

107TH CONGRESS  
2D SESSION

# H. R. 5033

To provide scholarships for District of Columbia elementary and secondary students, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2002

Mr. ARMEY (for himself, Mr. LIPINSKI, Mr. BOEHNER, Mr. WATTS of Oklahoma, Mr. HOEKSTRA, Mr. SAM JOHNSON of Texas, Mr. SCHAFFER, Mr. COX, Mr. BURTON of Indiana, Mr. CRANE, Mr. FLAKE, Mr. MANZULLO, Mr. DAN MILLER of Florida, Mr. PITTS, Mr. SHADEGG, Mr. SHAYS, Mr. TIBERI, Mr. WALSH, Mr. WELLER, and Mr. WICKER) introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To provide scholarships for District of Columbia elementary and secondary students, and for other purposes.

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, FINDINGS, AND PRECEDENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “District of Columbia Student Opportunity Scholarship  
6 Act of 2002”.

7 (b) FINDINGS.—Congress makes the following find-  
8 ings:

1           (1) Public education in the District of Columbia  
2 is in a crisis, as evidenced by the following:

3           (A) The District of Columbia schools have  
4 the lowest average of any school system in the  
5 Nation on the National Assessment of Edu-  
6 cation Progress.

7           (B) 72 percent of fourth graders in the  
8 District of Columbia tested below basic pro-  
9 ficiency in reading on the National Assessment  
10 of Education Progress in 1998.

11          (C) According to the District of Columbia's  
12 own data, only 53 percent of District of Colum-  
13 bia public school students in the 10th grade are  
14 reading at or above the basic level.

15          (D) Only 28 percent of District of Colum-  
16 bia public school students in the 10th grade  
17 test at or above the basic level in mathematics.

18          (E) The National Education Goals Panel  
19 reported in 1996 that both students and teach-  
20 ers in District of Columbia schools are sub-  
21 jected to levels of violence that are twice the na-  
22 tional average.

23          (F) In 1999, nearly one in five District of  
24 Columbia high school students stated that, at  
25 some point in the preceding month, they felt too

1 unsafe to go to school, while nearly one out of  
2 every seven students admitted to bringing a  
3 weapon to school.

4 (G) Many of the District of Columbia's  
5 146 schools are in a state of terrible disrepair,  
6 including leaking roofs, bitterly cold classrooms,  
7 and numerous fire code violations.

8 (2) Significant improvements in the education  
9 of educationally deprived children in the District of  
10 Columbia can be accomplished by—

11 (A) increasing educational opportunities  
12 for the children by expanding the range of edu-  
13 cational choices that best meet the needs of the  
14 children;

15 (B) fostering diversity and competition  
16 among school programs for the children;

17 (C) providing the families of the children  
18 more of the educational choices already avail-  
19 able to affluent families; and

20 (D) enhancing the overall quality of edu-  
21 cation in the District of Columbia by increasing  
22 parental involvement in the direction of the  
23 education of the children.

24 (3) The 475 private schools in the District of  
25 Columbia and the surrounding area offer a safer and

1 more stable learning environment than many of the  
2 public schools.

3 (4) Costs are often much lower in private  
4 schools than corresponding costs in public schools.

5 (5) Not all children are alike and therefore  
6 there is no one school or program that fits the needs  
7 of all children.

8 (6) The formation of sound values and moral  
9 character is crucial to helping young people escape  
10 from lives of poverty, family breakup, drug abuse,  
11 crime, and school failure.

12 (7) In addition to offering knowledge and skills,  
13 education should contribute positively to the forma-  
14 tion of the internal norms and values which are vital  
15 to a child's success in life and to the well-being of  
16 society.

17 (8) Schools should help to provide young people  
18 with a sound moral foundation which is consistent  
19 with the values of their parents. To find such a  
20 school, parents need a full range of choices to deter-  
21 mine where their children can best be educated.

22 (c) PRECEDENTS.—The United States Supreme  
23 Court has determined that programs giving parents choice  
24 and increased input in their children's education, includ-  
25 ing the choice of a religious education, do not violate the

1 Constitution. The Supreme Court has held that as long  
2 as the beneficiary decides where education funds will be  
3 spent on such individual's behalf, public funds can be used  
4 for education in a religious institution because the public  
5 entity has neither advanced nor hindered a particular reli-  
6 gion, or religion in general, and therefore has not violated  
7 the establishment clause of the first amendment to the  
8 Constitution. Supreme Court precedents include the fol-  
9 lowing:

10           (1) *Wisconsin v. Yoder*, 406 U.S. 205 (1972),  
11           *Pierce v. Society of Sisters*, 268 U.S. 510 (1925),  
12           and *Meyer v. Nebraska*, 262 U.S. 390 (1923), which  
13           held that parents have the primary role in and are  
14           the primary decision makers in all areas regarding  
15           the education and upbringing of their children.

