

The 2026 Educational Freedom Account Rules

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Synopsis: On April 9, the State Board of Education approved proposed rule changes governing Arkansas' Educational Freedom Accounts (EFA) program. The EFA program lets Arkansas students use public funds to pay for an education at a public or private school or at home. The new rules prohibit EFA spending on team sports that require tryouts or that limit participation based on ability. That means that a homeschool student who wants to play basketball for a local school could not pay for athletic expenses with EFA money.

Current Law

- Arkansas law lets homeschoolers try out for extracurricular activities at public and private schools, and state law lets homeschoolers compete alongside other students in different activities.
- Legislators created the Education Freedom Account program in 2023 so Arkansas' students could use public funds to pay for an education at a public or private school or at home.
 - Students generally are eligible for 90% of the previous year's public education Foundation Funding.
 - For the 2025-2026 school year, that amounted to \$6,864 per student.
- Act 920 of 2025 limits EFA spending on sports and other extracurricular activities to 25% of a student's annual EFA funding.
 - That means a student who participates in the EFA program cannot spend more than one-fourth of his or her EFA money on extracurricular activities.

What the New EFA Rules Would Do

- Prohibit EFA spending on team sports that require tryouts or that limit participation based on ability.
 - A homeschool student who wants to play basketball for a local school could not pay for athletic expenses with EFA money even though public schools pay for team sports with state money.
 - The rules do not prohibit homeschoolers from participating in team sports, but they do prohibit students from using EFA money to pay expenses for sports that require tryouts or that limit participation based on ability.
- Revamp the framework for core educational expenses vs. qualifying expenses
 - The new definition of "core educational expenses" in the rules is much narrower than the definition of "qualifying expenses" and is used to create a burdensome framework that is not present in state law.

- Reduce the maximum balance for Educational Freedom Accounts
 - Currently, a student's unused EFA money may roll over to a maximum balance of \$20,000.
 - The new rules reduce this maximum balance to \$8,500.

Additional Points to Consider

- According to the Arkansas Department of Education, during the 2024-2025 school year:
 - 3,422 homeschooled students used Educational Freedom Accounts
 - Only 8% of all homeschool EFA funding went to "Enrichment" activities such as art, music, extracurricular activities, physical education, and similar programs.
- Arkansas law makes it clear that students cannot spend more than one-fourth of their EFA funding on sports and other extracurricular activities.
 - The team sport restrictions in the new rules are more restrictive than the state law.
- Further restricting EFA spending on team sports will not save the State of Arkansas a substantial amount of money, but it could hurt homeschoolers who benefit from these programs.