

**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.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 318

INTRODUCER: Senator Gaetz and others

SUBJECT: Educational Scholarship Programs

DATE: December 9, 2025

REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Gray	Sadberry	AP	<b>Pre-meeting</b>

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**I. Summary:**

SB 318 makes substantial changes to education choice and school funding programs to improve student tracking, ensure funding follows the student, enhance budget predictability, create consistency across scholarship programs, and incorporate recommendations made by the Auditor General.

To ensure funding stability, the bill moves the Family Empowerment Scholarship (FES) into a separate categorical within the Florida Education Finance Program (FEFP). The bill expands the use of the Educational Enrollment Stabilization Program to provide financial support for districts with changes in student enrollment and to ensure scholarships are funded for all eligible students. Additionally, scholarship payments to families will shift from quarterly to monthly, and families will be required to verify continued eligibility before each payment.

The bill standardizes processes across all scholarship programs by establishing fall and spring application windows, requiring a single application, and requiring documentation to verify enrollment status. The bill requires the Department of Education (DOE) to develop a standard withdrawal form for families leaving a public school to enroll in a scholarship program and to report on student mobility within the scholarship programs.

To address data accuracy, the bill requires additional documentation at the time of application, including residency verification and a birth certificate. The bill requires the DOE to cross-check applicants against public school enrollment records and to assign a student ID to all scholarship recipients to standardize data tracking. The DOE is required to implement a uniform reimbursement and invoicing process.

To enhance oversight, the bill requires an annual full-time equivalent (FTE) audit of scholarship programs by the Auditor General, with scholarship-funding organizations (SFOs) required to return any misallocated funds.

Finally, the bill requires the DOE, by December 1, 2026, to recommend to the Governor and Legislature ways to improve the efficient and effective implementation of the scholarship programs for implementation beginning with the 2028–2029 school year. The recommendations must, at a minimum, address program administration and cost options (including use of up to five SFOs), tax credit administration, SFO approval requirements, and a plan to ensure that background screening results for education providers screened through the Department of Children and Families are shared with the DOE.

The bill has both negative and positive indeterminate fiscal impacts relating to multiple provisions in the bill. **See Section V., Fiscal Impact Statement.**

The bill is effective July 1, 2026.

## **II. Present Situation:**

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

## **III. Effect of Proposed Changes:**

Florida offers several scholarship programs that allow parents of an eligible student to register their child to attend a private school that may better serve the student’s particular needs, provide educational options for their student with a disability, or direct the education of their child. The three scholarship programs include:

- The Family Empowerment Scholarship (FES), which includes:
  - The Family Empowerment Scholarship for students attending a private school (FES-EO).
  - The Family Empowerment Scholarship for students with disabilities (FES-UA).<sup>1</sup>
- The Florida Tax Credit (FTC) Scholarship Program,<sup>2</sup> for students attending a private school or for students in a personalized education program (PEP).<sup>3</sup>
- The Hope Scholarship Program (HSP).<sup>4</sup>

The Department of Education (DOE) and Commissioner of Education<sup>5</sup> are tasked with implementation and oversight responsibilities. Florida’s scholarship programs are administered by scholarship funding organizations (SFOs) approved by the DOE.<sup>6</sup>

As of November 2025, a total of 560,935 students were funded in the scholarship program in the 2025-2026 school year:

- 307,993 students were funded through the FES-EO scholarship;
- 163,242 students were funded through the FES-UA scholarship;
- 7,560 students were funded through the FTC scholarship; and

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<sup>1</sup> Section 1002.394, F.S.; *see also* Rule 6A-6.0952, F.A.C.

<sup>2</sup> Section 1002.395, F.S.; *see also* Rule 6A-6.0960, F.A.C.

<sup>3</sup> Section 1002.395(2), F.S.

<sup>4</sup> Section 1002.40, F.S.; *see also* Rule 6A-6.0951, F.A.C.

<sup>5</sup> Section 1002.421, F.S.

<sup>6</sup> *See* ss. 1002.394(11) and 1002.395(6) and (15), F.S.

- 84,140 students were funded through the PEP scholarship.<sup>7</sup>

## **State School Choice Scholarship Program Accountability and Oversight**

### ***Present Situation***

#### **Private School Eligibility and Obligations**

Each scholarship program has unique requirements for private schools, but there are common criteria that each private school must meet in order to participate in any of the state's scholarship programs.<sup>8</sup> All private schools in Florida may be sectarian or nonsectarian, must meet Florida's definition of a private school,<sup>9</sup> be registered with the state, and be in compliance with all the requirements of a private school. A private school that participates in the scholarship program must also:

- Comply with 42 U.S.C. s. 2000d which prohibits excluding a person from participation in federally assisted programs on the grounds of race, color, or national origin.
- Notify the Department of Education (DOE) of its intent to participate in a scholarship program.
- Notify the DOE of any changes in the school's name, director, mailing address, or physical location within 15 days of the change.
- Provide the DOE or the scholarship funding organization (SFO) all required documentation for student registration and payment.
- Provide to the SFO the school's fee schedule.
- Annually complete and submit to the DOE a notarized scholarship compliance statement verifying compliance with background screening requirements.
- Demonstrate fiscal soundness in accordance with statutory requirements.
- Meet applicable state and local health, safety, and welfare laws, codes, and rules.
- Employ or contract with teachers that meet specified qualifications.
- Maintain a physical location in the state at which each student has regular and direct contact with teachers. Regular and direct contact with teachers may be satisfied for students enrolled in a PEP if students have regular and direct contact with teachers at the physical location at least two school days per week and the student learning plan addresses the remaining instructional time.
- Provide to parents information regarding the school's programs, services, classroom teacher qualifications, and a statement that a private school student with a disability does not have a right to all of the services that the student would receive if enrolled in a public school under the Individuals with Disabilities Education Act (IDEA).
- Provide the parent, at least on a quarterly basis, with a written report of the student's progress.
- Cooperate with a parent who wants a student to participate in Florida's statewide, standardized assessments.
- Adopt policies establishing standards of ethical conduct for educational support employees, instructional personnel, and school administrators.

<sup>7</sup> Email, Florida Department of Education (Dec. 1, 2025) (on file with the Senate Committee on Appropriations).

<sup>8</sup> Section 1002.421, F.S.

<sup>9</sup> Section 1002.01(3), F.S.

- Not be owned or operated by a person or an entity domiciled in, owned by, or in any way controlled by a foreign country of concern or foreign principal, as identified in law.<sup>10</sup>

The DOE is required to annually verify the eligibility of private schools that meet the requirements of state law. The DOE must also provide a process for individuals to report violations of law regarding program participation, oversee compliance with health and fire safety requirements, and maintain a list of nationally norm-referenced tests identified for purposes of satisfying scholarship program assessment requirements.<sup>11</sup>

The Commissioner of Education (commissioner) may deny, suspend, or revoke a private school's participation in a scholarship program if the private school does not comply with requirements in law, or is or has operated a school in a manner contrary to the health, safety, or welfare of the public.<sup>12</sup>

The commissioner may also permanently deny or revoke the authority of an owner, officer or director to establish or operate a private school in the state and include such individual on the disqualification list,<sup>13</sup> if the commissioner decides that the owner, officer, or director is operating or has operated a school in a manner contrary to health, safety and welfare or operated a school that closed during the school year.<sup>14</sup>

#### Department of Education Enrollment Verification for the K-12 Scholarship Program

The DOE is required to notify all SFOs of the deadlines for submitting to the DOE the list of scholarship students deemed eligible by the SFO. The DOE is required to cross-check this list of scholarship students with the full-time equivalent membership survey data to avoid duplication and adjust payments to eligible nonprofit SFOs. When the Florida Education Finance Program (FEFP) is recalculated based on full-time equivalent student membership, the DOE must adjust the amount of state funds allocated to school districts through the FEFP based upon the results of the cross-check.<sup>15</sup>

To assist in this process, the DOE assigns a Florida Education Identifier (FLEID) to each student funded through the FEFP, including FES scholarship students.<sup>16</sup> However, students enrolled in the FTC scholarship program are not assigned an FLEID.

