



1 nonpublic schools or public schools in adjacent  
2 districts; providing requirements and  
3 limitations with respect to scholarships;  
4 providing for payment; establishing eligibility  
5 for nonpublic school participation; providing  
6 for administration by the Department of Revenue  
7 and the Department of Education; providing for  
8 rules; providing requirements for deposit of  
9 eligible contributions; amending s. 213.053,  
10 F.S.; conforming provisions to the creation of  
11 the tax credit scholarship program for families  
12 of students in failing schools; authorizing the  
13 Department of Revenue to share certain tax  
14 information with the Department of Education;  
15 amending s. 220.02, F.S.; revising legislative  
16 intent with respect to the order in which  
17 corporate income tax credits are applied to  
18 conform to the creation of the tax credit  
19 scholarship program for families of students in  
20 failing schools; amending s. 220.13, F.S.;  
21 revising the definition of the term "adjusted  
22 federal income" to account for the creation of  
23 the tax credit scholarship program for families  
24 of students in failing schools; providing for  
25 the credit to be an addition to taxable income;  
26 amending s. 220.701, F.S.; directing the  
27 Department of Revenue to deposit moneys  
28 received through the corporate income tax into  
29 the Corporate Income Tax Trust Fund rather than  
30 the General Revenue Fund; amending s. 1001.10,  
31 F.S.; conforming provisions to the repeal of

1 the Opportunity Scholarship Program;  
2 authorizing the Commissioner of Education to  
3 prepare and publish reports related to  
4 specified tax credit programs; repealing s.  
5 1002.38, F.S., which authorizes the Opportunity  
6 Scholarship Program; amending s. 1002.39, F.S.,  
7 to conform to the repeal of the Opportunity  
8 Scholarship Program; providing an effective  
9 date.

10  
11 WHEREAS, education is a fundamental value and a  
12 paramount duty of the state, and

13 WHEREAS, the State Constitution requires the state to  
14 provide for the free education of all children residing within  
15 its borders, and

16 WHEREAS, the Florida Supreme Court held in *Bush v.*  
17 *Holmes*, 2006 WL 20584 (Fla.), 31 Fla. L. Weekly S1, that the  
18 state must provide a system of uniform, efficient, safe,  
19 secure, and high-quality public schools to fulfill this  
20 constitutional requirement, and

21 WHEREAS, the Florida Supreme Court invalidated the  
22 Opportunity Scholarship Program because it allowed state funds  
23 to be disbursed to private schools, and

24 WHEREAS, the Legislature created the Opportunity  
25 Scholarship Program to ensure that all children have a chance  
26 to gain the knowledge and skills they need to succeed, and

27 WHEREAS, the state is committed to improving the  
28 quality of the education provided by the public school system,  
29 and

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1           WHEREAS, there are some public schools that continue to  
2 fail to make adequate progress based on the school performance  
3 grading categories established by law, and

4           WHEREAS, respecting the constitutional mandate cited by  
5 the Florida Supreme Court, the Legislature intends for the  
6 state to develop and implement a comprehensive strategic  
7 program to facilitate the improvement of schools that are  
8 failing to make adequate progress, and

9           WHEREAS, facilitating the improvement in the  
10 performance of these schools is a multiyear endeavor, and  
11 progress will occur over an extended period of time, and

12           WHEREAS, students assigned to schools that are failing  
13 to make adequate progress should have the choice of attending  
14 a higher-performing school while the state continues to  
15 facilitate the improvement of these schools, and

16           WHEREAS, the Legislature intends to create a program to  
17 provide an educational safety net to students assigned to  
18 these schools, distinct from and without impeding the efforts  
19 to help these schools improve, NOW, THEREFORE,

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23           Section 1. Section 1008.3455, Florida Statutes, is  
24 created to read:

25           1008.3455 Improvement program for schools failing to  
26 make adequate progress.--

27           (1) It is the intent of the Legislature that the state  
28 develop and implement a comprehensive strategic program to  
29 facilitate the improvement of schools that are failing to make  
30 adequate progress based on the school performance grading  
31 categories established by law. The Legislature finds that

1 achieving meaningful and lasting progress in these schools  
2 will take a number of years. Thus, it is the further intent of  
3 the Legislature that the program developed under this section  
4 include a multiyear design and implementation schedule, with  
5 measurable goals and objectives for these schools.

6 (2) In coordination with the responsibilities  
7 prescribed in s. 1008.345, the Commissioner of Education shall  
8 develop and submit to the President of the Senate and the  
9 Speaker of the House of Representatives, no later than  
10 February 1, 2007, a multifaceted program of policies and  
11 practices targeted specifically toward schools in the "F"  
12 grade category under s. 1008.34.

13 (a) At a minimum, the program must include an  
14 assessment of the extent to which new policies, or  
15 enhancements to existing policies, in the following areas  
16 would facilitate improvement at these schools:

- 17 1. Capital improvements to school facilities;
- 18 2. Salaries for teachers and staff;
- 19 3. Incentives for outstanding faculty and staff to  
20 transfer to these schools;
- 21 4. Equipment and supplies;
- 22 5. Technology infrastructure, hardware, or software;
- 23 6. Incentives to encourage parental or other family  
24 participation; and
- 25 7. Mentoring and other community participation.

26 (b) The program must include a suggested order of  
27 priority and timeline for enacting, funding, and implementing  
28 policies and practices over a 5-year period. The program  
29 shall identify those elements of the program which can be  
30 accomplished within existing statutory authority and those  
31 elements that will require new statutory authority. The

1 program must include specific recommendations for action by  
2 the Legislature.

3 (3)(a) To assist in development and implementation of  
4 the program required by this section, the commissioner shall  
5 create an advisory committee comprised of at least two  
6 teachers, two staff persons, and two parents of students from  
7 one or more schools that are failing to make adequate progress  
8 based on the school performance grading categories, as well as  
9 any other individuals the commissioner deems appropriate.

10 (b) In developing and implementing the program, the  
11 commissioner shall consult with:

12 1. The Office of Program Policy Analysis and  
13 Government Accountability; and

14 2. The district community assessment teams assigned  
15 under s. 1008.345.

16 (4) The program shall be developed in coordination  
17 with, and shall be consistent with, other strategic planning  
18 initiatives of the Department of Education or the State Board  
19 of Education.

20 (5) The commissioner shall report annually to the  
21 Governor, the President of the Senate, and the Speaker of the  
22 House of Representatives on implementation of the program.

23 Section 2. Section 220.187, Florida Statutes, is  
24 amended to read:

25 220.187 Credits for contributions to nonprofit  
26 scholarship-funding organizations; families that have limited  
27 financial resources.--

28 (1) PURPOSE.--The purpose of this section is to:

29 (a) Encourage private, voluntary contributions to  
30 nonprofit scholarship-funding organizations.

