

2022 Statutory Review of Mississippi's Education Scholarship Account Program

A Report to the Mississippi Legislature
Report #682
December 13, 2022



PEER Committee

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Becky Currie, Secretary

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About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

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December 13, 2022

Honorable Tate Reeves, Governor
Honorable Delbert Hosemann, Lieutenant Governor
Honorable Philip Gunn, Speaker of the House
Members of the Mississippi State Legislature

On December 13, 2022, the PEER Committee authorized release of the report titled *2022 Statutory Review of Mississippi's Education Scholarship Account Program*.

Representatives

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This report does not recommend increased funding or additional staff.

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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.

2022 Statutory Review of Mississippi's Education Scholarship Account Program

Introduction

Authority, Scope, and Purpose

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 the Mississippi Department of Education (MDE) to administer the Education Scholarship Account (ESA) program and outline parents' and schools' responsibilities for program eligibility and participation.

As stated in MISS. CODE ANN. Section 37-181-13 (1) (1972):

The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) shall prepare a biannual¹ report, beginning in 2018 and every two (2) years thereafter, assessing the sufficiency of funding for education scholarship accounts and recommending any suggested changes in state law or policy necessary to improve the program.

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.

MISS. CODE ANN. Section 37-181-13 (2) (1972) states that PEER's report is to assess the following:

- a. *The degree to which eligible schools are meeting the needs of participating students as defined by the participating students' IEPs;*
- b. *The level of participating students' satisfaction with the ESA program;*
- c. *The level of parental satisfaction with the ESA program;*
- d. *Participating students' performance, both pre-assessment and post-assessment, on the eligible school's current assessment used to demonstrate academic progress, a nationally standardized norm-referenced achievement test, or a current state board-approved screener, as required in Section 37-181-15 (f);*
- e. *Participating students' performance on Advanced Placement examinations or similar courses and any examinations related to college or university admission;*
- f. *The four-year high school graduation rates and college acceptance rates of participating students;*
- g. *The percentage of funds used for each qualifying expense identified in Section 37-181-5 (2); and*
- h. *The fiscal impact to the state and home school districts of the ESA program, which must consider both the impact on revenue and the impact on expenses. Furthermore, the fiscal savings associated with students departing public schools must be explicitly quantified, even if the public school losing the student(s) does not reduce its spending accordingly.*

PEER conducted this review in accordance with MISS. CODE ANN. Section 5-3-51 (1972) et seq.

¹ According to the statute, the review is to take place every two years. Therefore, PEER prepares a biennial report, not a biannual one.

Method

To conduct this analysis, PEER:

- reviewed relevant sections of the state law;
- interviewed managerial and ESA program staff from MDE;
- reviewed federal, state, and local funding information from MDE;
- reviewed MDE’s ESA program data (e.g., participation, reimbursement, and assessment data);
- reviewed MDE’s policies and procedures for administration of the ESA program;
- reviewed MDE’s website and program forms (e.g., applications, reimbursement forms);
- reviewed other states’ websites and various requirements (e.g., eligibility) for similar programs; and,
- administered a survey to 525 parents of children who were awarded an ESA in FY 2021 and/or FY 2022.

Scope Limitation

For FYs 2021 and 2022, The Equal Opportunity for Students with Special Needs Act did not require the collection of data by MDE regarding the following:

- ESA student performance on Advanced Placement (AP) examinations or similar courses and any examinations related to college or university admission; and,
- four-year high school graduation rates and college acceptance rates of participating students.

While PEER attempted to obtain some of this information in its survey to parents of ESA recipients, it should be noted that the parent responses PEER collected do not reflect a complete and reliable set of data by which to make a valid assessment for all students in the ESA program (see Appendix F, page 55, for related survey questions and responses).

Definition of Terms

The following terms are used throughout the report:

- **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.

School Choice Options in Mississippi

Mississippi offers various forms of public and nonpublic school choice options to parents for their children’s education. Public school options include charter schools, magnet schools (i.e., schools that focus on a special area of study such as science or performing arts), and open enrollment policies in which Mississippi allows public school students to transfer to a public school of choice under certain circumstances (e.g., when the school boards of the districts involved mutually agree to allow the student to transfer, upon the written request of the parent or guardian).

School Choice Options in Mississippi (continued)

Mississippi offers the following nonpublic school choice options:

- **Nate Rogers Scholarship for Students with Disabilities Program** (MISS. CODE ANN. Section 37-175-3 [1972]): Beginning in 2013, Mississippi began offering scholarships to students with speech-language impairments. The maximum amount of the scholarship is equivalent to the Mississippi Adequate Education Program (MAEP)¹ base student cost. There is no maximum number of scholarships offered for this program.
- **Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program** (MISS. CODE ANN. Section 37-173-3 [1972]): Beginning in 2012, Mississippi began offering scholarships to students with dyslexia. The maximum amount of the scholarship is equivalent to the MAEP base student cost. This scholarship is available to children without an individualized education program (IEP)¹ who have a diagnosis of dyslexia. There is no maximum number of scholarships offered for this program.
- **Educable Child Program** (MISS. CODE ANN. Sections 37-23-61 through 37-23-75 [1972]): Students with disabilities are able to receive financial assistance from the state when enrolled in the Educable Child Program. While the majority of students in the program are placed by local school districts, the Department of Human Services, or Child Protection Services, the program does allow parents to place their child in an MDE-approved nonpublic school after submitting the required documentation.

In addition to enrolling their children in nonpublic schools, Mississippi also allows parents to homeschool their children.

Mississippi's addition of an ESA program in 2015 expanded parents' options for nonpublic school choice by allowing all categories of students with disabilities to qualify and by providing funds for non-tuition educational expenses (e.g., tutoring, textbooks). The Nate Rogers Scholarship and dyslexia scholarship cover tuition only and require students to attend a limited number of state-approved schools, while ESAs allow parents to choose from many schools across the state that meet certain requirements. To qualify for the Nate Rogers Scholarship, a student must have been enrolled in public school the previous year; thus, students already enrolled in a nonpublic school are not eligible. However, these students are eligible for an ESA.

According to the National Conference of State Legislatures, proponents of ESAs claim that giving parents a variety of options with which to spend the funds will make them more mindful of the quality and cost of services, allowing them to maximize the value of the scholarship. Having multiple options allows parents to customize their child's educational experience to best meet their individual needs. Furthermore, they claim that ESAs increase competition among schools, which forces schools to raise their academic quality and decrease costs to increase enrollment. Opponents of ESAs express concern that the programs lack accountability to ensure that students are receiving a high-quality education and that funds are being used appropriately. Also, opponents contend that public funds are being shifted away from struggling public schools and instead given to nonpublic schools that are held less accountable.

² The Mississippi Legislature provides funding to public schools through a formula known as the Mississippi Adequate Education Program (MAEP) that calculates a "base student cost" that is derived from expenditures of school districts in instruction, administration, plant and maintenance, and ancillary (e.g., librarians and counselors). Base student cost does not include other "add-on" funding to districts for such categories as special education.

³ An individualized education program (IEP) is a written statement for each child with a disability that is developed, reviewed, and revised in a meeting as described in 34 Code of Federal Regulations (CFR) Section 300.320 through

What is Mississippi's Education Scholarship Account program, and how is it administered?

This chapter discusses the following:

- description of Mississippi's ESA program;
- administration of the ESA program;
- the ESA program budget, disbursements, and administrative costs;
- number of ESAs awarded and number of applicants on waiting list; and,
- nonpublic schools serving ESA students in FYs 2021 and 2022.

Description of Mississippi's ESA Program

In its 2015 Regular Session, the Legislature passed The Equal Opportunity for Students with Special Needs Act, which directs MDE to implement an ESA program in the state on a phased-in basis (i.e., with annual increases in enrollment). 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.

MISS. CODE ANN. Section 37-181-1 (1972) et seq., The Equal Opportunity for Students with Special Needs Act, passed by the Legislature during its 2015 Regular Session, directs MDE to implement a five-year ESA pilot program. According to MISS. CODE ANN. Section 37-181-7 (1972), the program was limited to 500 students in the first school year (2015–2016) with new enrollment limited to 500 additional students each subsequent year. However, the program has not grown as authorized in law because the program's budget has not increased steadily each year through legislative appropriations. If MDE had awarded ESAs to 500 students per year (and if enough students applied), the total number of awards would have grown to 3,500 for FY 2022.

The program's budget of \$3 million for FY 2022 provided for a maximum of 415 ESAs. The number of students applying for the program has not necessitated the 3,500 spots anticipated in state law. See page 9 for the actual number of participating students and the number of students on the waitlist.

The Act set an initial amount of \$6,500 for each ESA in school year 2015–2016, with annual adjustments proportionate to the annual adjustments made to the Mississippi Adequate

Section 300.324. An IEP must take into account a child's present levels of academic achievement and functional performance, and the impact of the child's disability on his or her involvement and progress in the general education curriculum. IEP goals must be aligned with grade-level content standards for all children with disabilities.

Education Program (MAEP) base student cost. For the 2021-2022 school year, the ESA amount was \$6,779.

The ESA program offers 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 their child's needs.

To be awarded an ESA in FYs 2021 and 2022, a student must have had an individualized education program (IEP) within three years of applying to the ESA program.⁴ According to the U.S. Department of Education, each public school student who receives special education and related services must have an IEP, which must include specially designed instruction solely for that student. The IEP creates an opportunity for teachers, parents, school administrators, related services personnel, and students (when appropriate) to work together to improve educational outcomes for students with disabilities.

Administration of the ESA Program

MISS. CODE ANN. Section 37-181-5 (1972) et seq., outlines the obligations of parents for participating in the program, MDE, and eligible schools that enroll students with an education scholarship account.

Parental Obligations

MISS. CODE ANN. Section 37-181-5 (1972) states that an eligible student qualifies to participate in the ESA program if the parent signs an agreement promising the following:

MISS. CODE ANN. Section 37-181-5 (1972) requires that parents sign an agreement promising that they will abide by various ESA program requirements.

- to provide an organized, appropriate educational program to their participating student;
- to document their student's disability at intervals required by the program;
- not to enroll their child in a public school;
- to acknowledge that their child has no individual entitlement to a free appropriate public education⁵ from the home school district, including special education and related services;
- not to file a certificate of enrollment with MDE showing participation in a home instruction program; and,
- not to participate in the Mississippi Dyslexia Therapy Scholarship Program or the Mississippi Speech-Language Therapy Scholarship Program (i.e., the Nate Rogers Scholarship Program).

⁴ In the 2020 Regular Session, S.B. 2594 changed the definition of an eligible student to include any student who had an active IEP within three years of applying to the ESA program. Prior to the change, a student must have had an active IEP within five years of applying.

⁵ 34 CFR Section 300.17 and 34 CFR Section 300.101 require a school district to provide a "free appropriate public education" to each qualified person with a disability in the school district's jurisdiction, regardless of the nature or severity of the person's disability. Education programs for students with disabilities must be designed to meet their individual needs to the same extent that the needs of nondisabled students are met. An appropriate education may include regular or special education and related aids and services to accommodate a student's unique needs.

MDE Obligations

ESA program responsibilities of MDE include handling the application and award process, adopting rules and policies for the administration of the program, and implementing a system for processing payments and reimbursements.

MISS. CODE ANN. Section 37-181-9 (1972) delineates several responsibilities of MDE, including developing a standard application form and providing parents with information regarding the allowable uses of education scholarship accounts. Also, MDE must annually notify all

students with an IEP of the existence of the program; MDE complies with this mandate by sending ESA flyers to all school districts, who are then responsible for distributing the flyers to all students with IEPs. In previous years, MDE printed copies of the flyer and delivered them to each school district. This year, due to COVID-19, MDE emailed the flyer to school districts for distribution.

MISS. CODE ANN. Section 37-181-9 (4) (1972) states that MDE:

may deduct an amount up to a limit of six percent (6%) from appropriations used to fund education scholarship accounts to cover the costs of overseeing the funds and administering the ESA program.

MISS. CODE ANN. Section 37-181-11 (1972) further instructs MDE to adopt rules and policies to administer the program, develop a system for payment of benefits, make payments to educational service providers⁶ or reimbursements to parents, and establish methods for reporting fraud electronically and via phone.

The ESA program has two MDE staff assigned full-time to the program, while management staff offers support and approvals of ESA functions.

ESA Application and Award Process

As directed by MISS. CODE ANN. Section 37-181-9 (1972), MDE created a standard application that parents submit to establish their child's eligibility for the ESA program. The application is available on MDE's website.

Along with the application form, parents must provide the following documentation:

- copy of parent/legal guardian's driver's license or state-issued identification;
- copy of student's birth certificate;
- proof of residency (e.g., copy of utility bill);
- copy of student's most recent IEP that was active within the eligible time period (three years for FYs 2021 and 2022);
- copy of student's most recent eligibility ruling and/or evaluation; and,
- signed "Responsibilities of Parents" page.

A child's individualized education program (IEP) is written with a child's present levels of academic achievement and functional performance in mind.

⁶ Per MISS. CODE ANN. Section 37-181-3 (i) (1972), an educational service provider is "an eligible school, tutor, or other person or organization that provides education-related services and products to participating students."

Signed applications and documentation must be submitted via certified mail. According to MDE staff, an online application portal is currently in development.

MISS. CODE ANN. Section 37-181-7 (2) (1972) requires MDE to award ESAs in chronological order according to the waitlist rather than through a lottery.

Per MISS. CODE ANN. Section 37-181-5 (1972), students remain eligible until the student returns to a public school, completes high school, completes the school year in which he or she reaches the age of 21, or does not have eligibility verified by a parent after three years of initial enrollment in the program.⁷

Eligible Schools' Obligations

MISS. CODE ANN. Section 37-181-15 (1972) requires that eligible schools comply with certain requirements, such as nondiscrimination policies and health and safety laws.

MISS. CODE ANN. Section 37-181-3 (1972) defines an "eligible school" as a state-accredited special purpose school, a state-accredited nonpublic school, or a nonpublic school located in the state that has enrolled a participating student and is providing services for the participating student's disability or special education needs, or is providing

services addressing a participating student's IEP. An eligible school does not include a home instruction program under MISS. CODE ANN. Section 37-13-91 (1972).

MISS. CODE ANN. Section 37-181-15 (1972) states that to ensure that students are treated fairly and kept safe, all eligible schools must:

- comply with the nondiscrimination policies set forth in Title 42, Section 1981, of the United States Code;
- provide parents with details of the school's programs, record of student achievement, qualifications, experience, capacities to serve students with special needs, and capacity to serve the participating student within the scope of their IEP;
- comply with all health and safety laws or codes that apply to nonpublic schools;
- hold a valid occupancy permit if required by their municipality;
- have no public record of fraud or malfeasance;
- require participating students to take a pre-assessment at the beginning of the school year and a post-assessment at the end of the school year;
- notify a parent or guardian applying for the program that the parent waives the right of the student to an individual entitlement to a free and appropriate public education from their home school district, including special education and related services;
- conduct criminal background checks on employees and exclude from employment any person not permitted by state law to work in a nonpublic school and any person who might reasonably pose a threat to the safety of students; and,

⁷ According to MISS. CODE ANN. Section 37-181-5 (8) (1972), every three years after initial enrollment in the program, a parent of a student (except those diagnosed with a permanent disability) must document that the student continues to be identified as a child with a disability.

