# Rules of Elected Officials
## Division 50—Treasurer
### Chapter 5—Missouri Empowerment Scholarship Accounts Program

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 CSR 50-5.010 General Organization</td>
<td>3</td>
</tr>
<tr>
<td>15 CSR 50-5.020 Missouri Empowerment Scholarship Accounts Program</td>
<td>3</td>
</tr>
<tr>
<td>15 CSR 50-5.030 Tax Credit Program</td>
<td>4</td>
</tr>
<tr>
<td>15 CSR 50-5.040 Audits and Reporting Requirements</td>
<td>6</td>
</tr>
<tr>
<td>15 CSR 50-5.050 Educational Assistance Organizations</td>
<td>7</td>
</tr>
</tbody>
</table>
PURPOSE: This regulation provides the public with a description of the Missouri Empowerment Scholarship Accounts Program, the methods of operations, procedures, and where the public may obtain information. This rule is adopted to fulfill the statutory requirement of section 536.023(3), RSMo.

(1) House Bill No. 349 and Senate Bill No. 86, 1st Regular Session, 101st General Assembly (2021) (effective August 28, 2021), codified at sections 135.712 through 135.719, RSMo, and sections 166.700 through 166.720, RSMo, create the Missouri Empowerment Scholarship Accounts Program (the program), to be administered by the treasurer or if delegated by the treasurer, by the Missouri Empowerment Scholarship Accounts Board. The board consists of the treasurer (who serves as chairman), the commissioner of the state Department of Higher Education, the commissioner of the Department of Elementary and Secondary Education, the commissioner of the state Office of Administration, one (1) person appointed by the president pro tempore of the state Senate, one (1) person appointed by the speaker of the House of Representatives, and one (1) person to be appointed by the governor with the advice and consent of the Senate. The board’s primary purpose is to administer the program duties the treasurer delegates to the board, and, when delegated by the treasurer, the board possesses all powers necessary to carry out and accomplish the purposes, objectives, and provisions of the statutes.

(2) The program is created to promote educational opportunities and improve the quality of educational services to ensure all children receive the high-quality education to which they are entitled.

(3) The public may obtain information or make submissions or requests to the Office of the State Treasurer, PO Box 210, Jefferson City, MO 65102, (573) 751-2411.


found in section 167.031.2(1), RSMo, the home school shall certify that it will:

1. Agree to not pay, share, refund, or rebate any MOScholars account funds in any manner with the parent, qualified student, or any other individual within three (3) degrees of consanguinity to the qualified student;
2. Submit a proposed curriculum plan, or, provide the records required to be maintained pursuant to section 167.031.2(2)(a), RSMo;
3. Provide the state treasurer's office with an authorization to conduct a review of the criminal history records maintained by the Missouri State Highway Patrol in the Missouri criminal records repository for every adult who resides in the home school, if the home school is given initial approval from an educational assistance organization; and
4. When requested, produce the records required to be maintained under section 167.031.2(2)(a), RSMo.

A. Within fifteen (15) days of receipt of a completed qualified student application and home school certification, the educational assistance organization shall provide the treasurer an initial approval in accordance with the criteria set forth above, unless granted an extension by the treasurer or the educational assistance organization determines a denial is necessary.

B. Upon receipt of a home school certification that has received initial approval from an educational assistance organization, the treasurer shall conduct a review of the criminal history records maintained by the Missouri State Highway Patrol in the Missouri criminal records repository for every adult who resides in the home school, and notify the parent and the educational assistance organization that the home school certification application has received final approval or denial.

5. Information Sharing with the Department of Elementary and Secondary Education. The treasurer and educational assistance organizations are required to provide necessary information to the Department of Elementary and Secondary Education (DESE) to allow federal and state aid to continue to the school in the qualified student’s resident school district previously attended. An educational assistance organization shall provide all approved eligible student applications to DESE within forty-five (45) days of approval. This provision terminates on July 1, 2027.

6. Violations of Program Provisions. If the treasurer determines that any parent, eligible student, or vendor has committed an intentional program violation consisting of any misrepresentation or other act that materially violates any law or promulgated rule, the treasurer may disqualify the offending party from the program. In such a case, the treasurer shall notify the parent, eligible student, or vendor in writing of the grounds for the proposed disqualification and provide the party an opportunity to respond to the allegations in writing. A parent may request a hearing conducted in accordance with the provisions of Chapter 536, RSMo, and may appeal the administrative hearing commission’s decision to the circuit court of the county in which the student resides. Disqualification of a parent, eligible student, or vendor by the treasurer shall not be a prerequisite nor a substitute for any other civil or criminal causes of action to which such party may otherwise be subject but is in addition to such possible remedies. Any information obtained or compiled by the treasurer in determining whether to disqualify a parent, eligible student, or vendor may be disclosed to appropriate law enforcement agencies, in any investigation, action, or proceeding, civil or criminal, brought by a governmental agency to enforce the laws of this state or upon court order in any action or proceeding where such information is material to an issue in the action or proceeding. After a twelve (12) month waiting period immediately following a disqualification, any parent, eligible student, or vendor may thereafter reapply to participate in the program in accordance with the applicable laws governing eligibility and participation in the program. The state treasurer’s office shall evaluate the reapplication of any program participant who has been previously suspended. Any funds remaining in the scholarship account of a parent or eligible student who has been disqualified from the program shall be returned to the educational assistance organization to be redistributed to other qualified students for scholarship accounts.

7. Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.


15 CSR 50.030 Tax Credit Program

PURPOSE: This rule establishes procedures for administration of the Missouri Empowerment Scholarship Accounts Program (the program) tax credits to enable taxpayers to make private, voluntary contributions to educational assistance organizations in order to promote improvement of the quality of education in this state, and specifies responsibilities of the treasurer and educational assistance organizations in administering and monitoring the tax credits.

1. Definitions.

A. Existing Missouri Definitions. The following terms, as used in this rule, are defined in section 135.712, RSMo: educational assistance organization, parent, program, scholarship account, taxpayer. The following terms, as used in this rule, are defined in section 166.700, RSMo: curriculum, district, private school, qualified school, qualified student. The following term, as used in this rule, is defined in section 135.715, RSMo: qualifying contribution.

(B) Additional Definitions. The following definitions shall also apply to the following terms as they are used in this rule:

1. “501(c)(3) organization” means an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from taxation under section 501(a) of the Internal Revenue Code;

2. “Annual inflation adjusted cap” means the cumulative amount of tax credits that may be allocated to all taxpayers in any one (1) calendar year after the annual tax credit amount is annually adjusted by the treasurer on December 1, to be effective January 1 of the next calendar year, for inflation based on the consumer price index for all urban consumers for the Midwest region, as defined and officially recorded by the United States Department of Labor or its successor, such annual increase shall cease when the amount of tax credits reach fifty million dollars;

3. “Annual tax credit amount” means, for any state fiscal year, the sum of the amount of tax credits approved under section 35.282.3, RSMo, which are approved for a taxpayer whose taxable year begins on or after January 1 of the calendar year preceding the start of the applicable state fiscal year;

4. “Annual total grant amount” means, for any school year the sum of the amount of scholarship account payments distributed to the account of a qualified student, not to exceed a total amount equal to the state adequacy target;

5. “Household income” has the same
meaning as the term “income” as defined in the income eligibility guidelines for free and reduced price meals under the National School Lunch Program in 7 CFR part 210 as published in the Federal Register by the United States Department of Agriculture;

6. “Owner or operator” includes:
   A. A president, officer, or director of an educational assistance organization or a person with equivalent decision-making authority over an educational assistance organization; and
   B. An owner, operator, superintend-ent, or principal of an eligible qualified school or a person with equivalent decision-making authority over an eligible qualified school;

7. “State adequacy target” has the same meaning as defined in section 163.011, RSMo, and calculated by the Department of Elementary and Secondary Education; and

8. “Taxpayer” means any taxpayer as defined in section 135.712.2(7), RSMo, who applies to make a qualifying contribution to a certified educational assistance organization and reserve a tax credit for such contribution.

(2) Annual Adjustments. Beginning December 1, 2022, the treasurer shall adjust the cumulative amount of tax credits that may be allocated to all taxpayers in any one (1) calendar year based on the most recently released consumer price index for all urban consumers for the Midwest region, as defined and officially recorded by the United States Department of Labor or its successor. The adjustment shall occur annually on December 1 and all such annual adjustments shall be effective January 1 of the next calendar year. Such annual adjustments shall cease when the amount of tax credits reaches fifty (50) million dollars annually.

(3) Allocation of Tax Credits.
   A. Initial Allocation. For tax year 2022, an educational assistance organization shall request an initial allocation of tax credits as part of the application for certification to participate in the program. For all subsequent tax years, an educational assistance organization shall request an initial allocation of tax credits by December 1 prior to the applicable tax year. The treasurer shall review the requests and provide initial allocations by January 1 of the applicable tax year.

   B. Reallocation. From January 1 to December 31 of a calendar year, the treasurer may reallocate any amounts made available that are not obligated or expended, as determined by the treasurer.

   (4) Application Process. Beginning July 1, 2022, and January 1 every year thereafter, a taxpayer may apply for a tax credit by visiting the treasurer’s official website and completing the online application for tax credit allocation for contributions to an educational assistance organization.

