



# Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

## Indiana's Education Scholarship Account (ESA) Program Frequently Asked Questions (FAQs)

Number	Question	Answer
<b>General Questions</b>		
1.	What is the Indiana Education Scholarship Account (ESA)?	The Indiana ESA provides students with disabilities throughout the state of Indiana access to the educational environment that best meets their learning needs. Parents of eligible students, or emancipated eligible students, will have the opportunity to spend dedicated scholarship money on approved educational programs, therapies, services, tuition and fees, and other expenses related to the student's education.
2.	Who administers ESA?	ESA is administered by the Treasurer of State.
3.	What are the student eligibility criteria?	<ul style="list-style-type: none"> <li>● Legal settlement in Indiana</li> <li>● Between the ages of five and 22</li> <li>● Student with a disability who requires special education and for whom an Individualized Education Program (IEP), service plan (SP), and/or Choice Special Education Plan (CSEP) has been developed</li> <li>● Meets Choice income requirements</li> </ul>
4.	How must money in the ESA account be used?	<p>ESA funds must be used for qualified expenses from Participating Entities that are approved by the Treasurer of State and are used for either:</p> <ul style="list-style-type: none"> <li>● The eligible student's study of reading, grammar, mathematics, social studies, or science; or</li> <li>● In accordance with the eligible student's IEP/SP/CSEP</li> </ul> <p>Within the above parameters, ESA funds may be used to pay for services or therapies prescribed by the eligible student's treating physician (see questions below for additional detail).</p>
5.	What types of service providers may participate in the ESA Program?	<p>The following individuals or entities may apply to become an approved provider, or "participating entity":</p> <ul style="list-style-type: none"> <li>● Qualified school</li> <li>● Individual tutor or tutoring agency</li> </ul>



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		<ul style="list-style-type: none"> <li>● Individual or entity providing services in accordance with the eligible student's IEP or Service Plan</li> <li>● Individual or entity offering a course or program to an eligible student</li> <li>● Licensed occupational therapist</li> <li>● Entities that provide assessments</li> </ul>
6.	What is a qualified school?	A qualified school is a non-public school accredited by either the state board or recognized accreditation agency, and to which an eligible student is required to pay tuition to attend and that agrees to enroll an eligible student.
7.	Which schools and service providers participate in the ESA Program?	A searchable list of qualified schools and participating entities is available on the <a href="#">Treasurer of State ESA Program website</a> .
8.	What are qualified expenses?	<p>ESA funds may be used for qualified expenses provided by a participating entity and approved by the Treasurer of State. Funds may be used for:</p> <ul style="list-style-type: none"> <li>● Tuition and fees at a qualified school, public school, or other participating entity</li> <li>● Fees for examinations (standardized, AP, CLEP)</li> <li>● Fees for IB and Cambridge International courses</li> <li>● Fees for statewide assessments</li> <li>● Educational services for an eligible student at a qualified school, public school, or participating entity</li> <li>● Paraprofessional or educational aides</li> <li>● Classes, extracurricular activities, or programs contracted for, and provided by, a school corporation, charter or magnet school, or qualified school, or other participating entity</li> <li>● Fees for transportation for travel to/from an approved special education service provider, up to \$750 annually</li> <li>● Tuition and fees to attend training programs and camps focused on: vocational skills, academic skills, life skills, interpersonal skills, independence, soft job skills</li> <li>● Additional services and therapies provided in accordance with an IEP/SP/CSEP or prescribed by the eligible student's treating physician</li> </ul>



