

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 Appropriations Subcommittee on Pre-K - 12 Education

BILL: CS/SB 1756

INTRODUCER: Education Committee and Senator Simmons

SUBJECT: School Accountability

DATE: February 7, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Olenick</u>	<u>Graf</u>	<u>ED</u>	Fav/CS
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	Pre-meeting
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1756 strengthens the accountability provisions for private schools that participate in state school choice scholarship programs and applies such provisions consistently to the participating schools. Specifically, the bill:

- Increases the number of site visits to private schools that the Department of Education (DOE or department) must make and the scope of such visits to require the DOE to:
 - Annually visit at least 5 percent of private schools participating in state scholarship programs, with opportunities for follow-up visits.
 - Visit each private school that notifies the department of the school's intent to participate in a state scholarship program.
- Modifies the teacher qualification requirements for private schools that participate in state scholarship programs to require:
 - Teachers of students in grade 2 or above to hold a baccalaureate or higher degree from a regionally or nationally accredited college or university.
 - The private schools to report to the DOE and to parents specified information regarding the qualifications of each teacher hired by such schools.
- Requires the Division of State Fire Marshal to provide annually to the DOE a report of fire safety inspections of private schools that participate in a state scholarship program.
- Requires a private school that receives more than \$250,000 in a state fiscal year from any state scholarship program to provide to the DOE a specified financial report from an independent certified public accountant.

- Makes a private school ineligible to participate in a state scholarship program if the owner or operator of the private school was a debtor in a voluntary or involuntary bankruptcy petition within the most recent 5 years.

According to the DOE, the requirements of the bill will cost an estimated of \$740,000. Please see Section V. Fiscal Impact Statements for additional fiscal detail.

The bill takes effect July 1, 2018.

II. Present Situation:

The present situation for the relevant portions of the bill is discussed in the Effect of Proposed Changes section of this bill analysis.

III. Effect of Proposed Changes:

Present Situation

Florida law has established various scholarship programs to promote school choice and assist parents in the placement of their children in diverse educational settings including private schools.¹

During the 2016-2017 school year, 2,663 private schools² submitted the annual private school database survey form³ to register with the Department of Education (DOE or department). Of the schools that filed the survey, 1,978 schools participated in at least one state scholarship program.⁴ The private schools that participated in a state scholarship program during the 2016-2017 school year served 136,992 students.⁵

Currently, the following three state school choice scholarship programs are available to students to attend private schools in the state:⁶

- The Florida Tax Credit Scholarship Program (FTC scholarship program) was established in 2001.⁷ The purpose of the FTC scholarship program is to encourage taxpayers to make private, voluntary contributions to non-profit scholarship-funding organizations (SFOs), expand educational opportunities for families that have limited financial resources, and improve the quality of education in this state by expanding the educational opportunities for

¹ Sections 1002.385, 1002.39, and 1002.395, F.S.

² Florida Department of Education, *Florida's Private Schools – 2016-17 Annual Report*, available at <http://www.fldoe.org/core/fileparse.php/7562/urlt/Private-School-Report-2016-17.pdf>, at 2.

³ The Annual Database Survey includes a notarized statement ascertaining that the owner of the private school has complied with statutory requirements related to background screening, fingerprinting, and valid Florida teaching certificate. Section 1002.42(2)(b)-(c), F.S.; see also Florida Department of Education, *Florida's Private Schools – 2016-17 Annual Report*, available at <http://www.fldoe.org/core/fileparse.php/7562/urlt/Private-School-Report-2016-17.pdf>, at 1.

⁴ Email, Florida Department of Education (Jan. 12, 2018).

⁵ Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf, at 8; see also Florida Department of Education, *Fact Sheet – McKay Scholarship Program* (Sep. 2017), available at http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay_Aug_2017.pdf.

⁶ Sections 1002.385, 1002.39, and 1002.395, F.S.

