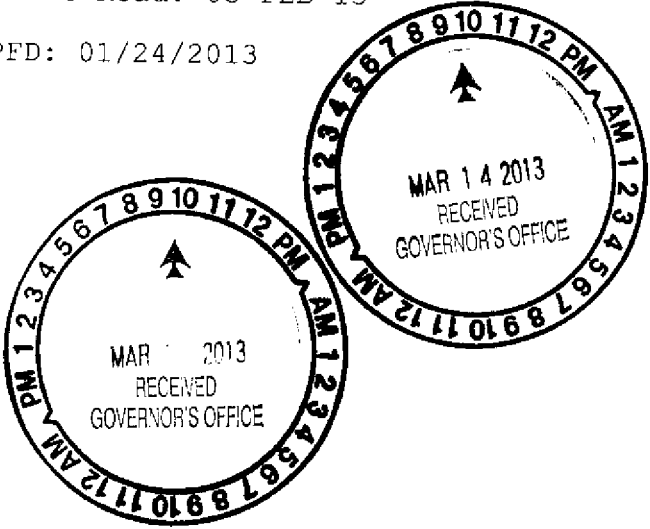


ACT 2013 - 64

1 HB84  
2 149517-9  
3 By Representative Fincher  
4 RFD: Education Policy  
5 First Read: 05-FEB-13  
6 PFD: 01/24/2013



1  
2 ENROLLED, An Act,

3 To establish the Alabama Accountability Act of 2013,  
4 relating to public K-12 education; to authorize the  
5 establishment of innovative schools and school systems in the  
6 state; to provide legislative findings and purposes; to  
7 provide an overview; to authorize the State Board of Education  
8 to enter into school flexibility contracts with local school  
9 systems; to require the local board of education to submit a  
10 document of assurance; to require the State Board of Education  
11 to promulgate rules and regulations relating to innovative  
12 school systems; to require local school systems to submit an  
13 innovation plan to the State Department of Education in order  
14 to qualify for innovation status; to provide an income tax  
15 credit to any parent who transfers a student enrolled in or  
16 assigned to attend a failing public K-12 school to a  
17 nonfailing public school or nonpublic school of the parent's  
18 choice; to limit the income tax credit to 80 percent of the  
19 average annual state cost of attendance; to create within the  
20 Education Trust Fund the Failing Schools Income Tax Credit  
21 Account; and to authorize the Comptroller to annually transfer  
22 into the account proceeds from sales tax revenues in an amount  
23 sufficient for the Department of Revenue to pay the income tax  
24 credits; to authorize a tax credit for contributions to  
25 organizations that provide educational scholarships to

1       qualifying schools; to provide for the responsibilities of  
2       scholarship organizations; to provide for oversight of  
3       participating schools; to provide for the responsibilities of  
4       the Department of Revenue; and to provide for an effective  
5       date.

6       BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7               Section 1. This act shall be known and may be cited  
8       as the Alabama Accountability Act of 2013.

9               Section 2. (a) Innovative schools and school systems  
10      may be established in Alabama in accordance with this act.

11              (b) The purpose of this act is to advance the  
12      benefits of local school and school system autonomy in  
13      innovation and creativity by allowing flexibility from state  
14      laws, regulations, and policies.

15              Section 3. (a) The Legislature finds and declares  
16      all of the following:

17              (1) To further the goals of public education  
18      throughout the state, each school system should be able to  
19      have maximum possible flexibility to meet the needs of  
20      students and the communities within its jurisdiction.

21              (2) There is a critical need for innovative models  
22      of public education that are tailored to the unique  
23      circumstances and needs of the students in all schools and  
24      communities, and especially in schools and communities that

1 are struggling to improve academic outcomes and close the  
2 achievement gap.

3 (3) To better serve students and better use  
4 available resources, local boards of education, local school  
5 systems, and parents need the ability to explore flexible  
6 alternatives in an effort to be more efficient and effective  
7 in providing operational and programmatic services.

8 (b) Therefore, it is the intent of the Legislature  
9 to do all of the following:

10 (1) Allow school systems greater flexibility in  
11 meeting the educational needs of a diverse student population.

12 (2) Improve educational performance through greater  
13 individual school autonomy and managerial flexibility with  
14 regard to programs and budgetary matters.

