



# HOUSE OF REPRESENTATIVES

SB 1457

empowerment scholarships; persons with disabilities  
NOW: eligibility; empowerment scholarships; health insurance  
Prime Sponsor: Senator Bradley, LD 10

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**DP** Committee on Education  
**DPA** Caucus and COW  
**X** As Transmitted to the Governor

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## OVERVIEW

SB 1457 outlines procedures to allow Empowerment Scholarship Accounts (ESA) students identified as having a disability to continue receiving monies until the age of 22.

## PROVISIONS

### *Annual Education Plan*

1. Allows an ESA qualified student who has been identified as having a disability and is in the second year prior to the final year of an ESA contract to spend ESA monies on costs associated with an annual education plan conducted by an independent evaluation team, beginning January 1, 2017.
2. Requires the Arizona Department of Education (ADE) to prescribe minimum qualifications for independent evaluation teams and factors to determine whether a qualified student is eligible to continue to receive ESA monies through the age of 22.
3. Requires independent evaluation teams that provide an annual education plan to submit a written report summarizing the results of the evaluation to the student's parents and ADE by July 31<sup>st</sup>.
  - a. Determines the written report submitted by the independent evaluation team to be valid for one year.
4. Allows students to continue to receive ESA monies to the age of 22 if ADE determines that the student meets the eligibility criteria prescribed in the annual education plan, subject to annual review.
5. Allows a parent to appeal ADE's determination.
6. Requires ADE to include an addendum to a student's final-year contract that contains the following written information:
  - a. The qualified student is ineligible to continue to receive monies unless the results of annual education plan demonstrates that the student meets eligibility criteria.
  - b. The parent is entitled to obtain an annual education plan.
  - c. A list of qualified independent evaluation teams that meet ADE's minimum qualifications.
7. Defines *annual education plan* as an initial individualized evaluation and subsequent annual reviews developed for a qualified student who meets specified criteria to determine:

**SB 1457**

- a. Ongoing annual eligibility through the school year in which the student reaches 22 years of age; and
- b. Whether the student is eligible for the Children’s Health Insurance Program (CHIP) and should be referred for eligibility determination.

***Annual Education Plan Development Council***

8. Establishes, as session law, the Annual Education Plan Development Council (Council) in ADE.
9. Requires the Council to:
  - a. develop the eligibility criteria in the form of annual education plan;
  - b. develop a request for proposals to be approved by the Arizona State Board of Education and issued by ADE for independent evaluation teams to conduct annual education plans;
  - c. review ADE policies concerning annual education plans; and
  - d. submit a report of its findings and recommendations to the Governor, the Legislature and the Superintendent of Public Instruction by December 31, 2016.
10. Allows the Council to make recommendations to ADE.
11. Requires ADE to select members for the Council and include practitioners in the field of special education and parents of current or previous qualified students identified as having a disability.
12. Determines the Council to be subject to open meeting laws.
13. Prohibits members of the Council from receiving compensation.
14. Repeals the Council on January 1, 2017.

***Children’s Health Insurance Program***

15. Eliminates the CHIP enrollment cap.
16. Provides that if the federal government eliminates federal funding for CHIP, AHCCCS must immediately stop processing all applications and must provide at least 30 days’ advance notice to contractors and members that the program will terminate.
17. Requires AHCCCS, within five days after the effective date, to do both of the following:
  - a. Submit to the Centers for Medicare and Medicaid Services (CMS) a state plan amendment to resume enrollment in CHIP; and
  - b. Project the enrollment rate for CHIP for the remainder of federal fiscal years 2016 and 2017 and request from CMS any additional allotment needed to resume enrollment in CHIP.
18. Requires the director of AHCCCS to notify in writing the Director of Arizona Legislative Council on or before July 15, 2017 either:
  - a. Of the date on which the condition was met; or
  - b. That the condition was not met.
19. Contains a conditional enactment of sections A.R.S. §§36-2982 and 36-2985, respectively (children’s health insurance program and administration non-entitlement; enrollment; eligibility) and (notice of program termination; spending limitation) as amended by this act, do not become effective unless on or before July 1, 2017 CMS approves this state’s plan amendment to resume enrollment in CHIP.

*Miscellaneous*

20. Requires, as session law, ADE to determine if a qualified student identified as having a disability and who is the final year of an ESA contract may continue to receive ESA monies until a determination is made through an annual education plan.
21. Requires ADE to base the determination on the student's likelihood to meet graduation requirements or obtain a high school diploma.
22. Repeals the previous two provisions on January 1, 2017.
23. Makes technical and conforming changes.

**CURRENT LAW**

Laws 2011, Chapter 75, established the ESA program to provide qualified students with a portion of the monies that otherwise would be allocated for the student to attend a public school. To enroll a qualified student for an ESA, the student's parent must sign an agreement outlining the requirements of the ESA program. The agreement requires parents to use a portion of the ESA money each quarter to provide an education and prohibits the student from being enrolled in a public school. The agreement outlines the items a parent may spend ESA monies on, including tuition or fees, textbooks, educational therapies or services, tutoring and curriculum. A parent must renew their child's ESA on an annual basis. A student who has previously qualified for an ESA will remain eligible to apply for renewal until the student finishes high school ([A.R.S. § 15-2402](#)). To be eligible for an ESA a student must qualify under the statutory definition of *qualified student*, which includes students who have been identified as having a disability ([A.R.S. § 15-2401](#)).