

1 A bill to be entitled

2 An act relating to education fiscal accountability;
3 amending s. 1003.621, F.S.; conforming cross-
4 references; amending s. 1008.02, F.S.; defining the
5 terms "core operating expenditures," "fiscal peers,"
6 and "return-on-investment rating"; amending s.
7 1008.34, F.S.; requiring school report cards to
8 include school and school district return-on-
9 investment ratings; requiring the Commissioner of
10 Education to establish a statewide education return-
11 on-investment index to evaluate the extent to which
12 schools and school districts are using financial
13 resources to improve student achievement; requiring
14 the commissioner to assign and publish return-on-
15 investment ratings; amending s. 1011.64, F.S.;
16 conforming a cross-reference; amending s. 1011.69,
17 F.S.; creating the Schoolhouse Funding Pilot Program
18 within the Department of Education subject to annual
19 appropriation; providing requirements for
20 participation as a pilot school; requiring a
21 professional development program for principals of
22 pilot schools; providing assessment and accountability
23 requirements for a pilot school; providing funding for
24 students enrolled in a pilot school; requiring the
25 school district to provide administrative and
26 educational services to a pilot school; providing

27 requirements for employees of a pilot school;
 28 providing an effective date.

29
 30 Be It Enacted by the Legislature of the State of Florida:

31
 32 Section 1. Paragraphs (a) and (d) of subsection (1) of
 33 section 1003.621, Florida Statutes, are amended to read:

34 1003.621 Academically high-performing school districts.—It
 35 is the intent of the Legislature to recognize and reward school
 36 districts that demonstrate the ability to consistently maintain
 37 or improve their high-performing status. The purpose of this
 38 section is to provide high-performing school districts with
 39 flexibility in meeting the specific requirements in statute and
 40 rules of the State Board of Education.

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

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

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

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

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

51 3. Has no material weaknesses or instances of material
 52 noncompliance noted in the annual financial audit conducted

53 pursuant to s. 218.39.

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

57 1. Comply with the provisions of subparagraphs (a)2. and
 58 3.; and

59 2. Earn a grade of "A" under s. 1008.34(8) ~~1008.34(7)~~ for
 60 2 years within a 3-year period.

61
 62 However, a district in which a district-operated school earns a
 63 grade of "F" under s. 1008.34 during the 3-year period may not
 64 continue to be designated as an academically high-performing
 65 school district during the remainder of that 3-year period. The
 66 district must meet the criteria in paragraph (a) in order to be
 67 redesignated as an academically high-performing school district.

68 Section 2. Section 1008.02, Florida Statutes, is amended
 69 to read:

70 1008.02 Definitions.—As used in this chapter, the term:

71 (1) "Core operating expenditures" means expenditures made
 72 with general and special revenue funds for instruction and
 73 instructional support services functions according to the
 74 Department of Education publication entitled "Financial and
 75 Program Cost Accounting and Reporting for Florida Schools." Core
 76 operating expenditures include salaries and benefits, purchased
 77 services, and materials and supplies. The Commissioner of
 78 Education may classify other expenditures, funds, functions, and

79 object dimensions as 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
88 targeted 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 must take into consideration the following factors:

102 (a) Florida Price Level Index.

103 (b) School size.

104 (c) Student program cost factors.

105 (d) Geography.

106 ~~(4)(2)~~ "Gateway course" means the first course that
 107 provides transferable, college-level credit allowing a student
 108 to progress in his or her program of study.

109 ~~(5)(3)~~ "Meta-major" means a collection of programs of
 110 study or academic discipline groupings that share common
 111 foundational skills.

112 (6) "Return-on-investment rating" or "ROI rating" means a
 113 calculation developed by the commissioner that results in an
 114 annual rating for each public school and school district that
 115 displays to the public the extent to which core operating
 116 expenditures have been used to positively impact student
 117 achievement. Ratings are assigned based on spending and student
 118 achievement relative to the fiscal peers of a school or school
 119 district. Measures of student achievement include, but are not
 120 limited to, student learning gains pursuant to s. 1008.34.

