



**LEARN**S



# Arkansas Education Freedom Accounts

Quick-Fact Guide for **Private Schools**

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

# Introduction

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## Introduction

This guide has been assembled to support Arkansas' eligible private schools 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

<https://learns.ade.arkansas.gov/>

## Contact the Arkansas Department of Education

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



### Email

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# Overview

## Education Freedom Account Overview

Arkansas' Education Freedom Account launch date is here! Get up to speed on the EFA design, participation guidelines, funding, and timeline so your school can help support and empower families in making informed school choices.



### What?

- ▶ Education Freedom Accounts is a **school choice initiative that empowers parents** by providing funding for eligible students to attend participating schools.
- ▶ Eligible expenses for the 2023-2024 school year **include tuition and other expenses required by schools** (e.g., uniforms)<sup>1</sup>.



### 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>2</sup>



### How Much?

- ▶ Eligible **families are entitled to** 90% of Arkansas' prior year per-pupil foundation funding amount.
- ▶ For the 2023-2024 school year, this **represents around \$6,600** per Education Freedom Account<sup>3</sup>.
- ▶ Payments will be distributed to participating schools in **quarterly payments** through **ClassWallet**.



### When?

- ▶ Student applications for the 2023-2024 school year **“go live” June 16<sup>th</sup>, 2023**.
- ▶ Succeed Scholarship Program schools are eligible for a streamlined application for EFA participation.
- ▶ Other schools interested in participating are encouraged to apply **as soon as possible**.

1. Tuition expenses should be prioritized over other eligible expense types; families should confirm that they first cover tuition-related expenses.

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

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

# School Eligibility

## Private School Eligibility

Private schools must meet several up-front eligibility requirements to participate in Education Freedom Accounts:

### ① Accreditation

- ▶ Meet accreditation requirements established by the State Board of Education, the Arkansas Nonpublic School Accrediting Association, or another accrediting association recognized by the State Board, or
- ▶ Be an associate member of, or be in the process of applying to, the Arkansas Nonpublic School Accrediting Association or another accrediting association recognized by the State Board

### ② Financial

- ▶ Be in operation for at least one (1) year, or provide ADE with a note from a certified public accountant verifying that the school is insured and has sufficient capital to operate, or file a surety bond or letter of credit with ADE equal to funds needed in any quarter

### ③ Employees

- ▶ Employ or contract with only teachers who have a baccalaureate degree or equivalent experience
- ▶ Complete background checks and fingerprinting for any school employee and maintain a database of these records

### ④ Administrative compliance

- ▶ Comply with state laws governing private schools and applicable health and safety laws
- ▶ Adhere to the school's published disciplinary procedures before expelling a participating student
- ▶ Hold valid occupancy of buildings as required by the school's municipality

### ⑤ Testing & reporting

- ▶ Administer a nationally norm-referenced test approved by the ADE to participating students on an annual basis and provide aggregated student testing results for state reporting, or
- ▶ Prepare a portfolio of student progress to those exempt from testing (due to existence of an Individual Service Plan (ISP) & significant cognitive disability), or
- ▶ Provide an approved alternative assessment to those exempt from testing (due to existence of an Individual Service Plan (ISP) & significant cognitive disability)

