



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1135

Introduced 1/12/2023, by Rep. Chris Miller

SYNOPSIS AS INTRODUCED:

New Act

Creates the Education Savings Account Act. Requires the State Board of Education to create the Education Savings Account Program. Provides that a parent of an eligible student (defined as any elementary or secondary student who was eligible to attend a public school in this State in the preceding semester or is starting school in this State for the first time and who is a member of a household whose total annual income does not exceed an amount equal to 2.5 times the income standard used to qualify for a free or reduced-price lunch under the national free or reduced-price lunch program) shall qualify for the State Board to make a grant to his or her child's Education Savings Account by signing an agreement. Requires the State Board to deposit into an Education Savings Account some or all of the State aid under the State aid formula provisions of the School Code that would otherwise have been provided to the resident school district for the eligible student had the student enrolled in the resident school district. Provides that parents participating in the Program shall agree to use the funds deposited in their eligible students' accounts for certain qualifying expenses to educate the eligible student. Sets forth provisions concerning the calculation of grant amounts and other basic elements of the Program, administration of the Program, accountability standards for participating schools, and the responsibilities of the State Board and resident school districts.

LRB103 05046 RJT 50060 b

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Education Savings Account Act.

6 Section 5. Definitions.

7 "Eligible postsecondary institution" means a public
8 community college, a public university, or an accredited
9 private postsecondary institution.

10 "Eligible student" means any elementary or secondary
11 student who was eligible to attend a public school in this
12 State in the preceding semester or is starting school in this
13 State for the first time and who is a member of a household
14 whose total annual income does not exceed an amount equal to
15 2.5 times the income standard used to qualify for a free or
16 reduced-price lunch under the national free or reduced-price
17 lunch program established under 42 U.S.C. 1751 et seq.

18 "Parent" means a resident of this State who is a parent,
19 guardian, custodian, or other person with the authority to act
20 on behalf of the child.

21 "Participating school" means any private school that
22 provides education to elementary or secondary students and has
23 notified the State Board of its intention to participate in

1 the Program and comply with the Program's requirements.

2 "Private tutoring" means tutoring services provided by
3 tutors accredited by a regional or national accrediting
4 organization.

5 "Program" means the Education Savings Account Program
6 created in this Act.

7 "Resident school district" means the public school
8 district in which the student resides.

9 "State Board" means the State Board of Education.

10 Section 10. Basic elements of the Program.

11 (a) The State Board shall create the Education Savings
12 Account Program. The Program shall begin with the fall
13 semester of the 2024-2025 school year.

14 (b) A parent of an eligible student shall qualify for the
15 State Board to make a grant to his or her child's Education
16 Savings Account if the parent signs an agreement promising:

17 (1) to provide an education for the eligible student
18 in at least the subjects of reading, grammar, mathematics,
19 social studies, and science; and

20 (2) not to enroll their eligible student in a district
21 or charter school.

22 (c) The State Board shall deposit into an Education
23 Savings Account some or all of the State aid under Section
24 18-8.15 of the School Code that would otherwise have been
25 provided to the resident school district for the eligible

1 student had the student enrolled in the resident school
2 district, as calculated under subsection (e) of this Section.

3 (d) Parents participating in the Program shall agree to
4 use the funds deposited in their eligible students' Education
5 Savings Accounts for the following qualifying expenses to
6 educate the eligible student:

7 (1) Tuition and fees at a participating school.

8 (2) Textbooks required by a participating school.

9 (3) Payment to a licensed or accredited tutor.

10 (4) Payment for the purchase of curriculum.

11 (5) Tuition or fees for a non-public, online learning
12 program.

13 (6) Fees for national, norm-referenced examinations,
14 Advanced Placement examinations or similar courses, and
15 any examinations related to college or university
16 admission.

17 (7) Contribution to the eligible student's qualified
18 tuition program established pursuant to 26 U.S.C. 529.

19 (8) Educational services for pupils with disabilities
20 from a licensed or accredited practitioner or provider.

21 (9) Tuition and fees at an eligible postsecondary
22 institution.

23 (10) Textbooks required for college or university
24 courses.

25 (11) Fees for account management by private financial
26 management firms approved by the State Board.

