

I am here today to talk about some of the unintended or unforeseen consequences of Educational Savings Accounts like the one proposed in SB2400.

The first being an increase in tuition costs. Several states that have implemented ESA's have already seen significant changes to tuition costs. Some examples are

- According to a Princeton study, Iowa private schools have raised tuition 20-25% in response to ESA's <https://www.kcrg.com/2024/05/17/princeton-study-private-school-tuitions-rise-after-state-voucher-rollout/>
- Arizona private schools raised tuition 10-20% <https://hechubgerreport.org/Arizona-gave-families-public-money-for-private-schools-then-private-schools-raised-tuition/>
- Oklahoma schools raised tuition by 6% overall, but in some cases as much as doubled it [https://www.tahlequahdailynews.com/news/okwatch-tax-credit-program-sparks-statewide-surge-in-private-school-tuition/article\\_c45775b8-59bb-11ef-929d-4bea8882c803.html](https://www.tahlequahdailynews.com/news/okwatch-tax-credit-program-sparks-statewide-surge-in-private-school-tuition/article_c45775b8-59bb-11ef-929d-4bea8882c803.html)
- Florida Catholic schools raised tuition 60% <https://www.Tampabay.com/news/education/2023/06/12/pinellas-catholic-school-reverses-voucher-based-tuition-hike/>

Secondly is the increase in curriculum costs. We are already seeing providers on the online marketplace, Class Wallet, such as Math-U-See pass on the transactions fee to the customer that they don't have to pay when purchasing privately. Also, discounts such as military, large family discounts and the like are not available when using ESAs through class wallet.

The third unforeseen consequences of ESAs is the long waits for orders and reimbursements. One isn't given access to the ESA moneys to spend from. You must first spend your own money and then wait for approval and reimbursement. To that end...

- Florida and Arizona parents are complaining that some receipts are approved while others are denied without explanation, for the exact same services from the same providers
- Homeschool families in Arizona report there are 2-4 week delays in Amazon orders because of ESA approval processing times.
- Arizona has a 2-6 month back log of reimbursement requests from parents  
To name a few.

And then we have the cost to the state.

- Arizona's program was supposed to cost about \$58million and is now approaching \$1 billion just in reimbursements
- Utah's program was supposed to cost \$43 million but they now need almost \$200 million to fund the program
- Indiana's program started at \$15 million and is now at \$600 million

<https://www.bellpolicy.org/2024/10/22the-true-cost-of-school-voucher-programs/>

These programs are costing the states so much more than was intended. And this is just for reimbursements. This doesn't include the other costs to run the program. It takes employees to patrol these programs to make them work. And that adds even further to the high cost of ESA's.

While the heart behind this ESA bill is genuine, the cost is far too high. Thank you for your time today.