

LEARNS Work Meeting #4

June 28th, 2023

Agenda

- ▶ **Meeting objectives**
- ▶ Launch update
- ▶ Fees
- ▶ Reasonable tuition increase

Meeting Objectives and Process

Today's objectives

- ▶ Launch update (10 minutes)
- ▶ Solicit your feedback and questions on school fees (non-tuition) (25 minutes)
- ▶ Discussion Question: What is a reasonable increase in tuition and fees increase (25-30 minutes)

Guiding Principles

- ✓ Expand parental empowerment for families
- ✓ Provide quality options for families
- ✓ Use data to inform rule-making

Timeline update

EFAs are "live"

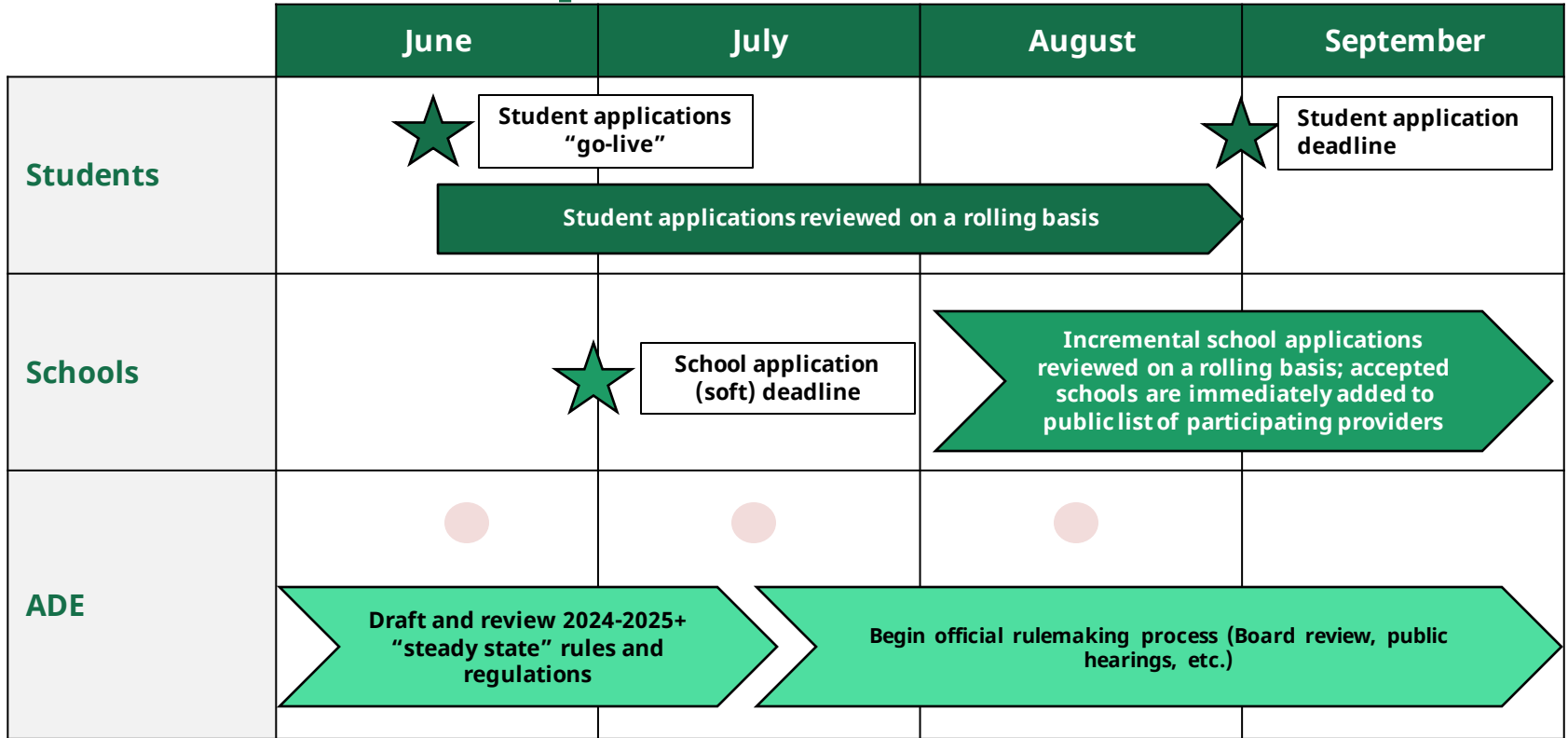
- ▶ As of Tuesday (June 20th), ADE has launched EFAs
- ▶ Families may apply for EFA funds through ADE's turnkey portal
- ▶ Schools may apply using the application form available through ADE's website, and should email their submitted applications to ade.efa@ade.arkansas.gov

Next steps

- ▶ ADE is in the process of onboarding participating private schools and reviewing family applications
- ▶ Over the next few weeks, ADE will develop rules and regulations for the Education Freedom Account.

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

EFA Rollout: updated timeline



 Work group meeting (tentative)

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Launch update

ADE takeaways from launch

1

Arkansas' families are ready for EFAs

- ▶ ADE has received over 1,900 EFA applications from interested Arkansas families in the first week alone
- ▶ Families continue to proactively interface with ADE and remain engaged and interested in EFAs.
- ▶ With application review underway, families have shown a willingness to work with ADE on any application-related issues.

2

Private schools are excited to partner with participating families

- ▶ Private schools remain engaged and interested in facilitating school choice for Arkansas' families through EFA participation.
- ▶ To date, ADE has received ~50 private school applications.
- ▶ Private schools continue to show high levels of engagement; ADE recently hosted a meeting with ~80 Arkansas private schools to field questions

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A new process yields plenty of questions

- ▶ As expected, a new and complex administrative process has generated questions from family and schools
- ▶ ADE will continue to support families and schools with their programmatic or application inquiries!

