



Arizona Department of Education

Empowerment Scholarship Account Program Parent Handbook: School Year 2020-2021

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Arizona Department of Education©
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Welcome to the Empowerment Scholarship Account (ESA) Program. We are happy to have you and your child be part of such an exciting program. By choosing to opt out of the public-school system, this program allows you to seek an array of alternative educational services from private school to home-based education and control your child’s educational needs. Our mission is to serve all ESA families effectively, and efficiently. Whether you are a new parent or a parent continuing in the program, this handbook along with our staff will provide guidance and support to help you navigate through the ESA program.

Please keep in mind that with the introduction of SB1224, that allows the State Board of Education (SBE) to write rules for the ESA program, this handbook is subject to change. Any changes made, will be communicated to you and amended in this handbook.

Again, welcome to the ESA program, we look forward to this amazing life-changing journey for you and your child.

Chapter 1: Introduction

The importance of providing a world-class education to all Arizona children cannot be overstated or hold more emphasis in our state today. Historically, Arizona has pioneered breakthrough programs that have grounded themselves in supporting district and charter school initiatives, expanding school choices, increasing transparency, and delivering a high-quality education. Under the direction of the Arizona State Legislature, the Arizona Department of Education (ADE or the Department) has created the Empowerment Scholarship Account (ESA) Program to continue along the path of innovative education reform.

What is an Empowerment Scholarship Account?

An Empowerment Scholarship Account (ESA) is an account administered by the ADE and funded fully by state tax dollars to provide options for the education of qualified students in Arizona.

90% of the student’s State aide¹ that would have gone to your student’s school district or charter school is allocated to the applicant parent of the qualified student to provide an education in at least the following subjects: reading, grammar, mathematics, social studies and science. The ESA program allows parents of qualified students to utilize public monies to purchase educational services from private schools, education providers, and or vendors.

Accepting an Empowerment Scholarship Account

By accepting an ESA, the applicant of the qualified student(s), agrees to abide by an annually signed contract. It is important to keep in mind that the ESA contract is between the applicant parent (Account Holder) and the ADE. While we highly recommend you not sharing details of your contract or award, information, what you choose to share with schools, vendors, or providers is at your discretion.

¹ This does not include any federal funding or other funding.

The ESA staff is not allowed to provide guidance or recommendations to families about schools, vendors, or providers. At any time, the Department reserves the right to revoke your ESA for violating contract, policies, or laws (*please refer to your contract for all terms and conditions*) including the following:

- Not enroll the student in a public district school, charter school or a public online school (this includes summer public school).
- Release the school district or charter from all obligations to educate.²
- Not accept any School Tuition Organization (STO) scholarship or tax credit scholarship while on an ESA contract.
- Provide quarterly expense reports by the deadline date.
- Spend a portion of the ESA funds annually.
- Not enroll the ESA student in a ½ day Kindergarten public school program without paying the public school.

By opting out of the public-school system, parents can seek a range of alternative educational services ranging from services at a private school to home-based education.

Handbook Purpose

The purpose of the ESA handbook is to establish instruction concerning policies, procedures, and implementation of the ESA program. Please note this handbook is subject to changes any time during the contract year. The ESA staff will notify parents of any change(s) and the effective date.

Handbook Updates

The ESA handbook is reviewed by the ADE staff under the guidance of the Attorney General's office. Policies can and will be added and/or redacted in response to newly enacted legislation, court decisions, and/or suggestions for best practices.

How to Stay Updated

We encourage you to visit our website www.azed.gov/esa/ for information and resources. We recommend that you read all communication; and make sure that you add ESA.Communications@azed.gov and ESA@azed.gov to your contacts to avoid emails going to your spam or junk folders.

Please keep in mind that if you reply to an email from the ESA Communications inbox, you will not get a reply. This email is used only to communicate with account holders and applicants. We communicate officially via email.³

² This does not release the public school from evaluating a student if requested in writing by the parent. If the student is homeschooled, the district of residency is responsible for evaluating. If the student attends a private school, the district in which the private school is located is responsible for evaluating. ESA does not require an evaluation if one is already on file to continue. Students with disabilities may be eligible for some services through their school district. For information on these services please visit ESS website at: <https://www.azed.gov/specialeducation/program-management-proportionate-share/>

³ Any official correspondence and any major policy and or statute changes/updates may be mailed to the applicant parent upon request.

Changes related to emails, addresses, and phone numbers

If you need to update your email, mailing address, phone number, or want to make sure we have valid information, please log into your ESA account via the ESA portal to make changes as needed.

Resident Verification

In accordance to A.R.S. § 15-2401(5) “[p]arent means a resident of this state who is the parent or legal guardian of a qualified student. 15-2401(7) defines a qualified student as a resident of this state. Therefore, a parent or legal guardian may be asked to provide proof of residency at the time of application OR any time while on the ESA program.

Secure Information

The Department has the obligation, under the Family Educational Rights and Privacy Acts (FERPA) to ensure all information is kept confidential and secure. The Department and ESA staff will not release personally identifiable information regarding your child, including financial information or personal details (this includes contract information) to private schools, providers, vendors, or stakeholders.

ESA will only communicate with you, the applicant parent, and the parent you have assigned as an additional parent or legal guardian. For the protection of your privacy, the Department encourages you to use caution when providing your personal information to third parties. This includes, but is not limited to, social security numbers, dates of birth, ESA bank card information, Application IDs or ESA logins and passwords. To further protect yourself against the possibility of fraud, it is also recommended that you never release the custody of your ESA bank card or the card number to third parties (including schools).

For applicants who use the prepaid bank card, you are encouraged to enroll in Bank of America’s Online Banking system at: www.bankofamerica.com/onlinebanking/online-banking.go. Setting up an account gives cardholders the ability to track their purchases and is a good way to ensure fraud is not occurring on your account. Up-to-the-minute transactions are available.

For applicants who are set up in ClassWallet, you can access your ClassWallet account through your ESA account via the ESA portal.

Private School and Homeschool Affidavits

A.R.S § 15-2402(B)(5) requires that the parent of a qualified student **not** file an affidavit of intent to homeschool. This means that your ESA contract serves as your “affidavit” or proof that the student is indeed receiving an education as required by Arizona law.

Chapter 2: Spending and Program Requirements

There are many laws dedicated to guide government spending that ensures transparency to the taxpayer; in education it is no different. Public schools have dozens of reports that must be submitted to show accountability throughout the school year. When the ESA program was passed into law, only four pages were dedicated to guide parents on how to spend their child’s awarded funds to effectively carry out the same mission as a public school. Purposefully, the law was passed to allow parents to make the choices that would best serve their student’s needs.

Important things to keep in mind:

1. The ESA program does not have a list of approved schools, vendors, or providers.
2. It is at your discretion (applicant parent/legal guardian) to choose the provider and ensure that he/she have the proper credentials prior to receiving a service.
3. Hiring a family member of the student on an ESA is not allowed.
4. Knowingly hiring another ESA recipient parent and paying them directly with ESA funds is strictly prohibited.
5. Services must be paid for during the same quarter in which they are received; meaning invoice dates must match the quarter that services are provided
6. Pre-payment of services is not allowed; services must be paid for at the time the service is rendered.
7. Quarters in which services must be paid for:
 - Quarter 1: July 1 through September 30
 - Quarter 2: October 1 through December 31
 - Quarter 3: January 1 through March 31
 - Quarter 4: April 1 through June 30

Students new to the program cannot use ESA monies to pay for quarters in which they were not eligible for the ESA program. Students that are not on contract during a quarter, cannot use ESA funds to pay for services rendered while not on an ESA contract.

