

By Senator Galvano

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1 A bill to be entitled
2 An act relating to tax credit scholarship programs;
3 amending s. 212.1831, F.S.; creating a credit against
4 the sales and use tax for contributions to an eligible
5 nonprofit scholarship-funding organization; amending
6 s. 213.053, F.S.; authorizing the Department of
7 Revenue to provide certain information to a selected
8 eligible nonprofit scholarship-funding organization as
9 notification that a tax credit has been reserved;
10 amending s. 1002.395, F.S.; revising definitions;
11 revising student eligibility criteria; revising the
12 tax credit cap and the procedures for applying for a
13 tax credit; allowing a tax credit to be conveyed,
14 transferred, or assigned between the members of an
15 affiliated corporate group; revising the disqualifying
16 offenses for scholarship-funding organization owners
17 and operators; revising priority for new applicants;
18 requiring parental authorization for access to income
19 eligibility information; requiring a scholarship-
20 funding organization to meet certain surety bond or
21 letter of credit requirements; increasing the
22 scholarship amount limit per student; providing for a
23 reduction in scholarship amounts based on household
24 income; specifying and requiring additional
25 information for initial approval and renewal of
26 scholarship-funding organization participation;
27 creating an application and approval evaluation
28 process; creating s. 1002.396, F.S.; establishing the
29 Florida Sales Tax Credit Scholarship Program;

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30 providing a credit against the sales tax for
31 contributions to a nonprofit scholarship-funding
32 organization; providing legislative intent and
33 purposes; defining terms; providing for scholarship
34 eligibility; providing for a tax cap and other
35 limitations on the tax credit; providing parent,
36 student, scholarship-funding organization, Department
37 of Education, school district, and Commissioner of
38 Education responsibilities, obligations, and powers
39 with respect to the scholarship program; providing for
40 the payment of scholarships; authorizing the
41 Department of Revenue and Department of Education to
42 adopt rules; providing for the deposit of
43 contributions; providing for severability; creating s.
44 1002.397, F.S.; establishing a combined tax credit cap
45 for the Florida Tax Credit Scholarship Program and
46 Florida Sales Tax Credit Scholarship Program;
47 establishing a schedule of combined tax credit cap
48 amounts; amending s. 1002.421, F.S.; conforming
49 provisions to changes made by the act; providing that
50 scholarship-funding organizations approved for
51 participation before a certain date must provide a
52 copy of a surety bond or letter of credit; providing
53 emergency rulemaking authority; providing an effective
54 date.

55
56 Be It Enacted by the Legislature of the State of Florida:

57
58 Section 1. Section 212.1831, Florida Statutes, is amended

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59 to read:

60 212.1831 Credit for contributions to eligible nonprofit
61 scholarship-funding organizations.—

62 (1) There is allowed a credit of 100 percent of an eligible
63 contribution made to an eligible nonprofit scholarship-funding
64 organization under s. 1002.395 against any tax imposed by the
65 state and due under this chapter from a direct pay permit holder
66 as a result of the direct pay permit held pursuant to s.
67 212.183. For purposes of the distributions of tax revenue under
68 s. 212.20, the department shall disregard ~~any~~ tax credits
69 allowed under this subsection ~~section~~ to ensure that any
70 reduction in tax revenue received which ~~that~~ is attributable to
71 the tax credits results only in a reduction in distributions to
72 the General Revenue Fund. Sections ~~The provisions of s.~~ 1002.395
73 and 1002.397 apply to the credit authorized by this subsection
74 ~~section~~.

75 (2) There is allowed a credit of 100 percent of an eligible
76 contribution made to an eligible nonprofit scholarship-funding
77 organization under s. 1002.396 against any tax imposed by the
78 state and due under this chapter. For purposes of the
79 distributions of tax revenue under s. 212.20, the department
80 shall disregard any tax credit allowed under this subsection to
81 ensure that any reduction in tax revenue received which is
82 attributable to the tax credits results only in a reduction in
83 distributions to the General Revenue Fund. The credits against
84 the state sales tax authorized under s. 1002.396 shall be
85 deducted from any sales and use tax remitted by the dealer to
86 the department by electronic funds transfer and may only be
87 deducted on a sales and use tax return initiated through

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88 electronic data interchange. The dealer shall separately state
89 the credit on the electronic return. The net amount of tax due
90 and payable must be remitted by an electronic funds transfer. A
91 dealer may only obtain a credit using the method described in
92 this subsection. A dealer may not obtain a credit by applying
93 for a refund. Sections 1002.396 and 1002.397 apply to credits
94 granted under this subsection.

95 Section 2. Paragraph (cc) is added to subsection (8) of
96 section 213.053, Florida Statutes, to read:

97 213.053 Confidentiality and information sharing.—

98 (8) Notwithstanding any other provision of this section,
99 the department may provide:

100 (cc) For purposes of notification that a tax credit has
101 been reserved, a copy of a letter of approval issued by the
102 department to a taxpayer for an allocation of a tax credit to
103 the eligible nonprofit scholarship-funding organization selected
104 by the taxpayer in an application for a tax credit authorized
105 under s. 1002.395 or s. 1002.396.

106
107 Disclosure of information under this subsection shall be
108 pursuant to a written agreement between the executive director
109 and the agency. Such agencies, governmental or nongovernmental,
110 shall be bound by the same requirements of confidentiality as
111 the Department of Revenue. Breach of confidentiality is a
112 misdemeanor of the first degree, punishable as provided by s.
113 775.082 or s. 775.083.

114 Section 3. Paragraph (f) of subsection (2), paragraph (b)
115 of subsection (3), subsection (4), paragraphs (a) through (d) of
116 subsection (5), subsection (6), paragraph (e) of subsection (8),

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117 paragraphs (d) and (o) of subsection (9), and paragraph (a) of
118 subsection (12), of section 1002.395, Florida Statutes, are
119 amended, present paragraphs (h) through (j) of subsection (2)
120 are redesignated as paragraphs (i) through (k), respectively,
121 and a new paragraph (h) is added to subsection (2) of that
122 section, a new paragraph (g) is added to subsection (7) of that
123 section, a new paragraph (q) is added to subsection (9) of that
124 section, and a new subsection (16) is added to that section, to
125 read:

126 1002.395 Florida Tax Credit Scholarship Program.—

127 (2) DEFINITIONS.—As used in this section, the term:

128 (f) "Eligible nonprofit scholarship-funding organization"
129 means a charitable organization that:

- 130 1. Is exempt from federal income tax pursuant to s.
131 501(c)(3) of the Internal Revenue Code;
- 132 2. Is a Florida entity formed under chapter 607, chapter
133 608, or chapter 617 and whose principal office is located in the
134 state; and
- 135 3. Complies with subsections ~~the provisions of subsection~~
136 (6) and (16).

137 (h) "Household income" has the same meaning as provided in
138 the Eligibility Guidelines for free and reduced price meals for
139 the National School Lunch Program under 7 C.F.R. part 210.

