

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 7029      PCB CIS 13-03      Digital Learning  
**SPONSOR(S):** Education Committee, Choice & Innovation Subcommittee, Diaz, Jr.  
**TIED BILLS:**                      **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Choice & Innovation Subcommittee	11 Y, 2 N	Ammel	Fudge
1) Education Appropriations Subcommittee	8 Y, 5 N	Seifert	Heflin
2) Education Committee	10 Y, 7 N, As CS	Ammel	Mizereck

### SUMMARY ANALYSIS

The bill includes several provisions that increase access to digital and blended learning options by:

- Expanding the pool of eligible applicants who can apply for state-level approval to include individuals or organizations who provide individual online courses, including, but not limited to, massive open online courses (MOOCs) that are measured by state assessments.
- Creating a district innovation school pilot program that encourages schools to engage in a whole school transformation using blended learning models in exchange for flexibility and exemption from certain statutes.
- Allowing districts and providers to offer part-time virtual instruction for K-12 students in all courses, rather than only those courses that are measured through statewide assessments or end-of-course-exams.
- Providing an opportunity for providers without sufficient prior, successful experience in offering online courses to receive conditional approval from the Department of Education to offer only courses measured through statewide assessments or end-of-course exams. The conditional approval is only effective until the provider has sufficient data to apply for provider approval in accordance with current law and State Board of Education rule.
- Allowing students enrolled in one school district to enroll in an online course offered by any other district in the state, without limitations.
- Prohibiting a school district from requiring a public school student to take a virtual course outside the school day or on the school grounds.
- Clarifying, for home school students, that eligibility be verified upon enrollment, for purposes of funding through the FEFP. Home education students must still meet applicable eligibility criteria for participation in virtual education courses.

The bill increases accountability for digital learning options in the following way:

- Requiring providers to maintain a minimum level of services to parents and students, instead of locating an administrative office in the state.
- Requiring the Department of Education to develop an online catalog of available digital learning courses provided pursuant to 1002.37, 1002.45, and 1003.498, F.S., that provides specific information for each course, including completion and passage rates and a method for student and teacher users to provide evaluative feedback.
- Requiring FLVS to provide information in their required report about operations occurring outside the state as Florida Virtual School Global, as well as operations within the state.
- Requiring the Auditor General to conduct an operational audit of the Florida Virtual School, including Florida Virtual School Global and to submit the final report to the President of the Senate and the Speaker of the House of Representatives no later than January 31, 2014.
- Providing evaluation and funding methods for individuals or organizations who provide individual online courses, including MOOCs.

The bill has a fiscal impact on state government. See FISCAL ANALYSIS.

This bill takes effect July 1, 2013.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

The Florida Virtual School (FLVS) is established for the development and delivery of online and distance learning education.<sup>1</sup> The FLVS is a public online school that is fully accredited by the Southern Association of Colleges and Schools (SACS) and the Commission on International and Trans-Regional Accreditation (CITA).<sup>2</sup> The FLVS provides students full-time and part-time virtual education options; and offers more than 120 courses including core subjects, world languages, electives, honors, and 15 Advanced Placement courses.<sup>3</sup>

The FLVS offers individual course enrollments to all Florida students enrolled in grades 6 through 12, including public school, private school, and home school students.<sup>4</sup> FLVS also offers middle school courses for advanced elementary students and is authorized to offer elementary courses for grades K-5 students. In addition, the FLVS has partnered with Connections Academy to provide a full-time virtual education program to students statewide enrolled in kindergarten through grade 12. The Florida Virtual School Full Time (FLVS FT) program is open to any public, private or home education student in kindergarten through grade 12. School districts and virtual charter schools may also contract with FLVS to offer the FLVS FT program for their students<sup>5</sup> if the student meets certain eligibility criteria.<sup>6</sup>

The number of half-credit course completions at the FLVS has grown steadily from 77 during 1997-98 to 314,593 during 2011-12. The following table shows the number of course completions during the last five academic years.

