

By the Committee on Commerce; and Senator Ring

577-2325-07

1 A bill to be entitled
2 An act relating to student financial
3 assistance; creating s. 1009.893, F.S.;
4 creating the Sure Futures Postgraduate
5 Scholarship Program to match private-sector
6 businesses that need employees who have
7 advanced degrees with students who are seeking
8 advanced degrees and employment; establishing
9 the Sure Futures Foundation and a foundation
10 board to administer the program; providing
11 membership and duties of the foundation board;
12 providing criteria for student and corporate
13 partner participation in the program; providing
14 that corporate partners shall donate funds for
15 scholarships and receive corporate income tax
16 credits for amounts donated; providing
17 restrictions on tax credits; providing for
18 scholarship conversion to a low-interest loan
19 if certain student or employee obligations are
20 not met; providing duties of the Department of
21 Education and state universities; amending s.
22 220.02, F.S.; adding the new tax credit to the
23 list of allowable credits; amending s. 220.13,
24 F.S.; incorporating the new tax credit to the
25 list of state corporate income tax credits that
26 must be added to a taxpayer's adjusted federal
27 income; providing rulemaking authority;
28 providing an appropriation; providing an
29 effective date.

30
31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Section 1009.893, Florida Statutes, is
2 created to read:

3 1009.893 Sure Futures Postgraduate Scholarship
4 Program.--

5 (1) The Sure Futures Postgraduate Scholarship Program
6 is created to establish a scholarship program to match
7 private-sector businesses that need employees who have
8 advanced degrees with students who are seeking both advanced
9 degrees and employment. The goals of the program are to
10 provide for a better educated workforce by offering students
11 greater access to advanced degrees and to recruit and retain
12 Florida's best and brightest graduate students by offering
13 them comprehensive financial assistance and employment.

14 (2) The Sure Futures Foundation is established and
15 shall seek s. 501(c)(3) Internal Revenue Code designation. The
16 foundation shall be governed by the Sure Futures Foundation
17 Board, which shall administer the Sure Futures Postgraduate
18 Scholarship Program with guidance from the Board of Governors
19 and the State Board of Education. Duties of the foundation
20 board shall include, but not be limited to:

21 (a) Adoption of policies and procedures for
22 implementation of the program, including approval of corporate
23 partners and their scholarship criteria.

24 (b) Issuance of certificate letters to corporate
25 partners acknowledging their eligibility for tax credits
26 against their chapter 220 tax liabilities. The letters of
27 certificate shall be in a form developed by rule of the
28 Department of Education.

29 (c) Establishment of a process for approval of printed
30 materials, marketing, and advertising.

31

1 (3) The foundation board shall be comprised of the
2 following members:

3 (a) The Commissioner of Education as an ex officio
4 member.

5 (b) The chair of the Board of Governors as an ex
6 officio member.

7 (c) Four state university presidents selected by the
8 State University Presidents' Association to serve 2-year
9 terms.

10 (d) Four corporate partners participating in the
11 program, recommended by the Commissioner of Education and
12 selected by the Governor, to serve 2-year terms.

13 (e) One graduate student recommended by the
14 Commissioner of Education and selected by the Governor to
15 serve a 1-year term.

16
17 The Commissioner of Education, the chair of the Board of
18 Governors, the university presidents, and the corporate
19 partners may designate a specific individual to represent them
20 at board meetings. The foundation board members shall serve
21 without compensation, but are entitled to receive
22 reimbursement for travel and per diem expenses incurred in the
23 performance of their duties in accordance with s. 112.061. The
24 Department of Education shall provide administrative support
25 and staff to the foundation.

26 (4)(a) The following students are eligible to obtain a
27 list of Florida corporate partners and the graduate degree
28 programs for which the partners are seeking candidates:

29 1. A student in his or her senior year who is an
30 undergraduate student at a state university.

