

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Committee on Appropriations

---

BILL: SB 2516

INTRODUCER: Appropriations Committee

SUBJECT: Education Funding

DATE: April 6, 2017

REVISED: \_\_\_\_\_

ANALYST

Sikes

STAFF DIRECTOR

Hansen

REFERENCE

ACTION

**AP Submitted as Comm. Bill/Fav**

---

## I. Summary:

SB 2516 conforms various education funding statutes to the policies used to implement the funding decisions contained in SB 2500, the Senate General Appropriations Act for Fiscal Year 2017-2018.

The bill:

- Modifies the policy regarding the “extra hour of reading” at the 300 lowest-performing elementary schools by:
  - Permanently codifying the program in statute, rather than relying on annual reauthorization. The program was established for three years beginning in the 2012-2013 fiscal year but has been extended annually in the implementing bill since the 2015-2016 fiscal year.
  - Expanding the program to allow schools that improve performance to the extent that they are no longer on the most current list of 300 lowest-performing schools to maintain the program for two additional academic years.
  - Expanding the requirements of the program to include a 60-hour summer school component.
  - Codifying the methodology for calculating the allocation of Supplemental Academic Instruction (SAI) funds, which includes funds for the “extra hour of reading” requirement.
  - Requiring school districts to delineate the implementation design and reading intervention strategies for the program as part of their comprehensive reading plan.
- Modifies the small, isolated high schools provision of the Florida Education Finance Program (FEFP) by expanding its application to elementary schools and establishing the criteria by which elementary schools may qualify.
- Permanently codifies the sparsity supplement calculation used to compute the sparsity supplement for eligible districts with a full-time equivalent (FTE) student membership of between 20,000 and 24,000, by dividing the total number of full-time equivalent students in all programs by the number of permanent senior high school centers in the district, not in

excess of four (rather than three as used for other districts). This calculation has been in the implementing bill since the 2015-2016 fiscal year.

- Modifies the federally connected student supplement to allow for recalculation throughout the year based on actual student membership and the tax-exempt valuation from the most recent assessment roll.
- Permanently codifies a provision that prohibits a school district from seeking a positive allocation adjustment in the current fiscal year because of an under allocation for a prior fiscal year caused by district error.
- Modifies the qualification requirements and funding methodology for the High Growth District Capital Outlay Assistance Grant Program.
- Requires the Auditor General to conduct an annual financial audit of the Florida School for the Deaf and the Blind.
- Extends the repeal date for the Florida Endowment Foundation for Vocational Rehabilitation, which serves as the direct-support organization of the Division of Vocational Rehabilitation within the Florida Department of Education by one year, to October 1, 2018.

This bill does not have a fiscal impact on state and local revenues and expenditures. However, based on these statutory modifications, the following funding decisions have been made:

- Funding for additional requirements for the additional hour of intensive reading instruction at the lowest-performing elementary schools is provided in the supplemental academic instruction and the research-based reading instruction allocation categoricals within the Florida Education Finance Program (FEFP). The Senate General Appropriations Act for Fiscal Year 2017-2018, SB 2500, includes \$27 million for the 60-hour summer component and \$23 million for schools to continue to provide an additional hour of instruction for two subsequent academic years after the school improves performance such that it is no longer classified as one of the 300 lowest performing elementary schools.
- The bill modifies the federally connected student supplement calculation within the FEFP. The school districts eligible for funding through the categorical will receive their proportional share of the appropriated \$13 million, as proposed in SB 2500, allocated through the FEFP.
- SB 2500 appropriates \$3 million for the High Growth District Capital Outlay Assistance Grant Program.
- SB 2500 appropriates \$549,823 to the Florida Endowment Foundation for Vocational Rehabilitation.

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

## **II. Present Situation:**

### **Auditor General**

The Auditor General serves as Florida's independent external auditor. Specifically, the Auditor General:<sup>1</sup>

---

<sup>1</sup> Florida Auditor General, *2016 Auditor General Annual Report*, available at [http://www.myflorida.com/audgen/pages/pdf\\_files/annual%20report%202016.pdf](http://www.myflorida.com/audgen/pages/pdf_files/annual%20report%202016.pdf)

- Audits financial statements to provide the legislature and other users with independent assurance of the reliability of the financial statement information.
- Identifies and audits those operating units, programs, activities, functions, and transactions considered most vulnerable should a significant breakdown in internal control occur.
- Communicates the legislature's expectation that public entity management and employees are accountable for the proper administration of public funds.
- Reports on whether federal, state, and local expenditures serve a public purpose and are made in compliance with applicable laws, rules, regulations, contracts, grant agreements, best practices, and other guidelines.
- Reports on whether governmental entities have established proper internal controls that reasonably ensure that financial records are reliable and fraud, waste, abuse, and noncompliance are prevented and detected.

