

Empowerment Scholarship Account Program Fact Sheet

What All Private School Leaders Should Know

- An ESA is a state-funded education savings account available to certain Arizona children.
- The ESA is often referred to as a “voucher”. **However, Arizona’s Empowerment Scholarship Account is NOT a voucher.** The ESA funds flow through the parents to the private school of their choice and the parent can use the funds for more than just tuition, including home education and educational therapies and tutoring.
- ESA families receive **90%** of what the state would be spending on their child in the public school system.
- Families apply to and the program is administered by the Arizona Department of Education. There are no income requirements and the one-page application is completed online at www.azed.gov.
- To apply, the parent or guardian needs to provide copy of the student’s birth certificate, proof of address and IEP / MET / 504 (if applicable).
- **Applications can take up to 45 days to process.** The parent or guardian receives an acceptance letter with the ESA amount, a contract and handbook. **They must sign and return the documents so that the ESA can be finalized and the account opened.**
- ESA funds are deposited **quarterly** by the Arizona Treasurer’s office.
- If quarterly funding is expected but is not deposited during the time period below, **the parent should immediately contact the ESA office for assistance to avoid forfeiting funds.**
- The parent can check the card balance using the phone number on the back of the debit card or by going online. **The Arizona Department of Education staff will not speak to the private school on behalf of the parent, so it is important that the school remind the parent of important deadlines and dates to ensure ESA funding is received.**

Deposit Dates (can be anytime in the two week window):

Quarter 1 - July 15th-30th

Quarter 2 - October 15th-30th

Quarter 3 - January 15th-30th

Quarter 4 - April 15th-30th

- Parents access these funds using a pre-paid debit card and must submit a quarterly expense report to the Arizona Department of Education.
- Expense reports can be done online using the ADE system or using the form available on the ADE website.
- **The school only needs to be able to process a Visa debit card and provide a receipt for the payment. No further action by the school is necessary.**

- **Schools do not have to “register” with the state.**
- **There is a simple renewal process each June.** Parent MUST complete renewal to remain in the program. However, parents who wish to, are free to withdraw their student from the ESA program at ANY time.
- A typical student in grades 1-12 using an ESA will receive approximately \$5,500 a year.
- Kindergarten students receive around \$3,300. The state is currently funding a half-day program so this may change in the future.
- **Children with special needs receive a higher ESA amount based on the PRIMARY eligibility category on their IEP.** (Example: A student with Autism receives approximately \$28,000).
- Unlike a student with an IEP receiving a Lexie’s Law or Disabled Displaced Tax Credit Scholarship, **a family with an ESA can use the ESA funds to not only pay tuition, but for educational services as well.** For example, ESA funds could pay for a classroom aide, educational therapy, tutoring, etc. In many cases, this flexibility in spending enables a student with special needs to attend the private school of the families choice.

Eligible Students:

- **Students with special needs in Preschool through 12th grade** (MET, IEP or 504 from a public school - MUST BE CURRENT TO APPLY)
- **Students attending D or F public schools**
- **Students of active duty military parents**
- **Students who are in or have ever been in foster care** (must be in permanent placement, adopted or have a plan of adoption in place)
- **Students living on tribal lands**
- **Students with a parent or guardian who has a vision or hearing impairment**
- **Siblings of eligible students**

IMPORTANT NOTES AND DATES:

With the exception of entering Kindergarten students and students in active duty military families, **ESA eligibility requires prior year public or charter school attendance.**

ESA funds cannot be **combined** with tax credit scholarships through School Tuition Organizations / STOs.

However, STO funds CAN be used prior to receiving ESA dollars. See additional information below from Arizona Department of Revenue.

Parents can apply year round, however depending on when an application is received and the contract returned, funding for the year is prorated.

ESA funding is based on the quarter AFTER the contract is returned. The chart below shows the dates ESA applications must be received and contract returned for quarterly funding.

Example: Student must apply by March 1st and return contract by April 29th to qualify for Q1 funding.

Example: Student applying on October 15th will be returning the contracting in Q2 (based on a 45 day application processing period), which means they will receive funding for Q3 and Q4. In subsequent years, as long as the renewal contract is signed (and expense reports submitted by due dates), a family will receive all four disbursements.

Quarter	Dates	Application Deadline	New Contract Due Date for Funding	Expense Report Due Date
1	July 1- September 30	June 1	July 27	September 20
2	October 1- December 31	September 1	October 29	December 20
3	January 1-March 31	December 1	January 29	March 20
4	April 1- June 30	March 1	April 29	June 20

(Source: ESA Parent Handbook)

Guidance from the Arizona Department of Revenue on accepting a tax credit scholarship prior to an ESA:

STOs AND THE EMPOWERMENT SCHOLARSHIP ACCOUNT (ESA) PROGRAM

164. Can a student who is receiving Empowerment Scholarship Account (ESA) money from the Arizona Department of Education also receive funds from an STO?

The ESA statute (A.R.S. §15-2402(B)(3)) requires that while a parent has a contract with the ESA program, a student cannot accept ESA and STO money for the same period.

165. What if my STO remits a scholarship payment to a school and then determines that the parent has signed an ESA contract for the same academic year?

A student may utilize an STO scholarship up to the start of ESA funding. Funding from the ESA program is on a quarterly basis and begins in the quarter following acceptance to the ESA program. Once ESA funding begins, any outstanding STO scholarship money must be refunded by the private school to the STO.

EXAMPLE 1: A parent applies and is approved for an STO scholarship in spring 2016 for the upcoming 2016/17 academic year and the STO remits a full tuition scholarship to the private school in the spring. In October of the school year the parent decides to apply for ESA funding and signs a contract with the ESA program. ESA funding would begin in Quarter 3 (January) of the school year. The STO scholarship may only cover the first two quarters of the school year when there was no ESA funding. The outstanding STO scholarship money for the last two quarters must be refunded by the private school to the STO.

EXAMPLE 2: A parent applies and is approved for an STO scholarship in spring 2016 for the upcoming 2016/17 academic year. The STO remits scholarship money to the private schools on a semester basis. In October of the school year the parent decides to apply for ESA funding and signs a contract with the ESA program. ESA funding would begin in Quarter 3 (January) of the school year. Since the STO scholarship remitted to the private school only covered the first semester of the school year when there was no ESA funding, there is no overlap of funding and no refund required to the STO.

(Source: Arizona Department of Revenue STO Manual)

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