#### *Auditor General Report: Department of Education 2024-25 School Year Funding Accountability Challenges*

During fiscal year (FY) 2025-2026, the Auditor General (AG) conducted an operational audit of the DOE's implementation of the state's K-12 scholarship program. The audit examined various aspects of the state's funding for the 2024-2025 school year, including accountability challenges

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<sup>10</sup> Section 1002.421(1), F.S.; *see also* Rule 6A-6.03315, F.A.C.

<sup>11</sup> Sections 1002.421(2), 1002.394(8)(a) and 1002.395(9)(e), F.S.

<sup>12</sup> Section 1002.421(3), F.S.

<sup>13</sup> *See* s. 1001.10(4), F.S.

<sup>14</sup> Section 1002.421(3), F.S.

<sup>15</sup> Section 1002.394(8)(a)2. and 13., F.S.

<sup>16</sup> Section 1008.386; *see also*, Rule 6A-1.00141, F.A.C.

faced and potential lessons learned.<sup>17</sup> The AG's audit focused on several areas, including, but not limited to:

- Unexpected funding demand;
- Cross-checks; and
- Recoupment and withholding deficiencies<sup>18</sup>

For the unexpected funding demand, the AG noted when the Legislature passed the 2024-2025 fiscal year General Appropriations Act in March of 2024, the state projected 3.2 million unweighted and almost 3.5 million weighted FTE. However, per the Final Calculation of the FEFP, unweighted FTE and weighted FTE for the 2024-2025 school year was over 9,100 greater and nearly 45,000 greater, respectively, than projected, representing a significant unexpected draw on State education funding.<sup>19</sup> Because the baseline funding amounts and FTE enrollment forecast were set in March with the FEFP First Calculation, while new and renewal FES program applications remained open through November 15, 2024, and April 30, 2024, respectively, the Legislature had to develop a budget using participation data that did not yet reflect full-year enrollment, which can result in FTE and funding estimates that differ substantially from actual enrollment.

For the cross-checking process, the AG noted several deficiencies and inconsistencies. Although the DOE had identified potential duplicate students enrolled in both the scholarship program and public school, the DOE relied on voluntary reporting through a survey sent to the parent or guardian of a matched student to potentially halt scholarship payments.<sup>20</sup> When a parent did not respond to the survey, the AG found that the DOE often took no action in halting scholarship payments.<sup>21</sup> DOE's response to the AG report noted an update to the cross-checking process to include providing a list of potential scholarship students to with a request that district staff review the list and identify students who may be enrolled in district schools. For students who have been identified as enrolled in public school, funds are not released to the scholarship account until a student submits to the SFO a withdrawal form.<sup>22</sup>

For the recoupment and withholding deficiencies, the AG noted the DOE was inconsistent in recouping and withholding funds from the SFOs when overpayments occurred. The DOE would either withhold or request repayment back from the SFOs but didn't document when remittances or withholds occurred and the amounts due back to the DOE.<sup>23</sup>

#### Florida Tax Credit (FTC) Scholarship Application and Payment Process

For the FTC private school scholarship program, an SFO must establish a process for parents who reapply for an FTC scholarship to renew their student's scholarship. The renewal applications for the 2025-2026 school year and thereafter must provide for a renewal timeline

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<sup>17</sup> State of Florida Auditor General, *Operational Audit, Department of Education 2024-25 School Year Funding Accountability Challenges*, Report No. 2026-046, at 7 (Nov. 2025), available at [https://flauditor.gov/pages/pdf\\_files/2026-046.pdf](https://flauditor.gov/pages/pdf_files/2026-046.pdf) (last visited Dec. 4, 2025).

<sup>18</sup> *Id.* at 9-11

<sup>19</sup> *Id.* at 9-10.

<sup>20</sup> *Id.* at 10.

<sup>21</sup> *Id.* at 10-11.

<sup>22</sup> *Id.* at 23-24.

<sup>23</sup> *Id.* at 14-15.

beginning February 1 of the prior school year and ending April 30 of the prior school year. A student's renewal is contingent upon an eligible private school providing confirmation of admission and a confirmation by the parent that the scholarship is being renewed or declined by May 31. Parents of students applying for a new FTC scholarship may apply throughout the school year, and the date by which the scholarship is accepted or declined is set by the SFO.<sup>24</sup>

For FTC scholarship students with a PEP scholarship, an SFO must establish a process for parents to apply for a new scholarship or renew an existing scholarship for the 2025-2026 school year. The process must require that renewals and new applications be made between February 1 and April 30 of the prior school year. The process must require that parents confirm the scholarship is being accepted, renewed, or declined, as appropriate, by May 31.<sup>25</sup>

The following table displays the application deadlines for new and renewal scholarships:

Type of Application	Scholarship Program	Application Window	Parent must Accept or Decline by
NEW	FTC PEP	Feb 1-April 30	May 31
	FTC-Full-time Private	None	Date set by the SFO
RENEWAL	FTC PEP	Feb 1-April 30	May 31

Payment of the FTC scholarship by the SFO must be by funds transfer. The SFO must ensure that the parent has approved a funds transfer before any scholarship funds are deposited. If a scholarship student is attending an eligible private school full time, the initial payment must be made after the SFO's verification of admission acceptance, and subsequent payments must be made upon verification of continued enrollment and attendance at the eligible private school.<sup>26</sup>

#### Family Empowerment Scholarship (FES) Application and Payment Process

For FES new scholarship applicants, the SFO must establish a process for, beginning with the 2025-2026 school year, parents to submit an application no earlier than February 1 of the prior school year until November 15. Applications received by the SFO after this date will be considered on a first-come-first-served basis for the following school year. The process must require that a parent confirm that the scholarship will be accepted or declined by December 15.<sup>27</sup> The SFO must verify to the DOE the student's eligibility to participate in the scholarship program at least 30 days before each payment. Upon receiving the verified list of eligible scholarship students, the DOE must release, from state funds only, funds to the SFO for deposit into the student's account in quarterly payments no later than September 1, November 1, February 1, and April 1 of each school year in which the scholarship is in force.<sup>28</sup>

For FES renewal scholarship applicants, the SFO must establish a process for parents receiving a scholarship to renew their participation, beginning with the 2025-2026 school year, with a renewal timeline beginning February 1 and ending April 30 of the prior school year. Renewal must be contingent on confirmation of admission to an eligible private school, if applicable. The

<sup>24</sup> Section 1002.395(6)(d), F.S.

<sup>25</sup> Section 1002.395(7), F.S.

<sup>26</sup> Section 1002.395(11), F.S.

<sup>27</sup> Section 1002.394(11), F.S.

<sup>28</sup> Section 1002.394(12)(a), F.S.

process must require a parent to confirm by May 31 that the scholarship will be renewed or declined.<sup>29</sup> The SFO must verify the student's continued eligibility to participate in the scholarship program at least 30 days before each payment. Upon receiving the verified list of eligible scholarship students, the department must release funds, from state funds only, to the SFO for deposit into the student's account in quarterly payments no later than August 1, November 1, February 1, and April 1 of each school year in which the scholarship is in force.<sup>30</sup>

The following table displays the application deadlines for new and renewal scholarships:

Type of Application	Scholarship Program	Application Window	Parent must Accept or Decline by
NEW	FES-EO and FES-UA	Feb 1 - Nov 15	December 15
RENEWAL	FES-EO and FES-UA	Feb 1-April 30	May 31

To maintain eligibility for the FES scholarship, a parent must sign an agreement with the SFO and annually submit a sworn compliance statement:

- Affirming that the student is enrolled in a program that meets regular school attendance requirements;
- Affirming that the program funds are used only for authorized purposes serving the student's educational needs; that any prepaid college plan or college savings plan funds will not be transferred; and that the parent will not receive a payment, refund, or rebate of any funds provided under this section; and
- Affirming that the parent is responsible for all eligible expenses in excess of the amount of the scholarship.<sup>31</sup>

#### Family Empowerment Scholarship and Florida Tax Credit Scholarship Funding

The FES award for students attending a private school (FES-EO) and the FES award for students with disabilities (FES-UA) are funded through the FEFP.