⁷ Section 1002.395, F.S.; see s. 5, ch. 2001-225, L.O.F.

children and creating incentives for schools to achieve excellence.⁸ During the 2016-2017 school year, 97,900 students attending 1,733 private schools received an FTC scholarship.⁹

- The John M. McKay Scholarship for Students with Disabilities Program (McKay scholarship program) was established in 2002.¹⁰ The McKay scholarship program provides an option to students with disabilities¹¹ who have an individual educational plan or a 504 accommodation plan to attend a public school other than the one that the student is assigned or to receive a scholarship to a private school of choice.¹² The program is administered by the DOE.¹³ During the 2016-2017 school year, 31,499 special needs students attended 1,454 private schools with a McKay scholarship.¹⁴
- The Gardiner Scholarship Program was established in 2014¹⁵ to provide the option for a parent of an eligible child¹⁶ to better meet the individual educational needs of his or her child who has a disability.¹⁷ Funds are distributed to a qualified SFO to establish accounts for eligible students.¹⁸ During the 2016-2017 school year, 7,593 students¹⁹ received the Gardiner scholarship with the average student receiving 10,000 per scholarship award.²⁰

Requirements for Private Schools to Participate in State Scholarship Programs

A private school that chooses to participate in a state scholarship program must comply with certain statutory requirements, such as meeting the applicable state and local health, safety, and

⁸ Section 1002.395(1)(b), F.S.

⁹ Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf, at 8.

¹⁰ Section 104, ch. 2002-387, L.O.F.

¹¹ Students with disabilities include K-12 students who are documented as having an intellectual disability; a speech impairment; a language impairment; a hearing impairment, including deafness; a visual impairment, including blindness; a dual sensory impairment; an orthopedic impairment; another health impairment; an emotional or behavioral disability; a specific learning disability, including, but not limited to, dyslexia, dyscalculia, or developmental aphasia; a traumatic brain injury; a developmental delay; or autism spectrum disorder. Section 1002.39(1)(b), F.S.

¹² Section 1002.39(1), F.S.

¹³ Section 1002.39(6), F.S.

¹⁴ Florida Department of Education, *Fact Sheet – McKay Scholarship Program* (Sep. 2017), available at http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay_Aug_2017.pdf.

¹⁵ Section 16, ch. 2014-184, L.O.F.

¹⁶ Section 1002.385(1) and (3), F.S.

¹⁷ Students with disabilities include K-12 students who are documented as having Autism spectrum disorder, as defined in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, published by the American Psychiatric Association; cerebral palsy, as defined in s. 393.063(6); Down syndrome, as defined in s. 393.063(15); an intellectual disability, as defined in s. 393.063(24); Phelan-McDermid syndrome, as defined in s. 393.063(28); Prader-Willi syndrome, as defined in s. 393.063(29); spina bifida, as defined in s. 393.063(40); being a high-risk child, as defined in s. 393.063(23)(a); muscular dystrophy; Williams syndrome; rare diseases which affect patient populations of fewer than 200,000 individuals in the United States, as defined by the National Organization for Rare Disorders; anaphylaxis; deaf; visually impaired; traumatic brain injured; hospital or homebound; or identification as dual sensory impaired, as defined by rules of the State Board of Education and evidenced by reports from local school districts. The term “hospital or homebound” includes a student who has a medically diagnosed physical or psychiatric condition or illness, as defined by the state board in rule, and who is confined to the home or hospital for more than 6 months. Section 1002.385(2)(d), F.S.

¹⁸ Section 1002.385, F.S.

¹⁹ Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf, at 8.

²⁰ Florida Department of Education, *Fact Sheet – The Gardiner Scholarship Program* (Dec. 2017), available at http://www.fldoe.org/core/fileparse.php/5606/urlt/Gardiner_Dec_2017.pdf.

welfare laws, code, and rules; employing teachers who meet specified requirements; and demonstrating fiscal soundness and accountability.²¹

Accordingly, a private school that chooses to participate in a state scholarship program must submit to the DOE a Scholarship Compliance Form²² and has 60 days to resolve any outstanding compliance issues.²³ To renew the school's eligibility for participation in a state scholarship program, the participating private school must submit the Scholarship Compliance Form, Private School Annual Survey,²⁴ and fiscal soundness documentation.²⁵

Site Visits

Florida law specifies the requirements related to site visits by the DOE to private schools that participate in the FTC scholarship program and the McKay scholarship program. The Gardiner scholarship program requirements do not address site visits.

Number of Visits

Present Situation

Currently, the DOE:

- May not make more than 7 site visits each year to private schools that participate in the FTC scholarship program.²⁶ However, the department may make additional site visits at any time to a school that has received a notice of noncompliance or a notice of proposed action within the previous two years.²⁷
- May not make more than 3 random visits each year and may not make more than 1 random visit each year to the same private school that participates in the McKay Scholarship Program.²⁸

Effect of Proposed Change

Section 6 of the bill amends s. 1002.421, F.S., to require the DOE to:

- Annually visit up to 5 percent of the schools participating in state scholarship programs and authorizes the department to visit up to 7 percent of such schools, which will include visits to schools participating in the FTC scholarship program, McKay scholarship program, Gardiner

²¹ Section 1002.421, F.S.; *see also* ss. 1002.385, 1002.39, and 1002.395, F.S.

