

REFERENCE TITLE: ESAs; returned monies; administrative costs

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **SB 1687**

Introduced by  
Senator Hoffman

AN ACT

AMENDING SECTION 15-2402, ARIZONA REVISED STATUTES; RELATING TO ARIZONA  
EMPOWERMENT SCHOLARSHIP ACCOUNTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-2402. Arizona empowerment scholarship accounts; funds

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

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

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

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

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

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

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

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

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

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

40 (b) Textbooks required by a qualified school.

41 (c) If the qualified student meets any of the criteria specified in  
42 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as  
43 determined by a school district or by an independent third party pursuant  
44 to section 15-2403, subsection J, the qualified student may use the  
45 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 C. In exchange for the parent's agreement pursuant to subsection B  
2 of this section, the department shall transfer from the monies that would  
3 otherwise be allocated to a recipient's prior school district, or if the  
4 child is currently eligible to attend a preschool program for children  
5 with disabilities, a kindergarten program or any of grades one through  
6 twelve, the monies that the department determines would otherwise be  
7 allocated to a recipient's expected school district of attendance, to the  
8 treasurer for deposit into an Arizona empowerment scholarship account an  
9 amount that is equivalent to ninety percent of the sum of the base support  
10 level and additional assistance prescribed in sections 15-185 and 15-943  
11 for that particular student if that student were attending a charter  
12 school.

13 D. The department of education empowerment scholarship account fund  
14 is established consisting of monies appropriated by the legislature **AND**  
15 **MONIES DEPOSITED PURSUANT TO SUBSECTIONS H AND K OF THIS SECTION.** The  
16 department shall administer the fund. Monies in the fund are subject to  
17 legislative appropriation. Monies in the fund shall be used **ONLY** for the  
18 department's costs in administering Arizona empowerment scholarship  
19 accounts under this chapter. Monies in the fund are exempt from the  
20 provisions of section 35-190 relating to lapsing of appropriations. If  
21 the number of Arizona empowerment scholarship accounts significantly  
22 increases after fiscal year 2020-2021, the department may request an  
23 increase in the amount appropriated to the fund in any subsequent fiscal  
24 year in the budget estimate submitted pursuant to section 35-113. The  
25 department shall list monies in the fund as a separate line item in its  
26 budget estimate.

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

40 F. A parent must renew the qualified student's Arizona empowerment  
41 scholarship account on an annual basis. The department of education shall  
42 verify that the parent's child is a qualified student as defined in  
43 section 15-2401 or 15-2401.01 in the year for which the parent seeks to  
44 renew the Arizona empowerment scholarship account. This subsection does  
45 not require the department to annually verify the child's disability for

1 the purpose of section 15-2401, paragraph 7, subdivision (a), item (i),  
2 (ii) or (iii), if applicable.

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

7 H. If a parent does not renew the qualified student's Arizona  
8 empowerment scholarship account for a period of three academic years, the  
9 department shall notify the parent that the qualified student's account  
10 will be closed in sixty calendar days. The notification must be sent  
11 ~~through~~ BY certified mail, email and telephone, if applicable. The parent  
12 has sixty calendar days to renew the qualified student's Arizona  
13 empowerment scholarship account. If the parent chooses not to renew or  
14 does not respond ~~in~~ WITHIN sixty calendar days, the department shall close  
15 the account and any remaining monies shall be returned to ~~the~~ THIS state  
16 AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE DEPARTMENT  
17 OF EDUCATION EMPOWERMENT SCHOLARSHIP ACCOUNT FUND ESTABLISHED BY  
18 SUBSECTION D OF THIS SECTION.

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

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

25 K. Notwithstanding subsection H of this section, on the qualified  
26 student's graduation from a postsecondary institution or after any period  
27 of four consecutive years after high school graduation in which the  
28 student is not enrolled in an eligible postsecondary institution, but not  
29 before this time as long as the account holder continues using a portion  
30 of account monies for allowable expenses each year and is in good  
31 standing, the qualified student's Arizona empowerment scholarship account  
32 shall be closed and any remaining monies shall be returned to the state  
33 AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE DEPARTMENT  
34 OF EDUCATION EMPOWERMENT SCHOLARSHIP ACCOUNT FUND ESTABLISHED BY  
35 SUBSECTION D OF THIS SECTION.

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