

By Senators Gaetz, Lawson, King, Storms, Baker, Crist, Posey, Oelrich, Saunders, Fasano, Peaden, Siplin, Wise, Bennett and Dockery

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1 A bill to be entitled

2 An act relating to the Corporate Income Tax Credit
3 Scholarship Program; amending s. 220.187, F.S.; providing
4 legislative findings; revising program purposes; providing
5 that siblings of certain students are eligible for
6 participation in the program; revising provisions
7 authorizing the total amount of tax credits that may be
8 granted and deleting the reservation of a portion thereof;
9 revising authorized uses of scholarship funds and
10 providing for premium payments to certain students who
11 participate in statewide assessments; revising provisions
12 relating to expenditure of contributions received during a
13 fiscal year; removing parent responsibility for providing
14 transportation to certain assessment sites; providing
15 obligations of the Department of Education relating to
16 scholarship student participation in statewide
17 assessments; revising scholarship amounts and providing
18 amount of premium payments; requiring State Board of
19 Education rule for adjustment of scholarship awards;
20 revising requirements relating to verification of student
21 attendance for purposes of scholarship payment; providing
22 for preservation of credits under certain circumstances;
23 providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

26
27 Section 1. Subsections (1) and (3), paragraph (b) of
28 subsection (5), paragraphs (d), (i), and (m) of subsection (6),
29 paragraph (e) of subsection (7), paragraph (c) of subsection (8),

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30 and paragraphs (a), (b), and (c) of subsection (11) of section
31 220.187, Florida Statutes, are amended, paragraphs (k) through
32 (n) of subsection (9) are redesignated as paragraphs (m) through
33 (p), respectively, new paragraphs (k) and (l) are added to that
34 subsection, and a new subsection (14) is added to that section,
35 to read:

36 220.187 Credits for contributions to nonprofit scholarship-
37 funding organizations.--

38 (1) FINDINGS AND PURPOSE.--

39 (a) The Legislature finds that:

40 1. It has the inherent power to determine subjects of
41 taxation for general or particular public purposes.

42 2. Expanding educational opportunities and improving the
43 quality of educational services within the state are valid public
44 purposes that the Legislature may promote using its sovereign
45 power to determine subjects of taxation and exemptions from
46 taxation.

47 3. Ensuring that all parents, regardless of means, may
48 exercise and enjoy their basic right to educate their children as
49 they see fit is a valid public purpose that the Legislature may
50 promote using its sovereign power to determine subjects of
51 taxation and exemptions from taxation.

52 4. The existence of programs that provide expanded
53 educational opportunities in this state has not been shown to
54 reduce funding to or otherwise harm public schools within the
55 state, and, to the contrary, per-student funding in public
56 schools has risen each year since the inception of those programs
57 in 1999.

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58 5. Expanded educational opportunities and the healthy
59 competition they promote are critical to improving the quality of
60 education in the state and to ensuring that all children receive
61 the high-quality education to which they are entitled.

62 (b) The purpose of this section is to:

63 1.(a) Enable taxpayers to make ~~Encourage~~ private, voluntary
64 contributions to nonprofit scholarship-funding organizations in
65 order to promote the general welfare.

66 2. Provide taxpayers who wish to help parents with limited
67 resources exercise their basic right to educate their children as
68 they see fit with a means to do so.

69 3.(b) Promote the general welfare by expanding ~~Expand~~
70 educational opportunities for children of families that have
71 limited financial resources.

72 4.(e) Enable children in this state to achieve a greater
73 level of excellence in their education.

74 5. Improve the quality of education in this state, both by
75 expanding educational opportunities for children and by creating
76 incentives for schools to achieve excellence.

77 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.--The Corporate Income
78 Tax Credit Scholarship Program is established. A student is
79 eligible for a corporate income tax credit scholarship if the
80 student qualifies for free or reduced-price school lunches under
81 the National School Lunch Act and:

82 (a) Was counted as a full-time equivalent student during
83 the previous state fiscal year for purposes of state per-student
84 funding;

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85 (b) Received a scholarship from an eligible nonprofit
86 scholarship-funding organization or from the State of Florida
87 during the previous school year; or

88 (c) Is eligible to enter kindergarten or first grade.

89
90 Contingent upon available funds, a student may continue in the
91 scholarship program as long as the student's household ~~family~~
92 income level does not exceed 200 percent of the federal poverty
93 level. A sibling of a student who is continuing in the program
94 and resides in the same household as the student shall also be
95 eligible as a first-time corporate income tax credit scholarship
96 recipient as long as the student's and sibling's household income
97 level does not exceed 200 percent of the federal poverty level.

