HSLDA ACTION

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Funding That Protects Education Freedom

Financial concerns are the most significant barrier to non-public education options for many problems. So it is important for legislators to ease that burden and make alternatives more available. However, some education funding policies threaten education freedom, rather than protect. Because there is no such thing as federal funding that comes without strings, Congress should pursue options that allow families to use their own money as they see fit, without getting the government involved.

THE GOOD POLICIES

529 Savings Accounts

» A 529 account is a tax-advantaged savings account where families can deposit their money and then withdraw for certain expenses. Currently, 529s can be used for K–12 expenses for public and private school students, but not for homeschool expenses. This is a discrimination that Congress should address.

Tax Credits and Deductions

» Teacher Tax Deduction
Currently, eligible teachers are able to receive a tax deduction for a certain amount of school-related expenses. However, homeschool parents are not considered eligible teachers under the tax code. This is a loophole that Congress can address with bills such as the Home Educators are Teachers Act (H.R. 5284).

» Tax Credits
Tax credits are a way to give families some of their money back to then use how they see fit in exchange for certain expenses. For example, the Education Freedom Scholarships and Opportunity Act (S. 43) would provide tax credits to those who donate to SGOs who help low-income families pursue non-public education alternatives.

THE BAD: ESAS AND "MONEY FOLLOWS THE CHILD"

Education Savings Accounts (ESAs) are a common proposal to provide families with the financial flexibility to choose public school alternatives. However, ESAs are not true savings accounts.[1]

A true savings account is a tool into which individuals place their own money so that the money will grow and be available for a greater purpose further down the road.

For ESAs, the government collects taxes from private individuals. Those taxes are then redistributed to school-age kids to be spent on government-approved education expenses.

Similarly, proposals that allow tax dollars paid into the school system to instead follow the child to their education mode of choice (such as the SCHOOL Act, S. 665) funnels funds through the federal system.

Despite the good intentions behind them, both ESAs and "money follows the child" policies pose numerous potential risks to the homeschooling community.

» These policies place the burden of approving expenses on the state. That means that it is up to the government, not the parents, to decide what is best for a child's education.

» HSLDA routinely handles lawsuits that are the results of misplaced paperwork. Who is to say that similar filing mistakes wouldn't happen when families attempt to get their education expenses approved?

» These policies heighten the potential of increased regulations on homeschooling. These regulations could include mandatory homeschool registration, a list of approved curricula that homeschool families would have to use, and mandatory home inspections by officials.

[1] Education Savings Accounts (ESAs)." Accessed December 15, 2021. **https://www.edchoice.org/school-choice/types-of-school-choice/education-savings-account/**.