

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 1756  
 INTRODUCER: Senator Simmons  
 SUBJECT: School Accountability  
 DATE: January 19, 2018      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Olenick	Graf	ED	<b>Pre-meeting</b>
2.			AED	
3.			AP	
4.			RC	

**I. Summary:**

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

- Expands the number of site visits to private schools that the Department of Education (DOE or department) must make and the scope of such visits to require the DOE to:
  - Annually visit at least 5 percent of private schools participating in state scholarship programs, with opportunities for follow-up visits.
  - Visit each private school that notifies the department of the school’s intent to participate in a state scholarship program.
- Modifies the teacher qualification requirements for private schools that participate in state scholarship programs to require:
  - That the teachers hold a baccalaureate or higher degree from a regionally or nationally accredited college or university, in addition to other specified qualifications.
  - The private schools to report to the DOE, specified information regarding the qualifications of each teacher hired by such schools.
- Requires the Division of State Fire Marshall to annually provide to the DOE, a report of fire safety inspections of private schools that participate in a state scholarship program.
- Requires a private school that receives more than \$250,000 in funds from any state scholarship program in a state fiscal year to provide to the DOE a specified financial report from an independent certified public accountant.
- Specifies that a private school is ineligible to participate in a state scholarship program if the owner or operator of the private school was a debtor in a voluntary or involuntary bankruptcy petition within the most recent 5 years.

The bill takes effect July 1, 2018.

## II. Present Situation:

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

## III. Effect of Proposed Changes:

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

During the 2016-2017 school year, 2,663 private schools<sup>2</sup> filed the annual private school database survey form<sup>3</sup> to register with the Department of Education (DOE or department). Of the schools that filed the survey, 1,978 schools participated in at least one state scholarship program.<sup>4</sup> The private schools that participated in a state scholarship program during the 2016-2017 school year, served 136,992 students.<sup>5</sup>

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

- The Florida Tax Credit Scholarship Program (FTC scholarship program), was established in 2001.<sup>7</sup> The purpose of the FTC scholarship program is to encourage taxpayers to make private, voluntary contributions to non-profit scholarship-funding organizations (SFOs), expand educational opportunities for families that have limited financial resources, and improve the quality of education in this state by expanding the educational opportunities for children and creating incentives for schools to achieve excellence.<sup>8</sup> During the 2016-2017 school year, 97,900 students attending 1,733 private schools received an FTC scholarship.<sup>9</sup>
- The John M. McKay Scholarship for Students with Disabilities Program (McKay scholarship program) was established in 2002.<sup>10</sup> The McKay scholarship program provides an option to attend a public school other than the one that the student is assigned, or to provide a scholarship to a private school of choice, to students with disabilities<sup>11</sup> who have an

<sup>1</sup> Sections 1002.385, 1002.39, and 1002.395, F.S.

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

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

<sup>4</sup> Email, Florida Department of Education (Jan. 12, 2018).

<sup>5</sup> Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at [https://www.stepupforstudents.org/wp-content/uploads/SU\\_AR\\_2017-16\\_Final\\_Online.pdf](https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf), at 8; see also Florida Department of Education, *Fact Sheet – McKay Scholarship Program* (Sep. 2017), available at [http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay\\_Aug\\_2017.pdf](http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay_Aug_2017.pdf).

<sup>6</sup> Sections 1002.385, 1002.39, and 1002.395, F.S.

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

<sup>8</sup> Section 1002.395(1)(b), F.S.

<sup>9</sup> Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at [https://www.stepupforstudents.org/wp-content/uploads/SU\\_AR\\_2017-16\\_Final\\_Online.pdf](https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf), at 8.

<sup>10</sup> Section 104, ch. 2002-387, L.O.F.

