Version 3

Empowerment Scholarship Account Program Parent Handbook School Year 2021-2022

April 5, 2021: Submitted to the State Board of Education

April 26, 2021: Presentation to the State Board of Education

Included:

- Summary of changes
- Draft Handbook with changes marked in red

Summary of revisions made since March 22, 2021:

ClassWallet

- Added the ClassWallet debit card section.
    - All Account Holders will be eligible to request a prepaid debit card though the ESA portal beginning May 15, 2021.
    - The debit card will work similar to the existing Bank of America debit card from the user perspective: cards can be used at point of sale (swiping the card manually), PayPal and Square; and purchases will be deducted from the Account Holder's virtual wallet balance.
    - Account Holders can view debit card transactions, upload receipts into the platform and associate receipts with specific debit card charges.
    - ClassWallet's Terms and Conditions specify the debit card feature is intended for purchases made at vendors, providers and private schools not registered in the ClassWallet platform.

- Removed the ClassWallet Concierge service.
    - Concierge service is not included in the services provided under the existing contract between ClassWallet and the Office of the State Treasurer. This feature was made available ad-hoc to provide an option for purchasing at vendors or provides not registered with the platform. As the debit card feature is made available to provide additional purchasing options, the concierge service will be retired.

Associated Goods and Assistive Technology

- Revised the required documentation for purchasing Associated Goods for students with disabilities.
    - Maintains requirement for Account Holders to provide Department with documentation of the special education course of study, service, or other educational need with which the good or service is associated.
    - Removes the additional requirement for the Account Holder to provide documentation directly linking the requested associated good or service with the documented special education need.
    - Specifies that Account Holders are not advised to contact their Districts seeking to update or change their students' individualized education programs (IEP) or request special education reevaluations for the purpose of making ESA purchases.

Advocates

- A section describing how applicants and Account Holders can identify and utilize advocates when communicating with the Department was requested by a Board member. It has been noted that this section was already incorporated in the version shared with the Board in March.

Other

- Formatting, technical, and conforming changes.

Parent Handbook

Empowerment Scholarship Account Program

School Year 2021-2022

DRAFT

April 5March 1, 2021

Arizona Department of Education

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March 1, 2021

Dear Parents and Students,

Welcome to the Empowerment Scholarship Account (ESA) Program. For those of you who are new to the program, we are happy to have you become part of the ESA family. For those of you returning to the ESA program, we are happy to have you back and look forward to working together for another exciting school year.

Arizona was the first state to enact an education savings account program, and at the time of drafting this year's handbook the ESA program serves approximately 9800 students throughout the state. While the program is always evolving, the core mission is to facilitate ESA families in customizing an education that works for each individual student. This program allows ESA families to seek an array of alternative educational services ranging from private school to home-based education. The mission of the Arizona Department of Education (ADE or the Department) is to serve all ESA families effectively and efficiently, and ESA staff will provide guidance and support to help families navigate the program.

Even though the ESA program was launched in 2011, the program is relatively new compared to other educational institutions in Arizona, and as such, information in this handbook is subject to change. Not to worry! Administrative Law Rules created by the State Board of Education (SBE) limit substantive changes to the handbook <u>no</u> more frequently than every three years. However, policies can and will be added and/or redacted in response to newly enacted legislation, court decisions, and/or suggestions for best practices, which may result in more frequent updates to the handbook. The Department will notify ESA families of any changes. See <u>Handbook Updates section</u> on page 3.

Again, the Department welcomes you (or welcomes you back) and looks forward to an awesome year of new learning opportunities for students!

Sincerely,

The ESA Program Team

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, ADE has created the ESA Program to continue along the path of innovative education reform.

What is an Empowerment Scholarship Account?

An ESA is an account administered by ADE and funded by state tax dollars to provide options for the education of qualified students in Arizona. ESA Monies do not constitute taxable income to the parent of the qualified student.

The ESA program allows parents of qualified students to utilize public monies to purchase educational services from private schools, education providers, and/or vendors. Eligible students receive 90% of the State aid[1] that would have gone to the student's school district or charter school had the student remained enrolled in the public school system. The applicant parent become an ESA Account Holder and uses these funds to provide an education in at least the following subjects: reading, grammar, mathematics, social studies and science.[2]

Accepting an Empowerment Scholarship Account

In order to accept an ESA, the Account Holder enters into a contract with ADE pursuant to ARS 15-2402(B). In exchange for the Account Holder's commitment to the obligations set forth in the ESA contract, ADE creates an ESA for the current school year and agrees to transfer ESA funds on a quarterly basis once the contract is executed by all parties.

The Department reserves the right to terminate an ESA for violations of the contract *(please refer to your contract for all terms and conditions)* applicable policies rules or laws. Examples of violations likely to result in a termination include:

- Enroll the student in a public district school, charter school, and/or public online schools (including summer public school) without paying the public school.

- Accept any School Tuition Organization (STO) scholarship or tax credit scholarship while on an ESA contract.

- Fail to provide quarterly expense reports by the deadline.[3]

- Fail to spend a portion of the ESA funds annually.

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[1] This does not include any federal funding.

[2] A.R.S § 15-2402(B)(1)

[3] For parents using the prepaid bank card, if no expenses are made in a particular quarter, please attest to no expenses in the ESA portal.

- Enroll the ESA student in a half-day kindergarten public-school program without paying the public school.

ESA staff is trained to provide support and guidance regarding application and program questions, expense requests and general requests for assistance with Account Holders' ESA, but staff cannot provide guidance or recommendations to families about schools, vendors, or providers.

Handbook Purpose

The purpose of the ESA handbook is to provide information concerning the policies, procedures, and implementation of the ESA program.

Handbook Updates

The ESA handbook is reviewed by ADE under the guidance of the SBE. *See* A.A.C. R7-2-1503(1). On or before March 1 of each year, ADE provides SBE with a handbook, developed in consultation with parents of children on the ESA program, that includes information relating to policies and processes of ESAs. SBE adopts the handbook by May 1 of each year. SBE limits substantive changes to the handbook to once every three years, but policies can and will be added and/or redacted in response to newly enacted legislation, court decisions, and/or suggestions for best practices, which may occur more frequently, in which case ESA staff will notify Account Holders of any change(s) and their effective date(s) via the ESA website and/or through email blast from the ESA.Communications@azed.gov or esacommunications@comms.azed.gov.

How to Stay Updated

We encourage ESA families to visit ADE's ESA website, [www.azed.gov/esa,](http://www.azed.gov/esa) for information and resources. ADE will communicate with ESA families by sending emails from either ESA.Communications@azed.gov or esacommunications@comms.azed.gov. These are "no-reply" email addresses, designed to send out relevant ESA information and updates in emails blasts. ADE recommends ESA families read all communications from the Department and add ESA.Communications@azed.gov and esacommunications@comms.azed.gov to your contacts to avoid critical email correspondence going to spam or junk folders.

The Department asks that all ESA correspondence from Account Holders/Applicants come through the helpdesk system so that the department can accurately track and ensures timely responses to all inquiries. To reach the Department, please call: 602-364-1969, Monday - Friday, 9am - 4pm or use the ESA HelpDesk system: https://helpdesk.azed.gov/app/itdesk/HomePage.do (For more information about the HelpDesk System, see Chapter 9, beginning on page 67~~51~~.

Changes Related to Emails, Addresses, and Phone Numbers

ESA families can update an email address, mailing address, and/or phone number, to ensure the Department has current contact information, by logging into the student's ESA account via the ESA portal and making changes as needed. Account Holders must update contact information with the

Department (and ClassWallet. when applicable) within 30 days of the change.[4] ESA families also want to update their contact information in ClassWallet within 30 days of a change.

Residency Verification

In accordance with 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." A.R.S. § 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 Arizona residency at the time of application AND at any time they are enrolled in the ESA program.

Secure Information

FERPA

Under the Family Educational Rights and Privacy Acts (FERPA), the Department has the obligation to ensure all student "education records" are kept confidential and secure. While certain records collected or maintained by ADE or SBE through the ESA program may not fall within FERPA's definition of "education records," it is likely that other records that come into possession of ADE or SBE through the ESA program are "education records" for FERPA purposes.[5] The Department and ESA staff will not release personally identifiable information regarding your child, including financial information or personal details (this includes your contract information) to private schools, providers, vendors, or stakeholders.

Advocates

ESA staff also protects ESA students' personally identifiable information by only communicating with ESA Account Holders and Applicants directly. Account Holders and Applicants may have advocates, friends or family members assist in the ESA process/conversations/correspondence regarding your ESA account and/or application, but ADE's expectations are that the Account Holder and/or Applicant takes full responsibility for the ESA, use of funds, and accountability tied to the ESA. While Applicants may use advocates for assistance throughout the ESA application process, ADE's expectation is that an Applicant or Account Holder is always on the call or email when communicating with ADE regarding his/her ESA.