- certify to MDE upon enrollment of a participating student that the eligible school shall provide services for the participating student’s disability or special education needs, or shall provide services addressing a participating student’s IEP.

ESA Reimbursement Process

MDE reimburses parents or educational service providers on a quarterly basis. Each quarter in the fiscal year parents may submit a reimbursement request form and accompanying documentation (e.g., receipts) to MDE by mail. Parents can also authorize MDE to make direct payments to educational service providers. During a fiscal year, a parent or educational service provider may only be paid one-fourth of the scholarship total each quarter, or no more than the total amount at the end of four quarters.

Any parent or educational service provider that receives payment must first register as a vendor in MAGIC,⁸ the state’s accounting and procurement system of record, and establish an account through which the Mississippi Department of Finance and Administration (DFA) can make payments.

MISS. CODE ANN. Section 37-181-5 (2) (1972) lists the types of expenses eligible for reimbursement in FYs 2021 and 2022 (i.e., allowable expenses). See Exhibit 1, page 8.

Exhibit 1: Allowable Expenses in the ESA Program (FYs 2021 and 2022) *

1. Tuition and/or academic fees at an eligible school;
2. Textbooks related to academic coursework;
3. Payments to a tutor; **
4. Payment for purchase of curriculum, including any supplemental materials required by the curriculum;
5. Fees for nationally standardized norm-referenced achievement tests, including alternate assessments, and fees for Advanced Placement examinations or similar courses and examinations related to college or university admission;
6. Educational services or therapies from a licensed or certified practitioner or provider, including licensed or certified paraprofessionals or educational aides;
7. Tuition and fees related to dual enrollment at a postsecondary institution;
8. Textbooks related to academic coursework at a postsecondary institution;
9. Surety bond payments if required by the department;
10. No more than Fifty Dollars (\$50.00) in annual consumable school supplies necessary for educational services and therapies, daily classroom activities, and tutoring; and,
11. Computer hardware and software and other technological devices if an eligible school, licensed and certified tutor, licensed or certified educational service practitioner or provider, or licensed medical professional verifies in writing that these items are essential for the student to meet annual, measurable goals or goals within the scope of the eligible student’s IEP.

* S.B. 2597 (2020 Regular Session) removed the following expense categories beginning with the FY 2021 school year: fees for transportation to and from an educational service provider paid to a fee-for-service transportation provider, tuition and/or fees for online learning programs or courses, and services provided by a public school, including individual classes and extracurricular programs.

** Per MISS. CODE ANN. Section 37-181-3 (h) (1972), a tutor is “a person who is certified or licensed by a state, regional, or national certification, licensing, or accreditation organization or who has earned a valid teacher’s license or who has experience teaching at an eligible postsecondary institution,” which is defined in Section 37-181-3 (i) (1972) as “a community college, college, or university accredited by a state, regional or national accrediting organization.”

SOURCE: MISS. CODE ANN. Section 37-181-5 (2) (1972).

⁸ Mississippi’s Accountability System for Government Information and Collaboration.

ESA Program Budget, Disbursements, and Administrative Costs

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 this amount, MDE disbursed \$4.8 million to parents and educational service providers and expended \$276,205 for program administration.

For FY 2020, the Legislature appropriated an additional \$2 million to the ESA program, increasing the program's budget from \$3 million to \$5 million. However, MDE did not receive the additional \$2 million appropriation for ESAs for FY 2021. To adjust for this budget decrease, MDE reduced each student's ESA amount to \$5,606 for FY 2021 (a \$1,159 reduction from the prior year). After the budget adjustment period, MDE increased each student's ESA amount to \$6,779 in FY 2022.

Exhibit 2 on page 9 provides the ESA program budget, disbursements and administrative costs for FYs 2021 and 2022. As shown in Exhibit 2, MDE budgeted \$3 million for the ESA program in FY 2021. Of this amount, MDE disbursed over \$2.3 million in ESA funds to parents and educational service providers and expended \$149,639 for administration of the program. In FY 2022, MDE budgeted \$3 million. Of this amount, MDE disbursed over \$2.4 million in ESA funds to parents and educational service providers and expended \$126,566 for administration of the program. In both fiscal years, administrative costs included primarily salaries and benefits of the two employees assigned full-time to the operation of the program.

Exhibit 2: FYs 2021 and 2022 ESA Program Budget, Disbursements, and Administrative Costs

	FY 2021	FY 2022	TOTAL
ESA Program Budget	\$3,000,000	\$3,000,000	\$6,000,000
Disbursements	\$2,332,417	\$2,447,691	\$4,780,108
Administrative Costs	\$149,639	\$126,566	\$276,205

SOURCE: PEER analysis of Mississippi Department of Education data.

Number of ESAs Awarded and Number on Waiting List

In FYs 2021 and 2022, MDE offered ESAs to 774 students. As of October 2022, 127 students were on the ESA waiting list.

MDE offered ESAs to 774 students in FYs 2021 and 2022. Of the 774 students, 546 (70%) used their ESAs by enrolling in an eligible nonpublic school and receiving reimbursements. Of the 546 who used their ESAs, 504 (92%) ESAs were students who had previously participated in the ESA program, indicating that these students are likely to continue in the program unless they no longer meet eligibility requirements or their circumstances change.

MDE reported that 127 students were on the ESA waiting list in October 2022. MDE sent award packets to an additional 55 students, primarily in June 2022, and these students are able to

participate in the program if they complete the necessary steps within the given time period to finalize their awards (e.g., enroll in an eligible school).

Nonpublic Schools Serving ESA Participants in FYs 2021 and 2022

During FYs 2021 and 2022, 546 ESA participants attended 120 nonpublic schools. While some of the schools are designed to serve students with disabilities, the majority are not. In FY 2022, 88 of 426 participants (21%) attended a special purpose school accredited by the Mississippi Board of Education (i.e., a school designed to serve a specific population of students or provide a special program of instruction for students). This represents a notable decrease from 2020 when 40% of participants were enrolled in a special purpose school, presumably due to the closure of the three New Summit schools in 2021.

PEER reviewed reimbursement information to determine that 494 students participated in (i.e., received funds through) the ESA program during FY 2021, and 426 students participated in FY 2022. These students attended 120 nonpublic schools. The majority of schools that served students are not specifically designed for students with disabilities. See Appendix A on page 44, for a complete list of schools that served students in FYs 2021 and 2022.

Special purpose schools are designed to serve a specific population of students or to provide a special program of instruction for students. Four schools serving 88 students (21%) in FY 2022 were MDE-accredited special purpose schools: Dynamic Dyslexia Design: 3-D School; Innova Preparatory School; Lighthouse Academy for Dyslexia; and Magnolia Speech School in Jackson. New Summit schools in Greenwood, Hattiesburg, and Jackson previously served ESA students; however, these schools closed in 2021, which likely contributed to the notable decline in the percentage of students enrolled in special purpose schools from 40% in FY 2020 to 21% in FY 2022. South New Summit in Hattiesburg has since reopened as Innova Preparatory School, and North New Summit in Greenwood has reopened as Leflore Christian School. New Summit in Jackson has remained closed.

While the majority of students (79%) did not attend a state-accredited special purpose school, parents indicated in responses to PEER's satisfaction survey that their top factor in applying for an ESA was to seek more individual attention and smaller class sizes for their children, which they believed would be provided in a nonpublic school. Also, parents rated additional or more effective disability services provided in nonpublic schools as a top factor in applying for an ESA.

Snapshot Profile of ESA Participants

PEER analysis of the 546 students who used their ESAs in FYs 2021 and 2022 indicated that the most common primary disability types among ESA participants, representing 63% of students' primary disability categories were:

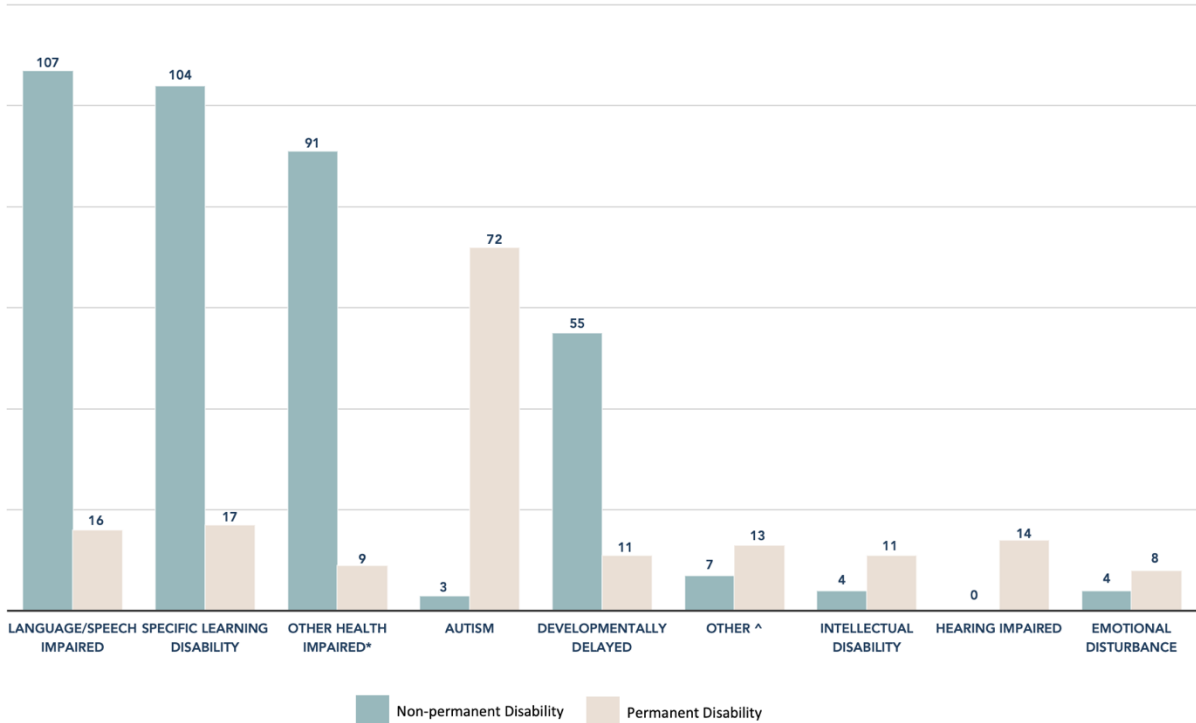
- Language/Speech Impaired;
- Specific Learning Disability (e.g., reading comprehension);

Of the 546 ESA participants, 171 (31%) had designations of permanent disabilities (primarily autism), while 375 (69%) had designations of non-permanent disabilities (primarily language/speech and specific learning disabilities).

- Other Health Impaired (e.g., attention deficit disorder).⁹

Exhibit 3 on page 11, presents the disability types of ESA participants for FYs 2021 and 2022.

Exhibit 3: Disability Types for ESA Participants, by Non-permanent and Permanent Disability for FYs 2021 and 2022



* Includes a range of conditions (e.g., attention-deficit/hyperactivity disorder [ADHD] and diabetes).

^ Includes the following IDEA categories: Deaf-Blind, Multiple Disabilities, Orthopedic Impairment, Traumatic Brain Injury, and Visually Impaired.

SOURCE: PEER analysis of ESA participant data for FYs 2021 and 2022 as provided by MDE.

The following list provides characteristics of the 546 students who participated in the ESA program in FYs 2021 and 2022.

- ESA participants were between 4 and 21 years old. Ninety-one percent of the students were between 6 and 18 years old.
- At the time of application to receive an ESA, 67% of ESA participants in FY 2022 were enrolled in public school, while 33% were enrolled in various nonpublic educational settings (e.g., nonpublic school, preschool).

For more information, refer to **Appendix B on page 47** for a map presenting the locations of ESA participants across the state.

⁹ Categories of disabilities under the “Individuals with Disabilities Education Act” (IDEA). IDEA grants provide federal funding for the education of children with disabilities.

Was funding for the ESA program sufficient?

This chapter discusses the following:

- a comparison of funding formulas for ESA programs in other states;
- the extent of use of ESA funds; and,
- the impact of the program waitlist.

A Comparison of Funding Formulas for ESA Programs in Other States

The Legislature set an ESA amount of \$6,500 in state law for school year 2015-16, with adjustments each year. For the seven other states administering programs in 2022, the funding formulas vary. In four states, the ESA amount includes additional funds to account for students' special needs. For Mississippi's Nate Rogers Scholarship and dyslexia scholarship programs, amounts are equal to the MAEP base student cost. For FY 2022, the amounts were \$5,874, while ESA amounts were \$6,779, a difference of \$905 (13%).

Exhibit 4 on page 13 provides a map showing the states operating an ESA program as of November 1, 2022. As the map shows, in addition to Mississippi, there are currently seven other states who have implemented an ESA program. Since PEER's first statutory review of the ESA program in 2018, four additional states (i.e., Indiana, New Hampshire, North Carolina, and West Virginia) have begun operating ESA programs.

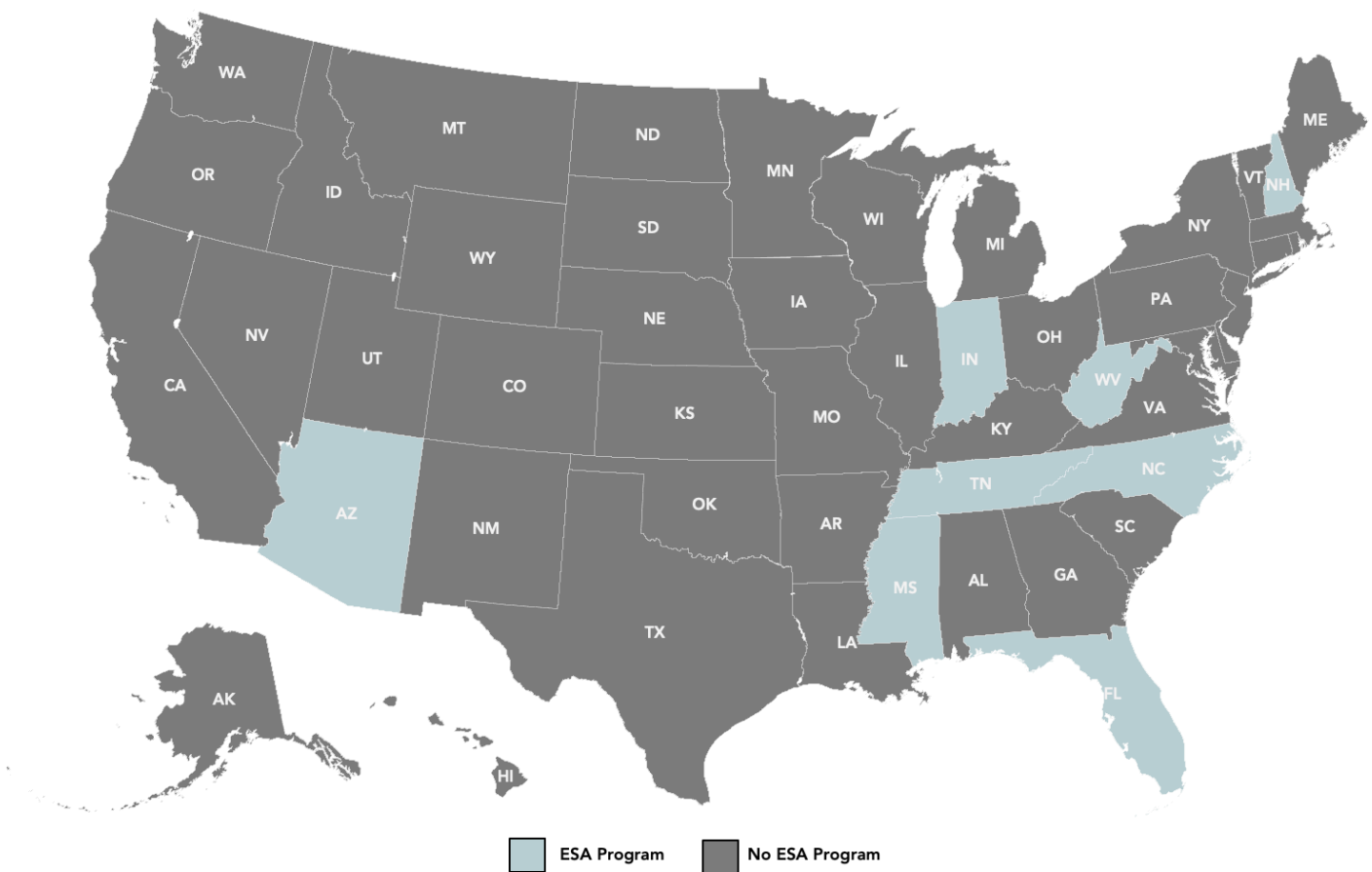
In FY 2018, the funding formulas for the three other states operating ESA programs at the time were distinctly different than Mississippi's formula. In FY 2016, the Mississippi Legislature set an education scholarship account amount of \$6,500 in state law, with yearly adjustments based on the MAEP base student cost. In an updated review of funding formulas for the seven other states operating ESA programs, PEER determined that funding for the program varies by state, including but not limited to the following:

