State of Arizona
Department of Education

Empowerment Scholarship Account


School Year 2018-2019
Version 1
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Quick Reference Guide of Empowerment Scholarship Accounts

1. The student cannot be enrolled in public or charter school, including public online schools.
2. Online submission of expense reports is required quarterly, even if there are zero expenses to report. These reports are completed through the ESA parent portal.
3. All charges require a receipt/invoice detailing the charge and should be uploaded with the expense report. Expenses should not be pre-paid and all expenses paid for must have occurred in the quarter for which it is paid.
4. Credentials are required for all teachers, instructors, tutors, and providers and/or facility paid for with ESA.
5. No medical expenses or co-pays can be charged or otherwise associated with the ESA cards.
6. Familiarize yourself with all expense report deadlines and funding dates.
7. Check the ESA webpage regularly for updates and sign up to receive the Monthly Newsletter and Tip of the Week. A calendar and other parent training resources are also available.
8. ESA does not require you to share your award amount or contract with your chosen school. You do not have to keep your card on file with the school as an ESA requirement. The contract is between the applicant and the Arizona Department of Education only.
9. Hiring other ESA recipients or family members to provide services is prohibited. Please contact the ESA office with questions.
10. Within the school year, you must spend a portion of ESA funds on the education of the qualified student, which includes providing an education in at least reading, grammar, math, social studies and science.

If you have any questions about ESA or allowable expenses, please contact our office Monday through Friday from 8am-5pm at 602-364-1969 or by emailing ESA@azed.gov.

*While other outside resources may provide you with ESA information, please be sure to check with the ESA department before proceeding with any spending to ensure program compliance.
Chapter 1: Introduction

1.1 What is an Empowerment Scholarship Account?

An Empowerment Scholarship Account (ESA) is an account administered by the Arizona Department of Education (ADE) and funded by state tax dollars to provide options for the education of qualified students in this state.

An ESA consists of 90% of the state funding that would have otherwise been allocated to the school district or charter school for the qualified student (does not include federal or local funding). The ESA is granted to the Account Holder of the qualified student to provide an education that must include at least the following subjects: reading, grammar, mathematics, social studies and science.

By opting out of the public-school system and accepting an ESA, applicants can seek a range of alternative educational services such as private schools, home-based education, tutoring, and educational therapies (for students with disabilities only) using state funds. Funded by the state, tailored by the applicant, and individualized for the student—the ESA program provides a unique opportunity to prepare Arizona students to succeed in school and life.

ESA contracts are between the applicant and the Arizona Department of Education-Empowerment Scholarship Account Program. What applicants choose to share with their enrolled school is at their discretion.

*ESA cannot provide any advice or guidance to families regarding schools, programs or service providers to use or where to send their child to school. The student must be withdrawn from public school upon signing an ESA contract and while remaining on ESA.

1.2 Accepting an Empowerment Scholarship Account

By accepting an ESA, the applicant of the qualified student(s) agrees to abide by an annually signed contract that states the ESA terms and conditions. The Department reserves the right to revoke ESA funding for those found in violation of the contract. Terms and conditions include:

- Student cannot be enrolled in a public school (including charters and public online schools).
- Applicant releases the public-school system from educating the student and providing services. School districts are released from their obligation and, unless stipulated in statute, may decline enrollment and assistance as long as the qualified student is under an ESA contract.
- Student cannot receive any tax-credit or School Tuition Organization (STO) scholarship concurrently in the same year as receiving ESA funds.
- Applicant shall submit quarterly expense reports, completed by given deadlines (section 5.4).
- Applicant shall spend a portion of the ESA funds annually to provide an education for the qualified student.

Note: Not all terms are listed above; please refer to your ESA contract for all terms and conditions.
1.3 Handbook Purpose

The purpose of the ESA handbook is to establish and supply official instruction concerning policies, procedures, and implementation of the ESA program.

1.3.1 Handbook Updates and Renewal

Per Arizona Revised Statutes (A.R.S.) § 15-2403(H): “The Department may adopt rules and policies necessary for the administration of empowerment scholarship accounts.”

The ESA handbook is developed by the Department under the guidance of our Policy Team and the Attorney General’s office. Policies and procedures can and will be updated in response to newly-enacted legislation, court decisions, and/or suggestions for best practices. Policies are subject to change at any time during the contract year and the Department will notify applicants of change(s) and effective dates. The most up-to-date handbook is available electronically on the ESA website www.azed.gov/esa.

1.4 How to Stay Updated

Program participants are strongly encouraged to stay informed by monitoring the ESA Website (www.azed.gov/esa) and thoroughly reading all correspondence sent by the Department regarding the ESA Program. Ensure emails from ESA.Communications@azed.gov are not showing in your spam account.

Program staff is available during business hours of Monday through Friday from 8:00 AM to 5:00 PM AZ time by calling the ESA hotline at (602) 364-1969 or by emailing esa@azed.gov.

All program correspondence will be sent to the mailing address and/or the email address on file (based on your preferred method of contact). As such, it is imperative that Account Holders ensure their contact information is up to date at all times. Should you need to update your information, do not hesitate to contact ESA staff via phone to discuss with a Program Specialist. To update banking information for your Bank of America Account, please contact the ESA hotline at 602-364-1969.

The Department offers resources for our ESA families:

- Monthly Newsletter (Sign up to receive at www.azed.gov/esa)
- Tip of the Week (Sign up to receive at www.azed.gov/esa)
- ESA Website: www.azed.gov/esa (training and information)

1.5 Address Verification

Per A.R.S. 15-2401(5) and (7): both the Parent (Account Holder) and qualified student must be residents of the State of Arizona. Thus, the Department may request residency verification in writing at any time during the contract period.
In general, students will fall into one of two groups: (1) those whose parent or legal guardian is able to provide documentation bearing his or her name and address; and (2) those whose parent/legal guardian cannot document his or her own residence because of extenuating circumstances including, but not limited to, that the family’s household is multi-generational. Different documentation is required for each circumstance, so if you have specific questions please call the ESA hotline at 602-364-1969.

**Parent(s) or legal guardian(s) that maintains his or her own residence:** The Account Holder must provide one of the following current documents, which bear the Account Holder’s full name and residential address or physical description of the property where the student resides (no P.O. Boxes):

- Valid Arizona driver’s license, Arizona identification card (issued within 60 days)
- Property deed
- Mortgage documents
- Property tax bill
- Rental agreement or lease (including Section 8 agreement)
- Utility bill (water, electric, gas, cable, issued within the past 60 days)
- W-2 wage statement
- Payroll stub (issued within 60 days)
- Affidavit of Shared Residence (notarized)
- Other documentation from a state, tribal, or federal agency (Social Security Administration, Veterans’ Administration, Arizona Department of Economic Security, etc.)

