

House Bill No. 5005

An act relating to education funding; amending s. 551.106, F.S.; allowing slot machine tax revenue to be made available for bond payments if necessary to comply with bond covenants; amending s. 1001.451, F.S.; authorizing regional consortium service organizations to determine the use of funds; specifying the time period for distribution of funds; amending s. 1002.71, F.S.; authorizing additional full-time equivalent student membership for summer voluntary prekindergarten education programs at public schools; amending s. 1009.535, F.S.; increasing the award for Florida Medallion Scholars enrolled in community college associate degree programs; creating s. 1010.62, F.S., relating to revenue bonds and debt; providing definitions; authorizing the Board of Governors to request the issuance of revenue bonds for certain purposes; providing for such bonds to be secured by or payable from certain specified revenues; authorizing certain covenants, commitments, or other provisions; providing for the issuance of debt by a state university or direct-support organization upon the approval of the Board of Governors; providing requirements for such approval; authorizing state universities and direct-support organizations to lease-purchase equipment, issue promissory notes, and secure debt with gifts and donations under certain circumstances without approval of the Board of Governors; providing requirements for a board of trustees in obtaining approval for revenue bonds and capital outlay projects; providing for the approval of certain specified projects; authorizing the Board of Governors to adopt policies; providing for the continued effect of current commitments, contracts, or other obligations; amending s. 1011.62, F.S.; revising provisions relating to the funding computation of special programs; revising provisions relating to funding for instruction beyond the regular school year; authorizing additional full-time equivalent student membership for completion of high school level algebra courses by certain students in grades 6 through 8; authorizing additional full-time equivalent student membership for the Florida Virtual School; revising provisions relating to the prior year final taxable value; establishing the discretionary millage compression supplement and providing for the allocation of funds; conforming provisions and correcting cross-references; amending s. 1011.71, F.S.; revising provisions relating to the discretionary millage levy prescribed by the Legislature; amending s. 1013.62, F.S.; revising charter school capital outlay allocation of funds; amending s. 1013.64, F.S.; revising construction cost maximums for school district capital outlay projects; revising programs the funds of which must meet the construction cost maximums; amending ss. 110.1228, 402.22, 1004.75, 1010.20, and 1012.44, F.S.; correcting cross-references; repealing s. 1010.60, F.S., relating to State Board of Education issuance of bonds; repealing s. 1010.61, F.S., relating to State Board of Education powers for issuance of bonds; repealing s. 1010.611, F.S., relating to resolution for issuance of revenue certificates; repealing s. 1010.612, F.S., relating to powers to secure reve-

nue certificates; repealing s. 1010.613, F.S., relating to remedies of any holder of revenue certificates; repealing s. 1010.614, F.S., relating to validity of revenue certificates; repealing s. 1010.615, F.S., relating to prohibitions against obligating the state; repealing s. 1010.616, F.S., relating to revenue certificate obligations of the State Board of Education; repealing s. 1010.617, F.S., relating to tax exemption and eligibility as legal investments; repealing s. 1010.618, F.S., relating to the supplemental nature of provisions relating to bonding; repealing s. 1010.619, F.S., relating to the Board of Administration acting as fiscal agent; repealing s. 1012.74, F.S., relating to Florida educators professional liability insurance protection; providing an effective date.

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

Section 1. Paragraph (c) of subsection (2) of section 551.106, Florida Statutes, is amended to read:

551.106 License fee; tax rate; penalties.—

(2) TAX ON SLOT MACHINE REVENUES.—

(c)1. Funds transferred to the Educational Enhancement Trust Fund under paragraph (b) shall be used to supplement public education funding statewide and shall not be used for recurring appropriations.

2. If necessary to comply with any covenant established pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3), funds transferred to the Educational Enhancement Trust Fund under paragraph (b) shall first be available to pay debt service on lottery bonds issued to fund school construction in the event lottery revenues are insufficient for such purpose or to satisfy debt service reserve requirements established in connection with lottery bonds. Moneys available pursuant to this subparagraph are subject to annual appropriation by the Legislature.

Section 2. Paragraph (a) of subsection (2) of section 1001.451, Florida Statutes, is amended to read:

1001.451 Regional consortium service organizations.—In order to provide a full range of programs to larger numbers of students, minimize duplication of services, and encourage the development of new programs and services:

(2)(a) Each regional consortium service organization that consists of four or more school districts is eligible to receive, through the Department of Education, an incentive grant of \$50,000 per school district and eligible member to be used for the delivery of services within the participating school districts. The determination of services and use of such funds shall be established by the board of directors of the regional consortium service organization. The funds shall be distributed to each regional consortium service organization no later than 30 days following the release of the funds to the department.