   (A) Application for Tax Credit Reservation.
      1. Application. The online application shall require a taxpayer to provide the following:
         A. The taxpayer’s name, address, and Social Security number or individual taxpayer identification number;
         B. The name of the certified educational assistance organization to which the taxpayer intends to contribute; and
         C. The amount the taxpayer intends to contribute.
      2. Confirmation. Once this application is completed, a taxpayer shall receive an application confirmation that can be printed. The application confirmation only confirms the application for reservation of tax credits; it does not authorize the issuance or use of a tax credit.

   3. Donation. The taxpayer shall present the application confirmation and specified contribution to the educational assistance organization designated on the application.

   4. Time Limits. A taxpayer has thirty (30) business days after receipt of an application confirmation to make the qualifying contribution to the designated educational assistance organization. After thirty (30) business days, the application expires.

   5. Application Review. The educational assistance organization shall submit to the treasurer documentation verifying each qualifying contribution received including the application confirmation and proof of the transfer of funds. The treasurer shall review the application and supporting documentation and if the taxpayer is eligible, shall approve the request on a first come, first served basis.

   6. Approval. The treasurer shall send the educational assistance organization a written receipt (tax credit certificate) evidencing the tax credit has been approved. If an application is not approved, the treasurer shall send a written notice that sets forth the reason the tax credit allocation application could not be approved. The educational assistance organization shall provide the receipt to the taxpayer.

   (B) Request for Rescission. A taxpayer may apply to the treasurer to rescind all or part of a tax credit allocation for a contribution to certified educational assistance organization. A taxpayer shall submit a separate application for each tax credit allocation they request to rescind.

1. Rescission Application. An application for rescission of a previously granted tax credit allocation shall include the following:
   A. The confirmation number from the original application for an allocation of tax credit;
   B. The amount the taxpayer requests to rescind in total;
   C. The individual taxpayer identification number or Social Security number associated with the original application;
   D. The name of the educational assistance organization to which the taxpayer originally intended to make their contribution;
   E. Whether the contribution was made to the educational assistance organization;

2. Confirmation Receipt. Once this application for rescission is completed, a taxpayer shall receive a confirmation. The confirmation only confirms the treasurer received the application, it does not approve the application for rescission of a previously approved tax credit allocation.

3. Application Review. The treasurer shall review the application for rescission and if the taxpayer is eligible shall approve the request on a first come, first served basis.

4. Approval. The treasurer will send written correspondence explaining the approved rescinded amount or the reason the application could not be approved. The treasurer will approve the application unless the taxpayer has claimed the credit amount to be rescinded on a previously filed tax return, the tax credit allocation period for a particular calendar year is closed, or the contribution has already been designated by the educational assistance organization to fund a scholarship account. No requests for rescission shall be made or considered after November 1.

5. Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.


15 CSR 50-5.040 Audits and Reporting Requirements

PURPOSE: This rule establishes procedures for the audit and reporting requirements of the Missouri Empowerment Scholarship Accounts Program (the program) and specifies responsibilities of the treasurer, his or her staff, educational assistance organizations, parents, beneficiaries, and any third party designated by the treasurer to carry out services under the program, and is intended to ensure the program conforms with state statutes and promulgated rules. The treasurer has authority to establish standards and reporting requirements for audits performed on certified educational assistance organizations. This rule sets forth requirements to be met directly by the certified educational assistance organizations and the standards for the auditing and financial reporting.

(1) Definitions.
   (A) Existing Missouri Definitions. The following terms, as used in this rule, are defined in section 135.712, RSMo: educational assistance organization, parent, program, scholarship account, taxpayer. The following terms, as used in this rule, are defined in section 166.700, RSMo: curriculum, district, private school, qualified school, qualified student.
   (B) Additional Definitions. The following definitions shall also apply to the following terms as they are used in this rule:
      1. “Division” means the treasurer’s office division of program administration; and
      2. “School year” means the period that commences on the first day of July and ends on the thirtieth day of the following June.

