Parent Handbook

Empowerment Scholarship Account Program

School Year 2022-2023

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Arizona Department of Education

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March 1, 2022

Dear Parents and Students,

Welcome! We are happy to have you as a part of the Empowerment Scholarship Account (ESA) family.

Arizona's ESA program was passed by the state legislature and signed into law in 2011. The Arizona Department of Education is responsible for administering the program according to laws and related rules approved by the State Board of Education (SBE). Specific state statutes that govern the program, which Department is required by law to adhere to can be found at: **ESA Law and Administrative Rules | Arizona Department of Education (azed.gov).**

Please know that we are here to help! The mission of our team is to provide excellent customer service and support to ESA students and their families. The goal of this parent handbook is to provide guidance to help navigate this innovative program. In addition to this handbook, we have other resources that might be helpful, such as the **parent guide,** which is a great quick reference tool for all families. In addition, we try to send out a weekly email bulletin with the latest news and program tips. Additionally, you can also visit the ESA website at **www.azed.gov/esa** for other tools and information or register to attend one of our regularly scheduled ESA town halls.

Again, welcome to the ESA program!

Sincerely,
The ESA Team

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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 options, increasing transparency, and delivering a high-quality education. In 2011 and under the direction of the Arizona State Legislature, the ESA Program was developed 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 funds 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.

Pursuant to A.R.S.§15-2402(B)(1), an ESA Account Holder must use at least a portion of the funds to provide an education in at least the following subjects: reading, grammar, mathematics, social studies, and science.

Accepting an Empowerment Scholarship Account

By accepting an ESA, the Account Holder enters into a contract with ADE pursuant to A.R.S.§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 that are likely to result in termination include:

- Enrolling the student in a public district school, charter school, and/or public online schools (including summer public school), without paying the public school
- Accepting any School Tuition Organization (STO) scholarship or tax credit scholarship while on an ESA contract
- Failing to provide debit card transaction receipts by the quarterly deadlines
- Failing to spend a portion of your student's ESA funds annually

[1] This does not include any federal funding

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Handbook Purpose

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

Handbook Updates

Pursuant to A.A.C. R7-2-1503(1), this handbook is reviewed by ADE under the guidance of the SBE. 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 ESA. SBE adopts the handbook in May 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 Holdersof any change(s) and their effective date(s) via the ESA website and/or through other types of communication.

How to Stay Updated

We encourage ESA families to visit ADE's ESA website, **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 email blasts. ADE recommends ESA families read all communications from the Department and add both email addresses to their contacts to avoid critical email correspondence going to spam or junk folders.

How to Get Assistance

The Department asks that all ESA correspondence from Account Holders and ESA Applicants come through the HelpDesk system at **http://helpdesk.azed.gov/**

This ensures that the Department can accurately track and ensure timely responses to all inquiries. For more information about the HelpDesk System, see Chapter 9.

Note: *ESA staff is trained to provide support and offer technical assistance regarding applications, program questions, purchases, and expenses, but staff cannot provide guidance or recommendations to families about schools, vendors, or providers.*

Changes Related to Emails, Addresses and Phone Numbers

ESA families can update an email address, mailing address, and/or phone number, 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 within 30 days of the change.[2]

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

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Arizona 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

Confidentiality

Under state law, including A.R.S.§15-1045, which incorporates the protections of 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.[3] 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 a student's ESA empowers Account Holders and Applicants to get the most from the ESA program.

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.

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

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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. The Department encourages Account Holders to use caution when providing personal information to third parties. This includes, but is not limited to, social security numbers, dates of birth, ClassWallet debit card information, ClassWallet login and password, Application IDs, usernames, and passwords. To further protect 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 debit card or card number to third parties.

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 an ESA contract serves as the "affidavit" or proof that the student is receiving an education as required by Arizona law. If there is already a homeschool affidavit on file, please contact the county superintendent's office for withdrawal instructions.

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Chapter 2: Spending and Program Requirements

There are many laws dedicated to guiding government spending and ensuring 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.[4]
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. It is the Account Holder's responsibility to follow the law and ESA contract and use ESA funds for items allowed under A.R.S.§15-2402(B)(4). Although ADE cannot provide legal advice, this handbook will provide technical assistance to help determine what items are allowed.
4. Hiring a family member of the ESA student is prohibited.
5. Knowingly hiring another ESA recipient's parent and paying them directly with ESA funds is strictly prohibited.
6. Account Holders cannot use one student's ESA account to cover another student's educational expenses.
7. Services must be paid for and provided within the same contract year (July 1-June 30). An exception can be granted for renewals that pre-pay enrollment fees.
8. Pre-payment of services are allowed only within the same contract year (July 1-June 30). An exception can be granted for renewals that pre-pay enrollment fees

NOTE:

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

[4] ClassWallet has vendors listed in their platform

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Approved Spending Categories for ALL Students

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Approved Spending Categories for ALL Students[5]

Approved Spending Categories listed in A.R.S.§15-2402(B)(4)	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[6] serving PK-12th grades. 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. Credentials cannot be expired.[7]
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[8]
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 programs at a public school and extracurricular
Uniforms	Uniforms must be purchased from or through a qualified school or vendor that the school recommends or requires

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[5] While there are many services and items that can be purchased with ESA funds, there may be cases where reimbursement is the only purchase option.

[6] 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 border of the state in which the student resides.

[7] 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

[8] Pursuant to A.R.S.§15-2402(2), supplemental materials must be required or recommended by the curriculum.

