

**810-3-61-.05 Annual Report Of Scholarship Granting
Organizations (SGOs).**

(1) Scope. Act 2013-64, as amended by Acts 2013-265 and 2015-434, provides for SGOs to report publicly certain information to the Department of Revenue in connection with its educational scholarship funded. This rule prescribes the required information and dates of submission.

(a) An SGO shall, by the 15th day after the close of each calendar quarter, file a report with the Department of Revenue containing the following information about educational scholarships granted during the quarter:

1. The total number of scholarships awarded and funded.
2. The total dollar amount of scholarships awarded and funded.
3. The name of each qualifying school that received scholarship funding, the total amount of scholarship funds paid to each qualifying school, and the total number of scholarship recipients enrolled in each qualifying school.
4. The total number of eligible students zoned to attend a failing school who received educational scholarships from the SGO's.
5. The total number of first time scholarship recipients.
6. The total number of first time scholarship recipients who were continuously enrolled in a nonpublic school prior to receiving an educational scholarship from the SGO.
7. The total number of first time scholarship recipients who were continuously enrolled in a public school prior to receiving an educational scholarship from the SGO.

(b) An SGO shall, by September 1 of each calendar year, file a report containing the following information about educational scholarships granted during the previous academic year:

1. The name and address of the SGO.
2. The total number and total dollar amount of donations received the previous academic year. The actual individual donors and the amounts of their donations must be entered into the Department's system by the SGO as required by Rule 810-3-61-.04.

3. The total number and total dollar amount of educational scholarships awarded and funded the previous academic year.

4. The total number and total dollar amount of educational scholarships awarded and funded during the previous academic year to students qualifying for the federal free and reduced-price lunch program.

5. The percentage of first-time scholarship recipients during the year who were enrolled in public school for the entire previous academic school year.

6. The percentage of first-time scholarship recipients during the year who were enrolled in nonpublic school for the entire previous academic school year.

7. A schedule reporting the following information for each student awarded an educational scholarship from the SGO [This information will not be made public.]:

- (i) The name and identifying information of the student,
- (ii) The amount of the educational scholarship awarded for the student during the academic year,
- (iii) The nonfailing or nonpublic school to which the scholarship grant was paid,
- (iv) The name of the failing public school to which the student was assigned,
- (v) The dates of the academic year for which the student was first awarded an educational scholarship under the tax credit program,
- (vi) Whether the student was enrolled in a public or nonpublic school during the entire previous school year. Students enrolled in a public school as well as nonpublic school for a portion of the previous school year, should not be listed as being enrolled in either public or nonpublic school for the year. If the student was less than school age during the prior school year, the student should not be listed as being enrolled in either public or nonpublic school for the year,
- (vii) Whether the student qualified for the federal free and reduced-price lunch program.

8. A statement as to whether the SGO has received complaints of discrimination, and if so, a description of the action taken.

9. A copy of the required annual Form 990.

10. A statement confirming the SGO's policies and procedures rather than the schools accepting the scholarship funds determines the scholarship recipient's eligibility and that priority is given to eligible students zoned to attend a failing school.

11. A statement confirming that none of the SGO's policies or procedures restricts a parent's educational choice in qualifying schools , for example, by limiting or prohibiting enrollment of eligible students in a qualifying school if those eligible students received educational scholarships from other SGOs.

12. A statement confirming that the SGO has provided by August 15 of each year achievement test results to the Department of Revenue and the independent research organization selected by the Department of Revenue to analyze the test results required in paragraph (c) below.

13. A copy of written verification received from each nonpublic school that receives educational scholarships from the SGO is in compliance with the Alabama Child Protection Act of 1999.

14. A copy of written verification received from each nonpublic school that receives educational scholarships from the SGO that they are in compliance with all health and safety laws or codes that otherwise apply to nonpublic schools, hold a valid occupancy permit if required by the municipality, are in compliance with nondiscrimination policies set forth in 42 USC 1981, and conduct criminal background checks on employees to exclude from employment any person not permitted by state law to work in a public school or who may pose a threat to the safety of the students.

15. The aggregate amount of scholarship funds unexpended as of the end of the year.

16. A reconciliation of unexpended scholarship funds as of the beginning of the academic year to the amount held as of the end of the calendar year, as follows:

- (i) Unexpended scholarship funds, beginning of academic year 7/1,
- (ii) Plus, interest and revenue from investment of scholarship funds 7/1 – 12/31,
- (iii) Plus, scholarship donations received during the academic year 7/1 – 12/31,
- (iv) Less, actual scholarship grants paid during the academic year 7/1 – 12/31,
- (v) Less, allowable non-scholarship expenditures made during the academic year 7/1 – 12/31,
- (vi) Equals, unexpended scholarship funds, end of calendar year.

17. A reconciliation of unexpended scholarship funds as of the beginning of the calendar year to the amount held as of the end of the academic year, as follows:

- (i) Unexpended scholarship funds, beginning of calendar year 1/1,

- (ii) Plus, interest and revenue from investment of scholarship funds 1/1 – 6/30,
- (iii) Plus, scholarship donations received during the academic year 1/1 – 6/30,
- (iv) Less, actual scholarship grants paid during the academic year 1/1 – 6/30,
- (v) Less, allowable non-scholarship expenditures made during the academic year 1/1 – 6/30,
- (vi) Equals, unexpended scholarship funds, end of academic year.

(c) An SGO shall, by August 15 of each calendar year, submit the results of the annually administered state or nationally recognized achievement tests given by qualifying schools who receive scholarships in order to measure the success of the program to both the Department of Revenue and the independent research organization chosen by the Department of Revenue to analyze the test results.

1. Results should be provided in such a way as to aggregate the data by age, grade level, gender, family income level, race and number of years a scholarship recipient.

2. The independent research organization selected to analyze the results of the tests are required to report the findings on learning gains of scholarship students to the Department of Revenue every other year with the first biennial report due by September 1, 2016. This report shall also be submitted to the Senate Education Policy Committee and the Chair of the House Education Policy Committee.

Authors: Curtis Stewart, Neal Hearn
Statutory Authority: Code of Ala. 1975, §§40-2A-7(a)(5), 16-16D-1.
History: **New Rule:** Filed August 23, 2013, effective September 27, 2013. **Amended:** Filed November 30, 2015; effective January 4, 2016.