

# A Call to Action for Catholic School Parents!

Several developments in our state political scene threaten our schools and the lower-income families that attend them. Please read on to learn how you can help preserve our programs and schools.

**Educational Opportunities Act:** This Act created the School Tuition Organization (STO) Tax Credit Program in 2006. Donors to an STO receive a 65% state income tax credit and the STOs in turn distribute these funds in tuition grants to lower-income students to attend a nonpublic school of their choice. This program has removed financial barriers and made nonpublic schools an option for Iowa families who would not otherwise be able to afford them.

**In 2009 alone, 9,624 students received tuition grants totaling \$9,226,072 to attend Catholic, Lutheran, Christian and Independent schools across Iowa.**

The Governor's Tax Credit Review Panel recently recommended that the STO program be capped at \$5 million in credits, rather than the present \$7.5 million, and also asks that the tax credit percentage for donors be reduced from 65% to 40%. This would be a dramatic change for the STO program. It would reduce the number of children we can help through the Educational Opportunity scholarships, increase the difficulty of fundraising and could potentially cost the state much more than it would save. Many families may be forced to leave our schools. It also sets a bad precedent as demand already exceeds our capacity to help.

**Tuition and Textbook Credit:** This credit is provided for both public and nonpublic school parents of all income levels. It allows for a tax credit of up to 25% of the first \$1,000 a parent spends on each K-12 child's tuition, textbooks and extra-curricular activities such as sports, choir, and driver's education. For many families this credit is significant. The Governor's Tax Credit Review Panel has recommended that this program be limited to families with \$45,000 in gross annual income. This would eliminate a great number of families from being able to claim this credit. Children would not be able to participate in extra-curricular activities because of an inability to pay fees. For some families, it could mean the choice of attending Catholic school or not.

**BOTH OF THESE TAX CREDIT REDUCTIONS ARE EXPECTED TO BE INCORPORATED INTO BILLS DURING THIS LEGISLATIVE SESSION!**

**How can you help? Look for future action alerts from your school that will let you know when and how to voice your opposition to these proposals that threaten our families and our schools.**

*Produced by the Iowa Catholic Conference [www.iowacatholicconference.org](http://www.iowacatholicconference.org) and Iowa Advocates for Choice in Education [www.iowaadvocates.org](http://www.iowaadvocates.org)*