Tuition or Fees and Required Textbooks at a Qualified Private School

As an approved expense, tuition may be paid for the ESA student named on the ESA contract.

The ESA Account Holder must submit a complete (detailed) invoice from the school, which they will submit with their ClassWallet payment request. See A.A.C. R7-2-1508(C)

The invoice must include ALL of the following:

- Student's name
- Name of the private school
- Transaction date
- Tuition or type of fees charged
- Total amount paid

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

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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 (pursuant to A.R.S.§15-2402(6)(a) this fee cannot include the purchase of a personal computer, laptop, or tablet, etc.)
- Supply fee (pursuant to A.R.S.§15-2402(6)(c) this cannot include consumable items such as pens, paper, and markers)
- Tutoring fees
- Payment processing fees
- Extracurricular program or sports fees (sports and extracurricular uniforms are not allowed)

NOTE:

Many schools charge fees for items that by law, cannot be approved by the program (e.g. transportation, computer hardware, technological devices, consumable supplies or materials, etc.). As a result, fees should be itemized.

Please review **Disallowed Spending Categories**, beginning on page 36.

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Tutoring or Teaching Services

Tutoring or teaching services must be provided by a qualified individual with one of the approved credentials listed below or a 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 of the qualifying student to provide approved tutoring services.
- Account Holders must submit the tutor's credentials[9] when submitting an expense through the ESA portal.
- ESA will only accept a copy of the actual valid credential. Copies of the credential can be in the form of a photograph, scan, print to PDF, etc., but must be the actual valid credential, and cannot simply be a screenshot of an online credential. For example, a screenshot of the tutor/teacher's certification status from the Online Arizona Certification Information System (OACIS) will not be accepted.[10]
- Expired credentials will not be accepted. All credentials must be up to date prior to submission to avoid a rejected or disallowed item.

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

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

Approved Tutor/Teacher Credentials for Core Subjects[11]

NOTES:

- Core subjects are grammar, mathematics, science, social studies, and reading
- ESA only requires one of the approved credentials listed, not both

Core Subject Tutoring or Teaching	Approved Credentials
Individual Tutor / Teacher	• Bachelor's degree or higher with copy of degree or transcripts (official or unofficial) • State Teaching Certificate or State Substitute Certificate
Tutoring / Teaching Facility	• Accreditation by a state, regional, or national accrediting organization

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

Approved Tutor/Teacher Credentials for Specific Subjects

The following is a list of specific subjects each of which require a specific credential.[12]

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 CertificateDance 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)
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

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

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Specific Subject	Approved Credentials
Gymnastics	Associate degree or higher Certified Personal Trainer Sports Medicine Endorsement/Certificate State Teaching Certificate with P.E. endorsementUSA Gymnastics or related credential
Martial Arts	Associate degree or higherCertified 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	Associate degree or higher 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
Swimming[13]	American Red Cross Certificate for Lifeguards American Red Cross Certificate for Swimming and Water Training SWIM USA Certificate Water Safety Instruction (WSI) Certificate

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

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Specific Subject	Approved Credentials
Yoga	Associate degree or higherCertified Personal Trainer Credential in the area of instruction (membership cards will not be accepted) Registered Yoga Teacher (RYT) credentialSports Medicine Endorsement/Certificate State Teaching Certificate with P.E. endorsement

NOTES:

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.

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 vendor.

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Extracurricular Activities, Physical Education & Educational Camps

Extracurricular 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.

Other types of approved activities include those that are **physical education** related, including access to facilities that offer exercise related activities, gyms including memberships, and sports (i.e., baseball, football, soccer, basketball, track) that are offered through a local league. Other physical education related activities may be approved by the Department if credentials are provided for the league, organization, or individual providing the service.

An Account Holder can also request approval for **educational camps** provided by a credentialed individual or facility, if the camp/class provides educational support in at least one of the subjects of reading, grammar, mathematics, social studies and/or science.

Notes:

- Gym or physical education facility memberships are only allowed for the *individual* ESA student; family memberships are not allowed.
- Sports camps, overnight educational camps, or out-of-state camps are *not* approved and cannot be paid for with ESA funds.

Educational Materials

This is a list of approved educational materials which do not require curriculum. This list is not exhaustive, see our website that is updated regularly at **ESA Allowable Items | Arizona Department of Education (azed.gov)**

- Atlases
- Board games
- Books (including audio/digital)
- Calculators
- Coloring books
- Curriculum
- Dictionaries
- Educational DVDs and CD
- Educational flash cards
- Educational workbooks
- Globes
- Manipulatives
- Maps
- Periodic tables
- Planners
- Prompt cue cards for behavioral/educational support
- Puzzles
- Textbooks (including audio/digital/USB)
- Timers

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Supplemental Materials

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, approved by the Department.

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

Examples of supplemental materials requiring curriculum, include, but are not limited to:

- Art supplies
- Dolls
- Educational area rugs
- Gardens
- Legos
- Non-educational CDs or DVDs
- Stickers
- Supplies (pursuant to A.R.S.§15-2402(6)(c) this cannot include consumables, such as paper, pens, or markers)
- Toys
- Workshops

To receive approval for supplemental materials, documentation must be provided that *clearly demonstrates* that the **item is *recommended or required* by a curriculum or course of study.**

This **documentation** can include, but is not limited to:

- Teacher Guides
- Teacher Manuals
- Study Guides
- Lesson Plans
- Course of Study
- Class Learning Objectives
- Activity Guides
- Learning Guide

When providing documentation, **please highlight, or otherwise indicate with page numbers, screenshots, or any other method that specifies exactly where the item is required or recommended**.

