



TESTIMONY

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SAVINGS ACCOUNTS FOR EDUCATION

By Michael Q. McShane

Testimony Before the Senate Education Committee

TO THE HONORABLE MEMBERS OF THIS COMMITTEE:

Thank you for the opportunity to testify. My name is Michael McShane, and I am Director of Education Policy for the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that advances sensible, well-researched, free-market solutions to state and local policy issues. The ideas presented here are my own. This testimony is intended to summarize SB 609, “Missouri Empowerment Scholarship Accounts Program” a proposed bill to create a program to fund education savings accounts for students with special needs.

WHAT ARE EDUCATION SAVINGS ACCOUNTS?

Education savings accounts (ESAs) are flexible-use spending accounts that families can use on approved educational providers to customize

the education that best fits their children’s needs. ESAs are modeled after health savings accounts: Money can be spent only on approved providers and for qualifying uses. To date, five states offer such programs. Florida, Mississippi, Tennessee, and Arizona offer ESAs to students with special needs, and Nevada made them available to all students in the state. In Nevada’s first early enrollment period, over 4,100 students applied to participate.¹

ESAs represent a major evolution in the world of school choice. To date, when we’ve talked about offering more options to parents, they have had to use whatever support the government provided in one lump sum, going entirely to a charter school or private school in the form of a voucher or tax credit scholarship. ESAs let parents and students spread the money that they receive among providers, be that a private tutor, an online education program, or a private school. They are free to send all of

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their money to one provider, or to divide it among as many providers as they see fit. The family is in control.

WHY STUDENTS WITH SPECIAL NEEDS?

Students with special needs are the perfect candidates for education savings accounts. After all, when we talk about what traditional public schools must do to design an education program for a student with special needs, we call it an “individualized education plan.” We recognize that each of these students, even though they might be diagnosed with the same learning issue, is unique and will need an education customized directly for them. There is no better way to create that customized education than through an education savings account program.

There is also a pernicious belief that school choice programs will “skim” the top performing students or the children who are easiest to educate. Creating a program specifically for students with special needs refutes that notion. There are educational providers all across the state who want to help students, even those with learning needs that present serious challenges, and such a program would help them to do so.

WHAT DO MISSOURIANS THINK ABOUT ESAS?

In 2014, in conjunction with the Friedman Foundation for Educational Choice, the Show-Me Institute commissioned Braun research to survey a representative sample of 600 Missourians about

their opinions on ESAs. What we learned surprised even us. Sixty percent of respondents said that they supported ESAs, and only 32 percent indicated that they would oppose an ESA program. A majority of every demographic group—school parents and non-school families, urban and rural, Democrat and Republican, all age groups, all income levels, and all races—favored an ESA program.² Few programs enjoy such broad support.

CONCLUSION

Many parents of students with special needs across the state are frustrated with the services that their children are currently receiving. I don’t blame them. It is hard for schools and school districts to customize a child’s education to the level necessary to overcome the learning issues that some of these students bring into the classroom. But with the right help, it is possible to create an educational environment in which these students can thrive. That help exists in the many private schools and independent providers that exist across the state that many of these parents already use at great personal expense. A special-needs ESA program would help families cover these costs and get the education that best serves their children. Let’s help them do it.

Michael McShane is the director of education for the Show-Me Institute.

NOTES

1. <http://www.reviewjournal.com/news/education/savings-accounts-private-school-limbo-after-judges-preliminary-injunction>.
2. Missouri K-12 & School Choice Survey. “What Do Voters Say About K-12 Education?” Polling Paper No. 19, May 6, 2014. Available at: <http://www.edchoice.org/Documents/Research/2014/Missouri-Survey/Missouri-K-12-and-School-Choice-Survey>. The full question was: “An ‘education savings account’ – often called an ‘ESA’ – allows parents to take their child out of a public district or charter school, and receive a payment into a government-authorized savings account with restricted, but multiple uses. Parents can then use these funds to pay for private school tuition, virtual education programs, private tutoring or saving for future college expenses. In general, do you favor or oppose this kind of ‘savings account system?’”

NOTES



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