



House Committees Hear Out Argument For Education Savings Accounts

November 12, 2015

As lawmakers continue to debate the right solution for Detroit Public Schools funding and ways to improve education for Michigan students, House members heard the case for allowing parents to take the use of state dollars into their own hands.

In a joint hearing of the House Education Committee and House Appropriations School Aid Subcommittee, Jason **BEDRICK** of the CATO Institute made the case for a concept dubbed Education Savings Accounts (ESA), which would allocate the funding that would have been spent on a child in the public school system to parents to spend on pre-approved expenses.

Under the plan, preloaded debit card could be used by parents for expenses such as private school tuition, textbooks, tutoring, online classes, homeschool curricula, educational therapy, standardized test fees and saving for college, Bedrick said.

He added that it's similar to the concept of vouchers for private school, but removes the price floor that comes with using a set amount of funding for a year of private education. Putting the spending responsibility in the hands of parents would also add more incentive for maximizing the value of educational spending, Bedrick said.

“Money would still be coming from the state . . . instead of putting all the money into a private school, parents could save it from year to year for future expenses,” he said.

The idea, Bedrick argued, is to allow parents of children who might not be getting what they want out of public school to have more of a say in their child's personal education than they might under the traditional public school system, and be able to hold those educating their children more accountable than they could through a school board or a public school's administration.

ESA programs have been approved in five states so far to varying extents. Three states -- Florida, Mississippi and Tennessee -- only allow students with specific special needs to be eligible.

Arizona began that way but later expanded to include certain other situations, such as students who attend failing schools, and Nevada recently voted to allow all public school students the option.

Research shows the program in Arizona was satisfactory for participants, particularly those in low-income populations, he said.

Such a program would likely require a change to the state Constitution in Michigan -- a voter-approved amendment passed in 1970 bans both direct and indirect aid to all private schools, and attempts to lessen the restriction have not been successful.

Democrats in the committee were quick to point out this and other concerns with the model Bedrick proposed. Rep. Andy [SCHOR](#) (D-Lansing) said the districts that have already been struggling under the current system could be further impacted if students attending public school were incentivized to look elsewhere.

Rep. Sarah [ROBERTS](#) (D-St. Clair Shores) took issue with both the concept of paying for college savings with School Aid Fund dollars and the thought that public schools would somehow be held more accountable to parents under the ESA system.

Several things that you have said have been really broad generalizations,” Roberts said. “To say that schools aren’t accountable to parents so therefore they should just be able to take this money and go somewhere else, and then therefore those schools are then accountable to parents, I think really is false logic.

“I don’t think that simply saying being able to take the money somewhere else means those schools are accountable, because that’s not true with other schools that we have,” she continued.

Rep. Tim [KELLY](#) (R-Saginaw), who chairs the House Appropriations School Aid Subcommittee, said he’s aware of the logistical issues currently associated with public-private partnerships in education, but said bringing the topic into discussions was important

“Why would we tie one hand behind our back?” he asked. “Why would we limit ourselves? Let’s open people’s minds to other things that are out there.”