140 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—

141 (b) Contingent upon available funds, a student is eligible
142 for a Florida tax credit scholarship under this section if the
143 student meets one or more of the following criteria:

- 144 1. For the 2014-2015 and 2015-2016 school years, the
145 student qualifies for free or reduced-price school lunches under

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146 the National School Lunch Act or is on the direct certification
147 list ~~and:~~

148 ~~a. Was counted as a full-time equivalent student during the~~
149 ~~previous state fiscal year for purposes of state per-student~~
150 ~~funding;~~

151 ~~b. Received a scholarship from an eligible nonprofit~~
152 ~~scholarship-funding organization or from the State of Florida~~
153 ~~during the previous school year; or~~

154 ~~e. Is eligible to enter kindergarten through fifth grade.~~

155 2. The student is currently placed, or during the previous
156 state fiscal year was placed, in foster care or in out-of-home
157 care as defined in s. 39.01. A student eligible for a
158 scholarship under this subparagraph remains eligible until the
159 student graduates from high school or turns 21 years of age,
160 whichever occurs later.

161 3. For the 2014-2015 and 2015-2016 school years, the
162 student continues in the scholarship program as long as the
163 student's household income level does not exceed 230 percent of
164 the federal poverty level.

165 4. For the 2016-2017 school year and thereafter, the
166 student is on the direct certification list or the student's
167 household income does not exceed 185 percent of the federal
168 poverty level.

169 5. For the 2016-2017 school year and thereafter, the
170 student's household income is greater than 185 percent, but does
171 not exceed 260 percent, of the federal poverty level and:

172 a. During the prior year, the student attended a public
173 school in this state and was enrolled and reported by the school
174 district for funding during October and February for purposes of

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175 the Florida Education Finance Program membership surveys; or

176 b. The student is eligible to enter kindergarten or first
177 grade ~~The student, who is a first-time tax credit scholarship~~
178 ~~recipient, is a sibling of a student who is continuing in the~~
179 ~~scholarship program and who resides in the same household as the~~
180 ~~student if the sibling meets one or more of the criteria~~
181 ~~specified in subparagraphs 1. and 2. and as long as the~~
182 ~~student's and sibling's household income level does not exceed~~
183 ~~230 percent of the federal poverty level.~~

184 (4) SCHOLARSHIP PROHIBITIONS.—A student is not eligible for
185 a scholarship if ~~while~~ he or she is:

186 (a) Enrolled in a school operating for the purpose of
187 providing educational services to youth in Department of
188 Juvenile Justice commitment programs;

189 (b) Receiving a scholarship from another eligible nonprofit
190 scholarship-funding organization under this section or s.
191 1002.396;

192 (c) Receiving an educational scholarship pursuant to
193 chapter 1002;

194 (d) Participating in a home education program as defined in
195 s. 1002.01(1);

196 (e) Participating in a private tutoring program pursuant to
197 s. 1002.43;

198 (f) Participating in a virtual school, correspondence
199 school, or distance learning program that receives state funding
200 pursuant to the student's participation unless the participation
201 is limited to no more than two courses per school year; or

202 (g) Enrolled in the Florida School for the Deaf and the
203 Blind.

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204 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

205 (a)~~1.~~ The tax credit cap is as provided in s. 1002.397
206 ~~amount is \$229 million in the 2012-2013 state fiscal year.~~

207 ~~2. In the 2013-2014 state fiscal year and each state fiscal~~
208 ~~year thereafter, the tax credit cap amount is the tax credit cap~~
209 ~~amount in the prior state fiscal year. However, in any state~~
210 ~~fiscal year when the annual tax credit amount for the prior~~
211 ~~state fiscal year is equal to or greater than 90 percent of the~~
212 ~~tax credit cap amount applicable to that state fiscal year, the~~
213 ~~tax credit cap amount shall increase by 25 percent. The~~
214 ~~department shall publish on its website information identifying~~
215 ~~the tax credit cap amount when it is increased pursuant to this~~
216 ~~subparagraph.~~

217 (b) A taxpayer may submit an application to the department
218 for a tax credit or credits under one or more of s. 211.0251, s.
219 212.1831(1) ~~s. 212.1831~~, s. 220.1875, s. 561.1211, or s.
220 624.51055.

221 1. The taxpayer shall specify in the application each tax
222 for which the taxpayer requests a credit and the applicable
223 taxable year for a credit under s. 220.1875 or s. 624.51055 or
224 the applicable state fiscal year for a credit under s. 211.0251,
225 s. 212.1831(1) ~~s. 212.1831~~, or s. 561.1211. The department shall
226 approve tax credits on a first-come, first-served basis and must
227 obtain the division's approval before ~~prior to~~ approving a tax
228 credit under s. 561.1211.

229 2. Within 10 days after approving an application, the
230 department must provide a copy of its approval letter to the
231 eligible nonprofit scholarship funding organization specified by
232 the taxpayer in the application.

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233 (c) If a tax credit approved under paragraph (b) is not
234 fully used within the specified state fiscal year for credits
235 under s. 211.0251, s. 212.1831(1) ~~s. 212.1831~~, or s. 561.1211 or
236 against taxes due for the specified taxable year for credits
237 under s. 220.1875 or s. 624.51055 because of insufficient tax
238 liability on the part of the taxpayer, the unused amount may be
239 carried forward for up to a period not to exceed 5 years.

240 However, a any taxpayer that seeks to carry forward an unused
241 amount of tax credit must submit an application to the
242 department for approval of the carryforward tax credit in the
243 year that the taxpayer intends to use the carryforward. The
244 department must obtain the division's approval before ~~prior to~~
245 approving the carryforward of a tax credit under s. 561.1211.

246 (d) A taxpayer may not convey, assign, or transfer an
247 approved tax credit or a carryforward tax credit to another
248 entity unless all of the assets of the taxpayer are conveyed,
249 assigned, or transferred in the same transaction. However, a tax
250 credit may be conveyed, transferred, or assigned between the
251 members of an affiliated group of corporations if the type of
252 tax credit under s. 211.0251, s. 212.1831(1), s. 220.1875, s.
253 561.1211, or s. 624.51055 remains the same. A taxpayer must
254 notify the department of the intent to convey, transfer, or
255 assign a tax credit to another member within an affiliated group
256 of corporations. The amount conveyed, transferred, or assigned
257 is available to another member of the affiliated group of
258 corporations upon approval by the department. The department
259 must obtain the division's approval before approving the
260 conveyed, transferred, or assigned tax credit under s. 561.1211.

261 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING

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262 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
263 organization:

264 (a) Must comply with the antidiscrimination provisions of
265 42 U.S.C. s. 2000d.

266 (b) Must comply with the following background check
267 requirements:

268 1. All owners and operators as defined in subparagraph
269 (2) (i) 1. ~~(2) (h) 1.~~ are, before ~~upon~~ employment or engagement to
270 provide services, subject to level 2 background screening as
271 provided under chapter 435. The fingerprints for the background
272 screening must be electronically submitted to the Department of
273 Law Enforcement and can be taken by an authorized law
274 enforcement agency or by an employee of the eligible nonprofit
275 scholarship-funding organization or a private company who is
276 trained to take fingerprints. However, the complete set of
277 fingerprints of an owner or operator may not be taken by the
278 owner or operator. The results of the state and national
279 criminal history check shall be provided to the Department of
280 Education for screening under chapter 435. The cost of the
281 background screening may be borne by the eligible nonprofit
282 scholarship-funding organization or the owner or operator.