- Including Mississippi, five states (i.e., Florida, Indiana, North Carolina, and Tennessee) only offer the ESA program to students with special needs.
- Three states (i.e., Arizona, New Hampshire, and West Virginia) provide ESA scholarships to students with or without special needs. For example, as of September 24, 2022, Arizona has expanded its ESA program to make 100% of students in the state eligible to receive ESA funding.
- Four states (i.e., Arizona, Florida, Indiana, and North Carolina) provide additional funding based on the student's disability. For example, North Carolina provides larger scholarship amounts to students with certain disabilities (e.g., autism) outlined in state law.

- Four states (i.e., Arizona, Florida, Indiana, and Tennessee) base their ESA amounts on what a student’s school or district would have received for that student. For example, in Indiana, per-pupil ESA accounts are funded at 90% of what a student would receive in a public school, which is affected by a student's school district of residence.
- Two states (i.e., Indiana and New Hampshire) provide ESA funding to low-income families. For example, New Hampshire provides ESA scholarships to students of families earning 300% of the poverty line or below.
- One state (i.e., Tennessee) includes state and local funding for the ESA program. In Tennessee, the ESA program is funded by the state's Basic Education Program funding formula for the state's K-12 public schools, which includes a state portion and the amount the local government must match.

Refer to Appendix C on page 48, for more information regarding the funding formulas for ESA programs in other states.

Exhibit 4: Map of States Operating an ESA Program as of November 1, 2022



SOURCE: PEER analysis of program websites.

Extent of Use of ESA Funds

In FYs 2021 and 2022, MDE disbursed 85% (\$4.8 million) of ESA funds available, while 15% (\$859,892) lapsed and was returned to the State Treasury. In FYs 2019 and 2020, only 71% of funds were disbursed; therefore, MDE disbursed a notably higher percentage of available ESA funds than the previous reporting period. MDE's unused administrative funds in the amount of \$83,795 also lapsed and were returned to the State Treasury. The excess of funds could indicate sufficient program funding.

As shown in Exhibit 5 on page 14, \$2.82 million was available in both FYs 2021 and 2022. In FY 2021, MDE disbursed approximately \$2.3 million (83%) and returned \$487,583 to the State Treasury. In FY 2022, MDE disbursed approximately \$2.4 million (87%) and returned \$372,309 to the State Treasury. Unused or partially used ESAs for FYs 2021 and 2022 resulted in a total lapsed amount of \$859,892, which was returned to the State Treasury.

Exhibit 5: FYs 2021 and 2022 ESA Funds Disbursed and Funds Returned to State Treasury

Fiscal Year	ESA Funds Available*	ESA Disbursements	Percentage Disbursed	Amount Returned to State Treasury	Percentage Returned
2021	\$2,820,000	\$2,332,417	83%	\$487,583	17%
2022	\$2,820,000	\$2,447,691	87%	\$372,309	13%
TOTAL	\$5,640,000	\$4,780,108	85%	\$859,892	15%

* Of its annual ESA budget, MDE allocated \$180,000 per year to administration.

SOURCE: PEER analysis of Mississippi Department of Education data.

In 2020, PEER reported that MDE disbursed only 71% (\$5.5 million) of ESA funds available in FY 2019 and 2020, while 29% (\$2.2 million) lapsed and was returned to the State Treasury. Therefore, the current reporting period of FY 2021 and 2022 represents a notable increase of 14 percentage points distributed to ESA participants. One key factor contributing to this increase is that more participants are remaining in the program year after year. This means that MDE does not have to re-award the ESA and wait for the recipient to either forfeit the award or finalize the award, which creates a lag in the time reimbursements are paid out. Another contributing factor could be that MDE is awarding ESAs in a timelier manner and therefore participants are eligible for reimbursements sooner than was the case in the previous reporting period.

In FY 2021, 405 participants continued using their ESAs from the prior year. In FY 2022, 374 participants continued using their ESAs from the prior year.

Unused ESAs

As illustrated in Exhibit 6 on page 15, MDE awarded ESAs to 774 students in FYs 2021 and 2022. Parents received reimbursements or authorized direct pay to educational service providers for only 546 ESAs—just 70.5% of those who were awarded an ESA. The total unused ESAs for FYs 2021 and 2022 was 228 (29.5%).

Exhibit 6: Unused and Used ESAs, FYs 2021 and 2022 (Combined)

Number of ESAs Awarded	ESAs Used	Percentage Used	ESAs Unused	Percentage Unused
774	546	70.5%	228	29.5%

SOURCE: PEER analysis of Mississippi Department of Education data.

Parents’ Reasons for Not Using ESAs

In 2018 and 2020, PEER included a question in its satisfaction survey to obtain the reasons that students did not participate in the ESA program after receiving an award. The majority reported the following reasons:

- financial circumstances;
- no area nonpublic schools offer needed services; and,
- child was denied admission to nonpublic school or placed on the waiting list.

Partially Used ESAs

If participants do not use the full amount of the ESA, those funds are returned to the State Treasury and are not reappropriated in the following year.

When MDE awards an ESA, the value of the ESA is set at a specific amount, which is the same for every recipient. The amounts of the ESAs were \$5,606 for FY 2021 and \$6,779 for FY 2022. If a participant does not use the full amount of the ESA, those funds are returned to the State Treasury and are not reappropriated in the following year.

As presented in Exhibit 7 on page 16, for FYs 2021 and 2022, an average of only 48% of the ESAs were exhausted, and 52% were used for less than the full amount. Of those who used less than the full amount of the ESA in FY 2022, the average amount of unused funds was \$1,997.

Exhibit 7: Number of Full and Partially Used ESAs, FYs 2021 and 2022

Fiscal Year	Total Number of Used ESAs	Number Used for Full ESA Amount	Percentage of Total	Number Used for Less Than Full ESA Amount	Percentage of Total
2021	494	236*	48%	258	52%
2022	426	203*	48%	223	52%
AVERAGE	460	219	48%	241	52%

*MDE erroneously reimbursed four of 236 participants more than the full ESA amount for FY 2021. MDE erroneously over-reimbursed two of 203 participants in FY 2022. See page 27 for more information.

SOURCE: PEER analysis of Mississippi Department of Education data.

Administrative Funds Returned to State Treasury

According to MISS. CODE ANN. Section 37-181-9 (4) (1972), MDE may deduct an amount up to 6% from appropriations used to fund ESAs. MDE chose to set aside the maximum amount of 6% (\$180,000) of ESA appropriations annually to administer the program for FYs 2021 and 2022; however, it spent only approximately 4.6% of appropriations for administration of the program for those fiscal years. As shown in Exhibit 8 on page 16, 23% of the funds MDE set aside for administration were unused and returned to the State Treasury.

Exhibit 8: Used and Unused Administrative Funds, FYs 2021 and 2022

Fiscal Year	6% Administrative Set-Aside Funds	Used Administrative Funds	Unused Administrative Funds	Percentage of Administrative Funds Unused
2021	\$180,000	\$149,639	\$30,361	17%
2022	\$180,000	\$126,566	\$53,434	30%
TOTAL	\$360,000	\$276,205	\$83,795	23%

SOURCE: PEER analysis of Mississippi Department of Education data.

MDE indicated to PEER in its 2018 review that it planned to use some of the administrative funds to develop an online application and reimbursement portal. However, MDE did not indicate to PEER that it used administrative funds for this purpose.

By not using the funds allocated to it for administrative purposes, stakeholders might question why those funds were not used to fund additional ESAs. With ESAs valued at \$6,779 in FY 2022, MDE could have funded an additional seven ESAs totaling \$47,453.

Impact of Program Waitlist

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 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 strict adherence to the three-year recertification of ESA participants.

In accordance with state law, MDE maintains a waitlist of eligible students. As of October 2022, 127 students were on the ESA program waitlist, which implies that there is not sufficient funding for the program. However, PEER contends that there are ways that MDE could provide funding for those students with the current \$3 million budget.

MDE stated to PEER that it is statutorily required to set aside the entire ESA amount for each student. MISS. CODE ANN. 37-181-7 (1) states that each student's ESA shall be funded at the amount set in law (\$6,500 for school year 2015-2016 with annual adjustments); therefore, MDE does not have the authority to award ESAs at a lower amount than that in state law or even make program funding decisions based on long-term trends and historical data.

Historical program data shows that only approximately half use the full amounts of their ESAs each year. As stated on page 14, \$372,309 went unused in FY 2022. This amount would have funded 54 ESAs in FY 2022, or 43% of the waitlist. The additional unused administrative funds would have funded an additional seven ESAs.

Additionally, MDE's efforts to ensure continued program eligibility has a direct impact on sufficiency of funding. If participants are allowed to continue in the program even if they are not in compliance with program requirements, then those funds should be offered to students on the waitlist who do meet program requirements. As described on page 26, PEER determined that 107 students are overdue for recertification. If 50 of those students were removed from the program due to the lack of a three-year recertification, those ESAs could be re-awarded and account for approximately 40% of the current waitlist.

Taken together, the amount of unused program funds and funds being spent on potentially ineligible students could account for over 100 ESAs. Therefore, efforts to forecast program participation and use of funds would provide for the most strategic use of program resources.

How did participants utilize ESA funds for allowable expenses?

This chapter discusses the use of ESA funds.

Use of ESA Funds

In 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.

Exhibit 9 on page 18 illustrates ESA expenses by expense type. The ESA program is meant to expand parents' options to individualize their child's education by providing funds for nontuition educational expenses in addition to tuition expenses. However, in FY 2021, MDE distributed \$2,218,802 (95%) to parents and educational service providers for tuition reimbursement. In FY 2022, MDE distributed \$2,349,818 (96%) to parents and educational service providers for tuition reimbursement. Also in FY 2022, the majority of participants (65%) only received reimbursements for tuition. Of the 223 who did not use all of their ESA funds, 115 (52%) only received reimbursements for tuition. Only 51 participants (12%) were reimbursed for tutoring and/or educational services or therapies in addition to tuition. This data suggests that the majority of parents are not using the program to individualize their child's education with various educational tools but rather to cover nonpublic school tuition alone.

Exhibit 9: Percentage of ESA Expenses by Expense Type, FYs 2021 and 2022

Expense Type	FY 2021		FY 2022	
Tuition	\$2,218,802	95%	\$2,349,818	96%
Textbooks	\$17,648	1%	\$20,409	1%
Tutor	\$49,374	2%	\$37,368	2%
Curriculum	\$6,119	0%	\$6,109	0%
Nationally standardized test fees	\$2,037	0%	\$3,037	0%
Educational services or therapies (from licensed providers)	\$33,300	2%	\$27,669	1%
Tuition at postsecondary institution	\$465	0%	\$275	0%
Textbooks related to coursework at postsecondary institution	\$50	0%	\$0	0%
School supplies (no more than \$50 per child)	\$1,351	0%	\$1,017	0%
Computer hardware, software, and devices	\$3,271	0%	\$1,989	0%
TOTAL	\$2,332,417	100%	\$2,447,691	100%

SOURCE: PEER analysis of Mississippi Department of Education data.

What is the fiscal impact on the state and on home school districts as a result of the ESA program?

This chapter discusses:

- the fiscal impact of the ESA program on the state; and,
- the fiscal impact of the ESA program on home school districts.

Fiscal Impact of the ESA Program on the State

The state's net cost for the ESA program for FYs 2021 and 2022 was \$966,589 and \$1,100,923 respectively.

Fiscal Impact to State Expenditures and Revenues

MISS. CODE ANN. Section 37-181-13 (1972) requires in part that PEER assess the fiscal impact of the ESA program to the state.

MAEP Funds

When an ESA participant leaves a public school, the school district will receive fewer MAEP funds in the future, which represents a reduction in expenses to the state, because MAEP disburses funds to school districts based in part on the average daily attendance (ADA) of pupils at each district. However, because of timing differences, MAEP disbursements are based on districts' ADA of the prior year. For example, the FYs 2021 and 2022 MAEP disbursements were based on FYs 2020 and 2021 ADA figures, as shown in Exhibit 10 on page 20.

For FYs 2021 and 2022, PEER determined the ESA program's net cost to the state using the following formula: total amount of ESA program disbursements minus the MAEP reduction to school districts¹⁰ for ESA students who left those districts.¹¹

In FY 2021 the state disbursed \$2,332,417 to 494 ESA participants, and in FY 2022 the state disbursed \$2,447,691 to 426 ESA participants for a total of \$4,780,108. As a result of ESA participants transferring out of school districts in order to receive ESA funds, the state reduced the amount of MAEP funds distributed to those districts in FYs 2021 and 2022 by approximately \$1.4 million each year. For FYs 2021 and 2022, the costs to the state were \$966,589 and \$1,100,923 respectively.

¹⁰ In its calculation, PEER utilized the school districts that corresponded with recipients' mailing addresses as the affected county for reduced MAEP distributions. In its 2020 report PEER used the participants' school district of last attendance as its identifier.

¹¹ In order to increase the accuracy of PEER's calculation of fiscal impact, PEER used only the base student cost distributions to school districts from the MAEP formula to determine the "reduction in MAEP funds" calculation.

The impact of FY 2022 ESA participants who were enrolled in a public school district at the time of application will result in a reduction of MAEP disbursements in FY 2023. PEER will calculate and report any MAEP disbursement reductions for FY 2023 for the next ESA report due in 2024.

