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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO EDUCATION -- PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

Introduced By: Representatives E Coderre, and Corvese

Date Introduced: January 16, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 16 of the General Laws entitled "EDUCATION" is hereby amended
2 by adding thereto the following chapter:

3 CHAPTER 103

4 PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

5 **16-103-1. Short title.** -- This act shall be known and may be cited as the "Parental
6 Choice Scholarship Program Act."

7 **16-103-2. Definitions.** -- The following words and phrases when used in this chapter
8 shall have the following meanings unless the context clearly indicates otherwise:

9 (1) "Adequate funding" means the amount of money defined as adequate funding per
10 student, as determined by applicable law for the academic year that the scholarship is utilized.

11 (2) "Department" means the Rhode Island department of education. The general assembly
12 reserves the right to transfer oversight of this program from the department of education to
13 another body, to be chosen by the general assembly, if it determines that program success would
14 be better facilitated by removal from the department of education.

15 (3) "Eligible student" means any elementary or secondary student who was eligible to
16 attend a public school in Rhode Island in the preceding semester or is starting school in Rhode
17 Island for the first time.

18 (4) "Home school" means a school provided by a parent or legal guardian for his or her
19 own child.

1 (5) "Parent" means a biological or adoptive parent, guardian, custodian, or other person
2 with the authority to act on behalf of the child.

3 (6) "Parent choice scholarship award" means the amount of money that follows the child
4 to the school which the parent selects for their education.

5 (7) "Participating school" means either a public school outside of the resident school
6 district, a charter school, magnet school, alternative school or a private school that provides
7 education to elementary and/or secondary students and has notified the department of its intention
8 to participate in the program and comply with the program requirements.

9 (8) "Program" means the parental choice scholarship program created in this chapter.

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

12 **16-103-3. Elements of program.** -- (a) Any parent of an eligible student shall qualify for
13 a scholarship for their child to enroll in and attend a participating school.

14 (b) An eligible student means a student who:

15 (1) Is a member of a household whose total annual income does not exceed an amount
16 equal to three (3) times the income standard used to qualify for a reduced price lunch under the
17 national free or reduced price lunch program established under 42 USC Section 1751 et seq.

18 (c) The scholarship is the entitlement of the eligible student under the supervision of the
19 student's parent and not that of any school.

20 (d) A participating school that has more eligible students applying than spaces available
21 shall fill the available spaces by a random selection process, except that participating schools may
22 give preference to siblings of enrolled students.

23 (e) If a student is denied admission to a participating school because it has too few
24 available spaces, the parent of that eligible student may transfer his or her scholarship to a
25 participating school that has spaces available.

26 (f) An eligible student may attend a participating school until his or her graduation from
27 high school or twenty-first (21st) birthday, whichever comes first.

28 (g) Eligible students that enroll in a participating school may, at the parent's discretion,
29 participate in fine arts and sports programs available through their child's resident school district
30 at no cost, if the participating school does not offer a similar program.

31 (h) The department shall adopt rules consistent with this chapter regarding:

32 (1) The creation of notification methodologies and timelines that will maximize student
33 and public and private school participation;

34 (2) The creation of a simple and straightforward scholarship application procedures for

1 eligible students and participating schools; and

2 (3) The calculation and distribution of scholarship funds to participating schools for
3 eligible students no later than September 1 for the fall semester and February 1 for the spring
4 semester.

5 **16-103-4. Funding guidelines. -- (a) Any eligible student will qualify for a scholarship**
6 **calculated by the following schedule:**

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

9 (i) The participating school's annual cost-per-pupil, including both operational and capital
10 facility costs; or

11 (ii) The dollar amount the resident school district would have received to serve and
12 educate the eligible student from state and local sources had the student enrolled there.

13 (2) For students from households with an annual income greater than the amount required
14 to qualify for the free or reduced lunch program but less than one and one-half (1.5) times that
15 amount, the scholarship amount shall be equal to the lesser of:

16 (i) Seventy-five percent (75%) of the dollar amount the resident school district would
17 have received to serve and educate the eligible student from state and local sources had the
18 student enrolled there; or

19 (ii) The participating school's annual cost-per-pupil, including both operational and
20 capital facility costs.

21 (3) For students from households with an annual income of greater than one and one-half
22 (1.5) times the amount required to qualify for the free or reduced lunch program but less than two
23 (2) times that amount, the scholarship amount shall be equal to the lesser of:

24 (i) Fifty percent (50%) of the dollar amount the resident school district would have
25 received to serve and educate the eligible student from state and local sources had the student
26 enrolled there; or

27 (ii) The participating school's annual cost-per-pupil, including both operational and
28 capital facility costs.

29 (4) For students from households with an annual income of greater than two (2) times the
30 amount required to qualify for the free or reduced lunch program but less than two and one-half
31 (2.5) times that amount, the scholarship amount shall be equal to the lesser of:

32 (i) Twenty-five percent (25%) of the dollar amount the resident school district would
33 have received to serve and educate the eligible student from state and local sources had the
34 student enrolled there; or

1 (ii) The participating school's annual cost-per-pupil, including both operational and
2 capital facility costs.

