



October 28, 2024

Commissioner Manny Diaz Jr.
Florida Department of Education, Office of the Commissioner
Turlington Building, Suite 1514
325 West Gaines Street
Tallahassee, FL 32399

Dear Commissioner Diaz:

We hereby submit the initial results of the 2023-2024 financial accountability report review for private schools that participate in the Florida Tax Credit Scholarship for low-income students, the Family Empowerment Scholarship for Educational Options, the Family Empowerment Scholarship–Unique Abilities, and the Hope Scholarship through Step Up For Students.

This financial accountability requirement is described in Florida Statute 1002.421(1)(q) and requires each school receiving more than \$250,000 of scholarship funds in a single year to engage an independent Certified Public Accountant (CPA) to complete a report that focuses on the use of the scholarship funds and the systems, financial procedures and controls in place at the school. The CPA must complete Agreed-Upon Procedures that are filed with the commissioner and submit an accountability report to the Scholarship Funding Organization (SFO) that provides the majority of the school's scholarship funds. The deadline for that submission is September 15th following the end of that Fiscal Year. In turn, the SFO must notify the commissioner by October 30th of that year of a school's failure to submit a report and of any material exceptions reported by a CPA.

For the 2023-2024 school year, Step Up For Students identified 1,696 schools that received more than \$250,000 of scholarship funds. A total of 2,347 private schools throughout the state served 564,103 scholarship students and received funding from Step Up For Students programs. This represents 84 additional schools, or a 3.75% increase when compared to the prior year. We have communicated with these schools through emails, phone calls, and hosted webinars to notify them of their obligations under the law.

As of this date, we have not received reports from 141 schools. Of the 141 not received, 105 are verified with the CPAs as "in progress" pending additional information from the schools. The schools and CPAs continue to work to complete their reports and satisfy the financial accountability reporting requirement.

www.StepUpForStudents.org

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Of the 1558 reports that we received, 355 or 21 percent contained material exceptions that ranged from bank reconciliations not completed and reviewed timely, funds not recorded to student accounts, to not creating an operating budget prior to July 1. Of those schools with material exceptions reported, 337 or 94.9 percent of those schools have submitted corrective action plans as of October 28, 2024.

5 CPAs submitted incomplete reports for schools. Per the existing departmental policy, they have been granted until December 15th to complete the incomplete sections of their reports. We are also attaching the following Appendices for your reference:

Appendix I

- The schools with clean reports.
- The schools with incomplete reports.
- The schools with material exceptions with corrective action plans.
- The schools with material exceptions without corrective action plans.
- The schools that did not file a report with a breakdown of schools confirmed contract and in progress with a CPA.

We thank you for your support of our programs and promoting education choice.

Sincerely,

A handwritten signature in blue ink, appearing to read "Renee Wolf".

Renee Wolf, Director of Technical Accounting

Step Up For Students

Enclosure (1)

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