AMENDMENT TO RULES COMMITTEE PRINT 115–70

OFFERED BY MR. BANKS OF INDIANA

At the end of subtitle G of title V, add the following new section:

SEC. 5. MILITARY EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Title VII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701 et seq.) is amended by inserting after section 7012 the following:

“SEC. 7012A. MILITARY EDUCATION SAVINGS ACCOUNTS.

“(a) IN GENERAL.—The Secretary of Education, in consultation with the Secretary of Defense, shall carry out a program under which the Secretary of Education shall—

“(1) subject to the availability of funds pursuant to section 7014(f), at the request of a parent of an eligible military dependent child, establish an account on behalf of such child (to be known as a ‘Military Education Savings Account’) into which the Secretary shall deposit funds in an amount determined under subsection (d); and

“(2) establish a procedure under which the parent of the child may use funds in the account to pay
for the educational expenses of the child in accordance with this section.

“(b) APPLICATION.—

“(1) IN GENERAL.—To be eligible to participate in the program under this section for a school year, a parent of an eligible military dependent child shall submit an application to the Secretary of Education in accordance with this subsection.

“(2) APPLICATION PROCESS.—In carrying out paragraph (1), the Secretary of Education shall—

“(A) accept applications on a year-round basis and establish procedures for approving applications in an expeditious manner; and

“(B) create a standardized form that parents can use to apply for the program and ensure that such form is readily available in written and electronic formats, including on a publicly accessible website.

“(3) APPROVAL.—Subject to the availability of funds to carry out this section, the Secretary shall approve the application of a parent to establish a Military Education Savings Account if—

“(A) the application is submitted in accordance with the application process estab-
lished by the Secretary pursuant to this subsection;

“(B) the application demonstrates that the child on whose behalf the Military Education Savings Account is to be established is an eligible military dependent child; and

“(C) the parent who submits the application enters into a written agreement with the Secretary pursuant to subsection (e).

“(4) RENEWALS.—The Secretary of Education shall establish an expedited application process for the renewal of a previously established Military Education Savings Account.

“(c) WRITTEN AGREEMENT.—As a condition of participating in the program under this section, the parent of a child on whose behalf a Military Education Savings Account is established shall enter into a written agreement with the Secretary under which the parent agrees—

“(1) to provide the child with instruction in, at minimum, the fields of reading, language, mathematics, science, and social studies;

“(2) to not enroll the child in a public school on a full-time basis while participating in the program;
“(3) to use funds in the Military Education Savings Account only for the purposes authorized under this section; and

“(4) to comply with all other requirements of this section.

“(d) AMOUNT OF DEPOSITS.—

“(1) FIRST YEAR OF PROGRAM.—The amount of funds deposited into each Military Education Savings Account for the first school year for which such accounts are established under this section shall be—

“(A) $4,500 for an account established for an eligible military dependent child described in subsection (s)(1)(A); and

“(B) $2,500 for an account established for an eligible military dependent child described in subsection (s)(1)(B).

“(2) SUBSEQUENT YEARS.—The amount of funds deposited into each Military Education Savings Account for any school year after the year described in paragraph (1), shall be the amount determined under this subsection for the previous school year increased by a percentage equal to the percentage increase in the Chained Consumer Price Index for All Urban Consumers (as published by the Bu-
reau of Labor Statistics of the Department of Labor) over the period of such previous school year.

“(3) SOURCE OF FUNDS.—In accordance with section 7014(f), funds deposited into a Military Education Savings Account under this subsection shall be drawn from amounts otherwise appropriated to carry out the impact aid program under section 7003 and no additional funds may be appropriated for the purpose of carrying out this subsection.

“(e) USE OF FUNDS.—Funds deposited into a Military Education Savings Account for a school year may be used by the parent of an eligible military dependent child to make payments to a qualified educational service provider for—

“(1) costs of attendance at a private elementary school or secondary school recognized by the State, which may include a private school that is a religious institution;

“(2) private online learning programs;

“(3) private tutoring;

“(4) services provided by a public elementary school or secondary school attended by the child on a less than full-time basis, including individual classes and extracurricular activities and programs;
“(5) textbooks, curriculum programs, or other instructional materials, including any supplemental materials required by a curriculum program, private school, private online learning program, or a public school, or any parent directed curriculum associated with K–12 education;

“(6) computer hardware or other technological devices that are used to help meet a student’s educational needs, except that such hardware or devices may not be purchased by a parent more than once in an 18-month period;

“(7) educational software and applications;