283 2. Every 5 years following employment or engagement to
284 provide services or association with an eligible nonprofit
285 scholarship-funding organization, each owner or operator must
286 meet level 2 screening standards as described in s. 435.04, at
287 which time the nonprofit scholarship-funding organization shall
288 request the Department of Law Enforcement to forward the
289 fingerprints to the Federal Bureau of Investigation for level 2
290 screening. If the fingerprints of an owner or operator are not

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291 retained by the Department of Law Enforcement under subparagraph
292 3., the owner or operator must electronically file a complete
293 set of fingerprints with the Department of Law Enforcement. Upon
294 submission of fingerprints for this purpose, the eligible
295 nonprofit scholarship-funding organization shall request that
296 the Department of Law Enforcement forward the fingerprints to
297 the Federal Bureau of Investigation for level 2 screening, and
298 the fingerprints shall be retained by the Department of Law
299 Enforcement under subparagraph 3.

300 3. ~~All~~ Fingerprints submitted to the Department of Law
301 Enforcement as required by this paragraph must be retained by
302 the Department of Law Enforcement in a manner approved by rule
303 and entered in the statewide automated biometric identification
304 system authorized under ~~by~~ s. 943.05(2)(b). The fingerprints
305 must thereafter be available for all purposes and uses
306 authorized for arrest fingerprints entered in the statewide
307 automated biometric identification system pursuant to s.
308 943.051.

309 4. The Department of Law Enforcement shall search all
310 arrest fingerprints received under s. 943.051 against the
311 fingerprints retained in the statewide automated biometric
312 identification system under subparagraph 3. Any arrest record
313 that is identified with an owner's or operator's fingerprints
314 must be reported to the Department of Education. The Department
315 of Education shall participate in this search process by paying
316 an annual fee to the Department of Law Enforcement and by
317 informing the Department of Law Enforcement of any change in the
318 employment, engagement, or association status of the owners or
319 operators whose fingerprints are retained under subparagraph 3.

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320 The Department of Law Enforcement shall adopt a rule setting the
321 amount of the annual fee to be imposed upon the Department of
322 Education for performing these services and establishing the
323 procedures for the retention of owner and operator fingerprints
324 and the dissemination of search results. The fee may be borne by
325 the owner or operator of the nonprofit scholarship-funding
326 organization.

327 5. A nonprofit scholarship-funding organization whose owner
328 or operator fails the level 2 background screening is ineligible
329 ~~shall not be eligible~~ to provide scholarships under this
330 section.

331 6. A nonprofit scholarship-funding organization whose owner
332 or operator in the last 7 years has filed for personal
333 bankruptcy or corporate bankruptcy in a corporation of which he
334 or she owned more than 20 percent is ~~shall not be~~ eligible to
335 provide scholarships under this section.

336 7. In addition to the offenses listed in s. 435.04, all
337 persons required to undergo background screening pursuant to
338 this part or authorizing statutes must not have an arrest
339 awaiting final disposition for, must not have been found guilty
340 of, or entered a plea of nolo contendere to, regardless of
341 adjudication, and must not have been adjudicated delinquent, and
342 the record must not have been sealed or expunged, for any of the
343 following offenses or any similar offense of another
344 jurisdiction:

- 345 a. Any authorizing statute, if the offense was a felony.
346 b. This chapter, if the offense was a felony.
347 c. Section 409.920, relating to Medicaid provider fraud.
348 d. Section 409.9201, relating to Medicaid fraud.

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- 349 e. Section 741.28, relating to domestic violence.
- 350 f. Section 817.034, relating to fraudulent acts through
351 mail, wire, radio, electromagnetic, photoelectronic, or
352 photooptical systems.
- 353 g. Section 817.234, relating to false and fraudulent
354 insurance claims.
- 355 h. Section 817.505, relating to patient brokering.
- 356 i. Section 817.568, relating to criminal use of personal
357 identification information.
- 358 j. Section 817.60, relating to obtaining a credit card
359 through fraudulent means.
- 360 k. Section 817.61, relating to fraudulent use of credit
361 cards, if the offense was a felony.
- 362 l. Section 831.01, relating to forgery.
- 363 m. Section 831.02, relating to uttering forged instruments.
- 364 n. Section 831.07, relating to forging bank bills, checks,
365 drafts, or promissory notes.
- 366 o. Section 831.09, relating to uttering forged bank bills,
367 checks, drafts, or promissory notes.
- 368 p. Section 831.30, relating to fraud in obtaining medicinal
369 drugs.
- 370 q. Section 831.31, relating to the sale, manufacture,
371 delivery, or possession with the intent to sell, manufacture, or
372 deliver any counterfeit controlled substance, if the offense was
373 a felony.
- 374 (c) Must not have an owner or operator who owns or operates
375 an eligible private school that is participating in the
376 scholarship program or the scholarship program established under
377 s. 1002.396.

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378 (d) Must provide scholarships, from eligible contributions,
379 to eligible students for the cost of:

- 380 1. Tuition and fees for an eligible private school; or
381 2. Transportation to a Florida public school that is
382 located outside the district in which the student resides or to
383 a lab school as defined in s. 1002.32.

384 (e) Must give first priority to eligible students who
385 received a scholarship from an eligible nonprofit scholarship-
386 funding organization or from the State of Florida during the
387 previous school year. Beginning in the 2016-2017 school year, an
388 eligible nonprofit scholarship-funding organization must give
389 priority to new applicants whose household income does not
390 exceed 185 percent of the federal poverty level or who are in
391 foster care or out-of-home care.

392 (f) Must provide a scholarship to an eligible student on a
393 first-come, first-served basis unless the student qualifies for
394 priority pursuant to paragraph (e).

395 (g) May not restrict or reserve scholarships for use at a
396 particular private school or provide scholarships to a child of
397 an owner or operator.

398 (h) Must allow a student in foster care or out-of-home care
399 to apply for a scholarship at any time.

400 (i) ~~(h)~~ Must allow an eligible student to attend any
401 eligible private school and must allow a parent to transfer a
402 scholarship during a school year to any other eligible private
403 school of the parent's choice.

404 (j) ~~(i)~~ 1. May use up to 3 percent of eligible contributions
405 received during the state fiscal year in which such
406 contributions are collected for administrative expenses if the

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407 organization has operated under this section for at least 3
408 state fiscal years and did not have any negative financial
409 findings in its most recent audit under paragraph (m) ~~(l)~~. Such
410 administrative expenses must be reasonable and necessary for the
411 organization's management and distribution of eligible
412 contributions under this section. Administrative expenses may
413 also include professional development to support participating
414 schools. Up to ~~No more than~~ one-third of the funds authorized
415 for administrative expenses under this subparagraph may be used
416 for expenses related to the recruitment of contributions from
417 taxpayers.

