

Alabama  
Department  
of Revenue



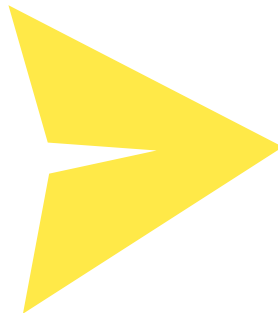
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# Parent Guide

2025-2026 School Year

# TABLE OF CONTENTS

CHOOSE ACT Alabama Overview .....	3
ESA Annual Amounts .....	4
CHOOSE ACT Alabama Eligibility .....	5
Using ESA Funds through ClassWallet .....	6
Multiple Students .....	6
Affidavit .....	7
Education Service Providers .....	8
Approved Expenses .....	9
Enrollment Verification .....	9
Making Payments and Purchases .....	12
Expense Categories .....	13
ESA Renewal .....	14
Support and Resources .....	14





## **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 K-12 students in Alabama.


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

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)



## Important Notes:

- All payments and purchases using ESA funds must be made through the ClassWallet platform. **There is no reimbursement to families.**
- **If the student leaves or is removed from CHOOSE Act Alabama, any remaining funds will be returned to the CHOOSE Act Fund.**

## 2025-2026 SCHOOL YEAR:



**For each participating student enrolled in a participating school:**


- **\$7,000 will be deposited beginning July 1, 2025**

**For participating students who are participating in a home education program** (this includes an individual or group program, homeschool, co-op, etc.):

- **\$2,000 will be deposited beginning July 1, 2025, and is capped at \$4,000 per family**

## Important Note:

Participating families will be given the opportunity to renew their student's ESA at the end of each school year. More information on the renewal process for the 2026-2027 school year will be provided in early 2026.




# CHOOSE ACT ALABAMA ELIGIBILITY

To be eligible for the 2025-2026 school year, the student must be in grades K-12 and:

- Be a resident of Alabama
- Have a household income that does not exceed 300 percent of the federal poverty for the 2024-2025 tax year

Persons in Family/Household	300% of 2024 Federal Poverty Guideline
1	\$45,180
2	\$61,320
3	\$77,460
4	\$93,600
5	\$109,740
6	\$125,880
7	\$142,020
8	\$158,160

For families/households with more than 8 persons, add \$16,140 for each additional person.



## Important Notes:

CHOOSE Act Alabama provides \$100 million in ESAs for the 2025-2026 school year and the first 500 ESAs are reserved for students with special needs.

In addition, priority is given to participating students and siblings of participating students, as well as students who are dependents of active-duty service members who are enrolled in or assigned to a priority school. A priority school is defined as a public K-12 school that received a grade of "D" or "F" on its most recent Alabama Department of Education school report card. See the complete list of priority schools [here](#).

To be eligible as a kindergartener, the student must turn 5 by September 1, 2025.

# USING ESA FUNDS THROUGH CLASSWALLET

After the student's application is approved, a digital wallet account will be created within the ClassWallet platform.

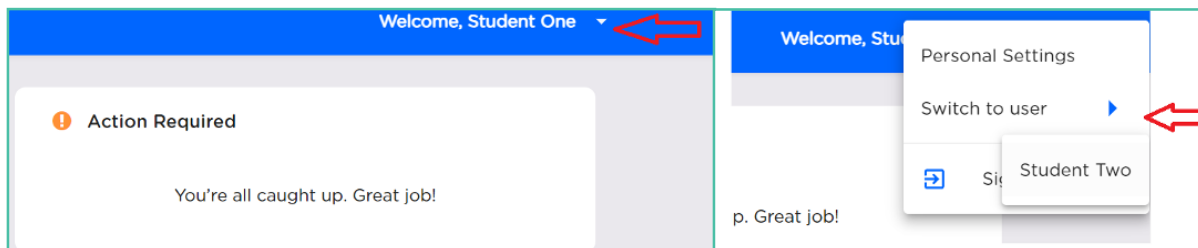
**After approval, participants will receive a Welcome Email from ClassWallet with instructions on accessing their account along with other helpful resources.**

## ACCESSING ESA FUNDS FOR MULTIPLE STUDENTS:

If a family has multiple students participating in CHOOSE Act Alabama, each student will receive a digital wallet account. The parent/guardian can switch between accounts within the ClassWallet platform.

