choose act ALABAMA

School Choice for a Strong Alabama

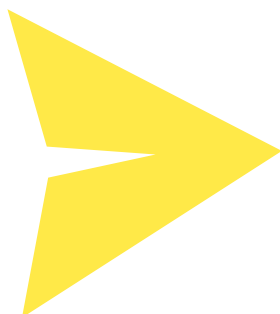# Education Service Provider Guide

2026-2027 School Year

Updated December 30, 2025

Alabama Department of Revenue

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CHOOSE ACT ALABAMA OVERVIEW

The Creating Hope and Opportunity for Our Students' Education Act of 2024 (The CHOOSE Act) is administered by the Alabama Department of Revenue (ALDOR). CHOOSE Act Alabama makes refundable income tax credits called **education savings accounts** (ESAs) available to support the success of eligible K5-12 students.

An ESA can be used to pay for tuition, fees, and other qualified education expenses through approved Education Service Providers (ESPs).

ALDOR has contracted with ClassWallet for programmatic support and to coordinate the distribution of funds to participating families.

Using ClassWallet's Digital Wallet platform, parents can use their student's ESA to pay for approved educational purchases and expenses.

ESA ANNUAL AMOUNTS

➤ **$7,000 per participating student who is enrolled in a participating school**

➤ **$2,000 per participating student who is participating in a home education program** (this includes an individual or group program, homeschool, co-op, etc., and is capped at $4,000 per family)

All payments and purchases using ESA funds must be made through the ClassWallet platform. **There is no reimbursement to families.**

2026-2027 SCHOOL YEAR: Parents of participating students may direct ESA funds where needed beginning July 1, 2026.

EDUCATION SERVICE PROVIDERS

Education Service Providers (ESPs) are individuals or organizations approved by ALDOR to provide educational goods and services to participating families. An accredited public or private K5-12 Alabama school can become an ESP by meeting certain requirements to become a participating school.

ALDOR has developed an application process for ESP participation. This application is available year-round here and, by state law, all ESPs must agree to adhere to the attestation found in the ESP application.

A private tutor must either be accredited or have a bachelor's degree or state certification, to be approved as an ESP. Educational therapists must have a valid license in the therapy they provide. Both private tutors and educational therapists must have a completed background check. Documentation must be submitted at the time of application.

Important Notes:
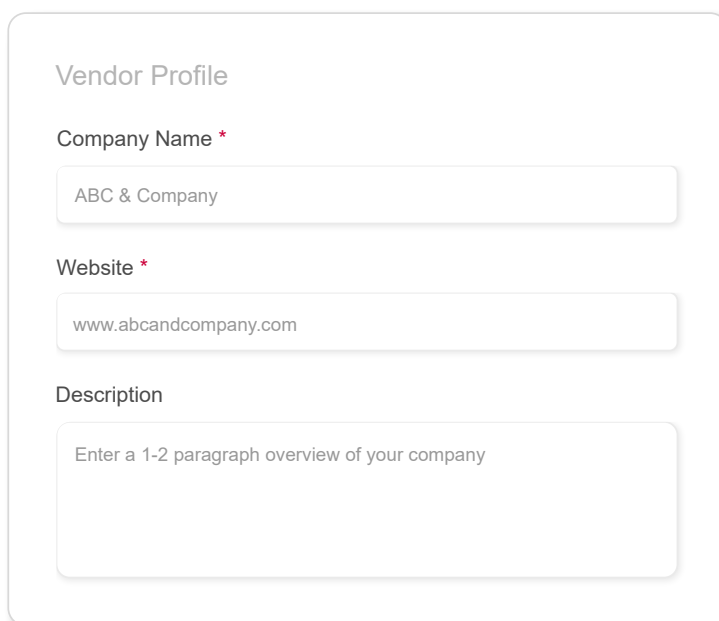
- Once approved by ALDOR, the ESP must register with ClassWallet to begin receiving payments from participating families.

- **All approved ESPs are visible to participants within the ClassWallet platform. The list is also publicly available on the CHOOSE Act Alabama website.**

- **The parent is responsible for selecting the ESP.** It is the responsibility of the parent to measure the overall effectiveness of a provider for each individual student.

PROVIDER PROFILE

As part of the approval and registration process, all ESPs must create their own login and have their own account within the ClassWallet platform.

Through the ClassWallet platform, ESPs have the ability to create a profile and share information that will allow participating families to have a better understanding of the service(s) they provide. Website and contact information can be included.

This information will be publicly available and help participating families locate and connect with ESPs that best meet their student's needs.

Vendor Profile

Company Name *

ABC & Company

Website *

www.abcandcompany.com

Description

Enter a 1-2 paragraph overview of your company

USER MANAGEMENT

The **User Management feature** on the homepage allows an ESP **to add and manage users.**

The ESP can invite other team members and control their level of account access by designating them either as a 'User' or 'Administrator.'

▶ **User:** Can view Payment Reports and manage their own Credentials.

▶ **Administrator:** Has the User permissions, plus the ability to invite other users and administrators, update the linked bank account, and manage vendor profile information.

