

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/CS/HB 669 Educational Choice

**SPONSOR(S):** Education Committee; Education Appropriations Subcommittee; Choice & Innovation Subcommittee; Sprowls and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 886

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Choice & Innovation Subcommittee	8 Y, 3 N, As CS	Dehmer	Healy
2) Education Appropriations Subcommittee	9 Y, 4 N, As CS	Seifert	Heflin
3) Education Committee	13 Y, 5 N, As CS	Dehmer	Mizereck

### SUMMARY ANALYSIS

The bill enhances K-20 fiscal transparency and revises provisions relating to public and private educational choice options by:

- Specifying that career and professional education (CAPE) digital tools, CAPE industry certifications, and collegiate high school programs are considered public educational choice options and the Florida Personal Learning Scholarship Account Program is a private educational choice option.
- Requiring that parents be provided information about the average amount expended per student in their child's school.
- Authorizing district school board auditors to perform additional audits and reviews as directed by the school board.
- Requiring each district school board to allow parents to seek enrollment in, and transport his or her child to, any public school that has not reached capacity in the district.
- Requiring district school boards to establish a transfer process by which a parent may request that his or her child be transferred to another teacher.
- Providing that, beginning in the 2017-2018 school year, a parent may seek enrollment in, and transport his or her child to, any public school that has not reached capacity in the state.

The bill revises the Credit Acceleration Program (CAP) to allow students to earn high school credit in a course by passing an end-of-course assessment or an Advanced Placement (AP) Examination.

The authorization in the bill for students to enroll in any school district in the state would result in redistribution of funding among the 67 school districts in the FEFP. See fiscal comments.

The bill requires the Department of Education (DOE) to contract with the Center for Applied Economic Analysis at Florida Polytechnic University to determine the portability of the Florida Education Finance Program (FEFP) funds when students are able to apply and enroll in any public school in the state. There is an estimated cost of \$200,000 for the DOE to implement this requirement. The bill includes an appropriation to meet this requirement.

The bill provides an effective date of July 1, 2016.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Fiscal Transparency**

##### **Present Situation**

Each public school must provide parents of students a school financial report as part of its annual public school accountability report.<sup>1</sup> The purpose of the school financial report is to better inform parents and the public concerning how funds are spent to operate the school during the prior fiscal year.<sup>2</sup>

Each school's financial report must follow a uniform, districtwide format that is easy to read and understand.<sup>3</sup> The report must indicate revenues and their sources.<sup>4</sup> In addition, the report must include expenditures per unweighted full-time equivalent student at the district and state levels for teachers, substitute teachers, other instructional personnel, contracted instructional services, school administration and support personnel, certain materials and supplies, food services, support services, operation and maintenance of the school plant, and district-level expenditures that support the school's operations.<sup>5</sup>

##### **Effect of Proposed Changes**

The bill requires that the school's financial report be provided to the parents and include the average amount of money expended per student in the school.

#### **Instructional Materials**

##### **Present Situation**

The district school board has the constitutional duty and responsibility to select and provide adequate instructional materials for all students<sup>6</sup>, and more specifically, to adopt courses of study, including instructional materials, for use in the schools of the district.<sup>7</sup> The district is responsible for the content of all instructional materials used in a classroom<sup>8</sup> and must adopt a policy regarding a parent's objection to his or her child's use of a specific instructional material and clearly describe the process for resolving all objections.<sup>9</sup>

##### **Effect of Proposed Changes**

The bill requires that the parent of each public school student in grades 6-12 be provided a course syllabus for each course in which the student is enrolled. The syllabus must include a complete list, by title, of all instructional materials to be used in the course and must identify any material containing mature or adult content. The syllabus must also include notification to the parent of the procedures for objecting to his or her child's use of a specific instructional material in accordance with current law.

#### **Internal Auditor**

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<sup>1</sup> See ss. 1002.20(16); 1010.215(5), F.S.

<sup>2</sup> *Id.*

<sup>3</sup> Section 1010.215(5), F.S.

<sup>4</sup> See s. 1010.215(5)(a), F.S.

<sup>5</sup> See s. 1010.215(5)(b) and (c), F.S.

<sup>6</sup> Section 1006.28(1), F.S.

<sup>7</sup> Section 1006.28(1)(a), F.S.

<sup>8</sup> Section 1006.28(1)(a)1., F.S.

<sup>9</sup> Section 1006.28(1)(a)2., F.S.