*Note: If the additional parent is listed on the document this can also be provided.

### 1.6 Secure Information

The Department has the obligation, under the Family Educational Rights and Privacy Act (FERPA), to ensure all information is kept confidential and secure. The Department will never release personally identifiable information regarding the qualified student, including financial information or personal details (including contract information).

For the protection of your privacy, the Department encourages ESA Account Holders to use caution when providing their personal information to third parties. This includes, but is not limited to, social security numbers, dates of birth, ESA Bank of America account information, or ESA application information such as ESA Application IDs or ESA logins and account passwords. To further protect yourself against the possibility of fraud, it is also recommended that you not release the custody of your ESA Debit Card or the card number to a third-party (including schools).

Applicants are also encouraged to enroll for a Bank of America Online Banking account at: [www.bankofamerica.com/onlinebanking/online-banking.go](http://www.bankofamerica.com/onlinebanking/online-banking.go). Setting up an account gives cardholders the ability to track their purchases and is a good way to ensure fraud is not occurring on your account. This will also assist you in completing your quarterly expense reports.
Chapter 2: Approved Spending and Program Requirements

A.R.S. § 15-2402(B)(4) lists the expenses that are explicitly permissible using ESA Funds.

ESA does not have an approved vendor or school list. It is at the applicant’s discretion to choose their provider and ensure they have proper credentials. Hiring family members is prohibited by the program. ESA applicants should not be providing services to other ESA recipients. Expenses should be paid for in the same quarter that the services will be received. If overlap occurs ESA account holders are advised not to pre-pay for therapeutic services that are outside of the current quarter.

2.1 Approved spending categories for all ESA students

<table>
<thead>
<tr>
<th>Spending Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses at a Qualified School:</td>
<td>A Qualified School is defined as a private school in Arizona that serves PK-12th grades.</td>
</tr>
<tr>
<td>- Tuition</td>
<td>Tuition shall be paid to a qualified private school directly, and only for the instruction of the ESA student (specified on the ESA contract).</td>
</tr>
<tr>
<td>- Fees</td>
<td>Uniforms are an allowed expense but must be purchased through or from a qualified school including school assigned vendors for uniform purchases.</td>
</tr>
<tr>
<td>- Required Textbooks</td>
<td>The following are examples of approved fees:</td>
</tr>
<tr>
<td>- Uniforms</td>
<td>• Registration fees</td>
</tr>
<tr>
<td><strong>Tuition must be paid for within the current fiscal year; funds cannot be used to pay expenses prior to enrollment in ESA.</strong></td>
<td>• Application fees</td>
</tr>
<tr>
<td></td>
<td>• Credit Card Processing fees</td>
</tr>
<tr>
<td></td>
<td>• Facility fees</td>
</tr>
<tr>
<td></td>
<td>• Activity and sports fees</td>
</tr>
<tr>
<td></td>
<td>• Book fees</td>
</tr>
<tr>
<td></td>
<td>• Lab fees (Science labs, Math labs, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Tutoring fees (no additional credentials required if part of the private school)</td>
</tr>
<tr>
<td></td>
<td>• Supply fees (this does not include consumable items such as pens, paper, markers, art supplies, construction paper, pencils, folders, backpacks, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Computer Lab fees (this fee is not to allow the purchase of a personal notebook/computer)</td>
</tr>
<tr>
<td></td>
<td>*See section 3.2 for Disallowed expenses (e.g., transportation and lunch fees)</td>
</tr>
</tbody>
</table>

ARS 15-2402(J) Monies received pursuant to this article do not constitute taxable income to the parent of the qualified student.

*If paying a 501C- these payments cannot be considered taxable income*
| **Curriculum & Course with Supplemental Materials** | A.R.S. § 15-2401(2): “Curriculum means a complete course of study for content areas or grade levels, including any supplemental materials required by the curriculum, approved by the department.”

A.R.S. § 15-2402 (1): “Use a portion of the empowerment scholarship account monies allocated annually to provide an education for the qualified student in AT LEAST the subjects of reading, grammar, mathematics, social studies and science....”

Often, curriculum may require or recommend supplemental materials. Per A.R.S. § 15-2401(2), supplemental materials are approved when “required by the curriculum and approved by the Department,” and not specifically disallowed in ESA statute. (Examples: Manipulatives, flash cards, reading trackers are disallowed unless “required” by the curriculum.)

Curriculum is a prepackaged learning guide with pre-determined topics, chapters and tools for teaching either purchased as a bundle or taught in a classroom setting. Curriculum can include subjects such as foreign language, advances math classes, college level courses)

Electives can be included in this section if a curriculum is purchased in the categories of music, dance, health class, computer science, culinary, business, etc.

| **Tuition and/or fees for a non-public online learning program.** | ESA approves tuition, fees, and required textbooks for any private online school.

- ESA will not pay for family subscriptions/memberships for online learning, only an individual membership with the student’s name on the account and receipt. If you believe you should receive an exception, please contact ESA.

- ESA will pay for monthly subscriptions that are paid for within the quarter they are utilized, if there is no monthly option, ESA funds can be used for up to a 1-year plan for online learning programs. Receipts with the student’s name should be provided and the account should be used only for the one student. Contact ESA for any exceptions to be reviewed.