<sup>11</sup> Students with disabilities include K-12 students who are documented as having an intellectual disability; a speech impairment; a language impairment; a hearing impairment, including deafness; a visual impairment, including blindness; a dual sensory impairment; an orthopedic impairment; another health impairment; an emotional or behavioral disability; a

individual educational plan or a 504 accommodation plan.<sup>12</sup> The program is administered by the Department of Education (DOE).<sup>13</sup> During the 2016-2017 school year, 31,499 special needs students attended 1,454 private schools.<sup>14</sup>

- The Gardiner Scholarship Program, was established in 2014<sup>15</sup> to provide the option for a parent of an eligible child<sup>16</sup> to better meet the individual educational needs of his or her child who has a disability.<sup>17</sup> Funds are distributed to a qualified SFO to establish accounts for eligible students.<sup>18</sup> During the 2016-2017 school year, 7,593 students<sup>19</sup> received the Gardiner scholarship with the average student receiving 10,000 per scholarship award.<sup>20</sup>

### **Requirements for Private Schools to Participate in State Scholarship Programs**

A private school that chooses to participate in a state scholarship program must comply with the requirements specified in law such as meeting the applicable state and local health, safety, and welfare laws, code, and rules; employing teachers who meet specified requirements; and demonstrating fiscal soundness and accountability.<sup>21</sup>

Accordingly, a private school that chooses to participate in a state scholarship program must submit to the DOE, a Scholarship Compliance Form<sup>22</sup> and has 60 days to resolve any outstanding compliance issues.<sup>23</sup> To renew the school's eligibility for participation in a state scholarship

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specific learning disability, including, but not limited to, dyslexia, dyscalculia, or developmental aphasia; a traumatic brain injury; a developmental delay; or autism spectrum disorder. Section 1002.39(1)(b), F.S.

<sup>12</sup> Section 1002.39(1), F.S.

<sup>13</sup> Section 1002.39(6), F.S.

<sup>14</sup> Florida Department of Education, *Fact Sheet – McKay Scholarship Program* (Sep. 2017), available at [http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay\\_Aug\\_2017.pdf](http://www.fldoe.org/core/fileparse.php/5606/urlt/McKay_Aug_2017.pdf).

<sup>15</sup> Section 16, ch. 2014-184, L.O.F.

<sup>16</sup> Section 1002.385(1) and (3), F.S.

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

<sup>18</sup> Section 1002.385, F.S.

<sup>19</sup> Step Up for Students, *2016-2017 Step Up For Students Annual Report*, available at [https://www.stepupforstudents.org/wp-content/uploads/SU\\_AR\\_2017-16\\_Final\\_Online.pdf](https://www.stepupforstudents.org/wp-content/uploads/SU_AR_2017-16_Final_Online.pdf), at 8.

<sup>20</sup> Florida Department of Education, *Fact Sheet – The Gardiner Scholarship Program* (Dec. 2017), available at [http://www.fldoe.org/core/fileparse.php/5606/urlt/Gardiner\\_Dec\\_2017.pdf](http://www.fldoe.org/core/fileparse.php/5606/urlt/Gardiner_Dec_2017.pdf).

<sup>21</sup> Section 1002.421, F.S.; see also ss. 1002.385, 1002.39, and 1002.395, F.S.

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

<sup>23</sup> Rule 6A-6.03315(3), F.A.C.

program, the participating private school must submit to the DOE, the Scholarship Compliance Form, Private School Annual Survey,<sup>24</sup> and fiscal soundness documentation.<sup>25</sup>

### **Site Visits**

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

### ***Number of Visits***

#### *Present Situation*

Currently, the DOE:

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

#### *Effect of Proposed Change*

The bill requires the DOE to:

- Annually visit up to 5 percent of the schools participating in state scholarship programs and authorizes the department to visit up to 7 percent of such schools, which will include visits to schools participating in the FTC scholarship program, McKay scholarship program, Gardiner scholarship program, or another state scholarship program. As a result, this provision will likely annually impact an estimated 99–138 private schools participating in state scholarship programs.<sup>29</sup> Additionally, consistent with the requirement for private schools that participate in the FTC scholarship program,<sup>30</sup> the bill authorizes the department to make follow-up visits at any time to any school participating in a state scholarship program, which receives a notice of noncompliance or a notice of proposed action within the previous 2 years, or for a cause that affects the health, safety, and welfare of a student.<sup>31</sup>

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

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

<sup>26</sup> Section 1002.395(9)(n)1., F.S.