²² The Scholarship Compliance Form delineates private school reporting requirements specified pursuant to Section 1002.42, F.S., and statutory and regulatory requirements related to the areas of school location and contact information; school ownership; affiliation; financial solvency; school administration; school staffing; school program; student health, safety, and welfare; student records; school facility; and submission of the scholarship compliance form. Rule 6A-6.03315(4), F.A.C.

²³ Rule 6A-6.03315(3), F.A.C.

²⁴ The Department of Education must organize, maintain, and annually update a database of educational institutions within the state coming within the provisions of this section. There must be included in the database of each institution the name, address, and telephone number of the institution; the type of institution; the names of administrative officers; the enrollment by grade or special group (e.g., career education and exceptional child education); the number of graduates; the number of instructional and administrative personnel. Section 1002.42(2)(a), F.S.

²⁵ Fiscal soundness is demonstrated by filing with the Department of Education a surety bond or letter of credit for the amount equal to the scholarship funds for any quarter. Section 1002.421(f)(1), F.S.

²⁶ Section 1002.395(9)(n)1., F.S.

²⁷ *Id.*

²⁸ Section 1002.385(6)(f)1., F.S.

scholarship program, or another state scholarship program. As a result, this provision will likely annually impact an estimated 99 to 138 private schools participating in state scholarship programs.²⁹ Additionally, consistent with the requirement for private schools that participate in the FTC scholarship program,³⁰ the bill authorizes the department to make follow-up visits at any time to any school participating in a state scholarship program, which receives a notice of noncompliance or a notice of proposed action within the previous 2 years, or for a cause that affects the health, safety, and welfare of a student.³¹

- Visit each private school that notifies the department of the school's intent to participate in a state scholarship program. Currently, the department is not required to visit such schools.³²

Scope of Visits

Present Situation

The purpose of the site visits must be solely to verify the information reported by the schools concerning the enrollment and attendance of students, the credentials of teachers, background screening of teachers, and teachers' fingerprinting results.³³ This purpose currently applies only to the private schools that participate in the FTC scholarship program and the McKay scholarship program.

Effect of Proposed Change

Section 6 of the bill adds to the scope of the site visits to require the DOE to verify compliance with health, safety and welfare of students and applies the scope for site visits consistently to private schools that participate in the FTC scholarship program, McKay scholarship program, Gardiner scholarship program, or other state scholarship programs under chapter 1002.

Specifically, the expansion of the purpose of the site visits to include a verification of health, safety, and welfare of students is consistent with statute specific to the health, safety, and welfare of students.

For instance, statute:

²⁹ Staff analysis based on 1,978 private schools that participated in at least one state scholarship program during 2016-2017 school year. Email, Florida Department of Education (Jan. 12, 2018).

³⁰ Section 1002.395(9)(n)1., F.S.

³¹ Currently, for the Florida Tax Credit (FTC) scholarship program and the McKay scholarship program, the Commissioner of Education (commissioner) must deny, suspend, or revoke a private school's participation in the McKay Scholarship program if it is determined that the private school has failed to comply with the specified requirements. However, if the noncompliance is correctable within a reasonable amount of time and if the health, safety, or welfare of students is not threatened, the commissioner may issue a notice of noncompliance which provides the private school with the timeframe within which to provide evidence of compliance before taking action to suspend or revoke the private school's participation in the scholarship program. Sections 1002.39(7)(a)1., and 1002.395(11)(a)1., F.S.

³² Telephone interview with Florida Department of Education staff (Jan. 19, 2018). A new private school is a private school that did not have scholarship students during the current or previous school year. New schools may submit the Scholarship Compliance Form at any time; however, the department does not allow the school to enroll scholarship students until the school has adequately demonstrated compliance with all program requirements. Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf, at 7 of 25; see also Rule 6A-6.03315(1)(b) and (3), F.A.C.

³³ Sections 1002.39(6)(f)1., and 1002.395(9)(n)1., F.S.

