

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 7030

INTRODUCER: Appropriations Committee and Appropriations Committee on Pre-K - 12 Education

SUBJECT: Educational Scholarship Programs

DATE: April 3, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Gray</u>	<u>Elwell</u>		AED Submitted as Comm. Bill/FAV
1.	<u>Gray</u>	<u>Sadberry</u>	<u>AP</u>	Fav/CS

I. Summary:

CS/SB 7030 makes substantial changes to education choice and school funding programs to improve student tracking, ensure the funding follows the student, enhance budget predictability, and create consistency across scholarship programs.

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 Stabilization Fund to provide financial support for districts with changes in student enrollment and to ensure scholarships are funded for all eligible students. Additionally, scholarship payments will shift from quarterly to monthly.

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 DOE to develop a standard withdrawal form for families leaving the public school to enroll in a scholarship program and requires families to verify continued eligibility before each payment. The first payment installment will occur in mid-August, and funds cannot be awarded retroactively for ineligible periods.

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 Department of Education (DOE) to cross-check applicants against public school enrollment records and 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.

The bill repeals the New Worlds Scholarship Program and modifies the Hope Scholarship Program.

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, 2025.

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's Pre-K - 12 Scholarship Program

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).¹
- The Florida Tax Credit (FTC) Scholarship Program,² for students attending a private school or for students in a personalized education program (PEP).³
- The Hope Scholarship Program (HSP).⁴
- Private schools must meet specific criteria in order to be eligible to participate in Florida's scholarship programs. The Department of Education (DOE) and Commissioner of Education⁵ are tasked with implementation and oversight responsibilities. Florida's scholarship programs are administered by scholarship funding organizations (SFOs) approved by the DOE.⁶

As of March 2025, a total of 494,238 students were funded in the scholarship program for school year 2024-2025 through Step Up for Students:

- 265,522 students were funded through FES-EO Scholarship;
- 115,417 students were funded through the FES-UA Scholarship;
- 54,356 students were funded through FTC Scholarship; and
- 58,943 students were funded through the PEP scholarship.⁷

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

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

³ Section 1002.395(7), F.S.

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

⁵ Section 1002.421, F.S.

⁶ *See* ss. 1002.394(11) and 1002.395(6) and (15), F.S.

⁷ Email, Step Up for Students (March 21, 2024)

State School Choice Scholarship Program Accountability and Oversight

Present Situation

Private School Requirements

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.⁸ All private schools in Florida may be sectarian or nonsectarian, must meet Florida's definition of a private school,⁹ 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 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 personalized education program 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.
- 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.¹⁰

⁸ See s. 1002.421, F.S.

⁹ See s. 1002.01(3), F.S.

¹⁰ Section 1002.421(1), F.S.; see also Rule 6A-6.03315, F.A.C.

The DOE is required to annually verify the eligibility of private schools that meet the requirements of state law. The DOE must also:

- Establish a toll-free hotline that provides parents and private schools with information on participation in the scholarship programs.
- Establish a process by which individuals may notify the DOE of any violation by a parent, private school, or school district of state laws relating to program participation.
- Require an annual, notarized, sworn compliance statement from participating private schools certifying compliance with state laws.
- Coordinate with the entities conducting the health inspection for a private school to obtain copies of the inspection reports.
- Conduct site visits to private schools entering a scholarship program for the first time.
- Coordinate with the State Fire Marshal to obtain access to fire inspection reports for private schools.
- Upon the request of a participating private school authorized to administer statewide assessments, provide at no cost to the school, the statewide assessments.¹¹
- Maintain, and annually publish, a list of nationally norm-referenced tests identified for purposes of satisfying scholarship program assessment requirements.¹²

The Commissioner of Education (commissioner) is authorized to 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 list¹³, if the commissioner decides that the owner, officer, or director:

- Is operating or has operated an educational institution in the state or another state or jurisdiction in a manner contrary to the health, safety, or welfare of the public.
- Has operated an educational institution that closed during the school year.¹⁴

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

The DOE is required to notify all SFOs of the deadlines for submitting the verified list of scholarship students. Additionally, the DOE is required to cross-check the list of scholarship students submitted by the SFO 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, adjust the amount of state funds allocated to school districts through the FEFP based upon the results of the cross-check.¹⁵

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

¹¹ Section 1002.421(2)(a), F.S.

