A bill to be entitled
An act relating to educational choice; amending s. 213.053, F.S.; authorizing the Department of Revenue to provide a copy of a letter approving a taxpayer or dealer for a specified tax credit; amending s. 1002.395, F.S.; revising definitions; revising eligibility requirements for the Florida Tax Credit Scholarship Program; revising the cap on the amount of tax credits that may be approved annually under the program; requiring the Department of Revenue to publish the cap on its website; requiring the Department of Revenue to provide a copy of a letter approving a taxpayer for a specified tax credit to the eligible nonprofit scholarship-funding organization; authorizing certain entities to convey, transfer, or assign certain tax credits; providing for the calculation of underpayment of estimated corporate income taxes and tax installment payments for taxes on insurance premiums and assessments and the determination of whether penalties or interest shall be imposed for such underpayment; revising the disqualifying offenses for nonprofit scholarship-funding organization owners and operators; revising priority for new applicants; authorizing the use of certain contributions by nonprofit scholarship-funding organizations for professional development; requiring
nonprofit scholarship-funding organizations to maintain a surety bond or letter of credit and to adjust the bond or letter of credit quarterly based upon a statement from a certified public accountant; providing an exception; requiring parental authorization for access to income eligibility information; revising limitations on annual scholarship amounts; providing for reductions in scholarship amounts based on household income; providing initial and renewal application requirements and an approval process for nonprofit scholarship-funding organizations; requiring the State Board of Education to adopt rules; creating s. 1002.411, F.S.; establishing the Florida Personal Learning Scholarship Account Program; providing definitions; providing student eligibility criteria for receipt of a Florida Personal Learning Scholarship Account; providing parent and student responsibilities for program participation; specifying allowable expenditures of account funds; requiring an annual evaluation of each participating student's educational progress and school district review of the evaluation; specifying that parents are responsible for procuring educational services for a participating student; specifying that school districts are not obligated to provide a free appropriate public education for participating

CODING: Words stricken are deletions; words underlined are additions.
students; prohibiting participating students from
having multiple accounts or participating in school
choice scholarship programs; authorizing a nonprofit
scholarship-funding organization to establish accounts
for eligible students; specifying duties of nonprofit
scholarship-funding organizations for administration
and funding of accounts, annual audits, and quarterly
reporting; specifying Department of Education duties
regarding approved service providers, oversight of
nonprofit scholarship-funding organizations,
investigation and adjudication of complaints, and
reporting by nonprofit scholarship-funding
organizations; specifying school district duties
regarding initial evaluations and individual
educational plan development and review; providing a
calculation for funding accounts; requiring school
districts to report participating students to the
Department of Education for funding; requiring
quarterly transfer of funds by the department to
nonprofit scholarship-funding organizations; providing
for the carryforward of funds remaining in an account
at the end of a fiscal year; specifying the conditions
under which an account is terminated and providing for
the reversion of funds; exempting the state from
liability regarding the award or use of accounts;
requiring rulemaking; amending s. 1003.01, F.S.;
revising the definition of the term "regular school attendance" to add participation in the Florida Personal Learning Scholarship Account Program; amending s. 11.45, F.S.; authorizing the Auditor General to conduct audits of the accounts and records of nonprofit scholarship-funding organizations participating in the Florida Personal Learning Scholarship Account Program; repealing s. 1003.438, F.S., relating to special high school graduation requirements for certain exceptional students; amending s. 120.81, F.S.; correcting cross-references; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (cc) is added to subsection (8) of section 213.053, Florida Statutes, to read:

(8) Notwithstanding any other provision of this section, the department may provide:

(cc) For purposes of notification that a tax credit has been reserved, a copy of a letter of approval issued by the department to a taxpayer or dealer for an allocation of a tax credit to an eligible nonprofit scholarship-funding organization selected by the taxpayer or dealer in an application for a tax credit authorized under s. 1002.395.
Disclosure of information under this subsection shall be pursuant to a written agreement between the executive director and the agency. Such agencies, governmental or nongovernmental, shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of confidentiality is a misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083.

Section 2. Paragraph (f) of subsection (2), subsection (3), subsection (5), subsection (6), paragraph (e) of subsection (8), paragraphs (d) and (o) of subsection (9), and paragraph (a) of subsection (12) of section 1002.395, Florida Statutes, are amended, paragraphs (h) through (j) of subsection (2) are redesignated as paragraphs (i) through (k), respectively, and a new paragraph (h) is added to that subsection, paragraph (g) is added to subsection (7), and subsection (16) is added to that section, to read:

1002.395 Florida Tax Credit Scholarship Program.—
(2) DEFINITIONS.—As used in this section, the term:
(f) "Eligible nonprofit scholarship-funding organization" means a charitable organization that:
1. Is exempt from federal income tax pursuant to s. 501(c)(3) of the Internal Revenue Code;
2. Is a Florida entity formed under chapter 607, chapter 608, or chapter 617 and whose principal office is located in the state; and
3. Complies with subsections the provisions of subsection (6) and (16).

(h) "Household income" has the same meaning as the term "income" is defined in the Income Eligibility Guidelines for free and reduced price meals under the National School Lunch Program in 7 C.F.R. part 210 as published in the Federal Register by the United States Department of Agriculture.

(3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—

(a) The Florida Tax Credit Scholarship Program is established.

(b) For the 2014-2015 and 2015-2016 school years, contingent upon available funds, a student is eligible for a Florida tax credit scholarship under this section if the student meets one or more of the following criteria:

1. The student qualifies for free or reduced-price school lunches under the National School Lunch Act or is on the direct certification list; and:
   a. Was counted as a full-time equivalent student during the previous state fiscal year for purposes of state per-student funding;
   b. Received a scholarship from an eligible nonprofit scholarship funding organization or from the State of Florida during the previous school year; or
   c. Is eligible to enter kindergarten through fifth grade.

2. The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home
care as defined in s. 39.01; or-

3. The student continues in the scholarship program as long as the student's household income level does not exceed 230 percent of the federal poverty level.

