

106TH CONGRESS
1ST SESSION

H. R. 1538

To provide flexibility to certain local educational agencies that develop voluntary public and private parental choice programs under title VI of the Elementary and Secondary Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1999

Mr. ROGAN (for himself, Mr. SOUDER, Mr. PITTS, Ms. GRANGER, Mr. WAMP, Mr. MCINTOSH, and Mr. TIAHRT) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide flexibility to certain local educational agencies that develop voluntary public and private parental choice programs under title VI of the Elementary and Secondary Education Act of 1965.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Educational Opportu-
5 nities Act of 1999”.

1 **TITLE I—HELP SCHOLARSHIPS**

2 **SEC. 101. SHORT TITLE.**

3 This title may be cited as the “Helping Empower
4 Low-income Parents (HELP) Scholarships Amendments
5 of 1999”.

6 **SEC. 102. DEFINITIONS.**

7 Section 6003 of the Elementary and Secondary Edu-
8 cation Act of 1965 is amended—

9 (1) in the section heading, by striking “**DEFI-**
10 **NITION**” and inserting “**DEFINITIONS**”;

11 (2) by striking “(1)”, “(2)”, and “(3)”;

12 (3) in the matter proceeding subparagraph (A),
13 by striking “title the term” and inserting the fol-
14 lowing:

15 “title—

16 “(1) the term”;

17 (4) by striking the period at the end; and

18 (5) by adding at the end the following:

19 “(2) the term ‘poverty line’ means the poverty
20 line (as defined by the Office of Management and
21 Budget, and revised annually in accordance with sec-
22 tion 673(2) of the Community Services Block Grant
23 Act (42 U.S.C. 9902(2)) applicable to a family of
24 the size involved; and

1 “(3) the term ‘voluntary public and private pa-
2 rental choice program’ means a program that meets
3 the requirements of section 6301(b)(10), is author-
4 ized by State law, and includes 1 or more private
5 schools to allow low-income parents to choose the
6 appropriate school for their children.”.

7 **SEC. 103. FINDINGS.**

8 Congress finds the following:

9 (1) Congress strongly supports the efforts to
10 expand educational opportunities for low-income
11 families.

12 (2) The HELP Scholarships and the education
13 tax credit proposed under this Act are designed to
14 provide additional learning opportunities and tools
15 for individuals living in economically-disadvantaged
16 communities in a manner consistent with the edu-
17 cation flexibility initiatives already adopted by Con-
18 gress.

19 **SEC. 104. ALLOCATION TO LOCAL EDUCATIONAL AGEN-**
20 **CIES.**

21 Section 6102(a) of the Elementary and Secondary
22 Education Act of 1965 is amended to read as follows:

23 “(a) DISTRIBUTION RULE.—

24 “(1) STATE FUNDS.—

1 “(A) IN GENERAL.—Of the amount made
2 available to a State educational agency each fis-
3 cal year to carry out this title, the agency may
4 reserve for State programs—

5 “(i) not more than 10 percent; or

6 “(ii) in the case of a State that has in
7 effect a law that establishes a voluntary
8 public and private parental choice pro-
9 gram, not more than 25 percent.

10 “(B) LIMITATION ON USE OF CERTAIN RE-
11 SERVED AMOUNTS.—If a State educational
12 agency reserves under subparagraph (A) more
13 than 10 percent of amounts made available to
14 the agency for a fiscal year, the agency shall
15 use amounts in excess of 10 percent of amounts
16 so made available only for voluntary public and
17 private parental choice programs.

18 “(2) LOCAL FUNDS.—A State educational agen-
19 cy shall distribute amounts made available to the
20 agency under this title that are not reserved under
21 paragraph (1) to local educational agencies within
22 such State that are located in an area designated as
23 an empowerment zone or an enterprise community
24 under section 1391 of the Internal Revenue Code of
25 1986.

1 **SEC. 105. USES OF FUNDS.**

2 (a) STATE USES OF FUNDS.—Section 6201(a)(1) of
3 the Elementary and Secondary Education Act of 1965 is
4 amended—

5 (1) in subparagraph (C), by striking “and”
6 after the semicolon; and

7 (2) by inserting after subparagraph (C) the fol-
8 lowing:

9 “(D) establishing voluntary public and pri-
10 vate parental choice programs in accordance
11 with section 6301(b)(10); and”.

