



FUND STUDENTS FIRST

NOW IS THE RIGHT TIME FOR EDUCATION SAVINGS ACCOUNTS

BY GREG R. LAWSON

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Introduction

Progressive school choice initiatives, including charter schools and voucher programs, have made Ohio a national leader in providing families with K-12 education options.¹ The state has offered disadvantaged families school choice programs for years, but as more families struggle with difficult financial circumstances and as schools look to adapt to the unique COVID-19 environment, much more can and should be done to meet student needs. Ohio should take a “fund students first” approach, and empower families—not just school districts—to educate their children.

Education savings accounts, or ESAs, offer just such empowerment and provide a responsible way for policymakers to take a “student-first” funding step. ESAs are specialized accounts administered and funded by the state that families may only spend on educational products and services. With ESAs, parents can customize their child’s learning experience by spending the state’s portion of school funding on a broader suite of educational products and services than Ohio’s charter school and voucher programs typically allow. Significantly, ESAs would be a “student-first” way to fund schools and curricula without pitting public schools against the students and traditional school choice alternatives.

With the General Assembly embarking on the biennial budget process, and leaders in both chambers acknowledging the need to reform school funding, now is the perfect time for Ohio to begin funding students first.²

Student-First Funding: Closing Opportunity Gaps

The pandemic has affected education in Ohio at every level, but its effect on K-12 education has been profound. As public school districts moved to online and hybrid learning environments to cope with COVID-19 concerns,

¹ **School Choice: Ohio**, EdChoice.org (Last visited February 16, 2021).

² Anna Staver, **Meet the Ohio Legislature’s ‘School Voucher Guy’ Who Could Reshape the State’s Education System**, *The Columbus Dispatch*, January 25, 2021.

families took a harder look at educational alternatives to the local public school.³ In just the current 2020-2021 school year, public school rolls have shed approximately 53,000 students, while Ohio’s online charter schools have seen enrollment spike by 50 percent—roughly 13,000 students⁴—and home schooling has risen by 25 percent, adding 5,000 new students.⁵ Unfortunately, many families have been unable to take advantage of Ohio’s existing educational alternatives and their children must “attend” the local public school—even if they have to sit in parking lots to access wi-fi signals for remote-learning classes.⁶

New technologies have created new academic and curricula opportunities, and made many education service providers more accessible to more of the state.⁷ But some students—for personal, family, or financial reasons—continue to be left behind. And even those who have managed to take better advantage of these opportunities still find it harder and more expensive than it needs to be. As the pandemic progressed, overnight transitions to home schooling or remote learning environments often left families scrambling to deal with technical difficulties, equipment failures, unexpected expenses, and after-school tutors to help students who struggle in a virtual “classroom.” Tragically, such obstacles have disproportionately hurt vulnerable populations and economically disadvantaged students.⁸ Such disparities highlight the need for Ohio to move beyond a one-size-fits-all education system and offer a more tailored approach. The extra funding flexibility offered by ESAs can help close some of the opportunity gaps and make the transition to new curricula easier and less expensive for families.

Closing opportunity gaps for students requires empowering parents to spend education dollars on education that actually fits their children. It requires a student-first funding system in which the money first follows the student and then reaches the education or technology provider best able to meet the student’s academic needs. Regrettably, Ohio’s current school funding system pays the public school districts first and only then deducts funds for charter schools and voucher programs from the districts’ budgets. This formula pits school districts against academic alternatives that may be the better fit for students, because when students leave the public school for a charter school and take state funds with them, district administrators cry foul as if “their money” has walked out the door.⁹ Of course, the money was always for the students, not for administrators or districts writ-large. And a student-first funding approach would clarify that unfortunately obscured fact.

³ **Public Opinion Tracker**, EdChoice.org (Last visited February 8, 2021).

⁴ Lisa Rantala, **Enrollment for Ohio Public Schools Drop, Numbers for Online Charters, Homeschooling Soar**, WSYX-TV6 (ABC) Columbus, February 4, 2021.

⁵ *Ibid.*

⁶ Michael D. Clark, **Butler County Schools Offer Parking Lot Wi-Fi for Students Who Can’t Connect from Home**, *Journal-News*, May 4, 2020.

⁷ Jake Bryant, Felipe Child, Emma Dorn, and Stephen Hall, **New Global Data Reveal Education Technology’s Impact on Learning**, McKinsey & Company, June 12, 2020.