Approved Spending Categories for ALL Students

Approved Spending Categories for ALL students:

<u>Approved Spending Categories</u>	<u>Description</u>
Tuition or fees at a qualified school and required textbooks at a qualified school	A qualified school is defined as a private school located in Arizona serving PK-12 th grades. ⁴ The school must not discriminate on the basis of race, color, or national origin
Tutoring services or services	All services must be delivered by an individual or facility who is accredited by a state, regional or national accrediting organization. Credentials cannot be expired.
Curriculum	A course of study for content areas or grade level including any supplemental education materials required or recommended by the curriculum, approved by the department. ⁵
Tuition or fees for a nonpublic online learning program	Online learning programs or courses
Fees for nationally standardized norm-referenced achievement tests	Advanced Placement exams and/or other exams related to college or university admissions such as ACT or SAT and prep exams
Tuition or fees at an eligible postsecondary institution and the purchase of required textbooks by that institution	Community college as defined in 15-1401, a university under the AZ board of regents or an accredited private postsecondary institute
Account fees	Lost or stolen card fee and expediting services only
Services provided by a public school	Approved individual classes and extracurricular programs at a public school
Uniforms	Uniforms must be purchased from OR through a qualified school

A Deeper Look at Spending

In the following pages, this handbook will list the approved spending categories. It will provide guidance on educational expenses, credentials, invoices, among other things. The intent is to also give some ideas on how and what ESA monies can be used on such as tuition, providers, vendors, etc. Each student receives their own ESA bank card in the Account Holder's name or their own ClassWallet account in the qualified student's name and only their educational expenses can be purchased or paid for with their card or account.

⁴ Qualified students who resided within the boundaries of an Indian reservation in this state, may attend a private school in an adjacent state that is within 2 miles of the boundary of the Indian reservation on which the student resides.

⁵ SB1224 mandates that supplemental material must be required or recommended by the curriculum.

Tuition or Fees and Required Textbooks at a Qualified Private School

As an approved expense, tuition may only be paid for the ESA student named on the ESA contract. Meaning each student receives a card or their own ClassWallet account for educational expenses. You may not use a sibling's ESA card or ClassWallet account to cover educational expenses other than their own.

The ESA account holder must request a complete (detailed) invoice from the school which will be submitted in their quarterly expense report. The invoice must include ALL of the following:

- Student's name
- Name of the private school
- Transaction date (must align with the quarter)
- Tuition or type of fees charged
- Total amount paid (PLEASE NOTE: Amount MUST match the amount charged to the ESA card)

Failure to submit a complete paid invoice will result in the expense report being rejected and/or disallowed.

While tuition may be straight forward, fees are not. Many schools charge fees in areas that are not approved by the program (e.g. transportation, computer hardware, technological devices, consumable supplies or materials, etc.). As a result, fees should be itemized. The following are a list of approved fees that may be charged by the private school:

- Registration fees
- Application fees
- Enrollment fees
- Required book or textbook fees
- Lab fees (Science labs, Math labs, etc.)
- Facility fees
- Uniform fees
- Musical instruments rentals (rental agreement is required with expense submission)
- Computer Lab fees (this fee is not a fee to allow the purchase of a personal notebook, computer, tablet, etc.)
- Supply fee (this fee does not include consumable items such as pens, paper, markers, art supplies, construction paper, pencils, folders, backpacks, cleaning supplies, glue, scissors, food, etc.)
- Tutoring fees
- Therapy fees
- Processing fees (PayPal, Square, credit card fees, ClassWallet)
- Extracurricular program or sports fees (excludes uniforms or equipment)

ESA funds may not be used for the following, this list is not limited to:

- Sports uniforms, equipment, materials or items required for a sports activity
- Late payment fees

- Returned Payment fees
- Cancellation fees
- Late pick-up fees
- Day Care fees
- After school care fees
- Before school care fees
- Transportation fees
- Consumable Supply fees
- Technology fees (for the purchase of tablets, USB drives, notebooks, desktops, calculators, etc.)
- Breakfast and or Lunch fees
- Yearbook fees
- Graduation fees (such as caps, gowns, materials, etc.)
- Hotel, lodging, food, and or transportation fees
- Obligation fee
- Fundraising fee (such as Scrip, etc.)
- Church or school support fee
- Event Fees

These fees will be considered disallowed and the account holder may be required to repay the Department; quarterly funds will not be disbursed until repayment has been made in full.

Kindergarten Tuition

A student cannot be enrolled in a full-day kindergarten program offered by the public-school district or charter who charges tuition for the 2nd half of the day because the student would be considered enrolled in the public school. This violates the ESA contract as a student would be enrolling in a public-school district or charter and receiving ESA funds at the same time.

Uniforms

In accordance with A.R.S. § 15-2402(4)(n), **uniforms must be purchased from or through a qualified school**. The Department reserves the right to ask you to provide details regarding the school's uniform or dress code.

ESA will not approve the purchase of items that are not required as a uniform such as but not limited to:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Hair accessories • Socks • Tights or hosiery • Shoes • Belts | <ul style="list-style-type: none"> • Sport uniforms • Sport accessories • Spirit or school team clothing • Lanyards • Other non-uniform expenses |
|--|---|

Tutoring or Teaching Services⁶

Tutoring or teaching services must be provided by an individual or facility that is accredited by a state, regional, or national accrediting organization. Before paying for tutoring services from a provider, please note:

- **Hiring of family members OR other ESA parents and their family members is prohibited** – ESA funds cannot be used to hire family members OR other ESA family members to provide approved tutoring services unless the ESA parent works and is paid through a business.
- **Required credentials** – Parents must submit credentials on behalf of the tutor when submitting an expense report through the ESA portal. Parents who have moved to ClassWallet, this process will be explained later in the handbook. ESA will not except screenshots or membership cards from the accrediting organization. It must be a copy of the actual valid credential.⁷
- **Expired credentials will not be accepted.** All credentials must be up to date prior to submission to avoid a rejected or disallowed item.⁸

Approved Tutor/Teacher Credentials for Core Subjects

<u>Credential</u>	
Bachelor’s degree or higher	Copy of degree or transcripts (official or unofficial)
State Teaching Certificate ⁹	Cannot be expired

The following is a list of specific subjects that require a specific credential.¹⁰ Only ONE of specific subject must be submitted.

Approved Credentials for Specific Subjects

<u>Specific Subject</u>	<u>Approved Credentials</u>
Swimming ¹¹	Water Safety Instruction (WSI) Certificate SWIM USA Certificate American Red Cross Certificate for Swimming and Water Training American Red Cross Certificate for Lifeguards

⁶ ESA reserves the right to ask to submit credentials again

⁷ Altering or manipulating any credential may result in termination and or referral to the Attorney General’s criminal unit.

⁸ Quarterly funding cannot be disbursed until the credentials are updated and valid.

⁹ State substitute certificates are accepted

¹⁰ This is not an exhaustive list; there are many state, regional, or national credentials that may be accepted by ESA as well as other activities that a student can pay to participate in.

