

1 A bill to be entitled

2 An act relating to education fiscal accountability;  
3 amending s. 1008.02, F.S.; defining the terms  
4 "operating expenditures" and "return-on-investment  
5 rating"; amending s. 1008.34, F.S.; requiring school  
6 report cards to include school and school district  
7 return-on-investment ratings; requiring the  
8 Commissioner of Education to establish a return-on-  
9 investment rating to evaluate the extent to which  
10 schools and school districts are using financial  
11 resources to improve student performance; requiring  
12 the commissioner to assign and publish return-on-  
13 investment ratings; amending s. 1011.69, F.S.;  
14 creating the Schoolhouse Funding Pilot Program;  
15 defining terms; providing a procedure for a public  
16 school to participate in the pilot program; requiring  
17 the principal of a pilot school to participate in a  
18 professional development program; providing assessment  
19 and accountability requirements for a pilot school;  
20 providing funding for students enrolled in a pilot  
21 school and calculation therefor; providing for the  
22 receipt of federal funds and for the distribution of  
23 state and federal funds; requiring a school district  
24 to provide certain specified administrative and  
25 educational services to a pilot school; requiring a  
26 school district to provide student performance data to

27 a pilot school in the same manner as it provides data  
 28 to other public schools; providing for an  
 29 administrative fee for the specified services;  
 30 providing requirements relating to employees of a  
 31 pilot school, including selection, contracting,  
 32 certification, background screening, and employment  
 33 history checks; requiring a pilot school to adopt  
 34 policies that establish standards of ethical conduct  
 35 for instructional personnel and school administrators;  
 36 amending ss. 1003.621 and 1011.64, F.S.; conforming  
 37 cross-references; providing an effective date.  
 38

39 Be It Enacted by the Legislature of the State of Florida:  
 40

41 Section 1. Subsections (4) and (5) are added to section  
 42 1008.02, Florida Statutes, to read:

43 1008.02 Definitions.—As used in this chapter, the term:

44 (4) "Operating expenditures" means the expenditure of  
 45 school district general and special revenue funds in accordance  
 46 with the uniform chart of accounts included in the publication  
 47 "Financial and Program Cost Accounting and Reporting for Florida  
 48 Schools." The commissioner may specify expenditures, funds, and  
 49 functional and object categories as operating expenditures.

50 (5) "Return-on-investment rating" or "ROI rating" means a  
 51 calculation developed by the commissioner which results in an  
 52 annual ordinal rating for a public school and a school district

53 that displays to the public the extent by which operating  
54 expenditures have been used to positively impact student  
55 performance. Ratings shall be assigned, as provided in s.  
56 1008.34(6), based on operating expenditures and student  
57 performance.

58 Section 2. Subsection (5) of section 1008.34, Florida  
59 Statutes, is amended, subsections (6) through (8) are renumbered  
60 as subsections (7) through (9), respectively, and a new  
61 subsection (6) is added to that section, to read:

62 1008.34 School grading system; school report cards;  
63 district grade.—

64 (5) SCHOOL REPORT CARD.—The Department of Education shall  
65 annually develop, in collaboration with the school districts, a  
66 school report card to be provided by the school district to  
67 parents within the district. The report card shall include the  
68 school's grade, information regarding school improvement, an  
69 explanation of school performance as evaluated by the federal  
70 Elementary and Secondary Education Act (ESEA), 20 U.S.C. ss.  
71 6301 et seq., and indicators of return on investment as provided  
72 in subsection (6). Each school's report card shall be published  
73 annually by the department on its website.

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

75 (a) By February 28, 2015, the Commissioner of Education  
76 shall establish a ROI rating system. The ROI rating evaluates  
77 the extent to which public schools and school districts are  
78 using their financial resources in a cost-effective manner to

79 improve student performance. Student performance means student  
80 learning gains on statewide, standardized assessments as  
81 provided for in this section.

82 (b) Schools shall be grouped for comparison as determined  
83 by the commissioner.