If an Applicant or Account Holder wants to include an advocate in their communications with ADE, then the Applicant or Account Holder must submit a written request to ADE. The Applicant/Account Holder must maintain involvement throughout the ESA process, including asking questions, addressing issues of concerns, or otherwise. Consistent involvement in all communication regarding you student's ESA empowers Account Holders and Applicants to get the most from the ESA program. Advocates shall not be the only communicator on the ESA's or ESA applications. Advocates may not submit documents to ADE on behalf of the Applicant/Account Holder. The Account Holder/Applicant must submit his/her own documents, but may copy the advocate on an email, or invite them to be on a call.

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[4] Arizona Administration Code (A.A.C) R2-71502(D)

[5] Information Collected Under A.R.S., Title 15, Chapter 19 and Public Records Requests, Ariz. Att'y Gen. Op. No. I20-010 (Aug. 3, 2020), https://www.azag.gov/sites/default/files/2020-08/I20-010.pdf.

Securing Your Information

Account Holders should secure their prepaid debit cards and/or ClassWallet account just as they would secure their personal debit cards/bank account. 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, ClassWallet login and password, Application IDs, or ESA usernames and passwords. To further protect yourself against the possibility of fraud or unauthorized release of personally identifiable information, the Department recommends Account Holders refrain from sharing details of contract or award information and never release the custody of your ESA prepaid bank card or card number to third parties (including schools).

Account Holders set up in ClassWallet can access their ClassWallet account through their ESA account via the ESA portal. *(The ESA portal is where applicants originally apply for the program.)*

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 receiving an education as required by Arizona law.

Chapter 2: Spending and Program Requirements

There are many laws dedicated to guiding government spending that ensure transparency to the taxpayer; it is no different in education. 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 guiding parents on how to utilize ESA 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.[6]

2. It is at the Account Holder's discretion to choose the provider and ensure that he/she has the proper credentials prior to receiving a service.

3. Hiring a family member of the ESA student is prohibited.

4. Knowingly hiring another ESA recipient's parent and paying them directly with ESA funds is strictly prohibited.

5. Services must be paid for and provided within the same contract year (July 1-June 30).[7]

6. Pre-payment of services are allowed only within the same contract year (July 1-June 30).[8]

7. Quarters for services, if paying by quarter, are:

    ● Quarter 1: July 1 through September 30

    ● Quarter 2: October 1 through December 31

    ● Quarter 3: January 1 through March 31

    ● Quarter 4: April 1through June 30

Account Holders may not use ESA monies retroactively (to pay for quarters in which the student(s) were not yet eligible for the ESA program). Account Holders who are not on a contract during a quarter cannot use ESA monies to pay for services or to make purchases for that quarter.

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[6] ClassWallet does provide a list of all vendors using their platform in Pay Vendor or the Marketplace.
[7] Exception can be granted for renewals that prepay re-enrollment fees.
[8] Exception can be granted for renewals that prepay re-enrollment fees.

Approved Spending Categories for ALL Students

Approved Spending Categories for ALL Students:

Approved Spending Categories	Description
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-12th grades.[9] The school must not discriminate on the basis of race, color, or national origin.
Tutoring services	All services must be delivered by a qualified individual.[10] Credentials cannot be expired.
Curriculum	A course of study for content areas or grade levels, including any supplemental education materials required or recommended by the curriculum, approved by the Department[11]
Tuition or fees for a nonpublic online learning program	Online learning programs or courses
Fees for nationally standardized norm-referenced achievement tests and grade level testing	Advanced Placement exams and/or other exams related to college or university admissions—such as ACT or SAT—prep exams and grade level standardized achievement testing
Tuition or fees at an eligible postsecondary institution and the purchase of required textbooks	Community college, as defined in A.R.S. § 15-1401, a university under the under the AZ Board of Regents, or an accredited private postsecondary institution
Account fees	Lost or stolen card fee and expediting service fees 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

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[9] A qualified student who resides 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~~the border of the state in which the student resides.

[10]For tutoring services, a qualified individual means an individual with an approved credential as described later in this Handbook or a facility accredited by a state, regional or national accrediting organization.

[11]Supplemental material means relevant materials directly related to the course of study for which they are being used to introduce content and instructional strategies or that enhance, complement, enrich, extend or support the curriculum. A.A.C. R2-7-1501(14).

A Deeper Look at Spending

In the following pages, this handbook lists the approved spending categories. It provides guidance on educational expenses, credentials, and invoices, among other things. The intent is to also give some ideas on how and what ESA monies can be used for, such as tuition, providers, vendors, etc., in compliance with state law, rules and ESA policies. Each qualified student receives their own ESA account and only their educational expenses can be purchased or paid for with their account. Account holders may not use one ESA student's account to make purchases or payments for another ESA sibling or non-ESA sibling.

A list of allowed items for ESA spending can be found here: https://www.azed.gov/esa/esa-allowable-items.

Tuition or Fees and Required Textbooks at a Qualified Private School

As an approved expense, tuition may be paid for the ESA student named on the ESA contract. In other words, each student receives their own ESA for educational expenses, and monies in each student's account may only be spent on that particular student. You may not use a sibling's ESA account to cover educational expenses other than their own.

The ESA Account Holder must request a complete (detailed) invoice from the school, which they will submit in their quarterly expense report or ClassWallet payment request. The invoice must include ALL of the following:

- Student's name

- Name of the private school

- Transaction date (ESA monies cannot be used to pay for tuition or textbooks for any time period before your contract became effective)

- Tuition or type of fees charged

- Total amount paid

Failure to submit a complete paid invoice will result in the expense being rejected. For ClassWallet invoices, any amount requested for payment that is over the amount on the invoice may be rejected.

While tuition may be straightforward, 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 is a list of approved fees that may be charged by a 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

- 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 and equipment)

ESA funds may <u>not</u> be used for the following fees (this list is not exhaustive):

- Sports uniforms 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.)
- Fees associated with insurance, cleaning, etc. of any rental
- Breakfast and/or lunch fees
- Yearbook fees
- 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 if they are charged to an ESA account, then the Account Holder may be required to repay the State; 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 a public-school district or charter school that charges tuition for the second half of the day. This violates the ESA contract because the student would be enrolling in a public-school district or charter school and receiving ESA funds at the same time.

Uniforms

In accordance with A.R.S. § 15-2402(B)(4)(m), 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 the following items unless they that are not required as a uniform, including but not limited to:

- Hair accessories
- Socks
- Tights or hosiery
- Shoes
- Belts

- Sports uniforms
- Sports accessories
- Spirit or school team clothing
- Lanyards
- Other non-uniform expenses

Tutoring or Teaching Services[12]

Tutoring or teaching services must be provided by a qualified individual <u>with one of the approved credentials listed below</u> or <u>a</u> facility that is accredited by a state, regional, or national accrediting organization. Virtual tutoring is allowed when provided by a qualified 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 family members is prohibited** – ESA funds cannot be used to hire family members <u>of the qualifying student</u> to provide approved tutoring services.

- **Required credentials** – Account Holders must submit the tutor's credentials when they submit an expense report through the ESA portal. For Account Holders using ClassWallet, this process will be explained later in the handbook. The Account Holder must submit a copy of the actual valid credential.[13] ESA will not accept screenshots[14] or membership cards from the accrediting organization.

- **Expired credentials will not be accepted**. All credentials must be up to date prior to submission to avoid a rejected or disallowed item.[15]

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[12] ESA reserves the right to ask Account Holders to resubmit credentials.

[13] Altering or manipulating any credential may result in termination and/or referral to the SBE, who can refer a fraud or misuse of funds to the Attorney General's Office.

[14] A screenshot, or screen capture, or screen grab, is a digital image that shows the contents of a computer display.

[15] Quarterly funding cannot be disbursed unless the credentials are updated and valid.

Approved Tutor/Teacher Credentials for Core Subjects[16]

<u>Core subjects are grammar, mathematics, science, social studies, and reading.</u> ESA only requires one of the approved credentials, not both. ESA will only accept a copy of the actual valid credential. Copies of credential can be in the form of a photograph, scan, print to PDF, etc. but must me of the actual valid credential, and cannot simply be a screenshot of an online credential. For example, an Account Holder must submit a copy of a teacher's credential provided by the tutor/teacher and may not submit a screen shot of the tutor/teacher's certification status from the Online Arizona Certification Information System (OACIS).

Core Subject Tutoring or Teaching	Approved Credentials
Individual Tutor / Teacher	Bachelor's degree or higher Copy of degree or transcripts (official or unofficial); or State Teaching Certificate[17] Cannot be expired
Tutoring / Teaching Facility	Accreditation by a state, regional, or national accrediting organization

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[16] Core subjects are those required by A.R.S. § 15-2402(B)(1), and include grammar, mathematics, science, social studies, and reading.

[17] State substitute certificates are accepted.

Approved Tutor/Teacher Credentials for Specific Subjects

The following is a list of specific subjects each of which require a specific credential.[18]

Specific Subject	Approved Credentials
Art	Associate degree or higher Credential in the area of instruction (membership cards will not be accepted) State Teaching Certificate in Art
Dance	Associate degree or higher Credential in the area of instruction (membership card will not be accepted) Dance Educators of America Certificate Dance Master of America Certificate National Association of School of Dance Certificate State Teaching Certificate with Dance endorsement
Drama	Associate degree or higher Credential in the area of instruction (membership cards will not be accepted) State Teaching Certificate in Drama
Driver's Education	Teaching Certificate with Driver's Ed endorsement Three semester hour course taken from an accredited institution (submit certificate of completion) 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)

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[18] This is not an exhaustive list; there are many state, regional, or national credentials that may be accepted by ESA.

