

LEARNS Work Meeting #5

July 20th, 2023

(Agenda)

- ▶ **Meeting objectives**
- ▶ Launch update
- ▶ “Long term” topics

Meeting Objectives and Update

Today's objectives

- ▶ Launch update (10 minutes)
- ▶ Discuss approach to service providers in year 2+ rules (15-20 minutes)
- ▶ Discuss approach to homeschooling in year 2+ rules (15-20 minutes)
- ▶ Discuss approach to unreasonable tuition increases in year 2+ rules (15-20 minutes)

Update

EFA progress update

- ▶ EFAs have been “live” for three weeks, and have received tremendous family and school feedback
- ▶ Families may still apply for EFA funds through ADE’s turnkey portal; the family application deadline for the upcoming school year is August 1st
- ▶ Schools may continue to apply using the application form available through ADE’s website, and should email their submitted applications to ade.efa@ade.arkansas.gov
- ▶ Emergency rules for the 2023-2024 school year have been approved by the state Board of Education and are available for public review on ADE’s website

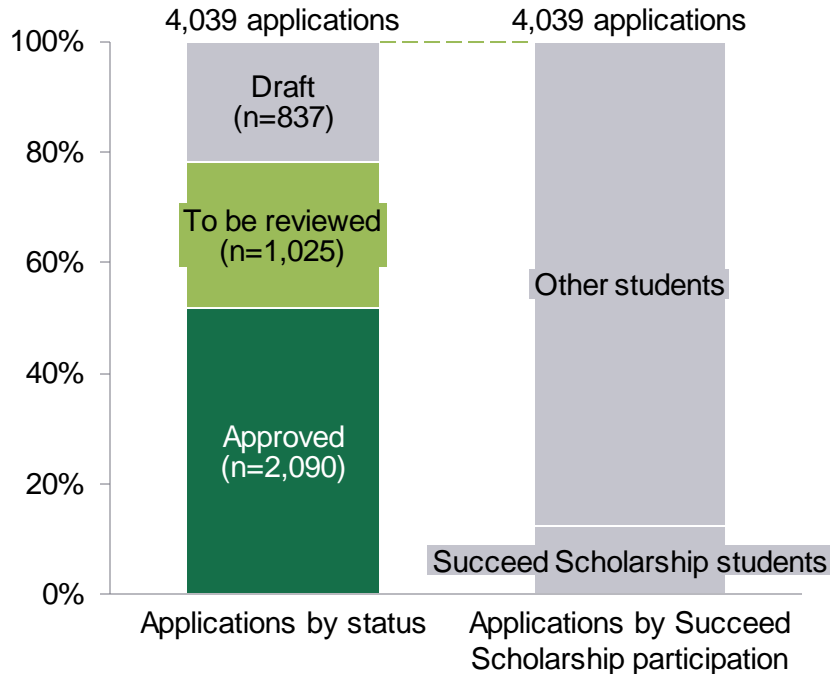
ADE will continue to engage this work group in the development of future program guidelines, rules, and processes

(Agenda)

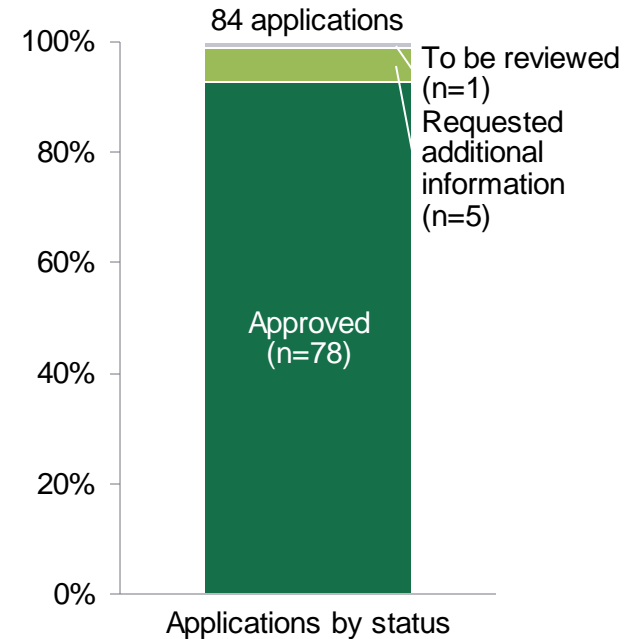
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Launch update