31

1 2. A student in his or her senior year who is an
2 undergraduate student at an out-of-state university but who
3 would otherwise qualify as a resident for purposes of in-state
4 tuition.

5 3. A graduate of a state university who intends to
6 pursue a graduate degree program at a state university.

7 (b) A student shall apply through the program to each
8 individual corporate partner using a standard application
9 form. A predetermined limit shall be established by the
10 foundation board for the maximum number of applications a
11 student may submit in a given scholarship cycle.

12 (c) After the initial candidate screening and
13 interview phase, a student selected by a corporate partner
14 shall sign a contract agreeing to borrow scholarship funds
15 through the program, with a waiver-of-payment provision if a
16 4-year employment obligation is completed. The scholarship
17 shall cover tuition, fees, and books for the degree program
18 and room and board based on the university dormitory and meal
19 plan rate for each year the student is enrolled full time as a
20 graduate student.

21 (d) A student must maintain a minimum grade point
22 average as determined by the corporate partner.

23 (e) If a student is unable to take a full course load
24 during a summer semester, the student may be required by the
25 corporate partner to participate in an internship program.

26 (f) Upon graduation with an advanced degree, a
27 graduate shall begin working for the corporate partner and
28 must remain employed in Florida by the partner for a minimum
29 of 4 years as stipulated in the contract.

30 (g) If a student fails to maintain the required grade
31 point average or the graduate terminates his or her employment

1 before completing the 4-year obligation, a prorated portion of
2 the scholarship shall convert to a low-interest loan.

3 (h) The contract signed by the corporate partner and
4 the student shall clearly state the terms of the loan, the
5 company's expectations for the student's performance,
6 employment requirements, and potential legal remedies if the
7 terms and conditions of the contract are not met.

8 (5)(a) A corporate partner that desires new employees
9 who have advanced degrees shall make a monetary contribution
10 to the program in amounts equal to the scholarship funds
11 necessary for completion of a degree program from which it
12 wishes to draw students. Contributions may be made in one lump
13 sum or on an annual basis.

14 (b) A corporate partner may establish criteria,
15 including, but not limited to, the degree sought and minimum
16 grade point average and extracurricular activity requirements.

17 (c) A corporate partner may select the state
18 universities at which students may enroll or it may allow its
19 scholarships to be available for study at any state
20 university.

21 (d)1. A corporate partner shall receive a credit
22 against its corporate income tax liability equal to the amount
23 of the contribution. For the first 2 years of the program, the
24 total tax credits available to corporate partners shall be
25 limited to \$10 million per year. Beginning with the third year
26 of the program, as more corporate partners participate, the
27 total tax credits available to corporate partners shall be
28 increased, as specified by the Legislature. Beginning with the
29 sixth year of the program, a tax credit shall be 75 percent of
30 a contribution and, beginning with the eleventh year of the
31 program, a tax credit shall be 50 percent of a contribution.

1 2. A corporate partner shall submit copies of its
2 certificate letter to the Department of Revenue at the time it
3 claims a tax credit against its corporate income tax
4 liabilities.

5 3. If the corporate partner cannot use the entire tax
6 credit in the taxable year or reporting period in which the
7 credit is awarded because of insufficient tax liability, any
8 excess amount may be carried forward to a succeeding taxable
9 year or reporting period, for up to 10 years, at which time
10 the credits expire.

11 4. A corporation who files a Florida consolidated
12 return as a member of an affiliated group pursuant to s.
13 220.131(1) may be allowed the credit on a consolidated return
14 basis.

15 5. A corporation may not convey, assign, or transfer
16 the credit authorized by this section to another entity unless
17 all of the assets of the corporation are conveyed, assigned,
18 or transferred in the same transaction.

19 (e) If a corporate partner terminates a scholarship
20 employee for reasons other than malfeasance, misfeasance, or
21 nonfeasance prior to the employee's completion of the 4-year
22 obligation, the employee shall not be required to repay the
23 scholarship. A corporate partner is encouraged to establish
24 protocols to retain an employee prior to his or her
25 termination.

