

Fast Facts

Education Savings Accounts Divert Public Funds to Private Schools with Little Accountability and Poor Results



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State-funded vouchers use existing state funds intended for public schools and instead redirect them for use in non-public, private education programs. Education Savings Accounts (ESAs) are a form of these state-funded vouchers. The primary difference between ESAs and traditional vouchers is that with ESAs, the public funds go directly to the family of the student – rather than the private school – and can be used for almost any educational services and supplies, involving less oversight than with traditional vouchers.

Our school districts are struggling to keep up with increased costs as funding levels remain flat.¹ ESAs could divert significant amounts of money away from the public education system in the wake of a pandemic when children are returning to in-person public schooling and resources are needed more than ever.

High Costs to Public Education

Proponents argue that ESAs do not have a revenue impact since the state would otherwise provide the same funding for those students to attend public school. However, there is a clear revenue impact for individual schools and school districts, which cannot remove seats from a school bus or lower their heating costs when a few students leave the public system. Additionally, ESAs can quickly become costly to the state when families who would have sent their children to private schools or home school regardless use public funds via an ESA to pay for part of the costs.

The amount tax credit vouchers remove from the state treasury varies based on the legislation's design, including the number of students who switch from public schools to private ones, the value of the credit, and the amount the state would allocate for each student if they enrolled in their local school district.

Depending on the above factors, ESAs could have major impacts on school districts' ability to pay for fixed costs like transportation that do not change when a small number of students leave the public school system. West Virginia spends less than the national average in total public education spending. In 2018, the state ranked 34th in total per pupil spending. In fact, the only areas in which West Virginia's spending is higher than the national average are in fixed costs like transportation and operations and maintenance, which do not decline when students leave the public school and that funding is lost (Figure 1). Also of note, West Virginia's teachers are paid significantly less than the national average (Figure 2).

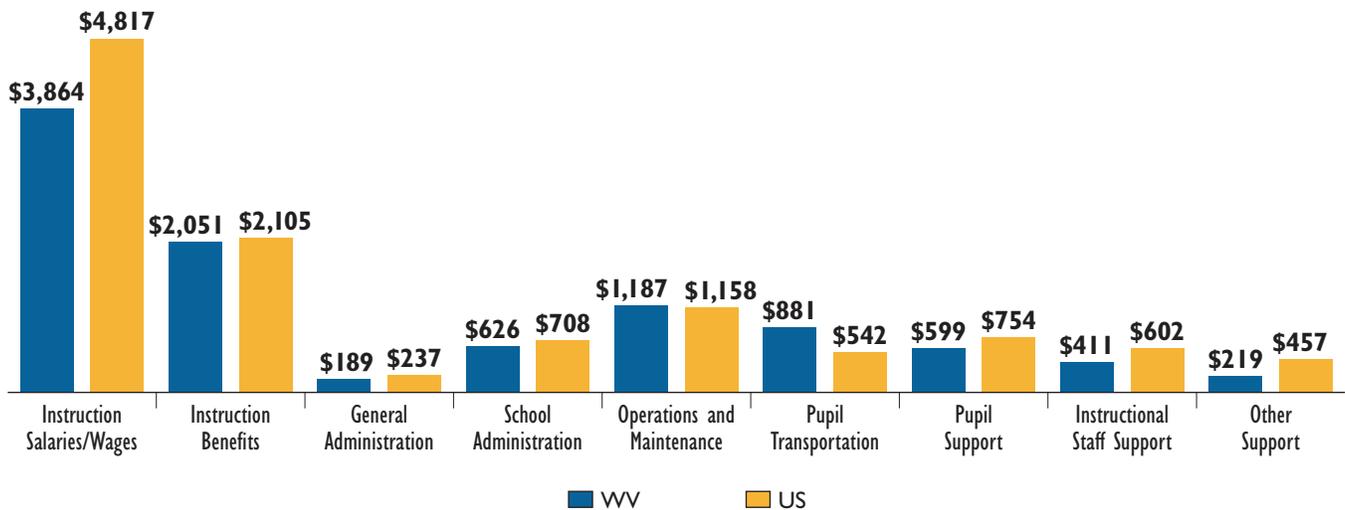
ESAs and other efforts to divert funding away from public education make it less likely that the state can invest in quality education for the vast majority of students who remain in public schools.

¹ United States Census Bureau: 2018 Public Elementary-Secondary Education Finance Data.
<https://www.census.gov/data/tables/2018/econ/school-finances/secondary-education-finance.html>.

