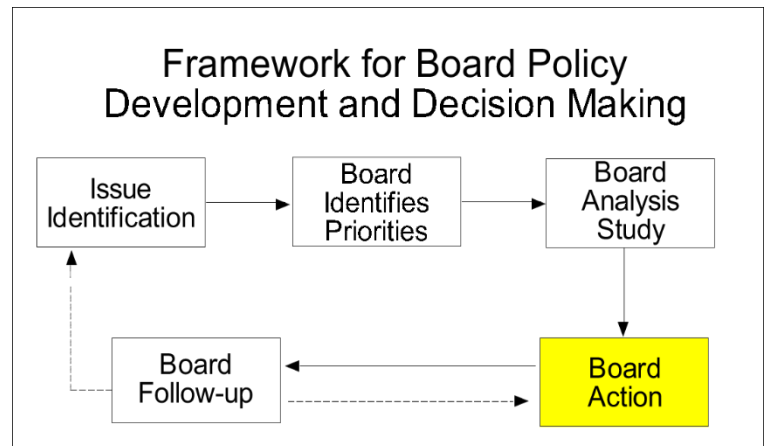


# Iowa State Board of Education

## Executive Summary

December 4, 2023



**Agenda Item:** Rules: 281 IAC Chapter 20 – “Students First Act – Education Savings Accounts” (Notice)

**State Board Priority:** Ensuring Equity in Education

**State Board Role/Authority:** This rule making is proposed under the authority provided in Iowa Code section 257.11B.

**Presenter(s):** Thomas A. Mayes, General Counsel

**Attachment(s):** One

**Recommendation:** It is recommended that the State Board give notice of its intent to amend Chapter 20.

**Background:** The current definition of annual income in Subrule 20.1(1) refers to “net income.” The Department of Education has received technical assistance that the term “net income” will no longer appear in the pertinent provisions of the Iowa Code. The technical correction proposed by this rulemaking addresses this change in a non-substantive manner.

## EDUCATION DEPARTMENT[281]

### Notice of Intended Action

The State Board of Education hereby proposes to amend Chapter 20, “Students First Act – Education Savings Accounts,” Iowa Administrative Code.

#### *Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 257.11B.

#### *State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 257.11B.

#### *Purpose and Summary*

The current definition of annual income in subrule 20.1(1) refers to “net income.” The Department of Education has received technical assistance that the term “net income” will no longer appear in the pertinent provisions of the Iowa Code. The technical correction proposed by this rulemaking addresses this change in a non-substantive manner.

#### *Fiscal Impact*

This rulemaking has no fiscal impact to the state of Iowa.

#### *Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the State Board of Education for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

#### *Public Comment*

Any interested person may submit comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Iowa Department of Education no later than 4:30 p.m. on January 16, 2024. Comments should be directed to:

Thomas A. Mayes  
Iowa Department of Education  
Grimes State Office Building  
400 E. 14<sup>th</sup> Street  
Des Moines, IA 50319  
[thomas.mayes@iowa.gov](mailto:thomas.mayes@iowa.gov)  
515-281-8661

### *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1) “b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subrule 20.1(1) as follows:

**20.1(1)** “Annual income” means the same as ~~“net income” as defined in Iowa Code section 422.7 in effect for the year preceding an application~~ line 4 of the 2023 IA 1040 (Iowa taxable income). In calculating annual income, the department shall use information from the last year’s

state tax form and need not include income of individuals who have no legal obligation to provide support to the student unless said individual is married to the parent or guardian who is responsible for financially supporting the student. If “annual income” cannot be clearly determined through review of the submitted tax return, the department director has authority to request additional information and determine eligibility. The department director may consider income reductions after the filing of the preceding year’s tax return. This subrule applies only for school years beginning July 1, 2023, and July 1, 2024; it will cease to be applicable by operation of law on July 1, 2025.