16           (2) *Mueller v. Allen*, 463 U.S. 388 (1983),  
17           which declared a Minnesota tax deduction program  
18           that provided State income tax benefits for edu-  
19           cational expenditures by parents, including tuition in  
20           religiously affiliated schools, does not violate the  
21           Constitution.

22           (3) *Witters v. Department of Services for the*  
23           *Blind*, 474 U.S. 481 (1986), in which the Supreme  
24           Court ruled unanimously that public funds for the

1 vocational training of the blind could be used at a  
2 Bible college for ministry training.

3 (4) *Zobrest v. Catalina Foothills School Dis-*  
4 *trict*, 509 U.S. 1 (1993), which held that a deaf  
5 child could receive an interpreter, paid for by the  
6 public, in a private religiously affiliated school under  
7 the Individuals with Disabilities Education Act (20  
8 U.S.C. 1400 et seq.). The case held that providing  
9 an interpreter in a religiously affiliated school did  
10 not violate the establishment clause of the first  
11 amendment of the Constitution.

12 **SEC. 2. DEFINITIONS.**

13 In this Act:

14 (1) The term “Board” means the Board of Di-  
15 rectors of the Corporation established under section  
16 3(b)(1).

17 (2) The term “Corporation” means the District  
18 of Columbia Scholarship Corporation established  
19 under section 3(a).

20 (3) The term “eligible institution”—

21 (A) in the case of an institution serving a  
22 student who receives a tuition scholarship under  
23 section 4(d)(1), means a public, private, or  
24 independent elementary or secondary school;  
25 and

1 (B) in the case of an institution serving a  
2 student who receives an enhanced achievement  
3 scholarship under section 4(d)(2), means an ele-  
4 mentary or secondary school or an entity that  
5 provides services to a student enrolled in an ele-  
6 mentary or secondary school to enhance such  
7 student's achievement through instruction de-  
8 scribed in section 4(d)(2).

9 (4) The term "parent" includes a legal guard-  
10 ian or other person standing in loco parentis.

11 (5) The term "poverty line" means the official  
12 poverty line, as established by the Director of the  
13 Office of Management and Budget and revised an-  
14 nually under section 673(2) of the Community Serv-  
15 ices Block Grant Act (42 U.S.C. 9902(2)), applica-  
16 ble to a family of the size involved.

17 **SEC. 3. DISTRICT OF COLUMBIA SCHOLARSHIP CORPORA-**  
18 **TION.**

19 (a) GENERAL REQUIREMENTS.—

20 (1) IN GENERAL.—There is authorized to be es-  
21 tablished a private, nonprofit corporation, to be  
22 known as the "District of Columbia Scholarship  
23 Corporation", which is neither an agency nor estab-  
24 lishment of the United States Government or the  
25 District of Columbia Government.

1           (2) DUTIES.—The Corporation shall have the  
2           responsibility and authority to administer, publicize,  
3           and evaluate the scholarship program in accordance  
4           with this Act, and to determine student and school  
5           eligibility for participation in such program.

6           (3) CONSULTATION.—The Corporation shall ex-  
7           ercise its authority—

8                   (A) in a manner consistent with maxi-  
9                   mizing educational opportunities for the max-  
10                  imum number of interested families; and

11                  (B) in consultation with the District of Co-  
12                  lumbia Board of Education or entity exercising  
13                  administrative jurisdiction over the District of  
14                  Columbia Public Schools, the Superintendent of  
15                  the District of Columbia Public Schools, and  
16                  other school scholarship programs in the Dis-  
17                  trict of Columbia.

18           (4) APPLICATION OF PROVISIONS.—The Cor-  
19           poration shall be subject to the provisions of this  
20           Act, and, to the extent consistent with this Act, to  
21           the District of Columbia Nonprofit Corporation Act  
22           (sec. 29–301.01 et seq., D.C. Official Code).

23           (5) RESIDENCE.—The Corporation shall have  
24           its place of business in the District of Columbia and

1 shall be considered, for purposes of venue in civil ac-  
2 tions, to be a resident of the District of Columbia.

3 (6) FUND.—There is established in the Treas-  
4 ury a fund that shall be known as the District of  
5 Columbia Scholarship Fund, to be administered by  
6 the Secretary of the Treasury.

7 (7) DISBURSEMENT.—The Secretary of the  
8 Treasury shall make available and disburse to the  
9 Corporation, before October 15 of each fiscal year or  
10 not later than 15 days after the date of enactment  
11 of an Act making appropriations for the District of  
12 Columbia for such year, whichever occurs later, such  
13 funds as have been appropriated to the District of  
14 Columbia Scholarship Fund for the fiscal year in  
15 which such disbursement is made.

16 (8) AVAILABILITY.—Funds authorized to be ap-  
17 propriated under this Act shall remain available  
18 until expended.

19 (9) USES.—Funds authorized to be appro-  
20 priated under this Act shall be used by the Corpora-  
21 tion in a prudent and financially responsible man-  
22 ner, solely for scholarships, contracts, and adminis-  
23 trative costs.

