

House File 868

H-1422

1 Amend House File 868 as follows:

2 1. Page 12, after line 11 by inserting:

3 <\_\_\_. STUDENT FIRST SCHOLARSHIPS

4 For deposit in the student first scholarship fund created  
5 pursuant to section 257.11B, if enacted by this Act:

6 ..... \$ 5,000,000>

7 2. Page 26, after line 35 by inserting:

8 <DIVISION \_\_\_\_

9 STUDENT FIRST SCHOLARSHIP PROGRAM

10 Sec. \_\_\_\_. Section 256.9, Code 2021, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 63. Adopt rules relating to the  
13 administration of and applications for the student first  
14 scholarship program pursuant to section 257.11B, including but  
15 not limited to application processing timelines and information  
16 required to be submitted by a parent or guardian.

17 Sec. \_\_\_\_. NEW SECTION. **257.11B Student first scholarship**  
18 **program.**

19 1. Subject to an appropriation of funds by the general  
20 assembly for the purpose, a student first scholarship program  
21 is created that shall be administered by the department of  
22 education.

23 a. For the school budget year beginning July 1, 2022, and  
24 each succeeding school budget year, the following resident  
25 pupils who are attending a nonpublic school, as defined in  
26 section 285.16, shall be eligible to receive a student first  
27 scholarship in the manner provided in this section:

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

33 (2) A pupil eligible to enroll in grade one through grade  
34 twelve if the pupil has attended a public school identified for  
35 comprehensive support and improvement under the federal Every

1 Student Succeeds Act, Pub. L. No. 114-95, or an equivalent  
2 objective federal standard, for the equivalent of the two  
3 immediately preceding semesters for which the student first  
4 scholarship is requested and if the pupil is not otherwise  
5 ineligible under this section.

6 (3) A pupil who received a student first scholarship for  
7 the immediately preceding school budget year, who is eligible  
8 to enroll in grade one through grade twelve, and who is not  
9 otherwise ineligible under this section.

10 b. Student first scholarships shall be made available to  
11 parents and guardians in the manner authorized under subsection  
12 4, paragraph "c", for the payment of qualified educational  
13 expenses as provided in this section.

14 c. For purposes of this subsection, "resident" means the  
15 same as defined in section 282.1, subsection 2.

16 2. a. (1) By January 1 preceding the school year for  
17 which the student first scholarship is requested, the parent or  
18 guardian of the pupil requesting a student first scholarship  
19 shall submit an application to the department of education, on  
20 application forms developed by the department of education,  
21 indicating that the parent or guardian intends to enroll the  
22 pupil in a nonpublic school for the entirety of the school  
23 year.

24 (2) In addition to such information deemed appropriate by  
25 the department of education, the application shall require  
26 certification from the nonpublic school of the pupil's  
27 enrollment for the following school year.

28 b. By February 1 preceding the school year for which the  
29 student first scholarship is requested, the department of  
30 education shall determine the number of pupils in each school  
31 district approved to receive a scholarship for the following  
32 school year and shall notify the parent or guardian of each  
33 pupil approved for the following school year to receive a  
34 scholarship and the amount of the scholarship for the pupil.

35 c. Student first scholarships shall only be approved for

1 one school year and applications must be submitted annually for  
2 student first scholarships in subsequent school years.

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

6 a. The product of the pupil's weighted enrollment that  
7 would otherwise be assigned to the pupil under this chapter if  
8 the pupil was enrolled in the pupil's district of residence  
9 multiplied by the difference between eighty-seven and  
10 five-tenths percent of the regular program state cost per pupil  
11 and the statewide average foundation property tax per pupil.

12 b. The total teacher salary supplement district cost per  
13 pupil for the pupil's district of residence.

14 c. The total professional development supplement district  
15 cost per pupil for the pupil's district of residence.

16 d. The total early intervention supplement district cost per  
17 pupil for the pupil's district of residence.

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

20 f. The total area education agency professional development  
21 supplement district cost per pupil for the pupil's district of  
22 residence.

23 g. The total teacher leadership supplement district cost per  
24 pupil for the pupil's district of residence.

