HLS 14RS-1345 REENGROSSED

Regular Session, 2014

HOUSE BILL NO. 780

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BY REPRESENTATIVE TALBOT

TAX/TAX REBATES: Provides relative to the requirements of certain school tuition organizations and the definition of a "qualified student" for purposes of the rebate

AN ACT

2 To amend and reenact R.S. 47:6301(B)(1)(c)(iv) and (viii) and (3), and (C)(1)(e) and to 3 enact R.S. 47:6301(C)(1)(g), relative to the rebate for donations to school tuition 4 organizations; to provide with respect to requirements of certain school tuition 5 organizations; to provide with respect to the definition of a "qualified student" for 6 purposes of the rebate; to provide with respect to the requirements of the Department 7 of Education; to require certain annual audits; to require certain public reports; and 8 to provide for related matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 47:6301(B)(1)(c)(iv) and (viii) and (3), and (C)(1)(e) are hereby 11 amended and reenacted and R.S. 47:6301(C)(1)(g) is hereby enacted to read as follows: 12 §6301. Rebates; donations to school tuition organizations 13 14 B.(1)15 16 (c) A school tuition organization which provides scholarships to qualified students shall do all of the following: 17 18 19 (iv) Provide scholarships to qualified students on a first-come, first-served 20 basis, with priority given to students who received a scholarship from the school

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tuition organization or the Student Scholarships for Educational Excellence Program 2 in the previous year. 3 4 (viii) Ensure that scholarships granted to qualified students are portable during the school year and can be used at any qualifying school served by the school 5 tuition organization that accepts a qualified student. If the parent of a qualified 6 7 student who is receiving a scholarship desires the student to move to a new qualified 8 school served by the school tuition organization during a school year, the scholarship 9 amount may be prorated. 10 11 (3)(a) For purposes of this Section, a "qualified student" shall mean a child 12 who is a member of a family that resides in Louisiana with a total household income 13 that does not exceed an amount equal to two hundred fifty percent of the federal 14 poverty level based on the federal poverty guidelines established by the federal office 15 of management and budget. A qualified student shall also be and who meets any of 16 the following: 17 (i) Is a student who is entering kindergarten for the first time, 18 (ii) Is a student who attended a public school the previous year, 19 (iii) Is or a student who received a scholarship from a school tuition 20 organization or the Student Scholarships for Educational Excellence Program for the 21 previous school year. 22 (b) Any qualified student receiving a scholarship from a school tuition 23 organization pursuant to the provisions of this Section shall be prohibited from 24 receiving any other publicly funded scholarship, voucher, or other form of financial 25 assistance specific to that student for purposes of attending a nonpublic school; 26 however, a qualified student may receive scholarships from multiple school tuition 27 organizations not to exceed the lesser of eighty percent of the state average 28 Minimum Foundation Program per pupil funding amount for the previous year in the 29 case of a qualified student enrolled in kindergarten through eighth grade, or ninety

1 percent of the state average Minimum Foundation Program per pupil funding amount 2 for the previous year in the case of a qualified student enrolled in ninth through 3 twelfth grade. 4 5 C.(1)6 7 (e) The Department of Education may shall annually conduct either a 8 financial review or an audit of a school tuition organization as deemed necessary by 9 the department. The Department of Education shall bar a school tuition organization 10 from participating in the rebate authorized under this Section if the school tuition 11 organization intentionally and substantially fails to comply with the requirements of 12 this Section. 13 14 (g) The Department of Education shall publicly report state test scores for 15 each student receiving a scholarship pursuant to the provisions of this Section in 16 accordance with the requirements of the federal Family Educational Rights and 17 Privacy Act (20 U.S.C. 1232(g) and federal regulations 34 C.F.R 99.1 et seq.) 18 However, the Department of Education shall not include the name or any other 19 identifying information of individual students. 20

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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**Abstract:** Includes Student Scholarship for Education Excellence Program in scholarship priority and definition of "qualified student" and specifies that the requirement of a school tuition organization to ensure the portability of a scholarship and the proration of the scholarship amount only applies to qualified schools served by the school tuition organization.

<u>Present law</u> authorizes a rebate for donations a taxpayer makes to a school tuition organization (STO) which provides scholarships to qualified students to attend a qualified

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school. The amount of the rebate is equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship to a qualified student.

<u>Present law</u> provides relative to the requirement that an STO provide scholarships to qualified students on a first-come, first served basis with priority given to students who received a scholarship the previous year.

<u>Proposed law</u> specifies, with respect to the priority given to students who received a scholarship the previous year, that the scholarship was from either the STO or the Student Scholarships for Educational Excellence Program.

<u>Present law</u> requires an STO to ensure that scholarships granted to qualified students are portable during the school year and can be used at any qualifying school that accepts a qualified student. Authorizes the scholarship amount to be prorated if a parent desires their student to move to a new qualified school during a school year.

<u>Proposed law</u> specifies that the STO's obligation to ensure that the scholarship is portable and that tuition amount is prorated only applies to a qualifying school served by the STO.

<u>Present law</u> defines a "qualified student" as a child who is a member of a family that resides in La. with a total household income that does not exceed an amount equal to 250% of the federal poverty level based on the federal poverty guidelines. A qualified student shall also be a student who is entering kindergarten for the first time, a student who attended a public school the previous year, or a student who received a scholarship from an STO for the previous school year.

<u>Proposed law</u> retains <u>present law</u> but adds to the definition of a "qualified student", a student who received a scholarship from the Student Scholarships for Educational Excellence Program.

<u>Present law</u> authorizes the Department of Education (DOE) to conduct either a financial review or an audit of an STO as deemed necessary by the department. Further requires the DOE to bar an STO from participating in the rebate program if the STO intentionally and substantially fails to comply with the requirements of <u>present law</u>.

<u>Proposed law</u> changes <u>present law</u> by requiring the DOE to conduct an annual audit of an STO. Further requires the DOE to publicly report state test scores for each student receiving a scholarship from an STO pursuant to the provisions of <u>present law</u> in accordance with <u>present federal law</u> and federal regulations. However, the DOE shall not include the name or any other identifying information of individual students.

(Amends R.S. 47:6301(B)(1)(c)(iv) and (viii) and (3), and (C)(1)(e); Adds R.S. 47:6301(C)(1)(g))

## Summary of Amendments Adopted by House

## House Floor Amendments to the engrossed bill.

- 1. Adds provision requiring, rather than permitting, the Department of Education (DOE) to annually audit a school tuition organization. Deletes the option of DOE to conduct a financial review rather than an audit.
- 2. Requires the DOE to publicly report state test scores for each student receiving a scholarship from an STO in accordance with the requirements of <u>present</u> federal law and federal regulations.