

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1164

AN ACT

AMENDING TITLE 15, CHAPTER 8, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 1.2; AMENDING TITLE 43, CHAPTER 10, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1032; PROVIDING FOR THE DELAYED REPEAL OF TITLE 15, CHAPTER 8, ARTICLE 1.2 AND SECTION 43-1032, AS ADDED BY THIS ACT; MAKING AN APPROPRIATION; RELATING TO DISPLACED PUPIL CHOICE GRANTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 8, Arizona Revised Statutes, is amended
3 by adding article 1.2, to read:

4 ARTICLE 1.2. DISPLACED PUPILS CHOICE GRANTS

5 15-817. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "CUSTODIAN" MEANS A RESIDENT OF THIS STATE WHO IS A PARENT OR THE
8 LEGAL GUARDIAN OF A QUALIFYING PUPIL.

9 2. "GRANT" MEANS A GRANT OF AID MADE UNDER THIS ARTICLE TO A
10 QUALIFYING PUPIL, THROUGH THE QUALIFYING PUPIL'S CUSTODIAN, TO BE USED BY AND
11 FOR THE BENEFIT OF THE PUPIL AS PROVIDED IN THIS ARTICLE.

12 3. "GRANT SCHOOL" MEANS A NONGOVERNMENTAL PRIMARY SCHOOL OR SECONDARY
13 SCHOOL OR A PRESCHOOL FOR HANDICAPPED STUDENTS THAT IS LOCATED IN THIS STATE,
14 THAT DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, HANDICAP, FAMILIAL
15 STATUS OR NATIONAL ORIGIN, THAT MAINTAINS ONE OR MORE GRADE LEVELS FROM
16 KINDERGARTEN THROUGH GRADE TWELVE AND ELECTS AND IS ENTITLED TO PARTICIPATE
17 IN AND REDEEM GRANTS PURSUANT TO THIS ARTICLE.

18 4. "QUALIFYING PUPIL" MEANS A STUDENT WHO IS ELIGIBLE TO RECEIVE A
19 GRANT UNDER THIS ARTICLE.

20 15-817.01. Displaced pupils choice grant program; nature of
21 grants

22 A. THE DISPLACED PUPILS CHOICE GRANT PROGRAM IS ESTABLISHED UNDER
23 WHICH EACH CUSTODIAN OF A QUALIFYING PUPIL WHO COMPLETES AN APPLICATION FOR A
24 GRANT UNDER THIS ARTICLE SHALL RECEIVE A GRANT THAT IS TO BE REDEEMED AT THE
25 GRANT SCHOOL IN WHICH THE QUALIFYING PUPIL ENROLLS AND APPLIED TOWARD PAYMENT
26 OF THE TUITION AND FEES PAYABLE FOR THE EDUCATIONAL AND RELATED SERVICES
27 PROVIDED TO THE QUALIFYING PUPIL BY THAT GRANT SCHOOL.

28 B. A GRANT PROVIDED UNDER THIS ARTICLE CONSTITUTES A GRANT OF AID TO A
29 QUALIFYING PUPIL THROUGH THE QUALIFYING PUPIL'S RESPECTIVE CUSTODIAN AND NOT
30 TO THE GRANT SCHOOL IN WHICH THE QUALIFYING PUPIL IS ENROLLED. THE GRANT
31 DOES NOT CONSTITUTE TAXABLE INCOME TO THE CUSTODIAN OR THE QUALIFYING PUPIL.

32 C. A QUALIFYING PUPIL SHALL NOT RECEIVE A GRANT FOR ANY PORTION OF A
33 SCHOOL YEAR IN WHICH THE QUALIFYING PUPIL IS ENROLLED IN A SCHOOL THAT DOES
34 NOT REDEEM GRANTS UNDER THIS ARTICLE.

35 D. A CUSTODIAN IS FREE TO CHOOSE ANY GRANT SCHOOL FOR ENROLLMENT OF
36 THE QUALIFYING PUPIL, AND THAT CHOICE OR SELECTION IS NOT AND SHALL NOT BE
37 DEEMED TO BE A DECISION OR ACT OF THIS STATE OR ANY OF ITS POLITICAL
38 SUBDIVISIONS.

