

REFERENCE TITLE: **qualified students; statewide assessment; requirements**

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2605

Introduced by
Representative Blackman

AN ACT

**AMENDING SECTIONS 15-741, 15-743 AND 15-2402, ARIZONA REVISED STATUTES;
RELATING TO SCHOOL ASSESSMENT AND ACCOUNTABILITY.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-741, Arizona Revised Statutes, is amended to
3 read:

4 15-741. Assessment of pupils; definition

5 A. The state board of education shall:

6 1. Adopt rules for the purposes of this article pursuant to title
7 41, chapter 6.

8 2. Adopt and implement a statewide assessment to measure pupil
9 achievement of the state board-adopted academic standards in reading,
10 writing and mathematics in at least four grades designated by the state
11 board. The state board shall determine the manner of implementation. The
12 state board may administer assessments of the academic standards in social
13 studies and science, except that a pupil shall not be required to meet or
14 exceed the social studies or science standards measured by the statewide
15 assessment.

16 3. Ensure that the tests prescribed in this section are uniform
17 throughout this state.

18 4. Ensure that the tests prescribed in this section are able to be
19 scored in an objective manner and are not intended to advocate any
20 sectarian, partisan or denominational viewpoint.

21 5. Ensure that the tests prescribed in this article collect only
22 types of pupil nontest data that are approved by the state board at a
23 public meeting and published on the website of the state board pursuant to
24 paragraph 7 of this subsection.

25 6. Include within its budget all costs pertaining to the tests
26 prescribed in this article. If sufficient monies are appropriated, the
27 state board may provide achievement test services to school districts that
28 request assistance in testing pupils in grades additional to those
29 required by this section.

30 7. Survey teachers, principals and superintendents on
31 achievement-related nontest indicators, including information on
32 graduation rates by ethnicity and dropout rates by ethnicity for each
33 grade level. Before the survey, the state board shall approve at a public
34 meeting the nontest indicators on which data will be collected and shall
35 post in a prominent position on the home page of the state board's website
36 a link to the nontest indicators entitled "What nontest data does the
37 state of Arizona collect about Arizona pupils?". The linked webpage shall
38 state the types of data collected, the reasons for the collection of the
39 data and the entities with which the data is shared. In conducting the
40 survey and collecting data, the state board shall not violate the
41 provisions of the family educational rights and privacy act (P.L. 93-380),
42 as amended, or disclose personally identifiable information.

43 8. Establish a fair and consistent method and standard by which
44 test scores from schools in a district may be evaluated taking into
45 consideration demographic data. The state board shall establish

1 intervention strategies to assist schools with scores below the acceptable
2 standard. The state board shall annually review district and school
3 scores and shall offer assistance to school districts in analyzing data
4 and implementing intervention strategies. The state board shall use the
5 adopted test and methods of data evaluation for a period of at least ten
6 years.

7 9. Participate in other assessments that provide national
8 comparisons as needed.

9 10. Require in the contract for the statewide assessment pursuant
10 to this section that test scores and assessment data from the third grade
11 reading portion of the statewide assessment adopted pursuant to this
12 section be received by local education agencies on or before May 15 of
13 each academic year and that the scores and assessment data from all other
14 portions of the statewide assessment adopted pursuant to this section be
15 received by local education agencies on or before May 25 of each academic
16 year. The state board shall impose penalties on the contractor for scores
17 received after these dates. If the state board alters the statewide
18 assessment testing window for any reason, the state board may adjust the
19 dates by which local education agencies are required to receive the scores
20 and assessment data proportionately. If the state board adjusts the dates
21 by which local education agencies are required to receive the scores and
22 assessment data, the state board may not impose penalties on the
23 contractor unless the scores and assessment data are received after the
24 adjusted dates.

25 B. The achievement tests adopted by the state board as provided in
26 subsection A of this section shall be given at least annually. Nontest
27 indicator data and other information shall be collected at the same time
28 as the collection of achievement test data.

29 C. Local school district governing boards shall:

30 1. Administer the tests prescribed in subsection A of this section.

31 2. Survey teachers, principals and superintendents on
32 achievement-related nontest indicator data as required by the state board,
33 including information related to district graduation and dropout rates.
34 In conducting the survey and collecting data, the governing board shall
35 not violate the provisions of the family educational rights and privacy
36 act (P.L. 93-380), as amended, or disclose personally identifiable
37 information.