98 (5) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX CREDITS;
99 LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

100 (b) The total amount of tax credits and carryforward of tax
101 credits which may be granted each state fiscal year under this
102 section is:

103 1. Through June 30, 2008, \$88 million.

104 2. Through June 30, 2009, \$118 million.

105 3. Through June 30, 2010, \$148 million.

106 4. Through June 30, 2011, \$178 million.

107 5. Through June 30, 2012, \$208 million.

108 6. Beginning July 1, 2012, and thereafter, \$238 million.

109 ~~At least 1 percent of the total statewide amount authorized for~~
110 ~~the tax credit shall be reserved for taxpayers who meet the~~
111 ~~definition of a small business provided in s. 288.703(1) at the~~
112 ~~time of application.~~

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113 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
114 ORGANIZATIONS.--An eligible nonprofit scholarship-funding
115 organization:

116 (d)1. Must provide scholarships, from eligible
117 contributions, to eligible students for the cost of:

118 a.1. Tuition and fees ~~or textbook expenses for, or~~
119 ~~transportation to,~~ an eligible private school. ~~At least 75~~
120 ~~percent of the scholarship funding must be used to pay tuition~~
121 ~~expenses; or~~

122 b.2. Transportation ~~expenses~~ to a Florida public school
123 that is located outside the district in which the student resides
124 or to a lab school as defined in s. 1002.32.

125 2. Must provide a premium payment to a scholarship student
126 who participates in the statewide assessments pursuant to s.
127 1008.22 and who attends an eligible private school that has at
128 least 95-percent participation of eligible scholarship students
129 in the statewide assessments. This premium payment shall be
130 applied to transportation costs related to participation in the
131 statewide assessments, statewide assessment preparation costs,
132 and other school fees incurred by a student that are not
133 otherwise covered under this paragraph.

134 (i) Must expend for annual or partial-year scholarships an
135 amount equal to or greater than 75 percent of the eligible
136 contributions received during the fiscal year in which such
137 contributions are collected. No more than 25 percent of such
138 eligible contributions may be carried forward to the following
139 fiscal year. Any amounts carried forward shall be expended for
140 ~~obligate, in the same fiscal year in which the contribution was~~
141 ~~received, 100 percent of the eligible contribution to provide~~

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142 annual or partial-year scholarships; ~~however, up to 25 percent of~~
143 ~~the total contribution may be carried forward for expenditure in~~
144 the following ~~state~~ fiscal year. A scholarship-funding
145 organization must, before granting a scholarship for an academic
146 year, document each scholarship student's eligibility for that
147 academic year. A scholarship-funding organization may not grant
148 multiyear scholarships in one approval process. Up to 3 percent
149 ~~No portion~~ of eligible collected contributions may be used for
150 administrative expenses incurred by a scholarship-funding
151 organization under this section. All interest accrued from
152 contributions must be used for scholarships.

153 (m) Must prepare and submit quarterly reports to the
154 Department of Education pursuant to paragraph (9) (o) ~~(m)~~. In
155 addition, an eligible nonprofit scholarship-funding organization
156 must submit in a timely manner any information requested by the
157 Department of Education relating to the scholarship program.

158
159 Any and all information and documentation provided to the
160 Department of Education and the Auditor General relating to the
161 identity of a taxpayer that provides an eligible contribution
162 under this section shall remain confidential at all times in
163 accordance with s. 213.053.

164 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
165 PARTICIPATION.--

166 (e) The parent shall ensure that the student participating
167 in the scholarship program takes the norm-referenced assessment
168 offered by the private school. The parent may also choose to have
169 the student participate in the statewide assessments pursuant to
170 s. 1008.22. ~~If the parent requests that the student participating~~

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171 | ~~in the scholarship program take statewide assessments pursuant to~~
172 | ~~s. 1008.22, the parent is responsible for transporting the~~
173 | ~~student to the assessment site designated by the school district.~~

174 | (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.--An
175 | eligible private school may be sectarian or nonsectarian and
176 | must:

177 | (c) Be academically accountable to the parent for meeting
178 | the educational needs of the student by:

179 | 1. At a minimum, annually providing to the parent a written
180 | explanation of the student's progress.