Section 3. Paragraph (d) is added to subsection (3) of section 1002.71, Florida Statutes, to read:

1002.71 Funding; financial and attendance reporting.—

(3)

(d) For programs offered by school districts pursuant to s. 1002.61, each district's funding shall be based on a full-time equivalent student enrollment that is evenly divisible by 10. If the result of dividing a district's full-time equivalent student enrollment by 10 is not a whole number, the district's enrollment calculation shall be adjusted by adding the minimum number of full-time equivalent students to produce a full-time equivalent student enrollment calculation that is evenly divisible by 10.

Section 4. Subsection (2) of section 1009.535, Florida Statutes, is amended to read:

1009.535 Florida Medallion Scholars award.—

(2) A Florida Medallion Scholar is eligible for an award equal to the amount required to pay 75 percent of tuition and fees, if the student is enrolled in a state university or a baccalaureate degree program authorized pursuant to s. 1007.33. A Florida Medallion Scholar is eligible for an award equal to the amount required to pay 100 percent of tuition and fees for college credit courses leading to an associate degree if the student is enrolled in a community college ~~public postsecondary education institution.~~ A student who is enrolled in a nonpublic postsecondary education institution is eligible for an award equal to the amount that would be required to pay 75 percent of the tuition and fees of a public postsecondary education institution at the comparable level.

Section 5. Section 1010.62, Florida Statutes, is created to read:

1010.62 Revenue bonds and debt.—

(1) As used in this section, the term:

(a) "Capital outlay project" means:

1. Any project to acquire, construct, improve, or change the functional use of land, buildings, and other facilities, including furniture and equipment necessary to operate a new or improved building or facility.

2. Any other acquisition of equipment or software.

(b) "Debt" means bonds, except revenue bonds as defined in paragraph (d), loans, promissory notes, lease-purchase agreements, certificates of participation, installment sales, leases, or any other financing mechanism or financial arrangement, whether or not a debt for legal purposes, for financing or refinancing for or on behalf of a state university or a direct-support organization or for the acquisition, construction, improvement, or purchase of capital outlay projects.

(c) “Direct-support organization” means an organization created pursuant to s. 1004.28 or any entity specifically established to incur debt.

(d) “Revenue bonds” means any obligation that constitutes a revenue bond pursuant to s. 11(d), Art. VII of the State Constitution.

(2)(a) The Board of Governors may request the issuance of revenue bonds pursuant to the State Bond Act and s. 11(d), Art. VII of the State Constitution to finance or refinance capital outlay projects permitted by law. Revenue bonds may be secured by or payable only from those revenues authorized for such purpose, including the Capital Improvement Trust Fund fee, the building fee, the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services, other revenues attributable to the projects to be financed or refinanced, any other revenue approved by the Legislature for facilities construction or for securing revenue bonds issued pursuant to s. 11(d), Art. VII of the State Constitution, or any other revenues permitted by law. Revenues from the activity and service fee and the athletic fee may be used to pay and secure revenue bonds except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to the sale of the bonds. The assets of a university foundation and the earnings thereon may also be used to pay and secure revenue bonds of the university or its direct-support organizations. Revenues from royalties and licensing fees may also be used to pay and secure revenue bonds so long as the facilities being financed are functionally related to the university operation or direct-support organization reporting such royalties and licensing fees. Revenue bonds may not be secured by or be payable from, directly or indirectly, tuition, the financial aid fee, sales and services of educational departments, revenues from grants and contracts, except for money received for overhead and indirect costs and other moneys not required for the payment of direct costs, or any other operating revenues of a state university. Revenues from one auxiliary enterprise may not be used to secure revenue bonds of another unless the Board of Governors, after review and analysis, determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such revenue bonds.

(b) In connection with the issuance of revenue bonds, the Board of Governors, and the state university if so designated by the Board of Governors, shall comply with all covenants, commitments, or other provisions relating to the revenue bonds. Such covenants, commitments, or other provisions, in addition to those provided in the State Bond Act, may relate to:

1. Pledging the fees, charges, and other revenues that secure the revenue bonds;

2. Fixing and maintaining fees, rates, and other charges pledged to the payment of the revenue bonds;

3. Providing a lien on the revenues pledged;
4. Preventing or providing for the creation of other liens on the fees, charges, and other revenues that secure the revenue bonds;
5. Establishing and maintaining reserves for debt service payments on revenue bonds;
6. Providing for the operation, maintenance, and improvement of facilities that are related to the generation of the fees, revenues, and other charges pledged to the payment of the revenue bonds; and
7. Establishing any other covenants, commitments, or provisions that are deemed necessary or advisable to enhance the security of the revenue bonds, or the marketability thereof, and that are customary in accordance with the market requirements for the sale of such revenue bonds.

