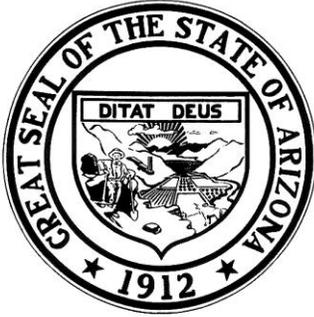


HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2250**

Mitchell Floor Amendment

As passed by the Committee on Education, HB 2250 expands the definition of qualifying student under the ESA Program and requires ADE to issue ESA's within 45 days of application.

Your 6-page Floor Amendment to HB 2250 makes the following changes:

- Specifies that being a previous scholarship recipient does not qualify a student for an ESA if the student's parents previously failed to comply with Program requirements.
- Qualifies a child for an ESA if the child has attended a program for preschool children with disabilities for fewer than 100 days.
- Defines *vocational and life skills education*.
- Allows a student to use scholarship monies for each of the following:
 - o Specified fees.
 - o Tuition for vocational and life skills education and associated services that include education.
 - o Psychological evaluations, assistive technology rentals and Braille translation services.
- Increases the amount of base support level funding and additional assistance that ADE must transfer to the state Treasurer, from 1% to 2.5% of the 5% retained in the ESA fund for administration.
- Allows monies in the State Treasurer ESA Fund to be used to manage account holder transactions to ensure that the transactions are compliant with the Program. The monies may also be used to contract with another entity to verify compliance.
- Requires the Treasurer, rather than ADE, to conduct or contract for annual audits of the Program.
- Allows the Treasurer, rather than ADE, to refer cases of substantial misuse of Program monies to the Attorney General for investigation.

Amendment explanation prepared by Michael Madden

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- Requires ADE to issue contracts within 45 days of receiving an application, regardless of the date in which the application is received.
- Directs ADE to include a designation on ESA applications where a qualified student may notify ADE that he/she has a sibling also applying for an ESA in the current year.
- Allows the Treasurer, rather than ADE, to adopt ESA rules and policies necessary for administration.
- Makes technical and conforming changes.

MITCHELL FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2250
(Reference to printed bill)

1 Page 1, line 24, strike "I" insert "J"

2 Line 34, after "section" insert ", UNLESS THE QUALIFIED STUDENT'S PARENT HAS
3 FORFEITED PARTICIPATION IN THE PROGRAM FOR FAILURE TO COMPLY WITH SECTION
4 15-2403, SUBSECTION C"

5 Page 2, line 3, after "a" insert "FIRST-TIME"

6 Strike lines 5 through 8

7 Line 37, after "state" insert "OR ATTENDED A PROGRAM FOR PRESCHOOL CHILDREN WITH
8 DISABILITIES FOR FEWER THAN ONE HUNDRED DAYS"

9 Between lines 38 and 39, insert:

10 "8. "VOCATIONAL AND LIFE SKILLS EDUCATION" MEANS PRIVATE VOCATIONAL
11 AND TECHNICAL PREPARATION PROGRAMS FOR PUPILS IN GRADES NINE THROUGH TWELVE
12 IN THIS STATE.

13 Sec. 2. Section 15-2402, Arizona Revised Statutes, is amended to read:
14 15-2402. Arizona empowerment scholarship accounts; funds

15 A. Arizona empowerment scholarship accounts are established to provide
16 options for the education of students in this state.

17 B. To enroll a qualified student for an empowerment scholarship
18 account, the parent of the qualified student must sign an agreement to do all
19 of the following:

20 1. Use a portion of the empowerment scholarship account monies
21 allocated each quarter to provide an education for the qualified student in
22 at least the subjects of reading, grammar, mathematics, social studies and
23 science, unless the empowerment scholarship account is allocated monies

1 according to a transfer schedule other than quarterly transfers pursuant to
2 section 15-2403, subsection F.

3 2. Not enroll the qualified student in a school district or charter
4 school and release the school district from all obligations to educate the
5 qualified student. This paragraph does not relieve the school district or
6 charter school that the qualified student previously attended from the
7 obligation to conduct an evaluation pursuant to section 15-766.

8 3. Not accept a scholarship from a school tuition organization
9 pursuant to title 43 concurrently with an empowerment scholarship account for
10 the qualified student in the same year a parent signs the agreement pursuant
11 to this section.