4. The student, who is a first-time tax credit scholarship recipient, is a sibling of a student who is continuing in the scholarship program and who resides in the same household as the student if the sibling meets one or more of the criteria specified in subparagraphs 1. and 2. and as long as the student's and sibling's household income level does not exceed 230 percent of the federal poverty level.

(c) For the 2016-2017 school year and thereafter, contingent upon available funds, a student is eligible for a Florida tax credit scholarship under this section if the student meets one or more of the following criteria:

1. The student is on the direct certification list or the student's household income level does not exceed 185 percent of the federal poverty level;

2. The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home care as defined in s. 39.01; or

3. The student's household income level is greater than 185 percent of the federal poverty level but does not exceed 260 percent of the federal poverty level and the student:

   a. Spent the previous school year in attendance at a public school in the state and was enrolled and reported by the
school district for funding during October and February for purposes of the Florida Education Finance Program surveys;

b. Is eligible to enter kindergarten or grade 1; or
c. Received a scholarship from an eligible nonprofit scholarship-funding organization or the state during the previous school year.

A student who initially receives a scholarship based on eligibility under subparagraph (b)2. or subparagraph (c)2. remains eligible until the student graduates from high school or turns 21 years of age, whichever occurs first, regardless of the student's household income level. A sibling of a student who is participating in the scholarship program under this subsection is eligible for a scholarship if the student resides in the same household as the sibling.

(5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

(a)1. Beginning in the 2014-2015 state fiscal year, the tax credit cap amount is $387.80 million.

2. In the state fiscal year immediately following the first state fiscal year in which the tax credit cap amount is equal to or greater than 90 percent of the tax credit cap amount set forth in subparagraph 1., the tax credit cap amount is $477.30 million.

3. In the state fiscal year immediately following the first state fiscal year in which the tax credit cap amount is equal to or greater than 90 percent of the tax credit cap amount
set forth in subparagraph 2., the tax credit cap amount is
$589.10 million.

4. In the state fiscal year immediately following the
first state fiscal year in which the tax credit cap amount is
equal to or greater than 90 percent of the tax credit cap amount
set forth in subparagraph 3., the tax credit cap amount is
$728.90 million.

5. In the state fiscal year immediately following the
first state fiscal year in which the tax credit cap amount is
equal to or greater than 90 percent of the tax credit cap amount
set forth in subparagraph 4., the tax credit cap amount is
$903.80 million.

6. For each state fiscal year following the fiscal year in
which the tax credit cap amount in subparagraph 5. has been
reached, the tax credit cap amount is the same as the tax credit
cap amount in the previous state fiscal year. However, for any
state fiscal year in which the tax credit cap amount is equal to
or greater than 90 percent of the tax credit cap amount
applicable to that state fiscal year, the tax credit cap amount
shall increase by 25 percent for the immediately subsequent
state fiscal year.

7. The Department of Revenue shall publish the tax credit
cap amount on its website and shall update the tax credit cap
amount upon each increase. The tax credit cap amount is $229
million in the 2012-2013 state fiscal year.

2. In the 2013-2014 state fiscal year and each state
fiscal year thereafter, the tax credit cap amount is the tax
credit cap amount in the prior state fiscal year. However, in
any state fiscal year when the annual tax credit amount for the
prior state fiscal year is equal to or greater than 90 percent
of the tax credit cap amount applicable to that state fiscal
year, the tax credit cap amount shall increase by 25 percent.
The department shall publish on its website information
identifying the tax credit cap amount when it is increased
pursuant to this subparagraph.

(b) A taxpayer may submit an application to the department
for a tax credit or credits under one or more of s. 211.0251, s.
212.1831, s. 220.1875, s. 561.1211, or s. 624.51055.

1. The taxpayer shall specify in the application each tax
for which the taxpayer requests a credit and the applicable
taxable year for a credit under s. 220.1875 or s. 624.51055 or
the applicable state fiscal year for a credit under s. 211.0251,
s. 212.1831, or s. 561.1211. The department shall approve tax
credits on a first-come, first-served basis and must obtain the
division's approval before prior to approving a tax credit under
s. 561.1211.

2. Within 10 days after approving an application, the
department shall provide a copy of its approval letter to the
eligible nonprofit scholarship-funding organization specified by
the taxpayer in the application.

(c) If a tax credit approved under paragraph (b) is not
fully used within the specified state fiscal year for credits
under s. 211.0251, s. 212.1831, or s. 561.1211 or against taxes
due for the specified taxable year for credits under s. 220.1875
or s. 624.51055 because of insufficient tax liability on the
part of the taxpayer, the unused amount may be carried forward
for a period not to exceed 5 years. However, any taxpayer that
seeks to carry forward an unused amount of tax credit must
submit an application to the department for approval of the
carryforward tax credit in the year that the taxpayer intends to
use the carryforward. The department must obtain the division's
approval prior to approving the carryforward of a tax credit
under s. 561.1211.

(d) A taxpayer may not convey, assign, or transfer an
approved tax credit or a carryforward tax credit to another
entity unless all of the assets of the taxpayer are conveyed,
assigned, or transferred in the same transaction. However, a tax
credit under s. 211.0251, s. 212.1831, s. 220.1875, s. 561.1211,
or s. 624.51055 may be conveyed, transferred, or assigned
between members of an affiliated group of corporations if the
type of tax credit under s. 211.0251, s. 212.1831, s. 220.1875,
s. 561.1211, or s. 624.51055 remains the same. A taxpayer must
notify the department of its intent to convey, transfer, or
assign a tax credit to another member within an affiliated group
of corporations. The amount conveyed, transferred, or assigned
is available to another member of the affiliated group of
corporations upon approval by the department. The department
must obtain the division's approval before approving a
conveyance, transfer, or assignment of a tax credit under s. 561.1211.

