

SECOND REGULAR SESSION

HOUSE BILL NO. 1822

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CIERPIOT (Sponsor), STREAM, LAIR, BURLISON, SOLON,
BERRY AND NETH (Co-sponsors).

5324L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.011, 167.131, and 167.241, RSMo, and to enact in lieu thereof thirteen new sections relating to elementary and secondary education, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 160.011, 167.131, and 167.241, RSMo, are repealed and thirteen
2 new sections enacted in lieu thereof, to be known as sections 160.011, 161.091, 162.1110,
3 167.131, 167.132, 167.241, 1, 2, 3, 4, 5, 6, and 7, to read as follows:

160.011. As used in chapters 160, 161, 162, 163, 164, 165, 167, 168, 170, 171, 177 and
2 178, the following terms mean:

3 (1) "District" or "school district", when used alone, may include seven-director, urban,
4 and metropolitan school districts;

5 (2) "Elementary school", a public school giving instruction in a grade or grades not
6 higher than the eighth grade;

7 (3) "Family literacy programs", services of sufficient intensity in terms of hours, and of
8 sufficient duration, to make sustainable changes in families that include:

9 (a) Interactive literacy activities between parents and their children;

10 (b) Training of parents regarding how to be the primary teacher of their children and full
11 partners in the education of their children;

12 (c) Parent literacy training that leads to high school completion and economic self
13 sufficiency; and

14 (d) An age-appropriate education to prepare children of all ages for success in school;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (4) "Graduation rate", the quotient of the number of graduates in the current year as of
16 June thirtieth divided by the sum of the number of graduates in the current year as of June
17 thirtieth plus the number of twelfth graders who dropped out in the current year plus the number
18 of eleventh graders who dropped out in the preceding year plus the number of tenth graders who
19 dropped out in the second preceding year plus the number of ninth graders who dropped out in
20 the third preceding year;

21 (5) "High school", a public school giving instruction in a grade or grades not lower than
22 the ninth nor higher than the twelfth grade;

23 (6) "Metropolitan school district", any school district the boundaries of which are
24 coterminous with the limits of any city which is not within a county;

25 (7) "Public school" includes all elementary and high schools operated at public expense;

26 (8) "School board", the board of education having general control of the property and
27 affairs of any school district;

28 (9) "School term", a minimum of one hundred seventy-four school days, as that term is
29 defined in section 160.041, for schools with a five-day school week or a minimum of one
30 hundred forty-two school days, as that term is defined in section 160.041, for schools with a
31 four-day school week, and one thousand forty-four hours of actual pupil attendance as scheduled
32 by the board pursuant to section 171.031 during a twelve-month period in which the academic
33 instruction of pupils is actually and regularly carried on for a group of students in the public
34 schools of any school district. A school term may be within a school year or may consist of parts
35 of two consecutive school years, but does not include summer school. A district may choose to
36 operate two or more terms for different groups of children. A school term for students
37 participating in a school flex program as established in section 160.539 may consist of a
38 combination of actual pupil attendance and attendance at college or technical career education
39 or approved employment aligned with the student's career academic plan for a total of one
40 thousand forty-four hours;

41 (10) "Secretary", the secretary of the board of a school district;

42 (11) "Seven-director district", any school district which has seven directors and includes
43 urban districts regardless of the number of directors an urban district may have unless otherwise
44 provided by law;

45 (12) "Taxpayer", any individual who has paid taxes to the state or any subdivision
46 thereof within the immediately preceding twelve-month period or the spouse of such individual;

47 (13) "Town", any town or village, whether or not incorporated, the plat of which has
48 been filed in the office of the recorder of deeds of the county in which it is situated;

49 (14) **"Underperforming", provisionally accredited or unaccredited, whether**
50 **applied to a school district or a school building;**

51 **(15)** "Urban school district", any district which includes more than half of the population
52 or land area of any city which has not less than seventy thousand inhabitants, other than a city
53 which is not within a county.

161.091. 1. As authorized under its duty to classify the schools of the state under
2 section 161.092, the state board of education shall adopt a system of classification to
3 accredit districts using the classifications identified in this section.

