the option of participating
877 in virtual instruction programs as required by paragraph (b), a
878 school district may:

879 1. Contract with the Florida Virtual School or establish a
880 franchise of the Florida Virtual School for the provision of a
881 program under paragraph (b). Using this option is subject to the
882 requirements of this section and s. 1011.61(1)(c)1.b.(III) and
883 (IV) and (4) 1011.61(1)(e)1.b.(III) and (IV).

884 2. Contract with an approved provider under subsection (2)
885 for the provision of a full-time or part-time program under
886 paragraph (b) subparagraph (b)1. or subparagraph (b)3. or a
887 part-time program under subparagraph (b)2. or subparagraph (b)3.

888 3. Enter into an agreement with other school districts to
889 allow the participation of its students in an approved virtual

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890 instruction program provided by the other school district. The
891 agreement must indicate a process for the transfer of funds
892 required by paragraph (7) (f).

893 4. Establish school district operated part-time or full-
894 time kindergarten through grade 12 virtual instruction programs
895 under paragraph (b) for students enrolled in the school
896 district. A full-time program shall operate under its own Master
897 School Identification Number.

898 5. Enter into an agreement with a virtual charter school
899 authorized by the school district under s. 1002.33.

900

901 Contracts under subparagraph 1. or subparagraph 2. may include
902 multidistrict contractual arrangements that may be executed by a
903 regional consortium for its member districts. A multidistrict
904 contractual arrangement or an agreement under subparagraph 3. is
905 not subject to s. 1001.42(4) (d) and does not require the
906 participating school districts to be contiguous. These
907 arrangements may be used to fulfill the requirements of
908 paragraph (b).

909 (d) A virtual charter school may provide full-time virtual
910 instruction for students in kindergarten through grade 12 if the
911 virtual charter school has a charter approved pursuant to s.
912 1002.33 authorizing full-time virtual instruction. A virtual
913 charter school may:

914 1. Contract with the Florida Virtual School.

915 2. Contract with an approved provider under subsection
916 (2).

917 3. Enter into an agreement with a school district to allow

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918 the participation of the virtual charter school's students in
919 the school district's virtual instruction program. The agreement
920 must indicate a process for reporting of student enrollment and
921 the transfer of funds required by paragraph (7)(f).

922 (2) PROVIDER QUALIFICATIONS.—

923 (a) The department shall annually publish online a list of
924 providers approved to offer virtual instruction programs. To be
925 approved by the department, a provider must document that it:

926 1. Is nonsectarian in its programs, admission policies,
927 employment practices, and operations;

928 2. Complies with the antidiscrimination provisions of s.
929 1000.05;

930 3. ~~Locates an administrative office or offices in this~~
931 ~~state, requires its administrative staff to be state residents,~~
932 Requires all instructional staff to be Florida-certified
933 teachers under chapter 1012, and conducts background screenings
934 for all employees or contracted personnel, as required by s.
935 1012.32, using state and national criminal history records;

936 4. Provides to parents and students specific information
937 posted and accessible online that includes, but is not limited
938 to, the following teacher-parent and teacher-student contact
939 information for each course:

940 a. How to contact the instructor via phone, e-mail, or
941 online messaging tools.

942 b. How to contact technical support via phone, e-mail, or
943 online messaging tools.

944 c. How to contact the administration office via phone, e-
945 mail, or online messaging tools.

946 d. Any requirement for regular contact with the instructor
947 for the course and clear expectations for meeting the
948 requirement.

949 e. The requirement that the instructor in each course
950 must, at a minimum, conduct one contact via phone with the
951 parent and the student each month.

952 5.4. Possesses prior, successful experience offering
953 online courses to elementary, middle, or high school students as
954 demonstrated by quantified student learning gains in each
955 subject area and grade level provided for consideration as an
956 instructional program option. However, for a provider without
957 sufficient prior, successful experience offering online courses,
958 the department may conditionally approve the provider to offer
959 courses measured pursuant to subparagraph (8) (a)2. Conditional
960 approval shall be valid for 1 school year only and, based on the
961 provider's experience in offering the courses, the department
962 shall determine whether to grant approval to offer a virtual
963 instruction program;

964 6.5. Is accredited by a regional accrediting association as
965 defined by State Board of Education rule;

966 7.6. Ensures instructional and curricular quality through a
967 detailed curriculum and student performance accountability plan
968 that addresses every subject and grade level it intends to
969 provide through contract with the school district, including:

970 a. Courses and programs that meet the standards of the
971 International Association for K-12 Online Learning and the
972 Southern Regional Education Board.

973 b. Instructional content and services that align with, and

974 measure student attainment of, student proficiency in the Next
975 Generation Sunshine State Standards.

976 c. Mechanisms that determine and ensure that a student has
977 satisfied requirements for grade level promotion and high school
978 graduation with a standard diploma, as appropriate;

979 ~~8.7.~~ Publishes for the general public, in accordance with
980 disclosure requirements adopted in rule by the State Board of
981 Education, as part of its application as a provider and in all
982 contracts negotiated pursuant to this section:

983 a. Information and data about the curriculum of each full-
984 time and part-time program.

985 b. School policies and procedures.

986 c. Certification status and physical location of all
987 administrative and instructional personnel.

988 d. Hours and times of availability of instructional
989 personnel.

990 e. Student-teacher ratios.

991 f. Student completion and promotion rates.

992 g. Student, educator, and school performance
993 accountability outcomes;

994 ~~9.8.~~ If the provider is a Florida College System
995 institution, employs instructors who meet the certification
996 requirements for instructional staff under chapter 1012; and

997 ~~10.9.~~ Performs an annual financial audit of its accounts
998 and records conducted by an independent certified public
999 accountant which is in accordance with rules adopted by the
1000 Auditor General, is conducted in compliance with generally
1001 accepted auditing standards, and includes a report on financial

1002 statements presented in accordance with generally accepted
 1003 accounting principles.

1004 (7) VIRTUAL INSTRUCTION PROGRAM AND VIRTUAL CHARTER SCHOOL
 1005 FUNDING.—

1006 (a) Students enrolled in a virtual instruction program or
 1007 a virtual charter school shall be funded through the Florida
 1008 Education Finance Program as provided in the General
 1009 Appropriations Act. However, such funds may not be provided for
 1010 the purpose of fulfilling the class size requirements in ss.
 1011 1003.03 and 1011.685.

1012 (b) For purposes of a virtual instruction program or a
 1013 virtual charter school, "full-time equivalent student" has the
 1014 same meaning as provided in s. 1011.61(1)(c)1.b.(III) or (IV).

1015 (c) For a student enrolled in a kindergarten through grade
 1016 12 virtual instruction program, a "full-time equivalent student"
 1017 has the same meaning as provided in s. 1011.61(1)(c)1.b.(III)
 1018 and (IV).

1019 (d) The full-time equivalent student enrollment calculated
 1020 under this subsection is subject to the requirements in s.
 1021 1011.61(4). ~~A student may not be reported as more than 1.0 full-~~
 1022 ~~time equivalent student in any given school year.~~

1023 (e) Beginning in the 2016-2017 ~~2014-2015~~ fiscal year, ~~when~~
 1024 ~~s. 1008.22(3)(g) is implemented,~~ the reported full-time
 1025 equivalent students and associated funding of students enrolled
 1026 in courses requiring passage of an end-of-course assessment
 1027 under s. 1003.4282 to earn a standard high school diploma shall
 1028 be adjusted if after the student does not pass ~~completes~~ the
 1029 end-of-course assessment. However, no adjustment shall be made

1030 for a student who enrolls in a segmented remedial course
 1031 delivered online.

1032 (f) The school district providing virtual instruction
 1033 shall report full-time equivalent students for a virtual
 1034 instruction program or a virtual charter school, including
 1035 credits completed during the summer, to the department in a
 1036 manner prescribed by the department, and funding shall be
 1037 provided through the Florida Education Finance Program.

1038 (g) A Florida College System institution provider may not
 1039 report students who are served in a virtual instruction program
 1040 for funding under the Florida College System Program Fund.

1041 Section 13. Section 1003.498, Florida Statutes, is amended
 1042 to read:

1043 1003.498 School district virtual course offerings.—

1044 (1) School districts may deliver courses in the
 1045 traditional school setting by personnel certified pursuant to s.
 1046 1012.55 who provide direct instruction through virtual
 1047 instruction or through blended learning courses consisting of
 1048 both traditional classroom and online instructional techniques.
 1049 Students in a blended learning course must be full-time students
 1050 of the school and receive the online instruction in a classroom
 1051 setting at the school. The funding, performance, and
 1052 accountability requirements for blended learning courses are the
 1053 same as those for traditional courses. To facilitate the
 1054 delivery and coding of blended learning courses, the department
 1055 shall provide identifiers for existing courses to designate that
 1056 they are being used for blended learning courses for the purpose
 1057 of ensuring the efficient reporting of such courses.

