

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 533 CS

Florida Virtual School

**SPONSOR(S):** Troutman

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 2190

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<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1) <u>Choice &amp; Innovation Committee</u>	<u>7 Y, 0 N, w/CS</u>	<u>Hassell</u>	<u>Aldis</u>
2) <u>Education Appropriations Committee</u>	<u></u>	<u>Eggers</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u></u>	<u></u>	<u></u>
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5) <u></u>	<u></u>	<u></u>	<u></u>

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**SUMMARY ANALYSIS**

HB 533 w/ CS provides for the application of provisions relating to the Florida Virtual School to approved school district franchises of the Florida Virtual School.

This bill authorizes approved school district franchises of the Florida Virtual School to earn full-time equivalent student for credits successfully completed beyond 180 days for purposes of funding in the Florida Education Finance Program.

The fiscal impact of the bill is indeterminate. See the FISCAL COMMENTS section of the analysis for more information.

The bill provides for an effective date July 1, 2005.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

*Empower families* – The bill provides parents of public school students with the opportunity to exercise parental choice by enrolling their child in an approved school district franchise of the Florida Virtual School.

*Safeguard individual liberty* – The bill maintains parental choice by providing parents of public school students with another educational choice.

#### B. EFFECT OF PROPOSED CHANGES:

The Florida Virtual School (FLVS) began as a pilot project in 1997 as a web-based, on-line high school. In 2000, the Florida Legislature enacted s. 228.082, F.S.<sup>1</sup>, which established the FLVS as an independent educational entity with a gubernatorial appointed governing board. The Legislature established the board of trustees to adopt rules, policies, and procedures; enter in 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 board of trustees to enter into franchise agreements with district school boards and allowed for such franchises to count full-time equivalent (FTEs) for funding purposes in the Florida Education Finance Program (FEFP). The FLVS board of trustees establishes 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. Additionally, the board of trustees is required to report the performance of each school district to the Commissioner of Education.<sup>2</sup>

Prior to 1999, summer school programs earned FTE for “seat time” and were funded through the FEFP. The 1999 Legislature combined summer school funds and dropout program funds into the Supplemental Academic Instruction Categorical, which is used to provide supplemental instruction to students falling behind during the regular school year and for summer school programs. With the advent of the SAI, summer school programs are no longer FTE driven for funding. In 2003, s. 1002.37, F.S., was amended to allow approved franchises of the Florida Virtual School to earn FTE through the FEFP for credits successfully completed during the regular school year. However because summer school is funded through the (SAI), approved franchises do not earn FTE for courses offered during the summer. It also must be noted that a limit of one FTE may be reported for a student during the 180 day school year. Therefore, credits for courses successfully completed through an approved Florida Virtual School franchise that are taken outside of the regular school day do not earn FTE.

The bill allows an approved franchise of the Florida Virtual School to earn FTE for credits completed during the summer. In addition, the bill allows the earning of FTE for credits successfully completed for courses taken through an approved franchise of the Florida Virtual School taken outside of the student’s regular school day during the 180 day school year. Such a course generates an additional .17 FTE, for a total of 1.17 FTE for the 180 day school year.

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<sup>1</sup> This reflects the material’s location before the school code rewrite. Currently, Florida Virtual School provisions are located in s. 1002.37.

<sup>2</sup> Section 1002.37(2)(i), F.S.

This bill also provides that Florida Virtual School franchises are subject to the same statutory provisions as the FLVS. The bill provides for the application of provisions relating to the FLVS to Florida Virtual School franchises in the following sections:

- Section 11.45(3)(x) F.S., - Subject to audits or other engagements as determined by the Auditor General;<sup>3</sup>
- Section 1004.04(4)— Components of the Florida’s K-20 education system;
- Section 1001.42(15)(a)—Included as a duty of the district school board to inform the general public and parents about the programs and learning opportunities available from the approved district franchises;
- Section 1002.42(21)—Listed as a duty of the district school board to provide their students with access to enroll in the approved district franchise programs and award credit for successful completion of such courses;
- Section 1002.20(6)(a)— Included as a parental public school educational choice option;
- Section 1002.23(2)(d)—To promote meaningful parental and community involvement in schools, guidelines developed by the DOE for a parent guide on student achievement shall include opportunities for parents to learn more about rigorous academic programs to include courses of the approved district franchises;
- Section 1002.37(4)—School districts operating an approved district franchise may count full-time-equivalent (FTE) students who complete courses of the approved district franchise;
- Section 1003.02(1)(i)—School districts notify parents of acceleration mechanisms at the beginning of the school year;
- Section 1003.03(3)(b)—Relating to class size implementation options;
- Section 1003.52(4)—Students in juvenile justice programs shall have access to approved school district franchises;
- Section 1007.27(1)—Credits earned through approved school district franchises of FLVS shall provide additional opportunities for early graduation and acceleration; and
- Section 1011.61(1)(c)b(III)2—Allows membership to be reported for funding for more than 180 days for students enrolled in approved district franchises of FLVS.

#### C. SECTION DIRECTORY:

Sections 1 through 5 amend ss.11.45, 1000.04, 1001.42, 1002.20, 1002.23, F.S., to provide for the application of provisions to approved franchises of the FLVS.

Section 6. Amends s. 1002.37, F.S., to provide for approved franchises of the FLVS to earn summer FTE.

Sections 7 through 11 amend ss.1003.02, 1003.03, 1003.52, 1007.27, 1011.61, F.S., to provide for the application of provisions to approved franchises of the FLVS.

Section 12. Provides for an effective date of July 1, 2005.

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<sup>3</sup> According to the DOE analysis, the approved school district franchises are schools within a district school system and as such, are already subject to audits.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

#### 2. Expenditures:

The bill allows FTE to be reported for funding through the FEFP by approved franchises of the Florida Virtual School for students who successfully complete credits. In addition, if a student successfully completes a course through the Florida Virtual School franchise and the course is taken outside of the student's regular school day during the 180 day school year, the course would generate an additional .17 FTE, for a total of 1.17 FTE for the 180 day school year. Currently, a maximum of 1.000 FTE may be earned for the 180 day school year. However, the fiscal impact cannot be determined at this time because no one knows how many new students would take advantage of this extended year option at the approved district franchises, how many would just shift from Florida Virtual School, and how many would take additional courses outside of the school day during the 180 day school year.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

School districts with approved school district franchises of the Florida Virtual School would receive funding for students successfully completing credits during summer school and would receive additional funding for a course successfully completed that was offered outside of the regular school day. However, the total impact on district revenue cannot be determined because no one knows how many students would take advantage of this extended-year option.

#### 2. Expenditures:

According to the DOE's analysis, providing instructional support in the summer would be an additional cost for districts electing this option.

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

This bill does not appear to have a direct economic impact on the private sector.

### D. FISCAL COMMENTS:

The fiscal impact is indeterminate at this time; however, the FTEs approved district franchises can earn are limited to 2% of their high school enrollment. The seven district franchises of the FLVS that are currently in operation do not receive FTE for classes taken during the summer; thus, there is no way to determine the projected student enrollment in district franchises because it cannot be determined what the demand is and how many students would take advantage of the program.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

This bill does not grant additional rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On March 8, 2005, the Committee on Choice and Innovation adopted one amendment and reported the bill favorably with a committee substitute. The committee substitute limits the FTEs approved district franchises can earn at 2% of their high school enrollment.