



ARIZONA DEPARTMENT OF EDUCATION

June 4, 2024

Dear ESA Families and Schools,

We hope your summer is off to a great start. However you spend your summer, whether on vacation, in your backyard pool, or just plain staying cool anywhere indoors, we hope you and your students have a nice break from the regular routine of the year.

We have an important update that we would like to bring to your attention.

Beginning July 1, payment for tuition must be made through ClassWallet

New tuition payment practice began after universal expansion—After universal expansion of the ESA program, some parents began paying tuition out of pocket to the school or schools that their children attend. Parents who paid tuition out of pocket then submitted their paid invoices to obtain reimbursement from their ESA. However, the current contract that Arizona has with ClassWallet requires that all tuition be paid through the ClassWallet platform. This requirement is also included in the new contract that takes effect on July 12, 2024.

ESA procedures will reflect contractual obligations—Although the practice of parents paying for tuition out of pocket and then seeking reimbursement from their ESA has been occurring, it is critical that the ESA program's practices are consistent with the State's contractual agreements. For many months, ADE and ClassWallet have been discussing the best time to realign current ESA program practices with contractual obligations. We agreed that July 1, 2024, the beginning of fiscal year 2025, would be an appropriate time for this to occur.

Tuition must be paid through ClassWallet—Beginning July 1, 2024, if you intend to use your student's Empowerment Scholarship to pay for his or her tuition at a qualified preschool (for students with a disability) or K-12 school, you must upload your invoices into the ClassWallet Pay Vendor platform in order to pay your student's

tuition directly from your ESA.¹ If you pay for tuition out of pocket and submit your paid invoice to the ESA program for reimbursement, your paid invoice will not be reimbursed from your student's ESA. This also requires that all qualified schools, that serve families who intend to use Empowerment Scholarships to pay for tuition, be registered vendors on the ClassWallet platform. Additionally, ClassWallet-issued debit cards have blocked tuition-related merchant codes since these debit cards should not be used to pay tuition.

Any vendors that are not registered on the ClassWallet platform can follow the simple steps included [here](#). Additionally, see page 44, "Registration in ClassWallet", in the [ESA Parent Handbook](#) for more information.

ADE met with qualified schools to discuss tuition requirements—Last month ADE held a series of 3 meetings with qualified schools to discuss tuition payment requirements for those students using their ESAs. During those meetings, ADE, the Arizona State Treasurer's Office (ASTO), and ClassWallet informed schools of the State's contractual obligations and the timeline for compliance. Additionally, ADE, ASTO, and ClassWallet solicited feedback from schools and listened to the concerns and challenges they expressed. It resulted in very productive dialogue between all the stakeholders who attended. The meetings may result in improvements that are likely to impact school invoicing and payment reconciliation processes, which will provide better service levels for schools and ESA families.

We appreciate your understanding and cooperation regarding this requirement.

Sincerely,

ESA Program
Arizona Department of Education

¹ See page 11 of the [ESA Parent Handbook](#) for invoice requirements.