1058 (2) School districts may offer virtual courses for
 1059 students enrolled in the school district. These courses must be
 1060 identified in the course code directory. Students who meet the
 1061 eligibility requirements of s. 1002.455 may participate in these
 1062 virtual course offerings.

1063 (a) Any eligible student who is enrolled in a school
 1064 district may register and enroll in an online course offered by
 1065 his or her school district.

1066 (b)1. Any eligible student who is enrolled in a school
 1067 district may register and enroll in an online course offered by
 1068 any other school district in the state, ~~except as limited by the~~
 1069 ~~following:~~

1070 ~~1. A student may not enroll in a course offered through a~~
 1071 ~~virtual instruction program provided pursuant to s. 1002.45.~~

1072 ~~2. A student may not enroll in a virtual course offered by~~
 1073 ~~another school district if:~~

1074 ~~a. The course is offered online by the school district in~~
 1075 ~~which the student resides; or~~

1076 ~~b. The course is offered in the school in which the~~
 1077 ~~student is enrolled. However, a student may enroll in an online~~
 1078 ~~course offered by another school district if the school in which~~
 1079 ~~the student is enrolled offers the course but the student is~~
 1080 ~~unable to schedule the course in his or her school.~~

1081 ~~3.~~ The school district in which the student completes the
 1082 course shall report the student's completion of that course for
 1083 funding pursuant to s. 1011.61(1)(c)1.b.(VI), and the home
 1084 school district shall not report the student for funding for
 1085 that course.

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1086 2. The full-time equivalent student enrollment calculated
1087 under this subsection is subject to the requirements in s.
1088 1011.61(4). ~~For purposes of this paragraph, the combined total~~
1089 ~~of all school district reported FTE may not be reported as more~~
1090 ~~than 1.0 full-time equivalent student in any given school year.~~
1091 The Department of Education shall establish procedures to enable
1092 interdistrict coordination for the delivery and funding of this
1093 online option.

1094 (3) A school district may not require a public school
1095 student to take a course outside the school day that is in
1096 addition to the student's courses for a given term or on school
1097 grounds.

1098 Section 14. Subsection (4) of section 1006.29, Florida
1099 Statutes, is renumbered as subsection (5), and a new subsection
1100 (4) is added to that section to read:

1101 1006.29 State instructional materials reviewers.—

1102 (4) By October 1, 2013, the department shall publish
1103 minimum and recommended technology requirements that include
1104 specifications for hardware, software, networking, security, and
1105 guidelines on the number of students per device necessary to
1106 ensure that students can access all electronic and digital
1107 instructional materials.

1108 Section 15. Paragraphs (b), (c), and (d) of subsection
1109 (1), subsection (2), paragraphs (b) and (c) of subsection (5),
1110 and subsection (6) of section 1006.73, Florida Statutes, are
1111 amended, and paragraph (i) is added to subsection (5) of that
1112 section, to read:

1113 1006.73 Florida Virtual Campus.—

1114 (1) The Florida Virtual Campus is established to provide
1115 access to online student and library support services and to
1116 serve as a statewide resource and clearinghouse for public
1117 postsecondary education distance learning courses and degree
1118 programs. The primary purposes of the Florida Virtual Campus are
1119 to:

1120 (b) Provide information and ~~Enhance and expand educational~~
1121 access to distance learning courses and degree programs offered
1122 by the state's ~~and increase~~ public postsecondary education
1123 institutions ~~degree attainment across the state.~~

1124 (c) Coordinate with the Florida College System and the
1125 State University System to identify and provide online academic
1126 support services and resources when the multi-institutional
1127 provision of such services and resources is more cost or
1128 operationally effective. ~~Address the educational needs of~~
1129 ~~traditional students, place-bound students, time-bound students,~~
1130 ~~and adult learners.~~

1131 ~~(d) Increase workforce skills and expand professional~~
1132 ~~development opportunities.~~

1133 (2) The chancellors of the Florida College System and the
1134 State University System shall exercise joint oversight of the
1135 Florida Virtual Campus and shall establish its governance and
1136 reporting structure, administrative and operational guidelines
1137 and processes, staffing requirements, and operational budget.
1138 Effective January 31, 2014, all data center services needed by
1139 the Florida Virtual Campus shall be provided by the Northwest
1140 Regional Data Center ~~a primary data center~~ established pursuant
1141 to s. ss. 282.201 and 1004.649. The chancellors may delegate the

1142 authority and responsibility granted in this subsection.

1143 (a) In carrying out the purposes of this section:

1144 1. The campus is not an "agency" as defined in s.
1145 20.03(11) and is not subject to chapter 287.

1146 2. The campus shall be deemed to be acting as an
1147 instrumentality of the state for purposes of sovereign immunity
1148 pursuant to s. 768.28(2).

1149 3. All records of the campus are public records unless
1150 made confidential or exempt from law.

1151 (b) The campus shall maintain an unencumbered balance of
1152 not less than 5 percent of its approved operating budget.

1153 (c) The campus may secure comprehensive general liability
1154 coverage, professional liability coverage, property and casualty
1155 coverage, and any other insurance coverage deemed appropriate by
1156 the chancellors.

1157 (d) The campus may contract for administrative services
1158 with a public postsecondary education institution. The
1159 administrative overhead costs charged by the institution may not
1160 exceed the actual cost of providing the services and shall
1161 require a specific appropriation in the General Appropriations
1162 Act.

1163 (5) The Florida Virtual Campus shall:

1164 (b) Develop and manage a statewide Internet-based catalog
1165 of distance learning courses, degree programs, and resources
1166 offered by public postsecondary education institutions which is
1167 intended to assist in the coordination and collaboration of
1168 articulation and access pursuant to parts II and III of chapter
1169 1007. The campus shall establish operational guidelines and

1170 | procedures for the catalog which must:

1171 | 1. Require participating institutions to provide
 1172 | information concerning the distance learning course or degree
 1173 | program to include course number and classification of
 1174 | instructional programs number and information on the
 1175 | availability of the course or degree program; the type of
 1176 | required technology; any prerequisite course or technology
 1177 | competency or skill; the availability of academic support
 1178 | services and financial aid resources; and course costs, fees,
 1179 | and payment policies.

1180 | 2. Require that distance learning courses and degree
 1181 | programs meet applicable accreditation standards and criteria.

1182 | 3. Require that, at a minimum, the catalog is reviewed at
 1183 | the start of each academic semester to ensure that distance
 1184 | learning courses and degree programs comply with all operational
 1185 | guidelines and procedures.

1186 | 4. Define and describe the catalog's search and retrieval
 1187 | options that, at a minimum, will allow users to search by
 1188 | academic term or course start date; institution, multiple
 1189 | institutions, or all institutions; and course or program
 1190 | delivery method, course type, course availability, subject or
 1191 | discipline, and course number or classification of instructional
 1192 | programs number.

1193 | ~~5.4.~~ Use an Internet-based analytic tool that allows for
 1194 | the collection and analysis of data, including, but not limited
 1195 | to:

1196 | a. The number and type of students who use the catalog to
 1197 | search for distance learning courses and degree programs.

1198 b. The number and type of requests for information on
 1199 distance learning courses and degree programs that are not
 1200 listed in the catalog.

1201 c. A summary of specific requests by course type or course
 1202 number, delivery method, offering institution, and semester.

1203 ~~6.5.~~ Periodically obtain and analyze data from the Florida
 1204 College System and the State University System concerning:

1205 a. Costs of distance learning courses and degree programs.

1206 b. Completion, graduation, and retention rates of students
 1207 enrolled in distance learning course and degree programs.

1208 c. Distance learning course completion.

1209 (c) Implement a streamlined, automated, online admissions
 1210 application process for undergraduate transient students who are
 1211 currently enrolled and pursuing a degree at a public
 1212 postsecondary education institution and who enroll in a course
 1213 offered by a public postsecondary education institution that is
 1214 not the student's degree-granting institution. The Florida
 1215 Virtual Campus shall work with the Florida College System and
 1216 the State University System to implement this process which
 1217 requires all Florida College System institutions and state
 1218 universities to:

1219 1. Use the transient student admissions application
 1220 available through the statewide computer-assisted student
 1221 advising system established pursuant to paragraph (d). This
 1222 admissions application is the only application required for the
 1223 enrollment of a transient student as described in this
 1224 paragraph.

1225 2. Implement the financial aid procedures required by the

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1226 transient student admissions application process.

1227 3. Transfer credit awarded by the institutions offering
1228 the course to the transient student's degree-granting
1229 institution.

