

Schooling During the COVID-19 Pandemic: How Emergency Education Savings Accounts Can Meet the Needs of Every American Child

Lindsey M. Burke, PhD

KEY TAKEAWAYS

Millions of families across the U.S. have been thrown into a “homeschool trial by fire” because of closed schools during the coronavirus pandemic.

District, state, and federal officials need to rapidly implement policies that can ease the transition for children to learn at home.

Emergency education savings accounts (ESAs) are the best way to give parents access to learning alternatives for their children during this global crisis.

The novel coronavirus (COVID-19) pandemic is acutely affecting the delivery of K–12 education, shuttering schools and turning millions of families across the country into accidental homeschoolers. President Donald Trump recently recommended “schooling from home”¹ during the pandemic, and as of March 19, 2020, 44 states had closed 104,000 schools, affecting nearly 48 million students.²

This homeschooling trial by fire for families across the United States has hastened the need for district, state, and federal officials to implement policies that can ease the transition to learning at home. In order to address this immediate challenge, policymakers should provide families with emergency education savings accounts (ESAs) to enable them to access virtual tutors and to pay for online learning options, so that students can continue learning to the greatest extent possible during this difficult time.

This paper, in its entirety, can be found at <http://report.heritage.org/ib5047>

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At all levels, government officials can address two concurrent challenges created by the crisis by (1) supporting “social distancing” among all Americans, and (2) helping students continue their education outside the classroom.

Education is a quintessentially local issue, with 90 percent of public K–12 revenue derived from state and local taxes. All state constitutions include language mandating the provision of public education,³ and taxpayers underwrite a system of public schools in the states. Although 29 states and the District of Columbia have implemented private school choice options in the form of vouchers, tax credit scholarships, and newer education savings accounts, the vast majority of students attend an assigned district school. Due to circumstances beyond their control, parents are currently unable to access these public schools. It is therefore the legitimate role of state and local level governments to respond to the education challenges presented by the COVID-19 pandemic—a role that extends in a far more limited way to the federal government.

States, and in a limited capacity, Congress, can build the supply of private instructors, tutors, special education service providers, and curricular resources to meet K–12 education demand by immediately allowing existing public education dollars to follow students to providers of choice in the form of ESAs. These immediate policy changes would serve families during this time of crisis, without leading to government overreach.

Emergency Policy Reform—Education Savings Accounts

In 2011, Arizona became the first state to implement education savings accounts, and since that time four other states have followed suit: Florida, Mississippi, Tennessee, and North Carolina. Although the mechanics differ slightly in each of those five states, the basic architecture is the same. First, families receive a portion (typically 90 percent) of their child’s *state per-pupil* education funds in a restricted-use account. Funds are distributed quarterly by the state, and families must provide receipts for their expenditures to the administering entity before receiving the subsequent quarter’s distribution. Some states provide ESAs to families using Visa debit cards (loaded with the state per-pupil funding that would have been spent in public school), while others reimburse families for approved education expenses. Notably, many ESA payments can be made without contact with another person, for example, when using the ESA to purchase educational resources online or to pay a virtual private tutor.

Once a family's ESA is populated with the child's state per-pupil funds (\$6,000 per year, on average, in Arizona), the parents can then use those funds to pay for any education-related service, product, or provider of choice. Unused funds can be rolled over from year to year in anticipation of future education-related expenses or for subsequent higher education expenses. Broadly, families can use their ESAs to pay for:

- Private school tuition,
- Textbooks,
- Private tutoring,
- Online courses,
- Standardized tests,
- Special education services and behavioral therapy,⁴
- Curriculum and educational materials,⁵
- Assistive technology,
- Public school services (individual public school classes), and
- Contributions to a college savings account.

Several of these approved expenses are particularly well-suited to provide support to families who have found themselves in the position of homeschooling their children without much advance notice. Private tutoring conducted virtually, online courses, certain special education services provided virtually, and numerous curricular resources can help families as they navigate these new education waters. In the five states with existing ESA programs, approved tutors must have a state teaching certificate or state substitute teaching certificate on file, in addition to a bachelor's degree.

Despite being relatively new, families have quickly entered ESA programs in states where they are available. While student eligibility varies by state, today nearly 22,000 students across the country use an ESA to finance tuition at participating private schools, and to pay for private tutors, to access online courses, and to receive special education therapies.⁶ While

accountability for academic outcomes rests with parents, and it is up to the parents to use their ESA to pay for resources in core academic subjects, states have implemented strict fiscal controls for taxpayers. Accounts are subject to audits by the agency that administers the program in the state, and the state agency can refer a substantial misuse of funds to the attorney general.

Bolstering the Supply of Tutors to Meeting Demand. The COVID-19 outbreak is disrupting jobs in nearly every sector of the economy, from food and service industry workers to high-skilled employees in colleges and universities across the country. The high-skilled labor market may soon have increased capacity to provide expertise in niche areas to students across the country virtually. From the college professor or high school teacher who has to work remotely, to the mid-career professional in a variety of other fields, enabling those individuals to work as private tutors, and for students to learn from them virtually and for parents to pay for the services using an ESA populated with their child's public education funds, could help overcome the current schooling situation affecting tens of millions of students across the country.

