

**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 Education

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BILL: CS/SB 1434

INTRODUCER: Education Committee and Senator Passidomo

SUBJECT: K-12 Education Enhancements

DATE: January 24, 2018

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Androff	Graf	ED	Fav/CS
2.			AED	
3.			AP	

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

- CS/SB 1434 modifies Florida education law related to mental health services in schools, school improvement and education accountability, persistently low-performing schools, schools of hope, school funding, and the Florida Tax Credit Scholarship. Specifically, the bill:
- Creates the mental health assistance allocation to provide funds for school-based mental health programs and establishes related requirements.
- Strengthens school improvement and accountability measures by:
- Providing that a school must complete two years of a district-managed turnaround plan before the school must implement a turnaround option.
- Expanding the turnaround options available to a school district for a persistently low-performing school to include a franchise model school that is led by a specified highly effective principal and incentivize a hope operator to establish a school of hope at the district-owned facilities of the persistently low-performing school.
- Extending the funds available in the newly established Hope Supplemental Services Allocation to all eligible schools implementing a district-managed turnaround plan or a turnaround option.
- Revises school of hope provisions to require a hope operator to submit a notice of intent containing an operations plan specifying the hope operator's intent to undertake the operations of the persistently low-performing schools.
- Establishes the Hope Supplemental Services Allocation to provide schools implementing a district-managed turnaround plan or a turnaround option specified in law with funds to offer

services designed to improve the overall academic and community welfare of the schools' students and their families.

- Modifies eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes.
- Expands eligibility for the Florida Tax Credit Scholarship to include a student who attends a persistently low-performing school.
- Renames the Collegiate High School Program as the Structured High School Acceleration Program (structured program), modifies programmatic and reporting requirements, and creates bonus funding for school districts based on students enrolled in such programs completing either a 30- or 60- credit hour block through dual enrollment.

The bill takes effect July 1, 2018.

## **II. Present Situation:**

The present situation for the relevant portions of the bill is discussed in the Effect of Proposed Changes section of this bill analysis.

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

CS/SB 1434 includes policy and funding provisions to improve the quality of education in this state, and student access to such education.

### **Mental Health Services in Schools**

#### *Present Situation*

The Florida Department of Education (DOE), through the Bureau of Exceptional Education and Student Services and the Office of Safe Schools promotes a system of support, policies, and practices that focus on prevention and early intervention to improve student mental health and school safety. Each district school board is required to provide for the proper attention to health, safety, and other matters related to the welfare of students.<sup>1</sup> Florida law provides that instructional staff members of the public schools must teach comprehensive health education that addresses concepts of mental and emotional health as well as substance use and abuse.<sup>2</sup> Student Services personnel, which includes school psychologists, school social workers, and school counselors, are classified as instructional personnel responsible for advising students with regard to their personal and social adjustments and provide direct and indirect services at the district and school level.<sup>3</sup>

#### *Effect of Proposed Changes*

The bill creates the mental health assistance allocation within the Florida Education Finance Program (FEFP).

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<sup>1</sup> Section 1006.07, F.S.

<sup>2</sup> Section 1003.42(2)(n), F.S.

<sup>3</sup> Section 1012.01(2)(b), F.S.

The bill creates a mental health assistance allocation within the Florida Education Finance Program (FEFP).

#### *Purpose*

The purpose of the mental health assistance allocation is to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs that:

- Increase awareness of mental health issues among children and school-age youth;
- Train educators and other school staff in detecting and responding to mental health issues; and
- Connect children, youth, and families who may experience behavioral health issues with appropriate services.

#### *Funding*

The mental health assistance allocation funds must be annually allocated to each eligible school district and developmental research school based on each entity's proportionate share of FEFP base funding. The district funding allocation must include a minimum amount as specified in the General Appropriation Act (GAA). Charter schools are also entitled to a proportionate share of district funding for this program.

The bill specifies that the mental health assistance funds allocated may not supplant funds that are provided from other operating funds for this purpose and may not be used to increase salaries or provide bonuses.

#### *Eligibility Criteria*

To be eligible for the allocation, the bill requires a school district to annually develop and submit a detailed plan outlining the local program and planned to the district school board for approval. Similarly, a charter school must annually develop and submit a detailed plan outlining the local program and planned expenditures of the funds in the plan to its governing body for approval in order to receive the allocation. After the charter schools' governing board approves the plan, it must be provided to the school district for submission to the Commissioner of Education (commissioner). School districts must submit approved plans to the commissioner by August 1 of each fiscal year.

#### *Plan Requirements*

The required mental health assistance allocation plan must include, at a minimum, all of the following elements:

- A collaborative effort or partnership between the school district and at least one local community program or agency involved in mental health to provide or to improve prevention, diagnosis, and treatment services for students;
- Programs to assist students in dealing with bullying, trauma, and violence;
- Strategies or programs to reduce the likelihood of at-risk students developing social, emotional, or behavioral health problems or substance use disorders;

- Strategies to improve the early identification of social, emotional, or behavioral problems or substance use disorders and to improve the provision of early intervention services;
- Strategies to enhance the availability of school-based crisis intervention services and appropriate referrals for students in need of mental health services; and
- Training opportunities for school personnel in the techniques and supports needed to identify students who have trauma histories and who have or are at risk of having a mental illness, and in the use of referral mechanisms that effectively link such students to appropriate treatment and intervention service sin the school and in the community.

### *Reporting Requirements*

The bill requires each district to submit approved plans to the commissioner by August 1 of each fiscal year. Each entity that receives a mental health assistance allocation must submit a final report, in a format prescribed by the department, on its program outcomes and its expenditures for each element of the program to the Commissioner. This reporting requirement begins in September 30, 2019, and continues each September 30 thereafter.