Academic Year	Course Completions <sup>7</sup>
2007-08	116,035
2008-09	154,125
2009-10	213,926
2010-11	259,928
2011-12	314,593

In 2012, the Legislature increased access to virtual education courses by allowing students in grades K-12 to receive part-time instruction through FLVS and district virtual instruction programs (VIP) under certain eligibility criteria. Previously, FLVS was limited to students in grades 4-12, and school districts were limited to students in grades 9-12.<sup>8</sup> Virtual education options and eligibility requirements are still varied among FLVS, District VIP, and virtual charter schools as shown below:

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<sup>1</sup> Section 1002.37(1)(a), F.S. FLVS began as two independent programs in Alachua and Orange Counties. The two counties partnered to establish the FLVS as a grant-based pilot project in the 1996-97 academic year. In 2000, the Legislature removed the program's pilot status and statutorily codified the school. Chapter 2000-224, L.O.F.; see also Florida Virtual School, *Quick Facts*, <http://www.flvs.net/areas/aboutus/Pages/QuickFactsaboutFLVS.aspx> (last visited Oct. 1, 2012).

<sup>2</sup> Florida Virtual School, *Accreditation*, <http://www.flvs.net/areas/aboutus/Pages/accreditation.aspx> (last visited Oct. 1, 2012); During 2008-09, AdvancED acquired The Commission on International and Trans-Regional Accreditation (CITA). AdvancED, *2008-09 Annual Report*, <http://www.advanc-ed.org/company-overview> (last visited Oct. 1, 2012).

<sup>3</sup> Florida Virtual School, *Quick Facts*, <http://www.flvs.net/areas/aboutus/Pages/QuickFactsaboutFLVS.aspx> (last visited Oct. 1, 2012); see also Florida Virtual School, *Quick Facts*, <http://www.flvs.net/areas/aboutus/Pages/QuickFactsaboutFLVS.aspx> (last visited Sep. 10, 2012).

<sup>4</sup> Florida Virtual School, *Courses - FAQs*, <http://www.flvs.net/areas/faqs/Pages/CourseFAQs.aspx> (last visited Oct. 1, 2012).

<sup>5</sup> Section 1002.45, F.S.

<sup>6</sup> Florida Virtual School, *Florida Virtual School Full Time*, <http://www.connectionsacademy.com/florida-virtual-school/home.aspx> (last visited Sep. 10, 2012); see also Florida Virtual School, *Florida Virtual School Full Time Frequently Asked Questions*, <http://www.connectionsacademy.com/florida-virtual-school/faq.aspx> (last visited Oct. 1, 2012).

<sup>7</sup> Florida Virtual School, *FLVS Semester Completion History* (June 30, 2012), available at <http://www.flvs.net/areas/aboutus/Documents/FLVS%20Completions%20History%202011-2012.pdf>.

<sup>8</sup> Sections 3&4, ch.2012-192, L.O.F.

## K-12 Virtual Education Options

Delivery System		Student Grade Level												
		K	1	2	3	4	5	6	7	8	9	10	11	12
<b>Florida Virtual School (FLVS)<sup>1</sup></b>	<b>Full</b>													
	<b>Part<sup>2</sup></b>													
		<sup>1</sup> FLVS is a public school that serves “any student in the state”, including public, home, and private school students (s. 1002.37(1)(b), F.S.) <sup>2</sup> FLVS can offer any course, not just those measured by a standardized assessment.												
<b>District Virtual Instruction Program (VIP)<sup>3</sup></b>	<b>Full</b>													
	<b>Part<sup>4</sup></b>													
		<sup>3</sup> School Districts must provide “all enrolled public school students within its boundaries the option of participating in part-time and full-time virtual instruction programs” (s. 1002.45(1)(b), F.S.) <sup>4</sup> Part-time courses limited to those courses measured by a standardized assessment. <a href="#">1002.45(1)(b)2.</a>												
<b>Virtual Charter School</b>	<b>Full only</b>													

**Authority to Deliver:**

**Enrollment:**    **Full**    = Full-time enrollment

**Part**    = Part-time enrollment

**Legend:**     = Authorized to deliver

= Student must meet eligibility requirements of s. [1002.455\(2\)](#)

