AMENDMENT TO H.R. 1540, AS REPORTED
OFFERED BY MR. HUNTER OF CALIFORNIA
(Defense Authorization Bill)

At the end of subtitle H of title V, add the following new section:

SEC. 5. PILOT PROGRAM ON SCHOLARSHIPS FOR MILITARY DEPENDENT CHILDREN WITH SPECIAL EDUCATION NEEDS.

(a) PILOT PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall, in conjunction with the Secretaries of the military departments, carry out a pilot program to assess the feasibility and advisability of awarding scholarships to military children with special education needs described in subsection (b) in order to cover the costs of such children in attending a school described in subsection (c) for the purpose of ensuring military children with special education needs a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment and independent living.
Such scholarships shall be known as “academic opportunity scholarships”.

(2) PURPOSES.—The purposes of the pilot program shall be as follows:

(A) To identify and assess obstacles faced by military families with children with special education needs in obtaining a free appropriate public education to address such needs.

(B) To develop options for military children with special education needs to attend public or private schools through scholarships.

(C) To identify and assess evidence-based research and best practices for providing special education and related services (as those terms are defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) for military children with special education needs.

(D) To assess timeliness in obtaining special education and related services described in subparagraph (C).

(E) To identify and document improvements in academic performance of military children with special education needs as a result of the scholarships under the pilot program.
(F) To determine and document the cost associated with obtaining special education and related services described in subparagraph (C) through such scholarships.

(3) CRITERIA.—The Secretary of Defense shall carry out the pilot program based on uniform criteria established by the Secretary, in consultation with the Secretary of Education or the appropriate State government agency.

(4) COMMENCEMENT.—The Secretary of Defense shall commence carrying out the pilot program beginning with the 2012-2013 academic year.

(b) COVERED MILITARY DEPENDENT CHILDREN.—A military dependent child described in this subsection is a child who—

(1) is a dependent of a member of the Armed Forces;

(2) is a member of a family enrolled in the Exceptional Family Member program administered by the Secretary of the military department concerned;

(3) is a child with a disability under section 602 of the Individuals with Disabilities Education Act; and

(4) is covered by a current individualized education program developed and approved in accord-
ance with section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414) or has been identified as needing special education and related services.

(c) COVERED SCHOOLS.—A school described in this subsection is any elementary or secondary school as follows:

(1) A private elementary school or secondary school.

(2) A public school in a local educational agency or location other than the local educational agency or location, as the case may be, in which the military dependent child concerned resides.

(3) A public charter school in a local educational agency or location other than the local educational agency or location, as the case may be, in which the military dependent child concerned resides.

(d) AMOUNT, PAYMENT, AND USE OF SCHOLARSHIP.—

(1) AMOUNT.—The amount of the scholarship awarded a military dependent child under the pilot program for an academic year may not exceed the lesser of—
(A) the amount required for such academic year for the payment of tuition, fees, transportation, and other expenses in connection with attendance at a school described in subsection (c) for the purpose specified in subsection (a); or

(B) $7,500.

(2) PAYMENT.—Payment of the amount of a scholarship awarded a military dependent child shall be made to the parent or guardian of the child for an academic year.

(3) USE.—Subject to regulations prescribed by the Secretary of Defense for purposes of the pilot program, the amount of the scholarship awarded a military dependent child shall be utilized for the payment of tuition, fees, transportation, and other expenses in connection with attendance at a school described in subsection (c) for the purpose specified in subsection (a).

(e) EVALUATION OF PERFORMANCE OF RECIPIENT MILITARY DEPENDENT CHILDREN.—

(1) IN GENERAL.—The Secretary of Defense shall conduct an evaluation of the performance of military dependent children awarded scholarships
under the pilot program. The evaluation shall address the following:

(A) The progress made by military dependent children awarded scholarships in academic and social performance.

(B) The success of the scholarships in expanding choice in education and related services for military dependent children described in subsection (b).

(C) The success of the scholarships in ensuring timely access of military dependent children described in subsection (b) to special education and related services required under their individualized education programs.

(D) Such other matters as the Secretary considers appropriate.

(2) COMPLETION.—The evaluation required by paragraph (1) shall be completed not later than December 31, 2015.