24 (10) AUTHORIZATION OF APPROPRIATIONS.—

1 (A) IN GENERAL.—There are authorized to  
2 be appropriated to the District of Columbia  
3 Scholarship Fund—

4 (i) \$7,000,000 for fiscal year 2003;

5 (ii) \$8,000,000 for fiscal year 2004;

6 and

7 (iii) \$10,000,000 for each of fiscal  
8 years 2005 through 2007.

9 (B) LIMITATION.—Not more than 7.5 per-  
10 cent of the amount appropriated to carry out  
11 this Act for any fiscal year may be used by the  
12 Corporation for salaries and administrative  
13 costs.

14 (b) ORGANIZATION AND MANAGEMENT; BOARD OF  
15 DIRECTORS.—

16 (1) BOARD OF DIRECTORS; MEMBERSHIP.—

17 (A) IN GENERAL.—The Corporation shall  
18 have a Board of Directors (hereinafter in this  
19 Act referred to as the “Board”), comprised of  
20 seven members, with six members of the Board  
21 appointed by the President not later than 30  
22 days after receipt of nominations from the  
23 Speaker of the House of Representatives and  
24 the President pro tempore of the Senate.

1           (B) HOUSE NOMINATIONS.—The President  
2 shall appoint three of the members from a list  
3 of nine individuals nominated by the Speaker of  
4 the House of Representatives in consultation  
5 with the minority leader of the House of Rep-  
6 resentatives.

7           (C) SENATE NOMINATIONS.—The Presi-  
8 dent shall appoint three members from a list of  
9 nine individuals nominated by the President pro  
10 tempore of the Senate in consultation with the  
11 minority leader of the Senate.

12           (D) DEADLINE.—The Speaker of the  
13 House of Representatives and Majority Leader  
14 of the Senate shall submit their nominations to  
15 the President not later than 30 days after the  
16 date of the enactment of this Act.

17           (E) APPOINTEE BY MAYOR.—The Mayor  
18 of the District of Columbia shall appoint one  
19 member of the Board not later than 60 days  
20 after the date of the enactment of this Act.

21           (F) POSSIBLE INTERIM MEMBERS.—If the  
22 President does not appoint the six members of  
23 the Board in the 30-day period described in  
24 subparagraph (A), then the Speaker of the  
25 House of Representatives and the President pro

1           tempore of the Senate shall each appoint two  
2           members of the Board, and the minority leader  
3           of the House of Representatives and the minor-  
4           ity leader of the Senate shall each appoint one  
5           member of the Board, from among the individ-  
6           uals nominated under subparagraphs (A) and  
7           (B), as the case may be. The appointees under  
8           the preceding sentence together with the ap-  
9           pointee of the Mayor of the District of Colum-  
10          bia, shall serve as an interim Board with all the  
11          powers and other duties of the Board described  
12          in this Act, until the President makes the ap-  
13          pointments as described in this subsection.

14           (2) POWERS.—All powers of the Corporation  
15          shall vest in and be exercised under the authority of  
16          the Board.

17           (3) ELECTIONS.—Members of the Board annu-  
18          ally shall elect one of the members of the Board to  
19          be the Chairperson of the Board.

20           (4) RESIDENCY.—All members appointed to the  
21          Board shall be residents of the District of Columbia  
22          at the time of appointment and while serving on the  
23          Board.

24           (5) NONEMPLOYEE.—No member of the Board  
25          may be an employee of the United States Govern-

1 ment or the District of Columbia Government when  
2 appointed to or during tenure on the Board, unless  
3 the individual is on a leave of absence from such a  
4 position while serving on the Board.

5 (6) INCORPORATION.—The members of the ini-  
6 tial Board shall serve as incorporators and shall take  
7 whatever steps are necessary to establish the Cor-  
8 poration under the District of Columbia Nonprofit  
9 Corporation Act (sec. 29–301.01 et seq., D.C. Offi-  
10 cial Code).

11 (7) GENERAL TERM.—The term of office of  
12 each member of the Board shall be 5 years, except  
13 that any member appointed to fill a vacancy occur-  
14 ring prior to the expiration of the term for which the  
15 predecessor was appointed shall be appointed for the  
16 remainder of such term.

17 (8) CONSECUTIVE TERM.—No member of the  
18 Board shall be eligible to serve in excess of two con-  
19 secutive terms of 5 years each. A partial term shall  
20 be considered as one full term. Any vacancy on the  
21 Board shall not affect the Board’s power, but shall  
22 be filled in a manner consistent with this Act.

23 (9) NO BENEFIT.—No part of the income or as-  
24 sets of the Corporation shall inure to the benefit of  
25 any Director, officer, or employee of the Corpora-

1 tion, except as salary or reasonable compensation for  
2 services.

