

SE COND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2068
100TH GENERAL ASSEMBLY

4453H.03C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 166.400, 166.410, 166.415, 166.420, 166.425, 166.435, 166.440, and 166.456, RSMo, and to enact in lieu thereof thirteen new sections relating to educational savings programs.

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

Section A. Sections 166.400, 166.410, 166.415, 166.420, 166.425, 166.435, 166.440, 2 and 166.456, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known 3 as sections 135.730, 135.732, 135.734, 135.736, 135.738, 166.400, 166.410, 166.415, 166.420, 4 166.425, 166.435, 166.440, and 166.456, to read as follows:

135.730. 1. Sections 135.730 to 135.738 establish the "Show Me A Brighter Future 2 Scholarship Program".

3 2. For purposes of sections 135.730 to 135.738, the following terms shall mean:

4 (1) "Eligible student", a student who:

5 (a) Is a member of a household whose total annual income in the year prior to such 6 student receiving a scholarship under this program does not exceed an amount equal to 7 two times the income standard used to qualify for free and reduced price lunches. Once 8 a student receives a scholarship under this program, the student shall remain eligible 9 regardless of household income until the student graduates high school or reaches twenty- 10 one years of age, whichever occurs first; and

11 (b) Attended a public school for the preceding academic school year or is starting 12 school in this state for the first time;

13 (c) Received a scholarship grant from the program in the preceding semester;

14 (d) Is starting school in this state for the first time and is a sibling of a student 15 already enrolled in the program; or

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.

16 (e) Is an active duty military dependent who relocates to Missouri and is enrolling
17 in a school in the state for the first time;

18 (2) "Parent", a parent, guardian, custodian, or other person with authority to act
19 on behalf of the eligible student;

20 (3) "Program", the show me a brighter future scholarship program;

21 (4) "Qualifying school", any private school in the state, or any public school not
22 within an eligible student's district of residence, that provides education to elementary or
23 secondary students and has notified the state treasurer of its intention to participate in the
24 program and comply with the program's requirements. A private school shall qualify as
25 a qualifying school and be eligible to receive tuition payments under this section only if it
26 satisfies the following conditions:

27 (a) Is accredited by an accrediting body approved by the state treasurer;

28 (b) Annually administers either the state achievement tests or nationally norm-
29 referenced tests that measure learning gains in math and English language arts and
30 provide for value-added assessment to all participating students in grades that require
31 testing under the statewide assessment system set forth in section 160.518;

32 (c) Complies with all health and safety laws or codes that apply to nonpublic
33 schools;

34 (d) Holds a valid occupancy permit if required by its municipality;

35 (e) Complies with the employee criminal history background check and the family
36 care safety registry check under section 168.133; and

37 (f) Requires at least eighty percent of teachers employed by the school to hold a
38 bachelor's degree or a state teaching certification;

39 (5) "Scholarship fund", the show me a brighter future scholarship fund created in
40 section 135.736 and administered by the state treasurer;

41 (6) "Scholarship grant", a contribution to a qualified tuition savings account
42 established under Section 529 of the Internal Revenue Code, as amended, or a contribution
43 to a similar account approved by the state treasurer, to cover all or part of tuition,
44 including special education services;

45 (7) "Special education eligible student", any student who has an Individualized
46 Education Program (IEP) created by a public school at the time of application to the
47 program.

135.732. 1. For all tax years beginning on or after January 1, 2021, any taxpayer
2 who makes a qualifying contribution to the scholarship fund shall be allowed a credit
3 against the tax otherwise due under chapter 143, excluding withholding tax imposed by
4 sections 143.191 to 143.265, and chapter 153, in an amount equal to one hundred 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 135.730 to 135.738 for any contribution
7 made by the taxpayer or an agent of the taxpayer on behalf of the taxpayer's dependent
8 or, in the case of a business taxpayer, on behalf of the business's agent's dependent.

9 2. The amount of the tax credit claimed by an individual taxpayer or a married
10 couple filing jointly shall not exceed fifty percent of the taxpayer's state tax liability for the
11 tax year for which the credit is claimed.

