

Senate File 94

S-3001

1 Amend Senate File 94 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 SHORT TITLE

6 Section 1. SHORT TITLE. This Act shall be known and may be
7 cited as the "Students First Act".

8 DIVISION II

9 EDUCATION SAVINGS ACCOUNT PROGRAM

10 Sec. 2. Section 256.9, Code 2023, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 66. Adopt rules relating to the
13 administration of, and applications for, the education savings
14 account program pursuant to section 257.11B, including but not
15 limited to application processing timelines and information
16 required to be submitted by a parent or guardian.

17 Sec. 3. Section 257.10, subsection 9, paragraph c,
18 subparagraph (1), Code 2023, is amended to read as follows:

19 (1) The unadjusted teacher salary supplement district cost
20 is the teacher salary supplement district cost per pupil for
21 each school district for a budget year multiplied by the sum
22 of the budget enrollment for that school district plus the
23 number of resident pupils in the school district that received
24 an education savings account payment under section 257.11B for
25 the base year.

26 Sec. 4. Section 257.10, subsection 10, paragraph c,
27 subparagraph (1), Code 2023, is amended to read as follows:

28 (1) The unadjusted professional development supplement
29 district cost is the professional development supplement
30 district cost per pupil for each school district for a budget
31 year multiplied by the sum of the budget enrollment for that
32 school district plus the number of resident pupils in the
33 school district that received an education savings account
34 payment under section 257.11B for the base year.

35 Sec. 5. Section 257.10, subsection 11, paragraph c,

1 subparagraph (1), Code 2023, is amended to read as follows:

2 (1) The unadjusted early intervention supplement district
3 cost is the early intervention supplement district cost per
4 pupil for each school district for a budget year multiplied
5 by the sum of the budget enrollment for that school district
6 plus the number of resident pupils in the school district that
7 received an education savings account payment under section
8 257.11B for the base year.

9 Sec. 6. Section 257.10, subsection 12, paragraph c,
10 subparagraph (1), Code 2023, is amended to read as follows:

11 (1) The unadjusted teacher leadership supplement district
12 cost is the teacher leadership supplement district cost per
13 pupil for each school district for a budget year multiplied
14 by the sum of the budget enrollment for that school district
15 plus the number of resident pupils in the school district that
16 received an education savings account payment under section
17 257.11B for the base year.

18 Sec. 7. **NEW SECTION. 257.11B Education savings account**
19 **program.**

20 1. For purposes of this section:

21 a. *“Nonpublic school”* means the same as defined in section
22 285.16.

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

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

9 c. "Resident" means the same as defined in section 282.1,
10 subsection 2.

11 2. a. (1) For the school budget year beginning July
12 1, 2023, the following pupils who attend a nonpublic school
13 for that school budget year shall be eligible to receive an
14 education savings account payment:

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

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

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

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

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

35 (b) A resident pupil who is eligible to enroll in grades one

1 through twelve and was not enrolled in a nonpublic school for
2 the school year immediately preceding the school year for which
3 the education savings account payment is requested.

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

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

15 (3) For school budget years beginning on or after July
16 1, 2025, resident pupils eligible to enroll in kindergarten
17 through grade twelve who attend a nonpublic school for the
18 applicable school budget year shall be eligible to receive an
19 education savings account payment.

20 *b.* Education savings account payments shall be made
21 available to parents and guardians in the manner authorized
22 under subsection 5 for the payment of qualified educational
23 expenses as provided in this section. Parents and guardians
24 shall first use education savings account payments for all
25 qualified educational expenses that are tuition and fees for
26 which the parent or guardian is responsible for payment at the
27 pupil's nonpublic school prior to using the education savings
28 account for other qualified educational expenses.

29 3. *a.* On or after January 1, but on or before June 30,
30 preceding the school year for which the education savings
31 account payment is requested, the parent or guardian of an
32 eligible pupil may request an education savings account payment
33 by submitting an application to the department of education.

34 *b.* Within thirty days following submission of an
35 application, the department of education or third-party entity

1 shall notify the parent or guardian of each pupil approved
2 for the following school year and specify the amount of the
3 education savings account payment for the pupil, if known at
4 the time of the notice. As soon as practical following the
5 processing of all applications, the department of education or
6 third-party entity shall determine the number of pupils in each
7 school district approved for the school budget year and provide
8 such information to the department of management.

