

**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:

1 **SEC. 5\_\_\_ . MILITARY EDUCATION SAVINGS ACCOUNTS.**

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

6 **“SEC. 7012A. MILITARY EDUCATION SAVINGS ACCOUNTS.**

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

10 “(1) subject to the availability of funds pursu-  
11 ant to section 7014(f), at the request of a parent of  
12 an eligible military dependent child, establish an ac-  
13 count on behalf of such child (to be known as a  
14 ‘Military Education Savings Account’) into which  
15 the Secretary shall deposit funds in an amount de-  
16 termined under subsection (d); and

17 “(2) establish a procedure under which the par-  
18 ent of the child may use funds in the account to pay

1 for the educational expenses of the child in accord-  
2 ance with this section.

3 “(b) APPLICATION.—

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

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

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

14 “(B) create a standardized form that par-  
15 ents can use to apply for the program and en-  
16 sure that such form is readily available in writ-  
17 ten and electronic formats, including on a pub-  
18 licly accessible website.

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

23 “(A) the application is submitted in ac-  
24 cordance with the application process estab-

1 lished by the Secretary pursuant to this sub-  
2 section;

3 “(B) the application demonstrates that the  
4 child on whose behalf the Military Education  
5 Savings Account is to be established is an eligi-  
6 ble military dependent child; and

7 “(C) the parent who submits the applica-  
8 tion enters into a written agreement with the  
9 Secretary pursuant to subsection (c).

10 “(4) RENEWALS.—The Secretary of Education  
11 shall establish an expedited application process for  
12 the renewal of a previously established Military Edu-  
13 cation Savings Account.

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

19 “(1) to provide the child with instruction in, at  
20 minimum, the fields of reading, language, mathe-  
21 matics, science, and social studies;

22 “(2) to not enroll the child in a public school  
23 on a full-time basis while participating in the pro-  
24 gram;

1           “(3) to use funds in the Military Education  
2 Savings Account only for the purposes authorized  
3 under this section; and

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

6           “(d) AMOUNT OF DEPOSITS.—

7           “(1) FIRST YEAR OF PROGRAM.—The amount  
8 of funds deposited into each Military Education Sav-  
9 ings Account for the first school year for which such  
10 accounts are established under this section shall  
11 be—

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

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

18           “(2) SUBSEQUENT YEARS.—The amount of  
19 funds deposited into each Military Education Sav-  
20 ings Account for any school year after the year de-  
21 scribed in paragraph (1), shall be the amount deter-  
22 mined under this subsection for the previous school  
23 year increased by a percentage equal to the percent-  
24 age increase in the Chained Consumer Price Index  
25 for All Urban Consumers (as published by the Bu-

1       reau of Labor Statistics of the Department of  
2       Labor) over the period of such previous school year.

3           “(3) SOURCE OF FUNDS.—In accordance with  
4       section 7014(f), funds deposited into a Military Edu-  
5       cation Savings Account under this subsection shall  
6       be drawn from amounts otherwise appropriated to  
7       carry out the impact aid program under section  
8       7003 and no additional funds may be appropriated  
9       for the purpose of carrying out this subsection.

10       “(e) USE OF FUNDS.—Funds deposited into a Mili-  
11      tary Education Savings Account for a school year may be  
12      used by the parent of an eligible military dependent child  
13      to make payments to a qualified educational service pro-  
14      vider for—

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

19           “(2) private online learning programs;

20           “(3) private tutoring;

21           “(4) services provided by a public elementary  
22      school or secondary school attended by the child on  
23      a less than full-time basis, including individual class-  
24      es and extracurricular activities and programs;

1           “(5) textbooks, curriculum programs, or other  
2 instructional materials, including any supplemental  
3 materials required by a curriculum program, private  
4 school, private online learning program, or a public  
5 school, or any parent directed curriculum associated  
6 with K–12 education;

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

12           “(7) educational software and applications;

13           “(8) uniforms purchased from or through a pri-  
14 vate school recognized by the State;

15           “(9) fees for nationally standardized assessment  
16 exams, advanced placement exams, any exams re-  
17 lated to college or university admission, or tuition or  
18 fees for preparatory courses for such exams;

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

22           “(11) educational services and therapies, in-  
23 cluding occupational, behavioral, physical, speech-  
24 language, and audiology therapies;

1           “(12) fees for transportation paid to a fee-for-  
2           service transportation provider for the student to  
3           travel to and from the facilities of a qualified edu-  
4           cational service provider;

