

Senate Engrossed House Bill
scholarships; requirements; foster care students

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2095

AN ACT

AMENDING SECTIONS 43-1504 AND 43-1603, ARIZONA REVISED STATUTES; RELATING
TO SCHOOL TUITION ORGANIZATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1504, Arizona Revised Statutes, is amended to
3 read:

4 43-1504. Special provisions; corporate donations for
5 low-income scholarships; rules

6 A. A school tuition organization that receives contributions from a
7 corporation for the purposes of section 20-224.06 or 43-1183 must use at
8 least ninety percent of those contributions to provide educational
9 scholarships or tuition grants only to children whose family income does
10 not exceed one hundred eighty-five percent of the income limit required to
11 qualify a child for reduced-price lunches under the national school lunch
12 and child nutrition acts (42 United States Code sections 1751 through
13 1793) and to whom any of the following applies:

14 1. Attended a governmental primary or secondary school as a
15 full-time student as defined in section 15-901 or attended a preschool
16 program that offers services to students with disabilities at a
17 governmental school for at least ninety days of the prior fiscal year or
18 one full semester and transferred from a governmental school to a
19 qualified school.

20 2. Enroll in a qualified school in a kindergarten program or a
21 preschool program that offers services to students with disabilities.

22 3. Are the dependent of a member of the armed forces of the United
23 States who is stationed in this state pursuant to military orders.

24 4. Are homeschooled before enrolling in a qualified school.

25 5. Moved to this state from out of state before enrolling in a
26 qualified school.

27 6. Participated in an Arizona empowerment scholarship account and
28 did not renew the account or accept the scholarship in order to accept a
29 scholarship or tuition grant under this section.

30 7. ARE PLACED IN FOSTER CARE PURSUANT TO TITLE 8, CHAPTER 4 AT ANY
31 TIME BEFORE THE STUDENT GRADUATES FROM HIGH SCHOOL OR OBTAINS A GENERAL
32 EQUIVALENCY DIPLOMA AND WHO MEET ALL OF THE FOLLOWING CRITERIA:

33 (a) ARE UNABLE TO ATTEND A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL
34 AS A FULL-TIME STUDENT AS DEFINED IN SECTION 15-901. FOR THE PURPOSES OF
35 THIS SUBDIVISION, "UNABLE TO ATTEND" MEANS THE STUDENT HAS BEEN EXPELLED
36 OR ASKED NOT TO RETURN DUE TO THE STUDENT'S BEHAVIOR OR THE SCHOOL IS NOT
37 ABLE TO PROVIDE NECESSARY SERVICES TO THE STUDENT.

38 (b) HAVE NOT ATTENDED A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL AS
39 A FULL-TIME STUDENT AS DEFINED IN SECTION 15-901 FOR AT LEAST NINETY DAYS
40 OF THE PRIOR FISCAL YEAR OR ONE FULL SEMESTER BEFORE ENROLLING IN A
41 QUALIFIED SCHOOL.

42 (c) THE QUALIFIED SCHOOL IN WHICH THE STUDENTS ARE ENROLLING IS
43 ONLY CONSIDERED BECAUSE A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL CANNOT
44 MEET THE STUDENTS' UNIQUE NEEDS, SUCH AS SEVERE MEDICAL OR BEHAVIORAL
45 NEEDS THAT REQUIRE SPECIALIZED PROGRAMS.

1 (d) ARE UNABLE TO RECEIVE OTHER SCHOLARSHIPS OR TUITION GRANTS
2 UNDER THIS CHAPTER OR CHAPTER 15 OF THIS TITLE IN AN AMOUNT THAT IS EQUAL
3 TO THE COST OF TUITION TO ATTEND THE QUALIFIED SCHOOL.

4 ~~7.~~ 8. Received an educational scholarship or tuition grant under
5 paragraph 1, 2, 3, 4, 5, ~~or~~ 6 OR 7 of this subsection or chapter 16,
6 article 1 of this title if the children continue to attend a qualified
7 school in a subsequent year.

8 B. A child is eligible to receive an educational scholarship or
9 tuition grant under subsection A of this section if the child meets the
10 criteria to receive a reduced-price lunch but does not actually claim that
11 benefit.

12 C. In 2021, a school tuition organization shall not issue an
13 educational scholarship or a tuition grant for the purposes of section
14 20-224.06 or 43-1183 in an amount that exceeds \$5,600 for students who are
15 in a kindergarten program, a preschool program that offers services to
16 students with disabilities or grades one through eight or \$7,500 for
17 students who are in grades nine through twelve. In each year after 2021,
18 the limit amount for a scholarship or a grant under this subsection shall
19 be increased by \$200.

20 D. A school tuition organization shall require that student
21 beneficiaries use the educational scholarships or tuition grants on a
22 full-time basis. If a child leaves the school before completing an entire
23 school year, the school shall refund a prorated amount of the educational
24 scholarship or tuition grant to the school tuition organization that
25 issued the scholarship or grant. The school tuition organization shall
26 allocate any refunds it receives under this subsection for educational
27 scholarships or tuition grants.

