

BUSTING ESA MYTHS

DR. MATTHEW LADNER





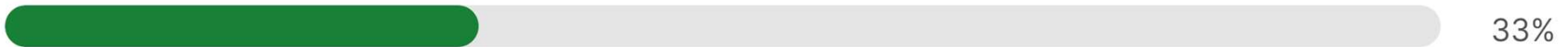
Which of these have you heard?

Multiple Choice Poll 3 votes 3 participants

School Choice will DESTROY rural districts - 2 votes



ESAs are BANKRUPTING the state of Arizona - 1 vote



ESAs have "No AcCoUnTaBiLiTy" - 2 votes





FIRST MYTH: CHOICE WILL
DESTROY RURAL DISTRICTS





School Choice in Arizona

District Open Enrollment (1994)

Nation's Largest State Charter Sector (1994) at 22% of students

Scholarship Tax Credits (1997 expanded multiple times)

Empowerment Scholarship Accounts (2011, expanded to all K-12 students 2022)

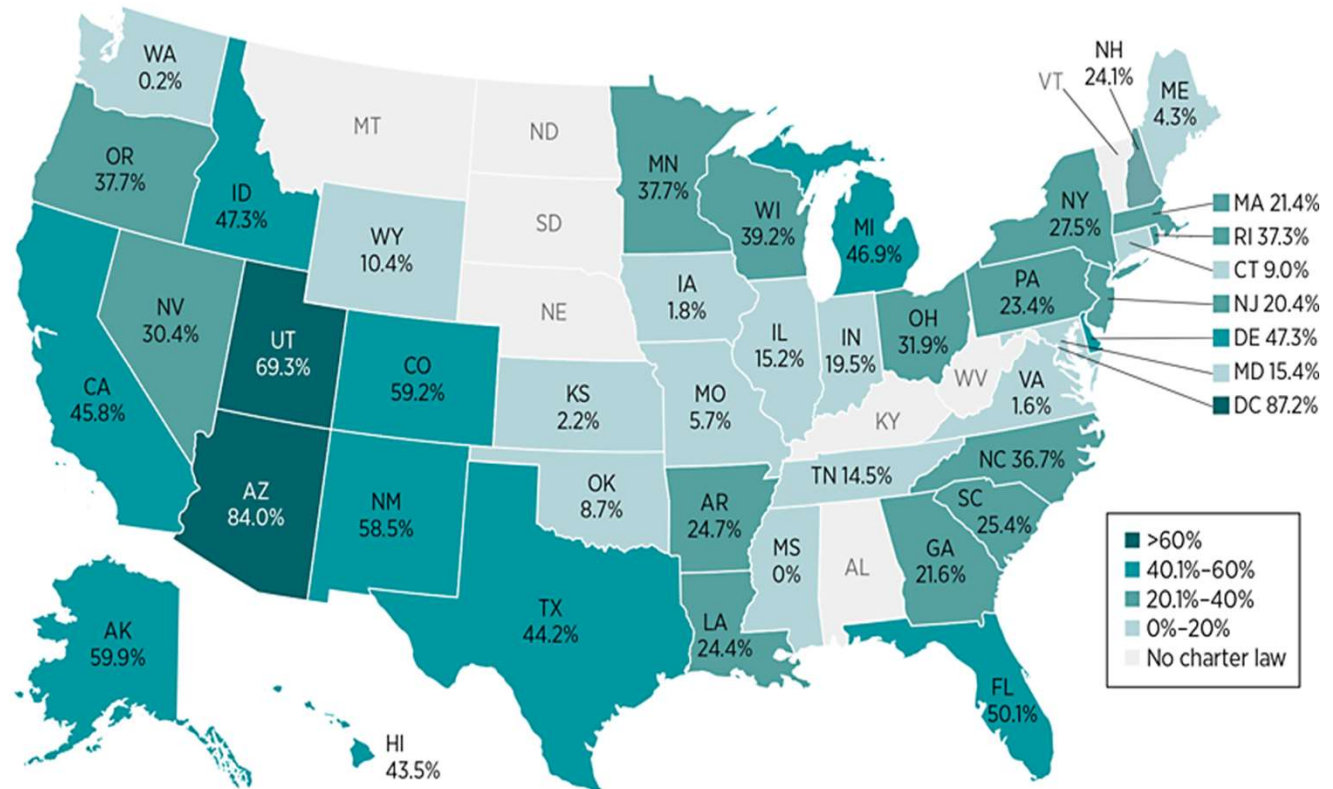
State-funded micro-schools

Home-schooling

MAP 1

Percentage of Students with One or More Charter Schools Operating Within Their ZIP Code, 2015

