

FLORIDA DEPARTMENT OF EDUCATION

Scholarship Programs

ACCOUNTABILITY REPORT



December 15, 2014

Submitted as required by:
Section 1002.39(6)(f)2., Florida Statutes
Section 1002.395(9)(n)2., Florida Statutes

Office of K-12 School Choice
Improving K-12 Educational Choice Options

Introduction

This report is submitted in accordance with sections 1002.39(6)(f)2., and 1002.395(9)(n)2., Florida Statutes (F.S.), which require the Florida Department of Education (department) to annually, by December 15, report to the Governor, the President of the Senate, and the Speaker of the House of Representatives the actions of the department with respect to implementing accountability in the scholarship programs; any substantiated allegations or violations of law or rule by an eligible private school under this program concerning the enrollment and attendance of students, the credentials of teachers, background screening of teachers and teachers' fingerprinting results; and the corrective action taken by the department.

In addition to sections 1002.39 and 1002.395, F.S., governing the McKay and Florida Tax Credit Scholarship Programs, respectively, section 1002.421, F.S., establishes accountability measures for private schools participating in these programs. State Board Rule 6A-6.0970, Florida Administrative Code (F.A.C.), related to the McKay Scholarship Program and State Board Rule 6A-6.0960, F.A.C., related to the Florida Tax Credit Scholarship Program, clarify and establish requirements for private school and student participation in the state scholarship programs and establish procedures and roles for the department and Commissioner of Education. State Board Rule 6A-6.03315, F.A.C., related to private school scholarship compliance, codifies program-related definitions and compliance requirements.

This report will focus on the actions taken by the department to implement accountability measures in the scholarship programs in accordance with the above-named statutes and rules and is divided into three parts.

Part I presents an account of the department's actions in monitoring the compliance of participating private schools with scholarship program requirements. Specifically, this section of the report focuses on the compliance renewal process and the enforcement of renewal deadlines specified in State Board Rule 6A-6.03315, F.A.C. Also included is a brief summary of the application process for new participants and a review of the department's actions related to the continued adherence to compliance requirements for participating private schools.

Part II discusses the activities undertaken by the department to enforce existing accountability measures such as the fingerprinting requirement for private school staff and contracted personnel, the norm-referenced testing of Florida Tax Credit Scholarship students, the department's site visits to participating private schools, the complaint and inquiry process, and a summary of the department's established communication measures and outreach activities.

Part III explains the department's ongoing actions regarding State Board of Education Rules, and legislative changes.

For questions related to the information contained in this document, please contact:

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Part I: Scholarship Program Compliance

Compliance Renewal Process

Sections 1002.39(6)(d) and 1002.395(9)(g), F.S., state that the department shall require and retain an annual, notarized, sworn compliance statement by participating private schools certifying compliance with applicable state laws. Additionally, participating private schools are required by section 1002.421(2)(e), F.S., to annually complete and submit to the department a notarized scholarship compliance statement certifying that all school employees and contracted personnel with direct student contact have undergone background screening pursuant to section 943.0542, F.S.

These requirements are specified in the Scholarship Compliance Form which is referenced as Form IEPC SCF-1 in State Board Rule 6A-6.03315, F.A.C.

One of the primary ways in which the department implements accountability measures for private schools is through the Compliance Renewal Process. The Compliance Renewal Process is the process of annually submitting a Scholarship Compliance Form and any required supporting documentation. A renewing school is defined in rule as a private school that had scholarship students during the current or previous school year.

Renewing schools are required to submit a Scholarship Compliance Form, Private School Annual Survey, and fiscal soundness documentation (if in operation for less than three years) to renew participation for the next school year. Pursuant to State Board Rule 6A-6.03315, F.A.C., once every third year a renewing private school is required to complete a full renewal. This means that the private school must submit all applicable compliance documentation for review such as the school's health and safety inspection reports and the owner's fingerprint report in addition to the standard compliance documentation.

For the 2014-2015 school year, this Compliance Renewal Process began in November 2013, when the 2014-15 Scholarship Compliance Form was posted on the School Choice website at www.floridaschoolchoice.org. At that time, private schools participating in the state scholarship programs were able to begin submitting renewal documentation in order to be eligible to participate for the subsequent school year.

Renewal Deadlines

State Board Rule 6A-6.03315, F.A.C., requires renewing private schools to postmark and mail the Scholarship Compliance Form by March 1 of each year to be eligible to participate for the subsequent school year. Following timely submission of the Scholarship Compliance Form, the participating private school must resolve any outstanding compliance issues, including the submission of supporting compliance documentation, on or before May 1 in order to remain eligible to participate in the scholarship programs.