3 (10) POLITICAL ACTIVITY.—The Corporation  
4 may not contribute to or otherwise support any po-  
5 litical party or candidate for elective public office.

6 (11) NOT OFFICERS OR EMPLOYEES.—The  
7 members of the Board shall not, by reason of such  
8 membership, be considered to be officers or employ-  
9 ees of the United States Government or of the Dis-  
10 trict of Columbia Government.

11 (12) STIPENDS.—The members of the Board,  
12 while attending meetings of the Board or while en-  
13 gaged in duties related to such meetings or other ac-  
14 tivities of the Board pursuant to this Act, shall be  
15 provided a stipend. Such stipend shall be at the rate  
16 of \$150 per day for which the member of the Board  
17 is officially recorded as having worked, except that  
18 no member may be paid a total stipend amount in  
19 any calendar year in excess of \$5,000.

20 (c) OFFICERS AND STAFF.—

21 (1) EXECUTIVE DIRECTOR.—The Corporation  
22 shall have an executive director, and such other  
23 staff, as may be appointed by the Board for terms  
24 and at rates of compensation, not to exceed level

1 EG-16 of the Educational Service of the District of  
2 Columbia, to be fixed by the Board.

3 (2) STAFF.—With the approval of the Board,  
4 the executive director may appoint and fix the salary  
5 of such additional personnel as the executive director  
6 considers appropriate.

7 (3) ANNUAL RATE.—No staff of the Corpora-  
8 tion may be compensated by the Corporation at an  
9 annual rate of pay greater than the annual rate of  
10 pay of the executive director.

11 (4) SERVICE.—All officers and employees of the  
12 Corporation shall serve at the pleasure of the Board.

13 (5) QUALIFICATION.—No political test or quali-  
14 fication may be used in selecting, appointing, pro-  
15 moting, or taking other personnel actions with re-  
16 spect to officers, agents, or employees of the Cor-  
17 poration.

18 (d) POWERS OF THE CORPORATION.—

19 (1) GENERALLY.—The Corporation is author-  
20 ized to obtain grants from, and make contracts with,  
21 individuals and with private, State, and Federal  
22 agencies, organizations, and institutions.

23 (2) HIRING AUTHORITY.—The Corporation may  
24 hire, or accept the voluntary services of, consultants,

1 experts, advisory boards, and panels to aid the Cor-  
2 poration in carrying out this Act.

3 (e) FINANCIAL MANAGEMENT AND RECORDS.—

4 (1) AUDITS.—The financial statements of the  
5 Corporation shall be—

6 (A) maintained in accordance with gen-  
7 erally accepted accounting principles for non-  
8 profit corporations; and

9 (B) audited annually by independent cer-  
10 tified public accountants.

11 (2) REPORT.—The report for each such audit  
12 shall be included in the annual report to Congress  
13 required by section 11(c).

14 (f) ADMINISTRATIVE RESPONSIBILITIES.—

15 (1) SCHOLARSHIP APPLICATION SCHEDULE AND  
16 PROCEDURES.—Not later than 30 days after the ini-  
17 tial Board is appointed and the first executive direc-  
18 tor of the Corporation is hired under this Act, the  
19 Corporation shall implement a schedule and proce-  
20 dures for processing applications for, and awarding,  
21 student scholarships under this Act. The schedule  
22 and procedures shall include establishing a list of  
23 certified eligible institutions located in the areas  
24 specified in section 4(d)(1)), distributing scholarship  
25 information to parents and the general public (in-

1 cluding through a newspaper of general circulation),  
2 and establishing deadlines for steps in the scholar-  
3 ship application and award process.

4 (2) INSTITUTIONAL APPLICATIONS AND ELIGI-  
5 BILITY.—

6 (A) IN GENERAL.—An eligible institution  
7 that desires to participate in the scholarship  
8 program under this Act shall file an application  
9 with the Corporation for certification for par-  
10 ticipation in the scholarship program under this  
11 Act that shall—

12 (i) demonstrate that the eligible insti-  
13 tution has operated with not fewer than 25  
14 students during the 3 years preceding the  
15 year for which the determination is made  
16 unless the eligible institution is applying  
17 for certification as a new eligible institu-  
18 tion under subparagraph (C);

19 (ii) contain an assurance that the eli-  
20 gible institution will comply with all appli-  
21 cable requirements of this Act;

22 (iii) contain an annual statement of  
23 the eligible institution's budget; and

1 (iv) describe the eligible institution's  
2 proposed program, including personnel  
3 qualifications and fees.

4 (B) CERTIFICATION.—

5 (i) IN GENERAL.—Except as provided  
6 in subparagraph (C), not later than 60  
7 days after receipt of an application in ac-  
8 cordance with subparagraph (A), the Cor-  
9 poration shall certify an eligible institution  
10 to participate in the scholarship program  
11 under this Act.

