Do "Education Savings Accounts" lead to better results for families?

No. "Education Savings Accounts" (ESAs) are another voucher-like scheme that redirects public money for educating all children to private, unaccountable education businesses, homeschoolers, and religious institutions. Privatization advocates created these programs because school vouchers are unpopular and because these programs are a way around prohibitions against using public dollars for religious schools. But just like vouchers, ESA's bleed public schools of essential funds and do little to improve education options for families.

This is why

ESAs provide a huge loophole for unaccountable use of public money. Parents who withdraw their children from public schools get a proportion of the money the state would otherwise have spent to educate their children deposited into an account. The account comes with a debit card families can use to pay for unaccountable education products and services such as private schools, home schooling, online courses, lessons and private therapists and tutors. These plans often have deceptive names like personal learning scholarship accounts, empowerment scholarship accounts, or individualized education accounts.

ESAs are a risky gamble for parents. Most of these programs release their funds to parents in exchange for the parents agreeing to forego their right to a public education. Parents must sign agreements that hold back money if spending is not approved.

ESAs don't save money. They drain financial resources from public schools while subsidizing wealthier parents who already homeschool or enroll their children in private schools or online schools. They also add an administrative cost for managing the program, for which taxpayers foot the bill. Florida uses two private companies to "administer" its program.

ESAs, by design, increase segregation of students by ability, income, and other factors. ESA programs generally don't require private and religious schools receiving the funds to serve students with special needs. Many of these schools can get ESA money and continue to refuse to enroll certain students based on their religious beliefs, language background, or gender preference.

ESAs don't provide struggling students with a way out of "failed" schools. Families using these programs often leave the better performing schools in the state. These programs do not help families at the lowest rung on the economic ladder. The amount of money ESAs provide per student rarely covers the full cost of tuition, fees, uniforms, books, transportation, and other expenses at private and religious schools. Families may use money for online learning programs with terrible track records.

ESAs open new opportunities for abuse of public funds. State watchdog agencies are generally not resourced enough to adequately monitor parent expenditures of ESA money.

ESAs are a slippery slope to further privatization of public education. Advocates for education savings accounts begin by targeting the program to students with special needs. Then, they invariably push to slowly expand the program to entice other families to leave the public school system.

Look at the facts

An ESA program proposed in **Georgia** would cost the state an estimated $865 million over its first three years. Administration costs alone are about $26 million. Wealthier families in urban and suburban communities would benefit the most from the program because they have more access to private schools and services. The proposed legislation doesn't include a method for eliminating low-performing private schools from receiving money through the program.[1]

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Nevada's ESA program has no limit on the income of households that can obtain the funds. The $5,100 or $5,710 annual amount provided by the state per student is not sufficient to cover the cost of tuition at the vast majority of private schools or pay for English language instruction or special education services. Service providers receiving ESA money don't have to hire certified teachers, nor do the providers have to follow state academic standards or use the state tests.[2]

An analysis of **Arizona's** ESA program found that most families using the program are leaving high-performing public schools in wealthy districts to attend private schools. Students from schools with the fewest students receiving free or reduced-priced lunches received an average ESA benefit of $15,200 – more than twice the average ESA benefit of $7,350 given to students from schools with the highest share of children receiving free or reduced-price lunches. Better-performing public schools are punished in the program. Annually, A-rated schools lose $15,700 average per student from ESA transfers, and B-rated schools lose $13,450 while C-rated schools lose $8,300, and D schools lose $5,850.[3]

A state auditor's office in **Arizona** identified more than $102,000 in misspending on education savings account money in just a 5 month period, including parents who spent program monies after enrolling children in public school, parents who did not submit required quarterly expense reports, and parents who purchased prohibited items. The report recommends the state strengthen safeguards and enforcement measures.[4]

ESAs were first created in **Arizona, Tennessee, Florida, and Mississippi** to help students with special needs. The Arizona program has since spread to other student populations, including those who attend schools that are rated a D or F in the state's rating system. Nevada's program is open to any child in the state who has spent 100 days or more in a public school. That program's funding mechanism was declared unconstitutional, but the state is trying to figure out a work around. Lawmakers in at least nine states have proposed bills in 2016 to create these programs.[5]

WHAT PRIVATIZERS BELIEVE	WHAT WE BELIEVE
ESAs empower parents with more control of their child's education funds.	ESAs are a risk for parents when they have to give up their rights to a guaranteed public education.
ESAs offer parents more options.	ESAs provide options for only some parents, mostly those who are able to pay the extra costs the ESAs don't cover.
ESAs save taxpayer money.	ESAs are an illusion of savings because more money goes to unaccountable sources, administrative costs and more well-off parents.

Bottom Line

ESAs are not truly savings accounts. They give parents ways to spend someone else's – the taxpayers' – money, and they don't provide parents with any incentives to contribute their own money to the accounts. Often, the promise of more "choice" is an empty promise of expensive private schools and education programs with little evidence of success. Worst of all, they place students in unaccountable systems, where many will be under-educated. Rather than diverting tax dollars away from public schools, we should adequately fund our schools so they can have smaller class sizes, more specialized resources for student needs, and more education opportunities to meet the high expectations of parents.

1 "*Education Savings Accounts Carry Huge Price Tag,*" Claire Suggs, Georgia Budget & Policy Institute, February 21, 2017.

2 "*ESAs Will Worsen Educational Opportunities for Nevada Kids,*" Educate Nevada Now, July 14, 2015.

3 "*State money helping wealthier Arizona kids go to private schools,*" Rob O'Dell and Yvonne Wingett Sanchez, The Arizona Republic, July 7, 2016.

4 "*Performance Audit: Arizona Department of Education Department Oversees Empowerment Scholarship Accounts Program Spending, but Should Strengthen its Oversight and Continue to Improve Other Aspects of Program Administration,*" Debra K. Davenport, Auditor General, Performance Audit Division, June 2016, Report No. 16-107.

5 "*Some States Put Parents in Charge of Student Spending,*" Arianna Prothero, Education Week, February 24, 2015.