(c) Revenue bonds issued pursuant to this subsection are not required to be validated pursuant to chapter 75.

(3)(a) A state university or direct-support organization may not issue debt without the approval of the Board of Governors. The Board of Governors may approve the issuance of debt by a state university or a direct-support organization only when such debt is used to finance or refinance capital outlay projects. The debt may be secured by or payable only from those revenues authorized for such purpose, including the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services. Revenues derived from the activity and service fee and the athletic fee may be used to pay and secure debt except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to incurring the debt. The assets of university foundations and the earnings thereon may be used to pay and secure debt of the university or its direct-support organizations. Gifts and donations or pledges of gifts may also be used to secure debt so long as the maturity of the debt, including extensions, renewals, and refundings, does not exceed 5 years. Revenues from royalties and licensing fees may also be used to secure debt so long as the facilities being financed are functionally related to the university operation or direct-support organization reporting such royalties and licensing fees. The debt may not be secured by or be payable from, directly or indirectly, tuition, the financial aid fee, sales and services of educational departments, revenues from grants and contracts, except for money received for overhead and indirect costs and other moneys not required for the payment of direct costs of grants, or any other operating revenues of a state university. The debt of direct-support organizations may not be secured by or be payable under an agreement or contract with a state university unless the source of payments under such agreement or contract is limited to revenues that universities are authorized to use for payment of debt service. Revenues from one auxiliary enterprise may not be used to secure debt of another unless the Board of Governors,

after review and analysis, determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such debt. Debt may not be approved to finance or refinance operating expenses of a state university or a direct-support organization. The maturity of debt used to finance or refinance the acquisition of equipment or software, including any extensions, renewals, or refundings thereof, shall be limited to 5 years or the estimated useful life of the equipment or software, whichever is shorter. The Board of Governors may establish conditions and limitations on such debt as it determines to be advisable.

(b) Approval by the Board of Governors of the issuance of debt shall be based upon a determination that the debt:

1. Is for a purpose consistent with the mission of the state university;
2. Is structured in a manner appropriate for the prudent financial management of the state university;
3. Is secured by revenues adequate to provide for all payments relating to the debt;
4. Has been analyzed by the Division of Bond Finance and issues raised by such analysis have been appropriately considered by the Board of Governors; and
5. Is consistent with the requirements of any policies or criteria adopted by the Board of Governors for the approval of debt.

(c) Notwithstanding paragraphs (a) and (b), state universities and direct-support organizations may engage in the following activities without the approval of the Board of Governors:

1. State universities may lease-purchase equipment and software in accordance with the deferred-purchase provisions in chapter 287 and direct-support organizations may lease-purchase equipment and software to the extent that the overall term of the financing, including any extension, renewal, or refinancing thereof, does not exceed 5 years or the estimated useful life of the equipment or software, whichever is shorter;
2. Direct-support organizations may issue promissory notes and grant conventional mortgages for the acquisition of real property; and
3. State universities and direct-support organizations may secure debt with gifts and donations and pledges of gifts so long as the facilities being financed thereby have been included in the university's 5-year capital improvement plan that has been approved by the Board of Governors and the maturity of the debt, including any extension, renewal, or refunding, does not exceed 5 years.

(4) The approval by the Board of Governors of revenue bonds, except refunding bonds, or debt must be requested by a resolution of the board of trustees of each state university involved in the issuance of the revenue bonds or debt.

(5) Revenue bonds or debt issued under this section may be secured on a parity with prior revenue bonds or debt issued by or on behalf of one or more universities or a direct-support organization.

(6) Capital outlay projects to be financed by revenue bonds or debt are limited to those approved by the Legislature through approval of the specific project or general approval of the type or category of capital outlay project.

(7)(a) As required pursuant to s. 11(d), Art. VII of the State Constitution and subsection (6), the Legislature approves capital outlay projects meeting the following requirements:

1. The project is located on a campus of a state university or on land leased to the university or is used for activities relating to the state university;

2. The project is included in the master plan of the state university or is for facilities that are not required to be in a university's master plan;

3. The project is approved by the Board of Governors as being consistent with the strategic plan of the state university and the programs offered by the state university; and

4. The project is for purposes relating to the housing, transportation, health care, research or research-related activities, food service, retail sales, or student activities of the state university.