12 (b) LOCAL USES OF FUNDS.—Section 6301(b) of the
13 Elementary and Secondary Education Act of 1965 is
14 amended—

15 (1) in paragraph (8), by striking “and” after
16 the semicolon;

17 (2) in paragraph (9), by striking the period and
18 inserting “; and”; and

19 (3) by inserting after paragraph (9) the fol-
20 lowing:

21 “(10) voluntary public and private parental
22 choice programs that—

23 “(A) are located in an area designated as
24 an empowerment zone or an enterprise commu-
25 nity under section 1391 of the Internal Revenue
26 Code of 1986;

1 “(B) ensure that participation in such a
2 voluntary public and private parental choice
3 program is limited to families whose family in-
4 come does not exceed 185 percent of the pov-
5 erty line;

6 “(C) ensure that—

7 “(i) the maximum amount of a vol-
8 untary public and private parental choice
9 scholarship does not exceed the per pupil
10 expenditure of the local educational agency
11 in which an applicant for a voluntary pub-
12 lic and private parental choice scholarship
13 resides;

14 “(ii) the minimum amount of a vol-
15 untary public and private parental choice
16 scholarship is not less than 60 percent of
17 the per pupil expenditure of the local edu-
18 cational agency in which an applicant for
19 a voluntary public and private parental
20 choice scholarship resides or the cost of
21 tuition at a private school, whichever is
22 less;

23 “(D) ensure that for a private school,
24 which may include a religiously affiliated school,

1 choosing to participate in a voluntary public
2 and private parental choice program—

3 “(i) such a school is permitted to im-
4 pose the same academic requirements for
5 all students, including students selected for
6 a scholarship as provided under this para-
7 graph;

8 “(ii) receipt of funds under this title
9 is not conditioned with requirements or
10 regulations that preclude the use of such
11 funds for sectarian educational purposes or
12 require removal of religious art, icons,
13 scripture, or other symbols; and

14 “(iii) such a school is in compliance
15 with all State requirements applicable to
16 the operation of a private school that are
17 in effect in the year preceding the date of
18 the enactment of the Helping Empower
19 Low-income Parents (HELP) Scholarships
20 Amendments of 1997;

21 “(E) may allow State, local, and private
22 funds to be used for voluntary public and pri-
23 vate parental choice programs; and

24 “(F) ensure priority for students who were
25 enrolled in a public school in the school year

1 preceding the school year in which a voluntary
2 public and private parental choice school begins
3 operation.”.

4 **SEC. 106. EVALUATION.**

5 Part D of title VI of the Elementary and Secondary
6 Education Act of 1965 is amended—

7 (1) by adding at the end of section 6402 the
8 following new subsection:

9 “(j) APPLICATION.—This section shall not apply to
10 funds that a State or local educational agency uses to es-
11 tablish a voluntary public and private parental choice pro-
12 gram in accordance with section 6301(b)(10).”; and

13 (2) by adding at the end of such part the fol-
14 lowing new sections:

15 **“SEC. 6404. EVALUATION.**

16 “(a) ANNUAL EVALUATION.—

17 “(1) CONTRACT.—The Comptroller General of
18 the United States shall enter into a contract, with
19 an evaluating agency that has demonstrated experi-
20 ence in conducting evaluations, for the conduct of an
21 ongoing rigorous evaluation of the programs estab-
22 lished under section 6301(b)(10).

23 “(2) ANNUAL EVALUATION REQUIREMENT.—

24 The contract described in paragraph (1) shall re-
25 quire the evaluating agency entering into such con-

1 tract to evaluate annually each program established
2 under section 6301(b)(10) in accordance with the
3 evaluation criteria described in subsection (b) and
4 each such program that has applied for an education
5 flexibility waiver under section 6304.

6 “(3) TRANSMISSION.—The contract described
7 in paragraph (1) shall require the evaluating agency
8 entering into such contract to transmit to the Comp-
9 troller General of the United States the findings of
10 each annual evaluation under paragraph (1).

11 “(b) EVALUATION CRITERIA.—The Comptroller Gen-
12 eral of the United States, in consultation with the Sec-
13 retary, shall establish minimum criteria for evaluating
14 each program established under section 6301(b)(10). Such
15 criteria shall provide for—

16 “(1) a description of the implementation of
17 each program established under section 6301(b)(10)
18 and the program’s effects on all participants,
19 schools, and communities in the program area, with
20 particular attention given to the effect of parent par-
21 ticipation in the life of the school and the level of
22 parental satisfaction with the program; and

23 “(2) a comparison of the educational achieve-
24 ment of all students in the program area, including
25 a comparison between—

1 “(A) students receiving a voluntary public
2 and private parental choice scholarships under
3 section 6301(b)(10); and

4 “(B) students not receiving a voluntary
5 public and private parental choice scholarships
6 under such section.

7 “(c) EVALUATION FUNDS.—Pursuant to the author-
8 ity provided under section 14701, the Secretary shall re-
9 serve not more than 0.50 percent of the amount of funds
10 made available under section 6002 to carry out this sec-
11 tion. To determine the amount necessary for evaluation
12 purposes, the Secretary shall consider the prospective
13 scale and scope of the evaluation, including the number
14 of local educational agencies conducting voluntary public
15 and private choice programs.

16 **“SEC. 6405. APPLICABILITY.**

17 “(a) NOT SCHOOL AID.—Subject to subsection (b),
18 funds used under this title to establish a voluntary public
19 and private parental choice program shall be considered
20 assistance to the student and shall not be considered as
21 assistance to any school that chooses to participate in such
22 program.

