

By: Representative Roberson

To: Education;  
Appropriations A

## HOUSE BILL NO. 1449

1 AN ACT TO CREATE THE "MISSISSIPPI STUDENT FREEDOM ACT" FOR  
2 THE PURPOSE OF ESTABLISHING MAGNOLIA SCHOLARSHIP ACCOUNTS (MSA)  
3 FOR PARENTS OF ELIGIBLE STUDENTS ON A PHASED-IN BASIS; TO  
4 PRESCRIBE THE CRITERIA FOR DETERMINING ELIGIBILITY FOR  
5 PARTICIPATION IN THE PROGRAM AND RECEIPT OF PROGRAM FUNDS; TO  
6 PROVIDE FOR THE FUNDING OF EACH STUDENT'S MSA; TO STIPULATE THE  
7 OBLIGATIONS OF PARENTS OR LEGAL GUARDIANS, STUDENTS, SCHOOLS AND  
8 SERVICE PROVIDERS TO BECOME AND REMAIN ELIGIBLE FOR PARTICIPATION;  
9 TO PRESCRIBE THE DUTIES OF THE STATE OF MISSISSIPPI DEPARTMENT OF  
10 TREASURY REGARDING THE ADMINISTRATION OF THE FUNDS; TO REQUIRE  
11 PEER TO PREPARE A BIENNIAL REPORT ON THE SUFFICIENCY OF FUNDING  
12 FOR ESAS AND STUDENT PERFORMANCE AND ASSESSMENT EVALUATION  
13 BEGINNING IN 2026 AND EVERY TWO YEARS THEREAFTER; TO PROVIDE FOR  
14 THE ADMINISTRATIVE, FINANCIAL AND ACADEMIC ACCOUNTABILITY  
15 STANDARDS TO BE ADHERED TO BY PARTICIPATING STUDENTS AND PARENTS;  
16 AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** This act shall be known and may be cited as "The  
19 Mississippi Student Freedom Act."

20 **SECTION 2.** As used in this act the following words and  
21 phrases shall have the meanings ascribed in this section unless  
22 the context clearly indicates otherwise:

23 (a) "Account" or "MSA" means the Magnolia Scholarship  
24 Account established by this act, which is an account comprised of



funds deposited on behalf of a participating student to pay for eligible educational expenses;

(b) "Account funds" means the funds deposited into an account on behalf of a participating student;

(c) "Department" means the State of Mississippi Treasury Department;

(d) "Eligible expenses" means:

(i) Tuition and fees at a nonpublic school;

(ii) Payment for purchase of textbooks, curriculum or other instructional materials;

(iii) Payment for educational services, including, but not limited to, tutoring or therapy;

(iv) Fees related to cocurricular and extracurricular activities;

(v) Courses or contracted educational services provided by a public school;

(vi) Fees for educational assessments;

(vii) Fees for transportation provided by a fee-for-service transportation provider for the child to travel to and from a school;

(viii) Computer hardware, Internet access, or other technological devices or services that are primarily used to meet a participant's educational needs; and

(ix) Any other education expenses and services as approved by the department;



(e) "Eligible student" means a resident of the State of Mississippi who is eligible to enroll in a public elementary or secondary school;

(f) "Parent" means:

(i) A biological or adoptive parent;

(ii) Legal guardian or custodian;

(iii) Persons standing in loco parentis to a student; or

(iv) Another person with legal authority to act on behalf of an eligible student;

(g) "Participating school" means any school that receives payments from program accounts as directed by a parent to provide goods and services that are covered as eligible expenses;

(h) "Participating service provider" means a person or an entity, including a participating public, nonpublic, or private school, that receives payments from program accounts to provide goods and services that are covered as eligible expenses;

(i) "Participating student" means a student for whom an account has been established under this act; and

(j) "Program" means the Magnolia Scholarship Account Program.

**SECTION 3.** (1) There is created the Magnolia Scholarship Account Program, to be administered by the department in accordance with the provisions of this act.