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9.	Are virtual services considered eligible expenses?	<p>Only the following services may be accessed virtually:</p> <ul style="list-style-type: none"> <li>● Educational services</li> <li>● Occupational therapy</li> <li>● Training programs and camps</li> </ul>
10.	Who should someone contact with questions about the ESA application?	<p>Families with questions about the application process should email the ESA team at: <a href="mailto:ESA@TOS.in.gov">ESA@TOS.in.gov</a> or call 317-232-0723.</p>
<b>School &amp; Provider Eligibility</b>		
1.	Which schools are eligible to participate in ESA?	<p>A non-public school that meets the following requirements may apply to participate in ESA as a qualified school:</p> <ul style="list-style-type: none"> <li>● Accredited by the Indiana State Board of Education (SBOE) or recognized national or regional accreditation agency</li> <li>● An eligible student is required to pay tuition to attend</li> <li>● Agrees to enroll an eligible student</li> </ul> <p>Other non-public, charter, and public schools are also eligible to participate in ESA but must apply as a business entity that provides educational services to an eligible student with a disability.</p>
2.	If a school is not accredited by SBOE, what national/regional accrediting entities are recognized by the Board?	<ul style="list-style-type: none"> <li>● Accrediting Association of Seventh-day Adventist Schools, Colleges, and Universities (AASDAS)</li> <li>● Accrediting Commission for Schools Western Association of Schools and Colleges (ACSWASC)</li> <li>● American Association of Christian Schools (AACS)</li> <li>● American Montessori Society (AMS)</li> <li>● Association of Christian Schools International (ACSI)</li> <li>● Association of Classical and Christian Schools (ACCS)</li> <li>● Christian Schools International (CSI)</li> <li>● Cognia/AdvancED</li> <li>● Independent Schools Association of the Central States (ISACS)</li> <li>● International Christian Accrediting Association (ICAA)</li> <li>● Lumen Accreditation from the Catholic University of America</li> <li>● National Lutheran Schools Accreditation (NLSA)</li> </ul>



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<p>3.</p>	<p>What is the difference between a participating entity and a qualified school?</p>	<p>A participating entity is an individual or entity that has applied, and been approved, to participate in the ESA Program as a service provider, and therefore may receive payment for services directly from an Education Scholarship Account.</p> <p>A qualified school is one type of participating entity. A qualified school may provide general and special education to an eligible student and receive direct and prioritized payment for tuition and fees, and special education funding, from an ESA Program account.</p>
<p>4.</p>	<p>Can ESA funds be used to pay for tuition and fees?</p>	<p>Yes, ESA funds may be used to pay for tuition and fees at a qualified school, public school, or other participating entity. Tuition and fees to attend training programs and camps that have a focus on vocational skills, academic skills, life skills, independence, or soft job skills and interpersonal skills is also considered a qualified expense.</p>
<p>5.</p>	<p>What is the process to become a qualified school or participating entity?</p>	<p>Applications for qualified schools and participating entities are available on a rolling basis. Applications can be accessed via the <a href="#">ESA website</a>.</p> <p>The application process for qualified schools will require:</p> <ul style="list-style-type: none"> <li>● Tuition and fees policy and approved rates for the upcoming academic year</li> <li>● Discount policy for the upcoming academic year</li> <li>● Designated school number</li> <li>● Proof of accreditation from Indiana SBOE or a recognized regional/national accreditation agency</li> </ul> <p>Depending on the type of provider, applications for participating entities may include:</p> <ul style="list-style-type: none"> <li>● Active professional license and any additional certifications</li> <li>● Business license (i.e.: articles of incorporation, LLC, or non-profit charter)</li> <li>● Proof of accreditation(s)</li> <li>● List of employed providers, including full name(s), certification and/or license number, and NPI</li> </ul> <p>All participating entities will also be required to sign a Participating Entity Agreement or Qualified School Agreement upon initial application, and annually upon renewal.</p>



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6.	If a school is an approved Choice school, is that school automatically approved for ESA?	No, the Choice Scholarship Program and ESA are separate programs, and each have unique requirements for school eligibility. Schools will need to apply separately to the Choice Scholarship Program and ESA. However, if the school is approved for both programs, the school may serve both ESA and Choice Scholarship students.
7.	Do participating entities need to reapply every year?	Yes, qualified schools and participating entities will need to reapply annually.
<b>School &amp; Program Policies</b>		
1.	How will participating in ESA affect a school's admissions policy?	There is currently no impact that participating in ESA will have on a school's admissions policy.
2.	Is a school obligated to enroll an eligible student who wants to attend?	No, a qualified school is not bound to enroll eligible students. Students will need to apply and be voluntarily accepted for enrollment at the school to attend.
3.	Can an eligible student be expelled from the school for academic, disciplinary, or other reasons?	Yes, participating in ESA will not impact a qualified school's policies or procedures. All eligible students should be held accountable to the school's academic standards and disciplinary processes.
4.	Should a student's ESA funds be counted as income when calculating tuition?	No, ESA funds may not be included in calculating tuition and fees and is not considered taxable income.
5.	What assessment(s) is the eligible student required to take?	An eligible student will be required to take the applicable statewide assessment based on the student's grade level, or the assessment specified in the student's IEP, SP, CSEP, ESA SP, and/or 504 plan.
6.	If an ESA student does not attend a school that offers testing, how can ESA students participate in the required assessment(s)?	Participating entities, including testing providers, may apply for participation in the ESA program on an ongoing basis. To find a Participating Entity or approved school that provides assessments and can be paid using ESA funds, download the approved businesses and individual providers list or the approved schools list and filter for "Assessments and Examinations." These lists can be found <a href="#">here</a> .