(b) Capital outlay projects for the acquisition of equipment or software are also approved for purposes of subsection (6) to the extent that the overall term of the financing, including any extension, renewal, or refinancing thereof, does not exceed 5 years or the estimated useful life of the equipment or software, whichever is shorter.

(8) Notwithstanding any other law, the Board of Governors, each state university, and any direct-support organization must comply with the provisions of this section in order to issue or enter into agreements for the issuance of revenue bonds or debt.

(9) The Board of Governors may adopt such policies as may be necessary or desirable for carrying out all of the requirements of this section and may do all things necessary or desirable to carry out the powers granted under this section. Such policies may include categories of debt, other than revenue bonds, which may be issued without approval of the specific issuance by the Board of Governors if the issuance complies with any terms, conditions, or requirements included in such policy and laws governing the imposition of fees and laws requiring specific authority to pledge revenues to secure debt.

(10) Any legal commitments, contracts, or other obligations relating to the financing of capital outlay projects that were lawfully entered into before the effective date of this section shall remain in full force and effect. Any such legal commitment, contract, or other obligation may be amended without compliance with this section, but only to the extent that such amendment does not increase the financial obligation of the Board of Governors, a state university, or a direct-support organization.

Section 6. Paragraphs (d) and (f) of subsection (1) and paragraphs (a) and (b) of subsection (4) of section 1011.62, Florida Statutes, are amended, paragraphs (o), (p), (q), and (r) of subsection (1) are redesignated as paragraphs (q), (r), (s), and (t), respectively, and new paragraphs (o) and (p) are added to that subsection, subsections (5), (6), and (7) are renumbered as subsections (6), (7), and (8), respectively, present subsections (8) and (9) are renumbered as subsections (9) and (10), respectively, and amended, and a new subsection (5) is added to that section, to read:

1011.62 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:

(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. 1001.42(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 basic programs for grades K-3, grades 4-8, and grades 9-12. Group 2 shall be composed of students in exceptional student education programs support levels IV and V, English for Speakers of Other Languages programs, and all career programs in grades 9-12 7-12.

a. 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.

b.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 as provided in the General Appropriations Act. 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 member-

ship from the prior year for clients of the Department of Children and Family Services and the Department of Juvenile Justice.

~~c.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 to produce a revised program 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.~~

(V) The prorated reduction amount calculated under sub-sub-subparagraph (III) shall be divided by the appropriate program weight and the result shall be added to the revised program weighted enrollment computed in sub-sub-subparagraph (IV).

~~e.~~ 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.

(f) Supplemental academic instruction; categorical fund.—

1. There is created a categorical fund to provide supplemental academic instruction to students in kindergarten through grade 12. This paragraph may be cited as the “Supplemental Academic Instruction Categorical Fund.”

2. Categorical funds for supplemental academic instruction 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 FTE student membership in the Florida Education Finance Program and shall be included in the total potential funds of each district. These funds shall be used to provide supplemental academic instruction to students enrolled in the K-12 program. Supplemental instruction strategies may include, but are not limited to: modified curriculum, reading instruction, after-school instruction, tutoring, mentoring, class size reduction, extended school year, intensive skills development in summer school, and other methods for improving student achievement. Supplemental instruction may be provided to a student in any manner and at any time during or beyond the regular 180-day term identified by the school as being the most effective and efficient way to best help that student progress from grade to grade and to graduate.

3. Effective with the 1999-2000 fiscal year, funding on the basis of FTE membership beyond the 180-day regular term shall be provided in the FEFP only for students enrolled in juvenile justice education programs or in education programs for juveniles placed in secure facilities or programs under s. 985.223. Funding for instruction beyond the regular 180-day school year for all other K-12 students shall be provided through the supplemental academic instruction categorical fund and other state, federal, and local fund sources with ample flexibility for schools to provide supplemental instruction to assist students in progressing from grade to grade and graduating.

4. The Florida State University School, as a lab school, is authorized to expend from its FEFP or Lottery Enhancement Trust Fund allocation the cost to the student of remediation in reading, writing, or mathematics for any graduate who requires remediation at a postsecondary educational institution.

5. Beginning in the 1999-2000 school year, dropout prevention programs as defined in ss. 1003.52, 1003.53(1)(a), (b), and (c), and 1003.54 shall be included in group 1 programs under subparagraph (d)3.