Family application update, (as of 7/18)



School application update, (as of 7/18)



(Agenda)

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- ▶ **“Long term” topics**
 - Service providers
 - Homeschooling
 - Unreasonable tuition increases

Introduction to “Long Term” Topics

“Long Term” topics for steady state rulemaking

1

Accountability

- ▶ What is the range of EFA-applicable accountability topics?
- ▶ Where may ADE stand on the “accountability spectrum” across each topic?
- ▶ What is the correct balance of accountability and flexibility?
- ▶ How may ADE consider various non-ANSAA accrediting bodies?

Already covered

2

Tuition Increases

- ▶ How have private schools adjusted tuition post-EFA roll-out in peer states? Do schools tend to artificially inflate tuition?
- ▶ What is the spectrum of options for addressing and preventing unreasonable tuition increases in a post-EFA Arkansas?

3

Service Providers

- ▶ What is the role of non-school service providers in EFA?
- ▶ What requirements (e.g., accreditation) are in place within peer EFA states to properly vet and govern service providers?
- ▶ How should individuals (e.g., tutors) be evaluated compared to facilities or businesses?

Topics for this session

4

Homeschooling

- ▶ What kinds of homeschooling currently exist in Arkansas and how are they considered in-statute?
- ▶ How do peer EFA states handle homeschooling?
- ▶ What additional oversight measures, if any, may ADE consider enforcing for homeschoolers?

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Expanding Expense Eligibility

2023-2024

- ▶ Tuition, approved fees, testing and required school uniforms
- ▶ Expenses determined by a school to be necessary and required such as supplies, equipment, access to technology, and services provided by or at the school
- ▶ Optional expenses are not covered

2024-2025+

All SY23-24 qualifying expenses, and:

- ▶ Instructional materials required for in-person or virtual instruction
- ▶ Instructional or tutoring services
- ▶ Curriculum
- ▶ Supplemental materials or supplies required for a particular content area
- ▶ Fees for courses and associated exams (for college credit), postsecondary exams, career training courses or exams, or industry-based credential exams
- ▶ Educational services provided by a licensed or accredited practitioner (for students with a disability)
- ▶ Account management fees from participating service providers
- ▶ Technology devices used to meet a student's needs (excluding TVs, video games, or home theatres unless approved by the DoE or a licensed physician)
- ▶ Transportation costs to or from a participating service provider or school
- ▶ Any other educational expenses approved by the Division of Elementary and Secondary Education

2024-2025+ eligible expense expansion paves the way for new categories of service providers, including:

- ▶ Tutors
- ▶ Curriculum vendors
- ▶ Educational software providers
- ▶ Transportation services
- ▶ Any provider that offers a service within an eligible expense category to eligible students and is approved by ADE



