



Bill to Combine Tax Credits and ESAs Narrowly Fails to Pass in Missouri

Ashley Bateman

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A Missouri bill to fund education savings accounts (ESAs) for foster children with donations from individuals and businesses who could receive a tax credit passed the state House and Senate but ultimately died in fiscal review.

House Bill 1589, sponsored by state Rep. Andrew Koenig (R-Manchester) allows individuals and businesses to make donations ranging from \$100-\$50,000 in exchange for a 50 percent tax credit, if eligible with a tax liability. Donations would go into an ESA to pay for a foster child's private school tuition, textbooks, special needs services, tutoring, and other options the state approves.

Supporting Koenig's bill is research compiled by Jason Bedrick, policy analyst with the Cato Institute's Center for Education Freedom, Jonathan Butcher, education director at the Goldwater Institute, and Clint Bolick, former vice president for litigation at the Goldwater Institute.

The majority of House and Senate legislators voted in favor of HB 1589, but it failed to pass by two votes in fiscal review.

Giving Kids Stability

Koenig says his bill is about giving children stability in an environment that is better for them.

"I've always been interested in education reform and tax credit scholarship for foster kids," Koenig said. "In a foster care system you have kids moving around, so if you have kids in a private school, there is no funding mechanism to keep them in that school if they're put into the system. These are kids whose entire life has been taken away from them, so if putting them in a private school is a better option, then we should do that."

'A Pretty Tough Fight'

Koenig says Missouri is “a difficult to place to get education reform passed.” As chairman of the Ways and Means Committee, Koenig was able to bypass the Education Committee to get the bill on the floor.

By coupling his bill with HB 2307, a similarly crafted measure, Koenig says he was able to double support for his bill in the House.

“I knew when it came to the floor it would be a pretty tough fight and we might not have the votes,” Koenig said. “We had to sell it to each representative, and combining with the ESA sponsor doubled the manpower of pushing it to the other representatives and that was very helpful in getting it passed in the House.”

Jerry Hobbs, executive director of the Missouri Education Reform Council, says members of the education establishment make it difficult to advance education reform legislation.

“In Missouri, especially on the House side, we have a lot of legislators who are former educators, teachers, or school administrators, on school boards or former school board members,” Hobbs said. “There are a majority of those people who sit on the Education Committee and it makes it tough to get it out of committee.”

History of Success

Paul Peterson, Henry Lee Shattuck Professor of Government and director of the Program on Education Policy and Governance at Harvard University, says tax credits and ESAs have a good track record of parent satisfaction and the option of private school has proven to improve long-term academic success.

“There are pretty good studies that show access to private schools increases the likelihood that one will be able to finish high school and go on to college and complete college,” Peterson said. “These are significant outcomes that ESAs are likely to foster. I would think that a primary argument for this [bill] is the private schooling experience seems to enhance the ability of young people to do well enough at the elementary and secondary level that they can go on to higher education.”