3 (5) For students from households with an annual income of greater than two and one-half
4 (2.5) times the amount required to qualify for the free or reduced lunch program but less than
5 three (3) times that amount, the scholarship amount shall be equal to the lesser of:

6 (i) Fifteen percent (15%) of the dollar amount the resident school district would have
7 received to serve and educate the eligible student from state and local sources had the student
8 enrolled there; or

9 (ii) The participating school's annual cost-per-pupil, including both operational and
10 capital facility costs.

11 (b) A participating student shall be counted in the enrollment figures for his or her
12 resident school district for the purpose of calculating state aid to the resident school district. The
13 funds needed for a scholarship shall be subtracted from the state school aid payable to the
14 student's resident school district.

15 (c) A participating school may not refund, rebate or share a student's scholarship with a
16 parent or the student in any manner. A student's scholarship may only be used for educational
17 purposes.

18 (d) Any aid the resident school district would have received for the student that is in
19 excess of the funds needed for a scholarship to the participating school selected by the parent
20 shall be sent to the residing school district of the eligible student.

21 **16-103-5. Accountability standards for participating schools. --** (a) Administrative
22 Accountability Standards. - To ensure that students are treated fairly and kept safe, all
23 participating private schools shall:

24 (1) Comply with all health and safety laws or codes that apply to private schools;

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

26 (3) Certify that they comply with the nondiscrimination policies set forth in 42 USC
27 1981; and

28 (4) Conduct criminal background checks on employees. The participating school shall
29 then:

30 (i) Exclude from employment any people not permitted by state law to work in a private
31 school; and

32 (ii) Exclude from employment any people that might reasonably pose a threat to the
33 safety of students.

34 (b) Financial Accountability Standards. - To ensure that public funds are spent

1 appropriately, all participating, private schools shall:

2 (1) Demonstrate their financial accountability by:

3 (i) Annually submitting to the department a financial information report for the school
4 that complies with uniform financial accounting standards established by the department and
5 conducted by a certified public accountant; and

6 (ii) Having an auditor certify that the report is free of material misstatements and fairly
7 represents the costs per pupil, including the costs of the testing required herein. The auditor's
8 report shall be limited in scope to those records that are necessary for the department to make
9 payments to participating schools on behalf of parents for scholarships.

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

13 (i) Filing with the department prior to the start of the school year a surety bond payable to
14 the state in an amount equal to the aggregate amount of the parental school choice scholarships
15 expected to be paid during the school year to students admitted to the participating school; or

16 (ii) Filing with the department prior to the start of the school year financial information
17 that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the
18 parental choice scholarships expected to be paid during the school year to students admitted to the
19 participating school. This information could include personal guarantees, reserve accounts or
20 escrow accounts.

21 (c) Academic Accountability Standards. - There must be sufficient information about the
22 academic impact parental choice scholarships have on participating students in order to allow
23 parents and taxpayers to measure the achievements of the program, and therefore:

24 (1) Participating schools shall:

25 (i) Annually administer nationally recognized norm-referenced tests chosen by the
26 participating school, that measure learning gains in math and language arts to all participating
27 students in grades that require testing under the state's accountability testing laws for public
28 schools; and

29 (ii) Provide the parents of each student with a copy of the results of the tests on an annual
30 basis, beginning with the first year of testing; and

31 (iii) Provide the test results to the state or an organization chosen by the state on an
32 annual basis, beginning with the first year of testing; and

33 (iv) Report student information that would allow the state to aggregate data by grade
34 level, gender, family income level, and race; and

1 (v) Provide graduation rates of participating students to the department or an organization
2 chosen by the state in a manner consistent with nationally recognized standards; and

3 (vi) For programs that provide education and training for children with special needs,
4 annual testing that is most appropriate for the student based upon their individual needs and
5 challenges, and best professional standards, may be substituted for the state achievement test.

6 (2) The state or an organization chosen by the state shall:

7 (i) Ensure compliance with all student privacy laws; and

8 (ii) Collect all test results; and

9 (iii) Provide the test results and associate learning gains to the public via a state website
10 after the third (3rd) year of test and test-related data collection. The findings shall be aggregated
11 by the student's grade level, gender, family income level, number of years participating in the
12 scholarship program, and race.

13 (d) The sole purpose of requiring testing is to provide participating schools, parents and
14 home school parents a benchmark to evaluate the progress of their students. The state does not
15 have the authority, based on the student's test performance, to require any student to transfer from
16 one educational environment to another; or to mandate curriculum changes of any kind to the
17 educational curriculum provided by the participating school or by home school parents. Selection
18 of an educational environment for each child is the exclusive right and sole responsibility of the
19 parent.

20 (e) Participating School Autonomy. - A participating, private school is autonomous and
21 not an agent of the state or federal government and therefore:

22 (1) The department or any other state agency may not in any way regulate the educational
23 program of a participating, private school that accepts students who utilize a parental choice
24 scholarship; and

25 (2) The creation of the parental choice scholarship program does not expand the
26 regulatory authority of the state, its officers, or any school district to impose any additional
27 regulation of private schools beyond those necessary to enforce the requirements of the program;
28 and

29 (3) Participating schools shall be given maximum freedom to provide for the educational
30 needs of their students without government control; and

31 (4) Participating schools will be bound by their current teacher qualification and
32 certification requirements.