The establishment of the mental health assistance allocation program may boost school districts' efforts in raising mental health awareness in public schools and assist the districts in providing comprehensive mental health services to children and school-age youth. This may improve student mental health and school safety.

### **School Improvement and Education Accountability**

The State Board of Education (SBE) is responsible for holding all school districts and public schools accountable for student performance<sup>4</sup> through a state system of school improvement and education accountability that assesses student performance by school, identifies schools that are not meeting accountability standards, and institutes appropriate measures for enforcing improvement.<sup>5</sup>

The state system of school improvement and education accountability must:<sup>6</sup>

- Provide for uniform accountability standards;
- Provide assistance of escalating intensity to schools not meeting accountability standards;
- Direct support to schools in order to improve and sustain performance;
- Focus on the performance of student subgroups; and
- Enhance student performance.

### ***Differentiated Accountability***

#### *Present Situation*

The academic performance of all students has a significant effect on the state school system and the SBE must equitably enforce the accountability requirements of the state school system and may impose state requirements on school districts in order to improve the academic performance

<sup>4</sup> Sections 1008.33(1) and (2)(a), 1008.34, and 1008.345, F.S.

<sup>5</sup> Section 1008.33(2)(a), F.S.

<sup>6</sup> Section 1008.33(2)(b), F.S.

of all districts, schools, and students.<sup>7</sup> The DOE must annually identify each public school in need of intervention and support to improve student academic performance.<sup>8</sup> All schools earning a grade of “D” or “F” are schools in need of intervention and support.<sup>9</sup>

The SBE must adopt by rule a differentiated matrix of intervention and support strategies for assisting public schools identified as in need of intervention.<sup>10</sup> The intervention and support strategies must address student performance and may include improvement planning; leadership quality improvement; educator quality improvement; professional development; curriculum review, pacing and alignment across grade levels to improve background knowledge in social studies, science, and the arts; and the use of continuous improvement and monitoring plans and processes.<sup>11</sup> In addition, the SBE may prescribe reporting requirements to review and monitor the progress of the schools.<sup>12</sup> The rule must define the intervention and support strategies for school improvement for schools earning a grade of “D” or “F” and the roles for the district and department.<sup>13</sup>

### *Effect of Proposed Changes*

The bill modifies the intervention and support strategies for school improvement that must be adopted by the SBE in rule to require intervention and support strategies to address efforts to improve student performance through one or more of such strategies identified in law. Accordingly, the bill steers focus on improving student performance through the implementation of strategies specified in law.

### ***District Managed Turnaround Plan***

#### *Present Situation*

The SBE must apply intensive intervention and support strategies tailored to the needs of schools earning two consecutive grades of “D” or a grade of “F.”<sup>14</sup> In the first school year after a school earns two consecutive grades of “D” or a grade of “F,” the school district must immediately implement intervention and support strategies and:

- By September 1, provide to the SBE the negotiated memorandum of understanding with the bargaining agent in educational emergency circumstances.
- By October 1, a district-managed turnaround plan (DMT) for approval by the state board.<sup>15</sup>

After the SBE approves the DMT, the school district must implement the plan for the remainder of the school year and continue the plan for one full school year.<sup>16</sup> The SBE may allow a school

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<sup>7</sup> Section 1008.33(3)(a), F.S., Art. IX, Fla. Const.

<sup>8</sup> Section 1008.33(3)(b), F.S.

<sup>9</sup> Sections 1008.33(3)(b) and 1008.34, F.S.

<sup>10</sup> Section 1008.33(3)(c), F.S.

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

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

<sup>13</sup> Section 1008.33(3)(c), F.S.

<sup>14</sup> Section 1008.33(4)(a), F.S.

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

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

an additional year of DMT implementation if it determines that the school is likely to improve to a grade of “C” or higher after the first full school year of implementation.<sup>17</sup>

### *Effect of Proposed Changes*

The bill provides that a school that has completed two school years of a district-managed turnaround plan and has not improved its school grade to a “C” or higher must implement a turnaround option. Accordingly, a school will be able to complete its district-managed turnaround plan before the school is required to implement a turnaround option. As a result, the school may be able to assess the effectiveness of a DMT plan before implementing other turnaround options to improve student performance.

### **Turnaround Options**

#### *Present Situation*

Unless the SBE provides an additional year of implementation, a school that earns three consecutive grades below a “C” must implement one of the following turnaround options:<sup>18</sup>

- Reassign students to another school and monitor the progress of each reassigned student;
- Close the school and reopen the school as one or more charter schools, each with a governing board that has a demonstrated record of effectiveness; or
- Contract with an outside entity that has a demonstrated record of effectiveness to operate the school. An outside entity may include a district-managed charter school in which all instructional personnel are not employees of the school district, but are employees of an independent governing board composed of members who did not participate in the review or approval of the charter.

Implementation of the turnaround option is no longer required if the school improves to a grade of “C” or higher.<sup>19</sup> If a school earning two consecutive grades of “D” or a grade of “F” does not improve to a grade of “C” or higher after 2 full school years of implementing the turnaround option, the school district must implement another turnaround option, beginning the school year following the implementation period of the existing turnaround option, unless the SBE determines that the school is likely to improve to a grade of “C” or higher if additional time is provided to implement the existing turnaround option.<sup>20</sup>

### *Effect of Proposed Changes*

The bill modifies the turnaround options available to a school district for a school that does not improve to a grade of “C” or higher after two years of implementing a district-managed turnaround plan. Specifically, the bill:

- Modifies the current law turnaround option regarding closure to specify that if the school chooses the option to close and reopen as one or more charter schools, such charter schools are eligible for funding from the newly established hope supplemental services allocation.
- Expands the option to contract with an outside entity that has a demonstrated record of effectiveness to operate the school to provide that an outside entity may include a hope

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<sup>17</sup> Section 1008.33(4)(a), F.S.

