

**Legislation Related to Accountability for the
STATE SCHOLARSHIP “VOUCHER” PROGRAMS
Comparison of Senate (SB 2) and House (HB 1163)**

Corporate Income Tax Credit Scholarship Program

Substantive Similarities in CTC Provisions:

- **Increases Scholarship Funding Organization (SFO) accountability requirements:**
 - Requires incorporation in Florida.
 - Requires criminal background check of SFO owners.
 - Submit annual audit to DOE (in addition to Auditor General)
 - Make payments to private schools on a quarterly basis, at a minimum
 - Obtain student attendance verification
 - Annually verify student income level
 - Can’t commingle funds
 - Can’t simultaneously own SFO and participating private school
 - Submit quarterly reports to the DOE
 - Authorizes a taxpayer to rescind application for a tax credit in cooperation with the Department of Revenue, SB02 stipulates taxpayer has not made any contributions that tax year prior to rescindment
 - Changes to at least 1% (instead of 5%) of total statewide authorized tax credit amount are reserved for small businesses.
- **Increases private school accountability requirements:**
 - Requires background checks for all private school owner/operators. Type of background checks differ- House is more concise
 - Prohibits a private school from receiving funds until the school is determined to be compliant with law
- **Increases participant accountability requirements:**
 - Prohibits a parent from signing over power of attorney to the private school
 - Prohibits students from simultaneously participating in more than one state scholarship program.
- **Increases DOE accountability requirements:**
 - Provide specific statutory authority for the DOE to require sworn statements (affidavits) from participating private schools.
 - Provides specific statutory authority for the DOE to investigate and enforce actions against participating private schools for violations of law or rule.
 - Specifically clarifies DOE’s authority to revoke the eligibility of private schools or students from program participation

Substantive Differences in CTC Provisions:

Issue	Current Law	SB 2	HB 1163
<i>Corporate Tax Credit Scholarship Program</i>			
SFO Annual Audit	Requires SFOs to comply with rules of the Auditor General for the annual financial and compliance audit.	Maintains current law, except requires reporting to the DOE in addition to the Auditor General.	Requires SFOs to comply with reporting standards set forth for not-for-profit organizations, and report to both the Auditor General and the DOE.
Legislative Auditing Committee	No provision related to this issue in current law.	Requires the AG to notify the Legislative Auditing Committee if AG finds issues with the SFO annual audits. Also requires the DOE to terminate the SFO eligibility if Auditing Committee determines the SFO should be subject to further state action.	Issue not addressed in HB.
Bankruptcy Prohibition	No provision related to this issue in current law.	Prohibits a SFO from participating in the program if the owner has filed for personal or corporate bankruptcy (if owns more than 20 percent) in the last 7 years from being an SFO owner or operator.	Prohibits a SFO from participating in the program if an owner or operator has filed for personal or corporate bankruptcy (if owns more than 20 percent) in the last 7 years from being an SFO owner or operator.