**Black Border** = Limited to 1.0 FTE

A student is eligible to participate in virtual instruction if:

- The student spent the prior school year in attendance at a public school in the state and was enrolled and reported by the school district for funding during October and February for purposes of the Florida Education Finance Program surveys;
- The student is a dependent child of a member of the United States Armed Forces who was transferred within the last 12 months to this state from another state or from a foreign country pursuant to a permanent change of station order;
- The student was enrolled during the prior school year in a virtual instruction program under s. [1002.45](#), the K-8 Virtual School Program under s. [1002.415](#), or a full-time Florida Virtual School program under s. [1002.37\(8\)\(a\)](#);
- The student has a sibling who is currently enrolled in a virtual instruction program and the sibling was enrolled in that program at the end of the prior school year;
- The student is eligible to enter kindergarten or first grade; or
- The student is eligible to enter grades 2 through 5 and is enrolled full-time in a school district virtual instruction program, virtual charter school, or the Florida Virtual School.

School districts are required to provide students with access to courses available through FLVS and award credit for successful completion of such courses.<sup>9</sup>

### Florida Virtual School Global

Florida Virtual School Global Services (FLVS Global) operates as a separate division within Florida Virtual School (FLVS) to serve students outside of Florida. As a not-for-profit, the revenues are reinvested in FLVS and earmarked for research and development to maintain the highest quality courses and products available to benefit students everywhere.

<sup>9</sup> Section 1001.42(23), F.S.  
**STORAGE NAME:** h7029c.EDC  
**DATE:** 3/27/2013

FLVS Global has provided courseware, training, and expertise to a variety of online programs at the school, district, and state level. They have assisted in the design and implementation of some of the most successful online programs today, including state programs in North Carolina, Alabama, Virginia, Mississippi, Kentucky, New Hampshire, Wisconsin, New Jersey, South Carolina, and Michigan. Additionally, current FLVS Global students reside in all 50 states and in 57 other countries worldwide.<sup>10</sup>

**Florida Virtual School Funding**

**Present Situation**

In 2003, the Legislature transitioned FLVS funding from a specific legislative appropriation basis to the FEFP.<sup>11</sup> Funding for the FLVS is based on successful course completion. A student in grades 9 through 12 counts as a FTE student if the student successfully completes six full-credit courses that count toward the minimum number of credits required for high school graduation. Credit that a student completes in excess of the minimum required for that student to graduate from high school is not eligible for funding. For a student in kindergarten through grade 8, one FTE student equals one student who successfully completes six courses or the prescribed level of content that counts toward promotion to the next grade.<sup>12</sup>

A student who completes less than six credits is a fraction of a FTE student. Half-credit completions must be included in determining a FTE student.<sup>13</sup>

Beginning in the 2014-2015 school year, when all statewide end-of-course assessments will be administered online, the reported FTE students and associated funding of students enrolled in courses requiring passage of an end-of-course assessment must be adjusted after the students complete the end-of-course assessment.<sup>14</sup> Funding must not be adjusted for home education program students who choose to not take an end-of-course assessment.<sup>15</sup>

Public school students receiving full-time instruction in kindergarten through grade 12 by the FLVS must take all statewide assessments. Public school students receiving part-time instruction by the FLVS in courses requiring statewide end-of-course assessments must take all end-of-course statewide assessments. All statewide assessments must be taken at the school to which the student is assigned according to district school board attendance areas. A school district must provide the student access to the school's testing facilities.<sup>16</sup>

The combined total of all FTE reported by both the school district and the FLVS must not exceed 1.0 FTE for students receiving part-time instruction in kindergarten through grade 5 and students receiving full-time instruction in kindergarten through grade 12 from the FLVS.<sup>17</sup>

Historical funding amounts for the FLVS in the FEFP are below:

<b>FY</b>	<b>Number of Unweighted FTE</b>	<b>Amount/FTE</b>	<b>Total Funds (includes Categorical Funds)</b>
2003-04 <sup>18</sup>	1,764.23	\$4,859.02	\$8,572,428

<sup>10</sup> Florida Virtual School Global, <https://www.flvs.net/global/Pages/about.aspx>.