“(8) uniforms purchased from or through a private school recognized by the State;

“(9) fees for nationally standardized assessment exams, advanced placement exams, any exams related to college or university admission, or tuition or fees for preparatory courses for such exams;

“(10) fees for summer education programs and specialized after-school education programs (but not including after-school childcare);

“(11) educational services and therapies, including occupational, behavioral, physical, speech-language, and audiology therapies;
“(12) fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from the facilities of a qualified educational service provider;

“(13) costs of attendance at an institution of higher education;

“(14) costs associated with an apprenticeship or other vocational training program;

“(15) fees for state-recognized industry certification exams, and tuition or fees for preparatory courses for such exams;

“(16) contributions to a college savings account, which may include contributions to a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other prepaid tuition plan offered by a State; or

“(17) any other educational expenses approved by the Secretary.

“(f) TRANSFER SCHEDULE.—The Secretary of Education shall make quarterly transfers of the amount calculated pursuant to subsection (d) for deposit into the account of each qualified student, except that the Secretary may make transfers according to another transfer schedule if the Secretary determines that a transfer schedule other than quarterly transfers is necessary for the oper-
ation of the education savings account. Parents shall be required to complete an expense report issued by the Secretary electronically or in paper format prior to the next quarter’s deposit.

“(g) ROLLOVER.—Amounts remaining in the Military Education Savings Account of a student at the end of a school year shall remain available for use in accordance with subsection (e) until the date on which such account terminates under subsection (h).

“(h) TERMINATION AND RETURN OF FUNDS.—

“(1) TERMINATION.—The Military Education Savings Account of a student shall terminate on—

“(A) the date on which the student enrolls in a public elementary school or secondary school on a full-time basis;

“(B) in the case of a student who is pursuing postsecondary education, the earlier of—

“(i) the date on which the student completes postsecondary education; or

“(ii) the date on which the student attains the age of 22 years;

“(C) in the case of a student who is an individual with a disability, the date on which the student attains the age of 26 years; or
“(D) in the case of an individual not described in subparagraphs (B) or (C), the earlier of—

“(i) the date on which the student attains the age of 22 years; or

“(ii) the expiration of any 4-year period during which funds in the account are not used in accordance with this section.

“(2) RETURN OF FUNDS.—Any funds remaining in a Military Education Savings account before such account terminates under paragraph (1) shall be—

“(A) returned to the Secretary of Education; and

“(B) used for the program under this section.

“(i) COMPULSORY ATTENDANCE REQUIREMENTS.—A State that receives funds under this title shall consider a child with a Military Education Savings Account for a school year as meeting the State’s compulsory school attendance requirements for such school year.

“(j) SPECIAL RULE.—In the case of a child with a Military Education Savings Account who attends a public school on a less than full-time basis in a school year—
“(1) the child may not attend the public school
free of charge; and
“(2) funds in the account, in an amount deter-
mined pursuant to an agreement between the parent
of the child and the local educational agency con-
cerned, shall be used to pay for the child’s costs of
attendance at such school.
“(k) PRIVACY.—Section 444 of the General Edu-
cation Provisions Act (commonly known as the ‘Family
1232g) shall apply to a qualified educational service pro-
vider in the same manner that such section applies to an
educational agency or institution (as that term is defined
in such section).
“(l) FRAUD PREVENTION AND REPORTING.—The
Secretary of Education shall establish a website and a tele-
phone hotline that enable individuals to anonymously re-
port suspected fraud in the program under this section.
The Secretary also shall conduct or contract for random,
quarterly, or annual audits of accounts as needed to en-
sure compliance with this section.
“(m) CONTRACT AUTHORITY.—The Secretary of
Education may enter into one or more contracts for the
purpose of carrying out the responsibilities of the Sec-
retary under this section.
“(n) **SURETY BOND.**—

“(1) **IN GENERAL.**—The Secretary shall require each qualified educational service provider that receives not less than $100,000 in funds from Military Education Savings Accounts in a school year to post a surety bond, in an amount determined by the Secretary, for such school year.

“(2) **RETENTION.**—The Secretary shall prescribe the circumstances under which a surety bond under paragraph (1) may be retained by the Secretary.

“(o) **REFUNDS.**—The Secretary shall establish a process under which payments from a Military Education Savings Accounts to a qualified educational service provider may be refunded to the account in the event of fraud or nonperformance by the provider.

“(p) **RULES OF CONSTRUCTION.**—

“(1) **NONAGENCY.**—A qualified educational service provider that receives a payment from a Military Education Savings Account pursuant to this section shall not be considered an agent of the State or the Federal Government solely because the provider received such payment.

