

# RESEARCH & COMMENTARY: ESA PROGRAM IS A TIMELY IMPERATIVE FOR IOWA CHILDREN

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Roughly 10,000 Students Would Be Eligible For Program

Legislation making its way through the Iowa Senate would, among other things, establish the Student First Scholarship Program, an education savings account (ESA) program open to children attending a “public school identified for comprehensive support and improvement under the federal Every Student Succeeds Act [ESSA].”

These accounts would pay for “tuition and fees at a nonpublic school, textbooks, fees or payments for educational therapies, including tutoring or cognitive skills training, curriculum fees and materials for a course of study for a specific subjectmatter or grade level, tuition or fees for nonpublic online education programs, tuition for vocational and life skillseducation approved by the department of education, education materials and services for pupils with disabilities, including the cost of paraprofessionals and assistants who are trained in accordance with state law, standardized test fees, advanced placement examinations or examinations related to postsecondary education admission or credentialing, qualified education expenses, and other expenses incurred by the parent or guardian that are directly related to the education of the pupil at a nonpublic school, including a nonpublic school accredited by an independent accrediting agency approved by the department of education.”

Leftover funds at the end of the year could be rolled over for use in subsequent school years. Roughly 10,000 Iowa students are attending public schools needing comprehensive support and improvement under ESSA and would be eligible for the program.

Copious empirical research on ESAs and their sister school choice programs, tax-credit scholarships and vouchers, finds these programs offer families improved access to high-quality schools that meet their children’s unique needs and circumstances. Moreover, these programs improve access to schools that deliver quality education inexpensively. A Tax Education Foundation of Iowa fiscal analysis of an ESA program similar to Student First Scholarships, released in February 2019, found the amount of net savings to Iowa school districts under the program, on the low end, would be more than \$29 million, or roughly \$6,600 per ESA student.

Additionally, these programs benefit public school students and taxpayers by increasing competition, decreasing segregation, and improving civic values and practices.

Students at private schools are less likely than their public school peers to experience problems such as alcohol abuse, bullying, drug use, fighting, gang activity, racial tension, theft, vandalism, and weapon-based threats. Furthermore, access to school choice programs may reduce potential for criminal behavior.

It is probably for these reasons, and also because teacher unions have repeatedly played politics with school closings during the COVID-19 pandemic in direct conflict with students' best interests, that ESAs are more popular with parents than ever before. Polling done by EdChoice released in December 2020 found 81 percent support for ESAs among the general public and 86 percent among current school parents, the highest level of support the program has received in the organization's eight years of polling on the issue. This represents a 4-percentage point increase over 2019. These findings are mirrored in the American Federation for Children's seventh-annual National School Choice Poll, released in January 2021, which saw 78 percent support for ESA programs.

The school a child attends should not be determined solely by his or her ZIP code. However, this is currently the case for most Iowa children. The Student First Scholarship Program would be the perfect complement to Iowa's other school choice program, the School Tuition Organization Tax Credit, which was designed specifically for low-income families.

The goal of public education in the Hawkeye State today and in the years to come should be to allow all parents to choose which schools their children attend, require every school to compete for every student who walks through its doors, and make sure every child has the opportunity to attend a quality school. There has not been a time when providing these opportunities has been more urgent and more needed than right now. Legislators should recognize that and allow families as many options as possible to get their children the education they need and deserve.

The following documents provide more information about education savings accounts and education choice.

### **Education Savings Accounts in the Hawkeye State**

[https://www.edchoice.org/wp-content/uploads/2019/02/ESA\\_Fiscal\\_Brief\\_v6\\_1.pdf](https://www.edchoice.org/wp-content/uploads/2019/02/ESA_Fiscal_Brief_v6_1.pdf)

This 2019 Tax Education Foundation of Iowa brief determined the fiscal effects of two proposed ESA bills in Iowa on state taxpayers, local property taxes and school districts, using data from past research, along with publicly reported data on aid and levy, categorical expenditures and certified enrollment, all obtained from the Iowa Department of Education and Iowa Department of Management.

### **The 123s of School Choice**

<https://www.edchoice.org/wp-content/uploads/2019/04/123s-of-School-Choice.pdf>

This report from EdChoice is an in-depth review of the available research on private school choice programs in America. Areas of study include: private school choice program participant test scores, program participant attainment, parent satisfaction, public school students' test scores, civic values and practices, racial/ethnic integration and fiscal effects.

### **A Win-Win Solution: The Empirical Evidence on School Choice (Fourth Edition)**

<http://www.edchoice.org/wp-content/uploads/2016/05/A-Win-Win-Solution-The-Empirical-Evidence-on-School-Choice.pdf>

This paper by EdChoice details how a vast body of research shows educational choice programs

improve academic outcomes for students and schools, saves taxpayers money, reduces segregation in schools, and improves students' civic values. This edition brings together a total of 100 empirical studies examining these essential questions in one comprehensive report.

### **The Public Benefit of Private Schooling: Test Scores Rise When There Is More of It**

<https://object.cato.org/sites/cato.org/files/pubs/pdf/pa830.pdf>

This *Policy Analysis* from the Cato Institute examines the effect increased access to private schooling has had on international student test scores in 52 countries. The Cato researchers found that a 1 percentage point increase in the share of private school enrollment would lead to moderate increases in students' math, reading, and science achievement.

### **The Effects of School Choice on Mental Health**

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3272550](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3272550)

This study from Corey DeAngelis at the Cato Institute and Angela K. Dills of Western Carolina University empirically examines the relationship between school choice and mental health. It finds that states adopting broad-based voucher programs and charter schools witness declines in adolescent suicides and suggests that private schooling reduces the number of times individuals are seen for mental health issues.

### **The Effects of the Florida Tax Credit Scholarship Program on College Enrollment and Graduation: An Update**

[https://www.urban.org/sites/default/files/publication/99728/the\\_effects\\_of\\_the\\_florida\\_tax\\_credit\\_scholarship\\_program\\_on\\_college\\_enrollment\\_and\\_graduation\\_0.pdf](https://www.urban.org/sites/default/files/publication/99728/the_effects_of_the_florida_tax_credit_scholarship_program_on_college_enrollment_and_graduation_0.pdf)

In this update to a 2017 Urban Institute study, authors Matthew Chingos, Tomas Monarrez, and Daniel Kuehn find students participating in the Florida Tax Credit Scholarship Program are 99 percent more likely to enroll in a four-year college, and 56 percent more likely to graduate, than their public school peers.

### **The Effects of Statewide Private School Choice on College Enrollment and Graduation: Evidence from the Florida Tax Credit Scholarship Program**

<https://www.heartland.org/publications-resources/publications/the-effects-of-statewide-private-school-choice-on-college-enrollment-and-graduation-evidence-from-the-florida-tax-credit-scholarship-program>

This study from Urban Institute scholars Matthew Chingos and Daniel Kuehn shows Florida's Tax Credit Scholarship Program boosted college enrollment for participating students by 15 percent, with students enrolled in the program for four or more years seeing a 46 percent hike.

### **Fiscal Effects of School Vouchers: Examining the Savings and Costs of America's Private School Voucher Programs**

<https://www.edchoice.org/wp-content/uploads/2018/09/Fiscal-Effects-of-School-Vouchers-by-Martin-Lueken.pdf>

In this EdChoice study, Director of Fiscal Policy and Analysis Martin F. Lueken examined the fiscal impact of voucher programs across America—from their inception through fiscal year 2015—to determine whether they generated costs or savings for state and local taxpayers. Lueken found these programs generated cumulative net savings to state and local budgets of \$3.2 billion. This represents a \$3,400 savings per voucher recipient.