¹² Sections 1002.394(8)(a) and 1002.395(9)(e), F.S.

¹³ See s. 1001.10(4), F.S.

¹⁴ Section 1002.421(3), F.S.

¹⁵ Section 1002.394(8)(a)2. and 13., F.S.

¹⁶ Section 1008.386; *see also*, Rule 6A-1.00141.

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 scholarships. The renewal applications for the 2025-2026 school year and thereafter must provide for a renewal timeline 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.¹⁷

For FTC scholarship students in a personalized education plan (PEP), an SFO must establish a process for parents to apply for a new scholarship or renew an existing scholarship for 2025-2026. 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 that the scholarship is being accepted, renewed, or declined, as appropriate, by May 31.¹⁸

The following table presents the new and renewal scholarship application deadlines required in law:

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, including, but not limited to, debit cards, electronic payment cards, or any other means of payment that the department deems to be commercially viable or cost-effective. 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.¹⁹

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 15.²⁰ The SFO must verify 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

¹⁷ Section 1002.395(6)(d), F.S.

¹⁸ Section 1002.395(6)(e), F.S.

¹⁹ Section 1002.395(11), F.S.

²⁰ Section 1002.394(11), F.S.

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.²¹

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. The process must require that a parent confirm by May 31 that the scholarship will be renewed or declined.²² 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, 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.²³

The following table presents the new and renewal scholarship application process required in law:

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 to the SFO to satisfy or maintain program eligibility, including eligibility to receive and spend program payments by:

- 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.
- Affirming that the parent is responsible for all eligible expenses in excess of the amount of the scholarship.²⁴

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

²¹ Section 1002.394(12)(a), F.S.

²² Section 1002.394(10), F.S.

²³ Section 1002.394(12)(a), F.S.

²⁴ Section 1002.394(10)(b), F.S.

alcoholic beverage taxes on beer, wine, and spirits and rental or license fees.²⁵ The tax credit is equal to 100 percent of the eligible contributions made.²⁶ In 2023 the Legislature expanded options for FTC scholarship participation by creating the PEP, a parent directed educational choice option that must be registered with an SFO that administers FTC scholarships.²⁷ 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.²⁸

The FES-EO is funded through the Florida Education Finance Program (FEFP) with a scholarship awarded by the SFO.²⁹ An FES-EO scholarship award amount for a student to attend an eligible private school is calculated as 100 percent of the school district's funding per student, including specified categorical funds.³⁰ 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.³¹

The FES-UA is funded through the FEFP with a scholarship awarded by an SFO.³² The FES-UA scholarship award amount is determined based on the student's matrix level of service³³. For a student who has a Level I to Level III matrix of services or a diagnosis by a physician or psychologist, an 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.³⁴ 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.³⁵

²⁵ Section 1002.395(1) and (5) and s. 212.099(2), F.S.

²⁶ Sections 220.1875(1), 212.099(2), and 1002.395(5), F.S.

²⁷ Section 1002.01(2), F.S.

²⁸ Section 1002.394(12)(a), F.S.

²⁹ Section 1002.394(8)(a), (11)(a), (11)(b), and (12)(a), F.S.

³⁰ Section 1002.394(12)(a)1., F.S.; *see also* Step Up For Students, *Basic Scholarship Amounts for 2024-25*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Mar. 21, 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.

³¹ Section 1002.394(8)(a), F.S.

³² 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.

³³ 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 Mar. 21, 2025).

³⁴ Section 1002.394(12)(b)2., F.S.; *see also* Step Up For Students, *Basic Scholarship Amounts for 2024-25*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Mar. 21, 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.

³⁵ Section 1002.394(12)(b)3., F.S.; *see also* Step Up For Students, *Basic Scholarship Amounts for 2024-25*, available at <https://go.stepupforstudents.org/hubfs/Scholarship%20Info/FTC-FES-EO-PEP-Award-Amounts.pdf> (last visited Mar. 21, 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.

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.³⁶

Effect of Proposed Changes

The bill amends section 1002.421, F.S., to retitle the statute from “State school choice scholarship program accountability and oversight” to “State school choice scholarship programs.”

