

118TH CONGRESS
2D SESSION

H. R. 9926

To direct the Secretary of the Treasury to carry out a program under which all Federal funds for elementary and secondary education are provided directly to parents of eligible children or approved by parents for distribution to schools, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2024

Ms. MACE introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of the Treasury to carry out a program under which all Federal funds for elementary and secondary education are provided directly to parents of eligible children or approved by parents for distribution to schools, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “School Freedom Act
5 of 2024”.

1 **SEC. 2. TERMINATION OF FEDERAL ELEMENTARY AND SEC-**
2 **ONDARY EDUCATION PROGRAMS.**

3 (a) TERMINATION.—Each covered Federal education
4 program shall terminate on a date determined by the Sec-
5 retary of Education that is not later than June 30, 2025.

6 (b) WIND-DOWN OF PROGRAMS.—The Secretary of
7 Education shall take such steps as may be necessary to
8 provide for the orderly cessation of activities under each
9 covered Federal education program by not later than the
10 termination date specified in subsection (a).

11 (c) REALLOCATION OF EXISTING APPROPRIA-
12 TIONS.—Beginning on the date of the enactment of this
13 Act, no Federal funds may be appropriated for a covered
14 Federal education program.

15 (d) ALLOCATION OF UNOBLIGATED AMOUNTS.—Any
16 amounts appropriated for a covered Federal education
17 program that are unobligated as of the date such program
18 terminates under subsection (a) shall be used to carry out
19 the School Freedom Account program under section 3.

20 **SEC. 3. SCHOOL FREEDOM ACCOUNT PROGRAM.**

21 (a) IN GENERAL.—Notwithstanding any other provi-
22 sion of law, for each school year beginning on or after July
23 1, 2025, the Secretary of the Treasury shall carry out a
24 program under which the Secretary shall—

25 (1) establish an account on behalf of each eligi-
26 ble child (to be known as a “School Freedom Ac-

1 count”) into which the Secretary shall deposit funds
2 in an amount determined under subsection (b); and

3 (2) establish a procedure under which the par-
4 ent of the child shall—

5 (A) in the case of a parent who elects not
6 to have their child attend a public elementary
7 or secondary school for a school year, use funds
8 in the account to pay for the educational ex-
9 penses of the child in accordance with sub-
10 section (c)(1); or

11 (B) in the case of a parent who elects to
12 have their child attend a public elementary or
13 secondary school for a school year, approve the
14 disbursement of such funds to the local edu-
15 cational agency serving the school of the par-
16 ent’s choice and attended by the child for use
17 in accordance with subsection (c)(2).

18 (b) DEPOSIT AMOUNT.—

19 (1) IN GENERAL.—The amount of funds depos-
20 ited into each School Freedom Account for a school
21 year shall be equal to the per-pupil Federal expendi-
22 ture applicable to an eligible child for the school
23 year, as determined under paragraph (2).

24 (2) PER-PUPIL FEDERAL EXPENDITURE.—

1 (A) FIRST YEAR OF PROGRAM.—The per-
2 pupil Federal expenditure applicable to an eligi-
3 ble child for the first school year that begins on
4 or after July 1, 2025 shall be equal to—

5 (i) the sum of the total amount appro-
6 priated to carry out this section for fiscal
7 year 2025 and any amounts made available
8 under section 2(d); divided by

9 (ii) the total number of eligible chil-
10 dren counted for such school year.

11 (B) SUBSEQUENT YEARS.—The per-pupil
12 Federal expenditure applicable to an eligible
13 child for any school year after the year de-
14 scribed in subparagraph (A) shall be equal to—

15 (i) the total amount of Federal funds
16 appropriated to carry out this section for
17 the fiscal year that corresponds to such
18 school year; divided by

19 (ii) the total number of eligible chil-
20 dren counted for such school year.

21 (c) USES OF FUNDS.—

22 (1) NON-PUBLIC SCHOOL FUNDS.—Funds de-
23 posited into a School Freedom Account on behalf of
24 child who does not attend a public elementary or

1 secondary school for a school year may be used to
2 pay for—

- 3 (A) curriculum and curricular materials;
- 4 (B) books or other instructional materials;
- 5 (C) technological educational materials;
- 6 (D) online educational materials;
- 7 (E) tutoring or educational classes outside
8 the home, including micro school or learning
9 pod;
- 10 (F) private school tuition;
- 11 (G) public charter schools;
- 12 (H) extracurricular activities;
- 13 (I) testing fees;
- 14 (J) diagnostic tools; or
- 15 (K) educational therapies for students with
16 disabilities.

