

Iowa State Board of Education

Executive Summary

September 17, 2026

Agenda Item: Appeal Final Decision - Docket 5243 – *In re ESA*

**State Board
Priority:** All priorities - Statutory obligation

**State Board
Role/Authority:** The State Board decides appeals under Iowa Code section 257.11B and Iowa Code chapter 290.

Presenter(s): None – Consent Agenda

Attachment(s): Two

Recommendation: It is recommended that the State Board of Education adopt the attached proposed decision.

Background: In this appeal, no party appealed the proposed decision in the time period allowed by law. Each decision must be affirmed, as a matter of law.

BEFORE THE IOWA STATE BOARD OF EDUCATION

<i>In re ESA Appeal,</i>	)	
Meghan Pearce,	)	
	)	
Appellant,	)	Case No. 26DOE0015
	)	DE Admin Doc. No. 5243
vs.	)	
	)	FINAL DECISION
Iowa Department of Education,	)	
	)	
Appellee.	)	

On July 29, 2026, the administrative law judge issued a proposed decision, which affirmed the Appellee’s actions in this matter. The time to appeal the proposed decision has passed, and no appeal was filed. The proposed decision is adopted, as written. PROPOSED DECISION ADOPTED; APPELLEE’S DECISION AFFIRMED.

This is final agency action in a contested case proceeding.

Any party that disagrees with the Department’s decision may file a petition for judicial review under section 17A.19 of the Iowa Administrative Procedure Act. That provision gives a party who is “aggrieved or adversely affected by agency action” the right to seek judicial review by filing a petition for judicial review in the Iowa District Court for Polk County (home of state government) or in the district court in which the party lives or has its primary office. Any petition for judicial review must be filed within thirty days of this action, or within thirty days of any petition for rehearing being denied or deemed denied.

Dated: September 17, 2026

Iowa State Board of Education, by:

John Robbins, President

CC by certified mail to parties and counsel

IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION
CENTRAL PANEL BUREAU

In re ESA appeal of: MEGHAN PEARCE Appellant, v. IOWA DEPARTMENT OF EDUCATION Respondent.	Docket No. 26DOE0015 DOE Admin. Doc. No. 5243 PROPOSED DECISION
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Appellant Meghan Pearce appeals a March 18, 2026 decision of the Iowa Department of Education (Department). The Department's decision: 1) determined that her son, Donald Pearce, is not eligible for an Education Savings Account (ESA) for the 2025-26 academic year; and 2) instituted a lifetime prohibition against participation for Pearce due to fraudulent activity in the application process.

An in person hearing in this matter was held on June 15, 2026. Attorneys Lindsey Browning and Samantha Leo represented the Iowa Department of Education. Appellant Meghan Pearce appeared and was self-represented. The following witnesses testified: Eric How; Kassandra Cline; and Meghan Pearce. The Department submitted Exhibits 1 through 12 that were admitted as evidence.

At hearing, Pearce stated that she did not wish to appeal the eligibility determination for the 2025-26 school year. She appeals only the lifetime prohibition against participation in the ESA program. Accordingly, this decision will only address the lifetime prohibition.

Findings of Fact

Megan Pearce submitted an ESA application for her son, Donald Pearce, through the Department's ESA program portal on June 24, 2025. The application was for the 2025-26 school year. As proof of Iowa residency, Pearce submitted a lease agreement for an Ankeny, Iowa residence with a start date of July 19, 2025 and an end date of July 18, 2026. The Department's third party vendor, Odyssey, makes the initial decision regarding eligibility based upon the documents submitted in the application. With regard to residency, the vast majority of applicants can be confirmed through Iowa Department of Revenue records. For those applicants who have not filed an Iowa tax return for the most recent tax year, additional proof of residency is sought. (How, Cline testimony; STATE 015, 024, 059).

Odyssey reviewed Pearce's lease agreement and determined it was insufficient to verify residency. Additional documents were requested. Pearce contacted Odyssey by email on June 27, 2025 and stated that her family was relocating from out of state to Iowa and that their lease would begin July 19. She stated that she would not have an Iowa driver's license until August and asked if she could use her teaching contract as proof of residency. On June 30, 2025, Pearce submitted her employment contract and a written letter to Odyssey. (STATE 059, 065).

Odyssey reviewed the documentation that Pearce had submitted and determined that Pearce was not eligible for the ESA program, as she and her family were not yet residing in Iowa. Her application status was updated to "not eligible" on July 2, 2025 and an e-mail notification of the update was sent to Pearce. (STATE 060).

In the event of a denial, an applicant can request a second review through Odyssey, which Pearce did. Odyssey escalated the issue to the Department on July 22, 2022. Kassandra Cline, bureau chief of the Department's bureau of school business operations, reviewed the file and confirmed with Odyssey that Pearce's application should be denied as the family had not established Iowa residency by June 30, 2025. Pearce was notified on July 2, 2025 that the denial had been upheld based on a failure to establish residency by the application deadline. (How, Cline testimony; STATE 060-61, 066-67).

Pearce submitted an appeal of the eligibility denial on July 30, 2025. She submitted what she represented was an amended lease that showed a June 29, 2025 start date. (STATE 021-22; How, Cline testimony).