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Other Items

- 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.
    - 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 providenew content beyond the term of the contract year within which the subscription/lifetime access was purchased.

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

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Tuition or Fees for a 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 funds cannot be used to pay for family memberships or multiple students, only an individual student membership for the qualified ESA recipient.
- ESA funds can be used for online programs or online subscriptions for the contract year.

Helpful Hint:

When paying for an online program, the Account Holder can 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.

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

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, speechand debate, CTEDs, etc. Uniforms for these activities cannot be purchased with ESA funds, unless specifically required by the class or program.

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 account suspension:

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

For any questions about paying for services at the public school, please contact the school or district office.

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Fees for Achievement Tests, Placement Tests, and College Entry Exams

Pursuant to A.R.S.§15-2402(4)(g), Account Holders can utilize ESA funds to pay for their student to participate in nationally standardized norm-referenced achievement tests to help determine the student's ability to show mastery of appropriate grade level material. Funds can also be used for advanced 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 also be used for an eligible post-secondary institution such as:

a. An Arizona community college, as defined in A.R.S.§15-1401

b. A state university that is under the jurisdiction of the AZ Board of Regents

c. An accredited in-state private university

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

Dual Enrollment

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

The term dual enrollment refers to students being enrolled in two distinct academic programs or educational institutions at the same time.

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 for 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.

As a reminder, if a student has not graduated high school or obtained a GED, funds must still be spent on K-12 expenses, even if participating in dual enrollment courses.

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Approved Spending Categories for Students with a Disability

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Eligible Students

For students who qualify for the ESA program as a child with disability through a special education evaluation, individualized education program (IEP) or 504 Plan from an Arizona public school district or charter school, the qualified student is eligible for additional services, therapies, paraprofessionalservices, associated goods, assistive technology, and tuition for vocational and life skills as approved by the Department.

Parents with a student who qualified for the ESA program under a section other than "child with a disability," but who believe their student may have a disability, should seek an evaluation from their home district. If a new evaluation from an Arizona public school district is obtained, the parent should then contact ESA to update their student's category of eligibility.

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 funds to purchase associated goods and services, including educational and psychological evaluations, assistive technology rentals, and braille translated goods and services approved by the Department.

AAC 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 funds for an associated good, assistive technology or service must provide the Department with one of the following:

- Documentation of the student being enrolled in a special education course of study, service, or other educational need with which the good or service is required
- Provide the most current IEP/MET/504 plan or evaluation indicating the specific need for the good or service
- Provide a letter from a qualified special education service provider indicating the specific need for the good or service

NOTE: Examples of qualified special education service providers can be found at **https://bit.ly/3hq242v**

Failure to meet the above requirements under AAC 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 AAC R7-2-1505(B)(4), a parent may resubmit the purchase with sufficient documentation to have it approved.

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When submitting any documentation, **please highlight or mark the area(s) that show that the requested associated good will assist the educational need(s) of the student.**

All requests for approval on associated goods must be made using HelpDesk at **http://helpdesk.azed.gov/**.

Due to the large volume of requests, please allow at least 3-5 business days to review, research, and respond to inquiries.

Educational Therapies and Services

In accordance with A.R.S.§15-2402(B)(4)(c)(i), both in person and virtual educational therapies from a *licensed or accredited* practitioner or provider are approved.

To receive approval, the individual providing the therapy or therapeutic service must provide the Account Holder with a copy of their valid license or accreditation.

No screenshots from the accrediting organization will be accepted.

The copy must be:

- Legible
- Not expired
- Issued by an accredited board (must be provided by the therapist/provider, screenshots will not be accepted)

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List of Approved Therapies

NOTE: This is not an exhaustive list

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 licensePhysical Therapy license
Art Therapy	American Art Therapy Association (AATA)Occupational Therapy license Physical Therapy license
Therapy; Hippotherapy; Therapeutic Riding	Certified Horsemanship Association Certified Therapy Horse Association (CTHA)Equine Therapy Association (ETA) Equine Assisted Growth and Learning Association (EA-GALA) 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

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Therapy	Accreditation
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)
Orientation and Mobility Specialist (COMS)	ACVREP Certified Orientation and Mobility Specialist
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
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)

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NOTES:

- Fees for late, cancelled, or missed appointments are disallowed
- Pursuant to A.R.S. §15-2402(B)(4)(c) students who are not identified as a student with a disability are not authorized to use ESA funds 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 funds.
- Account Holders may request approval to use a provider whose credential is not listed through the HelpDesk at **http://helpdesk.azed.gov/.**
- Due to the large volume of requests, please allow at least 3-5 business days to review, research, and respond to inquiries.

Medical Insurance

Pursuant to A.R.S.§15-2402(B)(4)(c)(i), ESA funding can be utilized along with private medical insurance to pay for educational therapies for qualified students with a disability. Documentation must include a statement indicating the amount not covered by insurance.

Paraprofessionals or Educational Aides

Paraprofessionals and aides are an approved expense for students with disabilities. 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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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. A psycho-educational evaluation or assessment 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 a special education evaluation (MET) or IEP may use ESA funds to obtain a private psycho-educational evaluation. Documentation must be on file with ESA.

NOTE:

The Department cannot accept private evaluations for the purpose of updating your child's disability category or funding. See "Change in Disability Category" on page 36 to learn how to update a student's disability category.

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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.