If there are multiple students on the ESA program, each student must purchase their own access or online learning program membership. |
<table>
<thead>
<tr>
<th>Fees for nationally standardized achievement tests.</th>
<th>Advanced Placement exams and/or other exams related to college or university admissions such as ACT, SAT, etc. Inclusive of prep-courses for the exams. A.R.S. 15-2402(4)(g) Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination or any exams related to college or university admission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-Secondary Expenses</td>
<td>Per A.R.S § 15-2401(4): &quot;Eligible postsecondary institution&quot; means a community college as defined in section 15-1401, a university under the jurisdiction of the Arizona board of regents or an accredited private postsecondary institution.”</td>
</tr>
<tr>
<td>- Tuition</td>
<td>*ESA funds cannot be used for room-and-board or meals/meal plans.</td>
</tr>
<tr>
<td>- Fees</td>
<td></td>
</tr>
<tr>
<td>- Required Textbooks</td>
<td></td>
</tr>
<tr>
<td>Account Fees</td>
<td>Fees charged by Bank of America for Card Replacement.</td>
</tr>
<tr>
<td></td>
<td>- Lost/Stolen Card Fee $5</td>
</tr>
<tr>
<td>Services provided by a Public School</td>
<td>A.R.S. 15-2402(4) (i) Services provided by a public school, including individual classes and extracurricular programs. Credentials do not need to be provided from the public school.</td>
</tr>
<tr>
<td></td>
<td>Includes individual classes and extracurricular programs such as drama club, band, speech and debate club, cheerleading, sports, etc.</td>
</tr>
<tr>
<td></td>
<td>Note: Schools and districts are not under obligation to accept ESA students for these activities, even if paying for the services, classes, or extracurricular activities.</td>
</tr>
<tr>
<td></td>
<td>If a school accepts an ESA student, ensure the following occurs to avoid suspension or termination from the ESA program:</td>
</tr>
<tr>
<td></td>
<td>- Contact the district to ensure they accept students paying tuition and provide an invoice for programs. If the ESA student does attend and pays tuition, make sure the student is not enrolled as a district student, but as a tuition paying student (tuition payer code 2).</td>
</tr>
<tr>
<td>Educational (electives or basic subjects) Tutoring or Teaching Services</td>
<td>See section 2.1.2 All services must be delivered from an individual or provider who is accredited by a state, regional or national accrediting organization; accreditation must be valid, current (not expired), and in a related field. For some, the credential will be a facility accreditation. (Note: Students may attend a family-owned or operated school using ESA funds; however, funds cannot be refunded from the school to the family.)</td>
</tr>
<tr>
<td></td>
<td>A.R.S. 15-2402(4) (d) Tutoring or teaching services provided by an individual or facility accredited by a state, regional or national accrediting organization.</td>
</tr>
<tr>
<td></td>
<td>Tutoring can be individual sessions or in a group setting unless specified. Tutors and/or teachers should hold a Bachelor’s Degree or higher, an Arizona State Teaching Certificate (not expired), or Arizona State Substitute</td>
</tr>
</tbody>
</table>
Teaching Certificate (not expired) and a copy of the credential is required to be submitted with the receipt of services. For Physical Education a credential related to the field of study or for the facility should be provided. If you have any questions contact ESA.

- Music Class (group and private lessons) and instrument rentals (not rent to own), Choir
- Foreign Language (group or private lessons)
- Physical Education (P.E.) inclusive of dance classes, group gymnastics, group fitness, group swimming classes.
  - Gym Memberships will NOT be allowed as they cover more than a specific class. Personal trainers will NOT be allowed.
  - Private lessons will not be allowed under physical education.
- Art Classes: photography, drawing, ceramics, etc. (consumable items cannot be purchased separate from the class)
- Computer Science Classes
- CTE/JTED equivalent courses in technical or career related courses: [http://www.azed.gov/cte/programs/](http://www.azed.gov/cte/programs/)
  - Examples: Culinary, Automotive, EMT, Early Education, Engineering, etc.
- Health Classes
- Driver’s Education Class

<table>
<thead>
<tr>
<th>Group Water Safety or Group Swim Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Should be categorized on the expense report as tutoring: physical education</td>
</tr>
<tr>
<td>• Credentials can be from many sources, contact ESA for further guidance</td>
</tr>
<tr>
<td>o Water Safety Instruction (WSI) Certificate</td>
</tr>
<tr>
<td>o Arizona Interscholastic Association (AIA)</td>
</tr>
<tr>
<td>o SWIM USA Certificate, American Red Cross Certificate for Swimming and Water Training</td>
</tr>
<tr>
<td>o American Red Cross Certificate for Lifeguards</td>
</tr>
<tr>
<td>o Starfish Certification</td>
</tr>
<tr>
<td>o Swim Instruction Certificate from a facility able to provide lessons</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Driver’s Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Should be categorized on the expense report as tutoring: elective</td>
</tr>
<tr>
<td>o Teaching Certificate with Driver’s Ed Endorsement</td>
</tr>
<tr>
<td>o Three semester hour course taken from an accredited institution (certificate of completion must be submitted)</td>
</tr>
<tr>
<td>• 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)</td>
</tr>
</tbody>
</table>
### Dance Class
- Should be categorized on the expense report as tutoring: elective
  - Dance Master of America Certificate
  - National Association of School of Dance Certificate
  - Dance Educators of America Certificate
  - State Teaching Certificate with Dance endorsement
  - Bachelor’s degree or higher in Dance, Performance Arts, or related field

### Music Class (group or private lessons)
- Should be categorized on the expense report as tutoring: elective
  - State Teaching Certificate in Music
  - Bachelor’s degree or higher in Music or related field
  - Bachelor’s Degree in Music
  - *Instruments can be rented, but not rent-to-own

### Other Goods & Services/Reading Books
- Educational Field Trips (transportation and lunch is not to be paid for with ESA funds) should be related to the student’s studies. A receipt or detailed invoice should be provided to show that the expense was educational in nature. School trips such as to waterparks and pizza restaurants will not be allowed.
- Reading books that are age appropriate, including audible books (the subscription must be under the student’s name and the book names must show on the receipts)

### 2.2 Additional approved spending categories for students with a disability

- Below are examples of therapies for students identified with a disability and their respective acceptable credentials. This is intended to serve as guidance and is not a comprehensive list. Expenses in this section are applicable only to Students identified with a disability pursuant to A.R.S. § 15-2401(6)(a)(i), (ii), or (iii).
- **Required credentials** – Applicants are responsible for reviewing credentials to make sure that the credential is legitimate and unexpired. Copies of the credentials must be submitted with quarterly expense reports.

Refer to [Section 3.3](#) for therapies that are not covered by ESA and [Section 3.4](#) regarding medical insurance.

<table>
<thead>
<tr>
<th>Spending Category</th>
<th>Description</th>
<th>Credential - Copy Required w/ Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Educational Therapies/Services</strong></td>
<td>A.R.S. 15-2402 (4)(c) (i) Educational therapies from a licensed or accredited practitioner or provider. Educational therapies or services are individualized intervention and treatment plans designed to remediate learning problems through a combination of educational and therapeutic approaches.</td>
<td>Licensed or accredited practitioner or provider related to the educational therapy</td>
</tr>
</tbody>
</table>
| **Paraprofessional*/Educational Aide** | Including licensed or accredited paraprofessionals or educational aides. **Respite care is not included.**  
*As paraprofessionals are not conducting their services in a school, oversight is not required.* | • Associates Degree(equivalent classes) or higher  
• Pass 1 of 3 Paraprofessional tests |
| --- | --- | --- |
| **Vocational & Life Skills Tuition** | Vocational and Life Skills services are designed to help students develop skills or express interest in potential careers while learning necessary life skills that will enhance their ability to live and work more independently.  
(Examples: CPR, Water Safety, Cooking Skills)  
*These can be taught in a school or home setting* | • Instructor should have credential or degree in given subject being taught  
• Licensed School Counselor |
| **Personal Training** | One on one personal training sessions (no gym membership included) for physical education, core and upper body strength. | • Certified Personal Trainer  
• Bachelor’s Degree in Physical Education |
| **Behavior Counseling** | In behavioral therapy, a professional will work with an individual to try to reinforce desirable behaviors and minimize behaviors that are not desirable. | • Licensed Professional Counselor (LPC) with a specialty in childhood disorders |
| **Educational/Psychological Evaluations** | Psychological and educational evaluations, testing, and/or assessments offer an opportunity to help identify a child’s strengths and unique needs and provide helpful and practical recommendations for improvement and success.  

