

By Senator Flores

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1 A bill to be entitled
2 An act relating to education fiscal accountability;
3 amending s. 1008.02, F.S.; defining the terms "core
4 operating expenditure," "fiscal peers," and "return-
5 on-investment rating"; amending s. 1008.34, F.S.;
6 requiring school report cards to include school and
7 school district return-on-investment ratings;
8 requiring the Commissioner of Education to establish a
9 statewide education return-on-investment rating to
10 evaluate the extent to which schools and school
11 districts are using financial resources to improve
12 student achievement; requiring the commissioner to
13 assign and publish return-on-investment ratings;
14 requiring each public school to provide a link to the
15 department's posting of the return-on-investment
16 ratings on the school's website and to post a copy of
17 its most recent return-on-investment rating; requiring
18 the commissioner to provide the ordinal return-on-
19 investment rating of the school and the school
20 district in each school report card; requiring the
21 commissioner to make every attempt to use aggregate
22 student data that is already collected; amending s.
23 1011.69, F.S.; creating the Schoolhouse Funding Pilot
24 Program within the Department of Education; defining
25 terms; providing a procedure for a public school to
26 participate in the pilot program; requiring the
27 principal of each pilot school to participate in a
28 professional development program; providing training
29 requirements for the program; requiring pilot schools

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30 to participate in the student assessment program;
31 requiring the Department of Education to conduct a
32 return on investment measurement on each pilot school;
33 providing funding for students enrolled in pilot
34 schools; requiring a school district to provide
35 certain specified administrative and educational
36 services to pilot schools; requiring a school district
37 to provide student performance data to a pilot school
38 in the same manner as it provides that data to other
39 public schools; providing for the total administrative
40 fee for the specified services; providing for employee
41 selection, collective bargaining, and leave;
42 authorizing teachers of a pilot school to be part of a
43 specified professional group; requiring a teacher at a
44 pilot school to be certified; authorizing a pilot
45 school to employ or contract with certain personnel to
46 provide instructional services; prohibiting a pilot
47 school from employing certain individuals; requiring a
48 pilot school to employ or contract with employees who
49 have undergone background screening; requiring a pilot
50 school to disqualify instructional personnel and
51 school administrators from employment under certain
52 circumstances; requiring a pilot school to adopt
53 policies that establish standards of ethical conduct
54 for instructional personnel and school administrators;
55 prohibiting a pilot school, or any of its employees,
56 from entering into a confidentiality agreement
57 regarding employees who resigned or who were
58 terminated or dismissed; requiring a pilot school to

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59 conduct employment history checks, screen certain
60 employees, and document findings under certain
61 circumstances; amending ss. 1003.621 and 1011.64,
62 F.S.; conforming a cross-reference; providing an
63 effective date.

64

65 Be It Enacted by the Legislature of the State of Florida:

66

67 Section 1. Section 1008.02, Florida Statutes, is amended to
68 read:

69 1008.02 Definitions.—As used in this chapter, the term:

70 (1) "Core operating expenditure" means the expenditure of
71 general and special revenue funds, in accordance with the
72 uniform chart of accounts included in the publication "Financial
73 and Program Cost Accounting and Reporting for Florida Schools,"
74 in the functional categories of instruction and instructional
75 support services and in the object categories of salaries,
76 employee benefits, purchased services, and materials and
77 supplies. The Commissioner of Education may classify other
78 expenditures, funds, and functional and object categories as
79 core operating expenditures.

80 (2)~~(1)~~ "Developmental education" means instruction through
81 which a high school graduate who applies for any college credit
82 program may attain the communication and computation skills
83 necessary to successfully complete college credit instruction.
84 Developmental education may be delivered through a variety of
85 accelerated and corequisite strategies and includes any of the
86 following:

87 (a) Modularized instruction that is customized and targeted

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88 to address specific skills gaps.

89 (b) Compressed course structures that accelerate student
90 progression from developmental instruction to college-level
91 coursework.

92 (c) Contextualized developmental instruction that is
93 related to meta-majors.

94 (d) Corequisite developmental instruction or tutoring that
95 supplements credit instruction while a student is concurrently
96 enrolled in a credit-bearing course.

97 (3) "Fiscal peers" means public schools and school
98 districts that are of similar size and have similar average
99 total cost-per-student funding in the Florida Education Finance
100 Program, as determined by the commissioner. At a minimum, the
101 commissioner shall take into consideration the following
102 factors:

103 (a) The Florida Price Level Index.

104 (b) School size.