Notifications

The department began notifying participating private schools about the compliance deadlines beginning November 2013. The department's efforts to notify participating private schools about the Compliance Renewal Process for the 2014-15 school year included a letter and checklist sent by mail and electronically, notifying the schools of the documentation needed to renew; regular posting of information on the School Choice website; and regular email notifications, in addition to maintaining ongoing communication through the customer service call center and regional managers.

Private School Eligibility

Renewing private schools that fail to meet the compliance renewal deadlines established in rule are issued a Notice of Proposed Action denying the school's eligibility to participate for the upcoming school year. The Notice of Proposed Action is issued in the form of an Administrative Complaint executed by the Commissioner of Education.

A total of 1,623 schools requested compliance renewal for the 2014-2015 school year, all schools met compliance requirements and were able to renew their participation in the scholarship programs.

New Schools

State Board Rule 6A-6.03315, F.A.C., defines a new school as a private school that did not have scholarship students during the current or previous school year. New schools may submit the Scholarship Compliance Form at any time; however, the department does not allow the school to enroll scholarship students until the school has adequately demonstrated compliance with all program requirements.

Upon receipt of the signed and notarized Scholarship Compliance Form, new schools have 60 days to submit supporting documentation and resolve any outstanding compliance issues with the department. Supporting documentation includes fiscal soundness documentation (if in operation for less than three years), the Private School Annual Survey, applicable health and safety inspection reports, ethics policy and procedures, and the owner's fingerprint report. If any outstanding compliance issues have not been resolved after 60 days, the department administratively closes the private school's application. The application can be reopened at any time during the same school year by request of the private school.

A total of 216 new private schools began participation with the scholarship programs for the period of November 1, 2013 to October 31, 2014.

Continued Adherence to Compliance Requirements

In addition to processing compliance renewals each spring and new school applications as they are submitted, the Office of K-12 School Choice monitors private schools for adherence to scholarship program compliance requirements throughout the school year.

Sections 1002.421(5), 1002.39(8), and 1002.395(8), F.S., establish that the inability of a private school to meet the requirements of these sections shall constitute a basis for the ineligibility of the private school to participate in a scholarship program. The types of violations related to these sections and actions taken by the department are described below.

Maintaining a Physical Location

Sections 1002.395(8)(d) and 1002.39(8)(d), F.S., require private schools that participate in a state scholarship program to maintain a physical location in Florida where scholarship students regularly attend classes and have regular and direct contact with the private school teachers.

In addition, the private school's physical location, where the regular and direct contact occurs, must meet applicable state and local health, safety, and welfare laws, codes, and rules. If the physical location cannot, for whatever reason, meet the health and safety requirements applicable

to all private schools then the private school cannot provide services to scholarship students at that location.

During the period of November 1, 2013, to October 31, 2014, the Commissioner of Education issued Administrative Complaints immediately suspending the eligibility of three private schools for failure to maintain an approved physical location. Reasons for suspension included failure to provide sufficient health inspection documentation or fire inspection documentation, and schools that had changed locations without updating documentation. Two schools provided the necessary documentation to continue participation in the scholarship programs, and their suspensions were rescinded. One school was unable to comply with requirements and has been removed from participation in the scholarship programs.

Demonstrating Fiscal Soundness

Section 1002.421(2)(f)1., F.S., requires a participating private school in operation for less than three years to demonstrate fiscal soundness by obtaining a surety bond or letter of credit for the amount equal to the scholarship funds for any quarter and filing the surety bond or letter of credit with the department. Nine private schools with fiscal soundness documentation filed for an amount less than the amount of scholarship funds the school received for any one quarter during the 2013-2014 school year were issued Notices of Noncompliance. All nine schools obtained a new surety bond or letter of credit for the appropriate amount and were able to continue uninterrupted participation in the scholarship programs.

Failure to Return Funds

In accordance with Rule 6A-6.0970 (5)(d), F.A.C., private schools are responsible for the return of all scholarship funds to the department that were received in error. If the department identifies scholarship funds that should be returned, a letter is sent to the school requesting the return of funds and providing the procedure to be followed if the private school believes that return of funds is being requested in error.

Failure to return the funds due back to the department or to provide a sufficient explanation within 30 days results in the initiation of noncompliance procedures. During the period of November 1, 2013, to October 31, 2014, the Commissioner of Education issued Administrative Complaints suspending the eligibility of ten private schools for failure to return funds. All ten schools either returned scholarship funds to the department or supplied the necessary documentation to continue participation in scholarship programs, and their suspensions were rescinded.

