

House File 438

H-1049

1 Amend House File 438 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 256.9, Code 2021, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 63. Adopt rules relating to the  
6 administration of and applications for the student first  
7 scholarship program pursuant to section 257.11B, including but  
8 not limited to application processing timelines and information  
9 required to be submitted by a parent or guardian.>

10 2. Page 1, line 10, by striking <one-half> and inserting  
11 <two-tenths>

12 3. Page 1, line 24, by striking <one-half> and inserting  
13 <two-tenths>

14 4. Page 2, after line 29 by inserting:

15 <Sec. \_\_\_\_ . NEW SECTION. 257.11B Student first scholarship  
16 program.

17 1. a. For the school budget year beginning July 1, 2022,  
18 and each succeeding school budget year, the following resident  
19 pupils who are attending a nonpublic school, as defined in  
20 section 285.16, shall be eligible to receive a student first  
21 scholarship in the manner provided in this section:

22 (1) A pupil eligible to enroll in kindergarten who, if  
23 enrolled in the pupil's district of residence, would attend  
24 a public school identified for comprehensive support and  
25 improvement under the federal Every Student Succeeds Act, Pub.  
26 L. No. 114-95, or an equivalent objective federal standard.

27 (2) A pupil eligible to enroll in grade one through grade  
28 twelve if the pupil has attended a public school identified for  
29 comprehensive support and improvement under the federal Every  
30 Student Succeeds Act, Pub. L. No. 114-95, or an equivalent  
31 objective federal standard, for the equivalent of the two  
32 immediately preceding semesters for which the student first  
33 scholarship is requested and if the pupil is not otherwise  
34 ineligible under this section.

35 (3) A pupil who received a student first scholarship for

1 the immediately preceding school budget year, who is eligible  
2 to enroll in grade one through grade twelve, and who is not  
3 otherwise ineligible under this section.

4 *b.* Student first scholarships shall be made available to  
5 parents and guardians in the manner authorized under subsection  
6 4, paragraph "c", for the payment of qualified educational  
7 expenses as provided in this section.

8 *c.* For purposes of this subsection, "resident" means the  
9 same as defined in section 282.1, subsection 2.

10 2. *a.* (1) By January 1 preceding the school year for  
11 which the student first scholarship is requested, the parent or  
12 guardian of the pupil requesting a student first scholarship  
13 shall submit an application to the department of education, on  
14 application forms developed by the department of education,  
15 indicating that the parent or guardian intends to enroll the  
16 pupil in a nonpublic school for the entirety of the school  
17 year.

18 (2) In addition to such information deemed appropriate by  
19 the department of education, the application shall require  
20 certification from the nonpublic school of the pupil's  
21 enrollment for the following school year.

22 *b.* By February 1 preceding the school year for which the  
23 student first scholarship is requested, the department of  
24 education shall determine the number of pupils in each school  
25 district approved to receive a scholarship for the following  
26 school year and shall notify the parent or guardian of each  
27 pupil approved for the following school year to receive a  
28 scholarship and the amount of the scholarship for the pupil.

29 *c.* Student first scholarships shall only be approved for  
30 one school year and applications must be submitted annually for  
31 student first scholarships in subsequent school years.

32 3. The department of education shall assign each pupil a  
33 student first scholarship in an amount equal to the sum of all  
34 the following for the same school budget year:

35 *a.* The product of the pupil's weighted enrollment that

1 would otherwise be assigned to the pupil under this chapter if  
2 the pupil was enrolled in the pupil's district of residence  
3 multiplied by the difference between eighty-seven and  
4 five-tenths percent of the regular program state cost per pupil  
5 and the statewide average foundation property tax per pupil.

6 *b.* The total teacher salary supplement district cost per  
7 pupil for the pupil's district of residence.

8 *c.* The total professional development supplement district  
9 cost per pupil for the pupil's district of residence.

10 *d.* The total early intervention supplement district cost per  
11 pupil for the pupil's district of residence.

12 *e.* The total area education agency teacher salary supplement  
13 district cost per pupil for the pupil's district of residence.

14 *f.* The total area education agency professional development  
15 supplement district cost per pupil for the pupil's district of  
16 residence.

17 *g.* The total teacher leadership supplement district cost per  
18 pupil for the pupil's district of residence.

19 4. A student first scholarship fund is created in the  
20 state treasury under the control of the department of  
21 education consisting of moneys appropriated to the department  
22 of education for the purpose of providing student first  
23 scholarships under this section. For the fiscal year  
24 commencing July 1, 2022, and each succeeding fiscal year, there  
25 is appropriated from the general fund of the state to the  
26 department of education to be credited to the fund the amount  
27 necessary to pay all student first scholarships approved for  
28 that fiscal year. The director of the department of education  
29 has all powers necessary to carry out and effectuate the  
30 purposes, objectives, and provisions of this section pertaining  
31 to the fund, including the power to do all of the following:

32 *a.* Make and enter into contracts necessary for the  
33 administration of the fund.

