



ISSUE BRIEF | Center for Education Opportunity

SCHOOL CHOICE IN THE STATE OF ARIZONA

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TOPLINE POINTS

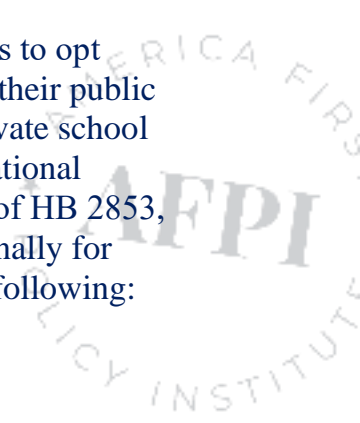
- Arizona has the most expansive school choice law in the country, with an education savings account plan that is available to all school-age children.
- Arizona also offers tax credits to individuals who donate to nonprofits that provide private school scholarships for students in need.
- Lexie's Law is a tax credit program for those who support nonprofits that provide scholarships for children with special needs or who are in foster care.

ARIZONA PASSED THE MOST EXPANSIVE SCHOOL CHOICE LAW IN THE COUNTRY

Arizona recently passed the most expansive school choice law in the country. [HB 2853](#) opens the state's education savings account eligibility to all school-age children. Under the legislation, families who wish to opt out of their local public school will receive over \$6,500 per year per child for the private school, home-based education, learning pods, tutoring, or any other kind of educational service that would best fit their students' needs.

EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM

Arizona's Empowerment Scholarship Accounts (ESA) program allows parents to opt their children out of public district or charter schools and receive a portion of their public funding deposited into an account for defined but multiple uses, including private school tuition, online education, education therapies, private tutoring, or future educational expenses. Arizona created the Nation's first ESA program. After the passage of HB 2853, student eligibility is expanded to universal. Arizona has set the standard nationally for student access to private choice. This program includes and has achieved the following:



- 11,775 participating students in Fall 2021–2022
- 345 participating schools in Fall 2021–2022
- ESAs are funded at 90% of the state’s per-student base funding.
- Students must be eligible to enroll in a public school in Arizona in either (1) a preschool program for children with disabilities, (2) a kindergarten program, or (3) any of grades one through twelve.
- Arizona’s ESA program is now the most expansive in the Nation. The bar for universal student access to educational opportunities has been set for other states to follow.

INDIVIDUAL SCHOOL TUITION ORGANIZATION TAX CREDIT

Arizona offers tax credits to individuals supporting School Tuition Organizations (STOs), nonprofits that provide private school scholarships to students in need. This tax-credit scholarship program allows taxpayers to receive tax credits for their donations to nonprofit organizations that provide school scholarships to K–12 students. For preschool, the student must be enrolling or currently enrolled in a private preschool program for students with disabilities and have an individualized education program or multidisciplinary evaluation team report from an Arizona public school. This program includes and has achieved the following:

- 32,824 scholarships awarded in 2019–2020
- 345 participating schools
- 53 scholarship organizations
- STOs determine scholarship amounts. In the tax year 2021, individual taxpayers contributing to STOs could claim a dollar-for-dollar credit of up to \$611, and married couples filing jointly could claim up to \$1,221. The amount an individual can claim for a credit increases each year by the amount of the Consumer Price Index.

LEXIE’S LAW—SPECIAL NEEDS TAX CREDIT

Arizona offers tax credits to businesses and stockholders supporting STOs and nonprofits that provide private school scholarships to students with special needs and those in foster care. Students can receive more than one scholarship from STOs each year, depending on eligibility. This program includes and has achieved the following:

- 964 scholarships awarded in 2019–2020
- 119 participating schools in 2019–2020
- 10 scholarship awarding organizations