Agreed-Upon Procedures

Section 1002.395(8)(e), F.S., requires a participating private school receiving more than \$250,000 in Florida Tax Credit Scholarship funds during the fiscal year July 1 to June 30 to file an accountability report. This accountability report focuses on the use of the scholarship money and the financial procedures and controls in place at the school. The report, filed in the form of Agreed-Upon Procedures, is to be completed by an independent Certified Public Accountant (CPA) and submitted to the Scholarship Funding Organization (SFO).

There were 355 private schools that received more than \$250,000 in Florida Tax Credit scholarship funds during the 2013-2014 school year. Of the 355 schools, 299 schools submitted a completed report, 45 schools submitted a report with material exceptions, 10 schools submitted an incomplete report, and one school did not submit a report. The schools that submitted

consecutive reports with material exceptions were requested to create a corrective action plan. One school did not submit a report, but the school has since closed and no longer participates in the scholarship program.

Fraudulent Activity

Sections 1002.39(7) and 1002.395(11)(c), F.S., provide that the Commissioner of Education may immediately suspend payment of scholarship funds if it is determined that there is probable cause to believe that there is fraudulent activity on the part of the private school or if there is an imminent threat to the health, safety, or welfare of the students. In addition, sections 1002.39(7)(a) and 1002.395(11)(a), F. S., provide that the department may revoke a private school's participation in the scholarship program if it is determined that the private school has failed to comply with the provisions of that section.

During the period of November 1, 2013, to October 31, 2014, the Commissioner of Education issued Administrative Complaints immediately suspending the eligibility of five private schools for fraudulent activity. The department entered into a settlement agreement with one of the five schools, and their suspension was rescinded. One school has appealed the department's action; the school remains removed until the appeals process have been concluded. Three schools have been removed from participation in the scholarship programs.

Additionally, six schools were denied eligibility into the scholarship programs due to submitting fraudulent compliance documentation. Of the six schools, one school is currently appealing the department's action; the school remains denied until the appeals process have been concluded.

Part II: Existing Accountability Measures

Private School Employee Fingerprinting

Section 1002.421(2)(i), F.S., states that a participating private school must require each employee and contracted personnel with direct student contact, upon employment or engagement to provide services, to undergo a state and national background screening. The school must then deny employment to or terminate an employee who fails to meet the screening standards under sections 435.04 and 1012.315, F.S.

As of July 1, 2007, fingerprints must be submitted electronically via a live scan device and must be retained by the Florida Department of Law Enforcement. The retained fingerprints are searched against all incoming arrest fingerprint submissions in the Applicant Fingerprint Retention and Notification Program. Any matches are reported to the private school.

Private schools certify compliance with the employee and contracted personnel fingerprint requirement when they submit the signed and notarized Scholarship Compliance Form. The form includes a question which reads:

Have all employees and contracted personnel with direct student contact submitted their fingerprints to the Florida Department of Law Enforcement for a state and national background screening in accordance with section 1002.421(2)(i), F.S.?

In addition to the question, pursuant to Section 1002.421(2)(e), F.S., a certified statement is included on the Scholarship Compliance Form and states:

By signing below, I hereby certify compliance with all relevant state laws including the requirement for all private school employees and contracted personnel with direct student contact to have undergone a background screening pursuant to section 943.0542, F.S.

Private schools unable to answer the question positively or who fail to submit a signed and notarized Scholarship Compliance Form are not eligible to participate in the state scholarship programs.

The department has continued its efforts to notify private schools about this requirement through the Scholarship Programs Newsletter and detailed instructions in the Scholarship Compliance Renewal Packet.

Additionally, private schools identified as not in compliance with the screening requirements were notified by letter requesting proof of compliance. Eighty-three schools were issued Notices of Noncompliance for failure to comply. Of the 83 schools, 80 schools complied and three were suspended from participation in the scholarship programs for failure to comply with requirements by the provided deadline. All three schools supplied the necessary documentation to continue participation in scholarship programs, and their suspensions were rescinded.

The department also continues to work in conjunction with the Florida Department of Law Enforcement to direct participating private schools to register with the Volunteer and Employee Criminal History System (VECHS) Program. Private schools can submit electronic fingerprints for their employees and contracted personnel and will directly receive both state and federal background check results. The department requires all new participating private schools to supply their VECHS entity number prior to becoming eligible to participate. In addition, a renewing private school must continue to maintain a valid VECHS entity number to remain eligible to participate.

