

An analysis of Idaho's "Quality Education Act"

5 FACTS

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Introduction

This November, voters in the Gem State will be casting ballots on a measure that dramatically increases the state's top income tax rate from 6.0% to 10.9% and increases K-12 public school funding. The "Quality Education Act," on the ballot as Proposition 1, would nearly double the top income tax rate (for those making more than \$250,000 per year), while likely, inadvertently, raising other income tax brackets. The ballot measure comes as at least 10 other states have reduced or flattened their personal income taxes in 2022, and many more did so in 2021.¹

Backers of the initiative say the change will result in a tax hike of at least \$323 million. But the language contained in the measure likely reverses income tax cuts made by the last Idaho legislature, meaning broad based income tax increases that could push the total hike to more than \$500 million. Supporters of the initiative claim the money would be used for additional K-12 education funding in the state of Idaho. The price tag of the tax hike would equal \$1,066 per student, per year. For a classroom of 25, the increase amounts to just under \$27,000 in additional funds per year.

- 1. Initiative would increase Idaho's top income tax rate to among the highest in the country – but it would kick-in at a much lower income threshold.*
- 2. Action of legislature in September 2022 special session could negate action by voters on Quality Education Act.*
- 3. Measure proposes hiking education spending in Idaho by at least \$323 million, or \$1,066 per student and \$26,658 per classroom of 25.*
- 4. Including an increase in a September special session, the Idaho legislature has already raised education funding in the state by 93% since 2016.*
- 5. Future increases in education funding should go toward school choice options for families.*

¹ Tax Foundation, State Tax Reform and Relief enacted in 2022, July 2022, available at <https://taxfoundation.org/state-tax-reform-relief-enacted-2022/>

KEY INFORMATION COLUMN

The “Quality Education Act” is being proposed by a group called “Reclaim Idaho.”

Idaho’s income tax has been graduated. Following a surge in revenue, the income tax was recently reduced by the Idaho state legislature. A special session in September of 2022 may result in a flat rate of 5.8%.

Background

The “Quality Education Act” is being proposed by a group called *Reclaim Idaho*.² It calls itself a “grassroots movement designed to improve the quality of life of working Idahoans.”³ As part of Idaho state law, it was required to collect signatures from at least six percent of voters in a majority of Idaho’s 35 legislative districts. It also had to collect 6% of total registered voters statewide.

In July, the Idaho Secretary of State’s office confirmed the organization had submitted the required number of signatures to place the issue on the ballot. The Idaho Education Association – the state’s teachers union – is one of the special interest groups working to convince voters to pass the measure.⁴

Reclaim Idaho was also the organization that led a statewide ballot measure to expand Medicaid under the federal health care law commonly known as Obamacare.

Idaho’s Income Tax

Idaho’s income tax is nearly 100 years old, but it has received a lot of attention over the past 24 months. A special session of the state legislature adopted the Idaho Income Tax Act in 1931, as lawmakers believed the property tax burden was too high during the Great Depression. Changes have been made to the Idaho Income Tax Act numerous times.

Prior to a special session of the Idaho Legislature in September of 2022, the income tax in Idaho ranged from 1% to as high as 6.0%. The rate was graduated, meaning the more you made, the more you paid. However, unlike the federal income tax, it did not take long to reach the highest rate in Idaho. Citizens had to pay the highest tax rate on any income earned above \$7,939 for a single filer, and \$15,878 for married couples (both for year 2021).⁵

2022 Personal Income Tax Rate Reductions - Idaho

Prior Rates (2021)	Rates Approved in 2022 Leg. Session	Rates Proposed in Aug. ‘22
1.0%	1.0%	0%
3.1%	3.0%	5.8% (above \$2,500)
4.5%	4.5%	
5.5%	6.0% (Above \$7,939)	
6.5% (Above \$7,939)		

In the 2022 regular Legislative Session, faced with a substantial increase in state revenue, lawmakers moved to reduce income tax rates across the board. The legislature also reduced the number of brackets.⁶ Idaho is one of only four states

² Reclaim Idaho, Quality Education Act FAQ’s, available at <http://www.reclaimidaho.org/faq>