The FTC scholarship is funded with contributions to SFOs from taxpayers who receive a tax credit for use against their liability for corporate income tax, insurance premium tax, severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders or alcoholic beverage taxes on beer, wine, and spirits and rental or license fees.<sup>32</sup> The tax credit is equal to 100 percent of the eligible contributions made.<sup>33</sup> Prior to the use of state funds for FES-EO scholarships, the SFO is required to exhaust the use of tax credit contributions to cover eligible FTC scholarships.<sup>34</sup>

The FES-EO is funded through the FEFP with a scholarship awarded by the SFO.<sup>35</sup> An FES-EO scholarship award amount for a student to attend an eligible private school is calculated as 100

<sup>29</sup> Section 1002.394(10), F.S.

<sup>30</sup> Section 1002.394(12)(a), F.S.

<sup>31</sup> Section 1002.394(10)(b), F.S.

<sup>32</sup> Sections 1002.395(1) and (5) and 212.099(2), F.S.

<sup>33</sup> Sections 220.1875(1), 212.099(2), and 1002.395(5), F.S.

<sup>34</sup> Section 1002.394(12)(a), F.S.

<sup>35</sup> Section 1002.394(8)(a), (11)(a), (11)(b), and (12)(a), F.S.

percent of the school district's funding per student, including specified categorical funds.<sup>36</sup> The DOE must notify the SFO that scholarships may not be awarded in a school district in which the scholarship award will exceed 99 percent of the school district's share of the state FEFP funds as calculated by the DOE.<sup>37</sup>

The FES-UA is funded through the FEFP with a scholarship awarded by a SFO.<sup>38</sup> The FES-UA scholarship award amount is determined based on the student's matrix level of service.<sup>39</sup> For a student who has a Level I to Level III matrix of services or a diagnosis by a physician or psychologist, a FES-UA scholarship award amount is calculated as 100 percent of the school districts funding per student in the basic exceptional student education (ESE) program, including specified categorical funds.<sup>40</sup> For a student who has a Level IV or Level V matrix of services a FES-UA scholarship award amount is calculated as 100 percent of the school districts' funding per student in the Level IV or Level V ESE program, including specified categorical funds.<sup>41</sup>

### School District Obligations

By January 1 of each year, a school district must inform all households within the district receiving free or reduced-priced meals under the National School Lunch Act of their eligibility to apply to the DOE for an FES. The form of such notice must be provided by the DOE, and the school district must include the provided form in any normal correspondence with eligible households. Additionally, school districts, upon the request of the DOE, must coordinate with the DOE to provide to a participating private school the statewide assessments administered.<sup>42</sup>

### ***Effect of Proposed Changes***

The bill shifts provisions from ss. 1002.394 and 1002.395, F.S., into s. 1002.421, F.S., and also establishes new scholarship requirements in that section. Accordingly, the bill amends s. 1002.421, F.S., to retitle the statute from "State school choice scholarship program accountability and oversight" to "State school choice scholarship programs."

<sup>36</sup> Section 1002.394(12)(a)1., F.S.; see also Step Up For Students, *Basic Scholarship Amounts for 2025-26*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Dec. 4, 2025). The categoricals included in this calculation are the Discretionary Millage Compression Supplement, the Educational Enrichment Allocation, and the State-Funded Discretionary Supplement. Section 1011.62(5), (7)(a), and (16), F.S.

<sup>37</sup> Section 1002.394(8)(a), F.S.

<sup>38</sup> Section 1002.394(8)(a), (11)(a), (11)(b), and (12)(a), F.S. The department must notify the SFO that scholarships may not be awarded in a school district in which the scholarship award will exceed 99 percent of the school district's share of the state FEFP funds as calculated by the department. Section 1002.394(8)(a), F.S.

<sup>39</sup> Florida Department of Education, *Matrix of Services Handbook 2017 Edition*, available at <https://www.fldoe.org/core/fileparse.php/7690/urlt/2017MatrixServices.pdf> (last visited Dec. 4, 2025).

<sup>40</sup> Section 1002.394(12)(b)2., F.S.; see also Step Up For Students, *Basic Scholarship Amounts for 2025-26*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Dec. 4, 2025). The FEFP categoricals included in this calculation are the Discretionary Millage Compression Supplement, the Educational Enrichment Allocation, the Exceptional Student Education Guaranteed Allocation, and the State-Funded Discretionary Supplement. Section 1011.62(5), (7)(a), (8), and (16), F.S.

<sup>41</sup> Section 1002.394(12)(b)3., F.S.; see also Step Up For Students, *Basic Scholarship Amounts for 2025-26*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Dec. 4, 2025). The categoricals included in this calculation are the Discretionary Millage Compression Supplement, the Educational Enrichment Allocation, and the State-Funded Discretionary Supplement. Section 1011.62(5), (7)(a), and (16), F.S.

<sup>42</sup> Section 1002.394(7), F.S.; see also s. 1002.395(10), F.S.



Current Provisions in Statute

The bill shifts all of the following provisions from ss. 1002.394 and 1002.395, F.S., into s. 1002.421, F.S.:

- Definitions.
- The prohibition on an SFO charging an application fee.
- How students are prioritized in the awarding of scholarships.
- The prohibition on a parent applying for multiple scholarships for an individual student at the same time.
- The requirement that an SFO may not restrict or reserve scholarships for use at a particular eligible private school or provide scholarships to a child of an owner or operator.
- The requirement that an SFO must notify each parent that participation in the scholarship program does not guarantee enrollment at an eligible private school.
- The requirement that an SFO may not further regulate, exercise control over, or require documentation beyond the requirements of the scholarship programs unless the regulation, control, or documentation is necessary for participation in the program.
- The requirement that the DOE notify an SFO of any of the SFO's identified students who were submitted for a scholarship from another SFO and from which SFO the student receives funding.
- The requirements related to SFOs maintaining separate accounts for each enrolled student and transferring maximum scholarship account balances.
- Current assessment requirements for students receiving a scholarship and the requirement that DOE maintain a list of nationally norm-referenced tests.
- Authorization for a private school to be sectarian or nonsectarian.
- Current background screening requirements for private schools and SFOs.
- DOE requirements to investigate any written complaint of a violation of scholarship program.
- DOE requirements to publish and update, as necessary, information on the website about the educational scholarship programs, including, but not limited to, student eligibility criteria, parental responsibilities, and relevant data.
- DOE requirements to coordinate with each organization to develop a process to collect input and feedback from parents, private schools, and providers before an organization may implement substantial modifications or enhancements to the reimbursement process.
- School district requirements related to administering the statewide assessment to students receive a scholarship and notification of available scholarships.

Scholarship Application Process

The bill requires an SFO to establish a single application process for both the FTC and FES programs, in a manner that creates an electronic record of the application, which must include the date the application was submitted, the date the application was approved or denied, and the date the scholarship was accepted or declined.

The bill requires an SFO to provide the parent with information on each scholarship program available which clearly outlines the eligibility requirements and authorized uses of funds for each program to enable the parent of a student to determine which program best fits the needs of each student.

