

The PRICE Act

Parental Rights In Children's Education



The Price Act

Alabama's *Universal* School Choice Bill



Click pic to watch.

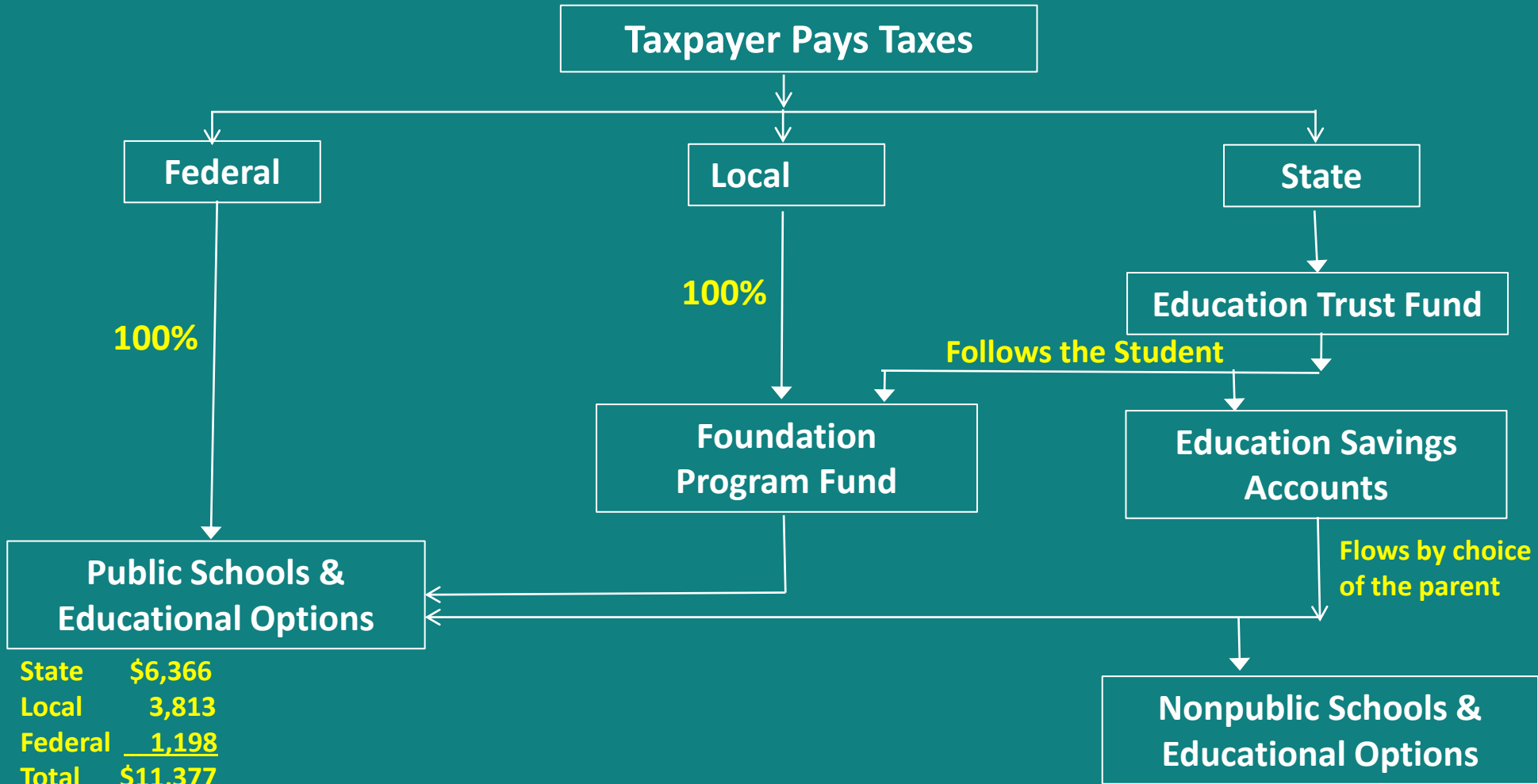
The PRICE Act

Alabama's *Universal School Choice Bill*

Quick Overview

- Universal (all children)
- Empowers parents to direct the education of their children that align with their values
- Money follows the student via an Educational Savings Account (ESA)
- ESA is about 90% of the state portion per pupil; schools keep any remaining fed & local \$
- ESA Amount is a state average/flat rate around \$7,000
- Funds that are not fully used in one school year are rolled over into next year
- No more money is added to ESA once the child has graduated from high school
- Remaining funds can be used until age 21 (Can be used for college/trade school etc.)
- Phased in over a 3-year period
- This works hand in hand with the AL Accountability Act
- ESAs are on solid legal ground