28 E. Students who receive an educational scholarship or tuition grant
29 under this section shall be allowed to attend any qualified school of
30 their parents' choice.

31 F. The department of revenue, with the cooperation of the
32 department of insurance and financial institutions, shall adopt rules and
33 publish and prescribe forms and procedures necessary to administer this
34 section.

35 Sec. 2. Section 43-1603, Arizona Revised Statutes, is amended to
36 read:

37 43-1603. Operational requirements for school tuition
38 organizations; notice; qualified schools

39 A. A certified school tuition organization must be established to
40 receive contributions from taxpayers for the purposes of income tax
41 credits under sections 43-1089 and 43-1089.03 and to pay educational
42 scholarships or tuition grants to allow students to attend any qualified
43 school of their parents' choice.

44 B. To be eligible for certification and retain certification, the
45 school tuition organization:

1 E. A taxpayer's contribution to a school tuition organization that
2 exceeds the amount of the credit allowed by section 43-1089 but does not
3 exceed the amount of the credit allowed by section 43-1089.03 is
4 considered a contribution pursuant to section 43-1089.03. A school
5 tuition organization must use at least ninety percent of contributions
6 made pursuant to section 43-1089.03 for educational scholarships or
7 tuition grants for students to whom any of the following applies:

8 1. Attended a governmental primary or secondary school as a
9 full-time student as defined in section 15-901 or attended a preschool
10 program that offers services to students with disabilities at a
11 governmental school for at least ninety days of the prior fiscal year and
12 transferred from a governmental school to a qualified school.

13 2. Enroll in a qualified school in a kindergarten program or a
14 preschool program that offers services to students with disabilities.

15 3. Are the dependent of a member of the armed forces of the United
16 States who is stationed in this state pursuant to military orders.

17 4. Are homeschooled before enrolling in a qualified school.

18 5. Moved to this state from out of state before enrolling in a
19 qualified school.

20 6. Participated in an Arizona empowerment scholarship account and
21 did not renew the account or accept the scholarship in order to accept a
22 scholarship or tuition grant under this section.

23 7. ARE PLACED IN FOSTER CARE PURSUANT TO TITLE 8, CHAPTER 4 AT ANY
24 TIME BEFORE THE STUDENT GRADUATES FROM HIGH SCHOOL OR OBTAINS A GENERAL
25 EQUIVALENCY DIPLOMA AND WHO MEET ALL OF THE FOLLOWING CRITERIA:

26 (a) ARE UNABLE TO ATTEND A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL
27 AS A FULL-TIME STUDENT AS DEFINED IN SECTION 15-901. FOR THE PURPOSES OF
28 THIS SUBDIVISION, "UNABLE TO ATTEND" MEANS THE STUDENT HAS BEEN EXPELLED
29 OR ASKED NOT TO RETURN DUE TO THE STUDENT'S BEHAVIOR OR THE SCHOOL IS NOT
30 ABLE TO PROVIDE NECESSARY SERVICES TO THE STUDENT.

31 (b) HAVE NOT ATTENDED A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL AS
32 A FULL-TIME STUDENT AS DEFINED IN SECTION 15-901 FOR AT LEAST NINETY DAYS
33 OF THE PRIOR FISCAL YEAR OR ONE FULL SEMESTER BEFORE ENROLLING IN A
34 QUALIFIED SCHOOL.

35 (c) THE QUALIFIED SCHOOL IN WHICH THE STUDENTS ARE ENROLLING IS
36 ONLY CONSIDERED BECAUSE A GOVERNMENTAL PRIMARY OR SECONDARY SCHOOL CANNOT
37 MEET THE STUDENTS' UNIQUE NEEDS, SUCH AS SEVERE MEDICAL OR BEHAVIORAL
38 NEEDS THAT REQUIRE SPECIALIZED PROGRAMS.

39 (d) ARE UNABLE TO RECEIVE OTHER SCHOLARSHIPS OR TUITION GRANTS
40 UNDER THIS CHAPTER OR CHAPTER 15 OF THIS TITLE IN AN AMOUNT THAT IS EQUAL
41 TO THE COST OF TUITION TO ATTEND THE QUALIFIED SCHOOL.

42 ~~7.~~ 8. Received an educational scholarship or tuition grant under
43 paragraph 1, 2, 3, 4, 5, ~~or~~ 6 OR 7 of this subsection or under chapter 15
44 of this title if the student continues to attend a qualified school in a
45 subsequent year.

1 F. In awarding educational scholarships or tuition grants from
2 contributions made pursuant to section 43-1089.03, a school tuition
3 organization shall give priority to students and siblings of students on a
4 waiting list for scholarships if the school tuition organization maintains
5 a waiting list.

6 G. If an individual educational scholarship or tuition grant
7 exceeds the school's tuition, the amount in excess shall be returned to
8 the school tuition organization that made the award or grant. The school
9 tuition organization may allocate the returned monies as a multiyear award
10 for that student and report the award pursuant to section 43-1604,
11 subsection A, paragraph 5, subdivision (b) or may allocate the returned
12 monies for educational scholarships or tuition grants for other students.