

1 HB658
2 153598-6
3 By Representatives Carns and DeMarco
4 RFD: Ways and Means Education
5 First Read: 23-APR-13

1
2 ENROLLED, An Act,

3 To amend Sections 4, 5, 8, and 9 of the Alabama
4 Accountability Act of 2013, Act 2013-64, 2013 Regular Session
5 (Acts 2013); to revise definitions; to further limit what may
6 be contained in a school flexibility contract; to provide for
7 the calculation of tax credits for parents of students
8 enrolled in or assigned to attend a failing school; to provide
9 for the retention of certain funds by a failing school; to
10 provide for treatment of students with disabilities; to
11 provide no public or nonpublic school would be required to
12 enroll a student; to prohibit discrimination; to revise the
13 tax credit for corporate donors to scholarship programs; to
14 provide for retroactive effect; and to further provide for the
15 manner of payment of scholarships.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Sections 4, 5, 8, and 9 of the Alabama
18 Accountability Act of 2013, Act 2013-64, 2013 Regular Session
19 (Acts 2013), are amended to read as follows:

20 "Section 4. For the purposes of this act, the
21 following terms shall have the following meanings:

22 "(1) EDUCATIONAL SCHOLARSHIPS. Grants made by a
23 scholarship granting organization ~~to any qualifying school~~ to
24 cover all or part of the tuition and mandatory fees charged by

1 a at the qualifying school for to an eligible student
2 receiving a scholarship.

3 "(2) ELIGIBLE STUDENT. A student who satisfies all
4 of the following:

5 "a. Is a member of a household whose total annual
6 income the year before he or she receives an educational
7 scholarship under this program does not exceed an amount equal
8 to 150 percent of the median household income. Once a student
9 receives an educational scholarship under this program, the
10 student shall remain eligible regardless of household income
11 until the student graduates high school or reaches 19 years of
12 age.

13 "b. Was eligible to attend a public school in the
14 preceding semester or is starting school in Alabama for the
15 first time.

16 "c. Resides in Alabama while receiving an
17 educational scholarship.

18 "(3) FAILING SCHOOL. A public K-12 school (i) that
19 is labeled as persistently low-performing by the State
20 Department of Education, in the then most recent United States
21 Department of Education School Improvement Grant application;
22 (ii) that is designated as a failing school by the State
23 Superintendent of Education; or (iii) that does not
24 exclusively serve a special population of students and, until
25 June 1, 2017, is has been listed three or more times during

1 the then-most recent six years in the lowest ~~ten~~ six percent
2 of public K-12 schools on the state standardized assessment in
3 reading and math or, on or after June 1, 2017, ~~that has,~~
4 during the then-most recent three years, earned at least one a
5 grade of "F" or, during the then-most recent four years,
6 earned at least three consecutive grades of "D" on the school
7 grading system developed pursuant to Section 16-6C-2, Code of
8 Alabama 1975; ~~or that is designated a failing school by the~~
9 ~~State Superintendent of Education.~~ In the event sufficient
10 rules required to implement the grading system provided for by
11 Section 16-6C-2, Code of Alabama 1975, have not been
12 implemented pursuant to the Alabama Administrative Procedure
13 Act in time to provide a sufficient record to implement this
14 subdivision by June 1, 2017, then a failing school shall be a
15 school that has been listed in the lowest 10 percent of public
16 K-12 schools in the state standardized assessment in reading
17 and math.

18 "(4) FLEXIBILITY CONTRACT. A school flexibility
19 contract between the local school system and the State Board
20 of Education wherein a local school system may apply for
21 programmatic flexibility or budgetary flexibility, or both,
22 from state laws, regulations, and policies, including
23 regulations and policies promulgated by the State Board of
24 Education and the State Department of Education.

1 "(5) INNOVATION PLAN. The request of a local school
2 system for flexibility and plan for annual accountability
3 measures and five-year targets for all participating schools
4 within the school system.

5 "(6) LOCAL BOARD OF EDUCATION. A city or county
6 board of education that exercises management and control of a
7 local school system pursuant to state law.

8 "(7) LOCAL SCHOOL SYSTEM. A public agency that
9 establishes and supervises one or more public schools within
10 its geographical limits pursuant to state law.

