

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.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 524

INTRODUCER: Appropriations Committee (Recommended by Appropriations Subcommittee on Education); Higher Education Committee; and Senator Gaetz

SUBJECT: Education

DATE: February 25, 2016 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Graf</u>	<u>Klebacha</u>	<u>HE</u>	<u>Fav/CS</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<u>Recommend: Fav/CS</u>
3.	<u>Sikes</u>	<u>Kynoch</u>	<u>AP</u>	<u>Fav/CS</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 524 incorporates into the Florida Statutes on July 1, 2016, and modifies public postsecondary education performance funding and educator liability insurance program provisions affected by the 2015-2016 General Appropriations Act (GAA) and Implementing Bill. The bill also establishes new pilot programs and amends numerous education programs and statutes. Specifically, the bill:

- Requires the Board of Governors (BOG) to adopt a regulation implementing the State University System (SUS) Performance-Based Incentive Program. The program must include wage thresholds that reflect the added value of a baccalaureate degree and minimum performance funding eligibility thresholds that, if not met, will make an institution ineligible for the state's investment in performance funding.
- Requires the State Board of Education (SBE or state board) to establish, by rule, performance-based metrics for the Florida College System (FCS) and minimum performance funding eligibility thresholds that, if any FCS institution does not meet, will make the institution ineligible for a share of the state's investment in performance funding. Likewise, any FCS institution that fails to meet the threshold for the institutional investment shall have a portion of its institutional investment withheld.
- Eliminates the July 1, 2016, expiration date of the educator liability insurance program that provides a minimum of \$2 million in liability coverage for all full-time public school instructional personnel.

- Amends the preeminent state research universities program, to require the BOG to designate each state university that meets at least six of the 12 academic and research excellence standards identified in law as an emerging preeminent state research university.
- Establishes, in law, the Best and Brightest Teacher Scholarship Program that provides a financial award to highly effective teachers who achieved certain ACT or SAT scores.
- Establishes the Principal Autonomy Pilot Program Initiative (PAPPI) within the Department of Education (DOE or department) to provide a highly effective principal of a participating school with increased autonomy and authority to operate his or her school in a way that produces significant improvements in student achievement and school management.
- Establishes, in law, the federally connected student supplement to provide 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.
- Establishes a competency-based innovation pilot program (pilot program) within the DOE for five years.
- Requires a school district to annually add additional points to the calculation of a matrix of services for a child who is deaf and enrolled in an auditory-oral education program.
- Modifies authorities and requirements related to the Special Facility Construction Account (SFCA).
- Revises the method used to determine the amount of the capital outlay funds each eligible charter school will receive from state charter school fixed capital outlay appropriations and adds additional restrictions on the use of charter school capital outlay funds.
- Provides for a study to update the cost per student station used in planning for educational facilities, provides for its applicability for all school district facilities, and establishes penalties for those school districts that exceed these costs.
- Authorizes state universities to expend excess reserves for fixed capital outlay projects approved by the Board of Governors which include significant academic instructional space or critical deferred maintenance needs in this area.
- Provides a Voluntary Prekindergarten (VPK) Education Program deferment option for parents choosing to postpone VPK enrolment for one year.
- Authorizes district school board members to visit schools, give suggestions for improvement, and advise citizens with the view of promoting interest in education and improving the school.

During the 2015A Special Session, the Legislature adopted the substance of CS/CS/SB 524, related to the SUS Performance-Based Incentive, the FCS Performance-Based Incentive, and the educator liability insurance program, in ch. 2015-222, L.O.F., the implementing bill for the 2015-2016 GAA. These provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. CS/CS/SB 524 protects these policies from repeal by reenacting modified provisions and providing an effective date of July 1, 2016.

The amount of performance funding available to SUS and FCS institutions is determined annually in the GAA. SB 2500, the Senate General Appropriations Bill for the 2016-2017 fiscal year, appropriates \$225 million for the state's investment in the SUS Performance-Based Incentive and \$30 million for the state's investment in the FCS Performance-Based Incentive. Likewise, funding for the Distinguished Florida College System Program, Best and Brightest

Teacher Scholarship Program, PAPPI, the Competency-Based Innovation Pilot Program, preeminent state research universities program, as well as the educator liability insurance program, are contingent upon funding in the GAA. SB 2500 appropriates \$2 million for the Distinguished Florida College System Program, \$15 million for the preeminent state research universities program, and \$1.2 million for the educator liability insurance program. SB 2500 does not appropriate funds for the Best and Brightest Teacher Scholarship Program, PAPPI, or the Competency-based Innovation Pilot Program.

SB 2500 also appropriates \$12,208,418 for the federally connected student supplement.

The bill is effective July 1, 2016.

II. Present Situation:

Performance-Based Funding

The Legislature has established performance-based funding models in the recent years to evaluate the performance of Florida's public educational institutions, such as state universities and Florida College System (FCS) institutions, based on identified performance metrics.

State University System (SUS)

In 2014, the Legislature required that performance funding be allocated based on the Board of Governors' (BOG) Performance Funding Model approved on January 16, 2014.¹ The BOG's Performance Funding Model contained 10 performance metrics that evaluate the state universities on the following:²

- 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 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

The performance of state universities are evaluated based on the benchmarks adopted by the BOG for achievement of excellence or improvement in these specified metrics. The 2014-2015

¹ Specific Appropriation 143, ch. 2014-51, L.O.F.

² Florida Board of Governors, *Meeting Minutes* (January 16, 2014), available at http://www.flbog.edu/documents_meetings/0187_0790_5874_10.2.2%20BOG%202014_01_16_Board_of_Governors_minut.es.pdf; see also Florida Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-April2015.pdf.

General Appropriations Act (GAA) appropriated \$200 million for State University Performance Based Incentives, which included \$100 million in new funding and \$100 million redistributed from a proportionate share of each state university's base funds.³ A state university that qualified for the new funding, also received its full base funding.⁴ A state university that failed to meet the minimum performance threshold established by the BOG had a portion of its base funding withheld and was required to submit a performance improvement plan (plan) to the BOG.⁵ The board was required to approve the plan and monitor the university's progress on implementing the performance measures specified in the plan.⁶ Full base funding for a state university was restored upon the board's approval of the plan and progress monitoring reports.⁷ Full base funding was not restored for a state university that fails to make satisfactory progress on meeting its performance improvement plan expectations.⁸

During the 2015A Special Session, the Legislature codified the SUS Performance-Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the BOG.⁹ These performance metrics include graduation rates, retention rates, postgraduation education rates, degree production, affordability, postgraduation employment and salaries, access, and other metrics approved by the board in a noticed meeting.¹⁰ The Legislature instructed the BOG to adopt benchmarks to evaluate each state university's performance on the metrics to determine a state university's achievement of institutional excellence or need for improvement.¹¹ The 2015-2016 GAA appropriated \$400 million for the SUS Performance-Based Incentive, which included \$150 million for the state investment and \$250 million for the institutional investment.¹²

Florida College System

In the 2015-2016 Implementing Bill, the Legislature established the FCS Performance Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the State Board of Education (SBE or state board). These performance metrics include metrics that measure retention; program completion and graduation rates; job placement; and post-graduation employment, salaries, or further education. FCS institutions were evaluated for their performance, based on benchmarks adopted by the state board for achievement of excellence or improvement on the metrics. In the 2015-2016 GAA, the Legislature appropriated \$40 million for FCS performance, including \$20 million in new funding and \$20 million redistributed from a proportionate share of each institution's base funds.¹³

³ Specific Appropriation 143, ch. 2014-51, L.O.F.

⁴ *Id.*

⁵ *Id.*

⁶ Specific Appropriation 143, ch. 2014-51, L.O.F.

⁷ *Id.*

⁸ *Id.*

⁹ Section 1001.92, F.S., *as created by* s. 14, ch. 2015-222, L.O.F.

¹⁰ *Id.*

¹¹ *Id.*

¹² Specific Appropriation 138, ch. 2015-232, L.O.F.

¹³ Section 15, ch. 2015-222, L.O.F.

Educator Liability Insurance Program

The 2015-2016 Implementing Bill amended s. 1012.75, F.S., to require the Department of Education (DOE or department) to administer a liability insurance program to protect public school educators from liability for claims arising from incidents occurring while performing job responsibilities.¹⁴ The program must provide coverage amounting to \$2 million to all full-time instructional personnel.¹⁵ Part-time instructional personnel, administrative personnel, and student teachers participating in clinical field experience through a state-approved teacher preparation program may opt to receive liability coverage, at cost.¹⁶

The law required the department, by August 1, 2015, to notify eligible personnel of the pending procurement for liability coverage. In addition, the law required each school district, by September 1, 2015, to notify eligible personnel of the liability coverage using a postcard which included:

- The amount of the coverage;
- A general description of the nature of the coverage; and
- The contact information for coverage and claims questions.¹⁷

The law required each district school board to certify to the department, by September 15, 2015, that the district had provided the notification to the eligible personnel.¹⁸

The department must consult with the Department of Financial Services to select the “most economically prudent and cost-effective means of implementing the program through self-insurance, a risk management program, or competitive procurement.”¹⁹

These amendments to the educator liability insurance program will expire on July 1, 2016.

