

By: Representative Byrd

To: Education;
Appropriations A

HOUSE BILL NO. 1163

1 AN ACT TO BRING FORWARD SECTIONS 37-181-1, 37-181-7,
2 37-181-9, 37-181-11, 37-181-13, 37-181-15, 37-181-17, 37-181-19,
3 AND 37-181-21, MISSISSIPPI CODE OF 1972, WHICH COMPRISE "THE EQUAL
4 OPPORTUNITY FOR STUDENTS WITH SPECIAL NEEDS ACT," FOR PURPOSES OF
5 POSSIBLE AMENDMENT; TO AMEND SECTIONS 37-181-3 AND 37-181-5,
6 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A DIAGNOSIS OF DYSLEXIA
7 SHALL BE A CRITERIA USED TO QUALIFY A STUDENT FOR ELIGIBILITY TO
8 PARTICIPATE IN THE PROGRAM; AND FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 37-181-1, Mississippi Code of 1972, is
11 brought forward as follows:

12 37-181-1. This chapter shall be known and may be cited as
13 "The Equal Opportunity for Students with Special Needs Act."

14 **SECTION 2.** Section 37-181-3, Mississippi Code of 1972, is
15 amended as follows:

16 37-181-3. The terms used in this chapter shall have the
17 meanings ascribed herein, unless the context clearly indicates
18 otherwise:

19 (a) "ESA program" means the Education Scholarship
20 Account (ESA) program created in this chapter.



21 (b) "Eligible student" means any student who has had an
22 active Individualized Education Program (IEP) within the past
23 three (3) years and has maintained eligibility or any student who
24 has received a diagnosis of dyslexia as determined by eligibility
25 for participation in the Mississippi Dyslexia Therapy Scholarship
26 for Students with Dyslexia Program as prescribed in Section
27 37-173-1, et seq.

28 (c) "Participating student" means any student who meets
29 the qualifications of an eligible student as defined in paragraph
30 (b) of this section and is participating in an ESA program at an
31 eligible school.

32 (d) "Parent" means a resident of this state who is a
33 parent, legal guardian, custodian or other person with the
34 authority to act on behalf of the eligible student.

35 (e) "Department" means the State Department of
36 Education.

37 (f) "Home school district" means the public school
38 district in which the student resides.

39 (g) "Eligible school" means a state-accredited special
40 purpose school, a state-accredited nonpublic school, or a
41 nonpublic school located in the state that has enrolled a
42 participating student and is providing services for the
43 participating student's disability or special education needs, or
44 is providing services addressing a participating student's IEP.



An eligible school does not include a home instruction program under Section 37-13-91, Mississippi Code of 1972.

(h) "Tutor" means a person who is certified or licensed by a state, regional, or national certification, licensing, or accreditation organization or who has earned a valid teacher's license or who has experience teaching at an eligible postsecondary institution.

(i) "Postsecondary institution" means a community college, college, or university accredited by a state, regional or national accrediting organization.

(j) "Educational service provider" means an eligible school, tutor, or other person or organization that provides education-related services and products to participating students.

(k) "Awarded ESA school year" means the duration of the school year in which ESA program funds are deposited in a student's ESA.

(l) Nothing in this section shall negate federal law requiring public school districts to identify and provide services to students with disabilities who live within the public school district, including those enrolled in nonpublic schools or home instruction programs.

(m) An eligible school shall provide notice to a participating student's home school district when the eligible student enrolls in the eligible school with an ESA. Furthermore, a public school district providing special education services to a



participating student enrolled in an eligible school shall be reimbursed by the eligible school, or parent or guardian who submitted the ESA application, fair market value for any special education services rendered to the eligible student in an amount not to exceed the amount of ESA funds reimbursed to the eligible student during the awarded ESA school year.