121 Section 3. Subsection (5) of section 1008.34, Florida
 122 Statutes, is amended, subsections (6), (7), and (8) are
 123 renumbered as subsections (7), (8), and (9), respectively, and a
 124 new subsection (6) is added to that section, to read:

125 1008.34 School grading system; school report cards;
 126 district grade.—

127 (5) SCHOOL REPORT CARD.—The Department of Education shall
 128 annually develop, in collaboration with the school districts, a
 129 school report card to be provided by the school district to
 130 parents within the district. The report card shall include the

131 school's grade, information regarding school improvement, an
132 explanation of school performance as evaluated by the federal
133 Elementary and Secondary Education Act (ESEA), 20 U.S.C. ss.
134 6301 et seq., and indicators of return on investment pursuant to
135 subsection (6). Each school's report card shall be published
136 annually by the department on its website.

137 (6) RETURN-ON-INVESTMENT (ROI) INDEX AND RATINGS.—

138 (a) By January 31, 2015, the commissioner shall establish
139 a statewide education return-on-investment (ROI) index. The ROI
140 index shall evaluate the extent to which public schools and
141 school districts use their financial resources in a cost-
142 effective manner to improve or sustain student achievement.

143 1. Student achievement shall be, at a minimum, determined
144 by annual student learning gains pursuant to this section.

145 2. The ROI index shall place the most weight on matrices
146 designed to measure how funds are being used to increase student
147 achievement.

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

152 (c) The commissioner shall assign ROI ratings in a
153 sortable and easy-to-understand format that allows for
154 comparisons among public schools, school districts, and fiscal
155 peers. The commissioner shall publish ratings on the
156 department's website when school report cards are made publicly

157 available. Each school shall provide a link to this information
158 on its website and annually post a copy of its most recent
159 rating in a visible location.

160 (d) Beginning in the 2015-2016 school year, the
161 commissioner shall include in each school report card the
162 ordinal ROI rating of the school and school district.

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

167 1. School report cards pursuant to this section.

168 2. Accountability measures, including school
169 accountability reports, pursuant to s. 1010.215.

170 3. Profiles of school districts pursuant to ss. 1010.20
171 and 1011.60.

172 4. The program cost accounting and reporting system
173 pursuant to s. 1010.20.

174 Section 4. Paragraph (a) of subsection (2) of section
175 1011.64, Florida Statutes, is amended to read:

176 1011.64 School district minimum classroom expenditure
177 requirements.—

178 (2) For the purpose of implementing the provisions of this
179 section, the Legislature shall prescribe minimum academic
180 performance standards and minimum classroom expenditure
181 requirements for districts not meeting such minimum academic
182 performance standards in the General Appropriations Act.

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

186 Section 5. Subsection (5) is added to section 1011.69,
 187 Florida Statutes, to read:

188 1011.69 Equity in School-Level Funding Act.—

189 (5) (a) Subject to annual appropriation in the General
 190 Appropriations Act, there is created the Schoolhouse Funding
 191 Pilot Program within the Department of Education for the purpose
 192 of evaluating the increased authority for principals over school
 193 budgets and human capital decisions in providing an increased
 194 return on investment based on student achievement.

195 (b) During the 2014-2015 fiscal year, there may be no more
 196 than 14 pilot schools participating in the pilot program. The
 197 participating pilot schools shall include:

198 1. Four high schools, at least one of which is from a
 199 small or rural district.

200 2. Four middle schools, at least one of which is from a
 201 small or rural district.

202 3. Five elementary schools, at least two of which are from
 203 a small or rural district.

204 (c) Unless otherwise specified in the General
 205 Appropriations Act, a school may become a pilot school by
 206 submitting to the Commissioner of Education in writing a letter
 207 of intent to become a pilot school in the Schoolhouse Funding
 208 Pilot Program. If more than 14 schools submit letters of intent,

209 the commissioner shall select schools that meet the requirements
210 in paragraph (b) in the order in which the letters are received.
211 The letter of intent must include documentation of support from
212 the district school superintendent.

213 (d) The principal of a pilot school must participate in a
214 professional development program for principals, as provided in
215 the General Appropriations Act. The professional development
216 program shall include leadership training focused on:

- 217 1. Driving student achievement.
- 218 2. Aligning standards, assessment, curriculum, and
219 instruction.
- 220 3. Using data to drive instruction.
- 221 4. Using best financial management practices to drive
222 student achievement.

