

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1386

Introduced by Hansen, 16.

Read first time January 17, 2024

Committee: Education

- 1 A BILL FOR AN ACT relating to students; to require the State Treasurer to
- 2 establish an educational savings account for each student enrolled
- 3 in kindergarten through twelfth grade at an approved or accredited
- 4 private, denominational, or parochial school for use on qualified
- 5 educational expenses as prescribed; to create a fund; to provide
- 6 powers and duties; and to provide a penalty for fraud or theft
- 7 associated with an educational savings account.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For purposes of this section:

2 (a) Educational savings account means an educational savings account
3 established by the State Treasurer for an enrolled student pursuant to
4 this section;

5 (b) Enrolled student means a student in kindergarten through twelfth
6 grade enrolled in an approved or accredited private, denominational, or
7 parochial school in this state; and

8 (c) Qualified educational expenses includes:

9 (i) Tuition and fees;

10 (ii) Textbooks and school supplies;

11 (iii) Fees or payments for educational therapies, including tutoring
12 or cognitive skills training; and

13 (iv) Any other academic or learning material approved by the State
14 Board of Education.

15 (2) There is hereby created the Nebraska Student Savings Account
16 Support Fund. The fund shall be administered by the State Treasurer and
17 shall be used to provide educational savings account funding pursuant to
18 this section. Any money in the fund available for investment shall be
19 invested by the state investment officer pursuant to the Nebraska Capital
20 Expansion Act and the Nebraska State Funds Investment Act.

21 (3) Beginning with the 2025-26 school year, as part of the
22 enrollment process for any student in kindergarten through twelfth grade
23 at an approved or accredited private, denominational, or parochial school
24 in this state, a parent or guardian of a student or the student, if such
25 student is nineteen years of age or older or an emancipated minor, shall
26 receive information on applying for an educational savings account in
27 order to receive funding from the state pursuant to this section. Such
28 parent or guardian or enrolled student shall apply for such account on
29 forms and in a manner prescribed by the State Treasurer.

30 (4) Beginning July 1, 2025, the State Treasurer shall establish a
31 separate educational savings account for each enrolled student for whom

1 an application is received as provided in subsection (3) of this section.
2 Each fiscal year the State Treasurer shall transfer one thousand five
3 hundred dollars from the Nebraska Student Savings Account Support Fund
4 into the educational savings account of each such enrolled student. The
5 educational savings account shall be made available for viewing and use
6 by the parent or legal guardian of the enrolled student or the enrolled
7 student, if such student is nineteen years of age or older or an
8 emancipated minor.

9 (5) The parent or legal guardian of an enrolled student or the
10 enrolled student, if such student is nineteen years of age or older or an
11 emancipated minor, may withdraw money from the educational savings
12 account for use on qualified educational expenses. The money in the
13 educational savings account is nontransferable and shall be used
14 exclusively to pay for qualified educational expenses of the enrolled
15 student for whom the account is established. The student shall retain
16 access to the account as long as the student remains an enrolled student,
17 and such account shall follow the student for continued use if a student
18 transfers to a different approved or accredited private, denominational,
19 or parochial school within this state. The educational savings account
20 shall terminate and the funds shall be transferred to the General Fund if
21 the student no longer qualifies as an enrolled student, upon the enrolled
22 student's graduation from high school, or in the event of the death of
23 the enrolled student. The State Treasurer may require receipts to verify
24 that any money withdrawn was used to pay for qualified educational
25 expenses.

26 (6) In order to prevent fraud and theft from educational savings
27 accounts of enrolled students, the State Treasurer shall monitor such
28 accounts, investigate suspicious activity, and conduct random audits of
29 such accounts. Whenever the State Treasurer determines that money from an
30 educational savings account has been used for purposes other than
31 qualified educational expenses, the State Treasurer shall conduct an

1 interview with the parent or legal guardian, the enrolled student, or any
2 other person suspected of committing an act of fraud or theft in
3 connection with an account. If the State Treasurer determines that an act
4 of fraud or theft has been committed, the offense shall be reported to
5 the Nebraska State Patrol for investigation. If the Nebraska State Patrol
6 determines that a crime has been committed, the offender shall be charged
7 with the appropriate offense under Nebraska law. In addition, the
8 offender shall be required to pay restitution for the amount taken, and
9 such money shall be deposited into the educational savings account from
10 which it was taken.