

HCS HB 478 -- EMPOWERMENT SCHOLARSHIP ACCOUNTS

SPONSOR: Christofanelli

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Elementary and Secondary Education by a vote of 8 to 6. Voted "Do Pass" by the Standing Committee on Rules-Administrative Oversight by a vote of 5 to 2.

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, 2020. 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 2021-22 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.

PROPOSERS: Supporters say that school choice options have expanded in last decade with many states offering a choices like the ones in this bill. Programs like the one in this bill have saved states money as the scholarships are often less then the amounts spent per pupil. This bill helps by offering parents some flexibility and options in their student's education experience.

Testifying for the bill were Representative Christofanelli; Excellence in Education in Action; Missouri Century Foundation; Rebecca Uccello; James Shuls; Kandace Gill; Maxyne Davis; Patty Fristo; Donald Allcorn; Missouri Chamber of Commerce & Industry; Monica Miller; Garold Christenson; James Hamilton; J. Johnson; Phillip Orick; Karen Berns; Mary Hamilton; Ruth Cutler; Hannah Orick; Bethany Warstadt; Jason Smallwood; Deanna Spencer; Dr. Rebecka Spencer; Missouri Education Reform Council; Ryan Waay; Jeff Backe; Scott Williams; Missouri Catholic Conference; Rachelle Engen, Institute for Justice; and Americans For Prosperity.

OPPOSERS: Those who oppose the bill say that the program lacks accountability measures and oversight. Programs like the one offered in the bill have been found negligent and this bill is not designed for all children. This bill would take money away from current statutory obligations.

Testifying against the bill were School Administration Coalition; Mike Pratte; Missouri National Education Association; Cooperating School Districts of Greater Kansas City; Aft - Missouri American Federation of Teachers; and Missouri State Teachers Association.

This bill is similar to SB 160 and HB 34 (2019) and HB 1639 and SB 612 (2018).