PAYMENTS AND REPORTS

All purchases and payments will be reviewed to ensure compliance with CHOOSE Act Alabama guidelines. If a transaction submitted by a family contains ineligible expenses, the entire transaction will be rejected.

After approval, the ESP receives an email confirmation from ClassWallet confirming that a payment has been approved for their organization.

The payment should settle to the ESP's designated bank account within **2-10 business days.**

The Payment Report feature within the platform provides an overview of payments received, approved transactions, and payment status.

The Payment Report includes:

• Transaction ID
• Status (definitions provided below)
• Date the transaction was last updated
• Student name
• Approved amount

STATUS DEFINITIONS

➤ **Queued -** Transaction has been approved and is being readied for processing

➤ **Initiated -** Transaction has been sent to processor

➤ **Processing -** Funds are moving between accounts

➤ **Settled -** Deposit should be visible in ESP's bank account

The report can be exported in a CSV format.

MAKING PAYMENTS AND PURCHASES THROUGH CLASSWALLET

Once the ClassWallet account is funded and the affidavit accepted, participants can shop through the integrated ClassWallet Marketplace and issue payments to ESPs (schools, tutors, etc.).

Two options are available:

1 Participants can make payments to ESPs using the "Pay Vendor" feature on the ClassWallet homepage. ESPs listed here include schools, tutors, therapists, etc. View a step-by-step guide on how a payment is made by a participant through "Pay Vendor" here.

2 Participants are also able to purchase approved educational items with ESA funds, like school supplies and technology through the ClassWallet Marketplace. View a step-by-step guide on how a purchase is made by a participant here.

Important Note:

ESPs will need to provide an invoice for all services. For a participant to make a payment to an approved ESP, an invoice is required.

The invoice must include the following information or it will be rejected:

- Provider Name and Address
- Student Name
- Parent Name
- Date of Invoice
- Date(s) of Service
- Type of Service (what payment is for)
- Total Amount Due

Handwritten documentation will not be approved.

The participant receives an email confirmation upon order submission.

If a purchase or payment is rejected for any reason, the participant receives an email notification with instructions. The funds are immediately returned to the ESA and available for reuse.

Payment for services can be made prior to the service(s) or paid after service(s) have been rendered. **However, only invoices for services provided during the 2026-2027 academic year will be approved.**

If an ESP would like to include **more than one student on an invoice, please be sure that the charges are listed separately with the student's name.** The parent will submit each payment under the respective student's account.

The billing/payment cadence is at the discretion of the ESP. Weekly, monthly, and quarterly invoices and payments are acceptable.

APPROVED EXPENSES FOR THE 2026-2027 SCHOOL YEAR

Tuition and Fees at a Participating School

- Academic fee
- Activity fee
- Administration fee
- Application fee
- Book fee
- Curriculum fee
- Enrollment, Registration, and Pre-registration fees
- Fine Arts fee
- Library fee
- Music fee
- Programming fee
- Resource fee
- School fee
- Science Lab fee
- Security fee
- Student fee
- Supply fee
- Technology fee
- Testing fee
- Tuition

* Disallowed School Fees Include:

- Annual fee
- Athletic/Sports fee
- Before and after school child care
- Capital or building campaign
- Child care
- Commitment fee
- Food
- Field trip
- Fundraising
- Insurance
- Late fee
- Maintenance fee
- Missed session/cancellation fee
- PTO/PTA fee
- School accreditation fee
- Senior class/graduation fee
- Transportation
- Uniforms

Textbooks
(K5-12, in the following subject areas only):

- Art
- English Language Arts *(including Phonics, Grammar, Reading, and Writing)*
- Foreign Languages
- Mathematics
- Music
- Religion
- Science *(including Computer Science and Engineering)*
- Social Studies *(including History, Civics, and Character Education)*

Fees for After-School or Summer Education Programs Provided by a Participating School

(After school program that is education-based and does not include child care. The program must be within the academic year.)

Curriculum and Supplemental Reading Materials *(for individual student use only)*

- Reference books
- Supplemental reading materials associated with approved textbook subjects
- Workbooks and flashcards

Important Notes:

Participating families are responsible for any costs associated with school expenses over and above the ESA balance. Participants may want to discuss their financial obligations with the school.

Instructional Materials
(no bulk orders, individual student use only)

- Binders (3-ring, etc.)
- Blackboard chalk
- Calculators (including graphing)
- Clay and glazes
- Colored pencils and crayons
- Compasses
- Dry erase and black boards (under $50)
- Erasers
- Folders
- Globes and maps
- Glue
- Index cards and card holders
- Markers *(including dry erase and highlighters)*
- Math manipulatives *(only when included in curriculum; no Legos)*
- Notebooks *(including composition notebooks and notepads)*
- Paintbrushes for artwork
- Paints *(acrylic, tempera, oil, and watercolors)*
- Paper *(lined, copy, construction, graph, manila, tracing, and legal pads)*
- Pencil sharpeners
- Pencils and pens
- Post-it notes (sticky notes)
- Poster board
- Protractors and rulers
- Science kits and lab kits *(only when included in curriculum)*
- Scissors
- Sketch and drawing pads