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1 (b) Expand educational opportunities for children of  
2 families that have limited financial resources.

3 (c) Enable children in this state to achieve a greater  
4 level of excellence in their education.

5 (2) DEFINITIONS.--As used in this section, the term:

6 (a) "Department" means the Department of Revenue.

7 (b) "Eligible contribution" means a monetary  
8 contribution from a taxpayer, subject to the restrictions  
9 provided in this section, to an eligible nonprofit  
10 scholarship-funding organization. The taxpayer making the  
11 contribution may not designate a specific child as the  
12 beneficiary of the contribution. The taxpayer may not  
13 contribute more than \$5 million to any single eligible  
14 nonprofit scholarship-funding organization.

15 (c) "Eligible nonpublic school" means a nonpublic  
16 school located in Florida that offers an education to students  
17 in any grades K-12 and that meets the requirements in  
18 subsection (6).

19 (d) "Eligible nonprofit scholarship-funding  
20 organization" means a charitable organization that is exempt  
21 from federal income tax pursuant to s. 501(c)(3) of the  
22 Internal Revenue Code and that complies with the provisions of  
23 subsection (4). An eligible nonprofit scholarship-funding  
24 organization that is authorized to provide scholarships under  
25 s. 220.1875 may, subject to approval by the Department of  
26 Education, be authorized to provide scholarships under this  
27 section.

28 (e) "Qualified student" means a student who qualifies  
29 for free or reduced-price school lunches under the National  
30 School Lunch Act and who:

31

1           1. Was counted as a full-time equivalent student  
2 during the previous state fiscal year for purposes of state  
3 per-student funding;

4           2. Received a scholarship from an eligible nonprofit  
5 scholarship-funding organization during the previous school  
6 year; or

7           3. Is eligible to enter kindergarten or first grade.

8           (3) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX  
9 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

10           (a) There is allowed a credit of 100 percent of an  
11 eligible contribution against any tax due for a taxable year  
12 under this chapter. However, such a credit may not exceed 75  
13 percent of the tax due under this chapter for the taxable  
14 year, after the application of any other allowable credits by  
15 the taxpayer. However, at least 5 percent of the total  
16 statewide amount authorized for the tax credit shall be  
17 reserved for taxpayers who meet the definition of a small  
18 business provided in s. 288.703(1) at the time of application.  
19 The credit granted by this section shall be reduced by the  
20 difference between the amount of federal corporate income tax  
21 taking into account the credit granted by this section and the  
22 amount of federal corporate income tax without application of  
23 the credit granted by this section.

24           (b) The total amount of tax credits and carryforward  
25 of tax credits which may be granted each state fiscal year  
26 under this section is \$88 million.

27           (c) A taxpayer who files a Florida consolidated return  
28 as a member of an affiliated group pursuant to s. 220.131(1)  
29 may be allowed the credit on a consolidated return basis;  
30 however, the total credit taken by the affiliated group is  
31 subject to the limitation established under paragraph (a).

1           (4) OBLIGATIONS OF ELIGIBLE NONPROFIT

2 SCHOLARSHIP-FUNDING ORGANIZATIONS.--

3           (a) An eligible nonprofit scholarship-funding  
4 organization shall provide scholarships, from eligible  
5 contributions, to qualified students for:

6           1. Tuition or textbook expenses for, or transportation  
7 to, an eligible nonpublic school. At least 75 percent of the  
8 scholarship funding must be used to pay tuition expenses; or

9           2. Transportation expenses to a Florida public school  
10 that is located outside the district in which the student  
11 resides.

12           (b) An eligible nonprofit scholarship-funding  
13 organization shall give priority to qualified students who  
14 received a scholarship from an eligible nonprofit  
15 scholarship-funding organization during the previous school  
16 year.

17           (c) The amount of a scholarship provided to any child  
18 for any single school year by all eligible nonprofit  
19 scholarship-funding organizations from eligible contributions  
20 shall not exceed the following annual limits:

21           1. Three thousand five hundred dollars for a  
22 scholarship awarded to a student enrolled in an eligible  
23 nonpublic school.

24           2. Five hundred dollars for a scholarship awarded to a  
25 student enrolled in a Florida public school that is located  
26 outside the district in which the student resides.

27           (d) The amount of an eligible contribution which may  
28 be accepted by an eligible nonprofit scholarship-funding  
29 organization is limited to the amount needed to provide  
30 scholarships for qualified students which the organization has  
31

1 identified and for which vacancies in eligible nonpublic  
2 schools have been identified.

3 (e) An eligible nonprofit scholarship-funding  
4 organization that receives an eligible contribution must spend  
5 100 percent of the eligible contribution to provide  
6 scholarships in the same state fiscal year in which the  
7 contribution was received. No portion of eligible  
8 contributions may be used for administrative expenses. All  
9 interest accrued from contributions must be used for  
10 scholarships.

11 (f) An eligible nonprofit scholarship-funding  
12 organization that receives eligible contributions must provide  
13 to the Auditor General an annual financial and compliance  
14 audit of its accounts and records conducted by an independent  
15 certified public accountant and in accordance with rules  
16 adopted by the Auditor General.

17 (g) Payment of the scholarship by the eligible  
18 nonprofit scholarship-funding organization shall be by  
19 individual warrant or check made payable to the student's  
20 parent. If the parent chooses for his or her child to attend  
21 an eligible nonpublic school, the warrant or check must be  
22 mailed by the eligible nonprofit scholarship-funding  
23 organization to the nonpublic school of the parent's choice,  
24 and the parent shall restrictively endorse the warrant or  
25 check to the nonpublic school. An eligible nonprofit  
26 scholarship-funding organization shall ensure that, upon  
27 receipt of a scholarship warrant or check, the parent to whom  
28 the warrant or check is made restrictively endorses the  
29 warrant or check to the nonpublic school of the parent's  
30 choice for deposit into the account of the nonpublic school.

31

1           (5) PARENT OBLIGATIONS.--As a condition for  
2 scholarship payment pursuant to paragraph (4)(g), if the  
3 parent chooses for his or her child to attend an eligible  
4 nonpublic school, the parent must inform the child's school  
5 district within 15 days after such decision.

6           (6) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An  
7 eligible nonpublic school must:

8           (a) Demonstrate fiscal soundness by being in operation  
9 for one school year or provide the Department of Education  
10 with a statement by a certified public accountant confirming  
11 that the nonpublic school desiring to participate is insured  
12 and the owner or owners have sufficient capital or credit to  
13 operate the school for the upcoming year serving the number of  
14 students anticipated with expected revenues from tuition and  
15 other sources that may be reasonably expected. In lieu of such  
16 a statement, a surety bond or letter of credit for the amount  
17 equal to the scholarship funds for any quarter may be filed  
18 with the department.

