

1 A bill to be entitled

2 An act relating to educational choice; amending s.  
3 213.053, F.S.; authorizing the Department of Revenue  
4 to provide a copy of a letter approving a taxpayer or  
5 dealer for a specified tax credit; amending s.  
6 1002.395, F.S.; revising definitions; revising  
7 eligibility requirements for the Florida Tax Credit  
8 Scholarship Program; revising the cap on the amount of  
9 tax credits that may be approved annually under the  
10 program; requiring the Department of Revenue to  
11 publish the cap on its website; requiring the  
12 Department of Revenue to provide a copy of a letter  
13 approving a taxpayer for a specified tax credit to the  
14 eligible nonprofit scholarship-funding organization;  
15 authorizing certain entities to convey, transfer, or  
16 assign certain tax credits; providing for the  
17 calculation of underpayment of estimated corporate  
18 income taxes and tax installment payments for taxes on  
19 insurance premiums and assessments and the  
20 determination of whether penalties or interest shall  
21 be imposed for such underpayment; revising the  
22 disqualifying offenses for nonprofit scholarship-  
23 funding organization owners and operators; revising  
24 priority for new applicants; authorizing the use of  
25 certain contributions by nonprofit scholarship-funding  
26 organizations for professional development; requiring

27 nonprofit scholarship-funding organizations to  
28 maintain a surety bond or letter of credit and to  
29 adjust the bond or letter of credit quarterly based  
30 upon a statement from a certified public accountant;  
31 providing an exception; requiring parental  
32 authorization for access to income eligibility  
33 information; revising limitations on annual  
34 scholarship amounts; providing for reductions in  
35 scholarship amounts based on household income;  
36 providing initial and renewal application requirements  
37 and an approval process for nonprofit scholarship-  
38 funding organizations; requiring the State Board of  
39 Education to adopt rules; creating s. 1002.411, F.S.;  
40 establishing the Florida Personal Learning Scholarship  
41 Account Program; providing definitions; providing  
42 student eligibility criteria for receipt of a Florida  
43 Personal Learning Scholarship Account; providing  
44 parent and student responsibilities for program  
45 participation; specifying allowable expenditures of  
46 account funds; requiring an annual evaluation of each  
47 participating student's educational progress and  
48 school district review of the evaluation; specifying  
49 that parents are responsible for procuring educational  
50 services for a participating student; specifying that  
51 school districts are not obligated to provide a free  
52 appropriate public education for participating

53 students; prohibiting participating students from  
54 having multiple accounts or participating in school  
55 choice scholarship programs; authorizing a nonprofit  
56 scholarship-funding organization to establish accounts  
57 for eligible students; specifying duties of nonprofit  
58 scholarship-funding organizations for administration  
59 and funding of accounts, annual audits, and quarterly  
60 reporting; specifying Department of Education duties  
61 regarding approved service providers, oversight of  
62 nonprofit scholarship-funding organizations,  
63 investigation and adjudication of complaints, and  
64 reporting by nonprofit scholarship-funding  
65 organizations; specifying school district duties  
66 regarding initial evaluations and individual  
67 educational plan development and review; providing a  
68 calculation for funding accounts; requiring school  
69 districts to report participating students to the  
70 Department of Education for funding; requiring  
71 quarterly transfer of funds by the department to  
72 nonprofit scholarship-funding organizations; providing  
73 for the carryforward of funds remaining in an account  
74 at the end of a fiscal year; specifying the conditions  
75 under which an account is terminated and providing for  
76 the reversion of funds; exempting the state from  
77 liability regarding the award or use of accounts;  
78 requiring rulemaking; amending s. 1003.01, F.S.;

79 | revising the definition of the term "regular school  
 80 | attendance" to add participation in the Florida  
 81 | Personal Learning Scholarship Account Program;  
 82 | amending s. 11.45, F.S.; authorizing the Auditor  
 83 | General to conduct audits of the accounts and records  
 84 | of nonprofit scholarship-funding organizations  
 85 | participating in the Florida Personal Learning  
 86 | Scholarship Account Program; repealing s. 1003.438,  
 87 | F.S., relating to special high school graduation  
 88 | requirements for certain exceptional students;  
 89 | amending s. 120.81, F.S.; correcting cross-references;  
 90 | providing an effective date.

91 |  
 92 | Be It Enacted by the Legislature of the State of Florida:

93 |  
 94 | Section 1. Paragraph (cc) is added to subsection (8) of  
 95 | section 213.053, Florida Statutes, to read:

96 | 213.053 Confidentiality and information sharing.—

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

99 | (cc) For purposes of notification that a tax credit has  
 100 | been reserved, a copy of a letter of approval issued by the  
 101 | department to a taxpayer or dealer for an allocation of a tax  
 102 | credit to an eligible nonprofit scholarship-funding organization  
 103 | selected by the taxpayer or dealer in an application for a tax  
 104 | credit authorized under s. 1002.395.