1230 4. ~~By December 1, 2012,~~ Provide for an interface between
1231 the institutional advising system and the statewide computer-
1232 assisted student advising system established pursuant to
1233 paragraph (d) in order to electronically send, receive, and
1234 process the transient student admissions application.

1235 (i) In consultation with the public postsecondary
1236 education institutions, develop and implement a plan that
1237 describes the services and resources available at the Florida
1238 Virtual Campus to encourage current and prospective students'
1239 use of such services and resources.

1240 (6) Beginning September 30, 2013, and annually thereafter,
1241 the chancellors of the Florida College System and the State
1242 University System shall jointly publish a report regarding the
1243 activities of the Florida Virtual Campus in the prior fiscal
1244 year. The report shall include, but not be limited to,
1245 information related to the provision of library services and
1246 electronic resources, to include those resources licensed
1247 pursuant to s. 1006.72; distance learning resources; the
1248 computer-assisted student advising system; the transient student
1249 online admissions process; and other provided programs,
1250 activities, and services.

1251 Section 16. Section 1006.735, Florida Statutes, is
1252 amended to read:

1253 1006.735 Complete Florida Degree Program Completion Pilot

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1254 ~~Project.~~—

1255 (1) The Complete Florida Degree Program ~~Completion Pilot~~
1256 ~~Project~~ is established for the purpose of recruiting,
1257 recovering, and retaining the state's adult learners and
1258 assisting them in completing an associate degree or a
1259 baccalaureate degree that is aligned to high-wage, high-skill
1260 workforce needs. As used in this section, the term "adult
1261 learner" means a student who has successfully completed college-
1262 level coursework in multiple semesters but has left an
1263 institution in good standing before completing his or her
1264 degree. The program ~~pilot project~~ shall give priority to adult
1265 learners who are veterans or active duty members of the United
1266 States Armed Forces.

1267 (2) The Complete Florida Degree Program ~~pilot project~~
1268 shall be implemented by the University of West Florida, acting
1269 as the lead institution, in coordination with Florida College
1270 System institutions, state universities, and private
1271 postsecondary institutions, as appropriate. ~~The program; the~~
1272 ~~University of South Florida; Florida State College at~~
1273 ~~Jacksonville; and St. Petersburg College~~ and shall include the
1274 associate, applied baccalaureate, and baccalaureate degree
1275 programs that these institutions have selected. Other partnering
1276 public postsecondary education institutions shall provide areas
1277 of specialization or concentration.

1278 (3) For purposes of selecting the degree programs that
1279 will be given priority in the Complete Florida Degree Program
1280 ~~pilot project~~, the institutions identified in subsection (2)
1281 shall partner with public and private job recruitment and

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1282 placement agencies and use labor market data and projections,
1283 including those identified in the Board of Governors' Commission
1284 on Higher Education Access and Educational Attainment gap
1285 analysis, to identify the specific workforce needs and targeted
1286 occupations of the state.

1287 (4) The Complete Florida Degree Program ~~pilot project~~
1288 shall provide adult learners with a single point of access to
1289 information and links to innovative online and accelerated
1290 distance learning courses, student and library support services,
1291 and electronic resources that will guide the adult learner
1292 toward the successful completion of a postsecondary degree.

1293 (5) By the end of ~~Beginning with~~ the 2013-2014 ~~2012-2013~~
1294 academic year, the Complete Florida Degree Program ~~pilot project~~
1295 shall be implemented and must:

1296 (a) Use the distance learning course catalog established
1297 pursuant to s. 1006.73 to communicate course availability to the
1298 adult learner.

1299 (b) Develop and implement an advising and student support
1300 system that includes the use of degree completion specialists,
1301 is based upon best practices and processes, and includes
1302 academic and career support services designed specifically for
1303 the adult learner. The program must identify proposed changes to
1304 the statewide computer-assisted student advising system
1305 established pursuant to s. 1006.73 to assist the adult learner
1306 in using the system.

1307 (c) Use the streamlined, automated, online admissions
1308 application process for transient students established pursuant
1309 to s. 1006.73. The program ~~pilot project~~ shall identify any

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1310 additional admissions and registration policies and practices
1311 that could be further streamlined and automated for purposes of
1312 assisting the adult learner.

1313 (d) Use existing and, if necessary, develop new
1314 competency-based instructional and evaluation tools to assess
1315 prior performance, experience, and education for the award of
1316 college credit in order to reduce the time required for adult
1317 learners to complete their degrees. The tools may include the
1318 use of the American Council on Education's collaborative link
1319 between the United States Department of Defense and higher
1320 education through the review of military training and
1321 experiences for the award of equivalent college credit for
1322 members of the United States Armed Forces.

1323 (e) Develop and implement an evaluation process that
1324 collects, analyzes, and provides to the chancellors of the
1325 Florida College System and the State University System, the
1326 participating postsecondary education institutions, the chairs
1327 of the legislative appropriations committees, and the Executive
1328 Office of the Governor information on the effectiveness of the
1329 program ~~pilot project~~ and the attainment of its goals. Such a
1330 process shall include a management information system that
1331 collects the appropriate student, programmatic, and fiscal data
1332 necessary to complete the evaluation of the program ~~pilot~~
1333 ~~project~~. Institutions involved in the program ~~pilot project~~
1334 shall also collect job placement and employment data on the
1335 adult learners who have completed their degrees as a result of
1336 the program ~~pilot project~~.

1337 (f) Develop and implement a statewide student recruitment

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1338 ~~marketing~~ campaign targeted toward ~~recruiting~~ adult learners,
1339 particularly veterans and active duty members of the United
1340 States Armed Forces, for enrollment in the degree programs
1341 offered through the program ~~pilot project~~.

1342 (6) For purposes of the Complete Florida Degree Program
1343 ~~pilot project~~, each institution's current tuition and fee
1344 structure shall be used. However, all participating institutions
1345 shall collaboratively identify the applicable cost components
1346 involved in the development and delivery of distance learning
1347 courses, collect information on these cost components, and
1348 submit the information to the ~~Florida Virtual Campus~~. The
1349 chancellors of the Florida College System and the State
1350 University System. The chancellors shall submit a report to the
1351 chairs of the legislative appropriations committees no later
1352 than December 31, 2014 ~~2013~~, on the need for a differentiated
1353 tuition and fee structure for the development and delivery of
1354 distance learning courses.

1355 (7) The University of West Florida, in collaboration with
1356 its partners ~~the University of South Florida, Florida State~~
1357 ~~College at Jacksonville, and St. Petersburg College~~, shall
1358 submit to the chairs of the Board of Governors, the State Board
1359 of Education, and the legislative appropriations committees no
1360 later than September 1, 2013 ~~June 1, 2012~~, a detailed program
1361 ~~project~~ plan that defines the major work activities, student
1362 eligibility criteria, timeline, and cost for implementing the
1363 Complete Florida Degree Program ~~pilot project~~.

1364 ~~(8) The University of West Florida, in collaboration with~~
1365 ~~the University of South Florida, Florida State College at~~

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1366 Jacksonville, and St. Petersburg College, shall develop and
1367 implement a transition plan that transfers the administration of
1368 the pilot project to the Florida Virtual Campus no later than
1369 June 30, 2013.

1370 Section 17. Subsections (2) and (4) and paragraph (n) of
1371 subsection (21) of section 1007.271, Florida Statutes, are
1372 amended to read:

1373 1007.271 Dual enrollment programs.—

1374 (2) For the purpose of this section, an eligible secondary
1375 student is a student who is enrolled in a Florida public
1376 secondary school or in a Florida private secondary school which
1377 is in compliance with s. 1002.42(2) and provides a secondary
1378 curriculum pursuant to s. 1003.428, s. 1003.429, or s. 1003.43.
1379 Students who are eligible for dual enrollment pursuant to this
1380 section may enroll in dual enrollment courses conducted during
1381 school hours, after school hours, and during the summer term.
1382 However, if the student is projected to graduate from high
1383 school before the scheduled completion date of a postsecondary
1384 course, the student may not register for that course through
1385 dual enrollment. The student may apply to the postsecondary
1386 institution and pay the required registration, tuition, and fees
1387 if the student meets the postsecondary institution's admissions
1388 requirements under s. 1007.263. Instructional time for dual
1389 enrollment may vary from 900 hours; however, the full-time
1390 equivalent student membership value shall be subject to the
1391 provisions in school district may only report the student for a
1392 maximum of 1.0 FTE, as provided in s. 1011.61(4). Any student
1393 enrolled as a dual enrollment student is exempt from the payment

1394 of registration, tuition, and laboratory fees. Vocational-
 1395 preparatory instruction, college-preparatory instruction, and
 1396 other forms of precollegiate instruction, as well as physical
 1397 education courses that focus on the physical execution of a
 1398 skill rather than the intellectual attributes of the activity,
 1399 are ineligible for inclusion in the dual enrollment program.
 1400 Recreation and leisure studies courses shall be evaluated
 1401 individually in the same manner as physical education courses
 1402 for potential inclusion in the program.