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SFO Commitment of Contributions	100 percent of eligible contribution must be spent in same state fiscal year.	Maintains current law.	Changes “spend” to “obligate” to allow contributed funds to be encumbered after July 1.
Taxpayer limitation of \$5 Million and Contribution per SFO	Taxpayer limited to \$5 Million to any one SFO	Prohibits SFOs from transferring scholarship funds between SFOs and maintains \$5 Million limit	Eliminates \$5 Million limitation so SFO’s can better match donations to scholarship obligations and allows transfer of funds to another SFO
SFO Line of Credit	No provision related to this issue in current law.	Prohibits SFOs from securing a promissory note, a line of credit, or other financing to fund anticipated contributions.	Permits SFOs to obtain a secure line of credit to fund estimated contributions to be received within a six-month period, and limits funds to scholarships.
Student Eligibility and scholarship amount	Defines a “qualified student” as a student who qualifies for free or reduced-price school lunches under the National School Lunch Act, etc. nd amount limited to \$3,500	Maintains current law.	Additional provision authorizes continued participation of qualified students notwithstanding a change in the family’s economic status up to 200 percent of the Federal poverty level. Starting 2005-06 adjusts scholarship amount by same change in total amount FTE FEFP funding, limits increase to no more than 3%.
Restricts Some Student Eligibility	No provision related to this issue in current law.	Prohibits participation of: <ul style="list-style-type: none"> • Home education programs defined in 1002.02(1) • Dept. of Juvenile Justice facilities • Student receiving McKay or OSP Scholarship. 	Prohibits participation of: <ul style="list-style-type: none"> • Student receiving McKay or OSP Scholarship • If family’s economic status exceeds 200 percent federal poverty level. • Enrolled in a DJJ facility
Restricts Some Private School Participation	Restricts participation of students registered with the school district as a “home education student” (defined in s.. 1002.02, F.S.) from scholarship programs (<i>i.e., registered with school district</i>).	Prohibits participation of: <ul style="list-style-type: none"> • Home education programs registered with the school district • Correspondence schools • Distance learning schools • Private tutoring not addressed • DJJ facilities not addressed 	Prohibits participation of: <ul style="list-style-type: none"> • Home education programs registered with the school district • Correspondence, Distance, or Correspondent that receives state funding • Private tutoring program
Prohibits Direction of Dollars to Home	No provision related to this issue in current law.	Prohibits private schools from sending or directing CTC scholarship funds to parents of scholarship students who “receives instruction under the program at home.”	Schools directing funds to home education not addressed.

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Private School Fiscal Soundness Requirements	For initial eligibility to participate in the program, private schools must meet one of these requirements: 1. Private school in operation for 1 year, or 2. Letter from CPA confirming private school is insured with sufficient capital or credit to operate for upcoming year, or 3. Surety bond or letter of credit for any one quarter	Eligible private schools must: <ul style="list-style-type: none">▪ Post a surety bond for amount equal to scholarship amount for each quarter of the school year at the time of initial registration and each renewal period thereafter for a total of 3 consecutive years. This requirement does not apply to private schools participating in the program for 3 consecutive years or longer and having no action taken by DOE for violation of law for 3 consecutive years or longer.	To participate in the program, private schools must meet one of these requirements: 1. In operation for 3 school years, or 2. Obtain a surety bond or letter of credit for any one quarter.
Schools Subject to DOE Action for Violation	No provision related to this issue in current law.	Private school subject to DOE action for violation of law must file surety bond for remaining quarters of current year and 2 years thereafter.	Not addressed, if school does not abide by the rules and laws the DOE can find the school ineligible to participate
Student Testing	No provision related to this issue in current law.	Requires scholarship students to annually take one of the nationally norm-referenced tests identified by the State Board of Education as comparable to the norm-referenced provisions of the FCAT. Private school must report a student's scores to the parent and to the DOE.	Requires scholarship students to participate in a nationally norm-referenced test that are comparable to the norm-referenced test portions of the FCAT. Provides exemption for students with disabilities for who standardized testing is not appropriate.
Third Party Assessment Requirements	No provision related to this issue in current law.	Requires the DOE to annually report on the year-to-year improvements of qualified students on the annual assessment. Must analyze and report student performance data, including student scores by grade level except may not disaggregate data to a level that will disclose the identity of students or private schools.	Requires an independent private research organization to annually report to the DOE on the year-to-year improvements of qualified students on the annual assessment. Must analyze and report student performance data, including student scores by grade level except may not disaggregate data to a level that will disclose the identity of students or private schools. Additional provision requires the report to address "learning gains" for a control group of students matched with public school students.
Teacher Qualifications	No provision related to this issue in current law.	Condenses into <u>two options</u> methods for meeting teacher qualification: 1. hold at least a baccalaureate degree or higher, or 2. have at least 3 years of teaching experience in public or private schools and have special skills, knowledge, or expertise that qualifies them to provide instruction in subjects taught. McKay language has or instead of and .	Provides <u>three options</u> methods for meeting teacher qualification: 1. hold at least a baccalaureate degree or higher, or 2. have at least 3 years of teaching experience in public or private schools, or 3. have special skills, knowledge, or expertise that qualifies them to provide instruction in subjects taught. Reporting requirement not addressed.