Current Provisions in Statute

The bill shifts the following provisions from sections 1002.394 and 1002.395, F.S., into section 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.

³⁶ Section 1002.394(7), F.S., *see also* s. 1002.395(10)

- 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 establishes 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 that clearly outlines the eligibility requirements of 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.

The bill establishes two application approval windows each school year during which a parent of an eligible student, including renewal students, may apply for an educational scholarship, except for personalized education students who may only apply during the fall application window. The windows are created as follows:

- For the 2025-2026 school year, the application deadline for the fall application window must be no later than July 15.
- For the 2026-2027 school year and thereafter, the application deadline for the fall application window must be no later than May 31.
- The application deadline for the spring application window which must be no later than November 1.

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 may apply for a scholarship at any time, but may only receive payments prospectively.

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 or, at the time of renewal, whose home of record or state of legal resident is Florida.
- 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.

The bill requires that the SFO submit to the DOE a list of verified eligible students by August 15 for the 2025-2026 school year for the fall application window and July 15 for the 2026-2027 school year and each school year thereafter for the fall application window. For the Spring application window the SFO must submit the list of verified eligible students by December 15.

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. After the verified list has been cross-checked and each student has been assigned a FLEID, the DOE must send the updated list to the SFO who may then fund students based on the DOE's verified list of eligible students.

Pre-Payment Verification

The bill requires that prior to the disbursement of each scholarship payment, 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.

Scholarship Award Amounts and Payment Schedule

The bill requires that, beginning in the 2025-2026 school year, 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 will be based upon the student's current grade level, exceptional student program, and county of residence.

The bill changes scholarship disbursements from quarterly payments to ten equal installments. The SFO must make payments no later than August 20, except for the 2025-2026 school year, for which the first payment must be made no later than September 1, September 15, October 15, November 15, January 15, February 15, March 15, April 15, and May 15 of each school year in which the scholarship is in force and in accordance with the pre-payment verification process. The first payment must be for two installments.

DOE Obligations

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 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.

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.

Authorized Uses of FTC and FES Scholarships

Present Situation

Florida Tax Credit Scholarship Authorized Uses

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

- Tuition and fees for enrollment in an eligible private school.³⁷
- 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

³⁷ 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 2 school days per week and the student learning plan addresses the remaining instructional time.

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.³⁸

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.
- Tuition and fees for part-time tutoring services or fees for services by a choice navigator.³⁹

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 that allow a student to access instruction or instructional content and training on the use of and maintenance agreements for these devices.
- 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.
- Specialized services by approved providers or by a hospital in this state which are selected by the parent. Specialized services 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.

³⁸ Section 1002.395(6)(d), F.S.

³⁹ Section 1002.394(4)(a), F.S.

- 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.⁴⁰
- 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.⁴¹

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.⁴² A CTE 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.⁴³ 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.⁴⁴

There are ten registered CTE student organizations in Florida.⁴⁵ State CTE student organizations may also be associated with nationally recognized CTE student organizations.

⁴⁰ 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.

⁴¹ Section 1002.394(4)(b), F.S.

⁴² Florida Department of Education, *Perkins V: Florida's State Plan for the Strengthening Career and Technical Education For the 21st Century Act (Perkins V)*, available at <https://www.fldoe.org/core/fileparse.php/18815/urlt/FloridaStatePlanPerkinsV.pdf>, at 28 (last visited Mar. 22, 2025).

⁴³ 20 USC s. 2302(5).

⁴⁴ 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 Mar. 22, 2025).

⁴⁵ Florida Department of Education, *Career and Technical Student Organizations*, available at <https://www.fldoe.org/core/fileparse.php/7515/urlt/CareerTechStudentOrg.pdf> (last visited Mar. 22, 2025).

Effect of Proposed Changes

This bill amends sections 1002.394 and 1002.395, F.S., to align the authorized use of funds between Family 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 section 1002.421, F.S., to require that a home education program provider receiving tuition and fees from the FES or FTC scholarship must undergo a background screening similar to private school owners and operators. The bill authorizes 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.

