

By: Representatives Moore, Wells-Smith

To: Education; Ways and
Means

HOUSE BILL NO. 1458

1 AN ACT TO CREATE THE "MISSISSIPPI PUT PARENTS IN CHARGE ACT";
2 TO PROVIDE CREDITS FOR CERTAIN TAXES AND LICENSE FEES FOR TUITION
3 PAID TO PUBLIC OR INDEPENDENT SCHOOLS; TO PROVIDE CREDITS FOR
4 CERTAIN TAXES AND LICENSE FEES FOR CONTRIBUTIONS TO SCHOLARSHIP
5 GRANTING ORGANIZATIONS; TO PROVIDE FOR THE REGULATION,
6 REGISTRATION AND REPORTING OF SCHOLARSHIP GRANTING ORGANIZATIONS;
7 TO PROVIDE FOR REPORTING AND ACCOUNTABILITY OF THE IMPLEMENTATION
8 OF THIS ACT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** This act may be cited as the "Mississippi Put
11 Parents in Charge Act."

12 **SECTION 2.** The purposes of this act are to:

- 13 (a) Restore parental control of education;
14 (b) Improve public school performance; and
15 (c) Expand educational opportunities for children of
16 families in poverty.

17 **SECTION 3.** As used in this act, the following words and
18 phrases have the meanings ascribed in this section unless the
19 context clearly indicates otherwise:

- 20 (a) "Average state per pupil expenditure" means, as
21 applicable, an amount determined annually by the State Department
22 of Education before December 15 of each year. It should be an
23 estimate of spending for the then current school year, but may not
24 be lower than actual per pupil spending for the preceding school
25 year or higher than one hundred ten percent (110%) of actual per
26 pupil spending for the preceding school year. The commission shall
27 determine an amount for qualifying students in kindergarten
28 through Grade 8 and an amount for qualifying students in Grade 9
29 through Grade 12. The commission shall divide the state's total

30 expenditures for public education for the applicable group by the
31 total number of students in the applicable group.

32 (b) "State's total expenditures for public education"
33 means all direct and indirect expenditures by the state for the
34 applicable group, regardless of the source of funds but excluding
35 federal funds and local funds, and including, but not limited to,
36 expenditures by the State Department of Education, disbursements
37 to school districts for capital improvements funded from sources
38 other than state bond issues, and expenditures for debt service on
39 state bonds issued to fund school district capital improvements.

40 (c) "Total number of students" means the total number
41 of public school students in the state as calculated by using the
42 average daily attendance formula. Expenditures by the state for
43 public education which can not be attributed to a particular group
44 shall be allocated two-thirds (2/3) to the kindergarten through
45 Grade 8 group and one-third (1/3) to the Grade 9 through Grade 12
46 group.

47 (d) "Commission" means the State Tax Commission.

48 (e) "Independent school" means a school, other than a
49 public school, at which the compulsory attendance requirements of
50 Section 37-13-91 may be met and which does not discriminate based
51 on the grounds of race, color or national origin. The term
52 "independent school" includes home schools.

53 (f) "Public school" means any public school in this
54 state which is in session each school year for at least one
55 hundred eighty (180) school days.

56 (g) "Qualifying student" means an individual:

57 (i) Who is enrolled at an independent school as a
58 full-time student, as determined by the school, for which the
59 school has a release of information form or who is taught at home;

60 (ii) Who is a resident of this state, and, if
61 enrolled in a public school, is not a resident of the school
62 district operating that public school;

63 (iii) Who is in kindergarten through Grade 12; and
64 (iv) Whose parent's or legal guardian's taxable
65 income for Mississippi income tax purposes for the immediately
66 preceding tax year is Seventy-Five Thousand Dollars (\$75,000.00)
67 or less. For purposes of determining if an individual is a
68 qualifying student, the amount of Seventy-five Thousand Dollars
69 (\$75,000.00) must be increased by Five Thousand Dollars
70 (\$5,000.00) for each exemption in excess of two (2) that is
71 claimed on the income tax return of the parents or legal guardian.