To align with the Auditor General’s recommendation to reevaluate the timing of the scholarship program application windows,<sup>43</sup> the bill establishes two application approval windows each school year during which a parent of an eligible student, including renewal students,<sup>44</sup> may apply for an educational scholarship, except for PEP students who may only apply during the fall application window period. The windows are established as follows:

- The fall application window may not begin any earlier than February 1 of the preceding school year, and a parent initially applying for the fall term must affirmatively accept the scholarship between June 15 and July 15.
- The spring application window for the spring scholarship term must close no later than Nov. 15. A parent initially applying for the spring term must affirmatively accept the scholarship between October 15 and November 15.

A failure to accept the scholarship between the applicable approval window results in an automatic declination of the scholarship.

The bill allows students in foster care or out-of-home care, students who are eligible for the Hope Program, or a dependent child of a parent of a member of the United States Armed Forces to apply for a scholarship at any time, but clarifies that such students may only receive payments prospectively. Additionally, the Commissioner of Education may extend an application window for any eligible group of students due to extenuating circumstances that affect one or more regions of this state.

#### Enrollment Verification

The bill requires that the SFO must request from each student the following information:

- More than one form of proof of residency or proof that the student is the dependent of an active-duty member of the United States Armed Forces who has received permanent change of station orders to this state.
- A copy of the student's birth certificate.
- For a student that was enrolled in public school in the school year prior to participation in the scholarship program, proof that the parent submitted the standard withdrawal form to the public school at which the student was previously enrolled.
- The following documentation from the parent attesting that while the student receives scholarship payments, the student will be enrolled in and in compliance with the applicable attendance requirements:
  - A copy of the notice of a parent's intent to establish and maintain a home education program;
  - A personalized education program and a copy of the student learning plan that has been reviewed and verified by the SFO; or
  - A letter of admission or enrollment from an eligible private school for the school year in which the student is applying.
- If known, the student’s Florida student identification number if one has been assigned.

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<sup>43</sup> State of Florida Auditor General, *Operational Audit, Department of Education 2024-25 School Year Funding Accountability Challenges*, Report No. 2026-046 at 17 (Nov. 2025), available at [https://flauditor.gov/pages/pdf\\_files/2026-046.pdf](https://flauditor.gov/pages/pdf_files/2026-046.pdf) (last visited Dec. 4, 2025).

<sup>44</sup> A “renewal student” is defined in the bill as a student who was eligible to receive and received a payment for the last installment in the school year immediately preceding the school year for which the student is applying for a scholarship.

If the student is a renewal student, the organization must:

- Require, by July 15, that each student, submit the norm-referenced assessment results.
- Receive documentation from the parent attesting that the student will continue to meet all eligibility requirements for the scholarship.
- Verify that all documents required for eligibility have been received and are on file.
- Verify that if the student lives out of state and is a dependent of an active duty member of the United States Armed Forces, receive documentation that the home of record or state of legal residence is Florida.

#### Cross-Check Process

The bill requires that the SFO submit to the DOE a list of verified eligible students and any information necessary for the department to conduct the following cross-check reviews by August 1, October 1, December 1, and March 1.

The bill requires the DOE to assign each student on a verified list submitted by an SFO a Florida Education Identifier (FLEID). Once a student is assigned an FLEID, the SFO must use that number for the reporting and tracking of all scholarship data.

To align with DOE's new process for cross-checking scholarship enrollment, the bill requires the DOE to send a list of the eligible students submitted by the SFO to the applicable school district. The school district must cross-check each student by FLEID number with its most recent student attendance records<sup>45</sup> and send the results, including any duplicates, to the DOE. For any student reported as a duplicate by a school district, the DOE must determine whether the student is prohibited from receiving a scholarship award. As part of the DOE's determination process, the DOE must require the SFO to suspend payments to the student's account and the use of funds in the student's account related to any period of time the student is ineligible.

#### Pre-Payment Verification

The bill requires that prior to the disbursement of each scholarship payment to families, the SFO must verify the student's continued eligibility based upon the requirements of the applicable student's scholarship program. For scholarship programs that require private school enrollment, the SFO must verify that the student is enrolled in and in attendance at an eligible participating private school. The bill clarifies that the SFO may not make any payment into a student's account upon notification that the student is enrolled in a public school until the SFO can verify the student's continued eligibility. An SFO is liable to the state for inappropriate payments and must reimburse the state for any amount of funds that were improperly awarded which cannot be recovered.

The bill also requires that prior to the receipt of each scholarship payment, a parent of the student must attest that the student is not enrolled full-time in a public school and is enrolled in and in attendance unless excused for illness or other good cause at:

- A home education program;
- A personalized education program; or
- An eligible private school.

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<sup>45</sup> Section 1003.23, F.S., requires all school districts to maintain attendance records for each school day.

The bill authorizes a private school to provide the attestation on behalf of the parent by attesting that the student is enrolled in and in attendance at the private school. The private school and the SFO must maintain records of parental authorization, and such authorization must be renewed each school year. An improper attestation may be investigated as fraud and the private school may be liable to the state and, if found liable, must reimburse the state for funds improperly paid to the private school.

#### Scholarship Award Amounts and Payment Schedule

The bill requires that the calculated scholarship program award amounts must be the amounts provided in the General Appropriations Act (GAA), which are based upon the amounts by basic program and program for exceptional students under the FEFP. This amount will be adjusted annually based upon the value of the percentage change increase in per student funding at the state level for public school districts as provided in the GAA.

The calculated scholarship amount for a student determined eligible for an FES-EO and FTC scholarship will be based upon the student's current grade level and county of residence. The calculated scholarship amount for a student determined eligible for an FES-UA scholarship will be based upon the student's current grade level, exceptional student program, and county of residence.

The bill changes scholarship disbursements to families from quarterly payments to ten equal installments and requires the payments be made in accordance with the prepayment verification process. For a renewal student receiving a scholarship award and whose funds are applied to tuition at an eligible private school that has agreed to attest to the student's attendance the SFO may make the first payment no earlier than August 15 and the second payment no earlier than September 15. For all other students receiving scholarship awards, the SFO may make the first payment no earlier than September 15, with the first payment including two installments. Each subsequent payment must be made no later than October 15, November 15, December 15, January 15, February 15, March 15, April 15, and May 15 of each school year in which the scholarship is in force.

#### DOE Obligations

The bill requires the DOE to investigate fraudulent activity and if the commissioner has reason to believe that an SFO, a private school, or a recipient has engaged in, or is engaging in, a fraudulent act, the commissioner is required to investigate and determine whether any fraud or overpayment has occurred. During the investigation, the DOE may examine all records and make inquiry of persons who may have knowledge as to any irregularity incidental to the disbursement of state funds or other items or benefit authorizations to scholarship recipients. Based on the results of the investigation, the DOE may refer the investigation to the Department of Financial Services for criminal investigation. Any suspected criminal violation identified by the DOE must be referred to the Department of Financial Services for criminal investigation. A person who commits an act of fraud is subject to the penalties provided in s. 414.39(5), F.S.<sup>46</sup>

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<sup>46</sup> Section 414.39 (5), F.S., establishes penalties for fraud that vary according to the value of the fraud committed.

The bill requires the DOE to develop a standard withdrawal form for parents who are withdrawing from public school to enroll in a scholarship program. The form must include the student's FLEID number, student's full name, student's date of birth, school or program from which the student is withdrawing, and date of withdrawal. The bill also requires the DOE to annually report on the number of students withdrawing from each scholarship program and enrolling in a public school, and the number of students withdrawing from a public school and enrolling in a scholarship program, by scholarship type.