Arizona has more rural charter schools (64) than the total number of charter schools in 19 states.



SOURCE: Diane Whitmore Schanzenbach, Megan Mumford, and Lauren Bauer, "Who Has Access to Charter Schools?" The Hamilton Project, March 17, 2016, https://www.hamiltonproject.org/papers/who_has_access_to_charter_schools (accessed November 7, 2022).

Arizona school districts have 200 more schools and 200,000 more students than and x4 the revenue they had in 1993...

...and the kids still play football on Friday nights!



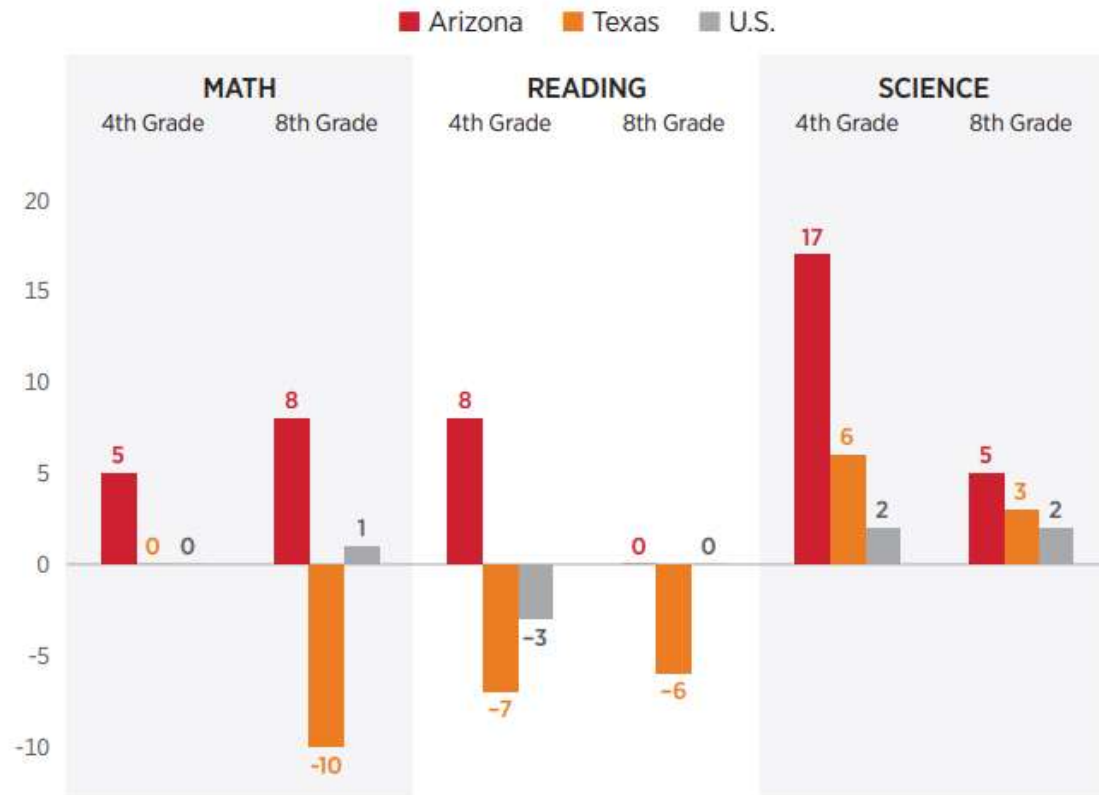
Arizona Rural Students Show Academic Gains



CHART 3

NAEP Trends for Rural Students, Pre-COVID: Arizona, Texas, and the United States

Figures are for 2007–2019 for math and reading, and for 2009–2015 for science.



