



## 2019 Legislative Session Begins RSAI Capital Recap Video

Jan. 18, 2019



SENATE/HOUSE

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**ISFIS, Inc.**  
Iowa School Finance Information Services

# THE STATE OF THE STATE BUDGET

# Revenue Estimates

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FY 2018 ended with \$127 million Surplus

REC set revenue estimates on Dec. 13:

- FY 2019 4.7%
- FY 2020 1.9% \$139.8 million new money (however, since there was a \$131 million pay back to the cash reserve in the FY 2019 budget, that frees will make it seem like new money is closer to \$270 million, which is closer to normal.)
- State's reserve funds (EEF and CRF) are full in FY 2019 and in Governor's Recommended Budget for FY 2020 and FY 2021

Impact of tax cuts:

- increases sales tax revenues due to expanded base (also increase state penny \$\$)
- decreases income tax revenues - For FY2019, the net fiscal impact is a loss of \$100.1 million. For FY 2020, another \$168.2 million will be off the table.





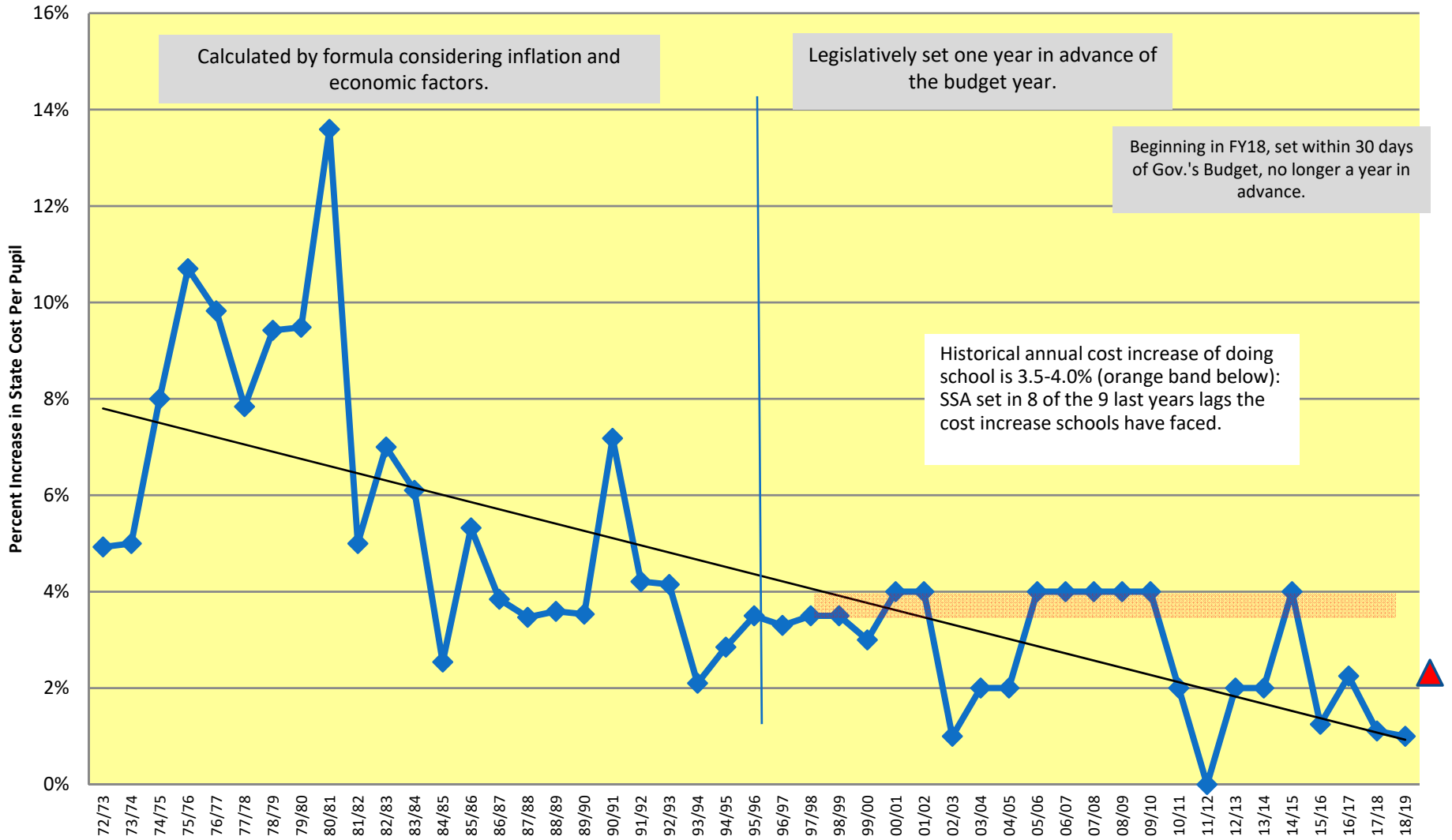
## **RSAI Priority: School Funding**

# School Funding

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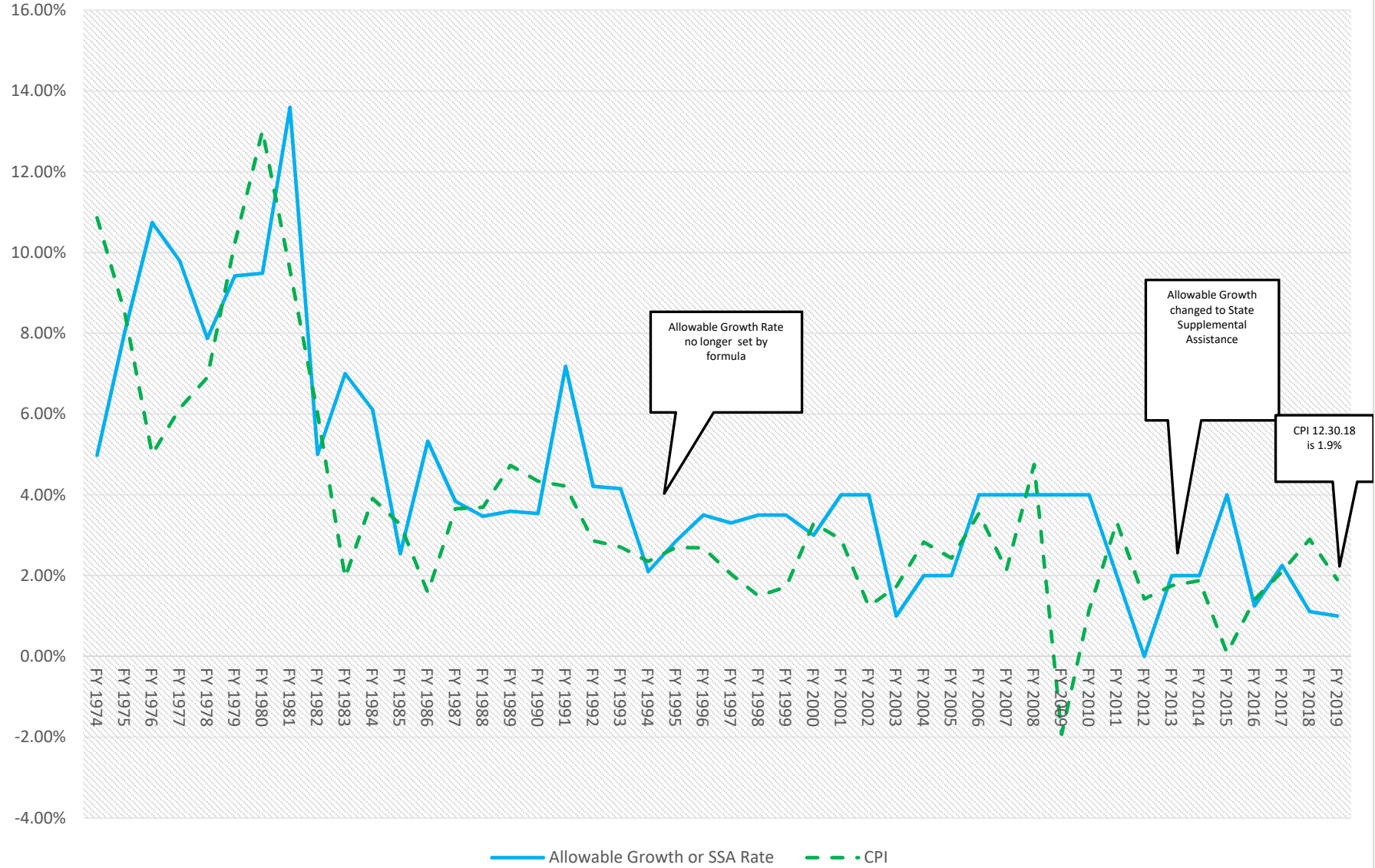
- ❖ Low revenue expected due to tax cuts, so don't expect the Legislature and Governor to buck the recent trends of SSA lower than your school's continued cost of doing business
- ❖ Governor's budget recommendation includes 2.3% increase in the per pupil cost. LSA Preliminary analysis estimates that costs the state \$89.6 million which continues the PTRP and continues the \$15 million cut to AEAs. Governor also includes \$11.2 million for transportation equity as a standing appropriation, which is more secure than last year's method.
- ❖ Although the Gov's Rec is \$222.2 million below the expenditure limitation, it would take unprecedented advocacy for the House and Senate to go above the Gov's Recommendation for school aid.
- ❖ They could also stick to the \$89.6 million number but lower the per pupil percentage increase and shift some funds into other areas.

