



**LEARNS**



# Arkansas Education Freedom Accounts

Quick-Fact Guide for **Families**

*2023-2024 School Year – Last updated June 2023*

# Introduction

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## Introduction

This guide has been assembled to support Arkansas' eligible students and families with the implementation of Education Freedom Accounts (EFAs), the State's exciting new school choice initiative.

Signed into law as part of Governor Sanders' LEARNS education legislation, **Education Freedom Accounts may be used by eligible families to cover private school tuition, fees, uniforms, and some other required expenses. Education Freedom Accounts provide funding up to 90% of the State's prior year per-student foundation funding amount.** The accompanying quick-fact guide will introduce Education Freedom Accounts' structure, eligibility requirements, and application timeline for the 2023-2024 school year.

Thank you for your support and partnership in ensuring that Arkansas' families have a choice for their children.

### Jacob Oliva

Secretary

Arkansas Department of Education

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## Contact the Arkansas Department of Education

Questions? Please contact the Arkansas Department of Education (ADE):



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# Overview

## Education Freedom Account Overview

Arkansas' Education Freedom Account launch date is here! Get up to speed on EFA's design, eligibility guidelines, spending options, and timeline so your family can make informed school choices.



### What?

- ▶ Education Freedom Accounts is a **school choice initiative that empowers parents** by providing funding for eligible students attend participating schools.
- ▶ Eligible expenses for the 2023-2024 school year include **private school tuition and other expenses required by schools** (e.g., uniforms).



### Who?

- ▶ For the 2023-2024 school year, **eligible students include:**
  - First-time kindergarteners
  - Students coming from “F” schools or “Level 5” districts
  - Students coming from the Succeed Scholarship Program
  - Specific special populations<sup>1</sup>



### How Much?

- ▶ Eligible **families are entitled to** 90% of Arkansas' prior year per-pupil foundation funding.
- ▶ For the 2023-2024 school year, this **represents around \$6,600** per Education Freedom Account<sup>2</sup>.
- ▶ Payments will be sent **directly to participating schools** and service providers through **ClassWallet**, a digital wallet and accounts payable platform.



### When?

- ▶ Student applications for the 2023-2024 school year **“go live” June 16<sup>th</sup>, 2023.**
- ▶ Students will be accepted on a rolling basis until **August 1.**
- ▶ After August 1, students may be accepted on a rolling basis **pending program funding availability.**
- ▶ Schools will be approved **throughout the summer.**

1.Special populations include homeless students, current or former foster care students, students with disabilities, and children of active-duty military

2.Students eligible through prior year enrollment in the **Succeed Scholarship Program** receive the **full foundation funding amount**

# Student Eligibility

## Eligibility Requirements and Documentation Checklist




Interested in applying to receive Education Freedom Account funds? Eligible children must meet **ONE** of the following criteria to qualify:

| Student Eligibility Criteria<br><i>Must meet ONE of the following</i>     | Required Documentation   |
|---|--|
| First-time <b>kindergarteners</b>   | – Birth certificate  |
| Students coming from “ <b>F</b> ” schools or “ <b>Level 5</b> ” districts | – Proof of enrollment (report card, attendance records, etc.)                          |
| Students coming from the <b>Succeed Scholarship Program</b>               | – Succeed parent re-certification and portal registration                              |
| Students with a <b>disability</b> (IDEA)                                  | – IEP<br>– Proof of district testing or doctor’s note certifying disability under IDEA |
| Students experiencing <b>homelessness</b>                                 | – No documentation submission required   |
| Current or former <b>foster care</b> children                             | – No documentation submission required   |
| Children of <b>active-duty military</b> personnel                         | – Military ID / orders indicating status   |

Parents also must be **residents of Arkansas**, and students must be **eligible to enroll in a public elementary or secondary school** in Arkansas (property tax bill, utility bill, valid driver’s license, or vehicle registration will be required for proof of address / residency).

## When are Families No Longer Eligible?

Participating students remain eligible for Education Freedom Accounts until the student **meets one of the following criteria**:

-  Enrolls full-time in public school
-  Graduates high school
-  Reaches twenty-one (21) years of age

Participating families must also adhere to EFA’s expense eligibility requirements; **violation of the stated EFA rules is grounds for removal.**

# Expense Eligibility

## Eligible Expenses

For the 2023-2024 school year, eligible expenses are defined as:



### Tuition / fees

#### Priority

- ▶ Tuition and fees (technology, etc.) associated with participating private school enrollment.
- ▶ Tuition expenses should be prioritized over other expenses.



### Required Expenses

- ▶ Required school uniforms.
- ▶ Other expenses deemed by a participating school to be required for the education of a participating student.



