

HB 1733 -- EMPOWERMENT SCHOLARSHIP ACCOUNTS

SPONSOR: Christofanelli

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Elementary and Secondary Education by a vote of 8 to 5. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 5 to 3.

This bill creates the "Missouri Empowerment Scholarship Accounts Program" and specifies that any taxpayer may claim a tax credit, not to exceed 50% of the taxpayer's state tax liability, for any qualifying contribution to an educational assistance organization for all tax years beginning on or after January 1, 2021. The cumulative amount of tax credits issued in any one calendar year shall not exceed \$50 million. Each educational assistance organization shall meet certain requirements and provide specified information during an annual audit.

The State Treasurer shall provide a standardized format for a receipt to be issued by the educational assistance organization to indicate the value of a contribution received as well as a standardized format for educational assistance organizations to report the information. The State Treasurer or State Auditor may conduct an investigation if he or she possesses evidence of fraud committed by the educational assistance organization. The educational assistance organization may be barred from participating in the program if it is found to have intentionally and substantially failed to comply with certain requirements. In addition, the State Treasurer shall issue a report on the Missouri Empowerment Scholarship Accounts program five years after its effective date. Each educational assistance organization shall also annually administer tests to measure learning gains in math and English, and report these results along with graduation rates, college attendance, and a parental survey as specified in the bill. The state treasurer shall provide this data to the public via a state website after the 3rd year of collection.

A qualified student may receive a grant to be deposited in the student's Missouri Empowerment Scholarship Account if he or she is an elementary or secondary student, a resident of Missouri, and has attended a public school as specified in the bill, is entering Kindergarten or first grade, or is attending school for the first time. Missouri Empowerment Scholarship Accounts are renewable on an annual basis. Moneys deposited into the account shall be used for specified services and fees. If a qualified student withdraws from the program, is disqualified from the program, or graduates, the student's account shall be closed and remaining funds shall be returned to the educational assistance organization for

redistribution to other qualified students.

Beginning in the 2022-23 school year the bill requires the State Treasurer to conduct or contract for annual audits of empowerment scholarship accounts to ensure compliance.

Any person who is found to have knowingly used moneys granted under the provisions of this bill other than the purposes provided, shall be guilty of a class A misdemeanor.

This bill is similar to HB 478 (2019).

PROPOSERS: Supporters say that this bill will provide an opportunity for many students that currently do not have a school choice option to receive a scholarship that might open additional options. Students need to have options to attend a school that will help them reach their full potential, and this bill will provide a tool to access quality education.

Testifying for the bill were Representative Christofanelli; Makayla Gray; Missouri Chamber of Commerce and Industry; Missouri Education Reform Council; Carmen Ward; Excellence in Education in Action; American Federation for Children; Missouri Catholic Conference; and Krystal Barnett.

OPPOSERS: Those who oppose the bill say that this bill would take money from public schools and reallocate it to private or religious institutions that may not have the same accountability, and do not answer to locally elected officials.

Testifying against the bill were Jonathan Sessions, Columbia Public Schools; Missouri National Education Association; American Federation of Teachers of Missouri; and Missouri State Teachers Association.