

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7167 PCB EDAS 14-03 Educational Choice
SPONSOR(S): Education Appropriations Subcommittee, Fresen and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Education Appropriations Subcommittee	8 Y, 4 N	Seifert	Heflin

SUMMARY ANALYSIS

The bill increase educational choice options by revising the Florida Tax Credit Scholarship program's student eligibility criteria, scholarship amounts, tax credit availability, and scholarship-funding organization (SFO) accountability standards; and creating the Florida Personal Learning Scholarship Account program.

The bill removes the prior public attendance requirement for students whose household income is below 185% of the federal poverty level. Beginning in FY 2016-17, new eligibility is created for students whose household income is greater than 185% but does not exceed 260% of the federal poverty level and who are eligible to enter kindergarten or first grade, or attended public school in the prior year. SFOs are required to serve all new applicants at or below 185% of the federal poverty level before serving students above 185%.

The bill increases the maximum per-student scholarship amount to 82% of the Florida Education Finance Program per-student funding amount beginning with the 2016-17 state fiscal year. Although eligibility is extended to students with higher household incomes, the bill establishes a means-tested, tiered phasedown of the maximum per-student scholarship amount, beginning in FY 2016-17.

The bill strengthens the SFO application, approval, and renewal processes for program participation by requiring additional financial, organizational, and operational documentation in the application, thereby increasing SFO accountability.

Assuming that each year the annual tax credit amount is at least 90% of the prior year's cap, the bill increases the cap by approximately \$30.0 million over that in current law in each year from FYs 2014-15 through 2018-19. The bill also allows tax credits to be transferred between affiliated corporate entities and allows credits against corporate income tax and insurance premium tax to be taken against the estimated payments made by a corporation throughout its taxable year.

Staff estimates that, while the program as revised by this bill will produce net savings to the state over the next five years (i.e., expenditure savings greater than revenue losses) the net savings will be substantially reduced, compared to current law. Net savings are estimated to be \$3.3 million higher in FY 2014-15, compared to current law, and lower by \$1.7 million, \$21.3 million, \$30.4 million and \$40.4 million in fiscal years ending 2016, 2017, 2018, and 2019, respectively.

The bill also establishes the Florida Personal Learning Scholarship Account Program (scholarship) to provide parents of students with disabilities more flexibility to customize their child's education. The bill establishes eligibility criteria and authorizes scholarship funding organizations to establish scholarships to reimburse parents for eligible educational services on behalf of their child.

Account funding is calculated using the same calculation as the John M. McKay Scholarships for Students with Disabilities Program.

Additionally, the bill repeals statutory provisions authorizing the issuance of a special high school diploma to students with disabilities.

The changes in the annual tax credit cap amounts for the tax credit scholarship program result in a negative impact to the General Revenue Fund of \$30 million for each of the FYs 2014-15 through 2018-19. There is an additional indeterminate negative fiscal impact related to the authority to adjust estimated payments against corporate income and insurance premium taxes for tax credits earned under the program. The estimated state funding impact associated with the Florida Personal Learning Scholarship Account Program is \$8.8 million, which is provided in the FEFP in the House proposed GAA. See Fiscal Analysis & Economic Impact Statement.

The bill takes effect July 1, 2014

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h7167.EDAS

DATE: 4/11/2014

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida Tax Credit Scholarship Program

Tax Credits

Present Situation

The Florida Tax Credit Scholarship Program (FTC Program) provides scholarships to eligible low-income students for private school tuition and fees or transportation expenses to a Florida public school located outside of the school district in which the student resides or developmental research laboratory school.¹ The FTC Program is funded with contributions to private nonprofit scholarship-funding organizations (SFOs) from taxpayers who receive a tax credit for use against their liability for corporate income tax; insurance premium tax; severance taxes on oil and gas production; self-accrued sales tax liabilities of direct pay permit holders; or alcoholic beverage taxes on beer, wine, and spirits.² The tax credit is equal to 100 percent of the eligible contributions made.³

During the 2012-13 school year, scholarships in the amount of \$206.9 million were awarded to a total of 51,075 students enrolled in 1,338 participating Florida private schools.⁴

Effect of Proposed Changes

The bill authorizes credits against corporate income tax and insurance premium tax to be taken against the estimated payments made by a corporation throughout its taxable year. The bill requires a copy of the letter approving a taxpayer or dealer's tax credit application be provided by DOR to the SFO designated in the letter to receive a donation. The bill revises the confidentiality provisions of s. 213.053, F.S., to allow this letter to be provided.

Scholarship Funding Organizations

Present Situation

SFOs are charitable organizations exempt from federal income tax⁵ that administer the receipt of contributions and distribution of scholarship awards.⁶ Scholarships must be provided for eligible students on a first-come, first-serve basis, unless the student qualifies for priority consideration. An SFO may not restrict or reserve scholarships for use at a particular private school or for the child of an operator or owner of a private school or SFO.⁷ Similarly, a taxpayer making a contribution may not designate a specific child or group of children as the beneficiaries of the scholarship.⁸ If the SFO has been in operation for three years and does not have any negative financial findings, the SFO may use up to three percent of the contributions received for reasonable and necessary administrative expenses. No more than one-third of the funds available for administrative expense may be used for expenses related to recruitment of contributions.⁹

¹ Section 1002.395(3), (5), and (6)(d), F.S.

² Section 1002.395(1) and (5), F.S.

³ Sections 220.1875 and 1002.395(5), F.S.

⁴ Florida Department of Education, *Fast Facts and Program Statistics*, available at, http://www.floridaschoolchoice.org/Information/CTC/files/Fast_Facts_FTC.pdf (last accessed February 14, 2014)

⁵ Section 1002.395(2)(f), F.S.; s. 501(c)(3) of the Internal Revenue Code.

⁶ Section 1002.395(6), F.S.

⁷ Section 1002.395(6), F.S.

⁸ Section 1002.395(2)(e), F.S.

⁹ Section 1002.395(6), F.S.