105  
 106 Disclosure of information under this subsection shall be  
 107 pursuant to a written agreement between the executive director  
 108 and the agency. Such agencies, governmental or nongovernmental,  
 109 shall be bound by the same requirements of confidentiality as  
 110 the Department of Revenue. Breach of confidentiality is a  
 111 misdemeanor of the first degree, punishable as provided by s.  
 112 775.082 or s. 775.083.

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

122 1002.395 Florida Tax Credit Scholarship Program.—

123 (2) DEFINITIONS.—As used in this section, the term:

124 (f) "Eligible nonprofit scholarship-funding organization"  
 125 means a charitable organization that:

126 1. Is exempt from federal income tax pursuant to s.  
 127 501(c)(3) of the Internal Revenue Code;

128 2. Is a Florida entity formed under chapter 607, chapter  
 129 608, or chapter 617 and whose principal office is located in the  
 130 state; and

131 3. Complies with subsections ~~the provisions of subsection~~  
 132 (6) and (16).

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

138 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—

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

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

145 1. The student qualifies for free or reduced-price school  
 146 lunches under the National School Lunch Act or is on the direct  
 147 certification list; ~~and:~~

148 ~~a. Was counted as a full-time equivalent student during~~  
 149 ~~the previous state fiscal year for purposes of state per-student~~  
 150 ~~funding;~~

151 ~~b. Received a scholarship from an eligible nonprofit~~  
 152 ~~scholarship-funding organization or from the State of Florida~~  
 153 ~~during the previous school year; or~~

154 ~~e. Is eligible to enter kindergarten through fifth grade.~~

155 2. The student is currently placed, or during the previous  
 156 state fiscal year was placed, in foster care or in out-of-home

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157 care as defined in s. 39.01; ~~or-~~

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

161 ~~4. The student, who is a first-time tax credit scholarship~~  
162 ~~recipient, is a sibling of a student who is continuing in the~~  
163 ~~scholarship program and who resides in the same household as the~~  
164 ~~student if the sibling meets one or more of the criteria~~  
165 ~~specified in subparagraphs 1. and 2. and as long as the~~  
166 ~~student's and sibling's household income level does not exceed~~  
167 ~~230 percent of the federal poverty level.~~

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

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

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

178 3. The student's household income level is greater than  
179 185 percent of the federal poverty level but does not exceed 260  
180 percent of the federal poverty level and the student:

181 a. Spent the previous school year in attendance at a  
182 public school in the state and was enrolled and reported by the

183 school district for funding during October and February for  
184 purposes of the Florida Education Finance Program surveys;  
185 b. Is eligible to enter kindergarten or grade 1; or  
186 c. Received a scholarship from an eligible nonprofit  
187 scholarship-funding organization or the state during the  
188 previous school year.

189  
190 A student who initially receives a scholarship based on  
191 eligibility under subparagraph (b)2. or subparagraph (c)2.  
192 remains eligible until the student graduates from high school or  
193 turns 21 years of age, whichever occurs first, regardless of the  
194 student's household income level. A sibling of a student who is  
195 participating in the scholarship program under this subsection  
196 is eligible for a scholarship if the student resides in the same  
197 household as the sibling.

198 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

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

201 2. In the state fiscal year immediately following the  
202 first state fiscal year in which the tax credit cap amount is  
203 equal to or greater than 90 percent of the tax credit cap amount  
204 set forth in subparagraph 1., the tax credit cap amount is  
205 \$477.30 million.

206 3. In the state fiscal year immediately following the  
207 first state fiscal year in which the tax credit cap amount is  
208 equal to or greater than 90 percent of the tax credit cap amount



209 set forth in subparagraph 2., the tax credit cap amount is  
 210 \$589.10 million.

211 4. In the state fiscal year immediately following the  
 212 first state fiscal year in which the tax credit cap amount is  
 213 equal to or greater than 90 percent of the tax credit cap amount  
 214 set forth in subparagraph 3., the tax credit cap amount is  
 215 \$728.90 million.

216 5. In the state fiscal year immediately following the  
 217 first state fiscal year in which the tax credit cap amount is  
 218 equal to or greater than 90 percent of the tax credit cap amount  
 219 set forth in subparagraph 4., the tax credit cap amount is  
 220 \$903.80 million.

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

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

234 ~~2. In the 2013-2014 state fiscal year and each state~~

235 ~~fiscal year thereafter, the tax credit cap amount is the tax~~  
236 ~~credit cap amount in the prior state fiscal year. However, in~~  
237 ~~any state fiscal year when the annual tax credit amount for the~~  
238 ~~prior state fiscal year is equal to or greater than 90 percent~~  
239 ~~of the tax credit cap amount applicable to that state fiscal~~  
240 ~~year, the tax credit cap amount shall increase by 25 percent.~~  
241 ~~The department shall publish on its website information~~  
242 ~~identifying the tax credit cap amount when it is increased~~  
243 ~~pursuant to this subparagraph.~~

244 (b) A taxpayer may submit an application to the department  
245 for a tax credit or credits under one or more of s. 211.0251, s.  
246 212.1831, s. 220.1875, s. 561.1211, or s. 624.51055.