418 2. Must expend for annual or partial-year scholarships an
419 amount equal to or greater than 75 percent of the net eligible
420 contributions remaining after administrative expenses during the
421 state fiscal year in which such contributions are collected. No
422 more than 25 percent of such net eligible contributions may be
423 carried forward to the following state fiscal year. Any amounts
424 carried forward must ~~shall~~ be expended for annual or partial-
425 year scholarships in the following state fiscal year. Net
426 eligible contributions remaining on June 30 of each year which
427 ~~that~~ are in excess of the 25 percent that may be carried forward
428 must ~~shall~~ be returned to the State Treasury for deposit in the
429 General Revenue Fund.

430 3. Must, before granting a scholarship for an academic
431 year, document each scholarship student's eligibility for that
432 academic year. A scholarship-funding organization may not grant
433 multiyear scholarships in one approval process.

434 (k) ~~(j)~~ Must maintain separate accounts for scholarship
435 funds and operating funds.

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436 (l) ~~(k)~~ With the prior approval of the Department of
437 Education, may transfer funds to another eligible nonprofit
438 scholarship-funding organization if additional funds are
439 required to meet scholarship demand at the receiving nonprofit
440 scholarship-funding organization. A transfer is ~~shall be~~ limited
441 to the greater of \$500,000 or 20 percent of the total
442 contributions received by the nonprofit scholarship-funding
443 organization making the transfer. All transferred funds must be
444 deposited by the receiving nonprofit scholarship-funding
445 organization into its scholarship accounts. All transferred
446 amounts received by any nonprofit scholarship-funding
447 organization must be separately disclosed in the annual
448 financial and compliance audit required in this section.

449 (m) ~~(l)~~ Must provide to the Auditor General and the
450 Department of Education an annual financial and compliance audit
451 of its accounts and records conducted by an independent
452 certified public accountant and in accordance with rules adopted
453 by the Auditor General. The audit must be conducted in
454 compliance with generally accepted auditing standards and must
455 include a report on financial statements presented in accordance
456 with generally accepted accounting principles set forth by the
457 American Institute of Certified Public Accountants for not-for-
458 profit organizations and a determination of compliance with the
459 statutory eligibility and expenditure requirements set forth in
460 this section. Audits must be provided to the Auditor General and
461 the Department of Education within 180 days after completion of
462 the eligible nonprofit scholarship-funding organization's fiscal
463 year.

464 (n) ~~(m)~~ Must prepare and submit quarterly reports to the

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465 Department of Education pursuant to paragraph (9) (m). ~~In~~
466 ~~addition,~~ An eligible nonprofit scholarship-funding organization
467 must also submit in a timely manner any information requested by
468 the Department of Education relating to the scholarship program.

469 (o) ~~(n)~~ 1. ~~a.~~ Must participate in the joint development of
470 agreed-upon procedures to be performed by an independent
471 certified public accountant as required under paragraph (8) (e)
472 if the scholarship-funding organization provided more than
473 \$250,000 in scholarship funds to an eligible private school
474 under this section during the 2009-2010 state fiscal year. The
475 agreed-upon procedures must uniformly apply to all private
476 schools and must determine, at a minimum, whether the private
477 school has been verified as eligible by the Department of
478 Education under paragraph (9) (c); has an adequate accounting
479 system, system of financial controls, and process for deposit
480 and classification of scholarship funds; and has properly
481 expended scholarship funds for education-related expenses.
482 During the development of the procedures, the participating
483 scholarship-funding organizations shall specify guidelines
484 governing the materiality of exceptions that may be found during
485 the accountant's performance of the procedures. The procedures
486 and guidelines shall be provided to private schools and the
487 Commissioner of Education by March 15, 2011.

488 2. b. Must participate in a joint review of the agreed-upon
489 procedures and guidelines developed under subparagraph 1. sub-
490 ~~subparagraph a.~~, by February 2013 and biennially thereafter, if
491 the scholarship-funding organization provided more than \$250,000
492 in scholarship funds to an eligible private school under this
493 section during the state fiscal year preceding the biennial

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494 review. If the procedures and guidelines are revised, the
495 revisions must be provided to private schools and the
496 Commissioner of Education by March 15, 2013, and biennially
497 thereafter.

498 ~~3.e.~~ Must monitor the compliance of a private school with
499 paragraph (8) (e) if the scholarship-funding organization
500 provided the majority of the scholarship funding to the school.
501 For each private school subject to paragraph (8) (e), the
502 appropriate scholarship-funding organization shall annually
503 notify the Commissioner of Education by October 30, ~~2011, and~~
504 ~~annually thereafter~~ of:

505 ~~a.(I)~~ A private school's failure to submit a report
506 required under paragraph (8) (e); or

507 ~~b.(II)~~ Any material exceptions set forth in the report
508 required under paragraph (8) (e).

509 ~~4.2.~~ Must seek input from the accrediting associations that
510 are members of the Florida Association of Academic Nonpublic
511 Schools when jointly developing the agreed-upon procedures and
512 guidelines under subparagraph 1. ~~sub-subparagraph 1.a.~~ and
513 conducting a review of those procedures and guidelines under
514 subparagraph 2 ~~sub-subparagraph 1.b.~~

515 (p) Each scholarship funding organization must maintain the
516 surety bond or letter of credit required by subparagraph
517 (16) (a)3. and adjust the bond or letter of credit annually to
518 equal the amount of undisbursed donations as required by the
519 Department of Education pursuant to paragraph (9) (q).

520
521 ~~Any and all~~ Information and documentation provided to the
522 Department of Education and the Auditor General relating to the

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523 identity of a taxpayer that provides an eligible contribution
524 under this section shall remain confidential at all times in
525 accordance with s. 213.053.

526 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
527 PARTICIPATION.—

528 (g) The parent must authorize the scholarship funding
529 organization to access information needed for income eligibility
530 determination and verification held by state or federal
531 agencies, including the Department of Revenue, Department of
532 Children and Family Services, Department of Education,
533 Department of Economic Opportunity, and the Agency for Health
534 Care Administration.

535 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An eligible
536 private school may be sectarian or nonsectarian and must:

537 (e) Annually contract with an independent certified public
538 accountant to perform the agreed-upon procedures developed under
539 paragraph (6) (o) ~~(6) (n)~~ and produce a report of the results if
540 the private school receives more than \$250,000 in funds from
541 scholarships awarded under this section in the 2010-2011 state
542 fiscal year or a state fiscal year thereafter. A private school
543 subject to this paragraph must submit the report by September
544 15, 2011, and annually thereafter to the scholarship-funding
545 organization that awarded the majority of the school's
546 scholarship funds. The agreed-upon procedures must be conducted
547 in accordance with attestation standards established by the
548 American Institute of Certified Public Accountants.

549

550 The inability of a private school to meet the requirements of
551 this subsection shall constitute a basis for the ineligibility

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552 of the private school to participate in the scholarship program
553 as determined by the Department of Education.

554 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
555 Education shall:

556 (d) Annually verify the eligibility of expenditures as
557 provided in paragraph (6) (d) using the audit required by
558 paragraph (6) (m) ~~(6) (l)~~.

559 (o) Provide a process to match the direct certification
560 list with the scholarship application data submitted by any
561 nonprofit scholarship-funding organization eligible to receive
562 the 3-percent administrative allowance under paragraph (6) (j)
563 ~~(6) (i)~~.

