



## Education Savings Accounts (ESAs)

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### What are ESAs?

Education Savings accounts are state-supervised, flexible spending accounts containing public funds that can be used to pay for a variety of approved education-related services. With an ESA, parents access their child's education funds, usually through an online platform, and transfer dollars to the approved expenses such as private or nontraditional schools, courses, programs, and services of their choice. In some cases, unused funds can be saved for future K-12 and college expenses. Eligible services can include textbooks and curriculum, online learning, tutoring, occupational or instructional therapies, and testing.

### Universal ESAs:

Universal Education Savings Accounts (ESAs) are available to all K-12 students in a state, regardless of income, prior school enrollment, or special status. These programs offer families public funds to use on approved educational expenses such as private school tuition, tutoring, or homeschooling materials. The goal is to give every family equal access to educational options beyond their zoned public school. States such as Arizona, Iowa, Utah, and Arkansas have passed universal ESA programs, meaning all students can access ESA funds.

### Non-Universal ESAs:

Non-universal ESAs limit eligibility to specific groups of students, such as those with disabilities, from low-income households, or attending low-performing public schools. These programs aim to expand educational opportunities for students who may face barriers within the traditional public school system. Access is not statewide and is typically contingent on meeting certain criteria.

### ESAs and Educational Opportunities

Through an ESA, families can direct their child's education funds to the school of their choice, but they can also customize their child's education by directing the funds to tutoring, online courses, costs associated with college entrance exams, therapies for students with special needs, textbooks, curriculum, college savings, and other authorized uses. Through an ESA program, families can completely customize their child's education.

## **ESAs v. Vouchers?**

While similar in some ways, ESAs differ from vouchers in some key aspects: ESA funds flow from the government to a student's individual ESA account and are used at the family's discretion for approved education expenses. ESA funds may be used for a wide range of education expenditures and often may be "rolled over" from year to year. Rolled-over funds may be used for certain higher education expenses. Voucher funds are typically limited to payment of tuition at a private school.

## **ESAs and Public School Resources**

ESAs affect public school funding and resources in the same way as public schools are affected when a student leaves because their family moved to a new district or out of state; however, when a student leaves their school by using an ESA, the school is usually left with all local and federal per-pupil revenue.

