

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

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

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SPB 2508

INTRODUCER: For consideration by the Appropriations Committee

SUBJECT: Education

DATE: March 24, 2015

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

ANALYST

Sikes

STAFF DIRECTOR

Kynoch

REFERENCE

ACTION

**Pre-meeting**

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**I. Summary:**

SPB 2508 conforms education statutes to the Senate proposed General Appropriations Bill, SPB 2500, for Fiscal Year 2015-2016.

The bill:

- Modifies the preeminent state research universities program authorized under s. 1001.7065, F.S., by requiring a state research university to enter into, and maintain, a formal agreement with the National Merit Scholarship Corporation to offer college-sponsored Merit Scholarship® awards for consideration of preeminent status.
- Clarifies that for a student to be considered a “full-time student” under s. 1011.61 (1), F.S., a school operating more than one session comprising not less than 810 net hours per session in grades 4 through 12 or not less than 630 net hours per session in kindergarten through grade 3, may do so only because of a natural disaster.
- Extends the requirement of providing an additional hour of intensive reading instruction daily to students enrolled in the 300 lowest performing elementary schools through the 2017-2018 academic year, requires participating schools to also provide the required additional instruction through an equivalent number of hours in a summer program, and requires participating schools to continue to provide the additional hour of instruction to all students who have level 1 or 2 reading assessment scores in the subsequent year after the school is no longer classified as one of the 300 lowest performing.
- Authorizes performance funding for Career and Professional Education (CAPE) industry certification earned through a dual enrollment course, which is not a fundable certification on the Postsecondary Industry Certification Funding List or is earned as a result of an agreement with a nonpublic postsecondary institution, to be funded in the same manner as a non-dual enrollment course industry certification.
- Establishes two new tiers of bonuses available to CAPE industry certification teachers under s. 1011.62 (1)(o), F.S., at \$75 for 0.3 weighted certifications and \$100 for 0.5 and 1.0 weighted certifications, and establishes a \$4,000 maximum annual bonus for teachers providing instruction in courses leading to these industry certifications.

- Increases the discretionary millage compression supplement to five percent above the state average.
- Modifies the sparsity supplement calculation authorized in s. 1011.62 (7), F.S., to compute the sparsity supplement for larger eligible districts with a full-time equivalent student membership of between 20,000 and 24,000, by dividing the total number of full-time equivalent students in all programs by the number of permanent senior high school centers in the district, not in excess of four.
- Amends the virtual education contribution calculation within the Florida Education Finance Program (FEFP) by including the declining enrollment supplement and exceptional student education (ESE) guaranteed allocation.
- Creates the federally connected student supplement within the FEFP to provide supplemental funding to school districts to support the education of students connected with federally-owned military installations, National Aeronautics and Space Administration (NASA) property, and Indian lands. To be eligible for this supplement, the district must also be eligible for federal impact aid funds, pursuant to Title VIII of the Elementary and Secondary Education Act of 1965.
- Clarifies that annual license fees, maintenance fees, and lease agreements for enterprise resource software are allowable uses of local capital improvement funds.
- Provides audit protection for teachers under the Florida Teacher Classroom Supply Assistance Program by requiring teachers to provide the school district with receipts for the expenditure of the funds.
- Statutorily establishes the State University System Performance Based Incentive funding model.
- Establishes a Florida College System Performance Based Incentive funding model.

This bill substantially amends the following sections of the Florida Statutes: 1001.7065, 1011.61, 1011.62, 1011.71, and 1012.71.

## **II. Present Situation:**

### **Preeminent State Research Universities**

The preeminent state research university program is a collaborative partnership between the Board of Governors and the Legislature to elevate the academic and research preeminence of Florida's highest performing state research universities. A state research university that meets at least 11 of the 12 academic and research excellence standards identified in statute is designated as a preeminent state research university. Those academic and research metrics are:

- An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of 1800 or higher for fall semester incoming freshmen, as reported annually.
- A top-50 ranking on at least two well-known and highly respected national public university rankings, reflecting national preeminence, using most recent rankings.
- A freshman retention rate of 90 percent or higher for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System (IPEDS).
- A 6-year graduation rate of 70 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS.

