

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

36 220.187 Credits for contributions to nonprofit
37 scholarship-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
44 public purposes that the Legislature may promote using its
45 sovereign power to determine subjects of taxation and exemptions
46 from taxation.

47 3. Ensuring that all parents, regardless of means, may
48 exercise and enjoy their basic right to educate their children
49 as they see fit is a valid public purpose that the Legislature
50 may 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
 57 programs in 1999.

58 5. Expanded educational opportunities and the healthy
 59 competition they promote are critical to improving the quality
 60 of education in the state and to ensuring that all children
 61 receive 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,
 64 voluntary contributions to nonprofit scholarship-funding
 65 organizations in 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
 68 as 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
 78 Income Tax Credit Scholarship Program is established. A student
 79 is 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;

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
 97 income level does not exceed 200 percent of the federal poverty
 98 level.

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

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

- 104 1. Through June 30, 2008, \$88 million.
- 105 2. Through June 30, 2009, \$118 million.
- 106 3. Through June 30, 2010, \$148 million.
- 107 4. Through June 30, 2011, \$178 million.
- 108 5. Through June 30, 2012, \$208 million.
- 109 6. Beginning July 1, 2012, and thereafter, \$238 million.

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

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

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

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

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

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

135 (i) Must expend for annual or partial-year scholarships an
 136 amount equal to or greater than 75 percent of the eligible
 137 contributions received during the fiscal year in which such

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

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

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

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

167 (e) The parent shall ensure that the student participating
168 in the scholarship program takes the norm-referenced assessment
169 offered by the private school. The parent may also choose to
170 have the student participate in the statewide assessments
171 pursuant to s. 1008.22. ~~If the parent requests that the student~~
172 ~~participating in the scholarship program take statewide~~
173 ~~assessments pursuant to s. 1008.22, the parent is responsible~~
174 ~~for transporting the student to the assessment site designated~~
175 ~~by the school district.~~

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

179 (c) Be academically accountable to the parent for meeting
180 the educational needs of the student by:

181 1. At a minimum, annually providing to the parent a
182 written explanation of the student's progress.

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

191 3. Cooperating with the scholarship student whose parent
192 chooses to have the student participate in the statewide

193 assessments pursuant to s. 1008.22 ~~1008.32~~. To encourage
 194 participation, a scholarship student who participates in the
 195 statewide assessments is eligible for a premium payment pursuant
 196 to subparagraph (6)(d)2. and subparagraph (11)(a)2.

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

202 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.--The Department
 203 of Education shall:

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

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

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

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

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

219 ~~b.2.~~ Five hundred dollars for a scholarship awarded to a
 220 student enrolled in a Florida public school that is located

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221 outside the district in which the student resides or in a lab
222 school as defined in s. 1002.32.

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

230

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

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

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249 the private school for deposit into the account of the private
250 school.

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

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

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