AN ACT
RELATING TO EDUCATION -- PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

Introduced By: Representatives E Coderre, and Corvese

Date Introduced: May 16, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 16 of the General Laws entitled "EDUCATION" is hereby amended by adding thereto the following chapter:

CHAPTER 100
PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

16-100-1. Short title. -- This act shall be known and may be cited as the "Parental Choice Scholarship Program Act."

16-100-2. Definitions. -- The following words and phrases when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

(1) "Adequate funding" means the amount of money defined as adequate funding per student, as determined by applicable law for the academic year that the scholarship is utilized.

(2) "Department" means the Rhode Island department of education. The general assembly reserves the right to transfer oversight of this program from the department of education to another body, to be chosen by the general assembly, if it determines that program success would be better facilitated by removal from the department of education.

(3) "Eligible student" means any elementary or secondary student who was eligible to attend a public school in Rhode Island in the preceding semester or is starting school in Rhode Island for the first time.

(4) "Home school" means a school provided by a parent or legal guardian for his or her own child.
(5) "Parent" means a biological or adoptive parent, guardian, custodian, or other person with the authority to act on behalf of the child.

(6) "Parent choice scholarship award" means the amount of money that follows the child to the school which the parent selects for their education.

(7) "Participating school" means either a public school outside of the resident school district, a charter school, magnet school, alternative school or a private school that provides education to elementary and/or secondary students and has notified the department of its intention to participate in the program and comply with the program requirements.

(8) "Program" means the parental choice scholarship program created in this chapter.

(9) "Resident school district" means the public school district in which the student resides.

16-100-3. Elements of program. -- (a) Any parent of an eligible student shall qualify for a scholarship for their child to enroll in and attend a participating school.

(b) An eligible student means a student who:

(1) Is a member of a household whose total annual income does not exceed an amount equal to three (3) times the income standard used to qualify for a reduced price lunch under the national free or reduced price lunch program established under 42 USC Section 1751 et seq.

(c) The scholarship is the entitlement of the eligible student under the supervision of the student's parent and not that of any school.

(d) A participating school that has more eligible students applying than spaces available shall fill the available spaces by a random selection process, except that participating schools may give preference to siblings of enrolled students.

(e) If a student is denied admission to a participating school because it has too few available spaces, the parent of that eligible student may transfer his or her scholarship to a participating school that has spaces available.

(f) An eligible student may attend a participating school until his or her graduation from high school or twenty-first (21st) birthday, whichever comes first.

(g) Eligible students that enroll in a participating school may, at the parent's discretion, participate in fine arts and sports programs available through their child's resident school district at no cost, if the participating school does not offer a similar program.

(h) The department shall adopt rules consistent with this chapter regarding:

(1) The creation of notification methodologies and timelines that will maximize student and public and private school participation;

(2) The creation of a simple and straightforward scholarship application procedures for...
eligible students and participating schools; and

(3) The calculation and distribution of scholarship funds to participating schools for eligible students no later than September 1\textsuperscript{st} for the fall semester and February 1\textsuperscript{st} for the spring semester.

16-100-4. Funding guidelines. -- (a) Any eligible student will qualify for a scholarship calculated by the following schedule:

(1) For students from households qualifying for the federal free or reduced-price lunch program, the scholarship amount shall be equal to the lesser of:

(i) The participating school's annual cost-per-pupil, including both operational and capital facility costs; or

(ii) The dollar amount the resident school district would have received to serve and educate the eligible student from state and local sources had the student enrolled there.

(2) For students from households with an annual income greater than the amount required to qualify for the free or reduced lunch program but less than one and one-half (1.5) times that amount, the scholarship amount shall be equal to the lesser of:

(i) Seventy-five percent (75\%) of the dollar amount the resident school district would have received to serve and educate the eligible student from state and local sources had the student enrolled there; or

(ii) The participating school's annual cost-per-pupil, including both operational and capital facility costs.

(3) For students from households with an annual income of greater than one and one-half (1.5) times the amount required to qualify for the free or reduced lunch program but less than two (2) times that amount, the scholarship amount shall be equal to the lesser of:

(i) Fifty percent (50\%) of the dollar amount the resident school district would have received to serve and educate the eligible student from state and local sources had the student enrolled there; or

(ii) The participating school's annual cost-per-pupil, including both operational and capital facility costs.