Eligibility for K-12 Scholarships***Present Situation***Eligibility for the Florida Empowerment Scholarship for students attending a private school (FES-EO)

A student is eligible for a scholarship to attend private school if the student is a resident of Florida and is eligible to enroll in kindergarten through grade 12 in a Florida public school.⁴⁶

An FES-EO scholarship remains in force until the:

- Scholarship funding organization (SFO) determines that the student is not eligible for program renewal.
- Commissioner of Education (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, 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.

⁴⁶ Section 1002.394(3)(a) F.S.

An FES-EO 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;
- Two consecutive fiscal years in which an account has been inactive; or
- A student remains unenrolled in an eligible private school for 30 days while receiving a scholarship that requires full-time enrollment.⁴⁷

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 stat.
- Has a disability as provided for in law.
- 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.⁴⁸

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.
- 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.⁴⁹

⁴⁷ Section 1002.394(5)(a), F.S.

⁴⁸ Section 1002.394(3)(b), F.S.

⁴⁹ Section 1002.394(5)(b), F.S.

Florida Tax Credit (FTC) Scholarship Eligibility

An FTC scholarship remains in force until the:

- 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, except for a student who enters a Department of Juvenile Justice (DJJ) detention center for no more than 21 days.
- Student graduates from high school or attains 21 years of age, whichever occurs first.⁵⁰

A student is not eligible for an FTC scholarship while he or she is:

- Enrolled in a public school, including a three or four year old child who receives services funded through the Florida Education Finance Program (FEFP).
- Enrolled in a school operating for the purpose of providing educational services to youth in a DJJ commitment program.
- Receiving any other state-sponsored K-12 educational choice scholarship.
- Not having regular and direct contact with his or her private school teachers unless he or she is enrolled in a personalized education program (PEP).
- Participating in a home education program.
- Participating in a private tutoring program unless he or she is enrolled in a PEP; or
- Participating in virtual instruction that receives state-funding for the student's participation.⁵¹

An FTC 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;
- Two consecutive fiscal years in which an account has been inactive; or
- The student remains unenrolled in an eligible private school for 30 days while receiving a scholarship that requires full-time enrollment.⁵²

Effect of Proposed Changes

This bill amends sections 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 based because of the following requirements in current law:

- 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.

⁵⁰ Section 1002.395(11)(f), F.S.

⁵¹ Section 1002.395(4), F.S.

⁵² Section 1002.395(11), F.S.

- 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.
- 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 parents 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 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) 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.⁵³

Allocation of State Funds for Each School District Operation

Under current law, if the program calculation 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. No school district will receive negative state funding due to this calculation.⁵⁴

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.

⁵³ Florida Department of Education, *Funding for Florida School Districts 2024-25*, available at <https://www.fldoe.org/file/7507/Fefpdist.pdf> (last visited Mar. 22, 2025).

⁵⁴ Section 1011.62 (15), F.S.

The 2024-2025 FEFP Second Calculation includes a proration to available funds, reducing the calculated FEFP by \$23,754,669.⁵⁵ Under current law, only school district FEFP funding is prorated, FES scholarship awards are not impacted.

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.⁵⁶

Declining Enrollment Supplement

Until it was repealed in 2021,⁵⁷ 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.⁵⁸

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 2022-2023⁵⁹ to an estimated 367,692 for 2024-2025.⁶⁰ 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

⁵⁵ Florida Department of Education, *Funding for Florida School Districts 2024-25*, at 21 available at <https://www.fldoe.org/file/7507/Fefpdist.pdf> (last visited Mar. 22, 2025).

⁵⁶ Section 1011.62(18), F.S.

⁵⁷ Ch. 2021-44 s.3, L.O.F.

⁵⁸ Florida Department of Education, *Florida Education Finance Program 2019-20 Final Calculation*, available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/1920FEFPFinalcalc.pdf> (last visited Mar. 22, 2025).

⁵⁹ 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 Mar. 22, 2025).

⁶⁰ 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 (last visited Mar. 22, 2025).

FTE student membership of 32,412.80 from the district's forecasted enrollment for the current year.

FEFP Allocation Conference

Prior to the distribution of any funds appropriated in the GAA for the FEFP formula and categorical programs, the Commissioner of Education (commissioner) is required to conduct an allocation conference. The conference is required to include:

- Representatives of the DOE;
- The Executive Office of the Governor; and
- The appropriations committees of the Senate and the House of Representatives.

