

State of Arkansas  
86th General Assembly  
Regular Session, 2007

# A Bill

HOUSE BILL 2480

By: Representative Harris

## For An Act To Be Entitled

AN ACT TO ESTABLISH THE PARENTAL CHOICE  
SCHOLARSHIP PROGRAM WITH UNIVERSAL ELIGIBILITY;  
AND FOR OTHER PURPOSES.

## Subtitle

AN ACT TO ESTABLISH THE PARENTAL CHOICE  
SCHOLARSHIP PROGRAM WITH UNIVERSAL  
ELIGIBILITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

### SUBCHAPTER 16 – PARENTAL CHOICE SCHOLARSHIP PROGRAM

#### 6-18-1601. Title.

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

#### 6-18-1602. Definitions.

##### As used in this subchapter:

(1) "Eligible student" means a student who was eligible to attend an Arkansas public school in the preceding school year or is enrolling in an Arkansas public school for the first time;

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

(3) "Participating school" means either a public school outside



1 of the resident school district or any nonpublic school that provides  
2 education to elementary or secondary students and has notified the Department  
3 of Education of its intention to participate in the Parental Choice  
4 Scholarship Program and comply with the program's requirements; and

5 (4) "Resident school district" means the public school district  
6 in which the student resides.

7  
8 6-18-1603. Eligibility – Scholarship.

9 (a) Any eligible student shall qualify for an annual scholarship to  
10 attend a participating school.

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

14 (c) Any eligible student will qualify for an annual scholarship in an  
15 amount equal to the lesser of:

16 (1) The participating school's annual cost per student,  
17 including both operational and capital facility costs; or

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

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

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

25 (f) Participating schools that have more eligible students applying  
26 than spaces available shall fill the available spaces by a random selection  
27 process, except that participating schools may give preference to siblings of  
28 enrolled students and previously enrolled scholarship students under this  
29 subchapter.

30 (g) If a student is denied admission to a participating school because  
31 of no available space, the eligible student may transfer his or her  
32 scholarship to a participating school that has space available.

33 (h)(1) An eligible student shall be counted in the enrollment figures  
34 for his or her resident school district for the purposes of calculating state  
35 foundation funding aid to the resident school district.

36 (2) The funds needed for a scholarship shall be subtracted from

1 the state foundation funding aid payable to the student's resident school  
2 district.

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

6 (i) The Department of Education shall adopt rules consistent with this  
7 subchapter regarding:

8 (1) The eligibility and participation of nonpublic schools,  
9 including timelines that will maximize student, public school, and nonpublic  
10 school participation;

11 (2) The calculation and distribution of scholarships to eligible  
12 students; and

13 (3) The application and approval procedures for scholarships for  
14 eligible students and participating schools.

15  
16 6-18-1604. Accountability standards for participating schools.

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

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

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

23 (3) Certify that they will not discriminate in admissions on the  
24 basis of race, color, national origin, religion or disability; and

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

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

31 (1) Demonstrate their financial accountability by:

32 (A) Submitting a financial information report for the  
33 school that complies with uniform financial accounting standards established  
34 by the department and conducted by an auditor who is a certified public  
35 accountant; and

36 (B)(i) Having the auditor certify that the report is free

1 of material misstatements and fairly represents the costs per student under §  
2 6-18-1603(c)(1).

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

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

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

13 (B) Filing with the department prior to the start of the  
14 school year financial information that demonstrates the school has the  
15 ability to pay an aggregate amount equal to the amount of the parental choice  
16 scholarships expected to be paid during the school year to students admitted  
17 at the participating school.

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

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

23 (2) The department or any other state agency may not in any way  
24 regulate the educational program of a participating school that accepts a  
25 parental choice scholarship.

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

30 (4) Participating schools shall be given the maximum freedom to  
31 provide for the educational needs of their students without governmental  
32 control.

33  
34 6-18-1605. Responsibilities of the Department of Education.

35 (a)(1) The Department of Education shall ensure that eligible students  
36 and their parents are informed annually of which schools will be

1 participating in the Parental Choice Scholarship Program.

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

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

8 (2) Participating schools may require supplemental information  
9 from applicants.

10 (3) The department shall ensure that the application is readily  
11 available to interested families through various sources, including the  
12 Internet.

13 (c) The department may bar a school from participation in the Parental  
14 Choice Scholarship Program if the department establishes that the  
15 participating school has:

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

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

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

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

23 (d) If the department decides to bar a participating school from the  
24 program, it shall notify eligible students and their parents of this decision  
25 as quickly as possible.

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

28  
29 6-18-1606. Responsibilities of a resident school district.

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

34 (2) The transfer of student records shall comply with the Family  
35 Educational Rights and Privacy Act of 1974, U.S.C. 42 § 1232g.

36 (b)(1) The resident school district shall provide transportation for

1 the eligible student to and from the participating school under the same  
2 conditions as the resident school district is required to provide  
3 transportation for other resident students to nonpublic schools as per  
4 current law.

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