SECTION 3. Section 37-181-5, Mississippi Code of 1972, is amended as follows:

37-181-5. (1) An eligible student shall qualify to participate in the ESA program if the parent or guardian signs an agreement promising:

(a) To provide an organized, appropriate educational program with measurable annual goals to their participating student and to provide an education for the participating student in at least the subjects of reading, grammar, mathematics, social studies and science;

(b) To document their participating student's disability at intervals and in a manner required under subsection (8) of this section;

(c) Not to enroll their participating student in a public school and to acknowledge as part of the agreement that the eligible school has provided clear notice to the parent or guardian that the participating student has no individual entitlement to a free appropriate public education (FAPE) from their home school district, including special education and



related services, for as long as the student is participating in the ESA program;

(d) Not to file for their participating student a certificate of enrollment indicating participation in a home instruction program under Section 37-13-91, Mississippi Code of 1972 * * *.

* * * (2) Parents or guardians shall use the funds deposited in a participating student's ESA for any of the following qualifying expenses, which shall be incurred within the awarded ESA school year, to educate the student using any of the below methods or combination of methods that meet the requirement in subsection (1) (a) of this section:

(a) Tuition and/or academic fees at an eligible school;

(b) Textbooks related to academic coursework;

(c) Payment to a tutor, as defined in Section 37-181-3(h);

(d) Payment for purchase of curriculum, including any supplemental materials required by the curriculum;

(e) Fees for nationally standardized norm-referenced achievement tests, including alternate assessments; and fees for Advanced Placement examinations or similar courses and any examinations related to college or university admission;

(f) Educational services or therapies from a licensed or certified practitioner or provider, including licensed or certified paraprofessionals or educational aides;



(g) Tuition and fees related to dual enrollment at a postsecondary institution;

(h) Textbooks related to academic coursework at a postsecondary institution;

(i) Surety bond payments if required by the department;

(j) No more than Fifty Dollars (\$50.00) in annual consumable school supplies necessary for educational services and therapies, daily classroom activities, and tutoring;

(k) Computer hardware and software and other technological devices if an eligible school, licensed or certified tutor, licensed or certified educational service practitioner or provider, or licensed medical professional verifies in writing that these items are essential for the student to meet annual, measurable educational and academic goals or goals within the scope of the eligible student's IEP. Once a student is no longer participating in the ESA program, computer hardware and software and other technological devices purchased with ESA funds shall be donated to a public school or public library. Qualifying expenses for computer hardware and software include only those expenses incurred within the awarded ESA school year.

(3) To qualify to participate in the program, the parent or guardian of an eligible student shall also certify to the department that they have been accepted into an eligible school qualified to provide services for the participating student's disability or special education needs, or provide services



addressing a participating student's IEP, as required under this chapter.

(4) Neither a participating student, nor anyone on the student's behalf, may receive cash or cash-equivalent items, such as gift cards or store credit, from any refunds or rebates from any provider of services or products in the ESA program. Any refunds or rebates shall be credited directly to the participating student's ESA. The funds in an ESA may only be used for education-related purposes as defined in this chapter.

(5) (a) Eligible schools, postsecondary institutions and educational service providers that serve participating students shall provide the parent or guardian who submitted the ESA program application with an original itemized receipt, including the service provider's name and address, for all qualifying expenses. The parent or guardian who submitted the ESA application shall provide the original itemized receipt to the department.

(b) In lieu of providing the parent or guardian who submitted the ESA program application with an original itemized receipt, the eligible schools, postsecondary institutions and educational service providers may provide to the department an original itemized receipt approved and signed off on by the parent or guardian who submitted the ESA application, including the service provider's name and address, for all qualifying expenses.



168 (6) Payment for educational services through an ESA shall
169 not preclude parents or guardians from paying for educational
170 services using non-ESA funds.

171 (7) For purposes of continuity of educational attainment,
172 students who enroll in the ESA program shall remain eligible to
173 receive quarterly ESA payments until the participating student
174 returns to a public school, completes high school, completes the
175 school year in which the student reaches the age of twenty-one
176 (21), or does not have eligibility verified by a parent or
177 guardian as required under subsection (8) of this section,
178 whichever occurs first.

