FLORIDA

Overall Market Rating: Strong; new regulations for first time schools should not create barriers.

Market Overview:

The Florida private school choice ecosystem is strong and well developed. Each of the three previously existing programs is anchored by a strong set of laws and regulations that guides its implementation. In 2017, funding for the traditional tax credit program was increased and maximum per pupil scholarship levels were raised and tiered by grade level. Those funds, in conjunction with the availability of additional funds for students with special needs under another two programs increases the revenue available to private schools. Private schools that participate in these programs are subject to very few regulations other than those that govern all private schools. There is an ample eligible student population for all three programs and scholarship funding has steadily increased over time.

In 2018, the Hope Scholarship was introduced. The Hope Scholarship mirrors the Florida Tax Credit (FTC) scholarship and allows students who have been bullied to cover private school tuition and fees (same scholarship amount as FTC) or provides up to $750 for transportation to a public school in another district. Scholarships are funded through motor vehicle sales tax, and all tax credit scholarship eligible schools automatically qualify to participate in the Hope Scholarship so long as they indicate their intent to participate.

Given the relative strength of the market and the clear student demand, Florida would benefit from creating the kind of ecosystem supports and capacities that are present in well-developed charter school markets. Given the under-developed charter sector in Florida (the district-only charter law keeps most CMOs from considering Florida expansion), the private school sector could lead the way in new school recruitment, development, and growth.

The most notable limitation in the market is facilities and real estate. There are no public provisions for private school resources and the private school construction market is not developed to accommodate the needs of new school entrants.

It is also worth noting that local advocates believe that the program will need to be converted to a direct funding mechanism (traditional voucher) in the next few years to sustain the program. It is becoming increasingly difficult to raise the $600M plus in corporate philanthropy necessary to fund the program fully.
Summary Statement: Funding increases and the resolution of a recent legal challenge make this the strongest of the prospective markets. It combines a streamlined regulatory structure with adequate per pupil funding and significant need and demand.

Demographic Analysis:

Enrollment Figures by Sector

<table>
<thead>
<tr>
<th>Florida (15-16)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Public School Enrollment (including Charter Schools)</td>
<td>2,791,368</td>
</tr>
<tr>
<td>K-12 Private School Enrollment</td>
<td>244,256</td>
</tr>
<tr>
<td>Charter School Enrollment</td>
<td>270,953</td>
</tr>
</tbody>
</table>

Eligibility by Program

<table>
<thead>
<tr>
<th>Program</th>
<th>% Eligible Students</th>
<th>Current Enrollment (2017-18)</th>
<th>Eligibility Requirements</th>
</tr>
</thead>
</table>
| Tax Credit Scholarship   | 48 percent of families with children income-eligible statewide | 107,095 participating students (Spring 2018) | • Full and partial scholarships available to households with incomes to 260% FPL (Federal Poverty Level). Those who qualify for Free & Reduced Lunch are given priority.  
• No requirement that new students must be previously enrolled in public school.  
• Siblings in the same household are eligible.  
• Any child in foster care or placed in foster care or adopted from foster care. |
McKay Scholarship

- 13 percent of students eligible statewide
- 30,425 participating students (Spring 2018)
- 1,471 participating schools (2017–18)

- Must have been enrolled in a public school at the time of application
- Have an active IEP or 504 plan for at least 6 months
- Students entering Kindergarten but identified for Specialized Instructional Services are also eligible.

Gardiner Scholarship

- 11 percent of students eligible statewide
- 10,153 participating students (Spring 2017)
- 3,396 participating schools (2017–18)

- Students with a specified list of disabilities including autism spectrum disorders
- Kindergarteners identified as high-risk for a qualifying disorder.

**Funding:**

**Assessment:** Acceptable to strong, and improving.

**Assets:**
- Funding in all programs is consistent and increasing over time.
- Schools are not responsible for raising funds for student scholarships. This is all handled by scholarship organizations.
- Payments are made directly to the schools in clear, quarterly installments.
- While funding caps exist, they are structured in a way to allow for growth in the programs and meet parent demand.

