



ARCHDIOCESE
of DUBUQUE

THE OFFICE OF CATHOLIC SCHOOLS

UNDERSTANDING EDUCATION SAVINGS ACCOUNTS

(updated 3.10.2023)

GENERAL INFORMATION

What is the Student First Act?

The Students First Act, signed into law on January 24, 2023, makes state funding available to support the success of every K-12 student in Iowa. The bill establishes a framework and funding for education savings accounts, which may be used by eligible families to cover tuition, fees, and other qualified education expenses at accredited nonpublic schools in Iowa. It also provides public schools additional funding for students who live in their district but attend nonpublic schools.

What is an Education Savings Account?

An Education Savings Account (ESA) is a deposit of public funds into government-authorized savings accounts which eligible families may use to cover tuition, fees, and other qualified education expenses at accredited nonpublic schools in Iowa. Parents who enroll their eligible children in an accredited nonpublic school will receive an estimated \$7,598 per pupil for the 2023- 2024 school year. Funds are deposited into the student's ESA each year until the student graduates high school or turns 20. At that time, the remaining balance is returned to the state's general fund.

What are qualified educational expenses?

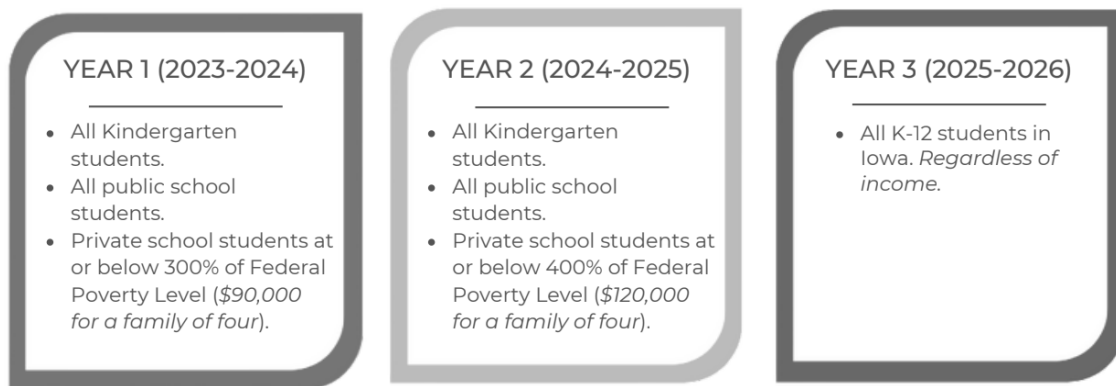
Parents and guardians must use Education Savings Account payments for qualified educational expenses. Qualified educational expenses include tuition and fees at a nonpublic school, textbooks, fees or payments for educational therapies, including tutoring or cognitive skills training, curriculum fees, software, and materials for a course of study for a specific subject matter or grade level, tuition or fees for nonpublic online education programs, tuition for vocational and life skills education approved by the department of education, educational materials and services for pupils with disabilities from an accredited provider, including the cost of paraprofessionals and assistants trained in accordance with state law, standardized test fees, and advanced placement

examinations or examinations related to postsecondary education admission or credentialing.

Qualified educational expenses do NOT include transportation costs for the pupil, the cost of food or refreshments consumed by the pupil, the cost of clothing for the pupil, or the cost of disposable materials, including but not limited to paper, notebooks, pencils, pens, and art supplies.

Who is eligible for ESA funds, and when will funds be made available?

According to the chart below, the new law will be phased in over three years, beginning with the 2023-2024 school year.



How do I access ESA funds?

Details, including the application start date, will be provided soon. Once an eligible student is accepted into the ESA program, they will remain in the program until high school graduation or age 20. Annually, parents will need to verify their child's enrollment at an accredited non-public school. The process and timeframe for the distribution of ESA funds are still being determined. The state recently selected *Odyssey* to administer the ESA program. For more information, visit the [Iowa Department of Education website](#) and sign up to receive timely updates.

Our children are currently homeschooled. If we move them to a Catholic school next year, are they eligible for an ESA?

Yes, they would be eligible for an ESA regardless of income as long as they are enrolled in a Catholic school as a full-time student.

CATHOLIC SCHOOLS

How will ESAs affect our school's mission and culture?

As a Catholic school, faith will remain central to our mission. No restrictions or changes to our curriculum will result from this legislation. We will continue to offer Mass, Religion classes, and other faith activities.

Will class sizes increase dramatically?

We know parents value personal attention for their students and a close-knit community. Class size guidelines are still a local school decision. We will welcome new students in grades with open seats according to our current enrollment process. Some schools may choose to add additional sections as they are able.

Will current students be guaranteed a spot at their school? Will current families with younger children be given priority?

Each Archdiocesan school has local guidelines for enrollment, including timelines and priority enrollment.

Are the schools within the Archdiocese of Dubuque accredited?

All 44 schools within the Archdiocese of Dubuque are fully accredited through the state of Iowa and meet or exceed the education standards of Iowa Code section 256.11.

Are all teachers licensed and endorsed to teach in their assigned area?

All of our teachers are licensed by the Board of Educational Examiners of the State of Iowa. In addition, the state of Iowa verifies that our staff are teaching in their licensed subject areas annually.

Do you welcome non-Catholic students?

While the Catholic faith is integral to all aspects of school life, we welcome families of all faith traditions into our school communities. About 10% of our total student population in the Archdiocese of Dubuque is non-Catholic. When touring, each school discusses the mission, culture, and expectations of our schools. It is expected that all families support the overall mission and culture of the school.