Exhibit 10: ESA Disbursements and MAEP Reductions, FYs 2021 and 2022

Fiscal Year	ESA Disbursements*	Reduction to MAEP (based on ADA from the prior year)	Net Cost to State
2021	\$2,332,417 (to 494 participants)	\$1,365,828 (for 336 FY 2020 participants who were enrolled in a public school at the time of application)	\$966,589
2022	\$2,447,691 (to 426 participants)	\$1,346,768 (for 325 FY 2021 participants who were enrolled in a public school at the time of application)	\$1,100,923

*Does not include ESA program administrative costs.

SOURCE: PEER analysis of Mississippi Department of Education data.

IDEA funds

Regarding the impact of the ESA program on state revenues, federal distribution of IDEA funds to states is not affected by the number of children with disabilities but rather by the population of children and the population of children living in poverty in both public and nonpublic schools. Therefore, the ESA program did not negatively affect the amount of federal IDEA revenue coming to the state of Mississippi; therefore, the ESA program's effect on state revenues is neutral.

How many ESA participants came from public school districts?

In FYs 2021 and 2022, students from public school districts represented approximately 66% and 67% of ESA participants, respectively.

In FYs 2021 and 2022, students from public school districts and nonpublic schools were eligible to participate in the ESA program as long as the public school had prepared an individualized education program (IEP) for the student within three years prior to applying to the ESA program. In FY 2021, a total of 494 students participated in the ESA program resulting in

MDE disbursements of approximately \$2.3 million. Of these totals, 325 students (66%) had been enrolled in a public school at the time of application and MDE disbursed approximately \$1.5 million in payments to parents or education providers of these ESA students. The remaining 169 students were not enrolled in a Mississippi public school at the time of application.¹² MDE disbursed approximately \$800,000 in ESA payments to parents or education providers of ESA students not enrolled in a Mississippi public school at the time of application.

¹² These students came from various educational settings such as homeschool, nonpublic school, out-of-state schools, preschool or preschool-aged children, or university-based programs.

In FY 2022 a total of 426 students participated in the ESA program resulting in MDE disbursements of approximately \$2.4 million. Of these totals, 284 students (67%) had been enrolled in a public school at the time of application and MDE disbursed approximately \$1.6 million in payments to parents or education providers of these students. MDE disbursed approximately \$800,000 to the remaining 142 participants who had not been enrolled in a Mississippi public school at the time of their application to the ESA program.

From which public school districts did the most ESA participants leave?

In FYs 2021 and 2022, five public school districts accounted for an average of 39% of ESA participants who had been enrolled in a public school district at the time of application. The highest numbers of ESA participants came from the Rankin County School District, which accounted for 34 participants in FY 2021 and 31 participants in FY 2022.

FY 2021

In FY 2021, 325 ESA students left the public school districts. ESA students left 73 of 140 school districts in the state. Five school districts accounted for 39% of all ESA students leaving public school districts, and Rankin County School District experienced the greatest number of students leaving of the five. The five school districts are as follows:

- Rankin County: 34 students;
- Madison County: 30 students;
- DeSoto County: 21 students;
- Jackson Public: 21 students; and,
- Harrison County: 21 students.

FY 2022

In FY 2022, 284 ESA students left the public school districts. ESA students left 68 of 139 school districts in the state. Five school districts accounted for 38% of all ESA students leaving public school districts, and Rankin County School District experienced the greatest number of students leaving of the five. The five school districts are as follows:

- Rankin County: 31 students;
- Madison County: 22 students;
- Harrison County: 20 students;
- Lamar County: 18 students; and,
- Hinds County: 17 students.

Fiscal Impact to Home School Districts

Based on a review of the factors associated with ESA students (e.g., impact on staffing), PEER determined the fiscal impact on district expenditures resulting from an ESA student leaving the school district is immaterial compared to overall district expenditures.

MISS. CODE ANN. Section 37-181-13 (1972) requires in part that PEER assess the fiscal impact of the ESA program to home school districts and the savings associated with students departing public schools.

Impact of ESA Students Leaving a Home School District

The state funds public school districts based on student attendance; therefore, if a student leaves the school district to attend a nonpublic school, the school district will experience a reduction in revenues. However, these losses are immaterial compared to overall district revenues. For FY 2022, the greatest impact to a school district was seen in Kemper County School District, which had a projected loss of \$4.82 for every \$1,000 in revenue based on attendance.

In addition, fiscal savings associated with students leaving are minimal, if any, due to the small number of ESA students leaving any single district. Cost savings in public schools is typically associated with staffing, as staffing represents the highest district expense category; however, the discussion below details how the ESA program has likely not impacted staffing in public school districts.

Impact on Staffing

Regarding the fiscal impact on staffing, the number of ESA students leaving a district relative to a district's total student enrollment has an impact on a district's ability to implement staff reductions. For example, even though a district may have dozens of ESA students departing, if the district has a student enrollment of thousands or tens of thousands, the district's ability to reduce staff will be affected. Factors such as the dispersion of the departing students among grades, schools, and whether a district has sufficient staff to address ESA and other students with disabilities needs prior to the departures play a direct role in a district's decision making regarding a reduction of staff.

As mentioned above, for FY 2022, Rankin County School District, which includes 28 schools, had the most ESA students departing with 31 students, which represented 0.18% of this district's ADA for the period reviewed.

Staff reductions are more likely if:

- student departures are concentrated at one school;
- the departing students' disabilities are similar; and/or,
- the number of departing students is large enough to consolidate a special education class, eliminate a special education class, or eliminate a teacher or assistant position.

Even if these factors are in place, a district may choose to:

- use a higher staff-to-student ratio to offer increased support to remaining students;
- reassign staff to other special education areas that lack sufficient staff support;
- staff could be transferred to other schools in the district; or,
- reassign staff to other areas of need in the school.

For these reasons, cost savings associated with students departing public schools have not materialized.

Other Impacts

Regarding the fiscal impact on items other than staffing, the cost of an ESA student leaving a district is comparable to another student leaving a district in that the school does not realize any savings from a single student's departure beyond what classroom supplies and material, if any, are necessary for the student.

Has the ESA program been administered as effectively as possible?

PEER's 2018 and 2020 reports noted several areas needing improvement in MDE's administration of the program. PEER reviewed program data and information to determine whether improvements have been made or if issues still exist.

Improvements Made in the Administration of the ESA Program

MDE formalized its ESA award and forfeiture processes and established statutorily required policies related to appeals and cases of fraud.

In PEER's 2020 report, PEER noted that MDE had made several improvements to the ESA program. For example, MDE created documented policies and procedures for the administration of the program, which were approved by the State Board of Education in January 2020. Also, MDE began requiring parents to submit documentation by a certain date verifying the student's acceptance and enrollment at the nonpublic school the student will attend.

In the fall of 2019, MDE's new ESA program director implemented more procedures for increased oversight of expenses, including verification of enrollment in an eligible school for all ESA participants. MDE also facilitated amendments to state law, which are reflected in S.B. 2594 (2020 Regular Session). For example, the bill clarified that nonpublic school fees which are not academic in nature are not eligible for reimbursement, nor are textbooks that are not related to academic coursework. Also, eligible expenses must have been incurred within the awarded ESA school year. These amendments provide MDE more authority to deny reimbursements that are not in alignment with the program's purpose.

Formalization of Award and Forfeiture Processes

MDE's process for awarding and cancelling ESAs has become more formalized.

In prior years, MDE administered its program in an informal manner. However, MDE has adopted and adhered to certain formal policies in more recent years regarding its ESA awards and forfeitures. In particular, MDE has implemented the following policies:

- MDE shall notify the applicant by the third Monday in July of intent to award an ESA pending the receipt of a letter verifying the student's acceptance and enrollment in an eligible school. The letter must be received by MDE by the third Monday in September. Failure to submit will result in termination of the ESA award.
- MDE shall mail out recertification forms in April requesting an affirmation of the participant's intent for continued participation in the ESA program. Forms are due back

to MDE by the second Friday in May. If the form is not received, MDE attempts to contact the parent twice. If no response is received by the last working day of May, the ESA account is cancelled.

For the 2021-2022 school year, MDE cancelled seven ESAs because the recertification forms were not submitted.

- If there are no reimbursement requests received by the third Monday in November, the student account will not remain active and eligible for the disbursement of funds and the student's ESA will be cancelled for the current school year.
- For the 2021-2022 school year, MDE cancelled 10 ESAs because no reimbursement requests were made by the deadline.

These controls on ESA accounts allow for unused ESAs to be awarded to a person on the waitlist in a timely manner. Therefore, MDE's ability to award and cancel awards according to specified deadlines is critical.

Establishment of Policies for Appeals and Fraud Cases

In 2018 and 2020, PEER reported that MDE had not established the following:

In February 2021, the State Board of Education revised its policies for the ESA program.

- an appeals policy or procedure by which parents or educational service providers may appeal eligibility or reimbursement decisions. Although not required by law, such a policy ensures that parents are afforded the opportunity to request a review of a decision. In addition to correcting errors in decisions, appeals provide for clarification and interpretation of laws and policies. As of October 2022, MDE reported there have been no instances of parents or schools appealing a decision.
- a process for removing educational service providers that defraud parents and for referring cases of fraud to law enforcement, as required by MISS. CODE ANN. Section 37-181-11 (3) (1972). The presence of a written procedure should result in a more fair and consistent application of penalties or decisions in future instances of fraud. As of October 2022, MDE reported there have been no instances of fraud identified.

In 2018 and 2020, PEER recommended that MDE establish both of these policies.

In its February 25, 2021, meeting, the State Board of Education approved revisions to policies related the ESA program, which included both policy recommendations. Parents and schools now have the ability to request an appeal to MDE's Office of Special Education Executive Director. Further, MDE's policy now outlines the steps that must be taken to remove providers that defraud parents, remove any individuals in the ESA program involved in fraud, and make referrals to appropriate law enforcement.

PEER also notes that MDE has established an online anonymous fraud reporting service and telephone hotline, in accordance with MISS. CODE ANN. Sections 37-181-11 (4) and (5) (1972). MDE's ESA website clearly provides a link to report fraud via an online form or by calling the phone number provided.

Improvements Still Needed in the Administration of the ESA Program

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

In PEER's 2020 report, PEER noted the following deficiencies in MDE's administration of the ESA program:

- MDE had not required parents to submit documentation after three years of program enrollment showing that their child continues to have a disability, as required by state law.
- Weaknesses in internal controls resulted in overpayments, data entry errors, and other payment processing issues.
- MDE's paper-based process could result in lost applications or documentation for reimbursements.

These issues have not been fully resolved, as described in the following sections.

Issues Regarding Eligibility Recertification of ESA Participants

Regarding the recertification of ESA participants, MISS. CODE ANN. Section 37-181-5 (8) (1972) states:

Every three (3) years after initial enrollment in the ESA program, a parent of a participating student, except a student diagnosed as being a person with a permanent disability, shall document that the student continues to be identified by the school district, a federal or state government agency, or a licensed physician or psychometrist as a child with a disability, as defined by the federal Individuals with Disabilities Education Act (20 USCS Section 1401 (3)).

MDE reported that 17 students have been removed from the program due to not submitting the three-year recertification. PEER determined that an additional 107 students were due for recertification prior to July 1, 2021, but were allowed to continue participating in the program and receiving reimbursements in FY 2022.

Because ESA participation began in July 2015, recertifications should have begun three years later in July 2018. However, as of the end of FY 2020, MDE had not requested any recertifications of ESA participants. MDE then initiated a process to notify parents of the recertification requirement six months before the third anniversary of their award date.

MDE reported that 17 students have been removed from the ESA program since July 1, 2020, due to not providing MDE a three-year recertification. However, from MDE's documentation, PEER determined that an additional 107 ESA participants with non-permanent disabilities were due for recertification prior to July 1, 2021, but were allowed to continue in the program and receive reimbursements in FY 2022.

Of these 107 students, 60 (56%) are classified as having a non-permanent disability type of "Language/Speech Impaired" (32 students) or "Other Health Impaired" (28 students).

MDE indicated to PEER that MDE monitors the recertification dates on an annual basis. However, PEER found issues with the database MDE keeps to maintain reevaluation dates. For example, for 85 of the 107 students overdue, the database included blanks or N/A in the recertification date fields. MDE stated to PEER that those could mean that recertifications are pending. However, MDE provided no documentation to support this claim, and in many of these instances, the recertification dates are years past due.

MDE's failure to maintain student eligibility has significant impacts on the program. Perhaps most harmful is the fact that ineligible students could potentially be preventing students with disabilities on the program's waitlist from receiving the services they need. This is particularly significant given that 127 students were on the ESA waiting list in October 2022. Additionally, taxpayers are possibly contributing to the education of students who are ineligible to receive program funds.

Lack of Adequate Internal Controls

MISS. CODE ANN. Section 37-181-11 (1) (1972) states:

To ensure that funds are spent appropriately, the State Department of Education shall adopt rules and policies necessary for the administration of the program, including the auditing of education scholarship accounts, and shall conduct or contract for random audits throughout the year.

ESA program staff conduct the following audit steps:

- When a parent submits a reimbursement request, ESA staff ensures that the expense is allowable and performs the necessary steps for reimbursement. These actions serve as a form of pre-audit because MDE reviews reimbursement requests before payments are approved and sent to parents.
- Twice per year, ESA staff check the Mississippi Student Information System database, which captures student, teacher, and administrator data/records for the public school system, to determine whether any ESA students are enrolled in public school and whether their parents are still submitting requests for reimbursement. These actions are an attempt to prevent fraud.

While these actions are appropriate for auditing a program throughout the year, some form of post-audit would allow MDE to ensure the most accurate financial reporting of ESAs and ensure that the program has the proper internal controls in place. A post-audit would likely capture overpayments, data entry errors, and other payment processing issues.

PEER reviewed MDE's documentation on disbursements made to parents and educational service providers for each ESA in FYs 2021 and 2022. PEER noted the following errors by MDE:

- **Overpayments:** six overpayments were made to parents and educational service providers;
- **System data entry errors:** two payments were recorded to the wrong participant account; and,
- **Refund classification errors:** three overpayment refunds, received from participants, were not recorded as reductions to participant distributions.

Overpayments to Parents and Educational Service Providers

PEER reviewed MDE's documentation on disbursements made to parents and educational service providers for each ESA in FYs 2021 and 2022. In FY 2021, MDE overpaid four ESA participants a total of \$11,213. Additionally, in FY 2022, MDE overpaid two participants a total of \$1,725. As of the end of FY 2022, two overpayments were repaid by the participants' families and one overpayment was repaid by the participant's school. For the remaining three overpayments, all from FY 2021, MDE states:

We are not aware of the circumstances that caused the overpayment to the beneficiaries. However, the overpayment was identified during the disbursement period and beneficiaries that received over payment reimbursed the ESA program for the amount of the overpayment.

While MDE asserts that these overpayments were repaid, MDE was unable to provide documentation to substantiate the refund of these overpayments.

PEER inquired as to MDE's resolution of outstanding overpayments. MDE personnel responded that a tracking system has been implemented to prevent overpayments moving forward. In its next review in 2024, PEER will report on the effectiveness of this tracking system.

Even with MDE's new system in place, overpayments continue to be an issue. MDE's comments about the new control system were made in reference to overpayments from FY 2021 and MDE again experienced overpayments in FY 2022.