179 (8) Any funds remaining in a student's Education Scholarship
180 Account upon completion of high school shall be returned to the
181 state's General Fund.

182 (9) Every three (3) years after initial enrollment in the
183 ESA program, a parent or guardian of a participating student,
184 except a student diagnosed as being a person with a permanent
185 disability, shall document that the student continues to be
186 identified by the school district, a federal or state government
187 agency, or a licensed physician or psychometrist as a child with a
188 disability, as defined by the federal Individuals with
189 Disabilities Education Act (20 USCS Section 1401(3)).

190 (10) An eligible student shall be allowed to return to his
191 home school district at any time after enrolling in the ESA
192 program, in compliance with regulations adopted by the department



providing for the least disruptive process for doing so. Upon the participating student's return to his or her home school district, the student's Education Scholarship Account shall be closed and any remaining funds shall be distributed to the student's home school district at the end of the awarded ESA school year.

SECTION 4. Section 37-181-7, Mississippi Code of 1972, is brought forward as follows:

37-181-7. (1) New enrollment in the ESA program created in this chapter shall be limited to five hundred (500) additional students each year. Subject to appropriation from the General Fund, each student's ESA shall be funded at Six Thousand Five Hundred Dollars (\$6,500.00) for school year 2015-2016. For each subsequent year, this amount shall increase or decrease by the same proportion as the student base amount under Section 37-151-203 is increased or decreased.

(2) Subject to appropriation, eligible students shall be approved for participation in the ESA program as follows:

(a) Students shall be approved on a first-come, first-served basis, with applications being reviewed on a rolling basis;

(b) After participation reaches fifty percent (50%) of the annual enrollment limits in subsection (1) of this section, the department shall set annual application deadlines for the remaining number of available ESAs and begin to maintain a waiting list of eligible students. The waitlist shall only include



218 eligible students who have certified to the department that they
219 have been accepted into an eligible school qualified to provide
220 services for the participating student's disability or special
221 education needs, or provide services addressing a participating
222 student's IEP. The waitlist will be maintained in the
223 chronological order in which applications are received. The
224 department shall award ESA program applications in chronological
225 order according to the waitlist; and

226 (c) Participating students who remain eligible for the
227 ESA program are automatically approved for participation for the
228 following year and are not subject to the random selection
229 process.

230 (3) No funds for an ESA may be expended from the total
231 funding formula funds provided in this chapter, nor shall any
232 school district be required to provide funding for an ESA.

233 **SECTION 5.** Section 37-181-9, Mississippi Code of 1972, is
234 brought forward as follows:

235 37-181-9. (1) The department shall create a standard form
236 that parents or guardians of students submit to establish their
237 student's eligibility for an Education Scholarship Account. The
238 department shall ensure that the application is readily available
239 to interested families through various sources, including the
240 department's website and the copy of procedural safeguards
241 annually given to parents or guardians. To be considered, an
242 application must include certification that the student has been



accepted into an eligible school qualified to provide services for the student's disability or special education needs, or provide services addressing a participating student's IEP.

(2) The department shall provide parents or guardians of participating students with a written explanation of the allowable uses of Education Scholarship Accounts, the responsibilities of parents and the duties of the department. This information shall also be made available on the department's website.

(3) The department shall annually notify all students with an IEP of the existence of the ESA program and shall ensure that lower-income families are made aware of their potential eligibility.

(4) The department may deduct an amount up to a limit of six percent (6%) from appropriations used to fund Education Scholarship Accounts to cover the costs of overseeing the funds and administering the ESA program.

(5) (a) The department shall make a determination of eligibility, and shall approve the application, within twenty-one (21) business days of receiving an application for participation in the ESA program, subject to the provisions of Section 37-181-3(b).

(b) The department shall provide for a procedure that children with a ruling of hearing impairment or children suspected of a hearing loss shall receive a comprehensive educational assessment which may include the areas of cognitive development,



language/speech, audiological and academic achievement from the state-funded Mississippi Assistance Center for Hearing Loss. Children with a ruling of visual impairment or children suspected of a visual impairment shall receive a comprehensive low vision evaluation from the state-funded Low Vision Clinic.