SOURCE: National Assessment of Educational Progress, "NAEP Data Explorer," <https://www.nationsreportcard.gov/ndecore/landing> (accessed August 4, 2023).

SECOND MYTH: ESAS ARE
BANKRUPTING ARIZONA



Horne: State funding for education, including ESAs, has multi-million-dollar surplus

TUE, JAN 30 2024 • NEWS

For immediate release: January 30, 2024
Contact: Communications@azed.gov

Horne: State funding for education, including ESAs, has multi-million-dollar surplus Source of state budget crunch lies elsewhere

PHOENIX – State Superintendent of Public Instruction Tom Horne has released a report for all state education funding, including the Empowerment Scholarship Account Program, that shows a projected total surplus of more than \$28 million through the remainder of the 2024 state Fiscal Year that ends June 30.

Horne stated, "The myth that the ESA program is doing damage to the state's budget is thoroughly demolished. Importantly, 59 percent of current ESA students come from public school or are Kindergartners or preschoolers with disabilities who would normally be in public school, which would be a major cost to the state. Whatever budget issues state lawmakers are facing this year, they have not been created by the ESA program or any other aspect of basic state aid for education."

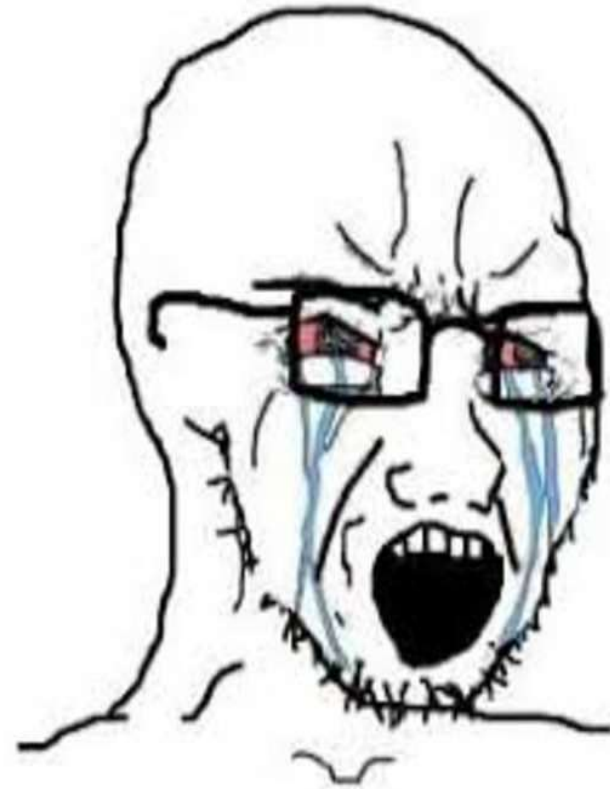
Horne added, "Critics who falsely claimed ESAs were the cause of the budget deficit erroneously counted the gross cost for each student without adjusting for the cost that would be incurred if those students were in public school. While approximately 75,000 students are in the ESA program, 1.2 million are in public schools, which means the ESA students are not a threat to those schools. ESAs give choice to parents at any income level whose child's needs are not being met in local schools, an ability rich parents have always had."

He continued, "Since taking office a year ago I have required that every expense request, no matter how small or large, be reviewed. Unlike my predecessor, we do not approve frivolous requests that have no educational purpose. I hired an auditor to oversee the finances and he is now the director of the entire program. In recent months we reviewed more than 250,000 orders, rejecting more than 12,000 of them. The fact there is a surplus in basic state aid, including the ESA program, demonstrate our commitment to good financial stewardship."

###

Arizona ran a \$28,000,000 K-12 surplus while choice opponents claimed ESA created a deficit.

**THIRD MYTH: ESAS
HAVE
“NO ACCOUNTABILITY”**



Da COUNCIL FOR
DISABILITY AWARENESS



education Pre-K & Kindergarten Elementary Middle Teacher Resources REQUEST A MEETING

LEGO® Education inspires
learning you can build on

Learning solutions designed to empower students and teachers, build deeper understanding and engagement, and ignite a life-long love of learning.