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

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

259 (c) If a tax credit approved under paragraph (b) is not  
260 fully used within the specified state fiscal year for credits

261 under s. 211.0251, s. 212.1831, or s. 561.1211 or against taxes  
262 due for the specified taxable year for credits under s. 220.1875  
263 or s. 624.51055 because of insufficient tax liability on the  
264 part of the taxpayer, the unused amount may be carried forward  
265 for a period not to exceed 5 years. However, any taxpayer that  
266 seeks to carry forward an unused amount of tax credit must  
267 submit an application to the department for approval of the  
268 carryforward tax credit in the year that the taxpayer intends to  
269 use the carryforward. The department must obtain the division's  
270 approval prior to approving the carryforward of a tax credit  
271 under s. 561.1211.

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

287 conveyance, transfer, or assignment of a tax credit under s.  
288 561.1211.

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

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

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

313 under s. 220.1875 during the taxable year.

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

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

322 (a) Must comply with the antidiscrimination provisions of  
 323 42 U.S.C. s. 2000d.

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

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

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339 background screening may be borne by the eligible nonprofit  
340 scholarship-funding organization or the owner or operator.

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

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

365 identification system pursuant to s. 943.051.

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

384 5. A nonprofit scholarship-funding organization whose  
385 owner or operator fails the level 2 background screening is not  
386 ~~shall not be~~ eligible to provide scholarships under this  
387 section.

388 6. A nonprofit scholarship-funding organization whose  
389 owner or operator in the last 7 years has filed for personal  
390 bankruptcy or corporate bankruptcy in a corporation of which he

391 or she owned more than 20 percent shall not be eligible to  
392 provide scholarships under this section.

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

402 a. Any authorizing statutes, if the offense was a felony.

403 b. This chapter, if the offense was a felony.

404 c. Section 409.920, relating to Medicaid provider fraud.

405 d. Section 409.9201, relating to Medicaid fraud.

406 e. Section 741.28, relating to domestic violence.

407 f. Section 817.034, relating to fraudulent acts through  
408 mail, wire, radio, electromagnetic, photoelectronic, or  
409 photooptical systems.

410 g. Section 817.234, relating to false and fraudulent  
411 insurance claims.

412 h. Section 817.505, relating to patient brokering.

413 i. Section 817.568, relating to criminal use of personal  
414 identification information.

415 j. Section 817.60, relating to obtaining a credit card  
416 through fraudulent means.



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417 k. Section 817.61, relating to fraudulent use of credit  
418 cards, if the offense was a felony.

419 l. Section 831.01, relating to forgery.

420 m. Section 831.02, relating to uttering forged  
421 instruments.

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

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

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

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

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

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

- 437 1. Tuition and fees for an eligible private school; or  
438 2. Transportation to a Florida public school that is  
439 located outside the district in which the student resides or to  
440 a lab school as defined in s. 1002.32.

441 (e) Must give first priority to eligible students who  
442 received a scholarship from an eligible nonprofit scholarship-

443 funding organization or from the State of Florida during the  
444 previous school year. Beginning in the 2016-2017 school year, an  
445 eligible nonprofit scholarship-funding organization shall give  
446 priority to new applicants whose household income levels do not  
447 exceed 185 percent of the federal poverty level or who are in  
448 foster care or out-of-home care.

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

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

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

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

461 (j)~~(i)~~1. May use up to 3 percent of eligible contributions  
462 received during the state fiscal year in which such  
463 contributions are collected for administrative expenses if the  
464 organization has operated under this section for at least 3  
465 state fiscal years and did not have any negative financial  
466 findings in its most recent audit under paragraph (m) ~~(l)~~. Such  
467 administrative expenses must be reasonable and necessary for the  
468 organization's management and distribution of eligible

469 contributions under this section. Administrative expenses may  
 470 also include professional development to support participating  
 471 schools. Up to ~~No more than~~ one-third of the funds authorized  
 472 for administrative expenses under this subparagraph may be used  
 473 for expenses related to the recruitment of contributions from  
 474 taxpayers.

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

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

491 (k) ~~(j)~~ Must maintain separate accounts for scholarship  
 492 funds and operating funds.

493 (l) ~~(k)~~ With the prior approval of the Department of  
 494 Education, may transfer funds to another eligible nonprofit

495 scholarship-funding organization if additional funds are  
496 required to meet scholarship demand at the receiving nonprofit  
497 scholarship-funding organization. A transfer is ~~shall be~~ limited  
498 to the greater of \$500,000 or 20 percent of the total  
499 contributions received by the nonprofit scholarship-funding  
500 organization making the transfer. All transferred funds must be  
501 deposited by the receiving nonprofit scholarship-funding  
502 organization into its scholarship accounts. All transferred  
503 amounts received by any nonprofit scholarship-funding  
504 organization must be separately disclosed in the annual  
505 financial and compliance audit required in this section.