- Six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report.
- Total annual research expenditures, including federal research expenditures, of \$200 million or more, as reported annually by the National Science Foundation (NSF).
- Total annual research expenditures in diversified nonmedical sciences of \$150 million or more, based on data reported annually by the NSF.
- A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF.
- One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period.
- Four hundred or more doctoral degrees awarded annually, as reported in the Board of Governors Annual Accountability Report.
- Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report.
- An endowment of \$500 million or more, as reported in the Board of Governors Annual Accountability Report.<sup>1</sup>

A preeminent research university receives \$5 million in recurring funds annually, subject to appropriation in the General Appropriations Act (GAA).<sup>2</sup> Currently, only Florida State University and the University of Florida meet the standards for preeminent state research university designation and are Florida's only two preeminent state research universities.<sup>3</sup>

### **Minimum Required Hours of Instruction for a Full-Time Student**

For the purposes of the Florida Education Finance Program (FEFP), a “full-time student” is defined as a student on the membership roll of one school program or a combination of school programs for the school year for:

- No less than 900 hours of instruction for a student in grade levels 4 through 12, or not less than 720 hours of instruction for a student in kindergarten through grade 3;
- No less than 810 hours of instruction for a student in grade levels 4 through 12, or not less than 630 hours of instruction for a student in kindergarten through grade 3 in a double-session school or a school utilizing an experimental school calendar approved by the Department of Education; or
- Instruction comprising the appropriate number of hours for students who, within the past year, have moved with their parents for the purpose of engaging in the farm labor or fish industries, if a plan furnishing such an extended school day or week, or a combination thereof, has been approved by the commissioner.<sup>4</sup>

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<sup>1</sup> s. 1001.7065, F.S.

<sup>2</sup> s. 1001.7065, F.S.

<sup>3</sup> Preeminent State Research University Benchmark Plans, Board of Governors Strategic Planning Committee. November 20, 2013. [http://www.flbog.edu/documents\\_meetings/0184\\_0752\\_5480\\_399%20SPC%20Packet.pdf](http://www.flbog.edu/documents_meetings/0184_0752_5480_399%20SPC%20Packet.pdf)

<sup>4</sup> s. 1011.61 (1), F.S.

### **Intensive Reading Instruction**

A school district that has one or more of the 300 lowest performing elementary schools based on the state reading assessment is required to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year in those schools.<sup>5</sup> Funds for this program are designated in the Supplemental Academic Instruction and the Research-Based Reading Instruction Allocation categoricals in the FEFP within the GAA.<sup>6</sup>

### **Career and Professional Education (CAPE) Dual Enrollment Industry Certification Funding**

Performance funding for a CAPE industry certification earned through dual enrollment is provided to the Florida College System institution or district career center providing the instruction only if the industry certification is eligible for funding on the Postsecondary Industry Certification Funding List approved by the State Board of Education.<sup>7</sup>

### **Bonus Funding**

Bonus funding is authorized for school districts and for teachers if a student earns a qualifying score on the following examinations and certifications: International Baccalaureate (IB) examinations; Advanced International Certificate of Education (AICE) examinations; Advance Placement (AP) examinations; and CAPE industry certifications.<sup>8</sup>

#### ***School District Bonus Funding***

School district bonus funding is awarded as follows:<sup>9</sup>

- 0.16 FTE bonus funding for every qualifying score earned on an IB or AP examination or full-credit AICE examination.
- 0.8 FTE bonus funding for every qualifying score earned on a half-credit AICE examination.
- 0.1, 0.2, 0.3, 0.5, or 1.0 FTE for CAPE industry certifications.

#### ***Teacher Bonus Funding***

Teacher bonus funding is awarded for IB, AICE, and AP examinations, and CAPE industry certifications.<sup>10</sup> For IB examinations, a bonus in the amount of \$50 for each student taught by the IB teacher who receives a qualifying score on the IB examination.<sup>11</sup> An additional bonus of \$500 to each IB teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the IB examination.<sup>12</sup> IB bonuses must not exceed \$2,000 given to a teacher in any given school year. However, the maximum bonus shall be \$3,000 if at least 50 percent of the students enrolled in a teacher’s course earn a qualifying score in a school

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<sup>5</sup> s. 1011.62 (1)(f), (9), F.S.

<sup>6</sup> ch. 2014-51, L.O.F.

<sup>7</sup> s. 1011.80, F.S.