Any non-profit organization may apply to the Department of Education (DOE) to become an SFO. Among other things, all owners and operators of the organization must pass a level 2 background check upon beginning employment there and every 5 years thereafter. Once approved, an SFO must provide to the Auditor General and DOE 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. SFOs must submit to DOE quarterly reports regarding the number of students participating and the schools at which they are enrolled. SFOs must expend at least 75 percent of donations remaining after administrative costs as scholarship payments each year. Any amounts carried forward to the next year must be spent in that year.¹⁰

Effect of Proposed Changes

The bill creates a new application process for organizations that wish to become SFOs. In order to participate, organizations must submit an application for initial approval to DOE's Office of Independent Education and Parental Choice by September 1 of the year prior to the year in which that SFO intends to begin offering scholarship funding. After consultation with the DOR and Chief Financial Officer, the Commissioner of Education provides a recommendation for each application to the State Board of Education, which will have final approval or disapproval responsibility. Approved SFOs must annually submit a renewal application to maintain eligibility to participate in the tax credit scholarship programs.

The initial application must include a copy of a SFO's incorporation documents and organizational chart, a description of the organization's financial plan and intended area of operation, and descriptions of the organization's intended operational procedure. Each SFO is also required to include with its initial application a copy of a surety bond or letter of credit for the amount equal to 25 percent of anticipated donations or \$100,000, whichever is greater. This bond or letter of credit may be adjusted on a quarterly basis thereafter to equal the amount of undispersed donations based upon a statement from a certified public account verifying the amount. The surety bond or letter of credit requirement is waived if the cost of acquiring such bond or letter exceeds the average 10-year cost by 200 percent.

The renewal application must include a surety bond or letter of credit equal to the amount of undispersed funds, with a minimum amount of \$100,000 and a maximum of \$25 million; the organization's IRS Form 990;¹¹ an annual audit; and an annual report regarding donations, administrative expenditures, scholarship applications, and scholarship recipients. Any funds held by a SFO whose application for renewal is denied revert to DOR for redistribution to eligible SFOs.

SFOs already approved as of July 1, 2014, will have until August 1, 2014, to provide a copy of a surety bond or letter of credit. If such an SFO does not have undispersed donations, the bond or letter of credit must be 25 percent of anticipated donations or \$100,000, whichever is greater. Those with undispersed donations must have a bond or letter of credit in an amount equal to undisbursed donations, not to exceed \$25 million.

The allowable uses of the administrative allowance are expanded to include professional development to support participating schools.

The bill strengthens the background check requirements for owners and operators of SFOs by adding a number of additional disqualifying offenses.¹²

Participating Private Schools

Private schools participating in the program must provide documentation of financial stability and comply with federal antidiscrimination law and all state laws regulating private schools.¹³ To be eligible for participation in the program, a private school must demonstrate fiscal soundness, provide

¹⁰ Section 1002.395(6), F.S.

¹¹ This is an informational return for tax exempt organizations. The deadline for submitting the form 990 is extended until November 30 instead of September 1.

¹² The new offenses include any felony and numerous misdemeanor-level financial crimes

¹³ Section 1002.421, F.S.

information on academic results, and meet DOE and SFO reporting requirements.¹⁴ DOE may terminate eligibility if the private school fails to meet requirements.¹⁵

Student Eligibility

Present Situation

A student is eligible for a FTC Program scholarship if he or she qualifies for free or reduced-price school lunches under the National School Lunch Act¹⁶ or is on the direct certification list¹⁷ and:

- Was counted as a full-time student during the previous state fiscal year for purposes of state per-student funding;
- Received a scholarship from an eligible nonprofit SFO or the State of Florida during the previous school year; or
- Is eligible to enter kindergarten through fifth grade.

Eligibility is also provided to students who are placed, or during the previous state fiscal year were placed, in foster care, regardless of household income.¹⁸ Out-of-home care more generally refers to any case in which a child is removed from the home of the parent, whether it is placement in foster care or with a relative or other care giver.¹⁹ Foster care is a placement with a foster family or in a group home.²⁰ An out-of-home placement that is not foster care typically refers to a placement with a relative.²¹ Students placed in out-of-home care that is not foster care are not currently eligible for an FTC Program scholarship.

Contingent upon available funds, a student does not lose his or her scholarship due to a change in the economic status of the student's parents unless the parents' household income exceeds 230 percent of the federal poverty guidelines.²² A sibling of a scholarship student who continues to participate in the program and resides in the same household as the student is also eligible as a first-time scholarship recipient, as long as the student's and the sibling's household income level does not exceed 230 percent of the federal poverty level.²³

A student is not eligible for a scholarship if enrolled in a school providing educational services to youth in Department of Juvenile Justice commitment programs, is receiving a scholarship from another SFO, is receiving another scholarship pursuant to ch. 1002, F.S., is being home-schooled, is participating in certain private tutoring programs, is participating in a state-funded virtual school, correspondence

¹⁴ Section 1002.395(8), F.S.

¹⁵ Section 1002.395(9), F.S.

¹⁶ The National School Lunch Program is a federally funded program administered by the United States Department of Agriculture that assists schools and other agencies in providing nutritious meals to children at reasonable prices. 42 U.S.C. s. 1758(b). In Florida, the Florida Department of Agriculture and Consumer Services, Division of Food, Nutrition, and Wellness administers the program. Chapter 595, F.S.; Florida Department of Agriculture and Consumer Services, *National School Lunch Program*, <http://www.freshfromflorida.com/Divisions-Offices/Food-Nutrition-and-Wellness/Nutrition-Programs/National-School-Lunch-Program> (last visited Sept. 5, 2013).

¹⁷ "Direct certification list" means the certified list of children who qualify for the food assistance program, the Temporary Assistance to Needy Families Program, or the Food Distribution Program on Indian Reservations provided to the Department of Education (DOE) by the Department of Children and Family Services. Section 1002.395(2)(c), F.S.

¹⁸ Section 1002.395(3)(b)1. – 2., F.S.; *see also* s. 39.01(31), F.S.

¹⁹ Rule 65C-30.001(91), F.A.C.

²⁰ Section 39.01(31), F.S.

²¹ Ch. 39, F.S.; *see chs.* 65C-13 (Licensed Out-Of-Home Care), 65C-15 (Child-Placing Agencies), 65C-28 (Out-Of-Home Care), 65C-29 (Protective Investigations), and 65C-30, F.A.C. (General Child Welfare Provisions). Foster caregivers must be licensed. Relative caregivers are not licensed. All out-of-home placements made by the Department of Children and Families, both foster care and placement with relatives, are court ordered. Legal custody is transferred from the parent to the relative or other care giver. A DCF caseworker is assigned to monitor the placement. Caregivers and other people in the home must have background checks. *Id.*; Telephone interview with Department of Children and Families staff (Jan. 29, 2014).

