



EDUCATION COMMISSION  
OF THE STATES  
Your education policy team.

# EDUCATION SAVINGS ACCOUNTS

## PENNSYLVANIA LEGISLATURE – STATE COLLEGE

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# What we do

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We believe in the power of **learning from experience** and we know informed policymakers create **better education policy.**



# Education Commission of the States

- Providing unbiased research and advice to policymakers on Education policy since 1965
- Current members 49 states, four territories and the District of Columbia

# Education Savings Accounts

- What are Education Savings Accounts?
- How do ESAs differ from vouchers
- ESA policy issues
- Current state ESA policies

Information from today's presentation can be found in:  
*"Education Savings Accounts: Key provisions and state variations",*  
Hunter Railey

# What are Education Savings Accounts?

- ESAs are individual accounts – funded by the state – that allow parents or guardians to purchase education services for their student
- ESA purchased services can include:
  - ◆ Tutoring
  - ◆ Online courses
  - ◆ Postsecondary costs, or
  - ◆ Private K-12 school tuition

# What are Education Savings Accounts?

- How ESAs Work:
  - ◆ The state distributes funding to qualified parents or guardians
  - ◆ The parents/guardians are the ones who expend the funds on an education program for their child
  - ◆ The funds can be used at a single school/ed. program or across multiple schools/ed. programs

# States with ESA Programs

- The following states currently have ESA programs:
  - ◆ Arizona
  - ◆ Florida
  - ◆ Mississippi
  - ◆ Nevada
  - ◆ Tennessee

# ESA Policy Issues

- Who qualifies? (Special Ed./General Ed/other)
- What funds will be deposited in the account? (State, local, or other)
- How can the funds be expended?
- What oversight will be provided?
- Will students still be required to meet state assessment qualifications?

# Who Qualifies for ESAs?

	Special Needs Students	General Ed. Students
Arizona	Yes	No
Florida	Yes	No
Mississippi	Yes	No
Nevada	Yes – If the child has been enrolled in NV public schools for 100 day prior	Yes – If the child has been enrolled in NV public schools for 100 day prior
Tennessee	Yes	No

# Funding for ESAs

	Funding Amount Per ESA Student
Arizona	90% of per pupil funding amount
Florida	State per pupil award plus any program or district funds
Mississippi	\$6,500 per student in FY 2015-16
Nevada	90% of per pupil funding amount Students below 185% of poverty line receive 100% of per pupil funding.
Tennessee	The funding – state & local - that the student would be entitled to in the state's funding formula

# Allowable Use of ESA Funds

- Each of the five states allows for ESA funding to be expended on any of the following:
  - ◆ K-12 school tuition
  - ◆ Postsecondary tuition
  - ◆ Needed therapy costs
  - ◆ Extracurricular services
  - ◆ Textbooks and
  - ◆ Other curriculum costs

# Funding for ESAs

	Transportation	Excess Funds Can be Deposited to College Savings Accounts
Arizona	Not Addressed	Yes
Florida	Not Addressed	Yes
Mississippi	Transportation fees allowed	No
Nevada	Transportation fees included	No
Tennessee	Transportation fees included	Yes

# ESA Administration & Accountability

	Program Audits	Testing Requirements
Arizona	Random audits	No
Florida	Annual audits	Required to take state/federal tests
Mississippi	Random audits	No
Nevada	Annual audits	Required to take state/federal exams
Tennessee	Random audits	Required to take state/federal exams

# Other ESA Policy Issues

## ■ Student Enrollment Caps

- ◆ Mississippi capped enrollment at 500 students in 2015-16 then going-up by 500 additional students per year until 2020
- ◆ Arizona caps enrollment increases at 0.5%

## ■ Universal Access

- ◆ Only Nevada currently allows for access to PSAs for all students
- ◆ The Nevada courts have put the program on hold
- ◆ Georgia, Virginia and Washington, D.C. have also looked at universal access

# ESA Best Practices

1. **Student Rights**: Specific provisions that accommodate the needs and protect the rights of disabled populations
2. **Funding**: Per pupil funding based on a student's special education needs
1. **Accountability**: Regular account audits to protect taxpayers from fraud and abuse and to protect the integrity of the programs
2. **Assessment**: Mandatory program evaluations tracking student performance to ensure academic standards are being met

# Contact Us

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