15 (3) Encourage innovation in education by providing  
16 local school systems and school administrators with greater  
17 control over decisions including, but not limited to,  
18 budgetary matters, staffing, personnel, scheduling, and  
19 educational programming, including curriculum and instruction.

20 (4) Provide financial assistance through an income  
21 tax credit to a parent who transfers a student from a failing  
22 public school to a nonfailing public school or nonpublic  
23 school of the parent's choice.

24 Section 4. For the purposes of this act, the  
25 following terms shall have the following meanings:

1           (1) EDUCATIONAL SCHOLARSHIPS. Grants to any  
2           qualifying school to cover all or part of the tuition and fees  
3           at the school for an eligible student.

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

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

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

17          c. Resides in Alabama while receiving an educational  
18          scholarship.

19          (3) FAILING SCHOOL. A public K-12 school that is  
20          labeled as persistently low-performing by the State Department  
21          of Education, in the then most recent United States Department  
22          of Education School Improvement Grant application; that is  
23          listed in the lowest ten percent of public K-12 schools on the  
24          state standardized assessment in reading and math; that has  
25          earned a grade of "F" or three consecutive grades of "D"

1 pursuant to Section 16-6C-2, Code of Alabama 1975; or that is  
2 designated a failing school by the State Superintendent of  
3 Education.

4 (4) FLEXIBILITY CONTRACT. A school flexibility  
5 contract between the local school system and the State Board  
6 of Education wherein a local school system may apply for  
7 programmatic flexibility or budgetary flexibility, or both,  
8 from state laws, regulations, and policies, including  
9 regulations and policies promulgated by the State Board of  
10 Education and the State Department of Education.

11 (5) INNOVATION PLAN. The request of a local school  
12 system for flexibility and plan for annual accountability  
13 measures and five-year targets for all participating schools  
14 within the school system.

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

18 (7) LOCAL SCHOOL SYSTEM. A public agency that  
19 establishes and supervises one or more public schools within  
20 its geographical limits pursuant to state law.

21 (8) LOW-INCOME ELIGIBLE STUDENT. A student of a  
22 family with income less than two times the federal poverty  
23 level.

24 (9) NONPUBLIC SCHOOL. Any nonpublic or private  
25 school, including parochial schools, not under the

1 jurisdiction of the State Superintendent of Education and the  
2 State Board of Education, providing educational services to  
3 children. A nonpublic school is accredited by a state  
4 recognized accrediting agency that provides education to  
5 elementary or secondary, or both, students and has notified  
6 the State Department of Revenue of its intention to  
7 participate in the scholarship program and comply with the  
8 requirements of the scholarship program. A nonpublic school  
9 does not include home schooling.

10 (10) PARENT. The parent or legal guardian of a  
11 student, with authority to act on behalf of the student, who  
12 claims the student as a dependent on his or her federal income  
13 tax return.

14 (11) QUALIFYING SCHOOL. Either a public school  
15 outside of the resident school district that is not considered  
16 failing under either state or federal standards or any  
17 nonpublic school as defined in this act or that satisfies the  
18 compulsory attendance requirements provided in Section  
19 16-28-7, Code of Alabama 1975. A qualified nonpublic school  
20 shall be accredited by one of the six regional accrediting  
21 agencies or, if not so accredited, shall satisfy all of the  
22 following conditions:

23 a. Be in existence for at least three years.

24 b. Have daily attendance of at least 85 percent over  
25 a two-year period.

1                   c. Have a minimum 180-day school year, or its hourly  
2 equivalent.

3                   d. Have a day length of at least six and one-half  
4 hours.

5                   e. Require all students to take the Stanford  
6 Achievement Test, or its equivalent.

7                   f. Require all candidates for graduation to take the  
8 American College Test before graduation.

9                   g. Require students in high school in grades nine  
10 through 12 to earn a minimum of 24 Carnegie credits before  
11 graduating, including 16 credits in core subjects and  
12 additional requirements in health and physical education, fine  
13 arts, computer studies, and foreign language.

14                   h. Not subject special education students to the  
15 same testing or curricular requirements as regular education  
16 students if it is not required in the individual plan for the  
17 student.