- Requires private schools to meet the state and local health, safety, and welfare laws, codes, and rules, as a condition for participating in a state scholarship program.³⁴
- Authorizes the Commissioner of Education (commissioner) to deny, suspend, or revoke a private school's participation in the McKay scholarship program if the commissioner determines that an owner or operator of the private school is operating or has operated an educational institution in this state or in another state in a manner contrary to the health, safety, or welfare of the public.³⁵ Statute specifies a similar provision for the FTC scholarship program.³⁶

Increasing the number of site visits by the DOE and consistently applying the scope of visit to participating private schools may strengthen accountability for state scholarship programs.

During the 2016-2017 school year, 14 private schools were formally notified of the upcoming site visit via mail and e-mail.³⁷ Each site visit was conducted by three staff members from the Office of Independent Education and Parental Choice with the aid of the Site Visit Procedure Manual,³⁸ developed by the department.³⁹ Of the private schools that the department visited, 13 schools were not able to demonstrate compliance with the statutes related to required program documentation at the time of the site visit, due to:⁴⁰

- Incomplete documentation of teacher qualifications and background screening results,
- Insufficient evidence of required student records, and
- Missing or insufficient compliance documentation for the physical location of the school.

However, all such schools subsequently were able to supply the required documentation and were able to continue uninterrupted participation in the scholarship programs.⁴¹

Teacher Qualifications (Section 6)

Present Situation

A private school that participates in a state scholarship program must employ or contract with teachers who:⁴²

- Hold baccalaureate or higher degrees,
- Have at least 3 years of experience in public or private schools, or
- Have special skills, knowledge, or expertise that qualifies them to provide instruction in subjects taught.

³⁴ Section 1002.421(2)(g), F.S.

³⁵ Section 1002.39(7)(a)2., F.S.

³⁶ Section 1002.395(11)(a)2., F.S.

³⁷ Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf, at 12 of 25.

³⁸ The manual identifies procedures to be followed by department staff conducting the site visits. The manual includes statutory references for each private school requirement and background information and copies of supporting compliance documentation submitted by the selected private schools. *Id.*

³⁹ Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf, at 12 of 25.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Section 1002.421(2)(h), F.S.

Effect of Proposed Change

Section 6 of the bill modifies the teacher qualification requirements for teachers employed by private schools that participate in state scholarship programs to:

- Apply the teacher qualifications specified in law⁴³ to teachers teaching students in grade 1 and below. The bill describes special skills to mean skills that are objectively identified.
- Require that the teachers teaching students in grade 2 or above hold a baccalaureate or higher degree from a college or university that is accredited by a regional or national accrediting agency recognized by the United States Department of Education.
- Require the private schools to report to the DOE, in a format developed by the department, specified information regarding the qualifications of each teacher hired by such schools, including but not limited to, an explanation of the objectively identified special skills or expertise of the applicable teachers. Additionally, this section requires the private schools to provide to information regarding teacher qualifications to the parent of each student receiving a scholarship, by either posting such information on the school's website or by providing the information in a written form.

By clarifying and requiring documentation of credentials, this section may improve the qualifications for teachers employed by private schools that participate in state scholarship programs. The reporting of teacher qualifications to the DOE may assist the department with its review of whether the private schools that participate in state scholarship programs comply with the specified requirements. Additionally, the transmittal of such information to parents may assist the parents in making decisions about the placement of their children in private schools that participate in state scholarship programs.

To be exempt from the background screening requirements under law,⁴⁴ section 6 clarifies that an employee or contracted personnel must not be ineligible for employment based on the conditions specified in law,⁴⁵ in addition to meeting the existing requirements under law regarding holding a valid Florida teaching certificate and undergoing fingerprinting in accordance with the law.⁴⁶

Safety Inspection Reporting Requirements (Section 6)*Present Situation*

Florida law specifies the requirements for private schools to participate in state school choice scholarship programs.⁴⁷ The requirements include, but are not limited to, meeting applicable state and local health, safety, and welfare codes, and rules, including fire safety and building safety.⁴⁸

⁴³ Section 1002.421(2)(h), F.S.

⁴⁴ Section 1002.421(2)(i)4., F.S.

⁴⁵ A person is ineligible for educator certification, and instructional personnel and school administrators are ineligible for employment in any position that requires direct contact with students in a district school system, charter school, or private school that accepts state scholarship students under the FTC scholarship program or the McKay scholarship program, if the person, instructional personnel, or school administrator has been convicted of a felony offense, misdemeanor offense, criminal act, or delinquent act specified in law. Section 1012.315, F.S.

⁴⁶ Sections 1002.421(2)(i)4., and 1012.32, F.S.

⁴⁷ Section 1002.421, F.S.

