

257.11B Education savings account program.

1. For purposes of [this section](#):

a. “Nonpublic school” means the same as defined in [section 285.16](#).

b. (1) “Qualified educational expenses” includes tuition and fees at a nonpublic school, textbooks, fees or payments for educational therapies, including tutoring or cognitive skills training, curriculum fees, software, and materials for a course of study for a specific subject matter or grade level, tuition or fees for nonpublic online education programs, tuition for vocational and life skills education approved by the department of education, education materials and services for pupils with disabilities from an accredited provider, including the cost of paraprofessionals and assistants who are trained in accordance with state law, standardized test fees, and advanced placement examinations or examinations related to postsecondary education admission or credentialing.

(2) “Qualified educational expenses” shall be limited to the items described in subparagraph (1) and rules adopted by the department to implement [this section](#) and does not include transportation costs for the pupil, the cost of food or refreshments consumed by the pupil, the cost of clothing for the pupil, or the cost of disposable materials, including but not limited to paper, notebooks, pencils, pens, and art supplies.

c. “Resident” means the same as defined in [section 282.1, subsection 2](#).

2. a. (1) For the school budget year beginning July 1, 2023, the following pupils who attend a nonpublic school for that school budget year shall be eligible to receive an education savings account payment:

(a) A resident pupil who is eligible to enroll in kindergarten.

(b) A resident pupil who is eligible to enroll in grades one through twelve and was not enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested.

(c) A resident pupil who is eligible to enroll in grades one through twelve and was enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested if the pupil’s household has an annual income less than or equal to three hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(2) For the school budget year beginning July 1, 2024, the following pupils who attend a nonpublic school for that school budget year shall be eligible to receive an education savings account payment:

(a) A resident pupil who is eligible to enroll in kindergarten.

(b) A resident pupil who is eligible to enroll in grades one through twelve and was not enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested.

(c) A resident pupil who is eligible to enroll in grades one through twelve and was enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested if the pupil’s household has an annual income less than or equal to four hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(d) A resident pupil who received an education savings account payment in the immediately preceding school budget year.

(3) For school budget years beginning on or after July 1, 2025, resident pupils eligible to enroll in kindergarten through grade twelve who attend a nonpublic school for the applicable school budget year shall be eligible to receive an education savings account payment.

b. Education savings account payments shall be made available to parents and guardians in the manner authorized under [subsection 5](#) for the payment of qualified educational expenses as provided in [this section](#). Parents and guardians shall first use education savings account payments for all qualified educational expenses that are tuition and fees for which the parent or guardian is responsible for payment at the pupil’s nonpublic school prior to using the education savings account for other qualified educational expenses.

3. a. On or after January 1, but on or before June 30, preceding the school year for which the education savings account payment is requested, the parent or guardian of an eligible

pupil may request an education savings account payment by submitting an application to the department of education.

b. Within thirty days following submission of an application, the department of education or third-party entity shall notify the parent or guardian of each pupil approved for the following school year and specify the amount of the education savings account payment for the pupil, if known at the time of the notice. As soon as practical following the processing of all applications, the department of education or third-party entity shall determine the number of pupils in each school district approved for the school budget year and provide such information to the department of management.

c. Education savings account payments shall only be approved for one school year and applications must be submitted annually for payments in subsequent school years.

4. Each education savings account payment shall be equal to the regular program state cost per pupil for the same school budget year.

5. An education savings account fund is created in the state treasury under the control of the department of education consisting of moneys appropriated to the department of education for the purpose of providing education savings account payments under [this section](#). For the fiscal year commencing July 1, 2023, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of education to be credited to the fund the amount necessary to pay all education savings account payments approved for that fiscal year. The director of the department of education has all powers necessary to carry out and effectuate the purposes, objectives, and provisions of [this section](#) pertaining to the fund, including the power to do all of the following:

a. Make and enter into contracts with a third-party entity necessary for the administration of the program.

b. Procure insurance against any loss in connection with the assets of the fund or require a surety bond.

c. Contract with a qualified firm, including but not limited to the third-party entity under paragraph “a”, to allocate funds from each pupil’s account for the payment of qualified educational expenses by the pupil’s parent or guardian.

d. Require the qualified firm under paragraph “c” to offer the department of education the capability of automated clearinghouse transactions, electronic commerce transactions, reimbursement transactions, and debit card payments in order to meet the diverse needs of participating parents and guardians to pay for qualified educational expenses. The director of the department of education shall determine which transaction capabilities will be available to participating parents and guardians.

e. Reduce the possibility of waste, fraud, and abuse, and ensure that any technology platform used for the program meets the state’s highest security requirements, including compliance.

f. Conduct audits or other reviews necessary to properly administer the program.

g. Adopt rules for the administration of the fund and accounts within the fund.

