

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 5101 PCB PKA 19-01 Education Funding
SPONSOR(S): PreK-12 Appropriations Subcommittee, Latvala
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: PreK-12 Appropriations Subcommittee	10 Y, 0 N	Potvin	Potvin
1) Appropriations Committee	18 Y, 6 N	Potvin	Pridgeon

SUMMARY ANALYSIS

The bill conforms applicable statutes to the appropriations provided in the House proposed General Appropriations Act for Prekindergarten through grade 12 education for Fiscal Year 2019-2020.

The bill:

- Modifies current school choice scholarship programs by:
 - Revising the calculation methodology for scholarship award amount for the Florida Tax Credit Scholarship and the Hope Scholarship Programs;
 - Allowing eligible nonprofit scholarship-funding organizations (SFOs) to use eligible contributions received pursuant to ss. 212.099, 212.1832, 1002.395, and 1002.40, F.S., during the fiscal year for administrative expenses and specifying that such expenses may not exceed 3 percent of the total amount of all scholarships awarded by the SFOs under chapter 1002, F.S.
 - Limiting the amount of contributions for the Hope Scholarship Program that an eligible nonprofit SFO may carry forward up to 5 percent of net eligible contributions with any contributions in excess of the 5 percent carry forward required to be transferred to another eligible nonprofit SFO or if another SFO does not participate in the Hope Scholarship Program, the eligible contributions may be used to fund Florida Tax Credit scholarships.
 - Prioritizing the recipients awarded a Florida Tax Credit scholarship beginning in Fiscal Year 2019-2020.
 - Renaming the Florida Sales Tax Credit Scholarship Program and requiring the use of the contributions to fund Florida Tax Credit scholarships.
- Modifies certain allocations funded in the Florida Education Finance Program (FEFP) by:
 - Deleting the requirement that school districts with one or more of the 300 lowest-performing elementary schools on the statewide reading assessment use their Supplemental Academic Instruction allocation on an additional hour each day of intensive reading instruction.
 - Making the above-mentioned requirement permissive rather than mandatory for the Research-based Reading Instruction allocation.
 - Requiring the Office of Economic and Demographic Research to develop each school district's wage level index for purposes of calculating the district cost differential.
 - Including the Florida best and brightest teacher allocation and the Florida best and brightest principal allocation in the calculation of the Virtual Education Contribution.
- Modifies the Florida Best and Brightest Teacher Scholarship Program by:
 - Deleting the provision of the program that provides a \$6,000 award for classroom teachers who are rated "highly effective" and who scored at or above the 80th percentile nationally on either the SAT or the ACT at the time the assessment was taken; and
 - Increasing the yearly bonuses to \$2,000 for each classroom teacher rated "highly effective" and up to \$1,100 for each classroom teacher rated "effective".

Except as otherwise provided for in this act, the bill takes effect July 1, 2019.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Florida Tax Credit Scholarship Program

The Florida Tax Credit Program (FTC Program) was created in 2001¹ and allows taxpayers to make private, voluntary contributions to a scholarship-funding organization (SFO), that can then be awarded as scholarships to eligible low-income students for private school tuition and fees. Taxpayers can receive a tax credit for use against their liability for corporate income tax, insurance premium tax, severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders or alcoholic beverage taxes on beer, wine, and spirits² and rental or license fees.³ The tax credit is equal to 100 percent of the eligible contribution made.⁴ To receive a tax credit, the taxpayer must submit an application to the Department of Revenue and specify each tax for which the taxpayer requests a credit and the applicable taxable or state fiscal year for the credit.⁵

The tax credit cap was set at \$229 million in Fiscal Year 2012-2013.⁶ Beginning in Fiscal Year 2013-2014 and each fiscal year thereafter, the tax credit cap amount is the tax credit cap amount in the prior fiscal year. However, in any fiscal year when the annual tax credit amount for the prior fiscal year is equal to or greater than 90 percent of the tax credit cap amount applicable to that fiscal year, the tax credit cap amount is increased by 25 percent.⁷ As a result, the tax credit cap amount for Fiscal Year 2018-2019 is \$873.6 million. However, the February 2019 Revenue Estimating Conference's forecasted collections totaling \$687.8 million.