12 (ii) CONTINUATION.—An eligible insti-  
13 tution's certification to participate in the  
14 scholarship program shall continue unless  
15 such eligible institution's certification is re-  
16 voked in accordance with subparagraph  
17 (D).

18 (C) NEW ELIGIBLE INSTITUTION.—

19 (i) IN GENERAL.—An eligible institu-  
20 tion that did not operate with at least 25  
21 students in the 3 years preceding the year  
22 for which the determination is made may  
23 apply for a 1-year provisional certification  
24 to participate in the scholarship program  
25 under this Act for a single year by pro-

1           viding to the Corporation not later than  
2           July 1 of the year preceding the year for  
3           which the determination is made—

4                   (I) a list of the eligible institu-  
5                   tion's board of directors;

6                   (II) letters of support from not  
7                   less than 10 members of the commu-  
8                   nity served by such eligible institution;

9                   (III) a business plan;

10                  (IV) an intended course of study;

11                  (V) assurances that the eligible  
12                  institution will begin operations with  
13                  not less than 25 students;

14                  (VI) assurances that the eligible  
15                  institution will comply with all appli-  
16                  cable requirements of this Act; and

17                  (VII) a statement that satisfies  
18                  the requirements of clauses (ii) and  
19                  (iv) of subparagraph (A).

20                  (ii) CERTIFICATION.—Not later than  
21                  60 days after the date of receipt of an ap-  
22                  plication described in clause (i), the Cor-  
23                  poration shall certify in writing the eligible  
24                  institution's provisional certification to  
25                  participate in the scholarship program

1 under this Act unless the Corporation de-  
2 termines that good cause exists to deny  
3 certification.

4 (iii) RENEWAL OF PROVISIONAL CER-  
5 TIFICATION.—After receipt of an applica-  
6 tion under clause (i) from an eligible insti-  
7 tution that includes a statement of the eli-  
8 gible institution’s budget completed not  
9 earlier than 12 months before the date  
10 such application is filed, the Corporation  
11 shall renew an eligible institution’s provi-  
12 sional certification for the second and third  
13 years of the school’s participation in the  
14 scholarship program under this Act unless  
15 the Corporation finds—

16 (I) good cause to deny the re-  
17 newal, including a finding of a pattern  
18 of violation of requirements described  
19 in paragraph (3)(A); or

20 (II) consistent failure of 25 per-  
21 cent or more of the students receiving  
22 scholarships under this Act and at-  
23 tending such school to make appro-  
24 priate progress (as determined by the

1 Corporation) in academic achieve-  
2 ment.

3 (iv) DENIAL OF CERTIFICATION.—If  
4 provisional certification or renewal of pro-  
5 visional certification under this subsection  
6 is denied, then the Corporation shall pro-  
7 vide a written explanation to the eligible  
8 institution of the reasons for such denial.

9 (D) REVOCATION OF ELIGIBILITY.—

10 (i) IN GENERAL.—The Corporation,  
11 after notice and opportunity for a hearing,  
12 may revoke an eligible institution’s certifi-  
13 cation to participate in the scholarship pro-  
14 gram under this Act for a year succeeding  
15 the year for which the determination is  
16 made for—

17 (I) good cause, including a find-  
18 ing of a pattern of violation of pro-  
19 gram requirements described in para-  
20 graph (3)(A); or

21 (II) consistent failure of 25 per-  
22 cent or more of the students receiving  
23 scholarships under this Act and at-  
24 tending such school to make appro-  
25 priate progress (as determined by the

1 Corporation) in academic achieve-  
2 ment.

3 (ii) EXPLANATION.—If the certifi-  
4 cation of an eligible institution is revoked,  
5 the Corporation shall provide a written ex-  
6 planation of the Corporation’s decision to  
7 such eligible institution and require a pro  
8 rata refund of the proceeds of the scholar-  
9 ship funds received under this Act.

10 (iii) STUDENT ELIGIBILITY NOT AF-  
11 FECTED.—A student receiving a scholar-  
12 ship under this Act who attends an institu-  
13 tion that has had its eligibility revoked  
14 under this subparagraph may utilize such  
15 scholarship at another eligible institution.

16 (3) PARTICIPATION REQUIREMENTS FOR ELIGI-  
17 BLE INSTITUTIONS.—

18 (A) REQUIREMENTS.—Each eligible insti-  
19 tution participating in the scholarship program  
20 under this Act shall—

21 (i) provide to the Corporation not  
22 later than June 30 of each year the most  
23 recent annual statement of the eligible in-  
24 stitution’s budget; and

1           (ii) charge a student that receives a  
2           scholarship under this Act not more than  
3           the cost of tuition and mandatory fees for,  
4           and (as appropriate) transportation to at-  
5           tend, such eligible institution as other stu-  
6           dents who are residents of the District of  
7           Columbia and enrolled in such eligible in-  
8           stitution.