4 **2.** Districts shall be classified as accredited with distinction, accredited,
5 provisionally accredited, or unaccredited.

6 **3.** As authorized under its duty to classify the schools of the state under section
7 161.092, the state board of education shall adopt a system of classification that accredits
8 individual school buildings within a district separately from the district as a whole for
9 underperforming districts, as underperforming is defined in section 160.011.

10 **4.** An annual performance report score for a district or school that is between
11 seventy and one hundred shall be consistent with an accreditation classification of
12 accredited.

13 **5.** An annual performance report score for a district or school that is between fifty
14 and sixty-nine shall be consistent with an accreditation classification of provisionally
15 accredited.

16 **6.** An annual performance report score for a district or school that is below fifty
17 shall be consistent with an accreditation classification of unaccredited.

18 **7.** The state board of education shall develop additional criteria to classify a district
19 as accredited with distinction for any district with an annual performance report score of
20 ninety or higher.

21 **8.** The state board of education shall consider three years of a district's and school's
22 accreditation data when making an accreditation classification.

23 **9.** When the state board of education classifies a district as provisionally accredited,
24 it shall intervene in the district with individualized improvement measures based on the
25 district's and the underlying community's needs. At such time, the state board of
26 education shall assign each school within the provisionally accredited district an
27 accreditation classification. The state board shall identify any underperforming schools
28 within the provisionally accredited district and may:

29 **(1)** Work with the district and the community to develop interventions specific to
30 them;

31 **(2)** Transfer any underperforming school to the jurisdiction of the achievement
32 district; or

33 **(3)** Use a combination of both methods.

34 **If a provisionally accredited district does not show sustained and substantial progress**
35 **towards a score of seventy on its annual performance report within a period of time not to**
36 **exceed five years, the state board of education shall classify it as unaccredited. At such**
37 **time, the state board of education shall transfer any of the district's underperforming**
38 **schools to the jurisdiction of the achievement district as created in section 162.1110.**

39 **10. The state board of education shall promulgate rules and regulations to**
40 **implement the provisions of this section. Any rule or portion of a rule, as that term is**
41 **defined in section 536.010, that is created under the authority delegated in this section shall**
42 **become effective only if it complies with and is subject to all of the provisions of chapter**
43 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and**
44 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**
45 **to delay the effective date, or to disapprove and annul a rule are subsequently held**
46 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
47 **after the effective date of this section, shall be invalid and void.**

162.1110. 1. Effective January 1, 2015, a school district to be known as the
2 **"Statewide Achievement School District" is established. The district may be cited and**
3 **referred to as the "Achievement District". The achievement district shall be a body**
4 **corporate and politic and a subdivision of the state.**

5 **2. The state board of education shall transfer any underperforming schools as**
6 **defined in section 160.011 located in an unaccredited district to the jurisdiction of the**
7 **achievement district. The state board of education may also transfer any underperforming**
8 **schools located in a provisionally accredited district to the jurisdiction of the achievement**
9 **district as provided in section 161.091. The achievement district shall oversee and**
10 **administer such schools.**

11 **3. The governing authority of the achievement district shall be vested in a three-**
12 **member governing board, with each member appointed by the governor with the advice**
13 **and consent of the senate. The length of term for governing board members shall be six**
14 **years.**

15 **4. Unless otherwise provided, the achievement district shall be subject to all general**
16 **laws pertaining to the operation of seven-director districts as defined in section 160.011.**

17 **5. The governing board shall select a president from the members by July 31, 2015.**
18 **The governing board shall select a chief executive officer who shall be a person of**
19 **recognized administrative ability and shall have all other powers and duties of a**
20 **superintendent of schools, including appointment of staff.**

21 **6. The powers and duties of the achievement district shall include but need not be**
22 **limited to:**

23 **(1) Managing schools assigned to it by the state board of education so as to provide**
24 **the best educational opportunity to all students who attend, including but not limited to**
25 **the authority to determine and act on which schools should be operated, closed, or**
26 **relocated, and what range of grades should be operated in each school under its direct**
27 **management;**