(e) Within any state fiscal year, a taxpayer may rescind all or part of a tax credit approved under paragraph (b). The amount rescinded shall become available for that state fiscal year to another eligible taxpayer as approved by the department if the taxpayer receives notice from the department that the rescindment has been accepted by the department. The department must obtain the division's approval prior to accepting the rescindment of a tax credit under s. 561.1211. Any amount rescinded under this paragraph shall become available to an eligible taxpayer on a first-come, first-served basis based on tax credit applications received after the date the rescindment is accepted by the department.

(f) For purposes of calculating the underpayment of estimated corporate income taxes pursuant to s. 220.34 and tax installment payments for taxes on insurance premiums or assessments under s. 624.5092, the final tax amount due is the amount after credits earned under s. 220.1875 or s. 624.51055 for contributions to eligible nonprofit scholarship-funding organizations are deducted.

1. For purposes of determining if a penalty or interest shall be imposed for underpayment of an installment of estimated tax under s. 220.34(2)(d)1. by a taxpayer earning a credit under s. 220.1875, the tax computed at the rates applicable to the taxable year shall be reduced by the amount of any credit earned
under s. 220.1875 during the taxable year.

2. For insurers earning a credit under s. 624.51055, the net tax due as reported on the return for the preceding year under s. 624.5092(2)(b) shall be reduced by the amount of any credit earned under s. 624.51055 during the current taxable year before being multiplied by 27 percent.

(6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.—An eligible nonprofit scholarship-funding organization:

(a) Must comply with the antidiscrimination provisions of 42 U.S.C. s. 2000d.

(b) Must comply with the following background check requirements:

1. All owners and operators as defined in subparagraph (2)(i)1. (2)(h)1. are, before upon employment or engagement to provide services, subject to level 2 background screening as provided under chapter 435. The fingerprints for the background screening must be electronically submitted to the Department of Law Enforcement and can be taken by an authorized law enforcement agency or by an employee of the eligible nonprofit scholarship-funding organization or a private company who is trained to take fingerprints. However, the complete set of fingerprints of an owner or operator may not be taken by the owner or operator. The results of the state and national criminal history check shall be provided to the Department of Education for screening under chapter 435. The cost of the
background screening may be borne by the eligible nonprofit scholarship-funding organization or the owner or operator.

2. Every 5 years following employment or engagement to provide services or association with an eligible nonprofit scholarship-funding organization, each owner or operator must meet level 2 screening standards as described in s. 435.04, at which time the nonprofit scholarship-funding organization shall request the Department of Law Enforcement to forward the fingerprints to the Federal Bureau of Investigation for level 2 screening. If the fingerprints of an owner or operator are not retained by the Department of Law Enforcement under subparagraph 3., the owner or operator must electronically file a complete set of fingerprints with the Department of Law Enforcement. Upon submission of fingerprints for this purpose, the eligible nonprofit scholarship-funding organization shall request that the Department of Law Enforcement forward the fingerprints to the Federal Bureau of Investigation for level 2 screening, and the fingerprints shall be retained by the Department of Law Enforcement under subparagraph 3.

3. All Fingerprints submitted to the Department of Law Enforcement as required by this paragraph must be retained by the Department of Law Enforcement in a manner approved by rule and entered in the statewide automated biometric identification system authorized by s. 943.05(2)(b). The fingerprints must thereafter be available for all purposes and uses authorized for arrest fingerprints entered in the statewide automated biometric identification system.
identification system pursuant to s. 943.051.

4. The Department of Law Enforcement shall search all arrest fingerprints received under s. 943.051 against the fingerprints retained in the statewide automated biometric identification system under subparagraph 3. Any arrest record that is identified with an owner's or operator's fingerprints must be reported to the Department of Education. The Department of Education shall participate in this search process by paying an annual fee to the Department of Law Enforcement and by informing the Department of Law Enforcement of any change in the employment, engagement, or association status of the owners or operators whose fingerprints are retained under subparagraph 3. The Department of Law Enforcement shall adopt a rule setting the amount of the annual fee to be imposed upon the Department of Education for performing these services and establishing the procedures for the retention of owner and operator fingerprints and the dissemination of search results. The fee may be borne by the owner or operator of the nonprofit scholarship-funding organization.

5. A nonprofit scholarship-funding organization whose owner or operator fails the level 2 background screening **is not** eligible to provide scholarships under this section.

6. A nonprofit scholarship-funding organization whose owner or operator in the last 7 years has filed for personal bankruptcy or corporate bankruptcy in a corporation of which he
or she owned more than 20 percent shall not be eligible to provide scholarships under this section.

7. In addition to the offenses listed in s. 435.04, a person required to undergo background screening pursuant to this part or authorizing statutes must not have an arrest awaiting final disposition for, must not have been found guilty of, or entered a plea of nolo contendere to, regardless of adjudication, and must not have been adjudicated delinquent, and the record must not have been sealed or expunged for, any of the following offenses or any similar offense of another jurisdiction:

a. Any authorizing statutes, if the offense was a felony.
b. This chapter, if the offense was a felony.
c. Section 409.920, relating to Medicaid provider fraud.
d. Section 409.9201, relating to Medicaid fraud.
e. Section 741.28, relating to domestic violence.
f. Section 817.034, relating to fraudulent acts through mail, wire, radio, electromagnetic, photoelectronic, or photooptical systems.
g. Section 817.234, relating to false and fraudulent insurance claims.
h. Section 817.505, relating to patient brokering.
i. Section 817.568, relating to criminal use of personal identification information.
j. Section 817.60, relating to obtaining a credit card through fraudulent means.
k. Section 817.61, relating to fraudulent use of credit cards, if the offense was a felony.

l. Section 831.01, relating to forgery.

m. Section 831.02, relating to uttering forged instruments.

n. Section 831.07, relating to forging bank bills, checks, drafts, or promissory notes.

o. Section 831.09, relating to uttering forged bank bills, checks, drafts, or promissory notes.

p. Section 831.30, relating to fraud in obtaining medicinal drugs.

q. Section 831.31, relating to the sale, manufacture, delivery, or possession with the intent to sell, manufacture, or deliver any counterfeit controlled substance, if the offense was a felony.