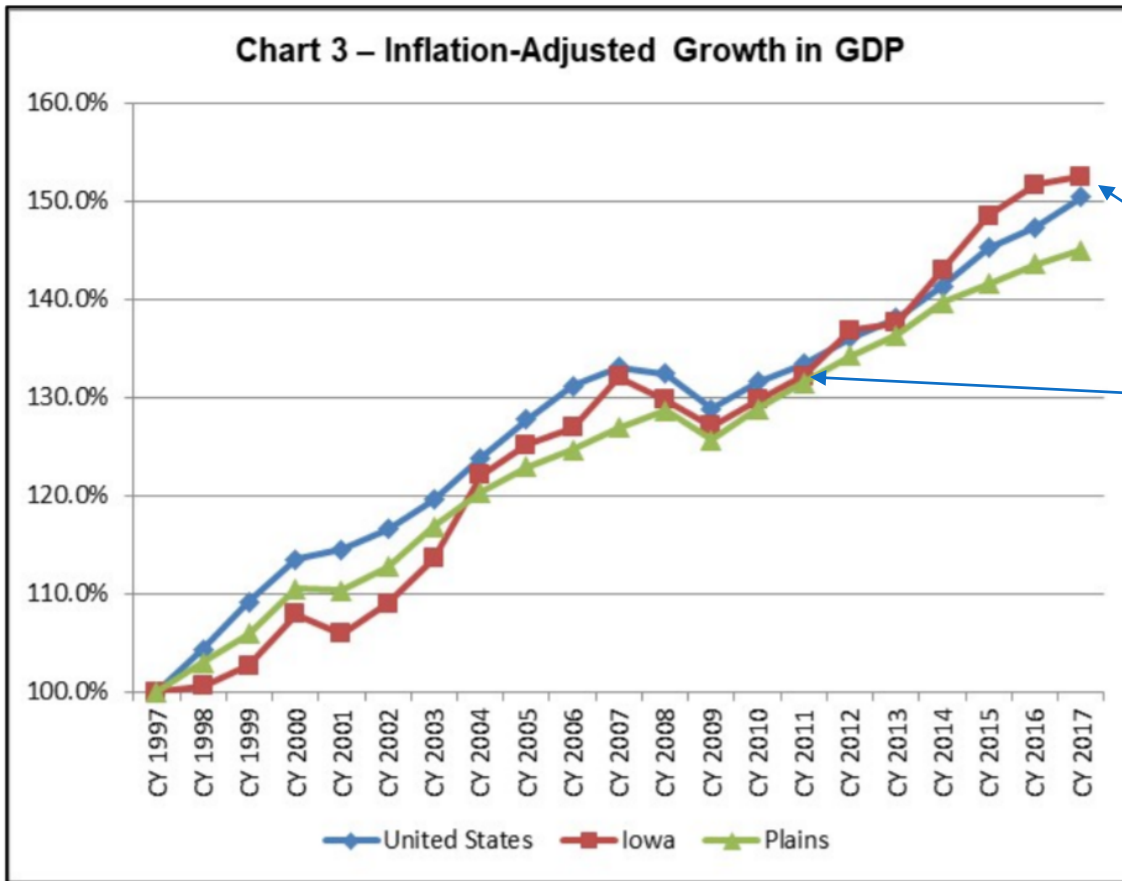
### Iowa State Cost Per Pupil Funding History



▲ Gov's 2.3% SSA recommendation would be second highest in 10 years.

History of Iowa Per Pupil State Supplemental Assistance/Allowable Growth and Consumer Price Index





<https://www.legis.iowa.gov/docs/publications/FTNO/966760.pdf>

About 20% Iowa GDP growth controlling for inflation from 2011 to 2017

“Chart 3 shows the relative inflation-adjusted growth in total GDP for Iowa, the plains states, and the nation. From CY 1997 through CY 2017, Iowa’s 52.4% growth leads the plains states’ 45.0% growth and the nation’s growth of 50.4% as a whole. Iowa surpassed the plains states beginning with CY 2004 and the nation beginning with CY 2014.”



# How big is \$765 million???

58 Cents/pp



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	\$	765,000,000	State aid over 8 years (true number)
minus	\$	90,000,000	property tax relief
minus	\$	85,700,000	state funding for 13,802 new students
minus	\$	159,000,000	Teacher Leadership Initiative
equals	\$	430,300,000	Net new money to the classroom
divided by		512,971	PK-12 enrollment
equals	\$	838.84	Dollars per student over 8 years
divided by 180 days	\$	4.66	Dollars per student per day of instruction over 8 years
divided by 8 equals	\$	0.58	annual increase dollars per student per day

# Advocacy on School Funding

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- ❖ Always, always, always talk about it. What has recent history meant for your district? For recruitment and retention? For opportunities for students? For preservation of a school in your community?
- ❖ Use RSAI resources – SSA position paper [Click here to download the position paper.](#)
- ❖ Talk less about the money and more about what it means for staff and students.
- ❖ What would you be able to do with more?



# Extend the State Penny

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- ❖ **The bill approved last year 95:3 in the House is the starting point.**
  - ❖ Rep. Dolecheck mentioned in House Education Committee on Wednesday, this is a priority. He also said the Senate wants some language on priority of expenditures, that safe entrances must be done before expenditure of state penny on athletic facilities.
  - ❖ HF 2481 was a compromise last year and included property tax relief, reverse referendum public input process and carve out for career academies. Those pieces are critical for bi-partisan and broad stakeholder support.

# Advocacy on State Penny

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- ❖ Contact your Senator and any new House Members. Remind both that the bill passed 95:3 in the House in 2018.
- ❖ Invite them into your buildings and show them what the penny has accomplished so far and what still needs to be done.
- ❖ Talk about property tax relief. Iowa's approved more than \$900 million in bond issues in the 2018 school year, many because they ran out of state penny bonding capacity. Also talk about school safety, CTE equipment and facilities, fine arts, computer science and STEM courses – all depend on up-to-date facilities, equipment and technology.
- ❖ Use RSAI resources – State Penny position paper [here](#).
- ❖ Talk less about the money and more about what it means for staff, students and taxpayers.



