



TO: The Honorable Members of the House Education Committee

FROM: Education Stakeholders and Interested Parties

DATE: September 30, 2020

SUBJECT: House Bill 2696 – “Back on Track” Education Savings Accounts, i.e. school vouchers

“Back on Track” Education Savings Accounts (ESAs), the latest iteration of school vouchers proposed in HB 2696, sponsored by Rep. Clint Owlett, would direct precious federal relief money to unaccountable private schools and other private educational service organizations. Further, it violates the federal requirements for CARES Act funding. The proposal is clearly a strategy to gain a foothold for future efforts to advance a pro-voucher agenda.

To be clear, HB 2696 allows for the use of federal tax dollars for private and religious school tuition on page 7, line 5.

HB 2696 would commit up to \$500 million of CARES Act funding to the proposed ESA program. However, the CARES Act requires that expenses 1) directly relate to COVID-19 and 2) were incurred this calendar year. The concept of ESA vouchers is not new, in fact, it was proposed most recently by Sen. John DiSanto as Senate Bill 2 in 2017. The only “new” allowable expenses for parents under the bill relate to computer hardware, technology for distance learning and counseling services. All other eligible uses are the same as past ESA voucher bills. This demonstrates that the bill is really about establishing language in statute for future voucher efforts. COVID-related expenses are an afterthought under the bill.

Additionally, allowable expenses for CARES Act funding must directly relate to COVID and be spent before the end of the calendar year. Parents who were already planning to send children to non-public schools don’t meet the first tenant of CARES Act funding requirements. This, again, reinforces that the bill is about memorializing a state program for tuition vouchers in non-public schools. Moreover, the commitment of up to \$500 million to be allocated and spent by parents between mid-November and late-December establishes the intention to create a financial boon for unaccountable private and religious schools.

While the bill proposes a new \$500 million voucher program, school districts are struggling to address the \$1 billion local revenue shortfall that is directly related to COVID. HB 2696 represents a choice between solving a problem in public schools where 90% of Pennsylvania’s students attend and advancing Betsy DeVos’ ideological agenda. Providing taxpayer resources to private schools and companies in an ill-conceived duplicative program would create yet another taxpayer funded system of education. To create a new voucher program when the state and school districts are struggling to close budget gaps and meet their current obligations is irresponsible.

Advocates tout that HB 2696 would help low-income students by providing preference for families at or below 185% of the federal poverty level, but even this is misleading. Such families only get preference until

November 16, 2020, while the next provision indicates that the application period opens on November 16th – the very day in which preference expires. Policymakers should be wary of a program that begins by claiming to prioritize low-income families. The Educational Improvement Tax Credit (EITC) program started out that way 20 years ago. The maximum eligible household income in that program was \$50,000 in 2001 and is now \$92,160.

Whereas traditional public education entities have strict requirements for public meetings, transparency, governance, academic achievement, and financial accountability, such requirements don't exist and wouldn't exist for entities receiving tax dollars from ESA vouchers. Consider this:

1. HB 2696 doesn't contain a requirement to audit the program and the list of allowable uses is overly broad which makes this program ripe for fraud and abuse. The House Appropriations Committee recently asked all school districts for an accounting of their ESSER federal relief funding, which is more accountability than is required under this bill.
2. The only financial accountability provision is a requirement for participating entities to provide a receipt to parents. This is outlandish considering the amount of reporting public school entities must provide to the federal government for any type of federal funds.
3. The only academic accountability provision is a report of graduation. What if the student is in 2nd grade or any other grade for that matter?

ESA vouchers represent bad public policy that will have negative consequences for students, schools, taxpayers, and communities. Further, the proposed scheme lacks public support. There are more pressing problems within public education that deserve the attention of policymakers during a pandemic than trying to implement a strategy to gain a foothold for an ESA voucher program in the future. Continuing to attempt to pass ever worse versions of school vouchers that have proven time and again to lack the support of Pennsylvanians is a poor use of time. This proposal will only establish a foundation to chip away at Pennsylvania's public education system down the road.

For all of these reasons, we urge you to oppose any legislation, particularly House Bill 2696, that relates to education savings accounts. Thank you for your consideration of our comments.

Sincerely,

Allies for Children

American Federation of Teachers – Pennsylvania

The Arc of Pennsylvania

Delaware Valley Americans United for Separation of Church and State

Disability Rights Pennsylvania

Education Law Center - PA

The Education Policy and Leadership Center

Education Voters of Pennsylvania

Keystone Education Coalition

Keystone Research Center

One Pennsylvania

Pennsylvania Association of Career and Technical Administrators (PACTA)

Pennsylvania Association of Intermediate Units (PAIU)

Pennsylvania Association of Rural and Small Schools (PARSS)

Pennsylvania Association of School Administrators (PASA)

Pennsylvania Association of School Business Officials (PASBO)

Pennsylvania Budget and Policy Center (PBPC)

Pennsylvania Partnerships for Children (PPC)

Pennsylvania Principals Association

Pennsylvania School Boards Association (PSBA)

Pennsylvania State Education Association (PSEA)
Philadelphia Federation of Teachers (PFT)
Philadelphia Jewish Labor Committee
Pittsburgh Federation of Teachers (PFT400)
Public Citizens for Children and Youth (PCCY)
Public Interest Law Center
SEIU-32BJ
We the People