

House Bill 411

By: Representatives Clark of the 98th, Glanton of the 75th, Harrell of the 106th, Belton of the 112th, Clark of the 147th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to
2 elementary and secondary education, so as to establish the Blue Star Family Scholarship
3 Program for children of military service members; to provide for a short title; to provide for
4 definitions; to provide for qualifications and requirements; to provide for management of
5 accounts; to provide for participating schools; to provide for responsibilities of parents; to
6 provide for duties of the Office of Student Achievement in administering the program; to
7 provide for rules and regulations; to provide for related matters; to repeal conflicting laws;
8 and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and
12 secondary education, is amended by adding a new article to read as follows:

13 style="text-align:center">"ARTICLE 35

14 20-2-2140.

15 This article shall be known and may be cited as the 'Blue Star Family Scholarship Act.'

16 20-2-2141.

17 As used in this article, the term:

18 (1) 'Blue Star savings account' or 'account' means a consumer driven savings account
19 established pursuant to this article composed of state funds accrued on behalf of an
20 eligible student and which may be used for qualifying educational expenses, including
21 future postsecondary education expenses.

22 (2) 'Eligible postsecondary institution' means a community college, an accredited
23 university, or an accredited private postsecondary institution.

24 (3) 'Eligible student' means a student who resides in Georgia and whose parent is an
 25 active duty military service member stationed in Georgia, a member of the Georgia
 26 National Guard, or a member of a reserve component of the armed forces residing in
 27 Georgia.

28 (4) 'Office' means the Office of Student Achievement.

29 (5) 'Parent' means a parent, legal guardian, custodian, or other person with legal authority
 30 to act on behalf of a child.

31 (6) 'Participating school' means a private school in this state that is accredited or in the
 32 process of becoming accredited by one or more entities listed in subparagraph (A) of
 33 paragraph (6) of Code Section 20-3-519 that has notified the office of its intention to
 34 participate in the program and that complies with the office's requirements established
 35 pursuant to this article.

36 (7) 'Participating student' means an eligible student who has elected to participate in the
 37 program established pursuant to this article.

38 (8) 'Private tutoring' means tutoring services provided by tutors accredited or certified
 39 by a regionally or nationally recognized accrediting organization or by teachers certified
 40 in this state pursuant to Code Section 20-2-200.

41 (9) 'Program' means the Blue Star savings account program established pursuant to this
 42 article.

43 (10) 'Qualifying educational expenses' means:

44 (A) Tuition and fees at a participating school;

45 (B) Textbooks required by a participating school;

46 (C) Payment for private tutoring;

47 (D) Payment for purchase of curriculum materials;

48 (E) Tuition or fees for a nonpublic online learning program;

49 (F) Contracted educational services by a public school or school system, including
 50 courses; provided, however, this shall not be construed to equate to enrollment in a
 51 public school for purposes of eligibility for the program;

52 (G) Fees for nationally norm-referenced examinations, advanced placement or similar
 53 examinations, and any examinations related to college or university admission;

54 (H) Educational services for participating students with disabilities from a licensed or
 55 accredited practitioner or provider. Such educational services may include, but are not
 56 limited to:

57 (i) Applied behavior analysis services;

58 (ii) Speech-language pathology services;

59 (iii) Occupational therapy services; and

60 (iv) Physical therapy services;

61 (I) Tuition and fees at an eligible postsecondary institution; and

62 (J) Textbooks required for postsecondary courses.

63 (11) 'Resident school system' means the public school system in which the eligible
64 student would be enrolled based on his or her residence.

65 20-2-2142.

66 (a) Any eligible student shall qualify for the Blue Star savings account program
67 established pursuant to this article if the parent of such eligible student signs an agreement:

68 (1) To provide an education for the eligible student in at least the subjects of English and
69 language arts, mathematics, social studies, and science;

70 (2) To acknowledge that funds shall cease being deposited into a Blue Star savings
71 account if the eligible student returns to a public school; provided, however, that this shall
72 not apply to contracted educational services pursuant to subparagraph (F) of
73 paragraph (10) of Code Section 20-2-2141; and

74 (3) To use the funds deposited into the Blue Star savings account only for qualifying
75 educational expenses for the eligible student.