9           (B) COMPLIANCE.—The Corporation may  
10          require documentation of compliance with the  
11          requirements of subparagraph (A), but neither  
12          the Corporation nor any governmental entity  
13          may impose requirements upon an eligible insti-  
14          tution as a condition for participation in the  
15          scholarship program under this Act, other than  
16          requirements established under this Act.

17 **SEC. 4. SCHOLARSHIPS AUTHORIZED.**

18          (a) ELIGIBLE STUDENTS.—The Corporation may  
19          award tuition scholarships under subsection (d)(1) and en-  
20          hanced achievement scholarships under subsection (d)(2)  
21          to students in kindergarten through grade 12—

22               (1) who are residents of the District of Colum-  
23          bia; and

24               (2) whose family income does not exceed 185  
25          percent of the poverty line.

1 (b) SCHOLARSHIP PRIORITY.—Subject to subsection  
2 (c), the Corporation shall award scholarships based on the  
3 following priorities:

4 (1) PREVIOUS SCHOLARSHIP RECIPIENTS.—For  
5 the second and subsequent academic years for which  
6 scholarships are awarded, the Corporation first shall  
7 award scholarships to students eligible under sub-  
8 section (a) who received a scholarship from the Cor-  
9 poration in the preceding academic year.

10 (2) DISTRICT OF COLUMBIA PUBLIC SCHOOL  
11 ENROLLEES.—For the first three academic years for  
12 which scholarships are awarded, if funds remain  
13 after the application of paragraph (1), the Corpora-  
14 tion shall award scholarships to eligible students who  
15 do not receive an award under such paragraph and  
16 who are—

17 (A) enrolled in a District of Columbia pub-  
18 lic school; or

19 (B) preparing to enter a District of Colum-  
20 bia public kindergarten.

21 (3) VICTIMS OF SCHOOL VIOLENCE.—For any  
22 academic year, if funds remain available after the  
23 application of paragraphs (1) and (2), the Corpora-  
24 tion shall award scholarships to eligible students who  
25 do not receive an award under such paragraphs and

1 who have been victims of a documented violent act  
2 on school grounds.

3 (4) OTHER ELIGIBLE STUDENTS.—For any  
4 academic year, if funds remain available after the  
5 application of paragraphs (1) through (3), the Cor-  
6 poration shall award scholarships to eligible students  
7 who do not receive an award under such paragraphs.

8 (c) LOTTERY SELECTION.—If, in applying subsection  
9 (b), the number of students described in a paragraph of  
10 such subsection is such that the amount available is insuf-  
11 ficient to award the appropriate scholarship amount to  
12 each such student, the Corporation shall select by lottery  
13 the students who will receive an award.

14 (d) USE OF SCHOLARSHIP.—

15 (1) TUITION SCHOLARSHIPS.—A tuition schol-  
16 arship may be used for the payment of the cost of  
17 the tuition and mandatory fees for, and (as appro-  
18 priate) transportation to attend, an eligible institu-  
19 tion located within the geographic boundaries of—

20 (A) the District of Columbia;

21 (B) Montgomery County, Maryland;

22 (C) Prince George’s County, Maryland;

23 (D) Arlington County, Virginia;

24 (E) Alexandria City, Virginia;

25 (F) Falls Church City, Virginia;

1 (G) Fairfax City, Virginia; or

2 (H) Fairfax County, Virginia.

3 (2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—

4 An enhanced achievement scholarship may be used  
5 only for the payment of the costs of tuition and  
6 mandatory fees for, and (as appropriate) transpor-  
7 tation to attend, a program of instruction provided  
8 by an eligible institution which enhances student  
9 achievement of the core curriculum and is operated  
10 outside of regular school hours to supplement the  
11 regular school program.

12 (e) NOT SCHOOL AID.—A scholarship under this Act  
13 shall be considered assistance to the student and shall not  
14 be considered assistance to an eligible institution.

15 **SEC. 5. SCHOLARSHIP AWARDS.**

16 (a) AWARDS.—From the funds made available under  
17 this Act, the Corporation shall award a scholarship to a  
18 student and make scholarship payments in accordance  
19 with section 6.

20 (b) NOTIFICATION.—Each eligible institution that re-  
21 ceives the proceeds of a scholarship payment under sub-  
22 section (a) shall provide the following notifications:

23 (1) ENROLLMENT.—Not later than 10 days  
24 after the date that a student receiving a scholarship  
25 under this Act is enrolled, the institution shall notify

1 the Corporation of the name, address, and grade  
2 level of such student.

3 (2) WITHDRAWAL OR EXPULSION.—Not later  
4 than 10 days after the date of the withdrawal or ex-  
5 pulsion of any student receiving a scholarship under  
6 this Act, the institution shall notify the Corporation  
7 of the withdrawal or expulsion.

8 (3) REFUSAL OF ADMISSION.—Not later than  
9 10 days after the date that a student receiving a  
10 scholarship under this Act is refused admission, the  
11 institution shall notify the Corporation of the rea-  
12 sons for such a refusal.

