Summary of the Mississippi Legislature’s Joint Committee on Performance Evaluation and Expenditure Review’s Report:
A Statutory Review of Mississippi’s Education Scholarship Account Program (December 2018)

Program Overview:
In 2015, the Mississippi Legislature created an Education Scholarship Account (ESA) program for students with disabilities. The program provides funding that parents can use to place their child in a private school or for other educational services. The Joint Committee on Performance Evaluation and Expenditure Review (PEER) is tasked with publishing biannual reports that assess the sufficiency of funding for the ESA program and to recommend any suggested changes to state law or policy to improve the program. This report is committee’s findings for fiscal years 2017 and 2018.

Key Findings:
- The ESA program cost Mississippi taxpayers $724,074 in fiscal year 2018.
- The ESA program is not being utilized at full capacity. In fiscal years 2017–2018, the Mississippi Department of Education (MDE) disbursed only 70% of the Education Savings Accounts (ESA) funds available.
- The program lacks accountability and fails to ensure that nonpublic schools enrolling ESA students meet basic statutory requirements or that students with disabilities are receiving the services they need.
- MDE has been ineffective in administering the program.

Mississippi’s ESA Program Does Not Save Taxpayer Dollars—It Comes at a Cost to Taxpayers
- When a student using an ESA leaves a public school, the school district will receive fewer funds in the future from the Mississippi Adequate Education Program (MAEP), which disburses funds to school districts based in part on the average daily attendance of pupils at each district.
- In fiscal year 2018, as a result of students who had transferred out of school districts in order to receive ESA funds, the state reduced the amount of funding to those districts by $1.3 million. However, in that year, MDE distributed $2 million to parents and education providers for the ESA program. Therefore, the net added expense to the state for the ESA program was $724,074.

Mississippi’s ESA Program Does Not Need Further Funding
- In fiscal years 2017–2018, MDE disbursed only 70% ($3.9 million) of Education Savings Accounts (ESA) funds available, while 30% ($1.7 million) lapsed and was returned to the State Treasury.
- Students using ESAs on average only spent 55% of the funds.
- In fiscal years 2017 and 2018, almost one-third (an average of 31%) of students receiving ESA funds did not use them. Reasons for not using the ESA include:
  - Parents were not able to find a private school that met their child’s needs.
  - Private schools accepting ESAs denied admission to students or placed them on a waiting list.
  - Parents were unable to afford admission to a private school while waiting to receive reimbursement funds from the ESA program.
Mississippi’s ESA Program Is Not Adequately Serving Students with Disabilities

- The ESA program lacks the accountability necessary to ensure that students with disabilities in the program are receiving the services they need and progressing toward their special education goals.
- Despite being a program specifically funded to serve students with disabilities, the majority of schools participating in the program are not actually designed to serve students with disabilities.
- In fiscal year 2018, one-third of participating schools did not employ any special education staff.
- The state cannot assess to what extent participating students are receiving the special education services they need or whether they are meeting their IEP goals because there is no requirement to monitor the IEP of students using ESAs.

Mississippi’s ESA Program Lacks Adequate Accountability Measures

- The ESA program lacks the accountability measures necessary to ensure that private schools enrolling ESA students meet statutory requirements. For example, private schools are not required to apply for participation in the ESA program, which means that the state cannot guarantee that schools enrolling ESA students meet all requirements in law.
  - Six nonpublic schools reported that they were unaware they had enrolled a student with an ESA and thus were unaware of their statutory obligations.
- Lack of sufficient oversight of the program has led MDE to overpay parents in at least two instances and in other instances has led to MDE being unable to account for how the ESA funds were spent by parents.
- The ESA program places the onus on parents, rather than the administrator, to ensure that each school accepting ESA students meets statutory requirements and that each school is actually accredited.
- The ESA program does not require any standardized testing to track ESA students’ achievement and does not maintain any minimum requirement for teacher credentials.

Mississippi’s ESA Program Is Not Effectively Managed

- The lottery system is ineffective. If a student cannot use an ESA, the MDE does not have the authority to redistribute the ESA to another student on the wait list; instead, it must wait until the date of the next lottery.
- MDE has not prioritized students with active IEPs on the waiting list for awarding an ESA, meaning that students already enrolled in nonpublic schools can receive ESAs before those students currently in public schools.
- The MDE administers the program without comprehensive written policies for the program, procedures for accepting and renewing ESAs via a contract, or procedures for withdrawing from the program. MDE also has not developed a parent handbook, which could potentially lead to inconsistent or incorrect information being given to parents.