18                   i. Maintain a current website that describes the  
19 school and the instructional program of the school.

20                   j. Annually affirm on forms prescribed by the  
21 scholarship granting organization and the department its  
22 status financially and academically and provide other relative  
23 information as required by the scholarship granting  
24 organization or as otherwise required in this act.



1           (12) SCHOLARSHIP GRANTING ORGANIZATION. An  
2 organization that provides or is approved to provide  
3 educational scholarships to students attending qualifying  
4 schools of their parents' choice.

5           (13) SCHOOL ADMINISTRATOR. A local superintendent of  
6 education or local school principal, unless otherwise  
7 specified.

8           Section 5. (a) Pursuant to this act, to be  
9 considered as an innovative school system, a local school  
10 system shall successfully comply with the requirements and  
11 procedures set forth by the State Department of Education  
12 regarding school flexibility contracts, which include, but are  
13 not limited to:

14           (1) Submission to the State Department of Education  
15 of a letter of intent to pursue a school flexibility contract.

16           (2) Submission to the State Department of Education  
17 of a resolution adopted by the local board of education  
18 supporting the intent of the local school system to pursue a  
19 school flexibility contract.

20           (3) Submission to the State Department of Education  
21 of a document of assurance stating that the local board of  
22 education shall provide consistency in leadership and a  
23 commitment to state standards, assessments, and academic  
24 rigor.

1           (4) Submission to the State Board of Education of a  
 2 resolution adopted by the local board of education supporting  
 3 the flexibility contract proposal and the anticipated timeline  
 4 of the local school system.

5           (b) Pursuant to State Board of Education rules, each  
 6 local school system shall provide an opportunity for full  
 7 discussion and public input, including a public hearing,  
 8 before submitting a school flexibility contract proposal to  
 9 the State Board of Education.

10           (c) A local school system shall ensure that its  
 11 school flexibility contract proposal and innovation plan is  
 12 easily accessible to the general public on the website of the  
 13 local school system.

14           Section 6. (a) The innovation plan of a local school  
 15 system shall include, at a minimum, all of the following:

16           (1) The school year that the local school system  
 17 expects the school flexibility contract to begin.

18           (2) The list of state laws, regulations, and  
 19 policies, including rules, regulations, and policies  
 20 promulgated by the State Board of Education and the State  
 21 Department of Education, that the local school system is  
 22 seeking to waive in its school flexibility contract.

23           (3) A list of schools included in the innovation  
 24 plan of the local school system.

1           (b) A local school system is accountable to the  
2 state for the performance of all schools in its system,  
3 including innovative schools, under state and federal  
4 accountability requirements.

5           (c) A local school system may not, pursuant to this  
6 act, waive requirements imposed by federal law, requirements  
7 related to the health and safety of students or employees,  
8 requirements imposed by ethics laws, requirements imposed by  
9 the Alabama Child Protection Act of 1999, Chapter 22A, Title  
10 16, Code of Alabama 1975, requirements imposed by open records  
11 or open meetings laws, requirements related to financial or  
12 academic reporting or transparency, requirements designed to  
13 protect the civil rights of students or employees,  
14 requirements related to the state retirement system or state  
15 health insurance plan, or requirements imposed by Act  
16 2012-482. This act may not be construed to allow a local  
17 school system to compensate an employee at an annual amount  
18 that is less than the amount the employee would otherwise be  
19 afforded through the State Minimum Salary Schedule included in  
20 the annual Education Trust Fund Appropriations Act. No local  
21 school system shall involuntarily remove any rights or  
22 privileges acquired by any employee under the Students First  
23 Act of 2011, Chapter 24C, Title 16, Code of Alabama 1975.  
24 Except as provided for a failing school pursuant to subsection  
25 (e), no plan or program submitted by a local board of

1 education may be used to deny any right or privilege granted  
2 to a new employee pursuant to the Students First Act of 2011.

3 (d) No provision of this act shall be construed or  
4 shall be used to authorize the formation of a charter school.