38 D. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE TESTS
39 PRESCRIBED IN SUBSECTION A OF THIS SECTION TO ALL QUALIFIED STUDENTS AS
40 DEFINED IN SECTION 15-2401 OR 15-2401.01 WHO ARE EDUCATED PURSUANT TO AN
41 EMPOWERMENT SCHOLARSHIP ACCOUNT AS DEFINED IN SECTION 15-802.

42 ~~D.~~ E. Any additional assessments for high school pupils that are
43 adopted by the state board after November 24, 2009 shall be designed to
44 measure college and career readiness of pupils.

1 ~~F.~~ F. If a high school pupil who is enrolled in a school district
2 or charter school, OR WHO IS EDUCATED PURSUANT TO AN EMPOWERMENT
3 SCHOLARSHIP ACCOUNT AS DEFINED IN SECTION 15-802, participates in a
4 nationally recognized assessment that is both adopted by the state board
5 of education pursuant to subsection A of this section and administered by
6 a person other than the school district, ~~or~~ charter school OR DEPARTMENT
7 OF EDUCATION, the pupil or pupil's parent or guardian may submit the
8 pupil's official score report for the assessment to the school district,
9 ~~or~~ charter school OR DEPARTMENT OF EDUCATION. On receipt of an official
10 score report pursuant to this subsection, the school district, ~~or~~ charter
11 school OR DEPARTMENT OF EDUCATION shall do all of the following:

- 12 1. Record the score in the pupil's file.
- 13 2. Report the score to the state board of education and the
14 department of education.
- 15 3. If the pupil or pupil's parent or guardian submits an official
16 score report pursuant to this subsection to the school district, ~~or~~
17 charter school OR DEPARTMENT OF EDUCATION before the date on which the
18 school OR DEPARTMENT administers the tests prescribed in subsection A of
19 this section, allow the pupil to opt out of participation in the
20 assessment that is administered by the school district, ~~or~~ charter school
21 OR DEPARTMENT OF EDUCATION. If a pupil opts out of an assessment pursuant
22 to this paragraph, the school district, ~~or~~ charter school OR DEPARTMENT OF
23 EDUCATION shall use the data from the pupil's official score report for
24 the pupil's achievement test data for the purposes of this section. This
25 paragraph does not require a school district or charter school to allow a
26 pupil to opt out of the collection of nontest indicator data or other
27 information that is collected about pupils who participate in the
28 assessment that is administered by the school district or charter school
29 pursuant to this section.

30 ~~F.~~ G. A test for penmanship shall not be required pursuant to this
31 article.

32 ~~G.~~ H. If a local education agency requests a raw data file of
33 assessment data for the pupils tested at the local education agency, the
34 department of education shall fulfill the request in a format that is
35 usable for assessment diagnostics within thirty days after the request.
36 The local education agency shall follow all applicable student data
37 privacy laws and may not publicly disclose individual student achievement
38 results.

39 ~~H.~~ I. A school district, ~~or~~ charter school OR THE DEPARTMENT OF
40 EDUCATION may administer the statewide assessment in the form of a written
41 test ~~if~~ FOR any of the following ~~applies~~ REASONS:

- 42 1. A written test is required pursuant to an individualized
43 education program or a section 504 plan as defined in section 15-731.
- 44 2. To accommodate special circumstances.
- 45 3. For religious purposes.

1 4. On request by a pupil's parent or guardian.

2 ~~I.~~ J. For the purposes of this section, "nationally recognized"
3 has the same meaning prescribed in section 15-741.02.

4 Sec. 2. Section 15-743, Arizona Revised Statutes, is amended to
5 read:

6 15-743. Test results; annual reports; five-year cumulative
7 summary; distribution of scores to schools and
8 parents; testing window

9 A. The state board of education shall provide annual reports for
10 ~~every~~ EACH school, ~~and~~ EACH school district, ~~THE ARIZONA EMPOWERMENT~~
11 ~~SCHOLARSHIP ACCOUNTS PROGRAM~~ and ~~the~~ THIS state as a whole. The state
12 board shall annually submit these reports to school districts, the
13 legislature and the county school superintendents and shall make them
14 available to the public. The state board shall publish and distribute the
15 reports by September 1 and shall ~~also~~ provide a cumulative summary of the
16 reports every five years. The annual reports and cumulative summary
17 results shall include:

18 1. Average and range scores on the statewide assessment adopted
19 pursuant to section 15-741.

