



Testimony to the Senate Education Committee
Re: Senate Bill 2- creating an Education Savings Account Program
By: Pamela McPeters, Director of Governmental Relations
January 27, 2025

Thank you for this opportunity to provide written testimony related to Senate Bill 2 creating an Education Savings Account (ESA) Program. We applaud Chairman Creighton and the committee for recognizing and seeking solutions to the need for greater parental involvement in schools. Parental involvement is important because it can help children develop a love of learning that can last their entire life. Important benefits of parental involvement may include:

- **Better grades:** Students with involved parents tend to get better grades.
- **Better behavior:** Students with involved parents tend to have fewer behavioral problems.
- **Better attendance:** Students with involved parents tend to attend school more regularly.
- **Better social skills:** Students with involved parents tend to have better social skills.
- **Better self-worth:** Students with involved parents tend to have a stronger sense of self-worth.
- **Fewer unhealthy behaviors:** Students with involved parents are less likely to engage in unhealthy behaviors like substance use.

The Texas Classroom Teachers Association (TCTA) looks forward to working with the committee on policies and strategies to foster improved parental involvement and build trust with teachers and other school staff so all Texas students may succeed.

However, TCTA believes that introducing ESAs as a new “school choice” option does not appropriately address the needs of our schools and our students. In the Senate Education Committee interim hearing in September 2024, Commissioner Mike Morath discussed the numerous learning options currently available to parents to best ensure their child receives the education of their choice. See the chart below.

Current Learning Options for 6.2 Million Texas K-12 Students		
Learning Option	Students Participating	Additional Details
Intra-District Transfers	Not Collected by TEA	<ul style="list-style-type: none"> • Districts may allow for this by established enrollment policy. • Ultimately, the board of trustees determines assignment and transfer of students and may deny petition of transfer based on ‘reasonable basis for denying the request.’
Inter-District Transfers	2023-24: 230,858 <small>PEIMS Data</small>	<ul style="list-style-type: none"> • Parents may request transfer to another district but receiving district determines whether to accept (i.e., not open-enrollment). • Districts may charge tuition on transfers.
Public Charter Schools	2023-24: 422,930 <small>PEIMS Data</small>	<ul style="list-style-type: none"> • Charter schools provide public school options for families outside of their assigned school district • Open-enrollment, if oversubscribed students selected by lottery
Virtual and Hybrid Schools	2023-24 TEC 30A Waiver: 16,540 2023-24 TXVSN: 35,364 <small>PEIMS Data</small>	<ul style="list-style-type: none"> • Issued waiver to programs created through SB 15 (expired September 1, 2023) to continue to operate under TEC Chapter 30A until 2025 TXVSN also allows full time virtual school; temporary waivers have been extended for expiring SB 15 schools.
Private Schools	2023-24: 286,624 <small>Texas Private School Association School Enrollment</small> 2023-24 IDEA Placement: 718 <small>PEIMS Data</small>	<ul style="list-style-type: none"> • Private schools provide options for families aligned to a variety of models / school designs; families pay tuition and other costs. • Under IDEA, public schools pay for a small number of students with disabilities to be placed in private schools or facilities.
Homeschool	2023-2024: 494,251 <small>U.S. Census Bureau Pulse Survey June 2024</small>	<ul style="list-style-type: none"> • Parents may choose to educate their children, have children educated in another home, or hire a tutor to provide education • Families pay for curriculum and/or services.





Most of these options are funded through taxpayer dollars. TCTA supports further development of quality public school options, especially through intra-district and inter-district transfers. We also support high performing and properly managed and regulated public charter schools. These publicly funded options are accountable to students, parents and taxpayers across the state through academic accountability measurements and financial management integrity ratings, and in the case of traditional public schools, through elected school boards as well.

TCTA remains opposed to education savings accounts. We have learned through charter schools and districts of innovation that a foot in the door is likely to lead to expansion regardless of whether the program is effective or efficient. Commissioner Morath has waived expansion requirements for charter school networks, allowing them to serve thousands more students, even when they do not meet academic performance standards. Districts of innovation have demonstrably used the ability to exempt themselves from state laws as a matter of convenience rather than innovative educational strategies. These districts exempt themselves from teacher legal protections and certification requirements, class size caps, parental notification laws, and student discipline procedures, among many other statutory policies. And yet they proliferate.

ESAs will only exacerbate the problem of an underfunded school system. Texas consistently ranks well under the national average in per-student funding. Our state will struggle to fund three education systems – traditional public schools, charter schools, and now private schools, especially at a time when students are still in need of additional assistance in the aftermath of the pandemic. Senate Bill 2 would result in the creation of additional bureaucracy, and exercising control and oversight of three education systems is not an efficient use of money.

States that have implemented ESAs and voucher programs have seen substantial state budget problems following the adoption of the programs. In 2022, the state of Arizona, at the time of passage, estimated the price tag of the Empowerment Scholarship Account System at \$65 million. The following year the price of the program ballooned to \$332 million and this year is anticipated to cost \$429 million. This program is the main driver for the state's \$1.4 billion budget shortfall.¹ In 2022, Texas had approximately five times the number of students that Arizona did². Other examples of ESA programs expanded exponentially:

- Florida broadened eligibility requirements to make its existing ESA program available to all students (rather than only students with disabilities or those from low-income families), with an estimated cost of \$4 billion in the first year of implementation; and
- Iowa created an ESA that will expand to include all students by the 2025-2026 school year and cost over \$340 million per year. To scale up programs such as these would be devastating to the Texas budget.

The financial effects of vouchers would be felt most notably in rural districts where there are few private school alternatives, and the loss of state public school funding could not be made up by the local tax base.

Furthermore, evidence has been clear that ESAs do not improve student outcomes. There are several examples in states such as Ohio, Louisiana, and Indiana where peer-reviewed research has concluded that students who used vouchers to go to private schools performed worse on standardized tests when compared

¹ <https://www.propublica.org/article/arizona-school-vouchers-budget-meltdown>

² 5.4 million students in Texas vs. 1.1 million (<https://schools.texastribune.org/states/tx/> and <https://azreportcards.azed.gov/state-reports>)



Texas Classroom Teachers Association

PO Box 1489 Austin, TX 78767 | tcta.org | (512) 477-9415

to their public-school counterparts.³ We acknowledge and appreciate that Senate Bill 2 includes a nod to accountability by requiring students benefiting from the ESA program to take a nationally recognized norm-referenced exam or a state-required assessment. Unfortunately, we believe that the accountability component will ensure that private schools will be more particular regarding whom they accept into their programs.

In conclusion, given the billions of dollars available for this legislature to spend we believe that lawmakers have a rare opportunity to help students, teachers, and schools. We are disappointed that so much attention is focused on legislation to create an ESA program that we believe will not bolster community public schools and that does nothing to address teacher quality or shortage. We ask you to re-evaluate the need for ESAs, in addition to growing costs as the program expands. Providing increased funding for schools, raising teacher salaries, and improving working conditions will ensure that Texas students receive the best education possible from high-quality, experienced, and certified teachers at schools that are the pride of their communities.

³ <https://fordhaminstitute.org/ohio/research/evaluation-ohios-edchoice-scholarship-program-selection-competition-and-performance>; https://www.nber.org/system/files/working_papers/w21839/revisions/w21839.rev1.pdf; and <https://onlinelibrary.wiley.com/doi/abs/10.1002/pam.22086>