Specific Subject	Approved Credentials
Foreign Language	Associate degree or higher Credential in the area of instruction (membership cards will not be accepted) State Teaching Certificate in a Foreign Language
Gymnastics	Associate degree or higher Certified Personal Trainer Sports Medicine Endorsement/Certificate State Teaching Certificate with P.E. endorsement USA Gymnastics or related credential
Martial Arts	Associate degree or higher Certified Personal Trainer Sports Medicine Endorsement/Certificate State Teaching Certificate with P.E. endorsement United States Martial Arts Association (USMA) or related credential (membership cards will not be accepted)
Music	Associate degree or higher Credential in the area of instruction (membership cards will not be accepted) State Teaching Certificate in Music
Physical Education	<u>Associate degree or higher</u> Certified Personal Trainer, AIA Training Certificate or NFHS Coaching Certificate w/ DPS Fingerprint Clearance Card State Teaching Certificate with P.E. endorsement Sports Medicine Endorsement/Certificate ~~Bachelor's Degree or higher in P.E. or related field~~

Specific Subject	Approved Credentials
Swimming[19]	American Red Cross Certificate for Lifeguards
	American Red Cross Certificate for Swimming and Water Training
	SWIM USA Certificate
	Water Safety Instruction (WSI) Certificate
Yoga	Associate degree or higher
	Certified Personal Trainer
	Credential in the area of instruction (membership cards will not be accepted)
	Registered Yoga Teacher (RYT) credential
	Sports Medicine Endorsement/Certificate
	State Teaching Certificate with P.E. endorsement

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.

The Department acknowledges that some extracurricular activities may not be offered by the Account Holder's public school even if paying for them. Activities such as chess, home economics, cooking classes, sewing, personal finance, and woodworking classes may be approved if credentials are provided for the individual or facility providing the service. The same can be said of sports. Sports (baseball, football, soccer, basketball, track, etc.) offered through a local league may be approved by the Department if credentials are provided for the league or individual providing the service.

Account Holder's may request approval for Educational summer camps and classes provided by a credentialed individual or facility as long as the camp/class provides educational support in at least the subjects of reading, grammar, mathematics, social studies and/or science. Sports camps are not approved and may not be paid for with ESA monies.

Make sure you obtain a complete invoice from the school, tutor, facility, or league at the time of payment to avoid delays in payments to the vendor or *in your expense reports.*

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[19] At a minimum, the credential must include water safety training.

Some of the specific subjects listed above may require additional fees. ESA funds <u>cannot</u> be used to cover the following:[20]

- Sports uniforms
- Sports competition fees
- Swimsuits, shoes, accessories, and/or competition fees
- Dance attire/costumes, shoes, and/or accessories
- Dance competition fees and/or recital fees
- Gymnastic attire/costumes, shoes, and/or accessories
- Gymnastic competition fees
- Yoga attire, shoes, and/or accessories
- Martial arts uniforms or belt testing/assessment
- Martial arts competition fees
- Membership to gyms or other facilities
- Sports camps (dance, football, gymnastics, martial arts, baseball, etc.)
- Consultation fees
- Tutor prepping and/or planning
- Travel, lodging, and/or food
- Travel, lodging, and/or food for tutor
- Out-of-state educational or therapy camps (summer included)[21]
- Printing and binding (copy services)
- Pool passes
- Event registration fees
- Recreation center passes
- Museum passes (unless associated with a class or curriculum)
- Zoo passes (unless associated with a class or curriculum)

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

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[20] This is not an exhaustive list.

[21] Arizona empowerment scholarship accounts are funded by Arizona state taxpayer dollars and are intended to be spent in the state of Arizona. A.R.S. § 15-2402(A).

Curriculum

A.R.S. § 15-2401(2) defines curriculum as a course of study for content areas or grade levels, including any supplemental materials required or recommended by the curriculum, <u>approved by the Department</u>.

This chapter provides guidance on curriculum and supplemental materials. It is also important to keep in mind that A.R.S. § 15-2402(B)(1) states that a portion of ESA must be used in at least the subjects of reading, grammar, mathematics, social studies, and science.

Approved educational materials:[22][23]

- Reading books
- Educational workbooks
- Educational flash cards
- Educational reference books
- Atlases, dictionaries, thesauruses
- Instructional books
- Audio/digital books
- Globes, maps, periodic tables

- Textbooks
- DVDs, CDs, or USB with curriculum(s) 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

Non-approved materials:[24]

- Toys
- Dolls
- Workshops
- Consumable supplies
- Art supplies
- Educational boxes with no curriculum
- Stickers, non-educational magazines, coloring books

- Room organizers
- Carts, stations, storage carts, cabinets, easels, etc.
- Furniture/bedding
- Amazon Prime fees or similar fees
- Area geographical rugs
- Non-educational CDs or DVDs

Subscriptions to educational kits, boxes, programs, etc. may be purchased for 1 year from the date of purchase only. Please note that each subscription/educational kit or box must include a curriculum.

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[22] No curriculum is required.
[23] See also the ESA webpage for a list of ESA Allowable Items https://www.azed.gov/esa/esa-allowable-items
[24] This list is not exhaustive; the Department reserves the right under statute to not approve items not listed.

Kits offering lifetime access are not necessarily prohibited, so long as the lifetime membership grants access to the content purchased within the contract year, and does not provide new content beyond the term of the contract year within which the subscription/lifetime access was purchased.

Science, Technology, Engineering, and Mathematics (STEM)[25] curriculums are approved, but any supplemental materials that include computer hardware and/or technological devices[26] are not allowed in accordance to A.R.S § 15-2402(B)(6)(a).

Allow 2-5 business days for ESA staff to review, research, and respond to any requests for approval, keeping in mind that lengthier requests may take more time to review.

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[25] This also applies to Science, Technology, Engineering, Arts, and Mathematics (STEAM).
[26] A list of computer hardware and technological devices are on page 23~~19~~ on this handbook.

Tuition or Fees for a ~~Nonpublic~~ Private 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 pay for family memberships or multiple students—only individual student membership for the qualified ESA recipient.

- ESA monies can be used for online programs or online subscriptions for the contract year.

Helpful Hint: When paying for an online program, the Account Holder may make the ESA recipient student the Account Holder and set the billing to either the parent's name OR the parent and student's names (e.g. John Doe—for Billy).

- 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 in the same household, each student's account must be used to purchase their own individual access to online learning program(s).

Services Provided by a Public School

ESA funds may be used 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 may not be purchased with ESA monies.

Please keep in mind that public schools have discretion on whether to accept ESA recipients for such activities, even if ESA funds are being used to pay for the classes or extracurricular activities.

If a public school accepts an ESA student, please make sure that the following is done to avoid suspension of your ESA:[27]

- Make sure the student is not enrolled in the school as a tuition payer code 1 (public schools will understand this terminology). 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 an itemized and complete paid invoice for all activities and/or classes.

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

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[27] Suspension of an account may lead to termination if the Account Holder does not respond to the Department's request.

Fees for Achievement ~~Tests,~~ <u>Tests,</u> ~~and~~ Placement Tests<u>,</u> ~~or~~ <u>and</u> 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 with A.R.S. § 15-2401(4), ESA funds can be used for an eligible post-secondary institution such as:[28]:

- An Arizona community college, as defined in A.R.S. § 15-1401
- A state university that is under the jurisdiction of the AZ Board of Regents
- An accredited private university

ESA funds may be used for textbooks required by the university or college classes, but <u>cannot</u> be used for room and board, meals, meal plans, food, etc.

Dual Enrollment

The term dual enrollment refers to students being enrolled—concurrently—in two distinct academic programs or educational institutions. The term is most prevalently used in reference to high school students taking college courses while they are still enrolled in a secondary school (i.e., a dual-enrollment student), or to the programs that allow high school students to take college-level courses (i.e., a dual-enrollment program). For this reason, the term early college is a common synonym for dual enrollment.

ESA funds may also be used to pay for dual enrollment at a university or college.

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[28] A student who is attesting for additional K-12 support cannot use ESA monies for only post-secondary tuition unless they are dually enrolled. A student who is using ESA monies for post-secondary tuition is considered an Exited Student and is not eligible to receive additional K-12 monies.

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:[30]

Disallowed Spending Categories	Description
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, art kits without a curriculum, etc.
Computer hardware & other technological devices[31]	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, Wi-Fi, internet, software, etc.

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[29] Suspension of an account may lead to termination if the Account Holder does not respond to the Department's request.

[30] This list is not exhaustive; the Department reserves the right under statute to not approve items not listed

[31] Students with a disability may utilize ESA funds for assistive technology as described in the following section.

Disallowed Spending Categories	Description
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 monies[32]:

- Bicycles
- Gym equipment
- Climbing equipment
- Electronics
- Kitchen supplies
- Play equipment
- Playgrounds
- Swimming pools
- Gardens
- Weapons
- Live animals

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[32] This is not an exhaustive list.