(f) OPTIONS FOR IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR MILITARY CHILDREN WITH SPECIAL EDUCATION NEEDS.—

(1) DEVELOPMENT OF OPTIONS.—The Secretary of the Defense shall, in consultation with the Secretary of Education, develop a variety of options
for military families with children with special education needs to enhance the benefits available to such families and children under the Individuals with Disabilities Education Act and better assist such families in meeting such needs.

(2) ACTIONS.—In developing actions under paragraph (1), the Secretaries shall consider the following:

(A) The feasibility of establishing an individualized education program for military children with special education needs that is applicable across jurisdictions of local educational agencies in order to achieve reciprocity among States in acknowledging such programs.

(B) Means of improving oversight and compliance with the provisions of section 614 of the Individuals with Disabilities Education Act that require local educational agencies to support an existing individualized education program for a military child with special education needs who is relocating to another State pursuant to the permanent change of station of a military parent until an individualized education program is developed and approved for such child in the State to which the child relocates.
(C) The feasibility of establishing an expeditied process for resolution of complaints by military parents with a child with special education needs about lack of access to education and related services otherwise specified in the individualized education program of such child.

(D) The feasibility of permitting the Department of Defense to contact the State to which a military family with a child with special education needs will relocate pursuant to a permanent change of station when the orders for such change of station are issued, but before the family takes residence in such State, for the purpose of commencing preparation for education and related services specified in the individualized education program of such child.

(E) The feasibility of establishing a system within the Department of Defense to document complaints by military parents regarding access to free and appropriate public education for their children with special education needs.

(F) Means to strengthen the monitoring and oversight of education and related services for military children with special education
needs under the Interstate Compact on Educational Opportunities for Military Children.

(G) Such other matters as the Secretaries jointly consider appropriate.

(g) Reports.—

(1) Report on improvements of educational opportunities.—Not later than September 30, 2013, the Secretary of Defense shall submit to Congress a report setting forth the options developed under subsection (f). The report shall include—

(A) a description of any options developed; and

(B) recommendations for such legislative or administrative action as the Secretary of Defense and the Secretary of Education jointly consider appropriate to implement such options.

(2) Report on implementation of pilot program.—Not later than September 30, 2012, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the plans of the Secretary for the award of scholarships under the pilot program, including any regulations prescribed for purposes of subsection (d)(3).
(3) Final report on pilot program.—Not later than September 30, 2016, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the scholarships awarded under the pilot program. The report shall include—

(A) a description of the scholarships awarded under the pilot program, including the number and amount of scholarships by school year;

(B) the results of the evaluation required by subsection (e); and

(C) such other matters as the Secretary considers appropriate.

(h) Funding for scholarships.—

(1) Additional, discretionary budget authority.—Of the amounts authorized to be appropriated by section 301 for Defense-wide operation and maintenance for family advocacy activities, as specified in the corresponding funding table in division D, the Secretary of Defense shall obligate an additional $10,000,000 to award scholarships to military dependent children under the pilot program.

(2) Limitation on administrative expenses.—Not more than five percent of the amount
specified in paragraph (1) may be used to cover ad-
ministrative expenses to carry out the pilot program.

(3) MERIT-BASED OR COMPETITIVE DECISIONS.—A decision to commit, obligate, or expend
funds made available under paragraph (1) with or to
a specific entity or person shall—

(A) be based on merit-based selection pro-
cedures in accordance with the requirements of
sections 2304(k) and 2374 of title 10, United
States Code, or on competitive procedures; and

(B) comply with other applicable provisions
of law.

(i) SUNSET.—The pilot program shall expire on Sep-
tember 30, 2016. No scholarship may be awarded under
the pilot program for an academic year that begins on or
after that date.

(j) FUNDING INCREASE AND OFFSETTING REDUC-
TION.—Notwithstanding the amounts set forth in the
funding tables in division D—

(1) the amount authorized to be appropriated in
section 301 for Defense-wide operation and mainte-
nance, as specified in the corresponding funding
table in division D, is hereby increased by
$10,000,000, with the amount of the increase allo-
cated to carrying out the pilot program; and
(2) the amount authorized to be appropriated in section 1433 for the Mission Force Enhancement Transfer Fund, as specified in the corresponding funding table in division D, is hereby reduced by $10,000,000.