(2) Audits.
   (A) Annual Audited Financial Statements.
      1. Annual Audited Financial Statements. The annual financial statements audit required by section 135.714, RSMo, shall be prepared by a certified public accountant and submitted to the treasurer within six (6) months after the close of the educational assistance organization’s fiscal year and shall include the following information:
         A. The name and address of the educational assistance organization;
         B. Annual financial accounting to show—
            (I) One hundred percent (100%) of its revenues from qualifying contributions is spent on scholarship accounts; and
            (II) At least ninety percent (90%) of its revenues from qualifying contributions is spent on scholarship accounts; and
         C. The educational assistance organization’s fiscal year.
      2. Requirements for Educational Assistance Organizations.
         A. The educational assistance organization is responsible for preparing and providing financial information to be included in the annual financial statements audit. The educational assistance organization shall maintain adequate accounting records for that purpose.
         B. The educational assistance organization shall engage an independent auditor to conduct the audit. The auditor does not recommend, select, or approve the educational assistance organization’s auditor or the auditor’s fee, except as provided in 15 CSR 50-5.040(2)(A)2.C. The educational assistance organization is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.
      3. Standards for Auditing and Financial Reporting. The annual financial statements audit report with the treasurer within six (6) months after the close of the educational assistance organization’s fiscal year. If any audit report fails to comply with promulgated rules, the treasurer shall notify the educational assistance organization’s auditor or the auditor’s fee, except as provided in 15 CSR 50-5.040(2)(A)2.C. The educational assistance organization is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.
      4. Use of account funds must be substantiated by documentation, in a format acceptable to the treasurer.
      5. The treasurer reserves the right to make final determination with regard to eligible use of account funds.
   (B) Use of Account Funds.
      1. Account funds may only be used for the qualified student for whom the account was awarded.
      2. Use of account funds shall be limited to qualified expenses as defined in 166.705.1(4), RSMo.
      3. The treasurer or a third party with whom the treasurer contracts shall establish and maintain a database of approved vendors and expenses. Similar expenses by similarly situated account holders shall be treated in the same manner. This section does not create authorization for an account holder to expend funds in a manner not permitted by statute.
      4. Use of account funds must be substantiated by documentation, in a format acceptable to the treasurer.
      5. The treasurer reserves the right to make final determination with regard to eligible use of account funds.
   (C) Reviews of Accounts.
      1. Procedures for conducting exams on use of account funds. The treasurer may conduct or contract for review of expenses pursuant to this section to ensure program funds are used only for qualified expenses, and shall request periodic reports on the use of account funds from the educational assistance organization or a designated third party.
      2. Procedures for conducting random reviews of accounts. The treasurer may randomly, through an in-person site visit or an electronic request, sample the accounts held by an educational assistance organization. The sampling of accounts may include but is not limited to a review of student records and expenses, tracking mechanisms for reporting student outcomes, and contribution tracking.
      3. Procedures for conducting quarterly reviews of accounts. The treasurer shall provide to the educational assistance organization quarterly report forms for the purpose of audits of government entities, programs, activities, and functions.
      D. The contents of the financial statement audit report shall be presented in conformity with generally accepted accounting principles. If the financial statement audit report is not presented in conformity with generally accepted accounting principles, then the independent auditor shall make appropriate audit report modifications and disclosures. The auditor shall certify the report is free of material misstatements.
      E. Nothing in the rules promulgated for audits of certified educational assistance organizations shall be construed as restricting, limiting, or relieving the independent auditor of his or her professional judgment or responsibility.

(A) Annual Audited Financial Statements.
reporting program performance and financial data. The educational assistance organization is responsible for preparing and submitting the quarterly program reports to the treasurer within thirty (30) days after each quarter’s end. The treasurer shall review quarterly program reports within thirty (30) days of receipt and conduct any follow-up or remediation actions as necessary.

4. Procedures for conducting annual reviews of accounts. The treasurer shall review the Annual Statutory Audit submitted by the educational assistance organization for compliance with program requirements and performance.

(D) 2023-2024 Audit Required by Statute. Beginning with the 2023-2024 school year, the treasurer shall conduct or contract for annual audits of Missouri Empowerment Scholarship Accounts to verify compliance with statutory requirements of the program. This audit shall conform to the standards for auditing of governmental organizations, programs, activities, and functions established by the comptroller of the United States.

(3) Reporting Requirements.

(A) Annual Reports. The following annual reports, unless otherwise specified, shall be due on August 1, for the period of July 1 through June 30 immediately preceding:

1. Results from annual state achievement tests or nationally norm-referenced tests for grades requiring testing under the statewide assessment system set forth in section 160.518, RSMo;
2. Student information that would allow the treasurer to aggregate data by grade level, gender, family income level, and race;
3. Results from the annual parental satisfaction survey, including information about the number of years the parent’s child has participated in the program;
4. Rates of high school graduation; and
5. To the extent the data is provided or otherwise available to the educational assistance organization, rates of college attendance and college graduation for participating students.

(B) Monthly. Remittance Report. An educational assistance organization shall submit a remittance report to the treasurer no later than the 15th of each month following a month in which the educational assistance organization received a contribution from a taxpayer. The remittance report shall include 1) a listing of all donors for which the educational assistance organization has submitted the donor’s documentation to claim the credit; and 2) four percent (4%) of the total qualifying contributions received by the educational assistance organization for that calendar month to be deposited in the Missouri Empowerment Scholarship Accounts fund. Money shall be remitted by Automated Clearing House (ACH) transfer or check made payable to the treasurer and delivered to the division when the report is filed.

