

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 2483

4
5 By: Representative Harris
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For An Act To Be Entitled

8
9 AN ACT TO ESTABLISH THE PARENTAL CHOICE
10 SCHOLARSHIP PROGRAM; AND FOR OTHER PURPOSES.
11

Subtitle

12
13 AN ACT TO ESTABLISH THE PARENTAL CHOICE
14 SCHOLARSHIP PROGRAM.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code Title 6, Chapter 18 is amended to create an
20 additional subchapter to read as follows:

21 SUBCHAPTER 16 – PARENTAL CHOICE SCHOLARSHIP PROGRAM
22

23 6-18-1601. Title.

24 This subchapter shall be known and may be cited as the "Parental Choice
25 Scholarship Program".
26

27 6-18-1602. Definitions.

28 As used in this subchapter:

29 (1) "Eligible student" means a student who:

30 (A) Is a member of a household whose total annual income
31 does not exceed an amount equal to two and five-tenths (2.5) multiplied by
32 the income standard used to qualify for a reduced price lunch under the
33 federal Free or Reduced Price Lunch Program, 42 U.S.C. § 1751 et seq.;

34 (B) Was eligible to attend an Arkansas public school in
35 the preceding school year or is enrolling in an Arkansas public school for
36 the first time; and



1 (C) Resides in Arkansas while receiving a scholarship
 2 under this subchapter;

3 (2) "Parent" means a parent, guardian, custodian, or other
 4 person with the authority to act on behalf of the student;

5 (3) "Participating school" means either a public school outside
 6 of the resident school district or any nonpublic school that provides
 7 education to elementary or secondary students and has notified the Department
 8 of Education of its intention to participate in the program and comply with
 9 the program's requirements; and

10 (4) "Resident school district" means the public school district
 11 in which the student resides.

12
 13 6-18-1603. Eligibility – Scholarship.

14 (a) Any eligible student will qualify for an annual scholarship to
 15 attend a participating school.

16 (b) Eligible students may attend a participating school until the
 17 earlier of the student's graduation from high school or the student's twenty-
 18 first birthday.

19 (c) Scholarship amounts shall be calculated according to the following
 20 schedule:

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

24 (A) The participating school's annual cost per student,
 25 including both operational and capital facility costs; or

26 (B) The dollar amount the resident school district would
 27 have received to serve and educate the eligible student from state and local
 28 sources had the student enrolled there;

29 (2) For students from households with an annual income greater
 30 than the amount required to qualify for the federal free or reduced-price
 31 lunch program but less than or equal to one and five-tenths (1.5) multiplied
 32 by that amount, the scholarship amount shall be equal to the lesser of:

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

1 (B) The participating school’s annual cost per student,
2 including both operational and capital facility costs;

3 (3) For students from households with an annual income of
4 greater than one and five-tenths (1.5) multiplied by the amount required to
5 qualify for the federal free or reduced-price lunch program but less than or
6 equal to two (2) times that amount, the scholarship amount shall be equal to
7 the lesser of:

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

11 (B) The participating school’s annual cost per student,
12 including both operational and capital facility costs; and

13 (4) For students from households with an annual income of
14 greater than two (2) multiplied by the amount required to qualify for the
15 federal free or reduced-price lunch program but less than or equal to two and
16 five-tenths (2.5) multiplied by that amount, the scholarship amount shall be
17 equal to the lesser of:

18 (A) Twenty-five percent (25%) of the dollar amount the
19 resident school district would have received to serve and educate the
20 eligible student from state and local sources had the student enrolled there;
21 or

22 (B) The participating school’s annual cost per student,
23 including both operational and capital facility costs.

24 (d) The scholarship is the entitlement of the eligible student under
25 the supervision of the student’s parent and not that of any school.

26 (e) A participating school may not refund, rebate, or share a
27 student’s scholarship with a parent or the student in any manner.

28 (f) A student’s scholarship may only be used for educational purposes.

29 (g)(1) Eligible students who qualify for the federal free or reduced-
30 price lunch program may attend any participating school in the Parental
31 Choice Scholarship Program at no charge to the student.

32 (2) The scholarship under this subchapter covers the cost of all
33 tuition and mandatory fees for the student.

34 (3) Participating schools may charge the difference between the
35 scholarship amount and all tuition and mandatory fees for eligible students
36 from households with incomes that exceed the annual income required to

1 qualify for the federal free or reduced-price lunch program.

2 (h) Participating schools that have more eligible students applying
 3 than spaces available shall fill the available spaces by a random selection
 4 process, except that participating schools may give preference to siblings of
 5 enrolled students and previously enrolled scholarship students under this
 6 subchapter.

7 (i) If a student is denied admission to a participating school because
 8 it no available space, the eligible student may transfer his or her
 9 scholarship to a participating school that has space available.