The FTC scholarship award to a student enrolled in an eligible private school is determined as a percentage of the unweighted FTE funding amount for that fiscal year as follows:

- 88 percent for a student enrolled in kindergarten through grade 5,
- 92 percent for a student enrolled in grade 6 through grade 8, and
- 96 percent for a student enrolled in grade 9 through grade 12.⁸

Beginning in Fiscal Year 2016-2017, priority for a FTC scholarship is given to a student whose household income level does not exceed 185 percent of the federal poverty level or who is in foster care or out-of-home care.⁹ For other FTC scholarship, the annual amount of a scholarship award shall be reduced by:

- 12 percent if the student's household income level is greater than or equal to 200 percent but less than 215 percent of the federal poverty level;
- 26 percent if the student's household income level is greater than or equal to 215 percent but less than 230 percent of the federal poverty level;
- 40 percent if the student's household income level is greater than or equal to 230 percent but less than 245 percent of the federal poverty level; and

¹ Section 1002.395, F.S.

² Section 1002.395(1) and (5), F.S.

³ Section 212.099(1)(b), F.S.

⁴ Sections 220.1875 and 1002.395(5), F.S.

⁵ Section 1002.395(5)(b), F.S.

⁶ Section 1002.395(5)(a), F.S.

⁷ *Id.*

⁸ Section 1002.395(11), F.S.

⁹ Section 1002.395(6)(e), F.S.

- 50 percent if the student's household income level is greater than or equal to 245 percent but less than or equal to 260 percent of the federal poverty level.¹⁰

Eligible SFOs are authorized to use up to 3 percent of eligible tax credit contributions received during a fiscal year in which the contributions are collected for administrative expenses. Such administrative expenses must be reasonable and necessary for the SFO's management and distribution of eligible contributions.¹¹

Additionally SFOs must expend for annual or partial-year scholarships an amount equal to or greater than 75 percent of the net eligible contributions remaining after administrative expenses during the fiscal year in which such contributions are collected. No more than 25 percent of the net eligible contributions may be carried forward to the following fiscal year with all carried forward amounts being used for specifically-identified students in the following fiscal year. Net eligible contributions remaining on June 30 of each fiscal year in excess of the 25 percent carry forward amount must be transferred to other eligible SFOs to provide scholarships for eligible students.¹²

Hope Scholarship Program

In 2018, the Legislature created the Hope Scholarship Program (HSP) to provide the parent of a public school student subjected to a specified incident¹³ at school the opportunity to transfer the student to another public school or to request a scholarship for the student to enroll in and attend an eligible private school.¹⁴ A parent may also choose to enroll his or her student in a public school located outside the district in which the student resides and request a transportation scholarship.¹⁵ The scholarship program is funded by taxpayers who make eligible contributions to non-profit scholarship-funding organizations (SFOs), and in turn, receive a credit against any tax due as a result of the purchase or acquisition of a motor vehicle.¹⁶ The credit may not exceed the amount of taxes owed and each eligible contribution is limited to a single payment of \$105 at the time of the purchase of a motor vehicle or at the time of registration of a motor vehicle that was not purchased from a dealer.¹⁷

Scholarships are awarded on a first-come, first-served basis based upon available funds. For Fiscal Year 2018-2019, eligible SFOs have collected over \$18.5 million.¹⁸ The Hope scholarship awarded to a student enrolled in an eligible private school is determined as a percentage of the unweighted FTE funding amount for that fiscal year as follows:

- 88 percent for a student enrolled in kindergarten through grade 5,
- 92 percent for a student enrolled in grade 6 through grade 8, and
- 96 percent for a student enrolled in grade 9 through grade 12.¹⁹

Eligible SFOs are authorized to use up to 3 percent of eligible tax credit contributions received during a fiscal year in which the contributions are collected for administrative expenses. Such administrative expenses must be reasonable and necessary for the SFO's management and distribution of eligible contributions.²⁰

¹⁰ *Id.*

¹¹ Section 1002.395(6)(j), F.S.

¹² Section 1002.395(6)(j), F.S.

¹³ A specified incident includes: battery; harassment; hazing; bullying; kidnapping; physical attack; robbery; sexual offenses, harassment, assault, or battery; threat or intimidation; or fighting at school. Section 1002.40(3), F.S.

¹⁴ Section 1002.40(1), F.S.

