

REFERENCE TITLE: ESAs; tutors; safety; rules

State of Arizona
Senate
Fifty-seventh Legislature
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2026

SB 1692

Introduced by
Senators Diaz: Fernandez, Hatathlie, Kuby, Ortiz, Sears

AN ACT

AMENDING SECTIONS 15-2401, 15-2402, 15-2403 AND 15-2404, 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 15-2401, Arizona Revised Statutes, is amended to
3 read:

4 15-2401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Annual education plan" means an initial individualized
7 evaluation and subsequent annual reviews that are developed for a
8 qualified student who meets the criteria specified in paragraph ~~7~~ 8,
9 subdivision (a), item (i), (ii) or (iii) of this section to determine
10 ongoing annual eligibility through the school year in which the qualified
11 student reaches twenty-two years of age and whether the student may be
12 eligible pursuant to ~~section 36-2981~~ TITLE 36, CHAPTER 29, ARTICLE 4 and
13 should be referred for eligibility determination.

14 2. "Curriculum" means a course of study for content areas or grade
15 levels, including any supplemental materials required or recommended by
16 the curriculum, approved by the department.

17 3. "Department" means the department of education.

18 4. "Eligible postsecondary institution" means a community college
19 as defined in section 15-1401, a university under the jurisdiction of the
20 Arizona board of regents or an accredited private postsecondary
21 institution.

22 5. "Parent" means a resident of this state who is the parent,
23 stepparent or legal guardian of a qualified student.

24 6. "Qualified school" means a nongovernmental primary or secondary
25 school or a preschool for pupils with disabilities that is located in this
26 state or, for qualified students who reside within the boundaries of an
27 Indian reservation in this state, that is located in an adjacent state and
28 that is within two miles of the border of the state in which the qualified
29 student resides, and that does not discriminate on the basis of race,
30 color or national origin.

31 7. "Qualified student" means a resident of this state who:

32 (a) Is any of the following:

33 (i) Identified as having a disability under section 504 of the
34 rehabilitation act of 1973 (29 United States Code section 794).

35 (ii) Identified by a school district or by an independent third
36 party pursuant to section 15-2403, subsection J as a child with a
37 disability as defined in section 15-731 or 15-761.

38 (iii) A child with a disability who is eligible to receive services
39 from a school district under section 15-763.

40 (iv) Attending a school or school district that was assigned a
41 letter grade of D or F pursuant to section 15-241 for the most recent year
42 in which letter grades were assigned or is currently eligible to attend
43 kindergarten and resides within the attendance boundary of a school that
44 was assigned a letter grade of D or F pursuant to section 15-241 for the
45 most recent year in which letter grades were assigned. A child who meets

1 the requirements of this item and who meets the income eligibility
2 requirements for free and reduced-price lunches under the national school
3 lunch and child nutrition acts (42 United States Code sections 1751
4 through 1793) is not subject to subdivision (b) of this paragraph.

5 (v) A previous recipient of a scholarship issued pursuant to this
6 section, unless the qualified student's parent has been removed from
7 eligibility in the program for failure to comply pursuant to section
8 15-2403, subsection C.

9 (vi) A child of a parent who is a member of the armed forces of the
10 United States and who is on active duty or was killed in the line of duty.
11 A child who meets the requirements of this item is not subject to
12 subdivision (b) of this paragraph.

13 (vii) A child who is a ward of the juvenile court and who is
14 residing with a prospective permanent placement pursuant to section 8-862
15 and the case plan is adoption or permanent guardianship.

16 (viii) A child who was a ward of the juvenile court and who
17 achieved permanency through adoption or permanent guardianship.

18 (ix) A child who is the sibling of a current or previous Arizona
19 empowerment scholarship account recipient or of an eligible qualified
20 student who accepts the terms of and enrolls in an Arizona empowerment
21 scholarship account.

22 (x) A child who resides within the boundaries of an Indian
23 reservation in this state as determined by the department of education or
24 a tribal government.

25 (xi) A child of a parent who is legally blind or deaf or hard of
26 hearing as defined in section 36-1941.