<sup>8</sup> Sections 1011.62 (1)(l)-(o), F.S.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

designated with a grade of “A,” “B,” or “C”; or if at least 25 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “D” or “F.”<sup>13</sup>

For AICE examinations, a bonus in the amount of \$50 for each student taught by the AICE teacher in each full-credit AICE course who receives a qualifying score on the AICE examination.<sup>14</sup> A bonus in the amount of \$25 for each student taught by the AICE teacher in each half-credit AICE course who receives a qualifying score on the AICE examination.<sup>15</sup> An additional bonus of \$500 to each AICE teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the full-credit AICE examination, or \$250 each to teachers of half-credit AICE classes in a school designated with a grade of “D” or “F” which has at least one student earning a qualifying score on the half-credit AICE examination.<sup>16</sup> AICE bonuses must not exceed \$2,000 given to a teacher in any given school year.<sup>17</sup>

For AP examinations, a bonus in the amount of \$50 for each student taught by the AP teacher who receives a qualifying score on the AP examination.<sup>18</sup> An additional bonus of \$500 to each AP teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the AP examination.<sup>19</sup> AP bonuses must not exceed \$2,000 given to a teacher in any given school year.<sup>20</sup> However, the maximum bonus shall be \$3,000 if at least 50 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “A,” “B,” or “C”; or if at least 25 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “D” or “F.”<sup>21</sup>

For CAPE Industry Certifications, a bonus in the amount of \$25 for each student taught by a teacher who provided instruction in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.1.<sup>22</sup> A bonus in the amount of \$50 for each student taught by a teacher who provided instruction in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.2, 0.3, 0.5, and 1.0.<sup>23</sup> CAPE industry certification bonuses must not exceed \$2,000 given to a teacher in any given school year.<sup>24</sup>

### **Discretionary Millage Compression Supplement**

A school district that levies the full 0.748 discretionary millage authorized under s. 1011.71(1), F.S., and prescribed in the GAA,<sup>25</sup> and generates an amount of funds per unweighted full-time

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> ch. 2014-51, L.O.F.

equivalent (FTE) student that is less than the state average amount per unweighted (FTE) student, receives a discretionary millage compression supplement that brings the district up to the state average.<sup>26</sup>

### **Sparsity Supplement**

The Florida Education Finance Program (FEFP) recognizes the relatively higher operating cost of smaller districts due to sparse student populations through a statutory formula in which the variable factor is a sparsity index.<sup>27</sup> This index is computed by dividing the FTE student membership of the qualified district by the number of permanent senior high school centers (not to exceed three). A qualified district's FTE shall equal or be less than that prescribed annually by the Legislature in the GAA. The amount prescribed annually by the Legislature shall be no less than 17,000, but no more than 24,000 FTE.<sup>28</sup>

### **Virtual Education Contribution**

The virtual education contribution is calculated within the FEFP for the Florida Virtual School and its franchises, as well as other virtual instruction programs and options identified in s. 1002.455(3), F.S. The virtual education contribution is the difference between the amount per FTE established in the GAA for virtual education and the amount per FTE for each district and the Florida Virtual School, which is calculated by taking the sum of the base FEFP allocation, the discretionary local effort, the state-funded discretionary contribution, the discretionary millage compression supplement, the research-based reading instruction allocation, and the instructional materials allocation, and then dividing by the total unweighted FTE. In the 2014-2015 fiscal year, funding for virtual education is established at 5,230 per FTE.<sup>29</sup>

### **Federally Connected Students**

Title VIII of the Elementary and Secondary Education Act of 1965, authorizes certain school districts to receive federal impact aid funding to support the education of students whose parents are employed by the federal government, including active duty uniformed services, or who live or work on federally-owned property, such as military installations, National Aeronautics and Space Administration (NASA) property, and Indian lands.

The impact aid funding for Florida school districts has decreased by 50 percent from \$13.9 million in the 1993-1994 fiscal year to \$6.9 million in the 2013-2014 fiscal year. Currently, 14 school districts in Florida qualify for federal impact aid.

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<sup>26</sup> 2014-15 Funding for Florida School Districts, Florida Department of Education.

<http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>27</sup> 2014-15 Funding for Florida School Districts, Florida Department of Education.

<http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>28</sup> s.1011.62 (7), F.S.

<sup>29</sup> ch. 2014-51, L.O.F.

### **Local Capital Improvement Revenue for Computer Hardware and Enterprise Software**

School districts are authorized to use local improvement revenue to purchase, lease-purchase, or lease

- New and replacement equipment;
- Computer hardware; and
- Enterprise resource software applications that are classified as capital assets, have a useful life of at least 5 years, and are used to support districtwide administration or state-mandated reporting requirements.