Service Provider Approach Case Studies



Arizona



New Hampshire



Florida



West Virginia

	Arizona	New Hampshire	Florida	West Virginia
Definition	<ul style="list-style-type: none"> ▶ No formal service provider definition ▶ Service providers are registered on an ad-hoc basis according to participating student demand 	<ul style="list-style-type: none"> ▶ Education service provider is defined as “a person or organization that receives payments from education freedom accounts to provide educational goods and services to EFA students” 	<ul style="list-style-type: none"> ▶ No formal service provider definition ▶ Service providers are registered on an ad-hoc basis according to participating student demand 	<ul style="list-style-type: none"> ▶ Education service provider is defined as “a person or organization that receives payments from Hope Scholarship accounts to provide educational goods and services to Hope Scholarship students”
Requirements	<ul style="list-style-type: none"> ▶ Most service providers must have a high school diploma or credential in area of instruction (for individuals) or have accreditation in the area of instruction (for facilities / businesses) ▶ Service providers submit a form to register through ClassWallet, where they provide proof of certification (if applicable) 	<ul style="list-style-type: none"> ▶ Service providers (student-facing individuals) must provide services “safely and adequately”, which may include proof of certification in the area of instruction ▶ Retailers do not face registration requirements beyond cursory fraud prevention / background information measures 	<ul style="list-style-type: none"> ▶ No service provider process outlined in-statute ▶ Existing online materials available through Step up For Students apply to '22-'23 school year, and thus restrict any expenses that are not tuition / fees (and therefore all third-party providers) 	<ul style="list-style-type: none"> ▶ Service providers who provide goods and services that fall within approved uses of Hope Scholarship funds and who agree to the service provider responsibilities will be able to become a provider / vendor ▶ Service providers must not discriminate, submit child-facing employees to background checks, and comply with random audits
Providers / students	~3k providers	~400	NA	~400
	30,471	3,110	84,700	1,797

Reflection on Service Providers

- 1 As compared to a participating private school, what **requirements** may ADE look to put in place for participating (non-school) service providers?
- 2 Should ADE consider **individuals** (e.g., tutors) and **organizations** (e.g., large retailers or facilities) differently as it relates to accountability and oversight—as in the NH and WV examples?
- 3 What rules may ADE put into place to require **credentials or certification** for student-facing service providers (e.g., tutors)?

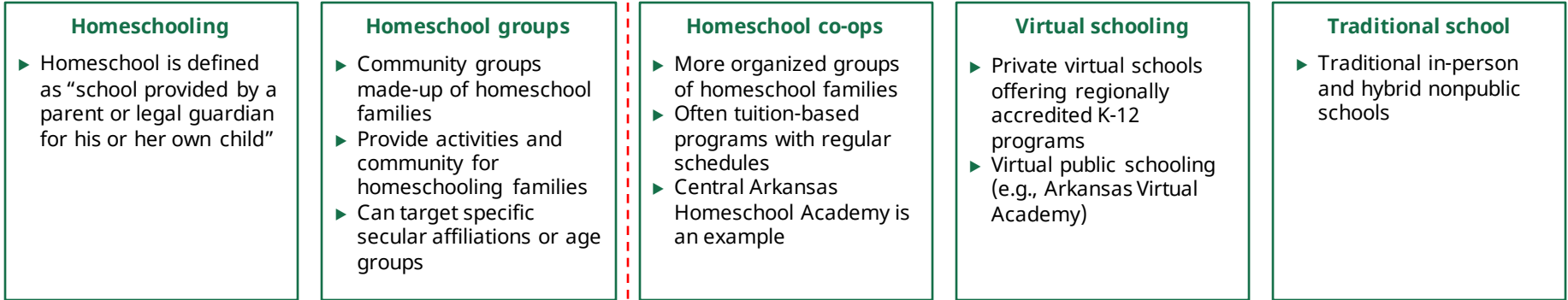
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Homeschooling Spectrum



May include micro schools



















Considered "homeschooling" for EFA

- ▶ A school / organization is not receiving EFA funds for tuition, and thus does not have to meet school eligibility standards
- ▶ Families may use their own EFA funds for eligible goods or services

Considered a participating school for EFA

- ▶ A school / organization is receiving EFA funds for tuition and is therefore considered a participating school
- ▶ Participating homeschool co-ops, virtual schools, and traditional private schools must meet all school eligibility requirements to collect EFA funds from participating families
- ▶ Homeschool families may still use their own EFA funds for eligible goods or services

Homeschooling Case Studies (1/2)