5 (e) Any provision of subsection (c) to the contrary  
6 notwithstanding, nothing in this act shall be construed to  
7 prohibit the approval of a flexibility contract that gives  
8 potential, current, or future employees of a failing school  
9 within the local school system the option to voluntarily waive  
10 any rights or privileges already acquired or that could  
11 potentially be acquired as a result of attaining tenure or  
12 nonprobationary status, provided, however, that any employee  
13 provided this option is also provided the option of retaining  
14 or potentially obtaining any rights or privileges provided  
15 under the Students First Act, Chapter 24C of Title 16, Code of  
16 Alabama 1975.

17 (f) The State Department of Education shall finalize  
18 all school data and the local school system shall seek  
19 approval of the local board of education before final  
20 submission to the State Department of Education and the State  
21 Board of Education.

22 (g) The final innovation plan, as recommended by the  
23 local superintendent of education and approved by the local  
24 board of education, shall accompany the formal submission of  
25 the local school system to the State Department of Education.

1           (h) Within 60 days of receiving the final  
2 submission, the State Superintendent of Education shall decide  
3 whether or not the school flexibility contract and the  
4 innovation plan should be approved. If the State  
5 Superintendent of Education denies a school flexibility  
6 contract and innovation plan, he or she shall provide a  
7 written explanation for his or her decision to the local board  
8 of education. Likewise, a written letter of approval by the  
9 State Superintendent of Education shall be provided to the  
10 local board of education that submitted the final school  
11 flexibility contract and innovation plan.

12           (i) The State Board of Education shall promulgate  
13 any necessary rules and regulations required to implement this  
14 act including, but not limited to, all of the following:

15           (1) The specification of timelines for submission  
16 and approval of the innovation plan and school flexibility  
17 contract of a local school system.

18           (2) An authorization for the State Department of  
19 Education, upon approval by the State Board of Education after  
20 periodic review, to revoke a school flexibility contract for  
21 noncompliance or nonperformance, or both, by a local school  
22 system.

23           (3) An outline of procedures and necessary steps  
24 that a local school system shall follow, upon denial of an

1 original submission, to amend and resubmit an innovation plan  
2 and school flexibility contract for approval.

3 Section 7. The State Board of Education and the  
4 State Department of Education shall ensure equal opportunity  
5 for all school systems that apply for programmatic flexibility  
6 or budgetary flexibility, or both, as delineated in this act,  
7 and in no way shall one local school system be favored over  
8 another local school system based upon its size, location,  
9 student population, or any other possible discriminatory  
10 measure.

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. A parent is  
23 allowed a credit against income tax for each taxable year  
24 under the terms established in this section. If income taxes  
25 owed by the parent are less than the total credit allowed

1 under this subsection, the taxpayer shall be entitled to a  
2 refund or rebate, as the case may be, equal to the balance of  
3 the unused credit with respect to that taxable year.

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

1 may be necessary to annually pay the income tax credits  
2 provided by this section.

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

7 (4) The Department of Revenue shall promulgate  
8 reasonable rules to effectuate the intent of this section.

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

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

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

22 c. The student was notified that he or she was  
23 assigned to a failing school for the next school year.

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



1           (3) For the purposes of continuity of educational  
2 choice, the tax credit shall be available to parents for those  
3 grade levels of the failing school from which the student  
4 transferred. The parent of a student who transfers from a  
5 failing school may receive income tax credits for those grade  
6 levels enrolled in and attended in the nonfailing public  
7 school or nonpublic school of the parent's choice transferred  
8 to that were included in the failing school from which the  
9 student transferred, whether or not the failing school becomes  
10 a nonfailing school during those years. The student shall  
11 return to his or her original local school system of  
12 attendance when he or she completes the highest grade level of  
13 the failing school transferred from in the nonfailing public  
14 school or nonpublic school of the parent's choice. If the  
15 public school the student returns to is a failing school, the  
16 parent may again transfer the student to a nonfailing public  
17 school or nonpublic school of the parent's choice and request  
18 and receive an income tax credit as provided in this section.

19           (4) A local school system, for each student enrolled  
20 in or assigned to a failing school, shall do all of the  
21 following:

22           a. Timely notify the parent of the student of all  
23 options available under this section as soon as the school of  
24 attendance is designated as a failing school.

1           b. Offer the parent of the student an opportunity to  
2 enroll the student in another public school within the local  
3 school system that is not a failing school or a failing school  
4 to which the student has been assigned.