<sup>18</sup> *Id.* at (b).

<sup>19</sup> *Id.* at (c).

<sup>20</sup> *Id.* at (d).

operator that submits to a school district a notice of intent and a performance based agreement pursuant to law. A school of hope established pursuant to a turnaround option is eligible for funding from the newly established hope supplemental services allocation for up to 5 years, beginning in the school year in which the school of hope is established if the school of hope meets the following eligibility requirements:

- Is established at the district-owned facilities of the persistently low-performing school;
- Gives priority enrollment to students who are enrolled in, or are eligible to attend and are living in the attendance area of, the persistently low-performing school that the school of hope operates, consistent with the enrollment lottery exemption provided in law;<sup>21</sup> and
- Meets the requirements of its performance based agreement.
- Provides that if a school implements the option to contract with a district-managed charter school as provided in law, such school is eligible for funding from the newly established hope supplemental services allocation.
- Creates the franchise model school, defined as a persistently low-performing school that is led by a highly effective principal, who also leads the school to which the principal is currently assigned. If a franchise model school achieves a grade of “C” or higher, the school may retain its status as a franchise model school at the discretion of the school district. The bill authorizes a school district that has one or more persistently low-performing schools to use a franchise model school as a school turnaround option.

The bill also establishes criteria for a franchise model principal to specify that such principal:

- Must be rated highly effective pursuant to existing personnel evaluations procedures and criteria;
- May lead two or more schools, including a persistently low-performing school or a school that was considered a persistently low-performing school before becoming a franchise model school;
- May allocate resources and personnel between the schools under his or her administration; however, he or she must expend hope supplemental services allocation funds at the franchise model schools; and
- Is eligible to receive a Best and Brightest Principal award.

The strengthened turnaround options and funds provided in the supplemental services allocation provided in the bill may result in an increased number of schools that improve to a grade of “C” or higher after implementing a turnaround option.

## **Persistently Low-Performing School**

### *Present Situation*

A persistently low-performing school is a school that has earned three consecutive grades lower than a “C” and a school that was closed within two years after the submission of a notice of intent.<sup>22</sup> The SBE must provide students in persistently low-performing schools with a public

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<sup>21</sup> See Section 1011.62(16), F.S.

<sup>22</sup> Section 1002.333(1)(b), F.S.

school that meets accountability standards<sup>23</sup> and is required to annually publish a list of persistently low-performing schools.<sup>24</sup>

### *Effect of Proposed Changes*

The bill revises the definition of persistently low-performing school to mean a school that has completed 2 school years of a district managed turnaround plan and has not improved its school grade to a “C” or higher, instead of as a school that has earned three consecutive grades lower than a “C.” This provides that a school is considered a persistently low-performing school after a school has had the chance to complete the school’s DMT and assess the effectiveness of the DMT on student performance.

### *Schools of Hope*

#### *Present Situation*

A Hope Operator is a nonprofit organization with tax-exempt status under the Internal Revenue Code that operates three or more charter schools that serve students in grades K-12 in Florida or other states with a record of serving students from low-income families and is designated by the SBE based on criteria established in law.<sup>25</sup> Before the adoption of measurable criteria by the SBE, an entity that has received funding from a national charter school grant program or that has been selected to operate a school pursuant to a turnaround option must be designated as a hope operator.<sup>26</sup> An entity’s initial status as a hope operator is valid for 5 years from the opening of a school of hope.<sup>27</sup>

A school of hope is a charter school operated by a hope operator that is operated pursuant to a turnaround option specified in law or that:<sup>28</sup>

- Serves students from one or more persistently low-performing schools;
- Is located in the attendance zone of a persistently low-performing school or within a 5-mile radius of such school, whichever is greater; and
- Is a title I eligible school.

A hope operator seeking to open a school of hope must submit a notice of intent to the school district in which the SBE has identified a persistently low-performing school.<sup>29</sup> The notice of intent must include the following elements specified in law:<sup>30</sup>

- An academic focus and plan.
- A financial plan.

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<sup>23</sup> *Id.* at (11)(d).

<sup>24</sup> *Id.* at (a).

<sup>25</sup> Section 1002.333(2), F.S.

<sup>26</sup> *Id.* On January 17, 2018, the SBE adopted Rule 6A-1.0998271, F.A.C., which establishes the process and criteria for non-profit charter school operators to apply for the initial Hope Operator designation. Additionally, the rule establishes and incorporates a Notice of Intent, Application for Hope Operator Designation, and Performance Based-Agreement. Rule 6A-1.0998271, F.A.C.

<sup>27</sup> Section 1002.333(3), F.S.

<sup>28</sup> *Id.* at (1)(c).

<sup>29</sup> *Id.* at (4).

<sup>30</sup> *Id.* at (4)(a).



- Goals and objectives for increasing student achievement for the students from low-income families.
- A completed or planned community outreach plan.
- The organizational history of success in working with similar demographics.
- The grade levels to be served and enrollment projections.
- The proposed location or geographic area proposed or the school and its proximity to the persistently low-performing school.
- A staffing plan.