	 Arizona	 New Hampshire	 Florida	 West Virginia
Allow EFA to go toward homeschool?				
Homeschool EFA context	<ul style="list-style-type: none"> ▶ Regs stipulate that parents will not file an affidavit stating their intent to homeschool; instead, the EFA agreement will serve as proof that the student will be getting an education 	<ul style="list-style-type: none"> ▶ Statute specifies that children don't need to be enrolled in nonpublic schools to be deemed eligible 	<ul style="list-style-type: none"> ▶ Statute allows for a limited number of "Personalized Education Program" (PEP) participants starting in '23-'24; caps on PEP students are lifted starting July, 2027¹ 	<ul style="list-style-type: none"> ▶ Regs carve out special rules for "Individualized Instructional Programs", which is defined as "a customized educational experience that takes place at home..."
EFA program requires testing				
Do homeschool families have to test children		 <i>Parents sign an agreement to have their child take a nationally-standardized norm-referenced test</i>	 <i>Must administer and report norm-referenced tests and submit a student learning plan, which outlines curriculum and instructional reqs</i>	 <i>IIP families must annually administer a norm-referenced test and report these results as part of the ESA renewal process</i>

Homeschooling Case Studies (2/2)



Arizona

Homeschool Accountability Requirements

- ▶ No testing requirements
- ▶ Parents must provide an education in reading, grammar, math, social studies, and science



New Hampshire

- ▶ All parents and guardians (homeschooled or not), must provide an annual record of attainment by:
 - Provide results of a standardized achievement test (total score, math score, and ELA score), or
 - Provide results of the statewide NH student assessment, or
 - Provide a signed letter showing proof of a portfolio evaluation completed by a qualifying NH teacher (includes description of work reviewed, summary of child's progress, etc.)



Florida

- ▶ Homeschool parents must:
 - Submit a "student learning plan", which is a guide outlining instructional plans and goods and services needed to address the academic needs of the eligible student
 - Arrange for the student(s) to take a nationally norm-referenced test
 - Annually submit a sworn compliance statement to the applicable scholarship organization



West Virginia

- ▶ IIP families must:
 - Provide test results showing that the child's median test results across core subjects is at least the fourth stanine (above the 23rd percentile / in the top 77% of performers) or shows improvement from prior year or
 - Have a certified teacher conduct a review of the student's academic work and confirm that they are making academic progress commensurate with his or her age and ability

Takeaway

- ▶ No testing / accountability mechanisms are required for any participating students

- ▶ While testing is required of homeschool families, students are not held to any performance standards

- ▶ Most families opt for certified teacher review

Arkansas Homeschool Approach

Under EFA, participating families that intent to homeschool their child are responsible for the following:

1 Annually notify local public-school superintendent of intent to homeschool *(required under Arkansas homeschool statute)*

- ▶ Notifications are not in a standardized form, though ADE provides a model form on their website
- ▶ Notice must be filed by August 15th
- ▶ Notice must include:
 - Personal information (name, date of birth, gender, and grade of the children)
 - The name and address of the last school the child attended
 - The homeschool's mailing address and telephone number
 - A statement verifying that the parent is responsible for the child's education through the homeschool program

2 Testing and academic accountability

- ▶ Homeschool families must adhere to the same testing requirements as participating private schools; participating homeschool families must annually administer an approved norm-referenced test and report their child's scores to ADE
- ▶ Homeschool families will be held to the same achievement standards as participating private schools *(detail on testing performance standards is forthcoming)*
- ▶ Families may use EFA funds to pay for norm-referenced tests
- ▶ Parents are responsible for providing their participating student with an education in at least the subjects of English language arts, mathematics, social studies, and science

3 Comply with audits

- ▶ Participating EFA homeschool families (along with all other EFA participants) are subject to random account audits, and must adhere to the published EFA laws and rules regarding program participating and appropriate fund use