28 **(2) Oversight of facility planning, construction, improvement, repair, maintenance,**
29 **rehabilitation, repurposing, and disposal;**

30 **(3) Employment of such staff members as it deems necessary, including the**
31 **authority to require all staff under contract at the time a school was transferred to the**
32 **achievement district to reapply for employment;**

33 **(4) Continuation of contracts in place at the time the school was transferred under**
34 **the jurisdiction of the achievement district that are not related to personnel, unless the**
35 **president of the governing board or the other party to the contract gives notice within**
36 **ninety days of the school transfer that the contract shall be subject to renegotiation;**

37 **(5) Development of a community outreach plan to engage parents and community**
38 **leaders in the successful operation and academic improvement of all schools under its**
39 **jurisdiction and to solicit advice on proposed changes and other matters of community**
40 **significance.**

41 **7. When the state board of education transfers a school to the jurisdiction of the**
42 **achievement district, neither the achievement district nor the state board of education shall**
43 **be considered a successor entity for the purpose of employment contracts, unemployment**
44 **compensation payment under section 288.110, or any other purpose.**

45 **8. When the state board of education transfers a school to the jurisdiction of the**
46 **achievement district, the district in which the school is physically located shall remain**
47 **intact for the purposes of assessing, collecting, and distributing property taxes, which shall**
48 **be distributed equitably on a weighted average daily attendance basis to the district and**
49 **the achievement district. For any district that has a school transferred to the jurisdiction**
50 **of the achievement district, the department of elementary and secondary education shall**
51 **divide the district's state-aid equitably on a weighted average daily attendance basis and**
52 **distribute to the achievement district the portion of the district's state aid associated with**
53 **the school transferred to the achievement district.**

167.131. 1. The board of education of each district in this state that does not maintain
2 [an accredited] **a high school** [pursuant to the authority of the state board of education to classify
3 schools as established in section 161.092] **offering work through the twelfth grade** shall pay
4 [the] tuition [of] **as calculated by the receiving district under subsection 2 of this section** and
5 provide transportation consistent with the provisions of section 167.241 for each pupil resident

6 therein **who has completed the work of the highest grade offered in the schools of the**
7 **district and** who attends [an accredited] **a public high** school in another district of the same or
8 an adjoining county.

9 2. The rate of tuition to be charged by the district attended and paid by the sending
10 district is the per pupil cost of maintaining the district's grade level grouping which includes the
11 school attended. The cost of maintaining a grade level grouping shall be determined by the board
12 of education of the district but in no case shall it exceed all amounts spent for teachers' wages,
13 incidental purposes, debt service, maintenance and replacements. The term "debt service", as
14 used in this section, means expenditures for the retirement of bonded indebtedness and
15 expenditures for interest on bonded indebtedness. Per pupil cost of the grade level grouping
16 shall be determined by dividing the cost of maintaining the grade level grouping by the average
17 daily pupil attendance. If there is disagreement as to the amount of tuition to be paid, the facts
18 shall be submitted to the state board of education, and its decision in the matter shall be final.
19 Subject to the limitations of this section, each pupil shall be free to attend the public school of
20 his or her choice.

167.132. 1. The board of education of each district in this state that has been
2 **declared unaccredited pursuant to the authority of the state board of education to classify**
3 **schools as established in section 161.092 shall pay tuition and provide transportation**
4 **consistent with the provisions of section 167.241 for each student resident therein who**
5 **resides in the attendance area of an underperforming school, as underperforming is**
6 **defined in section 160.011 who meets the criteria of this section.**

7 2. The rate of tuition to be charged by the district attended and paid by the sending
8 district is the per-pupil cost of maintaining the district's grade-level grouping which
9 includes the school attended. The cost of maintaining a grade-level grouping shall be
10 determined by the board of education of the district but in no case shall it exceed all
11 amounts spent for teachers' wages, incidental purposes, debt service, maintenance and
12 replacements. The term "debt service", as used in this section, means expenditures for the
13 retirement of bonded indebtedness and expenditures for interest on bonded indebtedness.
14 Per-pupil cost of the grade-level grouping shall be determined by dividing the cost of
15 maintaining the grade-level grouping by the average daily pupil attendance. If there is
16 disagreement as to the amount of tuition to be paid, the facts shall be submitted to the state
17 board of education, and its decision in the matter shall be final. Subject to the limitations
18 of this section, each student shall be free to attend the public school of his or her choice.