72 (h) "Receipt" means a document that a school issues to
73 the person who makes a tuition payment on behalf of a qualifying
74 student. The commission shall develop the form of the document,
75 the content of which must be limited to and include: the name and
76 address of the school; the name, address and social security
77 number of the qualifying student on whose behalf the tuition was
78 paid; the name of the person paying the tuition; the names of all
79 other persons who have paid tuition, in chronological order,
80 during the then current calendar year on behalf of the qualifying
81 student before the payment for which the receipt is being issued
82 and including the total tuition paid by the named person; and the
83 date and amount of tuition paid and the aggregate amount of
84 tuition paid for the qualifying student. The document also must
85 contain in the chronological listing the date and amount of
86 tuition paid or to be paid, as evidenced by the notice of
87 scholarship award required to be submitted to the school as
88 provided in Section 15(2) of this act, by a scholarship granting
89 organization if the source of funds for the scholarship is monies
90 for which a credit may be claimed under this act. For a student
91 taught at home, the term "receipt" means a document issued by the
92 entity receiving a payment for tuition, which contains: the name
93 of the entity receiving the payment; the identity of the goods or
94 services purchased; the date and amount of tuition paid; and, if

95 the receipt is for personal services, the person's taxpayer
96 identification number.

97 (i) "Release of information form" means a form
98 developed by a school which states that a parent or the legal
99 guardian of the qualifying student consents to the release of the
100 information contained in the receipt and is consistent with the
101 requirements of 20 USCS 1232g, Family Educational Rights and
102 Privacy Act of 1974.

103 (j) "Scholarship granting organization" means an
104 organization that is exempt from taxation under Section 501(c)(3)
105 of the Internal Revenue Code, gives scholarships to qualifying
106 students from contributions that may be claimed as a credit under
107 this act, is organized under Mississippi law and has complied with
108 of this act.

109 (k) "School" means a public school or independent
110 school.

111 (l) "State" means the government of the State of
112 Mississippi.

113 (m) "Tuition" means the amount charged for attending a
114 public school when the student is not a resident of the school
115 district or for attending an independent school. Tuition includes
116 fees necessary for attending the respective school including, but
117 not limited to, enrollment fees and transportation fees. For
118 students taught at home, tuition means expenses incurred for
119 tutors, textbooks, school supplies, computers including hardware
120 and software, fees for membership in an association that sets the
121 academic standards for the student's home schooling program and
122 academic lessons including, but not limited to, science, math,
123 music and art. Expenses for tutors or academic lessons may be
124 included in tuition only if the person providing the tutoring or
125 academic lessons is a person other than the student's parent or
126 legal guardian and who meets the requirements for providing the

127 service as set by the standard-setting entity for that student's
128 home school program. Tuition does not include athletic fees.

129 **SECTION 4.** The commission may promulgate regulations to aid
130 in the performance of its duties under this act.

131 **SECTION 5.** The commission may conduct examinations and
132 investigations whenever it believes that this act has been evaded
133 or violated in any manner. All powers possessed by the commission
134 to conduct examinations and investigations apply to examinations
135 and investigations conducted under this section.

136 **SECTION 6.** If a student desires to transfer to a different
137 school district, the school board of the school district to which
138 the student desires to transfer must approve or disapprove the
139 transfer. If the school board approves the transfer, the board
140 may estimate the tuition to charge the transferring student.

141 **SECTION 7.** (1) A person is allowed a tax credit for tuition
142 paid for qualifying students to attend a school. The credit may be
143 applied against the person's liability for taxes imposed under
144 Mississippi law. Limitations upon the total amount of liability
145 for taxes or license fees that can be reduced by the use of
146 another credit allowed for that tax or license fee must be
147 computed after the credit allowed by this section is used to
148 reduce a tax. The credit may be claimed only by the person who
149 actually paid the tuition except that if the credit is earned by
150 one (1) member of a controlled group of corporations, the credit
151 may be used and applied by that member and by another member of
152 the controlled group of corporations. More than one (1) person
153 may claim a credit for the payment of a portion of the qualifying
154 student's total tuition but only if the person actually paid the
155 portion and the total credit taken by all persons does not exceed,
156 in the aggregate, the limits set in this section. If the person's
157 receipt indicates that the aggregate tuition paid by all persons,
158 including scholarships from scholarship granting organizations if
159 the source of funds for the scholarship is monies for which a

160 credit may be claimed under Sections 8 and 9 of this act, for the
161 qualifying student exceeds the credit that may be claimed under
162 this act, then that person may claim the credit only to the extent
163 that the person's tuition payment does not exceed the allowable
164 credit. No credit may be claimed by a person without a receipt.
165 The credit is nonrefundable. A credit claimed under this section
166 but not used in a taxable year may be carried forward for five (5)
167 years from the taxable year in which the credit is earned by the
168 taxpayer. Credits which are carried forward must be used in the
169 order earned.