¹¹ At a minimum, the credential must include water safety training

Physical Education (P.E)	<p>Certified Personal Trainer</p> <p>State Teaching Certificate with P.E Endorsement</p> <p>Sports Medicine Endorsement/Certificate</p> <p>Credential in the area of instruction (membership card will not be accepted)</p>
Driver's Education	<p>Teaching Certificate with Driver's Ed Endorsement</p> <p>Three semester hour course taken from an accredited institution (certificate of completion must be submitted)</p> <p>45 hours of state approved classes in each of the following safety education, driver and highway safety education, and driver's education laboratory experience (submit official transcript or certificate with 45 hours of state approved classes in each of the classes listed)</p>
Dance	<p>Dance Master of America Certificate</p> <p>National Association of School of Dance Certificate</p> <p>Dance Educators of America Certificate</p> <p>State Teaching Certificate with Dance endorsement</p> <p>Associate degree or higher</p> <p>Credential in the area of instruction (membership card will not be accepted)</p>
Music	<p>State Teaching Certificate in Music</p> <p>Associate degree or higher</p> <p>Credential in the area of instruction (membership cards will not be accepted)</p>
Art	<p>State Teaching Certificate in Art</p> <p>Associate degree or higher</p> <p>Credential in the area of instruction (membership cards will not be accepted)</p>

Drama	<p>State Teaching Certificate in Drama</p> <p>Associate degree or higher</p> <p>Credential in the area of instruction (membership cards will not be accepted)</p>
Foreign Language	<p>State Teaching Certificate in a Foreign Language</p> <p>Associate degree</p> <p>Credential in the area of instruction (membership cards will not be accepted)</p>
Martial Arts	<p>Certified Personal Trainer</p> <p>State Teaching Certificate with P.E. endorsement</p> <p>Sports Medicine Endorsement/Certificate</p> <p>Associate Degree or higher</p> <p>United States Martial Arts Association (USMA) or related credential (membership cards will not be accepted)</p>
Gymnastics	<p>Certified Personal Trainer</p> <p>State Teaching Certificate with P.E. endorsement</p> <p>Sports Medicine Endorsement/Certificate</p> <p>Associate Degree or higher</p> <p>USA Gymnastics or related credential</p>
Yoga	<p>Certified Personal Trainer</p> <p>State Teaching Certificate with P.E. endorsement</p> <p>Sports Medicine Endorsement/Certificate</p> <p>Associate Degree or higher</p> <p>Registered Yoga Teacher (RYT) credential</p> <p>Credential in the area of instruction (membership cards will not be accepted)</p>

**Degrees or transcripts issued by a foreign educational institution must be evaluated for U.S. degree equivalence by a vendor qualified to make such evaluations.*

We acknowledge that some extracurricular activities may not be offered by your public school even if paying for them. Activities such as chess, archery, home economics (cooking classes), woodworking classes may be approved. Credentials must be provided for the individual or facility providing the service. The same can be said of sports. Sports (baseball, football, soccer, basketball, or track) offered through a local league may be approved by the Department if you can provide a credential for the league or individual providing the service.

Educational summer camps and classes may be approved if the individual or facility has a credential and provides educational support in at least the subjects of reading, grammar, mathematics, social studies and science. Sports camps are not approved with ESA monies.

Please make sure that you are obtaining a complete invoice from your school, tutor, facility, or league at the time of making payment to avoid delays in your expense reports.

Some of the specific subjects listed above may require additional fees. ESA funds cannot be used to cover the following¹²:

- Sport uniforms
- Sport equipment
- Sport competition fees
- Swimsuits, shoes, accessories and competition fees
- Dance attire/costumes, shoes, and accessories
- Dance competition fees and recital fees
- Gymnastic attire/costumes, shoes, and accessories
- Gymnastic competition fees
- Yoga attire, shoes, and accessories
- Martial arts uniforms or belt testing/assessment
- Martial competition fees
- Musical instruments¹³ (rental is allowed; rental contract must be provided)
- Membership to gyms or other facilities
- Sport Camps (dance, football, gymnastics, martial arts, baseball, etc.)
- Consultation fees
- Tutor prepping and/or planning and travel, lodging, and/or food
- Travel, lodging, and/or food
- Out of state educational or therapy camps (summer included)
- Printing and binding (copy services)
- Pool passes
- Event registration fees
- Recreation center passes
- Museum pass (unless associated with a class)
- Zoo pass (unless associated with a class)

¹² This is not an inclusive list.

¹³ No rent to own is allowed.

These fees (listed above) will be considered disallowed and the account holder may be required to reimburse the Department; quarterly funds will not be disbursed until repayment has been made in full.

Curriculum

A.R.S. § 15-2401(2) defines curriculum as a course of study for a content area or grade level, including any supplemental material required or recommended by the curriculum, approved by the Department.¹⁴

This chapter provides guidance on curriculum and supplemental material. It is also important to keep in mind that A.R.S. § 15-2402 (B) states that a portion of ESA must be used in at least the subjects of reading, grammar, mathematics, social studies, and science.

Non-approved materials¹⁵:

- Toys
- Dolls
- Workshops
- Consumable Supplies
- Art Supplies
- Educational boxes with no curriculum
- Stickers, Magazines, Coloring books
- Room Organizers
- Teaching carts, stations, storage carts, cabinets, easels, etc.
- Furniture/Bedding
- Amazon Prime Fees or similar fees
- Area geographical rugs
- CDs or DVDs

Approved educational materials¹⁶:

- Reading books
- Educational workbooks
- Educational flash cards
- Educational reference books
- Atlases, dictionaries, thesaurus
- Instructional books
- Audio/digital books
- Textbooks
- DVDs, CDs or USB with curriculums on them
- Prompt cue cards for behavior and educational support
- Manipulatives for the use of demonstrating mathematical concepts such as counting, basic math, differentiating the four operations, fractions, and decimals

Subscriptions to educational kits, boxes, programs, etc. may be only for the quarter in which the purchase is made. Yearly subscriptions will not be allowed with ESA monies. Please note that each educational kit or box must include a curriculum.

Science, Technology, Engineering, Mathematics (STEM)¹⁷ curricula is approved, but any supplemental materials that include computer hardware and/or technological devices are not allowed in accordance to A.R.S § 15-2402(6)(a). Any STEM curriculum kits that include computer hardware and technological

¹⁴ SB1224, reiterates that all supplemental material must be required or recommended by a curriculum as defined in A.R.S § 15-2401(2).

¹⁵ This list is not exhaustive, the department reserves the right under statute to not approve items not listed.

¹⁶ No curriculum is required.

¹⁷ Also known as Science, Technology, Engineering, Arts, Mathematics (STEAM)

devices cannot be purchased with ESA monies.

Please allow 2-5 business days to review and research any requests for approvals. Keep in mind that some requests may take longer than others and some requests are lengthier than others.

Tuition or Fees for a Nonpublic Online Learning Program

Some students learn better in the comfort of their home and at their own pace. ESA approves tuition or fees and required textbooks for private online schools or online learning programs and/or courses.

- ESA monies cannot be used to purchase or make payment for family memberships or multiple students; only individual student membership for the qualified student.
- ESA monies can only be used to purchase or make payment for online programs or online subscriptions for the given quarter in which the services are provided. Yearly subscriptions are not allowed.

Helpful Hint: When making payment for an online program make the ESA student the account holder, billing can be made in the parent's name OR add the student's name to your name.

- Name: Billy Doe (student)
- Billing name: John Doe (parent)
OR
- Billing name: John Doe- for Billy

If there are multiple students on the ESA program, each must purchase their own access or online learning program.

Fees for Achievement and Placement Tests or College Entry Exams

Parents may utilize ESA funds to pay for their student to participate in a nationally standardized norm-referenced achievement test to help determine the student's ability to show mastery of appropriate grade level material, advance placement exams, or any exams related to college or university admission. Prep courses for these exams are also allowed.