¹⁵ Section 1002.40(6)(a), F.S. (2018).

¹⁶ Section 1002.40(2)(d) and (13), F.S. (2018).

¹⁷ Section 1002.40(13), F.S.

¹⁸ February 20, 2019, email from Step Up for Students.

¹⁹ Section 1002.40(11), F.S.

²⁰ *Id.*

Additionally SFOs must expend for annual or partial-year scholarships an amount equal to or greater than 75 percent of the net eligible contributions remaining after administrative expenses during the fiscal year in which such contributions are collected. No more than 25 percent of the net eligible contributions may be carried forward to the following fiscal year with all carried forward amounts being used for specifically-identified students in the following fiscal year. Net eligible contributions remaining on June 30 of each fiscal year in excess of the 25 percent carry forward amount must be transferred to other eligible SFOs to provide scholarships for eligible students.²¹

Gardiner Scholarship Program

The Gardiner Scholarship Program (GSP) provides the option for a parent to better meet the individual educational needs of his or her eligible child by providing a scholarship that can be used to purchase approved services or products in order to design a customized educational program for his or her child.²²

An eligible scholarship-funding organization (SFO) is authorized to establish Gardiner scholarships and s. 1002.385(12) enumerates the obligations of the SFO.

Beginning in Fiscal Year 2017-2018 and each year thereafter, the calculation for a new student entering the GSP is based on the student's matrix level of services; which is a document used to determine the cost factor for exceptional education students based on the decisions made by the Individualized Education Plan (IEP) team. The funding for a student without a matrix level of services shall be based on the matrix that assigns the student to support Level III of services. If a parent chooses to request and receive a matrix of services from the school district, when the school district completes the matrix, the amount of payment is adjusted accordingly. The amount of the awarded funds is 90 percent of the calculated amount. One hundred percent of the general revenue funds appropriated by the Legislature for the GSP must be released to the Department of Education at the beginning of the first quarter of the fiscal year.²³

In addition to the funds appropriated for the GSP and subject to a separate appropriation, an eligible SFO may receive an amount equivalent to not more than 3 percent of the amount of each scholarship award from state funds for administrative expenses. Such administrative expenses must be reasonable and necessary for the SFO's management and distribution of scholarships.²⁴

Reading Scholarship Accounts

The Reading Scholarship Accounts program was established in July 2018 and offers educational options for students on a first-come, first-serve basis for students in grades 3 through 5 who are enrolled in a Florida public school and who scored below a Level 3 on the grade 3 or grade 4 statewide standardized English Language Arts assessment in the prior school year. An eligible student who is classified as an English Language Learner and is enrolled in a program or receiving services that are specifically designed to meet the instructional needs of English Language Learner students receive priority.²⁵

An eligible nonprofit scholarship-funding organization (SFO) participating in the Florida Tax Credit Scholarship Program may establish Reading Scholarship Accounts for eligible students.²⁶ In addition to the funds appropriated for the scholarships and subject to a separate, specific appropriation, an eligible nonprofit SFO may receive an amount equivalent to not more than 3 percent of the amount of

²¹ Section 1002.395(6)(j), F.S. Section 1002.40(2)(e), F.S., defines "eligible nonprofit scholarship-funding organization" the same as provided in s. 1002.395(2)(f), F.S., which requires, among other things, compliance with s. 1002.395(6) and (15).

²² Section 1002.385(5), F.S.

²³ Section 1002.385(13), F.S.

²⁴ *Id.*

²⁵ Section 1002.411(2), F.S.

²⁶ Section 1002.411(4), F.S.

each scholarship from state funds for administrative expenses. Such administrative expenses must be reasonable and necessary for the SFO's management and distribution of scholarships.²⁷

For Fiscal Year 2018-2019 the amount of the scholarship is \$500 per eligible student²⁸ and may be used for the reimbursement of qualifying expenditures listed in s. 1002.411(3)(a)2., F.S.