170 (2) Except as otherwise provided in this section, the credit
171 claimed for each qualifying student under this act may not exceed
172 eighty percent (80%) of the projected average state per pupil
173 expenditure as determined by the Department of Education for the
174 grade group for the qualifying student which is determined based
175 on the highest grade in which the qualifying student is enrolled
176 during the calendar year.

177 (3) Notwithstanding subsection (2) of this section, for
178 qualifying students who are eligible for free or reduced price
179 meals or for free milk, as determined in accordance with 7 CFR
180 Part 245, Determining Eligibility for Free and Reduced Price Meals
181 and Free Milk in Schools, the credit claimed for each of those
182 qualifying students may not exceed the lesser of:

183 (a) One hundred percent (100%) of the actual tuition
184 paid during the taxable year; or

185 (b) One hundred percent of the dollar amount set
186 annually in subsection (2) of this section.

187 (4) (a) The credit may be taken for the 2008 tax year only
188 for qualifying students in kindergarten through Grade 4 as of the
189 fall 2008 semester or term, except that the credit may not be
190 taken for students who were enrolled in an independent school as
191 of October 1, 2006.

192 (b) The credit may be taken for the 2009 tax year only
193 for qualifying students in kindergarten through Grade 6 as of the
194 fall 2009 semester or term, except that the credit may not be
195 taken for students who were enrolled in an independent school as
196 of October 1, 2006.

197 (c) The credit may be taken for the 2010 tax year only
198 for qualifying students who were in kindergarten through Grade 8
199 as of the fall 2010 semester or term, except that the credit may
200 not be taken for students who were enrolled in Grades 2 through 8
201 in an independent school as of October 1, 2006.

202 (d) The credit may be taken for the 2011 tax year only
203 for qualifying students who were in kindergarten through Grade 10
204 as of the fall 2011 semester or term, except that the credit may
205 not be taken for students who were enrolled in Grades 5 through 10
206 in an independent school as of October 1, 2006.

207 (e) Beginning with the 2012 tax year, the credit may be
208 taken each year for a qualifying student as provided in this
209 section.

210 **SECTION 8.** A person is allowed a tax credit for
211 contributions to a scholarship granting organization which will be
212 used in accordance with subsection (1) of Section 14 of this act.
213 The credit may be applied against the person's liability for taxes
214 imposed under Mississippi law. Limitations upon the total amount
215 of liability for taxes that can be reduced by the use of another
216 credit allowed for that tax license fee must be computed after the
217 credit allowed by this section is used to reduce a tax liability.
218 The credit may be claimed only by the person who actually made the
219 contribution except that if the credit is earned by one (1) member
220 of a controlled group of corporations, the credit may be used and
221 applied by that member and by another member of the controlled
222 group of corporations. The credit is nonrefundable. A credit
223 claimed under this section but not used in a taxable year may be
224 carried forward for five (5) years from the taxable year in which

225 the credit is earned by the taxpayer. Credits which are carried
226 forward must be used in the order earned.

227 **SECTION 9.** A scholarship granting organization receiving
228 contributions for which the person claims a credit under this act
229 must segregate the contributions from other funds of the
230 scholarship granting organization.

231 **SECTION 10.** (1) Not later than thirty (30) days after its
232 organization, a scholarship granting organization shall register
233 with the commission as provided in this section. In all
234 subsequent years, the scholarship granting organization shall
235 renew its registration with the commission not later than January
236 31. Each scholarship granting organization registering with the
237 commission, whether initial or renewal, shall pay a fee of One
238 Hundred Dollars (\$100.00).

