



TESTIMONY

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SENATE BILL 23: EMPOWERMENT SCHOLARSHIP ACCOUNTS IN MISSOURI

By Susan Pendergrass

Testimony before the Missouri Senate Education Committee

TO THE HONORABLE MEMBERS OF THIS COMMITTEE:

Thank you for the opportunity to testify. My name is Susan Pendergrass, Ph.D., and I am the 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 the need for Empowerment Scholarship Accounts (ESAs) to serve students in Missouri.

WHAT IS AN ESA?

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. To date, five states offer such programs. Arizona,

Florida, Mississippi, North Carolina, and Tennessee offer ESAs to students, and there are nearly 21,000 students in the nation using ESAs.¹ ESAs represent a major evolution in the world of school choice. ESAs let parents and students determine how they will spend the money that they receive, be that for a private tutor, an online education program, a micro-school, or a private school. They are free to send all of their money to one provider, or to divide it among as many providers as they see fit. They can even use the funds for textbooks, education therapies, or a host of other approved services and products. The family is in control.

WHY AN ESA?

Critics of ESAs often incorrectly label these programs as just another voucher scheme. Matthew Ladner, the Executive Director of redefinED,

¹ [EdChoice. School Choice in America.](#)
Accessed January 15, 2020.

states that ESAs “bring Milton Friedman’s original school voucher idea into the 21st century.”² Voucher programs are single-use programs; they send state taxpayer dollars directly to private schools and only to private schools. ESA programs, on the other hand, place the funds in an account that offers parents many options. Some groups of students who may benefit the most from ESAs are students whose assigned public school doesn’t offer an education that works for the student or their family, bullied students, students in military families, and special-needs students. These students often get left behind in our current “one size fits all” education system. ESAs would provide them the opportunity to find the services that provide safety, high-level academics, and/or individualized plans.

DO ESAs SAVE TAXPAYER MONEY?

Senate Bill 23 would fund the ESAs with tax-credit donations. An individual or group donates money to an Education Assistance Organization, a charitable organization registered by the state. The donors then receive a 100 percent tax credit for the amount donated, up to 50 percent of their total state tax liability. Students who receive ESAs are no longer the responsibility of their local school districts. However, their participation in the program only impacts their districts’ state funding, by virtue of the student no longer being included in their home district’s attendance reporting, not local or federal funding. Show-Me Institute authors have found that a potential tax-credit scholarship, as indicated in the bill text, could be beneficial for the state’s budget.³

² [Matthew Ladner, “The Way of the Future: Education Savings Accounts for Every American Family.” The Friedman Foundation, 2012.](#)

³ <https://showmeinstitute.org/publication/school-choice/estimating-fiscalimpact-tax-credit-scholarship-program>.

CONCLUSION

This year more than ever, too many Missouri parents are frustrated with the education that their children are currently receiving at their assigned public schools, but they have no other options. With the right policy, however, it is possible to create an educational environment in which all students can thrive. Providing access to in-person learning at private or micro-schools, as well as access to other educational resources, to parents who can’t otherwise afford them would help families get the education that best serves their children.



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