Preeminent State Research Universities

The preeminent state research university program is a collaborative partnership between the BOG and the Legislature to elevate the academic and research preeminence of Florida’s highest performing state research universities.²⁰ A state research university that meets at least 11 of the 12 academic and research excellence standards specified in law is designated as a preeminent state research university.²¹

The academic and research excellence standards are:²²

- 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.

¹⁴ See s. 1012.75(3), F.S., as amended by s. 10, ch. 2015-222, L.O.F.

¹⁵ Section 1012.75(3)(a), F.S.

¹⁶ *Id.*

¹⁷ Section 1012.75(3)(b), F.S.

¹⁸ *Id.*

¹⁹ Section 1012.75(3)(c), F.S.

²⁰ Section 1001.7065(1), F.S.

²¹ *Id.* at (3).

²² *Id.* at (2).

- 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 BOG 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 BOG Annual Accountability Report.

A preeminent state research university receives \$5 million in recurring funds annually, subject to appropriation in the GAA.²³ Currently, only the Florida State University and University of Florida meet the standards for preeminent state research university designation and are Florida's only two preeminent state research universities.²⁴

Best and Brightest Teacher Scholarship Program

For the 2015-2016 fiscal year, the Legislature appropriated funds in the amount of \$44,022,483 for the Florida Best and Brightest Teacher Scholarship Program (scholarship program) in the

²³ Section 1001.7065, F.S.

²⁴ Florida Board of Governors, Strategic Planning Committee, Agenda Item 7, *Preeminent State Research University Benchmark Plans* (November 20, 2013) available at http://www.flbog.edu/documents_meetings/0184_0752_5480_399%20SPC%20Packet.pdf.

2015-2016 GAA.²⁵ According to proviso in the 2015-2016 GAA, up to 4,402 teachers²⁶ may each be awarded a \$10,000 scholarship if the following eligibility criteria are met:²⁷

- Scoring at or above the 80th percentile on the SAT or ACT, based on the percentile rankings applicable during the time that the assessment was taken; and
- Receiving a performance evaluation as highly effective pursuant to s. 1012.34, F.S.²⁸

However, a first-year teacher who has not yet been evaluated may be eligible for the scholarship program if his or her SAT or ACT score is at or above the 80th percentile.²⁹

In order to demonstrate eligibility for the scholarship program, an eligible teacher had to submit to the school district³⁰ by October 1, 2015, an official record of his or her SAT or ACT score.³¹ Each school district was required to submit to the DOE the number of eligible teachers who qualified for the scholarship program by December 1, 2015, and, based on the number of eligible teachers reported, the DOE must disburse the funds to each school district by February 1, 2016.³² Each school district must make payment of the scholarship funds to eligible teachers by April 1, 2016.³³

If the number of eligible teachers exceeds the total appropriated in the 2015-2016 GAA, the DOE must prorate the per-teacher scholarship amount.³⁴ According to the DOE, 5,332 teachers have been deemed eligible for the scholarship award, with each teacher receiving an award in the amount of \$8,256.27.³⁵

²⁵ Specific Appropriation 99A, s. 2, ch. 2015-232, L.O.F.

²⁶ The Florida Department of Education (DOE) has interpreted “teachers” eligible for the program to mean “classroom teachers” as defined in s. 1012.01(2)(a), F.S. DOE’s Memorandum to School District Superintendents, *Guidance on Best and Brightest Teacher Scholarship*, July 27, 2015, available at <http://info.fldoe.org/docushare/dsweb/Get/Document-7404/dps-2015-116.pdf>. “Classroom teachers are staff members assigned the professional activity of instructing students in courses in classroom situations, including basic instruction, exceptional student education, career education, and adult education, including substitute teachers.” Section 1012.01(2)(a), F.S. However, the DOE has further interpreted that a substitute teacher is not eligible under the program, since a teacher must be evaluated as highly effective and a performance evaluation is not conducted for substitute teachers. DOE’s Memorandum to School District Superintendents, *The Best and Brightest Teacher Scholarship Program – Frequently Asked Questions*, addendum A, September 4, 2015, available at <http://info.fldoe.org/docushare/dsweb/Get/Document-7450/dps-2015-145a.pdf>.

²⁷ *Supra* note 1.

²⁸ Each school district determines the level of performance of instructional personnel, including classroom teachers, based on the school district’s evaluation system, approved by the DOE. Section 1012.34(1), F.S. There are four levels of performance: highly effective; effective; needs improvement or, for instructional personnel in the first 3 years of employment who need improvement, developing; and unsatisfactory. *Id.* at (2)(e).

²⁹ *Supra* note 1.

³⁰ According to proviso in the 2015-2016 GAA, a “school district” includes the Florida School for the Deaf and the Blind and a charter school governing board.

³¹ *Supra* note 1.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ Brian Dassler, Deputy Chancellor, Florida Department of Education, Presentation to the Senate Committee on Education Pre-K – 12 *re*: Florida’s Best & Brightest Teacher Scholarship Program (January 13, 2016).

Principal Authority and Responsibilities

A public school principal is responsible for:³⁶

- Fully supporting the authority of classroom teachers and school bus drivers regarding student discipline and conduct.
- Providing instructional leadership in the development, revision, and implementation of a school improvement plan.
- Accurate and timely compliance with statutory reporting requirements.
- The management and care of instructional materials.
- Facilitating parental involvement in their child's education and providing information to parents regarding their child's educational progress and available educational choices pursuant to s. 1002.23, F.S.³⁷

When filling instructional positions³⁸ at the school level, the district school superintendent must consider nominations received from school principals of the respective schools in the school district.³⁹ The superintendent then must make recommendations to the district school board regarding each position to be filled and the persons to fill such positions.⁴⁰ Before transferring a classroom teacher from one school to another, the superintendent must consult with the principal of the receiving school and allow the principal to review the teacher's records, including student performance results,⁴¹ and interview the teacher.⁴² If a principal believes students would not benefit from the placement, he or she may request an alternative placement subject to the approval by the superintendent.⁴³ However, the superintendent must accept the principal's decision to refuse placement or transfer of instructional personnel if the instructional personnel has a performance evaluation rating of needs improvement or unsatisfactory.⁴⁴

Florida Principal Leadership Standards

The Florida Principal Leadership Standards (FPLS) are Florida's core expectations for effective school administrators, including school principals.⁴⁵ The FPLS are research-based; represent necessary knowledge, skills, and abilities for effective school leadership; and are the basis for school administrator performance evaluations, professional development systems, preparation programs, and certification requirements.⁴⁶ The FPLS emphasize the ability to improve student learning results; development and retention of quality classroom teachers; and school

³⁶ Section 1001.54, F.S.

³⁷ Section 1002.23, F.S., is referred to as the Family and School Partnership for Student Achievement Act.

³⁸ Instructional personnel include classroom teachers; staff who provide student personnel services, e.g., certified school counselors, social workers, career specialists, and school psychologists; librarians and media specialists; other instructional staff, e.g., learning resource specialists; and education paraprofessionals under the direct supervision of instructional personnel. Section 1012.01(2), F.S.

³⁹ Section 1012.27(1), F.S.

⁴⁰ *Id.*

⁴¹ As measured by the instructional personnel's performance evaluation. Sections 1012.28(6) and 1012.34, F.S.

⁴² Section 1012.27, F.S.

⁴³ *Id.*

⁴⁴ Section 1012.28(6), F.S.

⁴⁵ State Board of Education Rule 6A-5.080, F.A.C.

⁴⁶ *Id.*

management practices that promote student learning, effective allocation of resources, and efficient operations.⁴⁷

Performance Evaluation

Florida law requires each district school superintendent to establish procedures to evaluate the job performance of district instructional, administrative, and supervisory personnel.⁴⁸ School district performance evaluation systems must differentiate among four levels of performance:⁴⁹

- Highly effective;
- Effective;
- Needs improvement, or for instructional personnel in their first three years of employment who need improvement, developing; and
- Unsatisfactory.

The criteria used to measure school administrator performance are student performance, instructional leadership, and professional and job responsibilities.⁵⁰ At least one-third of a school administrator's evaluation must be based upon student performance, with certain exceptions.⁵¹ Evaluation of instructional leadership must include performance measures related to the effectiveness of classroom teachers in the school, the administrator's appropriate use of evaluation criteria and procedures, recruitment and retention of effective and highly effective classroom teachers, improvement in the percentage of instructional personnel evaluated at the highly effective or effective level, and other leadership practices that result in student learning growth.⁵²

Professional Development

Professional development for school administrators is provided through school district professional development systems including the William Cecil Golden Professional Development Program for School Leaders.⁵³ This program is established in collaboration with state and national professional leadership organizations and it is designed to respond to Florida's needs for quality school leadership and support the efforts of school leaders in improving instruction and student achievement and developing and retaining quality teachers.⁵⁴ Professional development provided through the program must be based upon the FPLS and other school leadership standards.⁵⁵

⁴⁷ Section 1012.34, F.S., and Rule 6A-5.080(1)-(2), F.A.C.