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

1     *c.* Contract with a private financial management firm to  
2 manage the fund, in collaboration with the treasurer of state,  
3 including providing for the disbursement of student first  
4 scholarships in the form of an electronic debit card or checks  
5 that are payable directly from the pupil's account within the  
6 fund.

7     *d.* Conduct audits or other reviews necessary to properly  
8 administer the program.

9     *e.* Adopt rules for the administration of the fund and  
10 accounts within the fund.

11     5. *a.* For each pupil approved for a student first  
12 scholarship, the department of education shall establish an  
13 account for that pupil in the student first scholarship fund.  
14 The amount of the pupil's student first scholarship shall be  
15 deposited into the pupil's account on July 1, and such amount  
16 shall be immediately available for the payment of qualified  
17 educational expenses incurred by the parent or guardian for  
18 the pupil during that fiscal year using the payment method  
19 authorized under subsection 4, paragraph "c".

20     *b.* A nonpublic school that accepts payment from a parent  
21 or guardian using funds from a pupil's account in the student  
22 first scholarship fund shall not refund, rebate, or share any  
23 portion of such payment with the parent, guardian, or pupil.

24     *c.* Moneys remaining in a pupil's account upon conclusion  
25 of the fiscal year shall remain in the pupil's account in the  
26 student first scholarship fund for the payment of qualified  
27 educational expenses in future fiscal years during which the  
28 pupil participates in the program until the pupil becomes  
29 ineligible under the program or until the remaining amounts are  
30 transferred to the state general fund under subsection 8.

31     6. *a.* For purposes of this section, "*qualified educational*  
32 *expenses*" includes tuition and fees at a nonpublic school,  
33 textbooks, fees or payments for educational therapies,  
34 including tutoring or cognitive skills training, curriculum  
35 fees, software, and materials for a course of study for a

1 specific subject matter or grade level, tuition or fees for  
2 nonpublic online education programs, tuition for vocational and  
3 life skills education approved by the department of education,  
4 education materials and services for pupils with disabilities,  
5 including the cost of paraprofessionals and assistants who are  
6 trained in accordance with state law, standardized test fees,  
7 advanced placement examinations or examinations related to  
8 postsecondary education admission or credentialing, qualified  
9 education expenses, as defined in section 12D.1, excluding  
10 room and board expenses, and other expenses incurred by the  
11 parent or guardian that are directly related to the education  
12 of the pupil at a nonpublic school, including a nonpublic  
13 school accredited by an independent accrediting agency approved  
14 by the department of education. The cost of one computer or  
15 other portable computing device shall be allowed as a qualified  
16 educational expense for a pupil if the computer or portable  
17 computing device is used primarily for the education of the  
18 pupil and if such a purchase has not been made using funds from  
19 that pupil's account in any of the three immediately preceding  
20 fiscal years.

21 *b. "Qualified educational expenses" does not include*  
22 *transportation costs for the pupil, the cost of food or*  
23 *refreshments consumed by the pupil, the cost of clothing for*  
24 *the pupil, or the cost of disposable materials, including*  
25 *but not limited to paper, notebooks, pencils, pens, and art*  
26 *supplies.*

27 7. *a.* A person who makes a false claim for the purpose  
28 of obtaining a student first scholarship provided for in this  
29 section or who knowingly receives the scholarship or makes a  
30 payment from an account within the student first scholarship  
31 fund without being legally entitled to do so is guilty of a  
32 fraudulent practice under chapter 714. The false claim for a  
33 student first scholarship or a payment from an account shall  
34 be disallowed. The department of education shall also close  
35 the pupil's account in the student first scholarship fund and

1 transfer any remaining moneys in the account for deposit in the  
2 general fund of the state. If the improperly obtained amounts  
3 from the scholarship have been disbursed from the applicable  
4 account in the student first scholarship fund, the department  
5 of education shall recover such amounts from the parent or  
6 guardian, including by initiating legal proceedings to recover  
7 such amounts, if necessary. A parent or guardian who commits  
8 a fraudulent practice under this section is prohibited from  
9 participating in the student first scholarship program in the  
10 future.

11 *b.* If, prior to the end of the required attendance  
12 period of the school year, a pupil who receives a student  
13 first scholarship withdraws from enrollment in the nonpublic  
14 school or is expelled, the nonpublic school shall notify the  
15 department of education in writing of the pupil's withdrawal  
16 or expulsion, and the pupil's parent or guardian shall notify  
17 the department of education of the pupil's withdrawal or  
18 expulsion from the nonpublic school. A pupil's expulsion  
19 from the nonpublic school prior to the end of the required  
20 attendance period for the school year shall invalidate the  
21 pupil's eligibility for the student first scholarship for the  
22 school budget year. A pupil's withdrawal from a nonpublic  
23 school prior to the end of the required attendance period of  
24 the school year shall invalidate the pupil's eligibility for  
25 the student first scholarship for the school budget year unless  
26 the withdrawal is the result of a change in residence of the  
27 pupil and the pupil, following written notice by the parent  
28 or guardian and certification by the new nonpublic school to  
29 the department of education, enrolls in a different nonpublic  
30 school in this state for the remainder of the school year.

