

Special Education ESAs (Education Savings Accounts)

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Education Savings Accounts (ESAs)

- ESAs are an alternative way to fund the educations of special education students
- ESAs are state taxpayer dollars given directly to families that may be used to educate their child
- More flexible than vouchers or scholarships
- May be used to offset tuition payments at private schools and may be used for state approved tutoring or special education services outside of school walls

<https://www.edchoice.org/wp-content/uploads/2016/02/2016-2-The-Education-Debit-Card-II-WEB-1.pdf>

States with Scholarship, Voucher, or ESA Programs

- 32 states have education choice programs that allow parents to use taxpayer funds to offset tuition payments for private schools or other approved educational services
- 14 of these states have choice programs explicitly targeted to special needs students

Arizona

North Carolina

Arkansas

Ohio

Florida

Oklahoma

Georgia

South Carolina

Indiana

Tennessee

Louisiana

Utah

Mississippi

Wisconsin

President Gerald Ford, December 2, 1975

- I have approved S. 6, the Education for All Handicapped Children Act of 1975.
- Unfortunately, this bill promises more than the Federal Government can deliver, and its good intentions could be thwarted by the many unwise provisions it contains. Everyone can agree with the objective stated in the title of this bill -- educating all handicapped children in our Nation. The key question is whether the bill will really accomplish that objective.
- the funding levels proposed in this bill will simply not be possible
- There are other features in the bill which I believe to be objectionable and which should be changed. It contains a vast array of detailed, complex, and costly administrative requirements which would unnecessarily assert Federal control over traditional State and local government functions. It establishes complex requirements under which tax dollars would be used to support administrative paperwork and not educational programs.

Virtues of giving choice to families with special needs students (slide 1 of 3)

- **IDEA sets up an inherently adversarial relationship between families and public schools**
 - **The students have a right to a “free, appropriate public education.” Parents want more for their students, but school districts face budget constraints. So, lots of meetings, threats of litigation, actual litigation, documentation, and paperwork.**
 - **Parents who think their special needs children are not being well-served in their local public school could be given the opportunity through ESAs to find an educational setting they deem better for their children.**
 - **Giving families an “exit” option via ESAs gives them more “voice” when talking with their local public school about their child’s educational and social settings**

Virtues of giving choice to families with special needs students (slide 2 of 3)

- **The feds initially promised they would fund 40% of the cost of educating special needs students. They never have.**
- **Public school districts routinely complain that states also do not provide enough special education funding—and even sue states for more special needs funding**
- **A special needs student exiting a district through a choice program removes the local fiscal burden on the district of educating the student, leaving more local funding for the district to spend on the students who remain**
- **When states pass education choice programs, public school employee groups routinely sue to stop the program**
 - **They often do not sue when special needs voucher and ESA programs are created.**
 - **Ask yourself why not?**

Virtues of giving choice to families with special needs students (slide 3 of 3)

- **Public schools often claim they have shortages of special education teachers and other special education professionals.**
- **Less administrative paperwork, less litigation, fewer unhappy parents for school districts**
- **Families of special needs students often claim their students are bullied or are unfairly disciplined—ESAs allow families to choose different and sometimes smaller settings, where the students' needs can be better served.**

Studies of the Effects of Education Choice

<https://www.edchoice.org/research-library/?report=the-123s-of-school-choice-2#report>

Outcome	Number of Studies	Any Positive Effect	No Visible Effect	Any Negative Effect
Program Participant Test Scores	17	11	4	3
Educational Attainment	7	5	2	0
Parent Satisfaction	32	30	1	2
Public School Students' Test Scores	28	25	1	2
Civic Values and Practices	11	6	5	0
Integration*	7	6	1	0
Fiscal Effects	73	68	4	5

Fiscal Effects of Choice Programs

- **68 out of 73 studies find that private school choice programs have a positive fiscal impact on state and local school district budgets**
 - Four studies found no visible effects
 - Four studies found both positive and negative effects
 - One study found a negative fiscal effect, although a study years later of the same program found a positive fiscal effect of that program

The studies are listed here:

<https://www.edchoice.org/research-library/?report=the-123s-of-school-choice-2#report>

How Would Special Needs ESAs Impact State Budgets

- If you want the fiscal impact of an ESA program to be roughly zero ...
 - **Make ESA awards equal to state enrollment driven funds per special needs student**

How Would Special Needs ESAs Impact Local School District Budgets

- When a student leaves a public school district for any reason (family moves to another school district or moves out of state, student enrolls in a private school, etc.), their former public school district ...
 - Loses state full-time equivalent (FTE) dollars
 - Retains state dollars that are not FTE-driven
 - Retains most federal funds
 - May retain all locally generated funds
- No other enterprise in America, other than K-12 public school districts, gets to retain funds in the future for customers they no longer serve.
 - When a student transfers from Kennesaw State University to the University of Texas, we lose virtually all funding for that student (tuition & fees, state formula funding, Pell Grants, our state HOPE Scholarship).

The Fiscal Effect of Education Choice Programs on School District Budgets

- The students who remain in public schools have MORE resources devoted to their education—when some students leave via choice programs (or leave for any other reason).
 - **Because of the very favorable funding system, districts get to retain local funds, some state funds, and most federal funds, for students they no longer serve.**
- The positive fiscal benefits realized by districts from special needs choice programs are even larger – if there is validity to districts' routine claim they use considerable local funds to educate special needs students and that federal and state funding are insufficient

Florida's McKay Scholarship Program

- **Parents who used McKay Scholarships to send their special needs children to private schools were more satisfied with their children's education—compared to parents of special needs students in public schools**
 - **89.3% of McKay Scholarship parents were very satisfied or satisfied with their special needs child's private school**
 - **71.4% of parents of public school special needs students were very satisfied or satisfied**

https://www.tandfonline.com/doi/abs/10.1207/S15327930pje8101_3

ESAs would provide good incentives

- **ESA programs serve as an incentive for all public and all private schools to provide the best educational, therapeutic, and social services to all students, including those with special needs.**
- **Recognizing that all students are unique, if a school is not providing the best services needed by some children, families will be empowered to find other educational settings who will provide them the great services they deserve.**