1403 (4) District school boards may not refuse to enter into a
 1404 dual enrollment articulation agreement with a local Florida
 1405 College System institution if that Florida College System
 1406 institution has the capacity to offer dual enrollment courses. ~~A~~
 1407 ~~Florida College System institution may limit dual enrollment~~
 1408 ~~participation based upon capacity. Such limitation must be~~
 1409 ~~clearly specified in the dual enrollment articulation agreement.~~

1410 (21) Each district school superintendent and Florida
 1411 College System institution president shall develop a
 1412 comprehensive dual enrollment articulation agreement for the
 1413 respective school district and Florida College System
 1414 institution. The superintendent and president shall establish an
 1415 articulation committee for the purpose of developing the
 1416 agreement. Each state university president may designate a
 1417 university representative to participate in the development of a
 1418 dual enrollment articulation agreement. A dual enrollment
 1419 articulation agreement shall be completed and submitted annually
 1420 by the Florida College System institution to the Department of
 1421 Education on or before August 1. The agreement must include, but

1422 is not limited to:

1423 (n) A funding provision that delineates costs incurred by
 1424 each entity. School districts shall pay the standard tuition
 1425 rate per credit hour from funds provided in the Florida
 1426 Education Finance Program to the institution providing
 1427 instruction when such instruction takes place on the
 1428 postsecondary campus ~~should share funding~~ to cover instructional
 1429 and support costs incurred by the postsecondary institution.
 1430 When dual enrollment is provided on the high school site by
 1431 postsecondary institution faculty, the school district shall
 1432 reimburse the costs associated with the proportion of salary and
 1433 benefits and other actual costs of the postsecondary institution
 1434 to provide the instruction. When dual enrollment is provided on
 1435 the high school site by school district faculty, the school
 1436 district shall be responsible only for the postsecondary
 1437 institution's actual costs associated with offering the program.
 1438 A postsecondary institution may enter into an agreement with the
 1439 school district to authorize teachers who teach dual enrollment
 1440 courses at the high school site or the postsecondary
 1441 institution. A school district may not deny a student access to
 1442 dual enrollment unless the student is ineligible to participate
 1443 in the program subject to provisions specifically outlined in
 1444 this section.

1445 Section 18. Section 1008.322, Florida Statutes, is created
 1446 to read:

1447 1008.322 Board of Governors oversight authority.—

1448 (1) The Board of Governors of the State University System
 1449 shall oversee the performance of state university boards of

1450 trustees in the enforcement of laws, rules, and regulations.
1451 State university boards of trustees shall be primarily
1452 responsible for compliance with laws and board rules and
1453 regulations.

1454 (2) The Board of Governors' constitutional authority to
1455 operate, regulate, control, and be fully responsible for the
1456 management of the whole university system mandates that the
1457 state universities comply with all requests by the board for
1458 information, data, and reports. The state university presidents
1459 are responsible for the accuracy of the information and data
1460 reported to the board.

1461 (3) The Chancellor of the State University System may
1462 investigate allegations of noncompliance with law or board rule
1463 or regulation and determine probable cause. The chancellor shall
1464 report determinations of probable cause to the board, which
1465 shall require the university board of trustees to document
1466 compliance with law or board rule or regulation.

1467 (4) If the university board of trustees cannot
1468 satisfactorily document compliance, the board may order
1469 compliance within a specified timeframe.

1470 (5) If the board determines that a university board of
1471 trustees is unwilling or unable to comply with law or board rule
1472 or regulation within the specified time, the board, in addition
1473 to actions constitutionally authorized, has the authority to
1474 initiate any of the following actions:

1475 (a) Report to the Legislature that the university has been
1476 unwilling or unable to comply with law or board rule or
1477 regulation and recommend action to be taken by the Legislature.

1478 (b) Withhold the transfer of state funds, discretionary
 1479 grant funds, or any other funds specified as eligible for this
 1480 purpose by the Legislature until the university complies with
 1481 the law or board rule or regulation.

1482 (c) Declare the university ineligible for competitive
 1483 grants.

1484 (6) Nothing in this section shall be construed to create a
 1485 private cause of action or create any rights for individuals or
 1486 entities in addition to those provided elsewhere in law, rule,
 1487 or regulation.

1488 Section 19. Paragraph (e) of subsection (4), subsection
 1489 (7), paragraph (c) of subsection (8), and subsection (13) of
 1490 section 1009.24, Florida Statutes, are amended to read:

1491 1009.24 State university student fees.—

1492 (4)

1493 (e) The sum of the activity and service, health, and
 1494 athletic fees a student is required to pay to register for a
 1495 course shall not exceed 40 percent of the sum of tuition and the
 1496 tuition differential established in law or in the General
 1497 Appropriations Act. No university shall be required to lower any
 1498 fee in effect on the effective date of this act in order to
 1499 comply with this subsection. Within the 40 percent cap,
 1500 universities may not increase the aggregate sum of activity and
 1501 service, health, and athletic fees more than 5 percent per year,
 1502 or the same percentage increase in tuition authorized under
 1503 paragraph (b), whichever is greater, unless specifically
 1504 authorized in law or in the General Appropriations Act. A
 1505 university may increase its athletic fee to defray the costs

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1506 associated with changing National Collegiate Athletic
1507 Association divisions. Any such increase in the athletic fee may
1508 exceed both the 40 percent cap and the 5 percent cap imposed by
1509 this subsection. Any such increase must be approved by the
1510 athletic fee committee in the process outlined in subsection
1511 (12) and cannot exceed \$2 per credit hour. Notwithstanding the
1512 provisions of ss. 1009.534, 1009.535, and 1009.536, that portion
1513 of any increase in an athletic fee pursuant to this subsection
1514 that causes the sum of the activity and service, health, and
1515 athletic fees to exceed the 40 percent cap or the annual
1516 increase in such fees to exceed the 5 percent cap shall not be
1517 included in calculating the amount a student receives for a
1518 Florida Academic Scholars award, a Florida Medallion Scholars
1519 award, or a Florida Gold Seal Vocational Scholars award.
1520 Notwithstanding this paragraph and subject to approval by the
1521 board of trustees, each state university is authorized to exceed
1522 the 5-percent cap on the annual increase to the aggregate sum of
1523 activity and service, health, and athletic fees for the 2010-
1524 2011 fiscal year. Any such increase shall not exceed 15 percent
1525 or the amount required to reach the 2009-2010 fiscal year
1526 statewide average for the aggregate sum of activity and service,
1527 health, and athletic fees at the main campuses, whichever is
1528 greater. The aggregate sum of the activity and service, health,
1529 and athletic fees shall not exceed 40 percent of tuition. Any
1530 increase in the activity and service fee, health fee, or
1531 athletic fee must be approved by the appropriate fee committee
1532 pursuant to subsection (10), subsection (11), or subsection
1533 (12).

1534 (7) A university board of trustees is authorized to
1535 collect for financial aid purposes an amount not to exceed 5
1536 percent of the sum of tuition, the tuition differential, and
1537 out-of-state fees ~~fee~~. The revenues from fees are to remain at
1538 each campus and replace existing financial aid fees. Such funds
1539 shall be disbursed to students as quickly as possible. A minimum
1540 of 75 percent of funds from the student financial aid fee shall
1541 be used to provide financial aid based on absolute need. The
1542 Board of Governors shall develop criteria for making financial
1543 aid awards. Each university shall report annually to the Board
1544 of Governors and the Department of Education on the revenue
1545 collected pursuant to this subsection, the amount carried
1546 forward, the criteria used to make awards, the amount and number
1547 of awards for each criterion, and a delineation of the
1548 distribution of such awards. The report shall include an
1549 assessment by category of the financial need of every student
1550 who receives an award, regardless of the purpose for which the
1551 award is received. Awards which are based on financial need
1552 shall be distributed in accordance with a nationally recognized
1553 system of need analysis approved by the Board of Governors. An
1554 award for academic merit shall require a minimum overall grade
1555 point average of 3.0 on a 4.0 scale or the equivalent for both
1556 initial receipt of the award and renewal of the award.

1557 (8)

1558 (c) The fee may not exceed 20 ~~10~~ percent of the sum of
1559 tuition and the tuition differential for resident students or 20
1560 ~~10~~ percent of the sum of tuition, the tuition differential, and
1561 out-of-state fees for nonresident students. The fee for resident

1562 students shall be limited to an increase of \$3 ~~\$2~~ per credit
 1563 hour over the prior year. The Capital Improvement Trust Fund fee
 1564 may be used to fund any project or real property acquisition
 1565 that meets the requirements of chapter 1013. The Division of
 1566 Bond Finance of the State Board of Administration shall analyze
 1567 any proposed reductions to the Capital Improvement Trust Fund
 1568 fee to ensure consistency with prudent financial management of
 1569 the bond program associated with the revenues from the fee. The
 1570 Board of Governors shall approve any proposed fee reductions
 1571 provided that no such reduction reduces the fee below the level
 1572 established in paragraph (a).