Tuition or Fees and Required Textbooks at an Eligible Postsecondary School

In accordance to A.R.S. § 15-2401(4) ESA funds can be used for an eligible post-secondary institution such as:

- An Arizona community college: as defined in section 15-1401
- State university that is under the jurisdiction of the AZ board of regents or accredited private university
- Textbooks required by the university or college classes

ESA funds cannot be used for room and board, meals, meal plans, food, etc.

Fees for Management of the ESA Accounts

There are two types of fees that Bank of America may charge and will be covered by your ESA bank card:¹⁸

- Lost or stolen card fee: \$5.00
- Expedited shipping fee: \$15.00

Services Provided by a Public School

ESA funds may be utilized to pay for individual classes and/or extracurricular programs provided by a public school such as drama club, band, cheerleading, sports, art classes, music classes, speech and debate, CTEDs, etc. Equipment and/or uniforms or attire are not allowed with ESA monies.

Please keep in mind that public schools are under no obligation to accept your child for these activities even if you are paying for the services, classes, or extracurricular activities with ESA funds.

If a public school accepts an ESA student, please make sure that the following is done to avoid suspension of your ESA account:¹⁹

- Make sure the student is not enrolled in the school as a tuition payer code 1 (public schools will understand this terminology if used). Enrolling in a public school violates the ESA statute and contract and may result in termination from the ESA program and reimbursement of used ESA funds.
- Make sure that the public school provides you with a complete paid invoice for all activities and or classes.

If you have any question regarding paying for services at the public school, please contact the school or district's office.

Disallowed Spending Categories

Just as we have allowed expenses, we also have disallowed expenses. In accordance with A.R.S. 15-2402(B)(6), the following are prohibited:²⁰

<u>Disallowed Spending Categories</u>	<u>Description</u>
Consumable educational supplies	Paper, pencils, pens, markers, highlighters, erasers, folders, ink or toner cartridges, backpacks, batteries, light bulbs, post it notes, salt, sugar, any food, clothing, glue, scissors, chalk, crayons, tissue paper, cleaning supplies, whiteboard, art kits without a curriculum, etc.

¹⁸ This fee is only for ESA parents enrolled in Bank of America.

¹⁹ Suspension of an account may lead to termination if the account holder does not respond to the department's request.

²⁰ This list is not exhaustive, the department reserves the right under statute to not approve items not listed

Computer hardware & other technological devices	Laptops, iPads, Desktops, iPods, keyboard, mouse, USB drives, computer chips, memory hardware, hard drives, input and or output devices, communication devices, secondary storage, expansion cards, motherboards, power supply units calculators, DVD players, printers, robots, Wi-Fi, internet, software, anything with a screen, battery operated, plug-in, etc.
Transportation	Reimbursement for gasoline, bus passes, taxis, ride share, transportation provided by the school, mileage, etc.

The following are not approved for purchase with ESA monies²¹:

- Play equipment
- Playgrounds
- Swimming pools
- Gardens
- Aquaponics
- Hydroponics
- Live animals
- Bicycles
- Gym equipment
- Climbing equipment
- Electronics
- Kitchen supplies
- Incubators

²¹ This is not an exhaustive list.

Approved Spending Categories for Students with a Disability

Pursuant to A.R.S § 15-2402(4)(c) and in accordance to A.R.S § 15-2401(7)(a)(i)(ii)(iii), if the qualified student has been identified as a child with disability through a current IEP or evaluation (MET report) from an Arizona public school district or charter school, the qualified student is eligible for therapies, paraprofessional services, and tuition for vocational and life skills approved by the Department.²²

Educational Therapies and Services

In accordance to A.R.S. 15-2402(B)(4)(c)(i), educational therapies from a licensed or accredited practitioner or provider are approved. Therefore, an individual providing therapy or therapeutic service must provide you with a copy of their license or accreditation. No screenshots of accrediting organization (such as health department, etc.) will be accepted. The copy must be:

1. Legible
2. Not expired
3. Issued by an accredited board

Below is a list of currently approved therapies:²³

List of Approved Therapies

<u>Therapy</u>	<u>Accreditation</u>
Physical Therapy (PT)	Physical Therapy license (PT assistants are approved)
Occupational Therapy (OT)	Occupational Therapy license (OT assistants are approved)
Speech Therapy	Speech Language Pathologist Therapy license (SLP assistants are approved)
Vision Therapy	Optometrist (pediatric, behavioral or developmental)
Hand Therapy	Physical Therapy license; PT assistant; OT assistant Occupational Therapy license or related therapy credential
Music Therapy	American Music Therapy Association (AMTA) Certification Board for Music Therapists (CBMT)
Equine Therapy; Hippotherapy; Therapeutic Riding	Professional Association of Therapeutic Horsemanship International (PATH) Equine Assisted Growth and Learning Association (EAGALA) Recreational Therapy Certificate Certified Therapy Horse Association (CTHA) North American Handicap Riding Association (NAHRA)

²² The qualified student must have a current IEP or evaluation (MET report) on file at the time of services.

²³ This is not an exhaustive list.

	<p>Equine Therapy Association (ETA)</p> <p>National Association of Certified Professionals of Equine (NACPET)</p> <p>Physical Therapy license or PT assistant license</p> <p>Occupational Therapy license or OT assistant license</p> <p>Certified Horsemanship Association</p>
Aquatic Therapy	<p>Aquatic Physical Therapy license</p> <p>Physical Therapy license</p> <p>Occupational Therapy license</p>
<p>Applied Behavior Analysis (ABA) and Verbal Behavior Analysis</p> <p>Cognitive Behavioral Therapy and Play Therapy</p>	<p>BCBA-D (Board Certified Behavioral Analyst – Doctorate)</p> <p>BCBA (Board Certified Behavioral Analyst)</p> <p>BCaBA (Board Certified Assistant Behavioral Analyst)</p> <p>Licensed psychologist or counselor</p>
Art Therapy	<p>American Art Therapy Association (AATA)</p> <p>Physical Therapy license</p> <p>Occupational Therapy license</p>
Recreational Therapy	<p>National Council for Therapeutic Recreation Certification (NCTRC)</p> <p>American Therapeutic Recreation Association (ATRA)</p> <p>Recreational Therapy License</p>
Relationship Development Intervention (RDI) Therapy	<p>RDI certificate</p> <p>Registered Behavior Technician (RBT)</p> <p>BCBA (Board Certified Behavioral Analyst or Doctorate)</p> <p>BCaBA (Board Certified Assistant Behavioral Analyst)</p> <p>Licensed Psychologist and counselor</p>
Social Group Therapy	<p>Psychologist license</p> <p>School counselor or special education teacher (certified)</p> <p>Licensed counselor</p> <p>Certification in Cognitive-Behavioral Therapy (CBT)</p> <p>Social Work Counselor Certificate</p> <p>Speech therapy or Occupational therapy license</p>

ESA monies cannot be used to pay for any fees or costs due to:

- Late appointments
- Cancelled appointments
- Missed appointments

These fees will be considered disallowed and the account holder may be required to reimburse the Department; quarterly funds will not be disbursed until repayment has been made in full.

Students that are not identified as a student with a disability cannot pay for therapies using their ESA monies. A student must have a current evaluation, IEP, or 504 plan issued by a public school on file with ESA prior to paying for these services with ESA monies.

Requests for credential not listed, can be made through the ESA parent portal; please allow 2-5 business days to review, research and respond as some requests may take longer than others.