239 (2) The registration must be in a form developed by the
240 commission and available both electronically and in paper form and
241 be limited to and include:

242 (a) The full name, address and telephone number of the
243 scholarship granting organization;

244 (b) The name, address and telephone number of the chief
245 administrative official of the scholarship granting organization;

246 (c) The names, addresses and telephone numbers of the
247 individuals who serve on the scholarship granting organization's
248 governing body;

249 (d) The scholarship granting organization's federal
250 taxpayer identification number;

251 (e) A statement of the scholarship granting
252 organization's status as a 501(c)(3) organization under the
253 Internal Revenue Code;

254 (f) A statement that the scholarship granting
255 organization does not discriminate in hiring on the basis of race,
256 color, national origin or disability; and

257 (g) Certification by an authorized official of the
258 scholarship granting organization that the information contained
259 on the registration statement is true and correct.

260 (3) A scholarship granting organization must file a
261 supplemental registration statement indicating a substantial
262 change in the information contained in the prior registration
263 statement within thirty (30) days after the date of the change.

264 (4) The commission may revoke or suspend the registration of
265 a scholarship granting organization for a violation of this act.

266 (5) Contributions to a scholarship granting organization
267 that is not registered with the commission or during the time that
268 the registration of the scholarship granting organization is
269 revoked or suspended do not qualify for the credit provided in
270 Sections 8 and 9.

271 **SECTION 11.** (1) Each scholarship granting organization, not
272 later than June 30 of each year, must file a report with the
273 commission covering that scholarship granting organization's
274 activities during the most recently completed calendar year.

275 (2) Each report must be in a form developed by the
276 commission and available both electronically and in paper form and
277 be limited to and include:

278 (a) The full name, address and telephone number of the
279 reporting scholarship granting organization;

280 (b) The name, address and telephone number of the chief
281 administrative official of the scholarship granting organization;

282 (c) The names, addresses and telephone numbers of the
283 individuals who serve on the scholarship granting organization's
284 governing body;

285 (d) The scholarship granting organization's federal
286 taxpayer identification number;

287 (e) A statement of the scholarship granting
288 organization's status as a 501(c)(3) organization under the
289 Internal Revenue Code;

290 (f) A statement of the monies received for which a
291 credit may be claimed under Sections 8 and 9 of this act during
292 the covered period including:

293 (i) A listing of the amounts expended by number
294 and amount of scholarships awarded by the school attended by the
295 scholarship recipient and by the public school district in which
296 the qualifying student would attend if the qualifying student were
297 attending a public school;

298 (ii) The total number and total dollar amount of
299 scholarships awarded, the total number and total dollar amount of
300 scholarships awarded to students eligible for free or reduced
301 price meals or for free milk, as determined under 7 CFR Part 245,
302 Determining Eligibility for Free and Reduced Price Meals and Free
303 Milk in Schools, and the percentage of first-time recipients of
304 scholarships who were enrolled in a public school in the year
305 prior to the award of the scholarship; and

306 (iii) The beginning balance for monies held for
307 administrative expenses, a listing of the expenditures, by
308 category, for administrative expenses including, but not limited
309 to, marketing materials, office supplies, legal services,
310 accounting services, rent, utilities, and compensation of
311 personnel and the ending balance for monies held for
312 administrative expenses;

313 (g) A copy of the scholarship granting organization's
314 annual financial and compliance audit of its accounts and records
315 conducted by an independent certified public accountant and in
316 accordance with regulations adopted by the commission; and

317 (h) Certification by an authorized official of the
318 scholarship granting organization that the information contained
319 in the report is true and correct.

320 (3) Information provided to the commission under this
321 section and Section 10 of this act is available for public
322 inspection and copying under the Freedom of Information Act. The

323 commission shall make information provided to the commission under
324 this section or Section 10 of this act accessible to the public
325 through the commission's Web site.

326 **SECTION 12.** A scholarship granting organization shall notify
327 the commission whenever the scholarship granting organization
328 receives more than Five Hundred Thousand Dollars (\$500,000.00) of
329 contributions in the aggregate in a calendar quarter. The
330 notification must be filed with the commission not later than
331 thirty (30) days after the close of the calendar quarter and must
332 inform the commission of the total amount of contributions
333 received by the scholarship granting organization for the
334 reporting period.