Pursuant to A.R.S.§15-2402(B)(4)(c)(iii), qualified students with a disability are able to utilize ESA funds 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)
- Joint Technical Education Districts (JTEDs)
- Trade schools
- Community colleges
- Vocational schools

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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 that a child does 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,[14] 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).

[14] Charter schools are responsible for child identification activities for students enrolled in the charter school. A.A.C. 47-2-401(D)(4)(a). Charter 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,"[15] 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.[16]

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.[17] For information on these services, please **visit the ESS website.** 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.

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 currently on file with the ESA program, ADE will not require a new evaluation to remain in the program.

If an Account Holder wishes to have their student re-evaluated to update their current educational needs, they must make a written request to the appropriate public school or district.

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

Some important things to keep in mind:

a. If a student attends a non-profit private school, the public-school district in which the private school is located is responsible for the evaluation process.

b. If a student attends a for-profit private school or is homeschooled, the public school district in which the student resides is responsible for the evaluation.

c. For any questions about who may be responsible for the evaluation of a student, please contact Exceptional Student Services (ESS) at 602-542-4013.[18]

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[15] 34 C.F.R. § 300.137(a)

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

[17] Federal law does not allow public school districts and charter schools 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).

[18] 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.

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Once an updated evaluation has been obtained for an ESA student:

- Please submit a HelpDesk ticket at **http://helpdesk.azed.gov/** along with the new evaluation, requesting an update of the account or application.
- When the request is processed, a new contract is issued. Please be aware, some evaluations may increase the award amount by a few dollars, or even reduce the award amount.
- Please sign the new contract immediately, notifying ESA staff after signing to avoid funding delays.

Please keep in mind that only children who are identified as a child with a disability by a public school through an evaluation (or IEP) are 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. *See the "Associated Goods" section for more information.*

Preschool Severe Delay (P-SD) Funding

Students with a disability in the ESA program under the specific disability category of **Preschool Severe Delay (P-SD)** need to have a re-evaluation submitted from an Arizona public school or district when they enter their Kindergarten year (age 5 on or before September 1), or their account will be set to 'base level funding'.

A re-evaluation is not a requirement to continue with ESA, but is needed for any changes in funding, as the P-SD category cannot move with a student into kindergarten. Please be aware, some re-evaluations may increase the award amount by a few dollars, or even reduce the award amount.

Please watch for any correspondence regarding this situation. Account Holders can also contact the ESA Support Line at 602-364-1969 or the HelpDesk at **http://helpdesk.azed.gov/** to learn if a specific account will be affected.

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Students with a Disability (After 12th grade)

Pursuant to A.R.S.§15-2402(4)(n), a student with a disability may be entitled to an education until the age of 22 if the student is not ready to graduate high school or obtain their GED.

When a student is identified as being a student with a disability with ESA, and in the spring of their 12th grade cohort year, ESA will notify the Account Holder that action is required.

Upon receipt of this notification, an Account Holder will be prompted to log into the ESA Applicant Portal, select the eligible student, and make the following selection:

- **NO**: By selecting this option, I attest that my child is not scheduled to graduate high school or obtain a GED by the end of this school year. I understand that a renewal contract will still need to be signed to continue to receive any additional support.

- **YES**: By selecting this option, I attest that my child is expected to graduate high school or obtain a GED by the end of this school year. I understand that an exited contract will still need to be signed to continue to access any remaining funds for allowable expenses.

By making this selection, you will verify that you have read and understand the following:

- You understand that providing false information is considered failure to comply with the terms of the contract or applicable laws and that your account is subject to suspension/termination. See A.R.S.§15-2403(C)

- If changes need to be made, you will need to submit a HelpDesk ticket at **http://helpdesk.azed.gov/**

- You understand that when your child does graduate from high school or obtains a GED, you must notify ESA immediately.

An account holder can attest that their student is not yet ready to graduate or obtain their GED until the year the student turns 22, as that will be their final funded year with ESA.

NOTE:

An Account Holder who attests that their student continues to need a K-12 education, must provide their student a K-12 education. An Account Holder found to be providing only a post-secondary education may have their student's account suspended and repayment may be required.

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Disallowed Spending Categories

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Disallowed Spending Categories

In accordance with ARS 15-2402(B)(6), the following are prohibited, however, please note that some of the items below **may be** approved as *Associated Goods or Assistive Technology* for qualified students with a disability. See section, *Approved Spending Categories for Students with a Disability* for more information.

This list is **not exhaustive**; the Department reserves the right under statue to not approve items not listed.

Disallowed Spending Categories	Description
Consumable educational supplies	Paper, pens, and markers
Computer hardware & other technological devices	Laptops, iPads or other tablets, desktop computers, iPods or other electronic music players, keyboard, mouse, USB drives, computer chips, memory hardware, hard drives, input and output devices, communication devices, secondary storage, expansion cards, mother-boards, power supply units, DVD players, printers, Wi-Fi, internet, software, etc.
Transportation of the pupil	Airfare, reimbursement for gasoline or mileage, bus passes, taxis, ride share, transportation provided by the school, etc.