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

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

15 5. An education savings account fund is created in
16 the state treasury under the control of the department of
17 education consisting of moneys appropriated to the department
18 of education for the purpose of providing education savings
19 account payments under this section. For the fiscal year
20 commencing July 1, 2023, and each succeeding fiscal year,
21 there is appropriated from the general fund of the state
22 to the department of education to be credited to the fund
23 the amount necessary to pay all education savings account
24 payments approved for that fiscal year. The director of the
25 department of education has all powers necessary to carry out
26 and effectuate the purposes, objectives, and provisions of this
27 section pertaining to the fund, including the power to do all
28 of the following:

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

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

33 *c.* Contract with a qualified firm, including but not limited
34 to the third-party entity under paragraph "*a*", to allocate
35 funds from each pupil's account for the payment of qualified

1 educational expenses by the pupil's parent or guardian.

2 *d.* Require the qualified firm under paragraph "c" to
3 offer the department of education the capability of automated
4 clearinghouse transactions, electronic commerce transactions,
5 reimbursement transactions, and debit card payments in order to
6 meet the diverse needs of participating parents and guardians
7 to pay for qualified educational expenses. The director of
8 the department of education shall determine which transaction
9 capabilities will be available to participating parents and
10 guardians.

11 *e.* Reduce the possibility of waste, fraud, and abuse,
12 and ensure that any technology platform used for the program
13 meets the state's highest security requirements, including
14 compliance.

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

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

19 6. *a.* For each pupil approved for an education savings
20 account payment, the department of education or third-party
21 entity shall establish an individual account for that pupil
22 in the education savings account fund. The amount of the
23 pupil's education savings account payment shall be deposited
24 into the pupil's individual account on July 15 or thirty days
25 following submission of the application, whichever is later,
26 and such amount shall be immediately available for the payment
27 of qualified educational expenses incurred by the parent or
28 guardian for the pupil during that fiscal year using a payment
29 method authorized under subsection 5.

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

35 *c.* Moneys remaining in a pupil's individual account

1 upon conclusion of the fiscal year shall remain in the
2 pupil's individual account for the payment of qualified
3 educational expenses in future fiscal years during which the
4 pupil participates in the program until the pupil becomes
5 ineligible under the program or until the remaining amounts are
6 transferred to the state general fund under subsection 8.

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

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

29 9. a. A parent may appeal to the state board of education
30 any administrative decision the department of education or
31 third-party entity makes pursuant to this section, including
32 but not limited to determinations of eligibility, allowable
33 expenses, and removal from the program. The department or
34 third-party entity shall notify the parent or guardian in
35 writing of the appeal process at the same time the department

1 notifies the parent or guardian of the administrative decision.
2 The state board of education shall establish the appeals
3 process consistent with chapter 17A and shall post such appeal
4 process information on the state board of education's internet
5 site.

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

11 10. *a.* This section shall not be construed to authorize
12 the state or any political subdivision of the state to exercise
13 authority over any nonpublic school or construed to require a
14 nonpublic school to modify its academic standards for admission
15 or educational program in order to receive payment from a
16 parent or guardian using funds from a pupil's account in the
17 education savings account fund.

18 *b.* This section shall not be construed to expand the
19 authority of the state or any political subdivision of the
20 state to impose regulations upon any nonpublic school that are
21 not necessary to implement this section.

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

26 *d.* Rules adopted by the department of education to implement
27 this section that impose an undue burden on a nonpublic school
28 are invalid.

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

34 11. *a.* Each pupil participating in the education savings
35 account program is required to take all applicable state and

1 Sec. 12. Section 257.10, subsection 9, paragraph d, Code
2 2023, is amended to read as follows:

3 ~~d. For the budget year beginning July 1, 2009, the use~~
4 ~~of the funds calculated under this subsection shall comply~~
5 ~~with the requirements of chapter 284 and shall be distributed~~
6 ~~to teachers pursuant to section 284.3A.~~ For the budget year
7 beginning July 1, 2010, and succeeding budget years, the use
8 of the funds calculated under this subsection or available for
9 use as provided in subsection 10, paragraph "d", subsection 12,
10 paragraph "d", or section 257.46, subsection 3, shall comply
11 ~~with the requirements of chapter 284 and shall be distributed~~
12 to teachers pursuant to section 284.3A and shall comply with
13 the requirements of chapter 284 related to such distribution
14 under section 284.3A.