The conference members must agree on the method of computation to be used in calculating the FEFP and the categorical amounts for school districts for the fiscal year. After agreement among the conference members, the method of computation remains in effect until further agreements are reached at subsequent allocation conferences called by the commissioner. Prior to each recalculation of the FEFP and categorical allocations to school districts, the commissioner is required to provide conference principals with all data necessary to replicate those allocations precisely.⁶¹

State Funded Discretionary Supplement

Created by the legislature in 2023,⁶² the state-funded discretionary supplement includes equivalent funding for nonvoted discretionary millage⁶³ to support students receiving a Family Empowerment Scholarship (FES). This supplement ensures FES students receive funding comparable to district school students.⁶⁴ While the state funded discretionary supplement is a part of each school district's total FEFP amount, the allocation is purely state funded and does not get distributed to school districts.⁶⁵

Beginning in fiscal year 2024-2025 and thereafter, the supplement must be 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. This result is then divided by the district's total unweighted FTE membership and multiplied by the total FTE membership of FES students. The prior year's base amount is then adjusted based on changes in the number of eligible FES students to ensure funding reflects student enrollment changes.

The supplement is recalculated during the fiscal year as required, if the recalculated amount exceeds the appropriation in the GAA, the funding is prorated to fit within the available state budget.⁶⁶

⁶¹ Section 1011.65, F.S.

⁶² Ch. 2023-245, L.O.F.

⁶³ Section 1011.71(1) and (3), F.S.

⁶⁴ Section 1011.62(16), F.S.

⁶⁵ 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 Mar. 22, 2025).

⁶⁶ Section 1011.62(16), F.S.

Audit of Student Enrollment:

The Auditor General must 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.⁶⁷ 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.⁶⁸

*Effect of Proposed Changes*Educational Scholarship Programs Operating fund

The bill creates section 1011.687, F.S., to establish an operating categorical fund for implementing the FES Program. The FES operating 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 that the funds in the operating fund must be used to award FES scholarships and that the funds must be disbursed from the fund based on the FTE scholarship student forecasted or reported as participating in the program. The bill provides that a 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 non-profit scholarship organizations (SFO) on a quarterly basis. The bill requires the following release schedule:

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

The bill authorizes the DOE to adjust the payment release amount in the third and fourth quarterly payment releases to the SFO if the funds released to the SFO exceed the funds certified to the DOE by the SFO.

The bill amends section 1011.61, F.S., to include the operating 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 operating categorical fund for implementing the FES Program.

⁶⁷ Section 1010.305(1), F.S.

⁶⁸ Section 1010.305(2), F.S.

Educational Enrollment Stabilization Program

The bill establishes section 1011.689, F.S., shifting the Educational Enrollment Stabilization Program (Stabilization Fund) from current law into a new statute to modify how the Educational Scholarship and Stabilization Program (Stabilization Fund) funds 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. It ensures that, following each FEFP recalculation, a school district's funding per unweighted FTE student does not fall below either the amount appropriated in the GAA or the recalculated amount based on certified taxable value for school purposes. 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 is required to provide additional funding for scholarships from the Stabilization Fund. Similarly, if available funds in the Florida Tax Credit (FTC) Scholarship Program are insufficient to cover all eligible Personalized Education Program (PEP) students, the DOE must 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 section 1011.62, F.S., to remove the Educational Enrollment Stabilization from within the FEFP calculation.

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

FEFP Allocation Conference

The bill amends section 1011.65, F.S., to require the DOE provide verification that the DOE has cross-checked the FTE student membership survey data with the FTE student data for the educational scholarship programs to avoid duplication.

Audit of Student Enrollment:

The bill amends section 1010.305, F.S., to require the Auditor General to periodically examine the records of SFOs to determine compliance with laws and rules relating to 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 may be deducted from the SFO.

The bill amends section 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.

