



RSAI 2015 Legislative Priorities and Position Papers



About RSAI

The Rural School Advocates of Iowa began our advocacy journey in January, 2013, forming a new organization with the specific charge to collaborate and promote legislation that strengthens rural education for students, by building a voice for students and educators in Iowa. RSAI advocates for students in rural schools to assure a fair, equal and quality education.

RSAI is comprised of four quadrants of the state, known as the SE, SW, NE and NW regions. Each elects a representative to the RSAI Leadership Group and to the RSAI Legislative Group.

Visit the RSAI home page to find out more: www.rsaia.org

RSAI Leadership Group and Expiration of Term

SE Brad Breon, Moravia/Seymour, Superintendent, brad.breon@rsaia.org (Sept. 2017)

SW Gregg Cruickshank, Sidney/South Page, Superintendent, gregg.cruickshank@rsaia.org (Sept 2016)

NE Lee Ann Grimley, Springville, Board President, leeann.grimley@rsaia.org (Sept. 2015)

NW Robert Olson, Clarion-Goldfield/Dows, Superintendent, robert.olson@rsaia.org (Sept. 2017)

*Joel Davis, Coon-Rapids-Bayard, Board President, joel.davis@rsaia.org At-large two year (Sept 2015)

*Kevin Fiene, I-35, Superintendent, kevin.fiene@rsaia.org At-large three year (Sept 2017)

*Brian Rodenberg, Midland, Superintendent, brian.rodenberg@rsaia.org At-large three year (Sept. 2016)

RSAI Legislative Group (one year term) includes at large members above * plus:

SW - Jeff Hiser/Shenandoah Superintendent

NE – Nick Trencamp /Central Superintendent

SE - Tom Rembe/Seymour Board Member

NW – Scott Rinehart/Clay Central Everly Board Member, Chair, 2014 Legislative Group

Professional Advocate

Margaret Buckton, margaret.buckton@isfis.net



At the RSAI annual meeting, Oct. 25, 2014, members approved the following legislative priorities to guide advocacy during the 2015 Legislative Session:

Transportation Equity: Supports a mechanism that covers school transportation costs with state and/or local funding that does not unreasonably disadvantage property tax payers in property poor districts or compete with general funds otherwise spent on providing education to students.

PPEL Consistency: The repair of items allowed to be purchased with PPEL funds should also be an allowable PPEL fund expense.

Funding and Flexibility for At-risk Students: Resources for serving at-risk students should be based on need, such as the number/percentage of students eligible for Free and Reduced Price Lunch, rather than enrollment of the district. Districts should be given flexibility in determining the expenditure of at-risk resources to support students to graduate college/career ready for success.

State Supplemental Assistance 6%: RSAI supports a goal to get Iowa's investment in education to the national average. Iowa is now more than \$1,700 per pupil below the USA average level of expenditure. Funding per pupil for the 2015-16 school year must be determined ASAP as the 2015 Session convenes and set at an adequate level, no lower than 6%. Per Iowa law, funding for the 2016-17 school year must be set within 30 days of the Governor's budget announcement in the 2015 Session. RSAI supports a per pupil increase for 2016-17 no lower than 6%.

Operational Sharing Incentives: Opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs, should be maintained and expanded to provide additional capacity to school districts to improve educational outcomes for students.

State Penny for School Infrastructure Sunset: RSAI calls on the Iowa Legislature to repeal the sunset of the state penny for school infrastructure.



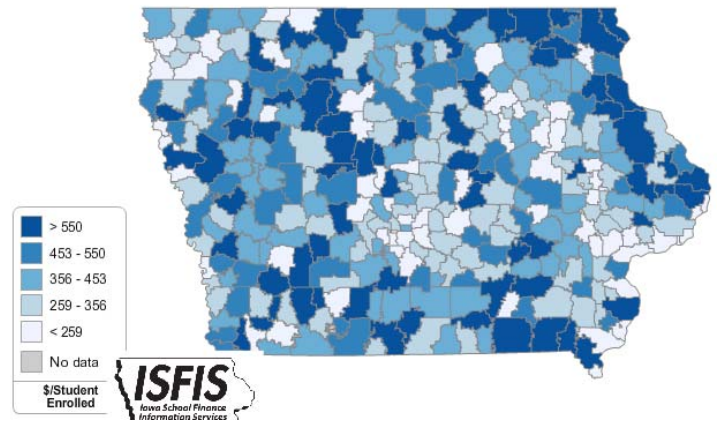
RSAI Position Paper

Transportation Equity: A 2015 Legislative Priority

Background: In the 1950s, Iowa had over 4,000 school districts. Students could walk to their neighborhood school and transportation costs were nonexistent for Iowa school districts. As budgets have tightened and enrollments continue to decline, Iowa now has 338 districts (in FY 2015) with varying square miles per pupil and hugely varying transportation costs.