(2) As part of the application process, a parent of a program applicant shall agree to verify program compliance. A parent of a participating student shall use the funds deposited in a participating student's account for eligible expenses to educate the student. If a parent is found to knowingly misuse grant funds, then neither the parent nor another parent of the student living in the same household may apply for an account in the future for any student, provided that the parent may appeal the finding to the department.

(3) The department shall adopt only those rules, policies, or procedures that are necessary for the administration of this program as prescribed in this act. Any rules, policies, or procedures adopted by the department related to the program shall avoid excessive bureaucracy and overly prescriptive mandates.

(4) Nothing in this act shall be construed to apply to a child who is being educated in a legitimate home instruction program and is not participating in the Magnolia Scholarship Account Program.

**SECTION 4.** (1) The State of Mississippi Treasury Department shall administer the Magnolia Scholarship Account Program under this act and shall promulgate rules:

- (a) For the implementation of the program; and
- (b) For the effective and efficient administration of the program, including without limitation:



98                   (i) A process for determining the eligibility of  
99 students and service providers, including the awarding of accounts  
100 to eligible students and approval of potential participating  
101 service providers, avoiding unnecessary barriers or disincentives  
102 to participation by students or providers;

103                   (ii) The oversight of the Magnolia Scholarship  
104 Account Program;

105                   (iii) A process for conducting account and program  
106 audits, including establishing the authority for the department or  
107 its designee to conduct or contract for the auditing of accounts.  
108 As part of the auditing process, the department may remove a  
109 parent or participant from the program and close an account for  
110 failure to comply with the terms of participation required by this  
111 act, provided, that the department implemented a process and  
112 procedures to ensure that a fair process exists to determine the  
113 removal of a parent or participant from the program;

114                   (iv) A process for appealing any administrative  
115 decision the department makes pursuant to this act, including  
116 determinations of allowable expenses, removal from the program or  
117 enrollment eligibility; and

118                   (v) Any other necessary aspects for the operation  
119 of the program.

120           (2) In order to administer the program, the department  
121 shall:



122 (a) Administer, or designate a third party to  
123 administer, and implement a commercially viable, cost-effective,  
124 and parent-friendly system for payment of goods or services from  
125 scholarship accounts to participating service providers by  
126 electronic or online funds transfer. However, payment methods for  
127 MSA parents shall not be limited to the online platform. The  
128 department shall also provide, at a minimum:

129 (i) A method for participating service providers  
130 to invoice the department as directed by a parent for eligible  
131 expenses consistent with this act; and

132 (ii) A method for parents to seek reimbursement  
133 for eligible expenses consistent with this act;

134 (b) Require parents to provide appropriate  
135 documentation, as determined by the department, that the costs  
136 incurred by the parent are in accordance with the provisions of  
137 this act, before disbursing funds to reimburse a parent;

138 (c) Deposit into each participating student's account,  
139 on a quarterly basis, an amount not to exceed twenty-five percent  
140 (25%) of the state per-pupil funding average. However, the  
141 department may deposit an amount greater than twenty-five percent  
142 (25%) for the first quarterly deposit of each school year to  
143 offset the costs of textbooks, curriculum or other eligible  
144 expenses that may be required at the beginning of the school year;

145 (d) Provide parents of participating students with a  
146 written explanation of the allowable expenses, the



responsibilities of parents and the duties of the department.  
This information shall also be made available on the department's  
website; and

(e) Implement an annual communication plan to inform  
parents how to access the options and opportunities outlined in  
this program.

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

(4) The department is authorized to:

(a) Conduct eligibility determinations for program  
participation;

(b) Refer a case involving misuse of account funds for  
investigation to:

(i) The Office of the State Auditor; or

(ii) The Attorney General;

(c) Contract with a vendor or other supplier for the  
administration of the program or parts of the program;

(d) Establish or create, or contract for the  
establishment or creation of an online anonymous fraud reporting  
service, including, without limitation, a telephone hotline; and

(e) Provide a mechanism for the refunding of payments  
from service providers back to the account from which they were  
paid.



(5) Any contracts entered into between the department and a vendor under the provisions of this act shall comply with all applicable state procurement laws and regulations, as outlined in Chapter 7, Title 31, Mississippi Code of 1972.