27 (b) And, except as provided in subdivision (a), items (iv) and (vi)
28 of this paragraph, who meets any of the following requirements:

29 (i) Attended a governmental primary or secondary school as a
30 full-time student as defined in section 15-901 for at least forty-five
31 days of the current or prior fiscal year and who transferred from a
32 governmental primary or secondary school under a contract to participate
33 in an Arizona empowerment scholarship account. Kindergarten students who
34 are enrolled in Arizona online instruction must receive one hundred hours
35 of logged instruction to be eligible pursuant to this item. First, second
36 and third grade students who are enrolled in Arizona online instruction
37 must receive two hundred hours of logged instruction to be eligible
38 pursuant to this item. Fourth, fifth and sixth grade students who are
39 enrolled in Arizona online instruction must receive two hundred fifty
40 hours of logged instruction to be eligible pursuant to this item. Seventh
41 and eighth grade students who are enrolled in Arizona online instruction
42 must receive two hundred seventy-five hours of logged instruction to be
43 eligible pursuant to this item. High school students who are enrolled in
44 Arizona online instruction must receive two hundred fifty hours of logged
45 instruction to be eligible pursuant to this item.

1 (ii) Previously participated in an Arizona empowerment scholarship
2 account.

3 (iii) Received a scholarship under section 43-1505 and who
4 continues to attend a qualified school if the student attended a
5 governmental primary or secondary school as a full-time student as defined
6 in section 15-901 for at least ninety days of the prior fiscal year or one
7 full semester before attending a qualified school.

8 (iv) Was eligible for an Arizona scholarship for pupils with
9 disabilities and received monies from a school tuition organization
10 pursuant to section 43-1505 or received an Arizona scholarship for pupils
11 with disabilities but did not receive monies from a school tuition
12 organization pursuant to section 43-1505 and who continues to attend a
13 qualified school if the student attended a governmental primary or
14 secondary school as a full-time student as defined in section 15-901 for
15 at least ninety days of the prior fiscal year or one full semester before
16 attending a qualified school.

17 (v) Attended a nonpublic school for pupils with disabilities in the
18 prior year if placement at the school was approved by the department of
19 education and contracted for by a public school district.

20 (vi) Has not previously attended a governmental primary or
21 secondary school but is currently eligible to enroll in a kindergarten
22 program in a school district or charter school in this state or attended a
23 program for preschool children with disabilities. For the purposes of
24 this item, a child is eligible to enroll in a kindergarten program if the
25 child is at least five years of age on January 1 of the current school
26 year, is under seven years of age, has not already completed a
27 kindergarten program and is not enrolled in grade one of a private or
28 governmental school in the current year.

29 (vii) Has not previously attended a governmental primary or
30 secondary school but is currently eligible to enroll in a program for
31 preschool children with disabilities in this state.

32 8. "Treasurer" means the office of the state treasurer.

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

35 15-2402. Arizona empowerment scholarship accounts; funds

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

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

41 1. Use a portion of the Arizona empowerment scholarship account
42 monies allocated annually to provide an education for the qualified
43 student in at least the subjects of reading, grammar, mathematics, social
44 studies and science, unless the Arizona empowerment scholarship account is

1 allocated monies according to a transfer schedule other than quarterly
2 transfers pursuant to section 15-2403, subsection G.

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

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

9 (b) Require the qualified student to withdraw from ~~a~~ ANY school
10 district or charter school before enrolling for an Arizona empowerment
11 scholarship account if the qualified student withdraws from the school
12 district or charter school before receiving any monies in the qualified
13 student's Arizona empowerment scholarship account.

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

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

21 4. Use monies deposited in the qualified student's Arizona
22 empowerment scholarship account only for the following expenses of the
23 qualified student:

24 (a) Tuition or fees at a qualified school that requires all
25 teaching staff and SCHOOL personnel who have ~~unsupervised~~
26 students THAT IS NOT SUPERVISED AS DEFINED IN SECTION 15-505 to MEET ALL
27 OF THE FOLLOWING REQUIREMENTS AS A CONDITION OF EMPLOYMENT:

28 (i) Be fingerprinted.