19           (b) Comply with the antidiscrimination provisions of  
20 42 U.S.C. s. 2000d.

21           (c) Meet state and local health and safety laws and  
22 codes.

23           (d) Comply with all state laws relating to general  
24 regulation of nonpublic schools.

25           (7) ADMINISTRATION; RULES.--

26           (a) If the credit granted pursuant to this section is  
27 not fully used in any one year because of insufficient tax  
28 liability on the part of the corporation, the unused amount  
29 may be carried forward for a period not to exceed 3 years;  
30 however, any taxpayer that seeks to carry forward an unused  
31 amount of tax credit must submit an application for allocation

1 of tax credits or carryforward credits as required in  
2 paragraph (d) in the year that the taxpayer intends to use the  
3 carryforward. The total amount of tax credits and carryforward  
4 of tax credits granted each state fiscal year under this  
5 section is \$88 million. This carryforward applies to all  
6 approved contributions made after January 1, 2002. A taxpayer  
7 may not convey, assign, or transfer the credit authorized by  
8 this section to another entity unless all of the assets of the  
9 taxpayer are conveyed, assigned, or transferred in the same  
10 transaction.

11 (b) An application for a tax credit pursuant to this  
12 section shall be submitted to the department on forms  
13 established by rule of the department.

14 (c) The department and the Department of Education  
15 shall develop a cooperative agreement to assist in the  
16 administration of this section. The Department of Education  
17 shall be responsible for annually submitting, by March 15, to  
18 the department a list of eligible nonprofit  
19 scholarship-funding organizations that meet the requirements  
20 of paragraph (2)(d) and for monitoring eligibility of  
21 nonprofit scholarship-funding organizations that meet the  
22 requirements of paragraph (2)(d), eligibility of nonpublic  
23 schools that meet the requirements of paragraph (2)(c), and  
24 eligibility of expenditures under this section as provided in  
25 subsection (4).

26 (d) The department shall adopt rules necessary to  
27 administer this section, including rules establishing  
28 application forms and procedures and governing the allocation  
29 of tax credits and carryforward credits under this section on  
30 a first-come, first-served basis.

31

1 (e) The Department of Education shall adopt rules  
2 necessary to determine eligibility of nonprofit  
3 scholarship-funding organizations as defined in paragraph  
4 (2)(d) and according to the provisions of subsection (4) and  
5 identify qualified students as defined in paragraph (2)(e).

6 (8) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--

7 (a) All eligible contributions received by an eligible  
8 nonprofit scholarship-funding organization shall be deposited  
9 in a manner consistent with s. 17.57(2).

10 (b) A nonprofit scholarship-funding organization that  
11 is authorized to receive donations and distribute scholarships  
12 under this section and s. 220.1875 shall account for donations  
13 and scholarships separately by each tax credit program. If, in  
14 a single fiscal year, the amount of donations available for  
15 distribution as scholarships in one program exceeds the demand  
16 for scholarships under that program for that fiscal year, the  
17 organization may, with approval from the Department of  
18 Education, apply those surplus funds to meet demand in the  
19 other program.

20 Section 3. Section 220.1875, Florida Statutes, is  
21 created to read:

22 220.1875 Credits for contributions to nonprofit  
23 scholarship-funding organizations; families of students  
24 attending schools failing to make adequate progress.--

25 (1) PURPOSE.--The purpose of this section is to:

26 (a) Ensure that, while the state is implementing a  
27 multiyear, comprehensive strategic program to facilitate the  
28 improvement of schools that are failing to make adequate  
29 progress based on school performance grading categories,  
30 students attending failing schools are not denied the  
31 opportunity to gain the knowledge and skills necessary for

1 postsecondary education, a career education, or the world of  
2 work.

3 (b) Enable the state to fulfill the responsibility, as  
4 articulated by voters in 1998 through an amendment to s. 1,  
5 Art. IX of the State Constitution, to make education a  
6 paramount duty of the state.

7 (c) Complement the constitutional requirement to  
8 provide a uniform, efficient, safe, secure, and high-quality  
9 system of free public schools by providing educational  
10 opportunities to students attending failing public schools  
11 without impeding the ability of those schools to improve.

12 (d) Encourage private, voluntary contributions to  
13 nonprofit scholarship-funding organizations.

14 (2) DEFINITIONS.--As used in this section, the term:

15 (a) "Department" means the Department of Revenue.

16 (b) "Eligible contribution" means a monetary  
17 contribution from a taxpayer, subject to the restrictions  
18 provided in this section, to an eligible nonprofit  
19 scholarship-funding organization. The taxpayer making the  
20 contribution may not designate a specific child as the  
21 beneficiary of the contribution. The taxpayer may not  
22 contribute more than \$5 million to any single eligible  
23 nonprofit scholarship-funding organization.

24 (c) "Eligible nonpublic school" means a nonpublic  
25 school located in Florida which offers an education to  
26 students in any grades K-12 and meets the requirements in  
27 subsection (9).

28 (d) "Eligible nonprofit scholarship-funding  
29 organization" means a charitable organization as defined in s.  
30 220.187(2)(d) which is exempt from federal income tax pursuant  
31 to s. 501(c)(3) of the Internal Revenue Code and complies with

1 the provisions of subsection (5). An eligible nonprofit  
2 scholarship-funding organization that is authorized to provide  
3 scholarships under s. 220.187 may, subject to approval by the  
4 Department of Education, be authorized to provide scholarships  
5 under this section.

6 (e) "Qualified student" means a student who:

7 1. Has spent the prior school year in attendance at a  
8 public school that has been designated under s. 1008.34 as  
9 performance grade category "F," failing to make adequate  
10 progress, and that has had 2 school years in a 4-year period  
11 of such low performance, and the student's attendance occurred  
12 during a school year in which such designation was in effect;

13 2. Has been in attendance elsewhere in the public  
14 school system and has been assigned to such school for the  
15 next school year; or

16 3. Is entering kindergarten or first grade and has  
17 been notified that the student has been assigned to such  
18 school for the next school year.

19  
20 The provisions of this section do not apply to a student who  
21 is enrolled in a school operating for the purpose of providing  
22 educational services to youth in commitment programs of the  
23 Department of Juvenile Justice.

24 (3) SCHOOL DISTRICT OBLIGATIONS.--

25 (a) A school district shall, for each student enrolled  
26 in or assigned to a school which has been designated as  
27 performance grade category "F" for 2 school years in a 4-year  
28 period:

29 1. Timely notify the parent of the student as soon as  
30 such designation is made of all options available pursuant to  
31 this section;

1           2. Offer that student's parent an opportunity to  
2 enroll the student in another public school within the  
3 district which has been designated by the state pursuant to s.  
4 1008.34 as a school performing higher than the school in which  
5 the student is currently enrolled or to which the student has  
6 been assigned, but not less than performance grade category  
7 "C"; and

8           3. Inform that student's parent of the child's  
9 eligibility to receive a scholarship under this section to  
10 enroll the student in and transport the student to attend a  
11 public school outside the district which has been designated  
12 by the state pursuant to s. 1008.34 as a school performing  
13 higher than that in which the student is currently enrolled or  
14 to which the student has been assigned, but not less than  
15 performance grade category "C," or to attend an eligible  
16 nonpublic school.