39 15-817.02. Grant eligibility

40 A. A PUPIL IS ELIGIBLE TO RECEIVE A GRANT UNDER THIS ARTICLE IF THE
41 PUPIL HAS BEEN PLACED IN FOSTER CARE PURSUANT TO TITLE 8, CHAPTER 5 AT ANY
42 TIME BEFORE THE PUPIL GRADUATES FROM HIGH SCHOOL OR OBTAINS A GENERAL
43 EQUIVALENCY DIPLOMA.

1 B. A QUALIFYING PUPIL WHO RECEIVES A GRANT PURSUANT TO THIS ARTICLE
2 SHALL CONTINUE TO RECEIVE A GRANT EACH YEAR IF THE QUALIFYING PUPIL COMPLETED
3 ALL NECESSARY COURSEWORK TO BE PROMOTED TO AT LEAST THE NEXT GRADE LEVEL IN
4 THE GRANT SCHOOL, THE QUALIFYING PUPIL IS IN GOOD ACADEMIC STANDING WITH THE
5 GRANT SCHOOL AND THE CUSTODIAN COMPLETES ALL APPLICATIONS REQUIRED BY THE
6 GRANT SCHOOL AND THE DEPARTMENT.

7 C. THE DISPLACED PUPILS CHOICE GRANT PROGRAM IS LIMITED TO THE FIRST
8 FIVE HUNDRED QUALIFYING PUPILS ANNUALLY, INCLUDING QUALIFYING PUPILS PURSUANT
9 TO SUBSECTION B OF THIS SECTION.

10 15-817.03. Participation by grant schools

11 A. A GRANT SCHOOL IS ENTITLED TO RECEIVE A GRANT PURSUANT TO THIS
12 ARTICLE AND SHALL HAVE THE OPTION EACH SCHOOL YEAR OF PARTICIPATING OR NOT
13 PARTICIPATING IN THE GRANT PROGRAM ESTABLISHED UNDER THIS ARTICLE. A SCHOOL
14 THAT WISHES TO PARTICIPATE IN THE PROGRAM AS A GRANT SCHOOL MUST COMPLETE ALL
15 APPLICATIONS WITH THE DEPARTMENT BY FEBRUARY 15 OF EACH CALENDAR YEAR FOR
16 INCLUSION IN THE PROGRAM FOR THE FOLLOWING SCHOOL YEAR.

17 B. A GRANT SCHOOL THAT PARTICIPATES IN THE GRANT PROGRAM AND THAT IS
18 ENTITLED TO REDEEM A GRANT FOR A QUALIFYING PUPIL WHO ENROLLS IN THAT GRANT
19 SCHOOL IS NOT REQUIRED TO ACCEPT THE GRANT AS FULL PAYMENT FOR THE
20 EDUCATIONAL AND RELATED SERVICES THAT THE SCHOOL PROVIDES TO THAT QUALIFYING
21 PUPIL AND MAY CHARGE THE QUALIFYING PUPIL AN ADDITIONAL AMOUNT REPRESENTING
22 THE BALANCE OF THE TUITION AND FEES THAT REMAINS PAYABLE AFTER CREDITING THE
23 QUALIFYING PUPIL WITH THE AMOUNT OF THE GRANT RECEIVED BY THE QUALIFYING
24 PUPIL UNDER THIS ARTICLE. A GRANT SCHOOL THAT REDEEMS GRANTS UNDER THIS
25 ARTICLE SHALL USE THE GRANT PROCEEDS SOLELY TO PROVIDE EDUCATIONAL GOODS,
26 SERVICES AND FACILITIES FOR ITS QUALIFYING PUPILS AND IS NOT ENTITLED TO
27 RECEIVE, FOR REDEEMING A GRANT, ANY AMOUNT IN EXCESS OF THE TUITION AND FEES
28 CUSTOMARILY CHARGED BY THE SCHOOL TO COVER THE COST OF PROVIDING THOSE
29 EDUCATIONAL GOODS, SERVICES AND FACILITIES.

30 15-817.04. Grant value

31 A GRANT ISSUED UNDER THIS ARTICLE FOR THE BENEFIT OF A QUALIFYING PUPIL
32 SHALL HAVE A VALUE EQUAL TO FIVE THOUSAND DOLLARS OR THE TOTAL AMOUNT OF
33 TUITION AND FEES CHARGED BY THE GRANT SCHOOL, WHICHEVER IS LESS.