The bill requires the DOE, in consultation with the SFOs, to develop a uniform reimbursement process that the SFO must use when processing reimbursement requests, including invoices. The SFO must process a reimbursement request within 30 days of receipt of such request.

Finally, the bill creates an undesignated section of law that requires the DOE, no later than December 1, 2026, to provide recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives to improve the efficiency and effectiveness of the implementation of the scholarship programs for implementation beginning in the 2028-2029 school year. At a minimum, the DOE must provide recommendations which include the following scholarship program components:

- The costs to contract with SFOs, not to exceed five SFOs, or to administer the scholarship program wholly or partly within the DOE, school districts, or educational consortiums including, but not limited to, costs associated with:
  - The scholarship application process.
  - The scholarship enrollment and verification.
  - The scholarship payment and reimbursement process and the scholarship account requirements
  - Communicating with parents regarding the different scholarship programs and how to apply to a scholarship program and assisting parents with additional scholarship-related questions and issues.
  - A reasonable administration fee by various program component.
- The administration of the scholarship-funding tax credits program.
- The requirements to be an approved scholarship-funding organization.
- A plan to ensure that the results from required background screening for education providers who are licensed or who are exempt from licensure through the Department of Children and Families are shared with the DOE.

#### School District Obligations

The bill requires a school district, upon the request of a parent, to provide the parent of a student enrolled in a school within the school district the standard withdrawal form developed by the DOE. The school district must sign a completed form within 10 days of receipt. The school district must also publish the withdrawal form on its website in a downloadable format.

The bill amends s.1003.485, F.S., to conform a cross reference changed in the bill.

## **Authorized Uses of FTC and FES Scholarships**

### ***Present Situation***

#### Florida Tax Credit Scholarship Authorized Uses

Authorized uses of Florida Tax Credit (FTC) scholarship funds include:

- Tuition and fees for enrollment in an eligible private school.<sup>47</sup>
- Instructional materials, including digital materials and Internet resources.
- Curriculum, which is a complete course of study for a particular content area or grade level, including any required supplemental materials and associated online instruction.
- Tuition and fees associated with full- or part-time enrollment in a home education instructional program, an eligible postsecondary educational institution or a program offered by such institution, an approved preapprenticeship program, a private tutoring program, a virtual program offered by a Department of Education (DOE)-approved private online provider, the Florida Virtual School (FLVS) as a private paying student, or an approved online course.
- Fees for nationally standardized, norm-referenced achievement tests, Advanced Placement (AP) examinations, industry certification examinations, assessments related to postsecondary education, or other assessments.
- Contracted services provided by a public school or school district, including classes. A student who receives services under a contract is not considered enrolled in a public school for scholarship eligibility purposes but rather attending a public school on a part-time basis.
- Tuition and fees for part-time tutoring services or fees for services by a choice navigator.<sup>48</sup>

#### Family Empowerment Scholarships – Authorized Uses

Authorized uses of the Florida Empowerment Scholarship for students attending a private school (FES-EO) in an education savings account include:

- Tuition and fees at an eligible private school.
- Instructional materials, including digital materials and Internet resources.
- Curriculum, which is a complete course of study for a particular content area or grade level, including any required supplemental materials and associated online instruction.
- Tuition and fees associated with full-time or part-time enrollment in an eligible postsecondary educational institution or a program offered by the postsecondary educational institution, an approved preapprenticeship program, a private tutoring program, a virtual program offered by a department-approved private online provider, the FLVS as a private paying student, or an approved online course.
- Fees for nationally standardized, norm-referenced achievement tests, AP examinations, industry certification examinations, assessments related to postsecondary education, or other assessments.
- Contracted services provided by a public school or school district, including classes. A student who receives services under a contract is not considered enrolled in a public school for scholarship eligibility purposes but rather attending a public school on a part-time basis.

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<sup>47</sup> Students enrolled in the PEP program may only use funds to enroll in a private school that meets regular and direct contact with teachers, if students have regular and direct contact with teachers at the physical location at least two school days per week and the student learning plan addresses the remaining instructional time.

<sup>48</sup> Section 1002.395(6)(d), F.S.

- Tuition and fees for part-time tutoring services or fees for services by a choice navigator.<sup>49</sup>

A Family Empowerment Scholarship for students with disabilities (FES-UA) for an eligible student with a disability may be used to cover the following expenses:

- Instructional materials, including digital devices, digital periphery devices, and assistive technology devices and training on the use of and maintenance agreements for these devices.
- Curriculum, including any required supplemental materials and associated online instruction.
- Specialized services by approved providers or by a hospital in this state, which may include, but are not limited to, applied behavior analysis services, services provided by speech-language pathologists, occupational therapy services, services provided by physical therapists, or services provided by listening and spoken language specialists.
- Tuition or fees associated with full-time or part-time enrollment in a home education program; an eligible private school; an eligible postsecondary educational institution or a program offered by the postsecondary educational institution; an approved preapprenticeship program; a private tutoring program authorized; a virtual program offered by an approved private online provider; the FLVS as a private paying student; or an approved online course.
- Fees for nationally standardized, norm-referenced achievement tests, AP examinations, industry certification examinations, assessments related to postsecondary education, or other assessments.
- Contributions to the Stanley G. Tate Florida Prepaid College Program or the Florida College Savings Program for the benefit of the eligible student.
- Contracted services provided by a public school or school district, including classes.<sup>50</sup>
- Tuition and fees for part-time tutoring services or fees for services provided by a choice navigator.
- Fees for specialized summer education programs or specialized after-school education programs.
- Transition services provided by job coaches.
- Fees for a home education student's annual evaluation of educational progress by a state-certified teacher.
- Tuition and fees for a voluntary prekindergarten (VPK) program or school readiness program offered by an eligible provider.
- Fees for services provided at a center that is a member of the Professional Association of Therapeutic Horsemanship International.
- Fees for services provided by a therapist who is certified by the Certification Board for Music Therapists or credentialed by the Art Therapy Credentials Board, Inc.<sup>51</sup>

### Career and Technical Student Organizations

Career and technical student organizations (CTE student organizations) are a key component of Florida's plan under Perkins V to strengthen the employability skills of students.<sup>52</sup> A CTE

<sup>49</sup> Section 1002.394(4)(a), F.S.

<sup>50</sup> While contracted services are considered part-time enrollment, a student who receives services under such a contract is not considered enrolled in a public school for scholarship eligibility purposes.

<sup>51</sup> Section 1002.394(4)(b), F.S.

<sup>52</sup> Florida Department of Education, *Perkins V: Florida's State Plan for the Strengthening Career and Technical Education For the 21st Century Act (Perkins V)* at 28, available at <https://www.fldoe.org/core/fileparse.php/18815/urlt/FloridaStatePlanPerkinsV.pdf> (last visited Dec. 4, 2025).

student organization is an organization for students enrolled in a CTE program that engages in CTE activities as an integral part of the instructional program.<sup>53</sup> These organizations are aligned with a respective career cluster and provide a unique program of career and leadership development, motivation, and recognition for middle, secondary and post-secondary students.<sup>54</sup>

There are ten registered CTE student organizations in Florida.<sup>55</sup> State CTE student organizations may also be associated with nationally recognized CTE student organizations.

### ***Effect of Proposed Changes***

This bill amends ss. 1002.394 and 1002.395, F.S., to align the authorized use of funds between Florida Tax Credit (FTC) scholarship and Family Empowerment Scholarships. Specifically, the bill authorizes that FTC and FES-EO scholarship funds may be used to purchase digital devices, similar to the current authorized use of funds for FES-UA, and authorizes the use of scholarship funds to purchase membership dues and activity fees for participation in Career and Technical Student Organizations. The bill expands the requirements for tutors who are providing services under the FTC and FES scholarships, by authorizing that a tutor can be an approved provider if he or she has a bachelor's degree or a graduate degree in a related subject area.