1 (e) Grant amounts to Education Savings Accounts shall be
2 calculated according to the following schedule:

3 (1) For students from households qualifying for the
4 federal free or reduced-price lunch program, the amount
5 granted to the student's Education Savings Account shall
6 be equal to the dollar amount the resident school district
7 would have received to serve and educate the eligible
8 student from State aid under Section 18-8.15 of the School
9 Code had the student enrolled there.

10 (2) For students from households with an annual income
11 greater than the amount required to qualify for the
12 federal free or reduced-price lunch program but less than
13 1.5 times that amount, the amount granted to the student's
14 Education Savings Account shall be equal to 75% of the
15 dollar amount the resident school district would have
16 received to serve and educate the eligible student from
17 State aid under Section 18-8.15 of the School Code had the
18 student enrolled there.

19 (3) For students from households with an annual income
20 of greater than 1.5 times the amount required to qualify
21 for the federal free or reduced-price lunch program but
22 less than 2 times that amount, the amount granted to the
23 student's Education Savings Account shall be equal to 50%
24 of the dollar amount the resident school district would
25 have received to serve and educate the eligible student
26 from State aid under Section 18-8.15 of the School Code

1 had the student enrolled there.

2 (4) For students from households with an annual income
3 of greater than 2 times the amount required to qualify for
4 the federal free or reduced-price lunch program but less
5 than 2.5 times that amount, the amount granted to the
6 student's Education Savings Account shall be equal to 25%
7 of the dollar amount the resident school district would
8 have received to serve and educate the eligible student
9 from State aid under Section 18-8.15 of the School Code
10 had the student enrolled there.

11 (f) A participating school, private tutor, eligible
12 postsecondary institution, or other educational provider may
13 not refund, rebate, or share a student's grant with the
14 student's parent or the student in any manner. The funds in an
15 Education Saving Account may be used only for educational
16 purposes.

17 (g) Parents shall be allowed to make payments for the
18 costs of educational programs and services not covered by the
19 funds in their accounts.

20 (h) A participating student shall be counted in the
21 enrollment figures for his or her resident school district for
22 the purposes of calculating State aid to the resident school
23 district under Section 18-8.15 of the School Code. The funds
24 needed for a grant to an Education Savings Account shall be
25 subtracted from the State aid payable to the student's
26 resident school district under Section 18-8.15 of the School

1 Code.

2 Section 15. Administration of the Program.

3 (a) The State Board shall approve private financial
4 management firms to manage Education Savings Accounts.

5 (b) The State Board shall have the authority to conduct or
6 contract for the auditing of accounts and shall, at a minimum,
7 conduct random audits of accounts on an annual basis. The
8 State Board shall have the authority to make any parent of an
9 eligible student ineligible for the Program in the event of
10 substantial misuse of the funds in the account.

11 (c) The State Board shall have the authority to refer
12 cases of substantial misuse of funds to law enforcement
13 agencies for investigation if evidence of fraudulent use of an
14 account is obtained.

15 (d) The State Board shall provide parents of participating
16 students with a written explanation of the allowable uses of
17 Education Savings Accounts, the responsibilities of parents,
18 and the duties of the State Board.

19 (e) The State Board may deduct an amount from the grants to
20 Education Savings Accounts to cover the costs of overseeing
21 the accounts and administering the program, up to a limit of
22 3%.

23 (f) The State Board shall establish reasonable fees for
24 private financial management firms participating in the
25 Program based upon market rates.

1 (g) The State Board shall make payments to eligible
2 students' Education Savings Accounts on a quarterly basis.

3 Section 20. Accountability standards for participating
4 schools.

5 (a) To ensure that students are treated fairly and kept
6 safe, all participating schools shall:

7 (1) comply with all health and safety laws or codes
8 that apply to private schools;

9 (2) hold a valid occupancy permit if required by their
10 local government;

11 (3) certify that they comply with the
12 nondiscrimination policies set forth in 42 U.S.C. 1981;
13 and

14 (4) conduct criminal history records checks on
15 employees. The participating school shall then:

16 (A) exclude from employment any people not
17 permitted by State law to work in a private school; and

18 (B) exclude from employment any people that might
19 reasonably pose a threat to the safety of students.