²² Section 1002.395(3)(b)2., F.S.

²³ Section 1002.395(3)(b)3., F.S.

program, or distance learning program beyond two courses per year, or is enrolled in the Florida School for the Deaf and the Blind.

Effect of Proposed Changes

Beginning in FY 2014-15, the prior public school attendance requirement for students whose household income is below 185 percent of the federal poverty level is removed. Beginning in FY 2016-17, the maximum household income for eligibility is increased to 260 percent of the federal poverty level. Students with household incomes between 185 percent and 260 percent of the federal poverty level are required to have spent the prior school year in public school unless they are entering kindergarten or first grade.

The bill adds eligibility for students placed in out-of-home care that is not foster care. This change enables students who are placed with a relative or other caregiver to receive a scholarship. Students in foster or another out-of-home care placement will remain eligible for the program until age 21 or graduation, whichever comes first. Additionally, they will be allowed to apply to enter the program at any time.

The bill requires SFOs to give priority among new applicants to those students with household incomes below 185 percent of the federal poverty level and to students in foster or out-of-home care. Students who received a scholarship in the prior year will continue to receive priority over any new applicants.

In order to comply with the expanded household income requirements, parents of students who wish to participate must authorize the SFO to access information held by other state or federal agencies necessary for verification of income.

Student Scholarship Amounts

Present Situation

The maximum scholarship award to each individual student is set at a percentage of the unweighted Florida Education Finance Program (FEFP) student funding in the General Appropriations Act. The percentage for FY 2013-14 is 72 percent, or \$4,880 per student. Thereafter, the scholarship amount increases by four percentage points each fiscal year the tax credit amounts meet or exceed 90 percent of the tax credit cap. The percentage will stop increasing upon reaching 80 percent, and from that year forward, the scholarship limit will be 80 percent of the unweighted FEFP funding amount.²⁴ The maximum limit for a scholarship awarded to a student for enrollment 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, F.S., is \$500.

A student's actual scholarship is further dependent upon the student's household income level. For students with household income levels above 215 percent, but equal to or less than 230 percent of the federal poverty level, the scholarship amount is 50 percent of the maximum award. The amount increases to 75 percent of the maximum award for students with household income that is more than 200 percent but less than 215 percent of the federal poverty level. For students with a household income of 200 percent of the federal poverty level or below, the full scholarship award is available.

The following table shows the history of the program and historical tax credit information.²⁵

	Award Per Student	Student Scholarships	Awarded Scholarships	Maximum Tax Credit Cap	Tax Credits Approved²⁶
FY 2001-02	\$3,500			\$50,000,000	

²⁴ Section 1002.395(12)(a), F.S.

²⁵ Florida Department of Education, *Fast Facts and Program Statistics*, available at, http://www.floridaschoolchoice.org/Information/CTC/files/ctc_fast_facts.pdf. (last accessed 2/14/2014).

²⁶ Email from Department of Revenue on file with House Finance and Tax.

	Award Per Student	Student Scholarships	Awarded Scholarships	Maximum Tax Credit Cap	Tax Credits Approved ²⁶
FY 2002-03	\$3,500	15,585	\$50,000,000	\$50,000,000	\$47,686,000
FY 2003-04	\$3,500	11,550	\$40,000,000	\$88,000,000	\$47,579,000
FY 2004-05	\$3,500	10,549	\$36,655,500	\$88,000,000	\$47,560,000
FY 2005-06	\$3,500	15,123	\$46,745,482	\$88,000,000	\$80,323,071
FY 2006-07	\$3,750	17,819	\$59,300,655	\$88,000,000	\$87,123,000
FY 2007-08	\$3,750	21,493	\$73,450,691	\$88,000,000	\$85,611,140
FY 2008-09	\$3,950	24,871	\$88,626,463	\$118,000,000	\$97,415,847
FY 2009-10	\$3,950	28,927	\$106,049,940	\$118,000,000	\$111,773,617
FY 2010-11	\$4,106	34,550	\$129,474,868	\$140,000,000	\$136,321,200
FY 2011-12	\$4,011	40,248	\$147,481,308	\$175,000,000	\$174,459,107
FY 2012-13	\$4,335	51,075	\$206,974,102	\$229,000,000	\$229,000,000

Effect of Proposed Changes

The bill increases the maximum scholarship limit from 80 percent to 82 percent of the unweighted FEFP funding amount beginning with the 2016-2017 state fiscal year.

In concert with the FY 2016-17 increase in maximum household income for eligibility discussed above, the bill creates a new tiered phasedown of the maximum per-student scholarship amount. For household incomes between 200 percent and 215 percent of the federal poverty line, the maximum is reduced by 12 percent. For household incomes between 215 percent and 230 percent, the maximum is reduced by 26 percent. For household incomes between 230 percent and 245 percent, the maximum is reduced by 40 percent. Finally, for household incomes between 245 percent and the newly increased maximum of 260 percent the amount is reduced by 50 percent.

Tax Credit Cap

Present Situation

The Legislature initially capped the FTC Program at \$50 million in tax credits per state fiscal year,²⁷ but expanded the cap to \$88 million in 2003.²⁸ Beginning in FY 2008-09, the cap was increased by \$30 million to \$118 million.²⁹ Until 2009, tax credits under the program were only available against the state's corporate income tax liability.³⁰ In 2009, the Legislature expanded the revenue sources against which tax credits can be claimed to include the insurance premium tax.³¹ The insurance premium tax is imposed on insurance premiums written in Florida and paid by insurance companies. In 2010, the revenue sources against which tax credits can be claimed were further expanded to include severance taxes on oil and gas production;³² self-accrued sales tax liabilities of direct pay permit holders;³³ and alcoholic beverage taxes on beer, wine, and spirits.³⁴ Tax credits received under this program may not be transferred, with an exception for transactions where all of the assets of a taxpayer who has received a credit are being transferred.³⁵

The Legislature also increased the tax credit cap to \$140 million, beginning in FY 2010-11, and authorized the cap to increase by 25 percent for the subsequent year whenever credits approved by Department of Revenue (DOR) in the prior fiscal year exceeded 90 percent of the tax credit cap for that

²⁷ Section 5, ch. 2001-225, L.O.F.