**Keep in mind that each participating student's ESA is an individual ESA account and funds should only be used for that student's educational expenses.**

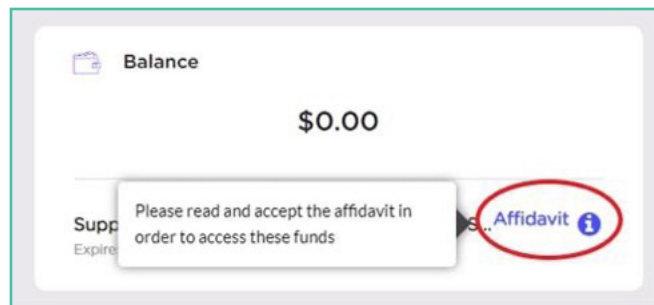
From the ClassWallet homepage, click on the small arrow (pointing down) in the upper right-hand corner of the application, next to where it says "Welcome." Step-by-step instructions are available [here](#).



## ACCEPTING THE AFFIDAVIT:

**Participants will be required to accept the CHOOSE Act Alabama Affidavit before receiving access to the funds.**

The link to this affidavit will be available in the "Balance" tile once the account is funded and gives an overview of participant responsibilities.



## AFFIDAVIT OPTIONS:

- **Accept** – The account balance will be visible and funds immediately available for use. Keep in mind that the affidavit will not be visible until the account is funded.
- **Skip For Now** – The account will be visible, but the balance will be \$0. The affidavit must be accepted in order to view balance and use funds.
- **Reject** – Decline and withdraw from CHOOSE Act Alabama. If "Reject" is accidentally selected, contact the ClassWallet Customer Support Team to reset.

### Important Notes:


- The affidavit will not be visible until the account is funded.
- **If there is more than one participating student in a family, the affidavit will need to be accepted for each student.**
- If the affidavit is accidentally rejected, contact the ClassWallet Customer Support Team to reset the affidavit selection.

# EDUCATION SERVICE PROVIDERS

Education Service Providers (ESPs) are individuals or organizations approved by ALDOR to provide educational goods and services to participating families.

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 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.
- Participating families are responsible for any costs associated with their student's education over and above the ESA.
- The parent of a participating student cannot receive payment for services or products provided to such student in their capacity as an education service provider.



# APPROVED EXPENSES FOR THE 2025-2026 SCHOOL YEAR

## 1. Tuition and Fees at a participating school (online or in-person)

- Activity fee
- Administration fee
- Enrollment and registration fees
- Programming fee
- School fee
- Security fee
- Student fee
- Supply fee
- Technology fee
- Tuition



### Important Notes:

Payment will not be approved until the student's enrollment is verified.

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

### Enrollment Verification:

When using ESA funds to pay school tuition, the payment will not be approved until the student's enrollment at the school is verified.

## Disallowed school fees include:

- Athletic/Sports
- Before and after school child care
- Capital or building campaign
- Child care
- Commitment fees
- Food
- Field trip
- Fundraising
- Insurance
- Late fees
- Missed session/cancellation fees
- Senior class/graduation fees
- Transportation
- Uniforms

## 2. Textbooks (K-12, in the following subject areas only):

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

**3. Fees for after-school or summer education programs provided by a participating school**

**4. Curriculum and supplemental reading materials** (for individual student use only)

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

**5. Instructional Materials**

- School supplies (no bulk, individual student use only)
- Binders (3-ring, etc.)
- Calculators (including graphing)
- Colored pencils
- Crayons
- Erasers
- Folders
- Glue
- Index cards and card holders
- Markers (including dry erase and highlighters)
- Notebooks (including composition notebooks)
- Paper (lined and copy and graph)
- Pencils
- Pens
- Rulers
- Scissors
- USB cards