26 (6)(a) The Office of Student Financial Assistance of
27 the Department of Education shall establish a central database
28 of corporate partners, the graduate degree programs for which
29 the partners are seeking candidates, and student applicants
30 and their profiles. The office shall establish a standard
31 application for use by all state universities.

1 **(b) On an annual basis, the Department of Education**
2 **shall establish the amount necessary to cover the costs for**
3 **degree programs for which corporate partners may make**
4 **contributions and receive tax credits.**

5 **(7) Prepared documentation regarding the program shall**
6 **be made available through the appropriate office at each state**
7 **university. As deemed appropriate by its administration, a**
8 **state university may provide additional information or**
9 **activities, such as providing one-on-one discussions with**
10 **advisors, conducting seminars on the program, or working with**
11 **companies in its service area to create scholarships through**
12 **the program.**

13 **(8) State agencies, local workforce boards, chambers**
14 **of commerce, and Enterprise Florida, Inc., shall be encouraged**
15 **to promote corporate partner and student participation in the**
16 **program.**

17 **(9) The Department of Education shall adopt rules**
18 **necessary to implement this section, including rules**
19 **establishing application forms and procedures governing the**
20 **certification of eligibility of corporate partners for tax**
21 **credits under this section.**

22 **(10) The Department of Education and the Department of**
23 **Revenue shall develop a cooperative agreement to assist each**
24 **other in implementing the tax credits created under this**
25 **section.**

26 Section 2. Subsection (8) of section 220.02, Florida
27 Statutes, is amended to read:

28 220.02 Legislative intent.--

29 (8) It is the intent of the Legislature that credits
30 against either the corporate income tax or the franchise tax
31 be applied in the following order: those enumerated in s.

1 631.828, those enumerated in s. 220.191, those enumerated in
2 s. 220.181, those enumerated in s. 220.183, those enumerated
3 in s. 220.182, those enumerated in s. 220.1895, those
4 enumerated in s. 221.02, those enumerated in s. 220.184, those
5 enumerated in s. 220.186, those enumerated in s. 220.1845,
6 those enumerated in s. 220.19, those enumerated in s. 220.185,
7 those enumerated in s. 220.187, those enumerated in s.
8 220.192, ~~and~~ those enumerated in s. 220.193, and those
9 enumerated in s. 1009.893.

10 Section 3. 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 This subparagraph shall expire on the date specified in s.
12 290.016 for the expiration of the Florida Enterprise Zone Act.

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 This subparagraph shall expire on the date specified in s.
17 290.016 for the expiration of the Florida Enterprise Zone Act.

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. 220.192.

8 13. The amount taken as a credit for the taxable year
9 under s. 220.193.

10 14. The amount taken as a credit for the taxable year
11 under s. 1009.893.

12 Section 4. There is appropriated from nonrecurring
13 general revenue a sum not to exceed \$200,000 to the Department
14 of Education to pay for costs associated with administering
15 the Sure Futures Foundation and the Sure Futures Postgraduate
16 Scholarship Program.

17 Section 5. This act shall take effect July 1, 2007.

18
19 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
20 COMMITTEE SUBSTITUTE FOR
21 Senate Bill 1222

22 The CS makes a number of technical and clarifying changes to
23 the bill as filed to replace obsolete references and address
the issues identified in the analysis. It also:

- 24 - Specifies a maximum \$200,000 in non-recurring General
25 Revenue for the foundation's and DOE's administrative
expenses;
- 26 - Specifies some of the terms that the contract between the
27 corporation and the student must address, such as the
corporation's performance expectations, employment
28 requirements, and legal remedies;
- 29 - Specifies that the foundation board members are eligible
for per diem and travel reimbursements; and
- 30 - Includes routine provisions allowing DOR to properly
31 issue and track the claimed tax credits.