

106TH CONGRESS  
1ST SESSION

# S. 1719

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.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 12, 1999

Mr. HUTCHINSON (for himself, Mr. SANTORUM, Mr. ABRAHAM, Mr. COVERDELL, Mr. MCCAIN, Mr. DEWINE, Mrs. HUTCHISON, and Mr. BROWNBACK) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## 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. FINDINGS.**

7       Congress finds the following:

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

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

## 18   **SEC. 103. DEFINITIONS.**

19      Section 6003 of the Elementary and Secondary Edu-  
20      cation Act of 1965 (20 U.S.C. 7303) is amended—

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

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

1 (3) in the matter proceeding subparagraph (A),  
 2 by striking “title the term” and inserting the fol-  
 3 lowing: “title—

4 “(1) the term”;

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

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

7 “(2) the term ‘poverty line’ means the poverty  
 8 line (as defined by the Office of Management and  
 9 Budget, and revised annually in accordance with sec-  
 10 tion 673(2) of the Community Services Block Grant  
 11 Act (42 U.S.C. 9902(2)) applicable to a family of  
 12 the size involved; and

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

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

21 Subsection (a) of section 6102 of the Elementary and  
 22 Secondary Education Act of 1965 (20 U.S.C. 7312(a)) is  
 23 amended to read as follows:

24 “(a) DISTRIBUTION RULE.—

25 “(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 (20  
 4 U.S.C. 7331(a)(1)) is amended—

5 (1) in subparagraph (B), 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 (20  
 14 U.S.C. 7351) is 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; and

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 (20 U.S.C. 7371 et seq.) is  
 7 amended—

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

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

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

16 **“SEC. 6404. EVALUATION.**

17 “(a) ANNUAL EVALUATION.—

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

24 “(2) ANNUAL EVALUATION REQUIREMENT.—

25 The contract described in paragraph (1) shall re-



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

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

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

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

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

4                   “(A) students receiving a voluntary public  
5                   and private parental choice scholarships under  
6                   section 6301(b)(10); and

7                   “(B) students not receiving a voluntary  
8                   public and private parental choice scholarships  
9                   under such section.

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

19          **“SEC. 6405. APPLICABILITY.**

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

1 “(b) NO FEDERAL CONTROL.—The Secretary is not  
 2 permitted to exercise any direction, supervision, or control  
 3 over curricula, program of instruction, administration, or  
 4 personnel of any school that chooses to participate in a  
 5 voluntary public and private choice program established  
 6 under 6309(b)(10).”.

## 7 **TITLE II—EDUCATION TAX** 8 **CREDIT**

### 9 **SEC. 201. SHORT TITLE.**

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

### 12 **SEC. 202. CREDIT FOR EDUCATION EXPENSES.**

13 (a) IN GENERAL.—Subpart C of part IV of sub-  
 14 chapter A of chapter 1 of the Internal Revenue Code of  
 15 1986 (relating to refundable credits) is amended by redes-  
 16 ignating section 35 as section 36 and by inserting after  
 17 section 34 the following new section:

#### 18 **“SEC. 35. EDUCATION EXPENSES.**

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

1       “(b) LIMITATION.—The amount allowed as a credit  
 2 under subsection (a) for any taxable year with respect to  
 3 the qualified education expenses of any 1 individual shall  
 4 not exceed \$1,000.

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

6           “(1) QUALIFIED EDUCATION EXPENSES.—

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

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

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

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

1 shall be determined under regulations pre-  
 2 scribed by the Secretary.

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

13 “(2) ELIGIBLE ZONE EDUCATIONAL INSTITU-  
 14 TION.—

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

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

23 “(i) A secondary school.

24 “(ii) An elementary school.

1                   “(iii) Any private, parochial, religious,  
 2                   or home school organized for the purpose  
 3                   of providing elementary or secondary edu-  
 4                   cation, or both.

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

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

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

21                  (b) TECHNICAL AMENDMENTS.—

22                       (1) Paragraph (2) of section 1324(b) of title  
 23       31, United States Code, is amended by striking “or”  
 24       after “1978,” and by inserting before the period “,

1 or enacted by the Children’s Education Tax Credit  
2 Act”.

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

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

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

○