1573 (13) Each university board of trustees may establish a
 1574 technology fee of up to 5 percent of the sum of tuition and the
 1575 tuition differential per credit hour. The revenue from this fee
 1576 shall be used to enhance instructional technology resources for
 1577 students and faculty. The technology fee may not be included in
 1578 any award under the Florida Bright Futures Scholarship Program
 1579 established pursuant to ss. 1009.53-1009.538.

1580 Section 20. Section 1010.79, Florida Statutes, is
 1581 repealed.

1582 Section 21. (1) The Sophomore Level Test Trust Fund, FLAIR
 1583 number 48-2-646, within the Department of Education is
 1584 terminated.

1585 (2) All current balances remaining in, and all revenues
 1586 of, the trust fund shall be transferred to the General Revenue
 1587 Fund.

1588 (3) The Department of Education shall pay any outstanding
 1589 debts or obligations of the terminated trust fund as soon as

1590 practicable, and the Chief Financial Officer shall close out and
 1591 remove the terminated trust fund from the various state
 1592 accounting systems using generally accepted accounting
 1593 principles concerning warrants outstanding, assets, and
 1594 liabilities.

1595 Section 22. Section 1010.81, Florida Statutes, is amended
 1596 to read:

1597 1010.81 Education Knott Data Center Working Capital Trust
 1598 Fund. Chapter 99-29, Laws of Florida, re-created The Education
 1599 Knott Data Center Working Capital Trust Fund shall be
 1600 administered by the Department of Education as a depository for
 1601 funds received to record the revenue from fees paid for services
 1602 provided by the department's technology office, interest
 1603 earnings, and cash advances from customer entities. Moneys
 1604 deposited in the trust fund shall be used to fund the services
 1605 provided by the department's technology office Department of
 1606 Education's data center and disbursements to pay the costs of
 1607 operating the data center as authorized in s. 216.272.

1608 Section 23. Subsection (5) is added to section 1011.40,
 1609 Florida Statutes, to read:

1610 1011.40 Budgets for universities.—

1611 (5) GUIDELINES FOR EDUCATION AND GENERAL FUND.—

1612 (a) Each state university shall maintain an education and
 1613 general fund ending fund balance that is sufficient to address
 1614 normal contingencies and to meet the requirements in subsection
 1615 (2).

1616 (b) If at any time the unencumbered portion of the
 1617 education and general fund's ending fund balance in the

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1618 institution's approved operating budget is projected to fall
1619 below 3 percent of the projected education and general fund
1620 revenues during the current fiscal year, the university's board
1621 of trustees shall provide written notification to the Board of
1622 Governors and the Chancellor of the State University System.

1623 (c) If at any time the unencumbered portion of the
1624 education and general fund's ending fund balance in the
1625 institution's approved operating budget is projected to fall
1626 below 2 percent of projected education and general fund revenues
1627 during the current fiscal year, the university's board of
1628 trustees shall provide written notification to the Board of
1629 Governors and the Chancellor of the State University System.
1630 Within 14 days after receiving such notification, if the
1631 chancellor determines that the institution does not have a plan
1632 that is reasonably anticipated to avoid a financial emergency as
1633 determined pursuant to s. 218.503, the chancellor shall appoint
1634 a financial emergency board that shall operate under the
1635 requirements, powers, and duties specified in s. 218.503(3)(g).

1636 Section 24. Paragraph (c) of subsection (1) and subsection
1637 (4) of section 1011.61, Florida Statutes, are amended to read:

1638 1011.61 Definitions.—Notwithstanding the provisions of s.
1639 1000.21, the following terms are defined as follows for the
1640 purposes of the Florida Education Finance Program:

1641 (1) A "full-time equivalent student" in each program of
1642 the district is defined in terms of full-time students and part-
1643 time students as follows:

1644 (c)1. A "full-time equivalent student" is:

1645 a. A full-time student in any one of the programs listed

1646 | in s. 1011.62(1)(c); or

1647 | b. A combination of full-time or part-time students in any
 1648 | one of the programs listed in s. 1011.62(1)(c) which is the
 1649 | equivalent of one full-time student based on the following
 1650 | calculations:

1651 | (I) A full-time student in a combination of programs
 1652 | listed in s. 1011.62(1)(c) shall be a fraction of a full-time
 1653 | equivalent membership in each program equal to the number of net
 1654 | hours per school year for which he or she is a member, divided
 1655 | by the appropriate number of hours set forth in subparagraph
 1656 | (a)1. or subparagraph (a)2. The difference between that fraction
 1657 | or sum of fractions and the maximum value as set forth in
 1658 | subsection (4) for each full-time student is presumed to be the
 1659 | balance of the student's time not spent in a nonbasic program
 1660 | and shall be recorded as time in the appropriate basic program.
 1661 | ~~The sum of the fractions for each program may not exceed the~~
 1662 | ~~maximum value set forth in subsection (4).~~

1663 | (II) A prekindergarten student with a disability shall
 1664 | meet the requirements specified for kindergarten students.

1665 | (III) A full-time equivalent student for students in
 1666 | kindergarten through grade 12 in a full-time virtual instruction
 1667 | program under s. 1002.45 or a virtual charter school under s.
 1668 | 1002.33 shall consist of six full-credit completions or the
 1669 | prescribed level of content that counts toward promotion to the
 1670 | next grade in programs listed in s. 1011.62(1)(c). Credit
 1671 | completions may be a combination of full-credit courses or half-
 1672 | credit courses. Beginning in the 2016-2017 ~~2014-2015~~ fiscal
 1673 | year, ~~when s. 1008.22(3)(g) is implemented,~~ the reported full-

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1674 time equivalent students and associated funding of students
1675 enrolled in courses requiring passage of an end-of-course
1676 assessment under s. 1003.4282 to earn a standard high school
1677 diploma shall be adjusted if after the student does not pass
1678 completes the end-of-course assessment. However, no adjustment
1679 shall be made for a student who enrolls in a segmented remedial
1680 course delivered online.

1681 (IV) A full-time equivalent student for students in
1682 kindergarten through grade 12 in a part-time virtual instruction
1683 program under s. 1002.45 shall consist of six full-credit
1684 completions in programs listed in s. 1011.62(1)(c)1. and 3.
1685 Credit completions may be a combination of full-credit courses
1686 or half-credit courses. Beginning in the 2016-2017 ~~2014-2015~~
1687 fiscal year, ~~when s. 1008.22(3)(g) is implemented,~~ the reported
1688 full-time equivalent students and associated funding of students
1689 enrolled in courses requiring passage of an end-of-course
1690 assessment under s. 1003.4282 to earn a standard high school
1691 diploma shall be adjusted if after the student does not pass
1692 completes the end-of-course assessment. However, no adjustment
1693 shall be made for a student who enrolls in a segmented remedial
1694 course delivered online.

1695 (V) A Florida Virtual School full-time equivalent student
1696 shall consist of six full-credit completions or the prescribed
1697 level of content that counts toward promotion to the next grade
1698 in the programs listed in s. 1011.62(1)(c)1. and 3. for students
1699 participating in kindergarten through grade 12 part-time virtual
1700 instruction and the programs listed in s. 1011.62(1)(c) for
1701 students participating in kindergarten through grade 12 full-

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1702 time virtual instruction. Credit completions may be a
1703 combination of full-credit courses or half-credit courses.
1704 Beginning in the 2016-2017 ~~2014-2015~~ fiscal year, ~~when s.~~
1705 ~~1008.22(3)(g) is implemented,~~ the reported full-time equivalent
1706 students and associated funding of students enrolled in courses
1707 requiring passage of an end-of-course assessment under s.
1708 1003.4282 to earn a standard high school diploma shall be
1709 adjusted if after the student does not pass ~~completes~~ the end-
1710 of-course assessment. However, no adjustment shall be made for a
1711 student who enrolls in a segmented remedial course delivered
1712 online.

1713 (VI) Each successfully completed full-credit course earned
1714 through an online course delivered by a district other than the
1715 one in which the student resides shall be calculated as 1/6
1716 FTE.