As it relates to public educational entities, the Auditor General is responsible for:<sup>2</sup>

- Annually conducting financial audits of all state universities and state colleges.
- Annually conducting financial audits of the accounts and records of all district school boards in counties with populations of fewer than 150,000, according to the most recent federal decennial statewide census, and the Florida School for the Deaf and the Blind.
- Once every 3 years, conducting financial audits of the accounts and records of all district school boards in counties that have populations of 150,000 or more, according to the most recent federal decennial statewide census.
- At least every 3 years, conducting operational audits of the accounts and records of state agencies, state universities, state colleges, district school boards, and the Florida School for the Deaf and the Blind.

The requirement for the Auditor General to conduct an annual financial audit of the Florida School for the Deaf and the Blind was passed into law by ch. 2016-62, L.O.F., the implementing bill for the 2016-2017 General Appropriations Act (GAA). That provision will expire July 1, 2017, unless codified in substantive law.

### **Division of Vocational Rehabilitation**

The Division of Vocational Rehabilitation (division) is one of several divisions housed within the DOE.<sup>3</sup> The division is the administrative unit designated at the state level that ensures compliance with the Vocational Rehabilitation Act of 1973, as amended.<sup>4</sup> The division's mission is "to help people with disabilities find and maintain employment and enhance their independence."<sup>5</sup> Vocational Rehabilitation (VR) is a federal-state program that helps people who have physical or mental disabilities find and maintain meaningful careers.<sup>6</sup>

---

<sup>2</sup> Section 11.45 (2), F.S.

<sup>3</sup> Section 20.15(3)(d), F.S.

<sup>4</sup> Section 413.202, F.S.

<sup>5</sup> Florida Division of Vocational Rehabilitation, <http://www.rehabworks.org/> (last visited March 20, 2017).

<sup>6</sup> Florida Division of Vocational Rehabilitation, *Frequently Asked Questions*, <http://www.rehabworks.org/faq.shtml> (last visited March 20, 2017).

### ***Florida Endowment Foundation for Vocational Rehabilitation***

In 1990, the Legislature created the Florida Endowment Foundation for Vocational Rehabilitation (Foundation or The Able Trust) as a direct-support organization of the division within the DOE for the purpose of encouraging public and private support to enhance vocational rehabilitation and employment of citizens who are disabled.<sup>7</sup>

The Foundation conducts business as The Able Trust,<sup>8</sup> which operates under contract with the division to exclusively raise funds; submit requests and receive grants from the Federal Government, the state, private foundations, and individuals; to receive, hold, and administer property; and to make expenditures to or for the benefit of the rehabilitation programs approved by the Foundation's board of directors.<sup>9</sup>

During its 26 years, the Foundation has gone beyond the traditional direct-support organization role of supporting activities of the division by developing and expanding statewide programs to move people with disabilities into the workforce.<sup>10</sup>

Currently, the authorizing statute for the Foundation is scheduled for repeal October 1, 2017, unless reviewed and saved from repeal by the Legislature.<sup>11</sup>

### **Exceptional Student Education Guaranteed Allocation**

In order to provide exceptional education and related services, an Exceptional Student Education (ESE) Guaranteed Allocation was established by the Legislature to provide funding through the Florida Education Finance Program (FEFP) in addition to the basic program funding.<sup>12</sup> This allocation is a lump sum that is derived from the number of full-time equivalent (FTE) students and the cost factors associated with the matrix of services (matrix) to document the services that each student with an exceptionality will receive.<sup>13</sup>

The Florida Department of Education (DOE) developed the Matrix of Services Handbook to provide districts, schools and teachers with information about the matrix required for selected students with exceptionalities.<sup>14</sup> The matrix is designed with five levels in each of the following five domain areas:<sup>15</sup>

- Curriculum and Learning Environment: This domain addresses services provided to the student in the areas of curriculum, instructional strategies and learning environment.

