**CALL TO ACTION UPDATE**

**Education Savings Accounts Governor’s Proposal**

**Jan. 19, 2023**

With tax cuts and the low SSA rates lagging high inflation, UEN members encourage the Legislature to oppose funding a private school initiative that would send public dollars to private schools without accountability while inhibiting the state’s ability to adequately fund public education. Bills (new numbers) are being considered in the House [HF 68](https://www.legis.iowa.gov/legislation/BillBook?ba=HF%2068&ga=90)  and Senate [SF 94](https://www.legis.iowa.gov/legislation/BillBook?ga=90&ba=sf94) on Education Savings Accounts. Since these bills are moving quickly, advocacy actions must be taken this weekend and Monday. See the[**Oppose Education Savings Accounts (ESAs) and School Choice Expansion Issue Brief**](https://www.uen-ia.org/system/files/Public/IssueBriefs/UEN%20Issue%20Brief%20School%20Choice%202023.docx)

**Status:** Action is expected next week in both House and Senate Chambers.

Having been considered and approved on party lines by the Senate Education Committee on Jan. 18 and the Senate Appropriations Committee on Jan. 19, the bill moves to the Senate Calendar. The bill could be referred to the Senate Ways and Means Committee since the Education Savings Account payment is exempted from Iowa income tax liability in the bill.

In House Committee action, following Tuesday’s public hearing, the Education Reform Committee met on Wed., Jan 18 and moved the bill forward on party lines. [HR 3](https://www.legis.iowa.gov/legislation/BillBook?ba=HR%203&ga=90), also on the House Calendar, exempts bills from the Education Reform Committee from Appropriations and Ways & Means steps, meaning the House could debate early next week as well.

**Key Messages:**

* Education Savings Accounts shift funds from public schools to private schools, limiting or eliminating programs and opportunities for students in public schools.
* The Governor’s 2024 Proposal is a costly and expansive voucher program, which will cost between $300-$400 million annually, phased in at a time when historic tax cuts are estimated to lower state general fund revenues by $1.8 billion annually, or 20%. If the legislature overextends, public schools will not be adequately funded. Paying for this program with one-time money does not align with the conservative budgeting principles that positioned Iowa well coming out of the pandemic.
* ESA and voucher programs don’t offer parents real choice. Private schools pick and choose who they accept. Public schools accept ALL students.
* Almost 75% of public schools are in rural areas with little to no access to private schools. Most families will be excluded from participating in a voucher program.
* Vouchers increase costs by creating two competing school systems. This is likely to reduce resources for public schools, which educate 90% of students. Public schools are accountable and transparent to the parents, the community they serve, and the taxpayers who fund them. Private schools do not have the same state requirements for accountability and transparency or oversight by taxpayers.
* Iowa already has many parent choice options.
* Categorical Flexibility in this bill is not significant. Districts can already use ending balance from professional development and teacher leadership and compensation funds for any general fund purpose including teacher salaries. The only new flexibility is from Talented and Gifted funds. School boards are counseled not to use one-time funds for ongoing expenses such as teacher salaries.
* Retention of $1,205 categorical funds for every resident student receiving an education savings account is also welcomed, however, not of benefit to any rural districts without students attending private schools and is overly restrictive as the funds retain their categorical constraints. Meanwhile, districts lose $10,500 in funding tied to enrollment, for a net loss of $9,295 per pupil leaving the public school for the private option. For urban districts, the loss of dropout prevention and instructional support funding are both significant as concentrated poverty and minority student populations are intensified by ESA programs in other states.

See the [UEN Weekly Report from Jan. 13, 2023](https://www.uen-ia.org/system/files/Public/2023-Reports/UEN%20Weekly%20Report%202022.01.13.docx) for a bill summary and additional UEN concerns.

Find your Representatives here: <https://www.legis.iowa.gov/legislators/house>

Find your Senator’s contact information here: <https://www.legis.iowa.gov/legislators/senate>

Reach them at home over the weekend. To call and leave a message at the Statehouse, the House switchboard operator number is 515.281-3221. You can ask if they are available, leave a message for them to call you back, or just leave a short message such as “please oppose the Governor’s expansive and fiscally irresponsible school choice proposal.” (Legislators are typically at the Capitol from Monday midday through Thursday afternoon.)