506 (m) ~~(1)~~ Must provide to the Auditor General and the  
507 Department of Education an annual financial and compliance audit  
508 of its accounts and records conducted by an independent  
509 certified public accountant and in accordance with rules adopted  
510 by the Auditor General. The audit must be conducted in  
511 compliance with generally accepted auditing standards and must  
512 include a report on financial statements presented in accordance  
513 with generally accepted accounting principles set forth by the  
514 American Institute of Certified Public Accountants for not-for-  
515 profit organizations and a determination of compliance with the  
516 statutory eligibility and expenditure requirements set forth in  
517 this section. Audits must be provided to the Auditor General and  
518 the Department of Education within 180 days after completion of  
519 the eligible nonprofit scholarship-funding organization's fiscal  
520 year.

521        (n)~~(m)~~ Must prepare and submit quarterly reports to the  
522 Department of Education pursuant to paragraph (9) (m). In  
523 addition, an eligible nonprofit scholarship-funding organization  
524 must submit in a timely manner any information requested by the  
525 Department of Education relating to the scholarship program.

526        (o)~~(n)~~1.a. Must participate in the joint development of  
527 agreed-upon procedures to be performed by an independent  
528 certified public accountant as required under paragraph (8) (e)  
529 if the scholarship-funding organization provided more than  
530 \$250,000 in scholarship funds to an eligible private school  
531 under this section during the 2009-2010 state fiscal year. The  
532 agreed-upon procedures must uniformly apply to all private  
533 schools and must determine, at a minimum, whether the private  
534 school has been verified as eligible by the Department of  
535 Education under paragraph (9) (c); has an adequate accounting  
536 system, system of financial controls, and process for deposit  
537 and classification of scholarship funds; and has properly  
538 expended scholarship funds for education-related expenses.  
539 During the development of the procedures, the participating  
540 scholarship-funding organizations shall specify guidelines  
541 governing the materiality of exceptions that may be found during  
542 the accountant's performance of the procedures. The procedures  
543 and guidelines shall be provided to private schools and the  
544 Commissioner of Education by March 15, 2011.

545        b. Must participate in a joint review of the agreed-upon  
546 procedures and guidelines developed under sub-subparagraph a.,

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547 by February 2013 and biennially thereafter, if the scholarship-  
548 funding organization provided more than \$250,000 in scholarship  
549 funds to an eligible private school under this section during  
550 the state fiscal year preceding the biennial review. If the  
551 procedures and guidelines are revised, the revisions must be  
552 provided to private schools and the Commissioner of Education by  
553 March 15, 2013, and biennially thereafter.

554 c. Must monitor the compliance of a private school with  
555 paragraph (8) (e) if the scholarship-funding organization  
556 provided the majority of the scholarship funding to the school.  
557 For each private school subject to paragraph (8) (e), the  
558 appropriate scholarship-funding organization shall notify the  
559 Commissioner of Education by October 30, 2011, and annually  
560 thereafter of:

561 (I) A private school's failure to submit a report required  
562 under paragraph (8) (e); or

563 (II) Any material exceptions set forth in the report  
564 required under paragraph (8) (e).

565 2. Must seek input from the accrediting associations that  
566 are members of the Florida Association of Academic Nonpublic  
567 Schools when jointly developing the agreed-upon procedures and  
568 guidelines under sub-subparagraph 1.a. and conducting a review  
569 of those procedures and guidelines under sub-subparagraph 1.b.

570 (p) Must maintain the surety bond or letter of credit  
571 required by subsection (16). The amount of the surety bond or  
572 letter of credit may be adjusted quarterly to equal the actual

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573 amount of undisbursed funds based upon submission by the  
574 organization of a statement from a certified public accountant  
575 verifying the amount of undisbursed funds. The requirements of  
576 this paragraph are waived if the cost of acquiring a surety bond  
577 or letter of credit exceeds the average 10-year cost of  
578 acquiring a surety bond or letter of credit by 200 percent.

579

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

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

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

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

597 (e) Annually contract with an independent certified public  
598 accountant to perform the agreed-upon procedures developed under

599 paragraph (6) (o) ~~(6) (n)~~ and produce a report of the results if  
 600 the private school receives more than \$250,000 in funds from  
 601 scholarships awarded under this section in the 2010-2011 state  
 602 fiscal year or a state fiscal year thereafter. A private school  
 603 subject to this paragraph must submit the report by September  
 604 15, 2011, and annually thereafter to the scholarship-funding  
 605 organization that awarded the majority of the school's  
 606 scholarship funds. The agreed-upon procedures must be conducted  
 607 in accordance with attestation standards established by the  
 608 American Institute of Certified Public Accountants.

609  
 610 The inability of a private school to meet the requirements of  
 611 this subsection shall constitute a basis for the ineligibility  
 612 of the private school to participate in the scholarship program  
 613 as determined by the Department of Education.