(c) Must not have an owner or operator who owns or operates an eligible private school that is participating in the scholarship program.

(d) Must provide scholarships, from eligible contributions, to eligible students for the cost of:

1. Tuition and fees for an eligible private school; or

2. Transportation to a Florida public school that is located outside the district in which the student resides or to a lab school as defined in s. 1002.32.

(e) Must give first priority to eligible students who received a scholarship from an eligible nonprofit scholarship-
funding organization or from the State of Florida during the
previous school year. Beginning in the 2016-2017 school year, an
eligible nonprofit scholarship-funding organization shall give
priority to new applicants whose household income levels do not
exceed 185 percent of the federal poverty level or who are in
foster care or out-of-home care.

(f) Must provide a scholarship to an eligible student on a
first-come, first-served basis unless the student qualifies for
priority pursuant to paragraph (e).

(g) May not restrict or reserve scholarships for use at a
particular private school or provide scholarships to a child of
an owner or operator.

(h) Must allow a student in foster care or out-of-home
care to apply for a scholarship at any time.

(i) Must allow an eligible student to attend any
eligible private school and must allow a parent to transfer a
scholarship during a school year to any other eligible private
school of the parent's choice.

(j) May use up to 3 percent of eligible contributions
received during the state fiscal year in which such
contributions are collected for administrative expenses if the
organization has operated under this section for at least 3
state fiscal years and did not have any negative financial
findings in its most recent audit under paragraph (m). Such
administrative expenses must be reasonable and necessary for the
organization's management and distribution of eligible
contributions under this section. **Administrative expenses may also include professional development to support participating schools.** Up to **No more than** one-third of the funds authorized for administrative expenses under this subparagraph may be used for expenses related to the recruitment of contributions from taxpayers.

2. Must expend for annual or partial-year scholarships an amount equal to or greater than 75 percent of the net eligible contributions remaining after administrative expenses during the state fiscal year in which such contributions are collected. No more than 25 percent of such net eligible contributions may be carried forward to the following state fiscal year. Any amounts carried forward shall be expended for annual or partial-year scholarships in the following state fiscal year. Net eligible contributions remaining on June 30 of each year that are in excess of the 25 percent that may be carried forward shall be returned to the State Treasury for deposit in the General Revenue Fund.

3. Must, before granting a scholarship for an academic year, document each scholarship student's eligibility for that academic year. A scholarship-funding organization may not grant multiyear scholarships in one approval process.

   (k)-(j) Must maintain separate accounts for scholarship funds and operating funds.

   (l)-(k) With the prior approval of the Department of Education, may transfer funds to another eligible nonprofit [ weitere Informationen hier ]
scholarship-funding organization if additional funds are required to meet scholarship demand at the receiving nonprofit scholarship-funding organization. A transfer shall be limited to the greater of $500,000 or 20 percent of the total contributions received by the nonprofit scholarship-funding organization making the transfer. All transferred funds must be deposited by the receiving nonprofit scholarship-funding organization into its scholarship accounts. All transferred amounts received by any nonprofit scholarship-funding organization must be separately disclosed in the annual financial and compliance audit required in this section.

(m) Must provide to the Auditor General and the Department of Education an annual financial and compliance audit of its accounts and records conducted by an independent certified public accountant and in accordance with rules adopted by the Auditor General. The audit must be conducted in compliance with generally accepted auditing standards and must include a report on financial statements presented in accordance with generally accepted accounting principles set forth by the American Institute of Certified Public Accountants for not-for-profit organizations and a determination of compliance with the statutory eligibility and expenditure requirements set forth in this section. Audits must be provided to the Auditor General and the Department of Education within 180 days after completion of the eligible nonprofit scholarship-funding organization's fiscal year.
(n) Must prepare and submit quarterly reports to the Department of Education pursuant to paragraph (9)(m). In addition, an eligible nonprofit scholarship-funding organization must submit in a timely manner any information requested by the Department of Education relating to the scholarship program.

(o) 1.a. Must participate in the joint development of agreed-upon procedures to be performed by an independent certified public accountant as required under paragraph (8)(e) if the scholarship-funding organization provided more than $250,000 in scholarship funds to an eligible private school under this section during the 2009-2010 state fiscal year. The agreed-upon procedures must uniformly apply to all private schools and must determine, at a minimum, whether the private school has been verified as eligible by the Department of Education under paragraph (9)(c); has an adequate accounting system, system of financial controls, and process for deposit and classification of scholarship funds; and has properly expended scholarship funds for education-related expenses. During the development of the procedures, the participating scholarship-funding organizations shall specify guidelines governing the materiality of exceptions that may be found during the accountant's performance of the procedures. The procedures and guidelines shall be provided to private schools and the Commissioner of Education by March 15, 2011.

b. Must participate in a joint review of the agreed-upon procedures and guidelines developed under sub-subparagraph a.,
by February 2013 and biennially thereafter, if the scholarship-

funding organization provided more than $250,000 in scholarship

funds to an eligible private school under this section during

the state fiscal year preceding the biennial review. If the

procedures and guidelines are revised, the revisions must be

provided to private schools and the Commissioner of Education by

March 15, 2013, and biennially thereafter.

c. Must monitor the compliance of a private school with

paragraph (8)(e) if the scholarship-funding organization

provided the majority of the scholarship funding to the school.
For each private school subject to paragraph (8)(e), the

appropriate scholarship-funding organization shall notify the

Commissioner of Education by October 30, 2011, and annually

thereafter of:

(I) A private school's failure to submit a report required

under paragraph (8)(e); or

(II) Any material exceptions set forth in the report

required under paragraph (8)(e).

2. Must seek input from the accrediting associations that

are members of the Florida Association of Academic Nonpublic

Schools when jointly developing the agreed-upon procedures and

guidelines under sub-subparagraph 1.a. and conducting a review

of those procedures and guidelines under sub-subparagraph 1.b.