<sup>11</sup> Section 19, ch. 03-391, L.O.F.

<sup>12</sup> Section 1002.37(3)(a)1. and 2., F.S.

<sup>13</sup> Section 1002.37(3)(a)1. and 2., F.S.

<sup>14</sup> See Section 1011.61(1)(c)1.b.(V), F.S., but see Section 1011.61(1)(c)1.b.(VIII)(A), F.S., requiring adjustment to courses within end-of-course assessments in the fourth year of administration of the assessment.

<sup>15</sup> Sections 1002.37(3)(a)3., 1008.22(3)(g), and 1011.61(1)(c)1.b.(V), F.S.

<sup>16</sup> Section 1002.37(9), F.S.

<sup>17</sup> Section 1002.37(8)(b), F.S.

<sup>18</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2003-04 Final Calculation* (Dec. 9, 2004), available at <http://info.fldoe.org/docushare/dsweb/Get/Document-2660/05-14a.pdf>.

2004-05 <sup>19</sup>	2,791.72	\$5,191.43	\$14,493,007
2005-06 <sup>20</sup>	4,684.43	\$5,307.03	\$24,860,407
2006-07 <sup>21</sup>	6,865.90	\$6,300.27	\$43,257,056
2007-08 <sup>22</sup>	9,686.52	\$6,467.92	\$62,651,654
2008-09 <sup>23</sup>	12,907.92	\$6,296.75	\$81,277,949
2009-10 <sup>24</sup>	18,551.07	\$5,627.13	\$104,389,203
2010-11 <sup>54</sup>	22,655.60	\$5,186.42	\$117,501,544
2011-12 <sup>55</sup>	27,983.01	\$4,818.80	\$134,844,645

The FLVS is authorized to generate supplemental revenue from a variety of sources, including alumni associations, foundations, parent-teacher associations, and booster associations.<sup>25</sup> In addition, FLVS may also receive funds from grants and donations.<sup>26</sup> The Florida Virtual School must submit to the Governor, the Legislature, the Commissioner of Education, and the State Board of Education a complete and detailed report, which includes:

- The operations and accomplishments of the Florida Virtual School.
- The marketing and operational plan for the Florida Virtual School, including recommendations regarding methods for improving the delivery of education through the Internet and other distance learning technology.
- The assets and liabilities of the Florida Virtual School at the end of the fiscal year.
- A copy of an annual financial audit of the accounts and records of the Florida Virtual School, conducted by an independent certified public accountant and performed in accordance with rules adopted by the Auditor General.
- Recommendations regarding the unit cost of providing services to students. In order to most effectively develop public policy regarding any future funding of the Florida Virtual School, it is imperative that the cost of the program is accurately identified. The identified cost of the program must be based on reliable data.
- Recommendations regarding an accountability mechanism to assess the effectiveness of the services provided by the Florida Virtual School.<sup>27</sup>

Auditor General Report No. 2012-020, October 2011, identified a finding related to verification of Florida residency, citing that FLVS did not maintain verification of residency for a number of students at the time of course completion, presenting an increased risk that out-of-state students may be reported and funded through the FEFP. As a result, a total of 51,200 FTE were deducted from FLVS. The majority of those deductions (30,434) were attributed to home education students.<sup>28</sup>

<sup>19</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2004-05 Final Calculation* (Dec. 8, 2005), available at <http://info.fldoe.org/docushare/dsweb/Get/Version-3597/200405FinalFEFPCalc.pdf>.

<sup>20</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2005-06 Final Calculation* (Nov. 7, 2006), available at <http://info.fldoe.org/docushare/dsweb/Get/Document-4098/coefo07-10-1.pdf>.

<sup>21</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2006-07 Final Calculation* (Nov. 9, 2007), available at <http://www.fldoe.org/fefp/pdf/0607finalcalcparta.pdf>.