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

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

9           “(15) fees for state-recognized industry certifi-  
10          cation exams, and tuition or fees for preparatory  
11          courses for such exams;

12          “(16) contributions to a college savings ac-  
13          count, which may include contributions to a qualified  
14          tuition program (as defined in section 529(b)(1)(A)  
15          of the Internal Revenue Code of 1986) or other pre-  
16          paid tuition plan offered by a State; or

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

19          “(f) TRANSFER SCHEDULE.—The Secretary of Edu-  
20          cation shall make quarterly transfers of the amount cal-  
21          culated pursuant to subsection (d) for deposit into the ac-  
22          count of each qualified student, except that the Secretary  
23          may make transfers according to another transfer sched-  
24          ule if the Secretary determines that a transfer schedule  
25          other than quarterly transfers is necessary for the oper-

1 ation of the education savings account. Parents shall be  
2 required to complete an expense report issued by the Sec-  
3 retary electronically or in paper format prior to the next  
4 quarter's deposit.

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

10       “(h) TERMINATION AND RETURN OF FUNDS.—

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

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

16                       “(B) in the case of a student who is pur-  
17 suing postsecondary education, the earlier of—

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

20                               “(ii) the date on which the student at-  
21 tains the age of 22 years;

22                       “(C) in the case of a student who is an in-  
23 dividual with a disability, the date on which the  
24 student attains the age of 26 years; or

1           “(D) in the case of an individual not de-  
2           scribed in subparagraphs (B) or (C), the earlier  
3           of—

4                   “(i) the date on which the student at-  
5                   tains the age of 22 years; or

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

9           “(2) RETURN OF FUNDS.—Any funds remain-  
10          ing in a Military Education Savings account before  
11          such account terminates under paragraph (1) shall  
12          be—

13                   “(A) returned to the Secretary of Edu-  
14                   cation; and

15                   “(B) used for the program under this sec-  
16                   tion.

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

22          “(j) SPECIAL RULE.—In the case of a child with a  
23          Military Education Savings Account who attends a public  
24          school on a less than full-time basis in a school year—

1           “(1) the child may not attend the public school  
2 free of charge; and

3           “(2) funds in the account, in an amount deter-  
4 mined pursuant to an agreement between the parent  
5 of the child and the local educational agency con-  
6 cerned, shall be used to pay for the child’s costs of  
7 attendance at such school.

8           “(k) PRIVACY.—Section 444 of the General Edu-  
9 cation Provisions Act (commonly known as the ‘Family  
10 Educational Rights and Privacy Act of 1974’) (20 U.S.C.  
11 1232g) shall apply to a qualified educational service pro-  
12 vider in the same manner that such section applies to an  
13 educational agency or institution (as that term is defined  
14 in such section).

15           “(l) FRAUD PREVENTION AND REPORTING.—The  
16 Secretary of Education shall establish a website and a tele-  
17 phone hotline that enable individuals to anonymously re-  
18 port suspected fraud in the program under this section.  
19 The Secretary also shall conduct or contract for random,  
20 quarterly, or annual audits of accounts as needed to en-  
21 sure compliance with this section.

22           “(m) CONTRACT AUTHORITY.—The Secretary of  
23 Education may enter into one or more contracts for the  
24 purpose of carrying out the responsibilities of the Sec-  
25 retary under this section.

1       “(n) SURETY BOND.—

2               “(1) IN GENERAL.—The Secretary shall require  
3       each qualified educational service provider that re-  
4       ceives not less than \$100,000 in funds from Military  
5       Education Savings Accounts in a school year to post  
6       a surety bond, in an amount determined by the Sec-  
7       retary, for such school year.

8               “(2) RETENTION.—The Secretary shall pre-  
9       scribe the circumstances under which a surety bond  
10       under paragraph (1) may be retained by the Sec-  
11       retary.

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

17       “(p) RULES OF CONSTRUCTION.—

18               “(1) NONAGENCY.—A qualified educational  
19       service provider that receives a payment from a Mili-  
20       tary Education Savings Account pursuant to this  
21       section shall not be considered an agent of the State  
22       or the Federal Government solely because the pro-  
23       vider received such payment.

24               “(2) FEDERAL OR STATE SUPERVISION.—Noth-  
25       ing in this section shall be construed to allow any

1 agency of a State or the Federal Government to ex-  
2 ercise control or supervision over any qualified edu-  
3 cational service provider.