76 (b) For each participating student, the office shall deposit into a Blue Star savings account
77 an amount equivalent to the costs of the educational program that would have been
78 provided for such student as calculated under Code Section 20-2-161 if he or she were
79 enrolled in and attending school in the student's resident school system less the state-wide
80 average local five mill share per student and less any administrative costs withheld
81 pursuant to subsection (c) of Code Section 20-2-2143. The amount deposited shall not
82 include any federal funds.

83 (c) A participating student shall be counted in the enrollment of his or her resident school
84 system; provided, however, that this count shall only be for the purpose of determining the
85 amount of the account funds, and such participating student shall not be counted as enrolled
86 for purposes of state or federal accountability requirements, including, but not limited to,
87 the federal Elementary and Secondary Education Act, as amended by the No Child Left
88 Behind Act of 2001 (P.L. 107-110). The funds needed to fund the account shall be
89 subtracted from the allotment payable to the participating student's resident school system.

90 (d) Funds deposited into a Blue Star savings account shall be used only for qualifying
91 educational expenses for the participating student. Unused funds in an account shall roll
92 over to the following year; provided, however, that if a Blue Star savings account has been
93 inactive for two consecutive years, the funds in such account shall be returned to the state
94 and the account shall be closed. Upon high school graduation of the participating student,
95 an amount not to exceed the total of the prior year's deposits shall roll over and may be
96 used for postsecondary education.

97 (e) Participating schools, private tutors, eligible postsecondary institutions, or other
98 educational providers receiving funds from a Blue Star savings account shall not refund,
99 rebate, or share a participating student's account funds with a parent or student in any
100 manner.

101 (f) The number of participating students in the program annually shall be limited to
102 one-half of 1 percent based on a random selection process of the state-wide total public
103 school enrollment for the 2017-2018 school year and an additional 1 percent based on a
104 random selection process of the state-wide total public school enrollment for the 2018-2019
105 school year. For the 2019-2020 school year and thereafter, there shall be no limit.

106 (g) An eligible student shall not be eligible to participate concurrently in the program
107 established pursuant to this article and the scholarship program established pursuant to
108 Article 33 of this title, the 'Georgia Special Needs Scholarship Act.'

109 (h) Deposits made into a Blue Star savings account shall not be considered taxable income.

110 (i) A participating student shall be eligible to receive deposits into a Blue Star savings
111 account pursuant to this Code section until the student returns to a public school, the parent
112 closes the account, or the student graduates from high school.

113 20-2-2143.

114 (a) The office shall qualify private financial management firms to manage Blue Star
115 savings accounts and shall establish reasonable fees for such firms' services based upon
116 market rates.

117 (b) The office shall have the authority to conduct or retain an independent certified public
118 accountant or other contractor to conduct an audit of any Blue Star savings account at any
119 time and shall, at a minimum, conduct random audits of Blue Star savings accounts on an
120 annual basis.

121 (c) The office may withhold up to 3 percent of the amount calculated pursuant to
122 subsection (b) of Code Section 20-2-2142 for use in administering the program; provided,
123 however, that any amount withheld pursuant to this subsection shall be spent solely on
124 expenses incurred by the office in performing the duties required by this article.

125 (d) The office shall provide parents of participating students with a written explanation of
126 the qualifying educational expenses which are considered allowable uses of Blue Star
127 savings accounts funds, the responsibilities of parents with respect to the program, and the
128 duties of the office.

129 (e) The office shall make payments to eligible students' Blue Star savings accounts on a
130 quarterly basis.

131 (f) The office shall have the authority to refer cases of suspected misuse of Blue Star
132 savings account funds by parents to law enforcement agencies for investigation.

133 20-2-2144.

134 (a) All participating schools shall:

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

136 (2) Comply with all provisions of Code Section 20-2-690 and any other state law
137 applicable to private schools;

138 (3) Comply with the antidiscrimination provisions of 42 U.S.C. Section 2000d;

139 (4) Demonstrate fiscal soundness by having been in operation for one school year or by
140 submitting a financial information report for the school that complies with uniform
141 financial accounting standards established by the office and conducted by a certified
142 public accountant. The report must confirm that the school desiring to participate is
143 insured and that the owner or owners have sufficient capital or credit to operate the
144 school for the upcoming school year serving the number of students anticipated with the
145 revenues from tuition and other sources that may be reasonably expected. The report
146 shall be limited in scope to those records that are necessary for the office to make a
147 determination on fiscal soundness;