FIGURE 1

Outside of Fixed Costs, West Virginia Spends Less Than the National Average on Education

State and local education spending per pupil, by category, West Virginia and national average, 2018



Source: US Census Bureau, Annual Survey of School Finances, 2018 Public Elementary-Secondary Education Finance Data

FIGURE 2

West Virginia's K-12 Educator Pay is Well Below National Average

Average public educator salaries, West Virginia and national average, 2018



Source: National Education Association

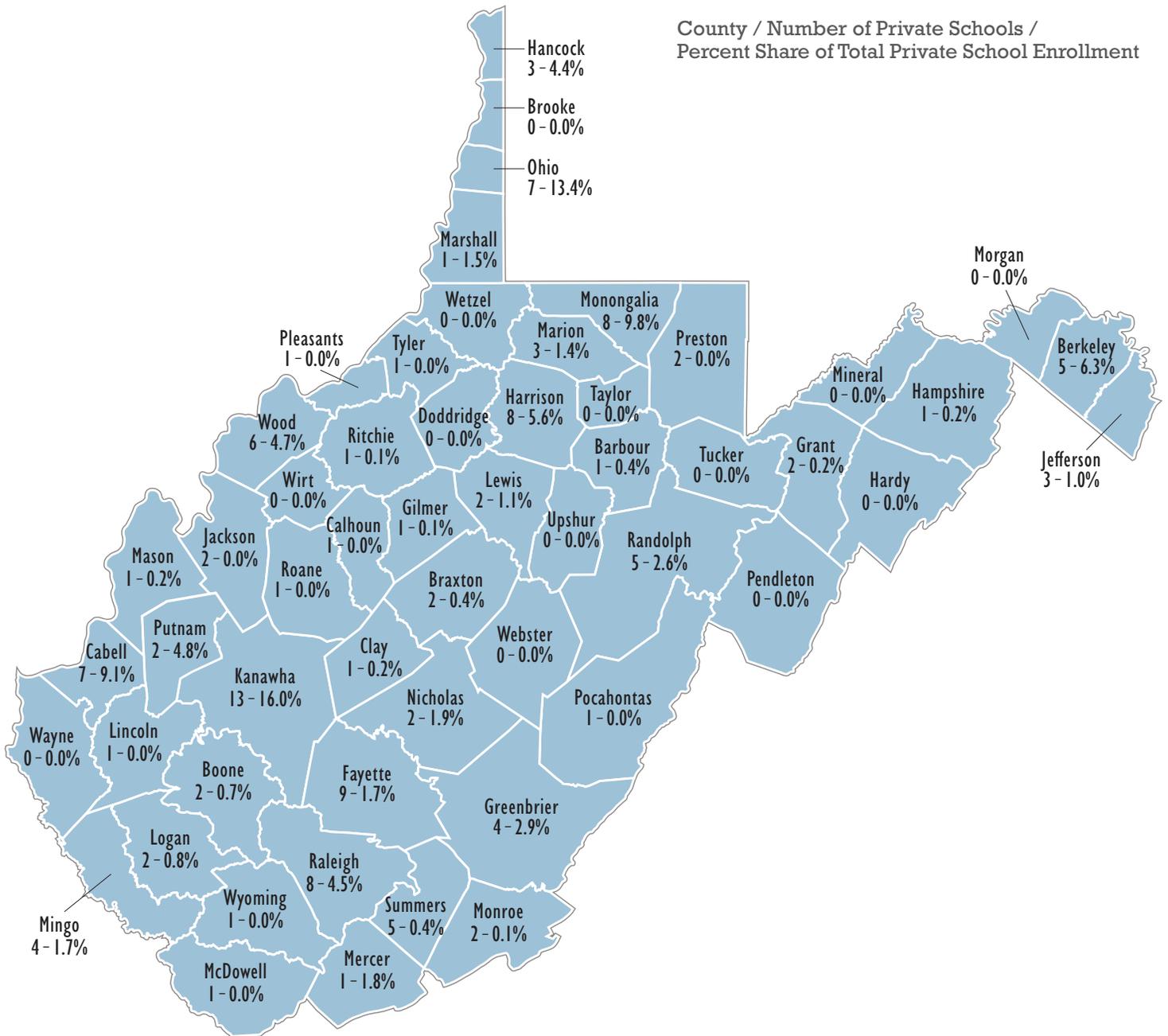
Inaccessible to Rural, Low-Income Students

While supporters of tax credit vouchers like ESAs argue that the program increases choice and opportunity for low-income students, those claims are dubious given the locations of private schools in West Virginia, as well as broadband internet access issues. According to the West Virginia Department of Education, there are 134 private schools in West Virginia. Half of those schools are in one of just eight

counties in West Virginia. Thirteen counties in the state have no private schools at all, while another 16 have just one.² Further, over 54 percent of the state's 10,230 private school students attends school in one of just five counties.³

FIGURE 3

West Virginia's Rural Students Lack Access to Private Schools, ESA Benefits
County breakdown of West Virginia's private schools and their total share of private school enrollment



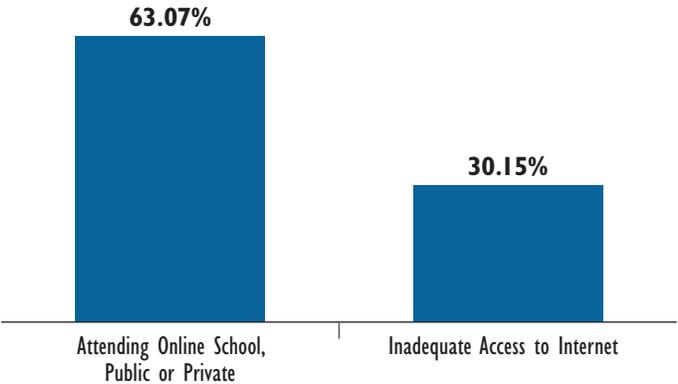
Source: West Virginia Department of Education, Nonpublic Schools Directory and National Center for Education Statistics, 2018 Private School Universe Survey

2 West Virginia Department of Education, nonpublic schools directory, https://wvde.state.wv.us/ed_directory/Nonpublic-Schools.pdf.