³ Reclaim Idaho website, available at <http://www.reclaimidaho.org>

⁴ Idaho Education Association, “Reclaim Idaho ballot initiative submits 100,000 signatures, July 8, 2022, available at <https://idahoea.org/working-for-you/reclaim-idaho-ballot-initiative-submits-100000-signatures/>

⁵ Idaho Income Tax Rate Schedule (2021), available at <https://tax.idaho.gov/i-1110.cfm#sub11>

⁶ Idaho State Legislature, 2022, House Bill 436, available at <https://legislature.idaho.gov/wp-content/uploads/sessioninfo/2022/legislation/H0436.pdf>

KEY INFORMATION COLUMN

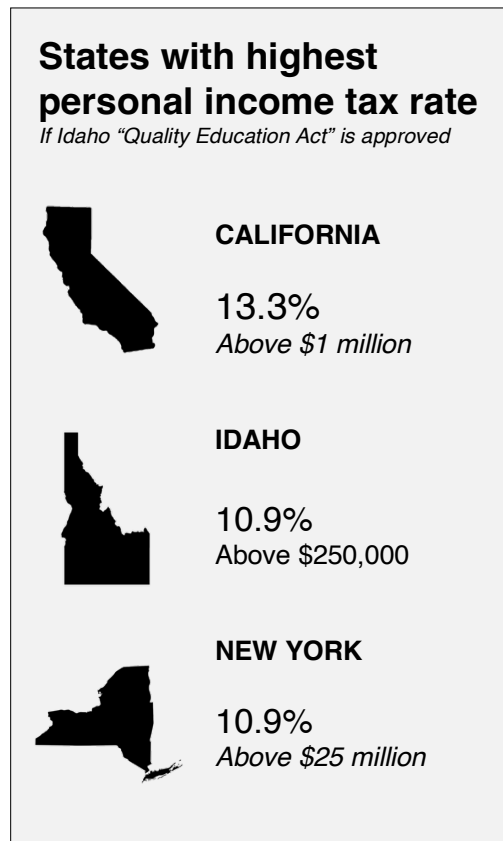
If approved, the “Quality Education Act” would increase the state’s top income tax rate by 82%. Other tax rates would also likely increase.

National tax experts warn Idaho’s business climate ranking will tumble if the Quality Education Act is approved.

that has recently reduced both personal and corporate income taxes.⁷ Then, as state revenues surged again, Idaho lawmakers planned to convene a special session in September of 2022 to convert the income tax to a flat rate of 5.8% for any income above \$2,500 for a single filer. If passed, it would take effect on January 3rd, 2023.

This date is important, because if the Quality Education Act were approved, it would take effect on January 1st, 2023, but likely only for two days. The legislature’s actions would overrule it 48 hours later.

Nevertheless, the measure would create a new top income tax rate by increasing the burden more than 80 percent to 10.9 percent for any income over \$250,000. Only California’s rate of 13.3 percent would be higher. Idaho’s new rate would move it into a tie with New York for the second highest in the country, but it would be the highest at its level of income. That’s because both New York and California’s highest rates do not kick in until taxpayers hit a much higher income threshold - \$25 million in New York and one million dollars in California.⁸



The top corporate income tax rate would also increase from six percent to eight percent, the 12th highest in the country.⁹ This increase would give companies pause before expanding in or moving to Idaho, and is likely to have a long term, negative effect on the state’s economic growth. A 2010 study showed “an exogenous tax increase of 1 percent of GDP resulted in an estimated 3 percent decline in GDP after three years.”¹⁰

National tax policy experts warn if the “Quality Education Act” is approved, Idaho’s business climate ranking will fall precipitously from 16th best now, to 35th.¹¹

Mistakes In Ballot Measure

The “Quality Education Act” may have a clear goal, but the language of the measure itself is puzzling. In

⁷ 2022 State Legislatures take up tax relief and reform, Tax Foundation, March 29, 2022, available at <https://taxfoundation.org/2022-state-tax-reform/>

