

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 665 Florida Virtual School
SPONSOR(S): Troutman
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Choice & Innovation Committee	7 Y, 0 N	Hunker	Kooi
2) Education Appropriations Committee	13 Y, 1 N	Eggers	Hamon
3) Education Council		Hunker	Cobb
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill amends s. 1002.37, F.S., to establish the Students Earning Additional Recovery Credits and Honors (SEARCH) Program within the Florida Virtual School (FLVS). Students can recover credits needed for graduation or earn honors course credit or other course credit through the SEARCH Program.

This bill provides that school district franchises of the Florida Virtual School that operated during the fiscal years 2004-2005 and 2005-2006 are eligible to participate and that a school district franchise's portion of the SEARCH Program funds may not exceed the district's proportion of the total unweighted full-time equivalent students enrolled in grades 9 through 12 in the participating school districts.

The bill states that funding for the SEARCH Program will be for full-time equivalent student credit to the extent provided by the General Appropriations Act (GAA) at a maximum of two credits per student. See the FISCAL COMMENTS Section of the analysis.

The bill provides that it shall take effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families – The bill provides parents of public school students with an educational choice opportunity by providing funding for up to an additional 2 credits that may be used through the Florida Virtual School to recover credits needed for graduation, or to receive honors course credit, or other course credit.

Safeguard Individual Liberty – This bill maintains parental choice by providing parents of public school students with an additional education opportunity.

B. EFFECT OF PROPOSED CHANGES:

The Florida Legislature initially funded a grant-based pilot project in 1997, creating Florida's first Internet-based, public high school. In 2000, s. 228.082, F.S.¹ established the Florida Virtual School (FLVS) as an independent educational entity housed within the Commissioner of Education's Office of Technology and Information Services. The Legislature created the FLVS Board of Trustees, which was authorized to create rules and procedures for the FLVS, enter into agreements with distance learning providers, and acquire, enjoy, use, and dispose of patents, trademarks, copyrights, licenses, rights and interests.

In 2003, the legislature authorized the FLVS Board of Trustees to franchise with district school boards. The FLVS Board of Trustees is authorized to establish the criteria for defining the elements of an approved franchise, the terms and conditions governing franchise agreements, and the performance and accountability measures for a school district franchise. The board of trustees is required to report the performance of each school district to the Commissioner of Education.²

School districts are authorized to count a maximum full-time equivalent (FTE) of 25 hours per week under the Florida Education Finance Program (FEFP).³ School district franchises do not receive additional funding for students to take classes through the FLVS in addition to all of the other classes they take at their regular public school. In order to take a course through the FLVS, students at district franchise schools are required to reduce their class loads at their regular public schools in order to meet the 25 hour per week FTE cap. This bill provides funding for students to take up to an additional 2 credits through the FLVS without reducing their normal class load at their regular public school.

School districts that operated a franchise for the 2004-2005 and 2005-2006 fiscal years will be eligible to participate in the SEARCH Program in 2006-2007 and thereafter. This provision limits the program to the seven school district franchises currently in existence.⁴ This limitation would test the fiscal impact of the SEARCH Program as a pilot before future school district franchises are permitted to participate. It would also prevent school districts from entering into FLVS franchise agreements solely for the purpose of taking advantage of the SEARCH Program.

The bill states that only the following types of credits may be earned through the SEARCH Program:

¹ Recodified at s. 1002.37, F.S.

² Section 1002.37(2)(i), F.S.

³ The 25 hours per week maximum articulated in this bill is the same as the 1.00 FTE maximum for grades 4-12, and consists of 900 hours of instruction per 180 day school year.

⁴ The seven current school district franchises are: Brevard, Broward, Dade, Hillsborough, Okaloosa, Pasco, and Polk.

- Replacement credits needed for graduation;⁵
- Honors credits;
- Other course credit that would not otherwise be available to the student at their regular public school;⁶
- Credits for classes taken to help students scoring in the lower levels on the FCAT;
- Credits for classes taken by homebound students; and
- Credits for classes taken by students currently assigned to a Department of Juvenile Justice facility.

This bill limits the number of credits that an individual student may earn in the SEARCH Program to two. It also states that a school district's portion of the program funds may not exceed the district's portion of the total unweighted full-time equivalent (FTE) students enrolled in grades 9 through 12 in the participating school districts. This would help ensure that each of the districts could participate in proportion to their size.

C. SECTION DIRECTORY:

Section 1: Amends s. 1002.37, F.S., relating to the FLVS; creates the Students Earning Additional Recovery Credits and Honors (SEARCH) Program within the Florida Virtual School; provides for funding for the SEARCH Program; provides eligibility requirements for school district franchises; lists the types of credits which may be earned through the SEARCH program; limits funding to two credits per student; limits the total funding a school district franchise may receive through the SEARCH Program.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not appear to impact state government revenues.

2. Expenditures:

See FISCAL COMMENTS section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill does not appear to impact local government revenues.

2. Expenditures:

The bill does not appear to impact local government expenditures.

⁵ A "replacement credit" is a credit for a class that a student did not receive a passing grade. The student may use the SEARCH Program to retake the class and earn the credit if it is needed for graduation.

⁶ "Other course [credit] that would not otherwise be available to a student" means credit for advanced courses that a student may need to get into a particular program in college or other honors or advanced placement courses that are not available in their regular public school. It does not refer to other types of elective courses which are not part of a student's work toward a particular educational program or pathway.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The demand for the SEARCH Program and the cost to fully fund the program is indeterminate. The fiscal impact of this bill will be determined by the appropriation in the GAA. If the program were expanded to include all FLVS franchises and fully funded, the potential exists for the program to cost an additional \$10 to \$20 million.

The 1999 Legislature combined three funding streams to create the Supplemental Academic Instructional (SAI) Categorical for the purpose of providing district flexibility in the delivery of remedial, tutorial, drop out prevention, credit recovery and replacement courses, and other courses during the school year as well as during the summer. The funding streams were FTE funding for grades 9-12 summer school and dropout prevention programs, and the K-8 Summer School Categorical. To the extent that students enroll in replacement credits and remedial courses through the FLVS franchises, the courses are currently funded through the SAI. All school districts offer remedial and tutoring programs and many offer an optional seven period day. School districts currently receive funding for these programs through the SAI Categorical and discretionary FEFP funds.

District eligibility for participation in the SEARCH Program is limited to the seven districts that were FLVS franchises in the 2003-04 and 2005-06 fiscal years (Brevard, Broward, Dade, Hillsborough, Okaloosa, Pasco, and Polk). Citrus and Marion are first year FLVS franchises in the 2005-06 fiscal year. Collier, Flagler, and Osceola will be first year FLVS franchises in the 2006-07 fiscal year. These five districts were not franchises in the 2004-05 and 2005-06 fiscal years; therefore, they are excluded from participating in the SEARCH Program.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to expend funds.

This bill does not reduce the authority of counties or municipalities to raise revenues.

This bill does not reduce the percentage of a state tax shared with cities and counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES