

Committee Substitute for House Bill No. 701

An act relating to public school funding; creating the Task Force on Public School Funding; providing for the appointment and organization of the task force; specifying powers and duties; specifying duties of the Department of Education; requiring certain reports and public hearings; repealing s. 236.081, F.S., relating to the Florida Education Finance; amending s. 236.025, F.S.; revising funding for exceptional student education programs; amending s. 236.081, F.S.; revising funding for exceptional student education programs; revising provisions relating to instruction outside the required number of school days; revising the exclusion provisions of the computation of district required local effort; requiring plaintiffs to provide the district school board and the Department of Education certain documentation in litigation affecting the assessed value of real property above a specified amount; amending s. 237.34, F.S.; revising reporting requirements of exceptional student education programs; amending s. 229.05371, F.S.; converting a pilot program for scholarships for students with disabilities to statewide application; creating s. 236.08103, F.S., the "Equity in School-Level Funding Act"; requiring school districts to allocate to each school within the district a specified minimum percentage of the funds generated by the school based on the Florida Education Finance Program; providing for graduated increases in such percentage; providing exemptions; providing for carryforward of unused funds allocated to the schools; providing for review of certain task force recommendations for potential inclusion of certain funds in the allocation methodology; providing that funds for supplemental academic instruction are excluded from the school-level allocation; providing an effective date.

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

Section 1. (1) The Task Force on Public School Funding is created to examine and make recommendations to the Governor and the Legislature on the funding of the state system of public schools. The task force is assigned to the Office of Legislative Services, created by section 11.147, Florida Statutes, for administrative and fiscal accountability purposes.

(2) The task force shall consist of 15 members selected from among business and community leaders and the Lieutenant Governor and Commissioner of Education, who shall serve as voting ex officio members. By June 30, 2000, the Governor, the President of the Senate, and the Speaker of the House of Representatives shall each appoint 5 members to serve for the duration of the task force. If a vacancy occurs, the official who had appointment jurisdiction for the vacated position shall appoint a member to fill the vacancy. Each appointing authority may remove his or her appointee for cause, and shall remove an appointee who, without cause, fails to attend three consecutive meetings. Members of the task force shall serve without compensation but are entitled to reimbursement for per diem and travel

expenses incurred in the performance of their duties as provided in section 112.061, Florida Statutes.

(3) The task force shall hold its organizational meeting by September 1, 2000; and, thereafter, shall meet at the call of the chair, but shall meet at least monthly before submitting its final recommendations. The task force shall be chaired by a member designated by the Governor. The task force shall elect a vice chair to serve in the absence of the chair. The task force shall adopt procedures or bylaws necessary for its efficient operation and may appoint subcommittees from its membership.

(4) The task force shall examine the funding of the state system of public schools as provided by the Florida Education Finance Program created by section 236.081, Florida Statutes, and implemented by the general appropriations acts. The task force shall consider at least the following:

(a) The funding of public schools based on their performance in educating students as evidenced by the achieving of equitable outcomes that meet the state academic achievement standards for all students.

(b) The relationship between state funding and local funding for public schools.

(c) The maintenance of funding equity in the allocation of dollars among school districts and schools.

(d) The acquisition and support of technology to assist in the instructional process.

(e) The funding support for parental choice in the selection of educational services for children.

(f) The results and recommendations of public school funding studies conducted by nationally recognized experts, groups, and other states.

(5) The task force:

(a) Shall appoint an executive director, who shall be the chief administrative officer of the task force. With approval of the chair, the director may employ research and support staff to serve the needs of the task force. All members of the task force staff are exempt from the Career Service System and shall be employed in accordance with the legislative personnel plan administered by the Office of Legislative Services.

(b) The task force is authorized to enter into contracts or agreements with individuals, organizations, or firms to provide expertise required by the task force to perform its duties.