Private School Site Visits

Section 1002.39(6)(f)1., F.S., requires the department to conduct random site visits to private schools participating in the McKay Scholarship Program. The sole purpose of the site visits is to verify the information reported by the school concerning the enrollment and attendance of students, teacher credentials, background screenings, and fingerprint results of teachers. The department is limited to three random site visits to McKay Scholarship schools. Additionally, section 1002.395(9)(n)1., F.S., requires the department to conduct seven site visits to Florida Tax Credit Scholarship schools, with additional visits allowed for schools that received a Notice of Noncompliance or Notice of Proposed Action within the previous two years.

The department conducted site visits for the 2013-2014 school year in October 2013. Fourteen private schools were formally notified of the upcoming site visit via certified letter. Each site visit was conducted by two staff members from the Office of K-12 School Choice with the aid of the Site Visit Procedure Manual developed by the department. The manual identifies procedures to be followed by department staff conducting the site visits. The manual includes statutory references for each private school requirement and background information and copies of supporting compliance documentation submitted by the selected private schools.

Department staff members were guided in their site visits by the following questions:

In accordance with sections 1002.42(3)(a)2.a. and b., 1003.22(1), 1003.22(4), and 1003.23(2), F.S., does the school have appropriate documentation regarding the enrollment and attendance of students?

In accordance with section 1003.23(2), F.S., does the school maintain an enrollment register which shows the absence or attendance of each student enrolled for each school day of the year in a manner prescribed by the State Board of Education?

In accordance with sections 1002.42(2)(c) and 1002.421(2)(i), F.S., does the school have a file for fingerprint cards or Level 2 clearances for all employees and contracted persons?

In accordance with section 1002.421(2)(h), F.S., does the school have evidence that it employs or contracts with teachers who hold baccalaureate degrees or higher, have at least three years of teaching in public or private schools, or have special skills, knowledge or expertise that qualifies them to provide instruction in the subjects taught as mandated?

The fourteen schools selected for a site visit were not able to demonstrate compliance with the statutes related to program documentation at the time of the site visit. Reasons included incomplete documentation of teacher qualifications and background screening results, insufficient evidence of required student records, and missing or insufficient compliance documentation for the physical location of the school.

At the conclusion of each site visit, the private schools were provided with a copy of the Site Visit Review Form, which documented any required corrective action. If warranted, Notices of Noncompliance were issued to establish a timeline for correcting the deficiencies. Schools able to comply with requirements within the specified timeline continue in the programs uninterrupted. Schools failing to comply by the established deadline are issued an Administrative Complaint executed by the Commissioner of Education that suspends the school's eligibility to

participate in the scholarship programs. Schools failing to comply with final deadline requirements have their participation in scholarship programs revoked.

Thirteen of the fourteen schools visited were able to supply the required documentation and were able to continue uninterrupted participation in the scholarship programs. One school failed to demonstrate compliance and was suspended from participation in the scholarship programs. This school no longer participates in the scholarship programs.

Florida Tax Credit Scholarship Norm-Referenced Assessment

Section 1002.395(8)(c)2., F.S., states that a private school participating in the Florida Tax Credit Scholarship Program must demonstrate academic accountability to the parent for meeting the educational needs of the student by annually administering or making provision for students participating in the scholarship program to take one of the nationally norm-referenced tests identified by the department. A participating private school must report a student's scores to the parent and to the University of Florida, the independent research organization selected by the department.

Private schools participating in the Florida Tax Credit Scholarship Program certify compliance with this academic accountability requirement when they submit the signed and notarized Scholarship Compliance Form. The form includes a question which reads:

Does the school demonstrate academic accountability pursuant to section 1002.395(8)(c)2., F.S., by administering or making provisions for scholarship students to take a nationally norm-referenced test identified by the Department of Education and reporting the student's scores to the parent and the independent research organization selected in section 1002.395(9)(j), F.S.?

Private schools that are unable to answer positively to this question are not eligible to participate in the Florida Tax Credit Scholarship Program.

Notification of Testing Requirement

The department maintains a page on the School Choice website describing the testing requirement and listing the approved assessments. Detailed technical assistance is also posted on this page and includes an extensive question and answer section. The department notified private schools of this requirement in the August 2013, September 2013, October 2013, November 2013, December 2013, January 2014, February 2014, March 2014, April 2014, May 2014, and June/July 2014 Scholarship Program Newsletters.

Submission of Test Scores to Independent Research Organization

Section 1002.395(9)(j), F.S., requires the department to select an independent research organization to which participating private schools must report the scores of participating students on the national norm-referenced tests administered by the private school. Dr. David Figlio served as the project administrator for the organization with the University of Florida through June 2014. (Recent legislation moved the research responsibility to Learning Systems Institute (LSI) with Florida State University. Dr. Figlio will continue to contract with LSI for the collection of 2013-2014 test scores to be used in the 2014 report).