The bill also provides that tuition and fees associated with full-time or part-time home education program may be used if the home education program meets all of the following requirements:

- Provides educational courses or activities.
- Has a publicly available description of courses and activities.
- Has a tuition and fee schedule.
- Makes the tuition and fees payable to a registered business entity.

The bill amends s. 1002.421, F.S., to require that a home education program provider that provides services through an SFO's online platform for direct purchase and receives tuition and fees from the FES or FTC scholarship must undergo a background screening similar to private school owners and operators. The bill aligns the FES-UA scholarship with private school regular and direct contact requirements for PEP students by authorizing FES-UA scholarship recipients to meet the requirements of regular and direct contact requirements as long as the student meets with the teachers at a physical location at least two days per week. The bill requires SFOs to develop a process, for implementation beginning in the 2026-2027 school year, that provides the commitment of scholarship funds on behalf of the student for tuition and fees that a parent must pay at the Florida Virtual School as a private-pay student before scholarship account funds may be used for additional authorized uses.

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<sup>53</sup> 20 U.S.C. s. 2302(5).

<sup>54</sup> Florida Department of Education, *Career and Technical Education Student Organization (CTSO) Request Form*, available at <https://www.fldoe.org/academics/career-adult-edu/perkins/> (last visited Dec. 4, 2025).

<sup>55</sup> Florida Department of Education, *Career and Technical Student Organizations*, available at <https://www.fldoe.org/core/fileparse.php/7515/urlt/CareerTechStudentOrg.pdf> (last visited Dec. 4, 2025).



## **Eligibility for K-12 Scholarships**

### ***Present Situation***

#### Eligibility for the Florida Empowerment Scholarship for students attending a private school (FES-EO) and the Florida Tax Credit (FTC) Scholarship program

A student is eligible for a scholarship to attend a private school if the student is a resident of this state, or the dependent child of an active duty member of the United States Armed Forces who has received permanent change of station orders to this state, and is eligible to enroll in kindergarten through grade 12 in a public school in this state or received a scholarship under the Hope Scholarship Program in the 2023–2024 school year.<sup>56</sup>

For both the FES-EO and FTC Scholarship, a scholarship remains in force until the:

- Scholarship-funding organization (SFO) determines that the student is not eligible for program renewal.
- Commissioner of Education suspends or revokes the student's program participation or use of funds.
- Student's parent has forfeited participation in the program for failure to comply with statutorily required parental and student responsibilities.
- Student enrolls in a public school; however, if a student enters a Department of Juvenile Justice (DJJ) detention center for a period of no more than 21 days, the student is not considered to have returned to a public school on a full-time basis for that purpose.
- Student graduates from high school or attains 21 years of age, whichever occurs first.

For both FES-EO and FTC, a scholarship account must be closed and any remaining funds must be reverted to the state after:

- Denial or revocation of program eligibility by the Commissioner of Education for fraud or abuse, including, but not limited to, the student or student's parent accepting any payment, refund, or rebate, in any manner, from a provider of services received.
- Two consecutive fiscal years in which the account has been inactive.
- The student remains unenrolled in an eligible private school for 30 days while receiving a scholarship that requires full-time enrollment.<sup>57</sup>

#### Family Empowerment Scholarship for students with disabilities (FES-UA) Eligibility

A student is eligible for an FES-UA scholarship if the student:

- Is a resident of Florida or the dependent child of an active duty member of the United States Armed Forces who has received permanent change of station orders to this state or, at the time of renewal, whose home of record or state of legal residence is Florida.
- Is three or four years of age during the year in which the student applies for program participation or is eligible to enroll in kindergarten through grade 12 in a public school in this state.
- Has a disability as provided for in law.

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<sup>56</sup> Sections 1002.394(3)(a) and 1002.395 (3)(a), F.S.

<sup>57</sup> Sections 1002.394(5) and 1002.395(11)(f), F.S.

- Is the subject of an IEP written in accordance with rules of the State Board of Education (SBE) or with the applicable rules of another state or has received a diagnosis of a disability from a licensed physician, a licensed psychologist, or a physician with a specified out-of-state license.<sup>58</sup>

An FES-UA scholarship remains in force until the:

- Parent does not renew program eligibility;
- SFO determines that the student is not eligible for program renewal;
- Commissioner suspends or revokes program participation or use of funds;
- Student's parent has forfeited participation in the program for failure to comply with statutorily required parental and student responsibilities;
- Student enrolls in a public school; or
- Student graduates from high school or attains 22 years of age, whichever occurs first.

An FES-UA scholarship account must be closed and any remaining funds must be reverted to the state after:

- Denial or revocation of program eligibility by the commissioner for fraud or abuse, including, but not limited to, the student or student's parent accepting any payment, refund, or rebate, in any manner, from a provider of any services received pursuant to subsection (4);
- Any period of three consecutive years after high school completion or graduation during which the student has not been enrolled in an eligible postsecondary educational institution or a program offered by the institution; or
- Two consecutive fiscal years in which an account has been inactive.<sup>59</sup>

### ***Effect of Proposed Changes***

This bill amends ss. 1002.394 and 1002.395, F.S., to require that the FES-EO and FTC scholarships must be closed and the remaining funds reverted back to the state if the account has been inactive for one fiscal year, instead of the current two years, and if a student is determined ineligible because of the following requirements:

- The SFO determines that the student is not eligible for program renewal;
- The commissioner suspends or revokes program participation or use of funds;
- The student's parent has forfeited participation in the program for failure to comply with statutorily required parental and student responsibilities;
- The student enrolls in a public school, except for a student who enters a Department of Juvenile Justice (DJJ) detention center for no more than 21 days; or
- The student graduates from high school or attains 21 years of age, whichever occurs first.

The bill deletes the requirement that funds revert back to the state after two years of inactivity for students who are receiving an FES-UA. This provision allows more flexibility for a parent whose child is receiving an FES-UA scholarship.

The bill requires the SFO to notify the parent prior to closing an FES scholarship account regarding the reason why the account will be closed and that the balance of the funds will revert

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<sup>58</sup> Section 1002.394(3)(b), F.S.

<sup>59</sup> Section 1002.394(5)(b), F.S.

back to the state. Additionally, the bill requires that, for FES-UA scholarships, the SFO must notify the parent, upon the student reaching the age of 16, that there is a balance in the student's account, the amount of the balance, and information regarding how the funds may be used. The bill also requires the SFO to report to the DOE the total number of scholarship accounts that were closed and the amount of funds by account that reverted to the state.

## **K-12 Funding**

### ***Present Situation***

#### Florida Education Finance Program

The Florida Education Finance Program (FEFP) is the primary mechanism for funding the operating costs of Florida school districts. The FEFP establishes the state policy on equalized funding to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To equalize educational opportunities, the FEFP formula recognizes:

- Varying local property tax bases;
- Varying education program costs;
- Varying costs of living; and
- Varying costs for equivalent educational programs due to sparsity and dispersion of the student population.<sup>60</sup>

#### Allocation of State Funds for Each School District Operation

Under current law, if the forecasted number of full-time equivalent student membership exceeds the appropriation, the Department of Education (DOE) prorates the available funds by deducting from the districts' calculated funding in proportion to each district's relative share of state and local FEFP dollars.

If a district was over- or under-allocated funds in a prior year due to arithmetical errors, judicially required assessment roll changes, full-time equivalent (FTE) student membership errors, or audit findings adjustments may be made subject to conditions.

