

## **Impact of 2010 Legislation on FTE Student Enrollment**

Four bills enacted during the 2010 Legislative Session contain provisions that will impact Full-Time Equivalent (FTE) student enrollment. Bills that may have an impact on FTE are discussed below.

### **1. McKay Scholarship Program**

CS/HB 1505 amends s. 1002.39, F.S., related to the McKay Scholarship program. The bill expands the pool of students who are eligible for the McKay Scholarship for disabled students. House Bill 1505 also creates s. 1002.66, F.S., related to specialized instructional services for children with disabilities, as a Voluntary Prekindergarten (VPK) Program option for eligible children beginning in the **2012-2013** school year.

Under current law, eligibility for the McKay Scholarship is limited to those students who were enrolled and reported in the October and February Florida Education Finance Program (FEFP) surveys in the prior school year.

The bill lengthens the period of time for a student to have been enrolled and reported by a school district for funding during the October and February Florida Education Finance Program (FEFP) surveys for eligibility in the program from the prior year to any of the 5 years prior to the **2010-11** fiscal year.

The population of students who will be eligible to receive a McKay Scholarship beginning in the **2013-2014** school year will be expanded to include students who received specialized instructional services under the VPK Program during the previous school year and have a current IEP.

<b>Impact Discussion</b>	<b>Adopted Impact</b>
<p><u>Provisional McKay Scholarship Eligibility</u> An estimated 1,256 students would form the likely pool of those eligible for a McKay Scholarship by extending the period of eligibility to 2005-06 in 2010-11.</p> <p>The estimated FTE impact is based on the number of students identified with a disability who were enrolled and reported for funding in the October and February FTE survey for any year between July 1, 2005 – June 30, 2010, and subsequently withdrew from public schools to either home education or private school between July 1, 2006 and October 2009.</p>	<p>Provisional McKay Scholarship Eligibility</p> <p>Indeterminate upward impact on reported FTE enrollment due to unknown participation among the estimated eligible students.</p>

<p><u>Methodology</u></p> <ul style="list-style-type: none"> <li>• 1,787 students who were identified as receiving exceptional education services withdrew from public schools to home education or to a private school and had been reported for funding in Surveys 2 and 3 the previous year. The following exclusions were applied to eliminate students who would no longer be eligible due to being past grade 12 in 2010-11:             <ul style="list-style-type: none"> <li>• Year 0607, exclude grades 9-12</li> <li>• Year 0708, exclude grades 10-12</li> <li>• Year 0809, exclude grades 11-12</li> <li>• Year 0910, exclude grade 12</li> </ul>             Note that some of these students might still be eligible to receive FAPE through age 21.           </li> <li>• When matched to the McKay Scholarship database, 531 of the 1,787 had already exercised their McKay eligibility, leaving 1,256 eligible students.</li> </ul> <p><u>New VPK Program Option</u>            As many as 790 children with disabilities are expected to be eligible for a McKay scholarship in 2013-2014 who otherwise would not be enrolled in public schools and therefore would not be counted in the FTE surveys conducted that year.</p> <p><u>Methodology</u></p> <ul style="list-style-type: none"> <li>• Projected Total Population of Four-Year Olds - 233,541</li> <li>• Current Participation Rate - 75%  <math>75\% \text{ of } 233,541 = 175,156</math></li> <li>• Estimated Number of Unserved Four-Year Olds - 53,385  <math>(233,541 - 175,156 = 58,385)</math></li> <li>• Estimated Percent of Kindergarten Children With Disabilities - 9.67%</li> <li>• Increase in the Number of Children with Disabilities Anticipated to be Served via New VPK Option 5,646  <math>(58,385 \times 9.67\% = 5,646)</math></li> </ul>	<p><u>New VPK Program Option</u>            Indeterminate upward impact on reported FTE enrollment due to unknown participation among the estimated eligible students.</p>
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<ul style="list-style-type: none"> <li>• An additional 5,646 students are expected to participate in the new VPK option</li> <li>• 14% of five-year-olds do not attend kindergarten in public schools 14% of 5,646 is 790</li> </ul>	
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**2. High School Graduation Requirements**

CS/CS/SB 4 strengthens high school graduation requirements by stipulating that course requirements for graduation include Geometry (takes effect in 2010–11), Biology (2011-12), Algebra 2 (2012-13) and Chemistry or Physics (2013-14) and another science course (2013-14). The bill also requires end-of-course examinations for Algebra 1 in 2011-12 and Biology 1 and Geometry in 2012-13.

A Credit Acceleration Program (CAP) is also created by this bill. The CAP program becomes effective after “high achieving” scores are established for a statewide end-of-course assessment. This program allows a student to take an end-of-course assessment examination and qualify for a high school credit even though that student is not enrolled in that class or has not completed the class. To gain the high school credit, the student must have attained a score rated as “high achieving” on the end-of-course exam.