Florida law requires a school district to enter into a performance based agreement with a hope operator to open schools to serve students from persistently low-performing schools.<sup>31</sup> The entirety of the performance-based agreement must include:<sup>32</sup>

- The notice of intent.
- The location or geographic area proposed for the school of hope and its proximity to the persistently low-performing school.
- An enumeration of the grade to be served in each year of the agreement and whether the school will serve children in the school readiness or prekindergarten programs.
- A plan of action and specific milestones for student recruitment and the enrollment of students from persistently low-performing schools, including enrollment preferences and procedures for conducting transparent admissions lotteries that are open to the public. Students from persistently low-performing schools are exempt from any enrollment lottery to the extent permitted by federal grant requirements.
- A delineation of the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used.
- A description of the methods of involving parents and expected levels of parent involvement.
- The grounds for termination of the school of hope, including the failure to meet the requirements for student performance or generally accepted standards of fiscal management, or the material violation of terms of the agreement.
- A provision allowing the hope operator to open additional schools to serve students enrolled in or zoned for a persistently low-performing school if the hope operator maintains its status.
- A provision establishing the initial term as five years. The agreement must be renewed, upon the request of the hope operator, unless the school fails to meet the requirements for student performance or generally accepted standards of fiscal management, or the hope operator materially violates the law or terms of the agreement.
- A requirement to provide transportation consistent with Florida law.
- A requirement that any arrangement entered into to borrow or otherwise secure funds for the school of hope from a source other than the state or a school district shall indemnify the state and the school district from any and all liability, including, but not limited to, financial responsibility for the payment of the principal or interest.
- A provision that any loans, bonds, or other financial agreements are not obligations of the state or the school district but are obligations of the school of hope and are payable solely from the sources of funds pledged by such agreement.
- A prohibition on the pledge of credit or taxing power of the state or the school district.

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<sup>31</sup> Section 1002.333(4)(b), F.S.

<sup>32</sup> *Id.* at (5)(a)

*Effect of Proposed Changes*

The bill refines the requirements in current law with respect to schools of hope. Specifically, the bill:

- Modifies the definition of a school of hope to specify that it must be located in the attendance zone of a persistently low-performing school, and not within a 5-mile radius of such school.
- Clarifies that the notice of intent submitted by a hope operator seeking to open a school of hope must include all of the information specified in law and adds components for inclusion in the notice of intent.
- Provides that the notice of intent must include the specific location proposed for the school of hope or the plan to use the district-owned facilities of the persistently low-performing school.
- Requires the notice of intent contain an operations plan specifying the hope operator's intent to undertake the operations of the persistently low-performing school in its entirety or through limited components of the operations.

This may result in a more detailed notice of intent pursuant to which a hope operator undertakes at least limited operations of the persistently low-performing school.

*Facilities**Present Situation*

A school of hope must use facilities that comply with the Florida Building Code, except for the State Requirements for Educational Facilities (SREF).<sup>33</sup> A school of hope that uses school district facilities must comply with SREF only if the school district and the hope operator have entered into a mutual management plan for the reasonable maintenance of such facilities.<sup>34</sup> Management plan requirements are specified in law.<sup>35</sup>

*Effect of Proposed Changes*

The bill modifies the following requirements related to the use of facilities by a school of hope:

- A school of hope that is operated by a hope operator which serves students from one or more persistently low-performing schools, is located in such school's attendance zone, and is a Title I eligible school must use facilities that comply with the Florida Building Code, except for SREF.
- A school of hope that is operated by a hope operator pursuant to a turnaround option specified in section 1008.33(4)(b)3.b. of the Florida Statutes and that receives funds from the hope supplemental services allocation must use the district-owned facilities of the persistently low-performing school that the school of hope operates. A school of hope that uses district owned facilities must comply with the State Requirements' for Educational Facilities only if the school district and the hope operator have entered into a mutual management plan for the reasonable maintenance of the facilities.

This modification may incentivize hope operators to use district-owned facilities.

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<sup>33</sup> Section 1002.333(7)(a), F.S.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

## ***Schools of Hope Program***

### *Present Situation*

The Schools of Hope Program is created within the DOE.<sup>36</sup> A school of hope is eligible to receive funds from the School of Hope Program for specified expenses specified in law.<sup>37</sup> A traditional public school that is required to submit a DMT plan for implementation is eligible to receive up to \$2,000 per full-time equivalent student from the Schools of Hope Program based upon the strength of the school's plan for implementation and the focus of such plan on evidence based interventions that lead to student success by providing wrap-around services that leverage community assets, improve school and community collaboration, and develop family and community partnerships.

Wrap-around services include, but are not limited to, tutorial and after-school programs, student counseling, nutrition education, parental counseling, and adult education. Plans for implementation may also include models that develop a culture of attending college, high academic expectations, character development, dress codes, and an extended school day and school year. At a minimum, a plan for implementation must:

- Establish wrap-around services that develop family and community partnerships.
- Establish clearly defined and measurable high academic and character standards.
- Increase parental involvement and engagement in the child's education.
- Describe how the school district will identify, recruit, retain, and reward instructional personnel. The state board may waive or suspend specified statutory requirements to facilitate implementation of the plan.
- Identify a knowledge-rich curriculum that the school will use that focuses on developing a student's background knowledge.
- Provide professional development that focuses on academic rigor, direct instruction, and creating high academic and character standards.

The SBE must provide awards for up to 25 schools and prioritize awards for plans for wrap-around services that are based on whole school transformation and are developed in consultation with the school's principal.<sup>38</sup> The SBE is also required to annually report on the implementation of the Schools of Hope Program and provide summarized academic and performance reports of each traditional public school receiving funds.<sup>39</sup>

### *Effect of Proposed Changes*

The bill replaces the schools of hope program with the hope supplemental services allocation to provide that a traditional public school required to implement either a district-managed turnaround plan or a turnaround option specified in law is eligible to receive funding for services authorized from the hope supplemental services allocation.

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<sup>36</sup> Section 1002.333(10), F.S.

<sup>37</sup> *Id.* at (a).