105 (c) Student program cost factors.

106 (d) Geography.

107 (4)~~(2)~~ "Gateway course" means the first course that
108 provides transferable, college-level credit allowing a student
109 to progress in his or her program of study.

110 (5)~~(3)~~ "Meta-major" means a collection of programs of study
111 or academic discipline groupings that share common foundational
112 skills.

113 (6) "Return-on-investment rating" or "ROI rating" means a
114 calculation developed by the commissioner which results in an
115 annual rating for a public school and a school district that
116 displays to the public the extent by which core operating

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117 expenditures have been used to positively impact student
118 achievement. Ratings are assigned based on spending and
119 achievement relative to a school's fiscal peers or a school
120 district's fiscal peers. Measures of student achievement
121 include, but are not limited to, student learning gains
122 identified in s. 1008.34.

123 Section 2. Subsection (5) of section 1008.34, Florida
124 Statutes, is amended, present subsections (6) through (8) are
125 redesignated as subsections (7) through (9), respectively, and a
126 new subsection (6) is added to that section, to read:

127 1008.34 School grading system; school report cards;
128 district grade.—

129 (5) SCHOOL REPORT CARD.—The Department of Education shall
130 annually develop, in collaboration with the school districts, a
131 school report card to be provided by the school district to
132 parents within the district. The report card must ~~shall~~ include
133 the school's grade, information regarding school improvement, an
134 explanation of school performance as evaluated by the federal
135 Elementary and Secondary Education Act (ESEA), 20 U.S.C. ss.
136 6301 et seq., and indicators of return on investment as provided
137 in subsection (6). Each school's report card shall be published
138 annually by the department on its website.

139 (6) RETURN-ON-INVESTMENT (ROI) RATING.—

140 (a) By January 31, 2015, the commissioner shall establish a
141 statewide education ROI rating. The ROI rating evaluates the
142 extent to which public schools, public charter schools, and
143 school districts are using their financial resources in a cost-
144 effective manner to improve or sustain student achievement. The
145 ROI rating must place the most weight on matrices that are

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146 designed to measure how dollars are being used to increase
147 student achievement. Student achievement is, at a minimum,
148 defined as annual student learning gains pursuant to this
149 section.

150 (b) The commissioner shall determine fiscal peers for each
151 public school and school district. Each ROI rating shall be
152 calculated relative to the performance of the fiscal peers of
153 the school or school district.

154 (c) The commissioner shall assign ROI ratings in a
155 sortable, easy-to-understand format that allows for comparisons
156 among school districts, public schools, public charter schools,
157 and fiscal peers. The commissioner shall publish ratings on the
158 Department of Education's website when school report cards are
159 made publicly available. Each public school shall provide a link
160 to this information on its website and annually post a copy of
161 its most recent rating in a visible location.

162 (d) Beginning with the 2015-2016 school year, the
163 commissioner shall provide the ordinal ROI rating of the public
164 school and the school district in each school report card.

165 (e) The commissioner shall make every attempt to use
166 aggregated student data that is already being collected from
167 public schools to develop the ROI rating, including, but not
168 limited to, data from:

169 1. School report cards issued under this section.

170 2. Accountability measures, including the annual school
171 public accountability report required by ss. 1001.42(18) and
172 1008.345.

173 3. Profiles of school districts pursuant to ss. 1010.20 and
174 1011.60.

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175 4. The state's program cost reporting system.
176 Section 3. Subsection (5) is added to section 1011.69,
177 Florida Statutes, to read:
178 1011.69 Equity in School-Level Funding Act.—
179 (5) Subject to annual appropriation in the General
180 Appropriations Act, the Schoolhouse Funding Pilot Program is
181 created within the Department of Education for the purpose of
182 evaluating the increased authority of principals over school
183 budgets and human capital decisions in providing an increased
184 return on investment based on student achievement.
185 (a) Definitions.—As used in this subsection, the term:
186 1. "Pilot program" means the Schoolhouse Funding Pilot
187 Program.
188 2. "Pilot school" means a public school that is accepted
189 and participates in the pilot program.
190 (b) Participating pilot schools.—Beginning in the 2014-2015
191 fiscal year, unless otherwise specified in the General
192 Appropriations Act, a public school may notify the Commissioner
193 of Education in writing of its intent to participate in the
194 pilot program as a pilot school. The school's letter must
195 include documentation of support from the superintendent of the
196 school district that the school is located in. The commissioner
197 shall accept on a first-come, first-served basis, in the order
198 in which the school's letter of intent is received, up to 13
199 schools, as follows:
200 1. Four high schools, at least one of which must be located
201 in a small or rural district.
202 2. Four middle schools, at least one of which must be
203 located in a small or rural district.