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7.	Can ESA students opt out of testing, and/or have their testing requirement waived?	The requirement for ESA students to participate in statewide testing cannot be waived, and failure to participate in the required assessment may lead to termination of the ESA account. Any accommodations required for a student to test should be listed in the IEP/SP/CSEP and should be discussed with testing providers to ensure that required accommodations can be provided.
<b>Student Eligibility and Income Requirements</b>		
1.	Who is responsible for determining whether a student is eligible for ESA?	Account eligibility will be determined by the Treasurer of State. Student ESA applications opened on March 1 and can be found on the <a href="#">Treasurer of State website</a> .
2.	What is the application process?	<p>Student applications are open from March 1 through September 1. Required documentation for the initial application will include:</p> <ul style="list-style-type: none"> <li>● Copy of the student’s birth certificate</li> <li>● Proof of primary and permanent residency in Indiana</li> <li>● Copy of the student’s IEP, SP, and/or CSEP</li> <li>● Income verification</li> </ul> <p>Parents of eligible students and emancipated eligible students will be required to sign a Parent/Emancipated Eligible Student Agreement prior to submitting their application for review.</p> <p>Documentation may be uploaded to the student portal to apply. The account holder will be notified within seven to 10 business days whether they have been approved via email.</p>
3.	Can a student receive both a Choice Scholarship and an ESA?	<p>A student may not have an ESA account and Choice Scholarship concurrently. If a student is eligible for and applies to both programs, they will need to choose which grant to use.</p> <p>If a student has an ESA account and the account is terminated, the student may apply for a Period 2 Choice Scholarship during the application window, from November 1 through January 15.</p>
4.	For how long is the ESA Program account active?	The ESA account is active for an eligible student from kindergarten through grade 12 and must be renewed annually. Once an eligible student has an ESA account, that student is entitled to an annual grant amount for each school year that



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		<p>they apply for the ESA until the student graduates or obtains a certificate of completion. The account shall terminate on either the date the student graduates from high school or July 1 of the year in which the student graduates from high school, whichever is later.</p> <p>Failure to renew the account within 395 days will result in termination of the account. Any funds remaining in the account upon termination will return to the state general fund.</p>
5.	Is a Pre-K student who is five years old eligible for an ESA?	No, the ESA account is only active while the eligible student is in kindergarten through grade 12.
6.	Will the ESA account renew automatically as long as the student remains eligible?	No, the eligible student will need to apply for renewal annually. Priority is given to previous account holders who are renewing their accounts over new, first-time applicants. If the account is not renewed by the eligible student within 395 days, the account will be terminated.
7.	If the account does not terminate but the student does not receive an ESA account the following year, for how long will the funds remain usable?	The ESA account will terminate if not renewed by the eligible student within 395 days from creation or last renewal date, and all funds remaining in the account will return to the state general fund.
8.	If an eligible student enrolls in a qualified school and moves to a public school, can the ESA funds be saved and used for other services?	No, enrolling in a public or charter school will cause the freezing and subsequent termination of the ESA account, and will result in remaining funds being redistributed to the public school in which the student enrolls.
9.	If an eligible student enrolls in a public school, can the student re-apply for an ESA account the following year?	Yes, an eligible student may re-apply for an ESA account, but due to the limited nature of funding available, it is likely that not every eligible student who applies for the program will be selected. Priority will be given to students who are renewing an existing ESA account.
10.	How is income submitted for eligibility?	Income verification documentation will need to be uploaded at the time of application for an ESA account, in the form of a 1040 Tax form, W-2, or two recent pay stubs.