<sup>38</sup> Section 1002.333(7)(c)1., F.S.

<sup>39</sup> *Id.* at (c)2.

### **Hope Supplemental Services Allocation**

The bill establishes the hope supplemental services allocation to provide schools implementing a district-managed turnaround plan and schools implementing turnaround options specified in law with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families. The bill authorizes that the allocation may fund, but is not limited to, the following services and strategies:

- Services such as tutorial and after-school programs, student counseling, nutrition education, parental counseling, and adult education.
- Models that develop a culture that encourages students to attend college, set high academic expectations, inspire character development and include an extended school day and school year.

The bill provides that, at a minimum, a school district for a school implementing a DMT, a school implementing a turnaround option and persistently low-performing schools that use a franchise model; a hope operator, for a school of hope; or the charter school governing board for a charter school, as applicable, must develop a plan for implementation that:

- Establishes comprehensive support services that develop family and community partnerships;
- Establishes clearly defined and measurable high academic and character standards;
- Increases parental involvement and engagement in the child's education;
- Describes how instructional personnel will be identified, recruited, retained, and rewarded; and
- Provides professional development that focuses on academic rigor, district instruction, and creating high academic and character standards.
- Provides focused instruction to improve student academic proficiency, which may include additional instruction time beyond the normal school day or year.

Such plan must be submitted by September 1 of each fiscal year.

The bill specifies that for the 2018-2019 fiscal year, a school that is selected to receive funding in the 2017-2018 fiscal year according to current law, must receive \$2,000 per full-time equivalent (FTE) student. A school implementing a district-managed turnaround plan and a charter school, district-managed charter school, school of hope, or franchise model school authorized under a turnaround option are eligible for the remaining funds in the hope supplemental services allocation based on the school's unweighted FTE, up to \$2,000 per FTE or as provided in the General Appropriations Act. If the calculated funds for unweighted FTE student enrollment at the eligible schools exceed the per-FTE funds appropriated, the allocation of funds to each school district must be prorated based on each school district's share of the total unweighted FTE student enrollment for the eligible schools.

The creation of the hope supplemental services allocation will provide schools implementing a district-managed turnaround plan or a turnaround option specified in law with funds to offer services designed to improve the academic and student welfare. This may result in schools investing in strategic efforts to boost student performance, and accordingly, school performance.

## Florida Tax Credit Scholarship

### *Present Situation*

The Florida Tax Credit Scholarship Program (FTC) was established to provide an income tax credit for corporations that contribute money to non-profit Scholarship Funding Organizations (SFOs) that award scholarships to students from families with limited resources.<sup>40</sup> The purpose of the FTC is to enable taxpayers to make private, voluntary contributions to SFOs for children of families that have limited financial resources to expand educational opportunities for these children to achieve a greater level of educational excellence and improve the quality of education in Florida.<sup>41</sup>

Florida law specifies that a student is eligible for the FTC if he or she meets one of the following criteria:<sup>42</sup>

- The student is on the direct certification list or the student's household income level does not exceed 185 percent of the federal poverty level; or
- The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home care. A student who initially receives a scholarship based on this eligibility criteria remains eligible to participate until the student graduates from high school or attains the age of 21, whichever occurs first, regardless of the student's household income level.
- The student's household income level is greater than 185 percent of the federal poverty level but does not exceed 260 percent of the federal poverty level.

### *Effect of Proposed Changes*

The bill expands student eligibility requirements for the Florida Tax Credit (FTC) scholarship program. The bill specifies that:

- A student who initially receives a scholarship based on placement in foster or in out-of-home care must remain eligible to participate in the FTC until the student graduates from high school or attains 21 years of age, whichever occurs first, regardless of the student's household income level.
- A student who currently attends, or attended in the previous academic year, a persistently low-performing school is eligible for an FTC scholarship.
- A student who initially receives a scholarship based on attendance at a persistently low-performing school remains eligible to participate as long as his or her zoned school retains its status as a persistently low-performing school.

The modified eligibility requirements may result in additional students qualifying for FTC scholarships.

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<sup>40</sup> Section 1002.395, F.S.

<sup>41</sup> *Id.* at (1)(b).

<sup>42</sup> *Id.* at (3)(b).

## **School District Funding**

Florida school districts are funded by federal, state, and local governments.<sup>43</sup> State funding for school districts is primarily provided by legislative appropriations, the majority of which is distributed through the Florida Education Finance Program (FEFP).<sup>44</sup> Each school district participating in the state allocation of funds for the operation of schools must levy a millage that represents its required local effort (RLE) funding from property taxes.<sup>45</sup>

### ***Florida Education Finance Program***

#### *Present Situation*

Florida law provides funds for the operation of schools by an allocation from the Florida Education Financier Program (FEFP) to each district. In addition to the basic amount for current operations for the FEFP, the Legislature is authorized to appropriate categorical funding for specified programs, activities or purposes.<sup>46</sup> Each district school board must include the amount of categorical funds as a part of the district annual financial report to the Florida Department of Education (DOE) and the DOE must submit a report to the Legislature that identifies by district and by categorical fund the amount transferred and the specific academic classroom activity for which the funds were expended.<sup>47</sup>

#### *Effect of Proposed Changes*

The bill establishes the mental health assistance allocation within the FEFP to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health program. The bill also creates the hope supplemental services allocation to provide schools implementing a district-managed turnaround plan and schools implementing turnaround options specified in law with funds to offer services designed to improve the overall academic and community welfare of the schools' students and their families.