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

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

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

624 (12) SCHOLARSHIP AMOUNT AND PAYMENT.—



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625           (a)~~1~~. Except as provided in subparagraph 2., the amount of  
626 a scholarship provided to any student for any single school year  
627 by an eligible nonprofit scholarship-funding organization from  
628 eligible contributions shall be for total costs authorized under  
629 paragraph (6) (d), not to exceed annual limits, which shall be  
630 determined as follows:

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

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

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

638           ~~(III) For the 2011-2012 state fiscal year and thereafter,~~  
639 the limit shall be determined by multiplying the unweighted FTE  
640 funding amount in that state fiscal year by the percentage used  
641 to determine the limit in the prior state fiscal year. However,  
642 in each state fiscal year that the tax credit cap amount  
643 increases pursuant to paragraph (5) (a) ~~subparagraph (5) (a) 2.~~,  
644 the prior year percentage shall be increased by 4 percentage  
645 points and the increased percentage shall be used to determine  
646 the limit for that state fiscal year. If the percentage so  
647 calculated reaches 80 percent in a state fiscal year, no further  
648 increase in the percentage is allowed and the limit shall be 80  
649 percent of the unweighted FTE funding amount for that state  
650 fiscal year and thereafter. Beginning in the 2016-2017 state

651 fiscal year, the amount of a scholarship awarded to a student  
652 enrolled in an eligible private school shall be equal to 82  
653 percent of the unweighted FTE funding amount for that state  
654 fiscal year and thereafter.

655 b. For a scholarship awarded to a student enrolled in a  
656 Florida public school that is located outside the district in  
657 which the student resides or in a lab school as defined in s.  
658 1002.32, the limit shall be \$500.

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

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

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

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

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

674 Twenty-six percent if the student's household income  
675 level is greater than or equal to 215 percent, but less than 230  
676 percent, of the federal poverty level.

677 c. Forty percent if the student's household income level  
678 is greater than or equal to 230 percent, but less than 245  
679 percent, of the federal poverty level.

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

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

690 (a) An application for initial approval must include:

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

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

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

700 4. A description of the geographic region that the  
701 organization intends to serve and an analysis of the demand and  
702 unmet need for eligible students in that area.

- 703        5. The organization's organizational chart.
- 704        6. A description of the criteria and methodology that the  
 705 organization will use to evaluate scholarship eligibility.
- 706        7. A description of the application process, including  
 707 deadlines and any associated fees.
- 708        8. A description of the deadlines for attendance  
 709 verification and scholarship payments.
- 710        9. A copy of the organization's policies on conflict of  
 711 interest and whistleblowers.
- 712        10. A copy of a surety bond or letter of credit in an  
 713 amount equal to 25 percent of the scholarship funds anticipated  
 714 for each school year or \$100,000, whichever is greater.
- 715        (b) In addition to the information required by  
 716 subparagraphs (a)1.-9., an application for renewal must include:
- 717        1. A surety bond or letter of credit equal to the amount  
 718 of undisbursed donations held by the organization based on the  
 719 annual report submitted pursuant to paragraph (6) (m). The amount  
 720 of the surety bond or letter of credit must be at least  
 721 \$100,000, but not more than \$25 million.
- 722        2. The organization's completed Internal Revenue Service  
 723 Form 990 submitted no later than November 30 of the year before  
 724 the school year that the organization intends to offer the  
 725 scholarships, notwithstanding the September 1 application  
 726 deadline.
- 727        3. A copy of the statutorily required audit to the  
 728 Department of Education and Auditor General.

729 4. An annual report that includes:

730 a. The number of students who completed applications, by  
731 county and by grade.

732 b. The number of students who were approved for  
733 scholarships, by county and by grade.

734 c. The number of students who received funding for  
735 scholarships within each funding category, by county and by  
736 grade.

737 d. The amount of funds received, the amount of funds  
738 distributed in scholarships, and an accounting of remaining  
739 funds and the obligation of those funds.

740 e. A detailed accounting of how the organization spent the  
741 administrative funds allowable under paragraph (6) (j).

742 (c) In consultation with the Department of Revenue and the  
743 Chief Financial Officer, the Office of Independent Education and  
744 Parental Choice shall review the application. The Department of  
745 Education shall notify the organization in writing of any  
746 deficiencies within 30 days after receipt of the application and  
747 allow the organization 30 days to correct any deficiencies.

748 (d) Within 30 days after receipt of the finalized  
749 application by the Office of Independent Education and Parental  
750 Choice, the Commissioner of Education shall recommend approval  
751 or disapproval of the application to the State Board of  
752 Education. The State Board of Education shall consider the  
753 application and recommendation at the next scheduled meeting,  
754 adhering to appropriate meeting notice requirements. If the

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755 State Board of Education disapproves the organization's  
756 application, it shall provide the organization with a written  
757 explanation of that determination. The State Board of  
758 Education's action is not subject to chapter 120.

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

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

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

780 (h) The State Board of Education shall adopt rules

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

789 Section 3. A nonprofit scholarship-funding organization  
790 whose application for participation in the program established  
791 by s. 1002.395, Florida Statutes, was approved before July 1,  
792 2014, shall, by August 1, 2014, provide a copy of a surety bond  
793 or letter of credit meeting the requirements of s. 1002.395(16),  
794 Florida Statutes, to the Office of Independent Education and  
795 Parental Choice.