Private Tutoring
(can be in-person or online)

- Art
- English Language Arts *(including Phonics, Grammar, Reading, and Writing)*
- Foreign Languages
- Mathematics
- Music *(including voice or musical instrument lessons)*
- Religion
- Science *(including Computer Science and Engineering)*
- Social Studies *(including History, Civics, and Character Education)*
- Supply fees charged by the tutor *(this cannot include transportation)*

Computers
(used primarily for a student's educational needs and approved by ALDOR or required by a licensed physician)

- Laptop, desktop, and tablet computers under $1,200 per participating student
- Product warranties included as part of the purchase are approved

Important Note:

Computer and technological items identified as "gaming" will not be approved. The purchase of computers is limited to $1,200 for one item within this category every two years per participating student. Computers can only be purchased for the awarded student (participating student), not all eligible students. Purchases for all other categories can be made for an awarded or eligible student.

Technological Aids
(used primarily for a student's educational needs and approved by the department or a licensed physician)

- Apple Pen
- Charging cords and cables
- Headphones / Headsets *(limited to $100 each, two per participating student annually)*
- Keyboards *(limited to $100 each, two per participating student annually)*
- LCD writing tablets
- Monitors
- Mouse *(limited to $40 each, two per participating student annually)*
- Mouse pad / USBs *(limited to $25 each, two per participating student annually)*
- Printers and ink *(3D printers are not approved)*
- Protective case for technology *(iPad case, laptop case, etc.)*

Important Note:

Technological devices purchases are limited to $500 total per academic year, per participating student.

External speakers, external hard drives, SMARTboards and TVs will not be approved.

Technological aids can only be purchased for the awarded student (participating student), not all eligible students. Purchases for all other categories can be made for an awarded (participating) or eligible student.

Tuition and Fees for an Approved Nonpublic K5-12 Online Learning Program

Classes and courses in the following subjects are approved:

- Art
- English Language Arts *(including Phonics, Grammar, Reading, and Writing)*
- Foreign Languages
- Mathematics
- Music
- Religion
- Science *(including Computer Sciences and Engineering)*
- Social Studies *(including History, Civics, and Character Education)*
- Test Preparation *(AP, SAT, ACT, etc.)*

Educational Software and Applications

Classes or courses for K5-12 in the following subjects:

- Art
- English Language Arts *(including Phonics, Grammar, Reading, and Writing)*
- Foreign Languages
- Mathematics
- Music
- Religion
- Science *(including Computer Science and Engineering)*
- Social Studies *(including History, Civics, and Character Education)*

Important Note:

This includes software and applications for special-needs students such as dictation software, braille translation software, and other assistive software programs.

Educational Therapies for Students with Disabilities *(must be a licensed or accredited practitioner)*

- Applied Behavior Analysis (ABA) Therapy
- Dyslexia and Dysgraphia Therapies
- Occupational Therapy
- Physical Therapy
- Speech Therapy
- Vision Therapy

Important Note:

Fees for initial evaluations are approved expenses.

Fees for Standardized and Nationally Recognized Assessments, including college admissions tests and advanced placement examinations and related preparatory courses.

Contracted Services Provided by a Public School District Including Specific Classroom Instruction

Important Note:

All expenses are reviewed by ALDOR to ensure compliance with the program. While each ESP has the discretion to set pricing, ALDOR reserves the right to reject any invoice that is not within reason or is suspected as being fraudulent. **ALDOR also has the authority to add or remove items on the 2026-2027 Approved Expenses List.**

CHOOSING AN EXPENSE CATEGORY

As part of the payment process, the participant needs to select an expense category.

The categories available are:

- Computers and technological aids
- Curriculum and supplemental reading materials
- Educational software and applications
- Educational therapies for students with disabilities
- Fees for after-school or summer education programs provided by a participating school
- Fees for standardized and nationally recognized assessments
- Instructional materials (i.e., school supplies)
- Private Tutoring in approved subjects
- Services provided by a public school district including specific classroom instruction
- Textbooks in approved subjects
- Tuition and fees at a participating school
- Tuition and fees for an approved nonpublic K5-12 online learning program

More than one category can be selected per invoice. For example, if the invoice includes **tuition and tutoring fees**, select both the **"Tuition and Fees at a Participating School"** and **"Private Tutoring"** categories.

SUPPORT AND RESOURCES

The CHOOSE Act Alabama **website** is up-to-date with the latest information and the ClassWallet **Knowledge Base** is full of resources.

For all general CHOOSE Act Alabama and digital wallet questions, ClassWallet is ready to help!

Phone: **877-969-5536**

Email: **help@classwallet.com**

Customer support is available Monday through Friday 7 a.m. – 7 p.m. CT and Saturday 9 a.m. – 3 p.m. CT.

The CHOOSE Act Alabama Frequently Asked Questions	**The CHOOSE Act Alabama Parent Guide**
Watch a Recorded Webinar	**Review The CHOOSE Act Statute**

Review The CHOOSE Act Administrative Rules