By Senator Wise

5-1476-03

A bill to be entitled 1 2 An act relating to education; creating s. 1002.395, F.S.; creating the Reduce Class Size 3 4 Scholarship Opportunity Program; providing for 5 eligibility; providing legislative intent; providing for scholarship funding and payment; 6 7 providing for rulemaking; amending s. 220.187, F.S., relating to corporate tax credits for 8 9 contributions to nonprofit scholarship-funding 10 organizations; amending purposes to include 11 children eligible to participate in the Reduce 12 Class Size Scholarship Opportunity Program; redefining the term "qualified student"; 13 revising the maximum allowable amount of total 14 scholarship funding tax credits; providing an 15 effective date. 16 17 Be It Enacted by the Legislature of the State of Florida: 18 19 20 Section 1. Section 1002.395, Florida Statutes, is created to read: 21 22 1002.395 Reduce Class Size Scholarship Opportunity 23 Program. --24 (1) REDUCE CLASS SIZE SCHOLARSHIP OPPORTUNITY 25 PROGRAM. -- There is established the Reduce Class Size 26 Scholarship Opportunity Program (RCSSOP) to fulfill the class 27 size reduction mandate set forth in s. 1 of Art. IX of the State Constitution, while providing to residents of this state 28 29 who have children in overcrowded schools a choice in the type 30 of educational setting in which their children are taught. The

students who are attending overcrowded schools by providing scholarships to such students to attend a private school as defined in s. 623.02 or a nonprofit organization that charges tuition and has exempt status under s. 501(c)(3) of the Internal Revenue Code of 1986, as amended.

- (2) SCHOLARSHIP ELIGIBILITY.--The parent of a public school student whose assigned school or classroom is overcrowded, according to the definition of an overcrowded school and classroom established by the Department of Education, is eligible to participate in the RCSSOP. A student may receive a Reduce Class Size Scholarship Opportunity Program Scholarship as follows:
- (a) If the number of students in a qualifying school or classroom who desire to participate in any year exceeds the number permitted to participate, the students shall be selected by lottery, using a method approved by the Commissioner of Education. To the greatest extent possible, the lottery must provide that the same percentage of students eligible for free or reduced-price lunches who are enrolled in the public school are selected for the program; and
- scholarship must have obtained acceptance for admission of the student to a private school or nonprofit organization that is eligible for the program and must have notified the school district of the request for a RCSSOP Scholarship at least 60 days before the date of the first scholarship payment.

  Notification must be made by communicating directly with the school district or through the Department of Education in a manner that creates a written or electronic record of the notification and the date of the notification of the request for a scholarship.

For purposes of continuity of educational choice, a RCSSOP Scholarship may remain in effect until a student graduates from high school.

(3) ELIGIBILITY OF PRIVATE SCHOOL OR NONPROFIT

ORGANIZATION.--To be eligible to participate in the RCSSOP, a private school or nonprofit organization must be located in this state and must:

(a) Have an admissions policy that does not discriminate as to race, religion, ethnicity, national origin, or gender.

(b) Provide a curriculum that includes the following five core subjects: English, including, for elementary school students, reading fundamentals; mathematics; science; history; and geography. A school formed to meet the special needs of profoundly mentally handicapped, trainable mentally handicapped, dual sensory impaired, or autistic students is exempt from the curriculum requirements of this paragraph and the testing requirement of paragraph (d).

(c) Disclose teachers' credentials to parents.

(d) Except as otherwise provided, post-test all students, using a uniformly applied standardized testing instrument, to determine learning progress and must provide a copy of the results to the Department of Education.

(e) Have been operating for at least 2 calendar years or, if in operation for less than 2 calendar years, must have obtained a letter of credit or a bond indemnifying the state from monetary loss.

(4) LEGISLATIVE INTENT.--It is the intent of the Legislature that RCSSOP will not result in any additional regulation of private schools. Participating schools,

regardless of size, shall be accorded maximum flexibility to educate their students and shall be free from unnecessary, burdensome, or onerous regulation.