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

798 1002.411 Florida Personal Learning Scholarship Account  
799 Program.—

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

805 (2) DEFINITIONS.—

806 (a) "Approved provider" means a provider of specialized

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807 instructional services approved by the department, individuals  
808 providing services through the Agency for Persons with  
809 Disabilities, and providers approved pursuant to s. 1002.66.

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

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

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

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

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

830 (a) The student is eligible to enter kindergarten or grade  
831 1 through grade 5 or received a Florida Personal Learning  
832 Scholarship Account established pursuant to this section in the



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833 previous school year;

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

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

841  
842 For a student who is a first-time applicant, an administrative  
843 or a judicial proceeding may not be pending regarding the  
844 contents of the student's individual educational plan. For a  
845 student who is applying to renew a current Florida Personal  
846 Learning Scholarship Account, the existence of a pending  
847 administrative or judicial proceeding about a subsequent  
848 individual educational plan does not affect continued  
849 eligibility for an account.

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

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

854 1. No later than 60 days before one of the payment  
855 transfer dates specified in paragraph (8)(d), submit an  
856 application to an eligible nonprofit scholarship-funding  
857 organization in order to receive that payment and, if the  
858 student does not already have an active individual educational

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859 plan, request an annual educational evaluation from the school  
860 district in which the student resides; and

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

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

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

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

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

882 a. Specialized instructional services by an approved  
883 provider.

884 b. Tuition and fees for instructional services from an

885 eligible private school under s. 1002.39(8) or s. 1002.395(8).  
 886 c. Private tutoring pursuant to s. 1002.43.  
 887 d. Tuition and fees for enrollment in a virtual education  
 888 program provided by an approved virtual education provider  
 889 pursuant to s. 1002.37 or s. 1002.45 or in an approved online  
 890 course offered pursuant to s. 1003.499 or s. 1004.0961.  
 891 e. Curriculum.  
 892 f. Costs incurred to comply with the annual educational  
 893 evaluation required in this paragraph.  
 894 g. The fee authorized by paragraph (5)(a).  
 895 h. Services such as applied behavior analysis as defined  
 896 in s. 627.6686, speech-language pathology as defined in s.  
 897 468.1125, occupational therapy as defined in s. 468.203, and  
 898 physical therapy as defined in s. 486.021.  
 899 i. An advanced payment contract purchased through the  
 900 Stanley G. Tate Florida Prepaid College Program for the benefit  
 901 of the eligible student.  
 902 4. Maintain a portfolio of records and materials that  
 903 consists of:  
 904 a. A log of educational instruction and services that is  
 905 made contemporaneously with delivery of the instruction and  
 906 services and that designates by title any reading materials  
 907 used.  
 908 b. Samples of writings, worksheets, workbooks, or creative  
 909 materials used or developed by the student.

911 The portfolio must be preserved by the parent for 2 years and  
912 made available for inspection by the district school  
913 superintendent, or his or her designee, upon 15 days' written  
914 notice. This subparagraph does not require the district school  
915 superintendent to inspect the portfolio.

916 5. Provide for an annual educational evaluation which  
917 documents the student's demonstration of educational progress at  
918 a level commensurate with his or her ability, which may include:

919 a. Evaluation of the student's work portfolio by a  
920 certified teacher selected by the parent;

921 b. Any nationally normed student achievement test  
922 administered by a certified teacher;

923 c. A statewide, standardized assessment administered by a  
924 certified teacher, at a location and under testing conditions  
925 approved by the school district;

926 d. Evaluation by an individual holding a valid, active  
927 license pursuant to the provisions of s. 490.003(7) or (8); or

928 e. Any other valid measurement tool mutually agreed upon  
929 by the school superintendent of the district in which the  
930 student resides and the student's parent.

931 (c) The district school superintendent must review and  
932 accept the results of the annual educational evaluation of a  
933 participating student. If the student does not demonstrate  
934 educational progress at a level commensurate with his or her  
935 ability, the district school superintendent must notify the  
936 parent, in writing, that such progress has not been achieved. If

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937 the student remains eligible for a Florida Personal Learning  
938 Scholarship Account, the parent has 1 year after the date of  
939 receipt of the written notification to provide remedial  
940 instruction to the student. At the end of the 1-year  
941 probationary period, the student must be reevaluated pursuant to  
942 subparagraph (b)5. Continued participation in the Florida  
943 Personal Learning Scholarship Account Program is contingent upon  
944 the student's demonstrating educational progress commensurate  
945 with his or her ability at the end of the probationary period.

946 (d) The parent is responsible for procuring the services  
947 necessary to educate the student. Once the student receives a  
948 Florida Personal Learning Scholarship Account, the district  
949 school board is not obligated to provide the student with a free  
950 appropriate public education. For purposes of s. 1003.57 and the  
951 Individuals with Disabilities Education Act, a participating  
952 student has only those rights that apply to all other  
953 unilaterally parentally placed students, except that, when  
954 requested by the parent, school district personnel must develop  
955 an individual educational plan in accordance with subsection  
956 (7).