25 4. A student first scholarship fund is created in the  
26 state treasury under the control of the department of  
27 education consisting of moneys appropriated to the department  
28 of education for the purpose of providing student first  
29 scholarships under this section. Notwithstanding section  
30 8.33, moneys appropriated to the department of education by  
31 the general assembly for purposes of this section that remain  
32 unencumbered or unobligated at the end of the fiscal year shall  
33 not revert to the general fund but shall remain available for  
34 expenditure for the purposes designated in subsequent fiscal  
35 years. The director of the department of education has all

1 powers necessary to carry out and effectuate the purposes,  
2 objectives, and provisions of this section pertaining to the  
3 fund, including the power to do all of the following:

4     *a.* Make and enter into contracts necessary for the  
5 administration of the fund.

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

8     *c.* Contract with a private financial management firm to  
9 manage the fund, in collaboration with the treasurer of state,  
10 including providing for the disbursement of student first  
11 scholarships in the form of an electronic debit card or checks  
12 that are payable directly from the pupil's account within the  
13 fund.

14     *d.* Conduct audits or other reviews necessary to properly  
15 administer the program.

16     *e.* Adopt rules for the administration of the fund and  
17 accounts within the fund.

18     *f.* Prorate the amount of scholarship awards if the amount  
19 appropriated is insufficient to pay the full amount of  
20 scholarship awards in accordance with subsection 1.

21     5. *a.* For each pupil approved for a student first  
22 scholarship, the department of education shall establish an  
23 account for that pupil in the student first scholarship fund.  
24 The amount of the pupil's student first scholarship shall be  
25 deposited into the pupil's account on July 1, and such amount  
26 shall be immediately available for the payment of qualified  
27 educational expenses incurred by the parent or guardian for  
28 the pupil during that fiscal year using the payment method  
29 authorized under subsection 4, paragraph "c".

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

34     *c.* Moneys remaining in a pupil's account upon conclusion  
35 of the fiscal year shall remain in the pupil's account in the

1 student first scholarship fund for the payment of qualified  
2 educational expenses in future fiscal years during which the  
3 pupil participates in the program until the pupil becomes  
4 ineligible under the program or until the remaining amounts are  
5 transferred to the state general fund under subsection 8.

6 6. a. For purposes of this section, *“qualified educational*  
7 *expenses”* includes tuition and fees at a nonpublic school,  
8 textbooks, fees or payments for educational therapies,  
9 including tutoring or cognitive skills training, curriculum  
10 fees, software, and materials for a course of study for a  
11 specific subject matter or grade level, tuition or fees for  
12 nonpublic online education programs, tuition for vocational and  
13 life skills education approved by the department of education,  
14 education materials and services for pupils with disabilities,  
15 including the cost of paraprofessionals and assistants who are  
16 trained in accordance with state law, standardized test fees,  
17 advanced placement examinations or examinations related to  
18 postsecondary education admission or credentialing, qualified  
19 education expenses, as defined in section 12D.1, excluding  
20 room and board expenses, and other expenses incurred by the  
21 parent or guardian that are directly related to the education  
22 of the pupil at a nonpublic school, including a nonpublic  
23 school accredited by an independent accrediting agency approved  
24 by the department of education. The cost of one computer or  
25 other portable computing device shall be allowed as a qualified  
26 educational expense for a pupil if the computer or portable  
27 computing device is used primarily for the education of the  
28 pupil and if such a purchase has not been made using funds from  
29 that pupil’s account in any of the three immediately preceding  
30 fiscal years.

31 b. *“Qualified educational expenses”* does not include  
32 transportation costs for the pupil, the cost of food or  
33 refreshments consumed by the pupil, the cost of clothing for  
34 the pupil, or the cost of disposable materials, including  
35 but not limited to paper, notebooks, pencils, pens, and art

1 supplies.

2 7. a. A person who makes a false claim for the purpose  
3 of obtaining a student first scholarship provided for in this  
4 section or who knowingly receives the scholarship or makes a  
5 payment from an account within the student first scholarship  
6 fund without being legally entitled to do so is guilty of a  
7 fraudulent practice under chapter 714. The false claim for a  
8 student first scholarship or a payment from an account shall  
9 be disallowed. The department of education shall also close  
10 the pupil's account in the student first scholarship fund and  
11 transfer any remaining moneys in the account for deposit in the  
12 general fund of the state. If the improperly obtained amounts  
13 from the scholarship have been disbursed from the applicable  
14 account in the student first scholarship fund, the department  
15 of education shall recover such amounts from the parent or  
16 guardian, including by initiating legal proceedings to recover  
17 such amounts, if necessary. A parent or guardian who commits  
18 a fraudulent practice under this section is prohibited from  
19 participating in the student first scholarship program in the  
20 future.