Approved Spending Categories for Students with a Disability

For students who qualify ~~Pursuant to A.R.S § 15-2402(B)(4)(c) and in accordance with A.R.S § 15-2401(7)(a)(i) through (iv), if the student qualified~~ for the ESA program as a child with disability through a ~~current~~ special education evaluation[33] or individualized education program (IEP) from an Arizona public school district or charter school, the qualified student is eligible for additional services, therapies, paraprofessional services, associated goods, and tuition for vocational and life skills as approved by the Department.[34] Parents with a student who qualified for the ESA program under a section other than "child with a disability," but believe their student may have a disability, should seek an evaluation from their home district. Once they have obtained a current special education evaluation from an Arizona public school district, the parent should then contact ESA to update their student's category of eligibility on the ESA program.

Educational Therapies and Services

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

- Legible

- Not expired

- Issued by an accredited board – must be provided by the therapist/provider - screenshot from a website will not be accepted

Below is a list of currently approved therapies:[35]

List of Approved Therapies

Therapy	Accreditation
Applied Behavior Analysis (ABA) and Verbal Behavior Analysis Cognitive Behavioral Therapy and Play Therapy	BCBA (Board Certified Behavioral Analyst) BCBA-D (Board Certified Behavioral Analyst – Doctorate) BCaBA (Board Certified Assistant Behavioral Analyst) Licensed psychologist or counselor
Aquatic Therapy	Aquatic Physical Therapy license Occupational Therapy license Physical Therapy license

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[33] School Districts sometimes refer to special education evaluations as a Multidisciplinary Evaluation Team (MET) report.
[34] Pursuant to A.R.S § 15-2402(B)(4)(c) and in accordance with A.R.S § 15-2401(7)(a)(i) through (iv). The qualified student must have had a current IEP or special education evaluation on file at the time of their application for the ESA program.
[35] This is not an exhaustive list.

Therapy	Accreditation
Art Therapy	American Art Therapy Association (AATA)
	Occupational Therapy license
	Physical Therapy license
Equine Therapy; Hippotherapy; Therapeutic Riding	Certified Horsemanship Association
	Certified Therapy Horse Association (CTHA)
	Equine Therapy Association (ETA)
	Equine Assisted Growth and Learning Association (EAGALA)
	National Association of Certified Professionals of Equine (NACPET)
	North American Handicap Riding Association (NAHRA)
	Occupational Therapy license or OT assistant license
	Physical Therapy license or PT assistant license
	Professional Association of Therapeutic Horsemanship International (PATH)
	Recreational Therapy Certificate
Hand Therapy	Occupational Therapy license or related therapy credential
	Physical Therapy license; PT assistant; OT assistant
Music Therapy	American Music Therapy Association (AMTA)
	Certification Board for Music Therapists (CBMT)
Occupational Therapy (OT)	Occupational Therapy license (OT assistants are approved)
Physical Therapy (PT)	Physical Therapy license (PT assistants are approved)
Recreational Therapy	American Therapeutic Recreation Association (ATRA)
	National Council for Therapeutic Recreation Certification (NCTRC)
	Recreational Therapy License

Therapy	Accreditation
Relationship Development Intervention (RDI) Therapy	BCBA (Board Certified Behavioral Analyst or Doctorate) BCaBA (Board Certified Assistant Behavioral Analyst) Licensed Psychologist and counselor RDI certificate Registered Behavior Technician (RBT)
Social Group Therapy	Certification in Cognitive-Behavioral Therapy (CBT) Licensed counselor Psychologist license School counselor or special education teacher (certified) Social Work Counselor Certificate Speech therapy or Occupational therapy license
Speech Therapy	Speech Language Pathologist Therapy license (SLP assistants are approved)
Vision Therapy	Optometrist (pediatric, behavioral or developmental)

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

- Late appointments

- Cancelled appointments

- Missed appointments

Fees for late, cancelled, or missed appointments that are charged to an ESA account 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 who are not identified as a student with a disability are not authorized to use ESA monies for therapies. A student must have an evaluation (MET), IEP, or 504 plan issued by an Arizona public school on file with ESA prior to paying for these services with ESA monies.

Account Holders may request approval for spending with a provider whose credential is not listed through the ESA parent portal HelpDesk at https://helpdesk.azed.gov/app/itdesk/HomePage.do. ESA staff take an average of 2-5 business days to review, research, and respond.

List of Non-Approved Therapies

Not Approved Therapies and Services		
Massage Therapy	Psychiatrists	Dental Exams or Services
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 a special education evaluation or IEP must be "educational therapies."[36] Medical co-pays, insurances, deductibles, or any forms of medical insurance <u>cannot</u> 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.[37]

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[36] A.R.S. § 15-2402(B)(1)(c)(i) specifies monies may be used for "educational therapies from a licensed or accredited practitioner or provider."

[37] A.R.S. § 35-146 requires that funds recovered by an agency, here ADE, "shall be promptly remitted to the state treasurer" (subsection (A)) and "shall be credited to the state general fund, unless otherwise prescribed by law" (subsection (B)).
A.A.C. R7-2-1509(C) provides, in relevant part, that "[i]f the Department determines the documentation fails to demonstrate the expense is allowable or that the parent was victim to identity theft or fraud, the Department shall provide notification to the parent that the amount must be repaid. The Department shall withhold the disbursement of any additional ESA funds until repayment is made."

Associated Goods and Assistive Technology

In accordance with A.R.S § 15-2402(B)(4)(c)(iv), a qualified student with a disability who has an Arizona evaluation (MET), IEP, or 504 plan on file may be able to use ESA monies to purchase associated goods and services, including educational and psychological evaluations, assistive technology rentals, and braille translated goods and services approved by the Department.

A.A.C. R2-7-1505 states that associated goods may include computer hardware or technological devices that assist in accessing educational materials or services that are associated with the qualified student's needs.

Account Holders who are seeking to use ESA monies for an associated good or service must provide the ~~ADE~~ Department ~~one of the following:~~ with documentation of the special education course of study, service, or other educational need with which the good or service is associated.

~~● Special education course of study, service, or educational need that the service is associated with.~~

~~Account Holders must provide the ADE with documentation linking the associated good with the special education need. Acceptable documentation includes:~~

~~● A most recent evaluation (by public school or an independent evaluator)~~

~~Recommendation from a qualified special education professional with a valid credential~~

Account Holders may provide the Department with the most current IEP, evaluation, or a letter from a qualified service provider but are not advised to contact their Districts seeking to update or change their students' individualized education programs (IEP) or request special education reevaluations in order to make ESA purchases.

Failure to meet the above requirements under A.A.C. R7-2-1505 (B)(4) when attempting use ESA funds to purchase computer hardware or technological devices will result in a disallowed purchase. If the purchase of an "associated good or service" has been disallowed due to the insufficient provision of documentation under A.A.C. R7-2-1505 (B)(4), a parent may resubmit the purchase with sufficient documentation to have it approved.

When submitting your documentation, please highlight or mark the area(s) that you feel the requested associated good will assist the educational need(s) of your child.[38] All requests for approval on associated goods must be made to https://helpdesk.azed.gov/app/itdesk/HomePage.do. Please allow 2-5 business days for a response from the ESA Accounts Team, keeping in mind that some requests may take longer. If this is the case, your assigned Account Specialist for your request will communicate the timeframe to you via email.

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[38] Examples of special education qualified professionals may be found at
https://www.azed.gov/sites/default/files/2018/02/Revised%20QP%20List%208%2027%2018.pdf?id=5a8334f03217e1105cc4b9bc

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 students.

In accordance with A.R.S. § 15-2402(B)(4)(c)(iv), students with a disability identified by the public school through an special education evaluation (MET), or IEP (documentation must be on file with ESA) may use ESA monies to obtain a private psycho-educational evaluation.

The Department will not accept private evaluations for the purpose of updating your child's disability category or funding. See "Change in Disability Category" to learn how to update a student's disability category.

Paraprofessionals or Educational Aides

Paraprofessionals and aides are an approved expense for students with disabilities.[39] 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 there are different requirements for their 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 *Official scores must be submitted; ESA will not accept proof of passing or unofficial scores*	ACT Workkeys ParaEducator Praxis ParaPro

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[39] IEP or a special education evaluation through a public school must be on file with ESA.

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 program is the building block that allows students to apply knowledge they acquire to real problems and situations. It is a form of education that encourages students to effectively transition into adulthood by helping students to develop sound judgment and good habits for long-term stability, wellness, and success.

Combined, both vocational and life skills education programs are designed to help a student develop skills or interest in technical, trade, or craft-like careers while 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:

- Career and Technical Education Districts (CTEDs)
- Trade schools
- Community colleges
- Vocational schools

Additional Information for Parent of a Student with a Disability

It is important to understand that the decision to participate in the ESA program means your child will not have the same protections under the Individuals with Disabilities Education Act (IDEA) (the federal law governing Special Education) as a publicly enrolled student with a disability. Nevertheless, children with disabilities who attend private schools through the ESA program may still receive certain services from their district of residency, as described below.

Child Find

In Arizona, public schools are responsible for identifying all children with disabilities within their geographic boundaries,[40] including children with disabilities who are attending private schools and those who are homeschooled. A.A.C. R7-2-401(D)(1). This is known as "Child Find." 20 U.S.C. § 1412(a)(3); 34 C.F.R. § 300.111(a).