12 3. The amount of the tax credit claimed by a corporate taxpayer shall not exceed
13 fifty percent of the corporate taxpayer's state tax liability for the tax year for which the
14 credit is claimed.

15 4. The department shall create a receipt to be issued to a taxpayer to indicate the
16 value of a contribution received.

17 5. The state treasurer shall certify the tax credit amount to the taxpayer. An
18 individual or corporate taxpayer, or a married couple filing jointly, may carry the credit
19 forward to any of such taxpayer's three subsequent tax years. All tax credits authorized
20 under the program shall not be transferred, sold, or assigned, and are not refundable.

21 6. The cumulative amount of tax credits that may be allocated to all taxpayers
22 contributing to the scholarship fund in the first year of the program shall not exceed
23 twenty-five million dollars. If the amount of tax credits claimed in the first tax year
24 exceeds ninety percent of the tax credits available, the amount of tax credits available shall
25 increase by ten percent in subsequent years, except that the total amount of tax credits
26 available in a year shall not exceed fifty million dollars. The state treasurer shall establish
27 a procedure by which the cumulative amount of tax credits shall be allocated to taxpayers
28 on a first-come, first-served basis.

29 7. A taxpayer who makes a contribution to the scholarship fund shall not designate
30 the student who will receive a scholarship grant.

135.734. 1. The state treasurer shall adopt rules and procedures necessary to
2 implement the provisions of sections 135.730 to 135.738, including rules setting forth:

3 (1) The procedure for awarding scholarship grants in the following order of
4 preference:

5 (a) Eligible students who received a scholarship grant in the previous year;

6 (b) The siblings of eligible students who will receive a scholarship grant;

7 (c) Eligible students who qualify for free lunch under the free or reduced price
8 lunch program who attend any school that has been performing in the bottom five percent
9 of schools as determined by the state's every student succeeds act plan, required by Section
10 1111 of the Every Student Succeeds Act, 20 U.S.C. Section 6311, as amended;

11 (d) Eligible students who qualify for reduced price lunch under the free or reduced
12 price lunch program who attend any school that has been performing in the bottom five
13 percent of schools as determined by the state's every student succeeds act plan, required
14 by Section 1111 of the Every Student Succeeds Act, 20 U.S.C. Section 6311, as amended;

15 (e) Eligible students who qualify for free lunch under the free or reduced price
16 lunch program and who reside in an unaccredited school district;

17 (f) Eligible students who qualify for reduced price lunch under the free or reduced
18 price lunch program and reside in an unaccredited school district;

19 (g) Eligible students who qualify for free lunch under the free or reduced price
20 lunch program and reside in a provisionally accredited district;

21 (h) Eligible students who qualify for reduced price lunch under the free or reduced
22 price lunch program and reside in a provisionally accredited district; and

23 (i) Students who are active duty military dependents who have relocated to
24 Missouri and are enrolling in a school in the state for the first time;

25 (2) Reporting requirements;

26 (3) Responsibilities of a parent of an eligible student; and

27 (4) Responsibilities of an eligible student's school district of residence.

28 2. The state treasurer shall provide to the parent of each eligible student an
29 explanation of a qualifying private school's special education program, in a form
30 prescribed by the state treasurer, which shall include the methods of instruction that will
31 be used by the school to provide special education and related services to the eligible
32 student and the qualifications of the teachers and other persons who will be providing
33 special education and related services to the eligible child.

34 3. A scholarship grant awarded to an eligible student shall not exceed an amount
35 equal to the state adequacy target, as defined in section 163.011, or the actual tuition at a
36 qualifying school, whichever is less.

37 4. A scholarship grant awarded to a student who qualifies for free or reduced price
38 lunch, or a limited English proficiency student, shall not exceed an amount equal to the
39 state adequacy target, as defined in section 163.011, multiplied by one and twenty-five-
40 hundredths, or the actual tuition at a qualifying school, whichever is less.

41 5. A scholarship grant awarded to a special education eligible student shall not
42 exceed an amount equal to the state adequacy target, as defined in section 163.011,
43 multiplied by one and seventy-five-hundredths or the actual tuition at a qualifying school,
44 whichever is less.

45 6. Scholarship grants shall only be used for payment of tuition at a qualifying
46 school, including special education services.