17 (2) PUBLIC SCHOOL FUNDS.—Funds disbursed
18 from a School Freedom Account to a local edu-
19 cational agency for a school year may be used by the
20 agency for any educational purpose authorized under
21 the laws of the State in which such agency is lo-
22 cated.

23 (d) ROLLOVER, CONVERSION, AND TERMINATION.—

24 (1) ROLLOVER.—Amounts remaining in the
25 School Freedom Account of an eligible child at the

1 end of a school year shall remain available for ex-
2 penditure in accordance with subsection (c) in subse-
3 quent school years until the earlier of—

4 (A) the date on which the child completes
5 secondary school; or

6 (B) the date on which the child is no
7 longer eligible to attend a public elementary or
8 secondary school.

9 (2) CONVERSION.—If amounts remain in a
10 School Freedom Account as of the date described in
11 paragraph (1), such account shall be redesignated as
12 a “Higher Education and Skills Obtainment Fund”.
13 No further deposits shall be made in the fund by the
14 Secretary of the Treasury, but any amounts remain-
15 ing in the fund may be used by the individual on
16 whose behalf the fund was established to pay for
17 postsecondary educational expenses, including—

18 (A) costs of attendance at an institution of
19 higher education;

20 (B) costs associated with career and tech-
21 nical education; and

22 (C) such other postsecondary educational
23 expenses as may be approved by the Secretary
24 for purposes of this paragraph.

25 (3) TERMINATION AND RETURN OF FUNDS.—

1 (A) TERMINATION.—The Higher Edu-
2 cation and Skills Obtainment Fund of a student
3 shall terminate on the date on which the stu-
4 dent attains the age of 30 years.

5 (B) RETURN OF FUNDS.—Any funds re-
6 maining in a Higher Education and Skills Ob-
7 tainment Fund on the date such fund termi-
8 nates under paragraph (1) shall be returned to
9 the Treasury of the United States.

10 (e) LIMITATION.—The Secretary of the Treasury
11 may not require that—

12 (1) individuals obtain preapproval prior to the
13 expenditure of amounts from a School Freedom Ac-
14 count or Higher Education and Skills Obtainment
15 Fund; or

16 (2) the expenditure of amounts from a School
17 Freedom Account or Higher Education and Skills
18 Obtainment Fund be through a specific marketplace
19 or portal.

20 (f) EXCLUSION FROM TAXABLE INCOME.—Amounts
21 in a School Freedom Account or Higher Education and
22 Skills Obtainment Fund under this section shall not be
23 included in the gross income of a parent or student for
24 purposes of the Internal Revenue Code of 1986.

1 **SEC. 4. TRACKING OF FEDERAL EDUCATION FUNDS.**

2 Before the end of each school year, the Secretary of
3 the Treasury shall determine—

4 (1) the aggregate amount of deposits made to
5 School Freedom Accounts under section 3 for such
6 school year, stated separately for each local edu-
7 cational agency (based on the residence of the eligi-
8 ble child) and identifying the State in which the
9 local educational agency is located; and

10 (2) of the amount determined under paragraph
11 (1) with respect to each local educational agency—

12 (A) the amount of funds distributed di-
13 rectly to parents in accordance with subpara-
14 graph (A) of section 3(a)(2); and

15 (B) the amount of funds approved by par-
16 ents for disbursement to the agency in accord-
17 ance with subparagraph (B) of such section.

18 **SEC. 5. RULES OF CONSTRUCTION.**

19 Nothing in this Act shall be construed to—

20 (1) affect any aspect of private, religious, or
21 home education providers;

22 (2) exclude private, religious, or home education
23 providers from receiving funds from a School Free-
24 dom Account; or

25 (3) require an educational service provider to
26 alter any creed, practice, admissions policy, or cur-

1 riculum in order to receive funds from a School
2 Freedom Account.

3 **SEC. 6. PROHIBITION ON NEW REGULATION.**

4 The Secretary of the Treasury may not issue any
5 rule, promulgate any regulation, or take any other action
6 which imposes any limitation or requirement on the use
7 of a School Freedom Account or Higher Education and
8 Skills Obtainment Fund by a parent or eligible child.