223 (e)1. Each pilot school must participate in the statewide
224 assessment program provided in s. 1008.22 and is subject to the
225 school grading system provided in s. 1008.34.

226 2. The department shall conduct a return-on-investment
227 evaluation of each pilot school upon being selected and annually
228 thereafter by January 31, in accordance with s. 1008.34(6).

229 (f) Students enrolled in a pilot school shall be funded in
230 a basic program or a special program in the same manner that
231 students enrolled in other public schools in the school district
232 are funded.

233 1. A pilot school shall report its student enrollment to
234 the district as required in s. 1011.62 and in accordance with

235 the definitions in s. 1011.61. The district shall include each
236 pilot school's enrollment in the district's report of student
237 enrollment. A pilot school submitting student record information
238 required by the department must comply with the department's
239 guidelines for electronic data formats for such data, and the
240 district must accept electronic data that complies with the
241 department's electronic format.

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

261 3. If the district school board provides programs or
262 services to students funded by federal funds, an eligible
263 student enrolled in a pilot school in the school district shall
264 be provided federal funds for the same level of service provided
265 students in the schools operated by the district school board. A
266 pilot school shall receive all federal funding for which the
267 school is otherwise eligible, including Title I funding, within
268 5 months after the pilot school first opens and within 5 months
269 after a subsequent expansion of enrollment. Unless otherwise
270 mutually agreed to by a pilot school and the district, and
271 consistent with state and federal rules and regulations
272 governing the use and disbursement of federal funds, the
273 district shall reimburse the pilot school on a monthly basis for
274 all invoices submitted by the pilot school for federal funds
275 available to the district for the benefit of the pilot school,
276 the pilot school's students, and the pilot school's students as
277 public school students in the school district. Federal funds
278 include, but are not limited to, Title I, Title II, and
279 Individuals with Disabilities Education Act (IDEA) funds. To
280 receive timely reimbursement for an invoice, the pilot school
281 must submit the invoice to the district at least 30 days before
282 the monthly date of reimbursement set by the district. In order
283 to be reimbursed, an expenditure made by the pilot school must
284 comply with all applicable state rules and federal regulations,
285 including, but not limited to, the applicable federal Office of
286 Management and Budget Circulars, the federal Education

287 Department General Administrative Regulations, and program-
288 specific statutes, rules, and regulations. Such funds may not be
289 made available to the pilot school until a plan is submitted to
290 the district for approval of the use of the funds in accordance
291 with applicable federal requirements. The district has 30 days
292 to review and approve a plan submitted pursuant to this
293 subparagraph.

294 4. A district school board shall make timely and efficient
295 payment and reimbursement to a pilot school, including
296 processing paperwork required to access special state and
297 federal funding for which it may be eligible. A district school
298 board may distribute funds to a pilot school for up to 3 months
299 based on the projected full-time equivalent student membership
300 of the pilot school. Thereafter, the results of full-time
301 equivalent student membership surveys shall be used in adjusting
302 the amount of funds distributed monthly to the pilot school for
303 the remainder of the fiscal year. The payment shall be issued
304 within 10 working days after the district school board receives
305 a distribution of state or federal funds. If a warrant for
306 payment is not issued within 10 working days after receipt of
307 funding by the district school board, the school district shall
308 pay to the pilot school, in addition to the amount of the
309 scheduled disbursement, interest at a rate of 1 percent per
310 month calculated on a daily basis on the unpaid balance from the
311 expiration of the 10 working days until such time as the warrant
312 is issued.

- 313 (g)1. A school district shall provide certain
314 administrative and educational services to pilot schools. These
315 services shall include the following:
- 316 a. Contract management services.
 - 317 b. Full-time equivalent and data reporting services.
 - 318 c. Exceptional student education administration services.
 - 319 d. Services related to eligibility and reporting duties
320 required to ensure that school lunch services under the federal
321 lunch program, consistent with the needs of the pilot school,
322 are provided by the school district at the request of the pilot
323 school, that any funds due to the pilot school under the federal
324 lunch program be paid to the pilot school as soon as the pilot
325 school begins serving food under the federal lunch program, and
326 that the pilot school is paid at the same time and in the same
327 manner under the federal lunch program as other public schools
328 serviced by the school district.
 - 329 e. Test administration services, including payment of the
330 costs of state-required or district-required student
331 assessments.
 - 332 f. Processing of teacher certificate data services.
 - 333 g. Information services, including equal access to student
334 information systems that are used by public schools in the
335 school district in which the pilot school is located.
 - 336 h. Reporting services for student performance data for
337 each student in a pilot school, including, but not limited to,
338 statewide test scores, standardized test scores, previous public

339 school student report cards, and student performance measures,
340 provided in the same manner as provided to other public schools
341 in the school district.

