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Before the Senate Committee on Education  
The Honorable Larry Taylor, Chair  

March 21, 2017  

KEY POINTS  

- Student learning outcomes for ESAs and private school tax credits are unproven or produce insignificant or even negative results.  
- SB 3 provides no transparency or accountability for results.  
- SB 3 is not designed to benefit low-income students.  

Chairman Taylor and members of the committee, my name is Ann Smisko and I serve as the Deputy Director of Policy & Programs at Raise Your Hand Texas. I appear before you today on behalf of Raise Your Hand Texas to respectfully register our strong opposition to SB 3 (Taylor). The following testimony is directed to the introduced version of the bill.  

In our view, the central question before the committee is not whether students and families should have choice, but what types of choices are created. As policymakers, you have a critical role to play in ensuring that the available choices—and certainly those choices funded with public tax dollars—are high-quality choices.  

Currently, Texas offers students and families a wide array of choices through district and charter schools. All of the current options are transparent as to their finances and academic outcomes, and ultimately accountable to the State of Texas and the public for their results. The same cannot be said of the education savings account (ESA) and private school tax credit proposals before you today.
Student Learning Outcomes Unproven, or Even Negative
The ESA component of SB 3 before you today is neither widely adopted nor proven. Only one (1) state, Arizona, has any significant experience with ESAs.¹ There is no credible research on ESAs to support their efficacy in improving student academic outcomes. None. Indeed, Arizona’s program appears designed to produce no such data.

While private school tax credits are more widely adopted, the results fail to impress. Recent research on statewide tax credit scholarship programs in Louisiana and Indiana in fact shows significant negative effects on test scores.² Even a broader review of “gold standard” research on school vouchers generally found U.S. results on academic performance that were small or null so as to be practically indistinguishable from zero.³ Do we really want to spend a minimum of $100 million annually on a private school tax credit voucher program with results for student learning that research to date shows range from insignificant to negative?

Bills Provide No Transparency or Accountability for Results

Setting aside the research for the moment, the legislation before you today requires no transparency or accountability for student outcomes that would allow this legislature or taxpayers to even determine whether these programs are producing results for Texas students.

Transparency is necessary, but not sufficient, to provide accountability. Yet there is no transparency regarding student outcomes in these bills. The ESA program has no testing or other evaluation requirement at all. While the tax credit scholarship program requires eligible private schools to annually administer a national norm-referenced test, it does not require these scores be publicly reported. Thus, taxpayers will not know whether the private school education supported with their tax dollars is producing any benefit for students. Not only are the bills lacking in transparency, but they provide zero accountability for results. There is no provision for excluding a private school (or in the case of the ESA other private vendors) from the program. A private school producing consistently poor learning outcomes

¹ Nevada’s “universal” ESA program is in limbo as the result of litigation in the Nevada
² See Dynarski, M. On negative effects of vouchers. Evidence Speaks Reports, Vol. 1, #18 (May 26, 2016). Available at: https://www.brookings.edu/research/on-negative-effects-of-vouchers/
for students could continue to accept students and receive funding under the program. While some claim that parents will vote with their feet, this claim is not borne out by evidence or even by our own experience here in Texas. The permissible use of program funds on a whole array of products and services by private vendors presents an even knottier set of problems regarding whether any real educational benefit is being delivered. This lack of transparency and accountability stands in stark contrast to the rigorous public reporting and accountability requirements for district and charter schools.

**Bills Not Focused on Helping Low-Income Students**

Finally, it is important to assess who these bills were designed to benefit. While supporters of the legislation say that it will help low-income children trapped in low-performing schools:

- Eligibility for the ESA is tied neither to income nor to attending a low-performing school;
- There is no requirement that students participating in the ESA program meet any kind of need-based criterion, either by income or disability;
- Most students in Texas could qualify, although there is a graduated benefit under the program based on income; and
- There is no limit on the number of students who could participate in the ESA program.

While the private school tax credit has an upper income limit of 200% of free and reduced price lunch eligibility, this is $89,910 in family income for a family of four—placing the benefit squarely in the middle income range. Similarly, participation in the program is limited only by the $100 million annual cap on the corporate tax credit, which grows by 10% annually.

The experience of Arizona, a state with both ESAs and private school tax credits, is instructive. Reporting found that the primary beneficiaries of Arizona’s ESA program are more affluent students—often students with disabilities—leaving relatively high-performing public school campuses.4 Supporters of Arizona’s private school tax credit programs have similarly conceded that the program is not limited to low-income students.5

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Conclusion

As members of the Senate Committee on Education, I know that the decisions you must make are difficult ones. And I know that you genuinely want to do what is in the best interests of students. We all would like for Texas students to have great choices on the education that they receive. But this legislation will not move us forward towards that goal.

It is based on voucher programs that are either unproven or produce insignificant or even negative results. It lacks even the basic elements of transparency and accountability which are the drivers of high-quality choice. And it is not designed to benefit economically disadvantaged students.

If this committee and the legislature want to produce the best education system for all students and make the best use of limited taxpayer dollars, the focus must be on policy that is proven and benefits the greatest number of students with transparency and accountability.

Thank you for your consideration and for the opportunity to appear before you today.