**SECTION 5.** (1) By December 1 of each year, the department shall report to the Governor and Education Committees of the Senate and House of Representatives:

(a) The total funds appropriated for the program in the current fiscal year and the prior fiscal year;

(b) The number of applicants for the program in the current fiscal year and the prior fiscal year;

(c) The number of accounts awarded in the current fiscal year and the prior fiscal year and how account funds were used by participants in the prior fiscal year; and

(d) Other matters concerning the program that is considered relevant by the department.

(2) (a) By December 31, 2026, and every two (2) years thereafter, the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall submit to the Legislature a biannual report, assessing the efficacy of the Magnolia Scholarship Accounts, to include the sufficiency of funding, and recommending any suggested changes in state law or policy necessary to improve the program.

(b) The report shall assess:





(i) The level of participating students' satisfaction with the program;

(ii) The level of parental satisfaction with the program;

(iii) Participating students' academic progress on a nationally standardized norm-referenced achievement test;

(iv) The percentage of funds used for each eligible expense identified in this act; and

(v) The fiscal impact to the state and home school districts of the program, which must consider both the impact on revenue and the impact on expenses. Furthermore, the fiscal savings associated with students departing public schools must be explicitly quantified.

(c) The report shall:

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

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

(d) PEER may accept grants to assist in funding the study.

**SECTION 6.** (1) The Magnolia Scholarship Account Program shall begin enrolling participating students no later than the beginning of the 2025-2026 school year.



(2) A student is eligible for an account if the student:

- (a) Has a parent who is a resident of Mississippi;
- (b) Is eligible to enroll in a public elementary or secondary school in this state; and
- (c) Meets the following criteria:
  - (i) For the 2025-2026 school year, any child who:
    - 1. Is eligible to enroll in kindergarten or who was enrolled in public school or the Education Scholarship Account Program in the previous school year; and
    - 2. Meets the eligibility criteria to participate in Medicaid or the Children's Health Insurance Program (CHIP);
  - (ii) For the 2026-2027 school year, any child who:
    - 1. Is eligible to enroll in kindergarten; or
    - 2. Was enrolled in public school or the Education Scholarship Account Program in the previous school year; and
  - (iii) For the 2027-2028 school year and every year thereafter, any child who is eligible to enroll in public school.

(3) A homeschool student, as defined by applicable state and federal law, may be eligible for an account beginning in the 2027-2028 school year. Students who are designated as homeschool students shall only be eligible for an amount up to One Thousand Dollars (\$1,000.00). Nothing in this section shall require homeschool students to participate in the MSA program.



(4) (a) Program participation shall be limited for the first four (4) years of the program as follows:

(i) For the 2025-2026 school year, a maximum of one and one-half percent (1.5%) of the number equal to the 2022-2023 total public school student enrollment;

(ii) For the 2026-2027 school year, a maximum of three percent (3%) of the number equal to the 2022-2023 total public school student enrollment;

(iii) For the 2027-2028 school year, a maximum of four and one-half percent (4.5%) of the number equal to the 2022-2023 total public school student enrollment;

(iv) For the 2028-2029 school year, a maximum of six percent (6%) of the number equal to the 2022-2023 total public school student enrollment; and

(v) For the 2029-2030 school year and beyond, there shall be no maximum participation limit.

(b) The number of accounts approved under this section shall not exceed the amount of funds made available for the Magnolia Scholarship Account Program.

(5) For purposes of continuity of educational attainment, students who enroll in the MSA program shall remain eligible until the participating student returns to a public school, completes high school, completes the school year in which the student reaches the age of twenty-one (21), whichever occurs first.



(6) In any year in which funds are insufficient to fund all applications for new accounts, first priority shall be given in the order as follows:

(a) Students eligible under (2)(c)(i) of this section;

(b) Students with a parent in the military on active duty or killed in the line of duty;

(c) Students actively enrolled in the state's Education Scholarship Accounts program, established under Chapter 181, Title 37, Mississippi Code of 1972;

(d) Students who are in or have been adopted out of the foster care system;

(e) Students eligible under (2)(c)(ii) of this section;  
and

(f) Students with a sibling who is already a participating student.

