



Governmental Relations

SB1431/HB2394 empowerment scholarship accounts; expansion; phase-in

As Passed the Legislature

Eligibility

- Expands Empowerment Scholarship Account (ESA) eligibility in the following ways:
 - Students attending D or F school districts (as opposed to D or F schools only) are eligible with the next ESA application period.
 - All students K-12 beginning in FY2020-2021, phased in over a three-year period.
 - In 2017-2018, grades K, 1, 6, and 9.
 - In 2018-2019, grades K-2, 6, 7, 9, and 10
 - In 2019-2020, K-3, and grades 6-11
 - In 2020, 2021, grades K-12
 - Provides that a Kindergarten student who has never attended a public school is eligible to enroll in Kindergarten if the student is at least 4 but under 7 years of age.
- Allows ESA students attending a private school to remain on the ESA program until the student graduates from high school, obtains a GED, or reaches age 22 if the student remains enrolled in a private school, and allows the department of education to request confirmation of continued enrollment and progress toward graduation.
- Allows a student who has reached 18 and qualifies as a disabled student under the program to remain enrolled until age 22 or until the student obtains a GED with no requirement to remain enrolled in a private school, if the student continues to use at least 50% of the ESA amount each year.

Enrollment Cap

- Continues the limit on new enrollment of .50% of the total number of public school students each year (approx. 5,500 annually) until December 31, 2022.
- Beginning in FY2022-2023, limits the number of students eligible for an ESA to the total number of students approved by the department during the 2021-2022 school year

Funding Amount (higher amount for low income students)

- Clarifies that students transferring from a district school are eligible only for 90% of the amount that would be provided to the district of last attendance.
- States a student whose family is low income (defined as 250% of the federal poverty guideline, or \$60,750 for a family of 4) is eligible to receive 100% of the amount that would otherwise be awarded to the school district or charter school of attendance.

Accountability

- Requires students enrolled in a private school **only** to annually complete a nationally standardized norm-referenced test, a college entrance exam that assesses reading and math, an AP exam that assesses reading and math, or AzMERIT. Does not apply to students with disabilities.

- Requires only those private schools enrolling 50 or more students receiving an ESA to publicly report assessment results on its own website, not to ADE.

Administration

- Requires the department of revenue to administer the income eligibility requirements, and transfers 1% of the amount of an ESA retained for administration to be transferred to the department of revenue.
- Requires the treasurer to contract with a private financial management firm to administer Empowerment Scholarship Accounts.
- Requires ADE to allow an ESA account holder to give consent for a third party to apply for renewal and interact with ADE on the account holder's behalf.
- Establishes requirements for the administration of ESAs by the department of education and the department of revenue.
- Establishes the nine-member empowerment scholarship account review council, consisting of:
 - Six ESA parents, appointed by the governor.
 - The House and Senate education committee chairs.
 - The Superintendent of Public Instruction or the Superintendent's designee.
- Repeals the council on December 31, 2020.
- Makes numerous technical and conforming changes.