564 (q) On an annual basis, require each scholarship funding
565 organization to adjust surety bond or letter of credit amounts
566 to equal the amount of undisbursed donations held by that
567 organization based on the annual audit provided pursuant to
568 paragraph (6) (m).

569 (12) SCHOLARSHIP AMOUNT AND PAYMENT.—

570 (a) ~~1.~~ Except as provided in subparagraph 2., the amount of
571 a scholarship provided to any student for any single school year
572 by an eligible nonprofit scholarship-funding organization from
573 eligible contributions shall be for total costs authorized under
574 paragraph (6) (d), not to exceed annual limits, which shall be
575 determined as follows:

576 1.a. For a scholarship awarded to a student enrolled in an
577 eligible private school, ~~+~~

578 ~~(I) For the 2009-2010 state fiscal year, the limit shall be~~
579 ~~\$3,950.~~

580 ~~(II) For the 2010-2011 state fiscal year, the limit shall~~

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581 ~~be 60 percent of the unweighted FTE funding amount for that~~
582 ~~year.~~

583 ~~(III) For the 2011-2012 state fiscal year and thereafter,~~
584 the limit shall be determined by multiplying the unweighted FTE
585 funding amount in that state fiscal year by the percentage used
586 to determine the limit in the prior state fiscal year. However,
587 in each state fiscal year that the tax credit cap amount
588 increases pursuant to s. 1002.397 ~~subparagraph (5)(a)2.~~, the
589 prior year percentage shall be increased by 4 percentage points
590 and the increased percentage shall be used to determine the
591 limit for that state fiscal year. If the percentage so
592 calculated reaches 84 ~~80~~ percent in a state fiscal year, no
593 further increase in the percentage is allowed and the limit
594 shall be 84 ~~80~~ percent of the unweighted FTE funding amount for
595 that state fiscal year and thereafter.

596 b. For a scholarship awarded to a student enrolled in a
597 Florida public school that is located outside the district in
598 which the student resides or in a lab school as defined in s.
599 1002.32, the limit shall be \$500.

600 2. For the 2014-2015 and 2015-2016 state fiscal years, the
601 annual limit for a scholarship under sub-subparagraph 1.a. shall
602 be reduced by:

603 a. Twenty-five percent if the student's household income
604 level is equal to or greater than 200 percent, but less than 215
605 percent, of the federal poverty level.

606 b. Fifty percent if the student's household income level is
607 equal to or greater than 215 percent, but equal to or less than
608 230 percent, of the federal poverty level.

609 3. For the 2016-2017 state fiscal year and thereafter, the

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610 annual limit for a scholarship under sub-subparagraph 1.a. shall
611 be reduced by:

612 a. Twelve percent if the student's household income level
613 is greater than or equal to 200 percent, but less than 215
614 percent, of the federal poverty level.

615 b. Twenty-six percent if the student's household income
616 level is greater than or equal to 215 percent, but less than 230
617 percent, of the federal poverty level.

618 c. Forty percent if the student's household income level is
619 greater than or equal to 230 percent, but less than 245 percent,
620 of the federal poverty level.

621 d. Fifty percent if the student's household income level is
622 greater than or equal to 245 percent, but less than or equal to
623 260 percent, of the federal poverty level.

624 (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATION;
625 APPLICATION.—In order to participate in the scholarship programs
626 created by this section or s. 1002.396, a nonprofit scholarship-
627 funding organization must submit an application for initial
628 approval or renewal to the Office of Independent Education and
629 Parental Choice by September 1 of each year, before the year the
630 scholarship funding organization intends to offer scholarships.

631 (a) An application for initial approval must, at a minimum,
632 include:

633 1. A copy of the organization's incorporation documents and
634 registration with the Division of Corporations of the Department
635 of State.

636 2. A copy of the organization's IRS Determination Letter as
637 a s. 501(c)(3) not-for-profit organization.

638 3. A description of the financial plan that demonstrates

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- 639 sufficient funds to operate throughout the school year.
- 640 4. A copy of a surety bond or letter of credit in an amount
641 equal to 25 percent of the scholarship funds anticipated for
642 each school year.
- 643 5. A description of the geographic region the organization
644 intends to serve and an analysis of the demand and unmet need
645 for eligible students in that area.
- 646 6. The organization's organizational chart.
- 647 7. A description of the criteria and methodology that will
648 be used to evaluate scholarship eligibility.
- 649 8. A description of the application process, including
650 deadlines and any associated fees.
- 651 9. A description of the deadlines for attendance
652 verification and scholarship payments.
- 653 10. A copy of the organization's policies on conflict of
654 interest and whistleblowers.
- 655 (b) In addition to the information required by paragraph
656 (a), an application for renewal must, at a minimum, include:
- 657 1. The organization's completed IRS Form 990 that must be
658 submitted by November 30 of the year before the year the
659 organization intends to offer the scholarships, notwithstanding
660 the September 1 application deadline.
- 661 2. A copy of the statutorily required audit to the
662 Department of Education and Auditor General.
- 663 3. An annual report that includes:
- 664 a. The number of students who completed applications, by
665 county and by grade;
- 666 b. The number of students who were approved for
667 scholarships, by county and by grade;

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668 c. The number of students who received funding for
669 scholarships within each funding category as defined in sub-sub-
670 subparagraph (12) (a) 1.a., by county and by grade;

671 d. The amount of funds received, the amount of funds
672 distributed in scholarships, and an accounting of remaining
673 funds and the obligation of those funds; and

674 e. A detailed accounting of how the organization spent the
675 administrative funds allowable under paragraph (6) (j).

676 (c) In consultation with the Department of Revenue and the
677 Chief Financial Officer, the Office of Independent Education and
678 Parental Choice shall review the application. The Department of
679 Education shall notify the scholarship-funding organization, in
680 writing, of any deficiencies within 30 days after receipt of the
681 application, and allow the organization 30 days to correct such
682 deficiencies, if any.

683 (d) Within 30 days after receipt of the finalized
684 application by the Office of Independent Education and Parental
685 Choice, the Commissioner of Education shall recommend approval
686 or disapproval to the state board. The state board shall
687 consider the application and recommendation at the next
688 scheduled meeting, adhering to appropriate meeting notice
689 requirements. If the state board disapproves the organization's
690 application, it shall provide the organization with a written
691 explanation of that determination. The state board's action is
692 not subject to chapter 120.

693 (e) If the State Board of Education disapproves the renewal
694 of a scholarship funding organization, the organization must
695 notify the affected eligible students and parents of the
696 decision within 15 calendar days after disapproval. An eligible

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697 student affected by the disapproval of an organization's
698 participation remains eligible under this section until the end
699 of the school year in which the organization was disapproved.
700 The student must apply and be accepted by another eligible
701 scholarship-funding organization for the upcoming school year.
702 Such student shall be given priority in accordance with
703 paragraph (6) (f).

704 (f) All remaining funds held by a scholarship-funding
705 organization that is disapproved for participation shall revert
706 to the Department of Revenue for redistribution to other
707 eligible organizations.