“(2) **FEDERAL OR STATE SUPERVISION.**—Nothing in this section shall be construed to allow any
agency of a State or the Federal Government to exercise control or supervision over any qualified educational service provider.

“(3) IMPOSITION OF ADDITIONAL REQUIREMENTS.—Nothing in this section shall be construed to require a qualified educational service provider to alter its creed, practices, admissions policy, or curriculum in order to be eligible to receive payments from a Military Education Savings Account.

“(4) TREATMENT OF ASSISTANCE.—For purposes of any Federal law, assistance provided under this section shall be considered assistance to the military dependent student or to the parents of a student on whose behalf a Military Education Savings Account is established and shall not be considered assistance to the qualified educational service provider that uses or receives funds from a Military Education Savings Account.

“(q) LEGAL PROCEEDINGS.—

“(1) BURDEN.—In any legal proceeding in which a qualified educational service provider challenges a requirement imposed by the Department of Education on the provider, the Department shall have the burden of establishing that the law is nec-
essary and does not impose any undue burden on
the provider.

“(2) LIMITATION ON LIABILITY.—

“(A) IN GENERAL.—No liability shall arise
on the part of an entity described in subpara-
graph (B) solely because such entity awards,
uses, or receives funds from a Military Edu-
cation Savings Account.

“(B) ENTITY DESCRIBED.—The entities
described in this subparagraph are the fol-
lowing:

“(i) The Department of Education.

“(ii) An entity that enters into a con-
tract with the Secretary pursuant to sub-
section (m).

“(3) INTERVENTION.—

“(A) IN GENERAL.—Except as provided in
subparagraph (B), a parent of an eligible mili-
tary dependent student or a parent of a student
on whose behalf a Military Education Savings
Account is established may intervene in any
legal proceeding in which the constitutionality
of the program under this section is challenged
under a State constitution or the Federal con-
stitution.
“(B) Exception.—For purposes of judicial administration, a court may—

“(i) limit the number of parents allowed to intervene in a proceeding under subparagraph (A); or

“(ii) require all parents who have intervened in a proceeding under subparagraph (A) to file a joint brief, except that no parent shall be required to join any brief filed on behalf of a State that is a defendant in the proceeding.

“(r) Administrative Expenses.—The Secretary may use not more than 5 percent of the funds made available to carry out this section for the direct costs of administering Military Education Savings Accounts.

“(s) Definitions.—In this section:

“(1) The term ‘eligible military dependent child’ means a child who—

“(A)(i) has a parent on active duty in the uniformed services (as that term defined in section 101 of title 37, United States Code, except that such term does not include an officer in the National Guard who has been activated); and
“(ii) resides within the boundaries of a heavily impacted local educational agency; or

“(B)(i) has a parent on active duty in the uniformed services (as that term defined in section 101 of title 37, United States Code, except that such term does not include an officer in the National Guard who has been activated);

“(ii) resides within the boundaries of a Federal military installation; and

“(iii) does not reside within the boundaries of a heavily impacted local educational agency.

“(2) The term ‘heavily impacted local educational agency’ means a local educational agency eligible to receive a payment under section 7003(b)(2).

“(3) The term ‘institution of higher education’ has the meaning given the term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

“(4) The term ‘qualified educational service provider’ means an entity or person that provides educational services for which funds may be expended under subsection (e), including—

“(A) a private school;

“(B) a private online learning program or course;
“(C) an institution of higher education, including a state institution of higher education, a junior or community college, or a postsecondary vocational institution;

“(D) a public school;

“(E) a private tutor or entity that operates a tutoring facility;

“(F) a provider of educational materials or curriculum;

“(G) a provider of education-related therapies or services; and

“(H) any other provider of educational services approved by the Secretary.”.

(b) Authorization of Appropriations.—Section 7014 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7714) is amended by adding at the end the following:

“(f) Military Education Savings Accounts.—

“(1) Source of Funds and Prohibition on Additional Appropriation.—Subject to paragraph (2), section 7012A shall be carried out using funds otherwise appropriated to carry out the impact aid program under section 7003 and no additional funds may be appropriated to carry out such section 7012A.
“(2) Prohibition on Use of Certain Funds.—In making funds available to carry out section 7012A under paragraph (1), the Secretary of Education shall ensure that such funds are drawn only from amounts otherwise made available for the education of military dependent children under section 7003 and not from other sources.”.