**RSAI Statement to HSB 243 Subcommittee**March 2, 2021

RSAI is registered opposed to [**HSB 243**](https://www.legis.iowa.gov/legislation/BillBook?ga=89&ba=hsb243) **Students First Scholarships.** Rural schools are worried about what may be unintended consequences of starting down the school voucher policy road in Iowa.

Advocates for this policy say it’s very small, likely not impacting your school district. It’s just about those schools on the ESSA list, which by their words, are failing students. They have claimed that 2/3 of the funding remains with the local school, a “win-win” for everyone.

That’s simply not true. Here’s how this bill really works:

Of the 34 buildings on the ESSA List of schools in need of comprehensive support and improvement, 17 are urban and 17 are rural. 9 have already improved their status to acceptable, 2 to commendable and 1 even to high performing. They stay on the list for three years regardless of their improvement. Those 12 will come off in their rotation and 12 more will go on. It will continue to grow around the state. It's always the bottom 5% of Iowa schools. But Iowa's bottom 5% isn't like Mississippi or Arizona. These 34 schools’ graduation rates average 87.3%. If Iowa's bottom 5% were a state, they would rank 24th in the nation in graduation rate.

Students are not trapped in these 34 schools - they can open enroll into a neighboring district or if their family income is at 400% of the federal poverty or below, they can get tuition help to a private school from the School Tuition Organization Tax Credits. They can further deposit additional tuition into a 529 plan tax free and write more off on their taxes with the tuition and textbook tax credit. (400% of the FPL in 2021 is $106,000 for a family or 4 and $87,840 for a family. Most Iowa families with children fall under that income level in Iowa.)

There is no money that stays with the school if the student isn't counted in the enrollment, so the school choice advocates are not accurate about the local district keeping 2/3rd of the money. Here's the math:

School district funds lost per voucher

$7,048 regular program

$1,100 per pupil supplements

$ 350 dropout prevention authority

$ 538 Instructional Support Authority

**$9,036 per pupil lost revenue**

Additionally, ELL and Special Education weightings, SAVE and federal funds, including Perkins funds to support CTE and Title funds are also tied to enrollment. If the student isn't counted, there's no funding.

Now the local funds that do stay are PPEL, management fund and debt levy/bond issue. The PPEL pays for facilities and equipment and technology. Maybe there's one less computer to buy every 5 years if the enrollment stays with the private schools. The management fund is for early retirement and property/casualty and loss insurance. Bond issue debt is paying for facilities already improved. None of those funds can be spent on improving education or providing staff or programs for students.

Mostly, as Vouchers grow across Iowa with the cycle of ESSA schools ever changing, more and more of the education funding pie will be allocated to private schools, without the accountability and transparency of locally elected school boards deciding how best to serve students. Rural schools are already budget challenged and need more, not less investment, to remain viable.

RSAI urges you not to move this bill forward.

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