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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO EDUCATION

Introduced By: Representative Jon D. Brien

Date Introduced: March 02, 2010

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 91

4 THE RHODE ISLAND PARENTAL CHOICE SCHOLARSHIP PROGRAM ACT

5 **16-91-1. Short title.** -- This act shall be known and may be cited as "The Rhode Island
6 Parental Choice Scholarship Program Act."

7 **16-91-2. Definitions.** -- As used in this chapter, the following words and phrases shall
8 have the following meanings, unless the context clearly indicates otherwise:

9 (1) "Program" means the Parental Choice Scholarship Program created in this chapter.

10 (2) "Eligible student" means a student who:

11 (i) Is a member of a household whose total annual income does not exceed an amount
12 equal to two and one-half (2.5) times the income standard used to qualify for a reduced price
13 lunch under the national free or reduced price lunch program established under
14 42 USC Section 1751 et seq.;

15 (ii) Was eligible to attend a public school in the preceding semester or is starting school
16 in Rhode Island for the first time; and

17 (iii) Resides in the State of Rhode Island while receiving a scholarship under this chapter.

18 (3) "Parent" includes a guardian, custodian or other person with the authority to act on
19 behalf of the child.

1 (4) “Department” means the state department of elementary and secondary education.

2 (5) “Resident school district” means the public school district in which the student
3 resides.

4 (6) “Participating school” means either a public school outside of the resident school
5 district, or any nonpublic school that provides education to elementary and/or secondary students
6 and has notified the department of its intention to participate in the program and comply with the
7 program’s requirements.

8 **16-91-3. Basic requirements of the parental choice scholarship program. -- (a) Any**
9 eligible student may qualify for an annual scholarship to attend a participating school.

10 (b) Eligible students may attend a participating school until their graduation from high
11 school or their twenty-first (21st) birthday, whichever comes first.

12 (c) Scholarship amounts shall be calculated according to the following schedule:

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

15 (i) The participating school’s annual cost per pupil, including both operational and capital
16 facility costs; or

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

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

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

25 (ii) The participating school’s annual cost per pupil, including both operational and
26 capital facility costs.

27 (3) For students from households with an annual income of greater than one and one-half
28 (1.5) times the amount required to qualify for the free or reduced lunch program but less than two
29 (2) times that amount, the scholarship amount shall be equal to the lesser of:

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

33 (ii) The participating school’s annual cost per pupil, including both operational and
34 capital facility costs.

1 (4) For students from households with an annual income of greater than two (2) times the
2 amount required to qualify for the free or reduced lunch program but less than two and one-half
3 (2.5) times that amount, the scholarship amount shall be equal to the lesser of:

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

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

9 (5) Provided, that the provisions of subdivisions (c)(1) through (c)(4) herein
10 notwithstanding, in no event shall the amount of the scholarship exceed the amount of either five
11 thousand five hundred dollars (\$5,500) or one-half (1/2) the per-pupil cost per year to educate the
12 student in the resident school district.

13 (d) The scholarship is the entitlement of the eligible student under the supervision of the
14 student's parent and not that of any school.

15 (e) 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 (f)(1) Eligible students who qualify for the federal free or reduced lunch program may
19 attend any participating school in the parental choice scholarship program at no charge to the
20 student. That is, the scholarship under this chapter shall cover the cost of all tuition and
21 mandatory fees for such students. The participating school may not charge the resident school
22 district any amounts in excess of the scholarship amount provided for such students.

23 (2) Participating schools may charge households the difference between the scholarship
24 amount and all tuition and mandatory fees for eligible students from households with incomes
25 that exceed the annual income required to qualify for free or reduced lunch program.

26 (g) Participating schools that have more eligible students applying than spaces available
27 shall fill the available spaces by a random selection process, except that participating schools may
28 give preference to siblings of enrolled students and previously enrolled scholarship students under
29 this chapter.

30 (h) If a student is denied admission to a participating school because it has too few
31 available spaces, the eligible student may transfer his/her scholarship to a participating school that
32 has spaces available.

33 (i) Eligible students shall be counted in the enrollment figures for their resident school
34 district for the purposes of calculating state aid to the resident school district. The funds needed

1 for a scholarship shall be subtracted from the state school aid payable to the student's resident
2 school district. Any aid the school district would have received for the student in excess of the
3 funds needed for a scholarship will be kept by the state.

4 (j) The department shall adopt rules and regulations consistent with this chapter
5 regarding:

6 (1) The eligibility and participation of non-public schools, including timelines that will
7 maximize student and public and non-public school participation;

8 (2) The calculation and distribution of scholarships to eligible students; and

9 (3) The application and approval procedures for scholarships for eligible students and
10 participating schools.