Florida Sales Tax Credit Scholarship Program

The Florida Sales Tax Credit Scholarship Program authorizes the tenant of a commercial rental property to receive a credit against the state sales tax due on rent or license fee payments for contributions paid to an eligible nonprofit scholarship-funding organization (SFO). Eligible contributions may be used to fund the Gardiner Scholarship Program established pursuant to s. 1002.385, F.S., or the Florida Tax Credit Scholarship Program established pursuant to s. 1002.395, F.S.²⁹

Priority use of the eligible contributions is as follows:

1. Gardiner scholarships if the funds appropriated in a fiscal year for the program are insufficient to fund eligible students.
2. If the condition in #1 is met, SFOs must use eligible contributions to fund Gardiner scholarships for students in priority set in s. 1002.385(12)(d), F.S.
3. Any remaining eligible contributions may be used to fund Florida Tax Credit scholarship for students eligible pursuant to s. 1002.395(3)(b)1. or 2.³⁰

Section 7 of chapter 2018-10, Laws of Florida, stated that for Fiscal Year 2018-2019, that the Florida Sales Tax Credit Scholarship Program could not be used to fund Gardiner scholarships. This section expires July 1, 2019.

Effect of Proposed Changes

The bill revises the methodology for how the Florida Tax Credit Scholarship Program and the Hope Scholarship Program scholarship amounts are calculated. Beginning in Fiscal Year 2019-2020, scholarship amounts for both programs will be calculated based upon the grade level and school district in which the student resides as 97 percent of the district average for basic programs identified in s. 1011.62(1)(c)1., F.S. and the General Appropriations Act.

The bill amends the provisions relating to the 3 percent administrative fee that eligible nonprofit scholarship-funding organizations (SFOs) are authorized to retain by allowing these organizations to use eligible contributions received pursuant to ss. 212.099, 212.1832, 1002.395, and 1002.40, F.S., during the fiscal year in which such contributions are collected for administrative expenses. Administrative expenses may not exceed 3 percent of the total amount of all scholarships awarded by an eligible nonprofit SFO under chapter 1002, to include the scholarships funded by tax credits as well as those funded by a legislative appropriation.

The bill limits the amount of contributions for the Hope Scholarship Program that an eligible nonprofit scholarship-funding organization (SFO) may carry forward to 5 percent of net eligible contributions. Any contributions in excess of the 5 percent must be transferred to another eligible nonprofit SFO or if another such organization does not participate in the Hope Scholarship Program, eligible contributions may be used to fund Florida Tax Credit scholarships. The bill also allows contributions by motor vehicle purchasers to be used for Florida Tax Credit scholarships in addition to Hope scholarships.

²⁷ Section 1002.411(6)(g), F.S.

²⁸ Section 1002.411(7), F.S.

²⁹ Section 212.099, F.S.

³⁰ Section 212.099(7), F.S.

The bill establishes a funding priority for Florida Tax Credit scholarships beginning in Fiscal Year 2019-2020 to include:

1. Eligible students who received a scholarship during the previous school year.
2. New applicants whose household income levels do not exceed 185 percent of the federal poverty level or who are in foster care or out-of-home care.
3. New applicants whose household income levels are greater than 185 percent of the federal poverty level but do not exceed 260 percent of the federal poverty level.

And finally, the bill renames the Florida Sales Tax Credit Scholarship Program to Credits for Contributions to Eligible Nonprofit Scholarship-funding Organizations consistent with similar laws. The bill revises the use of the sales tax credits by maintaining the priority for Florida Tax Credit scholarships and eliminating the priority for the Gardiner Scholarship Program which would have been effective starting in Fiscal Year 2019-2020.

John R. McKay Scholarship for Students with Disabilities Program

Current Situation

The John R. McKay Scholarship for Students with Disabilities (McKay) Program allows parents of students with disabilities to choose the best academic environment for their children. This program provides eligible students the opportunity to attend a participating eligible private school or transfer to another public school. Eligible students include students who have been issued an Individualized Education Plan (IEP) or a 504 Accommodation Plan that is effective for more than 6 months.³¹

The amount of the scholarship is either the calculated amount or the amount of the private school's tuition and fees, whichever is less.³² The calculated amount is equivalent to the base student allocation in the Florida Education Finance Program (FEFP) multiplied by the appropriate education cost factor that would have been provided for the student in the school district to which he or she was assigned multiplied by the district cost differential. In addition, a share of the guaranteed allocation for exceptional students is determined and added to the amount. The calculated amount also includes the per-student share of supplemental academic instruction funds, instructional materials funds, technology funds, and other categorical funds in the General Appropriations Act.³³

The Department of Education is responsible for the management and distribution of the McKay scholarships.