708 (g) A scholarship-funding organization is considered a
709 renewing organization if it maintains continuous approval and
710 participation in the program. An organization that chooses not
711 to participate for 1 year or is disapproved to participate for 1
712 year must submit an application for initial approval in order to
713 participate in the program again.

714 (h) The state board shall adopt rules providing guidelines
715 for receiving, reviewing, and approving applications for new and
716 renewing scholarship-funding organizations. The rules must
717 include a process for compiling input and recommendations from
718 the Chief Financial Officer, the Department of Revenue, and the
719 Department of Education. The rules must also require that the
720 scholarship funding organization make a brief presentation to
721 assist the state board in its decision.

722 Section 4. Section 1002.396, Florida Statutes, is created
723 to read:

724 1002.396 Florida Sales Tax Credit Scholarship Program.—

725 (1) FINDINGS AND PURPOSE.—

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726 (a) The Legislature finds that:

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

729 2. Expanding educational opportunities and improving the
730 quality of educational services within the state are valid
731 public purposes that the Legislature may promote using its
732 sovereign power to determine subjects of taxation and exemptions
733 from taxation.

734 3. Ensuring that all parents regardless of means may
735 exercise and enjoy their basic right to educate their children
736 as they see fit is a valid public purpose that the Legislature
737 may promote using its sovereign power to determine subjects of
738 taxation and exemptions from taxation.

739 4. Expanding educational opportunities and the healthy
740 competition they promote are critical to improving the quality
741 of education in the state and to ensuring that all children
742 receive the high-quality education to which they are entitled.

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

744 1. Enable taxpayers to make private, voluntary
745 contributions to nonprofit scholarship-funding organizations in
746 order to promote the general welfare.

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

750 3. Promote the general welfare by expanding educational
751 opportunities for children of families that have limited
752 financial resources.

753 4. Enable children in this state to achieve a greater level
754 of excellence in their education.

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

758 (2) DEFINITIONS.—As used in this section, the term:

759 (a) "Annual tax credit amount" means, for any state fiscal
760 year, the sum of the amount of tax credits approved under
761 paragraph (5) (b).

762 (b) "Department" means the Department of Revenue.

763 (c) "Direct certification list" means the certified list of
764 children who qualify for the food assistance program, the
765 Temporary Assistance to Needy Families Program, or the Food
766 Distribution Program on Indian Reservations provided to the
767 Department of Education by the Department of Children and Family
768 Services.

769 (d) "Eligible contribution" means a monetary contribution
770 from a taxpayer, subject to the restrictions provided in this
771 section, to an eligible nonprofit scholarship-funding
772 organization. The taxpayer making the contribution may not
773 designate a specific child as the beneficiary of the
774 contribution.

775 (e) "Eligible nonprofit scholarship-funding organization"
776 means a charitable organization that:

777 1. Is exempt from federal income tax pursuant to s.
778 501(c)(3) of the Internal Revenue Code;

779 2. Is a Florida entity formed under chapter 607, chapter
780 608, or chapter 617 and whose principal office is located in the
781 state; and

782 3. Complies with the provisions of subsections (6) and
783 (16).

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784 (f) "Eligible private school" means a private school, as
785 defined in s. 1002.01, located in this state which offers an
786 education to students in any grades K-12 and that meets the
787 requirements of subsection (8).

788 (g) "Owner or operator" includes:

789 1. An owner, president, officer, or director of an eligible
790 nonprofit scholarship-funding organization or a person who has
791 equivalent decisionmaking authority over an eligible nonprofit
792 scholarship-funding organization.

793 2. An owner, operator, superintendent, or principal of an
794 eligible private school or a person who has equivalent
795 decisionmaking authority over an eligible private school.

796 (h) "Tax credit cap amount" means the maximum annual tax
797 credit amount that the department may approve in a state fiscal
798 year.

799 (i) "Unweighted FTE funding amount" means the statewide
800 average total funds per unweighted full-time equivalent funding
801 amount which are incorporated by reference in the General
802 Appropriations Act, or a subsequent special appropriations act,
803 for the applicable state fiscal year.

804 (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.—The Florida Sales Tax
805 Credit Scholarship Program is established.

806 (a) Contingent upon available funds, a student is eligible
807 for a tax credit scholarship under this section if the student
808 meets one or more of the criteria listed in s. 1002.395(3)(b).

809 (b) A student is not eligible for a scholarship under this
810 section if he or she satisfies any of the criteria listed in s.
811 1002.395(4).

812 (4) SCHOLARSHIP PROHIBITIONS.—A student is not eligible for

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813 a scholarship under this section if he or she satisfies any of
814 the criteria listed in s. 1002.395(4).

815 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

816 (a) The tax credit cap is as provided in s. 1002.397.

817 (b) A taxpayer may submit an application to the department
818 for a tax credit or credits under s. 212.1831(2). The taxpayer
819 shall specify in the application the applicable state fiscal
820 year for such credits. The department shall approve such tax
821 credits on a first-come, first-served basis. Within 10 days
822 after approving an application, the department must provide a
823 copy of its approval letter to the eligible nonprofit
824 scholarship-funding organization specified by the taxpayer in
825 the application.

826 (c) If a tax credit approved under paragraph (b) is not
827 fully used within the specified state fiscal year, the unused
828 amount may be carried forward for up to 5 years. However, a
829 taxpayer that seeks to carry forward an unused amount of tax
830 credit must submit an application to the department for approval
831 of the carryforward tax credit in the year that the taxpayer
832 intends to use the carryforward.

833 (d) A taxpayer may not convey, assign, or transfer an
834 approved tax credit or a carryforward tax credit to another
835 entity unless all of the assets of the taxpayer are conveyed,
836 assigned, or transferred in the same transaction. However, a tax
837 credit granted under this section may be conveyed, transferred,
838 or assigned between the members of an affiliated group of
839 corporations. A taxpayer must notify the department of the
840 intent to convey, transfer, or assign a tax credit to another
841 member within an affiliated group of corporations. The amount

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842 conveyed, transferred, or assigned is available to another
843 member of the affiliated group of corporations upon approval by
844 the department.

845 (e) Within any state fiscal year, a taxpayer may rescind
846 all or part of a tax credit approved under paragraph (b). The
847 amount rescinded becomes available for that state fiscal year to
848 another eligible taxpayer as approved by the department if the
849 taxpayer receives notice from the department that the
850 rescindment has been accepted by the department. Any amount
851 rescinded under this paragraph becomes available to an eligible
852 taxpayer on a first-come, first-served basis based on tax credit
853 applications received after the date the rescindment is accepted
854 by the department.

855 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
856 ORGANIZATIONS.—Section 1002.395(6) applies to each eligible
857 nonprofit scholarship-funding organization participating in the
858 scholarship program established by this section.

859 (7) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
860 PARTICIPATION.—Each parent and each student has the same
861 obligations and responsibilities as imposed by s. 1002.395(7).

862 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—An eligible
863 private school may be sectarian or nonsectarian and must comply
864 with all of the requirements imposed by s. 1002.395(8).

865 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
866 Education shall:

867 (a) Annually by March 15 submit to the department and
868 division a list of eligible nonprofit scholarship-funding
869 organizations.