(7) A participating student may also participate in and receive funds from only one (1) of the following:

(a) The "Equal Opportunity for Students with Special Needs Act," established under Chapter 181, Title 37, Mississippi Code of 1972;

(b) The "Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program," established under Chapter 173, Title 37, Mississippi Code of 1972; or

(c) The "Mississippi Speech-Language Therapy Scholarship for Students with Speech-Language Impairments Program"



(Nate Rogers Scholarship), established under Chapter 175, Title 37, Mississippi Code of 1972.

**SECTION 7.** (1) Subject to appropriation from the General Fund, each participating student's Magnolia Scholarship Account shall be funded at an amount equal to one hundred percent (100%) of the average amount of the state share of per-student expenditure as determined by using the base student cost for the previous school year.

(2) No school district shall be required to provide funding for a Magnolia Scholarship Account.

(3) The department shall submit to the State Department of Education, the names and home districts of participating students. The State Department of Education shall develop a method to ensure public school districts do not receive the state share of funding for participating students in the same year or years those students are participating in the MSA program.

(4) An account shall remain in force, and any unused funds shall roll over from quarter-to-quarter and from year-to-year until:

(a) The participating student withdraws from the program;

(b) The participating student graduates from high school; or

(c) The end of the school year in which the participating student reaches twenty-one (21) years of age.



(5) Any funds remaining in a student's Magnolia Scholarship Account upon completion of high school shall be returned to the state's General Fund.

(6) An eligible student shall be allowed to return to his home school district at any time after enrolling in the MSA 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 Magnolia Scholarship Account shall be closed, and any remaining funds shall be distributed to the student's home school district at the end of the school year.

**SECTION 8.** The department shall ensure that parents of scholarship students with disabilities receive notice that participation in the scholarship program is a parental placement under the Individuals with Disabilities Education Act (IDEA), along with an explanation of the rights that parentally placed students possess under IDEA and any applicable state laws and regulations.

**SECTION 9.** (1) To participate in the Magnolia Scholarship Account Program, any nonpublic school, as described in Section 37-13-91, must meet the following requirements:

(a) Submit notice to the department that they wish to participate in the Magnolia Scholarship Account Program;



(b) Provide parents of participating students with a receipt for all eligible educational expenses for the participating student;

(c) Agree not to refund, rebate or share Magnolia Scholarship Account funds with parents or students in any manner, except that funds may be remitted or refunded to a Magnolia Scholarship Account in accordance with the provisions of this act and any rules promulgated by the department;

(d) Certify that it will not discriminate on any basis prohibited by 42 USCS Section 1981;

(e) Agree to submit any employee who will have contact with participating students to a criminal background check; and

(f) Agree not to charge a participating student more for tuition and fees than a nonparticipating student.

(2) (a) The provisions of this act do not limit the independence or autonomy of a participating school or participating service provider or make the actions of any such provider the actions of the state government.

(b) Participating schools and participating service providers shall be given maximum freedom to provide for the educational needs of Magnolia Scholarship Account students without governmental control.

(c) A participating school or participating service provider is not required to alter its creed, practices, admission



367 policy, hiring policy or curriculum in order to accept  
368 participating students.

369 (d) The provisions of this act do not expand the  
370 regulatory authority of the state, its officers, or any school  
371 district to impose any additional regulation of participating  
372 schools or participating service providers beyond those necessary  
373 to enforce the requirements of the program.

374 (3) A public school district or public charter school  
375 located in the State of Mississippi that previously enrolled a  
376 student who is now a participating student under this act shall  
377 provide the participating school or participating service provider  
378 that has enrolled the student who was previously enrolled in the  
379 public school district or public charter school a copy of the  
380 participating student's cumulative record consistent with the  
381 provisions of the Family Educational Rights and Privacy Act of  
382 1974, as it existed on January 1, 2024.

