

HB 1735 -- Passport Scholarships for Students in Unaccredited Districts

Sponsor: Dieckhaus

This bill establishes the Passport Scholarship Program to grant scholarships to students residing in an unaccredited school district to attend a qualified nonpublic school.

Beginning in tax year 2012, a taxpayer may make a qualifying contribution to an educational assistance organization and claim a tax credit. The annual cumulative amount of tax credits is limited to \$40 million in any one fiscal year, which will be modified based on the federal Consumer Price Index. The tax credit is for 60% of the amount of the contribution, is nonrefundable, and may be carried forward for four years or transferred. The Director of the Department of Economic Development must establish a procedure to apportion the amount of tax credits among all educational assistance organizations and may reapportion credits to educational assistance organizations that have used all, or a certain percentage, of their tax credits.

An educational assistance organization must meet certain requirements, including being a 501(c)(3) organization; providing a receipt to taxpayers for contributions; ensuring that funds are used as specified in the bill; distributing scholarship payments four times per year; providing the department, upon request, with criminal background checks on all of its employees and board members; and demonstrating financial accountability and viability, as described in the bill.

Each educational assistance organization must ensure that qualified schools:

- (1) Comply with all health and safety laws applicable to nonpublic schools;
- (2) Hold a valid occupancy permit if required by its municipality;
- (3) Do not discriminate in admissions based on race, color, national origin, or disability; and
- (4) Provide academic accountability to parents.

An educational assistance organization must annually and publicly report to the department information by June 1 about the organization, information about the scholarship recipients, and the total number and dollar amounts of scholarships awarded. An

educational assistance organization cannot provide scholarships to any school with paid staff or board members in common with the organization's board or staff. An educational assistance organization must not limit its scholarships to the students of only one school.

A qualified school must comply with all state laws applicable to public schools regarding criminal background checks for employees and exclude from employment anyone prohibited from working in a public school. A qualified school must administer one of three specified types of assessment to its scholarship students. A qualified school must also meet certain accountability measures, including fiscal soundness, accreditation, and surveys of parents and students.

Subject to appropriations or available private donations, the Joint Committee on Legislative Research must contract with a qualified researcher to conduct a study of the program. The study must begin within one year of commencement of the program and must cover a period of six years.

The provisions of the bill will expire six years after the effective date of the bill.