9 **SEC. 7. GAO REPORTING ON SCHOOL FREEDOM ACCOUNT**
10 **AND HIGHER EDUCATION AND SKILLS OB-**
11 **TAINMENT FUND.**

12 (a) IN GENERAL.—Not later than one year after the
13 date of enactment of this Act, and annually thereafter,
14 the Comptroller General of the United States shall submit
15 a report to the Congress that—

16 (1) reviews the wind-down and termination of
17 covered Federal education programs by the Sec-
18 retary of Education;

19 (2) reviews the reallocation of existing appro-
20 priations and the allocation of unobligated amounts
21 appropriated for covered Federal education pro-
22 grams to carry out section 3 of this Act;

23 (3) reviews the procedures established by the
24 Secretary of the Treasury to allow parents to use

1 funds to pay for educational expenses in accordance
2 with section 3(c)(1);

3 (4) identifies the aggregate amount of deposits
4 made to School Freedom Accounts under section 3
5 for the school year, stated separately for each local
6 educational agency (based on the residence of the el-
7 igible child) and identifying the State in which the
8 local educational agency is located;

9 (5) identifies additional uses of funds in a
10 School Freedom Account or Higher Education and
11 Skills Obtainment Fund that could benefit an eligi-
12 ble child;

13 (6) identifies the aggregate number of students
14 who expend funds from a School Freedom Account
15 to—

16 (A) attend a private school;

17 (B) attend a public charter school;

18 (C) homeschool; and

19 (D) attend educational classes outside the
20 home, including a micro school or learning pod;

21 (7) identifies the aggregate amount expended
22 from School Freedom Accounts, other than for eligi-
23 ble uses in section 3(c)(1);

1 (8) identifies the aggregate amount in School
2 Freedom Accounts that rollover to the next school
3 year;

4 (9) identifies the aggregate number of School
5 Freedom Accounts that convert to Higher Education
6 and Skills Obtainment Funds, and the aggregate
7 amount in accounts that are converted;

8 (10) identifies the aggregate number of stu-
9 dents that expend amounts from a Higher Edu-
10 cation and Skills Obtainment Fund to pay costs as-
11 sociated with attendance of an institution of higher
12 education or with career and technical education;

13 (11) reviews the Secretary of the Treasury's ef-
14 forts to track Federal funds deposited into School
15 Freedom Accounts;

16 (12) identifies the aggregate amount returned
17 to the Treasury in the fiscal year following the ter-
18 mination of Higher Education and Skills Obtain-
19 ment Funds; and

20 (13) includes any other matter the Comptroller
21 General of the United States determines important
22 to assessing and improving the implementation or
23 administration of the School Freedom Account or
24 Higher Education and Skills Obtainment Fund.

1 **SEC. 8. DEFINITIONS.**

2 In this Act:

3 (1) The term “career and technical education”
4 has the meaning given that term in section 3 of the
5 Carl D. Perkins Career and Technical Education
6 Act of 2006 (20 U.S.C. 2302).

7 (2) The terms “child”, “elementary school”,
8 “local educational agency”, “parent”, “secondary
9 school”, and “State” have the meanings given those
10 terms in section 8101 of the Elementary and Sec-
11 ondary Education Act of 1965 (20 U.S.C. 7801).

12 (3) The term “cost of attendance” has the
13 meaning given that term in section 472 of the High-
14 er Education Act of 1965 (20 U.S.C. 1087ll).

15 (4) The term “covered Federal education pro-
16 gram” means an applicable program (as defined in
17 section 400 of the General Education Provisions Act
18 (20 U.S.C. 1221)) the primary purpose of which is
19 to support elementary or secondary education, ex-
20 cept such term does not include the School Freedom
21 Account program authorized under this Act.

22 (5) The term “eligible child” means a child—
23 (A) who is eligible to enroll in a public ele-
24 mentary or secondary school for a school year;

1 (B) who has been issued a social security
2 number by the Social Security Administration;
3 and

4 (C) whose parent or guardian has been
5 issued a social security number by the Social
6 Security Administration.

7 (6) The term “institution of higher education”
8 has the meaning given that term in section 102 of
9 the Higher Education Act of 1965 (20 U.S.C.
10 1002).

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