84 (c) The commissioner shall assign the ordinal ROI ratings  
85 for all public schools and school districts in a sortable, easy-  
86 to-understand format that allows for comparisons among school  
87 districts and public schools. Beginning with the 2015-2016  
88 school year, the commissioner shall publish ratings on the  
89 Department of Education's website when school report cards are  
90 made publicly available. Each public school shall provide a link  
91 to this information on its website and annually post a copy of  
92 its most recent rating in a visible location.

93 (d) The ROI application shall include a metric to evaluate  
94 the resources available to a school as a percentage of the  
95 revenues generated by students at the school.

96 (e) Beginning with the 2015-2016 school year, each  
97 school's report card shall include the ordinal ROI rating of the  
98 school and the school district.

99 (f) The commissioner shall make every attempt to use  
100 aggregated student data that is already being collected from  
101 public schools to develop the ROI rating, including, but not  
102 limited to, data from:

103 1. School report cards issued under this section.

104        2. Accountability measures, including the annual school  
 105 accountability report required by ss. 1001.42(18) and 1008.345.

106        3. Profiles of school districts pursuant to ss. 1010.20  
 107 and 1011.60.

108        4. The state's program cost reporting system.

109        Section 3. Subsection (5) is added to section 1011.69,  
 110 Florida Statutes, to read:

111        1011.69 Equity in School-Level Funding Act.—

112        (5) Subject to annual appropriation in the General  
 113 Appropriations Act, the Schoolhouse Funding Pilot Program is  
 114 created for the purpose of giving principals increased authority  
 115 over school budgets and human capital decisions and then  
 116 determining whether the increased flexibility positively impacts  
 117 the return on investment at that school, as that term is defined  
 118 in s. 1008.02(6).

119        (a) Definitions.—As used in this subsection, the term:

120        1. "Pilot program" means the Schoolhouse Funding Pilot  
 121 Program.

122        2. "Pilot school" means a public school that participates  
 123 in the pilot program.

124        (b) Participating pilot schools.—

125        1. The Commissioner of Education shall select a minimum of  
 126 15 high schools and 15 middle schools from throughout the state  
 127 to participate in a 2-year Schoolhouse Funding Pilot Program,  
 128 beginning with the 2015-2016 school year. Participating pilot  
 129 schools shall be selected as follows:

130 a. The school received a school grade of "C," "D," or "F"  
131 in the prior school year and has not received a school grade of  
132 "A" or "B" in the past 5 years.

133 b. The school represents diverse student populations,  
134 including minority students, students receiving free or reduced-  
135 price lunches, and students with disabilities.

136 2. The district school board must approve a school's  
137 participation in the pilot program for a school in the district  
138 that is recommended by the commissioner. If the district school  
139 board fails to approve a school for participation in the pilot  
140 program, the district school board must provide the commissioner  
141 with a detailed written explanation for its refusal.

142 (c) Professional development.—The principal, and if  
143 possible the assistant principals, of a pilot school selected by  
144 the commissioner and approved by the district school board must  
145 participate in a professional development program, as provided  
146 in the General Appropriations Act. The professional development  
147 program must include leadership training that focuses on all of  
148 the following:

149 1. Improving student achievement.

150 2. Aligning standards, assessment, curriculum, and  
151 instruction.

152 3. Using data to drive instruction.

153 4. Using best financial management practices to drive  
154 student achievement.

155 (d) Assessment and accountability.—

156 1. A pilot school must participate in the student  
157 assessment program for public schools under s. 1008.22 and is  
158 subject to the school grading system under s. 1008.34.

159 2. The department shall measure the return on investment  
160 of each school upon its acceptance into the pilot program and  
161 annually thereafter in accordance with s. 1008.34(6).

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

165 1. A pilot school shall report its student enrollment to  
166 the district as required under s. 1011.62. The district shall  
167 include each pilot school's enrollment in the district's report  
168 of student enrollment. When submitting student record  
169 information required by the Department of Education, a pilot  
170 school shall comply with the department's guidelines for  
171 electronic data formats. Each district shall accept electronic  
172 data that complies with the department's electronic format.

