

Department of Education

Statement Of Estimated Regulatory Costs (SERC)

Division: Independent Education and Parental Choice

Board:

Rule Number: 6A-1.0998271

Rule Description: Schools of Hope

Contact Person: Adam Emerson

Please remember to analyze the impact of the rule, NOT the statute, when completing this form.

A. Is the rule likely to, **directly or indirectly**, have an adverse impact on economic growth, private-sector job creation or employment, or private-sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule?

- | | | |
|------------------------------------------------------------|------------------------------|----------------------------------------|
| 1. Is the rule likely to reduce personal income? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Is the rule likely to reduce total non-farm employment? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Is the rule likely to reduce private housing starts? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Is the rule likely to reduce visitors to Florida? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 5. Is the rule likely to reduce wages or salaries? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 6. Is the rule likely to reduce property income? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Explanation:

If any of these questions are answered "Yes," presume that there is a likely and adverse impact in excess of \$1 million, and the rule must be submitted to the legislature for ratification.

B. Is the rule likely to, **directly or indirectly**, have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the rule?

1. Is the rule likely to raise the price of goods or services provided by Florida business?
- ☐ Yes ☒ No

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2. Is the rule likely to add regulation that is not present in other states or markets?

☐ Yes ☒ No

3. Is the rule likely to reduce the quantity of goods or services Florida businesses are able to produce, i.e. will goods or services become too expensive to produce?

☐ Yes ☒ No

4. Is the rule likely to cause Florida businesses to reduce workforces?

☐ Yes ☒ No

5. Is the rule likely to increase regulatory costs to the extent that Florida businesses will be unable to invest in product development or other innovation?

☐ Yes ☒ No

6. Is the rule likely to make illegal any product or service that is currently legal?

☐ Yes ☒ No

Explanation:

If any of these questions are answered "Yes," presume that there is a likely and adverse impact in excess of \$1 million, and the rule must be submitted to the legislature for ratification.

C. Is the rule likely, **directly or indirectly**, to increase regulatory costs, including any transactional costs (see F below for examples of transactional costs), in excess of \$1 million in the aggregate within 5 years after the implementation of this rule?

1. Current one-time costs

2. New one-time costs

3. Subtract 1 from 2

4. Current recurring costs

5. New recurring costs

6. Subtract 4 from 5

7. Number of times costs will recur in 5 years

8. Multiply 6 times 7

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9. Add 3 to 8

If 9. is greater than \$1 million, there is likely an increase of regulatory costs in excess of \$1 million, and the rule must be submitted to the legislature for ratification.

D. Good faith estimates (numbers/types):

1. The number of individuals and entities likely to be required to comply with the rule. *(Please provide a reasonable explanation for the estimate used for the number of individuals and methodology used for deriving the estimate).*

There are 67 school districts who must comply with the proposed rule and approximately 60 Schools of Hope that must also comply with the proposed rule. The number of Schools of Hope, and consequently the number of entities that must comply with the rule, is expected to increase given legislative changes in SB 2510 (L. 279-283). The legislature expanded the criteria for persistently low-performing schools, which is one place where Schools of Hope can locate. At this point, no good faith estimate can be provided about the increased number of Schools of Hope.

2. A general description of the types of individuals likely to be affected by the rule.

Please see the answer to D., 1. above.

E. Good faith estimates (costs):

1. Cost to the department of implementing the proposed rule:

☒ None. The department intends to implement the proposed rule within its current workload, with existing staff.

☐ Minimal. *(Provide a brief explanation).*

☐ Other. *(Please provide a reasonable explanation for the estimate used and methodology used for deriving the estimate).*

2. Cost to any other state and local government entities of implementing the proposed rule:

☐ None.

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☐ Minimal. *(Provide a brief explanation).*

☒ Other. *(Please provide a reasonable explanation for the estimate used and methodology used for deriving the estimate).*

There is likely to be some cost to school districts in implementing the rule; however, most of the costs are as a result of legislative changes and not the rule. Thus, most of the costs will be as a result of legislative changes authorizing Schools of Hope to co-locate with school district facilities that are underused/surplus/vacant and as a result of legislative changes that permit more Schools of Hope to operate in more locations.

However, there are likely to be costs incurred by school districts to implement the proportionate use provisions of the rule and the obligation to maintain district facilities where Schools of Hope locate in district underused/surplus/vacant property. The costs cannot be estimated because it is unknown whether and how many Schools of Hope will operate in district facilities, and what sort of changes or upkeep will be needed to a district facility or to district operations to meet the requirements of the rule.

3. Cost to the department of enforcing the proposed rule:

☒ None. The department intends to enforce the proposed rule within its current workload with existing staff.

☐ Minimal. *(Provide a brief explanation).*

☐ Other. *(Please provide a reasonable explanation for the estimate used and methodology used for deriving the estimate).*

4. Cost to any other state and local government of enforcing the proposed rule:

☒ None.