29 (ii) BE AT LEAST EIGHTEEN YEARS OF AGE.

30 (iii) NOT BE THE SUBJECT OF A DISCIPLINARY ACTION BY THE STATE
31 BOARD OF EDUCATION FOR IMMORAL OR UNPROFESSIONAL CONDUCT PURSUANT TO
32 SECTION 15-505 OR 15-534.04.

33 (b) Textbooks required by a qualified school.

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

39 (i) Educational therapies from a licensed or accredited
40 practitioner or provider, including and up to any amount not covered by
41 insurance if the expense is partially paid by a health insurance policy
42 for the qualified student.

43 (ii) A licensed or accredited paraprofessional or educational aide.

44 (iii) Tuition for vocational and life skills education approved by
45 the department.

1 (iv) Associated goods and services that include educational and
2 psychological evaluations, assistive technology rentals and braille
3 translation goods and services approved by the department.

4 (d) Tutoring or teaching services provided by an individual who is
5 AT LEAST EIGHTEEN YEARS OF AGE AND not subject to disciplinary action by
6 the state board of education for immoral or unprofessional conduct
7 pursuant to section 15-505 or 15-534.04 or a facility that is accredited
8 by a state, regional or national accrediting organization AND THAT
9 REQUIRES ALL TEACHING STAFF AND PERSONNEL WHO HAVE CONTACT WITH STUDENTS
10 THAT IS NOT SUPERVISED AS DEFINED IN SECTION 15-505 TO BE AT LEAST
11 EIGHTEEN YEARS OF AGE AND NOT SUBJECT TO DISCIPLINARY ACTION BY THE STATE
12 BOARD OF EDUCATION FOR IMMORAL OR UNPROFESSIONAL CONDUCT PURSUANT TO
13 SECTION 15-505 OR 15-534.04. The department shall ensure THAT any
14 individual who provides tutoring or teaching services to one or more
15 qualified students pursuant to this subdivision is not subject to
16 disciplinary action by the state board of education. The department shall
17 also remove any individual who is subject to disciplinary action by the
18 state board of education from all platforms that the department provides
19 to parents and qualified students for the purchase of goods or educational
20 services using account monies.

21 (e) Curricula and supplementary materials.

22 (f) Tuition or fees for a nonpublic online learning program.

23 (g) Fees for a nationally standardized norm-referenced achievement
24 test, an advanced placement examination or any exams related to college or
25 university admission.

26 (h) Tuition or fees at an eligible postsecondary institution.

27 (i) Textbooks required by an eligible postsecondary institution.

28 (j) Fees to manage the Arizona empowerment scholarship account.

29 (k) Services provided by a public school, including individual
30 classes and extracurricular programs.

31 (l) Insurance or surety bond payments.

32 (m) Uniforms purchased from or through a qualified school.

33 (n) If the qualified student meets the criteria specified in
34 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and
35 if the qualified student is in the second year prior to the final year of
36 a contract executed pursuant to this article, costs associated with an
37 annual education plan conducted by an independent evaluation team. The
38 department shall prescribe minimum qualifications for independent
39 evaluation teams pursuant to this subdivision and factors that teams must
40 use to determine whether the qualified student shall be eligible to
41 continue to receive monies pursuant to this article through the school
42 year in which the qualified student reaches twenty-two years of age. An
43 independent evaluation team that provides an annual education plan
44 pursuant to this subdivision shall submit a written report that summarizes
45 the results of the evaluation to the parent of the qualified student and

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

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

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

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

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

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

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

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

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

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

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

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

43 C. In exchange for the parent's agreement pursuant to subsection B
44 of this section, the department shall transfer from the monies that would
45 otherwise be allocated to a recipient's prior school district, or if the

1 child is currently eligible to attend a preschool program for children
2 with disabilities, a kindergarten program or any of grades one through
3 twelve, the monies that the department determines would otherwise be
4 allocated to a recipient's expected school district of attendance, to the
5 treasurer for deposit into an Arizona empowerment scholarship account an
6 amount that is equivalent to ninety percent of the sum of the base support
7 level and additional assistance prescribed in sections 15-185 and 15-943
8 for that particular student if that student were attending a charter
9 school.