20 (b) To ensure that funds are spent appropriately, all
21 participating schools shall:

22 (1) provide parents with a receipt for all qualifying
23 expenses at the school; and

24 (2) demonstrate their financial viability by showing
25 they can repay any funds that might be provided from

1 Education Savings Accounts, if they are to receive \$50,000
2 or more during the school year, by:

3 (A) filing with the State Board, prior to the
4 start of the school year, a surety bond payable to this
5 State in an amount equal to the aggregate amount of the
6 funds from Education Savings Accounts expected to be
7 paid during the school year from students admitted at
8 the participating school; or

9 (B) filing with the State Board, prior to the
10 start of the school year, financial information that
11 demonstrates the school has the ability to pay an
12 aggregate amount equal to the amount of the funds from
13 Education Savings Accounts expected to be paid during
14 the school year to students admitted to the
15 participating school.

16 (c) In order to allow parents and taxpayers to measure the
17 achievements of the Program:

18 (1) parents shall ensure that:

19 (A) each year their eligible student takes either
20 State achievement tests or national, norm-referenced
21 tests that measure learning gains in mathematics and
22 language arts and provide for value-added assessment;

23 (B) the results of these tests are provided to the
24 State Board or an organization chosen by the State
25 Board on an annual basis;

26 (C) the student information is reported in a way

1 that would allow the State Board to aggregate data by
2 grade level, gender, family income level, and race;
3 and

4 (D) the State Board or an organization chosen by
5 the State Board will be informed of the eligible
6 student's graduation from high school; and

7 (2) the State Board or an organization chosen by the
8 State Board shall:

9 (A) ensure compliance with all student privacy
10 laws;

11 (B) collect all test results;

12 (C) provide the test results, associated learning
13 gains, and graduation rates to the public, via the
14 State Board's Internet website, after the third year
15 of test and graduation-related data collection; the
16 findings shall be aggregated by the students' grade
17 level, gender, family income level, number of years of
18 participation in the Program, and race;

19 (D) provide graduation rates to the public via the
20 State Board's Internet website after the third year of
21 test and test-related data collection; and

22 (E) administer an annual parental satisfaction
23 survey that shall ask parents of students receiving
24 Education Savings Accounts to express:

25 (i) their satisfaction with the Program; and

26 (ii) their opinions on other topics, items, or

1 issues that the State Board finds would elicit
2 information about the effectiveness of the Program
3 and the number of years their child has
4 participated in the Program.

5 (d) A participating school is autonomous and not an agent
6 of this State or the federal government, and, therefore:

7 (1) the State Board or any other State agency may not
8 in any way regulate the educational program of a
9 participating school or education provider that accepts
10 funds from an Education Savings Account;

11 (2) the creation of the Program does not expand the
12 regulatory authority of this State, its officers, or any
13 school district to impose any additional regulation of
14 private schools or education providers beyond those
15 necessary to enforce the requirements of the Program; and

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

20 Section 25. Responsibilities of the State Board.

21 (a) The State Board shall ensure that eligible students
22 and their parents are informed annually of which schools will
23 be participating in the Program. Special attention shall be
24 paid to ensuring that lower-income families are made aware of
25 the program and their options.

1 (b) The State Board shall create a standard form that
2 parents of eligible students can submit to establish the
3 student's eligibility for the Program. The State Board shall
4 ensure that the application is readily available to interested
5 families through various sources, including the Internet.

6 (c) The State Board may bar a participating school or
7 education provider from the Program if the State Board
8 establishes that the participating school or education
9 provider has:

10 (1) routinely failed to comply with the accountability
11 standards established in Section 20 of this Act; or

12 (2) failed to provide the eligible student with the
13 educational services funded by the Education Savings
14 Account.

15 (d) If the State Board decides to bar a participating
16 school or education provider from the program, the State Board
17 shall notify eligible students and their parents of this
18 decision as quickly as possible.

19 (e) The State Board shall adopt rules and procedures as
20 necessary for the administration of the Program.

21 Section 30. Responsibilities of resident school districts.

22 (a) The resident school district shall provide a
23 participating school or education provider that has admitted
24 an eligible student under the Program with a complete copy of
25 the student's school records, while complying with the federal

1 Family Educational Rights and Privacy Act of 1974 (20 U.S.C.
2 1232g).

3 (b) The resident school district shall provide
4 transportation for an eligible student to and from the
5 participating school or education provider under the same
6 conditions as the resident school district is required to
7 provide transportation for other resident students to and from
8 private schools under the law. The resident school district
9 shall qualify for State transportation aid for each student so
10 transported.