17           (b) A higher-performing public school that has  
18 available space in an adjacent school district shall accept  
19 students qualified under this section and report the students  
20 for purposes of the district's funding pursuant to the Florida  
21 Education Finance Program.

22           (c) For students in the school district who are  
23 attending nonpublic schools under this section, the school  
24 district shall provide locations and times to take all  
25 statewide assessments required pursuant to s. 1008.22.

26           (d) Students with disabilities who are eligible to  
27 receive services from the school district under federal or  
28 state law, and who receive a scholarship under this section,  
29 remain eligible to receive services from the school district  
30 as provided by federal or state law.

31

1           (4) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX  
2 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

3           (a) There is allowed a credit of 100 percent of an  
4 eligible contribution against any tax due for a taxable year  
5 under this chapter. However, such a credit may not exceed 75  
6 percent of the tax due under this chapter for the taxable  
7 year, after the application of any other allowable credits by  
8 the taxpayer. However, at least 5 percent of the total  
9 statewide amount authorized for the tax credit shall be  
10 reserved for taxpayers who meet the definition of a small  
11 business provided in s. 288.703(1) at the time of application.  
12 The credit granted by this section shall be reduced by the  
13 difference between the amount of federal corporate income tax,  
14 taking into account the credit granted by this section, and  
15 the amount of federal corporate income tax without application  
16 of the credit granted by this section.

17           (b) The total amount of tax credits and carryforward  
18 of tax credits which may be granted each state fiscal year  
19 under this section is \$5 million.

20           (c) A taxpayer who files a Florida consolidated return  
21 as a member of an affiliated group pursuant to s. 220.131(1)  
22 may be allowed the credit on a consolidated return basis;  
23 however, the total credit taken by the affiliated group is  
24 subject to the limitation established under paragraph (a).

25           (5) OBLIGATIONS OF ELIGIBLE NONPROFIT  
26 SCHOLARSHIP-FUNDING ORGANIZATIONS.--

27           (a) An eligible nonprofit scholarship-funding  
28 organization shall provide scholarships, from eligible  
29 contributions, to qualified students for:

30           1. Tuition and fees for a qualified student enrolled  
31 in an eligible nonpublic school.

1           2. Transportation expenses to a Florida public school  
2 that is located outside the district in which the qualified  
3 student resides.

4           (b) For continuity of educational choice, an eligible  
5 nonprofit scholarship-funding organization shall give priority  
6 to qualified students who received a scholarship to attend an  
7 eligible nonpublic school during the previous school year.

8           (c) The amount of a scholarship provided to any  
9 qualified student for any single school year by all eligible  
10 nonprofit scholarship-funding organizations from eligible  
11 contributions may not exceed the following annual limits:

12           1. For qualified students who choose to attend an  
13 eligible nonpublic school, the lesser of:

14           a. The student's tuition and fees to attend an  
15 eligible nonpublic school; or

16           b. A calculated amount equivalent to the base student  
17 allocation in the Florida Education Finance Program multiplied  
18 by the appropriate cost factor for the educational program  
19 that will be provided for the student in the district school  
20 to which he or she is assigned, multiplied by the district  
21 cost differential. In addition, the calculated amount shall  
22 include the per-student share of instructional materials  
23 funds, technology funds, and other categorical funds.

24           2. For qualified students who choose to attend a  
25 higher-performing public school that is located outside the  
26 district in which the student resides, \$500.

27           (d) The amount of an eligible contribution which may  
28 be accepted by an eligible nonprofit scholarship-funding  
29 organization is limited to the amount needed to provide  
30 scholarships for qualified students which the organization has  
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1 identified and for which vacancies in eligible nonpublic  
2 schools have been identified.

3 (e) An eligible nonprofit scholarship-funding  
4 organization that receives an eligible contribution must spend  
5 100 percent of the eligible contribution to provide  
6 scholarships in the same state fiscal year in which the  
7 contribution was received. No portion of eligible  
8 contributions may be used for administrative expenses. All  
9 interest accrued from contributions must be used for  
10 scholarships.

11 (f) An eligible nonprofit scholarship-funding  
12 organization that receives eligible contributions must provide  
13 to the Auditor General an annual financial and compliance  
14 audit of its accounts and records conducted by an independent  
15 certified public accountant and in accordance with rules  
16 adopted by the Auditor General.

17 (g) Payment of the scholarship by the eligible  
18 nonprofit scholarship-funding organization shall be by  
19 individual warrant or check made payable to the student's  
20 parent. If the parent chooses for his or her child to attend  
21 an eligible nonpublic school, the warrant or check must be  
22 mailed by the eligible nonprofit scholarship-funding  
23 organization to the nonpublic school of the parent's choice,  
24 and the parent shall restrictively endorse the warrant or  
25 check to the nonpublic school. An eligible nonprofit  
26 scholarship-funding organization shall ensure that, upon  
27 receipt of a scholarship warrant or check, the parent to whom  
28 the warrant or check is made restrictively endorses the  
29 warrant or check to the nonpublic school of the parent's  
30 choice for deposit into the account of the nonpublic school.

31

1           (6) PARENT OBLIGATIONS.--As a condition for  
2 scholarship payment pursuant to paragraph (5)(g), if the  
3 parent chooses for his or her child to attend an eligible  
4 nonpublic school, the parent must:

5           (a) Obtain acceptance for admission of the student to  
6 an eligible nonpublic school and inform the child's school  
7 district within 15 days after receiving acceptance;

8           (b) Comply fully with the nonpublic school's  
9 parental-involvement requirements, unless excused by the  
10 school for illness or other good cause; and

11           (c) Ensure that the student receiving a scholarship  
12 under this section takes all statewide assessments required  
13 pursuant to s. 1008.22.

14           (7) STUDENT OBLIGATIONS.--As a condition for  
15 scholarship payment pursuant to paragraph (5)(g), if the  
16 parent chooses for his or her child to attend an eligible  
17 nonpublic school, the student must remain in attendance  
18 throughout the school year, unless excused by the school for  
19 illness or other good cause, and must comply fully with the  
20 school's code of conduct.