335 **SECTION 13.** (1) Scholarship granting organizations that
336 receive or expect to receive Fifty Thousand Dollars (\$50,000.00)
337 or more of contributions in the aggregate in a calendar year shall
338 file and maintain with the commission a surety bond in favor of
339 the state executed by a surety company authorized to transact
340 business in this state. Instead of a surety bond, the scholarship
341 granting organization may file with the commission letters of
342 credit and certificates of deposit of financial institutions
343 located within the state in which deposits are guaranteed by the
344 federal government or any other financial instrument that the
345 commission considers appropriate. The amount of the surety bond,
346 letter of credit, certificate of deposit or any other instrument
347 filed with the commission must be in an amount equal to the
348 aggregate amount of contributions the scholarship granting
349 organization expects to receive during the calendar year. The
350 surety bond must be on a form approved by the commission. A
351 surety bond or financial instrument filed with the commission must
352 be conditioned to pay a person who sustains a loss as a result of:

353 (a) The scholarship granting organization's violation
354 of or failure to comply with any requirement of this act;

355 (b) The scholarship granting organization's
356 misapplication or misappropriation of funds received by it; or

357 (c) An act of fraud or dishonesty committed by the
358 scholarship granting organization in the administration of a
359 scholarship program.

360 (2) An aggrieved person may institute an action in the
361 county of the person's residence against the scholarship granting
362 organization or the surety, or both, to recover on the surety bond
363 or to recover from the letters of credit, certificates of deposit
364 or other financial instrument accepted by the commission.

365 **SECTION 14.** (1) Contributions to a scholarship granting
366 organization which qualify for the credit provided in Sections 8
367 and 9 of this act must be used by the scholarship granting
368 organization only for the purpose of providing scholarships to
369 qualifying students, except that not more than five percent (5%)
370 of the contributions may be used for administrative expenses of
371 the scholarship granting organization including, but not limited
372 to, marketing materials, office supplies, legal services,
373 accounting services, rent, utilities and compensation of
374 personnel. Students taught at home are eligible for scholarships
375 provided for in this section.

376 (2) (a) Except as otherwise provided in this section, in a
377 calendar year, a scholarship granting organization may not award a
378 scholarship to a qualifying student, which exceeds eighty percent
379 (80%) of the projected average state per pupil expenditure as
380 determined by the State Department of Education for the grade
381 group for the qualifying student, which is determined based on the
382 grade for which the scholarship applies.

383 (b) Notwithstanding the provisions of paragraph (a) of
384 this subsection, if the qualifying student is classified as
385 educable mentally handicapped, learning disabilities handicapped
386 or speech handicapped, then, regardless of the grade for the
387 qualifying student, a scholarship granting organization may not

388 award a scholarship to the qualifying student which exceeds the
389 lesser of either eighty percent (80%) of the amount of the tuition
390 at the qualifying student's school or eighty percent (80%) of Five
391 Thousand Six Hundred Dollars ((\$5,600.00). If the qualifying
392 student is classified as trainable mentally handicapped,
393 emotionally handicapped, orthopedically handicapped or homebound,
394 then, regardless of the grade for the qualifying student, a
395 scholarship granting organization may not award a scholarship to
396 the qualifying student which exceeds the lesser of either eighty
397 percent (80%) of the amount of the tuition at the qualifying
398 student's school or eighty percent (80%) of Seven Thousand Dollars
399 (\$7,000.00). If the qualifying student is classified as visually
400 handicapped, hearing handicapped or autistic, then, regardless of
401 the grade for the qualifying student, a scholarship granting
402 organization may not award a scholarship to the qualifying student
403 which exceeds the lesser of either eighty percent (80%) of the
404 amount of the tuition at the qualifying student's school or eighty
405 percent (80%) of Ten Thousand Dollars (\$10,000.00). If a
406 qualifying student may be classified in more than one (1)
407 classification, the classification with the higher dollar amount
408 must be used.

409 (3) Notwithstanding the provisions of subsection (2) of this
410 section, for a qualifying student who is eligible for free or
411 reduced price meals or for free milk, as determined under 7 CFR
412 Part 245, Determining Eligibility for Free and Reduced Price Meals
413 and Free Milk in Schools, the scholarship from the scholarship
414 granting organization may not exceed the lesser of either one
415 hundred percent (100%) of the amount of the tuition at the
416 qualifying student's school or one hundred percent (100%) of the
417 dollar amounts set annually in subsection (2).