List of Non-Approved Therapies

Not Approved Therapies and Services		
Massage Therapy	Psychiatrists	Brain Mapping
Nutritionists	Chiropractors	Hyperbaric Oxygen Therapy
Eye Exams	Craniosacral Therapy	Acupuncture
Memberships	Physical Exams	Health Exams
Medical Equipment	Any type of Medical Service(s)	Blood Exams (lab work)

Medical Insurances

Under Arizona law governing the ESA program, therapies provided to a student with a disability identified by the public school through an evaluation (MET report) or IEP must be “educational therapies”. Medical co-pays, insurances, deductibles, or any forms of medical insurance cannot be used in combination with ESA monies. Any form of medical insurance used with ESA funds, will be disallowed and no quarterly funds can be disbursed until the amount disallowed is refunded or fully reimbursed to the department.

Assistive Technology

Assistive technology (AT) is defined as assistive, adaptive, and rehabilitative devices which promote greater independence by enabling students to perform tasks they were formally not able to accomplish or had difficulty accomplishing. AT comes in many forms from low tech (weighed vests, blankets, slant boards, seat cushions, timers, graphic organizers, etc. to high tech (tablets, speech to text, listening systems, screen readers, etc.)

As defined in A.R.S. § 15-2402(B)(4)(c)(iv), a student with a disability identified by the public school through an evaluation (MET report) or IEP (documentation must be on file with ESA), may rent AT. A

renter’s agreement with the student’s name may be required at the time of submitting your expense report. ESA monies cannot be used to pay for fees accrued for AT that is returned damaged or late. If you have DDD services, you are encouraged to connect with your DDD case worker and inquire if AT can be provided by them.

Educational and Psychological Evaluations

When a student is struggling in their educational setting, parents are motivated to understand what underlying factors are contributing to the difficulty that may be limiting their child’s progress. Psycho-educational evaluation or assessments is the process through which a psychologist or similar licensed professional observes and evaluates.

In accordance to 15-2402(B)(4)(c)(iv), students with a disability identified by the public school through an evaluation (MET report) or IEP (documentation must be on file with ESA), may use ESA monies to obtain a private psycho-educational evaluation. No credential is required to be submitted, but we hope you use caution when acquiring these services.

Paraprofessionals or Educational Aides

Paraprofessionals and aides are an approved expense for students with disabilities only.²⁴ (Paraprofessionals are not the same as tutors/teachers; these individuals are there to assist the tutor/teacher or parent with the education of the student and have different requirements for credentials.

Approved Paraprofessional or Educational Aide Credentials

Credential	
Associate degree or higher	Copy of degree or complete and full transcripts must be submitted
60 or more college credit hours from an accredited school.	Copy of complete and full transcripts must be submitted
Pass 1 of the 3 paraprofessional tests <i>Official scores must be submitted; ESA will not accept proof of passing or unofficial scores</i>	Praxis ParaPro ACT Workkeys ParaEducator

Vocational and Life Skills Education

Vocational education programs prepare students to work in numerous trade jobs or crafts. Vocational education can also be referred to as career education or technical education provided by a vocational/trade school or program.

A life skills education is the building block that allows students to apply knowledge they acquire to real

²⁴ IEP or an evaluation through a public school must be on file with ESA.

problems and situations. It is a form of education that encourages students to effectively transition into adulthood by helping students develop sound judgment and good habits for long term stability, wellness, and success.

Combined, both are designed to help a student develop skills or interest in technical, trade or craft like careers and at the same time learning necessary skills such as self-reflection, critical thinking, problem solving and interpersonal skills. This allows a student to live and work independently. A.R.S. 15-2402(B)(4)(c)(iii), allows you, as the parent of a student with a disability, to pay tuition for vocational and life skills education approved by the Department.

ESA funds can be spent on tuition at vocational/trade schools or programs such as but not limited to:

- CTEDs
- Trade schools
- Community colleges
- Vocational schools

Misspending or Disallowed Expenses

To protect the ESA program and taxpayer dollars, the Department pursues all misspending and disallowed expenditures. Additionally, the Department has a zero-tolerance policy on substantial misuse of funds with the intent to defraud.²⁵ Any ESA monies not spent in an allowable category pursuant to the ESA contract, Arizona statute, and this handbook may result in suspension of your ESA account and the reimbursement of the amount.²⁶

The Department will notify the account holder via email that no further transactions will be allowed, or disbursement of funds made. The notification will specify the reason for the suspension and allow the account holder ten business days²⁷ to provide ESA with any documentation to show any error or to submit repayment of the disallowed/misspent ESA funds. If within the ten business days, the account Holder has not contacted ESA, a termination letter with the right to appeal will be emailed.

The termination letter allows the account holder 30 calendar days to appeal the Department's decision to remove you or your student from the ESA program, if no appeal is made by the account holder in writing to the ADE, the ESA account is closed and unused funds will be deposited back into the State's general fund. Any disallowed, misspent, or unsubmitted expenses will be sent to the Attorney General's Office of collection, fraud or both.

If documentation is provided to show an error or suffice the purchase or payment, an ESA specialist must be contacted to have your account reinstated. The bank card or ClassWallet account will be made active within 1-3 business days.

If the disallowed expense or misspending cannot be satisfied, the account will remain suspended and no quarterly funds will be disbursed until reimbursement is made in full. Once payment is received, the bank card or ClassWallet account will made active within 1-3 business days.

²⁵ These cases are automatically referred to the Attorney's General Fraud Unit.

²⁶ Payments submitted to the ADE are deposited in the State's general fund.

²⁷ Not including weekends

In the case that a repayment plan is needed, the Department offers plans up to six months.²⁸ If a longer repayment plan is needed, the ESA director will work with the Attorney General's Office to offer repayment plans of up to 12 months.

Under a repayment plan, the following will occur:

- An agreement will be created by the Attorney General between the holder and ADE.
- The agreement will specify the terms and the amount owed monthly.
- Your bank card or ClassWallet account will enter a blocked status.
- No funds will be dispersed until final payment is received,
- Once final payment is received, your account will be unblocked within 3-7 business days.

Chapter 3: ESA Bank Card and ClassWallet

Once accepted into the ESA program, monies awarded to students are entrusted to the account holder in the form of a pre-paid bank card or in ClassWallet. The card and ClassWallet can only be used to educate the qualified student. For parents who have multiple students on the ESA program, make sure the card assigned to that student is used for that student ONLY to avoid issues down the road.

ESA Prepaid Bank Card

Your ESA bank card will arrive in a plain, white envelope from Bank of America. If you accidentally throw your card away, you must contact the Bank of America for a new card at 1-866-213-8564. ESA cannot request a new replacement card for you. Please note that your ESA bank card may or may not arrive with your quarterly funds preloaded onto the card. When your card arrives, follow the instructions on your ESA bank card to activate.

We recommend you set up online banking: www.bankofamerica.com/onlinebanking/online-banking.go to track all spending, have access to your bank statements, and obtain up to the minute information regarding your account. You may also call the number on the back of your ESA bank card for balance information and transaction information. At this time, ESA staff is not notified when quarterly monies are available.

The Don't Dos Please

No cash withdrawals, cash advances, or cashier checks can be issued with your ESA bank card. Any account holder found making a cash withdrawal will result in immediate suspension of your ESA card. A 10-day suspension letter stating the reason for the suspension will be sent via email. Failure to contact the Department by the date on the letter may result in termination of the ESA account.

The Department is notified daily of attempts to make purchases or payments at non-approved vendors. Any account holder found making a purchase at a non-educational place such as gas station, post office, grocery stores, Walmart, Target, Walgreens, retail stores, restaurants, nail salons, pet stores, etc. to name a few will result in immediate suspension of your ESA card. A 10-day suspension letter stating the reason for the suspension will be sent via email. Failure to contact the Department by the date on the letter may result in termination of the ESA account.

²⁸ No quarterly funds will be disbursed until the final payment is collected.