### **Florida Classroom Teacher Supply Program**

Under the Florida Teachers Classroom Supply Assistance Program, each school district is provided an allocation based on the prorated total of each school district's share of the total K-12 unweighted FTE student enrollment. These funds are to be used only by classroom teachers for the purchase of classroom instructional materials and supplies for use in teaching students.<sup>30</sup> Teachers are required to sign an acknowledgement stating they understand the appropriate use of these funds and that they will keep all receipts for expenditures of the funds for at least four years.<sup>31</sup>

### **State University System Performance Funding**

In the 2014-2015 GAA, proviso specifically required performance funding be allocated based on the Board of Governor's (BOG) model approved on January 16, 2014. This model contained 10 performance metrics, which included the following:

- Percent of bachelor's degree graduates employed and/or continuing their education;
- Average wages of employed baccalaureate graduates;
- Cost per undergraduate degree;
- Six-year graduation rate (full-time and part-time first time in college (FTIC));
- Academic Progress Rate (second year retention with a grade point average above 2.0);
- Bachelor's degrees awarded in areas of strategic emphasis (including Science, Technology, Engineering and Math (STEM) education);
- University access rate (percent of undergraduates with a Pell Grant);
- Graduate degrees awarded in areas of strategic emphasis (including STEM);
- Two additional metrics, one chosen by each of the following:
  - Board of Governors, and
  - University Board of Trustees

SUS institutions will be evaluated for their performance based on benchmarks adopted by the BOG for achievement of excellence or improvement these specified metrics. The 2014-2015 GAA appropriated \$200 million for State University Performance Based Incentives in the 2014-2015 fiscal year, which included \$100 million in new funding and \$100 million redistributed

<sup>30</sup> 2014-15 Funding for Florida School Districts, Florida Department of Education.

<http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>31</sup> s. 1012.71 (5), F.S.

from the state university's base funds.<sup>32</sup> Institutions qualifying for new funding also have their base funding restored. Any institution which fails to meet the minimum threshold set by the BOG will have a portion of its base funding withheld and must submit an improvement plan to the BOG. The BOG must approve the improvement plan and conduct progress monitoring of the improvement plan's implementation. An institution will have its full base funding restored upon BOG approval of the improvement plan monitoring report. Any institution that fails to make satisfactory progress will not have its full base funding restored.

### **Florida College System Performance Funding**

In the 2014-2015 GAA, proviso directed the Commissioner of Education to recommend a performance funding formula that may be used to allocate funds to Florida College System institutions. The commissioner's recommendations were to include up to ten performance measures, appropriate performance benchmarks for each measure, and a detailed methodology for allocating performance funds to the colleges. At a minimum, the measures were to include job placement rates, cost per degree, and graduation/ retention rates. In January 2015, these recommendations were finalized and included the required measures, as well as additional measures for:

- Pell Grant student graduation rate,
- Program completer entry level wages,
- Time to degree,
- Credit milestones, and a
- Local measure selected by each college's board of trustees.

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

#### **Preeminent State Research Universities**

The bill specifies that any institution that meets the required academic and research excellence standards for consideration of preeminent status must also enter into, and maintain, a formal agreement with the National Merit Scholarship Corporation to offer College-sponsored Merit Scholarship® awards to be designated as a preeminent state research university.

#### **Minimum Required Hours of Instruction for Full-Time Student**

The bill clarifies that for a student to be considered a "full-time student" under s. 1011.61 (1), F.S., a school operating more than one session comprising not less than 810 net hours per session in grades 4 through 12 or not less than 630 net hours per session in kindergarten through grade 3, may do so only because of a natural disaster.

#### **Intensive Reading Instruction**

The bill amends s. 1011.62(1)(f) and (9), F.S., to extend the requirement of providing an additional hour of intensive reading instruction daily for students enrolled in the 300 lowest performing elementary schools through the 2017-2018 academic year.

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<sup>32</sup> ch. 2014-51, L.O.F.

The bill also requires participating schools to implement a summer program with an equivalent number of hours of instruction in addition to the hour of instruction provided during the school year. The bill requires participating schools to continue to provide an additional hour of instruction to all students who have Level 1 or Level 2 reading assessment scores in the subsequent year after the school is no longer classified as one of the 300 lowest performing elementary schools.

