

EDUCATION SAVINGS ACCOUNT REPEAL ACT

S.B. No. _____

By: _____ (Sponsoring Senator)

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the education savings account program established under Subchapter J, Chapter 29, Education Code; providing for the wind-down of the program and the disposition of unspent program funds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. LEGISLATIVE FINDINGS AND PURPOSE. The legislature finds that:

(1) the education savings account program established by S.B. 2, Acts of the 89th Legislature, Regular Session, 2025 ("S.B. 2"), authorizes the diversion of state general revenue to fund tuition and other expenses at private schools and other unaccredited providers that are not subject to the accountability, transparency, and nondiscrimination requirements imposed on the public school system;

(2) Article VII, Section 1, Texas Constitution, charges the legislature with the duty to establish and make suitable provision for the support and maintenance of an efficient system of public free schools, and the program diverts funds and attention from that constitutional duty; and

(3) it is the policy of this state to repeal the program described by Subdivision (1) of this section and to provide for an orderly, transparent wind-down of the program that honors commitments already made to participating families while ending future enrollment and funding.

The purpose of this Act is to repeal the education savings account program established under Subchapter J, Chapter 29, Education Code, and to provide for the orderly wind-down of that program.

SECTION 2. REPEAL. Subchapter J, Chapter 29, Education Code, as added by S.B. 2, is repealed.

SECTION 3. CONFORMING REPEAL. To the extent any other provision of the Education Code, Government Code, or other law of this state was enacted, added, or amended by S.B. 2 solely for the purpose of establishing, funding, administering, or granting rulemaking authority for the

education savings account program repealed by Section 2 of this Act, that enactment or amendment is repealed. This section does not repeal a rule, duty, or authority of the Comptroller of Public Accounts ("comptroller") or the Texas Education Agency that exists independently of the program under other law.

SECTION 4. WIND-DOWN OF PROGRAM.

(a) Notwithstanding the repeal by Section 2 of this Act, the comptroller shall wind down the education savings account program ("program") in accordance with this section.

(b) Not later than the 30th day after the effective date of this Act, the comptroller shall provide written notice of the termination of the program to each participating parent, each certified educational assistance organization, and each participating school or higher education provider.

(c) A participating child remains entitled to program funding for approved education-related expenses incurred before the effective date of this Act to the same extent as if this Act had not taken effect. On and after the effective date of this Act, the comptroller may not approve a new application for program participation, disburse funds for an expense incurred on or after that date, or renew a participating child's account.

(d) Not later than the 180th day after the effective date of this Act, the comptroller shall: close all education savings accounts established under the program; complete payment of all approved and outstanding expense reimbursements incurred before the effective date of this Act; and transfer any unencumbered balance remaining in an account, and any unspent money remaining in the program fund established under former Section 29.353, Education Code, to the general revenue fund.

(e) The comptroller may adopt rules necessary to implement this section, including rules governing the resolution of pending applications, disbursements, audits, or disputes arising under the program before its termination, and shall report to the legislature not later than January 1, 2028, on the final disposition of program funds.

SECTION 5. SAVINGS PROVISION. This Act does not affect the validity of an action taken, or a right or obligation that accrued, under Subchapter J, Chapter 29, Education Code, before the effective date of this Act.

SECTION 6. EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.