



EDUCATION SCHOLARSHIP ACCOUNTS

Policy Overview *ExcelinEd Policy Toolkit - 2022*

Each student has unique needs and learns in different ways. By allowing parents to plan for their children's individual needs, education scholarship accounts (ESAs) create a personal approach to education.

WHAT ARE EDUCATION SCHOLARSHIP ACCOUNTS?

An ESA is a state-supervised spending account containing funds for an eligible child that families can use to pay for various educational services. With an ESA, parents (or legal guardians) **direct their child's education funding to the** approved schools, courses, programs and services of their choice—plus, in some states, unused funds can be saved for future K-12 and college expenses.

ESAs enable parents to evaluate education services and make the best educational choices for their child.

HOW CAN PARENTS USE ESA FUNDS?

Each ESA program differs in how funds may be used. Generally, though, parents can use ESAs to pay for a variety of educational services, including, but not limited to:

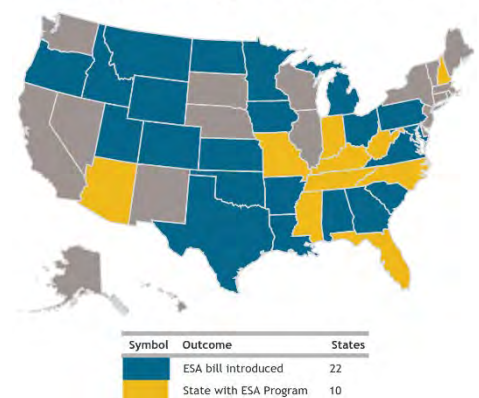
- Tuition and fees at participating private schools
- Tutoring
- Special education services and therapies
- Online learning courses and programs
- Fees for specialized or advanced courses, annual testing, certifications and college entrance exams
- Education-related transportation services
- Savings for future K-12 or higher education expenses

WHICH STATES HAVE EDUCATION SCHOLARSHIP ACCOUNTS?

To date, 10 states have passed a total of 11 ESA programs. Seven programs allow parents to use state funds their children would otherwise receive in their local district; two appropriate separate state funds for ESA students; and two finance ESAs with dollars raised through tax-credit donations. Arizona established the first ESA program in 2011. In the beginning only students with special needs qualified, but the state expanded eligibility to include students in low-performing public schools, foster children, military families and siblings of participating students. In 2022, the governor signed into law a program expansion that makes every K-12 student in the state eligible for scholarship accounts.

Four states – Florida (2014), Mississippi (2015), Tennessee (2015) and North Carolina (2017) –established the next wave of programs for students with special needs. In 2019 Tennessee adopted a second ESA program for Nashville and Memphis-area students. The newer program surmounted a court challenge to take effect in 2022. Five more states added programs in 2021, none of them limited to serving only children with disabilities. Most notably among newer programs, West Virginia's Hope Scholarships are available to all K-12 students with prior public schooling.

ESA Activity in 2021-2022





HOW ARE ESAS DIFFERENT THAN VOUCHERS OR TAX-CREDIT SCHOLARSHIPS?

Vouchers and tax-credit scholarship programs award funds that families can only use to pay tuition and related expenses at a participating private school. ESAs, on the other hand, are flexible spending accounts controlled by parents and supervised by the state. Public funds or tax-credit donations are allocated to students and deposited into ESAs that parents can save or use as they see fit. Rather than restricting the money for one specific purpose, ESA families can fully customize and design an educational experience for their children. Many ESA laws explicitly allow unused dollars to roll over from one year to the next—which is not possible with a voucher or tax-credit scholarship.

WHY CHOOSE ESAS?

ESAs Embrace Customization

Instead of being limited to choosing “**School A**” or “**School B**,” parents have a full menu of options to choose from. A child can attend private school and receive speech therapy on the side. Another child can learn math and science online, English and history at home, see a tutor twice a week and save leftover money for future education expenses. With an ESA, education is no longer “use it or lose it.” Parents decide where the best values are and can **direct their child’s funds in the most efficient way**.

Greater Choice Produces Positive Outcomes

Surveys of ESA parents in Arizona, Florida and Mississippi show **the ability to choose and customize their children’s** educational experiences increases their satisfaction, a finding that closely mirrors the research on voucher and tax credit programs. ESAs not only provide important options for families, but they also have the capacity to strengthen public schools. While research is awaited on the specific impacts of emerging ESA programs, [findings from other choice programs](#) have overwhelmingly shown improvements for students who remain in public schools.

Parents and Children Say It Best

- [Veronica Ragland](#) tells how her daughter Salima **wasn’t accepted at** their local Arizona public school because of her disability. When Salima received an Education Empowerment Scholarship, Veronica found a school and services to help her daughter thrive.
- Florida student [JJ Humphrey](#) **recounts how his state’s Family Empowerment Scholarship** - Unique Abilities program allowed him to begin his acting career in community theater, portraying a character who is also neurodivergent.
- Army veteran **James Martin highlights how North Carolina’s Children with Disabilities Grant allowed him** to find a school that was the best fit for his [daughter Mia](#), who has Autism. **The Martin family’s** quality of life has also improved **by getting Mia’s needs conveniently met at one location**.

HOW CAN I LEARN MORE?

For more information on ESAs, see additional resources on the [ExcelinEd website](#). Contact Ben DeGrow (Ben@ExcelinEd.org) or Michael Chartier (Michael@ExcelinEd.org).