(6) The home school district shall provide the parent or guardian of a participating student with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 (20 USCS Section 1232(g)). The record shall be provided no later than thirty (30) days after a parent signs an agreement to participate in the ESA program.

SECTION 6. Section 37-181-11, Mississippi Code of 1972, is brought forward as follows:

37-181-11. (1) To ensure that funds are spent appropriately, the State Department of Education shall adopt rules and policies necessary for the administration of the ESA program, including the auditing of Education Scholarship Accounts, and shall conduct or contract for random audits throughout the year.

(2) (a) The department shall develop a system for payment of benefits, including, but not limited to, allowing educational service providers to invoice the department for qualified expenses consistent with Section 37-181-5(2), or allowing the parent or guardian who submitted the ESA program application to seek



reimbursement for qualified expenses consistent with Section 37-181-5(2).

(b) The department may make payments to educational service providers or reimbursement to the parent or guardian who submitted the ESA program application via check or warrant or electronic funds transfer or any other means of payment deemed to be commercially viable or cost-effective.

(c) The department may also establish by rule that some payments to educational service providers will be made on a quarterly basis, rather than an annual basis, if the educational services will be rendered over an extended period of time.

(3) The department shall adopt a process for removing educational service providers that defraud parents and for referring cases of fraud to law enforcement.

(4) The department shall establish or contract for the establishment of an online anonymous fraud reporting service.

(5) The department shall establish or contract for the establishment of an anonymous telephone hotline for fraud reporting.

SECTION 7. Section 37-181-13, Mississippi Code of 1972, is brought forward as follows:

37-181-13. (1) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall prepare a biannual report, beginning in 2018 and every two (2) years thereafter, assessing efficacy of Education Scholarship Accounts,



317 to include the sufficiency of funding, and recommending any
318 suggested changes in state law or policy necessary to improve the
319 ESA program.

320 (2) The report shall assess:

321 (a) The degree to which eligible schools are meeting
322 the needs of participating students as defined by the
323 participating students' IEPs;

324 (b) The level of participating students' satisfaction
325 with the ESA program;

326 (c) The level of parental or guardian satisfaction with
327 the ESA program;

328 (d) Participating students' performance, both
329 pre-assessment and post-assessment, on the eligible school's
330 current assessment used to demonstrate academic progress, a
331 nationally standardized norm-referenced achievement test, or a
332 current state board-approved screener, as required in Section
333 37-181-15(f);

334 (e) Participating students' performance on Advanced
335 Placement examinations or similar courses and any examinations
336 related to college or university admission; provided that eligible
337 schools must report participating students' performance on Advance
338 Placement examinations and any examinations related to college or
339 university admission;

340 (f) The four-year high school graduation rates and
341 college acceptance rates of participating students; provided that



342 eligible schools must report participating students' high school
343 graduation rates and, if known, college acceptance rates;

344 (g) The percentage of funds used for each qualifying
345 expense identified in Section 37-181-5(2); and

346 (h) The fiscal impact to the state and home school
347 districts of the ESA program, which must consider both the impact
348 on revenue and the impact on expenses. Furthermore, the fiscal
349 savings associated with students departing public schools must be
350 explicitly quantified, even if the public school losing the
351 student(s) does not reduce its spending accordingly.

352 (3) The report shall:

353 (a) Apply appropriate analytical and behavioral science
354 methodologies to ensure public confidence in the study; and

355 (b) Protect the identity of participating students and
356 schools by, among other things, keeping anonymous all
357 disaggregated data.

358 (4) PEER shall provide the Legislature with a final copy of
359 the report of the ESA program before December 31 each year the
360 report is due. At the same time, the study shall also be placed
361 in a prominent location on the PEER website.

362 (5) PEER must make its data and methodology available for
363 public review while complying with the requirements of the Family
364 Educational Rights and Privacy Act (20 USCS Section 1232(g)).