34 15-817.05. Distribution of grant monies

35 THE MONIES TO PAY A GRANT THAT IS ISSUED FOR THE BENEFIT OF A
36 QUALIFYING PUPIL AND THAT IS TO BE EFFECTIVE DURING THE SCHOOL YEAR WITH
37 RESPECT TO WHICH THOSE MONIES ARE PAID SHALL BE DISTRIBUTED BY THE DEPARTMENT
38 IN QUARTERLY INSTALLMENTS IMMEDIATELY ON RECEIPT OF PROOF OF THE PUPIL'S
39 ENROLLMENT IN THE GRANT SCHOOL DURING A SCHOOL YEAR AND IN THE FORM OF A
40 GRANT TO THE CUSTODIAN. ALL INSTALLMENTS SHALL BE MADE ON VERIFICATION OF
41 CONTINUED ENROLLMENT AND ATTENDANCE AT THE GRANT SCHOOL. THE CUSTODIAN SHALL
42 RESTRICTIVELY ENDORSE THE GRANT FOR THE USE OF THE GRANT SCHOOL AND SURRENDER
43 THE GRANT TO THE GRANT SCHOOL. THE GRANT SCHOOL SHALL IMMEDIATELY CREDIT THE
44 ACCOUNT OF THE CUSTODIAN OF THE QUALIFYING PUPIL AND APPLY THE GRANT FOR THE

1 BENEFIT OF THE QUALIFYING PUPIL IN PAYMENT OF THE TUITION AND FEES DUE FROM,
2 OR THE COSTS OF PROVIDING EDUCATIONAL AND RELATED SERVICES TO, THAT PUPIL.

3 15-817.06. Displaced pupils choice grant fund

4 A. THE DISPLACED PUPILS CHOICE GRANT FUND IS ESTABLISHED. THE
5 DEPARTMENT SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
6 APPROPRIATED. MONIES IN THE FUND SHALL BE USED FOR DISPLACED PUPILS CHOICE
7 GRANTS PURSUANT TO THIS ARTICLE.

8 B. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
9 RELATING TO LAPSING OF APPROPRIATIONS UNTIL JUNE 30, 2008.

10 15-817.07. Limitation on regulation of grant schools

11 A. IN ANY LEGAL PROCEEDING CHALLENGING THE APPLICATION OF THIS ARTICLE
12 TO A GRANT SCHOOL, THIS STATE BEARS THE BURDEN OF ESTABLISHING THAT THE LAW
13 IS NECESSARY AND DOES NOT IMPOSE ANY UNDUE BURDEN ON GRANT SCHOOLS.

14 B. A GRANT SCHOOL SHALL NOT BE REQUIRED TO ALTER ITS CREED PRACTICES
15 OR CURRICULUM IN ORDER TO REDEEM GRANTS ISSUED PURSUANT TO THIS ARTICLE OR IN
16 ORDER TO PARTICIPATE AS A GRANT SCHOOL.

17 Sec. 2. Title 43, chapter 10, article 3, Arizona Revised Statutes, is
18 amended by adding section 43-1032, to read:

19 43-1032. Displaced pupils choice grants not taxable income

20 DISPLACED PUPILS CHOICE GRANTS AWARDED PURSUANT TO TITLE 15, CHAPTER 8,
21 ARTICLE 1.2 SHALL NOT BE CONSIDERED TAXABLE INCOME OF THE CUSTODIAN OF THE
22 CHILD OR THE CHILD WHO RECEIVES THE DISPLACED PUPILS CHOICE GRANT.

23 Sec. 3. Appropriation; purpose

24 The sum of \$2,500,000 is appropriated from the state general fund in
25 fiscal year 2006-2007 to the department of education for deposit into the
26 displaced pupils choice grant fund established by section 15-817.06, Arizona
27 Revised Statutes, as added by this act.

28 Sec. 4. Delayed repeal

29 Title 15, chapter 8, article 1.2 and section 43-1032, as added by this
30 act, are repealed from and after June 30, 2011.