

**CONCLUSION:** During FYs 2021 and 2022, the Mississippi Department of Education (MDE) disbursed \$4.8 million (85%) of ESA funds available, while \$859,892 (15%) lapsed and was returned to the State Treasury. The current ESA budget of \$3 million per year could be better used to address students on the program's waitlist. For FYs 2021 and 2022, the ESA program cost the state approximately \$1 million per year. MDE has made some improvements in its administration of the program but certain areas continue to be problematic (e.g., failure to recertify participants after three years of program enrollment and the delayed development of an online portal for parents to submit documents). S.B. 2594 (2020 Regular Session) made changes to student and school eligibility. The bill also attempted to increase program accountability by establishing various reporting requirements; however, these efforts have not increased accountability for all participating schools and students. PEER's survey indicated high levels of satisfaction with the program by both parents and students.



## BACKGROUND

In 2015, the Mississippi Legislature enacted The Equal Opportunity for Students with Special Needs Act (Chapter 441, *Laws of 2015*). MISS. CODE ANN. Section 37-181-1 (1972) et seq., directs MDE to administer the ESA program.

The program's purpose is to offer parents of children with disabilities financial assistance to place their children in a nonpublic school setting and receive other educational services that parents believe best meet the needs of their child.

This biennial report is the third conducted by PEER and includes a review of the last two years of program operation, FYs 2021 and 2022.

### Terms:

- **ESA recipient:** students who were awarded an ESA, regardless of whether they actually participated in the program by receiving ESA funds;
- **ESA participant:** students who were awarded an ESA and received ESA funds; and,
- **Nonpublic schools:** private, parochial, and independent schools.



## KEY FINDINGS

- **For FYs 2021 and 2022, the budget for the ESA program was \$6 million (\$3 million in FY 2021 and \$3 million in FY 2022).**  
Of the \$6 million budget, MDE disbursed \$4.8 million to parents and educational service providers and expended \$276,205 for program administration. Unused program funds in the amount of \$859,892 lapsed and were returned to the State Treasury, along with \$83,795 in unused administrative funds. The excess of funds indicates sufficient program funding.
- **As of October 2022, 127 students were on the ESA waitlist; therefore, some might argue that program funding is not sufficient. However, PEER contends that the current ESA budget of \$3 million per year could be better used to address students on the waitlist.**  
This effort would require changes to state law and MDE's administration of the program, including projections of program participation and use of funds, as well as MDE's strict adherence to the three-year recertification requirement for ESA participants.
- **During FYs 2021 and 2022, 546 ESA participants attended 120 nonpublic schools in Mississippi.**  
While some of the schools are designed to serve students with disabilities, the majority are not.
- **During FYs 2021 and 2022, participants used an average of 96% of their ESA funds on tuition expenses.**  
Tutoring accounted for another 2% of funds, while various expense categories accounted for the remaining expenditures.
- **For FYs 2021 and 2022, the state's net cost for the ESA program was \$966,589 and \$1,100,923, respectively.**  
The fiscal impact to public school districts was immaterial.

## Effectiveness of ESA Administration

In PEER's 2020 report, PEER noted that MDE had made several improvements to the ESA program since its previous review.

For example, MDE has adopted and adhered to certain formal policies in more recent years regarding its ESA awards and forfeitures. Additionally, in February 2021, the State Board of Education revised its policies for the ESA program.

However, MDE has not improved in certain aspects of program administration since 2020, including issues regarding recertification of ESA participants after three years of program participation and internal controls over reimbursements (i.e., overpayments to parents and educational service providers, system data entry errors, refund classification errors).

Also, MDE has not completed its online portal for applications and reimbursements that it expected to be available to parents beginning in January 2021.

## Impact of S.B. 2594 (2020 Regular Session)

**Student and School Eligibility:** S.B. 2594 slightly reduced the number of students eligible to participate in the ESA program. Regarding school eligibility, the bill potentially increased the number of in-state nonpublic schools eligible to participate but made online and out-of-state schools ineligible.

**Program Administration:** S.B. 2594 made several changes to program administration, including changes related to eligible expenses, the program's waitlist, and the transfer of unused ESA funds to home school districts if a student returns to public school.

**Accountability:** S.B. 2594 attempted to increase program accountability by establishing assessment and reporting requirements for eligible schools, requiring PEER to analyze participating students' performance on pre- and post-assessments, and requiring PEER to assess the degree to which eligible schools are meeting the needs of participating students as defined in their individual education plans. However, these efforts have not increased accountability for all participating schools and students.

## Parent and Student Satisfaction

2022 survey respondents indicated that parents and their children were satisfied with the ESA program and with the disability services provided by nonpublic schools. They also believed that their children had shown progress in achieving their academic and disability-related goals through participation in the ESA program. However, parents reported areas needing improvement, including the timeline for reimbursements and electronic submission of documents.



## SUMMARY OF RECOMMENDATIONS

1. The Legislature should amend MISS. CODE ANN. Section 37-181-7 (1972) to allow for the Mississippi Department of Education (MDE) to fund each student's ESA up to the maximum ESA amount for each school year.
2. MDE should continue to improve its administration of the ESA program.
3. In order to improve program accountability, MDE should require that all participating schools submit MDE's school assurances form attesting that they meet statutory obligations and will comply with program requirements (e.g., provide a pre- and post- test to students and submit results to MDE). For current ESA participants, forms should be signed before MDE reimburses any additional expenses to parents or schools. For future participants, forms should be signed before ESA awards are finalized.
4. In order to improve the ESA program's accountability structure, by January 1, 2024, MDE, in consultation with PEER staff, should provide the following information and recommendations to the Senate and House Education committees regarding the ESA statute:
  - a. whether the types of pre- and post-tests included in statute should be limited to specific tests;
  - b. what type of performance information should be submitted by schools at the end of the school year related to the special needs of the student; and,
  - c. what information schools should submit regarding ESA students' performance on Advance Placement exams or exams related to college or university admission, four-year high school graduation rates, and college acceptance rates.