10 (j)(1) An eligible student shall be counted in the enrollment figures
 11 for his or her resident school district for the purposes of calculating state
 12 foundation funding aid to the resident school district.

13 (2) The funds needed for a scholarship shall be subtracted from
 14 the state foundation funding aid payable to the student's resident school
 15 district.

16 (3) Any state foundation funding aid the school district would
 17 have received for the student in excess of the funds needed for a scholarship
 18 will be retained by the state.

19 (k) The department shall adopt rules consistent with this subchapter
 20 regarding:

21 (1) The eligibility and participation of non-public schools,
 22 including timelines that will maximize student, public school, and non-public
 23 school participation;

24 (2) The calculation and distribution of scholarships to eligible
 25 students; and

26 (3) The application and approval procedures for scholarships for
 27 eligible students and participating schools.

28
 29 6-18-1604. Accountability standards for participating schools.

30 (a) To ensure that students are treated fairly and kept safe, all
 31 participating schools shall:

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

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

36 (3) Certify that they will not discriminate in admissions on the

1 basis of race, color, national origin, religion or disability; and

2 (4) Comply with all state laws that apply to nonpublic schools
 3 regarding criminal background checks for employees and exclude from
 4 employment any people not permitted by state law to work in a nonpublic
 5 school.

6 (b) To ensure that public funds are spent appropriately, all
 7 participating nonpublic schools shall:

8 (1) Demonstrate their financial accountability by:

9 (A) Submitting a financial information report for the
 10 school that complies with uniform financial accounting standards established
 11 by the Department of Education and conducted by an auditor who is a certified
 12 public accountant; and

13 (B)(i) Having the auditor certify that the report is free
 14 of material misstatements and fairly represents the costs per student under §
 15 6-18-1603(c).

16 (ii) The auditor's report shall be limited in scope
 17 to those records that are necessary for the department to make payments to
 18 participating schools on behalf of parents for scholarships; and

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

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

26 (B) Filing with the department prior to the start of the
 27 school year financial information that demonstrates the school has the
 28 ability to pay an aggregate amount equal to the amount of the parental choice
 29 scholarships expected to be paid during the school year to students admitted
 30 at the participating school.

31 (c) To ensure that schools provide academic accountability to parents
 32 of students in the Parental Choice Scholarship Program, all participating
 33 schools shall regularly report to the parent on the student's progress.

34 (d)(1) A participating school is autonomous and not an agent of the
 35 state or federal government.

36 (2) The department or any other state agency may not in any way

1 regulate the educational program of a participating school that accepts a
2 parental choice scholarship.

3 (3) The creation of this program does not expand the regulatory
4 authority of the state, its officers or any school district to impose any
5 additional regulation of nonpublic schools beyond those necessary to enforce
6 the requirements of the program.

7 (4) Participating schools shall be given the maximum freedom to
8 provide for the educational needs of their students without governmental
9 control.

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11 6-18-1605. Responsibilities of the Department of Education.

12 (a)(1) The Department of Education shall ensure that eligible students
13 and their parents are informed annually of which schools will be
14 participating in the Parental Choice Scholarship Program.

15 (2) Special attention shall be paid to ensuring that lower
16 income families are made aware of the program and their options.

17 (b)(1) The department shall create a standard application that
18 students interested in the Parental Choice Scholarship Program can use to
19 submit to participating schools to establish their eligibility and apply for
20 admissions.

21 (2) Participating schools may require supplemental information
22 from applicants.

23 (3) The department shall ensure that the application is readily
24 available to interested families through various sources, including the
25 Internet.

26 (c) The department may bar a school from participation in the Parental
27 Choice Scholarship Program if the department establishes that the
28 participating school has:

29 (1) Intentionally and substantially misrepresented information
30 required under § 6-18-1604;

31 (2) Routinely failed to comply with at least three (3) of the
32 accountability standards established in § 6-18-1604;

33 (3) Failed to comply with § 6-18-1603(e); or

34 (4) Failed to refund to the state any scholarship overpayments
35 in a timely manner.

36 (d) If the department decides to bar a participating school from the

1 program, it shall notify eligible students and their parents of this decision
2 as quickly as possible.

3 (e) The department shall adopt rules and procedures as necessary for
4 the administration of the Parental Choice Scholarship Program.

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6 6-18-1606. Responsibilities of a resident school district.

7 (a)(1) A resident school district shall provide to the participating
8 school that has admitted an eligible student from the resident district under
9 this Parental Choice Scholarship Program with a complete copy of the
10 student's school records.

11 (2) The transfer of student records shall comply with the Family
12 Educational Rights and Privacy Act of 1974, U.S.C. § 1232g.

13 (b)(1) The resident school district shall provide transportation for
14 the eligible student to and from the participating school under the same
15 conditions as the resident school district is required to provide
16 transportation for other resident students to nonpublic schools as per
17 current law.

18 (2) The resident school district will qualify for state
19 transportation aid for each student so transported.

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