47 7. The state treasurer shall not discriminate on the basis of race, color, creed, or
48 national origin in making scholarship grants, and shall not make multiyear scholarship
49 grants.

50 8. The state treasurer may bar a parent from future participation in the program
51 if the state treasurer establishes that the parent has intentionally or negligently spent
52 scholarship grant funds for a purpose other than that allowed by law or rule.

53 9. The state treasurer shall publish a report on its website on the state of the
54 program six years after it goes into effect. The report shall include, but is not limited to:

55 (1) Information regarding the finances of the program;

56 (2) Educational outcomes of eligible students; and

57 (3) Results of the annual parental satisfaction surveys, as set forth in subsection 10
58 of this section.

59 10. The state treasurer shall provide a standardized format for qualifying schools
60 to provide the results from an annual parental satisfaction survey, including information
61 about the number of years that the parent's child has participated in the scholarship
62 program. The annual satisfaction survey shall ask parents of scholarship students to
63 express:

64 (a) Their satisfaction with their child's academic achievement, including academic
65 achievement at the school their child attends through the scholarship program versus
66 academic achievement at the school previously attended;

67 (b) Their satisfaction with school safety at the school their child attends through
68 the scholarship program versus safety at the school previously attended;

69 (c) Whether their child would have been able to attend their school of choice
70 without the scholarship; and

71 (d) Their opinions on other topics, items, or issues that the state treasurer finds
72 would elicit information about the effectiveness of the scholarship program.

135.736. 1. There is hereby created in the state treasury the "Show Me a Brighter
2 Future Scholarship Fund", which shall consist of moneys collected under sections 135.730
3 to 135.738. The state treasurer shall be custodian of the fund. In accordance with sections
4 30.170 and 30.180, the state treasurer may approve disbursements. Subject to
5 appropriation, moneys in the fund shall be used solely by the state treasurer to make
6 scholarship grants and to pay for personal service, equipment, and other expenses of the
7 treasurer related to the administration of sections 135.730 to 135.738.

8 2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys
9 remaining in the fund at the end of the biennium shall not revert to the credit of the
10 general revenue fund.

11 **3. The state treasurer shall invest moneys in the fund in the same manner as other**
 12 **funds are invested. Any interest and moneys earned on such investments shall be credited**
 13 **to the fund.**

135.738. 1. The state treasurer shall promulgate rules to implement the provisions
 2 **of sections 135.730 to 135.738. Any rule or portion of a rule, as that term is defined in**
 3 **section 536.010, that is created under the authority delegated in this section shall become**
 4 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
 5 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
 6 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
 7 **the effective date, or to disapprove and annul a rule are subsequently held**
 8 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
 9 **after August 28, 2020, shall be invalid and void.**

10 **2. The provisions of section 23.253 of the Missouri sunset act shall not apply to**
 11 **sections 135.730 to 135.738.**

 166.400. Sections 166.400 to 166.455 shall be known and may be cited as the "Missouri
 2 Education [~~Savings~~] Program".

 166.410. [~~Definitions.~~] As used in sections 166.400 to 166.455, except where the
 2 context clearly requires another interpretation, the following terms mean:

3 (1) "Beneficiary", any individual designated by a participation agreement to benefit from
 4 payments for qualified education expenses at an eligible educational institution;

5 (2) "Benefits", the payment of qualified education expenses on behalf of a beneficiary
 6 from a savings account during the beneficiary's attendance at an eligible educational institution;

7 (3) "Board", the Missouri education [~~savings~~] program board established in section
 8 166.415;

9 (4) "Eligible educational institution", an institution [~~of postsecondary education~~] as
 10 defined in Section [~~529(c)(5) of the Internal Revenue Code, and institutions of elementary and~~
 11 ~~secondary education as provided in Sections 529(c)(7) and 529(e)(3)] **529** of the Internal
 12 Revenue Code, as amended;~~

13 (5) "Financial institution", a bank, insurance company or registered investment company;

14 (6) "Internal Revenue Code", the Internal Revenue Code of 1986, as amended;

15 (7) "Missouri education [~~savings~~] program" or "[~~savings~~] program", the program created
 16 pursuant to sections 166.400 to 166.455;