383 (4) (a) No later than January 1, 2025, the department shall  
384 adopt rules providing for program eligibility for participating  
385 service providers that are not participating schools, including  
386 without limitation an application process that is executed, at a  
387 minimum, annually for the purpose of determining service provider  
388 eligibility.

389 (b) The department shall maintain a list of service  
390 providers determined to be eligible to participate in the program  
391 and make the list available on the department's website.





392 (c) The department may bar a service provider from  
393 accepting payments from accounts and restrict the service  
394 provider's ability to serve additional participating students if  
395 the department determines that the participating service provider  
396 has:

397 (i) Failed to maintain continuing eligibility  
398 criteria established by the department;

399 (ii) Intentionally or substantially misrepresented  
400 information or failed to refund any overpayments in a timely  
401 manner, as defined by the department; or

402 (iii) Routinely failed to provide participating  
403 students with promised educational goods or services, as defined  
404 by the department.

405 (5) (a) The department shall create procedures to ensure  
406 that a fair process exists to determine whether a participating  
407 service provider may be barred from receiving payments from  
408 accounts under the provisions of this section.

409 (b) If the department bars a participating service  
410 provider from receiving payments from accounts under this section,  
411 it shall notify parents of participating students of its decision  
412 within three (3) days of its decision by indicating the revocation  
413 of payments to the service provider on the department's website  
414 and through attempted individual communications.



(c) A participating service provider may appeal the department's decision to revoke its ability to receive payments from accounts to the Hinds County Circuit Court.

(6) Any participating school or participating service provider, as defined in this act, may be subject to review and an audit of funds received related to this act as directed by the department.

**SECTION 10.** (1) Each participating student shall be required to take a nationally recognized norm-referenced test or a statewide assessment annually, which measures, at a minimum, literacy and math.

(2) (a) The responsibility to take the assessment shall lie solely with the participating student and his or her parent and not the participating school or participating service provider.

(b) At its sole discretion, a participating school or participating service provider may offer to facilitate the taking of this assessment by the participating student.

(c) Account funds may be used to offset expenditures associated with this assessment requirement.

(d) The parent of the participating student shall submit the results of all such assessment to the department in a timely manner, as defined by the department. Submission of such assessment results in a timely manner shall be required for continued participation of the participating student in the program.



440 (3) (a) Notwithstanding any other provision of this act, a  
441 participating student who has an Individual Service Plan,  
442 Instructional Services Plan, an Individualized Education Plan or  
443 an Individual Family Service Plan, and who is certified by a  
444 participating school or participating service provider to need an  
445 exemption from standardized testing due to the existence of a  
446 significant cognitive disability, is not required to take the  
447 assessment required under this section.

448 (b) If a student is not required to take the assessment  
449 required under this section, a participating school or  
450 participating service provider shall provide to the parent of the  
451 participating student the certification described in paragraph (a)  
452 of this subsection and may provide for the student to take an  
453 alternate assessment approved by the State Board of Education or  
454 prepare a portfolio that provides information on the student's  
455 progress to the student's parent or guardian.

456 (c) The parent of the participating student shall submit  
457 the certification described in this subsection to the department  
458 in a timely manner, as defined by the department. Submission of  
459 such certification in a timely manner shall be required for  
460 continued participation of the participating student in the  
461 program.

462 **SECTION 11.** (1) In any legal proceeding challenging the  
463 application of the program to a service provider, the state bears



the burden of establishing that the law is necessary and does not impose any undue burden on the service provider.

(2) No liability shall arise on the part of the department or the state or of any public school or school district based on the award of or use of an account.

(3) If any part of the program is challenged in a state court as violating either the Mississippi Constitution or the United States Constitution, parents shall be permitted to intervene as of right in such lawsuit for the purposes of defending the program's constitutionality. However, for the purposes of judicial administration, a court may require that all parents file a joint brief, so long as they are not required to join any brief filed on behalf of any named state defendant.

**SECTION 12.** If any provision of this act, or the application thereof to any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this act, which can be given effect without the invalid provision or application, and to this end the provisions of this program are declared to be severable.

**SECTION 13.** This act shall take effect and be in force from and after July 1, 2024.

