

The Austin Report

April 29, 2025

E-Newsletter

VOUCHERS = SCHOOL CHOICE but WHOSE CHOICE

By Senator Royce West

After decades of failed attempts to allow public dollars to be used to fund private education, legislation (Senate Bill 2 – S.B.2) is on its way to Governor Abbott's desk that establishes a school voucher program in Texas. The bill could be signed as early as May 3rd.

S.B. 2 creates a universal voucher system that provides public funds to individual families through an education savings account (ESA) structure. Funds can be used for private school and other educational expenses listed in the bill rolling over yearly without a cap.

\$1 billion capped appropriation for the first biennium (25-26), increasing to over \$7 billion in cost for the first 5 years. The following would be provided for students in private school: a voucher equal to 85% of the statewide average of state and local funding in the most recent school year (est. \$10,330 in 2027), for students in homeschool: \$2,000, and for students with a disability: up to \$30,000.



ESA funds can pay for allowable expenses like tuition and fees, online schooling, instructional materials and uniforms, costs related to academic assessments, services and transportation, educational therapies with up to 10% of yearly amount allowed for computer hardware or software, or breakfast or lunch at a private school.

All school-age children would be eligible for ESA and may apply with established proof of citizenship, U.S. national, or lawful admission to the U.S.

The online application process will be created by the Comptroller, and managed by certified education assistance organizations (CEAOs). **Selection process utilizes a lottery system, in choosing students, if more applicants apply**

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than funding for spots is available. Priority is given to following groups in order: siblings of current participants, new applicants, and returning applicants who had left the program to re-enter public school.

Preference would be given, for the first biennium of the program, to children who were enrolled in a public school or open-enrollment charter school for at least 90% of the prior school year. After the first two years, students enrolled in public school will no longer receive priority. This means that it would be far more likely that currently enrolled private school students would apply and receive the voucher.

For the first biennium of the program, 80% of funds must go to students with special needs in a household at or below 500% of the federal poverty line (Up to \$156,000 per year for a family of 4), students at or below 200% of the federal poverty line (\$62,400 per year for a family of 4), students at or below 500% of the federal poverty line (Up to \$156,000 per year for a family of 4), and students above 500% of the federal poverty line (High Income, over \$156,000 per year for a family of 4). Participating private schools would be required to administer annual norm-referenced assessment for 3rd-12th grade participants.

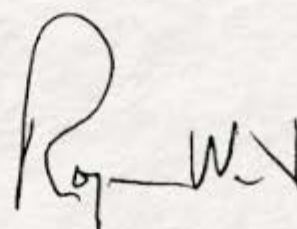
Participating homeschool students wouldn't be tested. This is not the same testing that public school students are required to take.

Participating parents must waive state and federal special education protections because private schools are not required to comply with those protections.

The Comptroller will manage the voucher program and will select up to five companies (CEAOs) to administer the program. They must have a third-party audit of the program every year, as well as audit by the State Auditor. Additionally, these companies may receive a contract worth up to 5% of the total appropriation for the program. For a \$1 billion program, that is a \$50 million contract. In 5 years, that contract could be worth \$350 million.

Private schools/vendors have full autonomy over their own policies (no strings attached). Therefore, private schools can choose to reject students for any reason, including disability status or religious affiliation.

I will keep you abreast of the movement of S.B.2 and the rules that will be created regarding it.



Texas State Senator

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