State-Level Reform Mechanics

In order to address the K-12 schooling problem associated with the COVID-19 pandemic, states should take the following immediate actions:

- **Provide ESAs to families for the remainder of the academic year.** States should provide families with ESAs populated with 90 percent of what the state (no local and no federal funding) would have spent on the child in the public school system. The amount should be prorated, shifting the remaining funding the state would have spent on the child in his/her public school through June 2020 into a parent-controlled ESA. Families should then be allowed to use their ESAs to pay for private tutors, online tutors, special education services and therapists, online courses, and curricula (such as textbooks).
- **Expand existing ESA programs.** In states that are already home to ESA programs (Arizona, Mississippi, Florida, Tennessee, and North Carolina), student eligibility should be expanded to all students in the state, reflecting the fact that the coronavirus pandemic affects all families.

- **Relax teacher certification regulations to boost the supply of private tutors.** A robust supply-side response is critical for an ESA program to function well and maximize the benefit to students. Regulations can make it difficult for suppliers and new providers, such as private tutors, to enter the market. While maintaining the requirement that private tutors hold bachelor's degrees, states should relax the requirement that they also have a state-approved teaching license. This emergency reform could significantly boost the supply of available private tutors, increasing the number of instructors whom parents can pay with their ESAs, and from whom students can learn online.

Federal-Level Reform Mechanics

Although education is constitutionally left to the states, the federal government currently operates dozens of education programs costing tens of billions of dollars annually. To allow free markets in education to flourish, reforms should focus broadly on winding down federal education programs and spending. However, Congress should use *existing* dollars authorized under the Individuals with Disabilities Education Act (IDEA) to:

- **Provide micro-ESAs for students with special needs through IDEA portability.** Approximately seven million children across the country access special education services funded in part through the IDEA. The law is currently funded at \$13.6 billion.⁷ Congress should allow existing IDEA funds to be used by those seven million children with special needs as a micro-ESA for the remainder of the school year, enabling them to pay for online special education tutors, services, and products. These would be “micro” in nature because per-student IDEA funding is approximately \$1,700 annually.⁸ Providing eligible students 90 percent of those funds would result in an ESA of approximately \$1,500, which would be prorated by the school district for the remaining three months of the academic year. This would provide additional (albeit limited) funds for families with children with special needs, which could be combined with the state-level ESAs outlined above, available to all students.

The coronavirus has created unprecedented education challenges for millions of families across the country. Freeing-up *existing* education spending at the state and federal level to provide emergency ESAs to students will

help limit disruption to their education while continuing the necessary practice of social distancing. It will also help unlock a supply of private tutors who can meet the demands of families who have found themselves homeschooling on short order.

Families are currently unable to access the public school they rely on and that they fund as taxpayers. As such, states should immediately make remaining education dollars student-centered for the remainder of the year, providing ESAs—and education security—to students from coast to coast.

Lindsey M. Burke, PhD, is the Director of the Center for Education Policy and the Will Skillman Fellow in Education, of the Institute for Family Community, and Opportunity, at The Heritage Foundation.

Endnotes

1. Andrew Ujifusa, "Trump Urges 'Schooling from Home' to Combat Coronavirus," *Education Week*, March 16, 2020, <http://blogs.edweek.org/edweek/campaign-k-12/2020/03/trump-coronavirus-schooling-from-home-all-americans.html> (accessed March 19, 2020).
2. "Map: Coronavirus and School Closures," *Education Week*, March 19, 2020, <https://www.edweek.org/ew/section/multimedia/map-coronavirus-and-school-closures.html> (accessed March 19, 2020).
3. Emily Parker, "50-State Review: Constitutional Obligations for Public Education," Education Commission of the States, March 2016, <https://www.ecs.org/wp-content/uploads/2016-Constitutional-obligations-for-public-education-1.pdf> (accessed March 19, 2020).
4. Approved special education therapies in Arizona include occupational therapy, physical therapy, speech therapy, vision therapy, equine therapy, hand therapy, music therapy, aquatic therapy, applied behavioral analysis, cognitive behavioral therapy, and art therapy, among others. Paraprofessionals and educational aides are also approved expenses for children with special needs. See Arizona Department of Education, "Empowerment Scholarship Account Program Parent Handbook: School Year 2019–2020," July 1, 2019, <https://cms.azed.gov/home/GetDocumentFile?id=5d09273b1dcb25172849f2c9> (accessed March 19, 2020).
5. Approved educational materials in Arizona include reading books, educational workbooks, educational flash cards, educational reference books, textbooks, DVDs and CDs, instructional books, audio/digital books, atlases, dictionaries, thesauri, counting manipulatives, educational science kits, and educational social studies boxes. See Arizona Department of Education, "Empowerment Scholarship Account Program Parent Handbook: School Year 2019–2020."
6. *The ABCs of School Choice*, EdChoice, 2020, <https://www.edchoice.org/wp-content/uploads/2020/01/2020-ABCs-of-School-Choice-WEB-OPTIMIZED-REVISED.pdf#page=9> (accessed March 19, 2020).
7. Evie Blad, "Why the Feds Still Fall Short on Special Education Funding," *EducationWeek*, January 10, 2020, <https://www.edweek.org/ew/articles/2020/01/15/why-the-feds-still-fall-short-on.html> (accessed March 19, 2020).
8. New America Foundation, "Calculating the 'Excess Cost' of Educating Children with Disabilities," 2014, <https://www.newamerica.org/education-policy/topics/school-funding-and-resources/students-disabilities/federal-funding/calculating-excess-cost-educating-children-disabilities/> (accessed March 19, 2020).