_A.R.S. 15-2402 (4)(c) If the qualified student meets any of the criteria specified in section 15-2401, paragraph 6, subdivision (a), item (i), (ii) or (iii) as determined by a school district or by an independent third party pursuant to section 15-2403, subsection I, the qualified student may use the following additional services:_  

(i) Educational therapies from a licensed or accredited practitioner or provider.  
(ii) A licensed or accredited paraprofessional or educational aide.  
(iii) Tuition for vocational and life skills education approved by the department.  
(iv) Associated services that include educational and psychological evaluations, assistive technology rentals and braille translation services approved by the department._ | • Copy of the provider’s degree in related field |
<table>
<thead>
<tr>
<th><strong>Assistive Technology Rentals</strong></th>
<th>Assistive technology includes assistive, adaptive, and rehabilitative devices that promote greater independence. (Examples: talking word processor, talking electronic dictionary, text to speech software for Web and electronic text) Resource: <a href="http://www.aztap.org">www.aztap.org</a></th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Braille Translation Services</strong></td>
<td>This includes, but is not limited to Braille translation software. A.R.S. 15-2402 (4)(c) (iv)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Therapy Services</th>
<th>Credential - Copy Required w/ Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical Therapy</strong></td>
<td>• Physical Therapy license (includes Assistant License)</td>
</tr>
<tr>
<td><strong>Occupational Therapy</strong></td>
<td>• Occupational Therapy license (includes Assistant License)</td>
</tr>
<tr>
<td><strong>Speech Therapy</strong></td>
<td>• Speech Language Pathologist Therapy license (includes Assistant License)</td>
</tr>
<tr>
<td><strong>Vision Therapy</strong></td>
<td>• Vision Therapy license or certification (will NOT approve an ophthalmologist or optometrist license alone)</td>
</tr>
<tr>
<td><strong>Hand Therapy</strong></td>
<td>• Physical Therapy license&lt;br&gt;• Occupational Therapy license or related therapy credential</td>
</tr>
<tr>
<td><strong>Music Therapy</strong></td>
<td>• American Music Therapy Association (AMTA)&lt;br&gt;• Certification Board for Music Therapists (CBMT)</td>
</tr>
<tr>
<td><strong>Equine Therapy; Hippotherapy; Therapeutic Riding</strong></td>
<td>• Professional Association of Therapeutic Horsemanship (PATH)&lt;br&gt;• Equine Assisted Growth and Learning Association (EAGALA) Recreational Therapy Certificate&lt;br&gt;• Certified Therapy Horse Association (CTHA)&lt;br&gt;• North American Handicap Riding Association (NAHRA)&lt;br&gt;• Equine Therapy Association (ETA)&lt;br&gt;• National Association of Certified Professionals of Equine Therapy (NACPET)</td>
</tr>
<tr>
<td><strong>Aquatic Therapy</strong></td>
<td>• Aquatic Physical Therapy license&lt;br&gt;• Physical Therapy license&lt;br&gt;• Occupational Therapy license</td>
</tr>
<tr>
<td><strong>Martial Arts Therapy</strong></td>
<td>• Occupational Therapy license&lt;br&gt;• Physical Therapy license&lt;br&gt;• State teaching certificate in Special Education&lt;br&gt;• American Taekwondo Association (ATA) certificate&lt;br&gt;• United States Martial Arts Association (USMA) certificate</td>
</tr>
<tr>
<td><strong>Gymnastics Therapy</strong></td>
<td>• Occupational Therapy License&lt;br&gt;• Physical Therapy license&lt;br&gt;• State teaching certificate in Special Education&lt;br&gt;• USA Gymnastics certificate</td>
</tr>
<tr>
<td><strong>Applied Behavior Analysis and Verbal Behavior Analysis</strong></td>
<td>• BCBA-D (Board Certified Behavioral Analyst – Doctorate)&lt;br&gt;• BCBA (Board Certified Behavioral Analyst)&lt;br&gt;• BCABACA (Board Certified Assistant Behavioral Analyst)&lt;br&gt;• Psychologist license</td>
</tr>
</tbody>
</table>
| Art Therapy                                                                 | • American Art Therapy Association (AATA) Physical Therapy license  
|• Occupational Therapy license                                                                 |
| Recreational Therapy                                                        | • National Council for Therapeutic Recreation Certification (NCTRC)  
|• American Therapeutic Recreation Association (ATRA) Recreational Therapy license |
| Relationship Development Intervention (RDI) Therapy                          | • ABA credential listed above for Applied Behavior Analysis and  
|• Verbal Behavior Analysis RDI certificate                                                                 |
| Social Group Therapy                                                        | • Psychologist license  
|• Certification in Cognitive-Behavioral Therapy (CBT)                         
|• Social Work Counselor Certificate                                           
|• Speech Therapy license                                                                 |

### 2.3 530 Coverdell Education Savings Accounts

530 Coverdell Education Savings Accounts are tax-advantaged investments designed to encourage savings for future educational expenses. More information regarding Coverdell accounts can be found in section 530 of the Internal Revenue Code (26 U.S.C. § 530).

A Coverdell account must:

- Be opened in the Contract Holder’s name only
- Be for the awarded ESA Student (beneficiary) only
- Be reported to the IRS

Applicants should first provide an education to their child before using any unspent funds towards a Coverdell Education Savings Account. The holder of the ESA account (applicant who signed the ESA contract) must also be the signatory on the Coverdell account. The purpose of a 530 Coverdell is primarily to save money for students to attend college and expenditures shall still adhere to ESA guidelines. Transferred funds must be reflected on the expense report for the appropriate quarter in which the money was deposited. The Department does not allow applicants to withdraw cash, cash advance, or obtain a cashier’s check to directly invest ESA monies into a private financial institution offering Coverdell accounts. A complete paper trail from ESA account to the 530 Coverdell must be provided in the quarterly expense report. If funds are transferred from an ESA card to PayPal, then PayPal to personal bank account, then personal bank account to the Coverdell 530 account, documentation of all transactions must be provided to show the movement of funds. These actions should all take place within one quarter for auditing purposes and tracking of funds.
Chapter 3: Disallowed Spending

The following expenses are specifically disallowed by law A.R.S. § 15-2402(6):

<table>
<thead>
<tr>
<th>Disallowed Spending Categories</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumable Educational Supplies</td>
<td>Paper, pencils, pens, markers, erasers, folders, backpacks, batteries, light bulbs, salt, sugar, etc.</td>
</tr>
<tr>
<td>Computer Hardware &amp; other technological devices</td>
<td>Laptops, iPads, desktops, iPods, keyboards, mouse, USB drives, calculators, computer driven microscopes, etc.</td>
</tr>
<tr>
<td>Transportation</td>
<td>Reimbursement for gasoline, buses, taxis, ride share, or transportation provided by the school, transportation etc.</td>
</tr>
</tbody>
</table>

Experiments or curriculum may call for items classified as consumable educational supplies. Single Use means any item(s) that can be used up and/or discarded. (Example: magazines, pens, pencils, salt, sugar, batteries, light bulbs, construction paper, pencils, colored pencils, markers, rubber bands, food coloring, food items etc.). These items are not approved.