5           (5) The parent of a student enrolled in or assigned  
6 to a school that has been designated as a failing school, as  
7 an alternative to paragraph b. of subdivision (4), may choose  
8 to enroll the student in and transport the student to a  
9 nonfailing public school that has available space in any other  
10 local school system in the state, and that local school system  
11 is willing to accept the student on whatever terms and  
12 conditions the system establishes and report the student for  
13 purposes of the local school system's funding pursuant to the  
14 Foundation Program.

15           (6) For students in the local school system who are  
16 participating in the tax credit program, the local school  
17 system shall provide locations and times to take all statewide  
18 assessments required by law.

19           (7) Students with disabilities who are eligible to  
20 receive services from the local school system under federal or  
21 state law, and who participate in the tax credit program,  
22 remain eligible to receive services from the local school  
23 system as provided by federal or state law.

24           (8) If a parent requests that the student be  
25 enrolled in a nonfailing public school within the same local

1 school system, transportation costs to the nonfailing public  
2 school shall be the responsibility of the local school system.

3 (9) The State Department of Education shall  
4 promulgate reasonable rules to effectuate the intent of this  
5 section. Rules shall include penalties for noncompliance.

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

18 Section 9. (a)(1) A taxpayer who files a state  
19 income tax return and is not a dependent of another taxpayer  
20 may claim a credit for a contribution made to a scholarship  
21 granting organization.

22 (2) The tax credit may be claimed by an individual  
23 taxpayer or a married couple filing jointly in an amount equal  
24 to the total contributions made to a scholarship granting  
25 organization for educational scholarships during the taxable

1 year for which the credit is claimed up to 50 percent of the  
2 tax liability of the taxpayer, not to exceed seven thousand  
3 five hundred dollars (\$7,500) per taxpayer or married couple  
4 filing jointly.

5 (3) The tax credit may be claimed by a corporate  
6 taxpayer in an amount equal to 50 percent of the total  
7 contributions made to a scholarship granting organization for  
8 educational scholarships during the taxable year for which the  
9 credit is claimed up to 50 percent of the tax liability of the  
10 taxpayer. The cumulative amount of tax credits issued pursuant  
11 to subdivision (2) and this subdivision shall not exceed  
12 twenty-five million dollars (\$25,000,000) annually. The  
13 Department of Revenue shall develop a procedure to ensure that  
14 this cap is not exceeded and shall also prescribe the various  
15 methods by which these credits are to be issued.

16 (4) A corporate taxpayer, an individual taxpayer, or  
17 a married couple filing jointly may carry forward a tax credit  
18 under the tax credit scholarship program for three years.

19 (b) (1) Administrative accountability standards. All  
20 scholarship granting organizations shall do all of the  
21 following:

22 a. Notify the Department of Revenue of their intent  
23 to provide educational scholarships.

24 b. Demonstrate to the Department of Revenue that  
25 they have been granted exemption from the federal income tax

1 as an organization described in Section 501(c)(3) of the  
2 Internal Revenue Code.

3 c. Distribute periodic educational scholarship  
4 payments as checks made out and mailed to the school where the  
5 student is enrolled.

6 d. Provide a Department of Revenue approved receipt  
7 to taxpayers for contributions made to the scholarship  
8 granting organization.

9 e. Ensure that at least 95 percent of their revenue  
10 from donations is spent on educational scholarships, and that  
11 all revenue from interest or investments is spent on  
12 educational scholarships.

13 f. Spend each year a portion of their expenditures  
14 on educational scholarships for low-income eligible students  
15 equal to the percentage of low-income eligible students in the  
16 county where the scholarship granting organization expends the  
17 majority of its educational scholarships.

18 g. Ensure that at least 75 percent of first-time  
19 recipients of educational scholarships were not continuously  
20 enrolled in a private school during the previous year.

21 h. Cooperate with the Department of Revenue to  
22 conduct criminal background checks on all of their employees  
23 and board members and exclude from employment or governance  
24 any individual who may reasonably pose a risk to the  
25 appropriate use of contributed funds.

1           i. Ensure that educational scholarships are portable  
2 during the school year and can be used at any school that  
3 accepts the eligible student according to the wishes of the  
4 parent. If a student transfers to another school during a  
5 school year, the educational scholarship amount may be  
6 prorated.

