



SB 1452 Arizona empowerment scholarship accounts; revisions (Boyer)

This bill expands eligibility for the Empowerment Scholarship Account (ESA) Program, grants ESA recipients a portion of the Classroom Site Fund, and creates a property tax levy for non-state aid districts to support students that left their district to participate in an ESA.

Provisions:

Eligibility

- Expands the definition of “qualified student” to allow a student eligible to receive an ESA who:
 - Receives federal Title I services for low-income students
 - Receives free or reduced-price lunch
 - This includes a student attending a school that qualifies for schoolwide Title I funding and a student eligible to attend kindergarten who resides within the attendance boundary of a school that qualifies for schoolwide Title I funding
 - This would include a family of 4 with an annual household income of less than \$48,740
- Reduces the amount of time a student must attend a public school to qualify for the ESA program from the first 100 days to any 30 days.
- Allows students who attended public school within the current, rather than prior, fiscal year to be eligible for the ESA program.
- Allows a student who was counted among the ADM at a public school, including an Arizona Online Instruction program, during the prior fiscal year to be eligible for the ESA program.
- Allows a student in grades 9-12 to accept both an ESA and a scholarship from a school tuition organization, as long as the combined total of awards per year is less than the total per pupil spending in the student’s home school district.

Eligible Expenditures and Program Administration

- Allows ESA funds to be used on public or commercial transportation between the student’s home and school.
- Allows ESA funds to be used on any amount of educational therapies from a licensed or accredited provider not covered by a health insurance policy, as long as the expense is partially paid by insurance.
- Allows an ESA to remain open after the student's graduation from a postsecondary institution or after four consecutive years following high school graduation without enrollment in a postsecondary institution if the account holder continues using a portion ESA of monies for eligible expenses and is in good standing.
- Requires an expenditure for a purchase that is deemed ineligible and subsequently repaid by the parent or ESA holder to be credited back to the ESA within 30 days of payment receipt, unless the Attorney General determines fraud has been committed.

Funding and Property Tax Changes

- Establishes a base level amount of \$4,345 for FY22



Arizona School Boards Association

- Requires school districts that do not receive state equalization assistance to continue levying property tax to support students who have left the district for the Empowerment Scholarship Account program.
- Caps the levy required to support ESA students at the difference between the amount generated by the full qualifying tax rate (QTR) per \$100 assessed valuation and the district's equalization assistance amount.
- Transfers money collected by the levy to the ESAs of participants residing in the school district, up to the amount ADE is required to allocate to each account holder.
- States a student who participates in an ESA is still entitled to an equitable share of the Classroom Site Fund (CSF) that would have been allocated to the student's district or charter school.
 - Includes a child participating in the ESA Program in the estimated statewide weighted student count for the purposes of calculating the per pupil amount from the CSF, as long as the student continues to participate in the ESA Program.
 - Requires ADE to annually transfer, from the Classroom Site Fund to the State Treasurer for deposit into each ESA, an amount equal to the per-pupil amount multiplied by the student's weighted count that would be calculated by the student's prior or expected district or charter school of attendance.
 - Counts the amount transferred to each ESA from the ESA Fund toward the total amount ADE is required to allocate to each ESA and allows the funds to be used for any approved expenditures.