<sup>7</sup> Section 9, ch. 90-330, L.O.F., codified as s. 413.615(5), F.S.

<sup>8</sup> The Able Trust is another name for the Foundation, essentially the trade name of the Foundation.<sup>8</sup> Email, Florida Department of Education (Feb. 2, 2017).

<sup>9</sup> Section 413.615(5)(b), F.S.

<sup>10</sup> Email, Florida Department of Education (Feb. 2, 2017).

<sup>11</sup> Section 413.615(14), F.S.

<sup>12</sup> Florida Department of Education, *Matrix of Services Handbook* available at <http://www.fldoe.org/core/fileparse.php/7690/urlt/2015MatrixServices.pdf>

<sup>13</sup> Section 1011.62 (1)(e)1.a., F.S.

<sup>14</sup> Florida Department of Education, *Matrix of Services Handbook* available at <http://www.fldoe.org/core/fileparse.php/7690/urlt/2015MatrixServices.pdf>

<sup>15</sup> *Id.*

- Social or Emotional Behavior: This domain includes services provided to meet identified social and emotional needs of students with exceptionalities, such as positive behavioral supports, behavioral interventions, social skills development, socialization and counseling as a related service.
- Independent Functioning: This domain includes services that are necessary for the independent functioning of students with exceptionalities, such as instruction in organizational strategies, assistance for activities of daily living and self-care, physical therapy, occupational therapy, orientation and mobility training and supervision of students to ensure physical safety
- Health Care: This domain addresses services provided to students with exceptionalities who have health care needs. Included in this domain are services related to monitoring and assessment of health conditions, provision of related health care services and interagency collaboration.
- Communication: This domain includes services provided to support the communication needs of students with exceptionalities. Services included in this domain are personal assistance, instructional interventions, speech or language therapy and the use of alternative and augmentative communication systems.

A student is evaluated within each of these five domains to determine the appropriate level of service the student requires. Level 1 represents the lowest level of service and Level 5 represents the highest level of service.<sup>16</sup> The frequency and intensity of the service and the qualifications of personnel required to provide the service are critical factors that impact the determination of the appropriate level of service for the student.<sup>17</sup>

The ESE Guaranteed Allocation was established in 2000 in conjunction with the elimination of the mandatory requirement for the determination of a matrix of services for Levels 1 through 3 ESE students. ESE services for students whose level of service is Levels 1 through 3 are funded through the ESE Guaranteed Allocation.<sup>18</sup> These students generate FTE funding using the appropriate basic program cost factor for their grade level.<sup>19</sup> The ESE Guaranteed Allocation provides for the additional services needed for these exceptional students.<sup>20</sup> Currently, the ESE Guaranteed Allocation is calculated initially in the GAA and recalculated once based on each school district's actual ESE and total FTE enrollment, as determined by the October FTE survey.<sup>21</sup>

---

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Florida Department of Education, *2015-16 Funding for Florida School Districts* available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>19</sup> The basic program cost factors are as follows:

- For grades K-3, the cost factor is 1.115
- For grades 4-8, the cost factor is 1.000
- For grades 9-12, the cost factor is 1.005

<sup>20</sup> Florida Department of Education, *2015-16 Funding for Florida School Districts* available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>21</sup> Section 1011.62 (1)(e), F.S.

### **Intensive Reading Instruction**

A school district that has one or more of the 300 lowest performing elementary schools based on the state reading assessment is required to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year in those schools.<sup>22</sup> Funds for this program are designated in the Supplemental Academic Instruction and the Research-Based Reading Instruction Allocation categoricals in the FEFP within the GAA.<sup>23</sup>

### ***Supplemental Academic Instruction Categorical Fund***

In 1999, the Legislature created the Supplemental Academic Instruction (SAI) Categorical Fund as part of the A+ Education Plan<sup>24</sup> for the purpose of assisting school districts in providing supplemental instruction to students in kindergarten through grade 12.<sup>25</sup> The SAI fund was created to:<sup>26</sup>

- Address the school districts' requests for more flexibility; and
- Provide additional resources to districts to help students gain at least a year's worth of knowledge for each year in school.