When viewed together with information from the 2018 and 2020 reports, these instances establish a systemic pattern of overpayments that MDE could address with better internal control policies and procedures.

System Data Entry Errors

In PEER's review of disbursements, two payments were recorded to the wrong participant's account. As a program with strict guidelines on who is eligible to receive disbursements and how much each recipient is allowed to receive, it is important for program disbursements to be allocated and recorded appropriately.

Transactions that are not recorded accurately can increase the risk that disbursements are made that are not in line with the program's purpose, that eligible participants' requests for reimbursement are denied, or create situations in which MDE must seek reimbursement from program participants.

Refund Classification Errors

During its review, PEER staff also noted two refunds that were received by program staff and not recorded as credits to those students' ESA accounts. In each instance reviewed, program participants appeared to have received reimbursements in excess of yearly program maximums, but had actually received disbursements within yearly program limits. These perceived overages occurred because all participants involved returned program funds that MDE did not record as credits to those students' ESA accounts. These misclassifications resulted in the overages reported to PEER in the program's distribution reports and led to overstatements in total program disbursements.

Errors in financial reporting can reduce the ability of program personnel to manage current operations of the program or budget for future operations. These types of errors can also make it more difficult for entities outside the program (e.g., the Legislature) to make decisions about the future operation and funding of the program.

Delayed Development of an Online Portal

MDE has been developing an online portal for the ESA program since 2020. Initially, MDE anticipated the portal would be done in January 2021, but as of October 2022, the portal is still incomplete due to changes in MDE's IT teams assigned to the project.

Since program inception, MDE has required ESA applicants to submit their applications via certified mail through the United States Postal Service. While MDE has improved its process by notifying applicants when MDE receives the application, this process could result in lost applications and other required

documentation (e.g., a copy of the student's most recent IEP). MDE also requires parents to submit quarterly reimbursement requests via mail, postmarked by a certain date, with original receipts included. These processes could result in lost documentation and potentially delay or deter a parent from applying to the program or submitting reimbursement requests in a timely manner.

In PEER's satisfaction survey, parents consistently expressed frustration because of the lack of an online portal or other secure electronic submission of documents containing personally identifiable information. See page 38 for more information.

In 2020, MDE indicated to PEER that its Office of Technology and Strategic Services had been developing an online portal for the ESA program. The portal would allow parents to submit applications and upload required documentation to the system for MDE to review, and the system would allow for immediate feedback to parents on the status of the application. Parents would also have the capability to submit reimbursement requests and supporting documentation through the portal. While the portal would not be connected to MAGIC for automatic payments, the submission of documentation would provide for greater efficiency and security of information. MDE anticipated that parents would be able to use the portal beginning in January 2021.

In October 2022, MDE indicated to PEER that the portal is still not complete due to changes in MDE's IT teams assigned to this project.

How did the implementation of S.B. 2594 impact the ESA program?

This chapter discusses the following:

- changes to student and school eligibility;
- changes to program administration; and,
- changes addressing accountability.

Impacts on 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 in the ESA program but made online and out-of-state schools ineligible.

Change to Student Eligibility

S.B. 2594 decreased the number of students eligible for the ESA program by requiring that an eligible student must have had an IEP within the past three years, as opposed to the previous five-year requirement. Using ESA applicants approved in FYs 2019 and 2020 as a reference, only six (2%) of 339 applicants would not have been eligible under the new three-year requirement (i.e., the students' IEPs were more than three years old at the time of award). Therefore, the impact on the program was not significant.

Changes to School Eligibility

Prior to S.B. 2594, an eligible school was a nonpublic school that enrolled a participating student. The eligible school was required to be accredited (or possess a provisional letter of accreditation) by a

There were 27 schools (25%) added to the list of participating schools that enrolled at least one ESA student during FYs 2021 and 2022, suggesting that school eligibility increased.

state or regional accrediting agency or be approved/licensed by MDE. Further, state law required that eligible schools comply with certain requirements (e.g., nondiscrimination policies, health and safety laws), although there was no verification to ensure that these requirements were being met.

S.B. 2594 removed the accreditation requirement and instead allows three categories of eligible schools:

- **State-accredited special purpose schools:** Special purpose schools are designed to serve a specific population of students or to provide a special program of instruction for students. Four schools that enrolled ESA students in FYs 2021 and 2022 were state-

accredited special purpose schools. All of these schools had previously served ESA students (although two were operating under a different name).

- **State-accredited nonpublic schools:** Nonpublic schools can elect to receive accreditation from MDE upon completion of the state’s accreditation process. Eighteen schools that enrolled ESA students in FYs 2021 and 2022 were state-accredited nonpublic schools. Three of the 18 had not previously served ESA students.
- **Nonpublic school located in the state that has enrolled a participating student and is providing services for the participating student’s disability or special education needs, or is providing services addressing a student’s IEP:** This category allows any nonpublic school to participate in the program as long as they attest to providing services to address the student’s disability. The implication, however, is that the school has sufficient resources to provide such special needs services. Ninety-eight schools that enrolled ESA students in FYs 2021 and 2022 fell into this category of eligibility. Of these 98, 25 (26%) had not previously served ESA students.

Eleven online schools and eight out-of-state schools that were previously eligible became ineligible for the ESA program.

Because the school must now be located in the state, out-of-state schools and online schools are no longer eligible. In FYs 2019 and 2020, 28 participants attended eleven online schools and eight out-of-state schools. Only two of these students continued in the ESA program by enrolling in an eligible school located in Mississippi.

While S.B. 2594 did not require that nonpublic schools apply for participation in the ESA program, it requires more transparency from the parent to inform the nonpublic school of the student’s disability and special education needs. Further, it requires that an eligible school must provide notice to a participating student’s home school district when the eligible student enrolls. Prior to this change, an ESA student could attend a nonpublic school without the parent informing the nonpublic school (or the student’s previous public school) that the student is participating in the ESA program.

Impact on 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.

S.B. 2594 made several changes to program administration, including, but not limited to, the following:

- S.B. 2594 makes several clarifications regarding qualifying expenses. For example, previous language stated that an eligible expense included tuition and/or fees at an eligible school. S.B. 2594 clarified that the fees must be academic in nature (as opposed to fees related to extracurricular activities).
- Eligible schools or educational service providers must provide the parent an with original itemized receipt, including the service provider’s name and address, for all qualifying expenses. In lieu of providing an original itemized receipt to the parent, eligible schools

or providers may provide to MDE the itemized receipt approved and signed off on by the parent.

- MDE must maintain a waitlist in the chronological order in which ESA applications are received. MDE must award ESAs in chronological order according to the waitlist. Previously, MDE conducted lotteries to award ESAs.
- A public school district providing special education services to a participating student must be reimbursed by the eligible school (or parent) the fair market value for any special education services rendered to the student. MDE advised local public school districts against implementation of this change, as it conflicts with federal law.

Unused ESA Funds Not Transferred to Public School Districts

According to S.B. 2594, a participating student may return to his or her home school district at any time after enrolling in the ESA program. Upon the student's return, the ESA must be closed, and any remaining funds must be distributed to the student's home school district at the end of the awarded ESA school year.

When PEER asked MDE to report the amounts of unused ESA funds transferred to the public school districts, MDE stated that it identified no instances in which a student left the ESA program and enrolled in public school. However, MDE's documentation showed that 11 students who participated in the program (and received reimbursements for part of the school year before opting out) were listed as "returned to public school."

Assuming those students did enroll in public school, the amount of unused funds that should have been transferred to public school districts in FY 2022 was \$48,048.

Impact on 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 IEPs. However, these efforts have not increased accountability for all participating schools and students.

Eligible School Assurances Form

For the 2021-2022 school year, 93% of participants had the required assurances form from their schools, and 7% did not.

PEER's 2018 report demonstrated that the ESA program lacked the accountability structure needed to ensure that nonpublic schools enrolling ESA students meet statutory requirements and that students with disabilities

are receiving the services they need and progressing toward the goals outlined in their IEPs or service plans.

S.B. 2594 attempted to address this issue by incorporating reporting requirements for eligible schools. MISS. CODE ANN. Section 37-181-15 (1972) now requires that an eligible school must certify to MDE upon enrollment of an ESA student that the eligible school shall provide services for the participating student's disability or special education needs, or shall provide services

addressing a participating student's IEP. To comply with statutory requirements, MDE developed a "participating school assurances form," which school administrators must sign and submit to MDE. This form, which can be found in Appendix D on page 50, requires a school to attest that it meets all statutory requirements for eligible schools (e.g., conduct criminal background checks on employees) and that it "shall provide supports to meet the individual needs of each student." According to MDE staff, the requirement became effective during the 2021-2022 school year.

PEER reviewed MDE's documentation on assurances forms for each student participating in the ESA program during the 2021-2022 school year to determine that:

- 398 or 93% of participants had an assurances form on file with MDE as required by the state law; and,
- 28 or 7% of participants did not have the required assurances form and were not in compliance with the state law.

PEER also determined that there were 23 schools with at least one student in the ESA program without a signed assurances form. Of those 23 schools:

- 17 schools submitted assurances forms for other students in the program; and,
- six schools only had one student in the ESA program.

Further, one school had 35 students in the ESA program with a signed assurances form, but only one student without the form.

According to MDE, schools that did not sign assurances forms indicated to MDE staff that:

...they did not like the language included in the assurances. However, the language in the assurances was taken directly from Legislation. Many felt like the language in the assurances held them to State and Federal statutes for providing services to students with disabilities. Some did not like providing pre/post assessments.

MDE indicated that no students have been removed from the ESA program for not having a signed school assurances form.

Pre- and Post-assessments

To further address ESA program accountability, during its 2020 Regular Session, the Legislature amended MISS. CODE ANN. Section 37-181-15 (1972), which now states that all eligible schools shall:

Require participating students to take a pre-assessment at the beginning of the school year and a post-assessment at the end of the school year. The eligible school shall have the option to select their current assessment used to demonstrate academic progress, a nationally standardized norm-referenced achievement test, or a current state board-approved screener...

The new assessment requirements became effective during the 2021-2022 school year. To track compliance with the new assessment requirements, MDE maintains a checklist of all students in the program and tests submitted by the eligible schools.

PEER conducted an independent analysis of pre- and post-assessment data for ESA participants who completed the full 2021-2022 school year. PEER notes that assessment submissions of the following types of data were counted as not complying with the assessment requirement:

- assessments taken in a previous school year (e.g., 2020-2021);
- memos stating student improvement but not providing any further information regarding type of assessment provided; and,
- transcripts.

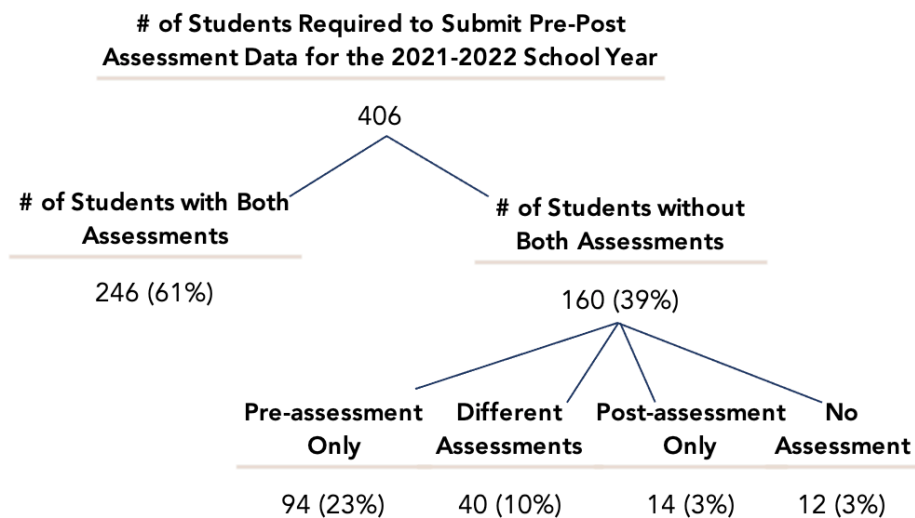
PEER determined that 406 students participating in the ESA program during the 2021-2022 school year were required to submit pre- and post-assessments to MDE. Of the 406 students, 246 (61%) of the students received pre- and post-assessments during the 2021-2022 school year and were in compliance with state law. Conversely, 160 (39%) did not have both pre- and post-assessments including:

- 94 (23%) of the students only submitted a pre-assessment;
- 40 (10%) did not submit the same assessments for both the pre- and post-assessment;
- 14 (3%) of the students only submitted a post-assessment; and,
- 12 (3%) of the students did not provide any assessments for the 2021-2022 school year.

Exhibit 11 on page 34 provides a breakout of PEER’s analysis for the 2021-2022 school year.

While MDE does submit a letter to schools stating that the participating school may not be recognized as an eligible school if they fail to submit assessment documentation, MDE has not yet removed any school or student from the ESA program for not providing pre- and post-assessment data.

Exhibit 11: Number of Participating ESA Students with Pre- and Post-assessments during the 2021-2022 School Year



SOURCE: PEER analysis of ESA student assessments during the 2021-2022 school year as provided to MDE by the participating schools.

Reporting Procedures and Allowed Assessments

S.B. 2594 added the following to PEER’s biennial reporting mandate:

- Assess participating students’ performance, both pre-assessment and post-assessment, on the eligible school’s current assessment used to demonstrate academic progress, a nationally standardized norm-referenced achievement test, or a current state board-approved screener.

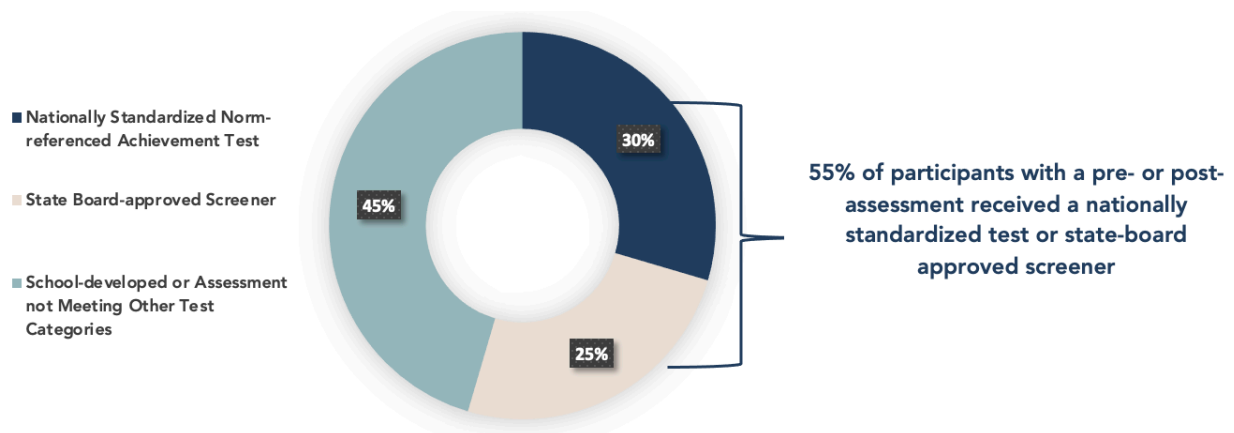
Such an assessment could increase ESA program accountability through monitoring ESA student performance. However, PEER notes that MDE does not have a uniformed reporting format for schools to use when submitting assessment results. This allows schools to submit the information in any form, including:

- scores only, with no other testing information;
- letters stating student improvement, without further testing information;
- actual tests, but without information regarding testing instrument used; and,
- assessments from prior school years.

