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## Children Have Opportunities in Classrooms Everywhere (CHOICE) Act

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Decades of evidence suggest that Title 1 funding through the Elementary and Secondary Education Act (ESEA) has failed to improve academic outcomes or opportunities for low-income students.<sup>1</sup> If the federal government continues to provide financial support for K-12 education, it must modernize how it distributes these resources. The CHOICE Act would allow parents and legal guardians to pursue the educational options that would best prepare their children for their next steps after K-12 education, whether that is a training program, postsecondary education, or the workforce.

### Bill Specifics

- Would allow eligible families the choice of having ESEA funds directed to their child's public school or deposited into a 529 education savings account to be used for private school, homeschool, or other qualified educational expenses.
- Eligible participants: Low-income students ages 5-17 in grades K-12 with family incomes of up to 130% of the Federal Poverty Level (\$39,000/year for a family of four).<sup>2</sup>
- Would consolidate approximately 40 ESEA grant formulas into just two streamlined and targeted grant formulas: the concentration grant and the basic grant.<sup>3</sup> The concentration grant would provide families up to 100% FPL with a flat amount of funding based on the concentration of poverty in their area. After the concentration grant is allocated, the remaining federal funds appropriated for ESEA would be distributed for the basic grant in an even descending rate of benefits, with those at or below 100% FPL receiving the maximum benefit and those at 130% FPL receiving the smallest benefit.
- Would require states to notify, for the next five years, all SNAP and TANF recipients who have an ESEA-eligible student that they can opt to have these federal education funds follow their student to the school of their choice or have them deposited into a 529 account.
- Would expand qualified expenses for 529 educational savings accounts, including for school tuition, books, or other instructional materials, tutoring expenses, fees for certain achievement tests and examinations, fees for dual enrollment in an institution of higher education, and educational therapies for students with disabilities.
- Would create a 100% tax penalty on ESEA funds withdrawn from 529 accounts for ineligible expenses.

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<sup>1</sup> Weinstein M, Stiefel L, Schwartz A, and Chalico L. *Does Title I Increase Spending and Improve Performance? Evidence from New York*. Working Paper No. 09-09. Institute for Education and Social Policy. (August 2009). <https://files.eric.ed.gov/fulltext/ED556781.pdf>; Stillwell-Parvensky, Michelle. *Reforming Title I: Closing the Academic Achievement Gap for Disadvantaged Students*. Harvard Kennedy School. (April 2011). [https://archive.org/stream/406651-esea-of-1965/406651-esea-of-1965\\_djvu.txt](https://archive.org/stream/406651-esea-of-1965/406651-esea-of-1965_djvu.txt); Puma, Michael J. *The "Prospects" Study of Educational Growth and Opportunity: Implications for Policy and Practice*. The Urban Institute. (199). <https://files.eric.ed.gov/fulltext/ED429355.pdf>; Armor, David and Souza, Sonia. *The Effectiveness of Title I: Synthesis of National-level Evidence from 1966 to 2013*. (2015). <https://files.eric.ed.gov/fulltext/EJ1086241.pdf>

<sup>2</sup> Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 2023 Poverty Guidelines, <https://aspe.hhs.gov/sites/default/files/documents/1c92a9207f3ed5915ca020d58fe77696/detailed-guidelines-2023.pdf>.

<sup>3</sup> This bill would draw funds from ESEA Title I, subparts 2 and 3 of part B of Title II, and Titles III, IV, V, and VI.

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For more information concerning this bill or to be added as a cosponsor, please contact Chris Medrano ([Chris\\_Medrano@lee.senate.gov](mailto:Chris_Medrano@lee.senate.gov); 8-3833) in Senator Lee's office.