

THE CHOOSE ACT: EDUCATION SAVINGS ACCOUNTS
Creating Hope & Opportunity for Our Students' Education

The CHOOSE Act: What does it do?

- ESA structure/operation
 - Start date: 2025-2026 academic year (initial ESAs would be funded in July 2025)
 - Value:
 - Up to \$7,000 per child enrolled at an accredited, participating school
 - Up to \$2,000 per homeschooler; \$4,000 cap for families with 2+ homeschoolers
 - Eligibility:
 - 2025-2026 and 2026-2027 school years: Families with income up to 300% of federal poverty level (~\$90,000 adjusted gross income for a family of 4)
 - 2027-2028 school year and beyond: Any family
 - All years: first 500 slots reserved for special-needs students; priority then given to students who are already participating and their siblings; then based on family income as a percentage of federal poverty level
 - “Qualifying expenses” include tuition and fees at participating school, textbooks, instructional materials, educational software, and a few other discrete categories.
- Funding
 - Administered by Department of Revenue as a refundable income-tax credit
 - Annually, the Legislature shall appropriate “not less than \$100 million” to newly established CHOOSE Act Fund. Unused program funds will stay in the Fund.
 - \$50 million already set aside for CHOOSE Act Fund in FY 2024 ETF supplemental
- Accountability
 - Parents must agree to follow all program rules, including re: qualifying expenses
 - Participating schools must agree to all program rules, including:
 - Follow accounting rules; use program funds for qualifying expenses
 - No discrimination based on race, color, or national origin
 - Comply with privacy, occupancy, health and safety codes
 - Testing: “standardized assessment aligned to the curricula of the participating school, a nationally norm-referenced achievement assessment, or a nationally recognized aptitude assessment of the participating school’s choice.” Test results not reported to State or publicized.
 - Accounts are randomly audited, and schools and vendors can be stripped of eligibility for fraud or for failing to meet student needs. Potential criminal liability for tax fraud.

The CHOOSE Act: Why is it right for Alabama?

- Encourages competition and improves all Alabama schools.
 - Giving students and parents a choice provides competition for traditional public schools and charter schools, as well as existing private schools, leading to improved education for all Alabama students – public and private.
 - The program is large enough to increase the supply of education options in areas that currently lack alternatives to traditional public schools – including rural areas.
- Grows to universal access in fiscally responsible manner.
 - The CHOOSE Act Fund will be initially funded with “not less than \$100 million” from *growth* in the ETF, providing broad access to choice for thousands of Alabama students without reducing prior-year ETF appropriations.
 - Because the program is designed to grow over time based on success of the program and health of the economy, any impact on public school budgets will be minimal.
- Provides transparency without undermining schools’ decisions about curriculum.
 - Does not require schools to give any specific assessment. Instead, participating schools have the choice of offering an assessment aligned to their own curriculum, a nationally norm-referenced achievement test, or a nationally recognized aptitude test.
 - Schools are free to teach their chosen curriculum without government interference, and parents have the information necessary to make the right choice for their children.
- Holds participating schools and parents accountable to ensure responsible use of funds.
 - No money goes directly to the participating student or parent. By allowing only pre-approved schools and vendors to receive funds from parents, the program will minimize opportunities for fraudulent or frivolous spending.
 - Random financial audits of recipients of funds will be conducted and, as necessary, individuals will be referred for criminal investigation and prosecution if fraudulent use of program funds is discovered.
- Not a threat to traditional public schools.
 - Based on data from other states that have adopted similar programs, there will not be a mass exodus from traditional public schools.
 - The CHOOSE Act does not change the way traditional public-school funding is calculated or distributed.
 - School budgets in Alabama are at an all-time high; over the last 20 years, per-pupil spending has doubled while test scores have remained stagnant. Coupling an innovative school choice program with historic investments in public schools will provide the best result of all Alabama students.