870 (b) Annually verify the eligibility of nonprofit

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871 scholarship-funding organizations.

872 (c) Annually verify the eligibility of private schools that
873 meet the requirements of s. 1002.395(8).

874 (d) Annually verify the eligibility of expenditures as
875 provided in s. 1002.395(6) (d) using an audit as required by s.
876 1002.395(6) (m) .

877 (e) Establish a toll-free hotline that provides parents and
878 private schools with information on participation in the
879 scholarship program.

880 (f) Establish a process by which individuals may notify the
881 Department of Education of any violation by a parent, private
882 school, or school district of state laws relating to program
883 participation. The Department of Education shall conduct an
884 inquiry of a written complaint of a violation of this section,
885 or make a referral to the appropriate agency for an
886 investigation, if the complaint is signed by the complainant and
887 is legally sufficient. A complaint is legally sufficient if it
888 contains ultimate facts that show that a violation of this
889 section or any rule adopted by the State Board of Education has
890 occurred. In order to determine legal sufficiency, the
891 Department of Education may require supporting information or
892 documentation from the complainant. A department inquiry is not
893 subject to chapter 120.

894 (g) Require an annual, notarized, sworn compliance
895 statement by participating private schools certifying compliance
896 with state laws and retain such records.

897 (h) Cross-check the list of participating scholarship
898 students with the public school enrollment lists to avoid
899 duplication.

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900 (i) Maintain a list of nationally norm-referenced tests
901 identified for purposes of satisfying the testing requirement in
902 s. 1002.395(8)(c)2. The tests must meet industry standards of
903 quality in accordance with State Board of Education rule.

904 (j) Select an independent research organization, which may
905 be a public or private entity or university, to which
906 participating private schools must report the scores of
907 participating students on the nationally norm-referenced tests
908 or the statewide assessments administered by the private school
909 in grades 3 through 10.

910 1. The independent research organization must annually
911 report to the Department of Education on the year-to-year
912 learning gains of participating students:

913 a. On a statewide basis. The report must also include, to
914 the extent possible, a comparison of these learning gains to the
915 statewide learning gains of public school students with
916 socioeconomic backgrounds similar to those of students
917 participating in the scholarship program. To minimize costs and
918 reduce time required for the independent research organization's
919 analysis and evaluation, the Department of Education shall
920 conduct analyses of matched students from public school
921 assessment data and calculate control group learning gains using
922 an agreed-upon methodology outlined in the contract with the
923 independent research organization; and

924 b. According to each participating private school in which
925 there are at least 30 participating students who have scores for
926 tests administered during or after the 2009-2010 school year for
927 2 consecutive years at that private school.

928 2. The sharing and reporting of student learning gain data

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929 under this paragraph must be in accordance with 20 U.S.C. s.
930 1232g, the Family Educational Rights and Privacy Act, and shall
931 be for the sole purpose of creating the annual report required
932 by subparagraph 1. All parties must preserve the confidentiality
933 of such information as required by law. The annual report must
934 not disaggregate data to a level that identifies individual
935 participating schools, except as required under sub-subparagraph
936 1.b., or disclose the academic level of individual students.

937 3. The annual report required by subparagraph 1. shall be
938 published by the Department of Education on its website.

939 (k) Notify an eligible nonprofit scholarship-funding
940 organization of any of the organization's identified students
941 who are receiving educational scholarships pursuant to this
942 chapter.

943 (l) Notify an eligible nonprofit scholarship-funding
944 organization of any of the organization's identified students
945 who are receiving tax credit scholarships from other eligible
946 nonprofit scholarship-funding organizations.

947 (m) Require quarterly reports by an eligible nonprofit
948 scholarship-funding organization regarding the number of
949 students participating in the scholarship program, the private
950 schools at which the students are enrolled, and other
951 information deemed necessary by the Department of Education.

952 (n)1. Conduct site visits to private schools participating
953 in the Florida Sales Tax Credit Scholarship Program. The sole
954 purpose of the site visits is to verify the information reported
955 by the schools concerning the enrollment and attendance of
956 students, the credentials and background screening of teachers,
957 including fingerprinting results. The Department of Education

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958 may not make more than seven site visits each year; however, the
959 department may make additional site visits at any time to a
960 school that has received a notice of noncompliance or a notice
961 of proposed action within the previous 2 years.

962 2. Annually, by December 15, report to the Governor, the
963 President of the Senate, and the Speaker of the House of
964 Representatives the Department of Education's actions with
965 respect to implementing accountability in the scholarship
966 program under this section and s. 1002.421; any substantiated
967 allegations or violations of law or rule by an eligible private
968 school under this program concerning the enrollment and
969 attendance of students, the credentials of teachers, background
970 screening of teachers, and teachers' fingerprinting results; and
971 the corrective action taken by the Department of Education.

972 (o) Provide a process to match the direct certification
973 list with the scholarship application data submitted by a
974 nonprofit scholarship-funding organization eligible to receive
975 the 3 percent administrative allowance under s. 1002.395(6)(j).

976 (p) Upon the request of a participating private school,
977 provide at no cost to the school the statewide assessments
978 administered under s. 1008.22 and any related materials for
979 administering the assessments. Students at a private school may
980 be assessed using the statewide assessments if the addition of
981 those students and the school does not cause the state to exceed
982 its contractual caps for the number of students tested and the
983 number of testing sites. The state shall provide the same
984 materials and support to a private school that it provides to a
985 public school. A private school that chooses to administer
986 statewide assessments under s. 1008.22 shall follow the

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987 requirements set forth in ss. 1008.22 and 1008.24, rules adopted
988 by the State Board of Education to implement those sections, and
989 district-level testing policies established by the district
990 school board.

991 (g) On an annual basis, require each scholarship funding
992 organization to adjust surety bond or letter of credit amounts
993 to equal the amount of undisbursed donations held by that
994 organization based on the annual audit provided pursuant to s.
995 1002.395(6) (m) .

996 (10) SCHOOL DISTRICT OBLIGATIONS; PARENTAL OPTIONS.-

997 (a) Upon the request of an eligible nonprofit scholarship-
998 funding organization, a school district shall inform all
999 households within the district receiving free or reduced-priced
1000 meals under the National School Lunch Act of their eligibility
1001 to apply for a tax credit scholarship. The form of such notice
1002 shall be provided by the eligible nonprofit scholarship-funding
1003 organization, and the district shall include the provided form,
1004 if requested by the organization, in any normal correspondence
1005 with eligible households. If an eligible nonprofit scholarship-
1006 funding organization requests a special communication to be
1007 issued to households within the district receiving free or
1008 reduced-price meals under the National School Lunch Act, the
1009 organization shall reimburse the district for the cost of
1010 postage. Such notice is limited to once a year.

1011 (b) Upon the request of the Department of Education, a
1012 school district shall coordinate with the department to provide
1013 to a participating private school the statewide assessments
1014 administered under s. 1008.22 and any related materials for
1015 administering the assessments. A school district is responsible

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1016 for implementing test administrations at a participating private
1017 school, including:

1018 1. The provision of training for private school staff on
1019 test security and assessment administration procedures;

1020 2. The distribution of testing materials to a private
1021 school;

1022 3. The retrieval of testing materials from a private
1023 school;

1024 4. The provision of the required format for a private
1025 school to submit information to the district for test
1026 administration and enrollment purposes; and

1027 5. The provision of any required assistance, monitoring, or
1028 investigation at a private school.