### ***Discretionary Millage for Fixed Capital Outlay***

#### *Present Situation*

Each school board may levy up to 1.5 mills against the taxable value for fixed capital outlay for district schools, including charter schools at the discretion of the school board, to be used for purposes specified in law.<sup>48</sup> The authority to levy the additional millage was added to Florida law in 1980, and the amount for the millage was 2 mills.<sup>49</sup> If the additional 1.5-mill levy is not sufficient to meet specified district school board needs, the board is authorized to levy up to 0.25 mills to supplement fixed capital outlay in lieu of an equivalent amount of the discretionary mills

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<sup>43</sup> Section 1011.62, F.S.

<sup>44</sup> *Id.*

<sup>45</sup> Section 1011.62(4), F.S.

<sup>46</sup> *Id.* at (6).

<sup>47</sup> *Id.* at (6)(3).

<sup>48</sup> Section 1011.71(2), F.S.

<sup>49</sup> Section 1, ch. 1980-381, L.O.F.

for operations as provided in the GAA.<sup>50</sup> The total discretionary millage levied for school purposes and fixed capital outlay, as provided in statute, may not exceed 1.75 mills.<sup>51</sup>

A school district is authorized to expend up to \$100 per unweighted full-time equivalent student from the revenue generated by nonvoted discretionary millage levy authorized in law to fund expenses for the following additional purposes:<sup>52</sup>

- The purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles or vehicles used in storing or distributing materials and equipment.
- Payment of the cost of premiums, as defined in s. 627.403, for property and casualty insurance necessary to insure school district educational and ancillary plants.

### *Effect of Proposed Changes*

The bill raises the amount a school district may expend for the purchase or lease of specified vehicles or for the payment of the cost premiums for property and casualty insurance necessary to insure school district educational and ancillary plants from up to \$100 to up to \$150 per unweighted full-time equivalent student. This will provide school districts with additional flexibility in the expenditure of discretionary millage.

### **Charter School Capital Outlay**

Charter school capital outlay is comprised of discretionary millage authorized in law and state funds appropriated in the General Appropriations Act.<sup>53</sup> Florida law defines eligibility, allocation methodology and allowable uses.<sup>54</sup>

### ***Eligibility***

#### *Present Situation*

To be eligible for charter school capital outlay funding, a charter school must:<sup>55</sup>

- Have been in operation for 2 or more years,
- Be governed by a governing board established in the state for 2 or more years which operates both charter schools and conversion charter schools within the state, be an expanded feeder chain<sup>56</sup> of a charter school within the same school district that is currently receiving charter school capital outlay funds, have been accredited by a regional accrediting association as defined by the State Board of Education (SBE), or serve students in facilities that are provided by a business partner for a charter school-in-the-workplace.
- Have an annual audit that does not reveal any of the financial emergency conditions for the most recent fiscal year for which such audits are available.

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<sup>50</sup> Section 1011.71(3), F.S.

<sup>51</sup> *Id.*

<sup>52</sup> Section 1001.71(5), F.S.

<sup>53</sup> Section 1013.62(1), F.S.

<sup>54</sup> *Id.*

<sup>55</sup> Section 1013.62(1)(a), F.S.

<sup>56</sup> Rule 6A-2.0020, F.A.C., provides that a charter school may be considered part of an expanded feeder chain if it either sends or receives a majority of its students directly to or from a charter school that is currently receiving capital outlay funding.

- Have satisfactory student achievement<sup>57</sup> based on state accountability standards applicable to the charter school.
- Have received final approval from its sponsor for operation during that fiscal year.
- Serve students in facilities that are not provided by the charter school's sponsor.

A charter school is not eligible for a funding allocation if it was created by the conversion of a public school and operates in facilities provided by the charter school's sponsor for a nominal fee, or at no charge, or if it is directly or indirectly operated by the school district.<sup>58</sup>

#### *Effect of Proposed Changes*

The bill provides that a charter school is not eligible to receive capital outlay funds if the chair of the charter school governing board and the chief administrative officer of the charter school do not annually certify under oath that the funds will be used solely and exclusively for constructing, renovating, or improving charter school facilities that are owned by:

- A school district, a political subdivision of the state, a municipality, a Florida College System institution or a state university; or,
- An organization that is qualified as an exempt organization under the Internal Revenue Code whose articles of incorporation specify that, upon the organizations dissolution, the subject property will be transferred to a school district, a political subdivision of the state, a municipality, a Florida College System institution, or a state university.

The revised eligibility requirements may result in a change in the number of charter schools that receive capital outlay funds.

#### ***Shared Local Capital Outlay Allocation***

##### *Present Situation*

The DOE must calculate the shared local capital outlay allocation by dividing the revenue generated from the local discretionary millage authorized in law and levied by the school board by the sum of the district fixed capital outlay FTE and the FTE for eligible charter schools.<sup>59</sup> This calculated capital outlay allocation per FTE must then be multiplied by the eligible charter school's FTE to provide a maximum calculated capital outlay allocation.<sup>60</sup>

##### *Effect of Proposed Changes*

The bill modifies the calculation methodology that the DOE must use to determine the amount of revenue that a school district must distribute to each charter school if the school board levies the authorized local discretionary millage. The bill provides that the calculated capital outlay allocation per free-time equivalent (FTE) must be multiplied by the total number of FTE students

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<sup>57</sup> Rule 6A-2.0020, F.A.C., provides that the eligibility requirement for student achievement must be determined in accordance with the language in the charter contract and the charter school's current school improvement plan if the school has a current school improvement plan. A charter school receiving an "F" grade designation through the state accountability system, as defined in s. 1008.34, F.S., must not be eligible for capital outlay funding for the school year immediately following the designation. *Id.*

<sup>58</sup> Section 1013.62(1)(b), F.S.

<sup>59</sup> Section 1013.62(1)(b), F.S.

