



1 February first of that school year pursuant to the definition of the  
 2 student membership established by the State Board of Elementary and  
 3 Secondary Education for the purposes of the Minimum Foundation  
 4 Program formula, and the Department of Education has certified the  
 5 student count.

6 (c) If the qualified student is enrolled in public school on  
 7 February first of that school year pursuant to the definition of the  
 8 student membership established by the State Board of Elementary and  
 9 Secondary Education, the amount of the rebate shall be equal to the  
 10 actual amount expended by the school tuition organization on  
 11 scholarships, which shall not include administrative costs and shall be  
 12 prorated as applicable.

13 (3) In order for a donation from a taxpayer to qualify for the  
 14 rebate, the donation shall be used by the school tuition organization to  
 15 provide scholarships for tuition and fees for students to attend a  
 16 qualified school in accordance with the provisions of this Section. No  
 17 more than five percent of a donation shall be used by the school tuition  
 18 organization for administrative or promotional costs. No scholarship  
 19 shall be designated, referred to, or in any way named after a private  
 20 entity nor shall any donation be earmarked by a donor to provide a  
 21 scholarship for a particular qualified student or a particular qualified  
 22 school. However this Paragraph shall not prohibit a donation being  
 23 earmarked for a student with a disability. A student shall be considered  
 24 to have a disability if such student is evaluated according to state and  
 25 federal regulation or policy and is deemed to have a mental disability,  
 26 hearing impairment (including deafness), multiple disabilities, deaf-  
 27 blindness, speech or language impairment, visual impairment (including  
 28 blindness), emotional disturbance, orthopedic impairment, other health  
 29 impairment, specific learning disability, traumatic brain injury, dyslexia  
 30 and related disorders, or autism, and as a result requires special  
 31 education and related services.

32 B.(1)(a) For purposes of this Section, the term "school tuition  
 33 organization" shall mean a tax exempt organization organized under  
 34 Section 501(c)(3) of the Internal Revenue Code which adheres to the  
 35 requirements of this Section. The amount of scholarships awarded by  
 36 a school tuition organization shall equal the amount of donations the  
 37 organization receives from taxpayers, minus allowable administrative or  
 38 promotional costs. No less than ninety-five percent of the monies  
 39 received by the school tuition organization from taxpayer donations for  
 40 scholarships shall be used to provide scholarships to students for  
 41 attendance at a qualified nonpublic school of their parent's choice. A  
 42 school tuition organization shall carryforward all funds in accordance  
 43 with the duration of time indicated by the donor pursuant to Paragraph  
 44 (A)(1) of this Section. If, at the end of the fiscal year, a donor requests  
 45 a refund of unexpended funds from his donation, the school tuition  
 46 organization shall reimburse the donor the full amount of unexpended  
 47 funds otherwise available to be used on scholarships, exclusive of funds  
 48 available for administrative costs. If the donor does not elect to receive  
 49 a refund, the school tuition organization may retain and carryforward  
 50 the funds indefinitely or for a shorter period of time if so indicated by  
 51 the donor. In addition, a school tuition organization shall provide  
 52 educational scholarships to students without limiting available  
 53 scholarships to students of only one qualified school.

54 (b) The maximum amount for a scholarship provided by the  
 55 school tuition organization to a qualified student in kindergarten  
 56 through eighth grade shall not exceed actual tuition and mandatory fees  
 57 or eighty percent of the state average Minimum Foundation Program  
 58 per pupil funding amount for the previous year, whichever is less, and  
 59 the maximum amount for a scholarship for a qualified student in ninth

1 through twelfth grades shall not exceed ninety percent of the state  
 2 average Minimum Foundation Program per pupil funding amount for  
 3 the previous year, whichever is less.

4 (c) A school tuition organization which provides scholarships to  
 5 qualified students shall do all of the following:

6 (i) Notify the Department of Education of its intent to provide educational  
 7 scholarships to qualified students attending qualified schools.

8 (ii) Provide documentary evidence to the Department of Education that it has  
 9 been granted an exemption from federal income tax and is established as an  
 10 organization described in Section 501(c)(3) of the Internal Revenue Code.