²⁸ Section 9, ch. 2003-391, L.O.F.

²⁹ Section 1, ch. 2008-241, L.O.F.

³⁰ See s. 3, ch. 2009-108, L.O.F.

³¹ *Id.*; a premium tax pursuant to s. 624.509, F.S.

³² Section 211.0251, F.S.

³³ Section 212.1831, F.S.

³⁴ Sections 211.0251, 212.1831, and 561.1211, F.S., direct DOR and the Department of Business and Professional Regulation to disregard tax credits accordingly for purposes of the distributions of tax revenue under ss. 211.06, 212.20, 561.12(1)(a) and 564.06(10), F.S., so that only amounts distributed to the General Revenue Fund are reduced.

³⁵ Section 1002.395(5)(d), F.S.

year, beginning in FY 2011-12.³⁶ In 2012, the Legislature increased the cap for FY 2012-13 to \$229 million, an additional \$10.25 million increase over the 25 percent increase provided by statute.

Effect of Proposed Changes

The bill increases the cap to \$387.8 million in FY 2014-15, which is \$30.0 million above the cap expected to apply under current law. In subsequent years, the cap can increase sequentially to \$477.3 million, \$589.1 million, \$728.9 million, and \$903.8 million. The amount of credits approved each year will be required to reach 90 percent of the new cap in each year to trigger an increase in the subsequent year. Past experience suggests that the above stated levels will be achieved during the next five years. If so, then in each of the FYs 2014-15 through 2018-19, the cap is expected to be approximately \$30.0 million above the levels expected under current law.

Additionally, taxpayers will be able to transfer tax credits received so long as the transfer is between members of an affiliated group of corporations. The transferred tax credit must be applied against the same tax as it was to be applied against prior to the transfer. Taxpayers must notify the DOR (who in turn notifies the Division of Alcoholic Beverages and Tobacco for credits against excise taxes on alcoholic beverages) of their intent to transfer a credit, and the credit is not available until DOR approves the transfer.

Education of Students with Disabilities

Present Situation

The federal Individuals with Disabilities Education Act provides (IDEA) grants to assist states in providing a free appropriate public education (FAPE) to all children with disabilities residing in the state aged three to 21.³⁷ A FAPE must include special education services that are provided by the public school system at no cost to the parent, which meet the standards of the state and are in conformity with the student's individual educational plan (IEP).³⁸

The IDEA requires states to have policies and procedures in place to identify, locate, and evaluate all children with disabilities in the state who need special education and related services. These policies and procedures are known as "child find." State child find activities must include policies for identifying not only public school children, but also homeless, migrant, and private school children with disabilities.³⁹

In Florida, children with disabilities are referred to as exceptional students. The disabilities that qualify a student as exceptional are an intellectual disability; autism spectrum disorder; a speech impairment; a language impairment; an orthopedic or other health impairment; a traumatic brain injury; a visual impairment; an emotional or behavioral disability; a specific learning disability, including dyslexia, dyscalculia, or developmental aphasia; deafness, hard of hearing, or dual sensory impairment; or developmental delays from birth through five years old or if the student is hospitalized or homebound.⁴⁰

Special education services are specially designed instruction and related services necessary for an exceptional student to benefit from education. Such services may include transportation; diagnostic and evaluation services; social services; physical and occupational therapy; speech and language pathology services; job placement; orientation and mobility training; braillists, typists, and readers for the blind; interpreters and auditory amplification; services provided by a certified listening and spoken language specialist; rehabilitation counseling; transition services; mental health services; guidance and career counseling; specified materials, assistive technology devices, and other specialized equipment; and other such services identified in State Board of Education rules.⁴¹

³⁶ Section 1, ch. 2010-24, L.O.F.

³⁷ 20 U.S.C. s.1400 et. seq., as amended by P.L. 108-446; 34 C.F.R. s. 300.17.

³⁸ 34 C.F.R. s. 300.17 and 34 C.F.R. s. 300.34 (a); rules 6A-6.03028(1) and 6A-6.03411(1)(p), F.A.C.

³⁹ 34 C.F.R. ss. 300.111, 300.131, and 303.321.

⁴⁰ Sections 1003.01(3)(a) and 1003.21(1)(e), F.S.

⁴¹ Section 1003.01(3)(b), F.S.

Students may be referred for an evaluation for exceptional student education (ESE) services by their parents or by school staff and evaluations must be completed within 60 days of such referral.⁴² With few exceptions,⁴³ prior to referring a student for evaluation as a student with a disability, school districts must conduct classroom observations; vision and hearing screenings; review anecdotal, social, psychological, medical, and achievement data; and use a problem solving/response to instruction or intervention (PS/RtI) method to develop and implement evidenced based general education interventions to address the student's academic or behavioral issues.⁴⁴ If the school-based team determines that general education interventions are not sufficiently effective, a referral for evaluation is made. A student may not be evaluated for ESE eligibility without the prior informed consent of the parent. A team of professionals and the student's parent (i.e., eligibility staffing committee) review the evaluation results to determine if the student meets the requirements for eligibility under one or more state board rules and if there is evidence of a need for special education and related services.⁴⁵

If a student is found eligible for an ESE program, an IEP is developed for the student.⁴⁶ An IEP team must meet to develop a plan to address the student's needs.⁴⁷ The multidisciplinary team includes school and district staff, and other experts who have knowledge or expertise regarding the student, if necessary.⁴⁸ Parents also participate in the development of the plans, which may not be implemented until the parent provides consent for initial placement in the ESE program.⁴⁹ The IEP must be completed within 30 calendar days following the determination of a student's eligibility for special education services.⁵⁰ An IEP must be reviewed at least annually, and may be revised if necessary.⁵¹

A FAPE must be provided in the least restrictive environment (LRE). To be in compliance with the LRE requirement, states must educate students with disabilities with their nondisabled peers to the maximum extent appropriate. Special classes, special schooling, or other removal of the student from the regular education environment should only occur if the nature and severity of his or her disability is such that an appropriate education in regular classes cannot be achieved satisfactorily.⁵² IDEA authorizes instruction to be provided in one or more of the following settings:

- Regular class.
- Special class.
- Special day school or residential school.
- Special class in a hospital or facility operated by a noneducational agency.
- Individual instruction in a hospital.
- Home instruction.⁵³

The LRE must be considered during the development of the student's IEP.⁵⁴

Funding for Students with Disabilities

Services for exceptional education students are funded primarily through the Florida Education Finance Program (FEFP) using basic funding, an ESE Guaranteed Allocation, and two weighted cost factors.

