

Your Question:

You asked about Education Savings Account (ESA) programs across the states. Specifically, you were looking for available research and/or policy information for programs already underway.

Our Response:

Although programs supporting choice for students with special needs – including vouchers and tax credits – are underway in various forms across the states, Education Savings Account programs are relatively new. In the 2015 legislative session, lawmakers in [at least ten states](#) proposed bills to create ESA programs, five of which were focused on accounts for students with disabilities. Only the bills in Tennessee, Mississippi and Nevada passed.

- ✓ **Mississippi: [SB 2695](#), “Equal Opportunity for Students with Special Needs”**
Students with special needs would be eligible for the five-year pilot program.
- ✓ **Nevada: [SB 302](#), “Education Savings Accounts”**
Available to *any* student who previously attended a Nevada public/charter school for at least 100 uninterrupted school days prior to submitting an application.
- ✓ **Tennessee: [SB 27](#), “Individualized Education Act”**
For students with special needs who have an individualized education program, or IEP.

Prior to the 2015 session, ESAs existed only in [Arizona \(2011\)](#) and [Florida \(2014\)](#). Four of the five ESA programs now in place were originally only available for students with disabilities (Arizona, Florida, Tennessee, and Mississippi). Arizona’s program has since been expanded to include other student groups. [Nevada’s program](#) is unique because it is the nation’s first universal ESA program. Available information and data for the two programs already underway are provided below:

State Highlights

Arizona’s Empowerment Scholarship Account (2011)

When first enacted in 2011, the option was available only to parents of children with special needs. A year later, eligibility was extended to active-duty military families, foster children and parents with children in public schools graded D or F under the state’s accountability system. In June 2013, it was expanded further to include incoming kindergarten students who meet the eligibility requirements.

Program Facts

- ✓ 22 percent of students in the state are eligible to participate. Approximately 1,300 students participated in 2015. New accounts are capped at 0.5 percent of the previous year’s total number of public and charter school students; that cap is removed in 2019.

- ✓ 90 percent of the funds the state would have spent on public school for a student is deposited into the Empowerment Scholarship Account.
- ✓ Parents can “roll over” unused Empowerment Scholarship Account funds from year to year, saving unspent funds for future education-related expenses.
- ✓ Scholarship amount varies according to child-specific factors with children in active-duty military families, underperforming schools or foster care receiving approximately \$5,300 and special needs students receiving between \$10,000-\$15,000.

The Arizona Department of Education worked through many issues when designing the Empowerment Scholarship Program in 2011 and used the experience to develop a [handbook](#) detailing how the ESA works, the history of the program, student eligibility, parents’ rights and responsibilities, education providers’ responsibilities, qualifying purchases, and reporting requirements, among other details.

A [2013 evaluation](#) by the pro-choice Friedman Foundation organization found that “a significant number of families are using their ESA funds to help pay for special education services and therapies. Of the 316 families, 62 used their ESA funds to access therapy and services for their children. In all, those families spent \$209,205 on therapy and special education services from the 2011-12 school year to March 2013.”

On March 21, 2014, the Arizona Supreme Court declined to review a Court of Appeals’ ruling upholding the state’s education savings accounts (ESA) program. The high court’s decision essentially deemed the ESAs constitutional. *Niehaus v. Huppenthal*, No. 1 CA-CV 12-0242.

For additional program details, visit [this State Department of Education information site](#).

Florida’s Personal Learning Scholarship Accounts (2014)

The PLSA is a newly created program designed to ensure that students with disabilities benefit from educational choices beyond those already offered through the [McKay Scholarship Program](#) (a voucher program for students with disabilities). The PLSA provides eligible students a scholarship that can be used to purchase approved services or products. Eligible students include: students in Kindergarten through 12th grade with one of a specified list of disabilities and “high-risk” children who will be 3 or 4 year-olds on or before Sept. 1 of the year they are applying. The program allows parents of eligible students to create a customized education plan by choosing the school, services and therapies that best fit the needs of their child.

Program Facts

- ✓ The scholarship amount varies according to grade, county and disability, but the average amount for most students in 2014-15 was \$10,000 (and may increase in 2015-16). Students with the most severe disabilities are eligible for a higher scholarship amount.
- ✓ Students can continue to receive scholarship until they graduate from high school, reach age 22 or return to public school. Money in the account can roll over from one year to the next, and the account can remain in place until a student graduates from a postsecondary education institution, such as college or technical institute, or has gone four consecutive years after high school with no further education. At that point, the account is closed and any remaining money reverts to the state.
- ✓ Scholarship funds may be used for: instructional materials, curriculum, assessment fees, contributions to the Florida Prepaid College Program, contracted services, including classes, specialized services by an approved provider, and enrollment in, or tuition fees associated with enrollment in an eligible private school, an eligible postsecondary educational institution, a private tutoring program, a virtual program offered by a department-approved private online provider, the Florida Virtual School as a private paying student, or an approved online course.

- ✓ Students can participate in the PLSA scholarship as part of home education; however, they cannot be enrolled in a public school or be receiving any other state-sponsored scholarship (McKay Scholarship or the Florida Tax Credit Scholarship).

For additional details on the PLSA program, visit [this State Department of Education information site](#).

Some questions to consider (adapted from the Arizona handbook)

- ✓ Will the program be publicly managed by the department (Arizona) or privately managed by a non-profit scholarship organization (Florida)?
- ✓ How large will the scholarships be?
- ✓ Are homeschooled students who were never a part of the public school system eligible?
- ✓ How will it be determined which products and services would qualify for ESA funds?
- ✓ Is the department responsible for ensuring the quality of qualifying products and services?
- ✓ How would the Department prevent parents from using the ESA debit cards on non-qualifying purchases?
- ✓ What will the application process look like?