21           (8) DURATION OF SCHOLARSHIP.--

22           (a) For purposes of continuity of educational choice,  
23 a scholarship granted under this section shall remain in force  
24 until the student returns to the public school to which the  
25 student was originally assigned, or:

26           1. If the student is in grades kindergarten through  
27 five, until the student matriculates to the sixth grade and  
28 the public middle school to which the student is assigned is  
29 an accredited school that has a performance grade category  
30 designation of "C" or better;

31

1           2. If the student is in grades six through eight,  
2 until the student matriculates to high school and the public  
3 high school to which the student is assigned is an accredited  
4 school that has a performance grade category designation of  
5 "C" or better.

6  
7 At any time upon reasonable notice to the Department of  
8 Education and the school district, the student's parent may  
9 remove the student from the nonpublic school and place the  
10 student in a public school, as provided in subparagraph  
11 (3)(a)2.

12           (b) A school from which a student transfers using a  
13 scholarship under this section may continue to report the  
14 student for the purpose of the district's funding pursuant to  
15 the Florida Education Finance Program for the remainder of the  
16 period during which the student would have attended that  
17 school. The district shall provide the funding associated  
18 with that student directly to the respective public school.  
19 The school may not report the student under this paragraph  
20 beyond the period after which the student would have  
21 matriculated to another school.

22           (9) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An  
23 eligible nonpublic school must:

24           (a) Demonstrate fiscal soundness by being in operation  
25 for 1 school year or provide the Department of Education with  
26 a statement by a certified public accountant confirming that  
27 the nonpublic school desiring to participate is insured and  
28 the owner or owners have sufficient capital or credit to  
29 operate the school for the upcoming year serving the number of  
30 students anticipated with expected revenues from tuition and  
31 other sources which may be reasonably expected. In lieu of

1 such a statement, a surety bond or letter of credit for the  
2 amount equal to the scholarship funds for any quarter may be  
3 filed with the department.

4 (b) Notify the Department of Education, the school  
5 district in whose service area the school is located, and all  
6 eligible nonprofit scholarship funding organizations of its  
7 intent to participate in the program under this section by May  
8 1 of the school year preceding the school year in which it  
9 intends to participate. The notice must specify the grade  
10 levels and services that the private school has available for  
11 qualified students under this section.

12 (c) Comply with the antidiscrimination provisions of  
13 42 U.S.C. s. 2000d.

14 (d) Meet state and local health and safety laws and  
15 codes.

16 (e) Comply with all state laws relating to general  
17 regulation of nonpublic schools.

18 (f) Accept scholarship students on an entirely random  
19 and religious-neutral basis without regard to the student's  
20 past academic history; however, the nonpublic school may give  
21 preference in accepting applications to siblings of students  
22 who have already been accepted on a random and  
23 religious-neutral basis.

24 (g) Be subject to the instruction, curriculum, and  
25 attendance criteria adopted by an appropriate nonpublic school  
26 accrediting body and be academically accountable to the parent  
27 for meeting the educational needs of the student. The  
28 nonpublic school must furnish a school profile that includes  
29 student performance.

30 (h) Employ or contract with teachers who hold a  
31 baccalaureate or higher degree, have at least 3 years of

1 teaching experience in public or private schools, or have  
2 special skills, knowledge, or expertise that qualifies them to  
3 provide instruction in subjects taught.

4 (i) Comply with all state statutes relating to private  
5 schools.

6 (j) Accept as full tuition and fees the amount  
7 provided by the state nonprofit scholarship-funding  
8 organization for each student.

9 (k) Agree not to compel any student attending the  
10 private school under this section to profess a specific  
11 ideological belief, to pray, or to worship.

12 (l) Adhere to the tenets of its published disciplinary  
13 procedures prior to the expulsion of any student attending the  
14 private school under this section.

15 (10) ADMINISTRATION; RULES.--

16 (a) If the credit granted pursuant to this section is  
17 not fully used in any one year because of insufficient tax  
18 liability on the part of the corporation, the unused amount  
19 may be carried forward for a period not to exceed 3 years;  
20 however, any taxpayer that seeks to carry forward an unused  
21 amount of tax credit must submit an application for allocation  
22 of tax credits or carryforward credits as required in  
23 paragraph (d) in the year that the taxpayer intends to use the  
24 carryforward. The total amount of tax credits and carryforward  
25 of tax credits granted each state fiscal year under this  
26 section is \$5 million. A taxpayer may not convey, assign, or  
27 transfer the credit authorized by this section to another  
28 entity unless all of the assets of the taxpayer are conveyed,  
29 assigned, or transferred in the same transaction.

30  
31

1           (b) An application for a tax credit pursuant to this  
2 section shall be submitted to the department on forms  
3 established by rule of the department.

4           (c) The department and the Department of Education  
5 shall develop a cooperative agreement to assist in the  
6 administration of this section. The Department of Education  
7 shall be responsible for annually submitting, by March 15, to  
8 the department a list of eligible nonprofit  
9 scholarship-funding organizations that meet the requirements  
10 of paragraph (2)(d) and for monitoring eligibility of  
11 nonprofit scholarship-funding organizations that meet the  
12 requirements of paragraph (2)(d), eligibility of nonpublic  
13 schools that meet the requirements of paragraph (2)(c), and  
14 eligibility of expenditures under this section as provided in  
15 subsection (5).

16           (d) The department shall adopt rules pursuant to ss.  
17 120.536(1) and 120.54 as necessary to administer this section,  
18 including rules establishing application forms and procedures  
19 and governing the allocation of tax credits and carryforward  
20 credits under this section on a first-come, first-served  
21 basis.

22           (e) The Department of Education shall adopt rules  
23 pursuant to ss. 120.536(1) and 120.54 as necessary to  
24 determine the eligibility of nonprofit scholarship-funding  
25 organizations as defined in paragraph (2)(d) and according to  
26 the provisions of subsection (5) and identify qualified  
27 students as defined in paragraph (2)(e).

28           (11) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--

29           (a) All eligible contributions received by an eligible  
30 nonprofit scholarship-funding organization shall be deposited  
31 in a manner consistent with s. 17.57(2).

1           (b) A nonprofit scholarship-funding organization that  
2 is authorized to receive donations and distribute scholarships  
3 under this section and s. 220.187 shall account for donations  
4 and scholarships separately by each tax credit program. If,  
5 in a single fiscal year, the amount of donations available for  
6 distribution as scholarships in one program exceeds the demand  
7 for scholarships under that program for that fiscal year, the  
8 organization may, with approval from the Department of  
9 Education, apply those surplus funds to meet demand in the  
10 other program.

11           Section 4. Paragraph (y) is added to subsection (7) of  
12 section 213.053, Florida Statutes, to read:

13           213.053 Confidentiality and information sharing.--

14           (7) Notwithstanding any other provision of this  
15 section, the department may provide:

16           (y) Information relative to s. 220.1875 to the  
17 Department of Education in the conduct of its official  
18 business.