The following are not approved for purchase with ESA funds:

- After-school care fees
- Amazon Prime (or similar fees)
- Ammunition
- Animals (live)
- Animals (including invertebrates)
- Appliances such as freezers or refrigerators (commercial or full size)
- Assembly or installation fees
- Automobiles
- Bedding
- Before-school care fees
- Bicycles
- Boarding schools
- Breakfast fees
- Cancellation fees
- Cabinets/carts
- Church or school support fees
- Climbing equipment
- Competition fees
- Consultation fees
- Daycare fees
- Electronics
- Event fees
- Fees associated with a rental item
- Fixed assets
- Fixtures
- Food
- Fundraising fees (Scrip, etc.)
- Furniture
- Gasoline/oil
- Gym equipment
- Gymnastics fees
- Graduation fees
- Home improvement
- Hotels/lodging
- Kitchen supplies
- Land/real property
- Late payment fees
- Late pick-up fees

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- Lunch fees
- Magazines (non-educational)
- Medications
- Motorcycles
- Museum passes (unless associated with a class or curriculum)
- Obligation fees
- Out-of-state education or therapy camps (summer included)
- Parent training/courses
- Play equipment
- Playgrounds
- Pool passes
- Printing and binding (copy services)
- Recital fees
- Recreational centers or event tickets
- Rehabilitation/treatment facilities
- Returned payment fees
- Room organizers
- Shade structures
- Sports camps
- Swimming pools and saunas
- Technology fees (for the purchase of tablets, USB drives, laptops, desktops, etc.)
- Theme Park tickets/passes
- Travel
- Tutor prepping/planning
- Warranties and protection plans
- Weapons
- Yearbook fees
- Vitamins and supplements
- Zoo passes (unless associated with a class or curriculum

ESA will not approve the purchase of the following items unless they are required as part of a **school** uniform, which includes, but is not limited to the following:

- Accessories
- Belts
- Hair accessories
- Lanyards
- Shoes
- Socks
- Spirit or school team clothing
- Tights and hosiery

ESA will not approve the purchase of the following items unless they are required as part of a **course of study**, which includes, but is not limited to the following:

- Dance attire/costumes
- Gymnastics attire/costumes
- Sports uniforms and related equipment
- Swimsuits
- Yoga attire

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Non-Approved Therapies and Services

- Acupuncture
- Blood work (labs)
- Chiropractors
- Craniosacral Therapy
- Dental exams or services
- Eye exams
- Health exams
- Hyperbaric Oxygen Therapy
- Massage Therapy
- Medical Equipment/Services
- Nutritionists
- Physical exams

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ClassWallet Virtual Accounts

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Chapter 3: ClassWallet Virtual Accounts

About ClassWallet

ClassWallet is a third-party vendor that administers ESA funds in a virtual account. Once a student is accepted into the ESA program, funds awarded to students are entrusted to the Account Holder in a virtual account administered by ClassWallet.

ClassWallet's platform is designed to streamline and automate the spending and tracking of ESA funds and allows ESA Account Holders to manage payments to schools, providers, and vendors.

Establishing a ClassWallet Account

Once a student's ESA contract is signed, it typically takes approximately 3 weeks to set up and fund the ClassWallet account.[19] Once the account is set up, ESA will request 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 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 users directly to ClassWallet.

If an Account Holder has multiple students within the ClassWallet platform, they can login once and toggle between children's ClassWallet accounts using the dropdown menu on the top right of the homepage.

Information on navigating the ClassWallet platform, as well as helpful tutorials is available at **Home (force.com).**

Contacting ClassWallet

ClassWallet can be reached by phone at 1-877-969-5536 Monday through Friday from 8am to 8pm EST and Saturday from 10am to 4pm EST or via email anytime at **help@classwallet.com**.

[19] Accounts may take a bit longer during a holiday or unforeseen circumstance such as a pandemic, natural disasters, etc.

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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.

Please visit **Home (force.com)** for more information from ClassWallet on each purchase option.

Marketplace: Account Holders can place orders with various online vendors within the ClassWallet Marketplace. Upon approval, all orders are shipped directly to the address on record.

Pay Vendor: If a student's private school and/or providers are registered in ClassWallet, they are located in the Pay Vendor section on the ClassWallet homepage. This allows payments to be made directly to Department-approved private schools/providers/vendors.

A complete invoice must be uploaded (*see page 46*) for Pay Vendor transactions. An Account Holder is not required to provide any credentials for the providers in Pay Vendor as they are already registered and approved in ClassWallet.

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 in Pay Vendor.

For each transaction, provider credentials (if applicable) and a complete invoice will need to be uploaded in the ClassWallet platform. Invoices/receipts and any associated credentials can be uploaded after each purchase, **and all transactions must have a corresponding invoice/receipt uploaded in the quarter that the transaction occurred.**

Account Holders must upload a corresponding receipt after every **20** transactions to avoid ClassWallet debit card deactivation and to continue making purchases with the debit card.

Remember, a credential is required for debit card transactions, even if the provider is a vendor in the ClassWallet platform. **See pages 42-44 for important information regarding the ClassWallet debit card.**

Reimbursement: If an Account Holder cannot make a purchase or pay for an educational service using one of the ways listed above, they may be eligible for the reimbursement option.

To receive reimbursement, a bank account must be linked and verified with ClassWallet.

If an Account Holder has multiple children in the program, the bank account only needs to be linked once.

More information on reimbursement is available at **Reimbursement (force.com)**.

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NOTE:

Reimbursements can only be submitted for transactions made after the date that the ESA contract was signed

Reimbursements can only be submitted during the contract term and cannot be submitted after the student has left the program

For each reimbursement order, credentials (if applicable) and a complete or itemized invoice must be uploaded into the ClassWallet platform.

Payments to Schools and Providers

Once payment is submitted and approved by ESA staff, payment to the providers and schools willbe released by ClassWallet. Schools and providers typically receive payment within 2-5 business days. Schools and providers receive a list of their students showing payment date and amount.