Iowa's foundation formula does not recognize the sparseness of population, square mileage or route miles for school districts, or the number of students transported. As a result, districts with large transportation costs cover those costs out of the school general fund.

Current Reality: the following statistics describe current transportation inequities today.



- FY 2015 State cost per pupil is \$6,366. There are at least 36 Iowa school districts that require more than 10% of that cost per pupil for transportation.
- The range in transportation expenditures varies from a low of \$29.60 to a high of \$1,150.79 per student enrolled (FY 2013 Annual Transportation Report, Iowa DE)
- Property tax characteristics, including low valuation per pupil and higher tax rates, create challenges for districts with low tax capacity to pay for buses out of PPEL or Sales tax funds, further stressing the general fund budget. When district have larger transportation costs, both taxpayer and student inequity worsens.
- General fund dollars spent on busing would otherwise be available for staff and teachers (salary, benefits, training, and support), curriculum, programs, technology, and energy. Lack of resources in all of these areas creates an unequal educational opportunity for students in rural districts.

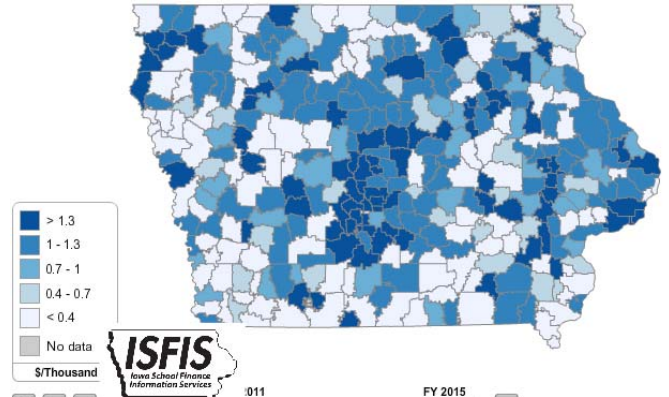
RSAI calls on the Iowa Legislature to address the issue of **Transportation Equity**: RSAI supports a mechanism that covers school transportation costs with state and/or local funding that does not unreasonably disadvantage property tax payers in property poor districts or compete with general funds otherwise spent on providing education to students.



RSAI Position Paper

PPEL Consistency: A 2015 Legislative Priority

Background: The Physical Plant and Equipment Levy (PPEL) consists of both the board approved PPEL up to 33 cents per \$1,000 tax rate or the voter approved PPEL up to \$1.34 per \$1,000 tax rate. The map indicates the variance in PPEL tax rates among Iowa school districts for FY 2015. The voter approved PPEL may also use income surtax rather than property tax as a source of funds based on board and ballot determination.



Iowa law allows the use of PPEL for repair of schoolhouses or buildings (298.3(f)(1) Iowa Code) but excludes repair of transportation or technology equipment allowed to be purchased by PPEL.

Current Reality:

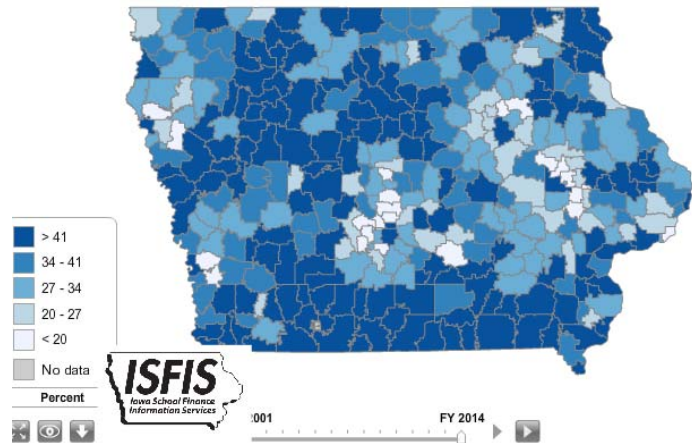
- School general fund dollars, which pay for staff and all the costs of education program, are the most stressed in today’s funding environment (see RSAI position papers on state supplemental assistance, transportation equity, and funding for at-risk students for additional information.)
- For rural school districts, lack of economies of scale and excessive transportation costs add further stress to the general fund.
- Since buses and computers may be purchased from PPEL, the inability to use PPEL for repairs creates an incentive to either delay repair or buy a new bus or computer with PPEL rather than use scarce general fund dollars for repair, even if the repair costs less.
- Treatment of repair for purchased equipment is not consistent with school facility use of PPEL for repair.

RSAI calls on the Iowa Legislature to address the issue of **PPEL Consistency**: The repair of items allowed to be purchased with PPEL funds should also be an allowable PPEL fund expense.



