



Research & Commentary: Proficiency Levels for Students in Public Schools Show it is Time for an ESA Program in New Jersey

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The New Jersey Department of Education (NJDOE) released a report in June showing, after a year of keeping schools closed for in-person instruction due to the COVID-19 pandemic, over a third of Garden State students are below grade level in reading and mathematics.

A memo released by NJDOE shows 37 percent of students are below grade level in reading, including 51 percent of black students, 52 percent of Hispanic students, 54 percent of “economically disadvantaged” students, and 57 percent of students with disabilities. In mathematics, 37 percent of all students are below grade level, including 56 percent of black students, 52 percent of Hispanic students, 55 percent of “economically disadvantaged” students, and 55 percent of students with disabilities.

“Looking at this data, we are really in a state of emergency in New Jersey when it comes to our kids and our education,” said Andy Mulvihill, vice president of NJDOE. “This pandemic and keeping the kids out of school and remote learning seems to have done tremendous damage.”

Yet things were not so rosy in the state’s public schools before the pandemic either. According to the National Assessment of Educational Progress (NAEP), administered every two years and colloquially known as the “Nation’s Report Card,” only 41 percent of Jersey fourth graders and 42 percent of eighth graders were proficient to grade level in reading in 2019, while just 48 percent of fourth graders and 44 percent of eighth graders were proficient to grade level in mathematics.

Clearly, the status quo in New Jersey’s public school system is not working. Something needs to be done to give Jersey parents better education options. Legislators should therefore use the upcoming legislative session to provide families with an education savings account (ESA) program, which would ensure their constituents have the opportunity to place their children in a school that most suits their needs.

With an ESA, state education funds allocated for a child are placed in a parent-controlled savings account. Parents then use a state-provided, restricted-use debit card to access the funds to pay for the resources chosen for their child's unique educational program, which can include tuition at a private or parochial school, online learning programs, private tutoring, educational therapies, textbooks, etc.

An October 2020 fiscal analysis by EdChoice found if New Jersey enacted an ESA program that set its funding level at 90 percent of the full funding level (roughly \$6,500) intended under the state's School Funding Reform Act, passed in 2008, and just 1 percent of state students participated (roughly 13,300 students), it would mean a combined savings to local districts and the state government of more than \$97 million annually. If 10 percent of Garden State public school students participated (roughly 130,000 students), the program would generate \$957 million in savings on a yearly basis. This translates to a \$7,833 savings per-pupil. Similarly, an ESA funded to \$10,000 would still realize savings of \$51 million annually with 1 percent participation, and \$500 million annually with 10 percent participation. Per-pupil savings under this scenario would be \$3,833 per year.

“The fiscal impact on the state is the difference between the cost of the ESA and the state's cost to fund the child's education in the public school system,” the analysis notes. “Many school choice policies tie awards to a state's portion of education funding. School districts typically keep revenue from local property taxes and some federal revenue. As awards are usually less than the state's total per-student cost to educate students in public schools, choice programs usually generate savings for the state and school districts, and a byproduct of these programs is that the amount of resources for each student who remains in a district school increases.”

Copious empirical research on school choice programs such as ESAs find these programs offer families improved access to high-quality schools that meet their children's unique needs and circumstances. What's more, these programs improve academic performance and attainment and deliver a quality education at lower cost than traditional public schools. Additionally, these programs benefit public school students and taxpayers by increasing competition, decreasing segregation, and improving civic values and practices.

Research also shows students at private schools are less likely than their public school peers to experience problems such as alcohol abuse, bullying, drug use, fighting, gang activity, racial tension, theft, vandalism, and weapon-based threats. There is also a strong causal link suggesting school choice programs improve the mental health of participating students.

It is probably for these reasons, and also because teacher unions have repeatedly played politics with school closings during the COVID-19 pandemic in direct conflict with students' best interests, that ESAs are more popular with parents than ever before. Polling by EdChoice released in December 2020 found 81 percent support for ESAs, for example, among the general public and 86 percent among current school parents, the highest level of support the program has received in the organization's eight years of polling on the issue. This represents a 4-percentage point increase over 2019. These findings are mirrored in the American Federation for Children's seventh-annual National School Choice Poll, released in January 2021, which saw 78 percent support for ESA programs.