Dr. Figlio directed the collection of test scores for the 2013-14 school year. He works closely with the state's SFO to contact participating private schools and request the submission of test scores from eligible scholarship students.

In September 2014, Dr. Figlio provided the department with a list of 19 private schools that had not submitted complete test scores. All of the 19 schools were still active participants in the program at the submission of Dr. Figlio's list. Subsequent to the 2013-14 school year, each school was contacted several times by phone and mail by both Dr. Figlio and the department. Included in the notices from Dr. Figlio was a reminder that the department would issue Notices of Noncompliance to schools that had not submitted test scores. On September 25, 2014, the department issued Notices of Noncompliance to 16 of the 19 schools. On October 29, 2014, the department issued Notices of Noncompliance to the remaining 3 schools.

At the time of the filing of this report, 15 of the 19 schools have become compliant with testing requirements. The department is continuing administrative actions against the 4 noncompliant schools.

Identification of Approved Tests

Section 1002.395(9)(i), F.S., requires the department to maintain a list of nationally norm-referenced tests that the testing requirement. The Office of K-12 School Choice collaborated with the Office of Assessment and School Performance to identify assessments that met the criteria listed below:

1. Internal consistency reliability coefficients of at least 0.8
2. High validity evidenced by the alignment of the test with nationally recognized content standards, as well as specific evidence of content, concurrent, or criterion validity
3. Norming studies within the last 5 to 10 years, with norming within 5 years being preferable
4. Serves as a measure of K-12 student achievement in core academic areas

As a result, the following norm-referenced assessments were approved by the department for use during the 2013-14 school year:

1. Basic Achievement Skills Inventory-Comprehensive Version
2. Comprehensive Testing Program 4 (CTP 4)
3. Educational Development Series (EDSERIES), Forms G and H
4. EXPLORE®
5. Iowa Tests of Basic Skills (ITBS)-Core Battery, Forms A and B
6. Iowa Tests of Basic Skills (ITBS)-Complete Battery, Form C
7. Iowa Tests of Basic Skills (ITBS)-Core Battery, Form C
8. Iowa Assessments-Core Battery, Form E
9. Iowa Tests of Educational Development® (ITED®), Forms A and B
10. Kaufman Test of Educational Achievement-Second Edition, Comprehensive Form (KTEA-II)
11. Measures of Academic Progress (MAP)-Goals Survey Tests
12. Metropolitan Achievement Tests, Eighth Edition (METROPOLITAN8) -Short Form
13. PLAN®
14. PSAT/NMSQT®

15. ReadStep
16. Stanford Achievement Test, Ninth Edition (Stanford 9)
17. Stanford Achievement Test, Tenth Edition (Stanford 10)- Basic Battery
18. Stanford Achievement Test, Tenth Edition (Stanford 10)-Abbreviated Battery
19. TerraNova (CTBS/5)- Basic Battery, Forms A and B
20. TerraNova, Second Edition (CAT/6)-Basic Battery, Forms C and D
21. TerraNova, Third Edition (TerraNova 3)
22. Woodcock-Johnson III Tests of Achievement, Extended Battery

Complaint and Inquiry Summary

Sections 1002.39(6)(c) and 1002.395(9)(f), F.S., require the department to establish a process by which individuals may notify the department of any violation by a parent, private school or school district of state laws relating to program participation. To comply with this section, the Office of K-12 School Choice assigned a position to fulfill the duties of a complaint specialist. The complaint specialist is responsible for receiving the initial complaints via email or telephone through the toll-free information hotline and assisting the complainant in completing and submitting the formal complaint form.

When a signed formal complaint form is received, it is reviewed by the department for legal sufficiency. A complaint is legally sufficient if it contains ultimate facts that show that a violation of this section or any rule adopted by the State Board of Education may have occurred. In accordance with law, formal complaints found legally sufficient either have an inquiry opened or the complaint is referred to the appropriate organization for investigation.

The department’s complaint and inquiry process is codified in State Board Rule 6A-6.0960, F.A.C., Florida Tax Credit Scholarship Program, and State Board Rule 6A-6.0970, F.A.C., McKay Scholarship Program, and tracked through an administrative function on the School Choice website. Below is the complaint and inquiry summary for the period of November 1, 2013, to October 31, 2014:

Action	Total
Legally Sufficient – Inquiry	39
Not Legally Sufficient	17
Total Signed Complaint Forms Received	56

A total of 56 written formal complaints were submitted to the department during the time period noted above. Inquiries were opened for 39 of the formal complaints and 30 of the 39 opened inquiries have been resolved either by the subject demonstrating compliance with program requirements or by the department requiring the school to take corrective action. One inquiry was referred to the Office of Inspector General for investigation. Nine inquiries remain open at this time.