When an Account Holder enters into a contract with ADE, they agree to release the school district or charter school from all obligations to educate the ESA student. However, under the IDEA a public school retains its responsibility to evaluate a student upon receiving a written request from the student's parent or guardian.

ESA does not require a new special education evaluation if one is already on file. If the parent or guardian of an ESA student believes their child needs to be evaluated, they may refer to the table below to determine which public school is responsible for performing the evaluation. ESA students without a disability cannot use ESA monies to pay for a private special education evaluation. ESA students who qualified for the ESA program as a student with a disability (under A.R.S. §15-2401(7)(a)(i)- (iii) may use ESA monies to pay for a private special education evaluation. *See* A.R.S. § 15-2402(B)(4)(c)(iv).

Child's Current Placement	Responsible Public School
Home Schooled Student(s)	The school district in which the private school is located. A.A.C. R7-2-401(D)(4)(b); A.R.S. § 15-763(C).
Non-Profit Private School	The school district in which the private school is located. A.A.C. R7-2-401(D)(4)(b).
For-Profit Private School	The school district in which the parent resides. Letter to Chapman, 49 IDELR 163 (OSEP 2007).

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[40] Charter schools are responsible for child identification activities for students enrolled in the charter school. A.A.C. 47-2-401(D)(4)(a). Charters schools are not, however, responsible for outreach under the Child Find regulations because they have no specific geographic boundaries.

Proportionate Shares & Equitable Services

Children with disabilities who attend private schools (with or without an ESA) are considered parentally-placed private school children with disabilities. While these students do not have "an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school,"[41] they might still be entitled to receive some special education and related services provided by the school district under the IDEA's proportionate share provisions.[42]

Accordingly, ESA students with disabilities who attend non-profit private schools or who are home schooled may be eligible for some services through their school district.[43] For information on these services, please visit the ESS website at: https://www.azed.gov/specialeducation/program-management-proportionate-share/.

Parents may choose not to participate in proportionate share services offered from a local LEA through the Child Find process but should be aware that this may be an option. Accepting or rejecting this process has no bearing on your ESA contract or eligibility.

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[41] 34 C.F.R. § 300.137(a).

[42] See 34 C.F.R. §§ 300.130 through 300.144.

[43] Federal law does not allow public school districts and charter schools~~local LEAs~~ to consider parentally-placed private school children with disabilities who attend private schools through a state-funded voucher or scholarship program (such as Arizona's ESA program) differently from other parentally-placed private school children with disabilities for the purpose of providing equitable services. 34 C.F.R. § 300.132(a).

Change in Disability Category

A student's ESA contract is renewed on a yearly basis, notwithstanding any changes to their evaluation. Meaning if the student has a special education evaluation on file with the ESA program, ADE will not require you to submit a new evaluation. If your child's disability category changes while your child is enrolled in the ESA program, ADE will require your most recent public school evaluation to be on file to update eligibility. If you wish to have your child re-evaluated to update their current educational needs, please make a written request to the appropriate public school. Some important things to keep in mind if you request an evaluation:

- 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.

- If you have questions about who may be responsible for the evaluation or reevaluation of your child, please contact Exceptional Student Services (ESS) at 602-542-4013.[44]

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 who are not identified as a child with a disability by a public school through an evaluation (or IEP) are not entitled to spend ESA funds on educational therapies, paraprofessional services, tuition for vocational and life skills education, educational and psychological evaluations, assistive technology rentals, braille translation, or associated goods.[45]

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 old on or before September 1st, a special education re-evaluation conducted by the appropriate public-school district must be submitted to ensure ESA can appropriately identify and fund your child's age-appropriate disability category. While you may renew your ESA contract prior to the re-evaluation, ESA must receive this re-evaluation to provide funding that accurately reflects your child's current age-appropriate disability category.

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[44] ESS is a unit within ADE that ensures that public education agencies in Arizona have special education programs, policies, and procedures that comply with the federal Individuals with Disabilities Education Act (IDEA) and its implementing regulations, and that eligible children and youth with disabilities receive a free appropriate public education (FAPE). ESS provides professional learning opportunities, provides technical assistance to schools, supports the needs of families of students with disabilities, monitors schools for compliance with the regulations that implement the IDEA, and administers the IDEA Entitlement grant. https://www.azed.gov/specialeducation

[45] Please see the "Associated Goods" section at page 25 for more information.

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 after their 12th grade year. Any Account Holder who asserts that their child continues to need a K-12 education but 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 only provide a post-secondary education while attesting that their student continues to need a K-12 education. If an Account Holder is found attesting to need additional funds while providing only post-secondary education, their ESA 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.

~~ESA Prepaid Bank Cards and~~ ClassWallet Virtual Accounts

Chapter 3: ~~ESA Prepaid Bank Card and~~ ClassWallet Virtual Accounts

Once accepted into the ESA program, monies awarded to students are entrusted to the Account Holder in ClassWallet or in the form of a prepaid bank card.[46] The prepaid bank card and ClassWallet can only be used to educate the qualified student. For parents who have multiple students on the ESA program, and who are still using the prepaid bank card, make sure the card assigned to that student is used for that student only to avoid any issues down the road.

ESA Prepaid Bank Card

For families who continue to have a prepaid bank card, we recommend that you set up online banking to track all spending, access 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 and transaction information. At this time, ESA staff is not notified when quarterly monies are made available.

Actions to Avoid

No cash withdrawals, cash advances, or cashier checks can be issued with your ESA bank card. Any Account Holder attempting to make a cash withdrawal will have their ESA card immediately suspended. The Department will issue a 10-day suspension letter stating the reason for the suspension to the Account Holder via email. The Account Holder will then have 10 days in which to respond and/or take action. Failure to contact the Department by the date on the letter may result in termination of the ESA.

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 gas station, post office, grocery store, Walmart, Target, Walgreens, retail store, restaurant, nail salon, pet store, etc. — will have their ESA card immediately suspended. The Department will issue a 10-day suspension letter stating the reason for the suspension to the Account Holder via email. The Account Holder will then have 10 days in which to respond and/or take action. Failure to contact the Department by the date on the letter may result in termination of the ESA.

Allowable Forms of Payment for ESA Card

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[46] New ESA Account Holders will not receive a prepaid card, new accounts are set up in ClassWallet.

As mentioned earlier, ESA does not allow a parent to withdraw cash, request a cash advance, or obtain cashier's checks with an 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. The Department is unable to reimburse parents who have a prepaid card for ESA expenses paid using personal funds.

ESA cards can only be used the following ways:[47]

- 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 have their ESA bank card immediately suspended. A 10-day suspension letter stating the reason for the suspension will be sent to the Account Holder via email. Failure to contact the Department by the date on the letter may result in termination of the ESA.

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 should have a signed agreement with the private school and/or vendor.

About ClassWallet (CW)

ClassWallet is a third-party vendor that administers ESA funds in a virtual account. Once a student is accepted into the ESA program, monies awarded to students are entrusted to the Account Holder in a virtual account administered by ClassWallet. In 2019, the Arizona Treasury Department was mandated by state law to acquire a new banking system for the management of ESAs. ClassWallet's platform is designed to make the handling of your ESA(s) more accountable and efficientstreamline and automate the spending and tracking of ESA funds. The ClassWallet platform allows you ESA Account Holders to manage payments to schools, providers, and vendors.

Any familiesExisting Account Holders with a Bank of America prepaid bank card will be migrated to ClassWallet by July 1, 2021; communication will be sent via email.

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[47] ESA monies can be used to cover any processing fees associated with this form of payments.

Establishing a ClassWallet Account (What to Expect)

ClassWallet typically takes between 10-14 business days to establish (set up and fund) an account.[48] Once the account is set up, ESA requests quarterly funds from the Treasurer's Office. Upon approval by the Treasurer's Office, the treasury will release the funds to ClassWallet for disbursement. ClassWallet will send an email to ESA families letting them know when their funds are available.

Accessing Your ClassWallet Account

Account Holders can access their student's ClassWallet account via the ESA Applicant Portal. Once logged in, click the blue button *Go To ClassWallet Account*. The link will take you directly to ClassWallet. If you have multiple students within the ClassWallet platform, you may login once and toggle between your children's ClassWallet accounts, as needed.

The following link, https://kleo.force.com/classwallet/s/article/Switching-between-sub-accounts-parents-with-multiple-children, provides you step-by step instructions on toggling between accounts.

Contacting ClassWallet

Families can access FAQs, view on-demand videos, call, email, or chat with a live support member Monday through Friday 8 AM to 8 PM and Saturday 10 AM to 4 PM Eastern time. ClassWallet can be reached at 1-877-969-5536 or via email at help@classwallet.com. Additional information can also be found here.

Four Ways to Use Your ESA Funds in ClassWallet

ClassWallet offers four different ways to make purchases or payments on their platform: Marketplace, Pay Vendor, Debit Cards, and Reimbursement, and Concierge Service.