Types of Assessments Administered

During the 2021-2022 school year, there were over 31 different types of tests provided to participants of the ESA program for pre- and post-assessments. Exhibit 12 on page 35 shows the type of pre- and post-assessments provided to ESA participants during the 2021-2022 school year. As shown in the exhibit, PEER determined that 55% of the pre- and post-assessments for ESA participants during the 2021-2022 school year were either a nationally standardized norm-referenced achievement test (30%) or a state board-approved screener (25%). However, as shown in Exhibit 12, 45% of the assessments were developed by the school or teacher or did not meet one of the other testing categories (e.g., San Diego Quick Assessment).

Exhibit 12: Type of Pre- and Post-assessments Administered to ESA Participants during the 2021-2022 School Year



SOURCE: PEER analysis of ESA assessments during the 2021-2022 school year as provided to MDE by the participating schools.

PEER notes that assessments in the “School-developed” category ranged from very specific IEP-related testing to teacher-created worksheets, such as circle the shape and find the letter. As a result, it was difficult to determine:

- if nonpublic schools were addressing the needs and disabilities of participating students;
- if students showed improvement during the school year; and,
- if ESA participants' testing results were comparable to other students in the program or to their peers in public school.

Pursuant to MISS. CODE ANN. Section 37-181-15 (1972), schools are allowed to use any assessment that they choose.

Appendix E on page 51 provides a list of all assessments reported during the 2021-2022 school year, including description of the test, type of test, and number of pre- and post-assessments given. As shown in the Appendix, approximately 25% of students were given Star Assessments, which are not only national standardized tests, but are also an MDE-approved universal screener and diagnostic assessment.

An assessment of performance on each of the 31 types of tests would require a significant amount of time. Also, 39% of participants did not submit both a pre- and post-assessment. Therefore, PEER cannot make a valid assessment of student performance at this time.

Other Requirements for PEER

S.B. 2594 added the following to PEER’s biennial reporting mandate:

- Assess the degree to which eligible schools are meeting the needs of participating students as defined by the participating students’ IEPs.

According to MDE, the IEP is only valid in a public school setting and is updated each year. However, because the IEP is the document that determines eligibility for the ESA program, it is the initial guiding document for the provision of disability services for ESA students in nonpublic school settings. A nonpublic school may monitor the IEP or use the IEP to develop its own service plan or similar document related to the child’s disability or conduct its own assessment of the child’s disability to develop a current education service plan, as the IEP could be several years old.

S.B. 2594 now requires nonpublic schools to certify that they are providing services for the student’s disability or special education needs or services addressing the student’s IEP. Although MDE will require a nonpublic school to certify that it will provide services to meet an ESA child’s disability or services addressing the student’s IEP by signing an attestation form, it does not require schools to provide annual documentation of student progress related to the child’s disability. While not expressly required in S.B. 2594, PEER will need this information in order to complete its mandate to “assess the degree to which eligible schools are meeting the needs of participating students as defined by the students’ IEPs.” Therefore, if MDE were to require the information needed for PEER’s assessment, nonpublic schools would also have to formally report on the progress of ESA students annually to MDE.

It should be noted, however, that some of the pre- and post-assessments administered by schools were tests directly related to the student’s disability. For example, one test

administered to a student with a speech/language disability measured the student's expressive language and indicated to what extent the student could use eight- to ten-word sentences.

Have parents and students been satisfied with the ESA program?

This chapter discusses the following:

- survey responses; and,
- needed program improvements identified by parents.

Survey Responses

Similar to the positive survey results presented in PEER's 2018 and 2020 reports, this year's survey respondents indicated that they 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.

PEER administered a satisfaction survey to 494¹³ parents and guardians of children who were awarded an ESA in FY 2021 and/or FY 2022. PEER mailed each parent or guardian a letter explaining the purpose of the survey, a web address to access the survey, and a unique QR code to access the survey. PEER also sent email reminders to complete the survey to 519 parents who provided their email addresses to MDE. All responses were anonymous.

PEER received 217 responses, resulting in a response rate of 44%.

Survey responses are self-reported and reflect only the parents' perceptions of various aspects of the ESA program.

Overall Parent Satisfaction with the ESA Program

Rating overall program satisfaction from one star to five stars (with five being the highest rating and one star being the lowest rating), 91% of parents rated the ESA program four or five stars indicating a high level of overall satisfaction with the ESA program. Only 1% of respondents rated the program one or two stars.

91% of parents responding to the survey were satisfied with the ESA program.

¹³ PEER sent a letter regarding the survey to all parents who received reimbursement in the ESA program and some parents whose children were awarded ESAs but did not use them in FYs 2021 and 2022. PEER did not send a letter to parents of students who were awarded an ESA in FY 2022 but did not submit the necessary documentation to begin receiving reimbursements (i.e., an enrollment certificate from an eligible school). PEER subtracted returned mail (i.e., undelivered mail with no forwarding address) from the total number of letters sent, resulting in 494 parents receiving a letter regarding the survey.

Reasons for Applying for an ESA

Parents were asked to rate the importance of six factors that may have contributed to their decision to apply for an ESA (with five stars as the highest possible rating and one star as the lowest possible rating). The highest contributing factors that received the most four- and five-star ratings were:

- smaller classrooms/more individual attention (91%);
- additional or more effective disability services in private school (82%);
- insufficient or ineffective disability services in public school (74%);
- needed financial assistance to pay for private school (73%); and,
- child underperforming in public school (62%).

Student Satisfaction with Nonpublic Schools

Regarding their child's satisfaction with private school, 92% of parents rated their child's private school with four or five stars, indicating a high level of student satisfaction with their school and the ESA program.

The majority of parents believed that their child had gained confidence and/or hopefulness about the future (71%), improved their communication skills (63%), became more social and participated more in class and/or social activities (61%), and became more motivated to attend school and complete coursework (59%). Only one parent rated the program one or two stars regarding child satisfaction.

Satisfaction with School Disability Services

Regarding parent satisfaction with disability services provided by the nonpublic school, 71% of parents rated disability services with four or five stars. Only 2% of parents rated disability services at their child's private school with one or two stars. Additionally, 20% did not rate disability services because their child has either not participated in the program or never received private school disability services.

In contrast, parents rated satisfaction with disability services provided by the public school poorly with only 19% of parents rating disability services with four or five stars. Notably, half (50%) of parents rated disability services in their child's public school with only one or two stars. Additionally, 19% did not rate public school disability services because either their child has never received public school disability services or attended public school.

Progress and Improvement in Students

Regarding improvement in their child's specific disability area(s) while participating in the ESA program, 93% of parents indicated that their child demonstrated measurable progress according to improvement goals in the child's IEP or other formal service plan with less than 2% indicating no progress or improvement. Approximately 4% of parents were unsure because their private school has not provided documentation needed to assess progress or indicated that it was too soon to assess improvement.

Regarding academic coursework, 77% of parents reported progress in general academic subject areas (e.g., reading, math). In other academic areas, 7% of parents indicated improvement in nationally-recognized, norm-referenced tests (e.g., Stanford 10, ACT Aspire), 8% in a preschool or early education program, 7% in advanced placement coursework (e.g., AP English or Math), 7%

in college or university admission tests (e.g., ACT, SAT) and, 4% in elective standardized tests (e.g., TerraNova, PSAT).

MDE's Administration of the Program

Parents also rated aspects of MDE's administration of the ESA program including the Department's processes for applying for the ESA program and for requesting reimbursements for expenses. Parents were also asked to rate customer service provided by MDE staff.

Application Process

Parents completing the application process after July 1, 2020, were asked to rate MDE's application process, and 78% rated the application process as very easy to somewhat easy to complete. Thirteen percent of parents rated the application process as somewhat difficult to very difficult.

Reimbursement Process

Approximately 67% of parents that requested reimbursements for expenses directly from MDE rated the process very easy to somewhat easy. A notable percentage, approximately 14%, rated the reimbursement process somewhat difficult to very difficult.

Approximately 11% of parents reported that MDE made direct payments to their child's school.

Regarding the timeliness of reimbursement payments, 83% of parents reported that payments were processed in a timely manner, while only 2% reported that payments were not processed in a timely manner.

Customer Service

Approximately 90% of parents rated their MDE customer service experience positively because MDE staff provided assistance and responded to questions quickly and effectively while only 8% rated their interaction and experience with staff negatively. This is a commendable rating, and it should be noted this percentage represents an improvement from the last survey in 2020 when 50 parents, or 15%, rated customer service one or two stars.

See complete survey questions and results in Appendix F beginning on page 55.

Needed Program Improvements Identified by Parents

Parents reported areas needing improvement, including the timeline for reimbursements and electronic submission of documents.

Timeline for Reimbursements

MISS. CODE ANN. Section 37-181-5 (6) (1972) states that students who enroll in the program shall "receive quarterly ESA payments." In PEER's satisfaction survey, numerous parents indicated that the quarterly timeline for reimbursements is a challenge for them because of the time waiting to recoup funds spent. First-quarter reimbursements are received at the end of September and fourth-quarter reimbursements are received at the end of June. For parents who pay full tuition at

the beginning of the school year in August (which is oftentimes required by nonpublic schools), parents do not recoup their funds until the end of the school year in June.

As noted in PEER's 2018 and 2020 reports, waiting to recoup funds could be burdensome to some parents and could prevent some students from participating in the program (i.e., students from low-income families). Further, other states administering an ESA program provide parents and providers more immediate access to funds (e.g., Tennessee, Arizona).

Electronic Submission of Documents

As stated on page 40, the PEER satisfaction survey indicated that 13% of ESA participants believed the application process was either somewhat difficult or very difficult and 14% believed the reimbursement process was either somewhat difficult or very difficult. Two parents indicated that application and/or reimbursement documents are often lost or delayed in the mail, and two parents indicated that paperwork was misplaced after it was received by MDE. One parent indicated that lost records caused them to miss the application deadline and resulted in the loss of the ESA. Some parents incur the added expense of sending documents through certified mail.

Also, in accordance with MISS. CODE ANN. Section 37-181-5 (6) (1972), MDE reimburses parents and schools quarterly. Each quarter in the fiscal year parents may submit a reimbursement request form and accompanying documentation (e.g., receipts) to MDE by mail. Parents can also authorize MDE to make direct payments to schools. Issues identified by parents included, but were not limited to, no confirmation of receipt of documents by MDE and no notice or late notice to parents of reimbursement documentation issues, which led to reduced or delayed reimbursements (sometimes until the following quarter).

Assuming that MDE completes the online portal and makes it available to ESA participants, PEER's next satisfaction survey to be conducted in 2024 should reflect whether it has made the application and reimbursement processes easier, more efficient, and more secure due to electronic submission of documentation.

Recommendations

1. The Mississippi Legislature should amend MISS. CODE ANN. Section 37-181-7 (1972) to allow for MDE to fund each student's ESA up to the maximum ESA amount for each school year.
2. The Mississippi Department of Education (MDE) should continue to improve its administration of the ESA program by:
 - a. completing the development of its online portal for applications and reimbursements, which will provide a more secure and efficient way to transmit information;
 - b. using its excess administrative funds on program operations or to fund additional ESAs (based on historical data);
 - c. annually conducting some form of post-audit of ESA disbursements to parents and educational service providers (e.g., review a random sample of 25 disbursements within a fiscal year). This audit could identify financial or data entry errors, as well as issues with internal controls;
 - d. ensuring that reimbursements from parents are recorded as credits to the students' ESA accounts;
 - e. ensuring that it completes ESA student recertifications in accordance with MISS. CODE ANN. Section 37-181-5 (8) (1972) so that only eligible students are participating in the program; and,
 - f. developing a policy or procedure to comply with MISS. CODE ANN. Section 37-181-5 (9) (1972), which would include:
 - a. a process for determining and documenting when a student has voluntarily left the ESA program and returned to public school; and,
 - b. a process to transfer any unused ESA funds by the end of the fiscal year to the school district in which the student attends.
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-assessment 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-assessments included in statute should be limited to specific tests. If so, MDE should compile a list of tests that the Legislature should consider requiring schools to use to demonstrate academic progress;
 - 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. Such information should be detailed in statute and demonstrate students' progress towards their special needs goals as outlined in a service plan or similar document; and,

- c. what information schools should submit, if any, regarding ESA students' performance on Advanced Placement exams, performance on exams related to college or university admission, the four-year high school graduation rates, and college acceptance rates.

Appendix A: Nonpublic Schools Serving ESA Participants

Note: Schools with an (*) only received reimbursements during the 2020-2021 school year.

Nonpublic Schools Accredited by the Mississippi Board of Education

Special Schools

Dynamic Dyslexia Design: The 3-D School (Petal)
Innova Preparatory School (formerly South New Summit)
Lighthouse Academy for Dyslexia (formerly Dynamic Dyslexia Design: The 3-D School in Ocean Springs)
Magnolia Speech School

Other State-accredited Schools

French Camp Academy	St. Anthony Catholic School
Holy Trinity Catholic Elementary School	St. Elizabeth Catholic School
Nativity BVM Catholic School	St. Francis of Assisi Catholic School*
Our Lady Academy Catholic School	St. James Catholic School
Our Lady of Fatima Elementary School	St. Patrick Catholic High School (Biloxi)
Resurrection Catholic School	St. Patrick Catholic School (Meridian)
Sacred Heart Catholic Elementary School (D'Iberville)	St. Richard Catholic School
Sacred Heart Catholic School (Hattiesburg)	St. Vincent de Paul Catholic School
Sacred Heart School (Southaven)	
St. Alphonsus Catholic School	