⁸ 2022 Top Personal Income Tax Rates, by state, Tax Foundation, February 15, 2022, available at <https://taxfoundation.org/state-income-tax-rates-2022/>

⁹ Tax Foundation, Top Corporate Tax Rates By State, July 2022, available at <https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2022/>

¹⁰ Tax Foundation, The Impact of Individual Income Tax Changes on Economic Growth, by Timothy Vermeer, July 2022, available at <https://taxfoundation.org/income-taxes-affect-economy/>

¹¹ Katherine Loughead, Tax Foundation, on Twitter, June 7, 2022, available at <https://twitter.com/KELoughead/status/1534242773553287169>

KEY INFORMATION COLUMN

Numerous errors are found in the ballot measure. The Tax Foundation says it takes the prize for gaffe-riddled drafting.

Because the measure was written before the legislature's 2022 income tax rate reductions, passage will likely mean rates will return to 2021 status, meaning a tax hike for most Idahoans.

reviewing the act, the Tax Foundation said it may “take the prize for gaffe-riddled drafting.”¹²

While backers have claimed the measure won't raise taxes on anyone making less than \$250,000 per year, the Tax Foundation and top state officials have confirmed that is likely untrue.¹³ While not purposeful, the measure specifically calls out tax rates *prior* to the reductions put in place by the 2022 regular legislative session. Technically, this means approval of the measure restores the previous tax brackets, therefore increasing the tax burden on almost everyone in the state.

Reclaim Idaho says if that were to happen, it would take the state to court¹⁴ – causing further confusion and costly litigation that would be billed to taxpayers.

The initiative also makes several other errors. As reported by the Tax Foundation¹⁵:

“It creates an inadvertent recapture provision that introduces a tax cliff of more than \$1,300 in additional liability on one additional dollar of income. And instead of inflation-adjusting the new top bracket, it accidentally reverses the direction, subjecting more nominal income to taxation with each passing year rather than less.

The basic idea of inflation adjustment is that a marginal tax rate should kick in at the same real value of income, meaning that it needs to be upwardly adjusted when inflation erodes the value of the dollar. If a tax bracket began at \$250,000 a year ago, and then we experienced 8.5 percent annual inflation, inflation-adjustment would set the kick-in at \$271,250 the next year. But the drafters inverted the equation, so instead of multiplying by 1.085 in this scenario, they would divide by it, with the kick-in now coming at \$230,415.

With each passing year, the new top 10.925 percent rate would apply to more taxpayers. If, for instance, inflation settled at 2.5 percent per year, the kick-in of the top rate would be about \$195,300 in a decade, even as the dollar was worth 28 percent less. That represents almost a 40 percent erosion of the kick-in over a decade, in real terms, for a provision that on paper is supposed to counter the effects of inflation.

Meanwhile, if tax authorities choose to construe the text literally, the tax cliff will have risen from \$1,319 immediately (and about \$1,343 in 2025, the last year before adjustments begin) to a mind-boggling \$9,203 ten years later.”

The state of Idaho now claims it made the error in the measure that subjects more nominal income to taxation with each passing year.¹⁶ However, it should be

¹² Tax Foundation, Idaho's tax-hiking ballot measure riddled with mistakes, by Jared Walczak, July 2022, available at <https://taxfoundation.org/idaho-quality-education-act-tax-ballot-measure/>

¹³ Idaho Education News, Reclaim initiative could carry an expectedly high price tag, by Kevin Richert, July 25, 2022

¹⁴ Ibid

¹⁵ Tax Foundation, Idaho's tax-hiking ballot measure riddled with mistakes, by Jared Walczak, July 2022, available at <https://taxfoundation.org/idaho-quality-education-act-tax-ballot-measure/>

¹⁶ Claims unfounded: Why education ballot measure wouldn't have a higher than advertised price tag, by Betsy Russell, August 2022, available at <https://www.idahopress.com/news/local/claims-unfounded-why-school-funding-initiative-wouldnt-have-higher-than->

KEY INFORMATION COLUMN

The state of Idaho says it was responsible for one of the ballot errors that subjects more income to taxation each year. But Reclaim Idaho submitted the final language.

