Universal Vouchers Will Cost Florida Billions in Education Dollars

Overview

On March 27, 2023, Gov. Ron DeSantis signed CS/CS/CS/CS/HB 1 into law.¹ This bill makes vouchers, known as Florida Empowerment Scholarships and Florida Tax Credit (FTC) Scholarships, available to all students in the state who are eligible for kindergarten through grade 12, regardless of family income. Vouchers already cost $1.4 billion — dollars that are redirected from public education to private schools.

The tables below summarize the eligibility and per-pupil funding aspects of HB 1 for the following:

- Florida Empowerment Scholarship – Education Options (referred to as “Education Options” or FES-EO)
- Florida Empowerment Scholarship – Unique Abilities (referred to as “Unique Abilities” or FES-UA)
- FTC Scholarships

<table>
<thead>
<tr>
<th>HB 1: Eligibility</th>
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<tr>
<td><strong>Education Options²</strong></td>
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<td>- Students who are residents of the state and eligible for K-12</td>
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<td>- First priority: students with household income of 0-185% of the Federal Poverty Level ($54,000 for a family of four) or in foster care</td>
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<td>- Second priority: students with household income of 185%-400% of FPL ($54,001-$120,000 for a family of four)</td>
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<tr>
<td>- No income eligibility cap</td>
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<td>- No numeric/enrollment growth cap</td>
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| **Unique Abilities³** |
| - Any K-12 student residing in Florida with a disability |
| - Numeric cap: Up to 26,500 additional students with disabilities can be enrolled in 2022-23 and shall increase annually by 3%. Certain students are eligible outside the cap; e.g., children of law enforcement officers or children in foster care. |

| **FTC Scholarships⁴** |
| - Same as Education Options above. |

| **Home School⁵** |
| - Home education students are also eligible for vouchers if they apply to a Scholarship Funding Organization (SFO) as “Personalized Education Program” (PEP) students. |
| - Numeric cap: 20,000 in 2023-24, 40,000 through June 30, 2027, at which time all caps are removed.⁶ |
| - Home education programs for students with disabilities is an allowable FES-UA expense. |

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¹ Images or visual aids are not provided in this text.
**HB 1: Per Pupil funding**

| Education Options | • These scholarships are equivalent to per pupil funds received for public school students, approximately $8,648\(^7\) for the 2023-24 school year.  
• Education Options may be awarded with general revenue funds (i.e., through the Florida Education Finance Program, or FEFP) once all funds for the FTC Scholarships have been disbursed. In FY 2022-23, up to $1.1 billion is authorized for distribution through the FTC.\(^8\) |
| Unique Abilities | • These scholarships, like FES-EO, are equivalent to per pupil funds received for public school students and were estimated to be an average of $10,000\(^9\) per year. |
| FTC Scholarships | • These scholarships, like FES-EO, are equivalent to per pupil funds received for public school students, approximately $8,648\(^10\) for the 2023-24 school year. |
| Home School | • These scholarships, like FES-EO, are equivalent to per pupil funds received for public school students, approximately $8,648\(^11\) in 2023-24 or $10,000\(^12\) per year per FES-UA student for the 2022-23 school year.  
• PEP students must submit a student learning plan annually and standardized test scores beginning 2027-28. |

**How HB 1 Will Impact Education Funding**

To prepare for the budget process, calculations for the FEFP are compiled by the state and counties and are included in the General Appropriations Act (GAA), which is the state budget bill.\(^13\) This document estimates $2 billion for the FES-EO and FES-UA scholarships. The GAA includes an additional $350 million in the back of the bill\(^14\) for cost overruns in scholarships or vouchers.