(p) Must maintain the surety bond or letter of credit

required by subsection (16). The amount of the surety bond or

letter of credit may be adjusted quarterly to equal the actual
amount of undisbursed funds based upon submission by the organization of a statement from a certified public accountant verifying the amount of undisbursed funds. The requirements of this paragraph are waived if the cost of acquiring a surety bond or letter of credit exceeds the average 10-year cost of acquiring a surety bond or letter of credit by 200 percent.

Any and all information and documentation provided to the Department of Education and the Auditor General relating to the identity of a taxpayer that provides an eligible contribution under this section shall remain confidential at all times in accordance with s. 213.053.

(7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM PARTICIPATION.—

(g) The parent must authorize the nonprofit scholarship-funding organization to access information needed for income eligibility determination and verification held by other state or federal agencies, including the Department of Revenue, the Department of Children and Families, the Department of Education, the Department of Economic Opportunity, and the Agency for Health Care Administration.

(8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An eligible private school may be sectarian or nonsectarian and must:

(e) Annually contract with an independent certified public accountant to perform the agreed-upon procedures developed under
paragraph (6)(o) (6)(m) and produce a report of the results if the private school receives more than $250,000 in funds from scholarships awarded under this section in the 2010-2011 state fiscal year or a state fiscal year thereafter. A private school subject to this paragraph must submit the report by September 15, 2011, and annually thereafter to the scholarship-funding organization that awarded the majority of the school's scholarship funds. The agreed-upon procedures must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The inability of a private school to meet the requirements of this subsection shall constitute a basis for the ineligibility of the private school to participate in the scholarship program as determined by the Department of Education.

(9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of Education shall:

(d) Annually verify the eligibility of expenditures as provided in paragraph (6)(d) using the audit required by paragraph (6)(m) (6)(l).

(o) Provide a process to match the direct certification list with the scholarship application data submitted by any nonprofit scholarship-funding organization eligible to receive the 3-percent administrative allowance under paragraph (6)(j) (6)(i).

(12) SCHOLARSHIP AMOUNT AND PAYMENT.—
(a) Except as provided in subparagraph 2., the amount of a scholarship provided to any student for any single school year by an eligible nonprofit scholarship-funding organization from eligible contributions shall be for total costs authorized under paragraph (6)(d), not to exceed annual limits, which shall be determined as follows:

1.a. For a scholarship awarded to a student enrolled in an eligible private school:

(I) For the 2009-2010 state fiscal year, the limit shall be $3,950.

(II) For the 2010-2011 state fiscal year, the limit shall be 60 percent of the unweighted FTE funding amount for that year.

(III) For the 2011-2012 state fiscal year and thereafter, the limit shall be determined by multiplying the unweighted FTE funding amount in that state fiscal year by the percentage used to determine the limit in the prior state fiscal year. However, in each state fiscal year that the tax credit cap amount increases pursuant to paragraph (5)(a) subparagraph (5)(a)2., the prior year percentage shall be increased by 4 percentage points and the increased percentage shall be used to determine the limit for that state fiscal year. If the percentage so calculated reaches 80 percent in a state fiscal year, no further increase in the percentage is allowed and the limit shall be 80 percent of the unweighted FTE funding amount for that state fiscal year and thereafter. Beginning in the 2016-2017 state fiscal year and thereafter.
fiscal year, the amount of a scholarship awarded to a student
enrolled in an eligible private school shall be equal to 82
percent of the unweighted FTE funding amount for that state
fiscal year and thereafter.

b. For a scholarship awarded to a student enrolled in a
Florida public school that is located outside the district in
which the student resides or in a lab school as defined in s.
1002.32, the limit shall be $500.

2. For the 2014-2015 and 2015-2016 state fiscal years, the
annual limit for a scholarship under sub-subparagraph 1.a. shall
be reduced by:

a. Twenty-five percent if the student's household income
level is equal to or greater than 200 percent, but less than 215
percent, of the federal poverty level.

b. Fifty percent if the student's household income level
is equal to or greater than 215 percent, but equal to or less
than 230 percent, of the federal poverty level.

3. For the 2016-2017 state fiscal year and thereafter, the
annual limit for a scholarship under sub-subparagraph 1.a. shall
be reduced by:

a. Twelve percent if the student's household income level
is greater than or equal to 200 percent, but less than 215
percent, of the federal poverty level.

b. Twenty-six percent if the student's household income
level is greater than or equal to 215 percent, but less than 230
percent, of the federal poverty level.
c. Forty percent if the student's household income level is greater than or equal to 230 percent, but less than 245 percent, of the federal poverty level.

d. Fifty percent if the student's household income level is greater than or equal to 245 percent, but less than or equal to 260 percent, of the federal poverty level.

(16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS; APPLICATION.—In order to participate in the scholarship program created by this section, a nonprofit scholarship-funding organization must submit an application for initial approval or renewal to the Office of Independent Education and Parental Choice no later than September 1 of each year before the school year for which the organization intends to offer scholarships.

(a) An application for initial approval must include:

1. A copy of the organization's incorporation documents and registration with the Division of Corporations of the Department of State.

2. A copy of the organization's Internal Revenue Service determination letter as a s. 501(c)(3) not-for-profit organization.

3. A description of the organization's financial plan that demonstrates sufficient funds to operate throughout the school year.

4. A description of the geographic region that the organization intends to serve and an analysis of the demand and unmet need for eligible students in that area.
5. The organization's organizational chart.

6. A description of the criteria and methodology that the organization will use to evaluate scholarship eligibility.

7. A description of the application process, including deadlines and any associated fees.

8. A description of the deadlines for attendance verification and scholarship payments.

9. A copy of the organization's policies on conflict of interest and whistleblowers.

10. A copy of a surety bond or letter of credit in an amount equal to 25 percent of the scholarship funds anticipated for each school year or $100,000, whichever is greater.

(b) In addition to the information required by subparagraphs (a)1.–9., an application for renewal must include:

1. A surety bond or letter of credit equal to the amount of undisbursed donations held by the organization based on the annual report submitted pursuant to paragraph (6)(m). The amount of the surety bond or letter of credit must be at least $100,000, but not more than $25 million.