RSAI Position Paper Funding and Flexibility for At-Risk Students: A 2015 Legislative Priority

Background: Iowa has traditionally been a homogenous state with relatively low rates of poverty compared to the rest of the nation. In 2001, about 28% of students were eligible for Free and Reduced Lunch, with the lowest district percentage of eligibility at 4.2%. As such, Iowa's funding formula has little recognition of low income as a driver of at-risk student funding or programming. Dropout Prevention funding is based on total enrollment count, not the percentage of students at-risk. DoP funding is limited to 2.5% of the total regular program district cost or up to 5% of regular program district cost based on historical practice.



Current Reality:

- Free and Reduced Lunch eligible children now exceed 41% of school enrollment in 2013.
- Poverty is no longer concentrated in Iowa's urban centers but found throughout the state. Of the 73 school districts in FY 2013 with more than half of their students eligible for Free and Reduced price lunch, 56 are rural school districts.
- Iowa's funding for at-risk students and dropout prevention resources, combined with targeted grant funds for high-needs schools, translates into a 9.8% additional funding commitment for these students.
- Other states invest resources in educating needy students. The national average investment is an additional 29% funding beyond the base for low-income students.
- Students from low income families are more likely to begin school behind their peers academically, exhibit nonproficient literacy skills, especially in early elementary grades, and to fall further behind over summer breaks, unless schools have the resources, staff and programs to meet their needs.
- Current requirements for dropout prevention expenditures are very restrictive, not allowing school districts to truly engage in prevention for younger students at-risk of early and subsequent failure.

RSAI calls on the Iowa Legislature to address the issue of **Funding and Flexibility for At-risk Students:** Resources for serving at-risk students should be based on need, such as the number/percentage of students eligible for Free and Reduced Price Lunch, rather than enrollment of the district. Districts should be given flexibility in determining the expenditure of at-risk resources to support students to graduate college/career ready for success.

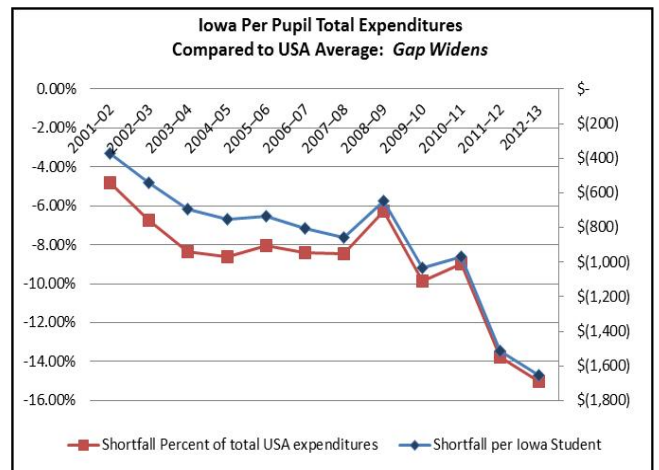


RSAI Position Paper State Supplemental Assistance: A 2015 Legislative Priority

Background: The Iowa Legislature annually determines the state cost per pupil. This action, formerly known as allowable growth, now known as state supplemental assistance, is considered the revenue to pay for the annual cost of doing business in Iowa schools. Iowa Code [Section 257.8](#) requires the decision on per pupil funding be enacted by the Legislature and Governor within 30 days of the release of the Governor’s budget in the year prior to the budget year. This gives school districts time to plan budgets, set reasonable tax rates, and bargain salaries with staff. In recent years, during and since the great recession, Iowa’s state cost per pupil has experienced record low increases, falling far short of the cost increase of delivering a good education. The state cost per pupil was not set during the 2014 Legislative Session for the 2015-16 school year as required by Iowa law.

Current Reality:

- Iowa total expenditures per pupil continue to fall compared to the rest of the nation. The newest data reported in the [LSA FACTBOOK](#) shows continuation of that downward trend. Although Iowa maintained its 37th in the nation ranking for the 2012-13 school year, Iowa per pupil expenditures continued its downward trend, falling to \$1,657 below the national average.
- This shortfall is a full 15.0% below the US average despite that fact that Iowa’s per capita personal income is above the national average.
- The costs of staff salaries and benefits continue to rise, as do the costs of curriculum, textbooks, utilities, transportation and supplies.
- Additional requirements demand more resources: early literacy efforts, summer school, before and after school programs, needy school populations, increasing STEM program, implementation of higher expectations through the Iowa Core and the goal to graduate every student college or career ready for a successful future.
- Since Iowa’s funding formula is based on enrollment, those districts with fewer students than the prior year are doubly challenged to provide great programs and supports for teachers and schools in this budget challenged environment.



RSAI calls on the Iowa Legislature to quickly set the 2015-16 cost per pupil, **State Supplemental Assistance, at 6%:** RSAI supports a goal to get Iowa’s investment in education to the national average. Iowa is now \$1,657 per pupil below the USA average level of expenditure. Funding per pupil for the 2015-16 school year must be determined ASAP as the 2015 Session convenes and set at an adequate level, no lower than 6%. Per Iowa law, funding for the 2016-17 school year must be set within 30 days of the Governor’s budget announcement in the 2015 Session. RSAI supports a per pupil increase for 2016-17 no lower than 6%.