173 2. The amount of funding for students enrolled in a pilot  
174 school shall be the sum of the school district's operating funds  
175 from the Florida Education Finance Program as provided in s.  
176 1011.62 and the General Appropriations Act, including gross  
177 state and local funds, discretionary lottery funds, and funds  
178 from the school district's current operating discretionary  
179 millage levy; divided by total funded weighted full-time  
180 equivalent students in the school district; multiplied by the  
181 weighted full-time equivalent students for the pilot school. A

182 pilot school whose students or programs meet the eligibility  
183 criteria in law is entitled to its proportionate share of  
184 categorical program funds included in the total funds made  
185 available in the Florida Education Finance Program by the  
186 Legislature, including transportation funds if applicable. Total  
187 funding for each pilot school shall be recalculated during the  
188 year to reflect the revised calculations under the Florida  
189 Education Finance Program by the state and the actual weighted  
190 full-time equivalent students reported by the pilot school  
191 during the full-time equivalent student survey periods  
192 designated by the Commissioner of Education.

193 3. If the district school board is providing programs or  
194 services to students funded by federal funds, any eligible  
195 student enrolled in a pilot school in the school district shall  
196 be provided federal funds at the same level as is provided to  
197 students in the schools operated by the district school board.  
198 Pursuant to the federal Elementary and Secondary Education Act  
199 (ESEA), 20 U.S.C. ss. 7221-7225g, each pilot school shall  
200 receive all federal funding for which the school is otherwise  
201 eligible, including Title I funding, no later than 5 months  
202 after the pilot school begins the pilot program and within 5  
203 months after any subsequent expansion of enrollment. Unless  
204 otherwise mutually agreed to by the pilot school and the  
205 district, and consistent with state and federal rules and  
206 regulations governing the use and disbursement of federal funds,  
207 the district shall reimburse the pilot school on a monthly basis



208 for all invoices submitted by the pilot school using federal  
209 funds available to the district for the benefit of the pilot  
210 school, the pilot school's students, and the pilot school's  
211 students as public school students in the school district. Such  
212 federal funds include, but are not limited to, Title I, Title  
213 II, and Individuals with Disabilities Education Act (IDEA)  
214 funds. To receive timely reimbursement for an invoice, the pilot  
215 school must submit the invoice to the district at least 30 days  
216 before the monthly date of reimbursement set by the district. In  
217 order to be reimbursed, any expenditure made by the pilot school  
218 must comply with all applicable state and federal rules and  
219 regulations, including, but not limited to, the applicable  
220 federal Office of Management and Budget circulars; the  
221 regulations of the United States Department of Education; and  
222 program-specific statutes, rules, and regulations. Such funds  
223 may not be made available to the pilot school until a plan is  
224 submitted to the district for approval of the use of the funds  
225 in accordance with applicable federal requirements. The district  
226 has 30 days to review and approve any plan submitted pursuant to  
227 this subparagraph.

228 4. Each district school board shall make timely and  
229 efficient payment and reimbursement to pilot schools and shall  
230 process paperwork required to access special state and federal  
231 funding for which they may be eligible. The district school  
232 board may distribute funds to a pilot school for up to 3 months  
233 based on the projected full-time equivalent student membership

234 of the pilot school. Thereafter, the results of full-time  
235 equivalent student membership surveys shall be used in adjusting  
236 the amount of funds distributed monthly to the pilot school for  
237 the remainder of the fiscal year. The payment shall be issued no  
238 later than 10 working days after the district school board  
239 receives a distribution of state or federal funds. If a warrant  
240 for payment is not issued within 10 working days after receipt  
241 of funding by the district school board, the school district  
242 shall pay to the pilot school, in addition to the amount of the  
243 scheduled disbursement, interest at a rate of 1 percent per  
244 month calculated on a daily basis on the unpaid balance from the  
245 expiration of the 10 working days until such time as the warrant  
246 is issued.