⁴⁸ Section 1012.34(1)(a), F.S. The term supervisory personnel is not defined. *See s.* 1012.01(3), F.S.

⁴⁹ Section 1012.34(2)(e), F.S.

⁵⁰ Section 1012.34(3)(a)1., 3., and 4., F.S.

⁵¹ Section 1012.34(3)(a)1., F.S. If less than three years of data are available, the years for which data are available must be used. The proportion of growth or achievement data may be determined by instructional assignment. Section 1012.34(3)(a)1.b., F.S.

⁵² Section 1012.34(3)(a)3., F.S.

⁵³ Section 1012.986, F.S.

⁵⁴ *See ss.* 1012.98(4) and 1012.986, F.S.

⁵⁵ Section 1012.986(1)-(2), F.S.

Federally Connected Student Supplement

The federally connected student supplement was established in the 2015-2016 Implementing Bill, ch. 2015-222, L.O.F., to provide 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.

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 are added together for each eligible district to produce the federally connected student supplement.

The federal 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. These districts received \$12,404,401 through the federally connected student supplement as appropriated in the 2015-2016 GAA.

Online Course Requirement

At least one of the 24 credits required for earning a standard high school diploma must be completed through online learning.⁵⁶ An online course taken in grades 6, 7, or 8 fulfills the online course requirement and the online course may be a course that is offered by the Florida Virtual School, a virtual education provider approved by the state board, high school, or online dual enrollment.⁵⁷ A student enrolled in a full-time or part-time approved virtual instruction program⁵⁸ also meets the online course requirement.⁵⁹

A school district must not require a student to take the online course outside of the school day or in addition to the courses taken by the student in a given semester.⁶⁰

⁵⁶ Section 1003.4282(4), F.S.

⁵⁷ *Id.*

⁵⁸ Section 1002.45, F.S.

⁵⁹ Section 1003.4282(4), F.S.

⁶⁰ *Id.*

Auditory-Oral Education Program

An auditory-oral education program is a program that develops and relies solely on listening skills and uses an implant or assistive hearing device for the purpose of relying on speech and spoken language skills as the method of communication.⁶¹ A student who is deaf or hard of hearing is a student who has a hearing loss aided or unaided that affects the processing of linguistic information and adversely affects performance in the educational environment.⁶² The SBE has established criteria to designate the degree of hearing loss which may range from mild to profound.⁶³

Auditory-oral education programs are located in public or private schools for children who have obtained an implant or assistive hearing device.⁶⁴ The faculty of the school are certified as listening and spoken language specialists.⁶⁵

Matrix of Services

The DOE developed the Matrix of Services Handbook to provide districts, schools, and teachers with information about the matrix of services required for selected students with exceptionalities.⁶⁶ The matrix is the document used to determine the cost factor for selected exceptional education students. The matrix is designed with five levels in each of the following five domain areas:⁶⁷

- Curriculum and Learning Environment addresses services provided to the student in the areas of curriculum, instructional strategies, and learning environment;
- Social or Emotional Behavior includes services provided to meet identified social and emotional needs of students with exceptionalities, such as positive behavioral supports, behavioral interventions, social skills development, socialization, and counseling as a related service;
- Independent Functioning includes services that are necessary for the independent functioning of students with exceptionalities, such as instruction in organizational strategies, assistance for activities of daily living and self-care, physical therapy, occupational therapy, orientation and mobility training, and supervision of students to ensure physical safety;
- Health Care addresses services provided to students with exceptionalities who have health care needs, such as services related to monitoring and assessment of health conditions, provision of related health care services, and interagency collaboration; and
- Communication includes services provided to support the communication needs of students with exceptionalities, such as personal assistance, instructional interventions, speech or language therapy, and the use of alternative and augmentative communication systems.

⁶¹ Section 1002.391(1)(a), F.S.

⁶² Section 1002.391(1)(b), F.S.

⁶³ Rule 6A-6.03013, F.A.C.

⁶⁴ Section 1002.391(1)(c), F.S.

⁶⁵ A Listening and Spoken Language Specialist is a person who has been awarded professional certification through the Alexander Graham Bell Association. DOE, *Matrix of Services Handbook* (2015 edition) available at <http://www.fldoe.org/core/fileparse.php/7690/urlt/2015MatrixServices.pdf> (last visited Feb. 20, 2016).

⁶⁶ *Id.*

⁶⁷ *Id.*

A student is evaluated within each of these five domains to determine the appropriate level of service required. Level 1 represents the lowest level of service and Level 5 represents the highest level of service.⁶⁸ The frequency and intensity of the service and the qualifications of personnel required to provide the service are critical factors that impact the determination of the appropriate level of service for the student.⁶⁹

Special consideration points are additional points for selected populations of students. The applicable special consideration points are added together with the scores from each domain of the matrix to determine the level of support services.⁷⁰ For example, three special consideration points are added to the matrix for students identified as visually impaired or dual-sensory impaired. The additional special consideration points can result in a student being classified for a higher level of service.

Funding for Exceptional Student Education

Exceptional student education (ESE) services for students whose level of service is Levels 1 through 3 are funded through the ESE Guaranteed Allocation, which was established to provide funding through the Florida Education Finance Program (FEFP) in addition to the basic program funding.⁷¹ These students generate full-time equivalent (FTE) funding using the appropriate basic program cost factor for their grade levels.⁷² Students whose level of service is Level 4 or 5 do not receive FEFP funds from the ESE Guaranteed Allocation, but instead generate weighted funding using a higher program cost factor which provides for both their education program and their exceptional services.⁷³

In the 2015-2016 fiscal year, Level 1 through 3 students were funded through the FEFP at an average of \$11,054 per FTE.⁷⁴ Level 4 and 5 students were funded at an average of \$15,010 and \$21,844 per FTE respectively.

Special Facility Construction Account

The Special Facility Construction Account (SFCA) is established as part of the Public Education Capital Outlay (PECO) and Debt Service Trust Fund to provide construction funds to school districts that have urgent construction needs but lack sufficient resources on hand, and has no

⁶⁸ *Id.* The total number of points, determined by adding together the scores for each domain and applicable special considerations points, results in a rating of Support Level 1 through Support Level 5.

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ Florida Department of Education, *2015-16 Funding for Florida School Districts* available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf> (last visited Feb. 20, 2016).

⁷² The basic program cost factors are as follows: Grades K-3, the cost factor is 1.115; Grades 4-8, the cost factor is 1.000; Grades 9-12, the cost factor is 1.005.

⁷³ The 2015-2016 Level 4 cost factor is 3.613 and the Level 5 cost factor is 5.258.

⁷⁴ For the 2015-2016 fiscal year, the average ESE Guaranteed Allocation funding per FTE is \$2,007 and the Base Student Allocation is \$4,154.45. Florida Legislature, Conference Report on SB 2500-A, *Public School Funding: The Florida Education Finance Program (FEFP)* (June 16, 2015) available at http://flsenate.gov/PublishedContent/Session/2015A/Appropriations/Documents/FEFP_Conference_Report.pdf (last visited Feb. 20, 2016).

reasonable expectation of raising the needed funds over the next three years from authorized sources of capital outlay revenue.⁷⁵ A district may not receive funds for more than one approved project in any 3-year period.⁷⁶ The DOE must encourage a construction project that reduces the average size of schools in the district.⁷⁷

Typically, the projects that receive funds through the SFCA are located in rural areas and that have an insufficient tax base to fund large construction projects.⁷⁸ The state's smaller school districts, which serve fewer than 20,000 students, generally raise considerably less through local discretionary property taxes than larger Florida school districts.⁷⁹ To improve the effectiveness of programs funded by the Special Facility Construction Account, the Office of Program Policy Analysis and Government Accountability (OPPAGA) recommended the following:⁸⁰

- Clarify the types of projects that are eligible for funding.
- Clarify the department's rule in making funding decisions.
- Require that the department conduct educational plant surveys.
- Require the department to approve the final construction plans for funded projects.
- Change the membership of the project selection committee.
- Require districts to levy the maximum discretionary millage prior to their application.