⁴² Section 1003.57(1)(c), F.S.; rule 6A-6.0331(3), F.A.C.

⁴³ For children below mandatory school attendance age and who are not yet enrolled in kindergarten, the general education intervention requirements are not applicable. However, these children are required to have existing social, psychological, and medical data reviewed with a health screening, if necessary; and vision and hearing screenings are required to rule out sensory deficits. Additional screenings may be conducted, if warranted. Rule 6A-6.0331(2), F.A.C.

⁴⁴ Rule 6A-6.0331(1), (3), and (6), F.A.C.

⁴⁵ Rule 6A-6.0331(3)-(6), F.A.C.

⁴⁶ Rule 6A-6.03028(3), F.A.C.

⁴⁷ Rules 6A-6.03028(3), F.A.C.

⁴⁸ Rules 6A-6.03028(3)(c), F.A.C.

⁴⁹ Rule 6A-6.0331(4) and (9), F.A.C.

⁵⁰ Rule 6A-6.03028(3)(f), F.A.C.

⁵¹ Rule 6A-6.03028(3)(j), F.A.C.

⁵² 34 C.F.R. s. 300.114(a)(2); s. 1003.57(1)(a), F.S.; rule 6A-6.03028(3)(i), F.A.C.

⁵³ 34 C.F.R. ss. 300.103, 300.104, 300.114, 300.115, and 300.116; s. 1003.57(1)(a), F.S.; rule 6A-6.03028(3)(i), F.A.C.

⁵⁴ *L.G. et.al. v. School Bd. Of Palm Beach County, Fla.*, 512 F. Supp.2d 1240, 1247-1249 (S.D. Fla. 2007).

FEFP funds are calculated by multiplying the number of full-time equivalent (FTE) students in each of the funded education programs by the cost factors to obtain weighted FTE students. Weighted FTE students are then multiplied by a base student allocation and by a district cost differential. Program cost factors are determined by the Legislature and represent relative cost differences among the FEFP programs. Generally speaking, funding generated by a particular exceptional student reflects the severity of his or her disability and resulting educational needs.⁵⁵

Exceptional education cost factors are determined by using a matrix of services to document the services that each exceptional student will receive. In order to generate funds using one of the two weighted cost factors, a matrix of services must be completed at the time of the student's initial placement into an ESE program and at least once every three years.⁵⁶ The program cost factors for exceptional students for use in the 2013-14 fiscal year are:

- Kindergarten and Grades 1, 2 and 3 with ESE Services -- cost factor 1.125.
- Grades 4, 5, 6, 7 and 8 with ESE Services -- cost factor 1.000.
- Grades 9, 10, 11 and 12 with ESE Services -- cost factor 1.011.
- Support Level IV -- cost factor 3.558.
- Support Level V -- cost factor 5.089.⁵⁷

ESE services for students below support levels IV and V are considered basic programs and are assigned the same cost factor weighting as regular education students. These students generate FTE funding using the appropriate basic program weight for their grade level and the ESE Guaranteed Allocation provides for the additional services needed by these students. Students funded at support levels IV and V have more severe disabilities and, therefore, receive greater weighting.⁵⁸

McKay Scholarship Funding

The John M. McKay Scholarships for Students with Disabilities Program (McKay Program) provides scholarships for eligible students with disabilities to attend an eligible public or private school of their choice.⁵⁹ The maximum scholarship granted for an eligible student is equivalent to the base student allocation in the FEFP multiplied by the appropriate cost factor for the educational program that would have been provided for the student in the district school to which he or she was assigned, multiplied by the district cost differential. In addition, a share of the ESE guaranteed allocation is added to this amount based on the calculation for the ESE guaranteed allocation provided in the 2000 General Appropriations Act. The calculation is based upon the student's grade level, matrix level of services, and the difference between the FY 2000-2001 basic program and the appropriate level of services cost factor, multiplied by the FY 2000-2001 base student allocation and the FY 2000-2001 district cost differential for the sending district. The calculated amount includes the per-student share of supplemental academic instruction funds, instructional materials funds, technology funds, and other categorical funds. The calculation is based upon the school district in which the parent resides at the time of the scholarship request.⁶⁰

Each student's scholarship is either the calculated amount or the amount of the private school's tuition and fees, whichever is less.⁶¹ Each school district must report scholarship recipients attending a private school to DOE, separately from other students.⁶² DOE must transfer, from General Revenue funds

⁵⁵ Section 1011.62(1), F.S.; Florida Department of Education, 2013-14 Funding for Florida School Districts, at 1, 13-14, and 19 (2013), available at <http://www.fldoe.org/fefp/pdf/fefpdist.pdf> [hereinafter *2013-14 Funding for Florida School Districts*].

⁵⁶ Section 1011.62(1)(e)a.-b., F.S.

⁵⁷ Section 1011.62(1)(c) and (e), F.S.

⁵⁸ *Id.*

⁵⁹ Section 1002.39(1), F.S.