On August 4, 2025, Pearce sent an email stating that she worked with her landlord to pay for the full month of July 2025, beginning residency in Iowa on June 29, 2025. Pearce attached a receipt, which she stated reflected payment for a full month's rent before the deadline of residency. The receipt reflected a payment of \$2,495 to Sanav Property on June 24, 2025. (STATE 044-45).

On March 18, 2026, after investigation, the Department issued a decision upholding the decision that D.P. was ineligible for an ESA for the 2025-26 academic year due to the fact that he had not established residency by June 30, 2025. In addition, the Department determined that Pearce had made false claims for the purpose of obtaining an ESA payment and prohibited her from participating in the ESA program in the future. (STATE 001-003).

Pearce acknowledged at hearing that she knowingly provided fraudulent information to the Department during the application process. Pearce signed a contract to come to Iowa to work at The Conservatory of Worship Arts, a private school, in February 2025. Pearce knew of the existence of the ESA program and believed it would fund her children's education once she relocated to Iowa. Pearce was aware that the application had to be submitted by June 30, 2025, but did not understand that she had to establish

residency in Iowa by that date in order to be eligible for benefits under the program. (Pearce testimony; STATE 056).

After Pearce's application was declined due to not having established residency by June 30, 2025, she personally altered her lease document without any communication with her landlord to make it look as if her lease started prior to June 30, 2025. Pearce wrote in her appeal letter, "Upon receiving [the denial], I immediately worked with our landlord to amend our lease agreement. They agreed to revise our lease to reflect a June 29, 2025 start date, and I submitted the formal dispute through the Odyssey platform on July 2, 2025, with all documentation showing that we established Iowa residency prior to the deadline." This was untrue. (STATE 021; Pearce testimony).

Pearce later sent an email on August 4, 2025 stating that she worked with her landlord to pay for the "FULL month of July, beginning our residency on June 29th." She submitted a receipt that she represented showed payment of rent before the residency deadline. Pearce acknowledged at hearing that this was also false. Her landlord provided information to the Department in October 2025 noting that the \$2,495 that Pearce paid on June 24, 2025 was a security deposit, and that the \$1,542.40 she paid on July 12, 2025 was prorated rent for July 2025. (STATE 032, 044; Pearce testimony).

Conclusions of Law

Iowa Code section 257.11B established the education savings account (ESA) program. Under the ESA program, certain resident pupils who attend a nonpublic school shall be eligible to receive an ESA payment.¹ The application period for an ESA payment runs for January 1 through June 30 prior to the school year for which payment is sought.² A person who makes a false claim for the purpose of obtaining an ESA payment is guilty of a fraudulent practice under chapter 714. If a false claim is made, the Department shall disallow the payment. Additionally, a parent or guardian who commits a fraudulent practice is prohibited from participating in the ESA program in the future.³

Pearce does not contest in this appeal the Department's decision to deny the application for an ESA for Donald for the 2025-26 school year based on its determination that he did not meet the residency requirement as of June 30, 2025. She appeals only the Department's decision to bar her from prohibiting in the ESA program in the future.

The undisputed evidence in the case establishes that Pearce made a false claim for the purpose of obtaining an ESA payment; specifically, she made the following false statements: 1) that she was a resident of Iowa as of June 29, 2025; 2) that she paid rent to her landlord for the month of June 2025; and 3) that she worked with her landlord to amend her lease to reflect a start date of June 29, 2025. Additionally, she submitted a falsified lease document to support her false claim that her residency began June 29,

¹ Iowa Code § 257.11B(2)(a).

² Iowa Code § 257B.11(3)(a)(1).

³ Iowa Code § 257B.11(7).

2025. Under these circumstances, the Department's decision prohibiting Pearce from participating in the ESA program in the future was correct and must be affirmed.

Order

The Department's imposition of a lifetime prohibition against participation in the ESA program for Respondent Meghan Pearce is AFFIRMED.

cc: Lindsey Browning, Samantha Leo, Attorneys for Department (AEDMS)
Rebecca Griglione, DOE (AEDMS)
Thomas Mayes, DOE (AEDMS)

Meghan Pearce (First Class Mail)
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Appeal Rights

Any adversely affected party may appeal a proposed decision to the Department of Education within 30 days after issuance of the decision. The agency may also initiate review of a proposed decision on its own motion at any time within 30 days following the issuance of the proposed decision. Iowa Admin. Code r. 7-2506.27(1)-(2).

An appeal must be signed by the appealing party or a representative of that party and contain a certificate of service. The notice must specify: 1) the parties initiating the appeal; 2) the proposed decision or order appealed from; 3) the specific findings or conclusions to which exception is taken and any other exceptions to the decision or order; 4) the relief sought; and 5) the grounds for relief. Iowa Admin. Code r. 7-2506.27(3).

Case Title: IN RE: ESA APPEAL OF MEGHAN PEARCE, APPELLANT V.
IOWA DEPARTMENT OF EDUCATION, RESPONDENT (5243)
Case Number: 26DOE0015
Type: Proposed Decision

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read "Laura Lockard", written in a cursive style.

Laura Lockard, Administrative Law Judge