



NH Senate Finance Ignores Voters, Passes Ed Vouchers

Jeanne Dietsch

June 3, 2021

Despite a massive 3,340 people signing in opposed at the remote hearing on "Education Freedom Account" [EFA] bills, the Senate Finance Committee approved its version. The Committee voted on party lines to support the view of the 516 minority, who signed in supporting the bill. At the hearing on the House version of the voucher bill, 600 signed in in favor, 3198 opposed.

Senate Finance voted to insert the individual tabled bill into HB 2-FN-A-L. This means the controversial measure will have no distinct vote by the House or separate signing by the governor.

Senator Jeb Bradley stated at the bill's hearing that its purpose is to provide choice for parents so that students can succeed whereas they may not be doing so in public school. He estimated the bill's cost at an average of \$4600 per student.

The bill hands oversight of EFA applications, notifications, payments and accounting to an independent scholarship organization. Currently, the [Children's Scholarship Fund of New Hampshire](#) is the only such organization. It has one employee. This organization will also approve Education Service Providers [ESPs].

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In order to be approved, an ESP must submit a request to receive payments and agree to follow the rules of the EFA program and to comply with anti-discrimination laws. According to the bill:

194-E:7, II – Education service providers shall be given maximum freedom to provide for the educational needs of EFA students without government control...

V – An education service provider shall not be required to alter its creed, practices, admissions policy, or curriculum in order to accept payments from an EFA.

Opponents are concerned that the bill will reduce educational quality. Supporters cite the bill's reporting requirement: EFA students must annually take a standardized achievement test. Or they may maintain a portfolio of work that is evaluated by a practicing or certified teacher. However, students need not meet any standard or display mastery to continue receiving EFAs. Public schools have extensive curricular requirements in math, language arts, science, history, civics, and other subjects. ESPs have no curricular requirements, or constraints. Hence, an ESP may teach: The Earth was created in 7 days. Or, as NASA states, it was "formed when gravity pulled swirling gas and dust in to become the third planet from the Sun." Or that physical reality is all a dream and planet Earth is only in your mind. Any of these teachings may be legally reimbursed with taxpayer dollars under the EFA program in this bill. Parents are required to sign a form when they apply to the program, promising that they will see that their children are instructed in core subjects. However, the bill does not require anyone to verify that this happens. Once a student is accepted for EFAs, all children in the family are accepted throughout K-12 school.

However, since schools need not change their admissions policies, some students may not be accepted at the school of their choice.

It is likely that the EFA bill will be tested in NH Superior Court since the NH Constitution states:

[Article 83] ...no money raised by taxation shall ever be granted or applied for the use of the schools of institutions of any religious sect or denomination.

However, the US Supreme Court has already ruled that states may not differentiate between non-religious private schools and religious ones, so the state would need to stop paying private tuition in order to stop paying religious schools.

Some express concerns about the cost of the program. Rep. Dee Jurius, of the Josiah Bartlett Center for Public Policy, writes "the cost of the program to the state would be approximately \$2.4 million in the 2021-2022 school year and \$5.9 million in the 2022-2023 school year.... EFAs would lead to an estimated \$6.65 million in net taxpayer savings in the first two years of the program alone."

To explain how this is accomplished, Rep Jurius writes, "A student whose family chooses an ESA instead of his or her assigned public school would receive an average of \$4,578 in state per-pupil funding in 2021-2022 and \$4,803 in 2022-2023. This money would leave a district school. But so would the student, and thus, the need to spend additional money raised by local taxation to educate that student."

Opponents of the bill point out that the marginal cost per student, that is, the money that is saved when one student leaves or enters a classroom, is far less than the average cost per student. This is because average costs include the cost of school buildings, sports facilities, bussing, administration, and other expenses. These costs do not change when a single student leaves, yet

the money allocated for that student would leave the district. Unless the school lowers its budget, local taxpayers would have to make up the difference.

The economist hired by Josiah Bartlett Center to justify the EFA program looks beyond the first few years for a return at the local level. Dr. Ben Scafaldi, in "An Analysis of the Fiscal and Economic Impact of New Hampshire's Proposed Education Freedom Account (EFA) Program", explains that the benefit to local taxpayers comes later, when enough students leave that districts lay off teachers and close schools. The Bartlett Center report is significant because its President Andrew Cline was appointed Chair of the NH School Board by Governor Sununu. And brother James Sununu chairs the board of the Bartlett Center. Hence, its opinion probably will affect the Governor's decision to support the bill.

A cost analysis by NHDOE Commissioner Edelblut projects that schools will need gradually decreasing assistance to handle reductions in per pupil adequacy funding, but could lay off teachers and close enough schools within three years to save money overall.

What neither analysis points out is that the study on which Dr. Scafaldi bases his calculations says that it does not apply to small school districts. Because New Hampshire is a rural state, most of its districts have limited ability to close schools within a geographic region unless they go fully remote.

Senator Jay Kahn, former Chief Financial Officer of Keene State College and former Chair of Senate Education, has pointed out that Dr. Scafaldi's plan also ignores the cost of stranded assets, that is, all the buildings, equipment and facilities that will be sitting unused after schools close. The plan also ignores costs of unemployment from laid-off educators and staff.

According to analysis by economist Carl Mabbs-Zeno, the primary beneficiaries of the EFA program would be the parents who currently pay their children's school tuition without taxpayer subsidies. Families with incomes up to 300% of the federal poverty level qualify, about 38% of NH families. After the first year, however, families automatically qualify, regardless of income. A family with two children might, for instance, make \$79,499 when the first child enters school. Perhaps one parent dropped out of the workforce while the children were young. Later, that parent returns to work, and the family earns twice as much. Both children would still qualify for taxpayer-funded EFAs until they graduate.

In his report to the Bartlett Center, Dr. Scafaldi holds Arizona up as a model of how educational savings accounts work, even though New Hampshire ranks third and Arizona ranks 38th in the nation's aggregated education rankings, according to the Cato Institute.

Arizona is expanding its ESAs, despite strong voter disapproval. According to the Arizona Republic, the ESA are going primarily to children from wealthier, higher performing districts, rather than the failing ones they were intended to help. In addition, the expense has soared: *Already, the ESA program has grown to more than \$145 million a year, even as questions persist about state oversight, misspending and fraud. This expansion could make the cost to state taxpayers exponentially higher to more than \$300 million a year, opponents estimate.*

One of the ESPs participating in Arizona's program has been selected by the NH Department of Education to provide services for students who have fallen behind because of COVID. The firm, Prenda, has raised \$19 million in startup moneys from investors eager to profit from ESAs and EFAs in the two states, even though the Arizona Attorney General is investigating the firm for fraud. The DOE program encourages Prenda charter school pods to be installed in public

schools, where Prenda guides can tutor students who have fallen behind because of COVID, using the school district's federal ESSER funds.

Prenda also plans to operate as an ESP in NH, as it currently does in AZ. Prenda contracts with local individuals under an Uber model. The individuals, called "guides", provide space, typically in homes, and solicit students. Prenda provides online instruction, remote guidance, posting of availability in the Prenda map of service providers, and use of the Prenda brand. They also provide new students with a Chrome book. Guides in Arizona, according to a Guide-Mentor there, are paid \$2500 per student for a 10-month school year for 16 -20 hours per week of instruction. Prenda collects the students' ESA allocations, which average \$5500 per student per year in Arizona.

New Hampshire EFAs are projected to average \$4600 each, \$900 less than in AZ. According to the Guide-Mentor, Prenda has not yet set payment levels for guides in NH. However, ads soliciting guides in NH can be seen on Facebook, leading to a NH-specific solicitation.