17 (8) "Participant", a person who has entered into a participation agreement pursuant to
 18 sections 166.400 to 166.455 for the advance payment of qualified education expenses on behalf
 19 of a beneficiary;

20 (9) "Participation agreement", an agreement between a participant and the board pursuant
21 to and conforming with the requirements of sections 166.400 to 166.455; and

22 (10) "Qualified higher education expenses" or "qualified education expenses", the
23 qualified costs of tuition and fees and other expenses for attendance at an eligible educational
24 institution, as defined in Section ~~[529(e)(3)]~~ 529 of the Internal Revenue Code, as amended.

166.415. 1. There is hereby created the "Missouri Education ~~[Savings]~~ Program". The
2 program shall be administered by the Missouri education ~~[savings]~~ program board which shall
3 consist of the Missouri state treasurer who shall serve as chairman, the commissioner of the
4 department of higher education and workforce development, the commissioner of education, the
5 commissioner of the office of administration, the director of the department of economic
6 development, two persons having demonstrable experience and knowledge in the areas of
7 finance or the investment and management of public funds, one of whom is selected by the
8 president pro tem of the senate and one of whom is selected by the speaker of the house of
9 representatives, and one person having demonstrable experience and knowledge in the area of
10 banking or deposit rate determination and placement of depository certificates of deposit or other
11 deposit investments. Such member shall be appointed by the governor with the advice and
12 consent of the senate. The three appointed members shall be appointed to serve for terms of four
13 years from the date of appointment, or until their successors shall have been appointed and shall
14 have qualified. The members of the board shall be subject to the conflict of interest provisions
15 of section 105.452. Any member who violates the conflict of interest provisions shall be
16 removed from the board. In order to establish and administer the ~~[savings]~~ program, the board,
17 in addition to its other powers and authority, shall have the power and authority to:

18 (1) Develop and implement the Missouri education ~~[savings]~~ program and,
19 notwithstanding any provision of sections 166.400 to 166.455 to the contrary, the ~~[savings]~~
20 programs and services consistent with the purposes and objectives of sections 166.400 to
21 166.455;

22 (2) Promulgate reasonable rules and regulations and establish policies and procedures
23 to implement sections 166.400 to 166.455, to permit the ~~[savings]~~ program to qualify as a
24 "qualified state tuition program" pursuant to Section 529 of the Internal Revenue Code and to
25 ensure the ~~[savings]~~ program's compliance with all applicable laws;

26 (3) Develop and implement educational programs and related informational materials
27 for participants, either directly or through a contractual arrangement with a financial institution
28 for investment services, and their families, including special programs and materials to inform
29 families with young children regarding methods for financing education and training;

30 (4) Enter into agreements with any financial institution, the state or any federal or other
31 agency or entity as required for the operation of the [savings] program pursuant to sections
32 166.400 to 166.455;

33 (5) Enter into participation agreements with participants;

34 (6) Accept any grants, gifts, legislative appropriations, and other moneys from the state,
35 any unit of federal, state, or local government or any other person, firm, partnership, or
36 corporation for deposit to the account of the [savings] program;

37 (7) Invest the funds received from participants in appropriate investment instruments to
38 achieve long-term total return through a combination of capital appreciation and current income;

39 (8) Make appropriate payments and distributions on behalf of beneficiaries pursuant to
40 participation agreements;

41 (9) Make refunds to participants upon the termination of participation agreements
42 pursuant to the provisions, limitations, and restrictions set forth in sections 166.400 to 166.455
43 and the rules adopted by the board;

44 (10) Make provision for the payment of costs of administration and operation of the
45 [savings] program;

46 (11) Effectuate and carry out all the powers granted by sections 166.400 to 166.455, and
47 have all other powers necessary to carry out and effectuate the purposes, objectives and
48 provisions of sections 166.400 to 166.455 pertaining to the [savings] program; and

49 (12) Procure insurance, guarantees or other protections against any loss in connection
50 with the assets or activities of the [savings] program.