The Hope Scholarship Program*Present Situation*

In 2018, the Legislature created the HSP to provide the parent of a public school student subjected to a specified incident⁶⁹ 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.⁷⁰ 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.⁷¹

The district is required to upon receipt of an incident, the school principal, or his or her designee, shall:

- Provide a copy of the report to the parent and investigate the incident to determine if the incident must be reported.
- Within 24 hours after receipt of the report, the principal or designee shall provide a copy of the report to the parent of the alleged offender and to the superintendent.
- Upon conclusion of the investigation or within 15 days after the incident is reported, whichever occurs first, the district shall notify the parent of the program, offer the parent an opportunity to enroll his or her student in another public school that has capacity, and notify the parent of their eligibility to apply for a scholarship under the Family Empowerment Scholarship or Florida Tax Credit Scholarship programs.

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 that a student who is eligible for the Hope Program may apply for a scholarship at any time, but may only receive payments prospectively.

⁶⁹ 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.

⁷⁰ Section 1002.40(1), F.S.

⁷¹ Section 1002.31(7), F.S.

New Worlds Scholarship Accounts

Present Situation

The New Worlds Scholarship Accounts provide educational options for students enrolled in Voluntary Prekindergarten or a public school kindergarten through grade five who have a substantial deficiency in reading or mathematics or exhibit characteristics of dyslexia or dyscalculia, as assessed by the coordinated screening and progress monitoring (CSPM), or who scored below a Level three on the statewide, standardized ELA or mathematics assessment in the prior school year. An eligible student who is classified as an English Language Learner and is enrolled in a program or receives services that are specifically designed to meet the instructional needs of such students is given priority for the scholarship.⁷² For the 2024-2025 school year, the amount of the scholarship was \$1,200 per eligible student and is awarded on a first-come, first-served basis.⁷³

An eligible nonprofit scholarship-funding organization (SFO) participating in the Florida Tax Credit Scholarship Program⁷⁴ may establish scholarship accounts for eligible students.⁷⁵ For an eligible student to receive a scholarship account, the student's parent must:

- Submit an application to an eligible nonprofit SFO by the deadline established by such organization; and
- Submit eligible expenses to the eligible nonprofit SFO for reimbursement of qualifying expenditures.

Qualifying expenditures include:

- Instructional materials.
- Curriculum.
- Tuition and fees for part-time tutoring services provided by a person who holds a valid Florida educator's certificate, a person who holds a baccalaureate or graduate degree in the subject area, a person who holds an adjunct teaching certificate, or a person who has demonstrated a mastery of subject area knowledge.
- Fees for summer education programs designed to improve reading, literacy, or mathematics skills.
- Fees for after-school education programs designed to improve reading, literacy, or mathematics skills.⁷⁶

Each year, the school district and private prekindergarten provider is required to notify the parent of each eligible student of the process to request and receive a scholarship.⁷⁷

In the 2023-2024 school year 31,764 students were funded, of that:

- 2,045 students spent all funds

⁷² Section 1002.411(2), F.S.

⁷³ Florida Department of Education, *New Worlds Reading Scholarship Accounts*, <https://www.fldoe.org/schools/school-choice/k-12-scholarship-programs/reading/> (last visited March 22, 2025).

⁷⁴ Section 1002.395, F.S.

⁷⁵ Section 1002.411(4), F.S.

⁷⁶ Section 1002.411(3), F.S.

⁷⁷ Section 1002.411(6)(a), F.S.

- 9,451 students spent partial funds
- 20,268 students did not spend any funds.⁷⁸

Effect of Proposed Changes

The bill repeals s. 1002.411, F.S., to remove the New Worlds Scholarship program. The bill also amends ss. 1008.25 and 1003.485, F.S., to remove references to the New Worlds Scholarship program.

The bill is effective July 1, 2025.

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.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

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

⁷⁸ Email, Step Up for Students, (February 10, 2025).

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 periodically 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 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.

The bill allows PEP students, up the statutory the 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 Fund. This would 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. In addition, the bill repeals the New Worlds Scholarship Accounts, which results in a reduction of \$4 million in recurring funds.

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, 1002.394, 1002.395, 1002.40, 1002.421, 1002.45, 1003.485, 1008.25, 1010.305, 1011.61, 1011.62, and 1011.65.

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

This bill repeals section 1002.411 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Appropriations on March 4, 2025:

The committee substitute provides clarification that students receiving the Family Empowerment Scholarship for unique abilities can meet the regular and direct contact requirements using the hybrid option.

B. Amendments:

None.

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