(C) Quarterly. Quarterly Report. An educational assistance organization shall submit a quarterly report, which shall include the number of scholarships awarded, the dollar amount of scholarships awarded, the dollar amount of funds raised for tax credits, and any other information deemed necessary by the treasurer.

(D) Statutory Report. On July 1, 2027, the treasurer shall issue a report on the state of the program. The report shall include information regarding the finances of the educational assistance organizations and educational outcomes of qualified students. This report shall be posted on the treasurer’s official website.

(E) Other Reporting. The following information shall be submitted by August 1, regardless of an educational assistance organization’s fiscal year, for the preceding calendar year, unless granted an extension by the treasurer:

1. The name and address of the educational assistance organization;
2. The name and address of each qualified student for whom a parent opened a scholarship account with the organization;
3. The total number and total dollar amount of contributions received during the previous calendar year;
4. The total number and total dollar amount of scholarship accounts opened during the previous calendar year;
5. The total dollar amount spent on marketing and administrative expenses during the previous calendar year;
6. The total dollar amount remitted to the division for administrative costs during the previous calendar year; and
7. The total dollar amount of revenue from interest or investments during the previous calendar year.

(4) Online Anonymous Fraud Reporting Service. Beginning July 1, 2022, the treasurer shall create an online anonymous fraud reporting service to accept any reports of fraud pertaining to the program. Such anonymous fraud reporting service shall be located on the treasurer’s official website and shall transmit anonymous reports to the treasurer via web interface.

(5) Dedicated Anonymous Telephone Hotline. Beginning July 1, 2022, the treasurer shall have a dedicated anonymous telephone hotline for reporting any fraud related to the program. Such hotline shall be toll-free and shall not permit the tracing of the caller.

(6) Test Results and Graduation Rates. Beginning July 1, 2025, the treasurer shall annually post on the treasurer’s official website the following information:

(A) Student test results and associated learning gains. These findings shall be aggregated by the students’ grade level, gender, family income level, number of years of participation in the scholarship program, and race; and

(B) Graduation rates.

(7) Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.


1. An educational assistance organization shall demonstrate it is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

2. No educational assistance organization that has been through a Chapter 7 or Chapter 11 bankruptcy in the seven (7) years immediately preceding application for certification shall be qualified to be certified as an educational assistance organization;

3. Financial viability shall be demonstrated by an educational assistance organization's most recent year audited financial statements, Form 990, or other financial records as determined by the treasurer;

4. An educational assistance organization shall not have a president, officers, or director who owns or operates a qualified school that is participating in the program;

5. An educational assistance organization shall not provide a scholarship account to a child of: a member of its board, including the president, officers, director or, an employee of the educational assistance organization; and

6. An educational assistance organization shall comply with the provisions of section 285.530, RSMo.

(3) Program Participation.

(A) Qualified Student Eligibility. A Missouri resident who is a qualified student designated as a beneficiary in a participation agreement may be a recipient of an Empowerment Scholarship Account grant. A parent that obtains a scholarship account shall provide the valid Social Security number or individual taxpayer identification number and address in the United States of the beneficiary of the applicable scholarship account. Social Security numbers will be utilized for student identification and Department of Elementary and Secondary Education funding purposes. A qualified student shall only be the beneficiary of one (1) scholarship account administered by the program.

1. Within thirty (30) days of the United States Department of Agriculture publishing in the Federal Register the income eligibility guidelines to be used in determining eligibility for free and reduced price meals under the National School Lunch Program and the School Breakfast Program, the treasurer shall publish the program’s income eligibility guidelines on the treasurer’s official website.

2. Household income shall be determined using the eligibility criteria for free and reduced price meals under the National School Lunch Program and the School Breakfast Program.

(B) Parent Eligibility. A parent may be any individual who 1) is a Missouri resident, 2) submits to an educational assistance organization a completed participation agreement, and 3) otherwise meets the qualifications set forth in Missouri law and promulgated rules governing the program. A parent that applies for a scholarship account shall provide the valid Social Security number or individual taxpayer identification number and address in the United States of the qualified student.