⁶⁰ Section 1002.39(10)(a), F.S. Until the school district completes the matrix of services, the calculation is based on the matrix that assigns the student to support level I of service as it existed prior to the 2000-2001 school year. When the school district completes the matrix, the amount of the payment is adjusted as needed. The scholarship amount for a student eligible under s. 504 of the Rehabilitation Act of 1973 is based upon the student's existing FEFP program cost factor. *Id.*

⁶¹ Section 1002.39(10)(b), F.S. The amount of any assessment fee required by the participating private school may be paid from the total amount of the scholarship. *Id.*

⁶² Section 1002.39(10)(c), F.S.

only, the applicable scholarship amount from the school district's total FEFP funding entitlement and categorical accounts to a separate account for the scholarship program for quarterly disbursement (on July 1, September 1, December 1, or February 1) to the parents of participating students.⁶³

Parents of students entering the scholarship program must submit to DOE all documentation required for the student's participation, including the private school's and the student's fee schedules, at least 30 days before the first quarterly scholarship payment is made for the student.⁶⁴ Upon notification from DOE that this documentation has been received, the Chief Financial Officer must make scholarship payments in four equal amounts no later than the quarterly transfer dates. The initial payment is made after DOE verification of admission acceptance, and subsequent payments are made upon verification of continued enrollment and attendance at the private school. Payment must be by individual warrant made payable to the student's parent and mailed by DOE to the private school of the parent's choice, and the parent must restrictively endorse the warrant to the private school for deposit into the account of the private school.⁶⁵ Subsequent to each scholarship payment, DOE must request from the Department of Financial Services a sample of endorsed warrants to review and confirm compliance with endorsement requirements.⁶⁶

Step Up for Students is currently the only SFO authorized to award FTC scholarships. DOE has approved A.A.A. Scholarship Foundation, Life is Energy Scholarship Foundation, and Rotary Club of Spring Hill Scholarship Fund to begin funding scholarships in the the 2014-15 school year.⁶⁷

Home Education Student Evaluations

Among other things, the parent of a student enrolled in a home education program must keep a log of educational instruction and services that is made contemporaneously with delivery of the instruction and services and samples of any writings, worksheets, workbooks, or creative materials used or developed by the student. The portfolio must be preserved by the parent for two years and made available for inspection by the district school superintendent, or designee, upon 15 days' written notice.⁶⁸

Additionally, the parent of a home education student must 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:

- Evaluation of the student's work portfolio by a certified teacher selected by the parent;
- Any nationally normed student achievement test administered by a certified teacher;
- A statewide, standardized assessment administered by a certified teacher, at a location and under testing conditions approved by the school district;
- Evaluation by a licensed psychologist or school psychologist; or
- Any other valid measurement tool mutually agreed upon by the district school superintendent of the district in which the student resides and the student's parent.⁶⁹

The district school superintendent must review and accept the results of the annual educational evaluation. If a student fails to make educational progress, the superintendent must notify his or her parent in writing. The parent has one year from the date of receipt of such notice to provide remedial instruction to the student. If the student, upon reevaluation, does not demonstrate educational progress at the end of the probationary period, the home education program must be discontinued.⁷⁰

Regular School Attendance

⁶³ Section 1002.39(10)(d), F.S.

⁶⁴ *Id.*

⁶⁵ Section 1002.39(10)(e), F.S.

⁶⁶ Section 1002.39(10)(f), F.S.

⁶⁷ Florida Department of Education, *FTC Program Scholarship Funding Organizations*, <https://www.floridaschoolchoice.org/Information/ctc/SFO.asp> (last visited March 6, 2014).

⁶⁸ Section 1002.41(1)(b), F.S.

⁶⁹ Section 1002.41(1)(c), F.S.

⁷⁰ Section 1002.41(2), F.S.

The law requires all children who have attained the age of six years or who will have attained the age of six years by February 1 of any school year or who are older than six years of age but who have not attained the age of 16 years, to attend school.⁷¹ Each parent of a child within the compulsory attendance age is responsible for the child's school attendance.⁷² Compliance with compulsory school attendance requirements, i.e., "regular school attendance," may be achieved by attendance in:

- A public school;
- A private, parochial, religious, or denominational school;
- A home education program; or
- A private tutoring program.⁷³

Effect of Proposed Changes

The bill establishes the Florida Personal Learning Scholarship (scholarship) Account program to enable parents of students with disabilities to customize their child's education using a wide range of instructional services. The parent of a student who resides in this state may request and receive a scholarship if the student is:

- Eligible to enroll kindergarten through 5th grade or received an account in the previous school year;
- Identified as having autism,⁷⁴ cerebral palsy,⁷⁵ down syndrome,⁷⁶ an intellectual disability,⁷⁷ Prader-Willi syndrome,⁷⁸ or Spina bifida,⁷⁹ or for a student in kindergarten, as a high-risk child,⁸⁰ by the school district in which he or she resides and the district has completed an IEP written in accordance with rules of the state board; and
- Assigned to FEFP matrix support levels IV or V.

At least 60 calendar days prior to one of the payment transfer dates, i.e., May 1, July 1, September 1, or December 1, parents must apply for an account to an eligible SFO. If the student does not already have a qualifying IEP, the parent must request that the school district in which he or she resides evaluate the student and prepare an IEP, which must be completed within 30 calendar days. Upon completion of the IEP, the school district must provide the parent with an estimate of the amount of funds the student may receive in the account. Once a student is determined to be eligible for a scholarship, the SFO establishes an account for the student. The parent must register the student's participation in an account with the school district, which participation satisfies regular school attendance requirements. School districts are not responsible for providing a FAPE to a student who receives a scholarship, unless the student enrolls in public school. Students receiving a scholarship are treated as a unilateral parent placement for purposes of state and federal law, excluding preparation of the IEP.

Allowable Expenditures

⁷¹ Section 1003.21(1), F.S.

⁷² Section 1003.24, F.S.

⁷³ Section 1003.01(13), F.S.

⁷⁴ "Autism" means a pervasive, neurologically based developmental disability of extended duration which causes severe learning, communication, and behavior disorders with age of onset during infancy or childhood. Section 393.063(3), F.S.

⁷⁵ "Cerebral palsy" is a group of disabling symptoms of extended duration which results from damage to the developing brain that may occur before, during, or after birth and results in loss or impairment of control over voluntary muscles. Section. 393.063(4), F.S.

⁷⁶ "Down syndrome" is a disorder caused by the presence of an extra chromosome 21. Section 393.063(13), F.S.

⁷⁷ "Intellectual disability" is significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior which manifests before the age of 18 and can reasonably be expected to continue indefinitely. Section 393.063(21), F.S.

⁷⁸ "Prader-Willi syndrome" is an inherited condition typified by neonatal hypotonia with failure to thrive, hyperphagia or an excessive drive to eat which leads to obesity usually at 18 to 36 months of age, mild to moderate intellectual disability, hypogonadism, short stature, mild facial dysmorphism, and a characteristic neurobehavior. Section 393.063(25), F.S.