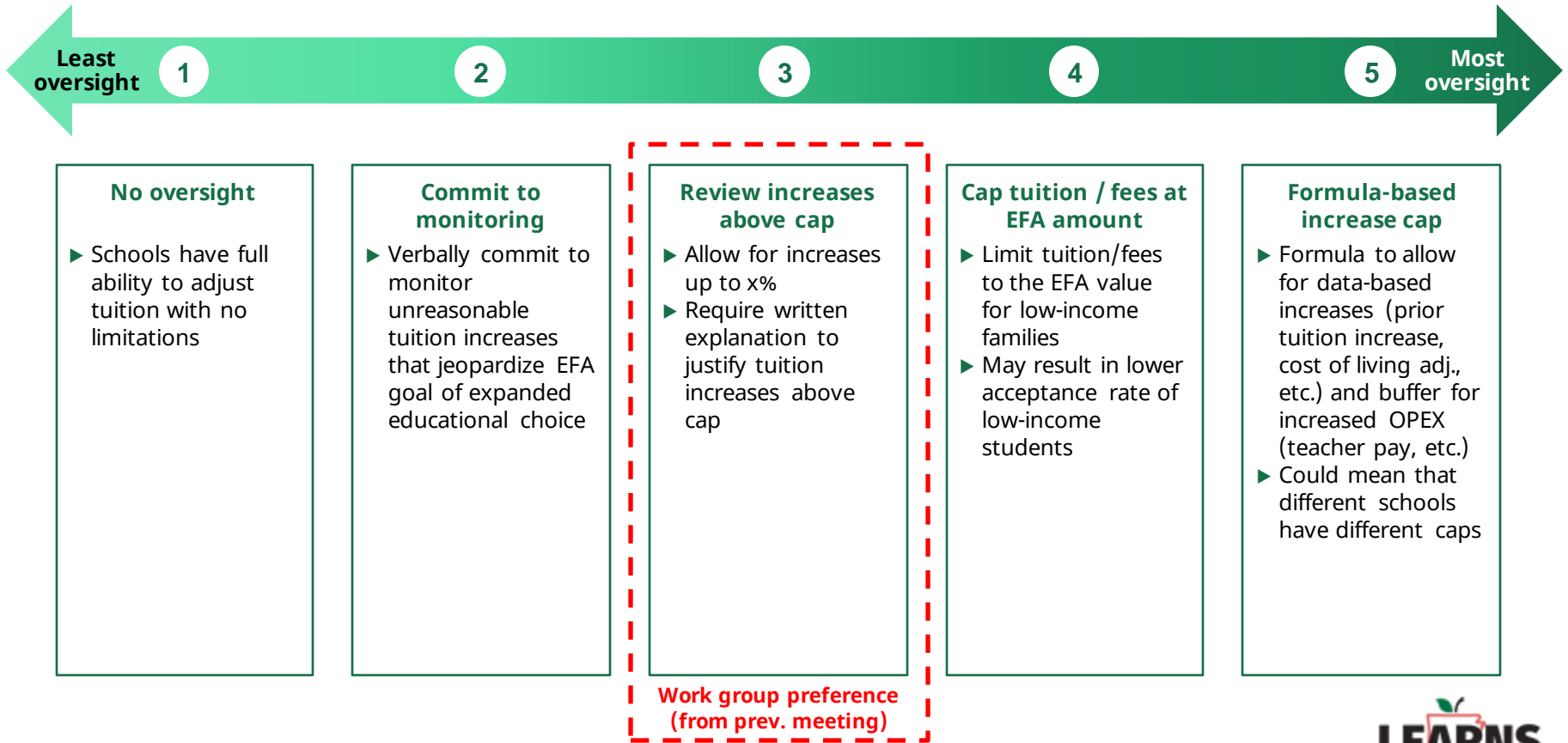
Reflection on Homeschooling

1 What **questions** do you have on the experience of homeschool EFA participants?

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 - **Unreasonable tuition increases**

Unreasonable tuition increases: spectrum of rules recap



Case studies

Consider the following real-life case studies:

