

By the Committees on Education Pre-K - 12 Appropriations;
Education Pre-K - 12; and Senators Gaetz, Lawson, King, Storms,
Baker, Crist, Posey, Oelrich, Saunders, Fasano, Peaden, Siplin,
(Additional Introducers on Last Printed Page)

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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 specified students who are currently or have been in
6 foster care are eligible for participation in the program;
7 providing that siblings of certain students are eligible
8 for participation in the program; providing income
9 criteria for continuation of scholarships for students in
10 foster care; revising provisions authorizing the total
11 amount of tax credits that may be granted and deleting the
12 reservation of a portion thereof; revising authorized uses
13 of scholarship funds and providing for premium payments to
14 certain students who participate in statewide assessments;
15 revising provisions relating to expenditure of
16 contributions received during a fiscal year; removing
17 parent responsibility for providing transportation to
18 certain assessment sites; providing obligations of the
19 Department of Education relating to scholarship student
20 participation in statewide assessments; revising
21 scholarship amounts and providing amount of premium
22 payments; requiring State Board of Education rule for
23 adjustment of scholarship awards; revising requirements
24 relating to verification of student attendance for
25 purposes of scholarship payment; providing for
26 preservation of credits under certain circumstances;
27 providing an effective date.

28
29 Be It Enacted by the Legislature of the State of Florida:

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31 Section 1. Subsections (1) and (3), paragraph (b) of
32 subsection (5), paragraphs (d), (i), and (m) of subsection (6),
33 paragraph (e) of subsection (7), paragraph (c) of subsection (8),
34 and paragraphs (a), (b), and (c) of subsection (11) of section
35 220.187, Florida Statutes, are amended, paragraphs (k) through
36 (n) of subsection (9) are redesignated as paragraphs (m) through
37 (p), respectively, new paragraphs (k) and (l) are added to that
38 subsection, and a new subsection (14) is added to that section,
39 to read:

40 220.187 Credits for contributions to nonprofit scholarship-
41 funding organizations.--

42 (1) FINDINGS AND PURPOSE.--

43 (a) The Legislature finds that:

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

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

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

56 4. The existence of programs that provide expanded
57 educational opportunities in this state has not been shown to
58 reduce funding to or otherwise harm public schools within the

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59 state, and, to the contrary, per-student funding in public
60 schools has risen each year since the inception of those programs
61 in 1999.

62 5. Expanded educational opportunities and the healthy
63 competition they promote are critical to improving the quality of
64 education in the state and to ensuring that all children receive
65 the high-quality education to which they are entitled.

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

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

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

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

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

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

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

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86 (a) Was counted as a full-time equivalent student during
87 the previous state fiscal year for purposes of state per-student
88 funding;

89 (b) Received a scholarship from an eligible nonprofit
90 scholarship-funding organization or from the State of Florida
91 during the previous school year; ~~or~~

92 (c) Is eligible to enter kindergarten or first grade; or

93 (d) Is currently placed, or during the previous state
94 fiscal year was placed, in foster care as defined in s. 39.01.

95
96 Contingent upon available funds, a student may continue in the
97 scholarship program as long as the student's household family
98 income level does not exceed 200 percent of the federal poverty
99 level. A sibling of a student who is continuing in the program
100 and resides in the same household as the student shall also be
101 eligible as a first-time corporate income tax credit scholarship
102 recipient as long as the student's and sibling's household income
103 level does not exceed 200 percent of the federal poverty level.
104 Household income for purposes of a student who is currently in
105 foster care as defined in s. 39.01 shall consist only of the
106 income that may be considered in determining whether he or she
107 qualifies for free or reduced-price school lunches under the
108 National School Lunch Act.

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

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

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

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115 2. Through June 30, 2009, and thereafter, \$118 million. ~~At~~
116 ~~least 1 percent of the total statewide amount authorized for the~~
117 ~~tax credit shall be reserved for taxpayers who meet the~~
118 ~~definition of a small business provided in s. 288.703(1) at the~~
119 ~~time of application.~~

120 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
121 ORGANIZATIONS.--An eligible nonprofit scholarship-funding
122 organization:

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

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

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

132 2. Beginning in the 2009-2010 state fiscal year, must
133 provide a premium payment to a scholarship student who
134 participates in the statewide assessments pursuant to s. 1008.22
135 and who attends an eligible private school that has at least 95-
136 percent participation of eligible scholarship students in the
137 statewide assessments. This premium payment shall be applied to
138 transportation costs related to participation in the statewide
139 assessments, statewide assessment preparation costs, and other
140 school fees incurred by a student that are not otherwise covered
141 under this paragraph.

142 (i) Must expend for annual or partial-year scholarships an
143 amount equal to or greater than 75 percent of the eligible

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144 contributions received during the fiscal year in which such
145 contributions are collected. No more than 25 percent of such
146 eligible contributions may be carried forward to the following
147 fiscal year. Any amounts carried forward shall be expended for
148 ~~obligate, in the same fiscal year in which the contribution was~~
149 ~~received, 100 percent of the eligible contribution to provide~~
150 ~~annual or partial-year scholarships; however, up to 25 percent of~~
151 ~~the total contribution may be carried forward for expenditure in~~
152 ~~the following state fiscal year. A scholarship-funding~~
153 ~~organization must, before granting a scholarship for an academic~~
154 ~~year, document each scholarship student's eligibility for that~~
155 ~~academic year. A scholarship-funding organization may not grant~~
156 ~~multiyear scholarships in one approval process. No portion of~~
157 ~~eligible contributions may be used for administrative expenses.~~
158 Beginning in the 2009-2010 state fiscal year, up to 3 percent of
159 eligible collected contributions may be used for administrative
160 expenses incurred by a scholarship-funding organization under
161 this section. All interest accrued from contributions must be
162 used for scholarships.