A school district that has one or more of the 300 lowest-performing elementary schools based on the state reading assessment is required to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year in those schools.<sup>27</sup> The additional hour of instruction must be provided by teachers or reading specialists who are effective in teaching reading or by a K-5 mentoring reading program that is supervised by a teacher who is effective in teaching reading.<sup>28</sup> Students who score Level 5 on the assessment may opt to participate in the additional hour of instruction.<sup>29</sup>

After the additional hour of reading requirement has been met, 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.<sup>30</sup> Supplemental instructional strategies may include, but are not limited to:<sup>31</sup>

- Modified curriculum;
- Reading instruction;
- After-school instruction;

<sup>22</sup> s. 1011.62 (1)(f), (9), F.S.

<sup>23</sup> Chapter 2014-51, Laws of Florida.

<sup>24</sup> Section 23, ch. 99-398, L.O.F.

<sup>25</sup> Florida House of Representatives, Council for Lifelong Learning, *Supplemental Academic Instruction Fact Sheet* (Sept. 2001) available at

<http://archive.flsenate.gov/data/publications/2002/house/reports/EdFactSheets/fact%20sheets/supplementalacademicinstruction.pdf>.

<sup>26</sup> *Id.* Prior to the SAI fund, school districts were given resources for summer school and supplemental instruction with more restrictive funds. *Id.* The following funding sources were combined to become a portion of the SAI fund: K-8 summer school categorical, 9-12 FTE funds for summer school, and the weighted portion of dropout prevention funds. *Id.*

<sup>27</sup> Section 1011.62(1)(f), F.S.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

- Tutoring;
- Mentoring;
- Class size reduction;
- Extended school year;
- Intensive skills development in summer school; and
- Other methods for improving student achievement.

The SAI funds are allocated annually in the amount provided in the GAA, and are in addition to funds appropriated on the basis of FTE student membership in the FEFP.<sup>32</sup> For the 2016-2017 fiscal year, school districts with one or more of the 300 lowest-performing elementary schools based on the statewide, standardized English Language Arts (ELA) assessment were required to use at least \$75 million in SAI funds for the required additional hour of intensive reading instruction.<sup>33</sup>

### ***Research-Based Reading Instruction Allocation***

In addition to the SAI categorical fund, school districts may use funds from the research-based reading instruction allocation to provide comprehensive reading instruction to students in kindergarten through grade 12.<sup>34</sup> The funds must be used to provide a system of comprehensive reading instruction to K-12 students, which may include providing:<sup>35</sup>

- An additional hour per day of intensive reading instruction to students in the 300 lowest-performing elementary schools by teachers and reading specialists who are effective in teaching reading.
- Intensive intervention during the school day and in the required extra hour for students identified as having a reading deficiency through K-5 reading intervention teachers.
- Highly qualified reading coaches to specifically support teachers in making instructional decisions based on student data, and improve teacher delivery of effective reading instruction, intervention, and reading in the content area based on student need.
- Professional development for school district teachers in scientifically based reading instruction, including strategies to teach reading in content areas and with an emphasis on technical and informational text.
- Summer reading camps for all K-2 students who demonstrate a reading deficiency and students in grades 3-5 who score at Level 1 on the statewide, standardized reading assessment or ELA assessment.
- Supplemental instructional materials grounded in scientifically based reading research.
- Intensive interventions for K-12 students who have been identified as having a reading deficiency or who are reading below grade level.

School districts must annually submit a K-12 comprehensive reading plan to the Department of Education (DOE) for the specific use of the allocation.<sup>36</sup> The Just Read, Florida! Office within the DOE reviews and approves the district's plan.<sup>37</sup> School districts have flexibility in

---

<sup>32</sup> *Id.*

<sup>33</sup> Section 2, ch. 2016-66, L.O.F.

<sup>34</sup> Section 1011.62(9), F.S.

<sup>35</sup> *Id.* at (9)(c).

<sup>36</sup> Section 1011.62(9)(d), F.S. *See also* Rule 6A-6.053, F.A.C.

<sup>37</sup> *Id.*

developing their plans and are encouraged to offer reading intervention through innovative methods.<sup>38</sup> One hundred percent of the research-based reading instruction allocation must be used to implement a school district's approved plan.<sup>39</sup>

For the 2016-2017 fiscal year, school districts with one or more of the 300 lowest-performing elementary schools based on the statewide, standardized ELA assessment were required to use at least \$15 million of the research-based reading instruction allocation<sup>40</sup> for the required additional hour of intensive reading instruction.