Allowable Forms of Payment for ESA Card

As mentioned earlier, ESA does not allow a parent to withdraw cash, request a cash advance, or obtain cashier's checks with the ESA bank card. If a parent wants to pay for services, monies from the ESA card must be sent directly to the private schools, vendors, and providers from the ESA bank card. An account holder will not be reimbursed for using personal funds.

ESA cards can only be used the following ways:²⁹

- Point of Sale (Swiping the card or manually inputting card number)
- School approved vendor (online payment system used by schools to retrieve the funds)
- PayPal
- Square

The use of VENMO is strictly prohibited. Any account holder found using VENMO will result in immediate suspension of your ESA bank card. A 10-day suspension letter stating the reason for the suspension will be sent via email. Failure to contact the Department by the date on the letter may result in termination of the ESA account.

Private schools and/or vendors are not allowed to keep your card. Your ESA bank card must always be in your possession. If you have agreed to have funds deducted from your account, you and the private school and/or vendor should have a signed agreement between each other.

Reporting Fraud (Bank of America)

As with any debit or credit card, the potential for fraud is unavoidable. But just like you would protect your own monies, we expect that the same will happen for ESA monies.

If your account encounters fraud, you must:

1. Contact Bank of America at 1-866-213-8564 immediately.
2. File a dispute claims with the bank and obtain the claim number
3. Contact ESA and let us know that fraud has occurred on your account—make sure you have that claim number ready
4. ESA specialist will let you know how to expense the charge

IMPORTANT: If a charge(s) is not disputed within 30 days, the bank will not file a claim for you, and you will be responsible for repaying the total amount back to the State.

ClassWallet (CW)

In 2019, the Arizona Treasury Department was mandated by state law, to acquire a new banking system for the management of ESA accounts. ClassWallet's platform is designed to make the handling of your ESA account(s) more accountable and efficient. With almost 4,000 ESA families already in ClassWallet and more to come, ClassWallet allows you to manage payments to schools, providers, and vendors. ESA is slowly moving ESA accounts from Bank of America to ClassWallet this way, minimal to no disruption is made on your child's education. Communication with instructions from ESA and ClassWallet are sent to the families 1-2 weeks before their account(s) is migrated.

²⁹ ESA monies can be used to cover any processing fees associated with this form of payment.

How ClassWallet Works

First, your private school or provider(s) must be registered in ClassWallet in order to receive payment. We recommend you check with the school or provider to see if they are registered. If they are not registered, your school will need to contact ClassWallet directly by phone at 1-877-969-5536 or email at help@classwallet.com.

Chapter 4: Expense Reports

Pre-paid bank card

When an ESA parent enters into a contract with the Department, the parent is responsible and required to report all expenses made on the ESA bank card quarterly. ClassWallet account holders will only submit in ClassWallet (more on this later in this chapter). Expense reports are submitted on the [ESA Expense Report Portal](#).

To maintain your child's ESA program eligibility and account for the spending of state taxpayer dollars the following must be completed:

- Expense reports must be submitted quarterly
- Complete invoices must be included when submitting expense reports
- All required credentials must be included when submitting expense reports

If no spending occurred in a quarter, you must still submit an expense report.

The Department is authorized to audit all expenditures and may request further information if needed from the account holder at any time. Quarterly disbursements will not be released until your expense report is submitted and approved.

ESA Expense Report Portal

The ESA Expense Report Portal is designed to allow parents to submit all expenses, including invoices and or credentials at one time at any time. The system auto populates bank information which includes the total dollar amounts paid, all you need to do is provide the complete invoices, credentials, and any supporting documentation for that payment amount or purchase amount.

The portal works best when using Internet Explorer; Microsoft Edge; or Google Chrome.

The use of tablets or cell phones may cause improper display of website information.

Required Documents for Expense Reports (bank cards)

As stated above, when submitting an expense report, each line item that appears on your expense report must be accounted for. This includes providing a complete (detailed) invoice, required credentials, invoices for online programs, curriculum, and supplemental items required or recommended by the curriculum.

Invoices for private schools MUST have the following:

1. Student's name
2. Name of the private school
3. Date
4. What ESA monies are paying for (tuition or fees)
5. Dates for tuition (Ex. October 1-December 31 or Quarter 3)
6. Total amount charged to the card—this is the same dollar amount shown on the line item

Invoices for tutors, paraprofessionals or therapists MUST have the following:

1. Student's name
2. Name of provider or name of facility
3. Date
4. What services ESA monies are paying for (tutoring, speech therapy, etc.)
5. Dates of services (Ex. July 1-July 5)
6. Total amount charged to the card- this is the same dollar amount shown on the line item

Handwritten receipts, credit card slips, summary statements or email receipts from vendors and or providers will NOT be accepted. It's important to look at the invoice to make sure all information needed is provided before submitting.

Incomplete expense reports will be rejected. If your report is rejected, you will receive notification via email. No funds will be disbursed until your expense report is submitted and approved. If expense reports remain unsubmitted or rejected by the start of the new quarter, a 10-day suspension letter stating the reason for the suspension will be sent via email. Failure to contact the Department by the date on the letter may result in termination of the ESA account.

Expense Categories (ESA Portal)

The ESA portal has a list of categories that your expenses will fall into, please make sure you are using the correct categories to avoid a possible rejection on your quarterly expense report. Do not submit the previous expense report cover pages—they are not needed.

Curriculum and Supplemental Materials- this category is only to be used to expense your course of study and required or recommended supplemental material that is approved by the department as well as textbooks that are not required by a private school. Please do not use this category for reading books.

Online Private Program-this includes all online programs and online private schools along with any fees or textbooks required.

Postsecondary Institution (College)-this is for all Arizona Community Colleges, Arizona state universities, and private universities and colleges that are accredited. Under this category, you will be able to expense textbooks that are required for the class(es).

Private School-this category is used to expense payment to private schools, this includes services provided by the private school such as therapies or aides (for students with a disability only) and tutoring. Therefore, if you are paying your private school directly for these services, they will be

expensed in this category under fees. You will not be required to upload a credential. This category will also be used for approved private school fees such as instrument rentals, processing fees, etc.- (please refer to page 10 for guidance if needed), textbooks, and uniforms.

Reading Books-this is for reading books only; please do not expense curriculum and supplemental material under this category.

Report Fraudulent Charges-this category is to report any charges that were not made by you the card holder; please make sure you also contact Bank of America ASAP to file a claim on the charge(s).

Self-Reporting on Accidental Spending-this category is for you to report any charges that you made on accident or think that they may be considered disallowed. An ESA account specialist will notify you if the charge is an approved charge by rejecting the expense report and asking you to recategorize and submit additional documents if needed.

Services by a Public School-this is used for any services such as tutoring, therapies (students with a disability only), classes, extracurricular activities, etc. provided by the school. You will not be required to upload a credential.

Testing Fees-this is for any payments made for placement exams, exams related to college or university admissions, etc. Please do not use this for psychological educational exams.

Tutoring Services-this is for services for core and specific subject tutoring. This expense will require a credential for each tutor or instructor used (please refer to pages 12-14, if needed for guidance).³⁰

Additional Expense Categories (ESA Portal)

The following categories are for **students with a disability only** that are identified by a public school and have an evaluation (MET report) or current IEP on file at the time of the services with ESA.

Assistive Technology Rental (AT)-this is category is to be used for the rental of any low- or high-tech AT. A rental agreement is required each time payment is made.

Braille Translation Services-this is for any goods and services associated for braille translation

Educational and Psychological Evaluations-this is for any independent evaluations done by the provider of your choice and includes any evaluations for speech, OT, PT, vision, or dyslexia. No credential is required from your provider.