342 2. A total administrative fee for the provision of
343 services under this paragraph shall be calculated based upon up
344 to 5 percent of the available funds pursuant to paragraph (f)
345 for all students, except that when 75 percent or more of the
346 students enrolled in the pilot school are exceptional students
347 as defined in s. 1003.01(3), 5 percent of those available funds
348 shall be calculated based on unweighted full-time equivalent
349 students. However, a school district may only withhold up to a
350 5-percent administrative fee for enrollment for up to and
351 including 250 students.

352 (h)1. A pilot school shall select its own employees and
353 may contract with the school district for the services of
354 personnel employed by the district.

355 2. Employees of a pilot school shall have the option to
356 bargain collectively. Employees may collectively bargain as a
357 separate unit or as part of the existing district collective
358 bargaining unit.

359 3. Employees of a pilot school shall remain public
360 employees for all purposes, unless such employees choose not to
361 do so.

362 4. The teachers at a pilot school may choose to be part of
363 a professional group that subcontracts with the pilot school to
364 operate the instructional program under the auspices of a

365 partnership or cooperative that they collectively own. Under
366 this arrangement, the teachers are not public employees.

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

378 6. Teachers employed by or under contract to a pilot
379 school must be certified as required by chapter 1012. A pilot
380 school may employ or contract with skilled selected noncertified
381 personnel to provide instructional services or to assist
382 instructional staff members as education paraprofessionals in
383 the same manner as provided in chapter 1012 and State Board of
384 Education rule. A pilot school may not knowingly employ an
385 individual to provide instructional services or to serve as an
386 education paraprofessional if the individual's certification or
387 licensure as an educator is suspended or revoked by this or any
388 other state. A pilot school may not knowingly employ an
389 individual who has resigned from a school district in lieu of
390 disciplinary action with respect to child welfare or safety or

391 who has been dismissed for just cause by any school district
392 with respect to child welfare or safety. The qualifications of
393 teachers in a pilot school shall be disclosed to parents.

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

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

402 c. A pilot school shall adopt policies establishing
403 standards of ethical conduct for instructional personnel and
404 school administrators. The policies must require all
405 instructional personnel and school administrators, as defined in
406 s. 1012.01, to complete training on the standards; establish the
407 procedures and duty of instructional personnel and school
408 administrators to report alleged misconduct by other
409 instructional personnel and school administrators that affects
410 the health, safety, or welfare of a student; and include an
411 explanation of the liability protections provided under ss.
412 39.203 and 768.095. A pilot school or its employees may not
413 enter into a confidentiality agreement regarding terminated or
414 dismissed instructional personnel or school administrators, or
415 personnel or administrators who resign in lieu of termination,
416 based in whole or in part on misconduct that affects the health,

417 safety, or welfare of a student, and may not provide
418 instructional personnel or school administrators with employment
419 references or discuss their performance with prospective
420 employers in another educational setting, without disclosing the
421 misconduct of personnel or administrators. Any part of an
422 agreement or contract that has the purpose or effect of
423 concealing misconduct by instructional personnel or school
424 administrators that affects the health, safety, or welfare of a
425 student is void, is contrary to public policy, and may not be
426 enforced.

427 d. Before employing instructional personnel or school
428 administrators in a position that requires direct contact with
429 students, a pilot school shall conduct employment history checks
430 of each of the previous employers of the instructional personnel
431 or school administrators, screen the instructional personnel or
432 school administrators through use of the educator screening
433 tools described in s. 1001.10(5), and document the findings. If
434 unable to contact a previous employer, the pilot school must
435 document efforts to contact the employer.

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