11 **16-91-4. Accountability standards for participating schools. -- (a) Administrative**
12 **Accountability Standards. To ensure that students are treated fairly and kept safe, all participating**
13 **schools shall:**

14 (1) Comply with all health and safety laws or codes that apply to non-public schools;

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

16 (3) Certify that they will not discriminate in admissions on the basis of race, color,
17 national origin, religion or disability; and

18 (4) Comply with all state laws that apply to non-public schools regarding criminal
19 background checks for employees and exclude from employment any people not permitted by
20 state law to work in a non-public school.

21 (b) Financial accountability standards. To ensure that public funds are spent
22 appropriately, all participating non-public schools shall:

23 (1) Demonstrate their financial accountability by:

24 (i) Submitting a financial information report for the school that complies with uniform
25 financial accounting standards established by the department and conducted by a certified public
26 accountant; and

27 (ii) Having the auditor certify that the report is free of material misstatements and fairly
28 represents the costs per pupil under this chapter. The auditor's report shall be limited in scope to
29 those records that are necessary for the department to make payments to participating schools on
30 behalf of parents for scholarships.

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

34 (i) Filing with the department prior to the start of the school year a surety bond payable to

1 the state in an amount equal to the aggregate amount of the parental choice scholarships expected
2 to be paid during the school year to students admitted at the participating school; or

3 (ii) Filing with the department prior to the start of the school year financial information
4 that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the
5 parental choice scholarships expected to be paid during the school year to students admitted at the
6 participating school.

7 (c) Academic accountability standards. To ensure that schools provide academic
8 accountability to parents of students in the program, all participating schools shall regularly report
9 to the parent on the student's progress.

10 (d) Participating school autonomy. A participating school is autonomous and not an agent
11 of the state or federal government and therefore:

12 (1) The department or any other state agency may not in any way regulate the educational
13 program of a participating school that accepts a parental choice scholarship; and

14 (2) The creation of this program does not expand the regulatory authority of the state, its
15 officers or any school district to impose any additional regulation of non-public schools beyond
16 those necessary to enforce the requirements of the program; and

17 (3) Participating schools shall be given the maximum freedom to provide for the
18 educational needs of their students without governmental control.

19 **16-91-5. Responsibilities of the department of elementary and secondary education.**

20 -- (a) The department shall ensure that eligible students and their parents are informed annually of
21 which schools will be participating in the parental choice scholarship program. Special attention
22 shall be paid to ensuring that lower income families are made aware of the program and their
23 options.

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

29 (c) The department may bar or disqualify a school from participation in the parental
30 choice scholarship program if the department determines that the participating school has:

31 (1) Intentionally and substantially misrepresented information required under this section
32 16-91-4 and/or otherwise required under this chapter; or

33 (2) Routinely failed to comply with at least three (3) of the accountability standards
34 established in section 16-91-4; or

1 (3) Failed to comply with subsection 16-91-3(e); or

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

3 (d) If the department makes a decision to bar or otherwise disqualify a participating
4 school from the program, it shall notify the participating school of its intention to bar or
5 disqualify that school from participation. The participating school shall be entitled to notice and
6 an opportunity to be heard on the issue of it’s barring or disqualification. If after such notice and
7 hearing the department determines that the participating school should be barred or disqualified,
8 the department shall notify the school of its decision in writing. A decision to bar or disqualify a
9 participating school shall be deemed to be a final order in a contested case entitled to judicial
10 review under the provisions of chapter 42-35 (“Administrative Procedures”). Provided, that
11 during the pendency of an administrative appeal, pursuant to chapter 42-35, a decision to bar or
12 disqualify a participating school from participation in the program shall not be stayed pending the
13 resolution of any such appeal.

14 (e) If the department reaches a decision to bar a participating school from the program as
15 set forth in subsection (d) herein, it shall notify eligible students and their parents of this decision
16 as quickly as possible.

17 (f) The department shall adopt rules and regulations necessary for the administration of
18 the parental choice scholarship program. Such rules also include a process for providing notice
19 and a hearing to any participating school which the department seeks to bar or disqualify from
20 participating in the program.

21 **16-91-6. Responsibilities of resident school districts.** -- (a) The resident school district
22 shall provide to the participating school that has admitted an eligible student under this program
23 with a complete copy of the student’s school records while complying with the family educational
24 rights and privacy act of 1974 [20 USC section 1232 (g)].

25 (b) The resident school district shall provide transportation for the 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 non-public schools as per current law. The
28 resident school district will qualify for state transportation aid for each student so transported.

29 **16-91-7. Effective date.** -- The parental choice scholarship program will be in effect
30 beginnin g with the fall semester of the next school year starting on or after August 1, 2010.

31 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

1 This act would create a scholarship program for children from low and middle-income
2 families to attend the public or non-public elementary or secondary school of their choice. The
3 program would involve the use of scholarship moneys as an entitlement to the eligible student
4 and not that of any school. This act is patterned after model legislation suggested by the
5 American legislative exchange council and the alliance for school choice.

6 This act would take effect upon passage.

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