## SENATE BILL No. 169

By Committee on Federal and State Affairs

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 $9\,$  AN ACT concerning schools; establishing the special needs scholarship program.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The purpose of this act is to provide special needs students with the option to attend the public or nonpublic school of their choice.

Sec. 2. As used in this act:

- a) "Program" means the special needs scholarship program.
- (b) "Eligible student" means any elementary or secondary student attending public school in our state with an individual education plan, including but not limited to, students who are mentally handicapped, speech and language impaired, deaf or hard of hearing, visually impaired, dual sensory impaired, physically impaired, emotionally handicapped, specific learning disabled, autistic, or hospitalized or homebound due to illness or disability.
- (c) "Parent" has the meaning ascribed thereto in K.S.A. 72-962, and amendments thereto.
- (d) "Resident school district" means the public school district in which the student resides.
  - (e) "Department" means the state department of education.
- (f) "Participating school" means either a public school outside of the resident school district or any nonpublic school that: (1) Provides education to elementary and secondary students; (2) has notified the department of their intention to participate in the program; and (3) complies with the requirements of the program.
- Sec. 3. (a) Any parent of a public school special needs student who is dissatisfied with the student's progress shall qualify for a scholarship from the state for the child to enroll in and attend a nonpublic school if:
- (1) The special needs student has had an individual education plan written in accordance with the rules of the department;
- (2) the student has been accepted for admission at a participating school;
- (3) the parent has requested a scholarship from the state before the deadline established by the department.
- (b) The department shall notify the resident school district that a

special needs student has requested a special needs scholarship. Within three business days of receipt of such notice, the resident school district shall provide the department with a copy of the student's most current individual education plan.

- (c) Upon receipt of the special needs student's request for a scholarship, the department shall review the individual education plan drafted by the student's public school to determine the amount of the scholarship. The department shall provide the student's parent with a timely written explanation of their determination for the amount of the scholarship.
- (d) The maximum scholarship granted an eligible student shall be an amount equivalent to the cost of the educational program that would have been provided for the student in the resident school district. Although the scholarship amount is a function of a student's individual education plan, the participating school is not required to abide by the individual education plan. The parent and the participating school mutually will determine the best services and educational plan for the student.
- (e) The amount of the special needs scholarship shall be the lesser of the amount calculated in section 3, and amendments thereto, or the amount of the participating school's estimated costs for serving the student. The costs of any assessment by the participating school of the student's special needs may be included in the scholarship amount.
- (f) Participating students shall be counted in the enrollment of their resident school district. The funds needed to provide a scholarship shall be subtracted from the state school aid payable to the student's resident school district.
- (g) The special needs scholarship shall remain in force until the student returns to a public school, graduates from high school or reaches the age of 21, whichever comes first.
- (h) At any time, the student's parent may remove the student from the participating school and place the student in another participating school or in a public school.
- Sec. 4. (a) A resident school district annually shall notify the parents of a special needs student of the special needs scholarship program and offer that student's parent an opportunity to enroll the student in a participating school of their choice.
- (b) The resident school district shall provide a participating school that has admitted an eligible student with a complete copy of the student's school records while complying with the family educational rights and privacy act of 1974 (20 USC 1232g).
- (c) The resident school district shall provide transportation for an eligible student to and from the participating school in the same manner as the resident school district is required by law to provide transportation for other resident students to nonpublic schools. The resident school dis-

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trict shall qualify for state transportation aid for each student so transported.