Registration in ClassWallet (Vendors, Providers, Schools)

A student's private school or provider(s) must be registered in ClassWallet in order to use the platform to make a payment to them. We recommend checking with the school or provider to see if they are registered.

A school, provider and/or vendor can register in ClassWallet at **Service Provider Pre-Registration**. If a provider or school has not registered in ClassWallet and they would like more 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 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.

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ClassWallet Prepaid Debit Cards

ClassWallet offers a prepaid debit card to provide additional flexibility for making purchases outside of the platform.

Account Holders must request a debit card directly from ClassWallet. Cards are shipped directly to the Account Holder's address within 10-14 business days. The card will include the first and last names of the Account Holder and the student that the account is associated with. Private schools and/or vendors are not allowed to keep debit cards. The ClassWallet debit card must always be in an Account Holder's possession.

The card debits against the Account Holder's virtual wallet balance. Inside the ClassWallet portal, account holders can view debit card transactions, upload receipts in the platform and associate receipts with specific debit card charges.

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

Deadline for Debit Card Transactions

Quarter	Purchasing Dates	Deadline
1	July 1-September 30	September 30th
2	October 1-December 31	December 31st
3	January 1-March 31	March 31st
4	April 1-June 30	June 30th

IMPORTANT:

Debit card holders must upload receipts after every 20 transactions to avoid deactivation and to continue making purchases with the debit card.

All debit card transactions must have a receipt uploaded within the same quarter that the transaction occurred. Receipts must be submitted in the **ClassWallet** platform at **https://www.azed.gov/esa/portal/.**

Account Holders will be notified if there are any outstanding receipts each quarter. If an Account Holder fails to submit the outstanding debit card receipts following the quarterly deadline, the Department is required to suspend the debit card and notify the Account Holder. The Account Holder will then have 10 days to submit any outstanding receipts. If the Account Holder fails to submit the receipt, the Department will suspend the debit card and may close the account.

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Allowable Forms of Payment for ClassWallet Debit Card

ESA cards can be used in the following ways:

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

NOTE:

As part of the contract between ClassWallet and the Arizona State Treasurer, the debit card does have limitations and certain MCC codes are restricted.

If the debit card doesn't work at a specific business or vendor because of a restricted MCC code, the item will need to be purchased another way**. Unfortunately, the Department cannot make MCC code exceptions.**

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 mayresult in suspension of debit card privileges.

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Prohibited Use

Debit cards will be suspended for:

- Failure to upload receipts after 20 consecutive transactions
- Failure to submit debit card transaction receipts each quarter
- Attempted cash withdrawal
- Attempted purchases at restricted merchants
- Non-compliance with the ClassWallet Terms and Conditions

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

An Account Holder found making a purchase at a non-educational vendor, such as a gas station, post office, grocery store, Walmart, Target, Walgreens, retail store, restaurant, nail salon, pet store, etc., will have their ClassWallet debit card immediately suspended. The Department will then issue a 10-day suspension letter via email stating the reason for the suspension. 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.

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Chapter 4: Expense Submissions

When an Account Holder enters into an ESA contract with the Department, the Account Holder is required to report all expenses made with ESA funds.

To maintain ESA program eligibility the following must be completed:

- Debit card receipts must be submitted in the quarter that the transaction occurred
- Complete invoices or receipts must be included when submitting expenses or making payments in the ClassWallet platform
- All required credentials must be included when submitting debit card receipts or reimbursements (even if the provider or vendor is registered in the ClassWallet platform)
- If no spending occurs in a particular quarter, Account Holders are required to attest in ESA portal that no funds were spent.[20]

The Department is authorized to audit all expenditures and may request further information if needed from the Account Holder at any time.[21]

Following the 10-day period provided in R7-2-1508(G)(2), the Department may remove a parent from the Program for failing to submit required debit card transaction receipts or failing to correct the deficiencies of a debit card transaction expense receipt.

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

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[20] 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, attestingno ESA funds were spent during the quarter.

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

Required Documents for all Expenses in ClassWallet Platform

As stated above, all expenses 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.

Pursuant to ACC R7-2-1508(C-D), private school invoices MUST have the following:

1. Student's name
2. Name of the private school
3. Transaction Date
4. What ESA funds are paying for (tuition or fees)
5. Total amount charged to debit card must be reflected on the invoice
6. For reimbursements, proof of method of payment is required

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

1. Student's name
2. Name of provider or facility
3. Transaction Date
4. Rate amounts/type of service(s)
5. Total amount charged to debit card must be reflected on the invoice
6. For reimbursements, proof of method of payment is required

NOTE:

Handwritten receipts, screenshots of carts, 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 submission.

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Expense Categories in the ClassWallet Platform

All ESA expenses must be categorized in the ClassWallet platform. Category selections are listed below:

- Assistive Technology Rentals (special education students only)
- Assistive Technology Purchases (special education students only)
- Associated Good (special education students only)
- Braille Translations (special education students only)
- Curricula
- Educational Materials/Items
- Educational Psychological Evaluations (special education students only)
- Educational Therapies and Services (special education students only)
- Educational/Psychological Evaluation (special education students only)
- Instrument Rental
- National standardized testing
- Online Learning Program
- Paraprofessional (special education students only)
- Post-Secondary (college/university)
- Post-Secondary Expenses
- Reading Books
- Services by a Public School
- Subscription Annual
- Subscription Monthly
- Subscription Quarterly
- Supplemental Material (required or recommended by the curriculum)
- Tuition for Life Skills/Vocational (special education students only)
- Tuition for Private Schools
- Tutoring (core subjects: grammar, math, science, social studies, reading)
- Tutoring (specific subjects: PE, music, art, karate, gymnastics, etc.)
- Tutoring (non-academic)
- Uniforms (must be purchased from or through a school or a vendor that the school recommends or requires))

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

- Spending any ESA funds in a category disallowed under the ESA contract, state law, program policies, or ESA Parent Handbook may result in account suspension and require repayment.