13 (c) TUITION SCHOLARSHIP.—

14 (1) EQUAL TO OR BELOW POVERTY LINE.—For  
15 a student whose family income is equal to or below  
16 the poverty line, a tuition scholarship may not ex-  
17 ceed the lesser of—

18 (A) the cost of tuition and mandatory fees  
19 for, and (as appropriate) transportation to at-  
20 tend, an eligible institution; or

21 (B) \$5,000 for fiscal year 2003, with such  
22 amount adjusted in proportion to changes in  
23 the Consumer Price Index for All Urban Con-  
24 sumers published by the Department of Labor  
25 for each of fiscal years 2004 through 2007.

1           (2) ABOVE POVERTY LINE.—For a student  
2           whose family income is greater than the poverty line,  
3           but not more than 185 percent of the poverty line,  
4           a tuition scholarship may not exceed the lesser of—

5                   (A) 75 percent of the cost of tuition and  
6                   mandatory fees for, and (as appropriate) trans-  
7                   portation to attend, an eligible institution; or

8                   (B) \$3,750 for fiscal year 2003, with such  
9                   amount adjusted in proportion to changes in  
10                  the Consumer Price Index for All Urban Con-  
11                  sumers published by the Department of Labor  
12                  for each of fiscal years 2004 through 2007.

13          (d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An  
14          enhanced achievement scholarship may not exceed the  
15          lesser of—

16                  (1) the costs of tuition and mandatory fees for,  
17                  and (as appropriate) transportation to attend, a pro-  
18                  gram of instruction at an eligible institution; or

19                  (2) \$800 for 2003, with such amount adjusted  
20                  in proportion to changes in the Consumer Price  
21                  Index for All Urban Consumers published by the De-  
22                  partment of Labor for each of fiscal years 2004  
23                  through 2007.

1 **SEC. 6. SCHOLARSHIP PAYMENTS.**

2 (a) PAYMENTS.—The Corporation shall make schol-  
3 arship payments to the parent of a student awarded a  
4 scholarship under this Act.

5 (b) DISTRIBUTION OF SCHOLARSHIP FUNDS.—Schol-  
6 arship funds may be distributed by check, or another form  
7 of disbursement, issued by the Corporation and made pay-  
8 able directly to a parent of a student awarded a scholar-  
9 ship under this Act. The parent may use the scholarship  
10 funds only for payment of tuition, mandatory fees, and  
11 transportation costs as described in this Act.

12 (c) PRO RATA AMOUNTS FOR STUDENT WITH-  
13 DRAWAL.—If a student receiving a scholarship under this  
14 Act withdraws or is expelled from an eligible institution  
15 after the proceeds of a scholarship is paid to the eligible  
16 institution, then the eligible institution shall refund to the  
17 Corporation on a pro rata basis the proportion of any such  
18 proceeds received for the remaining days of the school  
19 year. Such refund shall occur not later than 30 days after  
20 the date of the withdrawal or expulsion of the student.

21 **SEC. 7. CIVIL RIGHTS.**

22 (a) IN GENERAL.—An eligible institution partici-  
23 pating in the scholarship program under this Act shall not  
24 discriminate on the basis of race, color, national origin,  
25 or sex in carrying out the provisions of this Act.

1 (b) APPLICABILITY AND CONSTRUCTION WITH RE-  
2 SPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

3 (1) APPLICABILITY.—With respect to discrimi-  
4 nation on the basis of sex, subsection (a) shall not  
5 apply to an eligible institution that is controlled by  
6 a religious organization if the application of sub-  
7 section (a) is inconsistent with the religious tenets of  
8 the eligible institution.

9 (2) CONSTRUCTION.—With respect to discrimi-  
10 nation on the basis of sex, nothing in subsection (a)  
11 shall be construed to require any person, or public  
12 or private entity to provide or pay, or to prohibit any  
13 such person or entity from providing or paying, for  
14 any benefit or service, including the use of facilities,  
15 related to an abortion. Nothing in the preceding sen-  
16 tence shall be construed to permit a penalty to be  
17 imposed on any person or individual because such  
18 person or individual is seeking or has received any  
19 benefit or service related to a legal abortion.

20 (3) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVI-  
21 TIES.—With respect to discrimination on the basis  
22 of sex, nothing in subsection (a) shall be construed  
23 to prevent a parent from choosing, or an eligible in-  
24 stitution from offering, a single-sex school, class, or  
25 activity.

1           (c)        **REVOCATION.**—Notwithstanding        section  
2 3(f)(2)(D), if the Corporation determines that an eligible  
3 institution participating in the scholarship program under  
4 this Act is in violation of subsection (a), then the Corpora-  
5 tion shall revoke such eligible institution’s certification to  
6 participate in the program.

7 **SEC. 8. CHILDREN WITH DISABILITIES.**

8           Nothing in this Act shall affect the rights of students,  
9 or the obligations of the District of Columbia public  
10 schools, under the Individuals with Disabilities Education  
11 Act (20 U.S.C. 1400 et seq.).