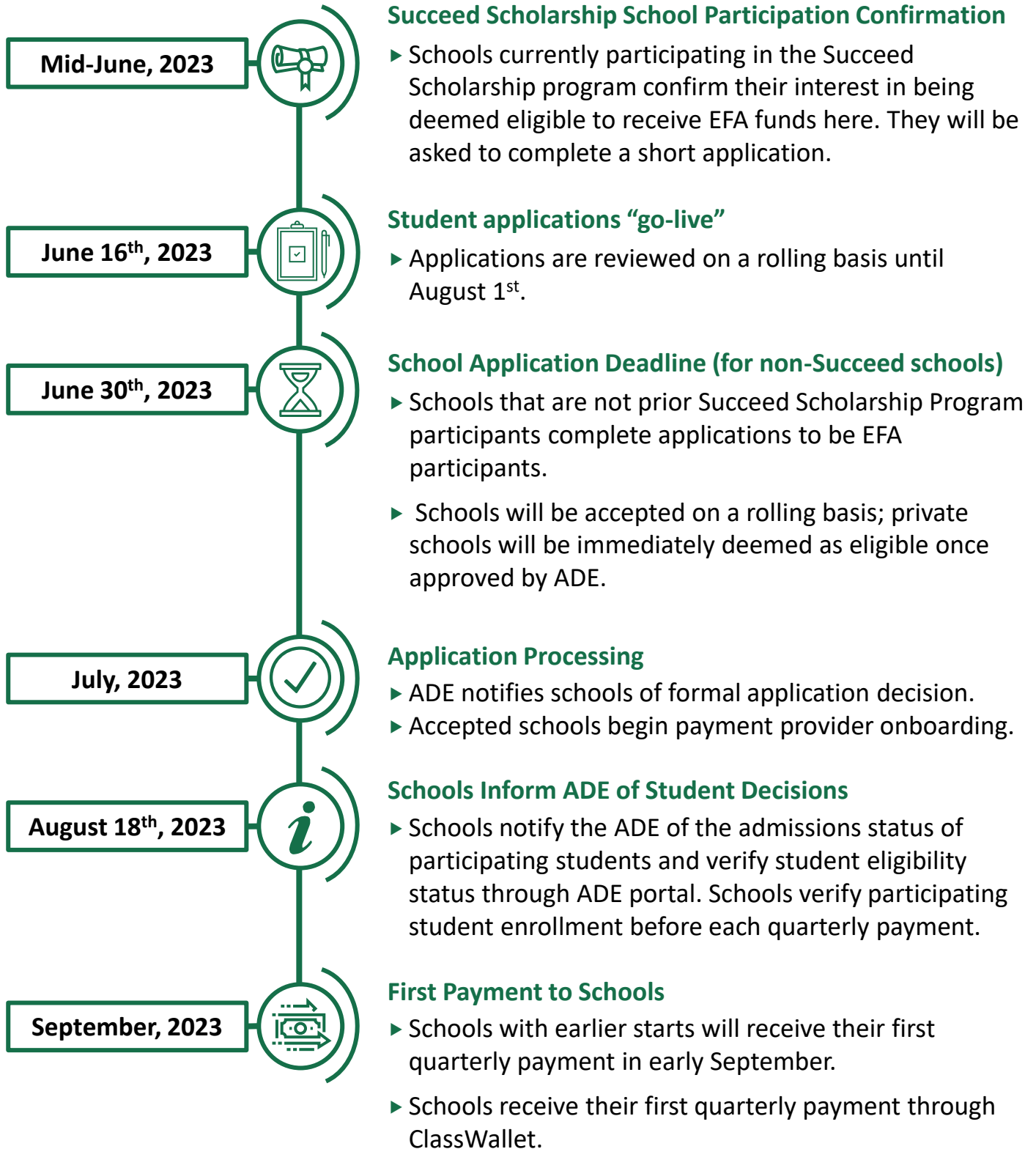
#### Fast Fact

*Schools that have participated in the Succeed Scholarship Program are eligible to complete a streamlined Education Freedom Account application process.*

# Timeline

## Education Freedom Accounts Key Dates

There are several upcoming key dates that impact schools interested in participating in EFAs:



# Participating School Administrative Responsibilities

## Administrative Responsibilities

Schools that receive Education Freedom Account funds are subject to three ongoing responsibilities designed to protect EFA integrity:

1

### Notify

- ▶ Participating schools are responsible for **verifying the initial enrollment of a participating student** through an ADE portal for the upcoming academic year.
- ▶ Schools must re-verify participating student enrollment status before each of the State’s quarterly disbursements.

3

### Comply

- ▶ Participating schools must comply with audit requests if they are randomly selected as part of ADE’s **annual financial audit**.

2

### Test

- ▶ Participating schools are responsible for **annually administering a nationally norm-referenced test** that has been approved by ADE; a selection of approved tests is referenced below.
- ▶ Participating schools must report the following **data for participating students** on an annual basis:
  - Test results
  - Portfolios or alternate assessments for students qualifying for a testing exemption
- ▶ Participating schools **only must** provide testing for participating students

## Approved Norm-Referenced Tests

The following is a selection of test providers approved for use by participating schools. A complete list of approved tests can be found on the following page:



**Don't see your school's test on this list? Please contact ADE!** ADE intends to review and approve additional tests in the coming weeks.