418 (4) (a) For calendar year 2008, a scholarship granting
419 organization may award a scholarship only to qualifying students
420 who:

421 (i) Are in kindergarten through Grade 4 as of the
422 fall 2008 semester or term; and

423 (ii) Were not enrolled in an independent school as
424 of October 1, 2006.

425 (b) For calendar year 2009, a scholarship granting
426 organization may award a scholarship only to qualifying students
427 who:

428 (i) Are in kindergarten through Grade 6 as of the
429 fall 2009 semester or term; and

430 (ii) Were not enrolled in an independent school as
431 of October 1, 2006.

432 (c) For calendar year 2010, a scholarship granting
433 organization may award a scholarship only to qualifying students
434 who:

435 (i) Are in kindergarten through Grade 8 as of the
436 fall 2010 semester or term; and

437 (ii) Were not enrolled in Grades 2 through 8 in an
438 independent school as of October 1, 2006.

439 (d) For calendar year 2011, a scholarship granting
440 organization may award a scholarship only to qualifying students
441 who:

442 (i) Are in kindergarten through Grade 10 as of the
443 fall 2011 semester or term; and

444 (ii) Were not enrolled in Grades 5 through 10 in
445 an independent school as of October 1, 2006.

446 (e) Beginning with calendar year 2012, a scholarship
447 granting organization may award a scholarship each year to
448 qualifying students as provided in this section.

449 (5) A qualifying student may receive a scholarship from more
450 than one (1) scholarship granting organization; however, the total
451 amount of the scholarships received from all scholarship granting
452 organizations may not exceed the calendar year limits as
453 established in this section.

454 SECTION 15. (1) A scholarship granting organization, within
455 thirty (30) days after the day on which a person makes a
456 contribution to the scholarship granting organization, shall
457 provide to the person a written statement containing the name and
458 address of the scholarship granting organization, the name of the
459 person making the contribution, the amount of the contribution,
460 the date of the contribution and certifying that the contribution
461 must be used in accordance with this act. The written statement
462 must inform the person that the statement is provided under this
463 section and that the scholarship granting organization is
464 segregating the contribution from other funds of the scholarship
465 granting organization as required by Sections 8 and 9 of this act
466 relating to tax credits for contributions to scholarship granting
467 organizations.

468 (2) When a scholarship granting organization makes a
469 determination to award a scholarship to a qualifying student from
470 monies for which a credit may be claimed under Sections 8 and 9 of
471 this act, the scholarship granting organization immediately shall
472 notify the school at which the scholarship will be applied of the
473 award of the scholarship. The school immediately shall enter the
474 information from the notice of scholarship award on the receipt
475 applicable to the qualifying student. The school shall return to
476 the scholarship granting organization monies from the scholarship
477 which exceeds the credit applicable to the qualifying student
478 under Section 7 of this act. In deciding whether monies must be
479 returned to the scholarship granting organization, the school
480 shall review the chronological record of tuition payments by or on
481 behalf of the qualifying student including the date and amount
482 contained on the notice of scholarship award. If the
483 chronological record reflects that the date and amount of payment
484 of tuition by scholarship, including the date and amount indicated
485 on the notice of scholarship award, and tuition payments received
486 before the scholarship activity causes the credit applicable to

487 the qualifying student to be exceeded, then the school shall
488 return the scholarship monies that exceed the credit to the
489 scholarship granting organization.

490 (3) Scholarship granting organizations must make scholarship
491 payments by check payable to the qualifying student's parents or
492 legal guardian and to the school at which the scholarship is to be
493 used. The check may be delivered or mailed by the scholarship
494 granting organization to the school at which the scholarship is to
495 be used. The check must be endorsed by all payees. The check may
496 be endorsed by the school on behalf of the student's parents or
497 legal guardian if the parents or legal guardian have placed on
498 file with the school written authorization to endorse the check.

499 **SECTION 16.** Except for the portion of a contribution a
500 scholarship granting organization retains to expend for
501 administrative expenses under Section 14(1) of this act, a
502 scholarship granting organization must expend a contribution by
503 the end of the calendar quarter which is at least twelve (12)
504 months from the date on which the scholarship granting
505 organization receives the contribution. The scholarship granting
506 organization must remit to the state, for deposit in the General
507 Fund, monies not expended within the time period provided in this
508 section. The remittance to the state must be made within thirty
509 (30) days after the end of each calendar quarter.