State Board Rule 6A-6.0970, F.A.C., McKay Scholarship for Students with Disabilities Program, also provides the department with the option of performing a site audit/inspection to obtain more information related to an inquiry.

Communications

The department works to ensure that relevant communications related to scholarship program requirements and student eligibility reach participating private schools and parents of scholarship students in a timely and efficient manner. Dissemination of information related to program requirements is an integral aspect of the department's accountability measures. Private schools are notified of compliance deadlines and participation requirements by phone, email and regular mail. Parents are notified of program deadlines and participation requirements in many of the same ways. The established methods of communication used by the department are outlined below.

Toll-Free Hotline

As required by sections 1002.39(6)(a) and 1002.395(9)(e), F.S., the Office K-12 School Choice operates a toll-free hotline with six part-time staff. There are two customer service representatives who are fluent in Spanish. Customer service representatives are available to answer incoming questions and concerns and refer to the appropriate staff. During the period of November 1, 2013, to October 31, 2014, the Customer Service Center received an average of more than 2,300 live phone calls and voicemails per month. Customer service representatives are also utilized to make pro-active calls to participating private schools reminding the schools of approaching compliance deadlines.

Lastly, the department has been using an automated call tree on the toll-free hotline since September 2008. The call tree is updated periodically so that callers are able to select English or Spanish prompts and receive recorded answers to commonly asked questions. Parents may choose to hear information such as how to apply for a McKay Scholarship, how to check the status of an application, or a list of important program deadlines. Private schools may choose to hear instructions for applying to participate in a scholarship program or a list of important program deadlines. All callers may select to speak to a representative or leave a message at any time.

Regional Managers

The Office K-12 School Choice employs six (6) regional managers. The regional managers are in place to maintain scholarship program files for the participating private schools. This includes the annual, notarized, sworn compliance statement certifying compliance with state laws required by the department as outlined in sections 1002.39(6)(d) and 1002.395(9)(g), F.S. Based in Tallahassee, each regional manager is in charge of maintaining files for schools in one area of the state.

During the period of November 1, 2013, to October 31, 2014, the six (6) regional managers collectively handled, on average, more than 1,700 live phone calls and voicemails per month. Regional managers also respond to emails from private schools, parents and school districts. Our records indicate they logged, on average collectively, more than 2,600 emails per month.

School Choice Website

The School Choice website (www.floridaschoolchoice.org) provides detailed information about the scholarship programs and participation requirements for both private schools and students.

Private schools are able to log in as administrators and view their compliance status and the date the Scholarship Compliance Form and Private School Annual Survey were received by the department. In addition, messages are posted as deadlines approach, links to statutes are provided, and McKay technical assistance and compliance tutorial videos are available on the private schools' homepage.

Parents that choose the private school McKay Scholarship option by enrolling their student in a participating private school are also able to login securely to the website and view information such as their student's fee schedule and scholarship amount. Parents are also able to view a payment checklist and update contact information. The parent login educates parents about the McKay Scholarship Program and encourages them to be involved in their student's education and the school choice option they have selected.

Intent Confirmation Letters

In addition to providing information through the School Choice website, the department mails every parent an Intent Confirmation Letter after the parent files intent for the McKay Scholarship Program. The letter offers much of the same information provided on the website including the parent's intent confirmation number, instructions for checking the status of a student intent, and information on the available options for eligible McKay Scholarship students, including selecting a participating private school or contacting the public school district to request public school transfer options.

Parents were able to file intent for the 2013-14 school year beginning February 1, 2013. Since this date, an average of 3,200 McKay Student Intents were filed each month, and Intent Confirmation Letters were mailed to parents each week.

Newsletters

A Scholarship Program Newsletter was distributed via email each month to participating private schools during the 2013-14 school year. Newsletters are also posted and archived on the scholarship program website in PDF format. Each Scholarship Program Newsletter contains reminders of upcoming events and deadlines, articles about department procedures related to scholarship program participation and compliance, helpful hints for successful demonstration of compliance, and notices of new requirements. Contact information and a chart of McKay Scholarship Program deadlines are also included in each newsletter.

A Scholarship Program Parent Newsletter was also distributed via email three times a year to parents that apply for or participate in the McKay Scholarship Program. The newsletters are sent twice a year to parents who have students enrolled in participating private schools. These newsletters provide parents information on how to keep their information up to date with our office, parent responsibilities, changes to the scholarship program, eligibility and re-enrollment procedures. One newsletter is sent to any parent who applied to the scholarship program, regardless of the student's enrollment status in a private participating school. This newsletter includes tips for new parents to the program, deadline information, information regarding the affidavit requirement and payment information.