(C) Participation Agreements. To participate in the program, a prospective parent shall submit a completed qualified student application and participation agreement to an educational assistance organization that has approved the qualified school the student will attend by the deadline established by the treasurer. Educational assistance organizations shall accept rolling admissions into the program. Within thirty (30) days of receipt of a completed qualified student application and participation agreement, the educational assistance organization shall notify the parent in writing that the application is approved, granted conditional approval pending funding, or denied, in accordance with the criteria set forth in section 166.700(8), RSMo, unless granted an extension by the treasurer. The participation agreement shall provide that the parent (and any successor account owner) will retain oversight over payments made under the program and for the benefit of the beneficiary designated by such parent (or the successor account owner). Only one (1) parent and one (1) beneficiary is permitted per scholarship account. Each participation agreement shall provide that the participation agreement may be cancelled upon the terms and conditions set forth therein.

1. Agreement. The treasurer shall prescribe the form and content of the program participation agreement.

2. Withdrawal. A parent may cancel a participation agreement and withdraw a qualified student from the program at any time by submitting to the educational assistance organization a written notice to terminate the participation agreement in such form as the treasurer may specify. A parent and a beneficiary of a cancelled participation agreement shall continue to be subject to the terms and conditions of the program during any term of schooling in which tuition was paid for using scholarship grant funds. The qualified student’s scholarship account shall be closed and any remaining funds shall be returned to the educational assistance organization for redistribution to other qualified students.

3. Copy of Agreement to Parent. Upon request by a parent, the educational assistance organization shall provide the parent with a copy of the participation agreement executed by the parent, mailed within ten (10) business days of receipt of the parent’s request.

4. FERPA and Age 18. Any eligible student that attains the age of eighteen (18) while still enrolled in qualified school that is subject to the provisions of the Family Educational Rights and Privacy Act (FERPA) shall provide any school records to an educational assistance organization or the treasurer when requested. Failure of the eligible student to provide school records as requested by an educational assistance organization or the treasurer shall result in the immediate suspension of the eligible student’s scholarship account and may result in the eligible student being required to reimburse the educational assistance organization for any program funds expended for the benefit of the eligible student during the term in which the scholarship was suspended. Any such funds that are reimbursed to an educational assistance organization shall be redistributed to other qualified students.

(D) Limitation on Additional Scholarships for Newly Qualified Students. In the event the amount appropriated by the general assembly in any fiscal year for pupil transportation pursuant to section 163.161, RSMo, is less than $111,562,312, no additional scholarships for newly qualified students shall be awarded. Students who received a scholarship in a previous year shall be eligible to apply for renewal. If the general assembly does not appropriate the required amount, the treasurer shall notify participating educational assistance organizations no later than June 1 that no newly qualified students shall receive a scholarship award for the upcoming fiscal year.

(E) Background Checks.

1. An educational assistance organization shall conduct a review of criminal history records maintained by the Missouri State Highway Patrol in the Missouri criminal records repository of all operators, directors, executives, board members, and employees and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds or who is listed on the sex offender registry. Any such criminal background check shall be provided to the treasurer upon request.

2. An educational assistance organization shall conduct a review of criminal history records maintained by the Federal Bureau of Investigation of any employee who has signing authority on any educational assistance organization bank account or who has access to the accounting system of the educational
Chapter 5—Missouri Empowerment Scholarship Accounts Program

15 CSR 50-5

Satisfaction Survey to All Parents with Whom

The parents of each student who was test-

ships distributed by the educational assistance

statewide assessment system set forth in sec-

ary of State

JOHN R. ASHCROFT       (6/30/22)

135.712.2(2), RSMo, and 4) is submitted to

the program, an educational assistance organi-

are irrevocable, 2) transfers all oversight, 3) the

account ownership shall be effective provided

related to the program.

be considered the parent for all purposes

set forth in this section, the transferee shall

rule, and upon receipt of a request for change

of account ownership that satisfies the criteria

set forth in this section, the transferee shall

be considered the parent for all purposes

related to the program.

General Rule. Any such change of

account ownership shall be effective provided

the transfer completed by the parent 1) is

irrevocable, 2) transfers all oversight, 3) the

transferor satisfies the definition of "parent" as

that term is defined in section 135.712.2(2), RSMo, and 4) is submitted to

the educational assistance organization on a

change of account ownership form in such

form as the treasurer may specify from time
to time.

Designation of Successor Account

Authority. Any parent may designate a suc-

cessor account owner for his or her account,
to become the sole authority of the account
automatically upon the death or disability of
such parent. Prior to the initial action taken

by the successor account owner following the
death or disability of the parent, the succes-
sor account owner shall provide the educa-
tional assistance organization a certified copy

of a death certificate sufficiently identifying

said deceased parent by name and Social

Security number or taxpayer identification

number, or such other proof of death as is
recognized under applicable law, or shall pro-

vide sufficient proof of disability. The succe-
sor account owner shall provide any other
documentation requested to establish he or

she satisfies the definition of "parent" as that
term is defined in section 135.712.2(2),
RSMo.

(6) Payment of Expenses.