⁷⁹ "Spina bifida" is a medical diagnosis of spina bifida cystica or myelomeningocele. Section 393.063(36), F.S.

⁸⁰ A "high-risk child" is a child from 3 to 5 years of age with a developmental delay in cognition, language, or physical development. Section 393.063(20)(a), F.S.

Parents first procure allowable services for the student and then must apply for reimbursement of expenses. Expenditures are reimbursed only after the SFO verifies the expenditure was made in compliance with the program. Funds from the account may be used for:

- Specialized instructional services.
- Tuition and fees for instructional services from a private school that is eligible to participate in the McKay Program or FTC Program.
- Private tutoring.
- Curriculum.
- Tuition and fees for virtual instruction⁸¹ or DOE-approved online courses.⁸²
- Costs for the annual home education evaluation.
- The \$25 scholarship application fee.
- Services such as applied behavior analysis, speech-language pathology, occupational therapy, or physical therapy.
- An advanced payment contract purchased through the Stanley G. Tate Florida Prepaid College Program for the benefit of the eligible student.

Specialized instructional service providers must be approved by DOE and include service providers utilized by the Agency for Persons with Disabilities and those authorized by DOE to provide services to students with disabilities enrolled in the Voluntary Prekindergarten Education program. A private school must be participating in the McKay Program or FTC Program.

Scholarship Funding

Scholarship funding is calculated using the same calculation as the McKay Program. In order to enable DOE to calculate funding for a student's scholarship, the student's school district of residence must report him or her for FEFP funding. Students receiving a scholarship must be reported separately from students attending district public schools, but are included in the districts' FEFP allocation. DOE must transfer the funding quarterly to an SFO. The SFO must maintain separate accounts for each eligible student, verify qualifying expenditures, and reimburse the parent for eligible services provided to the student. When requesting reimbursement for services, the parent must submit receipts or other relevant supporting documentation and an affidavit stating compliance with expenditure requirements.

Any unused funds are rolled over to the next fiscal year, unless the student returns to public school, is determined ineligible for the program based upon reevaluation of the IEP or an annual evaluation of educational progress, graduates from high school, or attains age 22, whichever occurs first. If an account is terminated, remaining funds revert to the state.

Program Accountability

The SFO must verify that expenditures are permissible before reimbursing parents for services. Participating SFOs must submit quarterly reports to DOE regarding students served, services reimbursed, and providers used. SFOs must provide the Auditor General and DOE with an annual financial and compliance audit of its accounts and records conducted by an independent certified public accountant. DOE must approve instructional services providers, monitor program compliance, and establish a complaint process and adjudicate complaints.

⁸¹ Participating students may enroll in virtual instruction provided by a DOE approved virtual instruction provider or the Florida Virtual School. *See* ss. 1002.45 and 1002.37, F.S.

⁸² Two types of approved online course may be used under the bill- Florida approved courses and college credit for online courses. Florida approved courses include massive open online courses (MOOC) or remedial education associated with courses measured by statewide assessments approved by DOE. MOOCs may be authorized in Algebra I, biology, geometry, and civics. Such course may be used to satisfy promotion or high school graduation requirements. *See* s. 1003.499, F.S. Beginning in the 2015-2016 school year, students will be able to earn college credit for online courses, including MOOCs, prior to initial enrollment at a postsecondary institution. *See* s. 1004.0961, F.S.

The bill requires participating students to undergo an annual educational evaluation that is similar to that required for home education students. Parents must participate in annual IEP reviews and may not receive any rebate or refund from service providers. The state is not liable for any claim arising from the award or use of a scholarship.

High School Graduation

Present Situation

The three graduation credentials available to students with disabilities are the standard high school diploma;⁸³ the certificate of completion;⁸⁴ and the special high school diploma.⁸⁵

Standard High School Diploma

Florida public high school students have four options for obtaining a standard high school diploma -- a Traditional 4-year, 24-credit option;⁸⁶ an 18-credit graduation option;⁸⁷ or completion of an International Baccalaureate (IB) or Advanced International Certificate of Education (AICE) program.⁸⁸ In order to earn a standard diploma, students must earn a 2.0 Grade Point Average (GPA), complete one course online, complete the credit requirements, and pass the 10th grade Florida Comprehensive Assessment Test in Reading and the statewide, standardized Algebra I end-of-course assessment.⁸⁹ A student with a disability whom the IEP team determines that the statewide, standardized assessments cannot accurately measure the student's abilities, taking into consideration all allowable accommodations, must have assessment results waived for the purpose of receiving a course grade and a standard high school diploma. Such waiver must be designated on the student's transcript.⁹⁰

Certificate of Completion

Generally, a certificate of completion may be awarded to students who obtain the required number of credits for graduation without passing required assessments or satisfying the 2.0 grade point average requirement. A student with a disability who does not qualify for an assessment waiver may exit school with a certificate of completion. Any student who is otherwise entitled to a certificate of completion, whether general education or disabled, may elect to remain in school as either a full-time or a part-time student for up to one additional year and receive special instruction designed to remedy his or her identified deficiencies.⁹¹ Because they are entitled to a FAPE until age 22, a student with a disability who does not qualify for a waiver or exemption may choose to remain in school until achieving a standard diploma or reaching age 22, whichever occurs first.⁹²

Special Diploma

A student who has an intellectual disability; an autism spectrum disorder; a language impairment; an orthopedic or other health impairment; a traumatic brain injury; an emotional or behavioral disability; a specific learning disability, including dyslexia, dyscalculia, or developmental aphasia; or a student who is deaf, hard of hearing, or dual sensory impaired may be awarded a special diploma.⁹³ Each district school board must prescribe specific graduation requirements that such students must meet to achieve a special diploma. District requirements must be based on the completion of basic, vocational, and ESE courses.⁹⁴

⁸³ Section 1003.4282, F.S.

⁸⁴ Section 1003.428(7)(b), F.S.

⁸⁵ Section 1003.438, F.S.

⁸⁶ Section 1003.428, F.S.

⁸⁷ Sections 1002.3105(5), F.S. and 1003.429, F.S. (2012).

