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## Impact of Education Savings Accounts Under HB 2228

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Education is not one-size-fits-all. For children with special needs, this is particularly true. Ann and Tony Zanca of Florida know this first hand. Their 14-year-old son [Ben](#) has dealt with numerous health problems since birth, including cerebral palsy, epilepsy, autism, and a rare disorder known as CLOVES syndrome.

Ben attended the local public school until 7<sup>th</sup> grade, but it wasn't a good fit for him. According to his dad, "It's not that they didn't care, but he wasn't going anywhere; he was going backward. Teachers have their hands tied with all the new testing and all they did was quizzing for the test. There was no hands-on learning, which is what Ben thrives on."

Unfortunately, the Zancas couldn't afford the school that looked like a perfect solution for their son. Things changed when they learned about Florida's education savings account program, known as the [Gardiner Scholarship](#). Ben is now thriving at his new school, and his parents are thrilled. He is doing well academically and socially, and his self-confidence has increased. His mom calls the Gardiner Scholarship, "the answer to our prayers."

Thousands of Pennsylvania students with special needs will have similar opportunities if the legislature and Gov. Wolf enact [House Bill 2228](#). Sponsored by Representative Judy Ward, HB 2228 would allow parents of students with special needs to open [education savings accounts](#) (ESAs) for their children. The state would deposit a portion of the state's per pupil education subsidy into each account, which parents could use for tuition, special needs services, curriculum, and more.

### **Key Provisions of HB 2228**

- This legislation would offer an ESA to any student with special needs (students with an IEP, a 504 plan, a diagnosed disability under federal law, or a diagnosis that qualifies for early intervention) and students with a gifted IEP anywhere in the state.
- To be eligible, students must have been enrolled in public schools the preceding semester; be entering kindergarten or first grade; be in foster care, recently adopted, or children of active military families.
- Participating students would be allowed to renew their ESA.

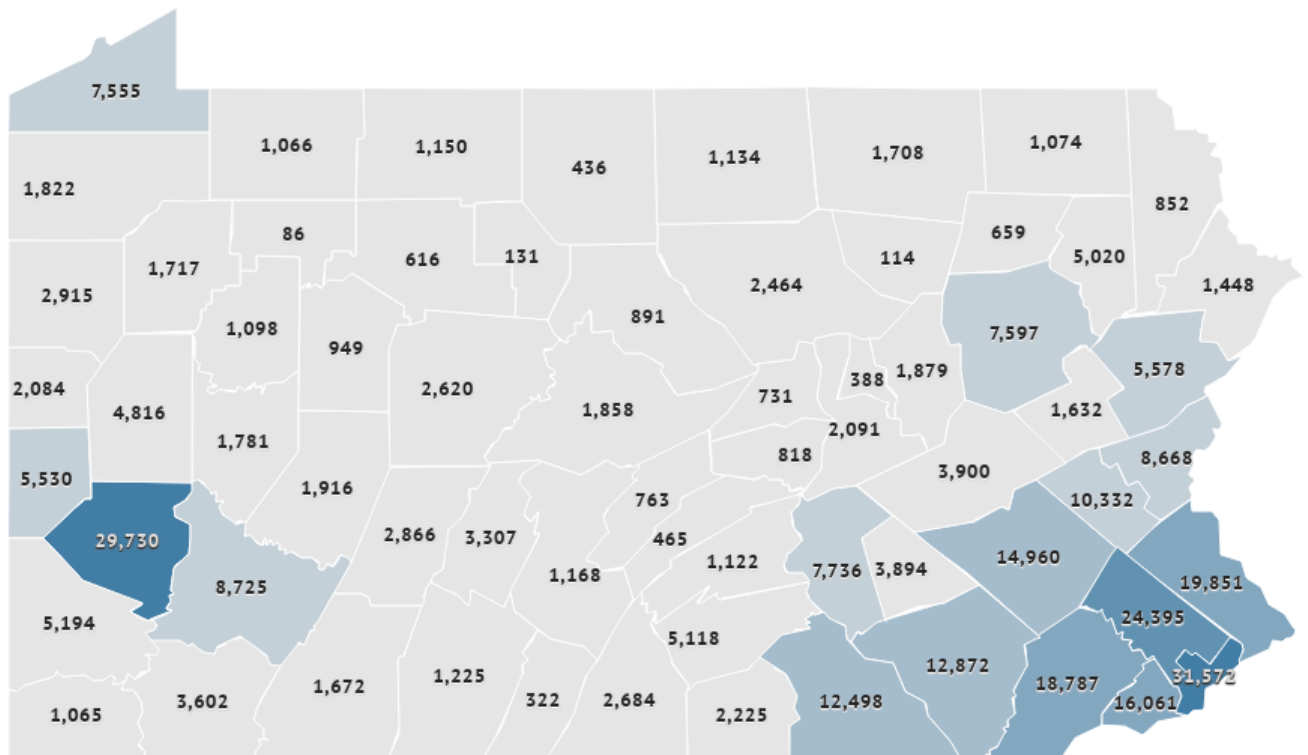
### **Potential Participation**

- There are more than 300,000 students [across the state](#) who attend public school and have an Individualized Education Program (IEP). This includes students with disabilities and gifted students.
- In other states, one to two percent of eligible students have taken advantage of ESAs. If a similar percentage of Pennsylvania students with special needs utilize the program,

nearly 6,000 children would be able to access the educational options that best fit their needs.