31 *c.* (1) Upon receipt of a notice of expulsion under  
32 paragraph "b", the department of education shall close the  
33 pupil's account in the student first scholarship fund and  
34 transfer any remaining moneys in the account for deposit in  
35 the general fund of the state. In addition, if amounts from

1 the scholarship for the school budget year during which the  
2 pupil is expelled have been disbursed from the expelled pupil's  
3 account in the student first scholarship fund, the department  
4 of education shall recover such amounts from the parent or  
5 guardian, including by initiating legal proceedings to recover  
6 such amounts, if necessary.

7 (2) Upon receipt of a notice of withdrawal under paragraph  
8 "b" and a determination that the pupil's withdrawal was  
9 not the result of a change in residence, the department of  
10 education shall cease disbursements of remaining moneys in  
11 the pupil's account in the student first scholarship fund,  
12 close the pupil's account, and transfer any moneys remaining  
13 in the pupil's account for deposit in the general fund of  
14 the state. In addition, if amounts from the scholarship for  
15 the school budget year during which the withdrawal occurs  
16 have been disbursed from the pupil's account in the student  
17 first scholarship fund, the department of education shall  
18 recover such amounts from the parent or guardian to the extent  
19 the amount disbursed exceeds the amount of the scholarship  
20 proportionate to the remaining portion of the school year  
21 following the withdrawal, including by initiating legal  
22 proceedings to recover such amounts, if necessary.

23 (3) Upon receipt of a notice of withdrawal under paragraph  
24 "b" and a determination that the withdrawal was the result of  
25 a change in residence but that the pupil did not enroll in  
26 a different nonpublic school in this state for the remainder  
27 of the school year, the department of education shall cease  
28 disbursements of remaining moneys in the pupil's account in  
29 the student first scholarship fund, close the pupil's account,  
30 and transfer any moneys remaining in the pupil's account for  
31 deposit in the general fund of the state.

32 (4) If a pupil's eligibility is invalidated under the  
33 provisions of paragraph "b", the pupil shall be ineligible for a  
34 student first scholarship for the following school budget year  
35 under subsection 1, paragraph "a", subparagraphs (2) and (3).

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

5 9. a. A parent may appeal to the state board of education  
6 any administrative decision the department of education  
7 makes pursuant to this section, including but not limited  
8 to determinations of eligibility, allowable expenses, and  
9 removal from the program. The department shall notify the  
10 parent or guardian in writing of the appeal process at the same  
11 time the department notifies the parent or guardian of the  
12 administrative decision. The state board of education shall  
13 establish the appeals process consistent with chapter 17A and  
14 shall post such appeal process information on the state board  
15 of education's internet site.

16 b. The state board of education shall refer cases of  
17 substantial misuse of student first scholarship funds to the  
18 attorney general for the purpose of collection or for the  
19 purpose of a criminal investigation if the state board of  
20 education obtains evidence of fraudulent use of an account.

21 10. This section shall not be construed to authorize the  
22 state or any political subdivision of the state to exercise  
23 authority over any nonpublic school or construed to require  
24 a nonpublic school to modify its academic standards for  
25 admission or educational program in order to receive payment  
26 from a parent or guardian using funds from a pupil's account  
27 in the student first scholarship fund. A nonpublic school  
28 that accepts payment from a parent or guardian using funds  
29 from a pupil's account in the student first scholarship fund  
30 is not an agent of this state or of a political subdivision  
31 of this state. Rules adopted by the department of education  
32 to implement this section that impose an undue burden on a  
33 nonpublic school are invalid.>

34 5. Page 5, after line 3 by inserting:

35 <Sec. \_\_\_\_\_. Section 422.7, Code 2021, is amended by adding



1 the following new subsection:

2 NEW SUBSECTION. 51. Subtract, to the extent included, the  
3 amount of a student first scholarship under section 257.11B  
4 received by the taxpayer for payment of qualified educational  
5 expenses.

6 Sec. \_\_\_\_\_. APPLICABILITY. The following applies to school  
7 budget years and fiscal years beginning on or after July 1,  
8 2022:

9 The section of this Act enacting section 257.11B.

10 Sec. \_\_\_\_\_. APPLICABILITY. The following applies to tax years  
11 beginning on or after January 1, 2022:

12 The section of this Act enacting section 422.7, subsection  
13 51.>

14 6. Title page, line 5, after <pupil,> by inserting  
15 <establishing a student first scholarship program, making  
16 appropriations,>

17 7. Title page, line 7, before <provisions> by inserting <and  
18 applicability>

19 8. By renumbering as necessary.

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SHIPLEY of Van Buren