

This policy provides guidance to schools regarding discounts or other financial aid offered by a school to students participating in the Opportunity Scholarship Program and/or the Education Student Accounts (ESA+) Program (collectively, the “K12 Programs” or “K12 scholarship”). Guidance specific to how discounts are reported and applied during Certification are likewise included. Further, this guidance clarifies SEAA requirements regarding reimbursement to parents, and potential changes to institutional aid in the case of late K12 scholarship award offers.

During Certification, a school must certify a student’s tuition cost by providing the Standard Cost and the Individual Cost for each student.

- Standard Cost = Published cost for the typical student at that grade level for the academic year, as reflected on a school’s tuition and fee schedule.
- Individual Cost = Individual cost for the specific K12 scholarship recipient for the academic year.

To calculate the Individual Cost, the school must apply (i.e. subtract) all applicable school discounts (i.e. sibling discounts, staff/employee discounts) or other institutional or financial aid, **not including K12 Scholarship funding**, to the Standard Cost.

The Individual Cost should be the cost due to the parent **after** discounts or other institutional aid are applied. Funds received from the K12 Programs are then to be used as a credit towards the balance on the student account, to be applied against the Individual Cost.

Although the Individual Cost may be the same as the Standard Cost, the Individual Cost will never be more than the Standard Cost.

Distinguishing between Discounts and Institutional Aid Offered by Schools

A **school discount** offers a pre-set reduction on the cost of tuition and fees based on specific categories or circumstances as itemized in the Tuition and Fee schedule. Discounts are often automatically applied based on the defined criteria, without consideration to financial need. Examples of discounts include, but are not limited to, sibling discounts, employee discounts, and payment in full discounts.

Institutional aid is financial assistance offered by the school designed to reduce the overall financial burden of tuition and school-related cost and is often determined by assessing financial need. The school determines its own policies for awarding, applying, and adjusting institutional aid.

Reporting and Applying School Discounts

The Opportunity Scholarship and ESA+ funding is a scholarship, not a discount, and should not be defined, applied, or considered as such by the school. If a discount is offered by the school, it

must be accurately itemized in the Tuition and Fee Schedule submitted annually to the Authority. **If discounts are offered, they must be applied consistently to all eligible students within the specified categories, irrespective of the student's status as a recipient of the K12 scholarships.**

Schools that have a policy prohibiting a student from utilizing more than one discount for which they are eligible may not include the Opportunity Scholarship or ESA+ funding as part of this policy, as these are not discounts.

During Certification, discounts (and any other applicable institutional aid) must be subtracted from the Standard Cost when reporting the Individual Cost of a particular student.

Awarding and Adjusting Institutional Aid

Schools establish and implement their own tuition and financial assistance rules and policies. These policies may outline tuition rates and considerations for the awarding, application, and revision of institutional aid.

If a school offers institutional aid, such assistance and any applicable terms and conditions are often outlined in the contractual agreement between the parent and the school. SEAA strongly encourages parents to carefully review these terms and conditions to understand the specific institutional aid offer, and notably, how it may be adjusted with the receipt of other scholarships, like the K12 scholarship. SEAA further strongly encourages schools to ensure contract terms and conditions are written transparently, especially if the receipt of a scholarship, like the K12 scholarship, would be cause for the adjustment or reduction of the institutional aid offered by the school.

Schools should calculate institutional aid prior to Certification. As a reminder, when certifying, the institutional aid (and any other applicable discounts) must be subtracted from the Standard Cost to calculate the Individual Cost. The Individual Cost should be the cost to the parent after discounts or institutional aid are applied.

Reimbursement to Parents

Reimbursement of scholarship funds by the school directly to parents is not permitted, except in specific circumstances as directed and approved by SEAA. Schools should not charge parents tuition and/or fees covered by a scholarship received by a student under the K12 Programs in advance of direct disbursement to the school.

SEAA may, at its sole discretion, permit the reimbursement of scholarship funds directly to parents in situations where scholarship awards are offered after the normal awarding period of March and April. In these cases, where schools have reasonably already accepted parental payment of tuition, SEAA may permit reimbursement to the parent. If SEAA grants written consent to a school to reimburse funds to a parent, the school can apply the scholarship funds to the student account and then reimburse the parent for the tuition costs that are now covered by the K12 scholarship.