

Summary

The Nebraska Academic Savings Account Act

The Nebraska Academic Savings Account Act allows parents to use the funds that would have been allocated to their child at their resident school district for an academic program of the parents' choosing which incorporates proven methods of reading and math instruction integral to proficiency.

Model Policy

Section 1. {Title.} The Nebraska Academic Savings Account Act

Section 2. {Definitions.}

(A) "Program" means The Academic Savings Account program created in this subchapter.

(B) "Eligible student" means any elementary or secondary student in Nebraska.

(C) "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

(D) "Department" means the Nebraska Treasurer's Office.

(E) "Resident school district" means the public school district in which the student resides.

(F) "Participating school" means any school that provides education to elementary and/or secondary students and has notified the Department of its intention to participate in the program and comply with the program's requirements.

(G) "Private tutoring" means tutoring services provided by tutors who have notified the Department of their intention to participate in the program and comply with the program's requirements.

(H) "Eligible postsecondary institution" means a community college, an accredited university or an accredited private

postsecondary institution located in Nebraska.

Section 3. {Basic Elements of The Nebraska Academic Savings Account Act}

(A) Any parent of an eligible student shall qualify for the state to make a grant to their child's academic savings account if the parents sign an agreement promising:

(1) To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, history, geography, and science.

(a) To ensure reading proficiency, reading instruction is restricted to the National Reading Panel analysis

that the best approach to reading instruction is one that incorporates:

- Explicit instruction in Phonemic awareness—the knowledge that spoken words can be broken apart into smaller segments of sound known as phonemes.
- Systematic Phonics instruction—the knowledge that letters of the alphabet represent phonemes, and that these sounds are blended together to form written words.
- Methods to improve Fluency—the ability to recognize words easily, read with greater speed, accuracy, and expression, and to better understand what is read. Children gain fluency by practicing reading until the process becomes automatic; guided oral repeated reading is one approach to helping children become fluent readers.
- Teaching vocabulary words—teaching new words, either as they appear in text, or by introducing new words separately. This type of instruction also aids reading ability.
- Reading comprehension strategies—techniques for helping individuals to understand what they read. Such techniques involve having students summarize what they've read, to gain a better understanding of the material.

(b) To ensure foundational math proficiency prerequisite to entering skilled trades, science, technology, engineering and higher level mathematics study, math instruction is restricted to:

- **Basic math algorithms for addition, subtraction, multiplication and division**
- **Memorization of multiplication tables by grade 4**
- **Students advance to higher order algorithms and more complex problems only upon mastery of prerequisites**
- **Math has right and wrong answers – no opinions**

(B) The state shall deposit into an Academic Savings Account 90% of the state aid that would otherwise have been provided to the resident school district for the eligible student had they enrolled in the resident school district;

(C) Parents participating in the Academic Savings Account program shall agree to use the funds deposited in their eligible student's account for the following qualifying expenses to educate the eligible student:

- (1) Tuition and fees at a participating school.
- (2) Textbooks required by a participating school.
- (3) Payment to a participating tutor.
- (4) Payment for purchase of curriculum.
- (5) Tuition or fees for a non-public online learning program.
- (6) Fees for national norm-referenced examinations, Advanced Placement examinations or similar courses, and any examinations related to college or university admission.
- (7) Educational services for pupils with disabilities from a licensed or accredited practitioner or provider.
- (8) Tuition and fees at an eligible postsecondary institution.
- (9) Textbooks required for college or university courses.
- (10) Fees for account management by the department.
- (11) Technology expenditure per pupil 100% of the resident district
- (12) Building and utilities costs per pupil 100% of the resident district
- (13) Transportation costs per pupil 100% of the resident district
- (14) Unused contribution to the eligible student's Academic Savings Account may be rolled over and used for postsecondary education expenses in Nebraska.

(D) Grant amounts to Academic Savings Accounts shall be calculated according to the following schedule:

(1) For students from households qualifying for the program, the amount granted to the student's Academic Savings Account shall be equal to 90% of the amount the resident school district would have received to serve and educate the eligible student from state sources had the student enrolled there.

(E) A participating school, private tutor, eligible postsecondary institution or other educational provider may not refund, rebate, or share a student's grant with a parent or the student in any manner. The funds in an Academic Savings Account may only be used for the above qualifying purposes.

(F) Parents will be allowed to make payments for the costs of educational programs and services not covered by the funds in their accounts.

(G) A participating student shall be counted in the enrollment figures for his or her resident school district for the purposes of calculating state aid to the resident school district. The funds needed for a grant to an Academic Savings Account shall be subtracted from the state school aid payable to the student's resident school district.

Section 4. {Administration of the Academic Savings Account Act.}

(A) The Department will qualify private financial institutions to manage Academic Savings Accounts.

(1) Participating financial institutions may charge no fees to Academic Savings Accounts or associated debit cards.

(2) Nebraska Academic Savings Account participants choose which participating financial institution to patronize.

(B) Academic Savings Account participants will appoint a nine member board comprised of participating parents/guardians and student learning advocates to manage the Academic Savings Account program. All eight State board of Education districts will be represented, plus one at-large member. Board composition will include six participating parents and three student learning advocates.