19 3. A student who attends an underperforming public school for one semester in an
20 unaccredited district may transfer to a public school in another district of the same or an
21 adjoining county when the receiving district is accredited without provisions by the state

22 board of education, or to a private school, if the student follows the procedures required
23 by this section in the following order:

24 (1) Through seeking assignment to an accredited school within the unaccredited
25 district as provided in subsection 4 of this section; then

26 (2) Through seeking a transfer to a school district in the same or an adjoining
27 county as provided in subsections 5 and 6 of this section; and then

28 (3) Through the use of an equal opportunity scholarship under sections 1 to 7 of
29 this act.

30 4. Before a student who attends an underperforming public school in an
31 unaccredited district may transfer to an accredited district in the same or an adjoining
32 county, the unaccredited district shall determine if there is sufficient capacity in a district
33 school offering the student's grade level of enrollment that is classified as accredited by the
34 state board of education at the individual building level. If such capacity exists, the student
35 shall remain enrolled in the unaccredited district and attend the accredited school,
36 provided that the student meets any admissions requirements criteria if the school is a
37 magnet school, academically selective school, or school with a competitive entrance process.

38 5. The parent or guardian of a student who seeks to transfer to an accredited
39 district in the same or an adjoining county shall provide proof that the student has
40 attended a public school in the unaccredited district for at least one semester immediately
41 prior to seeking to transfer out of the district under this section. Any student who has
42 transferred to an accredited district shall maintain residency in his or her unaccredited
43 district of residence to continue eligibility for enrollment in the accredited district. If a
44 student does not maintain such residency, the student shall no longer be eligible to attend
45 the accredited district. If a transfer student withdraws from the accredited district in
46 which he or she has enrolled, the student shall be ineligible to transfer to a public school
47 in another district under this section.

48 6. By August 1, 2014, each local school board shall establish specific criteria
49 through board policy for the admission of nonresident pupils from districts that have been
50 classified as unaccredited by the state board of education who seek admission into a school
51 district under this section. Each school board shall adopt and publish a policy for
52 reasonable student and teacher ratios and reasonable class sizes. When adopting its policy,
53 each school board shall consider previous years' student enrollment, student and teacher
54 ratios, and class size. Each school board shall take into account the district's resident
55 student population growth or decrease, based on demographic projections provided by the
56 office of socioeconomic data analysis, such that the receiving district shall not be required
57 to employ additional teachers or construct new classrooms to accommodate such transfer

58 pupils. No resident pupil shall be displaced from a school to which he or she would
59 otherwise be assigned to accommodate the admission of a nonresident pupil. The
60 assignment of a student to a particular building shall be the decision of the receiving
61 district. No accountability data and performance data, including but not limited to
62 statewide assessment scores, achievement data, attendance data, and graduation figures,
63 of students who transfer from an unaccredited district to an accredited district under this
64 section shall be included in the district and building annual performance reports of the
65 receiving accredited district for three full school years.

66 7. If an unaccredited district becomes classified as provisionally accredited or
67 accredited without provisions by the state board of education, resident students of the
68 unaccredited district who are enrolled in an accredited district in the same or an adjoining
69 county under this section shall be permitted to continue their educational program in the
70 accredited district through the highest grade level of enrollment offered in the district or
71 graduation.

72 8. For the purposes of this section, the following terms shall mean:

73 (1) "Accredited district", a school district that is accredited by the state board of
74 education pursuant to the authority of the state board of education to classify schools as
75 established in section 161.092;

76 (2) "Provisionally accredited district", a school district that is classified as
77 provisionally accredited by the state board of education pursuant to the authority of the
78 state board of education to classify schools as established in section 161.092;

79 (3) "Unaccredited district", a school district classified as unaccredited by the state
80 board of education pursuant to the authority of the state board of education to classify
81 schools as established in section 161.092.