1717 ~~(VII) Each successfully completed credit earned under the~~
1718 ~~alternative high school course credit requirements authorized in~~
1719 ~~s. 1002.375, which is not reported as a portion of the 900 net~~
1720 ~~hours of instruction pursuant to subparagraph (1)(a)1., shall be~~
1721 ~~calculated as 1/6 FTE.~~

1722 (VII) (VIII) (A) A full-time equivalent student for courses
1723 requiring passage of a statewide, standardized end-of-course
1724 assessment under s. 1003.4282 to earn a standard high school
1725 diploma pursuant to s. 1008.22(3)(c)2.a. shall be defined and
1726 reported based on the number of instructional hours as provided
1727 in this subsection until the 2016-2017 fiscal year ~~for the first~~
1728 ~~3 years of administering the end-of-course assessment.~~ Beginning
1729 in the 2016-2017 fiscal year ~~fourth year of administering the~~

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1730 ~~end-of-course assessment~~, the FTE for the course shall be
1731 assessment-based ~~credit-based~~ and ~~each course~~ shall be equal to
1732 1/6 FTE. The reported FTE shall be adjusted if after the student
1733 does not pass successfully completes the end-of-course
1734 assessment ~~pursuant to s. 1008.22(3)(c)2.a.~~ However, no
1735 adjustment shall be made for a student who enrolls in a
1736 segmented remedial course delivered online.

1737 (VIII) ~~(B)~~ For students enrolled in a school district as a
1738 full-time student, the district may report 1/6 FTE for each
1739 student who passes a statewide, standardized end-of-course
1740 assessment without being enrolled in the corresponding course.

1741 ~~(C) The FTE earned under this sub-sub-subparagraph and any~~
1742 ~~FTE for courses or programs listed in s. 1011.62(1)(c) that do~~
1743 ~~not require passing a statewide, standardized end-of-course~~
1744 ~~assessment are subject to the requirements in subsection (4).~~

1745 2. A student in membership in a program scheduled for more
1746 or less than 180 school days or the equivalent on an hourly
1747 basis as specified by rules of the State Board of Education is a
1748 fraction of a full-time equivalent membership equal to the
1749 number of instructional hours in membership divided by the
1750 appropriate number of hours set forth in subparagraph (a)1.;
1751 however, for the purposes of this subparagraph, membership in
1752 programs scheduled for more than 180 days is limited to students
1753 enrolled in:

1754 a. Juvenile justice education programs.

1755 b. ~~and~~ The Florida Virtual School.

1756 c. Virtual instruction programs and virtual charter
1757 schools pursuant to ss. 1002.45 and 1003.498 for the purpose of

1758 | course completion and credit recovery.

1759 | 3. The department shall determine and implement an
 1760 | equitable method of equivalent funding for experimental schools
 1761 | and for schools operating under emergency conditions, which
 1762 | schools have been approved by the department to operate for less
 1763 | than the minimum school day.

1764 |
 1765 | The full-time equivalent student enrollment calculated under
 1766 | this subsection is subject to the requirements in subsection
 1767 | (4).

1768 | (4) The maximum value for funding a student in
 1769 | kindergarten through grade 12 or in a prekindergarten program
 1770 | for exceptional children as provided in s. 1003.21(1)(e) shall
 1771 | be the sum of the calculations in paragraphs (a), (b), and (c)
 1772 | as calculated by the department ~~is one full-time equivalent~~
 1773 | ~~student membership for a school year or equivalent.~~

1774 | (a) The sum of the student's full-time equivalent student
 1775 | membership value for the school year or the equivalent derived
 1776 | from paragraphs (1)(a) and (b), subparagraph (1)(c)1., sub-
 1777 | subparagraphs (1)(c)2.b. and c., subparagraph (1)(c)3., and
 1778 | subsection (2). If the sum is greater than 1.0, the full-time
 1779 | equivalent student membership value for each program or course
 1780 | shall be reduced by an equal proportion so that the student's
 1781 | total full-time equivalent student membership value is equal to
 1782 | 1.0.

1783 | (b) If the result in paragraph (a) is less than 1.0 full-
 1784 | time equivalent student and the student has full-time equivalent
 1785 | student enrollment pursuant to sub-sub-subparagraph

1786 (1) (c) 1.b. (VIII), calculate an amount that is the lesser of the
 1787 value in sub-sub-paragraph (1) (c) 1.b. (VIII) or the value of
 1788 1.0 less the value in paragraph (a).

1789 (c) The full-time equivalent student enrollment value in
 1790 sub-subparagraph (1) (c) 2.a.

1791 Section 25. Paragraph (i) of subsection (1) of section
 1792 1011.62, Florida Statutes, is amended to read:

1793 1011.62 Funds for operation of schools.—If the annual
 1794 allocation from the Florida Education Finance Program to each
 1795 district for operation of schools is not determined in the
 1796 annual appropriations act or the substantive bill implementing
 1797 the annual appropriations act, it shall be determined as
 1798 follows:

1799 (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR
 1800 OPERATION.—The following procedure shall be followed in
 1801 determining the annual allocation to each district for
 1802 operation:

1803 (i) Calculation of full-time equivalent membership with
 1804 respect to dual enrollment instruction.—Students enrolled in
 1805 dual enrollment instruction pursuant to s. 1007.271 may be
 1806 included in calculations of full-time equivalent student
 1807 memberships for basic programs for grades 9 through 12 by a
 1808 district school board. Instructional time for dual enrollment
 1809 may vary from 900 hours; however, the full-time equivalent
 1810 student membership value shall be subject to the provisions in
 1811 ~~school district may only report the student for a maximum of 1.0~~
 1812 ~~full-time equivalent student membership, as provided in s.~~
 1813 1011.61(4). Dual enrollment full-time equivalent student

1814 membership shall be calculated in an amount equal to the hours
1815 of instruction that would be necessary to earn the full-time
1816 equivalent student membership for an equivalent course if it
1817 were taught in the school district. Students in dual enrollment
1818 courses may also be calculated as the proportional shares of
1819 full-time equivalent enrollments they generate for a Florida
1820 College System institution or university conducting the dual
1821 enrollment instruction. Early admission students shall be
1822 considered dual enrollments for funding purposes. Students may
1823 be enrolled in dual enrollment instruction provided by an
1824 eligible independent college or university and may be included
1825 in calculations of full-time equivalent student memberships for
1826 basic programs for grades 9 through 12 by a district school
1827 board. However, those provisions of law which exempt dual
1828 enrolled and early admission students from payment of
1829 instructional materials and tuition and fees, including
1830 laboratory fees, shall not apply to students who select the
1831 option of enrolling in an eligible independent institution. An
1832 independent college or university which is located and chartered
1833 in Florida, is not for profit, is accredited by the Commission
1834 on Colleges of the Southern Association of Colleges and Schools
1835 or the Accrediting Council for Independent Colleges and Schools,
1836 and confers degrees as defined in s. 1005.02 shall be eligible
1837 for inclusion in the dual enrollment or early admission program.
1838 Students enrolled in dual enrollment instruction shall be exempt
1839 from the payment of tuition and fees, including laboratory fees.
1840 No student enrolled in college credit mathematics or English
1841 dual enrollment instruction shall be funded as a dual enrollment

1842 unless the student has successfully completed the relevant
 1843 section of the entry-level examination required pursuant to s.
 1844 1008.30.

1845 Section 26. Section 1011.622, Florida Statutes, is created
 1846 to read:

1847 1011.622 Adjustments for students without a common student
 1848 identifier.—For a student without a common student identifier
 1849 who transfers from a public school district or the Florida
 1850 Virtual School to another public school district or the Florida
 1851 Virtual School, the Department of Education shall decrease the
 1852 Florida Education Finance Program funds from the district or the
 1853 Florida Virtual School which the student attended prior to the
 1854 transfer.

1855 Section 27. Subsection (10) of section 1011.80, Florida
 1856 Statutes, is amended to read:

1857 1011.80 Funds for operation of workforce education
 1858 programs.—

1859 (10) A high school student dually enrolled under s.
 1860 1007.271 in a workforce education program operated by a Florida
 1861 College System institution or school district career center
 1862 generates the amount calculated for workforce education funding,
 1863 including any payment of performance funding, and the
 1864 proportional share of full-time equivalent enrollment generated
 1865 through the Florida Education Finance Program for the student's
 1866 enrollment in a high school. If a high school student is dually
 1867 enrolled in a Florida College System institution program,
 1868 including a program conducted at a high school, the Florida
 1869 College System institution earns the funds generated for

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1870 workforce education funding, and the school district earns the
1871 proportional share of full-time equivalent funding from the
1872 Florida Education Finance Program. If a student is dually
1873 enrolled in a career center operated by the same district as the
1874 district in which the student attends high school, that district
1875 earns the funds generated for workforce education funding and
1876 also earns the proportional share of full-time equivalent
1877 funding from the Florida Education Finance Program. If a student
1878 is dually enrolled in a workforce education program provided by
1879 a career center operated by a different school district, the
1880 funds must be divided between the two school districts
1881 proportionally from the two funding sources. A student may not
1882 be reported for funding in a dual enrollment workforce education
1883 program unless the student has completed the basic skills
1884 assessment pursuant to s. 1004.91. A student who is coenrolled
1885 in a K-12 education program and an adult education program may
1886 ~~not~~ be reported for purposes of funding in an adult education
1887 program if the student is, ~~except that for the 2011-2012 and~~
1888 ~~2012-2013 fiscal years, students who are coenrolled in core~~
1889 ~~curricula courses for credit recovery or dropout prevention~~
1890 ~~purposes and~~ does ~~de~~ not have a pattern of excessive absenteeism
1891 or habitual truancy or a history of disruptive behavior in
1892 school, and the student may be reported for funding for up to
1893 two courses per year ~~student~~. Such a student is ~~students are~~
1894 exempt from the payment of the block tuition for adult general
1895 education programs provided in s. 1009.22(3)(c). The Department
1896 of Education shall develop a list of courses to be designated as
1897 core curricula courses for the purposes of coenrollment.