# Approved Tests

## Current Tests Approved for Use by Participating Private Schools

Current approved tests include:

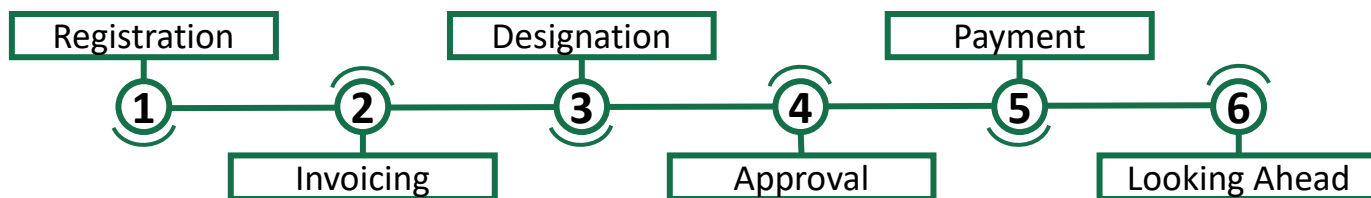
- ▶ Comprehensive Testing Program (CTP)
- ▶ Curriculum Associates – i-Ready Assessments
- ▶ Educational Development Series (EDSERIES), Forms J and K
- ▶ Iowa Assessments-Core Battery, Forms E, F, and G.
- ▶ Iowa Tests of Basic Skills (ITBS)-Core Battery, Forms A, B, and C
- ▶ Iowa Tests of Basic Skills (ITBS)-Complete Battery, Form C
- ▶ Iowa Tests of Educational Development® (ITED®), Form C
- ▶ Kaufman Test of Educational Achievement Third Edition (KTEA-III)
- ▶ NWEA Measure of Academic Progress (MAP)
- ▶ Pivot INSPECT Summative Assessment
- ▶ PSAT/NMSQT®
- ▶ PreACT Secure
- ▶ Classic Learning Test 10 (CLT10)
- ▶ Thrive Academics Performance Series (Developed by Scantron Corp)
- ▶ Stanford Achievement Test, Tenth Edition (Stanford 10)
- ▶ STAR Early Literacy, STAR Reading, STAR Math
- ▶ TerraNova, Third Edition (TerraNova 3)
- ▶ TerraNova NEXT
- ▶ Edmentum Exact Path
- ▶ Wide Range Achievement Test, Fourth (WRAT4) and Fifth (WRAT5) Edition

If your school is interested in participating in receiving Education Freedom Account funds, but currently administers a test that is not included on this list, **please contact ADE**. Tests must be **nationally-recognized and norm-referenced** and measure literacy and math.

# Funding

## Education Freedom Account Funding

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



<p><b>1 Registration</b></p> <ul style="list-style-type: none"> <li>▶ Upon acceptance to EFA, schools register as approved vendors through the ClassWallet portal.</li> </ul>	<p><b>2 Invoicing</b></p> <ul style="list-style-type: none"> <li>▶ Schools invoice parents for tuition and other required expenses by August 9<sup>th</sup>, 2023 and quarterly thereafter.</li> </ul>	<p><b>3 Funds Designation</b></p> <ul style="list-style-type: none"> <li>▶ In ClassWallet, parents provide proof of invoice and select the school to which they would like to designate funds by August 18<sup>th</sup>, 2023.</li> </ul>
<p><b>4 ADE Approval</b></p> <ul style="list-style-type: none"> <li>▶ ADE reviews parent fund designations; approvals require no further action from schools or families.</li> </ul>	<p><b>5 State Payment</b></p> <ul style="list-style-type: none"> <li>▶ Payments to schools are processed within 2-10 days of ADE approval.</li> </ul>	<p><b>6 Looking ahead</b></p> <ul style="list-style-type: none"> <li>▶ Payments continue on a quarterly basis following the same process.</li> </ul>

ClassWallet withholds a **2.5% transaction fee** on EFA disbursements; participating schools reserve the right to include that transaction fee as part of their required tuition or fees.

## Eligible expenses

Eligible expenses for the 2023-2024 school year are:

<u>Tuition / Fees</u>	<u>Uniforms</u>	<u>Testing</u>	<u>Required Expenses</u>
Tuition / fee payments	Cost of uniforms through participating vendors	Cost to administer norm-referenced approved tests (may be covered by tuition/ fees)	Other expenses (e.g., notebooks) required by the participating school

## Participant Quick-Facts

### 1 What are Education Freedom Accounts?

Education Freedom Accounts, established by the LEARNS Act in March, 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 What 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.