(A) Qualified Expenses. A parent may
request a qualified withdrawal from his or her
account by submitting a completed request
for a qualified withdrawal to the educational
assistance organization in such form as the

treasurer may specify from time to time.

(B) Limitation on Expenses.

1. The annual expenses for any one cat-

egory set forth in section 166.705.1(4),
RSMo, may be limited by the treasurer from
time to time. If the treasurer limits the annual
expenses for any one category, those limita-
tions shall be communicated to the education-
al assistance organizations no later than July
1 for the following school year.

2. Mileage Limitation. Mileage reim-

bursement shall not exceed the state mileage
reimbursement rate authorized by section
33.095, RSMo.

3. Computer Devices. Expenses for

computer hardware and other technological
devices shall be limited to a single computer
device per student every three (3) years,
unless otherwise pre-approved by the educa-
tional assistance organization as a necessary
educational resource, including assistive
devices and accessible educational hardware
and materials. Smartphones are specifically
excluded from this category of expenses.

4. Specialized After-School Education

Program. A specialized after-school educa-
tion program is any after-school program that
provides services during non-school hours to
support student learning, including tutoring,
homework help, and other academic enrich-
ment, such as hands-on math, reading/lang-

guage arts, and science programs. Special-
ized after-school education programs do not
include child care provided by a child-care
facility, as that term is defined in section
10. Completion of Secondary Education. Funds remaining in a scholarship account after an eligible student has completed their secondary education shall only be used for expenses set forth in section 166.705.1(4)(g), RSMo, and shall be spent no later than June 30 immediately following such completion. Any funds remaining in a scholarship account after the June 30 immediately following a qualified student’s completion of their secondary education shall be returned to the educational assistance organization to be redistributed to other qualified students for scholarship accounts.

11. Renewal of Scholarship Accounts. Scholarships eligible for renewal shall be renewed on or before July 1.

12. State Adequacy Target. The annual total grant amount shall not exceed an amount equal to the state adequacy target as defined in section 163.011, RSMo, and calculated by the Department of Elementary and Secondary Education. No later than November 1 of the school year prior to the school year for which it is effective, the treasurer shall publish on its website and notify educational assistance organizations of the state adequacy target for the following school year as calculated by the Department of Elementary and Secondary Education.

13. Distribution Order. Priority must be given to eligible students in the following tiered order:
   (A) Students that have an approved individualized education plan (IEP) or students living in a household whose total annual income is from the proceeds of a court proceeding where such information is material to an issue in the action or proceeding. Any funds remaining in a scholarship account at the end of a school year shall remain in the account to be used for qualified expenses and shall not be returned to the educational assistance organization. Distributions shall be in the form of a deposit to the scholarship account of a qualified student.
   (B) End of Year Balance. Any funds remaining in a qualified student’s scholarship account at the end of a school year shall remain in the account to be used for qualified expenses and shall not be returned to the educational assistance organization.
   (C) Separate Accounting. An educational assistance organization shall provide separate accounting for each individual scholarship account.
   (D) Administrative Expenses. An educational assistance organization shall provide separate accounting for each individual scholarship account. Administrative expenses in section 210.201(3), RSMo, or any child care provided by a person or facility that is providing care to six (6) or less children.
   (E) Reimbursement. An educational assistance organization whose certification has been suspended may thereafter seek

(7) Distribution Limitations. No distributions shall be made within thirty (30) days of receipt by the board of a completed change of parent form or request to change the mailing address of the parent, unless the current parent’s signature has an acknowledgement by a notary on the request.

(8) Costs of Administration. All costs of administration of the program shall be borne by the educational assistance organizations and the treasurer’s office.

(9) Funds for the Administration of the Program. (A) Educational Assistance Organization Administration Costs. An educational assistance organization may withhold from contributions an amount to cover the costs of administering the program, up to the maximum amounts authorized for marketing and administrative expenses in section 135.714.1(5)(c), RSMo. All remaining funds shall be made available to qualified students for scholarship accounts.

(B) Treasurer Administration Costs. An educational assistance organization shall submit a remittance report to the treasurer no later than the 15th of each month following any month in which the educational assistance organization received a contribution from one (1) or more taxpayers. The remittance report shall include 1) a copy of the treasurer approved receipt the educational assistance organization provided to each taxpayer from which it received a contribution to indicate the value of the contribution received from that taxpayer, and 2) four percent (4%) of the total qualifying contributions received by the educational assistance organization for that calendar month, to be deposited in the Missouri Empowerment Scholarship Accounts fund. Money shall be remitted by Automated Clearing House (ACH) transfer or check made payable to the Missouri State Treasurer and delivered to the treasurer’s office when the report is filed.