7           j. Publicly report to the Department of Revenue by  
8 June 1 of each year all of the following information prepared  
9 by a certified public accountant regarding their grants in the  
10 previous calendar year:

11           1. The name and address of the scholarship granting  
12 organization.

13           2. The total number and total dollar amount of  
14 contributions received during the previous calendar year.

15           3. The total number and total dollar amount of  
16 educational scholarships awarded during the previous calendar  
17 year, the total number and total dollar amount of educational  
18 scholarships awarded during the previous year for students  
19 qualifying for the federal free and reduced-price lunch  
20 program, and the percentage of first-time recipients of  
21 educational scholarships who were enrolled in a public school  
22 during the previous year.

23           k. Ensure educational scholarships are not provided  
24 for students to attend a school with paid staff or board

1 members, or relatives thereof, in common with the scholarship  
2 granting organization.

3 1. Ensure that scholarships are provided in a manner  
4 that does not discriminate based on the gender, race, or  
5 disability status of the scholarship applicant or his or her  
6 parent.

7 m. Ensure that educational scholarships are provided  
8 only to students who would otherwise attend a failing school  
9 so that the student can attend a nonpublic school or a  
10 nonfailing public school.

11 (2) Financial accountability standards.

12 a. All scholarship granting organizations shall  
13 demonstrate their financial accountability by doing all of the  
14 following:

15 1. Annually submitting to the Department of Revenue  
16 a financial information report for the scholarship granting  
17 organization that complies with uniform financial accounting  
18 standards established by the Department of Revenue and  
19 conducted by a certified public accountant.

20 2. Having the auditor certify that the report is  
21 free of material misstatements.

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

1           1. Filing with the scholarship granting organization  
2 before the start of the school year a surety bond payable to  
3 the scholarship granting organization in an amount equal to  
4 the aggregate amount of contributions expected to be received  
5 during the school year.

6           2. Filing with the scholarship granting organization  
7 before the start of the school year financial information that  
8 demonstrates the financial viability of the participating  
9 nonpublic school.

10           (c) (1) Each scholarship granting organization shall  
11 collect written verification from participating nonpublic  
12 schools that accept its educational scholarship students that  
13 those schools do all of the following:

14           a. Comply with all health and safety laws or codes  
15 that otherwise apply to nonpublic schools.

16           b. Hold a valid occupancy permit if required by the  
17 municipality.

18           c. Certify compliance with nondiscrimination  
19 policies set forth in 42 USC 1981.

20           d. Conduct criminal background checks on employees  
21 and then do all of the following:

22           1. Exclude from employment any person not permitted  
23 by state law to work in a public school.

24           2. Exclude from employment any person who may  
25 reasonably pose a threat to the safety of students.



1           (2) Academic accountability standards. There shall  
2 be sufficient information about the academic impact  
3 educational scholarship tax credits have on participating  
4 students in order to allow parents and taxpayers to measure  
5 the achievements of the tax credit scholarship program, and  
6 therefore:

7           a. Each scholarship granting organization shall  
8 ensure that participating schools that accept its educational  
9 scholarship shall do all of the following:

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

16           2. Allow costs of the testing requirements to be  
17 covered by the educational scholarships distributed by the  
18 scholarship granting organizations.

19           3. Provide the parents of each student who was  
20 tested with a copy of the results of the tests on an annual  
21 basis, beginning with the first year of testing.

22           4. Provide the test results to the Department of  
23 Revenue or an organization chosen by the state on an annual  
24 basis, beginning with the first year of testing.

1           5. Report student information that allows the state  
2 to aggregate data by grade level, gender, family income level,  
3 and race.

4           6. Provide graduation rates of those students  
5 benefitting from education scholarships to the Department of  
6 Revenue or an organization chosen by the state in a manner  
7 consistent with nationally recognized standards.

8           b. The Department of Revenue or an organization  
9 chosen by the Department of Revenue shall do all of the  
10 following:

11           1. Ensure compliance with all student privacy laws.

12           2. Collect all test results.

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

19           (d) (1) The Department of Revenue shall adopt rules  
20 and procedures consistent with this section as necessary to  
21 implement the tax credit scholarship program.