## **Present Situation**

The district school board may employ an internal auditor to perform ongoing financial verification of the financial records of the school district. The internal auditor must report directly to the district school board or its designee.<sup>10</sup>

## **Effect of Proposed Changes**

The bill authorizes the internal auditor to perform additional audits and reviews as directed by the school board for the purpose of determining:

- The adequacy of internal controls.
- Compliance with applicable laws, rules, contracts, grant agreements, district school board-approved policies and best practices.
- The efficiency of operations.
- The reliability of financial records and reports.
- The safeguarding of assets.

## **Public and Private Education Choice Options**

### **Present Situation**

Parents of public school students may seek school choice options such as controlled open enrollment, lab schools, virtual instruction programs, charter schools, charter technical career centers, magnet schools, alternative schools, special programs, auditory-oral education programs, advanced placement, dual enrollment, International Baccalaureate, Advanced International Certificate of Education, credit by examination or demonstration of competency, the School for Deaf and the Blind, the Florida Virtual School, and the public school options for the Opportunity Scholarship Program and the McKay Scholarships for Students with Disabilities Program (McKay Scholarship Program).<sup>11</sup>

### *Controlled Open Enrollment*

Controlled open enrollment is a public education delivery system that gives school districts the option of making student school assignments using a parent's indicated preferential public school choice as a significant factor.<sup>12</sup>

Each district school board offering controlled open enrollment must adopt by rule a controlled open enrollment plan and post the plan on the district's website.<sup>13</sup> The plan must:<sup>14</sup>

- Adhere to federal desegregation requirements.
- Include an application process required to participate in controlled open enrollment that allows parents to declare school preferences, including placement of siblings within the same school.
- Provide a lottery procedure to determine student assignment and establish an appeals process for hardship cases.
- Afford parents of students in multiple session schools preferred access to controlled open enrollment.
- Maintain socioeconomic, demographic, and racial balance.
- Address the availability of transportation.

### *Credit Acceleration Options*

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<sup>10</sup> Section 1001.42(12)(1), F. S.

<sup>11</sup> Section 1002.20(6), F.S.

<sup>12</sup> Section 1002.31(1), F.S.; Implementation of the plan by a district school board is optional. Section 1002.31(2), F.S.

<sup>13</sup> Section 1002.31(3), F.S.

<sup>14</sup> Section 1002.31(3), F.S.

The Credit Acceleration Program (CAP) allows middle and high school students to earn high school credit in Algebra I, Algebra II, geometry, United States history, or biology if the student passes the statewide, standardized assessment. Students who are not enrolled in or who have not completed the course may take the statewide, standardized assessment during the regular administration of the assessment.<sup>15</sup>

### **Effect of Proposed Changes**

The bill requires each district school board to allow parents, as part of controlled open enrollment, to seek enrollment in, and transport his or her child to, any public school that has not reached capacity in the district. The school district may provide student transportation at their discretion.

The bill requires each district school board to annually post on its website the application process required to participate in controlled open enrollment. The process must:

- Identify schools that have not reached capacity as defined by the school district. The determination of capacity considers the specifications, plans, elements, and commitments contained in the school district's educational facilities plan and long-term work programs.
- Provide priority preference for the placement of siblings and students residing in the district.
- Ensure that a resident of a district cannot be displaced by a student transferring in from outside the district.
- Allow the student to attend the chosen school of enrollment until the student completes the highest grade offered.

The bill specifies that enrollment preferences provided pursuant to a donation of land or funding agreement that was executed prior to July 1, 2016, shall take priority over all other enrollment provisions outlined in the bill.

Beginning in the 2017-2018 school year, a parent may seek enrollment in, and transport his or her child to, any public school that has not reached capacity in the state. If the parent seeks enrollment for his or her student in a different school district, the parent must notify the district of residence at the time of application or by February 15 of the preceding school year, whichever occurs later.

The bill requires DOE to contract with the Center for Applied Economic Analysis at Florida Polytechnic University to determine the portability of FEFP funds when students are able to apply and enroll in any public school in the state. The research results must be reported to the Legislature no later than November 1, 2016.

The bill requires each district school board to establish a transfer process for a parent to request his or her child be transferred to another classroom teacher. A school must grant or deny the transfer within 2 weeks after receiving a request. If a request for transfer is denied, the school must notify the parent and specify the reasons for a denial. An explanation of the transfer process must be made available in the parent guide or a similar publication.

The bill clarifies language for the acceleration options and allows passage of an end-of-course assessment or an AP Examination to qualify for high school course credits. The bill also clarifies that a district shall allow any public or home education student not enrolled in the corresponding course to take an end-of-course assessment or AP Examination during the regular administration of the examination or assessment.