Effect of Proposed Changes

The bill specifies that for purposes of calculating the amount of the McKay scholarship, the per-student share of the reading instruction funds must also be included.

Supplemental Academic Instruction Allocation

Current Situation

In 1999, the Legislature created the Supplemental Academic Instruction (SAI) allocation as part of the A+ Education Plan³⁴ for assisting school districts in providing supplemental instruction to students in kindergarten through grade 12.³⁵

³¹ Section 1002.39(1), F.S.

³² Section 1002.39(10)(b), F.S.

³³ Section 1002.39(10), F.S.

³⁴ Section 23, ch. 99-398, L.O.F.

³⁵ Florida House of Representatives, Council for Lifelong Learning, Supplemental Academic Instruction Fact Sheet (Sept. 2001) available at

<http://archive.flsenate.gov/data/publications/2002/house/reports/EdFactSheets/fact%20sheets/supplementalacademicinstruction.pdf>

The SAI allocation is annually allocated to each school district in the amount provided in the General Appropriations Act. These funds are provided in addition to the funds appropriated on the basis of full-time equivalent (FTE) student membership in the Florida Education Finance Program (FEFP) and are included in the total funds for each school district. Each school district that has one or more of the 300 lowest-performing elementary schools based on a 3-year average of the statewide reading assessment must use their portion of the SAI funds, together with the funds provided in the district's Research-based Reading Instruction Allocation, to provide an additional hour of intensive reading instruction.³⁶ After this requirement has been met, these schools may use their portion of the SAI funds for: modified curriculum, reading instruction, after-school instruction, tutoring, mentoring, class size reduction, extended school year, intensive skills development in summer school, and other methods for improving student achievement.³⁷

Effect of Proposed Change

The bill modifies the SAI allocation by deleting the requirement that each school district that has one or more of the 300 lowest-performing elementary schools based on the statewide reading assessment must use its portion of the SAI funds to provide an additional hour each day of intensive reading instruction.

District Cost Differential

Current Situation

The district cost differential equalizes the Florida Education Finance Program (FEFP) base funding by using the Florida Price Level Index (FLPI) to adjust each school district's base funding to reflect the relative cost of hiring comparably qualified school personnel among Florida school districts. Annually a district cost differential is calculated for each school district using the most recent 3 years of the FLPI.³⁸ The district cost differential is applied to the base funding of the FEFP and the result is a redistribution of the FEFP's base funding.

The FLPI is a joint project between the Florida Polytechnic University and the Bureau of Economic and Business Research.³⁹ In the Fiscal Year 2018-2019 General Appropriations Act, \$100,000 was appropriated to the Department of Education to issue a competitive solicitation to contract with an independent third party consulting firm to conduct a review of the FLPI and report recommendations to the Legislature and the Executive Office of the Governor's Office of Policy and Budget by January 1, 2019. Included in the report is a recommendation that the state should consider taking advantage of new county level data and use a Comparable Wage Index.⁴⁰

Effect of Proposed Changes

The bill requires that by January 1, 2020, and annually thereafter, the Office of Economic and Demographic Research must develop a methodology for calculating the variation in the cost of wages and salaries and calculate each school district's wage level index using applicable county- and occupational-level data. To improve the integrity of the calculation, the bill requires the office to seek input from a broad range of stakeholders, to include school districts and the Department of Economic Opportunity, to verify factors that result in the cost differences among counties.

³⁶ Section 1011.62(1)(f), F.S.

³⁷ *Id.*

³⁸ Section 1011.62(2), F.S.

³⁹ <https://www.bebr.ufl.edu/economics>

⁴⁰ Florida House of Representatives' PreK-12 Appropriations Subcommittee on January 24, 2019; presentation by The Balmoral Group.

Research-based Reading Instruction Allocation

Current Situation

Funds for comprehensive, research-based reading instruction are allocated annually to each school district in the amount provided in the General Appropriations Act. Each eligible school district receives the same minimum amount as specified in the General Appropriations Act, and any remaining funds are distributed to eligible school districts based on each district's proportionate share of the K-12 base funding.⁴¹

Currently a school district that has one or more of the 300 lowest-performing elementary schools based on a 3-year average of the statewide reading assessment data must use the school's portion of the reading instruction allocation to provide an additional hour per day of intensive reading instruction for the students in each school.⁴² For all other schools, the school district's use of the reading instruction allocation must be used to implement a system of comprehensive reading instruction to students enrolled in K-12 programs.