**Challenges:**
- Gardiner program is only available to student with certain special needs.
- McKay funding is only available to students who attend a public school prior to applying for a scholarship.

**Tax Credit Scholarship Program**

<table>
<thead>
<tr>
<th>Maximum 2018-19</th>
<th>Average 2018-19</th>
<th>2018-19 Cap</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-5: $6,519</td>
<td>$6,565</td>
<td>$874 M with an automatic 25% increase anytime</td>
<td>Scholarship Funding Organizations disburse funds:</td>
</tr>
<tr>
<td>6-8: $6,815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-12: $7,111</td>
<td></td>
<td></td>
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</tbody>
</table>
### Trend:
The scholarship tiering and significant increases are all positive shifts. Scholarship funds are raised by the scholarship organizations. Fundraising is not the responsibility of participating schools, however, there is concern that this level of fundraising is not sustainable, and the program must be converted to direct funding (traditional voucher) to sustain demand.

**McKay Scholarship for Students with Disabilities**

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Average 2017-18 (Projection)</th>
<th>Cap</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesser of actual cost of a student’s education based on IEP or 504 plan, or private school fees &amp; tuition.</td>
<td>$7,193 across all eligibility</td>
<td>None</td>
<td>Managed by Florida Department of Education:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- DOE confirms eligibility &amp; determines scholarship amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Parents identify private school, and private schools enroll students through the program.</td>
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<tr>
<td></td>
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<td></td>
<td>- Payments are made Sept., Nov., Feb., and April 1st.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Payments are made out to parents, but mailed to the schools.</td>
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**Trend:** Appropriation and funding levels remain constant over time. Student enrollment continues to grow.
### Gardiner

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Average 2018-19</th>
<th>Cap 2018-19</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varies based on county of residence, special needs, and grade level</td>
<td>$10,350 per student</td>
<td>$128.3 M (including rollover)</td>
<td>DOE confirms eligibility and determines amount Account created for the child; managed by scholarship organization Can be used to pay for: - private school tuition - behavioral/psychological services - learning tools/resources - full-time tutoring - higher education Private schools bill scholarship organization quarterly for tuition costs.</td>
</tr>
</tbody>
</table>

**Trend:** It is difficult to assess trend data as this program is relatively new, however, the state appropriation has increased significantly and steadily from a first-year base amount of $18 million. Unused funds roll over to the next year. As more students take advantage of this program, average scholarship amounts have decreased slightly.

**Policy & Regulatory Environment:**
**Assessment:** Strong; largely consistent or improving.

**Assets:**
- Participating private schools are subject to the same regulations and requirements of other private schools.
- School eligibility to participate in a choice program can be demonstrated by three years of school operations or by securing a surety bond equal to one quarter’s scholarship payments.
- Private school teachers are required to hold a bachelor’s degree or higher, but they do not need to be licensed or credentialed.
- Participating schools must administer national norm-referenced assessments, but have a number of assessments to choose from, and can request additional flexibility.
- There is no statewide accountability or sanction for low performing private schools.

**Considerations:**
- Schools with more than 30 students with test scores in consecutive years in grades 3-10 will have their test gain scores reported publicly.
• Schools must offer a 180-day instructional calendar, OR a 170-day instructional calendar that includes the hour equivalent of 180 days.

• Beginning in 2018-19, schools that accept more than $250,000 annually across all state scholarship programs must secure an independent auditor to report on a series of financial controls and report those findings to scholarship funding organization annually.

Summary: With very few exceptions, private schools that elect to participate in Florida school choice programs maintain their independence and autonomy. There are no governance or organizational limitations on schools other than those in place for all private schools operating in Florida. Schools do not have to offer any specific curricular programs and there are no specific course requirements or exclusions. They must adhere to federal standards of non-discrimination and state and local standards for health and safety and building occupancy, but no other restrictions exist.

Schools must administer assessments for scholarship recipients in grades 3-10 and make those results available to parents and the public, depending on the number of scholarship recipients served. There is no accountability system for private schools, so there are no sanctions or consequences tied to performance.