1898 Section 28. Section 1011.815, Florida Statutes, is created
 1899 to read:

1900 1011.815 Guidelines for general funds.—

1901 (1) Each Florida College System institution shall maintain
 1902 a general fund ending fund balance that is sufficient to address
 1903 normal contingencies and to meet the requirements in s.

1904 1011.84(3)(e).

1905 (2) If at any time the unencumbered portion of the general
 1906 fund's ending fund balance in the institution's approved
 1907 operating budget is projected to fall below 3 percent of the
 1908 projected general fund revenues during the current fiscal year,
 1909 the president of the institution shall provide written
 1910 notification to the State Board of Education and the Chancellor
 1911 of the Florida College System.

1912 (3) If at any time the unencumbered portion of the general
 1913 fund's ending fund balance in the institution's approved
 1914 operating budget is projected to fall below 2 percent of
 1915 projected general fund revenues during the current fiscal year,
 1916 the president of the institution shall provide written
 1917 notification to the State Board of Education and the Chancellor
 1918 of the Florida College System. Within 14 days after receiving
 1919 such notification, if the chancellor determines that the
 1920 institution does not have a plan that is reasonably anticipated
 1921 to avoid a financial emergency as determined pursuant to s.
 1922 218.503, the chancellor shall appoint a financial emergency
 1923 board that shall operate under the requirements, powers, and
 1924 duties specified in s. 218.503(3)(g).

1925 Section 29. Subsection (4) of section 1012.885, Florida

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1926 Statutes, is amended to read:

1927 1012.885 Remuneration of Florida College System
 1928 institution presidents; limitations.—

1929 (4) LIMITATION ON REMUNERATION.—Notwithstanding the
 1930 provisions of this section, ~~for the 2012-2013 fiscal year,~~ a
 1931 Florida College System institution president may not receive
 1932 more than \$200,000 in remuneration from appropriated state
 1933 funds. Only compensation, as defined in s. 121.021(22), provided
 1934 to a Florida College System institution president may be used in
 1935 calculating benefits under chapter 121.

1936 Section 30. Effective upon this act becoming a law,
 1937 subsection (4) of section 1012.886, Florida Statutes, is amended
 1938 to read:

1939 1012.886 Remuneration of Florida College System
 1940 institution administrative employees; limitations.—

1941 ~~(4) EXPIRATION. This section expires June 30, 2013.~~

1942 Section 31. Subsection (4) of section 1012.975, Florida
 1943 Statutes, is amended to read:

1944 1012.975 Remuneration of state university presidents;
 1945 limitations.—

1946 (4) LIMITATION ON REMUNERATION.—Notwithstanding the
 1947 provisions of this section, ~~for the 2012-2013 fiscal year,~~ a
 1948 state university president may not receive more than \$200,000 in
 1949 remuneration from public funds. Only compensation, as defined in
 1950 s. 121.021(22), provided to a state university president may be
 1951 used in calculating benefits under chapter 121.

1952 Section 32. Effective upon this act becoming a law,
 1953 subsection (4) of section 1012.976, Florida Statutes, is amended

1954 to read:

1955 1012.976 Remuneration of state university administrative
 1956 employees; limitations.—

1957 ~~(4) EXPIRATION. This section expires June 30, 2013.~~

1958 Section 33. Notwithstanding s. 411.01, Florida Statutes,
 1959 school readiness program eligibility and enrollment shall be as
 1960 follows:

1961 (1) Effective August 1, 2013, or upon reevaluation of
 1962 eligibility for children currently served, whichever is later,
 1963 each early learning coalition shall give priority for
 1964 participation in the school readiness program as follows:

1965 (a) Priority shall be given first to a child younger than
 1966 13 years of age from a working family that includes a parent
 1967 receiving temporary cash assistance under chapter 414, Florida
 1968 Statutes, and subject to the federal work requirements or a
 1969 parent who transitions from the work program into employment as
 1970 described in s. 445.032, Florida Statutes.

1971 (b) Priority shall be given next to an at-risk child
 1972 younger than 9 years of age.

1973 (c) Priority shall be given next to a child from birth to
 1974 the beginning of the school year for which the child is eligible
 1975 for admission to kindergarten in a public school under s.
 1976 1003.21(1)(a)2., Florida Statutes, from a working family that is
 1977 economically disadvantaged. However, the child ceases to be
 1978 eligible if his or her family income exceeds 200 percent of the
 1979 federal poverty level.

1980 (d) Priority shall be given next to an at-risk child who
 1981 is at least 9 years of age but younger than 13 years of age. An

1982 at-risk child whose sibling is enrolled in the school readiness
 1983 program within an eligibility priority category listed in
 1984 paragraphs (a)-(c) shall be given priority over other children
 1985 who are eligible under this paragraph.

1986 (e) Priority shall be given next to a child who has
 1987 special needs, has been determined eligible as a student with
 1988 disabilities, has a current individual education plan with a
 1989 Florida school district, and is not younger than 3 years of age.
 1990 A special needs child eligible under this paragraph remains
 1991 eligible until the child is eligible for admission to
 1992 kindergarten in a public school under s. 1003.21(1)(a)2.

1993 (f) Priority shall be given next to a child who is younger
 1994 than 13 years of age from a working family that is economically
 1995 disadvantaged. A child who is eligible under this paragraph
 1996 whose sibling is enrolled in the school readiness program under
 1997 paragraph (c) shall be given priority over other children who
 1998 are eligible under this paragraph.

1999 (g) Notwithstanding paragraphs (a)-(d), priority shall be
 2000 given last to a child who otherwise meets one of the eligibility
 2001 criteria in paragraphs (a)-(d) but who is also enrolled
 2002 concurrently in the federal Head Start Program and the Voluntary
 2003 Prekindergarten Education Program.

2004 (2) A school readiness provider may be paid only for
 2005 authorized hours of care provided for a child in the school
 2006 readiness program. A child enrolled in the Voluntary
 2007 Prekindergarten Education Program may receive care from the
 2008 school readiness program if the child is eligible according to
 2009 the eligibility priorities in this section.

2010 (3) An early learning coalition shall enroll all eligible
2011 children, including those from its uniform waiting list,
2012 according to the eligibility priorities in this section.

2013 (4) The parent of a child enrolled in the school readiness
2014 program must notify the early learning coalition or its designee
2015 within 10 days after any change in employment, income, or family
2016 size. Upon notification by the parent, the child's eligibility
2017 must be reevaluated.

2018 (5) A child whose eligibility priority category requires
2019 the child to be from a working family ceases to be eligible for
2020 the school readiness program if a parent with whom the child
2021 resides does not reestablish employment within 30 days after
2022 becoming unemployed.

2023 (6) Eligibility for each child must be reevaluated
2024 annually. Upon reevaluation, a child may not continue to receive
2025 school readiness services if he or she ceases to be eligible
2026 under this subsection.

2027 (7) If a coalition disenrolls children from the school
2028 readiness program, the coalition must disenroll the children in
2029 reverse order of the eligibility priorities listed in subsection
2030 (1), beginning with children from families with the highest
2031 family incomes. A notice of disenrollment must be sent to
2032 parents and school readiness providers at least 2 weeks before
2033 disenrollment to provide adequate time for parents to arrange
2034 alternative care for their children. However, an at-risk child
2035 may not be disenrolled from the program without the written
2036 approval of the Family Safety Program Office of the Department
2037 of Children and Families or the community-based lead agency.

2038 (8) If a child is absent from the program for 5
 2039 consecutive days without parental notification to the program of
 2040 such absences, the school readiness provider shall report the
 2041 absences to the early learning coalition for a determination of
 2042 the need for continued care.