(c) The task force is authorized to apply for and accept funds, grants, donations, expenses, in-kind services, or other valued goods or services from any public or private source, including in-kind services of employees of the state Department of Education, the school districts, and the state universities.

(d) By September 1, 2001, shall submit draft recommendations and, by February 1, 2002, shall submit final recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Before adopting final recommendations, the task force shall conduct at least one public hearing in each of the five service regions of the Department of Education. The recommendations of the task force must include proposed legislation.

(6) This section expires June 30, 2003.

Section 2. Section 236.081, Florida Statutes, is repealed effective June 30, 2004, subject to prior review by the Task Force on Public School Funding.

Section 3. Section 236.025, Florida Statutes, is amended to read:

236.025 Revised funding model for exceptional student education programs.—

(1) The revised funding model for exceptional student education programs is designed to: be better for students than the existing funding system by encouraging school districts and schools to identify and implement educationally effective instructional delivery models; simplify funding by utilizing two five weighted cost factors and a guaranteed allocation; provide fiscal support for exceptional students in general education classes; be outcome driven; ~~and~~ be revenue neutral; and reduce the paperwork burden associated with state funding. This funding model is designed to support both traditional and new service delivery models along the continuum of services required for exceptional students. It is the intent of the Legislature, through the General Appropriations Act, to minimize the fiscal impact on school districts of the implementation of this funding model.

(2)(a) The revised funding model uses existing basic, at-risk, and vocational five Florida Education Finance Program cost factors, two exceptional education cost factors, and a guaranteed allocation for exceptional student education programs. Exceptional education cost factors are determined by using a matrix of services to document the services that each exceptional student will receive. The nature and intensity of the services indicated on the matrix shall be consistent with the services described in each exceptional student's individual education plan.

(b) In order to generate funds using one of the two weighted cost factors, a matrix of services must be completed at the time of the student's initial placement into an exceptional student education program and at least once every 3 years least once each year by public school personnel who have received approved training. ~~Additionally, each time an exceptional student's individual education plan, family support plan, or education plan is reviewed, the matrix of services must also be reviewed.~~ Nothing listed in the matrix shall be construed as limiting the services a school district must provide in order to ensure that exceptional students are provided a free, appropriate public education.

(c) Students identified as exceptional, in accordance with chapter 6A-6, Florida Administrative Code, who do not have a matrix of services as speci-

fied in paragraph (b) shall generate funds on the basis of full-time-equivalent student membership in the Florida Education Finance Program at the same funding level per student as provided for basic students. Additional funds for these exceptional students will be provided through the guaranteed allocation designated in subsection (3).

(3) For students identified as exceptional who do not have a matrix of services, there is created a guaranteed allocation to provide these students with a free appropriate public education, in accordance with s. 230.23(4)(m) and rules of the state board, which shall be allocated annually to each school district in the amount provided in the General Appropriations Act. These funds shall be in addition to the funds appropriated on the basis of full-time-equivalent student membership in the Florida Education Finance Program, and the amount allocated for each school district shall not be recalculated during the year. These funds shall be used to provide special education and related services for exceptional students.

~~(4)(3)~~ The Department of Education shall revise its monitoring systems for exceptional student education programs to include a review of delivery of services as indicated on the matrix of services.

(5)(4) The Department of Education shall adopt ~~promulgate~~ rules necessary to implement the revised funding model.

~~(5) The funding level in the 1997-1998 FEFP for exceptional student education shall be guaranteed for 3 years so that no district will have a financial uncertainty during the initial implementation of the revised funding model.~~

Section 4. Paragraphs (c), (d), and (h) of subsection (1) and paragraph (d) of subsection (4) of section 236.081, Florida Statutes, are amended to read:

236.081 Funds for operation of schools.—If the annual allocation from the Florida Education Finance Program to each district for operation of schools is not determined in the annual appropriations act or the substantive bill implementing the annual appropriations act, it shall be determined as follows:

(1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR OPERATION.—The following procedure shall be followed in determining the annual allocation to each district for operation:

(c) Determination of programs.—Cost factors based on desired relative cost differences between the following programs shall be established in the annual General Appropriations Act. The Commissioner of Education shall specify a matrix of services and intensity levels to be used by districts in the determination of the two weighted cost factors for exceptional students with the highest levels of need. For these students, the funding support level shall fund the exceptional students' education program, with the exception of extended school year services for students with disabilities, funding support for each exceptional student. The funding support level for each exceptional student shall fund the exceptional student's total education program.