### **Small, Isolated High School Supplement**

High schools with between 28 students and 100 students in grades 9-12 and that are no closer than 28 miles to the nearest high school may qualify for an isolated school supplement. This supplement is allocated to each eligible school that attained a state accountability performance grade of "C" or better for its most recent school grade. Districts with qualifying schools must levy the maximum discretionary operating millage in order to receive the supplement.<sup>41</sup>

### **Sparsity Supplement**

The FEFP recognizes the relatively higher operating cost of smaller districts due to sparse student populations through a statutory formula in which the variable factor is a sparsity index.<sup>42</sup> This index is computed by dividing the FTE student membership of the qualified district by the number of permanent senior high school centers, not to exceed three.<sup>43</sup> For districts with at least 20,000 FTE, but no more than 24,000 FTE, the index is computed by dividing the total FTE by the number of permanent senior high school centers, not to exceed four.<sup>44</sup>

### **Federally Connected Student Supplement**

The federally connected student supplement was established initially in the 2015-2016 Implementing Bill, ch. 2015-222, L.O.F., to provide funding to school districts to support the education of students connected with federally-owned military installations, National Aeronautics and Space Administration (NASA) property, and Indian lands. To be eligible for this supplement, the district must also be eligible for federal impact aid funds, pursuant to Title VIII of the Elementary and Secondary Education Act of 1965.<sup>45</sup>

---

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> Specific Appropriations 7 and 9, s. 2, ch. 2016-66, L.O.F. The amount of \$115,000 was allocated to each district and the remaining balance allocated based on each district's proportion of the total K-12 based funding. *Id.*

<sup>41</sup> 2016-17 Funding for Florida School Districts, Florida Department of Education.

<http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>42</sup> 2016-17 Funding for Florida School Districts, Florida Department of Education.

<http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>43</sup> Section 1011.62 (7), F.S.

<sup>44</sup> Section 1011.62 (7), F.S.

<sup>45</sup> 2016-17 Funding for Florida School Districts, Florida Department of Education.

<http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>



The supplement is based on two components: a student allocation and an exempt-property allocation. The student allocation is based on the number of students in the district reported for federal impact aid, including students with disabilities, who

- Have a parent who is on active duty in the uniformed services or is an accredited foreign government official and military officer;
- Reside on eligible federally-owned Indian lands; or
- Reside with a civilian parent who lives or works on eligible federal property connected with a military installation or NASA. The number of these students shall be multiplied by a factor of 0.5.

The exempt-property allocation is based on the district's real property value of exempt federal property of federal impact aid lands reserved as military installations, NASA properties, or federally-owned Indian lands, multiplied by the millage authorized and levied under s. 1011.71 (2), F.S. The student allocation and the exempt-property allocation are added together for each eligible district to produce the federally connected student supplement.

In the 2016-2017 fiscal year, 13 school districts qualified for federal impact aid. These districts received a total of \$12,136,893 through the federally connected student supplement, as appropriated in the 2016-2017 GAA.<sup>46</sup>

### **FTE Reporting**

School districts are required to report FTE to the department during five survey periods each fiscal year. These reported FTE are used to calculate and adjust the FEFP funds for each district. School districts are provided with a reporting amendment period during which they may review their reported FTE and make corrections to any reporting error. The DOE is authorized to make prior-year adjustments in the allocation of funds to a district for adjudication of litigation, arithmetical errors, assessment roll change, FTE student membership errors, or allocation errors revealed in an audit report.<sup>47</sup> However, in the 2016-2017 Implementing Bill, ch. 2016-62, L.O.F., statute was revised to clarify that a school district may not receive a positive FEFP allocation adjustment in the current fiscal year for an under allocation in a prior fiscal year caused by a district reporting error.<sup>48</sup>

### **Capital Outlay Full-Time Equivalent Membership**

Public school capital outlay full-time equivalent (COFTE) is comprised of kindergarten through grade 12 students for which the school districts provide the educational facility. The COFTE membership is determined by averaging the unweighted full-time equivalent student membership for the second and third FTE surveys and comparing the results on a school-by-school basis with the Florida Inventory for School Houses.<sup>49</sup>

---

<sup>46</sup> Chapter 216-62, Laws of Florida

<sup>47</sup> 2016-17 Funding for Florida School Districts, Florida Department of Education.  
<http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>

<sup>48</sup> Chapter 216-62, Laws of Florida

<sup>49</sup> Section 1013.64 (3), F.S.