### **Career and Professional Education (CAPE) Dual Enrollment Industry Certification Funding**

The bill authorizes performance funding for a CAPE industry certification earned through a dual enrollment course, which is not a fundable certification on the Postsecondary Industry Certification Funding List or is earned as a result of an agreement with a nonpublic postsecondary institution, to be funded in the same manner as a non-dual enrollment course industry certification. The school district may provide for an agreement between the high school and the technical center, or the school district and the postsecondary institution may enter into an agreement for equitable distribution of the bonus funds.

### **CAPE Teacher Bonus Funding**

The bill establishes two new tiers of bonuses available to CAPE industry certification teachers under s. 1011.62 (1)(o), F.S. A teacher providing instruction to a student in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.3 will earn a \$75 bonus, which is \$25 more than currently authorized. A teacher providing instruction to a student in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.5 or 1.0 will earn a \$100 bonus, which is \$50 more than currently authorized. The maximum total annual bonus for teachers providing instruction in courses leading to these CAPE industry certifications is increased from \$2,000 to \$4,000.

### **Discretionary Millage Compression Supplement**

The bill increases the discretionary millage compression supplement for the school district 0.748 mill discretionary levy for operations from the state average to five percent above the state average funds per full-time equivalent (FTE) student.

### **Sparsity Supplement**

The bill amends s. 1011.62 (7), F.S., to compute the sparsity supplement for larger eligible districts with between 20,000 and 24,000 FTE students, by dividing the total number of FTE students by the number of permanent senior high school centers in the district, not in excess of four rather than three.

### **Virtual Education Contribution**

The bill amends the virtual education contribution calculation within the FEFP by including the declining enrollment supplement and exceptional student education (ESE) guaranteed allocation. The inclusion of the declining enrollment supplement and ESE guaranteed allocation in the

virtual education contribution calculation ensures that eligible programs do not receive funding in excess of the maximum amount per FTE student established for virtual education in the General Appropriations Act (GAA).

### **Federally Connected Student Supplement**

The bill creates the federally connected student supplement categorical within the Florida Education Finance Program (FEFP). Fourteen school districts, which currently receive federal impact aid under Title VIII of the Elementary and Secondary Education Act of 1965, could be eligible for additional FEFP funding under this new categorical.

The supplement is based on two components: a student allocation and an exempt-property allocation. The student allocation is based on the number of students in the district reported for federal impact aid, including students with disabilities, who

- Reside with a parent who is on active duty in the uniformed services or is an accredited foreign government official and military officer;
- Reside on eligible federally-owned Indian lands; or
- Reside with a civilian parent who lives or works on eligible federal property connected with a military installation or NASA. The number of these students shall be multiplied by a factor of 0.5.

The exempt-property allocation is based on the district's real property value of exempt federal property of federal impact aid lands reserved as military installations, NASA properties, or federally-owned Indian lands, multiplied by the millage authorized and levied under s. 1011.71 (2), F.S. The student allocation and the exempt-property allocation will be added together for each eligible district to produce the federally connected student supplement.

### **Local Capital Improvement Revenue for Computer Hardware and Enterprise Software**

School districts are currently authorized to purchase enterprise resource software with their local capital improvement revenue, however, it is unclear as to whether annual license fees, maintenance fees, or lease agreements for enterprise resource software are authorized uses of these funds. The bill specifically authorizes school districts to use their local capital improvement revenue for enterprise resource software annual license fees, maintenance fees, or lease agreements.

### **Florida Classroom Teacher Supply Program**

The bill requires classroom teachers to provide receipts for the expenditure of Florida Teachers Classroom Supply Assistance Program funds to the school district, in place of the currently required signed acknowledgement that the teacher understands the appropriate use of the funds and will keep all receipts for expenditures of the funds for at least four years. This change, while requiring additional effort from the school district, protects teachers from potential income tax audit issues arising from situations in which the teacher has not retained receipts, and has the funds counted as taxable income.

### **State University System Performance Funding**

The bill statutorily establishes State University System (SUS) Performance Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the Board of Governors (BOG). These performance metrics include, but are not limited to, metrics that measure graduation and retention rates; degree production; affordability; postgraduation employment, salaries, or further education; student loan default rates; access; and any other metrics approved by the BOG. SUS institutions will be evaluated for their performance based on benchmarks adopted by the BOG for achievement of excellence or improvement on specified metrics.