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204 3. Five elementary schools, at least two of which must be
205 located in small or rural districts.

206 (c) *Principal professional development.*—The principal of a
207 pilot school shall participate in a professional development
208 program for principals, as provided in the General
209 Appropriations Act. The professional development program must
210 include leadership training that focuses on all of the
211 following:

212 1. Improving student achievement.

213 2. Aligning standards, assessment, curriculum, and
214 instruction.

215 3. Using data to drive instruction.

216 4. Using best financial management practices to drive
217 student achievement.

218 (d) *Assessment and accountability.*—

219 1. A pilot school shall participate in the student
220 assessment program for public schools under s. 1008.22 and is
221 subject to the school grading system under s. 1008.34.

222 2. The department shall measure the return on investment of
223 each school upon its acceptance into the pilot program and
224 annually thereafter by January 31 in accordance with s.
225 1008.34(6).

226 (e) *Funding.*—A student enrolled in a pilot school shall be
227 funded as if the student were in a basic program or a special
228 program at any other public school within the school district.

229 1. A pilot school shall report its student enrollment to
230 the district as required in s. 1011.62. The district shall
231 include each pilot school's enrollment in the district's report
232 of student enrollment. In submitting student record information

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233 required by the Department of Education, a pilot school shall
234 comply with the department's guidelines for electronic data
235 formats. Each district shall accept electronic data that
236 complies with the department's electronic format.

237 2. The amount of funding for students enrolled in a pilot
238 school shall be the sum of the school district's operating funds
239 from the Florida Education Finance Program as provided in s.
240 1011.62 and the General Appropriations Act, including gross
241 state and local funds, discretionary lottery funds, and funds
242 from the school district's current operating discretionary
243 millage levy; divided by total funded weighted full-time
244 equivalent students in the school district; multiplied by the
245 weighted full-time equivalent students for the pilot school.
246 Pilot schools whose students or programs meet the eligibility
247 criteria in law shall be entitled to their proportionate share
248 of categorical program funds included in the total funds
249 available in the Florida Education Finance Program made
250 available by the Legislature, including transportation if
251 applicable. Total funding for each pilot school shall be
252 recalculated during the year to reflect the revised calculations
253 under the Florida Education Finance Program by the state and the
254 actual weighted full-time equivalent students reported by the
255 pilot school during the full-time equivalent student survey
256 periods designated by the Commissioner of Education.

257 3. If the district school board is providing programs or
258 services to students funded by federal funds, any eligible
259 student enrolled in a pilot school in the school district shall
260 be provided federal funds at the same level as is provided to
261 students in the schools operated by the district school board.

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262 Pursuant to the federal Elementary and Secondary Education Act
263 (ESEA), 20 U.S.C. ss. 7221-7225g, each pilot school shall
264 receive all federal funding for which the school is otherwise
265 eligible, including Title I funding, no later than 5 months
266 after the pilot school begins the pilot program and within 5
267 months after any subsequent expansion of enrollment. Unless
268 otherwise mutually agreed to by the pilot school and the
269 district, and consistent with state and federal rules and
270 regulations governing the use and disbursement of federal funds,
271 the district shall reimburse the pilot school on a monthly basis
272 for all invoices submitted by the pilot school using federal
273 funds available to the district for the benefit of the pilot
274 school, the pilot school's students, and the pilot school's
275 students as public school students in the school district. Such
276 federal funds include, but are not limited to, Title I, Title
277 II, and Individuals with Disabilities Education Act (IDEA)
278 funds. To receive timely reimbursement for an invoice, the pilot
279 school must submit the invoice to the district at least 30 days
280 before the monthly date of reimbursement set by the district. In
281 order to be reimbursed, any expenditures made by the pilot
282 school must comply with all applicable state rules and federal
283 regulations, including, but not limited to, the applicable
284 federal Office of Management and Budget circulars; the
285 regulations of the United States Department of Education; and
286 program-specific statutes, rules, and regulations. Such funds
287 may not be made available to the pilot school until a plan is
288 submitted to the district for approval of the use of the funds
289 in accordance with applicable federal requirements. The district
290 has 30 days to review and approve any plan submitted pursuant to

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291 this subparagraph.