167.241. Transportation for pupils whose tuition the district of residence is required to
2 pay by section 167.131, **section 167.132**, or who are assigned as provided in section 167.121
3 shall be provided by the district of residence; however, in the case of pupils covered by section
4 167.131 **or 167.132**, the district of residence shall be required to provide transportation only to
5 school districts accredited by the state board of education pursuant to the authority of the state
6 board of education to classify schools as established in section 161.092 and those school districts
7 designated by the board of education of the district of residence.

Section 1. 1. Sections 1 to 7 of this act shall be known and may be cited as the
2 "Passport Scholarship Program". This program shall grant scholarships to students
3 attending schools that are underperforming, as defined in section 160.011, located in
4 unaccredited districts for certain educational costs as defined in sections 1 to 7 of this act.

5 2. As used in sections 1 to 7 of this act, the following terms mean:

- 6 (1) "Department", the department of economic development;
- 7 (2) "Director", the director of the department of economic development;
- 8 (3) "Educational assistance organization", a charitable organization registered in
9 this state that is exempt from federal taxation under the Internal Revenue Code of 1986,
10 as amended, is certified by the director, and that allocates all of its annual revenue, with
11 the exception of marketing and administrative expenses in paragraph (c) of subdivision (4)
12 of subsection 1 of section 3 of this act and as otherwise directed in sections 1 to 7 of this act,
13 derived from contributions for which a credit is claimed under this section for educational
14 assistance;
- 15 (4) "Eligible student", a student who resides in any unaccredited district and is
16 assigned to an underperforming school, as underperforming is defined in section 160.011.
17 Any student who receives an educational scholarship under this program shall remain
18 eligible until the student graduates from high school or reaches twenty-one years of age,
19 whichever occurs earlier;
- 20 (5) "Parent", a parent, guardian, custodian, or other person with authority to act
21 on behalf of the eligible student;
- 22 (6) "Passport scholarships", grants to eligible students to cover all or part of the
23 applicable tuition and fees at a qualified school, or other approved educational expenses,
24 including but not limited to transportation;
- 25 (7) "Program", the passport scholarship program established under sections 1 to
26 7 of this act;
- 27 (8) "Qualified school", a nonpublic elementary or secondary school in the state that
28 complies with all requirements of the program;
- 29 (9) "Qualifying contribution", a donation of cash, stock, bonds, or other
30 marketable securities for purposes of claiming a tax credit under sections 1 to 7 of this act;
- 31 (10) "Taxpayer", an individual subject to the state income tax imposed in chapter
32 143, an individual, a firm, a partner in a firm, corporation, or a shareholder in an S
33 corporation doing business in this state and subject to the state income tax imposed by
34 chapter 143, a corporation subject to the annual corporation franchise tax imposed by
35 chapter 147, or an express company which pays an annual tax on its gross receipts in this
36 state under chapter 153, which files a Missouri income tax return and is not a dependent
37 of any other taxpayer.

Section 2. 1. For all tax years beginning on or after January 1, 2014, any taxpayer
2 who makes a qualifying contribution to an educational assistance organization may claim
3 a credit against the tax otherwise due under chapter 143, other than taxes withheld under
4 sections 143.191 to 143.265, and chapters 147 and 153, in an amount equal to sixty percent

5 of the amount the taxpayer contributed during the tax year for which the credit is claimed.
6 No taxpayer shall claim a credit under sections 1 to 7 of this act for any contribution made
7 by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's dependent, or in
8 the case of a business taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed shall not exceed the amount of the
10 taxpayer's state tax liability for the tax year for which the credit is claimed. The
11 department shall certify the tax credit amount to the taxpayer and to the department of
12 revenue. Any amount of credit that a taxpayer whose filing status is single, head of
13 household, or qualifying widow or widower, or whose filing status is married filing
14 combined, or whose filing status is corporate, business or franchise, is prohibited by the
15 program from claiming in a tax year may be carried forward to any of such taxpayer's four
16 subsequent taxable years. All tax credits authorized under the program may be
17 transferred, sold, or assigned.

