MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1841

H.P. 1173

House of Representatives, April 27, 2023

An Act to Establish the Hope and Inclusion Scholarship Program

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

ROBERT B. HUNT

R(+ B. Hunt

Clerk

Presented by Representative BAGSHAW of Windham.
Cosponsored by Senator STEWART of Aroostook and
Representatives: ANDREWS of Paris, HENDERSON of Rumford, JAVNER of Chester,
PERKINS of Dover-Foxcroft, RISEMAN of Harrison, RUDNICKI of Fairfield, Senators:
BRAKEY of Androscoggin, LIBBY of Cumberland.

1	Be it enacted by the People of the State of Maine as follows:			
2	Sec. 1. 5 MRSA §12004-C, sub-	§10 is enacted to read:		
3	<u>10.</u>			
4 5	Hope and Inclusion Scholarship Board	Expenses Only, Public Members	20-A MRSA §6997	
6	Sec. 2. 20-A MRSA c. 233 is enacted to read:			
7	CHAPTER 233			
8	HOPE AND INCLUSION SCHOLARSHIP PROGRAM			
9	§6997. Hope and Inclusion Scholarship Program			
10 11	The Hope and Inclusion Scholarship Program is established to provide hope accounts for qualifying expenses in accordance with this chapter.			
12 13	1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.			
14 15	A. "Board" means the Hope and Inclusion Scholarship Board established in subsection <u>2.</u>			
16 17	B. "Hope account" means an account established under the program to be used for qualifying expenses in accordance with this chapter.			
18 19	C. "Program" means the Hope and Inclusion Scholarship Program established in this chapter.			
20 21	D. "Public school" means a school administrative unit or a public charter school authorized under chapter 112.			
22 23	E. "Qualified school" means a private school approved for attendance purposes pursuant to chapter 117.			
24	F. "Qualified student" means a person enrolled in and attending a qualified school.			
25 26	G. "Qualifying expense" means an expense incurred in direct connection with attendance at a qualified school.			
27 28 29	2. Hope and Inclusion Scholarship Board. The Hope and Inclusion Scholarship Board, as established in Title 5, section 12004-C, subsection 10, is established to administer the program in accordance with this chapter.			
30	A. The board is composed of the following 9 members:			
31	(1) The Treasurer of State, who serves as the chair of the board;			
32	(2) The State Auditor or the State Auditor's designee;			
33	(3) The Attorney General;			
34	(4) The Commissioner of Education;			
35	(5) The Chancellor of the University	(5) The Chancellor of the University of Maine System;		

1 (6) One of the chairs of the Permanent Commission on the Status of Racial, 2 Indigenous and Tribal Populations, as established in Title 5, section 12004-J, 3 subsection 19, selected by the commission; and 4 (7) Three residents of the State who have children who have not attained 21 years 5 of age, appointed for 3-year terms by the Governor. 6 B. The board, with the assistance of the department, shall administer the program in 7 accordance with this chapter. 8 C. The board may take all actions necessary to successfully administer the program in 9 accordance with applicable laws, including but not limited to executing contracts, 10 employing personnel, engaging the services of private consultants, actuaries, auditors, 11 counsel or managers and adopting rules necessary to administer the program. 12 **3. Establish hope accounts.** The board shall establish hope accounts as follows. 13 The board by rule shall establish an application process for a parent or legal 14 guardian of a qualified student to request the establishment of a hope account. The 15 board: 16 (1) May establish a hope account for a qualified student only if the qualified 17 student will be receiving education provided by a qualified school; and 18 (2) May establish a hope account for a qualified student who will be receiving 19 education provided by a qualified school but who will receive some education 20 through a public school as long as the majority of the qualified student's education 21 is being provided by a qualified school. 22 B. The board may authorize private financial management entities to manage hope 23 accounts established under this subsection and may establish reasonable fees for 24 services that a private financial management entity may charge to a hope account. 25 4. Renewal, carryover and closure. The board may annually renew a hope account 26 and deposit funds into the hope account if the parent or legal guardian of a qualified student 27 at whose request a hope account was established under subsection 3 applies for a renewal 28 and the board finds that the requirements of this subsection and rules adopted under this 29 chapter have been met. 30 A. Unspent funds in a hope account that is renewed remain in the hope account and 31 may be used in accordance with this chapter. 32 B. To qualify for a renewal of an account, the qualified student must: 33 (1) Be a resident of this State; 34 (2) Have not attained 21 years of age; 35 (3) Have not successfully completed a secondary education; and 36 (4) If enrolled with a qualified school, have met the educational standards and 37 requirements of that qualified school and be in good standing, as demonstrated by 38 certification from the qualified school, except that, if the qualified student is in an individualized instructional program, the qualified student must have met 39 40 minimum educational standards established by the department by rule either by 41 achieving specified results on nationally normed standardized achievement tests or 42 by certification by a certified teacher.

