yes. every kid. foundation.

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Representative Ben Toma, Chair
House Ad Hoc Study Committee on Empowerment Scholarships Accounts Governance and Oversight
Arizona State Capitol
1700 W Washington St.
Phoenix, AZ 85007

Chairman Toma and members of the committee:

Thank you for hosting this hearing and for the opportunity to say a few words this afternoon.

My name is Whitney Marsh, and I am the Director of Policy Operations at yes. every kid. foundation (YES Foundation). I was born and raised in Arizona and currently reside in Scottsdale with my family. Prior to joining YES, I served as the Deputy Chief of Staff to the Superintendent of Public Instruction.

YES Foundation is devoted to unlocking the extraordinary potential of every kid. We are committed to the discovery and development of an education that meets the unique needs of each individual. The Empowerment Scholarship Account program does just that. It empowers Arizona families with the opportunity to customize an education that best meets their kids' individualized needs.

To begin, I would like to thank the Department of Education for its efforts focusing on the needs of families and students. Due to their work, over 70,000 students have successfully signed up for Empowerment Scholarship Accounts and are now benefiting from the program.

A recent poll conducted by yes. every kid. foundation. found that over three-quarters of parents and almost two-thirds of non-parents in Arizona support ESAs. That same poll found three times more Arizona voters support school choice than oppose it.

Arizona has been a longtime leader in the education freedom movement, with many states following suit and passing universal education freedom measures this past year. That leadership should not stop with the passage of legislation but should continue in how Arizona administers the program. I work across the country with states implementing ESA programs, and can assure you, they are looking to Arizona to lead the way.

Critics of the program have characterized the ESA as lacking accountability and oversight for how funds are being used. Comparing Arizona's ESA program to other public benefit programs administered by the state including unemployment insurance, Medicaid, and SNAP, you will find that the ESA program is 1) excessively rigorous in their reviews and 2) less prone to misspending.

Even in Arizona's more publicly scrutinized 2018 audit of the program, the effective error rate for misspending totaled roughly 1.2 percent (\$700,000 out of approximately \$60 million). By comparison, Arizona's Unemployment Insurance program has an improper payment rate of 22%; 17% in Medicaid and CHIP; and 11.4% in SNAP.

This context is important to consider. Education freedom policies are like other public programs in that there is a delicate balance between two competing interests:

- 1) An individual's right to receive benefits they are entitled to for services and items that are legal and legitimate; and
- 2) The government's responsibility to ensure that taxpayers' interests and resources are protected and used judiciously.

The prevailing approach in ESA programs has prioritized accountability of every dollar at the expense of access and administrative efficiency. While preventing fraud, waste, and abuse is the government's responsibility, it doesn't happen exclusively through restrictions and control. It requires clear guidance, consistent application of rules, and building trust from both the public and program participants.

I am here today to ask you to view governance and oversight with a focus on families, just as you would in other public programs – and to assess the program's integrity through more than just *how* dollars are spent – just as you would in other public programs. We should be asking are eligible families aware of the program, can they easily apply and receive a response within a reasonable timeframe, are they given clear and timely guidance on how to use compliantly use their scholarships and are they provided with the flexibility to use their scholarships on the educational services and resources that best serve their kids.

We are encouraged by the Department's recent steps to invest in automated processes for application and expense review and support a balanced approach that enhances access, efficiency, satisfaction and oversight simultaneously.

Students and families should be trusted to make decisions about their education. They should be given the agency over what, where, and how they learn. Families know what's best for their kids and want what's best for their kids. And therefore, they should be the ones with the decision-making authority.

Again, thank you for the opportunity to speak this afternoon and for all of your work on this important topic.