957 (e) The parent is responsible for the payment of all  
958 eligible expenses in excess of the amount in the Florida  
959 Personal Learning Scholarship Account in accordance with the  
960 terms agreed to between the parent and the providers and may not  
961 receive any refund or rebate of any expenditures made in  
962 accordance with subparagraph (b)3.

963 (f) A student is eligible for only one Florida Personal  
964 Learning Scholarship Account and may not receive a scholarship  
965 under part III of this chapter.

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

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

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

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

986 (d) Return any unused funds to the department when a  
987 student is no longer eligible for a Florida Personal Learning  
988 Scholarship Account.

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989 (e) Provide to the Auditor General and the department an  
990 annual financial and compliance audit of its accounts and  
991 records conducted by an independent certified public accountant  
992 in accordance with rules adopted by the Auditor General. The  
993 audit must be conducted in compliance with generally accepted  
994 auditing standards and must include a report on financial  
995 statements presented in accordance with generally accepted  
996 accounting principles set forth by the American Institute of  
997 Certified Public Accountants for not-for-profit organizations  
998 and a determination of compliance with the requirements provided  
999 in this section. Audits must be provided to the Auditor General  
1000 and the Department of Education within 180 days after completion  
1001 of the nonprofit scholarship-funding organization's fiscal year.  
1002 If a nonprofit scholarship-funding organization does not submit  
1003 an annual audit, the Auditor General shall conduct the audit  
1004 required by this paragraph.

1005 (f) Prepare and submit quarterly reports to the department  
1006 pursuant to paragraph (6) (f). In addition, a nonprofit  
1007 scholarship-funding organization must submit in a timely manner  
1008 any information requested by the department relating to the  
1009 Florida Personal Learning Scholarship Account Program.

1010 (6) DEPARTMENT OF EDUCATION OBLIGATIONS.—The department  
1011 must:

1012 (a) Maintain a list of approved providers.

1013 (b) Require each eligible nonprofit scholarship-funding  
1014 organization to verify eligible expenditures as provided in

1015 subparagraph (4) (b) 3. before reimbursement.

1016 (c) Investigate any written complaint of a violation of  
 1017 this section in accordance with the process established by s.  
 1018 1002.395(9) (f).

1019 (d) Notify an eligible nonprofit scholarship-funding  
 1020 organization of any of the organization's identified students  
 1021 who are receiving educational scholarships pursuant to part III  
 1022 of this chapter.

1023 (e) Notify an eligible nonprofit scholarship-funding  
 1024 organization of any of the organization's identified students  
 1025 who have established a Florida Personal Learning Scholarship  
 1026 Account with another eligible nonprofit scholarship-funding  
 1027 organization or who have been reported for funding by a school  
 1028 district or the Florida Virtual School.

1029 (f) Require quarterly reports by an eligible nonprofit  
 1030 scholarship-funding organization regarding the number of  
 1031 students participating in the program, the providers of services  
 1032 to students, and other information deemed necessary by the  
 1033 department.

1034 (7) SCHOOL DISTRICT OBLIGATIONS; PARENTAL OPTIONS.—

1035 (a) Upon the request of a parent submitted at least 60  
 1036 days before a payment transfer date specified in paragraph  
 1037 (8) (d), the school district in which the student resides shall  
 1038 conduct an initial evaluation of a student in accordance with s.  
 1039 1003.57. If a determination is made that the student has a  
 1040 disability and needs special education and related services, an



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1041 individual educational plan must be developed.

1042 (b) Evaluations and individual educational plans must be  
1043 completed within the timeframes set forth in rules of the State  
1044 Board of Education. If a student has been identified as a  
1045 student with a disability under the Individuals with  
1046 Disabilities Education Act pursuant to a current evaluation team  
1047 report but the student does not have an individual educational  
1048 plan because the student is not currently enrolled in a public  
1049 school, the school district shall prepare an individual  
1050 educational plan for the student.

1051 (c) Upon completion of a student's individual educational  
1052 plan, the school district shall provide the parent with an  
1053 estimate of the approximate amount of funds that the student may  
1054 receive in a Florida Personal Learning Scholarship Account.

1055 (d) The school district in which an eligible student  
1056 resides must:

1057 1. Review the annual educational evaluation in accordance  
1058 with paragraph (4) (c).

1059 2. Annually review the individual educational plan of each  
1060 student with a Florida Personal Learning Scholarship Account in  
1061 consultation with the personnel of providers of the services  
1062 selected by the parent for the student under subparagraph  
1063 (4) (b) 3.

1064 (e) The school district developing the individual  
1065 educational plan is not obligated to provide a participating  
1066 student with a free appropriate public education. However, if,

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1067 at any time, a parent of a participating student decides to  
1068 enroll the student in the school district, the school district  
1069 must provide the student with a free appropriate public  
1070 education.

1071 (8) FLORIDA PERSONAL LEARNING SCHOLARSHIP ACCOUNT FUNDING  
1072 AND PAYMENT.—

1073 (a) The maximum amount granted for an eligible student  
1074 with disabilities shall be calculated in accordance with s.  
1075 1002.39(10) (a).