Kits that include consumables for science and art, etc. should be reviewed by ESA staff prior to purchasing. Please ensure all items are required by the curriculum.

Supplemental materials NOT required by curriculum such as websites Teachers Pay Teachers.

VENMO is not an allowable merchant for transactions.

Educational apps/games downloads- unless “required” by a curriculum or include a full curriculum, these are not allowable expenses. If the app is a curriculum it is allowable.

Association or membership fees for an organization are not allowable expenses.

3.1 Disallowed Expenses (Misspending)

If you have an expense report rejected, typically credentials were not submitted for a specific expense, the expense was submitted incorrectly, the amount of the expense doesn’t match the bank statement, the expense was not itemized, or there is believed to be misspending on the ESA account which will need to be repaid to the Arizona Department of Education.

Any expenses within a disallowed category, pursuant to the ESA agreement and A.R.S. § 15-2402(B)(6), will result in an account suspension and request for repayment. Account holders have 10 business days to contact the ESA Department to either submit repayment, or provide documentation showing error. The account remains suspended until repayment is satisfied and ESA funding will be unavailable until the full amount is paid back. Acceptable forms of repayment include: money order, cashier’s check and personal check made out to: Arizona Department of Education.
The ESA Department sends a suspension letter to the account holder if the applicant fails to initiate contact within 10 days of the notice of misspending. The account holder’s card will remain suspended and no additional quarterly funds will be disbursed until the account is in good standing. After 70 days from the notice of disallowed expenses, the account will be terminated, and the applicant will neither be eligible to hold any ESA accounts nor to reapply for ESA in the future. The account holder has 60 days to appeal the disallowed expense, as further explained in Section 8.1. On the 61st Day, if the account has not been remedied; the account will be terminated, and the account holder will be ineligible to reapply.

3.2 Disallowed Costs

ESA funds cannot be used for:

- Late fee payments as a result of delayed funding when an expense report has been submitted late
- Childcare fees
  - This includes fees accrued by dropping a child off early, or picking a child up late, at school
- Transportation fees (ESA does not approve any transportation costs)
- Supply fees, including consumable items/materials (unless at a private school)
- Fees from missing appointments or showing up late
- Lunch fees
- Uniform expense not from a school or school specified vendor (e.g., Target, Walmart)
- Respite Care
- Habilitation Services
- Amazon Prime Membership fees

3.3 Refunds

- Should be issued when possible back to the prepaid Visa card when an error is made or a charge is returned.
- If the merchant cannot issue a refund on the prepaid Visa card, they should issue a check to the Arizona Department of Education with the student’s name and ESA application ID on the check.

3.4 List of Non-Approved Therapies

The following therapies are not approved for ESA students:

<table>
<thead>
<tr>
<th>Not Approved Therapies and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massage Therapy</td>
</tr>
<tr>
<td>Nutritionists</td>
</tr>
<tr>
<td>Eye Exams</td>
</tr>
<tr>
<td>Acupuncture</td>
</tr>
<tr>
<td>Play/Sensory Therapy</td>
</tr>
</tbody>
</table>
3.5 Medical Insurance and Co-Pays
Therapies provided to students must be “Educational Therapies” under A.R.S. § 15-2402(B)(4)(c). Under current Department policy, co-pays, co-insurances, deductibles, or any forms of medical insurance cannot be used in combination with ESA funds. If medical insurance is used in conjunction with ESA, the applicant will receive a disallowed expense letter. If receiving therapies in a medical office, ensure the receipt shows no insurance payments, but payment from the ESA card.

3.6 Half-Day Kindergarten Tuition
Account Holders cannot enroll a student for full-day Kindergarten at a public school that charges tuition for the second half of the day. In this situation, the school receives funds from both ESA and ADE, which is a violation of the contract. ESA students cannot be enrolled in public school without being enrolled as a tuition payer.

3.7 Uniforms
Uniforms are an allowed expense but must be purchased through or from a qualified school; purchases made through an outside vendor, such as Walmart or Target, are not approved vendors. Examples of Vendors: Dennis Uniforms, Educational Outfitters, UniFirst uniform services as used per the school. Please have the vendor list the school’s name on your receipt.

Chapter 4: Recap on Spending
A.R.S. § 15-2403(H) states, “The department may adopt policies and procedures necessary for the administration of empowerment scholarship accounts.”
With so many options available for account holders to choose from, the Department cannot produce a list of all allowable and disallowed expenses. This handbook provides examples of common uses for ESA funds; this is not a comprehensive list of allowable expenses and is to serve only as a guideline to account holders. If you have specific questions, please call the ESA hotline at 602-364-1969.
Chapter 5: Debit Card and Funding

Once accepted to the ESA program, funds awarded to students are entrusted to account holders in the form of a prepaid bank card. The card lists both the student and the account holder but can only be used to educate the student.

5.1 ESA Prepaid Bank Card

The ESA prepaid bank card is sent to the mailing address provided on the ESA application. Once we have your signed contract, we will request the card; this can take up to 30 days to be received at your address.

The ESA bank card will arrive in a white envelope from Bank of America (please do not discard). If the card is accidentally thrown away, contact the bank to report a lost or stolen card at 1-866-213-8564.

Follow the instructions on the back of the card to activate it. There is not a pin number associated with the bank card. The card does not permit cash withdrawals, cash advances, or the issuing of cashier’s checks. A warning will be issued for the first attempt to withdraw or receive cash advances, after this any additional attempts will result in termination from the program.

Online banking is recommended for tracking spending and accessing bank statements and account information. For account balances, call the toll-free number located on the back of the card; information about ESA cards cannot be obtained by walking into the bank.

Attempting cash withdrawals will be grounds for removal/termination from the program.

5.2 Merchant Category Codes (MCC)

The Department, along with the Arizona State Treasurer’s Office, is entrusted with ensuring that public tax dollars are spent in accordance with A.R.S. § 15-2401 - 2404.

A Merchant Category Code (MCC) is a four-digit number assigned to a business by credit card companies or banks when a business is set up to accept credit cards as a form of payment. The MCC is used to classify the business by the type of goods and services it provides. Only vendors and providers on the ESA approved MCC code list will allow your card to be charged. If your card is declined when paying a vendor or provider and you have funds in your account, it may be because their company is set to an MCC disallowed by ESA.

