

141.518 Account-granting organization system of payment to education service providers -- Payments to an education opportunity account -- Approval of education service providers. (See LRC Note below)

- (1)
 - (a) Each AGO shall implement a commercially viable, cost-effective, and parent-friendly system for payment of services from EOAs to education service providers.
 - (b) The AGO shall not adopt a system that relies exclusively on requiring parents to be reimbursed for out-of-pocket expenses, but shall provide maximum flexibility to parents by facilitating direct payments to education service providers or requests for preapproval of and reimbursements for qualifying expenses.
 - (c) An AGO may contract with private financial management firms or other organizations to develop the payment system.
- (2) An AGO may contract with private financial management firms or other organizations to maintain records and process transactions of the EOAs.
- (3) If funding is available, an AGO shall continue making payments into an EOA until:
 - (a) The parent does not renew the EOA;
 - (b) The AGO determines that the EOA student's family income has increased above two hundred fifty percent (250%) of the amount of household income necessary to establish eligibility for reduced-price meals based on size of household as determined annually by the United States Department of Agriculture applicable to the Commonwealth, pursuant to 42 U.S.C. secs. 1751 to 1789;
 - (c) The AGO determines that there was substantial misuse of the funds in the EOA; or
 - (d) The EOA student receives a high school diploma or equivalency certificate.
- (4) Each AGO shall establish a process for approving education service providers.
- (5) An AGO may approve education service providers on their own initiative, at the request of parents, or upon request from prospective education service providers.

Effective: June 29, 2021

History: Created 2021 Ky. Acts ch. 167, sec. 14, effective June 29, 2021.

Legislative Research Commission Note (12/15/2022). On December 15, 2022, the Kentucky Supreme Court ruled that the Education Opportunity Account Act, KRS 141.500 to 141.528, as enacted in 2021 HB 563 (2021 Ky. Acts ch. 167), "violates the proscription in Section 184 of the Kentucky Constitution on the raising or collecting of 'sums[s]' for 'education other than in common schools.'" *Commonwealth ex rel. Cameron v. Johnson, et al.*, 2021-SC-0518-TG.