365 **SECTION 8.** Section 37-181-15, Mississippi Code of 1972, is
366 brought forward as follows:



367 37-181-15. (1) To ensure that students are treated fairly
368 and kept safe, all eligible schools shall:

369 (a) Comply with the nondiscrimination policies set
370 forth in 42 USCS 1981;

371 (b) Prior to a participating student's application for
372 enrollment, provide parents or guardians with details of the
373 school's programs, record of student achievement, qualifications,
374 experience, capacities to serve students with special needs, and
375 capacity to serve the participating student within the scope of
376 their IEP;

377 (c) Comply with all health and safety laws or codes
378 that apply to nonpublic schools;

379 (d) Hold a valid occupancy permit if required by their
380 municipality;

381 (e) Have no public record of fraud or malfeasance;

382 (f) Require participating students to take a
383 pre-assessment at the beginning of the school year and a
384 post-assessment at the end of the school year. The eligible
385 school shall have the option to select their current assessment
386 used to demonstrate academic progress, a nationally standardized
387 norm-referenced achievement test, or a current state
388 board-approved screener;

389 (g) Notify a parent or guardian applying for the ESA
390 program that the parent or guardian waives the right of the
391 participating student to an individual entitlement to a free and



appropriate public education (FAPE) from their home school district, including special education and related services, for as long as the student is participating in the ESA program;

(h) Conduct criminal background checks on employees and:

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

(ii) Exclude from employment any person who might reasonably pose a threat to the safety of students; and

(i) An eligible school shall certify to the department upon enrollment of a participating student that the eligible school shall provide services for the participating student's disability or special education needs, or shall provide services addressing a participating student's IEP. Such certification must be received by the department before the ESA is reimbursed to an eligible student.

(2) Failure to comply with these requirements shall deem the eligible school ineligible to participate in the ESA program the following year.

SECTION 9. Section 37-181-17, Mississippi Code of 1972, is brought forward as follows:

37-181-17. (1) An eligible nonpublic school is autonomous and not an agent of the state or federal government and therefore:

(a) The State Department of Education or any other government agency shall not regulate the educational program of a



417 nonpublic school, postsecondary institution or educational service
418 provider that accepts funds from the parent or guardian of a
419 participating student beyond the requirements of the ESA program
420 as promulgated in this chapter;

421 (b) The creation of the Education Scholarship Account
422 program does not expand the regulatory authority of the state, its
423 officers, or any school district to impose any additional
424 regulation of nonpublic schools, postsecondary institutions or
425 educational service providers beyond those necessary to enforce
426 the requirements of the ESA program; and

427 (c) Eligible schools, postsecondary institutions and
428 educational service providers shall be given the maximum freedom
429 to provide for the educational needs of their students without
430 governmental control. No eligible school, postsecondary
431 institution or educational service provider shall be required to
432 alter its creed, practices, admission policies or curriculum in
433 order to accept participating students.

434 (2) Eligible schools, or the parent or guardian who
435 submitted the ESA application, must submit student performance
436 data to the State Department of Education at the end of the school
437 year, including the individual results of the pre-assessment and
438 post-assessment required in Section 37-181-15(f). The department
439 shall develop a uniformed reporting format for eligible schools to
440 use when submitting assessment results.



(3) In any legal proceeding challenging the application of this chapter to an eligible school, postsecondary institution or educational service provider the state bears the burden of establishing that the law is necessary and does not impose any undue burden on the eligible school, postsecondary institution or educational service provider.

SECTION 10. Section 37-181-19, Mississippi Code of 1972, is brought forward as follows:

37-181-19. The State Department of Education may receive and expend contributions from any public or private source to fund ESAs for participating students.

SECTION 11. Section 37-181-21, Mississippi Code of 1972, is brought forward as follows:

37-181-21. If any provision of this law or its application is held invalid, the invalidity does not affect other provisions or applications of this law which can be given effect without the invalid provision or application and to this end the provisions of this law are severable.

SECTION 12. This act shall take effect and be in force from and after July 1, 2025.