Suspension of ESA Account

- Pursuant to A.A.C. R7-2-1509, when an account is suspended, the Department will notify the Account Holder via email. The notification will specify the reason for the suspension and allow the Account Holder 10 business days to provide ESA with documentation that shows an error was made **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, as well as how to file an appeal are available at **https://azsbe.az.gov/empowermentscholarship-account-esa-program**.

- The termination letter allows the Account Holder 30 calendar days to appeal the Department's decision. If no appeal is made in writing to SBE the ESA account is closed, and unused funds will be deposited back into the State's general fund. Any disallowed, misspent, or unsubmitted expenses will be sent to the Attorney General's Office for collection, fraud investigation, or both.

- If documentation is provided showing that an error was made or that suffices the purchase or payment, the account will be reactivated.

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Repayment Plans

- If the Department determines the documentation fails to demonstrate that the expense is allowable or that the Account Holder was a victim to identity theft or fraud, the Department shall provide notification to the Account Holder that the amount must be repaid.

- Pursuant to AAC R7-2-1509, if ESA funds need to be repaid on an active account, the Department will offer plans of up to six months (Note: Closed or terminated ESA accounts can coordinate payments with the Attorney General's Collections Office if/when applicable.)

- Once a parent agrees to a gradual repayment plan or repays an amount pursuant to R7-2-1509(A)(2)(b) or R7-2-1509(C), the Department shall lift the temporary suspension, reinstate the account, and make any disbursements that were withheld during the suspension.

- Except in cases which the Attorney General determines that an Account Holder has committed fraud, any expenditure from an Arizona Empowerment Scholarship Account for a purchase that is deemed ineligible pursuant to A.R.S.§15-2402 and that is subsequently repaid by the parent or accountholder shall be credited back to the Arizona Empowerment Scholarship Account.

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Chapter 5: Renewing ESA Contracts

Eligibility for Renewal

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

1. Submitted quarterly ClassWallet debit card receipts (if using the debit card).
2. Spent a portion of your ESA funds in at least the subjects of reading, grammar, mathematics, social studies, and science during the contract year (July 1-June 30)
3. Kept your account in Active Status, meaning it must not be suspended or terminated for contract violations such as:
    - Using ESA funds on disallowed expenses or misuse of ESA funds
    - Enrollment in public school at the same time as under ESA contract
    - Receiving an STO or tax credit scholarship while under ESA contract

Renewal

Existing ESA students are considered "renewing students" and do not need to reapply. Any funds remaining at the end of the school year will roll over, provided the renewal contract is signed.

Contracts will be sent via email through EchoSign® and can be electronically signed with Adobe Sign®.

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

As of the 2021-2022 School Year, any funds that remain in accounts that have been closed for non-renewal, will be held for three academic years. If you choose not to renew after three academic years, a notice will be sent. If you do not respond within 60-days of this final notice, any remaining monies will be returned to the State.[22]

If your account is closed due to non-renewal, you will be required to reapply.

Exited Contracts

Exited Contracts are for Account Holders who have a student who no longer qualifies for a K-12 education, because they have graduated high school or earned a GED, but they still have remaining funds that can be spent towards the student's post-secondary education. Exited students do not receive any additional funding but are eligible to continue to spend funds per their contract and handbook

[22] See A.R.S. §1515-2402(H)

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agreement.[23]

If your student graduates high school or earns their GED at any time, please notify the ESA team as soon as possible so that an exited contract can be sent.

If these remaining funds are spent using a ClassWallet prepaid card, the Account Holder is still contractually obligated to upload the receipts for these expenses on a quarterly basis. Failure to do so can result in suspension and subsequent termination of the ESA account.

NOTE:

See **"Students with a Disability (after 12th grade)"** on page 32 if the student is a qualified student with a disability and will not graduate high school or earn their GED after 12th grade.

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[23] See A.R.S.§15-2402

Chapter 6: Termination or Closure

Below are some reasons termination or removal from the ESA program may occur.[24]

- 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 scholarshipswhile on an ESA
- Misspending ESA funds
- Failure to submit receipts for debit card transactions each quarter
- Fraudulent activity
- Loss of custody
- Providing false information or falsifying documents
- Not spending a portion of ESA monies during the contract year (July 1 through June 30)

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

While a student is on an ESA contract and pursuant to A.R.S.§15-2402(H), the Account Holder agrees not to enroll the student in a public-school district, charter school, or public online school; this includes summer school, any services such as speech services, or extra-curricular activities.

Receiving an STO or Tax Credit Scholarship

Pursuant to A.R.S.§15-2402(A)(3), the Account Holder agrees not to receive any STOs or tax credit scholarships concurrently with an ESA.

