

S. 306 – Frequently Asked Questions

Q: What does this bill do?

A: In an effort to grant states more control and flexibility with their education dollars, the bill makes it legal for an individual state to use its share of federal Title I funding to provide greater educational opportunities for the low-income students it is intended to serve. Additionally, it amends the IRS code to ensure that *every* parent can benefit from Coverdell Education Savings Accounts, which allow parents to save their own after-tax dollars for later use on qualified college and K-12 educational expenses.

Q: Why is it needed?

A: For too long, the federal government has strong-armed states, local school boards, and individual parents with education policies that don't work. By allowing states to make more of their dollars portable and allowing parents to save for their children's needs, this bill would provide greater opportunity for every child.

Q: What is "Title I portability"?

A: Under current law, states receive the bulk of their federal education dollars via Title I of the *Elementary and Secondary Education Act of 1965* (ESEA). Since ESEA was originally passed in 1965, these funds have been aimed at supporting low-income students and schools (this is a limited population defined using the Census Bureau's definition of poverty). Unfortunately, due to the complexity of the weighted formula and accompanying requirements, the funds often do little to help these at-risk students. If Title I portability is employed, a State would be able to let the qualifying low-income students take a small portion of these funds to the public or private school of their choice. Importantly, this bill does not require a private school- or any student- to participate in the program.

Q: Why is the Elementary and Secondary Education Act of 1965 referenced in this bill?

A: In order to grant this flexibility to states, Title I, Part A of the *Elementary and Secondary Education Act of 1965* must be amended.

Q: Why is the change to the IRS code necessary?

A: Under the current IRS code, Coverdell accounts enable parents to save their own after-tax money to finance their child's higher education and public or private K-12 expenses. However, they have long discriminated against homeschool families living in states that do not define "home school" as a "private school." This change is necessary to ensure that all families can participate in this private savings program, not just those the federal government prioritizes.

Q: Do the two titles of this bill work together?

A: While both titles intend to break up the federal monopoly on dictating who is entitled to educational opportunity, they operate independently and have no legal bearing on one another. The first title amends the *ESEA* and the second title amends the IRS Code.

Q: Does this bill redefine “home schools,” or allow the federal government to regulate them?

A: This bill does not change the federal or state definitions of home schools or private schools, and certainly does not seek to place them under federal control. Rather, for the purposes of the designated section of IRS code, it prohibits the exclusion of homeschool families in states with laws defining "home school" and "private school" separately.

Q: What is Senator Cruz’s stance on the ESEA?

A: The ESEA is a prime example of federal overreach. The behemoth of a law was originally passed in 1965 and has since governed the U.S. elementary and secondary educational landscape. *No Child Left Behind*, passed in 2001, was a reauthorization of the ESEA, and it has not been reauthorized since. This summer, both the House and the Senate passed different versions of a bill to once again reauthorize the ESEA. The Senate version was called the *Every Child Achieves Act* (ECAA) and was sponsored by Senator Lamar Alexander. During the floor debate, Senator Cruz [offered](#) an amendment that would have scaled back the federal role in a big way. It would have eliminated the federal testing and accountability mandates, two major oversteps that have served to manipulate states and effectively control what happens inside the classroom. Unfortunately the amendment was not adopted. After reviewing the reauthorization bill and concluding that it did not do nearly enough to cede back control of education to state and local governments, Senator Cruz [voted](#) against its passage.

Q: Is Title I portability a part of the Every Child Achieves Act?

The language from S. 306 is not included in ECAA. During the debate process, a similar amendment was offered for a vote. However, the amendment failed and was not adopted into the final bill. It is unlikely that Title I portability will receive another vote in this Congress.

Q: What else has Senator Cruz done to decrease the federal role in education?

A: Senator Cruz has been and will remain committed to shrinking the federal role in education policymaking, and has repeatedly railed against the wide latitude granted to the Education Secretary, which led to the creation of programs like Race to the Top and ultimately, Common Core. He has cosponsored Senator Vitter’s *Local Control in Education Act*, which would prohibit the federal government from mandating or coercing states to adopt the Common Core standards. Additionally, he is an original cosponsor of Senator Crapo’s *Local Leadership in Education Act*, which would similarly prohibit federal meddling in curriculum, instruction or testing, as well as emphasize the importance of education policymaking at the local level.

Q: Do any outside groups support this approach?

A: Both the Home School Legal Defense Association and Heritage Action support S. 306.

HSLDA: "A Coverdell ESA is an investment tool for parents seeking to save money for their children’s education related expenses, such as tuition, books, and supplies. This type of account is advantageous because its interest and distributions (withdrawals) are tax-

free.

“Unlike various government voucher programs, Coverdell ESAs are personal savings accounts that do not use government funds. Instead, a Coverdell operates analogous to a Roth IRA. That is, after-tax money is placed by an individual in their own account, where the money can grow, collect interest, and be withdrawn for eligible education expenses without additional taxes being paid.

“The Coverdell ESA can be used to pay for a child’s eligible education expenses. Currently, eligible expenses only include public and private school expenses. This means that only homeschool students in states which define a homeschool a private school can use the Coverdell ESA for educational expenses.”

Heritage Action for America: "As students across the country return to the classroom, it is imperative that lawmakers utilize this moment to advance strong school choice legislation that empowers parents, provides greater opportunities for children of all backgrounds, and refocuses the federal role in education to its proper and limited place. Educational decision-making should reside in the home with parents and guardians, not with federal bureaucrats in Washington.

“The Enhancing Educational Opportunities for All Students Act has three primary components that empower parents and students. The first provision provides for full Title I portability which would allow Title I funds to follow low-income students to any public or private school of their choice. Allowing states to make these dollars portable is a policy that conservative education reformers have long championed—it is a policy that adheres appropriately to the tenants of federalism while simultaneously providing greater opportunities and choice for students.

“The second provision takes the much-needed and necessary step of removing the contribution limitation on Coverdell education savings accounts. Coverdell accounts are the lone tax break available to parents for kindergarten through twelfth grade expenses. Lifting the cap on these accounts would provide families and households with greater school choice options and enable them to save more for their children’s education. This is a strong and bold reform.”