292 4. Each district school board shall make timely and
293 efficient payment and reimbursement to pilot schools and shall
294 process paperwork required to access special state and federal
295 funding for which they may be eligible. The district school
296 board may distribute funds to a pilot school for up to 3 months
297 based on the projected full-time equivalent student membership
298 of the pilot school. Thereafter, the results of full-time
299 equivalent student membership surveys shall be used in adjusting
300 the amount of funds distributed monthly to the pilot school for
301 the remainder of the fiscal year. The payment shall be issued no
302 later than 10 working days after the district school board
303 receives a distribution of state or federal funds. If a warrant
304 for payment is not issued within 10 working days after receipt
305 of funding by the district school board, the school district
306 shall pay to the pilot school, in addition to the amount of the
307 scheduled disbursement, interest at a rate of 1 percent per
308 month calculated on a daily basis on the unpaid balance from the
309 expiration of the 10 working days until such time as the warrant
310 is issued.

311 (f) Services.-

312 1. A district shall provide certain administrative and
313 educational services to pilot schools. These services must
314 include contract management services; full-time equivalent and
315 data reporting services; exceptional student education
316 administrative services; services related to eligibility and
317 reporting duties required to ensure that school lunch services
318 under the federal lunch program, consistent with the needs of
319 the pilot school, are provided by the school district at the

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320 request of the pilot school, that any funds due to the pilot
321 school under the federal lunch program be paid to the pilot
322 school if the pilot school begins serving food under the federal
323 lunch program, and that the pilot school is paid at the same
324 time and in the same manner under the federal lunch program as
325 other public schools serviced by the district or the school
326 district; test administration services, including payment of the
327 costs of state-required or district-required student
328 assessments; processing of teacher certificate data services;
329 and information services, including equal access to student
330 information systems that are used by public schools in the
331 district in which the pilot school is located. Student
332 performance data for each student in a pilot school, including,
333 but not limited to, statewide test scores, standardized test
334 scores, previous public school student report cards, and student
335 performance measures, shall be provided by the district to a
336 pilot school in the same manner as they are provided to other
337 public schools in the district.

338 2. A total administrative fee for the provision of such
339 services shall be calculated based upon up to 5 percent of the
340 available funds defined in paragraph (e) for all students,
341 except that if 75 percent or more of the students enrolled in
342 the pilot school are exceptional students as defined in s.
343 1003.01(3), the 5 percent of those available funds shall be
344 calculated based on unweighted full-time equivalent students.
345 However, a district may only withhold up to a 5-percent
346 administrative fee for enrollment for 250 students or less.

347 (g) Employees of pilot schools.-

348 1. A pilot school shall select its own employees. A pilot

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349 school may contract with its district for the services of
350 personnel who are employed by the district.

351 2. A pilot school employee has the option to bargain
352 collectively. Such employee may collectively bargain as a
353 separate unit or as part of the existing district collective
354 bargaining unit.

355 3. An employee of a pilot school shall remain a public
356 employee for all purposes unless he or she chooses not to do so.

357 4. Teachers at a pilot school may choose to be part of a
358 professional group that subcontracts with the pilot school to
359 operate an instructional program under the auspices of a
360 partnership or cooperative that the teachers collectively own.
361 Under this arrangement, the teachers would not be public
362 employees.

363 5. An employee of a school district may take leave to
364 accept employment in a pilot school upon the approval of the
365 district school board. While employed by the pilot school and on
366 leave that is approved by the district school board, the
367 employee may retain seniority accrued in that school district
368 and may continue to be covered by the benefit programs of that
369 school district if the pilot school and the district school
370 board agree to this arrangement and its financing. A school
371 district may not require the resignation of a teacher who
372 desires to teach in a pilot school. This subparagraph does not
373 prohibit a district school board from approving alternative
374 leave arrangements consistent with chapter 1012.

375 6. A teacher who is employed by or under contract to a
376 pilot school must be certified as required under chapter 1012. A
377 pilot school may employ or contract with skilled selected

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378 noncertified personnel to provide instructional services or to
379 assist instructional staff members as education
380 paraprofessionals in the same manner as defined in chapter 1012
381 and as provided by State Board of Education rule. A pilot school
382 may not knowingly employ an individual to provide instructional
383 services or to serve as an education paraprofessional if the
384 individual's certification or licensure as an educator is
385 suspended or revoked by this state or any other state. A pilot
386 school may not knowingly employ an individual who has resigned
387 from a school district in lieu of disciplinary action with
388 respect to child welfare or safety or who has been dismissed for
389 just cause by any school district with respect to child welfare
390 or safety. The qualifications of teachers shall be disclosed to
391 parents.