All Other Participating Nonpublic Schools

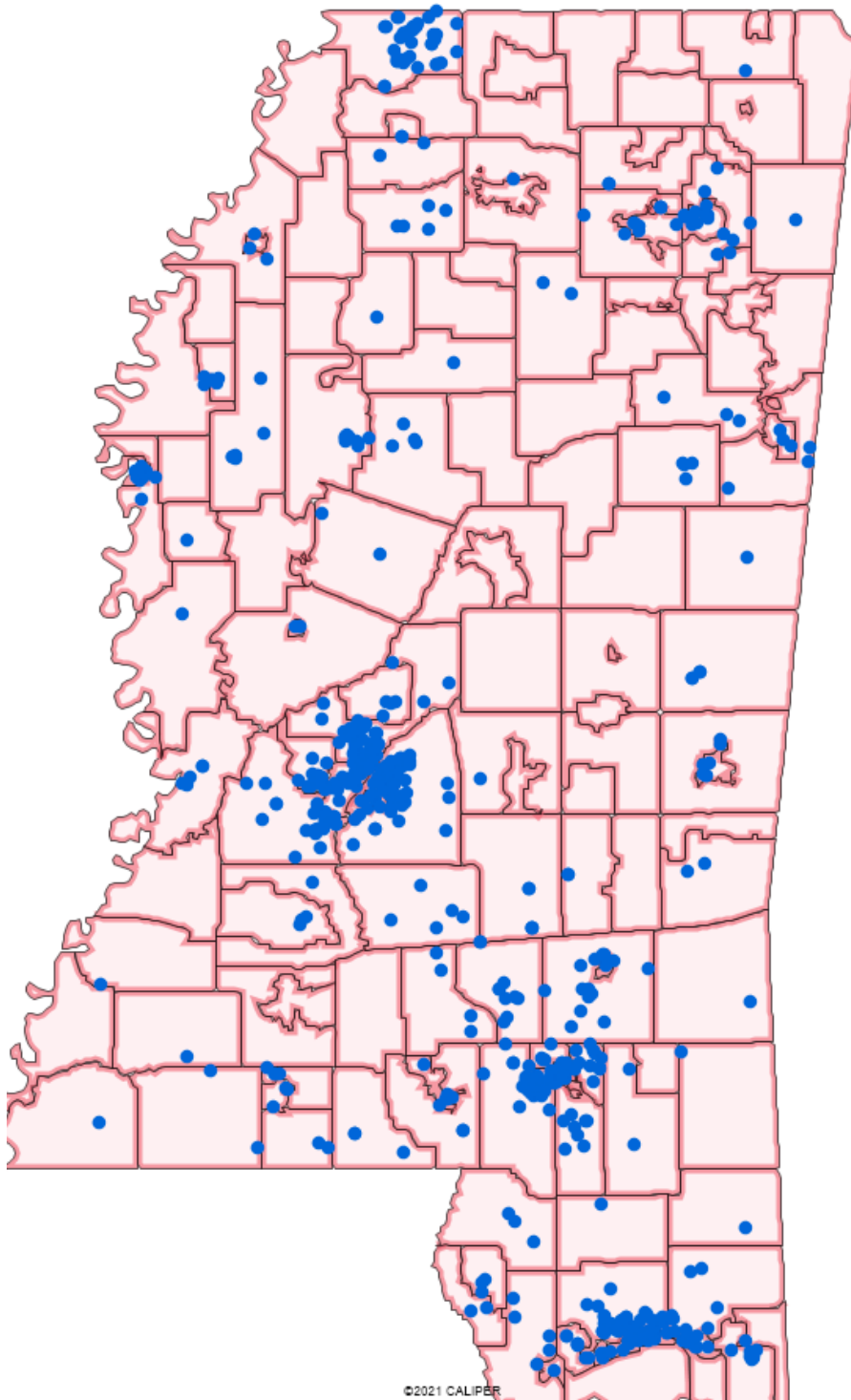
Adams County Christian School	First Presbyterian Day School
Agape Montessori Christian Academy	Greenbrook Baptist Kindergarten
Amite School Center	Greenville Christian School
Annunciation Catholic School	Gulf Coast Education Solutions
Bayou Academy	Hartfield Academy
Benedict Day School	Hebron Christian School
Bethany Baptist Academy	Heritage Academy
Brookhaven Academy	Heritage Christian Academy
Calhoun Academy	Hillcrest Christian School
Canton Academy	Hope Academy
Carroll Academy	Huntington Learning Center
Central Hinds Academy	Ivy Greene Academy
Central Holmes Christian School	Jackson Academy
Christian Collegiate Academy	Jackson Preparatory School
Christ Covenant School	Jubilee Performing Arts Center
Circle of Friends*	Kaleidoscope Heights Academy
Clinton Christian Academy	Kemper Academy
Columbia Academy	King's Court Christian Academy
Columbus Christian Academy	Kingdom Choice Learning Center
Community Christian School	Kirk Academy
Copiah Academy	Lamar Christian School
Covenant Presbyterian Preschool	Lamar School
Desoto Christian Academy	Laurel Christian School
E.E. Rogers SDA School	Learning Tree Christian Academy
East Rankin Academy	Learning Tree Children's Academy
Emmanuel Christian School	Leflore Christian School (formerly North New Summit)
Exypnos Christian Academy	Madison-Ridgeland Academy
Faith Academy of Jackson	Magnolia Heights School

All Other Nonpublic Schools (continued)

Manchester Academy
Marshall Academy
New Hope Christian Elementary School
New Jerusalem Christian School*
New Life Christian Academy
North Corinth Christian Academy
North Delta School
North Sunflower Academy
Northpoint Christian School
Oak Hill Academy
Oxford Kinder Academy
Park Place Christian Academy
Parklane Academy
Pentecostal Christian Academy
Pey Academy
Porter's Chapel Academy
Presbyterian Christian School
Prosper Day School
Quitman County Educational
Foundation/Delta Academy
Rebul Academy
Regents School of Oxford
Ron's Brothers Academy
Russell Christian Academy
Simpson County Academy
South Forrest Attendance Center
St. Andrew's Episcopal School
St. John's Day School
St. Joseph Catholic School (Greenville)
St. Joseph Catholic School (Madison)
St. Stanislaus
Starkville Academy
Sylva Bay Academy
Temple Christian Academy
Tender Ages Christian Academy
The Education Center School
Thomas Christian Academy
Treehouse Montessori Christian
School
Tri County Academy
Tupelo Christian Preparatory School
Unity Christian Academy
Victory Christian Academy
Woodlawn Preparatory School

SOURCE: PEER analysis of MDE data.

Appendix B: Locations of ESA Participants, FYs 2021 and 2022



SOURCE: PEER.

Appendix C: State Comparison of ESA Funding Formulas and Estimated Annual ESA Amounts for Eligible Students, Categorized by Eligibility Type

State (Program Name)	Formula to Determine ESA Amount	Estimated Annual ESA Amounts
Funding Only Provided to Students with Special Needs		
<p style="text-align: center;">Mississippi (Education Scholarship Account Program)</p>	<p>Per-pupil ESA amount of \$6,500, set in law in FY 2016, with yearly adjustments based on the MAEP base student cost.</p>	<p style="text-align: center;">\$6,779 (FY 2022 amount)</p>
<p style="text-align: center;">Florida (Family Empowerment Scholarship for Students with Unique Abilities)</p>	<p>Per-pupil ESA amount varies according to grade, county of residences and public- school spending for students with disabilities, with the maximum equating to 90% of the cost of the services a student would have received from a school district.</p>	<p style="text-align: center;">\$10,267 (FY 2021 amount)</p>
<p style="text-align: center;">Indiana (Education Scholarship Account Program)</p>	<p>Per-pupil ESA accounts are funded at 90% of what a student would receive in a public school, which is affected by a student’s school district of residence as well as special needs status. Indiana limits eligibility to students from families earning no more than 300% of the threshold for free and reduced-price lunch and have an education plan for students with special needs.</p>	<p style="text-align: center;">\$5,436 - \$7,350 (FY 2023 amount)</p>
<p style="text-align: center;">North Carolina (Personal Education Student Accounts for Children with Disabilities)</p>	<p>The General Assembly determines the maximum amount of the ESA and appropriates the funds for the program each academic year. A student attending an eligible school full-time can receive a scholarship up to the statutory amount set forth in state law, and a part-time student is eligible to receive up to one-half of the statutory amount of the scholarship set forth in state law. Further, students with certain disabilities (e.g., autism) are eligible for larger scholarship amounts.</p>	<p style="text-align: center;">\$9,000 to \$17,000 for students with disabilities enrolled in a non-public school \$4,500 for students with disabilities attending public school part-time (FY 2022 amount)</p>
<p style="text-align: center;">Tennessee (Individualized Education Account Program)</p>	<p>The ESA is funded at an amount equivalent to 100% of the state and local funds reflected in the state funding formula that would have gone to the student had he or she attended a zoned public school, plus special education funds to which the student would otherwise be entitled under the student’s IEP.</p>	<p style="text-align: center;">\$7,068 (FY 2021 amount)</p>

Funding Provided to Students with or without Special Needs		
<p>Arizona (Empowerment Scholarship Accounts)</p>	<p>Per-pupil ESA amount is equal to 90% of the state's per-student base funding and varies based on annual legislative state budget allocation and the specific ESA eligibility category (e.g., grade level). As of September 24, 2022, 100% of students in the state are eligible to receive the scholarship. However, students with special needs receive additional funding and those amounts vary based on the types of special needs.</p>	<p>\$6,400 for students without special needs \$15,189 for students with special needs (FY 2022 amounts)</p>
<p>New Hampshire (Education Freedom Account Program)</p>	<p>The ESA amount is equal to the per-pupil adequate education grant amount under RSA 198:40-a (\$3,400), plus any differentiated aid that would have been provided to a public school for that eligible student. Differentiated aid ranges from an estimated additional \$600 to \$1,800, for each certain individual factor (e.g., eligibility to receive Free or Reduced Lunch). ESAs in New Hampshire are available for students of families earning 300% of the poverty line or below.</p>	<p>\$4,600 (FY 2022 amount)</p>
<p>West Virginia (Hope Scholarship Program)</p>	<p>The ESA amount is equal to 100% of the prior year's statewide average net state aid allotted per pupil based on net enrollment adjusted for state aid purposes. The program is available to all students switching out of a public school in grades 1-12 or entering kindergarten.</p>	<p>\$4,299 (FY 2023 amount)</p>

SOURCE: PEER analysis of program websites.

Appendix D: Participating School Assurances Form



<i>For Office Use Only</i> Date Received: _____ Received by: _____ Control Number Assigned: _____
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Educational Scholarship Account (ESA) Participating School Assurances Form 2022 - 2023 School Year

Per the **Equal Opportunity for Students with Special Needs** Miss. Code Ann. § 37-181-5, in order for an eligible student to qualify to participate in the ESA program the school that the ESA recipient is attending **MUST** agree to the following statements listed below.

Please check each item signifying that you agree to abide by the statements listed below upon enrolling and accepting a student with an Educational Scholarship Award.

- I agree to provide notice to a participating student's home school district when the eligible student enrolls in the eligible school with an ESA.
- I agree to provide the parent or guardian who submitted the ESA program application with an original itemized receipt, including the service provider's name and address, for all qualifying expenses.
- I agree to ensure that students are treated fairly and kept safe, by complying with the nondiscrimination policies set forth in 42 USCS 1981.
- I agree to prior to enrolling a student with an ESA to provide parents with details of the school's programs, record of student achievement, qualifications, experience, and the capacity to serve the participating student's individual needs.
- I agree to comply with all health and safety laws or codes that apply to nonpublic schools.
- I agree to hold a valid occupancy permit if required by my municipality.
- I attest that I have no public record of fraud or malfeasance.
- I agree to administer a pre-assessment to students at the beginning of the school year and a post-assessment at the end of the school year. (The school shall have the option to select their assessment used to demonstrate academic progress.)
- I agree to notify a parent or guardian applying for the ESA program that the parent or guardian waives the right of the participating student to an individual entitlement to a free and appropriate public education (FAPE) from their home school district, including special education and related services, for as long as the student is participating in the ESA program.
- I agree to conduct criminal background checks on employees and exclude from employment any person not permitted by state law to work in a nonpublic school.
- I agree to exclude from employment any person who might reasonably pose a threat to the safety of students.
- I agree that upon enrollment of a participating student that the school shall provide supports to meet the individual needs of the student.
- I agree to submit individual results of the pre-assessment and post-assessment or benchmark assessments, screening and diagnostic test, or other standardized measure that was used to assess student progress to the parent at the end of the school year.

Signature of School Administrator _____ **Date** _____

Student Name and Control Number _____

SOURCE: School assurances form provided by MDE.

Appendix E: Description of Pre- and Post-tests Provided to ESA Students during the 2021-2022 School Year, Including Number of Students with Pre- and Post-test, Categorized by Type of Assessment

Nationally Standardized Norm-referenced Achievement Test or Current State Board-approved Screener

	# of Students with	
	Pre-test	Post-test
<p>Star Assessments: These are short, computer adaptive tests for early literacy, math, reading, or other subjects chosen by teachers. The test identifies what students already know, what they are ready to learn next, monitors student growth, and determines which students may need additional help. This assessment is also an MDE approved universal screener and diagnostic assessment.</p>	100	66
<p>Diagnostic Testing from Edmentum Online Learning: Diagnostic assessments provide a snapshot of what students know and can do, and they help create personalized roadmaps for learning. This test covers math, reading, and language arts.</p>	27	24
<p>Wide Range Achievement Test: An academic skills assessment which measures reading skills, math skills, spelling, and comprehension. The test serves as an initial academic achievement evaluation, re-evaluation, or progress measure for students.</p>	20	11
<p>Oral and Written Language Scales (OWLS-II): OWL-II provides a complete and integrated picture of oral and written language skills across a wide range test. The norms are based on a sample of 2,123 individuals from 31 states, ages 3 through 21, representative of the U.S. population in regard to ethnicity, gender, parental education, and region.</p>	14	0
<p>A.C.E. Diagnostic Test: Provides online testing for students based on what they have learned. The test documents learning gaps (i.e., subject concepts the student may have missed), and when weak areas are evident from testing, appropriate gap PACEs are prescribed to help strengthen specific weaknesses.</p>	11	8
<p>Kaufman Test of Educational Achievement (KTEA-3): KTEA-3 evaluates academic skills in reading, math, written language, and oral language. The assessment also provides Dyslexia index scores for screenings, research, and inclusion in an assessment battery.</p>	5	3
<p>Stanford 10 Achievement Test: The Stanford 10 Achievement Test is a nationally normed, standardized achievement test that is completed online and covers the subjects of: reading, language arts, math, science, and social studies.</p>	5	9

	# of Students with	
	Pre-test	Post-test
The Comprehensive Testing Program (CTP): CTP is a rigorous assessment for students in 1 st through 11 th grade that covers reading, listening, vocabulary, writing, mathematics, and science. The test allows teachers to compare student performance and growth against similar students via national, independent, international, association, and district norms.	5	0
Wechsler Individual Achievement Test (WIAT-III): The WIATT-III is an achievement test for use in a variety of clinical, educational, and research settings. The test screens for dyslexia, identifies student academic abilities, makes educational placement decisions, diagnoses specific learning disabilities, designs instructional objectives, and provides interventions.	5	5
ACT: The ACT assessment is a curriculum- and standards-based educational planning tool that assesses students' academic readiness for college.	4	5
Performance Series: A web-based computer-adaptive assessment platform that provides scaled scores to measure proficiency regardless of grade level and provides national norming to serve as a basis for comparison.	4	4
aimswebPlus: This assessment screens and monitors the reading and math skills of Pre-K-12 students, and provides measures and norms for grades K-8.	3	3
Measure of Academic Progress (MAP) Growth: MAP is a reading and math assessment taken by students in K-8. It measures a student's proficiency in those subjects, as well as their academic growth during the school year.	2	2
PSAT: The PSAT is used to identify National Merit Scholars and award merit scholarships. The test provides assessment in math, reading, and writing.	2	0
Woodcock-Johnson IV: A standardized, nationally norm-referenced achievement test that is administered by a trained examiner and is provided in an oral format. The test covers reading recognition and comprehension, spelling, mathematics, science, social studies, and humanities.	2	1
California Achievement Test: A nationally normed standardized test that measures achievement in areas of reading, language arts, and math.	1	0
ACT Aspire: An interactive assessment system for students in grades 3-10 that provide insights into student performance in English, reading, math, science, and writing in the context of college and career readiness.	0	1