### High Growth District Capital Outlay Assistance Program

The High Growth District Capital Outlay Grant Program was created in 2005<sup>50</sup> to provide funding to construct new student stations for school districts that meet the following criteria:<sup>51</sup>

- The district must have levied the full 1.5 mills of nonvoted discretionary capital outlay millage authorized in s. 1011.71(2) for each of the past 4 fiscal years.
- Fifty percent of the revenue derived from the maximum nonvoted discretionary capital outlay millage for the past 4 fiscal years, when divided by the district's growth in capital outlay FTE students over this period, produces a value that is less than the average cost per student station calculated pursuant to s. 1013.64(6)(b)1., and weighted by statewide growth in capital outlay FTE students in elementary, middle, and high schools for the past 4 fiscal years.
- The district must have equaled or exceeded twice the statewide average of growth in capital outlay FTE students over this same 4-year period.
- The Commissioner of Education must have released all funds allocated to the district from the Classrooms First Program, and these funds were fully expended by the district as of February 1 of the current fiscal year.
- The total capital outlay FTE students of the district is greater than 15,000 students.

The High Growth District Capital Outlay Grant Program has never been implemented. The legislation establishing the program, ch. 2005-209, L.O.F., appropriated \$30 million for the program, but the Governor vetoed that appropriation.<sup>52</sup> The program has not subsequently been funded.

### III. Effect of Proposed Changes:

The bill conforms various education funding statutes to the policies used to implement the funding decisions contained in SB 2500, the Senate General Appropriations Act for Fiscal Year 2017-2018.

The bill:

- Modifies the policy regarding the “extra hour of reading” at the 300 lowest-performing elementary schools by:
  - Permanently codifying the program in statute, rather than relying on annual reauthorization. The program was established for three years beginning in the 2012-2013 fiscal year but has been extended annually in the implementing bill since the 2015-2016 fiscal year.
  - Expanding the program to allow schools that improve performance to the extent that they are no longer on the most current list of 300 lowest-performing schools to maintain the program for two additional academic years.
  - Expanding the requirements of the program to include a 60-hour summer school component.

<sup>50</sup> Chapter 2005-209, Laws of Florida

<sup>51</sup> Section 1013.738 (2), F.S.

<sup>52</sup> Chapter 2005-209, Laws of Florida

- Codifying the methodology for calculating the allocation of Supplemental Academic Instruction (SAI) funds, which includes funds for the “extra hour of reading” requirement.
- Requiring school districts to delineate the implementation design and reading intervention strategies for the program as part of their comprehensive reading plan.
- Modifies the small, isolated high schools provision of the Florida Education Finance Program (FEFP) by expanding its application to elementary schools and establishing the criteria by which elementary schools may qualify.
- Permanently codifies the sparsity supplement calculation used to compute the sparsity supplement for eligible districts with a full-time equivalent (FTE) student membership of between 20,000 and 24,000, by dividing the total number of full-time equivalent students in all programs by the number of permanent senior high school centers in the district, not in excess of four (rather than three as used for other districts). This calculation has been in the implementing bill since the 2015-2016 fiscal year.
- Modifies the federally connected student supplement to allow for recalculation throughout the year based on actual student membership and the tax-exempt valuation from the most recent assessment roll.
- Permanently codifies a provision that prohibits a school district from seeking a positive allocation adjustment in the current fiscal year because of an under allocation for a prior fiscal year caused by district error.
- Modifies the qualification requirements and funding methodology for the High Growth District Capital Outlay Assistance Grant Program.
- Requires the Auditor General to conduct an annual financial audit of the Florida School for the Deaf and the Blind.
- Extends the repeal date for the Florida Endowment Foundation for Vocational Rehabilitation, which serves as the direct-support organization of the Division of Vocational Rehabilitation within the Florida Department of Education by one year, to October 1, 2018.

### **Auditor General (Section 1)**

Section 1 requires the Auditor General to conduct an annual financial audit of the Florida School for the Deaf and the Blind.

### **Florida Endowment Foundation for Vocational Rehabilitation (Section 2)**

Section 2 extends the repeal date for the Florida Endowment Foundation for Vocational Rehabilitation (Foundation or The Able Trust), which serves as the direct-support organization of the Division of Vocational Rehabilitation within the Florida Department of Education from October 1, 2017 to October 1, 2018.