<sup>22</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2007-08 Final Calculation* (Dec. 12, 2008), available at <http://www.fldoe.org/fefp/pdf/07-08FEFP-FinalCalc-1.pdf>.

<sup>23</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2008-09 Final Calculation* (Dec. 4, 2009), available at <http://www.fldoe.org/fefp/pdf/0809finalcalc-1.pdf>.

<sup>24</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2009-10 Final Calculation* (Nov. 19, 2010), available at <http://www.fldoe.org/fefp/pdf/09-10-final.pdf>.

<sup>25</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida Education Finance Program 2010-2011 Final Calculation* (Oct. 28, 2011), available at <http://www.fldoe.org/fefp/pdf/10-11-final-part1.pdf>.

<sup>26</sup> Florida Department of Education - Office of Funding and Financial Reporting, *Florida education Finance Program 2011-2012 Fourth Quarter Calculation* (May 7, 2012) available at <http://www.fldoe.org/fefp/pdf/11-12-fourth-part1.pdf>.

<sup>27</sup> Section 1002.37(6), F.S.

<sup>28</sup> Florida Auditor General Report No. 2012-020, available at <http://www.myflorida.com/audgen/pages/list1112page.htm>.

FLVS indicated it did not consistently require annual re-verification of homeschool registration, upon course completion, as there is no mechanism to collect that information from a third-party. Home school students are only required to register with their home district at the beginning of their home education program and do not have to formally register each subsequent year.<sup>29</sup> FLVS does require the parent to verify, at every course enrollment for home education students, that the student is registered as a home education student in Florida.

### Effect of Proposed Changes

The bill requires Florida Virtual School to include in the detailed report to the Governor, the Legislature, the Commissioner of Education, and the State Board of Education, the same information for Florida Virtual School Global.

The bill requires the Auditor General to conduct an operational audit of the Florida Virtual School, including Florida Virtual School Global and submit the final report to the President of the Senate and the Speaker of the House of Representatives no later than January 31, 2014. The scope of the audit shall include, but is not limited to, the administration of responsibilities relating to personnel; procurement and contracting; revenue production; school funds, including internal funds; student enrollment records; franchise agreements; information technology utilization, assets, and security; performance measures and standards; and accountability.

The bill clarifies that, for home education students to be eligible for funding upon course completion, the parent must verify, upon enrollment for each course, that the student is registered as a home education student with their district according to law.<sup>30</sup>

The bill requires school districts to provide students with access to all virtual instruction programs, including FLVS, and award credit for successful completion of such courses.

The bill provides flexibility to the Florida Virtual School and school districts in determining the testing site for students enrolled in the Florida Virtual School that must take statewide assessments.

## **District Virtual Instruction Programs**

### Present Situation

District virtual instruction programs were implemented by the 2008 Legislature to provide students with the opportunity to participate in virtual instruction programs.<sup>31</sup> School districts eligible for the sparsity supplement must provide all enrolled public school students within its boundaries the option of participating in part-time and full-time virtual instruction programs. Districts that do not qualify for the sparsity supplement must provide at least three options for part-time and full-time virtual instruction. A school district virtual instruction program shall consist of the following:

- Full-time virtual instruction for students enrolled in kindergarten through grade 12.
- Part-time virtual instruction for students enrolled in kindergarten through grade 12 courses that are measured pursuant to subparagraph (8)(a)2.
- Full-time or part-time virtual instruction for students enrolled in dropout prevention and academic intervention programs under s. 1003.53, Department of Juvenile Justice education programs under s. 1003.52, core-curricula courses to meet class size requirements under s. 1003.03, or Florida College Institutions under this section.<sup>32</sup>

In order to provide the virtual instruction program, districts may contract with the Florida Virtual School, establish a franchise of the Florida Virtual School; contract with an approved provider; enter into an agreement with other school districts to allow participation of its students in an approved virtual instruction program;

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<sup>29</sup> Section 1002.41(1)(a), F.S.

<sup>30</sup> Section 1002.41(1)(a), F.S.