At least four states have moved away from progressive, graduated income taxes in favor of a flat tax for everyone.

noted that *Reclaim Idaho* is the organization that sent the final text to the Secretary of State's office. That submission contained the error in question.

The state has also said, because the proposition language contains the previous income tax rates, it would result in increases across brackets. Supporters of the proposition say that was not their intent, and the measure could easily be fixed by the legislature after the November election. However, "both the Attorney General's office and the Secretary of State's office have indicated that they do not think authority exists to avoid reversing the tax cuts (in the event of the passage of the proposition)."¹⁷

As the Tax Foundation points out, "No one thinks that because the sponsor didn't intend... to make a substantive mistake, and did not catch it, that the language is nonbinding or can be changed administratively at a later date. Inverting an inflation indexing provision is not like mis-numbering a list. It is substantive, and not something that those charged with codifying or applying the law can easily change or ignore."

National Trend on Taxes

A substantial increase in Idaho's income tax would come at a time when many other states are reducing the tax burden on families. In fact, at least four states have recently reformed their tax structure from progressive to flat.

Case Study: Iowa

In Iowa, legislators have moved quickly to bring down tax rates in a time of economic pain. Iowa's Governor recently signed into law tax cuts that lowered the state rate of as high as 8.53% to a flat rate of 3.9%. The move amounts to a \$2 billion tax cut for Iowans.

The rate will be brought down over time and will eventually reach 3.9% by 2026. Iowa's income tax was previously a cumbersome mess with nine individual brackets and a corporate income tax of 12%.¹⁸

Case Study: Mississippi

In its latest legislative session, the state of Mississippi decided to reduce its income tax to a flat rate. The Mississippi Tax Freedom Act of 2022 was originally introduced with the goal of eliminating the state's income tax. In the end, the Mississippi Legislature approved a reduction of the state's top income tax rate of five percent to a flat, marginal rate of just four percent. The first \$18,000 for a single tax filer would be exempt from any state income tax.¹⁹

The phased-in cut will take full effect over the next four years. It would be the lowest tax bracket of any southern neighbor and one of the lowest in the country.

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¹⁷ Idaho tax ballot measure's errors are real and significant, by Jared Walczak, August 2022, available at

<https://www.getrevue.co/profile/salt-road/issues/idaho-s-tax-ballot-measure-s-errors-are-real-and-significant-1182282?via=twitter-card&client=DesktopWeb&element=issue-card>

¹⁸ Tax Foundation, Iowa enacts sweeping tax reform, by Jared Walczak, March 2022, available at <https://taxfoundation.org/iowa-tax-reform/>

¹⁹ Mississippi Today, Lawmakers reach deal to cut but not eliminate income tax, by Bobby Harrison, March 26, 2022, available at <https://mississippitoday.org/2022/03/26/mississippi-income-tax-cut-agreement/>

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Credit agencies say states that rely on income taxes to support government revenue can face a roller coaster.

Both Louisiana and Arkansas have also lowered their top brackets in the past two years.

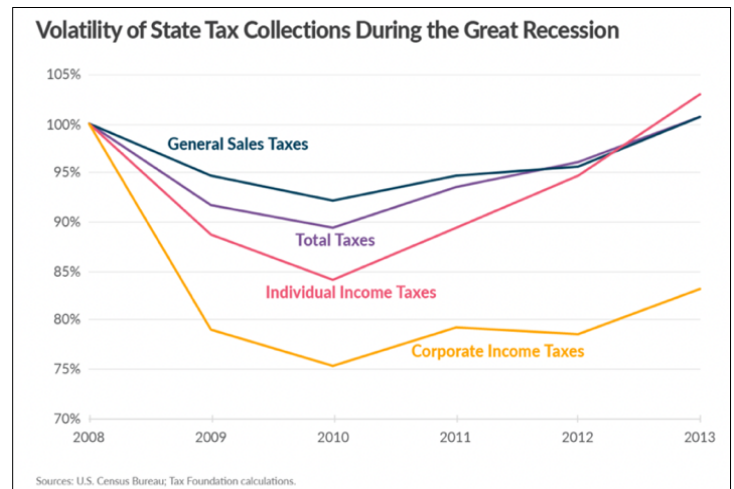
Case Study: Arizona

In Arizona, lawmakers have passed a tax reform package that flattens the state's income tax to 2.5% - for all residents and income levels. It is the lowest state income tax rate in the country.²⁰ Previously, the state had four income tax brackets with a top marginal rate of 4.5%.