**6. Private Tutoring** (can be in-person or online)

- Mathematics
- English Language Arts (including Phonics, Grammar, Reading and Writing)
- Science (including Computer Science and Engineering)

- Social Studies (including History, Civics, and Character Education)
- Religion
- Art
- Music (including voice or musical instrument lessons)
- Foreign Languages
- Supply fees charged by the tutor (this cannot include transportation)

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

- Laptop, desktop, monitor, and tablet computers under \$1,200.
- Product warranties included as part of the purchase are approved

**Important Note:**

Computers identified as "gaming" will not be approved and the purchase is limited to \$1,200 for one item within this category every two years.

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

- Printers and ink (3D printers are not approved)
- Headphones/Headsets (limited to \$100 each, two per student annually)
- Keyboard
- Mouse/mouse pad
- Apple Pen
- Charging cords and cables
- Protective case for technology (iPad case, laptop case, etc.)

**Important Note:**

**Technological devices purchases are limited to \$500 total per academic year.** External speakers, external hard drives, SMARTboards and TVs will not be approved.

**9. Tuition and fees for an approved nonpublic K-12 online learning program, classes and courses in the following subjects are approved:**

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

**10. Educational software and applications, classes or courses for K-12 in the following subjects:**

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

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

**11. Educational therapies for students with disabilities (must be a licensed or accredited practitioner)**

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

**Important Note:**

Fees for initial evaluations are approved expenses.

**12. Fees for standardized and nationally recognized assessments, including college admissions tests and advanced placement examinations and related preparatory courses.**

**13. Contracted services provided by a public school district including specific classroom instruction**

**All expenses are reviewed by ALDOR to ensure compliance with CHOOSE Act Alabama.** 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 2025-2026 Approved Expenses List.



## 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 Make payments to ESPs using the "Pay Vendor" feature on the ClassWallet homepage. ESPs listed here include schools, private tutors, therapists, etc. View a step-by-step guide on making a payment through "Pay Vendor" [here](#).

### Important Note:

**To make a payment, an invoice is required.** The invoice must include the following information:

- |  |  |
|--|--|
| <input type="checkbox"/> Provider Name and Address | <input type="checkbox"/> Date(s) of Service                    |
| <input type="checkbox"/> Student Name              | <input type="checkbox"/> Type of Service (what payment is for) |
| <input type="checkbox"/> Parent Name               | <input type="checkbox"/> Total Amount Due                      |
| <input type="checkbox"/> Date of Invoice           |  |

**Handwritten documentation will not be approved.**

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 2025-2026 academic year will be approved.**

An invoice can include charges for multiple students. However, charges must be listed separately and identifiable for each student.

- 2 Purchase approved educational items with ESA funds, like school supplies and technology through the **ClassWallet Marketplace**. View retailers by logging into the ClassWallet Marketplace platform and clicking on "**Start Shopping**". A step-by-step guide is available [here](#).

### Important:

The retailers shown in the ClassWallet Marketplace have all been approved to participate by ALDOR and the items they have available are approved for purchase with ESA funds.

## CHOOSING AN EXPENSE CATEGORY:

As part of the payment process, an expense category will need to be selected.

### 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 K-12 online learning program

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



### Things to Remember:

- The participating family receives an email confirmation upon order submission.
- All purchases and payments are reviewed to ensure compliance with CHOOSE Act Alabama guidelines.
- ESPs will continue to be approved by ALDOR and added throughout the year.
- If a purchase or payment is rejected for any reason, the participating family receives an email notification. The funds are immediately returned to the ESA and available for reuse.

## ESA RENEWAL

At the end of each school year, **all current CHOOSE Act Alabama participants will be given the opportunity to indicate that they would like to continue participation.** More information on the process will be provided to all participants in early 2026.


**Any funds left in the account at the end of the school year will be returned to the CHOOSE Act Fund.**

**If a student leaves the ESA program, any funds left in the account will be returned to ALDOR.**

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## 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](mailto: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  
Education Service Provider Guide

Watch a recorded  
webinar

Review  
The CHOOSE Act statute