



# Education Watch

Enhancing Flexibility & Accountability ■ Leaving No Child Behind

U.S. House Education & the Workforce Committee ■ John Boehner, Chairman  
2181 Rayburn House Office Building ■ (202) 225-4527

<http://edworkforce.house.gov/edwatch>

June 6, 2001

## H.R. 1 and ESAs: ‘Firsts’ Represent New Options for Parents

President George W. Bush will sign into law tomorrow the first component of his *No Child Left Behind* education plan to overhaul the federal government’s role in education.

Just 48 hours after passing H.R. 1 -- which gives parents new options by letting federal education dollars flow to private, faith-based tutors - the House voted to give parents even more options by passing the K-12 education savings accounts (ESAs) measure championed by the late Sen. Paul Coverdell as part of the final tax relief bill.

Expanding ESAs is part of President Bush’s education proposal. The tax bill allows parents to invest up to \$2,000 annually in ESAs and permits tax-free withdrawals for both college tuition *and* elementary and secondary education, including private school tuition.

H.R. 1 and the new ESA option represent two important “firsts” for education: the first time that parents will be able to use Title I money for private, faith-based supplemental services; and the first time that the federal government will help finance private K-12 education.

Calling it “a major victory for parental choice in education,” Robert Holland and Don Soifer of the Lexington Institute said ESAs could be just the beginning. “By honoring the principle that parents can best choose where and how to educate their children, the new tax law could foster many more school choice initiatives at the local, state, and federal levels.”

### Message of the Day

**The *No Child Left Behind* plan offers new options to parents of struggling children, and education savings accounts (ESAs) represent a positive first step in helping those parents.**

- *ESAs, for the first time, allow parents to fund private K-12 education costs with federal financial assistance.*
- *ESAs also allow parents to save money for items such as computers, tutors, and books -- without paying taxes on interest that the accounts earn.*
- *The President’s plan offers new hope to students in chronically failing schools.*

### DAILY EDUCATION FACTS

- If a school does not make adequate yearly progress after one year, H.R. 1 requires a school district to implement certain corrective actions to improve the school, such as replacing certain staff, as well as offer public school choice **immediately** to all students in the failing school.
- H.R. 1 allows parents to use Title I funds to provide supplementary educational services -- including tutoring, after school services, and summer school programs -- for their children. Parents will choose from a list of providers that meet certain criteria, including **private faith-based providers**.

### QUOTE OF THE DAY

*“This is the first time the federal government will provide financial assistance to kids in K-through-12 private schools ... This is a significant school choice provision.”* **Clint Bolick, Institute for Justice, The Washington Post, May 31, 2001**