20 2. Standardized test scores by subject area according to
21 percentiles and stanines for the school, school district, county, ~~ARIZONA~~
22 ~~EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM~~, state and nation.

23 3. Achievement-related nontest indicator data collected in the
24 survey of teachers, principals and superintendents as required by section
25 15-741, including information related to dropout rates by ethnicity for
26 each grade level and graduation rates and postsecondary employment and
27 education by ethnicity. In reporting such data, the state board shall not
28 violate the provisions of the family educational rights and privacy act
29 (P.L. 93-380), as amended, or disclose personally identifiable
30 information.

31 4. The numbers of pupils who have completed the academic standards
32 at grades three, eight and twelve.

33 B. Test results on individual pupils shall not be made available to
34 the public by name or individually identifiable reference.

35 C. The state board shall provide a copy of the results from the
36 tests prescribed in section 15-741, subsection A for each school district
37 to that school district. Results may not be released to the public until
38 ten days after the reports are provided to each school district.

39 D. The state board shall provide each school district ~~THAT IS~~
40 participating in the testing program with a copy of each pupil's
41 standardized norm-referenced test scores in reading, language arts and
42 mathematics, and the associated grade equivalents, percentiles and
43 stanines for the school, school district, county, ~~ARIZONA EMPOWERMENT~~
44 ~~SCHOLARSHIP ACCOUNTS PROGRAM~~, state and nation, a report of pupil progress
45 on an ongoing and annual basis, showing the trends in gain or loss in

1 pupil achievement over time in reading, language arts and mathematics for
 2 all years in which pupils are enrolled in the school district for an
 3 entire school year and for which this information is available and a
 4 report of the pupil progress for pupils not enrolled in a district for an
 5 entire school year. The state board shall ~~also~~ provide each school
 6 district with each pupil's statewide assessment scores and the statewide
 7 assessment scores for the school, school district, county, ARIZONA
 8 EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM and state.

9 E. The school district shall provide a parent or guardian of each
 10 pupil participating in the standardized norm-referenced testing part of
 11 the program with a copy of the pupil's scores in reading, language arts
 12 and mathematics, and the percentiles and stanines. The school district
 13 shall provide a parent or guardian of each pupil with a copy of the
 14 pupil's scores on the statewide assessment and the associated scores for
 15 the school, school district, county, ARIZONA EMPOWERMENT SCHOLARSHIP
 16 ACCOUNTS PROGRAM and state. The school district shall make available to
 17 the public through the reports those scores for each school in the school
 18 district and for the school district, county, ARIZONA EMPOWERMENT
 19 SCHOLARSHIP ACCOUNTS PROGRAM, state and nation.

20 F. ~~Any~~ THE DEPARTMENT OF EDUCATION OR THE STATE BOARD OF EDUCATION
 21 SHALL ESTABLISH AND EXECUTE A testing window ~~established and executed by~~
 22 ~~the department of education or the state board for the administration of~~
 23 TO ADMINISTER the statewide assessment adopted pursuant to section 15-741
 24 ~~may~~ THAT IS not be longer than four consecutive school weeks and shall
 25 ensure that local education agencies receive test scores and assessment
 26 data from the third grade reading portion of the statewide assessment on
 27 or before May 15 of each academic year and that the scores and assessment
 28 data from all other portions of the statewide assessment adopted pursuant
 29 to section 15-741 are received by local education agencies on or before
 30 May 25 of each academic year. The department of education or the state
 31 board may not prohibit the superintendent or the staff of a local
 32 education agency from sharing statewide assessment data with the local
 33 education agency's district governing board or governing body or otherwise
 34 impede the sharing of statewide assessment data.

35 G. Notwithstanding subsection F of this section and sections 15-741
 36 and 15-742, the department of education, subject to review and approval by
 37 the state board, may adjust the testing window for the statewide
 38 assessment adopted pursuant to section 15-741 in academic years that the
 39 state board is revising current proficiency levels or is establishing new
 40 proficiency levels for the statewide assessment adopted pursuant to
 41 section 15-741.