⁸ Emily Bamfort, **Ohio Kindergarten Readiness, Third Grade Language Arts Scores Drop During Pandemic, State Data Shows**, Cleveland.com, February 3, 2021.

⁹ Susan Tebben, **EdChoice Debate: Opponents of District-Funded Vouchers Say Formula is the Problem, Not Schools**, Ohio Capital Journal, February 26, 2020.

Student-First Funding: Expanding Education Markets

A student-first funding system that gives families greater financial flexibility to pay for educational products, services, and environments will expand the market for such services and offer a more holistic approach to K-12 learning. Rather than making state funding decisions based on a school's under-performance or a family's income, a student-first approach would use financial mechanisms like ESAs to make more educational opportunities more affordable for more families—making for a deeper, broader education and learning market. In a student-first system, parents choose from a menu of high-quality educational options that best fit the needs of their children, and state funds then follow the student to pay for the selected option. Other advanced democracies have already tested student-first funding programs and found them to successfully enhance education pluralism.¹⁰

As The Buckeye Institute explained in its 2017 report, *Education Savings Accounts: Expanding Education Options for Ohio*, ESAs offer a more powerful student-first approach than Ohio's current voucher programs, for example, which largely only help cover tuition at participating private schools.¹¹ Additionally, Ohio's charter schools and voucher programs are typically constrained by parameters such as a school district's poor academic performance and a family's low income.¹² Such artificial limits needlessly restrict the education market available to students. An ESA-based funding model, by contrast, would expand that market by allowing families to decide where and how to educate their children.

Under an ESA model, state education funds could be placed into specialized accounts from which parents may pay for textbooks, tutors, online classes, and other essential educational items. More flexible than vouchers, ESA funds will augment what is available in K-12 classrooms, and should help pay for tuition and fees at participating private schools; college entrance exams; online courses; textbooks; public school classes and program fees; college tuition and textbooks; applied behavior analysis services; speech-language pathology services; occupational, educational, and physical therapies and aides; tutoring; special education services; assistive technologies; and education-related transportation. ESA accounts should be designed with certain logistical safeguards to ensure that families may only spend the ESA funds on legitimate educational items and services.¹³ The safeguards should protect programmatic integrity, but still allow parents to access innovative education providers, materials, and technology.

Conclusion

¹⁰ Ashley Rogers Berner, *The Case for Educational Pluralism in the U.S.*, The Manhattan Institute, July 11, 2019.

¹¹ Lindsey Burke and Greg R. Lawson, *Education Savings Accounts: Expanding Education Options for Ohio*, The Buckeye Institute, May 31, 2017.

¹² The exception to this is the EdChoice income based scholarship which is funded through a direct line item in the budget. See **EdChoice Income-Based (Expansion) Scholarships**, SCOhio.org (Last visited February 8, 2021). See also **Charter Schools-State Profile-Ohio**, Education Commission of the States (Last visited February 8, 2021); and **Scholarship Programs (Vouchers)**, SCOhio.org (Last visited February 8, 2021).

¹³ *Ibid.*

As the General Assembly begins working on the biennial budget, now is the time to transition to a more family-friendly approach to funding K-12 education: student-first funding. Ohio's current system prevents too many families from meeting their children's academic needs. The COVID-19 pandemic has only made it worse and even more important for policymakers to act sooner, not later.

Education savings accounts would take a solid step toward student-first funding, empower families with more control of their children's education, and remind public school administrators that Ohio funds student education, not school districts. ESAs would allow parents to choose from an expanding selection of educational products and services, make those services more affordable, and close the academic opportunity gap facing financially disadvantaged families. Pursuing a student-first funding program—especially during the ongoing pandemic—will help Ohio better meet the needs of its students, its teachers, and its families.

About the Author

Greg R. Lawson is the research fellow at The Buckeye Institute. In this role, Lawson works with all members of the Buckeye research team with a particular focus on occupational licensing, local government, and education issues. He is also Buckeye's primary liaison to the Statehouse where he educates policymakers in both the legislative and executive branches on free-market solutions to Ohio's challenges.

Prior to his position at Buckeye, Lawson served in the Ohio General Assembly as a Legislative Service Commission fellow. He then went on to several government affairs roles focusing on numerous public policy topics, including Medicaid, school choice, transportation funding, and Ohio's Building Code. He also has a background in fundraising, grassroots organizing, and communications and served for five years on the boards of two Columbus-based charter schools.



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