<sup>27</sup> *Id.*

<sup>28</sup> Section 1002.385(6)(f)1., F.S.

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

<sup>30</sup> Section 1002.395(9)(n)1., F.S.

<sup>31</sup> Currently, for the Florida Tax Credit (FTC) scholarship program and the McKay scholarship program, the Commissioner of Education (commissioner) must deny, suspend, or revoke a private school's participation in the McKay Scholarship

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

### *Scope of Visits*

#### *Present Situation*

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

#### *Effect of Proposed Change*

The bill adds to the scope of the site visits to require the DOE to verify compliance with health, safety and welfare of students; and applies the scope for site visits consistently to private schools that participate in the FTC scholarship program, McKay scholarship program, Gardiner scholarship program, or another state scholarship program.

Specifically, the expansion of the purpose of the site visits to include a verification of health, safety, and welfare of students appears to be consistent with the expectations in Florida law specific to the health, safety, and welfare of students.

For instance, Florida law:

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

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

<sup>32</sup> Telephone interview with Florida Department of Education staff (Jan. 19, 2018). A new private school is a private school that did not have scholarship students during the current or previous school year. New schools may submit the Scholarship Compliance Form at any time; however, the department does not allow the school to enroll scholarship students until the school has adequately demonstrated compliance with all program requirements. Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at [https://www.stepupforstudents.org/wp-content/uploads/Accountability\\_Report\\_Final\\_2017.pdf](https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf), at 7 of 25; see also Rule 6A-6.03315(1)(b) and (3), F.A.C.

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

<sup>34</sup> Section 1002.421(2)(g), F.S.

<sup>35</sup> Section 1002.39(7)(a)2., F.S.

<sup>36</sup> Section 1002.395(11)(a)2., F.S.

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

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

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

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

## Teacher Qualifications

### *Present Situation*

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

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

### *Effect of Proposed Change*

The bill modifies the teacher qualification requirements for private schools that participate in state scholarship programs to require:

- That the teachers employed by private schools hold a baccalaureate or higher degree from a college or university that is accredited by a regional or national accrediting agency recognized by the United States Department of Education. Additionally, the bill specifies that such teachers must also meet the existing criteria under law<sup>43</sup> regarding having at least 3 years of experience or having special skills. The bill describes special skills to mean skills that are objectively identified.

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<sup>37</sup> Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at [https://www.stepupforstudents.org/wp-content/uploads/Accountability\\_Report\\_Final\\_2017.pdf](https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf), at 12 of 25.

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

<sup>39</sup> Florida Department of Education, *2017 Scholarship Programs Accountability Report* (Dec. 2015), available at [https://www.stepupforstudents.org/wp-content/uploads/Accountability\\_Report\\_Final\\_2017.pdf](https://www.stepupforstudents.org/wp-content/uploads/Accountability_Report_Final_2017.pdf), at 12 of 25.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> Section 1002.421(2)(h), F.S.

<sup>43</sup> *Id.*

- The private schools to report to the DOE, in a format developed by the department, specified information regarding the qualifications of each teacher hired by such schools, including but not limited to, an explanation of the objectively identified special skills or expertise of the applicable teachers.

As a result, the bill raises the qualifications for teachers employed by private schools that participate in state scholarship programs. The reporting of teacher qualifications to the DOE may assist the department with its review of whether the private schools that participate in state scholarship programs comply with the specified requirements.

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

### **Safety Inspection Reporting Requirements**

#### *Present Situation*

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

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

#### *Effect of Proposed Change*

The bill requires the Division of State Fire Marshall to annually provide to the DOE, a fire safety inspection report, prepared by the local fire departments or by entities with whom they contract to conduct fire safety inspections of private schools, for each private school that participates in a state scholarship program.

The transmittal of fire safety inspection reports from the local entities that perform such inspections to the State Fire Marshall and further to the DOE may assist with strengthening the accountability for private schools that participate in state scholarship programs.

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<sup>44</sup> Section 1002.421(2)(i)4., F.S.

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

<sup>46</sup> Sections 1002.421(2)(i)4., and 1012.32, F.S.

