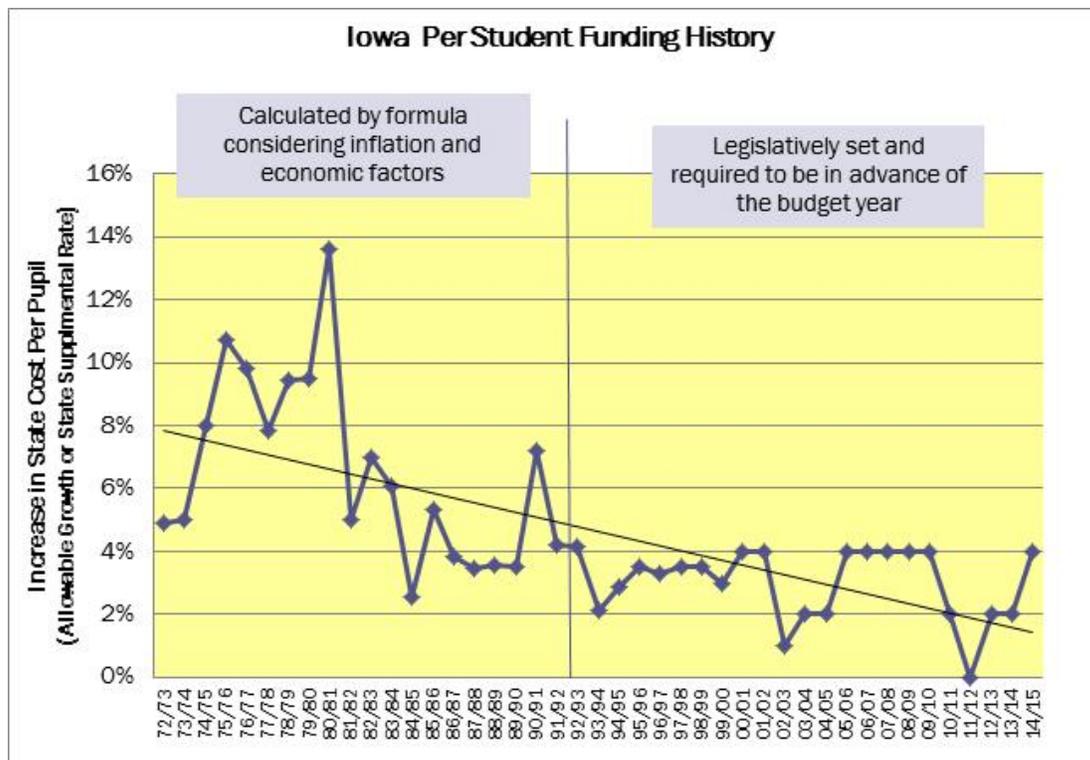


Our Children, Our Future



Education Fact of the Week: Iowa's Per Pupil Funding is Plummeting

Iowa's commitment to increase education funding per pupil has plummeted, as evidenced by the history below, especially since 1993 when the legislature started setting the rate each year rather than an automatic increase based on economic and inflationary factors. In several recent years, schools experienced record low increases per pupil that have not kept pace with cost increases of running the school.



Two facts evidence the support this negative impact on Iowa education in recent years:

- Iowa's percent change in spending per student, inflation-adjusted, from FY 2008 through FY 2014, is down \$641 per student. Thirty-seven states have managed to do better for their schools and students despite a recovery from the recession less robust than Iowa has experienced. (Source: Center on Budget and Policy Priorities, May 20, 2014, "Most States Funding Schools Less Than Before the Recession," <http://www.cbpp.org/cms/?fa=view&id=4011>)
- Currently Iowa ranks 35th in the nation in educational funding per student, which is \$1,612 below the national average (<http://www.nea.org/assets/docs/NEA-Rankings-and-Estimates-2013-2014.pdf>). Iowa's relative investment in students has fallen since 2001-02.

The rate of this growth is important. Take a look at these scenarios, which assume an increase in district costs of 3.5%.

2% Growth Rate						
District	Budget Enrollment FY 2015	3.5% Estimated Cost Increase	Regular Program Increase	Budget Guarantee Amount	Property Tax Rate for Guarantee	Required Cuts
Bedford	470.2	\$107,388	(\$21,066)			\$128,454
Red Oak	1,166.5	\$261,124	\$39,507	\$169,601	0.4723	\$221,617
Hinton	546.6	\$121,788	\$34,797	\$150,430	0.7828	\$86,991
Sioux City	14,132.2	\$3,148,795	\$3,089,494			\$59,301
Lewis Central	2,549.7	\$568,099	\$388,093			\$180,006
Council Bluffs	8,995.9	\$2,026,102	\$1,835,426			\$109,676

The Education Coalition calls on our Legislature and Governor to prioritize the education of Iowa children and set a 6% growth rate per student for the 2015-16 school year. Setting the 2015-16 per pupil rate needs to be done very quickly. The 2016-17 rate should be set within 30 days of the release of the Governor's budget, returning to the practice required in Iowa law (Iowa Code 257.8). Setting the rate in advance demonstrates the priority of education, as explained by this Cedar Rapids Gazette Opinion, Feb. 6, 2014 <http://thegazette.com/2014/02/06/lawmakers-should-follow-laws/#ixzz2segdgF38>

"The not quite 20-year-old state law directs the Legislature to set state per-pupil funding

two years in advance, and within 30 days of receiving a governor's budget. The goals are pretty simple. Make school funding a top priority, give school districts ample time to plan ahead and make it less likely that critical school bucks will get tangled up in all the budgetary horse-trading that happens late in a session."

Unfortunately, recent departures from the requirements of Iowa Code 257.8 have become the norm. Note the following instances in which the cost per pupil hasn't been set timely as required by Iowa law:

- FY 2003, originally set at 4% timely, but lowered to 1% on 3/28/02
- FY 2012, the FY 2011 rate remained unchanged due to no Legislative Action
- FY 2013, the 2% increase was enacted 7/27/2011, providing 13 months' notice
- FY 2014, the 2% increase was enacted 6/3/2013, less than one month before the fiscal year took effect
- FY 2015, the 4% increase was enacted 6/3/2013, providing almost 13 months' notice.

Source: School Finance Overview Presentation to the Dec. 15, 2014 School Finance Interim Committee <https://www.legis.iowa.gov/docs/publications/IH/545215.pdf>

Schools need sufficient notice to anticipate revenue, make timely staffing decisions and thoughtfully plan to invest the funds wisely for student learning. The future of Iowa's students and our state's continued success depend on a solid investment in the priority of public education.

Brought to you by the joint efforts of Iowa Association of School Boards, School Administrators of Iowa, Iowa Area Education Agencies, Iowa State Education Association, the Rural Schools Advocates of Iowa, and the Urban Education Network of Iowa in support of adequate and timely school funding.



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