

# Education Savings Accounts (ESAs)/School Vouchers

**The Bill:** [SB 2: An act relating to the establishment of an education savings account program](#)

**Status:** Signed by the governor, set to take effect September 1, 2025.

## Brief summary:

- This bill sets aside \$1 Billion for the 2025-2027 biennium to provide Education Savings Accounts (ESAs) to students who wish to attend private schools instead of public schools. This amount is to be re-negotiated and appropriated at each session of the legislature.
- Just about any public school student in Texas would be eligible to participate, prioritized by income with lower-income students receiving first priority. No more than 20% of the funds may be spent on students whose families make more than 500% of the poverty guidelines
- The amount available per student for general participants will be 85% of the average per student spending for students in public school. As of December of 2024, this would have been around \$11,394 per participating student.
- Participating private schools are required to either administer the STAAR or a nationally norm-referenced test of their choice annually in grades 3-12. They must have been operating for at least 2 years, and they are not allowed to charge more for ESA students than for other students. Otherwise, the state is largely prohibited from imposing regulations on the operations of the school.

## Detailed Summary

### How much is the state spending on this all together?

**(Section 29.3521: Amount of Appropriation; Limitation on Expenditures)**

The total amount to be spent on ESAs for 2025 – 2027 is capped at \$1 billion. That cap expires on September 1, 2027.

Every two years the comptroller must submit an estimate of how much is needed to fund ESA participation for each participating child and all children on the waiting list including siblings of the current participants who would be eligible to participate. The legislature will then decide how much to appropriate.

For example, [the fiscal note attached to this bill](#) estimates that by 2028 the amount to fully fund the ESA program would be \$3,072,133,443. After the \$1 billion cap expires on September 1, 2027, the legislature could decide to appropriate that amount, or more or less.

### How much can each participant receive?

**(Sec. 29.361. Amount of transfer to participant account; financing)**

**General participants (non-disabled students):** Can receive 85% of the estimated statewide average of per student spending for students in public school. To give you an idea of how much this might be, [as of December 17, 2024](#), that estimated average amount would have been \$13,405. So, 85% would have been about \$11,394. These numbers will change somewhat every year.

**Children with disabilities:** Can receive the 85% base as described above, plus the special ed funding that their home district would have received according to their Individualized Education Program (IEP). This amount is capped at \$30,000 per year.

**Homeschoolers:** No more than \$2,000 per student.

## What can the funds be used for?

### (Section 29.359: Approved Education-Related Expenses)

- Tuition and fees for a private school, higher education institution, online courses, career/technical training programs
- Instructional materials and uniforms
- Academic assessments
- Tutoring
- Transportation
- Speech therapy, occupational therapy and other educational therapies (as long as not already covered by Medicaid, CHIP or private insurance.)
- Computer hardware and other tech if required by an education provider or a doctor for supporting learning (No more than 10% of ESA funds per year)
- Meals (Breakfast, lunch)

Note: Funds may not be used to pay family members.

## What children are eligible to participate in the ESA/Voucher program?

### (Section 29.355: Eligible Child)

Participants must be able to show that they are a U. S. Citizens or National or have otherwise been lawfully admitted to the United States. Other than that, any child who is eligible to attend public school in Texas (K-12) is eligible to participate.

Students may NOT use ESA funds if they are enrolled in a public school and being counted in Average Daily Attendance (ADA.)

## What happens if we run out of money before we run out of applicants?

### (Section 29.356: Application to Program)

Priority will be based largely on income relative to the federal poverty guidelines. First priority will be children with disabilities from households at or below 500% of the federal poverty level. Next children at or below 200%, then children between 200% and 500%. Lowest priority will be children from households above 500% of the Federal Poverty Guideline. (The amount to be spent on this last group is capped at 20% of the funds available.) Siblings of students who have been accepted will be automatically accepted.

For reference, the 2025 Federal Poverty Guideline for a family of 4: \$32,150: 200% of that would be \$64,300, 500% would be \$160,750.

## What provisions are made for Special Ed Students?

### (Section 29.3615: Individualized Education Programs (IEPs))

Participating parents may request a full special ed evaluation and an Individualized Education Plan from a public school. Public schools are required to provide the IEP within 45 days of receiving the parent's signed consent.

### (Section 29.367: Special Education Notice)

Private schools (and other educational providers) are required to post a notice and to let parents know that **private schools are not legally required** to follow federal and state special education laws in the same way public schools are.

## Will wealthy people be able to use the ESAs to pay for their kids who are already in private school?

### (Sec. 29.3521. Amount of appropriation; limitation on expenditures)

No more than 20% of the ESA funds may go to participants from wealthy families (defined as families with incomes 500% of the federal poverty guidelines or higher.). Within that 20%, priority must be given to students who attended public school the previous year.

## What do private schools have to do to be eligible to accept ESA funds?

### (Section 29.358: Preapproved Providers and Vendors)

Private schools must:

- Be located in Texas

- Be accredited by an agency recognized by TEA or the Texas Private School Accreditation Commission
- Administer either the STAAR or a nationally norm-referenced test annually in grades 3–12
- Have been in operation for at least two years

**(Section 29.365: Tuition and Fees; Refund Prohibited)**

Private schools may not charge ESA participants more than any other students are being charged for the same services.

## **How much autonomy do private schools have if they participate in the program?**

**(Section 29.368: Program Participant, Provider, and Vendor Autonomy)**

The state is not allowed to impose rules on participating private schools that would conflict with the school's religious or institutional beliefs or that with interfere with how they run their schools.

Specifically, the state cannot require participating private schools to change:

- Curriculum or teaching methods
- Admissions or enrollment policies
- Religious beliefs or operations
- Employment practices or codes of conduct