District Effort and Participation Requirement

To receive funds from the SFCA, districts must, at the time of request for funds and for a continuing period of 3 years, levy the maximum millage against their nonexempt assessed property value or raise an equivalent amount of revenue from the school capital outlay surtax.⁸¹ Additionally, districts must apply unencumbered Capital Outlay and Debt Service (CO&DS)⁸² funds, PECO new construction funds, and discretionary capital improvement millage funds to the project and forego all fixed capital outlay funding for a period of 3 years.⁸³ This leaves participating districts with limited ability to pay for other fixed capital outlay needs.⁸⁴

Construction Plans

District school boards must certify that final phase III construction plans are complete and in compliance with the building and life safety codes before August 1.⁸⁵ This deadline does not provide the department sufficient time to review the construction plans before such plans are

⁷⁵ Section 1013.64(2)(a), F.S.

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ Office of Program Policy Analysis and Government Accountability, *Special Facility Construction Projects Appear Needed, but Have Excess Capacity* (Report No. 11-02), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1102rpt.pdf>, at 1.

⁷⁹ *Id.*

⁸⁰ *Id.* at 12.

⁸¹ Section 1013.64(2)(a)8., F.S.

⁸² Article XII, section 9(d) of the Constitution of the State of Florida requires the revenues derived from the licensing of motor vehicles to be placed monthly in the school district and community college capital outlay and debt service fund in the state treasury and used only as specified.

⁸³ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3.

⁸⁴ *Id.*

⁸⁵ Section 1013.64(2)(a)12., F.S.

considered by the Special Facility Construction Committee.⁸⁶ Small districts do not have the expertise to determine if an architect used the most cost-effective school design or overbuilt the school.⁸⁷ As a result, such districts may not identify features that do not add value or may incur controllable cost overruns.⁸⁸

Special Facility Construction Committee

The Special Facility Construction Committee (committee) is responsible for a preapplication review of funding requests for special facility construction projects from the school districts to:⁸⁹

- Evaluate the ability of the projects to relieve critical needs and
- Rank the requests in priority order.

The statewide priority list for special facilities construction must be submitted to the legislature in the Commissioner of Education's (commissioner's) annual capital outlay legislative budget request at least 45 days before the legislative session.⁹⁰

The committee is composed of:⁹¹

- Two representatives of the department,
- A representative from the Governor's office,
- A representative selected annually by the district school boards, and
- A representative selected annually by the superintendents.

The law does not specify which representative serves as the chair of the committee.⁹² In practice, a representative of the department has served as the committee chair.⁹³

Additionally, the law authorizes a project review subcommittee (subcommittee), convened by the committee, to review preapplications for funding requests for special facility construction projects from the school districts.⁹⁴ The subcommittee is composed of:⁹⁵

- Two representatives of the department and
- Two staff from school districts that are not eligible to participate in the Special Facility Construction program.

Application Review

Within 60 days after receiving the preapplication review request, the committee or subcommittee must meet in the school district to review the project proposal and existing facilities.⁹⁶ The law, however, does not specify a deadline for the school districts to submit the preapplications for

⁸⁶ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ Section 1013.64(2)(a)1. and (c), F.S.

⁹⁰ Section 1013.64(2)(c), F.S.

⁹¹ Section 1013.64(2)(b), F.S.

⁹² Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3.

⁹³ *Id.*

⁹⁴ Section 1013.64(2)(a)1., F.S.

⁹⁵ *Id.*

⁹⁶ *Id.*

review by the committee or subcommittee.⁹⁷ In practice, to meet the deadline for the commissioner to submit the capital outlay legislative budget request, the department convenes the committee meeting in August of each year.⁹⁸

Student Enrollment Projections

To determine whether a proposed construction project is a critical need, the committee or subcommittee must consider among specified factors, the projected capital outlay full-time equivalent (FTE) student enrollment determined by the department. Laws governing educational facilities plans⁹⁹ require such plans to be based on demographic, revenue, and education estimating conferences.¹⁰⁰

Educational Plant Surveys

To be considered for funding through the SFCA, the construction project must be recommended in the most recent survey or surveys by the school district under the rules of the state board.¹⁰¹ School districts may:¹⁰²

- Contract with a private consultant to conduct the educational plant surveys,
- Request the department to conduct facility reviews, or
- Conduct the surveys in-house.

Since 1998, school districts hired private consultants to conduct surveys for 19 of the 24 projects that received funding through the SFCA, “in part, because the districts believed this provided an independent, third-party assessment of their facilities needs.”¹⁰³ Often these consultants also worked for firms that designed or constructed the facilities.¹⁰⁴ Between 2010 and 2015, 13 school districts requested funding, which included 5 districts that contracted with private consultants to conduct the educational plant surveys.¹⁰⁵

Project Cost Overruns

Project costs are limited by the statutorily established maximum cost per student station.¹⁰⁶ However, the law is silent regarding cost increases and changes in project scope.¹⁰⁷ The

⁹⁷ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3.

⁹⁸ *Id.*

⁹⁹ Sections 1013.31 and 1013.35(2)(a)1., F.S.

¹⁰⁰ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3-4.

¹⁰¹ Section 1013.64(2)(a)2., F.S.

¹⁰² Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4.

¹⁰³ Office of Program Policy Analysis and Government Accountability, *Special Facility Construction Projects Appear Needed, but Have Excess Capacity* (Report No. 11-02), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1102rpt.pdf>, at 8.

¹⁰⁴ *Id.*

¹⁰⁵ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4.

¹⁰⁶ Section 1013.62(6)(b)1., F.S., see also Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4. Cost per student station includes contract costs, legal and administrative costs, fees of architects and engineers, furniture and equipment, and site improvement costs. Cost per student station does not include the cost of purchasing or leasing the site for the construction or the cost of related offsite improvements. Section 103.64(6), F.S.

¹⁰⁷ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4.

department identified three projects since 1998-1999 in which the final cost exceeded the amount that the committee originally approved.¹⁰⁸

Charter School Capital Outlay Funding

Current law outlines an allocation methodology and allowable uses for charter school capital outlay funding that is provided through state appropriations.¹⁰⁹ Current law also places requirements on school districts regarding the cost of new construction for educational facilities.¹¹⁰

Allocation of Charter School Capital Outlay Funding

The current allocation methodology provided for in law requires the use of a priority-based funding system comprised of the following:¹¹¹

- First priority is given to those charter schools that received capital outlay funding in the 2005-2006 fiscal year. These schools receive the same per-student amount received in the 2005-2006 fiscal year for the lesser of the number of students enrolled in the current year or the number of students enrolled in the 2005-2006 fiscal year.
- Second, after calculating first priority funding, remaining funds are allocated with the same per-student amount to those schools not included in the first priority allocation and to those schools in the first priority allocation with growth in excess of 2005-2006 fiscal year student enrollments.
- Third, any excess funds remaining after the first and second priority calculations are allocated among all eligible charter schools.
- Each charter school's capital outlay allocation must not exceed 1/15th of the statutory cost per student station.¹¹²

Uses of Charter School Capital Outlay Funding

Section 1013.62(2)(a)-(h), F.S., provides that charter school governing boards may use capital outlay funds for the following purposes:

- Purchase of real property.
- Construction of school facilities.
- Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- Purchase of vehicles to transport students to and from the charter school.
- Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of five years or longer.
- Purchase, lease-purchase, or lease of new and replacement equipment, and enterprise resource software applications.
- Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities.

¹⁰⁸ Office of Program Policy Analysis and Government Accountability, *Special Facility Construction Projects Appear Needed, but Have Excess Capacity* (Report No. 11-02), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1102rpt.pdf>, at 11.

¹⁰⁹ Section 1013.62, F.S.

¹¹⁰ Section 1013.64, F.S.

¹¹¹ Section 1013.62(1)(b), F.S.

¹¹² Section 1013.62(1)(c), F.S.

- 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.

In addition, s. 1013.62(3), F.S., specifies that when a charter school is not renewed or terminated, any unencumbered funds and all equipment and property purchased with school district public funds shall revert to the district school board as provided for in s. 1002.33(8)(e) and (f), F.S.

School Construction Costs

Section 1013.64 (6) (b), F.S., limits the cost of school district capital outlay projects to the following student station costs:

- \$17,952 for an elementary school;
- \$19,386 for a middle school; and
- \$25,181 for a high school.

These costs were established in 2006, and the statute provides for an annual adjustment each year by the Office of Economic and Demographic research based on the Consumer Price Index. School districts are not required to adhere to these cost maximums when using sales surtax proceeds authorized in s. 212.055, F.S., proceeds from revenue bonds authorized in s. 17, Art. XII of the State Constitution, or voted ad valorem property tax proceeds authorized by a referendum of the general electorate.

School districts that exceed the cost maximums are required to report the reasons for the excess costs to the department. The department is required to provide this information to the Legislature each year by December, 31.¹¹³

State University Authorization for Fixed Capital Outlay Projects

Current law provides authorization for state universities to accomplish certain types of capital outlay projects, specifically:¹¹⁴

- Construction of any new buildings, or remodeling of existing buildings, when funded from nonstate sources such as federal grant funds, private gifts, grants, or lease arrangements if such grants or gifts are given for the specific purpose of construction;
- The replacement of any buildings destroyed by fire or other calamity;
- Construction of projects financed by revenue bonds;
- Construction of new facilities or remodeling of existing facilities to meet needs for research; or
- Construction of facilities or remodeling of existing facilities to meet needs as determined by the university, provided that the amount of funds for any such project does not exceed \$1 million.

