



TESTIMONY

February 26, 2019

HOUSE BILL 476: FUNDING BRYCE'S LAW

By Susan Pendergrass

Testimony Before the Missouri House Special Committee
on Student Accountability

TO THE HONORABLE MEMBERS OF THIS COMMITTEE:

Thank you for the opportunity to testify. My name is Susan Pendergrass, Ph.D., and I am Director of Research and 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 and summarize the research regarding how Bryce's Law could serve students with special needs in Missouri.

What are Education Savings Accounts?

Bryce's Law created Education Savings Accounts (ESAs) for students with disabilities so they can afford educational options beyond what is offered by their assigned public school. 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: Arizona, Florida, Mississippi, North Carolina, and Tennessee. There are over 18,000 students in the nation using ESAs.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, sending all the money 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; they can spend some of it on a private tutor, some on an online education program, and some on a private school. They are free to send all of their money to one provider, or to divide it among as

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many providers as they see fit. The family is in control. Unfortunately, the funding mechanism for Bryce's Law ensured no one would contribute under its provisions.²

Why Students with Special Needs?

Students with special needs are ideal candidates for ESAs. 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 is unique, even though several might be diagnosed with the same learning issue, and each will need an education customized directly for them. There is no better way to create that customized education than through an ESA program.

There is 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, including those with learning needs that present serious challenges, and an ESA program would help them to do so.

What Do Missourians Think about School Choice?

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.³ Few programs enjoy such broad support.

Giving Bryce's Law Teeth

When Bryce's Law was originally passed in 2013, it provided that contributions to scholarship-granting organizations under its provisions would only be

tax-deductible, which is no different than any other contribution to a charity. As noted earlier, not surprisingly, to date no students have received a scholarship under Bryce's Law.

House Bill 476 would create a fund for Bryce's Law in the state treasury. The fund would receive appropriations and grants for up to 90 percent of the special education state adequacy target (1.075 times the state adequacy target for all students) toward the number of scholarships expected to be awarded each year. DESE would award grants to scholarship-granting organizations that would then administer them to qualifying students. Students with special needs could finally access scholarships for their education with this funding. Within the scope of qualified expenses and providers, students with special needs could create a blend of educational services.

Dedicated funding for Bryce's Law would support students with special needs, and it could bring about cost savings for public school districts, as they often have to hire outside specialists and other personnel to work with students with special needs. At the very least, it would be revenue-neutral for the state, as the funding that would have followed students to their home district will simply follow them to their ESA. The education funding formula already determines the funding amount; this bill would simply change the route of the money.⁴

CONCLUSION

Many parents of students with special needs across the state want access to educational services that their children are not receiving. Funding Bryce's Law would give these families a resource for accessing those services.

Susan Pendergrass is the director of research and education policy at the Show-Me Institute

NOTES

1. EdChoice. School Choice Fast Facts and Statistics. Available at <https://www.edchoice.org/resource-hub/fast-facts>.
2. McShane, M., Pendergrass, S., Shuls, J. Bryce's Law Revisited: Serving Missouri's Neediest Students Through Targeted Scholarships. Show-Me Institute. September 2018. Available at: <https://showmeinstitute.org/publication/school-choice/bryces-law-revisited-serving-missouris-neediest-students-through-targeted>
3. Missouri K-12 & School Choice Survey. "What Do Voters Say About K-12 Education?" Polling Paper No. 19, May 6, 2014. Available at: <https://files.eric.ed.gov/fulltext/ED560646.pdf>. 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'?"
4. McShane, M., Pendergrass, S., Shuls, J. Bryce's Law Revisited: Serving Missouri's Neediest Students Through Targeted Scholarships. Show-Me Institute. September 2018. Available at: <https://showmeinstitute.org/publication/school-choice/bryces-law-revisited-serving-missouris-neediest-students-through-targeted>



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