51 2. Any member of the board may designate a proxy for that member who will enjoy the
52 full voting privileges of that member for the one meeting so specified by that member. No more
53 than three proxies shall be considered members of the board for the purpose of establishing a
54 quorum.

55 3. Four members of the board shall constitute a quorum. No vacancy in the membership
56 of the board shall impair the right of a quorum to exercise all the rights and perform all the duties
57 of the board. No action shall be taken by the board except upon the affirmative vote of a
58 majority of the members present.

59 4. The board shall meet within the state of Missouri at the time set at a previously
60 scheduled meeting or by the request of any four members of the board. Notice of the meeting
61 shall be delivered to all other trustees in person or by depositing notice in a United States post
62 office in a properly stamped and addressed envelope not less than six days prior to the date fixed
63 for the meeting. The board may meet at any time by unanimous mutual consent. There shall be
64 at least one meeting in each quarter.

65 5. The funds shall be invested only in those investments which a prudent person acting
66 in a like capacity and familiar with these matters would use in the conduct of an enterprise of a
67 like character and with like aims, as provided in section 105.688. For new contracts entered into
68 after August 28, 2012, board members shall study investment plans of other states and contract
69 with or negotiate to provide benefit options the same as or similar to other states' qualified plans
70 for the purpose of offering additional options for members of the plan. The board may delegate
71 to duly appointed investment counselors authority to act in place of the board in the investment
72 and reinvestment of all or part of the moneys and may also delegate to such counselors the
73 authority to act in place of the board in the holding, purchasing, selling, assigning, transferring
74 or disposing of any or all of the securities and investments in which such moneys shall have been
75 invested, as well as the proceeds of such investments and such moneys. Such investment
76 counselors shall be registered as investment advisors with the United States Securities and
77 Exchange Commission. In exercising or delegating its investment powers and authority,
78 members of the board shall exercise ordinary business care and prudence under the facts and
79 circumstances prevailing at the time of the action or decision. No member of the board shall be
80 liable for any action taken or omitted with respect to the exercise of, or delegation of, these
81 powers and authority if such member shall have discharged the duties of his or her position in
82 good faith and with that degree of diligence, care and skill which a prudent person acting in a
83 like capacity and familiar with these matters would use in the conduct of an enterprise of a like
84 character and with like aims.

85 6. No investment transaction authorized by the board shall be handled by any company
86 or firm in which a member of the board has a substantial interest, nor shall any member of the
87 board profit directly or indirectly from any such investment.

88 7. No trustee or employee of the [savings] program shall receive any gain or profit from
89 any funds or transaction of the [savings] program. Any trustee, employee or agent of the
90 [savings] program accepting any gratuity or compensation for the purpose of influencing such
91 trustee's, employee's or agent's action with respect to the investment or management of the funds
92 of the [savings] program shall thereby forfeit the office and in addition thereto be subject to the
93 penalties prescribed for bribery.

166.420. 1. The board may enter into [savings] program participation agreements with
2 participants on behalf of beneficiaries pursuant to the provisions of sections 166.400 to 166.455,
3 including the following terms and conditions:

4 (1) A participation agreement shall stipulate the terms and conditions of the [savings]
5 program in which the participant makes contributions;

6 (2) A participation agreement shall specify the method for calculating the return on the
7 contribution made by the participant;

8 (3) The execution of a participation agreement by the board shall not guarantee that the
9 beneficiary named in any participation agreement will be admitted to an eligible educational
10 institution, be allowed to continue to attend an eligible educational institution after having been
11 admitted or will graduate from an eligible educational institution;

12 (4) A participation agreement shall clearly and prominently disclose to participants the
13 risk associated with depositing moneys with the board;

14 (5) Participation agreements shall be organized and presented in a way and with
15 language that is easily understandable by the general public; and

16 (6) A participation agreement shall clearly and prominently disclose to participants the
17 existence of any load charge or similar charge assessed against the accounts of the participants
18 for administration or services.

19 2. The board shall establish the maximum amount which may be contributed annually
20 ~~[by a participant]~~ with respect to a beneficiary.