Other than those projects currently authorized by law, no project proposed by a university which is to be funded from Capital Improvement Trust Fund fees or building fees may be submitted to

¹¹³ Section 1013.64(6)(d)2., F.S.

¹¹⁴ Section 1013.74, F.S.

the Board of Governors for approval without prior consultation with the student government association of that university.

Voluntary Prekindergarten Education Program

The Voluntary Prekindergarten (VPK) Education Program prepares early learners for success in kindergarten and beyond. Every four-year old child in Florida is entitled to a free, high-quality pre-kindergarten learning opportunity delivered according to professionally accepted standards.¹¹⁵ Children must live in Florida and be 4 years old on or before September 1 of the current school year to be eligible.¹¹⁶

District School Board Powers and Duties

The law specifies the powers and duties of the district school boards including, but not limited to the establishment, organization, and operation of schools, and enforcement of laws and rules.¹¹⁷

III. Effect of Proposed Changes:

This bill re-enacts and amends the Florida College System (FCS) Performance-Based Incentive and the State University System (SUS) Performance-Based Incentive, re-enacts 2015A Special Session amendments to the educator liability insurance program, and amends the preeminent state research universities program. The bill also establishes new pilot programs and amends numerous education programs and statutes.

Performance-Based Funding

State University System

The bill re-enacts and modifies the SUS Performance-Based Incentive to:

- Require the performance-based metrics to include wage thresholds that reflect the added value of a baccalaureate degree.
- Require the Board of Governors (BOG) to establish minimum performance funding eligibility thresholds for the state's investment and the institutional investment.
- Prohibit a state university that fails to meet the state's investment performance funding threshold from eligibility to receive a share of the state's investment performance funding.

Additionally, the bill requires the BOG to adopt a regulation to implement the SUS Performance-Based Incentive statutory provisions.

Florida College System

The bill re-enacts the FCS Performance-Based Incentive and requires the State Board of Education (SBE or state board) to adopt rules for its implementation. Specifically, the bill:

¹¹⁵ Art. IX, Sec. 1(b), Fla. Const.

¹¹⁶ Section 1002.53, F.S.

¹¹⁷ Section 1001.42, F.S.

- Modifies the performance-based metrics to include metrics that measure: retention; program completion and graduation rates; postgraduation employment, salaries, and continuing education for workforce education and baccalaureate degree programs, with wage thresholds that reflect the added value of the certificate or degree; and outcome measures appropriate for associate degree recipients.
- Requires the state board to establish minimum performance funding eligibility thresholds for both the state's investment and the institutional investment.
- Specifies that any institution that does not meet the SBE's performance threshold for the state's investment is not eligible for a share of the state's investment in performance funding.
- Specifies that each institution's share of performance funding shall be calculated based on its relative performance on the established metrics, in conjunction with the institution's size and scope.
- Requires that any institution that fails to meet the SBE's performance threshold for the institutional investment shall have a portion of its institutional investment withheld and must submit an improvement plan to the state board which specifies activities and strategies for improving the institution's performance.
- Requires the SBE, by October 1 of each year, to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the previous fiscal year's performance funding allocation which must reflect the rankings and award distributions.

Distinguished Florida College System Program

The bill establishes the Distinguished Florida College System Program to recognize Florida's highest-performing colleges. A Florida college earns the designation as a distinguished college by the SBE by meeting at least five of the seven excellence standards. The excellence standards established for the program are as follows:

- A 150 percent-of-normal-time completion rate¹¹⁸ of 50 percent or higher;
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher;
- A retention rate of 70 percent or higher;
- A continuing education, or transfer, rate of 72 percent or higher for students graduating with an associate of arts degree;
- A licensure passage rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) of 90 percent or higher for first-time exam takers;
- A job placement or continuing education rate of 88 percent or higher for workforce programs;

¹¹⁸ The National Center for Education Statistics, in the Integrated Postsecondary Education Data System (IPEDS) glossary (available at <http://nces.ed.gov/ipeds/glossary/?charindex=N>), defines normal time to completion as the amount of time necessary for a student to complete all requirements for a degree or certificate according to the institution's catalog. For example, an associate's degree in a standard term-based institution has a normal time of completion of 2 years (4 semesters). The 150 percent of normal time to completion for an associate's degree would be 3 years (6 semesters). The 150 percent normal time of completion rate reflects the percentage of full-time students who complete all requirements for a degree or certificate within 150 percent of the amount of time necessary for a student to complete a degree or certificate according to the institution's catalog.

- A time-to-degree for students graduating with an associate of arts degree of 2.25 years or less for first-time-in-college students with accelerated college credits;

A FCS institution designated as a distinguished college is eligible for funding as specified in the General Appropriations Act (GAA).

Educator Liability Insurance Program

The bill re-enacts amendments made to the educator liability insurance program during the 2015A Special Session by eliminating the July 1, 2016, statutory expiration date. The program requires the Department of Education (DOE or department) and each school district to provide annual notification of the \$2 million insurance coverage to eligible personnel. District school boards must annually certify to the department that the notification has been provided. In addition, the bill requires a district school board providing clinical field experience to students in teacher preparation programs to notify the student electronically or in writing of the availability of educator liability insurance. Postsecondary educational institutions and district school boards are prohibited from requiring a student in a teacher preparation program to purchase liability insurance as a condition of participation in any clinical field experience or related activity on the premises of an elementary or secondary school.

During the 2015A Special Session, the Legislature adopted the substance of PCS/CS/SB 524 related to the SUS Performance-Based Incentive, the FCS Performance-Based Incentive, and the educator liability insurance program in ch. 2015-222, L.O.F., the implementing bill for the 2015-2016 GAA. These provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. PCS/CS/SB 524 protects these policies from repeal by reenacting modified provisions and providing an effective date of July 1, 2016.

Preeminent State Research Universities

The bill modifies the academic and research excellence standards of the preeminent state research universities program by:

- Aligning the required average SAT score for incoming freshman with recent changes to the SAT examination scoring rubric;
- Specifying that the U.S. News and World Report rankings is one of the rankings that should be considered for the Top-50 Ranking requirement;
- Including the official membership directories maintained by each national academy (in addition to the Top American Research Universities (TARU) annual report) as a source for verification of recognition of faculty members in a national academy; and
- Including professional degrees awarded in medical and healthcare disciplines in the calculation of the number of doctoral degrees awarded annually.

Currently, each state university that meets at least 11 of the 12 academic and research excellence standards above is designated as a “preeminent state research university.” The bill requires the BOG to also designate each state university that meets at least six of the 12 academic and research excellence standards as an “emerging preeminent state research university.” However, the BOG may temporarily suspend or rescind the “preeminent” or “emerging preeminent” designation upon petition from a designated institution. The BOG may also revoke either

designation of an institution with concurrence of the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The bill requires a state university that is designated as an “emerging preeminent state research university” to submit to the BOG a 5-year benchmark plan, with target rankings on key performance metrics for national excellence. Once approved by the BOG and upon the university meeting the benchmark goals annually, the BOG shall award the university its proportional share of any funds provided annually in the GAA to support the program.

The bill repeals the preeminent state research university enhancement initiative. This initiative authorizes additional funding for preeminent state research universities for the purpose of recruiting National Academy Members, providing a master’s degree in cloud virtualization, and instituting an enterprise in resident program, if funding was provided in the GAA. The bill also repeals the preeminent state research university special course requirement authority. This authority allows preeminent state research universities to require incoming first time in college students to take a 9 to 12 credit set of unique courses specifically determined by the university.

Unless otherwise specified in the GAA, funding increases appropriated to support the program must be distributed equally to each designated “preeminent state research university” and each university designated as an “emerging preeminent state research university” shall receive an amount equal to one-half of the total increased amount awarded to each designated “preeminent state research university.”

Best and Brightest Teacher Scholarship Program

The bill codifies the Best and Brightest Teacher Scholarship Program into law with some changes. The bill maintains the same criteria a teacher must meet to qualify for an award, but clarifies that only classroom teachers, as defined in statute, are eligible for the scholarship. The bill requires the department to continue administering the program, and establishes deadlines for reporting qualifying teachers and disbursing award payments annually. The bill moves the deadline for submitting test scores to the school district from October 1 to November 1.

The bill also provides for a scholarship award of \$1,000 for each eligible classroom teacher in a Title I school. Remaining funds for the scholarship will then be awarded to every eligible classroom teacher, including teachers in Title I schools. This provision will help insulate eligible teachers at low-income schools from any proration of funds that may occur based on the number of qualifying applications the DOE receives.