## (5) SCHOLARSHIP FUNDING AND PAYMENT. --

- (a)1. The parent of a student who is participating in the RCSSOP is entitled to direct to the private school or nonprofit organization a payment of the base rate of 50 percent of the weighted full-time equivalent student funding, based on the assigned program cost factor in the Florida

  Education Finance Program, for such a student in kindergarten through grade 12 for up to 180 days of instruction per local school district fiscal year or the actual cost for tuition at the school, whichever is less.
- 2. If a student is eligible to participate in the free lunch program pursuant to 42 U.S.C. 1758(b), the parent is entitled to direct a payment of 1.5 times the base rate or the actual cost for tuition at the school, whichever is less.
- 3. If a student is eligible to participate in the reduced-price lunch program pursuant to 42 U.S.C. 1758(b), the parent is entitled to direct a payment of 1.25 times the base rate or the actual cost for tuition at the school, whichever is less.

Any amount of funding which is not used for tuition and which the parent of a student would otherwise be eligible to direct may be used to reimburse the parent for any transportation costs incurred in transporting his or her child to school. The parent may apply to the Department of Education, using a transportation reimbursement form that the department shall provide. Actual mileage, reimbursed at the state rate, or

31 public transportation costs are eligible transportation

expenses. All unused tuition money must be sent to a direct-support organization that has exempt status under s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, and that was created by the Department of Education.

- (b) Each school district shall receive 10 percent of the weighted full-time equivalent student funding, based on the assigned cost factor as provided in the Florida Education Finance Program, for each student in the school district who is participating in the RCSSOP.
- equivalent student funding, based on the assigned program cost factor as provided in the Florida Education Finance Program, for each student participating in the RCSSOP must be sent to the direct-support organization specified in paragraph (a).

  Beginning the second year of the RCSSOP, the direct-support organization shall use these funds as matching dollars to be matched with dollars from eligible nonprofit scholarship-funding organizations defined in s. 220.187. Such funds must be used for providing payment to be directed by the parent to a private school or nonprofit organization for a student who was attending a private school or nonprofit organization at the time the student was selected to participate in the RCSSOP.
- (d) Private school and nonprofit organization students shall be selected to participate in the RCSSOP by means of a lottery until direct-support organization funds are depleted. The Department of Education shall ensure that funds sent to the direct-support organization for a school district are earmarked for that school district in accordance with this section.

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- (6) A participating private school or nonprofit organization or a district school board is not obligated to provide transportation to students who participate in the RCSSOP.
- The State Board of Education, in order to avoid creating an undue financial burden on the participants in the RCSSOP, shall adopt rules to ensure the prompt payment on behalf of parents of qualified participants in this program. Upon authorization of the parent, payment for the school year must be made directly to the authorized private school or nonprofit organization in nine equal monthly payments. The parent's signature must be obtained at the school or organization at the time of each payment.
- Section 2. Paragraph (b) of subsection (1), paragraph (e) of subsection (2), and paragraph (b) of subsection (3) of section 220.187, Florida Statutes, are amended to read:
- 220.187 Credits for contributions to nonprofit scholarship-funding organizations. --
  - (1) PURPOSE. -- The purpose of this section is to:
- (b) Expand educational opportunities for children of families that have limited financial resources or are eligible to participate in the Reduce Class Size Scholarship Opportunity Program.
  - (2) DEFINITIONS.--As used in this section, the term:
- "Qualified student" means a student who qualifies (e) for free or reduced-price school lunches under the National School Lunch Act, who is eliqible to participate in the Reduce Class Size Scholarship Opportunity Program, and who:
- Was counted as a full-time equivalent student during the previous state fiscal year for purposes of state 31 per-student funding;

1	2. Received a scholarship from an eligible nonprofit
2	scholarship-funding organization during the previous school
3	year; or
4	3. Is eligible to enter kindergarten or first grade.
5	(3) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX
6	CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS
7	(b) The total amount of tax credit which may be
8	granted each state fiscal year under this section is \$100 \$50
9	million.
10	Section 3. This act shall take effect July 1, 2003.
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13	SENATE SUMMARY
14	Creates the Reduce Class Size Scholarship Opportunity Program. Provides for eligibility. Provides legislative
15	intent. Provides for scholarship funding and payment. Allows corporate tax credits for funding such
16	scholarships.
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