What does diversity look like in our Archdiocesan schools?

Our mission is to serve all families who desire a Catholic education. During the 2022-2023 school year, 13% of our student population is racially diverse. About 10% of our current student population is provided academic support through an IEP or other accommodation plan. Our schools are culturally diverse as well, with 19 languages spoken by families. We serve families of varying socio-economic situations. We anticipate our schools will continue to grow in student diversity.

How do Catholic schools assist students with diverse learning needs?

Our Catholic schools are committed to working with all learners to the best of our ability. All teachers and staff benefit from professional development in differentiating instruction to support the development of the whole child. For students with Individual Education Plans (IEPs), we collaborate with parents and the local public school district to provide the services identified to meet the academic and behavioral needs of the child. When

exploring enrollment in our schools, it is important for families to share information about student learning needs with the school. This allows for an open dialogue about the resources and programs available to meet student needs. There may be some needs we are not able to accommodate, however, this determination only comes after meeting and discussing learning needs and is always a student-centered decision.

TUITION & TUITION ASSISTANCE

Will tuition next year be increased to match the \$7,598 allotted in the ESA?

No. The schools within the Archdiocese of Dubuque will continue implementing a multi-year plan for tuition increases to address program needs and teacher and staff compensation inequities. The 2021-2022 average cost to educate a student in our schools was \$7,581 in grades K-8 and \$8,399 in grades 9-12. We want our families and supporters to know that the cost of providing an exceptional faith-based education continues to increase each year. We continue efforts to align our staff salaries with public school teacher salaries and the salary standards for the teaching profession.

What if the amount of the ESA is greater than the cost of tuition?

Any ESA funds beyond the cost of tuition and other qualifying expenses will remain in the student's account through high school graduation. Therefore, the account balance can grow and help cover costs in future years.

What about STO (School Tuition Organization) Assistance?

ESAs will be implemented gradually. In 2023, ESAs will help all new students and current students up to 300% of the federal poverty level. The STO covers up to 400% of the Federal Poverty Level (FPL), helping families that are not included in the first round of ESA benefits. Even after STO funds were distributed in the 2022-23 school year, qualifying families up to 400% of FPL still paid over \$7.7 million in tuition expenses out-of-pocket. The average cost to educate a child in our schools in 2023-24 will be more than the ESA cost of \$7598, making the STO an important piece of a family's consideration to attend one of our schools. It's imperative we continue to use all of our allocated tax credits to help families wanting to attend one of our Catholic schools.

Will there still be STO and Local Assistance?

Tuition assistance will still be provided to families through the School Tuition Organization (STO) and/or local tuition assistance programs. The need for tuition assistance is ongoing as the cost of providing an exceptional Catholic education continues to increase. Any family eligible for tuition assistance is encouraged to apply for STO funding regardless of ESA qualification. The goal remains that no child be denied a Catholic Education due to finances. This also means it is important that STO donors continue to contribute to the STO which helps families with the greatest need.

Should I apply for STO if I qualify to receive an ESA?

Yes, all eligible families who meet the income guidelines below should apply for STO. Eligible families who meet these income guidelines will need to complete a FACTS application no later than April 15. The application will be used to determine eligibility for both STO and local tuition assistance. Families who meet these income guidelines are asked to apply for tuition assistance even if they qualify for an ESA. The ESA process and timeframe for the distribution of funds are still being determined.

2023 POVERTY GUIDELINES FOR STO USE		
Persons in Household	Poverty Guideline	400% of Poverty Rate
2	\$19,720	\$78,880
3	\$24,860	\$99,440
4	\$30,000	\$120,000
5	\$35,140	\$140,560
6	\$40,280	\$161,120
7	\$45,420	\$181,680
8	\$50,560	\$202,240

Why should I apply for STO Assistance?

Eligible families who meet these income guidelines will need to complete a FACTS application no later than April 15. The STO application deadline comes before the ESA deadline. STO money is allocated to schools directly for each student that enrolls in one of our schools, so it plays an important role in garnering early commitment to attend and is the first point of assistance for families with the greatest need.

CHURCH AND STATE

If we have a separation of Church and State, how can the state fund ESAs?

School choice is constitutional at the federal level and in most states. In addition, the U.S. Supreme Court has made it clear that public funding can be allocated to a family to spend on a child's K-12 schooling, including faith-based education (EdChoice, 2023). This legislation provides parents with the right to choose the best educational options for their child.

Why does the Archdiocese of Dubuque, the Iowa Catholic Conference, and the Catholic Church support ESAs?

Advocating for parental choice in education follows a long tradition in the Catholic Church. The Catholic Catechism says, "Parents have the first responsibility for the education of their children," (2333). In 1965, Pope Paul VI wrote during the Second Vatican Council, "Parents who have the primary and inalienable right and duty to educate their children must enjoy true liberty in their choice of schools. Consequently, the public power, which has the obligation to protect and defend the rights of citizens, must see to it, in its concern for distributive justice, that public subsidies are paid out in such a way that parents are truly free to choose according to their conscience the schools they want for their children," (Gravissimum educationis, 6). We desire and support strong educational options for families, both public and nonpublic.

Why is sacrificial giving important?

There are many ministries supported through parishioner sacrificial giving. Sacrificial giving will continue to support the shared mission of our Church and parish ministries. While ESAs will help make Catholic education accessible to more families, the financial partnership between parishes and schools will continue. ESAs enable us to adjust, but not eliminate our current model of parish support, tuition, and fundraising.