Vendors and private schools may change their MCC without notice, which may cause an interruption in service.
5.3  Allowable Forms of Payment

Services paid for with an ESA card must be direct to the vendor. Purchases must be made using the ESA Bank Card, as out-of-pocket expenses will not be reimbursed.

<table>
<thead>
<tr>
<th>Forms of Payment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point of sale</td>
<td>Card swipe / in-person payment</td>
</tr>
</tbody>
</table>
| PayPal           | Online payment service for paying tutors and aides; some providers may need to be verified before receiving funds and may incur PayPal fees. If you have issues with PayPal, please contact:  
  • PayPal Customer Support at 1-888-221-1161 |
| Phone/Internet/Mail | Purchasing materials by either entering card numbers online, on a paper mailing form, or verbally communicating them over the phone |
| Square           | Payment made through a smart phone or tablet. An applicant can sign on the spot and have a receipt emailed to them from the Provider. |

5.4  Funding Dates

Applicants that submit approved expense reports on time (refer to Section 6.2) will receive funding during the following time frames: Funding Dates

<table>
<thead>
<tr>
<th>Funding Dates</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 15th and 30th</td>
<td>1</td>
</tr>
<tr>
<td>October 15th and 30th</td>
<td>2</td>
</tr>
<tr>
<td>January 15th and 30th</td>
<td>3</td>
</tr>
<tr>
<td>April 15th and 30th</td>
<td>4</td>
</tr>
</tbody>
</table>

These are dates we process funding. It can take up to a week for the funds to be available on your prepaid debit card.
Chapter 6: Expense Reports

Applicants are responsible for submitting itemized expense reports each quarter, as stipulated in the ESA contract that is signed and returned by the applicant. The submission of expense reports every quarter is crucial to maintaining eligibility in the ESA program. This allows ESA staff to account for the educational spending of state funds to taxpayers. The responsibility is on the applicant to submit all expense reports; third parties such as private schools may not submit on the applicant’s behalf.

If no spending has occurred in a quarter, the applicant is still required to submit an expense report. Please log on to the online portal and submit a zero-dollar expense report by selecting “no expenses” and submitting.

ESA funds may only be used on specific allowable expenses as discussed in the previous chapter, which are authorized by statute. The Department is authorized to audit all expenditures and request further information, if needed, from any ESA cardholder.

To comply with legal requirements, ESA cardholders submit expense reports and documentation quarterly for verification prior to disbursement of the next quarter’s funding.

Expense reports must be submitted on time to receive the next quarter’s funding. Expense reports will always be due by the 20th of the last month in each quarter. Failure to submit your expense report by the 20th will result in a reminder letter to submit 10 days after it is due, a card suspension after 40 days and termination from the program at 70 days. Late expense reports provided by the 30th of the first month in the quarter will be eligible for that quarter’s funding; after that date the applicant will not receive funding until the following quarter.

6.1 ESA Expense Report Submission

The ESA Department has an online ESA Expense Reporting System. This system has been designed to provide an easier and more efficient expense report submission experience. The system has been updated to import all charges within the quarter, once posted by the bank, to your online expense report to be categorized and have the receipt and credentials submitted.

Applicants should use the online system and will need to create their own personalized ESA Portal account to submit and track expense reports. Only one account is required for applicants with multiple students. Once you have created your account you will also have the ability to submit, monitor the status of, and track past and future expense reports. Additionally, in-progress expense reports can be saved for later additions, editing, or submission. To begin using the system, create a self-registration to access your ESA expense portal at https://esa.azed.gov/ESA/Account.
• Your username will be your email address and a temporary password will be sent to the email account on file. Your username email and the email you provided in your application should be the same. The email will reference ADEConnect; ADEConnect is the platform hosting the portal.
  o If the email does not arrive within a few hours, check your Spam or Junk folder. We recommend adding esa@azed.gov and ims-notification@azed.gov to your email contacts to avoid emails being delivered into the Spam or Junk folders.

• Upon receiving your password, you can log into the portal at https://home.azed.gov/Portal/.

• If you change your email address you need to notify ESA and you will be required to reregister for a new account.

• The portal works best when using either Internet Explorer 11, Microsoft Edge or Google Chrome web browsers. Please do not use tablets or phones, as it will not display correctly.

The Department has developed training to ensure applicants are successful when using the online expense reporting system. All training materials for the ESA Expense Report System can be located on our website at www.azed.gov/esa/training/. To help you get started with the creation of your account, be sure to access the quick reference guide on Registering for the Applicant Portal. Additional training materials are also available to provide assistance with the creation and submission of your expense report(s).

6.2 Expense Report Due Dates

Funding disbursements (listed in Section 5.4) are dependent upon whether or not expense reports are submitted by the deadline. Deadlines are 10 days before the end of the quarter (20th of the 3rd month in a quarter). Any additional purchases made after your expense report submission, made within the quarter will roll on to the next quarter’s expense report. In quarter 4 all items must be on the expense report for the entire contract year, purchases made after the expense report is submitted, and charges made after June 20th will result in notification of the applicant to complete the expense report after the quarter closes on June 30th to add to the expense report. Additional charges receipts and credentials should be received prior to quarter 1 funding for the next year (July 15th and 30th).

Reports submitted late are subject to delayed payment or forfeiting the next quarterly disbursement. Failure to submit an expense report within 70 days of the deadline may result in termination from the program.
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Dates</th>
<th>Application Deadline</th>
<th>New Contract Due Date for Funding</th>
<th>Expense Report Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>July 1- September 30</td>
<td>June 1</td>
<td>July 27</td>
<td>September 20</td>
</tr>
<tr>
<td>2</td>
<td>October 1- December 31</td>
<td>September 1</td>
<td>October 29</td>
<td>December 20</td>
</tr>
<tr>
<td>3</td>
<td>January 1-March 31</td>
<td>December 1</td>
<td>January 29</td>
<td>March 20</td>
</tr>
<tr>
<td>4</td>
<td>April 1- June 30</td>
<td>March 1</td>
<td>April 29</td>
<td>June 20</td>
</tr>
</tbody>
</table>

### 6.3 Expense Report Required Documents

When submitting an expense report, paid invoices and receipts are required. The electronic expense report system will allow these documents to be uploaded. It is important that all fees and materials purchased during the quarter are itemized; this may require requesting an itemized invoice. All receipts should include a student name, service type, item description or school name as pertains to the invoice. If no money is spent during the quarter, a **zero-expense report must still be submitted**.

Credentials are submitted with the expense report for students receiving tutoring or teaching services and for students with disabilities receiving educational therapies ([Section 2.1](#)). If additional information is required, applicants will receive an email specifying what additional documentation is necessary.