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

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

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

44 G. Notwithstanding any changes to the student's multidisciplinary
45 evaluation team plan, a student who has previously qualified for an

1 Arizona empowerment scholarship account remains eligible to apply for
2 renewal until the student finishes high school.

3 H. If a parent does not renew the qualified student's Arizona
4 empowerment scholarship account for a period of three academic years, the
5 department shall notify the parent that the qualified student's account
6 will be closed in sixty calendar days. The notification must be sent
7 ~~through~~ BY certified mail, email and telephone, if applicable. The parent
8 has sixty calendar days to renew the qualified student's Arizona
9 empowerment scholarship account. If the parent chooses not to renew or
10 does not respond ~~in~~ WITHIN sixty calendar days, the department shall close
11 the account and any remaining monies shall be returned to ~~the~~ THIS state.

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

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

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

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

28 Sec. 3. Section 15-2403, Arizona Revised Statutes, is amended to
29 read:

30 15-2403. Arizona empowerment scholarship accounts;
31 administration; appeals; risk-based audits; rules;
32 policy handbook

33 A. The treasurer may contract with private financial management
34 firms to manage Arizona empowerment scholarship accounts.

35 B. The department shall conduct or contract for annual audits of
36 Arizona empowerment scholarship accounts to ensure compliance with section
37 15-2402, subsection B, paragraph 4. The department shall also conduct or
38 contract for random, quarterly and annual audits of Arizona empowerment
39 scholarship accounts as needed to ensure compliance with section 15-2402,
40 subsection B, paragraph 4. The department, in consultation with the
41 office of the auditor general, shall develop risk-based auditing
42 procedures for audits conducted pursuant to this subsection.

43 C. The department shall annually review a sample of Arizona
44 empowerment scholarship accounts, selected at random, to determine whether
45 the parent or qualified student is in compliance with the terms of the

1 contract, applicable laws, rules and orders relating to the Arizona
2 empowerment scholarship accounts program. The Arizona empowerment
3 scholarship account of a parent or qualified student who is in good
4 standing may be randomly selected pursuant to this subsection only one
5 time during any five-year period. The department may remove any parent or
6 qualified student from eligibility for an Arizona empowerment scholarship
7 account if the parent or qualified student fails to comply with the terms
8 of the contract or applicable laws, rules or orders or knowingly misuses
9 monies or knowingly fails to comply with the terms of the contract with
10 intent to defraud and shall notify the treasurer. The department shall
11 notify the treasurer to suspend the account of a parent or qualified
12 student and shall notify the parent or qualified student in writing that
13 the account has been suspended and that no further transactions will be
14 allowed or disbursements made. The notification shall specify the reason
15 for the suspension and state that the parent or qualified student has
16 fifteen days, not including weekends, to respond and take corrective
17 action. If the parent or qualified student refuses or fails to contact
18 the department, furnish any information or make any report that may be
19 required for reinstatement within the fifteen-day period, the department
20 may remove the parent or qualified student pursuant to this subsection.

21 D. A parent may appeal to the state board of education any
22 administrative decision the department makes pursuant to this article,
23 including determinations of allowable expenses, removal from the program
24 or enrollment eligibility. The department shall notify the parent in
25 writing that the parent may appeal any administrative decision under this
26 article and the process by which the parent may appeal at the same time
27 the department notifies the parent of an administrative decision under
28 this article. The state board of education shall establish an appeals
29 process, and the department shall post this information on the
30 department's website in the same location as the policy handbook developed
31 pursuant to subsection K of this section.

32 E. A parent may represent himself or herself or designate a
33 representative, not necessarily an attorney, before any appeals hearing
34 held pursuant to this section. Any designated representative who is not
35 an attorney admitted to practice may not charge for any services rendered
36 in connection with the hearing. The fact that a representative
37 participated in the hearing or assisted the account holder is not grounds
38 for reversing any administrative decision or order if the evidence
39 supporting the decision or order is substantial, reliable and probative.

