

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 581

100TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 3, 2020, with recommendation that the Senate Committee Substitute do pass.

3447S.05C

ADRIANE D. CROUSE, Secretary.

AN ACT

To amend chapter 135, RSMo, by adding thereto five new sections relating to educational scholarships.

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

Section A. Chapter 135, RSMo, is amended by adding thereto five new sections, to be known as sections 135.730, 135.732, 135.734, 135.736, and 135.738, to read as follows:

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

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

(1) "Department", the department of revenue;

(2) "Eligible student", a student who:

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

(b) Attended a public school in the preceding semester or is starting school in the state for the first time;

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

(d) Is starting school in Missouri for the first time and is a

20 sibling of a student already enrolled in the program;

21 (3) "Parent", a parent or guardian, custodian, or other person
22 with authority to act on behalf of the eligible student;

23 (4) "Program", the show me a brighter future scholarship
24 program;

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

32 (a) Is accredited by the North Central Association Commission
33 On Accreditation and School Improvement or a similar accrediting
34 body;

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

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

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

44 (e) Complies with the employee criminal history background
45 check and the family care safety registry check pursuant to section
46 168.133; and

47 (f) Requires at least eighty percent of teachers employed by the
48 school to hold a bachelor's degree, except that no member of the clergy
49 employed by the school as a teacher shall be required to hold a
50 bachelor's degree;

51 (6) "Scholarship fund", the show me a brighter future scholarship
52 fund administered by the state treasurer;

53 (7) "Scholarship grant", a contribution to a qualified tuition
54 savings account established pursuant to Section 529 of the Internal
55 Revenue Code to cover all or part of tuition including special education
56 services;

57 (8) "Special education eligible student", any student who has an
58 Individualized Education Program (IEP) created by a public school at
59 the time of application to the program.

135.732. 1. For all fiscal years beginning on or after July 1, 2021,
2 any taxpayer who makes a qualifying contribution to the show me a
3 brighter future scholarship fund set forth in section 135.736 may claim
4 a credit against the tax otherwise due under chapter 143, other than
5 taxes withheld under sections 143.191 to 143.265, and chapter 153, in an
6 amount equal to one hundred percent of the amount the taxpayer
7 contributed during the tax year for which the credit is claimed. No
8 taxpayer shall claim a credit under sections 135.730 to 135.738 for any
9 contribution made by the taxpayer, or an agent of the taxpayer, on
10 behalf of the taxpayer's dependent, or in the case of a business
11 taxpayer, on behalf of the business's agent's dependent.

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

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

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

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

27 6. The cumulative amount of tax credits that may be allocated to
28 all taxpayers contributing to the scholarship fund in the first year of
29 the program shall not exceed twenty-five million dollars. If the amount
30 of tax credits claimed in the first tax year exceeds ninety percent of the
31 tax credits available, the amount of tax credits available shall increase
32 by ten percent in the subsequent year, except the total amount of tax
33 credits available in a year shall not exceed fifty million dollars. The
34 state treasurer shall establish a procedure by which the cumulative

35 amount of tax credits shall be allocated to taxpayers on a first come,
36 first served basis.

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

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

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

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

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

10 (c) Eligible students who qualify for free lunch under the free or
11 reduced-price lunch program and who reside in an unaccredited school
12 district, or eligible students who qualify for free lunch under the free
13 or reduced-price lunch program who attend any school that has been
14 performing in the bottom five percent of schools as determined by the
15 state's every student succeeds act plan, required by Section 1111 of the
16 Every Student Succeeds Act, 20 U.S.C. Section 6311, or special
17 education eligible students who attend any school that has been
18 performing in the bottom five percent of schools as determined by the
19 state's every student succeeds act plan, required by Section 1111 of the
20 Every Student Succeeds Act, 20 U.S.C. Section 6311;

21 (d) Eligible students who qualify for reduced-price lunch under
22 the free or reduced-price lunch program and reside in an unaccredited
23 school district, or eligible students who qualify for reduced-price lunch
24 under the free or reduced-price lunch program who attend any school
25 that has been performing in the bottom five percent of schools as
26 determined by the state's every student succeeds act plan, required by
27 Section 1111 of the Every Student Succeeds Act, 20 U.S.C. Section 6311;

28 (e) Eligible students who qualify for free lunch under the free or
29 reduced-price lunch program, and special education eligible students,
30 who reside in a provisionally accredited district;

31 (f) Eligible students who qualify for reduced-price lunch under
32 the free or reduced-price lunch program who reside in a provisionally
33 accredited district;

34 (g) Eligible students who qualify for free lunch under the free or
35 reduced-price lunch program, and special education eligible students;

36 (h) Eligible students who qualify for reduced-price lunch under
37 the free or reduced-price lunch program;

38 (i) Eligible students who reside in unaccredited districts;

39 (2) Reporting requirements;

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

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

42 2. The state treasurer shall provide to the parent or guardian of
43 each eligible student an explanation of a qualifying private school's
44 special education program, in a form prescribed by the state treasurer,
45 which shall include the methods of instruction that will be used by the
46 school to provide special education and related services to the eligible
47 student and the qualifications of the teachers and other persons who
48 will be providing special education and related services to the eligible
49 child.

50 3. A scholarship grant awarded to an eligible student shall not
51 exceed an amount equal to the state adequacy target, as defined in
52 section 163.011, or the actual tuition at a qualifying school.

53 4. A scholarship grant awarded to a special education eligible
54 student shall not exceed an amount equal to the state adequacy target
55 as defined in section 163.011 multiplied by one and seventy-five
56 hundredths or the actual tuition at a qualifying school.

57 5. Scholarship funds in a qualified tuition savings account shall
58 only be used for payment of tuition at a qualifying school, including
59 special education services.

60 6. The state treasurer shall not discriminate on the basis of race,
61 color, creed, or national origin in making scholarship grants, and shall
62 not make multi-year scholarship grants.

63 7. The state treasurer may bar a parent from future participation
64 in the program if the state treasurer establishes that the parent has
65 intentionally or negligently spent scholarship grant funds for a purpose
66 other than that allowed by law or rule.

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

70 (1) Information regarding the finances of a qualified school;

71 **(2) Educational outcomes of eligible students; and**
72 **(3) Results of the annual parental satisfaction surveys, as set**
73 **forth in subsection 9 of this section.**

74 **9. The state treasurer shall provide a standardized format for**
75 **qualifying schools to provide the results from an annual parental**
76 **satisfaction survey, including information about the number of years**
77 **that the parent's child has participated in the scholarship**
78 **program. The annual satisfaction survey shall ask parents of**
79 **scholarship students to express:**

80 **(a) Their satisfaction with their child's academic achievement,**
81 **including academic achievement at the school their child attended**
82 **through the scholarship program versus academic achievement at the**
83 **school previously attended;**

84 **(b) Their satisfaction with school safety at the school their child**
85 **attends through the scholarship program versus safety at the schools**
86 **previously attended;**

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

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

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

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

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

135.738. 1. The state treasurer shall promulgate rules to

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

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

✓

Bill

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