21 b. If, prior to the end of the required attendance  
22 period of the school year, a pupil who receives a student  
23 first scholarship withdraws from enrollment in the nonpublic  
24 school or is expelled, the nonpublic school shall notify the  
25 department of education in writing of the pupil's withdrawal  
26 or expulsion, and the pupil's parent or guardian shall notify  
27 the department of education of the pupil's withdrawal or  
28 expulsion from the nonpublic school. A pupil's expulsion  
29 from the nonpublic school prior to the end of the required  
30 attendance period for the school year shall invalidate the  
31 pupil's eligibility for the student first scholarship for the  
32 school budget year. A pupil's withdrawal from a nonpublic  
33 school prior to the end of the required attendance period of  
34 the school year shall invalidate the pupil's eligibility for  
35 the student first scholarship for the school budget year unless

1 the withdrawal is the result of a change in residence of the  
2 pupil and the pupil, following written notice by the parent  
3 or guardian and certification by the new nonpublic school to  
4 the department of education, enrolls in a different nonpublic  
5 school in this state for the remainder of the school year.

6 c. (1) Upon receipt of a notice of expulsion under  
7 paragraph "b", the department of education shall close the  
8 pupil's account in the student first scholarship fund and  
9 transfer any remaining moneys in the account for deposit in  
10 the general fund of the state. In addition, if amounts from  
11 the scholarship for the school budget year during which the  
12 pupil is expelled have been disbursed from the expelled pupil's  
13 account in the student first scholarship fund, the department  
14 of education shall recover such amounts from the parent or  
15 guardian, including by initiating legal proceedings to recover  
16 such amounts, if necessary.

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

33 (3) Upon receipt of a notice of withdrawal under paragraph  
34 "b" and a determination that the withdrawal was the result of  
35 a change in residence but that the pupil did not enroll in

1 a different nonpublic school in this state for the remainder  
2 of the school year, the department of education shall cease  
3 disbursements of remaining moneys in the pupil's account in  
4 the student first scholarship fund, close the pupil's account,  
5 and transfer any moneys remaining in the pupil's account for  
6 deposit in the general fund of the state.

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

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

15 9. a. A parent may appeal to the state board of education  
16 any administrative decision the department of education  
17 makes pursuant to this section, including but not limited  
18 to determinations of eligibility, allowable expenses, and  
19 removal from the program. The department shall notify the  
20 parent or guardian in writing of the appeal process at the same  
21 time the department notifies the parent or guardian of the  
22 administrative decision. The state board of education shall  
23 establish the appeals process consistent with chapter 17A and  
24 shall post such appeal process information on the state board  
25 of education's internet site.

26 b. The state board of education shall refer cases of  
27 substantial misuse of student first scholarship funds to the  
28 attorney general for the purpose of collection or for the  
29 purpose of a criminal investigation if the state board of  
30 education obtains evidence of fraudulent use of an account.

31 10. This section shall not be construed to authorize the  
32 state or any political subdivision of the state to exercise  
33 authority over any nonpublic school or construed to require  
34 a nonpublic school to modify its academic standards for  
35 admission or educational program in order to receive payment



1 from a parent or guardian using funds from a pupil's account  
2 in the student first scholarship fund. A nonpublic school  
3 that accepts payment from a parent or guardian using funds  
4 from a pupil's account in the student first scholarship fund  
5 is not an agent of this state or of a political subdivision  
6 of this state. Rules adopted by the department of education  
7 to implement this section that impose an undue burden on a  
8 nonpublic school are invalid.

9 Sec. \_\_\_\_\_. Section 422.7, Code 2021, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 51. Subtract, to the extent included, the  
12 amount of a student first scholarship under section 257.11B  
13 received by the taxpayer for payment of qualified educational  
14 expenses.

15 Sec. \_\_\_\_\_. APPLICABILITY. The following applies to school  
16 budget years and fiscal years beginning on or after July 1,  
17 2022:

18 The section of this division of this Act enacting section  
19 257.11B.

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

22 The section of this division of this Act enacting section  
23 422.7, subsection 51.>

24 3. Title page, line 6, by striking <retroactive>

25 4. By renumbering as necessary.

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SHIPLEY of Van Buren