510 **SECTION 17.** If a qualifying student's enrollment in an
511 independent school is terminated before the end of the school year
512 and the independent school charges tuition of One Thousand Dollars
513 (\$1,000.00) or more each school year, the independent school must
514 refund to the scholarship granting organization and other tuition
515 payers any tuition paid that is applicable to a semester or term
516 beyond the semester or term during which the qualifying student's
517 enrollment is terminated. At the time of making the refund, the
518 independent school shall issue a receipt reflecting the date,
519 amount and payee for each refund.

520 **SECTION 18.** (1) Annually, the Legislative Budget Office
521 shall provide a report on the impact of the implementation of this
522 act on school enrollment and state and local funding of public
523 schools for the fiscal year most recently completed. The report
524 must include, but is not limited to, an analysis of and statement
525 on the:

526 (a) Change in public school enrollment, by school
527 district, attributable to this act;

528 (b) Amount of credits claimed, by type, for state tax
529 purposes; and

530 (c) Amount of funds the state would have had to expend
531 for public schools under the adequate education program funding
532 formula and the amount actually expended by the state.

533 (2) The report must be submitted by December 1 of each year
534 to the Governor, the Chairman of the Senate Finance Committee, the
535 Chairman of the Senate Education Committee, the Chairman of the
536 House Ways and Means Committee and the Chairman of the House
537 Education Committee.

538 **SECTION 19.** (1) (a) In addition to the annual report as
539 required under Section 18 of this act, the Legislative Budget
540 Office shall provide for a long-term evaluation of the impact of
541 this act. The evaluation must be conducted by contract with one
542 or more qualified persons or entities with previous experience
543 evaluating school choice programs and must be conducted for a
544 minimum of twelve (12) years. The evaluation must include an
545 assessment of the:

546 (i) Level of parental satisfaction for parents of
547 students participating in the tuition credit or scholarship
548 programs provided for in this act;

549 (ii) Level of parental satisfaction for parents of
550 students in public schools;

551 (iii) Academic performance of public school and
552 independent school students;

553 (iv) Level of student satisfaction with the
554 tuition credit or scholarship programs provided for in this act;

555 (v) Level of student satisfaction for students
556 attending public schools;

557 (vi) Impact of this act on public school
558 districts, public school students, independent schools,
559 independent school students and the quality of life in a
560 community; and

561 (vii) Impact of this act on school capacity,
562 availability and quality.

563 (b) The evaluation must be conducted using appropriate
564 analytical and behavioral science methodologies and must protect
565 the identity of participating schools and students by, at a
566 minimum, keeping anonymous all disaggregated data other than that
567 for the categories of grade, gender, race and ethnicity. The
568 evaluation of public and independent school students must compute
569 the relative efficiency of public and independent schools, and
570 must include a comparison of acceptance rates into college, while
571 adjusting or controlling for student and family background.

572 (2) State and local government entities must cooperate with
573 the persons or entities conducting the evaluation provided for in
574 subsection (1) of this Section. Scholarship granting
575 organizations must cooperate with the persons or entities
576 conducting the evaluation. Cooperation includes providing
577 available student assessment results and other information needed
578 to complete the evaluation.

579 (3) The Legislative Budget Office shall pay the cost of the
580 evaluation from funds available to it for that purpose, except
581 that state funds may not be used to pay the cost of the
582 evaluation.

583 (4) Before January 31 each year, the Legislative Budget
584 Office shall provide to each member of the Legislature interim
585 reports of the results of the evaluation. Upon completion of the

586 evaluation, the Legislative Budget Office shall provide a final
587 report to each member of the Legislature. At the same time as the
588 final report is made public, the persons or entities who conducted
589 the evaluation must make their data and methodology available for
590 public review and inspection, but only if the release of the data
591 and methodology is in compliance with 20 USCS 1232g, Family
592 Educational Rights and Privacy Act of 1974.

593 **SECTION 20.** This act shall take effect and be in force from
594 and after July 1, 2007.