

## HB 1888 -- EDUCATION SAVINGS ACCOUNTS

SPONSOR: Dogan

This bill establishes education savings accounts and defines an "opt-in child" as a child for whom an education savings account has been established who is not enrolled full-time in a public or private school and who receives all instruction from a participating entity.

### PARTICIPATION IN A CLASS OR EXTRACURRICULAR ACTIVITY (SECTION 160.430, RSMo)

The bill requires the governing body of a charter school to authorize an opt-in child to participate in a class that is not otherwise available if there is space available, the parent or legal guardian of the child demonstrates the child is qualified, and a notice of intent of an opt-in child to participate in programs and activities is filed with the school district.

The bill specifies that the governing board of the charter school is not required to provide transportation for the child to attend the class or activity.

The bill allows the governing board of a charter school to revoke its approval under these provisions if it determines that the child has failed to comply with applicable statutes, rules, or regulations and allows the governing body of the charter school to require proof of the identity of the child.

### NOTIFICATION OF AN OPT-IN CHILD (SECTION 162.1500)

The parent must provide notice, which includes the full name, age, and gender of the child and the full name and address of each parent, to the school district where the child would otherwise attend or the charter school where the child was previously enrolled that his or her child is an opt-in child.

The school district must provide a written acknowledgment, to be deemed as proof of compliance, to a parent who files this notice.

The superintendent of a school district or the governing body of a charter school must process written requests for a copy of the records of the school district or charter school no later than five days after receiving the request. These records may only be released to the Office of Administration and House Budget Committee; a person or entity specified by the parent of the child or by the child if he or she is 18, or if it is required by statute.

Public schools may only use commonly used practices in determining the academic ability, placement, or eligibility of the child if an opt-in child seeks admittance. A charter school must notify the school board of the resident school district of a child's enrollment in the charter school. Regardless of whether the charter school provides notification, the charter school may count the child who is enrolled for purposes of state funding.

Schools must not discriminate in any manner against an opt-in child or a child who was formerly an opt-in child.

Each school district must allow an opt-in child to participate in all college entrance examinations offered in Missouri. Each school district must provide information regarding such examinations upon request.

#### NOTICE OF INTENT (SECTION 162.1505)

The Department of Elementary and Secondary Education (DESE) must develop a standard form for the notice of intent for opt-in children to participate in programs or activities.

Parents must file a notice of intent if their opt-in child wishes to participate in classes or activities at a public school or through a school district, or through the Missouri State High School Activities Association (MSHSAA) or its successor.

#### PROCEDURES AND RULES (SECTION 162.1510)

The bill specifies the procedure and rules for opt-in children to participate in classes and extracurricular activities, including interscholastic activities and events.

#### FUNDING FORMULA (SECTION 163.031)

The bill includes in the current funding formula that the funds deposited in education savings accounts established on behalf of children who reside in a district will be subtracted from the current model.

#### EDUCATION SAVINGS ACCOUNT (SECTION 166.802)

These provisions specify the requirements for establishing an education savings accounts for a child by entering into an agreement with the state treasurer. The agreement must include certain information specified in the bill.

If an agreement is entered into under these provisions, an

education savings account must be established by the parent on behalf of the child and be maintained with a financial management firm qualified by the State Treasurer. The agreement is valid for one school year but may be terminated early as specified and will terminate automatically if the child no longer resides in the state.

A parent may not establish an education savings account for a child who will be homeschooled, who will receive instruction outside of the state, or who will remain enrolled full-time in a public school. A parent may establish an education savings account for a child who receives a portion of his or her instruction from a participating entity.

#### MONIES DEPOSITED INTO AN EDUCATION SAVINGS ACCOUNT (SECTION 166.804)

The bill requires that a grant of money be deposited in the education savings account on behalf of a child if a parent enters into or renews an agreement and specifies how the grant will be determined.

#### USE OF EDUCATION SAVINGS ACCOUNT MONIES (SECTION 166.806)

The education savings account may be used for tuition, fees, required textbooks, tutoring, transportation and other expenses as specified in the bill.

A participating entity that receives payments from an education savings account must not refund or rebate any portion of the payment to the parent as specified in the bill.

#### FINANCIAL MANAGEMENT FIRMS QUALIFICATIONS (SECTION 166.808)

These provisions specify a private financial management firm must be qualified by the State Treasurer to manage the accounts and must establish management fees based on market rates. The account must be audited each year by a certified or licensed public accountant.

#### PARTICIPATING ENTITIES (SECTIONS 166.810 and 166.812)

The bill specifies the criteria for an entity to apply to become a participating entity. The State Treasurer shall approve or deny an application to become a participating entity as specified.

If a participating entity is anticipated to receive more than \$50,000 from education savings account payments the entity must post a surety bond or provide evidence to the State Treasurer that they have sufficient assets equal to the anticipated amount.

#### LIST OF PARTICIPATING ENTITIES (SECTION 166.814)

The State Treasurer must post a list of participating entities and DESE must require the resident school district to annually provide the participating entity any educational records of a child on whose behalf a grant has been made.

#### EXTRACURRICULAR ACTIVITIES (SECTION 167.785)

The bill authorizes MSHSAA to make rules for opt-in child participation in extracurricular activities and specifies that the same rules will apply for opt-in children as those pupils enrolled in public school.