23 “(b) NO FEDERAL CONTROL.—The Secretary is not
24 permitted to exercise any direction, supervision, or control
25 over curricula, program of instruction, administration, or

1 personnel of any school that chooses to participate in a
2 voluntary public and private choice program established
3 under 6309(b)(10).”.

4 **TITLE II—EDUCATION TAX** 5 **CREDIT**

6 **SEC. 201. SHORT TITLE.**

7 This title may be cited as the “Children’s Education
8 Tax Credit Act”.

9 **SEC. 202. CREDIT FOR EDUCATION EXPENSES.**

10 (a) IN GENERAL.—Subpart C of part IV of sub-
11 chapter A of chapter 1 of the Internal Revenue Code of
12 1986 (relating to refundable credits) is amended by redes-
13 ignating section 35 as section 36 and by inserting after
14 section 34 the following new section:

15 **“SEC. 35. EDUCATION EXPENSES.**

16 “(a) GENERAL RULE.—In the case of an individual,
17 there shall be allowed as a credit against the tax imposed
18 by this subtitle for the taxable year the amount of the
19 qualified education expenses paid by the taxpayer during
20 the taxable year for the education of any individual with
21 respect to whom the taxpayer is allowed a deduction under
22 section 151(c).

23 “(b) LIMITATION.—The amount allowed as a credit
24 under subsection (a) for any taxable year with respect to

1 the qualified education expenses of any 1 individual shall
2 not exceed \$1,000.

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFIED EDUCATION EXPENSES.—

5 “(A) IN GENERAL.—The term ‘qualified
6 education expenses’ means amounts paid for—

7 “(i) tuition and fees required for the
8 enrollment or attendance of a student at
9 an eligible zone educational institution, and

10 “(ii) fees, tutoring, books, supplies,
11 computer equipment (including related
12 software and services) and other equip-
13 ment required for courses of instruction at
14 an eligible zone educational institution.

15 “(B) MEALS AND LODGING EXPENSES NOT
16 INCLUDED.—Such term does not include any
17 amount paid, directly or indirectly, for meals,
18 lodging, or similar personal, living, or family ex-
19 penses. In the event an amount paid for tuition
20 or fees includes an amount for meals, lodging,
21 or similar expenses which is not separately stat-
22 ed, the portion of such amount which is attrib-
23 utable to meals, lodging, or similar expenses
24 shall be determined under regulations pre-
25 scribed by the Secretary.

1 “(C) SPECIAL RULE FOR HOME SCHOOL-
2 ING.—In the case of education furnished in the
3 home (as a substitute for public education)
4 which meets the requirements of State law re-
5 lating to compulsory school attendance, the
6 term ‘qualified education expenses’ means
7 amounts paid for tutoring, books, supplies,
8 computer equipment (including related software
9 and services), and other equipment used in fur-
10 nishing such education.

11 “(2) ELIGIBLE ZONE EDUCATIONAL INSTITU-
12 TION.—

13 “(A) IN GENERAL.—The term ‘eligible
14 zone educational institution’ means any school
15 described in subparagraph (B) which is located
16 in an area designated as an empowerment zone
17 or an enterprise community under section 1391.

18 “(B) SCHOOLS DESCRIBED.—A school de-
19 scribed in this subparagraph is any of the fol-
20 lowing:

21 “(i) A secondary school.

22 “(ii) An elementary school.

23 “(ii) Any private, parochial, religious,
24 or home school organized for the purpose

1 of providing elementary or secondary edu-
2 cation, or both.

3 “(3) ELEMENTARY AND SECONDARY
4 SCHOOLS.—The terms ‘elementary school’ and ‘sec-
5 ondary school’ have the respective meanings given
6 such terms by section 14101 of the Elementary and
7 Secondary Education Act of 1965.

8 “(d) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.—
9 The amounts otherwise taken into account under sub-
10 section (a) as qualified education expenses of any indi-
11 vidual during any period shall be reduced (before the ap-
12 plication of subsection (b)) by the sum of the amounts
13 received with respect to such individual for the taxable
14 year as a qualified scholarship which under section 117
15 is not includable in gross income.

16 “(e) REGULATIONS.—The Secretary shall prescribe
17 such regulations as may be necessary to carry out the pro-
18 visions of this section.”

19 (b) TECHNICAL AMENDMENTS.—

20 (1) Paragraph (2) of section 1324(b) of title
21 31, United States Code, is amended by striking “or”
22 after “1978,” and by inserting before the period “,
23 or enacted by the Children’s Education Tax Credit
24 Act”.

1 (2) The table of sections for subpart C of part
2 IV of subchapter A of chapter 1 of such Code is
3 amended by striking the last item and inserting the
4 following new items:

 “Sec. 35. Education expenses.
 “Sec. 36. Overpayments of tax.”

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.

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