1 Sec. 3. Section 15-2402, Arizona Revised Statutes, is amended to
2 read:

3 15-2402. Arizona empowerment scholarship accounts; funds

4 A. Arizona empowerment scholarship accounts are established to
5 provide options for the education of students in this state.

6 B. To enroll a qualified student for an Arizona empowerment
7 scholarship account, the parent of the qualified student must sign an
8 agreement to do all of the following:

9 1. Use a portion of the Arizona empowerment scholarship account
10 monies allocated annually to provide an education for the qualified
11 student in at least the subjects of reading, grammar, mathematics, social
12 studies and science, unless the Arizona empowerment scholarship account is
13 allocated monies according to a transfer schedule other than quarterly
14 transfers pursuant to section 15-2403, subsection G.

15 2. Not enroll the qualified student in a school district or charter
16 school and release the school district from all obligations to educate the
17 qualified student. This paragraph does not:

18 (a) Relieve the school district or charter school that the
19 qualified student previously attended from the obligation to conduct an
20 evaluation pursuant to section 15-766.

21 (b) Require the qualified student to withdraw from ~~a~~ ANY school
22 district or charter school before enrolling for an Arizona empowerment
23 scholarship account if the qualified student withdraws from the school
24 district or charter school before receiving any monies in the qualified
25 student's Arizona empowerment scholarship account.

26 (c) Prevent the qualified student from applying in advance for an
27 Arizona empowerment scholarship account to be funded beginning the
28 following school year, subject to section 15-2403, subsection H.

29 3. Not accept a scholarship from a school tuition organization
30 pursuant to title 43 concurrently with an Arizona empowerment scholarship
31 account for the qualified student in the same year a parent signs the
32 agreement pursuant to this section.

33 4. Use monies deposited in the qualified student's Arizona
34 empowerment scholarship account only for the following expenses of the
35 qualified student:

36 (a) Tuition or fees at a qualified school that requires all
37 teaching staff and SCHOOL personnel who have unsupervised contact with
38 students to be fingerprinted.

39 (b) Textbooks required by a qualified school.

40 (c) If the qualified student meets any of the criteria specified in
41 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as
42 determined by a school district or by an independent third party pursuant
43 to section 15-2403, subsection J, the qualified student may use the
44 following additional services:

- 1 (i) Educational therapies from a licensed or accredited
2 practitioner or provider, including and up to any amount not covered by
3 insurance if the expense is partially paid by a health insurance policy
4 for the qualified student.
- 5 (ii) A licensed or accredited paraprofessional or educational aide.
- 6 (iii) Tuition for vocational and life skills education approved by
7 the department.
- 8 (iv) Associated goods and services that include educational and
9 psychological evaluations, assistive technology rentals and braille
10 translation goods and services approved by the department.
- 11 (d) Tutoring or teaching services provided by an individual who is
12 not subject to disciplinary action by the state board of education for
13 immoral or unprofessional conduct pursuant to section 15-505 or 15-534.04
14 or a facility that is accredited by a state, regional or national
15 accrediting organization. The department shall ensure THAT any individual
16 who provides tutoring or teaching services to one or more qualified
17 students pursuant to this subdivision is not subject to disciplinary
18 action by the state board of education. The department shall also remove
19 any individual who is subject to disciplinary action by the state board of
20 education from all platforms that the department provides to parents and
21 qualified students for the purchase of goods or educational services using
22 account monies.
- 23 (e) Curricula and supplementary materials.
- 24 (f) Tuition or fees for a nonpublic online learning program.
- 25 (g) Fees for a nationally standardized norm-referenced achievement
26 test, an advanced placement examination or any exams related to college or
27 university admission.
- 28 (h) Tuition or fees at an eligible postsecondary institution.
- 29 (i) Textbooks required by an eligible postsecondary institution.
- 30 (j) Fees to manage the Arizona empowerment scholarship account.
- 31 (k) Services provided by a public school, including individual
32 classes and extracurricular programs.
- 33 (l) Insurance or surety bond payments.
- 34 (m) Uniforms purchased from or through a qualified school.
- 35 (n) If the qualified student meets the criteria specified in
36 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and
37 if the qualified student is in the second year prior to the final year of
38 a contract executed pursuant to this article, costs associated with an
39 annual education plan conducted by an independent evaluation team. The
40 department shall prescribe minimum qualifications for independent
41 evaluation teams pursuant to this subdivision and factors that teams must
42 use to determine whether the qualified student shall be eligible to
43 continue to receive monies pursuant to this article through the school
44 year in which the qualified student reaches twenty-two years of age. An
45 independent evaluation team that provides an annual education plan