If your student's ESA funds do not cover the full cost of the private school and you are unsure how the remainder is being paid, please contact your private school to make sure you are not receiving 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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[24] This not an exhaustive list, just examples of reasons that accounts have been closed or terminated

Chapter 7: Leaving the ESA Program

A student leaves the ESA program one of four ways:

4. Withdrawal: Parent requests that the student's ESA contract be closed.
5. Non-renewal: Parent chooses not to sign the student's renewal contract.
6. Completing the ESA program: Student exits the program upon completion of their 12th grade cohort year or receives a GED. Qualifying students with a disability may be eligible to continue, see page 32, Students with a Disability (After 12th grade).
7. Removal/Termination: ESA terminates the contract for failure to abide by program rules, program policies, ESA Parent Handbook and/or state law.

Withdrawal

An Account Holder can withdraw their student from the ESA program at any time. To close a student's account, email **esaclasswallet@azed.gov** and request that the account be closed. Account Holders can also submit a HelpDesk ticket requesting account closure.

The student's account will be reviewed, and any outstanding debit card receipts or invoices will need to be submitted. The Account Holder will receive email confirmation when the account has been closed. Once closed, any remaining funds will be returned to the State's general fund.

Pursuant to A.A.C. R7-2-1509, if an account is not closed in good standing, the Department will refer to the SBE. The Board may refer the case to the Attorney General's office for collections.

Non-Renewal

Renewal contracts are sent to current Account Holders at the end of each school year. Pursuant to A.R.S.§15-2402(H), if an Account Holder chooses not to renew or does not sign your renewal contract, ESA will automatically close your account and any remaining funds will be held for a period of 3 academic years.

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Completing the ESA Program

When a student enters the ESA program, they continue to progress one grade level each year. This means that if the student enters the ESA program in 3rd grade, the following year the student will move to 4th grade, even if the private school or the parent decides to retain the student.

At the completion of 12th grade, ESA students who have graduated high school or received a GED will receive an Exited Contract. Once exited from the ESA program, the student will have four years to use any remaining funds in the account.[25] All policies and laws regarding the ESA program must still be followed.

Removal

The Department may remove a parent and/or student from the ESA program for a variety of reasons as discussed in Chapter 6. Upon removal, the parent may appeal the Department's decision. However, if a parent is removed due to committing fraud the parent and the student may not reapply for the ESA program in the future.

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[25] See A.R.S.§15-2402(4)

Chapter 8: Quick Reference

ESA Department Contact Information:

The ESA Support Team is available Monday – Friday from 9am-4pm at **602-364-1969.** You can contact our team any time using HelpDesk at **http://helpdesk.azed.gov/**.

ClassWallet Contact Information:

1-877-969-5536
help@classwallet.com

- Contact ClassWallet directly for all debit card related issues and for questions related to order returns and refunds
- For preapprovals or questions about purchasing specific items, please submit a HelpDesk ticket at **http://helpdesk.azed.gov/.**
- A vendor stating that they accept ESA funds does not mean they are approved or that the service is allowed for all students. Account holders are responsible for verifying that a purchase is permissible.
- It is the Account Holder's responsibility to follow the law and ESA contract and use ESA funds only for items allowed under A.R.S.§15-2402(B)(4). ADE can only provide technical assistance and not legal advice.
- The Department does not regulate private schools or vendors, even if they are in the ClassWallet portal. Our team cannot recommend schools or providers. Please research and exercise caution when contracting with a school or vendor.
- All purchases and/or payments require a corresponding receipt or detailed invoice
- Valid credentials are required for all teachers, instructors, tutors, providers and/or facilities
- Services offered in private or public schools by tutors, teachers or therapists do not require credentials, *if paid through the school.*
- 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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Chapter 9: HelpDesk Guidance

Need to Submit a HelpDesk Request for ESA?

The HelpDesk system is a way for parents to easily communicate with the ESA Team. **HelpDesk requests are assigned every morning and are a team priority.**

NOTE:

HelpDesk can be accessed at **http://helpdesk.azed.gov/**, as well as in the ESA Applicant Portal. There is a one-time set up for first time HelpDesk users

- 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 Spam/Junk folders if email is not received within a few minutes.*

- The email invitation to join the Arizona Department of Education (ADE) Organization is sent from the Zoho platform. 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 HelpDesk Request" feature when the email invitation to join the ADE organization was not accepted will result in a "User DoesNot Exist" error message.

- If the link expires, reach out to the ESA Support Team at 602-364-1969 to receive a new link.

How to submit a HelpDesk ticket:

- After logging into the ESA Portal, create a Help Desk request by clicking on the link located on the right-hand upper corner ***Submit a Help Desk Request.***

- Click on ***Request a Service*** link shown at the top right. 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.

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- There are multiple program areas or departments in the system. However, to contact ESA directly, select either **ESA Compliance** or **ESA Operations.**
    - Select **ESA Compliance** if your request is about an approval or preapproval or purchase request
    - Select **ESA Operations** if your request is about an application, ESA contract, program withdrawal, personal information update or a general program question

- To change the template, you can click on the ***Change Template*** link at the top.
- You must fill all the required fields with an asterisk "*" next to the field name
- 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)*
- Click on the ***Requests*** menu to view all your requests and the current status

Updating an Existing HelpDesk Request:

1. Click on the ***Conversations*** tab to view all the email conversations or notes. You can add 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 toadd to the conversation.
3. Once your initial request is satisfied, the team will close the ticket. **If you have an additional request, please submit a new HelpDesk ticket.**

Getting an Error Message trying to access HelpDesk

Common error messages:

- *User doesn't exist, User notfound*
- *Account is already associated with another ZOHO account*

If you receive one of these error messages or experience any other issue when clicking HelpDesk, please contact our ESA Support Team at 602-364-1969. We are happy to help!

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