Unused ESA funds continue to roll-over on a quarterly basis. Therefore, applicants are not required to spend all of their quarterly disbursement at one time. However, applicants are required to spend a portion of the ESA award each contract year towards educational expenses.

### 6.4 Failure to Submit Timely Expense Reports

Failure to submit quarterly expense reports by the deadlines provided above may result in termination from the program. All communication is sent out via the preferred method of contact on the applicant’s account, either postal mail or email. The ESA Account will be suspended 10 days after the missed deadline (ex. due date is June 20th for quarter 4, June 21st a past due notice is sent, then on July 1st a suspension letter is sent) and the Account Holder will receive a suspension letter and the debit card will be suspended. The Account Holder has 60 business days (from July 1 to August 29th, the 60-day suspension period, when an expense report even if for zero spending, should be submitted) to contact the Department to either submit the missing expense report, or provide necessary documentation. The account remains suspended and ESA funding will not be disbursed for the missing quarter (ex. If Q2 is missing,
Q3 funding will not be disbursed, if submitted before 70 days, then the account can receive Q4 funding).

Due Date + 10 day Past Due + Suspension 60 days = 70 days Termination of Account

The Department sends a termination letter to the account holder if the applicant fails to submit the expense report within 60 days of the date printed on the suspension letter. The account holder has 30 days to appeal, as further explained in Section 8.1. On the 31st day, if the account has not been remedied, the account will be terminated and the Account Holder will be ineligible to reapply. If the receipts have not been provided for the missing quarter, the expenses will be turned over to the Attorney General’s office as a collection case.

6.5 Repayment
If you have misspending on your ESA account, you will be contacted and asked to reach out to the ESA department within 10 days to remedy the expense. Repayment plans can be set up if you are unable to immediately pay back the disallowed expense. ESA will ask you for a timeline for the repayment and schedule payment dates with you. While you are repaying disallowed expenses your prepaid visa card will be suspended and you will not be eligible to receive additional quarterly disbursements until the full amount is paid back. Checks can be made out to: Arizona Department of Education.

Please include the applicant’s name, student’s name and ESA application ID

Mailed to:
Arizona Department of Education
Attn: ESA
1535 W Jefferson Street, Bin #41
Phoenix, Arizona 85007

Chapter 7: Contract Renewal

Applicants choosing to remain on the ESA program are required to sign a new contract each fiscal year and do not need to reapply. These contract packets are emailed and/or mailed by the Department and must be returned by the applicant with all required documents. Required documents include: ESA Annual Contract and the Handbook Attestation Form. The exception to this is for account holders who have a Student transitioning from Preschool to Kindergarten who has an MET/IEP/Evaluation Report that has a service code of P-SD (preschool severe delay) or students who have a service code of DD (developmental delay) and are past the age of 10. In this case, a current MET/IEP/Evaluation Report is also required from a public-school district to continue to receive additional funds related to a service code.
If an ESA renewal contract is not received by the deadline of June 30, the Department will automatically close out the Student from the program on July 1. Unspent funds are returned to the Treasurer’s Office, the prepaid visa card is closed and the ESA account is closed in good standing assuming all expense reports have been submitted. Should this occur, the applicant will be required to reapply as a new account holder if they wish to return to the ESA Program; once the reapplication is received, eligibility and supporting documentation will be reviewed. All applicants in good standing are eligible to reapply under the “Previous ESA Recipient” category. (Students reapplying under a student with disabilities eligibility will be required to have a current IEP from a public school district.)

### 7.1 Eligibility for Renewal

The following is required to remain eligible for renewing an ESA contract:

- Submitted all quarterly expense reports (receipts and credentials);
- Spent a portion of the Student’s annual ESA Award;
- Any disallowed expenses were repaid; and
- Complied with terms and conditions of the contract.

- If required, an Attestation document is completed.
  - Attestation is required in order for students who have reached 12th grade and are over the age of 18 but up to age 22 to remain on the program. These documents are sent out annually prior to the renewal contract and should be returned immediately.

### 7.2 Returning Renewal Contracts

Renewal contracts will be sent via the preferred method of contact selected by the applicant. Renewal contracts should be submitted electronically and can be signed through Adobe Sign. Each applicant with an account in good standing at the time of renewals will receive emails from ESA for their renewal contract. EchoSign will be who the electronic signature documents are sent from, this will allow you to then use AdobeSign for the documents. Once signed, you will receive a confirmation email with a copy of the contract attached.

Contracts may also be emailed to [esa@azed.gov](mailto:esa@azed.gov) or mailed or delivered to the Department of Education at:

Arizona Department of Education  
Attn: ESA  
1535 W. Jefferson St. Bin# 41  
Phoenix, AZ 85007
Chapter 8: Removal Process

Pursuant to A.R.S. § 15-2403(C), the Department may remove any applicant or qualified student from the ESA program if the applicant or qualified student fails to comply with the terms of the contract, state law, policies or procedures or misuses ESA funds.

Violation results in the following:

- Suspension letter stating violation(s), 10 days to contact ESA and account is suspended
  - Disallowed Spending
  - Missing quarterly expense reports
  - Unreported expenses, missing receipts or credentials on expense reports
- If student is found enrolled in public school, immediate termination from ESA and letter sent to applicant.
- Termination letter if no attempt to resolve the issue for suspension after 60 days. If all charges are not reported with receipts and credentials, the account will be turned over for collections.

Refusal or failure to contact and comply with the Department will result in termination from the program.

- If the account holder wishes to appeal the termination, they can submit a notification of appeal within 30 days of the date specified on the termination letter.
- If the account holder is not heard from within the allotted time, the account is closed, and any misspent funds or unaccounted funds are sent to the Attorney General’s Office for collections.
- The account holder is not eligible to re-apply to the ESA program in the future.

8.1 Appeal Process

Upon receipt of the termination letter, the account holder has the right to appeal. This process is outlined in the termination letter or disallowed expense notification. To appeal a termination or disallowed expense:

- Provide written notice of appeal to the Department within 30 days of the date specified on the termination or disallowed expense letter. This notice includes:
  - Account holder’s name (as written on ESA contract)
  - Current address (city, state, zip code)
  - Contact information (email and phone number)
  - A clear statement of reason for appeal
- Upon receipt of an appeal letter, the Department contacts the Applicant to explain the next steps.
- The Department receives a Notice of Appeal and Request for Hearing notice.
- If the Department does not receive notice within the 30 days, the termination decision is final.
• The ESA account remains suspended during the appeals process; account holder does not have access to account.
• The Department will schedule a hearing at the Office of Administrative Hearings. A judge provides a recommended decision to the Superintendent of Public Instruction, who will accept, reject, or modify the decision.

*Documented proof is required by the applicant and shall be provided prior to the hearing.