The 2024-2025 FEFP Final Calculation included a proration to available funds, reducing the calculated FEFP by \$250,149,259.<sup>61</sup> Under current law, only school district FEFP funding is prorated, FES scholarship awards are not impacted. The proration amount was offset by \$97,295,165 because of funding provided through the Educational Enrollment Stabilization program.<sup>62</sup>

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<sup>60</sup> Florida Department of Education, *Funding for Florida School Districts 2024-25*, available at <https://www.fldoe.org/file/7507/Fefpdist.pdf> (last visited Dec. 4, 2025).

<sup>61</sup> Florida Department of Education, *2024-2025 FEFP final Calculation at 1* available at <https://www.fldoe.org/file/7507/2425FEFPFinal.pdf> (last visited Dec. 4, 2025).

<sup>62</sup> *Id.*

### Educational Enrollment Stabilization Program

The educational enrollment stabilization program was created to provide supplemental state funds as needed to maintain the stability of the operations of public schools in each school district and to protect districts, including charter schools, from financial instability as a result of changes in full-time equivalent (FTE) student enrollment throughout the school year. The Legislature is required to annually appropriate funds in the General Appropriations Act (GAA) to the DOE for this program in an amount necessary to maintain a projected minimum balance of \$250 million at the beginning of the fiscal year.

The DOE is required to use funds as appropriated to ensure that based on each recalculation of the Florida Education Finance Program (FEFP) a school district's funds per unweighted full-time equivalent student are not less than the greater of either the school district's funds per unweighted FTE student as appropriated in the GAA or the school district's funds per unweighted FTE student as recalculated based upon the receipt of the certified taxable value for school purposes.<sup>63</sup> The 2024-2025 FEFP Final Calculation included \$97,295,165 through the Educational Enrollment Stabilization program.<sup>64</sup>

### Declining Enrollment Supplement

Until it was repealed in 2021,<sup>65</sup> the FEFP included a categorical called the "Decline in Full-Time Equivalent Students Allocation" to assist districts that had an enrollment decline in unweighted FTE students from the current year compared to the prior year. The calculation provided districts with their base funding amount for twenty-five percent of the enrollment decline. In 2019-2020, the last year the categorical was funded, 21 of the 74 districts had enrollments that were less than the prior year and received a declining enrollment allocation.<sup>66</sup>

Through the passage of HB 1 in 2023, school choice in Florida has expanded considerably, with the participation in the Family Empowerment Scholarship (FES) program growing from 155,182 students in 2022-2023<sup>67</sup> to an estimated 362,173 for 2024-2025.<sup>68</sup> In addition to enrolling in a public school, families have the option to enroll their children in a private school or home-school program and receive a scholarship.

For the 2024-2025 Third Calculation of the FEFP, 49 of 75 districts had a decline in public enrollment from the prior year. Additionally, 58 of the 75 districts had a total decline in public FTE student membership of 32,412.80 from the district's forecasted enrollment for the current year.

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<sup>63</sup> Section 1011.62(19), F.S.

<sup>64</sup> *Id.*

<sup>65</sup> Chapter 2021-44 s. 3, Laws of Fla.

<sup>66</sup> Florida Department of Education, *Florida Education Finance Program 2019-2020 Final Calculation*, available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/1920FEFPFinalcalc.pdf> (last visited Dec. 4, 2025).

<sup>67</sup> Office of Economic and Demographic Research, *Education Estimating Conference for PreK-12 Enrollment*, available at <https://edr.state.fl.us/Content/conferences/publicschools/archives/240221publicschools.pdf> (last visited Dec. 4, 2025).

<sup>68</sup> Office of Economic and Demographic Research, *Supplemental Conference Materials EDR Estimating Conference*, available at [https://edr.state.fl.us/Content/conferences/publicschools/prek-12\\_scholarshipsummary.pdf](https://edr.state.fl.us/Content/conferences/publicschools/prek-12_scholarshipsummary.pdf) (last visited Dec. 4, 2025).

### State Funded Discretionary Supplement

The state-funded discretionary supplement, created by the Legislature in 2023,<sup>69</sup> provides equivalent funding for nonvoted discretionary millage<sup>70</sup> to support students receiving a Family Empowerment Scholarship (FES), ensuring those students receive funding comparable to district school students. Although the supplement is included in each school district's total FEFP amount, it is funded entirely by the state and is not distributed to the districts.<sup>71</sup> Beginning in the 2024–2025 fiscal year and each thereafter, the supplement is calculated by multiplying the maximum allowable nonvoted discretionary millage for operations by 96 percent of the taxable value of school district property for the district where the student is reported for the FEFP, dividing that result by the district's total unweighted FTE membership, and then multiplying by the total FTE membership of FES students; the prior year's base amount is adjusted based on changes in the number of eligible FES students so funding reflects enrollment changes. The supplement is recalculated during the fiscal year as required, and if the recalculated amount exceeds the appropriation in the General Appropriations Act, the funding is prorated to remain within the available state budget.<sup>72</sup>

### Administrative Fee

Scholarship-funding organizations may use an amount not to exceed 3 percent of the total amount of all scholarships and stipends they fund for reasonable and necessary administrative expenses related to the management and distribution of scholarships.<sup>73</sup> For scholarships funded under the FES program, an organization may use up to 2.5 percent of the total amount of all FES scholarships for administrative expenses (up to 3 percent if the organization meets the statutory expenditure conditions).<sup>74</sup> Up to one-third of the funds authorized for administrative expenses under this paragraph may be used for expenses related to recruiting contributions from taxpayers.

### Audit of Student Enrollment:

The Auditor General is required to periodically examine the records of school districts, and other agencies as appropriate, to determine compliance with law and State Board of Education rules relating to the classification, assignment, and verification of FTE student enrollment and student transportation reported under the FEFP.<sup>75</sup> If it is determined that the approved criteria and procedures for the placement of students and the conduct of programs have not been followed by the district, appropriate adjustments in the FTE student count for that district must be made, and any excess funds must be deducted from subsequent allocations of state funds to that district.<sup>76</sup>

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<sup>69</sup> Chapter 2023-245, Laws of Fla.

<sup>70</sup> Section 1011.71(1) and (3), F.S.

<sup>71</sup> Section 1011.62(16), F.S.

<sup>72</sup> Florida Department of Education, *Funding for Florida School Districts 2024-25*, at 22, available at <https://www.fldoe.org/file/7507/Fefpdist.pdf> (last visited Dec. 4, 2025).

<sup>73</sup> Section 1002.395(6)(l)1., F.S.

<sup>74</sup> Section 1002.394(11)(c), F.S.

<sup>75</sup> Section 1010.305(1), F.S.

<sup>76</sup> Section 1010.305(2), F.S.

### *Effect of Proposed Changes*

#### Educational Scholarship Programs Categorical fund

The bill creates s. 1011.687, F.S., to establish a categorical fund for implementing the FES Program, which aligns with the Auditor General's recommendation of establishing the FES scholarship program outside of the FEFP. The FES categorical fund would move funding of the FES scholarships out of the school district FEFP calculation and fund the FES scholarships separately.

The bill requires the funds in the categorical fund to be used to award FES scholarships and the funds be disbursed from the fund based on the FTE scholarship student forecasted or reported as participating in the program. The bill provides that an FTE for a student participating in the scholarship program consists of a student who receives all ten scholarship installments. A student who received less than all ten installments will generate a fraction of FTE proportional to the number of payments received.

The bill requires that the DOE release the funds to eligible SFOs on a quarterly basis. The bill establishes the following release schedule:

- The first quarter release payment must be based upon the amount of FTE membership forecasted as provided in the GAA.
- The second, third, and fourth quarter payment releases shall be based upon the amount of full-time equivalent student membership reported and cross-checked by the DOE.

The bill also authorizes DOE to have access to the SFOs' data and records as necessary to conduct a reconciliation of releases and overpayments to the SFO.

The bill amends s. 1011.61, F.S., to include the categorical fund for implementing the FES Program as part of the FEFP.