RSAI Position Paper

Operational Sharing Incentives: A 2015 Legislative Priority

Background: Operational sharing incentives were extended during the 2014 legislative session. Changes were made to both the positions covered and the amount of funding received by districts. School Counselors and Curriculum Directors were added to the positions covered. Funding was changed from a per student amount to a fixed amount per position. The funding is a level amount for five years. The fixed amount per position is as follows: Superintendent - 8 students, Human Resources, Business Manager, Operations and Maintenance, and Transportation - 5 students, and Counselors and Curriculum Directors – 3 students. Total additional students generated per district cannot exceed 21.

Current Reality:

- Sharing incentives create the capacity for districts to discuss efficiencies that may not otherwise be politically viable. The incentives promote good working relationships with neighboring districts and help smaller districts continue to meet accreditation demands with limited general fund resources.
- The amount of weighting generated, especially for those positions generating 3 students, may not be sufficient to justify sharing.
- Since the time frame for sharing is only five years, it provides less incentive for a district to engage in sharing in years two through five since the incentive is limited to a shorter time period.
- Although district may share other positions, there are no incentives available for those positions.

RSAI calls on the Iowa Legislature to maintain a commitment to **Operational Sharing:** Opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs, should be maintained and expanded to provide additional capacity to school districts to improve educational outcomes for students.



RSIA Position Paper Repeal of the State Penny for School Infrastructure Sunset: A 2015 Legislative Priority

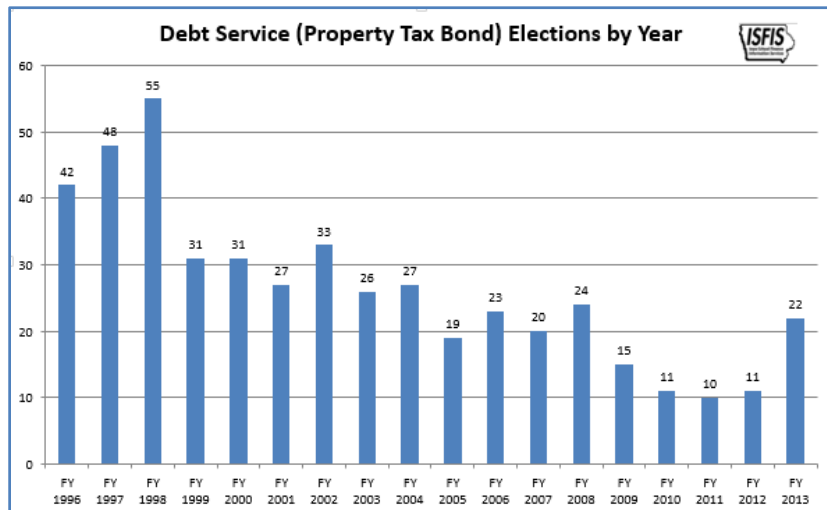
Background: When the State Penny for School Infrastructure was created in 2008, the legislation put in place a Dec. 31, 2029 sunset. That was a legitimate 20-year timeframe that matched the typical bonding period for property-tax backed construction projects. State penny has helped schools address the age-old problem of equity and adequacy for school facilities. Use of the local option tax from 1998-2008 and the state penny sales tax for school infrastructure since has:

- Funded technology expansions in districts (such as 1:1 initiatives)
- Elevated student learning (such as science labs in middle schools to support STEM)
- Resulted in fewer days lost due to extreme temps and returned saved energy dollars to the program
- Equalized infrastructure funding per student
- Reduced property taxes

Current Reality: Six years later, schools are starting to feel the pinch of a shortened bonding period:

- With only 14 years of bonding capacity, a shortened bonding stream has left approximately \$700 million dollars of borrowing capacity on the table, compared to a full 20-year period.
- With low interest rates and unmet needs, this is the wrong time to turn to property taxes rather than sales taxes to continue facilities repair and construction.
- Fallback will always be property taxes. Inequity in valuations means that some districts will utilize PPEL/Debt Service property taxes bearing no relationship to enrollment or need. Iowa will get right back into infrastructure mess we were in with inadequate facilities and unequal student resources.

History of the number of bond issues approved by voters annually proves the point: fewer bond issues have been passed every year since the start of the state penny, legislated in 2008. That track record will continue if the penny can be bonded against for the full 20 years. Absent that action, as the time frame shortens, the number of bond issues backed by property taxes will escalate, as FY 2013 activity demonstrates.



RSIA calls on the Iowa Legislature to **repeal the sunset of the state penny for school infrastructure.**



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