40 F. The state board of education may refer cases of substantial
41 misuse of monies to the attorney general for the purpose of collection or
42 for the purpose of a criminal investigation if the state board of
43 education obtains evidence of fraudulent use of an account.

44 G. The department shall make quarterly transfers of the amount
45 calculated pursuant to section 15-2402, subsection C to the treasurer for

1 deposit in the Arizona empowerment scholarship account of each qualified
2 student, except the department may make transfers according to another
3 transfer schedule if the department determines a transfer schedule other
4 than quarterly transfers is necessary to operate the Arizona empowerment
5 scholarship account.

6 H. The department shall accept applications between July 1 and June
7 30 of each year. The department shall issue an award letter to eligible
8 applicants within thirty days after receipt of a completed application and
9 all required documentation. If an eligible applicant completes an
10 application in advance for an Arizona empowerment scholarship account to
11 be funded beginning on a later date, the department may enroll the
12 eligible applicant on the later date, except that the department may not
13 enroll the applicant more than two fiscal quarters after the fiscal
14 quarter in which the application is completed or on a date that is after
15 March 31 and before July 1. If an eligible applicant completes an
16 application after March 31 and before July 1, the department shall enroll
17 the applicant on or after July 1. The department shall enroll all other
18 eligible applicants when the department issues an award letter pursuant to
19 this subsection. This subsection does not allow a qualified student to
20 receive monies in an Arizona empowerment scholarship account while the
21 qualified student is enrolled in a school district or charter school. On
22 or before September 1 and November 1 of each year, the department shall
23 furnish to the joint legislative budget committee and the governor's
24 office of strategic planning and budgeting an estimate of the amount
25 required to fund Arizona empowerment scholarship accounts for the
26 following fiscal year. The department shall include in its budget request
27 for the following fiscal year the amount estimated pursuant to section
28 15-2402, subsection C for each qualified student.

29 I. The state board of education:

30 1. May adopt rules and policies necessary to administer Arizona
31 empowerment scholarship accounts, including rules and policies:

32 ~~1.~~ (a) For establishing an appeals process pursuant to subsection
33 D of this section.

34 ~~2.~~ (b) For conducting or contracting for examinations of the use
35 of account monies, consistent with subsection L of this section.

36 ~~3.~~ (c) For conducting or contracting for random, quarterly and
37 annual reviews of accounts.

38 ~~4.~~ (d) For establishing or contracting for the establishment of an
39 online anonymous fraud reporting service.

40 ~~5.~~ (e) For establishing an anonymous telephone hotline for fraud
41 reporting.

42 ~~6.~~ (f) That require a surety bond or insurance for account
43 holders.

44 (g) THAT PROMOTE FINANCIAL TRANSPARENCY FOR QUALIFIED SCHOOLS.

1 (h) THAT ARE NECESSARY TO ENSURE THAT EACH PARENT OF A QUALIFIED
2 STUDENT USES MONIES DEPOSITED IN THE QUALIFIED STUDENT'S ARIZONA
3 EMPOWERMENT SCHOLARSHIP ACCOUNT ONLY FOR QUALIFIED SCHOOLS AND TUTORING OR
4 TEACHING SERVICES PROVIDERS THAT COMPLY WITH THE PERSONNEL REQUIREMENTS
5 PRESCRIBED BY SECTION 15-2402, SUBSECTION B, PARAGRAPH 4, SUBDIVISION (a)
6 OR (d) OR SECTION 15-2402, SUBSECTION J.

7 2. SHALL ADOPT RULES RELATING TO SAFETY, INCLUDING RULES THAT
8 REQUIRE QUALIFIED SCHOOLS TO DO ALL OF THE FOLLOWING:

9 (a) COMPLY WITH ALL APPLICABLE FIRE CODES, SAFETY CODES AND FOOD
10 SAFETY AND SANITATION LAWS.

11 (b) SECURE ANY HEAVY MACHINERY, TOOLS OR WEAPONS THAT ARE LOCATED
12 ON THE PREMISES.