11 (iii) Document the eligibility of each qualified student for each year that a  
 12 qualified student receives a scholarship.

13 (iv) Provide scholarships to qualified students on a first-come, first-served  
 14 basis, with priority given to students who received a scholarship from the school tuition  
 15 organization or the Student Scholarships for Educational Excellence Program in the  
 16 previous year.

17 (v) Distribute scholarship payments in September, December, February, and  
 18 May of each year as checks made out to a parent of a qualified student which are  
 19 mailed to the qualifying school where the student is enrolled. The parent shall  
 20 restrictively endorse the check for deposit into the account of the school. The parent  
 21 shall not designate any entity or individual associated with the school as the parent's  
 22 attorney to endorse a scholarship check. Any parent who receives payments in  
 23 accordance with the provisions of this Section shall not be allowed to claim the amount  
 24 received as any other credit, deduction, exemption, or rebate under Title 47 of the  
 25 Louisiana Revised Statutes of 1950. If a student who has received a scholarship ceases  
 26 to be enrolled in a qualified school, the school shall immediately notify the respective  
 27 student tuition organization and the Department of Education that the student is no  
 28 longer enrolled. Upon receipt of such notification, the student tuition organization  
 29 shall cease making payments to the school for that student.

30 (vi) Provide certification to the Department of Education that scholarships have  
 31 been issued within thirty days of issuing the scholarships. This certification shall  
 32 include a list of the taxpayers whose donations to the school tuition organization funded  
 33 the scholarships, the amount of each taxpayer's donation used to fund a scholarship,  
 34 as well as all other documentation required by the Department of Education, as  
 35 established in rules and regulations.

36 (vii) Perform criminal background checks on all of its employees and board  
 37 members according to the provisions of R.S. 15:587.1. A person who has been  
 38 convicted of or has entered a plea of nolo contendere to a crime listed in R.S. 15:587.1  
 39 may not be employed by, or be a board member of, a school tuition organization. The  
 40 Department of Education may bar a school tuition organization from participating in  
 41 the rebate authorized under this Section if the school tuition organization fails to  
 42 comply with the requirements of this Item.

43 (viii) Ensure that scholarships granted to qualified students are portable during  
 44 the school year and can be used at any qualifying school served by the school tuition  
 45 organization that accepts a qualified student. If the parent of a qualified student who  
 46 is receiving a scholarship desires the student to move to a new qualified school served  
 47 by the school tuition organization during a school year, the scholarship amount may  
 48 be prorated.

49 (ix) Provide a public report to the Department of Education which contains  
 50 information regarding all scholarships awarded or granted in the previous fiscal year.  
 51 The report shall be prepared by a certified public accountant and shall be submitted  
 52 to the department no later than the first day of January each year. The report shall  
 53 contain the name and address of the school tuition organization, the total number and  
 54 total dollar amount of donations received during the previous fiscal year, the total  
 55 number and total dollar amount of educational scholarships awarded to qualified  
 56 students, the total amount expended on administrative costs, and the percentage  
 57 breakdown of donations expended on scholarship and administrative costs during the  
 58 previous fiscal year. The report shall include the actual tuition and fee amounts  
 59 published by the qualifying schools which enrolled a student with a scholarship from

1 that school tuition organization. The report shall also contain the total amount of  
 2 contributions received by the school tuition organization, the total amount of  
 3 contributions made by each contributor during the previous calendar year, and the  
 4 social security number or Louisiana taxpayer identification number of each  
 5 contributor. An electronic format of this report shall be furnished to the Department  
 6 of Revenue by the Department of Education on or by the first day of February of each  
 7 year.

8 (x) Annually demonstrate its financial accountability through a financial  
 9 information report that complies with uniform financial accounting standards. The  
 10 report shall be prepared by a certified public accountant and shall be submitted to the  
 11 Department of Education. The report shall contain a certification from an auditor that  
 12 the report is free of material misstatements.

13 (xi) The school tuition organization shall adequately advertise the availability  
 14 of scholarships to the public, with an emphasis on notifying parents of students in  
 15 public schools that received a letter grade of "F" or "D", in the manner provided for  
 16 in rules and regulations which shall be promulgated by the Department of Education  
 17 in accordance with the Administrative Procedure Act.

