

Senate File 423

S-3076

1 Amend Senate File 423 as follows:

2 1. Page 46, after line 27 by inserting:

3 <DIVISION _____
4 EDUCATION SAVINGS GRANT PROGRAM, FUND, APPROPRIATION,
5 AND PENALTIES

6 Sec. _____. Section 256.7, Code 2013, is amended by
7 adding the following new subsection:

8 NEW SUBSECTION. 33. Adopt rules relating to
9 applications for an education savings grant pursuant
10 to section 257.11B, including application processing
11 timelines and information required to be submitted by a
12 parent or guardian.

13 Sec. _____. NEW SECTION. 257.11B Education savings
14 grant program.

15 1. Pupils eligible to enroll in grades kindergarten
16 through twelve and attending a nonpublic school or
17 receiving competent private instruction under chapter
18 299A shall be eligible to receive an education savings
19 grant in the manner provided in this section for school
20 years beginning on or after July 1, 2014. Education
21 savings grants shall be made available to parents and
22 guardians in the manner authorized under subsection 4,
23 paragraph "c", for the payment of qualified education
24 expenses as provided in this section.

25 2. a. (1) By January 31 preceding the school year
26 for which the education savings grant is requested, the
27 parent or guardian of the pupil requesting to receive
28 an education savings grant shall submit an application
29 to the department of education, on application forms
30 developed by the department, indicating that the parent
31 or guardian intends to enroll the pupil in a nonpublic
32 school or provide competent private instruction for the
33 pupil under chapter 299A.

34 (2) In addition to such information deemed
35 appropriate by the department of education, the
36 application shall require certification from the
37 nonpublic school of the pupil's enrollment for the
38 following school year or a statement indicating the
39 parent or guardian's intent to provide or arrange for
40 competent private instruction for the pupil for the
41 following school year.

42 b. By March 1 preceding the school year for
43 which the education savings grant is requested, the
44 department of education shall notify the department
45 of management of the number of pupils in each school
46 district designated for the following school year
47 to receive an education savings grant and the amount
48 of the education savings grant for each pupil. The
49 department of education shall also notify the parent
50 or guardian of such pupils who are approved to receive

1 an education savings grant.

2 c. Education savings grants shall only be approved
3 for one school year and applications must be submitted
4 under paragraph "a" for education savings grants in
5 subsequent school years.

6 3. a. The department of management shall assign
7 each pupil an education savings grant in an amount
8 equal to the statewide average state foundation aid per
9 pupil in the same school year.

10 b. The department of management shall on July
11 following the determination of the amount of the
12 education savings grant for each approved pupil
13 transfer such amounts to the pupil's account in
14 the education savings grant fund established under
15 subsection 4. Such amount shall be available to the
16 pupil's parent or guardian in the manner authorized
17 under subsection 4, paragraph "c", for the payment of
18 qualified educational expenses incurred by such persons
19 for the pupil during that school year.

20 4. An education savings grant fund is created in
21 the state treasury under the control of the department
22 of management consisting of moneys appropriated to
23 the department for the purpose of providing education
24 savings grants under this section. For the fiscal
25 year commencing July 1, 2014, and each succeeding
26 fiscal year, there is appropriated from the general
27 fund of the state to the department of management to
28 be credited to the fund the amount necessary to pay
29 all education savings grants approved for that fiscal
30 year. The director of the department of management has
31 all powers necessary to carry out and effectuate the
32 purposes, objectives, and provisions of this section
33 pertaining to the fund, including the power to do all
34 of the following:

35 a. Make and enter into contracts necessary for the
36 administration of the fund.

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

39 c. Contract with a private financial management
40 firm to manage the fund, in collaboration with the
41 treasurer of state, including providing for the
42 disbursement of education savings grants in the form
43 of an electronic debit card or checks that are payable
44 directly from the pupil's account within the fund.

45 d. Conduct audits or other review necessary to
46 properly administer the program.

47 e. Adopt rules pursuant to chapter 17A for the
48 administration of the fund and accounts within the
49 fund.

50 5. a. For each pupil approved for an education

1 savings grant, the department shall establish an
2 account for that pupil in the education savings grant
3 fund. The amount of the pupil's education savings
4 grant determined under subsection 3 shall be deposited
5 into the pupil's account on July 1 and such amount
6 shall be immediately available for the payment of
7 qualified education expenses incurred by the parent or
8 guardian for the pupil during that fiscal year using
9 the payment method authorized under subsection 4,
10 paragraph "c".

11 *b.* A nonpublic school or other entity that accepts
12 payment from a parent or guardian using funds from a
13 pupil's account in the education savings grant fund
14 shall not refund, rebate, or share any portion of such
15 payment with the parent, guardian, or pupil.