Reflection on Launch

- 1 Do you have any **feedback** on the EFA rollout?
- 2 What have you heard from your peers / families?

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Fees definition

Possible qualifying expenses

For the 2023-2024 school year, fees may be limited to required fees

Considered

As defined by Learns Act

- ▶ Required Testing
 - ▶ Required Technology
 - ▶ Required Supplies
 - ▶ Required Equipment
 - ▶ Required Services
 - ▶ Required Uniforms
-
- ▶ What other fees should be considered as a qualifying expense?

Not considered *(for discussion)*

- ▶ Are there any fees that should not be considered as a qualifying expense?

Reflection on Fees

- 1 Do you have any **feedback** on ADE's approach to fees for the 2023-2024 school year?
- 2 What fees **should be considered a qualifying expense**?

Introduction to “Long Term” Topics

“Long Term” topics for rulemaking

1

Accountability

- ▶ What is the range of EFA-applicable accountability topics?
- ▶ What is the correct balance of accountability and flexibility?

Already covered

2

Tuition Increases

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

Topic for this session

3

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?

Topics for future sessions

4

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?

Agenda

- ▶ Meeting objectives
 - ▶ Launch update
 - ▶ Required fees
 - ▶ **Reasonable tuition increase**
- “a means for preventing unreasonable inflation or fraud in a participating school tuition or fees”
LEARNNS Act 2023

Tuition increases in other states (1/2)

States have generally not made any efforts to limit the risk of unreasonable tuition inflation from private schools ...



Arizona

Approach

- ▶ No restrictions on tuition increases
 - **Statutes:** do “not permit any government agency to exercise control or supervision over any nonpublic school or homeschool”

Commentary

- ▶ Limited to no public coverage



New Hampshire

- ▶ No restrictions on tuition increases
 - Not addressed

Schools have not taken the opportunity to raise tuition, but it would make complete sense to do so ... it would help stabilize the private school industry” -
Executive Director at Children’s Scholarship Fund (NH)



Iowa

- ▶ No restrictions on tuition increases
 - Governor Reynolds is not worried about tuition increases and will not get involved
 - Views it as an opportunity for private schools to increase teacher pay

I don’t think [tuition hikes defeated the point of new legislation]. All schools are experiencing increased costs ... This will allow [private schools] to be a little more competitive [on educator pay]. But we’ll monitor it” -
Governor Kim Reynolds, Iowa



Florida

- ▶ No restrictions on tuition increases
 - Government does not want to get involved with private school operations
 - Schools viewing it as opportunity to increase teacher pay and spend on capital projects

It’s hard for us to tell a private school what to do and how much to charge. We want parents to be able to look at the quality of education” -
Keith Perry, Senate Education Appropriations chairperson

Tuition increases in other states (2/2)

However, minor efforts have been made by a few states that could discourage inflation of private school tuition and fees



Tennessee

- ▶ Limits participant tuition and fees to same amount others pay
 - **Rules:** no additional tuition or fees must be charged to participating students that are not also charged to non-participating students



Louisiana

- ▶ Caps tuition and fee costs at amount of scholarship award (for low-income families)
 - **Rules:** Participating schools receive an award equal to the voucher amount
 - Note: program eligibility is limited and not universal—specifically for low-income families



Wisconsin

- ▶ Caps tuition and fee costs at amount of voucher award for grades K-8 (for low-income families)
 - **Rules:** A private school may not charge or receive any additional tuition payments for a Choice student except for students in grades 9-12 with family income levels of more than 220% of the federal poverty level

Case studies

Consider the following real-life case studies from other states:

Moderate tuition increase

Private School #1		
	2022-23 tuition	2023-24 tuition
Members	\$7,900	\$8,300 (5%)
Non-members	\$9,400	\$10,340 (10%)
Cost of educating: N/A		
State ESA funding: \$7,600 per pupil		

Large price increase (while remaining below cost of educating)

Private School #2		
	2022-23 tuition	2025-26 tuition
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		

Large, aggressive price increases

Private School #3		
	2021-22 tuition	2023-24 tuition
Members	\$4,605	\$8,920 (94%)
Non-members	\$5,105	\$9,420 (85%)
Cost of educating: \$6,747 per pupil		
State ESA funding: \$7,600 per pupil		

Discussion questions:

- 1 What is your perception of each scenario?
- 2 Which scenario(s) would you consider to be "reasonable" or "unreasonable" as it relates to tuition increases?

Private School #4		
	Planned tuition	New tuition
Members	\$6,000	\$10,000 (67%)
Non-members	\$7,000	\$12,000 (71%)
Cost of educating: N/A		
State ESA funding: \$8,000 per pupil		

Tuition increase “guiding principles”

“a means for preventing unreasonable inflation or fraud in a participating school tuition or fees”

Guiding principles (for discussion)

- 1 Expand parental empowerment for families
- 2 Provide quality options for families
- 3 Protect private school autonomy where we can
- 4 Use data to inform rule-making

(Preliminary) Implications for rules

- ▶ No additional fees or charges for EFA students that would not apply to non-EFA students

Consider developing reasonable increase ranges for Arkansas private schools based on prior historical increases but consider where the future may need to deviate (macroeconomic or otherwise)
- ▶ Consider allowing for near-term tuition increases that allow for schools to increase teacher salary and provide a quality option for families



Key questions

- ▶ Are these the right guiding principles? What other rule implications should this have, in your view?
- ▶ What is the philosophical approach to private school subsidy? Should schools be expected to continue their subsidy levels or be allowed to decrease given the introduction of the EFA?

Spectrum of rules

