

EDUCATION DEPARTMENT[281]

Adopted and Filed

Rulemaking related to students first act—education savings accounts

The State Board of Education hereby amends Chapter 20, “Students First Act—Education Savings Accounts,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 257.11B as enacted by 2023 Iowa Acts, House File 68.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 257.11B as enacted by 2023 Iowa Acts, House File 68.

Purpose and Summary

The previous definition of “annual income” in subrule 20.1(1) referred to “net income.” The Department of Education received technical assistance that the term “net income” will no longer appear in the pertinent provisions of the Iowa Code. The technical correction in this rulemaking addresses this change in a nonsubstantive manner.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 27, 2023, as **ARC 7315C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the State Board on February 8, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on April 10, 2024.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 20.1(1) as follows:

20.1(1) “Annual income” means the same as ~~“net income” as defined in Iowa Code section 422.7 in effect for the year preceding an application~~ line 4 of Form 2023 IA 1040 (Iowa taxable income). In calculating annual income, the department shall use information from the last year’s state tax form and need not include income of individuals who have no legal obligation to provide support to the student unless said individual is married to the parent or guardian who is responsible for financially supporting the student. If “annual income” cannot be clearly determined through review of the submitted tax return, the department director has authority to request additional information and determine eligibility. The department director may consider income reductions after the filing of the preceding year’s tax return. This subrule applies only for school years beginning July 1, 2023, and July 1, 2024; it will cease to be applicable by operation of law on July 1, 2025.

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