

HOUSE BILL 185

F1

8lr0862

By: **Delegates Bates, Frank, George, Impallaria, Kipke, McComas, Miller, Sossi, and Stocksdales**

Introduced and read first time: January 21, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Parental Choice Scholarship Program**

3 FOR the purpose of establishing the Parental Choice Scholarship Program in the State
4 Department of Education; authorizing certain schools to apply to the
5 Department to participate in the Program; authorizing eligible students to
6 apply for certain scholarships; requiring the Department to determine the
7 amount of certain scholarships based on certain income eligibility; establishing
8 requirements for the use of scholarship moneys; requiring participating schools
9 to use a certain selection process; requiring certain counties to include certain
10 students in their full-time equivalent enrollment; requiring certain schools to
11 comply with specified administrative, financial, and academic accountability
12 requirements; requiring the Department to conduct a certain public awareness
13 program, create a certain form, and prohibit certain schools from further
14 participation in the Program under certain circumstances; requiring certain
15 county boards to provide school records and transportation for certain students;
16 defining certain terms; requiring the Department to adopt certain regulations;
17 and generally relating to the establishment of the Parental Choice Scholarship
18 Program in the State Department of Education.

19 BY adding to

20 Article – Education

21 Section 9.5–101 through 9.5–108 to be under the new title “Title 9.5. Parental
22 Choice Scholarship Program”

23 Annotated Code of Maryland

24 (2006 Replacement Volume and 2007 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
26 MARYLAND, That the Laws of Maryland read as follows:

27 **Article – Education**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



TITLE 9.5. PARENTAL CHOICE SCHOLARSHIP PROGRAM.

9.5-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “ELIGIBLE STUDENT” MEANS A STUDENT WHO:

(1) IS A RESIDENT OF THE STATE;

(2) ATTENDED A PUBLIC SCHOOL IN THE STATE IN A PRECEDING SEMESTER OR IS STARTING SCHOOL IN THE STATE FOR THE FIRST TIME; AND

(3) HAS NOT GRADUATED FROM HIGH SCHOOL OR REACHED THE AGE OF 21.

(C) “INCOME ELIGIBILITY GUIDELINE” MEANS THE MAXIMUM ANNUAL INCOME ALLOWED TO QUALIFY FOR FREE OR REDUCED PRICE MEALS BASED ON ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(D) (1) “PARENT” MEANS:

(I) A CHILD’S NATURAL PARENTS;

(II) A CHILD’S ADOPTIVE PARENTS;

(III) A GUARDIAN;

(IV) A PERSON ACTING AS A PARENT OF A CHILD, SUCH AS A RELATIVE OR A STEPPARENT WITH WHOM A CHILD LIVES;

(V) A FOSTER PARENT WITH WHOM A CHILD LIVES IF THE FOSTER PARENT HAS BEEN GRANTED LIMITED GUARDIANSHIP FOR EDUCATIONAL DECISION MAKING PURPOSES BY THE COURT THAT HAS PLACED THE CHILD IN FOSTER CARE; OR

(VI) ANY OTHER INDIVIDUAL WHO IS LEGALLY RESPONSIBLE FOR A CHILD’S WELFARE.

1 (2) **“PARENT” DOES NOT INCLUDE A SOCIAL WORKER OR OTHER**
2 **EMPLOYEE OF A PUBLIC AGENCY WHO IS RESPONSIBLE FOR THE EDUCATION OR**
3 **CARE OF THE CHILD.**