33 **16-103-6. Responsibilities of the department of education. -- (a) The department shall**
34 **ensure that eligible students and their parents are informed annually of which schools will be**

1 participating in the parental school choice scholarship program. Special attention shall be paid to
2 ensuring that lower-income families are made aware of the program and their options.

3 (b) The department shall create a standard application that students interested in the
4 parental choice scholarship program can use to submit to participating schools to establish their
5 eligibility and apply for admissions. Participating schools may require supplemental information
6 from applicants. The department shall ensure that the application is readily available to interested
7 families through various sources, including the Internet.

8 (c) The department may bar a school from participation in the parental choice scholarship
9 program if the department establishes that the participating school has:

10 (1) Intentionally and substantially misrepresented information required hereunder; or

11 (2) Routinely failed to comply with the accountability standards established by this
12 chapter; or

13 (3) Failed to comply with any other provisions of this chapter; or

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

15 (d) If the department decides to bar a participating school from the program, it shall
16 notify eligible students and their parents of this decision as quickly as possible. Participating
17 students attending a school barred by the department shall retain scholarship eligibility to attend
18 another participating school.

19 (e) The department shall adopt rules and procedures as necessary for the administration
20 of the parental school choice scholarship program.

21 **16-103-7. Responsibilities of resident school districts.** -- (a) The resident school district
22 shall provide a participating school that has admitted an eligible student under this program with
23 a complete copy of the student's school records while complying with the Family Educational
24 Rights and Privacy Act of 1974 (20 USC § 1232g).

25 (b) The resident school district shall provide transportation for an eligible student to and
26 from the participating school under the same conditions as the resident school district is required
27 to provide transportation for other resident students to private school as per current law. The
28 resident school district shall qualify for state transportation aid for each student so transported.

29 (c) If desired by the parent, the resident school district shall allow students who live in its
30 district, but attend another participating school or are home schooled, to participate in the
31 district's fine arts and athletic programs.

32 **16-103-8. Evaluation.** -- (a) The department may contract with one or more qualified
33 researchers who have previous experience evaluating school choice programs to conduct a study
34 of the program with funds other than state funds.

- 1 (b) The study shall assess:
- 2 (1) The level of participating students' satisfaction with the program; and
- 3 (2) The level of parental satisfaction with the program; and
- 4 (3) The fiscal impact to the state and resident school districts of the program; and
- 5 (4) The resulting competition from private schools on the resident school districts, public
- 6 school students, and quality of life in a community; and
- 7 (5) The impact of the program on public and private school capacity, availability and
- 8 quality; and
- 9 (6) The academic performance and graduation rates of students who participate in this
- 10 program in comparison to students who applied for a scholarship under this program but did not
- 11 receive one because of random selection.
- 12 (c) The researchers who conduct the study shall:
- 13 (1) Apply appropriate analytical and behavioral science methodologies to ensure public
- 14 confidence in the study;
- 15 (2) Protect the identity of participating schools and students by, among other things,
- 16 keeping anonymous all disaggregated data other than that for the categories of grade level, gender
- 17 and race and ethnicity; and
- 18 (3) Provide the general assembly with a final copy of the evaluation of the program.
- 19 (d) The relevant public and participating private schools shall cooperate with the research
- 20 effort by providing student assessment results and any other data necessary to complete this
- 21 study.
- 22 (e) The department may accept grants to assist in funding this study.
- 23 (f) The study shall cover a period of thirteen (13) years. The general assembly may
- 24 require periodic reports from the researchers. After publishing their results, the researchers shall
- 25 make their data and methodology available for public review, while complying with the
- 26 requirements of the Family Educational Rights and Privacy Act (20 USC § 1232g).
- 27 **16-103-9. Effective dates.** -- (a) The parental school choice scholarship program will be
- 28 effective fall 2014 for students enrolled in kindergarten through grade nine (9).
- 29 (b) Each fall an additional grade will be added to the program.
- 30 (c) Exceptions to the above schedule include:
- 31 (1) All special education students, regardless of age, are eligible to participate in the
- 32 program effective fall 2014.
- 33 (i) In addition to participating schools, scholarship funds may be used for special
- 34 education training and/or development programs designed for persons with a particular disability

1 diagnosis.

2 (2) Students whose siblings are enrolled in a participating school are eligible to transfer to
3 the participating school, at the parent's discretion, regardless of age.

4 (3) Access to participation in fine arts and athletic programs, as described herein, is
5 effective fall 2014 for all grade levels.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO EDUCATION -- PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

1 This act would create the Parental Choice Scholarship Program Act to enable students
2 from lower income families to qualify for scholarships to enroll in and attend a participating
3 school. A participating school may be a public school outside of the district, a magnet school, an
4 alternative school, or certain private schools.

5 This act would take effect upon passage.

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