LEGO® Therapy
Ideas for
Special Needs
Children



Renee at Great Peace



Arizona Department of Education
Empowerment Scholarship Accounts Program
36-Month Follow-Up Report

The April 2020 Arizona Department of Education special audit found that the Department needs 21 staff for Program workload, should improve customer service and timely processing of Program applications, and better protect personally identifiable information. We made 26 recommendations to the Department, and its status in implementing the recommendations is as follows:

Status of 26 recommendations

Implemented	13
Implemented in a different manner	3
Partially implemented	1
In process	6
No longer applicable	1
Not implemented	2

We will conduct a 48-month followup with the Department on the status of the recommendations that have not yet been implemented.

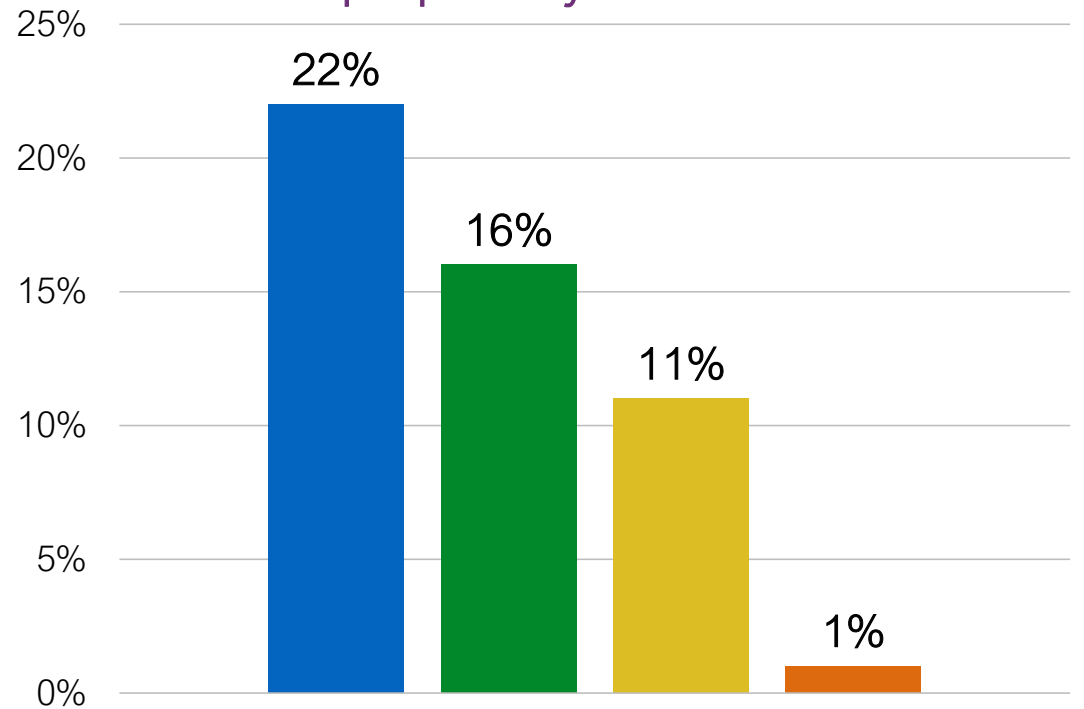
Our work for this special audit found that concerns with debit card administration have largely been addressed. Specifically:

- Our review of all 168,020 approved transactions identified in the Department's Program account transaction data between October 31, 2018 and October 30, 2019, found only 1 successful transaction at an unapproved merchant totaling \$30.³⁵

ESA misspending rate compares very favorably to the rates of programs supported by choice opponents.



Improper Payment Rates



- Unemployment Insurance Improper Payment Rate, 2019-22
- National Medicaid Improper Payment Rate, 2022
- AZ SNAP Payment Error Rate, 2022
- AZ ESA Rate of Apparent Misuses, 2018

Sources: Arizona Auditor General; USDA; Center for Medicaid Services