13 (c) INSTALL AND MAINTAIN AN ENCLOSURE AROUND A SWIMMING POOL OR
14 OTHER CONTAINED BODY OF WATER, AS PRESCRIBED BY SECTION 36-1681,
15 SUBSECTION A.

16 (d) PROHIBIT ALL INDIVIDUALS WHO HAVE ACCESS TO THE PREMISES FROM
17 POSSESSING ILLEGAL DRUGS OR ALCOHOL ON THE PREMISES.

18 J. The department shall contract with an independent third party
19 for the purposes of determining whether a qualified student is eligible to
20 receive educational therapies or services pursuant to section 15-2402,
21 subsection B, paragraph 4, subdivision (c). If during any period on or
22 after January 1, 2023 the department fails to ensure that a contract with
23 an independent third party is in effect, during that period:

24 1. The county school superintendent of each county may approve a
25 list of independent third parties within the county whose evaluation may
26 be used to determine whether a qualified student who resides within the
27 county is eligible to receive educational therapies or services pursuant
28 to section 15-2402, subsection B, paragraph 4, subdivision (c).

29 2. If the county school superintendent of a county does not provide
30 a list of approved independent third parties within ninety days after the
31 beginning of any period during which the department does not have a
32 contract with an independent third party in effect as described in this
33 subsection, the parent of a qualified student who resides within the
34 county has the right to obtain an independent educational evaluation from
35 a qualified examiner to determine whether the qualified student is
36 eligible to receive educational therapies or services pursuant to section
37 15-2402, subsection B, paragraph 4, subdivision (c). The expense for an
38 educational evaluation undertaken pursuant to this paragraph shall be
39 provided by the school district within which the qualified student resides
40 and that serves the grade level of the qualified student. For the
41 purposes of this paragraph, "qualified examiner" means a licensed
42 physician, psychiatrist or psychologist.

43 K. On or before July 1 of each year, the department shall develop
44 an applicant and participant handbook that includes information relating
45 to policies and processes of Arizona empowerment scholarship accounts.

1 The policy handbook shall comply with the rules adopted by the state board
2 of education pursuant to this section. The department shall post the
3 handbook on the department's website.

4 L. The department shall:

5 1. Establish and maintain an online database of allowable and
6 disallowed categories of expenses and provide a link to the database on
7 the department's website.

8 2. Allow the use of account monies to reimburse the parent of a
9 qualified student or a qualified student for the purchase of a good or
10 educational service that is an allowable expense pursuant to section
11 15-2402, subsection B.

12 M. Except for cases in which the attorney general determines that a
13 parent or account holder has committed fraud, any expenditure from an
14 Arizona empowerment scholarship account for a purchase that the department
15 determines is not an allowable expense pursuant to section 15-2402 and
16 that is subsequently repaid by the parent or account holder shall be
17 credited back to the Arizona empowerment scholarship account balance
18 within thirty days after the receipt of payment.

19 N. If, in response to an appeal of an administrative decision made
20 by the department, the state board of education issues a stay of an
21 Arizona empowerment scholarship account suspension pursuant to rules
22 adopted by the board, the department may not withhold funding or contract
23 renewal for the account holder because of the appealed administrative
24 decision during the stay unless directed by the board to do so.

25 Sec. 4. Section 15-2404, Arizona Revised Statutes, is amended to
26 read:

27 15-2404. State control over nonpublic schools; prohibition;
28 application

29 A. EXCEPT AS PROVIDED IN SECTION 15-2403, this chapter does not
30 permit ALLOW any government agency to exercise control or supervision over
31 any nonpublic school or homeschool.

32 B. A qualified school that accepts a payment from a parent pursuant
33 to this chapter is not an agent of the state or federal government.

34 C. A qualified school shall not be required to alter its creed,
35 practices, admissions policy or curriculum in order to accept students
36 whose parents pay tuition or fees from an ARIZONA empowerment scholarship
37 account pursuant to this chapter in order to participate as a qualified
38 school.

39 ~~D. In any legal proceeding challenging the application of this~~
40 ~~chapter to a qualified school, the state bears the burden of establishing~~
41 ~~that the law is necessary and does not impose any undue burden on~~
42 ~~qualified schools.~~