

Sixty-ninth  
Z Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED SENATE BILL NO. 2400

Introduced by

Senators Axtman, Hogue, Sickler, Myrdal

Representatives Bosch, M. Ruby

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century  
2 Code, relating to the establishment of the education savings account program; ~~to provide a~~  
3 ~~continuing appropriation~~; and to provide an appropriation.

#### 4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and  
6 enacted as follows:

##### 7 Definitions.

8 As used in this chapter:

9 1. ~~"Education service provider" means a person approved to provide qualified education~~  
10 ~~services. The term does not include a participating school.~~

11 ~~2.~~ "Eligible student" means an elementary or secondary student attending public school  
12 or private school or receiving home education who is a resident of this state and  
13 eligible to attend a public school, including a student who has received a scholarship  
14 under the education savings account program, if the student has not graduated from  
15 high school or reached twenty-one years of age.

16 ~~3.2.~~ "Parent" means parent or legal guardian.

17 ~~4.~~ "Participating school" means ~~a nonpublic school providing education to elementary~~  
18 ~~students, secondary students, or both, which has notified the administrator of the~~  
19 ~~school's intention to participate in the education savings account program and comply~~  
20 ~~with the education savings account program requirements.~~

- 1     5.3. "Qualified educational expenses" means:
- 2         a. Tuition and fees at a nonpublic school;
- 3         b. Textbooks, fees, or payments for educational therapies, including tutoring or
- 4             cognitive skills training;
- 5         c. Curriculum fees, software, and materials for a course of study for a specific
- 6             subject matter or grade level;
- 7         d. Tuition or fees for nonpublic online education programs;
- 8         e. Tuition for vocational and life skills education approved by the superintendent of
- 9             education;
- 10        f. Education materials and services for students with disabilities from an accredited
- 11            provider, including the cost of paraprofessionals and assistants who are trained in
- 12            accordance with state law;
- 13        g. Standardized test fees and advanced placement examinations or examinations
- 14            related to postsecondary education admission or credentialing;
- 15        h. Tuition or fees for dual-credit courses;
- 16        i. Meals served to students in school buildings;
- 17        j. Mental health assistance;
- 18        k. Medical appointments necessary for educational benefit;
- 19        l. Educational camps; and
- 20        m. Qualified expenses as adopted by the superintendent of public instruction in
- 21            administrative rules.

22     ~~Education savings account fund – Establishment – Continuing appropriation.~~

23     ~~There is created in the state treasury an education savings account fund. The fund consists~~

24     ~~of moneys appropriated to the superintendent of public instruction for the education savings~~

25     ~~account program. Moneys in the fund are appropriated on a continuing basis for education~~

26     ~~savings accounts.~~

27     Superintendent of public instruction - Administrator - Duties**Account deposits -**

28     **Federal educational choice program.**

- 29        1. The superintendent of public instruction is the education savings account program
- 30            administrator, and shall:

- 1 ~~a. Annually inform eligible students and parents of the schools participating in the~~  
2 ~~education savings account program;~~
- 3 ~~b. Create a standard application form a parent of an eligible student may submit to~~  
4 ~~establish the student's eligibility for the education savings account program. The~~  
5 ~~superintendent shall ensure the application is readily available to interested~~  
6 ~~families through various sources, including the department's website;~~
- 7 ~~c. Execute a multimedia marketing program targeting eligible families, particularly~~  
8 ~~families below the state's median household income, informing the families about~~  
9 ~~the education savings account program and how to apply;~~
- 10 ~~d. Establish a web and phone-based support system providing parents with~~  
11 ~~education savings account program application support and ongoing account~~  
12 ~~maintenance support;~~
- 13 ~~e. Reduce potential waste, fraud, and abuse, and ensure that any technology~~  
14 ~~platform used for the program meets the state's highest security requirements,~~  
15 ~~including compliance; and~~
- 16 ~~f. Adopt rules to implement this chapter.~~
- 17 ~~2. The superintendent of public instruction may:~~
- 18 ~~a. Make and enter a contract with a third-party entity to administer and audit the~~  
19 ~~program, including allocating funds from each eligible student's account for the~~  
20 ~~payment of qualified educational expenses by the eligible student's parent;~~
- 21 ~~b. Conduct audits or other reviews necessary to properly administer the program;~~  
22 ~~and~~
- 23 ~~c. Bar a participating school or education service provider from the education~~  
24 ~~savings account program, if the superintendent determines the participating~~  
25 ~~school or education provider has:~~
- 26 ~~(1) Routinely failed to comply with the accountability standards established~~  
27 ~~under this chapter; or~~
- 28 ~~(2) Failed to provide the eligible student with the educational services funded by~~  
29 ~~the education savings account.~~

1 ~~Enrollment – Account deposits.~~

2 ~~1. From January first to June thirtieth immediately preceding the school year for which~~  
3 ~~the education savings account payment is requested, the parent of an eligible student~~  
4 ~~may request an education savings account payment by submitting an application to~~  
5 ~~the superintendent of public instruction.~~

6 ~~2. Within thirty days of submission of an application, the superintendent of public~~  
7 ~~instruction or third-party entity shall notify the parent whether the eligible student is~~  
8 ~~approved for the following school year and specify the amount of the education~~  
9 ~~savings account payment for the eligible student, if known at the time of the notice.~~

10 ~~3.2.~~ For an eligible student ~~approved for an education savings account payment~~, the  
11 superintendent of public instruction ~~or third-party entity~~ shall establish an individual  
12 account for the eligible student ~~in the education savings account fund~~ and deposit  
13 ~~the any payment the student is entitled to~~ into the eligible student's individual account  
14 ~~within thirty days following submission of the application, but in any case no later than~~  
15 ~~July fifteenth of each year.~~ The funds must be available immediately for the payment  
16 of qualified educational expenses incurred by the parent for the eligible student during  
17 the fiscal year.