6. a. For each pupil approved for an education savings account payment, the department of education or third-party entity shall establish an individual account for that pupil in the education savings account fund. The amount of the pupil’s education savings account payment shall be deposited into the pupil’s individual account on July 15 or thirty days following submission of the application, whichever is later, and such amount shall be immediately available for the payment of qualified educational expenses incurred by the parent or guardian for the pupil during that fiscal year using a payment method authorized under [subsection 5](#).

b. A nonpublic school or other provider of qualified educational expenses that accepts payment from a parent or guardian using funds from a pupil’s individual account in the fund shall not refund, rebate, or share any portion of such payment with the parent, guardian, or pupil.

c. Moneys remaining in a pupil’s individual account upon conclusion of the fiscal year shall remain in the pupil’s individual account for the payment of qualified educational expenses in future fiscal years during which the pupil participates in the program until the

pupil becomes ineligible under the program or until the remaining amounts are transferred to the state general fund under [subsection 8](#).

7. A person who makes a false claim for the purpose of obtaining an education savings account payment or who knowingly receives the payment or makes a payment from an individual account within the fund without being legally entitled to do so is guilty of a fraudulent practice under [chapter 714](#). The false claim for an education savings account or a payment from an individual account shall be disallowed. The department of education or third-party entity shall also close the pupil's individual account in the fund and transfer any remaining moneys in the account for deposit in the general fund of the state. If the improperly obtained amounts have been disbursed from the applicable individual account, the department of education or third-party entity shall recover such amounts from the parent or guardian, including by initiating legal proceedings to recover such amounts, if necessary. A parent or guardian who commits a fraudulent practice under [this section](#) is prohibited from participating in the education savings account program in the future.

8. Moneys remaining in a pupil's individual account when the pupil graduates from high school or turns twenty years of age, whichever occurs first, shall be transferred by the department of education for deposit in the general fund of the state.

9. a. A parent may appeal to the state board of education any administrative decision the department of education or third-party entity makes pursuant to [this section](#), including but not limited to determinations of eligibility, allowable expenses, and removal from the program. The department or third-party entity shall notify the parent or guardian in writing of the appeal process at the same time the department notifies the parent or guardian of the administrative decision. The state board of education shall establish the appeals process consistent with [chapter 17A](#) and shall post such appeal process information on the state board of education's internet site.

b. The state board of education shall refer cases of substantial misuse of education savings account program funds to the attorney general for the purpose of collection or for the purpose of a criminal investigation if the state board of education obtains evidence of fraudulent use of an account.

10. a. [This section](#) shall not be construed to authorize the state or any political subdivision of the state to exercise authority over any nonpublic school or construed to require a nonpublic school to modify its academic standards for admission or educational program in order to receive payment from a parent or guardian using funds from a pupil's account in the education savings account fund.

b. [This section](#) shall not be construed to expand the authority of the state or any political subdivision of the state to impose regulations upon any nonpublic school that are not necessary to implement [this section](#).

c. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil's account in the education savings account fund is not an agent of this state or of a political subdivision of this state.

d. Rules adopted by the department of education to implement [this section](#) that impose an undue burden on a nonpublic school are invalid.

e. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil's account in the education savings account fund shall be given the maximum freedom possible to provide for the educational needs of the school's students, consistent with state and federal law.

11. a. Each pupil participating in the education savings account program is required to take all applicable state and federally required student assessments and the results of those assessments shall be provided to the pupil's parents or guardians and reported to the department of education.

b. The department of education shall compile all such reported assessment results in order to analyze student proficiency and academic progress among those pupils participating in the program, including analysis of graduation rates, proficiency, and progress based on grade

level, gender, race, and household income level. The results of the department's analysis shall be included in the annual condition of education report.

[2023 Acts, ch 1, §7, 10](#); [2023 Acts, ch 111, §23, 25, 26](#)

Referred to in [§256.9, 257.10, 422.7\(43\)](#)