2. The organization's completed Internal Revenue Service Form 990 submitted no later than November 30 of the year before the school year that the organization intends to offer the scholarships, notwithstanding the September 1 application deadline.

3. A copy of the statutorily required audit to the Department of Education and Auditor General.
4. An annual report that includes:
   a. The number of students who completed applications, by county and by grade.
   b. The number of students who were approved for scholarships, by county and by grade.
   c. The number of students who received funding for scholarships within each funding category, by county and by grade.
   d. The amount of funds received, the amount of funds distributed in scholarships, and an accounting of remaining funds and the obligation of those funds.
   e. A detailed accounting of how the organization spent the administrative funds allowable under paragraph (6)(j).
   
   (c) In consultation with the Department of Revenue and the Chief Financial Officer, the Office of Independent Education and Parental Choice shall review the application. The Department of Education shall notify the organization in writing of any deficiencies within 30 days after receipt of the application and allow the organization 30 days to correct any deficiencies.
   
   (d) Within 30 days after receipt of the finalized application by the Office of Independent Education and Parental Choice, the Commissioner of Education shall recommend approval or disapproval of the application to the State Board of Education. The State Board of Education shall consider the application and recommendation at the next scheduled meeting, adhering to appropriate meeting notice requirements. If the
State Board of Education disapproves the organization's application, it shall provide the organization with a written explanation of that determination. The State Board of Education's action is not subject to chapter 120.

(e) If the State Board of Education disapproves the renewal of a nonprofit scholarship-funding organization, the organization must notify the affected eligible students and parents of the decision within 15 days after disapproval. An eligible student affected by the disapproval of an organization's participation remains eligible under this section until the end of the school year in which the organization was disapproved. The student must apply and be accepted by another eligible nonprofit scholarship-funding organization for the upcoming school year. The student shall be given priority in accordance with paragraph (6)(f).

(f) All remaining funds held by a nonprofit scholarship-funding organization that is disapproved for participation shall revert to the Department of Revenue for redistribution to other eligible nonprofit scholarship-funding organizations.

(g) A nonprofit scholarship-funding organization is considered a renewing organization if it maintains continuous approval and participation in the program. An organization that chooses not to participate for 1 year or more or is disapproved to participate for 1 year or more must submit an application for initial approval in order to participate in the program again.

(h) The State Board of Education shall adopt rules
providing guidelines for receiving, reviewing, and approving applications for new and renewing nonprofit scholarship-funding organizations. The rules shall include a process for compiling input and recommendations from the Chief Financial Officer, the Department of Revenue, and the Department of Education. The rules shall also require that the nonprofit scholarship-funding organization make a brief presentation to assist the State Board of Education in its decision.

Section 3. A nonprofit scholarship-funding organization whose application for participation in the program established by s. 1002.395, Florida Statutes, was approved before July 1, 2014, shall, by August 1, 2014, provide a copy of a surety bond or letter of credit meeting the requirements of s. 1002.395(16), Florida Statutes, to the Office of Independent Education and Parental Choice.

Section 4. Section 1002.411, Florida Statutes, is created to read:

1002.411 Florida Personal Learning Scholarship Account Program.—

(1) FLORIDA PERSONAL LEARNING SCHOLARSHIP ACCOUNT PROGRAM.—The Florida Personal Learning Scholarship Account Program is established to enable parents of students with disabilities to customize their child's education using a wide range of instructional services.

(2) DEFINITIONS.—

(a) "Approved provider" means a provider of specialized
instructional services approved by the department, individuals
providing services through the Agency for Persons with
Disabilities, and providers approved pursuant to s. 1002.66.

(b) "Certified teacher" means a teacher who holds a valid
Florida professional certificate issued pursuant to s. 1012.56
to teach academic subjects at the elementary or secondary level.

(c) "Curriculum" means a complete course of study for a
particular content area or grade level, including any required
supplemental materials.

(d) "Eligible student" or "participating student" means a
student with a disability who is eligible for, or is
participating in, the Florida Personal Learning Scholarship
Account Program, as applicable.

(e) "Student with a disability" means a student in
kindergarten through grade 5 who has autism, cerebral palsy,
Down syndrome, an intellectual disability, Prader-Willi
syndrome, or spina bifida, as defined in s. 393.063. For a
student in kindergarten, the term also means a high-risk child
as defined in s. 393.063(20)(a).

(3) FLORIDA PERSONAL LEARNING SCHOLARSHIP ACCOUNT
ELIGIBILITY.—The parent of a student who resides in this state
may request and receive a Florida Personal Learning Scholarship
Account if:

(a) The student is eligible to enter kindergarten or grade
1 through grade 5 or received a Florida Personal Learning
Scholarship Account established pursuant to this section in the
previous school year;

(b) The student has been identified as a student with a disability by the school district in which he or she resides and the district has completed an individual educational plan written in accordance with rules of the State Board of Education; and

(c) The student is assigned to matrix Support Level IV or Support Level V pursuant to s. 1011.62(1).

For a student who is a first-time applicant, an administrative or a judicial proceeding may not be pending regarding the contents of the student's individual educational plan. For a student who is applying to renew a current Florida Personal Learning Scholarship Account, the existence of a pending administrative or judicial proceeding about a subsequent individual educational plan does not affect continued eligibility for an account.

(4) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM PARTICIPATION.—

(a) To receive a Florida Personal Learning Scholarship Account, the parent of an eligible student must:

1. No later than 60 days before one of the payment transfer dates specified in paragraph (8)(d), submit an application to an eligible nonprofit scholarship-funding organization in order to receive that payment and, if the student does not already have an active individual educational plan.
plan, request an annual educational evaluation from the school
district in which the student resides; and

2. Obtain an individual educational plan in accordance
with subsection (7) no later than 30 days before one of the
payment transfer dates specified in paragraph (8)(d) in order to
receive that payment.

(b) To maintain eligibility in the Florida Personal
Learning Scholarship Account Program, the parent of an eligible
student must:

1. Register the student's participation in the program
with the school district in which the student resides and
release the school district from all obligations to educate the
student.