18 (2)(a) For purposes of this Section, a "qualified school" shall mean a nonpublic  
 19 elementary or secondary school in this state which is approved, provisionally approved,  
 20 or probationally approved by the Board of Elementary and Secondary Education and  
 21 which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.*, 425 F. Supp  
 22 528. A qualified school shall do all of the following:

23 (i) Conduct criminal background checks on its employees and exclude from  
 24 employment any person not permitted by state law to work in a nonpublic school. The  
 25 Department of Education may bar an otherwise qualified school from participating in  
 26 the rebate authorized under this Section if the otherwise qualified school fails to  
 27 comply with the requirements of this Item.

28 (ii) Using funds retained for administrative costs by the school tuition  
 29 organization, annually administer the state test associated with the school and district  
 30 accountability system to measure learning gains in math and language arts to all  
 31 participating students in grades that require testing under the state's accountability  
 32 testing laws for public schools; however, the Department of Education shall not incur  
 33 any expense for the administration of the state tests to students applying for tuition  
 34 scholarships from a school tuition organization. The qualified school shall provide the  
 35 parents of each student who was tested with a copy of the student's test results on an  
 36 annual basis, beginning with the first year the student is tested.

37 (iii) If more first-time qualified students who are otherwise eligible apply than  
 38 there are seats available, conduct a random selection process that ensures all qualified  
 39 and otherwise eligible students an equal chance for admission; however, the qualified  
 40 school may give preference for the following:

41 (aa) Siblings of students already enrolled in the qualified school.

42 (bb) Qualifying students who had previously enrolled at a different qualified  
 43 school and who are otherwise eligible.

44 (iv) Admit qualified students for enrollment based on the letter grade of the  
 45 public school for which the qualified student was attending or would have attended.  
 46 Qualified students from public schools that received a letter grade "F" or "D" or any  
 47 variation thereof shall be given the first priority.

48 (v) Not charge a higher total tuition and fee amount to a qualified student than  
 49 is charged to all students enrolled at the school.

50 (vi) Annually provide to each school tuition organization who has provided a  
 51 scholarship to a student enrolled in that school the actual tuition and fee amounts  
 52 charged to all students.

53 (b) Any qualified school that receives more than fifty thousand dollars in  
 54 scholarship donations from a school tuition organization shall demonstrate its financial  
 55 viability by filing, prior to the start of a school year, a surety bond payable to the school  
 56 tuition organization in an amount equal to the aggregate amount of donations expected  
 57 to be received during the school year or by filing, prior to the start of a school year,  
 58 financial information with the qualified school tuition organization demonstrating its

1 financial viability; however, a qualified school which has been in business for more  
 2 than five years shall not be required to post a surety bond.

3 (c) Enrollment of scholarship recipients in a qualified school under the  
 4 provisions of this Section and under the provisions of the Student Scholarships for  
 5 Educational Excellence Program that has been approved, provisionally approved, or  
 6 probationally approved for less than two years shall not exceed twenty percent of such  
 7 school's total student enrollment.

8 (3)(a) For purposes of this Section, a "qualified student" shall mean a child who  
 9 is a member of a family that resides in Louisiana with a total household income that  
 10 does not exceed an amount equal to two hundred fifty percent of the federal poverty  
 11 level based on the federal poverty guidelines established by the federal office of  
 12 management and budget and who meets any of the following:

13 (i) Is a student who is entering kindergarten for the first time.

14 (ii) Is a student who attended a public school the previous year.

15 (iii) Is a student who received a scholarship from a school tuition organization  
 16 or the Student Scholarships for Educational Excellence Program for the previous  
 17 school year.