The goal of public education in New Jersey today and in the years to come should be to allow all parents to choose which schools their children attend, require every school to compete for every

student who walks through its doors, and make sure every child has the opportunity to attend a quality school. There has not been a time when providing these opportunities has been more urgent and more needed than right now. Legislators should recognize that and allow families as many options as possible to get their children the education they need and deserve.

The following documents provide more information about education savings accounts and education choice.

The 123s of School Choice (2021 Edition)

<https://www.edchoice.org/wp-content/uploads/2021/04/2021-123s-SlideShare-1.pdf>

This report from EdChoice is an in-depth review of the available research on private school choice programs in America. Areas of study include: private school choice program participant test scores, program participant attainment, parent satisfaction, public school students' test scores, civic values and practices, racial/ethnic integration and fiscal effects.

Fiscal Analysis of an Education Savings Account Program in New Jersey

<https://www.edchoice.org/wp-content/uploads/2020/11/NJ-Fiscal-Brief-1.pdf>

This EdChoice brief discusses the potential fiscal effects of education savings accounts for K-12 in New Jersey on the state and local taxpayers and finds a program could save between \$97 million and \$957, depending on the size of the ESA award and the number of students making use of the scholarships.

The Fiscal Effects of Private K–12 Education Choice Programs in the United States

<https://www.edchoice.org/wp-content/uploads/2021/03/The-Fiscal-Effects-of-Private-K-12-Education-Choice-Program-in-the-United-States-1.pdf>

From an analysis of 40 private educational choice programs in 19 states plus D.C., this EdChoice working paper summarizes the facts and evidence on the fiscal effects of educational choice programs across the United States. The programs in the analysis include three education savings accounts programs (ESAs), 19 school voucher programs, and 18 tax-credit scholarship programs.

A Win-Win Solution: The Empirical Evidence on School Choice (Fourth Edition)

<http://www.edchoice.org/wp-content/uploads/2016/05/A-Win-Win-Solution-The-Empirical-Evidence-on-School-Choice.pdf>

This paper by EdChoice details how a vast body of research shows educational choice programs improve academic outcomes for students and schools, saves taxpayers money, reduces segregation in schools, and improves students' civic values. This edition brings together a total of 100 empirical studies examining these essential questions in one comprehensive report.

Child Safety Accounts: Protecting Our Children through Parental Freedom

https://www.heartland.org/_template-assets/documents/publications/CSAccountsPB.pdf

In this *Heartland Policy Brief*, Vicki Alger, senior fellow at the Independent Women's Forum and research fellow at the Independent Institute, and Heartland Policy Analyst Tim Benson detail the prevalence of bullying, harassment, and assault taking place in America's public schools and the difficulties for parents in having their child moved from a school that is unsafe for them. Alger and Benson propose a Child Safety Account program, which would allow parents to immediately have their child moved to a safe school – private, parochial, or public – as soon as parents feel the public school their child is currently attending is too dangerous to their child's physical or emotional health.

The Public Benefit of Private Schooling: Test Scores Rise When There Is More of It

<https://object.cato.org/sites/cato.org/files/pubs/pdf/pa830.pdf>

This *Policy Analysis* from the Cato Institute examines the effect increased access to private schooling has had on international student test scores in 52 countries. The Cato researchers found that a 1 percentage point increase in the share of private school enrollment would lead to moderate increases in students' math, reading, and science achievement.

The Effects of School Choice on Mental Health

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3272550

This study from Corey DeAngelis at the Cato Institute and Angela K. Dills of Western Carolina University empirically examines the relationship between school choice and mental health. It finds that states adopting broad-based voucher programs and charter schools witness declines in adolescent suicides and suggests that private schooling reduces the number of times individuals are seen for mental health issues.