1 pursuant to this subdivision shall submit a written report that summarizes
2 the results of the evaluation to the parent of the qualified student and
3 to the department on or before July 31. The written report submitted by
4 the independent evaluation team is valid for one year. If the department
5 determines that the qualified student meets the eligibility criteria
6 prescribed in the annual education plan, the qualified student is eligible
7 to continue to receive monies pursuant to this article until the qualified
8 student reaches twenty-two years of age, subject to annual review. A
9 parent may appeal the department's decision pursuant to title 41, chapter
10 6, article 10. As an addendum to a qualified student's final-year
11 contract, the department shall provide the following written information
12 to the parent of the qualified student:

13 (i) That the qualified student will not be eligible to continue to
14 receive monies pursuant to this article unless the results of an annual
15 education plan conducted pursuant to this subdivision demonstrate that the
16 qualified student meets the eligibility criteria prescribed in the annual
17 education plan.

18 (ii) That the parent is entitled to obtain an annual education plan
19 pursuant to this subdivision to determine whether the qualified student
20 meets the eligibility criteria prescribed in the annual education plan.

21 (iii) A list of independent evaluation teams that meet the minimum
22 qualifications prescribed by the department pursuant to this subdivision.

23 (o) Public transportation services in this state, including a
24 commuter pass for the qualified student, or transportation network
25 services as defined in section 28-9551 between the qualified student's
26 residence and a qualified school in which the qualified student is
27 enrolled.

28 (p) Computer hardware and technological devices primarily used for
29 an educational purpose. For the purposes of this subdivision, "computer
30 hardware and technological devices":

31 (i) Includes calculators, personal computers, laptops, tablet
32 devices, microscopes, telescopes and printers.

33 (ii) Does not include entertainment and other primarily
34 noneducational devices, including televisions, telephones, video game
35 consoles and accessories, and home theatre and audio equipment.

36 5. Not file an affidavit of intent to homeschool pursuant to
37 section 15-802, subsection B, paragraph 2 or 3.

38 6. Not use monies deposited in the qualified student's account for
39 any of the following:

40 (a) Computer hardware or other technological devices, except as
41 otherwise allowed under paragraph 4, subdivision (c) or (p) of this
42 subsection.

43 (b) Transportation of the pupil, except for transportation services
44 described in paragraph 4, subdivision (o) of this subsection.

1 7. ENSURE THAT THE QUALIFIED STUDENT PARTICIPATES IN THE STATEWIDE
2 ASSESSMENT THAT IS ADMINISTERED BY THE DEPARTMENT OF EDUCATION PURSUANT TO
3 SECTION 15-741 IF THE QUALIFIED STUDENT DOES NOT MEET THE CRITERIA
4 SPECIFIED IN SECTION 15-2401, PARAGRAPH 7, SUBDIVISION (a), ITEM (i), (ii)
5 OR (iii). A QUALIFIED STUDENT WHO MEETS THE CRITERIA SPECIFIED IN SECTION
6 15-2401, PARAGRAPH 7, SUBDIVISION (a), ITEM (i), (ii) OR (iii) MAY
7 PARTICIPATE IN THE STATEWIDE ASSESSMENT IF ALL OF THE FOLLOWING CONDITIONS
8 ARE MET:

9 (a) THE QUALIFIED STUDENT IS LEARNING AT A LEVEL APPROPRIATE FOR
10 THE QUALIFIED STUDENT'S GRADE LEVEL IN A SPECIFIC ACADEMIC AREA.

11 (b) THE QUALIFIED STUDENT'S PARENT AGREES THAT A PASSING SCORE ON
12 THE STATEWIDE ASSESSMENT IS REQUIRED IN THE SPECIFIC ACADEMIC AREA.

13 (c) THE QUALIFIED STUDENT'S PARENT NOTIFIES THE DEPARTMENT, IN A
14 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, OF ANY NECESSARY TESTING
15 ACCOMMODATIONS.