15 Sec. 13. Section 257.10, subsection 10, paragraph d, Code
16 2023, is amended to read as follows:

17 d. The use of the funds calculated under this subsection
18 and any amount designated for professional development purposes
19 from the school district's flexibility account under section
20 298A.2, subsection 2, shall comply with the requirements of
21 chapter 284. If all professional development requirements of
22 chapter 284 are met and funds received under this subsection
23 remain unexpended and unobligated at the end of a fiscal year
24 beginning on or after July 1, 2017, the school district may
25 transfer all or a portion of such unexpended and unobligated
26 funds for deposit in the school district's flexibility account
27 established under section 298A.2, subsection 2. At the end
28 of a fiscal year beginning on or after July 1, 2022, the
29 school district may use all or a portion of funds under this
30 subsection for the purposes authorized under subsection 9,
31 paragraph "d".

32 Sec. 14. Section 257.10, subsection 12, paragraph d, Code
33 2023, is amended to read as follows:

34 ~~d. For~~ Except as otherwise allowed under this paragraph,
35 for the budget year beginning July 1, 2014, and succeeding

1 budget years, the use of the funds calculated under this
2 subsection shall comply with the requirements of [chapter 284](#)
3 and shall be distributed to teachers pursuant to section
4 284.15. The funds shall be used only to increase the payment
5 for a teacher assigned to a leadership role pursuant to a
6 framework or comparable system approved pursuant to section
7 284.15; to increase the percentages of teachers assigned to
8 leadership roles; to increase the minimum teacher starting
9 salary to thirty-three thousand five hundred dollars; to
10 cover the costs for the time mentor and lead teachers are not
11 providing instruction to students in a classroom; for coverage
12 of a classroom when an initial or career teacher is observing
13 or co-teaching with a teacher assigned to a leadership role;
14 for professional development time to learn best practices
15 associated with the career pathways leadership process; and for
16 other costs associated with a framework or comparable system
17 approved by the department of education under [section 284.15](#)
18 with the goals of improving instruction and elevating the
19 quality of teaching and student learning. If all requirements
20 for the school district for the use of funds calculated
21 under [this subsection](#) are met and funds received under this
22 subsection remain unexpended and unobligated at the end of a
23 fiscal year beginning on or after July 1, 2020, the school
24 district may transfer all or a portion of such unexpended
25 and unobligated funds for deposit in the school district's
26 flexibility account established under section 298A.2,
27 subsection 2. At the end of a fiscal year beginning on or after
28 July 1, 2022, school districts may use all or a portion of
29 funds under this subsection for the purposes authorized under
30 subsection 9, paragraph "d", and, notwithstanding any provision
31 of law to the contrary, school districts shall not be required
32 to participate in or comply with section 284.15 in order to
33 continue to receive funding under this subsection.

34 Sec. 15. Section 257.46, subsection 3, Code 2023, is amended
35 to read as follows:

1 3. If any portion of the gifted and talented program budget
2 remains unexpended at the end of the budget year, the remainder
3 shall be carried over to the subsequent budget year and added
4 to the gifted and talented program budget for that year. At
5 the end of a fiscal year beginning on or after July 1, 2022,
6 the school district may use all or a portion of funds for the
7 purposes authorized under subsection 9, paragraph `d`.

8 Sec. 16. Section 284.15, subsection 7, Code 2023, is amended
9 to read as follows:

10 7. The department shall establish criteria and a process
11 for application and approval of the framework established
12 under [subsection 1](#), and for comparable systems that meet the
13 requirements of [section 284.16](#) or [284.17](#), which a school
14 district may implement pursuant to [subsection 6](#) ~~in order to~~
15 ~~receive teacher leadership supplement foundation aid calculated~~
16 ~~under [section 257.10](#), [subsection 12](#).~~

17 Sec. 17. EFFECTIVE DATE. This division of this Act, being
18 deemed of immediate importance, takes effect upon enactment.>

19 2. Title page, line 3, after <supplements> by inserting <and
20 supplementary weighting>

AMY SINCLAIR