4 “(3) IMPOSITION OF ADDITIONAL REQUIRE-  
5 MENTS.—Nothing in this section shall be construed  
6 to require a qualified educational service provider to  
7 alter its creed, practices, admissions policy, or cur-  
8 riculum in order to be eligible to receive payments  
9 from a Military Education Savings Account.

10 “(4) TREATMENT OF ASSISTANCE.—For pur-  
11 poses of any Federal law, assistance provided under  
12 this section shall be considered assistance to the  
13 military dependent student or to the parents of a  
14 student on whose behalf a Military Education Sav-  
15 ings Account is established and shall not be consid-  
16 ered assistance to the qualified educational service  
17 provider that uses or receives funds from a Military  
18 Education Savings Account.

19 “(q) LEGAL PROCEEDINGS.—

20 “(1) BURDEN.—In any legal proceeding in  
21 which a qualified educational service provider chal-  
22 lenges a requirement imposed by the Department of  
23 Education on the provider, the Department shall  
24 have the burden of establishing that the law is nec-

1        essary and does not impose any undue burden on  
2        the provider.

3               “(2) LIMITATION ON LIABILITY.—

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

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

12                               “(i) The Department of Education.

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

16               “(3) INTERVENTION.—

17                       “(A) IN GENERAL.—Except as provided in  
18                       subparagraph (B), a parent of an eligible mili-  
19                       tary dependent student or a parent of a student  
20                       on whose behalf a Military Education Savings  
21                       Account is established may intervene in any  
22                       legal proceeding in which the constitutionality  
23                       of the program under this section is challenged  
24                       under a State constitution or the Federal con-  
25                       stitution.

1           “(B) EXCEPTION.—For purposes of judi-  
2           cial administration, a court may—

3                   “(i) limit the number of parents al-  
4                   lowed to intervene in a proceeding under  
5                   subparagraph (A); or

6                   “(ii) require all parents who have in-  
7                   tervened in a proceeding under subpara-  
8                   graph (A) to file a joint brief, except that  
9                   no parent shall be required to join any  
10                  brief filed on behalf of a State that is a de-  
11                  fendant in the proceeding.

12          “(r) ADMINISTRATIVE EXPENSES.—The Secretary  
13          may use not more than 5 percent of the funds made avail-  
14          able to carry out this section for the direct costs of admin-  
15          istering Military Education Savings Accounts.

16          “(s) DEFINITIONS.—In this section:

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

19                          “(A)(i) has a parent on active duty in the  
20                          uniformed services (as that term defined in sec-  
21                          tion 101 of title 37, United States Code, except  
22                          that such term does not include an officer in  
23                          the National Guard who has been activated);  
24                          and

1           “(ii) resides within the boundaries of a  
2 heavily impacted local educational agency; or

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

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

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

12           “(2) The term ‘heavily impacted local edu-  
13 cational agency’ means a local educational agency el-  
14 igible to receive a payment under section 7003(b)(2).

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

18           “(4) The term ‘qualified educational service  
19 provider’ means an entity or person that provides  
20 educational services for which funds may be ex-  
21 pended under subsection (e), including—

22           “(A) a private school;

23           “(B) a private online learning program or  
24 course;

1           “(C) an institution of higher education, in-  
2           cluding a state institution of higher education,  
3           a junior or community college, or a postsec-  
4           ondary vocational institution;

5           “(D) a public school;

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

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

10          “(G) a provider of education-related thera-  
11          pies or services; and

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

14          (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
15          7014 of the Elementary and Secondary Education Act of  
16          1965 (20 U.S.C. 7714) is amended by adding at the end  
17          the following:

18          “(f) MILITARY EDUCATION SAVINGS ACCOUNTS.—

19                 “(1) SOURCE OF FUNDS AND PROHIBITION ON  
20                 ADDITIONAL APPROPRIATION.—Subject to paragraph  
21                 (2), section 7012A shall be carried out using funds  
22                 otherwise appropriated to carry out the impact aid  
23                 program under section 7003 and no additional funds  
24                 may be appropriated to carry out such section  
25                 7012A.

1           “(2) PROHIBITION ON USE OF CERTAIN  
2 FUNDS.—In making funds available to carry out sec-  
3 tion 7012A under paragraph (1), the Secretary of  
4 Education shall ensure that such funds are drawn  
5 only from amounts otherwise made available for the  
6 education of military dependent children under sec-  
7 tion 7003 and not from other sources.”.