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		<p>Also requires school to report to the DOE the number of teachers employed or under contract and the manner in which the teacher meets the qualification requirements.</p>	
Who Gets Background Checks	<p>Owner/operator of a private school must have state background check.</p> <p>No provision in law addressing SFO owner.</p>	<p>Defines “owner” of an SFO and private school.</p> <p>Requires the following persons to undergo a background check:</p> <ul style="list-style-type: none"> ▪ SFO owners; and ▪ Private school owners; and ▪ All persons hired, contracted, or engaged to provide services to fill positions requiring direct contact with students in a private school. 	<p>Comparable definition of “owner” of an SFO and private school.</p> <p>Requires the following persons to undergo a background check:</p> <ul style="list-style-type: none"> ▪ SFO owner or operator; and ▪ Private school owner-operator or manager. ▪ Any person with direct student contact
Process of Criminal Background Checks	<p>Owner/operator of private school must have state background check done by FDLE.</p> <p>FDLE reports results to the private school owner and shall be made available for inspection in the private school office.</p>	<p>Requires both FDLE and FBI background checks:</p> <ol style="list-style-type: none"> 1. Changes current law to require DOE (rather than FDLE) to collect fingerprints and forward to FDLE 2. Requires FDLE to forward prints to FBI for processing and report findings to DOE 3. Changes current law to require DOE (rather than FDLE) to review and screen background check results for compliance with the existing statutory requirement 4. Changes current law to require DOE to notify private school of results <p>Additional provisions:</p> <ul style="list-style-type: none"> ▪ Requires both FDLE and FBI background check for anyone in direct contact with students. ▪ Requires screening requirements every 5 years. ▪ Requires FDLE to retain fingerprints in a statewide automated identification system ▪ Requires FDLE to search all arrest fingerprint cards against the statewide system and notify DOE if arrest is on private school person ▪ Requires private schools to pay an annual fee to the FDLE to participate in the system. 	<p>Maintains current law to require FDLE to receive fingerprints, but changes reporting to the DOE rather than back to the private school owner.</p> <p>Additional provisions:</p> <ul style="list-style-type: none"> • Requires an owner/operator of school to report any private school owner/operator or manager who has been convicted of a crime that bears upon the individual’s fitness to have responsibility for the safety and well-being of children to DOE. • Excludes persons holding a valid FI teaching certificate who have been fingerprinted from complying with the provisions of this law.
Consequence of Criminal Record	<p>Private school with owner/operator criminal</p>	<p>Prohibits any person found through the fingerprinting process to be convicted</p>	<p>Maintains current policy of making school ineligible to participate in</p>

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	background convicted of a crime of moral turpitude prohibited from participating in scholarship programs.	of a crime involving moral turpitude or failing level 2 screening from being employed or engaged to provide services in any position requiring direct contact with students and may not assume an ownership, decision-making authority, or a direct access to funds position. Makes a person who does not meet level 2 screening at the 5 year screening requirement to be immediately suspended from working in that capacity and remain suspended until final resolution of any appeals.	scholarship program if the person with criminal background is employed.
Reporting Accreditation	No provision related to this issue in current law.	Requires private schools to report annually to the DOE and distribute to the scholarship applicants if the school has been in existence for 3 years or less: <ul style="list-style-type: none"> • whether the private school is accredited by a state or regional accrediting association • the name of the accrediting association; and • whether the private school is in the process of receiving candidate status. 	Issue not addressed in HB.
Annual DOE Reporting	No provision related to this issue in current law.	Requires the DOE to annually (by December 15) report its actions with respect to implementing scholarship accountability to the Governor and the Legislature.	Issue not addressed in HB.
Review of Warrants	No provision related to this issue in current law.	Not addressed in SB.	Requires the Department of Financial Services to randomly review endorsed warrants to confirm compliance with endorsement requirements after each scholarship payment.