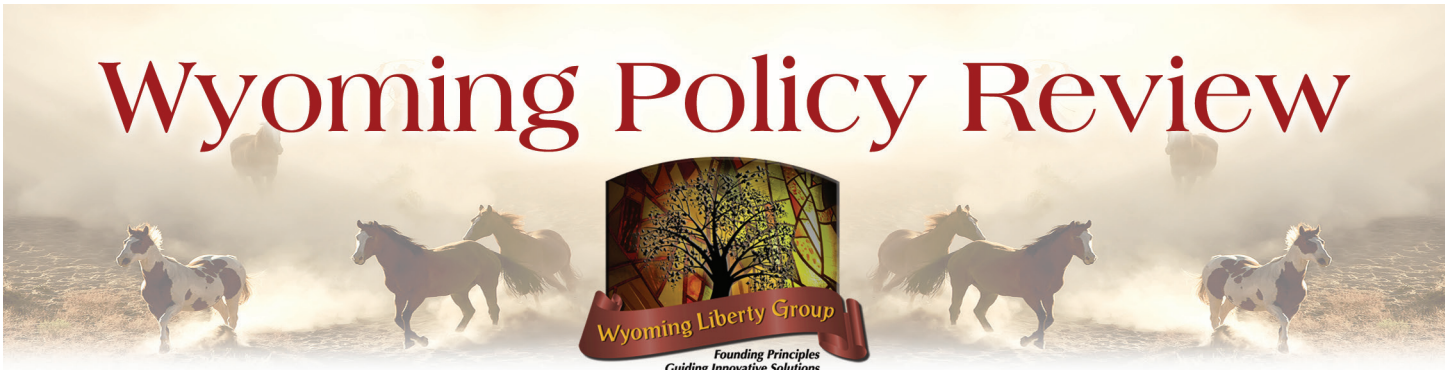


# Wyoming Policy Review



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*by Staff Writer*

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## SPECIAL NEEDS STUDENTS

### *The Perfect Pilot Program for Education Savings Accounts in Wyoming*

Families in five states can sign up for an education savings account (ESA) program and receive state funds to provide them with the means to pursue educational avenues that fit their individual children's needs. In Arizona, ESAs served over 6,400 students in 2019, including over 3,700 special needs students and more than 800 students whose families serve in the armed forces or have fallen in the line of duty.<sup>1</sup>

In addition to benefitting students and their families, ESAs can reduce budget pressures on public schools by serving students with severe disabilities, one of the most high-need, high-cost populations. School districts claim that they can care for students with disabilities only by redirecting funds from regular student instruction. This policy review takes a closer look at Arizona's ESA program.

The Arizona School Boards Association writes that a "growing number of students with more severe disabilities" enrolling in school districts contributed to "straining general classroom spending in Arizona's public schools." This is because the cost to provide federally mandated special education services for these students exceeds the funding generated under the existing public school finance formula.<sup>2</sup> To make up that difference in cost, the money must come from operations budgets, meaning class sizes are generally increased, fewer teachers are hired and the remaining teachers don't get raises. In short, school districts find themselves in the predicament of a shortfall in the funds necessary to meet federal requirements associated with serving these special needs students. Well-constructed ESA programs can rectify this inherent unfairness both for the student and the school district alike.

Children with special needs benefit from Arizona's ESA program more than any other student group. These pupils accounted for 58% of Arizona's ESA participants in 2019.<sup>3</sup> Among ESA participants with special

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needs in Arizona, over two-thirds were children with significant disabilities such as severe intellectual, visual, and hearing impairments. Severely impaired children require more funding than non-special needs students. The remaining one-third of the special needs ESA participants have milder conditions such as developmental delays, mild intellectual disabilities and speech impairments.<sup>4</sup> ESAs give these students a chance to have the customized educations they need even as the scholarships bring financial relief to school districts and taxpayers.

Wyoming funds schools through a complex mix that includes dollars from mineral taxes, local sources of revenue, investments and savings. Wyoming spends more per pupil, about \$17,000, than most of the country including Arizona. State funding is issued to the respective district. These taxpayer resources are no longer expended on a child who opts out of public school and into an ESA program. Instead, part of the state-funded portion is deposited into the family's ESA account based on a statutorily prescribed formula. The formula does not provide any portion of the funding that would have been spent on a public-school student by other funding sources. This can include site funding, transportation reimbursement formulas, federal funding and monies for facilities. Thus, ESA programs are able to serve thousands of disadvantaged students at an overall savings to taxpayers.

Education saving accounts complement existing public-school options. Additionally, they are the most student-customizable form of school finance that exists, and simultaneously increase per pupil funding in public schools through residual monies and by creating taxpayer savings. For example, in Arizona, ESA families received an average award of \$6,148 for students who do not have special needs.

This requires substantially less in taxpayer funding than the Arizona \$10,120 public school average per pupil spending of the same year.

This savings allowed Arizona's budget to direct \$3 million in ESA savings in order to overhaul the state's IT system. This savings benefitted over 1.1 million public school students. Thus, the notion that education savings accounts harm the existing school system, or take money unfairly from them, is false.

Education savings accounts also increase per pupil public school spending by redistributing state and federal dollars back to remaining public school students. From state sources alone in Arizona, ESAs redirected over \$600 per participant back to remaining public school students for teacher pay and other operational uses. Additionally, and specifically notable when considered in the context of the Wyoming environment, ESAs ease the costs of enrollment growth and school construction in Arizona's traditional school system. These costs increase state spending by millions each year and crowd out funding available to increase per pupil expenditures. The big win is for hundreds of thousands of families across the country who reap benefits from targeted education programs for their children.

Wyoming lawmakers often discuss the growing need for more schools to be built. Other states have noted that despite growing budgets and increased funding, this trend does not actually increase the actual per pupil funding. This is because the bureaucracy and physical costs of a growing number of schools is unsustainable. ESAs assist in decreasing the number of schools built, which allows school districts to significantly boost their per pupil funding and become more efficient. As Wyoming districts