### Testing

- ▶ Testing fees for nationally-recognized norm-referenced tests that schools are responsible for administering to participating students.

## Expense Logistics

To facilitate an efficient, timely, and secure transfer of funds, ADE has contracted with **ClassWallet**, a leading digital wallet and accounts payable platform, for the 2023-2024 school year. ClassWallet has a proven track record of serving families, states and districts, including Arkansas.

- 1 Student Admitted to EFA** ▶ Child is **deemed to be eligible** for Education Freedom Accounts.
- 2 ClassWallet Registration** ▶ Family **receives guidance** from ADE on setting up a ClassWallet account and becomes familiar with the platform.
- 3 Family Notifies ADE** ▶ Family **informs ADE** (through Department's online portal) of acceptance into a participating private school.
- 4 Fund Disbursement** ▶ Tuition funds can be directed by families to participating private schools through the ClassWallet portal by **August 9<sup>th</sup>, 2023**; to facilitate an on-time delivery of tuition funds, families must submit allocations by **August 18<sup>th</sup>, 2023**.

Families will have access to ClassWallet's **comprehensive support resources**, including on-demand training videos, quick-start guides, and live user support. ADE will host live demo and quick-start sessions.

## Participant Quick-Facts

### 1 What are Education Freedom Accounts?

Education Freedom Accounts, established by the LEARNS Act in March 2023, is a universal school choice program enabling participating students to receive 90% of the state's prior year per-student foundation funding for eligible expenses at a participating private school.

### 2 Which students are eligible?

For the 2023-2024 school year, eligible students include first-time kindergarteners, students in "F" schools or "Level 5" districts, children who participated in the Succeed Scholarship Program last year, homeless children, current or former foster care children, students with disabilities, or children of active-duty military personnel.

### 3 What is the per-student allocation?

For the 2023-2024 school year, participating students who did not participate in the Succeed Scholarship Program during the 2022-2023 school year are entitled to around \$6,600, equivalent to 90% of last year's per-student foundation funding allocation. Succeed Scholarship students are entitled to their full scholarship amount for the 2023-2024 school year.

### 4 What schools are eligible?

Participating schools must a) meet accreditation requirements, and b) be in operation for at least one (1) year (or provide the Department with a CPA letter verifying the school's financial stability and insured status), and c) only employ or contract with teachers who have a baccalaureate degree or equivalent experience, and d) complete / maintain background checks and fingerprinting of all employees, and e) comply with several relevant rules and regulations that otherwise apply to private schools. Only Arkansas private schools are eligible.

### 5 What expenses are eligible?

For the 2023-2024 school year, eligible expenses include tuition / fees, uniforms, and other items that participating schools deem to be required (e.g., notebooks). ADE is collecting information regarding required expenses from schools as part of the school application process. Starting in the 2024-2025 school year, qualifying expenses expand to instructional materials, tutoring services, curricula, supplemental supplies, certain technology devices, transportation costs, and fees for college courses. Tuition expenses should be prioritized over other eligible expense types; families should confirm that they first cover tuition-related expenses.

## Participant Quick-Facts

### 6 How are EFA funds disbursed?

For the 2023-2024 school year, families elect to use EFA funds toward eligible expenses through the ClassWallet portal. These designations are reviewed by ADE before funds are transferred to participating schools or providers. Designations can be made starting August 9<sup>th</sup>, 2023; families have until August 18<sup>th</sup>, 2023 to complete designations to facilitate timely tuition payments to participating schools. Approved expenses are then paid out to participating schools or service providers on the next scheduled quarterly disbursement date.

### 7 As a parent / guardian, what are my main responsibilities regarding my child's Education Freedom Account?

Families should notify participating private schools that they intend to use EFA funds to cover a portion of tuition, fees, or other expenses required by that school. Families that are applying to a participating private school before being accepted to receive EFA funds should alert private school officials of their intent to participate. Once families are accepted, they will be asked to update their status in ADE's portal.

### 8 Will unused Education Freedom Account funds roll-over from the 2023-2024 school year into the 2024-2025 school year?

No. For the 2023-2024 school year, families are entitled to the lesser of 90% of the state's per-pupil foundation funding amount and the family's eligible expenses. If a family's eligible expenses for the 2023-2024 school do not exceed the allocated amount, the child is only entitled to that lesser amount. Starting with the 2024-2025 school year, unused funds may roll over to the following year(s).

### 9 What is the timeline for student applications?

Student applications will become available through ADE's website beginning June 16<sup>th</sup>, 2023. For the 2023-2024 school year, applications will be processed and reviewed as they are submitted until August 1<sup>st</sup>, 2023. After August 1<sup>st</sup>, applications will be reviewed pending funding and scholarship capacity availability.