⁴⁸ Section 1002.421(2)(g), F.S.

Currently, fire safety inspections of the private schools that participate in state scholarship programs are conducted by local fire departments.⁴⁹ The fire safety inspection reports are submitted by the private schools to the DOE.⁵⁰

Effect of Proposed Change

Section 6 of the bill requires the Division of State Fire Marshal to annually provide to the DOE, a fire safety inspection report prepared by local fire departments or by entities with whom they contract to conduct fire safety inspections of private schools, for each private school that participates in a state scholarship program. This modification may strengthen the accountability for private schools who participate in state scholarship programs and ensure that students are being educated in a safe environment.

Financial Reporting Requirements (Section 5 and 6)

Florida law specifies financial reporting requirements for private schools and scholarship funding organizations (SFOs).

Private Schools

Present Situation

A private school that participates in the FTC scholarship program, must provide a report from an independent certified public accountant who performs the agreed-upon procedures developed pursuant to the law if the private school receives more than \$250,000 in funds in a state fiscal year from that scholarship program.⁵¹ Florida law specifies a similar provision for the Gardiner scholarship program.⁵²

The private school must annually submit the report by September 15 to the SFO that provided awards for the majority of the school's scholarship funds.⁵³ The agreed-upon procedures must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.⁵⁴

Effect of Proposed Change

Section 6 requires a private school that receives more than \$250,000 in funds from any state scholarship program in a state fiscal year to provide to the DOE a report of the balance sheet and statement of income expenditures in accordance with generally accepted accounting procedures from an independent certified public accountant who performs the agreed-upon procedures. This may assist with strengthening the financial accountability of private schools that participate in state scholarship programs.

⁴⁹ Email, Florida Department of Education (Jan. 11, 2018); *see also* Rule 6A-6.03315(4), F.A.C.

⁵⁰ *Id.*

⁵¹ Section 1002.395(8)(e), F.S.

⁵² Section 1002.385(8)(e), F.S.

⁵³ Sections 1002.385(8)(e), and 1002.395(8)(e), F.S.

⁵⁴ *Id.*

Scholarship Funding Organizations

Present Situation

An eligible nonprofit scholarship-funding organization may be a state university; an independent college or university that is eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program, located and chartered in this state, is not for profit, and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; or a charitable organization that:⁵⁵

- Is exempt from federal income tax pursuant to section 501(c)(3) of the Internal Revenue Code;
- Is a Florida entity formed under chapter 605, chapter 607, or chapter 617 and whose principal office is located in the state; and
- Complies with SFO obligations and application requirements specified in law.⁵⁶

SFOs administer both the FTC scholarship program and the Gardiner scholarship program.⁵⁷ The DOE has approved Step Up for Students and A.A.A. Scholarship Foundation – FL, LLC to administer the FTC scholarship program and the Gardiner scholarship program.⁵⁸

Currently, under the FTC scholarship program, an SFO must participate in the joint development of agreed-upon procedures to be performed by an independent certified accountant if the SFO provided more than \$250,000 in scholarship funds to an eligible private school under the FTC scholarship program during the 2009-2010 state fiscal year.⁵⁹ Additionally, the SFO must also participate in a joint review of the agreed-upon procedures and guidelines by February 2013 and biennially thereafter, if the SFO provided more than \$250,000 in scholarship funds to an eligible private school under the FTC scholarship program during the state fiscal year preceding the biennial review.⁶⁰

Effect of Proposed Change

Section 5 amends s. 1002.395, F.S., to modify the financial reporting requirements for the SFOs by applying the specified requirements to SFOs that provide more than \$250,000 in scholarship awards under any state scholarship program under chapter 1002.

Ineligibility of Private Schools to Participate in State Scholarship Programs (Section 6)

Present Situation

The DOE must suspend the payment of funds under the FTC scholarship program and the McKay scholarship program to a private school that knowingly fails to comply with the law, and must prohibit the school from enrolling new scholarship students, for 1 fiscal year and until the

⁵⁵ Section 1002.395(2)(f), F.S.

⁵⁶ Section 1002.395(2)(f)3., (6), and (16), F.S.

⁵⁷ Sections 1002.385 and 1002.395, F.S.

⁵⁸ Florida Department of Education, *Scholarship Funding Organizations*, available at <http://www.fldoe.org/schools/school-choice/k-12-scholarship-programs/sfo/> (last visited Jan. 19, 2018).

⁵⁹ Section 1002.395(6)(o)1.a., F.S.