2. Participate in the initial development of the
individual educational plan and the annual review of the plan
under subsection (7).

3. Submit eligible expenses to the nonprofit scholarship-
funding organization designated by the parent for reimbursement
of qualifying expenditures. Reimbursement requests must be
supported by documentation of services rendered, such as
receipts or invoices, and accompanied by an affidavit signed by
the parent certifying his or her compliance with the
requirements of this section. Eligible expenses include:

   a. Specialized instructional services by an approved
      provider.

   b. Tuition and fees for instructional services from an
eligible private school under s. 1002.39(8) or s. 1002.395(8).

c. Private tutoring pursuant to s. 1002.43.

d. Tuition and fees for enrollment in a virtual education program provided by an approved virtual education provider pursuant to s. 1002.37 or s. 1002.45 or in an approved online course offered pursuant to s. 1003.499 or s. 1004.0961.

e. Curriculum.

f. Costs incurred to comply with the annual educational evaluation required in this paragraph.

g. The fee authorized by paragraph (5)(a).

h. Services such as applied behavior analysis as defined in s. 627.6686, speech-language pathology as defined in s. 468.1125, occupational therapy as defined in s. 468.203, and physical therapy as defined in s. 486.021.

i. An advanced payment contract purchased through the Stanley G. Tate Florida Prepaid College Program for the benefit of the eligible student.

4. Maintain a portfolio of records and materials that consists of:

a. A log of educational instruction and services that is made contemporaneously with delivery of the instruction and services and that designates by title any reading materials used.

b. Samples of writings, worksheets, workbooks, or creative materials used or developed by the student.
The portfolio must be preserved by the parent for 2 years and made available for inspection by the district school superintendent, or his or her designee, upon 15 days' written notice. This subparagraph does not require the district school superintendent to inspect the portfolio.

5. Provide for an annual educational evaluation which documents the student's demonstration of educational progress at a level commensurate with his or her ability, which may include:
   a. Evaluation of the student's work portfolio by a certified teacher selected by the parent;
   b. Any nationally normed student achievement test administered by a certified teacher;
   c. A statewide, standardized assessment administered by a certified teacher, at a location and under testing conditions approved by the school district;
   d. Evaluation by an individual holding a valid, active license pursuant to the provisions of s. 490.003(7) or (8); or
   e. Any other valid measurement tool mutually agreed upon by the school superintendent of the district in which the student resides and the student's parent.

(c) The district school superintendent must review and accept the results of the annual educational evaluation of a participating student. If the student does not demonstrate educational progress at a level commensurate with his or her ability, the district school superintendent must notify the parent, in writing, that such progress has not been achieved. If
the student remains eligible for a Florida Personal Learning Scholarship Account, the parent has 1 year after the date of receipt of the written notification to provide remedial instruction to the student. At the end of the 1-year probationary period, the student must be reevaluated pursuant to subparagraph (b)5. Continued participation in the Florida Personal Learning Scholarship Account Program is contingent upon the student's demonstrating educational progress commensurate with his or her ability at the end of the probationary period.

(d) The parent is responsible for procuring the services necessary to educate the student. Once the student receives a Florida Personal Learning Scholarship Account, the district school board is not obligated to provide the student with a free appropriate public education. For purposes of s. 1003.57 and the Individuals with Disabilities Education Act, a participating student has only those rights that apply to all other unilaterally parentally placed students, except that, when requested by the parent, school district personnel must develop an individual educational plan in accordance with subsection (7).

(e) The parent is responsible for the payment of all eligible expenses in excess of the amount in the Florida Personal Learning Scholarship Account in accordance with the terms agreed to between the parent and the providers and may not receive any refund or rebate of any expenditures made in accordance with subparagraph (b)3.
(f) A student is eligible for only one Florida Personal Learning Scholarship Account and may not receive a scholarship under part III of this chapter.

(5) **OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.**—A nonprofit scholarship-funding organization participating in the Florida Tax Credit Scholarship Program under s. 1002.395 may establish Florida Personal Learning Scholarship Accounts for eligible students. An eligible nonprofit scholarship-funding organization must:

(a) Receive applications and determine student eligibility in accordance with the requirements of this section. Once an application is approved, the nonprofit scholarship-funding organization must provide the department with information on the student to enable the school district to report the student for funding in accordance with subsection (8). A nonprofit scholarship-funding organization may charge the parent of an eligible student up to a $25 fee to establish the Florida Personal Learning Scholarship Account but may not receive any other fees.

(b) Establish and maintain separate accounts for each eligible student.

(c) Verify qualifying expenditures before receipt of the quarterly distribution by the department.

(d) Return any unused funds to the department when a student is no longer eligible for a Florida Personal Learning Scholarship Account.
(e) Provide to the Auditor General and the department an annual financial and compliance audit of its accounts and records conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General. The audit must be conducted in compliance with generally accepted auditing standards and must include a report on financial statements presented in accordance with generally accepted accounting principles set forth by the American Institute of Certified Public Accountants for not-for-profit organizations and a determination of compliance with the requirements provided in this section. Audits must be provided to the Auditor General and the Department of Education within 180 days after completion of the nonprofit scholarship-funding organization's fiscal year. If a nonprofit scholarship-funding organization does not submit an annual audit, the Auditor General shall conduct the audit required by this paragraph.

(f) Prepare and submit quarterly reports to the department pursuant to paragraph (6)(f). In addition, a nonprofit scholarship-funding organization must submit in a timely manner any information requested by the department relating to the Florida Personal Learning Scholarship Account Program.

(6) DEPARTMENT OF EDUCATION OBLIGATIONS.—The department must:

(a) Maintain a list of approved providers.

(b) Require each eligible nonprofit scholarship-funding organization to verify eligible expenditures as provided in
subparagraph (4)(b)3. before reimbursement.

(c) Investigate any written complaint of a violation of this section in accordance with the process established by s. 1002.395(9)(f).