247 (f) Services.-

248 1. A school district shall provide certain administrative  
249 and educational services to pilot schools. These services must  
250 include contract management services; full-time equivalent and  
251 data reporting services; exceptional student education  
252 administrative services; services related to eligibility and  
253 reporting duties required to ensure that school lunch services  
254 under the federal lunch program, consistent with the needs of  
255 the pilot school, are provided by the district at the request of  
256 the pilot school, that any funds due to the pilot school under  
257 the federal lunch program be paid to the pilot school if the  
258 pilot school begins serving food under the federal lunch  
259 program, and that the pilot school is paid at the same time and

260 in the same manner under the federal lunch program as other  
261 public schools serviced by the district; test administration  
262 services, including payment of the costs of state-required or  
263 district-required student assessments; processing of teacher  
264 certificate data services; and information services, including  
265 equal access to student information systems that are used by  
266 public schools in the district in which the pilot school is  
267 located. Student performance data for each student in a pilot  
268 school, including, but not limited to, statewide test scores,  
269 standardized test scores, previous public school student report  
270 cards, and student performance measures, shall be provided by  
271 the district to a pilot school in the same manner as they are  
272 provided to other public schools in the district.

273 2. A total administrative fee for the provision of such  
274 services shall be calculated based upon up to 5 percent of the  
275 available funds under paragraph (e) for all students, except  
276 that if 75 percent or more of the students enrolled in the pilot  
277 school are exceptional students as defined in s. 1003.01(3), the  
278 5 percent of those available funds shall be calculated based on  
279 unweighted full-time equivalent students. However, a district  
280 may withhold up to a 5-percent administrative fee only for  
281 enrollment for 250 students or less. Pursuant to its authority  
282 under s. 11.45, the Auditor General shall audit and report any  
283 noncompliance by a participating district.

284 (g) Employees of pilot schools.-

285 1. A pilot school principal shall select the employees of

286 the pilot school. A pilot school may contract with its school  
287 district for the services of personnel who are employed by the  
288 district.

289 2. Instructional personnel at a pilot school may choose to  
290 be part of a professional group that subcontracts with the  
291 district to operate an instructional program under the auspices  
292 of a partnership or cooperative that the instructional personnel  
293 collectively own. Under this arrangement, such personnel are not  
294 considered public employees for purposes of contract  
295 negotiations or for purposes of the Florida Retirement System.

296 3. An employee of a school district may take leave to  
297 accept employment in a pilot school upon the approval of the  
298 district school board. While employed by the pilot school and on  
299 leave that is approved by the district school board, the  
300 employee may retain seniority accrued in that district and may  
301 continue to be covered by the benefit programs of that district  
302 if the pilot school and the district school board agree to this  
303 arrangement and its financing. A district may not require the  
304 resignation of an employee who desires to teach in a pilot  
305 school. This subparagraph does not prohibit a district school  
306 board from approving alternative leave arrangements consistent  
307 with chapter 1012.

308 4. A teacher who is employed by or under contract to a  
309 pilot school must be certified as required under chapter 1012. A  
310 pilot school may employ or contract with skilled selected  
311 noncertified personnel to provide instructional services or to

312 assist instructional staff members as education  
313 paraprofessionals in the same manner as provided under chapter  
314 1012 and as provided by State Board of Education rule. A pilot  
315 school may not knowingly employ an individual to provide  
316 instructional services or to serve as an education  
317 paraprofessional if the individual's certification or licensure  
318 as an educator is suspended or revoked by this state or any  
319 other state. A pilot school may not knowingly employ an  
320 individual who has resigned from a school district in lieu of  
321 disciplinary action with respect to child welfare or safety or  
322 who has been dismissed for just cause by any school district  
323 with respect to child welfare or safety. The qualifications of  
324 teachers shall be disclosed to parents.

