

Florida Governor Ron DeSantis Proposes Expansion of Schools of Hope Charter Schools into Opportunity Zones

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Tucked into Governor DeSantis' proposed Florida budget is a provision that calls for significant expansion of Florida's Schools of Hope charter school program.

Under the existing program, charter schools that apply for and achieve designation as a "School of Hope" could establish new charter schools near statutorily defined "persistently low-performing schools."

The Governor's new proposal greatly expands the geographic areas where a School of Hope could be built, allowing their establishment in any of Florida's 427 Census Tracts that have been designated an "Opportunity Zone" under the federal Tax Cuts and Jobs Act of 2017 - regardless of whether it falls near or in the attendance zone of a low-performing school. The proposal also broadens the designation of low-performing schools, further increasing areas where a School of Hope could be established.

Given that Schools of Hope also have access to a state-funded revolving loan program to help finance construction and fund start-up expenses for new charter schools, the proposed expanded territory could spark charter school expansion in low-performing areas throughout Florida.

In addition to the benefits of designation as a School of Hope, any school that qualifies as "qualified opportunity zone property" under the federal Tax Cuts and Jobs Act of 2017 could provide investors in a "qualified opportunity fund" that holds the school the ability to (1) defer tax on capital gains that are rolled over into the fund, (2) partially exclude tax on capital gains that are rolled over into the fund, and (3) exclude future tax on all capital gains relating to the fund.

Significantly, a school can still take advantage of the expanded geographic areas that have been designated as Opportunity Zones and obtain the benefits of becoming a School of Hope, even if a school does not otherwise meet the technical requirements of "qualified opportunity zone property."

If you have any questions on the proposed expansion of Schools of Hope into Opportunity Zones, or the benefits of Opportunity Zones in general, please reach out to the authors or to any other member of the Carlton Fields Qualified Opportunity Zone Task Force.