

# FAST FACTS



## EDUCATION SCHOLARSHIP ACCOUNTS (ESA'S)



PALMETTO  
PROMISE  
INSTITUTE

Across the nation, an innovation known as Education Scholarship Accounts (ESA's) is enjoying strong, bipartisan, legislative, parental and taxpayer support. Why? Because with ESA's, a basic principle of fairness and freedom is achieved: state-appropriated education dollars follow the child. With that aspiration fulfilled, all children, but especially the most vulnerable, can finally receive the customized education they need to reach their full potential.

No other education reform can promise the quality of learning, the preparation for the future, the flexibility to meet the individual needs of a child, and the immediacy of impact that ESA's offer.

In South Carolina, the ESA concept has been developed into what would be known officially as Equal Opportunity Education Scholarship Accounts.

### WHY ARE ESA'S NEEDED?

- We need better learning outcomes, particularly in poor and rural areas. Sadly, South Carolina's education system has been ranked at or near last in the country.
- Our neighbors in Florida, Mississippi, North Carolina and Tennessee all have ESA's and several other states are considering the idea.
- Parents using ESA's love them: South Carolina parents should have the same opportunity.

### 20TH CENTURY EDUCATION: STATUS QUO

- One-size-fits-all approach
- School assigned by zip code
- Designed for an agrarian or industrial economy
- One education provider

VS.

### 21ST CENTURY EDUCATION: ESA'S

- Customized to the student
- Flexible education options
- Designed for an innovation economy
- Multiple education providers



## HOW DO ESA'S WORK?

- Parents of eligible students apply for an account funded by a portion of state education funds that would have otherwise been spent on the student's behalf in the public school to which the child was assigned.
- Families choose from an approved list of services and providers to customize their child's education. This could include school tuition, tutoring, textbooks, therapy or any approved education service that accommodates their unique needs.
- Following the application and approval process, parents would be granted access to a special bank account reserved for use to pay providers to meet their child's specific education needs.
- Any unused funds may be rolled over to use for college, creating new opportunities for low income students.



## HOW WILL ESA'S HELP SOUTH CAROLINA SPECIFICALLY?

Overlaying more offices, mandates, and spending on top of outdated systems will not work. Instead, South Carolina must think strategically about how to leverage scarce dollars and new innovations to deliver better results for students. An ESA program customized to South Carolina's needs could help address education gaps in our rural communities, take pressure off communities that face overcrowded public schools, and increase education options for families across the state.

While many other reforms could take years to effect change, ESA's would deliver immediate results. With ESA's, students, teachers and parents are treated as unique individuals, not cogs in the wheel of a one-size-fits-all system. That scenario may play itself out with rising graduation rates, increase college enrollment among minorities, fewer of the most vulnerable being left behind and community satisfaction with education skyrocketing.

## DOES ESA LEGISLATION HAVE BIPARTISAN SUPPORT?

Both Mississippi and Arizona passed ESA legislation with strong bipartisan support. In 2014, when a bill came up for a vote in the Florida House Choice & Innovation committee to allow families of disabled students to use education funds for a variety of different expenses, the measure passed 11-2 with support from both Democrats and Republicans.

## WHAT DOES THE SOUTH CAROLINA BILL LOOK LIKE?

Building on the existing ExceptionalSC tax credit scholarship program, the South Carolina ESA bill first seeks to meet the needs of more students with special needs who need the flexibility that ESA's provide. According to the bill text, student populations who are eligible to receive an ESA include:

- students with disabilities diagnosed by a physician or psychologist
- students residing in a household eligible for free and reduced lunch
- current and previous foster care students
- children of military families

For South Carolina students who have been unable to reach their full potential in their current educational circumstances, ESA's will provide new opportunities. For parents who know their child would perform better if more opportunities were afforded to them to get ahead but feel stuck by a rigid system or financial stress, ESA's are a gateway to new possibilities, helping children from the Pee Dee to the Golden Corner.

## WOULD SOUTH CAROLINA PARENTS SIGN UP FOR ESA'S?

Evidence that parents would like more education choice is recognized in the fact that students enrolled in South Carolina's Exceptional SC tax credit scholarship program jumped from 405 students to 1,066 in its first year.

## WHAT DO PARENTS SAY?

In states where they are available, ESA's have been embraced by parents. In a 2013 Arizona survey, 100% of parents of ESA students reported satisfaction with the program and no parent expressed dissatisfaction. Parents also like the flexibility and the control that accompany ESA's.

## DO ESA'S HURT PUBLIC EDUCATION?

No. In states where robust school choice programs like ESA's exist, public schools have not suffered harm, and in many cases, have seen improvement in student learning.

ESA's leave behind all federal & local funds for fixed overhead costs, while relieving the school entirely of the costs associated with having the student in the school.

In Arizona, the first ESA program in the nation, there has not been a mass exodus from traditional schools. Although about 20% of all public schools were eligible for an ESA, there are now 3,500 participants. Each of those students represent a story of new hope for reaching their full potential.

## WHAT IS THE BOTTOM LINE?

Education Scholarships Accounts are vital if we are to claim the promise of every student in South Carolina reaching their full education potential.