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11.	What documentation is necessary for income verification?	<p>Income verification must include either a W-2 from the previous year or two recent paystubs for all household income earning individuals.</p> <p>If applicable, additional documentation may include:</p> <ul style="list-style-type: none"> <li>● Unemployment compensation statement</li> <li>● 1040 tax forms</li> <li>● Earnings from investments, bonds, estates, or trust accounts</li> <li>● Social Security statements</li> <li>● Pension or annuity statements</li> <li>● Military retirement benefits statement</li> <li>● Employer statement on company letterhead</li> </ul>
12.	What are the household income limits?	Household income of no more than 400% of free or reduced lunch eligibility.
13.	What counts as income and who should be included in the household size?	<p>The following types of income should be included* in the total household income:</p> <ul style="list-style-type: none"> <li>● Earnings from work</li> <li>● Welfare/child support/alimony</li> <li>● Child's income</li> <li>● Retirement/disability benefits</li> <li>● Other income</li> <li>● All household income earnings</li> </ul> <p>The following types of income should be excluded* from total household income:</p> <ul style="list-style-type: none"> <li>● Payments received for the care of foster children</li> <li>● Student financial assistance such as grants and scholarships</li> <li>● Value of non-cash benefits</li> <li>● Value of benefits under SNAP or FDPR</li> <li>● Military pay received as a result of the service member's deployment to, or service in, an area that has been designated as a combat zone</li> <li>● Occasional earnings received on an irregular basis, not recurring</li> <li>● Adoption subsidies</li> </ul>





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		<p>Except in special situations, anyone living in the household at the time of application should be included in household size. The following special situations should be considered when determining household size:</p> <ul style="list-style-type: none"> <li>● Foster children and foreign exchange students</li> <li>● Divorce or separation</li> <li>● Emancipated child</li> <li>● Family members living apart</li> <li>● Child attending an institution</li> <li>● Child away at school</li> <li>● Child living with one parent, relative, or friends</li> <li>● Deployed service personnel</li> </ul> <p><i>*Please refer to the Choice Income Verification Rules for a complete list of special situations and determining household size (<a href="#">link here</a>)</i></p>
14.	Is the household income of a foster parent included when determining whether the foster child is eligible for an ESA account?	Yes. Foster children are not automatically eligible for an ESA account and must meet the ESA eligibility requirements, including income eligibility at the time of application.
15.	Can children be included in the household size if parents are separated or claimed in alternating years?	Yes, the household which serves as the child's primary residence should be used.
16.	Is an ESA account considered taxable income?	No, ESA accounts should not be considered income and are tax-exempt.
<b>Funding</b>		
1.	How is the amount of an ESA account determined?	<p>Funding for the ESA account will be equal to 90% of tuition support for the immediately preceding school year for the school corporation in which the student has legal settlement.</p> <p>Special education funding may also be added to an ESA account if the eligible student elects not to receive special education services from the local school corporation or a qualified school. The amount of special education funding is</p>



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		based on current year APC levels. Determination of the APC category will be based on documentation in the Eligible Student's IEP, SP, or CSEP that is collected upon application and uploaded annually upon renewal.
2.	If there are remaining funds in the ESA account at the end of the year, can they be rolled over?	Yes, ESA allows for a maximum of \$1,000 to be rolled over each year, plus any previous roll-over amount from previous years.
3.	Is the award amount calculating the same way for the Choice Scholarship Program and ESA?	The Choice Scholarship Program and ESA are both based on 90% of tuition support, but there are slight differences in the calculation. If you have any questions about the award amounts, please contact your school directly.
4.	Can a qualified school charge tuition and fees beyond what is covered by ESA funds?	Yes. Families will be responsible for any associated costs beyond what is covered by ESA funds and will be expected to cover any additional or excess costs out-of-pocket, including tuition and fees.
5.	Are there any costs to the family beyond what is covered by ESA funds?	The family will be responsible for any costs that are beyond ESA funds and/or not eligible for payment from ESA funds.
6.	Can a family add money to their ESA account to help cover additional expenses?	No, personal deposits may never be made into an ESA account, nor may an ESA account ever be combined with a personal account. Additionally, ESA funds are not accessible through a debit or credit card. Payments are made directly to participating entities from the ESA account for qualified expenses.
7.	If a student transfers from one qualified school to another, can ESA funds still be used?	As long as the eligible student does not engage in an activity that terminates or freezes the Education Scholarship Account, ESA funds remain in the account and may be used to cover eligible costs, including tuition and fees. However, a student may not use ESA funds to pay any amount owed to the original school once the student withdraws. If any tuition and fees amount is still owed, the account holder will need to pay the outstanding amount through a source other than the ESA account.  Likewise, if the original qualified school has received payment of tuition and fees in excess of the owed amount based on the