Impact on State Credit Rating?

States that rely heavily on income taxes to support government revenue can find themselves on a roller coaster ride during inevitable economic downturns.

In analyzing the controversy regarding Washington state's new income tax starting with capital gains, Standard and Poor's (S&P) issued this statement:²¹



Courtesy of the Tax Foundation

“The ratings reflect our view of Washington’s: Sales tax-based revenue structure, which has demonstrated less sensitivity to economic cycles than income tax-reliant states...”

The “Quality Education Act” says monies will only be distributed to schools based on the number of students attending. This is important because the money belongs to the student, and not the system.

While no revenue source is immune to economic waves, graduated income taxes are the most volatile taxes.²²

Some Positives?

There are some positives about the “Quality Education Act.” First, backers insist the money collected will be distributed based on the number of students attending a school. Since the COVID pandemic began, many parents have sought to pull their children out of public schools. In 2021, the state reported that K-12 public school enrollment in Idaho had declined by 3,200, despite the fact the state is one of the fastest growing in the country.²³

²⁰ Office of Governor Doug Ducey, Arizona, How does Arizona's new tax cut benefit you?, June 2021, available at <https://azgovernor.gov/governor/news/2021/06/how-does-arizonas-new-tax-cut-benefit-you>

²¹ S&P Global Ratings, State of Washington Appropriations, General Obligation, July 11, 2022, available at <https://www.tre.wa.gov/wp-content/uploads/2023AT-SP-2022.07.11-Report.pdf>

²² Tax Foundation, Income taxes are more volatile than sales taxes during an economic contraction, by Jared Walczak, March 17, 2020, available at <https://taxfoundation.org/income-taxes-are-more-volatile-than-sales-taxes-during-recession/>

²³ Idaho Education News, K-12 enrollment is down by nearly 3,200, by Devin Bodkin, January 7, 2021, available at <https://www.idahoednews.org/news/k-12-enrollment-is-down-by-nearly-3200-students/>

**KEY INFORMATION
COLUMN**

More than 302,000 students attend Idaho public schools.

There is little correlation between spending more and improving K-12 outcomes. In fact, the states that spend the most do not see the best results. And the states that spend the least do not see the worst results.

Students should be funded, not systems. If a district or school is educating fewer students, it should receive fewer dollars. The money should follow the student.

Second, the measure allows for the funding of public charter schools in Idaho. Public charter schools are a critical component of school choice. Parents and families should have a wide variety of schools from which to choose. No child should be assigned to a failing government school simply because of their zip code.

Regardless of whether the measure passes or fails, Idaho legislators should move quickly to bring greater school choice access to the Gem State.

Education Spending & Student Outcomes

Supporters of the *Reclaim Idaho* initiative say the money gained from a hike in the state’s income tax would be spent on K-12 education. Right now, the state of Idaho spends \$2.3 billion, or about 50% of its budget, on K-12. This is an increase of 12.5% from the previous year and, as a percentage of the budget, is similar to other states.²⁴

On September 1st, 2022, the legislature will be called into special session to increase state funding for education another \$410 million. Assuming approval, since 2016, K-12 public education funding in Idaho will have increased 93%.

Total state enrollment numbers for 2021 show 302,910 students in Idaho public schools, meaning, with the latest increases in state funding, the total *state* allocation for K-12 is roughly \$8,913 per student. Lawmakers have a responsibility to ensure these funds are spent wisely and with performance standards.

State numbers do not include local and federal dollars that flow into school districts. For example, the state’s largest school district, the West Ada School District, had a total 2020-21 revenue budget of more than a half billion dollars – which included a substantial beginning balance. The largest chunk of revenue came from the state, however, local taxpayers still pitched-in \$85 million, and federal taxpayers supplemented the district with another \$32 million.²⁵ West Ada School District serves approximately 40,000 students, meaning for 2020-21, the district had almost \$14,000 per student in resources.