# Student Inequities and Needs

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## Formula and transportation inequities:

- Transportation differential is still the highest disparity on a per pupil enrolled basis. Last year's SF 455 started a process, but it's not secure enough for rural schools to count on.
- Gov's recommendation to create a standing appropriation is more dependable for school budgeting.
- \$170 difference in the district cost per pupil still requires attention. Senate's plan last year before the compromise would have created a 10-year phase in. Last year's \$5 per pupil was a down payment. There's work to do.



# Advocacy on Transportation and Formula Equity

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- ❖ Reach out to incumbents and thank them for last year's efforts. Educate new legislators on the two issues.
  - ❖ Talk about transportation costs that continue to increase as enrollment drops and district boundaries change.
  - ❖ Use RSAI resources – Transportation and Formula Equity [Click here to download the position paper](#)
  - ❖ Talk less about the money and more about what it means for staff, students and taxpayers.
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# Student Inequities and Needs

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**Student Mental Health:** Mental health reform set a structure in place, with unanimous legislative support. It did not include services for students or appropriate any funds.

Governor Reynolds appointed a task force to make recommendations on student mental health systems.

Her Condition of the State and Budget Recommendation show intention to address the issue this session.

Mental Health advocacy resources: [Click here to download the position paper.](#)



# Teacher Shortage and Quality Instruction

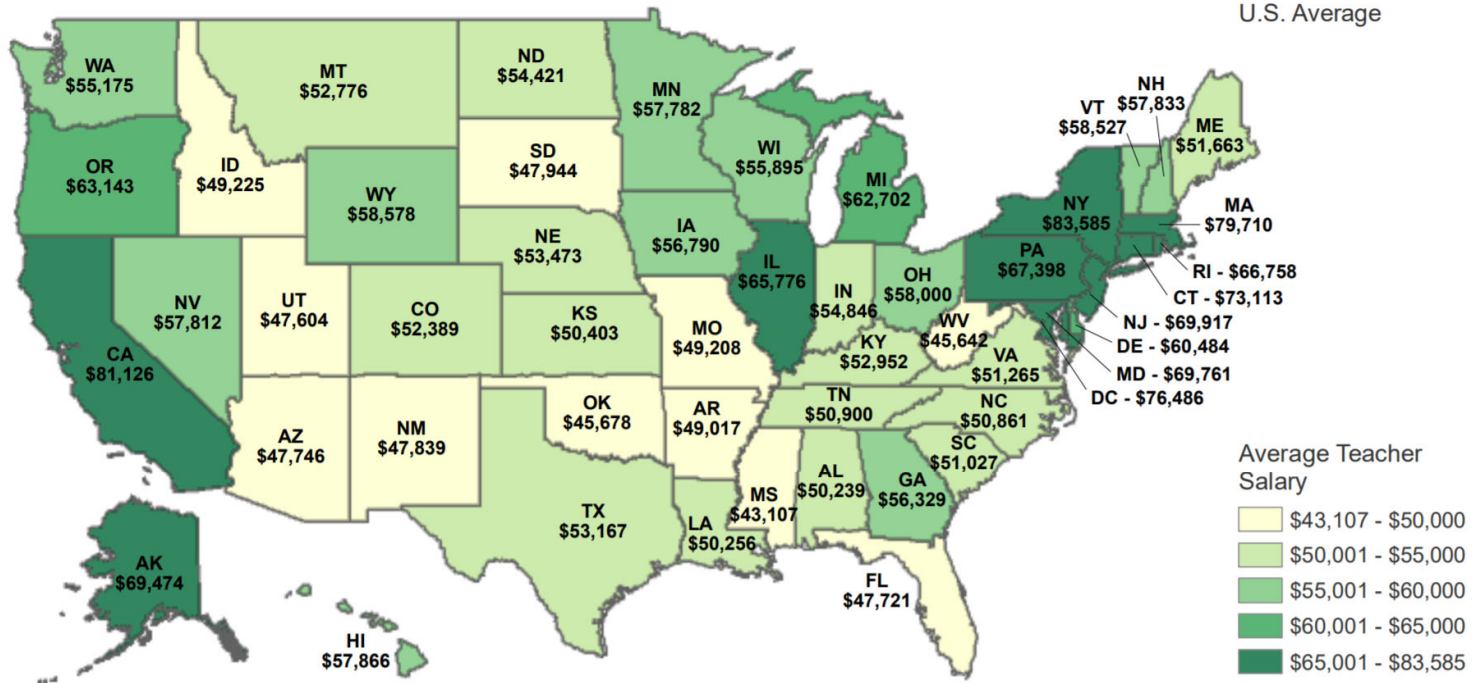
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Rural school districts require maximum flexibility to provide great instruction to all Iowa students. RSAI supports

- 1) district flexibility to meet offer and teach requirements ★ CTE courses allowed to count if <600 enrollment in SF 475 which also included on-line learning options for all districts
- 2) elimination of barriers to teacher licensure such as Praxis test requirements ★ Some progress in both chambers, but couldn't agree between them on the solution. Will try again in 2019.
- 3) Rep. Dolecheck mentioned this as a priority for the House Education Committee in their first meeting this week.