(4) For students from households with an annual income of greater than two (2) times the amount required to qualify for the free or reduced lunch program but less than two and one-half (2.5) times that amount, the scholarship amount shall be equal to the lesser of:

(i) Twenty-five percent (25\%) of the dollar amount the resident school district would have received to serve and educate the eligible student from state and local sources had the student enrolled there; or
(ii) The participating school's annual cost-per-pupil, including both operational and capital facility costs.

(5) For students from households with an annual income of greater than two and one-half (2.5) times the amount required to qualify for the free or reduced lunch program but less than three (3) times that amount, the scholarship amount shall be equal to the lesser of:

(i) Fifteen percent (15%) of the dollar amount the resident school district would have received to serve and educate the eligible student from state and local sources had the student enrolled there; or

(ii) The participating school's annual cost-per-pupil, including both operational and capital facility costs.

(b) A participating student shall be counted in the enrollment figures for his or her resident school district for the purpose of calculating state aid to the resident school district. The funds needed for a scholarship shall be subtracted from the state school aid payable to the student's resident school district.

(c) A participating school may not refund, rebate or share a student's scholarship with a parent or the student in any manner. A student's scholarship may only be used for educational purposes.

(d) Any aid the resident school district would have received for the student that is in excess of the funds needed for a scholarship to the participating school selected by the parent shall be sent to the residing school district of the eligible student.

16-100-5. Accountability standards for participating schools. -- (a) Administrative Accountability Standards. - To ensure that students are treated fairly and kept safe, all participating private schools shall:

(1) Comply with all health and safety laws or codes that apply to private schools;

(2) Hold a valid occupancy permit if required by their municipality;

(3) Certify that they comply with the nondiscrimination policies set forth in 42 USC 1981; and

(4) Conduct criminal background checks on employees. The participating school shall then:

(i) Exclude from employment any people not permitted by state law to work in a private school; and

(ii) Exclude from employment any people that might reasonably pose a threat to the safety of students.

(b) Financial Accountability Standards. - To ensure that public funds are spent
appropriately, all participating, private schools shall:

(1) Demonstrate their financial accountability by:

(i) Annually submitting to the department a financial information report for the school that complies with uniform financial accounting standards established by the department and conducted by a certified public accountant; and

(ii) Having an auditor certify that the report is free of material misstatements and fairly represents the costs per pupil, including the costs of the testing required herein. The auditor's report shall be limited in scope to those records that are necessary for the department to make payments to participating schools on behalf of parents for scholarships.

(2) Demonstrate their financial viability by showing they can repay any funds that might be owed the state, if they are to receive fifty thousand dollars ($50,000) or more during the school year, by:

(i) Filing with the department prior to the start of the school year a surety bond payable to the state in an amount equal to the aggregate amount of the parental school choice scholarships expected to be paid during the school year to students admitted to the participating school; or

(ii) Filing with the department prior to the start of the school year financial information that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the parental choice scholarships expected to be paid during the school year to students admitted to the participating school. This information could include personal guarantees, reserve accounts or escrow accounts.

(c) Academic Accountability Standards. - There must be sufficient information about the academic impact parental choice scholarships have on participating students in order to allow parents and taxpayers to measure the achievements of the program, and therefore:

(1) Participating schools shall:

(i) Annually administer nationally recognized norm-referenced tests chosen by the participating school, that measure learning gains in math and language arts to all participating students in grades that require testing under the state’s accountability testing laws for public schools; and

(ii) Provide the parents of each student with a copy of the results of the tests on an annual basis, beginning with the first year of testing; and

(iii) Provide the test results to the state or an organization chosen by the state on an annual basis, beginning with the first year of testing; and

(iv) Report student information that would allow the state to aggregate data by grade level, gender, family income level, and race; and
(v) Provide graduation rates of participating students to the department or an organization chosen by the state in a manner consistent with nationally recognized standards; and

(vi) For programs that provide education and training for children with special needs, annual testing that is most appropriate for the student based upon their individual needs and challenges, and best professional standards, may be substituted for the state achievement test.

(2) The state or an organization chosen by the state shall:

(i) Ensure compliance with all student privacy laws; and

(ii) Collect all test results; and

(iii) Provide the test results and associate learning gains to the public via a state website after the third (3rd) year of test and test-related data collection. The findings shall be aggregated by the student's grade level, gender, family income level, number of years participating in the scholarship program, and race.

(d) The sole purpose of requiring testing is to provide participating schools, parents and home school parents a benchmark to evaluate the progress of their students. The state does not have the authority, based on the student's test performance, to require any student to transfer from one educational environment to another; or to mandate curriculum changes of any kind to the educational curriculum provided by the participating school or by home school parents. Selection of an educational environment for each child is the exclusive right and sole responsibility of the parent.