⁶⁰ Section 1002.395(6)(o)1.b., F.S.

school complies.⁶¹ Additionally, Florida law specifies that for both the FTC scholarship program and the Gardiner scholarship program, if a private school is unable to meet the specified requirements or has consecutive years of material exceptions listed in the required report on agreed-upon procedures, the commissioner may determine that private school as ineligible to participate in that scholarship program.⁶² A similar provision exists for the McKay scholarship program.⁶³

Effect of Proposed Change

Section 6 of the bill clarifies and strengthens language such that the failure or refusal of a private school to meet the applicable accountability and reporting requirements specified in law must constitute a basis for the ineligibility of that private school to participate in a state scholarship program. This clarification is applied consistently to the FTC scholarship program, McKay scholarship program, Gardiner scholarship program, or other state scholarship program under chapter 1002 of the Florida Statutes.

In addition, section 6 adds an additional criteria that a private school is ineligible to participate in a state scholarship program if the owner or operator of the private school was a debtor in a voluntary or involuntary bankruptcy petition within the most recent 5 years.

Other Provisions (Sections 1, 2, 3, 7, 8, and 9)

Sections 1, 3, 7, 8, and 9 make conforming changes to cross-references in related sections of statute.

Section 2 amends s. 1002.20, F.S., to update the name of the Florida Personal Learning Scholarship Accounts Program to the Gardiner Scholarship Program, consistent with the law.

This bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁶¹ Section 1002.421(4), F.S.

⁶² Sections 1002.385(8)(e) and 1002.395(8), F.S.

⁶³ Section 1002.39(8), F.S.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

To be eligible to participate in state scholarship programs, the bill requires a private school to comply with additional accountability provisions and reporting requirements that may increase costs. Also, as a result of clarifying and modifying teacher credentials for employment, the costs of hiring teachers for private schools that participate in scholarship programs may increase.

C. Government Sector Impact:

According to the Department of Education (DOE), the requirements of the bill will cost approximately \$740,000.⁶⁴

The bill requires the department to conduct site visits to at least 5 percent of participating private schools and to each school that notifies the department of its intent to participate in a scholarship program. For the 2017-18 school year, there are 1,978 participating private schools. Between July 2016 and June 2017, 296 private schools began the process to become newly eligible to participate in the scholarship programs. Using this as a baseline, the department would be required to conduct 395 site visits. The department estimates that three additional FTE positions will be needed to perform the required site visits at a cost of approximately \$250,000. The travel cost associated with these site visits is estimated at \$50,000.

Additionally, the bill requires private schools that receive in excess of \$250,000 in scholarship funding to submit an annual report from an independent certified public accountant who performs the agreed-upon procedures (AUP). Based on 2017-18 data, this would require the DOE to review more than 250 reports to determine if the schools had material exceptions set forth in the report. The bill also requires these schools to annually submit to the department a report of the balance sheet and statement of income expenditures in accordance with generally accepted accounting procedures from an independent certified public accountant. Based on 2016-17 data, over 1,000 schools would be required to submit these financial reports to the department. The department estimates three additional FTE, at a cost of approximately \$250,000, are needed to accept and review the AUP reports and balance sheets, and to conduct any follow-up work that may be required.

Finally, the bill requires each private school to submit to the department the qualifications of each teacher hired by the school, including but not limited to, an explanation of the objectively identified special skills or expertise of such teachers. Currently, there are approximately 22,000 teachers employed in participating private schools. The DOE

⁶⁴ Email, Florida Department of Education (January 29, 2018).

expects this will require a manual review of each teacher's qualifications. To conduct the initial review of all 22,000 teachers, the department estimates that one additional FTE and two temporary full-time staff positions are needed, at a cost of approximately \$190,000.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.10, 1002.20, 1002.385, 1002.39, 1002.395, 1002.421, 1006.061, 1012.315, and 1012.796.

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Education on January 22, 2018:

The committee substitute modifies the provision in the bill regarding teacher qualifications for teachers employed by private schools that participate in state scholarship programs with two clarifications to:

- Specify that teachers teaching students in grade 2 or above hold a baccalaureate or higher degree from a regionally or nationally accredited college or university, and applies the teacher qualifications specified in current law to teachers teaching students in grade 1 and below.
- Add a requirement for the private schools to report information regarding teacher qualifications to the parent of each student receiving a scholarship, by either posting such information on the school's website or by providing the information in a written form.

B. Amendments:

None.