By State

**\$60,483**  
U.S. Average



Average Teacher Salary

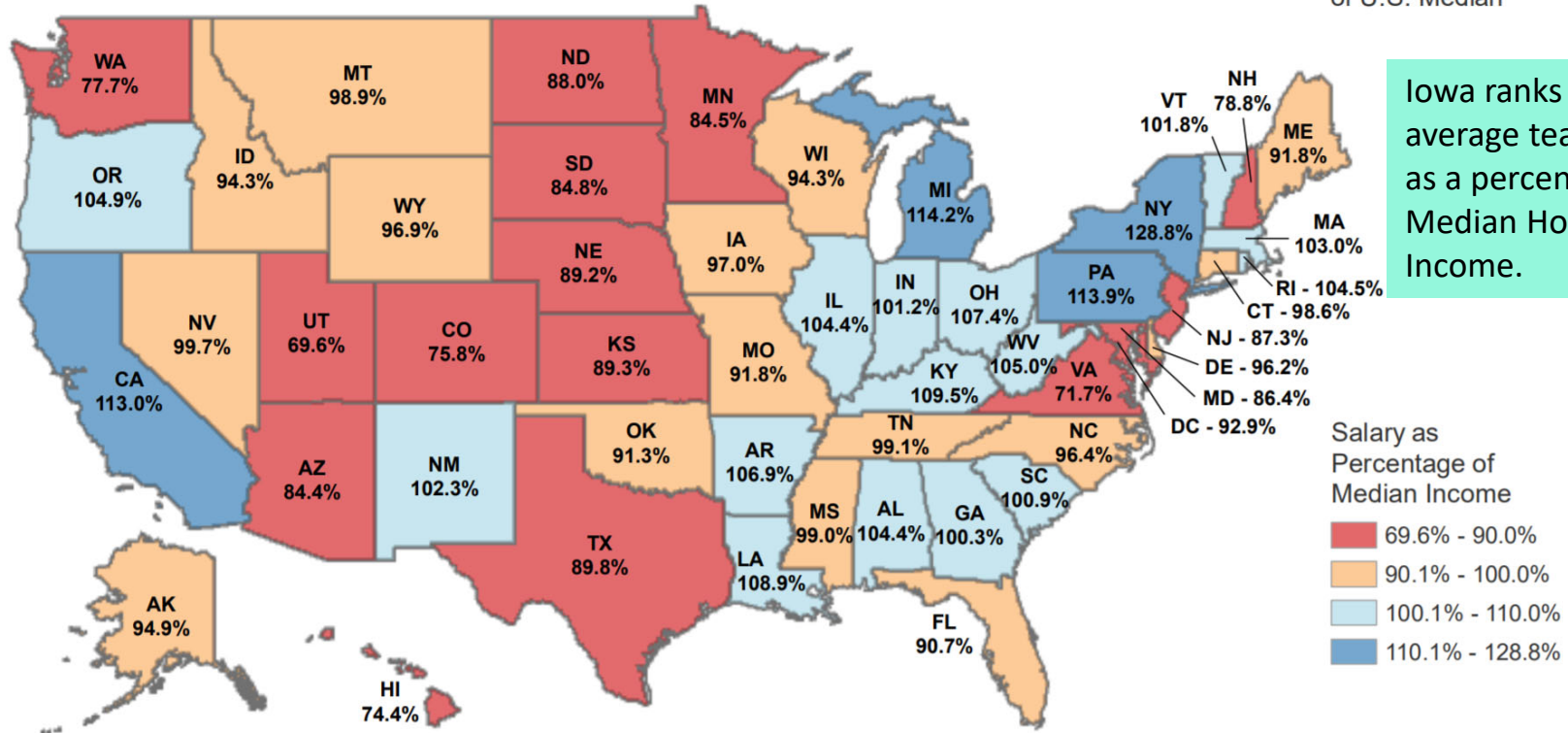
- \$43,107 - \$50,000
- \$50,001 - \$55,000
- \$55,001 - \$60,000
- \$60,001 - \$65,000
- \$65,001 - \$83,585

Iowa Ranks 22nd in Teacher Salary



As a Percentage of Median Household Income — 2017

**100.2%**  
of U.S. Median



Iowa ranks 25<sup>th</sup> in average teacher pay as a percentage of Median Household Income.

Salary as Percentage of Median Income

- 69.6% - 90.0%
- 90.1% - 100.0%
- 100.1% - 110.0%
- 110.1% - 128.8%

Note: National averages are calculated by the National Education Association. Percentages are calculated by dividing average teacher salary by the state's median household income.