Tuition increase to fund capital expenditure projects

Private School #1			Context
<u>Expense</u>	<u>2022-23</u>	<u>2023-24</u>	<ul style="list-style-type: none"> ▶ This school wants to expand by building a new facility due to enrollment growth ▶ Tuition for all students is increasing to support the school to build this new facility ▶ The school also plans to raise teacher salaries to compete with the State's public schools, further contributing to tuition increases
Tuition	~\$5,000	~\$8,000 (~60%)	
Fees	~\$1,000	~\$1,000 (0%)	

Unique rate for EFA students

Private School #2			Context
<u>Expense</u>	<u>2022-23</u>	<u>2023-24</u>	<ul style="list-style-type: none"> ▶ This school charged low tuition to students in 2022/23 due to a subsidy ▶ They will charge higher tuition only to EFA students in 2023/24, maintaining a lower tuition for all other students ▶ The tuition increase for EFA students was justified due to the expectation of a shrinking staff pool and need for increased teacher pay
EFA Tuition	~\$2,500	~\$5,000 (85%)	
Non-EFA Tuition		~\$3,000 (11%)	

Large price increase (while remaining below cost of educating)

Private School #3			Context
	2022-23 tuition	2025-26 tuition	<ul style="list-style-type: none"> ▶ This school plans to significantly raise their subsidized and non-subsidized tuition rates ▶ Both rates will remain below the cost to educate
Subsidized	\$2,653	\$7,500 (183%)	
Non-Subsidized	\$3,698	\$7,500 (103%)	
Cost of educating: \$9,714 (highly subsidized) State ESA funding: \$7,600 per pupil			

Do you think any of these scenarios should be permissible?

Proposed Approach

Key rules to limit tuition inflation

- ▶ Tuition and fees may not be charged to EFA students that non-EFA students would not also receive
- ▶ Annual tuition and fee increases will be monitored
- ▶ Annual increases above $x\%$ will be subject to additional review; EFA eligibility will be determined on a case by case basis
for discussion with group
 - ADE will request the school cost of education (total expenses divided by number of students, excluding capex)
- ▶ Fees (total) that exceed 20% of tuition will be subject to review



Consider the following questions on the proposed approach:

- 1 Should schools that had previously heavily subsidized tuition be expected to continue partial subsidy? To what extent?
- 2 Which expenses / scenarios would justify an above average tuition increase?
 - a) Capital expenditures to expand school capacity?
 - b) Capital expenditures that are not related to expanding capacity?
 - c) Investments in increasing staff compensation?
 - d) Preparing for anticipated cost increases in future years?
 - e) Other scenarios?

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 - **Accreditation**

Approved Accrediting Organizations

The following organizations have been approved as permissible accrediting bodies for school applicants:

- ▶ Arkansas Nonpublic School Accrediting Association (ANSAA)
- ▶ Accrediting Association of Seventh Day (AASDAS)
- ▶ Adventist Schools, Colleges, & Univ.
- ▶ American Association of Christian Schools
- ▶ American Montessori Society
- ▶ Association of Christian Schools International (ACSI)
- ▶ Association of Christian Teachers and Schools
- ▶ Association of Classical and Christian Schools
- ▶ Independent Schools Association of the Southwest
- ▶ International Christian Accrediting Association (ICAA)
- ▶ Lutheran Schools Accreditation Commission
- ▶ Mississippi Association of Independent Schools (MAIS)
- ▶ Middle State Association Commissions Elementary and Secondary Schools
- ▶ North Central Association (NCA)
- ▶ National Christian School Association (NCSA)
- ▶ National Lutheran Schools Association (NLSA)
- ▶ Southern Association of Independent Schools (SAIS)
- ▶ Southwestern Association of Episcopal Schools (SAES)
- ▶ Texas Alliance of Accredited Private Schools
- ▶ Texas Catholic Conference of Bishops Education Department
- ▶ Texas Seventh Day Adventist School System
- ▶ Wisconsin Evangelical Lutheran Synod School Accreditation (WELSSA)

Reflection on Accreditation?

- 1 What **characteristics and steps** should an approved accrediting process have?
- 2 What makes a **“good”** accreditation process (e.g., site visits, principal / staff interviews)?