<sup>60</sup> *Id.* at (c).



for all eligible charter schools within the district to determine the total charter school capital outlay allocation for each district. Next, if applicable, the capital outlay allocation must be reduced by the total amount of state funds allocated to all charter schools within a district to determine the net total calculated capital outlay allocation from local funds. The bill states that if state funds are not allocated for this purpose the total charter school capital outlay allocation is the net total calculated capital outlay allocation from local funds for each district.

The bill also provides that for each charter school within each district, the net capital outlay amount from local funds must be calculated in the same manner as the state funds appropriated in the General Appropriations Act to eligible charter schools, except that the base charter school per weighted FTE allocation amount shall be determined by dividing the net total capital outlay amount from local funds by the total weighted FTE for all eligible charter schools within the district.<sup>61</sup> The per weighted FTE allocation amount from local funds must be multiplied by the weighted FTE for each charter school to determine each charter school's capital outlay allocation from local funds.

The revised calculation may alter the amount of funds distributed in each charter school's capital outlay allocation from local funds.

## **The Collegiate High School Program**

### *Present Situation*

Each Florida College System (FCS) institution must work with each district school board in its designated service area<sup>62</sup> to establish one or more collegiate high school programs (programs).<sup>63</sup>

At a minimum, programs must include an option for public school students in grade 11 or grade 12 participating in the program, for at least 1 full school year, to:<sup>64</sup>

- Earn CAPE industry certifications;<sup>65</sup> and to
- Successfully complete 30 credit hours through dual enrollment<sup>66</sup> toward the first year of college for an associate or baccalaureate degree.

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<sup>61</sup> The allocation formula for the shared local capital outlay allocation utilizes a weighted funding approach to provide additional funds to charter schools who serve high proportions of students eligible for free and reduced price lunch or students with disabilities, or both. Section 1013.62(2), F.S.

<sup>62</sup> Florida College System institution service area districts are specified in law. Section 1000.21(3), F.S.

<sup>63</sup> Section 1007.273(1), F.S.

<sup>64</sup> *Id.* at (2).

<sup>65</sup> *Id.* CAPE industry certifications are identified on the CAPE Industry Certification Funding List, which is approved by the State Board of Education. Section 1008.44. Such industry certifications must be applied in the distribution of funding to school districts. Section 1008.44(1)(a), F.S. Specified CAPE industry certifications on the CAPE industry certification funding list are eligible for additional full-time equivalent membership funding. Section 1011.62(1)(o), F.S.

<sup>66</sup> The dual enrollment program is the enrollment of an eligible secondary student or home education student in a postsecondary course creditable toward high school completion and a career certificate or an associate or baccalaureate degree. Section 1007.271(1), F.S.

Each district school board and its local FCS institution must execute a contract to establish one or more programs.<sup>67</sup> The contract must be executed by January 1 of each school year for implementation of the program during the next school year.<sup>68</sup> Among other required items, the contract must:<sup>69</sup>

- Identify the grade levels to be included in the program which must, at a minimum, include grade 12.
- Describe the program, including the delineation of courses and industry certifications offered, including online course availability; the high school and college credits earned for each postsecondary course completed and industry certification earned; student eligibility criteria; and the enrollment process and relevant deadlines.

A district school board may also execute a contract to establish a program with a state university or an eligible private postsecondary institution.<sup>70</sup>

Each student participating in a program must enter into a student performance contract.<sup>71</sup> The performance contract must include the schedule of courses, by semester, and industry certifications to be taken by the student, student attendance requirements, and course grade requirements.<sup>72</sup>

The program is funded in the same manner as for dual enrollment courses<sup>73</sup> and the Florida Education Finance Program (FEFP).<sup>74</sup> The State Board of Education must enforce compliance with the requirements of the program by withholding the transfer of funds for the school districts and the FCS institutions, as specified in law.<sup>75</sup>

#### *Effect of Proposed Changes*

The bill renames the collegiate high school program as the structured high school acceleration program (structured program) and modifies the structured program requirements.

The bill requires that a student participating in a structured program has the option to complete at least 30 credits through dual enrollment. The bill specifies that the structured program must prioritize dual enrollment courses that apply toward general education core<sup>76</sup> or common

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<sup>67</sup> Section 1007.273(3), F.S.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> Section 1007.273(4), F.S. A private postsecondary institution eligible for the program is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program, that is a nonprofit independent college or university located and chartered in this state, and that is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to grant baccalaureate degrees. *Id.*

<sup>71</sup> Section 1007.273(4), F.S. The contract must be signed by the student, the parent, and a representative of the school district and the applicable Florida College System institution, state university, or other eligible postsecondary institution. *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> Section 1007.271, F.S.

<sup>74</sup> Section 1011.62, F.S.

<sup>75</sup> Section 1008.32(4)(b), F.S.

<sup>76</sup> General education core course options consist of a maximum of five courses within each of the subject areas of communication, mathematics, social sciences, humanities, and natural sciences. Each student who entered an FCS

prerequisite course<sup>77</sup> requirements over those applicable as electives toward at least the first year of an associate or baccalaureate degree. The bill also specifies a district school board may not limit the number of eligible public school students who may participate in structured programs. Accordingly, such modifications may expand student access to such programs.

The bill requires that, by August 1, 2018, program contracts entered into before January 1, 2018, for the 2018-2019 school year must be modified to include additional program contract requirements. Such additional requirements are:

- A list of the meta-major academic pathways<sup>78</sup> available through an FCS institution or state university.
- A delineation of courses that include, at a minimum, general education core and common prerequisite course requirements.

Accordingly, school districts that have executed contracts to establish collegiate high school programs for the 2018-2019 school year will be required to modify such contracts to establish a structured program.