12 4. Use the money deposited in the qualified student's Arizona
13 empowerment scholarship account only for the following expenses of the
14 qualified student:

15 (a) Tuition ~~or~~ AND THE FOLLOWING fees at a qualified school: ~~—~~

16 ~~(b) Textbooks required by a qualified school.~~

17 ~~(c) Educational therapies or services from a licensed or accredited~~
18 ~~practitioner or provider, including licensed or accredited paraprofessionals~~
19 ~~or educational aides, if the qualified student meets any of the criteria~~
20 ~~specified in section 15-2401, paragraph 6, subdivision (a), item (i), (ii) or~~
21 ~~(iii) as determined by a school district or by an independent third party~~
22 ~~pursuant to section 15-2403, subsection I.~~

23 (i) REGISTRATION FEES.

24 (ii) LIBRARY FEES.

25 (iii) STUDENT TRANSFER FEES.

26 (iv) LABORATORY FEES.

27 (v) LATE ENROLLMENT FEES.

28 (b) TEXTBOOKS REQUIRED BY A QUALIFIED SCHOOL.

29 (c) IF THE QUALIFIED STUDENT MEETS ANY OF THE CRITERIA SPECIFIED IN
30 SECTION 15-2401, PARAGRAPH 6, SUBDIVISION (a), ITEM (i), (ii) OR (iii) AS
31 DETERMINED BY A SCHOOL DISTRICT OR BY AN INDEPENDENT THIRD PARTY PURSUANT TO
32 SECTION 15-2403, SUBSECTION J, THE FOLLOWING ADDITIONAL SERVICES:

1 (i) EDUCATIONAL THERAPIES FROM A LICENSED OR ACCREDITED PRACTITIONER
2 OR PROVIDER.

3 (ii) A LICENSED OR ACCREDITED PARAPROFESSIONAL OR EDUCATIONAL AIDE.

4 (iii) TUITION FOR VOCATIONAL AND LIFE SKILLS EDUCATION PROVIDED BY AN
5 INSTRUCTOR WHO IS ACCREDITED BY A STATE REGIONAL OR NATIONAL ACCREDITING
6 ORGANIZATION.

7 (iv) ASSOCIATED SERVICES THAT INCLUDE EDUCATIONAL AND PSYCHOLOGICAL
8 EVALUATIONS, ASSISTIVE TECHNOLOGY RENTALS AND BRAILLE TRANSLATION SERVICES.

9 (d) Tutoring or teaching services provided by an individual or
10 facility accredited by a state, regional or national accrediting
11 organization.

12 (e) Curriculum.

13 (f) Tuition or fees for a nonpublic online learning program.

14 (g) Fees for a nationally standardized norm-referenced achievement
15 test, an advanced placement examination or any exams related to college or
16 university admission.

17 (h) Contributions to a Coverdell education savings account established
18 pursuant to 26 United States Code section 530 for the benefit of the
19 qualified student, except that money used for elementary or secondary
20 education expenses must be for expenses otherwise allowed under this section.

21 (i) Tuition or fees at an eligible postsecondary institution.

22 (j) Textbooks required by an eligible postsecondary institution.

23 (k) Fees for management of the empowerment scholarship account by
24 firms selected by the treasurer.

25 (l) Services provided by a public school, including individual classes
26 and extracurricular programs.

27 (m) Insurance or surety bond payments as required by the department of
28 education.

29 5. Not file an affidavit of intent to homeschool pursuant to section
30 15-802, subsection B, paragraph 2 or 3.

31 6. Not use monies deposited in the qualified student's account for any
32 of the following:

33 (a) Computer hardware or other technological devices.

1 (b) Transportation of the pupil.

2 (c) Consumable educational supplies, including paper, pens or markers.

3 C. In exchange for the parent's agreement pursuant to subsection B of
4 this section, the department shall transfer from the monies that would
5 otherwise be allocated to a recipient's prior school district, or if the
6 child is currently eligible to attend kindergarten, the monies that the
7 department determines would otherwise be allocated to a recipient's expected
8 school district of attendance, to the treasurer for deposit into an Arizona
9 empowerment scholarship account an amount that is equivalent to ninety ~~per~~
10 ~~cent~~ PERCENT of the sum of the base support level and additional assistance
11 prescribed in sections 15-185 and 15-943 for that particular student if that
12 student were attending a charter school. The department may retain up to
13 five ~~per-cent~~ PERCENT of the sum of the base support level and additional
14 assistance prescribed in sections 15-185 and 15-943 for each student with an
15 empowerment scholarship account for deposit in the department of education
16 empowerment scholarship account fund established in subsection D of this
17 section, out of which the department shall transfer ~~one-per-cent~~ TWO AND
18 ONE-HALF PERCENT of the sum of the base support level and additional
19 assistance prescribed in sections 15-185 and 15-943 for each student with an
20 empowerment scholarship account to the state treasurer for deposit in the
21 state treasurer empowerment scholarship account fund established in
22 subsection E of this section.