<sup>31</sup> Section 4, ch. 2008-147, L.O.F.

<sup>32</sup> Section 1002.45(1)(b), F.S.

establish its own part-time or full-time virtual instruction program; or enter into an agreement with a virtual charter school.<sup>33</sup>

Approved providers include those approved by the Department of Education, the Florida Virtual School, a franchise of the Florida Virtual School, or a Florida College System institution.<sup>34</sup> In order to be approved, providers must, among other requirements, locate an administrative office in the state and require its administrative staff to be Florida residents, and possess prior, successful experience offering online courses to elementary, middle, or high school students as demonstrated by quantified student learning gains in each subject area and grade level provided for consideration as an instructional program option.<sup>35</sup>

School districts may also deliver courses in the traditional school setting by personnel certified pursuant to s. 1012.55 who provide instruction through virtual instruction or blended learning courses. Students must be full-time students of the school and receive the online instruction in the classroom setting at the school.<sup>36</sup>

Virtual charter schools may provide full-time virtual instruction for students enrolled in kindergarten through grade 12 if they are approved in accordance with s. 1002.33.<sup>37</sup> In order to be considered for approval, the applicant must document that it has contracted with an approved provider of virtual instruction services pursuant to 1002.45(1)(d).<sup>38</sup>

### Effect of Proposed Changes

The bill allows school districts, through their virtual instruction programs, to offer part-time courses to students in kindergarten through grade 12 for all courses, not just courses that require statewide assessments. It expands the available content for part-time virtual instruction to include an individual course or courses, including massive open online courses that are measured by statewide assessments. The bill also clarifies that districts may deliver core-curricular courses in a virtual learning laboratory on campus to meet class size requirements under s. 1003.03.

The bill expands the pool of eligible applicants who may apply to become approved virtual education providers to include individuals or organizations who provide individual online courses, including, but not limited to, massive open online courses (MOOC), that are measured by state assessments, in accordance with s. 1002.45(2). Approved providers are included in the online list published by the DOE and courses are then available for part-time virtual instruction programs offered through district virtual instruction programs. Providers of approved online courses must be Florida-certified teachers or certified as adjunct educators under s. 1012.57. Providers are held accountable through evaluating the percentage of students who make learning gains, pass end-of-course assessments, take Advanced Placement (AP) examinations, and score 3 or higher on AP examinations.

The bill provides statutory exemptions for approved individual online courses related to information and data about curriculum of full- and part-time programs; school policies and procedures; accreditation; annual financial audits; and school grades.

The bill allows providers of online courses to submit their courses for approval and inclusion in the statewide course numbering system and requires the Articulation Coordinating Committee to recommend a funding model and a financial accountability mechanism for funding and assessing an approved organization or an individual offering online courses, including but not limited to MOOCs, by December 31, 2013.

The bill removes the requirements that approved providers have an administrative office in the state and that their administrative staff be state residents, but requires providers to provide a minimum level of services to parents and students. It requires specific information to be posted and accessible online, including, but not

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<sup>33</sup> Section 1002.45(c), F.S.

<sup>34</sup> Section 1002.45(a)1., F.S., *For further qualifications see State Board of Education Rule 6A-6.0981, F.A.C. at <https://www.flrules.org/gateway/ruleNo.asp?id=6A-6.0981>.*

<sup>35</sup> Section 1002.45(2)(a)3. and 4., F.S.

<sup>36</sup> Section 1003.498(1), F.S.

<sup>37</sup> Section 1002.45(1)(d), F.S.

<sup>38</sup> Section 1002.33(6)(a)7., F.S.

limited to: contact information for course instructors, technical support, and administrative services. It requires such individuals to be accessible via a variety of methods, such as phone, email, and/or other online messaging tools. It also requires a minimum of one phone contact per month between the instructor and parent and the instructor and student.

The bill also provides an opportunity for providers without sufficient prior, successful experience in offering online courses to receive conditional approval from the Department of Education to offer only courses measured through statewide assessments or end-of-course exams. The conditional approval remains effective until the provider has sufficient data to apply for provider approval in accordance with current law and State Board of Education rule.

