NPE TOOLKIT: School Privatization Explained

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, homeschools, and religious institutions. 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, homeschooling, 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 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.

ESAs, by design, increase the 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. 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 the 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 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-price lunches received an average ESA benefit of $15,200 – more than twice the average ESA benefit of $7,350

NETWORK *for* PUBLIC EDUCATION

given to students from schools with the highest share of children receiving free or reduced-price lunches. A state auditor's office in **Arizona** identified more than $102,000 in misspending on education savings account money in just a five-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.

ESAs were first created in **Arizona**, **Tennessee**, **Florida**, and **Mississippi** to help students with special needs. Then, programs were expanded to low-income households or to children in low-performing schools. But now, it's become clear that proponents of these programs want them to become universal.

A proposal in **Florida** expands 2021-22 eligibility to 300% of the Federal poverty level, or $79,500 per family of four, which far exceeds Florida's median household income of $55,483 per year. Eligibility escalates each year by 25%, so next year, the eligibility will increase to 375%, which hovers around $100,000 for a family of four. Despite **Arizona** voters rejecting a statewide referendum for a universal ESA program, the state legislature has introduced a new bill that would make 80% of students eligible for ESAs.

Arizona's current ESA voucher program requires that money should only be awarded to parents transferring out of a public school, but lax oversight has allowed some parents who homeschooled their children to receive the vouchers.

The amounts given out to families enrolled in an ESA program vary a lot by state — from **Arizona's** program providing $5,600 each year per child to **North Carolina's** giving $9,000 per year for a student with more severe special needs. But the vouchers are nowhere near the cost of tuition at a prestigious private school.

A new ESA program proposed in **Georgia** would cost the state $448 million annually once fully implemented while stripping away federal protections for students with disabilities who receive the vouchers.

West Virginia's new ESA program will be the largest and most expensive in the nation--even letting families use tax dollars to educate their child in another state.

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 can 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.
	ESA's encourage misspending and fraud as well as the temptation to homeschool to supplement income.

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 to have smaller class sizes, more specialized resources for student needs, and more education opportunities to meet the high expectations of parents.