(o) Calculation of additional full-time equivalent membership based on completion of high school level algebra courses by students in grades 6 through 8.—A value of 0.088 full-time equivalent student membership shall be calculated for each student in grades 6 through 8 who completes a high school level algebra course and receives a grade of C or better. Such value shall be added to the total full-time equivalent student membership in basic programs for grades 6 through 8. Each district must allocate the funds

provided to the district for students in grades 6 through 8 who complete a high school level algebra course and receive a grade of C or better to the school that generated the funds.

(p) Calculation of additional full-time equivalent membership for the Florida Virtual School.—The total reported full-time equivalent student membership for the Florida Virtual School shall be multiplied by 0.114 and such value shall be added to the total full-time equivalent student membership.

(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:

(a) Estimated taxable value calculations.—

1.a. Not later than 2 working days prior to July 19, the Department of Revenue shall certify to the Commissioner of Education its most recent estimate of the taxable value for school purposes in each school district and the total for all school districts in the state for the current calendar year based on the latest available data obtained from the local property appraisers. Not later than July 19, the Commissioner of Education shall compute a millage rate, rounded to the next highest one one-thousandth of a mill, which, when applied to 95 percent of the estimated state total taxable value for school purposes, would generate the prescribed aggregate required local effort for that year for all districts. The Commissioner of Education shall certify to each district school board the millage rate, computed as prescribed in this subparagraph, as the minimum millage rate necessary to provide the district required local effort for that year.

b. The General Appropriations Act shall direct the computation of the statewide adjusted aggregate amount for required local effort for all school districts collectively from ad valorem taxes to ensure that no school district's revenue from required local effort millage will produce more than 90 percent of the district's total Florida Education Finance Program calculation, and the adjustment of the required local effort millage rate of each district that produces more than 90 percent of its total Florida Education Finance Program entitlement to a level that will produce only 90 percent of its total Florida Education Finance Program entitlement in the July calculation.

2. As revised data are received from property appraisers, the Department of Revenue shall amend the certification of the estimate of the taxable value for school purposes. ~~The Commissioner of Education, in administering the provisions of subparagraph (9)(a)2., shall use the most recent taxable value for the appropriate year.~~

(b) Final calculation.—

1. On September 1 of each year, the Department of Revenue shall, ~~upon receipt of the official final assessed value of property from each of the prop-~~

~~erty appraisers, certify to the Commissioner of Education the total of the prior year final taxable value total for school purposes in each school district and the total for all school districts in the state, subject to the provisions of paragraph (d). The commissioner shall use the official final taxable value certified on September 1 for school purposes for each school district in the final calculation of the annual Florida Education Finance Program allocations.~~

2. For the purposes of this paragraph, the ~~official~~ final taxable value for school purposes shall be the taxable value for school purposes on which the tax bills are computed and mailed to the taxpayers, adjusted to reflect final administrative actions of value adjustment boards and judicial decisions pursuant to ~~part I of chapter 194. By September 1 of each year, the Department of Revenue shall certify to the commissioner the official prior year final taxable value for school purposes.~~ For each county that has not submitted a revised tax roll reflecting final value adjustment board actions and final judicial decisions, the Department of Revenue shall certify the most recent revision of the ~~official~~ taxable value for school purposes. The ~~certified~~ value certified on September 1 shall be the final taxable value for school purposes for that year, and no further adjustments shall be made, except those made pursuant to paragraph (10)(b) subparagraph (9)(a)2.

(5) DISCRETIONARY MILLAGE COMPRESSION SUPPLEMENT.—
The Legislature shall prescribe in the General Appropriations Act, pursuant to s. 1011.71(1), the rate of nonvoted current operating discretionary millage that shall be used to calculate a discretionary millage compression supplement. If the prescribed millage generates an amount of funds per unweighted FTE for the district that is less than the state average, the district shall receive an amount per FTE that, when added to the funds per FTE generated by the designated levy, shall equal the state average. To be eligible for the supplement, a district must levy the maximum authorized millage pursuant to s. 1011.71.