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		eligible student's withdrawal date, the qualified school will need to refund any excess amount back into the Education Scholarship Account.
8.	What causes termination of an ESA account?	<p>An ESA account may be frozen and/or terminated for the following reasons:</p> <ul style="list-style-type: none"> <li>● Substantial misuse of funds</li> <li>● Student moves out of Indiana</li> <li>● Account is not renewed within 395 days</li> <li>● Student graduates or receives a certificate of completion</li> <li>● Account holder requests account termination from Treasurer of State</li> <li>● Student enrolls in a public school (included in public school's average daily membership [ADM] count)</li> <li>● Enrollment in Choice Scholarship Program</li> </ul>
<b>Special Education Services</b>		
1.	If a school provides special education services to an ESA student as a participating entity, how does that school get paid?	The school would be paid according to the process for any participating entity. The school would charge and invoice the student(s) for the appropriate special education services, and any payment would be made in arrears directly from the ESA account after being reviewed and approved by the Treasurer of State team.
2.	Can APC funding be split between the ESA account and a school?	No, APC funding cannot be split. If the school provides services and claims the student on the December census, the school will receive the APC funding. If the student declines all services from the public school, including consultative services, the equivalent to APC funding is deposited into the ESA account to purchase "a la carte" services.
3.	Can a school receive APC funding for an ESA student?	A public school providing special education services to an ESA student should claim the student on the December census to receive APC funding. A non-public school providing special education services to an ESA student may not claim the student for APC funding and would instead need to invoice and receive payment for services directly from the ESA account.
<b>Payment Process</b>		



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1.	Where will the 90% tuition support amounts for each school corporation be posted?	ESA award amounts will be posted, once available, on the <a href="#">ESA Program website</a> .
2.	How will families be notified of the ESA award to their child?	Families will be notified via email and through their account on the family portal.
3.	How will the payment process work?	<p>Funds are disbursed into an eligible student's ESA account quarterly, and payments are made directly from the account for qualified expenses to participating entities after review by the Treasurer of State.</p> <p>When an eligible student enrolls at a qualified school, ESA funds will be prioritized to cover the cost of tuition and fees and disbursed quarterly directly to the qualified school.</p>
4.	If a family pays up-front for services from a participating entity, can the family be reimbursed from the ESA account?	No, there is no reimbursement with ESA funds. The service provider must provide an invoice for qualified expenses and payment will be made directly from the ESA account once approved by an ESA account specialist.
5.	If a student receives services from a non-participating provider that later becomes a participating entity, can all expenses be paid using ESA funds?	No, only services that are rendered after the provider has become an ESA participating entity are eligible for payment from Education Scholarship Account funds.
6.	How often will payments be made to the qualified school?	<p>Payments for tuition and fees will be made to qualified schools from ESA accounts on a quarterly basis, following the disbursement of funds. Disbursement dates are as follows: July 17, October 16, January 16, April 16.</p> <p>Special education funding will be paid in full, directly to the school, if a qualified school or local school corporation is selected as the special education services provider.</p>
6.	How will ESA funds be prorated for tuition if a	ESA funds will be prorated based on the eligible student's enrollment.



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	<p>student withdraws or transfers mid-year?</p>	<p>If the student withdraws from a qualified school to attend a different qualified school, any remaining ESA funds will be prioritized for the payment of tuition and fees at the new qualified school to which the student transfers.</p> <p>If the tuition owed to the initial school is more than the prorated amount payable to the school, ESA funds will be prioritized to the qualified school to which the student transfers. ESA funds may not be used to pay for any remaining tuition at the initial school once the student withdraws. The family will then be responsible for covering the remaining costs to the initial school through other means.</p> <p>If the student withdraws from a qualified school to attend a public school, the Indiana Department of Education (IDOE) will prorate the annual award amount to determine the amount due to the qualified school. The ESA Program account will freeze immediately, and if the account is subsequently terminated, the remaining ESA funds will be directed to the public school in which the student enrolls.</p> <p>If the student withdraws from a qualified school to attend a non-qualified, non-public school, remaining funds will be returned to the student's Education Scholarship account. If the school is a participating entity, ESA funds may be used to pay for tuition and fees, in arrears, once an invoice has been uploaded to the ESA portal and approved for payment.</p>
<p>7.</p>	<p>Who determines whether an expense is a qualified expense?</p>	<p>Invoices will be reviewed by the Treasurer of State for eligibility prior to payments being made from the ESA account. If a participating entity provides and charges for a service that is deemed ineligible, the family will be responsible for paying for the cost of service(s) through alternate means.</p>
<p>8.</p>	<p>What is the process in case of a dispute about charges?</p>	<p>In case a family does not approve of the services their child is receiving from a participating entity, the family should contact the provider directly to resolve any issues or concerns.</p> <p>Families are responsible for payment of services rendered, pending that the provider meets the specifications in the agreement between the family and the participating entity.</p>



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