23 D. The department of education empowerment scholarship account fund is
24 established consisting of monies retained by the department pursuant to
25 subsection C of this section. The department shall administer the fund.
26 Monies in the fund are subject to legislative appropriation. Monies in the
27 fund shall be used for the department's costs in administering empowerment
28 scholarship accounts under this chapter. Monies in the fund are exempt from
29 the provisions of section 35-190 relating to lapsing of appropriations. If
30 the number of empowerment scholarship accounts significantly increases after
31 fiscal year 2012-2013, the department may request an increase in the amount
32 appropriated to the fund in any subsequent fiscal year in the budget estimate
33 submitted pursuant to section 35-113.

1 E. The state treasurer empowerment scholarship account fund is
2 established consisting of monies transferred by the department to the state
3 treasurer pursuant to subsection C of this section. The state treasurer
4 shall administer the fund. Monies in the fund shall be used for the state
5 treasurer's costs in administering the empowerment scholarship accounts under
6 this chapter, **INCLUDING MANAGING ACCOUNT HOLDER TRANSACTIONS TO ENSURE THAT**
7 **THE TRANSACTIONS ARE MANAGED IN ACCORDANCE WITH THIS CHAPTER, OR THE STATE**
8 **TREASURER MAY CONTRACT WITH ANOTHER ENTITY TO ENSURE THAT THE TRANSACTIONS**
9 **ARE MANAGED IN ACCORDANCE WITH THIS CHAPTER.** If the number of empowerment
10 scholarship accounts significantly increases after fiscal year 2013-2014, the
11 state treasurer may request an increase in the amount appropriated to the
12 fund in any subsequent fiscal year in the budget estimate submitted pursuant
13 to section 35-113. Monies in the fund are subject to legislative
14 appropriation. Monies in the fund are exempt from the provisions of section
15 35-190 relating to lapsing of appropriations.

16 F. A parent must renew the qualified student's empowerment scholarship
17 account on an annual basis. Notwithstanding any changes to the student's
18 multidisciplinary evaluation team plan, a student who has previously
19 qualified for an empowerment scholarship account shall remain eligible to
20 apply for renewal until the student finishes high school.

21 G. A signed agreement under this section constitutes school attendance
22 required by section 15-802.

23 H. A qualified school or a provider of services purchased pursuant to
24 subsection B, paragraph 4 of this section may not share, refund or rebate any
25 Arizona empowerment scholarship account monies with the parent or qualified
26 student in any manner.

27 I. On the qualified student's graduation from a postsecondary
28 institution or after any period of four consecutive years after high school
29 graduation in which the student is not enrolled in an eligible postsecondary
30 institution, the qualified student's Arizona empowerment scholarship account
31 shall be closed and any remaining funds shall be returned to the state.

32 J. Monies received pursuant to this article do not constitute taxable
33 income to the parent of the qualified student."

- 1 Renumber to conform
- 2 Page 3, lines 1, 3, 24 and 25, strike "department" insert "TREASURER"
- 3 Line 36, strike "AFTER JANUARY 1 OF EACH YEAR,"
- 4 Line 39, after "LAW" insert "AND, FOR NEW APPLICANTS, SUBJECT TO THE
- 5 REQUIREMENTS PRESCRIBED IN SECTION 15-2401, PARAGRAPH 6, SUBDIVISION (b),
- 6 ITEM (i)"
- 7 After line 44, insert:
- 8 "H. THE DEPARTMENT SHALL INCLUDE A DESIGNATION ON EMPOWERMENT
- 9 SCHOLARSHIP ACCOUNT APPLICATIONS WHERE QUALIFIED STUDENTS MAY NOTIFY THE
- 10 DEPARTMENT WHETHER THE QUALIFIED STUDENT'S SIBLINGS ARE ALSO APPLYING FOR AN
- 11 EMPOWERMENT SCHOLARSHIP ACCOUNT IN THE CURRENT YEAR."
- 12 Reletter to conform
- 13 Page 4, line 1, strike "department" insert "TREASURER"
- 14 Amend title to conform

DARIN MITCHELL

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