PRICE FUNDING



State \$6,366
 Local 3,813
 Federal 1,198
 Total \$11,377

Before per student funding increases due to monies left behind by Participating Students*

\$6,366 state funding per student funding which is less than public school students*

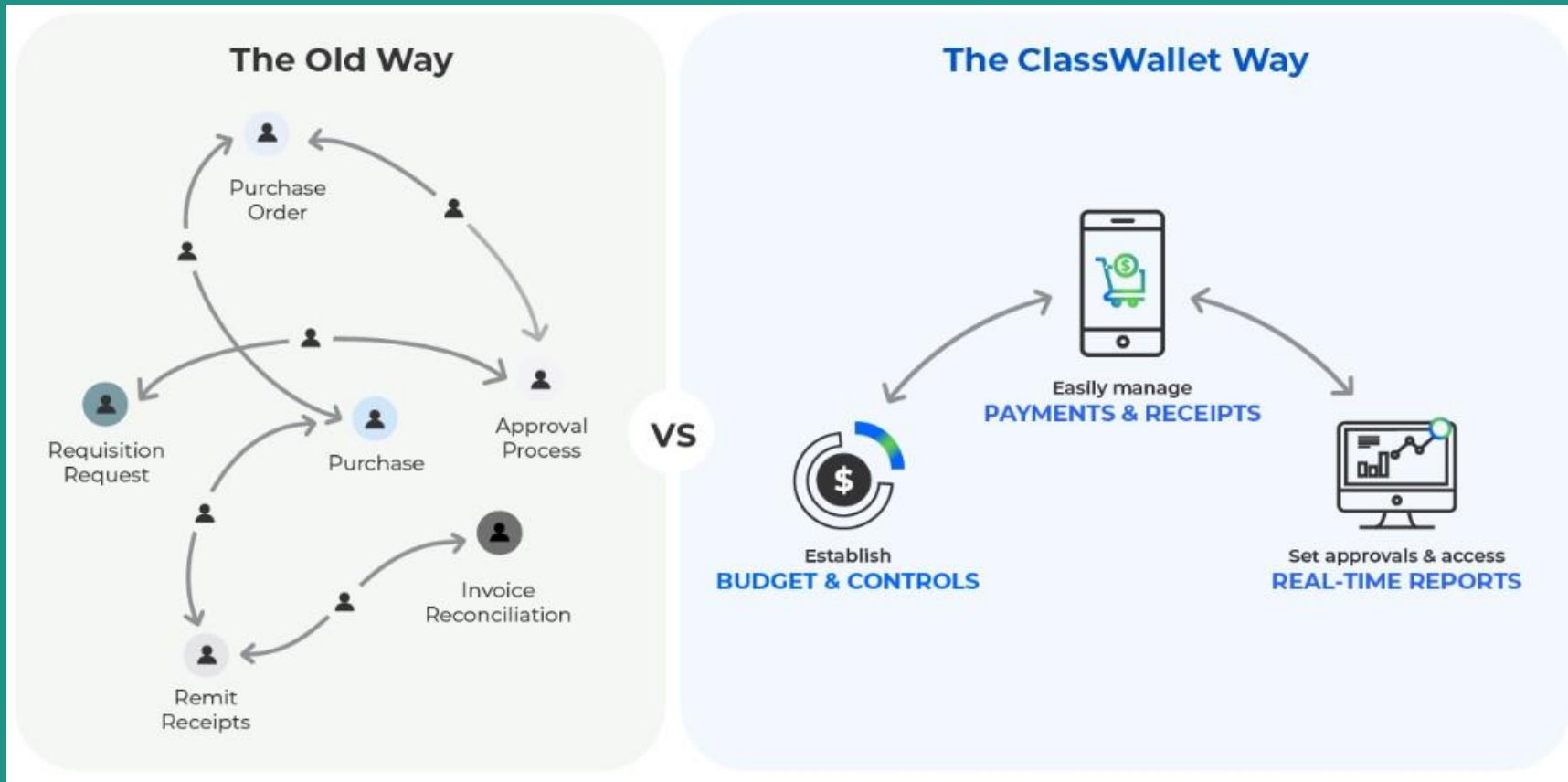
* Based on 2021-2022 Average Estimates

QUALIFYING EXPENSES

(Section 9)