1. Basic programs.—
 - a. Kindergarten and grades 1, 2, and 3.
 - b. Grades 4, 5, 6, 7, and 8.
 - c. Grades 9, 10, 11, and 12.
2. Programs for exceptional students.—
 - ~~a. Support Level I.~~
 - ~~b. Support Level II.~~
 - ~~c. Support Level III.~~
 - a.d. Support Level IV.
 - b.e. Support Level V.
3. Secondary career education programs.—
- ~~4. Students-at-risk programs.—~~
 - ~~a. Dropout prevention and teenage parents.~~
 - 4.b. English for Speakers of Other Languages.—
- (d) Annual allocation calculation.—

1. The Department of Education is authorized and directed to review all district programs and enrollment projections and calculate a maximum total weighted full-time equivalent student enrollment for each district for the K-12 FEFP.

2. Maximum enrollments calculated by the department shall be derived from enrollment estimates used by the Legislature to calculate the FEFP. If two or more districts enter into an agreement under the provisions of s. 230.23(4)(d), after the final enrollment estimate is agreed upon, the amount of FTE specified in the agreement, not to exceed the estimate for the specific program as identified in paragraph (c), may be transferred from the participating districts to the district providing the program.

3. As part of its calculation of each district's maximum total weighted full-time equivalent student enrollment, the department shall establish separate enrollment ceilings for each of two program groups. Group 1 shall be composed of grades K-3, grades 4-8, and grades 9-12. Group 2 shall be composed of students in exceptional student education programs, English for Speakers of Other Languages ~~students-at-risk~~ programs, all basic programs other than the programs in group 1, and all vocational programs in grades 7-12.

a. The weighted enrollment ceiling for group 2 programs shall be calculated by multiplying the final enrollment conference estimate for each program by the appropriate program weight. The weighted enrollment ceiling

for program group 2 shall be the sum of the weighted enrollment ceilings for each program in the program group, plus the increase in weighted full-time equivalent student membership from the prior year for clients of the Department of Children and Family Services and the Department of Juvenile Justice.

b. If, for any calculation of the FEFP, the weighted enrollment for program group 2, derived by multiplying actual enrollments by appropriate program weights, exceeds the enrollment ceiling for that group, the following procedure shall be followed to reduce the weighted enrollment for that group to equal the enrollment ceiling:

(I) The weighted enrollment ceiling for each program in the program group shall be subtracted from the weighted enrollment for that program derived from actual enrollments.

(II) If the difference calculated under sub-sub-subparagraph (I) is greater than zero for any program, a reduction proportion shall be computed for the program by dividing the absolute value of the difference by the total amount by which the weighted enrollment for the program group exceeds the weighted enrollment ceiling for the program group.

(III) The reduction proportion calculated under sub-sub-subparagraph (II) shall be multiplied by the total amount of the program group's enrollment over the ceiling as calculated under sub-sub-subparagraph (I).

(IV) The prorated reduction amount calculated under sub-sub-subparagraph (III) shall be subtracted from the program's weighted enrollment. For any calculation of the FEFP, the enrollment ceiling for group 1 shall be calculated by multiplying the actual enrollment for each program in the program group by its appropriate program weight.

c. For program group 2, the weighted enrollment ceiling shall be a number not less than the sum obtained by:

(I) Multiplying the sum of reported FTE for all programs in the program group that have a cost factor of 1.0 or more by 1.0, and

(II) By adding this number to the sum obtained by multiplying the projected FTE for all programs with a cost factor less than 1.0 by the actual cost factor.

