

# How Proposed Educational Freedom Account Rules Impact Arkansas Homeschoolers

**Background:** After the LEARNS Act of 2023 became law, the Arkansas Department of Education created rules explaining how Educational Freedom Accounts (EFAs) would work. In 2025, the legislature passed Act 920 limiting homeschool spending on extracurricular activities to 25% of a student's yearly EFA funds. In 2026, the State Board of Education approved new EFA rules that are scheduled for final review by the Arkansas Legislative Council Administrative Rules Subcommittee. As many homeschoolers pointed out during the public comment period on the rules, the proposed EFA rules contain a number of deficiencies that need to be corrected.

Arkansas homeschoolers have proven that they are excelling under the EFA program. Homeschoolers participating in the EFA program have outperformed students in both public and private schools on national norm-referenced tests, scoring, on average, in the sixty-third percentile in math and in the sixty-eighth percentile in reading. Meanwhile, private school students enrolled in the EFA program scored at the fifty-fifth percentile in math and at the fifty-seventh percentile in reading, on average. The strong showing of Arkansas homeschool students is no surprise due to the extensive personal investment most homeschool parents make in the education of their children. **However, the proposed rules would have a disparate impact on homeschool families.** Parents care most and best for their children, and they should be entitled to make reasonable educational decisions for their kids under the EFA program.

Parents can view the proposed rules at:

<https://dese.ade.arkansas.gov/Offices/legal/rules/pending>

## **The Disparate Impact on Arkansas Homeschoolers:**

### **1. Proposed Rules Would Block Homeschool Students From Using EFA Funds for Quality, Competitive Sports Opportunities.**

The Problem: The proposed rules say homeschool students cannot use any EFA money for sports if the sport requires tryouts or participation is based on ability (see the definition of "extracurricular activity" on page 5). This rule penalizes the pursuit of excellence. This could keep homeschool students from using EFA funds for:

- School, club, or community sports teams that require tryouts, such as basketball, baseball, or volleyball teams;
- Extracurricular athletic programs that require tryouts, such as gymnastics programs or cheerleading squads;
- Other competitive sports that require tryouts.

At the same time:

- Public schools still spend state funds on sports that require tryouts;
- Private schools can still fund sports that require tryouts with EFA funds through general tuition and fees.

Most high school sports opportunities require tryouts, and some sports opportunities place students according to ability for safety reasons.

**Arkansas law already controls costs and focuses on academics by limiting extracurricular spending to 25% of a student's EFA funds. This proposed rule is unnecessary and inequitable. It is unclear what legitimate educational goal this rule would serve, since the State of Arkansas chooses to fund competitive sports in public schools because it places a high educational value on competitive sports opportunities. Funding competitive sports for homeschooled students within the EFA program fits within existing state public policy.**

## **2. Pre-approval for Purchases Could Force Families to Wait Too Long for Approval or Reimbursement of Educational Supplies and Equipment Necessary for Courses**

The Problem: The proposed rules require homeschool parents to get pre-approval before buying educational supplies and equipment necessary for courses (see pages 39-40).

However, the rules do not specify:

- How long preapproval will take;
- How the Department will determine if an item costs too much; or
- How long reimbursements will take.

At the same time:

- EFA funds used for private school supplies and equipment do not have to be pre-approved by the Department of Education.
- Funding for public school supplies does not have to be pre-approved by the Department of Education.

Currently, some homeschool families already wait months to get reimbursed for purchases necessary for coursework. Some families cannot afford to spend large amounts of money and then wait a long time to get paid back. If the Department thinks a purchase costs "too much," families could lose ALL reimbursement — even if the item is educational.

## **3. Reducing the EFA Account Balance Limit from \$20,000 to \$8,500 Per Student Could Hurt Special Needs Students and Older Students**

The Problem: The proposed rules would severely restrict how much unspent EFA money families can save from quarter to quarter (see page 23). This could especially hurt:

- special needs students;
- high school students in advanced courses; and
- students preparing for careers or college.

Homeschool educational expenses usually increase as the student gets older. Also, if the student needs extra help or tutoring for learning disabilities, the costs increase substantially. Letting students build up to a \$20,000 balance in their EFA savings encourages homeschoolers

to be thrifty with their expenses, knowing that they can have extra funds available if needed for a particular year.

#### **4. Families Could Be Permanently Removed From the Program for Honest Mistakes**

The Problem: One part of the rules (see subsection (C) on page 35) says that:

**“If an account holder or participating school or service provider is found to have violated any state laws, rules, or procedures related to the program, they shall be ineligible to participate in the program and any unspent EFA funds shall be returned to the Department of Education.”**

Under this provision, families can become ineligible for the EFA program if they violate any rule or procedure—even unintentionally . The concern is that even accidental mistakes could lead to serious punishment. The EFA program has many complicated rules and guidelines that frequently change. Parents may accidentally:

- submit the wrong paperwork;
- misunderstand a rule or guidelines; or
- make a small bookkeeping mistake.

At the same time:

- Private schools and educational service providers have professionally trained personnel to complete their paperwork, which may be much less complicated than the submissions of a homeschool parent who has to navigate the complexities of the line-item education expenditure and reimbursement process.

State law already penalizes fraud, and other parts of the rules contain good provisions for correcting honest mistakes. Honest mistakes should be corrected — not punished with permanent removal from the program. This provision of the rules is inconsistent with other good provisions of the rules that clarify the difference between intentional and unintentional mistakes (see 6 CAR § 35-109 on page 35; see also subsection (c)(3) on page 24).

**The rules should be consistent in clarifying that penalties, including removal from the program, apply to “intentional” violations.**