C. If a parent or legal guardian of a qualified student at whose request a hope account was established does not apply for a renewal or the board finds that the requirements of this section or rules adopted under this chapter have not been met, the board shall close the hope account and provide all funds in the hope account to the State Controller, who shall transfer them to the unappropriated surplus of the General Fund.

5. Funding and oversight. The board shall oversee hope accounts as follows.

- A. Each year, the board shall direct the department to deposit into each active hope account 90% of the state subsidy attributable to the qualified student for whom the hope account is established that would otherwise have been provided to the qualified student's school administrative unit under chapter 606-B. The department shall also direct that school administrative unit to deposit into the hope account 90% of the school administrative unit's required contribution to the unit's total cost of education attributable to that qualified student. The department shall calculate these amounts and shall allocate the state funds to the extent possible in a manner consistent with the schedules applicable to state subsidy payments pursuant to section 15689-B. New funds may not be deposited in a hope account after the qualified student graduates from high school.
- B. The board may receive for and use to pay the costs of administering this chapter up to 3% of the state subsidy, as defined in section 15672, subsection 31-A, attributable to the qualified student for whom a hope account is established.
- C. The board shall establish and administer a hope account in a manner that allows the parent or legal guardian of the qualified student for whom the hope account is established to expend funds in the account only for the following qualifying expenses, and the parent or legal guardian may use funds in the hope account only to pay for the following qualifing expenses:
 - (1) Services provided by a public school, including but not limited to individual classes, extracurricular or after-school activities and programs and summer educational programs;
 - (2) Tuition or fees at a qualified school;

- (3) Textbooks required by a qualified school;
- (4) Basic educational supplies, including but not limited to paper, writing implements and computer hardware and technological devices primarily used for an educational purpose. For the purpose of this subparagraph, "computer hardware and technological devices" includes calculators, personal computers, laptops, tablet devices, microscopes, telescopes and printers and does not include entertainment and other primarily noneducational devices such as televisions, telephones, video game consoles and accessories and home theater and audio equipment;
- (5) Tutoring or teaching services provided by an individual or a facility accredited by a state, regional or national accrediting organization;
- (6) Curricula and supplementary materials;
- (7) Tuition or fees for a private online learning program;

- 1 (8) Fees for a nationally standardized norm-referenced achievement test, an
 2 advanced placement examination or any exams related to college or university
 3 admission;
 4 (9) Tuition or fees for a program of study or a curriculum of courses that lead to an
 - (9) Tuition or fees for a program of study or a curriculum of courses that lead to an industry-recognized credential that satisfies a workforce need, as determined by the department by rule;
 - (10) Tuition, fees and materials for enrollment in dual credit or college-level courses;
 - (11) Fees to manage the hope account;
 - (12) Educational services and therapies, including but not limited to occupational, behavioral, physical, speech-language and audiology therapies;
 - (13) Uniforms purchased through a qualified school; and
 - (14) Public transportation services.

- D. The board shall review all expenditures from hope accounts to ensure that they are in accordance with the requirements of this subsection and rules adopted under this chapter. If at any time the board finds that expenditures from a hope account are not in accordance with the requirements of this subsection or rules adopted under this chapter, the board shall notify the parent or legal guardian of the qualified student for whom the hope account is established and if, after an opportunity for hearing, the department determines that there was in fact a misuse of the funds, the board shall close the hope account and provide all funds in the hope account to the State Controller, who shall transfer them to the unappropriated surplus of the General Fund.
- 6. Rules. The board shall adopt rules necessary to implement this chapter. Rules adopted by the board pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 3. 20-A MRSA §15689, sub-§17 is enacted to read:

17. Adjustment for hope accounts. The commissioner shall reduce the state share of the total allocation to a school administrative unit in any year in which one or more hope accounts under section 6997 are established for children within that school administrative unit. The amount of the reduction must equal the total state subsidy that is attributable to all children in that school administrative unit for whom hope accounts have been established, as determined by the department pursuant to section 6997.

33 SUMMARY

This bill establishes the Hope and Inclusion Scholarship Program administered by the Hope and Inclusion Scholarship Board. The board is directed to establish hope accounts that may be used by the parents or legal guardians of qualified students to pay for the education of those students enrolled in private schools. The funding for these hope accounts comes from shifting 90% of the essential programs and services funding that would otherwise be provided by the State and by the school administrative unit for each qualified student into a hope account. The bill specifies which educational expenditures are permitted and provides for review of spending from the accounts.