4 (E) (1) **“PARTICIPATING SCHOOL” MEANS A SCHOOL THAT:**

5 (I) **MEETS THE REQUIREMENTS OF THE PROGRAM; AND**

6 (II) **HAS RECEIVED A CERTIFICATE OF APPROVAL FROM**
7 **THE STATE BOARD UNDER § 2-206(E) OF THIS ARTICLE.**

8 (2) **“PARTICIPATING SCHOOL” INCLUDES:**

9 (I) **A PUBLIC ELEMENTARY OR SECONDARY SCHOOL**
10 **OUTSIDE THE COUNTY IN WHICH A STUDENT RESIDES; OR**

11 (II) **A NONPUBLIC ELEMENTARY OR SECONDARY SCHOOL IN**
12 **THE STATE.**

13 (F) **“PROGRAM” MEANS THE PARENTAL CHOICE SCHOLARSHIP**
14 **PROGRAM ESTABLISHED UNDER THIS TITLE.**

15 **9.5-102.**

16 (A) **THERE IS A PARENTAL CHOICE SCHOLARSHIP PROGRAM IN THE**
17 **DEPARTMENT.**

18 (B) **THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT**
19 **THE PROVISIONS OF THIS TITLE.**

20 **9.5-103.**

21 (A) **A PUBLIC OR NONPUBLIC SCHOOL MAY APPLY TO THE**
22 **DEPARTMENT IN ACCORDANCE WITH PROCEDURES ESTABLISHED BY THE**
23 **DEPARTMENT TO QUALIFY AS A PARTICIPATING SCHOOL IN THE PROGRAM.**

24 (B) **AN ELIGIBLE STUDENT MAY APPLY TO THE DEPARTMENT FOR A**
25 **SCHOLARSHIP TO ATTEND ANY PARTICIPATING SCHOOL IN THE PROGRAM.**

26 **9.5-104.**

27 (A) **THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE**
28 **SCHOLARSHIP BASED ON THE INCOME OF THE PARENTS OF THE ELIGIBLE**

1 STUDENT IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE SCHOOL YEAR
2 FOR WHICH A SCHOLARSHIP IS SOUGHT AS FOLLOWS:

3 (1) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
4 LESS THAN OR EQUAL TO 100 PERCENT OF THE INCOME ELIGIBILITY
5 GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT IS \$3,000;

6 (2) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
7 GREATER THAN 100 PERCENT BUT LESS THAN OR EQUAL TO 125 PERCENT OF
8 THE INCOME ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT
9 IS \$2,750;

10 (3) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
11 GREATER THAN 125 PERCENT BUT LESS THAN OR EQUAL TO 150 PERCENT OF
12 THE INCOME ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT
13 IS \$2,500;

14 (4) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
15 GREATER THAN 150 PERCENT BUT LESS THAN OR EQUAL TO 175 PERCENT OF
16 THE INCOME ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT
17 IS \$2,250;

18 (5) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
19 GREATER THAN 175 PERCENT BUT LESS THAN OR EQUAL TO 200 PERCENT OF
20 THE INCOME ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT
21 IS \$2,000;

22 (6) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
23 GREATER THAN 200 PERCENT BUT LESS THAN OR EQUAL TO 225 PERCENT OF
24 THE INCOME ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP AMOUNT
25 IS \$1,750;

26 (7) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
27 GREATER THAN 225 PERCENT BUT LESS THAN 250 PERCENT OF THE INCOME
28 ELIGIBILITY GUIDELINE, THE FULL-YEAR SCHOLARSHIP IS \$1,000; AND

29 (8) IF THE ANNUAL INCOME OF THE PARENTS OF THE STUDENT IS
30 GREATER THAN 250 PERCENT OF THE ELIGIBILITY GUIDELINE, THE FULL-YEAR
31 SCHOLARSHIP AMOUNT IS \$500.

32 (B) A SCHOLARSHIP IS THE ENTITLEMENT OF THE ELIGIBLE STUDENT
33 UNDER THE SUPERVISION OF THE STUDENT'S PARENT AND NOT THAT OF ANY
34 SCHOOL.

1 (C) A PARTICIPATING SCHOOL MAY NOT REFUND, REBATE, OR SHARE A
2 STUDENT'S SCHOLARSHIP WITH THE PARENT OR THE STUDENT IN ANY MANNER.