Web Tutorial Videos

The department has created Compliance Tutorial Videos (CTV) on a variety of topics to detail specific private school compliance requirements. These videos replace the published technical assistance papers. The CTVs are posted on the School Choice website and can be accessed by private schools using their secure login. There are currently 20 CTVs available on the following topics: criminal background screening, school staff and teachers, employment history check, fiscal soundness, instructor qualification, scholarship compliance form, school facilities, site visits, standards of ethical conduct, student enrollment and withdrawal assistance, payment issues, and other student issues. In addition to the CTVs, links to other compliance resources, commonly asked questions, and technical assistance videos are located on the private schools' homepage.

Outreach Activities

In the past year, the department was invited to participate in several outreach activities hosted by other organizations that involved parents, private schools, districts, and stakeholders affected by the state scholarship programs. The department uses each outreach opportunity to disseminate information about the program, what it offers, and participation requirements. Outreach activities give department staff a presence in the scholarship community and improve accountability through the increased availability of information. When parents are informed about scholarship program requirements, they are better able to hold private schools accountable. Furthermore, the more exposure private schools have to the scholarship program requirements, the more familiar they will become with program procedures and statutory deadlines. A brief summary of events is listed below.

National School Choice Week (Week of January 27-31, 2014)

Staff from the Office of K-12 School Choice presented information on various choice options during the week by greeting colleagues from FDOE each morning with handouts and answering questions.

FAANS Meeting

The Florida Association of Academic Nonpublic Schools (FAANS) is an association of private school accrediting organizations. FAANS hosted a meeting in Orlando on September 22 and 23, 2014. Laura Harrison, director of Scholarship Programs and Home Education, gave a presentation on issues related to scholarship programs and private schools in Florida.

The State Advisory Committee for the Education of Exceptional Students

The State Advisory Committee for the Education of Exceptional Students (SAC) provides policy guidance with respect to the provision of exceptional education and related services for Florida's children with disabilities. The committee meets for two days, twice a year. Laura Harrison,

director of Scholarship Programs and Home Education, participates in this committee as a representative of the Office of K-12 School Choice. Most recently she attended meetings on December 4 and 5, 2013; July 14 and 15, 2014; and December 8 and 9, 2014.

Florida Catholic Conference

The Florida Catholic Conference hosted an annual meeting on Orlando in May 16, 2014. Laura Harrison, Director of Scholarship Programs and Home Education, presented on legislative issues and issues related to participating private schools.

Family Cafe

The annual Family Cafe Conference, an event for children and adults with disabilities and their relatives, was held in Orlando, Florida during June 2014. School Choice staff gave a presentation about the McKay Scholarship Program and operated an exhibit booth to provide information to attendees about Florida's school choice options.

McKay Coalition Conference

The Coalition of McKay Scholarship Schools hosted an annual meeting this year in Orlando, Florida, on October 9 and 10, 2014. Laura Harrison, director of Scholarship Programs and Home Education, gave a presentation focused on current issues related to compliance requirements for participating private schools as well as legislative changes.

Florida Alliance for Choices in Education Meeting

Florida Alliance for Choices in Education (F.A.C.E.) was founded in 2010, as a means to expand school choice options with fair and equal access whether the option is public, private or home school. Adam Miller, executive director of the Office of K-12 School Choice, attended meetings with F.A.C.E. in Orlando on January 2014, and September 2014.

Partnering for Success Statewide Meeting

The Partnering for Success Statewide Meeting is a collaborative event between Early Steps, Florida's Office of Early Learning, Florida Head Start State Collaboration Office, the Department of Education and Florida State University's Center for Prevention and Early Intervention Policy. The purpose of this statewide training event is to support state-level planning that leads to shared, integrated professional development opportunities across all early childhood sectors in Florida. Adam Miller, executive director of the Office K-12 School Choice, attended these meetings on November 13-15, 2013.