☐ Minimal. *(Provide a brief explanation).*

☐ Other. *(Please provide a reasonable explanation for the estimate used and methodology used for deriving the estimate).*

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- F. Good faith estimates (transactional costs) likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the proposed rule. *(Includes filing fees, cost of obtaining a license, cost of equipment required to be installed or used, cost of implementing processes and procedures, cost of modifying existing processes and procedures, additional operating costs incurred, cost of monitoring, and cost of reporting, or any other costs necessary to comply with the rule).*

Please see the information found in 2. above about the potential cost to school districts.

☐ None.

☐ Minimal. *(Provide a brief explanation).*

☒ Other. *(Please provide a reasonable explanation for the estimate used and methodology used for deriving the estimate).* In order to accommodate Schools of Hope in a district, school districts will likely need to modify procedures regarding facility use, such as busing, nursing and school safety. The amount cannot be estimated because what procedures must be changed and whether personnel changes will be needed is district specific.

- G. An analysis of the impact on small business as defined by s. 288.703, F.S., and an analysis of the impact on small counties and small cities as defined by s. 120.52, F.S. *(Includes:*

- Why the regulation is needed [e.g., How will the regulation make the regulatory process more efficient? Required to meet changes in federal law? Required to meet changes in state law?];*
- The type of small businesses that would be subject to the rule;*
- The probable impact on affected small businesses [e.g., increased reporting requirements; increased staffing; increased legal or accounting fees?];*
- The likely per-firm regulatory cost increase, if any).*

A small business is defined in Section 288.703, F.S., as "...an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments."

A small county is defined in Section 120.52(19), F.S., as "any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census." And, a small city is defined in Section 120.52(18), F.S., as "any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census."

The estimated number of small businesses that would be subject to the rule:

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- ☐ 1-99 ☐ 100-499 ☐ 500-999
☐ 1,000-4,999 ☐ More than 5,000
☐ Unknown, please explain:

☐ Analysis of the impact on small business:

☐ There is no small county or small city that will be impacted by this proposed rule.

☒ A small county or small city will be impacted. Analysis: A small county may be impacted by the proposed rule. Please see information in 2. Above.

☐ Lower impact alternatives were not implemented? Describe the alternatives and the basis for not implementing them.

H. Any additional information that the agency determines may be useful.

☐ None.

☒ Additional. Schools of Hope are charter schools that operate in Opportunity Zones or serve students from persistently low-performing schools. While allowing them to operate in district surplus/underused/vacant property or to co-locate in a district school that is underused may result in some cost to districts, the state itself provides funding to districts to help them with their duty to operate schools in the state. Further, providing students with expanded opportunities for educational success by expanding Schools of Hope is designed to benefit the student, his or her family and the people of Florida. Additionally, it should be noted that in response to comments in the rule workshop regarding potential costs to school districts when a School of Hope co-locates in a district facility, the proposed rule was amended to address the concerns.

I. A description of any good faith written proposal for a lower cost regulatory alternative to the proposed rule which substantially accomplishes the objectives of the law being implemented and either a statement adopting the alternative or a statement of the reasons rejecting the alternative in favor of the proposed rule.

☐ No good faith written proposals for a lower cost regulatory alternative to the proposed rule were received.

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☐ See attachment "A".

☐ Adopted in entirety.

☐ Adopted / rejected in part. *(Provide a description of the parts adopted or rejected, and provide a brief statement of the reasons adopting or rejecting this alternative in part).*

☐ Rejected in entirety. *(Provide a brief statement of the reasons rejecting this alternative).*

☐ See attachment "B".

☐ Adopted in entirety.

☐ Adopted / rejected in part. *(Provide a description of the parts adopted or rejected, and provide a brief statement of the reasons adopting or rejecting this alternative in part).*

☐ Rejected in entirety. *(Provide a brief statement of the reasons rejecting this alternative).*

☐ See attachment "C".

☐ Adopted in entirety.

☐ Adopted / rejected in part. *(Provide a description of the parts adopted or rejected, and provide a brief statement of the reasons adopting or rejecting this alternative in part).*

☐ Rejected in entirety. *(Provide a brief statement of the reasons rejecting this alternative).*

☐ See attachment "D".

☐ Adopted in entirety.

☐ Adopted / rejected in part. *(Provide a description of the parts adopted or rejected, and provide a brief statement of the reasons adopting or rejecting this alternative in part).*

☐ Rejected in entirety. *(Provide a brief statement of the reasons rejecting this alternative).*

☐ See attachment "E".

☐ Adopted in entirety.

☐ Adopted / rejected in part. *(Provide a description of the parts adopted or rejected, and provide a brief statement of the reasons adopting or rejecting this alternative in part).*

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☐ Rejected in entirety. *(Provide a brief statement of the reasons rejecting this alternative).*

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