(9)(8) QUALITY ASSURANCE GUARANTEE.—The Legislature may annually in the General Appropriations Act determine a percentage increase in funds per K-12 unweighted FTE as a minimum guarantee to each school district. The guarantee shall be calculated from prior year base funding per unweighted FTE student which shall include the adjusted FTE dollars as provided in subsection (10) (9), quality guarantee funds, and actual nonvoted discretionary local effort from taxes. From the base funding per unweighted FTE, the increase shall be calculated for the current year. The current year funds from which the guarantee shall be determined shall include the adjusted FTE dollars as provided in subsection (10) (9) and potential nonvoted discretionary local effort from taxes. A comparison of current year funds per unweighted FTE to prior year funds per unweighted FTE shall be computed. For those school districts which have less than the legislatively assigned percentage increase, funds shall be provided to guarantee the assigned percentage increase in funds per unweighted FTE student. Should appropriated funds be less than the sum of this calculated amount for all districts, the commissioner shall prorate each district's allocation. This provision shall be implemented to the extent specifically funded.

(10)(9) TOTAL ALLOCATION OF STATE FUNDS TO EACH DISTRICT FOR CURRENT OPERATION.—The total annual state allocation to each district for current operation for the FEFP shall be distributed periodically in the manner prescribed in the General Appropriations Act.

(a) The basic amount for current operation for the FEFP as determined in subsection (1), multiplied by the district cost differential factor as determined in subsection (2), plus the amounts provided for categorical components within the FEFP, plus the discretionary millage compression supplement as determined in subsection (5), the amount for the sparsity supplement as determined in subsection (7) (6), the decline in full-time equivalent students as determined in subsection (8) (7), and the quality assurance guarantee as determined in subsection (9) (8), less the required local effort as determined in subsection (4). If the funds appropriated for the purpose of funding the total amount for current operation as provided in this paragraph are not sufficient to pay the state requirement in full, the department shall prorate the available state funds to each district in the following manner:

1. Determine the percentage of proration by dividing the sum of the total amount for current operation, as provided in this paragraph for all districts collectively, and the total district required local effort into the sum of the state funds available for current operation and the total district required local effort.

2. Multiply the percentage so determined by the sum of the total amount for current operation as provided in this paragraph and the required local effort for each individual district.

3. From the product of such multiplication, subtract the required local effort of each district; and the remainder shall be the amount of state funds allocated to the district for current operation.

(b) The amount thus obtained shall be the net annual allocation to each school district. However, if it is determined that any school district received an underallocation or overallocation for any prior year because of an arithmetical error, assessment roll change required by final judicial decision, full-time equivalent student membership error, or any allocation error revealed in an audit report, the allocation to that district shall be appropriately adjusted. Beginning with audits for the 2001-2002 fiscal year, if the adjustment is the result of an audit finding in which group 2 FTE are reclassified to the basic program and the district weighted FTE are over the weighted enrollment ceiling for group 2 programs, the adjustment shall not result in a gain of state funds to the district. If the Department of Education audit adjustment recommendation is based upon controverted findings of fact, the Commissioner of Education is authorized to establish the amount of the adjustment based on the best interests of the state.

(c) The amount thus obtained shall represent the net annual state allocation to each district; however, notwithstanding any of the provisions herein, each district shall be guaranteed a minimum level of funding in the amount and manner prescribed in the General Appropriations Act.

Section 7. Subsection (1) of section 1011.71, Florida Statutes, is amended to read:

1011.71 District school tax.—

(1) If the district school tax is not provided in the General Appropriations Act or the substantive bill implementing the General Appropriations Act, each district school board desiring to participate in the state allocation of funds for current operation as prescribed by s. 1011.62(10)(9) shall levy on the taxable value for school purposes of the district, exclusive of millage voted under the provisions of s. 9(b) or s. 12, Art. VII of the State Constitution, a millage rate not to exceed the amount certified by the commissioner as the minimum millage rate necessary to provide the district required local effort for the current year, pursuant to s. 1011.62(4)(a)1. In addition to the required local effort millage levy, each district school board may levy a nonvoted current operating discretionary millage. The Legislature shall prescribe annually in the appropriations act the maximum amount of millage a district may levy. ~~The millage rate prescribed shall exceed zero mills but shall not exceed the lesser of 1.6 mills or 25 percent of the millage which is required pursuant to s. 1011.62(4), exclusive of millage levied pursuant to subsection (2).~~

Section 8. Subsections (1) and (7) of section 1013.62, Florida Statutes, are amended to read:

1013.62 Charter schools capital outlay funding.—

(1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools. To be eligible for a funding allocation, a charter school must:

- (a)1. Have been in operation for 3 or more years;
 2. Be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds; or
 3. Have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools.
- (b) Have financial stability for future operation as a charter school.
 - (c) Have satisfactory student achievement based on state accountability standards applicable to the charter school.
 - (d) Have received final approval from its sponsor pursuant to s. 1002.33 for operation during that fiscal year.
 - (e) Serve students in facilities that are not provided by the charter school's sponsor.

