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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1431

03/04/2015 Authored by Swedzinski

The bill was read for the first time and referred to the Committee on Education Innovation Policy

1.1 A bill for an act
1.2 relating to education; creating choice scholarships for students who have dropped
1.3 out of high school; authorizing rulemaking; appropriating money; proposing
1.4 coding for new law in Minnesota Statutes, chapter 124D.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[124D.035] CHOICE SCHOLARSHIPS FOR HIGH SCHOOL.**

1.7 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
1.8 section.

1.9 (b) "Eligible individual" means an individual who:

1.10 (1) is a resident of Minnesota;

1.11 (2) is at least 16 years of age;

1.12 (3) has not received a high school diploma;

1.13 (4) was enrolled in a Minnesota public school within the last two years and has not
1.14 attended a public or nonpublic school during the preceding six months; and

1.15 (5) is a member of a household with an annual income of not more than 150 percent
1.16 of the amount required for the individual to qualify for the federal free or reduced-price
1.17 lunch program.

1.18 (c) "Eligible high school" means a nonpublic high school that:

1.19 (1) is located in Minnesota;

1.20 (2) requires an eligible individual to pay tuition to attend;

1.21 (3) voluntarily agrees to enroll an eligible individual;

1.22 (4) is accredited by an accrediting agency, recognized according to section
1.23 123B.445, or recognized by the commissioner;

1.24 (5) administers all statewide testing required under section 120B.30; and

(6) submits to the department data necessary for the commissioner to complete all reports under section 120B.36.

(d) "Eligible postsecondary institution" means a Minnesota public postsecondary institution; a private, nonprofit two-year trade and technical school granting associate degrees; an opportunities industrialization center accredited by the North Central Association of Colleges and Schools; or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(e) "Eligible program" means a course of instruction offered at the high school or postsecondary level designed to lead to high school graduation or its equivalent.

Subd. 2. Autonomy of nonpublic schools. (a) It is the intent of the legislature to honor the autonomy of nonpublic schools that choose to become eligible schools under this section. A nonpublic eligible school is not an agent of the state or federal government, therefore:

(1) the department or any other state agency may not in any way regulate the educational program of a nonpublic eligible school that accepts a choice scholarship under this section, including the regulation of curriculum content, religious instruction or activities, classroom teaching, teacher and staff hiring requirements, and other activities carried out by the eligible school;

(2) the creation of the choice scholarship program does not expand the regulatory authority of the state, the state's officers, or school districts to impose additional regulation of nonpublic schools beyond those necessary to enforce the requirements of the choice scholarship program under this section; and

(3) an eligible school shall be given the freedom to provide for the educational needs of students without governmental controls.

(b) The department shall make random visits to at least five percent of eligible schools to verify that the eligible school complies with the provisions of this section and the constitutions of the state of Minnesota and the United States. Each eligible school shall grant the department reasonable access to its premises, including access to the school's grounds, buildings, and property. Each year, the principal of each eligible school shall certify, under penalties of perjury under section 609.48, to the department that the eligible school is complying with the requirements of this section. The department shall develop a process for eligible schools to follow to make certifications.

Subd. 3. Eligibility for scholarships; limit on number of scholarships. (a) Subject to paragraph (b), an eligible individual is entitled to a choice scholarship under this section for each school year that the eligible student enrolls in an eligible program.

(b) The department may not award more than:

- 3.1 (1) 1,500 choice scholarships for the 2015-2016 school year; and
3.2 (2) 3,000 choice scholarships for the 2016-2017 school year.

3.3 The department shall establish the standards used to allocate choice scholarships among
3.4 eligible individuals.

3.5 Subd. 4. **Maximum amount of scholarship.** The maximum amount to which an
3.6 eligible individual is entitled under this section for a school year is equal to the least of
3.7 the following:

3.8 (1) the sum of the tuition and fees required for enrollment or attendance of the
3.9 eligible individual at the eligible program selected by the eligible individual for a school
3.10 year that the eligible individual or the parent of the eligible individual would otherwise be
3.11 obligated to pay to the eligible program; and

3.12 (2) an amount equal to:

3.13 (i) 90 percent of the state tuition support amount determined under subdivision 5 if
3.14 the eligible individual is a member of a household with an annual income of not more
3.15 than the amount required for the individual to qualify for the federal free or reduced-price
3.16 lunch program; and

3.17 (ii) 50 percent of the state tuition support amount determined under subdivision 5 if
3.18 the eligible individual is a member of a household with an annual income of not more
3.19 than 150 percent of the amount required for the individual to qualify for the federal free
3.20 or reduced-price lunch program.

3.21 Subd. 5. **Determination of state tuition support.** The state tuition amount to be
3.22 used in subdivision 4, clause (2), for an eligible individual equals the general education
3.23 revenue under section 126C.10 for the eligible individual's resident district in the
3.24 preceding school year divided by the adjusted average daily membership in the eligible
3.25 individual's resident district for the preceding school year.

3.26 Subd. 6. **Partial school years.** If an eligible individual enrolls in an eligible
3.27 program for less than an entire school year, the choice scholarship provided under this
3.28 section for that school year shall be reduced on a prorated basis to reflect the shorter term.
3.29 An eligible individual is entitled to only one choice scholarship for each school year. If the
3.30 eligible individual leaves the eligible school for which the eligible individual was awarded
3.31 a choice scholarship and enrolls in another eligible program, then that eligible individual
3.32 is responsible for the payment of any tuition required for the remainder of that school year.

3.33 Subd. 7. **Forms and methods for determining eligibility.** The department may
3.34 prescribe forms and methods for demonstrating eligibility for a choice scholarship under
3.35 this section.

4.1 Subd. 8. **Distribution to both eligible individual and program.** The department
 4.2 may distribute any part of a choice scholarship to the eligible individual or the parent
 4.3 of the eligible individual for the purpose of paying the educational costs described in
 4.4 subdivision 4. For the distribution to be valid, the distribution must be endorsed by both
 4.5 the eligible individual or the parent of the eligible individual and the eligible program
 4.6 providing educational services to the eligible individual.

4.7 Subd. 9. **Scholarship not treated as income.** The amount of a choice scholarship
 4.8 provided to an eligible individual shall not be treated as income or a resource for the
 4.9 purposes of qualifying for any other federal or state grant or program administered by the
 4.10 state or a political subdivision.

4.11 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and
 4.12 later.

4.13 Sec. 2. **RULEMAKING.**

4.14 The department shall adopt rules under Minnesota Statutes, chapter 14, to implement
 4.15 section 1.

4.16 Sec. 3. **APPROPRIATION.**

4.17 Subdivision 1. **Department of Education.** The sums indicated in this section are
 4.18 appropriated from the general fund to the commissioner of education for the fiscal years
 4.19 designated.

4.20 Subd. 2. **Choice scholarships.** For choice scholarships under Minnesota Statutes,
 4.21 section 124D.035:

4.22 \$ 2016

4.23 \$ 2017