

## RSAI Legislative Update May 1, 2015

These updates are posted on the RSAI legislative web page at <http://www.rsaia.org/legislative.html>.

You are cordially invited to join us on Wednesday, May 20, 2015 at the West Des Moines Marriott from 6:00-8:00PM to celebrate the first year successes of Rural School Advocates of Iowa. There will be a 15 minute program to start the event. Complimentary appetizers and drinks will be served. This event is organized to make the most of your mileage, for those attending the ISFIS conference on Thursday, May 21. All are welcome, regardless of RSAI member status. Bring your good questions or just stop by to say hello.

To RSVP for this event, please email Traci Giles at [traci.giles@isfis.net](mailto:traci.giles@isfis.net) with the names of those that will be attending.

[Register here](#) for the ISFIS Conference and be sure to join us for the Advocating for Equity session as 2 RSAI board members share success of the 2015 Session and talk about priorities still on the table.

The following provides analysis of this week's statehouse action. Many of the budget bills received committee and floor action this week, including Education Appropriations in both chambers. Keep connecting with your local legislators around finding a path to YES on the state cost per pupil (not included in the education appropriations, typically decided as a standalone bill). Find additional talking points in the April 16 RSAI Funding Call to Action, posted on the legislative web page [here](#). Thanks for all you do to advocate for Iowa's children! [margaret.buckton@isfis.net](mailto:margaret.buckton@isfis.net)

### Three RSAI priority issues for conversations, in addition to adequate funding which ought to be in every conversation:

- **PPEL flexibility for bus repair: thanks to House for approving their bill, HF 646, 95:0 and thanks to the Senate Ways and Means Committee for their unanimous support.** Will possibly see floor debate in the Senate next week, approval of which sends the bill to the Governor.
- **Dropout prevention flexibility: RSAI supports the DE proposal to blend uses of at-risk and dropout prevention funding, so we can locally determine how best to serve at-risk students.** Flexibility language is included in SF 493, Education Appropriations, and in HF 658.
- **Extend the state penny sunset:** SF 477 was approved by the full Senate, 37:13. RSAI supports full repeal of the sunset but clearly supports the extension to Dec. 31, 2049 proposed in this bi-partisan bill, still assigned to the House Ways and Means Committee.

### School Funding: Still Stuck

**SF 171 & SF 172 State Cost Per Pupil:** no action since prior compromise offer on April 1. Republicans propose 1.25% and Democrats have come down from 4% to 2.625%. Ask your Legislators to work together to find a path to YES. It is long past time they set the per pupil rate for both **FY 2016 AND FY 2017**. Keep in constant contact and don't give up. Per diem reimbursements for legislators end today, so pressures to get their work done only increase going forward as the June 1 start of the next fiscal year gets closer.

**Revenue Report:** Due to both revenue growth and fewer refunds to taxpayer, revenues are growing at 5.3%, or \$356 million year-to-date through April 28, 2015. That number is \$78 million above the REC's March estimate for FY 2015. The LSA's revised balance sheet after the REC meeting shows the expenditure limitation for the FY 2016 budget at \$7,422.8 million. House Republican budget targets are \$248 million **below** the expenditure limitation. The entire difference can be covered with prior year

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budget surplus without touching either the state’s cash reserve or economic emergency funds. Those funds are still estimated to be full, at \$750 million in the Governor’s FY 2017 budget recommendation.

**Budget Target Differences:** these are the overall budget target differences. Please note that the Senate proposal includes an early retirement incentive program for state workers, with estimated savings of \$16 million to match up the bottom line with the Governor’s office.