392 7.a. A pilot school shall employ or contract with employees
393 who have undergone background screening as provided in s.
394 1012.32.

395 b. A pilot school shall disqualify instructional personnel
396 and school administrators, as defined in s. 1012.01, from
397 employment in any position that requires direct contact with
398 students if the personnel or administrators are ineligible for
399 such employment under s. 1012.315.

400 c. The pilot school shall adopt policies establishing
401 standards of ethical conduct for instructional personnel and
402 school administrators. The policies must require all
403 instructional personnel and school administrators, as defined in
404 s. 1012.01, to complete training on the standards; establish the
405 duty of instructional personnel and school administrators to
406 report alleged misconduct by other instructional personnel and

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407 school administrators which affects the health, safety, or
408 welfare of a student, and establish procedures for such
409 reporting; and include an explanation of the liability
410 protections provided under ss. 39.203 and 768.095.

411 d. A pilot school, or any of its employees, may not enter
412 into a confidentiality agreement regarding terminated or
413 dismissed instructional personnel or school administrators, or
414 personnel or administrators who resign in lieu of termination,
415 based in whole or in part on misconduct that affects the health,
416 safety, or welfare of a student, and may not provide
417 instructional personnel or school administrators with employment
418 references or discuss such persons' performance with prospective
419 employers in another educational setting without disclosing such
420 misconduct. Any part of an agreement or contract that has the
421 purpose or effect of concealing misconduct by instructional
422 personnel or school administrators which affects the health,
423 safety, or welfare of a student is void, is contrary to public
424 policy, and may not be enforced.

425 e. Before employing instructional personnel or school
426 administrators in any position that requires direct contact with
427 students, a pilot school must conduct employment history checks
428 of each such person's previous employers, screen them using the
429 educator screening tools described in s. 1001.10(5), and
430 document the findings. If unable to contact such person's
431 previous employer, the pilot school must document efforts to
432 contact the employer.

433 Section 4. Paragraphs (a) and (d) of subsection (1) of
434 section 1003.621, Florida Statutes, are amended to read:

435 1003.621 Academically high-performing school districts.—It

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436 is the intent of the Legislature to recognize and reward school
437 districts that demonstrate the ability to consistently maintain
438 or improve their high-performing status. The purpose of this
439 section is to provide high-performing school districts with
440 flexibility in meeting the specific requirements in statute and
441 rules of the State Board of Education.

442 (1) ACADEMICALLY HIGH-PERFORMING SCHOOL DISTRICT.—

443 (a) A school district is an academically high-performing
444 school district if it meets the following criteria:

445 1.a. Beginning with the 2004-2005 school year, earns a
446 grade of "A" under s. 1008.34(8) ~~s. 1008.34(7)~~ for 2 consecutive
447 years; and

448 b. Has no district-operated school that earns a grade of
449 "F" under s. 1008.34;

450 2. Complies with all class size requirements in s. 1, Art.
451 IX of the State Constitution and s. 1003.03; and

452 3. Has no material weaknesses or instances of material
453 noncompliance noted in the annual financial audit conducted
454 pursuant to s. 218.39.

455 (d) In order to maintain the designation as an academically
456 high-performing school district pursuant to this section, a
457 school district must meet the following requirements:

458 1. Comply with the provisions of subparagraphs (a)2. and
459 3.; and

460 2. Earn a grade of "A" under s. 1008.34(8) ~~s. 1008.34(7)~~
461 for 2 years within a 3-year period.

462

463 However, a district in which a district-operated school earns a
464 grade of "F" under s. 1008.34 during the 3-year period may not

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465 continue to be designated as an academically high-performing
466 school district during the remainder of that 3-year period. The
467 district must meet the criteria in paragraph (a) in order to be
468 redesignated as an academically high-performing school district.

469 Section 5. Paragraph (a) of subsection (2) of section
470 1011.64, Florida Statutes, is amended to read:

471 1011.64 School district minimum classroom expenditure
472 requirements.-

473 (2) For the purpose of implementing the provisions of this
474 section, the Legislature shall prescribe minimum academic
475 performance standards and minimum classroom expenditure
476 requirements for districts not meeting such minimum academic
477 performance standards in the General Appropriations Act.

478 (a) Minimum academic performance standards may be based on,
479 but are not limited to, district grades determined pursuant to
480 s. 1008.34(8) ~~s. 1008.34(7)~~.

481 Section 6. This act shall take effect July 1, 2014.