19  
20 Disclosure of information under this subsection shall be  
21 pursuant to a written agreement between the executive director  
22 and the agency. Such agencies, governmental or  
23 nongovernmental, shall be bound by the same requirements of  
24 confidentiality as the Department of Revenue. Breach of  
25 confidentiality is a misdemeanor of the first degree,  
26 punishable as provided by s. 775.082 or s. 775.083.

27           Section 5. Subsection (8) of section 220.02, Florida  
28 Statutes, is amended to read:

29           220.02 Legislative intent.--

30           (8) It is the intent of the Legislature that credits  
31 against either the corporate income tax or the franchise tax

1 | be applied in the following order: those enumerated in s.  
2 | 631.828, those enumerated in s. 220.191, those enumerated in  
3 | s. 220.181, those enumerated in s. 220.183, those enumerated  
4 | in s. 220.182, those enumerated in s. 220.1895, those  
5 | enumerated in s. 221.02, those enumerated in s. 220.184, those  
6 | enumerated in s. 220.186, those enumerated in s. 220.1845,  
7 | those enumerated in s. 220.19, those enumerated in s. 220.185,  
8 | ~~and~~ those enumerated in s. 220.187, and those enumerated in s.  
9 | 220.1875.

10 |           Section 6. Paragraph (a) of subsection (1) of section  
11 | 220.13, Florida Statutes, is amended to read:

12 |           220.13 "Adjusted federal income" defined.--

13 |           (1) The term "adjusted federal income" means an amount  
14 | equal to the taxpayer's taxable income as defined in  
15 | subsection (2), or such taxable income of more than one  
16 | taxpayer as provided in s. 220.131, for the taxable year,  
17 | adjusted as follows:

18 |           (a) Additions.--There shall be added to such taxable  
19 | income:

20 |           1. The amount of any tax upon or measured by income,  
21 | excluding taxes based on gross receipts or revenues, paid or  
22 | accrued as a liability to the District of Columbia or any  
23 | state of the United States which is deductible from gross  
24 | income in the computation of taxable income for the taxable  
25 | year.

26 |           2. The amount of interest which is excluded from  
27 | taxable income under s. 103(a) of the Internal Revenue Code or  
28 | any other federal law, less the associated expenses disallowed  
29 | in the computation of taxable income under s. 265 of the  
30 | Internal Revenue Code or any other law, excluding 60 percent  
31 | of any amounts included in alternative minimum taxable income,

1 as defined in s. 55(b)(2) of the Internal Revenue Code, if the  
2 taxpayer pays tax under s. 220.11(3).

3 3. In the case of a regulated investment company or  
4 real estate investment trust, an amount equal to the excess of  
5 the net long-term capital gain for the taxable year over the  
6 amount of the capital gain dividends attributable to the  
7 taxable year.

8 4. That portion of the wages or salaries paid or  
9 incurred for the taxable year which is equal to the amount of  
10 the credit allowable for the taxable year under s. 220.181.  
11 The provisions of this subparagraph shall expire and be void  
12 on June 30, 2005.

13 5. That portion of the ad valorem school taxes paid or  
14 incurred for the taxable year which is equal to the amount of  
15 the credit allowable for the taxable year under s. 220.182.  
16 The provisions of this subparagraph shall expire and be void  
17 on June 30, 2005.

18 6. The amount of emergency excise tax paid or accrued  
19 as a liability to this state under chapter 221 which tax is  
20 deductible from gross income in the computation of taxable  
21 income for the taxable year.

22 7. That portion of assessments to fund a guaranty  
23 association incurred for the taxable year which is equal to  
24 the amount of the credit allowable for the taxable year.

25 8. In the case of a nonprofit corporation which holds  
26 a pari-mutuel permit and which is exempt from federal income  
27 tax as a farmers' cooperative, an amount equal to the excess  
28 of the gross income attributable to the pari-mutuel operations  
29 over the attributable expenses for the taxable year.

30 9. The amount taken as a credit for the taxable year  
31 under s. 220.1895.

1           10. Up to nine percent of the eligible basis of any  
2 designated project which is equal to the credit allowable for  
3 the taxable year under s. 220.185.

4           11. The amount taken as a credit for the taxable year  
5 under s. 220.187.

6           12. The amount taken as a credit for the taxable year  
7 under s. 220.1875.

8           Section 7. Section 220.701, Florida Statutes, is  
9 amended to read:

10           220.701 Collection authority.--The department shall  
11 collect the taxes imposed by this chapter and shall pay all  
12 moneys received by it into the Corporate Income Tax Trust Fund  
13 created under s. 220.115 ~~General Revenue Fund of the state.~~

14           Section 8. Subsection (13) of section 1001.10, Florida  
15 Statutes, is amended to read:

16           1001.10 Commissioner of Education; general powers and  
17 duties.--The Commissioner of Education is the chief  
18 educational officer of the state, and is responsible for  
19 giving full assistance to the State Board of Education in  
20 enforcing compliance with the mission and goals of the  
21 seamless K-20 education system. To facilitate innovative  
22 practices and to allow local selection of educational methods,  
23 the State Board of Education may authorize the commissioner to  
24 waive, upon the request of a district school board, State  
25 Board of Education rules that relate to district school  
26 instruction and school operations, except those rules  
27 pertaining to civil rights, and student health, safety, and  
28 welfare. The Commissioner of Education is not authorized to  
29 grant waivers for any provisions in rule pertaining to the  
30 allocation and appropriation of state and local funds for  
31 public education; the election, compensation, and organization

1 of school board members and superintendents; graduation and  
2 state accountability standards; financial reporting  
3 requirements; reporting of out-of-field teaching assignments  
4 under s. 1012.42; public meetings; public records; or due  
5 process hearings governed by chapter 120. No later than  
6 January 1 of each year, the commissioner shall report to the  
7 Legislature and the State Board of Education all approved  
8 waiver requests in the preceding year. Additionally, the  
9 commissioner has the following general powers and duties:

10 (13) To prepare and publish annually reports giving  
11 statistics and other useful information pertaining to the tax  
12 credit programs under ss. 220.187 and 220.1875 ~~Opportunity~~  
13 ~~Scholarship Program.~~

14  
15 The commissioner's office shall operate all statewide  
16 functions necessary to support the State Board of Education  
17 and the K-20 education system, including strategic planning  
18 and budget development, general administration, and assessment  
19 and accountability.

20 Section 9. Section 1002.38, Florida Statutes, is  
21 repealed.

22 Section 10. Section 1002.39, Florida Statutes, is  
23 amended to read:

24 1002.39 The John M. McKay Scholarships for Students  
25 with Disabilities Program.--There is established a program  
26 that is ~~separate and distinct from the Opportunity Scholarship~~  
27 ~~Program and is~~ named the John M. McKay Scholarships for  
28 Students with Disabilities Program, pursuant to this section.