- Tuition, textbooks and fees
- Individual classes
- Tutoring services
- Therapies including, but not limited to, occupational, behavioral, physical, speech-language, audiology therapies and braille translation
- Extracurricular activities including, athletics, art, music, and literature
- Computer hardware and other technological devices software and applications
- School uniforms
- College tuition, textbooks and fees if there is any remaining ESA funds after high school
- Any other Education Service Provider expense approved by the DOR
- See complete list in Section 9

“Class Wallet” or Similar App



ESA funds are not deposited into a parent’s personal bank account. We would use an application similar to ClassWallet. It automates reconciliation, eliminates paperwork, and makes access to data for audits simple and easy. This program helps federal, state and local government agencies administer programs more efficiently, and provides a seamless solution to ensure that funds are used for their intended purpose while virtually eliminating the risk of fraud, waste, or abuse.

Administration of the PRICE Program

PRICE Program is run
and administered by the
Dept of Revenue (DOR)



ALABAMA DEPARTMENT of
REVENUE



With advice and
recommendations
of the 13 member
PRICE Advisory
Board

PRICE Revenue Funds

(Section 4)

Department of Revenue

- The DOR will set up a revenue fund called the “PRICE ESA Fund” consisting of appropriations made by the legislature for Students’ Education Savings Accounts (ESA).
- The DOR will set up a revenue fund called the “PRICE Administration Fund” to cover development and annual administrative costs of the PRICE Program.
- The DOR will either conduct or contract for audits of the PRICE ESA accounts.
- DOR can outsource other areas like application processing.

PRICE Advisory Board

(Section 6)

BOARD MEMBERSHIP (13 members)

- The Commissioner of Revenue or his or her designee serves as Chairman
- The Governor or his or her designee
- The Lt. Governor or his or her designee
- The Senate Pro Tem and Speaker of the House each get 4 appointments. Each must be a parent from the following nonpublic school categories.
 - Private Schools
 - Church Schools
 - Parochial Schools
 - Home-Schooling entities
- The Minority Leaders from the Senate and House will each appoint 1 parent from 1 of the above nonpublic school categories.

PRICE Advisory Board

(Section 6)



- Provide recommendations to the DOR on:
 - Implementation, administration and improvement of the PRICE Program
 - Concerns and complaints of parents of participating students
 - Questionable Education Service Providers and other Qualified Expenses
 - Appeals of denied parents and Education Service Providers

PRICE Phase In Period

Phased in over 3 years

- **2024-2025:**
 - K, 3rd, 6th, 9th, 12 graders (along with their siblings)
 - Those zoned for a school where math and reading scores are 30% or lower
 - Military
 - Foster and homeless children
 - Students with disabilities
- **2025-2026:**
 - K, 3rd, 6th, 9th, 12 graders (along with their siblings)
 - Those zoned for a school where math and reading scores are 30% or lower
 - Military
 - Foster and homeless children
 - Students with disabilities
- **2026-2027:** All children are eligible

PRICE Program Estimated Costs

Approx 800,000 K-12 students would be eligible.

Education Savings Accounts Are Somewhat More Popular Than Other Programs (Table 3)

But after five years, the average take-up rate for all programs is less than 2 percent.

	Year 1	Year 2	Year 3	Year 4	Year 5
All programs	0.26%	0.68%	1.02%	1.40%	1.74%
ESA	0.29%	0.82%	1.34%	1.72%	2.16%
Tax Credit	0.18%	0.66%	0.75%	1.06%	1.32%
Voucher	0.33%	0.68%	1.23%	1.69%	2.11%

Note: The sample includes four education savings account programs, 13 voucher programs, and 10 tax-credit scholarship programs.

Using 2% uptake - \$120,000,000 (16,000 students)

Using 5% uptake – \$300,000,000 (40,000 students)

This slide is subject to change as we are awaiting the fiscal note from the AL Legislative Services Agency.

PRICE Guarantee

PRICE Act protects private school and homeschool autonomy. Nothing in the act changes the current laws that regulate nonpublic education entities (private, church, parochial, religious and home-based schools) including accreditation and assessments (testing).

Price FAQ

DOESN'T HURT PUBLIC SCHOOLS:

- Government and Private Schools don't HAVE to participate.
- They still get any remaining federal and local funds for that student
- Could help relieve teacher shortages.
- Data shows that introducing school choice options increases overall quality of local schools.*
- Competition exposes areas for improvement of public schools.

*<https://www.heritage.org/education/commentary/here-are-10-reasons-school-choice-winning>