4. Following completion of the weighted enrollment ceiling calculation as provided in subparagraph 3., a supplemental capping calculation shall be employed for those districts that are over their weighted enrollment ceiling. For each such district, the total reported unweighted FTE enrollment for group 2 programs shall be compared with the total appropriated unweighted FTE enrollment for group 2 programs. If the total reported unweighted FTE for group 2 is greater than the appropriated unweighted FTE, then the excess unweighted FTE up to the unweighted FTE transferred from group 2 to group 1 for each district by the Public School FTE Estimating Conference shall be funded at a weight of 1.0 and added to the funded weighted FTE computed in subparagraph 3. This adjustment shall be calculated beginning with the third calculation of the 1998-1999 FEFP.

~~(h) Coenrollment Instruction outside required number of school days.— Students in grades 9 through 12 may be counted as full-time equivalent students for instruction provided outside the required school days or year if such instruction counts as credit toward high school graduation. However, If a high school student wishes to earn high school credits from a community college and enrolls in one or more adult secondary education courses at the community college, the community college shall be reimbursed for the costs incurred because of the high school student's coenrollment as provided in the General Appropriations Act.~~

(4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.— The Legislature shall prescribe the aggregate required local effort for all school districts collectively as an item in the General Appropriations Act for each fiscal year. The amount that each district shall provide annually toward the cost of the Florida Education Finance Program for kindergarten through grade 12 programs shall be calculated as follows:

(d) Exclusion.—

1. In those instances in which:

a.1. There is litigation either attacking the authority of the property appraiser to include certain property on the tax assessment roll as taxable property or contesting the assessed value of certain property on the tax assessment roll, and

b.2. The assessed value of the property in contest involves more than 6 percent of the total nonexempt assessment roll, the plaintiff shall provide to the district school board of the county in which the property is located and to the Department of Education a certified copy of the petition and receipt for the good faith payment at the time they are filed with the court.

~~the assessed value of the property in contest shall be excluded from the taxable value for school purposes for purposes of computing the district required local effort.~~

2. For purposes of computing the required local effort for each district affected by such petition, the Department of Education shall exclude from the district's total nonexempt assessment roll the assessed value of the property in contest and shall add the amount of the good faith payment to the district's required local effort.

Section 5. Paragraph (b) of subsection (2) and paragraph (a) of subsection (3) of section 237.34, Florida Statutes, are amended to read:

237.34 Cost accounting and reporting.—

(2) COST REPORTING.—

(b) Each district shall report on a school-by-school and on an aggregate district basis expenditures for each program funded in s. 236.081(1)(c), ~~except that programs for exceptional students shall be reported on an aggregate basis.~~

(3) PROGRAM EXPENDITURE REQUIREMENTS.—

(a) Each district shall expend at least the percent of the funds generated by each of the programs listed herein on the aggregate total school costs for such programs:

1. Kindergarten and grades 1, 2, and 3, 90 percent.
2. Grades 4, 5, 6, 7, and 8, 80 percent.
3. Grades 9, 10, 11, and 12, 80 percent.
4. Programs for exceptional students, on an aggregate program basis, 90 80 percent.
5. Grades 7 through 12 vocational education programs, on an aggregate program basis, 80 percent.
6. Students-at-risk programs, on an aggregate program basis, 80 percent.
7. Juvenile justice programs, on an aggregate program basis, 80 percent.
8. Any new program established and funded under s. 236.081(1)(c), that is not included under subparagraphs 1. through 6., on an aggregate basis as appropriate, 80 percent.