Recently, Somerset Academy, Inc., a charter school management organization, became an approved virtual education provider pursuant to s. 1002.45(2)<sup>39</sup> and applied to open a new virtual charter school in Miami-Dade County, however, because current law requires virtual charter schools to contract with an approved provider prior to being approved, Somerset was unable to become a virtual charter school and is still in the appeals process as of March 2013.<sup>40</sup> The bill clarifies that an approved virtual education provider may open virtual charter schools.

In order to facilitate the delivery and coding of blended learning courses, the bill requires the Department of Education to provide identifiers for existing courses to designate their use for blended learning courses. This will ensure efficient and accurate reporting of blended learning courses.

In an effort to expand options for students and provide flexibility to school districts, the bill modifies the definition and reporting of FTE for funding in the FEFP, while containing the costs of additional FTE students in the FEFP. The bill allows all courses reported for a student to be equally shared among providers to limit each student to 1.0 FTE, thus allowing all courses to earn funding in the FEFP. The bill also requires school districts and the FLVS to ensure the correct student identification number is reported for each student so the funding earned can be distributed based on the equal share of the 1.0 FTE to the entity providing the instruction of the student. The bill also allows school districts to report full-time equivalent students enrolled in a virtual instruction program or virtual charter school for credits completed during the summer.

The bill also requires the Department of Education, for students without a common student identifier who transfer between a public school district and/or the Florida Virtual School, to decrease the Florida Education Finance Program funds from the district or the Florida Virtual School which the student attended prior to the transfer.

### **District Innovation School Pilot Program**

The bill creates a district innovation school pilot program to encourage schools to engage in a whole school transformation using blended learning models in exchange for flexibility and exemption from certain statutes. Schools will operate within existing resources under a performance contract with their district for a period of 5 years after which, they will be evaluated for purposes of renewal. The bill defines a district innovation school as a school that has adopted and implemented, on a school-wide basis, a blended learning program. The school must use one of the following blended learning models: flipped classroom, flex, or rotation. To enable the whole school transformation, district innovation schools are provided statutory exemptions similar to charter schools. After an initial three year period, if a district innovation school receives a school grade of F for two consecutive years the district school board must terminate the contract with the school and the school is no longer eligible for the statutory flexibilities. Courses offered by district innovation schools are exempt from class size requirements.

### **Accountability and Accessibility**

The bill provides additional accountability and accessibility by:

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<sup>39</sup> See, Department of Education Memo DPS:2012-80, at: <http://www.fldoe.org/Schools/virtual-schools/pdf/MEMO1213approvedproviders.pdf>

<sup>40</sup> Telephone conversation with Florida Department of Education Charter Schools Director (Mar 26, 2013).

- requiring the Department of Education to develop an online catalog of available digital learning courses provided pursuant to 1002.37, 1002.45, and 1003.498, F.S., that provides for each course, access to the course description, completion and passage rates and a method for student and teacher users to provide evaluative feedback.<sup>41</sup>
- removing blended learning courses taught in a charter school, traditional public school, or district innovation schools from the definition of core-curricula courses.
- allowing students enrolled in one school district to enroll in an online course offered by any other district in the state, without exceptions.
- prohibiting a school district from requiring a public school student to take a virtual course outside the school day or on the school grounds.

## B. SECTION DIRECTORY:

**Section 1:** Amending s. 1001.42, F.S.; revising district school board duties relating to virtual instruction.

**Section 2:** Amending 1002.321, F.S.; requiring the Department of Education to develop an online catalog of available digital learning courses from the Florida Virtual School, school district virtual instruction programs and school district virtual instruction courses that provides specific information for each course and a method for teachers and students to submit evaluative feedback.

**Section 3:** Amending 1002.37, F.S.; revising and clarifying the requirements for reporting and funding a full-time equivalent student in the Florida Virtual School; providing requirements for funding a home education student enrolled in the Florida Virtual School; providing reporting requirements relating to Florida Virtual School Global; requiring the Auditor General to conduct an operational audit of the Florida Virtual School.

