

# Answering Questions about **Education Savings Accounts**



Education Savings Accounts (ESA) allow parents to customize and personalize their child's education. With an ESA, parents withdraw their child from the local public school and instead receive money from the state to pay for alternative academic options and expenses.

**What is an ESA?** A flexible spending account, controlled by parents and administered by the state, which may be used on multiple educational services.

**What can parents use their ESA to purchase?** Parents may purchase:

- ▶ Private school tuition
- ▶ Accredited tutoring fees
- ▶ Textbooks
- ▶ Curriculum
- ▶ Standardized tests
- ▶ Transportation
- ▶ Online programming
- ▶ Specific courses from traditional public schools
- ▶ Students with disabilities may also use the ESA to purchase educational therapy.

**Which students are eligible for an ESA?** Eligibility varies depending on the state. Some states allow universal eligibility, while others restrict ESAs for students with an Individualized Education Plan (IEP) or specific learning disabilities. Legislation being crafted in Pennsylvania will extend eligibility to all students with an IEP.

**How can ESAs help special needs children?** ESAs allow families to craft flexible educational schedules that are not available in a one-size-fits-all public school.

- ▶ Elias Hines, an ESA recipient in Arizona who has autism and hyperlexia, used his account to create an adapted schedule that included academics as well as the speech, occupational, and physical therapy that his doctor prescribed.

**Do ESAs exist in other states?** The accounts exist in Arizona, Florida, Mississippi, Tennessee, and Nevada. Many other states are preparing to create ESAs.

**Is an ESA the same as a private school scholarship?** No.

- A scholarship may only be spent on tuition. ESA funds, on the other hand, may be spent on multiple approved educational services. With an ESA, parents are empowered to customize the best learning environment for their child.
- With one ESA, a child with dyslexia could sign up for individualized tutoring with a certified instructor; offset the cost of private school tuition; enroll in an online foreign language course; and receive individualized algebra tutoring with a local instructor—all while saving up the leftover money to eventually spend on college tuition.

**How are ESAs funded?** Ninety percent of a school district's cost of educating the student is deposited into the ESA, which is controlled by the parent and spent on other educational programs. Funds are deposited quarterly into the parent's account.

**Do ESA funds roll over from one year to the next?** Yes.

- Unused funds in a given year may be rolled over to pay for future educational expenses.

**Are ESAs a college savings plan?** No.

- ESAs are designed for use during grades K-12. However, unused funds at the end of high school may be used to help pay for college tuition.

**How does the state oversee the accounts?**

Legislation will define the types of services covered, and the state Department of Education will provide parents with more detail on approved expenses. The Department of Education will also conduct random ESA audits to ensure funds are being spent on approved educational services.



**Will ESAs cost taxpayers more money?** No.

- ESAs allow taxpayers to save money and parents to customize the perfect educational experience for their child. Each account is funded with 90 percent of the money the local public school would otherwise spend on the child. Parents know their kids best, and parents should be empowered to control this funding.