Once a teacher is deemed eligible by the school district, including a teacher deemed eligible in the 2015-2016 fiscal year, the teacher remains eligible as long as he or she is employed by the school district and maintains a highly effective rating or, if a first-year teacher, is rated highly effective. The bill authorizes funding for the program as provided in the GAA beginning with the 2016-2017 school year.

Principal Autonomy Pilot Program Initiative

This bill establishes the Principal Autonomy Pilot Program Initiative (PAPPI) within the DOE to provide a highly effective principal of a participating school with increased autonomy and authority to operate his or her school in a way that produces significant improvements in student achievement and school management.

Schools selected for participation in PAPPI are exempt from the K-20 Education Code and SBE rules, with exceptions.

The bill authorizes the SBE to enter into a performance contract with up to seven district school boards for participation in PAPPI. The bill specifies that Broward, Duval, Escambia, Jefferson, Madison, Palm Beach, Pinellas, and Seminole Counties may submit a proposal to participate in PAPPI. The term of the program is three years, at which time the performance of all participating schools in the school district must be evaluated. The SBE may revoke a district's participation in the program during the term of the program and may renew participation upon expiration of the initial term. The bill specifies deadlines for submission and approval of principal autonomy proposals and requires the SBE to adopt rules for administering PAPPI, including criteria for approving proposals.

Principal Autonomy Proposal

The bill requires the school districts seeking to participate in PAPPI to submit a principal autonomy proposal to the SBE for approval. The proposal must:

- Identify three middle or high schools that received at least two school grades of “D” or “F” during the previous three school years;
- Identify three principals who have earned a highly effective rating on the prior year's performance evaluations, one of whom shall be assigned to each of the participating schools;
- Describe the current financial and administrative management of each participating school;
- Identify the areas in which each school principal will have increased fiscal and administrative autonomy, including greater autonomy regarding the hiring of instructional personnel;
- Identify the areas in which each participating school will continue to follow district school board fiscal and administrative policies;
- Explain the methods used to identify the educational strengths and needs of the participating school's students and how student achievement can be improved;
- Establish performance goals for student achievement;
- Explain how increased principal autonomy will help participating schools improve student achievement and school management; and
- Provide each participating school's mission and a description of its student population.

Principal Authority and Responsibilities

The bill revises existing law governing the personnel duties for school principals participating in PAPPI and school budgeting and calculation of expenditures to facilitate implementation of PAPPI. The bill authorizes the principal of a participating school to:

- Select qualified instructional personnel for placement at the school or refuse placement or transfer of instructional personnel by the district school superintendent;

- Deploy financial resources to school programs to help improve student achievement;
- Meet performance goals identified in the principal autonomy proposal; and
- Provide, annually, to the district school superintendent and district school board a budget for the operation of the participating school that identifies how funds are allocated.

The bill requires the principal of each participating school, a three-member leadership team from each participating school, and district personnel working with each participating school to enroll and complete a nationally recognized school turnaround program upon acceptance into the pilot program.

Exemptions

The bill exempts schools participating in PAPPI from the K-20 Education Code and SBE rules, except provisions relating to:

- Election and compensation of district school board members, the election or appointment and compensation of district school superintendents, public meetings and public records requirements, financial disclosure, and conflicts of interest.
- Student assessment program, school grading system, and other school improvement and accountability requirements.
- Services to students with disabilities.
- Civil rights and discrimination.
- Student health, safety, and welfare.
- Uniform opening date for public schools.
- Maximum class size, except that compliance for a participating school is calculated at the school-level average, rather than at the individual classroom level.¹¹⁹
- Personnel compensation and salary schedules.
- Workforce reductions for annual contracts for instructional personnel, excluding at-will employees.
- Annual contracts for instructional personnel hired on or after July 1, 2011, excluding at-will employees.
- Personnel performance evaluations.
- Educational facilities, excluding provisions governing covered walkways for relocatables and use of relocatable facilities exceeding 20 years of age.
- Administration and implementation of PAPPI.

Funding of the Program

The Legislature may provide an appropriation to the DOE for the costs of the pilot program, including administrative costs, enrollment costs for the school turnaround program, and an additional scholarship for each participating principal to use at his or her school.

The bill specifies that a school participating in PAPPI must be guaranteed to receive at least 90 percent of the funds generated in the Florida Education Finance Program (FEFP), including gross

¹¹⁹ The Florida Constitution provides that class sizes may not exceed 18 students for prekindergarten through 3rd grade; 22 students for 4th through 8th grades; and 25 students for 9th through 12th grades. *Section* 1(a), Art. IX of the State Constitution and s. 1003.03(1), F.S. The law provides for calculation of class size compliance at the school-level average for public schools of choice, including charter schools. Sections 1002.31(5) and 1002.33(16)(b)3., F.S.

state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy by that school rather than current law which specifies at least 80 percent of the FEFP funds generated by that school.

Evaluation and Reporting

The bill authorizes a school district to participate in the pilot program for a period of three years. The SBE may renew or revoke a school district's participation in PAPPI if the school district fails to meet the requirements of the program.

The bill requires a participating school district to annually submit a report to the SBE regarding program implementation. Upon completion of the program's first three-year term, the Commissioner of Education must submit a full evaluation of the program's effectiveness to the President of the Senate and the Speaker of the House of Representatives by December 1 of that year.

Federally Connected Student Supplement

The bill codifies the federally connected student supplement categorical within the FEFP. The school districts which receive federal impact aid under Title VIII of the Elementary and Secondary Education Act of 1965, will continue to be eligible for additional FEFP funding under this categorical.

Online Course Requirement

The bill establishes performance-based alternative means for student in public schools, including charter schools, to satisfy the online course requirement for high school graduation by:

- Either completing a course in which a student earns a nationally recognized industry certification, identified on the Career and Professional Education (CAPE) Industry Certification Funding List, in information technology, or passing the information technology certification examination without enrolling in, or completing, the course or courses corresponding to such certification.
- Passing an online content assessment, without enrolling in or completing the course or courses corresponding to that assessment, demonstrating his or her skills and competency in locating information and applying technology for instructional purposes.

Competency-based Innovation Pilot Program

This bill promotes competency-based student learning opportunities. Specifically, the bill defines competency-based education and:

- Establishes a competency-based innovation pilot program (pilot program) within the DOE for five years.
- Specifies pilot program related requirements.
- Authorizes waivers from certain requirements in state board rule.
- Requires students participating in the pilot program at participating schools to be reported for funding in accordance with current law.
- Specifies repeal of the pilot program effective June 30, 2021.

Public schools in Lake County, Pinellas County,¹²⁰ Seminole County, Palm Beach County, the P.K. Yonge Developmental Research School,¹²¹ and school districts or charter schools designated by the Commissioner of Education (commissioner) may apply to the department for approval of their pilot program.

Definition

The bill defines “competency-based education” as “a system in which a student may advance to higher levels of learning after demonstrating a mastery of concepts and skills instead of after a specified timeframe.” As a result, students will be able to demonstrate subject area and grade level competency through various methods such as performance on statewide, standardized assessments, without enrolling in and completing the corresponding courses.

Application Requirements

The bill specifies that the schools in the identified counties, P.K. Yonge Developmental Research School, and school districts or charter schools designated by the commissioner may submit their application on a form and by a date specified by the department. The application must include, at a minimum, the following pilot program-specific information:

- Vision and timeline, including the timeframe for districtwide implementation of competency-based education.
- Annual goals and performance outcomes that participating schools must meet (e.g., student performance,¹²² promotion and retention rates, graduation rates, and indicators of college and career readiness).
- Communication plan for stakeholders, including businesses and community members.
- Scope of, and timeline for, professional development.
- Plan for:
 - Student progression based on mastery of skills, including the ways to determine the degree to which a student has attained mastery of concepts and skills.
 - Using technology and digital and blended learning to enhance student achievement and to facilitate competency-based education.
 - How resources will be allocated at the district- and school-level.

¹²⁰ Lake and Pinellas County schools received the Next Generations Systems Initiative Grant award from the Bill and Melinda Gates Foundation to implement personalized learning in all schools in the County by specified timeframes. Lake County Schools, *What is the Next Generation Systems Initiative Grant?*, <http://www.lake.k12.fl.us/Page/38471> (last visited Jan. 17, 2016) and Pinellas County Schools, *PCS Receives Funding for Personalized Learning Initiative*, <http://newsroom.pcsb.org/pcs-receives-funding-for-personalized-learning-initiative/> (last visited Jan. 17, 2016); *see also* Gates Foundation, *Awarded Grants*, <http://www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database#q/k=next%20generation%20systems%20initiative> (last visited Jan. 18, 2016)..

¹²¹ P.K. Yonge Developmental Research School is established as a developmental research school (lab school) pursuant to s. 1002.32(2), F.S., and is affiliated with the University of Florida, located in Gainesville, Florida. The mission of a lab school is to provide a vehicle for conducting research on and evaluation of management, teaching, and learning. The primary goal of a lab school is to enhance instruction and research in specialized subjects (e.g., mathematics, science, and computer science) by using resources available on a state university campus, while also providing an education in nonspecialized subjects. Section 1002.32(3), F.S.