Not all districts are the same. Not all have the same resources. Some will be higher or lower based on the approval or rejection of local property tax levies.

Still, education advocates and the state teacher’s union highlight the state budget numbers and conclude that Idaho isn’t spending enough, and student outcomes are low as a result.

Unfortunately, there is little correlation between spending more on K-12 and improving outcomes for students. For example, neighboring Washington state spends \$18,135 per student, per year. For a classroom of 20 students, this

²⁴ State of Idaho, General Fund Budget Update, Page 3, available at <https://legislature.idaho.gov/wp-content/uploads/budget/highlights/Daily-Update/2022/SineDie.pdf>

²⁵ West Ada School District Budget, 2020-21 school year, page 9, available at https://core-docs.s3.amazonaws.com/documents/asset/uploaded_file/2699/WASD/2033364/Executive_Section_21-22.pdf

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Washington state has doubled K-12 public school funding, and yet student outcomes have worsened over the past decade.

Some of Idaho's best charter schools receive less funding but get better results.

If backers of the ballot measure want to increase outcomes, there are options available including putting the principal in charge and adopting school choice options.

amounts to \$362,700. In the past decade, Washington has nearly doubled its K-12 spending. But student outcomes have not increased in the Evergreen State – in fact, they’ve declined. Only 30% of Washington students are now meeting statewide math standards, and less than half are meeting statewide English language arts standards.²⁶

Data from other states also prove this point, on everything from test scores to graduation rates. Increases in K-12 spending do not necessarily increase outcomes. The states that spend the most do not have the best outcomes. The states that spend the least do not have the worst outcomes.

State	Spending Per Student, Per Year ²⁷	NAEP Grade 4 Reading Rank	NAEP Grade 4 Math Rank	NAEP Grade 8 Reading Rank	NAEP Grade 8 Math Rank	Graduation Rate
New York	\$24,881	16 th	41 st	17 th	NR	85%
Washington, D.C.	\$22,832	23 rd	20 th	21 st	NR	68%
New Jersey	\$21,334	20 th	12 th	41 st	NR	92%
Connecticut	\$21,146	25 th	37 th	22 nd	22 nd	88%
Florida	\$9,983	40 th	45 th	44 th	NR	92%
Nevada	\$9,124	31 st	32 nd	30 th	18 th	87%
Arizona	\$8,770	19 th	27 th	10 th	32 nd	74%
Idaho	\$8,041*	33 rd	34 th	32 nd	20 th	87%
Utah	\$7,951	9 th	15 th	6 th	10 th	88%

**Before latest increase of education funding by Idaho Legislature in September 2022 National Assessment of Educational Progress, 2019 school year*

Some of Idaho’s best schools are the ones that don’t necessarily spend top dollar. The Coeur d’Alene Charter Academy, for example, is one of the top performing schools not only in Idaho, but in the nation.²⁸ But it spends *below* the state average, per student.

In 2012, the state of Idaho launched a “Task Force for Improving Education.”²⁹ One of the recommendations was to increase spending on K-12 to increase literacy. The spending increased, but literacy data did not improve.³⁰

Alternatives

Two key reforms have been shown to be more effective in improving educational outcomes than an increase in educational spending, as proposed in the Quality Education Act.

Put the Principal in charge of the school

Research shows that one of the most effective tools for improving school outcomes is to put the principal in charge of the school.³¹ What exactly does this mean? Isn’t the principal already in charge of the school?