Each fiscal year, the amount of funds available for allocation to universities based upon the performance funding model consists of a state investment, plus an institutional investment consisting of funds redistributed from the base funding for the SUS, as determined in the GAA. Institutions qualifying for the state's investment will also have their institutional investment restored. The institutional investment will be restored for all institutions that meet the board's minimum performance funding threshold under the performance funding model. Any institution that is in the bottom three or fails to meet the board's minimum performance funding threshold will not be eligible for the state's investment, will have a portion of its institutional investment withheld, and must submit an improvement plan to the board that specifies the activities and strategies for improving the institution's performance.

### **Florida College System Performance Funding**

The bill establishes Florida College System (FCS) Performance Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the State Board of Education (state board). These performance metrics include, but are not limited to, metrics that measure retention; program completion and graduation rates; student loan default rates; job placement; and post-graduation employment, salaries, or further education. FCS institutions will be evaluated for their performance based on benchmarks adopted by the state board for achievement of excellence or improvement on specified metrics.

Each fiscal year, the amount of funds available for allocation to institutions based upon the performance funding model consists of a state investment, plus an institutional investment consisting of funds redistributed from the base funding for the Florida College System Program Fund, as determined in the GAA. Institutions qualifying for the state investment shall also have their institutional investment restored. Any institution which fails to meet the minimum threshold set by the state board will have a portion of its institutional investment withheld and must submit an improvement plan to the state board. The state board must approve the improvement plan and conduct progress monitoring of the improvement plan's implementation. An institution will have its full institutional investment restored upon state board approval of the improvement plan monitoring report. Any institution that fails to make satisfactory progress will not have its full institutional investment restored.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

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

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

SPB 2508 increases the bonus funding for teachers who provide instruction to a student in a course that led to the attainment of a 0.3, 0.5, or 1.0 weighted industry certification. These teachers are eligible for up to an additional \$2,000 annually in bonus funding.

**C. Government Sector Impact:**

The bill conforms applicable statutes to the Senate proposed General Appropriations Bill, SPB 2500, for Fiscal Year 2015-2016.

The bill modifies the calculation for the sparsity supplement to continue to include the Hernando County School District. The Hernando County School District would be eligible for an estimated \$2 million in sparsity supplement funds in the 2015-2016 fiscal year.

The bill modifies the virtual education contribution calculation in the Florida Education Finance Program (FEFP) by including the declining enrollment supplement and the exceptional student education (ESE) guaranteed allocation in the calculation to maintain funding for virtual education at 5,230 per full-time equivalent (FTE) student.

The bill extends the requirement of providing an additional hour of intensive reading instruction daily to students enrolled in the 300 lowest performing elementary schools through the 2017-2018 academic year, requires participating schools to also provide the required additional instruction through an equivalent number of hours in a summer program, and requires participating schools to continue to provide the additional hour of instruction to all students who have level 1 or 2 reading assessment scores in the subsequent year after the school is no longer classified as one of the 300 lowest performing. This additional hour of reading instruction is funded through the

Supplemental Academic Instruction (SAI) and the Research-Based Reading Instruction Allocation categoricals in the FEFP. A total of \$90 million is provided for this instruction in the 2015-2016 fiscal year.

The bill increases the discretionary millage compression supplement for the school district 0.748 mill discretionary levy for operations from the state average to five percent above the state average funds per FTE student. This change will increase the discretionary millage supplement by approximately \$34 million.

The bill creates the federally connected student supplement categorical within the FEFP. The school districts eligible for funding through the categorical will receive their proportional share of the \$12,441,144, as proposed in SPB 2500, allocated through the FEFP.

The bill statutorily establishes the State University Performance Based Incentive, which is funded at \$400 million in SPB 2500. The state's investment consists of \$200 million and the institutional investment constitutes the remaining \$200 million. The funds received by an individual state university will be contingent upon the university's performance on the established metrics.

The bill establishes the Florida College System Performance Based Incentive, which is funded at \$60 million in SPB 2500. The state's investment consists of \$30 million and the institutional investment constitutes the remaining \$30 million. The funds received by each institution will be contingent upon the institution's performance on the established metrics.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1001.7065, 1011.61, 1011.62, 1011.71, and 1012.71.

This bill creates two unnumbered sections of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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

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