22           (2) The Department of Revenue shall provide a  
23 standardized format for a receipt to be issued by a  
24 scholarship granting organization to a taxpayer to indicate  
25 the value of a contribution received. The Department of

1 Revenue shall require a taxpayer to provide a copy of the  
2 receipt when claiming the tax credit pursuant to this section.

3 (3) The Department of Revenue shall provide a  
4 standardized format for a scholarship granting organization to  
5 report the information required in paragraph j. of subdivision  
6 (1) of subsection (b).

7 (4) The Department of Revenue may conduct either a  
8 financial review or audit of a scholarship granting  
9 organization if possessing evidence of fraud.

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

16 (6) If the Department of Revenue decides to bar a  
17 scholarship granting organization from the tax credit  
18 scholarship program, the Department of Revenue shall notify  
19 affected educational scholarship students and their parents of  
20 the decision as quickly as possible.

21 (7) The Department of Revenue shall publish and  
22 routinely update, on the website of the department, a list of  
23 scholarship granting organizations in the state, by county.

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

1           (2) All schools participating in the tax credit  
2 scholarship program shall comply with all state laws that  
3 apply to public schools regarding criminal background checks  
4 for employees and exclude from employment any person not  
5 permitted by state law to work in a public school.

6           (f) The tax credit provided in this section may be  
7 first claimed for the 2013 tax year.

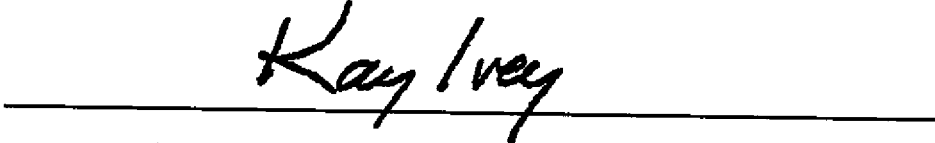
8           Section 10. The provisions of this act are  
9 severable. If any part of this act is declared invalid or  
10 unconstitutional, that declaration shall not affect the part  
11 which remains.

12           Section 11. This act shall become effective  
13 immediately following its passage and approval by the  
14 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 14-FEB-13, as amended.

Jeff Woodard  
Clerk

Senate	28-FEB-13	Amended and Passed
House	28-FEB-13	Passed, as amended by Conference Committee Report
Senate	28-FEB-13	Passed, as amended by Conference Committee Report

APPROVED \_\_\_\_\_

TIME March 14, 2013 10:53 Am

Robert Bentley  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2013-64  
Bill Num...: H-84

NSOR  
acher  
SPONSORS

HOUSE ACTION

I HEREBY CERTIFY THAT THE  
RESOLUTION AS REQUIRED IN  
SECTION C OF ACT NO. 81-889  
WAS ADOPTED AND IS ATTACHED  
TO THE BILL, H.B. 84

YEAS 43 NAYS 24

JEFF WOODARD, Clerk

I HEREBY CERTIFY THAT THE  
NOTICE & PROOF IS ATTACHED  
TO THE BILL, H.B. \_\_\_\_\_  
AS REQUIRED IN THE GENERAL  
ACTS OF ALABAMA, 1975 ACT NO.  
919.

JEFF WOODARD, Clerk

CONFERENCE COMMITTEE

House Conferees \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SENATE ACTION

DATE: 2-19 2003

RD 1 RFD 50

This Bill was referred to the Standing  
Committee of the Senate on  
EDUCATION  
and was acted upon by such Committee in  
session and is by order of the Committee  
returned therefrom with a favorable report  
w/amend(s) 0 w/sub 0 by a vote of  
yeas 5 nays 3 abstain 1  
this 20th day of FEBRUARY 2003  
Patrick Harris Chairperson

DATE: \_\_\_\_\_ 20\_\_\_\_

RF F-AJ RD 2 CAL

DATE: \_\_\_\_\_ 20\_\_\_\_

RE-REFERRED  RE-COMMITTED

Committee \_\_\_\_\_

I hereby certify that the Resolution as  
required in Section C of Act No. 81-889  
was adopted and is attached to the Bill,  
HB 84

YEAS 23 NAYS 7

PATRICK HARRIS,  
Secretary