¹²² “Student performance,” “student academic performance,” or “academic performance” include, but is not limited to, student learning growth, achievement levels, and learning gains on statewide, standardized assessments. Section 1008.34(1)(c), F.S.

- Recruitment and selection of participating schools.
- Rules to be waived to implement the pilot program.

The application requirements affords program transparency and accountability by specifying the information that the authorized schools must submit to the department for approval of their pilot program, and the exemption from certain state board rules for the schools that the DOE approves to implement the pilot program.

Authorized Waivers

In addition to the state board's authority to allow the commissioner to waive, upon request of a district school board, certain SBE rules regarding district school instruction and operations, the bill authorizes the state board to allow the commissioner to grant additional waivers from state board rules related to student progression and award of credit. As a result, students will be able to earn credit by demonstrating subject area and grade level competency through performance on statewide, standardized assessments, without enrolling in and completing the corresponding courses. Currently, the Credit Acceleration Program (CAP) allows students to earn high school credit in Algebra I, Algebra II, geometry, United States history, or biology if the students attain a passing score on the statewide, standardized end-of-course (EOC) assessment, without enrolling in or completing the corresponding course.¹²³ The bill expands this mechanism for earning high school credit to include statewide, standardized comprehensive assessments for grades 9 and 10 English Language Arts (ELA).

Additionally, the bill allows waivers from state board rules to also apply to student progression decisions. As a result, a student may be promoted from one grade to the next grade level, by subject area, based on his or her performance on statewide, standardized comprehensive assessments for grades 3-10 ELA, grades 3-8 mathematics, and grades 5 and 8 science, without completing the corresponding course requirements. For instance, under the bill, a student in grade 3 may be promoted to grade 4 ELA if he or she demonstrates competency through performance on the grade 3 ELA assessment without completing the corresponding grade 3 ELA course requirements.

The bill provisions regarding waivers from student progression- and award of credit-related state board rules may also apply to the Civics EOC assessment and students with disabilities who take the Florida Alternate Assessment.

Funding

The bill requires students participating in the pilot program at participating schools to be reported for funding in accordance with current law.¹²⁴

Department of Education Requirements

The bill requires the department to:

- Compile student and staff schedules before and after implementation of the pilot program.

¹²³ Section 1003.4295(3), F.S.

¹²⁴ Section 1011.62, F.S.

- Provide access to the statewide, standardized comprehensive and end-of-course assessments.¹²⁵
- Submit a report annually, by June 1, summarizing the activities and accomplishments of the pilot programs and recommendations for statutory revisions for statewide implementation to the Governor, President of the Senate, and the Speaker of the House of Representatives.

Auditory-Oral Education Program

The bill revises the matrix of services calculation for students who are deaf and enrolled in an eligible auditory-oral education program.

The bill requires the school district to annually add four special consideration points to the total score of all domains on the matrix, beginning in the 2017-2018 school year. The revised matrix calculation will result in students who are deaf and enrolled in an auditory-oral education program generating additional FEFP funds. Most eligible students will move from Level 3 to Level 4 and, therefore, generate \$4,000 in additional funding through the FEFP.

Special Facility Construction Account

The bill makes modifications to current law regarding the Special Facility Construction Account (SFCA) to incorporate technical changes suggested by the DOE and options recommended by the Office of Program Policy Analysis and Government Accountability (OPPAGA) to improve the effectiveness of the construction projects funded by the SFCA.¹²⁶

The bill preserves the prohibition on a school district from receiving SFCA funding for more than one approved project within a 3-year period. However, the bill extends this prohibition to any time during which any portion of the district's participation requirement remains outstanding.¹²⁷ As a result, this modification may help to allocate SFCA funds for targeted construction projects to meet critical need.

District Effort and Participation Requirement

The bill clarifies that a school district's participation requirement is equivalent to all unencumbered and future revenue acquired during a 3-year period, beginning with the year of the initial appropriation and the next two years from Capital Outlay and Debt Service (CO&DS) funding, Public Education Capital Outlay (PECO) new construction funding, and discretionary capital improvement millage funding.¹²⁸ In addition, the bill:

- Requires that beginning in the 2019-2020 fiscal year, a school district seeking SFCA funding for a construction project must have levied the maximum discretionary capital improvement

¹²⁵ Annually, the department publishes the Florida Statewide Assessment Program Schedule (assessment schedule). The assessment schedule specifies the dates for administering the statewide, standardized assessments during the Fall and Spring terms. Section 1008.22(3)(d) and (7), F.S.; *see also* Florida Department of Education, *Assessment Schedules*, <http://www.fldoe.org/accountability/assessments/k-12-student-assessment/assessment-schedules.stml> (last visited Jan. 17, 2016).

¹²⁶ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 3.

¹²⁷ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4.

¹²⁸ *Id.*

millage against its nonexempt assessed property value, as authorized in law,¹²⁹ or an equivalent amount of revenue from the school capital outlay sales surtax, as authorized in law,¹³⁰ for a minimum of three years prior to the request and for a continuing period necessary to meet the district's participation requirement.¹³¹ By maintaining the authority in current law, allowing school districts to raise an equivalent amount of revenue from the school capital outlay surtax in lieu of levying the maximum millage rate, the bill preserves the ability of the districts to raise local funds for construction needs before requesting funds from the SFCA.¹³² Additionally, the bill will help to identify if a school district is unable to raise sufficient funds for construction projects from the district's ad valorem tax base.¹³³

- Removes the requirement that a school district's participation requirement be satisfied within a 3-year period. This modification will allow a longer period for a participating school district to meet the participation requirement amount so that some capital outlay funds remain available for meeting the construction needs previously identified or to address emergent needs.¹³⁴
- Reduces from 1.5 mills to 1.0 mill, the value of the discretionary capital improvement millage that a school district with a new or active project must budget annually, after the project is approved to meet the participation requirement, until the district's participation requirement is met. This modification will provide a buffer so that some capital outlay funds remain available to meet the construction needs previously identified or to address emergent needs.¹³⁵

A district school board must set the discretionary capital improvement millage levy rate at a public meeting.¹³⁶ The school capital outlay surtax is subject to approval by voter referendum.¹³⁷

Construction Plans

The bill changes from August 1 to June 1, the annual deadline for the district school boards to certify their final phase III construction plans as complete and in compliance with the building and life safety codes. This modification addresses an existing issue regarding insufficient time for the department to review the construction plans before such plans are considered by the Special Facility Construction Committee (committee). The modified deadline will allow the department to:¹³⁸

- Review the construction plans before convening the committee meeting in August of each year.
- Advise the committee whether the construction plans are economical and compliant with the required codes.

¹²⁹ Section 1011.71(2), F.S.

¹³⁰ Section 212.055(6), F.S.

¹³¹ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 2.

¹³² Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 4.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 5.

¹³⁶ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 7.

¹³⁷ *Id.*

¹³⁸ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 5.

Special Facility Construction Committee

The bill codifies current practice by specifying that a representative of the department must chair the committee. This modification will allow the department to designate one of its two representatives to the committee to serve as the committee chair. The bill does not alter the composition of either the committee or the project review subcommittee (subcommittee).¹³⁹

Application Review

The bill specifies that a school district may request a preapplication review of the district's construction project proposal at any time. However, if the district school board seeks inclusion in the department's next annual capital outlay legislative budget request, the district must make the preapplication review request by February 1 of each year.

Additionally, the bill changes the deadline for the committee or subcommittee to complete the preapplication review from 60 days to 90 days after receiving the preapplication review request. As a result, the committee or the subcommittee, as applicable, will have an additional month to complete its review of the district's construction project proposal and existing facilities.

These modifications will assist the department in meeting deadlines for preparing and submitting the department's fixed capital outlay legislative budget request.¹⁴⁰

Student Enrollment Projections

To determine whether a proposed construction project is a critical need based on the projected capital outlay full-time equivalent (FTE) student enrollment, the bill requires the committee or subcommittee to use capital outlay enrollment projections that are based on demographic, revenue, and education estimating conferences rather than the enrollment projections determined by the department. This modification aligns the change in projecting student enrollment to existing laws governing educational facilities plans.¹⁴¹ As a result, the bills allows for consistent use of data regarding educational facilities.¹⁴²

Educational Plant Surveys

The bill requires proposed special facility construction projects to be included in the most recent survey or survey amendment that is collaboratively prepared by the school districts seeking SFCA funding and the department. This modification will allow the department to better assess the need for special facility construction projects and provide assurance to other school districts and the general public that the SFCA funds are spent on critically needed capital projects.¹⁴³

Additionally, the bill precludes a consultant, employed by a school district to conduct an educational plant survey or survey amendment, from being employed by or receiving compensation from a third party entity that designs or constructs the special facility recommended by the survey. This modification addresses an existing conflict of interest issue

¹³⁹ *Id.*

¹⁴⁰ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 5.