The bill amends s. 1011.62, F.S., to repeal the State-Funded Discretionary Supplement from the FEFP calculation because the funding for FES scholarships will be provided through the categorical fund for implementing the FES Program.

#### Educational Enrollment Stabilization Program

The bill creates s. 1011.689, F.S., to shifting the Educational Enrollment Stabilization Program (Stabilization Fund) from s. 1011.62(18), F.S., into a new statute to modify how the funds within the Stabilization Fund may be used. The bill maintains the requirement that the Stabilization Fund provide supplemental state funds to address changes in FTE student enrollment throughout the school year in both the FEFP and state scholarship programs.

The bill expands the use of the Stabilization Fund to assist school districts in maintaining financial stability. The bill authorizes the DOE to distribute funds to school districts if the state funds appropriated are insufficient to pay the state requirement in full. The bill also authorizes the DOE to provide supplemental funds to school districts as needed. Additionally, the bill provides supplemental payments to districts experiencing a decline in unweighted FTE students between the Legislative FEFP calculation in the GAA and the third FEFP recalculation within

the same year. These payments are determined by multiplying a percentage of the decline by the Base Student Allocation and either the Comparable Wage Factor or Small District Factor, with fiscally constrained districts receiving a higher percentage than non-fiscally constrained districts. However, these supplemental funds may not be included in a district's total FEFP funds for future calculations.

The Stabilization Fund also ensures that there is sufficient funding to provide awards to all scholarship recipients. If FTE enrollment in state scholarship programs exceeds the amount appropriated in the GAA, the DOE may provide additional funding for scholarships from the Stabilization Fund. Similarly, if available funds in the FTC scholarship are insufficient to cover all eligible PEP students, the DOE may allocate additional funds to support these scholarships, up to the authorized limit.

The bill maintains the current requirement that the Legislature annually appropriate funds to ensure a minimum balance of \$250 million in the Stabilization Fund at the start of each fiscal year and that any unexpended funds may be carried forward for up to 10 years after the effective date of the original appropriation.

The bill amends s. 1011.62, F.S., to remove the Educational Enrollment Stabilization from within the FEFP calculation.

The bill amends s. 1002.45, F.S., to repeal a cross-reference to the Education Enrollment Stabilization Fund.

#### Audit of Student Enrollment:

The bill amends s. 1010.305, F.S., to require the Auditor General to annually examine the records of SFOs to determine compliance with laws and rules relating to the classification, assignment, and verification of FTE student enrollment. The bill also provides that if it is determined that the approved criteria and procedures for the placement of students and the conduct of programs have not been followed by the SFO, any excess funds must be deducted from subsequent allocations of state funds to the SFO.

The bill amends s. 11.45, F.S., to update a cross-reference for the determination of the eligible nonprofit scholarship organization's compliance under the Florida Tax Credit Scholarship.

#### Scholarship Funding Organization Administrative Fee

The bill amends s. 1002.395, F.S. to reduce the SFO administrative fee from up to 3 percent to up to 2 percent. The bill also amends s. 1002.394, F.S. to reduce the administrative fee that can be used to administer the FES scholarship program from 2.5 percent to 1.5 percent. The reduction in the administrative fee could free up approximately \$50 million that could be used to fund the FES scholarships as FTC scholarships, reducing the amount of funds required to be appropriated in the FEFP.

## **The Hope Scholarship Program**

### ***Present Situation***

In 2018, the Legislature created the Hope Scholarship Program to provide the parent of a public school student subjected to a specified incident<sup>77</sup> at school the opportunity to transfer the child to another public school or to request a scholarship for the child to enroll in and attend an eligible private school.<sup>78</sup> A parent may also choose to enroll their child in a public school located outside the district in which the student resides and request a transportation stipend.<sup>79</sup>

### ***Effect of Proposed Changes***

The bill amends s. 1002.40, F.S., to rename the Hope Scholarship Program, the Hope Program.

The bill also amends s. 1002.421, F.S., to authorize a student who is eligible for the Hope Program to apply for a scholarship at any time, but clarifies that such student may only receive payments prospectively.

The bill is effective July 1, 2026.

## **IV. Constitutional Issues:**

### **A. Municipality/County Mandates Restrictions:**

None.

### **B. Public Records/Open Meetings Issues:**

None.

### **C. Trust Funds Restrictions:**

None.

### **D. State Tax or Fee Increases:**

None.

### **E. Other Constitutional Issues:**

None.

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<sup>77</sup> Section 1002.40(3), F.S. 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.

<sup>78</sup> Section 1002.40(1), F.S.

<sup>79</sup> Section 1002.31(7), F.S.



**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill requires additional types of providers to obtain backgrounds screenings. The cost of these screenings may result in a negative indeterminate fiscal impact on the providers who were not previously required to have a background screening.

**C. Government Sector Impact:**

The bill has both negative and positive indeterminate fiscal impacts as follows.

The bill requires Scholarship Funding Organizations (SFO) to process payments on a monthly rather than a quarterly basis. If this frequency increases the number of transaction fees assessed by the SFO, it may result in an indeterminate fiscal impact on the SFO.

The bill requires the Auditor General to annually complete full-time enrollment (FTE) audits for scholarships and SFOs. These audits may result in a negative indeterminate fiscal impact on state expenditures due to an increased workload for the Auditor General.

The bill allows PEP students, up to the statutory enrollment cap, who are unable to be funded under the Florida Tax Credit (FTC) contributions to be funded out of state funds from the Education Enrollment Stabilization Program. This may result in an indeterminate fiscal impact on state revenues and expenditures.

The bill provides supplemental payments to school districts that experience a decline in unweighted FTE students between the Legislative FEFP calculation in the GAA and the third FEFP recalculation within the same year. The estimated cost of these payments is approximately \$20 million.

The bill provides a couple of positive indeterminate impacts on state revenues and expenditures. Specifically, the bill modifies timeframes for when a scholarship account is considered inactive and when the remaining funds should be returned to the state. These changes should increase the frequency by which the state would recover funds from unused scholarship funds.

The bill creates a positive impact to state revenues and expenditures by reducing the administrative fee for SFOs from 3 percent to 2 percent. The April 2025 estimating conference forecasted a total of 570,325 scholarships for the 2026-2027 school year. Moving from a 3 percent administrative fee to a 2 percent administrative fee would free up approximately \$50 million that could be used to fund Family Empowerment Scholarships as Florida Tax Credit Scholarships, reducing the amount of funds required to be appropriated in the FEFP.

	2026-2027 FTE	Average Award (2024-25)	Total Funds	3% Admin Fee	2% Admin Fee	Difference
FTC-Private	5,866	7,947	46,617,102	1,398,513	932,342	(466,171)
FTC-PEP	88,644	7,947	704,453,868	21,133,616	14,089,077.36	(7,044,539)
FES-EO	317,648	7,947	2,524,348,656	75,730,460	50,486,973.12	(25,243,487)
FES-UA	158,167	10,828	1,712,632,276	51,378,968	34,252,645.52	(17,126,323)
TOTAL	570,325		4,988,051,902	149,641,557	99,761,038	(49,880,519)

NOTE: The average awards for FES-EO and FES-UA are based on the 2024-2025 FEFP Final Calculation. For the above calculation, the FTC average awards are modeled to be the same as the FES-EO awards.

## VI. Technical Deficiencies:

None.

## VII. Related Issues:

None.

## VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 11.45, 212.099, 402.22, 1002.394, 1002.395, 1002.40, 1002.421, 1002.45, 1003.485, 1003.4935 1008.25, 1010.20, 1010.305, 1011.61, and 1011.62,

This bill creates the following sections of the Florida Statutes: 1011.687 and 1011.689.

## IX. Additional Information:

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

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

None.

### B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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