



Choice & Innovation Subcommittee

December 13, 2023

10:30 am

Reed Hall (102 HOB)

Meeting Packet

**Paul Renner
Speaker**

**Alex Rizo
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Choice & Innovation Subcommittee

Start Date and Time: Wednesday, December 13, 2023 10:30 am
End Date and Time: Wednesday, December 13, 2023 12:30 pm
Location: Reed Hall (102 HOB)
Duration: 2.00 hrs

Presentation by the Department of Education and a panel discussion with scholarship funding organizations on the implementation of HB 1

To submit an electronic appearance form, and for information about attending or testifying at a committee meeting, please see the "Visiting the House" tab at www.myfloridahouse.gov.

NOTICE FINALIZED on 12/06/2023 4:15PM by Vernon.Andrea



Florida School Choice Expansion

An update on the collaborative implementation of HB1 and HB3C

December 13, 2023

House Choice and
Innovation Subcommittee



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Changes from House Bill 1

- Largest expansion of school choice nationwide.
- Eliminated financial eligibility restrictions to allow any student who is eligible to enroll in K-12 to participate in available school choice options.
- Eliminated enrollment cap on Family Empowerment Scholarship-Educational Options (FES-EO).
- Increased the annual growth adjustment for the Family Empowerment Scholarship-Unique Abilities (FES-UA) to address high demand and wait lists.
- Created the parent-directed Personalized Education Program (PEP), which allows students not enrolled full-time in a public or private school the opportunity to participate in the Florida Tax Credit Scholarship program.
 - PEP students have the same flexibility and opportunity as home education students.
 - PEP participation is capped at 20,000 in 2023-24; may increase by 40,000 in each subsequent year through 2027.

Record Participation

School Year	Program	Students Funded as of 12/1
2023-24 (Quarter 2 payments)	Unique Abilities	92,903
	Educational Options	134,031
	EO-Transportation	4,499
	FTC	146,049* (Reported by SFOs)
2022-23	Unique Abilities	69,346
	Educational Options	88,979
	EO-Transportation	3,644
	FTC	87,483* (Reported by SFOs)

Payments to Scholarship Funding Organizations (SFOs) for the 2023-24 School Year

As of 12-1-2023

Payment	UA Students	EO Students
Quarter 1	70,245	33,779
Qtr 1 Supplemental	15,387	92,459
Totals	85,632	126,238
Quarter 2	84,718	127,309
Qtr 2 Supplemental A	1,098	4,587
Qtr 2 Supplemental B	7,087	2,135
Totals	92,903	134,031

Family Empowerment Scholarship Unique Abilities (FES-UA) – Special Session

- For the 2023-24 school year, the maximum number of students participating in the program shall be the number of students ... determined eligible for the scholarship.
- Prior to the special session, the cap on FES-UA participation was 40,913 in the 2023-24 school year.
 - Students can be funded outside of the cap for the following exceptions:
 - If they spent the prior year attending a public school;
 - If they are a dependent child of a law enforcement officer or a member of the Armed Forces, or a foster child, or an adopted child; and
 - If they received specialized instructional services under the Voluntary Prekindergarten Education Program during the previous school year and the student has a current IEP developed by the district school board.
- Step Up For Students has already provided the Department with the names of the students who could have been on a waitlist to ensure that the demand is met.

How the Department makes payments to SFOs

- Receives student files from SFOs, confirming data quality and compliance with format requirements.
- Reviews submitted students for those submitted by both SFOs and those submitted in more than one scholarship program.
- Matches submitted students to existing Florida Education Identifiers (FLEIDs), and assigns FLEID to new students;
- For FES-UA – identifies qualification category and determines if students fall outside the statutory cap;
- For FES-EO – generates funding based on district grade level; scholarships for public school transportation students are based on district;
- For FES-UA – also considers the student’s matrix level, any guaranteed minimum scholarship amount due to prior participation in the Gardiner or McKay Scholarship Program, and monitors new students so as not to exceed cap;

How the Department makes payments to SFOs, cont.

- Sends payment files to the Department of Financial Services once confirmed by the Office of Independent Education and Parental Choice, the Office of Funding and Financial Reporting, and the Bureau of the Comptroller;
- Provides SFOs with files to inform them of outcome of payment process for each submitted student;
- Communicates with families of identified students regarding program eligibility, expediting resolution of conflicting reports of school attendance; and
- Reports students in October and February FTE surveys;
- Compares funded FES students with students reported as attending public school (monthly beginning late September, except January);
- Prevents future payments for students confirmed attending public school and, where appropriate, requests the return of previously disbursed funds from SFOs.

Collaborative Effort

- Daily calls with SFOs
- All hands on deck at the Department to move quickly on payments.
 - School Choice
 - Finance
 - Comptroller
- Coordinated efforts between the Office of School Choice and the SFOs to be responsive to parent concerns and questions.
- Planned upgrades to aged web-based scholarship database at the Department.

Scholarship Funding Organizations



Scholarship Funding Organizations

- Section 1002.395, F.S., provides that the Department of Education, in consultation with the Department of Revenue and Chief Financial Officer, reviews the initial and renewal applications from Scholarship Funding Organizations.
 - The Commissioner of Education shall recommend approval or disapproval of SFO application to the State Board of Education.
- HB 1 mandated a second application window for new SFO applicants
 - The State Board of Education amended Rule 6A-6.0960, F.A.C., in July to create a second application deadline of November 1 to allow a new scholarship funding organization to participate in the programs for the following school year.
 - The Department is currently reviewing an application from a prospective SFO submitted to us this fall; anticipate action at the January State Board of Education meeting.

Scholarship Funding Organizations

- An application for an SFO must include:
 - Relevant incorporation and IRS documentation;
 - Financial plans to show sufficient funds;
 - Description of the region the prospective SFO aims to serve;
 - Descriptions of the application process, attendance verification and criteria and methodology the SFO will use to evaluate scholarship eligibility; and
 - Surety bond or letter of credit to show that the SFO can meet its obligations.
 - Renewal applications must also include audits required by statute; reports on scholarship and application activity, amounts of funds received and distributed in scholarships as well as an accounting of how the SFO spent the administrative funds allowed.

Joint Development of Agreed-Upon Purchasing Guidelines

- HB 1 mandated that SFOs must participate in the joint development of agreed-upon purchasing guidelines for the authorized uses of scholarship funds.
- Both Step Up For Students and the AAA Foundation have been meeting regularly and have provided updates on their progress toward meeting the December 31, 2023, deadline.
- By that date, the SFOs must provide the purchasing guidelines to the Commissioner of Education and publish on SFO websites.



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