11 "(8) LOW-INCOME ELIGIBLE STUDENT. A student of a
12 family with income equal to or less than two times the federal
13 poverty level.

14 "(9) NONPUBLIC SCHOOL. Any nonpublic or private
15 school, including parochial schools, not under the
16 jurisdiction of the State Superintendent of Education and the
17 State Board of Education, providing educational services to
18 children. A nonpublic school is accredited by a state
19 recognized accrediting agency that provides education to
20 elementary or secondary, or both, students and has notified
21 the State Department of Revenue of its intention to
22 participate in the scholarship program and comply with the
23 requirements of the scholarship program. A nonpublic school
24 does not include home schooling.

1 "(10) PARENT. The parent or legal guardian of a
2 student, with authority to act on behalf of the student, who
3 claims the student as a dependent on his or her ~~federal~~
4 Alabama state income tax return.

5 "(11) QUALIFYING SCHOOL. Either a public school
6 outside of the resident school district that is not considered
7 failing under either state or federal standards or any
8 nonpublic school as defined in this act or that satisfies the
9 compulsory attendance requirements provided in Section
10 16-28-7, Code of Alabama 1975. A qualified nonpublic school
11 shall be accredited by one of the six regional accrediting
12 agencies or, if not so accredited, ~~shall satisfy that~~
13 satisfies all of the following conditions:

14 "a. ~~Be~~ Has been in existence for at least three
15 years.

16 "b. ~~Have~~ Has daily attendance of at least 85 percent
17 over a two-year period.

18 "c. ~~Have~~ Has a minimum 180-day school year, or its
19 hourly equivalent.

20 "d. ~~Have~~ Has a day length of at least six and
21 one-half hours.

22 "e. ~~Require~~ Requires all students to take the
23 Stanford Achievement Test, or its equivalent.

24 "f. ~~Require~~ Requires all candidates for graduation
25 to take the American College Test before graduation.

1 "g. ~~Require~~ Requires students in high school in
2 grades nine through 12 to earn a minimum of 24 Carnegie
3 credits before graduating, including 16 credits in core
4 subjects and additional requirements in health and physical
5 education, fine arts, computer studies, and foreign language.

6 "h. ~~Not~~ Does not subject special education students
7 to the same testing or curricular requirements as regular
8 education students if it is not required in the individual
9 plan for the student.

10 "i. ~~Maintain~~ Maintains a current website that
11 describes the school and the instructional program of the
12 school.

13 "j. Annually ~~affirm~~ affirms on forms prescribed by
14 the scholarship granting organization and the department its
15 status financially and academically and provide other relative
16 information as required by the scholarship granting
17 organization or as otherwise required in this act.

18 "(12) SCHOLARSHIP GRANTING ORGANIZATION. An
19 organization that provides or is approved to provide
20 educational scholarships to students attending qualifying
21 schools of their parents' choice.

22 "~~(13) SCHOOL ADMINISTRATOR. A local superintendent~~
23 ~~of education or local school principal, unless otherwise~~
24 ~~specified.~~

1 "Section 5. (a) Pursuant to this act, to be
2 considered as an innovative school system, a local school
3 system shall successfully comply with the requirements and
4 procedures set forth by the State Department of Education
5 regarding school flexibility contracts, which include, but are
6 not limited to:

7 "(1) Submission to the State Department of Education
8 of a letter of intent to pursue a school flexibility contract.

9 "(2) Submission to the State Department of Education
10 of a resolution adopted by the local board of education
11 supporting the intent of the local school system to pursue a
12 school flexibility contract.

13 "(3) Submission to the State Department of Education
14 of a document of assurance stating that the local board of
15 education shall provide consistency in leadership and a
16 commitment to state standards, assessments, and academic
17 rigor.

18 "(4) Submission to the State Board of Education of a
19 resolution adopted by the local board of education supporting
20 the flexibility contract proposal and the anticipated timeline
21 of the local school system.

22 "(b) Pursuant to State Board of Education rules,
23 each local school system shall provide an opportunity for full
24 discussion and public input, including a public hearing,

1 before submitting a school flexibility contract proposal to
2 the State Board of Education.

3 "(c) A local school system shall ensure that its
4 school flexibility contract proposal and innovation plan is
5 easily accessible to the general public on the website of the
6 local school system.

7 "(d) No school flexibility contract proposal or
8 innovation plan shall be used to allow the collection or
9 dissemination of data in a manner that violates the privacy
10 rights of any student or employee.

11 "Section 8. (a) To provide educational flexibility
12 and state accountability for students in failing schools:

13 "(1) For tax years beginning on and after January 1,
14 2013, an Alabama income tax credit is made available to the
15 parent of a student enrolled in or assigned to attend a
16 failing school to help offset the cost of transferring the
17 student to a nonfailing public school or nonpublic school of
18 the parent's choice. The income tax credit shall be an amount
19 equal to 80 percent of the average annual state cost of
20 attendance for a public K-12 student during the applicable tax
21 year or the actual cost of attending a nonfailing public
22 school or nonpublic school, whichever is less. The actual cost
23 of attending a nonfailing public school or nonpublic school
24 shall be calculated by adding together any tuition amounts or
25 mandatory fees charged by the school to the student as a

1 condition of enrolling or of maintaining enrollment in the
2 school. The average annual state cost of attendance for a
3 public K-12 student shall be calculated by dividing the state
4 funds appropriated to the Foundation Program pursuant to
5 Section 16-13-231(b) (2) by the total statewide number of
6 pupils in average daily membership during the first 20
7 scholastic days following Labor Day of the preceding school
8 year. For each student who was enrolled in and attended a
9 failing school the previous semester whose parent receives an
10 income tax credit under this section, an amount equal to 20
11 percent of the average annual state cost of attendance for a
12 public K-12 student during the applicable tax year shall be
13 allocated, for as long as the parent receives the tax credit,
14 to the failing school from which the student transferred if
15 the student transfers to and remains enrolled in a nonpublic
16 school. No such allocation shall be made in the event the
17 student transfers to or enrolls in a nonfailing public school.
18 The Department of Education shall determine the best method of
19 ensuring that the foregoing allocation provisions are properly
20 implemented. A parent is allowed a credit against income tax
21 for each taxable year under the terms established in this
22 section. If income taxes owed by ~~the~~ such a parent are less
23 than the total credit allowed under this subsection, the
24 taxpayer shall be entitled to a refund or rebate, as the case

1 may be, equal to the balance of the unused credit with respect
2 to that taxable year.

3 "(2) Any income tax credit due a parent under this
4 section shall be granted or issued to the parent only upon his
5 or her making application therefor, at such time and in such
6 manner as may be prescribed from time to time by the
7 Department of Revenue. The application process shall include,
8 but not be limited to, certification by the parent that the
9 student was enrolled in or was assigned to attend a failing
10 school, certification by the parent that the student was
11 subsequently transferred to, and was enrolled and attended, a
12 nonfailing public school or nonpublic school of the parent's
13 choice, and proof, satisfactory to the Department of Revenue,
14 of the actual cost of attendance for the student at the
15 nonfailing public school or nonpublic school. For purposes of
16 the tax credit authorized by this section, costs of attendance
17 does not include any such costs incurred for an academic year
18 prior to the 2013-2014 academic year. The Department of
19 Revenue shall also prescribe the various methods by which
20 income tax credits are to be issued to taxpayers. Income tax
21 credits authorized by this section shall be paid out of sales
22 tax collections made to the Education Trust Fund, and set
23 aside by the Comptroller in the Failing ~~School~~ Schools Income
24 Tax Credit Account created in subsection (c), in the same
25 manner as refunds of income tax otherwise provided by law, and

1 there is hereby appropriated therefrom, for such purpose, so
2 much as may be necessary to annually pay the income tax
3 credits provided by this section.

4 "(3) An application for an income tax credit
5 authorized by this section shall be filed with the Department
6 of Revenue within the time prescribed for filing petitions for
7 refund under Section 40-2A-7, Code of Alabama 1975.

8 "(4) The Department of Revenue shall promulgate
9 reasonable rules to effectuate the intent of this ~~section~~
10 subsection.

11 "(b) (1) The parent of a public school student may
12 request and receive an income tax credit pursuant to this
13 section to reimburse the parent for costs associated with
14 transferring the student from a failing school to a nonfailing
15 public school or nonpublic school of the parent's choice, in
16 any of the following circumstances:

17 "a. By assigned school attendance area, if the
18 student spent the prior school year in attendance at a failing
19 school and the attendance of the student occurred during a
20 school year in which the designation was in effect.

21 "b. The student was in attendance elsewhere in the
22 Alabama public school system and was assigned to a failing
23 school for the next school year.

24 "c. The student was notified that he or she was
25 assigned to a failing school for the next school year.

1 "(2) This section does not apply to a student who is
2 enrolled in the Department of Youth Services School District.

3 "(3) For the purposes of continuity of educational
4 choice, the tax credit shall be available to parents for those
5 grade levels of the failing school from which the student
6 transferred. The parent of a student who transfers from a
7 failing school may receive income tax credits for those grade
8 levels enrolled in and attended in the nonfailing public
9 school or nonpublic school of the parent's choice transferred
10 to that were included in the failing school from which the
11 student transferred, whether or not the failing school becomes
12 a nonfailing school during those years. The parent of such a
13 student shall no longer be eligible for the income tax credit
14 return to his or her original local school system of
15 attendance when he or she after the student completes the
16 highest grade level in which he or she would otherwise have
17 been enrolled at ~~of the failing school transferred from in the~~
18 ~~nonfailing public school or nonpublic school of the parent's~~
19 ~~choice.~~ Notwithstanding the foregoing, as long as the student
20 remains enrolled in or assigned to attend a failing school ~~If~~
21 ~~the public school the student returns to is a failing school,~~
22 the parent may again transfer the student to a nonfailing
23 public school or nonpublic school of the parent's choice and
24 request and receive an income tax credit as provided in this
25 section.

1 "(4) A local school system, for each student
2 enrolled in or assigned to a failing school, shall do all of
3 the following:

4 "a. Timely notify the parent of the student of all
5 options available under this section as soon as the school of
6 attendance is designated as a failing school.

7 "b. Offer the parent of the student an opportunity
8 to enroll the student in another public school within the
9 local school system that is not a failing school or a failing
10 school to which the student has been assigned.

11 "(5) The parent of a student enrolled in or assigned
12 to a school that has been designated as a failing school, ~~as~~
13 ~~an alternative to paragraph b. of subdivision (4), may choose~~
14 ~~to enroll the student in and transport the student to a~~ who
15 decides to transfer the student to a nonfailing public school,
16 shall first attempt to enroll the student in a nonfailing
17 public school within the same local system in which the
18 student is already enrolled or assigned to attend before
19 attempting to enroll the student in a nonfailing public school
20 that has available space in any other local school system in
21 the state, ~~and that~~ . A local school system is ~~willing to~~ may
22 accept the student on whatever terms and conditions the system
23 establishes and report the student for purposes of the local
24 school system's funding pursuant to the Foundation Program.

1 "(6) For students in the local school system who are
2 participating in the tax credit program, the local school
3 system shall provide locations and times to take all statewide
4 assessments required by law.

5 "(7) Students with disabilities who are eligible to
6 receive services from the local school system under federal or
7 state law, and who participate in the tax credit program,
8 remain eligible to receive services from the local school
9 system as provided by federal or state law.

10 "(8) If a parent ~~requests that the student be~~
11 ~~enrolled~~ enrolls a student in a nonfailing public school
12 within the same local school system, and that system provides
13 transportation services for other enrolled students,
14 transportation costs to the nonfailing public school shall be
15 the responsibility of the local school system. Local school
16 systems may negotiate transportation options with a parent to
17 minimize system costs. If a parent enrolls a student in a
18 nonpublic school or in a nonfailing public school within
19 another local school system, regardless of whether that system
20 provides transportation services for other enrolled students,
21 transportation of the student shall be the responsibility of
22 the parent.

23 "(9) The State Department of Education shall
24 promulgate reasonable rules to effectuate the intent of this
25 subsection. Rules shall include penalties for noncompliance.

1 "(c) There is created within the Education Trust
2 Fund a separate account named the Failing Schools Income Tax
3 Credit Account. The Commissioner of Revenue shall ~~annually~~
4 certify to the Comptroller the amount of income tax credits
5 due to parents under this section and the Comptroller shall
6 transfer into the Failing Schools Income Tax Credit Account
7 only the amount from sales tax revenues within the Education
8 Trust Fund that is sufficient for the Department of Revenue to
9 use to cover the income tax credits for the applicable tax
10 year. The Commissioner of Revenue shall ~~annually~~ distribute
11 the funds in the Failing Schools Income Tax Credit Account to
12 parents pursuant to this section.

13 "(d) (1) Nothing in this section or act shall be
14 construed to force any public school, school system, or school
15 district or any nonpublic school, school system, or school
16 district to enroll any student.

17 "(2) A public school, school system, or school
18 district or any nonpublic school, school system, or school
19 district may develop the terms and conditions under which it
20 will allow a student whose parent receives an income tax
21 credit pursuant to this section to be enrolled, but such terms
22 and conditions may not discriminate on the basis of the race,
23 gender, religion, color, disability status, or ethnicity of
24 the student or of the student's parent.

1 "(3) Nothing in this section shall be construed to
2 authorize the violation of or supersede the authority of any
3 court ruling that applies to the public school, school system,
4 or school district, specifically any federal court order
5 related to the desegregation of the local school system's
6 student population.

7 "Section 9. (a) (1) A taxpayer who files a state
8 income tax return and is not a dependent of another taxpayer
9 may claim a credit for a contribution made to a scholarship
10 granting organization.

11 "(2) The tax credit may be claimed by an individual
12 taxpayer or a married couple filing jointly in an amount equal
13 to the total contributions made to a scholarship granting
14 organization for educational scholarships during the taxable
15 year for which the credit is claimed up to 50 percent of the
16 tax liability of the taxpayer, not to exceed seven thousand
17 five hundred dollars (\$7,500) per taxpayer or married couple
18 filing jointly.

19 "(3) The tax credit may be claimed by a corporate
20 taxpayer in an amount equal to ~~50~~ 100 percent of the total
21 contributions made to a scholarship granting organization for
22 educational scholarships during the taxable year for which the
23 credit is claimed up to 50 percent of the tax liability of the
24 taxpayer. The cumulative amount of tax credits issued pursuant
25 to subdivision (2) and this subdivision shall not exceed

1 twenty-five million dollars (\$25,000,000) annually. The
2 Department of Revenue shall develop a procedure to ensure that
3 this cap is not exceeded and shall also prescribe the various
4 methods by which these credits are to be issued.

5 "(4) A corporate taxpayer, an individual taxpayer,
6 or a married couple filing jointly may carry forward a tax
7 credit under the tax credit scholarship program for three
8 years.

9 "(b) (1) Administrative accountability standards. All
10 scholarship granting organizations shall do all of the
11 following:

12 "a. Notify the Department of Revenue of their intent
13 to provide educational scholarships.

14 "b. Demonstrate to the Department of Revenue that
15 they have been granted exemption from the federal income tax
16 as an organization described in Section 501(c) (3) of the
17 Internal Revenue Code.

18 "c. Distribute periodic educational scholarship
19 payments as checks made out and mailed to the school where the
20 student is enrolled.

21 "d. Provide a Department of Revenue approved receipt
22 to taxpayers for contributions made to the scholarship
23 granting organization.

24 "e. Ensure that at least 95 percent of their revenue
25 from donations is spent on educational scholarships, and that

1 all revenue from interest or investments is spent on
2 educational scholarships.

3 "f. Spend each year a portion of their expenditures
4 on educational scholarships for low-income eligible students
5 equal to the percentage of low-income eligible students in the
6 county where the scholarship granting organization expends the
7 majority of its educational scholarships.

8 "g. Ensure that at least 75 percent of first-time
9 recipients of educational scholarships were not continuously
10 enrolled in a private school during the previous year.

11 "h. Cooperate with the Department of Revenue to
12 conduct criminal background checks on all of their employees
13 and board members and exclude from employment or governance
14 any individual who may reasonably pose a risk to the
15 appropriate use of contributed funds.

16 "i. Ensure that educational scholarships are
17 portable during the school year and can be used at any
18 qualifying school that accepts the eligible student according
19 to the wishes of the parent. If a student transfers to another
20 qualifying school during a school year, the educational
21 scholarship amount may be prorated.

22 "j. Publicly report to the Department of Revenue by
23 June 1 of each year all of the following information prepared
24 by a certified public accountant regarding their grants in the
25 previous calendar year:

1 "1. The name and address of the scholarship granting
2 organization.

3 "2. The total number and total dollar amount of
4 contributions received during the previous calendar year.

5 "3. The total number and total dollar amount of
6 educational scholarships awarded during the previous calendar
7 year, the total number and total dollar amount of educational
8 scholarships awarded during the previous year for students
9 qualifying for the federal free and reduced-price lunch
10 program, and the percentage of first-time recipients of
11 educational scholarships who were enrolled in a public school
12 during the previous year.

13 "k. Ensure educational scholarships are not provided
14 for students to attend a school with paid staff or board
15 members, or relatives thereof, in common with the scholarship
16 granting organization.

17 "l. Ensure that scholarships are provided in a
18 manner that does not discriminate based on the gender, race,
19 or disability status of the scholarship applicant or his or
20 her parent.

21 "m. Ensure that educational scholarships are
22 provided only to students who would otherwise attend a failing
23 school so that the student can attend a nonpublic school or a
24 nonfailing public school. Provided, however, that any
25 scholarship funds unaccounted for on September 15th of each

1 year may be made available to low-income eligible students to
2 defray the costs of attending a qualifying school, whether or
3 not the student is assigned to a failing school.

4 "n. Ensure that no donations are directly made to
5 benefit specifically designated scholarship recipients.

6 "(2) Financial accountability standards.

7 "a. All scholarship granting organizations shall
8 demonstrate their financial accountability by doing all of the
9 following:

10 "1. Annually submitting to the Department of Revenue
11 a financial information report for the scholarship granting
12 organization that complies with uniform financial accounting
13 standards established by the Department of Revenue and
14 conducted by a certified public accountant.

15 "2. Having the auditor certify that the report is
16 free of material misstatements.

17 "b. All participating nonpublic schools shall
18 demonstrate financial viability, if they are to receive
19 donations of fifty thousand dollars (\$50,000) or more during
20 the school year, by doing either of the following:

21 "1. Filing with the scholarship granting
22 organization before the start of the school year a surety bond
23 payable to the scholarship granting organization in an amount
24 equal to the aggregate amount of contributions expected to be
25 received during the school year.

1 "2. Filing with the scholarship granting
2 organization before the start of the school year financial
3 information that demonstrates the financial viability of the
4 participating nonpublic school.

5 "(c) (1) Each scholarship granting organization shall
6 collect written verification from participating nonpublic
7 schools that accept its educational scholarship students that
8 those schools do all of the following:

9 "a. Comply with all health and safety laws or codes
10 that otherwise apply to nonpublic schools.

11 "b. Hold a valid occupancy permit if required by the
12 municipality.

13 "c. Certify compliance with nondiscrimination
14 policies set forth in 42 USC 1981.

15 "d. Conduct criminal background checks on employees
16 and then do all of the following:

17 "1. Exclude from employment any person not permitted
18 by state law to work in a public school.

19 "2. Exclude from employment any person who may
20 reasonably pose a threat to the safety of students.

21 "(2) Academic accountability standards. There shall
22 be sufficient information about the academic impact
23 educational scholarship tax credits have on participating
24 students in order to allow parents and taxpayers to measure

1 the achievements of the tax credit scholarship program, and
2 therefore:

3 "a. Each scholarship granting organization shall
4 ensure that participating schools that accept its educational
5 scholarship shall do all of the following:

6 "1. Annually administer either the state achievement
7 tests or nationally recognized norm-referenced tests that
8 measure learning gains in math and language arts to all
9 participating students in grades that require testing under
10 the accountability testing laws of the state for public
11 schools.

12 "2. Allow costs of the testing requirements to be
13 covered by the educational scholarships distributed by the
14 scholarship granting organizations.

15 "3. Provide the parents of each student who was
16 tested with a copy of the results of the tests on an annual
17 basis, beginning with the first year of testing.

18 "4. Provide the test results to the Department of
19 Revenue ~~or an organization chosen by the state~~ on an annual
20 basis, beginning with the first year of testing.

21 "5. Report student information that allows the state
22 to aggregate data by grade level, gender, family income level,
23 and race.

24 "6. Provide graduation rates of those students
25 benefitting from education scholarships to the Department of

1 Revenue or an organization chosen by the state in a manner
2 consistent with nationally recognized standards.

3 "b. The Department of Revenue or an organization
4 chosen by the Department of Revenue shall do all of the
5 following:

6 "1. Ensure compliance with all student privacy laws.

7 "2. Collect all test results.

8 "3. Provide the test results and associated learning
9 gains to the public via a state website after the third year
10 of test and test-related data collection. The findings shall
11 be aggregated by the grade level, gender, family income level,
12 number of years of participation in the tax credit scholarship
13 program, and race of the student.

14 "(d) (1) The Department of Revenue shall adopt rules
15 and procedures consistent with this section as necessary to
16 ~~implement the tax credit scholarship program.~~

17 "(2) The Department of Revenue shall provide a
18 standardized format for a receipt to be issued by a
19 scholarship granting organization to a taxpayer to indicate
20 the value of a contribution received. The Department of
21 Revenue shall require a taxpayer to provide a copy of the
22 receipt when claiming the tax credit pursuant to this section.

23 "(3) The Department of Revenue shall provide a
24 standardized format for a scholarship granting organization to

1 report the information required in paragraph j. of subdivision
2 (1) of subsection (b).

3 "(4) The Department of Revenue may conduct either a
4 financial review or audit of a scholarship granting
5 organization if possessing evidence of fraud.

6 "(5) The Department of Revenue may bar a scholarship
7 granting organization from participating in the tax credit
8 scholarship program if the Department of Revenue establishes
9 that the scholarship granting organization has intentionally
10 and substantially failed to comply with the requirements in
11 subsection (b) or subsection (c).

12 "(6) If the Department of Revenue decides to bar a
13 scholarship granting organization from the tax credit
14 scholarship program, the Department of Revenue shall notify
15 affected educational scholarship students and their parents of
16 the decision as quickly as possible.

17 "(7) The Department of Revenue shall publish and
18 routinely update, on the website of the department, a list of
19 scholarship granting organizations in the state, by county.

20 "(e) (1) All schools participating in the tax credit
21 scholarship program shall be required to operate in Alabama.

22 "(2) All schools participating in the tax credit
23 scholarship program shall comply with all state laws that
24 apply to public schools regarding criminal background checks

1 for employees and exclude from employment any person not
2 permitted by state law to work in a public school.

3 "(f) The tax credit provided in this section may be
4 first claimed for the 2013 tax year but may not be claimed for
5 any tax year prior to the 2013 tax year.

6 "(g) (1) Nothing in this section shall be construed
7 to force any public school, school system, or school district
8 or any nonpublic school, school system, or school district to
9 enroll any student.

10 "(2) A public school, school system, or school
11 district or any nonpublic school, school system, or school
12 district may develop the terms and conditions under which it
13 will allow a student who receives a scholarship from a
14 scholarship granting organization pursuant to this section to
15 be enrolled, but such terms and conditions may not
16 discriminate on the basis of the race, gender, religion,
17 color, disability status, or ethnicity of the student or of
18 the student's parent.

19 "(3) Nothing in this section shall be construed to
20 authorize the violation of or supersede the authority of any
21 court ruling that applies to the public school, school system,
22 or school district, specifically any federal court order
23 related to the desegregation of the local school system's
24 student population."

1 Section 2. The provisions of this act are
2 retroactive to March 14, 2013.

3 Section 3. Nothing in this act shall affect or
4 change the athletic eligibility rules of student athletes
5 governed by the Alabama High School Athletic Association or
6 similar association.

7 Section 4. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 30-APR-13.

Jeff Woodard
Clerk

Senate	<hr/> 09-MAY-13 <hr/>	Passed
House	<hr/> 09-MAY-13 <hr/>	Concurred in Senate Amendment
House	<hr/> 20-MAY-13 <hr/>	Passed, the Governor's Objections to the Con- trary Notwithstanding Yeas 59, Nays 6, Ab- stains 2
Senate	<hr/> 20-MAY-2013 <hr/>	Passed, the Governor's Objections to the Con- trary Notwithstanding Yeas 19, Nays 15, Abstains 0