The bill specifies that CAPE digital tool certificates, CAPE industry certifications, and collegiate high school programs are public educational choices.

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<sup>15</sup> Section 1003.4295(3), F.S.  
**STORAGE NAME:** h0669e.EDC  
**DATE:** 2/10/2016

The bill includes the Florida Personal Learning Scholarship Accounts Program as a private educational choice.

**B. SECTION DIRECTORY:**

**Section 1.** Amends s. 1001.42, F.S., relating to the powers and duties of district school boards.

**Section 2.** Amends s. 1002.20, F.S.; relating to student and parent rights.

**Section 3.** Amends s. 1002.31, F.S.; requiring districts to publish a process for controlled open enrollment; defining capacity; requiring a district school board to annually report the number of students exercising school choice; allowing a parent to enroll his or her child in a public school in the state that has not reached capacity; requiring districts to establish a process for a parent to request his or her child to be transferred to another teacher and providing requirements for the process.

**Section 4.** Amends s. 1003.4295, F. S. relating to acceleration options.

**Section 5.** Requires the DOE to contract with the Center for Applied Economic Research at Florida Polytechnic University to determine the portability of the local portion of the FEFP funds and report to the Legislature by November 1, 2016.

**Section 6.** Provides an appropriation of \$200,000 for the 2016-2017 fiscal year to DOE to contract with Polytech University to conduct the study of the portability of FEFP funds.

**Section 7.** Provides an effective date of July 1, 2016.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

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

None.

**D. FISCAL COMMENTS:**

The bill requires each district school board to allow a parent to seek enrollment in and transport his or her child to any public school that has not reached capacity in the district. Further, the bill provides that, beginning in the 2017-2018 school year, a parent may seek enrollment in and transport his or her child to any public school, including charter schools, that has not reached capacity in any school district in the state. The school district must accept the student and report the student for purposes of the district's funding pursuant to the FEFP.

The authorization in the bill for students to enroll in any district in the state would result in a redistribution of funding among the 67 school districts in the FEFP. The bill could result in increased state funding needs in the FEFP depending on the choices of parents to enroll in neighboring districts. If students choice into a district where the millage produces more than 90 percent of a district's total FEFP entitlement, the FEFP formula will require more state funding to cover the cost of the student as there would be a corresponding increase in local millage rate as the 90 percent gap decreases. The bill could also result in significant losses of funding in districts where large numbers of parents and students choice into another district creating a financial hardship in the home district as the funding will be reduced after budget planning has taken place.

The bill requires the Department of Education (DOE) to contract with the Center for Applied Economic Analysis at Florida Polytechnic University to determine the portability of the Florida Education Finance Program (FEFP) funds when students are able to apply and enroll in any public school in the state. There is an estimated cost of \$200,000 for the DOE to implement this requirement.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

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

Not applicable. The bill does not appear to affect municipal or local governments.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

None.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

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

On January 20, 2016, the Choice & Innovation Subcommittee adopted three amendments and reported the bill favorably as a committee substitute. The amendments:

- Require that the school's financial report be provided to the parents and include the average amount of money expended per student.
- Authorize the internal auditor to perform additional audits and reviews as directed by the district school board.
- Correct the name of the department at Florida Polytechnic University that will be conducting the research from the Economic Analysis Program to the Center for Applied Economic Analysis.
- Clarify the application process for parents seeking to enroll their child in another public school in their district and outside their district.
- Outline preferences that a school district must include in its controlled open enrollment application process.
- Ensure a resident of a district cannot be displaced by a student transferring from outside the district.

On February 2, 2016, the Education Appropriations Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment provides an appropriation for the DOE to contract with the Center for Applied Economic Research at Florida Polytechnic University to research the feasibility of and recommend options for transferring local funds together with a student who enrolls in a public school instead of the student's zoned school district.

On February 9, 2016, the Education Committee adopted three amendments and reported the bill favorably as a committee substitute. The amendments:

- Require that the parent of each public school student in grades 6-12 be provided a list of all instructional materials assigned for each course in which the student enrolls. The syllabus must identify any material containing mature or adult content and include notification to the parent of the procedures for objecting to his or her child's use of any instructional material in accordance with current law.
- Specify that enrollment preferences included in a donation of land or funding agreement that was executed prior to July 1, 2016, take priority over all other enrollment provisions outlined in the bill.
- Clarify that the study conducted by Polytech University shall include the portability of all FEFP funds and revising the due date of the report to the Legislature from November 1, 2017 to November 1, 2016.

This bill analysis is drafted to the committee substitute as passed by the Education Committee.