18 (b) Any qualified student receiving a scholarship from a school tuition  
 19 organization pursuant to the provisions of this Section shall be prohibited from  
 20 receiving any other publicly funded scholarship, voucher, or other form of financial  
 21 assistance specific to that student for purposes of attending a nonpublic school;  
 22 however, a qualified student may receive scholarships from multiple school tuition  
 23 organizations not to exceed the lesser of eighty percent of the state average Minimum  
 24 Foundation Program per pupil funding amount for the previous year in the case of a  
 25 qualified student enrolled in kindergarten through eighth grade, or ninety percent of  
 26 the state average Minimum Foundation Program per pupil funding amount for the  
 27 previous year in the case of a qualified student enrolled in ninth through twelfth grade.

28 (4) For purposes of this Section, a "parent" shall mean a guardian, custodian,  
 29 or other person with authority to act on behalf of the child.

30 C.(1)(a) The Department of Education shall promulgate rules and regulations  
 31 in accordance with the provisions of the Administrative Procedure Act, as are  
 32 necessary to implement the provisions of this Section.

33 (b) The Department of Education shall approve the application used by a school  
 34 tuition organization in awarding scholarships to qualified students.

35 (c) The Department of Education shall certify and issue a receipt to a taxpayer  
 36 indicating the actual amount of the taxpayer's donation to a school tuition organization  
 37 which was used to fund a scholarship after all of the requirements of Paragraph (A)(2)  
 38 of this Section have been satisfied.

39 (d) The Department of Education shall verify that each qualified student has  
 40 received scholarships not to exceed the lesser of actual tuition and fees at the qualified  
 41 school or eighty percent of the state average Minimum Foundation Program per pupil  
 42 funding amount for the previous year in the case of a qualified student enrolled in  
 43 kindergarten through eighth grade, or ninety percent of the state average Minimum  
 44 Foundation Program per pupil funding amount for the previous year in the case of a  
 45 qualified student enrolled in ninth through twelfth grade. If the total amount of  
 46 scholarships received by a qualified student has exceeded one of these amounts, as  
 47 applicable, the school tuition organization that had awarded the scholarship that  
 48 caused the student's total scholarship amount to exceed this amount shall refund the  
 49 state the difference.

50 (e) The Department of Education shall annually conduct an audit of a school  
 51 tuition organization. The Department of Education shall bar a school tuition  
 52 organization from participating in the rebate authorized under this Section if the  
 53 school tuition organization intentionally and substantially fails to comply with the  
 54 requirements of this Section.

55 (f) The Department of Education shall compile a public report which shall be  
 56 made available no later than March first of each year on the department's website  
 57 which lists the name of all qualified schools receiving scholarship recipients pursuant  
 58 to the provisions of this Section, the number of scholarship recipients attending each  
 59 qualified school, and the results of the state's accountability testing laws for students

1 in public school for scholarship recipients in each grade. The Department of Education  
2 shall not include the name or any other identifying information for individual students.

3 (g) The Department of Education shall publicly report state test scores for each  
4 student receiving a scholarship pursuant to the provisions of this Section in accordance  
5 with the requirements of the federal Family Educational Rights and Privacy Act (20  
6 U.S.C. §1232(g) and federal regulations 34 CFR 99.1 et seq.). However, the Department  
7 of Education shall not include the name or any other identifying information of  
8 individual students.

9 (2)(a) The Department of Revenue shall provide a standardized format for a  
10 receipt to be issued by the Department of Education to a school tuition organization.  
11 The Department of Revenue shall require a taxpayer to provide a copy of the receipt  
12 when claiming the rebate authorized by this Section.

13 (b) The Department of Education shall ensure that the public of the state is  
14 aware of the availability of scholarships, with an emphasis on notifying parents of  
15 students in public schools that received a letter grade of "F" or "D", and shall provide  
16 for requirements for school tuition organizations to adequately advertise the  
17 availability of scholarships to the public, all as provided for in rules and regulations  
18 which shall be promulgated by the Department of Education in accordance with the  
19 Administrative Procedure Act.

20 D. Notwithstanding any provision of law to the contrary, the secretary of the  
21 Department of Revenue shall make the rebate authorized pursuant to the provisions  
22 of this Section from the current collections of the taxes imposed by Title 47 of the  
23 Louisiana Revised Statutes of 1950, as amended.

24 E. No rebate issued pursuant to the provisions of this Section shall be allowed  
25 for donations received on or after July 1, 2018."  
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