Effect of Proposed Changes

The bill makes the requirement for the additional hour per day of intensive reading instruction for school districts with one or more of the 300 lowest-performing elementary schools based on a 3-year average of the statewide reading assessment permissive rather than mandatory.

Florida Best and Brightest Teacher Scholarship Programs

Current Situation

In 2015, the Legislature established the Best and Brightest Teacher Scholarship Program in the General Appropriations Act and appropriated \$44,022,483 to fund the program.⁴³ In 2016, the Legislature codified the program in statute and appropriated \$49,000,000 to continue it for the 2016-2017 school year.⁴⁴ Under the program, teachers who were rated "highly effective"⁴⁵ and who scored at or above the 80th percentile nationally on either the SAT or the ACT at the time the assessment was taken were provided a payment of up to \$10,000. First-year teachers who did not yet have an evaluation qualified if they scored at or above the 80th percentile on the SAT or ACT at the time the assessment was taken.

The 2017 Legislature extended the Best and Brightest Teacher Scholarship Program through July 1, 2020, provided a fixed scholarship amount of \$6,000 for each qualifying classroom teacher, and revised eligibility criteria beginning with the 2020-2021 school by:

1. Lowering the qualifying assessment score threshold from the 80th percentile to the 77th percentile based on the National Percentile Ranks in effect when the classroom teacher took the assessment;
2. Recognizing other national, standardized assessments that measure cognitive ability in lieu of the SAT or ACT;
3. Allowing an assessment score in the 71st percentile or higher to qualify if the applicant earned a baccalaureate degree with a designation of *cum laude* or higher; and
4. Allowing teachers to satisfy the highly effective rating requirement based solely on their value-added score calculated by the Department of Education.⁴⁶

⁴¹ Section 1011.62(9), F.S.

⁴² *Id.*

⁴³ Specific Appropriation 99A, s. 2, ch. 2015-232, L.O.F

⁴⁴ Section 25, ch. 2016-62, L.O.F., creating s. 1012.731, F.S.

⁴⁵ As determined by the district evaluation system pursuant to s. 1012.34, F.S.

⁴⁶ Section 46, ch. 2017-116, L.O.F.

The Legislature also established yearly bonuses of \$1,200 for each classroom teacher rated highly effective and up to \$800 for each classroom teacher rated effective through the 2019-2020 school year.

Effect of Proposed Changes

The bill deletes the provision of the Best and Brightest Teachers Scholarship Program that provides a \$6,000 award for classroom teachers who are rated “highly effective” and who scored at or above the 80th percentile nationally on either the SAT or the ACT at the time the assessment was taken. The bill also increases the yearly bonuses to \$2,000 for each classroom teacher rated “highly effective” and up to \$1,100 for each classroom teacher rated “effective”.

Virtual Education Contribution

Current Situation

Annually the Legislature may provide in the Florida Education Finance Program (FEFP) a virtual education contribution (VEC). The amount of the VEC is the difference between the amount per full-time equivalent (FTE) established in the General Appropriations Act for virtual education and the amount per FTE for each district and the Florida Virtual School. It is calculated by taking the sum of the base FEFP allocation, the discretionary local effort, the state-funded compression supplement, the research-based reading instruction allocation, and the instructional materials allocation and then dividing by the total unweighted FTE. The difference is multiplied by the virtual education unweighted FTE for programs and options identified in s. 1002.455, F.S., and the Florida Virtual School and its franchises to equal the virtual education contribution and is included as a separate allocation in the funding formula.⁴⁷

Effect of Proposed Change

The bill includes the new Florida Best and Brightest Teachers allocation and the Florida Best and Brightest Principals allocation in the calculation of the Virtual Education Contribution.

B. SECTION DIRECTORY:

Section 1: Amends s. 212.099, F.S., regarding the Florida Sales Tax Credit Scholarship Program by renaming the program to credit for contributions to eligible nonprofit scholarship-funding organization and specifying that “eligible contributions” are used to the Florida Tax Credit Scholarship Program only.

Section 2: Amends s. 212.1832, F.S., regarding the Hope Scholarship Program by renaming the program to credit for contributions to eligible nonprofit scholarship-funding organizations.