3 (D) A SCHOLARSHIP MAY BE USED FOR TUITION AND ANY FEES
4 NECESSARY TO ATTEND A SCHOOL, INCLUDING FEES FOR ADMINISTRATIVE
5 EXPENSES, TRANSPORTATION COSTS, AND ACADEMIC PROGRAMS, BUT MAY NOT
6 BE USED FOR ATHLETIC FEES OR EXPENSES.

7 (E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
8 SUBSECTION, IF A PARTICIPATING SCHOOL HAS MORE ELIGIBLE STUDENTS
9 APPLYING THAN SPACES AVAILABLE, THE SCHOOL SHALL UTILIZE A RANDOM
10 SELECTION PROCESS TO FILL THE AVAILABLE SPACES.

11 (2) A PARTICIPATING SCHOOL MAY GIVE PREFERENCE TO
12 SIBLINGS OF ENROLLED STUDENTS AND PREVIOUSLY ENROLLED SCHOLARSHIP
13 STUDENTS.

14 (F) IF A STUDENT IS DENIED ADMISSION TO A PARTICIPATING SCHOOL
15 BECAUSE THE SCHOOL DOES NOT HAVE AN AVAILABLE SPACE, THE ELIGIBLE
16 STUDENT MAY TRANSFER THE SCHOLARSHIP TO A PARTICIPATING SCHOOL
17 WITH AN AVAILABLE SPACE.

18 (G) (1) A COUNTY SHALL INCLUDE A CHILD ENROLLED IN A
19 PARTICIPATING SCHOOL AS A RESULT OF THE CHILD RECEIVING A
20 SCHOLARSHIP TO ATTEND SCHOOL IN THE COUNTY IN ITS FULL-TIME
21 EQUIVALENT ENROLLMENT AS PROVIDED BY § 5-202(A)(6) OF THIS ARTICLE.

22 (2) ANY FUNDS NEEDED FOR A SCHOLARSHIP SHALL BE
23 SUBTRACTED FROM THE STATE FINANCIAL ASSISTANCE TO THE COUNTY.

24 (3) THE STATE SHALL KEEP ANY FINANCIAL ASSISTANCE IN
25 EXCESS OF THE FUNDS NEEDED FOR A SCHOLARSHIP.

26 **9.5-105.**

27 **EACH NONPUBLIC PARTICIPATING SCHOOL SHALL:**

28 (1) COMPLY WITH HEALTH AND SAFETY CODES THAT APPLY TO
29 NONPUBLIC SCHOOLS;

30 (2) HOLD A VALID OCCUPANCY PERMIT IF REQUIRED BY THE
31 COUNTY WHERE THE SCHOOL IS LOCATED;

32 (3) DEMONSTRATE ITS FINANCIAL ACCOUNTABILITY BY:

1 (I) SUBMITTING A FINANCIAL INFORMATION REPORT
2 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT THAT COMPLIES WITH
3 UNIFORM ACCOUNTING STANDARDS;

4 (II) REQUIRING THE ACCOUNTANT TO CERTIFY THAT THE
5 REPORT IS FREE OF MATERIAL MISSTATEMENTS; AND

6 (III) IF THE SCHOOL IS TO RECEIVE \$50,000 OR MORE FOR
7 PARENTAL CHOICE SCHOLARSHIPS DURING THE SCHOOL YEAR, FILING WITH
8 THE DEPARTMENT BEFORE THE START OF THE SCHOOL YEAR:

9 1. A SURETY BOND PAYABLE TO THE STATE IN AN
10 AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF THE PARENTAL CHOICE
11 SCHOLARSHIPS TO BE PAID DURING THE SCHOOL YEAR; OR

12 2. FINANCIAL INFORMATION THAT DEMONSTRATES
13 THAT THE SCHOOL HAS THE ABILITY TO PAY AN AGGREGATE AMOUNT EQUAL TO
14 THE AMOUNT OF THE PARENTAL CHOICE SCHOLARSHIPS EXPECTED TO BE
15 PAID DURING THE SCHOOL YEAR TO STUDENTS ADMITTED AT THE
16 PARTICIPATING SCHOOL; AND

17 (4) PROVIDE ACADEMIC ACCOUNTABILITY TO A PARENT OF A
18 STUDENT IN THE PROGRAM BY REGULARLY REPORTING TO THE PARENT ON
19 THE STUDENT'S PROGRESS.