The extension of the repeal date will provide for the continuation programs administered by The Able Trust including, but are not limited to:<sup>53</sup>

---

<sup>53</sup> Email, Florida Department of Education (Feb. 2, 2017).

### ***Youth Programs***

The Able Trust's High School High Tech program would end, resulting in the closure of 43 program sites in 40 Florida counties.<sup>54</sup> The program provides leadership training, career direction, community involvement, and education to 1,500-2,000 students per year.<sup>55</sup> The current cost to the state's budget for this program is \$275 per student, which covers slightly more than one-fourth of total program costs.<sup>56</sup>

Additionally, The Able Trust's Florida Youth Leadership Program would no longer operate.<sup>57</sup> This program is a week-long leadership training program that takes place every summer at Florida State University, and advances high school juniors and seniors with disabilities, plus young adult job seekers, toward a career path and employment.

### ***Grant Programs***

The Able Trust works with community organizations throughout the state to help them assist Floridians with disabilities in their area to become employed. There are 60-70 contracts during any annual period (e.g., Susan B. Anthony Rehabilitation Center in Broward County, Science Center in Pinellas County, Vincent Academy in Sarasota, Ark Nassau in Nassau County, and Key Clubhouse in Miami-Dade).<sup>58</sup> No state funds are used in these strategic grant initiatives.<sup>59</sup>

### ***James Patrick Memorial Program***

The Able Trust serves as administrator and fiduciary for the James Patrick Memorial Program, authorized in s. 413.402, F.S., which helps fund the services of personal care attendants for eligible workers with disabilities. Seven contracts to obtain funding for the program exist with state attorney offices in different parts of the state.<sup>60</sup>

### ***Specialty License Plates for Motorcycles***

The Able Trust serves as fiduciary for funds for the sale of specialty license plates for motorcycles pursuant to s. 320.08069(4)(d), F.S.<sup>61</sup> It collects, distributes, and manages the funds, which benefits five disabilities organizations – Florida Association of Centers for Independent Living, the James Patrick Memorial Program, Preserve Vision Florida, the Brain and Spinal Cord Injury Program – Florida Department of Health, and the Blind Services Foundation of Florida.<sup>62</sup> The Foundation receives a 10 percent management fee.<sup>63</sup>

---

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> Email, Florida Department of Education (Feb. 2, 2017).

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

**Exceptional Student Education Guaranteed Allocation (Section 3)**

Section 3 authorizes the Florida Department of Education (DOE) to recalculate the Exceptional Student Education (ESE) Guaranteed Allocation for each school district throughout the school year based on the student membership surveys. The ESE Guaranteed Allocation will continue to be calculated initially in the General Appropriations Act (GAA), and then recalculated based on each school district's actual ESE and total full-time equivalent (FTE) enrollment as determined by the surveys. This recalculation will ensure school districts receive their appropriate share of the ESE Guaranteed Allocation based on actual enrollment.

**Intensive Reading Instruction (Section 3)**

Section 3 amends subsections 1011.62(1) and (9), F.S., to make permanent the requirement of providing an additional hour of intensive reading instruction daily for students enrolled in the 300 lowest performing elementary schools.

This section requires participating schools to implement a 60-hour summer program in addition to the 180 hours of instruction provided during the school year. The bill also requires a participating school to continue to provide an additional hour of instruction for two subsequent academic years after the school improves performance such that it is no longer classified as one of the 300 lowest performing elementary schools.

This section requires each school district that has a school designated as one of the 300 lowest-performing elementary schools, including any school that is maintaining the program because it has improved performance to the extent that the school is no longer on such list, to specifically delineate the implementation design and reading intervention strategies that will be utilized for the required extra hour of reading as part of its comprehensive reading plan.

**Small, Isolated School Supplement (Section 3)**

Section 3 amends paragraph 1011.62(1)(h), F.S., to expand the small, isolated high schools provision in the Florida Education Finance Program (FEFP) to include elementary schools, and revise the criteria by which schools may qualify for the allocation. The section limits the provision to district-operated schools and establishes the criteria for elementary schools to qualify as:

- Having a grade configuration of kindergarten through grade 5, while also permitting inclusive of prekindergarten, grade 6, grade 7, or grade 8;
- Being located at least 35 miles from another elementary school within the district;
- Having a student population in which at least 75 percent students are eligible for free and reduced-price lunch; and
- Having at least 28 students, but no more than 100 students.