29 (1) THE JOHN M. MCKAY SCHOLARSHIPS FOR STUDENTS WITH  
30 DISABILITIES PROGRAM.--The John M. McKay Scholarships for  
31 Students with Disabilities Program is established to provide

1 | the option to attend a public school other than the one to  
2 | which assigned, or to provide a scholarship to a private  
3 | school of choice, for students with disabilities for whom an  
4 | individual education plan has been written in accordance with  
5 | rules of the State Board of Education. Students with  
6 | disabilities include K-12 students who are mentally  
7 | handicapped, speech and language impaired, deaf or hard of  
8 | hearing, visually impaired, dual sensory impaired, physically  
9 | impaired, emotionally handicapped, specific learning disabled,  
10 | hospitalized or homebound, or autistic.

11 |       (2) SCHOLARSHIP ELIGIBILITY.--The parent of a public  
12 | school student with a disability who is dissatisfied with the  
13 | student's progress may request and receive from the state a  
14 | John M. McKay Scholarship for the child to enroll in and  
15 | attend a private school in accordance with this section if:

16 |       (a) By assigned school attendance area or by special  
17 | assignment, the student has spent the prior school year in  
18 | attendance at a Florida public school. Prior school year in  
19 | attendance means that the student was enrolled and reported by  
20 | a school district for funding during the preceding October and  
21 | February Florida Education Finance Program surveys in  
22 | kindergarten through grade 12. However, this paragraph does  
23 | not apply to a dependent child of a member of the United  
24 | States Armed Forces who transfers to a school in this state  
25 | from out of state or from a foreign country pursuant to a  
26 | parent's permanent change of station orders. A dependent child  
27 | of a member of the United States Armed Forces who transfers to  
28 | a school in this state from out of state or from a foreign  
29 | country pursuant to a parent's permanent change of station  
30 | orders must meet all other eligibility requirements to  
31 | participate in the program.

1           (b) The parent has obtained acceptance for admission  
2 of the student to a private school that is eligible for the  
3 program under subsection (4) and has notified the school  
4 district of the request for a scholarship at least 60 days  
5 prior to the date of the first scholarship payment. The  
6 parental notification must be through a communication directly  
7 to the district or through the Department of Education to the  
8 district in a manner that creates a written or electronic  
9 record of the notification and the date of receipt of the  
10 notification.

11

12 This section does not apply to a student who is enrolled in a  
13 school operating for the purpose of providing educational  
14 services to youth in Department of Juvenile Justice commitment  
15 programs. For purposes of continuity of educational choice,  
16 the scholarship shall remain in force until the student  
17 returns to a public school or graduates from high school.  
18 However, at any time, the student's parent may remove the  
19 student from the private school and place the student in  
20 another private school that is eligible for the program under  
21 subsection (4) or in a public school as provided in subsection  
22 (3).

23           (3) SCHOOL DISTRICT AND DEPARTMENT OF EDUCATION  
24 OBLIGATIONS.--

25           (a) A school district shall timely notify the parent  
26 of the student of all options available pursuant to this  
27 section and offer that student's parent an opportunity to  
28 enroll the student in another public school within the  
29 district. The parent is not required to accept this offer in  
30 lieu of requesting a John M. McKay Scholarship to a private  
31 school. However, if the parent chooses the public school

1 option, the student may continue attending a public school  
2 chosen by the parent until the student graduates from high  
3 school. If the parent chooses a public school consistent with  
4 the district school board's choice plan under s. 1002.31, the  
5 school district shall provide transportation to the public  
6 school selected by the parent. The parent is responsible to  
7 provide transportation to a public school chosen that is not  
8 consistent with the district school board's choice plan under  
9 s. 1002.31.

10 (b) For a student with disabilities who does not have  
11 a matrix of services under s. 1011.62(1)(e), the school  
12 district must complete a matrix that assigns the student to  
13 one of the levels of service as they existed prior to the  
14 2000-2001 school year. The school district must complete the  
15 matrix of services for any student who is participating in the  
16 John M. McKay Scholarships for Students with Disabilities  
17 Program and must notify the Department of Education of the  
18 student's matrix level within 30 days after receiving  
19 notification by the student's parent of intent to participate  
20 in the scholarship program. The Department of Education shall  
21 notify the private school of the amount of the scholarship  
22 within 10 days after receiving the school district's  
23 notification of the student's matrix level. Within 10 school  
24 days after it receives notification of a parent's intent to  
25 apply for a McKay Scholarship, a district school board must  
26 notify the student's parent if the matrix has not been  
27 completed and provide the parent with the date for completion  
28 of the matrix required in this paragraph.

29 (c) If the parent chooses the private school option  
30 and the student is accepted by the private school pending the  
31 availability of a space for the student, the parent of the

1 student must notify the school district 60 days prior to the  
2 first scholarship payment and before entering the private  
3 school in order to be eligible for the scholarship when a  
4 space becomes available for the student in the private school.

5 (d) The parent of a student may choose, as an  
6 alternative, to enroll the student in and transport the  
7 student to a public school in an adjacent school district  
8 which has available space and has a program with the services  
9 agreed to in the student's individual education plan already  
10 in place, and that school district shall accept the student  
11 and report the student for purposes of the district's funding  
12 pursuant to the Florida Education Finance Program.

13 (e) For a student in the district who participates in  
14 the John M. McKay Scholarships for Students with Disabilities  
15 Program whose parent requests that the student take the  
16 statewide assessments under s. 1008.22, the district shall  
17 provide locations and times to take all statewide assessments.

18 (f) A school district must notify the Department of  
19 Education within 10 days after it receives notification of a  
20 parent's intent to apply for a scholarship for a student with  
21 a disability. A school district must provide the student's  
22 parent with the student's matrix level within 10 school days  
23 after its completion.

24 (4) PRIVATE SCHOOL ELIGIBILITY.--To be eligible to  
25 participate in the John M. McKay Scholarships for Students  
26 with Disabilities Program, a private school must be a Florida  
27 private school, may be sectarian or nonsectarian, and must:

28 (a) Demonstrate fiscal soundness by being in operation  
29 for 1 school year or provide the Department of Education with  
30 a statement by a certified public accountant confirming that  
31 the private school desiring to participate is insured and the

1 owner or owners have sufficient capital or credit to operate  
2 the school for the upcoming year serving the number of  
3 students anticipated with expected revenues from tuition and  
4 other sources that may be reasonably expected. In lieu of such  
5 a statement, a surety bond or letter of credit for the amount  
6 equal to the scholarship funds for any quarter may be filed  
7 with the department.

8 (b) Notify the Department of Education of its intent  
9 to participate in the program under this section. The notice  
10 must specify the grade levels and services that the private  
11 school has available for students with disabilities who are  
12 participating in the scholarship program.

13 (c) Comply with the antidiscrimination provisions of  
14 42 U.S.C. s. 2000d.