**Florida Policy Institute and Education Law Center Estimate Cost of Vouchers**

The universal voucher program will cost $4 billion in the first year of implementation alone, according to a cost analysis by Florida Policy Institute (FPI) and the Education Law Center (ELC).\(^15\) The estimate is broken down as follows:

- $2 billion for public school students who already use vouchers and for those who will access vouchers under the new law without income restrictions. This includes, in 2023-24, $1.1 billion for 124,063 existing voucher students from public school and $890 million for 104,477 additional public school students moving to private education.
- $1.1 billion for 219,017 private school students who will access the FES vouchers (after accounting for a complete expenditure of FTC Scholarships in the amount of $850 million).
- $971 million to cover 75% of 114,082 eligible home education students. FPI and ELC’s interpretation of the law is that there is no restriction on using FES-EO for home school students above the 20,000 cap after all FTC Scholarship funds have been expended.
Implications for students with disabilities

If a parent chooses to accept a scholarship, “The district school board is not obligated to provide the student with a free and appropriate education” because they are considered “unilaterally parentally placed students.” Students will not have legal protections that public schools afford them under federal law.

Administrative expenses for scholarship funding organizations

SFOs who administer the voucher program for the Florida Department of Education (FLDOE), currently Step Up for Students¹⁶ and the AAA Scholarship Foundation,¹⁷ can charge 2.5% of the total amount of scholarships funded. If the SFO complied with expenditure requirements of s. 1002.395(6)(j)2 in the prior fiscal year they can charge up to 3% of total scholarship funds awarded.

Competition

Nonprofit organizations who want to administer the voucher programs will have the opportunity to do so during at least two application periods.

Evaluation and accountability

The FLDOE must issue a grant to a state university to analyze norm-referenced test scores or statewide assessments of participating students. Beginning in 2027, this includes PEP students (home-schooled students who receive vouchers).

Review of Florida education statutes

By November 2023, the state Board of Education must suggest recommended repeals and revisions to the entire Education Code, Chapters 1000-1013 Florida Statutes.

Transportation

The law removes the requirement that transportation must occur only via school buses and allows use of other vehicles. It also requires the FLDOE to help school districts acquiring school buses through pooling bids to enhance bargaining power.

Teacher certification

Under HB 1, teachers who have three or more years teaching and are deemed effective or highly effective may get a waiver of the mastery of general knowledge requirement. Additionally, the new law extends the temporary teaching certification period from three to five years. Subject area mastery can be demonstrated by masters or higher degree. Mastery of professional preparation and education can be achieved by three years of teaching with ratings of effective or highly effective or through a professional preparation and educational competence program.
Cost per student station

In 2005, the Florida DOE conducted a study of school construction costs and set maximum construction amounts on a per student basis. These maximums are indexed to student’s grade level: elementary, middle, and high school. These figures are periodically adjusted to reflect changes in the Consumer Price Index. HB 1 exempts school districts from “cost per student station” limits on construction projects to afford school districts greater flexibility beginning in July 2026.

For more info:

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1 CS = Committee Substitute; HB = House Bill
2 Statute: 1002.394
3 Statute: 1002.394
4 Statute: 1002.395
5 Statutes: 1002.41; 1004.394; 1002.395
6 Florida Policy Institute’s analysis includes 75% of all students currently registered with a home education program. Our interpretation of the statute is that once all the FTC Scholarship funds are disbursed, there are no prohibitions for FES funds to be used for these home school/PEP students, so the number served is expected to exceed 20,000.
8 Florida Department of Education, Florida Tax Credit Scholarships, https://www.fldoe.org/schools/school-choice/k-12-scholarship-programs/ftc/.
10 SB 2500 Conference Report
11 SB 2500 Conference Report
12 Family Empowerment Scholarship for Students with Unique Abilities (fact sheet)
13 SB 2500 Conference Report
14 The “back of the bill” includes the remaining sections outside of the major program-area expenditures in the state budget. These sections typically include employee compensation and benefits, adjustments to the operating budget (for the previous fiscal year), and trust fund sweeps.
16 https://www.stepupforstudents.org/
17 https://www.aaascholarships.org/