The market is reasonably hospitable to new schools, as schools do not have to be in operation prior to accepting scholarship recipients. Schools that have been operating in Florida for three or more years may accept scholarship students immediately, while new entrants must first secure a surety bond equal to one quarter’s scholarship payments. Starting in 2018-19, the DOE must conduct site visits to private schools entering a scholarship program for the first time. In 2019-20, new participating schools must complete a satisfactory site visit from the DOE and be in compliance before becoming eligible to receive funding. The site visits are intended to be scheduled and completed in time to allow first year schools to accept scholarship students and receive funding in their first year of operation. Also, payments in all programs flow quickly to the participating schools, with the first installment made in early September of each school year.

Private schools are not subject to restrictive requirements for teacher and staff hiring. Teachers must hold a bachelor’s degree or higher, and have either: a) three years of teaching experience, or b) special skills that qualify them to teach the subject or material they are responsible for. All school staff must complete required background checks. Teachers who hold a teaching license are deemed to satisfy these requirements. School owners and operators, prior to employment or engagement to provide services, and at least every five years, must undergo level 2 background screening.
**Human Capital:**

**Assessment:** Acceptable and consistent.

**Assets:**
- Flexibility for staff hiring and placement in private schools.
- 700+ TFA Alumni across 3 markets (Miami-Dade, Jacksonville, Orlando).
- Step Up For Students, the largest scholarship organization, provides free professional development services to more than 400 scholarship schools.

**Considerations:**
- Private school talent development is not a part of the school choice ecosystem.
- TFA corps members are only engaged with district schools.
- There is little or no conversation about developing private school talent.
- Schools will have to import staff or recruit from traditional teacher providers or other schools.

**Summary:** In general, human capital strategies are missing from the Florida private school choice landscape. There is little systemic development of talent, and while there are multiple TFA regions in Florida, this may not translate into available teaching talent. While schools enjoy a great deal of flexibility and freedom in hiring and placing instructional talent, there is no conversation about the quality of that talent or how new schools entering the market can source talent locally.

The TFA alumni presence in three of the major markets may bolster recruitment efforts, but the work of TFA in Florida is focused on traditional public schools, so private school partnerships are non-existent.

**Local Champions & Climate:**

**Assessment:** Strong and consistent.

**Assets:**
- Coordinated advocacy, including civic, political, and grassroots leadership.
- Multiple state organizations (Step Up for Students, American Federation for Children) focused on shared objectives, with clear roles and responsibilities.
- Strong political support and leadership from elected officials.
- Proven ability to mobilize parents and supporters.
- Well-funded political and issue advocacy capacities to pass, improve, and protect choice programs.

**Considerations:**
- All current advocacy is directed at parent choice, and ensuring parent and student opportunity.
- Advocacy does not seek to create a private school choice ecosystem that values growth.
Summary: The school choice advocacy community is strong, well-organized and well-funded. Several local organizations have aligned their efforts to political, community and grassroots support for the preservation and expansion of school choice opportunities in Florida. Political support remains strongly bipartisan, although choice opponents have been successful using litigation strategy to defeat some choice initiatives.

Facilities:

Assessment: Not adequate to meet the needs of new entrants to the market, steady.

Assets:
- Local champions have indicated that more attention is being paid to facilities issues and schools may be able to approach local philanthropists for capital support, but it is unclear when and how this will materialize.
- There is not significant demand from existing school operators for new or additional real estate.

Considerations:
- No provision to make surplus facilities available to private schools.
- No public source of facilities funding, and any additional mechanism to move public money into private schools would likely be challenged in court.
- There is not adequate capital support for facilities in either the charter or private school market at this time.
- No meaningful advocacy alignment to create more facility options for private school growth.

Summary: Much like human capital, facilities availability and financing and its impact on school growth has not been a focus of the expansion of Florida’s private school market. Local experts estimate that roughly 80% of existing schools share space with a church or other similar organization and do not think much about facilities issues. They estimate that most schools allocate roughly 25% of their operating budgets to facilities acquisition and maintenance.