Section 3: Amends s.1002.20, F.S., regarding K-12 Student and Parent Rights by revising the list of scholarship programs.

Section 4: Amends s. 1002.385, F.S., regarding the Gardiner Scholarship by deleting the provision allowing the specific legislative appropriation for an administrative fee for use by eligible nonprofit scholarship-funding organizations.

Section 5: Amends s. 1002.39, F.S., regarding the John R. McKay Scholarship Program for Students with Disabilities by revising the calculation of the scholarship award amount by including the Florida best and brightest teacher allocation and the Florida best and brightest principal allocation.

Section 6: Amends s. 1002.395, F.S., regarding the Florida Tax Credit Scholarship Program by revising scholarship eligibility, scholarship amounts, and allowing the transportation scholarship to be

⁴⁷ Section 1011.62(11), F.S.
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used for transportation to another public school within the school district, and allowing eligible contributions from the Florida Sales Tax Credit Scholarship Program, the Florida Tax Credit Scholarship Program, and the Hope Scholarship Program to be used for administrative expenses by eligible nonprofit scholarship-funding organizations with such administrative expenses not exceeding 3 percent of the total amount of all scholarships awarded by such organizations under chapter 1002.

Section 7: Amends s. 1002.40, F.S., regarding the Hope Scholarship Program by revising the scholarship amount and limiting the amount of contributions that may be carried by an eligible nonprofit scholarship-funding organization and requiring that the carried forward contributions be used to fund Florida Tax Credit scholarships.

Section 8: Amends s. 1002.411, F.S., regarding the Reading Scholarship Accounts by deleting the provision allowing the specific legislative appropriation for an administrative fee for use by eligible nonprofit scholarship-funding organizations.

Section 9: Amends s. 1011.62, F.S., regarding the (a) Supplemental Academic Instruction Allocation (SAI) by deleting the requirement that a school district with one or more of the lowest-performing elementary schools on the statewide reading assessment must use their portion of SAI funds to offer an additional hour each day of intensive reading instruction; (b) district cost differential (DCD) by requiring that the Office of Economic and Demographic Research develop each school district's wage level index using applicable county- and occupational-level data; (c) categorical funds by adding the digital classroom allocation as a categorical whose funds can be transferred in an emergency situation; (d) Research-based Reading Instruction Allocation by making the requirement for the additional hour per day of intensive reading instruction for school districts with one or more of the 300 lowest-performing elementary schools based on the statewide reading assessment permissive rather than mandatory; (e) Virtual Education Contribution by including the Florida best and brightest teacher allocation and the Florida best and brightest principal allocation in the calculation of the contribution.

Section 10: Amends s. 1011.71, F.S., conforming provision to changes made by the act.

Section 11: Amends s. 1012.584, F.S., conforming provision to changes made by the act.

Section 12: Amends s. 1012.731, F.S., regarding the Florida best and brightest teach scholarship program by deleting the provision of the program that provides a \$6,000 award for classroom teachers who are rated "highly effective" and who scored at or above the 80th percentile nationally on either the SAT or ACT at the time the assessment was taken and increasing the yearly bonuses to \$2,000 for each classroom teacher rated "highly effective" and up to \$1,100 for each classroom teacher rated "effective".

Section 13: Amends s. 1012.732, F.S., conforming provisions to changes made by the act.

Section 14: Amends section 49 of chapter 2018-6, Laws of Florida, by revising the emergency rulemaking authority of the Department of Revenue to include the changes to s. 1002.40, F.S.

Section 15: Provides an effective date of July 1, 2019, except as otherwise provided for in the act.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None known.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None known.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None known.

D. FISCAL COMMENTS:

The bill conforms applicable statutes to the appropriations provided in the General Appropriations Act for Prekindergarten through grade 12 education for the 2019-2020 fiscal year to include:

- Appropriation of funds in the Florida Education Finance Program (FEFP).
- Appropriation of funds associated with the Florida Best and Brightest Teacher and Principal Allocations funded in the FEFP.
- Appropriation of funds for the Gardiner Scholarship Program and the Reading Scholarship Accounts.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill revises the emergency rulemaking authority of the Department of Revenue to include the revisions to the notice to taxpayers.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES