

BILL ANALYSIS

C.S.H.B. 2465
By: Grusendorf
Public Education
Committee Report (Substituted)

BACKGROUND

Currently, parents can choose to send their children to public schools, private institutions, or home-school their child. However, many parents find choices other than public school financially unfeasible. In some school districts many parents might feel that public schools do not meet the educational needs of their children, and that private schools provide an acceptable alternative. Unfortunately, many parents are either unable to take advantage of this option, or are only able to do so with a considerable financial sacrifice.

PURPOSE

C.S.H.B. 2465 establishes the Education Freedom Program in those school districts in Texas where enrollment is greater than 40,000 and a majority of students are educationally disadvantaged. The purpose of the bill is provide parents of all incomes the ability to choose whether to send their children to a public or private school.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 29.354 and Sec. 29.364, Education Code) and SECTION 3 of this bill.

ANALYSIS

C.S.H.B. 2465 amends the Education Code by setting forth provisions establishing the Education Freedom Program (program). The bill defines a district that is eligible for the program as one in which, during the 2001–2002 school year, a majority of the students were educationally disadvantaged and the enrollment was greater than 40,000. The bill defines a private school as a nongovernmental educational establishment that exists for the general education of elementary and secondary students but not a school that provides education in a home setting by the parent or that limits enrollment to relatives of the school's staff.

The bill stipulates that a child eligible for the program reside in an eligible district, have attended a public school for the majority the preceding regular full semester, and reside in a household that had, in their most recently filed federal income tax return, an annual household income not exceeding 200% of the qualifying income for the reduced price lunch under the national school lunch program.

The bill provides that an eligible child may attend any public school in the child's district of residence, attend a public school in another district subject to provisions in Section 29.203, or use a scholarship as provided by this bill (Section 29.354) to pay the costs of attending a private school. The bill provides that a child's scholarship is an amount equal to the average funding per child for maintenance and operations, during the preceding school year in the district in which the child resides, at the time the child first becomes eligible for participation in the program, from all sources other than the available school fund, federal funds, and funds for special education programs. The bill sets forth funding provisions for children entitled to special education services.

The bill sets forth requirements regarding the administration of scholarships by the comptroller including the calculation and distribution of payments by the comptroller, and scholarship certificate issue and endorsement. The bill provides that a child's scholarship is the entitlement of the child, under the supervision of the child's parent, and prohibits a private school from sharing, refunding, or rebating a child's scholarship with the parent or child in any manner.

In order to participate in the program, the bill requires that a private school be accredited by or have filed an application for accreditation by an accrediting association recognized by the commissioner of education to accredit nongovernmental schools in this state. The bill prohibits a private school chosen by an eligible child's parent from discriminating on the basis of the child's race, national origin, or ethnicity and sets forth other provisions relating to private school admissions under the program.

The bill requires each private school that accepts a scholarship under this program to annually administer in the spring either the appropriate assessment instrument adopted by the Texas Education Agency (Section 39.023) or a norm-referenced assessment instrument approved by the commissioner (Section 39.026). The bill requires, no later than September 1, 2005, the commissioner in conjunction with the comptroller and the Charles A. Dana Center, to create a rating system under which a student in this program is rated based on the student's yearly progress.

The bill also requires a participating school district to offer each child attending a private school under this program transportation free of charge to and from the public school the child would otherwise attend and authorizes a private school that accepts a scholarship under this program to use any public school as a transportation collection location for the private school's scholarship students.

The bill prohibits a parent or child from being required to pay tuition in addition to the child's scholarship. The bill provides that a private school in this program is not an agent or arm of the state or federal government and prohibits the Texas Education Agency, State Board of Education, commissioner of education, comptroller, or any other state agency from regulating the educational program of a private school under this program beyond the conditions of the program.

The bill sets forth provisions relating to the limitation of the number of students participating in the program. For the 2005-2006 school year, the bill stipulates that a district eligible for the program may include any school district whose board of trustees adopts a resolution to participate in the program and a child that resides in such a district will be eligible for the program.

The bill sets forth requirements of the comptroller in conjunction with the Charles A. Dana Center relating to the evaluation of the program and stipulates that this section on program evaluation expires June 1, 2010. The bill requires the comptroller to make the education freedom program available for participation no later than January 1, 2004.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2465 modifies the original version by specifying eligible districts as those with a majority of students that are educationally disadvantaged rather than a majority of students eligible for the federal free and reduced price lunch program.

C.S.H.B. 2465 modifies the original by adding provisions relating to the amount of a scholarship for a child that is eligible for special education services (Section 29.354(c)). C.S.H.B. 2465 modifies the original by authorizing the comptroller to require that a private school submit evidence of the child's attendance at the private school before the comptroller directs funds to the private school (Section 29.354(h)). C.S.H.B.

2465 modifies the original by requiring the comptroller to direct the distribution of funds to the district in which the child resides at the time the child first becomes eligible for participation in the program on an annual basis.

C.S.H.B. 2465 modifies the original by adding provisions relating to student admissions and nondiscrimination (Section 29.356). C.S.H.B. 2465 modifies the original by adding provisions relating to an academic rating system for students of private schools under the program.

C.S.H.B. 2465 modifies the original by adding provisions that limit the number of children in a school district who may participate in the program to the lesser of: five percent of eligible children, or the number of children for whom the total amount of scholarships is equal to three percent of the districts total maintenance and operations revenue for the preceding school year.

C.S.H.B. 2465 modifies the original by requiring researchers who conduct the evaluation study of the program to provide the legislature with a final copy of the evaluation report.