Educational Therapies-this category is for services provided by an OT, PT, speech, etc. (please refer to pages 22-23 for guidance if needed). Please remember that if the provider has a license to practice therapy, they are expensed under this category; if not, they cannot be expensed here.

Paraprofessional Services-this for a paraprofessional or aide that is assisting you or the tutor/instructor with core subjects. A valid credential is required (please refer to page 25 for guidance if needed).

Vocational/Life Skills Education-this category is for any expense related to paying tuition at a facility or school for vocational (such as CTEDs, EVIT, or trade schools) or life skills education. Please do not use this category to expense driver's education, cooking classes, etc.—these are expensed under tutoring and require a credential.

³⁰ If your service provider has a license to practice therapy, they must be expensed under Educational Therapies.

ClassWallet Accounts

School and or providers will not receive your payment until your invoice is submitted in ClassWallet and approved by ESA. Please allow 24-72 hours for review of your invoice, this does not include weekends and or holidays. Once your invoice is approved, payment to your school and or provider will be released by ClassWallet.

Required Invoices for ClassWallet

Please obtain a complete invoice from your private school that shows all of the following³¹:

1. Student's name
2. Name of the private school
3. Date
4. What ESA monies are paying for (tuition or fees)
5. Dates of tuition (Ex. October 1-December 31 or Quarter 3)
6. Total amount requested for payment³²

Invoices from your providers must include all of the following³³:

1. Student's name
2. Name of provider or name of facility
3. Date
4. What services ESA monies are paying for (tutoring, speech therapy, etc.)
5. Dates of services (Ex. July 1-July 5)
6. Total amount requested for payment³⁴

The invoice is uploaded in your ClassWallet account which you can access via the ESA portal.

ClassWallet offers tutorials: <https://www.classwallet.com/frequently-asked-questions/> to help guide you with uploading your invoice. ClassWallet can also be reached directly at 1-877-969-5536 or by email at help@classwallet.com. ClassWallet currently has a few ESA approved vendors that can be used to purchase from using their marketplace with more to come.³⁵

Expense Report Categories (ClassWallet)

For those families who have been or will be migrated to ClassWallet during this school year, please use the following categories to submit your invoice for approval. Using the correct category, will avoid rejection and delayed payment(s).

Curricula and Supplemental Materials- this category is only to be used to purchase your course of study and required or recommended supplemental material that is approved by the department as well as textbooks that are not required by a private school. Please do not use this category for reading books.

³¹ If any information listed is missing, your invoice may be rejected.

³² If the amount requested exceeds the amount on your invoice, it will not be approved, and a new invoice will be needed.

³³ If any information listed is missing, your invoice may be rejected.

³⁴ If the amount requested exceeds the amount on your invoice, it will not be approved.

³⁵ ClassWallet is working diligently to add more vendors to their marketplace.

Private School Related Expenses-this category is used to make payment to private schools, this includes services provided by the private school such as therapies or aides (for students with a disability only) and tutoring. Therefore, if you are paying your private school directly for these services, they will be expensed under this category. You will not be required to upload a credential. This category will also be used for approved private school fees such as instrument rentals, processing fees, etc.-(please refer to page 10 for guidance if needed), textbooks, and uniforms that are paid for through the school.

Reading Books-this is for reading books only; please do not expense curriculum and supplemental material under this category.

Tutoring Services-this is for services for core and specific subject tutoring. This expense will require a credential for each tutor or instructor used (please refer to pages 12-14, if needed for guidance).

Uniforms-this is for payments related to the purchase of a school uniform that is not made through the private school.

Educational Psychological Evaluations (students with a disability only)³⁶-this is for any independent evaluations done by the provider of your choice and includes any evaluations for speech, OT, PT, vision, or dyslexia. No credential is required from your provider, but your provider must be registered in CW.

Educational Therapies (students with a disability only)³⁷-this category is for payments for services provided by an OT, PT, speech, etc. (please refer to pages 22-23 for guidance if needed). Please remember that if the provider has been pre-approved as a therapist, they are categorized under this category.

Expense Report Schedule (deadlines)

To continue eligibility on the ESA program and receive quarterly disbursements, an expense report must be submitted quarterly and approved.³⁸

<u>Quarter</u>	<u>Disbursement</u>	<u>Expense Report Due Date</u>
1	July 15-July 30	September 30
2	October 15-October 30	December 31
3	January 15-January 30	March 31
4	April 15- April 30	June 30

Failure to submit an expense report within 45 days of the deadline will result in the forfeit of ESA funds for the next quarter and may result in termination from the program.

You are required by law to spend a portion within contract year in at least the subjects of reading, grammar, mathematics, social studies, and science. ESA will send reminder emails quarterly if this is not done within a quarter. In the event that no portion of your annual funds were spent in at least the

³⁶ Identified by a public school and have an evaluation (MET report) or current IEP on file with ESA at the time of services.

³⁷ Identified by a public school and have an evaluation (MET report) or current IEP on file with ESA at the time of services.

³⁸ Any unused ESA monies roll-over on a quarterly basis from year to year.

subjects of reading, grammar, mathematics, social studies, and science, ESA will send via email a 10-day suspension letter stating the reason for the suspension. Failure to contact the Department by the date on the letter may result in termination of the ESA account.

Chapter 5: Contracts

Renewal

Renewing students do not need to reapply. For an ESA student to continue the program and use any roll over funds, a renewal contract must be submitted every year to the Department. Renewal contracts will be sent via email no later than May 30,³⁹ the deadline to submit your renewal contract is 30 days from the date your contract is sent. If your renewal contract is not received by the deadline date, the Department will assume that you are no longer interested in renewing, and your ESA account will be closed. The Renewal Contract is for existing account holders who are in good standing at the end of the contract year, and whose student qualifies to receive a K-12 education.⁴⁰

Exited Students

The Exited Contract is for account holders who have a student who no longer qualifies for a K-12 education, but they still have remaining funds that can be spent towards the student's education. Students do not receive any additional funding but are eligible to continue to spend funds per their contract and handbook agreement.

Change in Disability Category

It is important to understand that once you decide to receive an ESA, your child loses his/her rights to a Free Appropriate Public Education (FAPE). By signing the ESA contract, you are releasing the public school from all obligations to educate your child. Your child does not lose their right to a three-year reevaluation upon your written request to the school district.⁴¹

A student's ESA contract is renewed on a yearly basis notwithstanding any changes to their evaluation. Meaning if the student has an evaluation (MET report) on file with the ESA program, ADE will not require you to submit a new evaluation (MET report). In the case that your child's disability category changes while on the ESA program, ADE will require a new evaluation by the public school be on file to update funding. Some important things to keep in mind should you need an evaluation:

- Your request for an evaluation must be done in writing. The District has 15 school days to respond to your request
- If your child attends a non-profit private school, the public-school district in which the private school is located is responsible for the evaluation process.
- If your child attends a for-profit private school or is homeschooled, the public-school district in which you reside is responsible for the evaluation.

The Department cannot accept private evaluations or private school evaluations for the purpose of updating your child's disability category and or funding.

Please keep in mind that children that are not identified as a child with a disability by a public school

³⁹ This date is subject to change in the case of unforeseen circumstances such as natural disasters, pandemics, etc.

⁴⁰ All expense reports have been submitted and approved and there are no pending actions.

⁴¹ The student is no longer entitled to an Individualized Education Program (IEP)

through an evaluation (or IEP) are not entitled to educational therapies, paraprofessional services, tuition for vocational and life skills education, educational and psychological evaluations goods and services, AT rentals, or braille translation goods and services.

