

BILL ANALYSIS

Senate Research Center
84R25183 KJE-D

C.S.S.B. 1178
By: Huffines
Education
5/1/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1178 charges the Texas Education Agency (TEA) to conduct a study on implementing an educational savings account (ESA) program. Under the Arizona program, parents who choose to opt-out of the state education system can receive educational funds that would otherwise go to that child's public school into an educational savings account. This money can then be used for multiple educational purposes, such as private school tuition, tutoring, online programs, or college savings programs. Florida has a similar program, as well, and other states are considering adopting an ESA program.

In conducting the study required by C.S.S.B. 1178, TEA must look at various topics, such as the experiences of other states who have similar programs, the populations who might be served by an ESA program, potential guidelines for private schools that volunteer to take part in the program, and potential academic and financial accountability measures for the program.

TEA shall work with stakeholders in conducting the study, and may accept grants, gifts, and donations to offset the costs of conducting the study. The report must be completed by November 1, 2016 and be sent to the lieutenant governor, speaker of the house of representatives, and the members of the legislature.

C.S.S.B. 1178 amends current law relating to an interim study on an education savings account program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Defines "agency" in this section.

(b) Requires the Texas Education Agency (TEA) to conduct an interim study regarding the implementation of an education savings account program. Requires that the study evaluate:

- (1) best practices in implementing an education savings account program;
- (2) the experiences of other states that have implemented similar programs;
- (3) the populations that might be served by the program;
- (4) potential student eligibility guidelines for participation in the program;
- (5) potential guidelines for the voluntary participation of private schools in the program;
- (6) methods of funding for the program;

- (7) which expenses to include as qualified educational expenses under the program;
- (8) whether to preapprove certain vendors for participation in the program;
- (9) potential academic and financial accountability measures for the program; and
- (10) methods of contracting between the state and one or more financial institutions for the provision and maintenance of the accounts.

(c) Requires TEA, in conducting the study, to consult with stakeholders and national subject matter experts, including individuals who have assisted in implementing similar programs in other states.

(d) Authorizes TEA to accept any gifts, grants, or donations from any source to conduct the study under this section.

(e) Requires TEA, not later than November 1, 2016, to submit a report on the findings of the study to the lieutenant governor, speaker of the house of representatives, and members of the legislature. Requires that the report include any recommendations for implementation of an education savings account program from individuals who have assisted in implementing similar programs in other states.

SECTION 2. Provides that this Act expires September 1, 2017.

SECTION 3. Effective date: upon passage or September 1, 2015.