- A 10 percent participation rate would result in approximately 30,000 ESA recipients. While this represents less than two percent of the total Pennsylvania public school enrollment, the impact on these students would be enormous.

## APPROXIMATE NUMBER OF STUDENTS WITH IEP BY COUNTY (2015-16)



Source: Kids Count Data Center (<https://datacenter.kidscount.org>). Includes students with disabilities (from PA Department of Education, Bureau of Special Education, Special Education Statistical Summary) and gifted students (estimated from PA School Performance Profiles).

### Funding

A child's ESA equals 90 percent of all state payments made to the resident school district of the eligible student for the immediately preceding school year divided by the resident school district's average daily membership for the immediately preceding school year.

- Since state funding per district differs widely, the amount of each ESA will vary correspondingly. Based on 2016-17 state contributions, ESAs will range from a low of \$2,700 to a high of almost \$16,000.
- For children with more challenging disabilities, the cost of education can increase dramatically. States like Arizona include a multiplier that increases the value of an ESA based on the needs of the child.

## Unused Funds

Any unused funds at the end of a school year can roll over for subsequent years. Unused funds revert to the General Fund once the eligible student reaches 26 years of age.

## Administration

Senate Bill 2, which would allow children in low-performing schools to utilize education savings accounts, tasks the Treasury department with administration of ESAs. In contrast, HB 2228 designates the Pennsylvania Department of Education as the sole administrator of the program. Duties include:

- Soliciting requests for proposals from private financial management firms to manage the accounts financially;
- Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis;
- Refer cases of fraudulent misuse of funds to law enforcement agencies for investigation;
- Establish reasonable fees for private financial management firms that manage accounts based upon market rates;
- Make payments to eligible students' accounts on a quarterly basis;
- Provide for development of a system to allow parents to pay for services by electronic funds transfer.

## Benefits of Education Savings Accounts

- **ESAs empower families.** Unless they can afford to move, pay for private school, or homeschool, parents of students with special needs have few options if the local public school isn't a good fit for their child.
  - An [EdChoice study](#) of Arizona's ESA program reveals 71 percent of parents were "very satisfied" with the program, while in Mississippi, [more than 90 percent](#) of parents were satisfied, with 63 percent being "very satisfied."
  - Moreover, [studies](#) show that parents who exercise choice tend to be more actively engaged in their children's educational experience.
- **ESAs provide accountability.** By empowering parents, HB 2228 provides the ultimate accountability. If a school or other provider doesn't meet their children's needs, they can switch to a different school or provider.
  - HB 2228 also includes requirements for standardized testing to measure learning gains in mathematics, language arts, and science. Eligible students for whom standardized testing is not appropriate under the student's IEP are exempt from this requirement.
- **ESAs improve public schools.** [Dozens of studies](#) confirm that educational choice boosts student achievement and improves public schools by injecting competition.
- **ESAs protect taxpayers.** Pennsylvania public schools are being funded at [record levels](#). ESAs provide education for a fraction of the \$17,884 average revenues per pupil districts currently receive.

## ESAs in Other States

State	Program Name	Description	Participation	
			#	Rate
AZ	Empowerment Scholarship Accounts	First ESA program in U.S. Began 2011. Initially special needs focused. A 2017 expansion will gradually open the program to nearly all K–12 students.	3,547*	1.4%
FL	Gardiner Scholarship Program	Special needs students. Enacted 2014. Began 2015.	7,463	2.1%
MS	Equal Opportunity for Students with Special Needs Program	Special needs students. Enacted 2015. Began 2015.	425	0.6%
NC	Personal Education Savings Accounts	Special needs students. Enacted 2017. Begins 2018.	N/A	N/A
NV	Education Savings Accounts	Enacted 2015. First universal ESA program. Legislature has not funded it yet.	N/A	N/A
TN	Individualized Education Account Program	Special needs students. Enacted 2015. Began 2016.	113	0.6%

\* Partial Data  
Source: "School Choice in America," EdChoice, last modified July 6, 2017, <http://www.edchoice.org/school-choice/school-choice-in-america>.

## Why It Matters

For thousands of students, the local public school is a great option. That doesn't mean it is the best solution for every child. Like Ben Zanka, there are children across Pennsylvania who have special educational needs. With education savings accounts, parents of these students will be empowered to craft the unique educational path that suits them best. Children with special needs – and their parents – face challenges every day. Affording the education that allows them to thrive shouldn't be one of them.