<sup>47</sup> Section 1002.421, F.S.

<sup>48</sup> Section 1002.421(2)(g), F.S.

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

<sup>50</sup> *Id.*

## **Financial Reporting Requirements**

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

### ***Private Schools***

#### *Present Situation*

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

The private school must annually submit the report by September 15 to the scholarship funding organization that awarded the majority of the school's scholarship funds.<sup>53</sup> The agreed-upon procedures must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.<sup>54</sup>

#### *Effect of Proposed Change*

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

### ***Scholarship Funding Organizations***

#### *Present Situation*

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

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

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<sup>51</sup> Section 1002.395(8)(e), F.S.

<sup>52</sup> Section 1002.385(8)(e), F.S.

<sup>53</sup> Sections 1002.385(8)(e), and 1002.395(8)(e), F.S.

<sup>54</sup> *Id.*

<sup>55</sup> Section 1002.395(2)(f), F.S.

<sup>56</sup> Section 1002.395(2)(f)3., (6), and (16), F.S.



Scholarship Funding Organizations administer both the FTC scholarship program and the Gardiner scholarship program.<sup>57</sup> The DOE has approved Step Up for Students and A.A.A. Scholarship Foundation – FL, LLC to administer the FTC scholarship program and the Gardiner scholarship program.<sup>58</sup>

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

#### *Effect of Proposed Change*

The bill modifies the financial reporting requirements for the SFOs by applying the specified requirements to SFOs that provide more than \$250,000 in scholarship awards under any state scholarship program.

### **Ineligibility of Private Schools to Participate in State Scholarship Programs**

#### *Present Situation*

The DOE must suspend the payment of funds under the FTC scholarship program and the McKay scholarship program to a private school that knowingly fails to comply with the law, and must prohibit the school from enrolling new scholarship students, for 1 fiscal year and until the school complies.<sup>61</sup> Additionally, Florida law specifies that for both the FTC scholarship program and the Gardiner scholarship program, if a private school is unable to meet the specified requirements or has consecutive years of material exceptions listed in the required report on agreed-upon procedures, the commissioner may determine that private school as ineligible to participate in that scholarship program.<sup>62</sup> A similar provision exists for the McKay scholarship program.<sup>63</sup>

#### *Effect of Proposed Change*

The bill clarifies that the failure or refusal of a private school to meet the applicable requirements specified in law, rather than knowingly failing or the inability, must constitute a basis for the ineligibility of that private school to participate in a state scholarship program. The bill applies this clarification consistently to the FTC scholarship program, McKay scholarship program,

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<sup>57</sup> Sections 1002.385 and 1002.395, F.S.

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

<sup>59</sup> Section 1002.395(6)(o)1.a., F.S.

<sup>60</sup> Section 1002.395(6)(o)1.b., F.S.

<sup>61</sup> Section 1002.421(4), F.S.

<sup>62</sup> Sections 1002.385(8)(e) and 1002.395(8), F.S.

<sup>63</sup> Section 1002.39(8), F.S.

Gardiner scholarship program, or another state scholarship program under chapter 1002 of the Florida Statutes.

Additionally, the bill adds a criteria regarding ineligibility of a private school to participate in a state scholarship program to specify that a private school is ineligible to participate in a state scholarship program if the owner or operator of the private school was a debtor in a voluntary or involuntary bankruptcy petition within the most recent 5 years.

Finally, the bill updates the name of the Florida Personal Learning Scholarship Accounts Program to the Gardiner Scholarship Program, consistent with the law.

This bill takes effect July 1, 2018.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

To be eligible to participate in state scholarship programs, SB 1756 requires a private school to meet the specified accountability provisions including, but not limited to, meeting the baccalaureate or higher degree requirement for teachers employed by such schools, which may increase costs for private schools that do not currently meet the specified requirements.

C. Government Sector Impact:

SB 1756 may require additional resources for the Department of Education to make site visits to more private schools, including the private schools that currently participate in state scholarship programs and private schools that notify the department of the schools' intent to participate in state scholarship programs.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

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

**A. Committee Substitute – Statement of Changes:**

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

None.

**B. Amendments:**

None.