(Dollars in millions)	FY 2014 Actual Appropriations	FY 2015 Estimated Appropriations	FY 2016 Governor	FY 2016 Senate	FY 2016 House
<b>Total</b>	<b>\$6,482</b>	<b>\$6,994</b>	<b>\$7,341</b>	<b>\$7,357</b>	<b>\$7,175</b>
<b>Difference between Target and FY 2015 Estimated Appropriations:</b>			<b>\$347</b>	<b>\$363</b>	<b>\$181</b>

**\*Note about Medicaid Funding:** Many newsletters from legislators to constituents have mentioned the need to increase Medicaid state contribution by \$209 million for FY 2016. However, the House Republican Budget targets proposed two weeks ago reduce the target in the Health and Human Services budget area by over \$50 million compared to FY 2015 appropriations, rather than increasing by over \$200. We find that curious. Perhaps there is more of the “new revenue,” even by the House Republican calculations, than previously anticipated.

### This Week’s Legislative Action

**HSB 240 Per Pupil Equity:** this bill allows districts with DCPD below the state max (\$6,451) to use cash reserve to fund the difference (as much as \$175 per pupil), beginning in the FY 2016 school year. The bill prohibits a district from levying more dollars in a year that the budget adjustment is claimed compared to FY 2015 base year levy. The subcommittee of Reps. Forristall, Nun and Gaskill unanimously approved the bill with amendment to limited duration, likely a 3-year sunset. The bill is in the full House Ways and Means Committee. With many districts having filled cash reserves and restored solvency ratios beyond the levels prior to the ATB cuts in 2010, we anticipate most districts will be able to maintain their cash reserve levy at the FY 2015 level or fund the budget adjustment with cash, without having to replenish the cash reserve in the three year time period. RSAI is registered in favor of this bill.

**SF 493 and HF 658 Education Appropriations:** These bills include the line-item appropriations for the Department of Education, Community Colleges, Regents Institutions, College Student Aid Commission and Department for the Blind. RSAI is registered in favor of SF 493 and opposed to HF 658. Of particular interest to PK-12 schools:

Line Item Area	House	Senate	Notes
High Needs Schools	\$10 million beginning July 1, 2016	\$10 million beginning July 1, 2015	Governor’s budget funds July 1, 2015
TLC Grants/Student Achievement and Teacher Quality	Cuts Mentoring and Induction by \$2.3M. Includes \$1.0 M to AEAs	Cuts Mentoring and Induction by \$802K and includes \$1.0M to AEAs	Both budget fully fund year two of TLC grants
Successful Progression of early Readers	Level Funding at \$8.0 million	Increases funding to \$9.5 million	
Early Warning System for Literacy	\$2.0 million	\$2.0 million	
AEA funding for Core Implementation	0	Continues \$1.0 million	
Early Childhood Iowa	Status quo funding level	Status quo funding level	
ELL Pilot	\$500,000 to continue it	\$500,000 to continue it	
8 <sup>th</sup> Grade Career Planning	No funding	\$600,000 to support plan	

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Iowa Academic Standards Support: social studies/sci	No funding	\$1.5M new appropriation	\$1.5M in Governor's Rec too
Dropout Prevention Flexibility Language	Included	Included	
PK flexibility language	Included	Included	
ELL weighting for PK		Included	
Ell weighting for up to 7 years		Included	
Petition to take school board appointment to election		Included	
Interim Committee to study per pupil inequities including transportation		Included	Report due Dec. 14, 2015

**HF 646 PPEL Flexibility for Transportation Repair:** This bill allows school districts to use PPEL funds to repair or maintain transportation equipment if the costs of the repair for a unit of equipment exceed \$2,500, beginning July 1, 2015. The bill was approved unanimously by the Senate Ways and Means Committee, eligible for debate on May 5. RSAI supports.

**SF 485 PPEL Rates:** This bill allows a school's PPEL to exceed the levy rate maximum if the board has refunded or refinanced a loan agreement and that results in a lower amount of interest paid. There are provisions which limit the rate and require to rate exception to terminate when the loan matures. Approved by House Ways and Means unanimously. RSAI supports.

### ***Have a great weekend!***

We will report further action when it happens. In the meantime, keep advocating for the students in your schools! RSAI Professional Advocate, [Margaret.buckton@isfis.net](mailto:Margaret.buckton@isfis.net) 515.201.3755

### **RSAI Leadership Group**

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