18 3. The cumulative amount of tax credits which may be allocated to all taxpayers
19 contributing to educational assistance organizations in any one fiscal year shall not exceed
20 twenty million dollars, which amount shall annually be adjusted by the department for
21 inflation based on the consumer price index for the Midwest, as defined and officially
22 recorded by the United States Department of Labor, or its successor. The director shall
23 establish a procedure by which the cumulative amount of tax credits are equally
24 apportioned among all facilities classified as educational assistance organizations. If an
25 educational assistance organization fails to use all, or some percentage to be determined
26 by the director, of its apportioned tax credits during this predetermined period of time, the
27 director may reapportion these unused tax credits to those educational assistance
28 organizations that have used all, or some percentage to be determined by the director, of
29 their apportioned tax credits during this predetermined period of time. The director may
30 establish more than one period of time and reapportion more than once during each fiscal
31 year. To the maximum extent possible, the director shall establish the procedure described
32 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits
33 possible up to the cumulative amount of tax credits available for the fiscal year.

Section 3. 1. Each educational assistance organization shall:

2 (1) Notify the department of its intent to provide educational scholarships to
3 eligible students attending qualified schools;

4 (2) Demonstrate to the department that it is exempt from federal income tax under
5 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

6 (3) Provide a department-approved receipt to taxpayers for contributions made to
7 the organization;

8 (4) Ensure that:

9 (a) One hundred percent of its revenues from interest or investments is spent on
10 educational scholarships;

11 (b) At least ninety percent of its revenues from qualifying contributions is spent on
12 educational scholarships; and

13 (c) Marketing and administrative expenses shall not exceed the following limits of
14 its remaining revenue from contributions: ten percent for the first one hundred thousand
15 dollars; eight percent for the next four hundred thousand dollars; six percent for the next
16 five hundred thousand dollars; and three percent thereafter;

17 (5) Distribute educational scholarship payments four times per year in the form of
18 checks made out to an eligible student's parent and mailed to the qualified school where
19 the student is enrolled. The parent shall endorse the check before it can be deposited;

20 (6) Provide the department, upon request, with criminal background checks on all
21 of its employees and board members, and exclude from employment or governance any
22 individual that might reasonably pose a risk to the appropriate use of contributed funds;

23 (7) Ensure that passport scholarships are portable during the school year and can
24 be used at any qualified school that accepts the eligible student according to a parent's
25 wishes. If an eligible student moves to a new qualified school during a school year, the
26 passport scholarship amount may be prorated;

27 (8) Demonstrate its financial accountability by:

28 (a) Submitting a financial information report for the organization that complies
29 with uniform financial accounting standards established by the department and is
30 conducted by a certified public accountant; and

31 (b) Having an auditor certify that the report is free of material misstatements; and

32 (9) Demonstrate its financial viability, if it is to receive donations of fifty thousand
33 dollars or more during the school year, by filing with the department before the start of
34 the school year a surety bond payable to the state in an amount equal to the aggregate
35 amount of contributions expected to be received during the school year.

36 2. Each educational assistance organization shall ensure that qualified schools that
37 accept eligible students receiving passport scholarships from the organization will:

38 (1) Comply with all health and safety laws or codes that apply to nonpublic schools;

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

40 (3) Certify that the qualified schools will not discriminate in admissions of eligible
41 students on the basis of race, color, national origin, or disability;

42 (4) Provide academic accountability to parents of the eligible students in the
43 program by regularly reporting to the parent on the student's progress.