3 National Center for Education Statistics, PSS Private School Universe Survey data 2017-2018 school year, <http://nces.ed.gov/surveys/pss>.

Broadband connectivity and internet access present another challenge for low-income and rural students to access ESAs. While earlier versions of legislation⁴ would have permitted ESA funds to be used for nonpublic online learning programs, a significant percentage of rural and low-income students lack access to internet, due to both the state’s lack of universal broadband access and cost barriers. During the pandemic, nearly one-third of West Virginia survey respondents with children in public or private school cited inadequate internet access⁵ (Figure 4).

FIGURE 4
Nearly One-Third of Households with Children in School Report Inadequate Access to Internet
West Virginia households with children in public or private school reporting attending online school, public or private, and inadequate access to internet, average response



Source: WVCBP Analysis of US Census Bureau Pulse Survey

What’s more, two-thirds of West Virginia’s school-age children have all available parents in the workforce, posing another significant barrier to nonpublic online learning given that there is likely no one available to be at home with the student during the day.⁶

In addition to challenges for rural and low-income students, ESAs have major implications for students with disabilities or other learning needs. Students who use voucher programs to attend private schools forfeit certain civil rights protections provided under federal law to prevent discrimination based on disability. These protections, which private schools are not required to comply with, outline the requirements to serve students in an appropriate setting, without discrimination in discipline due to a child’s disability, and without cost to a student or their family.⁷

4 2019 West Virginia Legislation: Senate Bill 451. http://wvlegislature.gov/Bill_Text_HTML/2019_SESSIONS/RS/bills/SB451%20SUB1%20ENG.pdf.
5 WVCBP analysis of US Census Bureau Weekly Pulse Survey. <https://www.census.gov/data/tables/2020/demo/hhp/hhp21.html>.
6 WVCBP analysis of American Community Survey. AGE OF OWN CHILDREN UNDER 18 YEARS IN FAMILIES AND SUBFAMILIES BY LIVING ARRANGEMENTS BY EMPLOYMENT STATUS OF PARENTS. TableID: B23008.
7 National Disability Rights Network. <https://www.ndrn.org/resource/advocacy-groups-file-u-s-supreme-court-brief-warning-that-school-vouchers-harm-students-with-disabilities/>.

Little Evidence of Improved Educational Outcomes

Because ESAs are a relatively new phenomenon, there is little data available to judge their impact on student achievement. However, considering that existing ESA funds are primarily used to pay private school tuition, they function in essentially the same way as traditional vouchers, and should have similar effects on students.

Vouchers lack a good track record for improving student learning. Recent studies from Ohio, Louisiana, and Indiana found voucher students did worse on math and reading exams than students in public schools. Other research shows small gains for voucher students, but noted that other factors could be the cause of these gains, including increased accountability measures.⁸ And while they are touted as a way to improve educational options for low-income, rural, and minority students, in reality these students are often unable to participate meaningfully in the programs for the reasons highlighted above.

Lack of Accountability Leads to Fraud

In addition to failing to improve educational achievement, state-funded vouchers like ESAs lack accountability and are rife with fraud. In Arizona, an audit from the state's Auditor General found that over \$700,000 in public money allocated under the state's ESA program was misspent on fraudulent purchases.⁹

In Florida, private schools collect nearly \$1 billion in public money each year through state-backed scholarships, despite findings of private schools hiring unqualified teachers and lacking oversight regarding curriculum and quality.¹⁰

A Better Path Forward

There is a clear connection between educational outcomes and poverty. Instead of taking money away from public education so that a few students can attend private schools unproven to improve educational outcomes, West Virginia lawmakers should prioritize fully funding public education and passing policies that improve opportunity for all.

8 Economic Policy Institute: School vouchers are not a proven strategy for improving student achievement. <https://www.epi.org/publication/school-vouchers-are-not-a-proven-strategy-for-improving-student-achievement/>.

9 AZ Central. <https://www.azcentral.com/story/news/politics/arizona/2018/10/29/misspent-school-voucher-funds-exceed-700-k-little-recovered/1780495002/>.

10 Orlando Sentinel: Florida Private Schools Get Nearly \$1 Billion in State Scholarships with Little Oversight. <https://www.orlandosentinel.com/news/education/os-florida-school-voucher-investigation-1018-htmlstory.html>.

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