16 C. In exchange for the parent's agreement pursuant to subsection B
17 of this section, the department shall transfer from the monies that would
18 otherwise be allocated to a recipient's prior school district, or if the
19 child is currently eligible to attend a preschool program for children
20 with disabilities, a kindergarten program or any of grades one through
21 twelve, the monies that the department determines would otherwise be
22 allocated to a recipient's expected school district of attendance, to the
23 treasurer for deposit into an Arizona empowerment scholarship account an
24 amount that is equivalent to ninety percent of the sum of the base support
25 level and additional assistance prescribed in sections 15-185 and 15-943
26 for that particular student if that student were attending a charter
27 school.

28 D. The department of education empowerment scholarship account fund
29 is established consisting of monies appropriated by the legislature. The
30 department shall administer the fund. Monies in the fund are subject to
31 legislative appropriation. Monies in the fund shall be used for the
32 department's costs in administering Arizona empowerment scholarship
33 accounts under this chapter. Monies in the fund are exempt from the
34 provisions of section 35-190 relating to lapsing of appropriations. If
35 the number of Arizona empowerment scholarship accounts significantly
36 increases after fiscal year 2020-2021, the department may request an
37 increase in the amount appropriated to the fund in any subsequent fiscal
38 year in the budget estimate submitted pursuant to section 35-113. The
39 department shall list monies in the fund as a separate line item in its
40 budget estimate.

41 E. The state treasurer empowerment scholarship account fund is
42 established consisting of monies appropriated by the legislature. The
43 state treasurer shall administer the fund. Monies in the fund shall be
44 used for the state treasurer's costs in administering the Arizona
45 empowerment scholarship accounts under this chapter. If the number of

1 Arizona empowerment scholarship accounts significantly increases after
 2 fiscal year 2020-2021, the state treasurer may request an increase in the
 3 amount appropriated to the fund in any subsequent fiscal year in the
 4 budget estimate submitted pursuant to section 35-113. Monies in the fund
 5 are subject to legislative appropriation. Monies in the fund are exempt
 6 from the provisions of section 35-190 relating to lapsing of
 7 appropriations. The state treasurer shall list monies in the fund as a
 8 separate line item in its budget estimate.

9 F. A parent must renew the qualified student's Arizona empowerment
 10 scholarship account on an annual basis. The department of education shall
 11 verify that the parent's child is a qualified student as defined in
 12 section 15-2401 or 15-2401.01 in the year for which the parent seeks to
 13 renew the Arizona empowerment scholarship account. This subsection does
 14 not require the department to annually verify the child's disability for
 15 the purpose of section 15-2401, paragraph 7, subdivision (a), item (i),
 16 (ii) or (iii), if applicable.

17 G. Notwithstanding any changes to the student's multidisciplinary
 18 evaluation team plan, a student who has previously qualified for an
 19 Arizona empowerment scholarship account remains eligible to apply for
 20 renewal until the student finishes high school.

21 H. If a parent does not renew the qualified student's Arizona
 22 empowerment scholarship account for a period of three academic years, the
 23 department shall notify the parent that the qualified student's account
 24 will be closed in sixty calendar days. The notification must be sent
 25 ~~through~~ BY certified mail, email and telephone, if applicable. The parent
 26 has sixty calendar days to renew the qualified student's Arizona
 27 empowerment scholarship account. If the parent chooses not to renew or
 28 does not respond ~~in~~ WITHIN sixty calendar days, the department shall close
 29 the account and any remaining monies shall be returned to ~~the~~ THIS state.

30 I. A signed agreement under this section constitutes school
 31 attendance required by section 15-802.

32 J. A qualified school or a provider of services purchased pursuant
 33 to subsection B, paragraph 4 of this section may not share, refund or
 34 rebate any Arizona empowerment scholarship account monies with the parent
 35 or qualified student in any manner.

36 K. Notwithstanding subsection H of this section, on the qualified
 37 student's graduation from a postsecondary institution or after any period
 38 of four consecutive years after high school graduation in which the
 39 student is not enrolled in an eligible postsecondary institution, but not
 40 before this time as long as the account holder continues using a portion
 41 of account monies for allowable expenses each year and is in good
 42 standing, the qualified student's Arizona empowerment scholarship account
 43 shall be closed and any remaining monies shall be returned to the state.

44 L. Monies received pursuant to this article do not constitute
 45 taxable income to the parent of the qualified student.