12 **SEC. 9. RULE OF CONSTRUCTION.**

13           (a) **IN GENERAL.**—Nothing in this Act shall be con-  
14 strued to prevent any eligible institution which is operated  
15 by, supervised by, controlled by, or connected to, a reli-  
16 gious organization from employing, admitting, or giving  
17 preference to, persons of the same religion to the extent  
18 determined by such institution to promote the religious  
19 purpose for which the eligible institution is established or  
20 maintained.

21           (b) **SECTARIAN PURPOSES.**—Nothing in this Act  
22 shall be construed to prohibit the use of funds made avail-  
23 able under this Act for sectarian educational purposes, or  
24 to require an eligible institution to remove religious art,  
25 icons, scripture, or other symbols.

1 **SEC. 10. REPORTING REQUIREMENTS.**

2 (a) IN GENERAL.—An eligible institution partici-  
3 pating in the scholarship program under this Act shall re-  
4 port to the Corporation not later than July 30 of each  
5 year in a manner prescribed by the Corporation, the fol-  
6 lowing data:

7 (1) Student achievement in the eligible institu-  
8 tion's programs.

9 (2) Grade advancement for scholarship stu-  
10 dents.

11 (3) Disciplinary actions taken with respect to  
12 scholarship students.

13 (4) Graduation, college admission test scores,  
14 and college admission rates, if applicable for scholar-  
15 ship students.

16 (5) Types and amounts of parental involvement  
17 required for all families of scholarship students.

18 (6) Student attendance for scholarship and  
19 nonscholarship students.

20 (7) General information on curriculum, pro-  
21 grams, facilities, credentials of personnel, and dis-  
22 ciplinary rules at the eligible institution.

23 (8) Number of scholarship students enrolled.

24 (9) Such other information as may be required  
25 by the Corporation for program appraisal.

1 (b) CONFIDENTIALITY.—No personal identifiers may  
2 be used in such report, except that the Corporation may  
3 request such personal identifiers solely for the purpose of  
4 verification.

5 **SEC. 11. PROGRAM APPRAISAL.**

6 (a) STUDY.—Not later than 3 years after the date  
7 of enactment of this Act, the Comptroller General shall  
8 enter into a contract, with an evaluating agency that has  
9 demonstrated experience in conducting evaluations, for an  
10 independent evaluation of the scholarship program under  
11 this Act, including—

12 (1) a comparison of test scores between scholar-  
13 ship students and District of Columbia public school  
14 students of similar backgrounds, taking into account  
15 the students' academic achievement at the time of  
16 the award of their scholarships and the students'  
17 family income level;

18 (2) a comparison of graduation rates between  
19 scholarship students and District of Columbia public  
20 school students of similar backgrounds, taking into  
21 account the students' academic achievement at the  
22 time of the award of their scholarships and the stu-  
23 dents' family income level;

24 (3) the satisfaction of parents of scholarship  
25 students with the scholarship program; and

1           (4) the impact of the scholarship program on  
2           the District of Columbia public schools, including  
3           changes in the public school enrollment, and any im-  
4           provement in the academic performance of the public  
5           schools.

6           (b) PUBLIC REVIEW OF DATA.—All data gathered in  
7           the course of the study described in subsection (a) shall  
8           be made available to the public upon request except that  
9           no personal identifiers shall be made public.

10          (c) REPORT TO CONGRESS.—Not later than Sep-  
11          tember 1 of each year, the Corporation shall submit a  
12          progress report on the scholarship program to the appro-  
13          priate committees of Congress. Such report shall include  
14          a review of how scholarship funds were expended, includ-  
15          ing the initial academic achievement levels of students who  
16          have participated in the scholarship program.

17          (d) AUTHORIZATION.—There are authorized to be ap-  
18          propriated for the study described in subsection (a),  
19          \$250,000, which shall remain available until expended.

20       **SEC. 12. JUDICIAL REVIEW.**

21          (a) JURISDICTION.—

22               (1) IN GENERAL.—The United States District  
23               Court for the District of Columbia shall have juris-  
24               diction in any action challenging the constitu-

1        tionality of the scholarship program under this Act  
2        and shall provide expedited review.

3            (2) **STANDING.**—The parent of any student eli-  
4        gible to receive a scholarship under this Act shall  
5        have standing in an action challenging the constitu-  
6        tionality of the scholarship program under this Act.

7            (b) **APPEAL TO SUPREME COURT.**—Notwithstanding  
8        any other provision of law, any order of the United States  
9        District Court for the District of Columbia which is issued  
10       pursuant to an action brought under subsection (a) shall  
11       be reviewable by appeal directly to the Supreme Court of  
12       the United States.

13       **SEC. 13. EFFECTIVE DATE.**

14       This Act shall be effective for each of fiscal years  
15       2003 through 2007.

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