⁸⁸ Section 1003.428(1), F.S.

⁸⁹ Sections 1003.4282(3) and 1003.438, F.S.

⁹⁰ Section 1008.22(3)(c), F.S.

⁹¹ Section 1003.428(7)(b), F.S.

⁹² Rule 6A-6.03028(1), F.A.C.

⁹³ Section 1003.438, F.S.

⁹⁴ Rule 6A-1.09961, F.A.C.

Effect of Proposed Changes

The bill repeals statutory provisions authorizing issuance of a special diploma to students with disabilities. Any student who entered 9th grade as of the 2013-14 academic year may continue to pursue and be awarded a special diploma if requirements are met.⁹⁵ Thus, students with disabilities entering 9th grade in the 2014-15 academic year and thereafter must either satisfy requirements for a standard diploma or receive a certificate of completion.

B. SECTION DIRECTORY:

Section 1. Amends s. 213.053, F.S., revising confidentiality requirements for the Department of Revenue.

Section 2. Amends s. 1002.395, F.S., making various changes to the Tax Credit Scholarship Program.

Section 3. Providing that any scholarship funding organization approved prior to July 1, 2014, shall have until August 1, 2014, to comply with the new requirements for maintaining a surety bond or letter of credit.

Section 4. Creates s. 1002.411, F.S., relating to Florida Personal Learning Scholarship Accounts Program.

Section 5. Amends s. 1003.01(13), F.S., relating to the definitions of "regular school attendance."

Section 6. Amends s. 11.45, F.S., relating to authority of the Auditor General.

Section 7. Repeals s. 1003.438, F.S., relating to special high school graduation requirements for certain exceptional students.

Section 8. Amends s. 120.81, F.S., relating to rulemaking exceptions.

Section 9. Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Staff estimates changes in the annual tax credit cap amounts for the tax credit scholarship program result in a negative impact to the General Revenue Fund of (\$30.0) million, (\$30.0) million, (\$30.0) million, (\$30.0) million, and (\$30.2), in the fiscal years ending 2015, 2016, 2017, 2018, and 2019, respectively. There is an additional indeterminate negative fiscal impact related to the authority to adjust estimated payments against corporate income and insurance premium taxes for tax credits earned under the program.

2. Expenditures:

Because there is little to no data available on home school or private school children who might qualify for a Personal Learning Scholarship Account Program under the bill, assumptions were made based upon the number of students in public school that would meet the criteria to qualify for an account. That ratio of qualified students was then applied to the total home school population of 75,801 and the private school population of 320,423. The private school population was then adjusted for the students currently receiving funding through the McKay Program. Based upon this methodology, the number of qualified home school students in kindergarten through 5th grade is

⁹⁵ See ss. 11.2421 and 11.2425, F.S. The repeal of any statute by the annual adoption and enactment of Florida Statutes does not affect any right accrued before such repeal or any civil remedy where a suit is pending. Section 11.2425, F.S.

estimated at 432 at an estimated cost of \$5.2 million. The number of qualified private school students in kindergarten through 5th grade is 300 at an estimated cost of \$3.6 million. Thus, the total estimated cost of the program is \$8.8 million, which is provided in the FEFP in the House proposed General Appropriations Act. These costs were based on an average of the actual 2012-13 McKay Program payments made for the students that would be eligible to receive an account.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The tax credit cap increase will allow more taxpayers to make eligible contributions to SFOs and therefore more taxpayers will receive a dollar for dollar reduction in their state tax liabilities. In addition SFOs may charge parents of students participating in the Florida Personal Learning Scholarship Account a \$25 application fee.

D. FISCAL COMMENTS:

Staff has estimated the total Florida Tax Credit Scholarship Program impacts on both revenue and FEFP expenditures under current law (Table 1) and the proposed law (Table 2). Table 3 displays the estimated change in total program impacts as a result of the bill. Under the bill, expenditure savings are expected to continue as fewer students will require funding within the FEFP. The tables indicate that under both current and proposed law, the FEFP savings from the program are expected to exceed the revenue losses due to tax credits through FY 2018-19, though the net savings are expected to be lower as a result of the bill. Table 3 shows the net positive savings to the state are reduced by \$1.7 million, \$21.3 million, \$30.4 million and \$40.4 million in fiscal years ending 2016, 2017, 2018, and 2019, respectively.

	2014-15	2015-16	2016-17	2017-18	2018-19
Table 1: Program Impacts Under the Current Law (Baseline)					
Revenue impact in millions	(\$357.8)	(\$447.3)	(\$559.1)	(\$698.9)	(\$873.6)
FEFP savings based on current revenue cap	\$415.0	\$489.6	\$608.7	\$758.4	\$944.8
Net State Savings in Millions	\$57.2	\$42.3	\$49.6	\$59.5	\$71.3

Table 2: Program Impacts Under the Bill					
Revenue impact in millions	(\$387.8)	(\$477.3)	(\$589.1)	(\$728.9)	(\$903.8)
FEFP savings based on revised revenue cap	\$448.3	\$517.9	\$617.4	\$758.0	\$934.6
Net State Savings in Millions	\$60.5	\$40.6	\$28.3	\$29.1	\$30.8

Table 3: Program Impacts: Proposed vs. Current					
Revenue impact in millions	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.2)
FEFP savings based on revised revenue cap	\$33.3	\$28.3	\$8.7	(\$0.4)	(\$10.2)
Net State Savings in Millions	\$3.3	(\$1.7)	(\$21.3)	(\$30.4)	(\$40.4)

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

In *Bush v. Holmes*, the Florida Supreme Court distinguished other publicly funded educational choice programs, such as a program designed to meet the unique educational needs of students with disabilities, from the Opportunity Scholarship Program, which it found unconstitutional.⁹⁶

B. RULE-MAKING AUTHORITY:

The bill directs the State Board of Education to adopt rules to implement the Florida Personal Learning Scholarship Account program, including any rules necessary to coordinate the respective responsibilities of DOE, district school boards, and SFOs regarding the funding and administration of accounts; criteria, timelines, and a reporting format for quarterly reports by SFOs; and a standard application form to be used by parents and SFOs.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

⁹⁶ *Bush v. Holmes*, 919 So.2d 392, 412 (Fla. 2006).