	# of Students with	
	Pre-test	Post-test
Iowa Assessments: Standardized tests that measure student achievement and growth across the continuum of next generation learning standards. Subjects covered in testing, include: reading, language arts, math, science, and social studies.	0	7
Pre-ACT: This assessment offers 8 th , 9 th , and 10 th graders early experience with ACT test items, provides a predicted ACT test score, and offers information to help students prepare for college.	0	3
TerraNova Achievement Test: A nationally-recognized, norm-referenced test that provides diagnostic testing in several areas, including reading, language, math, science, and social studies.	0	9
Subtotal	210	161

School Developed or Assessment Not Meeting Other Test Categories

School Exam/Assessment/Worksheet: Assessments in this category were created by the schools to either test students in specific subject areas (e.g., geometry) or assess grade-level readiness (e.g., pre-K assessment).	67	50
Progress Monitoring Assessment: Progress Monitoring Assessments provided testing in reading, sentences, spelling, fluency, comprehension, and writing. The school did not provide a specific name of the assessment given. Therefore, we could not determine if the assessment provided is a state-board approved screener or national norm-referenced test. Because not enough information was provided by the school, PEER categorized these assessments as school developed or assessments not meeting other pre-test categories.	39	40
Diagnostic Assessments of Reading (DAR): An individual student achievement test that assesses a student's relative strengths and weaknesses in key areas of student learning in reading. The test is structured to provide assistance to teachers regarding instruction and materials appropriate for improving students' reading ability.	28	28
Lexile Reading Inventory: The Lexile Framework for Reading is a scientific approach to reading and text measurement. There are two Lexile measures: the Lexile reader measure and the Lexile text measure. The reader measure represents a person's reading ability on the Lexile scale. The text measure represents a text's difficulty level on the Lexile scale. When used together, they can help a reader choose a book or other reading material that is at an appropriate difficulty level.	11	11
Multiple Assessments: This category encompasses students who were given multiple assessments by the school, e.g., Roe Burns Reading, Math Skills Survey, Phonological Awareness, Fry's Writing Assessment.	10	0

	# of Students with	
	Pre-test	Post-test
IXL Real-time Diagnostic: Reveals what students know and helps teachers take actionable steps to foster growth at each level.	9	3
IEP Related Testing: Multiple assessments provided to track student's progress in meeting IEP related goals and addressing the student's disability.	4	3
LIFEPAC Test: Placement tests provided for students in 1-12 grades.	1	0
San Diego Quick Assessment: This test measures a student's recognition of words out of context.	1	0
Dyslexia Therapy Program: Program created by the school to provide appropriate services for students diagnosed with Dyslexia.	0	1
Keystone National Middle School Math Placement Exam: An online resource that provides education programs and testing for students in grades K-12. The program can be used for a complete middle school education or to supplement a student's traditional or homeschool education.	0	1
Subtotal	170	139
Total	380	300

SOURCE: PEER analysis of ESA student assessments during the 2021-2022 school year as provided to MDE by the participating schools.

Appendix F: ESA Satisfaction Survey Questions and Responses

The following summarizes PEER survey responses by parents of students awarded ESAs between July 2021 and June 2022. For question 13, a summary of responses is provided. All responses were anonymous and reflect only parents' perceptions of the program.

1. Ease or difficulty in completing ESA application process

Very Easy	40%
Somewhat Easy	38%
Neither Difficult or Easy	9%
Somewhat Difficult	11%
Very Difficult	2%

2. Factors that contributed most in parent's decisions to apply for the ESA program (assigned 4 or 5 star rating indicating that it factored greatly into their decision)

Smaller classrooms /more individual attention	91%
Additional or more effective disability services in private school	82%
Insufficient or ineffective disability services in public school.....	74%
Needed financial assistance	73%
Child underperforming academically in public school	62%
Child having behavioral problems and/or negative experience in public school	47%

3. Ease or difficulty requesting ESA reimbursements from MDE

Very Easy	38%
Somewhat Easy	29%
Neither Difficult or Easy	7%
Somewhat Difficult	12%
Very Difficult	2%
Payments made directly to school	11%
Did not participate in program.....	1%

4. Reimbursements from MDE or payments to schools processed in a timely manner

True	83%
False	2%
Not applicable.....	15%

5. MDE staff responsive, provided effective assistance, and customer service experience positive

True	90%
False	8%
Not applicable.....	2%

6. Satisfaction with disability services provided by the *private school* where child was last enrolled (1 to 5 stars, with 5 indicating highly satisfied)

5 stars	56%
4 stars	15%
3 stars	7%
2 stars	1%
1 star.....	1%
Not applicable.....	11%
No / Multiple Answer(s).....	9%

7. Satisfaction with disability services provided by the *public school* where child was enrolled prior to enrolling in ESA program (1 to 5 stars, with 5 indicating highly satisfied)

5 stars	11%
4 stars	8%
3 stars	12%
2 stars	15%
1 star.....	35%
Not applicable.....	14%
No / Multiple Answer(s).....	5%

8. Measurable progress or improvement shown, according to goals in child's IEP or service plan

Yes	93%
No.....	2%
Too soon to assess improvement.....	1.5%
Documentation needed to assess improvement not provided by school	3%
No answer	0.5%

9. Progress or improvement in the following academic areas

General academic coursework (e.g., reading, math).....	77%
Norm-referenced tests (e.g., Stanford 10, ACT Aspire)	7%
Preschool or early education program	8%
Advanced placement coursework (e.g., AP English or Math)	7%
Elective standardized tests (e.g., TerraNova, PSAT)	4%
College or university admission tests (e.g., ACT, SAT)	7%
No improvement/change	2%
Too soon to assess improvement.....	2%
Not applicable.....	4%

10. Child satisfaction with private school while participating in ESA program (1 to 5 stars, with 5 indicating highly satisfied)

5 stars	79%
4 stars	12%
3 stars	3%
2 stars	0%
1 star.....	1%
Not applicable.....	2%
No / Multiple Answer(s).....	3%

11. Reasons for child satisfaction with private school

Gained confidence and / or hopefulness about future	71%
More social and participated more in class and/or activities	61%
Communication skills improved	63%
More motivated to go to school and complete schoolwork	59%
Behavior and/or attitude improved	48%
Attentiveness and/or alertness improved.....	48%
Child not satisfied with private school.....	1%
Child did not improve in these areas	1%
Not applicable.....	3%

12. Level of satisfaction with ESA program overall (1 to 5 stars, with 5 indicating highly satisfied)

5 stars	74%
4 stars	17%
3 stars	4%
2 stars	0%
1 star.....	1%
Not applicable.....	1%
No / Multiple Answer(s).....	3%

13. Parent suggestions for changes or improvements to ESA program:

- administration of the ESA program, including the following:
 - establish a faster, more secure electronic system for submitting applications and reimbursement requests with confirmation of receipt and status of processing;
 - improve mail processing and record keeping procedures to prevent the loss of documents;
 - ensure that emails and letters mailed to parents pertain to issues specific to their child;
 - notify parents sooner when their child is awarded a scholarship;
 - send routine deadline reminders;
 - provide earlier notice when requesting additional information;
 - request additional information by phone instead of mail due to impending deadlines;
 - allow schools to assist parents with completing applications and reimbursement forms;
 - ensure staff are well informed about program changes and documentation requirements;
 - provide more timely updates regarding program changes and documentation requirements;
 - improve clarity of forms and instructions;
 - improve customer service, communication, and response times;
 - improve the reimbursement process;
 - allow schools to submit receipts approved by parents;
 - establish a more frequent reimbursement schedule;
 - allow parents to recoup pre-paid tuition costs in full;
 - reduce staff errors and prevent payment delays until next quarter;
 - allow parents to correct reimbursement documentation before deadline;
 - allow parents to submit requests for other items when expenses are denied;
 - provide an explanation when reimbursement amount changes;
 - provide early notice of reimbursement delays;

- disperse funds by direct deposit; and,
 - provide assistance with registering as a vendor.
- funding and expansion of the ESA program, including the following:
 - increased/stabilized program funding;
 - allow more children in need of services to qualify (e.g., private school students, homeschool children, siblings);
 - allow more schools to qualify (e.g., online, out-of-state);
 - increase school supply fund currently set at \$50;
 - to prevent the loss of leftover funds, expand allowable expenses / expenses eligible for reimbursement to include specialized transportation for handicapped children, afterschool care, mandatory school fees and expenses (e.g., school uniforms), elective school fees (e.g., activity / sports fees), late fees incurred because of reimbursement delays, postage including certified mail; and,
 - offer scholarships based on a percentage of tuition costs to help defray the costs of more specialized schools and higher tuition.

SOURCE: PEER analysis.

Agency Response



MISSISSIPPI DEPARTMENT OF EDUCATION

Kim S. Benton, Ed.D.
State Superintendent, Interim

December 9, 2022

Mr. James F. Booth, Executive Director
Mississippi Joint Committee on Performance Evaluation and Expenditure Review (PEER)
Post Office Box 1204
Jackson, MS 39215-1204

Dear Mr. Booth,

The Mississippi Department of Education (MDE) has reviewed the final draft of the *2022 Statutory Review of Mississippi's Education Scholarship Account Program*. We appreciate the collaborative nature of the recent conference with PEER staff which provided an opportunity to provide feedback on the draft report.

We have provided responses for each of the recommendations referenced in the PEER report within the enclosed document. We look forward to receiving the final report and we request that our response be included as an addendum to the final PEER report.

Sincerely,

A handwritten signature in blue ink that reads "Kim S. Benton".

Kim S. Benton, Ed.D.
Interim State Superintendent of Education

Enclosure: MDE Response Table - 2022 PEER ESA Report

c: Erin Meyer, General Counsel
Jennifer L. Boykin, Ed.D., Executive Director, Office of Special Education

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MDE Response Table

RECOMMENDATIONS	MDE RESPONSE	MDE ACTIONS
<p>1. The Mississippi Legislature should amend MISS. CODE ANN. Section 37-181-7 (1972) to allow for MDE to fund each student's ESA up to minimum ESA amount for each school year.</p>	<p>The MDE agrees with this recommendation. The MDE is required to fully fund each awarded scholarship. When the ESA program is not fully funded, fewer students can benefit from the scholarship.</p>	<p>The data contained in the 2022 Statutory Review of Mississippi's Education Scholarship Account Program provides necessary data to support this recommendation. In addition, the MDE can and will provide additional historical data to the Legislature to support this recommendation.</p>
<p>2. The Mississippi Department of Education (MDE) should continue to improve the administration of the ESA program by:</p>		
<p>a. Completing the development of its online portal for application and reimbursement, which will provide a more secure and efficient way to transmit information;</p>	<p>The MDE recognizes the need for improved efficiency in the transmittal of applications for the ESA and agrees that an online portal for such submissions is needed. The MDE confirms that development of this online portal is underway by the MDE technical support team and expects implementation for the upcoming scholastic year.</p>	<p>The online submission portal is scheduled to be operational between March 15 and April 1, 2023, for program office user acceptance tests. The MDE plans to have the online submission portal fully operational for the 2023-2024 school year.</p>
<p>b. Using its excess administrative funds on program operations or to fund additional ESAs (based on historical data);</p>	<p>The MDE recognizes a consistent trend of excess administrative funds. This excess can be contributed to staff turn-over in the department.</p>	<p>The MDE plans to hire fiscal and programmatic contract workers to support the work on the ESA in the Office of Special Education. These additional supports will strengthen the efficiency and internal controls of the program.</p>
<p>c. Annually conducting some form of post-audit of ESA disbursements to parents and educational service providers (e.g., review a random sample of 25</p>	<p>The MDE agrees that an annual post-audit of ESA disbursements to parents and educational service providers will strengthen</p>	<p>The MDE will create standard operating procedures for an annual post-audit of ESA disbursements to be implemented at the end of the 2022-2023 school year.</p>

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MDE Response Table

<p>disbursements within a fiscal year). This audit could identify financial or data entry errors, as well as issues with internal controls;</p>	<p>the disbursement process as well as internal controls</p>	
<p>d. Ensuring that reimbursements from parents are recorded as credits to the students' ESA accounts;</p>	<p>The MDE recognizes the need to ensure accurate student ESA accounts.</p>	<p>The MDE will establish standard operating procedures for tracking reimbursements should overpayment occur. Standard operating procedures will include multilevel verification and a digital tool to reduce user calculation errors.</p>
<p>e. Ensuring that it completes ESA student recertifications in accordance with MISS. CODE ANN. Section 37-181-5 (8) (1972) so that only eligible students are participating in the program; and,</p>	<p>The MDE recognizes the need to ensure that only eligible students participate in the ESA program.</p>	<p>The MDE will review and strengthen existing operating procedures to request recertification for students with non-permanent disabilities receiving the ESA. Additional safeguards will include multilevel verification of eligibility prior to the notification of scholarship awards and reimbursement, and clear identification of scholarship recipient types (permanent disability vs. non-permanent disability).</p>
<p>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-assessment 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.</p>	<p>Member schools of the Mississippi Association of Independent Schools (MAIS) providing services to students receiving the ESA, had concerns regarding language included in the Assurances. Based on MAIS feedback and legislative consultation, it was determined that language in the Assurances should be simplified to address the concerns of MAIS member schools.</p>	<p>In consultation with legal counsel, the MDE will revise the ESA Assurances. Once these revisions are complete, the MDE will implement the recommendations of PEER regarding the requirement of schools serving students receiving the ESA to sign assurances.</p>

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MDE Response Table

<p>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:</p>		
<p>a. Whether the types of pre- and post-assessments included in statute should be limited to specific tests. If so, MDE should compile a list of tests that the Legislature should consider requiring schools to use to demonstrate academic progress</p>	<p>The MDE agrees that pre- and post-assessments should be limited to those assessments approved by the MDE. This will provide consistency and a measurable outcome of student progress. The MDE currently has an extensive list of approved assessments that are evidence-based and can provide that list to the Legislature for consideration.</p>	<p>If the Legislature wishes to amend the statute to include the types of pre- and post-assessments, the MDE will provide information and support for the Legislature to determine which pre- and post-assessments are most appropriate.</p>
<p>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. Such information should be detailed in statute and demonstrate students; progress towards their special needs goals as outline in a service plan or similar document; and,</p>	<p>The Legislature may consider requesting student performance data such as progress reports or report cards. However, it is important to note that based on 37-181-5(c), participating students have no individual entitlement to a free and appropriate public education (FAPE). Therefore, performance data associated with a services plan or similar document would not be appropriate.</p>	<p>If the Legislature wishes to amend the statute to include performance information, the MDE will provide information and support to include language in alignment with the Individuals with Disabilities Act (IDEA) specifically regarding students parentally-placed in private schools.</p>
<p>c. What information schools should submit, if any, regarding ESA students; performance on Advanced Placement exams, performance on exams related to college or university admission, the</p>	<p>The Legislature may consider requiring schools to submit student ACT scores (if applicable) and student post-secondary outcomes such as college acceptance rates, trade school acceptance rates, employment</p>	<p>If the Legislature wishes to amend the statute to include performance information, the MDE will provide information and support for the Legislature to determine which outcome data would be most appropriate.</p>

2022 Statutory Review of Mississippi's Education Scholarship Account Program

MDE Response Table

four-year high school graduation rates, and college acceptance rates.	information, and/or community engagement information.
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Barton Norfleet, General Counsel

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

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