(C) The Department will have the authority to conduct or contract for the auditing of accounts, and will at a minimum conduct random audits of accounts on an annual basis. The Department will have the authority to make any parent of an eligible student ineligible for the Academic Savings Account program in the event of substantial misuse of the funds in the account.

(1) The child will remain eligible in the program. Allocation of funds on behalf of the student will be determined by the Academic Savings Account board.

(D) The Department will have the authority to refer cases of substantial misuse of funds to law enforcement agencies for investigation if evidence of fraudulent use of an account is obtained.

(E) Developed in conjunction with the Academic Savings Account board, the Department shall provide parents of participating students with a written explanation of the allowable uses of Academic Savings Accounts, the responsibilities of parents and the duties of the Department.

(F) The Department may deduct an amount from the grants to Academic Savings Accounts to cover the costs of overseeing the accounts and administering the program up to a limit of 3 percent.

(G) The Department shall make payments to eligible students' Academic Savings Accounts on a quarterly basis.

Section 5. {Accountability Standards}

(A) Administrative Accountability Standards. To ensure that students are treated fairly and kept safe, all participating schools shall comply with existing rules.

(B) Financial Accountability Standards. To ensure that funds are spent appropriately, all participating schools shall:

(1) Provide parents with a receipt for all qualifying expenses at the school.

(2) Demonstrate their financial viability by showing they can repay any funds that might be provided from Academic Savings Accounts, if they are to receive \$50,000 or more during the school year, by:

(a) Filing with the Department prior to the start of the school year a surety bond payable to the state in an amount equal to the aggregate amount of the funds from Academic Savings Accounts expected to be paid during the school year from students admitted at the participating school; or

(b) Filing with the Department prior to the start of the school year financial information that demonstrates the school has the ability to pay an aggregate amount equal to the amount of the funds from Academic Savings Accounts expected to be paid during the school year to students admitted to the participating school.

(C) Academic Accountability Standards. In order to allow parents and taxpayers to measure the achievements of the program:

(1) Parents shall ensure that:

(a) Spring of each year their eligible student takes the (former) Iowa Test of Basic Skills (prior to the 2011 ITBS revision)

(b) The results of these tests are provided to the state or an organization chosen by the state on an annual basis, beginning with the first year of the program;

(c) The student information is reported in a way that would allow the state to aggregate data by grade level, gender, family income level, race and age.

(d) The state or an organization chosen by the state will be informed of the eligible student's graduation from high school.

(e) Satisfactory achievement for participating special education students will be determined by parents in conjunction with the Academic Savings Account board on an individual basis.

(2) The state or an organization chosen by the state shall:

(a) Ensure compliance with all student privacy laws;

(b) Collect all test results;

(c) Provide the test results, associated learning gains and graduation rates to the public via a state Web site after the third year of test and graduation-related data collection. The findings shall be aggregated by the students' grade level, gender, family income level, number of years of participation in the Academic Savings Account program, age and race.

(d) Administer an annual parental satisfaction survey that shall ask parents of students receiving Academic Savings Accounts to express:

(1) Their satisfaction with the program; and

(2) Their opinions on other topics, items, or issues that the state finds would elicit information about the effectiveness of the Academic Savings Account program and the number of years their child has participated in the program.

(D) Participating School Autonomy. A participating school is autonomous and not an agent of the state or federal government and therefore:

(1) The Department or any other state agency may not in any way regulate the educational program of a participating school or education provider that accepts funds from an Academic Savings Account other than those existing rules which apply.

(2) The creation of The Academic Savings Account Program does not expand the regulatory authority of the state, its officers, or any school district to impose any additional regulation of schools or education providers beyond those necessary to enforce the requirements of the program; and

(3) Participating schools and education providers shall be given the maximum freedom to provide for the educational needs of their students without governmental control.

Section 6. {Responsibilities of the Treasurer's Office.}

(A) The Department shall ensure that eligible students and their parents are informed annually of which schools will be participating in the Academic Savings Account Program. Special attention shall be paid to ensuring that lower-income families are made aware of the program and their options.

(B) The Department shall create a standard form that parents of eligible students can submit to establish their student's eligibility for the Academic Savings Account Program. The Department shall ensure that the application is readily available to interested families through various sources, including the Internet.

(C) The Department may bar a participating school or education provider from the Academic Savings Account Program if the Department establishes that the participating school or education provider has:

(1) Routinely failed to comply with the accountability standards established in Section 5; or

(2) Failed to provide the eligible student with the educational services funded by the Academic Savings Account.

(D) If the Department decides to bar a participating school or education provider from the program, it shall notify eligible students and their parents of this decision as quickly as possible.

(E) The Department shall adopt rules and procedures as necessary for the administration of the Academic Savings Account Program as approved by the parent/guardian/student learning advocate board.

Section 7. {Responsibilities of Resident School Districts.}

(A) The resident school district shall provide a participating school or education provider that has admitted an eligible student under this program with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 (20 USC Section 1232 g).

Section 8. {Effective Date.} The Academic Savings Account Program will be in effect beginning with the fall semester of the next school year.