²⁶ Washington Policy Center, Latest state test scores show massive drop in learning at Washington public schools, by Liv Finne, February 15, 2022, available at <https://www.washingtonpolicy.org/publications/detail/latest-state-test-scores-show-massive-drop-in-learning-at-washington-public-schools>

²⁷ Education Data Initiative, U.S. Public School Spending Statistics, available at <https://educationdata.org/public-education-spending-statistics>

²⁸ GreatSchools.org, Idaho Public Schools, Coeur d’Alene Charter Academy Ranking, updated July 7, 2022, available at <https://www.greatschools.org/idaho/coeur-d'alene/773-Coeur-DALene-Charter-Academy/>

²⁹ 2012-2013 Task Force For Improving Education, Idaho State Board of Education, available at <https://boardofed.idaho.gov/education-initiatives/our-kids-idahos-future/task-force-for-improving-education/>

³⁰ Idaho Report Card, Annual Report on Idaho’s Education Goals, available at <https://reportcard.idahoednews.org>

³¹ Wallace Foundation, The school principal as leader, available at <https://www.wallacefoundation.org/knowledge-center/pages/key-responsibilities-the-school-principal-as-leader.aspx>

KEY INFORMATION COLUMN

Education Savings Accounts may be the best tool for ensuring every child has access to a quality education.

Arizona and many other states are leading the charge on school choice, which has been shown to increase educational outcomes for children.

Not exactly. In many districts, principals are simply viewed as the manager instead of the leader. Principals should, instead, be considered the CEOs of their schools. They should be given a budget, and then decide how to spend it. They should have the authority to hire and fire their staff. They should have the authority to shape educational programs that best suit their students’ needs. And after all of this happens, they should be held responsible for student outcomes.

This kind of education reform is not complicated, and had been successfully adopted in places like Baltimore, where former CEO Dr. Andres Alonso put his faith in his principals.³² The results were astounding. Not only did student outcomes improve, but schools were removed from federal “needs to improve” lists. School principals became responsible for more than 80% of their budgets, and those who were unsuccessful were removed.³³

Bring Education Savings Accounts & School Choice to Idaho

Fortunately, Idaho’s Department of Education has an entire section of its website dedicated to school choice.³⁴ And Idaho is home to some impressive charter school options. But it falls short in allowing the more extensive options available in other states.

This year, the state of Arizona passed a measure that will give all families in the state a \$7,000 Education Savings Account (ESA). An ESA is a tool that allows parents access to some or all of the dollars that were supposed to be allocated to their child’s education. It can only be spent on education-related items, such as school tuition or tutoring, but it gives many families more flexibility. It is especially helpful for special needs families and those struggling in a neighborhood school that might not be up to par.

Review of major school choice studies

Outcome	Number of Studies	Positive Effect	No Visible Effect	Negative Effect
Program Participant Test Scores	17	11	4	3
Educational Attainment	7	5	2	0
Parent Satisfaction	32	30	1	2
Public School Students’ Test Scores	28	25	1	2
Civic Values and Practices	11	6	5	0
Integration*	7	6	1	0
Fiscal Effects	73	68	4	5

Courtesy EdChoice

³² District Management Group, Driving Change in Baltimore City Schools, available at <https://dmi.dmgroupk12.com/articles/driving-change-in-baltimore-city-public-schools-an-interview-with-andr-s-alonso>

³³ Baltimore City Public Schools, Great Schools: 2011 and Beyond, Keynote Presentation, Dr. Andres Alonso, available at <https://web.archive.org/web/20151022175543/http://www.washingtonpolicy.org/sites/default/files/AlonsoPPT.pdf>

³⁴ Idaho Department of Education, School Choice website, available at <https://www.sde.idaho.gov/school-choice/>

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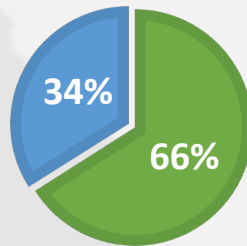
In the last legislative session, lawmakers introduced a school choice bill that would have provided Education Savings Accounts for all children in the state.

Polling shows most Idahoans – both parents and non-parents – support the idea of Education Savings Accounts.

Do you support Education Savings Accounts (ESA's)?