16 *c.* Moneys remaining in a pupil's account upon
17 conclusion of the fiscal year shall remain in the
18 pupil's account within the education savings grant
19 fund for the payment of qualified educational expenses
20 in future fiscal years or for the payment of higher
21 education costs under subsection 8.

22 6. For purposes of this section, "*qualified*
23 *educational expense*" includes tuition and fees at a
24 nonpublic school, textbooks, fees or payments for
25 tutoring or cognitive skills training, curriculum
26 materials, tuition or fees for nonpublic online
27 education programs, education materials and services
28 for pupils with disabilities, standardized test fees,
29 fees required by the department not to exceed for each
30 grant recipient five percent of the total grant amount
31 in any fiscal year, and other expenses incurred by the
32 parent or guardian that are directly related to the
33 education of the pupil at a nonpublic school, including
34 a nonpublic school accredited by an independent
35 accrediting agency approved by the department of
36 education, or directly related to providing competent
37 private instruction for the pupil under chapter 299A.
38 The cost of one computer or other portable computing
39 device shall be allowed as a qualified educational
40 expense for a pupil if such a purchase has not been
41 made using funds from that pupil's account in either of
42 the two immediately preceding fiscal years. "*Qualified*
43 *educational expenses*" do not include transportation
44 costs for the pupil, the cost of food or refreshments
45 consumed by the pupil, the cost of clothing for the
46 pupil, or the cost of disposable materials including
47 but not limited to paper, notebooks, pencils, pens, and
48 art supplies.

49 7. A person who makes a false claim for the purpose
50 of obtaining an education savings grant provided for

1 in this section or who knowingly receives the grant or
2 makes a payment from an account within the education
3 savings grant fund without being legally entitled to it
4 is guilty of a fraudulent practice. The false claim
5 for an education savings grant or a payment from an
6 account shall be disallowed and if amounts from the
7 grant have been disbursed from the applicable account
8 in the education savings grant fund, the department of
9 management shall initiate legal proceedings to recover
10 such amounts. A parent or guardian, or a pupil for
11 purposes of subsection 8, who violates this subsection
12 is prohibited from participating in the education
13 savings grant program in the future.

14 8. For each pupil with a positive balance in the
15 pupil's account in the education savings grant fund
16 upon graduation from high school or completion of an
17 equivalent level of competent private instruction
18 under chapter 299A, the department of management shall
19 maintain such account in the fund until the pupil is
20 twenty-five years of age. Following graduation from
21 high school until the pupil is twenty-five years of
22 age, moneys in the pupil's account may be used for
23 higher education costs, as defined in section 12D.1,
24 subsection 2, incurred by the pupil while attending an
25 institution of higher education under the control of
26 the state board of regents, a community college located
27 in this state, or a private college or university
28 located in this state. Payments from a pupil's account
29 for higher education costs shall be made in the same
30 manner as payments for qualified educational expenses
31 under subsection 5. Moneys in a pupil's account
32 when the pupil turns twenty-five years of age shall
33 be transferred by the department for deposit in the
34 general fund of the state.

35 9. This section shall not be construed to authorize
36 this state or any political subdivision of this state
37 to exercise authority over any nonpublic school or
38 pupil receiving competent private instruction under
39 chapter 299A or construed to require a nonpublic school
40 to modify its admissions or educational program in
41 order to receive payment from a parent or guardian
42 using funds from a pupil's account in the education
43 savings grant fund. A nonpublic school or entity
44 providing competent private instruction under chapter
45 299A, that accepts payment from a parent or guardian
46 using funds from a pupil's account in the education
47 savings grant fund is not an agent of this state or
48 other political subdivision of this state. Rules
49 adopted by the department to implement this section
50 that impose an undue burden on a nonpublic school or

1 entity providing competent private instruction under
2 chapter 299A are invalid.

3 Sec. ____ . APPLICABILITY. This division of this
4 Act applies to school budget years and fiscal years
5 beginning on or after July 1, 2014.>

6 2. Title page, line 5, before <establishing> by
7 inserting <making appropriations and>

8 3. By renumbering as necessary.

JERRY BEHN

NANCY J. BOETTGER

DAN ZUMBACH

MICHAEL BREITBACH

DAVID JOHNSON

SANDRA H. GREINER

JAKE CHAPMAN

RICK BERTRAND

BILL ANDERSON

DENNIS GUTH

HUBERT HOUSER

MARK CHELGREN

TIM KAPUCIAN

JONI ERNST

MARK SEGEBART

CHARLES SCHNEIDER

JACK WHITVER

RANDY FEENSTRA

KEN ROZENBOOM

AMY SINCLAIR