181 | 2. Annually administering or making provision for students
182 | participating in the scholarship program to take one of the
183 | nationally norm-referenced tests identified by the Department of
184 | Education. Students with disabilities for whom standardized
185 | testing is not appropriate are exempt from this requirement. A
186 | participating private school must report a student's scores to
187 | the parent and to the independent research organization selected
188 | by the Department of Education as described in paragraph (9)(j).

189 | 3. Cooperating with the scholarship student whose parent
190 | chooses to have the student participate in the statewide
191 | assessments pursuant to s. 1008.22 ~~1008.32~~. To encourage
192 | participation, a scholarship student who participates in the
193 | statewide assessments is eligible for a premium payment pursuant
194 | to subparagraph (6)(d)2. and subparagraph (11)(a)2.

195 |
196 | The inability of a private school to meet the requirements of
197 | this subsection shall constitute a basis for the ineligibility of
198 | the private school to participate in the scholarship program as
199 | determined by the Department of Education.

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200 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.--The Department of
201 Education shall:

202 (k) Provide participating schools with all preparation and
203 instructional materials to prepare students for the statewide
204 assessments pursuant to s. 1008.22.

205 (l) Determine if at least 95 percent of a private school's
206 eligible scholarship students participate in the statewide
207 assessments pursuant to s. 1008.22.

208 (11) SCHOLARSHIP AND PREMIUM AMOUNT AND PAYMENT.--

209 (a)1. The amount of a scholarship provided to any student
210 for any single school year by an eligible nonprofit scholarship-
211 funding organization from eligible contributions shall be for
212 total costs authorized under subparagraph (6) (d)1., not to exceed
213 the following annual limits:

214 a.1- Four thousand five hundred ~~Three thousand seven~~
215 ~~hundred fifty~~ dollars for a scholarship awarded to a student
216 enrolled in an eligible private school.

217 b.2- Five hundred dollars for a scholarship awarded to a
218 student enrolled in a Florida public school that is located
219 outside the district in which the student resides or in a lab
220 school as defined in s. 1002.32.

221 2. The amount of an annual premium payment by an eligible
222 nonprofit scholarship-funding organization from eligible
223 contributions shall be \$200 for costs authorized under
224 subparagraph (6) (d)2. provided to a student who takes the
225 statewide assessments pursuant to s. 1008.22 if at least 95
226 percent of the private school's eligible scholarship students
227 participate in the statewide assessments.

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229 By June 30, 2009, and annually thereafter, the State Board of
230 Education shall, by rule, adjust the maximum amounts for the
231 scholarship awards under this paragraph to reflect 62 percent of
232 the unweighted FEFP student funding amount established in the
233 annual appropriations act for the ensuing state fiscal year. The
234 annually adjusted amounts shall be rounded downward to the
235 nearest dollar and shall be effective for the following school
236 year beginning July 1, 2009, and each year thereafter.

237 (b) Payment of the scholarship and premium by the eligible
238 nonprofit scholarship-funding organization shall be by individual
239 warrant made payable to the student's parent. If the parent
240 chooses that his or her child attend an eligible private school,
241 the warrant must be delivered by the eligible nonprofit
242 scholarship-funding organization to the private school of the
243 parent's choice, and the parent shall restrictively endorse the
244 warrant to the private school. An eligible nonprofit scholarship-
245 funding organization shall ensure that the parent to whom the
246 warrant is made restrictively endorsed the warrant to the private
247 school for deposit into the account of the private school.

248 (c) An eligible nonprofit scholarship-funding organization
249 shall obtain verification from the private school of a student's
250 continued attendance at the school for ~~prior to~~ each period
251 covered by a scholarship payment.

252 (14) PRESERVATION OF CREDIT.--If any provision or portion
253 of subsection (5) or the application thereof to any person or
254 circumstance is held unconstitutional by any court or is
255 otherwise declared invalid, the unconstitutionality or invalidity
256 shall not affect any credit earned under subsection (5) by any
257 taxpayer with respect to any contribution paid to an eligible

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258 nonprofit scholarship-funding organization before the date of a
259 determination of unconstitutionality or invalidity. Such credit
260 shall be allowed at such time and in such a manner as if a
261 determination of unconstitutionality or invalidity had not been
262 made, provided that nothing in this subsection by itself or in
263 combination with any other provision of law shall result in the
264 allowance of any credit to any taxpayer in excess of one dollar
265 of credit for each dollar paid to an eligible nonprofit
266 scholarship-funding organization.

267 Section 2. This act shall take effect June 30, 2008.