- (d) If the parent of an eligible student participating in this program requests that the student take the state assessments, the resident school district shall provide locations and times for the student to take all state assessments if they are not offered at the student's participating school.
- Sec. 5. (a) The department shall adopt any rules and procedures relating to the following:
- (1) The eligibility and participation of nonpublic schools, including timelines that will maximize student and public and nonpublic school participation.
- (2) The calculation and distribution of scholarships to eligible students and participating schools.
- (3) The application and approval procedures for eligible students and participating schools.
  - (b) No liability shall arise on the part of the department or the state based on the award or use of a special needs scholarship.
  - (c) The department may bar a school from participation in the program if the department establishes that the participating school has:
  - (1) Intentionally and substantially misrepresented information required under section 6, and amendments thereto.
- 22 (2) Failed to refund to the state any scholarship overpayments in a 23 timely manner.
  - (d) If the department decides to bar a participating school from the program, it shall notify eligible students and their parents of this decision as quickly as possible.
    - Sec. 6. (a) To be eligible to participate in the special needs scholarship program, a nonpublic school must:
      - (1) Operate in this state.
      - (2) Demonstrate administrative accountability.
      - (3) Ensure that students are treated fairly and kept safe.
- 32 (4) Comply with all health and safety laws that apply to nonpublic 33 schools.
  - (5) Hold a valid occupancy permit, if required.
  - (6) Certify that the school will not discriminate in admissions on the basis of race, color, national origin or religion.
  - (7) Comply with all state laws that apply to nonpublic schools regarding criminal background checks for employees and exclude from employment any people not permitted by state law to work in a nonpublic school.
    - (8) Demonstrate financial accountability.
- 42 (9) Submit a financial information report for the school that complies 43 with uniform financial accounting standards established by the depart-

 ment and conducted by a certified public accountant and certified that the report is free of material misstatements. The auditor's report shall be limited in scope to those records that are necessary for the department to make payments to schools for scholarships.

- (10) Demonstrate financial viability by showing that the school can pay any funds owed the state, if they are to receive \$50,000 or more during the school year.
- (11) File with the department prior to the start of the school year a surety bond payable to the state in an amount equal to the aggregate amount of the special needs scholarships expected to be paid during the school year to students admitted to the participating school; or prior to the start of the school year, file with the department financial information that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the special needs scholarships expected to be paid during the school year to students admitted to the participating school.
  - (12) Regularly report to the parent on the student's progress.
- (b) A participating school is autonomous and not an agent of the state or federal government therefore. The department and any other state agency may not in any way regulate the educational program of a participating school that accepts a special needs scholarship. The creation of the special needs scholarship program does not expand the regulatory authority of the state, its officers or any school district to impose any additional regulation of nonpublic schools beyond those reasonably necessary to enforce the requirements of the program; and
- (c) Participating schools shall be given the maximum freedom to provide for the educational needs of their students without governmental control.
- Sec. 7. (a) It shall be the responsibility of a parent to select their child's school, apply for admission and apply for a special needs scholarship.
- (b) Any student participating in the program must comply fully with a participating school's written code of conduct and shall remain in attendance throughout the school year, unless excused by the school for illness or other good cause. A parent may transfer an eligible student to another participating school at any time. The scholarship amount shall be prorated between participating schools according to the period of attendance at each school.
- (c) A parent's decision for their student to participate in the program constitutes a nonpublic placement for purposes of the individuals with disabilities education act.
- Sec. 8. (a) The department may contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the program with funds other than state

funds. The study shall assess:

- (1) The level of participating student's satisfaction with the program.
- (2) The level of parental satisfaction with the program.
- (3) The percentage of participating students who were victimized because of their special needs status at their resident school district compared to the percentage so victimized at their participating school;
  - (4) The percentage of participating students who exhibited behavioral problems at their resident school district compared to the percentage exhibiting behavioral problems at their participating school;
  - (5) The class size experienced by participating students at their resident school district and at their participating school.
  - (6) The fiscal impact to the state and resident school districts of the program.
  - (c) The researchers who conduct the study shall apply appropriate analytical and behavioral sciences methodologies to ensure public confidence in the study.
- (d) The researchers who conduct the study shall provide the legislature with a final copy of the evaluation of the program.
- (e) The public and nonpublic participating schools from which students transfer to participate in the program shall cooperate with the research effort by providing student assessment instrument scores and any other data necessary to complete this study.
  - (f) The department may accept grants to assist in funding this study.
- (g) The legislature may require periodic reports from the researchers. The researchers must make their data and methodology available for public review while complying with the requirements of family educational rights and privacy act (FERPA).
- Sec. 9. The special needs scholarship program will be in effect beginning with the fall semester of school year 2005-2006.
  - Sec. 10. This act shall take effect and be in force from and after its publication in the statute book.