44 **3. Educational assistance organizations shall not provide passport scholarships for**
45 **eligible students to attend any school with paid staff or board members, or relatives**
46 **thereof, in common with the educational assistance organization. Educational assistance**
47 **organizations shall not provide scholarships to students of only one school.**

48 **4. An educational assistance organization shall publicly report to the department**
49 **by June first of each year the following information prepared by a certified public**
50 **accountant regarding its grants in the previous calendar year:**

51 **(1) The name and address of the educational assistance organization;**

52 **(2) The name and address of each eligible student who received a passport**
53 **scholarship from the organization;**

54 **(3) The total number and total dollar amount of contributions received during the**
55 **previous calendar year;**

56 **(4) The total number and total dollar amount of passport scholarships awarded**
57 **during the previous calendar year; and**

58 **(5) The total number and total dollar amount of passport scholarships awarded**
59 **during the previous year to eligible students qualifying for the federal free and reduced**
60 **price school lunch program.**

61 **5. Before educational assistance organizations may raise contributions under the**
62 **program, they shall have received or demonstrated ability to receive applications from**
63 **eligible students, and shall have identified potential vacancies in qualified schools as**
64 **determined by the director.**

Section 4. 1. All qualified schools shall comply with all state laws that apply to
2 **public schools regarding criminal background checks for employees and shall exclude from**
3 **employment any person prohibited by state law from working in a public school.**

4 **2. All qualified schools shall administer to their scholarship students the statewide**
5 **assessments under section 160.518, a nationally recognized norm-referenced assessment,**
6 **or an assessment of educational functioning level for adult basic education that meets the**
7 **guidelines for the national reporting system for adult education and literacy, except for**
8 **those students with individualized education programs that specify that such assessment**
9 **would not be appropriate. Such assessments or tests shall not be required to be given more**
10 **frequently in a grade than the statewide assessments are given. Results shall be provided**
11 **to parents of each passport scholarship recipient. The results of the scholarship recipients**
12 **shall not be considered for purposes of school accreditation or for purposes of the federal**
13 **No Child Left Behind Act. The qualified school shall provide accountability data and**
14 **performance data, including but not limited to statewide assessment scores, achievement**
15 **data, attendance data, and graduation figures, of students who transfer from an**

16 unaccredited district to a qualified school to the department of elementary and secondary
17 education for the first three full school years of any student using a scholarship. The
18 department of elementary and secondary education shall, within the federal and state
19 standards for the privacy of student data, allow the data to be used for the purpose of the
20 study required under section 6 of this act and allow as much data as possible to be
21 provided upon request while protecting the personal identity of any student receiving a
22 scholarship.

23 **3. All qualified schools shall:**

24 **(1) Comply with all health and safety laws or codes that apply to nonpublic schools;**

25 **(2) Hold a valid occupancy permit if required by their municipality; and**

26 **(3) Certify that they will not discriminate in admissions on the basis of race, color,**
27 **national origin, or disability;**

28 **(4) File a statement of intent to participate that includes the information listed in**
29 **this subdivision;**

30 **(5) For initial applicants, file a list of the information required under this**
31 **subsection, and for requalifying schools, annual reporting of the information required**
32 **under this subsection. No public reporting of information required under this subsection**
33 **shall be personally identifiable to an individual student;**

34 **(6) Be fiscally sound as evidenced by three years in existence, a surety bond, or**
35 **letter of credit covering the amount of funds received on behalf of scholarship recipients;**

36 **(7) Be accredited by a regional or national accrediting agency or for a school that**
37 **is not currently accredited, provisional approval pending the achievement of accreditation**
38 **no later than the fourth school year of participation;**

39 **(8) Annually administer a parental satisfaction survey; and**

40 **(9) Demonstrate evidence of the annual transmittal of the information required by**
41 **this section to parents and evidence of its availability to applicants.**

42 **4. Qualified schools shall have on record a form signed by the parent of the**
43 **scholarship recipient agreeing to the release of the following information to the director:**

44 **(1) The student's participation as a scholarship recipient under sections 1 to 7 of**
45 **this act; and**

46 **(2) Testing results for statewide assessment.**

47 **5. As a condition of participation, the parents and scholarship recipients under**
48 **sections 1 to 7 of this act shall agree to abide by the school's code of conduct and any**
49 **parental involvement requirements unless the qualifying school agrees to a waiver of any**
50 **requirements.**

Section 5. 1. The department shall provide a standardized format for a receipt to be issued by an educational assistance organization to a taxpayer to indicate the value of a contribution received. The department shall require a taxpayer to provide a copy of this receipt when claiming the tax credit authorized by the program.

