How are Education Scholarship Accounts (ESAs) different from vouchers or tax credits?
An ESA is a state-supervised spending account that families can use to purchase various approved educational services they choose for an eligible child, not just for tuition at a private school.

How are ESAs funded?
Some programs are underwritten by either tax-credit donations or limited pots of state-appropriated dollars. Yet while it initially generates greater political resistance, the most common and reliable method is to fund ESA students based on the public school formula.

Spotlight on Florida
Family Empowerment Scholarships expanded to universal eligibility in 2023, making it by far the nation’s largest ESA program. Applying the state’s funding formula, over $7,000 a year underwrites each student’s account (more for unique abilities) to pay for tuition and other services.

How can ESAs serve all students while best helping those who need it most?
Choice is most sustainable when all students are eligible and when robust funding levels follow. States can also apply more funds to special-needs and low-income learners, opening access to more providers and needed services.

How are ESAs administered?
Most programs are overseen by state agencies (education departments or state treasurer’s offices). Contracting with a qualified nonprofit program manager, though, can provide a nimbler option to implement a complex program while delivering quality customer service. A significant administrative cost margin, as much as 10% at first, may be needed to accomplish the job.

How can ESAs preserve financial integrity?
ESA laws typically require careful audits of account spending and rigorous reporting of potential fraud, among other features. Parents and providers that act inappropriately can be removed, but with fair opportunities to appeal.

At the same time, how can parents have the most efficient access to ESAs?
Poor customer service may pose a greater threat to ESA programs than misspending. Policies can allow families to apply any time and roll over funds, while broadly defining qualified expenditures and not imposing extra constraints.
Spotlight on New Hampshire

The nonprofit Children’s Scholarship Fund oversees the state’s income-based Education Freedom Accounts with a healthy administrative margin, a rolling application period, and a strong focus on working with families to approve expenses while maintaining fiscal accountability.

How do states ensure a range of quality provider options?

Policies can restrict a state from dictating how providers operate beyond basic fiscal and safety concerns. Parents decide which providers serve their children well and best represent their values, promoting a pluralistic system of effective options.

Where does homeschooling fit into an ESA program?

ESA spending flexibility should entail the option to customize learning at home full-time or in a hybrid scheduling arrangement. Families who don’t want to accept public funds can be granted a legal safe harbor to practice homeschooling separately.

How do we know ESAs work?

To the extent ESAs operate like other choice programs, overwhelmingly research shows favorable academic outcomes. Parent participation and satisfaction represent strong indicators. Transparent reporting of flexible testing options (state or norm-referenced) or teacher-reviewed portfolios can help stakeholders see if participating students are progressing in their learning.

Where can I find additional resources?

To read and learn more: Education Scholarship Accounts and Public Accountability; Building an ESA Program from the Ground Up. Model policy: Education Scholarship Accounts.

Contact

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