2043 (9) Notwithstanding s. 39.604, Florida Statutes, a school
 2044 readiness provider, regardless of whether the provider is
 2045 licensed, shall comply with the reporting requirements of the
 2046 Rilya Wilson Act for each at-risk child under the age of school
 2047 entry enrolled in the school readiness program.

2048 Section 34. (1) Notwithstanding s. 411.01, Florida
 2049 Statutes, funding for the school readiness program shall be
 2050 allocated among the early learning coalitions in accordance with
 2051 this section and the General Appropriations Act.

2052 (2) The Division of Early Learning shall administer school
 2053 readiness funds and shall prepare and submit a unified budget
 2054 request for the school readiness system in accordance with
 2055 chapter 216, Florida Statutes.

2056 (3) All instructions to early learning coalitions for
 2057 administering this section shall emanate from the Division of
 2058 Early Learning in accordance with the policies of the
 2059 Legislature.

2060 (4) All cost savings and all revenues received through a
 2061 mandatory sliding fee scale shall be used to increase the number
 2062 of children served.

2063 (5) All state, federal, and required local maintenance-of-
 2064 effort or matching funds provided to an early learning coalition
 2065 for purposes of this section shall be used for implementation of

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2066 its approved school readiness plan, including the hiring of
2067 staff to effectively operate the coalition's school readiness
2068 program.

2069 (6) Costs shall be kept to the minimum necessary for the
2070 efficient and effective administration of the school readiness
2071 program with the highest priority of expenditure being direct
2072 services for eligible children. However, no more than 5 percent
2073 of the funds described in subsection (5) may be used for
2074 administrative costs, and, except as otherwise specified in the
2075 General Appropriations Act, no more than 18 percent of the funds
2076 described in subsection (5) may be used for any combination of
2077 administrative costs, quality activities, and nondirect services
2078 as follows:

2079 (a) Administrative costs as described in 45 C.F.R. s.
2080 98.52.

2081 (b) Activities to improve the quality of child care as
2082 described in 45 C.F.R. s. 98.51, which shall be limited to the
2083 following:

2084 1. Developing, establishing, expanding, operating, and
2085 coordinating resource and referral programs specifically related
2086 to the provision of comprehensive consumer education to parents
2087 and the public regarding participation in the school readiness
2088 program.

2089 2. Awarding grants to school readiness providers to assist
2090 them in meeting applicable state requirements for child care
2091 performance standards, implementing developmentally appropriate
2092 curricula and related classroom resources that support

2093 | curricula, providing literacy supports, and providing
 2094 | professional development.

2095 | 3. Providing training and technical assistance for school
 2096 | readiness providers, staff, and parents on child performance
 2097 | standards, child screenings, child assessments, developmentally
 2098 | appropriate curricula, character development, teacher-child
 2099 | interactions, age-appropriate discipline practices, health and
 2100 | safety, nutrition, first aid, the recognition of communicable
 2101 | diseases, and child abuse detection and prevention.

2102 | 4. From among the funds provided for the activities
 2103 | described in subparagraphs 1.-3., providing adequate funding for
 2104 | infants and toddlers as necessary to meet federal requirements
 2105 | related to expenditures for quality activities for infant and
 2106 | toddler care.

2107 | 5. Monitoring providers using a standardized methodology
 2108 | adopted by the Department of Education to improve compliance
 2109 | with state and federal regulations and law pursuant to the
 2110 | requirements of the statewide provider contract adopted by the
 2111 | department.

2112 | 6. Assisting the provider in implementing a pre-assessment
 2113 | and post-assessment.

2114 | 7. Responding to Warm-Line requests by providers and
 2115 | parents related to school readiness children, including
 2116 | providing developmental and health screenings to school
 2117 | readiness children.

2118 | (c) Nondirect services as described in 63 Fed. Reg. 39962-
 2119 | 39963 (July 24, 1998) and applicable Office of Management and

2120 Budget instructions required to administer the school readiness
 2121 program. Such services include, but are not limited to:
 2122 1. Assisting families to complete the required application
 2123 and eligibility documentation.
 2124 2. Determining child and family eligibility.
 2125 3. Recruiting eligible child care providers.
 2126 4. Processing and tracking attendance records.
 2127 5. Developing and maintaining a statewide childcare
 2128 information system.

2129
 2130 As used in this paragraph, the term "nondirect services" does
 2131 not include payments to school readiness providers for direct
 2132 services provided to children who are eligible under subsection
 2133 (1) of section 37 of this act, administrative costs described in
 2134 paragraph (a), or quality activities described in paragraph (b).

2135 (7) State funds appropriated for the school readiness
 2136 program may not be used for the construction of new facilities
 2137 or the purchase of buses.

2138 (8) Beginning in the 2014-2015 fiscal year, all state-
 2139 appropriated funding for the school readiness program shall be
 2140 allocated to early learning coalitions based on the average
 2141 prior year enrollment and the uniform waiting list as adopted by
 2142 the Early Learning Programs Estimating Conference pursuant to s.
 2143 216.136(8), Florida Statutes, and using the average market rate
 2144 by program care level and provider type pursuant to section 39
 2145 of this act.

2146 Section 35. Notwithstanding s. 411.01013, Florida
 2147 Statutes, the school readiness market rate schedule shall be

2148 implemented as follows:

2149 (1) As used in this section, the term:

2150 (a) "Average market rate" means the biannually determined
2151 average of the market rate by program care level and provider
2152 type in a predetermined geographic market.

2153 (b) "Market rate" means the price that a child care
2154 provider charges for daily, weekly, or monthly child care
2155 services.

2156 (2) The Division of Early Learning shall establish
2157 procedures for the adoption of a market rate schedule. The
2158 schedule must include, at a minimum, county-by-county rates:

2159 (a) The market rate, including the minimum and the maximum
2160 rates for child care providers that hold a Gold Seal Quality
2161 Care designation under s. 402.281, Florida Statutes.

2162 (b) The market rate for child care providers that do not
2163 hold a Gold Seal Quality Care designation.

2164 (3) The market rate schedule, at a minimum, must:

2165 (a) Differentiate rates by type, including, but not
2166 limited to, a child care provider that holds a Gold Seal Quality
2167 Care designation under s. 402.281, Florida Statutes, a child
2168 care facility licensed under s. 402.305, Florida Statutes, a
2169 public or nonpublic school exempt from licensure under s.
2170 402.3025, Florida Statutes, a faith-based child care facility
2171 exempt from licensure under s. 402.316, Florida Statutes, that
2172 does not hold a Gold Seal Quality Care designation, a large
2173 family child care home licensed under s. 402.3131, Florida
2174 Statutes, or a family day care home licensed or registered under
2175 s. 402.313, Florida Statutes.

2176 (b) Differentiate rates by the type of child care services
 2177 provided for children with special needs or risk categories,
 2178 infants, toddlers, preschool-age children, and school-age
 2179 children.

2180 (c) Differentiate rates between full-time and part-time
 2181 child care services.

2182 (d) Consider discounted rates for child care services for
 2183 multiple children in a single family.

2184 (4) The market rate schedule must be based exclusively on
 2185 the prices charged for child care services.

2186 (5) The market rate schedule shall be considered by an
 2187 early learning coalition in the adoption of a payment schedule.
 2188 The payment schedule must take into consideration the average
 2189 market rate, include the projected number of children to be
 2190 served, and be submitted for approval by the Division of Early
 2191 Learning. Informal child care arrangements shall be reimbursed
 2192 at not more than 50 percent of the rate adopted for a family day
 2193 care home.

2194 (6) The Division of Early Learning may contract with one
 2195 or more qualified entities to administer this section and
 2196 provide support and technical assistance for child care
 2197 providers.

2198 (7) The Division of Early Learning may adopt rules for
 2199 establishing procedures for the collection of child care
 2200 providers' market rate, the calculation of the average market
 2201 rate by program care level and provider type in a predetermined
 2202 geographic market, and the publication of the market rate
 2203 schedule.

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2204 Section 36. Notwithstanding the required review by the
2205 Legislative Budget Commission pursuant to s. 1003.03(4)(c),
2206 Florida Statutes, for the 2012-2013 fiscal year, the alternate
2207 compliance calculation amounts to the class size operating
2208 categorical fund authorized by s. 1003.03(4)(c), Florida
2209 Statutes, shall be the reduction calculation required by s.
2210 1003.03(4), Florida Statutes. The Commissioner of Education
2211 shall modify payments to school districts as required by s.
2212 1003.03(4), Florida Statutes, for the 2012-2013 fiscal year.
2213 This section shall take effect upon this act becoming a law.

2214 Section 37. Except as otherwise expressly provided in this
2215 act and except for this section, which shall take effect upon
2216 this act becoming a law, this act shall take effect July 1,
2217 2013.