325 5.a. A pilot school shall employ or contract with  
326 employees who have undergone background screening as provided in  
327 s. 1012.32.

328 b. A pilot school shall disqualify instructional personnel  
329 and school administrators, as defined in s. 1012.01, from  
330 employment in any position that requires direct contact with  
331 students if the personnel or administrators are ineligible for  
332 such employment under s. 1012.315.

333 c. A pilot school shall adopt policies establishing  
334 standards of ethical conduct for instructional personnel and  
335 school administrators. The policies must require all  
336 instructional personnel and school administrators, as defined in  
337 s. 1012.01, to complete training on the standards; establish the

338 duty of instructional personnel and school administrators to  
339 report alleged misconduct by other instructional personnel or  
340 school administrators that affects the health, safety, or  
341 welfare of a student and procedures for such reporting; and  
342 include an explanation of the liability protections provided  
343 under ss. 39.203 and 768.095.

344 d. A pilot school or an employee of a pilot school may not  
345 enter into a confidentiality agreement regarding terminated or  
346 dismissed instructional personnel or school administrators, or  
347 personnel or administrators who resign in lieu of termination,  
348 based in whole or in part on misconduct that affects the health,  
349 safety, or welfare of a student and may not provide  
350 instructional personnel or school administrators with employment  
351 references or discuss such persons' performance with prospective  
352 employers in another educational setting without disclosing such  
353 misconduct. Any part of an agreement or contract that has the  
354 purpose or effect of concealing misconduct by instructional  
355 personnel or school administrators which affects the health,  
356 safety, or welfare of a student is void, is contrary to public  
357 policy, and may not be enforced.

358 e. Before employing instructional personnel or school  
359 administrators in any position that requires direct contact with  
360 students, a pilot school must conduct employment history checks  
361 of each such person's previous employers, screen such person  
362 using the educator screening tools described in s. 1001.10(5),  
363 and document the findings. If unable to contact such person's

364 previous employer, the pilot school must document efforts to  
365 contact the employer.

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

368 1003.621 Academically high-performing school districts.—It  
369 is the intent of the Legislature to recognize and reward school  
370 districts that demonstrate the ability to consistently maintain  
371 or improve their high-performing status. The purpose of this  
372 section is to provide high-performing school districts with  
373 flexibility in meeting the specific requirements in statute and  
374 rules of the State Board of Education.

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

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

378 1.a. ~~Beginning with the 2004-2005 school year,~~ Earns a  
379 grade of "A" under s. 1008.34(8) ~~1008.34(7)~~ for 2 consecutive  
380 years; and

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

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

385 3. Has no material weaknesses or instances of material  
386 noncompliance noted in the annual financial audit conducted  
387 pursuant to s. 218.39.

388 (d) In order to maintain the designation as an  
389 academically high-performing school district pursuant to this

390 section, a school district must meet the following requirements:

391 1. Comply with the provisions of subparagraphs (a)2. and  
392 3.; and

393 2. Earn a grade of "A" under s. 1008.34(8) ~~1008.34(7)~~ for  
394 2 years within a 3-year period.

395  
396 However, a district in which a district-operated school earns a  
397 grade of "F" under s. 1008.34 during the 3-year period may not  
398 continue to be designated as an academically high-performing  
399 school district during the remainder of that 3-year period. The  
400 district must meet the criteria in paragraph (a) in order to be  
401 redesignated as an academically high-performing school district.

402 Section 5. Paragraph (a) of subsection (2) of section  
403 1011.64, Florida Statutes, is amended to read:

404 1011.64 School district minimum classroom expenditure  
405 requirements.—

406 (2) For the purpose of implementing the provisions of this  
407 section, the Legislature shall prescribe minimum academic  
408 performance standards and minimum classroom expenditure  
409 requirements for districts not meeting such minimum academic  
410 performance standards in the General Appropriations Act.

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

414 Section 6. This act shall take effect upon becoming a law.