## Participant Quick-Facts

### 10 How will Education Freedom Accounts overlap with the Succeed Scholarship Program?

Education Freedom Accounts will replace the Succeed Scholarship Program. Students who participated in the Succeed Scholarship Program for the 2022-2023 school year will be enrolled in Education Freedom Accounts for 2023-2024. Likewise, Succeed Scholarship Program participating schools from the 2022-2023 school year are eligible for a streamlined application process for Education Freedom Account participation in 2023-2024.

### 11 What happens if my child switches schools mid-year?

If a child switches from one EFA participating private school to another EFA participating school, eligibility to receive Education Freedom Account funds will not be impacted. If the child's new school is a non-participating private school, that school must become an EFA participant before the child is eligible to continue using EFA funds. Students who enroll in a public school will immediately be ineligible to receive Education Freedom Account funds.

### 12 What is ClassWallet?

ClassWallet is a vendor that supports digital purchases and payments. ADE has contracted with ClassWallet for the 2023-2024 school year to fulfill Education Freedom Account payments. Participating parents must register an account on the ClassWallet portal, where they can then distribute account funds to their participating private school of choice. Parents can use ClassWallet's marketplace feature to cover non-tuition eligible expenses (e.g., uniforms) from approved third-party providers.

### 13 Will private schools be required to comply with federal IDEA requirements and adhere to IEP requirements for students with disabilities if they accept EFA students?

Private schools are exempt from federal requirements under IDEA, and parents may be required to waive procedural obligations and rights under IDEA at the time of EFA application. Many private schools offer services for special education students and develop their own individualized plans to meet special education student needs, but this differs by student need and by private school in Arkansas. If a family elects to utilize EFA funds and enroll in a private school of their choice, they are encouraged to engage with their private school of choice and determine if the specific schools' services and programming will meet the needs of their child. Schools are encouraged to engage in direct discussions with families and provide clear information about their special education offerings.

## Participant Quick-Facts

### **14 How will non-private school service providers and vendors be approved?**

A limited number of providers (that provide uniforms, testing, and other required educational supplies) will be approved for the 2023-2024 school year; this list will be shared in the coming weeks. During the 2024-2025 school year, ADE anticipates approving a broader set of providers and will develop and share rules for adding these providers no later than June 30, 2024.

### **15 Is there a maximum number of Education Freedom Accounts that will be rewarded?**

For the 2023-2024 school year, a maximum of 1.5% of the 2022-2023 school year total Arkansas public school student enrollment may be approved for Education Freedom Accounts; this is approximately 6,000 scholarships. For the 2024-2025 school year, 3% of Arkansas public school student enrollment may be approved, and for the 2025-2026 school year, there will be no limit on student approvals, subject to available funding as determined by the State Board of Education.

### **16 Do students need to be accepted into a participating private school before receiving Education Freedom Account funds?**

Students do not need to gain admission into a participating private school prior to applying to receive Education Freedom Account funds, though for the 2023-2024 school year, students may only use EFA funds on eligible expense categories, which must be associated with a participating private school.

### **17 Are homeschool children eligible to receive funds?**

For the 2023-2024 school year, homeschooling is not covered as an eligible expense for Education Freedom Accounts. Eligible expenses for the 2023-2024 include tuition / fees for participating private schools, as well as any additional required educational expenses that are mandated by participating private schools. Beginning in the 2024-2025 school year, expanded expense eligibility criteria cover homeschool expenses (e.g., curricula or instructional materials).

## Participant Quick-Facts

### 18 What if eligible expenses are less than the Education Freedom Account allocation amount?

For the 2023-2024 school year, if eligible expenses are less than the total account allocation for the year, families are not entitled to the excess account funds, and those funds will revert back to the State. Starting with the 2024-2025 school year, unused funds may roll into the 2025-2026 school year and future years.

### 19 What happens to EFA funds paid to a school if my child unenrolls?

Participating EFA private schools are only eligible to receive payment for the cost of tuition associated with a participating student's enrollment in and attending the school. EFA funds are awarded to schools 4 times a year. If a student unenrolls early in a quarterly period and the fund disbursement has already been made to the school, the school must return these excess funds to the ADE. A determination of the amount that needs to be returned will be made by the ADE (a pro-rated calculation will be made). These funds will be returned to the student account (if they remain eligible for the program), and any outstanding amount owed by the family as determined by school policy are to be handled between families and schools.

### 20 Do participants need to re-apply annually?

No. Participating families must re-certify their eligibility to receive Education Freedom Account funds each year, but they do not need to complete the application process to roll-over their participation from one year to the next.