The applicant can also request an informal settlement conference, pursuant to A.R.S. § 41-1092.06, by submitting a written request to the Department, no later than 20 days before a scheduled hearing. Note that documented proof is required from the applicant.

8.2 Reasons Applicants Are Terminated

Below are common reasons that account holders are terminated from the ESA program (this is not an inclusive list of all possibilities):

1. Enrolling in and attending a public, charter, or public online school;
2. Attending summer school at a public, charter, or public online school and not paying tuition;
3. Receiving School Tuition Organization (STO) scholarships or tax credit scholarships concurrently with ESA funds;
4. Misspending funds;
5. Fraudulent activity or providing false information (application, contract, bank form, etc.);
6. Failure to submit an expense report within 70 days of due date; or
7. Not submitting required documents by set deadline.

8.2.1 Attending a Public or Charter School

Participating ESA students cannot enroll in any public school, charter school, or online public school, as stated in the ESA contract: “pursuant to A.R.S § 15-2402(B)(2), during the Term, Holder will not enroll student in a public school. Enrollment of the Student in a public school during the Term constitutes a violation of this Contract and will result in immediate termination of this Contract.”

This includes summer school. Note that all charter schools, including online charter schools like Primavera, are funded by the state and are considered public schools.

8.2.2 Receiving an STO or Tax Credit Scholarships

Participating ESA students cannot receive any STOs or tax credit scholarships at the same time as receiving ESA funds. If the ESA funds do not cover the full cost of private school and it is uncertain how the remaining costs are paid, contact the private school to confirm the student is not receiving an STO or tax credit scholarship.
As written in the ESA contract, “pursuant to A.R.S § 15-2402(B)(3), during the Term, Holder agrees not to accept a scholarship grant for Student from a School Tuition Organization (STO). Acceptance of a scholarship grant for Student from an STO during the Term constitutes a violation of this Contract and will result in immediate termination of this Contract.”

Chapter 9: Leaving the ESA Program

A student may exit the ESA program in the following ways:

1. **Voluntary withdrawal**: Applicant chooses not to participate in the program and submits a Close Account Request Form.
2. **Non-renewal**: Applicant chooses not to renew the following year’s ESA contract. All prior year expense reports are submitted and complete.
3. **Completing the Program**: Student exits the program once reaching the age of 18 or 12th grade, whichever comes first, if the Student is not Attested (see Section 9.3).
4. **Removal**: ESA terminates Applicant from ESA program and applicant is no longer eligible to hold any ESA account or reapply in the future (see Section 8.0).

### 9.1 Voluntary Withdrawal

An account holder may remove their child any time during the contract year from the ESA program. To remove a student from the ESA program, the Department requires written notice in the form of a Close Account Request Form that can be located at [www.azed.gov/esa/esa-forms/](http://www.azed.gov/esa/esa-forms/).

If the account holder chooses to end their ESA contract before the end of a quarter, any tuition payments should be pro-rated for the days attended by the student in that quarter, additional funds should be refunded the ESA debit card before the student returns to public or charter school. If the parent ends their ESA contract at the end of a quarter, all expenses must be properly submitted but no repayment would be required.

Upon receipt of the Close Account Request Form, the Department reviews the student’s account to ensure all outstanding documentation including receipts and credentials have been submitted and completes a thorough review all account activity. Should this review result in any questions, disallowed expenses or any required repayment of ESA funds, the Department will formally notify the account holder in writing via your preferred method of contact.

Once the Department is satisfied the account is in good standing the Close Account Request will be finalized, releasing the account holder from the ESA contract, and the student may return to public school. The Department returns any remaining funds to the State General Fund. The student and applicant remain eligible to reapply in the future.
9.2 Non-Renewal

Applicants may choose not to renew their annual ESA contract. Non-renewal of an ESA contract is not considered termination. The student and applicant remain eligible to reapply in the future. **On July 1, those who do not return a contract packet will have their ESA bank card closed and any unused funds will be swept.** If repayment of funds is necessary, the account holder will be notified in writing. Applicants may reapply the following year, but funds previously rolled-over will not be reinstated.

9.3 Completing the ESA Program & Attestation

When a student enters the ESA program, the student is moved in a cohort year. This means if the student enters the ESA program in 3rd grade, the following year the student moves into 4th grade for funding purposes, even if the Private School or Applicant decides to keep the student back a year.

The student progresses one grade every year until reaching the 12th grade or the age of 18. All students are exited at the age of 18 or upon completion of their 12th grade cohort year, whichever comes first, unless the student is attested. Attestations forms will be sent out by ESA staff prior to renewal contracts. An Attestation form is signed by the parent to state the student is over 18 but not yet 22 and will continue attending K-12 school.

During the 4th quarter, the Department emails each applicant with a 12th grade cohort to inform them their student will exit the program and provide the date on which any leftover funds will be removed from their account. Once exited from the program, the account holder has four years or until they have completed post-secondary education to use any remaining funds:

- Funds must still be used for the purpose of educating their child.
- Expenses must still comply with approved expenses, ESA policy and law.
- Expense reports must be submitted every quarter for the remaining four years.
  - Failure to submit an expense report within 70 days of the due date results in termination from the program, which results in the loss of any remaining funds.
  - Expense reports are required for zero-dollar quarters as well.

After completing the ESA program and exiting 12th grade, students are not explicitly prohibited from returning to public school. However, each county superintendent receives an annual list of ESA participants and each school district may have specific policies prohibiting re-enrollment of an ESA student beyond the age of 18, if it is determined the student completed their high school graduation requirements through the ESA program. If a 12th grade student returns to public school at any time after the completion of ESA program, unused ESA funds are returned to the Treasurer’s Office. If the Department determines funds need to be paid back, the account holder will receive written notification.
Chapter 10: ESA Important Information

10.1 ESA Contact Information

ESA Hotline: 602-364-1969
ESA Email: ESA@azed.gov
ESA Website: www.azed.gov/esa
ESA Expense Portal Registration: https://esa.azed.gov/ESA/Account
ESA Expense Portal: www.azed.gov/esa/portal
Bank of America: www.bankofamerica.com/onlinebanking/online-banking.go

10.2 ESA Calendar

2018/19 ESA Calendar

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Federal holidays 2018/19

| Jul 4, 2018 | Independence Day |
| Sep 3, 2018 | Labor Day |
| Oct 8, 2018 | Columbus Day |

ESA Funding Dates:

| Jul 11, 2018 | Veterans Day |
| Nov 12, 2018 | Veterans Day (obs) |
| Nov 22, 2018 | Thanksgiving Day |

ESA Expense Report Due Dates:

| Dec 25, 2018 | Christmas Day |
| Jan 1, 2019 | New Year’s Day |
| Jan 21, 2019 | Martin Luther King Day |
| Feb 10, 2019 | Presidents’ Day |
| May 27, 2019 | Memorial Day |