20 **9.5-106.**

21 THE CREATION OF THE PROGRAM DOES NOT EXPAND THE REGULATORY
22 AUTHORITY OF THE STATE, ITS OFFICERS, OR ANY COUNTY TO IMPOSE ANY
23 ADDITIONAL REGULATION OF NONPUBLIC SCHOOLS BEYOND THOSE
24 REASONABLY NECESSARY TO ENFORCE THE REQUIREMENTS OF THE PROGRAM.

25 **9.5-107.**

26 (A) THE DEPARTMENT SHALL:

27 (1) ENSURE ON AN ANNUAL BASIS THAT ELIGIBLE STUDENTS AND
28 THEIR PARENTS ARE AWARE OF THE SCHOOLS THAT PARTICIPATE IN THE
29 PROGRAM, INCLUDING PARENTS OF LOW-INCOME ELIGIBLE STUDENTS;

30 (2) CREATE A STANDARDIZED FORM THAT IS READILY AVAILABLE
31 THROUGH MULTIPLE SOURCES, INCLUDING THE INTERNET, FOR STUDENTS TO

1 SUBMIT TO A PARTICIPATING SCHOOL TO ESTABLISH THEIR ELIGIBILITY AND
2 APPLY FOR ADMISSION; AND

3 (3) PROHIBIT A SCHOOL FROM FURTHER PARTICIPATION IN THE
4 PROGRAM IF THE DEPARTMENT ESTABLISHES THAT THE PARTICIPATING
5 SCHOOL HAS:

6 (I) INTENTIONALLY AND SUBSTANTIALLY
7 MISREPRESENTED INFORMATION REQUIRED UNDER § 9.5-105 OF THIS TITLE;

8 (II) ROUTINELY FAILED TO COMPLY WITH THE
9 ACCOUNTABILITY STANDARDS ESTABLISHED UNDER § 9.5-105 OF THIS TITLE;

10 (III) ROUTINELY FAILED TO COMPLY WITH § 9.5-104(C) OF
11 THIS TITLE; OR

12 (IV) FAILED TO REFUND TO THE STATE ANY SCHOLARSHIP
13 OVERPAYMENTS IN A TIMELY MANNER.

14 (B) IF THE DEPARTMENT PROHIBITS A PARTICIPATING SCHOOL FROM
15 FURTHER PARTICIPATION IN THE PROGRAM, THE DEPARTMENT SHALL
16 PROMPTLY NOTIFY AFFECTED SCHOLARSHIP STUDENTS AND THEIR PARENTS
17 OF ITS DECISION.

18 **9.5-108.**

19 A COUNTY BOARD SHALL PROVIDE:

20 (1) TO A PARTICIPATING SCHOOL THAT HAS ADMITTED AN
21 ELIGIBLE STUDENT UNDER THE PROGRAM A COMPLETE COPY OF THE
22 STUDENT'S SCHOOL RECORDS IN COMPLIANCE WITH THE FAMILY
23 EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974 ESTABLISHED UNDER 20
24 U.S.C. § 1232 (G); AND

25 (2) TRANSPORTATION FOR THE ELIGIBLE STUDENT TO AND FROM
26 THE PARTICIPATING SCHOOL UNDER THE SAME CONDITIONS AS THE BOARD IS
27 REQUIRED TO PROVIDE TRANSPORTATION FOR OTHER RESIDENT STUDENTS TO
28 NONPUBLIC SCHOOLS.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2008.