**Section 4:** Amending 1002.45, F.S.; authorizing a school district to provide part-time virtual instruction for K-12 students in all courses; revising requirements for the use of virtual instruction in core-curricula courses for the purpose of meeting class size requirements; revising requirements for approval as a provider of virtual instruction programs; providing requirements for conditional approval; revising and clarifying the requirements for reporting and funding a full-time equivalent student enrolled in a virtual instruction program.

**Section 5:** Creating 1002.451, F.S.; authorizing a district school board to operate a district innovation school as a pilot program; providing delivery models for implementation of a schoolwide blended learning program; providing funding requirements; providing exemption from statutes and rules.

**Section 6:** Amending 1003.01, F.S.; removing blended learning courses provided by a traditional public school, a charter school, or a district innovation school from the definition of core curricular courses for purposes of class size requirements.

**Section 7:** Amending 1003.498, F.S.; requiring the Department of Education to provide identifiers for existing courses to designate their use for blended learning courses; removing restrictions on students for taking online courses across district lines; prohibiting school districts from requiring a public school student to take an online course at certain times or places.

**Section 8:** Amending 1007.01, F.S.; requiring the Articulation Coordinating Committee to recommend a funding model and financial accountability mechanism for providers of online courses; amending s. 1007.24 F.S.; including online courses provided by providers in the statewide course numbering system.

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<sup>41</sup>See e.g., Washington Digital Learning Department Catalog at: [http://digitallearning.k12.wa.us/online\\_courses/courseDetails.php?courseID=1116&selections%5bgradeID%5d=5](http://digitallearning.k12.wa.us/online_courses/courseDetails.php?courseID=1116&selections%5bgradeID%5d=5)

**Section 9:** Amending 1007.24, F.S.; allowing providers of online courses to submit their courses for approval and inclusion in the statewide course numbering system.

**Section 10:** Amending 1011.61, F.S.; requiring schools to use a student identifier for purposes of the Florida Education Finance Program; revising and clarifying the definition of a full-time equivalent student; revising provisions relating to the maximum value for funding a student.

**Section 11:** Creating 1011.622, F.S.; requiring that the Department of Education, for students without a common student identifier transferring between a public school district and the Florida Virtual School, to decrease the Florida Education Finance Program funds from the district or the Florida Virtual School which the student attended prior to the transfer.

**Section 12:** Providing an effective date of July 1, 2013.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

The bill requires the department to develop and maintain an online catalog of available digital courses. This cost of one staff and expenses is \$113,210.

The bill creates a District Innovation School pilot program. This pilot program is anticipated to be cost neutral as the bill states the innovation school shall operate within existing resources. The bill does not address student reporting or funding issues.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On February 20, 2013, the Choice & Innovation Subcommittee reported proposed committee bill 13-03 favorably with three amendments. The first two amendments provided clarification for blending learning courses and district innovation schools regarding class size calculations by removing blended learning courses from the definition of core-curricular courses, and clarifying that district innovation schools are exempt from class size requirements. The third amendment removed the section of the bill that clarified reporting of FTE for courses that require end-of-course assessments.

On March 27, 2013, the Education Committee reported HB 7029 favorably as a committee substitute. The committee adopted a strike-all amendment that added the following three provisions to the original bill:

- Requiring the Auditor General to conduct an operational audit of the Florida Virtual School, including Florida Virtual School Global and to submit the final report to the President of the Senate and the Speaker of the House of Representatives no later than January 31, 2014.
- Expanding the pool of eligible applicants who can apply for state-level approval to include individuals or organizations who provide individual online courses, including, but not limited to, massive open online courses (MOOCs) that are measured by state assessments; providing a funding mechanism and evaluation method for approved online providers; and authorizing providers of online courses to submit their courses for approval and inclusion in the statewide course numbering system.
- Modifying the definition and reporting of FTE for funding in the FEFP and revising provisions relating to the maximum value for funding a student.