2. The department shall provide a standardized format for educational assistance organizations to report the information required in subsection 1 of this section.

3. The department may conduct either a financial review or an audit of an educational assistance organization if the department possesses evidence of fraud committed by the organization or foundation.

4. The department may bar an educational assistance organization from participating in the program if the department establishes that the educational assistance organization has intentionally and substantially failed to comply with the requirements in section 3 of this act. If the department bars an educational assistance organization from the program under this subsection, it shall notify affected eligible students and their parents of the decision as soon as possible after the determination is made.

5. The department of economic development shall receive no more than two percent of the qualifying contributions for marketing and administrative expenses or the costs incurred in administering the program, whichever is less. The director shall establish procedures to ensure the percentage of funds for administration of the program is directed to the department of economic development in a timely manner with the necessary information to verify the correct amount has been transmitted. The remaining funds shall be distributed to the educational assistance organizations.

Section 6. 1. Subject to appropriations or the availability of private donations, the joint committee on legislative research shall contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the program with funds donated to the educational assistance organizations used for tuition scholarships.

2. The study shall assess:

(1) The level of parental satisfaction with the program;

(2) The level of participating students' satisfaction with the program;

(3) The overall impact of the program on public school students and on the resident school districts and schools from which the participating students transferred;

(4) The impact of the program on public and private school capacity, availability, and quality of service; and

13 **(5) Each participating student's performance on annual assessment instruments**
14 **before and after entering the program, provided that the study's assessment shall be**
15 **conducted so that no participating student shall be individually identifiable.**

16 **3. The researchers who conduct the study shall apply appropriate analytical and**
17 **behavioral science methodologies to ensure public confidence in the study, and shall**
18 **provide the general assembly with a final report of the evaluation of the program.**

19 **4. The public and nonpublic participating schools to and from which students**
20 **transfer shall cooperate with the research effort by providing student assessment**
21 **instrument scores and any other data necessary to complete this study. Scores and data**
22 **shall be provided in such a manner that no participating student, or participating student's**
23 **scores, shall be individually identifiable.**

24 **5. The joint committee on legislative research shall apply for grants to assist in**
25 **funding the study and shall use any such funds received to conduct this study.**

26 **6. The study shall begin within one year of commencement of the program and**
27 **shall cover a period of six years. The general assembly may require periodic reports from**
28 **the researchers. The researchers shall make their data and methodology available for**
29 **public review while complying with the requirements of 20 U.S.C. Section 1232g, as**
30 **amended. In the event that the program is reauthorized, the researchers shall continue the**
31 **study and shall continue to report as required in this section.**

Section 7. 1. The department and the department of revenue may promulgate rules
2 **to implement the provisions of sections 1 to 7 of this act. Any rule or portion of a rule, as**
3 **that term is defined in section 536.010, that is created under the authority delegated in this**
4 **section shall become effective only if it complies with and is subject to all of the provisions**
5 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
6 **nonseverable and if any of the powers vested with the general assembly pursuant to**
7 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
8 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
9 **proposed or adopted after August 28, 2014, shall be invalid and void.**

10 **2. Under section 23.253 of the Missouri sunset act:**

11 **(1) The provisions of the new program authorized under sections 1 to 7 of this act**
12 **shall automatically sunset ten years after the effective date of sections 1 to 7 of this act**
13 **unless reauthorized by an act of the general assembly; and**

14 **(2) If such program is reauthorized, the program authorized under sections 1 to 7**
15 **of this act shall automatically sunset six years after the effective date of the reauthorization**
16 **of sections 1 to 7 of this act; and**

17 **(3) Sections 1 to 7 of this act shall terminate on September first of the calendar year**
18 **immediately following the calendar year in which the program authorized under sections**
19 **1 to 7 of this act is sunset.**

 Section B. Because of the importance of improving and sustaining Missouri's elementary
2 and secondary education system, this act is deemed necessary for the immediate preservation of
3 the public health, welfare, peace and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and this act shall be in full force and effect upon its passage and
5 approval.

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