(e) Participating School Autonomy. - A participating, private school is autonomous and not an agent of the state or federal government and therefore:

(1) The department or any other state agency may not in any way regulate the educational program of a participating, private school that accepts students who utilize a parental choice scholarship; and

(2) The creation of the parental choice scholarship program does not expand the regulatory authority of the state, its officers, or any school district to impose any additional regulation of private schools beyond those necessary to enforce the requirements of the program; and

(3) Participating schools shall be given maximum freedom to provide for the educational needs of their students without government control; and

(4) Participating schools will be bound by their current teacher qualification and certification requirements.

16-100-6. Responsibilities of the department of education. -- (a) The department shall ensure that eligible students and their parents are informed annually of which schools will be
participating in the parental school choice scholarship program. Special attention shall be paid to ensuring that lower-income families are made aware of the program and their options.

(b) The department shall create a standard application that students interested in the parental choice scholarship program can use to submit to participating schools to establish their eligibility and apply for admissions. Participating schools may require supplemental information from applicants. The department shall ensure that the application is readily available to interested families through various sources, including the Internet.

(c) The department may bar a school from participation in the parental choice scholarship program if the department establishes that the participating school has:

(1) Intentionally and substantially misrepresented information required hereunder; or
(2) Routinely failed to comply with the accountability standards established by this chapter; or
(3) Failed to comply with any other provisions of this chapter; or
(4) Failed to refund to the state any scholarship overpayments in a timely manner.

(d) If the department decides to bar a participating school from the program, it shall notify eligible students and their parents of this decision as quickly as possible. Participating students attending a school barred by the department shall retain scholarship eligibility to attend another participating school.

(e) The department shall adopt rules and procedures as necessary for the administration of the parental school choice scholarship program.

16-100-7. Responsibilities of resident school districts. -- (a) The resident school district shall provide a participating school that has admitted an eligible student under this program with a complete copy of the student's school records while complying with the Family Educational Rights and Privacy Act of 1974 (20 USC Section 1232g).

(b) The resident school district shall provide transportation for an eligible student to and from the participating school under the same conditions as the resident school district is required to provide transportation for other resident students to private school as per current law. The resident school district shall qualify for state transportation aid for each student so transported.

(c) If desired by the parent, the resident school district will allow students who live in their district, but attend another participating school or are home schooled, to participate in the district's fine arts and athletic programs.

16-100-8. Evaluation. -- (a) The department may contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the program with funds other than state funds.
(b) The study shall assess:

1. The level of participating students' satisfaction with the program; and
2. The level of parental satisfaction with the program; and
3. The fiscal impact to the state and resident school districts of the program; and
4. The resulting competition from private schools on the resident school districts, public school students, and quality of life in a community; and
5. The impact of the program on public and private school capacity, availability and quality; and
6. The academic performance and graduation rates of students who participate in this program in comparison to students who applied for a scholarship under this program but did not receive one because of random selection.

(c) The researchers who conduct the study shall:

1. Apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study;
2. Protect the identity of participating schools and students by, among other things, keeping anonymous all disaggregated data other than that for the categories of grade level, gender and race and ethnicity; and
3. Provide the general assembly with a final copy of the evaluation of the program.

(d) The relevant public and participating private schools shall cooperate with the research effort by providing student assessment results and any other data necessary to complete this study.

(e) The department may accept grants to assist in funding this study.

(f) The study shall cover a period of thirteen (13) years. The general assembly may require periodic reports from the researchers. After publishing their results, the researchers shall make their data and methodology available for public review, while complying with the requirements of the Family Educational Rights and Privacy Act (20 USC Section 1232g).

16-100-9. Effective dates. -- (a) The parental school choice scholarship program will be effective fall 2013 for students enrolled in kindergarten through ninth (9th) grade.

(b) Each fall an additional grade will be added to the program.

(c) Exceptions to the above schedule include:

1. All special education students, regardless of age, are eligible to participate in the program effective fall 2013.
2. In addition to participating schools, scholarship funds may be used for special education training and/or development programs designed for persons with a particular disability.
diagnosis.

(2) Students whose siblings are enrolled in a participating school are eligible to transfer to the participating school, at the parent’s discretion, regardless of age.

(3) Access to participation in fine arts and athletic programs, as described herein, is effective fall 2013 for all grade levels.

SECTION 2. This act shall take effect upon passage.
EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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RELATING TO EDUCATION – PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

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1 This act would create the Parental Choice Scholarship Program Act.

2 This act would take effect upon passage.

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