(10) Scholarship Accounts. (A) Scholarship Account Distributions. Scholarship account grants may be distributed either four (4) times per year or in a single lump sum at the beginning of the school year as requested by the parent of a qualified student. The annual total of all such distributions to scholarship accounts shall not exceed a total annual grant amount equal to the state adequacy target as calculated by the Department of Elementary and Secondary Education. Distributions shall be in the form of a deposit to the scholarship account of a qualified student.

(B) End of Year Balance. Any funds remaining in a qualified student’s scholarship account at the end of a school year shall remain in the account to be used for qualified expenses and shall not be returned to the educational assistance organization.

(C) Separate Accounting. An educational assistance organization shall provide separate accounting for each individual scholarship account.

(11) Renewal of Scholarship Accounts. Scholarships eligible for renewal shall be renewed on or before July 1.

(12) Completion of Secondary Education. Funds remaining in a scholarship account after an eligible student has completed their secondary education shall only be used for expenses set forth in section 166.705.1(4)(g), RSMo, and shall be spent no later than June 30 immediately following such completion. Any funds remaining in a scholarship account after the June 30 immediately following a qualified student’s completion of their secondary education shall be returned to the educational assistance organization to be redistributed to other qualified students for scholarship accounts.

(13) State Adequacy Target. The annual total grant amount shall not exceed an amount equal to the state adequacy target as defined in section 163.011, RSMo, and calculated by the Department of Elementary and Secondary Education. No later than November 1 of the school year prior to the school year for which it is effective, the treasurer shall publish on its website and notify educational assistance organizations of the state adequacy target for the following school year as calculated by the Department of Elementary and Secondary Education.

(14) Distribution Order. Priority must be given to eligible students in the following tiered order:
   (A) Students that have an approved individualized education plan (IEP) or students living in a household whose total annual income does not exceed an amount equal to one hundred percent (100%) of the income standard used to qualify for free and reduced price lunches;
   (B) Students living in a household whose total annual income does not exceed an amount equal to two hundred percent (200%) of the income standard used to qualify for free and reduced price lunches; and
   (C) All other qualified students. The treasurer shall notify all educational assistance organization when they are authorized to make distributions to eligible students in the second and third tiers.

(15) Non-Compliance or Fraud. (A) Revocation. The treasurer may revoke the certification of any educational assistance organization that is found to be in non-compliance with applicable state laws and regulations. If the treasurer receives information, directly or indirectly, which gives the treasurer reason to believe an educational assistance organization has intentionally and substantially failed to comply with the provisions of sections 135.712 to 135.719, RSMo, and 166.700 to 166.720, RSMo, promulgated rules, or any other provision of law, the treasurer may suspend the certification of such educational assistance organization. In such a case, the treasurer shall notify the educational assistance organization in writing of the grounds for the proposed suspension of certification and provide the organization an opportunity to respond to the allegations in writing or, upon request, through a hearing conducted in accordance with the provisions of Chapter 536, RSMo. Suspension of an educational organization’s certification by the treasurer shall not be a prerequisite or substitute for any other civil or criminal causes of action to which such organization may otherwise be subject, but is in addition to such possible remedies. Any information obtained or compiled by the treasurer in determining whether to suspend a certification may be disclosed to appropriate law enforcement agencies, in any investigation, action or proceeding, civil or criminal, brought by a governmental agency to enforce the laws of this state or upon court order in any action or proceeding where such information is material to an issue in the action or proceeding. After a twelve (12) month waiting period, any educational assistance organization whose certification has been suspended may thereafter seek
(16) Unspent Balance. Any educational assistance organization that does not apply for recertification following a year in which they were previously certified, or whose certification is suspended, revoked, or otherwise not renewed by the treasurer, shall immediately notify the state treasurer’s office of the amount of the unspent balance. The state treasurer’s office shall direct the educational assistance organization to either distribute the unspent funds to other specified educational assistance organizations in good standing, or to return any unspent balance to the treasurer for redistribution to educational assistance organizations in good standing.

(17) Number of Certified Educational Assistance Organizations. The treasurer shall limit the number of certified educational assistance organizations to no more than ten (10) in any single school year, with no more than six (6) having their principal place of business in any one (1) of the following entities: Greene County, Jackson County, St. Charles County, St. Louis County, or St. Louis City. An educational assistance organization will be evaluated based on experience, geographic coverage pertaining to eligible students it can serve, readiness to award scholarship grants, and the organization’s anticipated administrative expenses. All decisions regarding certification are final.

(18) Severability. If any provision of this rule, or the application of it to any person or circumstance, is determined to be invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision or application, and to that end, the provisions of this rule are severable.


*Original authority: 135.719, RSMo 2021.*