Marketplace: Parents can place orders with various online vendors within the ClassWallet Marketplace. Upon approval, all orders are shipped directly to your home.[49] For more information regarding the Marketplace, please visit: https://kleo.force.com/classwallet/s/article/How-to-shop

Pay Vendor: If your private school and/or providers are registered in ClassWallet, you can find them

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[48] Accounts may take a bit longer during a holiday or unforeseen circumstance such as a pandemic, natural disasters, etc.
[49] Make sure your address is up to date in both the ESA Portal and ClassWallet. Address updates can be made with your ESA Account. Updates to your ClassWallet account will need to be made to ClassWallet at help@classwallet.com.

in the Pay Vendor located on the homepage of your ClassWallet account. This functionality allows you to make direct payments to Department approved private schools/providers/vendors.

You will need to upload a complete invoice (see page 5239) for Pay Vendor transactions. You will not be required to provide any credentials for the providers in Pay Vendor as they are already registered and approved in ClassWallet. Please visit: https://kleo.force.com/classwallet/s/article/Pay-a-DirectPay-Vendor for additional information on Pay Vendor.

Debit Card: Account holders can use a debit card to make purchases at vendors and service providers not currently registered in the ClassWallet Marketplace or as a Pay Vendor.

For each transaction, you will need to obtain a complete invoice or itemized invoice and upload it into the ClassWallet platform. Invoices (or receipts) associated with debit card transactions can be uploaded after each purchase, and Account Holders must upload them after every 20 transactions to continue making purchases with the debit card.

Reimbursement: If a particular educational vendor is currently not available in one of the ways listed above within ClassWallet, you may be eligible for the reimbursement option. To receive a reimbursement, you will need to link and verify your bank account in ClassWallet. If you have multiple children in ClassWallet, you will only need to link your bank account one time. ClassWallet with verify the account by sending micro deposits.

Once ClassWallet verifies your account, it will take approximately 24 hours to link your bank account to ClassWallet, at which point you will be able to request reimbursement(s). For more information, please see: https://kleo.force.com/classwallet/s/article/How-to-link-your-bank-account. Please keep in mind that reimbursement will not be allowed for vendors, providers, or schools in the Marketplace or Pay Vendor.

Deadline for ClassWallet Reimbursements

Quarter	Purchasing Dates	Deadline to Submit Reimbursement
1	July 1-September 31	October 30
2	October 1-December 31	January 30
3	January 1-March 31	April 30
4	April 1-June 30	July 30

Payments to Schools and Providers

Once payment is submitted and approved by ESA staff, payment to the providers and schools will be released by ClassWallet. Schools and providers typically receive payment within 2-5 business days, in some instances could take up to 10 business days. Schools and providers receive a list of their students showing payment date and amount.

If payment is made to the incorrect provider or school, we ask that you contact ESA immediately at esaclasswallet@azed.gov and ClassWallet at help@classwallet.com.

If a provider or school receives payment for a student that is not attending or receiving services, that provider or school must refund the Department. The check must be payable to Arizona Department of Education and mailed to: Arizona Department of Education, 1535 W. Jefferson St. Bin 41 (ESA), Phoenix, AZ 85007. To expedite your refund, please include the student's name. Once payment is received, ESA will refund the monies back into the student's ClassWallet. Refunds to ClassWallet account take 3-5 business days.

Registration in ClassWallet (Vendors, Providers, Schools)

Your child's private school or provider(s) must be registered in ClassWallet in order to make payment to them. We recommend that you check with the school or provider to see if they are registered. A school, provider and/or vendor can register in ClassWallet by using this link: Service Provider Pre-Registration. If your provider(s) or school has not registered in ClassWallet and needs information on how they can register, please contact ClassWallet at help@classwallet.com or 1-877-969-5536.

ClassWallet charges a 2.5% processing fee to its vendors, providers, and schools, and not directly to the ESA Account Holder. However, the vendor has discretion to charge Account Holders a processing fee to offset this expense.

ClassWallet Prepaid Debit Cards

ClassWallet offers a prepaid debit card to provide additional flexibility for making purchases outside of the platform. Account Holders can opt into the debit card feature by requesting a card in the ESA portal. Account Holders who request a debit card will be issued a Sunrise Bank Mastercard by ClassWallet. Cards are shipped directly to the Account Holder's address and provided within 5-7 business days. The card will include the first and last names of the Account Holder and the student the account is associated with.

The card debits against the Account Holder's virtual wallet balance. Account Holders can view debit card transactions, upload receipts into the platform and associate receipts with specific debit card charges. Users can upload receipts using the ClassWallet mobile application and camera phone, or a desktop.

If at any time the debit card feature is suspended, an Account Holder can continue to make purchases against their account balance using the Marketplace and Pay Vendor features.

Allowable Forms of Payment for ClassWallet Debit Card

ESA cards can be used the following ways:[50]

- Point of Sale (swiping the card or manually inputting card number)
- PayPal
- Square

The use of VENMO is strictly prohibited. Any Account Holder found using VENMO will have their ClassWallet debit card immediately suspended. A 10-day suspension letter stating the reason for the suspension will be sent to the Account Holder via email. Failure to contact the Department by the date on the letter may result in termination of the ESA.

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

ClassWallet Terms and Conditions

The debit card feature is intended for purchases made at vendors and providers not registered in the ClassWallet platform. The debit card cannot be used for tuition payments made to in-state private K-12 schools that are registered in the ClassWallet platform. Account holders must agree to ClassWallet's debit card Terms and Conditions to access the feature. Failure to comply may result in suspension of debit card privileges.

Prohibited Use

Debit cards will be suspended for:

- Failure to upload receipts after 20 consecutive transactions
- Attempted cash withdrawal from ATM and POS
  - Cash withdrawals, cash advances, or cashier checks are prohibited with your ClassWallet debit card. Any Account Holder attempting to make a cash withdrawal will have their ClassWallet debit card immediately suspended. The Department will issue a

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[50] ESA monies can be used to cover any processing fees associated with this form of payments.

10-day suspension letter stating the reason for the suspension to the Account Holder via email. The Account Holder will then have 10 days in which to respond and/or take action. Failure to contact the Department by the date on the letter may result in termination of the ESA.

- Attempted purchases at restricted merchants

  - 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 gas station, post office, grocery store, Walmart, Target, Walgreens, retail store, restaurant, nail salon, pet store, etc. — will have their ClassWallet card immediately suspended. The Department will issue a 10-day suspension letter stating the reason for the suspension to the Account Holder via email. The Account Holder will then have 10 days in which to respond and/or take action. Failure to contact the Department by the date on the letter may result in termination of the ESA.

- Non-compliance with the ClassWallet Terms and Conditions

Contacting ClassWallet

Families can access FAQs, view on-demand videos, call, email, or chat with a live support member Monday through Friday 8 AM to 8 PM and Saturday 10 AM to 4 PM Eastern time. ClassWallet can be reached at 1-877-969-5536 or via email at help@classwallet.com. Additional information can also be found here.

Deadline for ClassWallet Reimbursements

Quarter	Purchasing Dates	Deadline to Submit Reimbursement
1	July 1-September 31	October 30
2	October 1-December 31	January 30
3	January 1-March 31	April 30
4	April 1-June 30	July 30

Chapter 4: Expense Submissions

When an ESA parent enters into contract with the Department, a parent is responsible and required to report all expenses made ~~on~~ with ~~the~~ ESA ~~bank card quarterly~~ funds. Quarterly ~~e~~Expense reports are required for Bank of America card holders only and are submitted via the ESA Portal at: https://www.azed.gov/esa/portal/.   ClassWallet Account Holders will only submit in ClassWallet; more on this later in this chapter.

To maintain your child's ESA program eligibility 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 particular quarter, **you are still required to attest that no spending was made in the ESA portal** [51]

The Department is authorized to audit all expenditures and may request further information if needed from the Account Holder at any time[52]. Quarterly disbursements will not be released until your expense report is submitted and approved.

-The Department will provide annual notice to each parent of when and how the Department will conduct reviews of expenses and audits, pursuant to AAC R7-2-1508(B).

Note on Quarterly Expense Reports and the Expense Report Portal: Bank of America debit cards will be completely phased out by July 1, 2021. All policies and procedures related to the associated quarterly expense reporting in the ESA Expense Report Portal are in effect through Q1 of school year 2021-2022 for Bank Of America card holders only. All transactions made after July 1, 2021 will be managed in the ClassWallet portal and will not require expense reporting through the ESA Expense Report Portal.

ESA Expense Report Portal

The ESA Expense Report Portal is designed to allow Account Holders to submit all expenses, including invoices and/or credentials at one time. The system auto populates bank information, including the total dollar amounts paid, while you need to provide the complete invoices, credentials, and any supporting documentation for each payment 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.

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[51] A.A.C. R7-2-1508(J) does not waive the Account Holder's obligation to submit an attestation for "no expense" quarters to the Department, attesting no ESA funds were spent during the quarter.

[52] A.R.S. § 15-2403(B), A.A.C. R7-2-1508(A)

Required Documents for Expense Reports (~~Bank~~ Debit 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 required credentials and complete (detailed) invoices for online programs, curriculums, 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. 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 facility
3. Date
4. Rate amounts/type of service(s)
5. Total amount charged to the card- this is the same dollar amount shown on the line item

Handwritten receipts, credit card slips, or summary statements from vendors and/or providers will NOT be accepted. It is important to look at the invoice to make sure all the required information is provided before submitting it with your expense report.

