

10 January, 2025

Dear Commissioner Edelblut,

I am writing to you today at the request of HEAC, to notify you of concerns that our committee has regarding the Education Tax Credit Scholarship program, as it relates to the processing capacity (or bandwidth) of Children's Scholarship Fund and their lack of support or visible activity to grow the program.

The 193-A families, which this Committee exclusively represents, have brought to our attention concerns that CSF has pushed them aside, in favor of serving their "bigger cash cow" (the EFA, 194-F families) and is not adequately serving the 193-A families, some of whom have received ETC Scholarships and experienced issues even before the EFA was enacted.

Home Education groups in NH (specifically CHENH/SME and GSHE) have been contacted by member families (that are 193-A compliant and receive an ETC Scholarship) about their growing concerns.

Examples of these concerns include:

- the approval process being inconsistent (a previously approved expense suddenly being denied) requiring parents to make several phone calls and emails to multiple CSF employees and Class Wallet to resolve (with CSF and CW each blaming the other, at times)
- approval turnaround being unnecessarily long (for both reimbursements and purchases through the Class Wallet Marketplace); at times they have taken 4 weeks to approve and as long as 4 weeks to fund after approval – one recent example: 11/19/24 - expense submitted for reimbursement (the provider is one that is historically submitted for this student) 12/26/24 – approval email notice received. 12/31/24 – funds received via bank direct-deposit.
- inability to utilize promotional codes and generally higher pricing when purchasing through the CW Marketplace, despite the promotions or lower pricing being available through the same vendor when ordering directly. To be good stewards of their Scholarships, families are forced to pay upfront and wait for a reimbursement, while a "direct" CW purchase is sometimes 50% (or more) expensive
- lack of tracking (processing or shipping) information for orders placed through the CW Marketplace, causing concerns of items being lost or stolen with no way to see transit/delivery status
- lack of order history access through the CW Marketplace (it is submitted and then falls into a black hole, with the only indication an order was submitted being the funds immediately becoming unavailable for other activity) leaving families no simple recourse when a defective item is received or never arrives – action has to be taken through CSF and/or CW contact
- losing out on an order through the Class Wallet Marketplace, due to the item going out of stock while waiting for an approval to be generated and the processing to take place
- the inconsistency of answers when requesting assistance (CW saying it is CSF, CSF saying it's CW) for such things such as missing/broken features, funds not being available to use despite showing as available, delays in processing transactions and the return process for items purchased through CW Marketplace
- funding timeline delaying into the school year, with a lag between receipt of award letters and availability of funds – prior to CSF transitioning to CW, families received award letters in the first

week of July, with reimbursement requests due 11/8 and 3/15. In 2024, families were notified of Scholarship Awards on 8/30, but some experienced delays nearly to October before having access to funds

- inquiries emailed to the CSF approvals department (to check on qualification of expenses) taking weeks to be answered, and only after contacting CSF through multiple other pathways
- funding availability ends on 4/30, which is before the traditional school year ends – CSF points to the original reimbursement cutoff being in March and sees this as an improvement in service – while 4/30 is later, the notice and availability of funds are delayed by more than the calendar extension “makes up for” – CSFs availability window seems unnecessarily narrow, in light of the ETC Law identifying a “program year” as July 1-June 30
- continued or unrealistic restrictions of qualified expenses - one of the original “poster” NH School Choice families – if not the original - built a chicken coop and used the experience to enhance their curriculum in several subjects, while the current guide from CSF states animal housing is explicitly prohibited; sports equipment (listed separately as “equipment for sports or physical education”), tools, household items (including cookware and desks) are not allowed, while those items are likely to be utilized in a 193-A setting. The Education Tax Credit Law, 77-G:1 reads “Educational expenses shall not include fees or expenses related to participation in athletic programs, transportation expenses or the cost of a parent’s time expended in the home schooling of his or her child.” The document provided by CSF to ETC families as examples of “acceptable and not-acceptable expenses” references the law, and then sets up a confusing list that contradicts the law
- CSF encourages ALL families to apply for both programs (ETC and EFA) and awards BOTH to income-qualified families, despite their express knowledge of EFA families falling under 194-F, and therefore are legally not participating in either Private School OR Home Education
- CSF has a very visible position on EFAs and is silent on their activity for ETCs. This leads many to conclude that they are not actively promoting the Fund to potential donors, or at the very least it gives those who might otherwise donate to the ETC the impression that their assistance is obsolete for families because the EFA “answers the call” for low-income families

While the ETC is not a program that is exclusive TO home education, it is (and should be) one that is exclusive to Private/Home Education in the state of New Hampshire and should be managed in a way that best serves those families. When the EFA was added to statute as a 4<sup>th</sup> pathway to satisfy compulsory education, no corresponding changes were made to the qualification requirements to the ETC. To be clear, the ETC pre-dated any other alternative pathways, and specifically delineates that the funds are to be used ONLY for the pathways of Private School OR Home Education. The ETC should be serving those families that are NOT receiving any taxpayer education funds – either indirectly through enrollment in the public schools or directly by participating in the EFA.

Our concern as a committee is that CSF does not allocate sufficient resources to manage all aspects of the ETC program in a timely and efficient manner. Despite forcing all ETC families to join Class Wallet (to align with CSFs management of the EFA) that step has not resulted in greater efficiency in managing ETC accounts. It is our deep concern that these problems shared (and the many others not included) will only grow deeper as CSF continues to advocate for families to apply for the EFA and prominently supports expansion of EFAs, desiring they become universal. Further, we do not perceive this to be a lack of compensation issue (CSF moves a significant amount of taxpayer dollars annually and receives a

hefty sum in return) but rather one of their current mission and focus, and one that blatantly ignores the intent of the Education Tax Credit Scholarship.

I can personally attest to the frustrations expressed by ETC families above, as many have been the experience of my own family as well. I personally reached out to HEAC in September 2021 and expressed concerns, after being dismissed by CSF when I shared to them my own troubles and those of the families that CHENH/SME represents. To be clear, this is not a “this year” issue, it has been systemic, and growing at a rapid pace since CSF was awarded the EFA contract.

We respectfully request that the contract and activities of CSF in relation to the Education Tax Credit Scholarship be reconsidered, in favor of an option that would better serve the low-income families of New Hampshire that prefer to avoid entering the 194-F pathway, and would like to see the ETC Fund stewarded in a way that is consistent with its stated purpose, for Private and Home Education.

Sincerely,

Michelle Rohrbacher, on behalf of HEAC