

In the Heartland With Bishop Pates

The Time Has Come

In 2006, the State of Iowa enacted legislation which established school tuition organizations which solicited donations from individuals and for that donation they received a 65% tax credit from the State of Iowa. The donors also could claim a federal tax deduction. The two tax benefits mean that out of pocket costs to the donor could be as little as 7% of their donation, and could be more or less depending on the donor's federal tax bracket.

This particular legislation was landmark in nature enjoying bi-partisan support. Over the years, the amount available for tax credits has increased. In the 2014-15 school year there were \$ 2.1 million in tax credits allotted to the Catholic Tuition Organization (CTO) which supports Catholic schools in the 23 counties of Southwest Iowa. These credits were raised in the 2013 calendar year.

Once the donations are received they are then aggregated, in 2014 calendar year the total amount was \$3.218 million to be distributed as scholarships in the 2015-16 school year to students in our seventeen schools who qualify on the basis of need. To qualify, the household income must be less than 3 times the federal poverty level, based on family size.

This investment in Catholic Schools serves the best interests of the State of Iowa. The schools are exceptionally strong in academic achievement; five of our 17 diocesan schools have been designated as Blue Ribbon Schools by the federal department of education for overall excellence. The Catholic schools also engage the students, in their free time, on widespread community service, hopefully stimulating life-long habits.

One of the key benefits of the CTO is that it has allowed parents to exercise their role as primary educators of their children to choose a school that reflects their convictions about education. Besides academic achievement, parents want an education that includes a moral, ethical and religious basis that they practice in their families. Moreover, they find attractive the discipline, security and order that characterize a Catholic school.

The experience of the Catholic Tuition Organization has led to an outcome that Catholic education is practically available now to those of sufficient income who can afford it and to those of the lower and lowest income level through the CTO and other scholarship opportunities. The economic squeeze and those feeling left out of the opportunity to exercise choice in education are the proverbial "middle class."

It is at this point that an emerging proposal known as the "Education Savings Account" comes under consideration. In this scenario, the state would deposit an amount of money each academic year in a fraud protected account that the parent of a K-12 child not

enrolled in a public school could access for tuition, fees, and tutoring. The parent could utilize the funds each year and if there were funds remaining in the account after high school graduation, those funds could be used for college/university education within the state.

It is important to understand that the amount of money placed in the parent special account would be the same amount as the average basic state aid for a public school student.

Public school income includes this basic state aid (currently an average of about \$5,000) plus other levies, local property taxes and various other federal funds. The public school would only receive the state dollars for students actually enrolled in the public school.

The Diocese of Des Moines and I personally support strong public schools. Special referenda and other responsible tax levies for public education are endorsed and supported. At the same time, we advocate parental choice in education. Also, in the present environment, we do not want our Catholic schools to become preserves for the elite or wealthy. They should be realistically accessible to all.

The State of Iowa is a leader across the United States in providing choice in education. In so doing, it fulfills the best interests of the state. At this point, Iowa should take the next step in its progressive journey by enabling "Education Savings Accounts" to become reality. **The Time Has Come.**