Source: National Education Association, Rankings and Estimates – 2018; U.S. Census Bureau 2017 American Community Survey 1-Year Estimate; LSA calculations  
LSA Staff Contact: Michael Guanci (515.729.7755) [michael.guanci@legis.iowa.gov](mailto:michael.guanci@legis.iowa.gov)



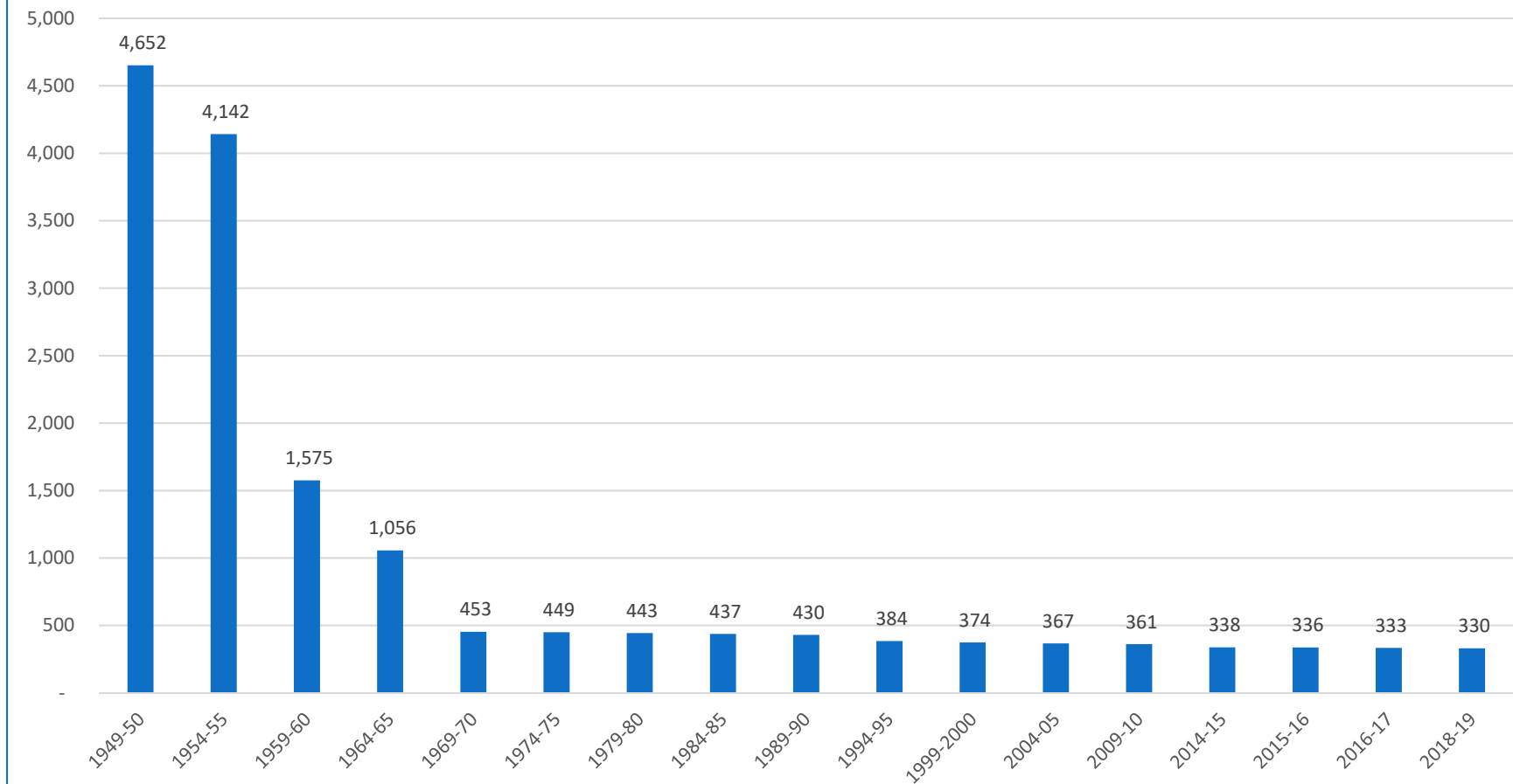


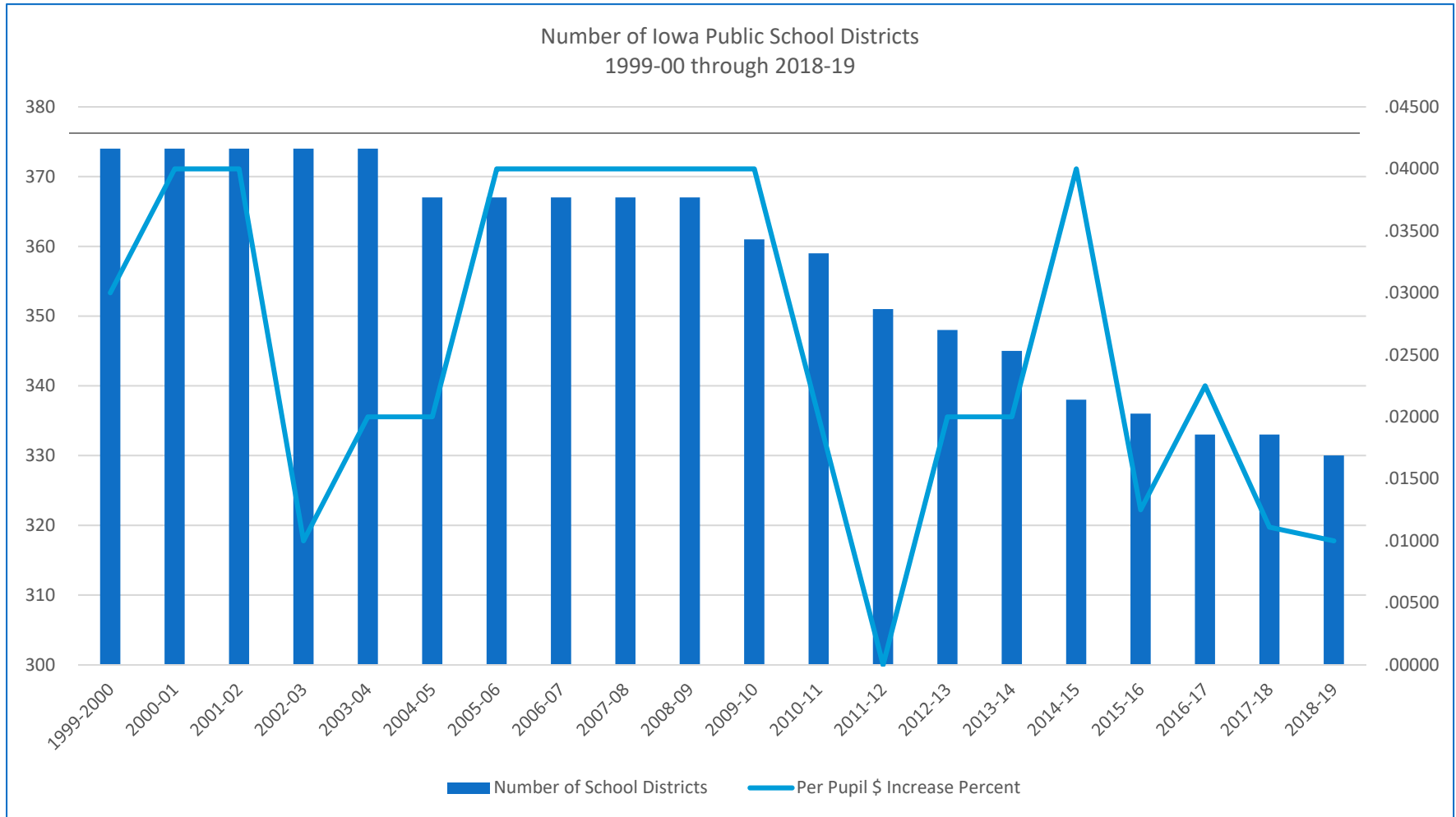
# Sharing Incentives

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- Will need to work on Reorg and WGS extension this year, since those incentives expire in 2020.
- Supplementary weighting for shared teachers also requires extension.
- A bill draft is expected to be release in the Senate Education Committee soon.
- Tell your own or a neighboring district's story. How long do sharing and reorganization conversations take to unfold harmoniously? What is your history? How have these incentives helped to overcome barriers in the past?