18 ~~4. A nonpublic school or other provider of qualified educational expenses accepting~~  
19 ~~payment from a parent using funds from an eligible student's individual account in the~~  
20 ~~fund may not refund, rebate, or share any portion of the payment with the parent or~~  
21 ~~eligible student.~~

22 ~~5. Moneys remaining in an eligible student's individual account upon conclusion of the~~  
23 ~~fiscal year must be returned to the education savings account fund.~~

24 ~~6.3.~~ Beginning with the school budget year beginning July 1, 2026, for each school year,  
25 an eligible student ~~who~~:

26 a. ~~Attends a public school is eligible to~~ Shall receive an education savings account  
27 payment of one thousand dollars:

28 ~~b. Is enrolled in and attends a nonpublic participating school is eligible to receive an~~  
29 ~~education savings account payment of:~~

30 ~~(1) Four thousand dollars, if the eligible student's household has an annual~~  
31 ~~income less than or equal to three hundred percent of the most recently~~

1 revised poverty income guidelines published by the United States

2 department of health and human services; and

3 b. May receive any federal scholarship for educational choice.

4 4. Notwithstanding any other provision of this chapter, the superintendent of public

5 instruction, parents, and eligible students shall comply with any federal law or rule

6 upon which receiving a federal scholarship for educational choice is contingent. The

7 education savings accounts under this chapter may be used to facilitate any federal

8 educational choice program.

9 ~~(2) Two thousand five hundred dollars, if the eligible student's household has~~

10 ~~an annual income less than or equal to five hundred percent of the most~~

11 ~~recently revised poverty income guidelines published by the United States~~

12 ~~department of health and human services.~~

13 ~~(3) One thousand dollars, if the eligible student does not qualify under~~

14 ~~paragraph 1 or 2.~~

15 ~~c. Participates in a home education program in accordance with chapter 15.1-23, is~~

16 ~~eligible to receive an education savings account payment of one thousand~~

17 ~~dollars.~~

18 ~~7. Education savings account payments may be approved for one school year and~~

19 ~~applications must be submitted annually for payments in subsequent school years.~~

20 ~~8. Funds deposited in an education savings account are not taxable income to the parent~~

21 ~~or eligible student.~~

22 ~~**Participating schools – Accountability standards:**~~

23 ~~1. A participating school shall:~~

24 ~~a. Comply with all health and safety laws or codes that apply to nonpublic schools.~~

25 ~~b. Hold a valid occupancy permit if required by the city in which the school is~~

26 ~~located.~~

27 ~~c. Certify the school complies with the nondiscrimination policies under 42 U.S.C.~~

28 ~~1981.~~

29 ~~d. Conduct criminal background checks on employees.~~

30 ~~e. Exclude from employment any individual who:~~

31 ~~(1) Is not permitted by state law to work in a nonpublic school; or~~

- 1 ~~(2) Might reasonably pose a threat to the safety of eligible students.~~
- 2 ~~f. Provide a parent with a receipt for all qualifying expenses at the school.~~
- 3 ~~g. Demonstrate the school's financial viability, if the school will receive fifty thousand~~
- 4 ~~dollars or more during the school year, by filing with the superintendent of public~~
- 5 ~~instruction before the start of the school year:~~
- 6 ~~(1) A surety bond payable to the state in an amount equal to the aggregate~~
- 7 ~~amount of funds from education savings accounts the participating school~~
- 8 ~~expects to receive; or~~
- 9 ~~(2) Financial information demonstrating the school is able to pay an aggregate~~
- 10 ~~amount equal to the amount of the funds from education savings accounts~~
- 11 ~~the participating school expects to receive.~~
- 12 ~~2. a. An eligible student using education savings account program funds for tuition~~
- 13 ~~payments at a participating school shall take required state tests and~~
- 14 ~~assessments in accordance with section 15.1-21-08.~~
- 15 ~~b. The superintendent of public instruction shall compile and publish assessment~~
- 16 ~~results in accordance with sections 15.1-21-09 and 15.1-21-10.~~
- 17 ~~c. The superintendent of public instruction shall administer an annual parental~~
- 18 ~~satisfaction survey requesting each parent of an eligible student receiving an~~
- 19 ~~education savings account program payment to indicate the number of years the~~
- 20 ~~child has participated in the education savings account program and express the~~
- 21 ~~parent's:~~
- 22 ~~(1) Satisfaction with the education savings account program; and~~
- 23 ~~(2) Opinions on other topics, items, or issues that may indicate the~~
- 24 ~~effectiveness of the education savings account program.~~
- 25 ~~3. A participating school or education service provider is autonomous and not an agent of~~
- 26 ~~the state or federal government. The superintendent may not regulate the educational~~
- 27 ~~program of a participating school or education service provider that accepts funds from~~
- 28 ~~an education savings account. The creation of the education savings account program~~
- 29 ~~does not expand the regulatory authority of the state, its officers, or a school district~~
- 30 ~~beyond the regulations necessary to enforce the requirements of the education~~
- 31 ~~savings account program.~~

1           **SECTION 2. APPROPRIATION - SUPERINTENDENT OF PUBLIC INSTRUCTION -**  
2           **EDUCATION SAVINGS ACCOUNT PROGRAM.** There is appropriated out of any moneys in  
3 the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so  
4 much of the sum as may be necessary, to the superintendent of public instruction for the  
5 purpose of administering the education savings account program, for the biennium beginning  
6 July 1, 2025, and ending June 30, 2027.