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

168
169 Any and all information and documentation provided to the
170 Department of Education and the Auditor General relating to the
171 identity of a taxpayer that provides an eligible contribution

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172 | under this section shall remain confidential at all times in
173 | accordance with s. 213.053.

174 | (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
175 | PARTICIPATION.--

176 | (e) The parent shall ensure that the student participating
177 | in the scholarship program takes the norm-referenced assessment
178 | offered by the private school. The parent may also choose to have
179 | the student participate in the statewide assessments pursuant to
180 | s. 1008.22. Except as provided in subsection (6), if the parent
181 | requests that the student participating in the scholarship
182 | program take statewide assessments pursuant to s. 1008.22, the
183 | parent is responsible for transporting the student to the
184 | assessment site designated by the school district.

185 | (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.--An
186 | eligible private school may be sectarian or nonsectarian and
187 | must:

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

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

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

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200 3. Cooperating with the scholarship student whose parent
201 chooses to have the student participate in the statewide
202 assessments pursuant to s. 1008.22 ~~s. 1008.32~~. Beginning in the
203 2009-2010 state fiscal year, in order to encourage participation,
204 a scholarship student who participates in the statewide
205 assessments is eligible for a premium payment pursuant to
206 subparagraphs (6) (d)2. and (11) (a)2.

207
208 The inability of a private school to meet the requirements of
209 this subsection shall constitute a basis for the ineligibility of
210 the private school to participate in the scholarship program as
211 determined by the Department of Education.

212 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.--The Department of
213 Education shall:

214 (k) Provide participating schools with all preparation and
215 instructional materials to prepare students for the statewide
216 assessments pursuant to s. 1008.22.

217 (l) Beginning in the 2009-2010 state fiscal year, determine
218 if at least 95 percent of a private school's eligible scholarship
219 students participate in the statewide assessments pursuant to s.
220 1008.22.

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

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

227 a.1. Three thousand seven hundred fifty dollars for a
228 scholarship awarded to a student enrolled in an eligible private

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229 | school for the 2008-2009 state fiscal year. Beginning in the
230 | 2009-2010 state fiscal year, the State Board of Education shall,
231 | by rule, adjust the maximum amounts for the scholarship awards
232 | under this sub-subparagraph to reflect 60 percent of the
233 | unweighted FEFP student funding amount established in the annual
234 | appropriations act for the ensuing state fiscal year. However,
235 | the increase in the maximum amounts for a scholarship award under
236 | this sub-subparagraph may not exceed \$200 annually. The annually
237 | adjusted amounts shall be rounded downward to the nearest dollar.

238 | ~~b.2.~~ Five hundred dollars for a scholarship awarded to a
239 | student enrolled in a Florida public school that is located
240 | outside the district in which the student resides or in a lab
241 | school as defined in s. 1002.32.

242 | 2. Beginning in the 2009-2010 state fiscal year, the amount
243 | of an annual premium payment by an eligible nonprofit
244 | scholarship-funding organization from eligible contributions
245 | shall be \$200 for costs authorized under subparagraph (6) (d)2.
246 | provided to a student who takes the statewide assessments
247 | pursuant to s. 1008.22 if at least 95 percent of the private
248 | school's eligible scholarship students participate in the
249 | statewide assessments.

250 | (b) Payment of the scholarship and premium by the eligible
251 | nonprofit scholarship-funding organization shall be by individual
252 | warrant made payable to the student's parent. If the parent
253 | chooses that his or her child attend an eligible private school,
254 | the warrant must be delivered by the eligible nonprofit
255 | scholarship-funding organization to the private school of the
256 | parent's choice, and the parent shall restrictively endorse the
257 | warrant to the private school. An eligible nonprofit scholarship-

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258 funding organization shall ensure that the parent to whom the
 259 warrant is made restrictively endorsed the warrant to the private
 260 school for deposit into the account of the private school.

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

265 (14) PRESERVATION OF CREDIT.--If any provision or portion
 266 of subsection (5) or the application thereof to any person or
 267 circumstance is held unconstitutional by any court or is
 268 otherwise declared invalid, the unconstitutionality or invalidity
 269 shall not affect any credit earned under subsection (5) by any
 270 taxpayer with respect to any contribution paid to an eligible
 271 nonprofit scholarship-funding organization before the date of a
 272 determination of unconstitutionality or invalidity. Such credit
 273 shall be allowed at such time and in such a manner as if a
 274 determination of unconstitutionality or invalidity had not been
 275 made, provided that nothing in this subsection by itself or in
 276 combination with any other provision of law shall result in the
 277 allowance of any credit to any taxpayer in excess of one dollar
 278 of credit for each dollar paid to an eligible nonprofit
 279 scholarship-funding organization.

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

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283 ADDITIONAL INTRODUCERS

284 Wise, Bennett, Dockery, Haridopolos, Alexander and Garcia