148 (5) Conduct criminal background checks on teachers in the same manner as required for
149 public school personnel pursuant to Code Section 20-2-211.1 and exclude from
150 employment any individuals who would not be permitted to be employed by a local
151 school system pursuant to the results of such background checks; and

152 (6) Annually administer to all participating students a nationally norm-referenced
153 assessment or a state required, nationally norm-referenced assessment that measures
154 learning gains and provides for value added assessments in grades and subjects that are
155 administered to students in public schools in this state. The participating school shall
156 annually provide to the office the results of any assessments administered to participating
157 students pursuant to this paragraph.

158 (b) The creation of this program shall not be construed to expand the authority of this state,
159 its officers, or any local school system to impose any additional regulations on nonpublic
160 schools beyond those reasonably necessary to enforce the requirements of this article.

161 20-2-2145.

162 (a) The parent of a participating student shall:

163 (1) For home study students, provide to the office on an annual basis the results of any
164 assessments administered pursuant to paragraph (7) of subsection (c) of Code Section
165 20-2-690; and

166 (2) Inform the office of the participating student's graduation from high school.

167 (b) Upon participation in the program, the parent assumes full financial responsibility for
168 the education of the participating student, including transportation to and from a
169 participating school.

170 (c) The creation of this program or the deposit of account funds pursuant to this article
171 shall not be construed to imply that a public school did not provide a free and appropriate
172 public education for an eligible student or constitute a waiver or admission by this state of
173 the same.

174 (d) Any funds from a Blue Star savings account directed to a participating school is so
175 directed wholly as a result of the genuine and independent choice of the parent.

176 (e) The parent of each participating student shall comply fully with the participating
177 school's rules and policies.

178 (f) The office shall have the authority to bar any parent who is determined to have
179 intentionally and substantially misused Blue Star savings account funds and to forfeit the
180 eligible student's participation in the program.

181 20-2-2146.

182 (a) The office shall ensure that eligible students and their parents are informed annually
183 of the participating schools in the program. The office shall take any additional measures
184 necessary to ensure that low-income families are made aware of the program and their
185 options.

186 (b) The office shall create a standard form that parents of eligible students can submit to
187 establish such student's eligibility for the program. The office shall ensure that the
188 application is readily available to interested families through various sources, including the
189 Internet.

190 (c) The office shall collect the test scores of participating students and provide the
191 aggregate test results and associated learning gains beginning three years after
192 establishment of the program. Such findings shall be aggregated by the students' grade
193 level, gender, family income level, number of years of participation in the program, and
194 race. The office shall ensure compliance with all student privacy laws.

195 (d) The office shall make graduation rates for participating students available to the public
196 via a state website beginning three years after establishment of the program.

197 (e) The office shall administer an annual parental satisfaction survey that queries parents
198 of participating students regarding:

199 (1) Their satisfaction with the program;

200 (2) Their opinions on other topics, items, or issues that would elicit information about
201 the effectiveness of the program; and

202 (3) The number of years the eligible student has participated in the program.

203 (f) The office shall prepare and make available to the public an annual financial report on
204 the total amount of funds used from Blue Star savings accounts for each category of
205 qualifying educational expenses listed in paragraph (10) of Code Section 20-2-2141.

206 20-2-2147.

207 (a) The office may bar a participating school from the program if the office determines that
208 the participating school has:

209 (1) Intentionally and substantially misrepresented information;

210 (2) Failed to refund to the state any overpayments in a timely manner; or

211 (3) Failed to provide the participating student with the educational services funded by
212 such student's Blue Star savings account.

213 (b) If the office bars a participating school from the program, it shall notify eligible and
214 participating students and their parents of such action as soon as is practicably possible.

215 20-2-2148.

216 The resident school system shall provide a participating school that has admitted an eligible
217 student under the program with a complete copy of such student's school records, in
218 accordance with any requirements and limitations provided for under the Family
219 Educational Rights and Privacy Act of 1974, 20 U.S.C. Section 1232g.

220 20-2-2149.

221 The office shall adopt rules and regulations as necessary to implement the provisions of
222 this article."

223 **SECTION 2.**

224 All laws and parts of laws in conflict with this Act are repealed.