### 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, testing and other items that participating schools deem to be required (e.g., notebooks). 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

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### **Do participating schools have to change their existing admissions criteria / processes?**

No. Participating schools' existing admission timelines, criteria, and processes are not impacted by Education Freedom Accounts. Participating schools are asked to communicate their acceptance of participating students to ADE.

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### **Will private schools have to change or adapt curriculum if they receive EFA funds?**

Starting in 2024-2025, private schools will need to offer core subjects of ELA, math, science, and social studies. Most private schools in Arkansas already offer these subjects. There are no additional curricular requirements or restrictions.

8

### **What are the testing requirements for participating schools?**

Participating schools are required to annually administer a State Board of Education-approved, norm referenced test. Currently approved tests include PSAT, ACT / Pre-ACT, NWEA, KTEA, MAPS, Iowa, and i-Ready, among others. Schools will be asked to report test results for EFA students so that the results can be aggregated as part of ADE's annual public report.

9

### **How will payments be distributed to schools?**

Payments will be distributed to participating schools quarterly. For the 2023-2024 school year, ADE has partnered with ClassWallet to distribute funds to participating schools through ClassWallet's portal. Detailed registration instructions will be provided by ADE to schools upon their acceptance to EFA. ClassWallet withholds a 2.5% transaction fee on EFA disbursements, though participating schools reserve the right to adjust their tuition / fees to account for the transaction withholding. Participating schools must invoice parents quarterly beginning no later than August 9<sup>th</sup>, 2023 to facilitate timely tuition fund transfers. ADE will conduct a new RFP process to identify a long-term payment solution provider prior to the 2024-2025 school year.

## Participant Quick-Facts

### 10 What is the timeline for school applications?

Schools that previously participated in the Succeed Scholarship Program are eligible for a streamlined application for Education Freedom Account participation and are encouraged to confirm their participation as soon as possible. Non-Succeed schools are encouraged to apply as soon as possible.

### 11 What is the timeline for student applications to receive Education Freedom Accounts?

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

### 12 What additional requirements do participating private schools face?

Participating private schools must administer a State Board of Education-approved, norm-referenced test. Participating schools must also be prepared to comply with a third-party financial audit if they are randomly selected as part of ADE's mandated annual audit.

### 13 Will private schools have to change or adapt their disciplinary procedures if they receive EFA funds?

No. Participating schools must publish and adhere to their existing disciplinary procedures but are not required to adapt their procedures as part of receiving Education Freedom Account funds, so long as they do not discriminate on any basis prohibited by 42 U.S.C. § 2000d, as it existed on January 1, 2023.

### 14 Do Education Freedom Accounts impact my religious curriculum?

No. Participating schools must offer core subjects of ELA, math, science, and social studies starting in the 2024-2025 school year. Schools' religious affiliation or curriculum will not be impacted by the receipt of Education Freedom Account funds.

## Participant Quick-Facts

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

A limited number of providers (that provide uniforms and other required educational supplies) will be approved for the 2023-2024 school year; this list will be shared in the coming weeks. ADE will promulgate rules for approving additional service providers no later than June 30, 2024.

### 16 Is there a maximum number of Education Freedom Accounts that will be awarded?

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 amounts to approximately six thousand 6,000 scholarships. For the 2024-2025 school year, 3% of total Arkansas public school student enrollment may be approved, and by 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.

### 17 What happens if an EFA student unenrolls during the school year?

Schools are only eligible to receive payment for the cost of tuition associated with when a participating student is enrolled 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). Any outstanding amount owed by the family as determined by school policy are to be handled between families and schools.

### 18 How do 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 into 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.

## Participant Quick-Facts

**19 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 to families about their special education offerings.

**20 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 90% allocation, they are only entitled to that lesser amount. Starting with the 2024-2025 school year, unused funds may roll into the 2025-2026 school year and future years.

**21 What conversations should we have with EFA parents related to financial obligations when they enroll or are considering enrollment?**

A participating private school should be transparent regarding any associated costs related to attendance. Consider including this information in your enrollment paperwork and encourage parents to prioritize the use of EFA funding toward tuition costs.

**22 Do students need to have gained admission 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.