1076 (b) The school district shall report to the department for  
1077 funding all students who are receiving a Florida Personal  
1078 Learning Scholarship Account. These students must be reported  
1079 separately from other students reported for purposes of the  
1080 Florida Education Finance Program.

1081 (c) Following notification on July 1, September 1,  
1082 December 1, or February 1 of the number of Florida Personal  
1083 Learning Scholarship Account Program participants, the  
1084 department shall transfer, from general revenue funds only, the  
1085 amount calculated under paragraph (a) from the school district's  
1086 total funding entitlement under the Florida Education Finance  
1087 Program and from authorized categorical accounts to a separate  
1088 account for the Florida Personal Learning Scholarship Account  
1089 Program for quarterly disbursement to the nonprofit scholarship-  
1090 funding organization for participating students.

1091 (d) After the department verifies the establishment of a  
1092 Florida Personal Learning Scholarship Account for a

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1093 participating student by the nonprofit scholarship-funding  
1094 organization, the department shall make payments to the  
1095 nonprofit scholarship-funding organization selected by the  
1096 parent in four equal amounts no later than September 1, November  
1097 1, February 1, and April 1 of each academic year in which the  
1098 account is in force.

1099 (e) Any funds remaining in a Florida Personal Learning  
1100 Scholarship Account for an eligible student are carried forward  
1101 to the next fiscal year until termination of the account. A  
1102 Florida Personal Learning Scholarship Account shall be  
1103 terminated if the student enrolls in and is reported for funding  
1104 in any public educational program under s. 1000.04(1), (3), or  
1105 (4); is determined ineligible for a Florida Personal Learning  
1106 Scholarship Account under this section; graduates from high  
1107 school; or reaches 22 years of age, whichever occurs first. Once  
1108 an account is terminated, all remaining funds revert to the  
1109 state.

1110 (9) LIABILITY.—No liability shall arise on the part of the  
1111 state based on the award or use of a Florida Personal Learning  
1112 Scholarship Account.

1113 (10) RULES.—The State Board of Education shall adopt rules  
1114 to implement this section, including rules necessary to  
1115 coordinate the respective responsibilities of the department,  
1116 school districts, and nonprofit scholarship-funding  
1117 organizations regarding the funding and administration of  
1118 Florida Personal Learning Scholarship Accounts; criteria,

1119 timelines, and a reporting format for quarterly reports by  
 1120 nonprofit scholarship-funding organizations; and a standard  
 1121 application form to be used by parents and nonprofit  
 1122 scholarship-funding organizations.

1123 Section 5. Subsection (13) of section 1003.01, Florida  
 1124 Statutes, is amended to read:

1125 1003.01 Definitions.—As used in this chapter, the term:

1126 (13) "Regular school attendance" means the actual  
 1127 attendance of a student during the school day as defined by law  
 1128 and rules of the State Board of Education. Regular attendance  
 1129 within the intent of s. 1003.21 may be achieved by ~~attendance~~  
 1130 ~~in~~:

1131 (a) Attendance in a public school supported by public  
 1132 funds;

1133 (b) Attendance in a parochial, religious, or  
 1134 denominational school;

1135 (c) Attendance in a private school supported in whole or  
 1136 in part by tuition charges or by endowments or gifts;

1137 (d) Participation in a home education program under s.  
 1138 1002.41; ~~that meets the requirements of chapter 1002; or~~

1139 (e) Attendance in a private tutoring program under s.  
 1140 1002.43; or

1141 (f) Participation in the Florida Personal Learning  
 1142 Scholarship Account Program under s. 1002.411 ~~that meets the~~  
 1143 ~~requirements of chapter 1002.~~

1144 Section 6. Paragraph (y) is added to subsection (3) of

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1145 section 11.45, Florida Statutes, to read:

1146 11.45 Definitions; duties; authorities; reports; rules.—

1147 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The  
1148 Auditor General may, pursuant to his or her own authority, or at  
1149 the direction of the Legislative Auditing Committee, conduct  
1150 audits or other engagements as determined appropriate by the  
1151 Auditor General of:

1152 (y) The accounts and records of a nonprofit scholarship-  
1153 funding organization participating in the Florida Personal  
1154 Learning Scholarship Account Program established by s. 1002.411.

1155 Section 7. Section 1003.438, Florida Statutes, is  
1156 repealed.

1157 Section 8. Paragraph (c) of subsection (1) of section  
1158 120.81, Florida Statutes, is amended to read:

1159 120.81 Exceptions and special requirements; general  
1160 areas.—

1161 (1) EDUCATIONAL UNITS.—

1162 (c) Notwithstanding s. 120.52(16), any tests, test scoring  
1163 criteria, or testing procedures relating to student assessment  
1164 which are developed or administered by the Department of  
1165 Education pursuant to s. 1003.4282 ~~1003.428~~, ~~s. 1003.429~~, ~~s.~~  
1166 ~~1003.438~~, s. 1008.22, or s. 1008.25, or any other statewide  
1167 educational tests required by law, are not rules.

1168 Section 9. This act shall take effect July 1, 2014.