The first priority for charter school capital outlay funding shall be to allocate to the charter schools that received funding in the 2005-2006 fiscal year an

allocation of the same amount per capital outlay full-time equivalent student up to the lesser of the actual number of capital outlay full-time equivalent students in the current year or the capital outlay full-time equivalent students in the 2005-2006 fiscal year. After calculating the first priority, the second priority shall be to allocate excess funds remaining in the appropriation in an amount equal to the per capital outlay full-time equivalent student amount in the first priority calculation to eligible charter schools not included in the first priority calculation and to schools in the first priority calculation with growth in excess of the 2005-2006 capital outlay full-time equivalent students. After calculating the first and second priorities, excess funds remaining in the appropriation shall be allocated to all eligible charter schools. A charter school's allocation shall not exceed one-fifteenth of the cost per student station specified in s. 1013.64(6)(b). Prior to the release of capital outlay funds to a school district on behalf of the charter school, the Department of Education shall ensure that the district school board and the charter school governing board enter into a written agreement that includes provisions for the reversion of any unencumbered funds and all equipment and property purchased with public education funds to the ownership of the district school board, as provided for in subsection (3), in the event that the school terminates operations. Any funds recovered by the state shall be deposited in the General Revenue Fund. A charter school is not eligible for a funding allocation if it was created by the conversion of a public school and operates in facilities provided by the charter school's sponsor for a nominal fee or at no charge or if it is directly or indirectly operated by the school district. Unless otherwise provided in the General Appropriations Act, the funding allocation for each eligible charter school shall be determined by multiplying the school's projected student enrollment by one-fifteenth of the cost-per-student station specified in s. 1013.64(6)(b) for an elementary, middle, or high school, as appropriate. If the funds appropriated are not sufficient, the commissioner shall prorate the available funds among eligible charter schools. However, no charter school or charter lab school shall receive state charter school capital outlay funds in excess of the one-fifteenth cost per student station formula if the charter school's combination of state charter school capital outlay funds, capital outlay funds calculated through the reduction in the administrative fee provided in s. 1002.33(20), and capital outlay funds allowed in s. 1002.32(9)(e) and (h) exceeds the one-fifteenth cost per student station formula. Funds shall be distributed on the basis of the capital outlay full-time equivalent membership by grade level, which shall be calculated by averaging the results of the second and third enrollment surveys. The Department of Education shall distribute capital outlay funds monthly, beginning in the first quarter of the fiscal year, based on one-twelfth of the amount the department reasonably expects the charter school to receive during that fiscal year. The commissioner shall adjust subsequent distributions as necessary to reflect each charter school's actual student enrollment as reflected in the second and third enrollment surveys. The commissioner shall establish the intervals and procedures for determining the projected and actual student enrollment of eligible charter schools.

(7) ~~Notwithstanding the provisions of this section, beginning in the 2003-2004 fiscal year:~~

(a) ~~If the appropriation for charter school capital outlay funds is no greater than the 2002-2003 appropriation, the funds shall be allocated according to the formula outlined in subsection (1) to:~~

1. ~~The same schools that received funding in 2002-2003.~~

2. ~~Schools that are an expanded feeder pattern of schools that received funding in 2002-2003.~~

3. ~~Schools that have an approved charter and are serving students at the start of the 2003-2004 school year and either incurred long-term financial obligations prior to January 31, 2003, or began construction on educational facilities prior to December 31, 2002.~~

(b) ~~If the appropriation for charter school capital outlay funds is less than the 2002-2003 appropriation, the funds shall be prorated among the schools eligible in paragraph (a).~~

(c) ~~If the appropriation for charter school capital outlay funds is greater than the 2002-2003 appropriation, the amount of funds provided in the 2002-2003 appropriation shall be allocated according to paragraph (a). First priority for allocating the amount in excess of the 2002-2003 appropriation shall be to prorate the excess funds among the charter schools with long-term debt or long-term lease to the extent that the initial allocation is insufficient to provide one-fifteenth of the cost per student station specified in s. 1013.64(6)(b), and second priority shall be to other eligible charter schools.~~

Section 9. Paragraph (b) of subsection (6) of section 1013.64, Florida Statutes, is amended to read:

1013.64 Funds for comprehensive educational plant needs; construction cost maximums for school district capital projects.—Allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects shall be determined as follows:

