

PROPOSITION ____
[R-02-2018]

empowerment scholarships; expansion; phase-in

ANALYSIS BY LEGISLATIVE COUNCIL

1 An empowerment scholarship account (ESA) is an account administered by the Arizona
2 Department of Education that is funded by state tax dollars to provide educational options for qualified
3 Arizona students. A parent may opt to remove a student from the public school system (district and
4 charter schools) and use monies in an ESA to obtain alternative educational services for the student,
5 including private school education, educational therapies, educational aides, braille translation services
6 and tutoring services.

7 Under current law, students with disabilities, students in foster care, students living on an Indian
8 reservation, students in failing or underperforming school districts, students with a parent who is on active
9 military duty or was killed in the line of duty, students with a parent who is legally blind, deaf or hard of
10 hearing and students with a brother or sister who is a current or former ESA recipient are qualified to
11 receive ESAs.

12 Proposition ____ refers to the voters the provisions of Senate Bill 1431, which was enacted by the
13 Legislature, signed by the Governor and referred to the voters in 2017. Senate Bill 1431 contains
14 amendments to the laws governing the current ESA program established in Arizona in 2011. If approved
15 by the voters, Proposition ____ would:

16 1. Subject to the annual growth cap described in paragraph 2 below, phase in the expansion of
17 the current ESA eligibility requirements so that, beginning with the 2020-2021 school year, any student
18 who is eligible to attend kindergarten or who is attending kindergarten through grade 12 in a public
19 school in Arizona would be eligible to receive an ESA. However, a student currently attending a private
20 school would remain ineligible to receive an ESA unless the student already qualifies under current law
21 due to displacement or disability.

22 2. Allow the number of new ESAs to continue to increase by one-half of one percent of the total
23 public school enrollment in this state each year through the 2021-2022 school year. Beginning July 1,
24 2022, the number of ESAs could not exceed the total number of ESAs approved for the 2021-2022 school
25 year. Under current law, there is no permanent limit on the number of ESAs that can be approved.

26 3. Generally require that a student in grade 3 through 12 who receives an ESA and who pays full-
27 time tuition at a private school take an annual test or assessment. The annual test or assessment
28 requirement would not apply to a student who is identified as having a disability. The results of the test
29 or assessment would be reported to the parent of the student and, in addition, a private school that enrolls
30 50 or more students who receive ESAs would make the aggregate test scores for all students available to
31 the public.

32 4. Increase the amount of an ESA for low-income students, including students in foster care,
33 from the current 90% of the public school per-student funding calculation to 100% of the public school
34 per-student funding calculation. The public school per-student funding calculation would be required to
35 account for whether the student was previously attending a school district or charter school, except that
36 the funding level for any student receiving an ESA on or before June 30, 2017 could not be reduced.

37 5. Create a blanket prohibition against a student accepting a school tuition organization
38 scholarship during the same time the student is enrolled in an ESA. Under current law, the prohibition
39 against accepting a school tuition organization scholarship applies only in the same year a parent signs an
40 ESA agreement.

- 1 6. Allow any private or nonprofit entity to act on behalf of a student in the ESA application
2 process.
- 3 7. Require the Arizona Department of Education to publish an annual policy handbook for ESA
4 applicants and participants and to post a monthly update on the Department's website containing the
5 following information related to ESAs:
 - 6 a. Purchases and expenditures made with ESA monies, reported in a manner that does not violate
7 the personal privacy of any student or family and that includes only aggregate data.
 - 8 b. The number of enrolled students, separately categorized by eligibility.
 - 9 c. Any other information or data that may be pertinent to promoting transparency and
10 accountability of the ESA program.