Section 6. Section 229.05371, Florida Statutes, is amended to read:

229.05371 ~~Pilot program~~; Scholarships to public or private school of choice for students with disabilities.—

(1) SCHOLARSHIP PILOT PROGRAM.—There is established a ~~pilot~~ program, which is separate and distinct from the Opportunity Scholarship Program, ~~in the Sarasota school district~~, to provide scholarships to a public or private school of choice for students with disabilities whose academic progress in at least two areas has not met expected levels for the previous year, as determined by the student's individual education plan. Student participation in the ~~pilot~~ program is limited to 5 percent of the students with disabilities in the school district during the first year, 10 percent of students with disabilities during the second year, ~~and~~ 20 percent of students with disabilities during the third year, and no caps in subsequent years. The following applies to the ~~pilot~~ program:

(a) To be eligible to participate in the ~~pilot~~ program, a private school must meet all requirements of s. 229.0537(4), except for the accreditation requirements of s. 229.0537(4)(f). For purposes of the ~~pilot~~ program, notification under s. 229.0537(4)(b) must be separate from the notification under the Opportunity Scholarship Program.

(b) The school district ~~that participates in the pilot program~~ must comply with the requirements in s. 229.0537(3)(a)2., (c), and (d).

(c) The amount of the scholarship in the ~~pilot~~ program shall be equal to the amount the student would have received under the Florida Education Finance Program in the public school to which he or she is assigned.

(d) To be eligible for a scholarship under the ~~pilot~~ program, a student or parent must:

1. Comply with the eligibility criteria in s. 229.0537(2)(b) and all provisions of s. 229.0537 which apply to students with disabilities;

2. For the school year immediately prior to the year in which the scholarship will be in effect, have documented the student's failure to meet specific performance levels identified in the individual education plan; or, absent specific performance levels identified in the individual education plan, the student must have performed below grade level on state or local assessments and the parent must believe that the student is not progressing adequately toward the goals in the individual education plan; and

3. Have requested the scholarship prior to the time at which the number of valid requests exceeds the district's cap for the year in which the scholarship will be awarded.

(2) The provisions of s. 229.0537(6) and (8) shall apply to the ~~pilot~~ program authorized in this section. This ~~pilot~~ program is not intended to affect the eligibility of the state or school district to receive federal funds for students with disabilities.

Section 7. Section 236.08103, Florida Statutes, is created to read:

236.08103 Equity in School-Level Funding Act.—

(1) This section may be cited as the "Equity in School-Level Funding Act."

(2)(a) Beginning in the 2000-2001 fiscal year, district school boards shall allocate to each school within the district at least 50 percent of the funds generated by that school based upon the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy.

(b) Beginning in the 2001-2002 fiscal year, district school boards shall allocate to each school within the district at least 65 percent of the funds generated by that school based upon the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy.

(c) Beginning in the 2002-2003 fiscal year, district school boards shall allocate to each school within the district at least 80 percent of the funds generated by that school based upon the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy.

(d) Beginning in the 2003-2004 fiscal year, district school boards shall allocate to each school within the district at least 90 percent of the funds

generated by that school based upon the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy.

Total funding for each school shall be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted full-time equivalent students reported by the school during the full-time equivalent student survey periods designated by the Commissioner of Education. If the district school board is providing programs or services to students funded by federal funds, any eligible students enrolled in the schools in the district shall be provided federal funds. Only those districts that initially applied for charter school district status, pursuant to s. 228.058, and have been approved by the State Board of Education are exempt from the provisions of this section.

(3) Funds allocated to a school pursuant to this section that are unused at the end of the fiscal year shall not revert to the district, but shall remain with the school. These carryforward funds may be used for any purpose provided by law at the discretion of the principal of the school.

(4) Recommendations made by the Governor's Equity in Educational Opportunity Task Force shall be reviewed to identify potential categorical funds to be included in the district allocation methodology required in subsection (2).

(5) Funds appropriated in the General Appropriations Act for supplemental academic instruction to be used for the purposes described in s. 236.08104 are excluded from the school-level allocation under this section.

Section 8. This act shall take effect upon becoming a law.

Approved by the Governor June 2, 2000.

Filed in Office Secretary of State June 2, 2000.