**Sparsity Supplement (Section 3)**

Section 3 amends subsection 1011.62(7), F.S., to codify permanently the computation of the sparsity supplement for larger eligible districts with between 20,000 and 24,000 full-time equivalent (FTE) students, by dividing the total number of FTE students by the number of

permanent senior high school centers in the district, not in excess of four (rather than three as used by other districts). This computation is consistent with the methodology used during the past two years.

### **Federally Connected Student Supplement (Section 3)**

Section 3 amends subsection 1011.62(13), F.S., relating to the federally connected student supplement, to allow for recalculation throughout the year based on actual student membership and the tax-exempt valuation from the most recent assessment roll. This recalculation allows an eligible school district to receive an allocation based on the most recent data available, which is consistent with other FEFP categoricals.

### **FTE Reporting (Section 3)**

Section 3 amends subsection 1011.62(15), F.S., to codify permanently the prohibition that a school district may not seek a positive allocation adjustment to its FEFP funding in the current fiscal year because of an under allocation for a prior fiscal year caused by district error.

### **Capital Outlay Full-Time Equivalent (COFTE) Membership (Sections , 6, and 7)**

Section 4 aligns s.1013.64 (3), F.S., with the actual COFTE membership calculation by:

- Changing kindergarten to pre-kindergarten for students funded for the FEFP, and
- Limiting the second and third surveys to 0.5 FTE membership per student.

Sections 6 and 7 conform cross references in ss. 1011.71 and 1013.54, F.S., changed as a result of the modifications made to s. 1013.64, F.S.

### **High Growth District Capital Outlay Assistance Program (Section 5)**

Section 5 amends s. 1013.738, F.S., to modify the qualification requirements and funding methodology for the High Growth District Capital Outlay Assistance Grant Program. To qualify for the program, a school district must:

- Levy the maximum nonvoted discretionary millage for the prior 5 years;
- Receive revenue from a current voted school capital outlay sales surtax or a portion of the local government infrastructure surtax;
- Have funds from the nonvoted discretionary capital outlay millage that, when divided by the district's capital outlay FTE students, are less than the statewide average maximum potential funds per capital outlay FTE student for the most recent fiscal year;
- Have equaled or exceeded the greater of one percent average growth or twice the statewide average growth in capital outlay FTE students of the prior 5-year period; and
- Have more than 24,000 total capital outlay FTE students.

Section 5 also modifies the program allocation methodology to require that, for each eligible district, the Department of Education (DOE):

- Sum the revenue from the maximum potential nonvoted discretionary capital outlay millage and the revenue from the voted sales surtax and divide it by the capital outlay FTE students;

- Determine the amount that must be added to the funds per capital outlay FTE to produce the statewide average value per capital outlay FTE for the identified revenues; and, if necessary,
- Prorate district awards to the level of the appropriation.

The bill takes effect July 1, 2017, except as otherwise expressly provided.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

SB 2516 modifies various education funding statutes to conform to the funding policies used to develop SB 2500, the Senate proposed General Appropriations Act for Fiscal Year 2017-2018.

This bill does not have a fiscal impact on state and local revenues and expenditures. However, based on these statutory modifications, the following funding decisions have been made:

- Funding for additional requirements for the additional hour of intensive reading instruction at the lowest-performing elementary schools is provided in the supplemental academic instruction and the research-based reading instruction allocation categoricals within the Florida Education Finance Program (FEFP).
- The Senate General Appropriations Act for Fiscal Year 2017-2018, SB 2500, includes \$27 million for the 60-hour summer component and \$23 million for schools to continue to provide an additional hour of instruction for two subsequent academic years after the school improves performance such that it is no longer classified as one of the 300 lowest performing elementary schools.

- The bill modifies the federally connected student supplement calculation within the FEFP. The school districts eligible for funding through the categorical will receive their proportional share of the appropriated \$13 million, as proposed in SB 2500, allocated through the FEFP.
- SB 2500 appropriates \$3 million for the High Growth District Capital Outlay Assistance Grant Program.
- SB 2500 appropriates \$549,823 to the Florida Endowment Foundation for Vocational Rehabilitation.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 11.45, 413.65, 1011.62, 1011.71, 1013.54, 1013.64, and 1013.738.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.