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 your expense reports remain un-submitted or rejected by the start of the new quarter, your ESA will be suspended. A 10-day suspension letter stating the reason for the suspension will be sent to the Account Holder via email. Failure to contact the Department by the date on the letter may result in termination of the ESA.

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 of 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 category is to be used for all online programs and online private schools along with any fees or textbooks required by those programs and/or schools.

Postsecondary Institution (College)-this category is to be used 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 to be used to expense payments to private schools. This includes services provided by the private school—such as therapies or aides (for students with a disability only) —and tutoring. 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 9 for guidance)—textbooks, and uniforms.

Reading Books-this category is to be used for reading books only. Please do not expense curriculum or supplemental materials under this category.

Report Fraudulent Charges-this category is to be used for reporting any charges that were not made by the Account 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 to be used for reporting any charges that you made on accident or that you think 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 re-categorize and submit additional documents, if needed.

Services by a Public School-this category is to be 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 category is to be used 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 category is to be used for services for core and specific subject tutoring. This expense will require a credential for each tutor or instructor used (please refer to Approved Credentials sections beginning on page 14~~12~~ for guidance).[53]

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

Additional Expense Categories for Students with a Disability (ESA Portal)

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

Assistive Technology Rental (AT)-this 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.

Associated Goods-this category is to be used for the purchase of approved low- or high-tech goods or items.[54]

Braille Translation Services-this category is to be used for any goods and services associated with braille translation

Educational and Psychological Evaluations-this category is to be used 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 to be used for services provided by an OT, PT, speech, etc. Please remember that if the provider has a <u>license to practice therapy</u>, they are expensed under this category; if not, they cannot be expensed here.[55]

Paraprofessional Services-this category is to be used for a paraprofessional or aide who is <u>assisting</u> you or the tutor/instructor with core subjects. A valid credential is required (please refer to page 32~~26~~ for guidance).

Vocational/Life Skills Education-this category is to be used for any expense related to paying tuition at a facility or school for vocational (such as Career and Technical Education Districts, East Valley Institute of Technology, 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.

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[54] Refer to page ~~25~~29 for associated goods.
[55] Refer to page ~~22~~25 for therapies.

ClassWallet Accounts

Schools 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 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 following[56]:

1. Student's name

2. Name of the private school

3. Date

4. What ESA monies are paying for (tuition or fees)

5. Total amount requested for payment[57]

Invoices from your **providers** must include all of the following[58]:

1. Student's name

2. Name of provider or facility

3. Date

4. Rate amounts/type of service(s)

5. Total amount requested for payment[59]

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

ClassWallet offers FAQs: 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.

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[56] If any required information is missing, your invoice may be rejected.
[57] If the amount requested exceeds the amount on your invoice, it will not be approved, and a new invoice will be needed.
[58] If any required information is missing, your invoice may be rejected.
[59] If the amount requested exceeds the amount on your invoice, it will not be approved.

ClassWallet Expense Categories

~~Just like the ESA portal for expenses, ESA also requires that each expense in ClassWallet be categorized.~~Each ESA expense needs to be categorized in ClassWallet. Use the correct category to avoid rejection and delayed payment(s).

Curricula - this category is to be used for purchased curricula or courses of study. Please do not use this category for reading books.

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

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

Postsecondary Institution (College)-this category is to be used 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 Related Expenses-this category is to be used for paying private schools. This includes services provided by the private school such as therapies or aides (for students with a disability only) and tutoring. 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 9 for guidance)—textbooks, and uniforms that are paid for through the school.

Reading Books-this category is for reading books only. Please do not expense curriculum or supplemental material under this category.

Services by a Public School-this category 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.

Supplemental Material-this category is to be used for supplemental material(s) required or recommended by the curriculum that enhance, support, extend, or enrich the curriculum.

Tutoring Services (core subjects: grammar, math, science, social studies, reading)-this category is for services for core subject tutoring. This expense will require a credential for each tutor or instructor used (please refer to page ~~12~~14 for guidance).

Tutoring Services (specific subjects: PE, music, art, gymnastics, karate, etc.)- this category is for services for specific subject tutoring. This expense will require a credential for each tutor or instructor used (please refer to the Approved Credentials section beginning on page ~~12~~15 for guidance).

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

Additional Expense Categories (Students with a Disability Only)

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.

Associated Goods-this category is to be used for the purchase of approved low- or high-tech goods or items (please refer to page 2925 for guidance).

Braille Translation Services-this category is to be used for any goods and/or services associated with braille translation.

Educational Psychological Evaluations (students with a disability only)[60]-this category is to be used 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)[61]-this category is to be used for payments for services provided by an OT, PT, speech, etc. (please refer to the Approved Therapies section beginning on page 2622 for guidance). Please remember that if the provider has been pre-approved as a therapist, they are categorized under this category.

Paraprofessional Services-this category is to be used for a paraprofessional or aide who is assisting you or the tutor/instructor with core subjects. A valid credential is required (please refer to page 3226 for guidance).

Tuition for Life Skills/ Vocational-this category is to be used for any expense related to paying tuition at a facility or school for vocational (such as Career and Technical Education Districts, East Valley Institute of Technology, 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.

Expense Reporting Requirements

ESA requires Account Holders to submit a complete expense report for all purchases/payments made during each quarter in the ESA Portal. Account Holders are required to either make purchases/payments or attest to no expenses. Failure to submit a quarterly expense report for purchases/payments (pre-paid card account holders only), make a quarterly payment/purchase in ClassWallet, or failure to attest to no expenses may lead to removal from the program. An Account Holder who fails to submit an expense report, or make a payment/purchase in ClassWallet or attest to no expenses will be notified via email of this deficiency, the day after the expense report was due, and will be given 10 business days to submit their complete expense report or attest to no expenses. If an expense report is not submitted, and you do not attest to no expenses within the 10-business-day period, a termination letter will be sent.

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[60] Identified by a public school and have an evaluation or current IEP on file with ESA at the time of services.

[61] Identified by a public school and have an evaluation or current IEP on file with ESA at the time of services.

Schedule (Deadlines) for Submitting Expenses

To continue eligibility on the ESA program and receive quarterly disbursements, an expense report of purchases or ClassWallet payment/purchase must be submitted and approved.[62] If no expenses were made during a quarter, you must attest by:

- ESA Portal: select "No Expenses" and attest

- ClassWallet, select "No Expenses" and attest

Quarter	Disbursement	Expenses Due Date (ESA Portal or ClassWallet
1	July 15-July 30	On or before September 30
2	October 15-October 30	On or before December 31
3	January 15-January 30	On or before March 31
4	April 15- April 30	On or before June 30

ESA sends frequent notification emails during a quarter reminding Account Holders to submit their quarterly expense report. Please make sure that your email is current and that our emails are not going to your spam/junk folder.

Expense Reporting Requirements

ESA requires Account Holders to submit a complete expense report for all purchases/payments made during each quarter in the ESA Portal. Account Holders are required to either make purchases/payments or attest to no expenses. Failure to submit a quarterly expense report for purchases/payments (pre-paid card account holders only), make a quarterly payment/purchase in ClassWallet, or failure to attest to no expenses may lead to removal from the program. An Account Holder who fails to submit an expense report, or make a payment/purchase in ClassWallet or attest to no expenses will be notified via email of this deficiency, the day after the expense report was due, and will be given 10 business days to submit their complete expense report or attest to no expenses. If an expense report is not submitted, and you do not attest to no expenses within the 10 business day period, a termination letter will be sent.

Incomplete Expense Reports (ESA Portal Only)

There may be times that an expense report is submitted with missing documentation, incorrect documentation, or no documentation. The expense report will be rejected, and you will be given 10-business days to fix the deficiency. If the rejection is not corrected, a termination letter will be sent.

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[62] Any unused ESA monies roll-over on a quarterly basis from year to year.

You are required by law to spend a portion of ESA funds within each 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 subjects of reading, grammar, mathematic, social studies, and science, ESA will send a 10-day suspension letter to you via email stating the reason for the suspension. Failure to contact the Department by the date on the letter may result in termination of the ESA.

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.[63] Spending any ESA monies in a category disallowed under the ESA contract, Arizona statute, or this handbook may result in suspension of your ESA and the reimbursement of the amount.[64]

Suspension of ESA Account

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 10 business days[65] to provide ESA with documentation to show any error or to submit repayment of the disallowed/misspent ESA funds.

Termination of ESA Account

If, within the 10 business days of notification, the Account Holder has not contacted ESA, a termination letter with the right to appeal will be emailed. Additional information on the ESA Appeals Process and how to file an appeal are posted at: https://azsbe.az.gov/empowerment-scholarship-account-esa-program.

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 is closed, and unused funds will be deposited back into the State's general fund. Any disallowed, misspent, or un-submitted expenses will be sent to the Attorney General's Office for collection, fraud investigation, 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 re-activated within 1-3 business days. *See* Chapter 8: Quick Reference for how to contact an ESA Specialist.