The bill also expands the authorization to establish additional structured program contracts to specify that a charter school may execute a contract directly with an FCS institution, a state university, or an eligible private postsecondary institution.

The bill expands the requirements of the student performance contract to include the applicability of courses taken under the structured program to an associate or baccalaureate degree. The bill also requires that, by September 1 of each school year, each district school board must notify students in grades 9-12 in a district public school about structured programs, which includes:

- The method for earning college credit through the structured program, with weblinks to the dual enrollment course list, common degree program prerequisite requirements, industry certification articulation agreements, and meta-major academic pathways.
- The estimated cost savings resulting from students successfully completing 30 credit hours applicable toward general education core and common prerequisite course requirements before graduating from high school versus the cost of earning such credit after high school.

Such additions to the student performance contract may encourage students to participate in structured programs in order to save time and money by taking courses that will apply toward specific associate or baccalaureate degree requirements.

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institution or state university in 2015-2016 must complete at least one identified core course in each subject area as part of the general education course requirements. Section 1007.25(3), F.S.

<sup>77</sup> Common prerequisites are identified courses that must be completed prior to entrance to a specified baccalaureate degree program. Section 1007.25(6), F.S.

<sup>78</sup> The State Board of Education, in consultation with the Board of Governors, is required to approve a series of meta-majors and the academic pathways that identify the gateway courses associated with each meta-major. Section 1008.30(4), F.S.

The bill creates bonus funding for school districts based on students enrolled in such programs completing either a 30- or 60- credit hour block through dual enrollment. Specifically, the bill provides that a student who enrolls in a structured program and successfully completes:

- At least 30 college credit hours during a school year through dual enrollment generates a 0.5 FTE bonus.
- An additional 30 college credit hours through dual enrollment, resulting in at least 60 college credit hours applicable toward fulfilling the requirements for an associate or baccalaureate degree before graduating from high school generates an additional 0.5 FTE bonus.

The bill requires each district school board to report to the Commissioner of Education (commissioner) the total FTE bonus for each structured program. The FTE bonus must be added to each school district's total weighted FTE funding in the subsequent fiscal year. The bill specifies, however, that FTE bonus funding for industry certifications attained must be in accordance with the law.

The bill adds a reporting requirement for structured programs. By September 1 of each school year, each district school superintendent must report to the commissioner, as a minimum:

- The number of students in public schools in the school district who enrolled in the structured program and the partnering postsecondary institution.
- The total and average number of dual enrollment courses completed, high school and college credits earned, standard high school diplomas and associate and baccalaureate degrees awarded, and the number of industry certifications attained.
- The projected student enrollment in the structured program in the next school year.
- Any barriers to executing contracts to establish one or more structured programs.

Additionally, by November 30 of each school year, the commissioner must report to the Governor and the Legislature the status of structure programs, including a summary of student enrollment and completion information, barriers to establishing such programs, and recommendations for expanding access to structured programs statewide.

The bill takes effect July 1, 2018.

#### **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:**

None.

**C. Government Sector Impact:**

CS/SB 1434 specifies that the mental health assistance allocation and hope supplemental services allocation will be as provided in the General Appropriations Act.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1002.333, 1002.395, 1007.273, 1008.33, 1011.62, 1011.71, 1012.732, and 1013.62.

This bill creates section 1002.334 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**

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

**CS by Education on January 22, 2018:**

The committee substitute retains the substance of the bill and adds to the bill, creation of the franchise model schools and the hope supplemental services allocation, and modifications to current law regarding school improvement, eligibility for the Florida Tax Credit (FTC) scholarship, structured high school acceleration program, and the Florida Best and Brightest Principal Scholarship Program. In sum, the committee substitute:

- Creates the mental health assistance allocation to provide supplemental funding to assist school districts in establishing or expanding comprehensive school-based mental health programs, and establishes related requirements
- Strengthens school improvement and education accountability to:
  - Specify that a school must complete two school years of a district-managed turnaround plan before the school must implement a specified turnaround option

- Revise the definition of a persistently low-performing (PLP) school to mean a school that has completed 2 school years of a district-managed turnaround plan and that has not improved its a school grade to a “C” or higher
- Expand the turnaround options available to a school district for a PLP school by including a franchise model school (in which a highly effective principal leads the PLP school in addition to the school principal’s currently assigned school) and a contract with a hope operator to establish a school of hope at the district-owned facilities of the PLP school
- Revise the definition of a school of hope to by retaining the reference to such school’s location in the attendance zone of a PLP school but removing from the definition of a school of hope, the reference to location of such school within a 5-mile radius of a PLP school
- Adds to the notice of intent that a hope operator must submit to a school district, information regarding the plan, if any, to use the district-owned facilities of a PLP school, and an operations plan specifying the operator’s intent to undertake the operations of the PLP school in entirety or through limited components of the operations
- Establishes the Hope Supplemental Services Allocation to provide schools implementing a district-managed turnaround plan or a turnaround option, specified in law, with funds to offer services designed to improve the overall academic and community welfare of the schools’ students and their families, and establishes related requirements
- Expands eligibility for the FTC scholarship to include a student from a PLP school but specifies that the existing categories of students (based on students’ household income and placement in foster home or out-of-home care) must be given priority for the FTC scholarship over a student from a PLP school
- Modifies the eligibility requirements and calculation methodology for specified charter school capital outlay provisions and revises the amount of discretionary millage that a school district may expend for specified purposes
- Renames the Collegiate High School Program as the Structured High School Acceleration Program, modifies programmatic and reporting requirements, and creates bonus funding for school districts based on students enrolled in such programs completing either a 30- or 60- credit hour block of dual enrollment credits

B. Amendments:

None.