(6)

(b)1. A district school board, including a district school board of an academic performance-based charter school district, must not use funds from the following sources: Public Education Capital Outlay and Debt Service Trust Fund; School District and Community College District Capital Outlay and Debt Service Trust Fund; Classrooms First Program funds provided in s. 1013.68; effort index grant funds provided in s. 1013.73; nonvoted 2-mill levy of ad valorem property taxes provided in s. 1011.71(2); Classrooms for Kids Infrastructure Program funds provided in s. 1013.735; ~~or District Effort Recognition Program funds provided in s. 1013.736; or High Growth District Capital Outlay Assistance Grant Program funds provided in s. 1013.738~~ for any new construction of educational plant space with a total cost per student station, including change orders, that equals more than:

a. ~~\$17,952~~ \$12,755 for an elementary school,

- b. \$19,386 ~~\$14,624~~ for a middle school, or
- c. \$25,181 ~~\$19,352~~ for a high school,

(January ~~2006~~ 2002) as adjusted annually to reflect increases or decreases in the Consumer Price Index.

2. A district school board must not use funds from the Public Education Capital Outlay and Debt Service Trust Fund or the School District and Community College District Capital Outlay and Debt Service Trust Fund for any new construction of an ancillary plant that exceeds 70 percent of the average cost per square foot of new construction for all schools.

Section 10. Paragraph (a) of subsection (1) of section 110.1228, Florida Statutes, is amended to read:

110.1228 Participation by small counties, small municipalities, and district school boards located in small counties.—

(1) As used in this section, the term:

(a) “District school board” means a district school board located in a small county or a district school board that receives funding pursuant to s. 1011.62(7)(6).

Section 11. Subsection (7) of section 402.22, Florida Statutes, is amended to read:

402.22 Education program for students who reside in residential care facilities operated by the Department of Children and Family Services.—

(7) Notwithstanding the provisions of s. 1001.42(4)(n), the educational program at the Marianna Sunland Center in Jackson County shall be operated by the Department of Education, either directly or through grants or contractual agreements with other public educational agencies. The annual state allocation to any such agency shall be computed pursuant to s. 1011.62(1), (2), and (6) ~~(5)~~ and allocated in the amount that would have been provided the local school district in which the residential facility is located.

Section 12. Paragraph (a) of subsection (6) of section 1004.75, Florida Statutes, is amended to read:

1004.75 Training school consolidation pilot projects.—

(6) FUNDING.—The Department of Education shall shift funds generated by students in the pilot training centers established by this section, including workforce development recurring and nonrecurring funds, from the appropriate school district to the respective community college. The community college shall qualify for future facilities funding upon transfer of the facility.

(a) Consistent with s. 1011.62(8)~~(7)~~, school districts that transfer programs will receive an amount equal to 15 percent of the funding generated for the program under the FEFP in 1996-1997.

Section 13. Paragraph (a) of subsection (2) and paragraph (b) of subsection (3) of section 1010.20, Florida Statutes, are amended to read:

1010.20 Cost accounting and reporting for school districts.—

(2) COST REPORTING.—

(a) Each district shall report on a district-aggregate basis expenditures for inservice training pursuant to s. 1011.62(3) and for categorical programs as provided in s. 1011.62~~(6)~~(5).

(3) PROGRAM EXPENDITURE REQUIREMENTS.—

(b) Funds for inservice training established in s. 1011.62(3) and for categorical programs established in s. 1011.62~~(6)~~(5) shall be expended for the costs of the identified programs as provided by law and in accordance with the rules of the State Board of Education.

Section 14. Section 1012.44, Florida Statutes, is amended to read:

1012.44 Qualifications for certain persons providing speech-language services.—The State Board of Education shall adopt rules for speech-language services to school districts that qualify for the sparsity supplement as described in s. 1011.62~~(7)~~(6). These services may be provided by baccalaureate degree level persons for a period of 3 years. The rules shall authorize the delivery of speech-language services by baccalaureate degree level persons under the direction of a certified speech-language pathologist with a master's degree or higher. By October 1, 2003, these rules shall be reviewed by the State Board of Education.

Section 15. Sections 1010.60, 1010.61, 1010.611, 1010.612, 1010.613, 1010.614, 1010.615, 1010.616, 1010.617, 1010.618, 1010.619, and 1012.74, Florida Statutes, are repealed.

Section 16. This act shall take effect July 1, 2006.

Approved by the Governor May 25, 2006.

Filed in Office Secretary of State May 25, 2006.