Preschool Severe Delay (P-SD) Funding

If you are a parent of a student with a disability who was awarded an ESA under the disability category of Preschool Severe Delay (P-SD) and your student will turn 5 years on or before September 1st, a new evaluation conducted by the public-school district must be submitted to appropriately fund your child's ESA account.

Students with a Disability (after 12th grade)

A student with a disability may be entitled to an education until the age of 22. In these cases, the parent of a student with a disability may be asked to provide documentation that shows that the student has not finished high school. Any account holder that asserts that their child continues to need a K-12 education and does not provide a K-12 education may be terminated from the ESA program and may be asked to repay the funds requested. A parent cannot use ESA monies to solely provide a post-secondary education only while attesting that their student continues to need a K-12 education. An account found attesting to need additional funds and provides only post-secondary education will be suspended and a 10-day letter will be issued with the reason for suspension. Failure to contact the Department may result in termination from the program.

Maintaining Eligibility for Renewal

To remain eligible to renew your ESA contract, you must have:

- Submitted quarterly expense reports
- Expense reports from previous quarters must be approved
- A portion of your ESA monies must be spent in at least the subjects of reading, grammar, mathematics, social studies, and science for the contract year (July 1-June 30)
- Not owe the Department any monies for disallowed expenses.

Contracts will be sent via email through EchoSign® and can be electronically signed with Adobe Sign®.⁴² Once the ESA program receives your renewal contract, a confirmation email will be sent to you.

Chapter 6: Why Termination May Occur

Below are some reasons termination from the ESA program may occur.

1. Enrolling and attending a public-school district, charter, or public online school (this includes summer school)
2. Receiving School Tuition Organization (STO) scholarships OR tax credit scholarships while on an ESA
3. Misspending ESA funds
4. Failure to submit expense reports within 45 days of due date
5. Fraudulent activity

⁴² ESA contracts may be mailed to you upon request.

6. Loss of custody
7. Providing false information (application, contract, bank form, attestation, expense reports, etc.)
8. Not spending ESA monies during the year (July 1 through June 30)
9. Found on a BAML's global anti-money laundering (AML) list—Note: The bank automatically closes your account and we will not be able to reopen it. The bank will send you notification.
10. Unable to provide a social security number or tax identification number (TIN)—Note: The bank will not issue a bank card without this.

Attending a Public School, Charter School, or Public Online School

While a student is on an ESA contract for the school year (July 1 through June 30), the account Holder agrees not to enroll the eligible student in a public-school district, charter school, or public online school; this includes summer school.

Receiving an STO or Tax Credit Scholarships

While a student is under an ESA contract for the year (July 1 through June 30), the account Holder agrees not to receive any STOs or tax credit scholarships concurrently with an ESA. If the ESA funds do not cover the full cost of the private school and you are unsure how the remaining costs are being paid, please contact your private school to make sure you are not signed up to receive an STO or tax credit scholarship. If you believe you may have received an STO or tax credit scholarship, please contact ESA staff immediately.

Chapter 7: Leaving the ESA Program

A student leaves the ESA program one of four ways:

1. **Withdrawal:** parent chooses not to participate in the program.
2. **Non-renewal:** parent chooses not to renew the following year's ESA contract.
3. **Completing the ESA program:** student exits the program once he/she reaches the 12th grade cohort year (only students with a disability may be eligible to continue).
4. **Removal/Termination:** ESA terminates parent from the ESA program (not eligible to reapply).

Withdrawal

Should you decide that the ESA program is not for your or your child during the contract year, you may withdraw at any time. A close account form may be asked to be submitted [Close Account Request Form](#).

If the account holder withdraws the student from the ESA program during the contract year or before the end of a quarter, any tuition payments should be pro-rated for the days attended by the student in that quarter, additional funds should be refunded to the ESA debit card and all expenses will need to be submitted prior to returning to the public school.⁴³

⁴³ If funds cannot be refunded to your card, please have the vendor provide a check to the ADE.

Your submitted expenses will be reviewed. Should this review result in any questions the Department will formally notify the account holder in writing via email. Once your ESA account is closed, any leftover ESA monies will be returned to the State's general fund. The student and applicant will be eligible to reapply in the future.

Non-Renewal

If you choose not to renew your annual ESA contract, you will not need to take action, ESA will automatically close your account and any leftover ESA monies will be unloaded from your account and returned to the State's general fund. You will remain eligible to reapply in the future. All expense reports must be submitted and approved. Should a review of submitted expenses result in any questions, the Department will formally notify the account holder in writing via email.

Completing the ESA Program

When a student enters the ESA program, the student will be moved in a cohort. This means if the student enters the ESA program in 3rd grade, the following year the student will move into the 4th grade, even if the private school or the parent decides to keep the student back a year. The student progresses one grade every school year until the student reaches 12th grade. All students are exited at 12th grade. An Exited Contract will be issued by ESA. Once exited from the ESA program, the student will have four years to use any remaining funds that have rolled over from the past years. All policies and laws regarding the ESA program must still be followed.

The account holder is still required to submit expense reports every quarter for the remaining four years as they have done in the years prior to exiting. Failure to submit an expense report within 45 days of the due date may result in termination from the program.

If a student returns to public school at any time after the completion of the ESA program, any unused ESA monies will be unloaded from and returned to the State's general fund. Keep in mind that upon review of your account, should the Department have any questions, you will be notified in writing via email.

Removal

The Department may remove a parent and or student from the ESA program for a variety of reasons as discussed in Chapter 6. If the parent or student is removed by the Department from the program, the parent may appeal the Department's decision. If a parent is removed through the appeal process the parent or student may not reapply for the ESA program in the future.

Chapter 8: Quick Reference

Below is some additional and important information.

- ESA Support Specialists are available Monday-Friday 9am-4pm.
- ESA can be reached by phone at 602-364-1969 or through the help desk via the ESA parent portal.
- If you are experiencing any issues with your ESA portal login or password, please contact ADE Troubleshoot Support at 602-542-2222.

- For troubleshooting issues or concerns with your ClassWallet account, please contact 1-877-969-5536.
- If a vendor states that they accept ESA funds, that does not mean they are approved or allowed.
- You would not give your own credit card to a store or restaurant, please do not do the same with a private school, vendor, or provider.
- If there is something you would like to purchase that is not mentioned in the handbook, please make your request in writing using the help desk via the ESA parent portal. ESA staff will review your request and notify you within 2-5 business days; please keep in mind that some requests may take longer than others to research or may require additional information from you.
- Expense reports are required quarterly, even if there are zero expenses to report. Failure to submit an expense report within 45-days from the deadline, will result in the forfeiting of funds and may result in termination from the program.
- All purchases and or payments require a detailed invoice of the charge (payment).
- Prepayment of services are not allowed with the exception of private school registration or enrollment fees for renewing ESA students.⁴⁴
- Valid credentials are required for all teachers, instructors, tutors, providers and or facilities.
- Services offered in the private or public schools by tutors/teachers or therapists do not require credentials if paid through the school.
- ESA monies and medical copays or medical insurance cannot be used together to cover educational therapies or evaluations.
- The contract and account information are between the applicant and the Arizona Department of Education (ADE) only.⁴⁵
- Hiring other ESA recipients or family members to provide services is strictly prohibited.
- Account holders must spend a portion of the ESA funds annually in at least the following subjects: reading, grammar, math, social studies, and science

⁴⁴ This is only for students who have a renewal contract on file.

⁴⁵ The ESA program does not communicate with 3rd parties.