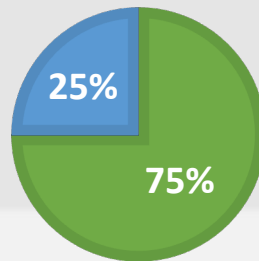
ALL IDAHO ADULTS

- Total - Strongly/Somewhat Support
- Total - Strongly/Somewhat Opposed



IDAHO PARENTS

- Total - Strongly/Somewhat Support
- Total - Strongly/Somewhat Opposed



Courtesy EdChoice

School choice is important because school choice works. Researchers across the country have published numerous studies regarding different state choice programs. The overall results show an overwhelmingly positive result – specifically on test scores, parent satisfaction, racial integration and educational attainment.³⁵

It is clear the drafters of the Idaho Constitution thought the most important factor in education was the child. After all, they wrote the “stability of a republican form of government depend[s] mainly upon the intelligence of the people.”³⁶

The Idaho Constitution makes clear it is the duty of the state to maintain a general, uniform and *thorough* system of public, free common schools.

The dictionary defines “thorough” as “complete with regard to every detail.” Unfortunately, right now, Idaho’s public school system is incomplete. The *detail* it is missing is school choice. Right now, many Idaho children, including special needs children, have no choice but to attend the public school they are assigned, based on their zip code. These public schools may not suit the child’s needs.

To ensure they are complying with the state constitution, Idaho lawmakers should move quickly to advance school choice legislation that is thorough and complete “in every detail,” allowing every child access to a high-quality education specifically suited for their needs.

In the last two legislative sessions, lawmakers have introduced several school choice bills. The most recent legislation – House Bill 669 – would have created Education Savings Accounts of roughly \$6,000.³⁷ The money could be spent on private education, tutoring, help for special needs students and costly learning

³⁵ Ed Choice, the 123’s of School Choice, April 2022, available at <https://www.edchoice.org/research-library/?report=the-123s-of-school-choice-2#report>
³⁶ Idaho State Constitution, Article 4, Section 1, available at https://sos.idaho.gov/elect/stcon/article_IX.html?fbclid=IwAR3qXdtFjJ8AMkU-kpTikCAY3z4NWg2uMlkLDWMPo0EzqYLhZQpauX8pNoM
³⁷ Idaho Education News, Republicans need to stop blocking school choice, March 2022, available at <https://www.idahoednews.org/voices/idaho-republicans-need-to-stop-blocking-school-choice/>

materials.³⁸ It failed in committee by one vote after members expressed constitutional concerns.

Idaho's record surplus gives legislators the opportunity to bring Education Savings Accounts to Idaho, without dismantling the base of K-12 funding that some believe is required by the state constitution.

Fortunately, most Idahoans support advancing school choice options like Education Savings Accounts (ESA's). According to recent polling, 66% of adults and 75% of school parents support ESA's.³⁹

School choice does not mean dismantling typical public schools. Choice means *all* choices – including public schools. It means funding students, not systems. Only then will Idaho have a school system that is complete “in every detail.”

Conclusion

The evidence is clear that an increase in education spending does not necessarily lead to better results. The evidence is also clear that lower – not higher – income tax rates will help spur growth and increase tax revenues that legislators could use, if they so choose, to give families more school choice options and build a better Idaho.

Instead of seeking to raise the income tax, Idaho should be continuing its efforts to lower the tax burden – especially for working families. A special session of the state legislature in September 2022 was expected to lower and flatten Idaho's income tax to 5.8% - still relatively high, but an improvement.

Lowering the income tax burden is good news for families, as well as the state, as credit agencies are clear that states that don't depend so heavily on income tax revenues are better-able to weather economic storms.

Further, as the Tax Foundation points out, the “Quality Education Act” is littered with mistakes that could prove costly to not only families, but also the state as it seeks clarification in any court battle.

Regardless of whether the final price tag is \$323 million or more than \$500 million, the research shows that approval of the “Quality Education Act” will increase the financial burden on Idahoans, limit economic growth and have little effect on educational outcomes in the state. The Idaho legislature is already increasing education funding dramatically.

While so many other states embrace tax relief and economic growth by moving to flat, lower tax rates, does Idaho really want to be on the record implementing a massive, graduated income tax increase?

³⁸ Ibid.

³⁹ EdChoice, Idaho survey of adults and parents on school choice options, available at <https://edchoice.morningconsultintelligence.com/idaho/>