15 (d) Meet state and local health and safety laws and  
16 codes.

17 (e) Be academically accountable to the parent for  
18 meeting the educational needs of the student.

19 (f) Employ or contract with teachers who hold  
20 baccalaureate or higher degrees, or have at least 3 years of  
21 teaching experience in public or private schools, or have  
22 special skills, knowledge, or expertise that qualifies them to  
23 provide instruction in subjects taught.

24 (g) Comply with all state laws relating to general  
25 regulation of private schools.

26 (h) Adhere to the tenets of its published disciplinary  
27 procedures prior to the expulsion of a scholarship student.

28 (5) OBLIGATION OF PROGRAM PARTICIPANTS.--

29 (a) A parent who applies for a John M. McKay  
30 Scholarship is exercising his or her parental option to place  
31 his or her child in a private school. The parent must select

1 | the private school and apply for the admission of his or her  
2 | child.

3 |         (b) The parent must have requested the scholarship at  
4 | least 60 days prior to the date of the first scholarship  
5 | payment.

6 |         (c) Any student participating in the scholarship  
7 | program must remain in attendance throughout the school year,  
8 | unless excused by the school for illness or other good cause,  
9 | and must comply fully with the school's code of conduct.

10 |         (d) The parent of each student participating in the  
11 | scholarship program must comply fully with the private  
12 | school's parental involvement requirements, unless excused by  
13 | the school for illness or other good cause.

14 |         (e) If the parent requests that the student  
15 | participating in the scholarship program take all statewide  
16 | assessments required pursuant to s. 1008.22, the parent is  
17 | responsible for transporting the student to the assessment  
18 | site designated by the school district.

19 |         (f) Upon receipt of a scholarship warrant, the parent  
20 | to whom the warrant is made must restrictively endorse the  
21 | warrant to the private school for deposit into the account of  
22 | the private school.

23 |         (g) A participant who fails to comply with this  
24 | subsection forfeits the scholarship.

25 |         (6) SCHOLARSHIP FUNDING AND PAYMENT.--

26 |         (a)1. The maximum scholarship granted for an eligible  
27 | student with disabilities shall be a calculated amount  
28 | equivalent to the base student allocation in the Florida  
29 | Education Finance Program multiplied by the appropriate cost  
30 | factor for the educational program that would have been  
31 | provided for the student in the district school to which he or

1 she was assigned, multiplied by the district cost  
2 differential.

3           2. In addition, a share of the guaranteed allocation  
4 for exceptional students shall be determined and added to the  
5 calculated amount. The calculation shall be based on the  
6 methodology and the data used to calculate the guaranteed  
7 allocation for exceptional students for each district in  
8 chapter 2000-166, Laws of Florida. Except as provided in  
9 subparagraph 3., the calculation shall be based on the  
10 student's grade, matrix level of services, and the difference  
11 between the 2000-2001 basic program and the appropriate level  
12 of services cost factor, multiplied by the 2000-2001 base  
13 student allocation and the 2000-2001 district cost  
14 differential for the sending district. Also, the calculated  
15 amount shall include the per-student share of supplemental  
16 academic instruction funds, instructional materials funds,  
17 technology funds, and other categorical funds as provided for  
18 such purposes in the General Appropriations Act.

19           3. Until the school district completes the matrix  
20 required by paragraph (3)(b), the calculation shall be based  
21 on the matrix that assigns the student to support level I of  
22 service as it existed prior to the 2000-2001 school year.  
23 When the school district completes the matrix, the amount of  
24 the payment shall be adjusted as needed.

25           (b) The amount of the John M. McKay Scholarship shall  
26 be the calculated amount or the amount of the private school's  
27 tuition and fees, whichever is less. The amount of any  
28 assessment fee required by the participating private school  
29 may be paid from the total amount of the scholarship.

30           (c) If the participating private school requires  
31 partial payment of tuition prior to the start of the academic

1 year to reserve space for students admitted to the school,  
2 that partial payment may be paid by the Department of  
3 Education prior to the first quarterly payment of the year in  
4 which the John M. McKay Scholarship is awarded, up to a  
5 maximum of \$1,000, and deducted from subsequent scholarship  
6 payments. If a student decides not to attend the participating  
7 private school, the partial reservation payment must be  
8 returned to the Department of Education by the participating  
9 private school. There is a limit of one reservation payment  
10 per student per year.

11 (d) The school district shall report all students who  
12 are attending a private school under this program. The  
13 students with disabilities attending private schools on John  
14 M. McKay Scholarships shall be reported separately from other  
15 students reported for purposes of the Florida Education  
16 Finance Program.

17 (e) Following notification on July 1, September 1,  
18 December 1, or February 1 of the number of program  
19 participants, the Department of Education shall transfer, from  
20 General Revenue funds only, the amount calculated under  
21 paragraph (b) from the school district's total funding  
22 entitlement under the Florida Education Finance Program and  
23 from authorized categorical accounts to a separate account for  
24 the scholarship program for quarterly disbursement to the  
25 parents of participating students. When a student enters the  
26 scholarship program, the Department of Education must receive  
27 all documentation required for the student's participation,  
28 including the private school's and student's fee schedules, at  
29 least 30 days before the first quarterly scholarship payment  
30 is made for the student. The Department of Education may not  
31 make any retroactive payments.

1           (f) Upon proper documentation reviewed and approved by  
2 the Department of Education, the Chief Financial Officer shall  
3 make scholarship payments in four equal amounts no later than  
4 September 1, November 1, February 1, and April 15 of each  
5 academic year in which the scholarship is in force. The  
6 initial payment shall be made after Department of Education  
7 verification of admission acceptance, and subsequent payments  
8 shall be made upon verification of continued enrollment and  
9 attendance at the private school. Payment must be by  
10 individual warrant made payable to the student's parent and  
11 mailed by the Department of Education to the private school of  
12 the parent's choice, and the parent shall restrictively  
13 endorse the warrant to the private school for deposit into the  
14 account of the private school.

15           (7) LIABILITY.--No liability shall arise on the part  
16 of the state based on the award or use of a John M. McKay  
17 Scholarship.

18           (8) RULES.--The State Board of Education shall adopt  
19 rules pursuant to ss. 120.536(1) and 120.54 to administer this  
20 section, including rules that school districts must use to  
21 expedite the development of a matrix of services based on a  
22 current individual education plan from another state or a  
23 foreign country for a transferring student with a disability  
24 who is a dependent child of a member of the United States  
25 Armed Forces. The rules must identify the appropriate school  
26 district personnel who must complete the matrix of services.  
27 For purposes of these rules, a transferring student with a  
28 disability is one who was previously enrolled as a student  
29 with a disability in an out-of-state or an out-of-country  
30 public or private school or agency program and who is  
31 transferring from out of state or from a foreign country

