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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 223**

01/31/2013 Authored by Woodard; Erickson, S., and Wills  
The bill was read for the first time and referred to the Committee on Education Policy

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

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

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

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) meets age requirements under section 120A.20, subdivision 1;

1.12 (3) either has been or is currently enrolled in a public school;

1.13 (4) is a member of a household with an annual income of not more than 150 percent

1.14 of the amount required for the individual to qualify for the federal free or reduced-price

1.15 lunch program; and

1.16 (5) either:

1.17 (i) was enrolled in grade 1 through 12 in a district or charter school for at least two

1.18 semesters immediately preceding the first semester for which the individual receives a

1.19 choice scholarship under this section; or

1.20 (ii) received a choice scholarship under this section in a preceding school year,

1.21 including a school year that does not immediately precede a school year in which the

1.22 individual receives a choice scholarship under this section.

1.23 (c) "Eligible school" means a nonpublic elementary or high school that:

1.24 (1) is located in Minnesota;

2.1 (2) requires an eligible individual to pay tuition to attend;  
2.2 (3) voluntarily agrees to enroll an eligible individual;  
2.3 (4) is accredited by an accrediting agency, recognized according to section  
2.4 123B.445, or recognized by the commissioner;  
2.5 (5) administers all statewide testing required under section 120B.30; and  
2.6 (6) submits to the department data necessary for the commissioner to complete all  
2.7 reports under section 120B.36.

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

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

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

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

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

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

2.34 (b) The department may not award more than:

2.35 (1) 1,500 choice scholarships for the 2014-2015 school year; and

2.36 (2) 3,000 choice scholarships for the 2015-2016 school year.

3.1 The department shall establish the standards used to allocate choice scholarships  
3.2 among eligible students.

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

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

3.10 (2) an amount equal to:

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

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

3.19 (3) if the eligible individual is enrolled in grade 1 through 8, the maximum choice  
3.20 scholarship that the eligible individual may receive for a school year is \$4,500.

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 average daily membership in the eligible individual's  
3.25 resident district for the preceding school year.

3.26 Subd. 6. **Partial school years.** If an eligible individual enrolls in an eligible school  
3.27 for less than an entire school year, the choice scholarship provided under this section for  
3.28 that school year shall be reduced on a prorated basis to reflect the shorter school term. An  
3.29 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 school, then that eligible individual is  
3.32 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 school.** The department may  
4.2            distribute any part of a choice scholarship to the eligible individual or the parent of the  
4.3            eligible individual for the purpose of paying the educational costs described in subdivision  
4.4            4 of this section. For the distribution to be valid, the distribution must be endorsed by  
4.5            both the eligible individual or the parent of the eligible individual and the eligible school  
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 2014-2015 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           §                .....        .....        2015