21 3. The board shall establish a total contribution limit for savings accounts established
22 under the ~~[savings]~~ program with respect to a beneficiary to permit the ~~[savings]~~ program to
23 qualify as a "qualified state tuition program" pursuant to Section 529 of the Internal Revenue
24 Code. No contribution may be made to a savings account for a beneficiary if it would cause the
25 balance of all savings accounts of the beneficiary to exceed the total contribution limit
26 established by the board. The board may establish other requirements that it deems appropriate
27 to provide adequate safeguards to prevent contributions on behalf of a beneficiary from
28 exceeding what is necessary to provide for the qualified education expenses of the beneficiary.

29 4. The board shall establish the minimum length of time that contributions and earnings
30 must be held by the ~~[savings]~~ program to qualify pursuant to section 166.435. Any contributions
31 or earnings that are withdrawn or distributed from a savings account prior to the expiration of
32 the minimum length of time, as established by the board, shall be subject to a penalty pursuant
33 to section 166.430.

166.425. All money paid by a participant in connection with participation agreements
2 shall be deposited as received and shall be promptly invested by the board. Contributions and
3 earnings thereon accumulated on behalf of participants in the ~~[savings]~~ program may be used,
4 as provided in the participation agreement, for qualified education expenses. Such contributions
5 and earnings shall not be considered income for purposes of determining a participant's eligibility
6 for financial assistance under any state student aid program.

166.435. 1. Notwithstanding any law to the contrary, the assets of the ~~[savings]~~ program
2 held by the board, the assets of any deposit program authorized in section 166.500, and the assets
3 of any qualified tuition ~~[savings]~~ program established pursuant to Section 529 of the Internal
4 Revenue Code and any income therefrom shall be exempt from all taxation by the state or any

5 of its political subdivisions. Income earned or received from the [savings] program, deposit, or
6 other qualified tuition [savings] programs established under Section 529 of the Internal Revenue
7 Code, or refunds of qualified education expenses received by a beneficiary from an eligible
8 educational institution in connection with withdrawal from enrollment at such institution which
9 are contributed within sixty days of withdrawal to a qualified tuition [savings] program of which
10 such individual is a beneficiary shall not be subject to state income tax imposed pursuant to
11 chapter 143 and shall be eligible for any benefits provided in accordance with Section 529 of the
12 Internal Revenue Code. The exemption from taxation pursuant to this section shall apply only
13 to assets and income maintained, accrued, or expended pursuant to the requirements of the
14 [savings] program established pursuant to sections 166.400 to 166.455, the deposit program
15 established pursuant to sections 166.500 to 166.529, and other qualified tuition [savings]
16 programs established under Section 529 of the Internal Revenue Code, and no exemption shall
17 apply to assets and income expended for any other purposes. Annual contributions made to the
18 [savings] program held by the board, the deposit program, and any qualified tuition [savings]
19 program established under Section 529 of the Internal Revenue Code up to and including eight
20 thousand dollars per [participating] taxpayer, and up to sixteen thousand dollars for married
21 individuals filing a joint tax return, shall be subtracted in determining Missouri adjusted gross
22 income pursuant to section 143.121.

23 2. If any deductible contributions to or earnings from any such program referred to in this
24 section are distributed and not used to pay qualified education expenses, not transferred as
25 allowed by 26 U.S.C. Section 529(c)(3)(C)(i), as amended, and any Internal Revenue Service
26 regulations or guidance issued in relation thereto, or are not held for the minimum length of time
27 established by the appropriate Missouri board, then the amount so distributed shall be included
28 in the Missouri adjusted gross income of the participant, or, if the participant is not living, the
29 beneficiary.

30 3. The provisions of this section shall apply to tax years beginning on or after January
31 1, 2008, and the provisions of this section with regard to sections 166.500 to 166.529 shall apply
32 to tax years beginning on or after January 1, 2004.

166.440. The assets of the [savings] program shall at all times be preserved, invested and
2 expended only for the purposes set forth in this section and in accordance with the participation
3 agreements, and no property rights therein shall exist in favor of the state.

166.456. All personally identifiable information concerning participants and
2 beneficiaries of accounts established within the Missouri education [savings] program pursuant
3 to sections 166.400 to 166.456 shall be confidential, and any disclosure of such information shall
4 be restricted to purposes directly connected with the administration of the program.

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