

Talking Points re Governor's School Choice Education Savings Account Proposal:

- Parents of public-school students are concerned that this drastic expansion of funding for private schools will pull resources and opportunities from their children's public school, leaving fewer opportunities for their children and their classmates.
- Rural schools are negatively impacted by the loss of just a few students, leaving the district without the resources for expensive career and technical education programs or college credit opportunities for students, both of which are important to Iowa's future workforce.
- This plan includes no accountability for the expenditure of tax dollars. These kinds of programs are fraught with misuse in other states which implemented years ago. Iowa should require transparency about private school expenditures if the state is footing the bill.
- The \$7,598 ESA is entirely borne by the state. Students leaving the public-school system will cost the state more and not result in any savings.
- Public schools are still required to provide support for special education services in private schools. If students aren't counted for enrollment, there is no trigger for special education funding to pay for the staff to support students with disabilities.
- All of the choice lies with the private school, not with the parent. There is no requirement that private schools accept all children or even keep them for the full year if their achievement does not rise to the level of the private schools' expectations. There is no mechanism for the funding to follow a student back to public school if they withdraw from the private school.
- The Heritage Foundation's [Education Freedom Report Card](#) shows Iowa ranked 9th in the nation in school choice: this ranking predated the expansion of charter schools, tax credits for home school and elimination of an open enrollment deadline.

Specifics about rural schools:

- Rural schools have suffered the most from school funding increases that have lagged inflation, especially due to declining enrollment and increased regulation.
- Rural schools need adequate funding per pupil in general to be able to provide all of the programs and opportunities that students need.
- In addition to loss of the state cost per pupil for a student attending a private school, the public-school district also loses many other funds tied to enrollment. The loss of only 3 students can mean the elimination of course offerings and opportunities for students. The average school district will lose over \$10,000 for every student that leaves the public school for private school funded by the Educational Savings Account.
- Diminished economies of scale combined with teacher shortages will reduce the very programs the state is depending on for workforce, such as CTE programs, internships and college credit opportunities already disproportionately costly to rural schools.
- This proposal will eventually cost the state of Iowa over \$250 million. The full phase in will hit the balance sheet at the time as the historic tax cuts of 2022 are phased in. It's not fiscally responsible to take on the funding of a second education system when faced with a 20% reduction in state revenue by FY 2027. The nonpartisan budget office estimates a \$1.8 Billion reduction in state revenues by FY 2027 which increases annually thereafter.