Number of Iowa Public School Districts  
1949-50 to 2018-19






Note: 2 years after low AG or SSA, drop in number of districts

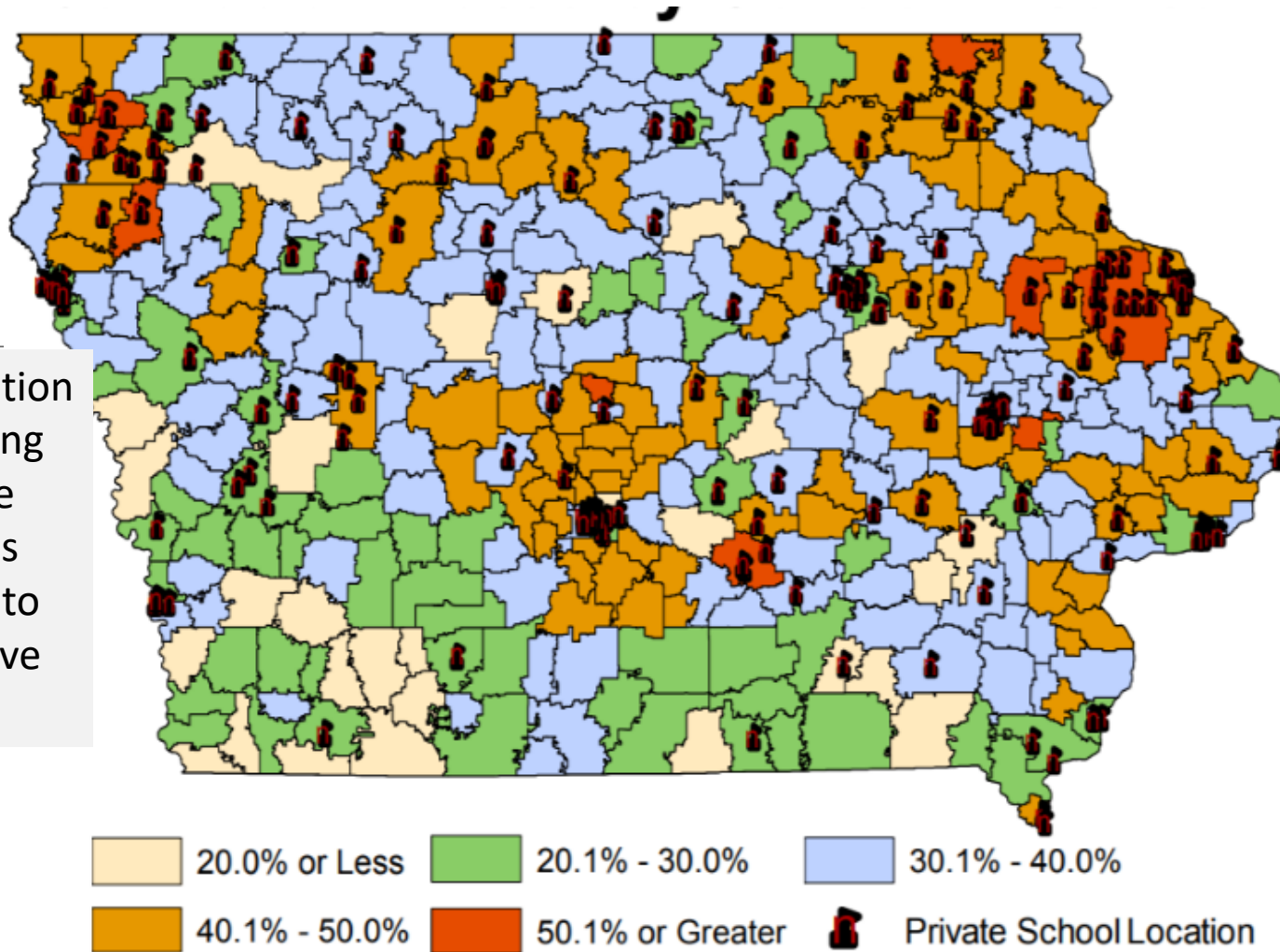


# School Choice Defense

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- Bills for ESA's/vouchers in 2018 Session did not advance but the tax bill did expand STOs to \$13 million, increased eligibility to 400% of FPL, and created 529 plan for tax free private school tuition
  - Nonpublic school and home school advocates are expert, adamant and very politically active.
  - Already more than \$60 million in state funding supports nonpublic and home school.
  - Public dollars require public accountability; advocate for a level playing field (testing accountability, serve all students, require all mandates, oversight on expenditures).
  - Consider vouchers as a shift of resources from rural to urban communities since few nonpublic schools exist in rural Iowa.
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Note location  
of existing  
private  
schools  
related to  
legislative  
seats



Map from Legislative tax Expenditure Committee  
DOR Report (in RSAI School Choice Position Paper)




# Advocacy Strategies

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- “Gentle persuasion applied relentlessly” – advocacy is not “one and done” but a constant steady effort to engage and educate. Include public school parents and business community in advocating for public schools.
- Share position papers, impact on your district, with staff, stakeholders and your legislators and invite legislators into your school. Access the RSAI School Choice position paper here [01.08.2019 School Choice Position Paper](#)

# Additional Advocacy Strategies

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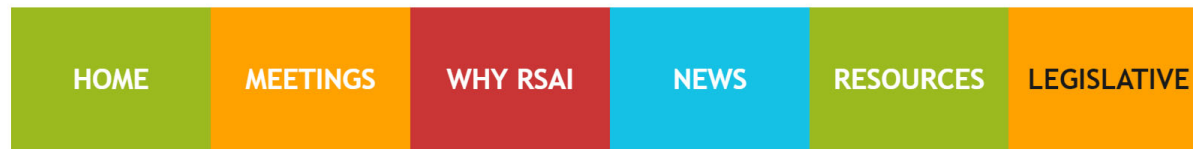
- Engage parents and the business community
  - Use the media – letters to the editor, coverage of school budget events, stories of changes in student needs, successes too – tell the good news.
  - Thank legislators for their work last session and offer to help them if you can.
  - Call RSAI for help!
  - Work together
- 



3 Legislators and 4 Sups

# Resources:

<http://www.rsaia.org/legislative.html>



## 2019 Legislative Session

[2018 Legislative Digest](#) | [2019 RSAI Issues Video](#)

### Weekly Update & Calls to Action:

- [Jan 16., 2019 Weekly Update](#)

### Advocacy Resources

- [01.08.2019 School Choice Position Paper](#)
- [2018 Legislative Summary PPT](#)
- [Annotated State Penny Proposal and Advocacy Actions](#)
- 11.30.18 [Updated State Penny Paper](#)
- 10.23.2017 [Sample SAVE Extension Letter](#)
- 8.21.17 [Final Draft of ESSA Plan](#)
- 5.26.16 [NREA Legislative Page for Federal Advocacy and Networking](#)
- 4.8.2016 [The Facts about Education Funding](#)
- 3.30.16 [Education Coalition Fact: Set the 2018 State Cost per Pupil](#)
- 2.23.2016 [Education Funding and the Cost of Doing Business](#)

# Questions or Comments?

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