Part III: Legislative Changes

2014 Legislative Changes Pertaining to Scholarship Programs

Senate Bill 850

- Senate Bill 850 made changes to the Florida Tax Credit Scholarship Program (section 1002.395, F.S.), and created a new program, the Personalized Learning Scholarship Accounts Program (section 1002.385, F.S.).
- Changes to the Florida Tax Credit Scholarship Program include

Program Eligibility

- The household income definition is aligned with the definition of income for the National School Lunch Program.
- For the 2014-2015 school year and thereafter, the requirement for prior public school enrollment is removed for grades six through 12, thus removing the requirement for all grades.
- Placement in out-of-home care, in addition to placement in foster care, is added as a means of establishing student eligibility. Eligibility for siblings who are first time recipients in families whose income does not exceed 230 percent of the federal poverty level is removed.
- Continued eligibility until graduation from high school, or turning 21 years of age, for participating students in foster care or out-of-home care without regard to household income level is added.
- Beginning with the 2016-2017 school year, eligibility requirements include household income level not in excess of 185 percent of federal poverty level; placement in foster care or out-of-home care; or, household income level greater than 185 percent of the federal poverty level, but not in excess of 260 percent of the federal poverty level.

Scholarship Funding Organizations

- Florida Department of Education and Department of Revenue website notification related to tax credit caps is required.
- Requirements for the conveyance, transfer or assignment of tax credits are established. Criteria for calculating underpayment, penalty or interest requirements are outlined. Requirements are created to clarify and extend background check requirements for owners or operators of nonprofit scholarship-funding organizations.
- Requirements for notification of approved application for eligible nonprofit scholarship-funding organizations are set. Use of funds authorized under this section is prohibited to be used for lobbying or political activities or expenses related to lobbying or political activities.

- First priority for student eligibility is required to be given to students participating from the prior year. Beginning in the 2016-2017 school year, priority is required to be given to new applicants whose household income does not exceed 185 percent of the federal poverty level, or who are in foster care or out-of-home care. Students in foster care or out-of-home care must be allowed to apply for a scholarship at any time.
- Immediate refund of application fee to a parent whose child is not enrolled in a participating school within 12 months is required.
- A nonprofit scholarship-funding organization is required to maintain a surety bond or letter of credit, with the requirement waived if cost exceeds the average ten-year cost of acquiring a surety bond or letter of credit by 200 percent. Surety bond or letter of credit is not required for state universities and eligible independent colleges or universities.
- Nonprofit scholarship-funding organizations whose applications for participation were approved before July 1, 2014, must, by August 1, 2014, provide a surety bond or letter of credit to the Office of K-12 School Choice.

Assessments and Reporting

- Private schools are required to report assessment scores for participating students to the Learning System Institute. The Florida Department of Education is required to issue a program grant award to the Learning System Institute at the Florida State University for reporting of assessment scores for participating students, with a project term of two years, and a maximum award amount of up to \$500,000 per year. The Learning System Institute is required to report on student performance for students participating in the scholarship program including, to the extent possible, comparisons with public school students, and information for individual schools. Requirements for protection of student information must also be established.

Scholarship Amount

- The scholarship amount shall be 82 percent of the unweighted full time equivalent funding amount for that fiscal year and thereafter, beginning with the 2016-2017 school year.
- Beginning with the 2016-2017 school year and thereafter, the annual limit for the scholarship amount shall be reduced by: 12 percent, 26 percent, 40 percent or 50 percent based on family income requirements to create a multi-tiered scholarship program, with priority given to returning students and those meeting amounts required for full scholarship eligibility.

Department of Education

- A September 1 deadline was established for applications for new and renewing nonprofit scholarship-funding organizations. Additionally, requirements for submission of corporate, financial, tax, business plan and operational policies documentation by

nonprofit scholarship-funding organizations to the Florida Department of Education and State Board of Education are established.

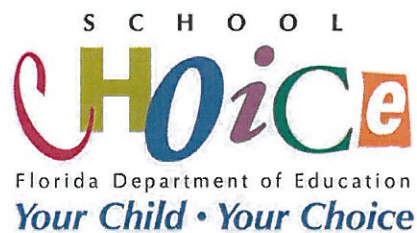
- A process for review of applications by the Florida Department of Education in collaboration with the Department of Revenue and the Department of Financial Services, and referral to the State Board of Education for approval or denial, including a presentation to the State Board of Education by the SFO is included. Approval for state universities or eligible independent colleges or universities requires only notification.
- A process for reversion of funds to the Department of Revenue for redistribution in the event of a denial of continued participation is established.
- The State Board of Education is required to adopt rules related to the application process.

Auditor General

- The Auditor General is required to conduct annual operational audits of eligible nonprofit scholarship-funding organizations receiving eligible contributions under section 1002.395, F.S., including contracts for services. The audits shall include, but not be limited to compliance with section 1002.395(6)(j), F.S. The Auditor General is required to provide copies of the report to the Governor, President of the Senate, Speaker of the House of Representatives, Chief Financial Officer, and the Legislative Auditing Committee within 30 days of completion.



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