If the Department determines the documentation fails to demonstrate the expense is allowable or that the parent was a victim to identity theft or fraud, the account will remain suspended and no quarterly funds will be disbursed until the amount is repaid. *See* A.A.C. R7-2-1509(C). Once payment is received, the bank card or ClassWallet account will be re-activated within 1-3 business days.

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[63] These cases are automatically referred to the Attorney's General Fraud Unit.

[64] Payments submitted to the ADE are deposited in the State's general fund.

[65] Not including weekends or holidays.

Repayment Plans

In the case that a repayment plan is needed, the Department offers plans of up to six months.[66] 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 between the Account Holder and ADE will be created by the Attorney General's Office.

- The agreement will specify the terms and the amount owed monthly.

- Your bank or ClassWallet 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.

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[66] No quarterly funds will be disbursed until the final payment is collected.

Contracts to Renew Your ESA and Exiting ESAHow to Exit ESA

Chapter 5: Renewing ESA 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;[67] 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, the Department will assume that you are no longer interested in renewing, and your ESA 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.[68]

~~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. Exited students do not receive any additional funding but are eligible to continue to spend funds per their contract and handbook agreement.~~

Maintaining Eligibility for Renewal

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

1. Submitted quarterly expense reports

2. Expense reports from previous quarters must be approved

3. A portion of your ESA monies must in at least the subjects of reading, grammar, mathematic, social studies, and science for the contract year (July 1-June 30)

4. 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®.[69]

Once the ESA program receives your renewal contract and required documents, a confirmation email will be sent to you.

If a parent in good standing does not renew the qualified student's ESA for a period of three academic years, the account will be closed, and notification will be sent via mail. You will have 60-days to renew your ESA. If you choose not to renew or do not respond within 60-days, your student's ESA will be closed, and any remaining monies will be returned to the State.

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[67] This date is subject to change in the case of unforeseen circumstances such as natural disasters, pandemics, etc.
[68] All expense reports have been submitted and approved and there are no pending actions.
[69] ESA contracts may be mailed to you upon request.

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. Exited students do not receive any additional funding but are eligible to continue to spend funds per their contract and handbook agreement.

Chapter 6: Why Termination or Closure of an Account May Occur

Below are some reasons termination from the ESA program may occur.[70]

- Enrolling and attending a public-school district, charter, or public online school (this includes summer school)
- Receiving School Tuition Organization (STO) scholarships OR tax credit scholarships while on an ESA
- Misspending ESA funds
- Failure to submit expense quarterly reports
- Failure to make a purchase or payment quarterly in ClassWallet
- Failure to attest to no expenses in ESA Portal or ClassWallet
- Fraudulent activity
- Loss of custody
- Providing false information
- Not spending ESA monies during the contract year (July 1 through June 30)
- Unable to provide a social security number or tax identification number (TIN)—Note: The bank will not issue a bank card without this.[71]

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.

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[70] This not an exhaustive list, just some examples on we have seen on why accounts have been closed or terminated
[71] The bank will close accounts when an account holder is identified in their global fraud list.

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.[72]

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. To ensure future eligibility for reapplication with the program, a close account form must be submitted. The request to close form is on our website: https://live-az-ade.pantheonsite.io/sites/default/files/2020/09/Request%20to%20Close%20Account.pdf

If the Account Holder withdrawals 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 or ClassWallet and all expenses will need to be submitted before your account can close in good standing.[73]

Your submitted expenses will be reviewed. Should this review result in any questions the Department will formally notify you in writing via email. Once your ESA is closed, an email will be sent confirming closure of your ESA and any leftover monies will be returned to the State's general fund[74]. The student and applicant will be eligible to reapply in the future.

Non-Renewal

If you choose not to renew your annual ESA contract, ESA will automatically close your account after three academic years. You will be notified via mail that your account will be closing and allow you 60-days to respond. If you choose not to renew or do not respond within 60-days, your account and any leftover monies will be unloaded from your account and returned to the State's general fund[75]. 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.

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[72] Your ESA will remain eligible for renewal for three academic years, if you choose not to renew, please notify us.

[73] If funds cannot be refunded to your card, please have the vendor provide a check to the AD.

[74] A.A.C. R7-2-1506(E); A.R.S. § 35-146.

[75] A.A.C. R7-2-1506(E); A.R.S. § 35-146.

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 onto 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 to 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 by the due date may result in termination from the program.

If a student returns to public school at any time after the completion of ESA program, any unused ESA monies will be unloaded from the student's account 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.

Help Desk Guidance and Quick Reference

Chapter 8: Quick Reference

- A vendor stating that they accept ESA funds does not mean they are approved or allowed. Account Holders are responsible for verifying and obtaining copies of credentials for the vendors hired for tutoring, therapy, paraprofessional, etc.

- Just as yYou would not give your own credit card to a store or restaurant, ~pplease do not do the sameleave your card 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: https://helpdesk.azed.gov/app/itdesk/HomePage.do. ESA staff will review your request and notify 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.

- ESA Support Specialists work at the ESA Call Center and are on staff to answer ESA related questions, either directly or by elevation the question, when necessary.

- ESA Support Specialists are available Monday-Friday 9am-4pm.

- **ESA Support Specialists** can be reached by phone at **602-364-1969** or by Help Desk.

- 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 ClassWallet at **1-877-969-5536**.

- Expense reports are required quarterly, even if there are zero expenses to report. Failure to submit an expense report by the deadline may result in termination from the program.

- All purchases and/or payments require a detailed invoice of the charge (payment).

- 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 therapist do not require credentials if paid through the school.

- ESA monies and medical copays or medical insurance cannot be used to together to cover educational therapies or evaluations.

- The contract and account information are between the applicant and the Arizona Department of Education (ADE) only.[76]

- Hiring ESA 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.

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[76] The ESA program does not communicate with 3rd parties (persons or organizations other than the Account Holder).

Chapter 9: Help Desk Guidance

Need to Submit a Help Desk Request for ESA?

Help Desk can be accessed from your ESA Applicant Portal home page. Once you log in, you can create a Help Desk request by clicking on the link located on the right-hand upper corner "Submit a Help Desk Request":

First time Help Desk users, here's how to set up your Help Desk account:

- An email invitation is sent within a couple of minutes of clicking on "Submit a Help Desk Request" for the very first time. Please check your Spam/Junk folders if email is not received with a few minutes.
- The email invitation to join the Arizona Department of Education (ADE) Organization is sent from on the Zoho platform, which is required for Help Desk. This invitation will be sent to the same email address that was used when logging into the ESA Applicant Portal.
- The email invitation must be accepted within 30 days or the link to "Join Organization" will expire. Attempting to click on the "Submit a Help Desk Request" feature when the email invitation to join the ADE organization was not accepted will result in a "User Does Not Exist" error message. Contact ESA Support Team at 602.364.1969 if you require a new email invitation to be sent.

Returning Help Desk Users and First time Help Desk users that have successfully joined the ADE Organization on Zoho:

- Once you are in Help Desk click on "Request a Service" link shown on the upper right-hand side.
- If you want to go back to the previous screen (Landing page), click on the **"X"** icon at the top of the window. Please DO NOT click the browser back button.
- You will see multiple program areas or departments to which you can submit the request however, to contact ESA directly you will select either ESA Compliance or ESA Program Support.
  - o Our ESA Compliance team handles the following: Account Closure Request, Collections, Disallowed Expenses/Repayments, Terminations, Purchase Approvals
  - o Our ESA Program Support team handles: Application Inquiries, Application Withdrawals, Contract Status Inquiries, Personal Information Update and General Eligibility questions.
- Identify the corresponding template based on your request and click on the template name.
- You will be prompted to enter the information required for an ESA specialist to work on the request.

- If the selected template does not meet your request, you can click on the "Change Template" link at the top the window to choose a different template.

- You must fill all the required fields which include an asterisk "*" next to the field name.

- You must select the appropriate "Subcategory" value which will give you multiple options in the Item drop down. Please note that you may see different item lists for different subcategory selections. You can repeat this step until you find the appropriate value for your request.

- Once you have logged into the system, click on the "Requests" menu to view all of the requests submitted by you and their current status.

Updating an Existing Request:

1. Click on the Conversations tab to view all of the email conversations or notes for the given request. You can add the comments or notes by clicking the "Reply" button.

2. You will not be able to Edit the request once it has been submitted but you will be able to add to the conversation any number of times.

Are You Getting an Error Message When Clicking on Help Desk?

- You may come across these common error messages; "User doesn't exist, User not found, Account is already associated with another ZOHO account".

- If you receive one of these error messages or experience any other issue when clicking Help Desk, please contact our ESA Support Team at 602.364.1969. One of our Support specialists will create a ticket on your behalf to our IT Help Desk team.

- Our IT Help Desk department will then email you an Organization Invitation from Zoho Team (noreply@zohoaccounts.com), it will contain a "Join Organization" button to click and verify.

- Once verified, try accessing Help Desk again from your ESA Applicant Portal home page.

- If you continue to experience Help Desk issues, our ESA Support Team can be reached at 602.364.1969 Monday-Friday from 9-4 to further assist you.

Empowerment Scholarship Account Program

School Year 2021-2022

www.azed.gov/esa