(d) Notify an eligible nonprofit scholarship-funding organization of any of the organization's identified students who are receiving educational scholarships pursuant to part III of this chapter.

(e) Notify an eligible nonprofit scholarship-funding organization of any of the organization's identified students who have established a Florida Personal Learning Scholarship Account with another eligible nonprofit scholarship-funding organization or who have been reported for funding by a school district or the Florida Virtual School.

(f) Require quarterly reports by an eligible nonprofit scholarship-funding organization regarding the number of students participating in the program, the providers of services to students, and other information deemed necessary by the department.

(7) SCHOOL DISTRICT OBLIGATIONS; PARENTAL OPTIONS.—

(a) Upon the request of a parent submitted at least 60 days before a payment transfer date specified in paragraph (8)(d), the school district in which the student resides shall conduct an initial evaluation of a student in accordance with s. 1003.57. If a determination is made that the student has a disability and needs special education and related services, an
(b) Evaluations and individual educational plans must be completed within the timeframes set forth in rules of the State Board of Education. If a student has been identified as a student with a disability under the Individuals with Disabilities Education Act pursuant to a current evaluation team report but the student does not have an individual educational plan because the student is not currently enrolled in a public school, the school district shall prepare an individual educational plan for the student.

(c) Upon completion of a student's individual educational plan, the school district shall provide the parent with an estimate of the approximate amount of funds that the student may receive in a Florida Personal Learning Scholarship Account.

(d) The school district in which an eligible student resides must:

1. Review the annual educational evaluation in accordance with paragraph (4)(c).

2. Annually review the individual educational plan of each student with a Florida Personal Learning Scholarship Account in consultation with the personnel of providers of the services selected by the parent for the student under subparagraph (4)(b)3.

(e) The school district developing the individual educational plan is not obligated to provide a participating student with a free appropriate public education. However, if,
at any time, a parent of a participating student decides to enroll the student in the school district, the school district must provide the student with a free appropriate public education.

(8) FLORIDA PERSONAL LEARNING SCHOLARSHIP ACCOUNT FUNDING AND PAYMENT.—

(a) The maximum amount granted for an eligible student with disabilities shall be calculated in accordance with s. 1002.39(10)(a).

(b) The school district shall report to the department for funding all students who are receiving a Florida Personal Learning Scholarship Account. These students must be reported separately from other students reported for purposes of the Florida Education Finance Program.

(c) Following notification on July 1, September 1, December 1, or February 1 of the number of Florida Personal Learning Scholarship Account Program participants, the department shall transfer, from general revenue funds only, the amount calculated under paragraph (a) from the school district's total funding entitlement under the Florida Education Finance Program and from authorized categorical accounts to a separate account for the Florida Personal Learning Scholarship Account Program for quarterly disbursement to the nonprofit scholarship-funding organization for participating students.

(d) After the department verifies the establishment of a Florida Personal Learning Scholarship Account for a
participating student by the nonprofit scholarship-funding organization, the department shall make payments to the nonprofit scholarship-funding organization selected by the parent in four equal amounts no later than September 1, November 1, February 1, and April 1 of each academic year in which the account is in force.

(e) Any funds remaining in a Florida Personal Learning Scholarship Account for an eligible student are carried forward to the next fiscal year until termination of the account. A Florida Personal Learning Scholarship Account shall be terminated if the student enrolls in and is reported for funding in any public educational program under s. 1000.04(1), (3), or (4); is determined ineligible for a Florida Personal Learning Scholarship Account under this section; graduates from high school; or reaches 22 years of age, whichever occurs first. Once an account is terminated, all remaining funds revert to the state.

(9) LIABILITY.—No liability shall arise on the part of the state based on the award or use of a Florida Personal Learning Scholarship Account.

(10) RULES.—The State Board of Education shall adopt rules to implement this section, including rules necessary to coordinate the respective responsibilities of the department, school districts, and nonprofit scholarship-funding organizations regarding the funding and administration of Florida Personal Learning Scholarship Accounts; criteria,
timelines, and a reporting format for quarterly reports by nonprofit scholarship-funding organizations; and a standard application form to be used by parents and nonprofit scholarship-funding organizations.

Section 5. Subsection (13) of section 1003.01, Florida Statutes, is amended to read:

1003.01 Definitions.—As used in this chapter, the term:

(13) "Regular school attendance" means the actual attendance of a student during the school day as defined by law and rules of the State Board of Education. Regular attendance within the intent of s. 1003.21 may be achieved by attendance in:

(a) Attendance in a public school supported by public funds;

(b) Attendance in a parochial, religious, or denominational school;

(c) Attendance in a private school supported in whole or in part by tuition charges or by endowments or gifts;

(d) Participation in a home education program under s. 1002.41; that meets the requirements of chapter 1002; or

(e) Attendance in a private tutoring program under s. 1002.43; or

(f) Participation in the Florida Personal Learning Scholarship Account Program under s. 1002.411 that meets the requirements of chapter 1002.

Section 6. Paragraph (y) is added to subsection (3) of
section 11.45, Florida Statutes, to read:

11.45 Definitions; duties; authorities; reports; rules.—

(3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor General may, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct audits or other engagements as determined appropriate by the Auditor General of:

(y) The accounts and records of a nonprofit scholarship-funding organization participating in the Florida Personal Learning Scholarship Account Program established by s. 1002.411.

Section 7. Section 1003.438, Florida Statutes, is repealed.

Section 8. Paragraph (c) of subsection (1) of section 120.81, Florida Statutes, is amended to read:

120.81 Exceptions and special requirements; general areas.—

(1) EDUCATIONAL UNITS.—

(c) Notwithstanding s. 120.52(16), any tests, test scoring criteria, or testing procedures relating to student assessment which are developed or administered by the Department of Education pursuant to s. 1003.4282, s. 1003.428, s. 1003.429, s. 1003.438, s. 1008.22, or s. 1008.25, or any other statewide educational tests required by law, are not rules.

Section 9. This act shall take effect July 1, 2014.