<b>Impact Discussion</b>	<b>Adopted Impact</b>
The impact of requiring more rigorous courses for graduation and the introduction of the CAP program on FTE is indeterminate.	Indeterminate, even as to direction.

**3. Florida Tax Credit Scholarship**

CS/SB 2126 has several provisions that will increase the number of students receiving the Florida Tax Credit (FTC) Scholarship. Since it is estimated that about 95 percent of the students who receive the scholarship would have been in public school otherwise, an increase in the number of scholarship recipients will decrease public school enrollment. The provisions that will impact the number of scholarship recipients include:

- An increase in the tax credit cap amount that can be approved. The tax credit cap amount has been increased to \$140 million for the 2010-11 fiscal year from the current \$118 million. For each year thereafter the tax credit cap will increase 25 percent whenever the prior year annual tax credit amount reaches 90 percent of the cap. The bill also expands the number of tax sources against which scholarship tax credits can be taken to include the Sales and Use Tax, the Beverage Excise Tax and the Oil and Gas Severance Tax. Previously, the tax sources included only the corporate income tax and the insurance premium tax. The increased number of tax sources will impact the level of the annual tax credit and thus the time schedule for increasing the tax credit cap.

- An increase in the scholarship amount awarded. Currently, the FTC Scholarship is limited to a maximum of \$3,950 for a student. For 2010-11, the maximum FTC scholarship is required to be 60% of the unweighted FTE funding amount. For each year thereafter, the percentage that the maximum scholarship award is of the unweighted FTE funding amount increases by 4% whenever the tax credit amount increases until it reaches a maximum of 80 percent of unweighted FTE funding.
- Allow partial FTC as household income increases. The household income maximum for students to initially receive a FTC Scholarship remains at 200% of the federal poverty level. However, if a student’s household income subsequently increases to an amount that is greater than 200 percent of the federal poverty level, the bill provides that the student may continue to receive a partial scholarship as long as household income does not exceed 230 percent of the federal poverty level. If a student’s household income is equal to or greater than 200 percent and less than 215 percent of the poverty level, the student’s scholarship award is limited to 75% of the maximum scholarship award; If a student’s household income is equal to or greater than 215 percent but less than 230 percent of the federal poverty level the student’s scholarship award is limited to 50 percent of the maximum scholarship award.
- Change household income criterion for siblings. The household income criterion for siblings of students receiving an FTC Scholarship has changed from [the current](#) 200% to 230% of federal poverty level. All other eligibility requirements for siblings remain the same.

Items 1, 3, and 4 above would increase the number of scholarships; Item 2 would decrease the number of scholarship.

<b>Impact Discussion</b>	<b>Adopted Impact</b>
<p>The impact of this legislation depends on the interaction between annual tax credits approved and the average scholarship award. The timing of the impact depends on the amount of the annual tax credits approved and the time lag between the tax credit received and the scholarship award. Assuming the tax credit cap increases each year and the FEFP per FTE funding amount remains constant, the public school enrollment may decline by as many as 43,000 FTE within five years. The impact would be lower if the annual tax credit cap does not increase each year.</p>	<p>Downward impact on FTE, but indeterminate as to the timing.</p>

**4. Virtual Instruction Program**

CS/HB 5101 amends s. 1002.45, F.S., allowing siblings of those enrolled in the school district virtual instruction program (VIP) to enroll in the VIP without having to be counted in prior two FTE surveys. Currently, students have to be enrolled in a public school to qualify for the VIP, or be a dependent child of a member of the United States Armed Forces who was transferred within the last 12 months to this state from another state or from a foreign country. As of the 2009-10 Fourth Florida Education Finance Program calculation, 1,834.97 UFTE were funded in school district VIPs statewide.

<b>Impact Discussion</b>	<b>Adopted Impact</b>
May result in a small increase in FTE.	Indeterminate upward adjustment of FTE enrollment.

**5. Industry-Certified Career and Professional Academy Additional Full-Time Equivalent Membership**

CS/HB 5101 amends s. 1004.925, F. S., so that beginning in 2013-14 students enrolled in an automotive technology program that is not industry certified will not be eligible for additional FEFP funding.

<b>Impact Discussion</b>	<b>Adopted Impact</b>
<p>In the 2009-10 school year there were 110 schools with automotive technology programs of which 39 or 35.5 percent were not industry certified. The 2009-10 grades 9-12 FTE enrollment for courses in these 39 programs was 677.63 FTE students.</p> <p>It is expected that an undetermined number of automotive technology programs may close because some districts or schools may choose not to pursue certification to ensure that these programs are compliant with accreditation standards. However, many of those students who were expected to enroll in these courses will most likely select alternative programs. It is possible that a few students may drop out of high school as a result of the closures. A minimal decline in FTE is possible.</p>	<p>If there is any impact on FTE enrollment, it would have an indeterminate downward direction.</p>