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Id.*

raised by the department, involving consultants hired by school districts to conduct the surveys who also worked for firms that designed or constructed the facilities.¹⁴⁴

Project Cost Overruns

The bill authorizes SFCA funds to be used to pay for cost overruns necessitated by a disaster as defined in law¹⁴⁵ or an unforeseeable circumstance beyond the district's control as determined by the committee. This modification will minimize the state's share of project costs and provide clear guidance to the committee regarding requests for supplemental funding for a project.¹⁴⁶

Charter School Capital Outlay Funding

The bill amends the method in which charter school capital outlay funds are allocated and the authorized uses.

Allocation of Charter School Capital Outlay Funding

The bill proposes a new allocation methodology for charter school capital outlay funding which uses a weighted funding approach to provide additional funds to charter schools who serve a high proportions of students eligible for free and reduced price lunch (75 percent or greater) and/or students with disabilities (25 percent or greater). The proposed allocation eliminates the current prioritization system weighted toward older schools and awards capital outlay funds on a weighted basis as follows:

- All eligible charter schools will receive a standard base amount of funds per FTE derived from the gross capital outlay funding amount appropriated for charter schools.
- Charter schools will receive an additional 25 percent of the standard base amount if the school has either:
 - A 75 percent or more free and reduced lunch enrollment, or
 - A 25 percent or more ESE enrollment.
- Charter schools with both 75 percent or more free and reduced lunch enrollment and 25 percent or more ESE enrollment would receive an additional 50 percent of the standard base amount.

The bill repeals the current statutory requirement that each charter school's capital outlay allocation must not exceed 1/15th of the statutory cost per student station.

Uses of Charter School Capital Outlay Funding

The bill would prohibit an otherwise eligible charter school from receiving a capital outlay allocation unless the governing board of the school annually certifies under oath that the funds will be used solely and exclusively for constructing, renovating or improving charter school facilities which are:

¹⁴⁴ *Id*; see also Office of Program Policy Analysis and Government Accountability, *Special Facility Construction Projects Appear Needed, but Have Excess Capacity* (Report No. 11-02), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1102rpt.pdf>, at 8.

¹⁴⁵ Section 252.34, F.S.

¹⁴⁶ Florida Department of Education, 2016 Agency Legislative Bill Analysis for SB 1064 (Dec. 4, 2015), at 5.

- Owned by a school district (excluding conversion schools), political subdivision of the state, municipality, Florida College System institution or state university;
- Owned by an organization, qualified under s. 501(c)(3) of the Internal Revenue Code, whose articles of incorporation specify that upon the organization's dissolution all of the subject property will be transferred to a school district, political subdivision of the state, municipality, Florida College institution or state university; or
- Owned by and leased, at a fair market value in the school district in which the charter school is located, from a person who or entity that, is not an affiliated party of the charter school, as defined in the bill.

School Construction Costs

The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA), in consultation with the DOE, to conduct a study of the statutory cost per student station amounts using the most recent available information on construction costs and conduct a study of the State Requirements for Education Facilities (SREF). OPPAGA must provide recommendations for the revised costs and SREF improvements to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 31, 2017.

The bill prohibits school districts from spending more than the statutory cost per student station on new construction from all available revenue sources beginning in fiscal year 2017-18. The legislation requires districts to maintain accurate documentation related to the costs of all new construction projects subject to the statutory per student station costs.

The bill requires the Auditor General to review the documentation maintained by the districts and to verify compliance with statutory per student station costs during its scheduled operational audits of the school district. The following sanctions are mandated for districts that exceed the statutory maximum student station costs as verified by the Auditor General, unless the overage is minimal or due to extraordinary circumstances outside of the district's control:

- Districts will be ineligible for allocations from the PECO Trust Fund for the next three years in which the district would have received allocations had the violation not occurred.
- The district will be subject to the supervision of a District Capital Outlay Oversight Committee, authorized to approve all capital outlay expenditures of the school district, including new construction, renovations, and remodeling, for three fiscal years following the violation. Each District Capital Outlay Oversight Committee shall be comprised of the following:
 - One appointee of the Commissioner of Education who has significant financial management, school facilities construction, or related experience.
 - One appointee of the State Attorney's Office with jurisdiction over the district.
 - One appointee of the Auditor General who is a licensed Certified Public Accountant.

State University Authorization for Fixed Capital Outlay Projects

The bill authorizes a state university board of trustees to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for fixed capital outlay projects approved by the Board of Governors which include significant academic instructional space or critical deferred maintenance in this area.

Voluntary Prekindergarten Education Program

The bill allows parents the option of enrolling their child in a Voluntary Prekindergarten (VPK) Education Program in the school year in which the child becomes eligible, or deferring enrollment until the following school year.

Powers and Duties of a District School Board

The bill provides a district school board with the authority to visit schools, give suggestions for improvement, and advise citizens with the view of promoting interest in education and improving the school.

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:

The amount of performance funding available to State University System (SUS) and Florida College System (FCS) institutions is determined annually in the General Appropriations Act (GAA). SB 2500, the Senate General Appropriations Bill for the 2016-2017 fiscal year, appropriates \$225 million for the state's investment in the SUS Performance-Based Incentive and \$30 million for the state's investment in the FCS Performance-Based Incentive. Likewise, funding for the Distinguished Florida College System Program, Best and Brightest Teacher Scholarship Program, PAPPI, the Competency-Based Innovation Pilot Program, preeminent state research universities program, as well as the educator liability insurance program, are contingent upon funding in the GAA. SB 2500 appropriates \$2 million for the Distinguished Florida College

System Program, \$15 million for the preeminent state research universities program, and \$1.2 million for the educator liability insurance program. SB 2500 does not appropriate funds for the Best and Brightest Teacher Scholarship Program, PAPPI, or the Competency-based Innovation Pilot Program.

SB 2500 also appropriates \$12,208,418 for the federally connected student supplement. The additional special consideration points for students who are deaf and enrolled in an eligible auditory-oral education program has no fiscal impact in the 2016-2017 fiscal year because the requirements of the bill are not effective until the 2017-2018 fiscal year. Currently, there are approximately 75 full-time equivalent (FTE) students who are deaf and enrolled in an auditory-oral education program. These students will generate approximately \$4,000 per FTE in additional funding through the Florida Education Finance Program (FEFP). The total impact on the FEFP in the 2017-2018 fiscal year is estimated at \$300,000.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.42, 1001.7065, 1001.92, 1002.33, 1002.391, 1002.53, 1003.4282, 1011.62, 1011.69, 1012.28, 1012.39, 1012.731, 1012.75, 1013.62, 1013.64, and 1013.74.

This bill creates the following sections of the Florida Statutes: 1001.66, 1001.67, and 1011.6202.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

CS/CS by Appropriations on February 25, 2016:

The committee substitute:

- Maintains provisions regarding state university performance funding.
- Re-enacts and amends the FCS Performance-Based Incentive.
- Modifies criteria for the preeminent state research university designation.
- Establishes an “emerging preeminent state research university” designation and establishes eligibility criteria.
- Re-enacts 2015A Special Session amendments to the educator liability insurance program.
- Establishes, in law, the Best and Brightest Teacher Scholarship Program that provides a financial award to highly effective teachers who achieved certain ACT or SAT scores.

- Establishes the Principal Autonomy Pilot Program Initiative (PAPPI) within the Department of Education (DOE) to provide a highly effective principal of a participating school with increased autonomy and authority to operate his or her school in a way that produces significant improvements in student achievement and school management.
- Establishes, in law, the federally connected student supplement to provide 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.
- Establishes a competency-based innovation pilot program (pilot program) within the DOE for five years.
- Requires a school district to annually add additional points to the calculation of a matrix of services for a child who is deaf and enrolled in an auditory-oral education program.
- Modifies authorities and requirements related to the Special Facility Construction Account (SFCA).
- Revises the method used to determine the amount of the capital outlay funds each eligible charter school will receive from state charter school fixed capital outlay appropriations and adds additional restrictions on the use of charter school capital outlay funds.
- Provides for a study to update the cost per student station used in planning for educational facilities, provides for its applicability for all school district facilities, and establishes penalties for those school districts that exceed these costs.
- Authorizes state universities to expend excess reserves for fixed capital outlay projects approved by the Board of Governors which include significant academic instructional space or critical deferred maintenance needs in this area.
- Provides a Voluntary Prekindergarten (VPK) Education Program deferment option for parents choosing to postpone VPK enrolment for one year.
- Authorizes district school board members to visit schools, give suggestions for improvement, and advise citizens with the view of promoting interest in education and improving the school.

CS by Higher Education on November 17, 2015:

The committee substitute restores current law regarding limiting to one fiscal year, the ability of state universities to submit performance improvement plans to the Florida Board of Governors of the State University System of Florida to receive institutional investment performance funding.

B. Amendments:

None.