1029 (11) COMMISSIONER OF EDUCATION AUTHORITY AND OBLIGATIONS.-
1030 The Commissioner of Education has all the powers and is subject
1031 to the same limitations as provided under s. 1002.395(11) to
1032 deny, suspend, or revoke participation in the scholarship
1033 program established by this section.

1034 (12) SCHOLARSHIP AMOUNT AND PAYMENT.-

1035 (a) The amount of a scholarship provided to a student for a
1036 single school year by an eligible nonprofit scholarship-funding
1037 organization from eligible contributions shall be for total
1038 costs authorized under s. 1002.395(6)(d), up to annual limits,
1039 which shall be determined pursuant to s. 1002.395(12)(a).

1040 (b) Payment of the scholarship by the eligible nonprofit
1041 scholarship-funding organization shall be by individual warrant
1042 made payable to the student's parent. If the parent chooses that
1043 his or her child attend an eligible private school, the warrant
1044 must be delivered by the eligible nonprofit scholarship-funding

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1045 organization to the private school of the parent's choice and
1046 the parent shall restrictively endorse the warrant to the
1047 private school. An eligible nonprofit scholarship-funding
1048 organization shall ensure that the parent to whom the warrant is
1049 made restrictively endorse the warrant to the private school for
1050 deposit into the account of the private school.

1051 (c) An eligible nonprofit scholarship-funding organization
1052 shall obtain verification from the private school of a student's
1053 continued attendance at the school for each period covered by a
1054 scholarship payment.

1055 (d) Payment of the scholarship shall be made by the
1056 eligible nonprofit scholarship-funding organization at least
1057 quarterly.

1058 (13) ADMINISTRATION; RULES.-

1059 (a) The department and the Department of Education shall
1060 develop a cooperative agreement to assist in the administration
1061 of this section.

1062 (b) The department shall adopt rules necessary to
1063 administer this section, including rules establishing
1064 application forms, procedures governing the approval of tax
1065 credits, and procedures to be followed by taxpayers when
1066 claiming approved tax credits on their returns.

1067 (c) The State Board of Education shall adopt rules to
1068 administer the responsibilities of the Department of Education
1069 and the Commissioner of Education under this section.

1070 (14) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.-All eligible
1071 contributions received by an eligible nonprofit scholarship-
1072 funding organization shall be deposited in a manner consistent
1073 with s. 17.57(2).

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1074 (15) PRESERVATION OF CREDIT.—If any provision or portion of
1075 this section or s. 212.1831 or the application thereof to any
1076 person or circumstance is held unconstitutional by any court or
1077 is otherwise declared invalid, the unconstitutionality or
1078 invalidity does not affect any credit earned under s. 212.1831
1079 by a taxpayer with respect to any contribution paid to an
1080 eligible nonprofit scholarship-funding organization before the
1081 date of a determination of unconstitutionality or invalidity.
1082 Such credit shall be allowed at such time and in such a manner
1083 as if a determination of unconstitutionality or invalidity had
1084 not been made if nothing in this subsection by itself or in
1085 combination with any other provision of law results in the
1086 allowance of any credit to any taxpayer greater than \$1 of
1087 credit for each dollar paid to an eligible nonprofit
1088 scholarship-funding organization.

1089 (16) NONPROFIT SCHOLARSHIP-FUNDING ORGANIZATIONS.—In order
1090 to participate in the scholarship program created by this
1091 section, a nonprofit scholarship-funding organization must
1092 comply with all of the obligations imposed under s.
1093 1002.395(16).

1094 Section 5. Section 1002.397, Florida Statutes, is created
1095 to read:

1096 1002.397 Scholarship Funding Tax Credit Cap Limits.—The
1097 Department of Revenue may approve annual tax credit amounts
1098 under s. 1002.395 or s. 1002.396 until the sum of such approvals
1099 under both sections combined reaches the following limits:

1100 (1) Beginning in the 2014-2015 state fiscal year, the limit
1101 is \$390 million.

1102 (2) In the state fiscal year immediately subsequent to the

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1103 first state fiscal year in which the sum of annual tax credit
1104 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1105 than 90 percent of the limit set forth in subsection (1), the
1106 limit is \$475 million.

1107 (3) In the state fiscal year immediately subsequent to the
1108 first state fiscal year in which the sum of annual tax credit
1109 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1110 than 90 percent of the limit set forth in subsection (2), the
1111 limit is \$590 million.

1112 (4) In the state fiscal year immediately subsequent to the
1113 first state fiscal year in which the sum of annual tax credit
1114 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1115 than 90 percent of the limit set forth in subsection (3), the
1116 limit is \$730 million.

1117 (5) In the state fiscal year immediately subsequent to the
1118 first state fiscal year in which the sum of annual tax credit
1119 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1120 than 90 percent of the limit set forth in subsection (4), the
1121 limit is \$873.6 million.

1122 (6) For each state fiscal year following the fiscal year in
1123 which the limit in subsection (5) has been reached, the limit is
1124 the same as the limit in the prior state fiscal year. However,
1125 for any state fiscal year in which the sum of annual tax credit
1126 amounts under ss. 1002.395 and 1002.396 is equal to or greater
1127 than 90 percent of the limit applicable to that state fiscal
1128 year, the limit increases by 25 percent for the immediately
1129 subsequent state fiscal year. The Department of Revenue shall
1130 publish information on its website identifying the limit amount
1131 when it is increased pursuant to this section.

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1132 Section 6. Subsection (1) of section 1002.421, Florida
1133 Statutes, is amended to read:

1134 1002.421 Accountability of private schools participating in
1135 state school choice scholarship programs.—

1136 (1) A Florida private school participating in the Florida
1137 Tax Credit Scholarship Program established pursuant to s.
1138 1002.395, the Florida Sales Tax Credit Scholarship Program
1139 established pursuant to s. 1002.396, or an educational
1140 scholarship program established pursuant to this chapter must
1141 comply with all requirements of this section in addition to
1142 private school requirements outlined in s. 1002.42, specific
1143 requirements identified within respective scholarship program
1144 laws, and other provisions of state ~~Florida~~ law that apply to
1145 private schools.

1146 Section 7. A scholarship funding organization whose
1147 application for participation in the program established by s.
1148 1002.395 was approved before July 1, 2014, shall, by August 1,
1149 2014, provide a copy of a surety bond or letter of credit to the
1150 Office of Independent Education and Parental Choice and
1151 thereafter adjust the amount of the surety bond or letter of
1152 credit as required by the Department of Education in accordance
1153 with s. 1002.395(9)(q).

1154 Section 8. The Department of Revenue and Department of
1155 Education may, and all conditions are deemed met to, adopt
1156 emergency rules pursuant to ss. 120.536(1) and 120.54, Florida
1157 Statutes, to administer this act.

1158 Section 9. This act shall take effect July 1, 2014.